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of America

PROCEEDINGS AND DEBATES OF THE 93d CONGRESS, SECOND SESSION

HOUSE OF REPRESENTATIVES—*Monday, June 17, 1974*

The House met at 12 o'clock noon.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

Unto thee, O Lord, do I lift up my soul. Let integrity and uprightness preserve me; for I wait on Thee.—Psalm 25: 1, 12.

"Lord of all being, throned afar,
Thy glory flames from sun and star;
Center and soul of every sphere,
Yet to each living heart how near."

Our Father God, we pray that Thy blessing may rest upon the Members of this House of Representatives helping them to make decisions wisely and justly for the welfare of our people. Grant that they may so live their lives and so do their work that they may bring good to others, honor to Thee, and respect to themselves.

Be with our President, our Speaker, and those who work in the executive, the judicial, and the legislative branches of our Government. May the light of Thy presence glow in the hearts of all our leaders enabling them to be loyal to the truth, to obey Thy Commandments, and to discharge their duties for the benefit of all mankind.

Surely goodness and mercy shall follow us all the days of our lives and we will dwell in Thy presence forever. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1961. An act for the relief of Mildred Christine Ford;

H.R. 2514. An act for the relief of Mrs. Gavina A. Palacay;

H.R. 5477. An act for the relief of Charito Fernandez Bautista; and

H.R. 7685. An act for the relief of Giuseppe Greco.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 2537. An act for the relief of Lidia Myslinska Bokosky;

H.R. 4590. An act for the relief of Melissa Catambay Gutierrez;

H.R. 5667. An act for the relief of Linda Julie Dickson (nee Waters);

H.R. 11143. An act to redesignate the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped as the Committee for Purchases From the Blind and Other Severely Handicapped, to authorize the appropriation of funds for such committee for fiscal year 1974 and succeeding fiscal years, and for other purposes; and

H.R. 11221. An act to provide full deposit insurance for public units and to increase deposit insurance from $20,000 to $50,000.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 11221) entitled "An act to provide full deposit insurance for public units and to increase deposit insurance from $20,000 to $50,000," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. SPARKMAN, Mr. MCINTYRE, Mr. PROXMIRE, Mr. WILLIAMS, Mr. BENNETT, Mr. TOWER, and Mr. BROCK to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 12412) entitled "An act to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa," agrees to the conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FULBRIGHT, Mr. SPARKMAN, Mr. MCGEE, Mr. HUMPHREY, Mr. AIKEN, Mr. CASE, and Mr. JAVITS to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 12799) entitled "An act to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, and for other purposes," agrees to the conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. FULBRIGHT, Mr. SPARKMAN, Mr. MUSKIE, Mr. HUMPHREY, Mr. AIKEN, Mr. CASE, and Mr. JAVITS to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3203) entitled "An act to amend the National Labor Relations Act to extend its coverage and protection to employees of nonprofit hospitals, and for other purposes," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. WILLIAMS, Mr. RANDOLPH, Mr. PELL, Mr. NELSON, Mr. EAGLETON, Mr. HUGHES, Mr. HATHAWAY, Mr. CRANSTON, Mr. JAVITS, Mr. SCHWEIKER, Mr. TAFT, Mr. STAFFORD, and Mr. DOMINICK to be the conferees on the part of the Senate.

The message also announced that the Senate had passed bills and a joint resolution of the following titles, in which the concurrence of the House is requested:

S. 585. An act to amend section 303 of the Communications Act of 1934 to require that radios be capable of receiving both amplitude modulated (AM) and frequency modulated (FM) broadcasts;

S. 864. An act for the relief of Victor Henrique Carlos Gibson;

S. 1412. An act to declare that certain federally owned lands are held by the United States in trust for the Sisseton-Wahpeton Sioux Tribe of the Lake Traverse Indian Reservation in North and South Dakota;

S. 1486. An act to regulate commerce by authorizing and establishing programs and activities to promote the export of American goods, products, and services and by increasing the recognition of international economic policy considerations in Federal decisionmaking and for other purposes;

S. 2382. An act for the relief of Caridad R. Balonan;

S. 2840. An act to authorize the Secretary of Commerce and the Secretary of the Treasury to conduct a study of foreign direct and portfolio investment in the United States, and for other purposes;

S. 3270. An act to amend the Defense Production Act of 1950, as amended; and

S.J. Res. 192. Joint resolution to grant the status of permanent residence to Ivy May Glockner formerly Ivy May Richmond nee Pond.

CONSENT CALENDAR

The SPEAKER. This is Consent Calendar Day. The Clerk will call the bill on the Consent Calendar.

WAIVER OF FEDERAL GOVERNMENT CLAIMS REGARDING CERTAIN ERRONEOUS PAYMENTS TO LEGISLATIVE BRANCH PERSONNEL

The Clerk called the Senate bill (S. 1803) to authorize the waiver of claims of the United States arising out of erroneous payments of pay and allowances to certain officers and employees of the legislative branch.

There being no objection, the Clerk read the Senate bill, as follows:

S. 1803

An act to authorize the waiver of claims of the United States arising out of erroneous payments of pay and allowances to certain officers and employees of the legislative branch

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5584 of title 5, United States Code, is amended as follows:

(1) Strike out "executive" wherever it appears in such section.

(2) In subsection (b) (2)—

(A) immediately after "(2)" insert the following: "except in the case of employees of the Government Printing Office, the Library of Congress, the Office of the Architect of the Capitol, or the Botanic Garden,"; and

(B) strike out "or" at the end thereof.

(3) In subsection (b) (3)—

(A) immediately after "(3)" insert the following: "except in the case of employees of the Government Printing Office, the Library of Congress, the Office of the Architect of the Capitol, or the Botanic Garden,"; and

(B) strike out the period at the end thereof and insert in lieu thereof a semicolon and the word "or".

(4) At the end of subsection (b), add the following new clause:

"(4) in the case of employees of the Government Printing Office, the Library of Congress, the Office of the Architect of the Capitol, or the Botanic Garden, if application for waiver is received in his office after the expiration of 3 years immediately following the date on which the erroneous payment of pay or allowances was discovered or 3 years following the date on which this clause (4) is enacted into law, whichever is later."

(5) At the end of the section, add the following new subsection:

"(g) For the purpose of this section 'agency' means—

"(1) an Executive agency;

"(2) the Government Printing Office;

"(3) the Library of Congress;

"(4) the Office of the Architect of the Capitol; and

"(5) the Botanic Garden.".

SEC. 2. (a) A claim of the United States against a person arising out of an erroneous payment of any pay or allowance, other than travel and transportation expenses and allowances, on or after the date of enactment of this Act, to the Vice President, a Senator, or an officer or employee whose pay is disbursed by the Secretary of the Senate, the collection of which would be against equity and good conscience and not in the best interests of the United States, may be waived in whole or in part by the Secretary of the Senate, if the claim is not the subject of an exception made by the Comptroller General in the account of any accountable officer or official. Claims for waiver shall be investigated by the Financial Clerk of the Senate who shall submit a written report of his investigation to the Secretary of the Senate. Claims for waiver of amounts in excess of $500 shall also be investigated by the Comptroller General of the United States who shall submit a written report of his investigation to the Secretary of the Senate.

(b) The Secretary of the Senate may not exercise his authority under this section to waive any claim—

(1) if, in his opinion, there exists, in connection with the claim, an indication of fraud, misrepresentation, fault, or lack of good faith on the part of the Vice President, the Senator, or such officer or employee or any other person having an interest in obtaining a waiver of the claim; or

(2) if the application for waiver is received in his office after the expiration of 3 years immediately following the date on which the erroneous payment of pay was discovered.

(c) In the audit and settlement of accounts of any accountable officer or officials, full credit shall be given for any amounts with respect to which collection by the United States is waived under this section.

(d) An erroneous payment, the collection of which is waived under this section, is considered a valid payment for all purposes.

(e) This section does not affect any authority under any other law to litigate, settle, compromise, or waive any claim of the United States.

(f) The Secretary of the Senate shall promulgate rules and regulations to carry out the provisions of this section.

With the following committee amendment:

Strike out all after the enacting clause and insert in lieu thereof the following:

That section 5584 of title 5, United States Code, is amended as follows:

(1) Strike out "executive" wherever it appears in such section.

(2) In subsection (b) (2)—

(A) immediately after "(2)" insert the following: "except in the case of employees of the Government Printing Office, the Library of Congress, the Office of the Architect of the Capitol, or the Botanic Garden,"; and

(B) strike out "or" at the end thereof.

(3) In subsection (b) (3)—

(A) immediately after "(3)" insert the following: "except in the case of employees of the Government Printing Office, the Library of Congress, the Office of the Architect of the Capitol, or the Botanic Garden,"; and

(B) strike out "the effective date of the amendment authorizing the waiver of allowances, whichever is later." and insert in lieu thereof "October 2, 1972, whichever is later; or".

(4) At the end of subsection (b), add the following new clause:

"(4) in the case of employees of the Government Printing Office, the Library of Congress, the Office of the Architect of the Capitol, or the Botanic Garden, if application for waiver is received in his office after the expiration of 3 years immediately following the date on which the erroneous payment of pay or allowances was discovered or 3 years immediately following the date on which this clause (4) is enacted into law, whichever is later."

(5) At the end of the section, add the following new subsection:

"(g) For the purpose of this section, 'agency' means—

"(1) an Executive agency;

"(2) the Government Printing Office;

"(3) the Library of Congress;

"(4) the Office of the Architect of the Capitol; and

"(5) the Botanic Garden.".

SEC. 2. (a) A claim of the United States against a person arising out of an erroneous payment of any pay or allowances, other than travel and transportation expenses and allowances, on or after the date of enactment of this Act, to the Vice President, a Senator, or to an officer or employee whose pay is disbursed by the Secretary of the Senate, the collection of which would be against equity and good conscience and not in the best interests of the United States, may be waived in whole or in part by the Secretary of the Senate, if the claim is not the subject of an exception made by the Comptroller General in the account of any accountable officer or official. An application for waiver shall be investigated by the Financial Clerk of the Senate who shall submit a written report of his investigation to the Secretary of the Senate. An application for waiver of a claim in an amount aggregating more than $500 shall also be investigated by the Comptroller General of the United States who shall submit a written report of his investigation to the Secretary of the Senate.

(b) The Secretary of the Senate may not exercise his authority under this section to waive any claim—

(1) if, in his opinion, there exists, in connection with the claim, an indication of fraud, misrepresentation, fault, or lack of good faith on the part of the Vice President, the Senator, the officer or employee, or any other person having an interest in obtaining a waiver of the claim; or

(2) if the application for waiver is received in his office after the expiration of 3 years immediately following the date on which the erroneous payment of pay or allowances was discovered.

(c) In the audit and settlement of accounts of any accountable officer or official, full credit shall be given for any amounts with respect to which collection by the United States is waived under this section.

(d) An erroneous payment, the collection of which is waived under this section, is deemed a valid payment for all purposes.

(e) This section does not affect any authority under any other law to litigate, settle, compromise, or waive any claim of the United States.

(f) The Secretary of the Senate shall promulgate rules and regulations to carry out the provisions of this section.

SEC. 3. (a) A claim of the United States against a person arising out of an erroneous payment of any pay or allowances, other than travel and transportation expenses and allowances, on or after the date of enactment of this section, to an officer or employee whose pay is disbursed by the Clerk of the House of Representatives, the collection of which would be against equity and good conscience and not in the best interests of the United States, may be waived in whole or in part by the Speaker of the House, if the claim is not the subject of an exception made by the Comptroller General in the account of any accountable officer or official.

(b) An application for waiver of a claim shall be investigated by the Clerk of the House of Representatives who shall submit a written report of his investigation to the Speaker of the House.

(c) The Speaker of the House may not exercise his authority under this section to waive any claim—

(1) if, in his opinion, there exists, in connection with the claim, an indication of fraud, misrepresentation, fault, or lack of good faith on the part of the officer or employee or any other person having an interest in obtaining a waiver of the claim; or

(2) if the application for waiver is received in his office after the expiration of 3 years immediately following the date on which the erroneous payment of pay or allowances was discovered.

(d) In the audit and settlement of the accounts of any accountable officer or official, full credit shall be given for any amounts with respect to which collection by the United States is waived under this section.

(e) An erroneous payment, the collection of which is waived under this section, is deemed a valid payment for all purposes.

(f) This section does not affect any authority under any other law to litigate, settle, compromise, or waive any claim of the United States.

(g) The Speaker of the House shall prescribe rules and regulations to carry out the provisions of this section.

The committee amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This being the only eligible bill on the Consent Calendar, this ends the call of the Consent Calendar.

PERMISSION FOR COMMITTEE ON BANKING AND CURRENCY TO FILE REPORTS ON H.R. 15361 AND H.R. 14903

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the Committee on Banking and Currency have until midnight tonight to file a report on H.R. 15361, to establish a program of community development block grants, to amend and extend laws relating to housing and urban development and for other purposes; and on H.R. 14903, to increase the availability of urgently needed mortgage credit for the financing of housing, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 14434, ENERGY RESEARCH AND DEVELOPMENT ACTIVITIES APPROPRIATIONS, FISCAL YEAR 1975

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 14434) making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi? The Chair hears none, and appoints the following conferees: Messrs. MAHON, WHITTEN, EVINS of Tennessee, BOLAND, STEED, SLACK, Mrs. HANSEN of Washington, Messrs. MCFALL, CEDERBERG, DAVIS of Wisconsin, ROBISON of New York, MCDADE, and RUTH.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 14434, ENERGY RESEARCH AND DEVELOPMENT APPROPRIATIONS

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on the bill (H.R. 14434) making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

MAKING IN ORDER CONSIDERATION OF CONFERENCE REPORT ON H.R. 14434, ENERGY RESEARCH AND DEVELOPMENT ACTIVITIES APPROPRIATIONS

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that it may be in order in the House on Wednesday, June 19, to consider the conference report on the bill H.R. 14434, making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

MORE POSTAL MISMANAGEMENT

(Mr. GROSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, the U.S. Postal Service is not at all bashful about asking Congress and the taxpayers to finance its mismanagement.

Back in July 1973, the Postal Service negotiated, if that is the word, a 2-year contract with four postal unions. Under the agreement the Postal Service is obligated to grant each of some 600,000 employees a $1,100 a year pay increase plus four cost-of-living increases. In addition, the Postal Service will pay the full cost of life insurance and 65 percent of health insurance. And there will be no layoffs or reductions in force during the term of the contract.

The cost of this package is projected by the Postmaster General at $1.4 billion for fiscal year 1975 and later years. The cost will be considerably higher because of the higher level of cost-of-living increases. In the first 9 months of the contract cost-of-living adjustments have already totaled $514 for each employee.

To pay for it, the Postal Service, in September 1973, proposed a postal rate increase and sent the proposal to the Postal Rate Commission. The Rate Commission did not act within 90 days, in fact it still has not acted, and so the Postal Service announced rates would be increased on a temporary basis on January 5, 1974.

But they failed to reckon with, or persuade, the Cost of Living Council which rejected the temporary rate increases and ordered the Postal Service to cut back the adjustments by $236 million.

In public hearings, Postal Service managers called the Cost of Living Council action a "political sham" and "the worst kind of hypocrisy."

But instead of living with the Cost of Living Council order as a fact of business life, the Postal Service demanded that Congress give them what the Council had denied them. And the Congress did just that. In the last supplemental it agreed to fork over $220 million to finance postal mismanagement.

FEASIBILITY STUDY FOR ESTABLISHMENT OF CERTAIN BIKE TRAILS

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, today I am reintroducing H.R. 11749 and H.R. 11750 to amend the National Scenic Trails System Act to authorize a feasibility study for the establishment of certain bike trails. This brings the total cosponsorship to 81 of these identical bills.

The routes suggested for study, among the most scenic and historic in the country, are:

Along U.S. Highway 1, extending approximately 2,450 miles from Kent, Maine, to Key West, Fla.;

Along U.S. Highway 30, extending approximately 3,350 miles from Atlantic City, N.J. to Astoria, Oreg.; and

Along U.S. Highway 101, extending approximately 1,530 miles from Olympia, Wash., to San Diego, Calif.

The Department of the Interior has already designated 46 national recreation trails in 22 States and the District of Columbia. States could take advantage of the $120 million appropriated in the 1973 Federal-Aid Highway Act to establish a network of State bicycle trails eventually interconnecting with federally sponsored trails envisioned in this legislation, resulting in a nationwide trails system.

Biking for recreation, sightseeing, exercise, and even commuting has been a major transportation mode in Europe for many years. I believe it is an "idea whose time has come" here in America. Last year, there were more bicycles sold than automobiles and the majority were sold to adults.

The House Interior Committee's Parks and Recreation Subcommittee had scheduled hearings on this legislation for June 18 in conjunction with the other bills affecting the National Scenic Trails Systems Act. Unfortunately, those hearings have been postponed to a yet unknown date because of the pressure of other legislation.

The significant interest in this legislation in the Congress attests to the popularity of biking today. I urge my colleagues to join with me in pressing for early hearings on these bills.

CALL OF THE HOUSE

Mr. CONTE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 296]

Abdnor
Ashley
Aspin
Badillo
Bingham
Blatnik
Brasco
Brown, Mich.
Broyhill, N.C.
Burke, Calif.
Carey, N.Y.
Chisholm
Clark
Clausen, Don H.
Cohen
Collier
Conyers
Corman
Cotter
Cronin
Daniels, Dominick V.
Davis, Ga.
Dellums
Dennis
Diggs
Dingell
Donohue
Dorn
Downing
Dulski
Eckhardt
Erlenborn
Esch
Fascell
Findley
Flynt
Fraser
Frey
Froehlich
Grasso
Gray
Green, Oreg.
Green, Pa.
Grover
Gunter
Guyer

Hansen, Wash.
Harrington
Harsha
Hastings
Hébert
Heckler, Mass.
Helstoski
Howard
Huber
Jarman
Jones, Okla.
Jones, Tenn.
Kemp
Kyros
Landrum
Lehman
Lent
McCollister
McFall
McKinney
McSpadden
Macdonald
Mallary
Maraziti
Matsunaga
Metcalfe
Milford
Mills
Minshall, Ohio
Mitchell, Md.
Moorhead, Pa.
Murphy, N.Y.
Nelsen
Nix
O'Hara
Pepper
Pettis
Podell
Powell, Ohio
Railsback
Rangel
Reid
Rhodes
Roncallo, N.Y.
Rooney, N.Y.
Roy
Roybal
Ruppe
St Germain
Sandman
Sarbanes
Scherle
Smith, Iowa
Steele
Steelman
Stratton
Stuckey
Studds
Talcott
Teague
Thompson, N.J.
Udall
Vander Jagt
Veysey
Ware
Wright
Yatron
Young, Fla.
Young, Ga.
Young, S.C.

The SPEAKER. On this rollcall 317 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

After all motions to suspend the rules have been entertained and debated and after those motions, to be determined by nonrecord votes have been disposed of, the Chair will then put the question on each motion on which the further proceedings were postponed.

NATIONAL SCHOOL LUNCH ACT AMENDMENTS OF 1974

Mr. PERKINS. Mr. Speaker, I move to suspend the rules and agree to the conference report on the bill (H.R. 14354) to amend the National School Lunch Act, to authorize the use of certain funds to purchase agricultural commodities for distribution to schools, and for other purposes.

The Clerk read the title of the conference report.

The SPEAKER. Is a second demanded?

Mr. QUIE. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

(For conference report and statement see proceedings of the House of June 13, 1974.)

The SPEAKER. The gentleman from Kentucky (Mr. PERKINS) will be recognized for 20 minutes and the gentleman from Minnesota will be recognized for 20 minutes. The Chair now recognizes the gentleman from Kentucky (Mr. PERKINS).

Mr. PERKINS. Mr. Speaker, I am bringing up for consideration today the conference report on H.R. 14354, which amends the National School Lunch Act in order to authorize the use of certain funds to purchase agricultural commodities for distribution to schools and for other purposes.

This bill originated in the House Education and Labor Committee. It was approved by the House of Representatives on May 7 by a vote of 359 to 38. Certain amendments to the bill were approved in the other body on May 21, 1974, and the bill was passed by a voice vote.

The conferees on the bill met on June 5 and approved without disagreement the conference report now before you.

This bill strengthens and supports the school lunch and child nutrition programs in a period of escalating costs which threaten the continued successful operation of these programs. Each of the provisions in the bill is entirely consistent with the national policy set forth many years ago by the Congress to the effect that the highest priority shall be given to fulfilling the nutritional needs of our Nation's children.

I will now comment briefly on each of the provisions of the bill as reported by the conferees of both Houses:

First, the Secretary of Agriculture is directed to purchase during the fiscal year 1975 food commodities for donation to maintain the annually programed level of assistance for the child nutrition programs and title VII of the Older Americans Act of 1965.

This is a 1-year extension of the special authority which the Congress granted to the Secretary for the fiscal year 1974. It will require that the Secretary provide a level of commodity assistance at 7 cents per meal, approximately the same as provided during the current year.

Second, the bill provides that, for the fiscal year 1975 and subsequent fiscal years, schools will receive a minimum of 10 cents per lunch, in donated foods, or in cash payments in lieu thereof. This will assure that schools can continue to receive a fair level of commodity assistance plus cash grants in periods when agricultural surpluses are limited. These federally donated foods are needed to guarantee the schools that there will be a foundation upon which they can rest their nutritional programs.

Third, the bill makes permanent the authority which the States now have to serve reduced price lunches to children from families with incomes up to 75 percent above the official income poverty guidelines, set by the Secretary of Agriculture.

This provision was only partially implemented in this fiscal year because it did not become effective until January 1, 1974. However, schools in 38 States did begin the program with substantial increases in participation among children from lower middle-income families. In New Jersey alone, over 15,000 children have been able to participate in the lunch program as a result of this expansion of eligibility for the reduced price lunch program.

Fourth, the authorization for school food service equipment will be increased from $20 million to $40 million for fiscal year 1976 and for succeeding fiscal years. Under current law, the authorization is $40 million for fiscal years 1973–1975, but would drop to $20 million in fiscal year 1976.

Fifth, the required expenditure for the special supplemental food program for women, infants, and children will be increased from $40 million to $100 million for fiscal year 1975 only.

Sixth, finally, the bill contains an amendment to correct a technical error in the last child nutrition bill enacted. Public Law 93–150.

When this bill is enacted into law, I foresee these positive and beneficial gains to the child nutrition programs:

First, the uncertainty as to the continuance of the commodity distribution program will be removed. The Department of Agriculture is already in the process of purchasing $45 million worth of ground beef with shipments to the States beginning in mid-July. Further, just a week ago, on June 10, the Department announced plans to purchase cheese for the school lunch program. The U.S. Department of Agriculture will also be able to purchase other foods for the schools in the year ahead under the special purchase authority contained in this bill.

Second, the minimum level of 10 cents per lunch assistance in the form of commodities, or possibly in cash in lieu thereof, will help offset the sharp increases in food prices which have seriously affected the school lunch operations.

Third, hundreds of thousands of children from the lower middle-income families will have the opportunity for the first time to participate in the lunch program at prices their families can afford to pay.

Fourth, the increased authorization for nonfood assistance appropriations is essential in order to continue recent progress toward extending the school lunch program to those schools which have not been able to initiate a food service program.

In the past five years, some 12,000 schools have been able to begin food service operations because of the availability of Federal nonfood assistance funds. However, some 5 million children attend schools without a lunch program.

In conclusion, I wish to state that this is a good bill and one which deserves your full support. In the larger view, what this bill does is to safeguard and improve the nutritional quality of the lunches served to children in school, and at the same time, to offer wider markets to those who produce the food supplies of the Nation.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. PERKINS. I yield to the distinguished gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I am puzzled as to why this conference report is called up under the suspension rules. Can the gentleman tell me why?

Mr. PERKINS. Yes, I will be delighted to tell my friend, the gentleman from Iowa, why this conference report is being called up under the suspension rules.

We have, as I stated, increased the value of the commodities to be distributed to the school lunch program in fiscal year 1975. The total additional cost for the school lunch program for fiscal year 1975 is $135 million. An additional $60 million is added for the WIC program. In addition, there is a direction to the Secretary to purchase commodities at market prices. The purchase of commodities is in process now—with the buying of beef, cheese, and milk products.

Purchases are now being made and will be made with section 32 funds and Commodity Credit Corporation funds. The use of section 32 funds for the commodities section and the possible additional utilization of such funds for the WIC program might be considered by some as an appropriation. We have taken similar action on several other occasions, so that we can be assured the money will be available now. We need the funds now. In other words, we do not necessarily go through the Committee on Appropriations in the initial stage. Section 32 must, however subsequently, be reimbursed.

It is for this reason, Mr. Speaker, that we have brought up this conference report in this fashion.

Mr. GROSS. Mr. Speaker, will the gentleman yield further?

Mr. PERKINS. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, will it also be for the reason that the committee does not want the Members to offer amendments or vote on amendments already contained in this conference report in any way?

Mr. PERKINS. Mr. Speaker, let me say to my distinguished friend, the gentleman from Iowa, that this is a conference report and regardless of the request for suspension it would not be subject to amendment. The legislation has been considered at some length and we felt that the bill had been fairly considered by the Members of this body.

Mr. GROSS. Mr. Speaker, I am fascinated by the concern that the Committee on Labor and Education has for all of the Members of the House of Representatives, and by the fact that the gentleman feels that the members of the Committee on Labor and Education are all-seeing and all-knowing.

Mr. QUIE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support the conference report on H.R. 14354, although it is a far more extensive bill than the one we passed which dealt exclusively with an extension of authority of the Secretary of Agriculture to purchase commodities which are not in surplus for the support of the school lunch and similar food programs within the jurisdiction of our committee. The Committee on Agriculture in the other body was concerned also with the level of support for the school lunch program and the special supplemental food program for mothers and infants at nutritional risk.

I think there should be little or no controversy about the increase in the authorization of appropriations and appropriation from section 32 funds for the special supplemental food program for women, infants, and children to $100 million. This program has the capability of preventing mental deficiency and other handicapping conditions in children caused by inadequate prenatal and postnatal nutrition. Accordingly, its potential for enormous savings of public funds—to say nothing of humanitarian considerations—more than justifies this action.

Similarly, the provision for maintaining the authorization under the Child Nutrition Act for nonfood assistance at $40 million for fiscal 1975 is designed to facilitate a continued and orderly extension of school food services to schools which do not have those services available. Without this action the authorization would have dropped to $20 million, as against a $22-million appropriation for this fiscal year.

Mr. ROUSSELOT. Will the gentleman yield?

Mr. QUIE. I yield to the gentleman.

Mr. ROUSSELOT. I note my colleague mentioned that this conference report is different than the House version. About how many dollars worth? My understanding is, if I am correct, that it is about $135 million more than the House version.

Mr. QUIE. I would say that is approximately right.

Mr. ROUSSELOT. $135 million?

Mr. QUIE. Give or take a million.

Mr. ROUSSELOT. So that means the bill calls for an expenditure about $1.8 billion—something like that—as a total cost?

Mr. QUIE. The total cost of the whole program?

Mr. ROUSSELOT. Yes.

Mr. QUIE. That is right.

Mr. ROUSSELOT. So this bill is over the President's budget. Is that correct?

Mr. QUIE. That is right.

Mr. ROUSSELOT. So if we really wanted to be conscientious as a Congress of our responsibility to keep expenses under control, we should vote down the conference report in the hope that we can get back to the same version that the House originally sent out. Is that correct?

Mr. QUIE. If you are only conscious of money and of keeping the budget under control, then that would be the case. If you are concerned about the additional cost to the school food program and the cost to the young people of the country, then you should support the conference report, as I will.

Mr. ROUSSELOT. I appreciate that. But the gentleman says "only money."

Mr. QUIE. That is right.

Mr. ROUSSELOT. Or only cost to our hard working taxpayers. The fact of the matter is that this bill eventually has to come out of the taxpayers' pockets.

Mr. QUIE. That is correct.

Mr. ROUSSELOT. You know we are all concerned about young children having adequate food. But this issue is not exactly allied to the infants that we are talking about. As the gentleman in the well has already stated, it is over the House version by $135 million, so if an individual were trying to be conscientious about keeping bills within the budget or at least using that as a guideline, he could in fact, with justification, vote against this conference report on the basis that it does exceed the budget.

Mr. QUIE. I would say that a person could still be for school lunches because he knows there would be something like 17 cents available for everyone without it and 20 cents for everyone with it.

Mr. ROUSSELOT. I appreciate the gentleman pointing out the fact that this does exceed the House version by a substantial amount. For those who are claiming to be conscientious of the taxpayer's pocketbook this is another case where we are adding on another substantial amount to the overall budget so we are going to have to face up to that fact at the end of the year.

I very much appreciate the gentleman yielding and helping me to make that point.

Mr. GROSS. Will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

I believe the gentleman from Kentucky (Mr. PERKINS) said that the increase was necessary because of inflation. Did the gentleman hear the gentleman from Kentucky?

Mr. QUIE. Yes, I heard the gentleman from Kentucky.

Mr. GROSS. So what this additional $135 million means is that under the circumstances inflation is feeding upon inflation. Would the gentleman agree with that?

Mr. QUIE. Well, when you look at what you are saying, if I understand it correctly, it is that by increasing this payment, then that adds to the inflation as well, so that is inflation feeding on inflation. You would have to say that it is a small part of it. When you look at all the forces of inflation, this is a very small part of the forces of inflation. So the question comes are you going to consider this a part of the forces of inflation which add to it, because I believe that its impact on inflation is very small, as I mentioned.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. Mr. Speaker, would it not be fair to perhaps put this problem in some perspective that, yes, this bill does represent an increase over the President's budget if we do not, however, recognize the effect that substantial increases in food prices have had upon the families across the United States, and also upon the school lunch program, and the effect that we are seeing, as I understand it, as I have been listening to the gentleman from California (Mr. ROUSSELOT) and the gentleman from Iowa (Mr. GROSS) is that those who participate in the school lunch program are going to be forced to pay more for their school lunches, rather than attempting to minimize the burden that extra costs have placed upon the school lunch program.

Would that be a fair statement to make?

Mr. QUIE. I think the gentleman from Wisconsin has explained that correctly, that that would be the case. The costs have gone up substantially, as one looks at the agricultural picture today with the farmers receiving lower prices in relationship to their costs. We will now wait and see what kind of action the Government takes in regard to that, other than forcing farmers to reduce their production which will push the prices up even more to the consumers.

So, Mr. Speaker, I do not look at this thing as some people look at it, that some people in Iowa, Wisconsin, and Minnesota will benefit from it, because this is not adding to that agricultural situation, this is merely a program to help the parents of school-age children pay for the costs of the school lunch program.

Of course, it also involves the Older Americans Act, and there are a great many people who need that assistance.

Mr. STEIGER of Wisconsin. Mr. Speaker, if the gentleman will yield further, would it also not be fair to point out that, whether or not we pass this version of the bill, there will be costs above the budget as a result of the decision the Department of Agriculture has taken insofar as meat and cheese are concerned? And they are not budgeted costs. The Department of Agriculture clearly has moved into consideration of that problem of cheese and meat products, especially because of the very real drop in cheese and meat prices. So that regardless of whether this conference report is adopted or not, the budgetary costs as a result of those decisions, if nothing else, will have an impact upon the budget.

Mr. QUIE. That is right. In fact, there will be a number of other actions which either the administration or this Congress will take that are going to increase the cost of the budget.

But what I do concern myself about, however, is that the gentleman from California (Mr. ROUSSELOT) raised the point about the budget, and I think the gentleman is right in raising it, because the other body has cut the President's budget by $10 billion, and I do not know how you can cut $10 billion and still keep adding on to other programs without cutting some place else. So what this body and the other body had better be looking for, I think, is that if we vote for an increase here then we will have to vote for a decrease in some other appropriation bill where we can cut back on our spending; either that, or increase the taxes, although there has been talk of reducing the taxes.

Mr. ROUSSELOT. Mr. Speaker, if the gentleman will yield, the point I wanted to make is that I remember very well the explanation that was made on this subject on the House bill before it went to the other body, and we were told that the total amount in our bill on the House floor was $135 million cheaper than this one, and that was all that was needed. And what I was attempting to find out, and what I wanted to know, is why all of a sudden we have this big increase just because it has gone over to the Senate.

My belief is that we should vote this down. I know it probably will not be done, but we should vote the bill down and say to the other body that we cannot keep tacking additional dollars on every single bill because they add to that huge deficit. And that is the only point I was trying to make, or would like to make.

Even the gentleman from Wisconsin supported the bill that came out of the House. We should take into account increases caused by inflation, especially when it comes back from a conference with $135 million added on to it. All we are doing here is adding one more piece on top of the whole pile, and if we do that with other bills then, at the end of the year, it all adds up to a budgetary deficit.

So any Member who wants to help contribute toward reducing that deficit, and cutting back on these things, should vote this conference report down, and say to the other body that we want to stick to the House version which the gentleman from Wisconsin said was adequate.

Mr. QUIE. I will just say that when we met in conference, we did agree to a higher figure, and the House now has to say whether they support the House conferees in accepting the higher figure, which we thought was justified to meet the Federal programs, or whether they want to stay within the budget.

Mr. VANIK. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Ohio.

Mr. VANIK. I thank the gentleman for yielding.

I welcome the return of more red meat to the school lunch program, but in this $125 million expenditure are we thinking as much about the diet of schoolchildren, or are we thinking about the plight of the cattlemen or meat producers who are experiencing a sagging market? They asked for a free market in meat products, and now I think we might be moving toward Government involvement. Are we thinking about the diet of children or are we thinking about the special problems of the meat producers?

Mr. QUIE. I would say that the concern here was entirely concern for the children and the school lunch program in the conference. The plight of the farmer did not even come up for consideration. That is a separate problem. They are having their problems, and this legislation is not going to help them.

The problem of the farmer is not something next year. It is now. Any action taken by the Government to help the farmer has got to be done now, not with this legislation.

So what we are looking at here is the costs of lunches for the schoolchildren which have gone up, and are we then going to make the adjustment here in the Federal legislation?

I do not oppose helping the farmer. We ought to help the farmer but it is not in this legislation.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

In response to the question raised by the gentleman from Ohio, in the Committee on Agriculture we had testimony that indicated that a $45 million purchase was insignificant in terms of the total amount of meat purchases made by the Government, and it was not made with the intent of bolstering a sagging market.

Mr. QUIE. We should also realize that any purchases until the end of this month are for fiscal year 1974. We are not talking about fiscal year 1974 at all. So anything done by the Government in any purchase of commodities that they ought to be making, that is going to help the farmer, is not coming out of this legislation.

We should also bear in mind that what is purchased now will not be used for the school year this year. That is over with, and we are talking about the next school year making it available for the children.

Mr. STEIGER of Wisconsin. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Wisconsin.

Mr. STEIGER of Wisconsin. I thank the gentleman for yielding.

Mr. Speaker, I should just like to get back to the conference report. I do support the conference report. I think it ought to be adopted today in spite of what I recognize as a figure higher than that which was in the House-passed bill. I want to associate myself with the remarks of the gentleman from Minnesota.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

Is my understanding correct? Since this bill is for fiscal year 1975, have we not just read that the number of pupils at the grammar school level is decreasing?

Mr. QUIE. That is correct.

Mr. ROUSSELOT. Then why do we need to add $135 million, if we really look at it hard-nosed for 1975, when the population is beginning to go down in the school population at the grammar school level?

Mr. QUIE. I will say to the gentleman we are looking at the total figure——

Mr. ROUSSELOT. For the American taxpayer.

Mr. QUIE. Yes, for the American taxpayer, but to the schoolchildren this amounts to 10 cents a meal. If there are fewer children, there are fewer meals at 10 cents apiece, so it does not have anything to do with the number of children. If the number is cut in half, they still get it at 10 cents apiece.

Mr. ROUSSELOT. I appreciate that, but the point I am trying to make is that at a time when pupil population is going down, and the House is trying to do a better job than the Senate on holding a line on increases—as a matter of fact, we were told by the gentleman from Minnesota who is now in the well that the bill that came out of the House was adequate—why can we not make a stand and say to the Senate: We just cannot keep adding on, especially at a time when the pupil population at the grammar school level is going down?

Mr. QUIE. The reason why we cannot

is because the cost of meals for the children who are there is going up.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Mr. Speaker, it was a little over 50 years ago this same debate was taking place on the floor of the German Parliament. This note that I hold in my hand is a 10,000-mark note. By 1923 this 10,000-mark note would not buy one school lunch for one small child in Germany. This is exactly what the gentleman from California (Mr. ROUSSELOT) is talking about, with regard to the debasement of our currency.

I think Congress would do the schoolchildren of this country a favor if we would hold this counterfeiting of our money by Government edict down and make an effort to save the value of the dollar. The double-digit inflation does great harm to the value of our money. No one can deny that. If we just go down to 14th Street we can print more Government counterfeit money but it will make all our money less in value. How long will it be before our dollar is worth less than this 10,000-mark German note? Which, Mr. Speaker, is absolutely worthless.

Mr. QUIE. No one knows how long that will take but I doubt that raising this amount from 7 cents to 10 cents is the kicker that will do it, especially if Congress will take this into consideration and reduce expenditures some place else. As I indicated earlier we have a responsibility to hold expenditures within what can be raised. We are developing the mechanism to do that now. As a matter of fact that conference report ought to be before the Congress before too long. Congress has not done it before but the machinery will not be in operation for that until 1975, but it behooves this Congress in working on appropriations for 1975 to consider all these matters. I expect there will be some other bills besides this that will increase expenditures which will also put some pressure on us to make our choice as to where we will make the cuts from.

Mr. SYMMS. I thank the gentleman for yielding.

Mr. Speaker, I think the remarks used by the gentleman are the same as those which were used by the German politicians, that we will have to make our cuts some place else. I have not seen Congress face this situation. Some of us have been trying but we certainly have not been victorious because of the majority of the House, due to an apparent lack of understanding of inflation on the part of the membership of this body.

Mr. QUIE. I recognize Congress has not faced it but I hope Congress will.

Mr. CARNEY of Ohio. Mr. Speaker, will the gentleman yield?

Mr. QUIE. I yield to the gentleman from Ohio (Mr. CARNEY).

Mr. CARNEY of Ohio. Mr. Speaker, I thank the gentleman for yielding. I associate myself with the remarks made by the gentleman.

I cannot understand why we can be spending billions to kill people and spending billions for war machines and I do not see very many people rise very often to object to that, but now when we want to give something to feed the hungry American schoolchildren there is a great deal of objection made about how it will break the country. If those same Members would get up and offer cuts to be taken out of the military might and out of foreign aid maybe we would give more consideration to their arguments in this matter.

Mr. QUIE. Mr. Speaker, in my remaining time let me say the gentlemen who have raised the economy question in this I have also noted in the past have pushed for reductions in defense expenditures, too. So what the gentleman has said about expenditures may be true, but the gentlemen who spoke today have voted to cut defense expenditures as well.

Let me now complete my statement. I am not aware of any controversy about making permanent the right of a State to set income guidelines for eligibility for reduced price school lunches at levels up to 75 percent of the Secretary's income poverty level. This device has worked well in permitting State and regional variations in the cost of living to be taken into account while preserving a desirable degree of uniformity in eligibility standards.

The really major change made by the conference bill is in the treatment of commodity purchases, and cash in lieu of commodities, for the school lunch program. It amends the House-approved bill to make mandatory the purchase of commodities for donation to maintain the annually programed level of support for the School Lunch Act, the Child Nutrition Act, and title VII—nutrition for the elderly—of the Older Americans Act. Of course, the Secretary is left free to determine the annual programed level for donated commodities.

However, with respect to the School Lunch Act, the national average value of donated foods, or cash payments in lieu of donated foods, is fixed at a minimum of 10 cents per lunch for fiscal year 1975 and succeeding years, with an adjustment in the years after fiscal 1975 to reflect changes in the cost of food away from home of the Consumer Price Index.

Currently, the Department of Agriculture has been budgeting—the "annual programed level"—about 7 cents per school lunch in donated commodities—or $290 million for fiscal 1975. Under the conference bill, the Secretary will be required to purchase and distribute the full $290 million in commodities during fiscal 1975—and to distribute in cash or if possible commodities an additional amount sufficient to bring the total to not less than 10 cents per meal. This additional 3 cents could amount to as much as $120 million, so we are not talking about insignificant amounts in terms of increased outlays for the school lunch program.

Mr. Speaker, in fiscal 1972 Federal contributions in cash and commodities to child feeding programs—including school lunch and breakfast, nonschool programs, and the special milk program—totaled $2,933,600,000. The estimate for fiscal 1974 approaches $3.7 billion, a 25-percent increase in 2 years. In this same period the number of school lunches served has remained fairly constant at just over 24 million. There are two major variables. One is the increased number of free or reduced-price lunches served, from nearly 1.3 billion in fiscal 1972 to nearly 1.5 billion in fiscal 1974, with an increase in the number of children receiving such meals from 7.8 million in fiscal 1972 to 8.9 million in fiscal 1974—an increase of over 1 million in 2 years. The other is the increases in support per meal. Total Federal support for all school lunches increased from 18.7 cents in 1972 to 27.3 cents in 1974, and for the free and reduced-price lunches from 38.5 to 46 cents in that period. When we are talking about 4 billion lunches, a 1 cent increase in support becomes a $40 million item.

Along with the lunch program, the school breakfast program has grown from 169.3 million breakfasts served in 1972 with average Federal support of 14.5 cents to around 255 million breakfasts in 1974 at a Federal cost of 27.5 cents.

I support these programs and the increased Federal assistance for them, and have helped shape the legislation which has made this possible. But I am convinced that it is now time to stop legislating piece-meal in the field of child nutrition. I think that the Congress should now take a very careful look at the operation of these programs, and their effectiveness in meeting nutritional needs, and perhaps develop more comprehensive legislation which would not require amendment every 6 months. In some respects the conference report bill is a step in that direction, and I urge its approval.

Mr. PERKINS. Mr. Speaker, I yield myself 2 minutes.

Mr. Speaker, I would hate to see the day come in this country when we cannot provide an additional 3 cents to support the school lunch program—to make sure we have an adequate and nutritious diet for schoolchildren—and when we have to say we are spending too much money and throwing that money away. This additional 3 cents in commodity or cash assistance for the next fiscal year is absolutely essential to the general welfare of the schoolchildren in this country who participate in the school lunch program.

If we undertake to price schoolchildren—especially the middle-class youngsters—out of the school lunch program, we will be doing a great deal of harm and it will cost many hundreds of millions in other ways, in my judgment.

We add here an extra $20 million for nonfood assistance, for equipment in poor urban and rural areas where school lunch equipment is lacking. This could allow thousands of additional participants who need and want school lunches to benefit.

The cost of this bill is going to depend in large part on the number of schoolchildren who go to school and are served by the school lunch program. It is my opinion that we should vote for the welfare of these schoolchildren and strengthen the school lunch program for the children of this country. We are going to make this country more viable by voting for and supporting this program.

Mr. ROSE. Mr. Speaker, today we are considering legislation to extend for 1 year, through June 30, 1975, authority for the Secretary of Agriculture to purchase commodities at nonsurplus or market price for distribution to programs carried out under the School Lunch Act, the Child Nutrition Act, and title VII of the Older Americans Act. It seems to me that this is a proper time to discuss our practice of providing free school lunches to those students coming from disadvantaged households. For some time now we have been providing many students with a hot lunch, for some the only hot meal they receive during the day. I think that this is a worthy program, and it is one that should be continued.

However, I find it disturbing that many parents are undercutting the ground rules of the program by certifying that their child or children are eligible when in fact their family income exceeds the cutoff level. It seems to me that we should take a careful look at the free lunch program and seriously consider Congressman LEHMAN's proposal to provide all students with free lunches, regardless of the income level of the family. I think an argument can be made for this proposal, and I urge my colleagues to give some thought and study to this idea.

Mr. PERKINS. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky (Mr. PERKINS) that the House suspend the rules and agree to the conference report on the bill H.R. 14354.

The question was taken.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII and the prior announcement of the Chair, further proceedings on this motion will be postponed.

Does the gentleman from California withdraw his point of order that there is no quorum?

Mr. ROUSSELOT. Yes, I do, Mr. Speaker.

PARLIAMENTARY INQUIRY

Mr. PERKINS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. PERKINS. Did the Chair rule that we had a two-thirds vote?

The SPEAKER. The Chair did not understand the request of the gentleman.

Mr. PERKINS. Was it the ruling of the Chair that the bill was passed?

The SPEAKER. No. The Chair announced that in the opinion of the Chair, two-thirds had voted in the affirmative, and then a point of order was made and the vote was objected to.

Mr. PERKINS. So the motion is withdrawn and the vote goes over until later in the day?

The SPEAKER. The objection to the vote on the ground a quorum was not present caused the further consideration to be postponed. The point of no quorum was then withdrawn.

PARLIAMENTARY INQUIRY

Mr. WYDLER. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. WYDLER. If a Member at this point should ask for a record vote, would we be able to have a count on that?

The SPEAKER. The gentleman should have taken that action before the Chair announced the postponement.

Mr. WYDLER. I understand, but I am just trying to determine whether it would now be in order.

The SPEAKER. It would not be, because action on the bill has been postponed.

Mr. WYDLER. I thank the Chair.

AUTHORIZING APPROPRIATIONS FOR THE INDIAN CLAIMS COMMISSION FOR FISCAL YEAR 1975

Mr. MEEDS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 12356) to authorize appropriations for the Indian Claims Commission for fiscal year 1975, as amended.

The Clerk read as follows:

H.R. 12356

Be it enacted by the Senate and House of Representatives of the United States of Congress assembled, That there is authorized to be appropriated to carry out the provisions of the Indian Claims Commission Act (25 U.S.C. 70), during fiscal year 1975, not to exceed $1,450,000 to continue the program of the Indian Claims Commission.

The SPEAKER. Is a second demanded?

Mr. REGULA. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. MEEDS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of the legislation before us is to authorize appropriations for fiscal year, 1975, for the Indian Claims Commission in the amount of $1,450,000. The Members will note that we have been coming in the past few years before the House for an authorization each fiscal year, rather than the procedure which we employed heretofore of passing authorizations sometimes 10 years and 5 years in advance.

The reason that this has been done is that the members of the committee have deemed it better that the Congress have greater oversight on this matter, so that we can move it to a conclusion by 1977 when the authorizing legislation will expire.

The Indian Claims Commission was created by this body and the other body in 1946.

It was at that time for a period of 10 years. It has been extended four times since that time, and will now expire in 1977. The purpose of the Indian Claims Commission is, very generally, to adjudicate claims based on lands ceded by Indian tribes to the United States without compensation, or for what may be considered to be inadequate compensation prior to 1946.

These claims used to be adjudicated sometimes by the court of claims by specific authorization of the Congress or by specific act of the Congress. The Indian Claims Commission has taken over that function. As I said earlier, the committee is very concerned that this legislation not be extended again; that when it terminates or expires in 1977, that will be the last time. It is not the intent of this committee to come before this body again and ask for an extension of the Indian Claims Commission.

Indeed, in the last extension legislation we made provisions for turning over any unresolved matters which might be pending at that time before the Indian Claims Commission to the court of claims. During the life of the Indian Claims Commission, the Commission has docketed some 611 claims and has disposed of 413 of these claims. It has made awards in the amount of $468,523,000,555.22.

This bill authorizes $1,450,000 for the operation of the Indian Claims Commission in fiscal year 1975. It is $286,000 over the authorized amount for fiscal year 1974, plus some supplemental authorizations and appropriations. The additions come generally, I would say, in the fields of salary increases and additional rent, which has been brought about by the new interpretations of GSA. The authorization here is needed by the Appropriations Committee to make its presentation, hopefully yet this month, so that appropriations will be available for the fiscal year 1975.

Mr. Speaker, I know of no controversy; I know of no one who is opposed to the legislation, and I urge that the House pass this bill.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. MEEDS. Mr. Speaker, I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, the gentleman says that it is not contemplated that the life of the Indian Claims Commission be extended after 1977. I would say to the gentleman that I have been here quite a few years, and I have heard the same statement made time after time after time, that it was not contemplated or, even more precisely, that the life of the Commission would not be extended.

Yet, the number of the members of the Commission has been increased; the funds have been increased from time to time, and of course always extended. So we come out with the same end result—the Indian Claims Commission goes on and on and on and on—proof positive that there is nothing so permanent in the Federal Government as something temporary.

Mr. Speaker, I hope with all my heart—I will not be here next year—I hope that what the gentleman says today, and his report states, that this bureaucracy will be brought to an end in 1977, that someone really means it, and the Interior Committee is going to insist that the Indian Claims Commission end at that time.

Mr. MEEDS. Mr. Speaker, I say to the gentleman from Iowa that even in his absence I shall maintain the position and posture which I just stated on the floor here. I have not been privileged to serve as long as the gentleman from Iowa has, or as long as the Indian Claims Commission has been around, but I did have the opportunity to work on the last extension, and at that time wrote in the provision for sending any unadjudicated claims to the U.S. Court of Claims so that there would be no mistake that our intention was absolutely in terms of not extending the life of the Commission.

I certainly intend to carry that out.

Mr. GROSS. Mr. Speaker, I thank the gentleman for yielding.

Mr. WYLIE. Will the gentleman yield?

Mr. MEEDS. Yes, I will be delighted to yield to the gentleman from Ohio.

Mr. WYLIE. Why should not Congress turn over the unadjudicated claims or the claims still pending on the docket now to the U.S. Court of Claims now?

Mr. MEEDS. Mr. Speaker, I will answer the gentleman by saying that, first of all, this is a very specialized group of claims. The Indian Claims Commission is composed of a group of experts in this field, and I am sure that they can with dispatch, with certainly more dispatch than the Court of Claims, dispose of these cases. Therefore, we would like to give them every opportunity to do so. They assure us that it is their intention to be finished or very nearly finished with the still pending claims by 1977.

Mr. Speaker, I think at this time it would be counterproductive simply to turn these claims over to the Court of Claims, where they would have to staff up if they were going to resolve these matters with as much dispatch as the Indian Claims Commission.

Mr. WYLIE. If the gentleman will yield further, I would just make the observation that the Indian Claims Commission has not worked with very much dispatch. It came into being in 1946, and there are still 198 cases pending before it. I welcome the gentleman's suggestion, therefore, that they will expedite the consideration of claims pending before it, but their work up to this time runs counter to early resolution of pending claims.

Additionally, the gentleman has suggested that any claims remaining will be turned over to the U.S. Court of Claims in 1977?

Mr. MEEDS. That is correct.

Mr. WYLIE. Yet, you suggest that the Indian Claims Commission is more qualified to handle the cases than the U.S. Court of Claims. The thought occurred to me, as the gentleman was speaking, that if the U.S. Court of Claims is qualified to handle the claims from 1977, however many there might be, then it should be qualified to handle them now. It is indeed an existing statutory organization. It just seems to me that we could avoid duplication of effort and save some money.

Since the Indian Claims Commission has not worked with expedition, I thought perhaps the U.S. Court of Claims might even act more expeditiously.

Mr. MEEDS. To answer the gentleman, when the authorizing legislation terminates in 1977, if the Indian Claims Commission has not completed its work by then, we will have an opportunity to see how fast the Court of Claims can clean up the matter.

Mr. WYLIE. Mr. Speaker, I thank the gentleman.

Mr. REGULA. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker and Members of the House, I will not follow the same ground that has been covered by the distinguished gentleman from Washington. He outlined the pertinent facts very adequately.

This bill authorizes appropriations of $1,450,000 for the Indian Claims Commission for fiscal year 1975.

Congress established the Indian Claims Commission in 1946 to hear and settle, for once and for all time, all Indian tribal claims against the United States. These claims are legal and moral in nature and are, in general, for lands ceded by the tribes to the United States without compensation or with inadequate compensation. Other claims are of an accounting nature, in which the Indians allege that the United States inadequately performed its function as trustee, thereby causing damage to the trust assets of the tribe.

As of December 1973, the Commission had docketed a total of 611 claims. Of these, 177 has been dismissed, 231 had resulted in awards totaling $469,325,350.48, and 203 were in various stages of adjudication and appeal.

Under the act of 1946, the Commission was required to complete its work within 10 years. However, the Commission was unable to meet that requirement, and four times the Congress has extended the time limit for a period of 5 years. At the time of the last extension, in 1972, the Congress provided that the Commission would expire in 1977. No further extensions were contemplated. Any unfinished business would be transferred to the Court of Claims for completion. Congress also provided that appropriations for the Commission be enacted annually, thereby allowing closer congressional oversight of the Commission's progress.

Mr. Speaker, the amount authorized by H.R. 12356 will keep the Commission operating at its present level. In the course of hearings on this bill, the Commission reported that it expects to complete all its remaining work by 1977, as required by law. This legislation is essential to continue a job that must be completed.

I would additionally point out a couple of important facts, one, that the committee bill fixes a definite amount rather than an open-ended authorization, as was contained in the original bill, so that it does spell out a sum not to exceed $1,450,000 rather than the language, "Such sums as may be necessary."

I would also point out that there is a letter in the report from Mr. Kuydendall of the Office of Management and Budget, indicating OMB support for the amount appropriated herein.

The greatest increases over the previous year's budget would be for two things:

One is a sum of about $80,000 for rent because the Indian Claims Commission is moving, at the request of GSA, into a facility that carries a much higher rental.

Second, we provide for increased personnel costs.

Mr. Speaker, I urge that the Members support this legislation, because it is essential to the completion of the work of the Claims Commission.

The SPEAKER. The question is on the motion offered by the gentleman from Washington (Mr. MEEDS), that the House suspend the rules and pass the bill H.R. 12356, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that the Committee on Interior and Insular Affairs be discharged from further consideration of the Senate bill (S. 3007) to authorize appropriations for the Indian Claims Commission for fiscal year 1975, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 3007

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That there is authorized to be appropriated not to exceed $1,450,000 to carry out the provisions of the Indian Claims Commission Act (25 U.S.C. 70), during fiscal year 1975.

SEC. 2. The first sentence of the last paragraph in section 2 of the Act of August 13, 1946 (60 Stat. 1050; 25 U.S.C. 70a) is hereby amended by striking the semicolon and the word "the" after the words "section 250 of title 28" and inserting in lieu thereof a colon and the following: *Provided,* That expenditures for food, rations, or provisions shall not be deemed payments on the claim. The".

AMENDMENT OFFERED BY MR. MEEDS

Mr. MEEDS. Mr. Speaker, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MEEDS: Strike out all after the enacting clause of S. 3007 and insert in lieu thereof the provisions of H.R. 12356, as passed.

The amendment was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

A similar House bill (H.R. 12356) was laid on the table.

GENERAL LEAVE

Mr. MEEDS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

DOMESTIC FOOD ASSISTANCE PROGRAMS

Mr. FOLEY. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 14992) to continue domestic food assistance programs, and for other purposes, as amended.

The Clerk read as follows:

H.R. 14992

> *Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 4(a) of the Agriculture and Consumer Protection Act of 1973, as amended (87 Stat. 221, as amended, 7 U.S.C. 612c), is amended to read as follows:
>
> "Sec. 4. (a) Notwithstanding any other provision of law, the Secretary of Agriculture is hereby authorized, until July 1, 1975, to (1) use funds available under provisions of section 32 of Public Law 320, Seventy-fourth Congress, as amended (7 U.S.C. 612c), and not otherwise expended or necessary for such purposes to purchase, without regard to the provisions of existing law governing the expenditure of public funds, agricultural commodities and their products of the types customarily purchased under section 32 and seafood commodities and their products to maintain the level of assistance required by domestic food assistance programs that are authorized by law, including but not limited to distribution to needy families pending the transition to the food stamp program, institutions, supplemental feeding programs wherever located, disaster relief, summer camps for children, and Indian reservations not requesting a food stamp program, and (2) if stocks of the Commodity Credit Corporation are not available, use the funds of the Corporation to purchase agricultural commodities and their products of the types customarily available under section 416 of the Agricultural Act of 1949 to meet such requirements."

The SPEAKER. Is a second demanded?

Mr. WAMPLER. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. FOLEY. Mr. Speaker, I yield myself 5 minutes.

Mr. Speaker, the bill before us today authorizes, for an additional year, continued purchase authority for agricultural commodities and their products—with the addition of seafood—for distribution to needy families pending the transition of all jurisdictions to the food stamp program, institutions, supplemental feeding programs, disaster relief, summer camps for children, and Indian reservations not requesting a food stamp program.

A wide variety of foods are made available to needy persons, schools, and other institutions through the commodity distribution programs. Foods are acquired by the Federal Government and delivered without charge to State agencies. State and local organizations handle intrastate distribution.

The foods distributed include wheat flour, rolled oats, cornmeal, and nonfat dry milk. Other foods are obtained through surplus removal programs. Some foods are purchased to meet specific user program requirements, such as the nutritional combination of foods for distribution to needy families and food purchases for use in school lunches. Foods from these several sources have different categories of users, and the food products distributed vary over time, depending on their availability and marketing conditions. With limitations on the number of "surplus" foods available, the distribution of nonsurplus items has increased.

Historically, these commodities were distributed through the authority of the various surplus removal sections of the agricultural laws. Without surpluses, however, these statutes lie dormant.

The Agriculture and Consumer Protection Act of 1973—Public Law 93–86—provided the Secretary of Agriculture with the authority to purchase commodities needed for the commodity distribution programs when such commodities are not in surplus. However, this authority would expire on June 30, 1974.

States and the Department are currently implementing a congressional mandate to switch all remaining food distribution counties into the food stamp program. Of the 778 counties which were still operating food distribution programs last August, all but 52 will meet the June 30 deadline to complete the changeover, according to the Department of Agriculture. The States of New Hampshire, Missouri, and Virginia will be unable to complete the transition to food stamps by the end of June.

Likewise, problems exist in meeting the deadline with regard to Indian tribes, and in Puerto Rico where the Department has approved a plan to phase in food stamps on an orderly basis with completion to be as soon as possible durin the coming fiscal year. Also, the Virgin Islands, Guam, and the Trust Territory of the Pacific Islands will be required to operate a food distribution program beyond June 30.

Extension of special purchase authority would also enable the continuation of the supplemental food program through the next year as the Department considers alternative means to assist the women and children taking part in that program and completes its evaluation of the special supplemental food program for women, infants, and children.

The House has already enacted H.R. 14354 to extend authority for special purchase for the school lunch program and other programs within the jurisdiction of the Education and Labor Committee. H.R. 14992 provides similar authority with regard to programs currently within the jurisdiction of the Committee on Agriculture, including distribution to needy families pending transition to the food stamp program—institutions, supplemental feeding programs, disaster relief, summer camps for children, and Indian reservations not requesting a food stamp program.

A special ad hoc Subcommittee on Legislation To Extend the Commodity Food Distribution Authority, which I chaired, held several days of hearings, then unanimously reported the bill to the full committee. So far as I know, Mr. Speaker, there is no dissent from the basic concept of the bill before us today. All witnesses before the subcommittee, including those from the administration, agreed that authority to extend these programs for an additional year was necessary, and that such action must be taken before the end of this fical year in order to avoid hardship.

I urge the adoption of the bill before us so we can continue this needed assistance to these traditional beneficiaries under these important programs.

Mr. WYLIE. Will the gentleman yield for a question?

Mr. FOLEY. I yield to the gentleman.

Mr. WYLIE. On the first page, line 6, of the bill it says:

> Sec. 4. (a) Notwithstanding any other provision of law, the Secretary of Agriculture is hereby authorized, until July, 1975, to (1) use funds available under provisions of section 32 of Public Law 320, Sseventy-fourth Congress, as amended (7 U.S.C. 612c), and not otherwise expended or necessary for such purposes to purchase, without regard to the provisions of existing law . . .

Would the gentleman tell us how much money we are talking about?

Mr. FOLEY. The money that would be required to handle this particular aspect of the program is about $60 million to $70 million in the next fiscal year. If you include the money from the section 32 funds that would be required to meet the cost of H.R. 14354 for the school lunch program, that is a substantially greater sum or about $200 *million* additional.

Mr. WYLIE. The gentleman's answer to my question is——

Mr. FOLEY $60 million to $70 million.

Mr. WYLIE. Funds available?

Mr. FOLEY. For this bill.

Mr. WYLIE. I thank the gentleman.

Mr. GROSS. Will the gentleman yield?

Mr. FOLEY. I yield to the gentleman.

Mr. GROSS. Why is seafood contained in this legislation?

The SPEAKER. The time of the gentleman has expired.

Mr. FOLEY. I yield myself 2 additional minutes, Mr. Speaker.

Mr. GROSS. Is this the first time seafood has been referred to in this legislation?

Mr. FOLEY. The gentleman is correct. It is the first time. Seafood commodities are included because of an amendment offered by the distinguished ranking minority member of the committee, the gentleman from Virginia (Mr. Wampler).

The reason for that amendment is that the purchase of seafood products is not authorized under existing statutes as they are not considered products of agriculture unless they are fish products from inland fishponds or farms.

Now, although seafood products are not presently considered products of agriculture, seafood is often a very important alternative source of protein. From the standpoint of the Department of Agriculture it is also often available at a lower cost than other products. So it seems purchased for these programs wise to give the Department the authority to purchase seafood commodities when those products are often attractively priced, and can meet the needs of the program most effectively.

Mr. WAMPLER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 14992.

This bill would extend for 1 year, until July 1, 1975, the authority of the Secretary of Agriculture to use funds available under provisions of section 32 of Public Law 320, 74th Congress, to purchase, without regard to the provisions of existing law governing the expenditure of public funds, agricultural commodities and their products, and seafood commodities and their products in order to maintain the level of assistance required by domestic food assistance programs that are authorized by law. This bill also provides that if stocks of the Commodity Credit Corporation are not available, the Secretary may use the funds of the Corporation to purchase agricultural commodities and products of the types customarily available for donation under section 416 of the Agriculture Act of 1949.

Members of the House may wish to note that this bill is one of three pieces of legislation dealing with food program benefits being considered here in this Chamber today and tomorrow.

Earlier this afternoon the House considered the conference report on H.R. 14354 which originated in the Committee on Education and Labor. That bill dealt with food donations to schools and other related outlets within the jurisdiction of that committee.

Tomorrow the House is scheduled to consider H.R. 15124 which originated in the Committee on Ways and Means. That bill would extend for 1 year the present law applicable to supplemental security income recipients in regard to food stamp program benefits.

This bill, H.R. 14992, which originated in the Committee on Agriculture, deals only with the food donation programs within the scope of our legislative jurisdiction.

H.R. 14992 is needed, Mr. Speaker, because without any further legislative action, the Secretary's authority to provide food aid to many needy families, institutions, supplemental feeding programs, disaster relief, summer camps for children, and certain Indian reservations will expire in just 13 more days.

None of us wish to see this happen, so I hope the House will act favorably and quickly so we can move to reconcile our differences in similar legislation proposed by the other body.

This bill is the result of the work of a special ad hoc subcommittee appointed by the distinguished chairman of the committee (Mr. Poage). The subcommittee was chaired by the able gentleman from Washington (Mr. Foley) and included myself, the gentleman from Tennessee (Mr. Jones), the gentleman from Georgia (Mr. Mathis), the gentleman from Minnesota (Mr. Bergland), the gentleman from Pennsylvania (Mr. Goodling), and the gentleman from Nebraska (Mr. Thone).

This bill, together with three committee amendments, was approved by the full Committee on Agriculture without significant controversy.

Both the subcommittee and then the full committee by a 21 to 6 vote approved my amendment to authorize the purchase of seafood commodities and their products as well as agricultural commodities and their products. As we considered this provision, we learned that there was some question as to the scope of the Secretary's authority under present law to acquire and donate these equally nutritious foods. I believe the intent of our committee is clear that under this bill the Secretary can and should act to provide eligible recipients with seafood commodities and their products.

The full committee by a vote of 17 to 9 included an amendment making the Secretary's authority discretionary rather than mandatory. This amendment was supported by the Department of Agriculture which needs the necessary flexibility to properly administer this part of the food program.

The final committee amendment removed any reference to school food programs which are now covered in the conference report on H.R. 14354.

In summary, Mr. Speaker, this bill is needed and it is needed now. The present law runs out in less than 2 weeks, so I hope the House will approve H.R. 14992.

Mr. DOWNING. Mr. Speaker, will the gentleman yield?

Mr. WAMPLER. I yield to my distinguished colleague, the gentleman from Virginia.

Mr. DOWNING. I thank the gentleman for yielding.

Mr. Speaker, as has been previously noted, this is the first time seafood has been included in this very important program. I wish to commend the committee, and particularly the gentleman in the well (Mr. Wampler) for their diligence in getting this valuable food substance in the bill. Seafood is comparatively low in price, and it is high in protein. It will be helpful to the children and to the other people who receive it, and it also will be a shot in the arm for the seafood industry.

Mr. WAMPLER. I thank the gentleman for his contribution.

Mr. FOLEY. Mr. Speaker, I yield 5 minutes to the distinguished chairman of the full committee, the gentleman from Texas (Mr. Poage).

Mr. POAGE. Mr. Speaker, as it has been well pointed out, the jurisdiction over this general subject matter is rather divided in the House, and there are three bills, all of which relate to the same general subject, all of which are in order, and all of which are before the House today or tomorrow.

This bill attempts to cover only those matters that are within the jurisdiction of the Committee on Agriculture.

At the time the House considered the bill from the Committee on Education and Labor, I pointed out that that bill, in my judgment, infringed on the agricultural program. That bill was carefully tailored to 1 year, and this bill is carefully tailored to 1 year. Were it a longer period, I would feel that I would have to object to the legislation, but inasmuch as we have carefully confined this extension to 1 year, it seems to me reasonable that we take the year in which to bring ourselves in line with the new regulations established by the Committee on Ways and Means.

So I would suggest that both this bill and the legislation from the other committee do not more than carry out the present program for another year, with one slight exception.

Our committee did not know at the time that we considered the bill that there would be a provision in the conference report that would impose mandatory instructions on the Secretary of Agriculture. That was not in the House bill as brought to us by the other committee. Our committee sought to conform this bill with that of the other committee, and we did so. But now that committee has accepted in conference these provisions that were not in their original bill. This may present some problem when we go to conference.

But I wanted the House to recognize that the Committee on Agriculture was not trying to cause friction between the committees, but rather we were trying to achieve a situation in which our legislation and the other legislation would be coordinated and would be of the same nature. So we cannot promise the Members just what will come out of the conference. We do think it is of vital importance that this legislation and the other legislation both limit this to 1 year, during which time I hope that we can recognize that our agricultural programs should be separated from our relief or social welfare programs.

It is not that we are raising any objections to the social objectives, but they should not be charged to agriculture, and to the extent that this bill gets its money from funds set aside for agriculture we are taking from agriculture the resources we are using to carry out the welfare program. We are not fighting against the welfare program but we are saying it should not be done at the expense of farmers because farmers get a very small portion of that welfare program.

If I am still chairman of the Agriculture Committee in the future I will object to any further extension of using agricultural funds for these purposes. I think we have to do it at the present time, as the gentleman from Washington has so well pointed out.

Mr. WAMPLER. Mr. Speaker, I yield 5 minutes to the distinguished gentleman from Pennsylvania (Mr. Goodling).

Mr. GOODLING. Mr. Speaker, I am always delighted that each time I appear on this floor I have a cheering section. It reinforces me and I am able to do a better job.

I just want to point out that here again we are creating another bureaucracy and even though this bill calls for a 1-year extension I have learned from long, long experience that there is nothing as permanent as a temporary program. I recall that in 1937 and 1938, in my Commonwealth of Pennsylvania we enacted temporary taxes. They are still on the books today.

This commodity food distribution program came into being when we had a large surplus. Today that is no longer the case. What we are proposing to do in this bill is go out on the open market and buy foods and give them away on a welfare program.

I would like to point out, although I do not think it is necessary for me to point this out to the Members, we are doing this in direct competition with the people at home who should be furnishing the food for those we provide for under this bill. Why should they not have the privilege of furnishing this food, because after all, they are the local taxpayers?

I suggested to one of the gentlemen during the hearings on this bill that I personally believe the dollar we spend at home will buy far more food than the dollar we first send to Washington. He was not willing to agree with me on that, but I still believe I am correct.

Apparently the director of the bureau of Government donated food in the Commonwealth of Pennsylvania, at Harrisburg, heard of some of the questions I asked during these hearings. He wrote me what I consider to be a rather nasty letter.

Of course I am used to getting that kind. I have a way of answering them also. I want to read just one sentence that the gentleman wrote in his letter:

> Last of all, I completely fail to understand how an elected official could take such a callous attitude about keeping down the local tax burden.

How ridiculous can one become at the State level. It seems to be OK for us to raise taxes, but their attitude is: "Do not require us to raise taxes in our territory. We do not mind having you people in Washington look bad but we want to look good here."

This was my first reply to that letter:

> I am not only amazed but genuinely concerned when a public official advocates more Federal Government spending in order that you at the State level can keep down local taxes. Apparently you have not learned that before Uncle Sam can take a dollar out of his pocket, you and I must first put it there.
>
> Frankly, I am a bit weary of having almost daily requests from Harrisburg for more Federal funds. I happen to believe the Commonwealth of Pennsylvania is in a far stronger fiscal position than the Federal Government.

Call this what one will, it is simply one more welfare program. I do not care how we define it.

I am not sufficiently naive to think that this bill is not going to pass. I think this is a bad bill and I simply did want to point out, as I said before, here is one more temporary program that we are going to make permanent. As already has been pointed out by the chairman of the Agriculture Committee and the ranking member on the Committee on Agriculture, this is one more welfare program which is charged to the farmers of America. To my way of thinking, this is not proper procedure. All of these programs should be in the Department of Welfare, rather than in the Department of Agriculture.

Mr. DE LA GARZA. Mr. Speaker, will the gentleman yield?

Mr. FOLEY. I yield such time as he may consume to the gentleman from Texas (Mr. DE LA GARZA).

Mr. DE LA GARZA. Mr. Speaker, I rise in support of H.R. 14992. This legislation has been approved by the Committee on Agriculture to assist several States and territories.

I also support that seafood and all its products be included. There was no reason why this should not have been included in the beginning. It is not only proper in equity and justice that seafoods be included in this program; but it is wise, both nutritionally and economically. All will gain by this legislation and I am glad to have cooperated in this endeavor.

Mr. BINGHAM. Mr. Speaker, I wish to commend the chairman of the Ad Hoc Subcommittee on Commodities Distribution, the Honorable THOMAS FOLEY and the other distinguished members of that subcommittee for their work on the bill. H.R. 14992. This measure would provide for the continuation of domestic food assistance programs by means of extending the Department of Agriculture's special authority for 1 year to purchase agricultural commodities which are not in surplus.

These food commodities which have been distributed by the Department since the early 1930's have played an invaluable role in providing wholesome meals to needy families, youngsters in nonprofit school lunch programs, children and adults in camps and other nonprofit institutions. Indeed, without this assistance, many of these programs would have been confronted with enormous financial problems, possibly resulting in the termination of many nutritional services.

I am delighted to see that this measure contains provisions similar to the proposal I introduced on March 5. It amends section 4(a) of Public Law 93-86 by authorizing the Secretary of Agriculture, until July 1, 1975, to use funds available under provision of section 32 of Public Law 320, 74th Congress (7 U.S.C. 612c) to purchase, without regard to the provision of existing law governing the expenditures of public funds, agricultural commodities customarily purchased under section 32 and seafood commodities in order to maintain the level of assistance required by domestic food assistance programs that are authorized by law. This would benefit poor families—pending transition to the food stamp program—nonprofit institutions, supplemental feeding programs, disaster relief victims, summer camps for children, and Indian reservations not requesting a food stamp program.

My bill had also included provision for the distribution of food commodities for school lunches. However, with the passage of H.R. 14354 to extend the authorization of special purchases for the school lunch program, it was not needed in the bill now before us.

Originally, the Federal Government sought ways to dispose of surplus foods, thus creating a clientele of needy recipients who have come to depend on the extra foods. Now that the giant surpluses of food are no longer available, the Government cannot suddenly orphan the child that it has adopted for so long. I am pleased to see that this bill will authorize the Department of Agriculture to continue to purchase and distribute food supplies which have become essential to hundreds of thousands of hungry people. As long as there are people suffering from malnutrition in this country, the Federal Government must help bear the cost of feeding them.

Mr. BIAGGI. Mr. Speaker, just as I did earlier in connection with the School Lunch Act, I rise in support of this bill, but only with the understanding that this is the last year we will be operating this program by purchasing food products through the Commodity Credit Corporation.

This bill will continue the Federal Government in the business of food purchase and distribution—a business that can be better operated by the private sector at a lesser cost to the taxpayer. Again, I have no objection to the programs that will ultimately benefit by the purchase and distribution of this food. These beneficiaries include children in summer camps, people made homeless by natural disasters, and the poor and elderly in various institutions.

These programs are beneficial and as long as a majority of our society supports such efforts, Congress shall continue to appropriate funds for them.

However, as I did in connection with the School Lunch Act, I object here to the Federal Government getting into the food purchase and distribution business in direct competition with private industry.

In this case as in the School Lunch Act program, the interests of the beneficiaries and the American taxpayer would be better served if a check for the cost of the food products was turned over to the localities and they were permitted to go out into the marketplace themselves and purchase their products.

Whenever the Government gets into a business ordinarily handled in the private sector costs go up. This is particularly true in the food purchase and distribution business because of the very low profit margins on which such private sector firms operate. I hope this is the last time this body will have to vote for keeping the Federal Government in a business better operated by private firms.

Mr. FOLEY. Mr. Speaker, I have no further requests for time.

Mr. WAMPLER. Mr. Speaker, I have no further requests for time.

The SPEAKER. The question is on the motion offered by the gentleman from Washington (Mr. FOLEY) that the House suspend the rules and pass the bill, H.R. 14992, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill as amended was passed.

A motion to reconsider was laid on the table.

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the Committee on Agriculture be discharged from further consideration of the Senate bill (S. 3458), to amend the Agriculture and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes, a similar bill to H.R. 14992, and ask for its immediate consideration.

The Clerk read the title of the Senate bill.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

The Clerk read the Senate bill, as follows:

S. 3458

Be it enacted by the Senate and House of Representatives of the United States of

America in Congress assembled, That section 4(a) of the Agriculture and Consumer Protection Act of 1973, as amended (87 Stat. 221, as amended, 7 U.S.C. 612c note), is amended to read as follows:

"Sec. 4. (a) Notwithstanding any other provision of law, the Secretary of Agriculture shall (1) use funds available under provisions of section 32 of Public Law No. 320, Seventy-fourth Congress, as amended (7 U.S.C. 612c), to purchase, without regard to the provisions of existing law governing the expenditure of public funds, agricultural commodities and their products of the types customarily purchased under section 32 for donation to maintain the traditional level of assistance for food assistance programs as are authorized by law, including but not limited to school lunch, institutions, supplemental feeding, disaster relief, and, until July 1, 1976, the family commodity distribution program on Indian reservations not requesting the food stamp program, and (2) if stocks of the Commodity Credit Corporation are not available, use the funds of the Corporation to purchase agricultural commodities and the products thereof of the types customarily available under section 416 of the Agricultural Act of 1949 to meet such requirements: *Provided, however,* That nothing in this subsection supersedes the requirements of section 10(e) of the Food Stamp Act of 1964, as amended, except as to Indian reservations.".

Sec. 2. (a) Section 3(h) of the Food Stamp Act of 1964, as amended (78 Stat. 703, as amended, 7 U.S.C. 2011–2026), is amended by adding at the end thereof the following new sentence: "Such term, with respect to any tribe, means (1) the Secretary of the Interior whenever the Secretary of the Interior has responsibility for administering a food stamp program for such tribe under an agreement entered into under this Act, (2) the official governing body of any tribe whenever such tribe has responsibility for administering its own food stamp program under this Act, or (3) any State whenever such State agrees to accept responsibility for administering a food stamp program for such tribe within such State under an agreement entered into under this Act.".

(b) Section 3 of the Food Stamp Act of 1964 is further amended by adding at the end thereof the following new subsections (o) and (p):

"(o) The term 'tribe' means any Indian tribe, band, nation, or community, including any 'Native village' as defined in the Alaska Native Claims Settlement Act (85 Stat. 688), for which the Federal Government provides special programs because of the identity of the tribe, band, nation, or community as Indian.

"(p) The term 'Indian reservation' means any area recognized as such by the Secretary of the Interior.".

Sec. 3. (a) Section 4(a) of the Food Stamp Act of 1964, as amended, is amended by inserting "or an Indian reservation, as the case may be," immediately after "within the State".

(b) Section 4 of the Food Stamp Act of 1964 is further amended by redesignating subsections (b) and (c) as subsections (c) and (d), respectively, and by adding after subsection (a) a new subsection (b) as follows:

"(b) (1) Upon request to the Secretary by the appropriate officials of any tribe, such tribe is authorized to administer a food stamp program under this Act on behalf of the eligible households of such tribe living on an Indian reservation. Such program shall be administered by the tribe in accordance with regulations issued by the Secretary.

"(2) The Secretary of the Interior or any State is authorized to administer a food stamp program on behalf of any tribe residing on an Indian reservation. Any such program shall be administered in accordance with an agreement entered into between the tribe and the Secretary of the Interior or the State within which the Indian reservation is located. Where an Indian reservation is located in more than one State, an agreement with a State shall pertain only to members of the tribe residing within the boundaries of such State.

"(3) In accordance with regulations issued under paragraph (1) of this subsection or in accordance with an agreement entered into under paragraph (2) of this subsection, as appropriate, a food stamp program may be administered by a tribe or by the Secretary of the Interior or a State on behalf of part or all the members of such tribe eligible to participate in such program.".

(c) Subsection (d) of section 4 of the Food Stamp Act of 1964, as redesignated by subsection (b) of this section, is amended by adding at the end thereof the following new sentence: "No regulation which pertains only to the administration of the food stamp program on Indian reservations may be issued without prior consultation with the Secretary of the Interior and authorized representatives of the tribes affected.".

Sec. 4. Section 15 of the Food Stamp Act of 1964, as amended, is amended as follows:

(a) Subsections (a) and (b) are amended to read as follows:

"(a) Except as otherwise provided in this section, each State shall be responsible for financing, from funds available to the State or political subdivision thereof, the costs of carrying out the administrative responsibilities assigned to it under the provisions of this Act.

"(b) The Secretary is authorized to pay to each State agency an amount equal to 62.5 per centum of all administrative costs, including, but not limited to, the cost of (1) the certification of households; (2) the acceptance, storage, and protection of coupons after their delivery to receiving points within the States; (3) the issuance of such coupons to eligible households; (4) the outreach and fair hearing requirements of section 10 of this Act; and (5) the control and accounting of coupons: *Provided,* That each State shall report at least annually to the Secretary on the effectiveness of its administration of the program and no such payment shall be made to any State unless the Secretary is satisfied pursuant to regulations which he shall issue that an adequate number of qualified personnel are employed by the State in the program to administer the program efficiently and effectively.

(b) A new subsection (c) is added at the end thereof as follows:

"(c) Notwithstanding any other provision of this Act, the Secretary shall pay any tribe administering a food stamp program on any Indian reservation an amount equal to 100 per centum of all expenses incurred by such tribe attributable to the administration of such program and shall reimburse the Department of the Interior or any State administering a food stamp program on any Indian reservation for all expenses incurred by such Department or State in accordance with any agreement entered into under section 4(b) of this Act.".

Sec. 5. Section 3 of the Child Nutrition Act of 1966, as amended (80 Stat. 885, as amended, 42 U.S.C. 1771–1786), is amended as follows:

(a) The first sentence is amended by striking ", not to exceed $120,000,000," and inserting in lieu thereof "such sums as may be necessary".

(b) Section 3 is further amended by adding at the end thereof the following: "For the fiscal year ending June 30, 1975, and for subsequent fiscal years, the minimum rate of reimbursement for a half-pint of milk served in schools and other eligible institutions shall not be less than 5 cents per half-pint served to eligible children, and such minimum rate of reimbursement shall be adjusted on an annual basis each fiscal year thereafter, beginning with the fiscal year ending June 30, 1976, to reflect changes in the series of food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Such adjustment shall be computed to the nearest one-fourth cent.".

MOTION OFFERED BY MR. FOLEY

Mr. FOLEY. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. Foley moves to strike out all after the enacting clause of the Senate bill (S. 3458), and insert in lieu thereof the provisions of H.R. 14992, as passed.

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "To continue domestic food assistance programs, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 14992) was laid on the table.

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that the House insist on its amendment to the Senate bill (S. 3458) and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Washington? The Chair hears none, and appoints the following conferees: Messrs. Poage, Stubblefield, Foley, Wampler, and Goodling.

GENERAL LEAVE

Mr. FOLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Washington?

There was no objection.

PROFESSIONAL EDUCATION FELLOWSHIP PROGRAM

Mr. O'HARA. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 15296) to authorize the Commissioner of Education to carry out a program to assist persons from disadvantaged backgrounds to undertake training for the legal profession.

The Clerk read as follows:

H.R. 15296

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That funds appropriated for part D of title IX of the Higher Education Act of 1965 by the Departments of Labor and Health, Education, and Welfare, and Related Agencies Appropriations Act for the fiscal year ending June 30, 1974 (Public Law 93–192), shall remain available for obligation through September 15, 1974, for the purpose of supporting a program to assist persons from disadvantaged backgrounds to prepare and be educated for the legal profession.

Sec. 2. In order to carry out the program authorized by this Act, the Commissioner of Education is authorized to make grants to private nonprofit organizations representative of legal education and the legal profession for the purpose of (1) selecting and counseling such persons; (2) paying stipends to such persons and in such amounts as the Commissioner may determine to be appropriate; and (3) paying for any administrative expenses incurred in the carrying out of activities authorized by this Act.

SEC. 3. The activities authorized by this Act may be carried out without regard to the requirements and limitations set forth in sections 961, 962, and 963 of part D of title IX of the Higher Education Act of 1965.

The SPEAKER. Is a second demanded?

Mr. DELLENBACK. Mr. Speaker, I demand a second.

PARLIAMENTARY INQUIRY

Mr. GROSS. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state his parliamentary inquiry.

Mr. GROSS. Is the gentleman from Oregon opposed to the bill?

Mr. DELLENBACK. The gentleman is not opposed to the bill.

Mr. GROSS. Mr. Speaker, I am opposed and I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Michigan (Mr. O'Hara) will be recognized for 20 minutes and the gentleman from Iowa (Mr. Gross) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Michigan (Mr. O'Hara).

Mr. O'HARA. Mr. Speaker, I think a few words are in order to explain to the House what this bill does, and to seek to allay some concerns over things it does not do.

The bill creates no new program. There has been in operation, since fiscal year 1971, a program jointly funded by the Office of Economic Opportunity and the Department of Health, Education, and Welfare and managed by the Council on Legal Education Opportunity—CLEO—to assist young people from a variety of disadvantaged backgrounds to prepare themselves to enter law school and to complete a legal education. The program has functioned through the financing of summer institutes to assist promising college undergraduates to prepare for law school entrance, and through the provision of stipends to persons admitted to law school to enable them to meet the costs of legal education. The American Bar Association, the National Bar Association, the Association of American Law Schools, and the Law School Admission Test Council have all participated in the work of CLEO, and 130 of the 150 accredited law schools in the country have students who were helped to prepare for school through the CLEO program.

Since the basic OEO funding authority for the program was scheduled to end at the close of this fiscal year—and, in fact, has now done so, the Congress, in 1972, enacted legislation which, among other things, was intended to provide an on-going authority for the CLEO program. This legislation, part D, of title IX of the Higher Education Act as amended, provides for graduate and professional fellowships for persons from disadvantaged backgrounds. Part D specifies the amount of stipends and calls for dependency allowances, travel allowances, and for a rather generous institutional award in connection with each fellowship.

The CLEO program has operated, quite successfully, at a level of approximately $1,000 per student-year, plus administrative costs and the cost of summer institutes. For an annual expenditure in the neighborhood of $750,000, CLEO has been able to prepare and maintain approximately 550 students in any given year, at one point or another of their legal education.

That $750,000 has already been appropriated for fiscal year 1974, and is available for obligation for the coming year's program.

However, if that appropriated amount has to be spent under the provisions of part D, the cost will go from slightly over $1,000 per student to just under $8,000 per student—half of which will be $4,200 institutional award, which in the case of the CLEO program, the institutions are willing to forego, but which the law makes mandatory.

In short, Mr. Speaker, we have here an on-going program, which has been operated to the satisfaction of both students and institutions, at a cost in the neighborhood of $1,000 per student-year, and which can continue at that cost, except that a strict reading of the statutory authority under which it will now function would require an eight-fold increase in the cost per student-year. If the CLEO program can continue under the provisions which have governed it to date, they can handle some 550 students during the coming year, including both new entrants and students continuing from previous years. If we do not permit this, the program will continue, the same amount of money will be spent, but instead of 550 students, there will be less than 100 who can continue.

Mr. GROSS. Mr. Speaker I yield myself such time as I may consume.

Mr. Speaker, I am curious about this program of taking care of so-called disadvantaged persons with respect to a law degree.

I should like to ask the gentleman, what is the formula for being a disadvantaged person in terms of this bill?

Mr. O'HARA. Essentially, it is an income test. This program is a carryover from the poverty program, and it has to do with family income or financial income, which is the first criterion for eligibility to participate in the program. There has to be low income, to start off with, and then since there are about 11 low-income people applying for every available spot, the deans of the law schools that operate these summer institutes further screen the applicants and try to select those with the greatest academic promise from among the applicants.

Mr. GROSS. Why not doctors?

Mr. O'HARA. I do not know. There is no reason for why not doctors, I would suppose. But I know of no such program.

Mr. GROSS. Of course, there ought to be some answers as to why this is limited to the legal profession. Are we short of lawyers in this country?

Mr. O'HARA. I do not believe there is a great undersupply of lawyers.

Mr. GROSS. Is it not the fact that many young men are unable to get into law schools this year because they are full?

Mr. O'HARA. Yes, it certainly is.

Mr. GROSS. Why did the gentleman pick out lawyers?

Mr. O'HARA. I think the explanation in answer to the question lies in the history of the program, how it originated. It originated as part of the legal services program operated by the Office of Economic Opportunity, one aspect of the legal services program. Then when the OEO was going to expire, this particular ongoing program, which had been run by the American Bar Association, the National Bar Association, and the others I mentioned, was incorporated into the 1972 education amendments. I do not think it represented any conscious judgment that disadvantaged students seeking to qualify for law school are any more or less deserving than students seeking to qualify for medical school.

Mr. GROSS. Is it not the fact that we are probably in shorter supply of blacksmiths than we are of lawyers in this country, people who can shoe horses and do general blacksmithing?

Mr. O'HARA. I do not know whether we are in short supply of either blacksmiths or lawyers.

I do not think the idea is based on that.

Mr. GROSS. What is the idea based on, then? Is it not to put them in a position where they can make a living?

Mr. O'HARA. To answer the gentleman, I do not believe the purpose of the program is to maximize the number of lawyers. I think the purpose of the program is to assist students who have come from disadvantaged backgrounds and who would not otherwise have the opportunity to qualify for or successfully complete law school. It is to achieve equality for those seeking admission and to help them in competing once they get into law school.

Mr. GROSS. These disadvantaged persons must have a degree before they qualify for this program; is that not correct?

Mr. O'HARA. Yes.

Mr. GROSS. Then what is a disadvantaged person if they must have a degree to qualify?

Mr. O'HARA. It takes more than a college degree to enter law school these days.

Mr. GROSS. All right. I agree with that statement, but are they truly disadvantaged persons if they already have a degree?

Mr. O'HARA. That depends on their background. If they are from low-income families, if they have had interrupted educations, if they have some sort of handicap, then I think one can say they are disadvantaged people.

Mr. GROSS. Mr. Speaker, what does the gentleman mean by "handicapped"? The gentleman is not predicating this on the "handicapped," is he?

Mr. O'HARA. No, I am not.

Mr. GROSS. All right. Let us dispose of this here and now, and let us not shed any tears over the handicapped as the term applies to this particular program.

What I do not understand is this: What is the cost per year? What are we willing to dish out to these disadvantaged people who already have college degrees? How much per year is it proposed to dish out to them to further complete their education toward a law degree?

Mr. O'HARA. Mr. Speaker, if the gentleman will yield further, I will answer his question.

If the bill passes, they will get $1,000 a year. If the bill does not pass, they will get $2,800 a year.

Mr. GROSS. Mr. Speaker, I thought the gentleman said that on page 2 of the report it was pointed out that the Office of Education testified that the average part D fellowship will cost almost $8,000 a year.

Mr. O'HARA. The gentleman is correct. If this bill does not pass, we will have to give each student a minimum stipend of $2,800, plus $300 for each dependent plus travel, and we will have to give each law school that takes such a student $4,200 per student.

Under the present system, if the bill passes, we will not give the law schools anything, and we will only give the students $1,000 a year instead of $2,800 plus.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Speaker, as I understand the gentleman's response, this bill which we have before us today would reduce the stipend from $2,800 per student to $1,000 per student?

Mr. O'HARA. The gentleman is correct.

Mr. WYLIE. What happens if this bill does not pass?

Mr. O'HARA. Mr. Speaker, if the gentleman from Iowa will yield further, I will answer by saying this:

The program will go ahead. The same amount of money will be spent, but it will be spent at the rate of $2,800 plus for each student, plus $4,200 for each institution or each law school for the assistance to each student.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. GROSS. Of course, I yield.

Mr. WYLIE. Mr. Speaker, I will ask the gentleman: How long will the present program continue?

Mr. O'HARA. Mr. Speaker, the program is authorized and appropriated for through the coming fiscal year. Our committee anticipates giving a thorough review to the program during this last remaining year of the program, and we, the Congress, will decide whether or not to continue the program beyond this coming year.

Mr. WYLIE. Mr. Speaker, does the gentleman mean the fiscal year 1975, the fiscal year that begins on July 1?

Mr. O'HARA. The gentleman is correct.

Mr. WYLIE. So it would continue for 1 year beyond the time now, under the existing legislation which provides for $2,800 per student?

Mr. O'HARA. Mr. Speaker, if the gentleman from Iowa will yield further, the program would continue for 1 additional year.

The money is already appropriated for next year, and that is all I intend to provide.

Mr. WYLIE. At $2,800 a year?

Mr. O'HARA. Yes; I intend to make it possible to spend the money at a less-per-student rate next year. That is all I am trying to do with this bill.

Mr. WYLIE. Mr. Speaker, I thank the gentleman.

Mr. DELLENBACK. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Oregon.

Mr. DELLENBACK. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, the questions which my colleague, the gentleman from Iowa, has raised are good questions. They are valid questions, questions that go to the heart of the program itself. They are questions that are part of those questions, if I may say this to my colleague, the gentleman from Iowa, which have been raised within the subcommittee.

In addition to those questions, there are other questions which are valid, such as these: In the actual administration of the program, we ask not only what has been used as the test for "disadvantaged," but has it been fairly applied? Have we really a program which has lived up to our original expectations and hopes?

Mr. Speaker, I will say to my colleague, the gentleman from Iowa, granted those are very good questions, the issue that is before us today is not really the consideration of those questions, because under past legislation, authorization legislation and appropriation legislation, the program is going to go forward. We suddenly find that in the amendments of 1972 there was an inadvertence. There was not only the continuation of this program, which was advertent, but, inadvertently, it was lumped under a graduate fellowship section of the law which mandates that not only would there be a stipend of $2,800 a year for each participant, but, in addition to that, there would be a transportation allowance for each participant. In addition to that, there is the dependency allowance for each participant, and in addition to that, there is a grant of at least $4,200 to the institution where this participant participates.

So we would find that this had been going forward at the relatively modest cost to the Federal Government of $1,000 per student, with the balance being picked up by the law school or the balance being taken care of from other sources, and thus, with $1,000 per student, we were able to go forward with the program and we would find that under presently existing laws, with money already appropriated, it would require each participant to receive, directly or indirectly, about $8,000 per participant.

The passage of this bill today, I will say to my good friend and colleague, will not mean the discontinuation of the program. It will continue anyway. It will not mean the appropriation of one more dollar. We have already appropriated those dollars.

Mr. GROSS. If you found all of these things wrong with this program, why in Heaven's name did you not come here today, with legislation to repeal the law and get rid of it? I do not understand why you are in the business of emphasizing more lawyers when we are already surfeited with them and when the law schools are full and those that can pay their way cannot get into the law schools because they are full. I have had requests to help two applicants in the last month, and I could not help them because the law schools are full. Why should we be in this business at all?

Mr. DELLENBACK. Will the gentleman yield?

Mr. GROSS. Yes; I yield.

Mr. DELLENBACK. It is not my feeling that the program is a bad program. I feel, frankly, it is a good program.

Mr. GROSS. I took it for granted that the gentleman felt it is a good program or he would have taken the other course that was suggested, namely, that the law be repealed.

Mr. DELLENBACK. Exactly.

Mr. GROSS. And we ought not to be spending money on this kind of a proposition.

Mr. DELLENBACK. If my friend will yield, I may reply.

Mr. GROSS. I yield to the gentleman.

Mr. DELLENBACK. The point I make, Mr. GROSS, is I think the program is a good program, but I say that there has been a series of questions raised.

Mr. GROSS. Why do you think it is a good program?

Mr. DELLENBACK. Because basically the history of the program has shown that the program may have somewhere between 1,300 and 1,500 people who are not disadvantaged, and there is a difference between saying a disadvantaged person and a person from a disadvantaged background. There is a need for well qualified lawyers from all across the warp and woof of society. This has made it possible for otherwise well qualified people to be qualified as lawyers; not to make more lawyers available but to be sure that of those lawyers that are going to be made available they come from all sources.

Mr. GROSS. That is what it does. It makes more lawyers available, and the gentleman knows that we have enough.

Mr. LANDGREBE. Will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Indiana.

Mr. LANDGREBE. I thank the gentleman for yielding.

I have a couple of questions that have already been answered, but I think we can ask them again.

Do you not think there is something fishy about a bill which is brought to the floor that suggests we will reduce spending from $2,800 to $1,000 on any person or project?

Mr. GROSS. Coming from the Education and Labor Committee, yes. I think it needs to be questioned.

Mr. LANDGREBE. Will the gentleman yield again?

Mr. GROSS. I yield to the gentleman.

Mr. LANDGREBE. Again the gentleman mentioned this. Is the need for lawyers in this country so great that we ought to run this country further into debt spending money even if it has already been appropriated?

Mr. GROSS. That is exactly the point.

Mr. LANDGREBE. One more question. Although the gentleman has already answered this, I would like to reemphasize it.

Would it not make a lot more sense to come in here, and under suspension, simply repeal the entire program?

Mr. GROSS. That is right. That is the question I asked a few moments ago and got no answer.

Mr. ROUSSELOT. Will the gentleman yield?

Mr. GROSS. Of course I yield to my friend from California.

Mr. ROUSSELOT. I was heartened when I read this reduces the financing from $2,800 to $1,000, but my question is to either the gentleman from Oregon or the gentleman from——

Mr. GROSS. But the rest of the money should not be spent.

Mr. ROUSSELOT. I am sure it will be spent, because they will find a way. However, my question is: Why cannot these legal students, if they are such disadvantaged people, get scholarships under other Federal programs? Why do we have to have a special program? This is a special program that came out of the Office of Economic Opportunity which created nothing but problems all across the country. That is another issue which this is a spinoff from. This is a spinoff from the OEO. Why cannot these so-called disadvantaged people—and I am not convinced that all of them are—but why can they not get this under other normal Federal scholarship programs?

Mr. DELLENBACK. Will the gentleman yield very briefly?

Mr. GROSS. I yield to the gentleman.

Mr. DELLENBACK. If I may say so to my colleague in answer to him, under the program which has been carried forward they have been able to go to other sources to get most of the cost of going to law school. This has supplied supplemental funding in the amount of $1,000 a youngster to join with the others.

Mr. ROUSSELOT. But then we are not cutting off any disadvantaged person from going to law school if the law school will admit them. As the gentleman from Iowa has already pointed out, the law schools are already well oversubscribed as to people attending them. They will not be, in fact, cut off if we do not pass this bill because they are able to get it from another area. Is that correct?

Mr. DELLENBACK. The answer is "No."

Mr. GROSS. Mr. Speaker, I reserve the balance of my time.

Mr. O'HARA. Mr. Speaker, before I yield to my friend, the gentleman from Oregon (Mr. Dellenback) for a statement, let me simply say to the gentleman from California (Mr. Rousselot) that whether or not we pass the bill the $750,000 that is appropriated is going to be spent. If we pass this bill we will spend it at the rate of about $1,000 per student, and if we do not pass the bill it will be spent at the rate of about $8,000 per student. The difference is between the number of students that would be assisted one way versus the other way. If we defeat this bill we do not end the program. The program goes on. The program does not need this bill. But if we do not pass this bill what we are doing is providing for expenditure at the rate of $8,000 per student instead of $1,000 per student.

Mr. Speaker, I now yield 5 minutes to the gentleman from Oregon (Mr. Dellenback).

Mr. DELLENBACK. Mr. Speaker, I thank the gentleman from Michigan for yielding me this time.

Mr. Speaker and my colleagues, I think it is extremely important that the questions that have been asked be answered, as I said in response to the comments that were made by my colleague, the gentleman from Iowa (Mr. Gross) a few moments ago.

The gentleman from California (Mr. Rousselot) is also raising some good questions, and they should be faced up to.

It is the very fact that there have been a series of such questions asked that have led the chairman of the subcommittee, the gentleman from Michigan (Mr. O'Hara) to declare that as quickly as we complete the hearings which are now under way in our subcommittee dealing with the whole question of student aid, we will look at this whole issue in order to try to make some order out of chaos. At that time, we will proceed to look at this particular program from the viewpoint of:

Is it basically a good program?

Has it been well administered?

Should we continue the program?

These are representative of the sorts of questions that can be raised.

Quite frankly, we would welcome at that time whatever testimony the gentleman from Iowa (Mr. Gross) and the gentleman from California (Mr. Rousselot) or anyone else might want to inject into the deliberations on this program and the Federal role in its continuation.

But I would urge my colleagues that we understand clearly what is really before us today. It is not the question of whether this program will continue. That has already been acted on by the Congress. It is not whether or not there will be one additional dollar appropriated, because it has already been appropriated in prior appropriation legislation. The issue that is basically before us is:

Whether or not the program will continue in force and effect as it has been operative under prior authorizations and prior appropriations, or whether—because of something that was included in the 1972 amendments—there be a rather drastic change in the way the stipend funds are awarded.

We are really debating whether or not these participants who have been perfectly satisfied to receive $1,000 a year to continue their legal education—and coupled this incremental subsidy with financial assistance from the law schools involved as well as private sources—will suddenly be forced to receive in the area of an average of $8,000. Some of this increased financial aid will go directly to the student, with the majority of it going to the institution. If ever there could be inefficient utilization of Federal dollars, this will be such inefficient utilization.

Consequently, I would urge that we see this bill for exactly what it is. Let's raise the questions which are in our minds and in our hearts, but realize that these questions, if applied in this instance to yield a "no" vote, will be counterproductive. Those of you who see a difference in one direction which can lead to a "no" vote will be walking off in an entirely different direction.

So I would urge that we consider this bill for what it would accomplish at this point in time.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. DELLENBACK. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

So the better course would be to defeat this bill today and let the Committee on Education and Labor come in with a bill to repeal it.

Mr. DELLENBACK. If I may say in response to my friend, the gentleman from Iowa, that is not what is going to happen. The decisions are going to be made within the next couple of weeks as to how, under the present program, the dollars would be allocated. If we were to defeat this bill today, what would occur, since the authorizing legislation is on the books and the funds already appropriated and the program underway, is that those who administer the program would be forced to go ahead and in the next 2 weeks allocate the money on this concentrated basis in much larger amounts. There is not going to be time, if we defeat this bill today, to follow the course that the gentleman is suggesting.

The comments that the gentleman would have to make should be brought before the subcommittee at the time it holds further hearings.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. DELLENBACK. I yield to the gentleman from New York.

Mr. KEMP. I thank the gentleman for yielding.

Am I not correct in assuming that the purpose of this legislation, the chairman of the subcommittee, has stated, is simply to reduce the per-student stipend from $2,800 to a maximum of $1,000?

Mr. DELLENBACK. That is the net effect of the legislation, not from just $2,800 to $1,000, but the $2,800, plus the $4,200, plus travel, plus dependency, to reduce that to one single $1,000 per student.

Mr. KEMP. If the gentleman will yield further, I have another question.

Mr. DELLENBACK. I yield to the gentleman from New York.

Mr. KEMP. I appreciate the gentleman's yielding.

Another question on the minds of some of my colleagues is, Does this continue the authorization beyond the fiscal year 1975?

Mr. DELLENBACK. No, it does not. The authorization is already there for fiscal year 1975 and through the fiscal year 1975. This does not change that.

Mr. KEMP. Mr. Speaker, will the gentleman yield further?

Mr. DELLENBACK. Of course, I yield.

Mr. KEMP. Is it not the intent of the subcommittee to hold hearings in the near future and to go into the questions that are being raised on the floor today, which are perfectly justifiable and of very much concern to many of us, as to the purpose of the program?

Mr. DELLENBACK. The gentleman is absolutley right.

Mr. Speaker, the purpose of the bill we are now considering is quite limited, but this is a bill which it is important be enacted this month. I endorse H.R. 15296, which I introduced along with Mr. O'Hara on June 10, without any reservations and feel that all our colleagues can support it as well. I appreciate the cooperation of Mr. O'Hara, the able chairman of the Special Subcommittee on Education, in getting the bill to the floor as rapidly as he has.

As has already been mentioned, the effect of this bill is quite simple. It is to allow for the continued Federal support of a successful privately sponsored program, using funds already appropriated by Congress in the 1974 Labor-HEW Appropriations Act.

The program for which this appropriation was made is known as CLEO, the Council for Legal Education Opportunity. This council was formed in 1968 and sponsored by the American Bar Association, American Association of Law Schools, National Bar Association, and the Law School Admission Council. Beginning in 1971, CLEO received financial support from OEO and the Office of Education. CLEO serves as the catalyst to assist some 130 accredited law schools recruit, prepare, and support approximately 200 students from disadvantaged backgrounds each year. At the present time there are approximately 550 CLEO students enrolled in one or another of the 3 years of law school.

In past years, the CLEO appropriation and subsequent grant were authorized under the OEO legislation. After the responsibility for the CLEO grant was transferred to the Office of Education, it was necessary to create authorizing legislation to allow for continued appropriations. This was the intent behind a small provision in part D of title IX of the Higher Education Act.

Once the $750,000 was appropriated under this authority, however, it became evident that the grant could serve only a very limited and reduced number of students because of the restrictions and requirements of part D. Specifically, as I mentioned the gentleman from New York (Mr. Kemp), part D requires stipends to students in the amount of $2,800, plus $300 per dependent, plus travel expenses, plus at least $4,200 to the institution. No one, including CLEO and the participating law schools, feels that these vastly increased amounts are necessary. In fact, the current practice is to give each CLEO student only $1,000 per year. This bill would allow the current practice to continue next year, and would result in many more students being assisted with the same number of dollars.

Mr. Speaker, some Members have raised questions about the soundness of providing Federal funds to assist disadvantaged students in the pursuit of a legal education. There are complex questions that should be explored before further approximations are made in support of the CLEO program. Personally, I do not share most of the concerns of some of our colleagues and strongly endorse efforts to educate competent attorneys representative of every segment of society.

Nevertheless, Mr. O'Hara has assured us on a number of occasions that he does intend to explore all of the issues related to this controversial area. We will look at traditional discretionary practices and at so-called reverse discrimination. We will explore current admission policies and the tests and criteria used in the admission selection process. But those questions do not have a bearing on this very limited bill.

I would remind my colleagues, once again, that we are not authorizing any new program. Nor are we approving any new funds. We are simply continuing in force and effect the ground rules under which already appropriated moneys can be used this coming fiscal year. Because of the merits of the legislation and the urgency of taking action in the next few days before the end of this fiscal year, I urge the passage of this bill.

The SPEAKER. The time of the gentleman has expired.

Mr. O'HARA. I yield 1 additional minute to the gentleman from Oregon.

Mr. JOHNSON of Colorado. Mr. Speaker, will the gentleman yield?

Mr. DELLENBACK. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

It still is not clear to me whether or not we are going to educate the same number of students at last year's costs. The gentleman said the money has already been appropriated. Are we going to spend less money per person, or are we going to educate more students, or are we going to educate less students with the same amount of money?

Mr. DELLENBACK. The limitation on the number of students being educated is already determined, not by this program, but by the law schools' admission policies. It will be a question of whether law school students who have already been admitted are going to get help from this program, or whether a series of young people who have been admitted and who are counting on $1,000 and also counting on being enrolled are suddenly going to be thrown into chaos, with a substantial number being affected.

Mr. KEMP. Mr. Speaker, H.R. 15296 makes responsible technical changes in the CLEO program. It changes the ground rules for spending funds already appropriated in a way which will maximize the use of Federal expenditures. Because the limited objective of this bill, it would reduce the per student stipend from $2,800 to a maximum of $1,000 a technical change, is competently handled, I support this bill. Although we are now discussing the merits of a technical change in the CLEO program, I feel it is appropriate to stress at this time the urgent necessity to discuss the merits of the CLEO program itself. During hearings and mark-up sessions on H.R. 15296, fundamental questions regarding the substance of CLEO were not resolved, because this bill was not seen as the vehicle for resolving such questions. I agree that this bill is not the vehicle for resolving such questions. This bill has, however, focused attention upon the deeper issues involved in admissions to law schools—and the committee must move to consider these issues at the earliest possible moment. The rapid advancement and resultant complexity of our society has created the necessity for greater numbers of highly trained professionals. Our society has realized this need. Our law schools are flooded yearly with tens of thousands of applications for admissions from individuals who for the most part are highly qualified. If the needs of our society are to be fulfilled as efficiently and effectively as possible, it is incumbent upon law schools to select from their applicants those students who are most qualified, and most likely to successfully complete their course of study and become effective members of the legal profession.

The CLEO program provides students from low-income, disadvantaged backgrounds an access to law school by training them in a remedial summer institute, and then making arrangements with participating law schools for these students to be admitted to law school. Because the number of seats in our law schools is very limited, it is essential that the most qualified students fill these seats. To the extent that the CLEO program places less qualified students in our law schools, I think the program should be changed or rescinded. If the CLEO program favors lesser qualified students over more qualified students, if it is discriminatory in its practices and therefore unconstitutional, I feel Congress should vigorously scrutinize this program before the end of the session. I am glad to know that Representative O'Hara will hold hearings in our Subcommittee of Education and Labor. In light of the Supreme Court's recent nondecision of the Defunis case, congressional inquiry into the admission policies of law schools is certainly an urgent necessity.

Mr. O'HARA. Mr. Speaker, I reserve the balance of my time.

Mr. GROSS. Mr. Speaker, I yield 1 minute to the gentleman from Idaho (Mr. Symms).

Mr. SYMMS. Mr. Speaker, after listening to this debate and studying this legislation, it looks to me as though we should rename this act the Train More Lawyers Welfare Reform Act of 1974, because after all, Mr. Speaker, there are only 221 lawyers in the House of Representatives and only 67 over in the Senate. Therefore, it looks as though if we cut this down to $1,000, we could spread it around more and train more lawyers to run for Congress and run for the Senate. I am sure the American people would like that.

Mr. GROSS. Mr. Speaker, I have no further requests for time.

Mr. PERKINS. Mr. Speaker, I want to take just a moment to indicate my strong support for H.R. 15296, and to compliment the distinguished chairman of our Higher Education Subcommittee for his efforts in connection with the bill before us.

The Higher Education Subcommittee, under the able Chairmanship of Congressman O'HARA, is presently involved in both oversight and legislative hearings and other activities which will lay the foundation for further strengthening and perfecting Federal aid to college students and our institutions of higher education.

Chairman O'HARA and the ranking minority member—JOHN DELLENBACK, of Oregon—and all the members of the subcommittee have been tirelessly involved in this effort and again I want to commend them.

The bill before us provides a temporary or interim solution to an immediate problem. Passage of this legislation will allow already appropriated funds to be utilized in an ongoing program as they have been utilized in past years.

With the passage of H.R. 15296, we will continue to support the CLEO program which involves the preparation of students in disadvantaged backgrounds for entry into law schools and completion of legal education.

We can assist 550 students through this program with the passage of this bill. If we do not take this action, the program will be limited to fewer than 100 students. It seems to me both efficiency and economy tell us that we should approve H.R. 15296.

As I have indicated, it is a temporary solution and it will allow for continued work and study on the part of Chairman O'HARA and his subcommittee on the program as it was amended by the 1972 education amendments.

GENERAL LEAVE

Mr. O'HARA. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 15296.

The SPEAKER. Is there objection to the request of the gentleman from Michigan?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. O'HARA) that the House suspend the rules and pass the bill H.R. 15296.

The question was taken.

Mr. GROSS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII and the prior announcement of the Chair, further proceedings on this motion will be postponed.

Does the gentleman from Iowa withdraw his point of order that a quorum is not present?

Mr. GROSS. Mr. Speaker, I withdraw my point of order.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Debate has been concluded on all motions to suspend the rules.

Pursuant to the provisions of clause 3(b), rule XXVII, the Chair will now put the question, on each motion on which further proceedings were postponed, in the order in which that motion was entertained.

Voters will be taken in the following order:

Conference report on H.R. 14354 (de novo).

H.R. 15296 (de novo).

NATIONAL SCHOOL LUNCH ACT AMENDMENTS OF 1974

The SPEAKER. The unfinished business is the question of suspending the rules and agreeing to the conference report on the bill (H.R. 14354).

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky (Mr. PERKINS) that the House suspend the rules and agree to the conference report on the bill H.R. 14354.

Mr. ROUSSELOT. Mr. Speaker, I demand a recorded vote.

A recorded vote was refused.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 345, nays 15, not voting 73, as follows:

[Roll No. 297]

YEAS—345

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Armstrong
Aspin
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clawson, Del.
Clay
Cleveland
Cochran
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Dickinson
Diggs
Dingell
Downing
Drinan
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Fish
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Griffiths
Gubser
Gude
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harsha
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Latta
Leggett
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
Madden
Madigan
Mahon
Mallary
Mann
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Mezvinsky
Miller
Minish
Mink
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Perkins
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Pritchard
Quie
Quillen
Railsback
Randall
Rarick
Rees
Regula
Reuss
Riegle
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ruth
Ryan
Sandman
Sarasin
Sarbanes
Satterfield
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wyatt
Wydler
Wylie
Wyman
Yates
Young, Alaska
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—15

Arends
Ashbrook
Bafalis
Crane
Devine
Flynt
Goodling
Gross
Landgrebe
Martin, Nebr.
Michel
Rousselot
Shuster
Steiger, Ariz.
Symms

NOT VOTING—73

Abdnor
Ashley
Badillo
Bingham
Brasco
Brown, Mich.
Burke, Calif.
Camp
Carey, N.Y.
Chisholm
Clausen, Don H.
Cohen
Collier
Conyers
Corman
Daniels, Dominick V.
Davis, Ga.
Donohue
Dorn
Dulski
Erlenborn
Fascell
Frey
Froehlich
Gray
Green, Oreg.
Green, Pa.
Grover
Gunter
Guyer
Harrington
Hastings
Hébert
Helstoski
Huber
Jones, Okla.
Jones, Tenn.
Landrum
Lehman
Lent
McSpadden
Macdonald
Maraziti
Metcalfe
Milford
Mills
Minshall, Ohio
Mitchell, Md.
Murphy, N.Y.
Nix
Pepper
Pettis
Price, Tex.
Rangel
Reid
Rhodes
Roncallo, N.Y.
Rooney, N.Y.
Roy
Ruppe
St Germain
Scherle
Smith, Iowa
Staggers
Steelman
Stuckey
Talcott
Udall
Veysey
Wright
Yatron
Young, Fla.
Young, Ga.

So (two-thirds having voted in favor thereof) the rules were suspended, and the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Rooney of New York with Mr. Helstoski.
Mr. Dominick V. Daniels with Mr. Abdnor.
Mr. Murphy of New York with Mr. Landrum.
Mr. Staggers with Mr. Erlenborn.
Mr. Bingham with Mr. Brown of Michigan.
Mr. St Germain with Mr. Milford.
Mr. Brasco with Mr. Froehlich.
Mr. Young of Georgia with Mr. Dorn.
Mr. Carey of New York with Mr. Camp.
Mr. Mitchell of Maryland with Mr. Gray.
Mr. Reid with Mr. Lent.
Mr. Nix with Mr. Macdonald.
Mr. Rangel with Mr. Lehman.
Mr. Green of Pennsylvania with Mr. Frey.
Mr. Hébert with Mr. Guyer.
Mrs. Chisholm with Mr. Ashley.
Mr. Badillo with Mr. Minshall of Ohio.
Mr. Conyers with Mr. Donohue.
Mr. Metcalfe with Mr. McSpadden.
Mr. Udall with Mr. Pettis.
Mr. Stuckey with Mr. Cohen.
Mr. Roy with Mr. Maraziti.
Mr. Pepper with Mr. Young of Florida.
Mrs. Burke of California with Mr. Collier.
Mr. Corman with Mr. Price of Texas.
Mr. Davis of Georgia with Mr. Hastings.
Mr. Dulski with Mr. Grover.
Mr. Yatron with Mr. Roncallo of New York.
Mr. Wright with Mr. Gunter.
Mr. Mills with Mr. Rhodes.
Mr. Harrington with Mr. Ruppe.
Mr. Jones of Oklahoma with Mr. Huber.
Mr. Fascell with Mr. Scherle.
Mr. Jones of Tennessee with Mr. Talcott.
Mr. Smith of Iowa with Mr. Steelman.
Mrs. Green of Oregon with Mr. Don H. Clausen.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROFESSIONAL EDUCATION FELLOWSHIP PROGRAM

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill (H.R. 15296).

The Clerk read the title of the bill.

The SPEAKER. The question is on the motion offered by the gentleman from Michigan (Mr. O'HARA) that the House suspend the rules and pass the bill (H.R. 15296).

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 310, nays 53, not voting 70, as follows:

[Roll No. 298]

YEAS—310

Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Ashbrook
Aspin
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Mass.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Clancy
Clark
Clay
Cleveland
Cochran
Collins, Ill.
Conlan
Conte
Conyers
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Diggs
Dingell
Drinan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Fish
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Goldwater
Gonzalez
Grasso
Griffiths
Gude
Haley
Hamilton
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harsha
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Henderson
Hicks
Hillis
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Howard
Hudnut
Hungate
Hunt
Hutchinson
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
Kluczynski
Koch
Kyros
Lagomarsino
Leggett
Litton
Long, La.
Long, Md.
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McKay
McKinney
Madden
Madigan
Mahon
Mann
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Mezvinsky
Michel
Minish
Mink
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Perkins
Peyser
Pickle
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Pritchard
Quie
Quillen
Railsback
Randall
Rees
Regula
Reuss
Riegle
Rinaldo
Roberts
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roybal
Runnels
Ryan
Sandman
Sarasin
Sarbanes
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sisk
Skubitz
Slack
Smith, N.Y.
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Symington
Taylor, N.C.
Teague
Thompson, N.J.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Ullman
Van Deerlin
Vanik
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—53

Archer
Brinkley
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Clawson, Del
Collins, Tex.
Conable
Daniel, Dan
Davis, Wis.
Devine
Dickinson
Downing
Duncan
Edwards, Ala.
Fisher
Flynt
Ginn
Goodling
Gross
Gubser
Hammerschmidt
Hinshaw
Ichord
King
Kuykendall
Landgrebe
Latta
Lott
McEwen
Mallary
Mathis, Ga.
Miller
Montgomery
Poage
Price, Tex.
Rarick
Robinson, Va.
Rousselot
Ruth
Satterfield
Schneebeli
Shuster
Sikes
Snyder
Steiger, Ariz.
Symms
Taylor, Mo.
Vander Jagt
Whitten
Wyatt
Wydler

NOT VOTING—70

Abdnor
Ashley
Badillo
Brasco
Brown, Mich.
Burke, Calif.
Carey, N.Y.
Chisholm
Clausen, Don H.
Cohen
Collier
Corman
Daniels, Dominick V.
Davis, Ga.
Donohue
Dorn
Dulski
Erlenborn
Fascell
Frey
Froehlich
Gilman
Gray
Green, Oreg.
Green, Pa.
Grover
Gunter
Guyer
Harrington
Hastings
Hébert
Helstoski
Huber
Jones, Okla.
Jones, Tenn.
Landrum
Lehman
Lent
McSpadden
Macdonald
Maraziti
Metcalfe
Milford
Mills
Minshall, Ohio
Mitchell, Md.
Murphy, N.Y.
Nix
Pepper
Pettis
Rangel
Reid
Rhodes
Roncallo, N.Y.
Rooney, N.Y.
Roy
Ruppe
St Germain
Scherle
Smith, Iowa
Steelman
Stuckey
Sullivan
Talcott
Udall
Vander Veen
Veysey
Wright
Young, Fla.
Young, Ga.

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Roy.
Mr. Dominick V. Daniels with Mr. Vander Veen.
Mr. St Germain with Mr. Dorn.
Mrs. Chisholm with Mr. Helstoski.
Mrs. Sullivan with Mr. Landrum.
Mr. Brasco with Mr. Young of Florida.
Mr. Macdonald with Mr. Collier.
Mr. Carey of New York with Mr. Maraziti.
Mr. Dulski with Mr. Brown of Michigan.
Mr. Fascell with Mr. Ruppe.
Mr. Rangel with Mr. Donohue.
Mr. Harrington with Mr. Grover.
Mr. Metcalfe with Mr. Gray.
Mr. Corman with Mr. Gilman.
Mr. Green of Pennsylvania with Mr. Don H. Clausen.
Mr. Reid with Mr. Cohen.
Mr. Wright with Mr. Erlenborn.
Mr. Young of Georgia with Mr. Pepper.
Mr. Mitchell of Maryland with Mr. Ashley.
Mr. Murphy of New York with Mr. Frey.
Mr. Davis of Georgia with Mr. Huber.
Mr. Nix with Mr. Lehman.
Mr. Rooney of New York with Mr. Minshall of Ohio.
Mr. Smith of Iowa with Mr. Froehlich.
Mr. Stuckey with Mr. Pettis.
Mrs. Green of Oregon with Mr. Guyer.
Mr. Udall with Mr. Hastings.
Mr. Badillo with Mr. Milford.
Mr. Gunter with Mr. Lent.
Mr. Jones of Oklahoma with Mr. Roncallo of New York.
Mr. McSpadden with Mr. Scherle.
Mr. Mills with Mr. Steelman.
Mr. Jones of Tennessee with Mrs. Burke of California.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

THIRTY-THIRD WEDDING ANNIVERSARY OF MR. AND MRS. THOMAS P. O'NEILL, JR.

(Mr. McFALL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McFALL. Mr. Speaker, I am informed that today is the 33d wedding anniversary of the majority leader, "TIP" O'NEILL, and "Millie" O'Neill. I am sure the entire House joins me in wishing them happiness and many more anniversaries.

PERSONAL EXPLANATION

Mr. CAMP. Mr. Speaker, on the rollcall on the conference report on H.R. 14354, National School Lunch Act Amendments of 1974, I had been in a committee meeting. When I got here, the rollcall had ended. Had I been here, I would have voted "aye."

PERSONAL EXPLANATION

Mr. YATRON. Mr. Speaker, had I been here on the rollcall on the conference report to accompany H.R. 14354 on the National School Lunch Act Amendments of 1974, I would have voted "aye," and I respectfully request that the Record so show.

PERSONAL EXPLANATION

Mr. VANDER VEEN. Mr. Speaker, I should like to explain that on the last vote on the bill H.R. 15296, professional education fellowship program, I was, unfortunately, detained. Had I been present, I would have voted "aye."

FM RADIO DESERVES A CHANCE

(Mr. VAN DEERLIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. VAN DEERLIN. Mr. Speaker, there are some 3,000 FM radio stations in this country, and nearly all our noncommercial radio is on the FM band.

Yet the pity is, we are all too frequently denied the opportunity to listen to these often distinctive stations because our radios—especially those in our cars—are not necessarily equipped to receive FM signals.

There is no reason why all but the least expensive radios should not have an all-channel reception capability. The real cost of adding FM to an AM-only radio is less than $10, despite the inflated price tags seen in new car showrooms.

Congressman Clarence Bbown and I are coauthors of H.R. 8266, which would direct the Federal Communications Commission to undertake a rulemaking leading to promulgation of an all-channel reception requirement. A similar bill was approved by the Senate last week, and hearings on our companion legislation will be scheduled shortly.

A pertinent column was published Friday in the Los Angeles Times, and I include it at this point with my remarks:

[From the Los Angeles Times, June 14, 1974]

A Step Forward for FM Radio

(By Charles Champlin)

You realize you have experienced a larger stretch of history than you might care to admit when a child says, "What did you watch on television when you were little?" And you have to confess that you didn't because there wasn't any.

The days without television now seem mistily distant, yet millions of us have been eyewitnesses to the awkward birth of the medium and the explosive growth, thrilling and often exasperating, which has followed.

The same generation of us watched the awkward birth of FM radio, with its marvelous promise of better, static-free sound and of multiple-choice alternatives to the ad-heavy pulsing of AM radio.

The difference, of course, is that the explosive growth of FM radio never took place. The prime problem was that television was too near at hand, swamping all radio as it swamped the movies, and forcing radio, too, into evolutionary changes to survive. The other problem was that nobody figured how to get enough FM receivers sold in time to provide viable audiences for the new stations, which shrank unheard or became automated background sound.

But the promise of FM is still there and, years later, it may yet find and deserve the sizeable listenerships it ought always to have had. Something like 90% of the homes in the United States have at least one FM receiver, and in the Los Angeles area roughly one-third of the cars are now FM-equipped.

A bill is now moving through Congress which would make it mandatory to include the FM band in all radios priced at more than $15. A similar bill in the mid-1960s directed manufacturers to include UHF as well as VHF capabilities in all television sets, and the law has probably made a life-or-death difference to many public television stations in particular. FM operations could be helped comparably.

FM may well always be minority radio, but the whole point of FM, as of UHF and cable, is to deliver the public media (and us) from the tyrannies and confinements of the mass market and to let radio and television—like the movies—find their full potential and their ultimate usefulness by doing what is narrowly vital as well as what is broadly appealing.

The outreaching powers of FM struck me the other day at a lunch with men representing two newly cooperating brands of zeal.

Harry Ashmore is the veteran Pulitzer Prize-winning journalist, now executive vice president of the Center for the Study of Democratic Institutions in Santa Barbara. Abram Chasins, who for a quarter-century was music director at WQXR, New York City's best, is now contributing his experience as director of developments at USC's KUSC-FM.

Starting Sunday at 7 p.m. KUSC-FM will broadcast tapes of the provocative talks, conversations, forums which are the life-stuff of the Santa Barbara center. The first program will feature Ashmore speculating on "Where Have All the Liberals Gone?" and Robert Hutchins, president emeritus of the center, talking about "How to Make a University Out of a Multiversity."

The programs will repeat on Thursday at 5 p.m. On the last Sunday of every month, the program will be "Center Update," hosted by Ashmore and setting forth the views of the center's resident and visiting fellows on the issues dominating the news.

If he can discover some foundation support, Chasins hopes to expand the link between KUSC and the center, doing live broadcasts of some of the sessions, producing its own tapes of other sessions.

Hutchins, who once wryly remarked that "You meet such interested people" when you have foundation money to disperse, also once called his Fund for the Republic from which the center grew, a wholly disowned subsidiary of the Ford Foundation. The center is in fact now independent and, says Ashmore, is raising half its annual budget from its public memberships and publications. It remains the most useful kind of maverick group, able to contemplate the public good from outside the slipstreams of special interest. In its own zealous, noncommercial commitment to radio at its most earnest and uncompromising, KUSC-FM is a nicely matching outlet. What remains to be heard is whether worthy also means dull. But the founding partners are anything but solemn and they share, I think, a horror of boring us.

LIVESTOCK FEEDERS INSURANCE FUND

The SPEAKER pro tempore (Mr. Moakley). Under a previous order of the House, the gentleman from Kansas (Mr. Skubitz) is recognized for 5 minutes.

Mr. SKUBITZ. Mr. Speaker, I am today introducing legislation to provide long-term, low-interest-rate capital to hard-pressed livestock producers in Kansas and throughout the Nation. My bill will go to the House Agriculture Committee where I understand hearings are scheduled next week on similar proposals.

My bill would set up a new "Livestock Feeders Insurance Fund" as part of the Consolidated Farm and Rural Development Act. This insured loan fund would be used by the Secretary of Agriculture to make loans to any hard-pressed cattle and hog producers who meet these four criteria:

First, he is a citizen of the United States;

Second, he is or has been engaged in livestock producing operations to an extent and in a manner determined by the Secretary as necessary to assure reasonable prospects of success in livestock producing endeavors financed by loans insured under this legislation;

Third, he is unable to obtain sufficient credit to finance his actual needs in the livestock producing business at reasonable rates and terms, as determined by the Secretary after considering prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time; and

Fourth, he has, if he has received previously a loan insured under this legislation, performed successfully the terms of such loan.

Other main provisions of my bill are:

Interest rates would be set at 3 percent per year.

Loans could be made for periods of up to 25 years.

Individual loans could not exceed $500,000.

The total loan program would not exceed $3 billion.

This legislation is one of the three suggestions I made to Presidential Economic Counsellor Kenneth Rush last Friday when I sent him this telegram:

Mr. Kenneth Rush,
Councillor to President for Economic Policy,
Washington, D.C.:

I wish to express my deep concern for the terrible crisis now facing the livestock producers of Kansas and the Nation. The time for discussing the problem is past. The time for action is now. I therefore propose these three steps be taken immediately.

1. The President should remove the current suspension of meat import quotas. This action would reduce the amount of foreign meat to the levels authorized by the Meat Import Act of 1964 by nearly one-half billion pounds annually.

2. The administration should intensify its efforts to get the food industry to pass on to

> consumers the low prices that livestock producers are receiving. This will help increase per capita consumption and will benefit both the general public and livestock producers.
>
> 3. The administration should lend its full support to legislation pending in Congress to provide low interest loans (3% per year) for long-term loans, up to 25 years, to livestock producers who now face an immediate and irreparable danger that could cause a severe economic recession throughout rural America.
>
> No announcement emanating from the White House conference to be held Monday could do more to bolster the morale and the economy of the cattle industry than a white House endorsement of these recommendations.
>
> I assure you that "straight talk" to the balance of the industry-packing house and chain organizations that the benefits of reduced cattle prices must be reflected in the retail price of meat to the consumer would be welcomed by the public generally and would encourage the sale of red meat.
>
> JOE SKUBITZ.

Mr. Speaker, Congress must do its part to help save this great segment of our Nation's agriculture.

I sincerely hope early action will be forthcoming.

POLISH-AMERICAN CONGRESS CELEBRATES 30TH ANNIVERSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. MORGAN) is recognized for 5 minutes.

Mr. MORGAN. Mr. Speaker, this year the Polish-American Congress is celebrating its 30th anniversary.

As Polonia's umbrella organization since 1944, the Polish-American Congress has concerned itself with the welfare of Americans of Polish descent in political, national, religious, social, professional, and civic organizations by supporting and protecting the publications, schools, and parishes which teach the Polish language and culture, and through general support of industry and trade in the United States conducted by persons of Polish extraction.

In its early years, the Polish-American Congress devoted all of its energies to matters pertaining to the people of Poland, by assisting them in the demand for establishment of their national independence. It has continued to inform the American public of Poland's historic role, aims, needs, rights to independence, and the integrity of its frontiers. It has encouraged a closer and deeper cooperation of American democracy with the people of Poland in the fields of ideological, cultural, social, and economic life.

Mr. Speaker, on the domestic front, the Polish-American Congress has concerned itself with the improvement of the welfare of Americans of Polish origin by supporting their schools, parishes, and press. In addition, the Polish-American Congress has placed emphasis on educational cultural matters. Its role in making the ethnic heritage studies program a reality is a prime example. Activities in the cultural field include leadership in the Millennium, Jamestown, the Kopernik Quincentennial celebrations, and the coordination of Polonia's input in the American Revolutional Bicentennial celebrations. The socioeconomic problems of the Polish community have come under particular scrutiny, and a number of plans to improve neighborhoods, provide better job opportunities, and prevent discrimination against the Polish people have been implemented. As a result of these activities, increasingly qualified representatives of the Polonia are being selected for high Federal and State offices.

The contributions of Polish-Americans to this country are well known to all in the House of Representatives. I know that in my travels to my southwestern Pennsylvania district, the strong role played by Polish-Americans in civic affairs is quite evident. The Polish-American Congress acts as an umbrella organization and represents the interest of Polish-Americans throughout America. It has long been an effective and resourceful organization, and I would like to congratulate the PAC on its 30th anniversary. I am sure that future years will see a continuation of its leadership role among Polish-Americans.

STOP THE ROLLER COASTER

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. GAYDOS) is recognized for 20 minutes.

Mr. GAYDOS. Mr. Speaker, for the past few years the American people have been riding an economic roller coaster. At dizzying speeds they have gone through a series of ups and downs that has left them frustrated, angry, and suffering from financial whiplash.

The bust-or-boom policies of Federal experts have drained their savings and sapped their faith in the ability of Government to lead in time of crisis. They feel Government ponders instead of producing. It contemplates instead of creating. It reacts instead of acting.

The helter-skelter ride must be stopped and the spinning economy stabilized. I have some ideas I think will help and I would like to present them for your consideration. Some of them already have been introduced in Congress and include long- and short-range objectives. All, however, are based on the concept that greater economic security is the Nation's No. 1 need today.

For example, I propose an immediate curtailment of the exportation of any food product overseas that will have an adverse effect on the American consumer. This, I know, will not sit well with the U.S. Department of State. That Department has jurisdiction over treaties and agreements with foreign governments and frequently uses our exportation of food as a lever to win political concessions. Nevertheless, I believe the embargoes I advocate are imperative if the Nation is to avoid pitfalls such as the wheat deal of 1972.

That agreement, negotiated by the State Department as part of its desire to arrange a détente with Russia, permitted the Soviets to make massive purchases of wheat which exhausted our domestic supply. In its zeal to thaw the cold war, the State Department turned the heat on the American consumer.

The wheat sale triggered a shortage at home and touched off sharp price hikes in the cost of bread and other baked goods. As I predicted at that time, other shortages developed. The soaring price of available grain forced many cattle and poultry farmers to cut back on production. Meat disappeared from supermarkets and family dinner tables.

The Nation has never fully recovered from that jolt. Food prices are still on the rise, although they dip now and then as the economic roller coaster continues to rocket on its way. Last year the United States shipped nearly $10 billion worth of food abroad, a 92-percent increase over 1972. Why? One reason was to reverse the trend in the Nation's balance of trade, which was embarrassingly red after successive deficits in 1971 and 1972. Deficits of $2 and $6 billion respectively were posted in those years, the first time the United States had gone "in the hole" for nearly a century.

There is talk of another wheat shortage this summer. It is reported 60 percent of the 1973–74 crop already has been sold to foreign consumers along with 50 percent of the rice crop, including 25 percent to Vietnamese soldiers under the food-for-peace program.

The American family food budget has been devastated by the events of the past few years. Overall, the price of food jumped 22 percent last year, leaving the family with the alternative of eating less or paying more. Many families had no choice. Hamstrung by increased costs in other consumer products, they ate less because they could not pay more.

I propose the establishment of a national reserve for basic foodstuffs, including wheat and other grains. The level should be sufficient to assure Americans of their need as well as an additional safeguard against natural disasters, such as drought. Overseas shipments of any commodity included in the reserve would be halted automatically if the supply dropped below the established level. Purchases by foreign governments would be controlled, based on previous buying records. Exceptions could be made in emergencies, however.

Similar controls also should be established on our natural resources, such as coal, timber, or fuels as well as on critical material, such as scrap iron. We know now the Government lacked the facts to properly deal with the energy crisis. In the future, it must be provided authoritative data regarding the present and future needs of any vital industry .

A new look must be taken at other Federal programs and projects which have a direct or indirect bearing on the economy. A major reform, for instance, is needed in the social security program. We should lower the age of retirement to open up jobs for younger people but we must also guarantee the retiree a livable income. He should not have to look for "moonlight" work to supplement his social security check.

Also, steps must be taken to alleviate the financial burden now placed on low- and middle-income wage earners to support the social security program. I have already introduced in Congress legislation which would make the Government a third party in underwriting the cost. By sharing the burden now placed on the employee-employer; a 2-percent reduction in their tax could be achieved.

The continued high level of unemployment is of primary concern to our economy. Each year for the past several years, the Federal budget has been based on the full employment concept; that is, a 4-percent unemployment level. We have been nowhere near that level for 5 years. Unemployment has ranged between 5 and 6 percent, resulting in a built-in deficit for the full employment budget.

Congress already has a program to lower unemployment. It is a streamlined version of the WPA in that an individual is not reduced to being just a paper picker or pothole filler. He can use his training and talents in any field for the benefit of local, county, or State governments, during the period he might be furloughed from a job in private industry or business. The public service employment program—PEP—also has a built-in incentive for the nonskilled worker to improve his position.

Individuals employed under PEP are not Government employees per se, although the program is tax supported. They can return to the private sector once conditions improve and resume their careers. However, what is most important is that while their careers are interrupted they are not out of work. They are not on a free dole, their talents do not stagnate, and they continue to pay taxes.

At the present time, PEP is grossly underfunded and limited in scope. The first appropriation spread approximately $1.2 billion among 50 States over a 3-year period. The program provided 300,000 jobs, including 135 in Allegheny County. A drop in the bucket in the face of high unemployment.

But, PEP's track record is commendable and I support its expansion. I would like to see additional funding made available that would automatically be triggered to areas, nationally or locally, where unemployment reached a totally unacceptable level, such as 5.5 percent. That means nearly 6 million people out of jobs. Similarly, when working conditions improve, the flow of money would gradually be eased.

Of course, the question arises where the money for these programs will be found. I have several suggestions. Cut out the sacred cows in the bureaucracy, slash the foreign aid program to the bone, and reduce military expenditures which do not involve national security.

Two years ago I published a report on the thousands of committees, commissions, and advisory groups in the Federal Government which cost taxpayers in excess of $75 million a year. Many of them are not necessary and should be abolished.

I have never voted for the foreign aid program because I sincerely believe we no longer can support it. We have given away more than $260 billion since the end of World War II and now we have a national debt greater than the combined debt of all other nations in the world. The total is beyond comprehension—$500,000,000,000.

Military spending can be reduced without jeopardizing our Nation's safety. There are more than 600,000 American servicemen, plus their dependents, deployed in far-flung bases around the world. They pump billions into the economy of other nations. Do we really need them in those areas? I believe most of them could be returned home to shore up our country's economy. We have more military officers now than at the end of World War II when our Armed Forces were at their peak. Do we need them all? Is the spending of $600,000 to convert a Government plane into the personal flying hotel for a general in the interest of national defense?

I am firmly convinced our Government must make a critical self-examination and make it now. It must temper its idealistic international policies with the hard reality of our national needs. The roller coaster has been rocketing on for too long. It is time to stop it.

PLIGHT OF THE CATTLE PRODUCERS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. CULVER) is recognized for 5 minutes.

Mr. CULVER. Mr. Speaker, the U.S. beef industry is in dire straits, and immediate action is required to remedy the situation. While beef production costs have increased dramatically over the past several years and retail prices have only slipped slightly—some 10 percent—cattle prices have dropped from last year's high of 53 cents per pound to under 35 cents per pound. Cattle producers have suffered losses before, for one or two "crop periods"—120 days each—but the current trend is into its third crop period and little improvement is foreseen into the late summer and fall. As a comparison of the economic vise that now grips the beef producers, during the month ended on May 15, the USDA's index of prices received by farmers for meat animals fell 8 to 159 percent of the 1967 average, whereas prices paid by farmers for feed dropped only 3 to 173 percent of the 1967 average.

The result is that hundreds of beef producers are facing bankruptcy throughout mid-America. The operators of feedlots are reducing their operations, as witnessed by the fact that 40 percent fewer animals were placed in feeder pens during May. Some cattlemen are facing the prospect of a reduction in their breeder herds or even total liquidation of their businesses and livelihoods.

The implications are onerous, not just for the cattle producers who are facing an upheaval in their way of life, or for the other segments of the business—the packinghouses and their labor force, trucking industry, grain farmer, financial community—who will be affected by the reduction in business, but also for the consumer. With the prospect of cattlemen reducing their breeder herds and going out of business, the future holds a dramatic reversal of the current trend and a return to the short supplies and high beef prices of last fall and winter. It takes 28 to 30 months to move beef from the breeding farm to the retailer, so the actions taken by the beef industry today can determine supplies several years hence.

In large part, actions by the Government several years ago led to the current crisis. The Soviet wheat deal is a prime example of the Federal Government taking action in pursuit of goals in one area—détente—without considering the repercussions for other areas. It was the unprecedented sale of wheat at concessional prices to the Soviet Union that unduly depleted domestic wheat supplies and which commenced the dramatic surge not only in wheat prices, but of all farm produce in general. The next step was price controls and the beef freeze, and then a consumer boycott of meat. The high beef prices and the boycott induced the consumer to find substitutes for beef, and he has yet to return to his former level of beef consumption.

It is mandatory that immediate action be taken to relieve the impending disaster being faced by the beef producers. While the United States has kept open its borders to beef imports, both the European Common Market and Japan have placed a ban on beef imports. Our Government must move to see that those nations relax their restrictions and to assure that this country does not become the dumping grounds for excess and subsidized beef products.

The administration must use "jawboning" with packers and retailers to help the producers. The precipitous fall in on-the-hoof prices has been accompanied by only a slight decline in retail prices. The Federal Trade Commission should immediately look into the cause for this price inflexibility. An appropriate reduction in retail prices could entice the consumer back to beef products and help soak up the excess supply.

Similarly, additional purchases by the military and for school lunch programs could also help alleviate the current supply overhang. It could have the long-term benefit of providing these programs with supplies to be drawn on when market supplies become tight again.

Finally, the Government must provide financial aid to cattlemen to help them weather the current crunch. Bankruptcy of even a small segment of the cattle industry could have repercussions on other segments of the farm economy and the financial institutions that support them, and subsequently on the entire economy. The country's long-term interests and the efficient working of the free market system lie with numerous cattle producers, rather than a few large operations, which might be the result of widespread failures. The Government must take immediate and effective action to alleviate the current crisis, both in the interest of the cattlemen and in the interest of the consumer.

SIMAS KUDIRKA AND LITHUANIAN FREEDOM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Koch) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, on Saturday, June 15, Lithuanian Americans joined with Lithuanians throughout the free world in observing the anniversary of the forced and illegal annexation of Lithuania by the Soviet Union in 1940, and the subsequent mass deportations of thousands of Lithuanians to Siberian concentration camps. Today the subjugation of Lithuania continues through Soviet efforts to obliterate the national and cultural self-identity of the Lithuanian people. In Lithuania, religious and political persecution remain commonplace.

This particular anniversary of the annexation of 1940 acquires special significance in view of President Nixon's plans to visit Moscow for a week of discussions beginning June 27. It is likely that the President's policy of détente will encourage Soviet leaders to press for U.S. recognition of the annexation of Lithuania and other Baltic States. To make such a concession would be to give credence to a historical falsehood, to compromise basic principles of international law, and to demean the legal and moral basis of Lithuanian cultural, religious, and political autonomy. At a time when the desire of the Soviets for détente affords us a chance to loosen the hold of the Soviet Government on its citizens, this would be an inexcusable error.

In recent years, the plight of the Lithuanian people has been dramatized by the case of Simas Kudirka, a Lithuanian seaman who, on November 23, 1970, leaped from a Soviet fishing vessel to the deck of a U.S. Coast Guard cutter while they were anchored alongside each other at Martha's Vineyard, Mass. Kudirka was returned to the Soviets to be subsequently sentenced to a 10-year term in a Soviet prison camp.

In view of this unconscionable denial of asylum to Simas Kudirka, our Government must bear a special responsibility for his welfare. In February of this year, I was pleased to cosponsor House Concurrent Resolution 436, introduced by Representative Hanrahan, requesting the President to urge the Soviet authorities to release Simas Kudirka. Since that time, evidence has been uncovered showing that Kudirka may be legally an American citizen by virtue of the fact that his mother, Marija Kudirka, was an American citizen at the time of his birth.

Therefore, the Kudirka case may involve not the right of a Russian refugee to asylum in the United States, but the rights of an American citizen in a foreign country. In addition, Mrs. Kudirka's efforts to obtain an exit visa have been stymied and she has been subject to repeated intimidation by the KGB. The fate of the Kudirkas is of immense symbolic significance to the Lithuanian people. I urge that the Congress call upon the President to urge the Soviet leadership to release Simas Kudirka and permit him and his mother to obtain exit visas. We could give no more effective assurance to the Lithuanian people that their struggle remains our own.

BIRTHDAY OF SOCIAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. Preyer) is recognized for 15 minutes.

Mr. PREYER. Mr. Speaker, this year we observe the 45th birthday of a modern American tradition—social security. It was in 1929 that the first State social security system began and some 6 years later that the Congress approved President Roosevelt's request for a national program.

That program has served us well. It has achieved much of its purpose. It is here to stay. It is also, as even its staunchest admirers must admit, in trouble.

It is not bankrupt as some have indicated. No beneficiary is about to find his check cut off because of insufficient funds.

Yet there are reasons to believe that the situation will not always be so encouraging.

A relatively few years ago there were 22 people paying into social security for every 1 person drawing from it; today that ratio is down to 3 to 1 and by 1990, or sooner, we are told that the ratio will be 1 to 1. Obviously the system cannot survive that ratio without a new kind of funding or without great increases in payroll taxes.

I do not believe we can defend much additional burden on the wage earner to support this system.

Already half the families in America are paying more in social security taxes than they are in personal income taxes. This is particularly hard on the low- and middle-income wage earner, who because the tax is proportional rather than graduated, pays a higher percentage of his income than do higher income participants.

While the contributor is unhappy, the recipient is also complaining and with some justification.

The fixed income, senior citizen is hit harder by inflation than any part of our economy. It is almost impossible for his income to keep up with increases in prices.

It is a staggering truth that in many parts of this Nation older men and women must immediately pay out of their monthly social security check as much as 60 to 65 percent for rent alone.

The system, of course, discourages older people from seeking employment by sharp reductions in social security benefits for every dollar they earn over $2,880. Instead a typical recipient will find that because of these penalties an additional $2,000 in outside income will actually net only $833.

The earnings test provision also leads to what many Americans view as inequities. Wealthy retirees, whose income includes interest from investments only, can draw full social security without the penalty. This has led to the proposal by such people as Milton Friedman and Senator Goldwater that the earnings test be repealed.

Many have avoided discussing the problems of social security because they fear that their questions will be misunderstood as opposition to the program.

That should not be.

I, for one, am fully committed to the continuation and the strengthening of social security. However, I do not believe that requires blind adherence to every present approach to administering this program. It does not mean we must approach its future with the idea that every question about present policy is blasphemy.

Surely we have learned that making our Federal programs work for the people they are meant to serve involves constant questioning and frequent changes.

There are good things to report about social security.

For instance, in the period 1937 to 1973 the program collected $449 billion in taxes and paid out $392 billion in benefits while retaining a surplus of $47 billion to secure the trust fund. That means that only $10 billion was spent in administering the program or less than 2½ percent in overhead—a good record for any Federal or private operation.

It is true, also, that social security has largely met the need envisioned by those postdepression era planners. It has provided security for many older Americans.

Those who say that the money invested in stocks and bonds would have produced a higher return ignore more than the risk such investments involve. They also ignore the fact that private insurance or investment programs do not provide a combination of old-age pension, disability insurance, health insurance, and after-retirement benefits to widows and dependent children—certainly not at comparable rates.

This success does not dispel concerns for the future; nor does it answer that problem of the wage earner who realizes that he is not actually paying for his retirement but rather for his parents.

We are confronted with an aging society. We have, fortunately, an improving mortality rate; we live longer as a nation. We also have a declining birth rate—good for the environment but bad for the collection of social security taxes.

Simply stated: We are going to have more people drawing out of social security and many fewer paying into it.

In fact the 29 million now on social security will grow to 45 million in the next 35 years.

We are not adequately planning for this expansion. It is difficult to find a good legislatively backed study of the system underway.

The work being done at Brookings by such people as Bailey and Henry Aaron—yes there is also an economist by that name—is only a part of the picture.

Government economists have even built-in troubles for us. Their actuarial projections assume a 3-percent rate of inflation in the next 4 years although the current is around 11 percent. If they are wrong, as surely they must be, we are going to be confronted with a new increase in social security taxes much earlier than anyone has been willing to predict.

What are we to do?

Should we change to a strictly graduated tax; should we provide for a Government contribution—appropriation—to the trust fund; should we go to a mandatory system of income insurance?

We must devote to this question the kind of national effort that should have gotten underway in the 1960's regarding energy. We should have seen the crunch coming. We should have planned for it.

We know what the result of that failure was. Now we should learn our lesson and put our minds to work on the future of social security.

We should avoid dealing with it years from now when our decision will be made, like many of those about energy, in the midst of an emergency.

We who are friends of social security should be at the forefront of those insisting that the questions about the future of the system be answered.

I have communicated my concerns to several sources in Government and out. There are centers for dealing effectively with national issues such as this. For instance, the Institute of Policy Sciences at Duke University has the potential for bringing together Government officials, business executives, professionals from many disciplines, and academicians. The Rockefeller-sponsored study of national issues should certainly give its attention to the future of social security. I intend to maintain a continuing effort of suggesting to business groups, research institutes and private foundations that they include on the agenda of their future projects studies of this matter.

I invite my colleagues to call on those in the wide constituencies they serve to organize the kind of national dialog on this question that we so obviously need.

We have good "lead time" on this problem.

Let us take advantage of it.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Thompson of New Jersey, for the period June 18 through June 21, 1974, on account of official business.

Mr. Corman, for today, on account of official business.

Mr. Pepper (at the request of Mr. O'Neill), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Johnson of Colorado), to revise and extend their remarks, and to include extraneous matter:)

Mr. Skubitz, for 5 minutes, on June 17.

(The following Members (at the request of Mr. Andrews of North Carolina) and to revise and extend their remarks and include extraneous matter:)

Mr. Gonzalez, for 5 minutes, today.
Mr. Morgan, for 5 minutes, today.
Mr. Gaydos, for 20 minutes, today.
Mr. Culver, for 5 minutes, today.
Mr. Koch, for 5 minutes, today.
Mr. Preyer, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Kemp, to revise and extend his remarks immediately following those of Mr. Dellenback.

(The following Members (at the request of Mr. Johnson of Colorado) and to include extraneous matter:)

Mr. Hanrahan in two instances.
Mr. Snyder.
Mr. Wyman in two instances.
Mr. Hosmer in three instances.
Mr. Clancy.
Mr. Gubser.
Mr. Rousselot.
Mr. Michel in five instances.
Mr. Bell.
Mr. Forsythe.
Mr. Winn.
Mr. Baker.
Mr. McClory.
Mr. Ashbrook in three instances.
Mr. Derwinski in two instances.
Mr. Steiger of Wisconsin.
Mr. Collins of Texas in four instances.
Mr. Gross.
Mr. Walsh.
Mr. Kemp in two instances.
Mr. Brown of Ohio in three instances.

(The following Members (at the request of Mr. Andrews of North Carolina) and to include extraneous matter:)

Mr. Mathis of Georgia in five instances.
Mr. Howard.
Mr. Culver in six instances.
Mr. Won Pat.
Mr. Gonzalez in three instances.
Mr. Rarick in three instances.
Mr. Helstoski in two instances.
Mr. Annunzio in six instances.
Mr. Meeds.
Mr. Bolling.
Mr. Evins of Tennessee in three instances.
Mr. Diggs in three instances.
Mr. Young of Georgia in 12 instances.
Mr. Mazzoli.
Mr. Yatron.
Mr. Minish.
Mr. Mahon.
Mr. Bergland in three instances.
Mr. Tiernan.
Mr. Badillo in two instances.

SENATE BILLS AND A JOINT RESOLUTION REFERRED

Bills, joint and concurrent resolutions of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 585. An act to amend section 303 of the Communications Act of 1934 to require that radios be capable of receiving both amplitude modulated (AM) and frequency modulated (FM) broadcasts; to the Committee on Interstate and Foreign Commerce.

S. 864. An act for the relief of Victor Henrique Carlos Gibson; to the Committee on the Judiciary.

S. 1412. An act to declare that certain federally owned lands are held by the United States in trust for the Sisseton-Wahpeton Sioux Tribe of the Lake Traverse Indian Reservation in North and South Dakota; to the Committee on Interior and Insular Affairs.

S. 1486. An act to regulate commerce by authorizing and establishing programs and activities to promote the export of American goods, products, and services and by increasing the recognition of international economic policy considerations in Federal decisionmaking and for other purposes; to the Committee on Banking and Currency.

S. 2382. An act for the relief of Caridad R. Balonan; to the Committee on the Judiciary.

S. 2840. An act to authorize the Secretary of Commerce and the Secretary of the Treasury to conduct a study of foreign direct and portfolio investment in the United States, and for other purposes; to the Committee on Foreign Affairs.

S. 3270. An act to amend the Defense Production Act of 1950, as amended; to the Committee on Banking and Currency.

S.J. Res. 192. Joint resolution to grant the status of permanent residence to Ivy May Glockner formerly Ivy May Richmond nee Pond; to the Committee on the Judiciary.

ADJOURNMENT

Mr. ANDREWS of North Carolina. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 50 minutes p.m.), the House adjourned until tomorrow, Tuesday, June 18, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2454. A letter from the Secretary of Health, Education, and Welfare, transmitting a draft of proposed legislation to repeal certain acts making permanent appropriations and authorizing annual appropriations for the support of colleges of agriculture and mechanic arts; to the Committee on Agriculture.

2455. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting plans for works of improvement in various watersheds, none of which involves a project with a structure which provides more than 4,000 acre-feet of total capacity, pursuant to section 5 of the Watershed Protection and Flood Prevention Act, as amended [16 U.S.C. 1005]; to the Committee on Agriculture.

2456. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on an item of excess military equipment programed for delivery to Ethiopia on a grant basis, in addition to those previously reported for fiscal year 1974, pursuant to section 8(d) of the Foreign Military Sales Act Amendments of 1971, as amended [22 U.S.C. 2321b(d)]; to the Committee on Foreign Affairs.

2457. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by David E. Mark, Ambassador-designate to Burundi, and Robert P. Smith, Ambassador-designate to Malta, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

2458. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a draft of proposed legislation to complement the Vienna Convention on Diplomatic Relations; to the Committee on Foreign Affairs.

2459. A letter from the Clerk, U.S. House of Representatives, transmitting pt. II of the statistical report of contributions and expenditures made during the 1972 election campaigns for the U.S. House of Representatives, prepared pursuant to the provisions of section 308(a) of the Federal Election Campaign Act of 1971 [2 U.S.C. 438(a)(7)] (H. Doc. No. 93–284, pt. II); to the Committee on House Administration and ordered to be printed.

2460. A letter from the Secretary of Commerce, transmitting a report on the proceedings of a National Workshop on Sanctuaries, November 28–30, 1973, to accompany the previously transmitted first annual report on marine sanctuaries; to the Committee on Merchant Marine and Fisheries.

2461. A letter from the Acting Secretary of Transportation, transmitting a draft of proposed legislation to amend title 14, United States Code, to provide a subsistence allowance for members of the Coast Guard officer candidate program; to the Committee on Merchant Marine and Fisheries.

2462. A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting plans for works of improvement in various watersheds, each of which involves a project with at least one structure which provides more than 4,000 acre-feet of total capacity, pursuant to section 5 of the Watershed Protection and Flood Prevention Act, as amended [16 U.S.C. 1005]; to the Committee on Public Works.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. McFALL: Pursuant to the order of the House on June 13, 1974, the Committee on Appropriations filed a report on June 14, 1974, to accompany H.R. 15405. A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1975, and the other purposes (Rept. No. 93–1111). Referred to the Committee of the Whole House on the State of the Union.

[Submitted June 17, 1974]

Mr. TEAGUE: Committee on Science and Astronautics. H.R. 14920. A bill to further the conduct of research, development, and demonstrations in geothermal energy technologies, to establish a geothermal energy coordination and management project, to amend the National Science Foundation Act of 1950 to provide for the funding of activities relating to geothermal energy, to amend the National Aeronautics and Space Act of 1958 to provide for the carrying out of research and development in geothermal energy technology, to carry out a program of demonstrations in technologies for the utilization of geothermal resources, and for other purposes (Rept. No. 93–1112). Referred to the Committee of the Whole House on the State of the Union.

Mr. PATMAN: Committee on Banking and Currency. H.R. 14903. A bill to increase the availability of urgently needed mortgage credit for the financing of housing, and for other purposes; with amendment (Rept. No. 93–1113). Referred to the Committee of the Whole House on the State of the Union.

Mr. PATMAN: Committee on Banking and Currency. H.R. 15361. A bill to establish a program of community development block grants, to amend and extend laws relating to housing and urban development, and for other purposes (Rept. No. 93–1114). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[Pursuant to the order of the House on June 13, 1974, the following bill was introduced on June 14, 1974]

By Mr. McFALL:

H.R. 15405. A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1975, and for other purposes.

[Submitted June 17, 1974]

By Mr. STRATTON (for himself and Mr. Hunt):

H.R. 15406. A bill to amend title 37, United States Code, to refine the procedures for adjustments in military compensation, and for other purposes; to the Committee on Armed Services.

By Mr. BIESTER:

H.R. 15407. A bill to amend title II of the Social Security Act so as to remove the limitation upon the amount of outside income which an individual may earn while receiving benefits thereunder; to the Committee on Ways and Means.

By Mr. BURLESON of Texas (for himself, Mr. Pettis, and Mr. Pickle):

H.R. 15408. A bill to amend pt. B of title XI of the Social Security Act to provide a more effective administration of professional standards review of health care services, to expand the Professional Standards Review Organization activity to include review of services performed by or in federally operated health care institutions, and to protect the confidentiality of medical records; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts:

H.R. 15409. A bill to amend the Internal Revenue Code of 1954 to provide that the tax rules now applicable to savings and loan associations, mutual savings banks, et cetera, shall be applicable to the comparable mortgage programs now undertaken by national mortgage associations; to the Committee on Ways and Means.

By Mr. BURKE of Massachusetts (for himself and Mr. Moss):

H.R. 15410. A bill to amend the Social Security Act and the Internal Revenue Code of 1954 to provide for Federal participation in the costs of the social security program, with a substantial increase in the contribution and benefit base and with appropriate reductions in social security taxes to reflect the Federal Government's participation in such costs; to the Committee on Ways and Means.

By Mr. CRONIN:

H.R. 15411. A bill to provide property tax relief to elderly homeowners through direct reimbursements; to the Committee on Ways and Means.

By Mr. DERWINSKI:

H.R. 15412. A bill to provide for more effective regulation of elections for Federal office, and for other purposes; to the Committee on House Administration.

By Mr. FREY:

H.R. 15413. A bill to permit the transportation of passengers by foreign vessels between ports in the United States if such transportation is not in direct competition with U.S.-flag vessels; to the Committee on Merchant Marine and Fisheries.

By Mr. KASTENMEIER:

H.R. 15414. A bill to amend section 5051 of Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. MORGAN (for himself, Mr. Barrett, Mr. Clark, Mr. Dent, Mr. Eilberg, Mr. Flood, Mr. Gaydos, Mr. Green of Pennsylvania, Mr. McDade, Mr. Moorhead of Pennsylvania, Mr. Murtha, Mr. Nix, Mr. Rooney of Pennsylvania, Mr. Vigorito, Mr. Williams, and Mr. Yatron):

H.R. 15415. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Interstate and Foreign Commerce.

By Mr. PRICE of Illinois:

H.R. 15416. A bill to amend the Atomic Energy Act of 1954, as amended, and the Atomic Weapons Rewards Act of 1955, and for other purposes; to the Joint Committee on Atomic Energy.

By Mr. QUILLEN:

H.R. 15417. A bill to amend the Public Health Service Act to authorize the Secretary to provide epileptics medicine for the treatment of epilepsy; to the Committee on Interstate and Foreign Commerce.

By Mr. REGULA (for himself, Ms. Abzug, Mr. Aspin, Mr. Drinan, Mr. Frenzel, Mrs. Grasso, Mr. McCormack, Mr. Peyser, Mr. Cronin, Mr. Gilman, Mr. Lagomarsino, Mr. Lehman, Mr. Moakley, Mr. Murtha, Mr. Owens, Mr. Ryan, Mr. Sarasin, Mrs. Schroeder, Mr. Stark, and Mr. Butler):

H.R. 15418. A bill to amend the National Trails System Act to authorize a feasibility study for the establishment of certain bicycle trails; to the Committee on Interior and Insular Affairs.

By Mr. REGULA (for himself, Mr. Moorhead of Pennsylvania, Mr. O'Hara, Mr. Hechler of West Virginia, Mr. Addabbo, Mr. Cleveland, Mr. Edwards of California, Mr. Gibbons, Mr. Talcott, Mr. Duncan, Mr. Helstoski, Mr. Hicks, Mr. Meeds, Mr. Wolff, Mr. Dellenback, Mr. Esch, Mr. Kyros, Mr. Riegle, Mr. Ruppe, Mr. Winn, Mr. Frey, Mr. Hogan, Mr. Koch, Mr. Mann, and Mr. Roe):

H.R. 15419. A bill to amend the National Trails System Act to authorize a feasibility study for the establishment of certain bicycle trails; to the Committee on Interior and Insular Affairs.

By Mr. RIEGLE:

H.R. 15420. A bill to amend the Employment Act of 1946 with respect to price stability; to the Committee on Government Operations.

By Mr. SEIBERLING (for himself, Mr. Archer, Mr. Blatnik, Mrs. Boggs, Mrs. Burke of California, Mr. Carney of Ohio, Mrs. Chisholm, Mrs. Collins of Illinois, Mr. Conte, Mr. Conyers, Mr. Dellenback, Mr. Dellums, Mr. du Pont, Mr. Edwards of California, Mr. Eilberg, and Mr. Fascell):

H.R. 15421. A bill to amend title II of the Social Security Act to provide that the special procedure for expediting benefit payments (where such payments are not regularly made when due) shall apply to benefits based on disability in the same way it applies to other benefits under such title if entitlement has already been established and the benefits involved have been paid for 1 or more months; to the Committee on Ways and Means.

By Mr. SEIBERLING (for himself, Mr. Forsythe, Mr. Frenzel, Mr. Froehlich, Mr. Harrington, Mr. Hechler of West Virginia, Ms. Holtzman, Mr. Kemp, Mr. Kyros, Mr. Lagomarsino, Mr. Luken, Mr. McSpadden, Mr. Mathias of California, Mr. Matsunaga, Mr. Mazzoli, Mr. Melcher, Mr. McCormack, Mrs. Mink, Mr. Moss, Mr. Murtha, and Mr. Owens):

H.R. 15422. A bill to amend title II of the Social Security Act to provide that the special procedure for expediting benefit payments (where such payments are not regularly made when due) shall apply to benefits based on disability in the same way it applies to other benefits under such title if entitlement has already been established and the benefits involved have been paid for 1 or more months; to the Committee on Ways and Means.

By Mr. SEIBERLING (for himself, Mr. Pike, Mr. Podell, Mr. Roe, Mr. Roybal, Mr. Sarbanes, Mr. James V.

Stanton, Mr. Stark, Mr. Stokes, Mr. Studds, Mr. Thompson of New Jersey, Mr. Tiernan, Mr. Whitehurst, Mr. Charles Wilson of Texas, Mr. Wolff, Mr. Yatron, and Mr. Young of Georgia):

H.R. 15423. A bill to amend title II of the the Social Security Act to provide that the special procedure for expediting benefit payments (where such payments are not regularly made when due) shall apply to benefits based on disability in the same way it applies to other benefits under such title if entitlement has already been established and the benefits involved have been paid for 1 or more months; to the Committee on Ways and Means.

By Mr. SIKES (for himself, Mr. Perkins, Mr. Hammerschmidt, Mr. Mann, Mr. Brinkley, and Mr. Ginn):

H.R. 15424. A bill to amend the Agricultural Act of 1970 to increase the amount authorized to be appropriated for the forestry incentive program administered under title X of such act and to increase the size of a tract which may be affected by such program; to the Committee on Agriculture.

By Mr. SIKES (for himself, Mr. Jones of North Carolina, Mr. Montgomery, Mr. Alexander, Mr. Slack, Mr. Lott, Mr. Roybal, Mr. Meeds, Mrs. Hansen of Washington, Mr. Bevill, Mr. Latta, Mr. Williams, Mr. Johnson of Pennsylvania, Mr. Yatron, Mr. Cleveland, Mr. Fuqua, Mr. Chappell, Mr. Waggonner, Mr. Dorn, Mr. Davis of South Carolina, Mr. Frey, Mr. Dickinson, Mr. Don H. Clausen, Mr. Edwards of Alabama, and Mr. Kyros):

H.R. 15425. A bill to amend the Agricultural Act of 1970 to increase the amount authorized to be appropriated for the forestry incentive program administered under title X of such act and to increase the size of a tract which may be affected by such program; to the Committee on Agriculture.

By Mr. SKUBITZ:

H.R. 15426. A bill to amend the Consolidated Farm and Rural Development Act to establish a loan insurance program for livestock producers and feeders; to the Committee on Agriculture.

By Mr. STAGGERS:

H.R. 15427. A bill to amend the Rail Passenger Service Act of 1970 to provide financial assistance to the National Railroad Passenger Corporation, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. STAGGERS (for himself and Mr. Devine):

H.R. 15428. A bill to amend the Rail Passenger Service Act of 1970 and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITE:

H.R. 15429. A bill to amend title XVIII of the Social Security Act to provide payment under pt. A (the hospital insurance program) for care and treatment furnished at a central radiation therapy treatment facility, and to provide full payment under pt. B (the supplementary medical insurance program) for radiation therapy services furnished by physicians to inpatients or outpatients of any hospital or any such facility; and for other purposes; to the Committee on Ways and Means.

By Mr. MAHON:

H.J. Res. 1061. Joint resolution making further urgent supplemental appropriations for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes; to the Committee on Appropriations.

By Mr. ASPIN (for himself, Ms. Abzug, Mr. Brown of California, Mrs. Burke of California, Mr. Fraser, Mr. Hechler of West Virginia, Mr. Long of Maryland, Mr. Metcalfe, and Mr. Stokes):

H. Con. Res. 543. Concurrent resolution expressing the sense of Congress concerning how it should receive foreign policy information during the period from the impeachment of the President by the House of Representatives until the Senate votes on such impeachment; to the Committee on Foreign Affairs.

By Mr. ASPIN (for himself, Ms. Abzug, Mr. Brown of California, Mr. Fraser, Mr. Hechler of West Virginia, and Mr. Stokes):

H. Con. Res. 544. Concurrent resolution expressing the sense of Congress concerning the President not signing any agreement with a foreign country or international organization during the period from his impeachment by the House of Representatives until the Senate votes on such impeachment; to the Committee on Foreign Affairs.

H. Con. Res. 545. Concurrent resolution expressing the sense of Congress concerning the President not traveling abroad on Government business during the period from his impeachment by the House of Representatives until the Senate votes on such impeachment, and concerning a foreign head of state not making an official visit to the United States during such period; to the Committee on Foreign Affairs.

By Mr. DERWINSKI (for himself, Mr. Annunzio. Mr. Bafalis, Mr. Eilberg, Mr. Frenzel, Mr. Horton, Mr. Lent, Mr. Sarasin, and Mr. Steele):

H. Con. Res. 546. Concurrent resolution expressing the sense of Congress concerning recognition by the European Security Conference of the Soviet Union's occupation of Estonia, Latvia, and Lithuania; to the Committee on Foreign Affairs.

By Mr. O'NEILL (for himself, Mr. Rhodes, and Mr. Grover):

H. Res. 1177. Resolution to condemn terrorist killings of schoolchildren in Israel; to the Committee on Foreign Affairs.

By Mr. SHOUP:

H. Res. 1178. Resolution to declare a moratorium on the deelectrification of rail lines and study all implications of electrification of railroads; to the Committee on Interstate and Foreign Commerce.

H. Res. 1179. Resolution to rescind the Executive order lifting restrictions on beef imports; to the Committee on Ways and Means.

By Mr. SYMINGTON:

H. Res. 1180. Resolution requesting that each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands, the Canal Zone, American Samoa, and the Trust Territory of the Pacific Islands conduct a survey or study to determine the views of their citizens with respect to abortion laws; to the Committee on the Judiciary.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

499. By the SPEAKER: Memorial of the Senate of the State of New Jersey, relative to the terrorist killings in Israel; to the Committee on Foreign Affairs.

500. Also, memorial of the Legislature of the State of California, relative to the designation of American Business Day; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BLATNIK:

H.R. 15430. A bill to require the Foreign Claims Settlement Commission to reopen and redetermine the claims of George Radin against the Government of Italy, and for other purposes; to the Committee on the Judiciary.

By Mr. BROYHILL of Virginia:

H.R. 15431. A bill for the relief of Edward J. Callahan; to the Committee on the Judiciary

By Mr. KASTENMEIER:

H. Res. 1181. Resolution to refer the bill (H.R. 15403) entitled "A bill for the relief of Marlin Toy Products, Inc., to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code, as amended; to the Committee on the Judiciary.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

449. By the SPEAKER: Petition of Ruth E. Bandy and other employees of the District of Columbia Manpower Administration, Washington, D.C., relative to the competitive service status of positions in the District of Columbia Manpower Administration after its transfer to the District of Columbia government; to the Committee on the District of Columbia.

450. Also, petition of the Creek County Bar Association, Sapulpa, Okla., relative to no-fault automobile insurance; to the Committee on Interstate and Foreign Commerce.

SENATE—*Monday, June 17, 1974*

The Senate met at 9:45 a.m. and was called to order by Hon. James B. Allen, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Direct us, O Lord, in all our doings, with Thy most gracious favor, and further us with Thy continual help; that in all our works begun, continued, and ended in Thee, we may glorify Thy holy name and finally, by Thy mercy, obtain everlasting life, through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Eastland).

The second assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., June 17, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. James B. Allen, a Senator from the State of Alabama, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. ALLEN thereupon took the chair as Acting President pro tempore.

REPORT OF A COMMITTEE SUBMITTED DURING ADJOURNMENT

Under authority of the order of the Senate of June 13, 1974, Mr. HART, from the Committee on Commerce, reported favorably, with amendments, on June 14, 1974, the bill (H.R. 11537) to extend and expand the authority for carrying out conservation and rehabilitation programs on military reservations, and to authorize the implementation of such programs on certain public lands and submitted a report (No. 93–934) thereon, which was printed.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, June 13, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had agreed to the amendment of the Senate to the bill (H.R. 12165) to authorize the construction, operation, and maintenance of certain works in the Colorado River Basin to control the salinity of water delivered to users in the United States and Mexico.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 14434) making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1974, and for other purposes, agrees to the conference requested by the Senate on the disagreeing votes of the two Houses thereon, and that Mr. MAHON, Mr. WHITTEN, Mr. EVINS of Tennessee, Mr. BOLAND, Mr. STEED, Mr. SLACK, Mrs. HANSEN of Washington, Mr. MCFALL, Mr. CEDERBERG, Mr. DAVIS of Wisconsin, Mr. ROBISON of New York, Mr. MCDADE, and Mr. RUTH were appointed managers of the conference on the part of the House.

The message also announced that the House had passed a bill (H.R. 13839) to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended, in which it requested the concurrence of the Senate.

The message further announced that the House had agreed to a concurrent resolution (H. Con. Res. 537) designating the 21 days from June 14 to July 4, 1974, as a period to honor America.

HOUSE BILL REFERRED

The bill (H.R. 13839) to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended, was read twice by its title and referred to the Committee on Banking, Housing and Urban Affairs.

HOUSE CONCURRENT RESOLUTION REFERRED

The concurrent resolution (H. Con. Res. 537) designating the 21 days from June 14 to July 4, 1974, as a period to honor America was referred to the Committee on the Judiciary.

WAIVER OF CALL OF THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call of the calendar for unobjected-to measures pursuant to rule VIII be waived.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF SPEAKERS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that in the order of speakers the Senator from Utah (Mr. Moss) be replaced in the scale by the Senator from Nebraska (Mr. HRUSKA).

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The PRESIDENT pro tempore. Without objection, it is so ordered.

EXPRESSIONS OF CONFIDENCE IN SECRETARY KISSINGER

Mr. HUGH SCOTT. Mr. President, newspaper columnists generally have reacted to the unwarranted assault on the Secretary of State predictably, and almost uniformly in favor of the Secretary and of the position taken by him in this controversy.

Of course, we are in the era of dirty tricks, which we have condemned in the past, and in my opinion it is a dirty trick to create false impressions about the Secretary of State. I think we have had enough dirty tricks, and it is time that everybody abjured them wholly; and I think we ought to call these things by their proper names. When they happen to some people they are called dirty tricks; when they happen to other people, they are called anything from semantic differences to perjury. We have witnessed a ridiculous exercise here in police court tactics, and I deplore it.

I recently put into the RECORD a column by Mr. Marquis Childs. I note there was a similar column by Mr. Joseph Alsop. I ask unanimous consent to have printed in the RECORD at the end of my remarks an article entitled "Character Assassination," written by Gould Lincoln and published in the Washington Star-News of June 15, 1974, an article entitled "Dirty Linen in a Teacup," written by Charles Bartlett and published in the Washington Star-News of the same date; an article written by Richard Wilson entitled "Watergate Has Gone Too Far"; and the lead editorial published in the Washington Star-News of yesterday, June 16, 1974, entitled "Watergate: A New Level of Inanity."

All of these articles make the same point.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibits 1, 2, and 3.)

Mr. HUGH SCOTT. I add that at the conclusion of yesterday's Star-News editorial, there is the comment that the President should come forward and make it clear that he initiated the order for electronic surveillance.

How short memory is. Because a few months ago, in a public statement, the President said exactly that. He said it to the point, and he said it clearly: that he had initiated this surveillance. This should be enough. Public memory being as short as it is, even the editorial writer has forgotten.

I call attention to the appearance on "Face the Nation" yesterday of Mr. William Ruckelshaus, the former Acting Director of the FBI, who completely confirms the previous statements made by Dr. Kissinger. He has done so also in meetings of the Committee on Foreign Relations, as did the former Attorney General, Mr. Elliot Richardson.

Tomorrow further inquiry of the Senate Committee on Foreign Relations will begin. I hope it can be handled expeditiously. Dr. Kissinger is entitled to have his name cleared, even though it should never have been smeared by this type of vicious, irresponsible reporting.

I, therefore, urge the Committee on Foreign Relations, of which I am a member, to proceed immediately and promptly, and then to make their report, which in my judgment will be substantially the same report as we have already made.

EXHIBIT 1

[From the Washington Star-News, June 15, 1974]

CHARACTER ASSASSINATION

(By Gould Lincoln)

Character assassination has become the new—and old—way of life in the Nation's Capital. The latest victim is Secretary of State Henry A. Kissinger.

The gossip hounds are in full cry, seeking to drag him down. They began months ago attacking President Nixon, whom they now seek to impeach as having been responsible for Watergate and all its related charges, including lying about cover-up attempts. They are now fastening their teeth in the pants of Vice President Gerald R. Ford because, as they say, he blows hot and cold over his support of the President and what he does.

Kissinger, in a long and heated press conference in Salzburg, threatened to resign from his office if he was not completely and publicly cleared of the charges made in the Washington Post and followed up in the news media that he had wiretaps made on four newsmen and 13 members of his staff, their conversations and their actions, all this in 1969–1971. The Washington Post claimed it had obtained the information about Kissinger's orders for taps not from the files of the House Judiciary Committee, or through leaks by any of its members, but from the files of the FBI itself, which were marked "secret" and subject to executive privilege.

Many Members of both the House and Senate are rushing to defend Kissinger and urging him not to resign. Dispatches from the Middle East and from abroad are saying that a Kissinger resignation would be a disaster to the conduct of U.S. foreign affairs, leaving a great void.

It is understandable that Kissinger should have felt indignant to find he was being charged with lying and even perjury in his statements to the Senate Foreign Relations Committee, instead of being praised for bringing about arrangements of real meaning, looking to peace between the Arab nations and Israel, an accomplishment which was being hailed abroad and indeed in this country. But such has been the reward of others, among them Richard Nixon.

Character assassination, however, has been the reward of many presidents of the United States, indeed, almost all from General Washington down the line, some of them weak and others strong. Washington was called a dumb head who never won a battle in the war for freedom from England, but always retreated, until the French came to his aid. Thomas Jefferson was charged with running away from his home by the back door as the British charged his front door.

In more modern times, Woodrow Wilson, a strong president, whether you like him or not, was called by the gossips, "Peck's bad boy," a relic of his presidency of Princeton University. Warren G. Harding died of a broken heart, not only because he was charged with illicit love affairs, but because he was betrayed by supposed friends, some of them in his Cabinet.

Franklin D. Roosevelt, four times elected president, is remembered not only as having violated the two-term tradition for presidents, but also as having allowed the Russians to pull the wool over his eyes and move into West Germany and Berlin, a cause of trouble to this day, and for his proposal to "pack" the Supreme Court, to get his New Deal laws to be held constitutional.

Dirty Linen in a Teacup

(By Charles Bartlett)

To mix a few metaphors, the Henry Kissinger fracas appears to be a matter of washing dirty linen in a teacup tempest.

First of all, the secretary of State is apparently not bluffing when he says he will resign if this challenge to his honor is not expunged. Kissinger's loyalty to his image invariably transcends other considerations, and his mood is said to be angry and determined. After all, retirement at the peak of diplomatic accomplishment could be wise and timely.

Secondly, President Nixon, far more antagonistic than Kissinger toward leaks and the press and inevitably suspicious of the young intellects assembled for the Kissinger staff, seems determined to stay out of the fracas. The bugging incident reflects Nixon's spirit and inclinations far more than Kissinger's and the President could ease the present situation with a clear endorsement of what was done. But the bland statement he issued instead is a sign that he means to let his subordinate take the heat on this one.

It is also a sign of their brittle, complex and wary relationship, another inducement to Kissinger's retirement. Eighteen months ago Nixon was ready to fire Kissinger because he felt he had not been loyal through the ordeal of the 1972 Christmas bombing Kissinger survived then as a Nixon official only because the President encountered adversity, and his star has been rising while the President's faded. There is bitter feeling in the White House that the secretary of State has been high-handed in taking advantage of the Watergate bind.

Kissinger has clearly belied his past demonstrations of finesse in handling the issue of the tapped aides. If he had stayed characteristically candid, he could have buried the affair at the outset. Instead he has allowed press attention to focus on the peripheral question of who ordered the taps and has seemed to hedge his own role. Perhaps out of embarrassment he has let his defensive behavior encourage the assaults of the press conference prosecutors.

The ugly style in which two of those prosecutors put their questions as last week's press conference had the look of a reach for TV coverage. Those who are anxious to prosecute Kissinger for perjury insist that he be measured by the same yardstick of truthfulness which has been applied to other presidential aides in the Watergate probe. They are willing to destroy him because they believe he has lied.

This is an extraordinarily stern judgment, an extreme example of reportorial righteousness. Kissinger's testimony belittling his role in the wiretaps was an effort to protect his image, not an obstruction of justice. On the other hand, the Nixon aides who are being punished for perjuries in the Watergate case plainly lied because they wanted to obscure what really happened in a case related to the crime of burglary.

If Kissinger did indeed minimize his association with the FBI taps, he cannot be said to have obstructed justice because it was not in 1969 illegal to eavesdrop in domestic cases involving national security. It was not, then as now, a nice thing to do, but the Senate Foreign Relations Committee has examined, case by case, the targets of the taps and failed to contest Kissinger's judgment that the potential damage of the leaks justified a distasteful resort to bugs.

So the proescutors are exercised over what seems to be a small issue. Did Kissinger urge the taps or did he merely accede to a strategy proposed by J. Edgar Hoover or the President? Various bits are being leaked, but Hoover's memorandum on the conversation in the Oval Office is described as ambiguous by responsible men. The confused interpretations by members of the House Judiciary Committee make it apparent that the evidence is not clear cut.

The nation, worried that Washington has lost its perspective, will not be reassured by this episode. It can only feed the widespread suspicion that the investigators and prosecutors are out to level everyone in sight. They will do better to stick close to the central issue of impeachment.

Exhibit 2

Watergate Has Gone Too Far

(By Richard Wilson)

As in most human affairs, things will never be quite the same after the emotional explosion of Henry A. Kissinger. His threat to resign as secretary of State if his "honor" is not sustained must be taken very seriously if only because, once injected into public debate, this idea may develop a self-propelling character.

That would be an appalling consequence of the Watergate madness. Its prospect tends to crystallize the view shared by an increasing number that Watergate has gone too far if it drives to distraction a brilliant diplomatic strategist and negotiator with Kissinger's acknowledged achievements.

Kissinger certainly had in mind dramatizing that point in his emotion-laden press conference in Salzburg. But to judge his action as a tactic in confrontation politics seriously underestimates the gravity with which the problem ought to be viewed.

Watergate has, in fact, gone too far. It is undermining stable government and constructive policy. It must be brought to a conclusion without delay.

And so Kissinger's tense ultimatum was far from silly, but a bold expression of a conviction which has been bearing in on him for months that large affairs cannot be conducted in a crisis of confidence which is continuously extended day after day.

Inferences, innuendo, accusations constantly repeated, never proved or disproved and subject to continuous interpretation and reinterpretation, have created a poisonous atmosphere suffocating Washington.

In the next couple of weeks, the Foreign Relations Committee will review the Kissinger case and probably come out where it was in the first place. The committee had evidence from the beginning from which a prosecutor's mind could draw inference that Kissinger did more than merely go along in a Nixon-approved wiretapping project to find the source of national security leaks which were compromising secret international negotiations and actions.

In its 15–1 vote for Kissinger's confirmation, the committee in effect decided to subordinate such inferences to the larger consideration that Kissinger's great achievements overwhelmingly qualified him to be secretary of State.

The committee has already judged that what he told them was more compelling than such evidence as was provided by J. Edgar Hoover's written justifications of FBI action as on orders by Kissinger. In any case, Kissinger's involvement with wiretaps that were both justifiable and precedented was not enough to dishonor him.

But the innuendos arising from unnamed sources in the House Judiciary Committee that Kissinger lied about his involvement required Kissinger to say more (and he has done so). He will appear again before the Foreign Relations Committee to convince its members he did not lie to them. This is a course fitting Kissinger's own standards of honor.

The larger question is how much more of this the country can stand, and if Kissinger has brought that point to the forefront of public consciousness he will have done a good thing.

But there is always the risk that the Watergate madness, magnifying minor derelictions into monstrous crimes, will in the end suffocate the most brilliant international negotiator of this century.

That would be a very high penalty to pay for acts intended to prevent the sabotage of American policy through leaked secret information.

Sen. Goldwater is right. Kissinger would have been derelict in his duty if he had not cooperated in using every legal means to stop the leaking of top classified material and held the leakers to account.

But in the upside-down world of Watergate, the culprits are not those who were passing out classified information on secret American negotiating positions in nuclear arms talks, but those who were trying to stop it. This is why it cannot be excluded that Kissinger will become so ensnared in emotional intrigue that his threat to resign may propel itself into a ridiculous fulfillment which would shame those who would bring him down.

Exhibit 3

Watergate: A New Level of Inanity

Of all the excursions into absurdity that Watergate has produced, the current charges leveled against Secretary of State Henry Kissinger strike us as the most bizarre. Essentially, we are being asked to believe that Kissinger has lied about his role in a five-year-old wiretap incident in which 1) the secretary readily concedes his participation and 2) no apologies whatever are called for.

Through it all, there is the strong implication that the taps placed on the phones of 13 White House officials and four newsmen in 1969 were either illegal or, if not that, then somehow disgraceful. There is the further implication that the people who were placed under surveillance were suspected of political infidelity to the administration, rather than of being security risks.

There is not the slightest shred of evidence that we know of to sustain such allegations The taps were ordered after a series of serious security leaks that occurred in the spring of 1969 which were traced to unknown staff members of the National Security Council. They were applied under procedures that were entirely legal at the time. No one apparently questions the fact that it was Kissinger's duty as assistant for national security to bring the leaks to the attention of President Nixon. No one, so far as we know, denies that the taps were ordered by the President on the advice of John Mitchell, then attorney general, and J. Edgar Hoover, then the head of the Federal Bureau of Investigation. Each of the authorizations was duly signed by the attorney general, as required by the law at that time.

Kissinger has said subsequently that he found the business of bugging his own subordinates "distasteful" and that is perfectly understandable. He has said at various times that the effective functioning of the government—or might add any organization or family—depends on at least a modicum of trust among its members.

But it is also true that any government has not only the right, but the most solemn obligation to protect its essential secrets—particularly those in the area of national security. When violations of security occur on a massive scale—as they did in leaks on military operations in Indochina, in the India-Pakistan war, in the American negotiating position in the SALT talks and in the Pentagon and Anderson Papers—it is not only right but essential that the most effective measures be taken to put a stop to the hemorrhage. In these circumstances, the wiretapping of telephones—distasteful as it may be under normal circumstances, is practiced by every government in the world. It would be completely legal and justified in the United States today under the stricter procedures that have been established since 1909.

So Henry Kissinger, in our view, had nothing whatever to be ashamed of in complaining about the security leaks that led to the wiretaps. The whole issue, in fact, boils down to the question of whether that complaint, in the circumstances, amounted to a "re- "quest" or a "demand" or an "initiation" of the wiretaps. And that, again in our view, amounts to one of the more inane quibbles that has ever distracted an already overwrought nation.

What possible difference does it make, after all? What if somebody comes up with a fragment of presidential tape with Nixon's voice saying that "Henry . . . wanted it"? What if a memorandum is unearthed in the files of the FBI saying that the security check was Kissinger's idea?

Since it is quite clear that Kissinger knew that the people whose names he supplied to the FBI would be investigated and in all probability wiretapped, it would have been perfectly reasonable to Mr. Nixon, Hoover or anyone else to assume that the names were the equivalent of a request from Kissinger. The secretary himself has made no secret of the part he played in the process, only insisting that the *original decision* to tap the phones was made by others. Indeed, it is abundantly obvious that only the President had the authority to make such a decision.

It is a measure of Mr. Nixon's difficulties that he has not stepped forward and assumed responsibilty for the ordered surveillance. And it is symptomatic of the madness that Watergate has inflicted on all of us that this utterly inconsequential affair should threaten to terminate the career of one of the most effective and gifted public servants that this century has produced.

CONSIDERATION OF CERTAIN MEASURES ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Nos. 896, 899, 900, and 901.

The ACTING PRESIDENT pro tempore. The clerk will state the first measure.

AMENDMENT OF THE COMPREHENSIVE DRUG ABUSE PREVENTION AND CONTROL ACT

The Senate proceeded to consider the bill (S. 3355) to amend the Comprehensive Drug Abuse Prevention and Control Act of 1970 to provide appropriations to the Drug Enforcement Administration on a continuing basis, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That section 709 of the Controlled Substances Act of 1970 (Public Law 91–513; 84 Stat. 1284; 21 U.S.C. 904) is amended by inserting immediately before the period at the end thereof the following: ", $125,000,000 for the fiscal year ending June 30, 1975, $150,000,000 for the fiscal year ending June 30, 1976, $175,000,000 for the fiscal year ending June 30, 1977, $200,000,000 for the fiscal year ending June 30, 1978, and $225,000,000 for the fiscal year ending June 30, 1979".

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

PRINTING OF REVISED EDITION OF HOUSE DOCUMENT "OUR FLAG"

The concurrent resolution (H. Con. Res. 454) to authorize the printing as a House document "Our Flag," and to provide for additional copies, was considered and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That there be printed as a House document with illustrations, a revised edition of the House document "Our Flag"; and that two hundred seventy-two thousand and five hundred additional copies be printed, of which two hundred twenty-one thousand shall be for the use of the House of Representatives, and fifty-one thousand five hundred shall be for the use of the Senate.

PRINTING HOUSE DOCUMENT OF "OUR AMERICAN GOVERNMENT, WHAT IS IT? HOW DOES IT WORK?"

The concurrent resolution (H. Con. Res. 455) to provide for the printing as a House document "Our American Government. What Is It? How Does It Work?" was considered and agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That there shall be printed as a House document, a revised edition of the House document "Our American Government. What Is It? How Does It Work?"; and that five hundred and sixty-five thousand additional copies be printed, of which four hundred and forty-two thousand shall be for the use of the House of Representatives and one hundred and three thousand shall be for the use of the Senate, and twenty thousand shall be for the use of the Joint Committee on Printing.

ORDER TO REPRINT AS HOUSE DOCUMENT OF BROCHURE "HOW OUR LAWS ARE MADE"

The concurrent resolution (H. Con. Res. 201) to reprint the brochure entitled "How Our Laws Are Made" which had been reported from the Committee on Rules and Administration with an amendment on page 2, after line 2, insert a new section, as follows:

SEC. 2. There shall be printed for the use of the Senate fifty-one thousand five hundred additional copies of the document specified in section 1 of this concurrent resolution.

The amendment was agreed to.

The concurrent resolution, as amended, was agreed to, as follows:

Resolved by the House of Representatives (the Senate concurring), That the brochure entitled "How Our Laws Are Made", as set out in House Document Numbered 92–323 of the Ninety-second Congress, be printed as a House document, with a suitable paperback cover of a style, design, and color, to be selected by the chairman of the Committee on the Judiciary of the House of Representatives, and with a foreword by the Honorable Peter W. Rodino, Junior; and that there be printed two hundred and forty-one thousand additional copies, of which twenty thousand shall be for the use of the Committee on the Judiciary and the balance prorated to the Members of the House of Representatives.

SEC. 2. There shall be printed for the use of the Senate fifty-one thousand five hundred additional copies of the document specified in section 1 of this concurrent resolution.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nominations on the Executive Calendar.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will go into executive session to consider the nominations on the Executive Calendar, and the clerk will state the first nomination.

FEDERAL ENERGY ADMINISTRATION

The second assistant legislative clerk read the nomination of John C. Sawhill, of Maryland, to be Administrator of the Federal Energy Administration.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Later in the day the following proceedings were held on this nomination:

Mr. ROBERT C. BYRD. Mr. President, a Senator had notified me last week—I do not recall the day—that he wished to be notified when the nomination of Mr. John C. Sawhill, to be Administrator of the Federal Energy Administration, would be called up for consideration.

Mr. Sawhill's name was called up this morning when I was not in the Chamber.

I therefore ask unanimous consent that the previous action taken by the Senate in confirming the nomination of Mr. Sawhill be vitiated, and that the name go on the calendar.

I say this with the intent to visit with the Senator who wished to be notified, and to state to him that it will be the intent of the leadership to take up the nomination at a very early moment, hopefully by tomorrow, and that the Senator can, of course be present and can make whatever statement he wishes. The leadership feels that this is a very important position, and that it ought to be filled.

If there are no overriding considerations which indicate that the confirmation should not go forward, then the Senate ought to act expeditiously. I am sorry that I was not in the Chamber at the time the nomination came up earlier today. I have checked with the desk. The name has not yet gone down to the White House.

If there is no objection, the name will go back on the calendar. I give assurance to the distinguished assistant Republican leader that I will immediately contact the Senator to whom I alluded and do everything I can to expedite action on the nomination, if no objection is made.

Mr. GRIFFIN. Mr. President, reserving the right to object, and I shall not object, I recognize the situation. These things do happen from time to time. I recognize the cooperation that we have received from the majority leadership on occasion when the request of a Senator has been overlooked inadvertently.

I appreciate the assurance of the distinguished majority whip that this important nomination will be brought up expeditiously.

It is understandable that there may be some opposition to the nomination. The Senator, certainly, whoever it is, is within his rights in seeking to be notified. Certainly, under those circumstances, nominations should not be confirmed on a unanimous-consent basis. That Senator should have an opportunity to express his opposition or reservation, whatever the case may be, and have the opportunity, if he wishes, to register his opposition and have a rollcall vote, if that is what he chooses.

Certainly, the nomination should not stay on the calendar very long, particularly under these circumstances. I appreciate that at the earliest moment, I hope early this week, the nomination will be called up, and the Senate will have the opportunity to work its will.

I withdraw my reservation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished assistant Republican leader for his understanding, courtesy and cooperation, all of which are usual. I must say that I am deeply appreciative. Had I been in the Chamber, I would have called it to the attention of the distinguished majority leader. I had inadvertently overlooked telling the leader about the Senator's request. It was an oversight on my part. I appreciate the understanding of all Senators.

DEPARTMENT OF THE TREASURY

The assistant legislative clerk proceeded to read sundry nominations in the Department of the Treasury.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

U.S. TAX COURT

The second assistant legislative clerk read the nomination of Richard C. Wilbur, of Maryland, to be a judge of the U.S. Tax Court.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is confirmed.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate return to the consideration of legislative business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE CRISIS IN THE LIVESTOCK, POULTRY, AND EGG INDUSTRIES

Mr. MANSFIELD. Mr. President, on Thursday last a bipartisan group of Senators gathered in an emergency meeting to discuss the crises the entire livestock, poultry, and egg industries are now facing.

Fed cattle prices have declined by 25 percent in the last 6 months, feeder cattle by almost the same amount, hogs have declined by 43 percent, turkeys are selling for 24 percent less this May than a year ago, broilers about 13 percent less, and eggs are 37 percent lower than in January of this year.

We are seeing evidence that cattle feeders are currently losing from $100 to $200 per head of cattle and hog producers $30 per hog.

If these conditions are allowed to continue, the entire livestock farming complex faces imminent and total collapse. Farmers face bankruptcy that would mean the loss of a lifetime's work, as well as a precipitous drop in livestock production. This not only endangers individual farmers but also the economy, agriculture in general, rural communities, small banks, and the American people as a whole.

Mr. President, as a result of that meeting on June 13, 44 Senators sent a letter to the President of the United States.

What those Senators recommended unanimously, and what we called upon the President to do, was as follows:

(1) Exercise the authority you now have under the existing meat import law (Public Law 88-482) to prevent the dumping of surplus world supplies of meat on American markets. In this connection, we note that Japan, Canada, and the European Economic Community have imposed restrictions on the importation of meat into those areas in order to protect their industries.

(2) Immediately initiate substantial government purchases of red meat and poultry to upgrade the diets of our Nation's school children and to use in our commodity distribution program. The Department of Defense should also be directed to make additional purchases for use by the Armed Services. This is imperative since the cold storage stocks of red meat in the United States are currently over one billion pounds. To maintain such excesses not only injures the market, but is not humane, given the needs of our children, aged, and poor people.

(3) Exhort the wholesale and retail community to pass on now to the consumers of this Nation the meat bargains all of this country should enjoy. If voluntary action is not taken by the industry, the Federal Trade Commission should be directed to begin a complete and thorough investigation, with the results made public immediately.

Mr. President, we propose these actions in the best interest of all of the people of this Nation. The food chain—from farm to consumer—must not be broken or weakened. And the total is no stronger than the weakest link. Today the livestock industry is that link. It must receive immediate attention.

Mr. President, I ask unanimous consent that the entire letter addressed to the President of the United States to which I have previously referred, together with the signatures thereon, be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Office of the Majority Leader,
Washington, D.C., June 13, 1974.

The President,
The White House,
Washington, D.C.

Dear Mr. President: This morning, a bipartisan group of Senators gathered in an emergency meeting to discuss the crises the entire livestock, poultry, and egg industries are now facing.

Fed cattle prices have declined by 25 percent in the last six months, feeder cattle by almost the same amount, hogs have declined by 43 percent, turkeys are selling for 24 percent less this May than a year ago, broilers about 13 percent less, and eggs are 37 percent lower than in January of this year.

We are seeing evidence that cattle feeders are currently losing from $100 to $200 per head of cattle and hog producers $30 per hog.

If these conditions are allowed to continue, the entire livestock farming complex faces imminent and total collapse. Farmers face bankruptcy that would mean the loss of a lifetime's work, as well as a precipitous drop in livestock production. This not only endangers individual farmers but also the economy, agriculture in general, rural communities, small banks, and the American people as a whole.

Agriculture is integrated, and failure of any sector is reflected throughout the entire agri-business community. The strength of our Nation is tied to the availability of plentiful food and a healthy agricultural sector. Rural communities would collapse if agriculture is lost, and consumers would find less food of lower quality and higher cost if this situation persists.

We are firmly convinced that if the consumers of this Nation understood the complexities and the implications of the problems now facing the livestock industry, they would fully support the remedial action now so necessary to prevent this total collapse.

Meat and other high protein foods are an integral part of the diets of the consumers of this Nation. They need it, farmers want to supply it, so it is imperative that we move to assure that they have it in abundance at fair and reasonable prices.

We know you are well aware of this grave situation. We commend you for your timely and forceful action in calling a high level meeting on this subject at the White House for Monday.

The inclusion of representatives from government agencies, meat packing firms, food chains, farm credit institutions, cattlemen, and hog producers is especially laudable. We applaud this effort and sincerely hope that out of this will come a program whereby the entire industry and consumers will benefit.

It was the consensus at this morning's meeting that a number of steps might be immediately taken which could materially strengthen the market.

We, therefore, call upon you to:

(1) Exercise the authority you now have under the existing meat import law (Public Law 88-482) to prevent the dumping of surplus world supplies of meat on American markets. In this connection, we note that Japan, Canada, and the European Economic Community have imposed restrictions on the importation of meat into those areas in order to protect their industries.

(2) Immediately initiate substantial government purchases of red meat and poultry to upgrade the diets of our Nation's school children and to use in our commodity distribution program. The Department of Defense should also be directed to make additional purchases for use by the Armed Services. This is imperative since the cold storage stocks of red meat in the United States are currently over one billion pounds. To maintain such excesses not only injures the market, but is not humane, given the needs of our children, aged, and poor people.

(3) Exhort the wholesale and retail community to pass on now to the consumers of this Nation the meat bargains all of this country should enjoy. If voluntary action is not taken by the industry, the Federal Trade Commission should be directed to begin a complete and thorough investigation, with the results made public immediately.

Congress pledges and commits itself to move immediately to provide credit relief to the livestock producers of this Nation. On Monday, June 17, the Senate Committee on Agriculture and Forestry will hold hearings on the emergency credit bills before it. The House Committee on Agriculture will follow with additional hearings.

Bills will be before the Congress for consideration within a week or two. We urge your strong support.

Mr. President, we propose these actions in the best interest of all of the people of this Nation. The food chain—from farm to consumer—must not be broken or weakened. And the total is no stronger than the weakest link. Today the livestock industry is that link. It must receive immediate attention.

Sincerely,

Henry M. Jackson, Warren Magnuson, Dewey Bartlett, James Abourezk, James B. Allen, Lawton Chiles, Harold E. Hughes, Quentin Burdick.

Mike Mansfield, Vance Hartke, Carl T. Curtis, Ernest F. Hollings, George McGovern, Joseph M. Montoya, Frank E. Moss, Floyd K. Haskell.

Alan Bible, Hubert H. Humphrey, Howard W. Cannon, Floyd Bentsen, Dick Clark, Jim Eastland, John L. McClellan, J. W. Fulbright, Sam Nunn, Pete V. Domenici, Henry Bellmon.

Frank Church, Gale W. McGee, Lee Metcalf, Herman E. Talmadge, Milton R. Young, Stuart Symington, Thomas F. Eagleton, Peter H. Dominick.

John Tower, Barry Goldwater, James B. Pearson, Edward J. Gurney, Clifford P. Hansen, Robert Dole, James A. McClure, Paul J. Fannin, Roman Hruska.

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent to have printed in the RECORD at this point a statement on the same subject by the Secretary of Agriculture, Mr. Butz.

There being no objection, the statement, as reported in an article published in the New York Times of June 17, 1974, was ordered to be printed in the RECORD, as follows:

BUTZ DOUBTS CURTAILED CATTLE-FEEDING OPERATIONS WILL CAUSE BEEF SHORTAGE

(By William Robbins)

WASHINGTON, June 16.—Earl L. Butz, Secretary of Agriculture, sees no danger that curtailed operations by a troubled cattle industry will cause any shortage of beef for consumers.

Commenting on a new report showing that cattle feeders were fattening fewer steers for market, the Secretary said:

"The cattle are out there [on farms and ranches] and they've got to come to market. We'll have less grain-fattened beef because the gains are being put on from the grass, but grass-fed beef is good beef, although it's not what we've grown used to. But there will be plenty of tonnage in the fall."

The Secretary made his remarks in an interview before a White House meeting scheduled for tomorrow on the plight of cattlemen. With prices continuing in a long decline, those who fatten cattle for market say they are losing up to $150 on each animal sold for slaughter. Industrywide, they say they have lost $1.5-billion since the decline began in early February.

Because current prices are below the cost of fattening cattle with expensive grain, feedlot operators in seven states that lead in such operations placed 40 per cent fewer cattle in their pens last month than they did in May, 1973, the Agriculture Department reported.

The White House meeting tomorrow will focus on their problems. Representatives of cattlemen, meat packers and chain stores have been invited.

Dr. Butz said that the chain stores would be urged to make a greater effort to reflect lower cattle prices with reductions at beef counters. He noted that the spread between farm prices and retail beef prices was 16 per cent wider in April than a year earlier.

Although figures for May have not yet been released, another department official said that they would show the spread had again widened slightly.

In another step that is likely to aid cattlemen, Dr. Butz said that the department would be buying more beef for school lunches. The relief that could be offered through that means would be limited, he indicated, by the need to continue buying pork and poultry. Those industries are also troubled by price declines.

Cattlemen and their representatives in Congress are urging that the Administration also impose quotas on beef imports and they are seeking legislation for Government guarantees of loans to help feedlot operators and others through their current difficulties.

On those measures, Secretary Butz held out less encouragement. An imposition of quotas, he feared, might hamper the Administration in its efforts to negotiate freer trade and to reduce foreign barriers to American farm exports.

As for emergency loans, he said, "We'll have to look hard at this."

He said he was afraid that a cattle-loan program would set an unwanted precedent and lead others in farm production to turn to the Government for credit assistance whenever they encountered setbacks in their markets.

In wide-ranging remarks during the interview, Dr. Butz made the following points:

He continues to oppose internationally controlled grain reserves as well as Government storage of national reserves.

The Government, nevertheless, will not withdraw from humanitarian policies but will seek international cooperation on aid for proper nations.

The world outlook for food supplies will depend on the extent to which population growth can be controlled.

Dr. Butz explained his opposition to international control of grain reserves, saying that the have-not nations might find themselves in a position to outvote producing and exporting nations and thus force release of supplies from the reserves prematurely.

"The best safeguard we have is full production," he said, adding that the existence of this type of reserve might tend to discourage output and "you can't insulate such supplies from the market."

Turning to the question of aid for poorer nations, he said, "We must never convey the idea that we will withdraw from humanitarian commitments."

He noted that the United States planned to spend $1-billion for such purposes next year and indicated that the Government would have to enter grain markets to obtain supplies for cash rather than using surpluses as in the past.

As for the distant future, Dr. Butz observed: "Malthus was right." (Thomas Robert Malthus, an 18th-century British political economist, held that without "famine or war the world's population would eventually exceed the means for its sustenance.")

"It is hard to see a light at the end of the tunnel," Dr. Butz said, unless population growth can be controlled.

The PRESIDING OFFICER (Mr. HRUSKA). Under the previous order, the Senator from Alabama (Mr. ALLEN) is recognized for not to exceed 10 minutes.

Mr. ALLEN. Mr. President, I commend the distinguished majority leader on his comments regarding the critical economic plight of our Nation's livestock industry. American livestock producers and, in fact, American agriculture have no greater friend than MIKE MANSFIELD. The Senator from Montana is a most eloquent spokesman and fighter in the battle to enable the farmers of our Nation to obtain their fair share of the national income and to enjoy the fruits of American prosperity.

I was very much pleased to attend the meeting, sponsored and called by the distinguished Senator from Montana, of Senators from both sides of the aisle, to consider ways and means to approach the problem. I was pleased to join in the letter signed by many Senators to the President asking that he reimpose import quotas on beef and other meats being imported into the United States.

Later on today, along with many other Senators, led by the distinguished Senator from Kansas (Mr. PEARSON), I expect to join in a resolution expressing the sense of the Senate to take this action.

I share the concern expressed by Senators on both sides of the aisle about the severe, even tragic, conditions existing today in our Nation's livestock industry.

Our domestic livestock producers are being drawn into an ever-tightening squeeze of spiraling expenses and dropping income. I have often observed that our farmers and ranchers are the only individuals who must purchase their inputs at retail prices and sell their outputs at wholesale prices. One would think that the depressed price of beef at the producer level would be reflected at the supermarket level, but, as we know, this is not the case. Surely, the price of meat protein could be lowered at the supermarket and there would still be a nice margin of profit. This would not only help to relieve a severe pitch on many family budgets but would increase the consumption of beef as well.

Ironically, it was a little over a year ago that representatives and spokesmen for the U.S. cattle industry predicted the adverse effects of the then announced economic stabilization program to place a ceiling on beef prices. The result of that ill-advised action, later compounded by a trucker's strike, totally disrupted marketing patterns.

If we were allowed to do that at that time, the high/lows then would have accommodated to the economic conditions and we would not have had the situation we have today.

It should not be forgotten that in a free market business like cattle and beef, the price of the product is set by supply and demand. There are price fluctuations from day to day to week to week. However, such fluctuations have been more frequent and sharply wide since April of last year—a factor attributable to the disruptive effects of the economic stabilization program.

A year ago, cattle feeders were making a profit. Today, they are sustaining the largest losses recorded in the history of the U.S. cattle industry. Many have been or are on the verge of being forced out of business or cut-back sharply on their operations. With feed costs at record high levels, fencing materials such as baling wire at prices almost beyond reach and with fuel and fertilizer costs mounting, we find that breakeven prices on slaughter cattle are $10 or more per hundredweight higher than cattle prices.

Mr. President, I am advised and have every reason to conclude that the following figures are accurate. Since September of last year, cattle feeders in this Nation have sustained losses amounting to more than $1.5 billion. Most have lost much, if not all, of the equity invested in cattle during that period. The industry is still losing some $105 per head on cattle currently being marketed.

The losses in the feedlot industry have reduced the demand for feeder cattle by ranchers with the result that feeder cattle prices, also, are down sharply from their 1973 highs.

Because of feeder cattle prices being sharply lower, many cow-calf operations—and we have thousands of these in Alabama—might be expected to wind up 1974 deeply in the red. This threatens the very future of the basic cow herd. If feeder cattle prices continue to decline, there may well be wholesale liquidations of basic herds.

Many producers who have the alternative of converting pasture acres to crops, a viable alternative to return more dollars, have already switched away from the production of feeder cattle. All of these actions—solely because of losing money—portends shortages of beef for consumers in the years ahead.

Given these current economic conditions, it is obvious that the survival and stability of both segments of the beef cattle industry—the cow-calf producer and the cattle feeder—rests with affirmative actions which will provide relief to our domestic livestock industry.

Within this very hour the Senate Committee on Agriculture and Forestry, on which I serve, will open hearings on a variety of bills to provide emergency financial assistance to the cattle industry. A meaningful financial program should be adopted which will provide a source of guaranteed capital to the livestock industry over a period of time which will enable this vital sector of our agricultural community to stabilize itself. In turn, such action cannot help but preserve a source of high animal protein for the consuming public at decent prices.

Later today there will be a meeting at the White House for the purpose of discussing the difficulties which confront the U.S. beef cattle industry and to consider methods of relief.

For my part, Mr. President, I feel it is imperative that the President of the United States take immediate action to reinstate beef import restraint levels as are provided within the provisions of the Meat Import Act of 1964. I am advised that foreign beef imports this year represent approximately 7 percent of the total quality of beef produced in the United States. Clearly, a reimposition of beef import quotas could mean the difference between a profit or a loss to thousands upon thousands of U.S. beef cattle producers.

I should like to point out, however, that this situation is not in any way peculiar to the U.S. beef cattle industry. Similar frightening economic circumstances exist among other livestock commodities—poultry and eggs, turkeys, and pork. The price crisis existing in the red meat industry is merely symbolic of the vicious cost-price squeeze in which almost every segment of our domestic livestock and protein industries find themselves.

Mr. President, my home State of Alabama has the largest cattleman's association in the United States, over 19,000 strong. Poultry and beef are the No. 1 and No. 2 cash commodities among Alabama farmers and ranchers. I certainly do not intend to stand idly by and see the hard work of these dedicated men and women of the soil go down the drain.

The beef price problem today is far larger than just a farm and ranch problem. The situation is so serious that it is also a social problem, involving the dietary requirements of all our citizens, and it is a national economic problem, involving the economic strength and well-being of our Nation and every one of us.

It is also possible it will destroy the entire beef industry causing scarcity of beef in the years ahead which will be highly damaging to all the people of the United States because ranchers with their cattle feeder operations are going out of business by the hundreds throughout the country and that can only mean less and less production for the future.

We need to consume more protein products, more beef, and if this trend continues, we will wash out this entire industry which is so important to all the people of the United States.

The farmers and ranchers of our country have never failed us and now the country must not fail them.

ORDER OF BUSINESS

Mr. GRIFFIN. Mr. President, I ask unanimous consent that following the remarks of the distinguished Senator from Nebraska (Mr. HRUSKA), the time formerly reserved for the Senator from New Mexico (Mr. DOMENICI) be made available to the Senator from North Dakota (Mr. YOUNG).

The PRESIDING OFFICER (Mr. CLARK). Without objection, it is so ordered.

Under the previous order the distinguished Senator from Nebraska (Mr. HRUSKA) is now recognized for not to exceed 10 minutes.

CATTLE PRICES

Mr. HRUSKA. Mr. President, market prices for cattle have reached almost intolerable levels. The price of cattle on the hoof in my home city of Omaha has dropped more than 25 percent since January. In that month, the price of a choice steer averaged $47.68 per hundredweight. According to the latest figures for the month of June, the price of a choice steer on the same market has declined to about $35 per hundredweight. The cattle industry in my State and those in other States cannot afford to bear the burden of this drastic price drop much longer. There must be some action by the Congress to relieve this pressure or a significant segment of the Nation's economy could face ruin.

Those not familiar with the cattle industry may find it difficult to believe the severity of the situation. But for the rancher and the cattle feeder, this depressed market is causing them great concern for their livelihood and the future of their industry.

I have received much correspondence from these people who are directly affected by the low prices. They tell me they are in deep trouble. This is what one cattle feeder from Shelby, Nebr., wrote:

> I have been a cattle feeder for the past 25 years and have seen ups and downs in the industry. Over the years I have averaged $10 per head profit on cattle fed. I have always stayed in the business and recovered my losses. In the past nine months it has been a different story. I have lost everything that I have made in the past 25 years. When losses consistently run from $134 to $150 per head it doesn't take long to have one's life savings totally wiped out. How long would the Ford Motor Company or General Motors manufacture cars and take a loss from $150 to $250 per car? This is what has been happening for each steer fattened and sold in the cattle feeding industry.

It seems incredible that a man's life savings can be wiped out in such a short period of time. Yet, with the way the situation exists today, that is what is happening.

A rancher from Antioch, Nebr. writes:

> We purchased calves last fall at $72 a hundred (weight) and these calves will be ready to sell this fall. If prices remain the same, we will lose $100,000. This will put us out of the ranch business.

These are only two of the many examples that could be cited to demonstrate the crisis situation facing the cattle industry. There are many more stories just like these in Nebraska and in the other cattle-producing States.

What situations have brought on this

threat of extinction for some persons in the cattle business? They surely did not bring this trouble on themselves. They have been the victims in large measure of economic discrimination and neglect on the part of our Federal Government. The start of this crisis can be traced back to the ill-timed and totally unproductive price ceiling placed on beef more than a year ago. The economic stabilization program in effect at that time was devastating to the industry because it interfered with the free market system. Ceilings were imposed on red meat prices at the end of March 1973 to artifically reduce consumer prices. This, of course, had the effect of limiting the flow of cattle to market.

But the crushing blow to the cattle industry came in July 1973, when price freezes were removed on all red meat except beef. The ceiling prices on beef were not lifted until September, and by that time the market had become distorted and a large supply of beef was on hand ready to flood the marketplace. The industry has never recovered from this unwarranted and heavy-handed tampering. These phase IV economic sanctions interrupted the supply and demand factor of free enterprise and upset the system. The resulting glut of beef has continued to dominate the market and drive prices downward.

To further aggravate the situation, a trucker's strike occurred in February of this year again interrupting the normal flow of beef from the rancher to the feeder and from the feeder to the packing house and from there to the store shelves. During the strike, the beef supply was cut short both in terms of slaughter and retail meat. Thus, there was a tremendous demand for dressed beef, while cattle on the hoof prices failed to respond. Packers purchased only a minimum portion of beef from feeders because they had no way to haul it. The market for animals on the hoof was again stymied and prices continued to plunge.

Another important factor in the overall decline of beef prices at the farm level has been the increasing amount of imports. A big reason for the recent surge of meat coming in from other countries is that people of the world have slowed down the steadily increasing consumption rate that has been a trend in recent years. Initially, persons were reacting to record-high meat prices, but now, inflation in most of the meat-eating countries of the world has caused their citizens to cut back on expenses of all kinds.

At the same time, meat production in the world is on the upsurge. According to the Department of Agriculture's Foreign Agricultural Service, meat production in the United States, Canada, Japan, and the Common Market Countries is expected to be up 4 percent his year over last.

All of these countries—including our own—are looking for markets for this rapidly escalating supply of beef. The other countries mentioned have all placed complete or nearly complete embargoes on cattle and beef imports.

The United States, on the other hand, has had no import restraints since the President lifted quotas in 1972. Because of this, exporting nations are beginning to flood the United States with beef, thus adding to an already overabundant supply of meat being produced domestically.

According to the president of the American National Cattlemen's Association, U.S. beef tonnage to date is 6 percent ahead of the same period in 1973 and is slightly ahead of the corresponding period in 1972, which was a record year. For the rest of 1974, according to the ANCA, production will exceed last year by 2 to 3 percent.

Combine those domestic figures on the availability of beef with the following statement by the president of the Cattlemen's Association, Gordon Van Vleck, and it adds up to real trouble:

> To date this year, four percent more beef has arrived in our country, compared to a year ago, and an estimated 100 million pounds are in bonded cold storage awaiting payment of duties so that it can enter into U.S. trade channels. Additionally, the Secretary of Agriculture already has estimated that 1974 imports of the type covered by the Meat Import Act will amount to 1,575 million pounds—221 million pounds over the levels in 1973, a record year.

Those are startling words and the result can only be a further dampening of the cattle market and further decline in prices for the cattle industry. What can be done in keeping imports out? The President can impose the quotas that he originally suspended in 1972. Under the provisions of the 1964 Meat Import Act, which I sponsored, he has the power to limit the flow of foreign beef into this country when a trigger point in import tonnage is reached. He should do so at once. I have written to the President urging him to take such action.

Mr. President, I ask unanimous consent that my letter to the President dated May 31, 1974, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
COMMITTEE ON THE JUDICIARY,
Washington, D.C., May 31, 1974.

Hon. RICHARD M. NIXON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The cattle industry is currently facing a crisis situation.

Prices to cattle feeders have fallen 25 percent since last August.

These dramatic price declines have already produced more losses for cattle feeders in the last six months than they earned in the previous three years forcing them to liquidate their remaining equity. Cattle ranchers will face this same situation by late summer.

Much of this problem can be traced to foreign imports of beef which are projected to increase at least 15 percent over last year.

As the Secretary of Agriculture has pointed out, the United States is in danger of becoming a dumping ground for overseas beef because most other major beef consuming nations in the free world have set up embargoes on beef imports.

Although imports currently account for about 10 percent of beef produced in this country, the figure could rise dramatically if action is not taken immediately.

Depressed prices for cattle feeders and ranchers could have other serious effects on the economy of Midwestern states.

Continuing losses for cattle producers and feeders will mean they could be incapable of purchasing needed feed grains. This could further hurt the late summer grain market that already is projected to be one of generally low prices due to record harvests.

In addition, if both feeders and ranchers continue to lose money, some of the small banks which have extended them credit may go bankrupt.

These are serious consequences, and some action is needed as soon as possible. Therefore, I ask that Executive Proclamation No. 4272, February 26, 1974 be rescinded pursuant to authority provided for under Section 2(d) (1), Public Law 88-482, August 22, 1964, 78 Stat. 594, which states:

> (d) The President may suspend any proclamation made under subsection (c), or increase the total quantity proclaimed under such subsection, if he determines and proclaims that—
>
> (1) such action is required by overriding economic or national security interests of the United States, *giving special weight to the importance to the nation of the economic well-being of the domestic livestock industry;* (emphasis added).

I believe this action is warranted since the threshold levels of Section 2(c)(1), Public Law 88-842 have exceeded the statutory limit and may well increase in the coming months. You have the power to help this important segment of our economy. I urge you to use it.

With kind regards,

Sincerely,

ROMAN L. HRUSKA,
U.S. Senator.

Mr. HRUSKA. Mr. President, earlier today, I joined as a consponsor of a resolution expressing the sense of the Senate that the President should reimpose quotas on meat imports. In due time, and I trust later today, action will be taken by the Senate approving that resolution.

The President can, and must, take the necessary action to help save many cattle feeders and ranchers from bankruptcy. This is a situation that has been out of the hands of the cattle industry. Economic controls by Government, strikes by truckers, and huge imports from foreign countries have combined to put the crunch on this industry.

Another important factor in the decline of meat prices has been the reluctance of the consumer to purchase beef at the supermarket because of ever-increasing prices which in no way reflect the prices paid for cattle on the farm. In many cases, retailers have taken advantage of consumer reactions to high meat prices to encourage the purchase of nonmeat protein substitutes.

It is most distressing that a news article in the Wall Street Journal of April 8, 1974, pointed out that per capita beef eating in this country has slumped from 116 pounds in 1972 to 109 pounds last year. We must get the consumer to again realize the bargain of beef and resume normal purchasing patterns. This cannot be accomplished unless prices on the retail level begin corresponding to prices for cattle at the farm level. The rancher's and feeder's prices continue to fall but this is not reflected in prices at the supermarket counter. Why is there such a great difference?

I think the situation is most graphically illustrated by pointing out that, according to the USDA's Economic Research Service, the price of choice steers in Omaha in 1967 was $25.27 per hundredweight, while in the supermarket, the price of hamburger was 60 cents per pound. Compare that to summer 1973 figures when prices at the farm level were reaching their highest points. Choice steers were selling at $53.61 per hundredweight, while the price of hamburger had risen to 90 cents per pound. However, by February of this year, the price of steers on the Omaha market had fallen to $44.25. Had the price of hamburger fallen accordingly? No, it did not. The price of hamburger had actually risen to $1.19 per pound. The farmer certainly cannot be blamed for that high price. His price at the market had fallen by almost $10 per hundredweight, while the price per pound of hamburger had risen 29 cents. The situation now continues somewhat the same. While the prices in the supermarket have leveled off somewhat, the farm price for animals has continued to plummet.

The rancher and cattle feeder are not immune to rising costs that have plagued all consumers in this country. The rancher and feeder are consumers. They are feeling inflation, too. Their costs are skyrocketing, but they are being forced to sell their products at continually declining prices. Because of high costs and sharply lower cattle prices, cattle feeders alone have lost $1.25 billion since last September, according to the American National Cattlemen's Association. That is an almost unbelievable figure and it cannot continue to mount. These losses will harm a great segment of the Nation's economy.

Beef production is not limited to just a handful of States. More than 30 States in this Nation have a million or more head of cattle within their borders. In many parts of the country entire communities and even regions depend almost totally on the livestock industry for their economic well-being.

The beef cattle industry occupies a unique position in this country. In dollar terms, it is by far the largest farm industry. In several States, beef cattle production accounts for as much as 60 percent of farm sales. In eight States it accounts for more than 50 percent of farm sales. In 34 out of 50 States it accounts for at least 10 percent. This is a significant industry and its decline is having a significant impact on the Nation.

Congress must take some action, and quickly, to help save the cattle industry. Some progress is being made to help alleviate the situation. Today, the counselor to the president for Economic Policy, Mr. Kenneth Rush, has called a meeting—at the direction of the President—to discuss the red meat supply and price situation. According to Mr. Rush:

> The need is to move the large supply of meat from the ranch to the consumer at prices reasonable both to consumers and producers.

This is an honorable goal and one that must be achieved if the industry is to survive.

Another encouraging sign is that talks have been initiated with Canada, Japan, and Common Market representatives about restrictions these nations have placed on meat imports. The Department of Agriculture has also been conferring with Australia to determine the potential supplies of 1974 meat exports from that nation, which is the principal shipper of fresh and frozen meat into this country. Agriculture Secretary Butz will report on all of these discussions and it is hoped that those in attendance—representatives of several government agencies, meat packing firms, food chains, farm credit institutions, cattlemen, and hog producers—will benefit. All of these elements must work together so that the rancher and feeder can again receive a fair price for his product.

All of these initiatives will help the cattlemen if they are carried through. But one of the most imminent needs of the industry is working capital so that it can see itself through this crisis period. It is for that reason that the Agriculture Committee is holding hearings on a bill sponsored by my colleague the gentleman from Nebraska (Senator CURTIS) to help remedy the financial straits that the cattle industry has found itself in. Those hearings are scheduled for this afternoon. The bill would provide guaranteed loans to those legitimately and primarily engaged in farming, ranching, and livestock breeding. The loans would be administered by the Farmers Home Administration which will underwrite 90 percent of the loan only when the farmer's or rancher's usual source of credit has turned him down.

Legislation of this type is necessary. That is why I have cosponsored the bill, S. 3597, together with Senators BARTLETT of Oklahoma, BELLMON of Oklahoma, DOMENICI of New Mexico, EASTLAND of Mississippi, HANSEN of Wyoming, and TOWER of Texas.

I ask unanimous consent to have printed in the RECORD at this point a copy of my testimony to be given later today before the Senate Agriculture Committee.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR ROMAN L. HRUSKA BEFORE THE SUBCOMMITTEE ON AGRICULTURAL CREDIT AND RURAL ELECTRIFICATION OF THE COMMITTEE ON AGRICULTURE AND FORESTRY, JUNE 17, 1974, ON S. 3597 AND RELATED BILLS

Mr. Chairman, my colleague from Nebraska, Senator Curtis, regrets that he is unable to attend the hearing today. I understand that the Senator has communicated this to the Chairman by letter. Senator Curtis has asked, however, that I read to the Committee the following letter:

DEAR ROMAN: I regret that a long-standing engagement in the State will prevent me from attending the hearing of the Subcommittee on Agricultural Credit and Rural Electrification on our bill, S. 3597, and others to provide for guaranteed loans to livestock producers.

Please convey to Senator McGovern my appreciation for his action in calling this hearing at such an early date. Livestock producers in Nebraska and the Nation have suffered a severe economic setback in recent months and many of them will be forced out of business unless loan guarantees of the type proposed in these bills are made available.

Enclosed are two recent statements I have made with regard to the livestock situation in general and the need for additional credit in particular. I would appreciate it if you could submit these to be included in the record of the hearing on S. 3597, S. 3605, S. 3606, and S. 3624.

With very best wishes, I am
Sincerely,
CARL T. CURTIS,
U.S. Senator.

TESTIMONY

Mr. Chairman, I bring to the Subcommittee today a message of extreme urgency and importance from the nation's livestock industry. The prompt scheduling of these hearings is most appreciated by this Senator, and I am sure by cattle feeders and ranchers throughout the country.

Mr. Chairman, as these witnesses will testify today, the problem facing this industry is real and immediate. This is not just a problem for Nebraska, Kansas, Texas, or South Dakota. It is affecting each and every state where cattle are raised. More than 30 states in this country have a million or more head of cattle within their borders. In many parts of the country entire communities and even regions depend almost totally on the livestock industry for their economic well-being.

I think I can best summarize the problem by reading an excerpt from a letter I recently received from a Nebraska cattle feeder.

"We operate in two small communities in Western Nebraska, but we are the economic base for these communities. We supply the market for range cattle, grain and feedstuffs, and either directly or indirectly provide the payroll for a substantial portion of the community. During the past eight months we and our customers have suffered disastrous losses on our finished cattle to the point that there will very soon be no feeding industry here."

This cattle feeder lost a total of $2,094,000 on 19,676 cattle fed or a loss of $106.43 per head in a period between October 1, 1973, and May 31, 1974. Losses of $100 to $200 a head are being sustained by other ranchers and feeders around the country. It is an economic problem of truly drastic proportions.

The cattle industry occupies a unique position in this country. It is in dollar terms by far the largest segment of the agricultural economy. For 1973, according to the Survey of Current Business by the Department of Commerce, agriculture itself was the largest single industry in the United States with total sales of $86 billion. Motor vehicles and parts were second with $77 billion and chemicals and allied products third with $70 billion. Of total agricultural sales, livestock accounted for more than half with $45 billion. Of livestock, meat animals were two-thirds.

In several of the states beef production accounts for as much as 60 percent of the farm sales. In eight states it accounts for more than 50 percent. In 34 out of the 50 states it accounts for at least 10 percent. In the State of Nebraska alone last year's total cash receipts for cattle and calves was $1.78 billion, which is 48 percent of total farm cash receipts in the State. Over the past few years cattle receipts have been averaging 50 percent of total farm sales.

In Congress we speak often of the farm problem, and of programs being devised to help the farmer. It should be understood that such programs are not for the cattleman. The beef industry does not receive Government subsidies; it has no program to control output. It is true that standing beef cattle on feedlots are down 10 percent from last year, but the total number of cattle and calves on American farms continues to rise. The livestock industry is not making any effort to hold back production. Ranchers and feeders are trying to keep production up in hopes that market prices will rise. But it is not happening, and the cattle industry is suffering, and unusually so as these witnesses will testify.

Mr. Chairman, it must be remembered that there are a number of factors which have brought the livestock industry to this unfortunate position, factors not of their own invention. Feed grains have risen in price and may go higher if harvests decline this fall. Earlier this year the truckers' strike prevented feeders and ranchers from moving their cattle to market. This created temporary shortages of beef at the supermarket and prices rose. Consumers reacted to the high prices and switched to other foods and non-beef products such as chicken and fish. The per capita consumption of beef in America has dropped from 116 pounds in 1972 to the current level of 109.5. Given a return to a reasonable balance in the supply situation, we are confident per capita consumption will rise because beef is the most popular single item in the American diet.

Late in 1973 the Government outlawed the use of Diethylstilbestrol commonly called DES, which was used in the cattle feeding process. This action increased the cost to cattle feeders by a substantial percentage. Moreover, the Cost of Living Council placed a ceiling on beef during Phase IV and stubbornly kept the ceiling on for months after many had called for its removal. Price ceilings and standby authority disrupted the market and had an adverse effect on both beef producers and consumers.

In addition to these domestic developments, foreign countries were establishing unusually high levies on American beef entering their countries. At the same time, heavy beef producing nations were diverting millions of pounds of beef and beef products into the United States. All of these events were beyond the control of the livestock industry. But now the damage has been done. We must now find a solution and some immediate relief for the industry.

The recent crisis of the cattle feeders and producers recalls a vivid precedent of nearly a decade ago. In 1963 meat imports rose to record levels, coinciding with a sharp decline in cattle prices. This trend continued into 1964 and prompted debate and consideration of what finally became the Meat Import Quota Act of 1964. In its final version, the Act provided for the imposition of meat import quotas when the percentage of meat imports as compared to total U.S. beef production reached in excess of 10 percent.

Mr. Chairman, as you will recall, the issues which surrounded the passage of the 1964 law centered on the impact beef imports would have on the domestic livestock industry. The Act was intended to give the cattle industry a fair chance to compete in the domestic economy. That is all the livestock industry asked for a decade ago and that is all it asks today.

The domestic livestock industry should not be viewed as the fall-guy for higher prices of beef at the supermarket. When the cattleman is unable to compete effectively in the domestic economy, and he is forced to reduce the size of his herds and his production, everyone is hurt. Wheat and feed grains growers will suffer because ranchers and feeders will not be buying as much feed. The taxpayers will see more Federal dollars spent to handle wheat and grain surpluses. The small businessman in the rural communities which depend for their existence on sales to agricultural producers of such items as tires, gasoline, oil, farm implements, lumber, insurance and related items will also suffer from the loss of business. And also the consumer, as I shall explain.

I recognize that many consumers become concerned by increases in the price of meat. We are all consumers. But I would like to remind my colleagues that the cattleman does not sell meat, he sells cattle. Changes in the retail prices of meat are not always reflected in the price received by the producer or feeder when selling his cattle. If that were the case, with beef prices at all time lows, the consumer would be buying meat today in the store at substantially lower prices. But he is not. For example, in the summer of 1973 choice steers per hundredweight in Omaha were selling at $53.61 and hamburger in the store was selling at 90 cents a pound. As of February of this year Omaha choice steers were down to $44.25 per hundredweight and hamburger was selling for $1.19 a pound. Clearly, there are market forces at work which have nothing to do with the price of beef at the livestock market.

Today, there are several bills before this Subcommittee which seek practical and sound financial solutions to this urgent problem. The general thrust of these measures is to authorize the Secretary of Agriculture to guarantee loans to the cattle industry. This is not a handout. It is not charity. It can provide relief to an industry which has historically disavowed direct subsidies and controls.

I have joined my colleague from Nebraska, together with Senators Bartlett, Bellmon, Domenici, Eastland, Hansen and Tower, in the sponsorship of S. 3597. There are similar bills also pending before the committee. Changes may need to be made in certain provisions. What is important is that a good bill be reported favorably to the Senate as soon as possible.

Mr. Chairman, the livestock industry makes a vital contribution to the economic and social well-being of this Nation, and the cattle industry is in great danger of losing, and for some, forever, the ability to make these necessary contributions to our economy. The cattle feeders and producers deserve our support in their hour of need.

The mission of the cattle industry as a part of the economy and society of America is this: the capacity to produce an assured and ample supply of quality meat at reasonable prices. Prices that will not assure a return to the farmer and rancher his cost of production plus a reasonable profit will have a disastrous effect, namely, a reduction in the cattle supply. Like other investors, farmers and ranchers will neither venture nor long remain in a market activity with a built-in loss.

Bear in mind: The cycle of marketing from the time of breeding to the fat steer sale on the market embraces approximately three years. The cycle is a long one. The effects may not be felt soon, but when they are felt, they cannot be corrected except on the basis of this three-year cycle. A lower supply of cattle in due time means a lower supply of meat. This translates into higher meat prices on the retail market.

In short, this means the defeat of the mission of the cattle industry which, as I have indicated, is the capacity to produce an assured and ample supply of quality meat at reasonable prices.

Mr. Chairman, I have received numerous calls in the past few weeks, as a great number of my colleagues have, from cattlemen who come to the verge of tears when they relate the disastrous financial losses they have experienced and will continue to face if this situation is not changed. These are strong, industrious and fiercely independent men who have worked hard for their ranches, farms and station in life. Many face financial ruin. But they can tell their story better than I, and would hope that the Committee will take heed of their accounts and respond accordingly.

Mr. Chairman, I would like now to introduce some of the witnesses who will be testifying later this afternoon. They are:

Mr. John Klosterman, Livestock Feeder, David City, Nebraska.

Mr. Jack Shonsey, Chairman of the Board, DeLay National Bank, Norfolk, Nebraska. Also a cattle feeder.

Mr. Grant Gregory, livestock feeder, Omaha, Nebraska.

Mr. Darrell Green, President, Financial Services Company, Omaha, Nebraska.

Mr. Ken Strother, Vice President, Omaha National Bank, Omaha, Nebraska.

Mr. James Dean, President, American State Bank, Yankton, South Dakota.

I note with pleasure that Don Magdanz, executive vice president of the National Livestock Feeders Association, is also on your witness list. Mr. Magdanz has been one of the most forthright and articulate spokesmen for his industry. I am proud that he, too, is one of my constituents.

Mr. **HRUSKA**. In conclusion, Mr. President, let me say that the livestock industry is an important element of this Nation's economy. These are people who have no guaranteed Government price supports. They must go it alone. They must rely on the free enterprise system that has made this country great. Through no fault of theirs, this system was tampered with and now they are suffering. We must come to their aid—and quickly.

I ask unanimous consent to have printed in the Record two statements by my distinguished colleague from Nebraska.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

STATEMENT BY SENATOR CARL T. CURTIS

JUNE 6, 1974

Mr. President, for some time I and other Senators representing States where there is considerable livestock feeding, have been concerned about the drastic drop in livestock prices at the farm level. The Committee on Agriculture and Forestry held hearings on the problems of the livestock feeding industry in Iowa during January and at my request, here in Washington on March 13 and 14.

At the Washington hearings we were told that livestock feeders had lost in excess of $1 billion in the period since September 1973. During much of this time cattle feeders were losing, and are currently losing from $100 to $200 per head on each animal sold.

It was my hope that the reduced prices being received by feeders would be passed on to consumers and that the consumption of beef and other meat would increase to a level that would reduce the surplus and once again allow livestock raisers to make a fair profit. Unfortunately, this has not happened, and to make the situation worse, the United States has become the only major meat importing country which has failed to embargo further shipments of foreign meat.

Last week I introduced legislation to reimpose the meat import quota system and to provide that in the future quotas may only be lifted with the concurrence of Congress.

Today I am introducing, with a number of cosponsors, legislation to provide government loan guarantees to help maintain in business livestock breeders and feeders who face bankruptcy. I need not point out, Mr. President, the effect such bankruptcy would have on the American consumer. Very simply, it will mean that fewer livestock are put on feed and consequently less meat will be available in the supermarket, and this means even higher prices for the consumer.

The bill I introduce today would allow Farmers Home Administration to finance or re-finance livestock breeding, raising, fattening, or marketing operations when the applicant's usual credit source is unable or unwilling to provide additional credit without a government guarantee.

The bill authorizes Farmers Home Administration to guarantee 90 percent of loans up to $250,000 for the aforementioned purposes. The loan shall bear interest at a rate not in excess of 6 percent and shall be repayable in not more than seven years, but may be renewed for five additional years.

Mr. President, I believe it only fair that we provide the 6 percent interest rate since this is the rate currently being charged by the

Export-Import Bank on loans to the Soviet Union and other foreign countries.

This bill authorizes up to $3 billion in loan guarantees to be outstanding at one time, and provides that Farmers Home Administration shall pay the difference between interest payments made by borrowers and the interest rate charged by the lender.

Because of the emergency nature of this legislation, and the fact that it is a guaranteed loan program, rather than direct loans by the government, this bill provides that the guarantees made under this provision shall not be included in the budget totals of the United States government.

Mr. President, the livestock producers in this country are a proud breed and have always been reluctant to ask for government assistance, but I believe that it is not only in their interest, but in the best interest of the consumers of this nation that we provide the financing to maintain a healthy domestic livestock industry.

Floor Statement by Senator Carl T. Curtis,

June 13, 1974

Mr. Curtis. Mr. President, I believe that American consumers have a great deal at stake in connection with the crisis in the livestock industry. If producers go out of business or if even they cut down their operations because of the losses being sustained, we're going to be short of meat and what we do have is going to be very high priced.

We are facing a very tough situation. I believe that consumers should be interested in seeing an improvement in beef and pork prices to the producer and I think all segments of the industry—retailers, packers, producers—must get together and cooperate with the government to promote greater consumption of meat and have a better distribution of the proceeds from the sale of meat over the retail counter. I think this is important.

In a meeting with the President last week, Senator Dole and I suggested a White House Conference on Livestock. I am pleased that such a meeting—to bring together all these interested parties—has been scheduled for next Monday.

Also on Monday, the Senate Agriculture Committee will hold a hearing on legislation introduced by myself and other Senators to provide guaranteed loans to allow many producers to stay in business who might otherwise fall by the wayside.

We have also made a request that import quotas be reinstituted. I am hopeful about this. I think it is very important. But all American people have a stake in this matter. We must do something to get the cattle industry back on the track and again become a profitable business.

Like all our citizens, Mr. President, livestock producers are feeling the effects of inflation and high interest rates. However, while the income of most Americans is remaining stable or being adjusted upward with cost of living increases—cattlemen have seen the price of their animals drop by more than 20 percent in six months and hog prices have dropped 45 percent.

The beef industry alone has lost almost $2 billion since last October with losses of a similar magnitude by producers of pork, poultry, and milk.

The Committee on Agriculture and Forestry has held a number of hearings on this subject since last January. We have heard of the financial losses sustained by many indidivuals. However, we have not had any recommendations supported by all interested parties that will provide immediate relief.

Again, let me say how gratified I am that the President has agreed to call together producers, packers, retailers, and members of Congress next week to discuss ways and means of alleviating the current crisis.

It is my very sincere hope that this White House Conference will result in a plan of action which will prevent additional bankruptcies among farmers, ranchers, and feeders. At the same time, packers and retailers must make a fair profit. Finally, all of this must translate into a price that consumers can afford to pay.

The PRESIDING OFFICER. Under the previous order, the Senator from North Dakota (Mr. Young) is recognized for not to exceed 10 minutes.

THE LIVESTOCK INDUSTRY

Mr. YOUNG. Mr. President, the livestock industry is in serious trouble financially, and something must be done immediately to help this important segment of our economy.

A bankrupt cattle industry will, sooner or later, have an adverse effect on the consumer. The cattle feeder is losing from $100 to $200 per head, on every animal he sells. Many of these cattlemen are broke or unable to continue because of lack of financing. There soon will be more who will have to go out of business, unless cattle prices improve.

While the cattle producers are going broke, the spread between the price the retailer pays for the beef and what it is sold for over the counter has reached 46.3 cents per pound, which is an all-time high. This is an intolerable situation which cannot be permitted to continue.

The Secretary of Agriculture and Congress, can and should immediately do everything possible to save the livestock industry before it is too late.

Mr. President, I recommend several actions be taken immediately.

The Federal Trade Commission should make a thorough investigation into the all-time high price range, between the price the retailer pays, and what the consumer has to pay over the counter at the store, for the beef he buys. The processors and handlers are enjoying an unprecedented profit, while the livestock people are suffering a financial disaster and the consumers are complaining about the high price of meat. The Federal Trade Commission should take whatever action is necessary to correct these inequities.

Import quotas must be reinstated to prevent the exporting countries from dumping their excess meats on our market. This is especially necessary right now when Japan and the European Common Market countries have placed restrictions on the importation of beef. Negotiations must move forward immediately with Canada so our producers can continue to sell on this traditional market. This market alone in the past has handled up to 30,000 of our cattle per week.

In 1955, when the livestock industry was in serious trouble, the Federal Government purchased 865,000 cattle with section 32 funds, for the school lunch program and food relief to be used around the world. The Department of Agriculture should start immediately to buy large quantities of meat for school lunch and other programs. The school lunch program has received very little meat or other surplus commodities in recent years. Purchasing beef for this and other similar programs would serve a very worthwhile purpose.

The Department of Defense should also immediately increase its purchase of meat for future use.

Mr. President, cattlemen also need financial assistance to continue their operations. Many of their local banks are unable to continue financing them. The Federal Government should, therefore, make available federally guaranteed loans, so local bankers could continue to finance livestock producers, to prevent them from going broke and out of business.

We cannot afford to let these livestock producers go broke as this would not only affect them, but the entire economy.

Unless we take action immediately, in all of these areas to help the livestock producers, there will be less cattle in the feedlots and less cattle on the range, which will mean fewer calves next year. This will only lead to a drastic shortage in the amount of beef available, with the result that the consumers will have to pay even higher prices for the short supplies of beef which will be available to them.

The consumers have just as much at stake, if not more so, in this present beef crisis than the cattlemen themselves.

ORDER OF BUSINESS

The PRESIDING OFFICER. Under the previous order the Senator from Iowa (Mr. Hughes) is recognized for not to exceed 10 minutes.

Mr. ROBERT C. BYRD. Mr. President, without prejudice to the distinguished Senator from Iowa (Mr. Hughes) I ask unanimous consent that Mr. Hansen now be recognized out of order.

The PRESIDING OFFICER. Without objection, it is so ordered.

BELEAGUERED CATTLE INDUSTRY

Mr. HANSEN. Mr. President, I am encouraged by the very strong, bipartisan approach developing in the Congress to find ways of helping the beleaguered cattle industry.

It is apparent to us here in the Senate and the House of Representatives that not only are cattle feeders and producers in serious trouble, but that in the future, consumers will be in trouble, as well. A depressed and insolvent livestock industry will not be able in the years ahead to provide an abundant and reasonably priced supply of meat for American consumers.

And, the thousands of small, rural communities across the country whose economies are tied directly to the livestock industry will suffer as the industry suffers. Already, the economic pinch is being felt in rural America, where an alarming number of feeders have gone bankrupt, or face the distinct possibility of bankruptcy as banks and other lending institutions become concerned about the quality of their loans.

The Production Credit Association, a major source of operating credit for livestock producers, has informed its directors and employees of an "alarming decline in the quality of many of our loans."

Eugene Munson, President of the Norfolk, Nebr. PCA, told his Association's employees in a recent letter that:

> The past seven months have resulted in what may well develop to be the most protracted and most serious economic catastrophe in the history of cattle feeding. You should be aware that we are witnessing an economic disaster of major proportions in some of our cattle loans. We will continue to finance these people to the best of our ability and attempt to maintain a policy of sound lending practices.
>
> It is getting a little tricky to continue financing some of our members and do it on a basis that has been previously considered sound lending practices; however, we will continue to do the best we can under the circumstances and I am sure we can make things work to the mutual advantage of the member and the Association in most cases.

Mr. President it is already an established fact that most feeders are in serious financial condition, and that producers will be in a similar situation before long. Whether these individuals can recover from the present crisis will depend to a great extent on the availability of credit, and it was to insure a dependable source of credit that Senator CURTIS introduced on June 7 a bill to permit Federal guarantees of loans to qualified producers. This approach should be helpful.

I am pleased, incidentally, that the Senate Agriculture Committee plans hearings beginning today on the Curtis bill and other bills aimed at insuring credit for the livestock industry. A Wyoming producer-feeder, Mr. Ronald Wolff, phoned me yesterday and we visited at some length about the approach the Government should take to help producers obtain credit in order to survive the present crisis, without imposing unnecessary Federal influence over the functioning of the industry.

The industry traditionally has operated free of Government subsidies and intervention—a fact of which all producers and feeders are justly proud. In our effort now to help prevent a total disaster for the industry, which was precipitated initially by the Government's price control policies, we must take care not to go overboard.

Mr. Wolff, and others in my State, have outlined the approach they prefer. In a letter to me, Mr. Wolff set forth some guidelines that ought to be kept in mind as we discuss credit availability for the livestock industry.

He makes the point that any Government program aimed at making credit available should embody the traditional elements of risk and responsibility for the lender and the recipient which normally characterize most credit transactions. Doing so will insure prudent and legitimate conduct on the part of all.

For a temporary period, he proposes a Government guaranty of a portion of individual loans, but he does not suggest subsidization of the interest rate. And, he proposes that a strict dollar limit not be imposed in any Federal program temporarily made available, since this would exclude a number of large operators who are just as hard hit as the smaller operators.

What would be of immediate benefit would be restrictions on imported meat from abroad. According to an article in Friday's Star-News, it appears the administration is not enthusiastic about limiting imports, and intends, instead, to try to persuade middlemen and retailers to reduce profit margins. While lower retail prices, achieved by narrowing unduly wide profit margins, would help, I feel strongly the administration should use the 1964 meat import quota law to bring about a restriction on the import level. If the chaos rampant throughout the cattle feeding business today does not warrant stopping imports now, there will never be a time when this law should be used.

Nearly half the Members of the Senate have expressed to the White House their strong belief that imports should be restricted and the Government should expand programs to purchase beef for use by the military and the school lunch program. The situation is of such seriousness that every possible approach must be considerd. No hyperbole is required to underscore the national significance of the disastrous chain reaction effects of a bankrupt livestock industry.

Mr. President, I ask unanimous consent that a Production Credit Association letter relating to livestock loans, a Star-News article about the cattle industry, a Wall Street Journal article about numbers of cattle on feed, a letter from Wyoming feeder Ronald Wolff, the text of a letter to the President signed by 44 Members of the Senate, and a telegram I sent to the President on June 5, 1974, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

FEDERAL INTERMEDIATE
CREDIT BANK OF OMAHA,
Omaha, Nebr., June 10, 1974.

Hon. CLIFFORD P. HANSEN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HANSEN: Attached is a copy of a letter to the directors of the Norfolk Production Credit Association, Norfolk, Nebraska, in which the president briefly discusses the impact that the losses being taken by cattle feeding operations will have on the Association. A copy of this letter has been sent to the members of our District Board of Directors and our Federal Director because it summarizes the situation.

The loan volume of this Association exceeds $37 million, and approximately 60% of their volume is in loans to cattle feeders.

The concerns of Mr. Munson are shared by all of us in the PCA/FICB System as the losses being incurred by cattle feeding operations continue to increase each day. The PCAs in our District are reviewing their cattle feeding loans to determine what steps can be taken to minimize the losses and what adjustments can be made so the operators can remain in business.

Yours very truly,
D. L. HOVENDICK, *President.*

NORFOLK PRODUCTION
CREDIT ASSOCIATION,
Norfolk, Nebr., May 20, 1974.

TO ALL DIRECTORS:

We enclose, herewith, a copy of the revised Salary Administration Program. This copy should be inserted in your PCA Personnel Program Handbook in the "Salary Administration" section. Whatever material you now have in that section can be discarded.

It appears now that it may be necessary for us to have a director's meeting sometime in June to discuss an inevitable assessment to purchase additional FICB stock. We will also need to discuss current interest trends and the alarming decline in the quality of many of our loans.

I realize "at this particular time" these are three unpleasant topics to discuss, however, they are all very real. I am very much concerned about the severe decline in the overall credit quality of our loans.

The past seven months have resulted in what may well develop to be the most protracted and most serious economic catastrophe in the history of cattle feeding. You should be aware that we are witnessing an economic disaster of major proportions in some of our cattle loans. We will continue to finance these people to the best of our ability and attempt to maintain a policy of sound lending practices.

It is getting a little tricky to continue financing some of our members and do it on a basis that has been previously considered sound lending practices, however, we will continue to do the best we can under the circumstances and I am sure we can make things work to the mutual advantage of the member and the Association in most cases.

While a number of our loans have developed a serious credit weakness requiring more than normal supervision, we consider most of them to still be collectible in full.

Respectfully yours,
EUGENE MUNSON, *President.*

RUSH TO PRESS MIDDLEMEN FOR LOWER MEAT PRICES

[From the Washington Star-News, June 14, 1974]

(By Lee M. Cohn)

The administration will press middlemen to lower retail meat prices by reducing their profit margins, Kenneth Rush, President Nixon's chief economic adviser, said today.

This is the best way to overcome the glut of meat that has depressed cattle and hog prices, Rush said.

He indicated strongly to reporters that the administration will reject demands by cattlemen for meat import quotas as a means of raising domestic livestock prices.

Rush and Agriculture Secretary Earl L. Butz have called a White House meeting Monday with cattlemen, feeders, retailers and others in the meat trade, in response to demands by livestock producers for government action to raise prices.

One demand, backed by influential members of Congress, is for the reimposition of quotas to curtail meat imports.

Noting reports that some cattlemen are threatened bankruptcy because livestock prices have plunged while feed prices remain high, Rush said the administration is willing to help.

But import quotas would not help much, and might have adverse side effects by aggravating inflation and leading to foreign retaliation against U.S. agricultural exports, he said.

The real problem is that retail demand for meat has dropped below heavy supplies, he said. And he blamed middlemen for failing to lower prices in step with declines in livestock prices.

Rush said he will urge middlemen at Monday's meeting to narrow their profit margins as a way to lower retail prices and thus stimulate meat buying.

He said he also will urge retailers to push harder with promotion of meat sales through weekend specials.

Asked what the administration might do if the middlemen refuse to cooperate, Rush advised, "Use your imagination." But he ruled out renewal of price controls.

Additional efforts to boost livestock prices include negotiations with Australia and Ireland for voluntary restrictions on their meat exports to the United States, Rush said.

He also said the United States is negotiating with Canada and other countries to relax their restrictions on imports of meat from here.

Rush indicated that he plans to hold meetings with leaders of labor and business in a wide range of industries, beyond the meat industry, to urge restraint on wages and prices now that controls have expired.

"The danger of a wage explosion is one of our real inflationary threats overhanging the economy," he said, adding that business also must avoid raising prices as much as the traffic will bear.

Rush reiterated that the administration is studying ways to trim federal spending in the fiscal year starting July 1, but said a Senate bill calling for a $10 billion reduction in the $305 billion budget is "unrealistic."

He said the administration is aiming for a balanced budget in the following fiscal year. This will require an intensive search for programs to reduce or eliminate, he said.

[From the Wall Street Journal, June 14, 1974]

JUNE 1, CATTLE ON FEED FELL 16 PERCENT FROM 1973 IN SEVEN STATES

WASHINGTON.—Effects of the economic tornado recently sweeping the cattle industry were evident in the Agriculture Department's latest report of cattle on feed.

As of June 1, cattle and calves on feed for slaughter in seven key states totaled 7,885,000 head, down 16% from a year earlier. Moreover, animals placed on feed in May in these markets plunged 40% from May 1973 to 1,078,000 head, the department said.

One department economist said, "shakeout" caused by the plunge in cattle prices was particularly severe in Arizona and Texas where the biggest custom feedlots are located. May placements were down 49% and 55% from May 1973 in those states, respectively, reflecting the loss of financing that such operations have experienced as cattle prices softened. By contrast, in Iowa and Nebraska, where feedlots tend to be smaller, family operated ventures, the May placements were off only 20% and 33%, respectively.

Other states covered by the June 1 report are California, Colorado and Kansas.

The department also said feed-cattle marketings in those seven states slumped 9% in May from a year earlier. However, the economist said total beef production in May is estimated to have risen 3% to 4% because the average weight of marketed animals is unusually high and because producers are bypassing feedlots to ship cattle directly to slaughter.

TWO BAR RANCH, CO.,
June 17, 1974.

Hon. CLIFFORD P. HANSEN,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR HANSEN: Prompt and meaningful assistance must be made available to commercial cattle feeders if they are to continue to buy and feed cattle to supply the consumer with fed beef.

The most severe financial losses in the history of cattle feeding have eroded the capacity of commercial cattle feeders to continue to buy replacement feeder cattle. The resultant lack of demand for feeder cattle by commercial feeders has, within recent weeks, caused market prices of feeder cattle to plummet, thus threatening the survival of the rancher and the producer of feeder cattle.

A drastic reduction in supply of fed beef will result by late summer or early fall unless numbers of cattle on feed are increased.

To date, the cattle feeder or finisher is the only segment of the beef production industry to lose the capacity to continue to produce. It is the commercial feeder who establishes the market for feeder cattle and provides a high percentage of fed beef for consumers.

It is imperative now to aid in re-establishing the recently destroyed buying capacity of commercial feeders and prevent drastic losses to other segments of the industry and to consumers.

Appropriate assistance embodying incentives for economics, and safeguards against abuses, should be provided by government on a temporary basis, through commercial lending channels to beef producers who have demonstrated skill and dedication, and have been severely damaged by the economic chaos in the cattle markets.

Assistance should embrace certain principles which are suggested below. Specific proposals could be developed, given more time.

First: Financial aid should be provided through established commercial banks that are presently involved in livestock financing.

Second: Risk of loss should be present in any new program to both lender and the cattle feeder in order to insure prudent and legitimate action.

Third: For a limited time, cattle feeders' equity should be supplemented by a government guaranty to a lending institution, so that the greatly reduced equity of the cattle feeder could be extended. The guaranty should cover a percentage of the loan provided by the lending institution.

Fourth: The lenders should increase the percentage of funds loaned against the cost of feeder cattle and feed above traditional levels.

Fifth: Assistance should not be limited in a flat dollar amount per operator, but should be restricted to those who are presently operating, and designed so as to enable operators to re-establish some or all of their former operating capacity, within the limits of prudent operating and prudent lending supported in this manner by government guaranties. A very large segment of the industry consists of large operators who have suffered losses of many millions each. Aid should enable larger as well as smaller operators to continue to make their contributions to the supply of beef for America.

I wish to express my appreciation for your efforts and for your understanding of these problems and their effect upon the cattle industry, the State of Wyoming, and finally, all consumers in the United States.

Sincerely yours,

RONALD WOLFF.

U.S. SENATE,
OFFICE OF THE MAJORITY LEADER,
Washington, D.C., June 13, 1974.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: This morning, a bipartisan group of Senators gathered in an emergency meeting to discuss the crises the entire livestock, poultry, and egg industries are now facing.

Fed cattle prices have declined by 25 percent in the last six months, feeder cattle by almost the same amount, hogs have declined by 43 percent, turkeys are selling for 24 percent less this May than a year ago, broilers about 13 percent less, and eggs are 37 percent lower than in January of this year.

We are seeing evidence that cattle feeders are currently losing from $100 to $200 per head of cattle and hog producers $30 per hog.

If these conditions are allowed to continue, the entire livestock farming complex faces imminent and total collapse. Farmers face bankruptcy that would mean the loss of a lifetime's work, as well as a precipitous drop in livestock production. This not only endangers individual farmers but also the economy, agriculture in general, rural communities, small banks, and the American people as a whole.

Agriculture is integrated, and failure of any sector is reflected throughout the entire agri-business community. The strength of our Nation is tied to the availability of plentiful food and a healthy agricultural sector. Rural communities would collapse if agriculture is lost, and consumers would find less food of lower quality and higher cost if this situation persists.

We are firmly convinced that if the consumers of this Nation understood the complexities and the implications of the problems now facing the livestock industry, they would fully support the remedial action now so necessary to prevent this total collapse.

Meat and other high protein foods are an integral part of the diets of the consumers of this Nation. They need it, farmers want to supply it, so it is imperative that we move to assure that they have it in abundance at fair and reasonable prices.

We know you are well aware of this grave situation. We commend you for your timely and forceful action in calling a high level meeting on this subject at the White House for Monday.

The inclusion of representatives from government agencies, meat packing firms, food chains, farm credit institutions, cattlemen, and hog producers is especially laudable. We applaud this effort and sincerely hope that out of this will come a program whereby the entire industry and consumers will benefit.

It was the consensus at this morning's meeting that a number of steps might be immediately taken which could materially strengthen the market.

We, therefore, call upon you to:

(1) Exercise the authority you now have under the existing meat import law (Public Law 88–482) to prevent the dumping of surplus world supplies of meat on American markets. In this connection, we note that Japan, Canada, and the European Economic Community have imposed restrictions on the importation of meat into those areas in order to protect their industries.

(2) Immediately initiate substantial government purchases of red meat and poultry to upgrade the diets of our Nation's school children and to use in our commodity distribution program. The Department of Defense should also be directed to make additional purchases for use by the Armed Services. This is imperative since the cold storage stocks of red meat in the United States are currently over one billion pounds. To maintain such excesses not only injures the market, but is not humane, given the needs of our children, aged, and poor people.

(3) Exhort the wholesale and retail community to pass on now to the consumers of this Nation the meat bargains all of this country should enjoy. If voluntary action is not taken by the industry, the Federal Trade Commission should be directed to begin a complete and thorough investigation, with the results made public immediately.

Congress pledges and commits itself to move immediately to provide credit relief to the livestock producers of this Nation. On Monday, June 17, the Senate Committee on Agriculture and Forestry will hold hearings on the emergency credit bills before it. The House Committee on Agriculture will follow with additional hearings.

Bills will be before the Congress for consideration within a week or two. We urge your strong support.

Mr. President, we propose these actions in the best interest of all of the people of this Nation. The food chain—from farm to consumer—must not be broken or weakened. And the total is no stronger than the weakest link. Today the livestock industry is that link. It must receive immediate attention.

Sincerely,

Henry M. Jackson, Warren G. Magnuson, Dewey Bartlett, James Abourezk, James B. Allen, Lawton Chiles, Harold E. Hughes, Quentin Burdick.

Mike Mansfield, Vance Hartke, Carl T. Curtis, Ernest F. Hollings, George McGovern, Joseph M. Montoya, Frank E. Moss, Floyd K. Haskell.

Alan Bible, Hubert H. Humphrey, Howard W. Cannon, Lloyd Bentsen, Dick Clark, Jim Eastland, John L. McClellan, J. W. Fulbright, Sam Nunn, Pete V. Domenici, Henry Bellmon.

Frank Church, Gale W. McGee, Lee Metcalf, Herman E. Talmadge, Milton R. Young, Stuart Symington, Thomas F. Eagleton, Peter H. Dominick.

John Tower, Barry Goldwater, James B. Pearson, Edward J. Gurney, Clifford Hansen, Robert Dole, James A. McClure, Paul J. Fannin, Roman Hruska.

June 5, 1974.

The President,
The White House,
Washington, D.C.

Since last September, American cattle feeders have lost more than $1.5 billion. They are in desperate trouble, and the 1.55 billion pounds of imported meat expected to flood our market this year is compounding a critical situation. The expected import level this year of seven percent of domestic production is too high. The quotas called for by the 1964 Meat Import Quota Law should be immediately imposed.

I urgently request that you move immediately to impose restrictions on imports of beef. Japan, Canada and the Common Market countries are turning away beef shipments, and it is imperative the United States act to prevent the dumping of these shipments on our own depressed market. An industry seriously weakened today cannot provide a sufficient and reasonably-priced supply of meat to consumers tomorrow.

Clifford P. Hansen,
U.S. Senator.

ORDER FOR RECOGNITION OF SENATOR PEARSON INSTEAD OF SENATOR McCLURE

Mr. HUGH SCOTT. Mr. President, I ask unanimous consent that the time allotted today to the Senator from Idaho (Mr. McClure) be transferred to the Senator from Kansas (Mr. Pearson).

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Under the previous order, the Senator from Kansas (Mr. Dole) will be recognized for not to exceed 15 minutes.

DEPRESSION IN THE LIVESTOCK INDUSTRY

Mr. DOLE. Mr. President, a great deal has been said here recently, on both sides of the aisle, about the severe conditions in the livestock industry. These discussions are greatly needed. Every livestock producer I know—and that includes cattlemen, hog farmers, and everyone else involved in animal husbandry—is in deep financial trouble. At stake are food prices for consumers, the viability of the livestock industry, and ultimately the economy as a whole. So it is entirely appropriate that the situation be discussed here and solutions be proposed.

TIME FOR ACTION

However, I believe the time has come to stop talking about the situation and to start taking action. Together with many of my distinguished colleagues, I have had meetings with numerous administration officials. Yet we still see our borders wide open to shipments of foreign beef—at a time when all other major importing nations have closed their doors to meat imports from our country and others. In my opinion, the administration has failed to take sufficiently positive action on import quotas and other measures.

CONGRESSIONAL INITIATIVE NEEDED

So it is time for the Congress to take action. I have made several proposals before this body concerning import quotas, guaranteed loans and increased consumption of beef, and I hope we can act on them promptly.

It is significant that we are having hearings on guaranteed loan proposals this afternoon in the Senate Agriculture Committee. I am looking forward to testifying on my own bill.

HANDOUTS NOT WANTED

It should be said, to the credit of the livestock producers, that they are not looking for Government handouts; they are not looking for subsidies; they do not want some grandiose, expensive Federal relief program. This type of program would invite additional Government interference in the industry and in general terms is contrary to the tradition of livestock producers. However, they do, I think, need financial backing to stay in business through this crisis. This is why I proposed a measure to provide guaranteed loans, but without subsidized interest rates.

Mr. President, several bills have been introduced in the Senate to provide loans to cattlemen, and hog and other livestock producers, at reduced interest rates. I have not given my support to these measures.

I have met and talked to a large number of cattlemen, their representatives, and their organizations. I have also talked with their bankers. Almost to a man, they have opposed Government-subsidized loans.

The cattle business and other livestock industries have traditionally been independent of Government assistance. They are proud of their tradition of self-sufficiency.

Cattlemen understand the problems of consumers. They do not want to saddle consumers with higher meat prices through a loan program subsidized by tax dollars.

So I think a guaranteed loan program without subsidized interest rates is responsive to the needs of the industry. It would prevent the financial collapse of those involved in animal husbandry while not costing the Government large sums of money. Since this type of program would help prevent the recurrence of meat shortages and soaring meat prices, with a low cost to taxpayers, it can be described as truly anti-inflationary.

There is concern among at least some cattlemen, that a guaranteed loan program, once started, would be continued indefinitely by the Congress. Rather than making such a program a further addition to the Federal bureaucracy and to Federal involvement, a specific limitation should be made that the program will expire upon recovery of the market.

IMPORT QUOTAS NEEDED

Mr. President, at a time when we have no restrictions at all on incoming shipments of foreign meat, the major importing nations in the European Economic Community and Japan have closed their doors.

While the liberalization of trade offers much benefit to agriculture as a whole, it appears we have a tendency to give away our bargaining positions unilaterally without obtaining comparable concessions from other nations. We see that a recommendation has been made to extend the suspension of import quotas on wheat. A similar position seems to be developing on meat imports.

Last week I offered an amendment to reimpose import quotas. I was withdrawn to give the administration officials, producers, packers, and retailers meeting at the White House conference being held today an opportunity to work out a complete program.

However, if those efforts fail there, I believe it is imperative that the Senate should act on the import quota issue. Considering the condition of the livestock industry, ranchers, and farmers do not need the additional "salt in the wound" of record level imports. As I promised last week, I plan to offer my amendment for a vote if more positive action is not taken by the administration on the import issue.

THE 1974 IMPORTS UP

Since beef imports quotas were lifted in 1972, we have seen the United States become "the world's dumping ground for beef." We have seen incoming shipments of beef rise to 1,354 million pounds of beef in 1973.

In 1974, imports are expected to rise to 1.55 billion pounds. This is about 200 million pounds more than last year's shipment for an astounding increase of nearly 15 percent. Such a level of imports is equivalent to about 3.25 million head of cattle.

In terms of the overall beef industry in the United States, the 1.55 billion pounds of beef imports expected this year represents from 7 to 10 percent of the total quantity of beef produced in this country last year. Clearly this portion of the market is enough to have a harmful effect on prices.

And the true level and impact of beef imports this year may not have been properly evaluated yet. Large numbers of cattle are reportedly being fattened in Australia for export. This beef is expected to hit the U.S. market later this summer at the same time increased numbers of American cattle will be ready for sale.

MARKET DEPRESSED BY IMPORTS

The impact of beef imported into this country will be to further depress the market. This meat comes from countries where cattle are fattened for market on grass. While grass-fed cattle can be fattened more cheaply, the meat from these animals is not of the quality most desired by American consumers. The major portion of grass-fed beef will find its way into cheaper cuts such as hamburger and lunch meat.

The deluge of Australian meat expected later this summer will drive the market even lower than the present disastrous prices. The effect is likely to be that most commercial feedlots where prime American beef is produced will be driven out of business and the domestic output of meat will decline.

FUTURE OUTLOOK REMAINS POOR

Mr. President, the outlook for the cattle industry is especially severe for several reasons. First, cow slaughter and the thinning of cowherds is above normal. Second, we have a large inventory of beef in storage at this time. Third, there is a large supply of beef on the hoof presently existing in feedlots which must come to the market in the near future. Finally, since import restrictions have been implemented in Japan and the European Economic Community, we have seen the shipments of beef all over the world redirected to the United States.

All of these trends means additional beef coming onto the U.S. market. The addition of increased imports will greatly contribute to the market glut and a disastrous situation in the livestock market. The only result can be widespread bankruptcy for cattlemen in Kansas and all across the country.

To provide relief from this increase in imports, we need an immediate reimposition of meat import quotas.

INCREASED CONSUMPTION NEEDED

In addition, several other actions should be taken to increase the consumption of meat. For example, the Government could be expanding its purchases of beef. This would only be a tiny part of the market, but it would help. And it would be a thrifty purchase for taxpayers. Now that livestock is at the lowest prices in 10 years in some cases.

Packers and retailers also may find it beneficial to take actions to strengthen the market. It has been pointed out that packers and retailers are integral parts of the industry. If producers and feeders go out of business, the packing and retail companies will also undoubtedly suffer. Special sales, reduced margins, and stronger bidding may be ways to accomplish this.

I am not advocating that packers and retailers should not receive a fair profit. On the contrary, it is with fair profits and steady incomes in mind that I hope the entire meat industry will consider these suggestions.

In addition, the Department of Agriculture could take a more active role in the exports of our animal products. The Canadians need to be better informed about DES in our cattle feeding. The EEC and Japanese governments should be strongly encouraged to modify their import policies.

CONSUMER IS MAIN CONCERN

As I have said many times before, the most important point of this whole situation is that consumers will ultimately be hurt the most by economic disaster in the cattle industry, and this, Mr. President, is an issue that every Member of this legislative body will have to answer to.

Cheap imported meat this summer may lower the food bill for housewives for awhile, but the disruption in the domestic production of beef will ultimately lead to higher prices.

The present trend in the cattle business is that cowherds are being thinned, feedlots are being shut down, and there is a general decline in our ability to produce meat. The future outlook promises a continuation of this trend.

As every cattleman knows, it takes a 3-year cycle to increase the production of beef again once it has dropped. If our capacity to produce is hurt this year, consumers can ultimately expect a long and higher priced road back to an ample supply of tender and juicy choice beef.

Mr. President, again I want to stress that the time has come to stop talking and start taking action. I believe every Senator should agree on this matter, because in this case, consumer and livestock producer interests are the same. Hopefully, we will soon see more positive actions taken to relieve the conditions in the livestock industry.

IMPACT IN KANSAS

Let me add to my statement that in our own State of Kansas it has been estimated by knowledgeable officials in my State that we have a $2 billion industry in livestock. In the past 8 months this industry has lost, either directly or in equity, in excess of $600 million.

I come from a small State. It is a very proud State, proud of its agriculture and proud of its livestock industry. We want that industry to survive. We are concerned about the American consumer. If more and more livestock feeders go out of business, prices are going to go higher and higher. We are concerned about profit margins. We are concerned about prices that consumers pay. We find most consumers expect everyone to make a reasonable profit. That is all the American livestock producer asks. I would hope that, not just as a result of this exercise this morning, but as a result of the initiative of Members of Congress of both parties, within a week, or at least 2 weeks, positive action will be taken, if not by the administration, then by Congress.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, without prejudice to other Senators whose orders follow, I ask unanimous consent that the Senator from Wyoming (Mr. McGee) may be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE LIVESTOCK CRISIS

Mr. McGEE. Mr. President, I want to first commend the leadership for setting this time for Senators to place on public record their concern over the deep economic problems facing the livestock industry in this Nation. I also want to compliment the distinguished majority leader, Senator Mansfield, for his efforts in this regard and for calling the bipartisan meeting last Thursday so that Senators from agricultural and livestock States could discuss together these problems and decide upon a course of action which will rescue the livestock industry from this impending crisis. I share the concern of the 35 or 40 Senators who attended that meeting and, accordingly signed the joint letter to President Nixon urging him to take the actions necessary to return the livestock industry, including the ranchers, farmers, and feed-lot operators, to an economically sound and viable segment of our economy.

Mr. President, the White House has announced a conference which will be held today. Invited to that high-level meeting are cattlemen, meatpackers, grocery chain executives, and agricultural leaders. I remain hopeful that with the proper leadership and with open consideration of all of the many complicated factors involved that conference will be productive, and thereby prevent widespread bankruptcies among the cattle feeders and curtail the falling price of live cattle.

In our joint letter to the President, we recommended to him that three specific actions be taken, and I hope that full consideration will be given to these recommendations during the White House conference.

First, we have called upon the President to exercise the authority which he now has under the Meat Import Act of 1964 to establish import quotas for foreign imports of fresh, frozen, and chilled beef, veal, mutton, and goat. Mr. President, as an original sponsor of the legislation which resulted in the Meat Import Act of 1964, I wholeheartedly support this recommendation and urge that the quota system be immediately implemented. Since the import quota law was enacted, it has worked well for us to the benefit of our livestock industry until June of 1972 when President Nixon ordered that all import restrictions under the act be suspended. This action was, indeed, a mistake. It is even more important now that the import quota system be reinstated because of the world market situation. Every meat-consuming nation in the world except the United States, including Japan, Canada, and the European economic communities, have imposed restrictions on the importation of meat in order to protect their domestic industries. If we fail to act quickly, the world excess in beef production will be dumped into this country, causing further damage to our own livestock industry, which is already in deep trouble.

Mr. President, this recommendation is a reasonable and just one insofar as our foreign friends are concerned. As you know, the 1964 import quota law is not an embargo. It gives foreign countries a fair share of our domestic market based upon total consumption, usually around 6.7 percent of total U.S. production. During the first 4 months of 1974, meat imports jumped an alarming 2 percent over the same period in 1973. Unless we act to restrain this trend, foreign imports will comprise from 9 to 10 percent of our total domestic consumption. This would be disastrous to ranchers who are confronted with ever-increasing costs of operation due to inflation and declining market prices.

Most cattle feeders, especially the small operators, will be forced to the brink of bankruptcy and will find it necessary to reduce or curtail their purchases from ranchers and farmers. We are advised that the feed lot industry is currently losing from between $100 and $200 on cattle being marketed. Therefore, the farmers, ranchers, and feed lot operators are desperately in need of assistance in this diminishing domestic market.

Mr. President, second, we have urged the President to initiate immediately substantial Government purchases of red meat and poultry to upgrade the Nation's school lunch program and to expand our commodity distribution program. Furthermore, the Department of Defense should be directed to make additional purchases for use in the armed services. This is a short-term remedy, but at this critical time it would be an exceedingly useful tool with which to strengthen the market and, at the same time, help meet the nutritional needs of our underprivileged children, the aged, and the poor alike.

Third, Mr. President, we have urged the White House to call upon the wholesale and retail community to react in a positive way to this crisis by passing on to the consumer of this country the true bargains which are available from our domestic producers. It is indeed ironic that retail prices of all fresh meats remain at an all-time high, while, at the same time, our beef producers are faced with declining prices for their livestock on the hoof and net operating losses. It is indeed high time that the wholesale and retail segments of the distribution line respond with lower prices and bargains for the housewife in order to increase demand and to provide the much-needed relief for domestic producers.

Mr. President, unless the administration responds in a meaningful way as we have proposed in our letter to the President, the livestock industry in this country will be in very serious trouble and the very backbone of our agricultural industry as we have known it, including the feed grain sector, will be placed in jeopardy. Should this happen, it is incumbent upon Congress to take legislative action to compel the reinstatement of import quotas. Accordingly, I have joined in sponsoring legislation which would accomplish this should the administrative remedies which we have recommended not be implemented.

Mr. President, as another indication of the seriousness with which the Senate views the crisis confronting our livestock industry, the Subcommittee on Agricultural Credit and Rural Electrification, chaired by Senator McGOVERN, will be holding hearings on legislation to provide emergency assistance to the cattle industry under the Department of Agriculture loan program. There are at least four such bills pending before the subcommittee, and I am a sponsor of one of these proposals, S. 3605. The measure would provide emergency assistance to persons engaged in the cattle-raising business by authorizing the Secretary of Agriculture, for a temporary period of time, to guarantee loans made to such persons until they can sell their livestock. It is imperative that we proceed quickly with this legislation, and I am hopeful that we can win final congressional approval within the month. As I indicated earlier, livestock feeders are currently selling their cattle at a loss and obviously cannot continue doing so without being driven into bankruptcy. Since September of 1973 livestock feeders have lost more than $1.5 billion. Last week the farm price of beef was quoted in the Wall Street Journal at $38 per hundredweight, as opposed to $46.60 a year ago. Cattle production is down 4 percent from what it was last year at this time. Unless the market situation can be corrected, this decline will continue, and we will begin to see empty counters in the supermarket and the housewife will see no beef available at any price.

Mr. President, I believe that we all view this as a crisis situation, and I urge my colleagues to support not only this legislation, but also the other recommendations which have been made to rescue this basic and vital industry in our Nation.

Mr. President, I want to stress one point, and that is that in the State of Wyoming the cattle industry is a major bastion in our economy. Indeed, it is our second largest ingredient in the State's economic life.

While I have sometimes kidded about being the fourth largest rancher in Du Noir Valley with my 13½ acres of land, I do not own a single steer, and, therefore, perhaps I am in the most unprejudiced and objective position of all to make the point that meat is a part of the basic staple of every consumer in this country, and that what happens to beef and beef prices is really the issue here.

That is the reason why so many of us are petitioning for the restoration of the provisions of the 1964 meat import quota law. The Senator from Nebraska (Mr. HRUSKA) and I were the originators of that act when it was first enacted into law, and it was this administration that failed to improse its provisions a year ago.

The consequences are already obvious. So we ask for the immediate reinstituting of the 1964 meat import quota law.

Secondly, we also urge the Government to go full blast into the purchase of beef not only for the Defense Department but for the schools, and so forth. We think that will be an emergency kind of action that will help turn this matter around.

Finally, I would petition the members of the retail and wholesale community who handle beef to rise at this moment and pass along the savings or the lower prices from which they are already benefiting to the consumer.

We have been suspicious for all too long about a managed market, managed consumer prices in the food retail business, especially including meat. We think it is time now for the country to close ranks to make sure that we restore and turn around the direction of events that have at this particular moment brought to the brink of disaster the meat industry of this country.

I have had a great many letters, Mr. President, from my constituents in our State of Wyoming, but I have selected, because of the varying points they make, representative letters from that large number. I ask unanimous consent that they be made a part of the RECORD at the conclusion of my remarks.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

DEAR SENATOR McGEE: Due to the poor prices feeder cattle are now bringing and the high costs of producing these cattle, I hope that you will work to get President Nixon to reimpose quotas on imported beef.

The future looks pretty bleak from here right now. If the market goes even lower, I don't know how I will be able to keep my small herd of cows (fifty) another year. Pasture, hay, and supplemental feed are all very high and I must buy my total needs.

If import controls are reimposed under the Meat Import Act of 1964, it may help quite a bit. I don't believe we are asking too much.

I will appreciate anything you might be able to do to get import controls reinstated.

Sincerely yours,

MICHAEL J. HOHNHOLZ.

ROCK SPRINGS, WYO., *June 7, 1974.*

Hon. GALE McGEE,
Senate Office Building,
Washington, D.C.

MY DEAR SENATOR: We of the livestock industry urge you to renew your efforts to see that the President reimposes beef quotas.

Yours truly,

MARGARET S. DICKINSON.

ENCAMPMENT, WYO., *June 5, 1974.*

Hon. Senator GALE McGEE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: For a period of time last year I actually thought the Government was concerned about Agriculture and we would finally be able to make an income comparable to the population in other occupations; and people would realize one of the main reasons for the high standard of living here in the United States is because of the efficiency of American agriculture and the fact that less than 18% of disposable income is spent on food.

It is now very evident that I was wrong. Things look very bad out here in the Cattle Business. We have 10 to 20% increases in production costs, shortages, and a falling cattle market getting lower every day.

We do have our pride and don't often ask for help, but I believe we deserve some form of protection as is afforded many other industries. I am speaking of Beef Import Restrictions. I would encourage you to attempt to enact legislation to reinstate Beef Import Quotas. Also I am very concerned about Land Use Legislation. I urge you to vote against HR–10294.

And last of all inflation must be controlled if we are to survive as an industry or a nation.

Sincerely,

RALPH E. HAMPTON.

Senator GALE McGEE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR McGEE: Surely you must realize the terrible state the cattle industry is in and appears to be getting worse. Producers and feeders all over the nation are faced with the possibility of financial disaster with costs more than double and prices the lowest in three years.

This letter is to ask you to see that President Nixon reimposes the import quotas suspended in 1972 (Meat Import Act of 1964). The imports flooding the American market have got to be reduced so that cattle prices can come up to a point where producers can at least break even.

Please support us in this endeavor to stay alive in the agricultural world by seeing that President Nixon reimposes import quotas.

Sincerely,

CELINDA THOMPSON.

DAYTON, WYO., *June 6, 1974.*

Senator GALE MCGEE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR MCGEE: We wish to call to your immediate attention the serious economic catastrophe that has developed in the livestock industry.

Unless immediate action is taken to reimpose the quotas on beef imports so that the demand for our product will stabilize our prices at an economic level commensurate with the inflated prices of labor and supplies, then we will be facing a depression that will make the bust of 1929 look like a picnic.

Your positive action at this time can prevent chaos in the industry. Please act now!

Sincerely yours,

PAT and BRAD SPEAR.

CHEYENNE, WYO., *June 4, 1974.*

Hon. GALE W. MCGEE,
Senate Office Building,
Washington, D.C.:

Wyoming Stock Growers Association strongly urges that you contact the Office of the President of the United States in regard to the Meat Import Act. The Wyoming Stock Growers Association fully supports efforts of the American National Cattlemen's Association to convince the President of the United States to reimpose meat import quotas under the Meat Import Act. The beef industry is suffering tremendous losses at this time. The domestic production of beef does not have the ability to cope with the ever-growing meat imports. Projections place imports at one billion and one hundred fifty-seven million pounds in the second quarter of 1974. The cattle men, represented by the Wyoming Stock Growers Association, feel that the quotas be reimposed at the trigger point of one billion one hundred-thirty point seven pounds. The cattle business in Wyoming is very important to the economy of the State. The WSGA urges your immediate action on this matter.

Sincerely,

RICK M. ALLEN.

GRAHAM RANCH INC.,
Lander, Wyo., June 10, 1974.

Senator GALE MCGEE,
Washington, D.C.

DEAR SENATOR MCGEE: We don't believe it is necessary for us to take your time to tell you what a disaster area the cattlemen are in at this time so we will be right to the point and say.

Please help see that the President reimposes the beef quotas! ! !

Thank you very much.

Very truly yours,

JAMES M. GRAHAM,
President.
TOM GRAHAM,
Vice President.
T. T. (Ted) GRAHAM,
Second Vice President.

DOUBLE K. RANCHES, INC.,
McFadden, Wyo., June 11, 1974.

Hon. EARL L. BUTZ,
Secretary of Agriculture, Department of Agriculture, Washington, D.C.

DEAR MR. SECRETARY: As a Wyoming cow/calf producer, I feel compelled to write to you to emphasize the urgent need for immediate reimposition of meat import restraints. I respectfully seek your support to request that the President reimpose import restraints at or below the "trigger" point of 1,130,700,000 pounds.

I recognize that the United States must continue a free trade policy with the Asian and European countries; however, with the cost price situation being what it is today in the cattle industry, together with the prospects of more inflation and lower cattle prices this fall, **I feel that if Washington is** going to save the cattle industry from complete disaster, the import quota must be reinstated.

In my own situation, during the first quarter of this year, my costs are up 23% from a year ago. On the current market (although we are not marketing any cattle at this time), feeder cattle prices are down by more than 40% over a year ago. I honestly feel that if the current inflation continues and the current feeder prices continue to decline, my gross income will be at least 50% below that of 1973. If restraints are not immediately reimposed, I sincerely feel that the volume of fat cattle will decline; we will see a continuing cow herd liquidation, leading in the end to shorter beef supplies and higher prices to consumers. For myself, I see liquidation of my complete cow herd, subdivision of a portion of my environmentally aesthetic land, and sale of my irrigation water rights in order to pay off some of the high priced money that I am using and to put myself in a better financial position.

I am in great hopes that you will carefully study and take to heart this letter and many other letters that you will most probably be receiving. I am a Wyoming cowboy, I never get on my knees—but I am big enough to ask for help when I sincerely feel help is needed!

Very truly yours,

KIM J. KRUEGER,
President.

Mr. MCGEE. Mr. President, I thank the majority whip for making it possible for me to speak at this point.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, without prejudice to the orders for other Senators to be recognized, I ask unanimous consent that I may now be recognized for such time as the distinguished Senator from New Mexico (Mr. MONTOYA) may require out of my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE LIVESTOCK CRISIS

Mr. MONTOYA. I thank my distinguished colleague from West Virginia for yielding me some of his time.

Mr. President, we are here this morning to discuss the crisis which has beset the cattle industry. We have heard from both sides of the aisle this morning indicating that there is bipartisan concern with respect to the plight of the cattle industry.

At the very outset, I want to commend and congratulate and thank the distinguished majority floor leader (Mr. MANSFIELD) for convoking a conference last week of Members of both sides of the aisle to discuss this very serious question and problem. I think from that conference emerged a consensus which I hope will convince and persuade the executive department that some kind of relief is in order at the present time.

There can be no doubt that there is a crisis, but what a shame that there should be one at all. For years, the cattle industry has been self-sustaining. It has received no subsidy payments. No special programs have been instituted to improve its financial structure. Cattle people have run their businesses on their own initiative and on their own capital and they are rightfully proud of their record. It is, I am sure, therefore somewhat galling to them to find their business the subject of a debate on the Senate floor.

I should say, however, that they have little to be ashamed of, for this crisis is not of their own making. It is a crisis brought about in part by Government actions and in part by the circumstances of the general economy. The outlines of the crisis are generally known by those Senators here this morning and I will not belabor the point except to say that the crisis had its inception in the price freeze which was imposed upon the beef industry last year. Since the lifting of the price freeze, the crisis has been sustained by other factors such as last fall's decline in consumer purchases of beef and this winter's truck strike.

Whatever its causes, the beef crisis is real enough. Estimates are that this industry has lost more than $2 billion in the last year in the aggregate. On an individual level, the results have been equally devastating. Mr. Don McCasland of Clovis, N. Mex., has provided me with figures on 12 cattle companies operating around Hereford, Tex., during the past 5 to 8 years. The circumstances of these companies are very similar to those of cattle companies in my own State of New Mexico and in other cattle producing States. What does the figures show? They show, in one example, that a company with 5 years of experience which made a total profit of $133,857 over those 5 years with a 5.85-percent return on investment has so far lost $24,080 this year and expects to lose another $98,170 before the year is up for a total loss of $122,450. The overall result is that this company in 6 years of operation will have made a total profit of only $11,406 for a return on investment equal to .41 percent. Another cattle company at the end of 6 years operation will have lost 17 percent of its return on investments. Last year it had a 5.86-percent return on investment for the 5 preceding years. Yet another cattle company which over 5 years had made a total profit of $86,687 for a 9.42-percent return on investment is expected to lose $239,413 this year which will bring its 6-year return on investment to −9.08 percent, a loss in dollars of $152,726. I ask unanimous consent that overall figures on these 12 cattle companies be inserted at this point in the RECORD.

There being no objection, the figures were ordered to be printed in the RECORD, as follows:

THE CATTLE FEEDERS STORY

FACTS AND FIGURES

These figures are given on 12 cattle companies operating around Hereford, Texas, during the past 5–8 years.

Projected losses in each company for the balance of 1974 is based on the current cost of gains of 50 cents per pound and the current fat cattle price of 40 cents per pound.

Most of these cattle have been light weight heifers finished for slaughter. Others are yearling steers sold as feeder cattle.

Year	Pens	Number pens	Number cattle	Total investment	Total profit	Percent return on investment
CATTLE COMPANY "A"						
1969	1–11	11	1, 674	286, 834. 39	35, 158. 15	12. 26
1970	12–24	13	2, 309	418, 250. 48	13, 844. 71	3. 31
1971	25–40	16	2, 552	536, 910. 76	15, 615. 62	2. 92
1972	41–56	16	2, 129	443, 501. 16	39, 496. 60	8. 91
1973	57–72	16	2, 080	602, 400. 86	29, 742. 59	4. 94
Total 5 yr		72	10, 744	2, 287, 897. 65	133, 857. 67	5. 85
1974	73–75	3	510	198, 791. 16	−24, 280. 76	−12. 21
Projected 1974	76–81	6	722	320, 720. 01	−98, 170. 00	−30. 61
1974 total		9	1, 232	519, 511. 17	−122, 450. 75	−23. 57
Total	1–81	81	11, 976	2, 804, 408. 82	11, 406. 92	. 41
CATTLE COMPANY "B"						
1969	1–9	9	1, 385	238, 032. 34	28, 668. 68	12. 04
1970	10–20	11	1, 831	377, 383. 69	15, 569. 93	4. 13
1971	21–33	13	2, 218	435, 993. 92	6, 268. 37	1. 44
1972	34–45	12	1, 822	389, 234. 15	41, 557. 40	10. 68
1973	46–62	17	2, 420	742, 500. 16	35, 846. 77	4. 83
Total 5 yr		62	9, 676	2, 183, 144. 26	127, 911. 15	5. 86
1974	63–64	2	290	120, 724. 32	−20, 285. 69	−16. 80
Projected 1974	65–71	7	930	401, 290. 00	−112, 100. 00	−27. 93
1974 total		9	1, 220	522, 014. 32	−132, 385. 69	−25-36
Total	1–71	71	10, 896	2, 705, 158. 58	−4, 474. 54	−. 17
CATTLE COMPANY "C"						
1970	1–9	9	1, 612	289, 718. 83	9, 998. 37	3. 45
1971	10–20	11	1, 876	381, 262. 67	11, 116. 12	2. 92
1972	21–30	10	1, 489	306, 029. 08	28, 417. 04	10. 77
1973	31–40	10	1, 380	400, 764. 49	10, 732. 23	2. 68
Total 4 yr		40	6, 357	1, 377, 775. 07	60, 263. 76	4. 37
1974	41	1	153	55, 425. 73	−2, 644. 97	−4. 77
Projected 1974	42–46	5	869	287, 687. 45	−78, 112. 00	−27. 15
1974 total		8	822	343, 113. 18	−80, 756. 97	−23. 54
Total	1–46	46	7, 179	1, 720, 888. 25	−20, 495. 21	−1. 19
CATTLE COMPANY "D"						
1966	1–5	5	420	74, 965. 94	−1, 051. 15	−1. 40
1967	6–11	6	772	168, 188. 97	4, 158. 96	2. 47
1968	12–16	5	700	182, 106. 30	14, 059. 26	7. 72
1969	17–22	6	724	236, 806. 62	−7, 692. 92	−3. 25
1970	23–28	6	830	227, 913. 84	−11, 955. 98	−5. 25
1971	29–32	4	413	109, 040. 00	2, 437. 71	2. 24
1972	33–34	2	234	70, 319. 59	5, 192. 25	7. 38
1973	35–36	2	219	90, 474. 05	8, 797. 53	9. 72
Total 8 yr		36	4, 312	1, 159, 815. 31	13, 945. 66	1. 20
Projected 1974	37–38	2	222	130, 321. 23	−48, 001. 23	−36. 83
Total	1–38	38	4, 534	1, 290, 136. 54	−34, 055. 57	−2. 64
CATTLE COMPANY "E"						
1968	1–5	5	725	123, 599. 80	16, 122. 25	13. 04
1969	6–20	15	1, 978	340, 044. 62	43, 228. 43	12. 71
1970	21–34	14	2, 510	515, 336. 82	19, 070. 21	3. 70
1971	35–55	21	3, 766	731, 433. 75	1, 669. 10	. 23
1972	56–70	15	2, 548	575, 350. 04	−1, 680. 10	−. 29
1973	71–76	6	881	263, 941. 17	68, 387. 00	25. 91
Total 6 yr		76	12, 408	2, 549, 706. 80	146, 796. 89	5. 76
1974	77–79	3	258	110, 606. 05	−14, 695. 08	−13. 29
Projected 1974	80–85	6	830	514, 164. 84	−192, 024. 84	−37. 35
1974 total		9	1, 088	624, 770. 89	−206, 719. 92	−33. 09
Total	1–85	85	13, 496	3, 174, 477. 09	−59, 923. 03	−1. 89
CATTLE COMPANY "F"						
1969	1–2	2	325	65, 118. 53	2, 544. 09	3. 91
1970	3–12	10	1, 538	303, 708. 90	4, 171. 00	1. 37
1971	13–20	8	1, 380	241, 278. 93	−1, 465. 72	−. 61
1972	21–24	4	761	162, 518. 41	44, 566. 10	27. 42
1973	25–26	2	525	147, 496. 68	36, 872. 11	25. 00
Total 5 yr		26	4, 529	920, 121. 45	86, 687. 58	9. 42
1974	27–28	2	455	193, 373. 20	−37, 283. 87	−19. 28
Projected 1974	29–32	4	919	567, 949. 95	202, 129. 95	−35. 59
1974 total		6	1, 374	761, 323. 15	−239, 413. 82	−31. 45
Total	1–32	32	5, 903	1, 681, 444. 60	−152, 726, 24	−9. 08
CATTLE COMPANY "G"						
1972	1–4	4	523	122, 078. 57	14, 517. 58	11. 89
1973	5-12	8	846	255. 134. 25	39, 311. 91	15, 41
Total 2 yr		12	1, 369	377, 212. 82	53, 829. 49	14. 27
1974	13	1	96	42, 135. 37	−6, 919. 1C	−16. 42
Projected, 1974	14-19	6	804	493, 497. 10	−186, 897. 10	−37. 87
1974 total		7	900	535, 632. 47	−193, 816. 20	−36. 18
Total	1-19	19	2, 269	912, 845. 29	−139, 986. 71	−15. 34
CATTLE COMPANY "H"						
1973	1-9	9	1, 161	337, 493. 75	7, 225. 40	2. 14
1974	10-11	2	309	117, 222. 79	−4, 703. 41	−4. 01
Projected, 1974	12-15	4	540	240, 368. 27	−63, 870. 00	−26. 57
1974 total		6	849	357, 591. 06	−68, 573. 41	−19. 18
Total	1-15	15	2, 010	695, 084. 81	−61, 348. 01	−8. 83
CATTLE COMPANY "I"						
1973	1-4	4	509	154, 507. 79	2, 960. 36	1. 92
1974	5	1	120	44, 083. 39	−1, 903. 85	−4. 32
Projected 1974	6-8	3	347	170, 447. 32	−42, 294. 00	−24. 81
1974 total		4	467	214, 530. 71	−44, 197. 85	−20. 60
Total	1-8	8	976	369, 038. 50	−41, 237. 49	−11. 17
CATTLE COMPANY "J"						
1974	1-2	2	421	151, 716. 15	−23, 029. 41	−15. 18
Projected 1974	3-5	3	378	193, 138. 08	−52, 880. 00	−27. 38
1974 total		5	799	344, 854. 23	−75, 909. 41	−22. 01
CATTLE COMPANY "K"						
Projected 1974	1-6	6	736	310, 381. 91	−80, 956. 00	−26. 08
CATTLE COMPANY "L"						
Projected 1974	1-5	5	545	313, 901. 73	−80, 457. 00	−25. 63

SUMMARY

PROFIT AND PERCENT RETURN ON INVESTMENT THROUGH 1973

Cattle company	Number cattle to 1973	Total investment to 1973	Total profit to 1973	Percent return to 1973
A	10, 744	2, 287, 897. 65	133, 857. 67	5. 85
B	9, 676	2, 183, 144. 26	127, 911. 15	5. 86
C	6, 357	1, 377, 775. 04	60, 263. 76	4. 37
D	4, 312	1, 159, 815. 31	13, 945. 66	1. 20
E	12, 408	2, 549, 706. 20	146, 796. 89	5. 76
F	4, 529	920, 121. 45	86, 687. 58	9. 42
G	1, 369	377, 212. 82	53, 829. 49	14. 27
H	1, 161	337, 493. 75	7, 225. 40	2. 14
I	509	154, 507. 79	2, 960. 36	1. 92
9 companies	51, 065	11, 347, 674. 30	633, 477. 96	5. 58

SUMMARY—Continued

PROJECTED LOSS IN 1974

Cattle company	Number cattle to 1973	Total investment to 1973	Total profit to 1973	Percent return to 1973
A	1, 232	519, 511. 17	−122, 450. 75	−23. 57
B	1, 220	522, 014. 32	−132, 385. 69	−25. 36
C	822	343, 113. 18	−80, 756. 97	−23. 54
D	222	130, 321. 23	−48, 001. 23	−36. 83
E	1, 088	624, 770. 89	−206, 719. 92	−33. 09
F	1, 374	761, 323. 15	−239, 413. 82	−31. 45
G	900	535, 632. 47	−193, 816. 20	−36. 18
H	849	357, 591. 06	−68, 573. 41	−19. 18
I	467	214, 530. 71	−44, 197. 85	−20. 60
J	799	344, 854. 23	−75, 909. 41	−22. 01
K	736	310, 381. 91	−80, 956. 00	−26. 08
L	545	313, 901. 73	−80, 457. 00	−25. 63
12 companies	10, 254	4, 977, 946. 05	−1, 373, 638. 25	−27, 59

From these charts the following conclusions can be made:

1. Profits far from excessive: Profits in the past 5–6 years are far from excessive. Nine cattle companies showed a 5.58% return on required investment. ($663,477.96 profit on $11,347,674.30 investment). This is $12.40 per head on a $222.22 investment. On this tremendous exposure surely one should expect at least a 5.58% return.

2. Profits fall short of losses: Profits on cattle companies who have been in business 5–6 years will fall far short in covering losses at present production costs and present fat cattle prices. In years past these companies have had excellent credit rating at banks, however today, under present conditions they have no credit left at all.

3. Recent companies worse shape: Cattle companies who have only been started in the last year or two are in much worse shape. They have no backlog of profits to fall back on to cover present losses. In both of these cases (2 & 3) the people involved will lose their farms and homes. In some cases even this will not completely pay off the banks.

4. Out of business: These cattle companies will be out of business as soon as they sell their presently owned cattle. This is being evidenced in this area by the tremendous number of empty pens showing up in the local feedlots. Very few cattle are being placed on feed today. Of course this will cause a big shortage of beef in a very few months.

5. Related business hurt: All related businesses will be hurt badly. Feedlots themselves are already showing up for sale. Decreased demand for grain and other feedstuffs will be disasterous for farmers. Soon all agriculture related businesses will be hurt which in turn will hurt all industry and business in the nation.

6. IRS to become partner: Internal Revenue Service will become a partner in our losses. They have shared our profits, now they must share our losses. Not only will they have to return taxes paid in the last 3 years but will not get paid for a good portion for the next 5 years. Of course all the taxes they have been getting in years past will not be coming in. For the projected loss of 1974 in these cattle companies above, the return of taxes at 35% will be $480,773.37. It will reach into the billions for the entire industry.

7. Disaster area: We are definitely in a disaster area. Losses in the last quarter of 1973 in these companies were $119,340.55. To date in 1974 the losses are $135,746.14, making a total of $255,086.69 since last fall. Most of the cattle left on hand will be sold in the next 4 months. Thus, in 30 days from now a total loss will be seen of $564,559.69.

8. Things must change now: One must conclude that things have to change. This change must be immediate. Action must be taken now. Your help in changing these conditions is urgently requested.

Mr. MONTOYA. It is clear, Mr. President, that this crisis is hurting the cattleman, but who else is it going to hurt? I believe that it is going to hurt every consumer who purchases beef, unless we do something to alleviate this crisis. It is going to hurt consumers because if cattlemen continue to lose money at this rate, they are going to go out of business, as some of them already have, and the supply of beef is going to be drastically reduced.

Already we see signs that the future supply of prime, table-ready beef is in jeopardy. The Wall Street Journal reported recently that as of June 1 the number of cattle and calves on feed for slaughter was down 16 percent from a year earlier and that new animals placed on feed in May was down 40 percent from last year. These figures demonstrate very clearly that those in the cattle industry are no longer finding it economically worth their while to raise the corn- and milo-fed beef which is what we are most accustomed to purchasing in the supermarkets.

It is clear that this crisis is hurting the cattleman today and will hurt the consumer tomorrow, and it is, therefore, necessary for the Congress to take those actions which are needed to avert a general collapse in the cattle industry.

Several suggestions have been offered as to what should be done to help overcome this crisis and most of the solutions are aimed at getting rid of the glut of cattle which has developed and which stands in the way of returning the cattle industry to a profitable venture. The first solution which has been offered is to suspend all the imports for some period of time, perhaps 90 days, and then to return to the import quotas established by the Meat Import Act of 1964.

It has been well established that more meat is coming into this country from abroad than is allowed under the 1964 act. These figures are set out in a chart which I ask to be inserted at this point in the Record.

There being no objection, the figures were ordered to be printed in the Record, as follows:

[Millions of pounds]

Year	Import quota	Trigger (110 percent)	Actual inputs	Difference, actual from trigger
1971	1, 025. 0	1, 127. 5	1, 132. 6	5. 1
1972	1, 042. 4	1, 146. 6	1, 355. 5	208. 9
1973	1, 046. 8	1, 151. 4	1, 354. 4	203. 0
1974	1, 027. 9	1, 130. 7	1, 575. 0	444. 3

Mr. MONTOYA. I believe that if we were to suspend imports temporarily and then allow only the import of the specified amount of beef, we would go a long way toward eliminating the glut.

Another suggestion which has been made, and which I endorse, is for larger purchases of beef by the Armed Services and by the Department of Agriculture for the school lunch and other programs. I think we can achieve two important goals in one stroke by asking the United States to purchase this extra beef.

I do not believe, however, that assistance of this sort will be sufficient in itself. One particular concern of mine is the financial structure which supports the cattle industry. I am concerned, because I have been told by bankers who service the cattle industry and production credit associations that Federal bank examiners are beginning to cast a wary eye on loans which have been made to feed lot operators and others. The problem, simply stated, is that in loans of this sort the cattle themselves are often pledged as collateral. If the value of the cattle has fallen, so has the value of the collateral. The process has reached such a state that the loans are beginning to enter the category where they are not secure and some bank examiners are beginning to feel that some of these loans may have to be foreclosed. If this were to happen, there would be a general collapse in the cattle industry. The feed lots would close, the suppliers of grain would be thrown into severe financial straits, those who raise calves to sell to the feed lot operators would find themselves without a market and the banks and lending institutions would be severely pressed. I think it would be absolutely foolhardy for the Congress to allow such a situation to develop and am, therefore, very gratified to note the quick response which Senators Talmadge and McGovern have made to the problem. I am referring, of course, to the hearings which will be held this afternoon on bills to provide emergency credit to the cattle industry.

At this point, Mr. President, I ask unanimous consent that I may be permitted to insert in the Record the testimony which will be given by some distinguished constituents of mine from New Mexico and other parts of the country. Mr. Ken White, a cattle feeder from Clovis; testimony of Mr. Don McCasland, cattle dealer from Clovis, N. Mex.; Mr. A. J. Kemp, executive vice president of the National Finance Credit Corp. of Texas; a livestock loan company with a loan volume of $40.5 million; and Mr. W. B. McAlister of the Clovis Production Credit Association, which has outstanding in loan value today $34,640,000, and which has made loans so far this year in the amount of $80 million.

There being no objection, the testimony was ordered to be printed in the Record, as follows:

U.S. Senate Agriculture and Forestry Subcommittee in Agricultural Credit and Rural Electrification

June 15, 1974.

Mr. Chairman and Members of the Subcommittee: My name is Ken White and I live in Clovis, New Mexico where I have resided for the past 25 years. I have been engaged in various phases of cattle production and marketing all my adult life. I hold membership in the American National Cattlemen's Association, Texas Cattle Feeders, the New Mexico Cattle Growers, and am on the Executive Committee of the National Livestock Dealers Association. I have operated as an order buyer, livestock auction operator and presently farming, ranching, and feeding cattle.

For the past several years I have kept a monthly inventory of my cattle operation using current value and weights to record each month my financial situation. On August 1, 1973, I owed the National Finance Credit Corporation of Fort Worth a total of $2,578,893.66 and had an equity position of $2,062,707.86. Today that equity is gone plus being in a deficit position on my loan. I am in the process of selling some land which I hope will pay this deficit.

In all my years in the cattle business I have never seen the demoralized situation which now exists. Cattlemen throughout the U.S. are now dismayed almost to the point of losing all hope. Prices of choice grade steers have dropped about $4.00 cwt. this past week which means choice steers are bringing about $34.00 cwt. Choice beef at the packer level is selling at $55.00 to $58.00 cwt. This means that every steer or heifer coming out of the feedlot today is losing about $200.00 per head. So you can easily see that after ten months of this situation there are few that have the heart or money to continue feeding. This past Thursday's U.S.D.A. Cattle on Feed Report shows a drop in placements of 40% from the same month a year ago and this trend will continue unless some immediate action is taken. This past Friday, June 14th, there came an announcement on the wire that the Administration continues to oppose any restriction on beef imports and also is opposed to any government loans because it might be "harmful to banks". This lack of understanding and seeming disinterest in the plight of the livestock industry will bring the same type of action which we have seen recently—plummeting markets and chaos in the market places. This will also be felt soon in all the prices of agricultural commodities and precipitate a recession of major proportions.

A change in the present psychology which permeates our industry must come immediately if we are to survive. Because of my years of experience in the business I do have hope and confidence in the future. The near term will be tought and credit must be provided if we are to continue as a viable industry. I know that we can eventually overcome the problems confronting us if we are allowed to continue to operate in this business of producing the finest and most nutritious of all foods.

I believe that the following recommendations for a credit guarantee will provide that which is needed:

1. Limited to Livestock Producers certified by his lending agency to have been bonafide producers, growers, or dealers in livestock within previous 18 month period.
2. Loan guaranteed for 5 year period.
3. Loan to be limited to each producer to the highest amount of his total investment within the past 18 month period. Investment would include borrowed capital as well as equity capital and the lender may rely upon the certificate of total investment by the producer.
4. Government to guarantee 90% of total loan which is approved by lending agency.

Respectfully yours,

Ken White.

Suggestions Concerning Loan Guarantee Bills Now Before the Senate

The following statements are our recommendations and suggestions concerning the loan guarantee bills being considered at this hearing.

1. Limited to livestock producers certified by lending agency to have been bonafide producers, growers, or dealers in livestock within the previous 18-month period.
2. Loan guaranteed for 5-year period.
3. Loan to be limited to each producer to the highest amount of his total investment within the last 18-month period. Investment would include borrowed capital, as well as equity capital, and the lender may rely upon the certificate of total investment by the producer.
4. Government to guarantee 90 per cent of total loan which is approved by lending agency.

Comments on our suggestions:

FIRST SUGGESTION

We feel these guarantees should be limited only to those who have been in the business, as opposed to newcomers to the business. These producers, growers and dealers have been producing food for the consumers and through no fault of their own, have suffered abnormal losses such as have not been seen before in the history of the livestock business. Only one year ago we were asked to increase our production. Knowing this was a high risk business, we complied with the request from Washington. Consumers must be fed. Our country must not go hungry. However, must we sacrifice an entire industry to feed consumers? Must we cut off the hand that is feeding America? This is exactly what has been done. To bear this out—during the month of May, in the seven major cattle feeding states, cattle placed on feed were down 40% from May of 1973. This simply means that in six months time there will be 40% fewer fat cattle available for slaughter. This huge reduction stems from the fact that cattlemen were financially unable to buy cattle and remain in the business. However, this deficiency in cattle numbers on feed can be corrected if cattlemen can immediately receive proper financing to purchase cattle and place them on feed.

SECOND SUGGESTION

Average profits for the past five to six years have been between $10.00–$15.00 per head. Losses experienced today have ranged from $100.00 to $200.00 per head. In the past nine months cattlemen have lost as much as they had made in the previous ten years. We feel a minimum of five years is required to regain the proper financial stability needed for the livestock business to again stand on its own. Additional time will probably be needed, but for the present, we suggest the five year period. Given sufficient time, we feel this program will not cost our government anything. Actually, by keeping us in the business, our government can save billions of dollars they would have to refund in taxes to livestock producers who have experienced astronomical losses this year.

THIRD SUGGESTION

Due to increased prices, most livestock producers have reached their highest point of investment during the past 18 months. To continue to supply adequate amounts of food to consumers, livestock producers must continue to operate at their same level. They must not be cut back, or consumers could be hurt. Our suggestion will not discriminate against the small operator, or the large operator. Each size of operation is needed to insure the continued availability of food for consumers.

Both the borrowed capital and the producer's capital together make up the total investment. Both sources of capital have been required to maintain adequate production levels to meet consumer demand. Our suggestion would supply these two sources of capital.

As the lender has accurate records of only the borrowed capital, he must rely on the producer to provide him with the records of the producer's equity capital. Producers would be required to certify exact amounts of equity money he had in livestock. Our suggestion allows lender and producer to work together in figuring the total investment.

FOURTH SUGGESTION

Government would guarantee 90% of these loans as they do in similar loans through other agencies. The remaining 10% would be left with the financing institutions. These lenders will be the governing agencies through which all loans would be monitored. Their excellent record of supplying adequate capital to producers in the past qualifies them as the agents to approve these loans.

SUMMARY

As past years have eliminated the less efficient livestock producers, the ones who remain today stand as professionals in their field. The awesome responsibility of providing high quality food for consumers rests in their hands. This responsibility must be met head on, not only by the producers, but also by every official in Washington. Not only are consumers depending on these livestock producers for their food, but the farmers of America are depending on them to buy their commodities. By removing this segment of agriculture from the food assembly line, we can expect a complete breakdown of all agriculture. If agriculture fails, consumers will go hungry.

We ask for no subsidy. We ask for no handouts. We do ask for your assistance in helping us stay in the business of providing food for Americans in the future.

Don McCasland,
Official Representative, Autonomous Feeders Committee, New Mexico Cattle Growers Association.

Testimony to the Senate Agricultural and Forestry Subcommittee on Agricultural Credit and Rural Electrification

Senator McGovern and members of the committee, gentlemen: My name is A. J. Kemp, Jr. I am executive vice president of the National Finance Credit Corporation of Texas, a livestock loan company with a loan volume of $40,500,000.00.

We are an agricultural credit corporation chartered according to the Federal Farm Board in 1930. We have capital and surplus of slightly over six million dollars, which according to the law is what we have to have to extend this amount of credit to livestock producers. We borrow the bulk of our money from the Federal Intermediate Credit Bank of Houston, and are subject to the regulations of the Farm Credit Board. We are examined by the Federal Intermediate Credit Bank of Houston, who in turn is examined by the Farm Credit Board.

My purpose in testifying to you gentlemen today is to re-affirm what you already know of the seriousness of the catastrophe that has hit the livestock industry in the last six months. I am sure that many others will and have testified to the losses that are being taken, but I want to give you some concrete figures in regard to some representative loans—both large and small. You can see from these figures how difficult it is going to be for the livestock people to continue to secure financing.

To begin with, I want to wholeheartedly endorse the program that has been presented to you by the American National Cattlemens Association, Texas Cattle Feeders Association and others, for a 90 per cent Government guarantee over a five year period for bona fide cattle producers, feeders and dealers.

Our organization is owned by farmers and ranchers in Texas, and the chairman of our board, Jay Taylor of Amarillo, Tex., is a former president of the American National Cattlemens Association, Texas and Southwestern Cattle Raisers Association and also former chairman of the Livestock and Meat Board. Our president is Norman Moser of De Kalb, Tex. Mr. Moser is past president of the Texas and Southwestern Cattle Raisers Association, past chairman of the Livestock and Meat Board, and is present chairman of the Texas Animal Health Commission.

One hundred per cent of our borrowers are bona fide livestock people living in the State of Texas, eastern New Mexico, southeastern Oklahoma, and one in Louisiana. We feel that perhaps the people we are financing are not only a cross section, but among the very best operators in the Southwest today. However, I have with me some comparative figures of six representative loans to show you what has happened to these borrowers since November 1, 1973. I have eliminated names for obvious reasons, their records are on file in our office and I will be glad to have them examined by any representative of this committee:

Date	Number of head	Value	Total loan	Percent of loan	Loan per head
No. 1:					
Nov. 1, 1973	3,608	$1,551,260	$984,374.62	63	$270.87
June 11, 1974	796	265,985	303,648.39	114	380.94
No. 2:					
Nov. 1, 1973	2,244	796,005	484,813.38	61	215.38
June 11, 1974	1,067	307,320	285,192.12	93	267.86
No. 3:					
Nov. 1, 1973	622	135,135	108,962.04	81	175.98
June 11, 1974	552	105,965	142,129.49	134	257.23
No. 4:					
Nov. 1, 1973	452	$143,485	$141,560.79	99	$314.27
June 11, 1974	112	26,695	39,440.52	148	352.76
No. 5:					
Nov. 1, 1973	8,147	2,979,520	1,839,808.22	62	226.75
June 11, 1974	5,455	1,761,525	1,933,226.02	110	355.21
No. 6:					
Nov. 1, 1973	799	275,655	231,339.45	84	289.80
June 11, 1974	0	0	46,387.37	(1)	(1)

[1] No cattle left.

Note: Number 6 is a loan of $231,339.45 with a value of $275,655, an 84-percent loan and with a loan per head of $289. You can see Nov. 1, he lost his equity of $44,315 plus the $46,287 that he owes.

You will notice that since November most of these loans have been reduced considerably because these borrowers have lost the desire and the equity to continue their operations at the same pace as they have in the past.

I feel that the Federal Government can keep these people in business with very little risk to the Government, if the program is administered properly. The lenders involved in the guaranteed loans must have the capital requirements that are necessary to handle such loans. It is my belief that the Federal Intermediate Credit Banks and the Federal Reserve Banks have the expertise to administer the program.

I feel that congressional action should be taken immediately in regard to emergency guaranty of loans to the livestock industry.

I feel that the President must be made aware of the seriousness of the situation and that import quotas on beef must be reinstated immediately. I feel that every effort should be made to open our export sales to Canada. I also feel that the Federal Government must start immediately to purchase a large amount of boning beef to be canned and put in storage for the future needs of our country.

The Government loan and the canning program were the only things that saved the livestock industry in the 30's and because of deterioration of confidence in the industry, we are now in the midst of a panic situation that must have immediate attention.

The cattle on feed report for the seven States showed sixteen percent less fat cattle on feed and forty percent less placements in the feed lots during the month of May. The American public will be feeling the shortage of fed beef in the very near future, while we have an abundance of non-fed beef, and by the time the fed cattle shortage reaches the consumer, the largest percentage of the bona fide livestock procedures and feeders in the United States will be broke.

My name is W. B. McAlister. I am President of the Clovis Production Credit Association, Clovis, New Mexico. Outstanding loan balance on 460 loans of the Association as of June 12th, was $34,640,315.45. So far this fiscal year we have loaned over 80 million dollars.

I have been engaged in agriculture most of my life and for the past 12 years in the financing of agriculture. For the first time in my life I feel the cattle industry, and for that matter the entire agricultural industry, is facing disaster.

In 1960, when the cattle feeding industry started in our area, corn was 1.00 per bu. and milo was 1.30 per cwt. This spring, corn was 3.38 per bu. and milo 5.80 per cwt. This industry has played a vital role in developing the agricultural industry of the area. Farmers have had a good market for their crops and the cattle men have had a good market for their cattle, and the entire economy of the area has been boosted. Those in the cattle feeding industry have had their ups and downs but have gotten along fine and made a reasonable return on their investment until the summer of 1973, at which time the administration froze cattle prices. At the same time, the administration established a good export market for all kinds of grain, with the resulting price increase of grain, prices which many farmers had dreamed of but had never before received, became a reality. I think everyone was happy about this increase in price of grain and certainly we would like to see it hold, however this is going to be impossible with a destroyed livestock feeding industry, because at the best our export markets are uncertain, the result is going to be no market for our grain even at the cost of production.

Price controls on beef have been tried 4 times in the past 28 years, and not once has this mix of politics and economics worked to the benefit of either the consumer or the cattle industry.

The cattle feeding industry is in a wreck and headed for disaster, unless the market situation turns around quickly. Cattle feeders have suffered unprecedented losses in the last nine (9) months, because of:

Government interference in the form of a discriminatory price freeze last July;

The energy crisis, which caused a "recession" psychology, resulting in consumers buying less beef;

The truckers strike;

Increased feed costs.

Let's talk about those unprecedented losses we spoke of:

One of my neighbors who normally feeds between 6,000 and 7,000 head per year, when he renewed his loan in August had $2,250,000 equity in his loan, today all this equity is gone, he is sweating out a reversal in the market, hoping that when the balance of the cattle are sold he will have something to start over with. It will take a quick reversal of the market to make this possible, else this man will lose in 10 months all his earning in 14 years of feeding cattle. Another feeder of my area, from October 18 to March 1 has marketed 9,729 head of steers for a loss of $853,738. Losses run from $12.95 per head on some steers sold January 28, 1974, to $259.46 per head on some cattle sold March 1, 1974. Since then losses have continued to mount.

One of our members has a good ranch with a top herd of mother cows, he purchases steers to run on the ranch and then into the feedlot for finishing. This has proved a profitable program in the past. This past year when the loan was renewed he owned 3,415 head of cattle with a value of over 1 million dollars, he had a $291,000 equity in the loan. On the 8th we figured his collateral position, he had lost all the equity in the loan plus another $230,000 for a loss in the loan for the year of $521,658.10. This man has not speculated with fat cattle as he has never refused a bid on a pen of steers since the ill advised price freeze was first announced.

Another member with a good ranch, mother cows and the same type of operation, at renewal on October 2, 1973, owned 3,277 head of cattle with a value of $1,116,234. He had an equity in his loan of $323,758. Since that date he has lost all his equitay plus $297,205.55, or a total loss in less than 9 months of $620,963.55.

In 1970, we had three good young farmers and cattle men start a feeding operation. This had been profitable for them. May 17, 1973, when we renewed their loan, they owned 2,934 cattle and had a margin in these cattle of over $200,000. Since then they have lost this margin and another $158,000 for a total loss of almost $360,000 in one year.

All losses so far have not been just feeding operations, our members who purchased steers to run on wheat pasture last fall have had varied experiences depending on the amount of wheat pasture and when they sold these cattle, and incidentally some have not been able to get them sold. But of those who did, some broke even, others lost up to $100 per head plus their feed, interest and wheat pasture.

We are fearful for our cow-calf operators who will not have a pay day until this fall, steer operators are in trouble, not only from declining cattle markets but they are still unless the trend is reversed. We know our waiting for that first rain this year. One of our better steer operators in February when we set his loan up had all his leases and land payments for the year paid and had $270,000 equity in his steers, at todays markets, if there is one, he has lost all this equity plus another $215,000 for a loss since February of $485,000.

No segment of our economy is going to escape the consequences of such drastic losses. These losses being suffered by our cattle feeders are not the result of poor management. They are the result of government intervention. Since the government is responsible for these losses, the government is going to have to take some action immediately, they are six months too late right now, before cattle feeders are bankrupt, the cattle feeding industry set back years, and the lending institutions that have been financing this great industry are shaken.

Not only is the cattle feeding industry in jeopardy but so is the future meat and food supply of the nation. Grain farmers are dependent on the cattle feeders and the consumers are dependent upon both for their future food supply. Consumers can be assured there are ample supplies of meat and other food products available now and in the months to come, but they must realize they must pay a fair price.

Since the federal government is responsible for bringing the $20 billion beef cattle industry to the brink of bankruptcy I think it is only fair to ask the government to do a few things to save this industry which produces the No. 1 nutritious food for the American family. Beef.

I have a few suggestions the government could follow to not only help the producer but in the long run the consumer and the entire economy of this nation.

1. The President should immediately reinstate the quota as provided in the Import Act of 1964. Other countries are using this to protect their producers, is it asking too much for our country to do the same. We know that we must export, there must be two way trade, if agriculture is to prosper, but the reestablishment of quotas on imports should not upset this two way trade.

2. We believe the State Department can open up once again some export markets for beef and should pursue this diligently.

3. The Department of Defense of the United States should modify their specifications for beef purchases and move forward their purchase dates, in order to take advantage of current low prices; and purchase domestic beef for all our overseas bases.

4. The meat grading branch of the U.S. Department of Agriculture should change present grading standards, taking into consideration that the upper end of the present U.S. good grade is the housewife's choice because it does not have the excess fat.

5. Since government interference in the form of a discriminatory price freeze last July is responsible for the feeding industry being on the brink of bankruptcy it is only fair that the government take some steps to insure that these men stay in business for the good of the consumers as well as the entire agriculture economy, and as for that matter the economy of the entire United States. No part of the economy can escape the effects of the depression like we have never seen before unless something is done immediatley. The government can pump $10 billion dollars into the housing industry to reduce the interest charged on home loans and 95% of the people in the United States think this is fine. We do not believe it is asking too much for the government to guarantee to financial institutions that have been financing the cattle industry that if they will continue financing them they will guarantee 90% of the loans. I want to make it clear that the Association I represent feels that we can collect all the livestock loans we have in full—but to collect some of these loans will require the liquidation of some of our member's land, if this is done, then this man is out of business. My Board of Directors does not want this to happen, they want some way worked out so that the borrower can stay in business, not only for his benefit but for the benefit of our grain producers, the consumers and the business man. There is no more important business in the United States than the agriculture industry, every effort should be made to save it from disaster.

You will notice that the recomendations which I have suggested will cost the government nothing. I am confident that if the government will guarantee these loans to financial institutions that in the long run it will cost them nothing, but it will avert a real depression.

If the above listed suggestions had been done six months ago we would not be in this wreck today. Something must be done now. I hope, sir, that this committee and the Congress will act favorably on this matter and save this vital industry for the benefit of all Americans.

Mr. MONTOYA. Mr. President, in closing I simply want to repeat what I said earlier, the cattle industry has been an independent industry which has not had to rely on Government assistance up until this point. I hope we can provide them the kind of assistance they need on a temporary basis to get back on their feet.

I might say that we are not pleading only for the cattlemen and the feeders in this country; we are also pleading to stabilize this market so that it will inure to the benefit of the consumers of America, because if the present conditions continue, Mr. President, then the cattle feeders are going to go out of business, and there is going to be a scarcity of beef on the market, and when there is a scarcity of beef, the prices will go up to enormous heights.

That is what we are trying to avoid. We are trying to bring sanity out of chaos; we are trying to bring order out of disorder.

If we approach this matter on a bipartisan basis, as we have started this morning, I am sure that we in cooperation with the executive department will bring some kind of meaningful solution to this very bad situation that is facing not only the industry but the consumers of this country.

I thank my distinguished friend from West Virginia for yielding me part of his time.

Mr. ROBERT C. BYRD. My friend is welcome.

Mr. President, without prejudice to the Senators who precede his order, I ask unanimous consent that the Senator from Texas (Mr. BENTSEN) be recognized.

The PRESIDING OFFICER. Without objection, the Senator from Texas is recognized.

Mr. BENTSEN. I thank the distinguished Senator from West Virginia.

Mr. President, any time we see 19 U.S. Senators line up to make speeches on Monday morning on the same subject, we know we have deep problem facing the Nation.

I congratulate my colleagues on their interest in this subject, the question of what is happening to the beef industry of this country.

Texas is the largest cattle-feeding State in the United States and, in turn, is the one that is most adversely affected in total numbers.

We have seen chaos develop in the cattle industry, and a great deal of it is not the fault of the cattle industry. We have seen imposed on them price ceilings that did not work, and that was followed by a truck strike, which further added to the problem. Today we see a great increase in surplus and overweight cattle.

We see a great many cattle feeders going out of business; a lot of them have already gone out of business and are in bankruptcy, and we see others on the very verge of it.

What is the result of this?

If we cut out this part of the pipeline and just market grass-fed cattle, we are not going to serve the market of the United States. But by fall, we are going to see a very serious problem in this country unless we take some immediate steps to try to assist in that regard.

Since October 31, 1973, the cattle industry of this country has already suffered a $1.5 billion loss, and for an industry of that size that is almost an insurmountable loss. It means they cannot stay in the business. We have seen the number of cattle on the feedlot cut by 40 percent since the same period of time last year, and that is what the distinguished Senator from New Mexico was referring to.

I would say to the Senator from New Mexico I cannot remember in any time when we have seen such a drastic cut in the number of cattle that are being held for feeding purposes in the history of this country. Does the Senator recall any comparable period of time?

Mr. MONTOYA. I have made a study of this situation and I cannot recall. There has been a 40-percent reduction. That means that we will have 40 percent less cattle than the average getting fattened and ready for market 6 months hence because it takes 6 months to fatten a beef and get it ready for market.

So the pinch is going to start showing within the next 3 or 4 months.

Mr. BENTSEN. The other problem is that we have seen a dramatic drop in price to the cattle raiser. That has been cut about 32 percent. But if you go down to the retail market, which is what the housewife is confronted with, one of the reasons she is not buying as much beef as she has in the past is that there we have seen only a 12-percent drop in the market price; and that lady pushing a grocery cart up to that meat counter does not see a drop corresponding to that which has taken place in the cattle market.

So I am calling again on the retail markets and on the cattle processors to accept a reasonable profit margin, to pass on some of this lowering of costs to the consumer. That is the best way to use up some of this surplus at the present time.

I am calling on the President of the United States to reduce beef imports. Every major beef-importing nation in the world today has closed its borders.

What does that mean to the United States? That means that this will be the dumping ground for all that excess beef at this time.

We will see a little hiatus there in prices where we will get some break to the consumer temporarily, but we will pay for that many times over as they wreck the domestic cattle industry.

That is why it is important, in order to stabilize these prices so we will have a continuance of a sound domestic cattle industry that can assure reasonable prices to the consumer, that we take these steps at the present time.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an earlier statement I made on March 5, 1974; a letter dated May 14, 1974, which I addressed to the President of the United States; a resolution by the board of directors of the Texas Cattle Feeders Association dated May 9, 1974; and a table showing the estimated loss on fed cattle sold from October 1, 1973, to June 1, 1974.

There being no objection, the items

were ordered to be printed in the RECORD, as follows:

[From the CONGRESIONAL RECORD, Mar. 5, 1974]

THE BEEF SITUATION

(By Senator LLOYD BENTSEN)

Mr. President, the cattle feeders of this country are in the midst of an economic depression that deserves the attention of every citizen in America. Their plight should concern all of us, because, first, the source of one of our favorite food items—beef—is in jeopardy; and second, this is another example of how needless Government interference can cripple a great industry.

Let me explain that cattle feeders are those cattlemen who take yearling animals, fatten them with grain and finish them into the choice animals. These finished animals, in turn, yield the choice beef that we all desire. Last year, cattle feeders in the United States marketed over 25 million animals—enough to supply every man, woman, and child in America with 110 pounds of beef each. That is an 80-percent increase in 20 years.

Texas, the No. 1 cattle feeding State in the Nation, fed and marketed 4,412,000 animals last year. Texas became No. 1 in cattle feeding, because of: First, the abundance of feeder cattle produced in the Lone Star State; second, the availability of grain grown in the State; third, our unique climate that is conducive to cattle feeding; and fourth, the ingenuity of our cattlemen in putting together the capital and systems that permit us to produce beef more economically than other areas.

But many of these entrepreneuring cattlemen—in Texas and in other cattle feeding States—are now on the verge of bankruptcy And if they are allowed to go broke, it not only will affect the Nation's beef supply, it will also have a depressing effect on all of our grain farmers. on all our farm and ranch cattle producers, and on the entire economy.

In the last year our cattle feeders have seen their feed costs more than double; slaughter, capital, and transportation increase and the price he receives drop by more than 20 percent. In any industry, this would clearly mean bankruptcy for a great many people.

These cattle feeders are also victims of Government price controls, which the administration so unwisely enforced on the beef industry last June on a selective basis. At that time, against the advice of cattle industry leaders and economists across the country, the Cost of Living Council discriminated against the beef industry by singling it out to leave under price controls. The result was that fat cattle stacked up in the feedlots; then when the freeze finally was lifted in September, they glutted the market, causing prices to drop 30 percent in 6 weeks.

During the ensuing 2 months, cattle feeders suffered losses of $100 to $150 on every animal marketed. As you might expect, such losses forced many feeders out of the business. And I predicted at the time that it would take months for the cattle industry to recover from the unjust Government interference.

The remaining cattle feeders were about to get back in the black in January, then came the trucker's strike, which lasted for 2 weeks in early February. Again, fat cattle stacked up in the feedlots. And now that the trucker's strike is over, cattle prices are again depressed, having dropped 20 percent in the last month.

And again, cattle feeders are losing big money—this time about $100 per head on each fat animal marketed. These losses have been going on for 3 weeks and, on top of the earlier losses, are bankrupting many feeders who 6 months ago were considered very substantial and successful businessmen. Businessmen who provided the risk capital, the management, and the work to assure America a continuing supply of nutritious beef. Furthermore, unless something is done immediately to relieve the situation, the losses promise to continue for several weeks.

Unfortunately, these lower prices have not been passed on to consumers. Retail prices have not dropped accordingly. I am strongly concerned that the reduced prices for beef have not been reflected in the supermarket. This is unfair to the consumer and the producer and is causing a buildup of cattle in the feedlots. This is another disruption of the system which must be corrected.

So I call on the chain stores to be equitable with the cattle feeding industry during this crisis—and to help consumers who are wanting more beef—by featuring more beef, by offering more specials and by sharing their increased margins with both feeders and consumers. Only in this way will we be able to move more beef. And only by moving more beef at this time will we be able to assure adequate beef supplies later.

During the month of February, replacements of cattle in feedlots were down about 30 percent. If the cattle do not go into feedlots, they cannot come out 6 months later as scheduled. If these reduced placements continue into March, it means that we will have a reduced supply in late summer. And reduced supplies mean higher prices for consumers.

Also, I call on the Nation's meat packers to do all they can to move more beef. By accepting more modest profits—packer profits were at record high levels during the past quarter—they can help everyone else in the industry stay in business and help consumers by providing beef at prices they can afford.

In addition, today, I am calling on the U.S. Department of Agriculture to step up purchases of beef for school lunch programs, for the Armed Forces, and for institutions. There now is an oversupply of heavy cattle in feedyards that will produce yield grade 4 and 5 carcasses, which are considered by the trade to be a bit wasty. These animals are available today for less than 38 cents per pound—bargain sale prices, which are less than fat cattle were bringing a year ago. I repeat, fat cattle are bringing less today than they were a year ago.

We now have more cattle in the United States than at any time in history. And I see no reason why consumers should not have the benefits of this record production, while at the same time permit all segments of the cattle industry to make a fair profit. It can be done; it must be done.

COMMITTEE ON PUBLIC WORKS,
May 14, 1974.

Hon. RICHARD M. NIXON,
President of the United States,
The White House,
Washington, D.C.

MY DEAR MR. PRESIDENT: I commend to your attention the attached resolution of the Texas Cattle Feeders Association.

The Cattle Feeders of this country are in the midst of an economic depression that deserves the attention of every citizen in America. Their plight should concern us all, because, first, the source of one of our favorite food items—beef—is in jeopardy; and second, because their current hardship was in part caused by the action of the Government to single out the industry for price controls last year.

Mr. President, as the resolution points out, you have the authority to greatly assist this industry. I request that you exercise that authority.

Sincerely,

LLOYD BENTSEN.

RESOLUTION

(By Board of Directors, Texas Cattle Feeders Association, May 9, 1974)

Whereas, the Meat Import Act of 1964 gives the President of the United States authority to limit meat imports, after giving special consideration to "the economic well-being of the domestic livestock industry;" and

Whereas, the President has seen fit to lift all restrictions in an apparent attempt to increase meat supplies and, thus, reduce retail prices to consumers; and

Whereas, beef cattle numbers have increased significantly in recent years, to the extent that current supplies are more than adequate to satisfy domestic demand; and

Whereas, Japan, Canada and the Common Market countries of Europe have either placed an embargo on beef imports or raised tariffs, leaving the United States as the only market in the world open to unlimited imports of fresh, frozen and chilled beef; and

Whereas, U.S. cattle feeders have suffered disastrous losses during the past eight months—losses ranging from $100 to $200 per animal or over $1 billion in total—threatening the future of the industry and jeopardizing beef supplies in the years to come:

Now, therefore, be it resolved:

1. That the Texas Cattle Feeders Association ask the President to reimpose restraint levels on fresh, chilled and frozen beef, in conformity with the Meat Import Act of 1964, to prevent the dumping of foreign beef into the U.S., thus helping to assure future domestic supplies for consumers; and

2. That members of this Association be urged to wire or write their congressmen, asking for support of this action; and

3. That the American National Cattlemen's Association and other beef associations also be asked to join in efforts to obtain beef import restraints.

ESTIMATED LOSS ON FED CATTLE SOLD, OCT. 1, 1973, TO JUNE 1, 1974

Category	Number sold in United States	Estimated average loss[1] per head	Total
Fat steers and heifers	14,850,000	$100	$1,485,000,000

ESTIMATED INVENTORY LOSS, ALL BEEF CATTLE, OCT. 1, 1973, TO JUNE 1, 1974

Category	Number in United States[2]	Estimated development per head	Total
Breeding cows	42,874,000	$150	$6,431,100,000
Replacement heifers	8,214,000	150	1,232,100,000
Breeding bulls	2,642,000	200	528,400,000
Stocker steers and heifers	58,585,000	125	7,323,125,000
Total	112,315,000		15,514,725,000

[1] Actual average losses in surveyed Texas feedyards varied from $70 to $236 per head.

[2] Numbers from USDA cattle inventory report, Jan. 1, 1974

Mr. MONTOYA. Mr. President, will the Senator yield at this point?

Mr. BENTSEN. I am delighted to yield.

Mr. MONTOYA. I do not think this point has been made by those who have discussed the subject of imports, but we have a law which prohibits dumping, which means that no exporter into the United States can dump his product if it is going to compete with the price structure of that same product here in the United States.

So the consumers have been fooled if they believe that because this beef is coming from Australia and New Zealand they are going to get cheaper beef in this country.

That is not so, because here is a comparison of the price between the imported beef, which is boned beef used for lunchmeats and hamburger, and so forth:

The last week in June the price of this beef was 67 cents and the domestic price of similar beef produced by our producers was 65 cents; so there is no measurable difference to justify opening the doors for importation of this foreign beef into this country.

Mr. BENTSEN. I thank the distinguished Senator from New Mexico.

Mr. President, my colleagues have expressed well the current economic depression that is plaguing the beef industry, and I appreciate very much their studied interest in a critical problem which is important to my State. Texas is the No. 1 cattle feeding State in the Nation and correspondingly, we have been perhaps hardest hit by the beef market depression.

My colleagues have pointed out how economic chaos for the cattle industry was spawned by last year's ill-conceived beef price ceiling; how the situation was nurtured by a 2-week truck strike and is now being prolonged by an excessive build-up of overweight cattle. I would like to expand this explanation of the situation by entering at this point in the Record a chart which shows the enormous losses that both the fed cattle industry and the entire beef industry are facing. Since October 1, 1973, losses to the fed cattle industry alone are estimated to approach $1.5 billion, while total inventory losses to the entire beef industry are estimated at $15.5 billion. These are incredible losses over such a short time for this industry.

Mr. President, cattle feeders are disillusioned and are going out of business. This fact is clearly represented by the fact that the number of cattle being placed on feed today is 40 percent below last year. This is the largest drop in recent memory and it clearly indicates a shortage of choice fed cattle this fall.

A shortage this fall means even higher prices to consumers and the consumer price portion of this situation is difficult to understand. Consumers are not reaping the benefit of today's lower cattle prices and are being faced with ever increasing prices for later this year. Average retail prices have come down only 12 percent since early February, while live cattle prices have dropped 32 percent. This situation is unacceptable and I renew my call to the meat packers and retailers to accept more modest profits and pass on to consumers the current economical prices of meat.

In addition, I renew my call to the President to limit beef imports into this country. While I normally like to avoid restrictions on trade, the situation of all other major beef importing countries closing their borders to beef imports threatens to make this country a dumping ground for imported beef, and the President must use his authority to prevent this from happening. When Congress gave the President the authority to limit meat imports, it did so with the instructions that the authority was for the purpose of protecting the domestic meat industries. Certainly today's situation demands the proper use of that authority.

I yield back the remainder of my time to the distinguished Senator from West Virginia.

Mr. ROBERT C. BYRD. I thank my distinguished friend.

Mr. President, I ask unanimous consent that the Senator from Kansas (Mr. Pearson) be recognized in lieu of the Senator from Iowa (Mr. Hughes) and that the time used by Mr. Pearson be charged against the order of Mr. Hughes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PEARSON. Mr. President, I thank the acting majority leader.

Mr. ABOUREZK. Mr. President, will the Senator from Kansas yield?

Mr. PEARSON. I yield.

Mr. ABOUREZK. I ask unanimous consent that Jess Wilka, of my staff, be entitled to the privileges of the floor during this discussion.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PEARSON. Mr. President, I want to associate myself with the statements made by the distinguished Senator from New Mexico and the Senator from Texas as well as those other speakers who have addressed themselves to this very serious question today.

I have a statement, Mr. President, that deals, I am sure in a repetitious way, with the livestock situation as it exists today, why these conditions do exist, and their impact upon the consumer and what can be done at this time.

Let me say, Mr. President, that among those things that can be done now are the following:

First, it is imperative, I believe, that the President lift his suspension of the meat import quota law.

Second, it seems to me wherever practical the Federal Government should increase its purchase of meat to improve the quality of the school lunch program.

Third, Mr. President, I think it absolutely essential that our retail stores promptly bring their prices in line with wholesale prices of meat.

Last, it seems very likely that some type of special emergency credit program will be necessary.

Mr. President, the American livestock industry is in deep economic trouble. Both cattle and hog feeders are suffering such enormous economic losses that there is general expectation that a number of feeders will be forced into bankruptcy in the months ahead. Livestock feeding has always been a high risk business. There have always been ups and downs in the markets, periods of loss following periods of profit. However, the current situation is extraordinarily serious. The loss period has been much longer than in the past and continued losses can hardly be avoided.

Cattle feeders began to suffer losses last September. The average loss on each animal coming out of the feedlot in September was around $45. By December that had increased to around $135 and in every month of 1974 losses have ranged on a national average from $120 to $140 per head.

Such losses over such a long period of time are obviously disastrous and if continued for any length of time will simply destroy many cattle feeders. All told the losses for the cattle feeding industry now amount to approximately $1.5 billion over the past 9 months.

Similar losses are being experienced by hog producers. We have seen prices of finished hogs fall by 45 percent to 50 percent over the past 5 months.

Because of the high loss situation in the cattle feeding lots, fewer and fewer young feeder cattle are being purchased from farmers and ranchers. This means prices for young feeder cattle have declined sharply. Likewise the prices for slaughter cows have declined significantly.

As a result the cattle raiser as well as the cattle feeder is beginning to suffer adverse economic consequences. It has been estimated that many cow/calf operators will have a gross income in 1974 of approximately 50 percent less than in 1973. While their gross income is going down, their total costs will be up during 1974 by as much as 20 percent.

The down turn in the livestock economy is, of course, beginning to ripple throughout the rural economy. Rural town businessmen who service the livestock industry will inevitably be faced with a decline in sales. Rural bankers may face extremely serious conditions if significant numbers of cattlemen and hog producers default on their loans.

Also, as fewer and fewer cattle and hogs are placed in feeding lots the demand for grain will decline and this will mean lower prices for the grain-producing sector of agriculture.

Mr. President, the present situation if continued, will generate a longer term problem. Many feedlot operators will be bankrupted. Others will simply quit the business in an effort to limit their losses. In the aftermath of these losses it is likely that today's feeders will be replaced by large, vertically integrated corporations. These will be financed by money from outside the traditional agricultural community. Many will be dominated by large retail grocery chains which may well, in the next few years, come into a position where they control the production of fat cattle and hogs from the feedlot to the supermarket meat counter. We may well lose a very important part of small business enterprise in this country and wind up with a meat industry largely dominated by a few large firms.

WHY?

Mr. President, what are some of the reasons for the present condition of the livestock industry? First of all, the cost of production has risen dramatically. It is estimated that the cost for a pound of gain for feedlot cattle was around 27 cents in 1972. Today the cost per pound of gain ranges from 50 cents to 55 cents. With finished cattle selling in the area of 35 cents to 36 cents per pound, it is obvious why cattle feeders are losing so much at this time.

At the very time that costs have increased dramatically, prices of finished cattle have declined sharply. Since last fall there has been a price decline of at least 25 percent and finished cattle are now selling for around $35.00 per hundredweight.

The price decline set in after the removal of the price freeze last September. You will recall, Mr. President, that the administration continued price controls on meat during the summer months of 1973 after the freeze had been lifted from all other products. This encouraged substantial withholding of meat from the market and then after the freeze was lifted, large supplies began to come out of the feedlots and prices started their downward trend. Later the truckers' strike substantially disrupted the flow of meat to the market and again added to the downward pressure on prices.

Thus, since last fall, we have had an excessive amount of meat available. This is not so much the result of overproduction on the part of the livestock industry but, in good measure, is the result of the softening of demand for meat. With the sharp increase in the overall cost of living, housewives have necessarily had to curtail some of their purchases. It is increasingly apparent that many families in an effort to counter the ravages of inflation, have curtailed their purchases of meat.

Mr. President, it is also clear it seems to me that the increased flow of foreign meat into this country has had a depressing effect on domestic prices. This is one of the reasons why it is necessary for meat import quotas to be reimposed and I want to say more about that in a moment.

THE IMPACT ON THE CONSUMER

Mr. President, there are those who would point to low cattle and hog prices as a bonanza for the consumer. Actually, of course, the low prices the farmers, ranchers, and cattle and hog feeders are now receiving has not yet reached the consumer. Supermarkets simply have not brought their prices down in line with the wholesale prices. The margin between what the producer gets and the consumer pays is still considerable and I want to say more about that in a moment.

Also, I think it is very important that we make the point that the present disaster for the cattle and hog industry will inevitably have disastrous results for the consumer at a later date. If we continue to empty our feedlots and deplete our cow herds over a period of time and, by the way, the cow and calf slaughter is already beginning to increase sharply, we will wind up in a year or so with a very substantial meat shortage. This will inevitably mean sharply higher prices and if, in the meantime, cattle and hog feeding operations are taken over by large integrated, semimonopolistic firms, the element of competition that now exists in the meat producing industry will be eliminated. It is conceivable that a relatively small number of firms can control the feeding of cattle and hogs to such an extent that they can set prices almost at will. This, of course, can only mean trouble to the consumer.

So, indeed, it is actually the case that long-range interests of the consumer lie in a present stabilization of economic conditions in the livestock industry. That is a fact and not a gratuitous offering.

WHAT IS TO BE DONE?

The livestock producers and feeders know there is no quick and easy solution to this problem but, several courses of action come immediately to mind.

First, it is imperative, I believe, that the President lift his suspension of the meat import quota law. A large increase in foreign meat imports at this time simply compounds the already growing disaster. This can and should be prevented. The basic law to accomplish it is there and all that is needed is for the President to act on the authority this law gives him to reimpose the import schedule that he set aside in 1972 and which he has set aside again in 1973 and 1974. Mr. President, I want to say more on this subject of import meat quotas later.

Second, it seems to me that wherever practical the Federal Government should increase its purchase of meat to improve the quality of our school lunch program. Also, any additional purchases of the Department of Defense can make would be helpful. I recognize that there are limits on storage capacity, but any increase in Government purchases that can be made at this time would be of great help.

Third, it is absolutely essential that our retail stores promptly bring their prices in line with wholesale prices of meat. The spread between wholesale and retail prices today is around 40 cents. This is substantially higher than in the past. We recognize that handling and processing costs have increased but not that much.

The average retail price of beef is somewhere in the area of $1.35 per pound. Under normal price spreads that have existed in the past, a retail price at that level would be accompanied by a fat cattle price of $45 to $46 per hundredweight. In actual fact, of course, fat cattle prices are around $35 to $36 per hundredweight. Continuation of present margins means excessive profits to retailers and, also, it discourages additional purchases of beef by the consumer, thus compounding the problem that cattle producers face in clearing the overloaded market that now prevails.

Fourth, it seems very likely that some type of special emergency credit program will be necessary. Many livestock feeders must have additional credit to get through this high-loss period and will need credit at reasonable rates of interest. Therefore, I am encouraged that both the Senate and House Agriculture Committees are conducting hearings on this and anticipate that they will move forward with dispatch.

MEAT IMPORT QUOTAS

Mr. President, at a time when every animal coming out of cattle or hog feedlots is incurring a very substantial loss to its owner and, at a time when the price of slaughter cows and other nonfed livestock is declining sharply, and, at a time when many cattle and hog feeders face bankruptcy, it simply makes no economic sense to allow foreign countries to substantially increase their shipments of meat into this country. Yet, this is precisely what is happening.

Given the present plight of the domestic livestock operator and given the fact that that most other major meat importing countries have placed an embargo on foreign shipments, thus increasing the very real possibility of substantial dumping of foreign beef here on the U.S. domestic market during the last half of this year, it is essential, I believe, that the President move immediately to lift his suspension of quotas under the Meat Import Act.

Mr. President, in the early 1960's the American livestock industry suffered a severe economic slump. This was due in part to a substantial increase in the volume of foreign beef coming into the country. In recognition of this problem, the Congress adopted the Meat Import Act of 1964. That act did not seek to eliminate foreign imports, but simply to provide a rational mechanism for controlling imports and to prevent excessive foreign supplies from unduly depressing the domestic market. Taking an average of foreign meat imports during 1959 to 1963, the 1964 act established basic import quotas of 725,400,000 pounds per year and this quota was to be increased each year as U.S. domestic production increased.

At the beginning of each year and on a quarterly basis during the rest of the year, the Secretary of Agriculture was charged with the responsibility of estimating the amount of foreign meat shipments into the country. If the estimates showed that these shipments would exceed 110 percent of the quota for that year then the force of the Meat Import Act would be triggered and meat in excess of this amount would be barred from entry to the country.

Throughout most of the period since 1964 imports coming into the country did not exceed the quota. Therefore, it was unnecessary during this period to enforce the Meat Import Act. However, in January of 1972 the Secretary of Agriculture estimated that imports would exceed the 1,146,600 pounds allowed under the act for that year. This should have triggered the imposition of the quota but the President chose to suspend the operation of the act. The President has repeated this action in 1973 and again in 1974, thus the amount of meat coming into this country during the last 2½ years has considerably exceeded that which was provided for by the Meat Import Act and I list these figures at this point:

MEATS COVERED BY MEAT IMPORT ACT OF 1964

[Million pounds]

Year	Import quota	Trigger (110 percent)	Actual imports
1972	1,042.4	1,146.6	1,355.5
1973	1,046.8	1,151.4	1,354.4
1974	1,027.9	1,130.7	[1] 1,575.0

[1] Estimate.

Mr. President, the Meat Import Act does provide that the President can suspend the application of the quotas when there are overriding economic or national security interests involved or when domestic production will be inadequate to meet domestic demand or reasonable prices. At a time when domestic prices are falling sharply and we face a very considerable surplus in the meat market a continuation of the suspension is in no way desirable or justified.

The Secretary of Agriculture has estimated that 1,575,000 pounds of meat covered by the Meat Import Act of 1974 will be imported into this country this year, but I think this is a very conservative figure. Since the Secretary made that projection, other major importing countries such as Japan, Canada, and the Common Market countries have placed an embargo on all meat shipments into their countries. This means that Australia, New Zealand, and other meat-exporting countries will be turning more and more to the American market. It is very possible that there could be very massive shipments into the United States in the last half of this year, in the absence of meat import quotas. This can only make an already bad situation worse.

Enforcement of the quota would reduce the amount of meat that would otherwise come into this country by 400 to 600 million pounds. Such action will not suddenly cause domestic prices to rise. But it would have some stabilizing effect on the market. And of equal importance, such action would signal the livestock industry that the U.S. Government is sensitive to its problems and that it is willing to act to protect a vital national resource.

Mr. President, I submit a resolution setting forth the acts that need to be done at this time, cosponsored by Senators ALLEN, MUSKIE, MANSFIELD, YOUNG, DOLE, CLARK, AIKEN, MONTOYA, MCGEE, BENTSEN, DOMINICK, HASKELL, and ABOUREZK.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

Mr. PEARSON. I ask unanimous consent that a statement by the distinguished Senator from Colorado (Mr. DOMINICK) be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR DOMINICK

Mr. President, I have received numerous letters and telephone calls from Coloradans involved in the cattle industry telling me that fed cattle prices have declined by 25% in the last six months, and cattle feeders are currently losing from $100 to $200 per head of cattle. Obviously, if this continues, the entire cattle industry faces total collapse.

I am pleased that the President has scheduled a high level meeting on the beef problem for today involving representatives from government agencies, meat packing firms, food chains, farm credit institutions, and cattlemen. Hopefully, these representatives will be able to sit down together and work out a program whereby both the cattle industry and our nation's consumers will benefit.

I am also encouraged that the House and Senate Agriculture Committees have scheduled hearings for this week to attempt to resolve this problem.

While these hearings and meetings are important, I believe conditions are such that immediate action to strengthen the beef market must be taken. Last week, after meeting with some 40 of my Senate colleagues, we drafted and sent to the President a letter asking him to exercise his authority under the existing meat import law to prevent the dumping of surplus world supplies of meat on American markets. We also asked the President to initiate substantial government purchases of beef to upgrade the diets of our Nation's school children, and to use in our commodity distribution program. We also suggested that the President direct the Department of Defense to make additional purchases of beef for use in the Armed Services.

Mr. President, these actions would provide some relief to the cattle industry. However, I believe that an even more important step would be for the retail outlets to begin to pass along the lower beef prices to our Nation's consumers so the demand for beef will be stimulated. This would serve to reduce the surplus of beef now held by the cattle industry, and would benefit both the consumer and the cattlemen.

I sincerely hope the wholesale and retail community will pass on to the consumers of this Nation the meat bargains this country should be enjoying. If voluntary action is not taken along these lines, the Federal Trade Commission should be directed to begin a complete and thorough investigation into why—with prices to the cattlemen at a ten year low—retail meat prices are so high.

Mr. President, I will have the honor of addressing the Colorado Cattlemen's Association's 170th annual convention on the 20th of June, and it is my hope that I will be able to report to that organization that action has been taken to end this crisis and to restore the cattle industry to a position whereby it can supply beef in abundance while receiving fair and reasonable prices.

Mr. ROBERT C. BYRD. Mr. President, is the Senator yielding back the remainder of his time?

Mr. PEARSON. I yield back the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time yielded back be reserved to my control.

The PRESIDING OFFICER. Without objection, it is so ordered.

Under the previous order, the Senator from Colorado (Mr. HASKELL) is recognized for not to exceed 10 minutes.

Mr. HASKELL. Mr. President, the subject we are addressing today, the matter of the beef industry, is extremely serious not only to those who are engaged in it but for the consumer as well. I feel privileged to join a bipartisan group of my colleagues in calling this matter to the attention of the Nation.

I have joined my colleagues in addressing a letter, authored by the distinguished majority leader (Mr. MANSFIELD), asking the President of the United States to do two things. First, to reimpose meat import quotas. By and large, my personal preference would be in opposition to reinstituting quotas. I believe a majority of my colleagues would normally be opposed to such a step. But, in this situation, the imposition of quotas is the only way we will rescue the beef industry which is suffering serious and adverse financial circumstances.

Canada and Western Europe have closed their doors to the importation of meat. The net result is that foreign meat has flooded into this country. So, if we are going to keep the cattlemen in business, from the rancher through the feeder, we must reimpose these quotas.

Second, we asked the President of the United States to ask the Federal Trade Commission to investigate the pricing policies of the middleman. The dramatic decrease in the price of beef on the ranch as sold to the feeder on the feedlot and as sold to the packer has not been reflected at the supermarket.

Mr. President, as evidence in support of that point, I ask unanimous consent at the conclusion of my remarks that an article in this Sunday's Washington Post, entitled "Feeling Outraged About High Prices Down on the Farm," be printed in the RECORD.

The PRESIDING OFFICER (Mr. HUDDLESTON). Without objection, it is so ordered.

(See exhibit 1.)

Mr. HASKELL. Mr. President, I would suggest that if we can take these two steps, No. 1, the reimposition of import quotas and, No. 2, a vigorous investigation to find out why the decrease in agricultural prices has not found itself on its way to the consumers of this country, we will have gone a long way toward correcting the inequities which have arisen.

People say that the high cost of food is attributable to the farmer. That is just not so. The farmer has not been getting his fair share. As a matter of fact, the beef farmer is in a desperate situation and will face bankruptcy unless immediate action is taken.

For that reason, it has been a pleasure to join my colleagues in bipartisan remarks on this particular subject.

Mr. President, I yield back the remainder of my time.

EXHIBIT 1

FEELING OUTRAGED ABOUT HIGH PRICES DOWN ON THE FARM

(By Jim Hightower)

"Farmers never had it so good," declared President Nixon at a press conference in March. But have they? Certainly, farm people do not share the President's cheery outlook on the farm economy. In fact, farmers were shocked and outraged, and one national farm group considered the remark so callous as to warrant impeachment.

With the highest food and farm prices in memory, what caused farmers to bridle at the President's comment? Two things in particular.

First, farmers did not benefit most from the exorbitant food prices of 1973—the U.S. Department of Agriculture (USDA) reports that food middlemen continued to take nearly three-fifths of the consumer's food dollar in 1973.

Second, the President was trying to make political hay out of a temporary farm price boom that already is fizzling out—1974 does not look all that great to farmers.

Consider the first question: who profited? There can be no doubt that 1973 was a good year for farm income, especially for grain and livestock farmers. As it turns out, administration publicists were a bit overzealous in their initial claims for farm income and they had to revise their early figures downward by $2 billion. And there is considerable doubt that all of the $24 billion farmers supposedly earned actually ended up on the farm, since a good many corporate processors and marketers of such commodities as eggs and poultry get counted as "farmers." These quibbles aside, however, 1973 was not a bad year to have been a farmer.

But it was not the kind of year that warrants being singled out in a Presidential press conference. Even with the record income levels of 1973, farmers received only 46 cents of the consumer's food dollar. The rest went to the corporate middlemen that process, market and retail food. Nor does every farmer in America draw 46 cents every time a consumer lays down a dollar; most farmers never see that kind of ratio.

For an example, the chicken for which you pay $1.50 pays the chicken farmer 6 cents. USDA statistics show that a can of peaches cost consumers 41 cents last year, but the peach farmer got only 7 cents of it. You spent 28 cents for a loaf of white bread, but only 4 cents trickled back to the wheat farmer. A head of lettuce cost 43 cents at the supermarket, but paid only 4 cents to the farmer.

PROCESSORS' PROFITS UP

At a time of skyrocketing food prices and consumer disgruntlement, the President pointed to farmers, without bothering to mention that food corporations were enjoying even better times. Far from flattered, farmers felt picked on. Cattle ranchers are said to have done especially well in 1973, but none did anywhere near as well as such corporate cowboys as Iowa Beef Processors, with a 66 per cent profit increase last year, or American Beef Packers, with a 288 per cent profit increase. Food processors grumbled all last year about government price controls, but their 1973 profit figures suggested that they grumbled all the way to the bank. For example, the big canners of fruits and vegetables did much better than the farmers who grow them with such firms as Del Monte taking a 35 per cent profit increase in 1973, Campbell soup 23 per cent and Castle & Cook (Dole) up 52 per cent.

The May 4 issue of Business Week offered another interesting insight into how the chips actually fell last year. In a listing of salary increases for corporate executives, the food industry was found to be very generous. Food firms and government officials are quick to point to rising labor costs as an inflationary villain and a drain on corporate profit margins, but they do not draw attention to inflationary jumps in executive salaries. In 1973, food industry workers had wage increases of 6 per cent. Up in the executive suites of food corporations, however, there was much less restraint.

Food manufacturing firms ranked ninth out of 32 industries surveyed by Business Week, boosting the pay of their top executives by an average of 17.7 per cent. For example, while consumers were being advised by government and industry to switch from beef to beans, Kraftco increased the salary of its board chairman from $264,000 to $321,000. Consumers ultimately get to pay for Kraftco's internal largesse. Grocery chain executives ranked fourth in Business Week's listing, taking home a 24.3 per cent pay increase. Safeway, which complained all last year that its profit margins were paper thin, scraped up an extra $16,000 to round off its chairman's salary at $200,000 a year. Noting that these corporate executives now claim to be feeling the "pinch" of inflation, Business Week reports that their pay levels can be expected "to take another big jump with the expiration of controls."

FARM PRICES DOWN

Grocery shoppers undoubtedly are puzzled over the phenomenon of the "disappearing price drop" in our food economy. Since September, 1973, the news media have been reporting each month that the farm value of food has been falling. But that price drop on the farm has not made its way into the supermarkets. Farm prices fizzled 16 per cent from August to December of last year but supermarket prices remained sizzling hot. Even as President Nixon was making his remark about the food fortunes of American farmers, the price they were being paid was falling for the sixth straight month, while the price charged to consumers actually was rising.

Not only did food firms pass all of the farmers' 1973 increase right through to the beleaguered consumer, but they also attached a sizable markup of their own. The Federal Reserve Bank of Chicago reported on March 8 that food middlemen increased their take from consumers by 6.5 per cent in 1973. That is an increase exceeded only once (in 1970) in the last 20 years. And the Department of Agriculture reports that these firms will increase their share in 1974 at a rate that "may be more than double the 1973 increase." What that means is that consumers will pay much more for food this year and much less of what they pay will go to farmers.

In 1973, the farmer was averaging 46 cents of the food dollar. By May, 1974, that already had fallen to 42 cents, the same level it was prior to the boom of 1973. And the farmer's share is expected to fall even more during this year. The retail price of food is hardly keeping pace. A Department of Agriculture report shows that the price of bread rose from January to April by two cents, while the farm value of bread ingredients fell by two cents. That is four extra pennies picked up by middlemen every time a loaf of bread is bought.

Not only are middlemen failing to pass along cheaper farm prices, but some appear also to be holding back on supplies of farm goods. For example, Reps. Frank Denholm (D.-S.D.), Thomas P. O'Neill Jr. (D-Mass.) and Lester Wolff (D-N.Y.) have suggested that meat packers and processors are widening their profit margins today by manipulating available supplies of meat.

The congressmen took a look at the meat industry's cold storage inventories in May and found an astounding amount of meat being packed away in corporate warehouses. Department of Agriculture figures showed that cold storage of beef by the packers and processors is 33 per cent above last year, pork stocks are 43 per cent greater and poultry storage is up by 87 per cent. Denholm charged that this storage "clearly pirates the prices of consumers and producers alike." By storing meat, the corporations can artificially decrease supplies in supermarkets, thus keeping consumer prices high. Simultaneously, the record inventories decrease industry demand, thus dampening prices paid to meat raisers.

During April, farm prices overall fell another 4 per cent, with the price of cattle falling from 39 to 37 cents a pound, hogs down from 31 to 26 cents a pound, wheat down from $3.98 a bushel to $3.52, cotton down from 58 to 49 cents a pound and eggs down from 50 to 42 cents a dozen.

STEIN'S STATEMENT

A remark in May by Herbert Stein, chairman of the President's Council of Economic Advisors, is depressing to farmers and consumers alike. He said, "The *declines* in farm product prices are likely to be reflected in much smaller *increases* in retail food prices than occurred in the first quarter of 1974" (emphasis supplied). Only the Grocery Manufacturers of America and the National Association of Food Chains can appreciate the logic of that.

In fact, that is the kind of logic that food middlemen can carry to the bank. The Federal Reserve Bank of Chicago said in its May 31 agricultural letter that "the available evidence suggests that higher profits have contributed to the widening farm-to-retail price spreads." That conclusion is supported by Business Week magazine figures showing that in the first three months of this year the largest food retailers had profits that were 59 per cent higher than a year ago, even though their sales were up just 14 per cent.

The Department of Agriculture clouds the issue of high middleman profits by reporting figures that encompass all food firms, the small with the giant. There are 32,000 food manufacturing firms in America, but just a handful of those sell nearly all the food and control the industry. In May testimony before the Joint Economic Committee, the Federal Trade Commission's Dr. Russell Parker noted that "the 50 largest [food manufacturers] controlled 50 per cent of assets of 1964, they accounted for 61 per cent of profits and nearly 90 per cent of television advertising." According to Dr. Parker and other authorities, this level of industry concentration is increasing steadily. These are the brand-name giants, powerfully situated between millions of farmers and millions of consumers, and they are fast becoming the decisive force in the American food economy.

The average profit increase for all 32,000 food firms in 1973 would not be remarkable, but the dominant firms had "a year to remember," as Business Week put it. A special USDA task force on food marketing costs reported this month that the profits of food middlemen in 1973 "probably" will exceed the 1972 total of $3.4 billion. But the task force need have no doubt about the largest firms. Analyzing the 66 largest food processors, Business Week reported in March that their profits averaged 17 per cent higher than in 1972. The profits of those 66 industry leaders were more than $1.8 billion, which is more than half the industry's total for the previous year.

To a significant degree, this level of profit is the result of monopoly power in the food industry.

Dr. William Shepherd, a leading authority on market concentration, reports that the food industry falls well within the category of "tight oligopoly," with the average four-firm concentration within the industry being 55 per cent. In many food lines, shared monopolies exert much greater control. For example, 91 per cent of all breakfast cereal is sold by four firms (Kellogg, General Mills, General Foods and Quaker). Three firms (Dole, Del Monte and United Brands) sell 85 per cent of all bananas in this country. Gerber alone sells 60 per cent of all baby food and Campbell's sells 90 per cent of all soup.

The same high levels of concentration exist in food retailing, with more than half the cities in the country being dominated by four or fewer chains. In the Washington, D.C. area, for example, Safeway, Giant, Grand Union and A & P control 72 per cent of the grocery market. Nationally, one-third of all the convenience grocery stores are owned by Southland Corp., parent of the 7–11 chain.

PRODUCTION COSTS

There is another harsh economic reality that is squeezing farmers and causing them to think anew about the advice of old-time populist leader, Mary E. Lease: "Raise less corn and more hell." That reality is the rise in farm production costs.

Not much of what the farmer gets stays in his pockets, for he has a mess of bills to pay. As farmers move into the summer months, they are massively pessimistic. The cost of their production supplies has increased about as rapidly as the plummeting of farm prices. In March alone, farm prices fell 4.4 per cent, while the cost of farm inputs increased 2.2 per cent. The Department of Agriculture predicts that farmers' expenses in 1974 will be "more than $9 billion above last year."

A corn farmer in Iowa told the Des Moines Register of fertilizer prices this year 40 per cent higher than last, of diesel fuel prices doubling since last year and of corn seed that has gone from $25 a bushel to $37 a bushel. The cost of new machinery has gone out of sight, and repair of old machinery is about as costly—as this corn farmer put it, "You don't need too big a truck to haul away $500 in parts." He is having to shell out this kind of money now, while the price he can expect for his corn already has tumbled this year from $3.25 a bushel to $2.27.

At work here is the other jaw of the corporate vise that is squeezing family farmers and contributing to higher food prices. There may be a profit made on the farm in 1974, but there will be much more profit made off the farmer. Here's a sample of profit increases farm suppliers already have had in the first quarter of this year.

[In percent]

	1st quarter 1974 profit increase	1st quarter 1974 sales increase
International Harvester	113	16
Stauffer Chemical	55	31
Occidental Petroleum	716	96
Firestone Tire & Rubber	19	17
Pfizer	33	26

Source: Business Week. May 11, 1974. "Survey of Corporate Performance: First Quarter 1974." pp. 70-90.

To put these profits into perspective, the average profit increase in all industries in this first quarter was 16 per cent. And again, these profits can be traced to the existence of monopoly power within the industries. For example, Dr. Shepherd reports that the four leading farm machinery firms hold 70 per cent of the relevant market. The Federal Trade Commission staff found in 1972 that farmers were overcharged $251 million because of the existence of monopoly power in the farm machinery industry. The four-firm concentration ratio in the chemical industry is 71 per cent; in petroleum refining, 65 per cent, and in tires, 71 per cent.

The general public, the Congress and the press have paid little attention to the rise of corporate power in the food economy. It is time to notice, for not only has that power become significant, it already has become the single, most dominant factor affecting the food supply.

It is impossible in the long run to lower food prices, to raise farm income and to assure a steady supply of nutritious food without dealing directly with the shifting structure of the food economy. Both as suppliers of inputs to farmers and as buyers of raw commodities from them, corporations have become the determining force in the farmer's business. As manufacturers, advertisers and retailers of food, corporations have become the decisive force in the quality, choice and price of food available to the shopper.

As a minimal first step toward keeping corporate food power in check, the country's antitrust apparatus ought to be focused on food. The Federal Trade Commission shows some hopeful signs that it might be listening to consumer and farmer complaints on food issues. The chairman of the commission, Lewis A. Engman, has announced creation of a special task force of lawyers within FTC's enforcement branch to develop and implement a program of antitrust action directed at the food industry. Whether Chairman Engman's highly-touted "National Food Plan" will be more than window dressing is questioned by several consumer and farmer organizations, but at this point they are grateful for any official response tossed their way.

Also encouraging are signs that at least a few congressmen are waking up to the corporate presence and beginning to probe for some answers. Within the last six months, the Senate Select Committee on Small Business, the Senate Commerce Committee and the Joint Economic Committee have conducted public hearings on the role of corporate middlemen in the food economy. In addition, the Senate Antitrust and Monopoly Subcommittee and the Senate's Permanent Subcommittee on Investigations have shown an interest in corporate activities that affect farmers and consumers.

These are halting, first steps, but they are important. Old perceptions of food power, based on the idea of independent farmers responding to sovereign consumers, no longer are valid. Increasingly, corporations are the decisive force at both ends of the food chain. That fundamental shift in power is too important a matter to be left to USDA and corporate executives.

The most lasting and significant impact of 1973's skyrocketing food prices may well be the wide public attention that the jolt of those prices attracted to food economics. The food issue will abate somewhat in intensity, but it will not go away, and neither will public attention. The food industry can expect much more scrutiny in the months ahead.

The PRESIDING OFFICER (Mr. HUDDLESTON). Under the previous order, the Senator from South Dakota (Mr. ABOUREZK) is now recognized for 10 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that any time yielded back by the Senator from Colorado (Mr. HASKELL) be reserved to my time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ABOUREZK. Mr. President, those of us who represent livestock producing States have been deluged with telephone calls, telegrams and letters over the past several weeks. This outpouring represents the genuine outrage felt by consumers and producers over present livestock and meat prices.

There is reason for that outrage. Both ends of the food chain are being taken for a ride. The producer has seen the prices he receives plummet from a high last August to a point where he is losing $150 or more for every animal unit he sells. But the consumer has yet to see any evidence of this decline in the prices he pays at the supermarket.

In August 1973, choice steer prices per 100 pounds in Omaha were $53.71. By March of this year they had dropped to $42.36. Now they are below $39. But the average retail price of choice beef in August was $1.44 per pound. In March this had fallen to $1.42.

In short, an $11.35 drop per hundredweight in cattle had translated to only a $2 per hundredweight drop in retail prices.

The livestock producers' problems do not end there. At the same time that his prices received have dropped drastically, his expenses have gone up. First quarter 1974 figures show that a selling price of $51.13 per hundredweight would be required for corn belt cattle feeding to cover all costs. The first quarter average prices were $45.39. Since then, prices have dropped even further. You can bet that expenses have not.

To add a final cruel twist, livestock producers have seen foreign meat imports increase to the point where imports now account for about 10 percent of domestic production. Since last October, imports have increased nearly 44 million pounds over what they were in the same time period a year ago.

As indicated, the consumer has not gotten any price break out of these producer problems. But somebody has. A recent television special on the "Food Crisis" reported that supermarket profits increased 34 percent last year. The other middlemen between the producer and the consumer seem to be doing all right, too.

Even imports have not helped much to keep consumer prices down. But they have increased the risk that the consumer will get unsafe meat. Only a tiny portion of the meat imported into this country is subject to anything approaching adequate inspection.

These are some of the problems facing our livestock producing areas. What are some of the solutions?

Interestingly enough, the discussion taking place right now is one small part of the solution. Before any problem can be solved, there must be a recognition that a problem exists.

Unfortunately, the American food consuming public has come to take that food for granted. When they go to the supermarket to buy a loaf of bread or a pound of hamburger, little thought is given to how that bread or meat got there in the first place.

I have little doubt that if the consumers of this Nation come to understand the complexities and implications of the problems now facing the livestock industry, they would support fully the efforts to prevent its collapse.

We need to have more people speaking out about this problem. We need to have more television specials focusing on food issues. We need more attention paid to this kind of issue from the top.

In that context, I would like to praise the President for calling a high level meeting on this subject today. It is exactly this kind of attention that is needed so that we can move to solve other facets of the problem.

One of those facets is, of course, meat imports. Nearly every developed country in the world—Japan, Canada, the Common Market—now bans the import of beef. The notable exception is the United States.

In 1964 Congress recognized this problem and passed a law declaring it to be the policy of this country that imports of meats should be limited. That same law, however, also provides that the President may suspend the restrictions on imports if he determines that such action is required by overriding economic or national security reasons. Import quotas have been in suspension since 1972.

Ironically, the law also requires that in making his determination as to whether import quotas should be imposed or suspended, the President must give "special weight to the importance to the Nation of the economic well-being of the domestic livestock industry."

I think it is time that Congress reasserted the interest indicated by the 1964 law. The authority granted the President to suspend import quotas should be tempered by a requirement that such suspension can be only temporary unless given specific congressional sanction. Further, even this congressional action should have a time limit within which the action would have to be reviewed.

I have cosponsored legislation that would do this and I hope it gets speedy consideration.

There is another aspect of this import problem that has not received nearly enough attention. If we are to expand our consumer reliance on imported meat, we are also subjecting our consumers to foreign meat inspection standards.

Domestically, we have nearly 7,000 full-time Federal inspectors to keep an eye on the nearly 1,100 plants that process meat animals. There are State inspectors in addition. They generally do a good job, and we have a reasonable assurance that 100 percent of domestically processed meat is inspected at some stage of the procedure.

In the case of imports the story is just the reverse. There are nearly 1,100 foreign plants that are licensed to sell in the United States. Technically, sanitary standards of these plants are supposed to equal domestic standards. To achieve this we have about 75 inspectors who must spend much of their time traveling.

The effect of this is that only about 1 percent of the meat imported into this country is inspected. I think the American consumer is entitled to more protection than that. That is why I intend to introduce legislation on Wednesday that would direct the Secretary of Agriculture to establish a system of thorough examination and inspection of all livestock and livestock products imported into this country.

I hope that my colleagues will join me in cosponsoring this bill.

One of the themes that runs through nearly every one of the calls, letters and telegrams that I have received is "why haven't retail prices dropped as much as cattle prices?" It is a question for which there is no answer.

The fact is that retail margins have shown steady growth. The average for the first 4 months of this year is running 10 percent ahead of last year and 66 percent above the average for 1968. This is over twice the inflation rate for this same period.

Again, this is a problem that did not suddenly emerge in the last week or two. In December 1972, I took part in a series of hearings held by the Monopoly Subcommittee of the Senate Select Committee on Small Business. The subject of those hearings was the role of giant corporations and food.

One of the recommendations that was renewed in those hearings was that the Federal Trade Commission should monitor the food industry closely and report periodically to Congress on changing patterns.

I support that recommendation and am pleased that the Federal Trade Commission has indicated to me that it does intend to expand its efforts in food related areas. Two months ago, 11 of my colleagues joined me in co-signing a letter to Chairman Engman of the FTC offering our encouragement for more efforts in this area and urging close coordination with Congress as that effort continues.

Today, there finally seems to be some progress. However, I would renew my call for giving this area top priority.

No area of consumption is more directly visible and urgent than food. The American consumer is entitled to know what is going on in the merchandising and distribution of food products. I hope that the FTC will not only speed their investigative activities, but also will do so publicly so that there can be full awareness of what is going on.

Another aspect of the livestock crisis that I would like to touch on briefly is the credit crunch that is building up in rural America. The cattle industry survives on the basis of loans made by private lending institutions and production credit associations.

Normally, these loans are secured by the cattle themselves. This is good collateral ordinarily because as the cattle gain weight, their value also increases. Unfortunately, these are not ordinary times and price drops have undercut the value of the cattle as collateral to secure loans.

This, in turn, pressures the bankers who are holding the loans and in some instances they have been questioned by bank examiners. There is a very real threat of wholesale foreclosures which would only depress the market even further while making it very difficult for individual operators to attempt to ride out the present situation. Once you are sold out, it would be almost impossible to get back into business.

Further, this ties up credit for all other rural needs as well. If a bank has a great deal of its money tied up in unstable cattle loans, it is going to be all the harder for any borrower, no matter what his needs or collateral are.

There are several bills dealing with this now before the Senate Agriculture Committee. I am a cosponsor of some of them. I think that it is important that we guarantee these loans on a temporary basis. In the long run, cattle producers do not want more credit. They feel they are too heavily burdened by debt already. They feel, and I think they are right, that they can work it out over time. But if they are sold out in the short run, it will be too late.

Loan guarantees will not make up for the billions of dollars that have already been lost. Hopefully, they will help assure that there will be some cattlemen left to produce meat for the consumer in the future.

Jawboning, meat import quotas, meat inspection, FTC price-spread investigations, credit guarantees—all of these are part of the solution. There is something even more basic that must be done.

We must bring the horrible inflation that we have been suffering under control. Meat is an item that the economists call income elastic. What that means is that as prices go up, people buy less and as prices go down, people buy more.

The fact is, the price of everything has been going up. And as the consumer tries to stretch his strained budget, meat is an item that goes down in quantity purchased. Per capita consumption of meat in this country has started to decline.

Unlike a durable item, meat is something that cannot be stored forever. Once consumption is lost, it is lost forever.

There is much that we can do to help stabilize the livestock industry. One of our foremost tasks must be to start taking steps that will help bring down the consumer prices for all items.

Mr. President, I hold in my hand a list compiled by a group of farmers in South Dakota, given to me by Jim Woster of the Sioux Falls stockyards 2 days ago while I was out there. The list gives a comparison of farm costs between the years 1973 and 1974, which I ask to have printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ABOUREZK. Mr. President, I am urging that the President, as soon as possible, reinstate the import quotas on beef and conduct an investigation, as has been called for by a number of Senators, myself included, into why retail prices have not dropped when, in fact, there has been a dramatic and sharp decrease in the price of live cattle at the market.

I believe it is time we did something to protect an industry that is so vital to all the people of this country. Indeed, if we are going to be providing food all around the world for a great many years to come, we will not be able to do that, either for our people at home or for those abroad, if we destroy the livestock industry of this country with whatever is happening to it today, without any effort on the part of Congress and the administration to try to save it.

Mr. President, I ask unanimous consent that the remainder of my time be reserved to the time of the Senator from West Virginia (Mr. Robert C. Byrd).

The PRESIDING OFFICER. Without objection, it is so ordered.

EXHIBIT 1

FARM COSTS (APPROXIMATE)

	Average		
	1973	1974	Percent
Fertilizer (ton)	$82	$178	117
Gas (gallon)	22¢	39¢	77
Diesel (gallon)	19¢	33¢	77
Steel posts (each)	$1.20	$2.10	75
Barbed wire roll (80 rod)	$29	$45	96
Weed spray (gallon)	$4.46	$9.15	105
Welding rod	$11 (50 lb.)	$10 (10 lb.)	455
Sickle sections (each)	12¢	33¢	175
Cultivation bolts (each)	18¢	43¢	140
Alfalfa seed (pound)	78¢	$1.71	119
Baler twine (bale)	$7.75	$29.50	380
Cement (94 lb. bag)	$1.85	$2.45	33
Galvanized pipe (18 ft.)	$12.50	$20.50	65
Pump cylinder (well)	$56	$96	71
Cattle concentrate (ton)	$105	$159	51
Hog concentrate (hundredweight)	$7.50	$15	100
Oil (gallon)	$2.25	$3.25	45
17 items (average)			105

Note: Sugar (10 lb.) $1.39 to $3.09. Parts and labor; taxes, interest; for the feeder, feed grains.

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent, without prejudice to Senator TOWER or any other Senators on the list of those to be recognized today under the previous order, that the distinguished Senator from Iowa (Mr. HUGHES) now be recognized and that his time be charged against the time under my control.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUGHES. Mr. President, I thank the distinguished Senator from West Virginia for rearranging the time, particularly for my convenience.

This morning, a number of us who represent States who are experiencing a great deal of difficulty in their livestock producing industry have asked for time to express concern not only on our own part but also for the tens of thousands of people in our States involved in this industry.

The independent livestock producing industry, foundation of the Nation's protein production, is at the life or death stage.

Unless emergency measures are taken at once, tens of thousands of efficient beef and hog producers will go down the drain. And if they do, they will take many banks, small agribusiness enterprises, and others with them.

They are in the worst cost-price squeeze predicament since the 1930's.

Lest this seem like a special interest cause, let the consumer take heed that if large numbers of small, independent meat producers go bankrupt and out of business. They will not be coming back. Their exit will be for keeps.

And if the country's entire meat production is delivered exclusively into the hands of the big, integrated agribusiness combines, the benefit to the consumers of reasonably priced meat products will be only a memory.

I have lived most of my life among the cattle feeders and hog farmers of Iowa.

As a matter of fact, 7 years of my life I spent buying livestock, hogs and cattle, in northwest Iowa. At one time I knew every feeder in my county, and was related to them in business ways. These are a self-reliant, independent, and hardy breed who do not flap easily. They have been through hard times before and they are the most genuine and hardy private enterprisers of our private enterprise system. It has been more than 40 years since there has been such a mood of desperation in the industry.

A rural Iowa implement dealer put it this way, last week:

> While other businesses are making money, farmers' production costs are going hog wild. Young farmers who were breaking even a few months ago are losing money now.
>
> If a farmer is feeding a 1,000 head of cattle and losing up to $200 a head, it is obvious that something will have to give. It is the same with hogs.
>
> Meantime, the cost of farm machinery is soaring. We got a 25 percent increase in the cost of parts in one crack last month.
>
> It is a picture of desolation.

Mr. President, this is not just the cattle and hog farmers' problem; it is the Nation's problem.

It is also not just a matter of inefficient producers going under. These are the finest meat producers in the world, and their troubles were brought on by economic forces and Government policies beyond their control.

Massive grain exports—particularly the disastrous Soviet wheat deal in 1972—put these forces in motion. While the big exports brought increased grain prices for a time, with benefits to farmers who had uncommitted grain, they led to chaos in the grain markets with an orgy of uncontrolled speculation and overly optimistic expectations for future exports.

The consequent upward spiral of feed grain and oil seed meal prices raised havoc with the livestock feeders.

The latest hog-corn price ratio stands at 100 pounds of live hog being worth less than 10 bushels of corn. This does not even come near to the breakeven point.

In the meantime, prime beef steers are selling at giveaway prices.

Even more ruinous than the infamous beef price freeze was the fact that the USDA gave carte blanche to the big multinational grain dealers to commit our supplies on the world market—with subsidy support and with inadequate concern for domestic needs. No measures whatsoever were taken for replenishing our grain stockpile which had been so unwisely disposed of.

Unfortunately, an abrupt change in the raw foodstuff supply available to the domestic market is one of the most unsettling things that can happen to the Nation's economy. Demand for agricultural products is relatively inelastic—a fact which is not generally understood. When farmers overshoot demand. Price tends to go down several times further, percentagewise, than supply has moved up. On the other hand, a drop in availability below usual domestic consumption levels tends to result in a price rise several times greater, percentagewise, than that of the supply drop.

It is this characteristic of farm-product demand which partly explains the consequences of the enormous 1972 export sales. When the cost of living index later began to reflect the rise in farm product prices, a general wage adjustment got underway in nonfarm industries. This was an understandable reaction and not without some justification. The oil embargo compounded the resulting rise in food handlers' margins by increasing transportation costs.

In view of the new crop prospects and some consumer resistance, we now see food demand softening, but most of the impact is on the farmer's price. The margins between him and the consumer are not very likely to come down.

The question arises: What about the profits farmers have been making in the last couple of years, as reflected in the President's comment: "The Nation's farmers never had it so good"? Are the farmers asking the nonfarm taxpayers to bail them out? the answer to this is a resounding "No."

They expect the Government to operate evenhandedly. In 1973, when food prices were climbing, the Federal Government slapped on a freeze, causing prices to drop for food producers at the other end of the food pipeline. Now that farm prices are dropping right through the floor, they want to see some action taken on their behalf.

It is true that many farmers made a profit in 1972 and 1973. Few of them became rich overnight. But they have been doing backbreaking physical labor for years in a business that is fraught with risk and that requires huge outlays of investment capital for machinery, land, and maintenance. Now when they have a couple of good years, most of them use the income to pay off their considerable debts.

Finally they are not looking for a Government handout. What they want is a market that operates fairly.

If meat prices fall at the wholesale level, they should fall at the retail level as well.

And a drop at the retail level would help the consumer; they would deplete the backed up supplies.

Mr. President, the letter to the President signed by a number of Senators as a result of the meeting which Senator MANSFIELD so wisely called last week lays it all on the line.

The meeting at the White House today called by Presidential Counselor Rush and Secretary Butz is a step in the right direction.

But time is of the essence. Dialog is not enough. We need action—and action now. Long- or intermediate-range solutions will not do.

The emergecy is now—and next month or even next week may be too late.

Not one of the measures recommended in our letter would be sufficient in itself. In combination, they will have some effect. It is the least we can do in the face of an impending tragedy that would rock the Nation.

Exercise the authority the administration now has under the existing meat import law to prevent flooding of world supplies on the American market.

Negotiate with Canada and other countries which have imposed restrictions on the importation of U.S. meat.

Increase at once Government purchases of red meat and poultry from the school lunch program, the armed services, and the commodity distribution program.

Lean on wholesalers, retailers, the middlemen to pass through to the consumers the benefits of low meat prices, calling upon the Federal Trade Commission to follow through with immediate investigation if persuasion is of no avail.

Mr. President, the situation in the meat producing industry is as dire today as it was in the 1930's.

It requires immediate, decisive action by the Government—leadership such as President Roosevelt gave in the 1930's—to avert certain disaster that would affect the entire Nation for decades to come.

I certainly commend the White House on the meeting that is being held there today, and would call upon them and the Secretary of Agriculture to do everything in their power to immediately bring some relief to this industry, which is getting in tragic shape.

I would like to say to my colleagues in the Senate, Mr. President, that for many years to come this will have a lasting effect if something is not done immediately.

We bailed out other segments of our economy and industry when they got into serious trouble; everything from the railroad industry to those in manufacturing lines of armed services production. Here we have the small independent producer who has been the greatest independent believer, actually, in a free and open market system in very serious and drastic trouble, all the way from the cow and calf man on the range in the Southwest to the heavy feeder of cattle in the Midwest markets.

What is happening now is going to have a lasting effect, and it could well affect the price of meat and the production of meat not just in this country, but worldwide as well.

I cannot recall a more serious time since I have been an adult than exists today.

To cite an example, one man purchased a farm in 1962 for $250 an acre. He had the farm paid for in 1969. Thirty days ago, he was forced to obtain a $60,000 mortgage on his land to pay for his debts. The $60,000 would not pay all of his bills. This same feeder has 250 head of cattle that he purchased 5 months ago. At the current market price he could not even regain his purchase money. His mortgage money is gone and he still owes money for the feed. Without emergency financing this feeder has no hope. After years of successful operation he can lose every cent and still be deeply in debt.

Another example is that of a 61-year-old farmer-feeder who had a 240-acre farm free of debt for the last 15 years, who was forced last week to obtain a $50,000 mortgage and now needs another $50,000 to finish paying his debts. His ability to continue for another year is almost impossible without emergency financing. Another farmer managed to accumulate a net worth of $250,000 by 30 years of hard work. In the last few months his net worth has dropped to $96,000. This farmer-feeder's accounts payable are unmanageable. If he were to sell all his animals and machinery, he still could not pay all his bills. This man started farming and feeding with 5 milk cows, 20 head of feeder cattle, and 300 chickens. He has less today than he had 30 years ago.

A feed dealer in northwest Iowa reports that last week he saw grown men actually cry because of the financial mess they face.

These are not just the exceptions. We have feeders all over the great feeding areas of this country losing $125 to $200 a head on cattle that are feeding, and who are depending on the market in some way to stay reasonably level. These are free-enterprise men who have never wanted support or assistance in the marketplace. But today, because of the economic fluctuation at both the national and the international level, we are forcing out of business many of these people, and it will have a lasting effect on our economy.

The average age of the farmer-feeder in Iowa is 59 years. It takes tens of thousands of dollars, and many times in excess of $100,000, just to make the investment in machinery and land to begin a farm operation. Young men and women are not willing to take that risk any more in our economy. We are breaking the back of the independent farmer and feeder in our economy. As these farmer-feeders get to their 60's, their children are not willing to take over. We are destroying the economic stability of this country. We all know from experience that when the farm-agriculture business is destroyed the rest of the economy follows soon thereafter. They will quit buying farm machinery and everything related to the operation. The production line will slow down and we will not be in a recession but in a major depression if this continues.

We can take temporary measures and I pray to God that out of the conference today at the White House will come those temporary measures. I think we should bring pressure on the retailers to make sure that the price of meat goes down comparable to what it has gone down in the farm-feeder lots across the country. It is time that the housewife received the benefits from what the farmer has done. As far as I know there have been no large wage contract increases in recent months in the retail food industry; the benefits might have gone into the retail markups; there is plenty of meat to supply the needs of this country. If all this is true then someone is making a huge profit that is draining the pocketbook of the consumer and robbing the feeder all across the country of his share in the economy.

I pray that at this time when we face a back breaking problem in the major protein industry in this country, when we have the tremendous capacity to meet not only the needs of this Nation but the needs of the world, that we in Congress will share the responsibility of facing this problem and do everything psychologically as well as realistically to take the sting out of this wildly cycling market to help these men and women to continue in this business in America.

Along with my colleagues in the Senate representing over one-half of the States in America with independent farmer-feeders and the rest of the States that depend on them for meat products, we express this hope for our industry which is so badly damaged today. The feedyards are full of cattle which are too fat and every day that they get fatter they bring less, and that will cost more. It is going to be a national disaster in this country unless something is done about it immediately.

Mr. President, I yield the floor.

The **PRESIDING OFFICER**. Under the previous order, the Senator from Texas (Mr. TOWER) is recognized for 10 minutes.

THE LIVESTOCK INDUSTRY

Mr. TOWER. Mr. President, I join other of my colleagues in expressing deep concern for the most serious economic problems confronting the American people today, and that is the plight of the livestock industry. I express with others the hope that something constructive will come from the White House Conference, something that can be done now, because the problem is immediate, it is on us, and it may require drastic action if there is to be any hope for a resolution of the problem. The plight of the cattleman has serious, long-range implications for the American consumer. Should this industry be seriously crippled, it will mean in the future we will not have available a high quality of meat products available to the housewife today at reasonable prices.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, without prejudice to Mr. CHILES, that Mr. CLARK may now be recognized.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

BEEF PRICES

Mr. CLARK. Mr. President, the livestock industry in the United States has come face-to-face with the worst disaster in its history. These farmers have never had it so bad. The prices that producers receive for beef and pork have fallen sharply over the past 6 months, but their costs remain at record high levels. In March, the cost of farm supplies increased more than 2 percent while, at the same time, the prices farmers received for their products fell 4 percent.

And it is even worse for cattle feeders who have been losing from $100 to $200 a head throughout 1974. Many individuals have lost hundreds of thousands of dollars. The industry as a whole has lost more than $1 billion.

The situation in the swine industry is no better. The price of hogs has dropped 45 percent since December, and like beef, it is now well below the cost of production.

There is evidence that this financial crisis is spreading to other segments of the livestock industry. For example, turkey and broiler producers also are suffering from this very painful price-cost squeeze.

The problems began with the administration's incredible decision to freeze beef prices and to keep them frozen after other price controls had been lifted. Now, we are paying the price of that shortsighted policy.

In the past several months, I have heard from thousands of farmers who are losing—or already have lost—the farms and assets they have worked so hard to build. Six months of high costs and low prices are wiping out the results of decades of dedicated labor.

These bankruptcies may not be limited to farmers and ranchers—they extend to the businesses, banks, and even entire communities which depend upon beef and pork production. As farmers are unable to pay their bills, the feed companies and other firms which supply them will fail. This, in turn, will have a devastating impact on the economies of many rural communities. It may already be too late prevent it in some towns.

The catastrophic drop in farm prices, especially beef and pork prices, has not been reflected in significantly lower consumer prices for goods on the supermarket shelf. The "spread" in farm prices—the difference between what the farmer is paid for his product and what the consumer pays for it—has grown even larger over the last year, and there is no indication that the trend will reverse itself. And, as John Hightower put it in an article in yesterday's Washington Post—

> What that means is that consumers will pay much more for food this year and much less of what they pay will go to farmers.

The difference goes to the processors, wholesalers, and retailers in the middle.

Hightower's article offers some fascinating information about farm prices and the fruits of the price "spread." I ask unanimous consent to insert excerpts from the article in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

> In 1973, the farmer was averaging 46 cents of the food dollar. By May, 1974, that already had fallen to 42 cents, the same level it was prior to the boom of 1973. And the farmer's share is expected to fall even more during this year. The retail price of food is hardly keeping pace. A Department of Agriculture report shows that the price of bread rose from January to April by two cents, while the farm value of bread ingredients fell by two cents. That is four extra pennies picked up by middlemen every time a loaf of bread is bought . . .
>
> During April, farm prices overall fell another 4 per cent, with the price of cattle falling from 39 to 37 cents a pound, hogs down from 31 to 26 cents a pound, wheat down from $3.98 a bushel to $3.52, cotton down from 58 to 49 cents a pound and eggs down from 50 to 42 cents a dozen.
>
> A remark in May by Herbert Stein, chairman of the President's Council of Economic Advisers, is depressing to farmers and consumers alike. He said, "The declines in farm product prices are likely to be reflected in much smaller increases in retail food prices than occurred in the first quarter of 1974." Only the Grocery Manufacturers of America and the National Association of Food Chains can appreciate the logic of that.
>
> In fact, that is the kind of logic that food middlemen can carry to the bank. The Federal Reserve Bank of Chicago said in its May 31 agricultural letter that "the available evidence suggests that higher profits have contributed to the widening farm-to-retail price spreads." That conclusion is supported by Business Week magazine figures showing that in the first three months of this year the largest food retailers had profits that were 59 per cent higher than a year ago, even though their sales were up just 14 per cent.

Earlier this year, many people held to the hope that the situation would soon reverse itself. There were predictions that the "corner had been turned." On March 13, for example, a USDA official testified before the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices that—

> We believe the cattle market has bottomed out and there should be a general uptrend in the months ahead . . . and prices could be expected to run higher than the $46–$47 January–March average."

However, on June 12, the price of cattle hit $35. It is not surprising that farmers are hesitant to accept the current belief that this represents a bottom price and that higher prices are close at hand.

Everyone hopes that price improvement is just around the corner, but there is little reason for optimism. In fact, further price decreases may well be in sight. A USDA economist has said that—

> In 1975, output will be so large that the world beef trade will fall sharply and the weight of low beef prices should continue to exert downward pressure on veal, pork, poultry, fish and even dairy products.

Two foreign agriculture service economist have predicted that if slaughter rates return to the level of the 1960's, and if carcass weights increase on trend, worldwide beef and veal output could increase an additional 20 to 25 percent next year.

The situation is so bad that action is necessary even if it appeared likely that prices would soon rise. But there is no promise of improvement. And it is not only farmers and rural communities that will be affected by this. Ultimately, everyone will suffer. Widespread losses and bankruptcy in the livestock industry inevitably will mean less production and substantially higher meat prices for consumers in the future.

Every consumer has a stake in seeing that the livestock industry gets the help it needs now.

Mr. President, in conclusion, several steps can and must be taken to provide assistance to this industry:

The first is an emergency loan program for livestock producers. The subcommittee on Agricultural Credit and Rural Electrification is holding hearings on several such bills today, one of which I have introduced. And I hope that the committee and the Senate will act quickly on the legislation.

A second helpful step would be to reimpose quotas on meat imports. The meat shortage which led to the removal of quotas in June 1972, has disappeared. There is simply no justification for permitting unlimited meat imports into our Nation today, and I strongly urge the administration to take the step. At the same time, the administration can do more to encourage beef exports. Specifically, this country can accelerate negotiations with Canada that will lead to a lifting of the Canadian ban on U.S. beef imports.

Third, there should be an immediate investigation of the price spread received by wholesalers and retailers. Retail prices have not fallen nearly as much as livestock prices. Is price fixing involved? Have the antitrust laws been violated? I hope the Federal Trade Commission will expedite its investigation into this and that the Justice Department will also take part. In the meantime, every effort should be made to encourage beef and pork retailers and wholesalers to reduce the spread between the price on the supermarket shelf and the price paid to producers.

A fourth step is to increase Government purchases of meat. The administration should immediately speed up its purchases for commodity distribution programs and for the military by as much as $100 million.

These steps will provide some relief to the livestock industry, but they will not restore its vitality. Only when the entire economy is healthy once more will consumers buy enough meat to put the industry back on its feet. This week the Senate will be considering legislation to cut personal income taxes by $6.6 billion. By increasing consumer buying power, this tax cut will do more to restore profitability to the livestock industry than any other single measure. And I hope the Senate will consider this when it votes on the tax cut.

Mr. President, I ask unanimous consent that several articles from this morning's Wall Street Journal on the beef situation be inserted in the RECORD at this point.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

FOOD-PRICE FLAP: CONSUMERS COMPLAIN WHOLESALE DECREASES AREN'T PASSED ALONG

(By David M. Elsner)

After months of griping about record-high food prices, shoppers now are complaining bitterly about lower ones.

As consumers see it, and as the government seems to agree, food prices aren't getting low enough fast enough. While retail prices of many foods have slipped from their peaks, the dip hasn't been commensurate with downward price movements at the wholesale level. For instance:

By June 1, Chicago wholesale choice-beef prices had plummeted by more than 28% from their highs in February, but according to unpublished government figures, the average national retail price fell only about 10%. Since then, wholesale prices have continued to drop with little change at retail.

At the same time, wholesale pork prices tumbled more than 27% nationwide while average retail prices dropped only 19%.

In Chicago early this month, supermarkets sold frying chickens at an average price of 50 cents a pound, nearly 46% below Jan. 1 levels. Over the same period, however, wholesale prices averaged 31 cents a pound, down 58%.

Atlanta supermarkets recently charged an average 79.9 cents a dozen for Grade A large eggs, a 22% drop from Jan. 1. Meanwhile, wholesale prices in the city dropped 26% to 56 cents a dozen.

Wholesale prices of yellow onions in Chicago have fallen from 19% to 24% since the beginning of the year, but the retail price has remained constant at an average 23 cents a pound.

Similarly, Chicago green beans at wholesale brought 21% less in early June than on Jan. 1, while retail prices have fallen only 12.5%.

Overall retail food prices in some cities have continued climbing despite the weaker wholesale market. In New York, the cost of buying a market basket of 38 items designed to feed a family of four rose 0.7% during the week of June 6 following a 3.7% drop in wholesale prices during March and April, the city department of consumer affairs reported last week.

JAWBONING TODAY

So far, most of the controversy has focused on meat, which is the largest single expenditure (about 32%) in the typical American family's food budget. Today agriculture Secretary Earl Butz and Kenneth Rush, the presidential economic counselor, are scheduled to meet with representatives of the supermarket and meat-packing industries in an attempt to persuade them to lower beef and pork prices. (For details, see story on page 12.)

It won't be easy. "We've got to try to recoup somewhere," says an executive of an Eastern supermarket chain. "Everyone around here took a real beating last year with A&P cutting prices. We're only trying to make up a little of what we lost; 1973 was a lousy year."

Another supermarket official argues: "If retail prices don't go up as fast as wholesale ones, why should they come down as fast?"

That argument doesn't sit well with consumers and government officials such as Secretary Butz. "It is high time that these lower farm prices show up more fully in lower retail store pricing," he says. "While food prices at stores have leveled off some, (profit) margins are still higher than normal."

The supermarket industry's net profit fell to 0.49% of sales last year, the lowest level in many years, and many individual chains posted larger losses. The poor performance was due largely to price controls and, in the East and parts of the Midwest, intense price-cutting competition from A&P, which was trying to bolster its share of the market. In addition, during the summer meat shortage a number of large chains bought and custom-slaughtered cattle to keep beef in their meat counters and thus, it was thought, steal a march on competitors that ran out. But the losses on such operations ran up to $40 a head.

THE SUPERMARKETS' STORY

"Supermarkets have little choice but to raise gross margins, whether it's by keeping retail prices steady as wholesale prices decline, or by actually raising prices," says Wendell G. Earle, professor of marketing at Cornell University's New York State College of Agriculture and Life Sciences. "For one thing, many stores are having to put a lot of money into remodeling and buying expensive refrigeration equipment to meet the growing demand for frozen foods. With their poor profit record of last year they're finding it impossible to go to the capital market for funds."

Supermarket operators say that their gross profit margins aren't improving appreciably. A study of 147 grocery companies by the Super Market Institute, a trade group, says that gross margins during the first quarter of the year rose only 0.1% from a year earlier to 20.8%. That gain has been eaten up by increased costs, grocers contend.

"Everything is up," laments Herb Asselstine, president of Red Owl Stores Inc., a Hopkins, Minn.-based division of Gamble-Skogmo Inc. "Our labor rate has gone up 15% since price controls have ended, packaging costs are way up, transportation is out of sight and every utility around is standing in line for rate increases."

Mr. Asselstine says that all adds up to higher retail prices—but not for awhile. "Nobody wants to be first," he says. "Everybody's afraid of losing his market position, and it's going to take six months before people in this business realize they can't go on like this any longer."

"This wholesale price criticism is completely unfair," says Julie Kravitz, president of Pic'N Pay Stores Inc., a Cleveland chain of 56 stores. "For instance, a little over a year ago I was paying 1.75 cents for a paper bag. Today they're 2.2 cents apiece. That may not seem like much, but it comes out to $400,000 a year."

In addition, Mr. Kravits says price-cutting competition is not over. Last week, for example Pic'N Pay bought coffee for $1.31 a pound and sold it for $1.19, and bought a salad dressing for 87 cents a jar but sold it for 79 cents—to meet competition, Mr. Kravitz says.

The question of whether retail prices are adequately reflecting lower wholesale prices soon may be moot, some experts think. Agricultural economists say there is a possibility of tighter beef supplies later this year, which could lead to higher wholesale and retail prices. Further, cold and wet weather throughout the Midwest has hindered planting of spring wheat and corn, and thus the size of these important crops could be reduced somewhat from expectations of bumper harvests.

Sizeable retail price increases already have been posted for sugar, and more are in store. Grocers are selling five-pound bags for $1.25 to $1.50 each—up from 79 cents in March—but in the next few months the price is likely to reach $2.

WHITE HOUSE TO JAWBONE MEAT MEN TODAY ON HIGH PROFITS, BUT WON'T CURB IMPORTS

WASHINGTON.—The White House plans to haul out its jawbone today to try to beat down profit margins of meat processors and retailers, but it won't reimpose quotas on imported meat to aid domestic livestock raisers.

Kenneth Rush, presidential economic counselor, outlined that strategy in advance of today's scheduled White House conference with meat-packers, supermarket chains, and cattle and hog producers. The session was called to discuss the curious combination of depressed livestock prices and enlarged meat-industry profit margins. The White House official said he'd press the packers and food chains to narrow their meat profit margins in order to spur consumer demand—an action that ultimately would benefit the stockmen.

But in talking with newsmen Friday, Mr. Rush also made clear that the White House doesn't plan to heed the call of some farm groups and farm-state Congressmen to reimpose meat import quotas in an effort to shore up slumping domestic livestock prices. Such quotas were suspended by the White House in mid-1972. Resorting to restrictive quotas, the official said, "should be avoided" because it would run counter to the broad U.S. trade-policy position opposing such protectionist measures.

HIGH PROFITS MARGINS

Meat-packers and retailers, Mr. Rush contended, "are making very high profit margins" that "should be reduced." In calling the conference with meat men, the White House last week said that although cattle and hog prices are down 20% to 40% from their February levels, retail meat profit margins are 16% higher than a year ago for beef and nearly a third larger than a year ago for pork.

Mr. Rush said he and Agriculture Secretary Earl Butz also will press the food chains and packers to step up promotional efforts, including cut-rate "special" prices, to spur consumer demand for meat and thus eliminate the meat glut that's currently depressing livestock prices. "We question whether they are making the effort they should make" to promote meat sales through special weekend price discounts and other means, he said.

Turning to other economic matters, the White House official said it would be "unrealistic" for Congress to pass a federal spending ceiling of $295 million for the fiscal year starting July 1. The Senate last week approved such a spending ceiling, which is $10.4 billion below the outlays projected for the coming fiscal year in the Nixon administration's budget.

"I don't think we can take $10 billion out of the budget" for fiscal 1975, Mr. Rush said. The administration is searching for ways to reduce spending below the projected $305.4 billion, he said, but doubts it can cut nearly that much. Some officials have indicated a cut of up to $5 billion is likely, but Mr. Rush wouldn't specify any target figure.

FISCAL 1976 OUTLOOK

For fiscal 1976, which begins a year from next July 1, "I'd like to see us in surplus," in contrast to a projected budget deficit of $11.4 billion for fiscal 1975, Mr. Rush said. That comment went slightly beyond his earlier assertions that the administration would aim for a balanced budget in fiscal 1976. The official indicated that the administration's tightened budget plans leave little room for new spending initiatives and will require legislation to scale back some outlays currently mandated by law.

Separately, Federal Reserve Board Chairman Arthur Burns urged rural-area banks to continue to make loans to cattle feeders despite livestock raisers' worsening financial position. In a letter to the regional Federal Reserve banks of Chicago, St. Louis, Kansas City and Dallas, the Fed chief said local bankers should be "reminded" of their "obligation" to provide credit to livestock men even though the short-term money markets might provide a more attractive outlet for bank funds.

Mr. Burns acknowledged that banks aren't expected to take "undue credit risks" on loans to cattlemen, but said that some banks "may be reluctant to make adequate funds available locally because of the very high returns" banks can earn by investing funds in the money markets, where interest rates currently are high. But, he said, the "first obligation of bankers is to the credit requirements of their service area."

Mr. CLARK. I relinquish the remainder of my time.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the times of Senators Bible, Jackson, and Humphrey be reserved to my control and that Mr. Chiles now be recognized.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHILES. Mr. President, I wish to join with the Senators this morning who have been participating in the discussion about the plight of our cattlemen and beef producers. I find that this is a problem of great magnitude in the State of Florida, as in many places throughout the country.

It is interesting to note that while the cattlemen and the beef producers suffer, the housewife gets little or no relief. When I go to the grocery store I still find the prices of beef and beef products have not come down anywhere near in proportion to what the prices the cattlemen and the beef producers are receiving for their product.

It seems to me that we enter into this cyclical problem constantly in regard to our beef producers. As soon as the price of beef goes up and the consumer begins to complain—and I complain along with them when the prices of beef goes up—then we immediately seem to open the floodgates for the import of foreign beef but we do not watch that cycle at all to see that when we have encouraged our producers and our cattlemen to produce more beef, as we did when the prices were up and told them to help try to meet the demand that we should need in this country, that this year's production of our domestically raised beef is up some approximately 20 percent, at the same time we keep open the floodgates of our foreign imports. Certainly that had to cause a break on the prices, which it promptly did. This was a break in the price that the cattleman would get when he took his beef to the market.

But that corresponding decrease then does not come through the chain because the wholesaler, the producer, and the retailer—or the wholesaler and the retailer—and the people who are handling the price in between are still keeping it up so that the housewife is not getting that bargain; and yet, at the same time, we now find that we are about to cripple our cattlemen and producers of the beef.

What is that going to do for the housewife? It is going to mean she is going to pay and continue to pay, because we are not going to have a viable domestic beef industry, and when we do not have that then we are going to be completely at the mercy of the exporters of the beef, those countries that sell beef to us, if we do not have a viable market ourselves.

It seems that the first step we should take would be to do something about this—to curtain, to cut back on the importation of the foreign beef, and then to see which other steps we can take to try to give some measure of protection to our domestic producers so that they will be able to survive.

Figures have been given this morning in regard to the number of bankruptcies and the number of cattlemen who are going out of business.

In my State, many of the cattlemen can go out of business because they have a value in their land, they can put that land on the market and sell that land on the market and get out of the cattle business. But we hate to see that happen in the State because then it means that we will not have a viable cattle market in our State. We know what that will mean to prices in our State.

The same thing is going to happen across the country if we allow the producers and the cattlemen to take this kind of beating.

It may well be that this would be the most appropriate time for the Government to find a bargain in its commodity programs, and certainly for buying for the school lunch program, buying for the Army, now would be one of the best times, especially if the Government would come in and buy at the wholesale level, which they can, without taking the increases that have gone through the price at the retail level, and this would help take some of the supply from the market and, at the same time, it would be such a bargain to the Government to buy this product to feed to the military, to feed to our schools and institutions. I would certainly encourage that to be done.

It would seem to me that the U.S. Department of Agriculture, with all of the money they have and all of the statisticians they have, certainly could be able to anticipate what they are causing with the cyclical demand, the demand and supply, wherein they open the floodgates after they know of the foreign imports, after they know what is happening in the increased production of our cattle here at home, and yet they allow that to happen and they go on for month after month until finally the hue and cry has to come by virtue of the men standing at the courthouse door losing their ranches and losing their farms before any kind of demand is really heard by the U.S. Department of Agriculture.

It would seem to me that their job would be to try to maintain a healthy domestic industry, and that that would be the first essential thing, to protect the consumer; because if we do not provide that health and that strength of the American producer, then we are not going to protect the consumer. So I hope that the U.S. Department of Agriculture will take heed, and see that something has to be done to restrict the importation of foreign beef and to try and answer the plight of the American cattleman.

Mr. President, I yield the floor.

BEEF PRODUCERS LEFT OUT OF PROFIT PICTURE

Mr. DOMENICI. Mr. President, many of my colleagues and I have taken the floor during this session to sound the alarm about mounting problems for beef producers, particularly those problems related to economic conditions.

On March 26 I presented a rather detailed and documented statement concerning the plight of cattle feeders in New Mexico. At that time losses were running as high as $140 per head for feeding operations in New Mexico. As of that time, one of my constituents had lost $208,579 on 4,367 head of cattle sold since October 1, 1973.

At that time I urged increases in purchases of beef by the USDA for child nutrition programs and the Department of Defense. I also suggested to Secretary Butz that USDA use its extensive relationship with the grocery industry to promote the movement of meat products to consumers. I suggested the reinstitution of USDA's plentiful food program to help accomplish that movement.

Since March, as we all know, the economic circumstances for cattle feeders has gotten even more severe and their plight has deepened. Now those disastrous conditions extend well beyond the feedlot and threaten to wipe out the very foundation of the cattle industry—the ranchers and cow-calf operators who breed and raise the herds which have historically provided this Nation with red meat in quantity and quality at low prices unknown to the rest of the world.

So, today, Mr. President, we find ourselves in a country where the producers of the cattle business—the rancher and the feeder—are being strangled by economic circumstances beyond their control. They are going broke and going out of business and the prospect of improvement without significant Government action combined with cooperation and restrain from middlemen—the packer and retailer—is virtually hopeless.

Beef producers face an unbelievable series of obstacles to economic stability, obstacles which have multiplied in the past year or so. In the Extension of Remarks section of today's Record I intend to share with my colleagues some of those problems and difficulties through the eyes of a typical New Mexico ranching family. For the remainder of my time, Mr. President, I want to address specific remedial action I feel are essential to improve the economic structure beef producers must operate within.

First, the most important single action this Government can take is to restore at once the meat import quota system established by the 1964 Meat Import Quota Law—Public Law 88-482. Many of my distinguished colleagues have joined me in urging the administration to terminate the suspension of that system, a suspension that most of the time since September 1972 has made the United States the only major meat producing Nation not employing some restraint on meat imports.

I have been reluctant, as I am sure most of my colleagues have, to interfere with existing arrangements for international trade or to change the general policy against unilateral actions to restrict meat imports as the EEC, Japan, and Canada have done. But, Mr. President, the time for adhering faithfully and rather blindly to policies that work in normal times is past. We can no longer afford that luxury. We are now in a genuine emergency, an emergency that requires some actions contrary to basic philosophies of international trade and economics.

As commendable as the efforts of the State Department and USDA are to work out voluntary agreements with countries flooding our markets with cheap, low-grade meat, those efforts will be "too little, too late." We must have a definite limitation by law and it must be now.

I am an original cosponsor of S. 3525, a bill to restore the quota system and I urge swift enactment of that bill if the administration continues to refuse to take necessary action. I had intended to modify that bill to require that the quota system be made retroactive to January 1, 1974, but I am advised that as written, S. 3525 would have that effect. This would mean that those countries which have exported more than their quota share since the first of the year would have to wait until their accounts had balanced out before sending any more meat into this country. That seems fair to me.

Another step the Government can, should, and must take is to find ways to provide temporary financial assistance for ranchers and feeders who without such help would be destroyed. There are hearings today on various legislative proposals to provide that assistance. I am hopeful that we can quickly produce and get enacted effective legislation of this kind. It is extremely important.

Referring back to my March 26 statement, I am still convinced that the Government could do more to remove some of the overstock of meat by purchases for legitimate and beneficial uses in the public interest. I think that there are ways which ingenuity and necessity could discover to utilize meat purchased by the Government. I am of the opinion that if we can find billions of dollars to aid our new found friends in the Middle East, we ought at least to be able to find a fraction of that to use for a twofold purpose—to help save the backbone of the meat supply of this Nation from total oblivion and provide much needed high-protein red meat for hungry and undernourished people here and abroad. Why could not we send our new found friends meat instead of money or aid in other less beneficial forms? There are any number of humanitarian and highly beneficial uses for the meat the Government could buy. Those possibilities are limited only by our ingenuity.

Finally, Mr. President, I think we in the Congress have done far too little, as I feel the administration has done far too little, in failing to concentrate public and consumer attention on where the high prices paid for meat at the grocery store are going. This is absolutely essential for at least two reasons.

First, the consumer has a right to know why, in a time of plenty, the prices he pays continue to reflect a shortage. Second, we cannot expect consumers who are having such a hard time with inflation on all fronts, to give their support to the kinds of government action I have urged unless they understand the situation and realize that beef producers are being forced out of business to the ultimate severe detriment of the meat consuming public.

Consumers ought to know that from the middle of January of this year to March, choice slaughter steers in the Texas Panhandle, dropped from 50 cents per pound to 41 cents per pound. This represented a drop of 18 percent, averaging out to $101 per head in just over 75 days.

It would seem that the consumer would benefit from such reductions of slaughter prices and normally, for every 1 cent drop in feed cattle prices, the retail price of beef goes down by about 2 cent per pound, after a maximum lag of about 3 weeks. However, this normal market reaction has not been the case over the past 6 or 7 months and particularly over the last 4. Citing again the 9 cent drop in feed cattle prices from January to March, we would expect the retail price of beef to to have dropped between 16 and 20 cents a pound. Yet, the reverse was true. The average U.S. retail price of beef went up from $1.43 per pound in January to an all time high of $1.50 per pound for the month of February.

Consumers ought to know that this combination of high retail prices and low producer prices is not only forcing them to buy less meat, but that it is wrecking the producing part of the industry. I think they ought to know, for instance, that farm prices for cattle have declined by as much as 40 percent from February levels and are as much as 50 percent below August 1973 levels. They already know all too well that only slight reductions have been noted at the meat counters across the land during the same time period.

Consumers ought to know that while they are continuing to bypass the meat counter in anger and disgust, ranchers and feedlot operators are also shaking their heads in frustration and dismay at losses as much as $200 to $250 per head on cattle they raise or feed. Consumers ought to know that the greed and short sightedness of middlemen has produced a price spread between farm and retail prices of beef that is 16 percent greater than it was a year ago.

Consumers ought to know, Mr. President, that in the aggregate, these conditions are going to catapult the cattle industry of this country into utter destruction. We will have undone in those few short months by inaction, inattention, and indifference all that years of diligence and independent hard work have been required to build—the strongest livestock producing industry in the world which is the very heart of the best protein diet enjoyed by any people in history.

Consumers ought to know that if this catastrophe occurs, it will prevail for not just a short time, but for many years. Unfortunately, the livestock business is controlled by biological facts which man, despite his ability to create factories, equipment, dams, and other engineering and scientific marvels, cannot duplicate or change.

Mr. President, I have received more mail on this matter, more urgent phone calls, more frantic telegrams on this matter from ranchers and feeders in New Mexico than any other single domestic issue since I have been in the U.S. Senate. This level of concern and this recognition of the magnitude of the problem was confirmed by a meeting of Senators from 15 beef producing States last week with Secretary Butz.

The people, the businesses who are communicating with us are not prone to cry wolf. To their credit, Mr. President, they do not want Government subsidies or regulation for their benefit. But the situation has become so desperate that without changes in existing conditions the beef industry will be dealt a crippling, if not fatal, blow. Therefore, Mr. President, we have a vital stake in making the proper accommodation of these existing conditions.

I am pleased to see that the President has directed Mr. Rush and Mr. Butz to convene a high level meeting at the White House today to discuss these problems. Discussion is good if it leads to action, but only action of the decisive kind and quantity I have suggested previously will avert the disaster that now is so imminent.

Mr. TALMADGE. Mr. President, over the last few weeks various Members of the Congress have attempted to draw national attention to the impending crisis of the livestock industry. As chairman of the Senate Committee on Agriculture and Forestry, I rise with a sense of urgency today to say it is not an impending crisis—it is an economic disaster. It must be quickly alleviated or the impact will spread throughout the economy.

It is not just a question of farm profits or cows or pigs or chickens, but rather this is a human disaster. Already, we know of at least one man who committed suicide when he saw his life's work disappearing before him. Another man who called a Senator's office began crying when he related that his 9-year-old daughter could not understand why they had to sell their farm and home. These are occurrences that remind us that human beings are behind the monthly statistics. They are also fearfully reminiscent of the depression.

The spreading period is evident in the closing of several small rural banks, as their borrowers—livestock producers—failed. This signals the beginning of the total breakdown of the community.

The demise of livestock producers is not entirely of their own making. Business failure is a normal risk in our free enterprise economy but the harsh reality of the market has been made more savage by ill-advised governmental intervention and institutional relationships that have prevented normal adjustments while permitting ever-widening farm-retail price spreads.

Livestock producers had attempted to respond to the market. Their efforts were admirable, as beef production, for example, increased 40 percent between 1962 and 1972. In January, the Nation's beef cow herd was nearly 43 million head and the number of cows and heifers was up a fifth from January 1970. This was in spite of severe drought in 1970–71 and heavy winter losses in 1972–73.

To achieve this, producers borrowed increasing amounts of money but at ever-higher rates of interest. They passed up high slaughter prices in retaining heifers to assure the expanded future supply our Nation's people want and deserve. Their efforts, however, only met with repeated market disruptions in 1973, skyrocketing feed costs—due to subsidized exports—and finally, market imperfections that have prevented movement of meat to consumers at a price reflective of the farm price.

Last week fed cattle prices were 25 percent below a year ago. This has broken the feeder calf market, where prices have plummeted in the past 5 months. Hog prices had fallen to half what they were a year ago. Egg and broiler prices were down about 25 percent.

The price of corn last week was 19 percent higher, while wheat, a very important component for poultry feed, was selling for 38 percent more.

Farmland prices jumped 21 percent in 1973 and interest rates also surged. The cost of fertilizer has in many cases doubled or tripled. In fact, the total index of production costs is up by more than a fifth, catching producers in a vicious squeeze.

Although we have what appears to be surplus stocks of meat today—over 1 billion pounds in cold storage—this is only about a 2-week supply. There are signs of shortages ahead. The number of cattle on feed on June 1 was 16 percent below last June, and the number of animals put on feed in May was down 40 percent from last May. Specifically, this means fewer fed cattle 6 months hence, therefore less beef, lower quality beef, and higher prices.

Beef is not the only commodity that will be in short supply. Farmers are expected to raise fewer hens and already the hatch has begun declining. This means fewer eggs. Hog numbers are off slightly and, with mounting losses—reported at $30 per head—contraction rather than expansion is expected. Dairy herds have been culled and the high cost of feed has reduced supplemental feeding, resulting in lowered per cow milk production.

We need to move immediately to end today's economic disaster and assure tomorrow's production. Uniquely, we are in a position to reduce two serious problems facing our Nation at this time.

The support levels for our school lunch

programs, needy families, and the elderly have all been eroded by inflation and the disappearance of crop surpluses. We now have meat and animal product surpluses that would, if used for these programs, achieve the comprehensive upgrading that the National Advisory Council on Child Nutrition has urged. We should expand these programs to assure more Americans, and especially our children, adequate food and nutrition.

To accomplish this objective, I urge the immediate purchase of livestock products by the Government for distribution to these programs. The recent Government purchases of ground beef, while appropriate, have been inadequate to either support the livestock industry or supply program needs. Expanded purchases of pork and poultry should be started immediately. And I suggest we consider direct purchase from producers so that the impact will not be lost in the marketing channel, but will go to those people most seriously affected by the crisis.

More stability in the livestock industry is imperative for both producers and consumers. The disruptions that have occurred in the last year will take some time to work out, but we dare not permit the industry to completely collapse during the adjustment period.

Consumers want and deserve stable supplies of meat at fair and reasonable prices. Producers want to supply it, but unless they can maintain economic viability neither objective can be achieved.

Mr. HANSEN. Mr. President, I ask unanimous consent that a statement on this subject by the distinguished Senator from Idaho (Mr. McCLURE) be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR McCLURE

Mr. President, I, too, would like to express my concern over the grave situation facing our American beef industry.

First, I applaud the Majority Leader and the other Senators with whom I met last Thursday for their early recognition of this serious problem, and their timely efforts toward corrective action. I support the thrust of those efforts, as I indicated when I co-signed the bipartisan letter to the President last week.

However, while the various actions proposed thus far (i.e., restoration of import quotas, emergency loan programs, increased USDA beef purchases, and an investigation of beef pricing) may provide some relief, they are far short of a total solution.

At the same time, we must also remember that a total solution will not and should not come from Congressional or Administration action. We must be careful, in attempting to rectify this unfortunate situation, to avoid going overboard in reacting to this crisis. After all, Government interference in the market was one of the major causes of the present mess. We must avoid going so far in correcting past mistakes that we create a whole new cycle of Government-sponsored market distortions.

In my judgment, our best hope lies in getting beef markets opened up again. It is downright ridiculous for our cattlemen to be going broke when so many people here and abroad want and need the quality protein American beef provides.

While it may be difficult to restrain ourselves in the face of such serious problems, we must remember that machinery already exists within the Government which is capable of dealing with the majority of our present difficulties. For example, work is already underway in the area of trade negotiations. We are working on reopening the Canadian market—and the signs are very encouraging. Also promising are the signs that some beef exporting countries may voluntarily cut back on their shipments to the United States, as a result of current negotiations. Today's meeting at the White House may contribute significantly to reopening our domestic beef market.

In essence, then, before we create a batch of additional, perhaps unnecessary Government programs, let us place some trust in that machinery which we have already created—give it a chance to work.

Finally, with regard to the American consumer, let us not go too far in attempting to keep beef prices (or any other prices) unreasonably low. After all, in comparison with prices paid in other countries (in relation to consumer income), American beef is still a good value for the American consumer—even at today's prices! If we attempt to lower these prices artificially, whether through Government action, consumer boycotts, or other artificial measures, we will ultimately have serious shortages and even higher prices in the future.

LIVESTOCK PRICES AND THE FARM ECONOMY

Mr. McGOVERN. Mr. President, I am pleased that so many of our colleagues are taking note today of the urgency of the financial situation which is driving so many of our livestock producers to the point of no return.

This afternoon, my Subcommittee on Agricultural Credit and Rural Electrification will be holding an emergency hearing on a loan guarantee program for hard-hit livestock growers and feeders.

It is our hope to have legislation reported to the full Committee on Agriculture and Forestry for consideration on Wednesday, so that something can be reported to the floor within a few days.

We are on the edge of en economic disaster in farm States. Livestock producers already feel the full brunt of the disaster.

But it also threatens every farmer, every rural bank, every small businessman, every working man and woman in South Dakota and similar States.

And it will take the hard work and cooperation of all of us to turn things around.

Cattle and hog producers, for the past year, have paid record high prices for everything they must have—high feed costs, high interest rates, high taxes, high labor costs, high machinery costs.

The cost of production requires, in the case of slaughter cattle, an average of $50 or more per hundred pounds just to break even. But last week, the market fell below $35 per hundred. Many livestock feeders, and many stock growers, have been wiped out. Some cannot come back.

In short, livestock producers have suffered losses totaling into the hundreds of millions of dollars. This is money that will never be spent in retail stores. This is money that will not end up in the paychecks of salaried people.

Literally hundreds of South Dakota livestock producers have talked to me or my staff in the past few days. In nearly 20 years in public life, I cannnot recall a problem which has created such anxiety, such widespread concern.

What do we do about it?

In Washington, we can help—a little. We cannot, however, legislate a $15 or $20 increase in price, as desirable as that might sound. The livestock industry has a well-deserved reputation of standing on its own feet. And even in the present calamitous condition, I have not had one single request from a livestock producer for the Federal Government to bail them out—as we were asked by Lockheed or Penn Central.

But we can provide helping hands.

First, and most important, we can stop the unlimited beef imports which the White House has allowed.

The meat import restrictions which I helped write into law 10 years ago have been suspended by a stroke of the President's pen. Those restrictions can be put back into effect by another Presidential proclamation.

Forty Senators—nearly half the Senate—met last week and agreed unanimously to urge the President to restore meat import quotas.

I have urged even stronger action. I have introduced an amendment which would cut out all beef imports for 60 days to be followed by import quotas.

Second, our bipartisan group of Senators is asking for a Federal Trade Commission investigation of the price spread—between what the livestock feeder gets and what the consumer pays.

And third, we are urging the administration to make emergency purchases in the cattle and hog markets, for meat for the school lunch program, veterans hospitals, and military feeding. These purchases should be at the feedlot—where the problem is—with the Government arranging for custom processing.

I would like to direct a short comment to consumers—whether in Sioux Falls or Rapid City or Detroit or New York.

What happens to the livestock producer has a direct effect on consumer budgets and menus. We are talking about the survival of an industry which has provided the highest quality meat in the world, at one of the cheapest prices in the world.

If the livestock industry does not survive and prosper, there will be little if any meat for the supper tables of Boston and San Francisco—or it will cost $5 a pound.

We are in this together—in a fight for survival of an industry which is the foundation of our food economy. We need to bring our best thinking, and hardest efforts, to focus on a solution. On behalf of every livestock producer in our State and our Nation, I ask the understanding, support, and help of every Member of the Congress.

THE PRESENT LIVESTOCK CRISIS

Mr. HUMPHREY. Mr. President, the present livestock crisis arises because cattle producers continue to lose $125 to $200 per head of fattened cattle. Cattle producers have lost money before, but the market has been growing worse rather than bounding back as in previous cases.

The blame for this situation often is placed on the fall, 1973, price freeze on red meat. It is clear that this action helped create our present problem by encouraging producers to hold their cattle with the expectation of receiving higher prices at a later date.

That price freeze and the response of consumers in boycotting meat helped bring the present glut on the market. And it also appears that there is a significant quantity of meat on hand in cold storage, which further complicates any attempt to ease the present problem.

Costs of production also have gone up, leading to further losses between the return on the fattened cattle and the investment required to produce the finished product. Feed costs have increased as have gasoline and hay. Twine, which was around $8 last year, now is around $30.

While prices for fattened cattle have been dropping sharply, meat prices in the grocery stores have gone down only slightly.

A series of meetings already have been held to focus attention on the problem. The crisis has also spread to poultry and hogs.

I am cosponsoring a bill, S. 3606, with Senator McGOVERN to deal with this problem. This and other bills will be the subject of hearings commencing on June 17, by the Agricultural Credit and Rural Electrification Subcommittee of the Senate Committee on Agriculture and Forestry.

It is clear that a number of issues must be addressed if this problem is to be resolved. Our meat exports to Canada, Japan, and European countries have been reduced while imports have been increased. Quotas on imports were lifted by the administration, and they can and should be reimposed. We also may need to establish temporary embargoes.

Credits and guarantees also will be needed to prevent bankruptcies of livestock producers. This is the central focus of the proposed legislation.

The Government also should step up purchases of livestock to meet Defense and school lunch needs. These purchases should be of live cattle and not just meat now in storage. We need to get some of the excess cattle off of the market if the purchases are to help solve the problem.

The American consumers need to be made aware of the problem and the long-range implications if steps are not taken to rescue the cattle industry.

We also need to take a serious look at the economics of the industry to see whether excess profits are being made by anyone. And, we should obtain accurate information on actions that are required to put the industry on a solid footing for the long run.

It is urgent that we act immediately. The situation is critical and there can be no delay.

Mr. BURDICK. Mr. President, the American cattlemen and other producers of livestock are in a state of economic chaos. In 1964 Congress passed Public Law 88–482 providing that imported meat products shall not exceed a quantity determined according to a prescribed formula. But the law also included a provision that the President can suspend these restrictions on imports. President Nixon suspended import quotas in mid-1972. The limitations were suspended again in 1973, and early this year, he announced that quotas would again be suspended.

This year's total quota law imports are estimated by the U.S. Department of Agriculture to be at 1.575 billion pounds, up considerably from the actual 1973 imports of 1.354 billion pounds—that being a record-setting year. What makes the situation so ironic, is that the United States is now the only major beef-eating nation in the world with its borders wide open to unrestricted beef imports. The loss factor for many cattle feeders since last September is $100 to $145 a head for each fattened animal sent to market. In close relation to this problem, the feeding industry has lost more than $1.5 billion in the last 9 months. I am aware of cattlemen and small cattle-feeding operations in North Dakota that can lose upwards to $45,000 to $50,000 because of this problem, a predicament that can bring many of them to economic disaster.

This comprehensive price problem is a definite danger to the future of our total beef cattle operations, and thus affects the consumer beef supply as well. The economic stability of the domestic beef cattle industry is based on decisive and positive programs. Currently, we have not been given sound policies and answers in determining the economic fate of American livestock producers. Questions are unanswered as to the intentions of the present administration concerning programs to stabilize livestock prices. The administration has apparently not made any effort to remove barriers to exports of American livestock and livestock products. And finally, we are unclear as to the Government's intention in regard to reimposing limitations on the importation of meats as provided in the 1964 law.

In light of the current problems, I ask that certain measures be taken to alleviate the situation. I support and recommend the passage of Senate bill 3605 which would provide emergency assistance to individuals engaged in the cattle raising business. Furthermore, I ask for the reinstatement of import quotas on meat. Along these same lines I am asking the President to take immediate action to reimpose meat import restraints. This could mean a reduction of almost 450 million pounds from the current estimated total. I also encourage and applaud the announcement that the Federal Trade Commission is plannnig an investigation of the food industry. The livestock trade is unquestionably distressed when they see retail prices for meat remain high while their product has fallen to a deplorable level.

In conclusion, Mr. President, reaching solutions to problems facing the livestock industry has to be given high priority.

Mr. HARTKE. Mr. President, it is now clear that immediate action must be taken to reverse the falling price of beef and prevent the imminent threat of widespread bankruptcy among cattle feeders.

As of May 1, 1974, the United States had 1.029 billion pounds of beef, pork, and veal in freezer storage. That figure is up 46 percent from the year earlier, and is the largest stock in 22 years. New figures to be released for June will show an even greater freezer supply. At the same time, prices have fallen. Choice beef now wholesales in Chicago for about 65 cents a pound, down from 91 cents on February 5 of this year. Pork and poultry prices have also dropped. Unfortunately, a substantial portion of these price decreases have not been passed along to the consumer, thus continuing to dampen the demand for beef.

While both consumer demand and beef production have dropped off in the United States, other countries such as Japan and the Common Market nations are producing more than ever, leading to an even greater world surplus.

Feedlots have been hit especially hard. Many of the lots with a capacity to handle from 8,000 to 16,000 cattle were capitalized by investors who are now withdrawing their money, and the absence of feedlots of this size could leave a noticeable gap between the relative handful of giant feedlots and the far more numerous farm and ranch operations.

Mr. President, last week, following a meeting called by the distinguished majority leader, Mr. MANSFIELD, I joined with many of my colleagues in addressing a written appeal to the President to take immediate action to alleviate this problem. I repeat that appeal today in the hope that we can act before it is too late.

Mr. JACKSON. Mr. President, as the summer approaches, an economic tornado seems more likely than ever to sweep the Nation's livestock industry into serious financial trouble.

The papers today are full of reports of cattlemen losing between $100 and $300 per animal. My conversations with ranchers in the Richland, Wash., area have revealed that they are working under a $250 per head deficit. Hog producers are short by $30 per hog.

Across the Nation, fed and feeder cattle prices are down by a full 25 percent in the last 6 months; hog prices have plummeted 43 percent.

It is easy to portray the problem as one limited to the livestock industry; but such an approach is dangerous.

The same storm which threatens bankruptcy on scores of smaller breeders and feeders of cattle and hogs endangers the stability of the financial community which has supported this industry. It also holds the potential for further meat shortages and another round of escalating meat prices for the consumer.

Unless action is initiated and put into operation soon—rumors of cattle and hog producers selling from breeder stock will become a reality—bankruptcy will topple many producers—Americans will feel the repercussions in the form of less beef and pork for the meat counters of the future—new shortages will certainly force more inflation in meat prices.

Very simply, the livestock trade is confronted with a situation of abundant supply and inadequate consumer demand. Steps must be taken to bring supply and demand closer to an equilibrium for the sake of the producer and the consumer.

I was among the more than 30 Senators who met last Wednesday morning to discuss the problems of this industry. As a result of our meeting, a letter was sent to the President urging him to take two steps to bring the situation in hand. One is to prohibit the dumping of excess world meat supplies on U.S. markets. The other calls for a step-up in government purchases of red meat and poultry for the Armed Forces and school lunch program.

The real irony of today's situation is that the cattlemen are getting the lowest price in 10 years for their animals. Yet, housewives are continuing to pay beef prices at the supermarket that are at near all-time highs.

By bringing prices at the meat counters down, consumers who were previously unable to purchase meat or who reduced their consumption of the product will be better able to afford it. With lower retail prices, demand will rise and, in turn, some of the excess supply will be eliminated.

This, Mr. President, should be the crux of any program to help the food-producing sector of our economy back onto its feet. In light of this, I have asked the Federal Trade Commission to immediately undertake a 30-day emergency investigation to determine the distribution of income between farm, processing and retail levels and to make these findings known to me in a written report no later than July 15, 1974. I specifically want to know why, with the farm price of beef at the lowest level in 10 years, has not the consumer benefited from excess meat and poultry stocks and the reduced prices paid to the Nation's farmers? Further, we should know whether any price gouging or other acts have taken place at any point along the marketing chain which might warrant further investigation or possible criminal prosecution. Such information is crucial if we are to develop realistic and far-sighted solutions to the problems of the livestock industry and of the meat-buying public.

Mr. President, I ask unanimous consent that the contents of my letter to Federal Trade Commission Chairman Lewis A. Engman be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

JUNE 13, 1974.

Hon. LEWIS A. ENGMAN,
Chairman, Federal Trade Commission,
Washington, D.C.

DEAR MR. CHAIRMAN: The livestock industry today is faced with a crisis of grave proportions. Without swift and effective action by the government, many of the nation's smaller livestock producers are destined for certain bankruptcy, threatening not only the future of the livestock trade, but also the financial stability of the lending institutions that have supported them. Thus, it is crucial that firm steps be taken now to restore the industry to its feet. Failure to do so will be felt as well by the consuming public which will find meat in short supply in future years, driving prices higher still.

The rules of basic economics state that an oversupply of a particular commodity should result in lower prices and an increase in consumer demand in reaction to the price change. This rule certainly applies to the beef, hog and poultry producers who are suffering from a domestic oversupply of their products and are not getting enough for their animals to cover production costs. The beef producer, in fact, is receiving the same for his cattle as he did 10 years ago. What applies to the producer should be applicable throughout the marketing chain, yet, for some reason, the consumer is still paying inflated prices for his meat and poultry. Why hasn't the consumer benefited from excess meat and poultry stocks and the reduced prices paid to the nation's farmers?

I am asking that the Federal Trade Commission immediately undertake a 30-day emergency investigation to determine the distribution of income between farm, processing and retail levels and to make these findings known to me in a written report no later than July 15, 1974. This report should also reveal whether any price gouging or other acts have taken place at any point along the marketing chain which might warrant further investigation or possible criminal prosecution. Such information is vital if we are to develop realistic and far-sighted solutions to the problems of the livestock industry and of the meat-buying public.

Sincerely yours,
HENRY M. JACKSON,
U.S. Senator.

THE OIL AND GAS DEPLETION ALLOWANCE

Mr. TOWER. Mr. President, I rise to address the Senate concerning the current and remarkable onslaught on the oil and gas depletion allowance. At the outset it seems logical to define the nature and functions of depletion, for, once understood, that answers the attacks of the various critics of the allowance for depletion.

It is fundamental to our concept of tax equity that capital should not be taxed. Because we claim to believe in free enterprise and, therefore, nontaxation of capital, we permit a manufacturer—by way of example—to recover his capital outlays from income by means of a deduction for depreciation. Thus a capital asset, a machine for example, is depreciated by taking its book cost, dividing that by the approximate useful life of the asset, and permitting the quotient to be taken as a deduction over the period of years of the machine's useful life.

Section 611 of the Internal Revenue Code follows this pattern through a process called cost of depletion. However, there are problems with cost depletion which basically revolve around the determination of cost. It has become largely accepted in recent years that dry holes represent capital outlays just the same as producing holes. The anomaly is that a dry hole in north Texas can not sensibly be included as part of the cost of a producing well offshore Louisiana.

So the question arises: How do we allow the producer to recover capital expended on dry holes? Another problem is value. In the case of the machine, price undoubtedly reflects value. But as to the producing well, how does one know its actual value? There is no way that one knows for certain what the recoverable reserves from a producing well in a given reservoir will be. There is no question but that the reservoir is a nonrenewable capital asset. So the issue is how do we allow the producer to recover the full, untaxed value of the capital asset when we do not know what that value is. The answer is to permit the property owners to deduct a percentage of the gross income realized from the reservoir.

The same treatment, in varying percentages, is given to the rest of the extractive industries. The high number given oil and gas reflects the high percentages of holes that are not commercial producers. About eight of nine exploratory holes are completely dry. About 1 in 50, or 2 percent are commercial producers. And between 75 and 85 percent of all exploratory wells are drilled by independent producers, which are the individuals and companies that engage solely in the business of producing oil and gas.

Several points become apparent when one examines the glib, and usually irrational, criticisms of the depletion allowance. First, the attacks for the most part are designed to say that depletion itself is conceptually bad policy.

If that is true, then why do the critics propose only to withdraw the depletion allowance for oil and gas? Conceptual criticisms apply to the depletion allowance as a whole. In my opinion, the choice we make should not single out the oil and gas industry, for to do so would be the rankest discrimination. Furthermore, to do so betrays the real motive for attacks on the depletion allowance: blind hatred, rather than reason.

Another question that occurs is if we get rid of depletion, why should we not substitute for the depletion allowance the election under section 631 of the code which permits capital gains treatment of income from the sale of timber, coal and iron ore? That is but another way of recognizing the depletable nature of the asset.

Section 632 of the code sparks considerable interest. Underpinning all of this hysteria over the depletion allowance is the claim that oil and gas prices are too high and profits are, say some of the more strident, obscene. This condition has come about, it is said, because the industry is noncompetitive.

Section 632 sets the maximum tax on a bona fide sale of an oil and gas property at 33 percent. I am told that if the depletion allowance is lost, the major companies will not be as badly impacted as the independents. I am also told that the independents will be better advantaged, insofar as their capital is taxed, by selling their properties to a major company and taking the treatment under section 632. The result: withdrawal of the depletion allowance will create the noncompetitive industry that some claim now to exist.

Some will claim, of course, that such an incentive should be removed from the code. The short answer to that is that the effect will be to kill the independent absolutely. It would merely increase the disincentive to remain in the business.

All of this discussion so far is fine intellectual exercise. However, here is the gut question: How will withdrawal of the depletion allowance increase oil and gas supplies? More precisely: Can the proponents of withdrawal guarantee that, in this time of crisis, their action will not exacerbate the shortage?

The answer is that, of course, they cannot. There is a difference of great magnitude in this time of the energy crisis between vague claims that we do not know whether the depletion allowance is an incentive to production and the fact that we do not know—and there is all the reason in the world to believe to the contrary—whether repeal of depletion on oil and gas properties will amplify the shortfall. The burden of proof is squarely on the proponents, and they alone shall bear the blame for their actions.

One thing becomes absolutely necessary should the depletion allowance be withdrawn: Price controls on crude oil and gas must also be withdrawn. The critics claim the allowance is a subsidy. If that is so, it presently provides income that is not reflected in price. If the thought is that the user must pay the full bill for his energy use, the producer must be allowed to recover his full economic costs. In the event the depletion allowance is withdrawn, the producer will only be able to do so if price is left to find its own level. That will occur as the world is in a surplus position at present, there is no embargo, and the price of foreign crude is higher than that of domestic. In fact to release the price would exert some healthy downward pressure on world prices over the long run.

As a closing note, I recall the adage that the road to hell is paved with good intentions. I am certain that the desire to provide exemption increases to American families is well intentioned. But to do it at the expense of aggravating the petroleum shortage is absolutely senseless. If petroleum prices are permitted to rise, the loss of depletion will be reflected in prices sufficiently higher to eat away a large portion of the tax break. If they are not permitted to rise, we will be able to save by not buying the petroleum, petroleum product, natural gas and electricity that is not available, or by paying a higher price for externally produced sources of energy.

CONSUMER PROTECTION

Mr. WILLIAM L. SCOTT. Mr. President, there is a measure coming before the Senate soon of considerable public interest—the Consumer Protection Agency Act, S. 707. Businessmen have expressed their concern and a number of Senators have spoken on this far-reaching bill that would give broad, sweeping powers to a consumer advocate. I believe each of us needs to reflect seriously on this bill before and during its consideration in the Senate. In reading the committee report, it is made to appear that public agencies do not speak for or protect the consumer or the public; that Government agencies are captive of the business organizations they were created to regulate.

Perhaps we should reflect briefly, Mr. President, on the basic concept of our Government. We like to believe that the only purpose for government at any level is to serve people. That the sovereignty or ultimate will resides in the people collectively, that the people can bring about a change in government when it is not representing the public will. If a given Government agency is not acting in the public interest, it seems reasonable to replace the executive head, the person in charge, with one who will represent the public interest.

I believe we should also reflect on what a consumer is. The act defines a consumer as "any individual who uses, purchases, acquires, attempts to purchase or acquire, or is offered or furnished any real or personal property, tangible or intangible goods, services, or credit for personal, family, or household purposes." This appears to include everyone. I believe serving the consumer and serving the public interest is the same. All of us are consumers. It also seems obvious that every Government official should be imbued with the public interest, regardless of the agency or the branch of Government in which he serves. But we have no assurance that an individual selected to head a consumer protection agency would be more representative of the public interest than the head of any of our existing agencies of Government. However, to create a consumer agency to look over the shoulder of existing agencies implies that they are not doing their jobs and is an unwarranted, broad smear of existing Government departments and agencies. Perhaps, in exercising legislative oversight, we should examine into the various Government agencies, change the law where necessary and with the cooperation of the executive branch, remove from office anyone who is not acting in the public interest. It certainly would have an adverse effect upon a given agency to have a public "consumer advocate" appealing a decision it made to the courts and would result in one agency contesting the action of another agency, the United States against the United States. In my opinion, this is poor administrative procedure and I believe if we look at the various sections of this bill, we will see example after example of something approaching common law barrotry—needlessly stirring up of strife, quarrels and litigation, controversy and division within our Government. We should ask if this is in the public interest? And think hard and long before adopting S. 707.

Certainly we do not want to create a new Government agency, a Frankenstein monster, over which even the Congress will have little control. I would hope that the leadership will not schedule this bill for floor consideration until after the Independence Day recess and that when it does come before the Senate, we will have a full discussion, lasting over a period of days, in which individual Members will have an opportunity to fully air their views.

During the debate we might also consider the proper function of an individual in looking after his own interest, the function of the State as well as the proper function of the Federal Government. More proper to have it at the State level, closer to the individual citizen, and more familiar with his views than an appointed Federal official?

Under the statement of findings, the bill states that consumers suffer because of lack of effective representation before Federal agencies and courts, giving the appearance that only the Federal Government can protect the individual from the Federal Government. It also finds that a new Government agency is necessary to represent the interest of consumers before Federal agencies and courts and that this new agency should be an independent one established for the sole purpose of representing the consumer. It would create another layer of Government to advocate the cause of the consumer, to intervene on behalf of the public in matters before an existing Government agency. I find no provision for the policing or any check on the Consumer Protection Agency. Apparently the Administrator of that Agency would determine what is and what is not in the interest of the American consumer or the general public. For example, on page 52 of the bill, the statement is made that it is the purpose of the act to promote protection of consumers with respect to, among other things, the prevention of unfair and deceptive trade practices. Yet, one of the functions of the Federal Trade Commission is to safeguard the consuming public by preventing the dissemination of false or deceptive advertisements of food, drugs, cosmetics and therapeutic devices and other unfair and deceptive practices. I understand that to some extent this duplicates the function of the Food and Drug Administration but that these two agencies amicably resolve the jurisdictional conflict between themselves. Yet, the act would create a third agency to represent the consuming public. Are we to say that the Federal Trade Commission is not protecting the public against unfair and deceptive acts and practices as required by law? The proposal permits the Consumer Protection Agency to intervene not only among Government agencies but in the courts, including the Supreme Court of the United States.

Having worked for a number of years with the Department of Justice, I am aware that it has plenary authority under the law and Executive orders to represent the Government in suits to which the Government is a party. The Congress should be very cautious in dividing this authority to represent the Federal Government in the courts. To do so might well result in inconsistencies of Government positions before the courts. Certainly it would be an imposition on the American taxpayer to have the Department of Justice file one set of briefs and the Consumer Protection Agency, at taxpayers' expenses, to file a brief representing a different point of view.

It is interesting to note on page 59 of the bill that the function of the Administrator would be "to inform the appropriate committees and Members of Congress of the activities of the agency and testify, when asked or on his own initiative, before the committees of Congress on matters affecting the interest of consumers."

This appears to mean that Congress would create an agency and give the Administrator the authority to lobby with individual Congressmen and before our various committees regarding his concept of what's best for the American public.

As I understand the proposal, the new agency would have no regulatory function but would intervene in an effort to see that existing agencies are properly performing their prescribed duties. For example, on pages 59 and 60 of the bill, it is provided that the Administrator shall include in his annual report a statement on—

> The performance of Federal agencies and the adequacy of their resources in enforcing consumer protection laws and in otherwise protecting the interest of consumers, and the prospective results of alternative consumer protection programs;

Would this not also duplicate the watchdog function of the General Accounting Office and the Office of Management and Budget? Are we to assume that Americans are unable to look after their own personal affairs and that a bureacratic representative must appear before a Federal regulatory agency, a court, or a committee of the Congress to protect their interest? We used to pride ourselves on the self-reliance of the average American. Over the years we have achieved higher educational levels but this act would have you believe that we are now less able to look after our own interests.

There was a time in American history when business enterprise was unregulated but that certainly is not true today. Not only has the Government, over the years, regulated business more and more but I believe that the business community has become more conscious of the public interest. This act would have you believe that all businessmen are out to swindle the public, that the individual is unable to protect himself, that existing Federal agencies are incapable or unwilling to protect the consumer and that it is necessary to create another layer of bureaucracy not held captive by private industry. Of course, the question could well be raised, if the same reasoning is adopted, as to how soon the consumer protection agency would be captured. It seems to me that this proposal ignores the market processes, the competition between various producers of goods and services which helps to protect the American consumer, who can compare the various products on the market to determine whether he wants to purchase one or another, who can consider the reputation of the manufacturer for competence and integrity.

If we assume as this proposal appears to do, that existing Government agencies are not performing the functions for which they were created, if there is malfeasance in office among the officials of regulatory agencies, it would seem preferable to fire the officials than to create another level of government to protect the public. The concept of creating an additional level of government when confidence is lost could go on ad infinitum. There is no assurance that the administrator of the Consumer Protection Agency would be any more dependable than anyone else. And, I wonder if the individual Senators and various committees of the Congress need another Government bureaucrat to appear and advise them on what is best for the American people.

My mail at least indicates that the people of Virginia are not inhibited in telling me what they think about pending legislation and the various issues confronting the country. I wonder if the same is not true of the citizens of each State of the Union. Not only would the administrator of this proposed new agency tell the Congress, the various departments and agencies of the Government and the courts what is best for the consumer or the public but once he is appointed for a term concurrent with that of the President, he could be removed only for inefficiency, neglect of duty or malfeasance in office, with the power to decide what is best for all of us. He would be an advocate of what he believes to be in the public interest and his determination would not be reviewable by any agency of Government, any court, or any instrumentality during his term of office. I doubt that we could find any individual with the complete knowledge necessary to perform the function of this office.

It would not be appropriate, Mr. President, to go into each provision of the proposal before the measure comes to the floor for consideration and my remarks only touch on the bill in a very general way. But before we act upon such a far-reaching proposal and establish a tax-supported agency purportedly to protect the consumer, I hope we will examine every phase of the bill. It may well be that this proposal would act counter to its intention and create such uncertainty and chaos within the Government, among businessmen and in the marketplace, that the cost of goods and services would be increased, taxes would be raised and that it would be harmful to the very one it is intended to help—the consumer or the individual American citizen. Its broad scope requires the most careful examination.

Mr. ALLEN. Mr. President, will the Senator from Virginia yield?

Mr. WILLIAM L. SCOTT. I am glad to yield to the Senator from Alabama.

Mr. ALLEN. I want to commend the Senator from Virginia for his very eloquent and penetrating analysis of this bill. There is a chance of its being called up later this month or next month. I know that the Senator's fine remarks will have great influence on the membership and I am hopeful that he will expand on his views regarding the bill when it comes before the Senate and that he will make the same arguments at that time that he has so forcefully made on this occasion.

I commend the distinguished Senator from Virginia.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the kind remarks of my colleague from Alabama. I know that he shares the same concerns I have about the bill. I feel that we should bring every point in the bill that we feel is against the public interest to the attention of individual Senators.

The bill should be defeated.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business; and I yield back the time that was under my control.

The PRESIDING OFFICER. Without objection, it is so ordered. Is there morning business?

ORDER FOR RECOGNITION OF SENATOR BARTLETT TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, on tomorrow, after the two leaders or their designees have been recognized under the standing order, that the distinguished Senator from Oklahoma (Mr. BARTLETT) be recognized for not to exceed 10 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR PROXMIRE ON WEDNESDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Wednesday next, after the two leaders or their designees have been recognized under the standing order, the distinguished Senator from Wisconsin (Mr. PROXMIRE) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that, when the Senate completes its business today, it stand in adjournment until 10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW AND WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that after the orders for the recognition of Senators on tomorrow, there be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I make the same request for Wednesday.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ADJOURNMENT TO 10 A.M. ON WEDNESDAY, THURSDAY, AND FRIDAY OF THIS WEEK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, and on Wednesday, and on Thursday, it stand in adjournment, respectively, until the hour of 10 a.m. on Wednesday, Thursday, and Friday.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Allen) laid before the Senate the following letters, which were referred as indicated:

Proposed Legislation by the Department of Health, Education, and Welfare

A letter from the Secretary of Health, Education, and Welfare transmitting a draft of proposed legislation to repeal certain acts making permanent appropriations and authorizing annual appropriations for the support of colleges of agriculture and mechanic arts (with accompanying papers). Referred to the Committee on Agriculture and Forestry.

Approval of Loan by the REA

A letter from the Administrator of Rural Electrification transmitting, pursuant to law, a statement in connection with the approval of a loan to Buckeye Power, Inc., of Columbus, Ohio (with accompanying papers). Referred to the Committee on Appropriations.

Proposed Projects by the Army Reserve

A letter from the Deputy Assistant Secretary of Defense transmitting, pursuant to law, a list of facilities projects proposed to be undertaken for the Army Reserve (with accompanying papers). Referred to the Committee on Armed Services.

Proposed Legislation by the Environmental Protection Agency

A letter from the Administrator of the Environmental Protection Agency transmitting a draft of proposed legislation to extend the Marine Protection, Research and Sanctuaries Act for 2 years (with accompanying papers). Referred to the Committee on Commerce.

All Electric Homes, Annual Bills, 1973

A letter from the Chairman of the Federal Power Commission transmitting a copy of the publication "All Electric Homes, Annual Bills, 1973" (with an accompanying report). Referred to the Committee on Commerce.

Report of the Advisory Commission on International Educational and Cultural Affairs

A letter from the Chairman of the Advisory Commission on International Educational and Cultural Affairs transmitting pursuant to law, the annual report of the commission for the calendar year 1973 (with accompanying report). Referred to the Committee on Foreign Relations.

Reports of the Comptroller General

A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Improvements Needed in U.S. Contractor Training of Republic of Vietnam Armed Forces (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Legislative Ceiling on Expenditures in Laos Reduced Costs but the Ceiling Was Exceeded," (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Improving Administration of the Uniform Plan of Health Insurance for Federal Employees Who Retired Before July 1, 1960" (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Review of Selected Communicable Disease Control Efforts" (with an accompanying report). Referred to the Committee on Government Operations.

A letter from the Acting Comptroller General of the United States transmitting, pursuant to law, a report entitled "Identifying and Eliminating Sources of Dangerous Drugs: Efforts Being Made, but Not Enough" (with an accompanying report). Referred to the Committee on Government Operations.

Project Proposal of the Nevada Irrigation District, Grass Valley, Calif.

A letter from the Acting Deputy Assistant Secretary of the Interior reporting, pursuant to law, on the receipt of a project proposal for a loan of $1.6 million to supplement its original loan from the Nevada Irrigation District of Grass Valley, Calif. Referred to the Committee on Interior and Insular Affairs.

Proposed Concession Contract at Lake Mead National Recreation Area

A letter from the Deputy Assistant Secretary of the Interior transmitting, pursuant to law, a copy of a proposed concession contract for continuation of certain services to the public at the Boulder Beach Site within Lake Mead National Recreation Area (with an accompanying report). Referred to the Committee on Interior and Insular Affairs.

Audit Report of the Naval Sea Cadet Corps

A letter from the Chairman of the Board of the U. S. Naval Sea Cadet Corps transmitting, pursuant to law, the annual audit report for the fiscal year ending March 31, 1974 (with an accompanying report). Referred to the Committee on the Judiciary.

Orders Entered by the Immigration and Naturalization Service

A letter from the Commissioner of the Immigration and Naturalization Service transmitting, pursuant to law, copies of orders entered by the Service in the case of certain persons (with accompanying papers.) Referred to the Committee on the Judiciary.

Reports Concerning Visa Petitions

A letter from the Acting Commission of the Immigration and Naturalization Service transmitting, pursuant to law, reports concerning visa petitions which have been approved (with accompanying papers). Referred to the Committee on the Judiciary.

Report of the Secretary of Health, Education, and Welfare

A letter from the Secretary of Health, Education, and Welfare transmitting, pursuant to law, a report on the criteria to be used in the designation of medically underserved areas and population groups (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

Proposed Legislation by the Environmental Protection Agency

A letter from the Environmental Protection Agency transmitting a draft of proposed legislation to extend provisions of the Federal Water Pollution Control Act, as amended, for 2 years (with accompanying papers). Referred to the Committee on Public Works.

Proposed Legislation by the Environmental Protection Agency

A letter from the Administrator of the Environmental Protection Agency transmitting a draft of proposed legislation to extend the Solid Waste Disposal Act, as amended, for 1 year (with accompanying papers). Referred to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. EAGLETON, from the Committee on the District of Columbia, without amendment:

S. 3474. A bill to amend the District of Columbia Unemployment Compensation Act (Rept. No. 93–935); and

S. 3476. A bill to amend section 1291 of the Act of March 3, 1901, relating to marriage licenses in the District of Columbia (Rept. No. 93–936).

By Mr. RANDOLPH, from the Committee on Labor and Public Welfare, with amendments:

S. 2581. A bill to amend the Randolph-Sheppard Act for the blind to provide for a strengthening of the program authorized thereunder, and for other purposes (Rept. No. 93–937).

By Mr. JACKSON, from the Committee on Interior and Insular Affairs, without amendment:

S. 3188. A bill to establish the Sewall-Belmont House National Historic Site, and for other purposes (Rept. No. 93–938).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. TOWER:

S. 3651. A bill to amend the Public Health Service Act to restrict the recovery of Federal funds where such funds shall be applied to approved projects within the same State. Referred to the Committee on Labor and Public Welfare.

By Mr. ERVIN:

S. 3652. A bill to ensure the separation of constitutional powers and to ensure the administration of justice with respect to the commission of crimes by officers and employees of the executive branch of the Federal Government, and with respect to Federal elections, to remove enforcement reponsibilities in such cases from individuals with actual or apparent conflicts of interest, and to establish an independent Public Prosecutor. Referred to the Committee on the Judiciary.

By Mr. MAGNUSON (by request):

S. 3653. A bill to amend the Rail Passenger Service Act of 1970 and for other purposes. Referred to the Committee on Commerce.

By Mr. BELLMON (for himself and Mr. Bartlett):

S. 3654. A bill to amend the Occupational Safety and Health Act of 1970, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. BELLMON:

S. 3655. A bill to amend the Food Stamp Act of 1964. Referred to the Committee on Agriculture and Forestry.

By Mr. NELSON (for himself, Mr. Mondale, and Mr. Cook):

S. 3656. A bill making appropriations for the fiscal year ending June 30, 1975, for reimbursement of costs of construction of treatment works pursuant to the Federal Water Pollution Control Act. Referred to the Committee on Appropriations.

By Mr. RIBICOFF (for himself, Mr. Weicker, Mr. Griffin, Mr. McIntyre, Mr. Cotton, Mr. Hart, Mr. Javits, Mr. Pell, and Mr. Pastore):

S. 3657. A bill to exempt State lotteries from certain Federal prohibitions, and for other purposes. Referred to the Committee on Finance.

By Mr. BIDEN:

S. 3658. A bill to protect purchasers and prospective purchasers of condominium housing units, and residents of structures being converted to condominium units, by providing for disclosure and regulation of condominium sales by the Secretary of Housing and Urban Development. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. WEICKER (for Mr. Cook):

S. 3659. A bill to amend the Act entitled "An act to incorporate the Little League Baseball, Incorporated", approved July 16, 1964 (78 Stat. 325). Referred to the Committee on the Judiciary.

By Mr. STEVENSON (for himself, Mr. Jackson, Mr. Cranston, Mr. Robert C. Byrd, Mr. Javits, Mr. Proxmire, Mr. Mathias, Mr. Church, Mr. Ribicoff, Mr. Mondale, Mr. Humphrey, Mr. Kennedy, Mr. Nelson, Mr. Johnston, Mr. Domenici, Mr. Eagleton, Mr. Tunney, Mr. McIntyre, Mr. Biden, and Mr. Case):

S. 3660. A bill to amend the Export-Import Bank Act of 1945, as amended (the "Act"). Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. MONTOYA (for himself and Mr. Domenici):

S.J. Res. 215. A joint resolution designating the first Saturday in April of each year as "National Brotherhood Day." Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TOWER:

S. 3651. A bill to amend the Public Health Service Act to restrict the recovery of Federal funds where such funds shall be applied to approved projects within the same State. Referred to the Committee on Labor and Public Welfare.

Mr. TOWER. Mr. President, I am today introducing a bill to amend the Public Health Service Act to restrict the recovery of Federal funds where such funds shall be applied to approved projects within the same State.

Mr. President, the Hill-Burton hospital construction program which first began in 1946 was extended for an additional 5 years by the Hospital and Medical Facilities Amendments of 1964, Public Law 88–443. In 1968, the Hill-Burton program was extended for 1 year by Public Law 90–574, and for 3 years in 1970 by Public Law 91–296. In the immediate days ahead, the Senate will again take under consideration legislation relating to this program.

As my colleagues are aware, the Hill-Burton program has provided a systematic method of planning and constructing hospitals and other kinds of health facilities. Through this program, Federal funds have been used for projects that have produced literally thousands of general, mental, tuberculosis, and long-term care beds. In addition, this program has been responsible for the construction of rehabilitation centers, public health centers, diagnostic and treatment centers, health laboratories, and other similar outpatient facilities.

The Hill-Burton program has made a remarkable impact on the construction of hospitals and other health facilities. Yet, there are areas in my own State and in our Nation that are still in need of additional general hospital beds and facilities. Furthermore, there is a continuing need for modernization and renovation of hospitals and health facilities, and for long-term health care facilities also.

The legislative history of the Hill-Burton program demonstrates that it was the intent of the Congress, in continuing the program, to meet the needs of the remaining areas of general hospital bed shortages throughout the country. The Secretary of Health, Education, and Welfare, has responsibility for carrying out the intent of Congress as authorized by this legislation. In my view, that responsibility should also provide the Secretary of Health, Education, and Welfare with the necessary legal authority to waive recovery of a Federal grant made to a public or nonprofit hospital or medical facility, under title VI of the Public Health Service Act, if the Secretary should determine that the merits of the particular case would further the intent of the program as approved by Congress, in spite of the fact that such nonprofit or public facility is sold to proprietary interests. At present, the Secretary has no authority under the act to make an administrative decision, regardless of the circumstances, in a case where a charitable institution financed under the Hill-Burton program is sold to proprietary interests.

The bill I am introducing today would authorize the Secretary to consider and possibly render an administrative decision to waive the right of the United States to recover Federal funds provided such funds are applied to another Hill-Burton project within the same State under conditions consistent with provisions of the act.

I urge my colleagues to give this legislation their most careful consideration. I ask unanimous consent that the text of the bill be printed in the Record at this point.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3651

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 609 of the Public Health Service Act (42 U.S.C. 291i) is amended to read as follows:

"RECOVERY

"Sec. 609. (a) Except as provided for in subsection (b), if any facility with respect to which funds have been paid under section 606 shall, at any time within 20 years after the completion of construction—

(1) be sold or transferred to any person, agency, organization—

(A) which is not qualified to file an application under section 605, or

(B) which is not approved as a transferee pursuant to section 604, or its successor, or

(2) cease to be a public health center or a public or other nonprofit hospital, outpatient facility for long-term care, or rehabilitation facility.

the United States shall be entitled to recover from either the transferor or transferee (or, in the case of a facility which has ceased to be public or nonprofit, from the owners thereof) an amount bearing the same ratio to the then value (as determined by the agreement of the parties or by action brought in the district court of the United States for the district in which the facility is located) of so much of the facility as constituted an approved project or projects, as the amount of the Federal participation bore to the cost of the construction or modernization under such project or projects. Such right of recovery shall not constitute alien upon said facility prior to judgment.

(b) Subsection (a) shall not apply—

(1) (A) in a case where the amounts which, were it not for this subsection, would be recovered, are applied to another project or projects within the same State,

(B) such other project or projects have been approved under section 314, or

(2) if the Secretary determines, in accordance with regulations, that there is good cause for releasing the applicant or other owner.

In no case shall transfer of moneys not recovered, because of the application of this subsection exceed 90 per centum of the total costs of the project.

By Mr. ERVIN:

S. 3652. A bill to insure the separation of constitutional powers and to insure the administration of justice with respect to the commission of crimes by officers and employees of the executive branch of the Federal Government, and with respect to Federal elections, to remove enforcement responsibilities in such cases from individuals with actual or apparent conflicts of interest, and to establish an independent public prosecutor. Referred to the Committee on the Judiciary.

PUBLIC PROSECUTOR ACT OF 1974

Mr. ERVIN. Mr. President, I introduce for appropriate reference a bill to insure the administration of justice with respect to the commission of crimes by officers and employees of the executive branch and with respect to Federal elections, to remove enforcement responsibilities in such cases from individuals with actual or apparent conflicts of interest and to establish an independent public prosecutor.

One of the effects of Watergate and its related events, has been a questioning by a broad cross-section of the public of the effectiveness of our institutions of Government. In recent months this concern has focused on the administration of justice and the Department of Justice particularly.

The Subcommittee on Separation of Powers held hearings March 26, 27, 28, and April 2, 1974, on removing the administration of justice from political influence and many excellent suggestions were adduced from the testimony of the distinguished witnesses who testified. One of the most interesting and often discussed concepts proposed to deal with these problems has been that of a special prosecutor. The bill I introduce incorporates suggestions made by Mr. Lloyd Cutler of Washington, one of the witnesses at the hearings, and others, concerning a permanent public prosecutor.

The bill would establish an Office of Public Prosecutor within the Department of Justice. The public prosecutor would be appointed by the President, by and with advice and consent of the Senate for a term of 6 years. The public prosecutor would have jurisdiction over offenses committed by employees and officers of the Federal Government, and employees and officers of Presidential or Vice Presidential campaign organizations. There would be a deputy public prosecutor whose party affiliation cannot be the same as that of the public prosecutor. Both the public prosecutor and the deputy prosecutor must concur in any indictment. Any appointee to the office of public prosecutor must agree not to occupy any other office under the United States for 5 years.

I ask unanimous consent that the text of the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3652

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Public Prosecutor Act of 1974".

FINDINGS OF FACT AND DECLARATION OF PURPOSE

SEC. 2. (a) The Congress finds and declares that—

(1) the continued vitality of American constitutional Government requires the confidence of the electorate that the laws of the United States shall be executed faithfully and be enforced without favor against all persons, including officers or employees of the Government and of national political parties, and without conflicts of interests on the part of the individuals charged with their enforcement, and that the integrity of the electoral processes of the United States shall be preserved;

(2) public confidence in the faithful execution and fair and impartial administration of the laws of the United States, and in the electoral processes of the United States, requires that the individuals officially involved in such activities discharge their responsibilities free of conflict of interest and without misconduct, and free of the appearance of conflict of interest or misconduct;

(3) in cases involving officers and employees of the executive branch of the Government and individuals involved in Federal election campaign activities the danger of political considerations influencing the Attorney General of the United States and those officials under his supervision and control may impair the vigorous enforcement of the criminal laws, may impair the morale of the Department of Justice, and may thereby undermine public confidence in the faithful execution and fair and impartial administration of the laws of the United States and in the electoral processes of the United States; and

(4) maintenance of such public confidence requires the establishment of an independent office charged with ensuring that the criminal laws of the United States are vigorously enforced against officers and employees of the executive branch of the Government and against misconduct in the course of presidential election campaigns.

(b) It is the purpose of this Act to establish within the Department of Justice, an official, independent of the President and the Attorney General, empowered and authorized to take such steps as may be necessary to assure the public that the criminal laws applicable to the conduct of officers and employees of the executive branch of the Government and of presidential election campaigns are vigorously enforced.

TITLE I—JUDICIAL CODE AMENDMENTS

ESTABLISHMENT OF OFFICE

SEC. 101. Title 28, United States Code, is amended by adding after chapter 37 the following new chapter:

"Chapter 39.—PUBLIC PROSECUTOR

"Sec.
"581. Establishment of Office of Public Prosecutor; Deputy Public Prosecutor.
"582. Term and vacancies.
"583. Qualifications.
"584. Removal.
"585. Jurisdiction.
"586. Powers.
"587. Notification to Attorney General of initiation of prosecution.
"588. Actions with respect to an incumbent President.
"589. Administrative provisions.

"§ 581. Establishment of Office of Public Prosecutor; Deputy Public Prosecutor

"(a) (1) There is established within the Department of Justice the Office of the Public Prosecutor (hereinafter referred to as the 'Office'), which shall be under the direction of the Public Prosecutor who shall be appointed by the President, by and with the advice and consent of the Senate. The Public Prosecutor shall, subject to the provisions of section 585 of this title, exercise the powers conferred on him by this chapter independent of supervision by the President, the Attorney General, and their subordinates or delegates.

"(2) There shall be in the Office a Deputy Public Prosecutor who shall be appointed by the President, by and with the advice and consent of the Senate, and who shall perform, in addition to those duties specifically prescribed by law, such duties as the United States Public Prosecutor may direct.

"(3) Any individual holding office under this section shall not accept or hold any other office under the United States while so serving.

"(b)(1) The Office shall be administratively a part of the Department of Justice, but shall be located in physically separate facilities.

"(2) Notwithstanding the provisions of paragraph (1), the Public Prosecutor and the Attorney General may confer in any manner contemplated in this chapter or at such other time and in such other manner as either of them may deem appropriate.

"§ 582. Term and vacancies

"(a)(1) The Public Prosecutor shall hold office for a term of six years and, except as provided for in subsection (c) (2), shall not be eligible for reappointment to a consecutive term as Public Prosecutor.

"(2) The first Deputy Public Prosecutor shall hold office for a term of three years and each subsequent Deputy Public Prosecutor shall hold office for a term of six years. Except as provided for in subsection (c) (2), no Deputy Public Prosecutor shall be eligible for reappointment to a consecutive term as Deputy Public Prosecutor.

"(b) At no time shall the Public Prosecutor and the Deputy Public Prosecutor be appointed from or affiliated with the same political party.

"(c)(1) In the event of the disability of the Public Prosecutor or of a vacancy in that office, the Deputy Public Prosecutor shall serve as Acting Public Prosecutor until the expiration of such disability or the appointment of a successor to fill such vacancy. Any vacancy in the office of Public Prosecutor or Deputy Public Prosecutor before the expiration of a term prescribed in subsection (a) of this section shall be filled in the same manner as an original appointment, except that the Public Prosecutor or Deputy Public Prosecutor so appointed shall serve for the unexpired portion of such term.

"(2) Any individual appointed, pursuant to paragraph (1), to fill an unexpired portion of less than one year of a term as Public Prosecutor or Deputy Public Prosecutor shall be eligible to be reappointed for a full term following the expiration of the portion of the term for which such individual was first appointed.

"§ 583. Qualifications

"(a) No individual shall be appointed Public Prosecutor or Deputy Public Prosecutor unless such individual—

"(1) is eligible to receive the security clearance required by section 586 (4) of this title;

"(2) is, and for a period of at least 15 years to such appointment, has been, admitted to the practice of law before the highest court of a State or States or of the District of Columbia and at the time of such appointment is a member in good standing of the bar of at least one such State or the District of Columbia; and

"(3) is, at the time of such appointment a member in good standing of the bar of the Supreme Court of the United States and for a period of at least ten years prior to such appointment has been such a member.

"(b) No individual shall take the oath of office for the position of Public Prosecutor or Deputy Public Prosecutor unless such individual has agreed in writing not to occupy or assume or discharge the duties of any office under the United States, vacancies in which are filled by popular election, for a period of five years after the date on which such individual's services as Public Prosecutor or Deputy Public Prosecutor are terminated.

"§ 584. Removal.

"(a) The Public Prosecutor or Deputy Public Prosecutor may be removed from office by the President only for neglect of duty, misconduct in office amounting to a crime, violation of the provisions of this chapter, or physical or mental disability persisting for more than four months.

"(b) The President shall specify in writing and with precision the cause for which any individual serving as Public Prosecutor is removed pursuant to subsection (a).

"(c) The District Court for the District of Columbia, on application of any individual removed as Public Prosecutor pursuant to subsection (a), shall have jurisdiction over a civil action to and shall, on an expedited basis, hear any facts bearing on the dismissal of such individual. Such court shall determine de novo whether the cause specified in subsection (b) exists, and order appropriate relief.

"§ 585. Jurisdiction

"(a) The Public Prosecutor shall have jurisdiction, which except to the extent provided for in subsection (b), shall be concurrent with that of the Attorney General, to exercise the powers specified in section 586 of this title with respect to any matter that he has reasonable cause to believe involves the commission of any offense specified in section 310 of the Federal Regulation of Lobbying Act (2 U.S.C. 269) or any of the following provisions of title 18:

"(1) sections 2–4;

"(2) chapter 11 (except sections 212–218 and 224 thereof);

"(3) section 241 of chapter 13;

"(4) chapter 19 (except section 372 thereof), if the conspiracy is to commit any substantive offense enumerated in this section;

"(5) chapter 29 (except sections 592–598, 601, 604, 605, and 612 thereof);

"(6) sections 1001, 1017 and 1018 of chapter 47; and

"(7) chapter 73 (except sections 1501, 1502, 1506–1508, and 1511 thereof), committed by—

"(8) the President or Vice President of the United States;

"(9) an individual while serving as an officer or employee (other than as the Public Prosecutor or the Deputy Public Prosecutor) of the executive branch of the Government if such individual is appointed by the President or is an officer or employee of the Office of the President however appointed;

"(10) an individual while serving in a position in the executive branch of the Government (other than in the Office of the Public Prosecutor) listed in Schedule C to Rule VI of the Civil Service Rules;

"(11) an individual while holding a position as personal or executive assistant or secretary to any individual referred to in paragraphs (8)–(10);

"(12) an individual while serving as an officer or employee of the national organization of a political party;

"(13) an individual while serving as an officer or employee of any organization or entity organized or operated to further the nomination or election of an individual to the office of President or Vice President of the United States;

"(14) any person committing a violation of any provision specified in paragraph (5) of this subsection; or

"(15) any person conspiring with, or aiding or abetting, any individual referred to in this subsection to commit an offense referred to in this subsection, or any person criminally concealing the commission of such offense, or any individual designated or nominated to serve as a Federal officer referred to in this subsection who has not then assumed such office.

"(b) The Public Prosecutor shall notify the Attorney General of the initiation or termination of an investigation or proceeding with respect to any matter within his jurisdiction under subsection (a) of this section. After the receipt of any such notification and while any investigation or proceeding to which any such notification relates is pending, the Attorney General shall, and shall cause other divisions of the Department of Justice to, refrain from conducting any investigation or prosecution with respect to the subject matter of such notification or any related or overlapping matter, and to refrain from taking any related action with respect thereto, except to the extent that the Public Prosecutor has given prior written approval thereof.

"(c) If at any time the Attorney General believes or has reason to believe that an investigation conducted under his supervision involves or is likely to involve any matter that would fall within the jurisdiction of the Public Prosecutor under subsection (a) of this section, he shall promptly notify the Public Prosecutor thereof and of the reasons for such belief. Upon receipt of any such notification, the Public Prosecutor may in his discretion elect to—

"(1) assume sole responsibility for any further conduct of such investigation;

"(2) participate with the Attorney General in any further conduct of such investigation; or

"(3) defer to the ongoing investigation under the supervision of the Attorney General in which case the Attorney General shall keep the Public Prosecutor fully informed as to the further progress of any such investigation.

"§ 586. Powers

"The Public Prosecutor shall, with respect to any matter within his jurisdiction under section 585 of this title, have full power and authority, consistent with the Constitution of the United States, to—

"(1) conduct such investigation thereof as he deems appropriate;

"(2) obtain and review such documentary, testimonial or other evidence or information as he deems material thereto as may be available from any source, and, if in the possession of an agency of the United States (as defined in Section 6001(1) of title 18, United States Code), without regard to the provisions of Section 552(b) (with the exception of paragraph (6) thereof) of title 5, United States Code;

"(3) issue appropriate instructions to the Federal Bureau of Investigation and other domestic investigative agencies of the United States (which instructions shall be treated by the heads of such agencies as if received from the Attorney General) for the collection and delivery solely to the office of the Public Prosecutor of Information or evidence relating to such investigation, and for the safeguarding of the integrity and confidentiality of all files, records, documents, physical evidence, and other materials obtained or prepared by the Public Prosecutor;

"(4) receive appropriate national security clearances and review any evidence or information sought to be withheld on the ground that it is classified or relates to the national security of the United States, except evidence or information claimed to be subject to an evidentiary or testimonial privilege (including evidence or information claimed to be privileged by virtue of the necessity to the proper functioning of the executive branch of its remaining confidential);

"(5) issue subpenas to such individuals, entities, or officers or employees of the United States (or any agency or department thereof) as he may deem necessary to obtain any evidence or information he is authorized to obtain and review pursuant to paragraph (2) or (4), and initiate or defend appropriate proceedings in any court of the United States of competent jurisdiction relating to compliance with any such subpena;

"(6) determine whether, in a proceeding pursuant to paragraph (5) or any other proceeding, to contest the withholding of any evidence or information he is authorized to obtain and review pursuant to paragraph (2) or (4) because such evidence or information is claimed to be subject to an evidentiary or testimonial privilege, including a claim that such evidence or information is privileged by virtue of the necessity to the proper functioning of the executive branch of its remaining confidential;

"(7) conduct proceedings before grand juries;

"(8) make application to any court of the United States of competent jurisdiction in a manner consistent with part V of title 18 for a grant of immunity to any witness;

"(9) frame and, with the independent concurrence of the Deputy Public Prosecutor and subject to section 588 of this title, sign and file criminal indictments and informations, prosecute criminal proceedings in the name of the United States, which proceedings shall, except as otherwise provided for in this chapter, comply with the requirements of law governing the conduct of such proceedings;

"(10) conduct such civil proceedings as he may deem appropriate to enforce any provision or obtain any remedy for violation of any law he is charged with enforcing; and

"(11) notwithstanding any other provision of law, to exercise all other powers as to the conduct of criminal investigations, prosecutions (including prosecutions for perjury committed in the course of any investigation or judicial or legislative hearing with respect to any matter within the jurisdiction of the Public Prosecutor), civil proceedings), and appeals, within his jurisdiction, that would otherwise be vested exclusively in the Attorney General and the United States attorney under the provisions of chapters 31 and 35 of this title and any regulation promulgated pursuant to either such chapter, and act as attorney for the Government in such investigations, prosecutions, proceedings, and appeals.

"§ 587. Notification to Attorney General of initiation of prosecution

"(a) The Public Prosecutor may, together with the Deputy Public Prosecutor, sign and file any indictment returned by a grand jury convened at his request or under his direction and may, together with the Deputy Public Prosecutor, sign and file any criminal information, with respect to any matter within his jurisdiction under section 585 of this title, except that in each such instance the Public Prosecutor shall give the Attorney General five days' prior written notice thereof.

"(b) If the Attorney General of the United States disapproves the filing of any indictment or information, or any subsequent action or position taken by the Public Prosecutor in the course of any judicial proceeding pursuant thereto, the Attorney General shall be entitled to appear and present his views amicus curiae to any court before which any such proceeding is pending.

"§ 588. Actions with respect to an incumbent President

"(a) Notwithstanding any other provision of this chapter, the Public Prosecutor shall have no authority to initiate any criminal proceeding against an individual then serving as the President of the United States.

"(b) Notwithstanding the provisions of subsection (a), the Public Prosecutor shall have authority to submit any evidence or information obtained by him which, in his judgment, furnishes reasonable grounds for a belief that an incumbent President has committed any impeachable offense (including, subject to the approval of the court supervising any grand jury convened at the request or under the direction of the Public Prosecutor, any relevant report prepared by such grand jury), to the Committee on the Judiciary of the House of Representatives.

"§ 589. Administrative provisions

"(a) The Public Prosecutor may appoint, fix the compensation, and assign the duties of such personnel as may be necessary to carry out his duties and functions under this chapter. The Public Prosecutor may obtain the services of experts and consultants in accordance with the provisions of section 3109 of title 5.

"(b) The Deputy Public Prosecutor, in addition to such staff as may be furnished him by the Public Prosecutor, may appoint and fix the compensation of such personal assistants as may be necessary to carry out his responsibilities under Section 586(9).

"(c) The Public Prosecutor may from time to time make such provisions as he considers appropriate authorizing the performance by any other officer or employee of the Office of any function of the Public Prosecutor except the function prescribed by section 588(b) of this title.

"(d) The Public Prosecutor is authorized—

"(1) to adopt, amend, and repeal such rules and regulations as may be necessary to carry out his duties and functions under this chapter, and

"(2) to utilize, with their consent, the services, equipment, personnel, and facilities of any department or agency of the United States on a reimbursable basis.

"(e) The Public Prosecutor may, in his discretion, appoint such Special Assistants to discharge his responsibilities (other than the responsibility vested in the Public Prosecutor pursuant to Section 588(b)) with respect to a particular matter or matters within the jurisdiction of the Public Prosecutor under Section 585.

"(f) Upon request made by the Public Prosecutor each Federal department and agency is authorized and directed to make its services, equipment, personnel, facilities, information (including suggestions, estimates, and statistics) available to the greatest practicable extent consistent with the laws, to the Public Prosecutor in the performance of his duties and functions.".

"(g) The Public Prosecutor and Deputy Public Prosecutor shall be compensated as provided for in Sections 5313 and 5314 of title V, provided that such compensation shall not be subject to diminution during the period of any individual's tenure as Public Prosecutor or Deputy Public Prosecutor, as the case may be.

INTERLOCUTORY APPEALS FROM CERTAIN DECISIONS

SEC. 102. Section 1292(a) of title 28, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (3);

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a seimcolon and "and", and adding the following new paragraph:

"(5) Orders of such district courts or the judges thereof, issued in proceedings relating to compliance with any subpoena issued by the Public Prosecutor pursuant to section 586(5) of this title, quashing any such subpoena on the grounds that, or enforcing any such subpoena against a claim that, the information sought to be obtained thereby may be withheld because it is classified or relates to the national security of the United States, or because such information is subject to an evidentiary or testimonial privilege, or because such evidence or information is privileged by virtue of the necessity to the proper functioning of the executive branch of its remaining confidential.".

TITLE II—CRIMINAL CODE AMENDMENTS

CONFLICTS OF INTEREST

SEC. 201. (a) Section 202 of title 18, United States Code, is amended by redesignating subsection (b) as subsection (c) and adding after subsection (a) the following new subsection:

"(b) As used in sections 205, 207, 208 and 209 of this title the term 'officer or employee' includes the Public Prosecutor, the Deputy Public Prosecutor, and members of their staff; and as used in section 201 of this title, the term 'public official' includes the Public Prosecutor, the Deputy Public Prosecutor and professional members of their staff.".

SECRECY OF RECORDS

SEC. 202. (a) Section 1905 of title 18, United States Code, is amended—

(1) by inserting "(a)" immediately before "Whoever"; and

(2) by adding at the end thereof the following new subsection:

"(b) (1) It shall be unlawful for any officer or employee of the United States or of any department or agency thereof, or the member of any grand jury convened at the request or under the direction of the Public Prosecutor who, in the course or under color of his duties as such officer, employee or member has had any direct contact with an employee or officer lawfully participating in an investigation being conducted by the Public Prosecutor pursuant to section 586 of title 28 by virtue of which such person has come into the possession of any evidence or information obtained by or in the possession of the Public Prosecutor or the product of an investigation conducted by the Public Prosecutor pursuant to such section, to disclose, or to cause the disclosure, or in any manner to further the disclosure, of such evidence, information, or product to any person other than an officer or employee of the Office of the Public Prosecutor or the Department of Justice, or of a court in which a grand jury convened at the request or under the direction of the Public Prosecutor is proceeding, or (to the extent otherwise privided for by law) to a person who is likely to or has become the subject of an investigation by the Public Prosecutor, except that the Public Prosecutor may make such public disclosure as is permitted by law of such information as he deems necessary, appropriate, or required by law in connection with a proceeding instituted by him with the concurrence of the Deputy Public Prosecutor.

"(2) Whoever violates any provision of paragraph (1) of this subsection shall be subject to a civil penalty of not less than $1,000 or more than $25,000 and, if the violation is willful, shall be fined not more than $50,000 or imprisoned for one year, or both.

"(3) Nothing in this subsection shall be construed to prohibit the Public Prosecutor from taking any action he is authorized to take under section 588(b) of title 28, or to preclude any defendant in a criminal case from obtaining any information concerning grand jury proceedings or in the possession of a prosecuting official of the United States to which he would otherwise by law be entitled.".

(b) (1) The caption of section 1905 of such title is amended to read as follows:

"§ 1905. Disclosure of confidential information generally and with respect to investigations or proceedings conducted by the Public Prosecutor".

(2) The analysis of chapter 93 of such title is amended by inserting immediately before the period at the end of item 1905 the following: "and with respect to investigations or proceedings conducted by the Public Prosecutor".

TITLE III—MISCELLANEOUS

COMPENSATION

SEC. 301. (a) Section 5313 of title 5, United States Code, is amended by adding at the end thereof the following:

"(22) Public Prosecutor.".

(b) Section 5314 of such title is amended by adding at the end thereof the following:

"(56) Deputy Public Prosecutor.".

FACILITIES

SEC. 302. The Administrator of General Services shall provide the Office of the Public Prosecutor with such offices and support facilities as may be necessary, and such additional offices and support facilities as may from time to time be required to carry out the provisions of this Act, except that such offices and facilities shall be physically separate from the office of the Department of Justice or of any division thereof.

AUTHORIZATION OF APPROPRIATIONS

SEC. 302. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

By Mr. MAGNUSON (by request):

S. 3653. A bill to amend the Rail Passenger Service Act of 1970 and for other purposes. Referred to the Committee on Commerce.

Mr. MAGNUSON. Mr. President, I introduce by request, for appropriate reference, a bill to amend the Rail Passenger Service Act of 1970, and ask unanimous consent that the letter of transmittal, and text of the bill be printed in the RECORD.

There being no objection, the letter and bill were ordered to be printed in the RECORD, as follows:

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., May 9, 1974.

HON. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: There is transmitted herewith a bill to amend the Rail Passenger Service Act of 1970 (the "Act") and for other purposes. The amendments would correct certain technical deficiencies in the Act, provide for additional authorization for appropriations in Fiscal Year 1975, increase by $200,000,000 the maximum amount of loans and other obligations that may be guaranteed pursuant to the Act, revise section 601 of the Act to provide that payments to the National Railroad Passenger Corporation (Amtrak) would be subject to terms and conditions prescribed by the Secretary of Transportation and to remove certain direct budget submittal features presently contained in that section, and amend section 801 of the Act to provide that the Commission shall annually recommend measures to assure an adequate level of service.

The "Amtrak Improvement Act of 1973" amended section 601 of the Act by removing the authority of the Secretary of Transportation to attach terms and conditions to grants to Amtrak. It also provided for the concurrent transmittal to Congress of any budget requests or estimates submitted to various elements of the Executive Branch and prohibited any agency of the Government from requiring Amtrak to submit legislative matters to it prior to submission to Congress.

These amendments to section 601 of the Act substantially decreased the stewardship role of the Executive Branch over the expenditure of funds by Amtrak. As the President indicated in his statement of November 3, 1973, on the occasion of his signing the Amtrak Improvement Act, the 1973 amendments deprive the Executive Branch of any meaningful authority to review in advance the spending plans of Amtrak or to exercise sensible budgetary and legislative control. The imposition of the restrictions upon Executive Branch control was most unfortunate, because it has become increasingly clear that the Amtrak program is becoming more expensive for many reasons, such as increases in railroad operating cost and the cost of capital equipment necessary for the continued operation of the Amtrak program. Consequently, fiscal responsibility within the Executive Branch over Amtrak's programs in light of these escalating costs is imperative.

A further consequence of the restrictions was to remove the Executive Branch from effective participation in the long-term intercity rail passenger service planning process. The Amtrak Improvement Act permitted Amtrak to propose long-term programs with major impacts to the Congress without prior review by the Executive Branch. We are therefore recommending that section 601 be amended to provide appropriate control by the Executive Branch of the Amtrak budge and legislative program.

The Amtrak Improvement Act of 1973 amended section 801 of the Act and directed the Interstate Commerce Commission to issue regulations necessary to provide "adequate service, equipment, tracks, and other facilities for quality intercity passenger service." On December 27, 1973, the Commission issued Ex Parte 277 (Sub. No. 1), Adequacy of Intercity Rail Passenger Regulations. While those regulations may contribute to the continued improvement of rail passenger service the Department pointed out in its Petition for Reconsideration "that we would be remiss in our duty if we failed to express our forebodings about the impact of some of the regulations upon Amtrak's operations and finances."

We strongly support the need for quality rail passenger service, but such service should be provided at a cost which is reasonable to the Corporation and to the public. The imposition of mandatory regulations by the Commission will not accomplish these twin objectives. Ordinarily, the regulatory process operates within the framework of a profit motivated sector of the economy. That framework provides the necessary constructive tension and diversity of views necessary to assure that the regulations are reasonable. Amtrak does not operate in that environment. Amtrak does not have the economic incentives to question and oppose where necessary, the Commission's proposed regulations since historically Amtrak's increased deficits have been underwritten by increased subsidies from the Federal Government. In addition to the question of unnecessary costs, the Commission's control could stifle Amtrak's introduction of new, better, and more innovative services than those required by the Commission. We, therefore, recommend deleting the present section 801, and substitute a provision authorizing that the Commission shall recommend such changes, but not have authority to order them.

The bill would amend section 602(d) to increase the maximum amount of loans and other obligations that might be guaranteed by the Secretary of Transportation from the present limit of $500,000,000 to $700,000,000. Increasing the limit is necessary to allow Amtrak to make needed capital acquisitions and improvements, vital to the successful and efficient operation of Amtrak.

Section 304(b) of the Act would be amended to remove the restriction that no more than one-third of Amtrak's common stock may be owned by a single railroad or by a person controlling one or more railroads, after the initial issue of common stock is completed. The initial issuance of common stock was completed on May 1, 1974, and two of Amtrak's four common shareholder railroads now each have more than one-third of the common stock. This situation has developed principally because most railroads that joined the Amtrak system took the tax deductione available under section 901 of the Act, rather than accept common stock in exchange for their payments. The Department believes that no harm will be done by eliminating this ownership restriction. The proposed amendments to section 304(b) would also limit any one railroad or person controlling one or more railroads from voting more than one-third of the Amtrak common stock and thus preserve the existing limitation on the number of directors that can be elected by any one railroad.

The Office of Management and Budget has advised that this proposed legislation is in accord with the Administration's objectives.

Sincerely,

CLAUDE S. BRINEGAR.

S. 3653

Be it enacted by the Senate and House of Representatives of the United States in Congress assembled, That the Rail Passenger Service Act of 1970, as amended (45 U.S.C. 502) is amended by

1. deleting the word "owned" in section 304(b) and substituting the word "voted" in lieu thereof, and adding the following sentence at the end of section 304(b): "If any railroad or any person controlling one or more railroads, as defined in this subsection, owns, in any manner referred to in this subsection, a number of shares in excess of 33⅓ per centum of the total number of common shares issued and outstanding, such excess number shall, for voting and quorum purposes, be deemed to be not issued and outstanding.";

2. deleting section 601 and substituting in lieu thereof the following:

"There is authorized to be appropriated to the Secretary in fiscal year 1975 for payment to the Corporation pursuant to terms and conditions prescribed by the Secretary such amounts as are necessary to carry out the purposes of this Act.";

3. deleting "$500,000,000" in section 602(d) and substituting "$700,000,000" in lieu thereof; and

4. deleting section 801 and substituting in lieu thereof the following:

"The Commission shall recommend to the Secretary, the Corporation, and the Congress in its annual report, such measures as it considers necessary to provide adequate service, equipment, and other facilities for quality intercity rail passenger service and shall report on the effectivenss of its prior recommendations.

By Mr. BELLMON (for himself and Mr. BARTLETT):

S. 3654. A bill to amend the Occupational Safety and Health Act of 1970, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. BELLMON. Mr. President, today I am introducing legislation which would remedy many of the present abuses which have been caused by the improper implementation of the Occupational Safety and Health Act.

My proposal would make several significant changes in the act.

First, it would amend the Occupational Safety and Health Act to exempt from Federal standards any small business, including farmers, having 25 or fewer employees.

Second, the authority to assess penalties for first-instance nonserious violations would be removed. The mandatory assessment of penalties for first-instance serious violation would be made discretionary, being related to whether assessment of a penalty would advance worker safety. In making this determination, an inspector would be required to examine three relevant factors: the gravity of the violation, the good faith of the employer, and the history of previous violations.

Third, this bill would permit onsite consultation by the Department of Labor for employers with 100 or fewer workers with no authority to issue citations for violations found on employer-requested visits. Personnel of the Department of Labor would be required to suggest various alternatives to remedy hazards disclosed during the visit. Violations discovered during the onsite consultation would not subject an employer to liability unless it involved an "imminent danger" to his employees.

Mr. President, I do not wish to be misunderstood. I strongly believe that OSHA is needed and that the act provides a valuable and long-overdue protection for American working people. However, difficulties have arisen with the administration of the act which, in my opinion, make the changes which I am proposing absolutely essential.

The urgent need for enactment of this proposal is quite clear when one examines the often burdensome and unwarranted interference caused by the current administration of OSHA. The Occupational Safety and Health Act has caused severe and serious hardships on many small businesses and farming operations throughout the Nation. This is certainly the case in my home State of Oklahoma. My office, like those of many other Senators, has literally been deluged with an overwhelming number of protests from a variety of individual employers, associations, and organizations who have become acutely aware of the oppressive effects of this law. Among those adversely affected in Oklahoma by the implementation of unnecessary regulations are grain and seed companies, cotton oil companies, farm machinery, equipment and implement dealers, hardware stores, lumber yards, steel constructors, mechanical contractors, moving and storage firms, farmers cooperative associations, and many others too numerous to list.

Quite simply the implementation of OSHA regulations have gone too far in imposing requirements upon small businessmen. It is clear that enforcement of this law by the Department of Labor has been totally unrealistic and without regard for the crippling consequences it has produced. It represents the imposition of an additional cost on farmers and small businessmen. Unless changed, it will literally force many out of business and add further to unemployment.

Those in charge of administering the program appear in many cases to be more anxious to punish than to make information available in an understandable and usable form and thus gain cooperation. But the basic fault lies within the law itself. Basic changes need to be made. It is with this concept and understanding of the implementation of the Occupational Safety and Health Act that I am introducing legislation which is realistic and badly needed.

By exempting the small businessman with fewer than 25 employees, the Congress will help alleviate the financial plight which presently exists in rural America. The plight of the small businessman which has been created by the implementation of OSHA is typified by a letter which my office received some time ago from Ed Long, operator of a retail farm equipment dealership in Garber, Okla. His business with its nine employees contributes to the economy of Garber, which has a population of 1,011 and furnishes vital services to farmers in a large geographical area of north-central Oklahoma.

Ed writes that he will have to spend initially approximately $15,000 at a minimum to comply with the new rules, primarily because of requirements in the paint room. He said:

> I do not know of a single implement or automobile dealership that has automatic sprinklers and many of the other specifications required by the law. Drinking water, restroom facilities with hot and cold water within 200 feet of every employee would be impossible . . . without spending thousands of dollars per dealership.
>
> I feel and my records prove that many of the regulations will not make my business any safer. They could force us to close and leave five more empty buildings in our small town. It should have been called the Small Town Killer Law.

In all candor, OSHA regulations are too complex for small businessmen to know or understand, much less to comply with. It is unfair to expect a small businessman located in rural America with limited resources to comply with the same standards that apply to large corporations employing lawyers, safety officers, and industrial hygenists. Congress has stated its objective, primarily in the Rural Development Act, to encourage the development of rural America and yet at the same time has enacted massive legislation which creates a precarious existence at best for many small enterprises. Quite simply, the cost of compliance with OSHA regulations is simply too high. Although, adequate safety standards must be provided the Department of Labor has gone too far in implementing burdensome regulations which create an undue economic burden and interference with the operation of the small businessman.

The cost of complying with these regulations boggles the imagination. One survey has indicated that the average cost of complying with the OSHA standards is $33,000 for plants with less than 100 employees. This kind of cost for businessmen can mean the difference between financial solvency and bankruptcy for literally hundreds of enterprises. We are also all interested in the safety of the worker but we should also be interested in the unemployment rates which exist in rural America.

The second feature of this bill would provide on request jobsite consultation by the Department of Labor for businesses with 100 or fewer employees with no authority to issue citations for violations found on employer-requested visits. Literally volumes of regulations have been promulgated pursuant to the act making good faith compliance by the small businessman nearly impossible. Most small firms simply cannot afford to hire the expensive technical and legal expertise required. Therefore, Department of Labor personnel should be made available. In my judgment, it is only reasonable to provide consultive service when requested by an employer for the purpose of discussing the interpretation or application of standards and possible alternative ways to comply with the standards under the act.

Under my proposal, the authority to assess penalties for first-instance nonserious violations of the act would be significantly modified. The mandatory assessment of penalties for first-instance serious violations would be made discretionary, being related to whether assessment of a penalty would advance worker safety. Under existing law, the Secretary must issue a citation with a proposed penalty whenever he finds a violation. This mandatory penalty provision should be changed. Quite simply, it is unfair.

Although many are urging complete repeal of this act, because of the abuses which have occurred, it is my conviction that the act is needed. These amendments to the OSHA would greatly improve the act without doing harm to its basic objectives. Perhaps, more importantly, these changes would eliminate what Ed Long of Garber, Okla., has called the Small Town Killer Law, and help provide an effective workable instrument which serves the best interests of both employers and employees.

I ask unanimous consent that the text of my bill be inserted in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3654

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Occupational Safety and Health Amendments of 1974".

SEC. 2. (a) Section 3(5) of the Occupational Safety and Health Act of 1970 is amended to read as follows:

"(5) The term 'employer' means a person engaged in a business affecting commerce who has employees but does not include the United States, any State or political subdivision of a State, any nonagricultural employer who employed no more than twenty-five employees at any time during the preceding calendar year, or a small farmer."

(b) Section 3 of such Act is amended by adding at the end thereof the following new paragraph:

"(15) The term 'small farmer' means a person who owns or operates a farm who, it can reasonably be predicted on the basis of criteria prescribed by the Secretary, will not employ during the next twelve-month period more than twenty-five man-years of agricultural labor for which compensation is paid."

SEC. 3. Section 6(b)(2) of the Occupational Safety and Health Act of 1970 is amended by inserting at the end of the first sentence the following: "Such proposed rule shall be accompanied by a statement summarizing its economic impact on affected employers, including an estimate of the total costs which will be incurred by employers in each affected industry in complying with such rule."

SEC. 4. (a)(1) Subsections (b) and (c) of section 9 of the Occupational Safety and Health Act of 1970 are redesignated as subsections (c) and (d), respectively.

(2) Section 9 is further amended by inserting after subsection (a) a new subsection (b) as follows:

"(b) Any employer who is issued a citation and who believes that he maintains work conditions which would meet the criteria for a variance under section 6(d), may apply to the Secretary for such a variance within the time designated in section 10(a) for giving notice of intent to contest a citation. Except where the Secretary finds it frivolous and submitted for the purpose of delay, such application shall result in the suspension of all further proceedings with respect to such citation pending final action by the Secretary on such application. If a variance is granted, the Secretary shall enter an order vacating such citation."

(b) Section 9(c) of such Act (as redesignated by this section) is amended by adding at the end thereof the following: "Such posting shall not be required after (1) such violation has been abated, or (2) a proceeding contesting such citation has been concluded by an order under sections 9(b), 10(c), or 11 vacating or modifying such citation, whichever comes first. Whenever any such order modifies such citation, the citation as modified shall not be required to be posted after the violation has been abated."

SEC. 5. (a) Section 17(b) of the Occupational Safety and Health Act of 1970 is amended (1) by striking the word, "shall", and inserting in lieu thereof the word, "may"; and (2) by inserting at the end thereof the following new sentence: "In determining whether a penalty shall be assessed under this subsection, due consideration shall be given to the gravity of the violation, the good faith of the employer, and the history of previous violations."

(b)(1) Section 17 of such Act is amended by striking out subsection (c).

(2) Section 17 of such Act is further amended by redesignating subsections (d), (e), (f), (g), (h), (i), (j), (k), and (l), and all references thereto, as subsections (c), (d), (e), (f), (g), (h), (i), (j), and (k), respectively.

SEC. 6. (a) The heading of section 21 of the Occupational Safety and Health Act of 1970 is amended to read as follows:

"TRAINING, EDUCATION, AND TECHNICAL ASSISTANCE"

(b) Section 21 of such Act is amended by inserting at the end thereof the following new subsection:

"(d)(1) In order to further carry out his responsibilities under this section, the Secretary shall visit the workplaces of employers having one hundred or fewer employees for the purpose of affording consultation and advice to such employers. Such visits (A) may be conducted only upon a valid request by an employer for consultation and advice at the workplace on the interpretation or applicability of standards or on possible alternative ways of complying with applicable standards, and (B) shall be limited to the matters specified in the request affecting conditions, structures, machines, apparatuses, devices, equipment, or materials in the workplace. Where, after evaluating a request by an employer pursuant to this subsection, the Secretary determines that an alternative means of affording consultation and advice is more appropriate and equally effective, he may provide for such alternative means rather than onsite consultation.

"(2) The Secretary shall make recommendations regarding the elimination of any hazards disclosed within the scope of the onsite consultation. No visit authorized by this subsection shall be regarded as an inspection or investigation under section 8 of the Act and no notices or citations shall be issued nor shall any civil penalties be proposed by the Secretary upon such visit, except that nothing in this subsection shall affect in any manner any provision of this Act the purpose of which is to eliminate imminent dangers.

"(3) Nothing in this subsection shall be deemed to require the Secretary to conduct an inspection under section 8 of the Act of any workplace which has been visited for consultative purposes. The failure of the Secretary to give consultation and advice regarding any specific matter during a consultation visit shall not preclude the issuance of appropriate citations and proposed penalties with respect to that matter.

"(4) In prescribing rules and regulations pursuant to this subsection, the Secretary shall provide for the appropriate separation of functions between officers, employees, or agents who conduct visits pursuant to this subsection and officers, employees, or agents who conduct inspections or investigations under this Act."

SEC. 7. This Act shall take effect sixty days after the date of enactment of this Act.

By Mr. BELLMON:

S. 3655. A bill to amend the Food Stamp Act of 1964. Referred to the Committee on Agriculture and Forestry.

Mr. BELLMON. Mr. President, the Agriculture and Consumer Protection Act of 1973, Public Law 93-86, extended the Food Stamp Act of 1964 for an additional 4 years. This Agriculture Act amended the food stamp program in a manner which has been construed to prohibit some recipients of supplemental security income under 1972 amendments to the Social Security Act from being eligible to continue receiving food stamps.

After enactment, it was brought to the attention of Congress that implementation of this amendment to the food stamp program would be extremely inequitable and would create an administrative nightmare. Emergency legislation, Public Law 92-233, was enacted last December which delayed implementation of this provision until June 30, 1974.

Mr. President, the problems predicted last December which required enactment of emergency legislation still exist. The situation is critical. Let me explain. For example, in Oklahoma there are currently 72,276 persons who receive old age, blind, and disabled assistance and also receive food stamps or donated commodities. By July 1, the donated commodities program will be changed to food stamps. Unless the provisions of Public Law 93-86 are changed before June 30, 67,834 persons in Oklahoma alone will no longer be entitled to food stamps.

The provisions of Public Law 93-86, if allowed to go into effect, will cause an administrative nightmare which would affect every adult recipient of public assistance. In Oklahoma, the local county workers would be required to determine and redetermine eligibility for adult assistance as follows:

First. Determine eligibility for AABD payments based on the December 1973 standards.

Second. Determine eligibility for food stamps based on the December 1973 standards and establish the bonus value of these coupons.

Third. Compute the December 1973 public assistance grant which the recipient hypothetically would have been eligible to receive and add the hypothetical bonus value of the coupons which the person would have been eligible to receive.

Fourth. Determine SSI eligibility and amount of payment to which the person would be entitled, included the State supplement or any other income which he might receive.

Fifth. If the current SSI payment plus the State payment is more than the individual would have been entitled to receive in December 1973, then he is ineligible to receive food stamps under the law which will again be in effect after July 1.

Sixth. Complete an application for food stamps and determine eligibility. Example: July 1974 SSI payment, $146; State supplemental payment, $20; total July 1974 income, $166. This individual would not be eligible for food stamps, because of the SSI payment. This individual could have a neighbor who had $183 per month income, however, if the neighbor's income does not include any SSI payment the neighbor would be entitled to food stamps.

The cost administratively of having county workers determine eligibility under an obsolete and separate set of standards, according to the provisions of Public Law 93-86, would be tremendous. With the rising cost of food prices and the change in USDA food stamp standards to be effective July 1, 1974, an increasing number of individuals in need of food stamps to supplement their income will be making application. To deny food stamps to those individuals receiving SSI is to deny help to the poorest of the poor.

For these reasons, I am today introducing legislation to provide that effective July 1, 1974, the eligibility for participation in the food stamp program shall be determined solely on the basis of the uniform national eligibility standards for nonpublic assistance households.

Mr. President, this bill simply provides that each individual shall be treated the same in determining eligibility for food stamps regardless of his source of income. In my view, this proposed change is only just. Hopefully Congress will realize the critical need for legislation of this nature and take immediate action on this proposal. The change must be made before June 30, 1974.

Mr. President, I ask unanimous consent that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3655

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Section 5 of the Food Stamp Act of 1964, as amended, is amended by adding the following new subsection:

"(e) Effective July 1, 1974, the eligibility for participation in the food stamp program of any household which contains a number with respect to whom supplemental security income benefits are being paid under Title XVI of the Social Security Act shall be determined on the basis of the uniform national eligibility standards for nonpublic assistance households established by the Secretary pursuant to this section."

By Mr. NELSON (for himself, Mr. MONDALE, and Mr. COOK):

S. 3656. A bill making appropriations for the fiscal year ending June 30, 1975, for reimbursement of costs of construction of treatment works pursuant to the Federal Water Pollution Control Act. Referred to the Committee on Appropriations.

Mr. NELSON. Mr. President, when the Congress enacted the Federal Water Pollution Control Act Amendment 2 years ago it established a massive attack on the pollution of our Nation's waterways. National standards were established, timetables set, and over $18 billion appropriated to fuel a coordinated approach to a basic environmental problem.

Half of the funds that the Congress appropriated for the construction of new sewage treatment facilities have been impounded. Deadlines set in the 1972 act will now have to be set back by at least 2 years. A national program to abate a critical problem has been unfortunately delayed.

The 1972 act contains another commitment to the Nation's cities that has not yet been met. The act—section 206 (a)—contains a moral and financial promise that the Federal Government will provide sufficient and timely payment of up to 55 percent for the construction costs of sewage treatment plants built between 1966-72 when the cities were encouraged to use their own money to pay for the eligible Federal share.

The Congress determined that it was equitable, reasonable, and consistent with past congressional legislation and intent that the Federal Government reimburse funds to State and localities which have prefinanced a portion of the Federal share of the eligible cost of construction of waste treatment facilities.

Section 8(c) of the Federal Water Pollution Control Act, as amended by the Clean Water Restoration Act of 1966, served as an incentive to accelerate the initiation of municipal water pollution control projects ahead of the availability of Federal appropriations. States and localities then proceeded to commit their own fiscal resources to pay a portion of the Federal share of the cost of construction on the premise that allotments of the eligible Federal share would be paid in full in a timely fashion.

To meet this obligation the Congress appropriated $1.9 billion. Late last year it became obvious that this money would not discharge the Federal obligation. The Congress then asked the EPA how much more money was needed to retire the Federal commitment. EPA responded that an additional $600 million would complete the job. The Congress increased the authorization by that amount and the President signed the authorization into law in December.

Now it appears that this was a low estimate. The EPA has received over 5,000 applications for grants totaling $3.012 billion. Of these projects over 1,000 applications totaling $438 million are from projects that have not received any Federal assistance.

Obviously, with only $1.9 billion appropriated and total eligible costs as high as $3 billion, the EPA can only pay part of the total eligible share unless the Congress appropriates additional funds.

EPA has developed the following funding formula. Projects that have received prior Federal grants will immediately receive half of their eligible Federal share. The other half will be paid at 65 cents on the dollar. This partial payment will make available funding for the 1,000 new applications EPA has received.

For example, under this program, the city of Green Bay, Wis., initiated a $71 million sewage-treatment project. According to the law they are eligible for 55-percent Federal reimbursement for construction costs. This means approximately $39.2 million of the total cost should come from Federal funds. So far they have been obligated to one-half of their eligible cost, or $18.4 million. The other half is being paid at the rate of 65 cents on the dollar. The loss in promised Federal funding will be close to $14 million. The additional fiscal burden will have to be borne by the taxpayers who originally authorized the projects with a firm promise of Federal help.

The EPA informs me that they will not know the total cost for this program until the early fall but, in any case, the amount will be in excess of the additional $600 million that this bill would appropriate.

It is important for the Congress to appropriate these additional funds now so that they appear in the fiscal year 1975 budget. After the EPA compiles the final figures this fall, the Congress can then pass an authorization for the money that will wipe out the Federal Government's liability to the States and cities.

The legislative history of section 206 of the Federal Water Pollution Control Act Amendments of 1972 is clear on the Federal obligation. The debate reads, in part:

> By virtue of the commitments made by these states and localities, the cleanup of our nation's precious waters has been expedited, and it is a matter of equity that the Federal Government provide sufficient and timely reimbursement to them.

The record continues:

The provisions of section 206 are a matter of simple justice and will constitute, when funds for them are appropriated, the fulfillment of a strong commitment by the Federal Government. In addition, they will serve notice that progressive administration on the part of State and local governments will not go unrewarded.

The question of whether the $1.9 billion would be sufficient was raised. The House responded that—

> Although the amount authorized by section 206(a) of H.R. 11896 is too small to meet the ultimate need, there will be an opportunity in future legislation to correct this inequity.

The Senate's response was similar. Senator Muskie, the author of the bill, makes the following point in a colloquy with Senator Javits:

> Javits. I note from the report that the committee said that if it (the appropriation) should be found to be inadequate and the entitlement higher, the committee intends to seek authorization and appropriation for whatever is paid.
>
> Muskie. That is correct. We will do that.

And even the administration was in agreement. Administrator of the EPA William Ruckelshaus testified that—

> We endorse reimbursement to cover the full Federal share allowable under current law, which applies to post-1966 projects.

The Senate report concludes—

> That funds committed to advance the Federal share are now—in 1972—urgently needed by the States and municipalities to finance their share of new projects which are essential to implement the purposes of the act. For these reasons it is the policy of the committee to provide full reimbursement for all projects constructed without assistance.

The Congress has a moral commitment to reimburse the States and municipalities for funds they had applied to the Federal eligible share of sewage treatment projects.

It is time the Congress appropriate the money that will help to meet this commitment.

Mr. President, I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3656

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sum is appropriated for the fiscal year ending June 30, 1975, out of any money in the Treasury not otherwise appropriated:

ENVIRONMENTAL PROTECTION AGENCY

CONSTRUCTION GRANTS

For reimbursement of costs of construction of waste treatment works pursuant to section 206 (a) of the Federal Water Pollution Control Act, $600,000,000, to remain available until expended.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the Record, a statement by the distinguished Senator from Minnesota (Mr. Mondale) cosponsoring legislation to reimburse communities for the construction of sewage treatment facilities.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Mondale

Mr. Mondale. Mr. President, I am pleased to join my colleague from Wisconsin, Senator Nelson, in cosponsoring legislation to provide added funds for the reimbursement of local communities for the construction of sewage treatment facilities.

This measure, which would be considered as an amendment to the fiscal 1974 appropriation for the Environmental Protection Agency, affects only those communities that built sewage treatment plants between 1966 and 1972. It would provide $600 million in payments to municipalities that initiated construction of such facilities on the basis of an assurance that the Federal government would later compensate them for from 50 to 55 percent of the cost of their projects.

This assurance was incorporated into the Water Pollution Control Act and the Clean Water Restoration Act of 1966, which was designed to speed progress toward improved water quality by encouraging State and local governments to go ahead with sewage treatment projects upon the expectation that federal funds would subsequently be made available to defer a share of the cost.

In the 1972 Federal Water Pollution Control Act Amendments the Congress recognized the federal governments' responsibility in this regard, and $1.9 billion was authorized under Section 206 to reimburse municipalities for plans constructed during the preceding six years.

However, as applications began coming into the Environmental Protection Agency, it became clear that $1.9 billion was not sufficient to provide full reimbursement to all eligible communities. E.P.A. estimated that an additional $600 million would be necessary to fully fund applications for Section 206 grants, and an authorization in this amount was approved by the Congress. On the basis of applications received to date, even with the supplemental $600 million, the federal government will be unable to provide 100 percent reimbursement for eligible projects. Nevertheless, the bill we are introducing today is intended as a first step toward fulfilling the commitments made in the 1972 and prior amendments to the Water Pollution Control Act.

In the absence of this legislation, the Environmental Protection Agency has developed a formula to compensate municipalities at a rate of 65 cents on every dollar they are entitled to receive.

For the State of Minnesota, the difference between full funding and funding at the 65 percent rate of reimbursement is $9,561,292. The Metropolitan Sewer Board serving the Twin Cities and surrounding communities stands to lose $4,414,582 under the E.P.A.'s 65 percent funding formula.

Mr. President, at my request the Environmental Protection Agency has prepared a set of tables which show how much the State of Minnesota and the various municipalities with eligible projects would be entitled to receive at 100 percent reimbursement versus 65 percent reimbursement. I ask unanimous consent that these tables be printed at this point in the Record.

As the charts show, the City of Bloomington built a treatment plant between 1966 and 1972 at a cost of $12,315,000. The federal government has made available some, but not full, reimbursement to the City. At a 100 percent rate of reimbursement Bloomington is entitled to receive $2,594,890; but under the 65 percent formula Bloomington would get only $1,686,679. The difference is one of $908,211. Our bill is designed to assure that as much of this sum as is feasible under the current authorization will be paid by the federal government.

Following action on the appropriation under the existing authorization, I plan to join with Senator Nelson and others in seeking a new authorization to bring federal payments up to the 100 percent reimbursement level.

Mr. President, the legislation we submit today would not undertake any new federal commitments. It would merely follow through on a commitment that dates back to 1966. I believe this responsibility must be met, and I am hopeful that the Senate Appropriations Committee will give favorable consideration to our proposal when markup on the E.P.A.'s fiscal 1975 budget begins.

Applicant	Project cost	Prior EPA grant	Reimburse at 100 percent	Reimburse at 65 percent	Difference
PROJECTS RECEIVING A PRIOR FEDERAL GRANT					
Albert Lea	156, 699	51, 710	34, 474	22, 408	12, 066
Alvarado	71, 634	21, 490	14, 327	9, 313	5, 014
Anoka	763, 297	251, 888	167, 925	109, 151	58, 774
Austin	1, 927, 800	403, 350	655, 940	426, 361	229, 579
Bagley	130, 305	39, 091	26, 061	16, 940	9, 121
Balaton	73, 621	24, 294	16, 197	10, 528	5, 669
Barnesville	150, 400	50, 520	32, 200	20, 930	11, 270
Baudette	147, 830	42, 600	31, 315	20, 355	10, 960
Belle Plaine	124, 051	40, 936	27, 292	17, 740	9, 552
Bellechester	53, 429	16, 028	10, 686	6, 946	3, 740
Bloomington	12, 315, 000	4, 178, 360	2, 594, 890	1, 686, 679	908, 211
Burnsville	303, 377	100, 110	66, 747	43, 386	23, 361
Claremont	84, 051	25, 215	16, 810	10, 972	5, 883
Clarks Grove	112, 708	3, 812	22, 542	14, 652	7, 890
Climax	75, 325	22, 597	15, 065	9, 792	5, 273
Cokato	218, 395	65, 518	43, 679	28, 391	15, 288
Cottage Grove	131, 675	38, 440	33, 981	22, 088	11, 893
Crookston	211, 859	116, 160	362	235	127
Dilworth	56, 256	18, 564	12, 376	8, 044	4, 332
Eagan Twp	389, 491	127, 640	86, 580	56, 277	30, 303
Evaleth	470, 970	136, 680	98, 805	64, 223	34, 582
Fairmont	2, 214, 100	546, 330	560, 720	364, 468	196, 252
Faribault	38, 306	11, 491	7, 662	4, 980	2, 682
Farmington	74, 914	23, 990	17, 212	11, 187	6, 025
Fergus Falls	574, 651	189, 634	126, 424	82, 176	44, 248
Do	83, 408	27, 480	18, 394	11, 956	6, 438
Fisher	62, 799	18, 839	12, 560	8, 164	4, 396
Floodwood	195, 351	58, 605	39, 070	25, 396	13, 674
Foley	91, 398	27, 419	18, 280	11, 882	6, 398
Forest Lake Tp	80, 320	26, 505	17, 671	11, 486	6, 185
Grand Rapids	180, 782	54, 234	36, 157	23, 502	12, 655
Granite Falls	168, 226	50, 467	33, 646	21, 870	11, 776
Hackensack	71, 491	21, 447	14, 298	9, 294	5, 004
Halstad	119, 736	35, 921	23, 947	15, 566	8, 381
Hastings	1, 719, 127	35, 921	378, 208	245, 835	132, 373
Hector	277, 004	83, 101	55, 401	36, 011	19, 390
Henderson	141, 601	42, 480	28, 320	18, 408	9, 912
Hendricks	87, 302	25, 500	18, 151	11, 798	6, 353
Heron Lake	126, 271	41, 669	27, 780	18, 057	9, 723
Hibbing	2, 673, 600	802, 080	534, 720	347, 568	187, 152
Hopkins	1, 224, 222	475, 660	200, 730	130, 475	70, 255
Hutchinson	1, 430, 769	429, 230	286, 154	186, 000	100, 154
Isanti	157, 047	47, 114	31, 409	20, 416	10, 993
Isle	183, 179	54, 169	37, 420	24, 323	13, 097
Kennedy	123, 553	37, 100	24, 676	16, 039	8, 637
Kerkhoven	114, 898	34, 470	22, 979	14, 936	8, 043
Lake Benton	67, 548	20, 264	13, 510	8, 782	4, 728
Lake City	197, 230	59, 169	39, 446	25, 640	13, 806
Lancaster	107, 969	35, 629	23, 753	15, 539	8, 214
Le Roy	145, 661	38, 100	34, 730	22, 575	12, 155
Lindstrom	159, 100	42, 630	36, 920	23, 998	12, 922
Little Canada	1, 282, 947	423, 380	282, 240	183, 456	98, 784
Do	327, 237	107, 988	71, 992	46, 795	25, 197
Long Prarie	301, 168	90, 350	60, 234	39, 152	21, 082
Mabel	225, 937	67, 781	45, 187	29, 372	15, 815
Mankato	3, 504, 800	785, 660	1, 141, 980	742, 287	399, 693
Mantorville	129, 503	38, 850	25, 901	16, 836	9, 065
Mapleton	202, 560	66, 844	44, 564	28, 967	15, 597
Maplewood	122, 464	40, 412	26, 943	17, 513	9, 430
Marble	110, 380	33, 114	22, 076	14, 349	7, 727
Marshall	145, 846	43, 750	29, 173	18, 962	10, 211
Medford	179, 529	59, 243	39, 497	25, 673	13, 824
Medicine Lake	49, 476	14, 842	9, 896	6, 432	3, 464
Medina	80, 218	26, 471	17, 648	11, 471	6, 177
Melrose	362, 489	119, 620	79, 748	51, 836	27, 912
Mendota Hgts	1, 576, 709	520, 314	346, 875	225, 469	121, 406
Mpls-St. P. (SD, 5 projects)	18, 861, 264	5, 416, 775	4, 956, 919	3, 221, 997	734, 922
Montgomery	219, 558	72, 435	48, 321	31, 409	16, 912
Moorhead	1, 131, 990	339, 597	226, 398	147, 159	79, 239
Motley	110, 104	33, 031	22, 021	14, 314	7, 707
MSBD [1] Apple, Va	767, 500	------------	422, 125	274, 381	147, 744
Northdale-Oakdale	1, 420, 346	468, 714	312, 476	203, 109	109, 367
Nashwauk	133, 847	40, 154	9, 369	6, 090	3, 279
New Brighton	994, 035	328, 031	218, 688	142, 147	76, 541
New Germany	116, 161	61, 210	2, 679	1, 741	938
New Prague	626, 920	186, 690	126, 770	82, 400	44, 370
Newfolden	92, 170	27, 651	18, 434	11, 982	6, 452
Oak Park Hgts	391, 603	129, 228	86, 153	55, 999	30, 154
Parkers Prair	100, 742	33, 244	22, 164	14, 407	7, 757
Pelican Rapids	50, 887	16, 792	11, 195	7, 277	3, 18
Perley	49, 037	14, 711	9, 807	6, 375	3, 432
Plymouth	1, 542, 000	544, 560	303, 540	197, 301	106, 239
Randall	134, 998	40, 499	27, 000	17, 550	9, 450
Redwood Falls	355, 505	106, 651	71, 101	46, 216	24, 885
Rochester	2, 471, 173	741, 351	494, 235	321, 253	172, 982
Rockford	153, 383	46, 015	30, 676	19, 939	10, 737
Russell	219, 476	65, 842	43, 896	28, 532	15, 364
Sartell	194, 300	58, 290	38, 860	25, 259	13, 601
Sauk Center	1, 300, 271	429, 089	286, 060	185, 939	100, 121
Stillwater	561, 563	185, 315	123, 859	80, 508	43, 351
SW Sanitary District 7	7, 268, 200	2, 392, 430	1, 605, 080	1, 043, 302	561, 778
Do	7, 017, 637	2, 189, 550	1, 670, 150	1, 085, 598	604, 552
Swanville	138, 050	41, 280	27, 745	18, 034	9, 711
Tracy	107, 331	32, 199	21, 466	13, 953	7, 513
Twin Cities (MSB–4 projects)	11, 432, 913	------------	6, 288, 095	4, 087, 262	2, 200, 833
Vadnais Hgts	1, 515, 357	500, 067	333, 379	217, 696	116, 683
Vermillion	95, 866	28, 760	19, 173	12, 462	6, 711
Waite Park	76, 930	23, 079	15, 386	10, 001	5, 385
Wanamingo	204, 999	61, 499	41, 000	26, 650	24, 450
Watertown	117, 114	35, 134	23, 423	15, 225	8, 198
Waubun	91, 627	27, 488	18, 325	11, 911	6, 414
Welcome	194, 019	57, 840	39, 169	25, 460	13, 709
White Bear Lk	2, 028, 968	669, 559	446, 373	290, 142	156, 231
Willow River	79, 311	23, 760	15, 895	10, 332	5, 563
Winona	109, 431	36, 111	24, 076	15, 649	9, 427
Do	3, 786, 017	1, 268, 910	813, 399	528, 709	284, 690
Winsted	222, 874	66, 822	44, 575	28, 974	15, 601
Wolverton	48, 038	13, 920	10, 099	6, 564	3, 535
Wood Lake	47, 051	14, 115	9, 410	6, 117	3, 293
Worthington	127, 151	38, 145	25, 430	16, 530	8, 900
PROJECTS NOT RECEIVING A PRIOR FEDERAL GRANT					
A den	4, 755	0	2, 377	1, 545	832
Do	11, 874	0	5, 937	3, 859	2, 078
Alexandria	386, 452	0	193, 226	125, 597	67, 629
Anoka	70, 615	0	38, 838	25, 245	13, 593
Bowlus	29, 815	0	14, 907	9, 690	5, 217
Carlos	87, 766	0	43, 883	28, 524	15, 359
Deer Creek	52, 430	0	26, 215	17, 040	9, 175
Dexter	83, 420	0	41, 710	27, 112	14, 598
Duluth	287, 376	0	158, 057	102, 737	55, 320
Erskine	188, 554	0	94, 277	61, 280	32, 997
Finlayson	251, 500	0	186, 293	121, 090	65, 203
Gonvick	321, 339	0	56, 150	36, 498	19, 652
Grand Rapids	1, 305, 000	0	116, 000	75, 400	41, 600
Hinckly	57, 955	0	28, 977	18, 835	10, 142
MSB,[1] Chanhassen	78, 835	0	43, 359	28, 183	15, 176
MSB,[1] Plymouth	171, 984	0	94, 591	61, 484	33, 107
MSB,[1] Point Douglas	187, 865	0	103, 325	67, 161	36, 164
MSB,[1] Richfield	12, 827	0	7, 054	4, 585	2, 469
Do	95, 360	0	52, 448	34, 091	18, 357
MSB,[1] St. Paul	180, 097	0	99, 053	64, 384	34, 669
Do	128, 371	0	70, 604	45, 893	24, 711
Neilsville	34, 145	0	17, 070	11, 096	5, 974
Racine	85, 440	0	28, 712	18, 663	10, 049
Red Lk. Falls	195, 295	0	48, 544	31, 554	16, 990
Royalton	67, 753	0	40, 350	26, 228	14, 122
Stacy	31, 880	0	15, 940	10, 361	5, 579
Underwood	68, 690	0	37, 779	24, 556	13, 223
Vergas	82, 216	0	41, 100	26, 715	14, 385

[1] Metropolitan Sewer Board.

Mr. COOK. Mr. President, it is with great pleasure that I cosponsor legislation introduced by my distinguished colleague from Wisconsin to provide some $600 million for the purpose of reimbursing cities and localities for funds spent in constructing waste treatment works. This legislation is particularly important to the Commonwealth of Kentucky as it attempts to more equitably repay those communities which in good faith initiated costly sewage treatment construction projects to meet the objective of clean water, but who had not been compensated, as required by law, for their efforts.

Section 206 of the Federal Water Pollution Control Act Amendments of 1972, Public Law 92–500, provides for reimbursement of 50 percent of project costs for all publicly owned sewage treatment works on which construction was initiated between June 30, 1966, and July 1, 1972. In cases where metropolitan area planning was involved, the reimbursable Federal share is 55 percent. Under the law, each qualified project is intended to receive the amount necessary to provide a 50-percent Federal share, whether or not the project had received any Federal financial assistance or was eligible for a Federal incentive grant at the time of construction.

In 1972, when Public Law 92–399 made funds available for agriculture, environment, and consumer protection programs, $1.9 billion was appropriated by the Congress to meet the objective of section 206 to reimburse the States for the construction of sewage treatment works. I have been informed by the Environmental Protection Agency that, of the $1.9 billion appropriated, some $1,151,886,000 has been obligated through April 1974. In the Commonwealth of Kentucky, $4,197,000 has been obligated, while $4,040,000 has actually been paid. The balance of $157,000 remains to be paid.

I ask unanimous consent to place into the Record at this point in my remarks a list of municipalities in Kentucky eligible for funds under section 206, and also a list of municipalities that have not yet received partial funding for EPA for 206 reimbursement projects.

There being no objection, the list was ordered to be printed in the Record, as follows:

List of Municipalities

The following municipalities in Kentucky are eligible for funds from the U.S. Environmental Protection Agency pursuant to the section 206 program to reimburse a community that started a project between June 30, 1966 and July 1, 1972; and have received partial payment:

Murray, Kevil, Trenton, Grand Rivers, Wingo, Clay City, Beaver Dam, Henderson, Sturgis, Mayfield, Frankfort, Pleasure Ridge, Jeffersontown.

Covington, Campbellsville, Brodhead, Cumberland Falls, Harlan, Berea, Nicholasville, Shelbyville, Georgetown, Williamstown, Versailles, Butler, Perryville.

Worthington, Louisville, Lewisport, Springfield, Hawesville, Owensboro, Leitchfield, Bowling Green, Bonnieville, Lexington, Brooksville, Pippa Passes.

Villa Hills, London, Smithland, Madisonville, Bloomfield, Dawson Spring, Tompkinsville, Corbin, Richmond, Jamestown, Somerset, Danville, Paris, Lebanon, Elizabethtown, Franklin, Mt. Vernon.

The following municipalities in Kentucky have not received partial funding from EPA for 206 Reimbursement projects:

Louisville, Metropolitan Sewer District.

Commonwealth of Kentucky, Department of Parks.

Commonwealth of Kentucky, Department of Education.

Commonwealth of Kentucky, Department of Fish and Wildlife.

Commonwealth of Kentucky, Department of Corrections.

Commonwealth of Kentucky, Department of Human Resources.

Lexington, Providence, Ashland, Madisonville, Marion, Hickman, Stanton, Scottsville, Versailles.

Mr. COOK. Mr. President, it is inconceivable that EPA has moved so slowly in disbursing the appropriated funds to the States. What is even more incredible, however, is that while EPA recognizes substantial additional funding is essential to carry on the objective of section 206, the appropriate steps to assure the availability of that funding have not been taken. For example, various and conflicting figures have been cited by EPA officials as the amount necessary to reimburse the States under section 206. These estimates range from $1 to $1.3 billion in addition to the $1.9 billion presently available. And with today's inflation, this cost will no doubt be higher the longer the States are not reimbursed. Of this total $3 billion estimated need for section 206, Kentucky claims for funding filed with EPA total $9,800,000, more than double what EPA has obligated to be paid.

In its budget request for fiscal year 1975, the administration requested no additional authority under section 206, although clearly a need for additional funds has been demonstrated. Public Law 93–207 authorizes a total of $2.5 billion for the purposes of section 206. This increased authorization, of $600 million, while not sufficient to meet the total projected need of $3 billion, indicates Congress recognition that reimbursement to the States needs a shot in the arm. Senator Nelson's legislation will properly extend section 206 to the authorized level.

In addition, the longer the Congress delays in appropriating the additional funding, interest on the loans taken out by the cities to pay for the eligible Federal share continues to mount, causing an unnecessary and unwarranted tax burden on the people of the Commonwealth.

It seems obvious to me that, if on the one hand the Congress is mandating that the struggle for clean water should move forward at a much faster pace, as I believe, it must, then it is imperative the means be provided to accomplish this important objective. This legislation acknowledges additional financial assistance is needed, and I am glad to be part of the effort to assure its continued availability.

With the timely consideration of this legislation, we have the opportunity to redress an irrational situation. I urge my colleagues to study this proposal, and lend their support to its objectives.

By Mr. RIBICOFF (for himself, Mr. Weicker, Mr. Griffin, Mr. McIntyre, Mr. Cotton, Mr. Hart, Mr. Javits, Mr. Pell, and Mr. Pastore):

S. 3657. A bill to exempt State lotteries from certain Federal prohibitions, and for other purposes. Referred to the Committee on Finance.

SAFEGUARDING CONNECTICUT'S LOTTERY

Mr. RIBICOFF. Mr. President, today I am introducing legislation to assure that Connecticut and other legal State lotteries continue to be exempt from the 10-percent Federal excise tax on wagering. This could save the people of Connecticut over $8 million.

My legislation makes clear that all State-run lotteries are to be exempt from the 10-percent Federal excise tax.

In 1965 Congress enacted a 10-percent excise tax on gambling but exempted State-run lotteries from the tax. The language of the exemption was tailored to the only State-run lottery in existence at that time—the New Hampshire horse race sweepstakes lottery. Since the winners of that lottery were determined by the results of a horse race, the exemption language of section 4402(3)(B) was that the winners be determined "by the results of a horse race."

Since that time many States have developed lotteries to help generate needed revenues for State programs. Many of these lotteries have little or no connection with a horse race and due to a recent change in IRS policy they now face the prospect of paying the 10-percent gaming tax.

If Connecticut is forced to pay the 10-percent excise tax retroactive to February 24, 1972, when the lottery began, the State would be required to pay the IRS $8,650,135 as of May 31, 1974. This money would have to be appropriated by the General Assembly.

Connecticut's lottery has helped our State to meet its budget requirements. Since its inception the Connecticut lottery has contributed over $32 million to the State's general fund. This fund helps meet health, educational, and other important needs in our State. To force the State to pay more money to the Federal Government for the privilege of running the lottery would not only deprive Connecticut of needed revenues but would result in added administrative costs to the program and in all probability cut down on the amount of prize money which could be awarded. Connecticut's citizens pay their full share of taxes to the Federal Government. They should not be forced to pay millions of extra dollars to the Federal Government.

The bill also continues the exemption of State lottery employees and agents from the $50 a year occupational tax. Today there are 3,300 Connecticut lottery sales agents. Approximately 60 percent of these agents sell less than 250 tickets per week and agents receive only a 5-percent commission on each 50-cent ticket sold. Imposition of a $50 tax would discourage many of these agents from continuing to work as agents and such a situation could adversely affect our lottery.

I am pleased that similar legislation has been introduced in the House by a number of members of the Ways and Means Committee.

The Treasury Department, in a letter to House Ways and Means Chairman Wilbur Mills indicates that the Department is in favor of exempting State lotteries from the imposition of wagering taxes.

I hope quick action can be taken to preserve the financial stability of the Connecticut lottery.

Mr. WEICKER. Mr. President, today I am pleased to join my distinguished colleague from Connecticut, Senator Ribicoff, in introducing legislation to amend the Internal Reveune Code of 1954 to assure tax-exempt status for State lotteries.

Section 4401 of the Internal Revenue Code of 1954 imposes a 10-percent tax on the amount of wagers made, to be paid by anyone engaged in the business of accepting wagers, including any person conducting a lottery. A related occupational tax of $50 per year is imposed on each person who is liable for tax under section 4401 or who is engaged in receiving wagers for or on behalf of any person so liable.

In 1963 New Hampshire became the first State in recent history to establish a State lottery. In order to exempt New Hampshire's lottery from these taxes, Congress, in 1965, added as section 4402 (3) of the Code, an exemption for State-conducted sweepstakes, wagering pools, or lotteries. The exemption was drafted narrowly to encompass the New Hampshire type of lottery. The provision of particular concern is the restriction that ultimate winners must be determined "by the results of a horse race." It is this anachronistic language which this bill seeks to redefine.

Since the appearance of the New Hampshire lottery, eight other States have established and are operating lotteries; namely, Connecticut, Maryland, Massachusetts, Michigan, New Jersey, New York, Pennsylvania, and Rhode Island. Four other States have either authorized or are investigating the feasibility of lottery operations: Maine, Delaware, Illinois, and Ohio.

However, the lotteries which have been established since 1965, including a revised version of the New Hampshire lottery, differ substantially in the manner in which they operate from the form of lottery which was made exempt by Congress in 1965. Although most States use a format which gives the appearance that the ultimate winners are determined on the basis of a horse race, in point of fact in every case, ultimate winners are determined by an official drawing. Consequently, the lotteries as conducted do not satisfy the prerequisite for exemption under section 4402(3).

It is my understanding that the Internal Revenue Service may soon rule against the State lotteries in the near future, thus making the lotteries liable for the 10-percent excise tax and lottery sales agents liable to pay a special $50 tax. In a letter dated April 29, 1974, from Treasury Assistant Secretary Frederick W. Hickman to Chairman Wilbur Mills of the House Ways and Means Committee, the Treasury Department stated that it was in favor of exempting State lotteries from the imposition of wagering taxes.

> The Treasury Department favors the exemption of State lotteries from the imposition of wagering taxes. Such an exemption is consistent with the Administration's program of revenue sharing which is intended to provide the States with greater revenues.

Therefore, given the support of the Treasury Department and the administration, as well as the clear intent of Congress in previously amending the Internal Revenue Code to exempt the first State lottery, it would seem imperative that Congress should immediately clarify the tax exempt status of the State lotteries. I urge my colleagues to give this important amendment favorable and expeditious consideration.

By Mr. BIDEN:

S. 3658. A bill to protect purchasers and prospective purchasers of condominium housing units, and residents of structures being coverted to condominium units, by providing for disclosure and regulation of condominium sales by the Secretary of Housing and Urban Development. Referred to the Committee on Banking, Housing and Urban Affairs.

CONDOMINIUM DISCLOSURE ACT

Mr. BIDEN. Mr. President, man has witnessed the development of many housing concepts, which were utilized as the need arose to account for density, growth restrictions, and financing. Today, the American consumer can choose from these various housing concepts: single family homes, mobile home, rental apartments, cooperatives, and the condominium. Once viewed as a housing alternative for the wealthy by the seashore, it is now a realistic alternative for the young family and the elderly. Now that residential housing construction outlays have dropped $4.5 billion in the first quarter of 1974, and housing starts are now running approximately 600,000 behind last year's level, real estate developers have realized that condominium construction offers an exciting prospect for profit. In a series of articles which were printed in the Washington Post, Thomas Lippman pointed out that statistics on the growth of condominium developments show:

> This year according to the National Association of Home Builders, they (condominiums) will account for nearly a quarter of all housing units sold in this country. In the cities, the impact is even greater—a HUD survey estimated that in 25 major metropolitan areas, about half of all new units being built for sale in 1973 were condominiums.

Condominium living can be mutually advantageous to the developer and the purchaser. The developer may sell the units at a profit, invest the return into a more lucrative project, and turn over maintenance responsibilities to the purchasers. On the other hand, the purchaser obtains ownership with limited chore responsibility. This mode of living comes closer than other forms of housing to combining the efficiency and economy of multifamily living with the economic benefits of homeownership. And the advantages include ownership of property, tax deductions, relative freedom from maintenance, buildup of equity, and access to communal facilities that would be too expensive for the individual home owner like swimming pools or tennis courts. In his series of articles, Thomas Lippman summarizes these advantages for the consumer:

> The single family home remains the most desired form of dwelling but it is also the most expensive and the least efficient in terms of land use and energy . . . As a result, many people who want to buy homes such as young families, are turning to condominiums, which may not provide spacious yard or seclusion but do generally provide the same tax benefits and protection against inflation that home ownership does.

However, recent studies have shown that there are pitfalls and myriad difficulties which accompany the condominium style of living. Consumers are prey to inadequate disclosure and enforcement laws or underestimate their new responsibilities for maintenance. One reason for the misunderstanding in the field is that many purchasers believe that State and Federal laws will protect them from misrepresentation or deceptive practices by the developer and his salesmen. Some States require disclosure laws while others require minimal disclosure laws and only superficial review.

Today, I am introducing national legislation which would provide for uniformity, standards, and regulation in the condominium sales and provide for the protection of the consumer. Enforcement, regulation, and administration of the provisions of this act rest under the auspices of the Secretary of Housing and Urban Development. It would require the filing of a registration statement with the Secretary of Housing and Urban Development disclosing pertinent information, and would make it unlawful for any developer or agent to make use of any means or instruments of transportation or communication in interstate commerce, or of the mails to defraud or deceive any purchaser of a condominium. Like the Interstate Land Sales Full Disclosure Act, 15 U.S.C. 1701, this act is intended to insure that facts needed by purchasers to make a sound business judgment are disclosed truthfully and completely.

The act contains provisions which designate particular information required in a public offering statement and the registration statement. To insure proper and full disclosure, the Secretary would be authorized to conduct investigations with a view toward determining compliance with the provisions of this act and may issue rules, regulations, and orders which are necessary for the exercise of this function. If, after investigation, the Secretary determines that the provisions of this act have been violated, he may bring an action in the district courts of the United States.

Mr. President, I ask unanimous consent that the text of the Condominium Disclosure Act, the series of articles by Thomas Lippman, and an article by Donald Baker, also of the Washington Post be printed in the Congressional Record following my remarks.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 3658

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Condominium Disclosure Act".

DEFINITIONS

Sec. 2. For the purposes of this Act, the term—

(1) "Secretary" means the Secretary of Housing and Urban Development;

(2) "person" means an individual, an unincorporated organization, partnership, association, corporation, trust, or estate;

(3) "condominum" means a single family dwelling unit which is sold or offered for sale together with an undivided interest in common areas of the project in which the condominium is located;

(4) "project" means 20 or more condominiums related by common areas in which undivided interests are sold or offered for sale with each condominium;

(5) "condominium instruments" means all legal instruments, contracts, plats, plans, or other documents which are recorded or filed, with respect to a project, under local law, or which the Secretary, by regulation, determines are relevant to the rights of a

purchaser of a condominium in a project and to the effective enforcement of this Act;

(6) "developer" means any person who, directly or indirectly, sells or leases, offers to sell or lease, or advertises for sale or lease any condominium in a project;

(7) "agent" means any person who represents or acts for or on behalf of a developer in selling or leasing or offering to sell or lease any condominium in a project, but such term does not include an attorney at law whose representation of another person consists solely of rendering legal services;

(8) "interstate commerce" means trade or commerce among the several States;

(9) "State" includes the several States, the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States;

(10) "purchaser" means an actual or prospective purchaser or lessee of a condominium in a project; and

(11) "offer" includes any inducement, solicitation, or attempt to encourage a person to acquire a condominium in a project.

EXEMPTIONS

SEC. 3. (a) Unless the method of disposition is adopted for the purpose of evasion of this Act, the provisions of this Act shall not apply to—

(1) the sale or lease or real estate not pursuant to a common promotional plan to offer or sell or more condominiums in a project;

(2) the sale or lease of condominiums solely for commercial or industrial purposes or uses;

(3) the sale or lease of real estate under or pursuant to court order; or

(4) the sale or lease of real estate by any government or government agency.

(b) The Secretary may from time to time, pursuant to rules and regulations issued by him, exempt from any of the provisions of this Act any condominium or project, if he finds that the enforcement of this Act with respect to such condominium or project is not necessary in the public interest or for the protection of purchasers.

PROHIBITIONS

SEC. 4. (a) It shall be unlawful for any developer or agent, directly or indirectly, to make use of any means or instruments of transportation or communication in interstate commerce, or of the mails—

(1) to sell or lease any condominium in any project unless a statement of record with respect to such condominium is in effect in accordance with section 7 and a printed public offering statement, meeting the requirements of section 8, is furnished to the purchaser in advance of the signing of any contract or agreement for sale or lease by the purchaser; and

(2) in selling or leasing, or offering to sell or lease, any condominium in a project—

(A) to employ any device, scheme, or artifice to defraud, or

(B) to obtain money or property by means of a material misrepresentation with respect to any information included in the statement of record or the public offering statement or with respect to any other information pertinent to the lot or the subdivision and upon which the purchaser relies, or

(C) to engage in any transaction, practice, or course of business which operates or would operate as a fraud or deceit upon a purchaser.

(b) Any contract or agreement for the purchase or leasing of a condominium in a project covered by this Act, where the public offering statement has not been given to the purchaser in advance or at the time of his signing, shall be voidable at the option of the purchaser. A purchaser may revoke such contract or agreement within 10 days, where he has received the public offering statement less than 48 hours before he signed the contract or agreement, and the contract or agreement shall so provide.

REGISTRATION OF PROJECTS

SEC. 5. (a) A project shall be registered by filing with the Secretary a statement of record, meeting the requirements of this Act and such rules and regulations as may be prescribed by the Secretary in furtherance of the provisions of this Act. A statement of record shall be deemed effective only as to the condominiums specified therein.

(b) At the time of filing a statement of record, or any amendment thereto, the developer shall pay to the Secretary a fee of $750, which may be used by the Secretary to cover the cost of rendering services under this Act, and such expenses as are paid from such fees shall be considered nonadministrative.

(c) The filing with the Secretary of a statement of record, or of an amendment thereto, shall be deemed to have taken place upon the receipt thereof, accompanied by payment of the fee required by subsection (b).

(d) The information contained in or filed with any statement of record shall be made available to the public under such regulations as the Secretary may prescribe and copies thereof shall be furnished to every applicant at such reasonable charge as the Secretary may prescribe.

INFORMATION REQUIRED IN STATEMENT OF RECORD

SEC. 6. The statement of record shall contain the information and be accompanied by the documents specified hereinafter in this section:

(1) The name and address of each person having an interest in the condominiums in the project to be covered by the statement of record and the extent of such interest.

(2) The developer's name, address, and in the case of an organization, the form, date, and jurisdiction of organization, and the address of each of its officers.

(3) The name, address, and principal occupation for the past 3 years of every officer of the developer.

(4) A statement of the condition of title to the project including encumbrances as of a specified date not more than 30 days preceding the date of application, by a title opinion of a licensed attorney who is not a salaried employee, officer, or director of the developer, or by other evidence of title acceptable to the Secretary.

(5) A copy of each condominum instrument.

(6) A copy of any management agreement, employment contract, or other contract or agreement affecting the use, maintenance, or access to all or a part of the project.

(7) A statement of any zoning or other governmental regulations affecting the use of the project, including the site plans and building permits and their status, and a statement of existing or proposed special taxes or assessments which may affect the project.

(8) A narrative description of the promotional plan for the disposition of the condominiums in the project.

(9) A copy of the proposed public offering statement.

(10) In the case of a condominium conversion, satisfactory assurances that existing tenants were given ninety days notice of the intent to convert and a sixty day exclusive option to buy the unit.

TAKING EFFECT OF STATEMENTS OF RECORD AND AMENDMENTS THERETO

SEC. 7. (a) Except as hereinafter provided, the effective date of a statement of record, or any amendment thereto, shall be the thirtieth day after the filing thereof or such earlier date as the Secretary may determine, having due regard to the public interest and the protection of purchasers. If any amendments to any such statement is filed prior to the effective date of the statement, the statement shall be deemed to have been filed when such amendment was filed; except that such an amendment filed with the consent of the Secretary, or filed pursuant to an order of the Secretary, shall be treated as being filed as of the date of the filing of the statement of record.

(b) If it appears to the Secretary that a statement of record, or any amendment thereto, is on its face incomplete or inaccurate in any material respect, the Secretary shall so advise the developer within a reasonable time after the filing of the statement or the amendment, but prior to the date the statement or amendment would otherwise be effective. Such notification shall serve to suspend the effective date of the statement or the amendment until 30 days after the developer files such additional information as the Secretary shall require. Any developer, upon receipt of such notice, may request a hearing, and such hearing shall be held within 20 days of receipt of such request by the Secretary.

(c) If, at any time subsequent to the effective date of a statement of record, a change occurs affecting any material fact required to be contained in the statement, the developer shall promptly file an amendment thereto. Upon receipt of any such amendment, the Secretary may, if he determines such action to be necessary or appropriate in the public interest or for the protection of purchasers, suspend the statement of record until the amendment becomes effective.

(d) If it appears to the Secretary at any time that any statement of record which is in effect includes any untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein not misleading, the Secretary may, after notice, and after opportunity for hearing (at a time fixed by the Secretary) within 15 days after such notice, issue an order suspending the statement of record. When such statement has been amended in accordance with such order, the Secretary shall so declare and thereupon the order shall cease to be effective.

(e) The Secretary is authorized to make an examination in any case to determine whether an order should issue under subsection (d). In making such examination, the Secretary or anyone designated by him shall have access to and may demand the production of any books and papers of, and may administer oaths and affirmations to and examine, the developer, any agents, or any other person, in respect of any matter relevant to the examination. If the developer or any agent fails to cooperate, or obstructs or refuses to permit the making of an examination, such conduct shall be proper ground for the issuance of an order suspending the statement of record.

(f) Any notice required under this section shall be sent to or served on the developer or his authorized agent.

INFORMATION REQUIRED IN PUBLIC OFFERING STATEMENT

SEC. 8. (a) A public offering statement relating to the condominiums in a project shall contain such of the information contained in the statement of record, and any amendments thereto, as the Secretary may deem necessary, and shall disclose fully and accurately the characteristics of the project and the condominiums therein offered and shall make known to prospective purchasers all unusual and material circumstances or features affecting the condominiums, including—

(1) the name and address of the registrant;

(2) a general narrative description of the project stating the total number of units planned to be sold or rented; the total number of units that may be included in the

project by reason of future expansion or merger of the project by the registrant;

(3) copies of the declaration and bylaws, with a brief narrative statement describing each and including information on declarant control, a projected budget for at least the first year of the project's operation (including projected common expense assessments for each unit), and provisions for reserves for capital expenditures and restraints on alienation;

(4) copies of any management contract, lease of recreational areas, or similar contract or agreement affecting the use, maintenance, or access to all or any part of the project with a brief narrative statement of the effect of relationship, if any, between the registrant and the managing agent;

(5) a general description of the status of construction, zoning, site plan approval, issuance of building permits, or compliance with any other State or local statute or regulation affecting the project;

(6) the significant terms of any encumbrances, easements, liens, or other matters of title affecting the project;

(7) significant terms of any financing offered by the registrant to purchaser of units in the project;

(8) provisions of any warranties provided by the developer on the units and the common elements; and

(9) a statement of the rights of a purchaser under section 4(b).

(b) The public offering statement shall not be used for any promotional purposes before registration of the project and afterwards only if it is used in its entirety. The Secretary shall require that the registrant alter or amend the proposed public offering statement in order to assure full and fair disclosure to prospective purchasers. No change in the substance of the promotional plan or plan of disposition or development of the project may be made after registration without notifying the Secretary without an appropriate amendment to the public offering statement.

INVESTIGATIONS

SEC. 9. (a) The Secretary shall conduct such investigations as may be appropriate to determine the extent of compliance with section 4(a) by a developer or agent. If the Secretary finds any material misrepresentation in any case, he shall afford the developer a ten-day period to correct the representation.

(b) Whenever it shall appear to the Secretary that any person is engaged or about to engage in any acts or practices which constitute or will constitute a violation of the provisions of this Act or of any rule or regulation prescribed hereunder, he may, in his discretion, bring an action in any district court of the United States or the United States District Court for the District of Columbia to enjoin such acts or practices, and, upon a proper showing, a permanent or temporary injunction or restraining order shall be granted without bond. The Secretary may transmit such evidence as may be available concerning such acts or practices to the Attorney General who may, in his discretion, institute the appropriate criminal proceedings under this Act.

(c) The Secretary may, in his discretion, make such investigations as he deems necessary to determine whether any person has violated or is about to violate any provision of this Act or any rule or regulation prescribed hereunder, and may require or permit any person to file with him a statement in writing, under oath or otherwise as the Secretary shall determine, as to all the facts and circumstances concerning the matter to be investigated. The Secretary is authorized, in his discretion, to publish information concerning any such violations, and to investigate any facts, conditions, practices, or matters which he may deem necessary or proper to aid in the enforcement of the provisions of this Act, in the prescribing of rules and regulations thereunder, or in securing information to serve as a basis for recommending futher legislation concerning the matters to which this Act relates.

(d) For the purpose of any such investigation, or any other proceeding under this Act, the Secretary, or any officer designated by him, is empowered to administer oaths and affirmations, subpena witnesses, compel their attendance, take evidence, and require the production of any books, papers, correspondence, memorandums, or other records which the Secretary deems relevant or material to the inquiry. Such attendance of witnesses and the production of any such records may be required from any place in the United States or any State at any designated place of hearing.

(e) In case of contumacy by, or refusal to obey a subpena issued to any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which such investigation or proceeding is carried on, or where such person resides or carries on business, in requiring the attendance and testimony of witnesses and the production of books, papers, correspondence, memorandums, and other records and documents. Such court may issue an order requiring such person to appear before the Secretary or any officer designated by the Secretary, there to produce records, if so ordered, or to give testimony touching the matter under investigation or in question; and any failure to obey such order or the court may be punished by such court as a contempt thereof. All process in any such case may be served in the judicial district whereof such person is an inhabitant or wherever he may be found.

UNLAWFUL REPRESENTATIONS

SEC. 10. The fact that a statement of record with respect to a project has been filed or is in effect shall not be deemed a finding by the Secretary that the statement of record is true and accurate on its face, or be held to mean the Secretary has in any way passed upon the merits of, or given approval to, such project. It shall be unlawful to make, or cause to be made, to any prospective purchaser any representation contrary to the foregoing.

PENALTIES

SEC. 11. Any person who willfully violates any provision of this Act or the rules and regulations prescribed hereunder, or any person who willfully, in a statement of record filed under, or in a public offering statement issued pursuant to this Act, makes any untrue statement of a material fact or omits to state any material fact required to be stated therein, shall upon conviction be fined not more than $5,000 or imprisoned not more than 5 years, or both.

RULES, REGULATIONS, AND ORDERS

SEC. 12. The Secretary is authorized to issue such rules and regulations and such orders as are necessary or appropriate elsewhere in this Act, and for such purpose, he may classify persons and matters within his jurisdiction and prescribe different requirements for different classes of persons or matters.

COURT REVIEW OF ORDERS

SEC. 13. (a) Any person aggrieved, by an order or determination of the Secretary issued after a hearing, may obtain a review of such order or determination in the court of appeals of the United States, within any circuit wherein such person resides or has his principal place of business, or in the United States Court of Appeals for the District of Columbia, by filing in such court, within 60 days after the entry of such order or determination, a written petition praying that the order or determination of the Secretary be modified or be set aside in whole or in part. A copy of such petition shall be forthwith transmitted by the clerk of the court to the Secretary, and thereupon the Secretary shall file in the court the record upon which the order or determination complained of was entered, as provided in section 2112 of title 28, United States Code. No objection to an order or determination of the Secretary shall be considered by the court unless such objection shall have been urged before the Secretary. The finding of the Secretary as to the facts, if supported by substantial evidence, shall be conclusive. If either party shall apply to the court for leave to adduce additional evidence, and shall show to the satisfaction of the court that such additional evidence is material and that there were reasonable grounds for failure to adduce such evidence in the hearing before the Secretary, the court may order such additional evidence to be taken before the Secretary and to be adduced upon a hearing in such manner and upon such terms and conditions as to the court may seem proper. The Secretary may modify his findings as to the facts by reason of the additional evidence so taken, and shall file such modified or new findings, which, if supported by substantial evidence, shall be conclusive, and his recommendation, if any, for the modification or setting aside of the original order. Upon the filing of such petition, the jurisdiction of the court shall be exclusive and its judgment and decree, affirming, modifying, or setting aside, in whole or in part, any order of the Secretary, shall be final, subject to review by the Supreme Court of the United States upon certiorari or certification as provided in section 1254 of title 28, United States Code.

(b) The commencement of proceedings under subsection (a) shall not, unless specifically ordered by the court, operate as a stay of the Secretary's order.

JURISDICTION OF OFFENSES AND SUITS

SEC. 14. (a) The district courts of the United States, the United States courts of any territory, and the United States District Court for the District of Columbia shall have jurisdiction of offenses and violations under this Act and under the rules and regulations prescribed by the Secretary pursuant thereto, and concurrent with State courts, of all suits in equity and actions at law brought to enforce any liability or duty created by this Act. Any such suit or action may be brought to enforce any liability or duty created by this Act. Any such suit or action may be brought in the district wherein the defendant is found or is an inhabitant or transacts business, or in the district where the offer or sale took place, if the defendant participated therein, and process in such cases may be served in any other district of which the defendant is an inhabitant or wherever the defendant may be found. Judgments and decrees so rendered shall be subject to review as provided in sections 1254 and 1291 of title 28, United States Code. No case arising under this Act and brought in any State court of competent jurisdiction shall be removed to any court of the United States except where the United States or any officer or employee of the United States in his official capacity is a party. No costs shall be assessed for or against the Secretary in any proceeding under this Act brought by or against him in the Supreme Court or such other courts.

APPROPRIATIONS

SEC. 15. There are authorized to be appropriated such sums as may be necessary to carry out this Act.

EFFECTIVE DATE

SEC. 16. This Act shall take effect upon the expiration of two hundred and seventy days after the date of its enactment.

[From the Washington Post, May 26, 1974]

THE CONDOMINIUM BOOM

(By Thomas W. Lippman)

For hundreds of thousands of people, finding a place to live in the Washington metropolitan area is a radically different process from what it was two or three years ago.

A new kind of housing, the condominium,

has come from out of nowhere to take a big and growing share of the housing market. A change that is sure to be striking, but is still only dimly perceived and little understood, is coming to this community.

About 40,000 condominium dwellings will go on sale in the area this year. About half are newly built. The other half used to be rental apartments, but are being taken out of the rental market and sold.

Not only are existing rental apartments being converted to condominiums at a rapid rate, but the number of new apartments being built for rent to an expanding population is dwindling. Throughout the late 1960s and until about two years ago, new apartments for rent were coming onto the Washington market at a rate of about 18,000 a year. This year the figure is expected to be 5,000 at the most.

Aside from rental apartments, the smallest category of housing now in production in the Washington area is the single family home. In the 1960's, these represented more than half of all housing units, sale or rental, that were built here. Now they represent perhaps 25 percent of housing production, and the figure is declining, as sewer-hookup moratoriums, gasoline shortages, high construction costs and tight money take their toll. Housing production, itself, of all types, is declining, except in Alexandria, as developers encounter zoning restrictions, and vast stretches of open land are put off limits to construction because of sewage problems—but the area's population continues to increase.

These numbers, obtained from a variety of sources in the housing industry and local governments, only begin to tell the story of the change in Washington's traditional way of housing its people. Most persons who will buy a newly-built residence in the Washington area this year and next will buy condominiums, and a steadily-increasing percentage of the resale market will also be condominiums.

The longstanding system in which transient residents, single people, young couples and the elderly lived in rental apartments while families lived in single-family homes, appears to be changing beyond recall. The condominium is a symptom, not a cause, of the change.

"In the next five years," said William Regardie, an analyst of housing data who operates his own statistical service for the industry, "you will see more profound changes in the way people live than in the previous 150 years."

Other sources interviewed in the preparation of these articles—lawyers, politicians, builders, home buyers, realtors—said the same thing in less apocalyptic terms. In general they agreed that for a variety of reasons ranging from zoning policy to high lumber prices, the condominium is going to take a large, perhaps dominant, share of a tightening market.

More and more the "starter home," the first house purchased by a young faimily, is not a house at all but a condominium apartment, because that little three-bedroom rambler is priced out of reach.

And the last home for many of the elderly is now a condominium too, because the rental units where they live are being converted. Ever larger numbers of the people who now live in the area's 450,000 apartments will have to buy or move, with fewer rental units to move to, industry analysts say.

No one seems to know what this will mean for the Washington area five or 10 years from now. Dire predictions and off-the-cuff speculation abound, but no governmental, volunteer or industry planning staff appears to have made any long-range analysis of how these changes are going to affect the life of the community, or whether they are good or bad.

Because it is so new and still represents less than 10 per cent of the area's total housing stock, the condominium is unfamiliar to most Washingtonians, though it is common in Europe and South America and originated in ancient Rome. The word itself is Latin, used to describe the concept of joint property ownership in Roman law.

A U.S. Department of Housing and Urban Development pamphlet gives this definition:

"In a condominium, an individual owns separately one or more dwelling units in a multi-unit project. He and the owners of the other units have an undivided interest in the common area and facilities that serve the project. The common areas include such elements as land, roofs, floors, main walls, stairways, lobbies, halls, parking space, and community and commercial facilities."

In summary, the buyer owns his apartment. He and the other owners jointly own the rest of the development and have joint responsibility for maintaining it.

There are also condominium townhouse developments, in which each unit is owned individually and the grounds and recreation areas are owned jointly. These differ from traditional town houses only in small ways. The real impact of the condominium phenomenon is being felt among apartment dwellers.

Well over 10 per cent of all apartments in the Washington area may be condominiums by the end of this year, with the trend accelerating. Almost all new apartments are condominiums, rather than rentals. One of the few new rental projects, a high-rise in Prince George's County, advertises itself as "the apartment you don't have to buy."

What this means is that ever-increasing numbers of people who want apartments to rent are being forced either to buy apartments instead or find some other form of housing—nobody seems quite sure what that might be. The simultaneous decline in production of single-family homes, added to the skyrocketing prices of both new and existing houses, means that ever-increasing numbers of people who want to buy are buying condominiums instead of traditional houses.

People interviewed for these articles about their housing situation sounded as if they had all memorized the same line—"we wanted a house, but there was no way we could buy one." They bought condominiums instead.

A whole new group of condominium specialists has sprung up in the legal, financial and real estate professions as demands for their advice come in from developers and buyers to whom the whole idea is still a novelty. These experts themselves are still learning, trying to keep pace with a burst of condominium control laws from state and county legislatures, landmark rulings from the Internal Revenue Service, and the first trickle of court cases that will shape condominium law.

"If I'm an expert," said Devin J. Doolan, a Montgomery County legislator who as a lawyer has represented both developers and buyers of condominiums, "it's because in the country of the blind, the one-eyed man is king."

The 1961 National Housing Act authorized the Federal Housing Administration to insure mortgages on condominiums, but only in states where condominium developments were specifically recognized and authorized by law. At the time, only Puerto Rico had such legislation, although a few condominiums existed elsewhere, but by 1968 all 50 states and the District of Columbia had adopted similar measures.

This year, according to the National Association of Home Builders, they will account for nearly a quarter of all housing units sold in the country. In the cities, the impact is even greater—a HUD survey estimated that in 25 major metropolitan areas, about half of all new units being built for sale in 1973 were condominiums. The impact is being felt especially strongly in Washington because condominiums are being built instead of, rather than in addition to, the traditional kinds of housing.

There are dozens of reasons for the condominium boom here, but the principal ones seem to be these, according to persons knowledgeable about the industry:

The single family home remains the most desired form of dwelling but it is also the most expensive and the least efficient in terms of land use and energy. It costs so much to build one that the minimum selling price is beyond the reach of all but a small segment of the population, and the decline of subdivision building in the suburbs can only increase the prices of the houses that do get built.

The prices of existing houses are also increasing by as much as 25 per cent a year as demand outstrips supply and inflation continues. As a result, many people who want to buy homes, such as young families, are turning to condominiums, which may not provide spacious yards or seclusion but do generally provide the same tax benefits and protection against inflation that home ownership does.

A two-bedroom condominium in an attractive neighborhood, complete with community pool and other facilities, may be available for $20,000 less than a traditional three-bedroom home nearby.

As for the apartment market, owners of existing rental buildings say they cannot continue to make a profit because of skyrocketing utility and maintenance costs, coupled with rent control. The builders of new apartments say that it costs so much to build them, and the interest rates on their long-term financing are so high, that the rents would be prohibitive. So they too turn to condominiums which are thus gobbling up a large share of the residential market.

As with single-family homes, the condominium concept covers a wide variety of housing and a wide range of prices. In the District of Columbia, former rental projects that have been or are being converted into condominiums range from Fairfax Village, a pre-war garden development in Anacostia, to stately luxury buildings along upper Massachusetts and Connecticut Avenues where some apartments cost more than $100,000.

In the suburbs, they range from Tyler Gardens, a blue-collar garden apartment developed in Falls Church to high rises in Bethesda with swimming pools, tennis courts and doormen.

There is a similar range among new developments, some apartments are available for as little as about $17,000 in Prince George's County while there is a project in Foggy Bottom where prices start at more than $135,000. Nor are they limited to the District and the close-in suburbs—there are condominiums in Gaithersburg, in Columbia, in Manassas.

They have the same kinds of gimmicky names that developers everywhere love, like "Cherrywood" or "The Representative," and generally are advertised in the same way as traditional subdivisions with emphasis on ownership, on tax deductions, on the communal recreation facilities—in some of the promotional material, the word "apartment" never appears at all. As with any other kind of housing, some are well-built, others are not: some projects are selling briskly, others are not.

Yet the buying public is only beginning to understand the potential pitfalls of condominium ownership, and the community at large is only beginning to think about what the trend to condominum development is going to mean for the future of the Washington area.

"There is a normal life cycle of housing," said John T. O'Neill, executive vice president of the Apartment and Office Association of Metropolitan Washington.

"Housing of four kinds—single family,

town houses, rental apartments and condominiums—comes on stream, lives 40 to 50 years, becomes physically or economically obsolete, and is replaced. That cycle is all screwed up here. You've essentially topped the front end, except for condos."

But, O'Neill said, "The demand for rental housing has not changed. We have a 39 or 40 per cent turnover in the units of this association's members every year. The other 60 per cent are your permanent renters. They are going to be forced to buy. Those who are going to be hurt are the new family formations, the young couples who need an apartment, the pure tenants who want two- or three-year rentals," O'Neill said. "You take that man who gets assigned to a two-year tour at the Pentagon, he'll be up the creek in a couple of years."

O'Neill, who speaks for most area landlords, said that if restrictive zoning laws and "no-growth" policies in the suburbs continue to reduce housing construction, "A few years from now we'll be sitting around and asking, my god what have we done? We'll be offering incentives to developers to build rental housing."

G. V. (Mike) Brenneman, president of Brenneman Associates, a realty firm that deals in the resale of condominiums, said there is "no end in sight to the pressures on the landlords, or to the desire to own, or to inflation. The trend to condominiums can only accelerate," with still-unknown consequences for the long-range future of the community.

"What other choice is there?" asked Bruce Steele, a housing analyst for the Metropolitan Washington Council of Governments. "No single-family homes will be built for less than $60,000 next year, unless you're really out in the fringe areas. Even town houses are over $40,000, and there is still a high demand for home ownership, so what is the choice?

"This is the only metropolitan area in the top 10 with a real positive growth rate over the past three years. There is an extremely high rate of household formation, partly due to the maturing of postwar babies and partly due to marriage among people who came here as singles. This area has a large percentage of middle-class people and is less prone to recession because the government is the principal employer. Add this pressure for housing to development restrictions and sewer hookup moratoriums and the prices respond to economic forces."

Charles Jay Pilzer, a lawyer who has specialized in condominium work, said, "it's a concept whose time has arrived. We're running out of resources and land. The individual home has been the ideal, and the zoning laws based on that are very conservative, but they don't really provide for development. The city is growing and a lot of people will just have to buy."

The implication of these remarks is that condominiums which come closer than other forms of housing to combining the efficiency and economy of multifamily living with the economic benefits of home ownership will continue to take a large share of the market. The idea that the bubble will burst, the old ways return when the button drops out, is mentioned, but not taken seriously.

Condominium promoters argue that because down payments are low, part of the monthly costs are tax-deductable and appreciation is rapid, it doesn't really cost much more to buy a condominium than it does to rent the equivalent apartment—and therefore there is little real hardship even for transients or the elderly who would prefer to rent.

Condominium resale values are, however, largely untested. Ownership reduces mobility in ways that many people don't want. And persons in the lower income brackets are still "effectively frozen out" of the market for ownership, as Stelle put it. "It's the lower and moderate income persons like the military are being hurt" as lower priced apartments, as well as luxury priced apartments, as well as luxury units, are turned into condominiums.

It is perhaps the elderly who are being hit the hardest by the conversion of existing apartments ownership units, especially in upper Northwest Washington where dozens of buildings with high percentages of elderly residents are being changed over.

On the Connecticut Avenue bus or at the supermarkets, wherever the elderly congregate, the conversation is of condominiums and the fear that it will happen to them.

Because many of them have fixed, limited incomes and are living at the limits of their budgets already, any sudden increase in their monthly costs is a severe hardship, if not out of the question. Because no new rental housing that they can afford is being built, they are competing with each other for a shrinking supply of apartments. Many planners and economic analysts believe they will be forced into apartment-sharing as the only way to make ends meet—a practice common among young single people, but less palatable to elderly persons living with years of memories and accumulations of possessions.

As a matter of economics, many of the elderly and low-income persons displaced by conversions were living in places that would have been beyond their means if the rents had not been unrealistically low for some reason—perhaps the landlord had owned the building so long that he had no mortgage so he could keep the rents down.

Reality is catching up with those tenants. There comes a point where the building must be renovated or it starts to fall apart; whether it is kept as rental units after renovation, or sold as condominiums, the costs of the work are going to be paid by the residents, and that means rising prices.

The best publicized recent example of this was the building at 3100 Connecticut Avenue NW, across from the zoo, where there was a large concentration of low-income people, many of them Spanish-speaking. They were living in one of the city's most desirable neighborhoods, and no amount of resolutions passed by the Cleveland Park Citizens Association could prevent their being forced out when the building was renovated and converted.

Whatever the reasons, the hardship for those who do lose their apartments can be severe, but it is unmeasured. No one has done a comprehensive study of what happens to people displaced by conversions—they just seem to fade into the community somewhere.

Paul D. Comanduras, vice president for sales of Wills & Plank Inc., which is handling the conversion of Tyler Gardens in Falls Church, said they did their best to mitigate the displacement problem by keeping 100 of the 480 apartments available for rental after renovation, although of course the rents will be raised.

Even so, he said, most of the current residents will have to leave.

"Nobody," he said, "is meeting his obligation to the elderly. A lot more of these people would have been able to stay and buy if the interest rate were 8 per cent instead of 9—just that much difference in the monthly payment forced them out. It's the blue collar workers who don't have money in the bank for down payments who are being hit the hardest, along with the old people, but this is the way it's going to go."

He said his firm had "gone the extra mile" to cooperate with public agencies and community groups in easing the transition at Tyler Gardens, but had found no solutions for some of the displaced residents.

"What is going to happen to our old people if we go to a condominium community?" Ira Lechner asked rhetorically. Lechner, a member of the Virginia House of Delegates from Arlington, said it "became clear when Fairlington South went that all of Arlington was going to go. The tenants are out, we already have a low vacancy rate, rents are going up, there's no way. Where will our transients live?"

Lechner is an exception to the general rule, as stated by O'Neill, that "politicians love condos." That is short-hand for the argument that over the long run, a municipality or county may actually benefit from having a high number of condominiums, as opposed to rental units.

They bring in more tax revenues because they are assessed at a higher rate; they generally attract, or are thought to attract, the stable, home-buying persons who make pillars of the community; and those persons in turn, having higher incomes than apartment dwellers, pay more income taxes. If an ownership community is the public goal, then condominiums help to achieve it.

"Condominiums provide a third alternative in housing—the missing link between home ownership and rental apartments. They serve an unfilled market need," said a recent study prepared by the Washington Center for Metropolitan Studies.

In Fairfax and Montgomery counties, for example, the most expensive jurisdictions in the area, it is possible to buy a two-bedroom condominium for as little as $22,000, which is about half the price of the average single-family home.

That may make it possible for the teachers, policemen and other middle-income persons in those counties to achieve the home-ownership that would have been beyond them if the condominiums had not been created.

Balanced against those positive factors are the impact on the elderly and the transients and the poor, and on neighborhoods throughout the area that are beginning to feel the effect of the changes.

Two months ago, Elizabeth Shannon, president of the Home and School Association at Ben W. Murch Elementary School, 36th and Daveport Streets NW, wrote to Mayor Walter E. Washington about the conversion of a nearby building on Connecticut Avenue.

She wrote of people being "summarily ejected" from the community, of the blue collar people who lived there and of the elderly. And she added:

"The eviction of the tenants will also cause a school problem. Some 40 children (who live in the building) go to Murch Elementary School. If they are forced to move, we shall probably lose these children. They are a part of our school community. They are of all races, of many different nationalities. Some are foreign born. They bring cultural diversity to the school and add to all the children's educational experience."

Like many others, she warned that the city "is on its way toward becoming a community of the affluent and the very poor," and asked the mayor to "deal with the problem of sharply increased speculation in housing in the District of Columbia and the resultant pitiful human difficulties and dangerous sociological changes."

Citizens' groups and tenants' rights activists who oppose condominium conversions tend to use words like "speculation" and "greed" when talking about the developers. And the developers respond that short-sighted, no-growth policies, imposed by people who already own homes, made the crunch inevitable.

The Virginia legislature has enacted a major new condominium law that provides extensive consumer protection for buyers, attempts to control and slow down conversions, and at the same time allows the builders of new condominiums more flexibility in their planning than they had before.

The Maryland legislature has passed a similar but less sweeping measure, and both the Montgomery and Prince George's County Councils are working on local bills.

In the District, the corporation counsel's office prepared a draft of a proposed condominium control law early this spring and circulated it among builders, lawyers and financial institutions for their comments. A revised proposal is scheduled to go before the City Council for hearings in the near future.

These measures, however, address themselves mostly to holding back conversions and to providing fuller information to prospective buyers. They do not address the long-range implications of the biggest change in this community's way of life since desegregation of the schools two decades ago.

[From the Washington Post, May 27, 1974]

CONDOMINIUMS BRING BIGGER PROFITS

(By Thomas W. Lippman)

The reason developers in the Washington area are building more and more condominiums and fewer single family homes or rental apartments can be summed up in one word: money.

That also explains why the owners of an ever-increasing number of existing rental apartments are converting them into condominiums for sale.

There are some social considerations underlying the revolutionary change that is taking place in the Washington area's housing market. But what it really comes down to is that developers can get better returns on their capital, with fewer headaches, by going into condominiums than by building the other kinds of housing that have been the traditional mainstays of residential building in this community.

These reasons involve land-use policy in the suburbs, the energy shortage, the high cost of labor and materials, rent control, and the continuing moratorium on sewer line hookups that has reduced construction in the Maryland suburban counties to a fraction of what it otherwise would have been.

Housing industry sources and analysts of housing matters interviewed for these articles agreed that even if any one or a number of those conditions would change, the trend toward condominiums is probably irreversible.

From the point of view of the landlords and builders, the situation in general is this:

At existing apartment buildings where the units are for rent, operating and maintenance costs are going up 20 percent a year or more, the tenants are organizing to demand better service, housing inspectors are cracking down, and rents either are or soon will be frozen by rent controls. At a return of only 3 or 4 percent on the investment dollar, it just is not worth it.

For the developer of new housing, construction costs are so high, financing so expensive and land available for building so scarce that any apartments he built would have to have such high rents that few people could afford them.

In addition, the prospects of making the apartment building a satisfactory long-term investment are slim because of the expensive loan to be paid off and the rising costs of operation and maintenance. So why not sell the units at a profit, invest the money in something that pays a higher return, and let the individual owners worry about running the building?

The suspension of most federal housing subsidies last year cut off the chief source of funds and guarantees that made it feasible to build rental housing for persons of low and moderate income.

Even such relatively expensive developments as the apartments in Southwest Washington were made economically feasible because the cost of the land was underwritten through the urban renewal process.

Building industry records show that the last multi-family housing development for rental that was built entirely with private capital in the District, aside from a few luxury buildings, was completed in 1968. There are about 2,000 moderately priced rental apartments now in various stages of planning in the city because the federal government made a special exception to the subsidy freeze in an effort to get something built for the 1976 bicentennial celebration, but even that commitment expires June 30.

As for single-family homes, they are still the most desired form of dwelling, but builders say it is almost impossible to put one on the market for less than $45,000 and difficult to persuade lending institutions to make mortgage commitments to prospective buyers. Thus the demand is outstripping the supply, further boosting the upward price spiral.

"Inflation has made the cost of single-family housing prohibitive," said Joseph Horning, president of Horning Bros. Construction Co. and of the Metropolitan Washington Builders' Association. "And on rental units you just can't make the numbers come out. Nobody is building rental housing—if you do, you have an economic lemon on your hands. The potential renter just isn't there at prices you would have to charge."

If little rental housing is being built in a metropolitan area where demand is steady and the vacancy rate in existing units 2 per cent or less, said a recent report in the trade journal House and Home, "it is obvious that something is drastically wrong with the Washington rental market. The problem is threefold: financing, rent control and moratoriums."

More than 20,000 apartments in the Washington metropolitan area, out of a total stock of some 450,000, have been converted to condominiums since the trend began about two years ago. Another 20,000 to 25,000 are expected to go this year, and it is taken for granted in the trade that the owners of tens of thousands more are thinking about it very seriously. Feelers are even being put out for the possible conversion of some small, low-income buildings in parts of the District that builders generally avoid.

"Essentially, it's because of a decision by the landlord that he can't function in this marketplace any more," said John T. O'Neill, who as executive vice president of the Apartment and Office Association is the chief spokesman for the landlords.

"In 1968 we were making 12.5 cents on every rental dollar we collected, on the average. It was down to 5 cents at the end of 1973, and it will probably go down to 3 cents at the end of this year, because all operating costs are going up faster than rents are going up. The investment is no longer attractive. There are any number of other places to put your money that will give you better return with less trouble, if you can get your capital out."

By "less trouble." O'Neill was referring to an escape from tenant activism, tenants' rights cases in the courts and tenant-oriented legislation that has cut down on the landlords' traditional freedom to run their properties the way they want to.

With the cost of fuel and utilities up 50 per cent or more in the past two years, and everything else from light bulbs to janitorial supplies subject to inflation as well, the landlords say they simply cannot make enough profit to justify holding on to their buildings, especially since rent controls—federally or locally imposed—make it impossible to pass on all the increased costs to their tenants.

Rent controls, or the anticipation of rent controls, "have done more to create the condo conversion phenomenon than all the supposed greed of the developers," said William Regardie, a housing analyst who compiles data for the industry. "The majority of people in this business don't want to go into condominiums. Everything you have worked for for years can be wiped out in a project that doesn't go. But you have to do something."

Even when allowable deductions for the depreciation of the building are taken off their tax liabilities, some landlords say, the projects still are more trouble than they are worth.

Tenants' rights groups and public officials sometimes dispute the gloomy financial tale told by the landlords. Whether the situation really is as bad for them as the landlords say is difficult to determine. But the owners themselves seem to believe it.

So they decide to sell. Nobody else, generally, wants to be in the rental business any more than they do, so the project is unlikely to find a buyer who will keep it as a rental building. For tax reasons, it is not advantageous for the owner to do the conversion himself; he sells to a converter, a developer or syndicate who will come in and buy the building, do the necessary renovations—ranging from mere cosmetics to complete overhauls—and resell the individual units.

"The converter buys wholesale and sells retail," as one lawyer put it.

"Let's say he pays $10,000 to $20,000 a unit depending on age and condition of the building," O'Neill said. "He puts in $3,000 to $5,000 per unit in amenities and improvements. Then he can sell for $5,000 to $15,000 a unit more than he paid.

"When you deduct the salesmen's commissions, the administrative expenses, taxes and everything else, he makes a profit of maybe $2,000 to $5,000 per unit, and he still comes onto the market with a product for sale that is priced maybe $15,000 lower than what it would have cost to build it from scratch. It's cheaper than new construction, and probably better quality too."

After the conversion, of course, the developer is soon out of the picture, except for whatever warranty he may have given the buyers. Unlike the owner of a rental building, he does not have a long-term loan to pay off—the owners of the individual units have the long-term debt—and neither rising maintenance costs nor rent strikes can bother him.

"A typical developer," according to a recent study by the Washington Center for Metropolitan Studies, "expects a 10 to 12 per cent reutrn before taxes. To achieve this, he markets his units for at least 100 times" what the monthly rent was before conversion.

That is, an apartment that rented for $200 a month would, by this rule of thumb, be sold for at least $20,000.

"More often," the report said, "the ratio is more than 100: e.g., 153 for smaller units at Montrose Walk; 144 at Grosvenor Park in Montgomery County. The Montrose Walk units rented at $300 to $400 a month prior to conversion and the smaller two-bedroom units are now selling for $46,000."

The other, parallel, condominium boom is in new construction. More than three-quarters of all multi-family units now being built in the metropolitan area, and perhaps half of the total of all units of every type, are condominiums.

A decade ago, and through most of the 1960s, industry sources say, more than half of all housing units built in the metropolitan area were single-family homes. Now there is little land left in the District of the close-in suburbs for that kind of development. And in the outer reaches of Montgomery, Prince George's and Fairfax, where there is still plenty of land zoned for single-family home construction, a combination of high land prices, sewer hookup moratoriums, restrictive government policies and shortage of long-term money for prospective buyers has sharply curtailed subdivision building.

The construction of single family homes does go on, though it is decreasing. But the prices of the houses have risen to the point where this kind of development can only serve the housing needs of a small proportion of the population. "The day of the house with the white picket fence is gone," says O'Neill.

When it comes to the construction of apartments, which now dominate the new-home supply line, the choice for the developer is that between building for rent and building for sale.

At the moment almost all of them are building for sale, through condominiums.

One of the reasons is the cost of the construction.

"We used to build good rental housing for $20 a square foot," O'Neill said. "That was five years ago. Today, it's $35 a square foot. It's just not feasible—the population can't afford what you would have to charge. It now costs, all things added in, about $38,000 on the average to build a 1,000 square foot apartment. That means you'd have to rent it for $380 a month."

House and Home, the builders' trade journal, recently ran a long chart showing the current costs of building materials and how they compare to a year ago; five-eights-inch particleboard subflooring, up 15.4 per cent; 10 inch-by-16 inch framing girders, up 17.5 per cent; plastic countertops, up 18 per cent; white cedar shingles, up 13.6 per cent, and so on for hundreds of items.

Added to this is the high cost of money. A builder of apartments who is planning to rent them out must take out a long-term loan, which he will pay back over the years from rental income.

The higher the interest rate on that loan, the more rent he will have to charge—assuming he can get that long-term loan in the first place. At the moment, money is scarce and interest rates run at 14 per cent or more for some loans.

But if the builder goes the condominium route, he can get back his construction and land costs through the sale price and avoid that long-term loan. Before he ever starts work, he obtains a commitment from a lending institution to make mortgages for purchasers when the building is ready. When the buyers take on those mortgages, they assume the long-term debt burden and the developer is free of it.

"By going condominium," said Charles Jay Pilzer, a lawyer who has worked on condominium developments, "you avoid that constant monthly payout that you must exceed in revenues to make a profit over the years. You use the revenue from sales to pay off your construction loan, the developer walks away with his profit. He loses the long-term depreciation tax break, but there's nothing he can do about that."

[From the Washington Post, May 28, 1974]

Pitfalls Face the Condominium Buyer

(By Thomas W. Lippman)

The purchase and operation of a condominum dwelling can be a confusing, dismaying process that brings unpleasant surprises, disillusionment and financial setbacks.

From the time the prospective buyer is confronted by the salesman's glossy brochures or the bulky book of "condominum documents" filled with legal language, he is treading a hazardous path.

He may find after purchase that his monthly payment is greater than he was told it would be, or that a recreational facility promised by the developer was never built, or that the bylaws of his project won't permit him to play his trombone, or that the cosmetic renovation on an old building failed to deal with a balky boiler, to the repair of which he must now contribute. And if he doesn't like what he bought, he cannot just move out—he is the owner.

In the Washington area, the condominium industry has avoided the outright scandals that have beset it in other communities. Many buyers interviewed at random in the preparation of these articles said they were satisfied with their homes and had gotten pretty much what they expected.

But even those who have the most to gain from the condominium boom, the people who build and sell them for a living, acknowledge freely that consumer ignorance and developer inexperience with a new form of housing have created a wide variety of problems.

Builders, realtors, lawyers and independent housing experts stressed the need for consumer caution, for the prospective buyer to know whom he is dealing with and what he is getting himself into. They also said that the average buyer may need his own professional assistance in evaluating the condominium where he is contemplating a purchase, because the whole procedure is vastly more complex than buying a single-family home.

A condominium study committee that reported on the issue to the Virginia General Assembly found a consensus that "a higher degree of consumer protection will be of great benefit, not only to the buyers of condominium units but also to developers, realtors and lending institutions. Without adequate purchaser protection, the unscrupulous practices of a few can create a negative image affecting the whole condominium concept. That has been the unfortunate experience of a few of our sister states."

"When you buy one," said John Donovan, a condominium salesman for a Chevy Chase realty firm, "you're putting in a lot of money and you need to know what you're doing."

"I don't know of any one case where the sales force made large-scale misrepresentations or there was any large-scale fraud," said Devin J. Doolan, a Montgomery County legislator who as a lawyer has represented both developers and purchasers of condominiums. "If you added up all the problems I've had, they wouldn't make a hell of a story." But for any one individual, he said, to whom the purchase of a home represents his biggest single expenditure, the small problems he encounters can affect his entire investment.

Doolan represented a group of buyers of condominiums at a development called Sumner Court in Bethesda. Unwilling to accept the developer's assurance that a promised swimming pool would be built, they persuaded him to create a $30,000 escrow account as a guarantee. The pool still has not been built, but the buyers' investment is at least protected by the existence of that fund.

This episode shows why there was general agreement among all those interviewed on their advice to a condominium buyer:

Check the reputation of the developer and the credentials of his partners before signing anything, and then take none of his assurances at face value. There are pitfalls built into the whole concept of condominiums as they never were in single-family houses or rental apartments.

The ownership of a single apartment in a high-rise building and of a share of the parking lot and recreation facilities around it, for example, creates a kind of interdependence with one's neighbors and reliance on the judgments of others that can be troublesome.

The basic advantages of condominium living are generally undisputed: ownership of property, tax deductions, relative freedom from maintenance, buildup of equity, and access to communal faciilties that would be too expensive for the individual home owner, like swimming pools or tennis courts.

Making sure any particular project will deliver on these promises is another matter. Realtors, industry spokesmen, lawyers and consumer advisers agreed on a long list of points a buyer should examine especially if he is buying an apartment in a multifamily building rather than a townhouse.

A condominium buyer acquires title to his own apartment and to a share of whatever adjacent ground and facilities the developer chooses to include in the deal. These may or may not include the recreational areas, laundry rooms and parking garage—it is not unusual for the developer to retain title to these and lease them out to the owners of the apartments, and the buyer should find out beforehand what he is getting. At one expensive building in Washington, it costs an extra $3,000 to buy a parking space.

The buyer also gets a complex set of papers that determine how the project is going to be run—papers that are drawn up by the developer, his financing agent and his lawyer, and which can contain dozens of surprises couched in the impenetrable legal language of deeds and contracts.

At the Coronado apartments in Adelphi, for example, the sales contract contained a provision that the buyer give back to the developer an irrevocable proxy to cast his vote in the condominium's governing body for three years. That means the developer, not the owners, decides who gets the management contract and what the bylaws will be.

The bylaws in turn control—sometimes in very restrictive ways—what the owner of an individual apartment can do with it and what he cannot. At Sumner Court in Bethesda, for example, they forbid the operation of a washing machine or dryer. At Town Square Towers in Southwest Washington, they prohibit putting melon rinds of onion skin into the garbage disposals. The bylaws also determine the condominium's policy on such issues as pets, noise, and trash disposal, and on more important matters such as whom an owner can rent his unit to and under what circumstances, or what happens if some units are damaged by fire.

"Some of these regimes are downright dictatorial. You can't even sneeze without permission," said Richard Arkin, president of the owners' association at Autumn Walk condominium near Olney.

In theory the bylaws can be amended by a vote of the owners, but in fact the developer usually retains control of his project for at least the first several years, either by the proxy system or some other provision of the sales contract. Either way, the individual buyer is bound by the bylaws and needs to understand them beforehand to make sure he can live with them after he buys.

Although condominium ownership is promoted as the equivalent of home ownership, there are other ways in which the freedom of living in a single-family home is curtailed in a condominium. Some are obvious: an apartment cannot be expanded by adding a room; loud music late at night would disturb the neighbors. But some are less obvious and could affect the buyer's finances:

For example, if a commonly held area of a project, such as the roof, needs repairs, the individual owner of an apartment cannot save money by doing it himself, or by calling in his brother-in-law to do the job cheaply, as the owner of a single-family house might.

Nor can he simply postpone the job—it is the owner's association, or the developer, who makes these decisions, and if they cost more money than the association has on hand they can result in assessments against the owners. Furthermore, the very process by which these decisions are made—the meetings and decision—involves the time and energy that may be in short supply for an owner with a busy schedule.

Repair problems are potentially the most troublesome, experts say, in an old building that is being converted from rental to ownership. Many old buildings, especially in the District, have the advantages of old-fashioned hardwood floors, high ceilings and big rooms. But they also have old pipes, old roofs, old heating systems and old elevators—conditions that may or may not be rectified during the renovation work that precedes the sale of the units.

"You can't go around and kick the tires on a highrise building," says Del. Ira Lechner of Arlington, who steered Virginia's new condominium control law to passage in the General Assembly. "You can't do the kind of inspection you do on an individual house to know what repairs to anticipate."

Some conversions seems to work better than others. At 4100 Cathedral Ave. NW., in Washington, a luxury building with some apartments costing more than $100,000, the thorniest problem confronting the owners at a recent meeting was whether to turn off the outside fountain as an energy conservation measure, according to an owner who said the building is "beautifully run."

At the giant Fairlington South project in Arlington, residents say they are struggling with chronically flooded basements that apparently resulted from the conversion work. At the Coronado in Adelphi, the owners commissioned their own engineer's report after they had bought and learned of defects in many of the buildings' vital systems.

A recent study by Nancy Jane Cohen of the Washington Center for Metropolitan Studies said that "some inspectors hired by prospective buyers have insisted that most rehabilitation is cosmetic, and that costly maintenance will be inevitable on many buildings in the near future. They cite plumbing, bad roofs, and crumbling bricks as the main problem with older condominiums."

The report also referred to what it described as "elusive engineering and structural reports. While developers claim that adequate information on the condition of the buildings is always made available, some buyers dispute that contention. Many may not know enough to ask for the information, or to understand the technical data if offered."

Legislation already enacted in Virginia and pending in the Maryland suburbs would require that prospective condominium purchasers be provided with full engineering reports and estimates of the useful life of appliances and equipment.

The financing arrangements are usually considered one of the most persuasive selling points for condominiums.

Instead of rent, which an occupant can pay indefinitely at ever-rising rates and have nothing at the end, the condominium dweller buys his apartment, often at modest prices and low down payment. Like any other home buyer, he deducts his real estate taxes and his mortgage interest payments from his taxable income. He protects himself against inflation by stabilizing his monthly mortgage payment, and he builds equity in his property by paying off his loan as the value increases.

In addition his mortgage and interest, the buyer of a condominium pays a monthly fee, ranging from about $15 to more than $100, that covers the maintenance of commonly held property, security services, cleaning the swimming pool and other expenses of the building. This is not tax deductible and will increase if the costs of these services go up over the years. The resident may give up swimming, but he still has to pay his share of keeping the pool ready.

Condominium experts warn that sales personnel sometimes underestimate this monthly fee, or the figure for anticipated real estate taxes.

Frank Morris, a young lawyer who is on the board of directors of a converted project in Arlington, said that "if you had done any shopping around you would have known that the estimate here was a bit low. For my two-bedroom unit it just went up $19 a month. I would generally say as a caveat that the fee is 20 per cent higher than stated."

The report of the Washington Center for Metropolitan Studies said that "inaccurate maintenance estimates at the time of purchase, known as 'low balling' in the trade, mean an unrealistic beginning. One town house complex in Montgomery County began with a $16 maintenance fee, now tripled. This usually means no reserve for contingencies has been included."

For the buyer who has budgeted his purchase to the last dollar, an unexpected rise in the monthly fee could cause family hardship. "We raised our fee $3 a month," said Arkin of Autumn Walk, "and you would have thought it was $300 to hear the squawking."

Analysts familiar with condominium financing warn that other aspects of the financing arrangements must also be questioned before purchase.

Persons whose income is high enough to afford a low-priced condominium but not high enough to warrant itemized deductions on their income tax returns, for example, may not gain the tax advantages they are promised. Syndicated money-management columnist Sylvia Porter recently warned condominium shoppers to make an independent inquiry into the estimated real estate taxes as well as the monthly maintenance fee.

Here are sample financing plans for one-bedroom apartments as given in the promotional materials for two condominium deevlopments:

At Grosvenor Park, a high-rise conversion on Rockville Pike near the Beltway: purchase price, $37,100; down payment of 5 per cent, $1,900; mortgage of $35,200 at 8 per cent interest for 30 years; monthly payment $258.29; real estate taxes, $64 a month; condominium costs including utilities, $114.50 a month. Added to that is the premium that the buyer pays to an insurance company for insuring that part of the mortgage over 80 percent of the purchase price.

The total required monthly outlay, including the insurance premium, comes to about $450, but sales literature gives an estimated "net monthly cost" after tax deductions, for a person in the 30 per cent tax bracket of $347.78. Financial experts caution against calculating a family's monthly budget on the basis of the lower figure, because it is actually the higher amount that must be paid out each month and the tax savings come back only once a year.

At Watergate at Landmark, a lavish project of four high-rise buildings and extensive recreation facilities under construction near the Landmark Shopping Center in Alexandria: purchase price, $34,400; down payment, 10 per cent, $3,440; mortgage of $30,960 at 8½ per cent for 30 years, monthly payment $238; estimated real estate taxes $57 a month; condominium fee including utilities and all recreational facilities except indoor tennis, $70, for a total monthly payment of $365. The interest rate on the mortgage is a guess—it will be at the prevailing rate at time of settlement, more than a year from now.

The sales brochure estimates tax savings from this package for a person in the 30 per cent income tax bracket at $102 a month and "appreciation" at a 5 per cent annual rate, or $143 a month, to arrive at a "net real cost of ownership" of $120 a month.

Whether condominium apartments do in fact appreciate in value, and if so at what rate, is a matter of disagreement in the industry. Bruce Steele, a housing analyst for the Metropolitan Council of Governments, calls it the "great unknown" of the condominium business.

In the first place, the developer who sells the apartments originally can offer his buyers assurances of mortgages at the prevailing rate, because before he puts his development on the market he obtains a commitment from a lender to make those mortgages available.

Officials in the savings and loan business, the chief source of home mortgages, say that in periods of tight money, as at present, it may be very difficult for the would-be buyer of an individual resale unit to obtain financing. Whatever the paper value of the seller's unit, he cannot turn it into cash if his prospective buyer cannot obtain a mortgage.

Another potential problem is the resale of a unit in a project that has not been a big success, where the original developer still has units on the market with lower prices and assured financing. This has happened at Wilson Bridge, a well-kept, nicely landscaped but slow-selling project in Oxon Hill. "We want to sell, but it doesn't look like we're going to make any money because the developer still has plenty of units for sale at his price," a young woman there said.

G. V. (Mike) Brenneman, president of Brenneman Associates, a real estate firm that deals in resales of condominiums, said that the seller of a condominium is in a "slightly less advantageous position" than the seller of a single-family home because it is more difficult for his prospective buyers to obtain financing.

Other than that, he said, "we feel there is no reason, assuming that the condominium is a good one, to doubt that appreciation should be pretty much the same as in single family units. We have figures to show that some have been astounding—generally the higher priced units and those that are close in are the most successful. I tend to draw a line of demarcation at the Beltway."

Two other potential sources of financial difficulty for the prospective buyer are a delay by the developer in going to settlement and a recent ruling by the Internal Revenue Service that the condominium owners' associations are not tax-exempt.

Housing industry sources say that most lending institutions will not actually put up the money for the buyers in a project to take title to their units until a fixed percentage of the units—usually half or more—have been contracted for sale.

This can mean a lapse between the time the first purchasers put up their deposits, and perhaps even move in on a rental basis, and the time they can begin building up equity and claiming tax deductions. Until a purchaser obtains his mortgage and goes to settlement with the developer, he is not the owner of the unit.

As for the IRS ruling, its potential impact was described by the Community Associations Institute in a recent statement as "a severe blow to the future growth and development of such organizations."

IRS ruled, in effect, that if the owners' association takes in more money than it spends, perhaps in an attempt to build up a contingency fund for unexpected repairs, surplus of income over expenditures is subject to income taxes. According to a recent article in the housing industry trade journal "House and Home," this "could cost residents of condominiums and planned unit developments millions of dollars in extra assessments for maintenance of their common areas."

The new Virginia condominium control law, which take effect July 1, and similar but less comprehensive measures now being considered by the county councils in Prince George's and Montgomery, put emphasis on full disclosure to buyers of a condominium's real economic picture, and limit the time during which developers can continue to run their projects. Except in Prince George's, the bills also require builders' warranties on structures and appliances. But none of the condominiums now on the market is covered by these laws.

[From the Washington Post, June 5, 1974]

CONDOMINIUM BUYERS GET "BILL OF RIGHTS"

(By Donald P. Baker)

The Montgomery County Council yesterday passed what Councilwoman Idamae Garrott called a "condominium purchasers' Bill of Rights." County Executive James P. Gleason said he would sign the bill, but warned that continued conversion of rental apartments to condominium ownership is creating "the built-in slums of the future."

Gleason said he hopes to introduce legislation in the next few weeks that will "discourage the rapid trend toward condominiums" that, he said, "will have a disastrous effect in the future."

The Council also took two other actions yesterday designed to relieve the increasing shortage of low- and moderate-income housing in the affluent suburban county.

On one matter, the Council acted to insure that federal funds will be preserved for nine projects stalled because of the state-imposed sewer moratorium. The projects are designed to provide 1,353 units of low- and moderate-income housing in the county.

The Council also amended a zoning ordinance to permit owners of rural property to subdivide their property among members of their immediate families, even if such division results in tracts smaller than the five-acre parcels otherwise needed to build in those areas.

The condominium conversion act, approved unanimously yesterday, requires that tenants be given 120-days' notice by owners who want to convert from rental units to condominiums and that prospective buyers, including the tenants, be given a report in the financial aspects of the conversion. The report must be approved by the county department of consumer affairs. The bill goes further than a similar state law enacted this year.

The Montgomery County housing office said there are 38 current conversion projects in the county with 5,529 units. The legislation does not affect about 1,000 of those units, located in the municipalities of Rockville, Gaithersburg and Takoma Park, or any buildings in which more than 50 per cent of the units already have been sold.

The Washington Metropolitan Council of Governments estimates that more than 18,000 rental units have been converted to condominiums in the last two years, with 30 percent of the total being in Montgomery County and 23 percent in neighboring Prince George's.

Mrs. Garrott, who sponsored the legislation, said "I want to emphasize that this bill is in no way an attempt to halt condominium conversions. It is instead a bill to provide protection to tenants in buildings to be converted, and to assure that condominium purchasers have the information they need to make a rational and informed decision on whether to purchase."

Gleason's attack on condominium conversion could become political issue in this year's election. Mrs. Garrott and William Sher, another member of the all-Democratic Council, are vying for their party's nomination as county executive. Gleason, a Republican, has not announced whether he will seek election, but is expected to do so.

Gleason said the Council's legislation "only partially protects the public interest. Many tenants are captives, living on small margins of economic solvency who don't have the money to buy. Where will they go after 120 days?"

He said "any landlord can meet the terms of the disclosure. We must stop the trend." While he didn't offer a remedy yesterday. Gleason indicated he would not be willing to recommend lifting rent ceilings as an inducement for apartment building owners to maintain rental properties.

Gleason predicted widespread "deterioration of condominiums will come in 5 to 10 years, when apartment owners start leasing back to renters who might not have the same interest as the remaining owners."

On another matter, both Gleason and the Council have asked the state health officials and the Washingon Suburban Sanitary Commission to pledge sewer service to the nine housing projects now stalled by the moratorium. The WSSC is scheduled to consider the request at its meeting today.

Councilwoman Elizabeth Scull said the projects were in danger of losing federal financing because a pledge of sewer service is needed to complete applications to the Department of Housing and Urban Development before the fiscal year ends June 30.

Robert Duckworth, assistant director of community planning and development for HUD's Washington area office, said yesterday, however, that a "political commitment" by Gleason, the Council and the WSSC to approve the projects when the moratorium is lifted probably will be sufficient to process the applications.

In action on the rural zone, the amendment approved yesterday would permit current property owners in the affected areas to transfer lots to their spouses or children, although the parcels might be less than the required five acres, so long as the property was used for a single-family residence.

[From the Washington Post, June 13, 1973]

Condominium Rules Urged for District

(By LaBarbara Bowman)

A regulation that would give apartment tenants 180 day's notice of conversion of their buildings into condominiums and require detailed reports on the conditions of the buildings had been proposed by the D.C. City Council's housing and urban development committee.

The proposed regulation also would give purchasers five days in which to cancel a purchase agreement after signing a contract. The bill, which will be the subject of public hearings on July 18 and 19, also would subject violators of any of its provisions to be fined $300 or sentenced to 10 days in jail or both.

The regulation is a response to the complaints of tenants and consumer groups who have charged that conversion of apartments into condominiums is driving the poor and middle income tenants particularly the elderly, from their homes with little or no warning.

The proposed regulation would give tenants 60 days to decide whether to buy apartments in their building. If they decide not to buy, the owner cannot serve them with a 30-day eviction notice until 150 days since the proposed conversion was announced.

The regulation would apply to all condominium projects whether apartment buildings, town houses or office building condominiums, with five or more units.

A property report, which the owner must swear is true, is required and must include the names of all partners, officers and directors of the corporation owning the building, all professionals, such as architects and engineers, who worked on the project, and projected completion dates for construction or conversion.

A required financial report must include the estimated operating budget for the condominium for one year plus the monthly payments for each unit and any charges for use of recreation facilities or other facilities.

The regulation also provides that a developer cannot have an exclusive contract to manage the building once it becomes the property of the individual unit owners.

One of the most often found abuses in condominium projects is that the developer also manages the project and thus continues to make money from it, and the apartment owners are powerless to fire the company if they are dissatisfied.

The bill also would require the developer to post a bond to insure that he pays for all repairs on "major mechanical systems" for one year from the date of settlement as well as renovation or installation, whichever is later. The regulation does not define these "major mechanical systems."

Although Edward Webb, the secretary to the city council would be held on the proposed regulation, Lou Robbins, the principal assistant to the corporation counsel, the city's attorney, said the regulations were only in the draft stage and were not ready for a hearing.

[From National Association of Home Builders Journal-"Scope"]

Be prepared to perform major renovation if you plan to convert older but well located rental townhouse apartments into condominiums. And you'll need to show what the for sale units look like with renovated and decorated units just as if you were marketing a single family project.

The Fairlington South townhouses, in Arlington, VA, 15 minutes from the nation's capitol, now completing conversion, provide an example of what needs to be done in such cases. Built in the 1940s, the 3,439 unit community was one of the first rental projects in the country that was developed with the assistance of the Defense Homes Corp. The homes feature Williamsburg and colonial facades—still very much in style in the metropolitan Washington area. The floor plans, prior to renovation, conformed to the market for middle income housing prevailing at the time they were built.

The site plan allowed generous amounts of green play space as well as landscaped area. The community is divided into northern and southern sections by Interstate 95 with an interchange immediately adjacent. There is an elementary school and gymnasium available to residents for recreation for each section. Tennis courts were added to the facilities about 10 years ago.

Only the southern portion of the community consisting of 1,736 units is being converted to condominiums. It is being divided into six villages each with its own special areas and owners association. The remaining 1,703 units are being retained as rentals by the owner, Fairmac Management and Services Corp.

Prices when sales began in late 1972 were $19,900 to $44,500 for one to four bedroom units. For similar, but improved, models today, buyers are paying $29,950 to $57,950.

RENT HIKES COULD NOT COVER THE REHAB COSTS

"Our primary reason for converting to condominiums was that the rehabilitation costs could not have been covered by large enough rent increases to make them economically feasible," said Walter Hodges, president of Fairmac. "The location of the complex and the basic excellence of the buildings and grounds made the conversion readily marketable."

Renovation of the townhouses has been extensive, with costs estimated at over $10,000 per unit. Pat DiVito, DiVito and Associates, architect for the renovation said, "We have tried to preserve as many of the good design features and construction details of the exteriors as we could. At the same time, we wanted the community to look as if it had been recently developed."

On the exteriors, all masonary was sand blasted; shutters, doors, and trim were replaced where necessary or painted; all window sash was replaced with like wooden sash to maintain the Colonial theme; and fenced, paved patios were built for each unit.

On the interiors, little renovation was required in the living, dining, and bedroom areas. Kitchens and baths were gutted and rebuilt with all electric appliances and new fixtures. A full bath was added in the basement and a recreation room was finished there.

The central heating system for the townhouses was replaced with individual heating and air conditioning systems for each unit. All electric wiring was replaced and units are individually metered. Galvanized pipes were replaced by copper.

"The biggest problem we have faced in the renovation is the disturbance caused by the mechanics performing the work," DiVito said. "When the empty units are turned over to us from the former tenants, they are remarkably clean and well maintained. But when the trades go in and do their work of tearing out and rebuilding, we have more renovation to perform to clean up the areas they have disturbed."

DiVito attributes part of this problem to poor workmanship on the part of workers, but is looking for ways to reduce the initial renovation required. "We are having engineering tests conducted on the galvanized pipe," he said. "And the initial results indicate that in most cases it may be in better condition than it was when it was originally installed more than 25 years ago. This is because the water has acted to build up a protective coat on the inside of the pipe. If we can eliminate pipe replacement, we'll eliminate a lot of the disturbances."

EACH OF 6 VILLAGES HAS OWN SWIMMING POOL

In addition to the work being done on individual units, all exterior wiring is being placed underground; recreational facilities are being added so that each of the six communities will have at least one swimming pool, and more tennis courts; and landscaping, although already mature, has been supplemented and increased. Deteriorating sidewalks are being repaved and new walks are being added. No new buildings will be added to the community, and buyers are promised that there will be no increase in density.

Renovations and sales are scheduled one village at a time, permitting a complete community of rental tenants to be moved out in order not to impede work. Currently, renovations are being completed on the third of the six villages.

A former administration building has been remodeled into a sales office, and 10 renovated townhouses serve as models with floor plans ranging from one to four bedrooms.

Fairmac has conducted the condominium sales with its own sales organization, but engaged Washington, DC, condominium consultant Harold A. Lewis to set up and direct the initial portion of the sales. The marketing theme stressed that the offerings were "The best of the old. The best of the new."

"We also stressed the close in location by using mileage figures," Lewis said. "Fairlington is a seven mile round trip from the major employment centers in the capitol area. Comparing this with daily round trip commuting to suburban residential centers and using the automobile mileage depreciation and expenses allowed by the Internal Revenue Service, we were able to show prospects that they could save $5,000 to $10,000 in automobile expenses over a ten year period by living here."

Under the initial marketing program existing tenants were given priority in the purchase of condominiums over non residents. Those who did not wish to purchase and yet wanted to remain in the Fairlington area were given priority in the leasing of units in the adjoining Fairlington North rental section of the community.

In September, 1973, marketing was expanded to include the general public with the first newspaper advertising appearing. Within six weeks 200 units were sold. Because of the wide price range and mix of bedrooms, buyers have ranged the entire mortgage qualification spectrum. Singles and retired persons generally are buying the one bedroom units, while young marrieds and families with up to two children are purchasing larger units. With the wide market profile, advertising now stresses the theme, "We have something for everyone."

[From the New York Times, June 16, 1974]

FEW STATES PROTECT CONDOMINIUM BUYERS

(By Walter Rugaber)

WASHINGTON, June 15—In all but a handful of states, consumers caught up in the booming condominium market can expect little protection against deception or fraud under the real estate laws.

They must instead depend—despite the special complexities of buying a condominium—on such uncertain factors as constraints of the marketplace or slow-moving individual lawsuits.

New York is one of the exceptions. Under what many consider the strongest law in the country, developers there must make detailed disclosure statements approved in advance by the state Attorney General.

There is some disagreement over the number of states ranking close to New York, but experts in the field generally name fewer than 10. Those most often cited as strict are California, Michigan, Virginia and Hawaii.

In most other places, an authority in New York observed, protection for the buyer is "minimal." It is up to the consumer, a knowledgeable Washington lawyer added, "to know what he's getting into."

The state laws are important because they have been relied upon traditionally in real estate transactions and because the Federal agencies with some jurisdiction have as yet taken almost no regulatory action.

The Department of Housing and Urban Development, which expects half the population to live in condominiums within the next 20 years, hopes the states will beef up the consumer protection provisions of their statutes.

The situation now, according to reports from a dozen randomly selected states and interviews with national experts on condominium development, is highly uneven and is influenced by a number of special factors.

All 50 States have laws, passed in the early nineteen-sixties when the condominium was still unheard of in the United States, that at least permit the special arrangements needed to set up that kind of dwelling.

The statutes enable people to hold title to a specific cube of space within a larger complex, to be taxed directly on their unit, and to join with others in the ownership of common areas such as swimming pools and elevators.

Condominiums—once primarily vacation or retirement homes but now, after several years of explosive growth, the primary residence for millions of Americans—are popular for several major reasons.

They are usually cheaper than detached homes, and they offer tax advantages over ordinary apartments. Typically they include recreational facilities beyond the reach of ordinary homeowners and mean an end to many maintenance chores.

A LOT OF CO-OWNERS

But, as one Washington lawyer warned, "Don't forget that when you go into a condominium you pick up a lot of co-owners" in the common areas and that, in effect, "you're joining a sort of mini-government."

For the buyer or even the buyer's attorney to understand the rules he has to understand the state law, and several authorities said this was complicated by the differences that exist from place to place.

A widely known authority in the field, Patrick J. Rohan, suggested in a telephone interview ths week that the nation's legislatures need "to get working on a uniform state statute."

"You've got 50 states going off in 50 different directions," said Mr. Rohan, who is a professor of law at St. John's University in Queens. He and others voiced apprehension at direct Federal intervention.

"The Federal Government isn't equipped to handle such a matter as housing," he argued. The market is fragile and prices are climbing "out of sight," he said, adding that Washington would only make matters worse.

"It may well be they'll have to have the threat of Federal regulation to force the states to act," Mr. Rohan remarked. But the Federal Government should at most set standards for state regulation, he added.

Several factors appear to work against tighter controls. Numerous sources mentioned real estate lobbies, which are powerful in most states and are said to oppose regulatory changes almost instinctively.

PRESSURES OF THE MARKET

Marketplace pressures cut both ways. The developers commonly argue that shady operators find it difficult to borrow money for their projects, get their work approved by local inspectors, or attract many customers.

At the same time, consumers complain that when the market goes soft important elements such as pools may not be built and units may be turned over to renters who drive down the value of the entire complex.

Some consumers appear willing to rely on traditional remedies such as civil litigation even in states that have added strong protection machinery to their laws. A notable example occurred earlier this year in Michigan.

Robert E. DeMascie, judge of the United States District Court in Detroit, filed suit to break his contract to buy a $52,000 condominium on the 16th floor of an east side building.

The judge charged in a still pending county court action that the developer had so grossly understated the maintenance costs and other expenses of his unit that it amounted to a false inducement to buy.

When he made the purchase in February, 1973, Judge DeMascio alleged, he was informed that $155 a month would cover parking, maintenance, and building personnel costs. The charges have hit $234, he complained.

In some states, consumers are said not to complain. An observer in Ohio reported, for example, that while the law there is "not particularly strong" no one had been "raising any significant hell about it."

NO COMPLAINTS IN ARIZONA

William P. Dixon, an assistant Attorney General in charge of consumer protection in Arizona, said he could not remember receiving a single complaint involving condominiums in that state.

Herbert N. Goodwin, Assistant Attorney General in Massachusetts, said he knew of no major problems there. But State Senator Jack H. Backman, a Brookline Democrat, sounded an apprehensive note found elsewhere in the nation.

"Condominiums built in Massachusetts so far may have been built by the most ethical real estate people," he said, "but now that condos are becoming a way of life others might step into the field who are not so ethical."

Consumer objections have prompted widespread activity in one area: state and even local legislators have moved to control the conversion of regular apartment buildings into condominiums.

Some measures would require long advance notice before tenants could be required either to purchase their units or to move out, and others would prohibit conversions without the approval of a certain number of occupants.

Proposals to convert the huge Parkmerced apartment complex in San Francisco are covered by general state legislation that would allow local government to bar such changes entirely. A Republican sponsor, State Senator Milton Marks, explained:

WEST COAST PROBLEM

"San Francisco has a real housing shortage, and if the Parkmerced owners go ahead on their conversion plans many families unable to afford the purchase price will be tossed out on the street."

Some California officials believe their condominium law is already stronger than New York's. While most experts seem to disagree, the two states regulate sales in much the same way.

David Clurman, an Assistant Attorney General in charge of condominium regulations in New York, who is also a recognized authority in the field, said developments within the state must meet various standards.

For example, Mr. Clurman said in a telephone interview, New York rejects long-term lease arrangements under which the builder retains ownership of recreational facilities and charges substantial rent for their use.

Out-of-state projects that are to be sold to New Yorkers through newspaper advertisements, direct mail, or similar means must register with the Attorney General and make full disclosure of their plans, Mr. Clurman said.

But New York does not reject provisions legal under the other state's law, Mr. Clurman added. Thus, long-term leases, popular in Florida, may be imposed on condominiums sold in New York so long as they are disclosed.

The prospectuses are highly detailed. Mr. Clurman cited one covering a Westchester County project, Edgemont at Tarrytown condominium. Buyers are presented with a 243-page document containing elaborate maps and diagrams.

In addition to legal documents and financial data, the prospectus explains that each unit will contain a "built-in automatic dishwasher, Westinghouse Model SU 400 P," and that lights outside front doors will have 60-watt bulbs.

Builders who depart from the state-approved plan, Mr. Clurman said, can be charged with a misdemeanor under the law. More often, he added, the state "negotiates" for full compliance.

The situation is substantially different in Florida, where condominiums first became popular and in which an estimated 600,000 people now live. Consumer complaints have been persistent there.

The state Legislature, in an extensive revision of the law, recently provided for more disclosure but left out of the statute, as one observer put it, "the most important thing—an agency to enforce it."

"It was no great revolution," said Rod Tennyson, the Assistant Attorney General for consumer affairs in Florida. "You're going to get a big book of documents, but I don't know if you're going to know much more."

While builders insist heatedly that the new law is uncommonly strict, Mr. Tennyson said, he may report to the state's "Little F.T.C. Act," which prohibits unfair trade practices, to move against unethical operations.

The law is certainly more stringent in Florida than in most states. In Connecticut, for example, there is no consumer protection machinery, and efforts to provide some have failed regularly over the last four years.

James F. Carey, executive director of the state Real Estate Commission, said he has pressed unsuccessfully for legislation requiring full disclosure and severe penalties for misrepresentation.

Most builders contend the present statute is adequate, and there are complaints of unfulfilled promises, he said, but the state can do nothing.

By Mr. WEICKER (for Mr. Cook):

S. 3659. A bill to amend the act entitled "An Act to incorporate the Little League Baseball, Inc.," approved July 16, 1964 (78 Stat. 325). Referred to the Committee on the Judiciary.

Mr. WEICKER. Mr. President, on behalf of the Senator from Kentucky (Mr. Cook), I introduce a bill and ask that a statement prepared by Senator Cook be printed at this point in the Record, together with an article from the Washington Post.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Cook

Mr. President: I was very pleased to hear on the national news last week and read in the papers that Little League Baseball, Incorporated, has decided, effective June 12, 1974 that girls may play on the teams which are organized throughout the United States.

Since passage of the equal rights amendment by the Congress in 1972, women in this country have made great achievements in the area of equal opportunity and equal treatment under the law. We, of course, have some way to go yet, including ratification of the amendment by the States, but the decision by the National Little League Organization to allow girls equal chance to try out and play for their teams represents one more time that the girls and women in this country are overcoming some of the heretofore unequal barriers.

The little league age extends from 8 to 12. The fact that they were encouraged to open their doors to the girls means that passage of the Equal Rights Amendment has certainly had its effect. No doubt, these young ladies who want to play are the products of enlightened parents and enlightened communities who want to afford the girls the same possibilities to develop sportsmanship-like conduct, competitive spirit, and a strong healthy body. The Little League National Charter states under section 2, objects and purposes of the corporation:

(1) To promote, develop, supervise, and voluntarily assist in all lawful ways the interest of boys who will participate in little league baseball.

(2) To help and voluntarily assist boys in developing qualities of citizenship, sportsmanship, and manhood.

(3) Using the disciplines of the native American game of baseball to teach spirit and competitive will to win, physical fitness through individual sacrifice, the values of teamplay and wholesome well-being through healthful and social association with other youngsters under proper leadership.

Today I proudly introduce a bill which would amend the act incorporating little league baseball to add the word, "girls" wherever the word "boys" appears, and strike the word "manhood" where it appears in section 2. I hope the Senate and the Congress will act promptly in accepting this amendment to Public Law 88-378.

I think the young fellows already playing with little league teams will be glad to know that the girls, too, can play if they make the team. And there is no doubt that many girls can and will make the teams, and improve them. Furthermore, I hope the schools and colleges in this country will take note of this landmark decision by little league. Bring your athletic programs up to par for both boys and girls, young men and women. The ladies deserve it and can make the grade. The slogan, "You've come a long way, baby" could never be more true and I am very happy about it. I would like to commend little league for their openminded and wise decision, and insert at the conclusion of my remarks the story in the June 13 Washington Post covering it.

[From the Washington Post, June 13, 1974]

Little League Admits Girls, Effective Now

Williamsport, Pa., June 12.—Little League Baseball Inc. today abandoned its years-long struggle to keep girls from playing on its teams.

Because of "the changing social climate," the organization said, it was ordering all franchisees to give girls an equal chance to make team rosters, effective today.

The league asked team operators to be "firm . . . and forthright" in executing the new policy. It was a dramatic turnabout from the old attitude, which had led the league to lift franchises from teams that admitted girls and to fight tooth and nail in the courts to keep the game for boys only.

The board said it has petitioned the House Judiciary Committee to introduce appropriate legislation to amend the federal charter under which Little League has operated since 1964.

The league cautioned that it was only opening enrollment in its program to girls, not guaranteeing that girls would be placed on teams.

"Whether they play or not would depend on managers and coaches of individual teams," a league statement said. "The girls would have to prove equal competency in baseball skills, physical endowments and other attributes scaled as a basis for team selection."

Peter J. McGovern, board chairman and chief executive officer said, "It is the unanimous view of the board and trusteeship that acceptance and screening of young girls . . . should be adjudged by the local league organization and not by the international body."

McGovern added that this "should be done in good faith and without prejudice."

McGovern urged settlement of local squabbles by civil rights or human relations hearings.

"Any action in this regard should be responded to with firm conviction and forthright statements that Little League does not discriminate and has no feelings of ill will toward any sex, race or creed," he said.

The Little League, which operates 9,100 leagues for 2.5 million youngsters in 31 nations, has been challenged in a number of American courts on its all-male policy.

"In reaching a decision on an issue of landmark significance, the board has taken the position that it would be imprudent for an organization as large and universally respected as . . . Little League Baseball to allow itself to become embroiled in a public controversy," McGovern's statement said.

He said the 35-year-old Little League also would retain its separate and optional program for girls of Little League age. The Little League now has a program for some 50,000 girls in the United States.

The Little League age extends from 8 to 12.

By Mr. STEVENSON (for himself, Mr. Jackson, Mr. Cranston, Mr. Robert C. Byrd, Mr. Javits, Mr. Proxmire, Mr. Mathias, Mr. Church, Mr. Ribicoff, Mr. Mondale, Mr. Humphrey, Mr. Kennedy, Mr. Nelson, Mr. Johnston, Mr. Domenici, Mr. Eagleton, Mr. Tunney, Mr. McIntyre, Mr. Biden, and Mr. Case):

S. 3660. A bill to amend the Export-Import Bank Act of 1945, as amended (the "Act"). Referred to the Committee on Banking, Housing and Urban Affairs.

Mr. STEVENSON. Mr. President, tomorrow the Banking Committee marks up the authorizing legislation for the Export-Import Bank. As chairman of the Senate Subcommittee on International Finance, I will propose that the Bank's life be extended for 3 years and that its loan and guarantee authority be increased from the present $20 billion to $27.5 billion. Competition for markets abroad is increasingly severe, and the Bank's export financing is as essential as ever—or more so. To resolve controversies over the availability of Export-Import Bank credits to the Soviet Union and certain other Communist countries and to provide assurance that future major Exim transactions receive the careful scrutiny they deserve, I am today introducing an amendment with Senators JACKSON, CRANSTON, ROBERT C. BYRD, JAVITS, PROXMIRE, MATHIAS, CHURCH, RIBICOFF, MONDALE, HUMPHREY, KENNEDY, NELSON, JOHNSTON, DOMENICI, EAGLETON, TUNNEY, MCINTYRE, BIDEN, and CASE.

Senator JACKSON has manifested an abiding concern about the suppression of basic human rights in the Soviet Union and elsewhere. He has also been keenly aware of the threats to national security and the national economy from wholesale extension of export credits abroad. This amendment reflects his concerns, as well as a prodigious commitment of his time and effort. For all that I am grateful and commend him highly.

The amendment has four elements: First, it would limit to 1 year any extension of the Bank's authority to supply credits to Communist countries. Yugoslavia and Romania, however, would not be subject to this limitation.

Second, it would limit the amount of additional credits the Bank may extend to the Soviet Union without additional authorization from the Congress to $300 million.

Third, it would clarify existing law by requiring the President to determine that each proposed Communist country transaction is in the national interest and to report that finding to the Congress at least 30 days prior to final approval.

Fourth, it would require that the Congress be notified of each proposed Bank credit of $50 million or more at least 60 days prior to final approval. The President would be required to supply the Congress with a detailed description of the proposed transaction together with a statement assessing its impact on the national security and the economy. Among the matters to be included in the impact statement would be an analysis of the effect of the transaction on: First, employment in the United States, second, the competitive position of U.S. industries, third, the availability and price of goods in the United States of the kind to be exported, and fourth, the availability of technology, technical data, or other information not otherwise available to the purchaser. During the 60-day period after receipt of these statements, either House of Congress could disapprove the transaction pursuant to procedures similar to those established for congressional disapproval of executive branch reorganization plans or proposed changes in Federal pay schedules. A petition by one-third plus one of the membership of either House would permit a floor vote, if the Banking Committee to which a disapproval resolution had been referred failed to act within 30 days.

Mr. President, this legislation is needed in order to maintain confidence in the Bank and to insure that its vast resources are used wisely for the benefit of the American people. In recent years, large infusions of capital into the Soviet Union and other countries raise the question of whether the United States in "buying" short-run accommodations without regard to long-term consequences. Exim assistance to the Soviet Union is deeply troubling to those who are concerned about human rights, as I am. It is troubling to those who are not convinced that we have developed the necessary foundation for a new and lasting era of peaceful relations and want to proceed cautiously, as I do. Exim assistance is of great concern to those who see in aid for multimillion dollar undertakings throughout the world the possible sacrifice of the long-term interests of U.S. labor and industry. For the short-term, the Bank's financing of foreign demand and its exports of capital can interfere with deflationary policies pursued by the Federal Reserve Board.

The Export-Import Bank is a public institution. Its resources are public resources. Its capital and continued lending capability come from the U.S. Treasury. Over the years the resources at its command have grown to $20 billion. Under pending legislation, they would grow to $30 billion. With these resources, the Bank is a powerful instrument in economic and foreign policy, and it behooves the Congress to keep it under close scrutiny.

The need for close scrutiny in connection with credits to the Soviet Union is all the more imperative in light of the speed—some say haste—with which the Nixon administration has rushed to supply the Russians with Exim Bank assistance. Prior to February of 1973, no Export-Import Bank credits had extended to the Soviet Union. Thereafter, pursuant to an agreement signed in May of 1972, substantial credit assistance was forthcoming.

In little more than a year, almost $469 million in direct loans at 6 percent interest have been approved. Among the projects assisted are a $400 million chemical complex, a $342 million truck plant, a $45 million acid plant, an $80 million trade center, and a $36 million iron ore pellet pant. Pending are applications for a $110 million oil and gas exploration project and a $50 million tractor factory. The Exim Bank projects a total of $300–$400 million in new credits to the Soviet Union during the next fiscal year and $1.2–$1.4 billion in new credits through calendar 1977.

These figures are substantial in and of themselves. They take on added significance when compared with Exim loans to other countries during fiscal 1973. During that year, no country received anywhere near the $460 million received by the Soviet Union during the 15 months since the start of Exim ending to Russia. The chief beneficiary of Exim lending was Iran, with $240 million. The second largest beneficiary of Exim lending was Algeria—$186 million. The third largest beneficiary was Mexico—$176 million. And the fourth largest beneficiary was Spain, with $171 million. Significantly, while fiscal 1973 was more than half over before Exim began making loans to the Soviet Union, the Soviet Union still ranked seventh among all countries receiving Exim loans during that year with $101 million in direct loans.

Both the level and rate of Exim assistance as well as the kind of projects involved raise serious questions about the policies being pursued. It is clear that so-called détente is one of the goals. It is a goal which we all seek. Too much national treasure on both sides has been wasted on the mindless pursuit of the arms race, reinforced by mutual hostility and suspicion. An easing of tensions making possible a reduction in military spending would be highly welcome.

But it is far from certain that the United States can buy détente with credits. A genuine and lasting easing of tensions requires resolution of the difficult issues which divide the United States and the Soviet Union—in the Middle East, in Southeast Asia, in Cuba, and with respect to nuclear weapons and human rights. These represent difficult and long-standing problems which will not be resolved overnight and most certainly will not vanish at the first sign of American credits.

Unless the factors which gave rise to these problems are solved, credits are unlikely to be of much avail. What is worse, they may have the effect of boosting Soviet military capability and in turn lead to a worsening of relations. It is significant, for example, that none of the Exim-assisted Soviet projects to date, and none of those which are planned, involve the export of U.S. consumer goods. Instead, all relate to capital construction or the development of productive capability. By freeing Soviet resources for other purposes, the United States may indirectly be contributing to Russian military potential.

Some Exim-assisted projects have direct military possibilities. The recently announced chemical complex is one; the Kama River truck plant is another; the proposed oil and gas development projects are a third; and the rumored plans to finance the construction of wide-bodied aircraft production facilities are a fourth. It would seem to be the height of folly to finance the military production capability of a long-standing adversary before a permanent improvement in relations is achieved.

Then, too, by rapidly increasing Exim's financial exposure in the Soviet Union, the United States may unwittingly be increasing the Soviet Union's leverage over the United States. Currently, Exim's exposure on its direct loans to the Soviet Union amounts to approximately $460 million. By comparison, as of January 31, 1974, Exim had a greater direct loan exposure in only a handful of other countries. In Iran, for example, its direct loan exposure was $877 million; in Japan, $591 million; in Taiwan, $509 million; in

Spain, $957 million; and in Mexico, $487 million. A threat to withhold payment on almost a half a billion dollars could very well give the Soviet Union substantial bargaining power.

What makes massive infusions of Exim credit into the Soviet Union more troubling still is the lack of apparent need. The Soviet Union GNP is second only to our own. It is a major exporter of oil, timber, gold and diamonds. With recent increases in oil prices, and commodity prices setting new records, the Soviet Union's hard currency earnings have undoubtedly grown considerably. When West Germany recently declined to provide financing for a $1 billion iron and steel complex in Kursk, for example, the Soviet Union apparently found the necessary cash. Similarly, it recently agreed to pay $48 million in cash to a British firm for a new plastics factory. Meanwhile, the Soviet Union found itself with sufficient reserves in May to extend $600 million in credits to Argentina for an electric power project. With such apparent financial capability, the need for massive Exim assistance is questionable.

An important consideration, too, is the potential adverse impact of Exim Bank activities in all parts of the world on U.S. labor, the competitive position of U.S. industries, and the availability of materials which are in short supply at home. The creation of production facilities abroad can result in the long run in the export of U.S. jobs and give foreign competitors a substantial cost advantage over U.S. firms. Subsequent export of the finished products can deprive U.S. firms of markets which they would otherwise enjoy. And Exim financing for exports of materials which are in short supply in the United States can exacerbate inflation at home.

There are numerous examples. The Kama River truck plant could someday produce trucks and other vehicles for export to worldwide markets. The recently approved chemical complex will result in shipments of phosphates from U.S. shores. The rumored wide bodied aircraft plant could make the Soviet Union a formidable force in international aircraft sales competition.

The same concerns exist for Exim financing outside the Soviet Union. The Bank recently approved $75 million in credits to the Bank of Tokyo for the purchase of U.S. cotton, a material in serious short supply at home. The Bank has approved millions of dollars of loans for foreign air carrier purchases of U.S. aircraft. But U.S. air carriers which are forced to compete with those foreign carriers find themselves at a serious disadvantage. The Bank has approved millions for the development of refining capacity abroad. But such financing can seriously interfere with the goal of energy self-sufficiency. Its financing activities abroad are inflationary and divert capital from a capital hungry economy at home. Some of its activities seem downright unnecessary to the consummation of export transactions. I cite, for an example, its financing of arms sales to oil-producing dollar-rich Iran.

All these possibilities must be considered. But there is little evidence that the Bank has done so in the past. Its function has been purely and simply to promote the sale of goods and services abroad with little attention to the consequences. And now there is every indication that long-term considerations have been sacrificed to short-term administration goals with potentially serious adverse consequences for the United States.

The amendment which I am introducing today will help clarify the role which the Bank should play in U.S. foreign and economic policy. It will help insure that the Bank is responsive to the interests of the American people. It will prevent American resources from being squandered for illusory, short-term gains. It will deter a reckless dollar diplomacy that assumes the United States can achieve its foreign policy objectives with cash. It will not hinder the Bank from pursuing its essential function of financing exports when private financing is unavilable. U.S. exporters must be given competitive equality in the international marketplace. The Banks' authorization will be increased and it can continue to serve that vital function.

I believe also that credits and the withholding of credits, can at times serve useful political purposes. And I believe the United States should be prepared to use all its weapons for its just political objectives.

This amendment will augment the political usefulness of export credits. By limiting the authorization for future credits to Communist countries to 1 year, the Congress will be in a position to determine whether there is progress in United States-U.S.S.R. relations sufficient to justify continued extensions of credit. Instead of providing a $30 billion carte blanche, the $300 million limitation on credits to the Soviet Union for the next year will permit a tighter rein on Exim Bank activities. Major project review by the Congress will force a more careful assessment of the overall implications of Exim credit assistance and provide the Congress with a tool for exercising appropriate influence. The evolution of détente, peace in the Mideast, SALT, human rights in the Soviet Union, will all influence future congressional decisions as to whether a particular large project should be financed or the availability of credits continued.

Mr. President, the Export-Import Bank was originally conceived as a tool to expand employment and increase exports. In recent years, its character has changed. It is now a major instrument of U.S. foreign and economic policy. Emphasis is placed on major developmental projects involving many millions of dollars. The Bank's international power and influence have thus been enhanced significantly. Now foreign policy factors play a significant role in its decisions, and the willingness of the administration to grant credits, most recently the possible extension of credits for nuclear power projects in Egypt and Israel, for purely political purposes casts the Bank in a whole new light.

As a consequence, the Bank has been drawn into the controversy surrounding relations with the Soviet Union and other countries. The whole panoply of considerations—foreign policy, economic and human rights—come into play. The Bank can no longer be regarded as simply a banking institution. It has entered the arena of international economics and politics—and in its new role needs careful reexamination. The place to begin is with the closer and more systematic congressional oversight which this bill provides.

I should add that the Bank is beginning to respond to some of the new realities it faces. Its new Chairman, William J. Casey, is making some highly commendable changes in Bank policy. They deserve recognition and support. And so, Mr. President, I ask unanimous consent that a descriptive letter to me from Mr. Casey, dated June 10, 1974, be inserted in the Record at this point, as well as the text of my bill.

There being no objection, the letter and bill were ordered to be printed in the Record, as follows:

Export-Import Bank
of the United States,
Washington, D.C., June 10, 1974.
Hon. Adlai E. Stevenson, III,
Russell Senate Office Building,
Washington, D.C.

Dear Senator Stevenson: Following up on our telephone conversation on Friday, let me outline the changes emerging in the Bank's outlook and practices.

Basically, we have broadened and made tighter and more specific the criteria to be applied in approving or disapproving loans. Understandably, until toward the end of last year, while we were looking at a $6 billion trade deficit, the drive was primarily and urgently to expand exports. Today, while we still need more exports to pay for the high price of the imports we need, inflation and shortages have become relatively more important.

In order to strike a better balance between export objectives and other national interests, to reduce loan authorizations and overall exposure on loans and guarantees and to sharpen our criteria for approving or disapproving applications, we are working along the following lines:

1. Instead of automatically authorizing loans equal to 45% of the contract price, we are on a case-by-case basis reducing that participation to as low as 30%.

2. The commercial bank portion of the financing, which up to now has usually been 45% of the contract price, will be increased on a case-by-case basis to as high as 60%.

3. Whenever feasible, we will require the commercial bank to participate with no guarantee from Eximbank.

4. On an ad hoc basis, we will, where feasible, endeavor to increase the normal 10% cash payment to 20%.

5. PEFCO financing will be utilized when the Bank is prepared to guarantee the transaction and when PEFCO's interest rate charge will help lower the cost of the overall financing.

6. Preliminary commitments will be issued only when we are reasonably satisfied that the financial, economic and technical elements of the transaction would justify authorization of a credit itself.

7. We are taking a harder look at the financial, economic and technical aspects of a transaction in order to weed out unduly weak countries and buyers, particularly in markets where Eximbank's exposure already is high.

8. We are examining each loan application more carefully to eliminate wherever practicable those cases in which Eximbank's financing is clearly not needed.

9. In order to be sure a transaction will not have an adverse effect on the United States

economy, applications are being examined more closely in collaboration with other agencies. In considering possible adverse impact, a judgment is made as to whether the foreign project will go forward anyway so that if the United States does not furnish the equipment for which financing is requested, the only result would be that a competitor country would supply the equipment. Desirable objectives can conflict. For example, loans involving drilling rigs and oil well piping are being scrutinized in an NAC committee to balance the effect of a loan on Project Independence as well as on the objective of maintaining the dominance we now hold in the world market for oil exploratory equipment.

This evolving new approach requires more work and thought on each case, to balance objectives and get maximum use out of the Bank's resources and minimize its exposure, while still producing a financing package which captures the export for the United States manufacturer. I believe our responsibility calls for applying broad and flexible criteria on a case-by-case basis rather than the easier one of an across-the-board cut or a flat refusal to finance exports on which we have a strong competitive edge. Those who argue for the latter course point out, for example, that we have 80% of the world's airplane market and our airplane industry is so strong that it doesn't need financial support. But our electric generators used to have 80% of the world market and are now down below 10%. We don't want to be responsible for having that happen to our airplanes or our drilling rigs or anything else on which we can readily increase capacity to meet demand, and which produces a lot of jobs and a big chunk of the foreign exchange we need to pay our import bills.

It is still necessary for the United States to increase its exports to maintain its share of expanding world trade and to pay the higher costs of oil and other necessary imports. It is clear that our failure to do this will feed inflation and produce higher prices for American consumers. To pay for the imports we need, it is necessary to assure the existence of a financing which will make it possible for creditworthy customers abroad to buy the products in which the United States excels. We are witnessing a substantial change in the composition of our exports. The trend is clearly away from the export of consumable items towards high technology equipment and complex projects which carry "big tickets" and require long term financing.

There are major developments throughout the world in the energy and natural resource area. This is particularly true as countries turn to nuclear power as a complement to their conventional power development. Also numerous countries are developing the vast natural resources which they possess as a means of internal improvement as well as creating major exports thereby providing sufficient foreign exchange to be used in the implementation of their overall internal development programs. These natural resource projects will produce materials we need and moderate inflationary price pressures. They require vast amounts of capital if they are to be developed. The United States has the technology and equipment properly to develop these vast projects.

The availability of financing for these projects translates into the availability of jobs at home and American skills abroad. Almost as important as the sheer availability of necessary financing is that its cost be competitive. As you know, all the other advanced nations have their own official export credit agencies to back their exporters. They frequently offer lower rates than we do and finance a larger part of the purchase. Still, Eximbank competes effectively through partnership arrangements worked out with private financial institutions and we are presently exploring ways of amplifying these arrangements. At the same time we have under active discussion with European and Japanese export credit agencies a harmonization of terms designed to avoid escalation of overly favorable and expensive financing terms. My view on this is that our official financing support should focus primarily on assuring that U.S. products having a competitive advantage get the financing they need to sell in world markets and that we should do what we can to hold competition in the terms of the financing to a minimum.

We have tightened up considerably on preliminary commitments. In the past, to encourage our exporters, they were issued liberally. Now we don't issue them until we are satisfied we want to make the credit or unless they contain enough conditions to protect our possible future interests. For example, a preliminary commitment issued a year ago specified the 6% interest rate for the Soviet fertilizer deal. I have changed the procedure on preliminary commitments so that they now provide only for the interest rate prevailing at the time the credit is authorized.

Reflecting on our recent talk about varying interest rates within a band, the Bank has always applied a single interest rate and it is argued that this avoids discrimination and haggling. However, I doubt that we should always charge the same rate on a 12 year loan we charge on a 7 year loan. The Bank's resources are used more effectively if maturities are shorter so there should be an incentive for the borrower to keep maturities shorter, and if a longer maturity is needed to make a deal work, there should be a price on it in the form of a higher interest rate to compensate the Bank for the additional risk and exposure.

I am afraid that an interest rate mandate or other rigid requirements or restrictions in the statute would impair the flexibility we need to meet the financing competition of other countries by designing a financing package suitable for a specific deal. We also need flexibility to adjust to changing money markets and changing trade and supply situations.

I have no problem with articulating for major loans our rationale in terms of jobs, shortages, resource development, etc., and giving the Congress prenotification. However, I think it would be a mistake for the Congress to put itself in a position where it would be acting on individual financing transactions. This fiscal year the Bank will have authorized 17 or 18 transactions involving loans and guarantees of $50 million. However, including preliminary commitments and loan applications ready for action and carried over beyond June 30, the Bank this fiscal year has had before it 40 transactions involving $50 million or more in loans and guarantees and these transactions have involved 26 countries. I would hate to see each of these financing transactions escalated into a potential political "cause celebre". These are loan transactions. They are limited to U.S. exports. The money does come back with interest. The uncertainty, delay and political implications created by Congressional intervention in dozens of individual transactions will severely impair the Bank's ability to compete in the financing of American exports. The official export banks of Japan, Germany, Britain, France, Italy, Canada, or anywhere else, are not required to have their transactions laid out for competitors to see and to confront exporters and foreign customers with possible public rejection. Buyers would stay away from United States sources and United States financing in large numbers. Our own multinational corporations would tend to handle and source their sales around the world from offices and plants located out of the United States and use the facilities of the export credit agencies of countries which would benefit from the exports. In short, I can't put it too strongly that in my view a Congressional veto procedure would be bad for the Congress and damaging to the Bank and to the employment and revenues it can develop for the United States.

Yours,

WILLIAM J. CASEY.

S. 3660

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Section 2(b) (2) of the Act is amended to read as follows:

"(b) (2) The Bank in the exercise of its functions shall not guarantee, insure, or extend credit, or participate in any extension of credit—

"(A) in connection with the purchase or lease of any product by a Communist country (as defined in section 620(f) of the Foreign Assistance Act of 1961, as amended), or agency or national thereof, or

"(B) in connection with the purchase or lease of any product by any other foreign country, or agency, or national thereof, if the product to be purchased or leased by such other country, agency, or national is, to the knowledge of the Bank, principally for use in, or sale or lease to, a Communist country (as so defined),

except that the prohibitions contained in this paragraph shall not apply in the case of any transaction which the President determines would be in the national interest if he reports that determination for each transaction to the Congress at least thirty days prior to final approval of the transaction."

SEC. 2. Sections 2(b) (3) through 2(b) (5) of the Act are amended by striking subsection (b) (5), redesignating subsections (b) (3) and (b) (4) as (b) (5) and (b) (6) respectively, and inserting new subsections (3) (b) and (4) as follows:

"(b) (3) No loan, guarantee, or insurance, or combination thereof, in an amount which equals or exceeds $50 million shall be finally approved by the Board of Directors of the Bank unless—

"(A) the bank has submitted to the Congress with respect to such loan, guarantee, or insurance a detailed statement describing the transaction. Such statement shall include, but not be limited to, a description of the purpose of the transaction; the parties thereto, including the buyer and seller; the goods or services to be exported; the terms and conditions of Bank and private sector participation therein; and the need for Bank participation therein;

"(B) the President has transmitted to the Congress a detailed statement of the impact of the proposed loan, guarantee, or insurance on the national security and economy of the United States, including the effect on (i) employment in the United States, (ii) the competitive position of United States industries, (iii) the availability and price of goods in the United States of the kind to be exported; and (iv) the availability of technology, technical data, or other information not otherwise available to the purchaser; and

"(C) sixty days have elapsed from receipt of the statements required by clauses (A) and (B) of this subparagraph and neither House of Congress has exercised its rights of disapproval pursuant to subsection (b) (4) of this section.

The continuity of a session is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the sixty-day period.

The Bank shall submit to the Congress, upon request, all data, documents, reports, and accounts relevant to the statements required by clauses (A) and (B) of this subparagraph, except insofar as the disclosure of such information is prohibited by the Freedom of Information Act, Public Law 89-554, as amended. Any loan, guarantee or insurance in an amount which is less than $50 million shall be governed by the requirements of this subsection if it is part of an intended series of loans, guarantees, or insurance which in the aggregate would or does exceed $50 million and is for the purchase of goods or services by the same or an affiliated entity to be used for, or to facilitate, the same or similar purpose.

(b) (4) (A) Subparagraphs (B) through (H) of this subsection are enacted by Congress—

(1) as an exercise of the rulemaking power of the Senate and the House of Representatives, respectively, and as such they are deemed a part of the rules of each House, respectively, but applicable only with respect to the procedure to be followed in the House in the case of resolutions described by this section; and supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change the rules (so far as relating to the procedure of that House) at any time, in the same manner, and to the same extent as in the case of any other rule of that House.

(B) If the committee, to which has been referred a resolution disapproving a transaction proposed by the Bank, has not reported the resolution at the end of 30 calendar days after its introduction, it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution with respect to the same plan which has been referred to the committee.

(C) A motion to discharge may be made only by an individual favoring the resolution, and must be accompanied by a petition containing the signatures of one-third plus one of all the Members of the respective House of Congress in which the motion is offered. Such motion is highly privileged (except that it may not be made after the committee has reported a resolution with respect to the same recommendation), and debate thereon is limited to not more than one hour, to be divided equally between those favoring and those opposing the resolution. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(D) If the motion to discharge is agreed to, or disagreed to, the motion may not be renewed, nor may another motion to discharge the committee be made with respect to any other resolution with respect to the same transaction.

(E) When the committee has reported, or has been discharged from further consideration of, a resolution with respect to a transaction proposed by the Bank, it is at any time thereafter in order (even though a previous motion to the same effect has been disagreed to) to move to proceed to the consideration of the resolution. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(F) Debate on the resolution is limited to not more than 2 hours, to be divided equally between those favoring and those opposing the resolution. A motion further to limit debate is not debatable. An amendment to, or motion to recommit, the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(G) Motions to postpone, made with respect to the discharge from committee, or the consideration of, a resolution with respect to a transaction as proposed by the Bank and motions to proceed to the consideration of other business, are decided without debate.

(H) Appeals from the decisions of the Chair relating to the application of the rules of the Senate or the House of Representatives, as the case may be, to the procedure relating to a resolution with respect to a transaction proposed by the Bank are decided without debate.

Sec. 3. Section 7 of the Act is amended by deleting the period at the end thereof, substituting a semi-colon and adding the following: "*Provided,* That after the date of enactment of this Act, the Bank shall not approve loans, guarantees, and insurance in connection with exports to the Union of Soviet Socialist Republics in an aggregate amount in excess of $300 million."

Sec. 4. Section 8 of the Act is amended, striking the period at the end thereof and adding the following: "*Provided, however,* That after June 30, 1975, the Bank shall issue no loan, guarantee, or insurance in connection with the purchase of any goods or services by a Communist country (as defined by section 620(f) of the Foreign Assistance Act of 1961, as amended, excluding Romania and Yugoslavia) or any agency or national thereof."

Mr. MATHIAS. Mr. President, I have joined as a cosponsor to the bill offered by Senators Stevenson, Javits, and Jackson with the reservation that I would prefer a slightly different concept which would more closely follow what I believe to be proper constitutional processes. I do not think a one-House veto provision, in spite of many precedents, is a sound constitutional procedure. In my view, Congress should make policy by statute, annually if necessary; we should not transfer basic legislative authority and responsibility to the executive branch. I think the annual review provision is sound, but I would go further and ask that the Congress make law and make policy and not reverse the traditional roles prescribed by the Constitution.

By Mr. MONTOYA (for himself
and Mr. Domenici):

S.J. Res. 215. A joint resolution designating the first Saturday in April of each year as "National Brotherhood Day." Referred to the Committee on the Judiciary.

Mr. MONTOYA. Mr. President, for 3 years the city of Albuquerque, N. Mex., has been host to the Brotherhood Awareness Conference in April. These conferences were sponsored and originated through the effort of people from many different ethnic and religious backgrounds, and were intended to focus on the ways in which we human beings are alike, rather than on our differences.

Certainly the United States is a treasurehouse of multicultural and multilingual peoples. We all are Americans, but we come from many parts of the world and represent many different viewpoints. We have a daily opportunity to express our brotherhood for those who do not share our race or religion or cultural background. We are the best location in the world for a real demonstration of brotherhood.

Our basic law provides that we recognize the rights—the inalienable rights—of all women and men. Through support for the concept of brotherhood we can reaffirm our faith in those rights for all mankind. We can celebrate our progress toward the peaceful and loving world which we want for the future of our children.

Senator Pete Domenici, my distinguished fellow Senator from New Mexico, has joined me in proposing that the first Saturday in April of each year be designated as National Brotherhood Day.

Through the establishment of this day commemorating our work toward brotherhood, we will be recognizing and encouraging this important effort and our achievement. I ask unanimous consent that the text of the joint resolution be included in the Record.

There being no objection, the joint resolution was ordered to be printed in the Record, as follows:

S.J. Res. 215

Whereas in these days, more than ever, it is important for men to appreciate the common bonds that unite them so that the tremendous problems we face can be approached with a greater unity of purpose and resolve; and

Whereas for three consecutive years the Brotherhood Awareness Conferences have demonstrated that brotherhood awareness is a proper vehicle for greater racial, ethnic, religious, and geography harmony: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the first Saturday in April of each year is designated as "National Brotherhood Day", and the President is authorized and requested to issue annually a proclamation calling upon the people of the United States to observe such day with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 260

At the request of Mr. Chiles, the Senator from Ohio (Mr. Metzenbaum) was added as a cosponsor of S. 260, a bill to provide that meetings of Government agencies and of congressional committees shall be open to the public.

S. 2619

At the request of Mr. McGee, the Senator from Hawaii (Mr. Inouye) was added as a cosponsor of S. 2619, a bill to provide for access to all duly licensed psychologists and optometrists without prior referral in the Federal employee health benefits program.

S. 2801

At the request of Mr. Proxmire, the Senator from Hawaii (Mr. Inouye) was added as a cosponsor of S. 2801, a bill to prevent safe vitamins and minerals from being regulated as dangerous drugs.

S. 3427

At the request of Mr. Percy, the Senator from New York (Mr. Buckley) was added as a cosponsor of S. 3427, a bill to liberalize the retirement earnings limitation under the Social Security Act.

SENATE RESOLUTION 341—SUBMISSION OF A RESOLUTION RELATING TO THE IMPOSITION OF MEAT IMPORT QUOTAS

(Referred to the Committee on Finance.)

Mr. PEARSON (for himself, Mr. Allen, Mr. Hruska, Mr. Mansfield, Mr. Young, Mr. Dole, Mr. Clark, Mr. Hansen, Mr. Montoya, Mr. McGee, Mr. Bentsen, Mr. Domenici, Mr. Dominick, Mr. Haskell, Mr. Abourezk, Mr. Bellmon, Mr. Bartlett, Mr. Cannon, Mr. Curtis, Mr. Eastland, Mr. Hughes, Mr. McGovern, Mr. Metcalf, Mr. Tower, Mr. Bible, Mr. Gurney, Mr. Burdick, and Mr. Chiles) submitted the following resolution:

S. Res. 341

Whereas the Nation's livestock industry is presently suffering the most severe losses ever experienced by producers as a result of conditions largely beyond their control; and

Whereas red meat supply and demand conditions existing when the quotas under the Meat Import Act of 1964 were suspended no longer exist; and

Whereas the national economy will be adversely affected if the multi-billion dollar livestock industry continues to be so dramatically depressed; and

Whereas rural America is faced with severe economic adversity unless the livestock industry quickly returns to a profitable position; and

Whereas a large number of livestock producers are on the verge of being forced out of business which will result in the concentration of the livestock feeding industry in fewer and mostly conglomerate operations; and

Whereas the consumer will ultimately pay higher prices for livestock products as a consequence of the aforementioned reasons; now therefore be it

Resolved, That (a) it is the sense of the Senate that the President should immediately terminate the suspension of proclamations made under section 2 of the Act entitled "An Act to provide for the free importation of certain wild animals, and to provide for the imposition of quotas on certain meat and meat products", approved August 22, 1964 (78 Stat. 594; Public Law 88–482).

(b) The Secretary of the Senate shall transmit a copy of this resolution to the President.

WITHDRAWAL OF A COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 339

Mr. ABOUREZK. Mr. President, while I have spoken out many times concerning the excellent job I think Secretary Kissinger has performed in the Middle East, I must ask that my name be removed as a cosponsor of Senate Resolution 339. I make this request because I do not wish to make a statement which contradicts what I have said previously concerning the Secretary's involvement in the wiretap controversy.

The PRESIDING OFFICER (Mr. Clark). Without objection, it is so ordered.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT—AMENDMENTS

AMENDMENT NO. 1456

(Ordered to be printed and to lie on the table.)

Mr. METCALF (for himself, Mr. Mansfield, Mr. Abourezk, Mr. Burdick, Mr. Goldwater, Mr. Inouye, Mr. McGovern, Mr. Mondale, Mr. Montoya, Mr. Moss, and Mr. Stevens) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

AMENDMENT NO. 1457

(Ordered to be printed and to lie on the table.)

Mr. MATHIAS (for himself, Mr. Beall, Mr. Bennett, Mr. Dole, Mr. Haskell, Mr. Humphrey, Mr. Javits, Mr. McIntyre, Mr. Stevens, Mr. Stevenson, and Mr. Thurmond) submitted an amendment to be proposed by them jointly to the bill (H.R. 14832), supra.

AMENDMENT NO. 1458

(Ordered to be printed and to lie on the table.)

Mr. MATHIAS (for himself, Mr. Javits, and Mr. Hatfield) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 14832), supra.

AMENDMENT NO. 1459

(Ordered to be printed and to lie on the table.)

Mr. ALLEN submitted an amendment intended to be proposed by him to the bill (H.R. 14832), supra.

GENERAL REVISION OF THE COPYRIGHT LAW—AMENDMENT

AMENDMENT NO. 1461

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. BENTSEN submitted an amendment intended to be proposed by him to the bill (S. 1361), for the general revision of the copyright law.

Mr. BENTSEN. Mr. President, today I am introducing an amendment to S. 1361, the general revision of copyright law to delete certain sections which I believe would impose an unwarranted economic hardship on the broadcast industry.

My amendment would delete those provisions in section 114 requiring broadcasters to pay a separate performance fee for the use of sound recordings.

Under section 114 as presently written, broadcasters would be required to pay 2 percent of his annual net receipts earned from advertising into a central fund to be administered by the Federal Government. This fund would then be divided between the performers and recording companies whose recordings the broadcaster played over the course of the year. In short, a broadcaster would be forced to turn over a portion of his annual receipts to recording companies and performers for playing their records on the air. In addition to the loss of 2 percent of his income, the broadcaster would be forced to bear a very substantial increase in administrative costs associated with these payments. This would be a particularly unfair burden on small broadcasters.

While broadcasters undoubtedly receive some economic benefit from airing recorded music on their stations, the recording companies and performers receive the benefit of free advertising. It is my understanding that in the past, record companies and performers were only too happy to have their records used by radio stations. As a matter of fact, most records were even supplied without charge in recognition of the benefit which they derived from commercial airing of their product. Commercial airing increases record sales from which both performers and record companies receive a very direct and tangible benefit. Section 114 would force broadcasters to pay record companies for an arrangement that has long existed and benefitted both. I do not believe we should create a new revenue base for recording companies and performers by forcing broadcasters to pay them for a free advertising service which in most instances increases their own commercial record sales.

Nothing in my amendment would alter existing prohibitions against infringement or prevent private agreements on the use of recorded music. However, I believe that the creation of a special fund, which bears no direct relationship between the payments made and the benefits received, would strike an unfair balance between these private parties. In addition, I believe that the creation of new Federal machinery for collection of private revenues is a totally unwarranted and unnecessary Government involvement in the broadcast industry. The protection of legitimate proprietary rights under copyright law does not require this type of radical departure from existing business practices.

EXTENSION OF THE EXPORT-IMPORT BANK ACT—AMENDMENT

AMENDMENT NO. 1462

(Ordered to be printed and referred to the Committee on Banking, Housing and Urban Affairs.)

Mr. BENTSEN. Mr. President, I am today introducing an amendment to S. 1890, the legislation extending the authority of the Export-Import Bank, which I believe is necessary to prevent a deterioration in the competitive edge of the United States in international trade and to insure that taxpayer-subsidized loans are not used to export our manufacturing capacity.

The robust expansion in world trade and this year's high import fuel bill have sent nations scrambling to step up their export capabilities. In the present climate, there are some who would say that all exports are in our national interest because they contribute to a surplus in our balance of trade.

I am a firm believer in free trade, but I am convinced that we must take a hard look at the kinds of exports which are being financed with the cut-rate credits of an independent agency of the U.S. Government—the Export-Import Bank. Exim loans are important in helping to boost U.S. exports on financial terms competitive with those offered by other nations. But that slice of Government-backed Exim financing that contributes to the development of manufacturing capacity abroad whose resulting production jeopardizes our employment and exports now in the years ahead, must be eliminated.

My amendment would prevent Exim

financing of those exports involving the financing of foreign industrial capacity whenever the production resulting from that capacity would significantly displace like or directly competitive production by U.S. manufacturers. My amendment requires that Exim make a determination based on the best available evidence to avoid those credit transactions which enhance the industrial capacity of other countries to the detriment of our own. Moreover, my amendment requires that the Bank include in its semiannual report to the Congress an economic impact statement respecting any transaction which makes specific findings that the transaction is consistent with the above provisions, and identifies and assesses any advantages or disadvantages which are expected to accrue to total net U.S. exports in international markets.

In some cases in the past, it has been the entire productive process—jobs, technology, equipment, and capital—which has been shipped overseas with the help of artifically low interest rates under Exim financing. These exports may make good short-run economic sense in terms of one-shot balance-of-trade benefits, but they are poor long-run economics. Besides robbing us of a potential export market, these loans for manufacturing facilities abroad will result in production which may come flooding back into the United States to compete with our own products.

I believe a couple of examples will demonstrate the need for a reassessment of the Bank's role in financing foreign manufacturing capacity.

The Exim Bank has a record of financing textile facilities overseas. In fiscal 1973 alone, Exim paid out over $40 million to support exports for fiber production plants, textile equipment, spinning mills and weaving looms. Yet the textile-apparel industry in the United States is by far the largest employer of all manufacturing industries. Over the last decade it is estimated that 200,000 American textile and clothing workers have lost their jobs due to increasing competition from foreign producers. It is not certain to what extent the Exim Bank contributed to their loss but it is clear that this is the type of transaction which should receive the very closest scrutiny.

During fiscal year 1973, Exim helped finance 12 projects with $45 million worth of credits for the expansion of foreign steel and pipe manufacturing facilities. Steel capacity in the United States is in short supply and our steel producers must pay over 11 percent interest to borrow the money to build new capacity to produce more steel which will keep prices down by increasing supplies and create jobs here at home.

The Eximbank borrows part of its money from the U.S. Treasury and competes for scarce private funds by the sale of its securities in the private markets; it then extends long-term, low-interest loans at 7 percent to build steel capacity and create jobs overseas. In at least one case in fiscal 1973, Exim helped finance a steel project in Spain with a $5½ million credit. This same company received a $60 million credit in 1967. The production from this steel facility is sold in a number of countries around the world including the United States.

Exim has played a major role in providing financial support for the construction of the Kama River truck and engine plant complex in the Soviet Union—this will be one of the largest operations of its kind in the world. In March 1973 Exim extended credits worth over $86 million for this project and this loan has since been increased to $153 million. While auto workers were on overtime last year, in March of 1974 about 200,000 UAW members were on the streets without jobs, and they are justifiably alarmed by any Government-backed loans for motor vehicle and parts facilities overseas rather than expanding the export sales of trucks produced in this country.

There are more examples where Exim may become involved in the export of manufacturing capacity. I wish to call attention to several cases which are clearly not the sort of financing Exim should participate in, and which would be prohibited by my amendment.

The aerospace industry is an American long-suit in international trade where our technological lead dominates the field. The Soviet Union has initiated talks with Boeing, Lockheed, and McDonnell-Douglas for the sale of 30 wide-bodied jets, contingent on those companies providing the Soviets the technology to build their own commercial jet aircraft complex in Russia to employ more than 80,000 persons, three times the commercial airplane labor force at Boeing or McDonnell-Douglas. Russian negotiators estimate that the average output of the proposed new plant would be more than 100 planes per year. This is about one-half the number of American commercial transports built in 1972 and a third of all large American jet transports delivered last year. Twenty-five percent of the total amount the Exim Bank loaned during the first 9 months of fiscal 1974 went to help finance exports of U.S. commercial jets. As long as this is the export of the finished product Exim serves an important function, but it should not back any loan which assists other nations in developing aircraft manufacturing plants which compete with our own.

There are discussions underway by major U.S. manufacturers to construct chemical plant projects abroad. Chemicals are also a major contributor to our balance of trade. Under my amendment, Exim would be barred from extending credit for any such project when the resulting production competes with our chemical exports.

There is an obvious need for greater analysis by the Export-Import Bank and guidelines to assess the domestic consequences of its loans. While Exim has done its job in promoting U.S. exports of finished products, I do not want any agency of the U.S. Government to be party to financing competition for our industry. We should be sending our products abroad, not our jobs. This amendment will benefit American business by strengthening our competitive edge in international trade; it will benefit American labor by mitigating the export of jobs; and it will benefit the American consumer by maintaining our standard of living. I ask unanimous consent that the text of my amendment be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1462

SEC. . Section 2(b) of the Export-Import Bank Act of 1945 is amended by adding at the end thereof the following:

"(6) The Bank in the exercise of its functions shall seek to avoid any transaction which contributes to the development of manufacturing capacity whose resulting production would significantly displace like or directly competitive production by U.S. manufacturers exported to the markets of the procuring country or to the markets of third countries, or sold in the domestic markets of the U.S.

In furtherance of the purposes of the above paragraph, the Bank shall include in its semi-annual report to the Congress as provided in section 2(b)(1) of 635 U.S.C. an economic impact statement respecting any transaction which makes specific findings that the transaction is consistent with the above paragraph, and identifies and assesses any advantages or disadvantages which are expected to accrue to total net U.S. exports in international markets.

DEVELOPMENT OF A FAIR WORLD ECONOMIC SYSTEM—AMENDMENT

AMENDMENT NO. 1463

(Ordered to be printed and referred to the Committee on Finance.)

OUR MISSING IN ACTION

Mr. CHILES. Mr. President, the time has come when we need to remember the forgotten Americans of the war in South Vietnam. During the war and as the war drew to a close, all Americans were concerned and thoughtful of our men in Southeast Asia, our prisoners of war, our missing in action, and those on the battlefield. Now that we have withdrawn our troops and that our prisoners of war have come home, it is hard to keep alive public attention to the many uncertainties which surround events affecting the lives of those still missing in action. I think we need to be mindful of these men and their families and do all we can to secure the most complete accounting of their whereabouts and exhaust every avenue possible in getting our concern and determination across to the North Vietnamese. We should leave no stone unturned in the quest for information and in the search for these Americans.

One avenue that we should take full advantage of is the Soviet Union. If détente is to exist at all, it is not going to be a sentimental journey but a relationship built upon interests and hard bargaining. For every concession we should get something of equal value in return.

My feeling is that we should require of the Soviet Union, in exchange for nondiscriminatory treatment in access to our market—most favored nation status—that they make every effort to persuade the North Vietnamese to pursue all possibilities for the fullest accounting of our missing in action and that the Soviets use their leverage to see that the North Vietnamese Government cooperates in every way.

I am convinced that this is the kind of thing détente should be for. Closer understanding and cooperation with the Soviet Union should advance our interests. And clearly one of our most important interests is that those men missing in action in Southeast Asia who are still alive be found and returned at the earliest possible date and that we be informed fully about those who are no longer living and that their remains be returned to their families.

I feel we need to legislate a requirement that the Soviet Union cooperate with us in achieving these goals and introduce the following legislation to achieve that result.

I ask unanimous consent that the amendment I am introducing to the Trade Reform Act to carry these ideas out be printed in the RECORD at this point.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1463

On page 130, line 8, immediately after "(1)" insert "(A)".

On page 130, line 10, strike out "(2)" and insert in lieu thereof "(B)".

On page 130, line 13, strike out "(3)" and insert in lieu thereof "(C)".

On page 130, line 16, after the comma, insert "and".

On page 130, between lines 16 and 17, insert the following:

"(2) (A) has not expressed understanding and concern for the plight of United States military and civilian personnel who are missing in action in Southeast Asia and has not provided evidence to the United States of communications to governments in Southeast Asia urging that exhaustive efforts be made to achieve a full accounting of all such persons, that all such persons who are alive be repatriated, and that the remains of all such persons who are dead be returned to the United States, and

"(B) is not taking action to secure cooperation by such governments with the United States with respect to the return of such persons,".

On page 130, lines 18 and 19, strike out "(1), (2), or (3)" and insert in lieu thereof "(1) and (2)".

On page 131, line 4, strike out "(1), (2), or (3)" and insert in lieu thereof "(1) and (2)".

On page 131, line 5, beginning with "Such report", strike out through line 8 and insert in lieu thereof the following: "Such report with respect to such country shall include the following information—

"(1) the nature and implementation of emigration laws and policies and restrictions or discrimination applied to or against persons wishing to emigrate, and

"(2) the nature and implementation of action taken to secure cooperation with the United States by governments in Southeast Asia in returning United States military and civilian personnel who are missing in action.".

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1371

At the request of Mr. HUDDLESTON, the Senator from Missouri (Mr. EAGLETON), the Senator from Nevada (Mr. CANNON), and the Senator from Utah (Mr. MOSS) were added as cosponsors of amendment No. 1371, providing an automatic cost-of-living adjustment in the retirement income credit, intended to be proposed to the bill (H.R. 8217) to exempt from duty certain vessel equipment repairs and costs.

AMENDMENT NO. 1426

At the request of Mr. PROXMIRE, the Senator from South Dakota (Mr. MCGOVERN) was added as a cosponsor of amendment No. 4126, proposed to the bill (H.R. 11221) to provide full deposit insurance for public units and to increase deposit insurance from $20,000 to $50,000.

AMENDMENT NO. 1437

At the request of Mr. RIBICOFF, the Senator from Michigan (Mr. GRIFFIN) was added as a cosponsor of amendment No. 1437 to extend unemployment benefits, intended to be proposed to the bill (H.R. 14832), to provide for a temporary increase in the public debt limit.

CORPORATE DISCLOSURE HEARINGS SCHEDULED

Mr. METCALF. Mr. President, the Government Operations Committee Subcommittee on Budgeting, Management, and Expenditures and the Subcommittee on Intergovernmental Relations will resume joint oversight hearings next week on Federal agency collection, tabulation, and publication of information and data from regulated firms.

These hearings will be held in room 1318 of the Dirksen Senate Office Building.

On Tuesday, June 25, beginning at 10 a.m., we will receive testimony from Chairman Richard E. Wiley of the Federal Communications Commission, and Chairman Helen Delich Bentley of the Federal Maritime Commission.

On Thursday, June 27, beginning at 9:30 a.m., we will receive testimony from Comptroller of the Currency James E. Smith, a witness from the Federal Reserve Board and Prof. Donald Schwartz and Susan Gross from the Center for Corporate Responsibility.

Further information regarding these hearings may be obtained by calling the Subcommittee on Budgeting, Management and Expenditures at 225-1474—majority office—225-1480—minority office—or the Subcommittee on Intergovernmental Relations at 225-4718.

HEARING ANNOUNCEMENT ON WILDLIFE BILLS

Mr. JACKSON. Mr. President, I wish to announce a hearing by the Public Lands Subcommittee of the Interior and Insular Affairs Committee on S. 1943, a bill to establish the Cascade Head Scenic-Research Area in the State of Oregon; S. 601, a bill to designate certain areas in the United States as wilderness areas (sec. 1(6)), the area classified as Mission Mountains Primitive Area in Montana; and H.R. 6395, an act to designate certain lands in the Okefenokee National Wildlife Refuge, Ga., as wilderness.

This hearing, as previously announced, will be held on June 24 at 10 a.m. in room 3110, Dirksen Senate Office Building. Those who wish to testify or submit a statement for inclusion in the hearing record should contact Steven P. Quarles, special counsel, at 225-2656.

NOTICE OF HEARING ON RETAIL FOOD PRICES

Mr. MOSS. Mr. President, I wish to announce that on June 24 the Consumer Subcommittee of the Senate Commerce Committee, will hold a hearing on retail food prices. We intend to focus special attention on the spread between prices at the farm and prices at the grocery store.

In the last several weeks, we have all become acutely aware of the crisis now facing the Nation's meat producers. I know that in the State of Utah collapse in the market for cattle has put a number of cattlemen and feed lot operators on the verge of bankruptcy. The situation is just as severe in many other States throughout the West, Midwest, and South.

I am pleased that the Senate is now undertaking concrete action to assist the meat producers. On Monday, the Committee on Agriculture and Forestry will begin consideration of proposed guaranteed loan programs to livestock producers.

In addition, a bipartisan group of Senators will be sending to the White House a letter urging the imposition of import quotas for meat.

But, while I believe that the economic situation facing our livestock producers has become so precarious that import quotas are now justified, we must recognize that it will be difficult to justify these quotas to the American consumer, who is still paying the same high prices for beef at the supermarket.

Despite the rapid decline in prices at the farm level, the price of food at the retail level has in most cases, remained at record high. Since last summer the price for feed steers has dropped some $200 a head, but this drop in price has not been passed on to the shopper at the supermarket. The obvious question is: What has happened to the $200? It appears that somewhere between the feed lot and the shopping basket, someone is making enormous profits, and the consumer subcommittee intends to find out just who it is.

We will be hearing testimony from representatives of the cattlemen, the feed lot operators, meat wholesalers, and foodmarket chains, as well as spokesmen for the Agriculture Department.

ADDITIONAL STATEMENTS

COLORADO RIVER BASIN SALINITY CONTROL ACT

Mr. BENTSEN. Mr. President, I am pleased that both the Senate and the House have now acted affirmatively on S. 2940, "The Colorado River Basin Salinity Control Act." I trust that the President will quickly sign this important legislation into law, so that work can begin promptly on the salinity control projects it authorizes.

We have witnessed important progress during the past decade toward resolving a number of long-standing disputes with our long-time friend to the South, Mexico. For the people of Texas, who are especially interested in maintaining the best possible relations with Mexico, the highlight was the agreement resolving claims over "El Chamizal" and other lands along the Rio Grande River toward which President Lyndon Johnson devoted so much time and personal attention.

For the same reasons, Texans—and indeed the entire Nation—will be gratified that another major obstacle in our relations with Mexico is being surmounted with the passage of S. 2940. When the United States signed the treaty with Mexico in 1944 guaranteeing that country an equitable share of the waters of the Colorado River, no one could have anticipated the extraordinary agricultural and industrial expansion which has occurred in the Southwest of our country since that time. Much less could anyone have foreseen the complex problems in water quality which resulted from that development.

Since 1944, the United States had adhered rigorously to the letter of its treaty obligations to Mexico. But the Mexican Government, as well as the farmers of the Mexicali Valley just below the border, has complained about the deterioration in the quality of the water delivered to that country. In recent years, the high salt content of those waters reached the point that the farming industry in the Mexicali Valley was seriously imperiled.

Beginning in 1962, with the strong encouragement of President Kennedy and his successors, continuous efforts have been made to reach a negotiated agreement on water quality standards and on means for insuring those standards. That agreement was achieved last year, thanks to the untiring labors of former Attorney General Herbert Brownell, Mexican Foreign Minister Emilo Rabasa, and their many collaborators on both sides of the border.

For the most part, the elements of that agreement are contained in S. 2940. Title I of that bill provides for construction and operation of a unique desalting complex which will apply the most advanced scientific technology to reducing the saline content of Colorado River waters to acceptable levels. It is not too much to hope, I believe, that the practical experience gained in the desalinization process from this landmark project will have widespread application to many other water-thirsty areas in the future.

In one respect, unfortunately, title I falls somewhat short of the spirit of last year's agreement with Mexico, since it authorizes immediate measures for undertaking certain groundwater pumping operations close to the Mexican border. It was the hope of our negotiators, on both sides, that these operations would not begin until details of a comprehensive ground water agreement could be worked out. I trust, nevertheless, that the two sides will persevere in their efforts to conclude such an agreement, and I am sure that, for our part, we will adhere closely to the agreed limits on such pumping in the interim.

I am pleased also that title II of the bill will provide some relief for Colorado River water users on our own side of the border who likewise have suffered from the river's rising salt content. I recognize that the administration has some misgivings with respect to this title, inasmuch as it seems to jump the gun on water improvement plans and studies now being carried forward under EPA's supervision. I hope, however, that it will serve as a stimulus to the administration to act more quickly in this field and demonstrate the urgency which the Congress feels toward the need to find ways of satisfying the clean water requirements of our farmers and ranchers in the southwestern areas of the Nation.

Moreover, the agreement as well as the implementing legislation are important examples of the spirit of cooperation and respect that has characterized United States-Mexico relations in the past and, I am convinced will continue to characterize them in the future. This agreement typifies our ability to resolve common problems on a mutually satisfactory basis.

HELP FOR THE BLIND

Mr. TAFT. Mr. President, I was happy to support S. 2687, to amend the Wagner-O'Day Act which passed the Senate on June 13. The Wagner-O'Day Act was enacted June 25, 1938, to create a Committee on Purchases of Blind-Made Products To Provide Employment Opportunities for the Blind in the Manufacture of Products To Be Sold to the Federal Government. The purpose of the original legislation was to offer the Federal Government as a market for products manufactured in the Nation's workshops for the blind, thereby giving the blind an opportunity to lead more productive lives and becomes self-supporting. Following the successful endeavors of the blind, the severely handicapped also proved that, when given the opportunity, they too could lead more productive lives. Public Law 92–28, June 23, 1971, expanded the scope of the act to include other severely handicapped individuals, and to include the performance of services as well as the purchase of products. The name of the committee was changed to reflect these new provisions. It was changed to the Committee for the Purchase of Products and Services of the Blind and Other Severely Handicapped.

The bill, S. 2687, changes the committee name to the Committee for Purchases From the Blind and Other Severely Handicapped to make it less cumbersome, but it preserves the focus and intent of Public Law 92–28. In addition, it would increase the number of committee members from 14 to 15. Present law requires the President to appoint a member to the committee from persons who are not officers or employees of the Government and who are conversant with the problems incident to the employment of both the blind and other severely handicapped individuals. The 15th member, authorized by S. 2687, would be a person conversant with the problems incident to the employment of the other severely handicapped individuals. This would have the effect of broadening the perspective of the statutory committee through participation in its work of two persons of stature from the private business sector instead of just one.

In addition, it extends the definition of "direct labor" to apply to the performance of work under a service contract. This would require that 75 percent of the work be done by those who are blind or otherwise severely handicapped, as is now required in the case of products.

LOUISVILLE POLICE AND LAW ENFORCEMENT OFFICERS

Mr. HUDDLESTON. Mr. President, all too often I think we tend to take for granted the work done by police and law enforcement officers throughout the country. Every day they perform duties which place them in physical danger, and we are all too familiar with the growing number of vicious attacks, often without apparent cause, made upon police officers.

Rather than taking our law enforcement officers for granted, we need to be constantly reminded of the extraordinary service they perform, and of the need for all citizens to cooperate with and help them in their work. No society can exist without laws, and it is the duty of the police and the courts to uphold and enforce those laws. They deserve our support in every way possible.

Just keeping the peace, investigating and solving crimes, and providing protection where necessary is responsibility enough for any police officer. But as society has been more complex, our police have been called on to perform many additional functions—which, of course, requires that they have additional training.

Mr. President, I would like to point out the excellent work that is being done by the police department in Louisville, Ky., where the entire 790-man force is receiving training in handling domestic and family disputes.

This outstanding program, which has the strong and active support of Mayor Harvey Sloan and Police Chief Jack Nevins, is rapidly becoming a model for other cities. To the degree that police can prevent domestic disturbances from becoming violent they are performing an invaluable service to the community and to the individuals involved. And they are due our eternal gratitude.

Mr. President, I ask unanimous consent that an article about the Louisville program, which appeared in the June 9 issue of Parade magazine, be printed in the Record so that other communities might be appraised of this outstanding new opportunity of service.

There being no objection, the article was ordered to be printed in the Record, as follows:

THESE COPS STOP FAMILY BRAWLS—PEACEFULLY

(By Theodore Irwin)

Louisville, Kentucky.—Evidently violence, like charity, begins at home. The chilling fact is revealed in the latest FBI Uniform Crime Reports: one out of four homicides in the U.S. occurs within families. Spouse murders spouse in half of these cases.

Moreover, too many police officers trying to intervene in a family fracas have been turned on and knifed, shot, clubbed, and even slain.

What's being done about keeping family peace and preventing bloodshed?

Louisville believes it has the answer. In a novel approach known as Crisis Intervention, this is the first city in the nation to train its entire 790-member police force to act as mediators in pacifying violent domestic quarrels. And it's done without cracking skulls and a minimum of arrests. Moreover, Louisville's plan serves as a model for other cities.

"It's a concept, a kind of mental health first-aid, whose time has come," says Lt. James E. Oney, the husky, easygoing, 33-year-old director of the police training program.

A TYPICAL CASE

Here's how the Louisville cops handle a typical case:

A neighbor phones police headquarters to report a brawl in an adjacent apartment. The radio dispatcher contacts the two-man patrol car on that beat. The pair proceed to the battle scene, listen at the door for sounds of gunplay, then knock, announce who they are and enter.

Inside, they find the apartment a shambles. The wife, her jaw bruised, has stopped screaming. Noticing a butcher knife on a coffee table, one of the cops scoops it up. When the husband starts obscenely cussing out the visitors, one of them takes off his hat and politely asks, "Mind if I smoke? Some people don't like the smell of cigars." Stunned by such unexpected courtesy, the man subsides, the fight drained out of him.

One officer then escorts the wife into another room for questioning while the other listens patiently to the husband's story. Then the couple are brought together, their stories compared. "She's always bugging me about money." "He always stops for beers before coming home." "She keeps nagging, nagging, about my playing poker." "I threw out his clothes, he got mad and hit me . . ."

The cops carefully avoid taking sides. After a half-hour the combatants' chance to air their gripes to someone impartial calms them down. They are asked to promise to go to a family social agency for counseling and given the address. "May we come back next week to see how you make out?" says one cop. As the police leave, wife and husband shake their hands. Mayhem has been averted.

GAVE UP THE OLD WAY

In sharp contrast to such remedial house calls, before Louisville launched its C.I. program about the only recourse police had was to advise the aggrieved to take out an arrest warrant. Veteran Sgt. Roy Parsons recalls:

"In the old days we never took time to listen because we felt we had more important things to do. For instance, we'd tell a raving and ranting husband to take a walk. In one case when he came back home and again whipped his wife, she shot him between the eyes. That isn't likely to happen anymore in this town."

The Crisis Intervention idea surfaced tentatively four years ago when Dr. James M. Driscoll, University of Louisville psychologist, suggested that a 12-man police unit be set up. Under a small feasibility grant from the Kentucky Crime Commission, these men were coached by university psychologists in tackling "conjugal disharmony." The unit's efforts, confined to one district, turned out to be so successful that the Division of Police decided to indoctrinate the entire force.

LOUISVILLE'S THE PLACE

Why in Louisville? Wholehearted support has come from the young (34) Mayor Dr. Harvey Sloan, a millionaire, independent, enlightened and progressive, wide open to fresh constructive ideas, and from Chief of Police Jack Nevins, the first chief in the city's history with a college degree. Nevins, only 37, is sold on the importance of psychology and interpersonal relationships.

For their intensive week-long C.I. training, recruits and officers taking the in-service course study with specialists in alcoholism, drugs, handling of teenagers, facets of domestic conflict. Mock family spats are staged (sometimes with professional actors) in apartment settings equipped with two-way mirrors to observe how a student-officer intervenes, using psychological techniques. Emphasis on behavior modification helps cops recognize when a citizen needs referral to a social agency or mental health clinic. They learn to develop such skills as effective listening, drawing from antagonists the real roots of a conflict. They're educated to realize how they'll be regarded by a family as they step into a home. For practice, recruits go out on field-trip interventions with veterans.

In action, police follow certain ground rules.

"We try not to be judgmental or authoritarian," says Lt. Oney. "No preaching to people or patronizing them. Pushing and shouting are out. We don't tell a family how to live, though we offer recommendations. Hopefully, the family will make their own decisions after we hear both sides and mediate. Whenever possible, our officers try to come up with some kind of resolution."

Decisions have taken diverse forms. One night a few months ago a Mrs. K. frantically phoned the police. Having tear-gassed her husband with Mace, she was sure he was about to shoot her. "I know Jack has a gun!" Speeding to their house, Sgt. Parsons and his partner found the couple at bay, in effect awaiting rescue.

FIRST, A PRECAUTION

First, an old gun—unloaded—was removed from a desk. Then, during gentle hour-long questioning, Mrs. K., a heavyset woman, accused her spouse of having an affair with a young neighbor, but couldn't pin down proof. In turn, Jack reasonably explained what had appeared to be intimacies with the friendly neighbor. Following police department procedure, Sgt. Parsons asked the couple what solution they proposed. With a deep sigh, Mrs. K. replied: "All right, we're going to bed now and work out our problems there. Thanks, officers, for coming." The police never had a call from them again.

The right attitudes, techniques and stratagems go far in calming family strife. Louisville cops know they should use compassion, show consideration and respect for the troubled. An officer may comment, "We have bad days, too."

"In most instances," Lt. Oney points out, "our uniform and relaxed attitude have a cooling impact. But if that doesn't affect an uptight member of the family, we get him—or her—to sit down. It's hard to argue sitting down. Or, to break the tension, I've asked 'Can I bother you for a cup of coffee?'

Most of our officers have learned to accept verbal abuse as a way people have of defusing their anger, indignation or frustrations. Their hostility may be switched to us, and it could be with a knife or gun. But often a bad-mouther will apologize later because you let him yell his head off.

"When we go into a home we make it clear we're there to help, not to lock anyone up. Unless there's an obvious villain—like a guy stabbing someone—arrest is the last thing mentioned. We prefer alternatives to jail, like referrals for professional counseling."

Rarely do the police resort to force and not once have they had to draw their guns. Nightsticks are usually left in the patrol car.

Prime time for Crisis Intervention begins after 6 p.m. when the husband returns from work. In more than half the cases, someone has had too much to drink. Many fights erupt over money, alienation of generations, jealousy. Crises run the gamut: threatened suicides, parental opposition to a teenager's drug abuse, intense sibling rivalries. Highly charged emotionally, adversaries may go after each other with hammers, pipes, or baseball bats, throw bottles, or anything in sight.

Faced with clashing couples, novice cops assume the husband is generally to blame. No so, Lt. Oney contends. "We've learned it's apt to be the fault of both parties. In fact, in many cases the wife triggers the problem." Adds Judge John George of the Louisville Domestic Relations Court: "Often she's a shrew, terribly sharp-tongued, and you can't blame the man."

While most calls come from working-class neighborhoods, the police have also been summoned to homes of lawyers, doctors, newspaper reporters and even a former judge. One family hassle broke out when a lawyer came home two hours late for dinner. When the police arrived, his wife screamed, "This was supposed to be our wedding anniversary and he's messed it up. I want a divorce."

A QUARREL, A THREAT

In more serious situations, lives have been saved. Not long ago, Warren T., a 26-year-old salesman, barricaded himself in his apartment with a loaded rifle. He had had a bitter quarrel with his parents over the burning of their lake cabin. "If the cops try to rush the door," he yelled to a friend, "I'll kill as many pigs as I can, then shoot myself."

After five police cars sped to the scene, Jim Oney took over. Phoning Warren from an upstairs apartment, he used C.I. tactics to learn that Warren was enrolled in a night course in sociology—one that Oney himself had taken. That opened lines of communication and the lieutenant soon understood why the young man was enraged at his family. Gradually, Oney persuaded him to place the rifle outside his door. Then Warren let the officer take him to a hospital for psychiatric evaluation.

At times the police assume the role of lonely hearts adviser. There was, for instance, the furious young and luscious wife who started to pack her clothes to go back to her mother, generating a terrific argument. The cops who responded to the crisis call got her, for the first time, to express the underlying cause of the friction. Having bought a new sports car, her mate of six months was spending all his free time sprucing it up. Leading him to a corner, one officer remarked. "If you can make love to your car, do you need your beautiful wife?" The fractured marriage mended that night.

Thus far, Louisville's C.I.-trained police have stepped into more than 1200 family crises and not even one cop has been attacked as an intruder. After the initial experiment with the 12-man C.I. unit, Dr. Driscoll and his colleagues polled the "clients" visited. As the psychologists reported, there was a significant high rapport between families and the police, and overall the people were satisfied with the way cops had interceded. A common reaction: "I never believed cops could be so nice."

In turn, officers reported they had to use less force in handling family conflicts than they did in the past.

OVERCOMING TRADITION

Yet shortcomings are inevitable, Oney admits. Much depends on the individual policeman. Some of the older, tradition-bound members of the force—including several commanding officers—tend to resist innovations, believing they have no business in domestic rows or in the mental health arena.

"We should retrain these men," suggests Lt. Oney. "And we are getting younger, more flexible commanding officers."

Like other citizens, cops themselves are hardly immune to family discord. On two occasions, beat patrolmen had to be called in to restore harmony between fellow officers and their spouses. Predictably belligerent at first, the battling cops finally agreed to go for counseling at the university's psychology clinic.

Lt. Oney confesses that before he went through C.I. indoctrination he and his wife, Phebe, had had a few stormy disputes, mainly over their two children. "Now we argue less often," he says. "In our last tiff, a few months ago, when I was working day and night, Phebe blew up, charging that I was spending too little time with the kids. I agreed—and took a week's vacation. I attribute the peace at our home to my C.I. experience."

As for the citizenry at large, with word passing around town about the police referees, an increasing number of squabbling families have been calling for the patch-up service this year.

Other communities, too, are becoming aware of what Louisville is doing. To study the system, police departments have sent men from Dallas, Richmond, Las Vegas, Cincinnati, Los Angeles, and a dozen other cities. Using Louisville as a prototype, Charlotte, N.C., and Miami Beach have already launched similar Crisis Intervention projects. These differ, however, in that C.I. training is restricted to special squads of 18 or 22 men, and their cops wear blazers, rather than uniforms.

Now the federal Law Enforcement Assistance Administration (LEAA) has gotten into the act by subsidizing six police departments to set up Crisis Intervention systems. Grants of $200,000 each were awarded in April to New Orleans; Jacksonville, Fla.; Peoria, Ill.; Syracuse, N.Y.; Columbus, Ga., and Portsmouth/Chesapeake, Va. The hope is that the mediation idea will spread through each region.

After all, the nation's half-million cops do represent an untapped natural resource for keeping families peaceful.

LITHUANIAN ANNEXATION

Mr. SCHWEIKER. Mr. President, June 15, 1974, marks the 44th anniversary of the forcible annexation of Lithuania by the Soviet Union.

It is fitting that we pause to commemorate the struggle of Lithuania for political, religious and cultural freedom and self-determination. It is important that we join with the Lithuanian-American community and people of Lithuanian descent everywhere in reaffirming our commitment to that struggle.

Mr. President, I ask unanimous consent that a portion of a 1959 New York Times editorial on the plight of the Baltic States be printed in the Record.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Baltic States

We do not propose to go to war for the liberation of the Baltic States. Nor do the citizens of those states, still resident there or in exile in other lands, argue for the sort of nationalism that existed between the first and second World War. What they do ask for is political, religious and cultural freedom. They are as aware as the rest of us that such freedom can exist only in a world of freedom.

In the Baltic countries the path to a better future is still dark, but it is not lost and will not be. The day of the overlords will not last forever. The time will come when the three lost little nations will be able to come out and join us.

WHY THE FARMER IS NOT TO BLAME FOR FOOD PRICES

Mr. McGOVERN. Mr. President, an enlightening description of the whipsaw effect of the food economy which depresses farmers' income without assisting the consumer appeared yesterday morning in the Outlook section of the Washington Post.

Many consumers may find it difficult to understand the agonizing financial losses being suffered today by livestock producers.

While retail meat prices may have dropped slightly in the past several weeks, they come nowhere near reflecting the disastrous drop at the farm level which threatens to bankrupt hundreds of thousands of livestock producers.

As an example, the wholesale-retail price spread per pound of pork in April was 34.7 cents per pound—compared with 23.6 cents per pound in April a year ago, 22.7 cents in all of 1973, 18 cents for 1972, and 18.2 cents for 1971.

The article, "Feeling Outraged About High Prices Down on the Farm," should be must reading for anyone concerned about the difficulties of the agricultural producer today, and anyone who is interested in the consumer's buying power. I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be pirnted in the Record, as follows:

Feeling Outraged About High Prices Down on the Farm

(By Jim Hightower)

"Farmers never had it so good," declared President Nixon at a press conference in March. But have they? Certainly, farm people do not share the President's cheery outlook on the farm economy. In fact, farmers were shocked and outraged, and one national farm group considered the remark so callous as to warrant impeachment.

With the highest food and farm prices in memory, what caused farmers to bridle at the President's comment? Two things in particular.

First, farmers did not benefit most from the exorbitant food prices of 1973—the U.S. Department of Agriculture (USDA) reports that food middlemen continued to take nearly three-fifths of the consumer's food dollar in 1973.

Second, the President was trying to make political hay out of a temporary farm price boom that already is fizzling out—1974 does not look all that great to farmers.

Consider the first question: who profited? There can be no doubt that 1973 was a good year for farm income, especially for grain and livestock farmers. As it turns out, administration publicists were a bit overzealous in their initial claims for farm income and they had to revise their early figures downward by $2 billion. And there is considerable doubt that all of the $24 billion farmers supposedly earned actually ended up on the farm, since a good many corporate processors and marketers of such commodities as eggs and poultry get counted as "farmers." These quibbles aside, however, 1973 was not a bad year to have been a farmer.

But it was not the kind of year that warrants being singled out in a Presidential press conference. Even with the record income levels of 1973, farmers received only 46 cents of the consumer's food dollar. The rest went to the corporate middlemen that process, market and retail food. Nor does every farmer in America draw 46 cents ever time a consumer lays down a dollar; most farmers never see that kind of ratio.

For an example, the chicken for which you pay $1.50 pays the chicken farmer 6 cents. USDA statistics show that a can of peaches cost consumers 41 cents last year, but the peach farmer got only 7 cents of it. You spent 28 cents for a loaf of white bread, but only 4 cents trickled back to the wheat farmer. A head of lettuce cost 43 cents at the supermarket, but paid only 4 cents to the farmer.

PROCESSORS' PROFITS UP

At a time of skyrocketing food prices and consumer disgruntlement, the President pointed to farmers, without bothering to mention that food corporations were enjoying even better times. Far from flattered, farmers felt picked on. Cattle ranchers are said to have done especially well in 1973, but none did anywhere near as well as such corporate cowboys as Iowa Beef Processors, with 66 per cent profit increase last year, or American Beef Packers, with a 288 per cent profit increase. Food processors grumbled all last year about government price controls, but their 1973 profit figures suggest that they grumbled all the way to the bank. For example, the big canners of fruits and vegetables did much better than the farmers who grow them with such firms as Del Monte taking a 35 per cent profit increase in 1973, Campbell soup 23 per cent and Castle & Cook (Dole) up 52 per cent.

The May 4 issue of Business Week offered another interesting insight into how the chips actually fell last year. In a listing of salary increases for corporate executives, the food industry was found to be very generous. Food firms and government officials are quick to point to rising labor costs as an inflationary villain and a drain on corporate profit margins, but they do not draw attention to inflationary jumps in executive salaries. In 1973, food industry workers had wage increases of 6 percent. Up in the executive suites of food corporations, however, there was much less restraint.

Food manufacturing firms ranked ninth out of 32 industries surveyed by Business Week, boosting the pay of their top executives by an average of 17.7 per cent. For example, while consumers were being advised by government and industry to switch from beef to beans, Kraftco increased the salary of its board chairman from $264,000 to $321,000. Consumers ultimately get to pay for Kraftco's internal largesse. Grocery chain executives ranked fourth in Business Week's listing, taking home a 24.3 per cent pay increase. Safeway, which complained all last year that its profit margins were paper thin, scraped up an extra $16,000 to round off its chairman's salary at $200,000 a year. Nothing that these corporate executives now claim to be feeling the "pinch" of inflation, Business Week reports that their pay levels can be expected "to take another big jump with the expiration of controls."

FARM PRICES DOWN

Grocery shoppers undoubtedly are puzzled over the phenomenon of the "disappearing price drop" in our food economy. Since September, 1973, the news media have been reporting each month that the farm value of food has been falling. But that price drop on the farm has not made its way into the supermarkets. Farm prices fizzled 16 per cent from August to December of last year but supermarket prices remained sizzling hot. Even as President Nixon was making his remarks about the good fortunes of American farmers, the price they were being paid was falling for the sixth straight month, while the price charged to consumers actually was rising.

Not only did food firms pass all of the farmers' 1973 increase right through to the beleaguered consumer, but they also attached a sizable markup of their own. The Federal Reserve Bank of Chicago reported on March 8 that food middlemen increased their take from consumers by 6.5 per cent in 1973. That is an increase exceeded only once (in 1970) in the last 20 years. And the Department of Agriculture reports that these firms will increase their share in 1974 at a rate that "may be more than double the 1973 increase." What that means is that consumers will pay much more for food this year and much less of what they pay will go to farmers.

In 1973, the farmer was averaging 46 cents of the food dollar. By May, 1974, that already had fallen to 42 cents, the same level it was prior to the boom of 1973. And the farmer's share is expected to fall even more during this year. The retail price of food is hardly keeping pace. A Department of Agriculture report shows that the price of bread rose from January to April by two cents, while the farm value of bread ingredients fell by two cents. That is four extra pennies picked up by middlemen every time a loaf of bread is bought.

Not only are middlemen failing to pass along cheaper farm prices, but some appear also to be holding back on supplies of farm goods. For example, Reps. Frank Denholm (D-S.D.), Thomas P. O'Neill (D-Mass), and Lester Wolff (D.-N.Y.) have suggested that meat packers and processors are widening their profit margins today by manipulating available supplies of meat.

The congressmen took a look at the meat industry's cold storage inventories in May and found an astounding amount of meat being packed away in corporate warehouses. Department of Agriculture figures showed that cold storage of beef by the packers and processors is 33 per cent above last year, pork stocks are 43 per cent greater and poultry storage is up by 87 per cent. Denholm charged that this storage "clearly pirates the prices of consumers and producers alike." By storing meat, the corporations can artificially decrease supplies in supermarkets, thus keeping consumer prices high. Simultaneously, the record inventories decrease industry demand, thus dampening prices paid to meat raisers.

During April, farm prices overall fell another 4 per cent, with the price of cattle falling from 39 to 37 cents a pound, hogs down from 31 to 26 cents a pound, wheat down from $3.98 a bushel to $3.52, cotton down from 58 to 49 cents a pound and eggs down from 50 to 42 cents a dozen.

STEIN'S STATEMENT

A remark in May by Herbert Stein, chairman of the President's Council of Economic Advisors, is depressing to farmers and consumers alike. He said, "The *declines* in farm product prices are likely to be reflected in much smaller *increases* in retail food prices than occurred in the first quarter of 1974" (emphasis supplied). Only the Grocery Manufacturers of America and the National Association of Food Chains can appreciate the logic of that.

In fact, that is the kind of logic that food middlemen can carry to the bank. The Federal Reserve Bank of Chicago said in its May 31 agricultural letter that "the available evidence suggests that higher profits have contributed to the widening farm-to-retail price spreads." That conclusion is supported by Business Week magazine figures showing that in the first three months of this year the largest food retailers had profits that were 59 per cent higher than a year ago, even though their sales were up just 14 per cent.

The Department of Agriculture clouds the issue of high middleman profits by reporting figures that encompass all food firms, the small with the giant. There are 32,000 food manufacturing firms in America, but just a handful of those sell nearly all the food and control the industry. In May testimony before the Joint Economic Committee, the Federal Trade Commission's Dr. Russell Parker noted that "the 50 largest [food manufacturers] controlled 50 per cent of assets of 1964, they accounted for 61 per cent of profits and nearly 90 per cent of television advertising." According to Dr. Parker and other authorities, this level of industry concentration is increasing steadily. These are the brand-name giants, powerfully situated between millions of farmers and millions of consumers, and they are fast becoming the decisive force in the American food economy.

The average profit increase for all 32,000 food firms in 1973 would not be remarkable, but the dominant firms had "a year to remember," as Business Week put it. A special USDA task force on food marketing costs reported this month that the profits of food middlemen in 1973 "probably" will exceed the 1972 total of $3.4 billion. But the task force need have no doubt about the largest firms. Analyzing the 66 largest food processors, Business Week reported in March that their profits averaged 17 per cent higher than in 1972. The profits of those 66 industry leaders were more than $1.8 billion, which is more than half the industry's total for the previous year.

To a significant degree, this level of profit is the result of monopoly power in the food industry.

Dr. William Shepherd, a leading authority on market concentration, reports that the food industry falls well within the category of "tight oligopoly," with the average four-firm concentration within the industry being 55 per cent. In many food lines, shared monopolies exert much greater control. For example, 91 per cent of all breakfast cereal is sold by four firms (Kellogg, General Mills, General Foods and Quaker). Three firms (Dole, Del Monte and United Brands) sell 85 per cent of all bananas in this country. Gerber alone sells 60 per cent of all baby food and Campbell's sells 90 per cent of all soup.

The same high levels of concentration exist in food retailing, with more than half the cities in the country being dominated by four or fewer chains. In the Washington, D.C. area, for example, Safeway, Giant, Grand Union and A & P control 72 per cent of the grocery market. Nationally, one-third of all the convenience grocery stores are owned by Southland Corp., parent of the 7–11 chain.

PRODUCTION COSTS

There is another harsh economic reality that is squeezing farmers and causing them to think anew about the advice of old-time populist leader, Mary E. Lease: "Raise less corn and more hell." That reality is the rise in farm production costs.

Not much of what the farmer gets stays in his pockets, for he has a mess of bills to pay. As farmers move into the summer months, they are massively pessimistic. The cost of their production supplies has increased about as rapidly as the plummeting of farm prices. In March alone, farm prices fell 4.4 per cent, while the cost of farm inputs increased 2.2 per cent. The Department of Agriculture predicts that farmers' expenses in 1974 will be "more than $9 billion above last year."

A corn farmer in Iowa told the Des Moines Register of fertilizer prices this year 40 per cent higher than last, of diesel fuel prices doubling since last year and of corn seed that has gone from $25 a bushel to $37 a bushel. The cost of new machinery has gone out of sight, and repair of old machinery is about as costly—as this corn farmer put it, "You don't need too big a truck to haul away $500 in parts." He is having to shell out this kind of money now, while the price he can expect for his corn already has tumbled this year from $3.25 a bushel to $2.27.

At work here is the other jaw of the corporate vise that is squeezing family farmers and contributing to higher food prices. There may be a profit made on the farm in 1974, but there will be much more profit made off the farmer. Here's a sample of profit increases farm suppliers already have had in the first quarter of this year.

First quarter, 1974

[In percent]

	Profit increase	*Sales increase*
International Harvester	113	16
Stauffer Chemical	55	31
Occidental Petroleum	716	96
Firestone Tire & Rubber	19	17
Pfizer	33	26

SOURCE.—Business Week, May 11, 1974. "Survey of Corporate Performance: First Quarter 1974," pp. 70–90.

To put these profits into perspective, the average profit increase in all industries in this first quarter was 16 per cent. And again, these profits can be traced to the existence of monopoly power within the industries. For example, Dr. Shepherd reports that the four leading farm machinery firms hold 70 per cent of the relevant market. The Federal Trade Commission staff found in 1972 that farmers were overcharged $251 million because of the existence of monopoly power in the farm machinery industry. The four-firm concentration ratio in the chemical industry is 71 per cent; in petroleum refining, 65 per cent, and in tires, 71 per cent.

The general public, the Congress and the press have paid little attention to the rise of corporate power in the food economy. It is time to notice, for not only has that power become significant, it already has become the single, most dominant factor affecting the food supply.

It is impossible in the long run to lower food prices, to raise farm income and to assure a steady supply of nutritious food without dealing directly with the shifting structure of the food economy. Both as suppliers of inputs to farmers and as buyers of raw commodities from them, corporations have become the determining force in the farmer's business. As manufacturers, advertisers and retailers of food, corporations have become the decisive force in the quality, choice and price of food available to the shopper.

As a minimal first step toward keeping corporate food power in check, the country's antitrust apparatus ought to be focused on food. The Federal Trade Commission shows some hopeful signs that it might be listening to consumer and farmer complaints on food issues. The chairman of the commission, Lewis A. Engman, has announced creation of a special task force of lawyers within FTC's enforcement branch to develop and implement a program of antitrust action directed at the food industry. Whether Chairman Engman's highly-touted "National Food Plan" will be more than window dressing is questioned by several consumer and farmer organizations, but at this point they are grateful for any official response tossed their way.

Also encouraging are signs that at least a few congressmen are waking up to the corporate presence and beginning to probe for some answers. Within the last six months, the Senate Select Committee on Small Business, the Senate Commerce Committee and the Joint Economic Committee have conducted public hearings on the role of corporate middlemen in the food economy. In addition, the Senate Antitrust and Monopoly Subcommittee and the Senate's Permanent Subcommittee on Investigations have shown an interest in corporate activities that affect farmers and consumers.

These are halting, first steps, but they are important. Old perceptions of food power, based on the idea of independent farmers responding to sovereign consumers, no longer are valid. Increasingly, corporations are the decisive force at both ends of the food chain. That fundamental shift in power is too important a matter to be left to USDA and corporate executives.

The most lasting and significant impact of 1973's skyrocketing food prices may well be the wide public attention that the jolt of those prices attracted to food economics. The food issue will abate somewhat in intensity, but it will not go away, and neither will public attention. The food industry can expect much more scrutiny in the months ahead.

WCET–TV 48, CINCINNATI, OHIO

Mr. TAFT. Mr. President, WCET–TV48 of Cincinnati, Ohio was the instigator and designer of a comprehensive television-video tape system in Lincoln Heights Elementary School, located on the outskirts of Cincinnati. The March 8 edition of Children's Television Workshop Newsletter contained a feature story on the role of WCET–TV48 in a successful reading program. Children's Television Workshop is the producer of the two highly successful program series for children, "Sesame Street" and "The Electric Company."

I believe that this success story deserves the attention of my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE ELECTRIC COMPANY

TEC TURNS SCHOOL ON TO READING

The Electric Company was credited by elementary school teachers and officials in the Cincinnati suburb of Lincoln Heights with playing a major role in revitalizing reading interest and skills among students who watched the series daily on an experimental multi-channel closed circuit videotape system installed in the Fall of 1972.

The impressive results of two sets of standardized achievement tests were cited by Ernest Ector, principal of the 780-pupil Lincoln Heights Elementary School where the TV system was installed, to show that second and third graders exposed to the system and to the Electric Company for a school year were five and six months more advanced in acquisition of reading skills than previous second and third grades not exposed to the system. These results were in market contract to the situation three years earlier when 75 per cent of Lincoln Heights School District students tested well below appropriate achievement levels for their ages and grades and some elementary school students were trailing contemporaries in other schools in reading achievement by as much as two and three years.

Ector credited the gains to his school's intensified reading program that was built mainly around use by teachers of the videotape system and "The Electric Company." The series was the program most frequently used in the first year of the system's operation. It was the only program shown almost continuously all day long and was available to teachers any time during the day. "The Electric Company" and "Sesame Street," which was shown to Early Start, kindergarten and first grade classes, were assigned two of six in-school channels that feed along with the on-air broadcasting of Cincinnati's educational station, WCET–TV, educational material to monitors in every classroom.

The WCET–TV staff, including Charles Vaughan, president and general manager, and Mrs. Marjorie McKinney, director of instructional television services first conceived of the idea of tacking a no-progress-in-reading-achievement trend with a highly flexible closed-circuit system tailored to meet teachers' needs.

With a population of 7,000, Lincoln Heights is the largest all-black city in Ohio and possibly the nation. Severe reading and math deficiencies among its 1,800 students were revealed in testing in 1970 when the local school district was merged with its larger, more affluent and primarily white neighbor, the Princeton City School District.

A crash remedial reading and math program instituted by school officials resulted in some gains but, according to Ector, the conclusive improvements in reading began with the installation of the videotape system suggested by WCET–TV. The first indications that Lincoln Heights students were indeed closing the gap in reading achievement came in the form of results from Gates-MacGinitie standardized tests administered in May 1972 and again in May 1973 after the new system had been in operation for eight months.

The tests, according to Ector, showed that second graders in 1973 were five months more advanced in acquisition of vocabulary and six months more advanced in reading comprehension than their non-viewing counterparts a year earlier. Third graders, the test showed, were five months ahead in vocabulary and three months ahead in comprehension of the previous third grade, said Ector, who also reported that the Gates-MacGinitie results were substantiated by Stanford Achievement Tests administered in May 1972 and October 1973. "We finally reversed a no-progress trend that is still evident in other area schools," the principal said. "We were finally making progress in reading achievement."

FLEXIBLE SYSTEM

The WCET–TV staff—which not only originated the idea for the system but also designed it, obtained funding, oversaw its installation and maintains it—recognized the need for a totally flexibile system that would put maximum control in the hands of the teachers. This meant equipping each classroom (40 in all) with a 23-inch color TV monitor and six sets of earphones. Teachers have found the earhpones especially handy when singling out individuals and small groups for special attention. The educational material seen on the in-school system is taped from Channel 48 (WCET) and commercial stations by the system's operator using a videotape recorder (VTR). Six other VTR's broadcast previously taped material to the school's channels. "The Electric Company" and "Sesame Street" are taped automatically each day by the control room operator, while other educational TV programs are taped and used only when requested by teachers who are kept apprised of upcoming educational programs by WCET.

The entire cost of the system, underwritten by the General Electric Aircraft Engine Group, the Ford Motor Company Fund (separate from the Ford Foundation) and the Andrew Jergens Foundation, was $42,250. The outlay included expenditures for the 40 monitors, 240 sets of earphones, seven VTR's, 50 videotapes, peripheral control room equipment and two years of servicing.

Teachers like Tom Hinkle feel that having the videotape system is, in his words, "Like having another arm." About "The Electric Company," Hinkle said, "That show stays with the kids. Weeks later they remember segments with material I'm trying to teach." He's noticed that even though his second graders are exposed to "The Electric Company" in school they go home and watch it again. "This type of thing is great reinforcement. It's kind of like bringing the home and school together," he said.

Mrs. Anzola MacMullen, head of the school's resource center where the videotape system's control room is located, said that "The Electric Company" has had a definite impact on students. "It's most obvious in the way the kids are using the library. Circulation is up and there is much greater interest in using the center especially on the part of third-to-sixth graders," she explained, and then added that teachers and students come clamoring down to the control room to find out what's wrong when a system malfunction interrupts "The Electric Company."

DO FLOATING EXCHANGE RATES CAUSE OUR SUPER INFLATION?

Mr. PROXMIRE. Mr. President, the economics professions seem to be in serious disarray on the causes and cures of the present inflation. As vice chairman of the Joint Economic Committee, I intend to press hard for a comprehensive study of inflation—on a thorough, professional scale of the kind the Congress made in the classic TNEC inquiry in the late thirties and again the Joint Economic Committee's economic studies in 1960.

Relative to that study one of the most interesting analyses of the current worldwide inflation has been made by two brilliant young economists, Arthur Laffer of the University of Chicago and Robert Mundell of the University of Waterloo in Ontario, Canada. These two experts contend that the shift from fixed to floating exchange rates in adjusting international currencies is the culprit and they mount a highly persuasive case to prove it.

On the surface, at least, the case seems very powerful. For one thing there is the remarkable time coincidence. The moderate inflation of the 1950's and 1960's ended in 1968 when exchange rate changes began taking place fairly frequently. It speeded up in 1971 with rapid exchange rate changes and when the float of exchange rates began in February 1973, the world became wildly inflationary.

Mr. President I ask unanimous consent that a review of the case for fixed exchange rates, written by Judge Wanniski, of the Wall Street Journal, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE CASE FOR FIXED EXCHANGE RATES

(By Jude Wanniski)

When economic policymakers get together in Washington they fret that the usual economic medicine no longer seems to work—inflation seems oblivious to fiscal discipline, tighter money, dampened demand or increased supply, or even new proposals to tie the economy to the consumer price index. But at least, the policymakers sigh, our international problems have been solved by floating exchange rates.

There are, though, at least two economists who are prepared to argue that floating exchange rates are precisely the reason the rest of the medicine no longer works. Arthur B. Laffer of the University of Chicago and Robert Mundell of Ontario's University of Waterloo are proponents of an unorthodox view of international economics. They believe that the fundamental cause of the current world inflation is excess growth in the world money supply, but that floating rates are a structural cause that "ratchets" the inflation into double-digit figures. And they believe the world cannot solve the inflation until it arranges a system of truly fixed exchange rates.

After all, Professors Mundell and Laffer point out, the moderate inflation of the 1950s and 1960s ended in 1968, when exchange-rate changes began taking place with some frequency. Inflation speeded further after August 1971, when exchange-rate changes were taking place with rapidity. And when fixity was abandoned and the world began floating in February last year, the world became wildly inflationary.

THE MUNDELL-LAFFER ARGUMENT

In the Mundell-Laffer view of the world economy, this result is inevitable. Their theoretical model rests on a basic assumption they argue is a close approximation of reality in today's increasingly integrated economic world. This is that an article's real price—that is, its value relative to other articles rather than to national currencies—cannot be different in two nations with closely related economies. If it were supplies of that article would simply flow from one nation to another until the real prices were equal.

If this is true, it follows that when one country devalues its currency in relation to another country, prices as measured by the two currencies will adjust to compensate for the change; the nominal prices will change to maintain equal real prices. And from this seemingly simple proposition flow a number of unorthodox conclusions.

One, for example, is that a nation cannot improve its balance of trade by devaluing; it will achieve no competitive advantage because nominal prices will change and real prices will not. A second is that a nation that does devalue its currency will suffer extraordinary inflation; if real prices remain unchanged, its nominal prices will have to go up faster than the rst of the world's. Professor Laffer has elaborated these arguments in articles on this page on Feb. 5, 1973 and Jan. 10, 1974.

In a world of constantly floating exchange rates one more factor becomes important: Prices are rigid in the downward direction. That is, prices move up more easily than they move down. If there were no rigidities and country. A devalued against country B, half of the adjustment would show up as higher nominal prices in country A, and half as lower nominal prices in country B. But because of the downward rigidity, a disproportionate amount of the adjustment takes the form of inflation in the devaluing country.

So suppose that floating exchange rates prevail between currency A, perhaps the dollar, and currency B, perhaps a bundle of European currencies. And suppose A depreciates by 10% in six months, and appreciates by the same amount in the next six months. Nominal prices in both countries adjust to compensate for these changes in exchange rates. In the first six months a disproportionate share of the adjustment takes place through inflation in nation A, and in the second six months a disproportionate share takes place through inflation in nation B. Thus at the end of the year the exchange rates are unchanged, but nominal prices in both nations are higher. The float has ratcheted world inflation to a higher level.

The view that floating exchange rates foster inflation is only one part of a far larger economic viewpoint Professors Laffer and Mundell have been developing. They argue strongly for fixed exchange rates, as a method of promoting world economic integration. And while most proponents of fixed rates are traditional economists forever constructing elaborate mechanisms trying to approximate the 19th Century gold standard, these two professors argue from a monetarist economic viewpoint, usually associated with floating rates.

DIFFERING WITH MR. FRIEDMAN

Professor Mundell, a 41-year-old Canadian renowned in the profession for his brilliance—he picked up his Ph.D. in six months residency at MIT 18 years ago—was the prime mover in conceptualizing the theory. Professor Laffer, 33—on the faculty of Chicago's Graduate School of Business at 27—has been the more flamboyant and aggressive of the two, both in working through the rigorous underpinnings of the theory and in presenting it. They were drawn together at Chicago six years ago and began applying the Friedman monetarist model of the U.S. economy to the world. Their sharp differences with Professor Friedman on the exchange-rate issue is the result of this difference in perspective.

The typical monetarist argument for floating exchange rates holds that only through pure floating can a country gain independence over its monetary policy. When central banks are not required by agreement to intervene in order to support a "weak" currency, the country whose currency is weak is forced to accept the consequences of the easy-money policies that made the currency weak. It will no longer be able to "export" inflation, and by the same token it will not have to import the inflation caused by excess money creation outside its borders. Floating advocates say this is desirable, that it exerts an internal discipline on each monetary authority to act responsibly.

Professors Laffer and Mundell agree that floating rates give each nation independence in monetary policy, but they believe such independence is undesirable. It interferes with maximum economic efficiency, in effect serving as an economic barrier such as tariffs or quotas.

In viewing the world itself as a closed economic system, they say it is recognized as being desirable that there be one price for wheat and zero barriers to trade, thereby assuring that wheat will be produced by the most efficient. So too, in a closed national economy, or in an ideal integrated world economy, there would be one money, a common currency in which all prices are measured and all transactions take place. In a less than ideal world, this condition can be approximated by truly and absolutely fixed exchange rates. If rates are fixed, devaluation and revaluations of money no longer interfere with the efficiencies of a free market.

The idea that a fixed system is a market system and a floating system a controlled one is the most difficult Mundell-Laffer concept to see. Its essence is that when rates float, the central bank of each country has a monopoly over its money supply; when rates are fixed, the citizens of the participant countries share in a common money pool with no interference by their respective governments.

Under a float, the citizens of the United States, in order to satisfy their money demands, have to rely exclusively on the individuals who run the Federal Reserve to produce the precise money supply to meet demand. Because the individuals at the Fed can never know precisely what the demand is, they can only make rough guesses, and are always wrong in one direction or the other. If an excess is produced at a given instant in time, it cannot be exported for use by other countries. If a shortfall is produced, U.S. citizens cannot make up the difference by borrowing foreign currency and converting it to dollars.

Under a fixed-rate system, by contrast, the central banks of the system do not have to be precise in their production of money. If they produce too much, foreigners will borrow it, take it to their central banks, and convert it to local currencies. If the Fed produces too little at a given instant in time, it cannot be exported for use by other countries. If a shortfall is produced, U.S. citizens cannot make up the differences by borrowing foreign currency and converting it to dollars.

Under a fixed-rate system, by contrast, the central banks of the system do not have to be precise in their production of money. If they produce too much, foreigners will borrow it, take it to their central banks, and convert it to local currencies. If the Fed produces too little at a given instance, money demanders here will borrow abroad and convert those foreign currencies to dollars by presenting them at a central bank.

Under fixed rates, inflation will still result if the world money supply—the aggregate of the money created by all the central banks—grows faster than productive resources. But because the money is shared, the inflation rate will be similar in all countries. And of course, the inflation caused by excessive money growth will not be intensified by the ratcheting effect of floating rates with downward price rigidity.

Beyond that, because the integrating effect of a common money promotes total eco-economic efficiency, there are conditions in which it can combat both inflation and unemployment simultaneously. To explain this, Professors Laffer and Mundell use a simplified two-country model. Consider Country A, which uses dollars and has a 10% inflation rate and 0% unemployment. Country B uses francs, has a 0% inflation rate and 10% unemployment. Country A clearly has too few goods and no more workers; Country B has all the goods it needs and too many workers. Given independent money systems, Country A can't make use of the surplus workers in Country B; Country B can't make use of the surplus money of Country A to employ its workers. Given a common currency or a fixed exchange-rate system, the transfer is made and both countries have no inflation and no unemployment.

Fixing exchange rates, in the Mundell-Laffer view, would not cure inflation. But it would reduce it by removing the ratcheting effect, and would provide a structure under which the central banks could coordinate their money-creation policies in a way that would control the remaining inflation.

Their proposals for how to fix rates are simple in the economic sense. At least one major country, the U.S. being the best candidate, would have to accept the discipline of primary reserve or asset convertibility, while other currencies were kept convertible into that major intervention currency at fixed rates. Governments would be obligated to sell unlimited quantities of their currency at the floor price, and would borrow whatever reserves would be needed to fight speculative runs.

MULTINATIONAL POLICY REVIEW

The U.S. would manage its money supply using world money growth as a target, keeping this at an appropriate level by compensating for money creation of other central banks. The Mundell-Laffer model assumes that any such system would involve multinational policy review. Governments that needed to borrow foreign exchange from other governments would pay market rates of interest, which would be an important element of discipline in the system.

This system would break down, as other fixed rate systems have in the past, if one of the governments inflated its money supply to the point where it runs out of reserve assets and cannot borrow more. At that point, a government will devalue its currency, hoping to improve its competitiveness vis-a-vis its trading partners. The payment of market interest rates on borrowed reserves is intended to persuade governments that are inflating faster than others that it would be cheaper to get their money growth in line.

The political problem, of course, is to persuade governments to give up the option of inflating their currencies and devaluing. Professors Laffer and Mundell are more optimistic on this score than most observers, simply because their economic view tells them this option does not work anyway, and because governments seem to be learning the same thing through experience.

The experience of recent years, after all, has been that inflating currencies does not cure unemployment. Since the days of the Smithsonian agreement, governments seem to be learning that devaluation doesn't help a country's trade position and revaluation doesn't hurt it. Floating exchange rates have certainly coincided with abnormally high inflation.

None of this experience conforms to usual economic models, but it conforms perfectly with the Mundell-Laffer one. And if governments came to believe that the latter model describes their economic problems, their political problems would no longer look so insurmountable.

STATEMENT OF SENATOR ROTH ON GOVERNMENTAL SECRECY

Mr. ERVIN. Mr. President, the Government Operations Subcommittee on Intergovernmental Relations, chaired by Senator MUSKIE, is currently conducting extensive hearings on several bills relating to governmental secrecy.

These hearings were opened on May 22 with a statement by Senator ROTH on behalf of S. 1520, which he and I introduced with the cosponsorship of 20 Senators in April 1973. S. 1520 would establish a National Commission on Executive Secrecy to examine all aspects of the secrecy problem and recommend needed reforms to reduce excessive secrecy in the executive branch.

In view of the broad interest of the Senate in the problem of excessive secrecy, I ask unanimous consent that Senator ROTH's testimony be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Mr. Chairman, I appreciate this opportunity to come before the Subcommittee today as a witness to testify on behalf of my bill, S. 1520, to establish a National Commission on Executive Secrecy.

There is an inherent and fundamental contradiction between the principles of democratic government and the practice of governmental secrecy. Secrecy undermines the ability of the electorate to make intelligent and informed decisions about their leaders. It clouds the accountability to the people of all office-holders—whether they hold office by virtue of election or by virtue of appointment to a position in the civil service. The free flow of information between the government and the citizenry and within the government itself is as vital to the health of our democracy as the unrestricted circulation of our blood is the health of our own bodies. James Madison's warning of long ago is often quoted today: "A popular government without popular information or means of acquiring it is but a prologue to a farce or a tragedy or perhaps both."

Yet, Madison, as President, recognized the need for secrecy in certain compelling circumstances. His sensitive diplomatic notes, for example, were written in a code; in fact, not all his correspondence has yet been translated, although I am pleased to note that this is because historians have not yet gotten around to the task—not because the documents are still classified. From the very beginnings of our nation, the Executive branch has practiced some degree of secrecy in military and diplomatic affairs, as indeed was necessary.

We have, therefore, from the earliest days of the Republic a clear recognization that a secure and effective democracy requires the striking of a balance between a national interest in providing information about the workings of the government to the electorate and a national interest in protecting certain information in the interests of defense, foreign policy, and personal privacy.

Today, this balance is dangerously out of kilter. What is intended to be the exception threatens to become the rule. Years of Cold War, characterized by international spying on an unprecedented scale and by an extreme degree of sensitivity in our relations with countries all over the world, has bred an excessive degree of secrecy at all levels of government. Failure by the Congress to give serious attention to the growth of secrecy within the Executive branch has also contributed.

Patrick Henry once said, "To cover with a veil of secrecy the common routine of business is an abomination in the eyes of every intelligent man." Today we indeed have an abomination. Secrecy is not confined to military or foreign policy matters; it infects all our government agencies. The huge bureaucracies, it seems, have become a law unto themselves, a Fourth branch of government, outside the purview of the traditional three branches and the checks and balances among them. I am sure that all in Congress have had their own personal experiences with the reluctance of the bureaucracy to share its secrets. My own experience dates from 1967 and 1968 when, as a freshman Congressman, I began to catalogue all Federal domestic assistance programs and encountered unbelieveable resistance from some agencies, especially the Departments of Agriculture and Health, Education, and Welfare. The Office of Economic Opportunity at first even denied me a copy of their telephone book because it was classified. The information which I sought on HEW programs—such basic data as the purposes of the program, who was eligible to receive benefits, and how much assistance had been made available—was withheld on the grounds that it would be too burdensome for the agency to provide. Experiences such as these make one wonder whether we have a government of, by, and for the people or a government of, by and for the bureaucracy.

Excessive secrecy has generated millions of classified documents and almost a billion pages of classified government records. Massive over-classification has bred contempt for the entire classification system both within the government and also in the media and public at large. The system has become unacceptable on two accounts—it fails to provide accurate information to the public which the public should rightfully have and in some instances it fails to protect information that legitimately needs to be protected.

The most bizarre by-product of excessive governmental secrecy is the now highly developed art of leaking or "leaksmanship." In the byzantine ways of contemporary Washington bureaucracy, leaking is no longer simply a form of ego-gratification for those who want to impress others with their inside knowledge. It has diverse uses, ranging from the innocuous floating of trial balloons to thoroughly dispicable forms of character assassination. Secrecy has made leaking an essential part of the bureaucrat's stock in trade. It puts the public and the victim of the leak in an intolerable position—the public because it cannot corroborate the information which was leaked and the victim because he is trapped in a netherworld where he can neither exonerate himself nor vindicate his position without stooping to using the same weapon which was used against him.

Ours is the problem of restoring the proper balance between secrecy and open government and enforcing this balance. We must certainly remove the veil of secrecy from our "common business' involving only our domestic affairs and we must reduce secrecy in defense and foreign policy matters to its proper proportions. I believe this Subcommittee made a good start in the last session with the Congressional Right to Information Act, and I hope this Act will be adopted in the House. I am also encouraged by the progress made in amending the Freedom of Information Act. But we still lack an objective and overall appraisal of the dimensions of the problem of governmental secrecy.

It was to provide such an overview that I first introduced a bill to establish a National Commission on Executive Secrecy nearly three years ago, less than two weeks after the first revelations of the Pentagon Papers. This Commission would be a temporary one, charged with examining all the facets of executive secrecy and with trying to find a proper balance among differing considerations—the public right to know, the rights of the First Amendment, the need for the efficient operation of government and of Congress, and the requirements of national security. All laws, regulations, executive orders, and practices relating to the protection of information would be examined and recommendations would be made which would, in the words of the bill, "insure the full disclosure of information, consistent with the security of the United States." Senator Ervin and I reintroduced the bill a year ago with the co-sponsorship of 20 Senators.

Why a Commission? I believe that we need a mixed group—some from the Congress, others appointed by the President, at least one representing the media—to sit back, away from the glare of current politics, and examine all the issues related to governmental secrecy in a thoughtful manner. We need collaboration, not confrontation, in trying to find means of restoring the practice of secrecy to its proper proportions and resurrecting the public "right to know." These issues must be examined in their entirety and attention must be given to the interrelationships of various parts of the governmental secrecy problem that we now have before us in separate legislative proposals—proposals to rewrite and codify the classification system, to amend the Freedom of Information Act, to define the scope of the elusive Doctrine of Executive Privilege, and to provide greater access to the workings of the bureaucracy. The Commission could also delve into some of the aspects we have not yet begun to give much attention to, such as the proper disposition of presidential papers and uniform regulations governing the access to such papers.

One of the highest priorities of the Commission must be to define with greater precision the circumstances in which the protection of information is justified. Our approach—the only approach that is consistent with our democracy—should be to carefully limit those instances where protection should be maintained and then insist that all else be available to the public. The burden of proof must be on those who want to maintain confidentiality. Of course, there will always be a large element of discretion and subjective judgment involved in classifying information, and honest men may honestly disagree on any one document, but this problem can be minimized by replacing or refining hackneyed phrases such as "national security" which have become meaningless through overuse.

It has been suggested, for example, that the classification system should be based on "Secret Defense Data." I believe, however, that we must frankly recognize that some information which requires protection is not strictly related to defense. The example of Dr. Kissinger's first visit to China comes readily to mind. Apparently, secrecy was necessary if the trip was going to be made and the contents of the talks also had to be kept confidential if a meaningful dialogue with China were to continue. If the plans for the trip had been revealed ahead of time or if the contents of the conversations had been revealed shortly afterwards, no "defense secrets" would have been disclosed nor would our "national security" have been harmed. But, it might have meant losing an important opportunity to promote peace and hence the kind of international order most conducive to the operation and survival of a democratic society such as ours. To try to encompass this kind of rationale within the term "Secret Defense Data" would stretch the meaning of that term until it too, like "national security" had lost much of its meaning and force. For this reason, there needs to be careful delineation and definition of the multiple reasons for which information can be protected .

Another problem the Commission would be required to address is the proper enforcement of whatever regulations are adopted. We must see that whatever rationales there are for secrecy cannot be misused, that classification labels cannot be used to hide mismanagement, errors or corruption, that "national security" not be confused with personal security. It has often been pointed out that while there are sanctions—both formal and informal—against underclassifying, there are no genuine sanctions against over-classifying. This has produced a "play it safe" syndrome. Human nature being what it is, it should hardly be wondered that those who classify play it safe by over-classifying.

The Commission is specifically required to study one suggestion for counteracting this problem, that of establishing an independent agency to insure the maximum disclosure of information consistent with national security. Such an agency might make spot-checks of classification and declassification practices within agencies and make recommendations to the Congress and the President for reducing over-classifying or improving the protection of information which genuinely requires classification. In the course of its duties, the Commission would study the recommendations that have been made along this line by Senator Muskie and Congressman Moorhead among others, and it would make specific proposals to the Congress relating to the composition, duties, and powers of such an agency.

In closing, I would like to emphasize the need to move forward with this legislation. It is ironic—and tragic—that in the past three years when excessive secrecy in the executive branch has been so thrust into the limelight a simple bill like this one with the support of 22 members of the Senate has not yet moved beyond the hearings stage. We have a responsibility to act, and I believe the most responsible action we could take at this point would be to establish this National Commission on Executive Secrecy. It is already late in the 93rd Congress. But, if we can move quickly and get this bill adopted, we could have the recommendations of the Committee before us relatively early in the next Congress. And, with the recommendations in hand, I think Congress on the whole will be better prepared to move forward with substantive reform to vindicate the people's right to know.

THE POLITICAL ROLE OF THE MEDIA

Mr. FANNIN. Mr. President, a vigilant and competitive press is one of the cornerstones of our freedom. When vigilance turns to viciousness, and when competitors run in a hunting pack, then the press not only fails the Nation but endangers it.

If our Governments fails in one way or another, the press is quite quick to point out these shortcomings to the American people. If the press itself fails, there is no guarantee of such exposure.

In the past week I have been somewhat reassured, however, to see that some of our leading journalists are openly discussing and questioning the conduct of their colleagues. This is as it should be in a free and competitive situation.

Last Friday, columnist Joseph Alsop had an excellent article concerning the press attack on Secretary of State Kissinger. I ask that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Political Role of the Media

(By Joseph Alsop)

It is a time to stop being mealy-mouthed. If the U.S. government loses the invaluable services of Secretary of State Henry A. Kissinger, the enormous, Watergate-induced self importance of the American press will be to blame.

If the U.S. dollar—your dollar and my dollar—loses a lot of its value on the world markets; and if American foreign policy also joins American economic policy on the dungheap of disorder, you can thank your friendly media.

The plain fact of the matter is that we now have in Washington, not just a double standard, but a triple standard. You have to begin right there to understand the resulting orgies of hypocrisy. And the first part of this triple standard for public judgment of public men concerns the political role of the press, or media.

It is the smarmiest kind of hypocrisy to pretend that the press was not directly responsible for Dr. Kissinger's decision to resign his office unless his name could be promptly and decisively cleared.

On last Thursday, he had just returned from one of the greatest and most exhausting diplomatic feats in rather more than a century. The secretary was being very modest if he merely thought he had "deserved well of the Republic"—in the phrase of old Rome.

His reception was a savage and disgusting press conference, during which he was treated like a common criminal. At one point, one of his interrogators even suggested that he might well be indicted for perjury, and bellowingly inquired whether he had already retained counsel to represent him in case of a perjury indictment. To be sure, only a minority thus disgraced the formerly honorable reporter's trade.

Yet in the subsequent commentaries, the members of this minority were never rebuked by their colleagues. Instead, Dr. Kissinger was rebuked. The climax came on the evening of Monday, when The New York Times hit the streets with and editorial accusing Dr. Kissinger of "dissembling" in tones majestically combining self-righteousness and pecksniffery. Telegraphed to Salzburg the editorial promptly triggered Dr. Kissinger's press conference and resignation statement on Tuesday.

Those are the plain facts. What has happened cannot be comprehended without those facts. Yet this reporter has seen no account of Dr. Kissinger's threat to resign that has set forth the facts either fully or forthrightly. Over all, it seems a mite odd for the major political role of the press to be left out of the accounting, when we have taken to holding out public men so strictly accountable.

This is the first part of the prevailing triple standard in Washington. As to the other part that justifies the word, "triple." it is simple enough. Dr. Kissinger has in fact been accused of "dissembling," and has even heard the word "perjury" hurled at him, because of a crucial national security matter involving less than a score of wiretaps. Under the law, such wiretaps are entirely permissible for national security purposes.

One wonders, then, why it was so shocking for a servant of the Nixon administration to worry about national security to the extent of knowingly approving under a score of wiretaps. After all, national security wiretaps were, very much more numerous in the Truman administration, and they were vastly more numerous in the administration of President Kennedy.

This reporter, with a known three wiretaps to his credit, all pre-Nixon, has long held the doctrine that if you have not been tapped, you have been slacking on your job. As to the Johnson administration, President Johnson sensibly did not trust the late J. Edgar Hoover—so he had the Secret Service do the tapping for him, again on a major scale. In short, the servants of the Nixon administration are plainly being judged by different tests than those that prevailed in happier times.

So we come back to the Watergate-induced self-importance of the American press that was noted at the outset, noting this is not meant to detract for one moment from the great achievement of exposing the crimes and squalors that now go by the name of Watergate.

Yet it seems this success has now led to a new and dangerous situation. Some people have now openly begun to follow the rule: "I'll be judge, I'll be jury," said Cunning Old Fury; "I'll try the whole cause, and condemn you to death."

Meanwhile Sen. J. William Fulbright, who has seen more than mere leaked bits of the total data, is reportedly confident that Dr. Kissinger did not dissemble when he appeared before the Foreign Relations Committee. Furthermore, even with Cunning Old Fury, one supposes that some vague notions of national interest usually prevailed.

MISLEADING THE CONGRESS ABOUT VIETNAM

Mr. CRANSTON. Mr. President, to my great regret, the Senate defeated—by one vote—an amendment to lower the ceiling on military aid to Saigon from $900 million to $750 million.

I have long been aware of the South Vietnamese Government's efforts to influence the American Congress, but I have recently come across some particularly revealing examples.

In an article published in today's Washington Post, Philip A. McCombs writes that in many cases Saigon's military spokesmen announce that a government-held base has been "overrun"—when in actual fact it has simply been abandoned. Furthermore, he reports that the announced release of former legislator Tran Ngoc Chau after 4 years in prison was seen in Saigon a government effort to curry favor in the U.S. Congress. In fact, he states, Mr. Chau may not have been released at all—or only temporary.

Mr. President, the continuous subsidy which feeds dollars to Thieu and his generals also enables many Americans in Saigon to live like kings—at taxpayers' expense. They buy cheap food, employ servants, ride in air-conditioned cars, and live a sheltered and privileged life. An article published in the Washington Star of June 11 lists many more examples of high living in Saigon.

Mr. President, I ask unanimous consent that these two articles be printed in the Record, so that Senators can see for themselves what we are paying for in South Vietnam with money that might better be kept at home.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Saigon Actions Seen Aimed at Aid Bills in Congress

(By Philip A. McCombs)

Saigon, June 12.—Former legislator Tran Ngoe Chau's "temporary release" after more than four years in prison was seen here as a government effort to curry favor in the U.S. Congress at a time when crucial aid decisions were being made there.

In fact, it is not at all clear that Chau has been released.

His wife and four children in Saigon were allowed to see him in their home for 70 minutes on the night of June 5, according to Vietnamese sources.

But then a police jeep pulled up and Chau was whisked away, not to be seen or heard from since. Neither reporters nor his friends have been allowed to talk with him.

He is reportedly being kept in Camranh City, 200 miles northeast of Saigon—perhaps under house arrest with a relative or in a prison.

Chau was an outspoken leader of the political opposition to President Nguyen Van Thieu at the time of his arrest and imprisonment in February 1970 on charges of having contacted a Communist agent.

The agent, his brother, was a North Vietnamese army intelligence captain. Chau, who favored peace through negotiations with the Communists, was reporting regularly on his contact to U.S. officials, including the Central Intelligence Agency.

Chau was a great favorite with many Americans here, including his old friend John Paul Vann, the flamboyant and controversial official of the pacification program who died in a 1972 helicopter crash in Kontum Province during the last North Vietnamese offensive.

Vietnam officials now concede privately that it was Chau's unauthorized contact with the Americans—not the Communists—that infuriated Thieu and led to Chau's arrest.

Chau's arrest and imprisonment received much attention in the United States, where he has been widely regarded as one of Thieu's most important political prisoners.

To release him at this time, according to Vietnamese sources, when only half of his 10-year term at hard labor has been served, might improve Thieu's image in the United States.

The morning after Chau's 70 minutes with his family, Vietnamese police called newspapers in Saigon and told them Chau had been released, urging them to write articles about it.

Many did. For example, a banner headline in The Saigon Post, the city's English-language daily, proclaimed, "Ex-Deputy Chau Freed After Five-Year Stretch."

That same day, June 6, reporters at a daily press briefing, pressed a government spokesman for details and were told that Chau had been "temporarily released." No further substantial details were provided.

Chau's friends in the legislature and other political observers here now say they do not expect Chau to be released at all—but the government has already benefited from the publicity.

Chau's "release" appears to be one of a number of orchestrated moves made recently by the Thieu government to "create a suitable atmosphere for the aid struggle on Capitol Hill," in the words of one government official.

Other moves include: Thieu's accusations of betrayal by the United States in his impassioned June 6 speech to a national teachers' convention. The president charged that if the United States had been allowed to force its original version of the Paris Agreements on South Vietnam, the country would have gone Communist in six months.

"Upon signing the agreement," he said, "We were unequivocally promised that the Communists would be kept from infiltrating the South and that if they infiltrated, they would meet with a strong reaction. However, all the promises made by our ally . . . have been forgotten."

The speech also contained a plea for continued U.S. aid that Thieu said was promised at the time the Paris agreement was signed.

In another step that should aid Saigon's cause in Washington, the government restored the diplomatic privileges of the Vietcong delegation to the commission charged with implementing a cease-fire.

The restoration, including telephone service and the weekly Vietcong press conference, brought agreement from the Vietcong delegation to renew the cease-fire commission's talks, which had been suspended for more than a month.

The frequent announcement by government military spokesmen of isolated government bases being "overrun" by Communist forces when in fact government troops abandoned the bases and left them to the enemy may also be designed to affect the Vietnam debate in Congress.

Western newsmen have also dutifully reported these "overruns," which carry an implication of special aggression by the Communists, only to learn days later from reliable sources that, in many cases, bases were not overrun at all.

U.S. Ambassador Graham Martin, a leader in the fight for more aid for South Vietnam, has brought increasing pressure on Thieu to "create a suitable atmosphere," sources said.

New Peace Plan Offered by Saigon

Saigon, June 12.—The South Vietnamese government issued a six-point peace proposal today, the eve of the first anniversary of a supplementary cease-fire agreement that has brought no end to the fighting.

The Foreign Ministry issued a communique calling for an immediate end to all cease-fire violations, return of Communist troops to pre-cease-fire lines, withdrawal of North Vietnamese troops and war materiel to the North, relase of civilian and military prisoners, respect for the international truce-supervision force and serious political negotiations.

In Paris last June 13 Secretary of State Henry Kissinger, North Vietnam's Le Duc Tho and representatives of Saigon and the Vietcong signed a joint communique calling for strict observance of the Jan. 28, 1973, cease-fire agreement.

The communique called for an end to fighting within 24 hours. Within 45 days, South Vietnam and the Vietcong were to sign an agreement "on the internal affairs of South Vietnam." Both deadlines passed without result.

On the battlefront, military sources said Communist forces overran a 100-man militia base guarding Highway 1 yesterday 50 miles east of Saigon, cutting off highway traffic to provincial capitals and other cities on the coast.

[From the Washington Star, June 11, 1974]

A Good Subsidized Life in Saigon

Saigon.—Americans in Saigon generally can live like kings for only a few dollars a day. The U.S. taxpayer picks up most of the rest of the tab.

The Americans pay no taxes to any government or they receive a special allowance on top of their salaries with which to pay taxes.

Most live well, at the cost to both their poorer cousins at home and the Vietnamese around them.

They buy the world's cheapest luxury goods and line up for imported American food at an American supermarket at cheaper prices than anywhere in the United States.

Should they choose to do so, most Americans can live within an insulated "Little America" in Saigon, seeing Vietnam only through the tinted windows of chauffeured, air-conditioned cars and buses.

Except for their chauffeur, their maids, an occasional secretary and a few government officials whom they advise, Americans may never speak to a Vietnamese.

In short, the Americans in Vietnam are forgotten, but not gone.

The good, subsidized life is available to all Americans in Vietnam, except for a handful of U.S. businessmen running companies directly tied to the Vietnamese economy.

Most of the 6,500 Americans in Vietnam—from the ambassador to the contract worker, from the secretary at the U.S. Agency for International Development building to the press corps—live better than they ever could hope to live at home.

Users of the post office at the U.S. embassy—virtually the entire American community—order items from large U.S. mail order houses to avoid paying South Vietnamese customs.

Airplanes chartered with U.S. tax money fly the packages to Vietnam and clerks paid by the United States sort and distribute mail and packages alike.

Americans in Vietnam can bask beside any of three exclusive U.S. swimming pools. As they listen to an American radio station which is illegal for Vietnamese to tune in, they sip cokes imported from the United States.

Coke is made in Vietnam, but Americans drink American-made Coca Cola.

A dinner of imported Maine lobster served in one of three exclusively American restaurants will cost $7. U.S. beer is 15 cents a can, cigarettes as low as 10 cents a package, top-line Scotch whiskey is $4 a bottle. A tape recorder that sells for $120 in the United States or in a Vietnamese store goes for $55 in Saigon's American department store.

Chauffeur-driven cars and buses are everywhere. They take Americans to the beach and to the three Americans-only movie theaters, where first-run pictures can be seen for between 50 cents and $1.

When the cars and buses run low on gasoline, they pull up at American-only pumps and the drivers fill them up, there is no charge.

If dancing is your pleasure, try one of three Americans-only nightclubs.

When you are tired, head for home. Americans working for official government agencies live in houses and apartments guarded by Chinese mercenaries.

The villas and apartments are cleaned by maids who receive an average of $15 to $20 a month. Many Americans have two or three servants.

WHAT PEACE MEANS TO US

Mr. DOLE. Mr. President, in a recent address to the graduating class of Independence High School, I pointed out some of the things I felt were very much right and good about the America of 1974. In attempting to place some perspectives on today's events and happenings, I offered the suggestion that a United States at peace with the rest of the world was the foremost and overriding thing that is right with our country today—especially in the eyes of the class of 1974.

These thoughts were still in my mind when I read the June 11, 1974 editorial of the Lawrence Daily Journal-World. It seems that when counting our woes and troubles as so many are doing today, it may be easy or convenient to lose sight of our blessings. But the war which so long lead the list of our national problems has ended, and our young men are no longer dying in Southeast Asia—or anywhere else in the world. And I believe this is a blessing which should not be forgotten by any American.

I feel the Journal-World very clearly stated the meaning of peace to our lives, and I ask unanimous consent that this editorial be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Are We Quick To Forget?

Warfare is terrible. In modern times, and perhaps from the beginning of history, no one has actually benefited from military combat, except for those who have profited from providing lethal weapons. In the memory of man, no nation has actually "won" a war; every involved nation has lost.

Presently, with the nation hell-bent on removing President Nixon and most of his administration from national leadership for Watergate misdeeds, it might be well to remember that the United States is not now at war and that incipient mass slaughter in other parts of the world has been prevented by his astute leadership. And, while Mr. Kissinger receives much credit for bringing peace to the world, a grateful nation should not forget that the Secretary was selected for his task by Mr. Nixon.

In the months since the last prisoners of war came back from Vietnam, people may have lost some of their abhorrence for warfare. For those who did not lose sons or fathers it is easier to forget, and the general public seems to be less concerned about the tens of thousands of veterans now living whose lives were largely wrecked by the senseless fighting in Asia.

In only 200 years of existence, the United States has had almost 44 million citizens in wartime military service; 29,170,000 veterans are still alive.

Vietnam, supposedly one of our less important involvements, took 9,188,000 into the services and had 97,000 die; 46,000 in combat and 51,000 from other causes.

The Veterans Administration still has 3,266,722 veterans drawing compensation; 1,179,527 widows; 987,803 children; and 192,536 parents of veterans.

When Mr. Nixon leaves the White House it can be hoped his successor can do as well in foreign relations. He couldn't be expected to do better.

EARL C. "SQUIRE" BEHRENS

Mr. CRANSTON. Mr. President, one of this Nation's most distinguished political reporters and a man with a truly unique record in journalism has written "30" on his last story.

Earl C. "Squire" Behrens at the age of 82 and completing more than 50 years of political reporting in California has retired as chief political writer for the San Francisco Chronicle.

Squire Behrens was active to the very last day on the job in his Sacramento office where he covered the legislature, and I am certain that his retirement is only an interlude between other jobs, other assignments and other writing chores.

For Squire Behrens is not about to throw in the towel on life even at the age of 82.

I have known Squire Behrens for the more than 25 years that I have been active in politics in California and, looking back, it is hard for me to believe that when I first met this tough, probing political writer that he already had 25 years of experience in California and national politics.

I know there are many of you here in the Senate who have traveled to California and been interviewed by Squire Behrens or met him at national conventions, governors' conferences or other political gatherings.

The Squire covered them all. And he covered them with the quiet efficiency, honesty and pursuit of the facts that became his trademark in a profession where the truth is often very elusive and the margin for error of judgment very large.

But Squire Behrens covered Democrats, Republicans, American Independents, Socialists, Prohibitionists and any and every other political party and its leaders with the same cool detachment which marked his journalistic integrity.

Not all politicians agreed with everything Squire wrote about them.

But few disagreed with his factual analysis.

Most of the time he was right and his tenure of more than 50 years of writing politics for a very demanding newspaper distinguished by a long record of interest and dedication to public affairs and government speaks for itself.

California political writing will not be quite the same without Squire Behrens.

Nor will the San Francisco Chronicle where his byline appeared over so many important political stories for a half century.

Mr. President, the Sacramento Bee saluted Squire Behrens in an editorial published on June 6.

The Bee expressed the thoughts and feelings of many people who knew the Squire. I ask unanimous consent that the editorial be printed in the Record.

To Squire Behrens, from an old friend:

So long, "Squire," we are sorry to see you go. Good luck and good writing.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The "Squire" Retires

It's going to take a while for the political world to get used to the idea Earl C. "Squire" Behrens will be missing from press row.

That's where the 82-year-old dean of the State Capitol press corps has sat for more than a half century, reporting on the legislature, state and national campaigns and the doings of government.

Behrens has quietly retired as political editor of the San Fransciso Chronicle and closed off a distinguished career in which he adhered to a credo to "disagree without being disagreeable." He was a sturdy protector of press rights at the Capitol, a gentle but firm man with absolute dedication to his work.

Those who know and respect Squire Behrens wish him all the best in his retirement—but they have a hunch we won't stay idle. He never has.

LITHUANIAN INDEPENDENCE

Mr. FANNIN. Mr. President, on Saturday people around the free world with ties to Lithuania joined in programs to commemorate the glory of this small but proud nation and to protest the continued repression of their homeland.

The Soviet Union invaded Lithuania, Latvia, and Estonia in June 1940 and within a year deported more than 150,000 people from these Baltic nations. In June 1941 Lithuania regained its freedom and independence for a very brief period before being overrun by another oppressor, Nazi Germany.

Since World War II Lithuania has been one of the captive nations struggling under the yoke of Soviet oppression.

The people of the Baltic nations are fiercely independent, and thousands of them have died in fighting for their freedom. Lithuanians point out that their state was formed 721 years ago, and that they are not related ethnically either to Germans or Russians.

Mr. President, colonialism is no longer an acceptable doctrine in the world. It is time for the people of Lithuania to be released from the Communist brand of colonialism.

It is time to end the excessive tariffs that are imposed on gifts sent to relatives and friends residing in the Baltic States.

It is time to replace the current 5-day tourist visa with a more reasonable limit.

It is time to eliminate unreasonable travel restrictions on tourists in Lithuania.

It is time to lower the barriers which prohibit Lithuanians from emigrating to other countries.

Mr. President, in raising these points I am speaking on behalf of myself and the many Lithuanian-Americans who reside within my State.

Most certainly, I welcome a new spirit of détente and congratulate President Nixon on his efforts to assure world peace. At the same time we continue to call for and demand humane conduct on the part of the Soviet Union. We seek only the opportunity for Lithuania, and other captive nations, to be free from oppression.

DISTRIBUTION OF REVENUES FROM MINERAL LEASING ON OUTER CONTINENTAL SHELF

Mr. STEVENS. Mr. President, the Interior and Insular Affairs Committee is presently considering legislation which would correct a long-standing inequity in the disbursement of revenues from mineral leasing on the Outer Continental Shelf.

S. 2389, which I introduced September 7, 1973, would distribute 50 percent of the revenues from Outer Continental Shelf lands to the adjacent coastal State, 25 percent to the other States and 25 percent to the Federal Treasury.

Present law, under which all Outer Continental Shelf revenue goes directly to the U.S. Treasury, places adjacent coastal States under an unfair burden. When oil and gas production or other mineral activity is under way in waters of the Outer Continental Shelf, the adjacent State must furnish governmental services to persons and firms engaged in this off-shore work. Although the States incur substantial expense in providing these services, they receive no share of the royalties. This is in direct conflict with long-established revenue sharing procedures in effect for royalties received in connection with mineral exploration and production from on-shore public lands.

Mr. President, it is high time this unfair situation is corrected. Outer Continental Shelf oil and gas leasing will increase dramatically in the next few years as this country strives to become self-sufficient in energy production. If the States off whose shores this leasing takes place are to provide governmental services essential to the people and industries engaged in the work, they must have a share of the revenue derived from it.

An editorial printed in the Anchorage Daily Times on June 12 discusses this issue in detail, especially as it relates to impending expansion of offshore oil and gas production in the Gulf of Alaska.

I urge the Congress to recognize the urgency of this matter and to act as quickly as possible to complete work on S. 2389.

I ask unanimous consent that the Anchorage Daily Times editorial of June 12, 1974, be printed in the RECORD following my remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

SHARING OFFSHORE DOLLARS

As interest mounts in federal offshore leasing of petroleum tracts in the Gulf of Alaska, pressure also should increase on the Congress to correct an obvious flaw in the way revenues from such leases are handled.

Unfortunately, the desire for a summer recess plus the embroilment in the Watergate affair threaten to give a low congressional priority to what Sen. Ted Stevens, Gov. William A. Egan and many others have cited as an urgent problem facing all states where offshore drilling activity is either in progress or contemplated.

The problem is simple to explain.

All money accrued from petroleum or mineral leases on offshore public lands—be it in the form of bonuses royalties or leasing fees—goes directly into the federal treasury. None goes to the adjacent states which must support the offshore activity through increased public services for schools, police protection, park and recreational expansions, sewers and all the other attendant needs of population booms.

This is in direct contrast to what happens to revenues derived from onshore drilling activities on public lands. The discrimination is substantial. The solution to it is not the elimination of revenue-sharing by states affected by onshore drilling, but rather by extension of the concept to offshore revenues.

As things now stand, the Mineral Leasing Act of 1920 grants states 37.5 per cent of revenues from public lands within their borders in compensation for their support of public facilities. To use a term now current in Alaska, the money offsets the "impact" of exploration and production activity. Alaska already benefits greatly from this onshore assistance.

But unless there is a change in the law, the vast impact of offshore operations in the Gulf of Alaska will hit the state—and coastal communities which become support centers for the operations—with a severe blow.

Gov. Egan has called repeatedly for an amendment of the federal law to correct this situation. Sen. Stevens, another strong advocate of granting the states a share of offshore operations, is the sponsor of one of four bills dealing with this situation now pending in the Senate.

George W. Healy Jr., retired editor of the New Orleans Times-Picayune and a leading national spokesman on the subject, has pointed out how this discrimination has hit home in his state:

". . . It costs the State of Louisiana considerably more to provide governmental services for people whose work is involved in operations three miles beyond our coast than the state receives in taxes as a result of these operations. We collect no severance tax on oil and gas produced three miles off our coast, although the severance tax is the mainstay of Louisiana education financing. We do not collect even sales tax on goods and materials used or consumed on the offshore rigs."

This same situation will develop in Alaska unless the law is changed.

THOUGHTS ABOUT FIGHTING INFLATION

Mr. DOLE. Mr. President, with inflation clearly the leading concern of the American people today, many cures and remedies have been suggested.

Curiously, some would contend that the way to fight inflation is to increase Federal spending and expand many Government programs. But I believe the majority of our people are thoroughly convinced that this very outflow of Uncle Sam's capital is the root cause of the inflation problem.

I agree with this view and believe that the elimination of unnecessary and wasteful Federal spending—along with a balanced budget—is the only way a sound and stable economic climate can be achieved.

I was interested, therefore, in the June 10 comment of the Salina, Kans. Journal. In an editorial entitled "Cure for Inflation" the Journal set forth several sound ideas about the necessity of a strong "home base" in our domestic economy which I believe are shared by millions of Americans today. These thoughts merit widespread consideration in the Senate as work on the appropriations bills for the coming fiscal year approaches, and I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

CURE FOR INFLATION

Inflation and interest rates are greater national problems today than Watergate. They can lead to an economy wrecking blowup.

Congress can do something about them. Here's how:

Two of the inflationary federal programs are foreign aid and military procurement. In some ways, they are tied together.

Both spend money the U.S. Treasury does not have. That creates debt and rubber dollars. The Treasury must borrow at higher and higher interest rates. That boosts inflation and bank rates.

Although some of this spending comes back in the form of wages and profits to American labor and industry, little that it produces is useful. Not much is made that we can wear, eat, drink, drive or fiddle. Too much is designed to go boom.

The wages and profits step up consumer demand but do not increase the goods that consumers want. Excess of demand over supply is a classic cause of inflation.

To the extent that it produces only paper work, any governmental spending is inflationary. But foreign aid and military spending are special and excessive examples.

But isn't national security involved? Shouldn't we be able to blow up the Russians faster than they blow us up? Shouldn't we fulfill those secret commitments to the crooks in South Vietnam?

On the contrary, if our role as a superpower and sugar daddy to the world is to result in bankruptcy and bread riots at home, is it worth the price?

Furthermore, we can undo all our dogoodism by leading the world into depression. It already is heading there and our own inflation is one cause.

If Congress cut out at least part of this spending, shrunk the appropriations for aid and for airplanes that don't fly, ships that don't float and generals that don't fight, what more could it do? More than reducing the federal debt?

Among our greatest shortages are those in energy and housing.

Some of the billions saved could be turned to low-interest loans for home construction and utility improvements. Ample precedent and methodology exist for both type of loans.

Why bail out the public utilities? To meet increasing energy demands they must make capital expansions financed today at an enormous cost. Publicly regulated, they can and do secure approval of rates that pass these excessive finance charges on to the consumer. Low interest loans to utilities could cut consumer bills.

Stimulation of housing and utility development also would tend to compensate for any reduction in employment caused by a shutdown in military hardware. Skills required to make turbines and guns are not dissimilar.

Turning swords into plowshares may not appeal to a Pentagon-fed Congress. Reduction of aid may not fit Mr. Nixon's dreams of world power.

However, the prime essential of any military or diplomatic program is a strong home base. And our home base now is grievously threatened.

If these notions make sense, tell Jim Pearson, Bob Dole and Keith Sebelius.

THE LOCKHEED-TEXTRON REFINANCING PLAN

Mr. CRANSTON. Mr. President, I would like to call my colleagues' attention to a matter which might have escaped their notice in the press.

For many months, rumors have circulated that Lockheed Aircraft Corp. was once again in serious financial difficulty and would soon come to the Government for another bailout. Apparently that will not be the case. On June 3, Lockheed announced a tentative plan to refinance its long-term debts. The plan would bring $100 million of new equity to Lockheed, financed largely by the purchase of 12 million new common shares of Lockheed by Textron, Inc.

On the surface, it looks to me as though the plan would bring needed new capital to Lockheed job security to thousands of employees at Lockheed and its major suppliers and subcontractors, and perhaps an end to the need for the Government's $250 million loan guarantee, in effect since 1971.

The plan is subject to the approval of Lockheed's banks and other creditors and the shareholders and directors of both Lockheed and Textron. If these groups find after careful study that the plan is as advantageous for all concerned as it seems to me on the basis of a superficial review, I trust they will approve it.

Mr. President, I ask unanimous consent that the press release issued by Lockheed Corp. to explain the arrangement, be printed in the RECORD.

There being no objection, the press release was ordered to be printed in the RECORD, as follows:

LOCKHEED, TEXTRON DIRECTORS APPROVE TENTATIVE PLAN FOR RESTRUCTURING LOCKHEED DEBT

BURBANK, CALIF., June 3.—Daniel J. Haughton, Chairman of the Board of Lockheed Aircraft Corporation, and G. William Miller, Chairman of the Board of Textron Inc., jointly announced today that their respective Boards of Directors have approved a tentative plan which would include an equity investment by Textron in Lockheed and a restructuring of Lockheed's debt. Mr. Miller indicated that Textron has held talks concerning the plan with Lazard Freres & Co., Lockheed's financial advisor, and also with some of the Lockheed lending banks.

The plan contemplates a new equity investment in Lockheed of $100 million, of which Textron would provide $85 million by acquiring 12 million new common shares of Lockheed at $5 per share and $25 million of a new Lockheed preferred stock. The remaining $15 million would be provided by a rights offering of 3 million new Lockheed common shares to Lockheed shareholders at $5 per share to be underwritten by Lazard. After the purchase of 12 milion shares of Lockheed common stock, Textron would own about 45% of the approximately 26.4 million Lockheed common shares then outstanding.

It will be a condition of the plan that the Lockheed lending banks convert $275 million of the present $620 million Lockheed bank debt into the new Lockheed preferred stock, and confirm a bank credit to Lockheed of $375 million.

In addition to the infusion of new equity, the plan would result in a significant reduction of Lockheed's debt service costs and would improve cash flow during the next several years.

Under the plan, Lockheed would continue as a separate corporation, with the benefit of the new financial support provided by the lending banks, Textron and Lockheed shareholders. The stock of Lockheed acquired by Textron would be held for investment, and there would not be a merger or consolidation of the two companies. Textron operations would not be affected in any way.

Except for Mr. Miller becoming chairman and chief executive officer of Lockheed after the proposed recapitalization is finalized, at which time Mr. Haughton will become vice chairman, no other changes in the management of Lockheed are contemplated. Mr. Miller will continue as chairman and chief executive officer of Textron.

Textron is a diversified company with total assets of $1.3 billion, and with 1973 sales of $1.9 billion and net income after taxes of $100.5 million.

One of the primary purposes of the plan is to give additional support to Lockheed's TriStar L–1011 commercial air transport program. The TriStar is an important part of the air fleet of many major airlines around the world. In order for the plan to become effective, it would be a condition that sufficient airline second buy options be converted into firm orders, or new orders be obtained, to bring the TriStar program to a total of 180 firm production commitments including the 74 airplanes already delivered. Cumulative orders to date total 202, including 135 firm orders and 67 second buy options. It is contemplated that the TriStar program will run to at least 300 aircraft over its entire lifetime, extending well into the next decade.

Under the proposed plan Lockheed would undertake to adopt a change in accounting policy by writing off certain non-recurring costs related to the TriStar program. These non-recurring costs have already been expended and are currently being amortized by Lockheeed over the planned 300 airplane program. It is estimated that under the amended accounting policy, the write-off which would be charged to Lockheed's income in 1974 as a condition to and before the plan becomes effective would amount to approximately $300 million net after providing for the anticipated related tax benefits. It is anticipated that in future years the TriStar program would operate near a breakeven after all charges. With continuation of Lockheed's other substantial and profitable programs, this would permit Lockheed to return to greater profitability.

Lockheed's operations include Lockheed Missiles and Space, located in Sunnyvale, California, which produces fleet submarine ballistic missiles such as the Poseidon, satellite space vehicles and other research and development projects; Lockheed-California, with plants in Burbank and Palmdale, which in addition to producing the TriStar L–1011, designs and manufactures military aircraft such as the P–3C Orion and the S–3A Viking; Lockheed-Georgia, located in Marietta, which designs and builds large military and commercial airlift and cargo aircraft such as the C–130 Hercules; Lockheed Aircraft Service, with headquarters in Ontario, California, which is the nation's oldest and largest aircraft maintenance and modification firm with operating branches around the world; and a number of other divisions.

The plan is intended to assure availability of sufficient capital so that these Lockheed operations will not be restricted by lack of adequate financial resources. Many Lockheed programs are essential to national security and represent some of the most advanced technology in the world.

The suggested plan contemplates release, on terms satisfactory to the parties, of the U.S. Government loan guarantee for Lockheed which was approved by Congress in 1971. The proposed support from private banks and private industry should assure continued vitality of Lockheed as a unique and vital American enterprise.

With the restructuring of debt, it is expected that Lockheed would be able to generate sufficient cash over the next few years to make substantial reduction in its senior securities and maintain itself on a sound financial basis.

The preliminary plan, if accepted and implemented, would be subject to approval by Lockheed's banks and other creditors and by Lockheed and Textron directors and shareholders. It would also be subject to several other conditions, including agreement by Rolls-Royce as engine supplier to continue its support of the TriStar L–1011 program, and approval of various U.S. Government agencies.

It is expected that closing would occur by 30 November 1974.

THE CARACAS LAW OF THE SEA CONFERENCE

Mr. FANNIN. Mr. President, on the 20th of June this year, representatives of more than a hundred nations will gather in Caracas, Venezuela, under the auspices of the United Nations for a Law of the Sea Conference. One of the most important items of the agenda will be the formulation of guidelines clearing the way for exploitation of the mineral resources of the deep seabed before we are faced with a mineral crisis as serious as the energy crisis now upon us. The nature of the mineral problem, the extent of the deep sea resources available with our present advanced technology, the salient points of the very fair American position at Caracas and the alternatives open to us are set forth with great clarity in a carefully researched article entitled "The World's Greatest Strip Mine" which appears in the February issue of the Navy League's Sea Power magazine. I cannot overemphasize the importance of the subject dealt with in this article which I would like to share with my colleagues and with readers of the CONGRESSIONAL RECORD. Mr. President, I ask unanimous consent that the aforementioned article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WORLD'S GREATEST STRIP MINE—A TRILLION-TON GOLCONDA OF LAND-SCARCE METALS IN THE DEPTHS OF THE SEA

(By Merle Macbain)

Merle Macbain is a retired Navy commander and a former public affairs officer on the staff of the Oceanographer of the Navy.

"The real extent of our dependence on mineral resources places in jeopardy not merely our affluence but world civilization."

This is the chilling conclusion of the authors of a new and definitive assessment of American mineral resources commissioned by the U.S. Geological Survey. The 722-page report—which bears the challenging title "Professional Paper 820"—has received only passing mention in the daily press, however.

The subject had better not be dropped there, and if some of the bolder American mining tycoons have their way it won't. But the most likely solution to a large part of the "mineral crisis" poses some staggering problems, the least of which are technical.

Some of the relevant facts are undisputed. The United States, rapidly becoming if not already a have not nation, is now importing, in whole or in part, 69 of the 72 raw materials vital to the present high American standard of civilization. This is on the authority of Helen Delich Bentley, the salty and indefatigable chairman of the Federal Maritime Commission, who points out that virtually all raw materials imported must come in by ship.

Four of the most essential of Mrs. Bentley's list of 69 vital raw material imports are manganese, nickel, copper and cobalt, and for various reasons deserve special attention.

Manganese—the fifth most widely used metal in the world. This ferroalloy serves as a scavenger in extracting impurities in the manufacture of steel and in turn alloys with steel to make it durable and tough. When a nation can do without steel it can do without manganese. But the United States, which definitely cannot do without steel, produces no, repeat no, manganese of metallurgical quality. In 1970, the latest year for which Department of Interior figures are available for all four metals cited, the United States imported, at a cost of $66 million, 85.7 per cent of all the grades of manganese it consumed.

Nickel—a necessary alloy in the production of stainless steel. Large amounts are required for a variety of high temperature and electrical resistance alloys and smaller amounts for such items as coins and nickel cadmium batteries. In 1970 the United States imported 100 per cent of its high-grade nickel consumption, mostly from Canada, at a cost of $426.5 million.

Copper—second only to iron in the amount and variety of its uses. The United States currently, and fortunately, produces the vast bulk of its requirements. The problem here is the approaching exhaustion of high grade U.S. ores. In 1970 the United States imported 6 per cent of its primary consumption, at a cost of $71 million.

Cobalt—most important for the manufacture of permanent magnets. Without it there would be no modern communications systems. It is also used in guided missiles, jet aircraft engines, gas turbines and high speed tool steels. Cobalt ores, for which no substitute has been found, are produced principally in Zaire, Zambia and Morocco. In 1970 the United States imported 92 per cent of its cobalt needs, at a cost of $26.5 million.

A BILLION FOR FOUR

It seems fair to assume that, with the devaluation of the dollar (coming back up again, however) and the steady increases in consumption which have occurred, the cost for imports of these four metals alone may be well over a billion dollars in 1974—not a large bite of the U.S. national budget perhaps, but a sizable factor in the balance of payments.

As the energy crisis should have taught U.S. decisionmakers, the important thing is not only the cost but the fact that U.S. national security and the welfare of the American people require absolute assurance of an uninterrupted source of supply of raw materials essential to the economy.

It is reassuring to realize, therefore, that unlimited quantities of the four minerals here singled out are available to American miners within three to four miles of cheap and efficient transportation. The location is at the bottom of the oecan, the transportation is by ship, and the three to four miles is straight down.

All four metals, together with minor or trace amounts of some 25 others, are found in the manganese nodules that strew the bottom of every ocean and even such large freshwater bodies as the Great Lakes. The average nodule is one to three inches thick. The best commercial specimens lie in great carpets on the Pacific floor in a wide band running south of Hawaii from mid-ocean to near the southern California coast.

Credit for discovery of the nodules belongs to the scientists who made the historic globe-girdling three-year oceanographic voyage of the converted British corvette HMS Challenger in the 1870s. These first specimens of the world's greatest treasure were tucked away in the British Museum and for a time forgotten. About the size and color of an over-done meatball, they were easy to forget. And, since they are found at depths of 12,000 to 20,000 feet, they could not then have been reclaimed in quantity, even if they had been blue-white diamonds.

There are several theories explaining the origin of the nodules. A favorite one suggests that metallic elements in sea water form around any small nucleus, perhaps a bit of sea shell, much as the pearl in an oyster shapes itself around a grain of sand. Manganese nodules are half buried in the mud, and coverage of the bottom in the huge area of known major deposits ranges from zero to 50 percent. A workable mine site would average 30 to 35 percent coverage, with a concentration of about two pounds per square foot. Educated guesses place the quantity in the Pacific alone at somewhere between one and two trillion tons. The growth rate is estimated at 15 million tons a year, making the lode the only perpetually self-renewing treasure since Aladdin lost his lamp.

Mineable nodules are 35 percent or more manganese, from 1 to 1.6 percent nickel, .75 to 1.5 percent copper, .2 to .3 percent cobalt and .05 percent molybdenum.

SCOOPING UP THE MEATBALLS

Getting the nodules to the surface and into the holds of a mother ship is an awesome engineering feat. And there is no precedent in land mining operations for the problems involved in processing the raw nodules in which the recoverable minerals are distributed atom by atom throughout the ore. Some ten years of quiet but expensive experimentation by several companies and syndicates appear to have resulted in workable solutions to the engineering problems.

American companies favor some type of vacuum dredging, for the most part. In the continuous-path method a dredge head suspended by a conduit from the ship is swept back and forth over the mine site, sucking up nodules as it goes. Fixed-area dredging involves a collecting device, such as a sunken barge, which remains stationary until the ore lying within its sweeping radius has been collected.

The second method, a Japanese invention, employs an endless rope to which dredging buckets are attached at intervals. The ship moves sidewise as the revolving loop of dredge buckets is dragged across the bottom, scooping up the ore. By whatever method, the prospecting phase alone can cost from $2,000 to $4,000 a day, and considerably more for full production operations.

Several carefully unpublicized methods for winnowing the metals also have been tested. All successful ones are believed to involve hydrometallurgical techniques with sufficient flexibility to accommodate the varying character of the ore.

Most authorities agree that the United States has a technological lead both in the systems developed for nodule retrieval at great depths and in the metallurgical processes for reclaiming the ores. This lead, say spokesmen for the American companies involved, is a fragile one, however, and will be lost to aggressive foreign competition if not promptly pursued. Japanese, West German, and French interests are the most advanced competitors. Russian capabilities, as usual, are not fully known.

A dozen American companies have already shown enough interest to invest substantial research effort and seed money. There are three leaders: (1) Deepsea Ventures, a subsidiary of the Tenneco conglomerate, is believed to have invested well over $10 million in sea mining programs since a go-ahead decision in 1968—following years of earlier investigative work. The DV ship Prospector has sampled a number of potential mine sites in the Pacific and in the course of more than 30 cruises has brought back tons of nodules to the company's pilot processing plant at Gloucester Point, Va. (2) The Kennecott Copper Corporation has logged the recovery of samples from more than 3,000 Pacific sites and brought back some 250 tons for experimental processing in the company's San Diego laboratory. (3) The Summa Corporation, solely owned by billionaire Howard Hughes, has an estimated $60 million already invested and another $200 million committed to a system designed to sweep up 5,000 tons of nodules a day. The company is ready to commence operations with the 36,000-ton Hughes Glomar Explorer, built to order by the Sun Shipbuilding and Dry Dock Co. The sophisticated Hughes system includes a 324-foot submersible barge designed to carry a huge dredge head to the ocean bottom to scoop up nodules and send them by compressed air up a 16-inch pipe to the ship. Nothing is known of the company's processing facilities.

Leigh S. Ratiner, Director for Ocean Resources, Department of the Interior, makes some assumptions and predictions which indicate the important role ocean mining can be expected to play in the metals market.

Taking 1975 as a target year, he assumes that mineral content of the nodules is approximately as estimated in the above (industry) figures, that there would be two companies processing three million tons per year and one company processing one million tons per year. He further assumes that all would be extracting close to 100 percent of the reclaimable metals. Nickel production, which he regards as the key factor, would then fill 4.8 percent of U.S. primary nickel demand and amount to 53 percent of projected imports. Manganese from the sea would fill 12 percent of both demand and imports. Copper would come to 3 percent of estimated demand, 41 percent of imports. The sea-produced by-product of cobalt, if all of it were extracted, would be significantly in excess of both demand and imports.

DON'T HOLD YOUR BREATH

Ratiner, who speaks authoritatively for the executive branch of the government, adds, significantly, that 1975 is *not* the date to expect deep sea mining of such magnitude to occur.

What, then, is the date? Soon? Ever?

The nodules lie deep on a near lifeless (and therefore incorruptible) sea bed far outside the widest and wildest claims of territorial jurisdiction—even beyond the reach of the Geneva Convention rules for exploitation of the continental shelf.

Since U.S. firms know where the marketable nodules are and have a pretty good handle on the technology required to retrieve and process them, what are they waiting for? They are waiting, say the impatient miners, for the United States government to spell out protective guidelines enabling them to stake out claims large enough and for a tenure long enough to make possible a fair return on the huge investment required.

But the United States government, says the more patient State Department, is itself waiting for a set of internationally acceptable guidelines, preferably under the ægis of the United Nations.

Which brings up the U.N.'s "Law of the Sea Conference" scheduled for this summer in Caracas, Venezuela. There the collision courses of the "have" and "have not" nations will converge, and they will hopefully hammer out the framework, at least, for the first truly global code of sea law since Hugo Grotius, the 17th century Dutch lawyer, fabricated the historic legal brief which led to the "cannon-shot" rule for territorial waters and the philosophic-legal concept of *Mare Liberum*, or Freedom of the Seas.

COUNTDOWN TO CARACAS

Also on the agenda at Caracas, in addition to exploration of sea bed minerals, are use of the sea bed for active and passive military purposes, world fishing rights, limitations on air overflights, commercial shipping, naval operations, oceanographic research, marine pollution and the jurisdiction of coastal states over adjacent waters. Probably the best that can be hoped for in any of these numerous controversial areas is an all-nation agreement or a series of area agreements equally distasteful to all concerned.

There are few matters in which amicable agreement will come easy, if at all. The highly charged question of coastal state jurisdiction over adjacent waters provides possibly the best example.

Various national positions range from the tenacious U.S. stand for the traditional three-mile limit to the insistence by Latin American states fronting the Pacific on a 200-mile limit that the conference provide them economically important fishing monopolies in offshore currents.

There is more involved here than fish, of course. Most states now appear to favor, and many insist on, a twelve-mile territorial zone. But even that small increase would bar free access, via Gibraltar, to the Mediterranean for the United States and to the Atlantic for Russia. And Japan would lose access through the straits of Malacca, vital to her fuel imports, from the Persian Gulf. Many other important straits would be affected.

It is no secret that the United States is prepared, however, to accept extension of territorial limits out to 12 miles, provided there are specific exemptions made to guarantee continual rights of free passage through narrow waterways of strategic importance to U.S. military security and vital commercial interests.

The United States will probably also agree to even broader "layered" zones in which coastal states would exercise varying degrees of control over fishing, mining, pollution, exploration and treasure hunting—but would not have the right to impede unrestricted passage by ship. It is conceivable, then, that the High Seas with all of its traditional freedoms for just about everything short of piracy will move from three miles out to 200 miles from the continental shores.

SEA BED WAR IN CONGRESS

American miners are concerned about how their interests will fare in the trade-offs that probably will have to take place in the smoke-filled committee rooms at Caracas if agreements are to be reached. To strengthen their own bargaining position, and as a hedge against possible prolonged postponement or outright failure of the Caracas Conference, the influential American Mining Congress is pushing a legislative program of its own in the form of two identical bills: H.R. 9—sponsored in the House by Representative Thomas N. Downing (D-Va.), chairman of the House Oceanographic Subcommittee—and S. 1134—introduced for consideration in the Senate by Senator Lee Metcalf (D-Mont.) Chairman of the Subcommittee on Minerals, Materials and Fuels.

The Dorn/Metcalf legislation would authorize the Secretary of the Interior to issue exclusive licenses to American citizens and corporations to stripmine the ocean floor for hard metals in blocked-out areas as large as 40,000 square kilometers (about the size of West Virginia, but to be reduced by 75 per cent for actual commercial operations) and to conduct in-depth mining in much smaller areas. Claims sponsored by "reciprocating states" with comparable legislation would also be recognized.

To maintain his claim a licensee would be required to invest substantial development funds on an ascending scale, to maintain continuous commercial recovery once started, to protect the integrity of his working environment, to avoid interference with other ocean users, and to agree to arbitration of disputes. The licensee's investment would be protected by government-administered but miner-financed insurance against outside interference and miners would be reimbursed by the government for any loss due to international regulations agreed to by the United States which would be less favorable than the rights granted under the law.

There have been extensive hearings on the bills by both committees. Senator Metcalf, a former judge who believes in hearing all sides of a case, has taken exhaustive testimony from miners, scientists, environmentalists, State and Interior Department officials, and spokesmen for that potent new force in American life, groups of "Concerned Citizens."

Congressman Bob Wilson of San Diego, a leading legislative authority on oceanography, is also sponsoring legislation aimed at promoting an immediate climate favorable to deep sea mining on a commercial scale.

Such informed authorities as Ambassador John R. Stevenson, special representative of the President for the Law of the Sea Conference, and Charles N. Brower, Acting Chairman of the Inter-Agency Task Force on the Law of the Sea, believe the United States is morally bound to foreign unilateral legislation as long as there is a reasonable expectation of a "timely and successful" international agreement. "Timely and successful" means agreed-upon rules no later than summer 1975. They emphasized in their testimony that the United States continues to adhere to President Nixon's position that it is neither necessary nor desirable to halt exploration and exploitation of the sea beds during the negotiating process, provided such activities are subject to the international rules to be agreed upon, which rules should include due protection of the integrity of investment made in the interim period.

Less temperate testimony from private groups has characterized the proposed legislation as a miner's land grab which would create a new arena for clashing jurisdictions out of the last truly international area on earth.

The most vociferous opponents of independent national or private industry initiatives are the members, perhaps 75 or more, of an informal bloc of developing nations in Asia, Africa and South America who favor an all-powerful international authority to direct all deep sea mining and apportion the income derived from it. This bloc has rallied under a banner which proclaims the deep sea as "the common heritage of mankind." This handsome piece of rhetoric is certain to haunt the halls and resound from the rostrums at Caracas.

Meanwhile, the miners wait, spending additional sums for exploration and experimentation until they can secure the protection, national or international, they must have to induce bankers and private investors to help provide the capital—as much as $250 million for a one-unit operation—to go into commercial production. Some, with little faith in the Law of the Sea Conference, privately express the hope that the enigmatic billionaire, seemingly independent of outside capital and restraints, will press straight on and that international law will then take shape around a *fait accompli* as it so often has in the past.

Most miners as well as many legislators and leading oceanographers simply hope for reasonably prompt action, national or international, that will make it possible to put U.S. technology to work on a commercially significant scale. They believe that a law could be enacted by Congress flexible enough to provide the necessary security for investment capital now and to be fitted into any all-nations agreement that might come later.

If a mineral crisis as serious as the energy crisis already here is to be avoided, say proponents of the current legislation, there can be neither weakness of will nor meanness of spirit. The United States can afford to be generous in cooperation with any international sea-mining body of the future, because there are minerals enough in the ocean for all. What the country cannot afford is to let the opportunity to secure its own future slip away.

If responsible private industry gets the regulated backing it needs, metals from the deep sea bed will follow the fishing and underwater oil industries as the third great source of ocean wealth, and may some day, in fact, become number one.

Mr. FANNIN. Mr. President, members of the Senate Interior Committee have been following the efforts conducted by the U.N. Seabed Committee leading up to the Caracas conference. We have approached this subject in a purely bipartisan manner by making our views known to the administration on the issues relevant to our committee's jurisdiction. As part of this effort we have most recently transmitted to the Secretary of State a letter reflecting the views of this committee on two important issues that will be considered by the conferees at the Caracas meeting. One relates to the seaward limits of the Continental Shelf and the other pertains to the regime for mining the deep ocean floor beyond the limits of the Continental Shelf. These views are definitively set forth in the letter which I ask unanimous consent be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Senate,
Committee on
Interior and Insular Affairs,
Washington, D.C., June 7, 1974.

Hon. Henry A. Kissinger,
Secretary of State,
Washington, D.C.

Dear Mr. Secretary: As you know, a conference will convene in Caracas on June 20th to attempt to negotiate a treaty or treaties resolving international problems affecting the law of the sea.

The Senate Committee on Interior and Insular Affairs has been following these negotiations closely since the inception of the United Nations Seabed Committee in 1967. Since that time, on a continuing bipartisan basis, members have participated in a special subcommittee chaired by Senator Metcalf. They have sent representatives to nearly every session of the United Nations Seabed Committee. Additionally, the Committee has held several hearings related both to proposed ocean mining legislation and to developments which have taken place at the various preparatory sessions conducted by the Seabed Committee. We have also met with the United States delegation to the Seabed Committee, usually prior to departure and subsequent to its return from these sessions.

Although several issues will be considered at the Caracas conference, this Committee has confined its attention principally to matters affecting the development of mineral and fuel resources. Our principal concern has been directed to the following two issues:

The limits of coastal state jurisdiction over resources of the seabed adjacent to and beyond the territorial sea and the nature and the limitations of coastal state jurisdiction and authority in such areas.

The rights of individual countries and their nationals to explore and develop the natural resources of the seabed beyond the limits of national jurisdiction, the rules and conditions and institutions which might govern such exploration and development, and the distribution of benefits resulting therefrom.

Members of the Committee have frequently made known their views about the policies the United States should adopt regarding each of these issues. With regard to the former, members of the special subcommittee, in their report of December 21, 1970, expressed the following conclusion:

> . . . we adopt the view of the American Branch of the International Law Association regarding the seaward limits of the Continental Shelf. That position is not only consistent with the wisest of policy preferences, but more importantly soundly interprets the present law. It holds that "rights under the 1958 Geneva Convention on the Continental Shelf extend to the limit of exploitability existing at any given time within an ultimate limit of adjacency which would encompass the entire continental margin."

We interpret the meaning of the term "continental margin" to include the continental shelf, slope and rise. We understand that a growing number of countries support the principle that coastal state jurisdiction over natural resources of the seabed adjacent to its coast should be limited to that area contained within that part of the seabed which is bounded by a line parallel to and 200 miles distant from the base line from which the territorial sea is measured. We understand that within some executive branch agencies there is support for such a position. We would like to state our strong preference for the view which would allocate to coastal states areas of the seabed adjacent to their coasts which extend seaward 200 miles and, in addition, all portions of the continental margin which extend beyond 200 miles. We have present rights under international law to this area.

As you know, there are several areas of the United States continental margin which extend beyond 200 miles. Because of the nation's critical energy problems, including our increasing dependence on imported oil, the United States should not forfeit any portion of the continental margin which could be utilized for mineral production, and more particularly, for production of oil and gas. The United States has rights to all natural resources of our continental margin, no matter how far seawardly it extends. We should not jeopardize these rights at Caracas.

Regarding the issue of the regime for the deep seabed, various options have been considered in preparing for the Law of the Sea Conference. Many developing nations have expressed a preference for the establishment of an international seabed mining organization, frequently referred to as "The Enterprise." It would have exclusive authority to explore and develop the resources of the seabed beyond the limits of exclusive coastal state jurisdiction. Through control of "The Enterprise," the developing countries could deny effective commercial access by the technologically advanced states to the natural resources of the seabed lying beyond the limits of exclusive coastal state jurisdiction.

Many developed nations, including the United States, have favored preserving as best they can the existing high seas freedom including, but not limited to, the freedom to conduct scientific research on the high seas and to mine the minerals of the ocean floor beyond the limits of exclusive coastal state jurisdiction. These nations have not opposed the creation of an international organization to administer the exploration and development of seabed resources lying beyond the limits of exclusive coastal state jurisdiction, but they have indicated the preference that such an international organization neither conduct such exploration and development of the mineral resources of the deep ocean floor, nor control production thereof. They have tended to take the view that we should neither restrict opportunities for exploration and development of the deep ocean floor by developing countries, nor object to paying a portion of the value of the mineral production on the ocean floor to an international organization, for the use and benefit of developing countries. Also they have continually expressed a preference for some sort of equitable licensing system which an international organization would have the authority to administer on a ministerial, rather than discretionary, basis. In other words, once an applicant state met the relevant standards, it would automatically be eligible to receive a license from the international authority.

The principal commodity to be mined on the deep ocean floor would be manganese nodules which are rich in copper, nickel, cobalt and manganese. There is a growing reluctance of mineral exporting countries to make these minerals available to the United States on a secure and continuing basis. Our heavy dependence on imports of such minerals places us in a vulnerable position. Specifically, the United States dependency on imports of such minerals is as follows: manganese, 97%; nickel, 74%; cobalt 98%; and copper, 18%.

In light of this dependency, we feel that it is vital to the national interest that the United States companies retain their current right of access to mine nodules lying on the deep seabed under terms and conditions conducive to making the investments necessary for their development. We believe this objective should be vigorously pursued at Caracas.

The Committee will follow the proceedings at Caracas with great interest, and will look forward to meeting with the members of the delegation upon their return.

Sincerely yours,

HENRY M. JACKSON,
ALAN BIBLE,
PAUL FANNIN,
CLIFFORD P. HANSEN,
JAMES L. BUCKLEY,
JAMES A. MCCLURE,
DEWEY F. BARTLETT,
U.S. Senators.

THE PRIVATE SECTOR WASTES MONEY TO JUST LOOK

Mr. PROXMIRE Mr. President, the waste in the Federal Government has been denounced broadly in the Congress and out and it should be. As one of the principal denunciators I not only plead guilty but promise to keep it up, whenever possible.

Still the fact remains—not only that the great majority of workers in the Federal Government work hard and conscientiously, but there is also considerable waste in the private sector and in some respects it is even worse.

As a prime example of this I am indebted to Joe Cappo of the Chicago Daily News who has just honed his typewriter in on a beaut.

Mr. Cappo quotes from a press release from the Cole Division of Litton Industries, and just listen:

> A group of secretarial students will attend a one-day seminar to learn the skills of brewing "executive coffee" for their future employers. The executive coffee-brewing seminar will include several coffee making recipes, a primer on how to attractively set a desk for coffee drinking, and a list of snacks that are advisable for consuming with coffee at various times of the office day.

Mr. President, can you imagine the fury with which this kind of seminar would be greeted if it were conducted for government secretaries—and properly so.

As Mr. Cappo asks, why could they not offer a course in back rubbing, or shoe polishing or running out and getting a pack of cigarettes.

Mr. President the fact that the Cole Co., that is putting on this extravaganza is a subsidiary of the Litton Industries, does not surprise this Senator. No wonder Litton is pushing Lockheed and Grumman for the record in cost over-runs on defense contracts. Litton may not be able to build a ship that will float, but I bet they brew a mean cup of coffee.

Mr. President, I ask unanimous consent that the column by Joe Cappo be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

WOMEN—ER—GIRLS, KEEP THAT MAN HAPPY!

(By Joe Cappo)

I think there might be some women in the audience who will squirm a little as they read this column.

It doesn't have anything to do with marketing or advertising or any of the other subjects I normally cover. But it is the type of item I hate to pass over without sharing with you.

I will quote from a press release sent to this newspaper by the Cole Division of Litton Industries, which makes office furnishings:

"A group of secretarial students will attend a one-day seminar to learn the skills of brewing 'executive coffee' for their future employers . . . (the students all attend Northwestern Business College, which has no connection with Northwestern University. The seminar will be at 10:30 a.m. Tuesday at Space 1147 of the Merchandise Mart.)

" 'Coffee for American executives at their desks has become an accepted way of corporate life,' states Richard Tierney, Cole's president. He notes that European secretaries have been brewing coffee—and tea—and sometimes even making lunch for their bosses for more than 100 years.

" 'Today's executive secretary is not just part of the office furniture like typewriters or filing cabinets,' adds the Cole president. 'She acts as her employer's office hostess making sure that he and visitors to his office are comfortable and presented with acceptable amenities.'

"The executive coffee-brewing seminar will include several coffee making recipes, a primer on how to attractively set a desk for coffee drinking, and a list of snacks that are advisable for consuming with coffee at various times of the office day. . . ."

I think this company is doing a good thing for all of executive-hood. I mean, what is worse than having a secretary who can't brew a decent cup of coffee?

The problem with the Cole division of Litton Industries is that it is dull, unimaginative and old hat. Women . . . excuse me . . . girls already have Mrs. Olson to tell them how to make good coffee for The Man in Their Lives.

What this company should have done is offered a complete set of courses, not just a measly one-day seminar.

For example today's secretaries, with all that college training, don't rub executives' backs as well as they used to. Cole could easily offer a one-day seminar in Back Rubbing.

How about a course in Shoe Polish? Or one in Running Out and Getting a Pack of Cigarets?

"I'll bet our women readers have a lot of suggestions like this for the Cole Division of Litton Industries. They can mail them to the company's local office, Space 1147. Merchandise Mart, Chicago 60654. And send me a copy at The Daily News, Chicago 60611.

FOOD: A RACE AGAINST THE CLOCK

Mr. KENNEDY. Mr. President, as world food resources diminish and the search for food becomes more acute among developing states, many nations will come to increasingly rely upon the international community—particularly the United States—to help meet a major portion of their food requirements. The world-wide cost of food grains is not only growing prohibitively high for hungry nations, but in order to meet this burden, foreign exchange reserves are being diverted from essential development programs to purchase food.

A "food deficit spiral" is slowly beginning to drain both the resources and energies of developing states—affecting not only the economic viability of already impoverished countries, but the very foundations of their institutions as well. As the price of food begins to exceed their ability to pay, the United States can take little satisfaction from the short-term harvest of dollars it is reaping from international food purchases.

Mr. President, one of the greatest contributions which we as a people have made to developing nations has been our commitment to help support their efforts to reach economic self-sufficiency. Yet, this critical economic aid is now likely to be diverted, to buy American food rather than to forge economic independence with American help. If we are to stop this food deficit spiral, if we are to help ensure the success of our foreign assistance, then our Government must begin to recognize the impending world food crisis and assist in the planning of a coherent international food policy.

Our Nation will be a crucial force in the forthcoming World Food Conference which will be held this November in Rome. The current optimistic forecasts for better world food yields this year can not only buy the international community additional time in the immediate days ahead to plan food policies, but will also enable the United States to present a viable program as an alternative to a deteriorating minimum world food security in an atmosphere of mutual cooperation rather than mutual suspicion.

Mr. President, I would like to draw to the attention of Senators three articles appearing in the New York Times and the Baltimore Sun, and I ask unanimous consent that they be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

[From the New York Times, June 16, 1974]

A Race Against the Clock on Food

(By Roger E. Anderson)

The world food problem we are so sharply aware of today shares with most other so-called crises a curious duality: it was at once foreseeable and foreseen but still unrecognizable until the last minute.

Ever since Thomas Malthus proposed in 1798 that people might someday multiply themselves out of food, the idea has been hovering vaguely in our consciousness. For some, the reality has been deadly apparent.

A Malthusian moderate, which many food experts seem to have become, would note dispassionately that the problem has three dimensions—time, population, and production.

With world population growing at an annual rate of 2 per cent, we have perhaps 20 years, or roughly until the year 2000, to control population growth or to raise food production to sufficient levels around the world so that all people can afford to eat, or both. After that, unless the situation has been remedied, the lid blows off the pressure cooker, and few forecasters are prepared even to imagine the consequences if that should happen.

The short-term outlook is not encouraging, and it serves to define with grim precision the nature of the long-range problems ahead.

The current scarcity of major agricultural commodities and the large draw-down of world food reserves menace the poorest and slowest-growing countries most seriously. The developing nations may have to pay some $15 billion more for essential imports in 1974 than they did in 1973. They are so gravely threatened by increasing food and fertilizer prices and almost intolerably high oil prices that the prospect of disaster within the next several years is real, and we may see governments collapse under the strain.

Food production prospects for the Third World are less hopeful now than they were last fall. Most developing countries will be especially short of foreign exchange reserves as a result of the increase in energy prices last December, and shortages of imported energy, fertilizers, pesticides and other agricultural inputs consequently will be aggravated. The higher prices they will receive for their own relatively small commodity exports will not significantly offset their higher import costs.

Important parts of the world are, in fact, approaching the precarious line between survival and disaster. To take India as an example, if—on top of all its other burdens—it were to suffer a monsoon failure, the consequence could be a famine in which literally millions of lives would be lost. The shock of those deaths would rattle social, political and economic windows around the world.

In any discussion of world food problems the question of reserves invariably arises. It is widely expected that the outlines of some form of global food reserve system will emerge from the United Nations World Food Conference to be held in Rome this November. And it is of special significance that such a system supposedly will be accompanied by plans for an international effort to increase food production in the developing countries.

When the word reserves is mentioned heads immediately turn in the direction of the United States, for two decades the world's principal repository of grain stocks and balance wheel of food supply. These stocks have now been largely depleted. The present position, as expressed by Secretary of Agriculture Earl L. Butz and members of his department, seems to be that the United States is not opposed to the buildup of reserves and will cooperate in such an effort with other nations.

The United States cannot, however, accept the complete responsibility for carrying these reserves. That responsibility is a global one, to be shared by other nations, including the developing ones.

Moreover, in the long run people cannot continue to be fed from reserves. Food must come essentially from annual production, and the immediate and long-range challenge, therefore, is to plan to produce food instead of planning to store it.

Logic and intuition alike tell us that the ultimate solution to the food problem lies in production and development—and they go hand in hand.

International efforts, such as provided by the World Bank and the Agency for International Development, need to be increased to assist agricultural development in the developing nations. Many of these have extensive but untested agricultural potentials. The countries where "green revolution" practices have been applied have shown that meaningful increases in food production are possible there at substantially lower costs than for comparable increases in some of the more agriculturally advanced nations.

Ultimately, I believe, agriculture in the emerging nations will have to become more an industry and less a personal way of life. In the process it will have to develop along lines that will allow it to regenerate its own capital through profits. Initially, however, it will require seed capital, which could be provided by national governments, international organizations, bilateral arrangements with the United States or multinational companies and financial institutions.

Last March, speaking to a group of businessmen and Government officials in Tokyo, I suggested that the multinational agricultural corporation could be an effective vehicle for infusing capital into the now labor-intensive farming systems of developing nations, for transmitting programs leading to the development of technical and farm management skills and for marshaling local incentives to explore additional food sources and improve present sources through more effective production practices.

There are, of course, multinational corporations doing these things now, especially in the fields of food growing and processing, commercial fishing and fish meal production, farm machinery, pharmaceuticals and others. There is ample room for more.

The developing nations have limited resources. Their economies show diverse patterns but they share a common ability to frustrate private enterprise. Some seem to prefer outright aid because of their reluctance to deal with private, profit-making interests. This ignores the fairly-well documented claim that one dollar of private investment in technology is more effective than three dollars in outright aid.

To be as realistic as possible, private enterprise faces a number of possible hazards in doing business in these countries: currency devaluation, restraints on the repatriation of profits, expropriation, revolution and, lately, kidnapping.

These are sobering risks, but risk is private enterprise's middle name.

In many cases where it has been done successfully the key to entry into the operation in developing nations has been the joint-venture approach, where the host country has substantial participation in the enterprise. Several combinations are possible.

A government may want to process the raw materials its land can produce but must import the technology to do so.

Private capital may be introduced into a nation that will provide its own public funds for the building of port facilities, roads and infrastructures.

A government may agree to provide labor and materials in exchange for private capital and management.

Methods of payments differ, sometimes taking the form of long-range contracts by which the company can buy the host country's products at fixed prices.

It is likely that ventures of this kind will increase as developing nations become more convinced that they offer greater benefits, with fewer springs attached, than other varieties of assistance. It has been documented, for instance, that in one country nationally owned and manager fertilizer plants consistently average only about 60 per cent of efficiency, a rate that is not effective and certainly not profitable. When a United States multinational corporation entered the picture, a typical plant was brought up to about 85 per cent of capacity in a relatively short time.

If the multinational company is going to make the contribution that it can toward easing or solving the food shortage problem, it will, in the nature of things, keep an eye on its profits, and growth in sales—but not exclusively. It will also have to show increasing concern with its positive effects on the totality of the host country and demonstrate its social and financial accountability.

The company will have to give evidence that it is providing the host country with contributions toward an increase in efficiency of local enterprise, the inward flow of capital and technology, employment growth, the national ability to compete in the world, balance-of-payments improvement and tax revenues.

The food crisis for the developing nations is real and it is dire. It has the potential to become disastrous, but we hope that it will not—and business shares an obligation with other sectors of society to work to prevent that eventuality.

One encouraging sign we might look for would be the emergence of a strong—perhaps collective—initiative by these struggling countries by actively seek from the business community some forms of productive, developmental participation that would be at least tolerable within their societies. They might be astonished by the quantity and quality of the response and by the results of that response.

NOTE.—This article is adapted from a speech presented at a seminar on "Feeding the World's Hungry: The Challenge to Business," presented in Chicago last month by the Continental Illinois National Bank and Trust Company. Mr. Anderson is chairman and chief executive officer of the bank and its parent company, the Continental Illinois Corporation.

[From the Baltimore Sun, June 17, 1974]

A Chance To Fight Famine

The head of the United Nations Children's Fund has warned of a possible 50-fold increase in the ten million children who normally suffer malnutrition. Japanese fertilizer exports to China, India and other Asian countries are being cut back 15 to 20 per cent. India, normally self-sufficient in grain, is seeking to buy American wheat. Land prices are soaring in the American wheat belt. These are not separate developments. The world is turning into a single market for grain as well as for oil, and the United States is the Saudi Arabia—and-then-some of this market. Soybeans are consumed not only by cattle and poultry but also by 1 billion people, and two-thirds of the world's soybeans grow here.

If world population growth does not dramatically slow down, according to the food economist Lester R. Brown, world food production must double over the next generation to maintain present consumption standards. But these standards are rising. The disruption of grain markets in 1973 was caused, according to World Bank experts, not by the droughts in Africa and India but by the Soviet government's decision to press ahead with an increase in the beef component of the Soviet diet. These experts provide a picture of world food production rising an average 3 per cent annually during the "Green Revolution," set back 3 per cent last year, and rising once again. Tremendous wheat crops are reported coming in the United States, Canada and Australia. Meanwhile, the Sahara desert is still spreading southward in Africa and India is suffering wheat rust, and an inability to compete in price with other customers for oil-based fertilizer. World Bank experts attribute the world fertilizer shortage to inadequate capacity to meet rising demand, rather than to oil price rises.

Talk of the world food crisis involves different time scales, from arguable projections of the future to inescapable facts of today. Dramatically increased land cultivation, possible new food sources and population control are approaches to the long-term problem. Dr. Addeke Boerma, director general of the UN Food and Agriculture Organization, proposes creation of a world food reserve system, to meet near-term emergencies. A world food conference will be held under UN auspices in Rome in November, at which such a thing could be set up. This year's good crop news in the more fortunate countries might be an embarrassment to some of the doomsayers, but it is also a welcome background to the conference. It provides an opportunity to develop a world system for fighting famine which is afflicting some countries now and will recur elsewhere in the future.

[From the Baltimore Sun, June 16, 1974]

South Asia: Political Malaise in the Face of Famine

(By Arnold R. Isaacs)

HONG KONG.—A mood of fearful anxiety hangs over South Asia, as oppressive as the burning days and hot smoky nights of the premonsoon summer. With luck, sometime in the next few weeks the rains will break the summer heat, but it will take much more than a change of weather to dispel the political, economic and social crises that have been gathering for the last two years.

In part, the troubles of India, Pakistan and Bangladesh are the same as those afflicting much of the Western world: rising prices and falling living standards; national leadership that seems helpless, uncaring and corrupt, and a growing loss of faith in political institutions.

The difference between South Asia and the West, though, is that this is a region where millions upon millions of people already tremble upon the thinnest of edges between survival and starvation, and further economic setbacks could mean not simply hardship, but human suffering on an overwhelming scale. Mass famine and total social breakdown are far from inevitable, but they loom as real and frightening possibilities in the minds of officials, planners and ordinary people alike.

No easy generalizations are possible in South Asia, a region as large, as populous and as diverse as all Europe. But the three principal countries have a number of problems, some old and some new, stemming from common causes and producing like results.

Inflation. Rising prices are the chief cause of popular discontent, and there is no end in sight. The inflation springs from two sources: the rise in food prices that was touched off by worldwide grain shortages in 1972–1973, and the threefold increase in petroleum prices imposed by the oil-producing nations last year.

The result has been inflation rates unknown since World War II. In India and Pakistan official cost-of-living indexes are rising at between 25 and 30 per cent a year, and the real impact on the poor is probably worse. In Bangladesh, where the inflation hit an economy that was already in ruins from the 1971 war that led to Bengali independence statistics are dubious but the rate of price increases is probably at least 100 per cent a year.

Labor unrest. Inflation has its sharpest impact, naturally, on the urbanized industrial and white-collar workers, who are very poor by Western standards, but are regarded as middle-class in South Asia. Though the urban populations are minorities—20 per cent in India, less than 10 per cent in Pakistan and Bangladesh—they are the more politically active element, more awakened to their own interests than the still-inert mass of peasants.

Strikes and slowdowns by workers protesting inflation-shrunken paychecks have become common. In India, Prime Minister Indira Gandhi last month successfully crushed a three-week nationwide railroad strike, but there is every possibility that other disputes will surface. In Pakistan, once-passive workers are increasingly turning to the strike weapon, and the same is true in Bangladesh.

Food shortages. The "Green Revolution," which once seemed to promise an end to periodic food crises, has slowed down. While existing techniques could raise South Asian rice and wheat production far above present levels, this would require enormous investments in irrigation, fertilizer and other technical aids—investments that hard-pressed economies will find difficult. The introduction of "Miracle" rice and wheat strains brought dramatic gains in the late 1960's, but the drought of 1972 wiped out stockpiles and sent prices soaring. Even with favorable weather this year overall production will only be about at the 1970 level.

The petroleum crisis affects agriculture because petroleum-based fertilizer has quadrupled in price and is in very short supply, and because fuel for irrigation pumps is also expensive and at times unavailable. All three countries are faced with continuing, substantial imports of grain, and with prices two or three times as high as in the 1960's this is a cost burden, swallowing up scarce foreign exchange that could otherwise be used for development projects.

Overpopulation. India adds some 13 million people a year to its already staggering 585 million inhabitants. Pakistan, now at 70 million, grows by 2 million a year. Bangladesh, the world's most densely populated nation, has 75 million people in an area the size of Illinois, and its growth rate is about the same as Pakistan's. The yearly population growth literally eats most economic gains even in favorable years. None of the three governments has yet begun to make a dent, even though all officially-sponsor family planning programs. Public acceptance and use of birth-control measures is still extremely low.

Sharing these problems, all three countries also share a similar political orientation. Though differing enormously in their personal styles, the prime ministers—Indira Gandhi in India, Zulfikar Ali Bhutto in Pakistan and Sheik Mujibur Rahman in Bangladesh—all espouse the cause of the impoverished have-nots and the ideology of socialism. For varying reasons, though, none has been able to fulfill the promise of a better life for the poor, and none has been able to create a sense that national hardships are being equally shared. The result is political malaise that may differ in each, but runs through all three countries.

In India, Mrs. Gandhi has slipped a long way from the crest of popularity she reached only two years ago, in the aftermath of a victorious war against Pakistan. Her leadership is widely criticized, and the Congress party she leads—the dominant political force in India ever since independence 27 years ago—is increasingly regarded as flabby, corrupt and indifferent to the suffering of the people. Student-led demonstrations against Congress party governments in two important states, Gujarat and Bihar drew unexpectedly wide public support this spring, and many Indian observers saw the wave of protests as a harbinger of even more serious troubles to come.

Mrs. Gandhi's critics accuse her of paying too much attention to political maneuvers and too little to fundamental economic problems; of assuring her own survival in power by maintaining too many incompetent or corrupt party leaders around her. Comments about Mrs. Gandhi's rule seemed remarkably uniform, even when expressed by Indians of widely differing political views.

"What worries the ordinary man most is our inability to deal with obvious problems," says an economist. A journalist comments: "the congress party has not given the people the feeling that its leaders are sharing their troubles." A social scientist feels that "Mrs. Gandhi wants to keep power at any price."

In recent weeks, she has bolstered her slipping prestige somewhat with India's first nuclear test, widely criticized outside the country but welcomed within it. She also seemed, by most accounts, to enjoy public support for her tough suppression of the railway workers strike. But neither the nuclear test nor the crushing of the rail unions will have any real effect on the falling living standards or inept leadership that Indians are grumbling about.

Despite Mrs. Gandhi's political troubles there is no apparent alternative to her or to the Congress party, and this in a democratic framework which Mrs. Gandhi, unlike her counterparts in Pakistan or Bangladesh, has sustained. The Indian press remains free to criticize, opposition parties operate without undue hindrance from the government. The demise of Indian democracy is all but unthinkable, despite what one intellectual calls "the general distrust of anyone in authority" that pervades much of Indian life.

Government officials claim, with some justice, that the preservation of democratic rule is no small accomplishment, and that while rising social and political unrest reflects unsolved problems it also is evidence that open debate and dissent are not repressed. "It is very easy to have discipline in a dictatorship," says Mohan Dharia, minister of state for planning. "It is not so easy in a democratic system."

Democracy in India is far from pure, of course, in state elections this year in Mrs. Gandhi's home state of Uttar Pradesh, in which defeat for the Congress party would have been a devastating blow to her prestige, she and her associates were widely reported to have used virtually every trick in the political book to pull off their narrow victory. Still, the relative openness of the Indian system means that there is at least a channel for popular grievances and the possibility of orderly political change if and when Congress leadership finally loses the trust of the people.

This is emphatically not the case with India's two neighbors, both of which are under increasingly authoritarian rule. In Pakistan, in fact, many thoughtful observers believe that Prime Minister Bhutto's cardinal failing is his apparent unwillingness to allow any opposition at all. He has so much going for him, many Pakistanis believe, that he could have set Pakistan on the path to genuine democracy for the first time in years, without any risk to his own position. Instead, even while scoring remarkable accomplishments he has become increasingly rigid and unyielding and has stifled political activity almost completely.

An obviously shrewd and capable leader, Mr. Bhutto has managed to restore a great measure of the national confidence that was lost when Pakistan was defeated and dismembered in 1971.

In a series of diplomatic coups, he won Indian withdrawal from occupied Pakistani territory, the return of some 90,000 war prisoners, and the dropping of a Bangladesh demand for war crimes trials of 195 Pakistanis accused of atrocities in what was East Pakistan before the war, now Bangladesh.

Though the reality has not matched the rhetoric, Mr. Bhutto has declared his government on the side of the poor and against the oligarchs who dominated the country during the pre-1971 succession of military governments. His popular support, though eroded as Mrs. Gandhi's is by economic discontent, remains high. But his stubborn refusal to allow opposition has begun to exact a cost. He is committed to a needless, no-win struggle against tribal rebels in the harsh Baluchistan region. He has alienated intellectuals, gagged the press, suffocated political dissent. Instead of a climate of maturing democracy, which many believe he could have nurtured, he presides in an atmosphere of rumor, conspiracy and fear.

The same climate exists in Bangladesh, the saddest of all three of the major South Asian nations. Sheik Mujib, like Mr. Bhutto, is a veteran oppositionist, schooled in agitation rather than administration.

The national euphoria in which he took office at the independence of the new nation has long since been drowned by near-anarchy in the countryside, incompetence and corruption in the government and the sheik's ruling Awami League, and ruinous economic problems that may well be the worst in any nation on earth.

With few resources, Bangladesh began life with the former Pakistani-dominated administration destroyed, with tens—possibly hundreds—of thousands of weapons in the hands of criminals and politically sponsored thugs, with a badly disrupted economy and acute shortages of almost everything. A large-scale international relief effort helped ease the worst of the humanitarian problems but little has been done to begin to put Bangladesh on the road to self-sufficiency.

THE MEANING OF TORTURE

Mr. ABOUREZK. Mr. President, a recent article by Anthony Lewis entitled "The Meaning of Torture" in the May 30 issue of the New York Times was both moving and accurate. The United States has not only remained silent for the most part while governments which we support silence their real and imagined political opposition by the use of imprisonment and torture, but also in most cases we provide money through our AID program to assist these regimes to do their inhuman work.

American tax money has not only built the tiger cages in South Vietnam, but it has provided training for the Vietnamese personnel who staff South Vietnamese political prisons and who have been accused of participating in the torture of the inmates. The International Police Academy here in Washington, which is funded by U.S. foreign aid money, just graduated another class of students who will return to Uruguay, Guatemala, Nigeria, Thailand, Indonesia, and the Philippines to continue to stabilize the dictatorships and support the activities of which we are "officially unaware."

Mr. President, I ask unanimous consent that the article by Mr. Lewis be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE MEANING OF TORTURE

(By Anthony Lewis)

BOSTON, May 29.—The use of torture as a political instrument is an evil beyond justification or compromise, a practice officially condemned by every civilized society. Yet it goes on, in many places around the world, and arousing people's interest in the subject is singularly difficult. Perhaps we find the reality so unbearable that we turn away rather than contemplate it.

Such thoughts are provoked by fresh reports on the savagery practiced by the military junta in Chile. Evidence of torture in Chile has been published by, among many others, Amnesty International, the highly-respected group that favors no ideology except humanity. Amnesty's findings are summarized with telling simplicity in an article by Rose Styron in The New York Review of Books.

Victor Jara, a folk singer, was held with thousands of others in a Santiago sports stadium. He was given a guitar and ordered to play. As he did, the guards broke his fingers, then cut them off. He began to sing, and they beat and then shot him. Several witnesses have described that death. It is a relatively mild example of what Mrs. Styron relates.

Many reports tell of the use of electric shock to make prisoners "confess" to what their captors desire. Sexual assault is a common theme. Mrs. Styron mentions a women's prison, Casa de Mujeres el Buen Pastor, where young girls are sent from prison camps, pregnant, "with their hair pulled out and their nipples and genitals badly burned."

At least one complaint of such treatment has been made officially in the Chilean courts. Mrs. Virginia Ayress complained that her daughter, Luz de las Nieves Ayress, had been beaten, sexually abused, tortured with electric currents and—in a scene right out of "Nineteen Eighty-four"—had rats and spiders put on and into her body. The courts forwarded the complaint to the armed forces.

People are arrested, tortured and summarily killed in Chile for any reason or no reason. Large numbers of doctors have been arrested, some because they did not join in a strike last summer against the leftist Government of Dr. Salvador Allende. Amnesty has an appeal from Chilean doctors saying that 85 of their profession are in prison, held without any charges; another 65 are said to have been shot or died of torture or untreated wounds.

Last month the 28 Roman Catholic bishops of Chile, in an unusual public statement, condemned the practice of torture and arbitrary arrest. The junta routinely denies torture reports or, in the words of its Interior Minister, Gen. Oscar Bonilla, dismisses them as "damaging to the national interest."

But what has all this to do with the United States? Secretary of State Kissinger has told us that this country cannot reform the internal policies of other governments. As a generality that is fair enough. But it is not enough when we have a share of responsibility.

However much the Allende Government contributed to its own downfall, the United States made things worse by cutting essential economic assistance—except to the Chilean military. Since the coup, Washington has given strong support to the military regime. Unlike other Western countries, we have offered no asylum to Chilean refugees. And we have said nothing, officially, about the murder and savagery.

Words would matter in this instance. If the United States spoke out against the torture, if our Embassy in Santiago was active in watching the trials and other visable manifestations of oppression, if more American lawyers joined international legal groups in protesting the junta's lawlessness, if Congress moved to attach conditions to aid, those who rule Chile would almost certainly listen.

But the present Government of the United States shows no concern for human rights. Henry Kissinger and his President were silent for months while their allies in Pakistan slaughtered the Bengalis. Washington has nothing to say about a Greek Government that rules by terror. Or about the Government of South Korea, whose kidnappings and brutalities make Communist regimes look almost decorous by comparison. (For a student to refuse to attend class in South Korea "without plausible reasons" is a crime punishable by death.)

Some of the nastiest governments in the world today were born or grew with American aid. That being the case, the most modest view of our responsibility would require us to say a restraining word to them occasionally. But we say nothing, we hear nothing, we see nothing.

There was a wonderful example the other day—funny if it did not involve so much suffering. The State Department said it knew of no political prisoners in South Vietnam, because Saigon's stated policy "does not permit the arrest of anyone for mere political dissent." Thus the thousands of non-Communists in South Vietnamese jails were made to vanish, the twisted creatures in tiger cages waved away. Thus the idealism that once marked America's place in the world has become indifference in the face of inhumanity.

REFUSAL OF MR. KENNETH RUSH TO TESTIFY BEFORE CONGRESS BASED ON SPURIOUS GROUNDS

Mr. PROXMIRE. Mr. President, some time ago Mr. Kenneth Rush agreed to testify before the Joint Economic Committee's hearings, scheduled to be held this week, on the state of the economy.

The hearings were scheduled as a result of the President's recently issued midyear economic statement. The major new thrust of that statement was the appointment of Mr. Rush.

On June 13, however, I received a letter from Mr. Rush refusing to testify on grounds of a long-standing practice that precludes testimony of the President's immediate staff before congressional committees. He said it was fundamental to the operation of our system of separate powers.

I ask unanimous consent that his letter be printed at this point in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE WHITE HOUSE,
Washington, D.C., June 13, 1974.

Hon. WILLIAM PROXMIRE,
Vice Chairman, Joint Economic Committee, U.S. Senate

DEAR SENATOR PROXMIRES In response to your letter of June 4, unfortunately I will be unable to testify before the Joint Economic Committee on Tuesday, June 18.

In the interest of ensuring that Presidents of the United States receive the most candid and unhibited advice available, a long established principle and precedent has been followed that precludes testimony of members of the President's immediate staff before Congressional Committees in regard to the performance of their duties as Presidential advisers. This practice is fundamental to the operation of our system of separated power. Therefore, I must respectfully limit my discussions with you and your colleagues to informal meetings and I respectfully decline your invitation.

Kindest regards.

Sincerely,

KENNETH RUSH,
Counselor to the President for Economic Policy.

SPURIOUS ISSUE

Mr. PROXMIRE. Mr. President, the refusal of Mr. Kenneth Rush, the President's new chief economic adviser, to appear before Congress is based on the same arrogance of power and immaturity of thought that led to Watergate.

For the self-described new "primary adviser on economic policy" to the President to refuse to account to Congress on some spurious notion of separation of powers is both unacceptable and ridiculous.

Because of the seriousness of this matter I intend to do all I can to persuade other members of the Appropriations Committee to join me in denying funds to the President to pay the salary of policymaking officers who refuse to appear before appropriate congressional committees.

NO FIGUREHEAD—CHAIRMAN OF ACTIVE GROUPS

Mr. Rush is no mere figurehead. He not only calls himself the President's primary adviser on economic policy but he is to chair the Council on International Economic Policy, the Cost of Living Council, and the East-West Trade Council. He is to be superior in the economic field to the Chairman of the Council of Economic Advisers, the Secretary of the Treasury, and the Director of the Office of Management and Budget, all of whom have routinely honored requests to appear before the committee.

The hearings were called primarily to review the President's recently released midyear economic report. Almost the only new or major policy in that document was the appointment of Mr. Rush as the man in charge of the administration's economic policy.

Under the Employment Act of 1946, the Joint Economic Committee has the legal responsibility to review the President's economic policy. But now we are told that the man in charge will not appear.

This is even more vexing because of his recent activities. He has not only appeared on Meet the Press and lectured to the NAM but is also appearing on June 17 before a group which includes representatives of the hog producers of the country.

The idea that Mr. Rush should appear before nonelected and unofficial groups but refuse to appear before the elected officials of Congress is not only repugnant to good sense but to the Constitution itself.

ACCOUNTABILITY IMPORTANT

High officials in this country are and must be accountable to the elected representatives of the people. One would think that the events of the last 2 years, in which a large number of heretofore inexperienced people asserted a unique theory of unaccountability of power and authority, might not have been lost on Mr. Rush and his White House colleagues.

Mr. Rush's view that his responsibility to give the President his "candid and uninhibited advice" precludes his testimony before our committee, is a spurious notion of executive privilege. No one will ask Mr. Rush to tell us what he said personally to the President. If he were asked he could properly refuse to answer and no court in the land would gainsay him.

What we are interested in are not Mr. Rush's conversations with the President but his views as the new economic czar on the immensely important and topical issues over which he will exercise great power and authority such as inflation, unemployment, and economic growth.

ECONOMY THE DOMINANT DOMESTIC ISSUE

There are the dominant domestic issues. He is the top adviser to the President about them. Congress has both the right and the duty to seek out, review, debate, and legislate about the economic policies he and this administration propose.

Mr. Rush has thwarted that wholly healthy democratic process. While the hearings cannot now go forward, there are a variety of other actions I intend to take in addition to cutting out his salary to force Mr. Rush's accountability. They will become clear in due course. Congress must no longer be spurned in its proper duties by those who are deficient in their understanding of political democracy.

PROSPERITY AT THE SUPERMARKET—BUT NOT ON THE FARM

Mr. ABOUREZK. Mr. President, one of the leading and most innovative students of American agriculture today is Jim Hightower, Director of the Agribusiness Accountability Project. One of his most recent articles, "Feeling Outraged About High Prices Down on the Farm," analyzes the claim that "farmers never had it so good."

This article points out that prosperity at the supermarket is not the same thing as prosperity at the farm level. In fact, the food middleman continues to take nearly three-fifths of the consumers food dollar.

It is particularly disturbing to note that the middlemen are growing larger and more concentrated. Food, our most basic industry, is becoming increasingly the preserve of monopolistic corporate power.

There are encouraging signs that the Federal Trade Commission is intending to look into this situation. I certainly intend to monitor this effort and offer any support and encouragement that I can.

Mr. President, any one interested in seeing American agriculture based on small family farm units would be interested in this article. I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 16, 1974]

FEELING OUTRAGED ABOUT HIGH PRICES DOWN ON THE FARM

(By Jim Hightower)

"Farmers never had it so good," declared President Nixon at a press conference in March. But have they? Certainly, farm people do not share the President's cheery outlook on the farm economy. In fact, farmers were shocked and outraged, and one national farm group considered the remark so callous as to warrant impeachment.

With the highest food and farm prices in memory, what caused farmers to bridle at the President's comment? Two things in particular.

First, farmers did not benefit most from the exorbitant food prices of 1973—the U.S. Department of Agriculture (USDA) reports that food middlemen continued to take nearly three-fifths of the consumer's food dollar in 1973.

Second, the President was trying to make political hay out of a temporary farm price boom that already is fizzling out—1974 does not look all that great to farmers.

Consider the first question: who profited? There can be no doubt that 1973 was a good year for farm income, especially for grain and livestock farmers. As it turns out, administration publicists were a bit overzealous in their initial claims for farm income and they had to revise their early figures downward by $2 billion. And there is considerable doubt that all of the $24 billion farmers supposedly earned actually ended up on the farm, since a good many corporate processors and marketers of such commodities as eggs and poultry get counted as "farmers." These quibbles aside, however, 1973 was not a bad year to have been a farmer.

But it was not the kind of year that warrants being singled out in a Presidential press conference. Even with the record income levels of 1973, farmers received only 46 cents of the consumer's food dollar. The rest went to the corporate middlemen that process, market and retail food. Nor does every farmer in America draw 46 cents every time a consumer lays down a dollar; most farmers never see that kind of ratio.

For an example, the chicken for which you pay $1.50 pays the chicken farmer 6 cents. USDA statistics show that a can of peaches cost consumers 41 cents last year, but the peach farmer got only 7 cents of it. You spent 28 cents for a loaf of white bread, but only 4 cents trickled back to the wheat farmer. A head of lettuce cost 43 cents at the supermarket, but paid only 4 cents to the farmer.

PROCESSORS' PROFITS UP

At a time of skyrocketing food prices and consumer disgruntlement, the President pointed to farmers, without bothering to mention that food corporations were enjoying even better times. Far from flattered, farmers felt picked on. Cattle ranchers are said to have done especially well in 1973, but none did anywhere near as well as such corporate cowboys as Iowa Beef Processors, with a 66 per cent profit increase last year, or American Beef Packers, with a 288 per cent profit increase. Food processors grumbled all last year about government price controls, but their 1973 profit figures suggest that they grumbled all the way to the bank. For example, the big canners of fruits and vegetables did much better than the farmers who grow them with such firms as Del Monte taking a 35 per cent profit increase in 1973, Campbell soup 23 per cent and Castle & Cook (Dole) up 52 per cent.

The May 4 issue of Business Week offered another interesting insight into how the chips actually fell last year. In a listing of salary increases for corporate executives, the food industry was found to be very generous. Food firms and government officials are quick to point to rising labor costs as an inflationary villain and a drain on corporate profit margins but they do not draw attention to inflationary jumps in executive salaries. In 1973, food industry workers had wage increases of 6 per cent. Up in the executive suites of food corporations, however, there was much less restraint.

Food manufacturing firms ranked ninth out of 32 industries surveyed by Business Week, boosting the pay of their top executives by an average of 17.7 per cent. For example, while consumers were being advised by government and industry to switch from beef to beans, Kraftco increased the salary of its board chairman from $264,000 to $321,000. Consumers ultimately get to pay for Kraftco's internal largesse. Grocery chain executives ranked fourth in Business Week's listing, taking home a 24.3 per cent pay increase. Safeway, which complained all last year that its profit margins were paper thin, scraped up an extra $16,000 to round off its chairman's salary at $200,000 a year. Noting that these corporate executives now claim to be feeling the "pinch" of inflation, Business Week reports that their pay levels can be expected "to take another big jump with the expiration of controls."

FARM PRICES DOWN

Grocery shoppers undoubtedly are puzzled over the phenomenon of the "disappearing price drop" in our food economy. Since September, 1973, the news media have been reporting each month that the farm value of food has been falling. But that price drop on the farm has not made its way into the supermarkets. Farm prices fizzled 16 per cent from August to December of last year but supermarket prices remained sizzling hot. Even as President Nixon was making his remark about the good fortunes of American farmers, the price they were being paid was falling for the sixth straight month, while the price charged to consumers actually was rising.

Not only did food firms pass all of the farmers' 1973 increase right through to the beleaguered consumer, but they also attached a sizable markup of their own. The Federal Reserve Bank of Chicago reported on March 8 that food middlemen increased their take from consumers by 6.5 per cent in 1973. That is an increase exceeded only once (in 1970) in the last 20 years. And the Department of Agriculture reports that these firms will increase their share in 1974 at a rate that "may be more than double the 1973 increase." What that means is that consumers will pay much more for food this year and much less of what they pay will go to farmers.

In 1973, the farmer was averaging 46 cents of the food dollar. By May, 1974, that already had fallen to 42 cents, the same level it was prior to the boom of 1973. And the farmer's share is expected to fall even more during this year. The retail price of food is hardly keeping pace. A Department of Agriculture report shows that the price of bread rose from January to April by two cents, while the farm value of bread ingredients fell by two cents. That is four extra pennies picked up by middlemen every time a loaf of bread is bought.

Not only are middlemen failing to pass along cheaper farm prices, but some appear also to be holding back on supplies of farm goods. For example, Reps. Frank Denholm (D.-S.D.), Thomas P. O'Neill, Jr. (D.-Mass.) and Lester Wolff (D.-N.Y.) have suggested that meat packers and processors are widening their profit margins today by manipulating available supplies of meat.

The congressmen took a look at the meat industry's cold storage inventories in May and found an astounding amount of meat being packed away in corporate warehouses. Department of Agriculture figures showed that cold storage of beef by the packers and processors is 33 per cent above last year, pork stocks are 43 per cent greater and poultry storage is up by 87 per cent. Denholm charged that this storage "clearly pirates the prices of consumers and producers alike." By storing meat, the corporations can artificially decrease supplies in supermarkets, thus keeping consumer prices high. Simultaneously, the record inventories decrease industry demand, thus dampening prices paid to meat raisers.

During April, farm prices overall fell another 4 per cent, with the price of cattle falling from 39 to 37 cents a pound, hogs down from 31 to 26 cents a pound, wheat down from $3.98 a bushel to $3.52, cotton down from 58 to 49 cents a pound and eggs down from 50 to 42 cents a dozen.

STEIN'S STATEMENT

A remark in May by Herbert Stein, chairman of the President's Council of Economic Advisors, is depressing to farmers and consumers alike. He said, "The *declines* in farm product prices are likely to be reflected in much smaller *increases* in retail food prices than occurred in the first quarter of 1974" (emphasis supplied). Only the Grocery Manufacturers of America and the National Association of Food Chains can appreciate the logic of that.

In fact, that is the kind of logic that food middlemen can carry to the bank. The Federal Reserve Bank of Chicago said in its May 31 agricultural letter that "the available evidence suggests that higher profits have contributed to the widening farm-to-retail price spreads." That conclusion is supported by Business Week magazine figures showing that in the first three months of this year the largest food retailers had profits that were 59 per cent higher than a year ago, even though their sales were up just 14 per cent.

The Department of Agriculture clouds the issue of high middleman profits by reporting figures that encompass all food firms, the small with the giant. There are 32,000 food manufacturing firms in America, but just a handful of those sell nearly all the food and control the industry. In May testimony before the Joint Economic Committee, the Federal Trade Commission's Dr. Russell Parker noted that "the 50 largest [food manufacturers] controlled 50 per cent of assets of 1964, they accounted for 61 per cent of profits and nearly 90 per cent of television advertising." According to Dr. Parker and other authorities, this level of industry concentration is increasing steadily. These are the brand-name giants, powerfully situated between millions of farmers and millions of consumers, and they are fast becoming the decisive force in the American food economy.

The average profit increase for all 32,000 food firms in 1973 would not be remarkable but the dominant firms had "a year to remember," as Business Week put it. A special USDA task force on food marketing costs reported this month that the profits of food middlemen in 1973 "probably" will exceed the 1972 total of $3.4 billion. But the task force need have no doubt about the largest firms. Analyzing the 66 largest food processors, Business Week reported in March that their profits averaged 17 per cent higher than in 1972. The profits of those 66 industry leaders were more than $1.8 billion, which is more than half the industry's total for the previous year.

To a significant degree, this level of profit is the result of monopoly power in the food industry.

Dr. William Shepherd, a leading authority on market concentration, reports that the food industry falls well within the category of "tight oligopoly," with the average four-firm concentration within the industry being 55 per cent. In many food lines, shared monopolies exert much greater control. For example, 91 per cent of all breakfast cereal is sold by four firms (Kellogg, General Mills, General Foods and Quaker). Three firms (Dole, Del Monte and United Brands) sell 85 per cent of all bananas in this country. Gerber alone sells 60 per cent of all baby food and Campbell's sells 90 per cent of all soup.

The same high levels of concentration exist in food retailing, with more than half the cities in the country being dominated by four or fewer chains. In the Washington, D.C. area, for example, Safeway, Giant, Grand Union and A & P control 72 per cent of the grocery market. Nationally, one-third of all the convenience grocery stores are owned by Southland Corp., parent of the 7-11 chain.

PRODUCTION COSTS

There is another harsh economic reality that is squeezing farmers and causing them to think anew about the advice of old-time populist leader, Mary E. Lease: "Raise less corn and more hell." That reality is the rise in farm production costs.

Not much of what the farmer gets stays in his pockets, for he has a mess of bills to pay. As farmers move into the summer months, they are massively pessimistic. The cost of their production supplies has increased about as rapidly as the plummeting of farm prices. In March alone, farm prices fell 44.4 per cent, while the cost of farm inputs increased 2.2 per cent. The Department of Agriculture predicts that farmers' expenses in 1974 will be "more than $9 billion above last year."

A corn farmer in Iowa told the Des Moines Register of fertilizer prices this year 40 per cent higher than last, of diesel fuel prices doubling since last year and of corn seed that has gone from $25 a bushel to $37 a bushel. The cost of new machinery has gone out of sight, and repair of old machinery is about as costly—as this corn farmer put it, "You don't need too big a truck to haul away $500 in parts." He is having to shell out this kind of money now, while the price he can expect for his corn already has tumbled this year from $3.25 a bushel to $2.27.

At work here is the other jaw of the corporate vise that is squeezing family farmers and contributing to higher food prices. There may be a profit made on the farm in 1974, but there will be much more profit made off the farmer. Here's a sample of profit increases farm suppliers already have had in the first quarter of this year.

First quarter, 1974

[In percent]

	Profit increase	*Sales increase*
International Harvester	133	16
Stauffer Chemical	55	31
Occidental Petroleum	716	96
Firestone Tire & Rubber	19	17
Pfizer	33	26

Source: Business Week, May 11, 1974 "Survey of Corporate Performance: First Quarter 1974," pp. 70–90.

To put these profits into perspective, the average profit-increase in all industries in this first quarter was 16 percent. And again, these profits can be traced, to the existence of monopoly power within the industries. For example, Dr. Shepherd reports that the four leading farm machinery firms hold 70 per cent of the relevant market. The Federal Trade Commission staff found in 1972 that farmers were overcharged $251 million because of the existence of monopoly power in the farm machinery industry. The four-firm concentration ratio in the chemical industry is 71 per cent; in petroleum refining, 65 per cent, and in tires, 71 per cent.

The general public, the Congress and the press have paid little attention to the rise of corporate power in the food economy. It is time to notice, for not only has that power become significant, it already has become the single, most dominant factor affecting the food supply.

It is impossible in the long run to lower food prices, to raise farm income and to assure a steady supply of nutritious food without dealing directly with the shifting structure of the food economy. Both as suppliers of inputs to farmers and as buyers of raw commodities from them, corporations have become the determining force in the farmer's business. As manufacturers, advertisers and retailers of food, corporations have become the decisive force in the quality, choice and price of food available to the shopper.

As a minimal first step toward keeping corporate food power in check, the country's antitrust apparatus ought to be focused on food. The Federal Trade Commission shows some hopeful signs that it might be listening to consumer and farmer complaints on food issues. The chairman of the commission, Lewis A. Engman, has announced creation of a special task force of lawyers within FTC's enforcement branch to develop and implement a program of antitrust action directed at the food industry. Whether Chairman Engman's highly-touted "National Food Plan" will be more than window dressing is questioned by several consumer and farmer organizations, but at this point they are grateful for any official response tossed their way.

Also encouraging are signs that at least a few congressmen are waking up to the corporate presence and beginning to probe for some answers. Within the last six months, the Senate Select Committee on Small Business, the Senate Commerce Committee and the Joint Economic Committee have conducted public hearings on the role of corporate middlemen in the food economy. In addition, the Senate Antitrust and Monopoly Subcommittee and the Senate's Permanent Subcommittee on Investigations have shown an interest in corporate activities that affect farmers and consumers.

These are halting, first steps, but they are important. Old perceptions of food power, based on the idea of independent farmers responding to sovereign consumers, no longer are valid. Increasingly, corporations are the decisive force at both ends of the food chain. That fundamental shift in power is too important a matter to be left to USDA and corporate executives.

The most lasting and significant impact of 1973's skyrocketing food prices may well be the wide public attention that the jolt of those prices attracted to food economics. The food issue will abate somewhat in intensity, but it will not go away, and neither will public attention. The food industry can expect much more scrutiny in the months ahead.

TRIBUTE TO MARY MUNSON DONNELLY

Mr. PASTORE. Mr. President, I would like at this time to take a moment to pay tribute to one of the great and dedicated teachers in the city of Warwick, R.I., on the occasion of her retirement after a long and distinguished career as an educator. I rise to honor Mrs. Mary Munson Donnelly, to extend to her my humble thank you and to express on behalf of the citizens of Warwick, their most heartfelt and everlasting gratitude for her lifetime of selfless devotion to the youth of the city. But I recognize, and I am sure my fellow Rhode Islanders recognize, that it is impossible to adequately thank Mrs. Donnelly. In a time when too many of us look for the easy way out, Mrs. Donnelly was unceasingly reaching for excellence and always giving her students her very best. In a time when too many of us have become cynical, Mrs. Donnelly's idealism was a shining example to her pupils. Mrs. Donnelly is the kind of teacher that Rhode Island and America needs.

Today, June 17, 1974, Mary Munson Donnelly will retire after 33 years of distinguished service to the Warwick School Department. Her career includes social studies and guidance teaching, and administrative duties as guidance department chairman at the Samuel Gorton Junior High School in Warwick. During the past 5 years she has directed Federal program compensatory education efforts in our city in an outstandingly successful manner. Mrs. Donnelly's untiring efforts to instill the ideals of American democracy in thousands of youth in our city deserve commendation. Her own personal qualities of forthright integrity blended with a humanitarian warmth toward those who know her, lend themselves to a portrait of womanly grace. We shall miss her sense of humor, wise counsel, Yankee wisdom, and Irish charm.

May the years ahead be blessed by health and happiness for both her and her husband.

FOREIGN AID: A TALE OF GENEROSITY

Mr. ABOUREZK. Mr. President, Jack Anderson recently wrote an excellent article on the U.S. foreign aid program. With the request from the administration for another $5.2 billion in foreign aid for the next fiscal year, I think it would be most beneficial for each of us to give careful consideration to the past history and the effect of the U.S. foreign aid program of the last three decades.

Mr. Anderson presents an interesting report on the fate of the $164 billion already expended for U.S. foreign aid. Unfortunately, the story is a dismal one. In spite of our continuing failures to accomplish the objectives we have set for our foreign aid program, each administration, year after year, continues to come to Congress for larger and larger requests for more foreign aid for the next fiscal year. It is remarkable, I think, in contrast to continuing rumors of its impending death, the foreign aid programs continue to grow.

Resourceful and rich, as a nation, we have not found a way to make aid effective, except to a degree in fighting some communistic behemoth. We have made a small minority of people happy in developing countries, but the most obvious result is that U.S.-based multinational corporations have become significantly richer because of our foreign aid program. The masses of people in underdeveloped nations continue to go hungry, poorly clothed and disenchanted.

Mr. President, I ask unanimous consent that the article by Jack Anderson be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOREIGN AID: A TALE OF GENEROSITY

(By Jack Anderson)

Secretary of State Henry Kissinger put his prestige on the line last week to sell Congress on another $4.2 billion foreign aid bill. This staggering outlay is "essential," he pleaded, to maintain peace in the Mideast and Southeast Asia.

Maybe so.

But for a quarter of a century, we have watched the dollars rain on the just and the unjust alike. The foreign aid program has produced the greatest financial fallout of all time. We decided to measure its dimensions, if we could, going back to the end of World War II. We interviewed key officials, reviewed the public record and examined some classified documents.

Here are our startling findings:

Since 1946, the American taxpayers have given or loaned a mind-boggling $164 billion to their neighbors around the world. We traced economic payments to 132 nations and military aid to 31 nations. We didn't bother to compute the additional U.S. millions that were funneled to needy nations through international organizations.

Of the $164 billion, only a paltry $15 billion has been repaid. Uncle Sam didn't expect to get back $127 billion which was disbursed as outright gifts. A little more than $22 billion is still on the books, as unpaid debts.

On the home front, meanwhile, crime ran rampant, black ghettos were burned, drug addiction became epidemic, thousands died from cancer and heart disease. These problems would be less troublesome today, undoubtedly, had they received the same attention we gave foreign nations.

The United States has supported opposing sides in nearly a dozen wars since World War II ended. Uncle Sam aided both sides, for example, when Nicaragua invaded Costa Rica in 1955; when Honduras and Nicaragua battled over their borders in 1957; when Morocco and Spain fought over Spanish Morocco in 1958; when France and Tunisia collided during the 1961 Bizerta Crisis; when India invaded the Portuguese colony of Goa in 1962; and when Indonesia invaded Malaysia during the early 1960s.

The Pentagon gave massive doses of military aid to India and Pakistan, whose armies used U.S. weapons to fire at one another in 1965. American military assistance went to both Arabs and Israelis before they clashed in 1967 and again in 1973; to India and Pakistan before the 1971 Bangladesh war; and to both El Salvador and Honduras during their "soccer war" of 1969.

For all the talk of rapprochement, the Cold War has scarcely subsided. Most nations still receive military assistance from either the United States, Russia or China. This is frankly described by Pentagon people as part of the world power play. Or as one expert put it, "we want to win friends and influence people." Classified documents refer to military aid as necessary for U.S. security.

American aid bolsters some of the world's most repressive governments. By our count, at least 34 military and civilian dictatorships in Africa, Europe, Latin America, Mideast and Far East are on the U.S. welfare list.

It is practically impossible to compute the total aid dictatorships have received, as they have risen and fallen, over the past 28 years. But during the last four years alone, according to our calculations, U.S. taxpayers have shelled out $2.0 billion in support of dictators. This doesn't include the $11.4 billion that has gone to the military governments of South Vietnam, Cambodia and Thailand since 1970.

Uganda's madman dictator, Gen. Idi Amin, has expelled Americans, detained Peace Corps volunteers and sent insulting telegrams to President Nixon. The United States has shown its annoyance by refusing to send an ambassador to Uganda.

But the United States would never do anything so drastic, apparently, as to halt foreign aid. Gen. Amin went on collecting $5.7 million in grants and loans in 1972 and another $1.6 million in 1973.

The United States is still pumping millions, incredibly, into the oil-rich countries which have shown their gratitude by soaking their American customers through inflated oil prices. Excluding Russia and Canada, which got no foreign aid, the top nine petroleum-producing countries have collected $5.6 billion from the U.S. Treasury since 1946.

Saudi Arabia has received $327 million in loans and grants, of which King Faisal still owes Washington $50 million. Iran has received a staggering $2.1 billion in American aid during the postwar years. Yet the Shah, afloat in a sea of palaces, jewels and cash, has an outstanding debt of $230 million.

Millions of American aid dollars have been used, not to feed the poor, heal the sick and arm the troops, but to line the pockets of the privileged, potentates and petty dictators. In South Vietnam alone, officials estimate, hundreds of American-made millionaires are still stuffing greenbacks in their secret Swiss bank accounts.

"Certainly more than a few (Saigon) subjects are millionaires," reported an independent research group, and "there are probably several hundred" who together could pay the Saigon government's bills "each year for a decade hence."

Countless more millions have gurgled down the drain as a result of bureaucratic mismanagement. Over the years, aid officials have given refrigerators to Eskimos; built a sawmill in Iran, where the only available lumber, teak, is too hard to cut with it; shipped thousands of tubes of toothpaste to Cambodia, a nation without toothbrushes.

America's unprecedented generosity has brought more grumbling than gratitude. Our Latin American neighbors have received $13.6 billion, yet they constantly complain that Uncle Sam neglects them.

The Arabs have raised a howl over U.S. support of Israel. The truth is that Israel has received $2.7 billion in American aid while her Arab enemies have collected $2.9 billion.

The European countries, which the United States rescued from the ashes of war with the Marshall Plan, have gotten $38 billion since World War II. The French, eternally looking down their noses upon Washington, received $8.3 billion.

Some of the worst deadbeats are also some of the most solvent. Austria, Czechoslovakia, Denmark, Finland, Iceland, Ireland and Portugal, combined, owe the United States $91.5 million. They weren't even asked to pay back a whopping $2.4 billion in outright grants. England still owes the United States over $1.6 billion, was never asked to repay $4.5 billion.

The American people have been the most generous in history, but they might be excused if they should now ask themselves whether it was worth it.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, as Americans we are committed to preserving the inalienable rights of the individual. If we are to retain our position as a champion of humanitarian causes, we must protect the most basic of all human rights, the right of every person to live without the threat of an unnatural death. Only by ratifying the Genocide Convention can the United States take a step toward building a structure of international law based on respect for human dignity.

The Genocide Treaty, signed in December 1948 by a U.N. Assembly vote of 55 to 0, represents the commitment of a group of nations to a common ideal of justice. By failing to ratify this treaty, the United States evidences a slackening in moral leadership which is questioned by our allies and applauded by our enemies. The United States is not being consistent with its tradition of individual freedom and decency and morality in the treatment of every human being. As stated in the report by the Section of Individual Rights and Responsibilities:

> The United States, which was founded on the basis of protest against governmental excesses, and which grew great in substantial measure because it was a haven and the hope for oppressed persons everywhere, should be in the lead in joining in the declaration of revulsion at the organized effort to eliminate a whole people during World War II, and of determination that such an effort shall not be undertaken ever again.

If our country ratifies this treaty, interest among other nations to add their signatures may be revitalized. I urge my colleagues to act without further delay and support the effort to ratify the Genocide Convention.

REGARDING LITHUANIAN INDEPENDENCE

Mr. PASTORE. Mr. President, international treaties are making the headlines today. We are cementing our relations with other nations of the world—to the end that fair treatment—justifiable borders—lasting peace may result.

When we have paid our respects to the Middle East, we will be on our way to Moscow.

In Rhode Island we will be thinking back some 30 years when our ships, laden with munitions and weapons of war, were on their "way to Moscow." We saw those ships leave our ports for the dangerous voyage—and we saw them help to turn back the tremendous war machine of Russia's former ally—Hitler.

In the wake of World War II we saw the rise to freedom and independence of small nations all over the world.

But not for Lithuania.

Briefly independent after World War I, Lithuania was despoiled of its freedom by Moscow. We had a right to expect its freedom after World War II. It has remained forcibly annexed to Moscow—its people suffering religious and political persecution and denial of basic human rights.

Here in the Congress, year in and year out, we have spoken for the restoration of Lithuanian liberty—to no avail.

Today there is a fresh opportunity to speak up for international justice. Now Russia has an ax to grind. Moscow seeks a most-favored-nation status from us.

Let us have Lithuanian liberty in mind when we discuss détente with the Kremlin. Let any European security conference understand America's desire and demand for Lithuanian independence.

Here in mid-June of 1974 the conscience of America and our affection for and appreciation of the sons and daughters of Lithuania who are now our fellow Americans all impel us to plead the cause of the captive nations, to help them get free, as we helped Russia to avoid the catastrophe of being a captive of Hitler.

It seems an ideal time to dissolve hatreds, injustice, and the seeds of war everywhere.

The world will be better and brighter to see brave Lithuania free again.

SENATOR NELSON TESTIFIES AGAINST WARRANTLESS SURVEILLANCE

Mr. PROXMIRE. Mr. President, on May 9 my colleague the gentleman from Wisconsin, Mr. GAYLORD NELSON, testified before three Senate subcommittees investigating the Government's use of wiretaps and other electronic surveillances without a court warrant in so-called "national security" cases. Senator NELSON argued forcefully that the use of warrantless surveillances for "national security" or other reasons is unconstitutional. To demonstrate the dangers of such warrantless surveillances, he cited numerous examples of how the Government has used them to spy on individuals who had not violated any law and whose activities did not endanger national security.

Senator NELSON has introduced legislation to prohibit all warrantless wiretaps and other electronic surveillances for "national security" reasons or any other purpose. In his testimony the Senator explained how this proposal would insure respect for the individual freedoms guaranteed by the Constitution.

Mr. President, Senator NELSON's testimony on this pending legislation deals with fundamental issues now confronting Congress and the American people. I believe that every Member of Congress will find his arguments informative and convincing.

I ask unanimous consent that the text of Senator NELSON's testimony be printed in the RECORD.

There being no objection, the testimony was ordered to be printed in the RECORD, as follows:

TESTIMONY OF SENATOR GAYLORD NELSON

Approximately 30 years ago Supreme Court Justice Felix Frankfurter observed that "The history of liberty has largely been the history of observance of procedural safeguards."

None of us, least of all those of us in Congress, can afford to ignore that declaration today. For the Senate Watergate hearings, investigations by periodicals as well as other congressional committees, and now the transcripts of White House conversations, have exposed in shocking detail the government's steady encroachment on individual liberty. The government wiretaps telephones, installs electronic bugs, and spies on the activities of law-abiding citizens—with little or no concern for the individual's right to privacy and other constitutional liberties.

This government snooping presents a fundamental danger to our constitutional system. A society cannot remain free and tolerate a government that can invade an individual's privacy at will.

The time has therefore come for Congress to stop toying with words and adopt procedures to end the abuses of government spying. Indeed, action by Congress in this critical area is long overdue. Further delay is inexcusable. Remedial legislation should include at least two basic steps: first, a ban on all wiretapping which is not approved by a court order based on probable cause; and second, creation of a bi-partisan, joint committee of Congress to oversee all government surveillance activities so that Congress can determine whether the government is complying with the law and whether additional legislation is needed to protect individual freedoms from government snooping.

The urgent need for such congressional action can be appreciated by referring to only a few of the incidents exposed by the Senate Watergate Committee and various other reports:

On April 14, 1971, it was revealed that the FBI had conducted general surveillance on those who participated in Earth Day celebrations in 1970. These celebrations involved tens of thousands of citizens, state governors, representatives of the Nixon administration, and members of Congress. As the one who planned that first Earth Day, I cannot imagine any valid reason for syping on individuals exercising their constitutional rights of speech and assembly in a peaceable manner. There is still no satisfactory explanation of the surveillance. Nor is there any guarantee it will not be repeated in the future.

A 1973 Senate subcommittee report detailed the extensive spying secretly conducted by 1,500 agents of the U.S. Army on more than 100,000 civilians in the late 1960's. This surveillance was directed principally at those suspected of engaging in political dissent. No one in the Congress knew about this spying. No one in the executive branch would accept responsibility for it. Again, there is no guarantee that this sorry episode will not be repeated. In fact, a Senate committee learned recently that in the last three years—after the administrtion assured the public that the military would no longer spy on civilians—the U.S. Army has maintained numerous surveillance operations on civilians in the United States. And an article in *The New Republic* magazine of March 30, 1974, detailed the U.S. Army's use of wiretaps, infiltrators, and other surveillance techniques to spy on American citizens living abroad who supported the presidential candidacy of George McGovern. The Army's spying was reportedly so extensive that it even intercepted a letter from a college librarian in South Carolina who requested information about a German publication.

On December 5, 1973, Retired Rear Admiral Eugene LaRocke revealed the existence of a secret unit in the Pentagon which engages in the same kind of activities conducted by the White House "plumbers".

Testimony before the Senate Watergate Committee and the Senate Judiciary Committee documented White House efforts to use confidential tax returns of thousands of individuals to pry into the private affairs of and harrass its "enemies."

For many years constitutional authorities and other citizens have repeatedly expressed alarm over the rapidly expanding practice of governmental invasion of privacy by wiretapping, data collection, and other forms of surveillance. In 1971 I introduced legislation to estabilsh a joint congressional committee to control government snooping. Three years have passed without hearings on this legislation. In this session of Congress I have introduced three separate bills designed to remedy the abuses of government spying. One of these measures—a bill to prohibit the use of wiretaps without approval of a judicial warrant in so-called "national security cases"—is pending before the Senate Judiciary Committee and is of particular relevance to these joint hearings. Accordingly, the remainder of this testimony will be devoted to a discussion of that bill, entitled the "Surveillance Practice and Procedures Act of 1973," and related legislation.

The bill is a direct response to abuses in so-called "national security" cases. Last May it was revealed that in 1969 the White House by-passed established procedures and installed wiretaps on the telephones of 13 government officals and four newspaper reporters. The purported basis of these "taps" was a concern that sensitive information was being leaked to reporters by government officials. The government, however, did not obtain a judicial warrant before installing the taps. The government alone decided to tap and for how long.

Close scrutiny of these 17 surveillances can demonstrate that warrantless wiretaps for so-called "national security" reasons are dangerous and quite clearly, unconstitutional. In these particular cases, no grand jury was asked to investigate violations of the law arising from the alleged leaks. No probable cause was established that any of the individuals involved had committed a crime. None of the individuals involved were ever prosecuted for violations of the law.

In short, there is no public evidence that any of the 17 individuals tapped violated the law. Indeed, subsequent investigations have shown that some of the government officials involved did not even have access to sensitive information. It was also learned that two of the taps were maintained long after the individuals involved had left government service and joined the presidential campaign staff of Senator Muskie.

In one of these latter cases—that involving Morton Halperin, a former member of the National Security Council staff—the tap was maintained for 17 months after he left government service. Between the time the tap was initially approved and the time it was terminated 21 months later there was never any review by the government to determine whether the tap was justified. During that 21-month period, every conversation on Mr. Halperin's telephone—including those of his wife, his children and his friends—was overheard, transcribed, and then reportedly transmitted to the White House. The tapped conversations did not provide any evidence that Mr. Halperin was engaged in any criminal activity.

A high-ranking representative of the Justice Department has recently testified before a House Judiciary Subcommittee that the Halperin tap does not constitute an abuse. In support of this bald assertion, the government official cited only the President's power to do whatever he deems necessary to protect "national security."

The grave danger of this explanation is exposed clearly and dramatically in the recently released transcripts of the White House conversations. Spread throughout the White House transcripts are conversations of the President and his staff on the tactic of using the claim of "national security" in order to conceal or justify illegal activities and violations of individual freedoms guaranteed by our Constitution. (See White House transcripts at pages 124–25, 155–58, 220–222, 333–37, 780–82, 802, 816–17, 883, 1216.)

Consider, for example, the conversation concerning the break-in of Daniel Ellsberg's psychiatrist's office by the White House "plumbers." The President himself has publicly acknowledged that that break-in was illegal. When the President is informed of the break-in, apparently for the first time, on March 17, 1973, he remarks that "Ellsberg was not our problem." (Tr. 158.) In a later conversation, concern is expressed that Howard Hunt might confess to his participation in the break-in and expose White House involvement. A question is then raised by the President as to how such White House involvement might be explained. John Dean suggests that the President "might put it on a national security grounds basis." The President apparently accepts the suggestion and states, "National Security. We had to get information for national security grounds." Dean subsequently observes, "I think we could get by on that." (Tr. 221.)

Another example concerns warrantless wiretaps which were installed on the telephones of Joseph Kraft and other reporters in the last few years for so-called "national security" reasons. These taps were discussed on April 16, 1973, in a conversation between the President and John Dean. Dean had already discussed with the prosecutors his involvement in the Watergate cover-up and was preparing to testify before the grand jury. After advising Dean to tell the truth when he testifies, the President admonishes Dean not to testify about certain "electronic stuff" in the "leak area" which involves "national security" matters. Apparently, the President's reference is to electronic eavesdropping which, in his opinion, should not be publicly disclosed. The President explains that the electronic eavesdropping concerned "leaks from the [National Security Council]. They were in Kraft and others columns and we were trying to plug the leaks and we had to get it done. . . ." (Tr. 802.) No mention is made of the fact that neither Mr. Kraft nor the other reporters were even suspected of violating the law.

The President does observe in passing that the electronic eavesdropping of the reporters was not done through the FBI but through "private sources." (Tr. 802.) The identity of these "private sources" is not disclosed. Nor is there any indication as to whether these "private sources" had the lawful authority to engage in electronic eavesdropping for "national security" reasons or any other purpose.

More information is needed before anyone can render a final judgment as to whether President Nixon sought to invoke "national security" to conceal or justify illegal activities. Whatever the final judgment, the While House transcripts make one fact abundantly clear: President Nixon, like Presidents before him, *could* have invoked the term "national security" to prevent the Congress, the courts and the public from learning about illegal wiretaps and other criminal activities.

The vital question is not whether President Nixon is innocent or guilty of wrongdoing. It is not simply a question of whether President Nixon should or should not be impeached. Rather, the matter concerns a fundamental deficiency in our political system which will remain intact unless Congress takes corrective action. If any President can invoke the catch-all phrase, "national security," to violate the individual's right to privacy and other constitutional liberties, then the whole foundation of our constitutional system is imperiled.

In understanding this point, it should be emphasized that the use of so-called "national security" taps has not been confined to the present administration. Democratic and Republican administrations since the 1930's have used such taps to spy on law-abiding individuals. Information gathered by the Senate Subcommittee on Administrative Practice and Procedure in 1972 showed that in one year warrantless surveillances for so-called "national security" reasons remained operational for an average period of 78 to 209 days. That subcommittee's report, as well as other public documents, indicate that since the 1930's thousands of individuals have had their telephone conversations intercepted for so-called "national security" reasons.

In view of these facts, it is easy to realize why those sensitive to civil liberties have always objected strenuously to warrantless wiretaps. Such taps enable the government to exercise unchecked and unreviewed power over the individual. There is no opportunity for a court, the Congress, or the public to demonstrate that the taps are unreasonable. For this reason, Supreme Court Justice Oliver Wendell Holmes called them "dirty business." In my view, such taps are also unconstitutional.

To understand the basis of this opinion it is necessary to examine the language and judicial interpretations of the Fourth Amendment. That amendment states quite simply that

"The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized."

The purpose of this amendment is clear. It is designed to protect an individual's privacy from unreasonable invasion by the government. To afford this protection, the amendment contemplates that a neutral court—not the government—will determine whether any search and seizure planned by the government is reasonable. Otherwise the government would be both advocate and judge of its own case.

One need not be an historian or a lawyer to recognize that this right of privacy is fundamental to our system of democratic self-government. This right places an individual's thoughts and beliefs beyond the reach of the government. It safeguards each individual's right to speak and write freely in the privacy of his home or office.

The Fourth Amendment thus limits the power of the government. Like the other amendments in the Bill of Rights, it reflects the Framers' intention that individual liberty, rather than unrestrained governmental power, be the hallmark of our political system. In his dissent in the 1928 Olmstead case Supreme Court Justice Louis Brandeis articulated the importance of the Fourth Amendment in our scheme of government:

"The makers of our Constitution undertook to secure conditions favorable to the pursuit of happiness. They recognized the significance of man's spiritual nature, of his feelings and of his intellect. They knew that only a part of the pain, pleasure and satisfactions of life are to be found in material things. They sought to protect Americans in their beliefs, their thoughts, their emotions, and their sensations. They conferred, as against the Government, the right to be let alone—the most comprehensive of rights and the right most valued by civilized men. To protect that right, every unjustifiable intrusion by the Government upon the privacy of the individual, *whatever the means employed,* must be deemed a violation of the Fourth Amendment." (Emphasis added).

A right so vital to an individual's peace and happiness cannot and should not be entrusted to the guardianship of a government which can act in secret. This, in a word, is the message of the Fourth Amendment.

It should be emphasized that the Fourth Amendment's protections apply to all government searches and seizures. The language of the amendment neither states nor implies an exception for national security cases or any other circumstance.

In the 1967 *Berger* and *Katz* cases, the Supreme Court held that the Fourth Amendment applies to wiretapping for criminal purposes. In effect, these decisions required the government to obtain an approving judicial warrant before it could install a wiretap in a criminal investigation.

In the 1972 *Keith* case the Court, by an 8–0 vote, decided further that the government could not wiretap individuals without a judicial warrant even when the individual's activities threatened the nation's "domestic security." Again, the Court made clear that wiretaps must adhere to the safeguards delineated by the Fourth Amendment:

"Though physical entry of the home is the chief evil against which the wording of the Fourth Amendment is directed, the broader spirit now shields private speech from unreasonable surveillance."

The Supreme Court has not yet decided whether the Fourth Amendment's protections apply to cases involving the activities of foreign powers and their agents. In the *Keith* case, the Court stated explicitly that it did *not* consider those situations where American citizens have a "significant connection" with foreign powers and their agents.

Because the Court has not ruled on these "national security" taps, the present administration maintains that it may install warrantless wiretaps in certain situations. In a September 1973 letter to Senator William Fulbright, Chairman of the Senate Foreign Relations Committee, then Attorney General Elliot Richardson stated that the administration would continue to install warrantless wiretaps against American citizens and domestic organizations if the administration believes their activities affect "national security" matters.

Mr. Richardson's comments apparently still reflect administration policy. In testimony before a House Judiciary Subcommittee two weeks ago, a representative of the Justice Department stated that at any given time the government maintains approximately 100 warrantless wiretaps for so-called national security reasons. The department official also acknowledged that at least some of these taps include surveillances of American citizens.

Congress should no longer tolerate the use of warrantless wiretaps for "national security" reasons. Such wiretaps have always posed and continue to pose a fundamental threat to the individual's right to privacy and other individual freedoms guaranteed by our Constitution. Such wiretaps enable the government to exercise arbitrary power over the individual—and that is the very definition of tyranny. Action should therefore be taken to insure that the right to privacy and other constitutional liberties do not become victims of the electronic age.

To that end, Congress should enact legislation incorporating at least four basic elements.

First, before it could wiretap American citizens for national security reasons, the government should have to obtain a judicial warrant based on probable cause that a specific crime has been or is about to be committed. In establishing probable cause, moreover, the government should be required to provide independent evidence supporting the need for a wiretap. A court should not be able to approve a wiretap merely because the government asserts a need for one.

Second, before the government could wiretap a foreign power or its agents, it should have to obtain a judicial warrant based on the belief that the tap is necessary to protect national security interests. The warrant standards for foreign powers and their agents should thus be less rigorous than those required for American citizens. This warrant requirement would in no way undermine the government's ability to protect against foreign attack or subversion; the government will be able to wiretap foreign powers and their agents any time there is a need for such surveillance.

The justification for this second warrant procedure is plain. The government's desire to wiretap should be reviewed by a court. There should be no exceptions. Otherwise the exceptions may be stretched to sanction an unreasonable invasion of an individual's privacy—a situation which would violate the rights and liberties guaranteed under our Constitution.

Third, everyone who is wiretapped, except foreign agents, should be informed of the surveillance within 30 days after the last authorized interception. This procedure would assure virtually every wiretapped individual the opportunity to protect against violations of his or her constitutional rights. The disclosure of the wiretap should be postponed, however, if the government satisfies the court that the person wiretapped is engaged in a continuing criminal enterprise or that disclosure would endanger national security interests.

These first three elements are embodied in the Surveillance Practices and Procedures Act. A fourth element of reform is included in two pieces of legislation introduced by me. One of these measures—S.J. 124—is now pending before the Judiciary Committee. This bill proposes the establishment of a bipartisan Joint Committee of Congress to oversee national security wiretaps and all other government surveillance activities. At least once each year, representatives of the FBI, the IRS, and other governmental departments and agencies would be required to testify under oath about all surveillance activities conducted by their respective departments and agencies. Through this procedure, Congress can determine whether the government is complying fully with applicable laws, whether the courts are diligent in exercising their review responsibilities, and whether additional legislation is needed to protect individual privacy from the abuses of government snooping.

In considering creation of a congressional oversight committee, Congress should not yield to self-serving assertions that the power to protect "national security" is the sole province of the Executive Branch and that Congress has no right to sensitive information concerning national security surveillances. The responsibilities of Congress are at least as broad as those of the President in the realm of national security. Congress—not the President—has the power to declare war. Congress—not the President—has the power to raise and support armies and navies. Congress—not the President—has the power to call forth the militia to suppress insurrections and repel invasion. Congress—not the President—has the power to appropriate money for all government activities, including those relating to the nation's security. And Congress also has the power—as well as the responsibilty—to protect individual privacy and other freedoms guaranteed by our Constitution. Having been granted these powers, Congress should obtain the information necessary to insure that they are exercised wisely.

In the end, there should be no dispute about the need for congressional action to control government snooping. The danger has been exposed. In wiretapping, as in other matters, unchecked power can be and often is exercised in an arbitrary and abusive fashion.

It is not a question of good faith. Even the best of intentions can lead individuals—and their government—astray. If Congress wants to insure respect for constitutional limitations and constitutional liberties, it should not rely on the good will of government officials; it should enact legislation which defines clearly the government's obligations and the individual's rights. This is at least one lesson of Watergate. Time will tell how well Congress has learned the lesson.

THE WORLD FOOD SUPPLY

Mr. DOMENICI. Mr. President, while other matters have dominated headlines in recent months and days, one of the most important stories of this year, and of the future, is now unfolding overseas—the imminent death by starvation of millions of persons.

My distinguished colleagues on the Special Committee for Nutrition heard testimony Friday from Dr. Norman Borlaug, the man who helped make the "Green Revolution" a reality for many developing nations. This Nobel Prize winner reiterated what we have been reading, and seeing on television, for several weeks: a worldwide food crisis is upon us.

The economics, ecology, and energy considerations of providing food for the world's population are complex and open to various interpretations. However, best experts now believe that the long-term outlook is poor. Dr. Gerald Thomas, president of the New Mexico State University, Las Cruces, N. Mex., has written a recent article for "Res Publica," a public affairs quarterly published by Claremont Men's College. This interesting issue—Spring, 1974—also contains articles by my distinguished colleagues, Senators MIKE MANSFIELD and CHARLES PERCY. I recommend them,

However, I would challenge all of you to read the article by Dr. Thomas, and then ponder the issues this distinguished scientist raises. His rational, scientific approach to all sides of the food problem make this article invaluable.

I would especially point our Dr. Thomas' short analysis of the relationship of energy needs and food habits. His article makes clear that a fundamental change must take place in this world's eating habits, and especially in this Nation's eating standards, if we can expect the world to feed itself without ultimately fatal dislocation of the world ecology.

Dr. Thomas' thoughts should strengthen our resolve to meet the food crisis head on with a rational long-range set of actions that will balance man and his activities with the demands, and irrevocable laws, of the rest of this small planet.

I ask unanimous consent that Dr. Thomas' article be printed into the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

COUNTDOWN FOR THE WORLD FOOD SUPPLY: THE TIME TO WEIGH THE ENVIRONMENTAL COST OF EATING IS TICKING AWAY

(By Gerald W. Thomas)

What we eat, where we eat and how we eat does make a difference—not to economics, politics, culture or nutrition, but to environmental matters, to the ecology of food production and utilization.

Changes in the diet and food habits of Americans have resulted in differential use of resources, both depletable and renewable resources. Changes in our diet have resulted in increasing problems of pollution and have played a substantial role in bringing America into an energy crisis. These changes must become a major concern of every aspect of the food industry, as well as the American consumer.

An even broader question, one that has worldwide implications is this: Can the world afford to feed itself? The question is not can the world feed itself but rather can it afford to feed itself. In other words, will the world environment withstand the pressures caused by the modern technological changes that are necessary to satisfy man's needs for new processed, balanced foods and their associated packaging and delivery systems?

CONTAMINATED ENVIRONMENTS AFFECT FOOD

Much of the recent talk about the environment has been very pessimistic, perhaps too pessimistic. The average citizen must believe that if the pessimists aren't happy now, chances are that they never will be. Only two possibilities should bother us—one, that things may never get back to normal, and the other, that they already have!

During the past few years we have witnessed several remarkable changes in the outlook toward world food production: from the depressing expectations of William and Paul Paddock, who predicted famine in 1975, we have progressed to a new optimism, as expressed by the advent of the Green Revolution.

The Green Revolution refers to the increased production that has resulted from the introduction of the recently developed high-yielding cereal varieties, mainly rice and wheat, into the less-developed countries in Asia, Africa and Latin America. In November, 1971, a headline in a national magazine stated, "The famine threat is fading in many parts of the world. The reason: scientific breakthroughs—and good weather."

Recently, another dimension has been added to the philosophical debate over the world food problem—another shift back toward pessimism. This has come about as a result of inputs from the science of ecology. Can the world afford to feed itself? Is a much more serious question, because a contaminated environment affects the welfare of rich and poor alike, whether we are well nourished or going hungry. It is also a more difficult question to answer, because we lack sufficient research information.

It is apparent from this analysis that we are nearing the upper limits of world population growth. A massive worldwide effort must be made to curtail the population explosion and bring people and resources into balance. Uncontrolled population growth is rapidly eroding scientific progress, creating unprecedented problems of malnutrition and reducing the effectiveness of millions of dollars in aid to undeveloped countries. In addition, most of man's activities, whether we realize it or not, have some detrimental effects on our environment. These effects are already very serious, but they will reach much more critical stages before the world population approaches the 6.5 billion level predicted to be attained by the year 2000.

Let us consider the food habits of the individual in our society in relation to the basic resources required to sustain that individual. Let us compare North America's food habits with those of people in such areas as Africa or Asia or Latin America. Let us examine the changes in our own food habits and production systems over the past 50 years and relate these changes to the pressure on the environment. In other words, we need to ask—and answer—at least the following questions:

How do our diet and our way of life impact on land resources?

How do our diet and our standard of living impact on our water requirements?

How do our diet and our approach to food production and food services relate to the energy crisis?

What is the impact of our food habits on air pollution, waste disposal and other environmental issues?

2 BILLION PEOPLE USE RICE AS AN ENERGY BASE

Throughout man's history, food scarcity has been an accepted fact of life. According to recent estimates, it still is a crucial fact for more than half of the world's 3.8 billion people. As recently as 1943, famine took the lives of 3 million people in India and another 3 million in China. Today's newspapers still carry depressing reports of widespread hunger in impoverished sections of Asia, Africa and Latin America. In March of last year an article in *U.S. News and World Report* was headlined, "Asia's Trouble Returns: Too Many Babies, Too Little Food." And a recent headline in the *Houston Chronicle* reported, "World Experiencing Greatest Peacetime Food Shortage." Obviously, the Green Revolution hasn't provided all of the answers.

The most basic food concern of man is quantity—adequate bulk to dull the pangs of hunger. Where food is available, the total daily intake per person is about 4.5 pounds. This total does not change significantly through the years. The average resident of the United States, for example, eats only 100 pounds per year less now than he did 50 years ago.

Unfortunately, quantity of food is not the only factor that must be considered in planning for an expanding population. Balanced nutrition is also of utmost importance. There are striking differences in the diets of people in various parts of the world. Some of these variations are due to the lack of an adequate or balanced food supply; some have been adopted by virtue of tradition or religious beliefs; some have been influenced by medical or dietetic advice; some are related to economic status; and some merely reflect the latest fad.

Most of us in the United States enjoy the daily luxury of good meals, but what are other people in other countries eating?

More than 2 billion people depend on rice as their food-energy base, while we rely largely on wheat, corn and other cereals. Rice is a good cereal, but rice for every meal could be monotonous. Americans consume large quantities of meat—especially beef, which is much too expensive (or unobtainable) for several billions of people in the world. To the Masai of Africa, the fresh blood of live cattle is a major protein source. Some people in Chad celebrated recently because an invasion of grasshoppers had provided a food delicacy for their village. In the Mediterranean area, mutton is cooked directly over cow chips and in Nairobi the meat shortage has spurred the sale of camels.

Those exotic foods we read about in Polynesia or China or South America are only for the exclusive few, or for tourists who can afford their proper preparation. The masses of people in those areas have poor diets, sometimes with enough bulk, but usually inadequately balanced.

The big change in diets in the United States since its settlement has not been in total quantity, but in the kinds of food eaten. These changes in our diets have placed heavy pressures on our resource base.

With the exception of lamb, per-capita consumption of meat in the United States has increased rather consistently. Beef consumption alone has increased from 48 pounds per person per year in 1930 to more than 115 pounds per person per year today. Each person consumes more fruit, with a shift from apples to more citrus and processed fruits. We eat fewer eggs and less of dairy products, but sugar consumption per capita is up.

Two rather significant changes deserve special comment. First, direct consumption of cereal grains is down. However, the statistics behind this statement are misleading, because some of the grains are going instead into meat production and into highly refined packaged products. The second change has to do with the potato. This important food product has shaped the lives and destinies of people and nations. While Idaho has become nationally known as the potato state, the potato is not native to Idaho. Neither did the Irish potato originate in Ireland. Rather, the wild forms of potato originated, and were first collected and cultivated, by the native Indians near Lake Titicaca in the Andes Mountains of South America. Early Spanish explorers brought the first small potatoes, or "earth nuts," to Europe about 1570.

POTATO SUBSTITUTES ARE CREATING PRESSURE

The potato became, in time, such a popular article in the diet of the Irish that eventually it was grown there almost to the exclusion of other crops. The superabundance of an easily produced food also caused a population explosion on the island. The combination of these two factors led to the disastrous famines of 1845–1846, when a blight killed the potato crop. One million people in Ireland died of starvation during this potato famine, and many more emigrated from the country.

At the time the potato reached Europe, the Spanish conquistadores were intensely preoccupied with exploiting the natural resources of South America. In spite of their overriding concern for precious metals, in all likelihood the real treasure they introduced to the rest of the world was the potato—because the value of the world's annual yield of potatoes (some 6.5 billion hundredweight) far exceeds the value of all the gold and silver that were ravaged from the South American continent during the centuries of conquest. Today, the average American consumes about 112 pounds of potatoes per year—only about half the level of consumption reached in this country during the early 1900s. And, ecologically, the need to provide substitutes for potatoes—as well as for cereals—has placed increased pressure on the environment.

To understand the pressure that man's food requirements place on the land resource, it is necessary to examine a few basic statistics. Only about 29 percent of the earth's surface is land area; water covers the rest. Much of the land area is too cold, too hot, too dry or too high for traditional agricultural use. If we study more closely that important portion of the land that is arable, we find a critical world picture.

It is estimated that, given the present technology of the developed countries, about an acre of cultivated land per person is a desirable ratio if enough food is to be produced for an adequate standard of living. This means that our food needs, whether we live in the city or in the country, are related to this one-acre requirement. At the present time, the Far East has only .8 acre per person and communist Asia has .4 acre per person—leaving little wonder why there are still conflicts over land.

The amount of arable land per person in Latin America is about 1.3 acres; in Africa and West Asia, about 2.3 acres. These latter areas now have a surplus of land in relation to their needs for food.

The United States now has about 1.2 acres of cultivated land per capita and a maximum potential of about 2.0 acres per capita, at the present levels of population. For the world, the cultivated acreage now stands at 3.5 billion acres, or 11 percent of the earth's land surface. The area actually harvested for crops in a given year is considerably less—usually about 2.4 billion acres—due to fallow practices and crop failures. This means that we now have only .65 acre of usable land per person in the world, compared to our need for one acre per person.

EACH PERSON NEEDS 1 ACRE OF CULTIVATED LAND

The Soil Conservation Service after World War II made an estimate of cultivated land needs for a "desirable standard of living," and at that time it appeared that each person required about 2.5 acres of cultivated land. At that time the United States had surplus land, but the world average fell way short of minimum needs. Since World War II, as a result of increased yields and improved production methods, that estimate of a 2.5-acre requirement has been reduced to the present acre-per person level. This represents fantastic progress in agricultural technology, but our population continues to grow. To meet the basic needs of 6.5 billion people by the year 2000, we will need to expand cultivated acreage by 50 per cent and double our yields once more. This is technologically possible, but politically and socially unrealistic.

The history and ecology of man and land permit some broad generalizations:

Improved genetic material in crops, proper use of agricultural chemicals and improved farm technology reduce the land requirement per capita.

Organic farming and the production of so-called natural foods, if practiced on a broad scale, will increase the land requirement per capita. This implies the elimination of agricultural chemicals (synthetic fertilizers, pesticides, etc.) and certain other changes in production practices which likely will reduce per-acre yields.

A vegetarian diet requires a smaller land base than a diet heavily dependent upon meat products. Ecologically, this moves man closer to the producer organisms, in which photosynthesis takes place.

The substitution of many other foods in our diet for the basic cereals and potatoes has increased our land requirements.

Unnecessary waste and unnecessary processing increase the pressures on land and other resources. In India, for example, 25 percent of the food produced on farms never reaches the consumer, because of losses attributable to rodents, insects and waste.

Wealthy people, because of their demand for variety, quality, and highly processed and refined foods, place more pressure on the land resource base than do poor people. An affluent society also demands more land for recreation, housing and many other uses that compete with farming. China and India have problems with millions of poor people, but consider what 630 million affluent Chinese or 550 million wealthy Indians would do to the environment! According to our standards, China has less than half of the minimum productive land required to feed its population.

How much water is required per capita for food production and for man's other needs? We need only about two quarts daily for drinking. Even in the early 1900s, however, our home use of water was about 10 gallons per day. In addition, we need water to produce food, refine oil, manufacture automobiles and operate our growing cities. The United States now uses a total of about 1,270 gallons of water per person per day.

Approaching the question in a different way, we must consider what standard of living we are willing to accept. A recent study in California illustrates the general relationship between standard of living and water use. This study showed that a resident of Beverly Hills used an average of 313 gallons of water per day in his home, compared with 89 gallons per person per day in Compton, where the per-capita income is much lower. Should we be satisfied with 89 gallons or demand 313—or should be get by with the 20 or 30 gallons common to most people of the world in metropolitan areas?

ONE POUND OF BEEF REQUIRES 100 TONS OF WATER

It should be fairly simple to calculate the per-capita water requirements for business, industry and municipalities, but what about water for food production? To grow a pound of wheat in the field will require about 1,500 pounds of water. If we follow this wheat on through the milling process to a completed loaf of bread, we find that more than 2,500 pounds of water are used to produce 1 pound of bread.

As we introduce animal protein or other essentials for a balanced diet, water requirements are increased correspondingly. For example, on some semiarid bush-covered rangelands in the West, from 100 to 500 tons of water are involved in the process of producing 1 pound of supermarket beef. This does not mean that 100 tons of water are required to produce a pound of beef—but it does mean that this much water is involved in or associated with the production of a pound of beef. Much of the water involved in range-beef production is dissipated by undesirable weeds and brush or evaporates from the unprotected soil surface. Also, most of the water necessary to the process of photosynthesis in range plants is transpired through the plant and returned to the atmosphere.

Purely from a water-efficiency standpoint, we can increase the effectiveness of water use for beef production at least 10 times by producing animal feeds on irrigated lands and confining the animals to a dry lot during the production period. But this is only part of the story.

Canada and the United States utilize more than 1,600 pounds of grain per person per year, compared to 400 pounds for Iran, Morocco, Japan, UAR, Pakistan, Thailand and India. This difference in grain use is fourfold; but if the U.S.-Canadian levels were projected across the world's population, worldwide grain use would be nearly eight times that of the present world production. In terms of water use, Canada and the United States would require 1,600 tons of water per person per year to produce their grain needs, but India and Pakistan must get by with 400 tons of water per year—assuming the same level of efficiency.

The United States has increased its beef consumption to more than 115 pounds per person. Japan gets by on about 16 pounds. Even with good efficiency, our water requirements for beef consumption per capita would exceed 1,100 tons, compared with 160 tons per year for the average Japanese.

Thus, it is safe to say that different diets are associated with different pressures on the water resource. This applies to both water quantity and water quality, as we consider the use of chemicals, other production practices, problems of pollution and our technology in processing and delivering foods to the table.

Recently publicity on the U.S. energy crisis has, for the most part, ignored the interdependence of agriculture and energy resources and the impact of an energy shortage on food services. Presently, the gigantic food industry is the largest single user of petroleum products in this country. Large amounts of energy are consumed in the supply sector to provide the farmer and rancher with fertilizers, pesticides, machinery and other inputs; large amounts of energy are consumed in the production sector for planting, cultivation, irrigation, care and harvesting of crops and livestock; and large amounts of energy are consumed in the storage, processing, packaging and distribution sectors of the food industry.

FUEL SHORTAGES LEAD TO FOOD SHORTAGES

Through the use of relatively economical energy supplies, combined with other improvements in technology, the American consumer has had substantial benefits in terms of the quantity, quality and cost of food. For example, average expenditures for food in the United States have dropped from 40 percent of annual income in 1900, and 26 percent in 1947, to about 16 percent of annual income in 1973. In contrast, peoples in many countries of the world spend 30, 40 or even 50 percent of their incomes for food. As energy prices increase, the cost of food to the consumer will inevitably rise. Furthermore, a severe shortage of fuel, or even a seasonal limitation at a critical time, may lead to actual food shortages both in this country and abroad.

Two aspects of energy-flow patterns must be considered of vital importance to the food industry: 1) the capture, conservation and utilization of photosynthetic energy produced by vegetation that ends up as food on the table and 2) energy subsidies (largely fossil fuels) to run the food and agriculture systems.

All life on earth is supported by the solar energy in food, captured primarily by vegetation in the process of photosynthesis. This chemical reaction—involving carbon dioxide, water and the sunlight energy required to produce food and release oxygen plus water (through transpiration)—is the most important chemical reaction in the world.

Primitive man harvested wildlife, insects and wild plants for food energy as they became seasonally available. Under these conditions, the number of people capable of being supported by the earth has been estimated as 10 million, a population smaller than that of London or Tokyo today. As man learned to harvest surplus food, domesticate animals and cultivate crops, the carrying capacity of the land increased. The first major increase in carrying capacity resulted from the diversion of surplus photosynthetic energy directly to man from other biological organisms. The next major breakthrough in carrying capacity came about when man found that he could subsidize the system with fossil fuels, and thus increase the effective harest of food and fiber. Through fosil fuel subsidies, and as a result of other technological innovations, total food production on the earth has been increased manyfold.

There are still, however, striking differences in food energy levels among the various peoples of the world. The average daily per-capita consumption of K-calories in food now ranges from about 2,000 in the Far East to more than 3,200 in North America. A daily diet of less than 1,500 K-calories is not uncommon for some of the world's 3.8 billion people. Yet, a desirable standard should be about 3,000 K-calories per person per day, with some variation for age and size of the individual.

If we look at the production of food energy for man on uncultivated lands, we find the present process rather inefficient. On the average, less than 1 percent of the sunlight energy falling on a given area of rangeland is captured by the vegetation during the process of photosynthesis. Less than half of this vegetation can be safely consumed by grazing animals.

Further reductions take place in the process of digestion, slaughter and processing. A study in California showed that 1/1,000 of the radiant energy falling on an area was available to cattle and only 1/40,000 of the original energy reached the food product, meat. However, it is significant to note that the fossil-fuel input for livestock production on rangelands is relatively small because of the little energy required for supplies and production. Mechanized equipment on a ranch consists primarily of motor vehicles, tractors, aircraft used for brush control and mechanical equipment for stock-pond construction. Higher energy costs are associated with feedlots, meat processing and distribution to the consumer. Few reliable estimates of these energy values are available, although it appears that at least 50 calories of fossil-fuel subsidy are needed for a yield of 40 calories of meat. Thus, it is evident that even extensive grazing systems require outside energy in order to place animal products on the table at the consumer level. As the intensity of grazing increases, and as more livestock move through the feedlots and packing plants, higher levels of fossil-fuel subsidy are required.

A significant breakthrough in the efficiency of sunlight energy diversion to man was made when crop cultivation was developed. Thus, man could select and develop crop plants for his specific needs and concentrate cultural practices on achieving maximum production. Under some modern intensive cultivation systems, the efficiency of capturing sunlight energy has exceeded 3 percent, while the theoretical efficiencies of conversion have been calculated at 5.3 percent of total energy and 12 percent for visible-light radiant energy.

USING TRACTORS CHANGES CYCLING PATTERNS

An examination of energy-flow patterns on cultivated lands reveals some interesting historical trends. In some of the developing countries of the world, about 30 to 40 percent of the energy input needed to run the food-producing systems comes from manpower and/or oxenpower, and the net yields are small. This was also true early in the history of the United States. For example, in the early 1900s there were about 27 million horses and mules on farms and ranches in this country. Through the years, farmers have steadily mechanized, and have since substituted 5 million tractors and many other forms of power equipment for about 22 million of these horses and mules. As a measure of progress, we can point with pride to the fact that, in so doing, we have released about 72 million acres of land, which formerly would have been required to feed the horses and mules, for direct food production for humans. In addition, we have increased efficiency and output per acre. However, as a result of this increase in efficiency in using croplands in the United States, energy cycling patterns have been significantly changed. Horsepower, mulepower, oxenpower and manpower operate on solar energy—an infinite resource, for all practical purposes. Tractors and machinery utilize fossil fuel—a depletable resource.

ENERGY NEEDS COULD CHANGE OUR FOOD HABITS

Although solar-energy capture takes place only at the farm and ranch level, fossil-fuel energy subsidies are required throughout the system. Energy is consumed in the preparation of agricultural chemicals, fertilizers, farm machinery, seed and other supplies; energy is consumed in the processes of planting, cultivation, and harvesting; and large amounts of energy are consumed in processing, storage, packaging and transportation before the finished product reaches the consumer. At the consumer level, large amounts of energy are also used in cafes, restaurants and homes to put the food on the table and to clean up for the next meal. In the United States, estimates indicate that more than 10,000 calories of fuel are required to help capture 3,000 calories of food and place it before the consumer. Other estimates of fossil-fuel subsidy range up to 10 or more calories of fossil fuel for each food calorie produced. From an ecological viewpoint, these ecosystems cannot be sustained unless adequate substitutes for fossil fuel can be found.

As energy becomes a more critical concern of man, certain changes could and should be made in our food systems and in our food habits:

We should increase our research on photosynthesis in order to capture more sunlight energy in the process of growing food crops.

We should conserve this photosynthetic energy, as it moves through the gigantic food industry, in order to maximize the percentage that reaches the table of the consumer. This means eliminating unnecessary waste and reducing unnecessary processing and packaging.

We should examine the fossil-fuel energy subsidies that go to the agricultural industry and conserve energy in the supply sector, in the production sector on farms and ranches, and in all aspects of storage, processing, service and delivery.

We should examine our own diets and food habits as they impact on the two major energy sources—photosynthesis and outside energy subsidies.

We must find a substitute for depletable resource fuels. Ultimately, our ecosystems must be designed to run on renewable resources.

If the question is Can the world feed itself with a satisfactory standard of living?, the answer is yes. It is technologically possible, given the present population, and maybe by the year 2000. But, if the question is From an ecological viewpoint, can the world afford to feed itself?, the answer is a resounding no —unless. . . .

Unless we bring population growth under control, unless we compromise the standard of living and/or level of nutrition for millions of people, unless we develop new cultivated lands and increase crop yields, unless we reduce our demands for recreation and open space and reduce the encroachment of cities and industries on good farmland, unless we find better ways to conserve and recycle water, unless we find better ways to reduce pollution and recycle solid wastes, unless we find adequate substitutes for fossil fuels and unless we do a better job of conserving and utilizing the food made available through nature's magic formula—photosynthesis.

Indeed, what we eat, where we eat and how we eat does make a difference.

ADDRESS BY HON. WILLIAM B. SAXBE, ATTORNEY GENERAL, AT COMMENCEMENT EXERCISES, OHIO STATE UNIVERSITY LAW SCHOOL

Mr. MATHIAS. Mr. President, on June 6, our former colleague, Attorney General William B. Saxbe, spoke at the commencement exercises for the Ohio State University Law School. It is a very thoughtful and direct speech written in the open manner we had come to know when he was with us in the Senate. I was struck by many of the thoughts in the address, particularly in a passage addressed to the graduating class when he said:

> You can make an impact on the quality of politics at the local and state levels, and all the way to the top. There will be many chances to make a contribution. Sometimes it will be by saying *no* to overtures you know or suspect are improper. And sometimes it will be by seizing opportunities that otherwise would lie fallow. All of this requires that you be constantly on the alert.
>
> And that is really what every citizen has to do as well—be on the alert for misdeeds and be constantly aware of chances to enhance standards and conduct.
>
> If we are tough-minded about the business of protecting our liberties, then perhaps we have a chance to prevent the Watergates of the future.

Attorney General Saxbe's words should prove a guideline in the work that both the Justice Department and the Congress have before them in the coming months. Attorney General Saxbe, as the Senate knows, has already endorsed S. 3340, introduced by Senator ERVIN, myself, and Senators MANSFIELD, JAVITS, Hart, and Pearson, and is working in close cooperation with the Special Committee on National Emergencies and Delegated Emergency Powers to insure that effective legislation covering emergency powers can be brought before the Congress for passage in this session.

The Attorney General is known for his forthright views, and I ask unanimous consent that this thoughtful speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Address by the Honorable William B. Saxbe, Attorney General of the United States

Three years ago, I had the pleasure of delivering the Orientation Lecture to your law class. It is now an even greater honor to speak at this Hooding Ceremony on the eve of your commencement.

My interest in the College of Law here goes beyond my relationship with this class because this is where I studied and received my law degree, and, as many of you know, my youngest son is enrolled in the law school. But I do have a particular interest in your law class, stemming from the opportunity to meet with you during the orientation in 1971.

A great deal has happened in these intervening years—to you and to the Nation.

You have prepared yourselves for careers in the law. Your new responsibilities are enormous—a sobering fact that will become more apparent as time goes on.

The Nation has undergone marked changes in the conduct of its affairs and has been confronted by a series of momentous events.

Whatever successes the country has fashioned or failures it has suffered, one fact of paramount importance stands out: We now live under what I believe historians will conclude is the greatest cloud in our history.

Its name is short—Watergate. But the facts that are known, and the implications springing from them, make it apparent that Watergate has had a monumental effect on the Nation.

The impact on the legal profession is particularly acute. Public perception of attorneys and their confidence in attorneys should be of special interest to all of us who devote our lives to the law.

Unfortunately, confidence in the legal profession has diminished, as it has in other institutions which have been major sources of strength for this country. It is all too apparent that, when put to the test, lawyers too, have been found wanting.

Most men and women in the legal profession love the law and cherish what it stands for. But it is also fair to say that as a group, attorneys often have the trait of hunkering down to wait for the crisis to blow over. And then they continue business as usual.

There is frequently an impulse to put on blinders and to say that many of the ways of carrying out public duty which have grown up over the years are really not bad practices.

The sad fact is that there are a lot of bad practices. We have come to accept things in public life and in politics that simply have no place there. The list is a long one: Lying to the people; twisting the truth; using public position for private gain; failing to do those things which the oath of office requires. And I could list more.

For decades, many persons in public life have attempted to shift responsibilities elsewhere—often saying that the bad practices are simply our traditional ways of doing business.

This is no longer a viable position, if indeed it ever was.

Responsibilities of the most important sort rest upon each of us—no matter what role we may have in society.

There is often a tendency to blame the news media, contending that their muckraking is the result of bad motives or a quest for power. We should not allow ourselves to follow false scents. Too many hard facts are known—if we just take the time to look at them—to permit anybody but the most narrow-minded to believe that we have never had it so good.

Without in any way commenting on the cases, let me simply recount a few things known to any newspaper reader:

The Special Prosecutor's Office lists a dozen attorneys charged in cases it is handling.

Six of them have entered pleas of guilty. One is a former Attorney General, who pleaded guilty to a charge of refusing to testify to a Senate Committee. Never before has a United States Attorney General been found guilty of criminal conduct. Two others were on the White House staff.

Of the remaining attorneys under indictment, another is also a former Attorney General—acquitted at one trial but still facing other charges.

In addition, a number of non-lawyers have been indicted on charges relating to alleged offenses committed while holding positions of high trust.

In studying the dimensions of the over-all crisis facing the Nation, we have to look beyond the rolls of Watergate indictments.

The legislative branch is also involved in a matter of utmost importance.

The President is now the subject of hearings before the House of Representatives involving the most grave aspect of the Constitutional process—the possibility of impeachment.

It may be some time before the House reaches a decision on the issue under consideration. But it already has had a deep impact on the Nation.

Other unsettling events also have occurred. Not many months ago, for instance, a Vice President resigned from office and entered a plea of no contest to a charge of tax evasion.

The long roster of difficulties involving public confidence does not stop at the Executive Branch.

Last year, the Department of Justice obtained more than 50 indictments of state and local officials. In recent years, federal cases also included the conviction of three former Congressmen, a former Senator, and a Federal judge.

When I left office as Ohio's Attorney General five years ago, five of my fellow State Attorneys General across the country were either in prison or heading for it.

In recent years, there have been Federal convictions of a former Governor and several state legislators, as well as mayors, city councilmen, and other state and local officials. Numerous prosecutions also have been carried out by state and local authorities of public officials ranging from policemen to prosecutors.

Persons outside of government can also hold positions of enormous public trust and responsibility, and, as we have seen, they can also violate that trust.

Eleven major corporations have entered pleas of guilty during the past year to Federal charges of illegal campaign contributions. Ten business executives have entered pleas of guilty or no contest to similar charges.

In recent years, two men who at different times headed one of the nation's largest labor unions went to Federal prison. And the former head of another large union was convicted not long ago of murder.

Faced with all of these things—and more—no one in public life or private life can afford to hunker down until the storm of public distrust passes by, because it isn't going to be that easy.

The only good that I can see coming out of Watergate is that it will always be there as a goad to our conscience. And in its aftermath, we can set about to fashion new ways—much better ways—of carrying out matters of the public trust.

Watergate should be the watershed for morality for all public officials, both elected and appointed.

That word—morality—seems suddenly popular today—as it always should have been. One of the nation's great tasks is to see that it remains that way.

The road of reform and responsibility lies open to us. It is a high road, a road that can be followed only by adhering to some old-time truths. And that includes honor and ethics, and yes, morality.

There is great ferment and discussion these days about the best in our traditions. Some suggest the old-time truths really are not true any more.

When we hear that, we should ask what the options are. It seems to me they are very limited. We are either truthful or not truthful. We are either honest or dishonest. We are either moral or immoral. And it really doesn't take much soul-searching to know which is which.

Men of goodwill can always disagree—and usually do—about the best ways to carry out tasks that affect the public.

There can be little dispute, however, over the merits of dishonesty, or of breaking the law, or of feathering your own nest—with somebody else's feathers.

My estimate is that political pressures have diminished substantially at every level of government in the wake of Watergate. Those changes for the better should be institutionalized and made a permanent part of society's fabric.

To cite one example, the White House is not trying to get the Department of Justice to do anything for political purposes. Believe me, it wasn't always like that.

But it could always be like that—not just in Washington but throughout the nation—if public officials remain on guard and keep connivers at arm's-length. They've also got to learn to say *no*.

Another essential ingredient is for the public to keep a much closer watch on things. It is not enough to periodically rise up and throw the rascals out. Rascals should not be put in positions of trust in the first place. And those who may have latent tendencies in that direction can be held in check by unrelenting public scrutiny.

The public also should be aware that not all of those who misbehave in positions of trust are merely colorful rascals. Some are men of finely-distilled evil who would do irreparable damage to our freedoms.

Civics texts are filled with discussions of the system of checks and balances involving the Executive Branch, the Courts, and the Congress. It is about time that another balancing force—the public—began exerting greater influence.

For attorneys, the opportunities and the responsibilities are particularly great. The legal profession has a choice, either to become more responsible or to have the public's faith decline even more.

Each lawyer has what might be called a golden trust, something like that of the physician, and no attorney should ever allow himself to be placed in the position of having it turn out to be counterfeit.

Being honest, however, is the very least that is expected of us. A great deal more has to be built on that foundation. Virtually every part of the legal system needs attention.

One particular concern, though it has been recounted many times, is whether there really are two systems of justice—one for the affluent, the other for the poor.

Evidence accumulated over decades leaves little doubt that such a double standard does exist. Regardless of the facts in each instance, the public perception of justice too often is that the rich man gets favors and goes free while the poor man gets the back of the hand at justice's bar and goes to jail.

What you do in your legal careers is for you to decide. But let me just remind you that a lot of promissory notes for fair and equal justice are falling due—and they must be met.

For its part, I believe that the Department of Justice is carrying out its responsibilities in an even-handed manner and without bias. I also am convinced that the Department is functioning and functioning well.

Its 48,000 employees—nearly all of them in the career service—are able men and women, dedicated to performing in the best traditions of the Department and beyond. Though the Department has been buffeted by events, no fatal wounds have been inflicted.

I hope to help improve that career service, and in particular to enhance the skills of our attorneys. One problem faced by the legal profession today is the standard of conduct by some attorneys when they appear in court. While not yet an epidemic, we do know that misbehavior and flagrant disrespect by attorneys occurs all too often and that judges sometimes have substantial difficulties in keeping order. Such disrespect by attorneys strikes at one of the foundations of our society itself. No such problems are caused by the Department's attorneys. But we do in some instances see a second problem—the level of advocacy skills displayed in the courtroom.

This is not a problem restricted to the Department. I have heard more than one prominent attorney in private practice say he considers lost the day he spent in court. The profession—and the law schools—are going to have to do a great deal more to improve the level of advocacy. In some areas, it is virtually a lost art.

Whatever else the Department of Justice does, it must remain responsive to the people. Proposals have been made recently that the Department be made an independent agency and that a permanent special prosecutor's office be created.

Both steps would be a mistake because they would place essential functions in some sort of limbo beyond the public's recall. Many commissions and administrative agencies set up in the past have as their common trademark a failure to meet the needs of the people.

The basic flaw in those proposals is that they suggest that new systems will correct the weaknesses of men. But defects in character and conscience can be corrected only by men themselves.

Every public official—like every private citizen—has to make a commitment to honor. If he fails, it is like a pebble tossed into a pond and a ripple results. Given enough ripples, they can turn into a tidal wave that engulfs us. The dreary spectacles that result range from Watergate to an attempt to fix a soap-box derby.

The rule of law is what stands between this country and tyranny. Would-be tyrants appear in many guises other than that of the storm trooper. Some in blue jeans are apostles of New Left terrorism. Others wear the hood of the Klansman. And there are some in Brooks Brothers suits.

As Attorney General, I am determined to do everything within my power to help improve our legal system, and to see that the laws are enforced uniformly and without bias.

Perhaps our system's essential element is that the accused be given a prompt and fair trial, with the issues decided on the merits.

One thing the public should keep in mind as Watergate unfolds is that indictments are not the same as convictions, and that even when there are indictments there sometimes are no decisions on the merits because of hung juries.

The scandals during the Administration of President Grant included the Whiskey Ring, whose activities were so widespread that two special counsels were appointed to help prosecute the cases.

While a number of convictions were obtained, the trial of a Presidential aide considered to be a key figure in the Ring resulted in an acquittal.

Fifty years later, Teapot Dome and other scandals erupted in the Administration of President Harding. Special prosecutors were again appointed, and Albert Fall, the Secretary of the Interior, was convicted of taking a bribe. Two prominent businessmen were also tried but were acquitted.

In other cases growing out of the Harding Administration, several more convictions were obtained. But in a landmark case, the trial of Attorney General Harry Daugherty ended in a hung jury and the indictment was dismissed.

By briefly recounting those earlier cases, I simply wish to again make the point that allegations are one thing and convictions are another. We have to accept the verdicts of justice—whether they are acquittals or convictions. Sometimes we also have to accept the terrible inconclusiveness of hung juries.

Those who equate allegations with guilt are deceiving themselves, as are those who believe that any conviction will somehow automatically cleanse the Nation and put us back on the right track.

As we see from history, some measure of scandal has been cleaned up from time to time, only to have other scandals develop. In a sense, corruption is put into mothballs, to reassert itself in different forms in later periods. And in some areas it just seems to go on forever.

Historians are permitted harsher judgments than attorneys, but the benchmarks they provide should be instructive, not only in viewing the past but in trying to forge a better future.

Allan Nevins, in his biography of Hamilton Fish, describes the Grant era this way: "Washington became an irresistible lodestone for crooked men." Burl Noggle in his book, "Teapot Dome," quotes a member of the Senate as saying after the two businessmen were acquitted: "This is emphatic evidence that you can't convict a million dollars in the United States."

None of this makes pleasant reading, even 50 years later. But it is important—if not essential—to look at the unpalatable in order to avoid the unspeakable.

In another book that examined the Teapot Dome era, Harold Faulkner noted this comment of a reformer of the time: "Popular government can be no better than public opinion and the public conscience insist upon." What is astounding is not only the amount of corruption the Nation has tolerated but how quickly it seems to forget what happened and to allow the evil ways to reassert themselves.

Watergate presents the Nation with what are in effect two challenges.

The first, of course, is to see that all of the allegations are resolved through due process of law.

The second matter relates to what happens after Watergate is concluded—after each of the grand juries has issued its findings, after every trial jury has rendered its verdict, after every appeal has been decided.

Will Watergate have so exhausted the Nation that we will turn to other things in an attempt to forget about the tragedy that has befallen us?

Or will the abhorrence of it become so ingrained in the public spirit that we will insist that every person in any position of public trust be honest—and then maintain our vigilence to make certain?

I don't know the answers to those questions. Part of our national record shows that the public has been misled at times. But another part shows that we have made remarkable strides under decent and honorable public figures. The scales seem to tip in some sort of rhythm—from progress to scandal and back again.

It is incredible that we as a Nation have come to expect from some of our people—and also what we will tolerate from them.

The men who left their bare and bloody footprints in the snow of Valley Forge were not fighting to make this Nation secure for generations of predators seeking ungodly power and illicit fortunes.

Nor were the men who sacrificed at Gettysburg, the Marne, the Normandy beachhead, at Porkchop Hill, or in Vietnam.

There is no way to predict what we as a Nation will do after Watergate is concluded, but we had best start doing some hard thinking about it now.

Special responsibilities rest upon attorneys as we try to fashion higher standards in both public and private life. And the challenge to those of you just entering the profession is especially acute.

Attorneys do a lot more than simply hang out a shingle and practice law—as important as that is. Lawyers are in public life in great numbers, both as elected and appointed officials.

You can make an impact on the quality of politics at the local and state levels, and all the way to the top. There will be many chances to make a contribution. Sometimes it will be by saying *no* to overtures you know or suspect are improper. And sometimes it will be by seizing opportunities that otherwise would lie fallow. All of this requires that you be constantly on the alert.

And that is really what every citizen has to do as well—be on the alert for misdeeds and be constantly aware of chances to enhance standards and conduct.

If we are tough-minded about this business of protecting our liberties, then perhaps we have a chance to prevent the Watergates of the future.

But if we ignore past lessons and thus shrug off future perils, the next Watergate may grow to dimensions that *would* prove to be unsurmountable.

Thank you.

PERSONAL PRIVACY

Mr. PERCY. Mr. President, on Tuesday morning, the Government Operations Committee, in conjunction with the Constitutional Rights Subcommittee will begin hearings on a subject of critical importance to every American—personal privacy.

The focus for our hearings is a bill introduced by the committee's distinguished chairman, Senator ERVIN, Senator MUSKIE, and myself to establish every American's right to keep personal information private and to safeguard that right with criminal and civil protections.

The bill is companion to one introduced in the House by Congressman BARRY GOLDWATER, JR., and Congressman EDWARD KOCH, whose efforts I commend. It is the result of a deepening public concern about privacy invasions. These invasions are fast becoming the rule—not the exception—in American life.

The burgeoning abuse of the right of individual privacy results partly from a greatly increased capability of even a moderately endowed private or public organization to obtain, store, and use vast quantities of information about people. This phenomenal technical information-handling ability is abetted by the absence of regulation—except in the area of credit information. The result is a tremendously increased potential for damaging misuse of personal information—data that the person under scrutiny does not know is so readily available.

But even more important is the startling, ominous propensity of an increasingly powerful Government to use information in ways that hurt individuals directly and dramatically.

In Mendham, N.J., a young high school student, at the suggestion of her social studies teacher, wrote the Young Socialist Alliance in New York City asking for information. Several weeks later an FBI agent visited the school's principal and other people who knew Lori Paton, to make inquiries about her. The FBI made a "notation" in its files about Miss Paton's innocent inquiry, and its agents wrote a memorandum for FBI files recording their "investigation" of Miss Paton. The FBI claimed that its knowledge of the student's inquiry was obtained from surveillance on all incoming mail to the Young Socialist Alliance. Under the law, such a "mail watch" is legal if it does not delay the mail and if it is confined only to data drawn from the outside of the envelope. The critical issue here is the potential lifetime damage to the reputation and career of a completely innocent teenage girl about whom an FBI "notation" and "memorandum" will always exist, unless she succeeds in having it expunged from the files of the FBI.

This is an example drawn from the more normal course of events. The FBI must make hundreds, perhaps thousands of such "notations"—we regrettably cannot know—each week.

POLITICALIZATION OF THE IRS

What about malicious, politically motivated invasion of the right of privacy?

One of the most insidious abuses is attempted use of Internal Revenue Service data for political purposes.

Certain members of the present administration at the outset of its first term, made strong efforts to make the Internal Revenue Service "politically responsive."

A memorandum from White House aide, Tom Charles Huston, to the Assistant to the Commissioner of the IRS of August 14, 1970, refers to a July 1, 1969, White House request that IRS review the operations of "ideological organizations." Huston's August 14 memo asked IRS to report on its implementation of that request. The IRS response, signed by then IRS Commissioner Randolph Thrower and dated September 19, 1970, explains the operations of a so-called "special service group" that had been established in IRS to monitor the tax status of "organizations and individuals promoting extremist views and philosophies." Thrower's rationale for creation of that outfit was that it was necessary "to avoid allegation that extremist organizations ignore taxing statutes with impunity." Mr. Thrower's September 1970 report indicated that by then approximately 1,025 organizations and 4,300 individuals had already been examined by the IRS.

On September 21, Huston wrote to Assistant to the President, H. R. Haldeman indicating strong dissatisfaction with IRS action on the President's July 1969 request. He noted that—

> What we cannot do in a courtroom via criminal prosecutions to curtail the activities of some of these groups, IRS could do by administrative action.

Subsequently, an undated "IRS talking paper" was developed, outlining, from the perspective of the White House, the case against the IRS and its lack of political responsiveness. The document suggests that—

> Walters (who succeeded Thrower) must be made to know that discreet political actions and investigations on behalf of the Administration are a firm requirement and responsibility on his part.

Another suggestion of the "Talking paper" is that Counsel to the President, John Dean, should have assurance that Walters will get the job done.

On June 12, 1972, Charles Colson, Special Counsel to the President, wrote Dean asking for an IRS check on Harold J. Gibbons, a Teamsters Union vice president in St. Louis, whom Colson described as a "McGovernite, ardently anti-Nixon." This document would suggest that a connection between Dean and IRS had indeed been established and that IRS had become more politically sensitive in the manner outlined in the "IRS talking paper."

It is unclear whether there is evidence showing that the IRS did become politically responsive in a manner demanded by the White House. However, we do know that the issue was pressed.

The Joint Committee on Internal Revenue Taxation, which has direct oversight over the IRS, has filed an interim report on its investigation of the matter. This report shows that the subjects of special audits and investigations have not been treated more harshly than other taxpayers. But the joint committee was denied access to files of the Special Service Group. This renders the joint committee's study virtually useless. But, the fact that the politicizing of the IRS was attempted is beyond doubt.

The success of the effort to compromise this key agency's integrity is still in question. But the central question is not the attempt to politicize this agency—dreadful as that is. It is the doubt created in the minds of the American people—justifiable concern that information of an extremely personal nature—might be made available to other agencies, including the White House, for political purposes.

The bill I have introduced with Senator Ervin to establish and protect personal privacy rights would remedy such abuses.

In the case of the Mendham High School student, the bill would provide her and her parents with ready access to the FBI files about her. She would have the right to examine the records and prove, if she can, the incorrectness of anything in her file. A correcting statement would be added to her file.

To eliminate politically motivated punishment by the Government, the bill would require the IRS to make notations of each instance in which a file was made available to another Government organization or outside person, not having regular access authority. A record of such accession or transfer must be kept.

The privacy right that S. 3418 establishes for individuals is comprehensive.

It establishes the right of a citizen to be informed whether he or she is the subject of private organization or Government files. If the bill passes, in 2 years each individual must be told that he or she is the subject of a data file. At any other time that an individual asks, he must be informed of the fact that he is a data subject.

The bill establishes the right to inspect all personal information contained in one's file, to learn the nature and sources of the data, and the identity of each recipient of personal data.

The bill establishes the right of every data subject to challenge, correct, or explain personal information, to demand an investigation of disputed information, to demand purging of inaccurate information and to include a 200-word personal correction of one's file.

The bill establishes the right to be informed and to give or withhold consent before personal data is given to anyone not having regular access authority. It establishes the right to be apprised of the intended use of information and the consequences of giving or not giving permission.

The bill establishes the right to have one's name removed upon request from any organization's mailing lists. The purpose of this section is to protect citizens from unwarranted harassment.

S. 3418 defines standards for the collection, use, and disclosure of personal information by Government and private organizations. These standards include the following:

Personal information collection is limited to what is necessary for a "proper" function of an organization;

Information should be collected from the individual himself whenever possible;

Categories of confidentiality must be established, with various levels of controlled access to information;

Data files must be policed for accuracy, completeness, and pertinence by the organization maintaining them;

The organization must maintain a list of users having regular access authority;

A complete record of the purposes of every access to any personal information in a system, including the identity of the special access user, must be kept;

Personal information must never be disclosed without specifying security requirements—for example, the level of confidentiality—and obtaining reasonable assurance that those requirements will be observed;

No personal information concerning political or religious beliefs or activities should be collected if it will be put into a Government-operated information system;

Income data should not be keyed to ZIP codes or postal districts; and

Federal agencies are prohibited from requiring disclosure of personal data or requesting voluntary disclosure unless authorized by law.

The bill establishes a five-member Federal Privacy Board that can make and enforce privacy rules for personal data files. The Board is required to establish an annual directory of every personal data system in the country; it is empowered to insure that standards are met and to assist organizations to comply with privacy safeguards. It can make site visits, compel production of documents, hold hearings on violations, issue cease-and-desist orders, delegate authority to States, and hold open hearings on exemptions. It is required to report annually to Congress.

S. 3418 is an excellent beginning for hearings and for the legislative process, and we in the Government Operations Committee will prepare this bill very carefully but expeditiously for floor action during this session.

PROBLEM AREAS

Mr. President, as you know, there are many other bills pending in this body regarding individual privacy. Without exception, they all raise problems in the minds of those of us who want to correct the present lack of controls over personal data.

Our bill is itself not free of flaws; yet, in the give-and-take of the committee room, it can be perfected. Let me cite some of the difficulties in the legislation.

The bill does not establish a mechanism to inform people as new files about them are created. The right to inspect and challenge personal files is almost meaningless if an individual does not know that a file even exists.

Perhaps we should provide that people be notified whenever they become a subject of a new data file.

Another problem is that no limits have been placed on rights to inspect and challenge personal files and to demand investigations of disputed information, and no protection against excessive demands is afforded to organizations keeping data files.

For example, it would be unfair to allow a person to inspect his file every week.

As I noted, the bill requires that information should be collected from the individual himself wherever possible. This is an important provision, since it attempts to assure that the information that is collected is accurate. However, there is a possibility for abuse. If personal information is actually collected directly from the subject in every case practicable, the resulting harassment of individuals may undo the value of the rule by creating another type of violation of personal privacy.

The requirement in the bill that every access to personal data be accurately recorded is unprecedented and very likely would be staggering in scope. There seems to be the unwarranted assumption that thousands of different organizations will independently and correctly establish new standard operating procedures for handling personal information. The implicit administrative burden on government and private organizations is a matter for concern and further consideration. It may be that it is possible to make a number of distinctions that will lessen the burden on organizations, yet establish basic privacy guarantees. One possible distinction is to differentiate among the kind of organizations maintaining data. My legal staff is now working on that difficulty.

This bill provides for a Federal Privacy Board, which would be an independent agency in the executive branch consisting of five members designated by the President and confirmed by the Senate. There is a good deal of doubt about the validity of such an organization. It may well be that the simplest, and ultimately the best, solution is to establish rights which individuals may pursue through the judicial process, without creation of any new agency to police the new privacy guarantees. Or, the Privacy Board's functions could be lodged in an existing executive branch organization. Or, they could be lodged in one of the existing independent regulatory commissions, or in an agency of the legislative branch, such as the General Accounting Office. These are some of the concerns and some of the options we must explore during our hearings.

There are other legitimate concerns. One of them is the exemption provided in the bill for national security. Personal data systems directly related to the security of the United States would be free from the guarantees of the act. Any Federal agency could use that protection. This could permit Federal agencies to abuse that cloak of secrecy, thus diminishing the intentions of this legislation.

I cite a concrete example which indicates a need for a careful, tight definition of this national security exemption.

The U.S. Army has been used to spy on the political activities of American civilians in Western Europe. In August 1972, U.S. Army Military Intelligence personnel were assigned to monitor the political campaign activities of supporters of Senator GEORGE MCGOVERN in Western Europe. The reports filed by these agencies described the political activities of a group known as "Americans for MCGOVERN," in Berlin. Army Intelligence reports described their organizational meetings, leaflet distributions, announcements and local publications, ties to the official Democratic party, and even the name of a man who received an autographed picture of Senator MCGOVERN.

Military intelligence reports describe in detail the position of MCGOVERN supporters on issues such as tax reform, welfare reform, Federal aid to schools, equal educational opportunities, racial and sexual discrimination, national health insurance, abortion, and abolition of the electoral college.

Military intelligence reports list the names of MCGOVERN supporters, including information on their date and place of birth, marital status, passport number, occupation, and residence in Western Europe.

A chart was prepared by the U.S. Army for training manuals to be used in the training of intelligence personnel in Western Europe. One such chart shows the "link" betwen the Democratic Party in the United States and the Communist Party.

Army personnel also opened the mail of American civilians in Europe. One intelligence officer has said that the Army maintains a room approximately 15 feet by 20 feet containing file cabinets filled with photocopies of mail of American civilians. In these files is a letter from the library of the College of Charleston, S.C., to a publication in Western Europe run by American civilians. The Army has photographed an index card, photographed both sides of the envelope and photographed the contents of the letter. This opening of American civilian mail occurred in June of 1973, which date appears at the top of the Army document.

The Army has systematically opened the mail of the Lawyers Military Defense Committee, which is an affiliate of the American Civil Liberties Union, and a well-publicized suit against the Army in the U.S. District Court of the District of Columbia by the LMDC and other plaintiffs is contesting these privacy invasions conducted in the name of national defense.

Other Army activities include infiltration, photographing, and wiretaps.

With respect to photography, American students in Western Europe have been photographed pamphleteering for MCGOVERN by military intelligence officials, and photographs have been obtained of political petitions showing the names of American civilians who have signed the same.

The Army has collected leaflets disseminated by American civilians which describe President Nixon's involvement in Watergate. On the back of each leaflet is a physical description of the person handing out the document.

All of these activities are undertaken in the name of national security. Such a grossly distorted use of this catchall pretext to so blatantly abuse the rights of American citizens is unwarranted, and Federal privacy law must be enacted to bring such abuses to an end. For this reason, I believe we must carefully narrow the national security exemption in this bill.

MEDICAL RECORDS ABUSE

In yet another area of personal data, almost unnoticed by the public, there is a growing assault upon the confidentiality of personal health and medical records. Information that we provide to our doctors in the intimacy of their offices frequently finds its way to insurance companies, credit files, and employment records without our knowledge or approval. The improper procurement and use of medical information has had devastating effects upon unsuspecting individuals. Marriages have been ruined and reputations have been destroyed.

I would like to refer to several case histories provided by Dr. Elmer R. Gabrielli, chairman of the Joint Task Force Group on Ethical Health Data Centers at the State University of New York. These cases illustrate the need for Federal legislation to prevent flagrant breaches of confidentiality of medical information. In one recent example, a district attorney from a great American city was hospitalized with a serious medical condition. On the day following his hospitalization, the local newspaper in his community printed his medical records word for word.

A second, even more serious example offered by Dr. Gabrielli, involved an employee of a large Defense contractor who sought reimbursement for psychiatric treatment from his company's health insurance plan. In the process of the claim, the insurance company passed on the diagnosis of the employee to his employer who in turn, passed on the diagnosis to the Defense Department. The Department initiated an investigation of the employee. Department of Defense investigators asked insinuating questions of the man's neighbors. The damage had been done.

In another case, a young woman attempted to commit suicide and subsequently received psychiatric treatment at a hospital. She was shocked to learn the details of her diagnosis, not from her doctor, but from her employer. Her employer had obtained the information from the company's health insurance agent, who had gained access to these supposedly confidential hospital records. The shock to this woman upon hearing her psychiatric diagnosis from her employer must have been intense. It calls to our attention once again the imperative need for legislation to establish limits on access to personal data. This can be done by empowering each individual with control over who can view his personal files. The strict confidentiality of personally sensitive medical and health records clearly requires more than good faith and integrity on the part of health care personnel. It deserves and requires legal protection.

SCHOOL RECORD ABUSES

I wish to refer to yet another sensitive area in which privacy rights have been ignored and for which legislative safeguards are needed: school records. Particularly in these days when our public schools are so much in need of Federal support, the informational requirements for evaluation of Federal school aid programs can and do pose serious threats to the privacy of personal student information.

In Illinois, the League of Women Voters conducted extensive surveys of personal information systems. A study of 71 schools revealed that many teachers were not impressed with the need to protect personal student information. They found further that there were no standards of confidentiality imposed on faculty and staff. Clearly, a privacy problem exists, since although no school administrator in the league's survey reported giving information on students to local police, several police departments listed schools as sources for personal student data.

A Los Angeles Times article of October 15, 1973, "Keeping Files on 'Predelinquents' Stirs Criticism," explains that for thousands of children judged to be predelinquents—youngsters whom school authorities believe have criminal tendencies—extensive, often permanent records are kept of their participation in federally funded community programs designed to reshape behavior. The files contain case histories, anecdotes about class behavior, reports on academic progress. The reports come from principals, teachers, parents, and the counselors—some professionals, some volunteers—who work with children in the program. Many of the programs, according to a California Joint Legislative Audit Committee looking into this area, are administered through the probation departments, which keep records after the pilot predelinquency programs end. The article said that this "creates the possibility that the records will be used for probation purposes." Because these programs are operated by law enforcement agencies, "voluntary" participation by schools is inherently coercive, there is the danger that participating children will be treated as criminals.

In California, some State officials say the program's procedures violate the children's civil rights. In the juvenile court system, the same children would get protection of due process, presumption of innocence and right to counsel. There are no such protections in the voluntary programs. For example, there are no provisions for destruction of individual records after the programs are terminated. On the other hand, most juvenile arrest records are sealed. State and Federal officials administering such programs justify the data storage by maintaining that a juvenile risks his privacy in return for the benefit derived from the program.

Walter Quinn, California's then acting deputy auditor general, defended the practice of keeping the files open, saying:

> We think it may be fairly stated that the benefits accruing to a juvenile by being in one of the voluntary programs is paid for by foregoing certain rights to which he is otherwise entitled.

This sort of blanket judgment, that would attempt to justify the disregard of students' privacy, is wholly inappropriate. The principal at Glenknoll Drive Elementary School in Yorba Linda, Calif., has stated that schoolteachers and administrators are about 75 percent right in thier designations of youths as predelinquent. Not only are such claims unverifiable and therefore suspect, but I wonder about the other estimated 25 percent of those youths who are falsely labeled predelinquent. It is they who will suffer without any reason from the stigma of such a label.

Dr. Carl Marburger, spokesman for the National Committee of Citizens in Education, characterized the absence of controls over personal school data as "generally an ungoverned and unsupervised system." He said:

> Anyone, even the school secretary, can put something into the record.

No one knows precisely what goes in and parents are often denied access to what is in the record.

The Illinois League of Women Voters survey indicated that most schools do not allow parents to challenge the accuracy and contents of their children's school records. In a majority of cases, parents are not even allowed to see their children's school files. Frequently they must be satisfied with interpretations and comments offered by school counselors. Yet those same files are accessible to police, university researchers and even other students working for the school administration.

This situation represents an intolerable abuse of the informational privacy rights of students and parents. Dr. Marburger's assessment is indeed frightening. As he says, the American school system maintains "the most vastly comprehensive data operation of any institution in the country. If you have a child in school, there is a dossier which sometimes contains inaccurate and potentially damaging information."

We cannot allow our children's privacy and our privacy as parents, to remain unprotected. We must not let indiscriminate notations in school files go unchallenged. We must not allow these files to be available to anyone other than authorized school personnel. In the rare instances in which others have a need for such information, parents, and children must be informed, and access should require either their consent or a court order. These protections can and will be afforded.

POTENTIAL CABLE TELEVISION ABUSES

Looking toward the future, the rapid advance of technology continues to give rise to new threats against individual privacy which must be anticipated. I offer just one example: Developments in the advancing field of cable television. Cable stations across this country are acquiring capabilities for broadcasting as many as 40 or 50 channels. Citizens will increasingly be offered a large variety of television programs that have been tailored to their individual tastes and preferences. As this possibility is being realized, cable television companies are experimenting with techniques for monitoring the viewing habits of individuals.

Simple tabulations of the number of people who watch particular programs, thus enabling cable television operators to make accurate programing decisions, could be accomplished without compromising the privacy of individual viewers. But cable systems in a number of cities, including Rossmoor's Leisure World Retirement Community in Mesa, Ariz., and experimental systems like TOCOM—total communications—in Irving, Tex., and Theta-Com in El Segundo, Calif., routinely and automatically monitor program choices and viewing habits of individual cable television subscribers. Viewers have no choice and cannot exercise any control over such monitoring.

There is now no national law that would forbid a cable station from telling anyone about the individual tastes of each and every one of its subscribers. A business, so notified, is free to bombard the unwitting cable subscriber with any number of sales pitches based on what is known about the viewers' personal entertainment tastes.

Thus, in the not too distant future, computer-aided records of the programs an individual watches can be analyzed for their commercial, political, or scientific research value. Preparation of viewer files would establish what is essentially a cultural taste data bank and thereby create an opportunity for access and abuse of personal information that does not now exist.

The technological capacity to invade the privacy of our homes to acquire such information gives frightening substance to the fiction of Big Brother, from George Orwell's "1984." Perhaps such monitoring systems should never be established at all. But if they are established, we must insure that they operate only with the knowledge and explicit consent of the watched.

Certainly, this example is somewhat futuristic. However, it suggests that we must maintain a vilgilant attitude toward new and unregulated technologies if personal privacy is to be protected.

CONCLUSION

Mr. President, all of these examples that I have mentioned suggest the need for strong measures to support the right of privacy. The legislation which Mr. Ervin, Mr. Muskie, and I have introduced provides a good base for final legislation. It will reach information systems and data files across the country and make secure a sacred personal liberty.

CONSTRUCTION INDUSTRY BARGAINING DANGERS

Mr. EAGLETON. Mr. President, the daily Labor Report recently published a very interesting article by the associate editor of BNA, Ben Rathbun, describing the views of the chairman of the Construction Industry Stabilization Committee as its work is being phased out. I hope it will be read carefully as it indicates the problems with attacking our economic problems, as the administration has done, without fully thinking through all of the ramifications of the proposed action.

I ask unanimous consent that the article be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

"Massive Leapfrogging" in Construction Negotiations Reported by CISC Chairman

The bargaining spectre of the late 1960s, large-scale leap-frogging in construction from craft to craft and from city to city, has returned "with a vengeance" less than six weeks after the termination of statutory wage controls, according to D. Quinn Mills, the chairman of the expiring Construction Industry Stabilization Committee (CISC). The resultant "basic massive upward realignment of wage rates" can have a powerful effect on bargaining in construction and far beyond in U.S. industry, Mills indicated in a BNA interview.

He was critical of the Congress for not taking action that would have permitted "an orderly transition" from the 1971–1974 controls to uncontrolled bargaining in construction. The practical effect, he indicated, is to undo much of the stability imparted to construction bargaining in the Nixon Administration's most successful wage stabilization program.

Mills indicated that the Administration had wanted to continue controls for the current bargaining year in construction because it feared the kind of wage explosion that is now occurring. He said that some influential opponents of a transition period had made a major miscue in their estimate of the force and follow-through of a construction wage "breakout" this year.

WAGE DISTORTIONS, INC.

He summarized this "mistaken" view in these terms: "Well, let it [the wage pressures in construction] explode a little. It's a bubble that will pass and we'll take it out of subsequent settlements." Mills added that those who find no serious inflationary implications in the current construction settlement pattern do *not* understand the pervasive impact of leap-frogging settlements in construction. He said "What we're going to be seeing this year is a basic massive upward realignment in wage rates."

He added this note: "What is happening this year is going to reverberate through the next two years at least. It means that we cannot get back to any kind of stability in construction bargaining for at least another two years. As bad as this year is, the next two years are going to be worse. And if somebody doesn't do something about it this year, stability won't be possible for another three years. Construction is on that kind of a cycle." He said that the problem will become more aggravated with inattention. As he noted, "every year we wait . . .," these distortions will escalate by "feeding upon themselves."

Mills and John T. Dunlop, the chairman of the Cost of Living Council, have pointed to the Administration's failure to persuade Congress to take affirmative action to provide a less precipitate and more orderly break from the controls system. As Dunlop put it: "I was trying to keep May 1 from becoming a day when a gun was fired and the Administration said: You're on your own." Instead the country now has "a race" for price and wage increases, as Dunlop and Mills see it, that is akin to "a speculative surge."

One reason this is happening, according to Mills, is that people don't believe Congress can keep from taking some kind of action on inflation for too many months. Meanwhile, aggressive parties are going "way beyond any reasonable adjustment" to the newest summit of living costs.

According to Mills' estimate, the inaction by the Congress could add three to four percentage points this year alone to construction settlements. He said that a level of settlements in the 8 to 10 percent range would have been quite possible if the legislators had imposed restraint upon the private parties for the immediate post-May 1 months.

He added that the transition arrangements would have assured that no major agreements went above 10 percent. But now, the level of settlements will be around 12 to 13 percent with some increases going as high as the 33 to 40 percent range on top-job rates. Mills added: "There was nothing inevitable about this move above the 8 to 10 percent level; nothing in the market situation required it."

REGION-BY-REGION REVIEW

Using recent reports on settlements around the nation, Mills offered a quick cross-country assay of the significant agreements on the West Coast, in the Midwest and in New England:

"In some places, this thing is totally out of hand and it's getting out of hand in other places. You take the UA [Plumbers Union] on the West Coast. At San Jose, Calif., the one-year increase was $1.83 an hour or 15.7 percent based on the old rate of $11.59. For UA Local 38 in San Francisco, it was $2.37, or 19.3 percent, based on a current rate of $12.28. At San Mateo, it was $2.53, or 22.2 percent, from $11.38."

Although it is a small community, an important agreement, according to Mills, because of its leap-frogging implications, was the UA settlement at Salem, Ore. that provided, including welder and other premiums, $3.60 "in one bite, or roughly 40 percent. There's a big nuclear powerhouse construction job that was responsible." The Salem settlement is going to have its effects up and down the Coast and beyond. However, the strike situation on the Coast "is not bad." The problem is that "the settlements are enormous with a lot of strikes yet to come this summer."

In the Midwest, a considerable number of the earlier settlements were in the 8 to 10 percent range. But now there are "strikes in many Midwestern cities and a situation that is ready to get out of hand."

Likewise, in New England, the range of settlements had been in the 8 to 10 percent area. But currently, as in Salem, Ore., the UA has come up with a big one-year increase at New Bedford, Mass. where a nuclear power construction project is causing rates to be bid up. The UA settlement at New Bedford is $1.25, or 13 percent, for the first year. "That and the Salem settlement are the kind of settlements" that will spawn jumbo-type leap-frogging this year and next.

Mills emphasized that some of these very large settlements are going to carry through the industry bargaining structure. "In the process", he said, "the structure of wage rates will be terribly distorted." He noted that the CISC had put a stop to this major leap-frogging. He added: "We could have done it again this year. We could have—and we were—allowing the average [settlement] to rise to compensate for inflation" in the eight to 10 percent area.

At this stage, according to Mills, there probably is little effective action Congress might take. As he put it: "Who cares what they do now? The horse is out of the barn." He added: "If the Congress starts talking controls now, it's going to make the situation even worse." Such talk would only spur the local construction negotiators to higher increases. "If Congress wants to do anything, they've got to stop talking and start acting," Mills said.

FUTURE OF STRUCTURAL CHANGE

However, Mills believes that most of the structural changes in bargaining achieved during the CISC period "will stick" despite the cessation of the Committee's activities. This means that the increased number of geographically-broader bargaining units, the liberalized work rules, and the differential rates for specialized sectors of the industry like homebuilding will continue for the most part. What will be lost, in his estimation, is the considerable degree of wage stability achieved since March 1971, and some of the growing capacity to curb disputes from flaring into strikes. As Mills put it: "There will be many, many more strikes."

Within the Administration and on Capitol Hill, there had been some expectation that the contractors and the unions would establish some kind of dispute settlement machinery to deal with the mushrooming strike threats of the post-controls period. On May 14, Dunlop told Senator Humphrey's Consumer Economics Subcommittee of the Joint Economic Committee that he was "hopeful" that some kind of "voluntary means, not of controls, but some voluntary means . . . of dispute settlement" would be established by the industry's unions and contractors. The prime purpose would be to reduce "the volume of work stoppages." However, an Administrative spokesman indicated June 10 that "nothing" had been accomplished by the parties to date.

In his comments, Mills avoided any game of "who-is-the-villian-of-the-piece." He indicated that the Democratic leadership and the "Administration's supporters" in Congress appeared to have ignored the warnings about the dangers ahead in construction. But he also noted his awareness that congressional leaders reported getting only faint—and sometimes contradictory—signals from the White House on Dunlop's stabilization proposals, including the one for the continuation of construction controls.

CISC PHASE-OUT PLAN

Despite the uncertainty, CISC had anticipated the Congress would go along with some extension of its activities. Recognizing the dangers that an abrupt unleashing would make possible, a number of influential union and contractor officials involved with CISC quietly had indicated their willingness to go along with a transition toward uncontrolled bargaining in 1975. 'A lot of people in industry and the unions were prepared to participate in good spirit in that transitional arrangement," Mills commented.

He said that the CISC plan, assuming the authority to continue operations, had been twofold: First, to permit a reasonable increase in settlement levels "consistent broadly with what's happening in the economy," and second, to prepare for a total phase-out of its operations. To this end, CISC planned to move toward "self-administration," toward turning over more and more matters to the Craft Boards, and toward a reduction in the number of agreements formally reviewed by the Committee.

Mills noted his disappointment that more structural change in bargaining had not been achieved under the 1971–1974 controls. Although there has been progress, he said that both he and Dunlop, his predecessor as CISC chairman, regretted that the rest of the unions and contractors in the industry "had not been able to build on the strong minority sentiment" for significant change in bargaining practices and structures. Despite some improvement, "the current structure in construction is not good enough," Mills declared.

He added: "It's a serious question whether the country can tolerate or survive the current collective bargaining system in construction." He said this structure is "not consistent at all with the national needs for industrial and housing construction." He continued: "I don't see how the country can deal with its problems of general inflation, of increasing capacity, of improving productivity with this particular structure in construction."

The CISC chairman declared that "there is a substantial body" of local union opinion that favors changes that would lead to a less balkanized bargaining structure. But he added: "I'm convinced that it does not constitute a majority sentiment. In some areas, the opposite sentiments are very strong." He particularly mentioned California as a major problem state for those interested in improving the bargaining system in construction.

On what needs to be done to make the construction bargaining system more "tolerable," Mills said: "It would have to be one in which there is much more considerable involvement of national associations and national unions in local bargaining. There also would have to be much more coordination of the activities of the various employer associations and local unions."

WRITING ON A HEARING-ROOM WALL

Meanwhile, the early reports to CISC indicate that Dunlop foreshadowed what might be coming in his May 14 testimony before the Humphrey subcommittee. In response to a question about construction, he said somewhat ruefully: "With the end of controls . . . once you start with one craft getting a little more than somebody else . . . you begin a leap-frogging process that I know only too well."

With the formal expiration of both the CLC and the CISC at midnight June 30, Dunlop will return to the Harvard University faculty. He also will be working with Kenneth Rush, the new White House Counsellor for Economic Policy, on what Rush described as "various special projects . . . one of them, of course . . . in the wage field." Rush said Dunlop, whom he praised as "a very dedicated, patriotic, and extraordinary able citizen," would be spending two or three days a week on the White House projects.

A part-time CISC chairman, Mills will continue in his current portfolio as Associate Professor of Management at MIT's Sloan School of Management. In addition to his CISC job, he has been assisting Dunlop at the CLC.

The tripartite CISC was established by White House executive order in March 1971. It was the first wage stabilization agency of the 1971–1974 period. Its organization followed the 1965–71 period when construction settlements moved in a rocketlike trajectory that took them to the range of 17–20 percent a year. One of the few Administration wage or price stabilizing programs with a broadly-praised record, the CISC also became one of the longest running stabilization agencies in U.S. history.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that morning business be closed for the present.

The PRESIDING OFFICER. Without objection, morning business is concluded.

COMMITTEE ON DISARMAMENT—APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER (Mr. NUNN). The Chair, on behalf of the Vice President, appoints the following Senators to attend the Conference of Committee on Disarmament, to be held in Geneva, Switzerland, beginning on July 2, 1974: the Senator from Rhode Island (Mr. PASTORE), the Senator from Maine (Mr. MUSKIE), and the Senator from Delaware (Mr. ROTH).

ORDER OF BUSINESS

The PRESIDING OFFICER. The Chair would state that the Senator from West Virginia (Mr. ROBERT C. BYRD) has 34 minutes of accumulated time remaining.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum, with the time to be charged against the time of the Senator from West Virginia (Mr. ROBERT C. BYRD).

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The third assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

OBSERVANCE OF A PERIOD TO HONOR AMERICA

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Chair lay before the Senate a message from the House of Representatives on House Concurrent Resolution 537.

The PRESIDING OFFICER laid before the Senate House Concurrence Resolution 537, which was read, as follows:

H. CON. RES. 537

Resolved by the House of Representatives (the Senate concurring), That Congress declares the twenty-one days from Flag Day, June 14, 1974, to Independence Day, July 4, 1974, as a period to honor America, and let there be public gatherings and activities at which the people of the United States can celebrate and honor their country in appropriate manner.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the action previously taken by the Senate on Senate Concurrent Resolution 90, which is a companion measure, be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the pending concurrent resolution.

The concurrent resolution (House Concurrent Resolution 537) was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Senate Concurrent Resolution 90 be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. ROBERT C. BYRD. Mr. President, I yield back the remainder of my time.

I ask unanimous consent that there be a further period for the transaction of routine morning business, with statements therein limited to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is concluded.

SOLAR HEATING AND COOLING DEMONSTRATION ACT OF 1974

Mr. MOSS. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 11864.

The PRESIDING OFFICER laid before the Senate a message from the House of Representatives announcing its disagreement to the amendments of the Senate to the bill (H.R. 11864) to provide for the early commercial demonstration of the technology of solar heating by the National Aeronautics and Space Administration and the Department of Housing and Urban Development, in cooperation with the National Bureau of Standards, the National Science Foundation, the General Services Administration, and other Federal agencies, and for the early development and commercial demonstration of technology for combined solar heating and cooling, and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. MOSS. Mr. President, I move that the Senate insist upon its amendment to the act (H.R. 11864) providing for the early commercial demonstration of the technology of solar heating by the National Aeronautics and Space Administration, and the Department of Housing and Urban Development, in cooperation with the National Bureau of Standards, the National Science Foundation, the General Services Administration, and other Federal agencies, and for the early development and commercial demonstration of technology for combined solar heating and cooling, and agree to the request of the House for a conference on the disagreeing votes of the two Houses thereon, and that the chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to: and the Presiding Officer appointed Mr. Moss, Mr. KENNEDY, Mr. CRANSTON, Mr. TUNNEY, Mr. HASKELL, Mr. GOLDWATER, Mr. DOMINICK, Mr. WEICKER, and Mr. FANNIN conferees on the part of the Senate.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The PRESIDING OFFICER (Mr. NUNN). Under the previous order the Senate will now proceed to the consideration of H.R. 14832, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

The Senate proceeded to consider the bill.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I ask unanimous consent that during Senate consideration of H.R. 14832, the debt limit bill, the following Finance Committee staff members be permitted on the floor: Michael Stern, Robert Willan, Bill Morris, Bill Galvin, Joe Humphreys, Jay Constantine, Jim Mongan, Karen Nelson, Bob Best, Dick Rivers, Mark Sandstrom, Michael Rowny.

I also ask unanimous consent that the following members of the staff of the Joint Committee on Internal Revenue Taxation be permitted on the floor: Dr. Laurence Woodworth, Arthur Fefferman, Bernard Shapiro, Tom White, Mark McConaghy, Mike Bird, Al Buckberg, Mead Emory, Howard Silverstone, Don Ricketts, and Richard Bacon.

This is a long list of names but I would expect that at one time only a small portion of the staff will need to be on the floor. I am asking permission for this many staff members because the amendments that have been proposed to the debt limit bill cover all areas of Finance Committee jurisdiction.

I also ask unanimous consent that Jeff Peterson, of the staff of the Senator from Connecticut (Mr. RIBICOFF), be permitted on the floor during the debate and votes on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. At the end of this month the present limit on the public debt will fall from the combined permanent and temporary level of $475.7 billion to the permanent level of $400 billion. At that time, the public debt is expected to be about $474 billion, given the Treasury Department estimates that its operating cash balance at that time will be $6 billion.

The bill (H.R. 14832) which the Finance Committee has reported to the Senate provides an increase in the temporary debt limit to $495 billion for the period through March 31, 1975. This increase in the debt limit of $19.3 billion is the identical bill that was passed by the House of Representatives by a margin of one vote—a tie breaking vote cast by the Speaker of the House.

When the administration first appeared before Congress about this bill, it requested an increase in the debt limit to $505 billion—or $10 billion more than this bill provides—to carry it past the estimated peak debt requirement on May 31, 1975, and through fiscal year 1975. The request was made for an approximately $30 billion increase in the debt limit that was made up of the estimated $20 billion deficit in the Federal funds budget, $5 billion to meet the peak debt need on May 31, 1975, $3 billion to provide the usual allowance for contingencies, and an additional $3 billion contingency allowance for increasing the availability of mortgage funds for residential construction. The second contingency allowance reflects the administration's latest proposal to stimulate the housing industry which could involve the Federal Home Loan Bank Board in issuing U.S. debt obligations in order to make reserves available to savings institutions that furnish the bulk of the mortgages for housing.

Budget estimates of revenues and expenditures for fiscal year 1975 are the most important factors in determining the size of the increase in the debt limit which is required. The latest estimates show that the administration expects a unified budget deficit of $11.4 billion. This represents receipts of $294 billion and outlays of $304.5 billion. However, it is the size of the Federal funds deficit which really determines the size of the debt limit increase needed. The deficit in this case is much larger—$20 billion—since this budget does not take into account the social security fund surplus. The surplus in the social security and other trust fund accounts is by law invested in special issues of Federal debt.

Because the present outlook is filled with uncertainty as to economic events in the period ahead, the committee concluded that the most prudent fiscal action it can take now, is to recommend an increase in the debt limit which is just enough to carry the administration through the remainder of the calendar year 1974 and enough of 1975 to give the committee and the Congress a chance to examine and act on the public debt limit again early next year. March 31, 1975, is a reasonably early target next year, and the $495 billion debt limit which the committee recommends probably will see the Treasury Department through until that time if there is an economical management of our fiscal affairs in the intervening period. If in the meantime it should be determined that this is not enough to last that long, since Congress will return during the first week of January 1975, there will be ample opportunity for early action on the debt limit early next year if that becomes necessary. In testimony before the committee, the Under Secretary of the Treasury and the Director of the Office of Management and Budget indicated that they would be pleased to have the $495 billion limit enacted at this time although they initially asked for $10 billion more in the limit.

Those Members who may be thinking of providing a smaller increase in the debt limit should be warned that there are dangers in such a step.

The economy presently is in a most uncertain position. On the one hand, the level of real output as measured by gross national product fell last quarter by 6.3 percent—in seasonally adjusted annual rates—from the level of the last quarter of 1973. Normally, a decline in output causes a decrease in receipts and an increase in those categories of budget outlays that are associated with higher unemployment and related forms of personal economic distress.

On the other hand, prices are rising at historically high rates. The report on the economy's performance in the first quarter shows prices increased at an annual rate of 11.5 percent. Rising prices usually result in higher levels of receipts and higher expenditures.

These conflicting factors make it difficult to make a confident economic or budget forecast about how these economic crosscurrents will work out during the next 9 or 10 months. Too much interaction of these opposing forces could create even more economic turbulence than we have experienced recently.

The increase in the debt limit that is made available in this bill is based on cautious projections of our economic performance over the next 9 or 10 months.

Only a tight margin has been made available. This increase in the public debt limit is stringent, and makes no provision for unbudgeted spending, but, at the same time, provides a sufficient margin for reasonable management of the public debt through the first quarter of 1975. Any effort to slice this margin any thinner runs the risk of fiscal danger.

Although the current economic outlook is not good, I believe it is desirable for the Senators to recognize that our position today, in terms of debt, in real terms is better than it has been in the past.

The burden of the debt in real terms has been falling since the end of World War II. If the debt is expressed in per capita terms, and adjusted for price level changes, the real per capita debt has fallen rather steadily from its highest level of $5,052 in 1945 to $2,293, as of December 1973. If we measure the debt held in private hands, that is, excluding the debt held in the accounts of Government agencies and the Federal Reserve, the same pattern can be observed. Real per capita private holdings of Federal debt have fallen from $4,123 in 1945 to $1,279 at the end of 1973.

Similarly, the debt was 16.5 percent of gross national product in 1929. By 1932, it rose to 34.2 percent and reached a peak of 116.4 percent in 1945. Since then, the ratio has fallen quite steadily until it is down to 21 percent of gross national product in 1973. This is the lowest percentage level since 1929.

I point out these statistics to show that although the present outlook is grim enough, it is far from desperate if the people in this country continue to be hard working and productive. Certainly a continuation of these characteristics is vital in the effort to restore this country to the high rate of economic progress we have known in the past years.

With this perspective before the Senate, I believe that we should provide the increase in the public debt limit required, but in the meanwhile do our best to restore stable economic growth in the near future.

The committee's attention was called to another aspect of the Federal debt situation—that is, the ability of modest savers to buy Federal bonds.

In recent years, the Treasury Department has increased the minimum denomination of its bill and notes substantially above their previous level of $1,000. There is a minimum purchase requirement of $10,000 for Treasury bills, or short-term debt of under 1-year maturity.

This step was taken in recognition of what the money market has been buying and the higher cost to the Treasury of issuing smaller bills. Recently, the Treasury Department also issued its first notes, which are debt with maturities between 1 and 7 years, in minimum denominations of $5,000. Bonds still are issued in denominations as low as $1,000.

The committee believes that the present failure to issue smaller denominations in these debt obligations works to the disadvantage of persons with modest savings. These people pay high interest rates when they borrow money but in practice are foreclosed from buying anything but long term obligations if the shorter term debt is issued only in large denominations. In view of the unfairness of this to the individual saver of modest means, the committee has requested that in the future the Treasury Department make available issues of notes and bonds in denominations of $1,000, unless it is convinced that this will result in a serious dislocation for the various institutions representing the savings market. Representatives of the Treasury Department have given their assurances that they will follow the desires of the committee in this respect.

Mr. President, I asked in the course of the hearings on this measure that there be a number of charts prepared to show where we stand in the broad, general perspective, taking into account a great number of factors.

That is necessary because unless we are careful in this area we tend to look at the hole in the doughnut rather than at the doughnut itself.

I have prepared a chart with the help of the Treasury which indicates the growth of our gross national product and relates it to the population of this Nation which, of course, has been expanding as far back as our records go.

It is impressive, Mr. President, to note that when you take everything into account, this Nation has been doing a lot better than some people realize. For example, when one discounts for inflation by stating the purchasing power of our money in constant terms, we are able to see whether we had real economic growth or only imaginary economic growth.

It is impressive to note, for example, that in 1973, even after inflation and the increase in population are taken into account, we had real economic growth of 5.1 percent over the year before.

Now, that is something everybody in this country should be very happy about, I would think. It is also a matter of some solace to note that the same thing was true in 1972. The year 1970, after considering inflation and population growth, is the only year since 1960 when the economy failed to grow.

I would suggest, Mr. President, that Senators might find it useful to study this chart which, in my judgment, indicates that on the whole we have been doing rather well in this country.

Now, another thing one should consider is the difference between Government debt and private debt. In the last analysis, the Nation is no worse off if an increase in the national debt is simply due to additional money the Federal Government owes the Federal Government.

It is somewhat like a man having borrowed $10,000 at the bank which he puts in his checking account. He is $10,000 wealthier in one account and he is $10,000 poorer in the other account, but when you consider his overall picture he is no worse off than he was before.

So taking those items into account, one finds that things are better than some might think.

The charts in the record of the hearings and in the committee report contain information demonstrating that point.

I ask first that the chart to which I have referred be brought forward to include a final column showing the percentage increase in per capita gross national product, and I ask unanimous consent that it be printed in the Record at this point.

There being no objection, the chart was ordered to be printed in the Record, as follows:

CHANGES IN PER CAPITA REAL GROSS NATIONAL PRODUCT (1929–73)

Year	Gross national product (billions of 1958 dollars)	GNP per capita (constant 1958 dollars)[1]	GNP per capita, change from year ago (Constant 1958 dollars)	GNP per capita, change from year ago Percent
1929	$203.6	$1,672		
1930	183.5	1,490	−$182	−10.9
1931	169.3	1,364	−126	−8.5
1932	144.2	1,154	−210	−15.4
1933	141.5	1,126	−28	−2.4
1934	154.3	1,220	+94	8.3
1935	169.5	1,331	+111	9.1
1936	193.0	1,506	+175	13.1
1937	203.2	1,576	+70	4.6
1938	192.9	1,484	−91	−5.8
1939	209.4	1,589	+114	7.1
1940	227.2	1,714	+115	7.9
1941	263.7	1,969	+256	14.9
1942	297.8	2,200	+231	11.7
1943	337.1	2,456	+256	11.6
1944	361.3	2,601	+148	5.9
1945	355.2	2,529	−72	−2.8
1946	312.6	2,202	−326	−12.9
1947	309.9	2,142	−61	−2.7
1948	323.7	2,199	+57	2.7
1949	324.1	2,164	−35	−1.6
1950	355.3	2,333	+170	7.8
1951	383.4	2,476	+142	6.1
1952	395.1	2,508	+32	1.3
1953	412.8	2,577	+69	2.8
1954	407.0	2,497	−81	−3.1
1955	438.0	2,640	+143	5.17
1956	446.1	2,641	+2	
1957	452.5	2,631	−10	−.4
1958	447.3	2,558	−73	−2.8
1959	474.9	2,676	+118	4.6
1960	487.7	2,699	+23	.8
1961	497.2	2,707	+7	.3
1962	529.8	2,840	+133	4.9
1963	551.0	2,912	+71	2.5
1964	581.1	3,028	+117	4.0
1965	617.8	3,180	+151	5.0
1966	658.1	5,348	+169	5.3
1967	675.2	3,398	+50	1.5
1968	706.6	3,521	+123	3.6
1969	725.6	3,580	+60	1.7
1970	722.5	3,526	−54	−1.5
1971	745.4	3,600	+74	2.1
1972	790.7	3,786	+186	5.2
1973	837.4	3,980	+194	5.1

[1] Real gross national product divided by population of the United States for July 1 of each year. Population figure includes Armed Forces overseas beginning 1940 and Alaska and Hawaii beginning 1940.

Mr. LONG. Then, Mr. President, to help students of this subject see the overall picture, rather than merely a small portion of it, I believe it would be well that the other tables that appear in the committee report, tables 1 through 15, be printed in the Record, and I ask unanimous consent that they so appear.

There being no objection, the tables were ordered to be printed in the Record, as follows:

Fiscal year	Statutory debt limitation: Permanent	Statutory debt limitation: Temporary additional	Statutory debt limitation: Total
1947–54	275		275.0
1955 through Aug. 27	275		275.0
1955: Aug. 28 through June 30	275	6.0	281.0
1956	275	6.0	281.0
1957	275	3.0	278.0
1958 through Feb. 25	275		275.0
1958: Feb. 26 through June 30	275	5.0	280.0
1959 through Sept. 1	275	5.0	280.0
1959: Sept 2 through June 29	283	5.0	288.0
1959: June 30	285	5.0	290.0
1960	285	10.0	295.0
1961	285	8.0	293.0
1962 through Mar. 12	285	13.0	298.0
1962: Mar. 13 through June 30	285	15.0	300.0
1963 through Mar. 31	285	23.0	308.0
1963: Apr. 1 through May 28	285	20.0	305.0
1963: May 29 through June 30	285	22.0	307.0
1964 through Nov. 30	285	24.0	309.0
1964: Dec. 1 through June 28	285	30.0	315.0

TABLE 1.—STATUTORY DEBT LIMITATIONS, FISCAL YEARS 1974 TO DATE, AND A PROPOSED LIMITATION IN FISCAL YEAR 1975

[In billions of dollars]

Fiscal year	Statutory debt limitation: Permanent	Statutory debt limitation: Temporary additional	Statutory debt limitation: Total
1964: June 29 and 30	285	39.0	324.0
1965	285	39.0	324.0
1966	285	43.0	328.0
1967 through Mar. 1	285	45.0	330.0
1967: Mar. 2 through June 30	285	51.0	336.0
1968[1]	358		358.0
1969 through Apr. 6[1]	358	7.0	365.0
1969 after Apr. 6[1]	358		358.0
1970 through June 30[1]	365	12.0	377.0
1971 through June 30[1]	380	15.0	395.0
1972 through June 30[1]	400	50.0	450.0
1972 through Oct. 31[1]	400	50.0	450.0
1973 through June 30[1]	400	65.0	465.0
1973 through Nov. 30[1]	400	65.0	465.0
1974 through June 30[1]	400	75.7	475.7
Proposed:			
From June 30, 1974, through Mar. 31, 1975[1]	400	95.0	495.0
After Mar. 31, 1975[1]	400		400.0

[1] Includes FNMA participation certificates issued in fiscal year 1968.

TABLE 2.—BUDGET TOTALS, BY FUND GROUP

[Fiscal years; in billions of dollars]

	1973 actual	Budget estimate 1974	Budget estimate 1975	Current estimate 1974	Current estimate 1975
Receipts:					
Federal	161.4	185.6	202.8	181.8	201.4
Trust funds	92.2	105.6	115.8	105.3	116.8
Interfund transactions	−21.3	−21.1	−23.6	−21.1	−24.2
Total	232.2	270.0	295.0	266.0	294.0
Outlays:					
Federal funds	186.4	203.7	220.6	199.5	221.3
Trust funds	81.4	92.1	107.4	91.2	108.3
Interfund transactions	−21.3	−21.1	−23.6	−21.1	−24.2
Total	246.5	274.7	304.4	269.5	305.4
Surplus or deficit (−):					
Federal funds	−25.0	−18.1	−17.9	−17.7	−19.9
Trust funds	10.7	13.5	8.4	14.1	8.5
Total	−14.3	−4.7	−9.4	−3.5	−11.4

Note: Details may not add to totals due to rounding.

TABLE 3.—COMPARISON OF FISCAL YEAR 1974 RECEIPTS BY MAJOR SOURCE, AS ESTIMATED IN JANUARY AND MAY 1974

[In billions of dollars]

	February 1974 budget	Change to May 1974: Economic and reestimate	Change to May 1974: Legislation	Change to May 1974: Total	May 1974 estimate
Individual income tax	118.0				118.0
Corporation income tax	43.0	−2.3	−1.0	−3.3	39.7
Employment taxes and contributions	67.7	−1.2		−1.2	66.4
Unemployment insurance	6.2	+.7		+.7	6.9
Contributions for other insurance and retirement	4.0				4.0
Excise taxes	17.1	+.1		+.1	17.2
Estate and gift taxes	5.4	−.3		−.3	5.1
Customs duties	3.5	−.1		−.1	3.4
Miscellaneous receipts	5.0	+.3	−.02	+.1	5.2
Total budget receipts	270.0	−2.8	+1.2	−4.0	266.0
Underlying income assumptions calendar year 1973:					
Gross national product	1,288.0				1,289.0
Personal income	1,035.0				1,035.0
Corporate profits before tax	126.0				126.0

Note: Figures are rounded and may not necessarily add to totals.

TABLE 4.—COMPARISON OF FISCAL YEARS 1975 RECEIPTS BY MAJOR SOURCE, AS ESTIMATED IN JANUARY AND MAY 1974

[In billions of dollars]

	February 1974 budget	Change to May 1974 estimate: Economic and reestimate	Change to May 1974 estimate: Legislation	Change to May 1974 estimate: Total	May 1974 estimate
Individual income tax	129.0	+1.5	+0.5	+2.0	131.0
Corporation income tax	48.0	−1.8	−1.7	−3.5	44.5
Employment taxes and contributions	75.3	−.2		−.2	75.1
Unemployment insurance	6.0	+.1		+.6	6.6
Contributions for other insurance and retirement	4.3	+.1		+.1	4.4
Excise taxes	17.4	−.1		−.1	17.3
Estate and gift taxes	6.0	−.4		−.4	5.6
Customs duties	3.8	−.1		−.1	3.7
Miscellaneous receipts	5.2	+.4	+.2	+.6	5.8
Total budget receipts	295.0		−1.0	−1.0	294.0
Underlying income assumptions calendar year 1974:					
Gross national product	1,390.0				1,041.0
Personal income	1,135.0				1,142.0
Corporate profits before tax	124.0				134.0

Note: Figures are rounded and may not necessarily add to totals.

TABLE 5.—CHANGES IN BUDGET OUTLAYS BY AGENCY

[Fiscal years; in billions of dollars]

	1973 actual	1974: Budget estimate	1974: Current estimate	1974: Change	1975: Budget estimate	1975: Current estimate	1975: Change
Defense and military assistance	73.8	79.5	78.5	−1.0	85.8	85.8	
Agriculture	10.0	9.3	9.8	.5	9.2	8.9	−0.3
CCC and Public Law 480	(4.4)	(1.8)	(1.7)	(−.1)	(1.5)	(1.5)	(1)
Commerce	1.4	1.5	1.4	−.1	1.7	1.7	(1)
Health, Education, and Welfare	82.0	96.8	93.8	−3.0	111.0	111.0	
(Social security trust funds)	(58.6)	(68.4)	(67.5)	(−.9)	(79.3)	(79.3)	
Housing and Urban Development	3.6	5.0	4.9	−.1	5.6	6.1	.5
Interior	−2.3	−3.8	−4.8	−1.0	−2.7	−5.5	−2.8
Justice	1.5	1.9	1.8	−.1	2.1	2.1	(1)
Labor	8.6	8.6	8.9	.3	10.0	11.6	1.6
(Unemployment trust fund)	(5.4)	(5.8)	(6.2)	(.3)	(7.2)	(8.0)	(.8)
State	.6	.7	.7	*	.8	.8	
Transportation	8.2	8.4	8.2	−.3	9.1	9.3	.3
Treasury	31.0	35.8	36.1	0.3	37.6	38.7	1.0
(General revenue sharing)	(6.6)	(6.1)	(6.1)		(6.2)	(6.2)	
(Interest on the public debt)	(24.2)	(29.1)	(29.4)	(.2)	(30.5)	(31.5)	(1.0)
Corps of Engineers	1.7	1.6	1.7	.1	1.6	1.7	.1
Atomic Energy Commission	2.4	2.3	2.3	−.1	2.9	3.0	.1
Environmental Protection Agency	1.1	2.6	2.4	−.2	4.0	4.1	.1
General Services Administration	.5	−.3	−.2	.1	−.9	−.8	(1)
National Aeronautics and Space Administration	3.3	3.2	3.2		3.3	3.3	
Veterans' Administration	12.0	13.2	13.5	.2	13.6	14.2	.6
Foreign economic assistance	1.7	2.2	2.2	(*)	2.4	2.7	.3
Other independent agencies	13.8	15.7	15.2	−.5	16.5	16.9	.3
Allowances[2]		.3		−.3	1.6	.9	−.7
Undistributed intergovernmental transactions	−8.4	−10.0	−10.0		−10.7	−10.9	−.2
Total	246.5	274.7	269.5	−5.1	304.4	[3] 305.4	1.0

[1] Less than $50,000,000.

[2] Includes allowances for acceleration of energy research and development, civilian agency pay raises, and contingencies.

[3] In his housing policy recommendations of May 10, the President announced a 4-point plan to make additional mortgage money available to assist the housing market. If interest rates remain high, mortgage commitments under this plan could cause outlays in 1975 to get up to $3,000,000,000 higher.

Note: Detail may not add to totals due to rounding.

TABLE 6.– PUBLIC DEBT SUBJECT TO LIMITATION, FISCAL YEAR 1975—BASED ON ESTIMATED BUDGET OUTLAYS OF $305,400,000,000 AND RECEIPTS OF $294,000,000,000

[In billions of dollars]

	Operating cash balance	Public debt subject to limitation	With usual $3,000,000,000 margin for contingencies	With allowance for contingency of $3,000,000,000 Federal Home Loan Bank borrowing[1]
1974:				
May 31	6	475.6		
June 30	6	474.0	477	477
July 31	6	478.0	481	481
Aug. 31	6	484.0	487	490
Sept 30	6	480.0	483	486
Oct. 31	6	482.0	485	488
Nov. 30	6	486.0	489	492
Dec. 31	6	488.0	491	494
1975:				
Jan. 31	6	486.0	489	492
Feb. 28	6	492.0	495	498
Mar. 31	6	495.0	498	501
Apr. 30	6	492.0	495	498
May 31	6	499.0	502	505
June 30	6	494.0	497	500

[1] Announced in housing policy statement by President on May 10, 1974; not included in outlay assumption of $305,400,000,000.

TABLE 7.—*Explanation of administration request for $29.3 billion increase in public debt limit*

[In billions]

Peak debt, May 31, 1975	$505.0
Debt outstanding, June 30, 1974	474.0
Difference	31.0
Request for increase in debt limit	29.3

Reconciliation:

Federal funds deficit, fiscal year 1975	20.0
Margin for contingencies:	
Restoration of usual margin	3.0
Additional margin for housing stimulus from Federal Home Loan Bank Board	3.0
Total	6.0
Peak debt requirement—difference between debt on May 31, 1975 ($505 billion), and June 30, 1975 ($500 billion)	5.0
	31.0
Less difference between June 30, 1974, estimated outstanding debt and debt limit that date	1.7
Grand total	29.2

TABLE 8.—ESTIMATED GROSS GOVERNMENT AND PRIVATE DEBT, BY MAJOR CATEGORIES

[Dollar amounts in billions]

Dec. 31	Private			State and local	Federal			Total	Federal as a percent of total
	Individual	Corporate[1]	Total		Public	Agency	Total		
1929	$72.9	$107.0	$179.9	$17.8	$16.3	$1.2	$17.5	$215.2	8
1932	57.1	96.1	153.2	19.7	20.8	1.2	22.0	194.9	11
1933	51.0	92.4	143.4	19.5	23.8	1.5	25.3	188.2	13
1934	49.8	90.6	140.4	19.2	28.5	4.8	33.3	192.9	17
1939	50.8	86.8	137.6	20.1	41.9	6.9	48.8	206.5	24
1940	53.0	89.0	142.0	20.2	45.0	7.2	52.2	214.4	24
1941	55.6	97.5	153.1	20.0	57.9	7.7	65.6	238.7	27
1945	54.7	99.5	154.2	16.0	278.1	1.5	279.6	449.8	6
1946	59.9	109.3	169.2	16.1	259.1	1.6	260.7	446.0	5[illegible]
1947	69.4	128.9	198.3	17.5	256.9	.7	257.6	473.4	5[illegible]
1948	80.6	139.4	220.0	19.6	252.8	1.0	253.8	493.4	5
1949	90.4	140.3	230.7	22.2	257.1	.8	257.9	510.8	5
1950	104.3	167.7	272.0	25.3	256.7	1.1	257.8	555.1	4
1951	114.3	191.9	306.2	28.0	259.4	.8	260.2	594.4	4
1952	129.4	202.9	332.3	31.0	267.4	.9	268.3	631.6	4
1953	143.2	212.9	356.1	35.0	275.2	.8	276.0	667.1	4
1954	157.2	217.6	374.8	40.2	278.8	.7	279.5	694.5	4[illegible]
1955	180.1	253.9	434.9	46.3	280.8	1.4	282.2	763.4	3[illegible]
									7
1956	195.5	277.3	472.8	50.1	276.6	1.7	278.3	801.2	35
1957	207.6	295.8	503.4	54.7	274.9	3.2	278.1	836.2	33
1958	222.9	312.0	534.9	60.4	282.9	2.4	285.3	380.6	32
1959	245.0	341.4	586.4	66.6	290.8	5.7	296.5	949.5	31
1960	263.3	365.1	628.4	72.0	290.2	6.4	296.6	997.0	30
1961	284.8	391.5	676.3	77.6	296.2	6.8	303.0	1,056.9	29
1962	311.9	421.5	733.4	83.4	303.5	7.8	311.3	1,128.1	28
1963	345.8	457.1	802.2	89.5	309.3	8.1	317.4	1,209.1	26
1964	380.1	497.3	877.4	95.5	317.9	9.1	327.0	1,299.0	25
1965	415.7	551.9	967.6	103.1	320.9	9.8	330.7	1,401.4	24
1966	444.2	617.4	1,061.6	109.4	329.3	14.0	343.3	1,514.3	23
1967	476.2	672.9	1,149.1	117.9	344.7	20.1	364.9	1,631.9	22
1968	513.9	757.6	1,271.5	128.4	373.1	21.4	394.5	1,794.4	22
1969	548.7	882.1	1,430.8	137.9	382.0	30.6	412.6	1,981.3	21
1970	586.3	959.0	1,545.5	149.3	401.6	38.8	440.4	2,135.0	21
1971	648.3	1,045.0	1,693.3	166.3	435.2	39.9	475.1	2,334.6	20
1972	734.4	1,176.1	1,910.5	178.6	461.1	41.4	502.5	2,591.5	19
1973	821.3	1,335.6	2,156.9	187.4	481.5	59.8	541.3	2,885.6	19

[1] Includes debt of federally-sponsored agencies excluded from the Budget which amounted to $700,000,000 on Dec. 31, 1947; $30,600,000,000 on Dec. 31, 1969; $38,800,000,000 on Dec. 31, 1970; $39,900,000,000 on Dec. 31, 1971; and $41,400,000,000 on Dec. 31, 1972; and $59,800,000,000 on Dec. 31, 1973.

Source: Commerce and Treasury Departments.

TABLE 9.—ESTIMATED GROSS GOVERNMENT AND PRIVATE DEBT 1929 TO PRESENT

End of calendar year	Government debt						Private debt				Total Government and private debt	
	Amounts outstanding (billions)			Per capita[2]			Amounts outstanding (billions)		Per capita[2]			
	Federal[1]	State and local	Total	Federal	State and local	Total	Corporate business[3]	Individual and non-corporate business	Corporate business	Individual and non-corporate business	Amount outstanding (billions)	Per capita
1929	$17.5	$17.8	$35.3	$143	$145	$288	$107.0	$72.9	$874	$595	$215.2	$1,757
1932	22.0	19.7	41.7	176	157	333	96.1	57.1	767	456	194.9	1,555
1933	25.3	19.5	44.8	201	155	355	92.4	51.0	733	404	188.2	1,493
1934	33.0	19.2	52.2	260	151	411	90.6	49.8	714	392	192.9	1,520
1939	48.8	20.1	68.9	371	153	524	86.8	50.8	660	386	206.5	1,569
1940	52.2	20.2	72.4	393	152	545	89.0	53.0	670	399	214.4	1,615
1941	65.6	20.0	85.6	489	149	638	97.5	55.6	727	414	238.7	1,779
1945	279.6	16.0	295.6	1,987	114	2,101	99.5	54.7	707	389	449.8	3,197
1946	260.7	16.1	276.8	1,825	113	1,938	109.3	59.9	765	419	446.0	3,123
1947	257.6	17.5	275.1	1,771	120	1,891	128.9	69.4	886	477	473.4	3,254
1948	253.8	19.6	273.4	1,715	132	1,847	139.4	80.6	942	545	493.4	3,334
1949	257.9	22.2	280.1	1,713	147	1,860	140.3	90.4	932	600	510.8	3,393
1950	257.8	25.3	283.1	1,685	165	1,850	167.7	104.3	1,096	682	555.1	3,627
1951	260.2	28.0	288.2	1,671	180	1,851	191.9	114.3	1,232	734	594.4	3,817
1952	268.3	31.0	299.3	1,694	196	1,890	202.9	129.4	1,281	817	631.6	3,988
1953	276.0	35.0	311.0	1,714	217	1,931	212.9	143.2	1,322	889	667.1	4,142
1954	279.5	40.2	319.7	1,705	245	1,950	217.6	157.2	1,327	959	694.5	4,236
1955	282.2	46.3	328.5	1,691	276	1,961	253.9	180.1	1,522	1,079	762.5	4,552
1956	278.3	50.1	328.4	1,638	294	1,925	277.3	195.5	1,632	1,151	801.2	4,696
1957	278.1	54.7	332.8	1,609	315	1,918	295.8	207.6	1,712	1,201	836.2	4,820
1958	285.3	60.4	345.7	1,624	342	1,960	312.0	222.9	1,776	1,269	880.6	4,992
1959	296.5	66.6	363.1	1,653	371	2,024	341.4	245.0	1,903	1,366	949.5	5,293
1960	296.6	72.0	368.6	1,627	395	2,022	365.1	263.3	2,002	1,444	997.0	5,469
1961	303.0	77.6	380.6	1,635	419	2,054	391.5	284.8	2,112	1,537	1,056.9	5,704

	Government debt						Private debt				Total Government and private debt	
	Amounts outstanding (billions)			Per capita[2]			Amounts outstanding (billions)		Per capita[2]			
End of calendar year	Federal[1]	State and local	Total	Federal	State and local	Total	Corporate business[3]	Individual and noncorporate business	Corporate business	Individual and noncorporate business	Amount outstanding (billions)	Per capita
962	$311.3	$83.4	$394.7	$1,654	$443	$2,097	$421.5	$311.9	$2,240	$1,658	$1,128.1	$5,994
1963	317.4	89.5	406.9	1,663	469	2,131	457.1	345.8	2,395	1,812	1,209.8	6,337
1964	327.0	95.5	422.5	1,690	494	2,183	497.3	380.1	2,570	1,965	1,299.9	6,718
1965	330.7	103.1	433.8	1,688	526	2,214	551.9	415.7	2,818	2,124	1,401.8	7,156
1966	343.3	190.4	452.7	1,736	553	2,290	617.4	444.2	3,123	2,247	1,514.3	7,660
1967	364.9	117.9	482.8	1,827	590	2,417.	672.9	476.2	3,370	2,385	1,631.9	8,172
1968	373.1	128.4	501.5	1,850	637	2,487	757.6	513.9	3,862	2,548	1,794.4	8,896
1969	382.0	137.9	519.9	1,875	673.	2,547	882.1	548.7	4,478	2,691	1,981.3	9,719
1970	410.6	149.3	550.9	1,950	724	2,673	959.0	586.3	4,820	2,796	2,135.0	10,289
1971	435.2	166.3	601.5	2,091	804	2,895	1,045.0	648.3	5,155	3,032	2,334.6	11,083
1972	461.1	178.6	639.7	2,200	862	3,062	1,176.1	734.4	5,663	3,410	2,591.5	12,135
1973	481.5	187.4	668.9	2,293	892	3,185	1,335.6	821.3	6,360	3,911	2,885.6	13,741

[1] Total Federal securities, including public debt and Budget agency securities.

[2] Debt divided by the population of the conterminous United States and including armed forces overseas. Alaska is included, beginning 1959; and Hawaii, beginning in 1960.

[3] Includes debt of federally-sponsored agencies excluded from the budget.

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

Note: Details may not add to totals because of rounding.

TABLE 10.—GROSS GOVERNMENT AND PRIVATE DEBT RELATED TO GROSS NATIONAL PRODUCT

		Ratios of debt to gross national product (percent)				
End of calendar year	Gross national product[1] (billions)	Federal	State and local	Corporate	Individual and noncorporate	Total
1929	$96.7	18.1	18.4	110.7	75.4	222.5
1932	56.8	38.7	34.7	169.2	100.5	343.1
1933	60.3	42.0	32.3	153.2	84.6	312.1
1934	68.6	48.1	28.0	132.1	72.6	280.8
1939	94.8	51.5	21.2	91.6	53.6	217.8
1940	107.6	48.5	18.8	82.7	49.3	199.3
1941	138.8	47.3	14.4	70.2	40.1	172.0
1945	196.0	142.6	8.2	50.8	27.9	229.5
1946	221.4	117.8	7.3	49.4	27.1	201.4
1947	245.0	105.1	7.1	52.6	28.3	193.2
1948	261.2	97.2	7.5	53.4	30.9	188.9
1949	260.5	99.0	8.5	53.9	34.7	196.1
1950	311.2	82.8	8.1	53.9	33.5	178.4
1951	338.2	76.9	8.3	56.7	33.8	175.8
1952	361.0	74.3	8.6	56.2	35.8	175.5
1953	360.8	76.5	9.7	59.0	39.7	148.9
1954	379.8	73.6	10.6	57.3	41.4	182.9
1955	409.7	68.9	11.3	62.0	44.0	185.9
1956	$433.2	64.2	11.6	64.0	45.1	184.9
1957	438.1	63.5	12.5	67.5	47.4	190.8
1958	469.2	60.8	12.9	66.5	47.5	187.6
1959	496.8	59.7	13.4	68.7	49.3	190.8
1960	503.4	58.9	14.3	72.5	52.3	197.7
1961	542.8	55.8	14.3	72.1	52.5	194.7
1962	574.7	54.2	14.5	73.3	54.3	196.6
1963	611.8	51.9	14.6	74.7	56.5	197.9
1964	654.0	50.0	14.6	76.0	58.1	199.1
1965	719.2	46.0	14.3	76.7	57.8	194.9
1966	772.6	44.4	14.2	79.9	57.5	196.0
1967	825.0	44.2	14.3	81.5	57.7	197.8
1968	898.6	41.5	14.3	86.7	57.2	199.7
1969	953.7	40.1	14.4	95.7	57.5	207.7
1970	1,009.5	39.9	14.8	98.6	57.2	210.6
1971	1,098.4	39.8	15.3	98.1	57.7	210.9
1972	1,220.8	37.8	14.8	97.2	58.6	208.4
1973	1,290.0	37.3	14.5	108.2	63.7	223.7

[1] Implied level end of year, calculated as the average of the 4th and 1st calendar quarters at seasonally adjusted annual rates for the years 1939 through present. Prior to 1939, averages of 2 calendar year figures are used as the best approximation of Dec. 31 levels.

Note: Details may not add to totals because of rounding.

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

TABLE 11.—ESTIMATED NET GOVERNMENT AND PRIVATE DEBT, BY MAJOR CATEGORIES

[Dollar amounts in billions]

	Private						
Dec. 31	Individual	Corporate[1]	Total	State and local	Federal	Total	Federal as a percent of total
1916	$36.3	$40.2	$76.2	$4.5	$1.2	$82.2	1
1919	43.9	53.3	97.2	5.5	25.6	128.3	20
1929	72.9	88.9	161.8	13.6	16.5	191.9	9
1932	57.1	80.0	137.1	16.6	21.3	175.0	12
1933	51.0	76.9	127.9	16.3	24.3	168.5	14
1934	49.8	75.5	125.3	15.9	30.4	171.6	18
1939	50.8	73.5	124.3	16.4	42.6	183.3	23
1940	53.0	75.6	128.6	16.4	44.8	189.8	24
1941	55.6	83.4	139.0	16.1	56.3	211.4	27
1945	54.7	85.3	140.0	13.4	252.5	405.9	62
1946	59.9	93.5	153.4	13.7	229.5	396.6	58
1947	69.4	109.6	179.0	15.0	221.7	415.7	53
1948	80.6	118.4	199.0	17.0	215.3	431.3	50
1949	90.4	118.7	209.1	19.1	217.6	445.8	49
1950	104.3	142.8	247.1	21.7	217.4	486.2	45
1951	114.3	163.8	278.1	24.2	216.9	519.2	42
1952	129.4	172.3	301.7	27.0	221.5	550.2	40
1953	143.2	180.9	324.1	30.7	226.8	581.6	39
1954	157.2	184.1	341.3	35.5	229.1	605.9	38
1955	180.1	215.0	395.1	41.1	229.6	665.8	35
1956	195.5	234.1	429.6	44.5	224.3	698.4	32
1957	207.6	249.1	456.7	48.6	223.0	728.3	31
1958	222.9	262.0	484.9	53.7	231.0	769.6	30
1959	245.0	287.0	532.0	59.6	241.4	833.0	29
1960	263.3	306.3	569.6	64.9	239.8	874.2	27
1961	284.8	328.3	613.1	70.5	246.7	930.3	27
1962	311.9	353.5	665.4	77.0	253.6	996.0	25
1963	345.8	383.6	729.5	83.9	257.5	1,070.9	24
1964	380.1	417.1	797.2	90.4	264.0	1,151.6	23
1965	415.7	463.2	878.9	98.3	266.4	1,243.6	21
1966	444.2	517.8	962.0	104.8	271.8	1,338.6	20
1967	476.2	562.7	1,038.9	113.4	286.5	1,438.8	20
1968	513.9	652.9	1,166.8	123.9	291.9	1,582.5	18
1969	548.7	764.8	1,313.5	133.3	289.3	1,736.0	17
1970	586.3	836.5	1,422.8	145.0	301.1	1,868.9	16
1971	648.3	909.2	1,557.5	162.4	325.9	2,045.8	16
1972	734.4	1,019.7	1,759.1	175.0	341.2	2,270.2	15
1973	821.3	1,170.9	1,992.2	184.5	349.1	2,525.8	14

[1] Includes debt of privately owned, federally-sponsored agencies excluded from the Budget which amounted to $700,000,000 on Dec. 31, 1947; $30,600,000,000 on Dec. 31, 1969; $38,800,000,000, on Dec. 31, 1970; $39,900,000,000 on Dec. 31, 1971; $41,400,000,000 on Dec. 31, 1972; and $59,800,000,000 on Dec. 31, 1973.

Source: Commerce and Treasury Departments.

TABLE 12.—ESTIMATED NET GOVERNMENT AND PRIVATE DEBT, 1916 TO PRESENT

	Government debt						Private debt				Total Government and private debt	
	Amounts outstanding (billions)			Per capita[2]			Amounts outstanding (billions)		Per capita[2]			
End of calendar year	Federal[1]	State and local	Total	Federal	State and local	Total	Corporate business[3]	Individual and noncorporate business	Corporate business	Individual and noncorporate business	Amount outstanding (billions)	Per capita
1916	$1.2	$4.5	$5.7	$12	$44	$56	$40.2	$36.3	$391	$353	$82.2	$80
1929	16.5	13.6	30.1	135	111	246	88.9	72.9	726	595	191.9	1,567
1932	21.3	16.6	37.9	170	132	302	80.0	57.1	638	456	175.0	1,396
1933	24.3	16.3	40.6	193	129	322	76.9	51.0	610	404	168.5	1,336
1934	30.4	55.9	46.3	240	125	365	75.5	49.8	595	392	171.6	1,352
1939	42.6	16.4	59.0	324	125	448	73.5	50.8	559	386	183.3	1,393
1940	44.8	16.4	61.2	337	123	461	75.6	53.0	569	399	189.8	1,429
1941	56.3	16.1	72.4	420	120	540	83.4	55.6	6[illegible]2	414	211.4	1,576
1945	252.5	13.4	265.9	1,795	95	1,890	85.3	54.7	606	389	405.9	2,885
1946	229.5	13.7	243.2	1,607	96	1,703	93.5	59.9	655	419	396.6	2,777
1947	221.7	15.0	236.7	1,524	103	1,627	109.6	69.4	753	477	415.7	2,858
1948	215.3	17.0	232.3	1,455	115	1,570	118.4	80.6	800	545	431.3	2,914
1949	217.6	19.1	236.7	1,445	127	1,572	118.7	90.4	788	600	445.8	2,961
1950	217.4	21.7	239.1	1,421	142	1,562	142.8	104.3	933	682	486.2	3,177
1951	216.9	24.2	241.1	1,393	155	1,548	163.8	114.3	1,052	734	519.2	3,334
1952	221.5	27.0	248.5	1,399	170	1,569	172.3	129.4	1,088	817	550.2	3,474
1953	226.8	30.7	257.5	1,408	191	1,599	180.9	143.2	1,123	889	581.6	3,611
1954	229.1	35.5	264.6	1,397	217	1,604	184.1	157.2	1,123	959	605.9	3,696
1955	229.6	41.1	270.7	1,376	245	1,616	215.0	180.1	1,289	1,099	665.8	2,975
1956	224.3	44.5	268.8	1,320	261	1,576	234.1	195.5	1,378	1,151	698.4	4,094
1957	223.0	48.6	271.6	1,290	280	1,565	249.1	207.6	1,441	1,201	728.3	4,198
1958	231.0	53.7	284.7	1,315	304	1,614	262.0	222.9	1,491	1,269	769.6	4,363
1959	241.4	59.6	301.0	1,346	332	1,678	287.0	245.0	1,600	1,366	833.0	4,643
1960	239.8	64.9	304.7	1,315	356	1,671	206.3	263.3	1,680	1,444	874.2	4,795
1961	246.7	70.5	317.2	1,331	380	1,712	328.3	284.3	1,771	1,537	930.0	5,021
1962	253.6	77.0	330.6	1,348	409	1,757	353.5	311.9	1,879	1,658	996.0	5,292
1963	257.5	83.9	341.4	1,349	439	1,788	383.6	345.8	2,010	1,812	1,070.9	5,610
1964	264.0	90.4	354.4	1,364	467	1,832	417.1	380.1	2,156	1,965	1,131.6	5,951
1965	266.4	98.3	364.7	1,360	502	1,862	463.2	415.7	2,365	2,123	1,243.6	6,350
1966	271.8	104.8	376.6	1,375	530	1,905	517.8	444.2	2,619	2,246	1,338.7	6,771
1967	286.5	113.4	399.9	1,434	568	2,001	562.7	476.2	2,818	2,383	1,438.8	7,205
1968	291.9	123.9	415.8	1,447	614	2,061	652.9	513.9	3,202	2,547	1,582.5	7,846
1969	289.3	133.3	422.6	1,419	654	2,073	764.8	548.7	3,791	2,692	1,736.0	8,514
1970	301.0	145.0	446.1	1,461	704	2,165	836.5	586.3	4,104	2,845	1,868.9	9,001
1971	325.9	162.4	488.3	1,566	780	2,347	909.2	648.3	4,369	3,116	2,045.8	9,703
1972	341.2	175.0	516.2	1,627	835	2,461	1,019.7	734.4	4,862	3,502	2,270.2	10,631
1973	349.1	184.5	533.6	1,745	879	2,526	1,170.9	821.3	5,544	3,911	2,525.8	11,958

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[1] Borrowing from the public.

[2] Debt divided by the population of the conterminous United States and including Armed Forces overseas. Alaska is included beginning 1959 and Hawaii beginning in 1960.

[3] Includes debt of federally-sponsored agencies excluded from the budget.

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

TABLE 13.—NET GOVERNMENT AND PRIVATE DEBT RELATED TO GROSS NATIONAL PRODUCT

		Ratios of debt to gross national product (percent)				
End of calendar year	Gross national product[1] (in billions)	Federal	State and local	Corporate	Individual and noncorporate	Total
1929	$96.7	17.1	14.1	91.9	75.4	198.4
1932	56.8	37.5	29.2	140.8	100.5	308.1
1933	60.3	40.3	27.0	127.5	84.6	279.4
1934	68.6	44.3	23.2	110.1	72.6	250.1
1939	94.8	44.9	17.3	77.5	53.6	193.4
1940	107.6	41.6	15.2	70.3	49.3	176.4
1941	138.8	60.6	11.6	60.1	40.1	152.3
1945	196.0	128.8	6.8	43.5	27.9	207.1
1946	221.4	103.7	6.2	42.2	27.1	179.1
1947	245.0	90.5	6.1	44.7	28.3	169.7
1948	261.2	82.4	6.5	45.3	30.9	165.1
1949	260.5	83.5	7.3	45.6	34.7	171.1
1950	311.2	69.9	7.0	45.9	33.5	156.2
1951	338.2	64.1	7.2	48.4	33.8	153.5
1952	361.0	61.4	7.5	47.7	35.8	152.4
1953	360.8	62.9	8.5	50.1	39.7	161.2
1954	379.8	60.3	9.3	48.5	41.4	159.5
1955	409.7	56.0	10.0	52.5	44.0	162.4
1956	$433.2	51.8	10.3	54.0	45.1	161.1
1957	438.1	50.9	11.1	56.9	47.4	166.0
1958	469.2	49.2	11.4	55.8	47.5	163.8
1959	496.8	48.6	12.6	57.8	49.3	167.5
1960	503.4	47.6	12.9	60.8	52.3	173.6
1961	542.8	45.4	13.0	60.5	52.5	171.3
1962	574.7	44.1	13.4	61.5	54.3	173.3
1963	611.8	42.1	13.7	62.7	56.5	175.0
1964	654.0	40.4	13.8	63.8	58.1	176.1
1965	719.2	37.0	13.7	64.4	57.8	172.9
1966	772.6	35.2	13.6	67.0	57.5	173.3
1967	825.0	34.7	13.7	68.2	57.7	174.8
1968	898.6	32.5	13.8	72.7	57.2	176.1
1969	953.7	30.3	13.9	80.2	57.5	182.0
1970	1,009.5	29.9	14.4	82.7	57.2	184.2
1971	1,098.4	29.8	14.9	82.2	57.5	184.6
1972	1,220.8	28.0	14.5	81.6	58.5	182.5
1973	1,290.0	27.1	14.3	90.8	63.6	195.8

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[1] Implied level end of year, calculated, as the average of the 4th and 1st calendar quarters at seasonally adjusted annual rates for the years 1939 through present. Prior to 1939, averages of 2 calendar year figures are used as the best approximation of Dec. 31 levels.

Notes: Detail may not add to total because of rounding.

Source: Federal debt, Treasury Department; other data, Bureau of Economic Analysis, Commerce Department.

TABLE 14.—ESTIMATED FEDERAL DEBT RELATED TO POPULATION AND PRICES, 1929–73

	Federal debt (billions)			Per capita Federal debt[4]			Real per capita Federal debt[5]		
Dec. 31	Gross[1]	Net[2]	Privately held net[3]	Gross[1]	Net[2]	Privately held net[3]	Gross[1]	Net[2]	Privately held net[3]
1929	$17.5	$16.5	$16.0	$143	$135	$131	$385	$363	$353
1932	22.0	21.3	19.4	176	170	155	621	601	547
1933	25.3	24.3	21.9	201	193	174	705	678	610
1934	33.3	30.4	28.0	260	240	221	895	826	761
1939	48.8	42.6	40.1	371	324	305	1,227	1,075	1,012
1940	52.2	44.8	42.6	393	337	321	1,288	1,104	1,052
1941	65.6	56.3	54.0	489	420	402	1,461	1,256	1,201
1945	279.6	252.5	228.2	1,987	1,795	1,622	5,052	4,563	4,123
1946	260.7	229.5	206.1	1,825	1,607	1,433	3,924	3,455	3,081
1947	257.6	221.7	199.1	1,771	1,524	1,369	3,497	3,009	2,704
1948	253.8	215.3	192.0	1,715	1,455	1,297	3,297	2,797	2,494
1949	257.9	217.6	197.7	1,713	1,445	1,313	3,352	2,828	2,570
1950	257.8	217.4	196.6	1,685	1,421	1,285	3,118	2,630	2,377
1951	260.2	216.9	193.1	1,671	1,393	1,240	2,918	2,433	2,165
1952	268.3	221.5	196.8	1,694	1,399	1,243	2,934	2,423	2,153
1953	276.0	226.8	200.9	1,714	1,408	1,247	2,951	2,424	2,147

Dec. 31	Federal debt (billions)			Per capita Federal debt[4]			Real per capita Federal debt[5]		
	Gross[1]	Net[2]	Privately held net[3]	Gross[1]	Net[2]	Privately held net[3]	Gross[1]	Net[2]	Privately held net[3]
1954	279.5	229.1	204.2	1,705	1,397	1,246	2,950	2,416	2,155
1955	282.2	229.6	204.8	1,691	1,376	1,227	2,911	2,367	2,112
1956	278.3	224.3	199.4	1,638	1,320	1,174	2,742	2,210	1,965
1957	278.1	223.0	198.8	1,609	1,290	1,150	2,617	2,098	1,870
1958	285.3	231.0	204.7	1,624	1,315	1,165	2,595	2,101	1,862
1959	296.5	241.4	214.8	1,653	1,346	1,197	2,602	2,119	1,884
1960	296.6	239.8	212.4	1,627	1,315	1,165	2,525	2,041	1,808
1961	303.0	246.7	217.8	1,635	1,331	1,175	2,520	2,051	1,810
1962	311.3	253.6	222.8	1,654	1,348	1,184	2,517	2,051	1,802
1963	317.4	257.5	223.9	1,663	1,349	1,173	2,490	2,052	1,755
1964	327.0	264.0	227.0	1,690	1,364	1,173	2,501	2,019	1,736
1965	330.7	266.4	225.6	1,688	1,360	1,152	2,452	1,976	1,673
1966	343.3	271.8	227.5	1,736	1,375	1,151	2,437	1,930	1,616
1967	364.9	286.4	237.3	1,827	1,435	1,188	2,490	1,956	1,620
1968	373.1	291.9	238.9	1,850	1,447	1,182	2,408	1,832	1,538
1969	382.0	289.3	232.1	1,874	1,420	1,140	2,923	1,738	1,395
1970	401.6	301.1	239.0	1,950	1,462	1,160	2,266	1,699	1,348
1971	435.2	325.9	255.1	2,091	1,566	1,227	2,352	1,763	1,381
1972	461.1	341.2	269.9	2,200	1,628	1,288	2,394	1,771	1,345
1973	481.5	349.1	268.6	2,293	1,662	1,279	2,293	1,662	1,279

[1] Total Federal securities outstanding, unified budget concept.

[2] Borrowing from the public, unified budget concept. Gross Federal debt less securities held by Government accounts.

[3] Borrowing from the public less Federal Reserve holdings.

[4] Debt divided by population of the conterminous United States, and including Armed Forces overseas.

[5] Per capita debt expressed in December 1973 prices (consumer price index for all items).

TABLE 15.—PRIVATELY HELD FEDERAL DEBT RELATED TO GNP

[Dollar amounts in billions]

Dec. 31	Gross national product[1]	Privately held debt[2]	Ratio of debt to GNP (percent)	Year-to-year price changes[3] (percent)
1929	$96.7	$16.0	16.5	0.2
1932	56.8	19.4	34.2	−10.3
1933	60.3	21.9	36.3	.5
1934	68.6	28.0	40.8	2.0
1939	94.8	40.1	42.3	−.5
1940	107.6	42.6	39.6	1.0
1941	138.8	54.0	38.9	9.7
1945	196.0	228.2	116.4	2.3
1946	221.4	206.1	93.1	18.2
1947	245.0	199.1	81.3	9.0
1948	261.2	192.0	73.5	2.7
1949	260.5	197.7	75.9	−1.8
1950	311.2	196.6	63.2	5.8
1951	338.2	193.1	57.1	5.9
1952	361.0	196.8	54.5	.9
1953	360.8	200.9	55.7	.6
1954	379.8	204.2	53.8	−.5
1955	409.7	204.8	50.0	.4
1956	443.2	199.4	46.0	2.9
1957	438.1	198.8	45.4	3.3
1958	469.2	204.7	43.6	1.8
1959	496.8	214.8	43.2	3.5
1960	503.4	212.4	42.2	1.5
1961	542.8	217.8	40.1	.7
1962	574.7	222.8	38.8	1.2
1963	611.8	223.9	36.6	1.6
1964	654.0	227.0	34.7	1.2
1965	719.2	225.6	31.4	1.9
1966	772.6	227.5	29.4	3.4
1967	825.0	237.3	28.8	3.0
1968	898.6	238.9	26.6	4.7
1969	953.7	232.1	24.3	6.1
1970	1,009.5	239.0	23.7	5.5
1971	1,098.4	255.1	23.2	3.4
1972	1,220.8	269.9	22.1	3.4
1973	1,290.0	268.6	21.0	8.8

[1] Implied level of gross national product, Dec. 31.

[2] Borrowing from the public less Federal Reserve holdings, unified budget concept.

[3] Measured by the all item Consumer Price Index, December-to-December basis.

Source: Office of the Secretary of the Treasury, Office of Debt Analysis, May 30, 1974.

Mr. LONG. It is particularly interesting to note that the major increases in debt in recent years have not really occurred in Government debt. Rather, it is private debt that has increased. It is in that area that we should be concerned, for the most part, for students of economics note that it is the private sector rather than the public sector which is placing the heavy burden upon our system of credit.

For example, the Federal debt is a relatively small percentage of total government and private debt.

If one looks at what I believe to be the key factors, the percentage of privately held Federal debt compared to all other debt, it has declined to where it is now 19 percent of the total. Compare that to the situation which existed in 1945 when the figure was 62 percent. So, on the whole, we can find a very considerable number of things about which we can feel that the picture is not dismal with regard to the Federal debt even though, looking at the size of the Federal debt without relating it to all the factors, one might be concerned.

Mr. BENNETT. Mr. President, I want to indicate my support for the legislation that is now before us to increase the temporary debt limit to $495 billion through March 31, 1975. I know that this legislation is not pleasing to any Member of this Chamber. In fact, I myself am not happy that present conditions force us to increase the debt limit. But the plain fact is that there is no feasible alternative to this bill. We must provide a ceiling adequate to permit the Government to continue to operate and meet its financial obligations.

In considering this bill it is most important to keep in mind that the proposed increase in the debt limit is not the cause of our fiscal problems. We are here today to provide new legislation on the debt ceiling because the Federal Government has been spending more than its receipts and incurring large budgetary deficits which have to be financed through borrowing. In other words, if we want to avoid increasing the debt limit, we have to keep our spending within proper limits. After the Federal Government has spent the money, we have to pay the bills. This is the real reason we need this legislation.

Mr. President, many people seem to think the present law setting a debt limit is a means of controlling Government spending, but it is like locking the stable door after the horse is out of the barn. I do not say "after the horse has been stolen."

I think it might be interesting to place in the RECORD again the reason we have a debt ceiling. As I remember, it was in the 1920's, after World War I, that Congress found it necessary to use this device to avoid the responsibility that existed up to that time to pass a special law every time the Secretary of the Treasury had to sell a new issue of bonds. In order to justify this surrender of its responsibility, Congress put a ceiling on the debt and said that as long as the total bonds are less than the ceiling, the Secretary is free to go ahead and issue them. That was in the day when the debt was very small.

Today, when the debt is $475 billion, the Secretary is issuing new debt obligations literally every week or more than once a week in order to keep the whole matter rolling, so that it would be completely impossible for Congress to accept again the responsibility of passing a new law every time the Secretary had to issue a new bond issue.

When first set, the ceiling was set so high Congress felt it would never be reached. But as a result of World War II, particularly, and other wars that followed, plus the fact that for most years since the 1930's we operated with a budget deficit, we keep bumping against the ceiling.

My own impression is that it has little relation to the needs to operate our Government but it does have a political advantage in that there are those who use the debt limit ceiling legislation with the thought of amending it because the President does not dare veto it. As a result, three or four times a year now we go through the charade and we have a long debate; we discuss very pontifically the problem about deficits and ceilings, and in the end we raise the ceiling because we have no other choice. I think we are embarking on a similar situation at this time.

I think that there is little doubt that the proposed increase in the temporary debt limit to $495 billion is absolutely vital. Without this action, the debt limit will revert to the permanent ceiling of $400 billion on July 1 of this year. We cannot permit this to happen because the actual amount of debt subject to limit is already substantially above $400 billion. In fact, according to Treasury estimates, the debt subject to limit on July 1 will exceed the permanent limit by about $75 billion.

In other words, it is already up to $475 billion.

The $495 billion temporary debt ceiling that this bill provides for the period through March 31, 1975, is a very tight ceiling. It is about $10 billion below the temporary ceiling the Treasury requested to cover the Federal Government's financing requirements through the fiscal year 1975. In addition, the $495 billion ceiling in the bill does not provide any leeway for the usual $3 billion contingency margin and the $3 billion allowances that the administration has requested to provide for Federal Home Loan Bank borrowing from the Treasury under the new housing program. This means that in adopting this legislation we will be keeping a tight rein on spending. The new debt limit is just large enough to enable the Federal Government to squeeze through to the end of March of next year with very little, if any, margin.

To me that it does not seem to be a reasonable point of view, but those who believe that the debt ceiling is actually a device to control spending, and some of those who believe the present administration should be spanked for something, believe there should be this pressure to keep the ceiling tight.

I do not think that it is necessary for me to point out in detail to this body the awesome consequences that would ensue if we were to fail to adopt an adequate debt ceiling. The results would just be unthinkable. It would mean that the Government would be compelled to stop payment on virtually all of its obligations, including the salaries of Senators, by the way. This would be disastrous not only at home but also abroad since it would disrupt the international monetary system.

However, the very fact that this debt ceiling legislation is so vital tends to create other problems. It gives rise to attempts to add on to the legislation other provisions which could not be adopted standing alone. Our job is to pass this debt ceiling bill without extraneous amendments which should be considered in separate legislation and on their own merits.

More specifically, tax reduction provisions should not be included in this bill particularly in view of the present inflationary situation. Such tax reduction provisions are too important a matter and involve issues that are too serious to be tacked hurriedly on other legislation.

Much is made of the need for tax relief at the present time and I can well understand this in view of the high prices that we all must pay. However, there is great danger that tax reduction now will make the situation worse rather than better by increasing inflationary pressures. For example, an increase of only 1 percent in consumer prices adds an extra $8½ billion to consumers' burdens and we all know that the economic burden resulting from inflation is the most inequitable kind of a tax, falling hardest on the poor.

I am making a plea for fiscal responsibility. The economic facts show conclusively that this is not a time to rush into large tax reduction.

In recent years this country has been going through what is probably the worst peacetime inflation in its history. In 1973, the consumer price index alone rose 9 percent and the wholesale price index 18 percent. And in the first four months of this year, consumer prices increased at an annual rate of 12 percent and wholesale prices at the higher rate of 21 percent. The 21-percent rate of increase in wholesale prices suggests still worse conditions in the period ahead when those prices are reflected in prices paid by the consumer.

Of course, the inflation during the first 3 months of this year was primarily in food and energy prices. However, there are signs that inflation is spreading to other sections of the economy.

Mr. President, in April, price increases of 4 percent or more—which translate to 48 percent on an annual basis were recorded in chemical, rubber, lumber, paper, and the metal industries.

These increases were the post-price-freeze increases that those of us who realized the price freezes would not work knew would inevitably come. Whenever we have price freezes, we simply shut off the pressures, contain the pressures, for price increases, and when the freeze is lifted, they come up all at once, thus creating the sense that they are actually higher than they would have been otherwise. Most of these freezes in these particular industries, and most of the other industries in the United States, trace back to that fact.

The Council of Economic Advisors has indicated that the situation will improve and we will be down to an inflation rate of 7 percent by the end of the year. However, it is obvious that the present rate of inflation is highly dangerous and that we should not take any action which will exacerbate.

I realize that many of those who advocate incorporating tax reduction amendments in the debt ceiling bill are aware of the inflationary problems that we face. They have generally sought to meet these problems by proposing a number of changes aimed at tax reform which are designed to raise revenue to offset revenue losses resulting from their tax relief proposals. However, while I agree that there is a need for tax reform, I really do not think that it is feasible to achieve tax reform through amendments to the pending debt ceiling bill. Tax reform, by its very nature, requires careful consideration and cannot be achieved hurriedly. This is because our tax system is very complex, involving difficult issues of equity, administration and economic effect. The only way that these difficult issues can be resolved successfully is to have them go through the tax writing committees of both houses of the Congress, where they can be studied carefully with adequate technical assistance from congressional staffs and the Treasury Department. This is already being done. The Ways and Means Committee is now engaged in writing a tax reform bill and has already come up with substantial changes in the tax laws. Changes aimed at tax reform should also go through the regular process of consideration by the Senate Finance Committee. However, if we try to shortcut this logical process and deal with complicated tax reform provisions hurriedly on the floor of the Senate before they have received adequate consideration by the tax-writing committees, we are likely to wreck the tax laws and do inestimable damage to the economy.

It may take us a long time to correct the mistakes we could make with emotional action on the floor. We just have to face the fact that we cannot write a good tax bill on the floor of the Senate.

These considerations give us no choice if we want to act responsibly.

We must pass the debt ceiling bill as it came from the Finance Committee, a simple extension, with no amendments. While I realize this must be a kind of hopeless hope, I certainly will do everything in my power to keep amendments off the bill.

Mr. ALLEN. Mr. President, at the conclusion of my remarks, I plan to offer an amendment. I am ready, however, to vote immediately on the bill at any time the distinguished chairman of the Committee on Finance, the floor manager of the bill, would indicate that he is ready to move to third reading of the bill. I would certainly be delighted to yield the floor and not offer an amendment in order that we might vote on the bill.

Mr. LONG. I believe we have an understanding that there will be no votes until 3:30 p.m. I am on notice that amendments will be offered. Amendments not germane to the debt limit bill will be offered. I know how the Senator has reacted to some of these amendments, except it is my duty to protect the rights of other Senators so that I would be compelled to object to going to third reading until such time as all Senators who have amendments have had the chance to be present to offer them.

I can tell the Senator that, as of now, I am sure he will be disappointed to find there are a lot of amendments to be offered, many of them totally nongermane to the pending bill.

Mr. ALLEN. I thank the distinguished Senator for his explanation. I am sure he understands that the Senator from Alabama was not trying to force the bill to third reading at this time. I merely was pointing out that I have no objection to a consideration and to a vote up and down on the bill. The Senator from Alabama is offering no objection to the bill itself and he is reading to go ahead and vote.

Mr. LONG. I understand that.

Mr. ALLEN. The Senator from Alabama did not anticipate that his suggestions would be acceded to.

Mr. LONG. I understand that, Senator.

Mr. ALLEN. I thank the distinguished Senator, the chairman of the Committee on Finance, and I want to commend him for his great ability and his great expertise in this field of taxation.

I have marveled, as we have had tax matters come before the Senate, how the distinguished Senator from Louisiana is able to answer all questions with respect to amendments that are offered here on the floor. I have seen him combat a hundred or more amendments during the course of several days of debate. Always he understands the issue that is involved. He has the facts and the figures at his fingertips. He is always able to give a reasoned answer to the position he takes with respect to legislation involving taxes, or legislation involving revenue.

The Senator from Alabama would have appreciated it very much if the Finance Committee had thought it advisable to consider tax legislation at this time, to have had the committee recommend a package for consideration by the Senate but, instead of that, we have only a 12-line bill which does increase for the period from now through March 31 of next year the amount of the temporary indebtedness that the National Government may have, and setting that figure at $95 billion.

Now, Mr. President, people throughout the country wonder, I am sure, why it is necessary to have legislation coming up every few months having to do with the debt ceiling. Many people throughout the country do not understand just what the debt ceiling is.

Of course, our total debt, the debt of the National Government, is limited at this time, I believe, to $475.7 billion. That is divided into a permanent debt and I feel sure that it is permanent. I see no likelihood or hope of ever reducing the so-called permanent debt. It is properly named, all right.

Then that $400 billion of permanent debt is more or less set aside and no legislation is ever presented about that.

What the legislation applies to is the temporary authorized indebtedness of the Federal Government that was set last December at $75.7 billion.

It was provided that we would extend that authorization, through June 30 of this year. That is the reason we are now considerating this bill, raising the authorized temporary debt from $75.7 billion up to $95 billion and then extending the time during which that temporary debt might exist through March 31 of next year.

Now quite obviously, Mr. President, that will necessitate the Congress in March of next year considering and enacting additional legislation extending the period during which a temporary indebtedness might be carried and, in all likelihood, increasing that amount.

Well, Mr. President, the present method of handling the limitation on the national debt gives no incentive whatsoever, as the Senator from Alabama sees it, to prudent management, economical management, of the Nation's finances; because suppose they were able to reduce the indebtedness of the National Government by even $5 billion, which is extremely unlikely because they do not even project a balanced budget, but suppose they were able to have a surplus of $5 billion between now and March 31, that would not prevent the necessity of legislation at least extending the authorization for the temporary indebtedness. So there is no incentive whatsoever for prudent management insofar as the legislation regarding the national debt is concerned.

Suppose the debt was reduced by $5 billion, it would still have to be extended because there is no chance of being able to pay off the $75 billion in 5 or 6 months' time. That is what would be required here.

There have been times, Mr. President, when we did not have any temporary debt or limit. It was all embraced within the permanent indebtedness figure.

Back in 1947, the permanent indebtedness was $275 billion, with no temporary additional debt. All the way from 1947 through 1954, the permanent indebtedness was $275 billion, and that was also the total indebtedness, with no temporary additional debt. It may not have even been close to that. I do not know, but that is what the indebtedness was.

In 1955, through August 27, it was $275 billion, still with no temporary additional debt. Then apparently on August 28, 1955, they did put a $6 billion temporary additional debt, and that existed through the next year, 1956.

In the following year, they cut the temporary additional debt limit down to $3 billion, and the permanent debt was still the same. The next year, the temporary additional debt was wiped out entirely, and the Government was still living within the $275 billion total limitation.

Then, Mr. President, down through June 30, 1963, if I follow my lines correctly, during all that time, from 1947 to 1963, the statutory debt limit, under which the national debt had to be, was only $307 billion—just some 10 years ago. The following year it was raised to $309 billion. So, Mr. President, in the last 10 years the debt limit has been raised from $309 billion to $475.7 billion. We are scraping that amount right now, just about getting up to that, and will be within $1 or $2 billion of it, according to the Treasury estimates, on July 1.

That is an increase, Mr. President, of approximately $166 billion in the last 10 years. It has not all come during this administration, but more than half of it has, of course—possibly as much as two-thirds of that amount.

Mr. President, the bill that is before the Senate calls for increasing the temporary debt limit to $95 billion. If we look at this bill, we see that it is all on one page—a simple bill dealing with a very complex subject—and that it talks of increasing the public debt limit by $95 billion. It does not say what the other figure is to which the $95 billion is being added. As I stated earlier, that is $400 billion. That gets it up to $495 billion.

Mr. President, the amendment that I plan to offer is a simple amendment. It eliminates the $95 billion and inserts $90 billion. That would be an increase of $14.3 billion.

Mr. President, we see that in the current budget estimate, on page 3 of the committee report, it is estimated that the deficit is going to be only $11.4 billion. That is for the 1973 fiscal year, starting July 1 of this year. They estimate only $11 billion. It would seem that the $14.3 billion increase would be sufficient.

Mr. President, if this amendment is rejected, or is not acted upon, I would hope to offer another amendment which would extend this authorization for the temporary deficit through the remainder of the 1975 fiscal year, which would be through June 30, 1975.

I do not feel that using this debt limit legislation, which we must have before us twice or three times a year, and the adding of nongermane amendments to the bill, is in the public interest. Obviously, the President of the United States would want the Government to continue its operations; its sale of bonds; its sale of notes and bills; its refunding of its indebedness, which it is doing from time to time; its payment of the salaries of Government employees; its payment of social security checks; its payment of medicare payments. So it leaves the President at a disadvantage, in that he would have to take unsound amendments, unsound provisions, which would be forced on him in order to get the debt limitation extended and increased. In that way, laws are enacted that are not in the public interest but that have to be taken in order to get the provision of law extending the temporary debt limit authorization.

It would be much better, Mr. President, if this matter were handled through usual and customary methods and channels—that is, to have a separate bill dealing with the subject matter and then have the House and the Senate consider that legislation on its merits, rather than to seek to force unsound provisions into law by riding to enactment upon the back of "must" legislation.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. ALLEN. I yield for a question.

Mr. LONG. To be entirely fair, would it not seem to be unfair to those who are offering these nongermane amendments to the measure that there really is no other bill on the floor to which the amendments would be germane For example, I personally would favor, as the Senator knows, reducing the depletion allowance on foreign oil. I do think we need it for domestic oil so that we may become self-sufficient in energy. But the House has not sent us a bill on that subject, and it may be months before the House sends us a bill which deals with the subject of the depletion allowance. Likewise, we do not have any major tax cut sent to us. So it would be necessary to offer a nongermane amendment to some revenue bill to give the Senate an opportunity to vote on those issues.

Mr. ALLEN. I thank the distinguished Senator, and I am mindful of what he says. However, I seem to recall the Senator from Utah stating a few moments ago in his remarks that the Ways and Means Committee in the House of Representatives is in the process of marking up a bill, and the Senator from Alabama added to a tax bill, a tax bill pure and simple, would be nongermane, and that should be permissible to a bill that purports on its face to be a tax bill. But this bill that came from the House, and which the Committee on Finance acted on, does not contain a single tax provision. If the House, continuing its markup, passes such a bill and sends it to the Senate, then any tax amendment, in the view of the Senator from Alamaba, should be acted on in the Senate, and it would give us an opportunity to act.

It seems to me we are kind of getting the cart before the horse, when the Constitution provides that the House shall originate revenue measures. For the Senate to jump astride a simple bill having to do with the debt limit and to act on around 150 amendments on the floor of the Senate, adding tax provisions to that measure and sending it back to the House for the appointment of a conference committee, then the rank and file member of the House would be deprived of the opportunity to have any input into a field of legislation that the Constitution says shall be his.

Mr. LONG. Does the Senator not know that this is a revenue bill and that if we amend it and send it to the House, the House still could amend our amendment?

Mr. ALLEN. Yes, but the Senator knows that the custom is to go to conference rather than to proceed on the floor.

Mr. LONG. As a matter of fact, it is my understanding and I think I am correct, that this bill could be referred to a committee in the House.

Mr. ALLEN. Yes.

Mr. LONG. And the House could conduct more hearings, offer floor amendments, and send it back to us again.

Mr. ALLEN. Yes, that is true, but the trouble is if we have a bill that has become a Christmas tree, by the time it gets to the House, it makes the House more anxious just to go to conference in order to get these nice provisions the Senate sent to them. So chances are there would be little legislating on the floor, a conference committee would be appointed, and the House would be reduced to accepting such amendments of the Senate as they wanted, or scaled down somewhat.

Mr. LONG. I am sure the Senator knows that is not necessarily the case. The House has a variety of producers available to it. They do not have to go to conference; they could hold hearings, amend it in committee or on the floor, and send it to us and ask for a conference.

Mr. ALLEN. I think the Senator will concede, however, that the usual procedure is to go to conference on bills of this sort.

Mr. LONG. That is correct.

Mr. ALLEN. I thank the Senator for his contribution to my discussion.

Now, Mr. President, it would seem to the Senator from Alabama that rather than go into a period of some 10 days or more in discussing these amendments, and the Senator from Louisiana has been kind enough to warn, or at least to suggest that there are a large number of amendments coming in, as we see amendments offered on the floor, amendments spawn amendments and we would have plenty of amendments to act upon. We would see the Senator from Louisiana opposing most of those amendments on the floor. I feel sure that once the Christmas tree concept comes into being and one candidate, shall I say, outdoes another candidate here in offering benefits to the folks back home, we would see other politically minded Senators trying to offer still more in tax reductions and tax concessions.

So I believe we want to try to avoid this Christmas tree possibility that we see looming on this bill.

Mr. President, we have read in the newspapers and heard through the media sources that it is the desire in the Senate to clear the decks, get rid of "must" legislation, to get rid of measures that we must have in order to run the national government, to take care to be ready for any contingency that might arise demanding the Senate's attention. I certainly agree on that and I am hopeful we will set a list of priorities that the Senate will follow to work on. I have in mind some 13 appropriation bills that have not been acted on in the Senate. Except for one or two that have not even passed the House, I wonder if we could not expedite consideration of these measures, measures that would provide for the ongoing of the U.S. Government, rather than to have an exercise in futility with regard to seeking to tack amendments on this piece of "must" legislation.

Why call it an "exercise in futility"? Well, many Senators, I am sure, heard the distinguished Senator from Louisiana on "Face the Nation" or "Meet the Press" yesterday when he was questioned very closely with regard to his views of the prospects of enacting tax legislation on this bill. One of the interrogators suggested that the distinguished chairman of the Ways and Means Committee in the House was not in favor of cutting individual income taxes. I believe that was the statement. For that reason it might be difficult to pass the bill in the other body. Then, the distinguished Senator from Louisiana agreed with that possibility and the prediction was made that the President would veto legislation of this sort and the distinguished Senator, I believe, agreed that we would not be able to override the veto in the Senate or in the House, and certainly in the Senate, as far as the prediction went.

We are not going to see this bill enacted into law. Why spend 10 days, 10 of the Nation's days that belong to the Nation for the consideration by the Senate of "must" legislation? Why, if it is not an exercise in futility, should we use 10 days on his bill?

Now, am I using the figure "10 days" carelessly? I think not. I have here, Mr. President, a schedule, and I ask unanimous consent that it be included fully in the RECORD at this point.

There being no objection, the tabulation was ordered to be printed in the RECORD, as follows:

LEGISLATIVE SCHEDULE

91ST CONGRESS CALENDAR

H.R. 13270—Income tax reform, p. 185, p. 287:
Debate, 14 days (11/21/69–12/11/69).
Amd. printed, 160.
Amd. committee, ?.
Amd. adopted, 75.
Amd. rejected, 38.
Amd. laid on table, 1.
Amd. withdrawn, 3.

H.R. 17550—Amend the Social Security Act, p. 253:
Debate, 8 days (12/16/70–12/29/70).
Amd. printed, 116.
Amd. committee, ?.
Amd. adopted, 9.
Amd. rejected, 8.

92D CONGRESS CALENDAR

H.R. 1—Amend Social Security Act, p. 149:
Debate, 8 days (9/27/72–10/5/72).
Amd. printed, 173.
Amd. committee, En bloc.
Amd. adopted, 44.
Amd. rejected, 19.

H.R. 10947—Revenue Act of 1971, p. 198:
Debate, 10 days (11/11/71–11/22/71).
Amd. printed, 150.
Amd. committee, En bloc.
Amd. adopted, 71 of which 27 floor amd.
Amd. rejected, 21 of which 17 floor amd.

93D CONGRESS CALENDAR

H.R. 8410—Public debt ceiling, p. 194:
Debate, 2 days (6/26, 27/1973).
Amd. printed, 10.
Amd. committee, 1 (divided in 4 parts).
Amd. adopted, 8 of which 5 floor amd.
Amd. rejected, 9 of which 5 floor amd.

H.R. 11104—Public debt ceiling, p. 207:
Debate, 1 day (11/21/73).
Amd. printed, 8.
Amd. committee, 0.
Amd. adopted, 11 of which 6 floor amd.
Amd. rejected, 2 of which 2 floor amd.

Mr. ALLEN. I will read from it.

In the 91st Congress, Mr. President, we had before us H.R. 13270, income tax reform. The debate on that bill was over a period of 20 calendar days, but it consumed 14 legislative days. Fourteen legislative days were consumed in Senate debate on H.R. 13270. There were 160 printed amendments. There were committee amendments that were adopted, but they were adopted en bloc. There were 75 amendments adopted.

Well, a 15-minute rollcall on each of these amendments would be over 1,000 minutes consumed in rollcall votes alone, if we had a comparable number offered on this bill.

There were 38 amendments rejected, and I dare say they were rejected through the brilliance, expertise, and eloquence of the Senator from Louisiana. Thirty-eight amendments were rejected.

Then when we got to the Social Security Act in the 92d Congress, H.R. 1, there were 173 amendments printed, 44 adopted, 19 rejected.

In that same Congress, on H.R. 10947, the Revenue Act of 1971, 10 days were spent in debate. Ten days of the Senate's time was taken debating those amendments.

So, Mr. President, if we are going to spend 10 days on this bill on amendments, we might as well find it out now.

Mr. BENNETT. Mr. President, will the Senator yield?

Mr. ALLEN. Yes, I am delighted to yield.

Mr. BENNETT. As the Senator knows, the strategy of those who want to use this bill to load it down with amendments that might have a difficult time surviving if they were put on an ordinary tax bill is always to wait to the very last minute before the debt ceiling expires on the theory that the President cannot veto it. This is the 17th of June. We now have, roughly, 13 days before the debt ceiling expires. As I remember it, on the 28th of June the President leaves for Moscow, and the President is out of the country at the present time.

If we are going to take until 10 days from now, we are going to be bumping our heads not only against the expiration of the present law, when the temporary debt ceiling must expire, but we are going to be bumping our heads against the possibility of the President's either signing the bill or vetoing it. It seems to me we should take that into consideration as we consider whether to offer superfluous amendment which will carry debate into the final days before the expiration of the temporary debt authorization.

Mr. LONG. Mr. President, will the Senator yield?

Mr. ALLEN. I yield.

Mr. LONG. Is the Senator aware of anything in the law or in the Constitution that would prevent the President from signing the bill in Moscow? It seems to me, as long as he is going there, it might be a great event to take that action on the President's trip to the Soviet Union to highlight that occasion.

Mr. ALLEN. That might be a possibility, but we hope the matter will be disposed of before the President departs on that trip.

Mr. President, if the Senate has brought before it some 150 amendments, as seems likely, and we spend 10 days, the Senator from Louisiana has suggested that if these amendmentss were put on the bill here in the Senate and they go back to the House, they have several alternatives over there that they can resort to. They can amend it on the floor. That is true. They can go to conference. That is true. They can refer it to a standing committee in the House. And that is true. All that takes time. If we throw 150 amendments at the House, are they not going to have the right to have some little time to consider those amendments?

Mr. President, if the Senate sends 150 amendments over to the House, what is to prevent the House from wanting to outdo the Senate in its giveaway program? Where the Senate might provide for a $850 exemption, the House might say, "Well, that is too little. Let us make that $1,000."

All of this has got to be done before the first of the month, or the Government is going to grind to a halt. We had a little foretaste of that back in December, when the debt limit bill did not pass until about the 3d of December, and it had the Secretary of the Treasury pleading that he was unable to sell E bonds, savings bonds, and he was unable to sell bills and notes and they had to call off their auction.

Mr. President, that is what we are heading for again if we give consideration here on the floor to 150 amendments. I assume we would have 2 or 3 hours on each amendment. But there are just not that many hours in the day.

Also, Mr. President, the Constitution charges the House with the origination of revenue measures, and I assume it was thought that the Senate would have the right to amend those provisions. It was never contemplated, in the view of the Senator from Alabama, that every time a bill emerged from the Ways and Means Committee and passed the House that it would be open to any amendment in the Senate dealing with any revenue subject.

I remember they had some bill up here one time dealing with lathes, I believe, something of the sort, some sort of duty on lathes. So they jumped on that bill and added several score amendments.

I do not believe that is what the Constitution contemplates. These bills are supposed to originate over in the House, and I do not believe it is helping the comity between the two Houses for us to seize and hold hostage a little bill here, as I say, dealing with an important and complex subject—a little bill on one side of a small sheet of paper—and to take that bill and graft or take action on 150 amendments, estimated, based on other legislation of this sort that has come befor the Senate. I do not believe it was contemplated that that would be proper legislative procedure. Yet it is done. That is the custom; I recognize that, in fact, it can be done and, of course, therein lies the question.

Mr. President, I guess we have, as the chairmen of the two relevant committees, the Ways and Means Committee in the House and the Committee on Finance in the Senate, two of the ablest authorities in the field of taxation that we have ever had in Congress.

I have followed from time to time recommendations of the distinguished Senator from Louisiana (Mr. LONG) with regard to tax legislation because I believed when I did so I was on sound ground, that the matter had been considered not only by the distinguished chairman himself but by the other members of the committee. When the committee comes out with a recommendation I lend great weight to that recommendation.

But I feel, Mr. President, that the House and the Senate are being deprived of that expertise in the way that this bill is threatened with being pounced upon in the Senate and having amendments, each one considered by the Senate author of the amendment as being a must amendment, an amendment that will mean most to the Nation and, I assume, his constituency or maybe in the reverse order. But I do not feel that we are getting the benefit of the expertise that is available to us when we turn this bill out before the U.S. Senate for its consideration.

Mr. HASKELL. Mr. President, would the Senator from Alabama yield for a unanimous-consent request solely?

Mr. ALLEN. If I do not lose my right to the floor.

Mr. HASKELL. Mr. President, that is understood.

Mr. President, I ask unanimous consent that Jack Quinn and Betsy Moler of my staff have access to the floor during the debate on this amendment and all amendments thereto.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, if this bill had proceeded as an ordinary tax bill should proceed, it would have been before the Ways and Means Committee of the House as a tax bill and not merely a raising, an extension, of the debt limit. They would have pushed for a tax measure instead. It is not a tax measure. The word "tax" is not in it. Income tax sections are not in it. The duty sections are not in it. The estate taxes are not in it.

The only relevant amendment, the only germane amendment, would be something dealing with the debt limit, temporary or permanent. These other amendments, nongermane amendments, I believe they are sometimes called riders—and the way the word "rider" comes in, it seeks to ride in on another bill, Mr. President, that is the only way I can justify the choice of that word—they take a bill that has got to pass and then add up to 150 riders.

Now, Mr. President, when a Member of the Senate offers an amendment having to do with the tax laws, the chances are he knows very little about the damage that will do the Treasury. If he has checked with the committee he may possibly have been so advised. How many Members of the Senate are going to have an adding machine on their desks, and as these amendments come up, and we vote on them, are going to keep track of how much has been lost to the Treasury and how much has possibly been gained for the Treasury in other amendments. How many are going to be influenced in voting on amendments to cut taxes an additional $3 billion, say, by the fact of the amendments which have already passed. Taxes may have been cut by some $5 billion. They are not going to keep track of them.

All they are interested in is going to be the passage of their amendment, and they would expect somebody else to offer amendments to make up for that revenue loss. They would expect the chairman of the committee to come forward with a bill to get that revenue back. The chairman might not be interested in doing that.

Well, the chances are we are going to end up with a bill that is going to reduce the revenue of the national government heaven knows how much, the Senate does not. That remains to be seen.

Mr. President, Senators are familiar with the "Christmas tree" psychology that seizes the Senate or seizes the House, for that matter, when legislation is under consideration, when the dam has been broken, when measures are passed costing the Treasury, costing the Government, billions of dollars, and their attitude becomes then, "Well, what is the use? Let us vote for the next one."

Mr. President, it is not right for the Senators who have some little sense of fiscal responsibility to be called on to vote against cutting taxes. Everybody wants to cut taxes, I assume. I know I do.

I do not suppose there is a member of the Senate who would not like to cut taxes, at the proper time, under the proper circumstances, and in the proper fashion.

Is this the proper fashion?

No, it is not the proper fashion to take a much needed, in fact an essential, bill that has in fact become a routine practice, temporarily increasing the national debt, and extending the time during which that debt may be in existence.

It is made necessary, first, by the wording of the law that it be extended just for a few months, and second, by the excess spending over the years of the national government.

Mr. President, the chief culprit in the causing of inflation is excess spending by the Federal Government; and that excess spending is illustrated and demonstrated by the increases made necessary in the debt limit.

As I pointed out, Mr. President, in the last 10 years the national debt limit has increased $166 billion. There is the cause of inflation: $166 billion.

Every time the deficit is enlarged, every time spending is increased over the amount coming in, more fuel is added to the fires of inflation. I think that is an elementary economic fact of life.

Mr. President, assume we passed legislation cutting taxes by $10 billion. The supposed recipients of that tax cut might receive some little benefit from it, on the one hand, but they are going to lose that much and more, on the other hand, by the insidious forces of inflation which are always on hand to erode our paychecks and our savings, always on hand to increase the cost of living.

So I daresay, Mr. President, I believe that economists could prove—though I am no economist and I do not claim to be—that the increase in the rate of inflation that results from a supposed tax cut would more than offset the amount of savings from the tax cut.

Mr. President, this bill with its amendments increases the deficit—and there is no escape from the fact that those terms are synonymous, cutting taxes and increasing the deficit; obviously, if we increase income, we are going to increase the deficit.

Mr. President, I wish I could vote for every tax-cutting amendment that Senators wish to offer. I wish that I could. I daresay that if we get to that point—and I hope we do not—the amendments that will be offered to this bill in the form of cutting taxes will run in excess of $20 billion. That is just an off-the-cuff guess.

The first one that is going to be offered I understand, when the amendment I plan to offer is disposed of, would cut some $6 billion from taxes, which would increase the debt by $6 billion.

So by the time other Senators are inspired to offer their amendments, I daresay that at least $20 billion in amendments, I say to the distinguished assistant majority leader, my good friend from West Virginia (Mr. ROBERT C. BYRD), will be offered.

I commend the distinguished Senator from Illinois (Mr. PERCY) for his attitude with regard to this legislation. He has stated—and I admire him so much for this attitude on his part—that he is going to have a lot to say on the floor of the Senate against legislation providing for a tax cut at this time on the grounds that it is the worst thing that can be done for the economy, the worst thing that can be done for the wage earner in this country, and the worst thing that can be done to stop inflation. He is taking a sound position that not only is he going to oppose this effort to increase the deficit which a tax cut at this time would do, but he will also oppose the method by which the tax legislation is sought to be added to a bill that has nothing to do with taxes.

Mr. KENNEDY. Mr. President, will the Senator from Alabama yield for a question?

Mr. ALLEN. I am delighted to yield.

Mr. KENNEDY. I wonder if the Senator from Alabama would be good enough to yield for about 15 minutes, without losing his right to the floor, so that I may speak on the legislation.

Mr. ALLEN. On this legislation?

Mr. KENNEDY. Yes; without the Senator losing his right to the floor.

Mr. ALLEN. I assume the Senator wishes to back up the remarks of the Senator from Alabama?

Mr. KENNEDY. Well, I would not draw that conclusion just at this time; it might be premature.

Mr. ALLEN. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Massachusetts for not to exceed 15 minutes without losing my right to the floor.

Mr. PERCY. Mr. President, will the Senator from Alabama and the Senator from Massachusetts mind just a brief comment? The Senator from Alabama did mention the position of the Senator from Illinois on this bill.

Mr. ALLEN. I would have no objection, if the Senator from Massachusets has none, provided the floor will be returned to me, Mr. President, when the two distinguished Senators have spoken.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, I hope I will not take longer than the time mentioned.

At the conclusion of my remarks, I should like to inquire of the Senator from Alabama, so I hope that he will be available in the Chamber at that time.

Mr. PERCY. Mr. President, I understand that the Senator from Alabama is strongly opposed to a tax cut at this time. I should very much, indeed, like also to reaffirm the opposition of the Senator from Illinois to a tax cut. I think it would be bad economics. It would be bad for this country. It would be a signal, following shortly after having adopted by an 80-to-0 vote a budget reform bill, that we intend to pay no attention to the years of work that was put into the process to find a way for Congress to respond responsibility to our duty to combat the greatest single domestic enemy every family in America has; namely, the ruinous effect of inflation.

Much as we are in support of reducing personal exemptions as the cost of living goes up, to do so at this particular time would add tremendously to the Federal debt and increase inflation. It would stimulate to some degree buying power but certainly would have no helpful effect on the millions of people who are living below the poverty level and who pay no income taxes, yet they would have to bear the brunt of increasing costs as inflation continues. I think it would be a regretful mistake to cut taxes now.

I intend to join the distinguished Senator from Alabama later in the day, during the course of the debate in extensive discussion, which we hope will contribute to a better understanding on the part of Senators, as well as the Nation, as to the disastrous effect of a tax deduction at this particular time.

I thank the distinguished Senator from Massachusetts, who I know disagrees with this particular philosophy, but we will have a great deal of time later in the week to discuss this subject. I very much appreciate the Senator's yielding to me for these comments.

Mr. KENNEDY. I should like to ask my friend from Illinois whether he would take the same position if the revenue loss from tax reform is offset—revenue gains from tax reform.

Mr. PERCY. I would take the same position that I feel there should be an increase in taxes on the oil companies. We have to find a way to make the American oil companies more responsible by requiring them to pay a reasonable portion of their income in U.S. taxes. They are paying billions of dollars in taxes to the Middle Eastern countries, so they should pay a fair and proportionate share to this country also. But what I do not want is to have us work that in at this time, before hearings have been completed before the Finance Committee, or before we have seen what effect the changes in tax legislation will have. What we do not want is a disincentive in the tax structure which would have an adverse effect on the kind of exploration and development we need to increase our oil supplies. I cannot see using a mechanism such as a debt ceiling bill, which is a simple bill just to allow the Government to operate after June 30, as a means for hanging a great many amendments on which have not had any chance of hearings and no opportunity for extensive enough debate so that we may know what we are legislating.

Mr. KENNEDY. Did not the Senator vote for an increase in social security benefits when we had the proposed increase before us on the debt ceiling bill?

Mr. PERCY. Yes, that is true. There were certain desirable attributes to that proposal. But we have never been faced with a debt limit bill at a particular time when inflation was in the two-digit realm; we never had 15-percent inflation before. We do not know how to cope with it. We had better start learning ways to arrest the forces of inflation rather than saying, "Let us add to the national debt."

If we can find a way to increase taxes, we should do it, but we should use the revenues to reduce the debt, not add to the debt as we would be with an increase in the personal exemption.

Mr. KENNEDY. So it is not the principle that the Senator objects to. He does not object to amending the Debt Ceiling Act. He does not object to that because, as I think he has indicated, he has voted for an increase in social security as an amendment to the Debt Ceiling Act. I wonder whether the Senator voted for ending the Cambodian war, as well, when we voted on that question about 2 years ago on the Debt Ceiling Act. So it is not the principle that the Senator objects to, but the fact that, evidently, he objects to the particular amendments which will be introduced and cosponsored by a number of Senators, one is to provide some tax relief; the other is to close some tax loopholes. Evidently, from what the Senator from Illinois has said, he objects to providing tax relief, and he objects to closing tax loopholes; am I correct?

Mr. PERCY. The principle that the Senator from Illinois has tried to adhere to—and I think most Senators have—is that if we have had hearings and the opportunity to determine what the effect of tax changes will be, we know what we would be legislating on. But if we have not had the opportunity of going into a complicated tax matter like this, as we have not, to determine what the end result would be, then it would be undesirable to go ahead with changes in the tax code at this time.

Mr. KENNEDY. The Senator, therefore, is for tax reform, but not now, at least with regard to the debt ceiling. He is for tax reform in general, but not at this particular place and time. He is also opposed to tax relief.

Mr. PERCY. Mr. President, will the Senator yield further for a question?

Mr. KENNEDY. I wonder whether I am interpreting the Senator correctly. At least, this is my impression from what the Senator from Illinois has said. If he has a different position, I wish to have it clarified, so that I will understand it completely.

Mr. PERCY. No; the Senator from Illinois cannot accept the explanation attributed to me. Possibly I would better understand the position of the Senator from Massachusetts with his answer to this question: With the expected deficit in fiscal year 1975 of $11.5 billion, with some estimates showing that that deficit could go as high as $18 billion or $20 billion, with every study that I have seen indicating a Federal deficit of that magnitude, adding materially to the pressure of inflation which drives prices up and certainly works most harshly and adversely on the poor, does the Senator from Massachusetts feel that this is the appropriate time, when we have that magnitude of debt, where we are once again increasing the Federal debt limit, that this is a good time to have such a tax reduction; and, if so, what is the purpose of the tax reduction?

Mr. KENNEDY. I will give the Senator from Illinois a one-word answer; then I will take the opportunity which has been granted to me by the Senator from Alabama to explain it, in the hope that the Senator from Illinois will give me a one-word answer as well with regard to his position of using this vehicle as the vehicle for tax reform.

The answer to the Senator from Illinois is "Yes." I am in favor of providing some degree of tax relief for people who have to bear the burden of the increased price of fuel and the increased price of food. And I am in favor of raising revenues through tax reforms. Our amendment will contribute nothing to inflation, because there will be no net revenue loss in the long run.

I would like to get an answer from the Senator from Illinois, whether his feelings about the importance of tax reform are such that we can use this particular vehicle for tax reform in 1974.

Can I get such an answer?

Mr. PERCY. The answer is "No."

Mr. KENNEDY. That is very clear.

Mr. PERCY. The Senator from Illinois feels that this tax bill is a poor vehicle to use for an overall tax reform bill. He would ask the Senator from Louisiana whether there is another piece of legislation coming along that will enable us to have hearings, to enable us to proceed with due deliberation, and not with a gun at our head, with a debt ceiling bill that must be passed and signed by June 30. I will ask whether we have another bill coming along that is a better vehicle.

Mr. KENNEDY. I hope the Senator from Illinois will be able to inquire of the distinguished chairman of the Finance Committee and enter into such a dialog or discussion as he may wish. At first, as I understand it, there is only an outside chance that we will have the opportunity to act on comprehensive tax reform this year.

But given the fact that I have been granted only a limited period of time, I have some problem in yielding for a dialog at this particular time between the Senator from Illinois and the chairman of the Finance Committee.

Mr. PERCY. I thank the distinguished Senator from Massachusetts.

Mr. KENNEDY. I hope that we will all be able to have an opportunity to speak on this measure and on the economic implications of our proposal for tax reform and tax relief.

I would like to have the opportunity, since the Senator has queried me about the economic justifications, to be able to develop my views on that subject and on tax reform, and then, perhaps, if I have any time available, to yield for a discussion.

Mr. MAGNUSON. Will the Senator yield for a half minute?

Mr. KENNEDY. I am glad to yield for a half minute.

Mr. MAGNUSON. Mr. President, speaking of tax reform, this may be an appropriate time to submit, to lie at the desk, an amendment by myself, the Senator from Connecticut, my colleague from Washington (Mr. JACKSON), and other Senators, which would repeal the percentage depletion for oil and gas production, which is essentially a part of what the Senator is going to be talking about.

I ask unanimous consent that I may offer the amendment and have it lie on the table. When we call it up, I will have some statements to present, to justify it. We may have the problem of fitting it in with some of the other amendments which have been submitted, which we will have to work out later.

Mr. President, I ask unanimous consent that the amendment lie on the table.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MAGNUSON. When I call it up, I will make my statement. I am offering it on behalf of myself and other Senators.

Mr. KENNEDY. Mr. President, I wish to acknowledge the work on this particular measure which has been done by the distinguished Senator from Washington (Mr. MAGNUSON) as well as by Senator RIBICOFF. Their thoughtful consideration of this particular measure has been commendable. They have added greatly to the Senate's understanding of the importance of such reform.

I commend the Senator from Washington—as I am sure other Senators will do—for his thoughtfulness on this issue.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield to me for 30 seconds, with the understanding that I will not attempt to alter the conditions under which the Senator from Alabama has yielded?

Mr. KENNEDY. I yield.

VITIATION OF ACTION ON S. 3355, COMPREHENSIVE DRUG ABUSE PREVENTION AND CONTROL ACT OF 1970

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the action taken earlier today on S. 3355, Calendar Order No. 896, be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

FEDERAL ENERGY ADMINISTRATION

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent—and this has been cleared with the assistant Republican leader—that tomorrow, at 12 o'clock noon, the nomination of Mr. John C. Sawhill be called up; that there be a limitation of 40 minutes on the debate, 30 minutes to be under the control of Mr. ABOUREZK and 10 minutes under the control of the distinguished Republican leader; and that upon the disposition of the nomination, the Senate return to legislative session.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator from Massachusetts for yielding to me.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. KENNEDY. Mr. President, how much time remains?

The PRESIDING OFFICER. All time has expired.

Mr. ALLEN. Mr. President, I ask unanimous consent that the distinguished Senator from Massachusetts may have the full 15 minutes, provided the floor will be returned to me at that time.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I thank the Senator.

The PRESIDING OFFICER. Does the Senator suggest 15 minutes more?

Mr. ALLEN. Fifteen in all.

Mr. KENNEDY. I think I had 15 minutes. Is that for 15 minutes more?

Mr. ALLEN. Some of the time came off. If the Senator wants 30 minutes, that is all right.

The PRESIDING OFFICER. Without objection, the Senator has an additional 15 minutes.

Mr. KENNEDY. I thank the Chair. As I understand, we have used 15 minutes and I have 15 minutes from now. Is my understanding correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. KENNEDY. I ask unanimous consent that Mr. Parker be permitted the privilege of the floor during the debate and votes on this measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. I appreciate the time yielded to me by the Senator from Alabama. After I make some comments, I wish to make some inquiries of him about his position and what we might expect in terms of any dialogue or debate or vote on these points.

Mr. President, I yield myself 13 minutes.

Mr. President, I am pleased to join with other Senators today as the Senate begins its consideration of the Debt Ceiling Act and the important proposals for tax reform and tax relief that will be offered as amendments to the act.

At the outset, I commend the Senate leadership and the distinguished chairman of the Committee on Finance, Senator RUSSELL LONG, for bringing this bill to the floor with ample opportunity for full debate before the June 30 expiration of the current debt ceiling.

Although riders on Debt Ceiling Acts are not the usual method of Senate legislation, the periodic bills extending the debt ceiling have established a precedent in recent years as vehicles for vigorous debate and action on some of the most important contemporary issues before the Nation.

To name but three examples, Debt Ceiling Acts in the Senate in recent years have been the vehicle for major action by Congress to increase social security benefits for the elderly, to end the Vietnam war and the bombing of Cambodia, and to establish public financing of elections.

In the case of the social security benefit increase, the effort to amend the Debt Ceiling Act was successful, and a substantial increase in benefits was signed into law by President Nixon. In the other two cases—the end-the-war amendment and the public financing amendment—the efforts were not as successful on the Debt Ceiling Act itself, but the momentum generated by the Senate debate was an important forward step toward the goal.

Thus, the debt ceiling debate on the war last June led directly to the final congressional action on legislation halting the bombing of Cambodia in August. And, the debate on public financing last November, although thwarted by a filibuster at the time, laid the groundwork for the comprehensive and far-reaching election reform legislation passed by the Senate earlier this year.

Today, we have another such opportunity to use the Debt Ceiling Act, this time to take a constructive forward step in the area of tax relief and tax reform. We can bring immediate tax relief to millions of families now suffering under the heavy burden of some of the worst inflation America has ever seen. At the same time, we can make a down payment on tax reform, bring greater equity to the Internal Revenue Code, and help insure that all citizens pay their fair share of taxes.

I am pleased, therefore, to be a sponsor of the joint tax reform and tax relief amendment No. 1443, that will be offered to the Debt Ceiling Act in the coming days by Senators HUMPHREY, BAYH, CANNON, CLARK, HART, MONDALE, NELSON, and myself.

TAX REFORM

The first half of our joint amendment deals with tax reform. It proposes reforms to close four of the most serious loopholes in the Internal Revenue Code—oil depletion, tax subsidies for exports, accelerated depreciation, and the minimum tax.

In essence, the amendment would enact the following four reforms:

First. Repeal the oil depletion allowance, effective January 1, 1974—$2 billion revenue gain in the first year, $2.6 billion in the third year; $3.3 billion in the fifth year.

Second. Repeal the asset depreciation range—ADR—system of accelerated depreciation, effective for plant and equipment placed in service as of May 8, 1974, the date our amendment was originally proposed—$250 million revenue gain in the first year; $1.5 billion in the third year; $2 billion in the fifth year.

Third. Repeal the Domestic International Sales Corporation—DISC—system of tax incentives for exports, effective January 1, 1974—$815 million revenue gain.

Fourth. Strengthen the minimum tax, by reducing the current exclusion from $30,000 to $10,000, and by eliminating the current deduction for taxes paid, effective January 1, 1974. An identical reform in the minimum tax was passed 47 to 32 by the Senate last January, but the underlying bill was later recommitted—$860 million revenue gain.

Taken together, these four tax reforms will generate new revenues of approximately $4 billion in the current year and $7 billion by 1978. Thus, these reforms are sufficient by themselves to offset the major part of the revenue loss produced in the first year by the $6.5 billion in tax relief that we are proposing in the second half of our amendment; they will offset entirely the longrun revenue loss of the tax relief.

Each of these four tax reforms has been debated vigorously and extensively in the Senate in the past, both in committee hearings and in floor debate. They have also received thorough consideration by the House. Therefore, these reforms are appropriate for Senate consideration now, as riders to the Debt Ceiling Act.

The oil depletion allowance, for example, has been the most notorious tax loophole for many years; the soaring price of oil in America and the soaring profits of American oil companies make immediate repeal of the depletion allowance our No. 1 tax priority.

DISC and ADR entered the Revenue Code in 1971, and have been controversial ever since, providing windfall tax benefits for some of the Nation's largest corporations.

And the minimum tax, which entered the code in 1969 as a loophole closing measure, is now best known for the loopholes of its own that have rendered it so ineffective.

As an appendix to this statement, I am attaching a brief summary of the problem and proposed solution for each of these reforms.

My hope is that the Senate will approve these four tax reforms as part of the Debt Ceiling Act, as a downpayment on more comprehensive tax reform to come, later in the year.

These four reforms are only the beginning of the list. The Ways and Means Committee is now at work on a bill that promises to become the vehicle for comprehensive reform. If other events do not intervene to delay the schedule, it is possible that Congress may yet have the opportunity, this year, to act on the full range of reforms of the Internal Revenue Code that are necessary to bring real tax justice to America.

Over the years, we have allowed a situation to develop in which the Internal Revenue Code has become America's biggest welfare bill of all—but it is the sort of welfare that only Alice in Wonderland can understand, because the greatest benefits of tax welfare go entirely to the Nation's richest individuals and largest corporations.

In distributing these vast amounts of unjust tax welfare, the Federal Government is treating the average taxpayer unfairly.

Billions of dollars in Federal tax revenues are lost each year through countless loopholes and other preferences in the tax laws. Those losses have to be made up somehow—and they are made up out of the hard-earned tax dollars of millions of ordinary citizens, who pay too much because others pay too little.

In effect, the Government is acting like Robin Hood in reverse. By allowing these tax inequities to continue, Congress and the administration are robbing the poor to pay the rich.

This year of 1974 is the year to end all that. The 93d Congress has the opportunity to enact far-reaching tax reforms, and the Debt Ceiling Act is the place to start.

One thing is clear—if we fail to act, then 80 million ordinary taxpayers and their families will have every right to hold Congress accountable at the polls on election day this fall.

TAX RELIEF

The second half of our joint amendment contains proposals for tax relief. It has three principal provisions which, taken together, will provide $6.5 billion in tax relief for hard-pressed American taxpayers:

First. It will raise the personal exemption for individuals in the Federal income tax from its current level of $750 to a new level of $825.

Second. It will provide an option for every taxpayer to take a $190 tax credit in lieu of the $825 personal exemption.

Third. It will provide a refund of a portion of the social security payroll tax to low-income workers with children, through a tax credit equal to 10 percent of wages up to $4,000 in income. This is a proposal which the distinguished chairman of the Committee on Finance has long sought to see achieved, to provide tax equity for the low-income American worker.

For incomes over $4,000, the credit is phased out at the rate of 25c per dollar, so that the credit disappears when income reaches $5,600. The credit is refundable—that is, it is paid as an income tax refund, even if the recipient has no income tax liability.

The purpose of these tax relief provisions is two-fold: to provide an urgently needed fiscal stimulus to keep the economy from sinking deeper into the current recession; and to provide significant across-the-board relief to millions of taxpayers suffering under the sustained severe inflation that has now reached the double-digit level and that has sharply contracted consumer purchasing power in every section of the country.

The economic figures are increasingly pessimistic. At the end of May, we learned that GNP had declined precipitiously by a revised 6.3 percent annual rate for the first quarter of 1974—an even steeper decline than the original estimate of a 5.8 percent plunge a month ago, and more than twice as steep as the rose-colored 2.3 percent decline forecast by administration economists earlier this year.

The new figure represents the steepest slide since the serious recession of 1968. The slide makes clear that the economy has slipped badly in recent months and that, in fact, the Nation has now entered a period of recession, America's sixth recession since World War II.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. ALLEN. Mr. President, I ask unanimous consent that I may yield an additional 5 minutes to the distinguished Senator from Massachusetts, provided I have the floor returned to me at the conclusion of his remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, clearly, the efforts of the administration are inadequate to stop the slide. The question is not whether we are already in the valley of a recession, but how long and how deep the valley is going to be.

Prompt action is required by Congress to keep the economy from sinking deeper into the current recession, and immediate tax relief is our most effective possible response.

By channeling the proposed tax relief through the income tax withholding system, the relief can take effect at once. It will begin to be felt in the weekly paychecks of millions of working men and women, within 30 days after the measure is signed into law.

These tax relief proposals combine the principles of separate measures that Senator Mondale, Senator Long, and I have introduced in the past:

The increase in the existing personal income tax exemption will provide across-the-board relief to all taxpayers.

The use of an optional tax credit in lieu of the exemption will target substantial relief on low- and middle-income taxpayers hardest hit by inflation. Dollar for dollar, credits are worth more than exemptions to such taxpayers, since a credit is subtracted directly from the amount of taxes owed, whereas an exemption is subtracted from income, before the tax rate is applied. In general, therefore, taxpayers whose marginal tax bracket is less than 24 percent will find the $190 credit more beneficial than the $825 exemption—$825 multiplied by 23 percent equal $190.

And the use of a refundable tax credit will provide relief to those at the bottom of the income scale from the crushing burden of the payroll tax.

Taken in conjunction with the tax reform proposals in the first half of our amendment, the net effect of the overall amendment will be to prevent any long-term revenue loss to the Treasury, since the tax relief we grant this year will be offset—partially this year, and completely in future years—by revenue-raising tax reforms.

The case for antirecession tax relief is strengthened by the dismal news reported in the Nation's other economic indicators in recent weeks and months.

Apart from the drastic slump in the first quarter GNP, there are at least five other serious indicators of our current economic straits:

The May figure of 5.2 percent unemployment in the Nation confirms the disastrous consequences the recession is having on millions of workers and their families. For the 5th straight month, unemployment has hovered at the clearly excessive level of 5 percent or higher. In May, it took a significant upward turn to 5.2 percent from 5.0 percent in April. Read in light of the current excessively restrictive monetary policy and the recessionary plunge in first quarter GNP, unemployment is on its way to 6 percent for America in 1974, unless Congress acts in time.

The high cost of fuel is siphoning dollars from the pockets of consumers at the astronomical rate of $20 billion in 1974. And the vast majority of these dollars are going into oil company profits and into the treasuries of foreign governments. Only an insignificant part of that amount is being plowed back into the domestic economy. The net result is a heavy additional drag on the economy, an "oil tax" on the consumer that no citizen should have to pay.

No responsible economist advocates a tax increase as a matter of economic policy, since such an increase would throw the economy into an even deeper recession than the one we have today.

Certainly, Congress is not going to enact a tax increase. How, then, can Congress sit idly by, while the oil industry levies its own tax increase on the already reeling American consumer?

A drastic fall-off in consumer demand is indicated by the figure on personal disposable income, one of the most accurate measures of consumer purchasing power. Such income dropped at an annual rate of over 7 percent for the first quarter of 1974, the sharpest drop since 1949, a precipitous decline with obvious implications of reduced consumer buying in the months ahead. These statistics leave no doubt that the average consumer has been badly hurt in recent months. The rise in prices, especially food and fuel, has cut deeply into his buying power.

New car sales have stabilized in 1974 at about 20 to 25 percent below the level of a year ago. Detroit is still in trouble over the continuing fuel crisis, and a major part of the trouble is the failure of the prayed-for big backlog of small car orders to materialize. Demand is low, because the consumer simply is not there.

Finally, the draconian tight money policy now being carried out by the Federal Reserve Board is sending interest rates into orbit, driving the housing industry on the rocks, and putting the economy through the wringer.

It is easy to understand how the Fed feels. It is fighting inflation all alone—but there has to be a better answer to inflation than causing a bust to stop the boom.

In the face of these depressing figures, the somewhat optimistic current levels of plant and equipment spending do not present a significant counterargument. The history of the recession of 1957–58—our worst and sharpest postwar recession—teaches the disastrous consequences that can result when consumer spending is flat and a boom in plant and equipment spending collapses as business awakens to the reality that there are no customers to buy the products piling up on the shelves.

We cannot count on plant and equipment spending to carry the economy on its back. The vast majority of the economy is keyed to the consumer; only 12 percent is keyed to business spending. The economy cannot move forward, when consumer spending is moving backward. The only adequate route to stable growth is a much more balanced expansion of the economy, the sort of growth our tax relief proposal is designed to generate.

Once before, in the early 1960's, Congress successfully used a tax cut to pull the economy out of a period of recession and stagnation, thereby launching the longest uninterrupted period of genuine economic growth and sustained price stability in our history.

If we do not learn this obvious lesson from our recent economic history, then we are doomed to repeat the recessions of the past, instead of enjoying the prosperity the future ought to bring.

Moreover, a tar cut is also easily justified on the grounds of equity alone, as relief against the burden of continuing inflation, which reached the stratospheric level of 11.5 percent in the first quarter of 1974, America's worst inflation since the Korean war.

The proposed tax cut would not be inflationary in itself. The rampant inflation of today is caused primarily by the spurt in prices when controls were ended last April and by the exorbitant recent increases in the cost of food and fuel, which are now working their way through the rest of the economy. Apart from these inflationary elements, which tax relief will not significantly affect, the central economic problems today are slack capacity, falling output, and weak demand—the very factors that are causing the current recession. In sum, although tax relief will not impede the fight against inflation, it can keep the recession from growing worse.

Moreover, in a separate but important way, tax relief can actually help to fight inflation, by leading to a moderation in demands for higher wages this year. Thus, tax relief can make up part of the loss in real income that millions of workers have suffered, because of inflation; it can thereby help prevent large wage demands that would lead to another drastic upward round in the spiral of inflation.

In sum, we hold in our hands the key to the present health of the economy. If we do nothing now, if we allow ourselves to be lured yet again into following the administration's Pied Pipers of Prosperity, then we have only ourselves to blame. Five years of mismanaged policy and shattered credibility on the economy are enough. It is time for Congress to assert its power, and to exercise its own independent judgment on economic policy.

My hope is that the Senate and House will act quickly to adopt the tax relief and tax reform proposals we are offering. The health of the American economy for the remainder of 1974 and well into 1975 may hang on the outcome of our action:

I ask unanimous consent to include fact sheets on this matter.

There being no objection, the material was ordered to be printed in the Record, as follows:

Fact Sheet on Proposed Repeal of Percentage Depletion for Oil and Gas

This provision would abolish the percentage depletion allowance as of January 1, 1974, for all oil extraction and for natural gas not under Federal price control or already committed under fixed-price contract. The annual revenue gain over five years would be as follows:

[In billions of dollars]

Calendar year	This proposal	Revenue gain Ways and Means bill	Difference
1974	2.0	0	2.0
1975	2.2	.6	1.6
1976	2.6	1.3	1.3
1977	2.9	2.1	.8
1978	3.3	2.4	.9
Average	2.6	1.3	1.3

Of the revenue gain from abolition, all but about $0.2 billion is traceable to the elimination of percentage depletion on domestic oil. The estimates for domestic oil are based on an average price of crude increasing gradually from $6.50 per barrel in 1974 to a world price of $9 in 1978, as assumed by the Joint Committee on Internal Revenue Taxation.

HOW DEPLETION WORKS

The percentage depletion option now permits 22 percent of the gross revenues from oil and gas extraction to go entirely free of Federal income tax, up to half of the producer's before-tax profits. For a successful well, percentage depletion can provide a total tax deduction much larger than the alternative of depreciating the investment in the well, as would be done by investors in other businesses. As a result of this and other tax preferences, major oil companies paid only about 6 percent of their income in U.S. income taxes in 1972. For instance, Gulf paid 1.2 percent; Mobil, 1.3 percent; Texaco, 1.7 percent, SoCal, 2 percent; Arco, 3.7 percent; Exxon, 6.5 percent; and Standard of Indiana, 10.2 percent.

Percentage depletion has been defended in the past as an incentive to exploration and drilling. For this purpose, it always has been a very costly form of subsidy, and it is less effective per dollar than a subsidy or tax credit applied directly to the desired activities.

The new high prices of oil render percentage depletion much more expensive than before and, at the same time, remove any justification for it, because today's oil prices provide ample incentive for oil development without any subsidy. Development activity now is constrained *not* by any lack of incentive but by the physical capacity of the industry and its equipment suppliers.

The recent increase in oil prices indeed presents an opportunity to abolish this aspect of undue favoritism in the tax system without reducing the incomes of oil investors from last year's levels. On the contrary, oil incomes will go up anyway. Depletion should be abolished now before it again becomes embedded in the new income levels, the asset values, and the cost structure of the oil business.

RELATIONSHIP TO THE WAYS AND MEANS BILL

The Ways and Means bill repeals depletion in gradual steps from 1975 through 1978. Its provision on depletion would have virtually no effect in 1974. Our proposal would return significant revenues to the public treasury from ballooning oil profits beginning this year. Oil industry profits in 1973 rose some 55 percent over 1972, according to *Business Week*. Company reports for the first quarter of 1974 indicate another very large jump for this year. After their accountants had done everything possible to minimize below-the-line profits, Texaco reported after-tax earnings up again by 123 percent; SoCal, 92 percent; Standard of Indiana, 81 percent; Gulf, 76 percent; Mobil, 66 percent; Shell, 51 percent; and Exxon, 39 percent.

This proposal separates the repeal of percentage depletion from the other provisions of the Ways and Means Energy Tax Package, because depletion has been the subject of hearings and public debate for many years and the issue is familiar to everyone. Action should be taken now to close this major loophole as the first step toward satisfying public demand for fair taxation of oil income. The other provisions of the Ways and Means package are sufficiently new and complex to warrant more deliberate procedures. This proposal is not intended to detract in any way from the need to consider these other measures in due course.

Fact Sheet on DISC

DISC provisions of the Tax Code allow specially organized export corporations to defer indefinitely the tax on one-half of their income. There is no evidence that DISC provisions provide an extra stimulus to exports. But they will cost the U.S. Treasury $740 million in 1974, primarily in the form of subsidies to large corporations. Our amendment would terminate the unjustified DISC subsidy.

HOW DISC PROVISIONS WORK

Under existing law, a corporation may elect to be a DISC (a Domestic International Sales Corporation) if at least 95% of its gross receipts, and at least 95% of its assets, are export-related. DISCs are completely free from normal income taxes. Shareholders, however, are taxable on one-half of the DISC's income each year, or the amount distributed as dividends, whichever is greater. Thus, DISCs in effect allow indefinite tax deferral on one-half of export income.

In practice, DISCs are most often paper corporations established by other large corporations merely for the purpose of receiving tax benefits for exports. A DISC need not satisfy normal requirements of corporate capitalization, but need have only $2500 in assets. In 1972, 22% of the income received by all DISCs was earned by eight DISCs with gross receipts over $100 million, and over 80% of the 2,249 DISCs were owned by corporations with assets of over $100 million. These large corporations can channel their exports, on either a sale or commission basis, through DISCs they have created, and thus receive substantial tax benefits.

REVENUE GAIN FROM TERMINATION OF DISC BENEFITS

Terminating DISC benefits under our amendment would gain an estimated $815 million in 1974. $740 million of this amount comes from revenue which would otherwise have been lost in 1974 under the DISC provisions. And $75 million comes from the estimated tax revenue which would be payable in 1974 on DISC income deferred in prior years.

DISC PROVISIONS HAVE HAD NO DEMONSTRABLE EFFECT ON INCREASING OUR EXPORT TRADE

The U.S. in 1973 enjoyed a $700 million trade surplus, with an unprecedented $70 billion in exports. But when the DISC provisions were originally enacted in 1971, the nation was facing a serious balance of payments deficit, including for the first time in recent years a deficit in trade of goods and services. According to the International Economic Report of the President, the turnaround in the U.S. trade balance was caused primarily by increased world-wide demand for our agricultural and manufactured exports, and the 15% devaluation of the dollar over the past two years. During 1971 and the first half of 1972 our demand for foreign products was strong, and economic slowdowns abroad reduced demand for our exports, producing a negative trade balance. Since then, however, export demand has increased, the prices of our exports have become more competitive, and higher relative prices abroad have reduced our demand for imports.

There is no evidence that any part of this trade turn-around is due to the tax benefits provided under DISC. In fact, the GAO has reported that DISC "is not considered to have had much influence toward increasing U.S. exports to date. Neither has it resulted in exporters lowering their prices to meet competition." And a recent Treasury Department report prepared pursuant to the DISC statute gives no convincing evidence that the tax subsidy under DISC is having an effect on our exports or balance of trade. Although the Treasury analysis, which covers data from calendar year 1972, shows that selected firms utilizing DISCs increased their exports 14.1%, slightly more than the total U.S. export growth by 12.4% in that year, the Treasury makes no claim that these figures are statistically significant and admits that their conclusion is "highly tentative." The Treasury Report did show, however, that the 15% profit rate for exporters using DISCs has been about twice the 8% rate of return for those industries in which DISCs predominate, and that the revenue loss has been much higher than Congress expected when it enacted DISC in 1971. The revenue loss was an estimated $250 million in 1972 and $500 million in 1973, instead of the originally predicted $100 million in 1972 and $170 million in 1973.

EFFECTIVE DATE

Our amendment would make DISC benefits unavailable for any taxable year beginning after December 31, 1973. Since DISCs are largely an accounting device, utilized by corporations at the end of their taxable years when export receipts, assets, and income are accounted for, terminating the DISC provisions as of this tax year would work no unfairness. Taxes on income previously deferred would be payable in equal assessments over ten years.

BACKGROUND OF THE ASSET DEPRECIATION RANGE SYSTEM

The ADR system permits a corporate taxpayer to depreciate capital assets within a range of up to 20% faster than the useful lives of these assets as defined by Treasury guidelines on useful lives in 1971. Many people believed that the Treasury was exceeding its statutory authority in administratively changing the depreciation system. In part due to public and Congressional protest, the Administration submitted a modified version of ADR to Congress in the Revenue Act of 1971. On November 12, 1971, the Senate came within two votes of rejecting ADR.

ADR abandons a concept which had been an integral part of the tax laws for 40 years—namely, that deductions for depreciation of capital assets must be based on the actual useful life of the asset. Once we depart from this concept and allow tax depreciation to exceed economic depreciation, the owners of property producing taxable income are in effect receiving subsidy payments from the Treasury. There is no mathemtaical difference between giving an individual or business a direct handout and forgiving him a like amount in taxes due.

In announcing the ADR in January of 1971, President Nixon stated that "a liberalization of depreciation allowances is essentially a change in the timing of a tax liability." This statement is mistaken and represents a confusion between the consequences of a "liberalization" in depreciation allowances for a single asset or assets of a single year or even a limited number of years and the permanent "liberalization" established by ADR. Experts in this field have estimated that by 1980 the ADR system will have resulted in up to a $30 billion *permanent* revenue loss to the Treasury. Thus ADR is not simply a change in the timing of tax payments or reducing payments now in return for a tax liability in the future. It represents a repeating and accumulating loss in tax revenues year after year, a loss which will ultimately grow along with the general rate of growth of the economy and in particular the rate of growth in equipment subject to the tax depreciation.

The major rationale which has been put forward to justify ADR is that it will stimulate investment and therefore the economy generally. Many experts in this area, however, do not agree that this is the case. Professor Robert Eisner of Northwestern University who has spent many years studying the subject of asset depreciation earlier this year testified before the House Ways and Means Committee that "there is little evidence that 'liberalization' of depreciation allowances of this type will have much effect on investment." He went on to note that "if the objective were to increase investment spending, economic analysis makes clear that a far more effective device, dollar for dollar of tax loss to the Treasury, would be some form of direct investment subsidy or tax credit." It should be noted that an investment tax credit to stimulate capital investment was also adopted as part of the Revenue Act of 1971 providing ample tax relief and investment incentives for corporations.

The other argument of the ADR proponents revolved around the competitive position of U.S. producers. As nearly all economists will agree, this is a spurious argument. There is no empirical evidence that those countries with the lowest taxes on capital have higher rates of economic growth. In fact, among the major industrial countries the converse appears to be true. If the goal were to stimulate capital formation, ADR is a very ineffective and costly stimulus. In part, this is reflected by the current data which show that business has moved very slowly in adopting ADR. If ADR has a strong investment incentive, why have firms not moved more quickly to adopt the new proposals? Its complexity also appears to be discriminating against the smaller business firms. The current Treasury data indicate that the system is being adopted by the large conglomerates but not the smaller proprietorships and partnerships. Apparently the complex provisions can only be interpreted by the larger firms. Major improvements in the U.S. balance of payments has come from the devaluation of the dollar rather than tax giveaways to business. The future history of ADR is likely to follow that of accelerated depreciation after 1954—a very gradual adoption with no noticeable investment stimuli, but considerable hidden long-run revenue costs.

Estimated revenue loss due to ADR

1971	$300 million
1972	$900 million
1973	$1.2 billion
1974	$1.4 billion

Estimated revenue gains if ADR is repealed

1974	$400 million
1975	$1.0 billion
1976	$1.5 billion
1977	$1.7 billion
1978	$2.0 billion

Strengthen the Minimum Tax

PURPOSE

1. Repeal the step in the calculation of the minimum tax which currently allows a deduction for other taxes paid.

2. Reduce the current $30,000 exclusion from the minimum tax to $10,000.

The proposed amendment makes no change in the list of tax preferences subject to the minimum tax, and no change in the current 10% rate of the minimum tax. It affects only the deduction for taxes paid and the $30,000 exclusion, the most obvious loopholes in the current minimum tax. The combined revenue gain from both provisions would be $860 million.

CURRENT LAW

The minimum tax was enacted by Congress as part of the Tax Reform Act of 1969, in an effort to insure that persons with substantial amounts of untaxed income would pay at least a modest tax on such income. Under the present minimum tax, a person is taxed at the flat rate of 10% on the sum of his income from certain tax preferences, which include most, but not all, of the major preferences in the tax code: accelerated depreciation on real property, accelerated depreciation on personal property subject to a net lease, amortization of certified pollution control facilities, amortization of railroad rolling stock, stock options, reserves for losses on bad debts of financial institutions, depletion, capital gains, and amortization of on-the-job training and child care facilities.

Before the minimum tax is applied, however, a taxpayer gets two important deductions from his preference income: *First*, an automatic $30,000 exclusion; *Second*, a deduction for the regular income tax he pays. These two deductions are largely responsible for the failure of the minimum tax to fulfill its promise.

DEDUCTION FOR TAXES PAID

This deduction allows substantial numbers of taxpayers to avoid the minimum tax completely, even though they have large amounts of income from tax preferences. In practice, the deduction is an "Executive Suite" loophole, since one of its principal effects is to allow highly paid executives to use the large amount of regular taxes they pay on their salaries as an offset against income they receive from tax references. The following example illustrates the point:

	A	B
Preference income	$100,000	$100,000
Regular tax on salary	100,000	0
Base for minimum tax	0	100,000
Minimum Tax	0	10,000

Individual A, who has $100,000 in income from tax preferences but pays $100,000 in regular taxes on his salary, owes no minimum tax. Individual B, who has $100,000 in income from the same tax preferences, but who pays no regular taxes, owes a minimum tax of $10,000. The minimum tax should operate equally on individuals A and B, yet the deduction for taxes paid lets A escape the minimum tax altogther.

Contrary to arguments raised in the past against the proposal to repeal the deduction for taxes paid, this reform would have only a marginal impact on capital gains. For individuals, the change would increase the effective tax rates on capital gains in the highest bracket from its present level of 36.5% to 40%. But the top 40% rate would apply only to that portion of capital gains over $460,000, and it is still a bargain rate compared to the 70% tax rate on ordinary income at such levels. In the Tax Reform Act of 1969, the maximum effective tax rate on capital gains was increased from 25% to 36.5%, with no measurable effect on the investment community or the flow of capital to business. For corporations, the change would increase the effective tax rate on capital gains from 30.75% to 33.75%. The Tax Reform Act of 1969 increased the rate from 25% to 30%. For all but the smallest corporations, the tax rate on ordinary income is 48%.

THE $30,000 EXCLUSION

The second part of the amendment would reduce the existing $30,000 exclusion to $10,000. The present level was set far too high by the 1969 Act. It enables wealthy taxpayers to enjoy their first $30,000 in tax loophole income, completely free of the maximum tax. This was the provision used by President Nixon to reduce his minimum tax to zero in 1971 and 1972, and to near-zero in 1970.

By reducing the level to $10,000, substantial amounts of income that are currently tax-free will become subject to the minimum tax. At the same time, the $10,000 level will be high enough to prevent any substantial deleterious impact on low- and middle-income taxpayers with modest tax preference income such as a capital gain on the sale of a home. In addition, the $10,000 level will avoid any unnecessary inconvenience in the administration of the minimum tax, since it will not require the forms to be filed or the tax to be paid on modest amounts of tax preference income.

EFFECT OF CURRENT LOOPHOLES

Individuals—In 1971, 100,000 individuals with tax preferences totaling $6.3 billion paid $169 million in minimum tax, for an effective tax rate of only 2.7% compared to the statutory rate of 10%. Of this group, 75,000 individuals, reporting preference income of $2.3 billion, paid no minimum tax at all.

Corporations—In 1970, 81,000 corporations paid $280 million in minimum tax on loophole income of $5.7 billion, for an effective rate of 4.8%. Of this group, 75,000 corporations, reporting preference income of $1.6 billion, paid no minimum tax at all.

REVENUE GAIN (MILLIONS) FROM PROPOSED AMENDMENT (1972 INCOME LEVELS)

	Repeal deduction for taxes paid	Reduce exclusion to $10,000	Combined changes
Individuals	$330	$131	[1] $585
Corporations	250	20	275
Total	580	151	860

[1] 80% from individuals with adjusted gross incomes over $100,000.

ANTIRECESSION TAX RELIEF IN AMENDMENT 1443

Terms: (1) Raise the personal exemption for individuals in the Federal income tax from its current level of $750 to a new level of $825; (2) provide an optional tax credit of $190 in lieu the exemption; (3) refund a portion of Social Security payroll taxes to low-income workers with children, through a refundable tax credit ("Work Bonus") equal to 10% of wages up to $4,000 in wages.

Purpose: (1) offset the increase in the cost of living caused by inflation; (2) provide a needed fiscal stimulus to pull the economy out of the current recession.

Revenue effect: $6.5 billion loss to Treasury; $6.5 billion stimulus to economy.

Economic policy: The nation is already in a recession, America's sixth recession since World War II. GNP dropped by 6.3% for the first quarter of 1974—the worst decline in 16 years, since the recession of 1958, and far worse than the recession of 1970.

Consumer purchasing power is declining sharply. Measured in constant dollars, per capita personal disposable income dropped by 7.3% for the quarter, a precipitous decline with obvious implications of reduced consumer demand in the economy in the months ahead.

The soaring cost of fuel will drain $20 billion from the economy this year; further reducing consumer demand.

Unemployment increased to 5.2% in May, and many economists are predicting 6% before the year is out.

The Federal Reserve's tight money policy has sent interest rates to 12%, their highest level in history. High interest rates are a severe restraint on the economy, dragging it deeper into recession.

A fiscal stimulus is the most widely accepted response of economic policy to economic downturns and recessions, and the fastest working fiscal stimulus is a tax cut. The well-known general tax cut of the early 1960's ended a period of recession and stagnation, and launched the longest uninterrupted period of growth and price stability in our history.

The stimulus will not impede the fight against inflation. Forces generated by the soaring cost of food and fuel are working their way through the economy, and will not be significantly affected by the proposed amount of tax relief.

In any event, the $6.5 billion cost of the tax relief can be offset by revenue gains from tax reform.

Tax relief can also receive the pressure of the large wage increases that may otherwise be sought this year to keep up with the cost of living.

Exemption/credit—$5.9 billion in tax relief will be provided in these parts of the package. By combining an $825 exemption and a $190 optional credit, the proposed amendment offers across-the-board relief to taxpayers at every income level, while concentrating the relief in low and middle income groups, who are hardest hit by inflation. Thus, 82% of the $5.9 billion in tax relief go to taxpayers earning $15,000 a year or less, and 91% will go to those earning $20,000 a year or less. The distribution of the tax relief by income class would be as follows:

Adjusted gross income	Number of returns with tax decrease (thousands)	Number of returns made nontaxable (thousands)	Decrease in tax liability (millions)	Distribution of tax decrease	
				Percent	Cumulative
$0 to $3,000	4,057	2,558	203	3.4	3.4
$3,000 to $5,000	7,579	1,604	527	8.9	12.3
$5,000 to $7,000	8,273	1,247	730	12.3	24.6
$7,000 to $10,000	11,428	767	1,230	20.7	45.3
$10,000 to $15,000	15,952	251	1,669	28.1	73.4
$15,000 to $20,000	9,856	17	723	12.2	85.6
$20,000 to $50,000	9,006	3	728	12.3	97.9
$50,000 to $100,000	655	([1])	96	1.6	99.5
$100,000 and over	160	([1])	27	.5	100.0
Total	66,966	6,447	5,934	100.0	100.0

[1] Less than 500 returns.

Note: Items do not necessarily add to totals because of rounding. Calendar year 1974 income levels.

"Work bonus"—$600 million in tax relief will be provided by this part of the package. Although workers with incomes below the poverty level are generally not subject to the income tax, they pay Social Security payroll taxes. In recent years, the bite of the payroll tax has increased substantially, imposing an especially heavy burden on those at the bottom of the income scale. Under the Work Bonus, workers with children would receive a credit on their income tax for 10% of their wages, up to $4,000 of income. For incomes over $4,000, the credit is phased out at the rate of 25¢ per dollar, so that the credit is eliminated when income reaches $5,600. The credit is refundable—i.e., it is paid as an income tax refund, even if the recipient has no income tax liability.

Support of economists: Proposals for an anti-recession tax cut have the strong support of economic experts, including both Walter W. Heller and Arthur M. Okun, past Chairmen of the Council of Economic Advisers, and Paul A. Samuelson, winner of the Nobel Prize for Economics in 1970.

Prior Senate action: The Senate itself is already strongly on record this year in support of an anti-recession tax cut. Last January, by a vote of 53–27, the Senate approved an anti-recession tax cut amendment, but the vote was nullified by later action recommitting the underlying legislation. In light of the drastic first quarter slump, the case for a tax cut is stronger today than it was in January.

In addition, last November, the Work Bonus was reported to the Senate as part of the Social Security Act amendments, and an amendment to strike the Work Bonus was defeated by a vote of 57–21.

Mr. KENNEDY. I would now like to address some questions to the Senator from Alabama. I wonder if the Senator could give us some idea of his inclination as to how long he intends to be talking about the matter which is before us, particularly on his technical amendment to the amendment.

Mr. ALLEN. I may say to the Senator from Massachusetts that he might call a $5 billion reduction in the debt a technical amendment, but it seems to the Senator from Alabama that $5 billion is still a pretty substantial sum. That is the thrust of the Senator from Alabama's amendment.

The Senator from Alabama does not know what developments will take place with respect to the bill. He is perfectly willing to withdraw the amendment and have the bill proceed to a third reading, if that is the wish of the Senate. He does not know whether that agreement can be reached at this time, or later in the week, or possibly next week.

Mr. KENNEDY. I know that that is a great responsibility of the leadership, but is the Senator willing to enter into a time limit on the Senator's amendment and permit Members the opportunity to address the different provisions of the very comprehensive amendment which will be offered, as I mentioned during my formal remarks?

Mr. ALLEN. The Senator from Alabama would be delighted to agree to a time limit on his amendment and all amendments, provided they are germane.

Mr. KENNEDY. As I understand, then, the Senator would be prepared to agree to a time limitation on his amendment.

Mr. ALLEN. Not on his alone, but if an agreement is made that all amendments of every sort shall be germane, he is agreeable to entering into such an agreement.

Mr. KENNEDY. But the Senator is not willing to agree to a time limitation on his amendment?

Mr. ALLEN. Not at this time.

Mr. KENNEDY. Not at this time. Can the Senator give us any idea as to how long he is going to talk? Those of us who were involved in the debate on the debt ceiling act and the campaign spending amendment last November know very well the capacity of the Senator from Alabama to engage in extended debate and discussion, and I am wondering whether he can give us some idea as to whether he intends to talk as long as he did on that particular measure.

Mr. ALLEN. Well, the Senator has pretty well answered his question, I believe, I would say to the distinguished Senator from Massachusetts. He is perfectly willing to enter into an agreement to limit debate on all amendments, but as the Senator knows, when such an agreement is entered into, there is also an agreement that amendments shall be germane.

Mr. KENNEDY. It is certainly my idea that tax justice and tax equity would be among the most germane possible amendments that could be considered on the debt ceiling act.

Will the Senator be willing to yield the floor at the proper time to permit our amendment to be called up, so that we can get on with our debate of that issue? Or does the Senator from Alabama intend to call up his amendment?

Mr. ALLEN. It is pending, I believe, at this time.

The PRESIDING OFFICER (Mr. HELMS). The Chair notes that the time of the Senator from Massachusetts has expired.

Mr. ALLEN. Mr. President, the Senator from Alabama seeks the floor.

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Mr. ALLEN. The amendment of the Senator from Alabama is pending. Of course, a motion to table the amendment could be made—that is, if some Senator gets the floor for that purpose.

Mr. KENNEDY. Will the Senator give us an idea when he will be planning to yield the floor for any purpose?

Mr. ALLEN. I do not have any present intention to yield, except the Senator from Alabama was glad to accommodate the Senator from Massachusetts so he could make his speech with respect to the bill.

I might say the Senator from Alabama has noticed that the Senator from Massachusetts did not suggest the possibility of cutting expenditures in order to prevent the tax cuts that he is proposing from being highly inflationary, and the Senator from Alabama feels that a cut in expenditures is just as essential as is a cut in taxes, and if those two could be lumped together, it would go a long way toward solving the inflationary argument against the Senators' amendment.

The Senator from Alabama noticed another item in the distinguished Senator's speech, where he spoke of the present provision on a minimum tax. Instead of providing an adequate minimum tax, it in itself was the result of tax loopholes. and the Senator from Alabama would point out that an amendment by the distinguished former Senator from Iowa, Mr. Miller, was adopted on the Senate floor, which was an amendment to the committee amendment. It was legislation on the floor of the Senate, which the Senator from Alabama thinks is ill advised when we have such a capable and distinguished Committee on Finance that the Senator from Alabama would like to have advice from before he acts on these tax cut measures.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. ALLEN. For a question, yes.

Mr. KENNEDY. Will the Senator agree with me that actually the minimum tax proposals were considered in the Finance Committee and reported from the Finance Committee in a very responsible way? Senator Miller's amendment was a floor amendment to a committee bill.

I agree with the Senator that it is regrettable that the Miller amendment was accepted, although it was over my protest.

Would the Senator be willing to yield for a tabling motion after 3:30 p.m.? As I understand it there is an agreement to withhold votes until that time.

The Senator has talked about reducing the deficit, but the Senate voted on a similar measure just last week. The overwhelming majority of the Members of the Senate voted in a $10 billion cut in spending.

Given the fact that we have only a 2-week period to consider the debt ceiling act, the Senate is ready to vote now on the Senators' amendment. We ought to move on to the merits of the tax reform and tax relief provisions.

Let me say finally that one of the real voices in this country for tax reform, a voice that awakened the country more than any other voice for tax reform, was the voice of the Governor of the Senator's own State, Governor Wallace, during the 1972 campaign. There is an extraordinary irony here. That concern was expressed by the Governor of Alabama. Yet, there has been such a paucity of action by the Senate and Congress in providing tax justice. And now, it is ironic that the Senator representing that State so well and so capably should be involved in any tactics which would deny us an opportunity to have a full and open discussion and debate and vote on tax reform.

Perhaps I am drawing too many conclusions from the fact of the Senator's taking the floor and from his answers to me about the questions of debate and vote on the various measures included in our comprehensive proposal.

If the conclusions are erroneous, then I obviously want to be corrected. But I do notice that there is a note of irony in this debate which has gone on for just a few hours, when it looks like we may be in for a very protracted and long discussion, designed to prevent debate and vote on tax reform.

Mr. ALLEN. I thank the distinguished Senator. Of course, the Senator from Alabama yielded for a question which turned into quite a lengthy dialog. But the Senator from Alabama, taking the Senator's comments as a question calling for an answer, will say that the Senator from Alabama is as much for a tax cut as the Senator from Massachusetts.

I might say that one of the very first amendments or pieces of legislation the Senator from Alabama offered on the floor of the Senate was an amendment that did not provide the $825 exemption provided by the amendment of the distinguished Senator from Massachusetts, but provided for a $1,200 exemption. The amendment was called up and voted on by the Senate. It was defeated by about a 2-to-1 margin.

The Senator from Alabama favors tax reduction. He favors a reduction in Federal expenditures. He also favors receiving the advice of the constituted committees of the House and the Senate as to what measures and in what manner tax cuts and tax raises might be implemented.

The Senator from Alabama feels that now is not the proper time to reduce Federal revenue, that now is not the time to increase Federal Government deficits. Now is the time to cut Federal spending, but not on the vehicle that is being used.

The Senator from Alabama feels that the tax measure ought to come forward from the House of Representatives based upon the recommendations of the Ways and Means Committee of the House.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. ALLEN. I will yield for a question as soon as I have finished with my remarks.

The Ways and Means Committee of the House is more or less a continuing body over there, and I assume that they are taking testimony, making studies all the time of desirable changes in the tax law.

The time has come for a change in the tax laws. The time has come for a tax cut in some areas, a tax raise, or an elimination of loopholes in another area.

But what is a mystery to me is why we do not wait on the Ways and Means Committee of the House, which the Senator from Alabama understands from remarks made by the distinguished Senator from Utah (Mr. BENNETT) earlier today, is in the process of marking up the bill at this time.

If that bill came over with recommended changes, after passing the House of Representatives, and went to the Senate Finance Committee, and they polished up the legislation, made such changes as they wanted in the bill, and it came to the floor of the Senate as a balanced bill, cutting taxes in some areas, increasing some taxes, and closing loopholes in another area, that would then be the proper time to consider such a measure, provided there were a cut in Federal income taxes.

So the Senator from Alabama is just as strong for tax reduction, just as strong for the closing of loopholes, just as strong for moving the tax burden onto those most able to pay, as is the Senator from Massachusetts.

The fact is that the Senator from Alabama does not approve of this legislation at the point of a gun; that he sees this legislation as being tacked onto a bill that must pass by the 1st of July, whether the matter has been properly considered or not. If it takes hearings, if it takes consideration by the two committees, how is it that the Senate can act on these measures without any hearings or any study or any balancing of income against a reduction in the Federal expenditures?

So the Senator from Alabama certainly rebuts the statement made by the Senator from Massachusetts that it is ironic that he is opposed to this amendment of the Senator from Massachusetts.

Therefore, if the Senator now wishes to ask a question, the Senator from Alabama will yield for that purpose.

Mr. KENNEDY. To return to my basic request—would the Senator be prepared after 3:30 to yield for a tabling motion by the Senator from Massachusetts?

Mr. ALLEN. The Senator from Alabama would hate to see his amendment defeated at this time, especially when we have only three or four Senators present to consider the arguments of the Senator from Alabama. He would hate to see his amendment tabled, and he would like to wait until such time as we could have a large representation of the Senate present.

He would not be willing at this time to agree upon a time when we might have a tabling motion on his amendment. He thinks the amendment cutting the debt ceiling by $5 billion is so important that we ought to have a better showing of Senators present during the discussion. So at such time as he feels that the Senate has had sufficient debate on this subject, he would be willing to yield the floor.

Mr. KENNEDY. The Senator is mindful that the Senate passed a $10 billion cut in spending only 5 days ago by a vote of 74 to 12.

As I understand, the Senator from Alabama is suggesting, in effect, a $5 billion spending cut. We voted on this issue 5 days ago, and it was accepted by the overwhelming majority of the Senate. Yet, as I understand it, the Senator is not willing either to set a firm time for a vote on it or to give any inclination as to when he will be prepared to have a final disposition of it, so that we may turn to tax reform issues and permit a vote by the Senate.

Mr. ALLEN. When the Senator is talking about the $10 billion amendment adopted the other day, he is comparing apples with oranges, because that had nothing to do with the debt ceiling, as the Senator knows.

It was an ineffectual amendment that, of course, will not be in conference longer than about 30 minutes, because it will be knocked off the bill. It merely expressed a hope rather than any real downright legislation, because that would never see the light of day. The amendment of the Senator from Alabama refers to something entirely different. It is the debt limit, whereas the other had to do with the budget.

Mr. KENNEDY. It is interesting that the Senator from Alabama recognizes the importance of the Debt Ceiling Act as a vehicle in achieving his aims. To those of us who are sponsoring this amendment to provide tax relief and tax reform. The Debt Ceiling Act is also the most important vehicle to get the job done.

I am glad we have an admission from the Senator from Alabama on the appropriateness and importance of permitting additions to the Debt Ceiling Act, to carry out the commendable public policy concerns that we have in the Senate.

I would like to ask specifically whether the Senator from Alabama supports tax reform. I wonder if he can share with us some of the areas of tax reform which he supports.

We have a particular measure here. I know that the Governor of Alabama has supported a tax reform program. He did it in my own State. He got a good deal of interest and I must say a great deal of support.

I am interested, in the question under discussion, if the Senator from Alabama would elaborate with any degree of specificity what kind of reforms he would like to see in the tax code. Would he like to see an ending of the oil depletion allowance, for example?

Mr. ALLEN. The Senator from Alabama will consider that amendment when it comes up.

I feel there should be some changes in taxation regarding the oil companies. Whether in the area of foreign depletion allowances, as the distinguished Senator from Louisiana supports, whether in the field of the domestic depletion allowance, whether it should be in the field of disallowance of credit for taxes paid to foreign governments, or whether it should be in the area of drilling costs, some reform is needed.

That is the very point the Senator from Alabama is making. He would like to hear and see recommendations from the appropriate committees.

The Senator from Alabama would like to veer away from legislation that might discourage production. If we had a recommendation from the Finance Committee in this area, then we would have something to travel on, rather than a mere statement of the distinguished Senator from Massachusetts, as much importance as the Senator from Alabama attaches to that.

Mr. KENNEDY. Of course, it is a position which is now shared by a number of other Senators, and all we are trying to find out is whether it is shared by a majority of the Members of the Senate.

Any extended debate or discussion by the Senator from Alabama would virtually prohibit the majority from having an opportunity to express its view on the issue of the oil depletion allowance.

Mr. ALLEN. I will say this to the distinguished Senator from Massachusetts: If the Senator from Massachusetts will wait until tax legislation comes over from the House of Representatives which is considered by the Senate Committee on Finance and comes to the floor, he will not hear any argument from the Senator from Alabama in that regard.

But the Senator from Alabama does feel that it is ill-advised to bring up approximately 150 amendments, and that is what the Senator from Alabama foresees as a likelihood, without any correlation between or among any of the amendments. I believe that is not in the interest of sound finances or good government.

The Senator from Massachusetts has seen these bills before where they are made into something of a Christmas tree, so-called, because there is something on it for everyone, the burden is eased on everyone, everyone gets a concession, everyone gets a reduction, and each Senator tries to outdo his colleagues in giving more to the area of his constituency than the other Senators do. The Senator from Alabama does not feel that that is in the interest of good government, good tax law, or good economy.

That is the opinion of the Senator from Alabama.

Mr. KENNEDY. I gather the Senator from Alabama is setting himself up as sort of watchdog in terms of what the interests and rights of other Members of the Senate are, and what they will be permitted to vote on.

Mr. ALLEN. Let me answer that. The Senator from Alabama does not so regard himself, but he would regard that as a compliment if it were the fact, because I believe that we need more watchdogs in the Senate than we have. I will say that to the distinguished Senator from Massachusetts.

Mr. KENNEDY. If the Senator will yield for a question again, if I asked for a time limitation on our amendment to provide a degree of tax equity and tax reform, would the Senator from Alabama object?

Mr. ALLEN. The Senator from Alabama would not object to that time limitation provided it was stipulated that the amendment referred to by the distinguished Senator shall be germane to the bill.

Mr. KENNEDY. Is the Senator going to object to a time limitation on this particular matter?

Mr. ALLEN. I have stated I will not object provided, as the custom is, that all such amendments, when a time limitation is stipulated, shall be germane. Will the Senator agree to that customary stipulation?

Mr. KENNEDY. Will the Senator repeat his question?

Mr. ALLEN. I stated that the Senator from Alabama is perfectly willing to agree to a time limit if, as, and when the amendment of the Senator from Massachusetts is offered, provided it is stipulated that the amendment offered by the distinguished Senator from Massachusetts shall be germane to the bill.

Mr. KENNEDY. I am asking for a given period of time. It is certainly my belief and that of other Senators that this is a germane amendment, although it may not technically meet the Senator's definition.

Mr. ALLEN. Will the Senator stipulate that it must be germane to be offered?

Mr. KENNEDY. I think the Senator understands the rules well enough that if we can offer this particular proposal, and have the support to do so, it can be so offered, I recall the question of adding social security amendments to the debt limitation bill to provide some degree of equity to the millions of people that were being deprived of adequate social security benefits. That was hardly germane by the Senator's present definition.

All we are trying to do now is to permit Senators to exercise their right to vote on tax relief and tax reform. I gather, from what the Senator from Alabama has said, that he would object to any time limitation for the consideration of that amendment.

Mr. ALLEN. No. The Senator from Massachusetts has said again and again that the amendment is germane. All that the Senator from Alabama is asking is that it be stipulated in connection with the time limitation that the amendment shall be germane. The Senator says it is germane. The Senator from Alabama is willing to enter into that agreement if that suits the distinguished Senator from Massachusetts.

Mr. KENNEDY. The Senator from Massachusetts says that it certainly is germane in terms of the matter being discussed.

Mr. ALLEN. Then what objection would there be to having it stipulated?

Mr. KENNEDY. If the Senator will permit me to respond to that statement, there are millions of taxpayers being gouged by loopholes and exploited by special interests. It is germane to them. It is germane to the subject matter being discussed and considered. But the Senator from Alabama is relying on a parliamentary technicality on germaneness. That may satisfy the Senator in his effort to defeat reform. But it will not satisfy the majority of the American people who are distressed by the huge and increasing number of loopholes which exist in the tax system, and who are distressed by the general economic climate. To them, the amendment is completely germane.

I wonder why the Senator from Alabama is being so technical. Does he hope to prevent debate or discussion on this matter by not allowing a time limitation? Is he saying that he will set himself up as the Senate watchdog, and prohibit any other Member of the Senate from having the opportunity to talk on tax reform or to be able to vote on it?

Mr. ALLEN. The Senator from Massachusetts has been doing about as much talking as the Senator from Alabama has.

Mr. KENNEDY. I am prepared to offer a time limitation. I wish the Senator would do the same. I wish he would let us debate this amendment on tax relief and tax reform. I would be glad to offer a unanimous-consent agreement if the Senator would be willing to accept it.

Mr. ALLEN. The Senator from Alabama thanks the Senator from Massachusetts——

Mr. KENNEDY. Would the Senator be willing to do that?

Mr. ALLEN (continuing). For his generosity. The Senator from Alabama has yielded to the Senator from Massachusetts to make a speech on an amendment that is not before the Senate. He has yielded to him to speak at length when the Senator was supposed merely to be asking a question. The Senator from Massachusetts has not been prevented from talking to whatever extent he wanted. I see no reason why the Senator should feel he is not being allowed to debate because he has used just about as much time as the Senator from Alabama has. But if he does not have any more questions, the Senator from Alabama would like to conclude his remarks, or at least to continue them.

Mr. KENNEDY. Would the Senator be willing to set aside his amendment to permit consideration of the amendment which I have outlined for a 10-hour period, and then return to the Senator from Alabama's amendment for a similar period of time, or any period of time the Senator may designate? Perhaps we could end the stalemate at this time, permit the Senator from Alabama to debate and discuss whatever he wants and permit other Senators to offer their amendments. Would he be willing to accede to that request?

Mr. ALLEN. In answer to the distinguished Senator from Massachusetts, the Senator from Alabama would say that on at least two occasions in the last few minutes he has agreed to a time limitation on the amendment, provided the Senator stipulates it shall be germane. The Senator has not been willing to do that.

In the second place, of course, we feel that the Senator from Massachusetts should have due consideration and extra consideration—and the Senator from Alabama has given him that extra consideration. But with all due respect to the distinguished Senator from Massachusetts, the Senator from Alabama, having an amendment that he plans to introduce, does not feel it is quite incumbent upon him to lay that aside just because the Senator from Massachusetts wants to spent 10 hours discussing his amendment.

The Senator from Alabama, I dare say, has not discussed his amendment more than a couple of hours, and now the Senator from Massachusetts wants 10 hours. So I feel the Senator is making an unreasonable request.

Much as the Senator from Alabama would like to accede to the Senator's request, the Senator from Alabama must respectfully decline.

Mr. KENNEDY. Is it the length of time that was requested that the Senator objects to? Would he be more comfortable if we asked for 5 hours of time on my amendment and 10 hours of time on the amendment of the Senator from Alabama?

Mr. ALLEN. The Senator from Alabama again says, provided the Senator will agree that his amendment shall be germane, he would have no objection to setting a time limitation on the amendment of the Senator from Massachusetts, when we get to it. But the amendment of the Senator from Alabama is at the desk, and he believes that he was here when the bill came up for consideration. Every Senator has a right to offer an amendment, as the Senator from Alabama understands it, and he was here. He offered an amendment. Why I should be called on to set my amendment aside so that the Senator from Massachusetts could bring up his amendment is something that the Senator from Alabama, with all due respect, does not feel he should be called upon to do.

Mr. KENNEDY. The Senator's point is well taken. Would the Senator agree to a time limitation on the Senator from Alabama's amendment, and then a time limitation for the consideration of my amendment?

Mr. ALLEN. I shall not say again provided the Senator——

Mr. KENNEDY. Just so we have a clear understanding and so that the record will be clear to everyone.

Mr. ALLEN. I say again, provided the Senator is willing to agree that his amendment shall be germane, because he has refused time and again to agree to that.

Mr. President, having responded to all the questions that I believe the Senator from Massachusetts has, the Senator from Alabama would like to continue his remarks with regard to the pending bill.

Mr. President——

Mr. HASKELL. Mr. President, will the Senator from Alabama yield without losing his right to the floor so that I may ask for some time, say 10 minutes, for remarks on this general subject matter, now or later, but at some specified time?

Mr. ALLEN. Mr. President, I ask unanimous consent that at the hour of 4 p.m. today I may yield 10 minutes to the distinguished Senator from Colorado (Mr. HASKELL) without losing my right to the floor.

The PRESIDING OFFICER (Mr. HELMS). Without objection, it is so ordered.

Mr. HASKELL. I thank the Senator from Alabama.

Mr. ALLEN. Mr. President, we have before us——

Mr. KENNEDY. Mr. President, will the Senator from Alabama yield for a unanimous-consent request?

Mr. ALLEN. I yield, provided I do not lose my right to the floor and provided it will not be considered a second speech.

Mr. President, we have before us H.R. 4832, a bill coming over from the House of Representatives, providing for an increase in the temporary debt of the National Government up to $95 billion.

A point of order, Mr. President—a parliamentary inquiry.

The PRESIDING OFFICER The Senator from Alabama will state it.

Mr. ALLEN. If the Senator from Alabama calls up his amendment at this time, will he be permitted to speak on the amendment?

The PRESIDING OFFICER. Technically, the Senator from Alabama would lose his right to the floor under such circumstances, but it would be up to the Chair to recognize the Senator.

Mr. ALLEN. Very well. I ask that my amendment be stated.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> On page 1, line 7, strike "$95,000,000,000" and insert in lieu thereof "$90,000,000,000".

Mr. ALLEN. Mr. President, the national debt limit at this time is divided into two divisions. There is a permanent debt limit of $400 billion. We have used up that limit. We owe that entire $400 billion.

Also, we have the convenient little method of providing from time to time that, in addition to that permanent debt, the Government is entitled to go into debt additional amounts, and that is called the temporary debt.

Our present limitation on the temporary debt is $75.7 billion. We have almost come up to that. We are just within striking distance of coming up to the limit.

Not only is there a limit on the amount of temporary debt; there is a limit on the authorization to become indebted for that amount. There is a limitation of time on that authorization.

So the National Government is authorized to be $400 billion in debt permanently—that is just set aside, with nothing else done to that—and then through the 30th of June, this year, we are authorized to go up to $75.7 billion in temporary debt.

It is going to be necessary, and this bill so provides, to raise that $75.7 billion to $95 billion.

I do not know whether it is convenient that we forget about the $400 billion, or what. The bill does not say anything about the $400 billion. We will just forget about that, I suppose. The bill refers only to the temporary debt, the time during which we may be indebted for that amount, and the amount, itself.

The House passed this bill at a time when they had tax measures before the

Ways and Means Committee. This went to the Ways and Means Committee. The committee did not see fit to add a package to the bill. It is what is called a clean bill, just as clean as it can be, on one side of a sheet of paper, 12 lines long. It authorizes the national Government to raise its indebtedness by $19.3 billion, and to extend that time through March 31 of next year.

I do not have the honor of serving on the Senate Finance Committee, but I assume that the Finance Committee is just in the permanent process of studying the tax laws. That is what I would feel they are doing. They have a very expert staff. They are a very able committee, composed of the ablest Members of the Senate in the field of finance. I think we can safely say that.

They are in the process all the time of receiving recommendations, making tax studies, seeing where the tax laws are falling down, seeing where loopholes appear, and devising ways and means of improving those tax laws.

With the Ways and Means Committee, it is the same. The chairman of that committee is Mr. WILBUR MILLS, an outstanding authority on taxation, a man who has made a life study in this field, a man who knows the effect that one approach will have on the economy of our country or the effect another approach will have on the other tax laws; the effects of moving in one direction as opposed to moving in still another direction; the effect that tax cuts will have on the economy.

The leading economists in the country, the leading Government officials in the field of economy, in the management of money, in the management of our economy, appear before these committees. They advise these committees of what tax changes are needed; how much revenue will be lost by this measure; how much will be lost by another measure; how it can best be recouped; how the closing of this loophole might create another loophole under another bill.

Mr. President, the distinguished Senator from Louisiana, the able and distinguished chairman of the Finance Committee, the man who knows more about taxes than any other Senator, in the judgment of the Senator from Alabama, understood and knew that an effort would be made on the floor of the Senate to offer and obtain the adoption of amendments dealing with billions of dollars in the field of Federal taxation.

I wish that the Ways and Means Committee had come up with a tax package—one cutting taxes in the area of the individual income taxes; closing loopholes in other areas; withdrawing certain exemptions and deductions allowed to many of our corporations, foreign and domestic and international; and would have laid that matter before the House of Representatives.

Members would have had something to stand upon and to stand by. But did they do that? No. This is what the House of Representatives passed, right here. That is all it takes to extend the temporary debt authorization and to increase the amount of the temporary debt. But if the House of Representatives had said, "Well, we are not going to worry with a tax bill over here; we are just going to add a package to this debt ceiling measure and the President has to sign it because the Government will shut down if they do not pass it by the 1st of July," that would be a whole lot better than passing it like it is and turning it over to the House of Representatives to offer amendments without any guidelines on what effect it will have on the economy and without any guidelines as to what effect those amendments will have on the public Treasury.

The House did not do that. The Ways and Means Committee of the House did not do that. I guess one reason they did not do it, although I do not believe they have been very bad about adding amendments to the debt ceiling bill—I suppose one reason they did not add amendments in the way of tax legislation to this bill, and I might say, if they had, the amendments would have been permitted once they come over here, but I suppose they realize that the Ways and Means Committee of the House is now in the process, as stated by the distinguished Representative from Utah, Mr. DENNIS, the ranking minority member of the Ways and Means Committee, of marking up a tax bill.

Mr. President, that is the way to do it. We all know that. Let the Ways and Means Committee of the House recommend to the House a tax bill. I believe under the rules of the House they can pass a rule that there are not going to be any amendments; they just have to vote it up or down. Members here have been in the House and they know if that is correct but I believe that is the rule. They can prevent amendments.

But the chances are if that tax package had gone from the Ways and Means Committee of the House to the House floor it would have been adopted by the House and would have come over here. I am sure that had such a bill come to the Senate and that had gone to the Committee on Finance, as, of course, it would have, the Committee on Finance under the leadership of its distinguished chairman, the Senator from Louisiana (Mr. LONG) would have polished it up and possibly added amendments in those fields or even other fields, for that matter and as long as the committee is doing it, they would have weighed the pros and cons, weighed the effect on the Treasury and the effect on the economy, and then sent it to the floor, and we would not have discussions of this sort at this time. Every amendment of that bill would be able to stand on its own. We would feel that the Committee on Finance had reported a good bill and chances are, as far as the Senator from Alabama is concerned, he would have gone along with the recommendations of the Committee on Finance in view of the high regard he has for that committee and its membership. That was not done, Mr. President.

The House passed the debt ceiling bill that had come to it from the Ways and Means Committee—passed it without change. It came to the Finance Committee of the Senate. I notice they are so anxious to get it out, and I applaud that effort; I was anxious to see it come out because we need to get it passed.

But whereas the other bill we had on the calendar we thought was going to come up and these amendments were going to be sought to be added, H.R. 8217, I believe, that bill had an amendment on it. If I am not mistaken, it came from the Committee on Finance. If I am wrong on that, I will be glad to be corrected.

Mr. LONG. Mr. President, will the Senator repeat that statement, please?

Mr. ALLEN. I stated I believe the amendment on H.R. 8217 came from the Committee on Finance of the Senate. It had to do with retirement income; the exemption of a certain amount of retirement income.

Mr. LONG. I thank the Senator.

Mr. ALLEN. I thought I had read the other report correctly. I am for that amendment. It was fine; it was a good amendment, having to do with the amount of retirement income that might be excluded from income subject to taxation. That amendment was put on H.R. 8217 that we thought was going to come up, and the plan was changed, I believe, because H.R. 8217 was a bill having to do with duty on certain ships, I believe. That is as far as the Senator from Alabama read. It did not concern him a great deal, although I am sure it is an important amendment.

But the Committee on Finance added an amendment to that bill and sent it to the floor of the Senate. As to the debt ceiling bill, no amendments are added. It is a plain, simple bill extending the debt ceiling and the temporary debt authorization. It puts us in a position now that if we defeat all of the amendments, including the amendment of the Senator from Alabama that is pending at the desk and before the Senate, then the Senate can pass the bill.

Mr. President, the cause of tax reform will not thereby be lost. Tax reform is supposed to come from tax reform legislation coming through recognized channels.

Mr. President, even though the distinguished Senator needs no defense, I am defending the rights and prerogatives, the privileges and authority of the Finance Committee of the Senate and the Ways and Means Committee of the House. I hate to see the Senate having before it 150 amendments or more tampering with the tax laws, when the Committee on Finance has not made a recommendation as to a single one of those provisions. One of the functions of the committees is to make recommendations about changes in the tax laws. I believe we give the duly constituted committees an opportunity to act in this regard.

Mr. President, if the Ways and Means Committee of the House and the Senate Finance Committee pass out a bill with balanced changes in the tax laws relieving individuals of taxation, closing loopholes, so that a balanced bill can be brought before the Senate with recommendation of those two committees, you are not going to see the Senator from Alabama discussing any such bill at great length. He might discuss certain amendments for brief periods, but he would not have an extended discussion with respect to any such bill.

Mr. President, I do not believe the Senate is going to take any back door approach. Why should the Senate go in the back door as regards tax legislation? Why should the House of Representatives take the back door approach? They should not. They should come forward with a tax bill—a tax reform bill, if you please, Mr. President. The Senator from Alabama is just as strongly for tax relief as is any other Member of this body or any Member of the other body. He believes now is not the right time for a tax cut without an accompanying reduction in expenditures.

Do we hear anybody calling for reduction of expenditures? There are a few voices crying in the wilderness, like the voice of the able Senator from North Carolina (Mr. HELMS), now presiding over this body, but is there any great hue and cry in the Senate or in the House for a reduction in expenditures?

If we are going to reduce income taxes, we have to have an accompanying reduction in expenditures, else it would be highly inflationary.

A large number of persons—in the millions, for that matter—would receive some tax relief under some of the proposals that would be offered on the floor of the Senate. I do not know what they would all add up to. I would say a conservative estimate would be $20 billion to be contained in the various amendments prepared for introduction to this bill. But I do say that whatever relief a person might get by a tax reduction he would pay dearly for in the form of increased inflation, in increased erosion of his sales, in increased costs of living, in a decrease in the buying power of his paycheck.

Mr. President, to turn this bill out before the Senate for amendments on the floor without any guidance from the committee, would be a dangerous step. When I speak of the possibility of 150 amendments being prepared, I am judging the present and the future by the past.

In the 91st Congress, on H.R. 13270, the income tax reform measure, that bill was debated for a period of 14 legislative days. Fourteen days of the Senate's time were used in debating that bill. One hundred and sixty amendments were printed, 75 were adopted, 38 were rejected.

On H.R. 1, in the 92d Congress, the Social Security Act, the debate took 8 days. One hundred and seventy-three amendments were printed, 44 were adopted, 19 were rejected.

The Revenue Act, H.R. 10947, that same year was debated for 10 legislative days. Ten days time of the Senate was used on that act. The printed amendments were 150 in number. There were committee amendments which were adopted en bloc. Seventy-one amendments were adopted, of which 24 were floor amendments, not even printed amendments. Some Senator would say, "Gee, that's a good amendment. Write it down and put it in." Seventy-one amendments were adopted to the Revenue Act of 1971, but 21 amendments were rejected, and 17 of those were floor amendments which were not printed, but were offered, more or less, on the spur of the moment.

So that shows the history of this type of legislation. We will end up with a Christmas tree on this bill. A Christmas tree, of course, is a bill that has all these lights on it, all of these presents, all of these goodies for our constituents. There is something in a Christmas tree bill for everybody, and Senators are inclined, each one, to try to outdo the other. If one Senator offers an $825 exemption, another Senator thinks that is too little, and he raises it to $1,000. If some Senator is recommending a tax cut in an area in a given figure, another Senator would think that is too little and he would try to raise it.

So we will find Senators each trying to outdo the other in the form of reforms and benefits for their constituents.

What about the public interest, Mr. President? Where would the public interest fare under a situation of this sort? There again, Mr. President, I say we urgently need the recommendation of the Finance Committee, under the leadership of its distinguished chairman, the distinguished Senator from Louisiana.

I say that if a tax package had come from the House, recommended to it by the Ways and Means Committee, and if a package had come to us from the Senate Committee on Finance, it would be received with a whole lot better grace by the Senator from Alabama.

Mr. LONG. Mr. President, if the Senator will permit me—and I ask consent that it not prejudice the Senator's rights—to say this, it might be well for the RECORD to reflect the history of the so-called Christmas tree bill. My recollection is the first one started back when Lyndon Johnson was President and was beginning the Great Society program. As the Senator knows, that involved an enormous amount of legislation. At that time the Senator from Louisiana was managing revenue bills to help implement the Great Society program, and they were numerous.

In my efforts to advance these bills as expeditiously and as rapidly as I could to the President's desk, it became my duty repeatedly to prevail upon Senators not to offer their amendments at the time but to hold them, with the assurance that they would be able to offer them to some other bill that the President would be anxious to sign later.

President Johnson asked me how we were coming along in passing his administration's bills, and I said, "Well, it seems we have passed all but one. We are saving one that you have recommended, and that will be the last train through the station, so anybody who has an amendment will be given the opportunity to submit it on this bill."

That was the case both in the Committee on Finance and also on the Senate floor.

So in the committee about 20 amendments were agreed to and recommended by the committee after careful study. When the bill was brought to the floor, I advised all Senators who had wanted to offer an amendment during the year, "This is now the last bill to which you are going to have a chance to offer your amendment. So if you want to offer your amendment, you will have to offer it now or forever after hold your peace."

It was in late fall when the bill was before the Senate—at the end of the session. So some energetic and enterprising reporter of the Washington Post wrote that when that bill came to the floor, it lit up like a Christmas tree, because it had about 20 amendments that had been the favorite suggestions of a number of Senators, and, for the most part, included the best ideas that members of the committee had been advocating during the Congress.

To that there were then added about half a dozen other amendments before the bill passed and went to conference with the House.

I am happy to say that, in my judgment, the final bill turned out to be a very good measure. Before it was finally completed, there was a very heated debate on the argument that we had loaded too many things on the bill; that some of these amendments had not been carefully considered. Incidentally, the $1 tax checkoff had its genesis as an amendment to that bill, so there were things in that bill which occasioned a great deal of debate as the years went by. That was the bill which, I believe, was the Foreign Investors Tax Act, proposed by Mr. Douglas Dillon, at that time Secretary of the Treasury, to try to encourage the return flow of American dollars and to encourage Europeans to invest in the United States. That was the administration-recommended piece of legislation, which served as the horse on which all the riders climbed aboard.

I really think that by the time the bill finally became law it had a great deal more good than bad. I think, on balance, it was a good measure, but it did have a vast variety of legislative recommendations on it.

Since that time there have been references to Christmas tree bills, and I have some doubt as to whether the Senator ought to refer to what is in prospect here as a prospective Christmas tree bill because it is not December yet. [Laughter.] But that bill came before the Senate in late fall, October. I believe then people were thinking of snow on the ground and starting their Christmas shopping, and it was therefore named the Christmas tree bill.

Mr. ALLEN. I thank the distinguished Senator from Louisiana.

Mr. President, I thought I was being asked to yield for a question. I would like to ask unanimous consent that the resumption of my remarks will not be considered a second speech on the same subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, I thank the distinguished Senator from Louisiana for giving me and the Senate and the RECORD this background information on the Christmas tree bill, its origin, and its development.

The Senator from Alabama, serving

his first term in the U.S. Senate, misses the full knowledge of the customs, traditions, and the heritage that many Senators in this body have, and that certainly the distinguished Senator from Louisiana has.

When the Senator from Alabama first came to the Senate—by the way, I just happened to remember it—I had this bit of information, which I will put in the RECORD a little bit later. I remember that the distinguished father of the distinguished Senator from Louisiana was a master of extended debate on the Senate floor.

I remember one of the bits of information that he imparted to the Senate was a recipe for pot liquor, and I remembered just the other day the origin of the term "poke salad" that is used down in Alabama and Louisiana and other sections of the South. A little later, possibly I will insert that in the RECORD. But we have too many things right now that need to be discussed with respect to this bill.

I do not believe we will ever have to resort to nongermane comments, just as we hope Senators will not resort to nongermane amendments to this bill.

Mr. President, when the junior Senator from Alabama came to the Senate almost 5½ years ago, eating in the Senators' private dining room there at one end of the Democratic table was the late distinguished Senator from Georgia, Hon. Richard B. Russell; and at the other end of the table was the late distinguished Senator from Florida, Hon. Spessard Holland.

The Senator from Alabama spent much time with those distinguished Senators, talking to them about the great battles in the Senate, talking to them about the rules of the Senate, the customs, the traditions, the heritage here in the Senate. Both of these great leaders have now passed on to their well-deserved reward.

No seats are assigned in the Senators' private dining room, but just by their prestige and positions at this time, the distinguished Senator from Louisiana (Mr. LONG) eats there in Senator Russell's seat, and the distinguished Senator from North Carolina (Mr. ERVIN) occupies Senator Holland's seat. So certainly we might be expected to get this information from the distinguished Senator from Louisiana, who has figured so prominently in debates on the floor of the Senate, certainly with respect to tax legislation.

The Senator from Alabama does not believe that he is distorting greatly the analogy of this bill and its prospective amendments to the Christmas tree approach. The Senator from Alabama did not know of the origin of this expression, but he has heard it mentioned from time to time.

When a bill gets out of all reason, when nobody can support such a bill conscientiously, when it has been burdened with so many provisions that are not realistic, that are not sound, when it has so many benefits and concessions to such a wide number of individuals that it might possibly even be suspected of being a bonus—when that takes place, then a bill, as the Senator from Alabama sees it, would be considered a Christmas tree bill.

Mr. President, when approximately 150 amendments are in the offing, I think it only safe to assume that a large number of them will be adopted without any reckoning of the cost to the Treasury, without any regard to the effect that these changes will have on the economy, without any regard to the effect that they will have on budgetary deficits, without any regard to any consideration other than the fact that it will give some temporary relief to a large number of citizens.

Mr. President, I believe with the amendments that are being discussed and the benefits that will be given to some of our people under these amendments, that the fuel that this increase in the deficit will add to the fires of inflation will cause the very people that we are seeking to help and relieve to lose under the provisions of the bill rather than to make gains.

They will lose because their pay checks will be less. They will lose because their savings will be worthless. They will lose because the best way to contribute to inflation is to continue large budgetary deficits.

So, Mr. President, it is my judgment that this bill should be passed as it came over to us from the Ways and Means Committee of the House, as it came to us from the House of Representatives, and as it came to us from the Senate Finance Committee.

Mr. President, with the appropriate committees of the House and Senate making careful studies of the effect that legislation will have on the economy, on our tax structure, on inflation, it would not be in the interest of sound legislation, sound government, or sound economy to submit this bill to general amendment by any Senator who might have some pet amendment reducing the income of the Federal Government.

Mr. President, I listened with interest, as many other Senators did, I am sure, to the appearance yesterday of the distinguished Senator from Louisiana (Mr. LONG), chairman of the Senate Finance Committee, on the program "Meet the Press." I ask unanimous consent that a script of that program be printed in the RECORD.

There being no objection, the script was ordered to be printed in the RECORD, as follows:

"MEET THE PRESS"—JUNE 16, 1974

(Produced by Lawrence E. Spivak)

Guest: Senator Russell B. Long (D., La.), Chairman, Senate Finance Committee.

Moderator: Edwin Newman—NBC News.

Panel: Harry B. Ellis, Christian Science Monitor; Walter Mears, Associated Press; Jonathan Spivak, Wall Street Journal; Irving R. Levine, NBC News.

Mr. NEWMAN. Our guest today on Meet the Press is the Chairman of the Senate Finance Committee, Russell B. Long, Democrat of Louisiana. Senator Long's committee considers legislation involving taxes, health, welfare, social security, medicare and foreign trade. He has served in the Senate for 25 years and is chairman of the Finance Committee since 1966.

We will have the first questions now from Irving R. Levine of NBC News.

Mr. LEVINE. Senator Long, tomorrow the Senate will begin consideration of a package of tax proposals which your Finance Committee has been laboring over. This will be an opportunity for the Senate to consider a tax cut for American income taxpayers amounting to about $6 billion, a proposal of which you are the co-sponsor.

How do you justify a tax cut at this time when inflation is the country's main economic problem?

Senator LONG. People in the middle and upper middle income brackets, be it organized labor or be it the wealthy, have ways that they can defend themselves from the ravages of inflation. That is not true with people who are in the lower income tax brackets, or with the poor. We ought to do something to try to relieve the burden of inflation from those who are not able to protect themselves from it.

Now, I would prefer that we reduce spending by about $6 billion and I would be glad to specify the items that I would like to cut, to offset that. I would prefer that we not try at this point to make back that whole $6 billion by raising taxes because I am afraid that those tax increases might very much reduce production in this country. In the last analysis, increasing production is the best way to defeat inflation.

I think that we will do some of both. We will vote to reduce taxes; we will vote to increase the taxes on some that the Senate thinks are better able to pay. Then we will see what happens. If we are able to pass it, and there is going to be a lot of difficulty about that, because there may even be a filibuster against it, the President will probably veto it if it reaches his desk. We will see if we can override a veto if that should happen.

We will see what happens. Otherwise we will have to pass that debt limit bill I suppose without any amendments on it.

Mr. LEVINE. I gather from your replies then that you do anticipate the Senate will pass such a tax cut?

Senator LONG. If permitted to vote it will.

Mr. LEVINE. And do you anticipate there would be sufficient votes to override a presidential veto?

Senator LONG. I don't think so.

Mr. LEVINE. In that case then the tax relief proposal would be attached to a bill raising the debt limit. Would the Senate then be prepared in your appraisal to pass a single bill permitting the debt limit to be raised so that the government could meet its bills?

Senator LONG. It is impossible to say at this moment. That would be a confrontation between the President and the Congress.

Mr. LEVINE. If that is the case, why not simply pass the debt limit bill now and handle the tax proposals separate as many advocate?

Senator LONG. Because those who want the tax cut and feel very strongly about it are determined to lay that on the President's desk and to try to prevail in that matter.

(Announcements.)

Mr. ELLIS. Senator Long, you have said that you are in favor of a tax cut for lower income Americans, and I believe that you also said indirectly that business should have some tax incentives in order to spur production.

Now, one case in point is the oil depletion allowance. The House appeared ready to eliminate or at least phase out the oil depletion allowance which allows oil and gas companies to exempt from their gross income 22 percent of taxable income. Should that oil depletion allowance stay on the books or should it be phased out?

Senator LONG. Some of the major companies, such as Atlantic Richfield, have indicated that as far as they are concerned they would be happy to be without the depletion allowance, that they feel that they ought to have an increase in the price of oil to offset that. That would mean that the price of oil would have to go up by about $1.35 a barrel and that means that when you buy gasoline at the pump it would be passed on to you and you would pay somewhere between three and four cents a gallon more for the gasoline.

I don't want to raise the price of gasoline to the consumer by three cents a gallon. I don't want to raise the price of heating oil to a housewife by three cents a gallon. Therefore I don't favor raising the price of the product by that tax increase, which is an expense that will have to be passed on to the consumer. In addition to that, if you eliminate the depletion allowance everybody agrees that it is going to clobber the little independent producers who are providing the competitive element of that industry. About half of those people have been put out of business during the past 15 years. This would eliminate half of the remainder. They have about 10,000 of them, about 5,000 would be put out of business, according to their best estimates, and according to the estimates of the major companies. I don't think that is good for the country. Therefore I think it would be best that they be permitted to retain their depletion allowance.

Now there are a lot of economic factors that cause me to believe that if you look at the nature of that industry you are going to have to have something to permit people to save enough out of what they can make with the deposits they find in order to permit them to go out and find more oil, or in order for this industry to be as profitable as the others.

There is no doubt about it, if you let the price go high enough they can make it back. I would be curious to know who in this country wants the price of gasoline or the price of heating oil to go up about three or four cents a gallon. I know I don't.

Mr. Ellis. Could we look at it from a different point of view and that is the foreign tax credit. As matters now stand, our U.S. oil companies are allowed to deduct from their taxable income on income earned abroad all taxes paid to foreign governments, which often reduces to zero the amount of tax they pay on their foreign income and this, together with the oil depletion allowance and other tax incentives, reduces the taxable income of the major oil companies to something less than ten percent, whereas many other American corporations pay close to 50 percent. Is this an abuse which should somehow be checked?

Senator Long. It certainly is. I personally favor a complete repeal of the depletion allowance on foreign oil. I don't think that is doing us any good at all. It is making us more dependent on foreign oil and our purpose should be to be less dependent on a foreign oil which as you know is now the high priced oil. In addition to that we ought to amend the law to reduce the advantage of any tangible drilling cost for foreign oil. We also ought to amend the foreign tax credit so as to make all of this meaningful, because if you take those other things away and you don't touch the foreign tax credit, it still probably wouldn't amount to anything so you ought to amend all three of them, make them pay more taxes on the foreign oil but not the domestic oil, unless you want to raise the price of the product to the consumer.

Mr. Spivak. Senator, it is generally agreed that in the domestic social field the next major step by Congress will be some form of national health insurance. Your plan focuses in two specific areas on cost of very expensive illness and the medical problems of the poor.

Why do you assume that the private insurance industry is now doing an adequate job for the bulk of Americans?

Senator Long. Understand what I am talking about. I propose that the government should have a health insurance program for catastrophic illnesses and that would be those where the people are in the hospital for more than 60 days or where their doctor's bill exceeds $2,000. Now, I would also propose that we take care of the low income people by paying all of their medical expenses, and if they are above that, there would be sort of a spin-down arrangement where, after they spent a certain amount of their income, to where they have spent themselves into the low income area, they would have that help available to them.

Eighty per cent of the people who have more than $5,000 of family income already have private insurance policies to cover some part of that first 60 days of hospital coverage.

I would like to upgrade the kind of coverage that they have. We have a third feature of our bill which would more or less place a government stamp of approval upon policies which have a high pay-out. In other words, give a high return related to the amount that you pay for it, to encourage people to take advantage of private insurance in the area where we think it ought to be optional, that you could insure yourself or you could take the chance.

Mr. Spivak. Whether your form of insurance, or the broader form offered by Kennedy and Mills, or the Administration, is adopted, what would prevent a fairly strong inflationary push being exerted as more federal funds are put into the marketplace?

Senator Long. The program that I am advocating, according to news accounts that have appeared in the newspaper just over this weekend, I think correctly say that would not mean an increase in the cost because these long-term devastating sicknesses are being paid for anyway. This would just use the prepayment system rather than to do it by wiping out all of people's resources, and our program would only cost about 20 per cent of what these other programs would cost.

Now, if you are going to go for a 50 to 70 billion dollar health insurance program that the Kennedy-Mills bill would do or the Administration bill would do, in my judgment those bills would increase the cost of health care by fifty per cent overnight. It did that when we went to Medicare because it would completely overload the health delivery systems. It would overload the hospitals; it would overload the doctors' offices; it would overload the nursing facilities available and that runs up the price.

You may recall that when Medicare went into effect the first year the cost exceeded the estimate by more than 50 per cent and the reason it did was that it so overloaded the health delivery systems that it ran up all the prices, and that would happen if, overnight, you tried to increase government-paid health insurance and government-paid benefits by 50 or 70 billion dollars in a single year.

Mr. Mears. Senator, back on taxes, Representative Mills of Arkansas says that he thinks the six to eight billion dollar tax decrease would do more to increase inflation than it would to ease the burden on low income taxpayers.

With that attitude held by the Chairman of the House Ways and Means Committee, do you think a tax cut is going to get through the House this year?

Senator Long. I didn't say it was going to become law, Mr. Mears, I said it would pass the Senate. That is all I would propose being any expert on.

Mr. Mears. So far you have forecast a filibuster in the Senate, the prospect of defeat in the House, a veto by the President which you couldn't override. What is the point in going through all this other than to show the taxpayers in an election year that you want to cut their taxes?

Senator Long. At least it serves that purpose. Those who are for it can vote for it. I expect to vote for it.

Mr. Mears. Senator, is Watergate hurting Republicans or is it hurting all incumbents? You are running for re-election this year.

Senator Long. I don't think it is hurting all incumbents. I think it is a burden on the Republicans. It happened to them. I don't think anybody is going to blame the Democrats, that while we people were peacefully sleeping at home some Republican politicians arranged to have somebody break into the Democratic campaign headquarters. I just don't regard that as a problem of the Democrats.

It may hurt in some respects; people might think poorly of politicians, but the other fellow has to contend with the same thing. You are not going to have too many people run for public office who haven't run for something before and they have to share the same burden as all politicians.

Mr. Levine. On the subject of Watergate, Senator Long, do you believe that the President's trip to the Middle East and the enthusiastic receptions he has received will strengthen his hand with the Congress?

Senator Long. It will help some. Not much.

Mr. Levine. The President's new economic adviser, Counselor for Economic Policy, Kenneth Rush, said this week that he would not appear before the Joint Economic Committee of Congress on the grounds of executive privilege, to fill the Congress in on economic policy. Do you feel that this is a justified stand?

Senator Long. He is privileged to take that position if he wants to do so. It is my view that one who has a job of advising the President, what the President ought to do, is very reluctant to find himself testifying that he advised contrary to what the President is doing. That tends to make his boss look bad. He is privy to take the view if he wants to that if you want to know what the President thinks, ask him; if you want to know what I advised him, ask him, but he is entitled to have my advice without highlighting a difference of opinion between me and the President, and in that position if he wants to take that view, I think that is his privilege.

Mr. Levine. Some of your colleagues apparently feel otherwise. Senator Proxmire has threatened to take action to cut off Mr. Rush's salary. Do you think that would encounter much support in the Senate?

Senator Long. I am not going to vote for it. I don't know how many votes he will get, but I think the President is entitled to have someone advise him about what he ought to do about public policy and that if he wants it that way, that that person shouldn't be required to tell anybody but the President what he thinks about it.

Now, Mr. Kissinger, you know, served up there for a long time in just exactly that kind of capacity and we had a lot of complaint by the Foreign Relations Committee and others that they couldn't find out what Mr. Kissinger was advising the President, but the President is entitled to have someone advise him on the basis that that advice won't be used against the President's interests; it will only be used to support his position and if he wants it that way he is entitled to have it that way.

Mr. Ellis. Senator, you said we should be lessening our dependence on expensive foreign oil but Dr. John Sawhill, the Federal Energy Administrator, says that for the next three or four years, no matter what we do, we will be importing more and more Arab oil and that means primarily Saudi Arabian oil.

King Faisal has just said while President Nixon was in Saudi Arabia that there can be no real peace in the Middle East until Israel gives up all the 1967 territorial acquisitions including Jerusalem. This seems to put the United States squarely in the middle since the United States is the only power able to persuade Israel. What would you do in this dilemma?

Senator Long. Henry Kissinger is doing a wonderful job in trying to move us to peace in the Near East. What would I do? I would sign my name on a resolution expressing confidence in Henry Kissinger. I was the 51st name, that gives a majority in the Senate to express confidence in that man when he is accused of saying other than the truth before that Foreign Relations Committee.

We should move to develop our self-sufficiency as rapidly as we can and there are two ways you can do it. One is to conserve more, to make better use of what we have, and the other is to increase production.

I would do what I can with the tax laws and all the other laws to try to bring those two things about; to encourage production, and to find ways to encourage people, both to conserve energy and to position themselves so we can share what we have more evenly if we are confronted with the same type of boycott that we had last year.

Mr. Levine. A part of Dr. Kissinger's foreign policy of which you have just spoken apparently is to give to the Egyptians and also to the Israelis nuclear know-how and also nuclear fuel for peaceful purposes. Is this a wise step?

Senator Long. We don't know enough about it yet to know whether it is a good idea. When we know a lot more details, we will be in position to judge. At the moment I would have to be opposed to it, but when we hear more about it, it might prove to be a good idea. It would have to depend upon what the details are.

Mr. Spivak. One brief question on health insurance. Do you believe the House and Senate can come to a meeting of minds so a measure can be passed either this year or early next year with the differences that exist?

Senator Long. I certainly do. I made the statement that if the House will pass a health insurance bill of any sort, that that bill will not die in the Senate.

We will act on it; we will ask for a conference. As far as I am concerned, we will take the best that everybody has to offer and we will leave out those things that can't meet the approval of the majority of both houses.

Mr. Spivak. Let me ask you about another form of taxes which is coming home to the American public: The Social Security Payroll Tax. Your reform measure does give some aid to low incomes, but has the payroll tax deduction reached a political level where it is not going to be able to be increased for all Americans in your judgment?

Senator Long. As more benefits are voted, the tax will necessarily be increased. It is projected to rise as more people retire and as the heavier burdens fall upon that fund. You know there are actuarial studies that will show if population trends continue as they are at this moment we will have to raise the tax anyway. So there will be problems about the taxes. We might want to consider at some future date raising money for that fund from some other source rather than just the Social Security Fund, but we don't have to do it yet.

Mr. Spivak. At what point would you have to face this—and you are talking about general revenues, I presume?

Senator Long. I don't know when that point will come. I think any perceptive politician can tell it when the time has come and I don't think we are there yet.

Mr. Newman. We have about three minutes left, gentleman.

Mr. Mears. Senator, you talked about the possibility of an oil price increase. There remains in Congress an effort to bring about an oil price rollback, perhaps $3 a barrel. Wouldn't that do a lot more good for a lot more people than this tax cut that you have talked about?

Senator Long. You can't make producers produce energy below their cost. That would be confiscatory and the Constitution won't let you do that. Now you can roll the price back to some extent on the old oil. If you do that, it is going to dry up a great deal of the funds that you need to produce more oil. Now I think the American people ought to know this. If you average in the natural gas that is being produced in this country and take the price that is being paid for it, with the oil that is being produced in this country, it averages out to about the equivalent of $4 a barrel—about $4 a barrel—for oil. Now that compares to $10 a barrel that you are paying for imported oil. The more you discourage this industry from producing your requirements, the more foreign oil you will have to buy at $10 and the less you are going to have available for you at a lower price. In the long run it is only by increasing our capacity to produce oil, coal, shale, gas, atomic power, and become as self-sufficient as we can in energy, that we are ever going to get that price down to where the American consumer can be properly protected.

Mr. Mears. Would you be a participant in the Senate filibuster against the repeal of tax advantages for domestic oil corporations?

Senator Long. I don't anticipate I will be participating in a filibuster. I would like to think I know enough about some of these things to express myself on the subject, Mr. Mears.

Mr. Mears. At some length, I take it.

Senator Long. Well, I don't propose to speak under a three minute rule until they impose it on us.

Mr. Mears. You are a candidate this year. Disclosure of personal finances has become an issue in a great many campaigns. Do you have any plans to disclose your personal finances?

Senator Long. So far as I know, about everything I have is generally known. I don't plan to disclose any more than I have. There are a lot of good people who know everything there is to be known about my business, but as far as making a public disclosure of everything that I own at the present time, I don't think I will do so.

Mr. Mears. A great deal of what you own is in oil, is it not?

Senator Long. I have inherited quite a bit that is oil royalties, yes.

Mr. Newman. I am sorry to interrupt, gentlemen. Our time is up. Thank you, Senator Long, for being with us today on "Meet the Press."

Mr. ALLEN. Mr. President, I commend the distinguished Senator from Louisiana on his appearance on this program. He spoke with great knowledge and with great candor on this subject.

The distinguished Senator stated that, in his judgment, if the bill were able to come to a vote with amendments added, it would be passed by the Senate.

The question was raised as to the attitude of the distinguished Representative from Arkansas, Mr. Mills, in the other body as to whether he thought that a bill could pass cutting individual taxes, inasmuch as Mr. Mills seemed to be opposed to it.

Senator Long's reply was that he thought it might run into difficulty but that, if passed by the House and the Senate, in his judgment the President would veto the bill, and that he did not feel that the veto would be overridden.

That being true, Mr. President, it would seem to the Senator from Alabama that this bill is heading down a dead end street, not going anywhere with these amendments added. It will go somewhere without the amendments and that is the way we have finally got to come to pass the bill: the clean bill that came out of the Ways and Means Committee of the House, that was passed in the House, that was reported, I assume with recommendations, of the Senate Finance Committee, and that is now pending on the Senate floor, without change.

Mr. President, inasmuch as on a similar bill the Senate spent 14 calendar days in debate in November and December of 1969, it spent 10 days in debate on H.R. 10947 in 1971, and it spent 8 days in debate on H.R. 17550, if this bill, as predicted by the distinguished Senator from Louisiana, is headed for a Presidential veto that we cannot override, what is the use of spending 10 days on the bill, other than to show our constituents that we are in favor of cutting taxes?

Of course we are in favor of cutting taxes, Mr. President. I suppose every one is in favor of that. But there have to be certain conditions added to it. If we cut taxes and cut income, we have got to cut outgo. That is pretty simple. And if we cut taxes, we have got to cut them in such a fashion that it will not hurt the economy, and there we need the recommendations of the appropriate committees.

We are traveling without a rudder, Mr. President. If we had some advice from the Finance Committee or the Ways and Means Committee, we might know better how to act on these amendments, but we are operating without a rudder.

They did not send out a package to us and all we have is the opportunity of voting on this multitude of amendments.

I believe we would be better off if we took action in some other areas, went ahead and passed this debt limit bill, sent it to the President, got it signed, and got it out of the way, and clear the decks. I commend the distinguished Senator from West Virginia, the distinguished majority leader, and the distinguished minority leader for the manner in which they have been clearing the Senate Calendar of needed legislation. I would hate to see the Senate spin its wheels for 10 days, considering up to 150 amendments, based on looking at the other bills that have been before the Senate, when we are heading for a dead end street in effect, as stated by the distinguished Senator from Louisiana (Mr. Long) on the "Meet the Press" program yesterday afternoon.

The PRESIDING OFFICER (Mr. Helms). The Chair would remind the Senator from Alabama that under the unanimous-consent agreement, the Senator from Colorado (Mr. Haskell) was to be recognized at this time for 10 minutes.

Mr. ALLEN. Yes, and I would add to that request that upon resumption of my remarks after yielding to the distinguished Senator, it will not be considered as a second speech on the same subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President,

I ask unanimous consent that if there is to be a vote on the nomination of John C. Sawhill, of Maryland, to be Administrator of the Federal Energy Administration tomorrow, it occur at 2 p.m. This has been cleared with the minority side.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD subsequently said: Mr. President, I want to make sure that it is understood that if there is a vote on the Sawhill nomination tomorrow, even though the 40 minutes for debate will elapse at 12:40 p.m., if it is all consumed, such a rollcall vote, if ordered, will not occur until 2 p.m.

The PRESIDING OFFICER. That is the understanding of the Chair.

Mr. HASKELL. Mr. President, first, I should like to thank the distinguished Senator from Alabama (Mr. ALLEN) for yielding me these 10 minutes. Whether we get to the matter of a tax cut or of tax reform seems more problematic to me than it did a few hours ago. However, if we do get there, as I certainly hope we shall, I am very much pleased to see that the debate will focus on the necessity of an equivalent tax pickup to offset any tax cut.

As to the economy—and, admittedly, I am not an economist—from what I have studied, we have contradictory indicators as to whether we are headed for further runaway inflation or whether we are headed for a recession.

That being the case, it seems to me it would be taking a very unnecessary and unwarranted risk merely to have a tax cut much as I, too, hope to see such a cut. It was for that reason that on May 2 of this year, the distinguished Senator from Florida (Mr. CHILES) and I introduced amendment No. 1247 to H.R. 8217 which at that time was scheduled for floor action. But the distinguished Senator from Louisiana (Mr. LONG) pointed out there was no use debating tax reform twice, so for that reason H.R. 8217 was held back until such time as the Senate might dispose of the debt ceiling bill now before us.

Subsequently, the Senator from Florida (Mr. CHILES) and I reintroduced in the form of two separate amendments, Nos. 1434 and 1435, our original amendment and proposed that they be added to the debt ceiling bill. The principal objective of our amendments is to provide tax relief to most taxpayers, but to do so in concert with meaningful revenue-raising tax reform measures so that the tax cut would not cause yet further inflation.

The distinguished Senator from Massachusetts earlier described the amendment which he and others have proposed. His amendment would raise revenue, to be sure, but from slightly different sources than would mine. It would also provide a tax cut in a somewhat different fashion than the Senator from Florida and I have proposed for those hardest hit by inflation. I think probably all of us here would agree that the low-income and the middle-income people of the Nation suffer most seriously from inflation, and that it is these income groups most in need of tax relief. For this reason, Senator CHILES and I propose a mandatory $200 tax credit to replace the present $750 personal exemption. This would reduce the tax liability of nearly 90 percent of all taxpayers.

I would be much pleased to support the revenue-raising measures described by the Senator from Massachusetts earlier. I would point out that the repeal of ADR and the repeal of DISC are common to both our amendments. The principal difference in the revenue-raising features of our amendments is that I would like to see a repeal of the investment tax credit. But, be that as it may, I repeat, I am delighted to see that debate centers upon the balancing of revenue raising measures with revenue cuts.

There is one final but very important difference that I would like to point out to Senators who read the RECORD tomorrow: this difference relates to the way I would distribute the benefits of a tax cut. In the amendment which he and other Senators have proposed one might take either an $825 exemption, in the form of a deduction, or, instead, a $190 credit against one's tax. Additionally, of course, Senator KENNEDY's amendment includes the social security "work-bonus" credit originally proposed by the distinguished Senator from Louisiana, the chairman of the Finance Committee. I would merely submit to Senators that the maintenance of an exemption in the form of a deduction is not fully consistent with our goal of tax reform. A credit is of equal value to everyone who pays taxes. A deduction, on the other hand, which is the present scheme of the exemption is far more valuable to someone, say, earning $100,000 than it is to someone earning only $10,000.

For example, a man earning $100,000 would certainly elect to take the $825 exemption because he would save in taxes somewhere in the neighborhood of $577, whereas the man or woman earning $10,000 would undoubtedly elect to take the credit, which would be worth $190 as suggested by the Senator from Massachusetts, or $200 as suggested by the Senator from Florida (Mr. CHILES) and myself, because the deduction as applied to that tax bracket would be worth to them in taxes saved only in the neighborhood of $170.

I would respectfully submit that if we are going in the direction of tax reform and tax equity, it would probably be best, in the area of exemptions, to treat everyone equally.

I should like to add that, having reviewed the so-called work bonus social security tax rebate provisions of the amendment offered by Senator KENNEDY and having had a highly favorable reaction thereto, it is my intention to add these provisions to my proposal for a mandatory $200 personal tax credit. In this way, I hope to minimize the differences between my colleagues and me.

I say to the Senator from Alabama that I have not used my entire 10 minutes, and for that reason will yield back the floor to the Senator from Alabama. I thank the Senator from Alabama.

Mr. ALLEN. Mr. President, I thank the distinguished Senator from Colorado.

I might say that I look with favor on his approach to the exemption question, that is, allowing a definite and specific credit rather than a deduction, because that would mean more to the person of low or modest or middle income. I do believe, as we heard the Senator from Massachusetts discussing his amendment, there was an alternative, if I am not mistaken, which would result in a whole lot more revenue loss, because obviously the taxpayer in the higher brackets would opt to take the deduction rather than the credit.

I think the distinguished Senator from Colorado is on the right trail in providing for a definite credit. I believe it is $200. Is that not correct?

Mr. HASKELL. The Senator is correct.

Mr. BENNETT. Mr. President, if the Senator from Alabama will yield, it would be interesting for the RECORD at this point to note that if we stayed with the deduction, the revenue loss would be nearly $3 billion; and if we went the other way it would be double, $5.9 billion. So this is a pretty hefty change. I think the RECORD should show that to allow that choice and to allow a tax credit would approximately double the effect of the increase in the exemption alone.

Mr. HASKELL. Mr. President, will the Senator from Alabama allow me to ask the Senator from Utah to repeat that?

Mr. ALLEN. He stated that often the alternative would double the $3 billion loss for which the Senator's amendment would provide. If they had the best of both worlds, it would be a $6 billion loss. If they went the Senator's route alone, it would be a $3 billion loss.

Mr. BENNETT. If this were simply an increase in everybody's exemption to $825, it would be a $3 billion loss. Because the people are given a choice—and as the Senator from Colorado pointed out, those in the lower brackets would choose the tax credit and the others would choose the exemption—by having that choice, we increase the loss from $3 billion to $5.9 billion, which is approximately double.

Mr. ALLEN. The Senator from Colorado does not have the option. Under the amendment of the Senator from Massachusetts, I believe the option is provided.

Mr. HASKELL. Mr. President, will the Senator allow me 30 seconds to make a comment?

Mr. ALLEN. Provided I do not lose my right to the floor and provided the resumption of my speech is not considered a second speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HASKELL. I thank the Senator.

I merely say to the Senator from Utah that it is my understanding that my $200 credit would result in a revenue loss of $4.4 billion. It is my further understanding that by allowing an alternative exemption which the high-bracket people would take, it would result in an additional revenue loss of somewhere in the neighborhood of $1.6 billion. I might want to correct myself on those figures, but that is my understanding.

I thank the Senator from Alabama.

Mr. BENNETT. Mr. President, may I respond to that, under the circumstances that the Senator has indicated?

Mr. ALLEN. If I do not lose my right to the floor, and if the resumption of my speech is not considered a second speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BENNETT. The Kennedy amendment, which has the alternative, represents a loss of $5.9 billion. It is the understanding of the Senator from Utah that if there is no alternative, and we deal only with an increase in the exemption, the difference is $3 billion.

If we add the alternate opportunity to have a choice between that and the credit, we add $2.9 billion more. These are the figures that have been given to me by the Joint Tax Committee staff.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield to me for a unanimous-consent request that has nothing to do with the pending business, with the understanding he will not lose his right to the floor?

Mr. ALLEN. I yield.

SETTLEMENT OF CERTAIN DAMAGE CLAIMS—UNANIMOUS CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as Calendar No. 839, S. 2201, a bill to provide for the settlement of damage claims arising out of certain actions by the United States in opening certain spillways to avoid flooding populated areas, is called up and made the pending business before the Senate, there be a limitation of 30 minutes thereon, to be equally divided between Mr. JOHNSTON and the Republican leader or his designees; that there be a limitation of 20 minutes on any amendment thereto; that there be a limitation of 10 minutes on any debatable motion or appeal; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 14354) to amend the National School Lunch Act to authorize the use of certain funds to purchase agricultural commodities for distribution to schools, and for other purposes.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. ALLEN. Mr. President, I am very much impressed with the comments of the distinguished Senator from Colorado and the distinguished Senator from Utah with respect to the amendment having to do with the personal exemption, as to whether that should be treated and a figure set for a credit against taxes as provided by the amendment of the Senator from Colorado, or as provided, I believe, by the amendment of the distinguished Senator from Massachusetts (Mr. KENNEDY), which provided for a $75 increase, I believe, in the deduction—that is, to $825—or a $190 credit against taxes at the option of the taxpayer.

Obviously, the Kennedy amendment would be much more costly to the Treasury than would the amendment of the distinguished Senator from Colorado (Mr. HASKELL). If we ever get to that point, I would certainly be in favor of the Haskell amendment, because I feel that that is the sounder approach of the two.

One thing occurs to me, Mr. President, with regard to making up the loss occasioned by this one income tax deduction. Certain amendments are being offered by the distingiushed Senator from Massachusetts and those associated with him on these amendments, but what assurance is there that these amendments will be adopted?

We first lose the $6-odd billion in revenue to the Treasury, resulting in a $6 billion additional deficit, and then there is no assurance whatsoever that the loophole amendments will be adopted and that they will run the gamut of consideration in the House as well.

We would certainly lose the $6-odd billion, increase the deficit that much, increase the inflation that much, for this $75 added deduction as provided in the Kennedy amendment, or $190 credit, I believe.

Whatever benefit the taxpayers would receive by this little tax reduction, it would be more than offset by the increase in the rate of inflation.

Mr. President, in the first place, there is no plan, nothing in the offing, so far as the Senator from Alabama can see, for cutting Federal expenditures. Adding taxes and closing loopholes is not the only way of making income and outgo come closer together.

We have two ways of doing it: one is to cut Federal expenses, and nobody talks about that. The other is to levy more taxes, or, to State it another way, to close loopholes.

But when we start legislating on the floor, we do not know where that is going to end. When the distinguished Senator from Massachusetts was talking about the minimum tax being a source of loopholes, I called attention to the fact that, yes, that was legislated on the Senate floor.

Of course, it is dangerous to legislate concerning billions of dollars in tax planning without some advice from the committee, without some balance between the various proposals so it will not be a just case of cutting taxes, but providing for filling up that revenue loss, because it is going to be a whole lot easier as those amendments start nitting the desk to vote for tax reductions than it is for tax raises. So we are going to see the $6 billion increased exemption measure passed.

If the distinguished Senator from Massachusetts were to have his amendment adopted, some other Senator would say, "Gee, I have to put in an amendment, too. I have to lower the tax burdens of the people. I have to make some hay, too." So in would come an amendment chopping another $5 billion off of the Federal treasury income. That would go on and on, ad infinitum. No one would be interested in balancing the income against the outgo, the reduction in revenue with the additions to revenue. By the time we got through with this bill, it would, in fact, be a Chtristmas tree bill.

The distinguished Senator from Louisiana said it is not Christmas and, therefore, could not be a Christmas tree bill. Well, it would be a Fourth of July bill, passed in the form of a Christmas tree. That is what we would have because there would be something in it for everybody; something in it for all of our constituents so that in this political year we can all claim a little bit of credit for reducing taxes, not taking into account, however, the acceleration of the rate of inflation that would result.

That is something on which the Committee on Finance could advise us. They come out with a package cutting taxes, replacing the revenue loss here, and presenting a balanced budget. That is where we would miss the advice of the Committee on Finance and the Ways and Means Committee. That would be an omission that would be filled if we waited for the tax bill itself, which the House committee is in the process of marking up at this time.

Mr. President, we should not be spendin the next 10 days, as now seems likely, discussing this bill, which is not going anywhere in its anticipated form. It could go somewhere in its present form.

As I stated earlier today, I am perfectly willing to allow the bill to go to third reading, withdraw the pending amendment, and send the bill to the President. It would not have to go back to the House. I believe we are heading for that. I hope we will not spend 10 days spinning our wheels in the Senate when there is legislation that needs to be enacted, when we hear so much talk about the need for the Senate to clear the calendar and clear the decks. We are told that important things are coming up in the Senate. We are told that it is incumbent upon the Senate to clear the decks. If it is necessary that we clear the decks, we should not be spinning our wheels for the next 10 legislative days.

I am not just drawing 10 days out of the air when I mention that prospect. As I pointed out earlier, for the benefit of Senators who were not here, in the 91st Congress we spent 14 calendar days on the income tax reform measure pending in the Senate. There were 160 printed amendments at that time. From the statements we have had on the floor I would anticipate that we are likely to have an equal number of amendments to this bill. Once an amendment is adopted another amendment would be thought of.

As an example of that, in the 92d Congress, the Revenue Act of 1971 took 10 legislative days. There were 150 printed amendments, the committee amendments were adopted en bloc; 71 amendments were adopted, of which 27 were floor amendments, just written out on the floor and handed in. They were not printed amendments; 21 amendments were rejected, of which 17 were floor amendments.

I am for tax reform at the proper time, under the proper circumstances, with the proper legislative vehicle, but I anticipate that an equal number of amendments will be offered to this bill, and that will have us locked up in the Senate considering those amendments for some 10 to 14 legislative days. That is not a pleasant prospect.

What is the alternative? Pass this bill. It has to be passed by the first of July. That is the first thing. Second, wait for a tax measure from the House of Representatives where all these factors, all these considerations, all these matters having to do with the economy, all of the matters having to do with inflation, all matters having to do with the closing of loopholes, lowering burdens here, raising them there, can be made part of the bill. Wait for a bill where the various factors have been weighed and committees can go to the respective bodies and say, "Here is a bill that has had close and careful consideration in our committee. Our committee has the responsibility for this measure. We vouch for this bill. It is a bill that will not hurt the economy; it is a bill that will not fuel the fires of inflation; it is a bill we are willing to recommend to you."

We could dispose of a bill of that sort before the Senate in very short order because Members of the Senate, and a majority of Senators have sound views with regard to taxation and the economy, would have something to point to. It could be said, "This is as far as we can go according to the Committee on Finance; this is as far as we can go according to the Ways and Means Committee." We would have something to point to and not be required to stand here and talk against tax reduction, which we are all for.

I do not suppose that there is a Senator who is not in favor of tax reduction. We are all for it. But it needs to come along with a reduction in Federal expenditures. It needs to come at a time when it will not fuel the fires of inflation. It needs to come accompanied by measures providing for additional revenue to replace the loss of revenue.

Under those circumstances, I assume that every Senator would be for a tax reduction. They are trying to get there by going through the back door, when they ought to be going in the front door. I think tax reduction is such an important, such a necessary step, that it ought to be obtained through following the duly and regularly constituted committees and the duly and regularly defined processes as provided by the Constitution.

Mr. President, on this 17th day of June, this measure, if no resistance is made to amendments, even with an agreed-to limitation, could be debated for 12 or 14 days; and I feel sure that the House of Representatives, having sent us a 12-line bill, is not going to be elated when we send back a bill with dozens of amendments attached.

Is not this kind of reversing the order by which the Constitution says revenue measures shall be enacted, when it says they shall originate in the House of Representatives and that the Senate has the right to add amendments thereto?

Mr. President, this is not a revenue bill. H.R. 14832 does not have anything to do with levying taxes or providing for the revenues of the Government. So if we are going to have a bill, let us not go in the back door. Let us not add it as an amendment to a bill which is necessary in order to keep the Government running.

So if we spend 10 to 14 days on this bill, and it is sent back to the House, they have several alternatives, any one of which would take time. Among the alternatives they have, as pointed out by the distinguished Senator from Louisiana this morning, this bill could be sent to the Ways and Means Committee within the House. It could be sent to another committee. It could be sent to conference. But the House has not had an opportunity to study all of these amendments, whether they be 40, 50, 60, or 100, and why force them? There is as much pressure on the House as there is on the President—every bit as much. It is holding a gun on the House and saying, "Here is what we have done. Take it or amend it, but let us get it enacted before the first of the month."

If the Senate spends 10 days on amendments, how can we expect the House to consider the matter in less than an equal amount of time? That runs us well past the expiration of the time authorization for the temporary debt ceiling.

So, Mr. President, this is not a practical approach, coming here in the last days of this authorization, setting the stage for scores of amendments, the Senate to act without advice or recommendation from the Finance Committee, without advice or recommendation from the House Ways and Means Committee. Why should the Senate be deprived of the knowledge and expertise that the members of those two committees have?

The best brains of the House in the field of taxation and revenue are found on the Ways and Means Committee. The greatest ability in the Senate in the area of taxation and revenue is found in the Senate Finance Committee. Why can we not have the benefit of their views, Mr. President?

I do not believe we are getting the full benefit of the views of these committees, because, as these amendments come on the floor, we are not going to have any recommendation of the committee. We might have the personal views of the distinguished chairman, the personal views of the distinguished ranking minority member, but we are not going to have the views of the committee as such, and I believe that is depriving the Senate of information and recommendation that we need to have.

Mr. CLARK. Mr. President, during the debate this week on the debt ceiling bill, a number of Senators will propose the adoption of a five-part tax reform/tax cut package. This package is contained in amendment No. 1443 introduced by Senator HUMPHREY with the cosponsorship of Senators BAYH, CANNON, HART, KENNEDY, MONDALE, MUSKIE, NELSON, and myself.

Part II of the amendment would raise $815 million in 1974 by repealing DISC provisions which now allow the indefinite deferral of one-half of the tax on corporate export operations. The evidence now available to Congress does not demonstrate that the American people received any commensurate benefit from DISC in exchange for the extravagant tax breaks it provides to large corporations.

Together with Senator MUSKIE and others, I expect to develop fully the argument for repeal of DISC when amendment No. 1443 is debated on the Senate floor. But in preparation for the debate, I commend to my colleagues two recent evaluations of the proposal: an editorial in the New York Times on April 19, 1974, and an article in this Sunday's Washington Post, by Prof. Stanley Surrey of the Harvard Law School. I ask unanimous consent that these articles, together with a fact sheet on DISC, be printed in the RECORD.

There being no objection, the items were ordered to be printed in the RECORD, as follows:

[From the New York Times, April 19, 1974]

SLIPPED DISC

The tax bill passed by Congress in 1971 provided by a tax device known as the Domestic International Sales Corporation (or DISC) aimed at spurring exports. Any American company selling some of its products abroad could set up a DISC, export through it and defer indefinitely the taxes on half of its export-related profits.

Even before the DISC tax gimmick was enacted, critics warned that it would be expensive and wasteful. But reality has exceeded expectations, as a United States Treasury report disclosed this week. The Treasury had predicted in 1971 that the tax subsidies would result in a revenue loss of $100 million, but the actual revenue loss in 1972 turned out to be $250 million.

Losses to the Treasury for subsequent years will certainly prove to be a great deal more, as word of this tax gimmick has spread through the business community. There are more than twice as many DISC's now as there were in 1972.

It is impossible to say how much the DISC tax gimmick did to boost exports because of the complexities of separating its effect from that of such export stimulants as the devaluation of the United States dollar, the booming demand abroad for American farm products and other goods, the massively subsidized wheat deal with the Soviet Union and the greater probability of exports. But what can be said firmly is that whatever extra push to exports the DISC tax deferrals have been providing makes not sense in a world of flexible exchange rates and severe inflation. DISC worsens the inflationary pressures here at home by reducing supplies and draining off needed tax revenues.

Congress would be wise to repeal DISC and put an end to these wrongheaded export subsidies. Meanwhile, the Administration can suspend DISC, which the 1971 legislation empowers it to do.

[From the Washington Post, June 16, 1974]

DISC Repeal Called Needed Tax Reform

(By Stanley S. Surrey)

Repeal of the Domestic International Sales Corp. export subsidy provisions would be an income tax reform of high priority. Repeal would prevent an annual revenue loss that will be close to $1 billion by 1975. It could be simply achieved—clean-cut elimination of the provisions is all that is needed. Repeal would not affect our export trade. And finally, repeal would remove from the statute a tax atrocity that was a mistake from the very start.

DISC was adopted in 1971, at the insistent urging of the Treasury Department, as a tax subsidy incentive to exporters. That department, spurred by statements from the Commerce Department and others that the Treasury was doing nothing to improve our export position, had desperately looked about for some subsidy device and in 1970 had come up with DISC.

But then came the new monetary policy of 1971 and the first devaluation of the dollar, making any search for artificial export incentives beside the point. Yet the Treasury clung to its anachronistic idea of a DISC tax incentive and pushed it before the Congress late in 1971. A reluctant Congress adopted only half of the DISC proposal.

As enacted, DISC allowed a new type of export subsidiary corporation to be formed, half of whose income from export activities would be relieved from current income taxation:

Most companies initially thought of DISC presumably as a complex device requiring adoption of a new method of conducting export operations, which would necessitate restructuring their present organizations and procedures.

They soon learned that DISC is purely a paper procedure requiring no real change in port operations. All that is needed is creation of a new subsidiary. This new corporation need not have any employees, any operating activities, any substance whatever. A DISC requires only $2,500 of capital and a separate bank account. With that, a manufacturer can have its accountants start the paper work that immediately reduces its income tax by eliminating from taxable income one-half of the DISC's share of the profits attributable to the export sales of the manufacturer.

Once manufacturers with export sales caught on to the idea that DISC was a tax reduction gift with no needed change in their operations, they were eager to accept the DISC bounty. Thus, there were 1,000 DISCs by March 1972, some 3,439 at the end of 1972 and more than 5,000 by February 1974.

The repeal of DISC would involve no interruption of or effect on export activities. Instead, the tax-reduction paper work that DISC brought about simply would end. Unlike some other tax reform situations, repeal is not in any way hampered by claims to equities based on actions not quickly reversible.

The real facts must be kept squarely in mind. DISC was deliberately planned by the Treasury as a paper device—as an elaborate file drawer—as a schedule on a tax return.

But this paper device meant a revenue loss of $250 million for 1972 and an estimated loss of $500 million in 1973. By 1975, the loss is estimated to be $920 million. We are thus talking about a device that will soon be costing the government more than $1 billion a year. Who receives these benefits? Treasury data show:

Twenty-two per cent of the untaxed DISC export income was earned by eight firms in 1972.

More than 90 per cent of the DISC receipts go to parent corporations whose asset size places them in the top 1 per cent of U.S. corporations.

DISC is thus a windfall handed over to our largest corporations. Our largest corporations are our largest exporters and DISC simply reduces the current tax on export activity. A Treasury official was recently quoted to the effect that DISC has not significantly helped to add new exporters to the roster of existing ones.

There is a reason for most small firms to stay clear of DISC. While a DISC is a paper corporation, the paper work can be immense. The DISC statutory provisions and accompanying Treasury regulations are a monstrous technical morass. DISC rules are replete with percentage tests, special pricing rules, special computations—all a technical paper wonderland.

For the big companies, elaborate attention to the paper work can enlarge the DISC payoff. The special pricing rules a DISC enjoys are an elaborate facade, for they allow a DISC to claim as its profit—for doing nothing whatsoever—50 per cent of the difference between the costs of the export product and its final sales price, in complete disregard of the arms-length pricing rules developed by the IRS and the courts.

In retrospect, it is remarkable—and saddening—how little the Treasury and the Congress that relied on it knew about his paper device it was fashioning. The Treasury estimated the first year's revenue loss to be $100 million—it turned out to be $250 million. The second year's loss was said to be $170 million—it is now estimated at $500 million.

The Treasury now says the reason for the difference is that the rate of return on export sales is about twice as great as the Treasury expected—it is 15 per cent as against the expected 8 per cent, which is the average for domestic sales. This one fact alone shows how little analysis was really made of the situation—and it also raises the question of why the most profitable part of a manufacturing and selling operation must be subsidized.

Congress was also told that the tax on the DISC untaxed income would only be deferred, so that some day it would be paid. But Congress was not told that the deferral could be lengthy and that the present value of such deferral often would be worth about as much as current exemption.

DISC is thus built on paper and myths.

There is the myth that a DISC is an aggressively exporting organization, when in reality it is only a paper company.

There is the myth that the tax benefit of DISC is "only deferral" so that not much is involved, when in reality the deferral is so long delayed it can become the equivalent of exemption.

There is the myth that DISC-benefitted income must be invested in "export-related assets," when in reality that is but a drafting term that can cover any assets of the parent.

There is the myth that the DISC benefited income cannot be used by the parent for manufacturing activities abroad, when in reality a properly guided parent can use those funds to build a plant abroad.

The ultimate question remains to be asked—of what benefit is the DISC provision to the United States? We know about the windfall to exporters—more than three times as large as the Treasury estimated—and we know that the only operational price paid by exporters for this windfall is that of paying accountants and lawyers to handle the work that keeps this intricate paper-consuming machine properly nourished. But do we as a nation gain anything?

The answer is no. The Treasury in its first report on DISC could come up with no solid evidence that our export position had at all been improved because of the presence of DISC. Our exports have indeed increased—from $48.8 billion in 1972 to $70.3 billion in 1973. But behind this increase are such major developments as two devaluations of the dollar, a new monetary system, a worldwide inflation and a worldwide food shortage leading to a huge increase in agricultural exports.

Exporters who benefit from the policy changes should not also be handed a tax reduction windfall through DISC—a windfall that increases automatically as exporters reap the benefits of these and other policy changes.

So the time has come for Congress to set the match to this huge paper monument of DISC and to end the wasteful revenue loss—a loss that it never anticipated would reach the $1 billion figure that is now projected. A quick repeal of DISC is the only sensible response to this absurd tax situation.

Fact Sheet on Repeal of DISC Benefits

(Part II of Amdt. 1443 to H.R. 14832, Debt Ceiling Bill)

Part II of Amendment No. 1443 would repeal DISC, and recover $815 million in lost revenue in calendar year 1974. Under DISC, specially organized export corporations can defer indefinitely the tax on one-half of their income. Recent reports indicate that most of this lost revenue constitutes tax breaks for large, profitable exporting corporations—and that there is no evidence that DISC provisions are serving their intended purpose of stimulating extra exports.

HOW DISC PROVISIONS WORK

Under existing law, a corporation may elect to be a DISC (a Domestic International Sales Corporation) if at least 95% of its gross receipts, and at least 95% of its assets, are export-related. DISCs are completely free from normal income taxes. Shareholders, however, are taxable on one-half of the DISC's income each year, or the amount distributed as dividends, whichever is greater. Thus, DISCs in effect allow indefinite tax deferral on one-half of export income.

In practice, DISCs are most often paper corporations established by other large corporations merely for the purpose of receiving tax benefits for exports. A DISC need not satisfy normal requirements of corporate capitalization, but need have only $2500 in assets. In 1972, 22% of the income received by all DISCs was earned by eight DISCs with gross receipts over $100 million, and over 80% of the 2,249 DISCs were owned by corporations with assets of over $100 million. These large corporations can channel their exports, on either a sale or commission basis, through DISCs they have created, and thus received substantial tax benefits.

REVENUE GAIN FROM TERMINATION OF DISC BENEFITS

The estimated revenue loss from DISC was $250 million in 1972, $500 million in 1973, and will reach $740 million in 1974 and $920 million in 1975. The revenue loss has been much higher than Congress expected when it enacted DISC in 1971—at that time, DISC was predicted to cost only $100 million in 1972 and $170 million in 1973.

Terminating DISC benefits under our amendment would gain an estimated $851 million in 1974—$740 million from revenue which would otherwise be lost in 1974, and $75 million from the estimated tax revenue which would be payable in 1974 on DISC income deferred in prior years.

DISC PROVISIONS HAVE HAD NO DEMONSTRABLE EFFECT ON INCREASING OUR EXPORT TRADE

The U.S. in 1973 enjoyed a $700 million trade surplus, with an unprecedented $70 billion in exports. The trade surplus has concurred in 1974. But when the DISC provisions were originally enacted in 1971, the nation was facing a serious balance of payments deficit, including for the first time in recent years a deficit in trade of goods and services. According to the International Economic Report of the President, the turnaround in the U.S. trade balance was caused primarily by increased world-wide demand for our agricultural and manufactured exports, and the 15% devaluation of the dollar since 1971. During 1971 and the first half of 1972 our demand for foreign products was strong, and economic slowdowns abroad reduced demand for our exports, producing a negative trade balance. Since then, however, export demand has increased, the prices of our exports have become more competitive, and higher relative prices abroad have reduced our demand for imports.

There is no evidence that any part of this trade turn-around is due to the tax benefits provided under DISC. In fact, the GAO has reported that DISC "is not considered to have had much influence toward increasing U.S. exports to date. Neither has it resulted in exports lowering their prices to meet competition." And a recent Treasury Department report gives no solid evidence that the tax subsidy under DISC is having an effect on our exports or balance of trade. Although the Treasury analysis, which covers data from calendar year 1972, shows that selected firms utilizing DISCs increased their exports 14.1%, slightly more than the total U.S. export growth by 12.4% in that year, the Treasury makes no claim that these figures are statistically significant and admits that their conclusion is "highly tentative."

The Treasury Report did show, however, that exporters using DISCs have about twice the normal industry profit rate: 15% compared with the normal 8% rate of return for those industries in which DISCs predominate.

EFFECTIVE DATE

Our amendment would make DISC benefits unavailable for any taxable year beginning after December 31, 1973. Since DISCs are largely an accounting device, utilized by corporations at the end of their taxable years when export receipts, assets, and income are accounted for, terminating the DISC provisions as of this tax year would work no unfairness. Taxes on income previously deferred would be payable in equal assessments over ten years.

IMPROVING OUR TAX SYSTEM

Mr. RIBICOFF. Mr. President, last week the Senate Finance Committee reported out a bill, H.R. 14832, with the expectation that the Senate as a whole should have the opportunity to consider the issue of tax reform.

I hope the Senate will enact measures which relieve the tax burden on individual taxpayers and their families and at the same time assure that all sectors of our economy pay their fair share of taxes.

I would like to discuss some of the measures I believe should go into a tax reform package.

1. TAX CUT AMENDMENT

It is time to relieve some of the tax burdens which the working men and women of this country bear. I strongly support the proposal to raise the personal exemption for individuals in the Federal income tax from its current level of $1,750 to a new level of $825. This proposal would also allow the taxpayer of taking a $190 credit in lieu of the exemption.

The purpose of this proposal is twofold. First it will help offset the increase in the cost of living caused by inflation. And second it will provide a $5.9 billion fiscal stimulus to help pull the economy out of its sluggish period.

The purchasing power of the consumer has been seriously eroded by the high rate of inflation—10.8 percent in the first quarter of 1974. A tax cut will help restore some of this purchasing power. In addition the use of a fiscal stimulus is the most widely accepted means of dealing with economic downturns and I am hopeful that, like the tax cut of the early 1960's, this cut will help us turn the corner on our economic problems.

2. TUITION TAX CREDIT

The galloping rate of inflation affects every segment of our economy. College, vocational, technical, business and graduate school costs are going up rapidly—5 percent in the last year alone. My tuition tax credit proposal—which has passed the Senate on three previous occasions but has never been considered by the House—would help most American families meet the cost of education by providing a tax credit of up to $325 for a portion of the costs of post-high school education.

Such an amendment will allow thousands of American families and students to meet rising education costs.

3. REPEAL OF OIL DEPLETION ALLOWANCE

Senator MAGNUSON and I have introduced legislation to repeal the costly and wasteful oil depletion allowance effective January 1, 1974. We have watched oil prices skyrocket in the last year. At the same time oil company profits have soared—as high as 817 percent in the case of one company. Others show more "modest" profits ranging upwards from 75 percent over the previous time period of last year.

The depletion allowance serves no useful purpose. First, repeal will not affect exploratory activity. Profit levels without depletion are high enough to attract the capital necessary to fully utilize available exploration resources.

In fact, profit levels without depletion will still leave $7 billion as after-tax profits in 1974. This is an increase of $3 billion over 1973 profits with the depletion allowance.

The oil depletion allowance costs the taxpayers almost $2 billion a year and, rather than encouraging exploration, actually discourages it since the oil depletion allowance subsidy goes only to existing oil-producing wells. Furthermore, the oil tax bonanza discourages investment in alternative energy technologies since the oil subsidy is a more lucrative lure.

4. STRENGTHENING THE MINIMUM TAX

In 1969 Congress enacted a provision to assure that no one can completely evade all tax liability by use of deductions. Each year there are taxpayers who have substantial income which is not included in their regular tax base because of income exclusions thought to be justified for social or economic reasons. While Congress continued to recognize a need for these exclusions, we also recognized a basic inequity in permitting a relatively few wealthy taxpayers to escape liability by investing their resources solely in tax-free income-producing assets.

But the means chosen to close that loophole had its problems and, instead of resulting in a minimum statutory tax rate of 10 percent, the effective rate turned out to be only 4 percent.

The amendment I support modifies the two deductions primarily responsible for the failure of the minimum tax concept; first the automatic $30,000 exclusion and second, the deduction for all other income tax paid.

Our amendment would reduce the $30,000 exclusion to $10,000. This would subject substantial amounts of income to the minimum tax which are now tax-free and, at the same time, avoid any deleterious impact on low- and middle-income taxpayers with modest tax preference income such as capital gain in the sale of their home. We would also eliminate the allowance for the deduction of other taxes paid. To allow taxpayers with large amounts of preference income a credit for the relatively low tax that he does pay on nonpreference income defeats the very purpose of the minimum tax.

5. REPEAL OF DOMESTIC INTERNATIONAL SALES CORPORATION

In 1971 Congress enacted the Domestic International Sales Corporation—DISC—tax provision to encourage exports and help correct our trade balance. Over the past 3 years it is clear that the DISC provision has not worked well.

The provision, which allows corporations to defer a portion of their income derived from exports simply by setting up a paper DISC corporation, has done little in encouraging exports.

DISC is used almost entirely by the very largest corporations as a tax avoidance device. More than 90 percent of the DISC receipts go to parent corporations whose asset size places them in the top 1 percent of U.S. corporations.

DISC's cost to the Treasury was estimated to be $100 million in its first year. In reality it cost 2½ times as much—$250 million. The second year's loss was said to be $170 million. It is now estimated at $500 million.

Our exports have risen recently but behind the increases are such developments as two devaluations of the dollar, a new monetary system, a worldwide inflation and a worldwide food shortage leading to a large increase in agricultural exports. DISC has not been the cause. It is time to repeal the DISC provision and save the taxpayer hundreds of millions of dollars.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield for a unanimous-consent request, with the understanding that he will not lose his right to the floor and that it not be counted as a second speech against the bill?

Mr. ALLEN. I yield with that understanding.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. BUCKLEY be permitted to include a statement in the RECORD just prior to the passage of S. 2201 at such time as that bill is called up and passed by the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BROCK ON WEDNESDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that Mr. BROCK be recognized for 15 minutes on Wednesday, after the order for the recognition of Mr. PROXMIRE.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. FANNIN. Mr. President, will the Senator from Alabama yield me 10 minutes, without losing his right to the floor?

Mr. ALLEN. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Arizona for not to exceed 15 minutes, provided that I shall not lose my right to the floor and provided that my resumption of my remarks shall not be considered as a second speech, but first, before doing so, may I ask if the unanimous consent was given?

The PRESIDING OFFICER. Not yet. Without objection, it is so ordered.

Mr. ALLEN. Mr. President, before I yield to the Senator from Arizona, I would like to make a motion, if I may.

I move that the bill and the pending amendment be postponed until the next legislative day.

Mr. FANNIN. Mr. President, will the Senator permit a unanimous-consent in addition to the request I made previously, without his losing his right to the floor and without its being counted as a second speech against him?

Mr. ALLEN. I yield.

Mr. FANNIN. Mr. President, I ask unanimous consent that Mr. George Pritts, of my staff, be given floor privileges during the discussion of the pending legislation and during the voting thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

SEVEN STEPS TO ECONOMIC DISASTER

Mr. FANNIN. Mr. President, I wish to commend the distinguished Senator from Alabama for the forthright way in which he has presented the problems that would accrue if we permitted amendments to this debt limitation legislation.

During the discussion of H.R. 14832, a bill to provide for a temporary increase in the public debt limitation, I understand a number of so-called tax reform amendments have been printed. After hearing them mentioned, I will say they are seven steps to economic disaster.

Mr. President, the finance committee recently held hearings on various tax increase proposals. On March 19 and 20 of this year the committee conducted hearings on various tax decrease proposals.

Without further explanation it appears that the finance committee is moving simultaneously in opposite directions—both of them wrong—to devise a tax policy to cope with our inflation-ridden economy. To move toward a tax cut would only serve to intensify the inflation problem and to move toward a tax increase by further taxing business income would hurt productivity, increase unemployment, and send this country into a deeper economic decline. The combination of the two would result in economic disaster for this country. Yet, Mr. President, this is precisely what is being proposed by those Members of Congress who view the tax structure as a vehicle for the redistribution of wealth.

This being our election year, we have heard the predictable cries for a tax cut. When the economists of this Nation were informed of the proposed political solution to our pressing economic problems, the majority predictably responded that it was the wrong solution for an inflationary economy; that a fiscal stimulus would only serve to intensify the inflation problem.

They further informed us that even if tax reduction were appropriate, it would come too late and have little effect this year. But it would have a substantial inflationary impact during the economic recovery in 1975.

Mr. President, we are all hoping for and looking forward to the possibility of this economic recovery in 1975, and there are great predictions in that regard. This would offset the possibility of that taking place.

Mr. President, this informed and highly qualified advice did not deter the alleged reformers. They merely shifted to a position which would compound their initial error. This combined action would increase the rate of inflation and set the stage for further economic slowdown, the worst of all possible economic alternatives.

The results of the U.S. economic performance for the first quarter of 1974 show that there was a drop in real national product at a 6.3 percent annual rate; and unemployment was about 5 percent.

This would indicate, Mr. President, that we are not in an income recession characterized by lack of aggregate demand and remedied by a tax cut or increase in Federal expenditures. In fact, it is just the opposite. This solution was designed to apply in an economy of excess capacity and lack of demand.

We are faced today with a worldwide shortage of supply in many commodities resulting in historic high prices around the world. The growth of per capita income is causing further demand which cannot be met. Until productivity and technology adjust for the shortages, there will not be an increase in real income.

Mr. President, the ill-conceived proposals to offset revenue loss through a tax cut for individuals include the following:

A phaseout of the 7-percent investment credit for all property costing more than $100,000;

Elimination of the more rapid depreciation permitted under the asset depreciation range—ADR—system;

A limitation on the use of the foreign tax credit;

An elimination of the DISC program;

A repeal of percentage depletion allowances for oil and gas production;

Greatly increase the burden of the minimum income tax.

Mr. President, these six proposals combined with a tax cut for individuals would constitute seven steps to economic disaster, as I said earlier, our people must have products and they must have jobs. It is business and industry that must provide the productive machinery and the employment, unless there is some incentive, our system simply will not respond. Unemployment will increase and shortages will increase and, Mr. President, we have seen the results of some of these incentives, and certainly they have shown by what has happened, the benefits that have accrued. When we start comparing the incentives, we give our industry in order to try to be competitive around the world, we are still far below what other coutnries are doing.

The tax laws now under attack were not drawn in ignorance nor to serve any special interest groups within our country.

These laws were conceived to provide the incentives and the means for American business and industry to attract investment necessary to meet the risings needs for better products and better jobs.

As I stated earlier, it was to be more competitive with the other nations of the world. Certainly that has been shown by the tremendous amount of importation of products that have been coming into this country, and our lack of being able to compete in foreign markets, not having increased exports. We were on our way to correcting that to a certain extent. But we still need these incentives if we are going to do so.

Businesses and corporations are made up of people, and they exist to serve people, and that is something that Senators who are offering these amendments seem to have forgotten. They have not taken into consideration, the relationship of investment to jobs.

Mr. President, I would like to discuss the six tax increase proposals briefly.

The 7-percent investment credit has spurred capital investment over the last decade despite its on-again, off-again history. The credit should remain a stable and predictable provision of the code to provide a sound inducement to productive investment.

An example of how the investment credit can affect productivity in the United States can be seen from the apparent impact of the previous credit on new orders for domestically produced machine tools. These orders are viewed as an important indicator of the future capital spending plans of business. After a slight decline in machine tool orders in 1964, new orders increased strongly until October of 1966, when the old 7 percent investment credit was temporarily suspended.

During the period of the suspension, orders dropped more than 25 percent. When the investment credit was restored in 1967, orders began increasing, reaching a peak in April of 1969, when the credit was terminated again. After the termination, new orders for machine tools decreased markedly. We had not learned our lesson. In the first quarter of 1971, orders were over 70 percent less than their all-time high in 1969. The investment credit was reinstated in August of 1971, and total orders rose 67 percent, from $747.3 million in 1971 to $1.25 billion in 1972.

If we are to be effective in our fight against inflation, we must attempt to increase productivity. Any move to discourage investment in new plants and equipment will discourage productivity and contribute to the inflationary spiral by discouraging increases in supplies of scarce commodities. Increasing supplies and reducing demands is the proper way to fight inflation. Increasing productivity is the effective weapon against this worst tax of them all—inflation. At a time when the country is faced with a huge inflation we must not discourage productivity.

The class life system—ADR—has helped to overcome the repressive nature of our basic depreciation policy. By allowing accelerated capital cost recovery, this system partially offsets the anticapital bias of the code. Until a more basic reform is adopted, the class life system should be continued.

Mr. President, any sound program designed to fight inflation, provide higher wages, and encourage economic growth must contain as a key element an increase in productivity. This requires that an adequate capital recovery system be permanently worked into our tax structure. By using more modern and efficient production facilities, more goods can be produced at a lower cost per unit. By encouraging American industry to invest in the most modern machinery and equipment available, an effort can be made to reduce inflation.

American business has been paying taxes on its capital. In order to lessen the effects of inflation on replacement costs, a shorter period for computing depreciation should be permitted. But we are going in the opposite direction.

Because of inflation, American business has, in effect, underdepreciated its assets. This underdepreciation has led to an overstatement of profits and an overpayment of taxes based on those profits. Typically, a piece of equipment is depreciated at its cost over a long period of time. When replacement is necessary, the cost of replacement has greatly increased due to inflation. This increased cost of replacement must be paid for primarily from earnings.

The foreign tax credit is a neutral, nondiscriminatory mechanism for preventing double taxation of foreign source income. The proposed fragmentation of income types for purposes of applying the credit would be unsound tax policy.

The credit does not cause the allegedly inequitable situations which fragmentation seeks to change, therefore integrity of the credit should not be compromised in dealing with those situations.

Under present law, U.S. companies operating abroad receive a credit for foreign taxes paid, but only up to the amount of U.S. tax that would otherwise be due on this income. If the foreign tax is higher than the U.S. rate of 48 percent for corporations, then the United States does not collect any income tax because that corporation has already paid taxes of 48 percent on its income.

The PRESIDING OFFICER. The Senator's 15 minutes have expired.

Mr. FANNIN. Will the Senator yield some additional time?

Mr. ALLEN. I yield the Senator 5 additional minutes, without relinquishing my right to the floor.

Mr. FANNIN. I thank the distinguished Senator. If the foreign tax rate exceeds the U.S. tax rate, the excess foreign taxes paid cannot be used to offset any taxes on domestic income that are owed to the United States and the excess is borne by the corporate taxpayer. The unused foreign taxes are an additional cost of doing business abroad.

The DISC provisions were enacted just over 2 years ago. They have had a favorable impact on our export trade since that time. They have not yet operated for a sufficiently long period of time to justify any conclusion as to their net long-term effect.

A DISC is a special type of U.S. corporation engaged in the business of export sales. It is not subject to income taxes, although its shareholders are treated as receiving 50 percent of the DISC's income. The other half may be retained by the DISC and reinvested in its export business, generally without liability for Federal income tax.

Mr. President, that is so that they will be able to hold jobs in the United States rather than, as many state, exporting jobs to foreign countries.

Besides promoting domestic employment and helping to improve our balance-of-payments position.

The DISC is intended to overcome two major disadvantages that faced U.S. domiciled exporters. First, they were not receiving the tax deferral benefits available to foreign subsidiaries of U.S. corporations. Second, domestic exporters were often competing against exporters based in foreign countries, who were given more liberal tax benefits by their governments. These disadvantages would exist today, were it not for the DISC provisions.

Percentage depletion is a vital capital recovery mechanism for all minerals, including oil and gas. At this time of energy and raw material scarcities, percentage depletion should not be weakened or repealed.

It is exceedingly important that the tax policy of the Nation not discourage investment needed for the modernization and expansion of its productive facilities. The tax policy of the United States toward the energy companies could determine the outcome of the energy crisis. If taxes are increased, the source of capital can certainly be expected to diminish, or the willingness to invest in the search for new reserves will be impaired.

Tax laws must recognize that rising energy demands in this Nation require the constant development and maintenance of a healthy energy industry.

As exploration and development of energy resources grow more difficult, more costly, and financially more hazardous, venture capital will continue to be attracted to this field only if the reward for success is commensurate with the risks involved. Therefore, to meet national needs and to assure replacement of exhausted mineral assets, the tax laws should provide that all nonrenewable natural resource industries be granted adequate depletion allowances.

The existing minimum tax provisions include several corporate "preference" items which are inappropriate to a minimum tax concept. If they remain therein, the deduction for regular tax liability must be maintained. Without this deduction, there would be simply an additional tax on preference items, not a minimum tax.

Proponents advocate the minimum tax because certain persons in higher income brackets selectively carry on personal and business activities for which the tax laws provide deductions, exclusions and exemptions available to all taxpayers. Those provisions were placed in the tax laws by Congress because they were considered to be needed for reasons of fairness, because they were in the best interests of the Nation, or because there was a constitutional question involved. If Congress determines certain of those provisions to be improper, they should be modified. But, a penalty tax should not be imposed on those who are properly conforming with the provisions of those laws.

These amendments could completely undermine the deductions granted and destroy their effectiveness without any real consideration of their merits.

Mr. President, these so-called tax reform proposals would have a direct adverse effect on capital formation and investment which in turn affects the level of national economic activity which includes jobs.

What is needed in today's economy is a three-phased balance in our tax and fiscal policy and not subsidies to meet election year demagoguery.

First, we must restore an approximate balance in the Federal Budget.

The PRESIDING OFFICER. The Senators 5 additional minutes have expired.

Mr. FANNIN. May I have another 3 minutes?

Mr. ALLEN. Mr. President, I ask unanimous consent that I may yield the Senator an additional 5 minutes without losing my right to the floor.

Mr. FANNIN. I thank the Senator. I will not ask for additional time.

Mr. ROBERT C. BYRD. Mr. President, may I ask the distinguished Senator from Alabama if, once the Senator has completed his 5 minutes, I may have the floor for the purpose of moving to adjourn at that time?

It will be with the understanding that when the Senate, on tomorrow, resumes the unfinished business, the Senator from Alabama will again be recognized. I do not want to take him off his feet, and I shall be glad to make that request.

Mr. ALLEN. That will be satisfactory.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. FANNIN. Mr. President, to conclude, first we must restore an approximate balance to the Federal budget, as I mentioned. There must be an end to the large budget deficits that plagued us for three decades and has been the chief cause of the inflation that work hardship on our citizens and disrupts the economy.

Second, there is an overwhelming need for major simplification of our tax system. The basis of our system is voluntary compliance. If the law becomes further complicated, taxpayers simply cannot comply.

Third, we must keep revising our tax structure with the changing times to make it more fair and more responsive to our continuing economic needs and goals. We need a tax system which encourages American industry to expand its output which provides jobs to maintain the increasing living standards of our people.

For example, the investment credit should be increased, a selective tax incentive in the form of rapid depreciation should be provided for "scarcity" industries, the capital gains should be reduced by instituting a graduated scale tax based on holding period, and double taxation of dividends eliminated. These proposals are necessary if we are to meet the capital needs of American business which can be expected to exceed $2 trillion this decade.

Once again, let me stress that what we are talking about is employment for Americans and the production of essential goods at reasonable prices for Americans. The proposal to cut individual taxes and increase industry taxes is a double-edge sword which can serve only to cut off our productive hands as we slit our economic throat.

Mr. President, at this critical stage in our economy, it is essential that we adopt a policy of capital formation and growth and reject legislation that would increase inflation and unemployment.

We must remember that we are competitive with the other countries of the world. We have seen in the past year a change in our balance of trade. Certainly it has not been of great significance. We still have great fear that it will not remain. Certainly if these tax proposals are placed into effect we will probably go rapidly in the other direction. If we compare the tax incentives in foreign countries with the tax incentives in our own, we will see that our industries are at a great disadvantage.

When we think about what we are doing for business we should measure it in terms of what it means in jobs, in terms of taxes, and from the standpoint of maintaining the economy. We cannot expect to continue cutting back on incentives for business and industry and expect them to perform to a greater extent. Thus, I feel that we have a great obligation very carefully to consider these measures being proposed.

I want to commend the distinguished Senator from Alabama (Mr. ALLEN) for the base on which he is handling this legislation, as he explained the necessity for having a clean bill and that we should await the passage of legislation from the proper committees. Of course, that is not far in the future. So we are not talking about long delays but the normal processes, processes which have been followed over the years and should be continued.

I take this opportunity today to commend the distinguished Senator from Alabama and to thank him for yielding me this time.

Mr. ALLEN. Mr. President, I thank the Senator from Arizona for his fine contribution to this debate and for his pertinent remarks.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the distinguished Senator from Alabama may yield to me, with the understanding that he will not lose his right to the floor, nor have it charged as a second speech, for the purpose of my putting in a quorum call prior to moving to adjourn until tomorrow; with the further understanding that tomorrow, when the Senate resumes the unfinished business, the distinguished Senator from Alabama (Mr. ALLEN) not be taken off his feet and that he be recognized.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from North Carolina (Mr. HELMS) with the understanding that I do not lose my right to the floor and that he be recognized for not to exceed 1 minute.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE RESOLUTION 339—DELETION OF A COSPONSOR

Mr. HELMS. Mr. President, through an inadvertence, for which I accept the responsibility, I am erroneously listed on page 19006 of the CONGRESSIONAL RECORD for June 12, 1974, as a cosponsor of Senate Resolution 339.

I ask unanimous consent that my name be deleted as a cosponsor of that resolution both in the permanent RECORD or anywhere else where cosponsors of this resolution may be listed.

The PRESIDING OFFICER (Mr. ABOUREZK). Without objection, it is so ordered.

Mr. HELMS. Mr. President, one of our distinguished colleagues, who was assisting in obtaining support for Senate Resolution 339, briefly mentioned the resolution to several Senators in a group during a rollcall last Wednesday. I had not read the resolution and, in fact, did not read it until late the following afternoon when it was called to my attention, along with the fact that I was listed as a cosponsor. I then realized that obviously I had not made mysef clear to my distinguished colleague when he inquired as to whether I would be willing to cosponsor the resolution.

My impression was that the resolution was to address itself to an expression of regret that Secretary Kissinger was being tried and convicted in the news media, in connection with certain wire-tap allegations. And, of course, Mr. President, I resent anybody's being tried and convicted in the news media. I believe in the presumption of innocence until proved guilty—whether President Nixon, Dr. Kissinger, or anyone else is involved.

My intent last Wednesday, Mr. President, was to study the text of the resolution—and, after doing so, if I could in good conscience authorize that my name later be affixed to it as a cosponsor, I would gladly do so simply in reaffirmation of my belief that Dr. Kissinger, as well as every other American citizen, is entitled to the presumption of innocence until proved guilty.

But Senate Resolution 339 is simply an unqualified endorsement of everything Dr. Kissinger has done in his role of Secretary of State. I cannot in good conscience offer such an endorsement, Mr. President, because, in truth, I have reservations in my own mind which may or may not be justified. But justified or not, I need far more evidence than is now available to me before I can join in unqualified endorsement of Dr. Kissinger.

It is for that reason, Mr. President, that I have requested that my name be removed from all records of the Senate as a cosponsor of Senate Resolution 339.

While I am on the subject, I desire to offer for the RECORD a few observations pertinent to the activities of Dr. Kissinger. It may be recalled that I voted against the confirmation of Dr. Kissinger when his nomination to the high offce of Secretary of State was before the Senate. I stated at that time the reasons for my vote. It was not, Mr. President, an easy vote, but I felt obliged to cast it, and to state as forthrightly as I could my reasons therefor.

This is one of those instances, Mr. President, when a Senator must cast a vote of conscience, hoping fervently that he will be proved wrong. For my country's sake, I yet hope that I am wrong in my doubts about Dr. Kissinger. On the other hand, I feel that it is imperative to examine the situation as it is—not as we might hope it could be.

We must admit that the Secretary's Salzburg press conference was an extraordinary event. It was an emotional outburst by a man who had been working under forced-draft conditions for weeks. Yet, it betrays a frailty in judgment that raises doubts about Dr. Kissinger's overall judgment. Dr. Kissinger's forte is supposed to be his skill in crisis situations. Yet if this is the way he reacts in public in a crisis—with petulant outbursts, demands for unconditional support, and a breakdown in logical thinking—then what kind of advice does he give in private to the President in a crisis? How does he accept internal criticism and suggestions?

These are serious questions. They cast a greater cloud over his ability to carry on than anything raised by the press so far. If Dr. Kissinger has come to the verge of mental exhaustion by virtue of his schedule, then perhaps he is right; perhaps he should resign for the benefit of the country.

Although I did not vote for the confirmation of Dr. Kissinger as Secretary of State, I frankly have seen little since then to persuade me to alter my judgment. I questioned his competence than, and I question it now. I questioned, for example, his judgment when, as national security adviser, he assigned a major role in negotiating the wheat deal to Helmut Sonnenfeldt. I deplored Dr. Kissinger's reliance on tired hold-overs from the Johnson administration. Subsequent to his confirmation, Secretary Kissinger had Sonnenfeldt named to an even more responsible position as Counsellor to the State Department. At that time, I again raised serious questions about Mr. Sonnenfeldt's professional competence and reliability—questions which were never gone into by the relevant congressional committees.

Now at Saltzburg, Dr. Kissinger admits that his present troubles with the press, the incidents which he says are clouding his credibility and his ability to negotiate, spring from his own disregard of common sense and basic principles of national security. Dr. Kissinger said:

> I have seen innuendoes according to which allegedly the criteria which I testified to were violated and according to which the first four people that were submitted, according to these criteria, did not really meet these criteria but were united, according to this report, by having worked for the Johnson Administration. . . .
>
> Let me point out that . . . three of the four people on that original list were appointed to the National Security Council staff by me over the strong objection of all my associates. Two of them were appointed to the National Security Council staff by me over the strong objection of the security officers and I personally gave them a clearance.
>
> Can anybody, in all fairness, believe that three months after appointing these individuals to my staff I would initiate a wiretap program designed to prove that they were security risks, or would not a fair interpretation have to assume that criteria were established that were being met?

Mr. President, the news media have pointed out that among these persons appointed over the objections of security officers and personally cleared by Dr. Kissinger was none other than Helmut Sonnenfeldt. In other words, after deliberately overruling security considerations—which was his prerogative as head of a department—after appointing a man who was notorious for news leaks to the press, and indeed even for leaks to a foreign power—Dr. Kissinger suddenly found that the national security was being endangered by news leaks from his office. It is not surprising that those who met the criteria for legal wiretaps were the security risks that he himself appointed. I do not see how Dr. Kissinger is dishonored by agreeing to these wiretaps or supplying the names or whatever he did in this regard. But certainly a cloud is put over his judgment in naming such men to critical security positions in the first place.

Thus we see how President Nixon was betrayed by Dr. Kissinger. By filling his office with men who were not loyal to President Nixon's philosophy and with men who were not loyal to the principles of national security, Dr. Kissinger was directly responsible for creating a situation which resulted in a disastrous series of news leaks—news leaks which were intended to compromise the President and to alter the course of our foreign policy. From the leaks came the "plumbers," and from the "plumbers" came the Ellsberg break-in, and so on until we get to Watergate and all of its ramifications. While I do not think that the facts as yet developed tie Dr. Kissinger to Watergate, I believe it is clear that the anxiety, the healthy anxiety, over national security leaks which developed in the Nixon administration may be traced directly to Dr. Kissinger's cavalier disregard of reasonable security practices. His admission that, as national security adviser, he overruled the security officers to appoint security risks to the National Security Council, is reason enough for him to resign.

Had Dr. Kissinger learned his lesson from these disastrous events, his credibility would be improved. Yet, as Secretary of State, he has continued to appoint security risks to high positions in the State Department.

He has, for example, named one James Sutterlin as Inspector General of the Foreign Service. The records of the State Department contain Sutterlin's own statements that he is a homosexual, who admitted having engaged in perverted acts. He was identified by the medical and psychiatric officers of the State Department as a potential security risk, unfit to serve abroad. His case is detailed in the legal brief submitted by Otto F. Otepka in June 1967, after Otepka was removed from his position as State Department security officer because he refused to bend security standards for political favorites. Otepka has testified under oath about the Sutterlin case before the House Internal Security Committee.

Another of Dr. Kissinger's promotions is that of David Henry Popper as the new U.S. Ambassador to Chile. Chile, as everyone knows, overthrew last year the Marxist regime of Salvadore Allende just before the Communist elements in Allende's government took over. So as our new Ambassador to the new anti-Communist government of Chile, Dr. Kissinger has selected Mr. Popper, whose background includes a long history of pro-Communist interests going back to the Alger Hiss days. Mr. Popper was a member of the editorial board of the notorious Amerasia magazine, and contributed many articles to its pages. On May 26, 1954, the State Department Office of Security recommended that he be removed. This recommendation was concurred in by the Administrator of the Bureau of Security and Consular Affairs, and by the Deputy Undersecretary of Administration. He was suspended on July 20, 1954. But then, mysteriously, he was cleared by an interagency hearing board on October 1, 1954. Such a clearance does not necessarily negate the facts developed in the case. Dr. Kissinger's choice of Popper as Ambassador to the militantly anti-Communist government constitutes an undiplomatic breach of taste, to say the least.

Still another of Dr. Kissinger's promotions is Boris H. Klosson, who was appointed as a political intelligence officer on the U.S. negotiating team assigned to the SALT talks. Mr. Klosson was the State Department political officer in the U.S. Embassy in Moscow who approved the return of Lee Harvey Oswald to the United States. Mr. Klosson indicated on Oswald's application that 20 months of the realities of life in the Soviet Union had had a maturing effect on Oswald. He provided the funds for the Oswalds' return to the United States, even though information had been developed that Marina, the niece of a KGB colonel, was herself affiliated with the KGB. One hopes that the political intelligence Mr. Klosson supplies to the SALT negotiating team shows a higher order of judgment.

Mr. President, it is not my intention to maintain that the individuals I have just named are presently security risks; I merely indicate that they have a history of poor judgment and that they have been appointed to sensitive political positions by Dr. Kissinger. They indicate a continuing pattern of poor judgment by Dr. Kissinger himself in staffing his operations.

Is it any wonder then that when the glamor and huzzahs are removed from Dr. Kissinger's so-called negotiative triumphs there is precious little to remember them by. We are still waiting for results on most of them.

It is true that the results are in on the wheat deal; the adverse impact on the U.S. and world economy, the crippling of our future food strategy, and the boost to the Soviet economy were almost instantaneous.

The results are also in on SALT I. We know now that Dr. Kissinger "underestimated" the rate of Soviet deployment of qualitative improvements. We were supposed to have the lead on quality, giving the Soviets the lead in numbers and throw weight. Now the Soviets have the lead in numbers and throw weight, and they have almost caught up in quality. This leaves us with little to negotiate at SALT II except our qualitative advantages. The gossip is that all we will get at the summit at the end of the month will be an extension—an extension that gives the Soviets time to surpass us.

And Vietnam—the results are coming in there, too, although the MIA's are not. Dr. Kissinger left the Northern troops in the South, and they are acting like Communist troops anywhere—they are fighting every chance they get, and they are resupplying themselves liberally through the loopholes which Dr. Kissinger left in the Paris Agreements. If South Vietnam survives, it will be in spite of the Paris Agreements, and not because a just peace came out of the negotiations.

And what of the MIA's? They are certainly missing from the stage, forgotten, rather, as Dr. Kissinger's traveling show has gone on to greater triumphs. It would be interesting to canvas the MIA's, if they could be found, on the successes of Dr. Kissinger's negotiations.

The results are in on China—there are not any, except that we have disillusioned our friends and allies in the Far East. The alliance has come unglued. The only positive action out of the China trips is the tendency to shovel Free China out the back door, denying her very existence in the communiques from Peking and Shanghai, and quietly pulling out our planes and troops, symbols of protection and aid. Mainland China has been opened up; indeed, the Chinese circus has toured the United States.

So we come to the Mid-East. The results are definitely not in. We do not know yet, both sides of the deal—our side and the Soviet side. We know that the Soviets have some participation, for Dr. Kissinger took care to see Soviet Foreign Minister Gromyko three times in the course of the recent negotiations. Israel and the Arabs both become pawns, mere counters, in the international game. The price they will have to pay for Soviet acquiescence is not yet revealed. In fact, the price the United States will have to pay is not yet revealed, although there are hints lying scattered through the Soviet-United States trade agreements, and in the pre-summit gossip.

Meanwhile, Dr. Kissinger cools an international hot spot by pouring nuclear power even-handedly on both sides. Of course, there will be controls; but for every lock, there is a key, and if not a key, a locksmith. Will the Israelis trust the Arabs, and vice versa? Will each in turn trust us?

No, I am willing to wait for the super-resolution of Dr. Kissinger's super-diplomacy. If it works, I will congratulate him; but I am not willing to pay the bill, because his costs are always high. His style is to ignore the security interests of our Nation when he chooses his men; that is his defense against the charge that he took precautions for our national safety. One hopes that his substance exceeds his style.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum and ask unanimous consent that I be recognized to call off the quorum.

The PRESIDING OFFICER. Without objection, it is so ordered, and the clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 10 a.m.

After the two leaders or their designees have been recognized under the standing order, the Senator from Oklahoma (Mr. BARTLETT) will be recognized for 10 minutes; after which there will be a period for the transaction of routine morning business for not to exceed 15 minutes; with statements therein limited to 5 minutes each; at the conclusion of which the Senate will resume consideration of the unfinished business. Under the unanimous-consent agreement entered into, Senator ALLEN will be recognized at that time.

Mr. President, I have been asked to suggest the absence of a quorum with the understanding, as heretofore, that I will be recognized following the quorum call. I now suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to and, at 5:07 p.m., the Senate adjourned until tomorrow, Tuesday, June 18, 1974, at 10 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate June 17, 1974:

DEPARTMENT OF THE TREASURY

Francine Neff, of New Mexico, to be Treasurer of the United States.

Gerald L. Parsky, of the District of Columbia, to be a Deputy Under Secretary of the Treasury.

U.S. TAX COURT

Richard C. Wilbur, of Maryland, to be a judge of the U.S. Tax Court for a term of 15 years after he takes office.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

EXTENSIONS OF REMARKS

BIG OIL-TO-COAL SWITCH IS FEASIBLE IN NORTHEAST; FEO ADMINISTRATOR SAWHILL THINKS SIMPLER POWERPLANTS WOULD ASSIST UTILITIES WHOSE MONEY CRISIS IS "A MATTER OF UNPROFITABILITY"

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Monday, June 17, 1974

Mr. RANDOLPH. Mr. President, last week's Weekly Energy Report, edited in Washington by Llewellyn King and Richard Myers, gives cogent attention to energy and financial problems mainly faced by the country's electric utilities. This June 10 issue gives prominent attention to an item indicating that there could be a big oil-to-coal switch in the Northeast of the United States; it quotes a finance expert as having told Edison Electric Institute convention delegates that the utilities' money crisis comes down principally to a matter of unprofitability; and points out that Federal Energy Administrator John Sawhill thinks simpler powerplants would be helpful.

The report quotes Donald Sinville, vice president of Public Services of New Hampshire, as having said that—

Twenty-five percent of oil-fired generating capacity in New England—some 3,100 megawatts—could be converted to burn coal. And, with residual oil at current price levels, the fuel switching would save $160 million annually in fuel costs to consumers, assuming a 60 percent load factor at all plants.

Through the New England Power Pool, New England utilities have been pressing for some equalization in fuel costs. East coast power generation is heavilly dependent on higher priced imported residual fuel oil which, 2 months ago, was selling for about $14 a barrel, then dropped to the $11 a barrel range, and is now edging back up. Coal, under long term contracts, is in the $23 per ton range and is expected to reach the $27 bracket some time this year. Residual oil at $14 a barrel equates roughtly with coal at $56 a ton.

New England utilities feel a way should be found to move some lower-priced domestic oil into New England, displacing foreign oil into areas not presently using it. Mr. Sinville suspects such a plan would level the price of oil at around $7 a barrel, about even with anticipated coal prices.

LESS WIRING, FEWER PIPE WELDS

According to another item in the report, FEO Administrator John Sawhill expects initiative, particularly from the electric utility industry. He told the utility industry delegates to the Edison Electric Institute's recent convention to "provide the standard for the rest of the business community to follow in developing new energy supply and in cutting the energy waste from our economic system."

Mr. President, I request unanimous consent to have printed in the RECORD the balance of the article on Mr. Sawhill's admonition, as well as excerpts from remarks to the convention on the subject of the utility money crisis by Eugene Meyer, vice president of Kidder, Peabody & Co.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPTS FROM ARTICLES

John Sawhill told delegates that the nation's utilities have four major tasks, as follows:

Setting up committees of small industrial and commercial customers to develop their own energy conservation plans. "Utilities serving businesses too small for their own R&D programs can—and must—become focal points for a comprehensive energy conservation program in their area," he said.

Sawhill called on the utilities to set up their own energy efficiency goals and follow through on them. "I know it will be tough to make major improvements in conversion efficiency, but an improvement of just one percent each year could yield an equivalent savings of four million b/d of oil by 1985. That's twice the expected daily yield of the Alaska Pipeline."

He called for improvements in plant reliability. "We just can't afford to keep building large plants that are available only three-fourths of the time, or less. I'd like to see the Edison Electric Institute undertake a thorough review of plant design and maintenance to find measures that improve reliability—and then implement them throughout the industry."

Finally Sawhill turned to the problem of construction delays and design changes, saying he'd "also like to see design improvements in new power plants—both nuclear and fossil ones—that make them easier to build." He feels a lot of the blame for plant delays can be laid to designs that are unnecessarily complex. "For example, we could standardize plant equipment from simple valves to an entire boiler, and cut out months of construction time. And while we've heard plenty of talk about getting more skilled construction workers, why not just reduce the requirement for them with a simpler plant design? Why couldn't a design for a new fossil or nuclear plant require far fewer pipe welds or less wiring? Or prefabricate large components of new plants? We just cannot continue to design power plants as if we had all the welders, pipefitters, and electricians we might like to have."

IT'S A MATTER OF UNPROFITABILITY

Eugene Meyer, vice president of Kidder, Peabody & Co., in speaking on the subject of the utilities money problems:

Everything I say is going to be very basic and simple. When you go home from this convention (Edison Electric Institute), why not talk to the people you know about the word "profit." Tell them that the people who have been investing their savings in your company's common stock have lost so much money that that won't do it anymore.

The problem is the people are focusing on fuel shortages rather than the reason for the shortages, Meyer said. And by people, he did not mean just the average man on the street, for he spoke of "the probability that all of the people in this room don't really understand what the problem is and, furthermore, are waiting for someone else 'up there' or 'over there' or 'down there' to do something about whatever it is that's going wrong." What's going wrong is that many do not understand the cost of developing the coal, oil, uranium, steam, sunlight, natural gas—"and yes, even garbage"—that can meet global energy needs "for more years than we need to think about." Such development will cost labor and brainpower and "the investment of enormous amounts of the nation's capital, especially risk equity capital. The people can understand paying for the labor but they can't understand paying for the capital and therein lies the crux of the energy shortage problem and the utility financing problem," Meyer said.

For the last eight years, the electric utility industry has found it more and more difficult to attract capital except at ever higher interest rates and ever lower common stock prices. "Why should this be?" Meyer asked. "Our entire economy and all of our opportunities to continue our improvement in the standard of living are inextricably tied to energy. With that kind of demand, capital should readily flow to the industry. But, after several years of being battered, American savings no longer attracted to this area because government intererence, intentional or not, has chosen to set rates at such a level so that the new equity capital invested is not permitted to earn an adequate rate of return. In other words, the American people are saying to us that energy development is not a wise use of capital, a wise use of their savings despite the necessity of energy. It's not a wise use because it isn't profitable enough."

Meyer expects all sorts of new ideas to finance utility construction and get the industry over the hump will come "out of the woodwork," most of them bad ideas because they do not squarely address the problem of unprofitability. "I haven't heard one yet which wouldn't further weaken utility credit and, in the long run, perpetuate and even accelerate the ripoff of the common stockholder, the provider of risk capital. A federal government guarantee of utility debt has been suggested," Meyer said. "Now, just imagine how that will help securities salesmen sell your stock to back up that debt." Or project financing, in which the cost of capital is measured on the project itself, "with the inevitable result that the equity position of the sponsoring companies will be further weakened not to mention the position of the existing debt holders." Or the Consolidated Edison solution to the capital problem: "that is not attracting capital but, more accurately, conscipting it," Meyer said.

LITHUANIAN ANNIVERSARY

HON. JOSHUA EILBERG

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. EILBERG. Mr. Speaker, on June 15 Lithuanians throughout the free world will commemorate the forcible annexation of Lithuania by the Soviet Union 34 years ago. Since that time, the Lithuanian people have been denied their basic human rights, severely limited in exercise of religious beliefs, and completely unable to engage in the most fundamental political activity. Additionally thousands of Lithuanians have been sent to concentration camps in Siberia.

The Lithuanian people have had to struggle to remain free throughout their long history. In 1795 the Grand Duchy of Lithuania was annexed by the Russian Empire. Russian domination came to an end in 1915 when Lithuania was overrun by German armies. The cost of the First World War to this country was great: first, the retreating Russians and then the advancing Germans seized or destroyed everything of value. Three years later, on February 18, 1918, Lithuania proclaimed itself an independent republic. A peace treaty was signed with Russia in 1920 which signified the beginning of a newly formed democratic society. They made significant achievements in the arts, made agriculture their primary occupation, and built many institutions of learning. Their independence, however, was short-lived.

Unfortunately, Lithuania was one of the first countries to experience the aggression of both Hitler and Stalin. When the outbreak of World War II seemed imminent, Lithuania tried to maintain her policy of total neutrality but once again was occupied by Russian armies. On June 15, 1940, the Soviets occupied the country and established a new "friendly" government. The final act in the tragic drama of forced annexation took place on August 3, 1940 when the Supreme Soviet in Moscow declared Lithuania a constituent republic of the Soviet Union.

Repeating the history of World War I, a German occupation replaced the Russian. Nazi forces overran Lithuania only a few days after the German attack on the Soviet Union on June 22, 1941. During the time of Nazi occupation, several thousand German families resettled in Lithuania and practically all Lithuanian Jews were executed by the Nazis.

When the Germans retreated in the closing days of the war, Lithuania did not regain its independence, but once again fall to Soviet domination. Within a short time, all of Lithuania was occupied. The Soviet Union has seen to it that the borders of Lithuania as well as those of Latvia and Estonia are kept sealed against the outside world and each other. Today, Western visitors are allowed only into the ancient Lithuanian city of Vilnius.

On July 27, 1922, the United States recognized Lithuania as an independent government and has never acknowledged the nation's incorporation into the U.S.S.R. We have continued to maintain diplomatic relations with the representatives of the free Lithuanian Government, which has a legation in Washington and major cities throughout the United States.

Because I believe it is imperative that the United States continue to play an important role in the plight of the Lithuanian people, I have cosponsored House Concurrent Resolution 394 with the Honorable EDWARD J. DERWINSKI, which seeks to insure continued U.S. recognition of Lithuanian independence. The resolution reads as follows:

H. CON. RES. 394

Whereas the three Baltic nations of Estonia, Latvia, and Lithuania have been illegally occupied by the Soviet Union since World War II; and

Whereas the Soviet Union will attempt to obtain the recognition by the European Security Conference of its annexation of these nations, and

Whereas the United States delegation to the European Security Conference should not agree to the recognition of the forcible conquest of these nations by the Soviet Union: Now, therefore, be it

Resolved by the House of Representatives (The Senate concurring), That it is the sense of the Congress that the United States delegation to the European Security Conference should not agree to the recognition by the European Security Conference of the Soviet Union's annexation of Estonia, Latvia, and Lithuania and it should remain the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union.

LYNN CAROL SMITH: HER STAKE IN THE FREE ENTERPRISE SYSTEM

HON. JESSE A. HELMS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Monday, June 17, 1974

Mr. HELMS. Mr. President, someone has sent to me a clipping from the Galax, Va., Gazette of June 4, 1974, which I feel merits the attention of all citizens who sometimes wonder if the free enterprise system in America has any chance of survival.

The system will survive, Mr. President, if we can somehow transmit to our young people the truth that the hope of continued freedom rides on the survival of the free enterprise system.

Sometimes all of us, I suppose, wonder if anything is being done to emphasize this fundamental aspect of the miracle of America. Then we run across an item such as the one I saw, published in the Galax, Va., paper.

Interestingly enough, it concerns a private project by a remarkable citizen of my home town of Raleigh, N.C. Mr. A. J. Fletcher, now 87, all his life has worked to promote an understanding of, and a respect for, the free enterprise system.

Each year, he offers cash prizes to high school seniors who write the best essays on the subject, "My Stake in the Free Enterprise System." Over the years, scores of young people have been presented plaques and cash awards as a part of their high school commencement exercises. The cost of the project is borne by Mr. Fletcher and the business enterprise which he heads.

I was one of Mr. Fletcher's associates before I came to the Senate, Mr. President. He remains one of my dearest friends, and a man whom I shall always admire.

The newspaper article to which I referred earlier, Mr. President, includes the essay written by just one of the recipients of the awards offered this year, as in previous years, by Mr. Fletcher and his company. This essay happens to have been written by Miss Lynn Carol Smith of South Boston, Va. It is excellent, and it is typical of the inspiring messages prepared by so many young people in connection with the project conducted and financed by Mr. Fletcher and his associates.

I ask unanimous consent that the article be printed in the Extensions of Remarks.

There being no objection, the article was ordered to be printed in the Extensions of Remarks, as follows:

[From the Galax (Va.) Gazette, June 4, 1974]

Oak Hill Student Picked as Essay Award Winner

Lynn Carol Smith, daughter of Mr. and Mrs. Frank D. Smith of South Boston, was selected by a faculty committte of Oak Hill Academy as the 1974 recipient of the award for the best essay on "My Stake in The Free Enterprise System."

As a Senior this year, Lynn Carol was also a member of the National Honor Society and earlier in the school year was selected by the faculty as a "Student of the Week." Her essay was chosen for its merit as based on its originality in style, creativity, research and comprehension of the subject matter.

The award is presented by A. J. Fletcher of Raleigh, N.C., and includes a cash prize of $100. The contest is open each year to all Senior government students who submit a personal essay of at least 1,000 words under the title of "My Stake in the Free Enterprise System." Fletcher, a former resident of this area of Virginia, established the contest as a means of encouraging young people to critically consider and evaluate their roles in the American economic way of life so that they could better enter society as productive citizens.

Lynn Carol's essay follows:

MY STAKE IN THE FREE ENTERPRISE SYSTEM

A housewife pushes her overflowing cart down another aisle. Hundreds of products line the shelves screaming out with their varied labels. "Buy me, I give you more for less." She has the freedom to compare products and buy the one she wants. The producer produces the goods and offers them to the consumer. Then the consumer determines the fate of the product. It is like the old saying that "You can lead a horse to water but you can't make him drink . . ."

A young boy has his heart set on getting that new bicycle on display in Vaughn's Hardware Store. He makes an agreement with a neighbor to mow grass, rake leaves, pull weeds and do other errands every afternoon when he gets home from school. He has a goal and the freedom to pursue it. The boy is performing a service to earn money, to buy the bicycle he wants.

Two men raise money to start their own business. One of the men who is just released from the Army pursues the enterprise to earn money to support his wife and growing family. They open up the Smith's Frozen Food Locker, providing the service of cutting and storing meat for the public. There was no question as to their freedom to start a business. The motivation of profit helped plant and nurture the seed of enterprise.

General Motors Company may make a new model car to sell on the market. Then Ford Company comes out with a better quality car at a lower price. The General Motors Company competes with the Ford Company and thus produces an even better car. This type of competition between companies creates better products at more reasonable prices. Competition of any nature encourages a man to want to improve himself and his usefulness in society.

What a producer manufactures depends greatly on the demand of a product by the consumer. The recent gas crisis in the Untied States is an excellent example of this. Since it was a mild winter, there was not a great demand for heating fuel. The companies began to convert to gasoline to meet the growing demand of gas by car owners. However, the government found it necessary to step in to control and balance the amount of each type of fuel produced. Although the government does exercise some control, it is very limited.

It is human nature to have the desire to want to become financially secure. Even in some strictly governed countries there are traces of capitalism. Man has an innate desire to make a place for himself in society and gain wealth. In the United States man has the freedom to satisfy this desire.

Throughout most of his childhood and adolescent years a person knows automatically what he will be doing year after year attending school. During this time more industrious persons take upon themselves various responsibilities. Many boys have paper routes to earn money of their own. Often girls will babysit to make money, or do housework. This is the drive of enterprise to earn money of their own. Earning money gives one a feeling of pride, accomplishment, and independence. It is a good feeling to be able to support oneself.

Also, at the consumer level there is much competition to buy at the lowest prices available. Everyone wants to be economical. Those pennies saved by having the freedom to shop around for the best deal could be used for a night on the town or maybe for a steep college tuition.

Everyone in the United States is involved in the free enterprise system. However, not everyone realizes or understands the meaning of this wonderful economic system. The largest and most important element of this system is that of the consumer. The consumer determines the product or service offered to the public, the quality of the product and the price. The producers depend on the consumer to understand his role and exercise his freedom to choose and pay for wants.

The free enterprise system is taken for granted by most Americans. Those who have never been to another country cannot appreciate our freedoms as greatly. If one is deprived of certain freedoms he has known all his life, then he is forced to realize these freedoms and respect them.

The full impact of one's freedoms is not felt until graduation from high school. After high school, life is wide open to the graduates to pursue further education, careers of their choice or whatever their goals for life may be.

I am a part of the free enterprise system and my stake is to use the system to achieve my goals and find self satisfaction and feel personal accomplishment. I feel fortunate to have been born in a country where I have so many freedoms and because of this I must respect what I have inherited. This is my birthright and my stake in our system of freedom of enterprise.

Lynn Carol Smith.

RIDE WITH A ROACH

HON. BERTRAM L. PODELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. PODELL. Mr. Speaker, a new plague is assaulting courageous bus riders in New York City. In the past, New Yorkers had to fear only the ordinary discomforts of an aging and outmoded transit system, too long denied State and Federal financial aid.

Now, our graffiti-covered buses—a scandal and an eyesore in themselves—have been invaded by hordes of cockroaches. This annoying and repulsive insect has left the comfort of the home and the gourmet delight of greasy restaurants to add to the aggravation of public bus riders. According to a recent report, roaches by the millions now ride buses. And when their snuggeries in the motor compartments became uncomfortable in the blazing heat of summer—as happened one recent recordbreaking hot day—they came out and joined the passengers.

According to busdrivers, passengers spend as much time brushing the bugs off their clothes as they formerly spent reading the papers. That is not healthy. And it is enough to really bug a hard-working person already driven to distraction by prices that are too high and salaries that are too low. And that is not a healthy sign, either. This latest indignity, really the unkindest cut of all, is inflicted upon the long-suffering New Yorker in the wake of countless exhortations by national, State, and local leaders for city residents and commuters to leave their cars at home and ride public transportation.

We are urged to be urban patriots by conserving energy and by cutting down on pollution, noise, and accidents. The urgent need for America to reach these goals in order to survive as a nation makes the Nixon administration's failure to provide us with a viable mass transportation plan inexcusable.

Those patriotic pleas have a phoney ring when uttered by a President who lives like a potentate in three seaside summer houses while New Yorkers forsake the simple comfort of a mortgaged car for a ride to work with a million cockroaches.

It just ain't right.

New Yorkers are frustrated in their pursuit of an honest living by a mass transportation system that is coming apart at the seams for the want of a little Federal aid—money that is available, but that is being held back by the Nixon administration. A congressional plan to infuse millions of dollars into mass transportation right now is being cut by about 75 per cent by the President.

The nation's largest mass transporta- this system—New York's—faces a disastrously costly fare increase if the President succeeds in holding down the mass transportation appropriation. His program will not even maintain fares at their presently high rates.

From the far reaches of his kingly, tax-supported estates, he asks New Yorkers to climb aboard. Ride with a roach.

Nothing would make a greater contribution to Nixon's understanding of the problems of real people in a real world than a rush-hour ride on a roach coach in New York. I can arrange the trip at his convenience.

Well, Mr. Speaker, New Yorkers are a special breed. They can make wonders happen, but they will not buy the phoney pleas of an administration that has lost touch with reality. Our people would willingly ride clean buses that arrive on time at a price they can afford. But they will not ride with a roach when the whole thing could be changed with the stroke of a President's pen.

I know that my constituents are outraged with the administration's refusal to come to the aid of mass transportation. And they have every right to be.

MOUNTING DIFFICULTIES FACED BY RANCHERS

HON. PETE V. DOMENICI

OF NEW MEXICO

IN THE SENATE OF THE UNITED STATES

Monday, June 17, 1974

Mr. DOMENICI. Mr. President, I have taken the floor today to participate in a colloquy with several of my distinguished colleagues to discuss the disastrous economic circumstances faced by beef producers. In those remarks I concentrated primarily on conditions adversely affecting the market situation and I suggested some extremely vital Government actions required to help correct some of those conditions.

I also indicated that I would extend my remarks to give my colleagues a vivid glimpse of some of the other problems faced by ranchers. For that purpose I request unanimous consent that a letter in the RECORD at the conclusion of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. DOMENICI. Mr. President, this letter is from a constituent rancher family, a family composed of a husband, wife, and two young sons who own and operate a rather typical ranch near the ranching community of Corona, N. Mex. The wife in this case happens to be secretary of the local chapter of the New Mexico Cowbelles Association. Most of the members of the Cowbelles Association are wives of ranchers who belong to the New Mexico Cattle Growers Association.

Mrs. Nalda, at the direction of the local chapter and in her capacity as secretary, has called to my attention some of the mounting difficulties faced by ranchers as they strive to continue in their production of red meat so vitally essential to this Nation's well-being.

Mr. President, I am extremely impressed with the quiet and factual manner and tone of Mrs. Nalda's presentation. I hope that my colleagues will avail themselves of the opportunity to learn more of the complex problems faced by ranchers, particularly those Senators who do not have the good fortune to have as a substantial part of their constituency, such fine and robust Americans as the ranchers of New Mexico.

EXHIBIT 1

BAR JN RANCH,
Corona, N. Mex., May 29, 1974.

Hon. PETE DOMENICI,
U.S. Senate, New Senate Office Building,
Washington, D.C.

DEAR SENATOR DOMENICI: My husband, two young sons, and I own and operate an average size ranch near Corona, New Mexico. We are rather typical of most ranch people in our life-style, traditions, and in the problems that we face day to day. Also typical are many of my fellow Canyon Cowbelle members and their families. Canyon Cowbelles is a local chapter of the New Mexico Cowbelles Association. Most of us are wives of ranchers who are themselves members of the New Mexico Cattle Growers Association. I have been directed by our membership to act in my official capacity of secretary of our local chapter and write to you in regard to some matters which are of grave concern to us.

A few days ago we all learned through the news media that the nation's largest maker of steel had announced a price increase. Knowing that steel is used in the manufacturing of automobiles, appliances, furniture, and numerous other products, we are certain that it will only be a short while before the makers of these other products will one by one announce their own price increase. We will be told by these manufacturers that they are forced to pass on to the consumer the increase in their production cost. Those of us who ranch for a living have been faced with rises in production cost year after year. Despite this fact, we have never been able to pass on to the consumer any part of our cost increase by announcing a higher price on our own product. We wonder how many consumers can really appreciate the fact that the livestock producer has never announced his own price. The packer and supermarket name their own prices, but not the producer. We have never been "price setters"; we are "price takers". Yet each time we shop for the innumerable goods and items necessary to operate our ranch and raise our children, we must pay the "set" price—be it a windmill tower, a tractor, or a toothbrush.

We find through conversations with people of other professions that the average consumer today seems most concerned about high prices, inflation, the energy crisis, and the deplorable conduct of some of our country's high government officials. The rancher shares all of these very real concerns, but because of the nature of his business, he is equally as anxious about droughts and blizzards; insects and predators; livestock diseases which destroy a few head or kill a whole herd; poison weeds which also kill; parasites; ever-rising grazing fees and interest rates; the prohibitive cost of hiring laborers; cattle rustling; astronomical feed prices, and the scarcity of many products essential to his operation. As for high prices, this is not a new problem for the livestock producer. Each year the rancher has been faced with paying higher prices for most of the goods he must purchase. Yet, except for last year, the rancher for the past twenty years has sold his livestock for the same price that he received twenty years ago, or only slightly higher, or in some cases he has received less than he did twenty years ago.

The financial squeeze on livestock producers right now is driving some near bankruptcy. Cost increases in our business hit 19 per cent last year and are predicted to climb at least 14 per cent more this year. As of now, livestock prices have collapsed. Many cattle feeders are losing up to $200 a head. Some of us will suffer financial losses from which we will not be able to recover, thus making it necessary for even more families to leave the land which they have worked and been a part of for generations. Small independent farmers and ranchers cannot survive years of huge financial losses, and so we find tax-subsidized conglomerates and non-agriculture corporations buying up the lands which we can no longer afford. And so right now, as we livestock producers find ourselves in one of the worst loss periods in history, we also find that we are confronted with yet another very real problem, the consequences of which could prove disastrous. Disastrous not just to the producers, but to the nation and even to the world. I am referring to the law suit brought by the Natural Resources Defense Council and others against the BLM and the Secretary of the Interior. The litigation involves livestock grazing permits on about 140 million acres of Public Lands in the Western United States, of which 13.6 million acres are in New Mexico.

This law suit and the possible harmful effects it might have on the rancher is in fact the reason for this letter. It is to this matter that Canyon Cowbelles most respectfully wish to direct your attention. Our members have a great common concern for those who use the land for raising livestock. Most of us who are Cowbelles live on the land with our families. We love the land and the homes we have made on it; we love our work with the land; and above all, we love our special kind of life in which the family unit is the most important element.

In the Introduction of their Complaint, Plaintiffs state, "Livestock grazing and the attendant management practices have had significant adverse environmental effects on the Public Lands, including reductions in types and populations of fish and wildlife, accelerated erosion, deterioration in soil quality and water quantity and quality, fundamental changes in plant ecology, and the impairment of aesthetic and recreational uses." Plaintiffs further state, ". . . defendants and others acting under their authority have issued and will continue to issue and renew permits for the grazing of domestic livestock in numbers and circumstances which have significant and adverse environmental effects on the Public Lands."

We whose livestock graze the lands are not at odds with the environmentalists who want to protect the land. For the most part, livestock producers in general respect the land too much to abuse it. It is, after all, the basis for our livelihood and so would be to our disadvantage to use it unwisely. Many of us are second and third generation ranchers whose fathers and grandfathers grazed the land before us. Our roots are deep in the soil, and we do not abuse that which we love. We are guided, as were many of our pioneer ancestors, by the philosophy, "You take care of the land and the land will take care of you."

Experts everywhere are predicting a global food crisis. United Nations Secretary General Waldheim has listed food as the third crisis in his list of great world crises. He has said that never in recent decades have world food reserves been so frighteningly low. Others in government refer to "large-scale disaster", "world famine", "the millions who will die of starvation". . . For years it has been the American farmer and rancher who have provided the food to make theirs the best fed nation of the world, and at the same time also supplied much of the food for the rest of the world. Those of us who supply these foods already number less than 4 per cent of the population. In view of the present food shortage as well as predicted shortages of even greater magnitude, the USDA has asked our nation's agriculture people for all-out production of crops and livestock in 1974. At the same time there are those, the Natural Resources Defense Council among them, who would cut livestock production by decreasing the amount of Public Lands available for grazing purposes. This would seem to us greatly inconsistent with the needs of our nation and the world.

It is our view that our country's priorities must be realistic. . . . World food shortages, starvation of millions, great imbalances in population and food supplies must be given their proper place in our nation's concerns!

Canyon Cowbelle members and their families are understandably distressed at the prospect of having some or all of their grazing rights revoked. There would be those among us who would lose part of, or in some cases most of, their means of income. Our concern is not confined to our own individual situations, for we feel just as strongly for all the other farmers and ranchers who find themselves faced with this same prospect. This law suit involving our grazing rights presents us with a new challenge, both as individuals concerned for the welfare of our families and as members of farm and ranch organizations who wish to protect our livelihoods. While meeting to determine how to best face this new challenge, Canyon Cowbelle members suggested that when writing this letter I should emphasize the following points.

One: We contend that grazing the Public Lands is not necessarily incompatible with preservation of wildlife—quite the contrary. In our part of the country, the ranchland supports a large population of deer and antelope. Most of us are not fortunate enough to have natural streams, in which case the only water is from the wells which we have drilled. The deer and antelope water at the same wells as our cattle and sheep. The ranchers constantly watch for sickness or disease in the wildlife, and if they detect any such signs they immediately inform the Game and Fish Department. During hunting season, the ranchers help protect the deer and antelope population by doing what they can to insure that no hunter kills illegal game, and to see that no hunter kills more than his permit allows. It is a fact that during severe winter storms when deer, elk, and other wildlife find it impossible to eat the natural forage, some ranchers put out hay for them to eat. In the Teton Valley of Wyoming near Jackson Hole, some ranchers leave parts of the land ungrazed so that the elk can winter upon them when they are driven down from their high summer range by the snow and cold. Such generosity toward the wildlife is not uncommon among livestock growers.

Two: We very strongly take issue with the charge that grazing impairs the aesthetic and recreational use of Public Lands. The landowner who pays for grazing rights on land that is adjacent to or intermingled with his own property acts as a protective agent and a policing force for the Public Lands. It is sad but true that there are some people who demonstrate a complete lack of respect for the property of others—be it privately owned or government owned. This is made evident by the vandalism which occurs daily. We ranchers are very often confronted by vandals who would destroy landmarks, precious trees, wild game and such, as well as our own storage tanks, windmills, fences, and domestic livestock. We make no distinction between private land and Public Lands in our efforts to discourage such abuses. We believe that without the rancher acting as a controlling force, some of our Public Lands would indeed be ruined and would therefore have no aesthetic nor recreational value.

Three: Grazing permits have already been discontinued in an area on the eastern side of the Manzano Mountains near Mountainair, New Mexico, in order that the land could be used for recreational and camping purposes only. There has been no significant increase in the number of campers and hikers in the area, and the land that used to be grazed by livestock is sitting idle, not being used by livestock nor humans. The grass is quite tall and in fact creates a definite fire hazard.

Four: During the last twenty years there has been an appreciable change in the amount of rainfall in New Mexico. This can be verified by Dr. Marx Brooks, Dr. Charles Holmes, and Dr. Marvin Wilkening, all professors in Weather Research at the New Mexico Institute of Mining and Technology. With any substantial decrease in moisture to the soil, there of course follows a decrease in natural forage. During such times the affected lands support a smaller number of livestock, thus making it necessary for the rancher to either decrease his herd or lease additional land in order to maintain his normal herd. It is therefore imperative that we not lose grazing permits which are absolutely essential if we are to remain in the livestock business and if we are to continue in our efforts to meet the increasing demands for more food.

Five: Through the years ranchers have made many improvements on the Public Lands on which their livestock graze. Fences, corrals, pipelines, dirt tanks, storage tanks—all have been built by the rancher at his own expense with no financial aid from the federal government. If at any time the rancher's grazing rights are revoked, he receives no compensation whatever for any of the costs of such improvements. He is allowed to remove from the land any of the improvements he built, but in some cases removal is impossible. In other cases the cost is prohibitive. Therefore whatever the rancher cannot remove from the Public Lands becomes a total loss to him.

Finally, we know it to be a fact that proper grazing practices are good for the reproduction and condition of plants and soils. When we use the land wisely there are benefits not only for us but for the land as well.

At the present time the ranchers in our area are suffering severe drought conditions. Because of the extreme dryness, we are called upon almost daily to fight grass fires and forest fires which threaten to destroy our ranches and our homes. Our struggle to survive is one comprised of many such battles with nature and the elements. Blizzards, ice storms, lightning, poison weeds, dry wells, insects, parasites and the like are all dictates of nature, and not man-made. Only the Lord controls such things. But price squeezes, meat boycotts, truckers' strikes, inflation, and law suits are also a part of our struggle, and all these things are controlled by the men and women of our nation. We seek your support and any assistance you might be able to give in this latest battle in our struggle for survival—the battle for the right to continue our grazing of Public Lands.

We who produce the meat for America's tables see a need right now as never before for more effective communications between agriculture people and the consumer. Just as important is the need for a better understanding of our industry on the part of legislators and government officials who are in a position to pass laws and make policies which affect our business. Therefore, Senator Domenici, we would be most grateful if you would share with your distinguished colleagues the facts, statements, and opinions set forth in this letter. Perhaps this might be a step toward correcting some misconceptions and developing positive attitudes toward the livestock producers of America.

Thank you very much for your interest.

Sincerely,

Mrs. John Nalda,
Secretary, Canyon Cowbelles.

THE INSECURITY OF SOCIAL SECURITY

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. ALEXANDER. Mr. Speaker, for some time I have been concerned about the operation of our present social security system. As prices continue to skyrocket, the benefits paid are not sufficient to provide an adequate standard of living to those who have invested in the system over the years.

However, this week, an old friend of mine, Leslie N. Speck, drew my attention to an article "The Insecurity of Social Security" which appeared in several newspapers around the country. I, like "Coach" Speck, found the facts revealed in this article alarming and a cause for immediate action. Beginning today, I would like to share this article with you in the Record:

[From the Memphis, Commercial Appeal, June 2, 1974]

The Insecurity of Social Security

(By Warren Shore)

The Federal government prints a little blue booklet entitled "Your Social Security" which begins:

"Nine out of ten working people in the United States are now building protection for themselves and their families under the Social Security program . . ."

Do you believe the little blue booklet? The truth is that Social Security can cost you more than $200,000 and wipe out your chances for a secure future.

For the generation of American workers under 40 Social Security no longer works. Rather than adding to the financial future of the young wage earner, Social Security is steadily tearing it down.

Consider the following:

During the last 20 years the taxes we pay for Social Security have grown a staggering 800 per cent—more than 10 times the cost of living rise for the same years.

During the same period, while the taxpayer's bill for Social Security grew from $5 billion to $40 billion annually, the average monthly benefit check went from $55 to $140—less than one-third the tax rise and never above the poverty level.

It is now possible to pay as much as $14,602 in Social Security taxes and not be eligible for any retirement benefits at all—whether you work or not after 65.

The household in which the husband earns $11,000 and his wife $9,000 annually must pay $32 per month more in Social Security taxes than the household of a $100,000-a-year executive.

During the last ten years Social Security payment checks have averaged half the maximum amount possible in any benefit category. The same amount of money, during the same years, paid to a private fund would have paid for twice the maximum in any benefit category.

The Social Security restrictions against earning more than a poverty wage ($2,880 per year) while drawing benefits remain in full force until age 72—when more than 99 per cent of Americans are either fully retired or dead.

More than half of all American taxpayers pay more to the Social Security Administration than they pay in income tax—and the percentage is growing.

How could the system, called "a ray of hope" in 1937 when it was enacted, have become what University of California economist Peter Somers recently termed "the biggest single roadblock to the security of the American wage earner"?

The answer is that Social Security has not done any of what it set out to do?

Designed to act as "financial cushion which would encourage saving to supplement it," the opposite has resulted. The system now takes so much from the American paycheck, saving is discouraged.

Intended to help the low-income worker, Social Security is instead paying maximum benefits to those who can afford not to work and a reduced benefit to those who must work.

Consider savings first. During the 1940s, when Social Security was first underway, the amount collected in taxes represented only a small percentage of what Americans could afford to save out of their pay.

For instance in 1942 the average American household, after all tax deductions and living expenses were paid, could afford to put $767 in the bank.

During that year, for every $100 that Americans could afford to save, $3.70 was being taken out of U.S. payrolls by the Social Security Administration for the retirement fund.

Then began the silent squeeze. By 1945 Americans were earning more but Social Security was taking more and taking it faster. Average household saving dropped to $740 a year. Now for every $100 we could afford to save $4.30 was taken from payrolls.

In 1948 Social Security took $12.60 for every $100 we could save. By 1950 the payroll bite had grown to $20.40 for every $100, and by 1955—$36.20 for every $100 in household savings.

The tax that was supposed to encourage saving continued to grow faster than Americans could afford to save. In 1960 average yearly household saving in the richest country in the world had slumped to $240—a dismal 140-percent drop in 18 years.

That year Social Security took $63.90 for every $100 we still had left. And still the tax was growing bigger.

Last year was the worst in history. Even though the average American household was saving at slightly above 1945 levels, the Social Security Administration took $84 for every $100 we saved.

University of Chicago economist Milton Friedman has termed the last 20 years of Social Security "a crushing defeat for the average wage earner."

"Where is the incentive to save," asks Friedman, "when such a huge proportion of that saving is confiscated for a retirement plan a younger worker could buy for one-third the price?"

All the examples cited include only the amount of Social Security tax earmarked for retirement checks and death benefit. Billions more are taken to finance other federal insurance plans.

What have we bought for an increase in "premiums" equal to six times private insurance increases?

"Pitifully little," says a spokesman for the Illinois Department of Insurance. "If a private insurance company attempted to sell a plan in Illinois which cost so much and paid so little, we would drum them out of the state as frauds."

Nor is Social Security going to stand still. Beginning this year, no more congressional votes are needed to raise Social Security taxes. The hikes will come automatically from now on—tied each year to cost of living increases.

Today's young workers can look forward to:

Paying at least $1,000-a-year to Social Security during the next five to six years.

Seeing the insurance value of what he buys grow steadily lower.

Paying the most during his middle years when his federal insurance is worth least to him.

A retirement plan which will pay him less than half than a plan he could buy on his own—if he can afford to take the benefits.

UNDER-40 LOSERS

For the American earner under 40, today's Social Security is a $262,000 mistake. If you don't think you have that much money to lose—keep reading.

The current generation of workers is getting the bill for political promises made as long ago as 1936 and as recently as 1970. They will pay dearly with losses including:

A pension worth less than half what is paid into it.

Discrimination against women which can cost more than $10,000 in cash or $5,000 a year in benefits.

A disability protection plan costing more than any private insurance and worth less than $10 a month.

A more-than-$100,000 retirement bonus they'll never get.

These kinds of losses will be sustained by young couples like Jeffery and Eva Alfred of Chicago. Jeff Alfred is 23 years old and has just finished a two-year technical course in office machine repair. His present job pays $215 per week.

Jeff, like a lot of Americans working for a salary, doesn't think he has a quarter of a million to lose. But losses should be measured in terms of what Jeff could do with his money if he had the right to keep it.

Last year, at age 22, Jeff had $676 taken out of his pay by the Social Security Administration for "disability and retirement protection." His employer paid another $676 for the same purpose.

That's a total of $1,352 paid in one year for Jeff's protection. How much protection should that buy? By normal industry standards the money would provide more than enough for a $100,000 insurance policy on Jeff's life, including full cash benefits.

In other words, if Jeff Alfred never got another raise in his life (i.e. his Social Security contribution remained the same his whole working career) just the amount of money paid in his name last year would continue to pay for $100,000 insurance coverage.

There is considerable difference between $100,000 private insurance coverage and the plan Social Security offers Jeff for the same money; the kind of differences that could change the Alfreds' life style.

If Jeff Alfred were to die today, under Social Security protection, his wife, Eva, would receive less than $300 in "burial benefits." As a widow with no children Eva Alfred would get nothing until she was 62—40 years from now.

"But if Jeff died," says Eva, "I would certainly have to work to support myself, wouldn't I?"

Of course she would. But if Mrs. Alfred does go back to work, she will lose even the small widow's benefits—now 40 years away. The law says that if a woman is entitled to both widow's benefits and retirement benefits, she can only draw the larger of the two checks. Jeff's money would be lost.

Under private insurance of the same cost, if Jeff Alfred died today Eve would receive $100,000 to use as she saw fit. The money is virtually tax free except for a small estate tax. There would be no income tax to pay on the amount.

Mrs. Alfred could create a fund which would pay her more than $600 a month for the next 20 years. Of course the fund, or any other way she chose to use the cash, would continue in full force whether Eva Alfred works or not—or even remarries. The money is hers.

If applied to even the most conservative of corporate bonds, the money would produce at least a $7,000-a-year income for Eva Alfred over the next 20 years and still be available, in full, in 1994 to be used again.

"That's the nature of money," says Brookings Institute economist John Brittain, "but most people simply don't realize it. If more young people knew what Social Security meant to them, more would be upset."

Let's say that Jeff Alfred doesn't die. Let's say he goes on working and getting normal cost-of-living raises in salary. Since the new Social Security law demands raises in premiums for every cost of living increase, Jeff's Social Security bill would go up every year.

By age 26, even with a minimal cost of living rise (3 per cent), Jeff and his employer would be paying $1,634 a year in insurance taxes.

Since private insurance costs would have remained the same, Jeff Alfred would then be paying $309 more per year for Social Security than he would need to pay for better coverage.

If we look ahead until Jeff is 36, the difference between Social Security and private insurance grows more glaring. Under Social Security:

Jeff and his employer would be paying $2,268 a year.

His insurance costs would have risen 61 per cent.

Without children, his wife still could not collect on his death.

Without children, his wife still could not collect on his full, permanent disability.

He would not have accumulated any cash value.

Compare this with the same amount of money spent on private insurance. By the time Jeff is 36, the following would be true:

His life insurance coverage would have grown to $151,400.

The cost would have been so much less than Social Security that Jeff could have accumulated $2,487 while still paying for the higher private coverage.

The death benefit would be enough for a 20-year, $1,000-a-month income for Eva without ever depleting the $151,400. (It would remain intact after the 20 years.)

The policy, even with Jeff alive, has an accumulated cash value of more than $20,000.

The comparisons, in short, are the difference between effective protection and meaningless tax collecting. For Jeff and Eva Alfred and 30 million others in their age group, the "security" in Social Security is a hoax.

"The biggest reason we can't afford any more than a small private insurance policy," laments Jeff, "is that they dock my pay $60 bucks a month for Social Security insurance that's almost useless to me."

LITHUANIAN INDEPENDENCE DAY

HON. WILLIAM F. WALSH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. WALSH. Mr. Speaker, just 2 days ago, Lithuanians all over the world united in spirit for the sad remembrance of the takeover of their country by the Soviet Union in 1940. I think it is vital that we, in the U.S. Congress, constantly remind ourselves of the oppression of the freedom-loving people of Lithuania and several other Baltic nations which have been forced into the Soviet Union.

To serve as a reminder, I would like to

share with my colleagues, a portion of a letter I recently received from Juozas Gaila, president of the Lithuanian American Community of the U.S.A.

The letter follows:

Hon. William F. Walsh,
House Office Building,
Washington, D.C.

Dear Mr. Walsh: On June 15, Lithuanian-Americans will join with Lithuanians throughout the free world in the commemoration of the forcible annexation of Lithuania by the Soviet Union in 1940, and the subsequent mass deportation of thousands of Lithuanians to Siberian concentration camps.

Currently, the people of Lithuania are denied the right of national self-determination, suffer continual religious and political persecution, and are denied their basic human rights.

The Soviet Union is now seeking détente, as well as a Most Favored Nation Status with the United States. This desire on the part of the Soviet Union presents the United States with a unique opportunity to ease the plight of the people of Lithuania and the other Captive Nations.

The United States should adopt an official policy for the current European Security Conference in accordance with House Concurrent Resolution 394 of the first session of the 93d Congress submitted by Mr. Derwinski to the Comimttee on Foreign Affairs. . . ."

"Now, therefore, be it resolved by the House of Representatives (The Senate concurring), that is it is the sense of the Congress that the United States delegation to the European Security Conference should not agree to the recognition by the European Security Conference of the Soviet Union's annexation of Estonia, Latvia and Lithuania and it should remain the policy of the United States not to recognize in any way annexation of the Baltic Nations by the Soviet Union."

While steadfastly maintaining the United States policy of non-recognition of the forcible incorporation of the Baltic States into the Soviet Union, the United States should insist that the following policy changes are made by the Soviet Union:

1. Lowering of excessive tariffs imposed on gifts to relatives and friends residing in the Baltic States.
2. Increase the current five-day tourists visa to Lithuania to a more reasonable limit.
3. Elimination of unreasonable travel restrictions on tourists to Lithuania.
4. Provisions for Lithuanians to immigrate to other countries as provided by the Charter of the United Nations signed by the Soviet Union.

Sincerely,

Juozas Gaila,
President.

COAL'S FUTURE: DEEP MINING, NOT STRIP MINING

HON. JOHN F. SEIBERLING

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. SEIBERLING. Mr. Speaker, within the next week or two, the House will be considering H.R. 11500, the Surface Mining Control and Reclamation Act of 1974. One of the principal issues surrounding this bill is whether the deep-mining industry in the East will be maintained as a viable means of mining coal. Some people have claimed that only the vast coal deposits in the West can supply our country's growing demand for coal, that deep mining is unsafe, inefficient, and unprofitable. I think this is a defeatist attitude, one that deliberately ignores the tremendous strides the deep-mining industry has made in recent years. If mined at capacity, the Nation's strippable reserves, which constitute only 3 percent of our coal reserves, will be depleted by the end of the century. And if we abandon the deep-mining industry now, the cost of rebuilding the industry many years hence will be enormous and the task may well be impossible.

I would like to bring attention to an excellent article which appeared in the magazine Fortune, titled "It's Back to the Pits for Coal's New Future." The article explains the problems facing the deep-mining industry and the ways in which the industry is solving them. It also points out that the Nation's 1,400 underground coal mines represent one of the relatively rapid ways to increase the Nation's energy supply—with the backlog of orders for strip-mining machinery, it now takes 4 years to open a strip mine. Furthermore, geography favors underground mining, because most of the good coal that is close to major cities is too deep to strip.

The following is the text of the Fortune article.

[From Fortune magazine, June 1974]

It's Back to the Pits for Coal's New Future

(By Edmund Faltermayer)

When the Persian Gulf countries doubled the price of crude oil last December—ending at a stroke the postwar era of cheap energy—one of their leaders lectured the affluent countries on the virtue of toil, in tones worthy of a seventeenth-century New England preacher. "If you want to live as well as now," declared Shah Mohammed Reza Pahlavi of Iran, "you'll have to work for it." Nothing symbolizes better the new era of working for it than helmeted men riding down dark shafts in the dusty and dangerous pursuit of coal.

Thanks to the worldwide scramble for energy, underground coal mining is destined to be an essential and growing part of American economic life until the end of this century, if not longer. Cheap oil and plentiful natural gas are things of the past, and strip-mined coal cannot fill the gap. Local opposition and tough reclamation laws promise to delay and limit the exploitation of the vast reserves of strippable coal and lignite in the West even if shortages of railroad hopper cars and mining equipment can be overcome. (See "Clearing the Way for the New Age of Coal," Fortune, May.)

THE NEW ANARCHY

To many Americans a revival of deep coal mining will seem like a turning back to Dickensian times, and deep mining indeed has many drawbacks. It is, among other things, one of the most hazardous of human occupations. Some 107 men died while helping to extract nearly 300 million tons of coal in 1973; surface mines matched this output, with only one-sixth as many deaths.

By current U.S. standards of productivity, deep mines seem thoroughly retrograde. As a rule they require three times as many workers to produce the same tonnage as a strip mine. Productivity underground has actually fallen in recent years. Deep mining is concentrated in Appalachia and the Middle West, where historic labor-management antagonism still smolders and where the workers these days are increasingly prone to absenteeism and wildcat strikes.

The declining discipline is partly due to a state of transition in the United Mine Workers union, in which a reform regime under President Arnold Miller has been striving to establish itself by slow, democratic methods following the ouster of Tony Boyle late in 1972. Few coal operators lament the departure of Boyle, who was recently convicted of ordering the murder of his late rival, Jock Yablonski, but most of them miss the long decades in which the union curbed wildcat strikes by exercising tight control over its locals. Says Chairman Donald Cook of American Electric Power, which operates many mines: "The new democracy is the new anarchy."

FIRE IN THE "GOB" BANKS

The public furor over strip mining's ravages has diverted attention from the environmetal effects of deep mining, and in some ways these can be even more serious. Billions of tons of "gob," or rock separated from coal in preparation plants, have accumulated over the years to form ugly mounds that loom over coal communities. Since these waste banks contain coal particles missed in the sorting process, they can catch fire. About three-quarters of all acid drainage from coal mines seeps out of underground mines, past and present. Strip-mine operators can bury acid-forming materials under benign dirt and rock, but deep mines leave permanent caverns. If pyrites (iron sulfide) are present in the coal left behind and are exposed to a combination of air and water, acid can form, and may drain into streams for a hundred years.

Many of the country's newer underground mines are below the water table, and the caverns become flooded after the coal is taken, keeping out the air that is necessary for acid formation. But most of them are also creating another problem for posterity, namely subsidence. According to a controversial 1968 study of the environmental effects of deep mining, carried out by the Bureau of Mines but never endorsed by the Interior Department, some six million acres of the U.S.—an area larger than Massachusetts—have been undermined in getting coal. As the "pillars" of coal left behind have weakened or the overlying rock has fractured, about one-third of this enormous acreage has caved in. Even if deep mining ceased tomorrow, another one-eighth of the surface over old workings could collapse by the year 2000. While subsidence has occurred mainly in rural areas, it has also wrecked buildings and streets in cities, most notably in Scranton and Wilkes-Barre, Pennsylvania.

THE GOOD COAL LIES DEEP

Nevertheless, for all its aggravations and hazards, deep mining still makes sense. The nation's 1,400 underground coal mines represent an enormous investment and have the reserves to keep running for decades to come. Deep mining also represents one of the relatively rapid ways to increase the energy supply. For years it was axiomatic that strip mines could be opened faster. But with today's great backlog of orders, there is a four-year wait for the giant draglines that remove overburden. That is longer than it takes to bring new deep mines into production.

Geography clearly favors underground mining, because most of the good coal that is close to major cities is too deep to strip. West Virginia, for example, has over 40 billion tons of underground coal containing less than 1 percent sulfur, many times the amount that can be torn from the surface of its hillsides. The East and Middle West contain even vaster deep deposits of medium- and high-sulfur coal that could be used for centuries, once methods for curbing sulfur dioxide emissions are perfected. "The country's coal reserves are preponderantly deep," says Howard W. Blauvelt, president of Continental Oil Co., the parent of Consolidation Coal. "The proportion of strip-mined coal may increase for a time, but eventually deep mining will regain a dominant position."

Even now, deep-mined coal is a better economic proposition than simple comparisons of productivity at the pit might suggest. It is true that some of the new western strip mines extract up to fifteen times as much coal per man-hour as Appalachian deep mines, profitably producing fuel for as little as $3 a ton. But by the time that coal has traveled a thousand miles by unit train to the Midwest and is subsequently transshipped by barge, as is necessary in many cases, transportation costs can balloon the delivered price to $12 a ton. And the western coal moving east these days is a low-energy subbituminous coal; a ton of it has only three-fourths as many British thermal units as eastern or middle-western coal. Thus a customer could pay $16 for a delivered ton of the richer coal and come out the same in the end.

In the new world of costly energy, deep-mined coal is a bargain. Even coal from a brand-new mine, developed at today's high capital costs, could be sold profitably at an initial price of $18 to $22 a ton under a long-term contract, with suitable escalation provisions. At that price, Conoco's Blauvelt estimates, the company could earn a profit margin sufficient to attract equity financing. Even a price of $18 a ton works out to only 75 cents per million BTU, half the cost of the energy contained in Persian Gulf crude oil, and only a fifth as expensive as oil that has been shipped, refined into gasoline, and taxed to sell for 50 cents a gallon at your neighborhood pump.

Several utilities are going ahead and committing themselves to underground coal to fuel new generating plants, in some cases signing up for coal good enough to make coke. It has always been possible to burn metallurgical-grade coal under boilers to make electricity, but this use was derided, in one energy expert's words, as "feeding filet mignon to your dog." Nevertheless, Southern Co. has signed long-term contracts for five million tons a year of low-sulfur coking coal from three new mines being developed in Alabama by a subsidiary of Jim Walter Corp. The coal will initially cost $19 a ton, and two of the mines will be 1,900 feet below the surface, making them the deepest yet sunk for solid fuel in this country.

CLAUSTROPHOBES NEED NOT APPLY

If the U.S. is going to send men underground for coal in the space age, it will have to send them first class. As older miners retire, many of their youthful replacements will expect standards of amenity and safety now found only in showcase mines. While providing these improvements, coal companies will also have to find ways to reverse that slide in productivity. All this will require huge investments by an industry still living on the margin—still selling a lot of fuel at prices established when coal was desperate for customers.

While a mine is no place for anyone with claustrophobia, recruiting miners is no problem when working conditions are good. "There is a good number of young men who want to work in the mines," says a state employment official in eastern Kentucky, though he adds that a far larger number "are dodging the mines, and concern about safety is a big factor." The current U.M.W. pay scales, ranging from $42 to $50 a day, overcome a lot of misgivings; except for construction, mining is the best-paid blue-collar occupation in the region.

Keeping workers has proved easy at Consolidation Coal's Robinson Run mine, a "drift" mine that tunnels horizontally into the northern West Virginia hills and supplies a mine-mouth generating plant with 2.4 million tons a year from the famous seven-foot Pittsburgh Seam. (This is the mine depicted by the blueprint on page 136.) Union men rate the seven-year-old mine a good one, if not quite a showcase. Turnover among the 500 hourly employees is quite low, according to superintendent Gene Shockey, and there is a one-year wait for jobs.

To anyone steeped in literature about the mining hell-holes of old, Robinson Run seems almost salubrious. Seated in an electric train powered by an overhead trolley wire, workers careen three miles underground from the portal, through tunnels that are white, rather than black, because a limestone coating is sprayed on the walls to keep down explosion-prone coal dust. Once you disembark and follow the light from your miner's lamp toward the place where coal is actually being cut, the main sensation is one of profound peace and quite, with a muffled roar of distant machines and coal trains.

You are in the midst of the compressed compost laid down by the decay of unimaginably dense swamps during the Carboniferous era 250 million years ago; human beings have never been here before. A faint man-made breeze brings a flow of fresh air and prevents the buildup of combustible methane gas, and the temperature stays comfortable the year round. "It never goes below fifty on the coldest winter days," boasts Woody Shaver, a young mining engineer who is the mine's assistant superintendent, "and it's air conditioned in the summer."

THE SOUND OF A CREAKING ROOF

For all the labor-intensiveness of deep mining, remarkably few workers are encountered at Robinson Run. Several miner's lamps glint in the darkness and the whine of machinery grows louder as you approach a "section crew" of six workers and a foreman at a coal face. Nine other crews are at work in other sections, but the nearest of them may be a quarter mile away in the labyrinth, unseen and unheard. Pacing the section crew's work is the $200,000 continuous-mining machine, a yellow mechanical corn-borer with headlights, whose spiked metal mandibles move up and down, gnawing coal loose without need of picks, shovels, or explosives, as an operator manipulates twenty-three different levers.

Introduced in the 1950's and usable only in the level coal seams that predominate in the U.S., the continuous miner has helped revolutionize deep mining. After its introduction, the work force in the nation's underground mines shrank from 400,000 to only 120,000. The high point in productivity was reached in 1969, when the average output in U.S. underground mines reached an astounding sixteen tons per manshift. Since then productivity has slipped seriously, to eleven tons in early 1974.

Several factors brought the downtrend. For the first time in years, the coal companies began taking on new, inexperienced men in the late 1960's as demand for coal rose. Meanwhile, Congress in 1969 passed the Coal Mine Health and Safety Act, which introduced a host of new operating restrictions to which the industry has only now adjusted. Every twenty minutes, for example, the continuous miner must shut down while the air is sampled for its methane content—a wise precaution, since gas freed as the coal is extracted can be ignited by a spark when the cutting teeth hit hard rock above the coal. The miner must also pause so that the newly dug footage can be coated with limestone and the newly exposed roof can be secured with long metal bolts driven by a special machine up into the overlying strata. This, too, is prudent. Occasional overhead creaking sounds at Robinson Run are a reminder that about 40 percent of last year's underground-mine fatalities were due to roof falls.

Even without safety restrictions, the coal could not be conveyed to the surface as fast as the continuous miner can cut it. At ten tons per minute, the machine could theoretically churn out 4,000 tons per shift if it operated without interruption. But the wide-bellied "shuttle cars" that haul the coal back through the network of tunnels to a moving belt linked to a rail line are restricted in their movements by corners and ceilings, and can convey only two or three tons per minute. The term "continuous miner" is thus a misnomer; the expensive machine sits idle 80 percent of the time or more, waiting for other operations to catch up. Even at Robinson Run, a fairly efficient mine, a section produces only 350 tons of coal per shift.

SUBSIDENCE BY DESIGN

A faster method of haulage could bring a prodigious jump in productivity. Consolidation Coal has been testing a radical hydraulic system at an experimental section of the Robinson Run mine, where coal from the continuous miner is fed to a crusher that breaks it into chunks four inches in diameter or less, small enough to be flushed with water through a ten-inch pipe and moved to the surface. The new system can pump coal at ten tons a minute, as fast as it is cut, though its efficiency until now has been limited by the shuttle cars that bring coal to it. But the underground belt and rail line, with their attendant costs and hazards, are eliminated, and Consol is in the process of doing away with the shuttle car by putting the crusher directly behind the continuous miner. The hydraulic system, the company says, could eventually reduce the manpower required underground by a fourth.

The grand solution to a lot of underground problems, enthusiasts say, is so-called "longwall" mining. "That's where the emphasis should be placed," says Joseph J. Yancik, who is in charge of mining research at the U.S. Bureau of Mines. The longwall method is a total departure from the prevailing "room and pillar" system, in which as much as half the coal is left behind as a support. In a longwall "panel," which may measure several hundred feet on a side, all the coal is taken and the roof is deliberately allowed to cave in gently behind a coal "shearer" that planes back and forth across the broad coal face. The men operating the shearer are protected by a thick steel canopy supported by hydraulic jacks that advance by remote control with each pass of the shearer.

Even when allowance is made for coal that is left along the edges of the panel, the longwall method can remove more than 80 percent of the coal in a mine. Within the panel, the need for roof bolting, which ordinarily absorbs 15 to 20 percent of the manpower in a deep mine, is eliminated. So are worries about future subsidence, since the entire overlying terrain collapses quickly and evenly. Manpower at a coal face is drastically reduced, and production can easily run as high as 1,000 tons per shift; many crews have cut 3,000 tons or more.

Longwall mining was developed in European mines where safety and productivity problems are particularly severe. It has caught on very slowly in the U.S., accounting for only 3.5 percent of last year's underground coal production. About fifty-five longwall units of various types are in operation in the U.S., and President James W. Wilcock of Joy Manufacturing, which makes some of the equipment, sees a potential market for 150 units in existing mines. A complete longwall installation can cost $2 million.

A BINDER FOR THE ROCK

Longwall has several drawbacks, however. That large investment in equipment may be idle half the time; setting up a panel can take weeks. To minimize the investment, many American companies have developed a variation called the "shortwall" system, involving a narrower panel and fewer jacks, and employing a continuous miner instead of a shearer. Even the narrow panels cannot be set up everywhere. The strata overlying

American coal seams do not always lend themselves to neat, predictable caving. Roof conditions may also be unsafe; rock may fall in the narrow interval between the coal face and the advancing steel canopy. To remedy this problem, the Bureau of Mines last year found it could drill holes in the roof in advance of shearing and inject a glue that binds the rock together. The agency is eager to test another solution: a supplementary overhead shield developed in Hungary and improved by the Germans.

The Bureau of Mines hopes in the near future to put together estimates of the proportion of U.S. coal deposits that might lend themselves to the longwall method. While most existing mines are laid out for room-and-pillar mining, one coal-company executive hazards a guess that "30 to 40 percent" of the coal in future deep mines could be removed by longwall and its variants. Interestingly, the system offers promise in underground seams now considered too thick to mine economically by the room-and-pillar method, particularly the very thick seams found in the West. As a rule, the thicker the coal bed, the larger the proportion of coal that must be left behind for support. Some thick seams in Poland are mined completely in a succession of longwall "lifts."

Another way to mine thick seams, according to William N. Poundstone, an executive vice president of Consolidation Coal, may be to settle for a very limited amount of conventional tunneling, "leaving behind something that would look like Swiss cheese." All that burrowing would create spaces that might later facilitate *in situ* mining, which is actually a form of underground gasification. A controlled fire is fed by air or oxygen, which converts the coal into usable methane, carbon monoxide, or a combination. While the Bureau of Mines reports encouraging results at a test site in Wyoming, most coal men believe that commercial *in situ* extraction is a long way off.

HOW TO PREVENT BLACK LUNG

During the energy-scarce years that lie just ahead, deep mining will require thousands of additional underground workers, each of them exposed to danger. The fatality rate has been halved since the 1969 safety law was passed, but the rate of disabling injuries has remained stubbornly high—far higher than in construction for example and three times the rate at which manufacturing workers are injured.

The drive to raise productivity could increase deep mining's hazards unless precautions are stepped up. As machines cut coal faster they raise more coal dust that can explode or more insidiously slowly blacken workers' lungs. They also liberate methane faster, raising the specter of more disasters like the 1968 fire and explosion at Consol's No. 9 mine at Farmington, West Virginia, which killed seventy-eight miners.

The dust problem appears on its way to being solved, thanks to the development several years ago of air-suction hoses that can be installed at a negligible cost, right at the cutting head of continuous-mining machines. The hoses, which catch invisible dust particles that previously eluded water sprays, should "knock hell" out of the black-lung problem in years to come, says J. Davitt McAteer, safety solicitor of the U.M.W. Meanwhile, the Bureau of Mines is experimenting with "bleeding" methane from coal seams by drilling into them before deep mining gets under way, instead of blowing the gas out later with mine-ventilation systems and losing its energy value. Most deep coal seams, in effect, are low-grade natural-gas deposits.

Actually, most deaths and injuries in the last few years have come not in major catastrophes but in scattered small incidents. In an effort to protect the most vulnerable person in a mine, the man who operates a mechanical roof-bolter, the Bureau of Mines has experimented with a protective metal cab. The federal government is also preparing rules that would require extensive lighting underground to improve visibility, and is working with industry on several new systems that would enable trapped miners to communicate with the surface and to direct rescuers to them.

The principal hope for mine safety, however, lies less in new hardware than in good management. The rate of disabling injuries varies enormously by company. While companies can fudge their accident figures somewhat, this alone cannot explain the fact that miners at U.S. Steel's coal mines were only one-sixteenth as likely to be hurt in 1973 as the men who worked for the company with the highest accident rate among major producers, Eastern Associated, a subsidiary of Eastern Gas & Fuel Associates. Eastern recently launched a drive to reduce accidents 10 percent a month, and claims to have met that goal in February.

For years the "captive" mines owned by steel companies have been known for their relatively good safety records, perhaps because safety measures in the mines add proportionately less to the cost of a steel company's end product—steel—than to coal sold as fuel. "You have to be willing to pay for safety," says Latham B. Gray Jr., Bethlehem Steel's general manager for coal. Under the company's Job Safety Analysis program, every accident—which can include any unplanned event in the mines, even one that causes no injury—is carefully studied in an effort to prevent its recurrence.

One key ingredient in safety, says gruff-talking Woods G. Talman, chief inspector of U.S. Steel's coal operations, is a vigilant foreman concerned with safety as well as production. Talman likens the foreman's role to that of a bomber pilot. In manufacturing, he says, "a shop foreman is generally able to watch most of his workers at one time or easily move around and see the others. At most, a coal foreman sees only three miners at once, like the pilot who sees only the copilot and maybe one other member of the crew. He has to move a lot to see the rest."

Another ingredient is training, needed more than ever as inexperienced men enter the mines in large numbers. Before a new miner goes underground at U.S. Steel, he is given a week of training above ground, followed by up to a year of apprenticeship below. The Mine Enforcement and Safety Administration, an arm of the Interior Department that enforces the 1969 law, is preparing recommendations for mandatory training program throughout the industry. The state of West Virginia, where new recruits are six times as likely to be killed and injured as older hands, is not waiting for federal rules. Recently the legislature passed a law requiring new miners to be trained and certified by the state before they can begin work.

SAFELY—OR NOT AT ALL

During coal's long lean years, management had to reckon with cruel trade-offs between safety and economic survival. But this dilemma will fade as coal becomes generally profitable. Even before that happens, the coal companies will be up against strong pressures from the new leadership of the United Mine Workers. Says U.M.W. President Arnold Miller: "Coal will be mined safely—or not at all!"

Ever since last summer the union has been training its own safety-committee men, and hopes eventually to have one full-time on every shift. James M. Day, who heads the federal enforcement agency, believes that active union participation "could do more for mine safety than an act of Congress." If so, the union would be backing up, with deeds, some of its rather demagogic new talk. "Coal miners in West Virginia and Kentucky and Pennsylvania," Miller told the U.M.W. convention last fall, "are tired of dying so that men in the boardrooms of New York and Boston and Pittsburgh can get rich."

The new U.M.W. leadership is out to convince the rank and file that it has put an end to the union-management coziness of pre-1972 days—when, in Miller's words, "you couldn't tell the union from the coal companies because the officials of both were living off the coal miners." When the Miller slate took over the U.M.W. eighteen months ago, it ordered the president's salary slashed from $50,000 to $35,000, and sold off three limousines. A new informal atmosphere at the union's Washington headquarters reflects the personalities now in charge. The top officials are lifelong miners—some of them, like Miller, afflicted with black lung—advised by a group of youthful intellectuals who came out of the Appalachian antipoverty programs, the Miners for Democracy movement that unseated Tony Boyle, and Nader's Raiders.

JOHN L. WOULD NEVER HAVE TOLERATED IT

The U.M.W.'s long list of demands for this year's contract negotiations, for all the radical rhetoric, is thoroughly in the spirit of conservative "business unionism." Wages are certainly a key issue; the miners know they are already well paid, but they want more money on the table and an escalator clause to protect their standard of living. Other demands, in addition to safer mines, include better fringe benefits such as sick pay and a substantial increase in pensions from the present $150 a month. Some coal men are aghast at the prospect that those pensions might require a trebling of royalty payments to the union's welfare fund, from the current 80 cents a ton.

What worries the operators even more, however, is the possibility of a long strike when the present contract expires November 12. Under a recent change in the U.M.W. constitution, the entire membership must vote on the package won at the bargaining table—an exercise in democracy that would never have been tolerated by the late John L. Lewis. Negotiations could be dragged out, in part, because Miller does not enjoy undisputed control. His supporters have won elections in less than half the U.M.W.'s twenty districts, though the other district heads are not necessarily anti-Miller. Another worry is that the contract will do nothing to curb absenteeism and wildcat strikes. "Without a resolution of these problems," says President John Corcoran of Consolidation Coal, "the contract will not be worth a damn."

Corcoran and other coal executives were dismayed when the U.M.W. convention voted down a proposed new grievance procedure, worked out with industry's cooperation, that was designed to avoid wildcat strikes, which cost the industry fifteen million tons in lost production in 1973. They were dismayed less by the defeat of the plan—it will almost certainly be revived—than by the inept manner in which it was presented to the delegates.

Coal executives profess to wish the new U.M.W. team well, and clearly a good contract will help Miller. But some companies may balk at great generosity while their profits remain low or nonexistent. Right now hourly wages, fringe benefits, and the union royalty total between 10 and 20 cents per million BTU of deep-mined bituminous coal, depending on the size and efficiency of the mine. From a miner's standpoint, that leaves room for a very generous contract indeed.

DOWN IN THE HOLLOWS, RECOGNITION AT LAST

As this year's negotiations progress, many Americans will become aware for the first time that coal miners are still important to the economy. That will bring a lot of satisfaction, after thirty-seven years in the mines, to Carl Burgess of Decota, West Virginia. Burgess works at an underground mine owned by Carbon Fuel Co., and lives at the head of Cabin Creek hollow near Charleston, where gob piles tower and mud slides from abandoned strip mines encroach on roads. In approaching Burgess's home, you pass hamlets of row houses, company stores, Baptist churches, and men with rifles off deer hunting.

A short husky man bulging out of a tight-fitting sweater, Burgess has the resigned eyes of one who has known hardship. Like most miners, he is proud of his occupation but, paradoxically, still on the defensive about it. "Most people today just don't know what a coal miner is," Burgess says calmly, seated in his living room with a cross and Bible in one corner and a big color television set in the other. But the world energy crisis is starting to change this, he says, particularly in Britain where the miners recently won a big pay increase after a long slowdown and strike. "Certainly the British people have just learned a lot about miners."

Burgess began his career in the 1930's when the fatality rate in the mines was ten times as high as now. His first mine was "a real low one, about thirty-five inches. You carried your lunch pail in your teeth, did a lot of work on your back. It was all pick and shovel, manual work." In those days far more men were crushed by rock falls because the old wooden roof beams weren't as effective as today's steel bolts. Ventilation at the working face was terrible. "Only little fans brought in some air. When I came out of the mine, I'd be so tired it was three hours before I was ambitious enough to take a bath."

Burgess believes coal mining has "changed 75 percent since those days, but not 100 percent. There is still room to improve the safety, and we've got to make the job more attractive. I've seen the day when men begged to work in the mines. Now it's the other way around." Burgess's new spirit of independence pales when compared with that of his younger colleagues. A nation that wants to keep its lights burning and its motors humming will have to reckon with this new fact of life.

BALANCE THE BUDGET

HON. H. R. GROSS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. GROSS. Mr. Speaker, on Thursday, June 13, my distinguished colleague from Ohio (Mr. WYLIE) introduced House bill 15375 modeled after H.R. 144. This legislation is aimed at curbing the rampant inflation which is spreading throughout our country and I am glad to have the support of my friend, the gentleman from Ohio. On Friday, June 14, there appeared in the Columbus Dispatch an article entitled "WYLIE Launches Bill To Restrain Inflation." I commend Mr. WYLIE who is one of the most hard-working Members of Congress and is genuinely concerned for the future of our country.

The article follows:

WYLIE LAUNCHES BILL TO RESTRAIN INFLATION

(By Roulhac Hamilton)

WASHINGTON.—Hardnosed legislation aimed at curbing rampant inflation through rigorous restraints on federal spending and mandatory national debt reduction has been introduced in the House by Rep. Chalmers P. Wylie, R-Columbus.

Wylie's bill would prohibit federal expenditures in excess of federal revenues and would require use of a portion of those revenues be allocated annually to national debt reduction.

The 15th District lawmaker's bill represents the "Painful surgery" he said last week would be necessary for an effective cure for the "disease of inflation" which, if allowed to continue, "will destroy the national economy and perhaps the nation itself."

The measure, which Arthur F. Burns, chairman of the Federal Reserve System's board of governors, has told Wylie he would support if it can be brought to a committee hearing, would provide that:

"Expenditures of the government during each fiscal year, including reduction of the public debt . . . shall not exceed its revenues for such year except (1) in time of war declared by the Congress; or (2) during a period of grave national emergency declared by the Congress by a concurrent resolution which has passed each house by the affirmative vote of at least two-thirds of the authorized membership of that house.

"The public debt limit . . . is hereby reduced as follows:

"Effective Oct. 1, 1974, by an amount equal to 2 percent of the net revenue of the United States for the fiscal year ending Sept. 30, 1975; "followed reductions of 3 percent of revenues in fiscal 1976, 4 percent of revenues in fiscal 1977, and 5 percent of revenues in each fiscal year thereafter."

The bill also would require that the budgets submitted annually by the president "be prepared, on the basis of the best estimates then available, in such a manner as to insure compliance with the first section of this act."

* * * * *

Section 4 of the bill would prohibit the Congress from passing appropriations which would result in expenditures by the government during any fiscal year in excess of its revenues (as such revenues have been estimated in the budget submitted by the president), except in these cases:

"(1) to the extent of any additional revenues of the government for such fiscal year resulting from tax legislation enacted after submission of the budget for such fiscal year; or

"(2) In time of war declared by the Congress; or

"(3) During a period of grave national emergency declared in accordance with the first section of this act," with the proviso that such excess expenditures may be made "only during" the actual period of grave emergency.

Wylie conceded that his proposed program of fiscal responsibility cannot be put into effect overnight. But he believes introduction of the legislation now is timely because of the imminence of congressional action aimed at recapturing the legislative branch's constitutional authority over appropriations.

"This legislation will have a much better chance under the new system," Wylie said, "because it is right in line with what the Budget Reform Act proposes to do."

It was because of that that Wylie dated his fiscal years from October 1 of one year to September 30 of the next year—a step Congress is planning to take in connection with budget reform.

LITHUANIAN INDEPENDENCE

HON. JOHN M. MURPHY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. MURPHY of New York. Mr. Speaker, Saturday, June 15, marks the anniversary of the Soviet takeover of Lithuania. The takeover which occurred in June 1940, followed a period of more than two decades of independence. During these years of independence, the Lithuanians developed their own unique political, economic, and cultural life. Now, under Soviet rule, the people of Lithuania are denied the right of national self-determination, suffer continual religious and political persecution, and are denied their basic human right. Ideology has replaced folklore and Lithuanian nationalism has been subjugated to the larger power of communism.

In this era of "détente," I think it is important to keep in mind the basic difference between the United States and the U.S.S.R.: the right of the people to freely choose their government. The struggle that the Lithuanian people are waging to regain the independence they once possessed is inspirational. Throughout their history, the Lithuanian people have transmitted from generation to generation their national identity, their cultural identity, and more important, the knowledge of what it is to be free and the desire for this freedom.

I concur with the sentiments expressed in House Concurrent Resolution 394, which states:

> Now, therefore, be it RESOLVED by the House of Representatives (the Senate concurring), that it is the sense of the Congress that the United States delegation to the European Security Conference should not agree to the recognition by the European Security Conference of the Soviet Union's annexation of Estonia, Latvia, and Lithuania and it should remain the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union.

In addition, I believe we should impress upon the Soviet Union that if they wish to be granted most favored nation status in regard to trade, they should consider the following changes in policy toward the people and friends of Lithuania:

First. Lowering of excessive tariffs imposed on gifts to relatives and friends residing in the Baltic States.

Second. Increase the current 5-day tourist visa to Lithuania to a more reasonable limit.

Third. Elimination of unreasonable travel restrictions on tourists to Lithuania.

Fourth. Provision for Lithuanians to emigrate to other countries as provided by the Charter of the United Nations signed by the Soviet Union.

I am sure that the freedom-loving people of the world can sympathize with the plight of the Lithuanian people. No country should be forced to subjugate its own language, religion, and culture to the brute force of imperialism. The American people understand the importance of the right to self-determination. History has proved that no dictatorship has ever succeeded in holding a people in bondage forever. The time will come once again when the Lithuanians will live in a free nation. Until that time, I can assure Americans of Lithuanian descent that America will not forget their plight and that we will continue to support and pray for that moment when justice and freedom reign and the people of Lithuania again have their independence.

WHERE DOES IT HURT?

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. ROSENTHAL. Mr. Speaker, the essential key to health care reform is a fundamental shift in emphasis from crisis medicine to preventive medicine. The more we do today to prevent illness and keep the population healthy, the less we will have to spend tomorrow on cures and treatment.

Last year the Congress enacted the Health Maintenance Organization Act of 1973. These organizations, providing full medical services for a prepaid annual fee, encourage subscribers to go to their doctors without having to worry about the cost of the visit. In fact, knowing the visit is already paid for discourages them from ignoring or putting off treatment.

The new health maintenance organization created by this act could turn out to be precisely what we need: "sensible and humane institutions that offer us a genuine alternative, at last, to fee-for-service foolishness." However, since too often they will be owned by the same organizations that preside over the larger health care system—the big hospitals and the big insurers—they could end up protecting the system rather than challenging it.

A special issue of the New Leader, from which I submitted an excerpt earlier this week, also contains an article offering a worthwhile explanation of health maintenance organizations. I recommend this article to my colleagues.

The article follows:

[From the New Leader, Apr. 15, 1974]

ALTERNATIVE REMEDIES

Last December 29, President Nixon signed the Health Maintenance Organization Act of 1973—"another milestone in this Administration's national health strategy," he remarked at the time—authorizing the spending of $375 million over five years to create new HMOs in cities across the land. The Act is far from adequate and in fact signals a considerable cooling down of the White House's formerly warm commitment to the proliferation of HMOs. Nevertheless, the new legislation may add some 300 new organizations to the 115 already operating, and hence constitutes the strongest challenge yet made to our fee-for-service health care system.

HMOs are health care associations that provide full medical services for a prepaid fixed annual fee. At no further charge, enrolled families are entitled to all the health care they need, ranging from regular checkups to major surgery. Physicians who agree to deliver this service usually forswear traditional pay-as-you-go arrangements in favor of either a straight salary or a "capitation" fee, an amount based on the total number of subscribers. If, for example, an association has 10,000 members, each participating doctor's annual income might equal $5 per member, or $50,000.

Although the term "health maintenance organization" is relatively new in medical nomenclature (it seems to have been coined in 1970 by Dr. Paul Ellwood Jr., of the American Rehabilitation Foundation in Minneapolis, in a paper called "The Health Maintenance Strategy"), the organizational technique has been around for more than 40 years, and nearly 9 million Americans already receive prepaid health care from the prototype plans. Some of the older programs took shape soon after World War II, around the time that Truman's fight for national health insurance was failing in Congress. The whole concept can therefore be viewed as another invention born of necessity, but unlike Blue Cross, and commercial health insurance, its reliance on group practice—and, in many instances, on salaried doctors—violates at least two AMA commandments: *Thou shalt not combine* and *Honor thy fees and emoluments.*

The AMA has strenuously opposed prepaid group medicine ever since 1929, when it tried to expel Dr. Michael Shadid for the sin of organizing a prepayment health cooperative in Elk City, Oklahoma. In their beginning years, all subsequent plans endured boycotts and lockouts by local medical societies and hospitals, winning a toehold in the health care establishment only after long and costly court battles. Indeed, in more than half the states the AMA succeeded in pushing through legislation that expressly prohibited prepayment health plans and certain other forms of group practice.

But by 1971 the AMA was in trouble, its historic opposition having been seriously challenged by an old friend, Richard Nixon. In his health message to Congress that year the President said: "Studies show that [subscribers to HMO-like plans] are receiving high quality care at significantly lower cost. Patients and practitioners alike are enthusiastic about this organization concept. So is the Administration." The President went on to describe the HMO idea as "a central feature of my national health strategy."

The passage of an Administration-supported bill to channel massive Federal subsidies into new HMOs in communities from coast to coast seemed in the offing. HEW Secretary Elliot L. Richardson spoke of "1,210 operative HMOs" by 1980, giving 90 per cent of the population the opportunity to participate. It was generally assumed at the time that the model had proven its validity and merited—in the jargon of the day—"full implementation."

Nonetheless, the AMA argued that HMOs were still in an experimental stage, full of dimly understood imperfections, and what was needed was a small Federal subsidy for "demonstration" projects to gradually smooth out the wrinkles. This was the position eventually taken by Congressman Paul G. Rogers (D.-Fla.), who as chairman of the House subcommittee handling health matters was sponsoring an HMO bill of his own. "The philosophy of the House bill," he said, "is demonstration of the HMO concept. We want to see if it works before making a wholesale Federal commitment to the idea."

Rogers' bill, which authorized only $335 million for HMOs, was competing with two others: an Administration measure calling for expenditures of more than $2 billion, and one sponsored by Senator Edward M. Kennedy (D.-Mass.) carrying a price tag of $5.1 billion. Both of these proposals, moreover, included provisions to override the 22 still-extant state laws prohibiting prepayment or other group medical practice, a matter Rogers was silent on. At this juncture, most observers were predicting passage of strong HMO legislation along the lines recommended by the White House. But they had not reckoned with the AMA, or with the fact that an election year was approaching.

The AMA quickly mounted a campaign aimed specifically at the White House. It was guided by Dr. Malcolm C. Todd, a surgeon in Long Beach, California, who was then a member of the society's house of delegates and is now its president. Todd had been dispensing political aid and comfort to Nixon since his 1950 Senate race against Helen Gahagan Douglas, and he served as chairman of a group known as Physicians for the Reelection of the President, a position that under the circumstances looked a lot like the catbird seat.

Todd has told John Iglehart, a reporter for the authoritative *National Journal,* that he wrote the President "several times" about HMOs and received replies. He would not reveal the content of his letters, but it seems likely that he emphasized the difficulties of raising campaign funds from doctors worried about HMOs. "As chairman of the Physicians' Committee," he said at the time, "I have a problem in raising money for Nixon because of this HMO think. . . . They say, 'I don't know about this HMO thing' when they are approached for contributions." Todd also argued that people who wanted to change the health care system through such a program were not likely to vote for Nixon anyway.

It wasn't long before HMOs ceased to be "a central feature" of the President's "national health strategy." HEW officials stopped speaking of massive subsidies and began talking instead about "demonstrations" and "experiments," adopting the language of Congressman Rogers and the AMA. In the spring of 1972 the Administration withdrew its support from any measure that would preempt state laws barring group practice—thereby ruling out the creation of HMOs in at least 22 states. At a House hearing in August an uncomfortable Secretary Richardson was asked how the committee should deal with such prohibitions on the state level. "We think that you should go as far as, in effect, you think the traffic will bear," he responded.

As it turned out, the traffic bore considerably more than the Administration was prepared to admit, and the legislation that was ultimately enacted—a compromise between the Senate Kennedy bill and the House Rogers bill—contains a strong preemption clause overriding state law. It also contains a "dual choice" provision requiring any employer of more than 25 persons to include HMO coverage, if it is available, among the health insurance options submitted to his workers. That will make HMOs competitive with traditional fee-for-service packagers like Blue Shield and the commercial insurance companies. On the other hand, the law defines HMOs so rigorously—it insists upon a full offering of dental services, for example—that some of the older plans, like Kaiser, fail to quality as HMOs under its standards.

Although not everything health reformers had hoped for, the HMO Act goes far beyond what either candidate Nixon or the AMA intended. And the original prepayment plans the AMA tried so hard to destroy, even if technically denied official HMO designation for the moment, have come to be recognized as the developers of the concept endorsed by Congress and grudgingly blessed by the President. Perhaps the best way to assess and savor this victory—a rare event in health reform—is to examine those few gnarled heroes that have for so long fought the basic battles.

THE PROTOTYPES

The largest of the HMO prototypes is Kaiser-Permanente, launched in 1945 by the late shipbuilder and industrialist Henry J. Kaiser. Its 23 hospitals and 58 clinics serve 2.5 million families, most of them on the West Coast. In the San Francisco Bay area, one out of every five persons gets his medical care from a Kaiser plan.

Two other well-established and highly regarded HMO-type programs are Seattle's patient-owned Group Health Cooperative (GHC) of Puget Sound, with 68,000 family memberships, 7 clinics and a 302-bed hospital, and the Health Insurance Plan of Greater New York (HIP), with 275,000 subscribing families and 28 medical centers. Like Kaiser, both GHC and HIP started in the late 1940s, the former an offspring of the strong cooperative tide that had been running in the Northwest for three generations; the latter, a creation of various labor unions, foundations and Mayor Fiorello LaGuardia, who was a friend and patient of one of HIP's founders, Dr. George Baehr.

These three pioneers in the HMO approach together represent more than 80 years of experience, and they have compiled a remarkable record. Though they differ from one another in their forms of ownership and management, all of them depend upon prepayment schemes that entitle participants to comprehensive medical care, and all have found ways either to abolish or dilute traditional fee-for-service practice.

The evidence suggests that President Nixon was right the first time: The quality of medicine being practiced by these plans is generally superior to that being offered by private physicians and by conventionally organized hospitals. They have taken a giant step toward eliminating some of the weaknesses that have long plagued our health care system—the patchwork insurance coverage, the exaggerated dependence on hospital care, and the uneven availability of medical services (seldom on Wednesday, never on Sunday).

By fixing patients' premiums and doctors' incomes in advance, the plans give both parties an added incentive to engage in preventive medicine. Patients with early symptoms need not delay in seeing a physician—the bill has already been paid; physicians with healthy patients need not worry about where their next fee is coming from. In effect, this approach to medicine is similar to that of the ancient Chinese, who paid their village doctor an annual sum only if the village had enjoyed good health that year.

The emphasis on prevention has lowered the cost of medical practice. In 1972, for example, when the national per capita cost of health care was $274, the figure for Seattle's Group Health Cooperative was $100 less. The biggest savings were in hospital expenses, which averaged $137 nationally but only $47 per GHC member. Proportionately, GHC subscribers spend 60 per cent less time in the hospital than do other Americans, in part because the cooperative has a policy of providing out-patient treatment whenever possible. At the GHC hospital the incidence of tonsillectomies and hysterectomies—operations Denenberg puts at the top of his "needless surgery" list—is about half the national rate.

The other plans can cite equally impressive figures. Since 1960, Federal employes have had their choice of several types of health benefit programs, including prepayment, wherever they have been available. (About 5 per cent have elected the latter.) A HEW study of these government workers indicates that in 1968 Blue Cross-Blue Shield subscribers spent twice as many days in hospitals as plan subscribers, endured twice as many appendectomies, mastectomies, hysterectomies, dilatations and curettages, and had almost three times as many tonsillectomies.

Another study, published in the *American Journal of Public Health*, compares such crucial indicators among Federal employes as premature births and mortality rates. Here is a portion of its findings (expressed in percentages):

Indicator	Prepayment	Fee-for-Service
Premature births:		
White	5.5	6.0
Nonwhite	8.8	10.8
Infant mortality:		
White	2.27	2.73
Nonwhite	3.37	4.38
Annual mortality of the elderly (18 months or more after joining a plan)	7.8	8.8

In general, then, it seems fair to say that prepayment subscribers receive more health care for their money than they could get in the open medical market. The premiums are not cheap, however, and except for a few instances where the Federal government contributes subsidies, they are beyond the reach of poor people. Annual rates for a family of four run from $500–750. HIP charges less, but its members must obtain their hospital coverage through Blue Cross, placing it in the same range. In most cases, the payments cover all surgery, hospitalization, clinic visits, drugs, X-rays and house calls by doctors or nurses. Maternity and postnatal care (except at HIP) cost extra, as do eyeglasses and psychiatric therapy. At the GHC, for example, the first 10 psychiatric sessions are free; further sessions are $5 each.

In other words, subscribers do not invariably pay less than fee-or-service patients; it depends on a family's medical luck. As a rule, though, they are less hesitant about summoning help. "If one of my children has a bellyache," says a HIP member in New York, "I just trot her down to the medical center. But I'd think twice if I knew each visit would cost us $20." More important, perhaps, HMO families need not fear bankruptcy from a major illness—the coverage is complete, and there is seldom a ceiling.

Still, a certain number of subscribers regularly stray outside their plans for additional medical assistance—some because they wish to verify their group physician's findings, others because they want an appointment sooner than some specialist as their plan can provide. About 10 per cent of Kaiser subscribers see outside doctors. At HIP, where most specialist work only part-time for the plan, the figure is somewhat higher.

In emergency situations, the plans seem superior to conventional health care arrangements. Had he belonged to one, Governor Harold Hughes probably would have found a physician ready to come to the aid of his ailing son-in-law. The plans are organized to provide around-the-clock service, and if house calls are not their favorite activity, physicians wil make them when necessary.

"We never turn down a patient," says a Kaiser administrator in Los Angeles. "When a subscriber calls at 3 A.M., he won't get an answering service telling him to call back at 9. He'll get help." Mrs. Henry Low, a GHC member, recalls that late one night her baby woke up with a temperature at 104 degrees. A nurse at the Seattle clinic told her over the phone to soak the baby in a tub of warm water. Then the nurse called a GHC pediatrician. "He telephoned us three times that night," says Mrs. Low. "I was very impressed.

CHANGING DOCTORS

One reason the AMA says it is skeptical about prepayment plans is that they prevent subscribing families from freely choosing their physicians. It is true, of course, that members are limited to those doctors who work for the association; yet the selection ramains reasonably broad—about the same, say, as that available to the average resident of a medium-size city. Families with children are usually assigned their own general practitioners and pediatricians as regular family doctors, but a family can always change physicians, and many do. A mother in Los Angeles recently asked Kaiser to assign her another pediatrician because the first one could never remember her name. It may actually be easier to switch doctors within this framework, where there are no difficulties of transferring records, than within a fee-for-service framework.

Prepayment plans do have their problems and ambiguities, mainly deriving from the fact that they must operate within the larger medical body politic. They sometimes find it hard to attract and keep doctors, particularly high-priced specialists like orthopedic surgeons who may be reluctant to abandon fee-for-service practice. As a result, a few specialists are paid more than $100,000 a year and these salaries tend to drive up the price of premiums. At Kaiser, through a complicated system of separate regional legal entities, physicians become partners in profit-seeking enterprises and divide net income among themselves.

The standard doctor-patient ratio in the existing plans is 1:1,000, relatively low for health care organizations. This improves the quality of care, but it also shuts the door on hundreds of thousands of applicants. In southern California Kaiser has barred new groups of subscribers since 1965. A few months ago GHC, too, announced it would accept no more members, thus violating the nearly sacred open-door principle of cooperativism (introduced by the Rochdale weavers of England in 1844).

THE HIP APPROACH

HIP, like Kaiser-Permanente, is divided into quasi-independent doctors' groups—28 in all—that operate their own medical centers, to which subscribers are assigned according to geographic convenience. But only 300 of HIP's 1,100 participating physicians currently work for the plan full-time, a situation that perpetuates their free-lance, entrepreneurial status. This has frequently prevented HIP from imposing its own policies and standards upon the doctors' groups, and it is now offering the groups a bonus of $12,500 per year for every additional full-time physician they bring in.

For most HIP subscribers the plan probably remains the best, and least expensive, way of obtaining health care. Yet because it does not offer hospitalization coverage, participants are at the mercy of Blue Cross' escalating prices. HIP officials are asking Blue Cross to reduce rates for their members, on the grounds that their utilization of hospitals is lower than the community average. They are making no effort, however, to persuade the association to reform hospital practices—that is, to do for hospitals in New York City what Denenberg made Blue Cross do for them in Philadelphia.

From the experiences of HIP and the other plans, it is evident that health care programs function best when their control is centralized, so long as there is room for a strong consumer voice. Seattle's GHC most closely resembles this model, since it is owned by the patients (who elect the board of trustees), it manages its own clinic and hospital facilities, and all its physicians work full-time for the organization. Both Kaiser and HIP have elaborate consumer complaint machinery, as well as various consumer advisory panels, but their patients do not assist in making policy decisions. The critical difference between the two lies in Kaiser's superior administrative control of its constituent parts.

THE GHI STORY

Indeed, it may be argued that any tightly managed organization can provide HMO-type benefits. An example is Group Health Incorporated (GHI), an imaginative insurer that has been accomplishing wonders in New York City and environs since 1938. Its director, Dr. George W. Melcher Jr., sees the plan as "a champion of fee-for-service medicine." GHI's 3 million group subscribers—most of them labor union members in the metropolitan area—can receive services from any of 4,000 participating general practitioners or 6,000 participating specialists, all at previously agreed-upon rates. (A subscriber may also go to a nonparticipating physician, but that doctor is free to charge him more than what GHI has agreed to pay, and the patient must make up at least part of the difference.)

Although GHI does not pay hospital bills, it was the first insurer in the nation to cover in-hospital doctor services, and it also pioneered payments for X-rays, laboratory tests, dental work, and psychiatric care. Its group insurance contracts sometimes carry more extra charges than do HIP contracts—for example, GHI may impose a surcharge on the subscriber for house visits made at night—yet its overall premiums are comparable to those levied by MIP and the other plans, and in some instances they are slightly lower.

By and large, then, GHI has competed successfully with both HIP and conventional medical insurers like Blue Shield. Moreover, its participating doctors are committed by contract to providing subscribers with the same comprehensive, 24-hour medical service offered by HIP, Kaiser and GHC. And all this is being accomplished under the tattered banner of "free choice." As one of its brochures explains, "Early experience convinced GHI that medical care of high quality requires close rapport between physician and patient, such as is available only when the patient may choose his physician. GHI subscribers may select any physician, anywhere in the world" (but they shouldn't expect full compensation).

Withal, what GHI's success seems to prove is not the expendability of prepaid group practice but the indispensability of tight controls. Since until recently GHI owned nothing—no hospitals, no clinics, not even a thermometer—its controls derived for the most part from its accounting methods. "Basically,' says Dr. Melcher, "we're recordkeepers. We know what the patterns of practice are."

Knowing the patterns of practice, and possession of a highly sophisticated data processing system, has enabled GHI to closely scrutinize the thousands of bills it handles each day. GHI not only takes precautions against overcharges, it also questions bills that reflect excessive services: charges for several different blood tests, for instance, in connection with an examination that normally requires only one; apparent overuse of X-rays or drugs; too many vitamin injections; or even, in certain cases, too many office visits. In addition, GHI encourages subscribers who are slated for surgery to get a second, independent diagnosis to reduce the incidence of needless operations. Dr. Melcher's axiom, if intentionally overstated, nevertheless has a point: "The less time a doctor spends with a patient, the more he does for that patient."

When GHI watchdogs spot a billing discrepancy—a straying from "patterns of practice"—they point it out to the physician. There is seldom an argument, and hardly ever a repetition of error. The upshot of these indefatigable procedures is that the plan saves millions of health care dollars. Blue Cross and Medicare could do as well if they but had the incentive (they already have the computers). In fact, under a separate contract with Medicare, in which GHI serves as an "independent carrier"—processing all the Federal program's bills in Queens County—the company claims to have cut costs 50 per cent!

Curiously, GHI is beginning to look more and more like a health maintenance organization. It now owns a 250-bed hospital in Queens (where it has reduced costs by 30 per cent), it operates a network of dental clinics, and it has purchased an optical service. "We're no longer just an insurance company," says Dr. Melcher, "we're a health service corporation." The new ventures have been launched in response to expressed consumer needs, GHI's board of trustees consists of 15 doctors and 15 laymen; the laymen are vocal and, having learned a lot about health care management, they are practically professionals.

The new HMOs that will be created by the Health Maintenance Act of 1973 could turn out to be precisely what we need: sensible and humane institutions that offer us a genuine alternative, at last, to fee-for-service foolishness. But since in many instances they will be owned by the same organizations that preside over the large health care system—the big hospitals and the big insurers, or their nonprofit "spin-offs"—they could also end up making the customary accommodations, protecting the system rather than challenging it.

That is the lesson of Medicare and Medicaid: The system takes care of its own. Just as Dr. Harvey Cushing warned President Roosevelt in 1935 that nothing could be accomplished "without the good will of the American Medical Association which has the organization," so the health insurance industry now reminds us that nothing can be accomplished without its support. "People aren't standing in line to enroll in HMOs," a Blue Cross official told me, "Somebody has to sell the concept." And what better salesman than Blue Cross?

In any event, no one now believes that the health care riddle has been solved. The ink on the HMO Act was barely dry before President Nixon announced yet another scheme, this one a baroque blend of public and private insurance subsidies. The Administration's latest bill goes to the top of an astonishingly high stack of Congressional proposals for health reform, at least two of which are likely to be debated this year. In aggregate they represent not necessarily the best thinking of our health care experts—though there is some of that in them, too—but rather the best survival strategies of our present health care institutions. Everyone, it seems, is convinced that American medicine is slated for reform; and everyone wants a piece of the action.

SOME 40,000 HANDICAPPED ASSURED OF $120 MORE SSI BENEFITS

HON. BERTRAM L. PODELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. PODELL. Mr. Speaker, the chairman of the Committee on Ways and Means is to be commended for his decision to postpone consideration of H.R. 15124. This postponement allowed time to correct a technicality by which some 40,000 residents of New York would have been deprived of food stamp benefits. The correction in supplemental security income will enable these 40,000 aged, blind, and disabled persons to receive an additional $120 annually in food-stamp benefits or cash-out value. In this time of exorbitant food costs, this money is not a gift of the Government, but an absolute necessity.

Those of us who are accustomed to something more cannot imagine what it is like to spend days trapped in a small, inadequate apartment, worrying about the source of our next meal. To be elderly, blind, or disabled in such conditions makes the situation even more desperate.

Employers are by no means eager to hire these people. Special education for the blind and disabled is costly. The aged, blind, and disabled often lead isolated lives, battling hunger, illness, and loneliness. It seems reprehensible that their Government will not take better care of them.

SSI recipients spend the bulk of their income on food and rent. We are all aware of food prices these days: families accustomed to steak and roast beef are "dining" on hamburger. So what is to become of those who are accustomed to hamburger? Even that is beyond their grasp; millions of elderly Americans are slowly starving to death. Life in this land of opportunity becomes a bleak hardship for so many of those who labored to make it strong.

The President is willing to pour millions of the taxpayers' dollars into nuclear aid for Egypt. He is willing to pay farmers not to grow much needed crops. He gladly sells wheat to Russia while pursuing détente, but at the same time he insists on billions for defense research to protect us from new-found friends. But he impounds funds for domestic causes, and dismantles agencies whose purpose was to aid the average people of this Nation.

I hope that you, my colleagues, will steadfastly follow the goals of such programs as SSI, expanding them, strengthening them, and making them a reality for those who face adversity at every level of their existences. Food stamps for SSI recipient is one small step; I hope there are many more.

I urge your firm support for this measure.

EAST CHICAGO BRANCH OF LITHUANIAN AMERICAN COMMUNITY, INC.

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. MADDEN. Mr. Speaker, Lithuania is but one of several nations, including Latvia, Estonia, and others of the Baltic group, which enjoyed free and independent government until enslaved by the Soviet Communist tyranny.

Millions of citizens of Lithuanian descent throughout our Nation and the free world are continuing to fight so that, some day in the near future, free and independent government will be restored to the citizens of these enslaved nations.

Mr. Speaker, I insert with my remarks a letter from the Lithuanian American Community of East Chicago, incorporating unanimous resolutions adopted by that branch of the Lithuanian American Community, Inc.:

LITHUANIAN AMERICAN COMMUNITY
OF EAST CHICAGO, A BRANCH OF
LITHUANIAN AMERICAN COMMUNITY, INC.,

June 2, 1974.

Hon. RAY J. MADDEN,
House of Representatives,
Washington, D.C.:

On June 15, Lithuanian American will join with Latvians, Estonians throughout the free world in sad commemoration of the forcible annexation of Baltic States by the Soviet Union in 1940, and subsequently mass deportation to Siberian concentration camps.

Currently, the people of Lithuania are denied the right of national self-determination, suffer continual religious and political persecution, and are denied their basic human rights.

The Soviet Union is now seeking detente, as well as a Most Favored Nation Status with the United States. This desire on the part of the Soviet Union presents the United States with a unique opportunity to ease the plight of the peoples of Lithuania and other Captive Nations. That is the sense of the Congress that the United States delegation by the European Security Conference should not agree to the recognition of the Soviet Union annexation of Baltic States and insist that the following policy changes are made by the Soviet Union:

1. Lowering of excessive tariffs imposed on gifts to relatives and friends residing in the Baltic States.
2. Increase the current five-day tourist visas to Lithuania to a more reasonable limit.
3. Elimination of unreasonable travel restrictions on tourists to the Baltic States.
4. Provision for Lithuanians to immigrate to other countries as provided by the Charter of the United Nations signed by the Soviet Union.

We are seeking your assistance in the observance of June 15, and your remarks in support of this sad commemoration on the floor of Congress.

Sincerely yours,

PETER INDREIKA,
Chairman.
VYTAUTAS KALTUNAS,
Secretary.

LITHUANIAN NATIONALISM IS STRONG

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. TIERNAN. Mr. Speaker, for more than a generation the world has all but written off Lithuania. A plaything of the world's great powers, it was annexed by the Soviet Union in 1940, overrun by the Germans during World War II, and retaken by the Russians at the end of the war. Since then, Lithuania, along with neighboring Latvia and Estonia, according to Soviet propaganda has been totally incorporated into the U.S.S.R., and Moscow has made every effort to stamp out any lingering traces of Lithuanian nationalism. But although the Kremlin has sent thousands of Lithuanian intellecutals into Siberian exile, continuously persecuted the people of Lithuania both religiously and politically, it has never succeeded in stifling the nationalistic spirit of this proud Baltic State.

Saturday, June 16 marks the anniversary of the forcible annexation of Lithuania by the Soviet Union in 1940 and the subsequent mass deportations and persecutions. This is an appropriate time to reaffirm the U.S. position on this most outrageous crime against humanity and justice. In the words of then Acting Secretary of State Grew on March 4, 1945:

> The Baltic States of Estonia, Latvia, and Lithuania shall be officially regarded by the United States as independent states, even though they were absorbed by the Soviet Union during the war.

The United States should adopt an official policy for the current European Security Conference in accordance with House Concurrent Resolution 394 submitted during the first session of the 93d Congress and referred to the Committee on Foreign Affairs:

> Now, therefore, let it be resolved by the House of Representatives (the Senate concurring) that it is the sense of Congress that the United States Delegation to the European Security Conference should not agree to the Union's annexation of Estonia, Latvia, and Lithuania and it should remain the policy of the United States not in any way to recognize the annexation of the Baltic States by the Soviet Union.

We of the free world, who enjoy the blessings of freedom, have not forgotten those who languish—still—in the shadow of tyranny and oppression.

TRIBUTE TO E. B. STAHLMAN, JR.— A LIFETIME OF DEDICATION

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. EVINS of Tennessee. Mr. Speaker, I was shocked and saddened to learn of the recent passing of my friend, Mr. E. B. Stahlman, Jr., of Nashville, Tenn., a distinguished journalist, newspaper executive, civic leader, and champion of many worthy causes and endeavors in Nashville and middle Tennessee.

Mr. Stahlman was a member of the famed Stahlman publishing family—his grandfather, Maj. Edward Bushrod Stahlman, was publisher of the Nashville Banner for 50 years. His father, the late Edward C. Stahlman, was the first State editor of the Banner. His brother, Comdr. James G. Stahlman, was owner and publisher of the Banner until his retirement in 1972.

Mr. E. B. Stahlman worked in many management capacities in the news, advertising, and management operations of the Banner.

His leadership in charities and public endeavors was outstanding. Over the years he worked with the Boy Scouts and was the prime mover in locating Boxwell Reservation on Old Hickory Lake for Boy Scout activities. He was a leader in the Red Cross, the chamber of commerce, Kiwanis International, the Salvation Army, and many other organizations in the public interest.

E. B. Stahlman, in addition, was just a great guy—he was loved by his many friends, he was unselfish, comfortable to be with, and highly respected and regarded by all who knew him.

I want to take this means of extending to Mrs. Stahlman and other members of the family this expression of my deepest and most sincere sympathy in their loss and bereavement. My wife Ann joins me in these sentiments.

The Nashville Banner and the Tennessean in recent editorials praised the life and accomplishments of Mr. Stahlman, and because of the interest of my colleagues and the American people, I place these editorials in the RECORD:

[From the Tennessean]

MR. STAHLMAN GAVE MUCH

Mr. E. B. Stahlman, Jr., former executive vice president and co-publisher of the Nashville Banner, is dead at the age of 76.

Mr. Stahlman was a member of a longtime Nashville newspaper family. His grandfather, Maj. Edward Bushrod Stahlman was published of the Banner for nearly 50 years. His father, the late Edward C. Stahlman, was the newspaper's first state editor. And his brother, Mr. James G. Stahlman, was owner and publisher of the paper until June 1, 1972.

Mr. Stahlman himself had served the Banner in various capacities in news, advertising and management. He had also been active in numerous civic and charitable organizations in the community, especially in Boy Scout work.

He will long be remembered for his contributions to journalism and to civic and cultural life of the community.

[From the Nashville Banner]

E. B. STAHLMAN, JR.: A LIFETIME FILLED WITH DEDICATION

The death Wednesday of E. B. Stahlman Jr. was the final chapter in a life of devotion and dedication to his chosen field of journalism, to the community in which he was such a driving force and to the young people who were the beneficiaries of so much of his tireless effort.

His colleagues in journalism have attested to his professional stature with distinctions and responsibilities, attaining the position of executive vice president and co-publisher of *The Banner.*

Through the deep conviction that strong minds and strong bodies work together to build a better world, Mr. Stahlman's love of athletics and sports was manifest by his unfaltering dedication to *The Banner's* Banquet of Champions, which he served as master of ceremonies in honoring sports achievement.

And no man contributed more to the progress of the Boy Scout movement as did E. B. Stahlman Jr. Next to journalism itself, Boy Scouts were the foremost object of his energies.

Countless young men in what is now the Middle Tennessee Council of Boy Scouts have benefited from that labor of love. Generations to come will share in that fulfillment of Mr. Stahlman's vision, particularly his role in the fruition of the Boxwell Reservation.

His distinguished service to boyhood was rooted in his belief that the essentials of character-building lay in influences basic to physical, mental and moral strength.

To all of these efforts he gave freely and unselfishly of his time and effort, of his support, of his leadership.

E. B. Stahlman Jr. was one who could be called a Southern gentleman, a man of culture, ready wit and lasting friendships.

His acts of kindness, the constructive enterprises of which he made himself such a vital part and the continuing evidence of his contributions will remain for generations.

It can be justly said that the world was left abundantly better than E. B. Stahlman Jr. found it.

FORCIBLE ANNEXATION OF LITHUANIA

HON. CHARLES W. WHALEN, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. WHALEN. Mr. Speaker, I join with many of my colleagues on this occasion to note the 34th anniversary on June 15 of the annexation by force of the free nation of Lithuania by the Union of Soviet Socialist Republics.

I am certain that the Government of the Soviet Union is not quite as uncomfortable about this observance in the U.S. Congress as it is about the silent commemoration in the minds and hearts of the people of Lithuania. As we and the rest of the world well know, the residents of that small Baltic country have not been altogether mute or docile during these past 34 years. In fact, they have been among the most vociferous of all of those who have sought to remind the Russians that their nationalism lives.

With the desire for détente obviously an important consideration for the Soviet leadership, the world has seen some amelioration of practices within the U.S.S.R. which had drawn unfavorable international publicity. That there should be a lessening of tension between the United States and the Soviet Union clearly is in the best interests of the entire globe. I fervently hope that progress in this area can continue so that perhaps one day mankind can eliminate war as a means of attempting to effect national policy.

But to advocate détente by no means implies that one agrees to avert his gaze from the so-called "captive nations" and the inescapable reality of their continued dominance by the U.S.S.R. Nor does the support of détente mean that one must recognize the annexation of Lithuania and the other Baltic States by the Russians.

Mr. Speaker, I am honored to be among those Members of the House marking this sad anniversary of the forcible annexation of Lithuania. May she one day be restored to the company of the free nations of the world.

EDUCATIONAL EQUITY—WHAT DOES IT MEAN?

HON. LLOYD MEEDS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. MEEDS. Mr. Speaker, I introduce in the Congressional Record for this day the text of a speech delivered by our colleague, Congresswoman Patsy T. Mink, the gentlewoman from the State of Hawaii, to the American Association of University Women on May 10, 1974.

I commend this speech to all of my colleagues in the House of Representatives, the Senate, and all thinking Americans. It succinctly puts the dilemma of women in America today.

It outlines the battle women are fighting to achieve real equality with men in our society. It is a cry for action by women to activity work to attain their goals. It sets forth the things that need doing.

How ironical it is that the Declaration of Independence pronounces equality for all, yet now, nearly 200 years later, a majority of our population, namely women, are treated as less than equal to us, the minority of men.

Congresswoman Mink cogently sets out the action plan to change all that.

The speech follows:

Educational Equity—What Does It Mean?

(Speech by Representative Patsy T. Mink)

I appreciate the opportunity to participate in your conference. I realize that the invitation to me was to be the opening speaker, but due to my schedule I was unable to get here earlier. You are already well into the conference so I'm afraid that much of what I had prepared to say here is going to be redundant. A good deal of the ground, I'm sure you've already been challenged to cover by prior speakers or have already covered in the numerous workshops and other discussion groups you have had. But I do appreciate your inviting me even though I could not make it here yesterday.

The only day that we on the Hill can count on to have for ourselves is Friday, usually, and I guess by next month that will even be off as we'll have to have floor sessions on Friday. To further complicate things, in an election year we have to go home a good deal. Except for this weekend, I don't believe I'll be in Washington any weekend until the 13th of July.

So you can understand and appreciate some of the real difficulties and pressures that we have to endure while serving our constituents and also meeting what we consider to be our national responsibility.

Someone just remarked to me what a great loss it's going to be to the women of America that three of our most senior women members of the House of Representatives have decided to retire and not return to the Hill next year. I'm sure you'll agree that this is going to be an enormous loss to all of us.

Perhaps some of you will be inspired and challenged by this conference and decide to run for office this fall. We certainly need you! I don't know how many women exactly are running for Congress and perhaps most of the deadlines for filing have already expired. The last count I saw at a recent National Womens Political Caucus Meeting indicated that only some 33 women, at least on the Democratic side, have filed to run for the U.S. House, aside from the incumbents. Even if they all succeed we will still be a very small minority in the national legislature.

I think that really typifies what we're all up against, that in so many ways we have so little to say even today in the policy arenas that really count! This is why in our individual capacity, in whatever professional roles and other positions of responsibility that we may occupy, we simply have to stand our ground and make our own headway.

I know that a lot of people are relying upon the Equal Rights Amendment to make some fantastic revolutionary changes in people's attitudes in our country. While it has not yet been ratified, I'm sure most of us hope that it soon will be, it has always been my contention that even if it is ratified, it's not going to solve the basic problems that women face in our country today. What we face are social attitudes and ingrained stereotypes that both men and women have been born and reared to assume are the self-evident traditional ways in which human beings perform. This is the obstacle for any sort of equity, whether it be in education per se or whether it be in a profession or whether it be in politics or in all of the arenas in which men and women compete. The way the newspaper writers and the magazine editors and those who are more or less the leaders of public opinion write about women's lib and the women's movement, you would think we were already there. Those of us who are in politics have to contend with this kind attitude in the press. In some ways it is a form of ridicule, or derision, and this again, is one of the obstacles we face.

As I began to work in this field consciously (of course, unconsciously, I guess I was always in it) I began to realize my personal responsibility in this fight for equality.

The first lesson I decided I had to learn was that there was absolutely nothing to be gained by joining in any kind of qualified acceptance of the women's movement. I have hundreds, if not thousands of letters from women who write to me about their individual problems in education or their profession. I would say 90% will start out by saying, "I am not a member of the women's lib". I find that extremely offensive and I hope that you do also. If we adopt a superior attitude and reject people who are active in a total sense because we do not approve of some of their actions, we're not really in it at all! If we can't comprehend the fact that we are all in this together, and that everybody is chipping away at this business of discrimination in whatever way they can, then we're never going to make it! It seems to me that one of the first things that we have to do is to get rid of this apology "I am not a member of thus and thus". We are all members of a movement interested in equality and interested in obtaining equity for human beings and that, I think, is the only important thing. I can't help but feel that we are really yet somewhat down the road to really accomplishing changes in societal attitudes. Even within ourselves and women in general have not yet come to recognize or accept these changes.

Despite what the media is saying and despite how they are attempting to put us down by saying we have accomplished too much, too quickly, we should be realistic in appraising where we are today and realize how far we have still to go.

For many years the theory that we have all had to contend with in our society was that our country, our national resources, our governmental investments had to produce some positive gain and thus placed qualifications on how we should invest our resources, our time, our assets and our money. There was always the implication that because we needed to qualify this input in terms of our country that only those things that were worthwhile that made men able to perform and to be the breadwinners and to sustain our society, only these things were of importance.

We find, I think, in a good deal of our reading, this kind of concept being accepted by historians, political scientists, economists, educators and administrators alike. They really never appreciated or seemed to understand the nation of citizens being equal and men and women alike being able to make a contribution. Economists remark that formal education increases lifetime earnings and this factor has brought about the human investment revolution in economic thought. We are constantly reminded about this way in which human value was to be assessed and in terms of return of investment and what this means to society. Much of our past literature and past analysis dwells on the fact that women were simply consumers and that any investment society made in us was simply a supplement, an unprofitable form of investment. They explained their so-called scientific conclusions on the basis that women leave the labor force to be married, to have children, and quite likely if they do return to the economy to be producers and to contribute earnings, they can only do so after a second resource investment needed to update their fields to make them relevant.

This concept of investment as one of the conditions in evaluating the importance and necessity of education has complicated an open attitude toward women in education. As educators, we must take issue with this concept and discredit it as a theory with any credibility. The rate of return for women's education has enormous direct economic benefit which can be measured. Women have not only proven their capacity to retain jobs and to sustain themselves in careers but they continue throughout their lifetime to return to society an enormous amount of value that they have received because of their educational experience, not only in the family situation but in terms of their personal endeavors. As educators, this is one theory or notion that we must work at, assiduously, to destroy, otherwise, it will continue to hold us down and deprive us of real equality.

There was a survey which was reported in the Review of Economics and Statistics recently which says that the rate of return of Americans with four years of college reveal that women earn higher rates of return than do men by at least 1.5%. Another survey by the American Council on Education indicates that 81% of women with doctorates work full time and that 79% of that number had not interrupted their career in the ten years after they received their degree. A more recent Council on education study indicates that only 20% of women faculty members have ever interrupted their careers for more than a year as compared to 25% of the men on the faculty. These are the real facts regarding women in the professions which have not been reported, have not been generally known or spoken about in our conferences and discussions. If men are going to continue to make judgments based upon the idea of return which they say is required in order for society to sustain itself, then we have the statistics to bear out our demand for an equal investment in our education and in our educational opportunities. The Carnegie Commission Report, which I'm sure all of you have read, also supports this conclusion quite dramatically and, of course, we all agree with their account that women are the largest untapped source of superior intelligence in America. That I think is enough to launch us, if we need to be launched in any direction.

President Johnson and a good many of our national leaders have talked about the underutilization of women, and about the importance of women being given greater opportunities. We have heard an awful lot of lip service about our plight by a good number of people. We have to look to performance. We have to measure what these leaders have really done. I think that all of us will have to conclude that in spite of all the well-meaning, well-intended phrases and statements, that we simply have not been given the kinds of responsibilities and challenges and policy promotions I believe we deserve. Women occupy nearly half of the work force of America. That's all we are, the work force. We simply have not been given the opportunities for leadership and responsibility. That, I think is really the nuts and bolts of any conference of university women. How are we going to be able to challenge the leadership of this country, and the leadership of our educational institutions, first of all, to recognize our talents, our abilities, our training and to give us our share of responsibilities in administration and other positions of responsibility. That's really where we are still at. Despite the results of the poll I saw the other day that Americans have, next to the military, the highest regard for colleges and universities, I'm afraid that they, the colleges and universities, have not performed in accordance to this public stature because they have failed to recognize their responsibilities with regard to equality.

There are hundreds of cases filed to prove this point. They have not given women equal opportunities to compete for graduate fellowships, appointments to responsible faculty positions, high tenured positions as full professors or associate professors or given leadership in project applications for federal funds or in other ways recognized their stature on campus. Until we do so, there is no way that we're going to really be able to motivate the undergraduate women to believe that they have a chance in our society. They only have to look at their campuses to realize how tough it is and how frustrating it must be for so many women who have gone so far in graduate education and yet not to have the opportunities and challenges which they're entitled to enjoy on these campuses.

Some critics say that the women's movement has concentrated too heavily at this higher upper middle class arena of contests on colleges and have contested its real commitment to equality. I contend that that's where we've really got to strike out first. We're hitting at the intellectual leadership of our country. If we can't make them realize what they've done to subjugate and destroy self-respect and self-motivation in half the people in this country then there's not much hope for the rest of society. This is why the colleges and universities are key to any effort on the part of women to make society in its institutional mind come to accept some of these notions of equality.

The work of course, is very difficult. We have in all levels of our educational system all kinds of insidious ways in which we perpetrate the notion of the inferior female. We don't have to open very many textbooks in the early years of our education, even today, and not realize that these stereotypes still exist. In hearings held on the Women's Equity Education Act we saw that most elementary readers portrayed the women's role only as a mother, housekeeper, nurse, teacher and nothing else. All the other ways in which human life has characterized for the child was through the eyes of a young man or a young boy or a male individual. This epitomizes what is wrong with the whole system

Even the Office of Education, as sensitized as you might think that office would be because of all the agitation in the women's movement, put out a film a few years ago on career education where the only picture of women in the entire half hour film were sitting at a typewriter. It's outrageous but these things continue to occur and while we can pass out blame and throw stones at the people who edited such trash, it's not going to do any good. What we have to do is look at the system that allows these things to be created in the first place. Why is it that 80% of our teachers who happen to be women aren't sensitized to this invidious discrimination? Why can't we count on them to be able to counteract it in their teaching?

Why do they give out all this stuff without being troubled in their own minds? Do we really blame the textbook writers? Don't we have to cast some responsibility on the teaching profession? So I think it's not a case of trying to blame any particular office or institution or group of people in our society. We must awaken more people to the whole matter of discrimination and understand why society perpetuates it?

My own State, as liberal as we pretend to be in so many ways, is really backward in this whole field. We have only a few principals in our elementary and secondary schools who are women and yet the vast majority of the professionals in the educational system are women. We're only now beginning to make waves and a task force has been organized to try to solve this problem. I don't know how far we're going to get. I think the only dean we have at our university is the dean of the school of nursing which is typical of most campuses or maybe it's even worse in others where I've heard that the only dean is the dean of women. Here again, I think that the women's groups on these campuses have made a great effort to focus on this problem. Some 500 cases are pending before various agencies of the federal government and in the courts as well to try to do something about this deplorable situation.

The thing that distresses me most, I guess, is that the Carnegie Commission, for all the wonderful things that it brought to light ended up by saying that we have to wait until the year 2000 before anything can be expected to happen and that's intolerable! I hope we're all agreed that we will simply not accept that kind of a time table for change in America. We simply have to make it possible for the current generation of students in our schools to have a better chance at professional opportunities. And what's happening in our elementary and secondary schools is really terribly important because if they come out of this system the same as we all did it's going to take them just as long to recognize their worth and capabilities and to be motivated to take the kinds of courses of instruction that will lead them somewhere.

I think this is probably the most difficult part of it all. Even the counselors we have in our high schools need to go back to college to be sensitized because they're the ones that are constantly saying, "Oh, you ought be a nurse, you oughta be a social worker" without really opening up all the posssibilities to the child, or without looking at the child as a girl child or a boy child. This, of course, will take an enormous amount of discipline and sensitizing, so we have a problem there in itself.

So, as I review all these things in my mind, recognizing the tremendous effort that went into the Equal Rights Amendment with 200 organizations that got behind it and made the Congress finally realize that we were people entitled to equal protection under our own Constitution, that that's not enough. We've got to do a great deal more. The real nub of the revolution is going to be in education and this is the basis for my introduction of the Women's Educational Equity Act. I believe that by having the federal government supporting this concept of equity and accepting education as being a key to ending discrimination, we can achieve the basic fundamental changes which are needed. We have had passed landmark legislation. Some like Title 9 of the Education Amendments of 1972 still have not been promulgated after 2 years. We're still waiting. So many things that we've been trying to do require that we wait for somebody else's permission.

Here's a chance for us to do something on our own and I'm very hopeful that the Women's Educational Equity Act will be passed. It has been added to the 1974 Elementary and Secondary Education Amendments bill in the Senate by Senator Mondale who co-sponsored my bill last year. It will be up on the floor next week for debate as an amendment to that omnibus piece of legislation. We are very optimistic that it will be left in the bill. Nobody dare do anything to remove it. We do have a threat, however, of someone who feels we haven't gone far enough. Senator Percy has his own notions about how the Women's Equity legislation can be improved and has offered his own bill to extend certain provisions and make further amendments to the Higher Education Act and Vocational Education Act. His bill also goes into the business of textbook revision. While I agree with all of the provisions in Senator Percy's legislation, which he is now seeking to add to my bill, it seems to me that his offering it will endanger the chances for enactment of the Mondale Amendment.

Therefore, we are working very hard to persuade Senator Percy to wait until later on in the year when the Vocational Education Amendment comes up and are urging him to offer his bill at that time. He will have an opportunity then all on his own to champion the cause of womanhood and add his amendment at that time. So, anything you can do to persuade the Senator that this is what he should be doing to help us, I hope you will do in the next 72 hours or so that we have before the debate ends in the Senate. I'm sure that if the Mondale Amendment is retained by the Senate that we will have no difficulty in the conference of the House and the Senate to retain it and then we will be well on our way. We took a calculated risk actually in going this route and not coming out all by ourselves with just our bill with our number on it. One of the principle objectives I had in sponsoring my legislation was not to just get a bill passed that nobody could vote against but never get any money for, but it was also to try to focus attention on this issue. So by going the route of having it added on as an amendment to another bill, of course, we are losing that aspect of greater visability, greater debate and discussion.

But so many women's organizations were anxious to see the bill become law now and they pledge to work hard for funding. They wanted to get going with this business and were tired of simply having an issue to discuss. I agreed, so the strategy was developed to have Senator Mondale offer this amendment. Assuming that we will be successful in retaining it and it will become part of the law, we have to remember that since the 1972 Education Amendments passed two years have already gone by and we're still waiting for the executive branch to take action on Title 9. We don't want to make the mistake of sitting back and saying, "a ha, we've gotten our bill enacted into law, isn't that tremendous"!

Unless we continue to clamor nothing will happen and every budget will come out of the White House subsequently with no funding, no recognition of this new program that we have added to the national agenda. So, what is required is an even greater if not more intensive kind of lobbying to make sure that the funding which this bill calls for will actually be requested by the Administration and then approved by the Congress.

I'm sure that most of you have had a chance to read through the bill. You know that it authorizes the Secretary of HEW to make grants, to conduct special educational programs and activities at various levels of our educational enterprise, pre-school, elementary, secondary and at the university. There is an emphasis to make sure that we don't leave out the black women and the women of the lower-income work situations. One of the criticisms that was made at one of the hearings I conducted on my bill was registered by a representative of a black women's organization who said that they looked upon the bill as being limited to the white middle-class college educated women. We have tried to make sure that this is not the way in which the emphasis of the bill is drawn. We are looking towards funding of projects that will take a look at textbooks and make curriculum revisions throughout the system.

We are not only talking about elementary textbooks and readers and primers but we're also talking about basic re-writing of high school, college textbooks, of history texts, to make sure there is a balanced presentation of women's contributions to America and to the world, and not only an emphasis on the male who drove the covered wagon to greater progress. We're talking about training programs for adults in our society, not just institutionalized programs but community related activities and we're talking about training and service programs for counselors. We're talking about planning and developing women's resource centers. We're talking about the 600 women's studies programs already in existence in various colleges and universities across our country, but they need a tremendous amount of help.

Our University of Hawaii was one of the first to organize a women's study center and it got a great deal of support initially. Today we're down to only one person left in the center at half staff salary. This is probably what is happening in many of the women's programs in other universities. We need to keep this program as a permanent activity on our college campuses. I'm hoping that with the passage of this bill, it will stimulate other kinds of duning for teacher training programs and that we will see new materials developed in our teachers' colleges. This is, of course, a very important part of the whole business of sensitizing the people.

I hope that all of you will assist in your respective capacities, as heads of various organizations and institutions and administrators of college campuses and continue your work in this whole field of educational equity. Whenever a cause needs to be championed on your campus affecting one woman or a collection of women or a department or whatever, I hope that you will not shy away, or make undue requirements of worth and merit before you lend your name to the defense of equality. I think all of us have an enormous role to play, whether it is fighting for a sports scholarship at your university, even though you don't care a thing about sports, or whatever the cause, champion it. This is a very important part of your role. Whenever there is an opportunity for women and women's organizations to band together to elevate the notion of equality, whatever that field of endeavor might be, in the sciences or math or in medicine or in the legal profession or in sports or in any kind of human endeavor, I think that this is our unique challenge and our unique responsibility.

The legislation that we're dealing with is simply to support this but without the involvement of human beings throughout our society to give this some life and breath and momentum and energy, nothing we do in the Congress is going to make any difference. I'm very much encouraged by the leadership of the AAUW. I know that all of you have been terribly excited and encouraged by your conference here. I know that in the Congress there's no one I have met yet who dared to speak out against equality for women, so in that sense our cause has made it but we have a long way to go to actually achieve it for ourselves. I congratulate all of you for your efforts. Thank you very much.

11500 BANANAS ON PIKE'S PEAK

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. HOSMER. Mr. Speaker, I have said that H.R. 11500, the bill to hound surface mining out of existence, is as crazy as trying to raise bananas on Pike's Peak. It is worse than that. It is as crazy as trying to raise half a billion dollars on Wall Street in a 30-year loan to finance a 5-year project.

That is pretty crazy. But this misbegotten bill would limit surface mining permits to a 5-year term. Then the operator has to go back to square 1 and make a new application, with no assurance that his permit will be renewed.

So here we are in an energy crisis, and this Congress is in the process of voting billions of dollars to get us out of it. One of the most promising technologies this money will develop is a better means to make synthetic gas from coal. But according to all the studies, this process will best be used on strip mined coal in the West.

A gasification plant and its coal mine will cost more than $500 million, and will have a life of 20 to 30 years. It will also take that long to pay it off, for the money will have to be borrowed from investors. If any Member of this House knows a banker who will lend money for 30 years on a plant that they may be put out of business in 5 years, please give me his name. I want to talk to him about a 30-year loan on a new car.

But I do not think there is any banker that crazy. Only the Congress is, if we pass H.R. 11500 with such a cockeyed provision in it. But there is an alternative. It is to substitute H.R. 12898, a good bill that makes sense to American industry, and to the bankers and investors, and at the same time strictly enforces the reclamation of mined land.

SAD ANNIVERSARY FOR LITHUANIA

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. HELSTOSKI. Mr. Speaker, June 15 was a sad anniversary for the peace-loving people of Lithuania. This day marked the 34th anniversary of the forceful annexation of this freedom-starved nation by the Soviet Union.

Lithuanian-Americans and Lithuanians all over the world observed this occasion not with joy, but with sorrow; for it was on this day in 1940 when Lithuania was denied the right of national self-determination as well as their basic human rights, which was followed by mass deportation of thousands of Lithuanians to Siberian concentration camps.

Since then the Soviet Union has continued its suppressive activities through religious and political persecution, denial of their basic rights and subjecting the Lithuanian people to constant harsh and inhuman treatment. The Soviet oppressors, however, have found that the courageous spirit of the Lithuanian people cannot be suppressed and that their determination for their set goal of self-recognition and freedom is deep-rooted and long-lasting.

The Soviet Union is now seeking détente, as well as the most-favored-nation status in trade relations with the United States. This desire on the part of the Soviet Union presents the United States with a unique opportunity to ease the plight of Lithuania and those of the other captive nations which are still controlled by alien governments contrary to the desires of the peoples of these captive nations.

The aim of détente is the wish of every nation. To live in peace, free to develop and build one's own future so that a nation's people can benefit from the blessings of this Earth, is a hope deep in the heart of every individual human being. It should be firmly impressed on the Soviet Union that what they want for themselves, is something that they must be willing to grant to others.

I am proud to insert the full text of House Concurrent Resolution 394 into the RECORD at this point:

HOUSE CONCURRENT RESOLUTION 394

Whereas the three Baltic nations of Estonia, Latvia, and Lithuania have been illegally occupied by the Soviet Union since World War II; and

Whereas the Soviet Union will attempt to obtain recognition by the European Security Conference of its annexation of these nations; and

Whereas the United States delegation to the European Security Conference should not agree to the recognition of the forcible conquest of these nations by the Soviet Union: Now, therefore, be it

Resolved by the House of Representatives (the Senate Concurring), That it is the sense of the Congress that the United States delegation to the European Security Conference should not agree to the recognition by the European Security Conference of the Soviet Union's annexation of Estonia, Latvia, and Lithuania and it should remain the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union.

This Congress should take constructive action in making certain that the U.S. delegation to the European Security Conference does not agree to the recognition by the European Security Conference of the Soviet Union's annexation of Estonia, Latvia, and Lithuania and it should be the policy of the United States not to recognize in any way the annexation of the Baltic Nations by the Soviet Union.

While steadfastly maintaining the U.S. policy of nonrecognition of the forceful incorporation of the Baltic States into the Soviet Union, the United States should insist that certain policy changes are made by the Soviet Union. Among these changes are the lowering of excessive tariffs imposed on gifts to relatives and friends residing in the Baltic States. An increase in the current 5-day tourist visa to Lithuania to a more reasonable limit. The elimination on unreasonable travel restrictions on tourists to Lithuania. And, finally, provision for Lithuanians to immigrate to other countries as provided by the Charter of the United Nations signed by the Soviet Union.

In spite of the sadness of this day, we should continue to live in the knowledge that freedom cannot be forever denied to any people or nation that fervently desires it as part of their daily lives in a community of nations.

This knowledge gives us hope and confidence, that again, and hopefully in the near future, the Lithuanian people will be recognized as a nation, free to celebrate its own heritage, free to determine their own future. On this special occasion it is most fitting that we publicly pledge our cooperation until the full freedom of the Lithuanian people is achieved.

MRS. ANNAMARIE BARROS—1973–74 PRESIDENT OF THE AMERICAN SOCIETY FOR MEDICAL TECHNOLOGY

HON. CHARLES S. GUBSER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. GUBSER. Mr. Speaker, I am very proud to call your attention to the fact that one of my constituents, Mrs. Annamarie Barros from Los Gatos, Calif., has served with distinction as 1973–74 president of the American Society for Medical Technology—ASMT.

ASMT is a national, professional organization with over 20,000 members engaged in the practice of clinical laboratory science. The society has had a year marked with tremendous progress and achievement under the leadership of Mrs. Barros. She will next serve ASMT for 1 year as past president.

Climaxing her year in office, Mrs. Barros will preside over the annual meeting in New Orleans, La., June 23–28. The theme for this year's annual meeting, "Pro Bono Publico"—for the good of the public—represents the ever-present goal of the society and Mrs. Barros' term in office.

Currently administrative assistant for public relations and marketing at Laboratory Services in San Jose, Calif., Mrs. Barros began her year as president with numerous achievements behind her. In 1969, she was awarded the Medical Technologist of the Year Award by the California Society of Medical Technologists—CSMT—and in 1973, ASMT voted her the Administrative Technologist of the Year.

She has been elected to various important society positions including president, president-elect, chairman of both the nominations committee and the personnel relations committee. She has also held membership to the board of directors, the President's Council, as well as several committees.

Additionally, Mrs. Barros has also been extremely active and involved for many years in her constituent societies; has been CSMT president, president-elect, and member of its board of direcors, as well as several committees.

Mrs. Barros has and still does administer her expertise to many professional conferences, seminars, and workshops which she conducts nationwide. She was a discussion leader at the 1970 annual conference of the Health Professions Council in San Francisco; the ASMT representative and panelist at the National Health Forum in San Francisco, 1971; and cochairman and panelist at the regional workshop on the Organization and Operation of AMA-Approved Schools of Medical Technology, 1962; to name only a few. Many of her papers have been published, the latest being "Continuing Education—Necessary for the Future" which was published in the November/December 1973 issue of Cadence.

Mr. Speaker, I know my colleagues will join me in commending Mrs. Barros for the outstanding leadership she has demonstrated to both her profession and the entire field of allied health during her term as president of ASMT, and trust she will continue to play an important role in the future.

TRIBUTE TO THE HONORABLE JOHN A. BLATNIK OF MINNESOTA

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. EVINS of Tennessee. Mr. Speaker, as our colleague, and friend, the Honorable JOHN A. BLATNIK, has announced his intention to retire from the Congress, certainly it was fitting and appropriate that his colleagues paid tributes to him as they unveiled his portrait as chairman of the House Committee on Public Works in ceremonies at the John F. Kennedy Center for the Performing Arts.

It was my privilege to attend the ceremonies in the Kennedy Center and to hear the remarks by Representative ROBERT JONES; Senator HUBERT HUMPHREY; Senator JENNINGS RANDOLPH, chairman of the Senate Committee on Public Works; and Senator WILLIAM HARSHA, concerning the outstanding record of public service which JOHN BLATNIK leaves the House as his monument and legacy of achievement in the public interest.

JOHN BLATNIK, in addition to his great competence and skill as a legislator, is a friend and classmate—we came to Congress at the same time, and I am pleased to join my colleagues in paying a brief but sincere tribute to JOHN BLATNIK. He is a great legislator—a great Congressman—and he has served his district, State, and Nation faithfully and well and with great distinction.

JOHN A. BLATNIK was first elected to Congress in 1946, with a mandate to preserve and enhance the quality of life in northeastern Minnesota. That mandate has been fulfilled not only in his district, but in large part throughout the Nation.

Mr. BLATNIK has served on the House Committee on Public Works since 1946 and became its chairman in 1971.

He wrote the pioneering Federal Water Pollution Control Act of 1956, the Nation's first permanent pollution abatement program, which has become the most comprehensive and progressive environmental protection program in America.

To meet the Nation's growing transportation and communication needs, he coauthored the Interstate Highway program, and chaired the investigative subcommittee that oversaw construction of this largest public works undertaking in the history of the world.

Concerned about the maldistribution of population and economic activity, Mr. BLATNIK authored the Area Redevelopment Act, the accelerated public works program, and combined them into the Public Works and Economic Development Act of 1965, which provides Federal seed money for communities lagging behind the Nation's overall growth rates.

He coauthored the legislation which created the St. Lawrence Seaway, bringing the trade routes of the world directly into the heartland of America; and the legislation creating Voyageurs National Park, the Nation's 36th national park, on Minnesota's Canadian border.

Congressman BLATNIK, a chemistry teacher by profession, became in 1941 the youngest State senator ever elected to the Minnesota Legislature. During World War II, he served 3½ years in the Army Air Corps Intelligence, including almost a year behind enemy lines in Yugoslavia, as a member of the OSS.

He returned from the war to become the first member of Minnesota's newly formed Democrat-Farmer-Labor Party to be elected to the National Legislature, where he has devoted his career to environmental protection and natural resources use and conservation; community facilities and development; and improved services for the elderly, increased opportunity for young people, vocational training and veterans' programs.

He has served this Nation well.

JOHN BLATNIK will be greatly missed in the Congress but we wish him the very best of good luck and success in his richly deserved retirement from public service.

A CONSTITUENT PRAISES REPRESENTATIVE ARCHER

HON. DONALD D. CLANCY

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. CLANCY. Mr. Speaker, one of the pleasures of serving in the U.S. House of Representatives is the contact with constituents, both contacts directly with people and contacts through correspondence. A letter from a constituent can be a true inspiration to a Member of Congress. I would like to share with my fellow Members of the House a letter received by a constituent of a colleague of ours, BILL ARCHER of Texas. It is from Richard Colquitt, a recent graduate of Memorial High School in Houston, Tex.

This communication is significant in two ways. First, it praises the great work being accomplished by Representative ARCHER and those of use who have worked with this distinguished Texan can readily join in this praise for his diligence and dedication in performing his job as a Member of Congress. Second, it reflects some thoughtful and perceptive views on government, an insight into the leading issues facing our Nation, and a real concern for the future and direction of this country. If this letter is typical of our younger generation, we need not worry about our future.

DEAR CONGRESSMAN ARCHER: I have just received your letter congratulating me on my graduation. I would like to take this time to thank you for that and to relay some of my views concerning some vital questions.

I attend Memorial High School and heard you speak to my government class. Also I made a trip with Close-Up, having heard you speak at a breakfast. At both these occasions I was very impressed by your honesty. Your answers were straight forward and logical. Let me say that I agree totally with your position on the possible impeachment. I don't see how people in and out of our government can come to a judgment on Mr. Nixon's guilt or innocence without the facts. I know we have some of the facts but we don't have all of them. Let me say I have great confidence in the Judiciary Committee.

As a student of government I am greatly interested in the action of Congress. The one great problem which I see growing in America is the increasing size and control of the federal government and the increasing move to what I consider socialism. Our federal government today seems to have its hand into everything. I believe the states should be the key governing body in this republic. Certainly we need a strong central government. But I really don't think our founding fathers ever intended for the federal government to seize this much power. To be honest with you Mr. Archer, I am afraid that this country is going down the drain, not because of Watergate but because of the increasing size of the federal government. I believe that the bigger the government gets the smaller the citizen gets. It appears to me that the federal government is getting unbelievable control.

The EEOC, from my understanding, is dictating to people who they can hire (because of supposed racial and sexual discrimination) and who they can't. I say that the federal government (or any government body for that matter) has no right to say who one can hire and who one cannot. Also new guidelines by the HEW concerning the funding of athletic departments is frightening. Saying that a college must spend the same amount of money on men's and women's athletic programs is ridiculous. It seems to me that these "federal guidelines" are out of hand. Whatever happened to states' rights? Whatever happened to the Constitution?

I realize you probably hear my complaints from many constituents. I just pray that the American people wake up before it is too late.

The main reason I am writing you is to voice my opinion concerning public financing of campaigns. I feel I know your views on this issue and completely agree with them. Public financing would do two terrible things in my opinion. One, it would increase our deficit spending and our national debt. Two, it would lead to further our path toward socialism. Campaign reform is needed. But heaven forbid this.

I would like to know if you think that this move will be passed by Congress. While I was in Washington, Senator Baker told me he was going to fight with all he had to stop it but that he wasn't sure he could. I would like to know how you feel about this.

My future plans are to attend the University of Texas at Austin and to major in political science. I would like to go on to law school. Hopefully someday I will get an opportunity to hold a public office like yours. I realize a lot can happen over the next seven years but these are my plans. Having an honest man like you in public office is an incentive to me. I would like to thank you for coming to Memorial to speak. Mr. Archer, you have my support and best wishes for November.

Sincerely yours,

RICHARD COLQUITT.

SAVING THE CHESAPEAKE BAY—PART IV

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. BAUMAN. Mr. Speaker, today I am inserting in the RECORD the fourth and last installment in a series of articles on the future of the Chesapeake Bay written by Woody West, of the Washington Star-News.

In this article, Mr. West notes the somewhat different attitudes which have marked environmental legislation affecting the bay enacted in the two States which dominate control of the bay's waters, Maryland and Virginia. He notes that in the past 5 years, Maryland has passed an "impressive body of law" designed to preserve our environmental heritage, and in particular, the Chesapeake Bay. Virginia's record has been a little bit slower, he notes.

These differences in approach at once illustrate the need for establishing interstate cooperation in the development of the bay, and the difficulties involved in such an effort. But I have little doubt that the need for an interstate Chesapeake Bay compact is overwhelming, and in spite of differences regarding the details of such a compact, there is such general agreement that it is needed that along with myself, all of the members of the Virginia congressional delegation joined with the gentleman from Delaware (Mr. DU PONT) and nearly all of the Members from Maryland to cosponsor House Joint Resolution 979 allowing the formation of such a compact. Unfortunately, the Judiciary Committee, to which the bill has been referred, has not yet seen fit to schedule hearings on the measure. But ignoring this legislation, and the forces which threaten the bay's future, can only be termed unwise. Mr. West quotes one scientist as saying:

> We can be complacent only at our peril.

We cannot afford to be complacent much longer, a fact which I hope this series of articles will impress upon the members of the Judiciary Committee, and induce in them a willingness to act on this bill in the near future.

The text of the article follows:

IT'S NOT TOO LATE TO SAVE BAY FROM DISASTER

(By Woody West)

Virginia and Maryland both look on the sweep of Chesapeake Bay with an intense proprietary gaze. Yet there is at least one philosophical difference in the perspective of the two states that will be significant in the future of the massive waterway.

"For the longest time, the Virginia government's general philosophy has been to remove itself from a great deal of involvement in local affairs, very much the Jeffersonian concept," observed Robert S. DeMauri, chief of Virginia's office of environmental services.

One result of this, in the Old Dominion, was that Virginia was the last Middle Atlantic state, for example, to pass a law to protect vital wetlands and marshes, the spawning ground and nursery of so many species of the Bay country's animal and plant life.

When it was passed, in 1972, it was not without strong opposition from local officials, and the statute is generally held to be a less rigorous law than Maryland's or Delaware's.

Said DeMauri, "The traditional criterion was simply the dollar value. We used to look at wetlands as waste and the quicker you could fill them in the better. But we're turning now to thinking of their productive value and it is involving quite a process of change."

DeMauri notes that there still is a prevalent attitude in Tidewater Virginia and the more rural counties generally that profoundly resents governmental efforts to manage the environment. "There's still a lot of the feeling that 'I own my land, and I'll do what I please with it,'" he says.

That fierce possessiveness is not absent in Maryland but it has not posed as bumpy an obstacle to a flurry of environmental legislation in the last five years—"an impressive body of laws," in the view of Dr. L. Eugene Cronin, director of the University of Maryland's Natural Resources Institute and one of the most respected Bay scientists.

In 1970, the Maryland General Assembly enacted its wetlands law after an eruption of concern over the thousands of acres that were being filled in, bulk-headed, and destroyed for agricultural use as well as for recreation and development.

That was followed by laws to control sedimentation and erosion and a powerplant siting law that is considered one of the most progressive in the nation. This law, which will be a major influence on where nuclear-powered generating plants will be built around the Maryland portion of the Bay, also levies a surcharge on the utility companies that is earmarked for research in environmental effects.

Geography and history account in part for this disparity in state action. Dr. Willam J. Hargis Jr., director of the Virginia Institute of Marine Science in Gloucester, Va., notes that only about 30 of the state's 100 counties are intimately affected by the Bay and its tributaries.

"We're still more land than water-oriented," he says. "The thrust has continued toward the west in Virginia in that historical expansion that started in 1607."

There is ambiguity among scientists, conservationists and administrators around the Bay over the level of public consciousness.

"Mostly now," a government biologist said, "it's the 'bird and bunny' people, those active amateurs who join the groups and go to meetings and carry the brunt of the so-called citizen effort. They're good folks, but they're only a drop in the bucket of what's going to be essential for sound policy to come out of the legislatures."

A part of the difficulty in developing a sophisticated and effective public consciousness and action is one heard repeatedly: Mass urban living, high-rises obscuring horizon and concrete-blunting perception contribute to indifference or equanimity.

A sense of history and heritage is essential to develop the will to preserve and conserve.

There is a place, close to Washington, which is surpassingly conducive to this sense of time and place, past and present, man and Nature in a semblance of balance. Middleham Chapel sits on a gentle rise just off Route 4 in Calvert County about midway between Prince Frederick and Solomons.

"Founded in 1684 as a chapel of ease in Christ Church Parish and named for Middleham, Yorkshire, England," reads the gray historical marker at roadside.

"The site has been used for worship since the founding but the chapel was rebuilt in 1748. The bell, given by John Holdsworth, is dated 1699."

Dump trucks pound by the small chapel. Traffic is not heavy, by Washington standards, but Route 4 is the spinal column of the Southern Maryland county, and a stream of cars and pickups add their pistoned rumble to the flow of trucks.

Some of the headstones, small and unpretentious, that surround the steep-roofed chapel are as new as this decade. Others are nearly as old as the first tide of settlement in America. Wind, rain, the battering of years have obliterated inscription from many of the old markers but a finger still can trace 17th century memorials and many more from the 18th century. They are scattered among pines and some of the newer headstones are adorned with bouquets.

Family plots bear names synonymous with the history of Calvert County: Parran and Tall, Grover, Sollers, Somervell, Gray and Hunt and Tongue, a physical bond across the generations.

Over the door of the chapel, inset in gray brick among the red, is the date of the "new" chapel—1748—the proud signature of long-dead artisans.

Inside, a marble plaque on the south wall reads: "Near this place lieth the body of Mr. Alexander Parran, son and heir of John Parran of Baynton in the County of Oxon in England, Esq., who departed this life ye 30th day of Mary 1729, aged 52 years.'

Black-bound hymnals are in the pews, used last Sunday, to be used again by descendants of Mr. Alexander Parran, Esq. A meeting of the Young Episcopal Churchmen is announced in the Chapel bulletin on a recent day, as well as a note that the Rector's Aid Society will be sponsoring a card party, 7:30 to 10:30 p.m., bridge and canasta.

A few miles south of the small chapel, with its poignant mixture of yesterday and today, workmen are swarming around the towering structure that this fall will be generating, by nuclear power, streams of electricity from Calvert Cliffs.

It can be argued that our ability to comprehend the link from Capt. John Smith's "fruitful and delightsome" land to the fission at Calvert Cliffs may be essential for the future of Chesapeake Bay, that will avoid the extreme possibility that is become little more than a waste sink for society's detritus.

Dr. Donald W. Pritchard, for a quarter of a century the director of the Chesapeake Bay Institute at Johns Hopkins University and now the institute's senior scientist, says: "We've lived in a time when we've had our cake and been able to eat it, too. We won't have that in the future."

There remains time, scientists feel, for social, political and environmental decisions to be made that will help to insure that the diverse and valuable resources of Chesapeake Bay can be protected from the avalanche of pressures that daily are growing around it. The Bay's resilience has provided that margin but, says one scientist, "We can be complacent only at our peril."

George Santayana, in "Character and Opinion in the United States," eloquently warned: "You may disregard your environment, you cannot escape it; and your disregard of it will bring you moral empoverishment and some day unpleasant surprises."

LOW- AND MODERATE-INCOME HOUSING

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. BADILLO. Mr. Speaker, when H.R. 15361, the Housing and Urban Development Act of 1974, reaches the Floor of the House on Thursday, I plan to offer an amendment designed to give substance to the promise of equal housing opportunity made by the Congress.

The amendment has two main provisions: It prohibits the use of zoning, subdivision controls, or building codes to prevent the development of low- and moderate-income housing outside the central cities and it directs the Department of Housing and Urban Development and other appropriate Federal agencies to give top priority in awarding Federal grants and loans to communities that develop comprehensive plans for the inclusion of such housing.

For the information of Members, I am inserting the full text of the amendment. I hope that all who wish to pay more than lipservice to the principle of equal opportunity will support this effort:

AMENDMENTS TO H.R. 15361, AS REPORTED OFFERED BY MR. BADILLO

Page 112, after line 16, insert the following new part (and redesignate the succeeding part and sections accordingly).

PART C—ENCOURAGEMENT OF LOW- AND MODERATE-INCOME HOUSING

DISCRIMINATION AGAINST LOW- OR MODERATE-INCOME HOUSING PROHIBITED

SEC. 521. (a) No State or general or special purpose unit of local government (or other agency having official jurisdiction over one or more regions or subareas within a State or States) shall, in the exercise of power with respect to planning, zoning, subdivision controls, building codes or permits, or other matters affecting land use, prevent the reasonable provision of low and moderate income housing in undeveloped or predominantly undeveloped parts of any community within a metropolitan area as defined in subsection (b), or discriminate in any other way (on the basis of amount, type, location, or otherwise) against low or moderate income housing in any such community.

(b) For purposes of this section, the term "metropolitan area" means any city or municipality having a population of one-hundred thousand or more (as determined on the basis of the most recent decennial census), together with all general or special purpose units of local government located within a fifty-mile radius of such city or municipality (whether or not located within the same State).

(c)(1) If the Attorney General of the United States, after consultation with the Secretary of Housing and Urban Development, believes that the provisions of subsection (a) have been or are being violated, he may bring a civil action in any appropriate United States district court to enforce compliance with such provisions.

(2) Any person who would be assisted (financially or otherwise) in obtaining suitable housing, or would derive any other benefit, direct or indirect, by or from the provision of low or moderate income housing (or additional low or moderate income housing) in any community within a metropolitan area as defined in subsection (b), and who believes that the provisions of subsection (a) have been or are being violated with respect to such community in a way which effectively deprives him of such assistance or benefit, may bring a civil action in any appropriate United States district court without regard to the amount in controversy, or in any appropriate State or local court of general jurisdiction, to enforce compliance with such provisions or obtain other equitable or preventive relief under this section, and may request such relief in any court whenever relevant in connection with a defense to any suit or action brought against such person in that court.

PRIORITY IN FEDERAL ASSISTANCE FOR COMMUNITIES WHICH INCLUDE LOW- AND MODERATE-INCOME HOUSING IN THEIR DEVELOPMENT PLANS

SEC. 522. (a) In the administration of any Federal program providing assistance (in the form of loans, grants, or otherwise) to assist in the construction or development of housing, or in carrying out open-space or urban development projects, or for the planning or construction of hospitals, airports, libraries, water supply or distribution facilities, sewage facilities or waste treatment works, highways, transportation facilities, law enforcement facilities, or water development or land conservation projects, or elementary and secondary schools, colleges and universities, pre-school and day care facilities and in the administration of the Federal programs of mortgage insurance and loan guarantees under the National Housing Act and under chapter 37 of title 38, United States Code, a priority shall be given (as provided in subsection (b)) to applications made with respect to property located within the jurisdiction or boundaries of any general or special purpose unit of local government in a metropolitan area as defined in subsection (d) (or other agency having official jurisdiction over one or more regions or subareas, including at least one metropolitan area as so defined, within a State or States) which has drawn up, submitted, and had approved by the Secretary of Housing and Urban Development, or which is subject to the jurisdiction of an areawide agency that exercises powers with respect to planning, zoning, subdivision controls, building codes or permits, or other matters, affecting land use in the area which such unit or agency represents and has drawn up, submitted, and had approved by the Secretary of Housing and Urban Development, a plan or plans—

(1) specifically providing for the inclusion of low and moderate income housing in the areas within the jurisdiction of such unit or agency that are undeveloped or predominantly undeveloped but that are in the path of development, in a manner consistent with any local comprehensive or master planning for such areas; and

(2) providing, with respect to the areas within the jurisdiction of such unit or agency in which little or no vacant land is available for low and moderate income housing because of existing density and land use, for compensatory arrangements with other localities within the same metropolitan area still having available vacant land for the construction of low and moderate income housing in those localities, so that no metropolitan area (as defined in subsection (d)) will be left without a proportionate and well-distributed number of units of low and moderate income housing.

Any plan or compensatory arrangement described in the preceding sentence shall be designed to avoid the concentration of low and moderate income housing within any fixed geographical boundaries in any metropolitan area; and any unit or agency which enters into a compensatory arrangement with another locality or localities for the provision of low and moderate income housing because its current density and land use precludes the construction of additional low and moderate income housing within its boundaries shall, when currently used sites become vacant, make every effort to include such housing within its boundaries.

(b) Each unit or agency which draws up a plan or enters into an arrangement under subsection (a) shall submit such plan or arrangement to the Secretary of Housing and Urban Development for his approval. Upon such approval, all officers and agencies of the United States shall give priority, including all possible special consideration and preference, to any applications submitted by such unit or agency for assistance under any Federal law or program in connection with the construction or development of housing, the carrying out of open-space or urban development projects, the planning or construction of hospitals, airports, libraries, water supply or distribution facilities, sewerage facilities or waste treatment works, highways, transportation facilities, law enforcement facilities, or water development or land conservation projects, or the planning or carrying out of any other urban or areawide development programs or projects, with emphasis upon the development of a sufficiently stable neighborhood possessing an adequate level of amenities for all residents of the area or areas involved.

(c) (1) No plan described in subsection (a) shall be approved by the Secretary unless it is accompanied by satisfactory assurances that all low and moderate income housing constructed in accordance therewith, other than housing which (under applicable State or local law) is specifically exempt from tax or subject to tax only in reduced amounts or at reduced rates, will pay its full share of any local real estate taxes which are generally applicable to housing of the type involved.

(2) Where any of the housing involved is low-rent public housing which is exempt from real and personal property taxes levied or imposed by the State, city, county, or other political subdivision in which the project is located, the plan may be approved only if the public housing agency having jurisdiction over the project is required to make payments in lieu of taxes with respect to the project and the amount of such payments is increased by not less than 10 per centum each year until such time (not later than ten years after the first such increased payment) as the amount of such payments equals the full amount of such taxes which would be paid with respect to the project except for the exemption. Notwithstanding any other provision of law, the Secretary may cause or permit any contract for annual contributions which may be outstanding with respect to the project to be amended in order to conform with the provisions of this paragraph, and, if conformity with such provisions would require an invoice in the annual contributions payable with respect to the project, may provide for such increase in the amendment.

(d) For purposes of this section, the term "metropolitan area" means any city or municipality having a population of one hundred thousand or more (as determined on the basis of the most recent decennial census), together with all general or special purpose units of local government located within a fifty-mile radius of such city or municipality (whether or not located within the same State).

(e) The Secretary shall upon request provide appropriate technical assistance to any unit or agency developing a plan or entering into an arrangement as described in subsection (a).

(f)(1) For purposes of this part, income levels and the definition of low and moderate income housing shall be determined by the Secretary on the basis of low and moderate income budgets published for the respective areas involved by the Bureau of Labor Statistics in the Department of Labor, with such adjustments as the Secretary may consider necessary in order to allow for variations and special circumstances within such areas.

(2) The determination of what many constitute a proportionate number of units of low and moderate income housing for any area shall be made by the Secretary on the basis of figures developed by the Bureau of the Census showing the number of low and moderate income families within such area, and shall take into consideration the housing presently available within such area for such families.

VALERY AND GALINA PANOV

HON. BERTRAM L. PODELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. PODELL. Mr. Speaker, after long years of struggle, Valery Panov and his wife Galina are at last being allowed to leave the Soviet Union.

Panov, formerly one of the finest artists in the Kirov Ballet company, is a Jew. For many years now, he wanted to emigrate to Israel, where he felt he could attain true artistic and individual freedom. As a result of this natural desire, both Panov and his wife were dismissed from their positions with the Kirov. For an artist of Panov's stature this was tantamount to a death sentence.

Valery and Galina steadfastly maintained their right to emigrate through long years of official harassment. They continued to practice their exercises in their cramped Leningrad apartment, in the hope that someday they would be free to dance again.

They became a cause celebre among the world's artistic community. Many people who otherwise might never have known of the problems of Soviet Jewry became involved in the Panov's fight for freedom, and this additional pressure on the Soviet Government made it possible for thousands of other less prominent Jews to emigrate to Israel and the United States.

I am impressed by the timing of the Panovs' release from the Soviet prison state. In only 2 short weeks, President Nixon will be making his second tour of the Soviet Union. Undoubtedly, a major impetus to the Soviet Government's decision was the desire to divert attention from the problems of Soviet Jewry by letting out one of the more renowned activists.

Whatever the motivation for Panov's release may be, it clearly refutes one of the President's most cherished foreign policy theories. In his commencement address at Annapolis earlier this month, the President advocated a "handsoff" policy toward Soviet Jews. He felt that this is an internal problem in the Soviet Union and not properly the concern of the U.S. people and their elected representatives.

Well, the President is quite wrong in this regard. It was not a handsoff policy that got the Panovs out of the Soviet Union after long years of trying. It was not a handsoff policy that won the freedom of thousands of other Jews who are today living as free men and women in the United States and Israel.

A handsoff policy would be a total disaster. It is only by continuing pressure that we see any progress at all. It is not only a question of the world's literati and beautiful people massing their support for two suffering artists. It is a question of the little people, those who are not glamorous or artistic, continuing to press the Soviet Union for concessions until there are no more Jews being harassed because they want to emigrate.

I am gratified to see that Valery and Galina Panov have finally been given permission to leave. But the Russians are wrong if they think that this will make things easier for them while President Nixon is touring Moscow. Instead, this should only be the beginning of a new wave of intense pressure against the Soviet Government.

We have had a number of notable victories, when prominent Jewish activists have been permitted to leave, simply to get undesirable elements out of the country. But each of these victories has been accompanied by a new wave of harassment.

Reports are now coming out of Moscow and other Russian cities, of the telephones of well-known Jewish activists being cut off to prevent them from communicating with their friends in the United States while President Nixon tours Russia. We may soon begin hearing of mass army inductions and arrests, to get these "threats" to Russian security and the safety of our President out of the way.

What is worse, the Russians may now feel they can act with impugnity in increasing the tempo of their harassment of Jewish activists. President Nixon, in the commencement address at Annapolis, said that the problem of Jewish emigration from the Soviet Union was an internal Russian problem, and it was not for the United States to tell another nation how to handle its internal affairs. With such an attitude on the part of the highest elected official of the United States, and perhaps the one man in our entire Government who has the greatest personal stake in détente, it would be no surprise to me if the Russians felt free to engage in a mass round-up of Jewish activists and then cut down even further on the number of exit visas they so generously grant.

The fact that the Soviet Government finally granted Valery and Galina Panov permission to emigrate, after 2 years of pressure from concerned people in the United States and elsewhere, the fact that the Soviet Union greatly increased the number of exit visas granted after they realized that the fruits of détente were in jeopardy, the fact that they lifted the infamous ransom on Jews desiring to emigrate after an outcry in the United States—these all demonstrate that it is consummate folly to think that the problems of Soviet Jews are internal matters best left to the discretion and well-known humanity of the Soviet Government.

We are not trying to tell the Soviets how to run their country. We do not want to meddle in their internal affairs. What we are concerned with is America's image as the defender of human rights and as a guardian of the most basic principles of international law. To do that, it is incumbent upon us as a nation to support movements for freedom wherever they occur, even in nations with whom we are seeking better relations.

The President should realize that détente will not be jeopardized if we continue to press the Soviets to let the Jews emigrate. Concessions by the Soviet Union could only improve their chances for getting exactly what they want in the way of trade from this country. Continued intransigence, by the Soviets and by our President, can only put an end to all thoughts of détente.

Valery and Galina Panov are more than a man and wife who have suffered because they dared stand up for their rights. They are symbols of what can be done when people care enough to fight for something they believed in. If everyone felt as the President does, that the problems of Soviet Jews are an internal Russian matter and the United States should not meddle, then the Panovs and thousands of other men, women, and children would today still be trapped in Russia, only dreaming of the freedom that might otherwise have been theirs.

The Panovs have sacrificed much, they have suffered greatly. I can only salute them from the bottom of my heart, and hope that now they are living in a land of cultural and personal freedom, the world will soon be treated to their artistry again.

NATIONAL COMMISSION ON SHORTAGES

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. MOAKLEY. Mr. Speaker, the American public has borne a great burden over the past year, suffering from shortages of many, many goods.

I have received countless letters from my constituents with similar complaints. Supplies of foodstuffs, plastic goods, small automobiles, raw materials for industry, and of course gasoline, are still seriously short.

And the saddest part of this has been the failure of the Government to find viable means of relieving the present shortage situation, and avoiding future ones.

This is why I wholeheartedly commend the efforts of the joint leadership, on Wednesday, when they jointly introduced a bill creating a National Commission on Shortages.

The fact that the majority leader, THOMAS P. O'NEILL, and Whip JOHN MCFALL, along with Minority Leader JOHN RHODES and Whip LESLIE ARENDS all cosponsored this vital legislation indicates the excellence of their leadership.

This bill will create a 13-member commission, and will allow for the first time a real coordination between business, government, and the consuming public, to study the question of shortages, and provide the much needed impetus for solving them. Further, through the efforts of this Commission, the possibility of additional shortages developing is lessened substantially.

I would like to urge all of my colleagues to support this essential bill, and impress upon them the need for expeditious action.

To provide relief for our citizens, the establishment of this Commission is imperative. And, it must be done soon, before we are overcome by even more and worse shortages.

JUDGE PERRY'S GIFT HAS BECOME A COMMUNITY PROJECT

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. ANNUNZIO. Mr. Speaker, I rise to call the attention of my colleagues to the unique gift of a mastodon made by Judge Joseph Sam Perry and his wife to Wheaton College, in Wheaton, Ill.

I am proud to say I have known Judge Perry for many years and this distinguished citizen, who serves as U.S. district court judge for the northern district of Illinois, has a long record of brilliant accomplishments both in public service and as a member of his community.

In October of 1963, on Judge Perry's property in Glen Ellyn, Ill., the unusually well-preserved bones were found of a mastodon, an elephant-like creature which became extinct about 8,000 years ago.

Judge and Mrs. Perry invited geology students and faculty from Wheaton College to excavate the bones and at the college they were carefully washed, dried, and preserved. Judge and Mrs. Perry then gave custody of this outstanding specimen to Wheaton College so it could be a project for all citizens of the area and it has now become a community effort.

The Perry Mastodon display is housed in the new building which was constructed for the biology and physics department in the 1960's. As a platform turns, one side of the animal is revealed, with the flesh realistically reproduced. Another half turn shows the bones of the left side in place. On the revolving platform are plants growing around the specimen and behind are black spruce trees blending into the diorama which carries the view through to the horizon. The scene has been reproduced to resemble this part of Illinois as it appeared perhaps 11,000 years ago.

In addition to thousands of visitors, more than 16,000 schoolchildren have viewed the Perry Mastodon since it first went on display at Wheaton College, and it has served as a valuable teaching aid to teachers in public and private schools located in a 50-mile radius.

Judge Perry's life and work are an inspiration to his fellow citizens and I wish him and Mrs. Perry ever-increasing success and abundant good health and happiness as they continue their dedicated examples of community service.

LIBERAL DEMOCRAT BLASTS BUSING AS PHONY SOLUTION

HON. GENE SNYDER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. SNYDER. Mr. Speaker, a constituent of mine who has known and felt the sting of racial prejudice against his family, has just sent me a copy of his blistering letter to the superintendent of the Jefferson County School Board in Kentucky.

He "tells it like it is" on compulsory, court-ordered busing of schoolchildren to achieve "racial balance."

His letter deserves the attention of my colleagues and all others truly interested in the advancement and the freedom of all the people of our land:

PLEASURE RIDGE PARK, KY.,
May 23, 1974.

Superintendent RICHARD VANHOOSE,
Jefferson County School Board,
Louisville, Ky.

SIR: I find it necessary to address you directly on the matter of busing.

Before I amplify, please allow me to clarify. I am a liberal and a Democrat. I am in favor of equal rights for all peoples. I am active in civic affairs in that direction, work with an integrated group, and have served over 30 years federal service most of which has been in an integrated status. In addition, since my wife is of oriental descent, my children are a minority group and subject to prejudices few people would understand.

I have followed the actions of your Board, the Courts, and the voice of the local papers. The time has come for me to protest, as an American, and to demand the rights and freedoms specified in the Constitution of the United States.

No place, in any document or law of this land, is it implied that, to obtain equality among the peoples of the United States, the children of any citizen could be taken without permission of the parent or guardian and transported to an unsafe area, to obtain an inadequate education, in unfamiliar surroundings. I say this because I have just completed studies on Political Theory and American Government. I know I need not remind you that there is no implication of intent to reduce freedoms for one party in order to obtain freedoms for another in basic documents such as the American State Papers, the Constitution, the Amendments, the Civil Rights Act, or in any Supreme Court decision.

Our Constitution demands freedoms for our peoples. It affords us the right to obtain life, liberty, and the pursuit of happiness so long as we do not infringe on the rights of our neighbors. Let me tell you something, Mr. VanHoose. When I came to this area we chose our location and they sold us our house. My neighbors were full of the normal prejudices but this is America and we were free to select. We overcame this with clean living, hard work, and setting an example. Today my girls are popular, loved, advanced students at Pleasure Ridge Park High School and L. Max Sanders Elementary. Some of their best teachers are black. Our friends are black and/or white (and yellow if you must). We have been free and intend to stay that way. You, your board of education, the city superintendent and his board of education, radical minorities, or any other element (including Judge Gordon) are not going to take this freedom away from me. To do so would destroy the constitutional rights of every American, black, white, or otherwise.

I wish, at this time, to point out some facts that you, as a school board, must face.

1. The people of Jefferson County will not permit a merger. By law we are required to take over a defunct city school system if it is unable to operate. We are not required to merge.

2. The City School Board, by its own admission, is incapable of operation. It is obvious to all of us in the county as to why. It is not because of the blacks, but rather because of the fiscal and administrative irresponsibility of the white leaders, both educational and political. These leaders will never be permitted, by county residents, to share in the administration of our school system.

3. Because of the long record of fiscal and political irresponsibility of city officials, most county residents are former city residents. People moved away from the city to improve their lot. If they are forced to return, they will move farther.

4. Busing, even if it were legal and I defy you or any judge to show me where it is justified, will not solve the problem because this is not the problem. You, and the true racists that are forcing this appeasement down our throat, know as well as I do that the problem is with the banks, the loan companies, and the trades. Let us all be men and face the problem at its root. What kind of creature would let his children carry the burden? Are you that kind of creature Mr. VanHoose? Mr. Gordon?

Why, as our representatives on the Board of Education, have you not offered to distribute teachers equally (by educational level) among schools? Why has the kind Judge not required the loan agencies to give special rates to groups to balance racial populations? Why have unions not been required to let in blacks? Why have our schools not offered programs for blacks in white areas? I suspect because by busing the do gooders can feel better and keep their prejudices, and the radicals can get even. It won't work.

In Nazi Germany the people sat back and watched their freedom erode. In the end they were pronounced guilty along with their leaders. I have fought two wars to keep the freedom of myself, my family, and my country. I wish to serve you notice Mr. VanHoose, the Jefferson County Board of Education, and Judge Gordon, that I have just begun to fight.

Sincerely,

CHARLES J. BLAUD.

COMPLIMENT FOR NEWSMAN

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. CARTER, Mr. Speaker, it is refreshing to find responsible members of the press who point out the shortsightedness of the media. If Henry Kissinger had been a cold, unemotional person it would have been impossible for him to have secured the agreements among countries which have been at war for 27 years. After Secretary Kissinger slaved tirelessly for months to bring about these agreements, his efforts were crowned by success. Following this greatest coup of American diplomacy, he returned to find some members of the media determined to discredit him. Let me compliment Mr. Crosby Noyes for his erudite assessment of the situation.

I include his editorial for perusal by the Members.

KISSINGER AND MEDIA MYOPIA

(By Crosby S. Noyes)

Watergate was not invented by the "media," as a good many people seem to believe. But the media have become Watergate-myopic to an extent that dangerously distorts their perspective of what is going on in this country and the world and leads to some ugly aberrations when its comes to their own role in the scheme of things.

Take Henry Kissinger, for instance. My colleagues in the press have been preening themselves for having subjected him to the most outrageous display of incivility ever inflicted on a Secretary of State. The fact that he betrayed his anger at abuse that would have discombobulated the Pope is hailed as some kind of journalistic triumph.

Because Henry Kissinger is believed to be a central figure of the Watergate scandal? Hell, no Precisely because he is about the only important figure in the Nixon administration still held in high esteem in the country and the world as a whole was reason enough.

The fact that Kissinger is able to operate effectively in the interests of the United States makes him automatically a prime target for the solicitude of those who identify themselves as "adversaries" of anything and everything that the government of this country is trying to do.

And take, for that matter, President Nixon's present tour of the Middle East. It is, we have all been led to believe, an exercise in "Watergate diplomacy"—a fairly pathetic attempt by the President to leave his impeachment troubles behind him and bask, however momentarily, in the atmosphere of respect and prestige that normally attaches itself to the leaders of large countries.

But quite certainly, this is not the primary purpose of the trip. And if its significance is largely symbolic, it is symbolic of a fact that is and will be of overwhelming importance to the foreign policy of the United States, whoever may be president next year.

That fact simply, is that the Middle East has become within the last 12 months an area of primary concern, not only to the United States, but to the entire industrialized Western world. The survival of the extremely complicated and vulnerable system that, for want of a better word, we call capitalism is going to depend for some time on what happens in the Middle East and what our relations with the governments there may be.

We are just beginning to wake up to the new reality. Over a period of years, if we thought about the Middle East at all, it was in the context of the conflict between Israel and her Arab neighbors, of Soviet-American relations in the area and, more recently, of the availability and cost of Arab oil.

But now very suddenly all of these diverse preoccupations have been engulfed by a new realization: Barring some kind of cataclysmic reordering of international reality, the nations of the Middle East, in a few years, will control a large part of the world's available monetary assets.

And if the capitalistic world expects to stay in business, it will have to do a very considerable share of that business with governments and people who have been regarded, if at all, with scant consideration.

The fact that the major oil-exporting nations—most of which are in the Middle East—will collect $70 billion in revenues this year and $140 billion next year transcends by a very large degree every other political and economic problem in the area. The President's trip to the Middle East represents a reordering of priorities throughout the industrialized Western world that is not just suggested but absolutely required by this highly predictable fact.

That peace in the area is a primary requirement is clear on the face of it. That very much closer economic and political ties between the United States and the Arab nations also will be essential to the survival of the capitalistic system is much less clearly perceived by a press which is focused—virtually exclusively—on the objective of destroying its own government.

Fortunately for all of us, that government—beset as it may be—understands the problem. So do the others that are directly concerned, including Israel, the Arab states and even, to some extent, the Soviet Union.

The concern of the United States for the Middle East today is easily the equivalent of the concern of the United States for Western Europe in the period of the creation of the Marshall Plan and NATO—and for much the same reasons.

To consider this presidential trip an exercise in Watergate diplomacy and to delight in abusing the most effective secretary of State we have ever had amounts to myopia verging on outright blindness.

REMARKS DURING DEBATE ON THE SCHOOL LUNCH ACT CONFERENCE REPORT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. BIAGGI. Mr. Speaker, I rise in support of the School Lunch Act, but only with the understanding that this is the last year we will be operating this program by purchasing food products through the Commodity Credit Corporation.

This program was established when America had great surpluses of food, much of which was rotting in Government grain elevators and storage bins. During that period, the Government was in the business of purchasing food products from farmers and dairymen to help keep the incomes on the farms at reasonable levels. It was a simple matter, then to distribute these food products to the States for redistribution to schools and other institutions to provide low cost meals for children and for the poor.

Now, without any food surpluses, we find the Federal Government in the food purchase and distribution business. The Government is now entering the market place in direct competition with private industry, buying these products at market prices and then distributing them to the schools and other institutions. I find this totally objectionable.

Let me make quite clear, Mr. Speaker, that I do not object to the food programs themselves. I have supported and continue to support programs that provide low-cost meals to schoolchildren, to the elderly and to other poor people in various institutions that are now receiving such support. As long as a majority of our society continues to view these programs as worthwhile, we should continue to appropriate funds for them.

What I object to is the Federal Government getting into the food purchase and distribution business. This is totally unnecessary and inefficient.

There are those that say that since the Government can purchase in bulk, the cost of these programs can be held down. This is totally untrue. In 1972, I asked the General Accounting Office to investigate food purchases programs operated by the Defense Supply Agency for the military commissaries here and abroad. DSA argued that they could purchase products much more cheaply by going direct to the grower and purchasing in large lots rather than by opening bidding to terminal markets supplying direct to the individual commissary.

The results of that study clearly showed that the Defense Department could save about $18 million a year on the purchase of fresh fruits and vegetables alone by getting out of the commodity purchasing and distribution business and instead letting such operations be handled by private industry.

The same applies to the school lunch program. The food industry operates on one of the smallest profit margins of any business. Because of fierce competition, prices are very close to cost. The businessmen make their profit by keeping operating costs down to a bare minimum and selling large volumes of goods.

When the Government enters the picture, the taxpayers pay not only for the food purchased, but for the Federal bureaucrats to purchase and distribute it and the State bureaucrats to redistribute it. As always, when Uncle Sam gets his hands into a business enterprise the costs escalate.

This legislation will continue the present, faulty program for another year. We cannot change over to a new system this late in the game. Schools and other institutions have made plans for the upcoming fiscal year based on the old system. However, next year plans must be made early to get the Government out of the food purchase and distribution business.

I favor the Federal Government simply sending a check to the localities participating in the various programs sufficient for them to go out into the marketplace to purchase their own food products. This has worked under the food stamp program. What we would be establishing in effect would be a food stamp program of sorts for schools and other institutions covered by this act.

Mr. Speaker, if we applied generally the philosophy that the Government can buy things cheaper for the American public since it eliminates the profit then the Government would end up purchasing all manner of products for the elderly, the poor, the deprived, and the helpless. It was never the intention of Congress or the American taxpayer to support such a system whether the item purchased be food or deodorant spray. The best economies are realized when the Government stays out of businesses that can best be operated by those in the private sector. I hope this is the last time this body will be voting to continue operations of the Federal food purchase and distribution business.

GOVERNOR LAUDS LINCOLN SCHOOLER

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. MINISH. Mr. Speaker, Robert Ayala, a 10-year-old fifth grader at Lincoln Elementary School in Nutley, N.J., recently was named grand prize winner from among the 39,984 entrants in the 30th annual school traffic safety poster contest conducted nationally by the American Automobile Association.

Robert's entry was sponsored by the New Jersey Auto Club, the State's AAA-affiliated organization and the theme of this year's poster contest was bicycle safety.

While Robert's achievement is of itself significant and worthy of high praise, it is truly remarkable in that he is the third member of the Ayala family to have won the top award in this competition held each year in all 50 States. This is the first time in the 30 years the contest has been held that three members of a single family have attained the grand prize.

Robert joins his older brothers, Tito, now 13, who won the top prize in 1970, and 15-year-old Mario, who received the same award in 1969. The boys are the sons of Mr. and Mrs. Miguel Ayala of Nutley and have won a total of 24 local, State, and national awards in AAA school safety poster competitions.

At this point in the Record, I insert a newspaper story on the poster contest:

For Safety Poster Effort: Governor Lauds Lincoln Schooler

It was Robert Ayala's day last Thursday as the ten-year old Nutley youngster journeyed to Governor Brendan T. Byrne's office in Trenton to receive his grand prize awards, a plaque and $650 in U.S. Savings Bonds, in the 30th annual American Automobile Association school traffic safety poster contest.

Following his meeting with the Governor, during which he sketched a rabbit for the Chief Executive to demonstrate his artistic talent, Robert was presented to the State Senate by Nutley Mayor and State Senator Carmen A. Orechio, whose resolution applauding Robert's winning entry was unanimously endorsed by the Senate.

A picture taking session with Assemblyman Carl A. Orechio, who represents Robert's Nutley district in the Legislature, followed.

Robert's poster on the theme of bicycle safety was judged the very best among the 39,989 entries received in the nationwide contest. And, as just about everyone in Nutley is aware, the ten-year old Lincoln School fifth grader is the third member of his family to win the coveted top prize, an unprecedented achievement.

Robert, whose entry in the national competition was sponsored by the New Jersey Auto Club (AAA), joins his older brothers, Tito, now 13 who won the top prize in 1970, and 15-year old Mario, who garnered the same award in 1969. The boys are the sons of Mr. and Mrs. Miguel Ayala of 17 Prospect Street in Nutley and have won a total of 24 local, state and national awards in AAA school safety poster competitions.

The young prize winner was accompanied to the Trenton award ceremony by his parents, his school art teacher, Mrs. Gladys Moore, and Matthew J. Derham, President of the New Jersey Auto Club (AAA).

The winning poster shows a blue cut out of an automobile and a cyclist with the legend, "Drive Right With Traffic," a reference to the fact that bicycles are required to keep to the right side of the road.

A REPUBLICAN LEADER SPEAKS OUT ON CAMPAIGN REFORM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. BROWN of California. Mr. Speaker, the debate on the need for and the extent of campaign reform legislation has been going on for some time. The revelations about the 1972 Presidential campaign of Richard M. Nixon have provided us with ample examples of what is wrong with the current laws regulating political campaigns. Most of the proposed reforms address the question of money in campaigns, and it is clear from the overwhelming vote in California earlier this month on their campaign reform measure that the electorate wants to get the money out of politics. It has been clear to me that this is not enough, but it is still a must. More than 150 House Members, including myself, are cosponsoring the Clean Elections Act which was introduced by our distinguished colleagues, Representative Morris Udall of Arizona and Representative John Anderson of Illinois. One element of this legislation is a provision for public financing of Federal elections. It is perhaps predictable, but still disappointing that the bulk of the Republican Party is opposed to this aspect of campaign reform.

It is for this reason that I was especially pleased to read the views of the Honorable John Anderson, chairman of the House Republican Conference, in yesterday's Washington Post on the subject of campaign reform. The article demonstrated that the Republican Party still has intelligent leaders who are capable of working for the public, rather than the private interest. It is unfortunate that the gentleman from Illinois is in a minority within his own minority party.

Mr. Speaker, I wish to associate myself with the remarks of the gentleman from Illinois, and insert the article from the Post into the Record for others to read.

The article follows:

Public Campaign Funds Will Not Crush "Interests"

(By John B. Anderson)

Anderson, a Republican congressman from Illinois, is chairman of the House Republican Conference and co-author of a bill providing for partial public financing of political campaigns. This article is excerpted from a pamphlet recently published by the Poynter Project on American Institutions at Indiana University.

The shocking revelations about the financing of the 1972 presidential campaign have brought public confidence in our political system to a low point. The accounts of six-figure slush funds, suitcases loaded with $100 bills, laundered contributions sluiced through Mexican banks, and extensive political spying and espionage drastically increased public cynicism about the integrity of the electoral process. The perception grew that our elections were becoming a quadrennial political sweepstakes in which the electorate takes a back seat to big money, the media, and the special interests. The fact that the 1972 elections were estimated to have cost nearly half a billion dollars compounded the disillusionment.

It is not surprising, then, that there emerged a strong national consensus favoring fundamental change in the manner in which we conduct and finance our political campaigns. A substantial majority of the public came to endorse the use of tax funds to finance candidates for public office. An increasing number of prominent national leaders, a growing chorus of politicians from both parties, and a vast legion of editorial writers and other national opinion-makers expressed support for public financing of elections.

Unfortunately, there are already warning signs that public election finance is being treated as an all-embracing panacea rather than a solution to an important but limited set of problems. Analysis has been increasingly replaced with sloganeering, and the obvious deleterious effects of private money on the political process have been elevated to the status of an unmitigated evil that must be "purged" from the body politic. As a result, expectations are being aroused which the best possible new system could never hope fully to satisfy.

Perhaps to some degree, this quest for catharsis stems from the trauma and unease pervading the nation as a result of the Watergate drama. But whatever the source, treatment of a single reform as a means to national self-purification and salvation is bound to produce mistakes in formulation and ultimate disappointment with the results. Therefore, we must insist that the supplying of public funds for election campaigns be viewed as a limited solution to a limited structural problem, not as a quick-fix tonic for all the ills of a distraught nation.

INCENTIVES FOR ACTION

Let us begin with a basic axiom: The influence of special interest groups in the political process should not be exclusively equated with their ability to make large campaign contributions. To be sure, Common Cause has shown that wealthy contributors and special interest committees provided more than $30 million directly to congressional candidates during the 1972 campaign, millions more to party committees, and perhaps an equal amount to the presidential campaigns. But special interest groups have far more tools in their influence kits than mere campaign cash.

Most important, they have the ability for effective political mobilization. Mancur Olson in his book, "The Logic of Collective Action," incisively analyzes the fundamental dilemma of a large, heterogenous industrial democracy: Producer groups of all types have an inherent advantage over consumers, the broad public and general taxpayers in affecting the political process. In the first instance, this stems not from money but from a profound difference in incentives for political action.

The 2.5 million members of the building trades unions for example, have a strong interest in the Davis-Bacon Act that assures them the highest union wage rate on each of some $40 billion in annual government contracts. It is commonly agreed that this law keeps construction wage costs considerably above the true market rate. But while economists have estimated that this distortion of the labor market costs the economy directly, and consumers indirectly, some $2 to $3 billion each year, it is the respesentatives of the building trades who are at the front door of the Education and Labor Committee when any threat to that particular policy arises. The "general public" isn't there.

Similarly, the hundreds of millions in additional income for dairy farmers represented by an increase in the support price from 75 per cent to 85 per cent of parity generates far greater incentives for political mobilization than does the few extra cents per quart of milk among the 60 million American households who drink milk. The life or death of the American shipbuilding industry, to take a final example, is vitally dependent upon the $300 million annual subsidy for ship construction. Yet, since that amount averages out to only about $3.50 per income tax return, it is readily understandable that the industry rather than the general public is mobilized when that program is subject to review or extension.

Most public policies have quite different effects upon different parts of the electorate. The incentives for political action are skewed in favor of producer groups who are hit hard rather than general consumers on whom each decision has only marginal impact.

SERVICING MEMBERS

Once activated, a series of further advantages accrue to producer groups. Since most are organized around a specialized economic interest or activity, they can frequently meet needs, offer services and provide tangible benefits to their members that provide an incentive for continued support of group activities. Prof. Olson showed that the Farm Bureau has retained the allegiance and active participation of nearly 3 million farm families across the nation because it offers cheap insurance policies, technical assistance and farm fuel and other raw material supply services only to members in good standing. He found this same pattern among some noneconomic groups, such as the Veterans of Foreign Wars. Literally no veterans' legislation even moves out of committee without a VFW stamp of approval, primarily because the organization can mobilize millions of veterans in Congressional districts all across the country. And the organization can generate this kind of response and maintain its large membership because it provides a service that is very important to many veterans: that of ombudsman and intermediary between the individual veteran and the $12 billion-a-year Veterans Administration which provides a broad range of cash and service benefits to eligible veterans.

Nearly all of the hundreds of lobbies, trade associations and other interest groups in Washington devote a very considerable share of their time and resources to just these kinds of services. They do so because it pays off handsomely in terms of solving the otherwise vexing problems of organizational maintenance. By contrast, the fact that very few "citizens," "consumer" or general "taxpayer" organizations survive for more than a year or two is largely a function of their lack of tools to cope with this fundamental organizational imperative.

GETTING THE WORD OUT

Another advantage available to producer groups is their possession of effective communication networks. Most of the major lobbies and associations in Washington can mobilize their membership on literally an hour's notice when an urgent issue is at stake. Some, like the NAM, even have their entire national memberships cross-coded and computerized. If a head count on a crucial amendment shows that 10 more votes are needed, they can choose the most amenable congressmen and nearly instantaneously contact their own members in the relevant districts, urging that he be flooded with telephone calls, telegrams, and sometimes even 11th-hour visits from important constituents.

This communications ability is especially important because there seems to be an inherent tendency in the decision-making process, at least at the legislative level, to keep things in flux and uncertainty until the last moment. Let me cite a recent example from my own experience: A sweeping pension reform bill affecting some $150 billion in private pension plan assets and nearly 30 million participating workers was scheduled for floor action on a Wednesday. Yet, because of a jurisdictional squabble between the Ways and Means Committee and the Education and Labor Committee, most members were not sure even as late as Monday night what the major amendments would be during the floor debate. Consequently, only those groups with the ability to communicate and mobilize on very short notice were in a position to make their interests known when the uncertainty was finally resolved.

Still another advantage of producer groups is the financial capability to maintain professional lobbyists and staffs, which stems, of course, from their power to raise the dues and other revenues from their members needed to compensate professional employees. This is important because the federal government, or even Congress, is not a unitary monolithic institution but a complex and specialized social organism in which power is dispersed widely depending upon the issue and concerns involved.

The ability to penetrate the tangle and to reach the often obscure centers of access and influence on a particular issue or policy is precisely the specialized trade of the professional lobbyist. Most of these lobbyists, of course, are no smarter than the average citizen or no more shrewd than many amateur politicians or volunteer activists. But they do possess the advantage of long experience; close observation and familiarity, and full time on-the-job training. In the final analysis, that provides another advantage to the producer groups they represent in the struggle for political power.

Finally, producer groups possess the ability to marshal specialized knowledge and expertise on the wide-ranging and often vexing problems which confront governmental decision-makers. To be sure, members of Congress have staff support, and numerous executive agencies publish reams of helpful data, statistics and analytical reports every week. But as often as not, professional staffers on Capitol Hill are as overtaxed as members, and the raw data published by, say, the Labor or Commerce departments is more confusing than illuminating. It takes detailed familiarity with trends, relationships and likely consequences of proposed actions to resolve most policy issues—something that often can be provided only by the producer groups affected.

Thus the influence directly attributable to campaign contributions must be interpreted as only one manifestation of an underlying or generic advantage possessed by groups. To be sure, giving public money to candidates will neutralize perhaps the most important single source of political leverage characteristic of producer groups, and, in some degree, will thereby indirectly reduce the potency of these other factors as well. The ability to withhold or confer campaign contributions surely enhances the impact of producer-group expertise, lobbying efforts or even grass-roots membership mobilization.

But this reform will not obliterate these other advantages of producer groups in the governmental decisionmaking process. For that reason, public finance alone can not be expected to fully equalize the balance of power between special interests and the consumer, taxpayer, or general interest. To pretend that it can somehow purge the political process of special-interest influence and put some abstract "public interest" or "majority will" in total command is to misunderstand the realities of political power in a complex, industrial democracy.

SOMETIMES POWER FAILS

To be sure, proponents of the thesis that "money is power" can give an exhaustive list of incidents and governmental decisions which tend to bear out their contention: Textile quotas, the milk support increase, the oil depletion allowance, the ITT case, the Lockheed loan, the stillborn consumer protection agency bill, weak pesticide control legislation and the huge merchant marine subsidies are just a few.

But there are also many cases which do not conform to their thesis. The aerospace industry, for example, is one of the more amply endowed special interest groups in the country, but that did not prevent the SST project from being killed by Congress after more than $800 million had been spent on research and development. Similarly, perhaps the most notorious special interest group in Washington, the highway lobby, was dealt a sound defeat when the highway trust fund was opened for mass transit.

Although the total level of defense spending has steadily risen, this is probably more due to inflation and the increased costs of the volunteer army than the political power of the so-called "military-industrial complex." Indeed, despite the extensive expenditures of the defense industry on lobbying and campaign contributions, the item of real concern to it—the military hardware budget—has declined in real dollars from $35 billion to $23 billion over the last 10 years, a drop of more than 34 per cent.

If campaign money does not always preclude unfavorable action for contributing groups, neither does it always produce desired beneficial policies. No one discounts the campaign funding role of the petroleum industry, but that has not moved natural gas deregulation legislation off dead center by so much as an inch. The great national banks like Chase Manhattan or Bank of America have strongly urged adoption of the Hunt Commission proposal to substantially reduce government regulation of financial institutions. Yet the proposal has scarcely gotten a congressional hearing, despite the enormous financial clout of those institutions which would benefit.

PROCEDURES MATTER

Such examples suggest that the power of campaign cash is derivative rather than intrinsic, and that the characteristics of the decision-making process may have a lot to do with the effectiveness of political money.

For instance, suppose that the rules and customs of the House confer great prestige and authority on subcommittees, each composed of perhaps six or eight members, and that their decisions are rarely reversed by either the parent committee or the full House Further suppose that committee rules are so ill-defined and loose that the chairmen and perhaps one or two favored colleagues have almost a monopoly over the deliberations of their subcommittees, and that there are no requirements for committee vote disclosure or open sessions.

Under these conditions, it is obvious that producer groups having a vital interest in legislation handled by a particular subcommittee have a built-in potential for enormous influence—not the least by campaign contributions to a small number of members. By concentrating their attentions, favors, and contributions on these strategically placed members, especially the chairman, they can often very efficiently and effectively achieve their legislative ends. When decision-making power is buried in some remote bureau or legislative subcommittee, it is the producer groups (not representatives of broader interests) that have the superior capacity to be first in line at the committee room door.

The polar opposite of this situation can be best illustrated by the defeat of the SST. Probably no more intense campaign has been waged on any single domestic issue in recent years than the combined efforts of the aerospace industry, the administration and the labor unions in the spring of 1971 to secure continued funding for the project. Clearly, if there were ever a classic scenario in which overwhelming special interest might was assembled for victory at the expense of the public interest, this was it. Yet, as we reflect back on its demise, there appear to be a number of characteristics of the decision-making process which proved inhospitable to interest-group domination.

Most importantly, the decision was taken, after many months of intensive debate in the national press and other public forums, in a close and dramatic vote on the floor of the House, not in a closed committee room. The oil depletion allowance, by contrast, has not been subject to an open public vote on the floor of the full House of Representatives for decades. These two examples suggest that the scope and level of the decision-making process may have a great deal to do with whether or not special interests prevail.

THE "ACTION CHANNEL"

This same spectrum applies to the executive branch. If decisions are buried deep in the bureaucracy with little central control and review from above, the obstacles to producer group influence are substantially reduced. In return for a large contribution, for instance, a producer group may be successful in securing the appointment of a bureau head who is favorably disposed toward its interests. As decisions are moved up to the presidential level, as the President's current problems resulting from the milk support decision attest, the possibilities for public scrutiny and accountability are much greater.

The purchasing power of special interest contributions, then, varies considerably, depending upon what Richard Neustadt has called the "action channel," or the location of effective decision-making power. Since this "action channel" is often located deep and sometimes obscurely in the governmental structure, public campaign finance would tend substantially to reduce the ability of specialized producer groups to take advantage of that obscurity.

Yet, again, reduction or elimination of interest group contributions from the campaign funding system will not entirely nullify the advantages of producer groups. All the other factors of influence will continue to remain operative. So long as effective decisionmaking power is lodged deep in the governmental structure, the ability to mobilize grass-roots membership, the presence of professional lobbyists and the provision of specialized information and expertise will tend to magnify the influence of producer groups, even should they be deprived of their most potent source of leverage through enactment of a bill providing funds for candidates.

It is clear that the time is long overdue for reform of the woefully inadequate campaign funding system whose worst manifestations have done so much to discredit government and politics in the past two years. The *sine qua non* of this effort must surely be the elimination of both the corrupting appearance and fact of large contributions, and the replacement of these funds with some measure of public financing. Yet only by approaching this project with a clear understanding of its limits as well as its possibilities, of the pitfalls to be encountered as well as the gains to be reaped, can we insure that the venture will be fruitful.

LEGISLATIVE STATUS REPORT

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. DELLUMS. Mr. Speaker, periodically, I enter into the RECORD a status report on legislation I have sponsored. Following is such a report covering all legislation I sponsored during the 93d Congress:

LEGISLATIVE STATUS REPORT, JUNE 1974

AGRICULTURE

H.R. 5683. (Denholm): Funds REA Emergency Loan Program (Enacted as PL 93-32).

H.R. 3077 (Dellums): Limits procurement of lettuce by the Department of Defense.

H.R. 13080 (Mathias): Embargo on export of fertilizers.

H.R. 14661 (Dellums): Free seeds for gardeners (Agriculture Committee hearings started).

ARTS AND HUMANITIES

H.R. 8770 (Nedzi): Establish Folklife Center in Library of Congress (hearings started by House Administration Committee.)

ASIAN-AMERICAN AFFAIRS

H.R. 3086 (Dellums): Japanese-American Friendship Act.

BUDGET

H.R. 8897 (Rangel): Make full appropriations for OEQ.

CHILD WELFARE

H.R. 3081 (Dellums): Comprehensive Child Care Services.

H.R. 2573 (Dellums): Requires child-care facilities in low rent housing projects.

H.R. 6379 (Schroeder): Establish National Center on Child Development and Abuse Prevention within HEW (enacted as P.L. 93-247.)

H.R. 8270 (Daniels): Youth Camp Safety Act (Education and Labor Committee hearings started.)

CIVIL LIBERTIES

H.R. 2572 (Dellums): Defines the authority of armed forces to gather intelligence.

H.R. 2577 (Dellums): Government must notify individuals of records kept by government agencies.

H.R. 2578 (Dellums): Limits the sale of mailing lists by federal agencies.

H.R. 2579 (Dellums): Amends the Hatch Act.

H.R. 2581 (Dellums): Lowers juror age from 21 to 18 in federal courts.

H.R. 2582 (Dellums): Gun control.

H.R. 2584 (Dellums): Newsmen privilege (Similiar bill, H.R. 5928 to be reported in lieu).

H.R. 3100 (Dellums): Amnesty (initial hearings by Judiciary Committee).

H.R. 3520 (Waldie) Protects confidential sources of news media—Similar bill H.R. 5928 to be reported in lieu.

H.R. 4209 (Diggs) Safeguards Americans abroad from discrimination.

H.R. 5592 (Drinan) Abolishes capital punishment.

H.R. 7796 (Dellums) Better Voting Act (post card registration passed Senate, pending in House).

H.R. 9480 (Kastenmeier): Voting rights for former convicts.

H.R. 10182 (Stark): Protection of financial information.

H.R. 11275 (Goldwater): Code of Fair Information Practices Act.

H.R. 12349 (Litton): Limits IRS authority for inspection of tax returns.

H.R. 13077 (Heinz): National Rape Control and Prevention Act.

H.R. 13912 (Conyers): Grand Jury system reform.

H.J. Res. 217 (Dellums): Lowers age requirement for membership in Congress.

H.J. Res. 242 (Brown): Gives Members of Congress the right to sue for impoundment of funds.

H.J. Res. 291 (Delugo): Allow citizens of Guam and Virgin Islands to vote for President and Vice-President.

H. Res. 556 (Dellums): Constitutional amendment giving Congress power to change election laws.

COMMERCE

H.R. 8288 (Stark): Allow coops to receive SBA assistance.

H.R. 12532 (Sarasin): Embargo on petrochemical exports until end of price controls.

H.R. 15056 (Sisk): Prevention of discrimination in rates against privately owned refrigerator rail cars.

CONGRESSIONAL REFORM

H.R. 3385 (Dellums): All Congressional and agency meetings open to public.

CONSUMER AFFAIRS

H.R. 2412 (Rosenthal): Establishes Office of Consumer Affairs. (Substitute. Bill passed House.)

H.R. 2580 (Dellums): Requires licensing of food manufacturers and processors.

H.R. 3093 (Dellums): Consumers class action rights.

H.R. 3096 (Dellums): Bans war toys.

H.R. 4879 (Udall): Full disclosure on land sales (Included in land use bill. Defeated in House.)

H.R. 8436 (O'Hara): Prohibit weaker State meat inspection standards (Subcommittee on Livestock and Grains completed hearings).

H.R. 11460 (Brown of Cal.): Banks and Savings & Loans pay interest on escrow accounts.

DISASTER ASSISTANCE

H.R. 6316 (Danielson): Create Federal Disaster Insurance Corporation.

H.R. 7547 (Dellems): Eucalyptus tree fire danger assistance. (Reported by Agriculture Committee; Rules defeated on House floor.)

H.R. 7926 (Stark): Disaster Relief Act Assistance for Seventh District

DISTRICT OF COLUMBIA

H.R. 2574 (Dellums): Statehood for D.C.

H.R. 5598 (Fauntroy): Rent control for the District of Columbia. (Signed into law as PL 93-157.)

H.R. 9470 (Dellums): Autonomous elected Board of Education for the District of Columbia. (Hearings started by subcommittee on Education.)

H.R. 9682 (Diggs): Home Rule for the District of Columbia. (Signed into law as P.L. 93-198.)

H.R. 11108 (Diggs): Extend D.C. Medical and Dental Manpower Act of 1970 (reported by subcommittee.)

H.R. 11238 (Gude): Subsidized adoption program for D.C. (Signed into law as P.L. 93-241.)

H.R. 12832 (Diggs): D.C. Law Revision Commission (Passed House)

H.R. 14662 (Dellums): Pay raise for D.C. teachers (Subcommittee hearings held)

H.R. 14692 (Fauntroy): Urban homesteading program for D.C.

DRUGS

H.R. 3103. (Dellums): Prohibits the mailing of unsolicited sample drug products.

H.R. 3382 (Dellums): Regulates interstate sale and trafficking of hypodermic needles.

H.R. 7061 (Dellums): Prohibits aid to foreign countries who produce drugs.

H.R. 10732 (Owens): Amends F.D.A. vitamin labeling regulations. (Commerce Committee hearings underway.)

H.R. 12582 (Wolff): Authorizes printing of pamphlet describing drug laws in other nations for travelers

EDUCATION

H.R. 3082 (Dellums): Grants to Deganwidah-Quetzalcotal University.

H.R. 3085 (Dellums): Encourages States to increase proportion of expenditures to public education.

H.R. 3378 (Dellums): Provides instructional services for homebound children.

H.J. Res. 810 (Dellums): National Education Policy. (Adopted as part of Elementary and Secondary Education Act of 1974).

H.J. Res. 851 (Badillo): Authorize President to proclaim week of May 13, 1974 as Bilingual Education Week.

EMPLOYMENT

H.R. 1490 (Eckhardt): Amends Longshoremen's and Harbor Workers' Compensation Act.

H.R. 2585 (Dellums): Unemployment insurance for agricultural workers.

H.R. 2586 (Dellums): Extends unemployment insurance for agricultural workers.

H.R. 3083 (Dellums): Day laborer's rights.

H.R. 3110 (Dellums): Assigns unused lab space to unemployed scientists.

H.R. 3112 (Dellums): Pension Rights. (Weaker bill in conference between House and Senate)

H.R. 3986 (Hawkins): Public Service employment programs.

H.R. 5401 (Corman): Unemployment insurance for agricultural workers.

H.R. 5706 (Hawkins): Aid for OIC programs.

H.R. 6161 (McFall): Establishes price wage board and guidelines.

H.R. 7224 (Harrington): Federal Security of Employment Benefits.

H.R. 7225 (Harrington): Improve extended unemployment and compensation program.

H.R. 7964 (Mink): Equalize compensation of overseas teachers.

H.R. 8372 (Heinz): Reallocation of vocational rehabilitation funds.

H.R. 8420 (Harrington): Public Service Employment Act.

H.R. 9699 (Abzug): Flexible Hours Employment Act.

H.R. 10970 (Dellums): Eliminate employment discrimination because of type of military discharge.

H.R. 12257 (Roybal): Establish a National Office for Migrant and Seasonal Workers.

H.R. 13075 (Harrington): Revised Public Service Employment Act.

H.J. Res 243 (Harrington): Increases House of Representatives intern programs.

ENERGY

H.R. 5234 (Kastenmeier): Prevents coal companies from owning all energy sources.

H.R. 8069 (Aspin): Continued gas sales to independent retailers. (Hearings held by Interstate and Foreign Commerce Committee.)

H.R. 8802 (Burton): Percentage of oil imports must be carried on U.S. ships. (Similar bill H.R. 8193 passed House.)

H.R. 9095 (Owens): Recycling of waste products.

H.R. 9364 (Fraser): Amend Interstate Commerce Act to prevent oil companies from owning pipelines.

H.R. 10299 (Ashley): Improving motor vehicle fuel economy.

H.R. 10542 (Dingell): Assuring adequate fuel supplies.

H.R. 11058 (McCormack): Solar Heating and Cooling Demonstration Act. (In conference between House and Senate.)

H.R. 12430 (Vanik): Eliminate tax preference on oil operations outside the U.S. (Scheduled for floor debate.)

H.R. 12595 (Drinan): Deny energy companies tax deductions for institutional advertising.

H.R. 12909 (Fraser): Exempt certain cheaper crude oil from price controls.

H.R. 13462 (Moakley): Special assistance to workers unemployed or underemployed because of energy shortages.

H.R. 13581 (Harrington): Prevent interlocking corporate ties among oil companies.

H.R. 13642 (Hanrahan): Ad expenses may not be counted as costs by utilities in rate making.

H.R. 13783 (Reid): Investigate accounting practices of oil companies.

H. Res. 1024 (Rangel): Create Select Committee on Effects of Energy Crisis on the Poor.

ENVIRONMENT

H.R. 2677 (Hechler): Strip Mining Act. (Weaker bill scheduled for floor debate.)

H.R. 3076 (Dellums): Safe Pesticide Act.

H.R. 3092 (Dellums): Smogless Vehicles Development Act.

H.R. 3095 (Dellums): Emissions Control Act.

H.R. 3097 (Dellums): Amends National Emission Standards Act to require most stringent standards.

H.R. 3101 (Dellums): Regulates dumping in oceans and other waters.

H.R. 3102 (Dellums): Provides for environmental action suits. (Hearings held by Merchant Marine Committee.)

H.R. 3104 (Dellums): Increases penalties under 1899 Refuse Act.

H.R. 3105 (Dellums): Amends Refuse Act of 1899 relating to issuance of certain permits.

H.R. 3106 (Dellums): Provides for assistance in enforcing clean air and water standards.

H.R. 3107 (Dellums): Synthetic Detergent Study.

H.R. 3388 (Dellums): Establishes Desert Pupfish National Monument.

H.R. 5325 (Dellums): Establishes a National Environmental Trust Fund.

H.R. 8530 (Udall): Alaskan Petroleum Transportation Act. (Weaker P.L. 93-153 signed into law.)

H.R. 8889 (Koch): Spaying and neutering clinics.

H.R. 9583 (Patman): Fire Prevention and Control Act. (In conference between House and Senate)

H.R. 9866 (Bafalis): Deauthorization of Cross Florida Barge Canal.

H.R. 13951 (Seiberling): Increase Land and Water Conservation Act funds.

H.J. Res. 763 (Matsunaga): Set aside of EPA water pollution regulations.

FOOD STAMPS

H.R. 2571 (Dellums): Allows food stamps to be used for purchase of imported meats.

H.R. 12990 (Holtzman): Prevent cutbacks to persons affected by 1973 Social Security Act amendments. (Related bill scheduled for floor debate.)

FOREIGN AFFAIRS

H.R. 179 (Dellums): Halt bombing and withdraw from Vietnam.

H.R. 3911 (Mills): Prohibits most-favored nation treatment for denial of right to emigrate. (Included in trade bill now pending in Senate.)

H.R. 4987 (Roybal): Increases immigration.

H.R. 5741 (Roybal): Increases immigration from western hemisphere.

H.R. 8005 (Fraser): Re-institution of Rhodesian chrome ore boycott sanctions. (Reported by subcommittee on International Organizations and Movements.)

H.R. 8177 (Harrington): Cut off war funds in Cambodia and Laos.

H.R. 8573 (Rangel): Herbicide Export Control Act.

H.R. 8574 (Rangel): Prohibit exports of herbicide to Portugal and S. Africa.

H.R. 8965 (Steiger): Citizenship and adoption for S. Vietnamese children.

H.R. 9214 (Kastenmeier): Accountability and liability for government officials involved in national security policy.

H.R. 10588 (Matsunaga): Creates Department of Peace.

H.R. 12156 (Dellums): Cut off aid to Saigon until Paris Agreements are met.

H.R. 12961 (Litton): Prevent U.S. fuel used to train pilots of nations embargoing petroleum to this country.

H.R. 13927 (Brown of California): Extend temporary visas for Chileans.

H.R. 15026 (Studds): Extend territorial boundaries for fishing rights.

H. Res. 441 (Harrington): Test Ban Treaty Negotiations.

H. Res. 493 (Gude): Prohibition of weather modification in war.

H. Res. 522 (Diggs): Fair employment in South Africa.

H. Res. 523 (Fraser): Diplomatic relations between U.S. and Sweden. (Approved by subcommittee on Europe).

H. Res. 616 (O'Neill): Phantom Jet sales to Israel.

H. Res. 1113 (Dellums): Condemning terrorism in Middle East.

H.J. Res. 268 (Diggs): Fair employment in South African enterprises.

H.J. Res. 516 (Bingham): To end the war in Indochina. (Subcommittee of Asian and Pacific Affairs conducting hearings).

H. Con. Res. 417 (Drinan): Declaration of world peace (Foreign Affairs Committee hearings started).

H. Con. Res. 432 (Long of Maryland): Proposed conference on arms sales to the Middle East.

H. Con. Res. 496 (Rangel): Calling for negotiations on the Turkish opium ban.

H.J. Res. 268 (Diggs): Fair employment in South African enterprises.

H.J. Res. 516 (Bingham): To end the war in Indochina. (Subcommittee of Asian and Pacific Affairs conducting hearings).

GOVERNMENT OPERATIONS

H.R. 2576 (Dellums): Amends Age Discrimination Act to include state employees.

H.R. 3296 (Pickle): Impoundment limits (similar bill, H.R. 8480, passed by House).

H.R. 3379 (Dellums): Expands the Advisory Committee on Intergovernment Relations to include school board officials.

H.R. 5398 (Conyers): Prevent dismantling of OEO.

H.R. 5587 (Conyers): Prevent dismantling of OEO.

H.R. 5626 (Reid): Eliminates restrictions on social service regulations.

H.R. 5722 (Melcher): Consent needed for OMB Director. (Vetoed by President. Revised version signed into law as P.L. 93-250).

H.R. 6223 (Dellums): Bureaucratic Accountability Act. (Judiciary Committee hearings started).

H.R. 6261 (Mink): Amends Freedom of Information Act.

H.R. 7266 (Mitchell): Put protective police under GSA.

H.R. 7696 (Dellums): Federal Employee benefits retirement amendments. (Reported by subcommittee on Postal Facilities and Mail).

H.R. 7697 (Dellums): Postal Reorganization Act Amendments.

H.R. 7698 (Dellums): Postal Service Labor relations amendment.

H.R. 12004 (Moorhead): Amendments on classification of government documents. (In conference between House and Senate).

H.R. 12157 (Dellums): Federal Election Finance Act. (Hearings underway by House Administration Committee).

H.R. 13181 (Charles Wilson of California): Eliminate restrictions on rights of postal workers.

H.R. 13767 (Dellums): Continuing Congressional Oversight Act.

H.R. 13798 (Dellums): Central Intelligence Agency Disclosure Act.

H.R. 13799 (Dellums): Congressional Access to Information Act.

H. Res. 148 (Dellums): Abolishes Committee on Internal Security.

H.J. Res. 432 (Reid): Social Service program regulations.

H.J. Res. 999 (Anderson of California): Prohibits changes in the consumer price index unless approved by Congress.

HEALTH

H.R. 6041 (Hastings): Health Programs Extension (signed into law as PL 93-45).

H.R. 6622 (Waldie): Extension of Migrant Health Act.

H.R. 8539 (Murphy): Continuation of Public Health Service Hospitals.

H.R. 9363 (Burke of Calif.): Expand the definition of "Development Disability" to include autism.

H.R. 13084 (Meeds): Health Education Program grants.

H.R. 15098 (Koch): Authorizes immediate recall of adulturated or misbranded foods and drugs.

HOLIDAYS

H.R. 2265 (Conyers): Designates Martin Luther King's birthday as legal holiday.

H.R. 12850 (Symington): Designate a Susan B. Anthony Public Holiday.

H. Con. Res. 465 (Bingham): Put a bust of Dr. Martin Luther King in Capitol Building.

HOUSING

H.R. 3080 (Dellums): Authorizes loans to pay mortgages of persons temporarily unemployed.

H.R. 10902 (Stephens): Rural Housing Act. (Partly included in housing bill scheduled for House debate.)

H.R. 13985 (Mitchell of Md.): Housing Act amendments. (Rejected by Banking Committee during consideration of Housing bill).

H.R. 14900 (Metcalfe): Loan program for low and middle income homeowners maintenance and improvements.

H.R. 15024 (Roush): Increased depreciation allowed for expenditures on low income rental housing.

IMPEACHMENT

H.R. 13094 (Railsback): Gives Congress the right to relevant information.

H.R. 14817 (Reid): Prevents plea bargaining by President.

H. Res. 465 (Stark): Study by House Committee of Watergate.

H. Res. 650 (Abzug): Impeachment.

H. Res. 1107 (Owens): Authorizes full broadcasting of impeachment proceedings.

H.J. Res. 784 (Culver): Appoint special prosecutor for floor vote. (Similar H.R. 11401 reported in lieu).

LEGAL SERVICES

H.R. 3099 (Dellums): Provides compensation for victims of violent crimes.

H.R. 4263 (Meeds): Establishes the National Legal Services Corporation (weaker bill enacted as PL 93-95).

H.R. 8349 (Roybal): Provide bi-lingual court proceedings.

MILITARY AFFAIRS

H.R. 3111 (Dellums): Increases servicemen's group life insurance coverage.

H.R. 3224 (Benitez): Terminates weapons range activities near Culebra. (Defense Department registered official objection).

H.R. 3386 (Dellums): Provides veterans with up to nine months of educational assistance and refresher courses. (Similar bill passed as PL 93–293).

H.R. 4751 (Danielson): Social Security benefit increases disregard for purposes of determining eligibility for veterans benefits. (Veterans committee hearings held).

H.R. 7695 (Dellums): Establishes Assistant Secretary of Defense for Equal Opportunity.

H.R. 7794 (Dellums): Bans bounties paid civilian police forces.

H.R. 8490 (Koch): Changes in military discharge information released to public.

H.R. 8491 (Koch): Independent Review Boards for discharges.

H.R. 8492 (Koch): Increased veterans educational benefits.

H.R. 8494 (Koch): Additional educational benefits for Vietnam vets.

H.R. 8496 (Koch): Establishes Vietnam era veterans task force.

H.R. 8687 (Leggett): Special pay incentives for physicians, dentists, veterinarians and optometrists. (Armed Services Committee hearings.)

H.R. 8719 (Dellums): Overseas troop reduction limitation. (Defeated as amendment to procurement bill.)

H.R. 8960 (Robison): Establish within Peace Corps Vietnam Assistance Volunteers program.

H.R. 10011 (Owens): Controls transportation of nerve gas (Armed Services Committee hearings.)

H.R. 10882 (Abzug): Psychiatric help for Vietnam veterans.

H.R. 11267 (Du Pont): No sex discrimination in Military Academy appointments. (Armed Services Committee hearings.)

H.R. 12144 (Stokes): Limitations on information on discharge certificates.

H.R. 12949 (Carey): Increase veterans education benefits.

H.R. 13104 (Dellums): Eliminate employment discrimination because of discharge status.

H.R. 13506 (Koch): Give veterans benefits to conscientious objectors who have performed alternative service.

H. Res. 220 (Kyros): Troop reduction in western Europe. (Hearings being conducted by Subcommittee on Europe.)

H. Res. 528 (Owens): Detoxification of nerve gas by DOD.

H. Res. 712 (Owens): Review of national policy regarding chemical warfare.

H. Con. Res. 253 (Dellums): Overseas troop reduction limitation.

H.J. Res. 267 (Dellums): Clarifies presidential powers relating to the use of nuclear weapons in declared or undeclared wars. (Weaker H.J. Res. 542 vetoed by President and overridden by House; now law as PL 93–148.)

MOTOR VEHICLES

H.R. 3091 (Dellums): Bans the use of internal combustion engines in motor vehicles after Jan. 1, 1975.

H.R. 3094 (Dellums): Speed Controls in cars.

H.R. 3108 (Dellums): Color coded traffic signs and signals.

NATIVE AMERICANS

H.R. 3090 (Dellums): Enforces Treaty of Guadalupe-Hidalgo.

H. Con. Res. 115 (Meeds): American and Alaskan Native Act.

PENAL REFORM

H.R. 2583 (Dellums): Omnibus Penal Reform Act.

H.R. 5202 (Badillo): Provides rules for treatment of prisoners in federal prisons.

H.R. 6852 (Dellums): Prohibits psychosurgery in federal facilities.

POPULATION POLICY

H.R. 3381 (Dellums): Expands family planning services and population research.

H.R. 6021 (Dellums): Extension of Family Planning Act. (Commerce Committee hearings held.)

H.R. 8114 (Brown): Establish National Institute of Population Sciences.

PUBLIC LANDS

H.R. 3087 (Dellums): 160 acre limit enactment.

H.R. 7458 (Dellums): Channel Islands National Park.

H.R. 3088 (Dellums): Open Beach Act.

H.R. 3089 (Dellums): Mineral King: enlarges Sequoia National Park.

H.R. 4012 (Leggett): Snow Mountain Wilderness Bill. (Interior Committee hearings held.)

H.R. 4568 (Waldie): San Joaquin Wilderness and Sierra and Inyo National Forests.

H.R. 5288 (Mathias): Establishes California Desert National Conservation Area.

H.R. 9764 (Pettis): Protection of California desert areas. (Interior Committee hearings held.)

H.R. 12895 (Melcher): Designate new wilderness areas (Merchant Marine Committee hearings).

H.R. 14011 (Stark): Authorizes study for a Ridgelands National Park in East Bay area.

H.J. Res. 204 (Dingell): Establishes Tule Elk Wildlife Refuge. (Merchant Marine Committee hearings).

SENIOR CITIZENS

H.R. 3084 (Dellums): Establishes older worker community service program.

H.R. 3098 (Dellums): Free or reduced rail transportation to handicapped or 65 and over.

H.R. 3377 (Dellums): Strengthens Older Americans Act (Enacted as P.L. 93–17).

H.R. 3388 (Dellums): Widow, widower benefits bill.

H.R. 7052 (Dellums): Tax credit for senior citizen homeowners and renters.

H.R. 8595 (Lehman): Experimental program of elderly home care.

H.R. 11122 (Pepper): Nutrition programs for the elderly.

H.R. 12365 (Riegle): Establishes a food allowance for older Americans.

SOCIAL SECURITY

H.R. 3116 (Dellums): Include qualified drugs under Hospital Insurance Program.

H.R. 3117 (Dellums): Individuals may qualify regardless of quarters when earned.

H.R. 3118 (Dellums): Liberalizes eligibility for blind persons.

H.R. 5258 (Stokes): Disability insurance benefits.

H.R. 8546 (Abzug): Minimum annual incomes.

H.R. 10236 (Rosenthal): Increase Social Security benefits enacted by public law (Enacted into law as P.L. 93–233).

H.R. 10584 (DeLugo): Social Security increases for Guam and the Virgin Islands.

H.R. 11169 (Corman): Give states wide range for social service funds.

H.R. 11276 (Goldwater): Limit use of Social Security number and information.

H.R. 11471 (Grasso): Limit Medicare inpatient hospital deductible costs.

H.R. 12947 (Burke of Mass.): Increases federal contribution to trust fund.

H.R. 13126 (Abzug): Emergency grants to persons whose SSI checks are lost or stolen.

H.R. 13400 (Harrington): Forbids cuts in veterans pensions because of social security increases.

H.R. 14809 (McKinney): Authorizes supplemental benefits for additional medicare physical examinations.

H.R. 15123 (Brown of Michigan): Provides staggering of social security check issuance throughout the month.

SPORTS

H.R. 2575 (Dellums): Athletic Safety Act.

H.R. 7083 (Badillo): Roberto Clemente Memorial Foundation.

H.R. 7795 (Dellums): Athletic Care Act. (Education and Labor Committee adopted amendment to Elementary and Secondary Education Act calling for one year study of athletic injury problem).

H.R. 13156 (Seiberling): Professional athletes bill of rights.

H. Res. 487 (Anderson of Calif.): Honoring Hank Aaron.

TAXES

H.R. 1041 (Corman): Tax equity.

H.R. 3113 (Dellums): Expenses for care of certain dependents.

H.R. 3114 (Dellums): Excise tax on fuels containing sulphur.

H.R. 3115 (Dellums): Increase personal exemptions after 1974.

H.R. 3120 (Dellums): Extends to unmarried persons tax benefits of splitting income.

H.R. 3387 (Dellums): Residents of Philippines can be claimed as tax-deductible dependents.

H.R. 6030 (Fraser): Puts $1 campaign tax check-off on front page of tax form.

H.R. 7053 (Dellums): World Peace Tax Fund.

H.R. 12992 (Jordan): Reduction in withholding taxes.

H.R. 14424 (Hogan): Withhold taxes for congressional employees.

H.R. 14496 (Rarick): Additional deduction for adoption expenses.

H.R. 15076 (Holtzman): Additional deduction for dependent care expenses.

TRANSPORTATION

H.R. 3078 (Dellums): Urban mass transit fund.

H.R. 3079 (Dellums): Oakland-Chinatown project.

H.R. 8570 (Moss): Defining inclusive tour air charters.

H.R. 10155 (Burke of Cal.): High speed West coast ground transportation.

H.R. 14447 (Gunter): Suspend diesel fuel excise tax and roll back prices.

URBAN AFFAIRS

H.R. 3109 (Dellums): Construction of bicycle lanes.

H.R. 3985 (Hawkins): Year round recreational program for youth.

H.R. 4820 (McFall): Extends Public Works Act authorization for one year (similar bill H.R. 2246 enacted as PL 93–46).

WOMEN

H.R. 3374 (Dellums): Prohibits discrimination by sex or marital status for extension of credit (Enacted by Senate; House action pending).

H.R. 3375 (Dellums): Prohibits discrimination by sex or marital status for any dealings with any federally insured banks.

H.R. 3376 (Dellums): Prohibits discrimination by sex or marital status regarding federally related mortgage transactions.

H.R. 3383 (Dellums): Prohibits discrimination on the basis of sex.

H.R. 3384 (Dellums): The Ms. prefix bill.

H.R. 9776 (Abzug): Postage stamp honoring Jeannette Rankin.

H.R. 13251 (Holtzman): Eliminate wage differential discrimination based on sex.

IT COULD BE KICK AN INDIAN IN THE POCKETBOOK DAY WHEN H.R. 11500 COMES TO THE FLOOR

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. HOSMER. Mr. Speaker, proposed surface coal mining legislation in the form of H.R. 11500 needlessly goes out of its way to hurt people. Even the poor Indians are not immune from its meat ax approach to the problem of instituting proper reclamation of mined land.

The bill would make it impossible for Indians to mine their coal lands where surface rights are, for any reason in the hands of someone else, until and unless that someone else gets paid off and grants permission to do so.

Of course, this misbegotten piece of legislative foolishness is at least discriminatory in a universal way. It also imposes the same unconscionable burden on coal landowners who are not Indians.

The usual rules of law see to it that the holder of surface rights to land beneath which mining is to occur shall be adequately compensated for whatever loss they incur by reason of the mining. By comparison, H.R. 11500 would give such holders the right to stop all mining pending payment of a ransom which Indians and non-Indians alike have to fork over.

Congress does not have to buy all that, or all the other environmental extremism hidden like fishhooks in H.R. 11500. It has an alternative, H.R. 12898, which will accomplish the reclaiming of mined land, while, at the same time: First allowing needed coal to be mined, and, second, disallowing surface interest owners the privilege of blackmail.

A CASE AGAINST RAPE

HON. LARRY WINN, JR.

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. WINN. Mr. Speaker, WEEI-CBS Radio in Boston has recently completed an editorial series on the crime of rape. Awareness of any problem is one of the most important steps in solving it. And I believe we are making enormous strides in promoting public awareness of the rape problem—with this particular series of editorials as one example. With the hope of spurring my colleagues along and at the same time urging immediate action on H.R. 11520, I insert in the RECORD at this time the four editorials by Francis Giles, editorial and public affairs director at WEEI, on "Another Case of Rape."

The editorials follow:

A CASE AGAINST RAPE

Three hundred and seventy-six Boston women reported that they were sexually assaulted last year and only twenty-one men were convicted for those rapes. The rate of rape is rising throughout the United States and it will continue to rise until this crime is dealt with intelligently.

FBI statistics show that the actual number of rapes is somewhere between five and ten times the number reported each year.

Legal reform has been haltingly slow in the area of rape which accounts for the low conviction rate.

Because of the stigma attached, women have been hesitant to report these attacks. Police departments have dealt with rapes as low priority crimes and therefore arrests have been few.

The public hasn't been well informed about sexual assault and is just realizing the enormity of the problem. Also, because of fear and the social intolerance of police, prosecutors and the community in general, women have not known how to protect themselves or how to prevent what has happened to them from happening to others.

During the remainder of the week WEEI will be discussing the subject of rape and what progressive legislation is pending. Tomorrow WEEI will look at Massachusetts House Bill 5802.

ANOTHER CASE OF RAPE—PART II

Yesterday WEEI began a series of editorials to discuss the crime of rape and the needed changes in our legal codes.

Today we will look at Massachusetts House Bill 5802 proposed by State Representative Jon Rotenberg of Brookline. Rotenberg's bill prohibits both rape and homosexual rape and proposes imprisonment up to life for violators. The measure has been approved by the state's judiciary committee and is now awaiting full legislative approval.

WEEI supports passage of House Bill 5802. It is a first step to overhauling the Commonwealth's archaic rape laws. In accordance with the advice women are currently being given by law enforcement officers not to resist attackers, the measure will also provide grounds for prosecution of those who sexually assault others with the threat of physical harm.

Rape is probably the most heinous personal assault that one individual may commit against another and it is past time to protect women and men from these attacks. This bill essentially defines sexual assault and will make it unlawful to commit sodomy or rape with anyone—man or woman—against his will.

We ask you to support House Bill 5802 and to tell your representatives that you do. WEEI hopes that the public will no longer look at the rape victim as the guilty party and that juries will consider the seriousness of this crime.

Tomorrow WEEI will look at federal legislation proposed to form a national center for prevention and control of rape.

ANOTHER CASE OF RAPE—PART III

For the past two days WEEI has been talking about rape in hopes of stimulating further public reaction to this barbaric crime.

Yesterday we urged passage of Massachusetts House Bill 5802 which would replace the Commonwealth's archaic rape statute and offer prison sentences up to life for offenders.

Today WEEI will discuss the National Center for the Prevention and Control of Rape proposed by Kansas Congressman Larry Winn, Jr. and 66 other House members.

The bill, H.R. 11520 will establish an organization with facilities for studying the effectiveness of existing Federal and local laws dealing with rape as well as the treatment rape victims receive.

After studying the incidence of sexual assault and the effectiveness of programs designed to prevent its occurrence, the National Center would make grants to community mental health agencies, private nonprofit organizations and public projects to research rape prevention. The Center would also provide funding to establish programs for counseling rape victims.

The measure is currently being heard before the House Interstate and Foreign Commerce Committee. We urge favorable consideration of H.R. 11520.

ANOTHER CASE OF RAPE—PART IV

For the past few days, WEEI's editorials have dealt with the subject of rape.

We have discussed statistics—that 376 Boston women reported last year that they were sexually assaulted and how that figure reflects only a small percentage of the actual number of women who were attacked. We have also talked about the low conviction rate, that only 21 men were sentenced for those assaults.

Why is it that only a small number of women report these attacks and an even smaller number of men are convicted? These answers lie somewhere within the multiple standards that our society employs to morally judge men and women and find that the two sexes should be treated differently.

The conservative moral attitudes displayed by some juries have forced prosecuting attorneys to make such differentiations as "hard" and "soft" rape. The difference indicates whether the woman was brutally assaulted or that she might have unwittingly put herself into some "compromising" situation and then she was attacked.

Women are often treated not as the victim, but as the culprit and for that reason many women have found the involved process of making police reports can be humiliating.

Rape isn't treated like any other personal assault crime.

Unless other circumstances such as homocide or kidnapping prevail, there isn't the immediate response on the part of law enforcement officers, prosecutors, or juries.

It is a sad commentary of our judicial and moral system that so many women are compelled to live within a rape schedule; afraid to walk unaccompanied on even the most brightly lighted streets, not able to attend plays or concerts alone and unable to run, even to the grocery store or walk their dogs after dark for fear that someone will attack them.

THE 34TH ANNIVERSARY OF SOVIET ANNEXATION OF LITHUANIA

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. HOWARD. Mr. Speaker, Saturday, June 15, 1974, marked the 34th anniversary of the forcible annexation of Lithuania by the Soviet Government into the Soviet Union. Along with Latvia and Estonia, Lithuania was carved into the Soviet sphere as a result of big power machinations stemming from the Nazi-Soviet pact of 1939. This wholesale land grab by the Soviets was stoutly and courageously resisted by Lithuanian freedom fighters who, defending their homeland, dared to take on the Soviet occupation army. Fifty thousand Lithuanian lives were lost in the ensuing struggle. This valiant guerrilla resistance has provided the basis for the ongoing tradition of anti-Soviet sentiment that is clearly manifest in Lithuanian society today.

An incident which demonstrates this anti-Soviet sentiment occurred recently when a Lithuanian seaman aboard a Soviet vessel sought asylum on a U.S. Coast Guard ship. Unfortunately, the Soviet authorities were permitted to board the U.S. ship and to seize the Lithuanian seaman who was subsequently imprisoned. I have recently introduced a resolution which expresses concern over the fate of this unfortunate seaman. The resolution reads as follows:

> H. CON. RES. 504
>
> Whereas Simas Kudirka, a Lithuanian seaman, attempted to seek asylum in the United States while his ship was moored beside a United States Coast Guard vessel in United States territorial waters; and
>
> Whereas Simas Kudirka was forcibly seized from the United States Coast Guard vessel and returned by Soviet authorities to a Soviet vessel, and subsequently imprisoned in the Soviet Union; and
>
> Whereas American citizens are increasingly concerned about this flagrant violation of human rights; and
>
> Whereas his continued imprisonment and the inability to learn of his welfare raise among American citizens an impediment to the improvement of relations between the Soviet Union and the United States: Now, therefore, be it
>
> *Resolved* by the House of Representatives (the Senate concurring), That it is the sense of Congress that the President of the United States direct the Secretary of State to bring to the immediate attention of the Soviet Government the deep and growing concern among citizens of the United States over the plight of Simas Kudirka and to urge his release from imprisonment and his return to his family.
>
> SEC. 2. It is the sense of the Congress that the President of the United States forward a copy of this concurrent resolution to the United States Representative to the United Nations for transmission to the Commission on Human Rights or the Division of Human Rights of the United Nations.

It was also not long ago that a Lithuanian youth burned himself as a martyr in protest against the denial of national self-determination, the denial of religious and political freedom, and the denial of human rights by the Soviet Union. This dramatic action, more than a quarter century after the Soviet takeover, clearly demonstrates the depth of the resentment that patriotic Lithuanians everywhere feel toward the continuing subjugation of their country.

During the Stalin era, this resentment was so strong that the Soviets despaired of ever cajoling the Lithuanian people into accepting Soviet domination and thus were forced to begin a campaign of mass deportation. More than one-sixth of the Lithuanian people were sent into exile in Russia and Siberia. Their only crime was that they steadfastly refused to accept the Soviet line. It was believed by the Soviets that a mass deportation resulting in a significant depopulation would eventually bring about a subjugation of the Lithuanian people through a forced homogenization of their cultural identity. The Soviets vastly underestimated the tenacity of the Lithuanians in retaining their cultural heritage, however. Even after more than 30 years of attempting to erode the 1,000-year-old culture of these brave people, the Soviets have made little, if any, headway.

The United States has never recognized the forcible annexation of Lithuania and other Baltic States to the Soviet Union. If it was wrong 34 years ago to accept this outright neocolonization then it should not be accepted today. We must steadfastly maintain this policy of nonrecognition not only as a sign to the people of Lithuania that we are behind them, but also to serve notice on the Soviet Union that the United States, while seeking to decrease tensions in certain areas, by no means intends to imply that it is abandoning its advocacy of the principle of political self-determination.

In 1967 Secretary of State Dean Rusk eloquently reaffirmed U.S. policy toward Lithuania when he stated:

> U.S. support for the Lithuanian people's just aspirations for freedom and independence is reflected clearly in our refusal to recognize the forcible incorporation of [Lithuania] into the Soviet Union and in the warm sympathy manifested by the American people in the Lithuanian cause.
>
> In continuing to look resolutely toward a free and independent existence, the Lithuanian people both here and abroad have established a firm foundation for the hope of free men everywhere that the goal of Lithuanian national self-determination will ultimately be realized.

We must never forget these brave people. All Americans should take a moment to consider that, in the community of man, a loss of freedom for some is really a loss for all. Mr. Speaker, this 34th anniversary of the subjugation of Lithuania by the Soviet Union provides an opportunity for us to consider this important lesson. The heroic resistance of the Lithuanian people continues to provide an example to oppressed people throughout the world.

THE CONSUMER—ABOUT TO BE TAKEN AGAIN?

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. VANIK. Mr. Speaker, today, representatives of the meat industry will be meeting at the White House with Secretary of Agriculture Butz and Presidential Economic Counselor Kenneth Rush on ways and means to shore up beef prices. It appears that a number of cattlemen and feedlot operators are losing money. It is their own fault. In the past they held cattle off the market and raised beef prices so high that the consumer was "turned off," quit buying beef, and turned to other products. Now the cattlemen are stuck with overweight and old animals and decreased beef demand.

Despite the fact that many of their problems were brought on by their own greed, I would be happy to support efforts of Members of Congress from the cattle areas to investigate why there has not been a proportionate decline in the price of beef in the supermarket—why the middleman has not passed on lower beef prices and thereby helped restore demand for beef.

But I am opposed to efforts to limit imports of meat products. Even when beef and other meat prices were at record highs, the tariff on low-cost tinned and canned meats was not suspended. Even when beef prices soared through the ceiling, the administration opposed efforts to repeal the meat import quota law.

But now that beef prices have slumped and the consumer has an opportunity for some relief, the cattlemen want the low-priced, hamburger-type foreign meat restricted from entering the country! For the cattlemen, it is the best of both worlds—for the consumer, it is a one-way street: he always must pay.

Now a proposal has even been advanced to provide $3 billion in Government-guaranteed loans to cattle farmers, ranchers, and feeders. Not only will American consumers be stuck with high beef prices, but as taxpayers, they will have to foot tens of millions of dollars in interest subsidies for the cattlemen. If such legislation were enacted, it might even provide loans for cattlemen to support themselves while they boycott the marketplace.

Mr. Speaker, the American beef producer has spoken for and worked for the "free marketplace"—and Secretary Butz has led the way. But now that prices are slumping, the beef producers are crying "unfair" and have come running to the Federal Government for relief. Last year the cattlemen deliberately adopted a policy which hurt the consumer and helped sabotage the economic stabilization program. Now they have reaped the rewards for their narrow, selfish policy. They should be allowed to stew in the "free marketplace" where there is the freedom to lose—as well as to win.

VOTING RECORD

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. FRENZEL. Mr. Speaker, a number of constituents have contacted me regarding my legislative performance and voting record for the 93d Congress. To make this information as completely available as possible, I am submitting it for the daily RECORD. However, a simple series of numbers and dates does not inform our constituents of very much and I am therefore enclosing additional voting participation information.

In the 92d Congress my record for voting participation was 91 percent. The congressional average, with 541 recorded votes, was 83 percent. As of June 11, 1974, with 739 recorded votes, my voting percentage for the 93d Congress is 90 percent.

The voting record follows:

MEMBER'S INDIVIDUAL VOTING RECORD—HON. BILL FRENZEL—93D CONGRESS, 1ST SESSION

Key: NVF—Not voting (paired for); NVA—Not voting (paired against); PNVF—Present not voting (paired for); PNVA—Present not voting (paired against)

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
1	01/03/73	H1	Quorum—Call of the States	Present			426
2	01/03/73	H2	H. Res. 0—Election of Speaker	Ford	236	188	2
3	01/03/73	H16	H. Res. 6—Ordering the previous question.	Nay	208	206	
4	01/15/73	H237	Quorum—Call of the House	Present	251		
5	01/23/73	H389	do	Present			331
6	01/29/73	H513	do	Present			271
7	01/31/73	H591	do	Present			361
8	01/31/73	H598	H. Res. 176—Ordering the previous question.	Nay	205	167	
9	01/31/73	H599	H. Res. 176—On agreeing to the resolution.	Nay	238	135	
10	01/31/73	H603	H. Res. 132—On agreeing to the resolution.	Yea	282	91	
11	02/05/73	H684	H.J. Res. 123—Suspend rules and pass.	Yea	283	40	
12	02/06/73	H730	Quorum—Call of the House	Present			336
13	02/07/73	H805	do	Present			375
14	02/07/73	H808	H. Res. 188—Ordering the previous question.	Nay	237	150	
[1]15	02/07/73	H831	H.R. 2107—On agreeing to the amendment.	Aye	176	217	
[1]16	02/07/73	H835	H.R. 2107—On agreeing to the amendment.	Aye	132	260	
17	02/07/73	H838	H.R. 2107—On passage	Nay	251	142	
18	02/20/73	H964	Quorum—Call of the House	Present			343
19	02/20/73	H968	H.R. 3694—Suspend rules and pass	Yea	286	72	1
20	02/21/73	H1020	H.J. Res. 345—On passage	Yea	311	73	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 20)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	10	8	2	20
Present responses (yea, nay, present, present-paired for or against)	10	8	2	20
Absences (absent, not voting, not voting-paired for or against)	0	0	0	0
Voting percentage (presence)	100	100	100	100

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
[1]21	02/22/73	H1073	H.R. 1975—On agreeing to the amendment	Not voting	196	160	
22	02/22/73	H1074	H.R. 1975—On passage	NVF	269	95	
23	02/27/73	H1149	Quorum—Call of the House	Present			369
24	02/27/73	H1155	H.R. 3577—On passage	Yea	358	23	
25	02/28/73	H1205	Quorum—Call of the House	Present			387
26	02/28/73	H1210	H. Res. 256—On agreeing to the resolution.	Nay	317	75	2
27	02/28/73	H1216	H. Res. 18—Ordering the previous question.	Nay	204	191	1
28	02/28/73	H1225	H. Res. 257—On agreeing to the resolution.	Nay	153	234	
29	03/01/73	H1275	Quorum—Call of the House	Present			343
30	03/01/73	H1284	H.R. 3298—On passage	Nay	297	54	
31	03/05/73	H1341	Quorum—Call of the House	Present			335
32	03/05/73	H1346	H.R. 4278—Suspend rules and pass	Yea	352	7	
33	03/05/73	H1350	H.J. Res. 393—Suspend rules and pass	Yea	332	29	
34	03/06/73	H1387	Quorum—Call of the House	Present			371
35	03/07/73	H1427	do	Present			379
36	03/07/73	H1434	H. Res. 272—Ordering the previous question.	Nay	197	196	1
[1]37	03/07/73	H1447	H. Res. 259—On agreeing to the amendment.	No	201	198	
38	03/07/73	H1448	H. Res. 259—On agreeing to the resolution.	Yea	371	27	
39	03/08/73	H1516	Quorum—Call of the House	Absent			311
40	03/08/73	H1532	Quorum—Call in committee	Present			309

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 40)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	20	16	4	40
Present responses (yea, nay, present-paired for or against)	19	15	3	37
Absences (absent, not voting, not voting-paired for or against)	1	1	1	3
Voting percentage (presence)	95	93.7	75	92.5

See footnote at end of table.

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
[1]41	03/08/73	H1536	H.R. 17—On agreeing to the amendment.	No	165	213	
42	03/08/73	H1556	H.R. 17—On passage	Yea	318	57	
43	03/13/73	H1642	Quorum—Call of the House	Present			386
[1]44	03/13/73	H1678	H.R. 71—On agreeing to the amendment.	No	168	229	
45	03/13/73	H1689	H.R. 71—On passage	Yea	329	69	
46	03/14/73	H1720	Quorum—Call of the House	Present			376
47	03/14/73	H1721	do	do			371
48	03/14/73	H1730	S. 583—On passage	Yea	399	1	
49	03/15/73	H1773	Quorum—Call of the House	Present			366
50	03/15/73	H1804	H.R. 2246—On passage	Nay	278	108	
51	03/20/73	H1954	Quorum—Call of the House	Absent			376
52	03/20/73	H1959	H. Res. 285—On agreeing to the resolution.	Not voting.	372	9	
53	03/21/73	H2000	Quorum—Call of the House	Absent			372
54	03/21/73	H2006	H.R. 5446—On passage	Yea	392	2	
55	03/22/73	H2064	Quorum—Call of the House	Present			378
56	03/22/73	H2077	H. Res. 308—On agreeing to the resolution.	Nay	289	101	1
57	03/22/73	H2090	H.R. 5445—On passage	Yea	387	1	
58	03/27/73	H2156	Quorum—Call of the House	Present			379
59	03/28/73	H2194	do	do			386
60	03/29/73	H2258	do	do			368

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 60)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	28	26	6	60
Present responses (yea, nay, present, present-paired for or against)	26	23	5	54
Absences (absent, not voting, not voting-paired for or against)	2	3	1	6
Voting percentage (presence)	92.8	88.4	88.3	90.0

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
61	03/29/73	H2262	H.R. 5293—Recommit with instructions.	Nay	132	238	
62	03/29/73	H2263	H.R. 5293—On passage	Yea	299	72	
63	04/02/73	H2309	H.R. 3153—Suspend rules and pass	Yea	340	1	
64	04/02/73	H2316	H. Res. 330—Suspend rules and pass	Yea	303	52	
65	04/03/73	H2371	Quorum call of the House	Present			398
66	04/03/73	H2372	do	Present			375
67	04/03/73	H2376	do	Present			382
68	04/03/73	H2377	do	Present			381
69	04/04/73	H2401	do	Preseet			404
70	04/04/73	H2404	H.R. 3577—Agreeing to conference report.	Yea	396	18	
71	04/04/73	H2408	H. Res. 337—Ordering the previous question.	Nay	244	170	
72	04/04/73	H2412	Quorum—Call in committee	Present			381
73	04/04/73	H2412	do	Present			370
[1]74	04/04/73	H2422	H.R. 5683—On agreeing to the amendment.	Aye	162	244	
75	04/04/73	H2424	H.R. 5683—On passage	Yea	317	92	
76	04/05/73	H2451	Quorum—Call of the House	Present			349
77	04/05/73	H2457	H. Res. 340—On agreeing to the resolution.	Nay	281	70	3
78	04/09/73	H2486	Quorum—Call of the House	Present			321
79	04/09/73	H2490	H.R. 4586—On passage	Yea	328		
80	04/09/73	H2494	H.R. 342—On passage	Yea	331	1	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 80)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	38	35	7	80
Present responses (yea, nay, present, present-paired for or against)	36	32	6	74
Absences (absent, not voting, not voting-paired for or against)	2	3	1	6
Voting percentage (presence)	94.7	91.4	85.7	92.5

MEMBER'S INDIVIDUAL VOTING RECORD—HON. BILL FRENZEL—93D CONGRESS, 1ST SESSION

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
81	04/10/73	H2540	Quorum—Cal. of the House	Present.			396
82	04/10/73	H2551	H.R. 3298—On Presidential veto	Nay	225	189	
83	04/10/73	H2563	H. Res. 348—On agreeing to the resolution.	Yea	197	210	
84	04/11/73	H2598	H. Res. 349—On agreeing to the resolution.	Yea	371	14	1
85	04/11/73	H2618	H.R. 3180—On passage	Yea	354	49	
86	04/12/73	H2681	H.J. Res. 496—On passage	Yea	367		
87	04/16/73	H2727	Quorum—Call of the House	Present			361
88	04/16/73	H2735	H. Res. 357—Ordering the previous question.	Nay	147	258	
89	04/16/73	H2761	Quorum—Call in committee	Present			385
[1] 90	04/16/73	H2766	H.R. 6168—On agreeing to the amendment.	No	139	263	
[1] 91	04/16/73	H2767	do	Aye	271	132	
[1] 92	04/16/73	H2768	do	No	151	253	
[1] 93	04/16/73	H2770	do	No	173	225	6
[1] 94	04/16/73	H2771	do	No	147	250	5
[1] 95	04/16/73	H2773	do	No	101	303	
96	04/16/73	H2776	H.R. 6168—On motion to recommit	Nay	164	243	
97	04/16/73	H2777	H.R. 6168—On passage	Yea	293	114	
98	04/17/73	H2816	Quorum—Call of the House	Present			369
99	04/17/73	H2832	Quorum—Call in committee	Present			361
100	04/17/73	H2847	H.R. 6691—On agreeing to the amendment.	No	189	195	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 100)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	46	40	14	100
Present responses (yea, nay, present, present-paired for or against)	44	37	13	94
Absences (absent, not voting, not voting-paired for or against)	2	3	1	6
Voting percentage (presence)	95.6	92.5	92.8	94

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
101	04/18/73	H2880	Quorum—Call of the House	Present			389
102	04/18/73	H2885	H.R. 6691—On motion to recommit	Nay	185	215	2
103	04/18/73	H2893	Quorum—Call of the House	Present			372
104	04/18/73	H2900	H. Res. 360—Ordering the previous question.	Nay	193	209	
105	04/18/73	H2901	H. Res. 360—Ordering the previous question.	Yea	157	245	
106	04/18/73	H2941	Quorum—Call in committee	Absent			372
107	04/18/73	H2950	H. Res. 360—On motion to table	Yea	183	173	
108	04/18/73	H2964	S. 50—Agreeing to Senate amendment.	Yea	348		
109	04/19/73	H2982	Quorum—Call of the House	Present			380
[1] 110	04/19/73	H2991	S. 502—On agreeing to the amendment.	Aye	190	215	
[1] 111	04/19/73	H3033	S. 502—On agreeing to the amendment.	Aye	292	93	
112	04/30/73	H3141	Quorum—Call of the House	Present			325
113	04/30/73	H3144	do	Present			374
114	04/30/73	H3149	S. 398—Agreeing to conference report.	Yea	267	115	
115	05/01/73	H3212	H. Res. 351—On agreeing to resolution.	Yea	318	56	5
[1] 116	05/01/73	H3227	H.R. 3932—On agreeing to the amendment.	Aye	130	263	
117	05/01/73	H3228	H.R. 3932—On passage	Nay	229	171	
118	05/02/73	H3259	H. Res. 370—On agreeing to the resolution.	Not voting.	365	2	1
119	05/02/73	H3271	H.R. 6388—On passage	Not voting.	386	16	
120	05/03/73	H3295	Quorum—Call of the House	Present			357

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 120)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	56	47	17	120
Present responses (yea, nay, present, present-paired for or against)	52	43	16	111
Absences (absent, not voting, not voting-paired for or against)	4	4	1	9
Voting percentage (presence)	92.8	91.4	94.1	92.5

See footnote at end of table.

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
[1] 121	05/03/73	H3328	H.R. 982—On agreeing to the amendment.	No	96	266	
122	05/03/73	H3332	H.R. 982—On passage	Yea	297	63	
123	05/07/73	H3361	Quorum—Call of the House	Absent			321
124	05/07/73	H3369	H.R. 4967—Suspend rules and pass	Not voting.	336	8	
125	05/07/73	H3375	H.R. 6574—Suspend rules and pass	Not voting.	342	1	
126	05/07/73	H3390	H.R. 2828—Suspend rules and pass	Not voting.	340	1	
127	05/07/73	H3400	H.R. 29—Suspend rules and pass	Not voting.	344		
128	05/08/73	H3418	H.R. 5452—Suspend rules and pass	Yea	368	9	
129	05/08/73	H3425	H.R. 5451—Suspend rules and pass	Yea	370	1	
130	05/09/73	H3463	Quorum—Call of the House	Present			374
131	05/09/73	H3470	H.R. 7445—On passage	Yea	388		
[1] 132	05/09/73	H3484	H.R. 6370—On agreeing to the amendment.	Aye	98	264	29
133	05/09/73	H3486	H.R 6370—On passage	Yea	376	4	18
134	05/10/73	H3547	S. 394—Agreeing to conference report.	Yea	363	25	
135	05/10/73	H3555	H. Res. 389—Ordering the previous question.	Yea	184	222	
[1] 136	05/10/73	H3592	H.R. 7447—On agreeing to the amendment.	Aye	219	188	
[1] 137	05/10/73	H3597	do	No	180	219	
[1] 138	05/10/73	H3598	do	Aye	224	172	
[1] 139	05/10/73	H3600	do	No	211	178	
140	05/10/73	H3603	do	Nay	194	187	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 140)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	68	49	23	140
Present responses (yea, nay, present, present-paired for or against)	60	44	22	126
Absences (absent, not voting, not voting-paired for or against)	8	5	1	14
Voting percentage (presence)	88.2	89.7	95.6	90

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
141	05/10/73	H3604	H.R. 7447—On passage	Yea	284	96	
142	05/15/73	H3636	Quorum—Call of the House	Present			355
[1] 143	05/15/73	H3644	H.R. 6768—On agreeing to the amendment.	No	164	216	
[1] 144	05/15/73	H3646	do	No	200	184	
[1] 145	05/15/73	H3647	do	No	192	198	
146	50/15/73	H3648	H.R. 6768—On passage	Yea	266	123	
147	05/16/73	H3697	Quorum—Call of the House	Present			382
148	05/16/73	H3702	H.R. 5777—On passage	Yea	382	7	
149	05/21/73	H3795	H.J. Res. 512—Suspend rules and pass	Yea	375	1	1
150	05/21/73	H3800	H.R. 6330—Suspend rules and pass	Nay	270	98	1
151	05/22/73	H3823	Quorum—Call of the House	Absent			386
152	05/22/73	H3832	H.R. 6717—Suspend rules and pass	Nay	307	90	
153	05/22/73	H3841	H.R. 7200—Motion to recommit	Nay	10	393	
154	05/22/73	H3842	H.R 7200—On passage	Yea	387	5	
155	05/23/73	H3910	Quorum— Call of the House	Present			383
156	05/23/73	H3920	S. 518—On Presidential veto	Nay	236	178	
157	05/23/73	H3946	Quorum—Call of the House	Present			405
[1] 158	95/23/73	H3950	H.R. 7528—On agreeing to the amendment.	Aye	104	294	
159	05/23/73	H3951	H.R. 7528—On passage	Yea	322	73	
160	05/29/73	H4014	H. Res. 408—On agreeing to the resolution.	Yea	299	9	1

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 160)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	79	54	27	160
Present responses (yea, nay, present, present-paired for or against)	71	48	26	145
Absences (absent, not voting, not voting-paired for or against)	8	6	1	15
Voting percentage (presence)	89.8	88.8	96.2	90.6

MEMBER'S INDIVIDUAL VOTING RECORD—HON. BILL FRENZEL—93D CONGRESS, 1ST SESSION

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
[1] 161	05/29/73	H4034	H.R. 6912—On agreeing to the amendment.	No	162	162	3
[1] 162	05/29/73	H4040	do	No	100	218	3
163	05/29/73	H4042	H.R. 6912—On passage	Yea	281	36	3
164	05/30/73	H4068	Quorum—Call of the House	Present			352
165	05/30/73	H4073	Quorum—Call in committee	Present			347
166	05/30/73	H4078	H.R. 5857—On passage	Yea	288	75	
167	05/30/73	H4085	H.R. 5858—On passage	Yea	260	100	
168	05/31/73	H4142	Quorum—Call of the House	Present			355
169	05/31/73	H4161	H.R. 7806—On passage	Yea	372	1	
170	05/31/73	H4174	H.R. 7724—On agreeing to the amendment.	Yea	354	9	
171	05/31/73	H4178	H.R. 7724—On passage	Yea	361	5	
172	05/31/73	H4189	H.R. 6458—On passage	Nay	261	96	
173	06/04/73	H4238	Quorum—Call of the House	Present			289
174	06/04/73	H4240	H. Res. 398—Suspend rules and pass	Yea	299		
175	06/05/73	H4272	Quorum—Call of the House	Present			383
176	06/05/73	H4293	H.R. 8070—Suspend rules and pass	Yea	384	13	
177	06/05/73	H4308	Quorum—Call in committee	Present			374
178	06/06/73	H4352	Quorum—Call of the House	Present			399
[1] 179	06/06/73	H4368	H.R. 7935—On agreeing to the amendment.	Aye	186	232	
[1] 180	06/06/73	H4373	do	Aye	199	218	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 180)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	88	61	31	180
Present responses (yea, nay, present, present-paired for or against)	80	55	30	165
Absences (absent, not voting, not voting-paired for or against)	8	6	1	16
Voting percentage (presence)	90.9	90.1	96.7	91.6

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
[1] 181	06/06/73	H4374	H.R. 7935—On agreeing to the amendment.	No	193	225	
[1] 182	06/06/73	H4375	do	No	189	224	
[1] 183	06/06/73	H4376	do	No	195	224	
[1] 184	06/06/73	H4376	do	Aye	102	313	
[1] 185	06/06/73	H4383	do	Aye	167	249	
[1] 186	06/06/73	H4384	do	Aye	182	233	
[1] 187	06/06/73	H4388	do	Aye	251	163	1
[1] 188	06/06/73	H4391	do	Aye	199	215	
[1] 189	06/06/73	H4397	do	Aye	213	203	
190	06/06/73	H4398	H.R. 7935—On passage	Yea	287	130	
191	06/06/73	H4416	Quorum—Call of the House	Present			157
192	06/06/73	H4416	Motion—Motion to adjourn	Not voting.	9	143	1
193	06/07/73	H4421	Quorum—Call of the House	Present			380
194	06/07/73	H4457	H. Res. 382—On agreeing to the resolution.	Nay	130	281	
195	06/07/73	H4467	H.R. 7645—On passage	Yea	331	57	
196	06/07/73	H4481	H.R. 7446—On passage	Yea	344	14	
197	06/08/73	H4515	H.R. 2246—Agreeing to conference report.	Yea	276	2	
198	06/08/73	H4516	H. Res. 426—On agreeing to the resolution.	Yea	274		
199	06/08/73	H4523	H.R. 7670—On passage	Yea	266	10	
200	06/11/73	H4546	Quorum—Call of the House	Present			321

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 200)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	96	64	40	200
Present responses (yea, nay, present, present-paired for or against).	87	58	39	184
Absences (absent, not voting, not voting-paired for or against).	9	6	1	16
Voting percentage (presence)	90.6	90.6	97.5	92.0

See footnote at end of table.

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
201	06/11/73	H4546	Quorum—Call of the House	Present			329
202	06/11/73	H4547	H. Res. 000—Calendar Wednesday dispense.	Yea	221	119	
203	06/11/73	H4553	H.R. 4083—On passage	Yea	330		
204	06/11/73	H4557	H.R. 6713—On passage	Yea	330	12	
205	06/11/73	H4564	H.R. 8250—On passage	Yea	268	84	
206	06/11/73	H4573	H.R. 4771—On passage	Yea	210	144	1
207	06/12/73	H4595	H.R. 5293—Agreeing to conference report.	Yea	329	64	
208	06/12/73	H4599	H. Res. 423—On agreeing to the resolution.	Yea	307	91	
[1] 209	06/12/73	H4608	H.R. 77—On agreeing to the amendment.	Aye	279	126	1
[1] 210	06/12/73	H4612	do	No	111	293	
[1] 211	06/12/73	H4612	do	Aye	177	223	
212	06/12/73	H4614	H.R. 77—On passage	Yea	257	149	
213	06/13/73	H4652	Quorum—Call of the House	Present			402
214	06/13/73	H4657	H. Res. 437—Ordering the previous question.	Nay	21	395	
215	06/13/73	H4658	do	Yea	254	160	
216	06/13/73	H4658	H. Res. 437—On agreeing to the amendment.	Yea	248	163	
217	06/13/73	H4659	H. Res. 437—On agreeing to the resolution.	Yea	271	141	
218	06/13/73	H4674	Quorum—Call in committee	Present			389
219	06/13/73	H4677	H.R. 8410—On passage	Yea	261	152	
220	06/14/73	H4711	Quorum—Call of the House	Present			381

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 220)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	109	68	43	220
Present responses (yea, nay, present, present-paired for or against)	100	62	42	204
Absences (absent, not voting, not voting-paired for or against)	9	6	1	16
Voting percentage (presence)	91.7	91.1	97.6	92.7

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
221	06/14/73	H4715	Quorum—Call in committee	Present			370
[1] 222	06/14/73	H4737	H.R. 3926—On agreeing to the amendment.	No	141	248	
[1] 223	06/14/73	H4739	H.R. 3926—On agreeing to the amendment.	No	146	235	
224	06/14/73	H4741	H.R. 3926—On passage	Yea	309	63	
225	06/14/73	H4744	Quorum—Call in committee	Present			306
226	06/15/73	H4767	Quorum—Call of the House	Present			328
227	06/15/73	H4787	Quorum—Call in committee	Present			342
[1] 228	06/15/73	H4790	H.R. 8619—On agreeing to the amendment.	Aye	234	125	
[1] 229	06/15/73	H4795	H.R. 8619—On agreeing to the amendment.	Aye	195	157	1
230	06/15/73	H4813	H.R. 8619—On passage	Yea	304	3	
231	06/18/73	H4856	Quorum—Call of the House	Present			344
232	06/18/73	H4860	Quorum—Call in committee	Absent			344
233	06/18/73	H4870	H.R. 8658—On passage	Yea	321	64	
234	06/18/73	H4887	Quorum—Call in committee	Present			378
[1] 235	06/18/73	H4894	H.R. 8152—On agreeing to the amendment.	Aye	227	162	1
[1] 236	06/18/73	H4897	H.R. 8152—On agreeing to the amendment.	No	231	161	
237	06/18/73	H4904	H.R. 8152—On passage	Yea	391		
238	06/19/73	H4949	H.R. 689—Suspend rules and pass	Yea	399		
239	06/19/73	H4955	H.R. 6129—Suspend rules and pass	Yea	387	14	
240	06/19/73	H4963	H.R. 7127—Suspend rules and pass	Yea	385	16	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 240)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	116	75	49	240
Present responses (yea, nay, present, present-paired for or against)	107	68	48	223
Absences (absent, not voting, not voting-paired for or against)	9	7	1	17
Voting percentage (presence)	92.2	90.6	97.9	92.9

MEMBER'S INDIVIDUAL VOTING RECORD—HON. BILL FRENZEL—93D CONGRESS, 1ST SESSION

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
241	06/19/73	H4965	H. Res. 434—On agreeing to the resolution.	Yea	389	4	
242	06/19/73	H4973	H.R. 5464—On agreeing to the amendment.	Yea	281	125	
243	06/19/73	H4974	H.R. 5464—On passage	Yea	399	4	
244	06/19/73	H4980	H.R. 5094—On passage	Nay	319	84	
245	06/20/73	H4999	Quorum—Call of the House	Present			399
[1]246	06/20/73	H5021	H.R. 8760—On agreeing to the amendment.	No	107	309	
[1]247	06/20/73	H5027	do	No	204	213	
[1]248	06/20/73	H5031	do	Aye	137	277	
[1]249	06/20/73	H5032	do	No	17	392	
250	06/20/73	H5034	H.R. 8760—On passage	Yea	414	2	
251	06/20/74	H5040	H. Res. 435—On agreeing to the resolution.	Yea	358	34	
252	06/21/73	H5067	Quorum—Call of the House	Present			388
253	06/21/73	H5091	Quorum—Call in committee	Present			395
[1]254	06/21/73	H5102	H.R. 7824—On agreeing to the amendment.	No	245	166	
[1]255	06/21/73	H5108	do	No	159	237	
[1]256	06/21/73	H5119	do	No	200	181	
[1]257	06/21/73	H5120	do	No	207	171	
[1]258	06/21/73	H5126	do	No	221	150	
[1]259	06/21/73	H5127	do	No	233	139	1
[1]260	06/21/73	H5128	H.R. 7824—On preferential motion	No	91	283	

CUMULATIVE VOTING RECORD THIS SESSICN (THRCUGH RCLL NLMEER 260)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	122.0	78	60.0	260.0
Present responses (Yea, nay, present, present-paired for or against)	113.0	71	59.0	243.0
Absences (Absent, not voting, not voting-paired for or against)	9.0	7	1.0	17.0
Voting percentage (presence)	92.6	91	98.3	93.4

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
[1]261	06/21/73	H5130	H.R. 7824—On agreeing to the amendment.	Aye	316	53	
[1]262	06/21/73	H5131	do	No	301	68	
263	06/21/73	H5137	H.R. 7824—On passage	Yea	276	95	5
264	06/22/73	H5159	Quorum—Call of the House	Absent			308
[1]265	06/22/73	H5181	H.R. 8510—On agreeing to the amendment.	Not voting.	109	238	
[1]266	06/22/73	H5185	do	Not voting.	288	73	4
267	06/22/73	H5186	H.R. 8510—On passage	Not voting.	364	6	
268	06/22/73	H5211	Quorum—Call in committee	Absent			342
[1]269	06/22/73	H5216	H.R. 8825—On agreeing to the amendment.	Not voting.	168	184	
[1]270	06/22/73	H5224	do	Not voting.	106	241	
271	06/22/73	H5237	H.R. 8825—On passage	Not voting.	316	21	
272	06/25/73	H5258	Quorum—Call of the House	Present			376
[1]273	06/25/73	H5268	H.R. 7447—On presidential veto	Aye	235	172	1
274	06/25/73	H5274	H.R. 7447—On preferential motion	Nay	204	204	1
275	06/25/73	H5276	H. Res. 454—On agreeing to the resolution.	Nay	276	129	
276	06/25/73	H5293	Quorum—Call in committee	Present			385
[1]277	06/25/73	H5293	H.R. 8662—On agreeing to the amendment.	Aye	136	266	
278	06/25/73	H5298	H.E. 8662—On passage	Yea	398	4	
279	06/25/73	H5304	Quorum—Call in committee	Present			320
280	06/25/73	H5315	do	Present			236

See footnote at end of table.

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 280)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	128	84	68	280
Present responses (yea, nay, present-paired for or against	117	75	63	255
Absences (absent, not voting, not voting-paired for or against)	11	9	5	25
Voting percentage (presence)	91.4	89.2	92.6	91

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
281	06/26/73	H5358	Quorum—Call of the House	Present			398
[1]282	06/26/73	H5367	H.J. Res. 636—On motion to limit debate.	No	275	136	
[1]283	06/26/73	H5371	H.J. Res. 636—On agreeing to the amendment.	Aye	218	194	
[1]284	06/26/73	H5372	do	Aye	232	181	
[1]285	06/26/73	H5373	do	Aye	240	172	
286	06/26/73	H5373	H.J. Res. 636—On passage	Yea	325	86	
287	06/26/73	H5375	H. Res. 455—On agreeing to the resolution.	Yea	395	3	1
288	06/26/73	H5405	Quorum—Call in committee	Present			375
289	06/26/73	H5417	do	Present			363
[1]290	06/26/73	H5433	H.R. 8877—On agreeing to the amendment.	No	110	288	
[1]291	06/26/73	H5434	do	Aye	186	213	
[1]292	06/26/73	H5438	do	No	161	244	
[1]293	06/26/73	H5440	do	Aye	190	218	
294	06/26/73	H5443	H.R. 8877—On motion to recommit	Yea	186	219	
295	06/26/73	H5443	H.R. 8877—On passage	Yea	347	58	
296	06/27/73	H5475	Quorum—Call of the House	Present			380
297	06/27/73	H5481	H.R. 8215—On agreeing to the amendments.	Yea	403		1
298	06/27/73	H5482	H.R. 4200—On passage	Yea	402		
299	06/27/73	H5486	H. Res. 470—On agreeing to the resolution.	Yea	401	12	
300	06/27/73	H5487	H.R. 7447—On Presidential veto	Yea	241	173	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NO. 300)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	136	88	76	300
Present responses (yea, nay, present, present-paired for or against)	125	79	71	275
Absences (absent, not voting, not voting-paired for or against)	11	9	5	25
Voting percentage (presence)	91.9	89.7	93.4	91.6

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
301	06/27/73	H5513	Quorum—Call in committee	Present			365
302	06/27/73	H5517	do	Present			389
303	06/27/73	H5519	do	Present			386
304	06/27/73	H5532	H.R. 8917—On passage	Yea	405	4	
305	06/28/73	H5577	Quorum—Call of the House	Present			400
306	06/28/73	H5589	H.R. 8537—Motion to instruct conferees.	Yea	238	175	
307	06/28/73	H5606	Quorum—Call in committee	Present			390
[1]308	06/28/73	H5607	H.R. 8947—On agreeing to the amendment.	Aye	108	303	1
[1]309	06/28/73	H5611	do	Aye	206	205	
310	06/28/73	H5624	H.R. 8947—On passage	Yea	384	26	
[1]311	06/28/73	H5636	H.R. 8548—On passage	Aye	322	62	
312	06/29/73	H5659	Quorum—Call of the House	Present			379
[1]313	06/29/73	H5680	H.R. 9055—On agreeing to the amendment.	No	57	346	
314	06/29/73	H5686	H.R. 9055—On agreeing to the amendment.	No	163	236	
315	06/29/73	H5687	H.R. 9055—On passage	Yea	278	124	2
316	06/29/73	H5696	Quorum—Call in committee	Present			371
[1]317	06/29/73	H5699	H.R. 8916—On agreeing to the amendment.	Aye	220	164	
318	06/29/73	H5703	H.R. 8916—On passage	Yea	370	11	
[1]319	06/29/73	H5727	H.R. 8410—Recede in Senate amendment.	No	185	190	
320	06/30/73	H5761	Quorum—Call of the House	Present			311

MEMBER'S INDIVIDUAL VOTING RECORD—HON. BILL FRENZEL—93D CONGRESS, 1ST SESSION

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 320)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	141	96	83	320
Present responses	130	87	78	295
Absences	11	9	5	25
Voting percentage (presence)	92.1	90.6	93.9	92.1

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
321	06/30/73	H5776	H.R. 8410—Recede and concur with amendment.	Yea	294	54	
322	06/30/73	H5781	H.J. Res 636—Agreeing to conference report.	Yea	266	75	1
323	06/30/73	H5791	H.R. 7445—Recede and concur with amendment.	Yea	327	9	1
324	07/10/73	H5822	Quorum—Call of the House	Absent			370
[1] 325	07/10/73	H5861	H.R. 8860—On agreeing to the amendment.	Not voting	313	89	1
[1] 326	07/10/73	H5867	do	Not voting	246	163	1
[1] 327	07/10/73	H5872	do	Not voting	139	264	
328	07/11/73	H5935	Quorum—Call of the House	Absent			390
[1] 329	07/11/73	H5945	H.R. 8860—On agreeing to the amendment.	Not voting	241	162	
[1] 330	07/11/73	H5956	do	Not voting	174	239	
[1] 331	07/11/73	H5960	do	Not voting	160	247	
[1] 332	07/11/73	H5966	do	Not voting	186	220	
333	07/12/73	H6003	Quorum—Call of the House	Absent			361
[1] 334	07/12/73	H6013	H. Res. 00—Motion that committee rise.	Not voting	325	67	
[1] 335	07/12/73	H6028	H.R. 8606—On agreeing to the amendment.	Not voting	167	245	
336	07/12/73	H6045	H.R. 2990—On passage	Not voting	328	65	
337	07/16/73	H6089	Quorum—Call in committee	Present			357
[1] 338	07/16/73	H6097	H.R. 8860—On agreeing to the amendment.	No	207	190	
339	07/16/73	H6112	Quorum—Call in committee	Present			389
[1] 340	07/16/73	H6118	H.R. 8860—On agreeing to the amendment.	Aye	221	177	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 340)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	145	101	94	340
Present responses (yea, nay, present, present-paired for or against)	133	89	80	302
Absences (absent, not voting, not voting-paired for or against)	12	12	14	38
Voting percentage (presence)	91.7	88.1	85.1	88.8

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
341	07/17/73	H6154	Quorum—Call of the House	Present			410
342	07/17/73	H6158	S. 504—Agreeing to conference report	Nay	306	111	
343	07/17/73	H6172	H.R. 6078—Suspend rules and pass	Nay	296	123	
344	07/17/73	H6176	H.R. 8949—Suspend rules and pass	Yea	412	3	1
345	07/17/73	H6194	H.R. 9048—Suspend rules and pass	Yea	421		
346	07/17/73	H6202	S. 2120—Suspend rules and pass	Yea	409	7	
347	07/17/73	H6208	S. 1752—Suspend rules and pass	Yea	174	237	
348	07/18/73	H6231	Quorum—Call of the House	Present			402
[1] 349	07/18/73	H6256	H.J. Res. 542—On agreeing to the amendment.	No	166	250	
[1] 350	07/18/73	H6258	do	No	153	262	
[1] 351	07/18/73	H6271	do	No	200	211	
352	07/18/73	H6263	H.J. Res. 542—On passage	Yea	244	170	
353	07/19/73	H6315	Quorum—Call of the House	Absent			389
[1] 354	07/19/73	H6321	H.R. 8850—On agreeing to the amendment.	Aye	238	173	
[1] 355	07/19/73	H6333	do	Aye	213	203	
[1] 356	07/19/73	H6342	do	Aye	210	207	
[1] 357	07/19/73	H6343	do	No	85	326	
[1] 358	07/19/73	H6352	do	Aye	208	207	
[1] 359	07/19/73	H6354	do	Aye	250	165	
[1] 360	07/19/73	H6355	H. Res. 00—Strike enacting clause	No	73	338	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 360)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	152	104	104	360
Present responses (yea, nay, present, present-paired for or against)	140	91	90	321
Absences (absent, not voting, not voting-paired for or against)	12	13	14	39
Voting percentage (presence)	92.1	87.5	86.5	89.1

See footnote at end of table.

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
[1] 361	07/19/73	H6361	H.R. 8860—On agreeing to the amendment.	Aye	248	165	
[1] 362	07/19/73	H6362	H.R. 8860—On motion to recommit	Aye	182	225	
[1] 363	07/19/73	H6363	H.R. 8860—On passage	Aye	226	182	
364	07/20/73	H6423	Quorum—Call of the House	Present			362
[1] 365	07/20/73	H6447	H.R. 8538—On agreeing to the amendment.	Aye	189	190	
[1] 366	07/20/73	H6452	H.R. 8538—On passage	Aye	363	14	
367	07/23/73	H6468	H Res. 493—On agreeing to the resolution.	Yea	351	4	
[1] 368	07/23/73	H6491	H.R. 5356—On agreeing to the amendment.	Aye	193	192	
[1] 369	07/23/73	H6497	do	No	159	236	
[1] 370	07/23/73	H6499	do	Aye	189	202	
371	07/23/73	H6500	H.R. 5356—On passage	Yea	324	73	
372	07/23/73	H6516	Quorum—Call of the House	Present			360
373	07/23/73	H6520	H. Res. 495—On agreeing to the resolution.	Nay	180	202	
374	07/24/73	H6540	S. 1888—Previous question to instruct	Nay	244	155	1
375	07/24/73	H6541	S. 1888—Motion to instruct conferees	Yea	371	35	
376	07/24/73	H6564	Quorum—Call in committee	Present			383
377	07/24/73	H6573	H.R. 8480—On agreeing to the amendment.	Aye	180	229	
[1] 378	07/24/73	H6577	do	Aye	205	206	
379	07/25/73	H6595	Quorum—Call of the House	Present			401
380	07/25/73	H6597	S. 1423—Agreeing to conference report	Yea	256	155	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 380)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	158	108	114	380
Present response (yea, nay, present, present-paired for or against)	146	95	100	341
Absences (absent, not voting, not voting-paired for or against)	12	13	14	39
Voting percentage (presence)	92.4	87.9	87.7	89.7

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
381	07/25/73	H6602	Quorum—Call in committee	Present			396
[1] 382	07/25/73	H6603	H.R. 8480—On agreeing to the amendment.	No	96	318	
[1] 383	07/25/73	H6612	do	No	156	252	
[1] 384	07/25/73	H6612	do	Aye	205	206	
[1] 385	07/25/73	H6625	H.R. 8480—Recommit with instructions	Aye	208	212	
386	07/25/73	H6626	H.R. 8480—On passage	Nay	254	164	
387	07/26/73	H6657	Quorum—Call of the House	Absent			364
388	07/26/73	H6668	Quorum—Call in committee	Present			378
389	07/26/73	H6688	do	Present			381
390	07/26/73	H6692	do	Present			382
[1] 391	07/26/73	H6692	H.R. 9360—On agreeing to the amendment.	No	131	271	
[1] 392	07/26/73	H6695	do	Aye	203	204	
[1] 393	07/26/73	H6699	do	No	173	232	
394	07/26/73	H6706	Quorum—Call in committee	Present			381
[1] 395	07/26/73	H6721	H.R. 9360—On agreeing to the amendment.	Aye	278	102	
[1] 396	07/26/73	H6737	do	No	240	137	
[1] 397	07/26/73	H6746	H.R. 9360—Recommit with instructions	Not voting.	232	139	
398	07/26/73	H6747	H.R. 9360—On passage	NVF	188	183	1
399	07/30/73	H6836	H.R. 8947—Agreeing to conference report.	Yea	373	9	
400	07/30/73	H6849	H. Res. 512—On agreeing to the resolution.	Yea	156	237	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 400)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	162	114	124	400
Present responses (yea, nay, present, present-paired for or against)	149	100	109	358
Absences (absent, not voting, not voting-paired for or against)	13	14	15	42
Voting percentage (presence)	91.9	87.7	87.9	89.5

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
401	07/30/73	H6850	S. Con. Res. 42—On agreeing to the Resolution.	Yea	370	22	
402	07/30/73	H6858	H.R. 9474—Suspend rules and pass	Yea	385		
403	07/30/73	H6866	Quorum—Call in committee	Present			362
404	07/31/73	H6922	Quorum—Call of the House	Present			396
[1] 405	07/31/73	H6931	H.R. 9286—On agreeing to the amendment.	Aye	88	323	

MEMBER'S INDIVIDUAL VOTING RECORD—HON. BILL FRENZEL—93D CONGRESS, 1ST SESSION

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
[1]406	07/31/73	H6950	do	Aye	96	313	------
[1]407	07/31/73	H6956	do	No	130	282	------
[1]408	07/31/73	H6968	do	No	67	339	------
[1]409	07/31/73	H6984	do	No	242	163	------
[1]410	07/31/73	H6990	do	Aye	242	163	------
411	07/31/73	H7003	H.R. 9286—On passage	Yea	367	37	------
412	08/01/73	H7116	H.R. 8825—Agreeing to conference report.	Yea	401	9	------
413	08/01/73	H7121	H.R. 8825—Insist on disagreement	Yea	222	189	------
414	08/01/73	H7135	Quorum—Call in committee	Present			394
[1]415	08/01/73	H7142	H.R. 9590—On agreeing to the amendment.	No	199	209	------
[1]416	08/01/73	H7144	H.R. 9590—On agreeing to the amend-	No	190	217	------
417	08/02/73	H7213	Quorum—Call of the House	Present			398
418	08/02/73	H7219	H. Res. 515—On agreeing to the resolution.	Yea	401	11	------
[1]419	08/02/73	H7268	H.R. 9130—On agreeing to the amendment.	Aye	160	261	------
[1]420	08/02/73	H7281	do	Aye	198	221	------

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 420):

	Yeas/nays	Quorum calls	Recorded votes	Grand totals
Number of calls or votes	168	118	134	420
Present responses (yea, nay, present, paired for or against)	155	104	119	378
Absences (absent, not voting, not voting-paired for or against)	13	14	15	42
Voting percentage (presence)	92.2	88.1	88.8	90

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
[1]421	08/02/73	H7298	H.R. 9130—On agreeing to the amendment.	Aye	179	233	2
[1]422	08/02/73	H7300	do	No	334	65	------
[1]423	08/02/73	H7302	do	Aye	177	228	------
424	08/02/73	H7306	H.R. 9130—On passage	Yea	356	60	------
425	08/03/73	H7376	S. 1636—Agreeing to conference report	Yea	335	71	------
[1]426	08/03/73	H7391	H. Res. 518—On agreeing to the resolution.	Aye	183	230	------
427	08/03/73	H7422	S. 502—Agreeing to conference report	Yea	382	34	------
428	08/03/73	H7433	H.R. 7935—Agreeing to conference report.	Nay	253	152	------
429	08/03/73	H7437	S. 1888—Ordering the previous question.	Yea	349	54	------
[1]430	08/03/73	H7439	S. 1888—Concur in S. amend with amend.	No	252	151	------
431	08/03/73	H7444	H.R. 8658—Agreeing to conference report.	Yea	342	47	------
[1]432	08/03/73	H7451	H.R. 8760—Agreeing to conference report.	Aye	359	5	------
433	09/05/73	H7517	Quorum—Call of the House	Present			354
434	09/05/73	H7523	H.J. Res. 512—On motion to recommit	Yea	202	172	------
435	09/05/73	H7533	H.R. 8920—On passage	Yea	368	11	1
436	09/05/73	H7549	H.R. 8449—On passage	Yea	359	21	------
437	09/06/73	H7590	H.R. 6912—Agreeing to conference report.	Yea	322	59	1
438	09/06/73	H7608	H.R. 8351—On passage	Yea	357	37	------
439	09/06/73	H7619	H. Res. 484—On agreeing to the resolution.	Yea	304	84	------
[1]440	09/06/73	H7642	H.R. 8547—On agreeing to the amendment.	No	154	211	------

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 440)

	Yeas/nays	Quorum calls	Recorded Votes	Grand totals
Number of calls or votes	180	119	141	440
Present responses (yea, nay, present, present-paired for or against)	167	105	126	398
Absences (absent, not voting, not voting-paired for or against)	13	14	15	42
Voting percentage (presence)	92.7	88.2	89.3	90.4

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
441	09/06/73	H7646	H.R. 8547—on passage	Yea	220	133	1
442	09/10/73	H7691	H. Res. 536—on agreeing to the resolution.	Yea	334	11	1
443	09/10/73	H7699	H.R. 7482—on passage	Yea	287	63	1
444	09/11/73	H7718	Quorum—Call of the house	Present			376
445	09/11/73	H7723	H.R. 7645—Reject sec. 13 of conference report.	Yea	213	185	------
446	09/11/73	H7738	H.R. 2096—on passage	Yea	248	152	1
[1]447	09/11/73	H7744	H. Res. 511—on agreeing to the resolution.	No	163	233	------

See footnotes at end of table.

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
448	09/12/73	H7764	Quorum—Call of the house	Present			382
449	09/12/73	H7785	S. 504—On presidential veto	Nay	273	144	1
450	09/12/73	H7804	H.R. 7974—On passage	Yea	369	40	------
451	09/12/73	H7812	H.R. 8789—On passage	Yea	396	4	------
452	09/13/73	H7844	H.R. 8619—Motion to instruct conferees.	Yea	231	160	2
453	09/13/73	H7851	H.R. 6576—On passage	Nay	321	74	------
454	09/13/73	H7863	Quorum—Call in committee	Present			382
[1]455	09/13/73	H7865	H.R. 9639—On agreeing to the amendment.	No	127	272	------
456	09/13/73	H7865	H.R. 9639—On passage	Yea	389	4	------
457	09/13/73	H7901	H.R. 9553—On passage	Not voting	336	37	1
458	09/17/73	H7964	H.R. 7265—Suspend rules and pass	Yea	339	14	------
459	09/18/73	H8007	H.R. 8070—Agreeing to conference report.	Yea	400	------	------
460	09/18/73	H8012	H.R. 7730—Suspend rules and pass	Yes	236	164	------

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 460)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	195	122	143	460
Present responses, (yea, nay, present, present-paired for or against)	181	108	128	417
Absences (absent, not voting, not voting-paired for or against)	14	14	15	43
Voting percentage (presence)	92.8	88.5	89.5	90.6

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
461	09/18/73	H8023	H.R. 37—Suspend rules and pass	Yea	390	12	------
462	09/18/73	H8039	Quorum—Call of the House	Present			386
463	09/18/73	H8042	H. Res. 420—Suspend rules and pass	Yea	345	64	------
464	09/19/73	H8074	Quorum—Call of the House	Present			400
465	09/19/73	H8100	H.R. 7935—On Presidential veto	Nay	259	164	1
466	09/19/73	H8111	H.R. 9715—On agreeing to the amendment.	No	240	178	------
467	09/19/73	H8112	H.R. 9715—On passage	Yea	305	108	------
468	09/19/73	H8116	H. Res. 546—On agreeing to the resolution.	Yea	311	81	------
469	09/20/73	H8163	Quorum—Call of the House	Present			381
470	09/20/73	H8180	H.R. 8917—Agreeing to conference report.	Yea	385	14	------
471	09/20/73	H8182	H.R. 8917—Recede and concur with amendment.	Yea	326	73	------
472	09/20/73	H8195	H.R. 9281—Recommit with instructions.	Yea	116	282	------
473	09/20/73	H8196	H.R. 9281—On passage	Nay	299	93	------
474	09/20/73	H8203	H.R. 9256—On passage	Not voting.	217	155	------
475	09/25/73	H8247	H.R. 8619—Agreeing to conference report.	Yea	348	24	------
476	09/25/73	H8265	H.J. Res. 727—On agreeing to the amendment.	Nay	184	198	------
477	09/25/73	H8265	do	Yea	286	94	------
478	09/25/73	H8269	do	Yea	371	7	2
479	09/25/73	H8270	H.J. Res. 727—On passage	Yea	368	7	------
480	09/26/73	H8323	Quorum—Call of the House	Present			355

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 480)

	Yeas/nays	Quorum calls	Recorded votes	Grand totals
Number of calls or votes	210	126	144	480
Present responses (yea, nay, present, present-paired for or against)	195	112	129	436
Absences (absent, not voting, not voting-paired for or against)	15	14	15	44
Voting percentage (presence)	92.8	88.8	89.5	90.8

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
[1]481	09/26/73	H8332	H.R. 981—On agreeing to the amendment.	No	174	203	------
[1]482	09/26/73	H8338	do	No	70	310	------
483	09/26/73	H8346	H.R. 981—On passage	Yea	336	30	------
484	10/01/73	H8397	Quorum—Call of the House	Present			336
485	10/01/73	H8403	H.R. 8029—Suspend rules and pass	Yea	331	33	------
486	10/01/73	H8406	S. 2419—Suspend rules and pass	Yea	330	28	------
487	10/01/73	H8413	H.R. 10397—Suspend rules and pass	Yea	241	130	------
488	10/02/73	H8473	S. 795—Agreeing to conference report	Yea	294	106	------
489	10/02/73	H8488	S. 1914—On passage	Yea	313	90	------
490	10/03/73	H8555	Quorum—Call of the House	Present			396
[1]491	10/03/73	H8564	H. Res. 372—On agreeing to the resolution.	No	282	131	------

MEMBER'S INDIVIDUAL VOTING RECORD—HON. BILL FRENZEL—93D CONGRESS, 1ST SESSION

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
492	10/03/73	H8586	Quorum—Call in committee	Present			396
[1] 493	10/03/73	H8587	H.R. 6452—On agreeing to the amendment.	Aye	206	203	
[1] 494	10/03/73	H8594	H.R. 6452—On striking enacting clause	Aye	143	268	
495	10/03/73	H8596	H.R. 6452—On agreeing to the amendment.	Yea	205	210	
496	10/03/73	H8597	H.R. 6452—On passage	Nay	219	195	
497	10/03/73	H8613	H.R. 10088—On passage	Yea	376	2	
498	10/04/73	H8655	Quorum—Call of the House	Present			362
[1] 499	10/04/73	H8677	H.J. Res. 748—On agreeing to the amendment.	No	129	237	
[1] 500	10/04/73	H8677	H.J. Res. 748—On passage	Aye	274	90	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 500)

	Yeas/nays	Quorum calls	Recorded votes	Grand totals
Number of calls or votes	219	130	151	500
Present responses (yea, nay, present, present-paired for or against)	204	116	136	456
Absences (absent, not voting, not voting-paired for or against)	15	14	15	44
Voting percentage (presence)	93.1	89.2	90	91.2

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
501	10/09/73	H8700	Quorum—Call of the House	Present			370
502	10/09/73	H8708	H. Res. 581—On agreeing to the resolution.	Yea	346	50	
503	10/09/73	H8734	Quorum—Call in committee	Absent			367
504	10/10/73	H8797	Quorum—Call of the House	Present			400
[1] 505	10/10/73	H8827	H.R. 9682—On agreeing to the amendment.	No	228	186	
[1] 506	10/10/73	H8829	do	No	138	273	
[1] 507	10/10/73	H8835	do	No	209	202	
[1] 508	10/10/73	H8838	do	No	132	275	
509	10/10/73	H8840	Quorum—Call in committee	Present			392
[1] 510	10/10/73	H8841	H.R. 9682—On agreeing to the amendment.	No	130	278	
[1] 511	10/10/73	H8852	do	No	144	273	
512	10/10/73	H8853	H.R. 9682—On passage	Yea	343	74	1
513	10/11/73	H8885	Quorum—Call of the House	Present			387
514	10/11/73	H8890	do	Present			395
[1] 515	10/11/73	H8892	H.J. Res. 727—On motion to recommit	No	182	225	
[1] 516	10/11/73	H8893	H.J. Res. 727—Agreeing to conference report.	Aye	309	99	
517	10/11/73	H8895	Quorum—Call of the House	Present			383
518	10/11/73	H8916	H.R. 10614—On passage	Yea	359	28	
519	10/12/73	H8948	Quorum—Call of the House	Present			351
520	10/12/73	H8963	H.J. Res. 542—Agreeing to conference report.	Yea	238	123	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 520)

	Yeas/nays	Quorum calls	Recorded votes	Grand totals
Number of calls or votes	223	138	159	520
Present responses (yea, nay, present, present-paired for or against)	208	123	144	475
Absences (absent, not voting, not voting-paired for or against)	15	15	15	45
Voting percentage (presence)	93.2	89.1	90.5	91.3

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
[1] 521	10/12/73	H8993	H.R. 10203—On passage	Aye	337	14	
552	10/12/73	H8995	Quorum—Call of the House	Present			321
523	10/15/73	H9044	do	Present			353
524	10/15/73	H9048	do	Present			352
525	10/15/73	H9049	S. 907—Suspend rules and pass	Yea	306	54	
[1] 526	10/15/73	H9055	H.R. 8346—Suspend rules and pass	Aye	108	258	
527	10/16/73	H9070	Quorum—Call of the House	Present			388
528	10/16/73	H9078	H.R. 9590—Agreeing to conference report.	Yea	403	10	
529	10/16/73	H9079	H.R. 9590—Recede and concur in Senate amendment.	Yea	253	153	
530	10/16/73	H9080	do	Yea	302	107	
531	10/16/73	H9084	H.R. 6691—Agreeing to conference report.	Yea	400	11	
532	10/16/73	H9105	H.R. 10717—Suspend rules and pass	Yea	404	3	
[1] 533	10/16/73	H9138	H.R. 9681—On agreeing to the amendment.	No	136	245	2
[1] 534	10/16/73	H9143	H.R. 9681—Motion to limit debate	No	161	214	
535	10/17/73	H9194	Quorum—Call of the House	Present			389
536	10/17/73	H9201	H. Res. 601—On agreeing to the resolution.	Nay	193	216	
[1] 537	10/17/73	H9211	H.R. 9681—On agreeing to the amendment.	No	152	256	3
538	10/17/73	H9223	H.R. 9681—On passage	Yea	337	72	3
539	10/17/73	H9231	S. 2016—Agreeing to conference report	Yea	346	51	
540	10/18/73	H9252	Quorum—Call of the House	Present			367

See footnote at end of table.

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NO. 540)

	Yeas/nays	Quorum calls	Recorded votes	Grand totals
Number of calls or votes	232	144	164	540
Present responses (yea, nay, present-paired for or against).	217	129	149	495
Absences (absent, not voting, not voting-paired for or against).	15	15	15	45
Voting percentage (presence)	93.5	89.5	90.8	91.6

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
[1] 541	10/18/73	H9266	H.R. 10397—On passage	Aye	273	97	
542	10/18/73	H9272	H.R. 9639—Concur in Senate amendment.	Nay	145	218	
543	10/23/73	H9306	Quorum—Call of the House	Present			371
544	10/23/73	H9316	H.R. 10586—On passage	Yea	345	41	
545	10/23/73	H9340	Quorum—Call of the House	Present			327
546	10/24/73	H9362	do	Present			377
547	10/24/73	H9365	H. Res. 600—On agreeing to the resolution.	Yea	369	15	1
548	10/24/73	H9374	Quorum—Call in committee	Present			368
[1] 549	10/24/73	H9376	H.R. 3927—On agreeing to the amendment.	No	140	252	
550	10/24/73	H9378	H.R. 3927—On passage	Yea	335	60	
551	10/25/73	H9407	H. Res. 655—On agreeing to the resolution.	Yea	380	2	
552	10/25/73	H9418	H.R. 10956—On passage	Yea	364	18	
553	10/30/73	H9461	H. Res. 656—On agreeing to the resolution.	Yea	376	4	
554	10/30/73	H9478	H.R. 9456—On passage	Yea	372	13	
555	10/31/73	H9501	Quorum—Call of the House	Present			382
556	10/31/73	H9513	H.R. 9286—Reject sec. 817 of conference report.	Yea	103	290	
557	11/06/73	H9594	Quorum—Call of the House	Present			363
558	11/06/73	H9600	H.J. Res. 735—Suspended rules and pass.	Yea	343	28	
559	11/06/73	H9608	H.R. 5874—Suspend rules and pass	Yea	349	25	
560	11/06/73	H9610	H.R. 8219—Suspend rules and pass	Yea	340	39	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 560)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	244.0	150	166.0	560.0
Present responses (yea, nay, present, present-paired for or against)	229.0	135	151.0	515.0
Absences (absent, not voting, not voting-paired for or against)	15.0	15	15.0	45.0
Voting percentage (presence)	93.8	90.0	90.9	91.9

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
561	11/06/73	H9613	H.R. 10937—Suspend rules and pass	Yea	378	1	
562	11/07/73	H9641	Quorum—Call of the House	Present			393
563	11/07/73	H9661	H.J. Res. 542—On Presidential veto	Yea	284	135	
564	11/07/73	H9668	H. Res. 687—Ordering the previous question.	Yea	274	135	
565	11/07/73	H9676	Quorum—Call in committee	Present			387
[1] 566	11/07/73	H9678	H.R. 11104—On agreeing to the amendment.	No	263	147	
567	11/07/73	H9681	H.R. 11104—On passage	Yea	253	153	
568	11/08/73	H9728	H. Res. 688—On agreeing to the resolution.	Yea	393	2	
569	11/08/73	H9761	Quorum—Call in committee	Present			371
[1] 570	11/08/73	H9763	H.R. 9142—On agreeing to the amendment.	No	148	245	
571	11/08/73	H9771	do	Yea	187	198	
572	11/08/73	H9772	H.R. 9142—On passage	Yea	306	82	
573	11/13/73	H9799	Quorum—Call of the House	Present			335
574	11/13/73	H9822	S. 1081—Recommit conference report with instructions.	Yea	162	213	1
575	11/13/73	H9823	S. 1081—Agreeing to conference report	Yea	361	14	1
576	11/13/73	H9911	Quorum—Call of the House	Present			391
577	11/13/73	H9914	H.R. 8916—Agreeing to conference report.	Yea	394	11	
578	11/13/73	H9916	H. Con. Res. 378—On agreeing to the resolution.	Nay	215	190	
[1] 579	11/13/73	H9928	H.R. 8877—Recommit the conference report.	Aye	272	139	
580	11/13/73	H9944	Quorum—Call of the House	Absent			373

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 580)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	255	156	169	580
Present responses (yea, nay, presant, present-paired for or against)	240	140	154	534
Absences (absent, not voting, not voting-paired for or against)	15	16	15	46
Voting percentage (presence)	94.1	89.7	91.1	92.0

MEMBER'S INDIVIDUAL VOTING RECORD—HON. BILL FRENZEL—93D CONGRESS, 1ST SESSION

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
581	11/13/73	H9950	S. 1570—Agreeing to conference report	Yea	348	46	3
582	11/14/73	H9978	H. Res. 128—On agreeing to the resolution.	Yea	388	18	
583	11/14/73	H9990	Quorum—Call in committee	Present			375
584	11/14/73	H10012	do	Present			375
585	11/14/73	H10020	H.R. 11459—On passage	Yea	366	29	
586	11/15/73	H10059	Quorum—Call of the House	Present			398
587	11/15/73	H10059	H. Res. 702—Previous question on amendment.	Nay	230	182	
588	11/15/73	H10066	H. Res. 702—Ordering the previous question.	Nay	233	186	
[1] 589	11/15/73	H10067	H. Res. 702—Recommit with instructions.	Aye	190	227	
[1] 590	11/15/73	H10068	H. Res. 702—On agreeing to the amendment.	Aye	367	51	
[1] 591	11/15/73	H10074	H.R. 11333—On agreeing to the amendment.	Aye	246	163	
[1] 592	11/15/73	H10075	H.R. 11333—On passage	Aye	391	20	
593	11/26/73	H10113	Quorum—Call of the House	Present			317
594	11/26/73	H10133	H.R. 11238—On passage	Yea	350		
595	11/27/73	H10175	H.R. 7446—Agreeing to conference report.	Yea	357	34	
596	11/27/73	H10175	H. Res. 718—On consideration of resolution.	Yea	349	40	
597	11/27/73	H10196	H.R. 11324—On passage	Yea	311	88	
598	11/28/73	H10221	H. Res. 719—On agreeing to the resolution.	Yea	386	7	
[1] 599	11/28/73	H10252	H.R. 11010—On agreeing to the amendment.	No	248	149	
[1] 600	11/28/73	H10257	do	No	260	140	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 600)

	Yeas/nays	Quorum calls	Recorded Votes	Grand totals
Number of calls or votes	265	160	175	600
Present responses (yea, nay, present, present-paired for or against)	250	144	160	554
Absences (absent, not voting, not voting-paired for or against)	15	16	15	46
Voting percentage (presence)	94.3	90	91.4	92.3

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
601	11/28/73	H10267	H.R. 11010—On agreeing to the amendment.	No	107	292	
602	11/28/73	H10269	H.R. 11010—On passage	Yea	369	31	
603	11/29/73	H10317	H. Res. 721—On agreeing to the resolution.	Yea	347	54	
604	11/29/73	H10342	Quorum call in committee	Present			375
[1] 605	11/29/73	H10345	H.R. 11575—On agreeing to the amendments.	Aye	178	226	
606	11/30/73	H10391	Quorum call of the House	Present			350
[1] 607	11/30/73	H10404	H.R. 11575—On agreeing to the amendment.	No	170	20.	
[1] 608	11/30/7.	H10417	do	Aye	118	250	
[1] 609	11/30/73	H10419	do	Aye	160	210	
610	11/30/73	H10424	H.R. 11575—On passage	Yea	336	23	
611	11/30/73	H10433	Quorum call in committee	Present			317
[1] 612	11/30/73	H10433	H.R. 11576—On agreeing to the amendment.	No	160	164	
613	11/30/73	H10442	H.R. 11576—On passage	Yea	295	8	
614	12/03/73	H10467	Quorum call of the House	Present			348
615	12/03/73	H10497	S. 1191—Suspend rules and pass	Yea	354	36	
616	12/03/73	H10508	H.R. 11710—Suspend rules and pass	Nay	261	129	
617	12/03/73	H10511	H.R. 9437—Suspend rules and pass	Yea	272	120	
618	12/04/73	H10547	Quorum call of the House	Present			391
619	12/04/73	H10548	H. Res. 725—On agreeing to the resolution.	Yea	265	137	
620	12/04/73	H10554	S. 1443—Agreeing to conference report	Yea	210	19	1

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NO. 620)

	Yeas/nays	Quorum calls	Recorded votes	Grand totals
Number of calls or votes	274	165	181	620
Present responses (yea, nay, present, present-paired for or against)	259	149	166	574
Absences (absent, not voting, not voting-paired for or against)	15	16	15	46
Voting percentage (presence)	94.5	90.3	91.7	92.5

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
621	12/04/73	H10573	H. Con. Res. 173—Suspend rules and agree.	Yea	405		
622	12/05/73	H10667	H.R. 8877—Agreeing to conference report.	Yea	371	33	
623	12/05/73	H10668	H.R. 8877—recede and concur in Senate amendment with amendment.	Not voting.	263	140	

See footnote at end of table.

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
[1] 624	12/05/73	H10681	H.R. 7130—On agreeing to the amendment.	No	106	300	
[1] 625	12/05/73	H10686	do	No	185	218	
[1] 626	12/05/73	H10692	do	No	192	217	
[1] 627	12/05/73	H10699	do	No	117	289	
[1] 628	12/05/73	H10704	do	No	108	295	
[1] 629	12/05/73	H10706	do	Aye	186	221	
[1] 630	12/05/73	H10708	do	Aye	185	221	
[1] 631	12/05/73	H10719	H.R. 7130—On passage	Aye	386	23	
632	12/06/73	H10741	Quorum—Call of the House	Present			383
633	12/06/73	H10746	H. Res. 738—On agreeing to the resolution.	Yea	389	15	
634	12/06/73	H10829	H. Res. 735—On agreeing to the resolution.	Yea	387	35	
635	12/07/73	H10881	H.R. 11459—Agreeing to conference report.	Nay	329	40	
636	12/07/73	H10884	H. Res. 673—On agreeing to the resolution.	Nay	295	70	
637	12/07/73	H10891	H.R. 9107—On passage	Yea	270	95	
638	12/10/73	H10915	Quorum—Call of the House	Present			355
639	12/10/73	H10925	H. Res. 657—On agreeing to the resolution.	Yea	230	147	
640	12/10/73	H10967	Quorum—Call in committee	Present			338

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 640)

	Yeas/nays	Quorum calls	Recorded votes	Grand totals
Number of calls or votes	283	168	189	640
Present responses (yea, nay, present-paired for or against)	267	152	174	593
Absences (absent, not voting, not voting-paired for or against)	16	16	15	47
Voting percentage (presence)	94.3	90.4	92	92.6

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
641	12/10/73	H10977	Quorum call in committee	Present			337
642	12/11/73	H11027	Quorum call of the house	Present			347
[1] 643	12/11/73	H11064	H.R. 10710—On agreeing to the amendment.	Aye	319	80	
[1] 644	12/11/73	H11071	do	No	106	298	
[1] 645	12/11/73	H11071	H.R. 10710—On passage	Aye	272	140	
[1] 646	12/11/73	H11100	H.R. 11088—On agreeing to the amendment.	No	82	334	
[1] 647	12/11/73	H11107	H.R. 11008—Call in committee	Aye	364	52	
648	12/11/73	H11107	Quorum call in committee	Present			385
649	12/11/73	H11122	do	Present			381
[1] 650	12/11/73	H11125	H.R. 11771—On agreeing to the amendment.	No	102	304	
[1] 651	12/11/73	H11129	do	Aye	147	256	
[1] 652	12/11/73	H11132	do	No	134	266	
653	12/11/73	H11133	H.R. 11771—On passage	Yea	219	180	
654	12/12/73	H11173	Quorum call of the house	Present			365
655	12/12/73	H11179	do	Present			382
[1] 656	12/12/73	H11181	H. Res. 744—On agreeing to the resolution.	Aye	272	129	
657	12/12/73	H11189	Quorum call in committee	Present			369
[1] 658	12/12/73	H11244	H.R. 11450—On agreeing to the amendment.	Aye	152	256	
[1] 659	12/12/73	H11251	do	Aye	286	112	1
660	12/13/73	H11277	Quorum call of the house	Present			389

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NO 660)

	Yeas/nays	Quorum calls	Recorded votes	Grand totals
Number of calls or votes	284	176	200	660
Present responses (yea, nay, present, present-paired for or against)	268	160	185	613
Absences (absent, not voting, not voting-paired for or against)	16	16	16	47
Voting percentage (presence)	94.3	90.9	92.5	92.8

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
[1] 661	12/13/73	H11285	H.R. 11450—On agreeing to the amendment.	No	256	155	2
[1] 662	12/13/73	H11300	do	No	221	192	
[1] 663	12/13/73	H11302	H.R. 11450—On motion to limit debate	No	58	351	
[1] 664	12/13/73	H11315	H.R. 11450—On agreeing to the amendment.	Aye	188	213	1
[1] 665	12/13/73	H13327	do	No	199	180	1
666	12/14/73	H11361	Quorum—Call of the House	Present			355
[1] 667	12/14/73	H11368	H.R. 11450—On agreeing to the amendment.	No	170	223	
[1] 668	12/14/73	H11381	do	No	180	210	1
[1] 669	12/14/73	H11383	do	Aye	185	202	
[1] 670	12/14/73	H11394	H.R. 11450—On motion to limit debate	No	197	196	

MEMBER'S INDIVIDUAL VOTING RECORD—HON. BILL FRENZEL—93D CONGRESS, 1ST SESSION

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
[1]671	12/14/73	H11401	H.R. 11450—Strike enacting clause	No	56	335	------
[1]672	12/14/73	H11403	H.R. 11450—On agreeing to the amendment.	Aye	299	89	1
[1]673	12/14/73	H11407	do	No	189	194	------
[1]674	12/14/73	H11409	do	No	197	184	------
[1]675	12/14/73	H11411	H.R. 11450—Motion that committee rise.	Aye	104	280	
[1]676	12/14/73	H11413	H.R. 11450—On agreeing to the amendment.	Aye	311	73	------
[1]677	12/14/73	H11414	do	No	301	60	21
[1]678	12/14/73	H11415	do	Present	332	19	29
[1]679	12/14/73	H11416	do	No	327	27	25
[1]680	12/14/73	H11420	do	No	174	202	4

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 680)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	284	177	219	680
Present responses (yea, nay, present, present-paired for or against)	268	161	204	633
Absences (absent, not voting, not voting-paired for or against)	16	16	15	40
Voting percentage (presence)	94.3	90.9	93.1	93.7

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
[1]681	12/14/73	H11421	H.R. 11450—On agreeing to the amendment.	No	140	226	15
[1]682	12/14/73	H11422	do	Aye	349	8	17
[1]683	12/14/73	H11422	H.R. 11450—Motion that committee rise	No	86	290	2
[1]684	12/14/73	H11424	H.R. 11450—On agreeing to the amendment.	No	152	205	22
[1]685	12/14/73	H11425	do	No	170	205	3
[1]686	12/14/73	H11437	do	Aye	201	172	1
[1]687	12/14/73	H11438	do	No	50	320	1
[1]688	12/14/73	H11450	H.R. 11450—On motion to recommit	No	173	205	------
689	12/14/73	H11451	H.R. 11450—On passage	Yea	265	112	3
690	12/17/73	H11507	Quorum—Call of the House	Present			304
691	12/17/73	H11525	do	Present			331
692	12/17/73	H11528	S. 1435—On motion to recommit	Nay	80	259	------
[1]693	12/17/73	H11528	S. 1435—Agreeing to conference report	Aye	272	74	------
694	12/17/73	H11534	S.J. Res. 180—Suspend rules and pass	Nay	263	91	------
695	12/17/73	H11540	S. 2482—Suspend rules and pass	Yea	339	21	------
696	12/18/73	H11594	Quorum—Call of the House	Present			381
697	12/18/73	H11598	H.R. 9256—Agreeing to conference	Yea	307	82	------
698	12/18/73	H11600	H. Res. 746—On agreeing to the resolution.	Nay	284	101	------
699	12/18/73	H11609	S. 2166—Suspend rules and pass	Yea	270	122	------
700	12/18/73	H11617	S. 2316—Suspend rules and pass	Yea	315	73	------

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 700)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	292	180	228	700
Present responses (yea, nay, present, present-paired for or against)	276	164	213	653
Absences (absent, not voting, not voting-paired for or against)	16	16	15	47
Voting percentage (prescence)	94.5	91.1	93.4	93.2

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
701	12/18/73	H11637	H.R. 11714—Suspend rules and pass	Yea	230	160	------
702	12/18/73	H11644	H.R. 11763—Suspend rules and pass	Yea	356	18	------
703	12/19/73	H11689	Quorum—Call of the House	Present			375
704	12/19/73	H11703	H.R. 11576—On motion to recommit	Yea	216	180	------
705	12/19/73	H11735	Quorum—Call in committee	Present			360
[1]706	12/19/73	H11739	H.R. 11510—On agreeing to the amendment.	No	112	271	------
[1]707	12/19/73	H11755	H.R. 11510—On passage	Aye	355	25	------
708	12/20/73	H11793	Quorum—Call of the House	Present			326
709	12/20/73	H11806	S. 1559—Recommit conference report	Nay	93	264	------
710	12/20/73	H11807	S. 1559—Agreeing to conference report	Yea	330	33	------
711	12/20/73	H11819	H.R. 11575—Recommit conference report.	Yea	88	280	------
[1]712	12/20/73	H11820	H.R. 11575—Agreeing to conference report.	Aye	336	32	------
713	12/20/73	H11832	H.R. 11771—Agreeing to conference report.	Yea	216	149	------
714	12/20/73	H11839	S. 1983—Agreeing to conference report.	Yea	355	4	------
[1]715	12/20/73	H11844	H. Res. 754—Suspend rules and pass	Aye	319	26	1
716	12/20/73	H11877	H.R. 9142—Agreeing to conference report.	Yea	284	59	------
717	12/20/73	H11887	H.R. 11576—Agreeing to conference report.	Yea	329	10	------
718	12/21/73	H11959	Quorum—Call of the House	Present			306
[1]719	12/21/73	H11960	H.R. 11333—Concur in Senate amendment.	Aye	301	13	------
720	12/21/73	H12004	H. Res. 759—Motion for a second	Nay	148	113	1

See footnote at end of table.

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 720)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	303	184	233	720
Present responses (yea, nay, present, present-paired for or against)	287	168	218	673
Absences (absent, not voting, not voting-paired for or against)	16	16	15	47
Voting percentage (presence)	94.7	91.3	93.5	93.4

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
721	12/21/73	H12011	H. Res. 759—Suspend rules and pass	Nay	169	95	------
[1]722	12/21/73	H12026	H. Res. 760—Suspend rules and pass	No	22	240	------
723	12/21/73	H12030	H. Res. 761—Suspend rules and pass	Yea	36	228	------
724	12/21/73	H12036	H. Con. Res. 411—On agreeing to the resolution.	Nay	74	171	------
725	12/22/73	H11969	Motion to adjourn	Nay	39	160	------
726	12/22/73	H11970	Quorum—Call of the House	Present			218

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 726)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	307	185	234	726
Present responses (yea, nay, present, present-paired for or against)	291	169	219	679
Absences (absent, not voting, not voting-paired for or against)	16	16	15	47
Voting percentage (presence)	94.7	91.3	93.5	93.5

93D CONG., 2D SESS.

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
1	01/21/74	H1	Quorum call of the House	Present			362
2	01/21/74	H15	H.R. 11387—Suspend rules and pass	Yea	338	22	------
3	01/22/74	H60	Quorum call of the House	Present			377
4	01/22/74	H103	H.R. 11537—Suspend rules and pass	Yea	355	25	------
5	01/22/74	H107	H.R. 11809—Suspend rules and pass	Yea	375	1	------
6	01/23/74	H135	Quorum call of the House	Present			380
7	01/23/74	H143	Quorum call in committee	Absent			385
8	01/23/74	H150	H.R. 11354—On passage	Yea	155	248	------
9	01/29/74	H251	H. Res. 788—On agreeing to the resolution.	Yea	380	5	4
10	01/30/74	H303	Quorum call of the House	Present			393
11	01/30/74	H306	H. Res. 787—On agreeing to the resolution.	Nay	386	18	1
12	02/04/74	H409	Quorum call of the House	Present			324
13	02/04/74	H435	H.R. 4861—Suspend rules and pass	Yea	334	4	------
14	02/05/74	H471	H. Res. 794—On agreeing to the resolution.	Yea	397	------	4
15	02/05/74	H478	Quorum call in commjttee	Present			373
16	02/05/74	H493	H.R. 11221—On agreeing to the amendment.	Yea	170	202	34
[1]17	02/05/74	H494	H.R. 11221—Previous questionon recommittal.	Not voting	122	259	24
18	02/05/74	H496	H.R. 11221—On passage	Not voting	282	94	30
19	20/06/74	H527	Quorum call of the House	Present			390
20	02/06/74	H539	H. Res. 803—Ordering the previous question.	Nay	342	70	------

MEMBER'S INDIVIDUAL VOTING RECORD—HON. BILL FRENZEL—93D CONGRESS, 2D SESSION

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NO. 20)

	Yeas/nays	Quorum calls	Recorded votes	Grand totals
Number of calls or votes	11	8	1	29
Present responses (yea, nay, present, present-paired for or against)	10	7	0	17
Absences (absent, not voting, not voting-paired for or against)	1	1	1	3
Voting percentage (presence)	90.9	87.5	0.0	85.0

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Nay	Present
[1]21	02/06/74	H539	H. Res. 803—On agreeing to the resolution.	Aye	410	4	
22	02/06/74	H549	Quorum—Call in committee	Present			374
23	02/06/74	H552	do	Present			365
[1]24	02/06/74	H569	H.R. 5463—On passage	Aye	377	13	
25	02/06/74	H575	Motion—Motion to adjourn	Not voting.	125	155	
26	02/06/74	H579	Quorum—Call of the House	Absent			266
27	02/07/74	H621	H. Con. Res. 425—Concur in Senate amendment.	Nay	209	175	1
28	02/07/74	H627	H. Res. 835—On agreeing to the resolution.	Yea	384	10	2
29	02/07/74	H633	S.J. Res. 185—On passage	Yea	374	6	2
30	02/07/74	H670	H.R. 11783—On motion to recommit	Not voting.	27	328	
31	02/07/74	H671	H.R. 11873—On passage	Not voting.	324	23	
32	02/13/74	H732	On resolving into a committee	Not voting.	248	2	1
33	02/13/74	H774	H.R. 11864—On passage	Not voting.	253	2	
34	02/19/74	H894	H.R. 12628—Suspend rules and pass	Yea	382		
35	02/19/74	H897	H.R. 10834—Suspend rules and pass	Yea	284	88	
36	02/19/74	H907	H.R. 10203—Agreeing to conference report.	Yea	374	4	
37	02/20/74	H929	Quorum—Call of the House	Present			375
38	02/21/74	H1027	do	Present			388
39	02/21/74	H1037	Quorum—Call in committee	Present			369
40	02/21/74	H1050	H.R. 12670—On passage	Yea	320	67	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 40)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	23	14	3	40
Present responses (yea, nay, present, present-paired for or against)	17	12	2	31
Absences (absent, not voting, not voting-paired for or against)	6	2	1	9
Voting percentage (presence)	73.9	85.7	66.6	77.5

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Nay	Present
41	02/26/74	H1121	Quorum—Call of the House	Present			363
42	02/26/74	H1130	H. Res. 896—Ordering the previous question.	Yea	331	53	
[1]43	02/26/74	H1131	H. Res. 896—On agreeing to the resolution.	Aye	373	7	
44	02/27/74	H1200	Quorum—Call of the House	Present			389
[1]45	02/27/74	H1211	H. Res. 901—Ordering the previous question.	No	144	259	3
[1]46	02/27/74	H1240	S. 2589—Strike sec. 110 of conference report.	Aye	173	238	1
[1]47	02/27/74	H1241	S. 2589—Strike sec. 105 of conference report.	No	66	343	
[1]48	02/27/74	H1241	S. 2589—Strike sec. 104 of conference report.	Aye	199	211	
[1]49	02/27/74	H1242	S. 2589—Agreeing to conference report	Aye	258	151	1
50	02/27/74	H1250	Quorum—Call in committee	Present			383
51	02/28/74	H1278	Quorum—Call of the House	Present			372
52	02/28/74	H1295	Quorum—Call in committee	Present			380
[1]53	02/28/74	H1299	H.R. 2—On agreeing to the amendment	Aye	179	217	
[1]54	02/28/74	H1331	do	Aye	183	206	1
[1]55	02/28/74	H1333	do	No	63	323	1
[1]56	02/28/74	H1342	H.R. 2—On passage	Aye	376	4	
57	03/04/74	H1379	H.R. 11143—Suspend rules and pass	Yea	308		
58	03/05/74	H1399	Quorum—Call of the House	Present			384
59	03/05/74	H1403	H. Res. 947—Suspend rules and pass	Yea	317	86	
60	03/05/74	H1409	Quorum—Call in committee	Present			378

See footnote at end of table.

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 60)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	26	21	13	60
Present responses (yea, nay, present, present-paired for or against)	20	19	12	51
Absences (absent, not voting, not voting-paired for or against)	6	2	1	9
Voting percentage (presence)	76.9	90.4	92.3	85

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Nay	Present
61	03/05/74	H1415	Quorum—Call in committee	Present			371
[1]62	03/05/74	H1419	H.R. 11793—On agreeing to the amendment.	Aye	301	103	
63	03/06/74	H1489	Quorum—Call of the House	Present			384
64	03/06/74	H1474	Quorum—Call in committee	Present			379
[1]65	03/06/74	H1500	H.R. 11793—On agreeing to the amendment.	No	160	241	
[1]66	03/06/74	H1510	do	No	218	175	3
67	03/07/74	H1541	Quorum—Call of the House	Present			358
68	03/07/74	H1546	Quorum—Call in committee	Present			358
69	03/07/74	H1565	do	Present			375
[1]70	03/07/74	H1571	H.R. 11793—On agreeing to the amendment.	No	163	216	
[1]71	03/07/74	H1572	H.R. 11793—On passage	Aye	353	29	
72	03/11/74	H1608	Quorum—Call of the House	Absent			287
73	03/11/74	H1612	H. Res. 790—On agreeing to the resolution.	Yea	312	1	
74	03/11/74	H1614	Quorum—Call of the House	Present			288
75	03/12/74	H1637	On motion to read the Journal	Nay	16	365	3
76	03/12/74	H1646	H. Res. 963—On agreeing to the resolution.	Yea	234	163	
77	03/12/74	H1647	Quorum—Call of the House	Present			382
78	03/12/74	H1652	Quorum—Call in committee	Present			366
79	03/12/74	H1670	do	Present			351
80	03/13/74	H1719	Quorum—Call of the House	Present			382

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 80)

	Yeas/nays	Quorum calls	Recorded Votes	Grand totals
Number of calls or votes	29	33	18	80
Present responses (yea, nay, present, present-paired for or against)	23	30	17	70
Absences (absent, not voting, not voting-paired for or against)	6	3	1	10
Voting percentage (presence)	79.3	90.9	94.4	87.5

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Nay	Present
81	03/13/74	H1724	H.R. 12341—On passage	Yea	402		1
82	03/13/74	H1727	H.R. 12466—On passage	Yea	331	75	
83	03/13/74	H1738	Quorum—Call in committee	Present			380
[1]84	03/13/74	H1745	H.R. 3858—On agreeing to the amendments.	Aye	121	286	1
[1]85	03/13/74	H1748	do	No	102	302	
[1]86	03/13/74	H1750	H.R. 3858—On agreeing to the amendment.	Aye	162	239	2
87	03/13/74	H1752	H.R. 3858—On passage	Yea	361	47	
88	03/14/74	H1783	Quorum—Call of the House	Present			359
89	03/14/74	H1802	H.R. 12471—On passage	Yea	383	8	
90	03/18/74	H1839	Quorum—Call of the House	Present			313
91	03/18/74	H1849	S. 1206—Suspend rules and pass	Yea	301	21	
92	03/18/74	H1863	H.R. 10337—Suspend rules and pass	Nay	133	199	
93	03/18/74	H1869	S. 2771—Suspend rules and pass	Yea	237	97	
94	03/19/74	H1906	Quorum—Call of the house	Present			363
95	03/19/74	H1910	H.R. 12503—Suspend rules and pass	Yea	375		
96	03/19/74	H1921	H.R. 12417—Suspend rules and pass	Yea	380	6	
97	03/19/74	H1932	H.R. 11105—Suspend rules and pass	Yea	380	6	
98	03/20/74	H1960	Quorum—Call of the House	Present			378
[1]99	03/20/74	H1990	H.R. 12435—On agreeing to the amendment.	No	167	231	
100	03/20/74	H1992	H.R. 12435—On passage	Yea	375	37	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 100)

	Yeas/nays	Quorum calls	Recorded Votes	Grand totals
Number of calls or votes	40	38	22	100
Present responses (yea, nay, present, present-paired for or against)	34	35	21	90
Absences (absent, not voting, not voting-paired for or against)	6	3	1	10
Voting percentage (presence)	85	92.1	95.4	90

MEMBER'S INDIVIDUAL VOTING RECORD—HON. BILL FRENZEL—93D CONGRESS, 2D SESSION

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote: Yea	Total vote: Nay	Total vote: Present
101	03/20/74	H2015	Quorum—Call in committee	Present			367
102	03/20/74	H2019	H.R. 11929—On passage	Nay	209	193	
103	03/21/74	H2035	Quorum—Call of the House	Present			376
104	03/21/74	H2042	H. Res. 994—On agreeing to the resolution.	Yea	380	9	1
105	03/21/74	H2045	Quorum—Call in committee	Present			364
106	03/21/74	H2054	H.R. 12920—On passage	Yea	294	103	
107	03/25/74	H2077	H.R. 8748—On passage	Present	316	1	3
108	03/25/74	H2080	H.R. 12109—On motion to recommit	Nay	118	215	
109	03/25/74	H2081	H.R. 12109—On passage	Yea	227	111	
110	03/25/74	H2088	H.R. 12832—On passage	Yea	220	119	
111	03/26/74	H2124	Quorum—Call of the House	Present			396
112	03/26/74	H2132	Quorum—Call in committee	Present			388
[1]113	03/26/74	H2139	H.R. 69—On agreeing to the amendment.	No	87	326	
[1]114	30/26/74	H2143	do	No	103	312	
[1]115	03/26/74	H2177	do	No	293	117	
116	03/27/74	H2213	H.J. Res. 941—On passage	Not voting	398		1
[1]117	03/27/74	H2228	H.R. 69—On agreeing to the amendments.	Not voting	276	129	
118	03/27/74	H2241	Quorum—Call in committee	Absent			381
[1]119	03/27/74	H2242	H.R. 69—On agreeing to the amendment.	Not voting	239	168	
[1]120	03/27/74	H2251	do	Not voting	95	308	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 120)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	58	44	28	120
Present responses (yea, nay, present, present-paired for or against)	41	40	24	105
Absences (absent, not voting, not voting-paired for or against	7	4	4	15
Voting percentage (presence)	85.4	90.9	85.7	87.5

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote: Yea	Total vote: Nay	Total vote: Present
121	03/27/74	H2270	H.R. 69—On passage	Not voting.	380	26	1
122	03/28/74	H2302	S. 2747—Agreeing to conference report	Not voting.	345	50	1
123	03/28/74	H2311	H.R. 12412—On passage	NVF	276	124	
124	04/01/74	H2358	H. Res. 937—On agreeing to the resolution.	Not voting.	247	85	
125	04/10/74	H2362	H.R. 13515—Suspend rules and pass	Not voting.	103	226	
126	04/02/74	H2395	H.R. 6186—Agreeing to conference report.	Not voting.	388	6	
127	04/02/74	H2411	S. 1585—Suspend rules and pass	Not voting.	364	15	
128	04/02/74	H2416	H. Res. 1017—On agreeing to the resolution.	Not voting.	288	112	
129	04/02/74	H2428	Quorum—Call in committee	Absent			370
[1]130	04/02/74	H2431	S. 2770—On agreeing to the amendment.	Not voting.	194	201	
131	04/02/74	H2433	S. 2770—On passage	Not voting.	291	106	
132	04/03/74	H2513	Quorum—Call of the House	Absent			375
133	04/03/74	H2516	H. Res. 1025—On agreeing to the resolution.	Not voting.	372	20	1
134	04/03/74	H2522	Quorum—Call in committee	Absent			375
135	04/03/74	H2529	do	Absent			368
136	04/03/74	H2543	do	Absent			369
[1]137	04/03/74	H2549	H.R. 13163—On agreeing to the amendment.	Not voting.	224	177	
[1]138	04/03/74	H2550	H.R. 13163—On agreeing to the amendment.	Not voting.	176	223	
[1]139	04/03/74	H2558	do	Not voting.	149	241	
[1]140	04/03/74	H2559	do	Not voting.	236	147	

See footnote at end of table.

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NO. 140)

	Yeas/nays	Quorum calls	Recorded	Grand totals
Number of calls or votes	58	49	33	140
Present responses (yea, nay, present, present-paired for or against)	41	40	24	105
Absences (absent, not voting, not voting-paired for or against)	17	9	9	35
Voting percentage (presence)	70.6	81.6	72.7	75.0

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote: Yea	Total vote: Nay	Total vote: Present
141	04/03/74	H2563	H.R. 13167—on passage	Not voting	293	94	
142	04/04/74	H2587	Quorum—Call of the House	Absent			360
143	04/04/74	H2593	H.R. 12253—Agreeing to conference report.	Not voting	376	1	
144	04/04/74	H2601	H. Res. 1026—Ordering the previous question.	Not voting	113	268	
145	04/04/74	H2609	Quorum—Call in committee	Absent			336
[1]146	04/04/74	H2626	H.R. 12565—On agreeing to the amendment.	Not voting	94	255	
[1]147	04/04/74	H2635	H.R. 12565—On agreeing to the amendment.	No	154	177	
148	04/08/74	H2678	Quorum—Call of the House	Present			325
[1]149	04/08/74	H2691	H.R. 12473—On agreeing to the amendment.	Aye	276	69	
[1]150	04/08/74	H2693	do	No	142	205	
151	04/08/74	H2694	H.R. 12473—On passage	Nay	138	211	
152	04/09/74	H2726	Quorum—Call of the House	Present			367
153	04/09/74	H2729	H. Res. 1018—On agreeing to the resolution.	Nay	311	84	
154	04/09/74	H2740	Quorum—Call in committee	Present			381
[1]155	04/09/74	H2745	H. Res. 998—On agreeing to the amendment.	Aye	252	147	
156	04/09/74	H2745	H. Res. 998—On agreeing to the resolution.	Yea	374	27	
157	04/09/74	H2756	H.R. 14012—On passage	Nay	373	17	
158	04/10/74	H2793	Quorum—Call of the House	Present			373
[1]159	04/10/74	H2830	H.R. 14013—On agreeing to the amendment.	Aye	236	168	
[1]160	04/10/74	H2834	do	Aye	254	149	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 160)

	Yeas/nays	Quorum calls	Recorded Votes	Grand totals
Number of calls or votes	64	55	41	160
Present responses (yea, nay, present, present-paired for or against)	45	44	30	119
Absences (absent, not voting, not voting-paired for or against)	19	11	11	41
Voting percentage (presence)	70.3	80	73.1	74.3

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote: Yea	Total vote: Nay	Total vote: Present
[1]161	04/10/74	H2841	H.R. 14013—On agreeing to the amendment.	No	97	302	
[1]162	04/10/74	H2842	do	Aye	145	249	
163	04/10/74	H2843	H.R. 14013—On passage	Yea	375	22	
164	04/10/74	H2846	Quorum—Call of the House	Present			348
165	04/10/74	H2850	H. Res. 1029—On agreeing to the resolution.	Yea	347	15	1
166	04/11/74	H2923	Quorum—Call of the House	Present			327
167	04/11/74	H2929	Quorum—Call in committee	Present			316
[1]168	04/11/74	H2950	H.R. 13113—On agreeing to the amendment.	Aye	158	179	
169	04/11/74	H2956	H.R. 13113—On passage	Yea	281	43	
170	04/22/74	H3006	Quorum—Call of the House	Present			217
171	04/23/74	H3019	do	Present			369
172	04/23/74	H3026	S. 2770—Agreeing to conference report.	Yea	372	17	
[1]173	04/23/74	H3049	H.R. 13919—On agreeing to the amendment.	Aye	275	122	
[1]174	04/23/74	H3051	do	Aye	115	283	
175	04/24/74	H3096	Quorum—Call of the House	Present			380
[1]176	04/24/74	H3107	H.R. 12799—On agreeing to the amendment.	Aye	152	239	
177	04/24/74	H3109	H. Res. 1010—On agreeing to the resolution.	Yea	363	30	2
178	04/24/74	H3118	S. 628—On passage	Nay	296	102	3
[1]179	04/24/74	H3145	H.R. 11321—On agreeing to the amendment.	Aye	187	191	
[1]180	04/24/74	H3147	H.R. 11321—On motion to recommit	No	77	300	

MEMBER'S INDIVIDUAL VOTING RECORD—HON. BILL FRENZEL—93D CONGRESS, 2D SESSION

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 180)

	Yeas/nays	Quorum calls	Recorded Votes	Grand totals
Number of calls or votes	70	61	49	180
Present responses (yea, nay, present-paired for or against)	51	50	38	139
Absences (absent, not voting, not voting-paired for or against)	19	11	11	41
Voting percentage (presence)	72.8	81.9	77.5	77.2

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
181	04/24/74	H3147	H.R. 11321—On passage	Yea	320	54	
182	04/25/74	H3200	Quorum—Call of the House	Absent			360
183	04/25/74	H3231	H.R. 13998—On passage	Not voting.	341	37	
184	04/25/74	H3246	Quorum—Call in committee	Absent			351
185	04/25/74	H3253	H.R.13999—On agreeing to the amendment.	Not voting.	136	218	2
186	04/25/74	H3254	do	Not voting.	281	58	1
187	04/25/74	H3255	H.R. 13999—On passage	Not voting.	330	8	
188	04/29/74	H3290	Quorum—Call of the House	Absent			339
189	04/29/74	H3300	H.R. 11793—Agreeing to conference report.	Not voting.	356	9	
190	04/29/74	H3325	H.R. 11989—On passage	Yea	352	12	
191	04/30/74	H3349	Quorum—Call of the House	Present			374
192	04/30/74	H3371	Quorum—Call in committee	Present			381
193	04/30/74	H3381	do	Present			372
194	04/30/74	H3382	H.R.14434—On agreeing to the amendments.	Aye	190	207	1
195	04/30/74	H3383	H.R. 14434—On passage	Yea	392	4	
196	05/01/74	H3411	Quorum—Call of the House	Present			366
197	05/01/74	H3427	H.R. 12993—On agreeing to the amendment.	Aye	308	84	2
198	05/01/74	H3432	H.R. 12993—On passage	Yea	379	14	2
199	05/01/74	H3447	Quorum—Call in committee	Present			370
200	05/01/74	H3458	H.R.14368—On agreeing to the amendment.	No	169	221	2

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 200)

	Yeas/nays	Quorum calls	Recorded votes	Grand totals
Number of calls or votes	77	69	54	200
Present responses (yea, nay, present, present-paired for or against)	55	55	41	151
Absences (absent, not voting, not voting-paired for or against)	22	14	13	49
Voting percentage (presence)	71.4	79.7	75.9	75.5

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
201	05/01/74	H3462	H.R. 14368—On passage	Yea	349	43	
202	05/02/74	H3488	Quorum—Call of the House	Absent			359
203	05/02/74	H3502	H.R. 13053—On passage	Yea	390	1	
204	05/02/74	H3513	H.R. 6175—On passage	Yea	379	1	2
205	05/06/74	H3554	H.R. 296—Suspend rules and pass	Yea	296	23	
206	05/06/74	H3564	S. 1125—Suspend rules and concur in Senate amendment.	Yea	301	17	
207	05/07/74	H3595	Quorum—Call of the House	Present			376
208	05/07/74	H3615	H.R. 11035—Suspend rules and pass	Yea	153	240	
209	05/07/74	H3628	H.R. 14117—Suspend rules and pass	Yea	396		
210	05/07/75	H3634	Quorum—Call of the House	Present			374
211	05/07/74	H3638	H.R. 14354—Suspend rules and pass	Yea	359	38	
212	05/08/74	H3685	Quorum—Call of the House	Present			368
213	05/08/74	H3688	do	Present			380
214	05/08/74	H3699	H. Res. 929—On agreeing to the resolution.	Yea	197	204	
215	05/08/74	H3715	Quorum—Call in committee	Present			382
[1] 216	05/08/74	H3719	H.R. 8193—On agreeing to the amendment.	Aye	227	176	
[1] 217	05/08/74	H3720	H.R. 8193—On passage	No	266	136	
218	05/14/74	H3807	Quorum—Call of the House	Present			338
219	05/14/74	H3811	H. Res. 895—On agreeing to the resolution.	Yea	308	57	
220	05/14/74	H3822	S 1752—On passage	Yea	238	139	

See footnote at end of table.

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 220)

	Yeas/nays	Quorum calls	Recorded votes	Grand totals
Number of calls or votes	88	76	56	220
Present responses (yea, nay, present, present-paired for or against)	61	61	43	170
Absences (absent, not voting, not voting-paired for or against)	22	15	13	50
Voting percentage (presence)	75	80.2	76.7	77.2

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
221	05/15/74	H3851	Quorum—Call of the House	Present			376
[1] 222	05/15/74	H3867	H.R. 12000—On agreeing to the amendment.	Aye	238	151	
223	05/15/74	H3868	H.R. 12000—On passage	Yea	302	90	
224	05/15/74	H3878	S. 3062—Agreeing to conference report	Yea	392		
225	05/16/74	H3934	Quorum—Call of the House	Present			365
226	05/16/74	H3947	H.R. 13973—On passage	Yea	225	152	
227	05/16/74	H3968	H.R. 7824—Recommit conference report with instructions.	Nay	183	190	
228	05/16/74	H3969	H.R. 7824—Agreeing to conference	Yea	227	143	
229	05/20/74	H4012	Quorum—Call of the House	Present			274
230	05/20/74	H4013	H. Res. 1112—On agreeing to the resolution.	Yea	298		
231	05/21/74	H4185	Quorum—Call of the House	Present			381
232	05/21/74	H4187	H.R. 12526—Suspend rules and pass	Yea	386	9	
233	05/21/74	H4207	H.R. 13834—Suspend rules and pass	Nay	191	207	1
234	95/21/74	H4213	H.R. 14225—Suspend rules and pass	Yea	400	1	
235	05/21/74	H4217	H.R. 13221—Suspend rules and pass	Yea	396	3	
236	05/22/74	H4248	Quorum—Call of the House	Present			375
[1] 237	05/22/74	H4262	H.R. 14592—On agreeing to the	No	94	309	
[1] 238	05/22/74	H4267	do	No	34	370	
[1] 239	05/22/74	H4283	do	Aye	163	240	
[1] 240	05/22/74	H4293	do	Aye	190	211	

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 240)

	Yeas/nays	Quorum calls	Recorded votes	Grand totals
Number of calls or votes	98	81	61	240
Present responses (yea, nay, present, present-paired for or against)	76	66	48	190
Absences (absent, not voting, not voting-paired for or against)	22	15	13	50
Voting percentage (presence)	77.5	81.4	78.6	79.1

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote		
					Yea	Nay	Present
[1] 241	05/22/74	H4305	H.R. 14592—On agreeing to the amendment.	Aye	185	209	
[1] 242	05/22/74	H4321	H.R. 14592—On passage	Aye	358	37	
243	05/23/74	H4350	Quorum—Call of the House	Present			359
244	05/23/74	H4356	H. Res. 1141—On agreeing to the resolution.	Yea	330	44	
245	05/23/74	H4369	H.R. 14832—On passage	Yea	191	190	
246	05/28/74	H4398	Quorum—Call of the House	Present			284
247	05/29/74	H4458	do	Present			346
[1] 248	05/29/74	H4464	H.R. 14449—On agreeing to the amendments.	No	94	284	
[1] 249	05/29/74	H4470	do	No	122	164	
[1] 250	05/29/74	H4473	do	Aye	290	91	
251	05/29/74	H4501	H.R. 14449—On passage	Yea	331	53	
[1] 252	05/29/74	H4519	H.R. 10337—On agreeing to the amendment	No	129	199	
253	05/29/74	H4520	H.R. 10337—On passage	Yea	290	38	
254	05/30/74	H4554	Quorum—Call of the House	Present			359
255	05/30/74	H4561	H. Res. 822—On agreeing to the resolution.	Nay	290	85	
[1] 256	05/30/74	H4584	H.R. 10265—On agreeing to the amendment.	Aye	224	139	
[1] 257	05/30/74	H4586	H.R. 10265—On passage	Aye	333	20	
258	05/30/74	H4599	H.R. 13678—On agreeing to the amendment.	Aye	152	161	
[1] 259	05/30/74	H4602	do	Aye	168	137	1
260	05/30/74	H4604	H.R. 13678—On passage	Yea	240	58	1

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 260)

	Yeas/nays	Quorum calls	Recorded votes	Grand totals
Number of calls or votes	104	85	71	260
Present responses (yea, nay, present, present-paired for or against)	82	70	58	210
Absences (absent, not voting, not voting-paired for or against)	22	15	13	50
Voting percentage (presence)	78.8	82.3	81.6	80.7

MEMBER'S INDIVIDUAL VOTING RECORD—HON. BILL FRENZEL—93D CONGRESS, 2D SESSION

Roll No.	Date	Page in daily Record	Description	Member's response	Total vote Yea	Total vote Nay	Total vote Present
261	06/03/74	H4634	H. Con. Res. 271—On agreeing to the resolution.	Yea____	273	______	1
262	06/03/74	H4650	H.R. 14833—Suspend rules and pass___	Yea____	278	2	______
263	06/04/74	H4672	Quorum—Call of the House__________	Present	__________		349
264	06/04/74	H4679	_____do__________________________	Present	__________		328
265	06/04/74	H4683	_____do__________________________	Present	__________		337
266	06/04/74	H4696	S.J. Res. 40—Suspend rules and pass__	Yea____	223	147	______
267	06/04/74	H4697	H.R. 13595—Suspend rules and pass___	Yea____	365	__________	
268	06/04/74	H4698	S. 2844—Suspend rules and pass______	Yea____	355	10	______
269	06/04/74	H4700	H.R. 12565—Agreeing to conference report.	Yea____	354	14	______
270	06/04/74	H4706	H.R. 14013—Agreeing to conference report.	Yea____	339	27	______
271	06/05/74	H4737	H. Res. 1152—On agreeing to the resolution.	Yea____	370	13	______
[1]272	06/05/74	H4760	H.R. 14747—On agreeing to the amendment.	No_____	149	238	______
[1]273	06/05/74	H4769	_____do__________________________	Aye____	244	143	______
[1]274	06/05/74	H4771	_____do__________________________	Aye____	233	151	______
[1]275	06/05/74	H4782	H.R. 14747—On passage______________	Aye ___	175	209	______
[1]276	06/05/74	H4783	H.R. 69—Motion to instruct conferees__	No. ___	270	103	______
277	06/06/74	H4809	Quorum—Call of the House__________	Present	__________		361
[1]278	06/06/74	H4852	H.R. 15155—On agreeing to the amendment.	Aye____	186	201	______
[1]279	06/06/74	H4853	H.R. 15155—On passage______________	Aye____	374	21	______
[1]280	06/06/74	H4888	H.R. 10701—On agreeing to the amendment.	Not voting.	311	27	______
281	06/06/74	H4873	H.R. 10701—On agreeing to amendment	No_____	174	158	______
282	06/06/74	H4873	H.R. 10701—On passage______________	No_____	318	9	______
283	06/10/74	H4932	Quorum call________________________	Present	(?)	__________	
284	06/10/74	H4949	H.R. 15074—On agreeing to amendment	No_____	273	56	______
285	06/10/74	H4949	H.R. 15074—On passage______________	Nay____	314	17	______
286	06/11/74	H5006	Quorum call________________________	Present	__________		
287	06/11/74	H5019	H. Res. 1166—On agreeing to resolution	Nay____	402	1	______
288	06/11/74	H5019	H.R 12165—On passage______________	Nay____	403	8	______
289	06/11/74	H5042	H. Res. 1110—On agreeing to resolution	Nay____	204	211	______

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[1] Recorded vote.

CUMULATIVE VOTING RECORD THIS SESSION (THROUGH ROLL NUMBER 280)

	Yeas/nays	Quorum calls	Recorded votes	Grand totals
Number of calls or votes______________________	112	89	79	280
Present responses (yea, nay, present, present-paired for or against)______________________	90	74	65	229
Absenses (absent, not voting, not voting-paired for or against)______________________	22	15	14	51
Voting percentage (presence)__________________	80.3	83.1	82.2	81.7

MOTHER M. BERNADETTE DE LOURDES, O. CARM.

HON. ELLA T. GRASSO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mrs. GRASSO. Mr. Speaker, recently, Mother M. Bernadette De Lourdes, O. Carm., a true servant of God and a dedicated and hard working individual, was awarded an honorary doctor of laws degree from Sacred Heart University in Bridgeport, Conn.

Mother Bernadette is a friend of Connecticut's elderly for whom she has labored for many years. Her efforts in behalf of our senior citizens reflect her deep and sincere compassion for all God's children, and her commitment to accomplishing the work of the Lord.

Together with her colleagues at the Connecticut State Department of Aging, Mother Bernadette has worked to make old age a truly happy and fulfilling time for countless Connecticut senior citizens.

It is with great pride and affection that I acknowledge the accomplishments of this noble woman, and congratulate her upon receiving an honorary degree—another shining achievement.

The following citation from the Sacred Heart University commencement program is inserted for the benefit of my colleagues. It describes the beauty and grandeur that is Mother Bernadette:

MOTHER M. BERNADETTE DE LOURDES, O. CARM.

"What you have done to these, the least of My brethren, you have done to Me:" such is the theme that pervades the edifying career of Mother M. Bernadette De Lourdes, O. Carm. Born in Dublin, Ireland, where she received her early education, she entered the Congregation of the Carmelite Sisters for the Aged and Infirm in 1932. She continued her education at College of Misericordia, Fordham, New York and Columbia Universities. Her great ability was recognized early by her Religious Community which had her assume ever increasing responsibilities. Governmental appointments to Committees, Conferences, and Councils have come as a recognition of her great talents. Despite her busy work and religious life, she has given untold time to Community Service and to that field which is so close to her heart and religious dedication, the field of Gerontology, in which her expertness has been acclaimed internationally. Great indeed must be her happiness to see her efforts rewarded by an ever expanding interest in problems of the aging, aged and infirm; greater, however, must be her joy to know that what she has done to the least of His brethren, she has done to Him. Sacred Heart University is privileged to honor Mother M. Bernadette De Lourdes, O. Carm. for the Christian love and humanitarian concern she has brought to her work, the example and standards she has set for the entire profession, and for the inspiration her life has been to Sacred Heart students; proudly, do we confer upon her, *honoris causa*, the degree of Doctor of Laws.

JUNE 15—A HAPLESS ANNIVERSARY FOR LITHUANIAN AMERICANS

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. GIAIMO. Mr. Speaker, June 15 is a hapless anniversary for Lithuanian-Americans and all Americans who cherish personal freedom and national independence. In this era of détente, let us not forget the tragedy that befell this Baltic State. On that date in 1940, the Soviet Union forcibly annexed the once-sovereign nation of Lithuania. This brazen act of aggression was facilitated by the climate of the time. The international environment had been thrown into tumult by the forces unleashed by the Second World War. The Soviet Union, taking advantage of the German attack on Poland, moved troops into Lithuania and reestablished Russian control of this country.

Previous Russian domination had come to an end in 1915 when Lithuania was overrun by German armies. After the First World War, Lithuania proclaimed its independence on February 16, 1918. However, the newly established Soviet Government sent in its troops and installed a Communist government. Poland, interceding in Lithuania's behalf, managed to drive out the invaders. In a peace treaty signed on July 12, 1920, the Soviet Union recognized Lithuania's right of sovereignty. Independence was short-lived, however, for 20 years later the Soviet Union completely disregarded this formal treaty in an obvious thirst for power and territory.

The years of Soviet domination have not dimmed the spirit of the Lithuanian people. They continue to protest against the Soviet's violation of their basic human rights—no matter what the consequences.

Protests have led to arrests and to constant political and religious persecution. In 1971, Simas Kurdirka, a Lithuanian radio operator, attempted to escape from a Soviet ship to the United States but was returned to Soviet custody by the U.S. Coast Guard. Echoing the thoughts of many in his country, Kurdirka said:

> I do not consider Russia to be my fatherland.

For his action, this valiant seaman was sentenced to 10 years in a corrective labor camp.

We can only hope that some day Lithuania will once again regain its lost freedom, which is still cherished in the hearts and minds of the Lithuanian people and free people everywhere.

GOLD SKEPTICS HOLD ODD NOTIONS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. CRANE. Mr. Speaker, inflation, more and more Americans are coming to realize, is making it increasingly difficult for individuals and families to maintain their savings, much less increase them. Those who put $1,000 in a savings account 5 years ago, even though they have received significant interest dividends, saw that $1,000 shrink, not increase.

Recently, Federal Reserve Board Chairman Arthur Burns, speaking at commencement exercises of Illinois College, declared that, "If past experience is any guide the future of our country is in jeopardy" from inflation. He said that if the "debilitating" inflation continues at anything like present rates, it would "threaten the very foundation of our society."

Burns took sharp issue with the standard governmental explanation of the main origins of inflation—that is, skyrocketing food and fuel prices outside of its control. Burns placed more emphasis on "awesome" Federal spending, a response to "individuals who have come to depend less and less on their own initiative and more and more on Government to achieve their economic objectives."

One of the few ways for citizens to avoid the perilous effects of inflation is to invest in commodities which maintain their value. One of these is gold, and it is gold which our Government has made it illegal for Americans to own. I am confident that we are rapidly moving to eliminate this barrier, as virtually all other Western societies have done.

There are some who maintain that gold is really of no importance. Responding to such critics Nick Poulos, financial editor of the Chicago Tribune, writes that—

> The truth of the matter is that the rise in gold reflects in great part the eroding confidence in the currencies of the Western world. So long as the governments continue to "go along" with inflation, their currencies will continue to decline in value and gold will remain in demand.

Mr. Poulos notes that—

> Investors and consumers are losing more and more confidence in their governments. Inflation has not only debased their currencies, it has caused them to lose money in the stricken stock and bond markets . . . Because Americans are prohibited by law from buying gold bullion, some of them have participated in the gold rise thru the purchase of gold mining stocks and gold coins. William Simon . . . said he favors permitting Americans to buy gold bullion. When the time comes, the gold rush should be something to behold.

I wish to share Mr. Poulos' column, "Gold Skeptics Hold Odd Notions," with my colleagues and insert it, as it appeared in the Chicago Tribune of May 19, 1974, in the RECORD at this time:

THE MONEY SCENE: GOLD SKEPTICS HOLD ODD NOTIONS

(By Nick Poulos)

The declining trend in the price of gold in recent weeks has inspired a number of newly-surfaced "experts" on the subject to bray loudly that the yellow metal's soaring flight is over.

They note that gold, which rose to an all-time high of $179.50 an ounce on April 3, has broken an uptrend line dating back to last November, when it sold for $90 an ounce.

Gold got as low as $157.75 an ounce May 8, and is currently at the $165 level.

Argus Research Corp. recently indulged itself in a screwball attack on gold asserting the metal is no longer a bargain.

"Since gold is not about to be restored to its monetary throne, the investor would be wise to view it as just another commodity," Argus proclaimed in a report.

Argus doesn't explain how it knows gold won't play any role in a restructured monetary system.

It also entertains the odd notion that because South Africa produces 76 per cent of the non-Communist world's gold, "the free market price of gold is what the South Africans want it to be."

If that's the case, you have to wonder why the South Africans haven't pushed the price of gold to at least $1,000 an ounce.

Finally, Argus says the demand for gold is subject to "strange psychological quirks"—that gold has a "mysterious appeal" to many people.

Sigmund Freud, Argus tells us, studied this "mysterious appeal" and came to the conclusion that an undue attachment to gold is a sign of "deep psychic sickness."

So much for the baloney.

The truth of the matter is that the rise in gold reflects in great part the eroding confidence in the currencies of the Western world.

So long as the governments continue to "go along" with inflation, their currencies will continue to decline in value, and gold will remain in demand.

Strong currencies presumably reflect strong, stable governments that keep inflation in check. But there's not much evidence of strong, stable political leadership in the Western world.

Pierre Trudeau's Liberal government has fallen in Canada, West Germany's Willy Brandt has resigned as chancellor, France will be electing a new president soon, Britain's Harold Wilson is hanging on desperately, and President Nixon faces possible impeachment as a result of Watergate.

Where are the strong governments to support strong currencies?

It is reasonable to assume that given this background, international currency affairs will continue to drift aimlessly while gold becomes more attractive.

Investors and consumers are losing more and more confidence in their governments.

Inflation has not only debased their currencies, it has caused them to lose money in the stricken stock and bond markets.

Edson Gould, a market analyst with an extraordinarily good record as a prognosticator, believes that any further decline in the price of gold would level out in the $140 to $150 range.

"Should that prove a bottom, we believe gold could then double that bottom just as it has doubled three times before—from $35 to $70 an ounce, from $65 to $127, and from $90 to $181–$182," he said.

The correction in the price of gold was expected in view of its big runup. Also, higher international interest rates induced selling of gold held on margin.

The dollar has turned weak again and touched a new yearly low last Tuesday.

Because Americans are prohibited by law from buying gold bullion, some of them have participated in the gold rise thru the purchase of gold mining stocks and gold coins.

William Simon, the new Treasury Secretary, said he favors permitting Americans to buy gold bullion.

When that time comes, the gold rush should be something to behold.

WEST VIRGINIA AND OTHER APPALACHIAN STATES THREATENED WITH ECONOMIC DISASTER BY SURFACE COAL MINING BILL

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. HOSMER. Mr. Speaker, reproduced below is a letter I recently received detailing how West Virginia and other Appalachian States might be made economic disaster areas if H.R. 11500 is enacted.

The pity of all this is that what that bill's proponents say they want, and what most everybody really wants, is a tough law requiring the proper reclamation of mined land. H.R. 11500 in pursuing this objective threatens the miserable side effects mentioned in the letter.

Yet, with the substitute bill, H.R. 12898, we can have proper reclamation without such side effects, because we can dig coal, too, to meet the country's energy needs.

The course of wisdom would be to lay H.R. 11500 to rest and substitute H.R. 12898 when or if this proposition comes for a vote.

The letter follows:

WEST VIRGINIA SURFACE RECLAMATION ASSOCIATION,
Charleston, W. Va., May 28, 1974.

Hon. CRAIG HOSMER,
Committee on Interior and Insular Affairs,
Washington, D.C.

DEAR CONGRESSMAN HOSMER: In 1973, the State of West Virginia produced 19,791,256 tons of coal by the surface mining method. This year we expect production to remain about the same.

A study recently completed by the West Virginia Department of Natural Resources estimates that 50 percent of our surface operations are by the mountain top removal method, 32 percent by the boxcut or "lateral movement" and 18 percent by conventional contour mining. By the end of 1974, it is doubtful whether there will be any operations employing the conventional method of mining.

After careful review of HR–11500, as recently amended, we feel certain that the passage of this bill would have the following adverse effects on the coal industry in West Virginia:

1. Eliminate all operations doing mountain top removal (50%) since the House bill makes no provisions for valley fills or the head of the hollow fill, which are essential for this unique mining method. We, in West Virginia, believe this method to be of great advantage in mountainous regions for economic development of normally undevelopable land. Level land in West Virginia is at

a premium, but with the passage of HR–11500, this would be illegal in the permanent guidelines.

2. The 18 percent of the surface operations now doing conventional stripping would be eliminated by HR-11500 if it hasn't already been done so by existing state laws.

3. The 32 percent of the surface operations now involved in new mining methods would also not be permitted under HR-11500. The boxcut and "lateral movement" methods are the newest and most successful mining methods known today. Representatives from the Environmental Protection Agency, Bureau of Mines, MESA and mining people from Germany, Japan, China, France, Italy, England, Poland and Russia, who have seen examples of these methods, agree that it is by far more superior than any other mining method seen previously. We invited the House Interior Committee and Bruce Driver, Staff Counsel, to see these operations for themselves, but to date, they have been too busy.

4. In addition to all of the surface operations in West Virginia being eliminated by passage of HR-11500, approximately 18 percent of the deep production would be eliminated. In our state, deep mining and surface mining are interrelated. One depends on the other. One cannot survive without the other. Deep mining in West Virginia could not possibly continue to be competitive with the huge surface operations of the west without the advantage of stripping in the east. It's hard to accurately estimate what HR-11500 would do to deep mining in Appalachia, but according to the Stanford Research Institute, if the surface mining industry is eliminated in West Virginia, the deep mining industry would definitely be curtailed, at least by the same ratio of surface to deep, which is now in existence. Therefore, if surface mining is eliminated in West Virginia, then 18–20 percent of the deep mine industry would immediately be sacrificed.

If the above four results of HR-11500 do occur, then the following adverse economic effects would be expected:

1. Approximately 9,900 people involved directly and indirectly with the surface mining of coal would be without employment.

2. Approximately 6,000–8,000 deep miners whose operations depend directly on the blending of surface mined coal will be displaced, at least temporarily.

3. The State of West Virginia would lose 19.8 million tons of surface mined coal and an estimated 17.2 million tons of deep mined coal. This would lower our total production from 115 million tons annually to 78 million tons.

4. The economic results from a loss of 37 million tons of annual production would mean:

a. Over $100,000,000 in wages lost.

b. Over $95,000,000 in supplies and services lost.

c. Over $81,000,000 lost in transportation income (rail, truck and barge).

d. Over $60,000,000 in state and local taxes lost.

Needless to say, if HR–11500 passes, West Virginia would suffer economic consequences of a tremendously great magnitude. Moreover, West Virginia appears to be in the same position as other Appalachian states and if our projections are accurate, then the entire Appalachian region would be even more depressed economically. I would think that Congress would be more interested in helping our area economically rather than eliminating one of its major industries.

Please help us defeat HR–11500. It's essential for our survival.

Thank you for your time and kind consideration.

Sincerely,

BEN E. LUSK,
Executive Director.

SHOULD NIXON BE IMPEACHED?

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. MIZELL. Mr. Speaker, because of the interest of Members of this body and the general public in the on-going impeachment investigation of the House Judiciary Committee, I place in the RECORD a copy of an interview I recently had which appeared in the Winston-Salem Journal on June 9, 1974, and which reflects my thoughts at that time on this important issue.

The interview follows:

SHOULD NIXON BE IMPEACHED? MIZELL REMAINS CAUTIOUS

(By Charles Osolin)

WASHINGTON.—In his annual legislative questionnaire mailed to 5th District residents late last month, Rep. Wilmer Mizell leads off with the following question:

"On the basis of your knowledge at the present time, do you believe the President should be impeached?"

Although the questionnaire calls for a "Yes or No" answer, Mizell himself is not yet ready to cast his vote on what could well be the most important issue in his—or anybody else's—congressional career.

Like most conservative congressmen, Mizell has had little to say, either on the floor of the House or elsewhere, about President Nixon's handling of the Watergate scandals, the White House tapes, or the Committee's impeachment investigation.

That doesn't mean, though, that Mizell hasn't given a lot of thought to the complex and troublesome questions which have preoccupied Washington for more than a year.

Mizell granted his first extended interview on Nixon's problems last Tuesday, over lunch at the House dining room. The main topic for the on-the-record interview had been agreed in advance, and Mizell was relaxed, chatty and well-prepared—realizing, no doubt, that he will be answering many of the same questions during the coming month as he campaigns for re-election.

For starters, Mizell was asked to respond to the same question he is asking his constituents in his legislative questionnaire; based on what he knows right now, does he think President Nixon should be impeached?

Mizell was good-humored about the blatant attempt to hoist him on his own petard. He laughed, reddened a bit and pretended to be ducking away from an inside pitch.

His answer followed quickly, however, and it was the same cautious noncommital response he has given all along to similar questions:

"Sooner or later," he said, "I could very well be faced with having to make this decision, and I intend to make it based on the facts available at that time."

His vote on impeachment, Mizell went on, will depend on the recommendations and evidence presented to the House by the Judiciary Committee, as well as the arguments for and against impeachment which will be made during House debate on the issue.

Asked what weight he would give to the results of his questionnaire and other measures of public opinion, Mizell said there is "no question but what I'm interested in what the people think."

But, he added, "I think the decision is going to have to be a legal one," as opposed to a political one based on public opinion.

"When I make my decision," he said firmly, "it will not be a political decision, it will not be a partisan decision, and it will not be a politically expedient decision. It will be based on the facts on hand at the time."

Mizell, now in his third term in Congress, has been a consistent supporter of Nixon's policies. A photograph of Nixon and Mizell shaking hands, which is prominently displayed in the congressman's office, is inscribed, "To Congressman Wilmer Mizell, a great team player."

Mizell's faith in the President may have been shaken, however, by the release of the White House transcripts on June 30. After a thorough reading of the 1,200-page document, Mizell said he was disappointed in much that he read, and that the transcripts had caused him deep concern.

"The impact of these White House conversations," he said, "reveal a conduct foreign to me as related to American law and institutions. I cannot condone such action, or lack of action, as the case might be."

Despite that apparent breach, though, Mizell continues to echo the White House line on questions related to the Judiciary Committee's impeachment investigation and Nixon's refusal to supply tapes and documents the committee says it needs to determine the President's guilt or innocence.

"I have said all along that the President should make all relevant material available," Mizell said. "He turned over an enormous amount—including many manuscripts and some tapes. The President says they have all they need."

But should the subject of an impeachment inquiry be allowed to say what's relevant and what isn't?

"If they have any questions," Mizell said, "they should accept the President's invitation to go to the White House and listen." (Nixon has offered to allow the chairman and the ranking Republican on the Judiciary Committee to listen to the tapes and verify the transcripts at the White House, but they have refused to do so.)

"After that," Mizell went on, "if they think they need to take their counsel with them, or if they think there may be some additional tapes related to the material in the transcripts, then maybe they could work something out."

Mizell said it is difficult for someone who is not on the committee to judge the relevance of the material which the committee has subpoenaed.

"I think if he turned over 2,000 items, somebody's going to say we need 2,001," Mizell said. "At what point can they come to a conclusion and move on?"

Mizell said he would not draw an inference of guilt, or a belief that the President had something to hide, from Nixon's refusal to give the committee what it wants, as some congressmen have suggested.

"The Judiciary Committee, (Leon) Jaworski (the Watergate special prosecutor) and the (Watergate) defendants are all demanding evidence," Mizell said. "It's very difficult for the public to keep all these things straight."

Noting that Jaworski's request for evidence to be used in the Watergate trials will apparently be considered by the Supreme Court, Mizell said, "That's a strictly legal situation, which involves protecting the rights of the accused. That should be handled in the courts."

When asked if a refusal by Nixon to obey a Supreme Court ruling that he should turn over subpoenaed documents would be an impeachable offense, Mizell said he "wouldn't speculate on the grounds for impeachment."

Mizell criticized the Judiciary Committee for conducting its hearings behind closed doors, and for what he called a "scrambled egg approach" to the investigation. He said the committee should "go public" with its hearings and "permit the American people to have the benefit of these proceedings."

"Let them make some judgments of their own," Mizell said. "Let them decide between what's fact and what's fiction, what's truth and what's rhetoric, what is partisan politics and what isn't."

Mizell also suggested that the committee deal with the charges against Nixon one at a time—completing the Watergate phase of the inquiry before moving on to campaign contributions, political favors, and other issues.

He said television coverage of the House impeachment proceedings, and the Senate trial as well if the House impeaches Nixon should be allowed. "This is something that's important to all of the people," he said, "not just 435 House members."

Throughout the interview, the only question that momentarily seemed to stump Mizell was the last one. "If it turns out that you have to vote on impeachment," he was asked, "would that be the toughest vote of your career in Congress?"

While his guests fidgeted, Mizell spent what seemed like several minutes—it was actually about 30 seconds—staring into space before giving this carefully-worded reply:

"In terms of the impact on the nation," he said, "it would be the most important issue Congress would be confronted with since I've been here."

DEATH OF TWO POLYVINYL CHLORIDE WORKERS FROM RARE TYPE OF CANCER IS VERIFIED

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. OBEY. Mr. Speaker, 700,000 to 800,000 workers in the United States shape a white plastic resin called polyvinyl chloride into thousands of different plastic products.

Trapped within the resin is a clear, odorless, and deadly gas called vinyl chloride which is emitted when the resin is heated to be forged and processed into consumer products. Although we have been aware since January that the vinyl chloride gas is causing a rare liver cancer and numerous other diseases among the 6,500 American workers whose jobs bring them into direct contact with it, scientists have been uncertain as to the effect working with the plastic resin is having on the polyvinyl chloride workers who represent a group more than 100 times larger than the vinyl chloride workers.

The following article from the Wall Street Journal indicates increasing evidence that exposure to the resin can cause at least some of the same deadly ill effects as exposure to the gas:

DEATH OF TWO POLYVINYL CHLORIDE WORKERS FROM RARE TYPE OF CANCER IS VERIFIED

(By Barry Kramer)

A second death from angiosarcoma of the liver, a rare form of cancer previously linked to vinyl chloride occupational exposure, has been discovered in the polyvinyl chloride plastic fabricating industry, the Connecticut Health Department announced in Hartford.

The two deaths increase concern that the occupational danger of cancer from vinyl chloride, a gas used to make polyvinyl chloride plastic, may be more widespread than had been thought. Since January, 13 cases of liver angiosarcoma have been detected among vinyl chloride workers from plants that manufactured the gas or that polymerized the gas into the plastic. Six other cases have been reported abroad.

But the Connecticut cases are the first known in the polyvinyl chloride fabricating industry, which turns the plastic into a myriad of finished products ranging from furniture to coated fabric to electric cable covering. German scientists recently reported finding "precursors" of angiosarcoma in the livers of six workers in a plant that turned polyvinyl chloride plastic into floor tiles.

But the Connecticut cases, confirmed as angiosarcoma by the National Cancer Institute in Bethesda, Md., are the first actual cases. In the U.S. an estimated 6,500 persons work in the vinyl chloride industry, while the number working in the polyvinyl chloride industry numbers in the hundreds of thousands.

The Connecticut Health Department announced the first case last week, and General Electric Co. disclosed that it was a 60-year-old employe who for 30 years had operated machines at a Bridgeport cable manufacturing plant that processed various plastics, including polyvinyl chloride. The man died last July, GE said.

The second case involved a man who worked as an accountant in a polyvinyl chloride fabricating plant in the same part of the state. A health department spokesman declined to identify the factory involved, and a Labor Department spokesman in Washington identified it only as a Stratford plant that makes polyvinyl-coated fabrics. A further investigation is being undertaken to learn if the accountant ever worked on the production line.

Although a definite relationship between occupational exposure and angiosarcoma in the two polyvinyl chloride workers cannot be made, the Labor Department spokesman said contact with all other chemicals, drugs and diseases than can affect the liver had been ruled out in the two cases, leaving only polyvinyl chloride as a known possibility.

Connecticut's cancer registry, which uncovered the two cases and which is one of the oldest and most accurate in the nation, lists six confirmed cases of angiosarcoma of the liver since the registry was begun in 1935. The other four cases didn't have known exposure to either vinyl chloride or polyvinyl chloride, according to Dr. Barbara Christine, chief of the health department's chronic disease section. She said the link between polyvinyl chloride and the two angiosarcoma deaths "might just be chance."

The link between vinyl chloride gas and liver angiosarcoma is strong, and scientists believe that if a link is determined between exposure to polyvinyl chloride plastic and the rare cancer it will be because the plastic contains pockets of unpolymerized vinyl chloride monomer that are liberated in heating the plastic when it is fabricated into different products.

Labor Department hearings designed to set permanent standards for vinyl chloride atmospheric concentrations in factories are scheduled to begin June 25 in Washington. A temporary ceiling of 50 parts vinyl chloride per million parts of air is currently in effect and the Labor Department has proposed a limit at levels too small to be detected, a requirement the industry has said would be impossible to meet.

THE RUNAWAY MILITARY BUDGET

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. BRASCO. Mr. Speaker, last week, the Pentagon won another round over those in Congress who seek to bring military expenditures under some meaningful control. Regrettably, we lost three amendments to curb spending, limit troops abroad, and eliminate funding for the new manned bomber. In spite of losses, the efforts of the losing side should be place in perspective.

For years now, in the name of an adequate defense, Pentagon spenders have literally run amuck with the Federal Treasury. When any voice has been raised against the quantum jumps in military expenditures, those of us who have raised our voices have been either pooh-poohed or indirectly accused of indifference to an adequate national defense.

Therefore, we have had to undertake an effort in the Congress similar to that required to end American participation in the Vietnam imbroglio. As a Congressional veteran of that years-long effort, I see a pattern developing. And I feel that in the end, just as in the case of Southeast Asia, we shall eventually and inevitably have successes of some kind.

There is no desire on my part to hurt vital aspects of national defense. Rather, I wish to see this country as strong as any nation in the world and then some. Senator JACKSON's distrusting views of Soviet intentions certainly strike an echo in my mind. Nonetheless, we cannot spend the Nation to fiscal death and ruin in the name of defense. There must be a limit, and regrettably, the Pentagon has refused to heed our warnings.

It is ridiculous for the Nation to pursue procurement of every military toy emerging from the fertile minds of military scientists. For example, the B–1 manned bomber. It is costing us double the original projections to keep up the production effort. Yet the unfortunate evidence of the recent Middle East war indicates that the day of the manned bomber is largely over. In fact, military observers have been claiming that for years. The last waves of North Vietnam bombings with B–52's and the casualties we sustained then surely brought home that lesson. We have enough ICBM's in various forms, and MIRV's, to annihilate mankind, yet the Air Force bomber jockeys in the Pentagon insist on reliving the "wild blue yonder" days of World War II at taxpayer expense.

A similar mentality prevails regarding American troops overseas. Hundreds upon hundreds of thousands of U.S. service personnel are stationed in the most useless places performing the most unnecessary tasks at crippling taxpayer expense. We presently maintain approximately 350,000 American troops in Europe to hold the hands of our NATO allies. A corporal's guard would suffice to show the flag. Instead, we maintain a massive human tripwire which would serve no useful purpose in case of a massive invasion of Western Europe by the Warsaw Pact countries. These troops are costing America's taxpayers billions annually, filling European pockets and adding not one whit to our real defense.

It is, however, a cushy tour and billet for a number of officers who require a reason for being. What is worse, our forces in Europe are encumbered with their dependents, a questionable policy on the part of a military force supposedly on duty for combat duty. These dependents in their turn cost our balance of payments mightily every year.

Taken all together, the situation is a luxury America can no longer afford in these present times of shortages, rampant inflation and crying domestic needs. If the military will not see that this situation is rapidly becoming intolerable, and will not yield an inch, then the time is coming for us here in the Congress to draw the lines and fight them annually every inch of the way until we inevitably win out, as was the case with the Vietnam involvement.

This year we lost every battle save one. Next time, we shall assuredly mount a stronger, more determined effort to curb this military spending machine, which is hurting America domestically. My district cannot obtain desperately needed aid in areas like old age assistance, urban mass transit aid, pollution control, housing and a number of other sectors of concern. This is the case because so much is being spent on unnecessary concerns like the endeavors I have alluded to in these remarks. So Members like myself, recognizing the needs of our constituents, have no option but to take the route we have chosen. And in the end, we shall prevail.

SOCIETY NEEDS BOOSTER SHOT OF ETHICS

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. O'BRIEN. Mr. Speaker, when our Founding Fathers created this Nation, they injected a strong dose of morality into its leadership system.

Regrettably, this moral potency has dissipated over the years and in recent decades we have witnessed the rise of materialism and its companion philosophy of the end justifying the means. Just how deeply this philosophy has infected our society is obvious to anyone reading his daily newspaper.

What we need now to immunize us from future infections is a good booster shot of ethics into every vein of society, from education and government to business and labor.

One of the most eloquent arguments for this treatment was presented by Donald O'Toole, chairman of the board of Heritage Bancorporation, at Lewis University, a school in my home district in Illinois.

I am submitting his remarks for the RECORD and I hope my colleagues will read them and think hard about them:

THE NEED FOR GRADUATES OF RELIGIOUSLY ORIENTED UNIVERSITIES

(Commencement address, Lewis University, by Donald O'Toole)

The leadership of the United States was never so highly educated as today. Never have our businesses, industries, professional, labor, and farming activities been headed by so many with college degrees. Never especially has our political leadership included so many lawyers and other educated men who hold masters' and doctorate degrees. And they all lead the most broadly and highly educated nation in the world.

Yet today we find ourselves shocked by daily discoveries of cheap, shoddy, and disgraceful actions by Americans who have been holding our most honored and respected positions of leadership. And we are further shocked that most of the other nations in the world are disgusted and fed up with us—are treating our political and business leaders with contempt, seizing the properties of American corporations and throwing them out of their countries, and defying us. Less than thirty years ago we began a twenty-year outpouring of enormous generosity to those same nations, billions of dollars of outright gifts of food and clothing, money, equipment, and American know-how, to establish and build up their industrial and farming economies, and to bring new educational and social sciences to their disordered and often savage lives.

Watergate and its endless disclosures of disgraceful activities far beyond the stupid attempt to burglarize the Democratic Party's national headquarters have brought all these things into focus. But they have been a long time abuilding. We started on the downward path from respect for ourselves and from the entire rest of the world a long time back, at least as far as World War II.

Watergate has stripped the thin veil which blurred our image of the many men who led us into the whole mess of today. They have been playing evil games with each other on a stage which could no longer contain them—their numbers and activities burst through the veil and into the laps of the ordinary Americans who have been paying, and will long continue to pay, for the whole evil performance.

Watergate has brought into focus a terrible series of crimes against the Constitution, our laws, and our rights as men, as well as the men of other nations. We have witnessed the indictments and convictions of high government officials who have violated their oaths of office, sold political favors, granted exemptions from anti-trust and other laws; arranged embargoes and high tariffs on low-priced foreign goods and on oil we badly needed for the benefit of powerful corporations and wealthy individuals; sought and accepted political contributions in thinly veiled violations of newly enacted laws; and on and on through an endless list of high crimes. Worst of all, they have been found to have lied under oath and to have induced others to testify falsely. And every offical indicted or under investigation thus far is a graduate of an American college or university, most of them educated as lawyers.

Along with them American business and industrial leaders have been brought to the bar of justice to confess their guilt, often in tears, to having bought political favors, bribed and made illegal contributions to campaign funds, to gain exemptions from prosecutions for violations of laws, to secure embargoes and protective tariffs behind which they could exact high prices from American consumers, and to get wholly unreasonable exemptions from taxes. Labor leaders have been tried and found guilty of stealing from their unions, using pension funds to finance personal undertakings, executing sweetheart contracts for bribes from employers.

For all of them the end has been the penalties that men fear worst—disbarments, heavy fines, imprisonments, and disgrace for the rest of their lives.

The shock and anguish the ordinary American people have had to suffer from these awful disclosures constitute their realization that they have been paying and will long continue to pay for all of this. It was the heavy tax burden they bore that made up for the unreasonable exemptions granted to the powerful, it was they who paid for the horrible Viet Nam War in billions of dollars and the lives of their own sons. Their money and trust in their government enabled power-hungry military men and politicians, and manufacturers of war materiels, to gain higher rank, power, and profits from spending those billions on death-dealing planes and bombs which killed millions of simple Oriental people who never hurt us, destroyed their schools and hospitals, and defoliated their rich fields and lush forests. And it is they, the ordinary Americans, who must now strike down these evils, and regain our own self-respect and that of the rest of the world.

We must find new leaders to guide us out of this. Who will they be? How will we be able to recognize them?

Let us take one more look at Watergate. If we examine into the evidence, we find one common excuse throughout: The end justified the means. For all of these men the election of a certain man or party justified the breaking of any laws which might impede; the blocking of the spread of Russian influence—mislabeled by the single word "Communism"—was justification for killing Vietnamese and ruining their villages and lands; the protection of the welfare of giant corporations was justification for interfering in the political affairs of other nations and permitting gross violations of anti-trust laws. And so on and on, and the same excuse—the end justified the means—has been boldly stated again and again by political administrators, military leaders, and corporate executives. For all of them the ends were always identical with their own selfish enrichments and pleasures.

How could a once moral people have become so imbued with the wholly immoral philosophy that the end justifies the means, that truth is always relative, that one's own selfish interests come first and foremost, that there is no obligation on public leaders to make any self-sacrifices for their followers and fellow citizens? What has happened to the heirs to the mantles of George Washington, Thomas Jefferson, Abraham Lincoln, Theodore Roosevelt, Woodrow Wilson, and Franklin D. Roosevelt? What caused the collapse of morality in our leadership?

The answer lies in large part in two causes: The enormous growth of state-supported colleges and universities, and the decline in moral objectivity in private colleges and universities, most of which were originally established by deeply religious groups. The loud voices of defenders of the separation of church and state required state schools to operate without religious philosophies, and this has meant no moral content to their educational courses. Private schools found themselves bowing lower and lower to get financial support from governmental bodies and wealthy individuals and corporations who were totally disinterested in the teaching of morality, and their moral objectivity declined in some cases to anemia or absolute zero.

Materialism moved into the breach. The end result was the teaching of courses in every phase of education without any reference to morality—moving downward progressively into high schools and grade schools. At best students have been left to glorify selfish materialistic gains and successes as their main goals, and at worst they were taught that ends—always their personal ends—justified means. We realize today how many brilliant students who graduated from these programs and adopted those concepts actually became our leaders in politics, business, science, labor, every phase of human activity, trampling over moral principles, their obligations to the people they served, and elementary human rights, to secure their own selfish objectives.

This is not to say that there have not been honest, highly moral, and genuinely successful men and women during these troublesome times. There were and are hundreds of thousands, millions of them—politicians, businessmen, teachers, scientists—who have lived totally moral lives and led, governed, managed, and taught their organizations and followers according to rigid moral principles. But they have permitted themselves to be out-shouted and shoved aside by a vocal minority who seized power as they went up and used it ruthlessly and effectively. We listened to too much talk about how we could not effectively check the abuses and advances of such powerful politicians and wealthy individuals and corporations. Most of us made no real effort to seek out each other and unite as they did.

When Viet Nam began to climax and we felt the real agony of lost sons and neighbors, and the weight of taxes brought on by the war, we began finally to listen to critical observers of Viet Nam, returned and jaded veterans, and articulate students whose researches were unchallengeable. We reacted, however, with no action, in fact with amusement, disgust, and even disbelief. We muffed our great opportunity when we permitted naive and undisciplined radical groups to force a weak Democratic candidate for the presidency on the ballot. The old guard, richer by far in campaign funds and corporate influence, and cockier than ever, moved in and finally went too far to their inevitable end.

Now we must get about repairing the damage where it can be done best—by reinstituting the teaching of morality throughout our entire educational system. We must look to those religiously oriented colleges and universities which have faithfully preserved the indoctrination of all their courses with moral principles, as the wellsprings of the teaching of morality we know now to be so necessary. In all our colleges: Politicians must be taught not only how to govern, but also that they must carry out the public trust in enacting laws which protect the welfare of all men alike, and repealing those which don't; lawyers must learn that observance of the law is their own responsibility as well as their clients', and that they are responsible for the presentation of evidence that is complete in its scope and accuracy; businessmen must learn that they must discharge the positions in which they are placed with true fairness and honesty to their communities, other nations, customers, shareholders, and workers alike; persons of means must learn that they must pay their full fair share of the costs of government, and that they cannot seek special privileges.

All college graduates must learn that truth is the essential quality without which society cannot survive, and that its observance lies first and foremost with them.

And all men must learn that the penalties for violation of moral principles are to be made sure and painful by a morally aware body of college graduates—that public exposure, heavy fines, disbarment, disenfranchisement, imprisonment, and lifelong disgrace are the certain ends of violation of the moral code.

American leaders of the future—leaders of business, professions, politics, and other activities—are going to have to observe high standards of justice, equity, and truth—if your generation of college graduates and mine and the ones between us join militantly to enforce these standards. Ruthlessness and lawlessness are out, honesty and complete fairness are to be the rule of the day, and the Watergate and other investigations stemming out of it must run their full gamut if we are to know just what crimes to prevent and how to prevent them. If colleges expect their graduates to succeed, they must inculcate deeply within them the principles of justice, honesty, and responsibility to one's fellowmen.

You graduates of Lewis University are fortunate indeed. You have been taught the principles of morality throughout all of your studies here in this morally dedicated and religiously oriented center of learning. You have been taught your own disciplines, the sciences, the basic elements of law, the accounting and economic languages of business, the methods of administering mercy and justice efficiently to men of all kinds, and you have been taught how to practice them within the strictures of moralism and ethics.

The worlds outside—the worlds of business, law, politics, science, medicine, sociology, education, whatever your chosen career—are hungry for men and women such as you. Go out and get into your chosen field. Observe well the old rules of hard work and dedication to your job, plus the necessary qualities of keen imaginations and restless ambitions, stimulated by never-ending studies of your fields and the whole world about you, never failing to think and act within the strictures of complete morality, and you will discover the paths to leadership and the ultimate satisfactions of lives you will know to have been spent in the improvement of the lots of your fellowmen. Your material rewards, I can assure you, will be virtually automatic. In you Lewis University graduates are the ingredients for which all living generations hunger, in the United States and indeed in the whole world.

This is truly a great day for you graduates of Lewis, and for us too, for you are our hope.

BOB McMAHON OF DUNDEE IS THE NEW COMMANDER OF ILLINOIS VETERANS OF FOREIGN WARS

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. McCLORY. Mr. Speaker, this Sunday, June 23, 1974 at the O'Hare Sheraton Inn in Chicago my friend, Bob McMahon of VFW Post No. 2298 of Dundee, Ill.—in my 13th Congressional District—will be installed as the new commander of Illinois Veterans of Foreign Wars.

Mr. Speaker, this distinguished veteran of World War II has earned this recognition through his gallant military service in the U.S. Navy's South Pacific Operations in 1944 and 1945, as well as during his subsequent service to our Nation's veterans.

Mr. Speaker, Bob McMahon has attained his role of State and national leadership through his unselfish service to his local post in Dundee as well as in the district and other State positions which he held preliminary to this special honor which is being celebrated Sunday in Chicago and in Dundee.

Mr Speaker, following his service as commander of the Dundee Post in 1958, Bob McMahon served as public relations officer, special events director, and in other positions of responsibility and leadership in the Illinois Department of the VFW—becoming junior vice commander in 1972 and senior vice commander last year.

Mr. Speaker, I am familiar with Commander Bob McMahon's devoted service to his community, State, and Nation, including service to veterans and nonveterans. He and I have participated jointly in numerous public affairs where his dedication to service in behalf of his fellow man has been evidenced.

Mr. Speaker, following the installation ceremonies in Chicago, an open house will be held in the VFW hall at Dundee Sunday evening where Commander McMahon, his lovely wife, Patricia, and their children, Michael, William, Peggy, Jo and Timmy, will receive their friends and well-wishers. I regret exceedingly that I will not be able to join with those who will be attending this open house.

Accordingly, Mr. Speaker, I take this means of calling to the attention of my colleagues in the House of Representatives the honor and distinction which has come to my constituent, Bob McMahon, as the commander of the 112,000 member Illinois Department of the Veterans of Foreign Wars, and I join in this public expression of congratulations and best wishes.

GETTING HAZARDOUS PRODUCTS OFF THE MARKET

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. BRASCO. Mr. Speaker, scandals dealing with unsafe products are not news these days. For years now, we have known that the various food and drug companies have been placing a variety of products on the market with blatant disregard for the well-being of those who consume them at the other end of the chain. In fact, as a result of weak enforcement of existing Federal laws by Federal agencies, the situation in the past few years has gotten worse rather than better. The most recent example involving vinyl chloride is a perfect illustration of the situation.

The Food and Drug Administration is a perfect example of an agency with authority to protect the public becoming largely unwilling to oppose those it is supposed to regulate. That, for example, is the reason why the Consumer Product Safety Commission was brought into being by the Congress; because FDA was not doing the kind of job it was required by statute to perform on behalf of the public. A number of excellent consumer protection measures were taken away from that Agency and given to the CPSC to enforce, among them the Safe Toy Act, Flammable Fabrics Act, Hazardous Substances Act and Poison Prevention Packaging Act. This situation, however, in all fairness, prevails in virtually every Federal agency charged with protecting the public through regulation. Many of them have become open scandals in the past few years.

In spite of these legislative actions, however, the Food and Drug Administration is left with several vital responsibilities, including that of policing the foods and drugs we consume. In this area, the agency is notably sluggish in performing its assigned tasks, and the vinyl chloride situation points up this state of affairs in the most complete sense.

Even if foods, drugs, or cosmetics are found to be dangerous to human health, the Food and Drug Administration currently has no power to require a manufacturer to recall a dangerous product. Today, the agency's power is limited to a voluntary recall or seizure. Neither method is really satisfactory from a consumer protection point of view.

What we need is a tougher law, and this requires legislation. H.R. 14805, originally sponsored by our distinguished colleague, Ed Koch, of New York, would authorize the Secretary of Health, Education, and Welfare to halt the sale and distribution of hazardous foods, drugs, and cosmetics and to require their recall, if in his opinion such action is warranted.

The vinyl chloride situation was most revealing and quite shocking in that it showed how little satisfaction the public can get in respect to a dangerous product. HEW staged a voluntary recall of hair sprays for women using vinyl chloride. Yet we know there is a strong possibility of a link between this substance and a rare form of liver cancer.

In April, HEW stated that:

> The only statutory instrument under the Food, Drug and Cosmetic Act is seizure, and this procedure has major limitations.

The most important of these deficiencies, according to HEW, is "the time required to implement a seizure action" where numerous lots of a product are distributed nationwide.

Obviously, the initiative is now in the hands of Congress, the agencies will not act in a vigorous way to initiate any action on behalf of consumers because of the power exercised in their areas of concern by the lobbies of the affected industries. Congress can and should legislate to close this loophole. It should take the form of giving the agencies in question the powers provided in H.R. 14805. Therefore, I am pleased to be able to join Ed and others of our colleagues in sponsorship of this measure. Hopefully, as more evidence is produced respecting vinyl chloride, we can anticipate some action in this area.

DRILLING COSTS SKYROCKET

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. COLLINS of Texas. Mr. Speaker, the best investment America can make today is to encourage more domestic gas exploration. With this country 35-percent dependent on oil imports, we need to concentrate more on gas development domestically.

Last week, in hearings with the Federal Power Commission, it was brought out that a British thermal unit of energy costs about four times as much if we produce it from oil than if we produce it from gas. This means that it would be better for our economy to increase the price of gas to encourage more gas availability, as it is definitely the cheapest energy source that we have at this time.

The most practical approach is to pass legislation which would deregulate the price of gas at the wellhead. By encouraging increased exploration, we could develop additional sources of gas, and all gas is cheaper than the $15 per barrel Arab oil that is our energy import.

While I was in Texas this weekend, I was reviewing some of these cost figures. John Wisenbaker's son is a young oil man out in Midland, Tex. John gave me the cost figures that he had just received from Michael on a dry hole. On this west Texas well, they had drilled 17,400 feet on an Ellenburger test, and the total well cost for a dry hole was $1,032,900. About one-half of this was for the rig contract, but the other half went into everything else that goes into drilling a dry hole. And remember, this is a dry hole with no completion costs.

Let me give you some figures that Michael Wisenbaker submitted on the Allison well out there in Pecos County. The Allison came in and they have production on it. But what is interesting is to see how fast inflation has been hitting into the drilling business. They had a very careful estimate made in December 1973, of what their costs would be for a dry hole and what their costs would be for a producer. In this case, they brought in a 13,000 foot Montoya test producer.

In December, they had figured their costs at $605,200 if they could get a complete producer. This included everything in every way. By March, Wisenbaker said that they had to revise and reestimate and they figured that it would be $703,400. In June 1974, when all bills were in, and the well was actually completed, the cost was $812,000. Here was a well that had no trouble at all drilling. The well was actually completed and drilled before the final schedule date. But despite everything going perfectly, the well cost 34 percent more than planned 6 months earlier.

This illustration of a 34 percent increase in drilling costs within 6 months and the cost of having to walk away from a million dollar dry hole are examples of what is involved in finding new gas.

But remember this—gas is still the best buy that we can make for energy. We could pay $1 MCF out there at the wellhead and still have the cheapest source of energy that we have here in this country.

It takes drilling to find the gas. Michael Wisenbaker's experience out in Midland is typical of all of these wildcat drillers all over the country. For America to move forward, we must be self-sufficient with energy. It is better for us to buy gas that is produced domestically than to buy $15 per barrel Arab oil.

UNITED STATES CONSULTS LABOR ON LOANS

HON. LAMAR BAKER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. BAKER. Mr. Speaker, it is deplorable that departments of the Federal Government at times rely on private special interest groups for input on their final administrative decisions. These practices of the past should be eliminated and any future collusion should be prohibited.

An article by William Claiborne, a Washington Post staff writer, appeared in that paper on June 9, 1974, which relates to one appalling deviation. I submit the article in its entirety for the benefit of the Members of this House:

United States Consults Labor on Loans

(By William Claiborne)

The Labor Department routinely consults with the AFL–CIO about rural industrial loan applications made to the government, department officials acknowledged yesterday.

Since January, the names of approximately 500 applicants for Farmers Home Administration business loans have been forwarded to the union federation's research division, a Labor Department official said.

The purpose of the referrals, according to Labor Secretary Peter J. Brennan, is to "obtain information which may be relevent to our determination."

So far, AFL–CIO affiliates have returned adverse findings on approximately 18 loan requests, most of them involving the textile and garment industries. Of those, three have been turned down, the Labor Department said.

Some others still have not received final clearance on the basis of adverse comments by the AFL–CIO affiliates.

The practice of allowing private labor unions to review industrial loan requests submitted to the government was termed "shocking" by Sen. Clifford Hansen (R-Wyo.), who said he uncovered the procedure while making a routine inquiry on the status of a loan application by a constituent.

Hansen said the practice "indicates scandalous invasion of the applicant's privacy, and gives the labor union unprecedented influence on government function."

Rep. W. R. Poage (D-Tex.), chairman of the House Agriculture Committee, said he was "appalled" by the practice and had requested an explanation by Brennan.

Brennan, however, defended the practice as necessary because the union information is used in determining whether a loan approval would undermine business competition in proposed plant location, or whether it would cause unemployment in a city from which an applicant plans to move a factory.

In a letter to Hansen, Brennan emphatically denied that the AFL–CIO participates in the decision-making process. He said the federation's information is used as leads for further government investigations.

Moreover, Brennan said, the AFL–CIO is given no information about the size of an applicant's requested loan, volume of sales or expected employment.

Instead, he said, the Labor Department sends to the union federation each week a list of loan applicants, their addresses and the products involved.

The union is advised it has two weeks to comment on the application, and if comments are not submitted in that period the Labor Department will "assume their concurrence," Brennan said.

Hansen last week wrote Comptroller General Elmer B. Statts asking that the General Accounting Office investigate "any misuse of government lending powers" involved in the loan screening process.

Hansen said he had also been told that labor unions had been given the right to screen applications for capital grants for urban transit programs.

In a letter to Transportation Secretary Claude Brinegar, Hansen said a former employee of the Urban Mass Transit Administration claimed that "organized labor has a veto over all capital grants and that local governments understand that if the unions are not favorable toward a grant, the local government need not even apply."

Hansen asked Brinegar to respond to that allegation.

The basis for the loan screening procedure, the Labor Department said, is the 1972 Rural Development Act, which provides for government assistance to small businesses and industries in attempt to revitalize depressed rural areas. In fiscal 1974, the Agriculture Department's Farmers Home Administration has approved about $200 million worth of such loans.

Brennan said the act specifically authorizes the Labor Department to help process the loan applications, partly to forestall government subsidization of "runaway shops," or industries that abandon strong union cities in favor of the cheaper labor markets of rural areas.

Brennan argued that the statute does not specify what sources of information the Labor Department may or may not use in passing judgment on loan requests.

He said he believed the department can use "whatever sources of information will enable us to follow the statutory mandate" of protecting employment and competitive business.

Apart from the union organization, Brennan said, the department consults state and federal employment agencies.

When asked whether the department checks with any other private organizations, Harold Kuptzin, acting technical support director of Labor's Manpower Administration, said, "sometimes we call trade associations." He said, however, that the AFL–CIO is the only private group that is regularly asked for comments about loan applications.

In defending the practice, Kuptzin said, "It's almost like looking at press clippings. We felt the union might have information about runaway plants, and we didn't want that kind of operation to be subsidized by the government."

Kuptzin added that even though the Labor Department was given the burden of screening loan applications made to the Agriculture Department, no additional manpower was provided.

In a second letter to Brennan last week, Hansen indicated he was not satisfied with the Labor Secretary's explanation of the screening procedure.

Noting Brennan's pledge that no detailed information is given to the union about an applicant, Hansen said, "Without this information, how is the AFL–CIO able to comment on the possible effect of applications on competitors and employment?"

An official of the AFL–CIO headquarters here disputed Hansen's interpretation of the screening policy.

"It's crazy to think that this procedure is not in the public interest. He must be for secrecy," said Mark Roberts, of the federation's research department.

"One reason we did not propose the (rural industrial development) legislation is that it included the requirement that urban workers would not be displaced by the building up of the labor market in rural areas. The law forbids that kind of runaway activity, and I don't see how anybody can oppose public knowledge of what's happening in this area," Roberts said.

Roberts said that when he receives the Labor Department's weekly list, he "alerts the appropriate union about the (loan) activity in their area." The individual unions, in turn, "take it up with the Labor Department," Roberts said.

As a current example, he cited the Textile Workers' Union's opposition to a loan application submitted by a municipal agency in Snow Hill, N.C.

The agency is seeking funds to build a sewer line to a textile plant owned by a manufacturer considered by the Textile Workers to be anti-union. The union is opposed to such federal assistance and concerned that the company may transfer urban jobs to the rural plant.

The Labor Department is not opposing that application, Roberts said. "It raises serious questions about the rural development program," he added.

STANLEY S. SURREY

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. BOLLING. Mr. Speaker, Stanley S. Surrey is not only a professor of law at Harvard Law School, he is also a distinguished public servant who served 8 years in the Kennedy and Johnson administrations as Assistant Secretary of the Treasury for Tax Policy. His article on the provisions of the Domestic International Sales Corp. which appeared in the Washington Post of Sunday, June 16, 1974, should be must reading for all those who think of that legislation as helpful to our national interest.

The article follows:

DISC REPEAL CALLED NEEDED TAX REFORM

(By Stanley S. Surrey)

Repeal of the Domestic International Sales Corp. export subsidy provisions would be an income tax reform of high priority. Repeal would prevent an annual revenue loss that will be close to $1 billion by 1975. It could be simply achieved—clean-cut elimination of the provisions is all that is needed. Repeal would not affect our export trade. And finally, repeal would remove from the statute a tax atrocity that was a mistake from the very start.

DISC was adopted in 1971, at the insistent urging of the Treasury Department, as a tax subsidy incentive to exporters. That department, spurred by statements from the Commerce Department and others that the Treasury was doing nothing to improve our export position, had desperately looked about for some subsidy device and in 1970 had come up with DISC.

But then came the new monetary policy of 1971 and the first devaluation of the dollar, making any search for artificial export incentives beside the point. Yet the Treasury clung to its anachronistic idea of a DISC tax incentive and pushed it before the Congress late in 1971. A reluctant Congress adopted only half of the DISC proposal.

As enacted, DISC allowed a new type of export subsidiary corporation to be formed, half of whose income from export activities would be relieved from current income taxation.

Most companies initially thought of DISC presumably as a complex device requiring adoption of a new method of conducting export operations, which would necessitate restructuring their present organizations and procedures.

They soon learned that DISC is purely a paper procedure requiring no real change in port operations. All that is needed is creation of a new subsidiary. This new corporation need not have any employees, any operating activities, any substance whatever. A DISC requires only $2,500 of capital and a separate bank account. With that, a manufacturer can have its accountants start the paper work that immediately reduces its income tax by eliminating from taxable income one-half of the DISC's share of the profits attributable to the export sales of the manufacturer.

Once manufacturers with export sales caught on to the idea that DISC was a tax reduction gift with no needed change in their operations, they were eager to acept the DISC bounty. Thus, there were 1,000 DISCs by March 1972, some 3,439 at the end of 1972 and more than 5,000 by February 1974.

The repeal of DISC would involve no interruption of or effect on export activities. Instead, the tax-reduction paper work that DISC brought about simply would end. Unlike some other tax reform situations, repeal is not in any way hampered by claims to equities based on actions not quickly reversible.

The real facts must be kept squarely in mind. DISC was deliberately planned by the treasury as a paper device—as an elaborate file drawer—as a schedule on a tax return.

But this paper device meant a revenue loss of $250 million for 1972 and an estimated loss of $500 million in 1973. By 1975, the loss is estimated to be $920 million. We are thus talking about a device that will soon be costing the government more than $1 billion a year. Who receives these benefits? Treasury data show:

Twenty-two per cent of the untaxed DISC export income was earned by eight firms in 1972.

More than 90 per cent of the DISC receipts go to parent corporations whose asset size places them in the top 1 per cent of U.S. corporations.

DISC is thus a windfall handed over to our largest corporations. Our largest corporations are our largest exporters and DISC simply reduces the current tax on export activity. A Treasury official was recently quoted to the effect that DISC has not significantly helped to add new exporters to the roster of existing ones.

There is a reason for most small firms to stay clear of DISC. While a DISC is a paper corporation, the paper work can be immense. The DISC statutory provisions and accompanying Treasury regulations are a monstrous technical morass. DISC rules are replete with percentage tests, special pricing rules, special computations—all a technical paper wonderland.

For the big companies, elaborate attention to the paper work can enlarge the DISC payoff. The special pricing rules a DISC enjoys are an elaborate facade, for they allow a DISC to claim as its profit—for doing nothing whatsoever—50 per cent of the difference between the costs of the export product and its final sales price, in complete disregard of the arms-length pricing rules developed by the IRS and the courts.

In retrospect, it is remarkable—and saddening—how little the Treasury and the Congress that relied on it knew about this paper device it was fashioning. The Treasury estimated the first year's revenue loss to be $100 million—it turned out to be $250 million. The second year's loss was said to be $170 million—it is now estimated at $500 million.

The Treasury now says the reason for the difference is that the rate of return on export sales is about twice as great as the Treasury expected—it is 15 per cent as against the expected 8 per cent, which is the average for domestic sales. This one fact alone shows how little analysis was really made of the situation—and it also raises the question of why the most profitable part of a manufacturing and selling operation must be subsidized.

Congress was also told that the tax on the DISC untaxed income would only be deferred, so that some day it would be paid. But Congress was not told that the deferral could be lengthy and that the present value of such deferral often would be worth about as much as current exemption.

DISC is thus built on paper and myths.

There is the myth that a DISC is an aggressively exporting organization, when in reality it is only a paper company.

There is the myth that the tax benefit of DISC is "only deferral" so that not much is involved, when in reality the deferral is so long delayed it can become the equivalent of exemption.

There is the myth that DISC-benefitted income must be invested in "export-related assets," when in reality that is but a drafting term that can cover any assets of the parent.

There is the myth that the DISC-benefitted income cannot be used by the parent for manufacturing activities abroad, when in reality a properly guided parent can use those funds to build a plant abroad.

The ultimate question remains to be asked—of what benefit is the DISC provision to the United States? We know about the windfall to exporters—more than three times as large as the Treasury estimated—and we know that the only operational price paid by exporters for this windfall is that of paying accountants and lawyers to handle the work that keeps this intricate paper-consuming machine properly nourished. But do we as a nation gain anything?

The answer is no. The Treasury in its first report on DISC could come up with no solid evidence that our export position had at all been improved because of the presence of DISC. Our exports have indeed increased—from $48.8 billion in 1972 to $70.3 billion in 1973. But behind this increase are such major developments as two devaluations of the dollar, a new monetary system, a worldwide inflation and a worldwide food shortage leading to a huge increase in agricultural exports.

Exporters who benefit from the policy changes should not also be handed a tax reduction windfall through DISC—a windfall that increases automatically as exporters reap the benefits of these and other policy changes.

So the time has come for Congress to set the match to this huge paper monument of DISC and to end the wasteful revenue loss—a loss that it never anticipated would reach the $1 billion figure that is now projected. A quick repeal of DISC is the only sensible response to this absurd tax situation.

BUSINESS AND INDUSTRY LOANS

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 12, 1974

Mr. MATHIS of Georgia. Mr. Speaker, when the Rural Development Act was passed, Congress stipulated that the Farmers Home Administration would ask the Labor Department for comments on all applications for business and industry loans.

This procedure has been followed, but the Secretary of Labor has taken it upon himself to have the AFL-CIO screen each application, and I feel this act is deplorable. While it might not be illegal, it certainly constitutes a breach of ethics.

In answering the charges, Mr. Brennan said that—

> It is appropriate for us to call upon various organizations, including labor unions, who may have facts or information to offer with respect to possible adverse employment or competitive business impact.

All I can say is that if the Labor Department does not have the necessary manpower or expertise to evaluate these considerations, then the Department is sorely lacking in leadership, and I would suggest that the Secretary resign.

Furthermore, the contention that labor organizations would provide useful information on "competitive business impact" is highly questionable. If the Secretary has any concept of what the free enterprise system means, he should know there is no way in which business competition could be construed as "adverse" with regard to the American way of life.

I have not verified at this time that five applications have been rejected based on AFL–CIO comments, but I intend to verify and suggest that the Labor Department and the Farmers Home Administration change its policy immediately by administrative action. If not, I can assure both that legislative action will be forthcoming.

Mr. Speaker, let me close by simply saying that this practice not ony slaps the business community in the face but once again proves that Government agencies continue to act outside the statutory authority given to them by Congress. I, for one, am getting fed up with it.

CAMPAIGN REFORM IN THE STATES

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. HANRAHAN. Mr. Speaker, it is becoming more and more evident that there is a need for campaign reform in this country. There are many different provisions to the proposed bills on this issue. Because of the need for this reform, I would like to insert the following article for the benefit of my colleagues.

[From the Wall Street Journal,
June 11, 1974]

CAMPAIGN CLEAN-UP IN THE STATES

(By Norman C. Miller)

WASHINGTON.—The Watergate-inspired reform effort to reduce the influence of money and secrecy in government is making significant progress in some strange quarters.

With little national notice, state legislatures, long known as breeding grounds of corruption, have passed a remarkable array of reform laws during the last 18 months. As many as 67 reform measures—dealing with campaign finance, ethical standards for officeholders and requirements for open meetings by governmental units—have been enacted by 40 legislatures, according to Common Cause, the self-styled citizens' lobby.

While the quality of the reforms obviously is uneven, the record of the legislatures is impressive as a whole. In the key area of campaign finance, for example, 25 states have enacted new laws requiring disclosure of, or limits on, campaign contributions, while also imposing some curbs on spending by candidates. Eight of these states have further authorized experiments with public financing of campaigns. Perhaps most importantly, many of the states have established independent commissions to enforce the reform laws; it was lack of effective police power that made a practical nullity of many earlier efforts to clear up political financing.

ACTION IN SEATTLE

The reform movement got a further lift last week when the nation's governors, at their annual conference in Seattle, called on "all levels of government" to enact comprehensive "clean government" measures. Among other things, the governors endorsed: broad campaign finance reforms, including experiments with public financing; ethical codes for public officials, including disclosure of their personal finances; open meetings of all public bodies; registration of lobbyists, coupled with "full disclosure" of their activities.

The governors passed their resolution just a day after voters in California overwhelmingly approved a proposition on the primary ballot, putting into effect the toughest set of campaign and lobbying restrictions yet enacted. In addition to strict contribution, spending and disclosure rules for campaign financing, the new California law hits hard at traditionally powerful lobbying groups. The measure sharply limits direct spending for lobbying and requires disclosure of those outlays that are permitted. And its most controversial section flatly forbids registered lobbyists from making campaign contributions.

The upsurge of activity at the state level is in striking contrast to the inaction in Congress. There is no serious consideration there of reform of loophole-ridden lobbying regulations that now allow the most powerful interests, both business and labor-oriented, to escape detailed public scrutiny of their efforts to influence legislation. And while the Senate has passed bills to reform campaign financing on three separate occasions, key members of the House seem determined to stall the legislation to death if they can get away with it.

Campaign-finance legislation has been languishing in the House Administration Committee for fully 18 months. Chairman Wayne Hays, an Ohio Democrat who scorns reform, waited until last October to even begin public hearings. It took the committee another eight weeks to conduct just six hearings. Almost four more months passed before the panel started bill-drafting sessions in late March.

Only nine working sessions of about two hours each have been held since March. The last four sessions scheduled by the committee were abandoned for lack of a quorum. After all this time, the committee has "worked" its way through less than 10 pages of a 30-page draft bill. Now, with the impeachment crisis threatening to block all legislation that hasn't cleared committees within a month or six weeks, the campaign-finance legislation is in increasing danger of dying.

That would be no accident. The Senate-passed legislation contains a number of proposals that Rep. Hays and many other House members dislike intensely. One is a provision allowing public financing of congressional primary and general election campaigns; House members fear this would guarantee that they would face strong opponents, while also diminishing other advantages incumbents enjoy. Another is a plan for an independent commission to enforce campaign rules; House members like the existing cozy set-up that gives police power to employes of Congress—who are hardly of a mind to be tough on their bosses. And there is fierce resistance in the House to proposals for disclosure of members' personal finances.

While the House undoubtedly can stall campaign reforms to death if it wishes, the experience at the state level suggests that Congressmen may be underrating the public demand for thorough-going reform in the wake of the Watergate scandals. The reform proposition in California passed last week by better than 2 to 1; so did similar plans approved earlier by voters in Colorado and Washington state. Many of the legislatures that enacted reform bills did not do so because their members were extra-virtuous, but simply because they were prodded into action by Common Cause and similar public-interest lobbies.

Indeed, it was ironic that at the Seattle conference several governors grumbled about the very reform measures that do-good outfits like Common Cause have applauded the states for enacting. Republican Governor Jack Williams of Arizona complained that too many reforms were based on a "presumption of guilt instead of innocence" of politicians. Democrat William Waller of Mississippi denounced the resolution endorsing a reform package as a "demeaning and debilitating" idea.

But most of the governors have found it impolitic to resist the reform movement. Several of the most widely respected governors, like Democrats Reubin Askew of Florida and Patrick Lucey of Wisconsin and Republicans William Milliken of Michigan and Dan Evans of Washington, have identified themselves strongly with the reform movement and reaped political benefits as a consequence.

Many members of Congress, on the other hand, appear willing to take the risk that the public doesn't care much about legislation aimed at cleaning up the political process. That is a high-risk bet, especially since Common Cause and other public-interest groups are gearing up to focus attention on reform issues in the fall campaign. "In effect, we are going to become a campaign organization in September and October" and "take incumbents to task on the reform issues," says Thomas Belden, director of state activities for Common Cause.

GOVERNOR NOEL'S WARNING

It is probable that public pressure ultimately will persuade Congress to enact campaign-finance reforms and perhaps others as well. A deeper question is whether new laws will make much difference. Philip Noel, the Democratic governor of Rhode Island, properly warns that people shouldn't be "deluded" that enactment of reform laws will "insure integrity in government."

Strict laws certainly won't do that, but there is reason to expect that they will establish a framework in which it will be harder for shady politics to flourish.

Thus, open meetings do not rule out dirty political deals, but they do make it tougher to bring them off. Campaign contribution limits, disclosure rules and candidate-spending curbs don't guarantee election of honest men, but they do tend to curb undue influence of moneyed groups. Changing to public financing of elections isn't a panacea either, but it would further diminish the power of money to corrupt politics. Strict regulation of lobbyists wouldn't prevent big interests from wielding a lot of clout, but it would tend to restrain questionable uses of power.

Fred Wertheimer, the legislative director of Common Cause, sums up the potential of the reform bills well: "This is not an attempt to legislate morality," he says. "It is an attempt to set ground rules for the way people conduct public affairs," and those ground rules alone can result in a "fundamental and profound difference" in political behavior.

DR. JAMES S. GORDON

HON. RONALD V. DELLUMS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. DELLUMS. Mr. Speaker, my training and experience as a psychiatric social worker have indicated the critical importance of dedicated and innovative persons in that profession.

Over the past months I have become aware of the important work being conducted by Dr. James S. Gordon, a staff psychiatrist at the Mental Health Study Center of the National Institute of Mental Health in Adelphi, Md.

Dr. Gordon's consultations to runaway houses, hotlines and group foster homes in the Washington metropolitan area have been extremely valuable. He has been instrumental in supporting and documenting the effectiveness of a variety of nontraditional, grassroots social services for young people. His writings and his contribution to the National Institute of Mental Health effort on behalf of runaway youth has been of great help not only to those persons throughout the country who are trying to work with troubled and searching young people in noninstitutional settings, but also to the Congress as we draft potential legislation in this important area.

If we are to deal effectively with these problems, it will be because of the work of dedicated persons such as Dr. Gordon, and I commend him for his valuable contributions.

A HOUSE COMMITTEE ON URBAN AFFAIRS MAKES SENSE TO LOCAL OFFICIALS

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. BADILLO. Mr. Speaker, as the time nears for the Hansen committee to report its recommendations for further consideration of committee restructuring in the House, a gratifying number of local officials from around the country have endorsed my proposal to establish a permanent Committee on Urban Affairs. Mayors from Honolulu to Providence, from Miami to Denver and St. Paul have registered their support for such a committee, illustrating the commonality of urban problems and needs regardless of the section of the country.

The House has not enacted significant internal reforms since 1946. We cannot wait another 28 years to revise our jurisdictional treatment of national concerns which are the result and culmination of the changing living and working habits of the American people. More than 70 percent of the population are now considered urban dwellers, yet there is no permanent legislative committee in the House to deal with the regional problems of urban areas including their closely related suburban jurisdictions. The urbanization of the United States is accelerating, and the changing needs of a changing society are simply not being addressed by the Congress.

I include in the Record some of the latest letters I have received in favor of a new orientation of the House so that its work more closely approximates the new shape of our society:

Office of the Mayor,
New Haven, Conn., June 6, 1974.

Hon. Herman Badillo,
Member of Congress,
Cannon Building,
Washington, D.C.

Dear Congressman Badillo: Thank you for your letter of May 23, 1974. I want you to know that your amendment to the Bolling Committee reform bill has my full support. As the Mayor of an urban center I would welcome the existence of a committee established to address problems that are unique to large cities.

An urban affairs Committee would be an excellent forum for the discussion of problems and the development of activities and programs that would move toward their solution.

Sincerely,

Bartholomew F. Guida.

City of Madison, Wis.,
June 5, 1974.

Hon. Herman Badillo,
House of Representatives,
Washington, D.C.

Dear Congressman Badillo: I'm in receipt of your letter of May 29th and find your proposal to create a House Urban Affairs Committee to be quite useful. I don't think it is necessary for me to critique the failures of the administration dealing with urban problems. As the Mayor of a mid-sized city, I would like to point out that we are not beset as critically with urban decay as is New York, Detroit, or Los Angeles. We, too, need a strong voice and greater responsiveness in Washington.

Because urban affairs has traditionally been left to the administration of the Department of Housing and Urban Development, Congress has not been able to effectively deal with the problem. I do believe that a strong committed House effort would be of particular benefit so that the nation's cities might take an effective and aggressive role rather than simply being on the defensive.

Sincerely,

Paul R. Soglin,
Mayor.

City of Providence
Executive Chamber,
Providence, R.I., June 3, 1974.

Hon. Herman Badillo,
House of Representatives Cannon Building,
Washington, D.C.

Dear Congressman Badillo: I wish to express my full support of your efforts to establish a standing Committe on Urban Affairs in the House of Representatives.

As mayor of an old but proud city I am well aware of the need for such a committee to re-order priorities and to make the necessary funding and legislation available to cities to meet the challenges of renewal and rehabilitation.

I encourage you to continue in your efforts to establish this very worthwhile and needed committee.

Sincerely,

Joseph A. Doorley, Jr.,
Mayor of Providence.

City Hall,
Jersey City, N.J., May 29, 1974.

Hon. Herman Badillo,
U.S. Congress, House Office Building, Washington, D.C.

Dear Congressman Badillo: I have read your House floor speech proposing the establishment of a standing Committee on Urban Affairs in the U.S. House of Representatives.

I fully agree with your proposal as an important measure in helping to focus national attention upon the grave problems of urban areas and as a mechanism for comprehensive consideration of matters of importance to cities.

The present fragmented approach has proven to be ineffective in solving the urban crisis as you have well noted in your floor remarks.

I am requesting Congressman Daniels to support your efforts in behalf of this crucial matter and I remain most willing to further support this proposal in whatever way might be appropriate.

Very truly yours,

Paul T. Jordan, M.D.,
Mayor.

Office of the Mayor,
Cedar Rapids, Iowa, June 3, 1974.

Hon. Herman Badillo,
Cannon House Office Building,
Washington, D.C.

Dear Congressman Badillo: I wanted to take this opportunity to respond to your May 29, 1974 letter, concerning your proposal to establish a standing committee on Urban Affairs in the U.S. House of Representatives.

I wholeheartedly support the concept you proposed, although I would withhold final comment until I have actually reviewed the legislation itself. I strongly support the concept of consolidating those programs which have such a dramatic impact on the existence of America's urban centers.

I believe it vitally important that the members of the House have an opportunity to at least vote on the Bolling Committee reform proposal. Probably the greatest obstacle to implementing needed legislative proposals is the antiquated committee system as it now exists in both houses of Congress.

I can assure you that I will follow your proposal very closely.

If I can be of further assistance, please contact me.

Sincerely,

DONALD J. CANNEY,
Mayor.

ENERGY RESOURCES—AND THE PUBLIC

HON. OLIN E. TEAGUE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. TEAGUE. Mr. Speaker, on June 3, 1974, at the 42d annual convention of the Edison Electric Institute in New York, Mr. Rawleigh Warner, Jr., the chairman of the board of Mobil Oil Corp. addressed the delegation on "Energy Resources—And The Public."

Mr. Warner's remarks show some of the complicated problems relative to supplying adequate energy to the American public.

In his statement, Mr. Warner points out the difficulties which have been encountered by his company in trying to make more information about the energy supply situation available to the public.

I am sure his remarks will be of interest to Members of Congress and the general public. I commend them to you.

The remarks follow:

ENERGY RESOURCES—AND THE PUBLIC

(Remarks by Rawleigh Warner, Jr.)

It is particularly flattering to be asked to speak to you about Mobil's efforts to communicate with the public, since most of us in the oil industry feel that if we had done a better communications job over the years, we would enjoy greater public understanding and esteem than we do today.

It became clear to us in Mobil three or four years ago, just as I am sure it must have become clear to the management of companies such as yours, that our country was heading for a severe energy crunch.

Here was the greatest industrial power in the world, with its entire economy built on an abundance of low-cost energy, about to enter an era of unnecessarily heavy reliance on other countries—mainly because, for one reason or another, industry was not being allowed to develop our very strong domestic energy resource base adequately.

There seemed to be very little understanding of this situation or of the economics of business in the press, in the Congress, or among the general public. We in Mobil felt there was an urgent need to try to inform people.

That, in brief, was the setting in which we initiated our communications program. What are we doing in it, what results have we had, and what problems have we encountered?

To some extent, we do pretty much the same sort of nuts-and-bolts things many large companies do. Probably our most effective tool, however—and, I suppose, the one that sets us apart—is our use of paid advertising in newspapers. We have found it ineffective to rely on letters to the editor to rebut even the most misinformed reporting. Retractions by the press are rare, and seldom catch up with the original charge. News releases are of limited usefulness.

We elected initially to rely mainly on newspaper advertising because we felt we had to address ourselves primarily to opinion leaders as the group best able to grasp complex issues.

We publish a quarter page advertisement virtually every Thursday, year-round, on the page opposite the editorial page of *The New York Times*—called, as you might deduce, the op-ed page. This is the only space the *Times* will sell on those two facing pages. It therefore has pretty high visibility, which we try to enhance with an off-beat approach. The space gives us enough room for essay-type ads similar in tone to other material appearing on those two pages.

We try to surprise readers of the *Times* with our selection of subject matter, our headlines, and our brisk and often irreverent text. We try to be urbane but not pompous. We try not to talk to ourselves and we accept that we can never tell the whole story in any one ad.

Our ads have ranged over a wide gamut—the energy crisis in its many ramifications, the role of profits, earnings as expressed in rate of return, capital requirements and capital formation, the need for national energy policies . . . why we support the New York Public Library, public television, the United Negro College Fund, the Better Business Bureau . . . the need for economic growth . . . the dangers of simplistic knee-jerk reactions . . . the need to conserve energy, and ways to use less gasoline. The list is a long one.

We try to help people understand what options are open to them and what sort of costs are involved in the various trade-offs. The response has been strong and generally favorable, though in addressing ourselves to opinion leaders, we deliberately opted for a rather thin cut of the total public. We believe we have had some impact and that we have been reaching people other than just those already wedded to the free market, but we realize we have not yet done enough to reach the public at large. In sum, we think the exercise has been useful, albeit somewhat expensive *in toto*, and sufficiently productive to continue.

One reason we think our advertisements, along with those of other oil companies, may be having some effect is that several Congressmen and Senators have recently tried to inhibit us. We believe *The Wall Street Journal* was close to the target when it said, "Indeed, the reason their critics are rushing to have them gagged is that the oil companies have been making legitimate arguments worthy of being heard."

We have recently been publishing these institutional ads regularly in 15 to 20 papers, in addition to the *Times*, and are this week enlarging the program to around 100 papers. We'll be glad to send a representative sampling of our ads to any of you if you'll drop us a line.

We have our differences of opinion with various of the newspapers in which we are buying space. But what we are trying to do in the mass media is to broaden the spectrum of information and viewpoints available to the American people, to help them reach the conclusions necessary to sound public policy in a democratic society. We believe the continued viability of our open society depends heavily on robust debate and controversy in the marketplace of ideas. We are in no sense eager to stifle those who oppose us. On the contrary. We just want to be heard, too.

That brings me to the biggest roadblock we have encountered—the refusal of national television networks to sell us time in which to state our viewpoints on matters of great public import.

When the energy crisis hit full-blown last October, there were very few reporters in any media anywhere in the country, outside of oil-producing areas and the oil trade press, who knew much about oil. This was particularly true of commercial television, and seems still to be true. As a result, we have a very difficult communications problem, and we recognize that. The energy crisis is complex, both in its origins and in its manifestations. The TV networks, by their very nature, seldom seem able to do justice to such a complex issue.

There appear to be at least five major elements that account for the structural deficiency of network television news programs.

The first is time limitations. A 30-minute news program, such as the Cronkite show, shrinks after commercials to around 23 to 24 minutes. An essay by a Sevareid or a Brinkley will consume about three minutes, leaving only 20 to 21 minutes for news. During this tightly limited time the show will often try to cover as many as 15 or more items, which would average out to a little over a minute for each item. But the biggest stories may consume close to two minutes each. So you end up with a good many stories being handled in well under a minute each.

Also, if the newsrooms are to have time to develop and edit film and to add the requisite dramatic elements, topical stories for the evening news show usually have to be filmed in the morming or at the latest in the very early afternoon. Otherwise, they may get short shrift.

Second, there are the economic limitations. Camera crews and transmission by satellite, for instance, are expensive. The cost to a network of keeping camera crews in many different locations could be prohibitive. Even when willing to spend the money, a network cannot always fly a crew to the scene of a news development in time to obtain the film that is TV's lifeblood. Also, most national TV news personalities earn far more than newspaper reporters.

The third limitation has to do with the networks' tendency to personalize the news. By this I mean their ever-present need for the highest ratings. We have the Cronkites, the Chancellors, the Reasoners, the Howard K. Smiths. As these people fight for the highest ratings, they sometimes tend more toward showmanship than toward balanced presentation of the news. As a former executive director of the ABC Evening News put it, the evening news is not the highest form of journalism. It is partly an illustrated headline service and partly a magazine. And, yes, it is part show business, using visual enticement and a star system to attract viewers.

The fourth of the elements that tend to emasculate network news is personnel limitations. There seems to be little room for specialists. Indeed, the only ones I can think of are the sports announcers and the weather forecasters. Understandably, most of the rest of TV's news correspondents are generalists, competent to cover hard-news stories and features of several kinds, but limited in the spheres of economics, finance, and technology.

Finally, the fifth element of weakness: TV is by its very nature an entertainment medium, and a highly visual one at that. The probem was summed up this way by a former president of NBC News: "Every news story should, without any sacrifice of probity of responsibility, display the attributes of fiction, of drama. It should have structure and conflict, problem and denouement, rising action and falling action, a beginning, a middle, and an end."

While we are not accusing the networks of bias in their reporting, we nevertheless feel that their structural deficiencies have combined to make much of their coverage of oil news inaccurate and misleading.

By way of characterizing our problem, it seems to us amost as simple as having to try to talk about elementary economics to people who are essentially illiterate in that field. As you can appreciate since you, too, are in a capital-intensive industry, we try to relate our earnings to our invested capital. This is one of the few ways we can satisfy ourselves that our rate of return is adequate to attract or amass additional capital to continue to do what is expected of us.

But this is a very difficut concept to get across to the consuming public, which sees only two things: the price of the product, which has risen dramatically; and the size of our earnings, which in absolute terms are large. All too few people in public office or in the media are adequately equipped or motivated to help understand that it is primarily the oil-exporting countries that have increased the price and that, in Mobil's case, our 1973 earnings of almost $850 million have to be viewed in light of the more than $10.5 billion of assets required to generate those earnings.

We therefore start out with an almost insurmountable problem, which is bad enough in and of itself. But when we then have to cope with television reporters and commentators who usually know next to nothing about the business and seldom seem to have the time or the desire to learn, and when we have to try to impart some understanding in the very limited time allotted—that really is impossible.

Let me illustrate this for you with a personal experience. About a year and a half ago, when I was chairman of the American Petroleum Institute, two other oilmen and I went up to CBS, at its request, and had lunch with Walter Cronkite. Mr. Cronkite told us that CBS was planning to broadcast a series designed to give the viewing public some insight into the energy crisis that was shaping up, and he assured us of CBS's determination to be fair.

We therefore agreed to cooperate. I personally spent more than three hours with CBS reporters and camera crews trying to answer their questions and to impart information on the energy situation in our country. The fellow in charge of those interviews assured me CBS was going to do the "most thorough study they'd ever done on any subject for the Cronkite show," and I think those are very close to his exact words. The problem was that the reporter was simply rounding up the raw material. That raw material was cut and edited by a group of people we never saw; who, as far as we could tell, had not been exposed to any first-hand discussion of what was involved; and to whom, I can only surmise, fairness did not seem an overriding preoccupation.

Our reaction to what CBS finally broadcast, in January and February of 1973, was one of utter dismay. What we saw and heard struck us as being one-sided and unfair to the industry. For all my own pains, I believe I got about a minute and a half on the air and was identified as "chairman of the industry lobby," which by implication would make me the chief lobbyist for the oil industry. The basic points I had tried to make died on the cutting-room floor.

I would be less than honest and less than fair myself, however, if I failed to point out that NBC has done special energy broadcasts that were quite well-balanced. The producers of those programs kept their promise to us—that we would have our day in court, along with those holding opposite views. We got a fair shake.

Incidentally, those NBC producers showed their understanding of the complexity of this subject by allotting three consecutive hours of prime time to it last fall in the first of their special broadcasts on energy. When they followed that up last March, they devoted an hour of prime time to the subject on each of two evenings a week apart.

Mobil has sought to buy air time for commercials that would convey our point of view—commercials that would deal in ideas rather than in products. But networks have refused to sell us time for many of the commercials we have submitted. Their position was pretty well summed up in a letter of February 27, 1973, from the law department of the Columbia Broadcasting System to a vice president of Mobil, from which I quote: ". . . it is the general policy of CBS to sell time only for the promotion of goods and services, not for the presentation of points of view on controversial issues of public importance. CBS has adopted this policy because it believes that the public will best be served if important public issues are presented in formats determined by broadcast journalists."

In simple terms, that means that what the people of this country are to see and hear on commercial television is to be decided largely by two or three people at each of two or three TV networks—an extraordinary concentration of decision-making.

Interestingly enough, that letter from CBS was written right around the time the Cronkite evening news show presented—in a format determined solely by broadcast journalists—that one-sided material I mentioned earlier.

It occurred to us that the networks might be afraid they would have to give free time to opponents of our points of view. We therefore offered to pay twice the going rate to have our commercials telecast, which would have covered the cost of any free time given to someone holding different views to reply to us—Ralph Nader, the Sierra Club, or anyone else selected by the network. We felt this underscored our basic posture: that we are not trying to alter what the TV networks broadcast as news. We just want to offer a broader spectrum of information and viewpoints to the American people and are perfectly willing to take our chances in the marketplace of ideas. If our ideas are no good, the public most assuredly will shoot them down, and deservedly.

"According to the U.S. Geological Survey, there may be more oil beneath our continental shelf than this country has consumed in its entire history.

"Some people say we should be drilling for that oil and gas. Others say we shouldn't because of the possible environmental risks. We'd like to know what you think.

"Write Mobil Poll, Room 647, 150 East 42nd Street, New York 10017.

"We'd like to hear from you."

NBC accepted this commercial.

ABC rejected it, saying it had reviewed the commercial and was "unable to grant an approval for use over our facilities."

CBS also rejected it, saying, "We regret that this massage addresses a controversial issue of public importance and as such cannot be considered under our corporate policies."

I have these comments to make on that.

First, this country was founded in controversy—hard, openly expressed controversy—and it has remained free and democratic through the continuing clash of opinion and of value patterns.

Second, if the networks dedicate themselves almost exclusively to merchandising products, via the entertainment route, they may raise serious questions as to whether what they merchandise as news is actually just entertainment.

Third, today's energy crisis is controversial largely because the media have helped make it controversial by printing and broadcasting material so inaccurate that anyone with any knowledge of our industry would have to disagree with it.

When as powerful and pervasive a medium as television will not sell time for controversial issues, it seems to me our country has reached a rather critical juncture. How can a democracy operate effectively without broad public access to clashing points of view?

It is worth recalling what the U.S. Supreme Court said in 1969, in what is known as the Red Lion case: "It is the right of viewers and listeners, not the right of the broadcasters, which is paramount. It is the purpose of the First Amendment to preserve an uninhibited marketplace of ideas in which truth will ultimately prevail, rather than to countenance the monopolization of that market, whether it be by the Government itself or by a private licensee. It is the right of the public to receive suitable access to social, political, esthetic, moral, and other ideas and experiences which is crucial here."

The real issue seems to be whether the commercial networks should have total control over what is broadcast to the American people. Since network broadcasting is among the most concentrated of U.S. profit-making industries, it would appear that our country may be facing a danger of monopoly censorship.

I hope you realize how reluctant we in Mobil are to adopt any posture that would appear to place us in an adversary position. We would much rather just live and let live. But we have concluded that we have no alternative to standing up for what we believe to be right. It is a dreadful set of circumstances at which we have arrived. What we're battling for is something at least approaching fair treatment in a medium that seems to be the main source of news for the vast majority of the public, yet one that seemingly has decided that in order to be successful, it must concentrate more heavily on showmanship than on presenting news in any depth.

It might interest you to know that in our industry no one company has as much as 8.5% of the U.S. gasoline market, as much as 9% of the domestic refining capacity, or as much as 10% of U.S. crude oil production. The three largest oil companies in each of the following categories together have less than 22.5% of the gasoline market in our country, less than a quarter of the refining capacity, and only a quarter of the crude oil production.

In national commercial television, three major networks dominate the scene. They particularly dominate the scene with respect to national and international news, since the news programs prepared by the local stations tend to present mostly local news. The three commercial networks combined have an audience estimated at more than 50 million people for the evening news programs broadcast at 7:00 p.m. Eastern Time. It is my understanding that no newspaper in this country has a circulation larger than about 2 million daily and 3 million on Sunday.

Among the newspapers there are some such as *The New York Times*, which not only dominates certain parts of its market—including, I believe, the New York market for help-wanted ads—but is also vertically integrated to the extent of owning substantial equity interests in three Canadian companies that make newsprint.

The *Times* is quite critical of oil company earnings. It called Occidental Petroleum's 718% increase in the first quarter of this year "a mirror image of what consumers are paying." Well, I doubt that anyone in this country is paying seven times as much for gasoline now as a year ago, but the *Times* neglected to mention that Occidental does not market in the United States. Nor did the *Times* tell its readers that Occidental's earnings in the first quarter of 1973—the benchmark period in this comparison—had dropped to a meager 6 cents a share, down more than 80% from eleven years earlier.

The Washington Post said recently that the government had an "urgent" duty to correct what that paper called the "vast enrichment" of the oil companies. This offers the opportunity for an instructive comparison. The net earnings of Texaco, one of the more profitable oil companies, increased 57% between 1970 and 1973. During this same period, the net income of the Washington Post Company increased about 160%.

True, 1970 was a bad year for the Washington Post Company but, taking the media as our models, we would have to conclude that benchmark years are not very relevant in such comparisons, because few of the media seem to have mentioned how bad 1972 and the first quarter of 1973 were for a lot of oil companies.

Last year Mobil's worldwide earnings were up 48% over 1972. Those of the New York Times Company were up 58%; of the Washington Post Company, 37%. The networks also apparently had a good year in 1973. According to a news release from the Federal Communications Commission, the pre-tax profits of the three television networks combined—excluding earnings of the stations they own—were up 66.7% over 1972. The FCC doesn't seem to report profits after taxes, and the networks don't seem to report them very widely on either basis.

It seems to me we might witness a most interesting development if reporters and editors in electronic and print media were suddenly to develop an interest in the business side of their businesses and start poring over the income statements and balance sheets of their employers and their competitors. Once they learned how to pick their way through the figures to which few of them seem ever to have paid much attention . . . once they learned how to calculate rate of return, and grasped its importance as an index of profitability . . . and once they developed enough skepticism and reportorial curiosity to do some research on their own employers' price increases . . . once some of this transpired, they might well feel they had discovered a new and different world.

The more perceptive and open-minded among them would probably be shocked to discover that in some instances their own employer—whether a newspaper holding company or a network or whatever—was more profitable than many of the industries it was criticizing daily. With respect to concentration, they might learn that the overwhelming majority of the approximately 1,500 cities in which daily newspapers are published can be considered newspaper monopoly areas and that, as I mentioned earlier, national commercial network television is possibly the most concentrated U.S. industry. They might, in fact, in the process of overcoming deep-rooted preconceptions, develop additional insights and learn things that would make them better informed and more competent.

I hope nothing I have said here will be construed as ignorance or insensitivity on my part toward the contributions a free press has made throughout our country's history. Quite the contrary. We could not have remained a free people without it. Freedom of the press is clearly an essential ingredient of a democratic society—essential not only to the press itself, but to all of us. I submit, however, that it is inseparably linked to freedom of speech, and that both are in turn linked to a free economy.

Unlike some politicians, I am urging not less but more free speech, and for everyone—including most importantly those whose views some of us may find totally abhorrent. I would hope that those who write and speak the most about freedom of the press will come to comprehend that if they help to destroy our free economy, no matter how unwittingly, it could be only a matter of time before they lost their own freedom. I do not know which of our freedoms might be the first to go, but I do know that once we lose any one of them—whether free speech, free press, or our free economy—the others are apt soon to follow.

THE POLITICAL ROLE OF THE MEDIA

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. CARTER. Mr. Speaker, I am pleased to include for the perusal of the Members of this fearless forum an editorial by one of the greatest and most respected writers in our country. I submit that we should be thankful that men of great stature such as Joseph Alsop, Marquis Childs, and Crosby Noyes can visualize the forest rather than focusing primarily upon one tree. I think we should be thankful that they see the great accomplishments of the greatest Secretary of State in the history of our country.

The editorial follows:

[From the Washington Post, June 14, 1974]

THE POLITICAL ROLE OF THE MEDIA

(By Joseph Alsop)

It is a time to stop being mealymouthed. If the U.S. government loses the invaluable services of Secretary of State Henry A. Kissinger, the enormous, Watergate-induced self importance of the American press will be to blame.

If the U.S. dollar—your dollar and my dollar—loses a lot of its value on the world markets; and if American foreign policy also joins American economic policy on the dungheap of disorder, you can thank your friendly media.

The plain fact of the matter is that we now have in Washington, not just a double standard but a triple standard. You have to begin right there to understand the resulting orgies of hypocrisy. And the first part of this triple standard for public judgment of public men concerns the political role of the press, or media.

It is the smarmiest kind of hypocrisy to pretend that the press was not directly responsible for Dr. Kissinger's decision to resign his office unless his name could be promptly and decisively cleared.

On last Thursday, he had just returned from one of the greatest and most totally exhausting diplomatic feats in rather more than a century. The secretary was being very modest if he merely thought he had "deserved well of the Republic"—in the phrase of old Rome.

His reception was a savage and disgusting press conference, during which he was treated like a common criminal. At one point, one of his interrogators even suggested that he might well be indicted for perjury, and bellowingly inquired whether he had already retained counsel to represent him in case of a perjury indictment. To be sure, only a minority thus disgraced the formerly honorable reporter's trade.

Yet in the subsequent commentaries, the members of this minority were never rebuked by their colleagues. Instead, Dr. Kissinger was rebuked. The climax came on the evening of Monday, when The New York Times hit the streets with an editorial accusing Dr. Kissinger of "dissembling" in tones majestically combining self-righteousness and pecksniffery. Telegraphed to Salzburg, the editorial promptly triggered Dr. Kissinger's press conference and resignation statement on Tuesday.

Those are the plain facts. What has happened cannot be comprehended without those facts. Yet this reporter has seen no account of Dr. Kissinger's threat to resign that has set forth the facts either fully or forthrightly. Over all, it seems a mite odd for the major political role of the press to be left out of the accounting, when we have taken to holding our public men so strictly accountable.

This is the first part of the prevailing triple standard in Washington. As to the other part that justifies the word, "triple," it is simple enough. Dr. Kissinger has in fact been accused of "dissembling," and has even heard the word "perjury" hurled at him, because of a crucial national security matter involving less than a score of wiretaps. Under the law, such wiretaps are entirely permissable for national security purposes.

One wonders, then, why it was so shocking for a servant of the Nixon administration to worry about national security to the extent of knowingly approving under a score of wiretaps. After all, national security wiretaps were very much more numerous in the Truman administration, and they were vastly more numerous in the administration of President Kennedy.

This reporter, with a known three wiretaps to his credit, all pre-Nixon, has long held the doctrine that if you have not been tapped, you have been slacking on your job. As to the Johnson administration, President Johnson sensibly did not trust the late J. Edgar Hoover—so he had the Secret Service do the tapping for him, again on a major scale. In short, the servants of the Nixon administration are plainly being judged, by different tests than those that prevailed in happier times.

So we come back to the Watergate-induced self-importance of the American press that was noted at the outset, noting this is not meant to detract for one moment from the geat achievement of exposing the crimes and squalors that now go by the name of Watergate.

Yet it seems this success has now led to a new and dangerous situation. Some people have now openly begun to follow the rule: "I'll be judge, I'll be jury," said Cunning Old Fury; "I'll try the whole cause, and condemn you to death."

Meanwhile Sen. J. William Fulbright, who has seen more than mere leaked bits of the total date, is reportedly confident that Dr Kissinger did not dissemble when he appeared before the Foreign Relations Committee. Furthermore, even with Cunning Old Fury, one supposes that some vague notions of national interest usually prevailed.

JOSEPH ALSOP AND DALLAS MORNING NEWS DEFEND DR. HENRY KISSINGER, CONDEMN CRITICS

HON. O. C. FISHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. FISHER. Mr. Speaker, under leave to extend my remarks I include a column written by Joseph Alsop, dated June 14, 1974, and also an editorial entitled "Stupidity or Malice?" which appeared in the Dallas Morning News on June 13. The two insertions follow:

THE POLITICAL ROLE OF THE MEDIA

(By Joseph Alsop)

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STUPIDITY OR MALICE?

In its attack on Secretary of State Henry Kissinger, the impeachment crowd has stormed into more than just Nixon's last preserve of credibility—foreign policy. The irresponsibles in rumor-ridden Washington are fooling with the peace of the world.

They couldn't have chosen a worse time to declare that Kissinger ordered security wiretaps on White House personnel and newsmen three years ago. Only a triumph of stupidity or malice could burst a bomb like that over a delicate peace mission.

Rep. Joshua Eilberg's declaration that the House Judiciary Committee has "positive proof" that the wiretap orders came from Kissinger must, given the circumstances, qualify as one of the most irresponsible incursions of politics into foreign policy in our history. He simply couldn't wait to add his say to the "leaks and innuendos" that Kissinger denounced from Austria in his passionate threat to quit.

The question isn't whether Kissinger did wiretap. He has flatly denied doing so twice—and until the facts are established he has a right to his honor and credibility. But whatever the truth of the wiretap allegations (and even proof that Kissinger did order them is not necessarily culpable) is the Mid-East mission so trifling that a trial of the truth can't wait?

Whether stupidity or malice spurs the effort to drag Kissinger—at this time—into the malarial mist of rumor and allegation that is Watergate Washington, Congress must know that it is pushing the probe game into an area where it has no business: Foreign policy, American security, the peace of the world.

Are the impeachment-minded so blind to the world beyond the Potomac that they can sabotage a world peace offensive as casually as they have destroyed Nixon's effectiveness at home? Or is the drive to get Nixon so consuming that everything else comes second—even great achievements with old enemies and adversaries who have made our lives less secure in the past?

The irresponsibles cheapened Nixon's and Kissinger's accomplishments as much as they could before the mission began—questioned even Nixon's right to go and secure the peace while under threat of impeachment at home. Now they have pursued him and Kissinger abroad.

Not on the basis of established fact, but on the same basis on which so much of the impeachment movement has so far proceeded: Rumor and repetition overrunning each other to establish new rumor and repetition while truth trails far behind.

That is the nature of the beast—little responsibility, less concern. The Potomac cloud will follow the presidential party and do as much harm as malice and stupidity can do to wreck a great venture in world diplomacy—one which any other president and secretary of state of another party or time would have been honored to the skies for even attempting.

A FOREIGN AID SHOWDOWN

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Monday, June 17, 1974

Mr. GAYDOS. Mr. Speaker, the U.S. House of Representatives is gearing up for a showdown with the Senate and the administration over a foreign aid program.

At stake is a program already shot down once by the House but revived in the Senate: a request for a contribution of an additional—$1.5 billion—for the International Development Association—IDA—an arm of the World Bank.

The House originally rejected the request in January, 248 to 155, and the vote was interpreted as a sign that Congress, at long last, was getting the message that Americans were tired of scattering billions of tax dollars over the face of the earth. Since the end of World War II, the taxpayers have shelled out more that $260 billion in foreign aid and a poll I conducted in the 20th District revealed that more than 95 percent of the people I contacted wanted to see foreign aid eliminated or, at least, drastically reduced.

IDA's request for more money was revived by the Senate and, with the backing of the administration, it was passed in late May, 55 to 27, setting the stage for the rematch in the House.

Supporters of the program still argue America owes it to the world to be the leader of all things, including the development of other nations. They claim our country's honor is at stake and that Americans cannot walk away from their obligations and responsibilities.

I do not agree with them. I believe the United States has more than met any responsibility it has in this area. It has carried the load for more than 30 years. But time and the world has changed. The burden must be lifted from the backs of Americans.

Our Government today has many problems it did not have three decades ago, not the least of which is a massive Federal debt approaching the half-trillion dollar mark. If that figure staggers you, try this one. The interest alone on the national debt is rising at the rate of $980 per second, $59,000 per minute.

If Congress grants IDA's request for another $1.5 billion, the money will have to be borrowed—at 9 percent interest. It is given to the World Bank, which in turn, lends it to other nations at 1 percent interest. The loans do not have to be repaid for 40 or 50 years and no one seriously expects they will ever be repaid. Ultimately, they will be written off and forgotten.

I oppose the IDA loan as I have opposed every foreign aid bill since entering Congress. No longer can I accept the theory that America must constantly prove its generosity or concern for other nations and other people. America has proved it. Time and time again, the United States has met the challenge with men as well as money. The courage and generosity of our Nation and other people is well-documented. No government, no individual can question it.

I just do not believe our Government today, wresting with the worst inflation in its history, should borrow an additional $1.5 billion at 9 percent interest at the expense of the hardworking, hard-pressed taxpayer and give it away. I must reject this proposal, particularly since there already is—$10 billion—earmarked for foreign aid in the Federal budget for fiscal 1975, which starts July 1.

That is in addition to an estimated $26 billion still in the foreign aid pipeline from previous years; money that was appropriated but not yet spent.

And, do not think for 1 minute that by denying IDA's request Congress will be dooming foreign aid. IDA is just one of many programs in the package. In fiscal 1974, there were 28 different foreign aid programs funded by American taxpayers. Here are just a few of them and what was appropriated:

Foreign Assistance Act, $2.4 billion.

Overseas Private Investment Corporation, $72.5 million.

Foreign military credit sales, $525 million.

Inter-American Development Bank, $693 million.

Asian Development Bank, $106 million proposed and another $24 million to maintain the value of prior contributions effected by the devaluations of the American dollar.

IDA, the same bank asking for another $1.5 billion, $161 million to offset the dollar devaluations.

International Bank for Reconstruction and Development, $774 million for maintenance of value.

International Monetary Fund, $756 million for the same purpose.

Military assistance—defense budget—$1.9 billion.

Export-Import Bank, $3.8 million in long-term credits; $2.2 million for regular operations and $1.6 billion for short-term credits.

Peace Corps, $77 million.

In all, the 28 programs totaled $18 billion, not including IDA's latest request, according to information supplied by a Subcommittee on Appropriations for Foreign Operations.

I am concerned the real impact of IDA's request for another $1.5 million may be lost in lofty rhetoric about America's duties, responsibilities, honor, et cetera. Congress must not lose sight of the stark fact our people are hurting, our Government deeply in debt.

Inflation today is ripping apart the paycheck of every wage earner, every pensioner and the family budget of every housewife. It is constantly being fueled by the Federal Government's continued accumulation of massive budget deficits.

How then can the borrowing of additional billions of dollars at 9 percent interest to give away at 1 percent with little or no hope of repayment be justified?

Everybody says: "Cut Federal spending." "I say, here is a time and a place to start."

IS IT A BIRTHDAY OR A FUNERAL?

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. DERWINSKI. Mr. Speaker, along with other Members who were present, I was deeply inspired by the Flag Day ceremony in the House Chambers last Thursday, June 13. We were all especially pleased to welcome the guest of honor, Henry "Hank" Aaron. This was certainly one of the most impressive ceremonies that has become such a great institution of the House of Representatives.

Coincidently, many publications across the country were turning their editorial attention to the subject of Flag Day. A very penetrating editorial in the West Cook County Press in Illinois devoted itself to this subject last week:

Is It a Birthday or a Funeral?

Flag Day, 1974, is the 197th birthday of the American Flag.

June 14 used to be quite a day. It was almost as important as the Fourth of July in its patriotic appeal; parades, speeches and ceremonies abounded.

June 14, 1974, as far as we can determine, will be another Friday and nothing else. To the best of our knowledge, there isn't a single commemoration planned in any of our towns.

Why is this? Why has it become so unfashionable to be proud of our country and its symbol, the flag. Patriotism has almost become un-American. Is the spirit of America, like God, dead?

In his commencement address to the graduates of Triton College last week, James Thompson, United States attorney for Northern Illinois, pointed out that this country is in the mess of Watergate because Americans have come to expect so little of their elected representatives. They have become so concerned with self, he said, that they can't be bothered with what is happening to the country.

This is a tragic turn of events in a history which has had so many brilliant chapters of bravery and devotion to America and its ideals.

Honoring the flag on Flag Day is not so important an act by itself. What is important is the change in attitude of Americans that this Flag Day symbolizes.

A flag is a symbol. The cloth that makes a flag has no significance by itself. The spirit that drove the Marines to plant the flag on Mt. Suribachi to symbolize the conquest of Iwo Jima is significant.

The "Star-Spangled Banner" is just another melody, except for the symbolism of seeing that "our flag was still there."

Red, white and blue are just three colors, until they are joined to make "The Stars and Stripes Forever."

Throughout our history, the flag has been the symbol of our country, the visible sign of America.

Flag Day is one day of the year set aside to honor the flag and the United States.

Show your colors Americans. Honor your country by honoring your flag.

METRIC CONVERSION STILL HIGH PRIORITY

HON. CHARLES S. GUBSER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. GUBSER. Mr. Speaker, I have always felt that conversion to the metric system in the United States is desirable—and, I might add, inevitable. It is, therefore, imperative that we make realistic plans on a nationwide basis if this conversion is to take place in an orderly fashion, and I was disappointed by the outcome of the vote May 7 when legislation to establish a national board to plan for conversion failed to pass the House under suspension of the rules. I hope that Members who voted against the bill will consider carefully the many compelling arguments in favor of orderly planning for metric conversion.

Two recent news items made some good points in behalf of metric conversion legislation. One is a letter to the editor of the Washington Post, appearing on June 1. The second is an editorial from the Des Moines Register which was reprinted in the Christian Science Monitor. These items follow:

Converting to the Metric System

On May 7 the House of Representatives amply demonstrated its continuing sensitivity to special interests and lack of concern for the general public. I refer to the fact that the bill on conversion to the metric system failed to pass. The reason it failed was probably that a number of congressmen want to attach amendments to the bill which would benefit their own special interest groups. They refuse to let it pass without those amendments, despite its obvious benefits to the general public.

Most experts agree that the nation is going metric, with or without legislation. With legislation the change will be coordinated and many problems will be minimized. Without legislation there will be little planning and the change will proceed in an uncoordinated, haphazard fashion. It should be obvious which type of change would be of most benefit to the general public.

My main area of interest is education. Failure of Congress to enact this legislation is particularly destructive in my field. We need to plan programs for young children so that they are not too much out of phase with the current society. At the same time, we need to plan ahead and allow for the fact that, to some extent, the education which is provided today must prepare the child for the society as it will be some years hence. If there were a national plan to coordinate the metric change, we could do much to minimize the burden which the change will impose on these children. Without this minimal leadership from our federal government, we are left to play guessing games.

It is my understanding that the House may yet have an opportunity to enact this needed legislation. I hope they take some important factors into consideration. It is a fact that the metric system is a much simpler system of measurement. It will make mathematics a simpler subject for children. It will make measurement tasks and computations simpler for everyone. A coordinated transition would minimize school costs. Even if these overriding factors are ignored though, it remains that the House of Representatives may once again be about to demonstrate its inability to accept the responsibility for leadership which it should be providing.

THOMAS E. ROWAN.

SIMPSONVILLE, MD.

MIRROR OF OPINION: ON GOING METRIC

A ten-year conversion in the United States to the international metric system of weights and measures met a temporary setback May 7 when the House of Representatives balked at a non-amendment procedure on a bill to start the change. Some in Congress want to saddle the federal government with the cost of conversion; the committee wanted the costs to lie where they fall.

Every delay will increase the costs to the United States; the costs of not converting and hence having units different from most of our trading partners; the costs of the changeover when the United States takes the plunge. The change is bound to come.

Most English-speaking countries except the United States are in process of converting, leaving the United States the only major holdout. With foreign trade far more important to the United States than in earlier generations, staying a holdout costs money and inconvenience and lost sales. Senator Claiborne Pell (Dem., R.I.) estimates this cost at $10 billion to $25 billion a year.

There was no Commerce Department in George Washington's presidency, but Thomas Jefferson, who was secretary of state and almost everything else, proposed that the United States adopt the international metric system, then new, with its convenient decimal units. The most he could get out of Congress was a decimal system of money.

Congress should have said yes then.—Des Moines Register.

URGES RIGHT TO COMMUNICATE BE INSURED

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. BELL. Mr. Speaker, as you and many of my colleagues know, telephone service was recently discontinued to a number of Jews in Moscow who are seeking to emigrate to Israel. I sincerely hope that the current détente with the Soviet Union is broad enough to insure an American citizen's right to freely communicate with a Soviet citizen by mail and telephone. Stuart Lotwin of Los Angeles spoke on the telephone with Yevgenya Lapidus of Moscow on May 22, the day before her service was discontinued. I would like to enter the transcript of that conversation in the RECORD as a further example of the continuing anguish of Soviet Jews:

TELEPHONE CONVERSATION BETWEEN YEVGENYA LAPIDUS IN MOSCOW, USSR, AND SHERI BERLIN, STUART LOTWIN IN LOS ANGELES, ON MAY 22, 1974

SB. Hello, Yevgenya?

YL. Yes, it's me. Good morning.

SB. How are you?

YL. Thank you very much. We are the same.

SB. Good. I'm glad to hear it. I want to tell you first of all I received 3 letters from you—

YL. Oh, I'm very glad you did.

SB. —two exactly the same, from May 5th.

YL. That is the way I send the letters—otherwise you don't get anything.

SB. I understand. Are those the only letters you sent me?

YL. Yes. That was all.

SB. Good, then they all arrived. I have them all. We would like to tell you that our synagogue is going to have a baby-naming for Ruth, in your honor. We would like to know the date she was born on.

YL. The 4th of November.

SB. O.K. We will have a cake in her honor, and we will send you a picture of that along with a certificate from our synagogue.

YL. Oh. You know, I have no words to tell you what I really do feel.

SB. I understand. Also we want to tell you that Jay Rothschild told Stuart that over 1,000 cables are going to be sent to the Central Committee. We have seen the letter. We would like to know, is there any other family involved, or is it just your family alone?

YL. Everything we don't want can exist if you decide your personal program. Do you understand me.

SB. No.

YL. If there is something more, than it can't exist. If there is a hint of organization then they oppose us I mean a trial. Everyone decides his personal program alone. Do you understand what I mean?

SB. Yes, you each must work yourself.

YL. And if somebody begins to employ you, then the person would have a lot of problems, as well as you. So, I mean the work problems can exist. Do you understand me?

SB. Yes, I understand you.

YL. And we, when we come for a demonstration, we all say that "I came alone. I didn't know that anyone else intended to come. I came alone." See?

SB. Yes.

YL. Do you understand what I mean?

SB. Yes, I do. O.K. I would like to tell you that last Friday evening, in our synagogue, we had a special Sabbath service for you, telling our congregation all about you, your family, and Ruth.

YL. Oh. You know Sheri, I feel so obligated to you. You know, it's a large debt that cannot be paid. Do you understand what I am talking about?

SB. Yes. I want to tell you that the best payment that we can have is for you to be in Israel. Hopefully we will meet you there someday. But just for you to get there will be enough payment for us.

YL. O.K. I do not need anything on earth but VISA. And, I hope there in life we'll meet personally. One more thing. Did you ask a person to come?

SB. Yes. That was another thing. Have you had a visitor?

YL. No, I havent' yet. Before, he called me.

SB. Oh good. Yes, Stuart asked me to tell you that Dr. Rothschild knows about the visitor.

YL. Oh, I see. You know, he called me from his hotel room. I was so astonished.

SB. Yes.

YL. That was something! He should'nt call from his hotel room.

SB. Oh. Are you afraid now that you you shouldn't meet him?

YL. No, but that means that they wouldn't allow us to talk more or less openly.

SB. Yes. I think Stuart would like to talk to you. He has a few things that he wants to tell you, and then you may speak to him a little further. O.K.?

YL. All right Sheri.

SB. I want to tell you, before I give the telephone to Stuart, that when we call you next month, it will be Wednesday morning, June 19th, Moscow time, in the morning at the same time.

YL. All right.

SB. —in the morning. Is this hour too early for you, or is this hour good?

YL. It makes no difference for me what time you call. It's nice, all the day.

SB. O.K., good. Until then, I will turn the phone over to Stuart, and tell you "shalom" and "l'hitra-ot." (Peace, and see you soon.)

YL. "Toda raba!!" (Thank you very much.)

SB. "B'vakasha!!" (You're welcome.)

YL. God bless you for everything you do, because it's all priceless. A lot of people here, when I come to synagogue, always ask me what news I have from abroad? Because, they thank you—they mostly can't speak English. And they are trying to find out if the replies came in on our position. I wrote about it. When we talk for years, and see all the same faces, it's rather difficult to carry the load.

SB. Yes.

YL. Everyone is waiting. Everyone is tired. And everyone is tense. When I have nothing to tell to them, it is so difficult, because they wait for something from me; do you understand me?

SB. Yes, I do and I want to—

YL. Hello?!?

SB. Yes. In understand you Yevgenya, and I want you to know that even when we don't have specific news, we are still working on your behalf during the time that intervenes—between our calls. There are many of us here still working for you, and many other people.

YL. You know, I don't know for you the words, I don't know how to express it, personally for me, because everything you do for the Soviet Jewry is very, is a big strength for everyone here, because it means that they won't have the ability to break us. Do you understand me?

SB. Yes.

YL. If there is a sounding board for the few of us here that means that they wouldn't be able to put us all in prison as soon as they can. They will have to take into consideration that the force and the care with American Jews pay to us. Do you understand me?

SB. Yes I do. Yes, I do understand.

YL. And, it doesn't matter whether you care for one person personally or not. I mean the Soviet Jewry as a whole.

SB. Yes, and that is what we are working for—one at a time, but all of you together. Let me give the telephone to Stuart. He has some questions to ask you also.

YL. All right.

SL. Jane? Have you received any mail?

YL. No I haven't.

SL. Well, there's one letter on it's—several letters are on it's way to you.

YL. Oh yes?

SL. One of them is from Senator Harrison Williams. He is the Senator from New Jersey to the United States Congress.

YL. I see.

SL. I have been asked to tell you that he has written to you, that he is concerned about you. I also wrote a letter to you on May 2nd. I want to read the letter because I don't think you're going to get it.

YL. No, I know. I'll never get it.

SL. Well, let me read it to you.

YL. Yes, sure.

SL. O.K., I wrote, "Dear Yevgenya, I've enjoyed talking with you on the telephone. All of our conversations have been heard by many people already, and your strength in your situation has inspired many of these people to become involved. In February, 1972, I first spoke with Lev Lerner in Lenningrad, He is now living in Israel. His situation, too, was very bad then. In despair, I asked him what I could do for him. His reply, "Do not forget us!!!" was answered not only by me, but also by other people in the United States government, and also the English governments." Are you still there?

YL. Yes, I'm here.

SL. Good. "These are the same people, several United States Senators, American congressmen, and official in the United States Department of State, and a British Member of Paliament, now know about you, Simon, and Ruth. They have assured me that they will not only not forget you, but they will do everything in their power to help you. One American congressman wrote to me that Soviet"—are you still there?

YL. I am here.

SL. "—that Soviet Jewry 'is one of my first, foremost personal concerns.' He will not forget you." Now, I don't think you'll get the letter, but I think you've got the message, so lets talk about some other things. Are you there?

YL. Yes, I'm . . . I'm here. (Crying)

SL. Now, a number of aerograms, which is like a letter,—

YL. I know.

SL. —have been sent to Andre Varein of the OVIR office in Moscow,—

YL. Oh yes?

SL. —asking for the immediate granting of exist permits for your parents and for yourself.

YL. Thank you very much. I am very sorry you haven't ever seen him. He is worth looking at. You know, I have never seen such cruel faces. That is the way all people look in those places which communicate with Jews.

SL. Yes, well I think with this phone call he now knows that there are American people who are not only concerned, but are getting impatient. And that we expect something to happen, and I think we should tell him that. O.K.? Now, on a personal side, how are your parents?

YL. Oh, wonderful. They were arrested last Thursday. You know about it fully I hope.

SL. No, I don't.

YL. About 60 Jews went to the Lebanon Embassy to protest against the killing of children in Israel. And they were arrested, and they kept them in the Hospital of Drunkens. Now, that's the way of letting Jews—they always arrest the—to scare them, to the Hospital of Drunkens.

SL. Yes, I know.

YL. Yes, and in the evening, when the underground stops working, they all put them into cars, and took them to the Suburbs. And, you know, Simon came home about, oh, at night, and my father came later. But we were so happy they came back. And they yesterday, everyone of those who went to the Lebanon Embassy were told, that the OVIR—do you know what is OVIR?

SL. OVIR? Yes.

YL. Yes, Department of Visas and Registration. And so now they go there up to twelve, and want to hear what they will show them. They will try to intimidate them, you know. And after that they will promise them that they all will go out. It's very typical conversation after Jews demonstrate. Yesterday, my mother was very worried. Ruthie, she is told, will probably won't be given visa. And after that she found out that everyone was told. So, the path, if it's the word, because much more easier.

SL. Yes, I hear you. Continue please. What I don't hear now, I will hear later. OK. Now, is your mother still working?

YL. Yes, she is.

SL. And Simon, is he working?

YL. No. He works, but he doesn't earn anything. He is in the registered at the (unintelligible), you know.

SL. Yes, I know from last time, you told us.

YL. Yes.

SL. Yes, he does as he's called.

YL. He came home one morning, about a month ago, and said, "You know, nothing will be until the 10th of August," No earlier, he meant. There is no work now because workers—they went on their vacation—and so the whole factory is closed until the 10th of August.

SL. Not until the 10th or August. Can he get other work?

YL. No, surely he can't because he's not allowed to get work at the time. So, you know, I, few times, know I type in English. But, you know, one cannot earn much typing.

SL. Yes, I know all about your teaching of English.

YL. Oh, yes!

SL. Yes. We, as you said, we know much about you, yes, quite a bit. Your father is still not working, is that correct?

YL. If he'll stop and pick up a work card, then he'll probably know everything.

SL. Yes, but he's not working now though?

YL. No.

SL. Now, one of the things I would like to know is some dates. What is the date that you were sent to prison for 15 days?

YL. Oh, it was a long time ago——

SL. What date?

YL. It was the 18th of December, of 1972.

SL. Yes, that's when the Olympics——

YL. No, those were not Olympics!

SL. I didn't mean the Olympics, the Sporting Events in Moscow?

YL. Ah, yes.

SL. What was the date of the last refusal you and your family had from the OVIR office?

YL. You know, after you apply to OVIR with refusal, you never apply to OVIR again. Then you apply to different officials. And last time we had refusals, that was on the 18th of May, 1974.

SL. You mean just last Saturday?

YL. Yes, the problem was received or accepted—I don't know what the word—by a very high KGB official. And he told him that "My wife moved out of that house." Do you remember about the house?

SL. Yes, yes.

YL. "What's wrong now?" he said. Well, after that case, you see, he had to think about the matter again, and again, and again, and that, in time, we shall get the permission from OVIR, or something of the same. We shall never get it—that's the way they answer, always. They try to calm you, you know, whether you are or not, to demonstrate, or you, or whether you don't—I don't know their slogans and so on. That's the way they do answer, always.

SL. O.K.

YL. Hello?

SL. Well, in the meantime, to hopefully help you, the States Department in the United States has copies of our conversations, and other things. They have a file on you.

YL. Oh, you tape it?

SL. Pardon?

YL. You don't tape the conversation?

SL. Yes.

YL. I see. Then, probably you are not the only one.

SL. That's right. I think someone else is doing it right now, too. And that's why I read you the letter.

YL. Who are the people there laughing, I wonder?

SL. There are people here in the room listening to the conversation, also.

YL. I see. You know, sometimes, when we talk, in Moscow, from Moscow, conversations with . . . I don't know, me and my sister, sometimes, some official is on the line.

SL. No . . . people are with me. When you are in Israel, you will have a chance to read all the conversations.

YL. Oh. You know, when I'm in the middle of the conversation, someone giggles.

SL. No, this was Sheri and friends.

YL. Oh, yes.

SL. Now, your baby Ruth was born on November 4th?

YL. Yes.

SL. One of the people in the room, listening to our conversation, is my oldest daughter, Nicole. She is 14.

YL. Fourteen? My sister is 14, too!

SL. Yes. My daughter speaks Hebrew, she is planning to go to Israel in the summer of 1975. She was also born on November 4th.

YL. Oh.

SL. That was her birthday. She was my first, and your first is also on the same date.

YL. I wish my sister could go to Israel as easily as your daughter, as she also speaks Hebrew very well. She speaks Hebrew best in our family.

SL. Yes, I know.

YL. She knows everything, really.

SL. She cannot go as easily as my daughter can. But it is our intention, that your sister will be in Israel, that is what we are working for, that is what the congressmen are trying to help us do. And, as Lev Lerner, went to Israel, you too will go to Israel, too. I cannot promise you, but, you will be there. Now, my last thing I want to tell you is that you are helping another person in Russia to leave. Because, last Sunday night, two nights ago—

YL. Yes.

SL. I spoke to another synagouge, in Los Angeles, to ask them to work for a man who lives in Irtusk.

YL. Ah yes, I know him.

SL. Boris Gurovitch, is that right?

YL. Yes. That's right—

SL. I read to them the letter which Mr. Miller, from Philadelphia wrote to a newspaper about you, after he returned from visiting you.

YL. Yes, I got a copy of this article. Everything is mixed there, but the idea is left. Only the main idea, that we do need, need help here, that we do suffer here, is left. And all the rest is wrong.

SL. Yes.

YL. In it, all the details are in a mess. Hello?

SL. Hello? The information may have been wrong, but between that, and listening to our last telephone conversation, these people said, "We want to help." They are going to work for Boris, just as we, Jay Rothschild, and other people in New Jersey and Pennsylvania, are working for you. So, in Moscow, you have done a Mitzvah. (Good deed)

YL. Ah, yes, I know.

SL. For Boris.

YL. Mr. Rothschild used the same Hebrew word.

SL. Yes. Now, that is all that I have for this time.

YL. You know, I want to tell you one thing. Here, our authorities and our officials, do not expect of us, they are afraid of you—do you understand me?

SL. Yes.

YL. If everything depended—we would have perished already, or we would have gone to Siberia. But, when they know that our faith is in you, and our strength is in the United States, then they do not dare to. And, if you are concerned about it, they do realize it, they do understand that our destiny completely depends on you. So we couldn't be, and more dependant than exists in such situations. That's all.

SL. Well, in closing, I want you to know that the most important thing, for myself, for Sheri, for the other people in this room, for Jay Rothschild—the most important thing that matter to us, is you! And, we are going to do everything we can. Our most important priority is for you to be able to go to Israel. Everything else comes after that. And, just as we feel this for you, others in the United States feel this for other people. And together. . .

YL. All right.

SL. O.K. Now, you take care of yourself, take care of the baby—

YL. If everyone takes care of yourself, who will make things—

SL. It's important. We want you to keep your health, and your family too. Know that we here have you as our major thought every day, and that we're going to continue to work hard—us here, Jay in New Jersey, the American senators and congressmen. As we say in the United States, we will win!

YL. We shall overcome!

SL. We shall overcome, right!! Nachon! (Correct)

YL. Yes. Sometimes when I walk along the street, and try to hold back tears, I sing this song that we shall overcome, but I do not believe it anymore. You see?

SL. It's hard to believe, but it will happen. It will happen. Believe that. We will all celebrate together, hopefully in the not too distant future.

YL. Yes.

SL. But believe in it, and believe in yourself.

YL. Thank you.

SL. And believe in the baby, and it will happen.

YL. I hope it will. B-shana Hazot B-y'rushalayim! (This year in Jerusalem)

SL. Nachon! (Correct) Jane?

YL. Yes?

SL. And you keep believing, and it'll happen. We will call you next month on the nineteenth.

YL. Thank you so much from all the Moscow Jews. I say the same because I have a lot of friends here who are much more miserable, and much more suffer than I do. And, each time when I tell them that two people exist, who care for them, you know, life is better.

SL. Yes.

YL. Thank you very much.

SL. O.K. We will talk to you next month.

YL. All right.

SL. Shalom.

DOLLAR DIPLOMACY QUESTIONED

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. WON PAT. Mr. Speaker, why is it that the United States is so free with the taxpayer's money when it comes to our enemies, and so tight when it comes to the needs of its own people?

A case in point is Dr. Kissinger's June 5 comments before the House Foreign Affairs Committee. The venerable Dr. Kissinger, our deservedly much-honored Secretary of State, remarked that the administration "would look favorably" on any effort by Congress to allocate $100 million to help Syria rebuild its border towns, such as Quneitra, which were heavily damaged during the recent Israeli-Arab war. Since Dr. Kissinger has commented earlier that Congress should also explore giving funds to North Vietnam to rebuild from the damage which occurred during our war with that country, it is becoming clear to me that a major part of American diplomacy abroad is reversion to that old standby of "dollar diplomacy."

Quite frankly, I, along with the majority of the American people, am very pleased with Dr. Kissinger's successes in foreign affairs. He has achieved what at times seems to be almost a miracle of negotiations, overcoming almost insurmountable barriers to deliver the most precious gift of all—peace.

But peace at what cost? A couple of billion to buy the North Vietnamese? A $100 million to placate the Syrians?

The news that the United States is ready to negotiate with unlimited dollars is nothing new to the American citizens of Guam. We have watched for years while Uncle Sam has poured billions into the coffers of those who fought against us, while our island, which suffered tremendous damage as a consequence of our loyalty to this country, has been repeatedly forced to beg Washington for the same funds which others receive freely.

I give as an example Guam's request for assistance after World War II. During the American invasion of Guam, which successfully drove out the Japanese invaders, our island was literally smashed to bits. Most of our homes were destroyed; our public buildings were gone; and so on.

Although experts testified before congressional committees that more than $23 million was needed to repair the damage to Guam, what we received was far less—74-percent less, as a matter of record. After all was said and done, Guam received only $6 million, in 1946.

Obviously $6 million was not nearly enough, and to his everlasting credit, Admiral Pownall, then the Naval Governor of Guam, requested another $15 million. This amount was reduced by the Bureau of the Budget to $10 million to construct badly needed new public facilities on Guam. In January, 1950, the request for the $10 million was shelved.

In 1962, Guam was struck by one of the worst typhoons in our history and the island was again devastated. What little we had striven to build up after the war was again reduced to wreckage. And, once again, the people of Guam faced the necessity of petitioning Washington for more assistance, which we did in 1963.

As an outcome of that petition, Guam received, in loans and grants, an initial amount of $45 million from the Federal Government. Later, due to rising costs and additional planning, government of Guam officials again petitioned Congress for more funds which resulted in $30 million being approved by Congress thus bringing the total assistance to $74 million.

Unlike the vast amounts we dole out to friend and foe alike in our foreign aid program, Guam's portion was not free, however. Sixty percent of the total amount received from what is known as the Guam Rehabilitation Fund, is in the form of a loan which must be paid back to the U.S. Treasury by the people of Guam at interest rates that are anything but low.

Speaking as one of the individuals who petitioned Congress for that assistance, I am most grateful to my fellow Americans for coming to our aid. Guam was in desperate straits in 1962, and the funds came at a time when it was sorely needed and when Guam could turn to no one else.

What disturbs us, however, is the continual sight of other countries lining up at the U.S. Treasury's trough for millions of dollars which often come as an outright gift or in no-interest or extremely low-interest loans. At the same time, the economic squeeze is put on totally American areas, such as Guam, who are forced to either go without or to pay back assistance at interest rates much higher than we seem to be charging our "friends."

Somehow, it seems that something is wrong with this kind of policy.

THE 1973 FINANCIAL STATEMENT

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. MAZZOLI. Mr. Speaker, today I am placing into the RECORD a complete statement of my financial worth as of December 31, 1973. This statement includes a listing of all assets which are held in my name individually or which are held jointly with my wife, as well as all assets which are held by my wife in her individual name.

I have also included a statement of our income, from all sources, for calendar year 1973 as developed from our income tax return for that year.

I have placed a full financial disclosure into the RECORD yearly since coming to the Congress. I shall continue this practice for each year it is my privilege and honor to serve in the Congress of the United States.

The statement of finances is as follows:

ROMANO L. AND HELEN D. MAZZOLI STATEMENT OF FINANCIAL WORTH AS OF DECEMBER 31, 1973

Cash on deposit:	
Lincoln Federal S&L Assn., Acct. #37339	$6,847.58
Liberty National Bank & Trust Co., Acct. #09-013390	2,491.14
Liberty National Bank & Trust Co., Acct. #08-33-816-7	336.82
Liberty National Bank & Trust Co., Acct. #08-33-817-5	100.00
American United Life Insurance Co., Policy #1116312	80.56
American United Life Insurance Co., Policy #1011729	677.45
Northern Virginia S&L Assn., Cert. of Deposit L50021	1,017.72
Northern Virginia S&L Assn., Account #6084	2,032.33
Government Services S&L Assn., Acct. #034231-9	2,050.30
Securities, stocks, and bonds:	
U.S. Government bonds, series E	805.10
Real property: Residential:	
939 Ardmore Dr., Louisville, Kentucky Assessed Value	22,720.00
Less: Mortgage, Portland Federal S&L	11,733.03
	10,986.97
1030 Anderson St., Alexandria, Virginia Assessed Value:	54,000.00
Less: Mortgage, Cowger & Miller Co.	53,776.00
	224.00
Commercial or investment	0
Household Goods and miscellaneous personalty (estimated)	5,000.00
Cash surrender value of life insurance policies:	
American United Life Ins. Co., Policy #1011729	2,553.50
American United Life Ins. Co., Policy #1116312	241.08
Federal employees retirement system: Contribution to Fund	9,897.'7
Automobiles:	

1965 Rambler, fair market value	$440.00
1973 Chevrolet, fair market value	3,339.00
Less: mortgage, GMAC	1,722.89
	1,616.11
Law books	545.07
Net assets	47,943.45

Romano L. and Helen D. Mazzoli, Recapitulation of Income and Expenses for Calendar Year 1973

INCOME

Interest and dividends:	
Lincoln Federal S&L Association	$283.57
Liberty National Bank & Trust Company	276.18
American United Life Insurance Company	28.83
Government Services S&L Association	50.30
Northern Virginia S&L Association	50.05
Law practice, income	0
Honorarium (Western High School)	75.00
U.S. House of Representatives: Salary	42,500.00
Gross income	43,263.93

EXPENSES, DEDUCTION, AND EXEMPTIONS

Congressional expenses in excess of reimbursements	4,073.00
Miscellaneous congressional reductions	2,410.07
Law practice expenses	217.00
Itemized personal deductions	6,285.93
Personal exemptions	3,000.00
Moving expenses	2,740.00
	18,726.00
Total taxable income	24,537.93

CAMPAIGN LIMITATIONS NEEDED FOR DISTRICT OF COLUMBIA ELECTIONS IN SEPTEMBER AND NOVEMBER

HON. CHARLES C. DIGGS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. DIGGS. Mr. Speaker, the bill reported from the House Committee on the District of Columbia, H.R. 15074, is badly needed if the first mayor-city council elections in our Nation's Capital in 100 years are to be free from over-spending and the unhealthy influence of large campaign contributions.

Ceilings on Contributions and Expenditures

Ever since 1955 the D.C. Code has provided rather loose ceilings on contributions and expenditures. An individual was permitted to contribute up to $5,000 "in connection with any campaign for election. . . ." Whether that meant $5,000 to each candidate was not clear.

Ceilings on committee expenditures were "$100,000 for any campaign". Whether that meant $100,000 for the primary campaign for one candidate and $100,000 for the general campaign, was unclear. Certainly there is no restriction on setting up a number of separate committees, all in support of the candidate, and each spending the $100,000—perhaps in the primary and again in the general. Thus, a candidate for mayor could legally spend a million dollars or more for his campaign by using several committees.

PRESENT LAW INADEQUATE

All witnesses appearing before the committee at hearings on the new bill agreed that the present D.C. Code provisions were inadequate. Meaningful ceilings must be placed on expenditures by candidates, and the candidate made responsible for not exceeding those expenditure limitations.

The ceiling on contributions should be lower and should be specific enough that an individual knows what he is permitted to do and when he would be in violation of the law.

LIMITATIONS ON CONTRIBUTIONS

In H.R. 15074 ceilings are placed on the amount that an individual can give to any one candidate. This ranges as low as $100 for the whole campaign for ward seats on the Board of Education, to as high as $1,000 for the whole campaign to a candidate for mayor.

It is to be emphasized that the limitations I have cited apply to individual people making contributions to be used by the candidate and his political committees to spend on the campaign.

Higher ceilings are permitted for groups than for individuals. Groups such as the familiar COPE of a labor union or political action committee of a business or professional group are permitted to contribute twice that amount to each candidate.

CEILINGS ON CONTRIBUTIONS TO A NUMBER OF CANDIDATES

A second ceiling is placed on an individual that prevents him from giving the maximum amount to his favorite in each of the fourteen election races scheduled for this Fall. The second ceiling is an overall aggregate ceiling of $2,000 an individual may contribute in all races during the primary and an additional $2,000 he may contribute in all races during the general election.

There is no second or aggregate ceiling for groups, but if a group contributed the maximum amount to one candidate in each of the fourteen races, it would total $10,700.

PREVENTING UNDUE INFLUENCE

When the amount an individual can contribute for each office is compared with the ceiling on total expenditures for that office, it can be seen how the bill accomplishes its goal of preventing one person or one group from having an inordinate influence through the size of a contribution. When an individual can contribute up to $1,000 to a candidate for mayor, that is only a fraction of one percent of the amount that a mayoral candidate is permitted to spend in a campaign. Similarly, when an individual is permitted to contribute only $100 to a ward candidate for the School Board, that is only one-half of one percent of the $20,000 a ward candidate for School Board is permitted to spend in his entire campaign, including the primary and general.

CEILING ON EXPENDITURES IN A CAMPAIGN

The bill sets out clear maximums beyond which expenditures are not permitted by a candidate and his committees. The $100,000 limit in present D.C. law permits multiple committees and no overall limitation on the candidate.

The D.C. Committee gave a great deal of thoughtful consideration to setting these limits. We are faced by the problem of setting the limits low enough to prevent runaway campaign expenditures but yet high enough to permit a strong challenge to an incumbent. If we had set expenditure limits for mayor, for example, at too low a level, it is certain that the first elected mayor would have a lifetime job. No one would be able to mount the type of city-wide campaign reaching 750,000 people of Washington, D.C., if he was unable to spend money for a reasonable organization and a certain amount of literature and use of public media.

$150,000 CEILING FOR THE PRIMARY

We have set the maximum for mayor at $150,000 each during the primary election and an additional $150,000 for the winners of the primary races conducting their general campaigns. These figures were supported in quite some detail item by item on what a reasonable campaign would cost in a city this size. In the report accompanying the bill on page 26 and 27 we have set out one suggested budget which seems to us to be quite reasonable. The American Federation of State, County, and Municipal Employees presented a witness who had made this calculation. It totals $147,000, at the bottom of page 26, which is the basic cost of the 5-month primary campaign plus $64,000, toward the bottom of page 27, the cost of a 3-week media campaign just before primary election day. The basic sum would not have to be completely duplicated during the two months between the primary and general elections but the media campaign would, no doubt, be repeated—thus the figures of $150,000 for the primary and $150,000 for the general are well exceeded by these professional estimates.

BROAD SUPPORT FOR REASONABLE CEILINGS

Support of this type of calculation existed throughout the hearings. On page 24 of the committee report is a letter from City Council Chairman John Nevius indicating that these maximums are reasonable. On page 29 of the committee report is a letter from the organization called "Voice of Informed Community Expression" estimating the need for figures in this range. The Board of Trade letter on page 30 of the committee report endorses the maximums set in the bill. Finally, the report of the Congressional Research Service listed on page 33 of the committee report indicates that in large cities such as Houston and Boston, election campaigns cost this amount or more.

TWENTY CENTS PER CAPITA

Those maximums figure out on a per capita basis to be the following: twenty cents per capita for the primary election for mayor; thirteen and one-half cents per capita for the primary elections for council chairman; ten cents per capita for council members-at-large for the primary; and, twenty-one and one-quarter cents per capita for candidates to the City Council from the wards. Successful candidates in the September primary and independent candidates will be allowed to spend the same per capita amount for the general election in November.

PRESENT D.C. LAW ON REPORTING

In 1971 Congress passed a law to require reporting of contributions and expenditures in political campaigns in Washington, D.C. The Board of Elections which handles the preparations for the ballot box, was also given the responsibility for receiving reports from candidates and enforcing the new law.

Detailed recordkeeping by the treasurer for a committee, registration of political committees, and detailed reporting to the Board were set out in the D.C. Code.

REPORTING ONLY 5 DAYS BEFORE AN ELECTION

But public disclosure requirements of the present D.C. Code are totally inadequate. No report needs to be filed by a candidate or his committees until five days before the election, according to the law adopted by Congress in 1971. An additional report thirty days after the election is required.

One of the changes effected by H.R. 15074 is to move up the first report to August 10, or earlier if the bill clears Congress and is signed before July 10th.

Periodic reports made thereafter are exactly as required for members of Congress, including reports five days and fifteen days before the primary and again five days and fifteen days before the general election.

FEATURES OF BILL TO MAKE CANDIDATE RESPONSIBLE

The bill attempts to prevent a proliferation of committees and sky-rocketing expenditures for which a candidate can claim no responsibility.

First, the candidate himself must have a principal campaign committee.

Second, any other committees organized in his support must report to that committee.

Third, all committees must have a central depository from which campaign expenditures are made by check.

Fourth, cash contributions and expenditures are restricted to items of $50 or less.

In this way, it is hoped that the public will have a feeling that the candidate is not trying to evade responsibility for the flow of money in his campaign and has the help of the law and the auditing agencies to keep it that way.

LIMIT ON INDEPENDENT EXPENDITURES NOT AUTHORIZED BY A CANDIDATE

The basic theory of this bill is that a candidate is responsible for all campaign expenditures being made in his name and must keep them below the stated ceilings.

Sec. 401(d) spells that concept out more clearly when it sets a $1,000 ceiling on unauthorized expenditures.

It does not prohibit any one from spending money on a candidate without his permission but limits that unauthorized expenditure to $1,000. Without that restraint, any person could place an expensive series of TV spot commercials, for example, and avoid the candidate ceiling by saying he didn't ask the consent of the candidates.

Without that restraint, others could make ineffective—even purposefully ineffective—expenditures in the candidate's name and reach his ceiling and stop him from spending on his own campaign.

$1,000 LIMIT IS NOT A LOOPHOLE

No abuse of this section is likely because a candidate is responsible for keeping expenditures "by or on behalf of the candidate" and his agents within the ceilings on expenditures set in the bill. Only genuinely independent expenditures, in no way authorized or suggested, or requested by the candidate, his committees or agents, are permitted under the $1,000 limitation of Sec. 401(d).

IDENTIFICATION OF CAMPAIGN LITERATURE

Present D.C. Law does not require any identification on leaflets and bumper stickers used in campaigning. The bill before the House has a provision (Sec. 210) requiring the literature to be identified by the words "paid for by——" followed by the name and address of the payor or committee or other person and its treasurer on whose behalf the material appears.

LOBBYIST REGISTRATION AND REPORTING

Title V of the bill provides the same type of registration of lobbyists as is now covered in the federal regulation of lobbying act applying to Congress.

Title V sets out a definition for lobbyists and provides for a system of accounting for receipts and expenditures and reporting this to the Board of Elections.

These are among the main features of a bill that has been carefully worked out by the District of Columbia Committee to start the first elected officials of the District of Columbia on a path of public confidence and open democratic government.

BOLLING COMMITTEE CONTINUES TO ATTRACT CRITICISM

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, the secret action of the Democratic Caucus in attempting to smother the reform of the House proposed by the Bolling Committee continues to attract the criticism such a betrayal deserves. The Flint Michigan Journal has called this "callous" shunting of the reform effort by a "disgraceful alliance between old-line conservatives and established liberals" an "outrageous performance." John Gardner, writing in the New York Times, registered "astonishment" at the "arrogant behavior of leading Democrats" in sidetracking the proposed reforms. Terming the Democratic caucus' action a "shocking return to backroom politics," Gardner provides my Democratic colleagues with their only possible response to queries as to what they have done to further reform; Gardner writes:

> Most House Democrats, if they are honest, will have to answer, "We did as little as we possibly could."

Here are the full texts of the articles:

[From the New York Times, June 12, 1974]

ALBATROSS IN THE HOUSE

(By John W. Gardner)

WASHINGTON.—This is going to be a hard year for Republicans on the campaign trail. But observers are saying that it may also prove to be a tough year for incumbent Democrats. Some of the voter sentiment is indiscriminately anti-incumbent.

Given that consideration, one can only register astonishment at the arrogant behavior of leading Democrats in the House of Representatives. They are writing a record that will hang around their neck like the Ancient Mariner's albatross. We have seen in recent weeks three shocking examples of that arrogance.

First, on May 9, the House Democrats, meeting in secret caucus and acting by secret vote, sidetracked a major restructuring of the House's antiquated committee system. Twenty-eight years have passed since the last modernization, and a bipartisan committee headed by the able and highly respected Democratic Representative from Missouri, Richard Bolling, had submitted excellent (and unanimous) recommendations. A strange coalition of entrenched, aging chairmen and younger more liberal party members joined hands with outside special-interest groups to block the measure.

The secrecy of the move was particularly offensive. In 1973, in a statesmanlike move toward open, accountable government, the House reversed its long tradition of doing the public's business behind closed doors, and opened more than 80 per cent of its bill-drafting sessions. In the first half of 1974 the tally has risen to 88 per cent. Against that background, the caucus action on the Bolling report was a shocking return to backroom politics. Not only was the ballot secret—even the vote to take a secret ballot was secret.

Second, the old-line Democratic leadership in the House has worked consistently to prevent a floor vote on the oil-depletion allowance. It is typical of the pre-Watergate, public-be-damned shelgame approach to legislation that in all its controversial history that oil-depletion allowance has never been voted on alone by the full House of Representatives. It has always come to the House floor as part of the total tax bill under a "closed rule" that prevented amendment of any portion of the bill.

Last month, a vigorous young Congressman, William J. Green of Pennsylvania, drafted an amendment to the Oil and Gas Energy Act that would repeal the depletion allowance as of Jan. 1, 1974, and the Democratic Caucus—over the opposition of Carl Albert and Wilbur D. Mills—directed the Democratic members of the Rules Committee to make his amendment "in order"—that is, allow the full House to vote it up or down.

The Caucus also voted for similar treatment of an amendment by Representative Charles A. Vanik of Ohio that would have the effect of increasing taxes on the foreign oil profits of United States companies.

The Caucus action was taken to assure that these crucial matters would be decided by the full House, but in the face of white-hot oil-industry opposition there has been feverish maneuvering by powerful Democrats to thwart the will of the Caucus.

Third, the most spectacular bit of Democratic obstructionism is the ten-month marathon stalling of action on a campaign finance reform bill. Representative Wayne L. Hays is nominal field general of the obstructionist campaign. The House leadership, glad to let Hays take the onus of public criticism, is hiding under the desk and pretending that nothing is amiss.

Republican candidates will face some rough questions on the campaign trail—and they should. But what will the House Democrats say when they are asked: "What did you do to prevent future Watergates? To make Congress a more respected institution? To get away from the old, sleazy tactics of backroom politics?" Most House Democrats, if they are honest, will have to answer, "We did as little as we possibly could."

[From Flint, Michigan Journal, May 21, 1974]

DEMOCRAT LIBERALS FAIL—AN OUTRAGEOUS ACT

Seldom has the need for major congressional reform been more clearly demonstrated than in the handling by Democrats in the House of Representatives of a proposal which held great promise for just such reform.

In a disgraceful alliance between old line conservatives and established liberals (many of whom had posed for years as favoring congressional reform), a comprehensive bill to improve House practices with bipartisan support has been callously hunted from a showdown vote.

The Bolling-Martin plan for reform was the result of extensive hearings and more than a year of hard work and was designed to restructure the antiquated and stifling committee system of the House which has been in effect since 1946. Its salient feature was elimination of placing the majority of committees in the hands of a few powerful members who achieved rank through seniority. It held promise of wide support because although it did remedy some of the evils of the system, it did not directly attack the seniority concept.

It was carefully contrived to clear up the jurisdictional jungle under the present system and prevent ridiculous situations such as when 14 of 21 House committees held hearings on energy proposals last year. The too-powerful and overworked Ways and Means Committee would lose jurisdiction over certain health, foreign trade, unemployment and pension matters to other committees, freeing it to concentrate on tax reform for one thing. The plan also would divorce education and labor by dividing that committee, a worthy objective. Much of the reform was based upon the simple, logical step of forbidding any one member from serving on more than one of 15 designated major committees.

Hopes the plan would reach the floor and be passed were high for several reasons, chief of which was the often expressed consternation of members over the low public esteem of Congress.

Although the Bolling-Martin proposal was bipartisan, the Democratic caucus chose to consider it because of its importance, paving the way for an act which showed the utmost contempt for public opinion and indifference to good government.

It was expected that conservatives heading powerful committees such as Wilbur D. Mills (Ways and Means), Wayne Hays (House Administration) and Harley Staggers (Commerce) would oppose the plan. But what had not been expected was that a number of outspoken liberals, led by Philip Burton of California, would desert past standards and join their opposites to prevent the bill from reaching the floor.

"They did it because they feared the plan would reduce their own growing power in the House," Common Cause has charged. "In effect, they joined members of the senior Democratic Establishment who have always resisted reform of ancient House methods because it would diminish their own spheres of authority."

The methods used to deny the House the challenge to stand up and be counted were resorts to the very tricks which have brought Congress to its lowly status in public opinion.

Instead of an honest yes or no vote on the plan, the vote was to refer the proposal to a committee well-stacked against such a plan. Furthermore, the decision was made in a rare secret ballot (a procedure which Burton himself had unsuccessfully tried to outlaw last year). Finally, the secret ballot was established by a method in violation of the rules that usually govern the caucus.

In addition to Burton, a number of other members of the liberal faction deserted principle to smother reform (including Michigan's James O'Hara and John Dingell) and placed their desire for clout above the need to break Congress free from the iron castle of privilege which has so alienated it from the public.

It is an outrageous performance. And any Democrat who does not take up the fight to undo this act, loses all plausibility if he seeks to blame the low position of government on Republicans alone.

PERSONAL EXPLANATION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. CONYERS. Mr. Speaker, I deeply regret my unavoidable absence from the floor during the vote on the National School Lunch Act Amendments conference report. The importance of continuing the school lunch program cannot be overstressed and I am pleased to note that the conference report, which includes several strengthening Senate provisions, has been approved by the full House.

PROCLAMATION: PATRIA NEWSPAPER, 15TH ANNIVERSARY, JUNE 22, 1974

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. FASCELL. Mr. Speaker, 15 years ago on June 22, 1959, two distinguished Cuban dignitaries, refugees from Communist Cuba, founded the newspaper Patria at Miami, Fla.

Patria was the brainchild of the Honorable Senator Armando Garcia Sifredo and Sr. Alberto Rodriquez who came to the United States from Cuba shortly after Castro delivered Cuba to the Communists, but not before Castro committed both to Havana jails.

Senator Sifredo had been a teacher until 1936 when he began a 16-year career in radio, 10 years of which he was new director of Cuba's well-known radio station RHC. In 1952 he was elected to Cuba's Senate where he served with distinction until Castro destroyed Cuban democracy. His strong opposition to communism and support of a free and democratic system of government for Cuba resulted in his being jailed in El Principe Jail in Havana in 1959. Gaining his release he came to the United States to continue his fight to free his homeland.

Sr. Alberto Rodriguez is a second generation journalist of considerable renown. He was the administrator of the Cuban newspaper El Tiempo. Sr. Rodriguez was jailed in Havana's famed La Cabana Fortress in 1959 for his efforts to continue a free and democratic Cuba. Upon release from La Cabana he too came to the United States to continue the fight to remove tyranny and oppression from his homeland.

I well remember those early days of Castroism and while I was fortunate in not suffering the confinement of Castro's jails, I was the first U.S. Congressman to feel the lash of Castro's tongue when Castro publicly denounced me and declared me persona non grata. Coming from this source I consider the denunciation a sign of honor.

Patria began June 22, 1959 in a small room in Senator Sifredo's rented apartment in Miami, Fla., with a staff of just three: Senator Sifredo, Sr. Alberto Rodriguez and one Cuban refugee. Using the existing facilities of a local newspaper they printed and distributed 5,000 first edition Patria newspapers.

Today, Patria has offices in Coral Gables, Fla., where it employs over 50 people and is distributed not only in south Florida but in major metropolitan areas such as Chicago, New York, New Jersey, California and other areas where Cubans have migrated and settled. Patria's readers now number well over 200,000. In south Florida, Patria is a major news medium in a bilingual community.

Patria is a member of the Inter-American Press Society. Patria has received much deserved recognition and many awards including:

The Lincoln-Marti Award given by the U.S. Department of Health, Education, and Welfare;

Proclamations for outstanding contributions to the City of Miami, Fla. from its last four mayors; and

Over 60 trophies and proclamations from professional and Civil Associations.

Patria and its entire staff have made outstanding contributions to the cause of freedom everywhere. A grateful community and a grateful Nation proclaims its thanks and best wishes to Patria and staff for continued growth and prosperity.

Viva Patria.

THE SOVIET UNION AND EXIM BANK

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. GAYDOS. Mr. Speaker, the Pittsburgh Press on May 26 carried an editorial expressing its views on a recent Export-Import Bank loan of $180 million to Russia to help finance a fertilizer complex there.

The bank, I might add, is the same institution which recently ignored a resolution signed by 200 Members of this House to cease and desist from such transactions unless specifically deemed by the President to be in the national interest.

As the Press editorial points out, one must stretch his imagination to justify American loans to a nation which can readily pay out billions in cash to other nations for products and materials it desires.

Mr. Speaker, the article is self-explanatory and I am inserting it into the RECORD for the attention of my colleagues who can reach their own conclusion as to the reasons for such "foolish and unnecessary foreign-aid blunders":

FOREIGN AID TO RUSSIA

In a foolish and unnecessary foreign-aid blunder, the Nixon administration has granted a $180 million loan to the Soviet Union to help finance a huge fertilizer complex there.

The loan was made by the Export-Import Bank on instructions from President Nixon.

It carried the bargain interest rate of 6 per cent. Six per cent at a time when the most credit-worthy American corporations must pay about twice as much to borrow money!

In an effort to justify its dubious deal, the Ex-Im Bank points out that the credit will help U.S. companies export $400 million in goods for the fertilizer project and eventually will bring "needed fertilizer to the U.S."

All that may be true but it misses a basic point:

By granting credit to the Soviet Union at half the rate charged domestically and to many friendly countries, the U.S. taxpayer is subsidizing and giving foreign aid to the Kremlin's industrial base.

There is nothing wrong with expanding trade with Moscow in nonstrategic items. But financing that trade with long-term loans at sweetheart rates is indefensible.

It may be news to the White House, but

it isn't to U.S. intelligence agencies, that the Soviet Union can well afford to pay cash or to arrange for normal commercial credits for what it wants to buy in this country.

Russia is a major exporter of oil and oil products to hard-currency areas.

It will get a windfall profit of $1.5 billion to $2 billion in 1974 from the fourfold boost in crude prices imposed by the Arab oil cartel.

With commodity prices setting records, Moscow will earn extra billions through its extensive timber, gold and diamond exports.

Since mid-1973, it has sold $2 billion to $4 billion in weapons to Egypt and Syria, these sales financed by Saudi Arabia and paid for in hard currency.

This means that while the Soviet Union would like bargain credits from the United States if we are stupid enough to grant them, it can and will pay cash to countries with backbone in their trade policies.

Russia tried to pull an "Ex-Im" type deal on West Germany for an iron and steel combine in Kursk. But when Bonn remained firm, Moscow agreed in March to pay $1 billion in cash for the project.

Similarly, it is paying $48 million in cash to a British firm for a new plastics plant.

Only this month the Soviet Union gave Argentina $600 million in credits for a vast electric power project.

Can anyone explain why Russia should get a $180 million loan from the United States when Russia can afford to lend Argentina $600 million?

Obviously something is very wrong.

Either the White House doesn't know how to do business with Russia (remember the wheat deal?) or Mr. Nixon is so eager to make his visit to Moscow next month a success that he is giving away the store.

Whatever the reason, the Ex-Im giveaway should be blocked by Congress.

Why subsidize a foreign power that is basically inimical to America's future, freedoms and friends?

"ABORTING AN AMENDMENT," AN EDITIORIAL IN THE NEW YORK TIMES

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Ms. ABZUG. Mr. Speaker, today's New York Times contains a short, clear, and important editorial on the right to abortion.

The editorial points out that the acceptance of any of the constitutional amendments now pending would be "an unjustifiable and unworkable intrusion upon family life." The editorial makes the same point I made in my testimony before the Senate Judiciary Committee Constitutional Amendments Subcommittee, chaired by Senator BIRCH BAYH, that the adoption of any of these amendments would return us to the period of a few years ago before the individual States started reforming their abortion laws. It has been estimated that before the States began reforming their laws, only about 10,000, of the estimated million abortions, performed were done legally. Most of these 10,000 abortions were for white, middle class, or rich women who had the money and access to physicians willing to make the necessary arrangements. But it is certainly proper to ask what about the others, the 990,000 young girls and women, married and unmarried, who could not obtain legal abortions? Each one has had to go through the individual trauma of facing an unwanted pregnancy, frantically seeking in secrecy for a bootleg abortionist, paying exhorbitant fees, or in many cases having to rely on a quack, a neighbor, a midwife or a home remedy, usually unsuccessful and often dangerous.

Each year before the Supreme Court decision was handed down, physicians had to treat about 350,000 women suffering from complications arising from illegal abortions. Each year, it has been estimated, some 400 to 1,000 women died as a result of illegal, out-of-hospital abortions.

But, Mr. Speaker, perhaps more invidious and more threatening to the concept of equal protection under the laws is the spurious, and in my opinion, unconstitutional, riders offered to various social welfare legislation. I have opposed these amendments when they have come to the floor and I will continue to do so. I only hope that my colleagues who have not yet done so will have the courage to do what they know in their hearts to be correct and join me in opposing these amendments if they come up again.

Mr. Speaker, I insert the text of the New York Times editorial:

ABORTING AN AMENDMENT

More than a year after the United States Supreme Court declared that abortion should be considered a private matter between a woman and her physician, a strong campaign is on to make it a public matter between a woman and the Federal Government.

This would be the effect of four "human life" amendments to the Constitution, now being pushed in Congress. All are designed to restrict the right of a woman or her physician to terminate pregnancy voluntarily. One amendment would prohibit abortion even if a woman's life is in danger; another would go beyond abortion and prevent the use of birth control devices or drugs.

The anti-abortion forces already have achieved victories by attaching riders to other measures. Thus Medicaid payments for abortion are denied to the poor under the Social Security Act; the foreign aid law includes a provision restricting funds for abortion, and the bill creating a legal services corporation would bar legal aid to the indigent in cases that might result from abortion.

New York's three-year-old legalized abortion law has caused a decline in deaths from abortions, in maternal and infant deaths, and in the number of women hospitalized by furtive abortions. A constitutional amendment would be an unjustifiable and unworkable intrusion upon family life. The nation would simply return to a double standard under which the wealthy would continue to obtain abortions and the poor would be victimized.

AN ANNIVERSARY TO LAMENT

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. DERWINSKI. Mr. Speaker, Members of Congress are continuing to address themselves to possible solutions to the energy crisis but this Congress as a whole has not processed an overall energy bill that would realistically move our Nation to self-sufficiency.

I believe it is quite appropriate that the history of past Congresses have also been unable to serve a long-term public need. This point is very well taken in an editorial of June 7 in the Chicago Tribune:

AN ANNIVERSARY TO LAMENT

Today is a good day to examine how innocence and misguided zeal led this country into an energy crisis with respect to natural gas, because it is the 36th anniversary of the innocence and the 20th anniversary of the misguided zeal. The Natural Gas Act of 1938 and a Supreme Court decision of June 7, 1954, have combined to hold natural gas prices artificially low, presumably for the benefit of consumers, and have thus encouraged the country to depend heavily on a fuel which is so limited in supply that we may run out within the lifetime of half the population.

The Natural Gas Act was sought by state utility commissions, back in the New Deal days, as a means of controlling the price of gas piped into their jurisdictions from out-of-state. Natural gas was then a little used fuel, much of which was burned off by oil producers as waste. It had no great constituency either of producers or of consumers. The bill was sponsored by Democrats and actively backed by Rep. Charles A. Halleck, the Republican majority leader of the House. It was so uncontroversial that when Sen. Robert J. Bulkley of Ohio asked to bring it up for the Senate vote on June 7, 1938, after it had been approved by the House, the following exchange took place between him and the acting president, Sen. Joseph C. O'Mahoney:

Sen. O'Mahoney: The bill is not of controversial nature, is it?

Sen. Bulkley: No.

Sen. O'Mahoney: And its passage may be expected in a reasonably short time?

Sen. Bulkley: I think it should be passed within a few minutes.

It was promptly and easily passed and received almost no public attention. It gave the federal government the power to regulate the price of natural gas sold to the pipeline companies for transportation across state lines. It specifically excluded regulation involving "the production or gathering of natural gas."

By the late 1940s, natural gas had become so popular a fuel that liberal politicians began to make an issue of low prices. The Federal Power Commission had not been militant enough to suit them. When Wisconsin sought to regulate prices in apparent violation of the 1938 act, the Phillips Petroleum Co. carried the case to the Supreme Court and lost.

Justice Sherman Minton, a liberal Truman appointee, wrote the majority decision holding that the primary purpose of the 1938 act was the "protection of consumers" and that Congress therefore intended the act to cover independent producers, despite the specific exclusion in the act.

Ironically, the FPC had never wanted this power and indeed warned of the confusion it could create. Even liberal Justice William O. Douglas dissented from the 5 to 3 decision on the ground that "regulation of the business of producing and gathering natural gas involves consideration of which we know little, and with which we are not competent to deal."

Repeated efforts to remove this "wellhead" regulations of gas prices thru Congressional action have aroused liberals from Wayne Morse of Oregon to Mayor Robert Wagner of New York to demagogic oratory, and have failed. The one such bill that got thru Congress was vetoed by President Eisenhower, tho he endorsed its purpose, because of "arrogant" tactics by oil and gas company lobbyists.

And so it is that natural gas, with its arbitrarily low prices and other attractions, has become our leading source of energy for industrial, commercial, and residential use. Meanwhile the low prices caused exploratory drilling to drop by more than 50 per cent between 1956 and 1970.

Had the producers been able to set prices on the basis of free competition [there are more than 2,000 of them], prices would have risen steadily as costs rose; the demand for natural gas would have been less; there would have been an earlier incentive to develop uranium and new ways of using coal; and we would not have been caught as short as we are today. The story of natural gas is worth remembering, because it teaches us that misguided efforts to appeal to consumers by holding down prices can do far more damage to the country than good—and the implications of this go far beyond natural gas.

TYRANNY STILL EXISTS IN CHILE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. BROWN of California. Mr. Speaker, I am taking a few moments today to remind my colleagues that brutality and torture are still being applied by the junta in Chile. By emphasizing this state of affairs, I leave no room for the excuse of ignorance when various nations and peoples of the world question this Congress' lack of commitment in the international fight for human rights in Chile.

There are a few Members that have become involved in this unending struggle to help the Chilean citizens, and I commend their efforts. I only wish the number was larger.

Everett Martin, staff reporter of the Wall Street Journal, has drawn attention to the Chilean junta's extensive use of repressive measures. I am submitting his article to be printed in the RECORD so that all of my respected colleagues might acquaint themselves with its contents.

CONTINUING REPRESSION REPELS MANY IN CHILE WHO BACKED THE COUP, BUT ON THE BRIGHTER SIDE, MOST FACTORIES FUNCTION, SHORTAGES HAVE EASED—ARE THE PARTIES NECESSARY?

(By Everett G. Martin)

SANTIAGO, CHILE.—There is little doubt that most Chileans welcomed the armed forces' overthrow of the Marxist government of President Salvador Allende last September. But now, after more than half a year of stern rule by a four-man military, junta—and with no end in sight—many aren't sure they like what's going on.

They are especially worried by the junta's continued use of repressive tactics to head off any threat, whether real or imagined, against law and order. Almost anyone can be denounced anonymously and disappear without his relatives having any idea where he has been taken. There have been cases of torture. Estimates of the number of political prisoners being held without charges range as high as 6,000.

Besides the arrests, some 38,000 workers are reported to have been fired from their jobs in government and industry, on the ground that they were active supporters of Dr. Allende. A low-ranking labor leader, who opposed the Marxists, argues that the time has come to forgive these people.

"Those who were fired can't find jobs," he says. "They are being demolished. It was, after all, legitimate to support the former government, but now they are being persecuted and hunted for it. It isn't fair. They acted in good faith."

A NUMBER OF PLUSES

Still, Chileans like many aspects of the regime. They welcome the public calm enforced by the strict military discipline after three years of escalating violence under the Marxists. They also welcome these developments.

Government services are functioning again; most factories are operating normally; severe shortages of basic necessities have ended; the black market has dried up; public-housing construction is going ahead again, schoolchildren are getting free breakfasts and lunches as part of a drive to improve nutrition for the poor.

Chileans don't like the inflation—prices went up 57% in the first quarter—but it is recognized that the inflation was inherited from Dr. Allende, and people don't expect the junta to end it overnight. At least it's being slowed down.

Opinions are mixed about the junta's having put all political parties, even those opposed to the Marxists, in indefinite limbo, a measure designed to end Chile's traditionally heated political wrangling over every issue. Wives of copper miners cheered army Gen. Augusto Pinochet, junta president, when he told them to "erase from your minds the idea of elections."

THE MAIN CONCERN

But it is the repression that most disturbs Chileans at all levels. Where genuine Marxist extremists are concerned, the junta probably does have a security problem. During the Allende regime, a quantity of weapons was apparently smuggled into the country to arm leftist extremists. Almost weekly, intelligence agents report uncovering another small cache of them. Moreover, pro-Allende Chileans who fled the country after the coup are openly soliciting funds to finance a guerrilla campaign in Chile.

Recently a series of forest fires—started, according to the authorities, with gasoline—threatened the post city of Valparaiso. A small bomb was exploded on the docks there, and there have been numerous other suspicious fires in the city.

One youthful extremist, who is still in hiding, told a relative he secretly visited that his organization was planning political kidnappings like those committed by Argentine terrorists. Such talk may be futile blustering, but the junta does worry about national security. Any kind of terrorist outbreak would, for one thing, hurt the junta's efforts to attract foreign investors to spur Chile's economic growth. In a recent speech, Gen. Pinochet declared:

"If the submerged elements try to rise against our people, we will not hesitate to react with drastic means. Until we have caught them all, I will not lift the military measures."

AN ARRAY OF ZEALOTS

A bewildering array of six different intelligence groups is busy chasing down suspected terrorists with frightening zeal. There is an intelligence service in each of the three branches of the armed forces, one in the police, a joint organization and, finally, a new superagency.

One man, a political commentator during the Allende years, was seized by army intelligence, was interrogated for days and then was sent home with written instructions to consider himself under house arrest and responsible to the army. Soon afterward, members of the air force broke in on him. Ignoring his army documents, they held him for several days trying to torture information out of him. When they released him, by then a broken man, he took asylum in a foreign embassy.

Most cases of brutality and torture seem to lead back to the air force, although no one knows if the perpetrators are acting as members of air force intelligence or as members of the new superagency. There have been cases of army commanders intervening to get detainees out of the hands of air force agents—an indication that the armed forces themselves may be divided over the use of such extreme methods.

The number of political prisoners being held without charges fluctuates, of course, as some are released and others picked up. A group of Santiago lawyers who protested the situation in a private letter to the junta were soundly denounced as being "unpatriotic," but such protests may have had an impact: Since then, a group of air-force officers charged with having been pro-Allende and anti-air-force before the coup have been represented by outspoken defense lawyers during their trial, and the trial was open to invited foreign observers; likewise, imprisoned former officials of the Allende government have been scheduled for early public trials, also with defense lawyers representing them and with invited foreign observers on hand.

Although most detainees are eventually released, one college professor expresses a widespread sentiment when he says, "We don't like this feeling of being unprotected against arrests. Lots of mistakes are being made."

While the rate of arrests has slowed down measurably since the first weeks after the coup, the junta has developed a new concern that, to many Chileans, borders on paranoia. The military leaders now appear to be zeroing in on a new class of so-called enemies that seems to include anyone who is critical of them.

The rector of a university in Valparaiso was sacked recently for being "anti-junta." The head of the Catholic University television station and several members of his staff, all of whom were leaders in the fight against the Marxists, were also fired, and it is presumed that they, too, had "anti-junta" tendencies. Meanwhile, Gen. Pinochet has issued a dark warning that many civil servants are also going to go.

"These people pretend to be cooperating," he said, "but according to information that we have, in reality they are not cooperating. They always say yes to you, but when the moment comes to act they move slowly, they mislay documents, they change a word or a comma. They may comply with an order, but privately they talk against it."

It isn't entirely a coincidence that most of "these people" happen to be Christian Democrats. Relations between the military and the Christian Democrats have never been good. When the Christian Democrats were in power during the administration of President Eduardo Frei, just before the Allende government, they ignored the military men or treated them with disdain until one army unit staged a revolt in its barracks to demand higher pay. As one party member explains it, "The Christian Democrats regard the military as a bunch of fools, and the military regards the politicians as a * * *

Except for its left wing, however, the party supported the coup as the only way to stop the Marxists. Observers point out, though, that many of the party leaders expected the military to turn the government over to them after a short caretaker period.

THEY MEAN TO STAY

Now the military has made it clear that it intends to stay and make sweeping changes. "Some politicians," Gen. Pinochet said in a major speech last month, "initially took a favorable attitude toward the government, but they thought when the armed forces took action to liberate Chile that the conduct of the state would be returned to them in a short time. Today they react antagonistically because they realize, that they were wrong, and I ask myself, 'Are they patriots or mercenaries?' "

The politicians, he implies, are responsible for demagoguery. "It is necessary to eliminate demagoguery, the principal sickness of Chile," he says. "From it has come the sectarianism which divides and the inefficiency which impedes progress and justice. This sickness is not only from the past three years. It is much older than that."

Gen. Pinochet's barely disguised attacks on the Christian Democrats go down well with many conservative Chileans who blame the liberal Frei government for opening the door for the Marxists with its land-reform program and other measures.

Christian Democrats, whose adherents make up a substantial portion of the middle class, rankle at having no voice in govenmental affairs and at the pointed criticism they are taking. They retort with some sharp barbs of their own. "The junta should recognize," says one party member, "that the political parties fought the Marxists for three years while the military were the right hand of Allende. They were in opposition one day. They shouldn't look down on people who were fighting for three years."

THE SILVER BRIDGE

One of the most outspoken critics of the Christian Democrats is the government's chief press spokesman, Alvaro Puga. To a request for an explanation of the junta's opinion of the party, he replies: "Before Allende the Christian Democrats paved the road for the Marxists because they began to talk—in the style of Henry Kissinger—of a dialogue with the Marxists. They talked of communitarianism instead of communism, but people without perception believed that they were both equal within democracy."

He adds, "During Allende, they were a moderating element between the Marxists who wanted dictatorship and the rightists who wanted to overthrow the Marxists. They were the silver bridge—beautiful but weak—between the Marxists and the democrats."

The 44-year-old Mr. Puga came to prominence during the Allende regime, delivering biting criticism of the Marxists over the radio and in a newspaper column written under the pen name "Alexis." No one can quite explain how he rose to such an influential position in the junta, but he is one of a group of puritanical young Roman Catholic ultraconservatives who seem to play a significant role in outlining the public philosophy of the junta. This group is known for its dislike of the Christian Democrats.

Mr. Puga's statements cause dismay in other branches of the government. A foreign-ministry official, for example, winced when he heard of Mr. Puga's reference to Mr. Kissinger. "How can he say such things?" the official said. "We are rather pleased with Mr. Kissinger."

Mr. Puga outlines a form of government for Chile where the only elections would be in neighborhood organizations and professional and labor groups. These grass-roots organizations would transmit their needs to the local mayor, who would tell the governor, who would get in touch with the junta. There doesn't seem to be any room in the system for national political parties, and Mr. Puga says:

"We want to make a mechanism where it is not necessary to have political parties to have a position on a question."

It was Mr. Puga who ordered the Christian Democrats' radio network closed for six days because of broadcasts commenting unfavorably on the state of human rights in Chile. Soon thereafter, the archbishops of Chile issued a call for reconciliation. It said:

"For love of our fatherland, we must contribute to re-establishing a harmonious atmosphere in which all Chileans can live and be brothers . . . the basic condition for living together peacefully is the establishment of a state of law in which the constitution and the law will be a guarantee for everyone."

This Nation was born out of a successful battle againset a tyrannical ruler, King George of England:

> There is no week nor day nor hour when tyranny may not enter upon this country, if the people lose their supreme confidence in themselves—and lose their roughness and spirit of defiance—Tyranny may always enter—there is no charm, no bar against it—the only bar against it is a large resolute breed of men.—Walt Whitman

It is now the Chileans that are facing a rule that is more repressive and brutal than any we have personally experienced. They need our help.

DISINTERMENT OF BODY OF JOHN "JEREMIAH" JOHNSON

HON. WM. JENNINGS BRYAN DORN

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. DORN. Mr. Speaker, I am sure many of my colleagues are aware of the recent publicity and fanfare surrounding the Veterans' Administration's action in granting permission for the removal of the body of John "Jeremiah" Johnson, a Union soldier in the Civil War, from a national cemetery where he had been interred for more than 70 years to a private cemetery in Wyoming. The agency's unprecedented action prompted strong criticism from National Veterans Organizations and others who feel such action is warranted only when unusual circumstances are involved.

Many of us are concerned about the action taken by the Veterans' Administration and I take this time to inform the House that the Committee on Veterans' Affairs is looking into the matter to determine whether there has been any violation by the agency in approving the disinterment of the body of John "Jeremiah" Johnson, and to reevaluate present regulations and criteria governing such action.

I call to the attention of my colleagues a communication our committee recently received from the Veterans of Foreign Wars.

VETERANS OF FOREIGN WARS
OF THE UNITED STATES,
Washington, D.C., June 14, 1974.

Hon. WILLIAM JENNINGS BRYAN DORN,
Chairman, Committee on Veterans' Affairs, U.S. House of Representatives, Washington, D.C.

DEAR MR. DORN: The Veterans of Foreign Wars has noted with much sadness and regret the approval by the Veterans Administration of the removal of the body of a deceased veteran from a National Cemetery to a private cemetery.

The V.F.W. holds that when a veteran is buried in a National Cemetery his body should not be disturbed except for good and substantial reasons. A petition to disinter a veteran's body by a descendant of a veteran should not necessarily be the determining factor, especially in those cases where a veteran has already been laid to rest.

Before the VA decides to remove and reinter a deceased veteran, every consideration should be given to all those promptings and emotions that men and women hold sacred in the disposition of the dead.

Any petition to remove a veteran from a National Cemetery, to be successful, must show good cause, urgent necessity, and unusual circumstances. There must be a showing of a rare emergency to move a veteran's body from the hallowed ground of a National Cemetery to a private cemetery.

Pursuant to these principles, the V.F.W. expressed disgust regarding the recent removal of a veteran of the Civil War, who had been interred in a National Cemetery for over 70 years. The removal of this veteran does not meet any of the requirements which have been developed over the years regarding the disinterment of bodies from National Cemeteries. The whole affair has left a stench in the nostrils of the veterans of the nation.

Here's what the V.F.W. stated regarding the approval of the VA to remove the body of John (Jeremiah) Johnson, a Union soldier in the Civil War, whose body was disinterred in 1974 and reburied in a cemetery in Wyoming.

Too, this is the same Johnson now being hailed as Jeremiah Johnson in a movie being shown throughout the nation. The V.F.W. statement regarding this when it was about to take place is as follows:

"Veterans and their families everywhere deplore the recent unprecedented action taken by the graverobbers at the Veterans Administration which permitted the removal of the body of John (Jeremiah) Johnson from his grave without permission. It has come to the attention of the V.F.W. that the VA removed the body of Civil War Veteran Johnson from his place of rest in the Los Angeles VA Cemetery and are planning to rebury him in Cody, Wyoming. It appears that attention has been drawn to this veteran by the release of a recent motion picture and the V.F.W. can only draw the inference that the removal was to publicize the picture or to encourage tourist travel. The reasoning of VA involvement escapes us, but with precedent such as this, no veteran remains safe in his grave. It is now possible for the VA to move, without permission, privates, generals or ex-Presidents simply because no relatives are living?"

Mr. Chairman, the VA was given the responsibility of operating the National Cemetery System by the Congress just a short time ago. There has been no action taken by the VA which could be described as distinguishing itself in its new responsibility regarding cemeteries.

This Jeremiah Johnson incident merits an investigation by your Committee to make sure that the law of the land has not been violated by the VA and that similar unprecedented and distasteful actions will not be approved by the Veterans Administration without prior notice of the Congress and the Public.

With best wishes and kind personal regards, I am

Sincerely,

FRANCIS W. STOVER,
Director, National Legislative Service.

SENATE—*Tuesday, June 18, 1974*

The Senate met at 10 a.m. and was called to order by Hon. HAROLD E. HUGHES, a Senator from the State of Iowa.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O God, in this quiet moment may a holy hush come over us giving us a sense of our dependence upon Thee. Save us from the danger of too much trust in our own deliverances, our own devices, our own creations lest we lose the eternal and transcendent. Give us humble and contrite hearts that we may be channels of light and truth. Beneath us and around our known and admitted human weakness let us feel the everlasting and uplifting arms. For Thy kingdom's sake, for the sake of the good we have done, and the witness we have borne hold us fast to the end that we may be presented holy and unblamable and unreprovable in Thy sight. Through Jesus Christ, our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 18, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. HAROLD E. HUGHES, a Senator from the State of Iowa, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. HUGHES thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Monday, June 17, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, is is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

FOREIGN SALE OF PASSENGER VESSEL SS "INDEPENDENCE"

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 903, H.R. 8586.

The ACTING PRESIDENT pro tempore. The bill will be stated by title.

The assistant legislative clerk read as follows:

H.R. 8586, to authorize the foreign sale of the passenger vessel SS *Independence*.

The ACTING PRESIDENT pro tempore. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which was considered, ordered to a third reading, read the third time, and passed.

Mr. HUGH SCOTT. Mr. President, we have just passed a bill authorizing the sale of the SS *Independence*, one of the last of our passenger vessels under the American flag. It is a great pity that, through short-sighted maritime policy over the years, we have allowed the shipbuilding industry of this country to pass out of our hands and into the hands of such skillful nations as Norway and Japan, for an illustration.

Our own high cost of operating passenger shipping has, of course, been the principal factor in the disappearance of our flag from the shipping lanes of the world.

We do have a new maritime act under which ships are to be built and subsidies paid but we are not yet seeing much of the effect of that.

But it is a great pity that a great nation like ours cannot take its own people and others under its own flag to foreign ports. I say this merely to indicate that I am in favor of the maritime bill which we did pass some time ago and I am disposed to favor what other logical steps we can pursue to restore to the seas our once traditional merchant marine.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that after the distinguished Republican leader has been heard and the distinguished Senator from Oklahoma (Mr. BARTLETT) has made his remarks, it be in order at that time to call up Calendar No. 839, S. 2201.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

SECRETARY OF STATE KISSINGER AND THE PRESS

Mr. HUGH SCOTT. Mr. President, it is refreshing to note that responsible journalists have made clear their repugnance at the tactics used against the Secretary of State recently. The Committee on Foreign Relations begins its inquiry, probably at a meeting this morning. I am sure that that inquiry will produce what the other inquiry produced. I am sure that the irresponsibility of some of the inferences, innuendos, rumors, unsupported charges, and mysterious questions not backed by evidence will be shown to be what they are; that is, an attempt to drag down the Secretary of State.

Mr. President, I ask unanimous consent that an article published in yesterday's Star-News, written by Richard Wilson, entitled "Shot in Dark Stung Kissinger," be printed in the RECORD at the conclusion of my remarks.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HUGH SCOTT. Mr. President, it will be seen that one of the most offensive questions was asked by the publisher of the semiweekly newspaper in Cambridge, Mass., called "Tech." It turns out that there was no basis for the question, that it was skillfully framed to indicate there was evidence. There was not. Mr. Wilson makes quite clear the tactic used here, which was indecent in the extreme and a reflection on the journalist who was responsible.

This is unfortunate, because I have said many times that the vast majority of journalists are responsible. They are decent, fair-minded men and women and they do not deserve the opprobrium which results from improprieties in the conduct of the journalistic business.

They are free to criticize us—and do. We accept it. That is our role in life. That is their complete right and, in fact, their duty. But I think it is also my duty as a Senator to point out when I think criticism moves in the other direction. It does to a very few people, but to the everlasting credit of the journalistic fraternity, the vast majority of those who have examined the situation in this case have come to quite a different conclusion; namely, that it was an improper exercise from the very beginning.

Mr. President, I yield back the remainder of my time.

EXHIBIT 1

SHOT IN DARK STUNG KISSINGER

(By Richard Wilson)

Sometimes it helps to get the record straight before arriving at conclusions, and that certainly is the case with Henry A. Kissinger's threat to resign.

He confesses that he was "discombobulated" on his return to Washington from his brilliantly successful Mideast negotiation by being rudely confronted with a question at a press conference on whether he had retained counsel to defend himself on perjury charges.

This was the only question from that rugged press conference in Washington which Kissinger cited as flustering him into answers that could be exploited as showing he was hiding something. Therefore, he held another conference in Salzburg, Austria, giving a fuller explanation of his connection with national security wiretapping and plugging "leaks" of national security information, saying if he were not cleared of shady implications he would resign.

Surely this question about perjury must have been asked by a steely-eyed investigative reporter with backup information or documents. But, in fact, the question was not even about wiretapping and it was asked by a 27-year-old political science graduate named Peter Peckarsky who held credentials as representing a semi-weekly newspaper published in Cambridge, Mass., called "Tech."

This publication is one of several campus-circulated papers at Massachusetts Institute of Technology, but, according to Peckarsky, it is not financed by nor editorially responsible to MIT.

Peckarsky says that no one helped him frame the question, that he had no information not already on the public record to predicate it, that it was based solely upon surmise which might arise from reading the record. In other words, a shot in the dark. But it certainly sounded as if this young man knew something. His question was a doozy and worth printing in full as an example of the "new journalism."

Reading from paper, Peckarsky asked: "Mr. Secretary, on Sept. 7, 1973, you testified under oath before the Senate Foreign Relations Committee, in response to a question on your knowledge of David Young's activities, that you did not—quote—'know that David Young was concerned with internal security matters'—end quote.

"On Feb. 6, 1974, you testified under oath before the Senate Armed Services Committee—quote—'the next morning'—and that would be Dec. 23 and (or?) 24 of '71—'I went to Mr. Ehrlichman's office and he played a part of the tape of the interview with Admiral Welander conducted by David Young, which concerned the alleged theft of documents from my office by that Navy yeoman'—end quote.

"I wonder if you could:

"(A) Reconcile these two statements;

"(B) Tell us whether or not the special prosecutor or any other prosecutor or agency of the United States Government has contacted you with reference to a perjury investigation of the statements; and

"(C) Tell us whether or not you have consulted and retained counsel in preparation for a defense against a possible perjury indictment?"

Kissinger icily replied: "I have not retained counsel, and I am not conducting any office as if it were a conspiracy. I stand on the statements that I have made and I will answer no further questions on this topic." In Salzburg, however, Kissinger did undertake to reconcile his statements about David Young, who had been appropriated from his staff by John Ehrlichman to become involved in the "Plumbers" operation which Kissinger denies he knew anything about.

The record is being set straight herein for one good reason. From Kissinger's discombolbulation by a question containing academically irresponsible surmise rose a whole series of editorial attacks distracting Kissinger to the point of demanding that his honor be affirmed.

This does not reflect much credit on the way honorable public men are subjected to innuendo, defamation and attack in press conferences. Nor upon the way press conferences are being used as demolition sites for the good as well as the bad in the Nixon administration.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the distinguished Senator from Oklahoma (Mr. BARTLETT) is now recognized for not to exceed 10 minutes.

CONSUMER PROTECTION

Mr. BARTLETT. Mr. President, I am deeply concerned about S. 707, the so-called Consumer Protection Act, which is presently pending on the Senate calendar.

It is almost irrelevant to say that I support consumer protection. There are 100 Senators in this body who support consumer protection and who, along with their staffs, spend much of their time working on constituent problems which, of course, include problems of consumers.

However, supporting consumer protection and supporting the Consumer Protection Act are two different things.

I have carefully studied S. 707 and am convinced that it is not in the best interests of consumers or the Nation generally.

Consumer protection is not a new idea. The Federal Government has been in this business since 1914 when the Federal Trade Commission was established. At that time it was assigned the duty of finding and stopping "unfair or deceptive acts or practices in commerce." Included in the FTC's congressional mandate is the authority to stop unfair or deceptive advertising, unfair or deceptive selling practices, and unfair or deceptive schemes to cheat consumers.

Numerous other measures have been enacted into law to protect the public. Overlooked by the proponents of the Consumer Protection Agency are such measures as the Fair Packaging and Labeling Act, the Child Protection Act, National Highway Safety Act, the National Commission for Product Safety, the Truth in Lending Act, the Interstate Land Sales Act, the Radiation Control Act, the Clean Air Act—the list is almost endless.

Each of these laws is administered by a department or agency of Government charged with the responsibility of enforcing the laws as written by Congress. The White House has the overall responsibility to see that a good administrative job is, in fact, performed.

However, S. 707 goes far beyond the concept of the FTC and these other measures. It would establish a doublethink type organization to oversee the overseers.

The new Consumer Protection Agency would oversee every other Government agency with the ostensible goal of protecting the consumer. The CPA would hire lawyers to file lawsuits against other Federal agencies with lawyers also paid by the Federal Government.

Mr. President, this concept strikes at that basic philosophy of our Government

We are a Republic with elected representatives. Through those representatives we establish various agencies and departments whose only reason to be is service to the people—all the people, including the consumers.

Without a doubt there are times when the people are not served by these agencies, but that is why we are here—and why we have an executive—to solve such inequities and to insure that government serves the people.

I am concerned that the U.S. Federal Government very often is insensitive to the wishes of our citizens. This lack of sensitivity results in many cases from actions or inactions of bureaucrats, particularly those in agencies and commissions insulated from the President and his Cabinet.

The Consumer Protection Act, in effect, establishes a somewhat isolated agency which is empowered to challenge the President's policy and administration as executed by his Cabinet or separate agencies. The Consumer Protection Act takes government further from the citizens of this country.

Additionally, there is the problem of determining what is in the best interest of the consumer. Would the Director of the Consumer Protection Agency daily make a pilgrimage to the doorstep of Ralph Nader to find the needs of the consumer?

Mr. President, the Consumer Protection Agency is a redundant, expensive bureaucracy which the Federal Government and the American people can do without.

While consumer protection is a fetching concept, I urge every Senator to study the legislation closely before making a decision in its favor.

Obviously there are wide disparities of opinion on what is best for the consumer. For instance in the recent energy crisis there were those who believed it was in the consumer's interest to keep a ceiling on crude oil and gasoline prices in order to have lower gasoline prices for the short term. Yet I am convinced the best approach is a free market price which will expedite increasing our energy supplies and provide an adequate supply of gasoline at the best possible price.

Under the bill the new CPA would have the authority to interject itself into Federal Trade Commission actions—in other words if the FTC, with 60 years' experience in consumer protection, makes a decision, the new Consumer Protection Agency would have the oversight authority to appeal their decision.

Obviously the next question is who is going to oversee the overseer of the overseers.

SETTLEMENT OF CERTAIN DAMAGE CLAIMS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will proceed to the consideration of Calendar 839, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2201) to provide for the settlement of damage claims arising out of certain actions by the United States in opening spillways to avoid flooding populated areas.

The Senate proceeded to consider the bill, which had been reported from the Committee on Public Works, with amendments on page 1, at the beginning of line 4, insert "Section 1."; in the same line, after "(a)", strike out "the Secretary of the Interior (hereinafter referred to as the 'Secretary') or his designee," and insert "The President or his designee"; on page 2, line 14, after "the", strike out "Secretary" and insert "President or his designee"; at the beginning of line 19, strike out "Secretary" and insert "designated department or agency"; in line 20, after the word "as", strike out "he" and insert "the President or his designee"; in line 23, after the word "The", strike out "Secretary" and insert "President or his designee"; on page 3, in line 4, after the word "the" where it appears the second time, strike out "Secretary" and insert "President or his designee"; in line 21, after the word "The", strike out "Secretary" and insert "President"; so as to make the bill read:

SECTION 1. (a) The President or his designee is authorized and directed to receive, investigate, settle, and pay all claims against the United States for losses incurred by oyster fishermen in the State of Louisiana in connection with the damage or destruction of oyster crops in such State as a result of certain action taken by the United States in the opening of the Bonnet Carre and Morganza spillways in the State of Louisiana during 1973, including claims for reasonable expenses incurred as a result thereof, and interest on the principal amount of such claims computed at a rate of 6 per centum per annum from the date that the losses resulting in any such claim occurred.

(b) As used in this Act, the term "settle" means consider, ascertain, adjust, determine, and dispose of a claim, whether by full or partial allowance or by disallowance.

SEC. 2. (a) The President or his designee is authorized to issue such rules of procedure for the receipt, consideration, and disposition of claims filed under this Act as he deems appropriate.

(b) Claimants shall submit their claims in writing to the designated department or agency under such rules as the President or his designee may prescribe pursuant to subsection (a), within one year from the date of the enactment of this Act.

(c) The President or his designee shall determine and pay the amount of awards, if any, in the case of each claim within twelve months from the date on which the claim was submitted.

SEC. 3. With respect to claims filed and awards paid pursuant to the provisions of this Act, the President or his designee shall limit himself to the determination of—

(1) whether the losses sustained resulted from the action of the United States in opening the Bonnet Carre and Morganza spillways during 1973;

(2) the amounts to be awarded as compensation for such losses; and

(3) the persons entitled to receive such awards.

SEC. 4. (a) The payment to any person of an award pursuant to a claim filed under the provisions of this Act shall be in full settlement and discharge of all claims of such person against the United States resulting from the damage or destruction described in the first section of this Act.

(b) No claim cognizable under the provisions of this Act shall be assigned or transferred, other than to the United States, except by operation of law.

SEC. 5. The President shall, within two years after the date of the enactment of this Act, transmit to the Congress a report setting forth—

(1) each claim settled by him and paid pursuant to the provisions of this Act, with a brief statement concerning the character and equity of each such claim, the amount claimed, the amount approved and paid; and

(2) each claim submitted to him in accordance with the provisions of this Act which has not been settled by him, with supporting papers and a statement of his finding of facts and recommendations with respect to each such claim.

SEC. 6. There is authorized to be appropriated the sum of $5,000,000 for the purpose of carrying out the provisions of this Act.

Mr. GRAVEL. Mr. President, on behalf of the distinguished junior senator from Louisiana, Mr. JOHNSTON, as well as for myself, I wish to commend for the Senate's consideration S. 2201, a bill proposing payment of compensation to Louisiana oystermen for federally induced damage to their crops.

The legislation stems from circumstances which developed during flooding of the Lower Mississippi River Basin in the spring of 1973.

The water level reached a point at which it was determined necessary by the Corps of Engineers to open the Bonnet Carre Spillway and the Morganza Foodway for a period of several weeks in order to relieve pressure of dikes protecting New Orleans and to avoid what otherwise would have unquestionably been a catastrophe to the city and its residents.

While disaster was averted there, the volume of fresh water released into an area embracing more than two-thirds of the State's oyster beds diluted the salinity to the point where virtually all were seriously damaged and some almost totally destroyed.

Senator JOHNSTON introduced S 2201 in July of that year, asking that an amount of up to $5 million be authorized to compensate affected oystermen to the degree that each was able to demonstrate specific loss directly associated with the spillway discharge.

At his request, I scheduled an on-site hearing in New Orleans last September in order to get direct information on the extent and nature of the claimed loss.

Evidence produced there by marine biologists, by the Louisiana Wildlife and Fisheries Commission and from individual oyster growers substantiated in detail the reports of serious loss and indicated that in many cases it will be 1976 before beds can be restored and a new crop produced. In other cases, the crop will be significantly reduced for one or more reasons.

Visual inspection of material dredged from beds during a boat tour of one of the major damage areas further substantiated the extent of the loss.

As a consequence, I decided to cosponsor the bill and to testify in support of it during a subsequent hearing on it by the Public Works Subcommittee on Disaster Relief.

I likewise urged the Public Works Committee to report the measure favorably.

I did so in full recognition of the fact that existing law specifically exempts the United States from liability for flood damage resulting from, or by, flood waters.

In my judgment, an amendment of that rule is appropriate in this instance.

I recognize that some measure of relief is available to the proposed beneficiaries of this bill under general disaster relief legislation.

Such relief, however, would be only in the form of rehabilitation loans or similar assistance which would have to be repaid.

No one questions that the damage they sustained came about as a direct result of the decision of the Corps of Engineers to open the spillways.

I do not for a moment question the correctness of that decision, nor do the oystermen because it is obvious to all what devastation could have resulted from any other course.

What they do question, as I do, is whether they should be the ones to bear the brunt of the decision which was so essential to the protection of others.

They were not the victims of natural disaster but rather of action designed to preclude disaster.

This, in my view, places them in a special category which would not represent the sort of precedent some profess to see in the provisions of S. 2201.

That, in essence, is the issue to which the Senate must address itself today in considering this legislation.

I am persuaded that, in consideration of the special circumstances involved and in the interests of justice and equity, there is only one correct answer—the adoption of S. 2201.

I hope the Senate will take that course today.

Mr. JOHNSTON. Mr. President, I ask unanimous consent that the committee amendments be considered and adopted en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the committee amendments are considered and adopted en bloc.

Mr. JOHNSTON. Mr. President, S. 2201 is a bill to save one of the Nation's oldest and, I submit, most delightful industries, the oyster industry.

This bill would provide for the settlement of damage claims arising out of certain actions by the United States in opening certain spillways to avoid flooding populated areas, is of vital importance to many small and independent businessmen and to the viability of one of our Nation's oldest and most delightful industries. This bill directs the President or his designee to receive, investigate, settle and pay claims against the United States for losses incurred by oyster fishermen in connection with the damage or destruction of oyster crops as a result of certain actions taken by the United States.

Both the Subcommittee on Water Resources and the Disaster Relief Subcommittee of the Public Works Committee have held hearings relative to this problem, and a sizable record has been compiled. The record establishes beyond doubt that the opening of the Bonne Carre and Morganza Spillways by the Corps of Engineers unleashed tremendous volumes of fresh water into oyster-growing areas and that this fresh water intrusion either killed or severely damaged the oysters that were growing in areas located within the radius of the discharges. In consequence, the oyster industry has suffered disastrously, and the economy of Louisiana has suffered significantly as well.

Mr. President, the most interesting and enlightening set of hearings on this matter were field hearings in New Orleans, La., before the Water Resources Subcommittee. Graphic evidence was offered by a leading marine biologist, Dr. Lyle St. Amant, which showed that entire crops have been wiped out in some of Louisiana's prime oyster-producing areas, and that large zones that would otherwise have been opened to commercial oyster farming were closed for the protection of the public health due to the potential hazards of harvesting oysters from areas affected by unsanitary river waters.

The evidence showed that the normal or expected oyster mortalities for the spring part of the year, the period during which the spillways were opened, run from 7 to 10 percent. Any mortality above 25 percent is considered serious, while above 50 percent constitues heavy mortality.

Mr. President, in the spring of 1973, the Mississippi River rose to one of its highest levels in history, with water levels equal to those of the flood of 1927.

In an effort to keep large areas of heavily populated lands from being inundated and flooded, resulting in great loss of life and property, the Corps of Engineers saw fit to open the Bonne Carre and Morganza floodways, which are control structures designed to relieve the pressure, to relieve the water level in the Mississippi River.

The trouble was, Mr. President, that when these flood control structures were opened, it flooded the richest, most productive oyster seedbed area in the United States and probably the world.

The result was that fresh water polluted the necessary saline content of these productive oyster beds. There was also pollution from the Mississippi River, resulting in drastic, dramatic, and almost terminal destruction of the oyster beds.

Mr. President, against this background the figures are compelling for the need for the Senate to act swiftly in passing this measure today. As a result of the Government's action, the very productive Lake Bonne-Bay Boudreaux area had almost universal mortality of over 50 percent reaching 100 percent over wide areas. Ninety percent mortalities in American Bay, Bay Long, and upper California Bay; 100 percent mortality in Little Lake-upper Barataria Bay; and 90 to 100 percent were also shown. In addition, tests run by the Wildlife and Fisheries Commission of Louisiana established that during June, July, and August of 1973, 328 oyster leases were abandoned, and recently killed oysters were found on 219 of these tracts. Seventy percent of the leases exhibited unnatural, serious mortalities. Another 45 percent exhibited heavy mortalities. Many of these findings were in the traditionally more productive leases along the Louisiana coast.

A final shocking statistic revealed by the hearings is that 122,700 acres of oyster growing areas were adversely affected by the floodwaters, constituting 68 percent of the 180,000 acres under lease in the entire State. Of this 122,700 acres, 72 percent had in excess of 25 percent mortality, representing 49 percent of the State's total acreage.

Not only was the testimony offered at the hearings persuasive and informative, but, along with members of the Water Resources Subcommittee and committee staff, I was taken into the field on oyster boats and examined the leases from that vantage point. The giant dredges that scrape oysters from along the lake bottoms were cast down a number of times in the Lake Bonne area and in the second area and in each case the catches revealed bushels of dead oysters. We flew over several waterways as well and were able to observe the relative proximity of the point of discharge of the fresh water and the situation of the oyster leases in oyster growing areas in the various affected lakes and other bodies of water.

These severe mortalities and severe injuries were a direct result of the reduction in the salinity of the water in these areas brought on by this fresh water intrusion. And the fresh water intrusion resulted from the Government action of opening the spillways. The picture is therefore clear. A number of private businessmen have suffered tremendously at the hands of the Federal Government, and are without any remedy in law.

Mr. President, the laws of this country have a hiatus in them so far as oyster growers are concerned. I say a hiatus because if this were farmland, it would be covered by a number of different projects, a number of different Federal laws.

If it were in the floodway on dry land, these oyster growers would have been compensated at the time the structures were built. Any other kind of direct and intentional or tortious conduct of the Federal Government gives rise to a claim under the Tort Claims Act.

However, because of the simple and unusual fact that these were oyster growers with beds under water, they were without any remedy whatever under Federal law.

Mr. President, what this bill does is to allow these oyster growers to present their claims for adjudication, for payment, for settlement, to the President of the United States or his representative. It provides for a cause of action, for a right of action, in an area where none existed before.

It will allow this oyster industry to survive. It will allow the oyster fishermen to have the wherewithal to reseed the beds, to keep from losing their oyster boats, which they are in jeopardy of losing now because of lack of income.

Mr. President, this bill will correct an inequity, a hiatus, in the laws of this country. I believe that it will represent further tangible evidence of the Federal Government's concern for little people, who are injured, sometimes unavoidably, by the Government in carrying out its work. It is essential to the survival of the oyster industry and to an important part of this Nation's economy. More importantly, it is crucially important to the survival of the independent oyster farmer who has for over a century worked without any governmental assistance or support. I urge the unanimous passage of this bill.

Mr. BUCKLEY. Mr. President, I oppose passage of S. 2201 and call attention of my colleagues to the minority views of Senator BAKER and myself that appear with Senate Report 93-867. Because of some procedural difficulties, our views were not included with the report until last Thursday. But the report has since been reprinted, and it should be available by now to every Member.

While our general views on the bill are outlined in the report, I would like to amplify a couple of points.

S. 2201 provides special benefits to some oystermen in Louisiana, benefits that are unavailable to the general public. This bill would also set precedent by shattering the necessary and long-established practice that holds the Federal Government free from liability for any damages that may result from its flood control activities. This practice was written into law in 1928 when the U.S. Government first undertook flood control projects on a major scale. It has been held fast until consideration of this bill.

Specifically, this bill authorizes $5,000,000 to indemnify an uncertain number of Louisiana oyster fishermen for "losses incurred" because the Bonnet Carre and Morganza spillways were opened in April 1973. These Corps of Engineers spillways diverted Mississippi River flood waters away from New Orleans and toward the Gulf of Mexico. Shunting this fresh water into normally saline waters may have been responsible, at least in part, for the destruction of many oysters. Oysters require a measure of salinity to survive.

The Bonnet Carre spillway was authorized in 1928, with structural work completed 4 years later. Since then, it has been opened on four occasions: in 1937, 1945, 1950, and from April 8 to June 21 of last year, according to the Corps of Engineers. Control structures for the Morganza Floodway were completed in 1954. The opening on April 17, 1973, was apparently its first use as a floodway. It was closed and drained by July 31.

According to a field hearing in New Orleans, oystermen began to lease waters in the path of the spillways only after construction of the spillways. As one example, much damage occurred to the oyster crop in the Lake Borgne area east of New Orleans. Oyster leasing of consequence did not begin in Lake Borgne until about 10 years ago, decades after Bonnet Carre was completed. Previously, oystermen had leased areas farther to the sea, waters that were less susceptible to any impact from a spillway opening. But since the 1930's, the area of oyster production has moved landward by 10 to 20 miles for various reasons, many man-induced. The control and channeling of flood waters, the opening of new ship channels, and the construction of upstream dams along the Mississippi-Missouri-Ohio River system have altered the fresh water flow that previously held the salt line further toward the sea. Areas where seed oysters used to grow became too saline.

Thus, committee hearings indicate, the oystermen obtained these leases in apparent full knowledge that the spillways existed and that there was every possibility they would be opened in times of flood.

This bill also concerns me because I do not believe "the President or his designee," as required by the bill, can make a realistic assessment of whether the oyster losses that occurred "resulted from the action of the United States in opening the Bonnet Carre and Morganza spillways during 1973."

This point is clarified both by the hearing record and by Corps figures on the source of fresh water flows into oyster areas. According to testimony by Dr. Lyle St. Amant, the knowledgeable director of the Louisiana Wildlife and Fisheries Commission:

> The very productive Lake Borgne-Bay Boudreaux complex was hard hit by discharges from the Bonnet Carre Spillway, plus the Pearl River and heavy localized rainfall.

How much of the damage was the result of the Bonnet Carre spillway? How much was due to rainfall? How much is attributable to the Pearl River? Can such questions be resolved? Does this legislation say, in effect, that all losses are due to the spillway?

The problem west of the Mississippi is even more complex. Only about 10 percent of the fresh water that flowed through the Atchafalaya Floodway into oyster areas last spring entered through the Morganza Spillway, according to calculations by the Corps of Engineers. The rest was natural flow. Does that mean that 10 percent of the oyster losses resulted from the spillway opening? Or was the spillway opening the straw that broke the camel's back, "causing" all the losses? Or would just as many oysters have died if the spillway had remained closed?

Because of the extensive flooding throughout the lower Mississippi Valley last year, the President declared many areas of Louisiana as major disaster areas. This declaration covered the parishes where most of the oyster losses occurred.

The President's declaration, of course, made all citizens of those parishes eligible for the full benefits of Federal disaster relief law. Specifically, it made the oystermen eligible for unemployment insurance and disaster loans to pay costs related to damages, including repair and replacement of oyster planting machinery, reseeding the oyster beds, payments on oyster bed leases, interest on debts, taxes, insurance premiums, and family subsistence.

While approximately 1,150 oystermen work in the parishes covered by the disaster declaration, only 57 applied for disaster relief loans for their losses. Twenty-one loans, averaging $14,000, have been approved to date. Under the provisions of Public Law 93-237, these loans carry an interest cost of 1 percent, with the first $5,000 on each loan to be forgiven. If all loan applications are approved, the total of the loans will be $1,250,000 with some $250,000 to be forgiven.

I am solicitous of the plight of the oystermen. But it must be noted that they are already eligible to participate in the most liberal program of individual assistance ever provided to victims of natural disasters. This existing standard of assistance treats the Louisiana oystermen fairly, certainly as fairly as the Chesapeake Bay oystermen and others harmed by natural disasters. I believe it would be neither wise nor necessary to go beyond the generous assistance already available. And, happily, the 1973 floods did not destroy the Louisiana oyster industry. The industry appears to have maintained its sound and profitable pace. As one example, the most recent monthly figures—March—show the Louisiana oyster harvest as totaling 1,700,000 pounds of meat, the same poundage as was landed in March 1973, before the floods.

Mr. President, I ask unanimous consent that a table showing the weight and value of the Louisiana oyster catch for the past 4 years be printed at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

LOUISIANA OYSTER LANDINGS

Season	Poundage (shucked weight, pounds)	Dollar value to fishermen
1970 fall	2,729,000	$1,147,000
1971 spring	8,018,000	3,094,000
1971 fall	2,509,000	1,543,000
1972 spring	6,452,000	2,980,000
1972 fall	2,352,000	1,477,000
1973 spring	6,814,000	3,676,000
1973 fall	2,139,000	1,868,000
1974 spring	6,182,000	3,779,000

Source: National Marine Fisheries Service.

Mr. BUCKLEY. These figures were developed by the Government's National Marine Fisheries Service. The oyster catch last fall—after the full impact of the disaster was felt—totaled 2,139,000 pounds. While the catch dropped 10 percent from a year earlier, the oystermen's dollar income rose to $1,868,000 from $1,477,000.

Fluctuations in production, of course, are inherent in agriculture. A far more serious decline in Louisiana's oyster production—20 percent—occurred in the spring of 1972, compared with the spring of 1971, without any spillway openings.

While any damage to the oyster crop is regrettable, that damage apparently was relatively modest, or at least the oystermen were able to compensate for losses in one area by increasing production from other areas, including State waters not leased to individual oystermen.

It should be noted that Louisiana leases some 150,000 to 160,000 acres of oyster waters. The State charges $1 per acre per year for 15-year leases, which carry a 10-year renewal option. But the State of Louisiana also allows licensed oystermen to freely dredge oysters on an additional 200,000 to 300,000 acres of State-owned waters where oysters grow naturally.

Proponents of this legislation have also argued that dry-land farmers were compensated for the use of their lands when the spillways were built, while the oystermen were not. This is not an accurate comparison. When the Bonnet Carre spillway was constructed to the east of the Mississippi River, the Corps purchased fee title to all 7,677 acres for the spillway. The Government did not acquire a single acre of so-called flowage easement.

During the construction of the Morganza spillway, to the west of the Mississippi, the Corps followed several procedures. The Corps paid fee value—$15 to $25 an acre—for flowage easements across 71,577 acres of spillway land from the Mississippi River at Morganza to the vicinity of Krotz Springs, Louisiana, some 20 miles away.

The easements gave the corps full control of the land: it can clear it, flood it, build levees, channel it. South of Krotz Springs, the corps acquired flowage easements on 9,129 acres of the higher ground, land that was not subject to frequent flooding in the 1930's. The corps paid about 25 percent of fee value for these easements. But the corps paid nothing to the owners of some 600,000 acres of bottom land for the reason that this land was already subject to regular flooding.

Changes in the flow patterns since then have made the higher land subject to regular flooding, lessening its value.

The corps, of course, has never acquired easements for use of waters because of rights of navigation servitude. Also, the waters are State property, so that the owner—the State—would have received payment for any flowage easement, not the oystermen.

Possibly the most significant argument against this bill is its erosive effect as a precedent. When a major flood control effort by the Corps of Engineers was first approved in 1928, the Congress stated:

> No liability of any kind shall attach to or rest upon the United States for any damage from or by floods or flood waters at any place.

This language—section 3 of Public Law 70-391; 33 U.S.C. 702(c)—has been upheld consistently by the courts. It is construed to bar any action against the United States for the design, construction, operation, or maintenance of a flood control facility. This law, furthermore, was in effect when oyster beds were seeded in the path of waters that would be released through the spillways in any major flood.

The purpose of this prohibition is clear: when the Federal Government undertook to control devastating floods in the major river basins of the Nation, it was apparent that all flooding could never be stopped, despite the diligent and extensive efforts of the Corps of Engineers. Congress decided that to assure program efficiency, the Federal Government must insulate itself from the additional cost and harassment of compensating flood losses which might occur despite these efforts.

S. 2201 would seem to alter this thrust, opening the door for anyone to receive full compensation from the Federal Government for damages associated with flooding, if those damages are in any way related to the operation of a Federal project.

The question of precedent is a real one. In its views on this bill, the Department of the Army stated: "enactment would provide a very strong precedent for subsequent and continued erosion" of the corps' immunity from damage claims, and thus its effectiveness in handling flood dangers.

Insulation from damage claims is necessary if we are to have an effective flood control program. In the 1954 case of *National Manufacturing* v. *United States* (210 F.2d 270, 271) the Eighth Circuit Court of Appeals offered this observation:

> Undoubtedly the absolute freedom of the government from liability for flood damages is and has been a factor of the greatest importance in the extent to which Congress has been and is willing to make appropriations for flood control and to engage in costly undertakings to reduce flood damage.

The Fifth Circuit Court of Appeals, in the case of *Graci* v. *United States* (456 F.2d 20), made this observation:

> These cases, and what little legislative history there is, strongly support the view that the purpose of section 3 was to place a limit on the amount of money that Congress would spend in connection with flood control program. Congress undoubtedly realized that

the cost of extensive flood control projects would be great and determined that those costs should not have added to them the floodwater damages that might occur in spite of Federal flood control efforts.

The opening of the Bonnet Carre and Morganza spillways averted disastrous flooding in the populated are of New Orleans, La. Had the Mississippi floodwaters not been diverted through the spillways, the waters would have dealt a tragic blow to the people and economy of Louisiana.

Present law treats the oystermen fairly, by recognizing that they are, in fact, the victims of the natural disaster that required the opening of the spillways, and by extending to them the full benefits accorded all other victims of the same disaster.

I have not cited this background to impugn the oystermen or their supporters. I merely point it out in an effort to clarify the background of this bill. I sympathize with the oystermen, as I do with anyone who has suffered through a natural disaster.

The Mississippi Delta, fortunately, had not suffered from any major river flooding for more than two decades until last year. That may have induced a false sense of security among the oystermen.

But I do not believe that sympathy must beget legislation. The whole purpose of the Disaster Relief Act was to establish a fair and equitable national program of assistance. To sweeten the pot for one group of citizens means that we should, in fairness, sweeten it for all.

The policy enunciated in this bill would threaten the integrity of flood control law and would sour our effort to protect other communities across the land.

I oppose the proposed legislation.

The ACTING PRESIDENT pro tempore. Without objection, all remaining time on the bill has been yielded back. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed.

Mr. JOHNSTON. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. TALMADGE. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes.

USE OF THE CHARACTER "WOODSY OWL"

Mr. TALMADGE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 1585.

The ACTING PRESIDENT pro tempore laid before the Senate the amendment of the House of Representatives to the bill (S. 1585) to prevent the unauthorized manufacture and use of the character "Woodsy Owl," which was to strike out all after the enacting clause, and insert:

Section 1. As used in this Act—

(1) the term "Woodsy Owl" means the name and representation of a fanciful owl, who wears slacks (forest green when colored), a belt (brown when colored), and a Robin Hood style hat (forest green when colored) with a feather (red when colored), and who furthers the slogan, "Give a Hoot, Don't Pollute", originated by the Forest Service of the United States Department of Agriculture;

(2) the term "Smokey Bear" means the name and character "Smokey Bear" originated by the Forest Service of the United States Department of Agriculture in cooperation with the Association of State Foresters and the Advertising Council.

(3) the term "Secretary" means the Secretary of Agriculture.

Sec. 2. The following are hereby declared the property of the United States:

(1) The name and character "Smokey Bear".

(2) The name and character "Woodsy Owl" and the associated slogan, "Give a Hoot, Don't Pollute".

Sec. 3. (a) The Secretary may establish and collect use or royalty fees for the manufacture, reproduction, or use of the name or character "Woodsy Owl," and the associated slogan, "Give a Hoot, Don't Pollute", as a symbol for a public service campaign to promote wise use of the environment and programs which foster maintenance and improvement of environental quality.

(b) The Secretary shall deposit into a special account all fees collected pursuant to this Act. Such fees are hereby made available for obligation and expenditure for the purpose of furthering the "Woodsy Owl" campaign.

Sec. 4. (a) Whoever, except as provided by rules and regulations issued by the Secretary, manufactures, uses, or reproduces the character "Smokey Bear" or the name "Smokey Bear", or a facsimile or simulation of such character or name in such a manner as suggests "Smokey Bear" may be enjoined from such manufacture, use, or reproduction at the suit of the Attorney General upon complaint by the Secretary.

(b) Whoever, except as provided by rules and regulations issued by the Secretary, manufactures, uses, or reproduces the character "Woodsy Owl", the name "Woodsy Owl", or the slogan "Give a Hoot, Don't Pollute", or a facsimile or simulation of such character, name, or slogan in such a manner as suggests "Woodsy Owl" may be enjoined from such manufacture, use, or reproduction at the suit of the Attorney General upon complaint by the Secretary.

Sec. 5. Section 711 of title 18 of the United States Code is amended—

(1) by inserting "and for profit" immediately after "knowingly", and

(2) by deleting "as a trade name or in such manner as suggests the character 'Smokey Bear' ".

Sec. 6. Chapter 33 of title 18 of the United States Code is amended by adding after section 711 a new section, as follows:

"§ 711a. 'Woodsy Owl' character, name, or slogan

"Whoever, except as authorized under rule and regulations issued by the Secretary, knowingly and for profit manufactures, reproduces, or uses the character 'Woodsy Owl', the name 'Woodsy Owl', or the associated slogan, 'Give a Hoot, Don't Pollute' shall be fined not more than $250 or imprisoned not more than six months, or both".

Sec. 7. Section 3 of the Act entitled "An Act prohibiting the manufacture or use of the character 'Smokey Bear' by unauthorized persons" (31 U.S.C. 488a) is amended by striking out "under the provisions of section 711 of title 18".

Sec. 8. The table of sections of chapter 33 of title 18, United States Code, is amended by inserting immediately after the item relating to section 711 the following:

"711a. 'Woodsy Owl' character, name, or slogan.".

Mr. TALMADGE. Mr. President, I move that the Senate concur in the House amendments.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Georgia.

The motion was agreed to.

QUORUM CALL

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Hughes) laid before the Senate the following letters, which were referred as indicated:

Approval of Loan to Florida Keys Electric Cooperative Association, Inc., Tavernier, Fla.

A letter from the Acting Administrator, Rural Electrification Administration, United States Department of Agriculture, transmitting, pursuant to Senate Report No. 497 information requested on approval of loan to Florida Keys Electric Cooperative Association, Inc., of Tavernier, Fla. (with an accompanying paper). Referred to the Committee on Appropriations.

Proceedings of National Workshop on Sanctuaries

A letter from the Secretary of Commerce, transmitting the proceedings of a National Workshop on Sanctuaries (with an accompanying document). Referred to the Committee on Commerce.

Proposed Legislation by Federal Power Commission

A letter from the Federal Power Commission, transmitting a draft of proposed legislation to amend the Federal Power Act and the Natural Gas Act (with an accompanying paper). Referred to the Committee on Commerce.

Proposed Legislation by Department of Transportation

A letter from the Acting Secretary, Department of Transportation, transmitting a draft of proposed legislation to amend title 14, United States Code to provide a subsistence allowance for members of the Coast Guard officer candidate program (with an accompanying paper). Referred to the Committee on Commerce.

Proposed Legislation by Department of Treasury

A letter from the Secretary of the Treasury, transmitting a draft of proposed legislation to amend the Internal Revenue Code of 1954 with respect to the collection of income tax at source on amounts awarded in

State-conducted lotteries (with an accompanying paper). Referred to the Committee on Finance.

Proposed Legislation by Department of State

A letter from the Department of State, transmitting a draft of proposed legislation to complement the Vienna Convention on Diplomatic Relations (with accompanying papers). Referred to the Committee on Foreign Relations.

Report of Proceedings of Meeting of Judicial Conference

A letter from the Chief Justice, transmitting, pursuant to law, a report of the proceedings of the meeting of the Judicial Conference of the United States held in Washington, D.C., on March 7 and 8, 1974 (with an accompanying report). Referred to the Committee on the Judiciary.

Report on Budget Execution, Consumer Product Safety Commission

A letter from the Acting Director, Division of Budget and Finance, Consumer Product Safety Commission, transmitting, pursuant to law, a report on budget execution, for the month of February 1974 (with an accompanying report). Referred to the Committee on Labor and Public Welfare.

Work Plans for Upstream Watershed Protection

A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, three work plans for upstream watershed protection (with accompanying papers). Referred to the Committee on Public Works.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HART, from the Committee on Commerce, with an amendment:

H.R. 8977. An act to establish in the State of Florida the Egmont Key National Wildlife Refuge (Rept. No. 93–939).

By Mr. SPARKMAN, from the Committee on Banking, Housing and Urban Affairs, without amendment:

H.R. 13839. An act to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended.

By Mr. ROBERT C. BYRD, from the Committee on the Judiciary, without amendment:

H.R. 1376. An act for the relief of J. B. Riddle (Rept. No. 93–940).

By Mr. WILLIAMS, from the Committee on Labor and Public Welfare, reported adversely, and without amendment:

S. 1566. A bill to provide for the normal flow of ocean commerce between Hawaii, Guam, American Samoa, or the Trust Territory of the Pacific Islands and the west coast, and to prevent certain interruptions thereof (Rept. No. 93–941).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

James D. Hodgson, of California, to be Ambassador Extraordinary and Plenipotentiary to Japan; and

David E. Mark, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary to the Republic of Burundi.

(The above nominations were reported with the recommendation that the nominations be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. CLARK:

S. 3661. A bill to amend the Act to incorporate Little League Baseball to provide that the league shall be open to girls as well as to boys. Referred to the Committee on the Judiciary.

By Mr. STEVENS:

S. 3662. A bill to prevent loss of medicaid eligibility (by reason of the recent increase in social security benefits) of certain individuals who, immediately before such increase, were eligible (as recipients of mandatory State supplementary payments) for medicaid. Referred to the Committee on Finance.

By Mr. BEALL (for himself and Mr. MATHIAS):

S. 3663. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for certain income of condominium housing associations, homeowner associations, and cooperative housing corporations. Referred to the Committee on Finance.

By Mr. NELSON (for himself, Mr. TUNNEY, and Mr. SCHWEIKER):

S. 3664. A bill to amend the Motor Vehicle Information and Cost Savings Act. Referred to the Committee on Commerce.

By Mr. GRAVEL:

S. 3665. A bill to amend section 5001 of title 38, United States Code, in order to require Veterans' Administration hospitals to be located throughout the United States in a manner to better serve the convenience of all veterans in all the States. Referred to the Committee on Veterans' Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CLARK:

S. 3661. A bill to amend the act to incorporate Little League Baseball to provide that the league shall be open to girls as well as to boys. Referred to the Committee on the Judiciary.

THE LITTLE LEAGUE'S DECISION

Mr. CLARK. Mr. President, for more than 2 years now, little girls in this country have been trying—in the courts—to win the right to play Little League baseball. And until last week, Little League Baseball, Inc., struggled mightily to keep girls off its teams.

Little League, which operates 9,100 leagues for 2.5 million youngstesr in 31 nations, has been an all-male institution since its founding in 1939. On June 12, however, Little League officials reversed that policy and announced that "because of the changing social climate" they were ordering all franchises to give girls between the ages of 8 and 12 an equal chance to make the team and play baseball.

The appellate division of the Superior Court in New Jersey 2 months ago upheld a ruling by the State Division of Civil Rights which said there was no significant physical or psychological basis for preventing girls of this age from playing organized baseball with boys of the same age—thus undercutting the main argument of the opposition to girls' participation.

The Little League board has asked that appropriate legislation be introduced in the Congress to amend the Federal charter under which Little League has operated since 1964. That charter says that the purpose of Little League is "to promote, develop, supervise and voluntarily assist in all lawful ways the interest of boys." As a result, I have introduced legislation to place girls on an equal footing with boys under the Little League's Federal charter. This bill, a companion measure to H.R. 8864 introduced last year by Representative MARTHA GRIFFITHS of Michigan, would change the wording of the charter to substitute "boys and girls" wherever the word "boys" appears, and it replaces the expression "citizenship, sportsmanship and manhood" with "citizenship and sportsmanship."

I hope that this legislation receives swift approval from the Congress, so that there will no longer be any legal question about whether girls can play Little League baseball. This legislation, of course, would not guarantee that any girl who tried out for a Little League team would get a spot. It would simply give girls an equal opportunity. Commonsense should dictate that ability—not sex—is the best criterion for competitive athletic eligibility. Besides, interviews with youngsters on Little League teams throughout the country generally indicate that the boys could care less about having girls on their teams. The usual sentiment is "If she's good, let her play."

Mr. President, if Little League baseball is as American as apple pie—as has been often said—there is no reason why that part of America should be witheld from little girls.

By Mr. STEVENS:

S. 3662. A bill to prevent loss of medicaid eligibility—by reason of the recent increase in social security benefits—of certain individuals who, immediately before such increase, were eligible—as recipients of mandatory State supplementary payments—for medicaid. Referred to the Committee on Finance.

MEDICAID ELIGIBILITY AMENDMENT

Mr. STEVENS. Mr. President, the bill which I am introducing today would correct what I believe to be a defect in the most recent social security benefit increase enacted by the Congress, Public Law 93–233.

This bill as passed did not protect the medicaid eligibility of those persons who became ineligible for cash assistance due to the increase in social security benefits.

The two prior social security increases, Public Law 92–603 and Public Law 93–66 both contained a provision mandating continuation of medicaid eligibility for those persons previously eligible before the increase became effective. I believe these two laws give a clear indication of congressional intent in this area. My bill would simply apply this established policy to the latest social security increase.

Mr. President, I ask that the text of my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3662

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) in addition to other requirements imposed by law as conditions for the approval of any States plan under title XIX of the Social Security Act, there is hereby imposed (effective March 1, 1974) the requirement (and each such State plan shall be deemed to require) that, for any month after February 1974, medical assistance under such plan shall be provided to any individual—

(1) with respect to whom there (A) was payable for February 1974 a supplementary payment pursuant to an agreement entered into between the State and the Secretary of Health, Education, and Welfare under section 212(a) of Public Law 93-66, and (B) would be payable with respect to such individual such a supplementary payment, if the amount of the supplementary payments payable pursuant to such agreement were established without regard to paragraph (3) (A) (ii) of such section 212(a),

(2) with respect to whom for such month (after February 1974) there (A) is not payable to such individual a supplementary payment which meets the criteria set forth in clauses (A) and (B) of paragraph (1), and (B) there would be payable to such individual such a supplementary benefit except for the general increase in social security benefits brought about by reason of the enactment of section 201 of Public Law 93-66 and section 1 of Public Law 93-233, and

(3) in like manner, and subject to the same terms and conditions, as medical assistance is provided under such plan to individuals with respect to whom benefits are payable for such month under the supplementary security income program established by title XVI of the Social Security Act.

(b) Federal matching under title XIX of the Social Security Act shall be available for the medical assistance furnished to individuals who are eligible for such assistance under subsection (a).

By Mr. BEALL (for himself and Mr. MATHIAS):

S. 3663. A bill to amend the Internal Revenue Code of 1954 to provide an exemption from income taxation for certain income of condominium housing associations, homeowner associations, and cooperative housing corporations. Referred to the Committee on Finance.

Mr. BEALL. Mr. President, I am today introducing legislation designed to exempt from income taxation the membership contributions in reserve funds accumulated by condominium housing associations, homeowner associations, and cooperative housing corporations in order to defray future high-cost maintenance and repair bills. This measure is cosponsored by my colleague from Maryland, Senator MATHIAS.

This legislation, if enacted by the Congress, would overcome recent Internal Revenue Service rulings which held that condominiums and housing associations are in fact corporations under the law, and thus can be taxed at corporate levels. The practical effect of these rulings, if allowed to stand by the Congress, would be to severely hamper the development of such housing concepts by placing heavy tax penalties on the accumulation of reserve funds, and thus require associations to make heavy assessments on homeowners whenever extensive repairs must be made.

Mr. President, condominium and cooperative homeownership has become a most attractive—and often the only—way for many Americans to own a home. In urban areas, and other areas of dense population, such as resorts, condominiums, and cooperatives offer an efficient method of housing large numbers of people in a relatively small area.

A recent survey of 25 metropolitan areas revealed that half of all new housing units in these areas in 1973 were condominium units. At a time when this Nation is facing severe housing problems, particularly for low- and moderate-income persons, it seems to me highly unwise to lay tax barriers before the development of this promising concept.

In this period of spiraling inflation, especially in the housing market, single-family homes are simply out of the reach of many Americans. In the Washington suburbs, an average home now sells at about $42,000, and this figure climbs almost monthly. Obviously, for young families, for retirees, for moderate-income people, such prices are completely out of reach. The condominium and cooperative concepts offer them the chance to be a homeowner. Congress has throughout our tax laws recognized the social good of homeownership, and has encouraged its development by allowing deductions for such things as mortgage interest and property tax payments. To permit these latest IRS decisions to stand would fly in the face of our effort to assist Americans in owning their home.

Let us look at what a condominium really is. A condominium is simply a plan of ownership which permits individuals to own directly a porton of the building in which they live, as well as part of the land underneath it. It provides for the separate ownership by each owner of a unit or apartment in the building and for the common ownership of the underlying land and public or commonly used improvements.

Owners typically are responsible for the maintenance of the interior of their units. But to meet the maintenance needs of commonly held areas, they form associations to handle these chores. Usually, this ownership management association takes the form of a corporation, in order to protect owners from unlimited liability.

Homeowner associations, usually found in planned unit developments, and cooperatives also make use of this vehicle to accomplish needed maintenance.

Unit owners then pay, usually in monthly installments, a sum to the management organization or the association to meet these maintenance costs. The bulk of the monthly assessment will be used for utilities, current maintenance and repairs, and capital replacement and repairs. However, a smaller portion of this fee will be set aside in a reserve for future capital replacement and repairs, such as for major repairs to roofs, sidewalks, heating and air-conditioning equipment, and recreational facilities. Of particular note is that most lenders and private mortgage insurers require reserves. The same is true of secondary purchasers of mortgages such as the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

It is these reserve funds which will bear the burden of this capricious and unfair IRS decision. The amount of this tax involved could well be as high as 48 percent at the Federal level, in addition to any State corporation tax.

There are about 19,000 "community service associations," which include condominiums, home associations in planned unit developments and townhouse communities, in the country today, a number I might add that is growing at a rate of about 4,000 associations per year. To allow these rulings to stand would be to force each and every owner to pay the high tax assessments on this reserve fund, an amount which is often in the tens of thousands of dollars.

And is it fair? I do not believe so. To prove my point, take this example:

If citizen A and citizen B decide to establish a joint bank account to pay for future repairs to their driveway, they will not be penalized for their thrift by having those deposited funds taxed.

Yet, when a condominium homeowner, or cooperative housing association pools its resources, essentially for the same reason, it is taxed at corporate levels.

Additionally, such a tax is, in my judgment, double taxation on these residents. The owner has already paid income taxes on the money deposited with the association for maintenance, but he must in effect pay another higher tax when that money goes into the reserve.

So what we have, in fact, is a situation whereby Government and private lenders are requiring the maintenance of a reserve as a good, sound financial procedure, but another Government agency—the IRS—has decided, in effect, to preclude the development of such a viable fund by taxing it to death.

Some of my colleagues are probably asking themselves, "How did these associations get into this position?"

On January 15, 1974, the Internal Revenue Service, in Revenue Ruling 74-17, ruled that organizations—

> Formed by the unit owners of a condominium housing project to provide for the management, maintenance, and care of the common areas of the project, as defined by State statute, with membership assessments paid by the unit owners does not qualify for exemption under section 501(c)(4) of the code.

This decision reversed the traditional IRS interpretation which stated that organizations which are operated primarily for the purpose of bringing about civic betterment and social improvement, such as condominiums, were tax exempt.

On March 6, 1974, much of the substance of Revenue Ruling 74-17 was applied to homeowners' associations although not in such an all-inclusive order as was the case with condominiums. In Revenue Ruling 74-99, a homeowners' association may qualify for exemption under section 501(c)(4) of the code, if, first, it serves a "community" which bears a reasonable recognizable relationship to an area ordinarily identified as governmental; second, does not conduct activities directed to the exterior maintenance of private residences; and third, offers the common areas or facilities it owns for the use of the general public.

Thus, although some homeowners' associations will still be tax exempt, most will no longer receive the exemption they also have previously enjoyed.

Cooperatives also face these same heavy tax burdens when they accumulate excess assessments. In *Park Place, Inc.* v. *Commissioner of Internal Revenue* (57 T.C. 767 (1972)) the Court found that excess assessments from members, over-and above those amounts used for current operating expenses, were taxable. Thus, this ruling also prohibits cooperatives from accumulating reserves necessary for the accomplishment of long-term or costly maintenance tasks.

Mr. President, the individual homeowner does not have to pay a tax on the money he saves and expends for maintenance. But because of these rulings, the condominium, cooperative, and planned unit development homeowner does. In effect, the Internal Revenue Service has made the performance of these services much more costly to these homeowners than to other homeowners. The discrimination could not be clearer.

Mr. President, my bill seeks to end that discrimination. It would exempt from corporate taxes the income derived by condominimum homeowners and cooperative housing associations from owner assessments for the purpose of maintaining, repairing, and replacing common property items. The measure requires that such corporation be operated exclusively for the preservation, maintenance, management, operation, and repair of the common buildings, grounds, and facilities of the association, and does not allow such associations to engage in any profitmaking ventures not connected with the performance of services for the benefit of individual members of the association.

Additionally, membership in these associations, for the purposes of the bill, would be limited to the owners or occupants of residential units in the condominium, housing development, or cooperative housing corporation. Thus, by inclusion of this standard, we are precluding the use of this exemption by commercial operations who might seek such favorable tax treatment.

Finally, to make absolutely certain that this new section will not be subject to abuse, my proposal includes a special rule applicable to such organizations as I have described which makes it unmistakeably clear that only membership income—that income derived from assessments, fees or charges received from members of the association for maintenance and management of the development—is exempt, and that other income, from whatever source, including interest, is still subject to taxation.

In short, all this legislation does is exempt from tax those reserve funds accumulated by housing associations through membership assessments for the purpose of maintaining the common buildings, grounds, and facilities of condominium, cooperative or homeowner associations.

Mr. President, condominiums, cooperatives, and homeowner associations are not organized for profit. They are organized for the mutual benefit of the association members, and for the community at large. A well-run, properly maintained condominium development improves the area in which it is located, as well as providing possibly the only opportunity for potentially millions of Americans to own a home.

My bill merely seeks to return things to the way they were prior to the time these two capricious and discriminatory tax rulings were made earlier this year.

I do not believe Congress wants to place disincentives before potential homeowners, and thus I urge the Senate to rectify this situation by acting favorably on this legislation.

Mr. President, I ask unanimous consent that the text of this legislation be included in the RECORD at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3663

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that section 501(c) of the Internal Revenue Code of 1954 (relating to list of exempt organizations) is amended by adding at the end thereof the following new paragraphs:

"(20) Corporations or organizations, such as condominium associations, homeowner associations or cooperative housing corporations (as defined in section 216(b)(1)), not organized for profit, the membership of which is limited to the owners or occupants of residential units in the condominium, housing development or cooperative housing corporation, and operated exclusively for the management, operation, preservation, maintenance or landscaping of the common areas and facilities owned by such corporation or organization or its members situated contiguous to such houses, apartments or other dwellings, or for the management, operation, preservation, maintenance and repair of such houses, apartments, or other dwellings owned by the corporation or organization or its members, but only if no part of the net earnings of such corporation or organization inures (other than through the performance of related services for the members of such corporation or organization) to the benefit of any member of such corporation or organization or other person."

SEC. 2. Section 512(a) of the Code is amended to add after paragraph (4) the following:

(5) SPECIAL RULE APPLICABLE TO ORGANIZATIONS DESCRIBED IN SECTION 501(c)(20).—

(A) GENERAL RULE.—In the case of an organization described in section 501(c)(20), the term "unrelated business taxable income" means the gross income (excluding any membership income), less the deductions allowed by this chapter which are directly connected with the production of the gross income (excluding any membership income), both computed without regard to the modification provided in paragraph (1) of subsection (b).

(B) MEMBERSHIP INCOME.—For purposes of subparagraph (A), the term "membership income" means the gross income from assessments, fees, charges or similar amounts received from members of the organization for expenditure in the preservation, maintenance and management of the common areas and facilities of or the residential units in the condominium or housing development.

SEC. 3. The amendment made by this section applies to taxable years beginning after December 31, 1973.

TAX RELIEF FOR CONDOMINIUM OWNERS

Mr. MATHIAS. Mr. President, I am pleased to join with Senator BEALL today in introducing a bill to provide needed relief to condominium owners from the burden of double taxation. This bill, which we are also introducing as an amendment to the pending bill on the public debt limit, will help to insure that our income tax code keeps pace with the reality of modern condominiums.

Each of us in this Chamber know that condominiums are a relatively recent phenomenon, but that the number of condominium owners is growing very rapidly, for a wide variety of reasons. It is not surprising, therefore, that the tax code should be in need for clarification in its application to condominiums.

Condominium living permits individual owners to share common services, such as trash collection, landscaping, outside lighting, water, and maintenance which the homeowner would normally provide for himself.

To pay for these essential services, condominium associations maintain a fund by assessing the individual owners a monthly fee. Prudent money management requires that these assessments slightly exceed current expenses to provide for emergency expenditures and to eliminate the inconvenience of collecting money on short notice. Money that is not spent during the month is maintained as a "reserve fund." This reserve fund is now taxed as though it were a corporate profit. Yet this fund does not have the characteristics of a corporate profit. It is derived from the members of the condominium association, not from unaffiliated customers. It is used solely to pay for services and is not returned to the owners of the condominium. For these reasons. I believe that a surplus maintained in these reserve funds should not be subject to the high rate of taxation applied to corporate profits.

Further, it should be pointed out that the portions of the individual owner's incomes that go to pay for common services have previously been subject to personal income taxation. Homeowners are not required to pay a corporate tax on expenditures for many comparable services, neither should owners of condominiums.

This bill is designed to exempt the "reserve fund" from taxation. It provides safeguards to prevent possible abuses by limiting membership in condominium associations to owners of housing units and by preventing members from receiving dividends or other monetary distribution.

I would like to emphasize that this bill will serve to establish guidelines for public administrators and private citizens in an area of growing concern and deserves our prompt attention. It is our responsibility to insure that our laws fit modern realities. We should not pass that back to the executive branch, and force officials in the Internal Revenue Service or elsewhere to try to adapt old laws to new situations without needed guidelines from the Congress. For this reason, I am hopeful that the Congress will be able to act quickly on this legislation which Senator BEALL and I are introducing.

By Mr. NELSON (for himself, Mr. TUNNEY, and Mr. SCHWEIKER):

S. 3664. A bill to amend the Motor Vehicle Information and Cost Savings Act. Referred to the Committee on Commerce.

THE NATIONAL FUEL ECONOMY TESTING ACT OF 1974

Mr. NELSON. Mr. President, the National Fuel Economy Testing Act of 1974 formally gives the Administrator of the U.S. Environmental Protection Agency statutory authority and enforcement power to test the fuel economies of new cars and trucks and to publish the resulting data. Publications would take the form of pamphlets and reports as well as mandatory labeling that would be affixed to all new motor vehicles.

The need for this legislation is unquestionable in view of the energy crisis and the resulting continuous rise in the cost of gasoline.

The automobile is an important and often necessary part of most Americans' lives. Eight out of every 10 Americans own at least 1 automobile and 5 of those 10 own 2 or more. According to a booklet issued by the Department of Transportation, titled "Cost of Operating an Automobile," an average American, operating a standard sized car during an average 10-year lifetime will expend the staggering figure of $15,892.36. This comes to 15.89 cents a mile. Fuel and oil excluding taxes takes up about 3.2 cents of that figure or approximately one-fifth the cost of operating an automobile. Total daily consumption of gasoline in the United States comes to approximately 281,360,000 gallons.

Mandatory labeling containing fuel economy data would make available to the American consumer information which would greatly expedite decisions as to which automobile best fits his or her pocketbook and needs. The EPA has published fuel economy information it has gathered from its own testing. The public demand for this information has exceeded expectations and the supply copies of 1974 model year car fuel economies published in the Federal Register have been exhausted.

The EPA also developed a voluntary labeling program under which labels containing either just the general average fuel economies for cars by weight class or the specific fuel economy measured for the vehicle on which the label is attached. No manufacturer opted for this latter vehicle specific label, but 95 percent of the manufacturers of all vehicles sold in the United States agreed to affix labels containing the general-average fuel economies on new cars beginning in the fall of 1973.

The major problem encountered under this program was that many dealers were removing the labels. The EPA has been unable to do anything to remedy this situation other than to publicly condemn the removal of the labels.

The National Fuel Economy Testing Act would mandate vehicle specific labelling and give the EPA effective power to enforce the program.

The President assigned the EPA responsibility for developing and implementing a program to inform the public as to the fuel economy characteristics of automobiles in April 1973. EPA promptly acted on the President's announcement and published fuel economy data of 1973 model year cars it had gathered in conjunction with its auto emission testing program. The fact that the EPA can do both types of testing using almost the same procedure is one of the advantages of having the EPA perform the tests.

Measurement of fuel economies is a matter of quantifying the amounts of carbon emission in the exhaust and correlating them with the number of gallons of gasoline used per mile. This is possible, because carbon is a direct product of gasoline and therefore related to the amount of gasoline burned by a particular engine type. This procedure is performed using the same equipment as the auto emission testing involving only another 10 minutes of time and there is almost no additional cost to the American taxpayer.

The ease and simplicity of the EPA's testing procedure is relevant also to the question raised by the auto manufacturers that fuel economy testing would be better performed by another agency or through self-certification. Such a position ignores the practicalities involved as well as the established expertise of EPA-sponsored testing. The EPA has gained, largely through trial by fire, credibility as an independent consumer-oriented agency. If another agency were to be given the responsibility of fuel economy testing, new personnel would have to be hired and trained, and more equipment would have to be purchased which would simply be a duplicate of the program that the EPA already has developed and implemented. To assign the testing program to anyone else would be a waste of taxpayer money that in these times of tight money and inflation is beyond rationalization.

This is not to say that the auto manufacturers on their own could not gather additional data. That is up to them. However, in order to insure that consistent and accurate fuel economy data will be available, a specific agency should be given the authority to conduct the testing and I believe that the EPA is the agency most capable of discharging this responsibility and, therefore, the best and most practical choice.

The EPA uses a dynamometer in its testing procedure. Some questions have been raised as to whether this is the best method of fuel economy testing. One criticism is that the dynamometer is not as precise or accurate as the road testing procedure used by many auto manufacturers. Opinion is somewhat divided on this issue, but in dealing with the specific issues raised by the auto manufacturers, the dynamometer at least equals or even surpasses the performance of road testing.

For example, the EPA was criticized for not factoring into its 1974 model year data, the specific aerodynamics of the different vehicles. This is true but only because it was relatively unnecessary for the type of testing EPA was doing at that time. In its 1974 testing, EPA's test driving cycle represented only city/suburban driving which accounts for some 55 percent of the vehicle miles driven in the United States. Under such driving conditions, aerodynamics plays only an insignificant role. In its 1975 model year testing, the EPA, working with the Society of Automotive Engineers—SAE—developed and has incorporated a highway driving mode with the city/suburban test cycle and is now, therefore, including aerodynamics of the various motor vehicles as the data is supplied by the auto manufacturers themselves.

The primary purpose of the EPA fuel economy labeling program is to provide standardized and credible data on the relative fuel economies of cars that are available for purchase. Thus, if a factor is missing, it will be missing throughout and will not affect the relativity of the fuel economy ratios. To quote a statement by Ernest Storkman, vice president of General Motors, in replying to a question by Senator TUNNEY concerning the relative accuracy of the different testing procedures during the Senate Commerce Committee hearings on the issue:

> In the main, and I must be fair, in the main we get nearly the same results. . . .

A closely related problem that has been raised is the relative precision of the different testing procedures. It is claimed by the auto manufacturers that the road test is the more precise. From a standpoint of both practicality and accuracy, the dynamometer is actually more precise. Unlike the road test, the dynamometer is able to factor out driver variabilities which often represent the greatest obstacles to consistent and accurate fuel economy testing. The fact that auto manufacturers most often use road testing may in fact account for the differences between their data and that of the EPA. Furthermore, by using the dynamometer, the EPA is not dependent on favorable weather conditions and can conduct the tests with greater speed and efficiency. If the EPA used the road test, much time and money would be wasted waiting around for good weather.

Another issue that has been raised concerning the EPA testing procedure is that only one model type of car was being used and that it represented the worst possible combinations of features of that model.

With reference to the first criticism, while the EPA in the past did use only one vehicle, in its future testing it will use three vehicles as is recommended by the Automotive Environmental Systems, Inc.

As for the second aspect of the criticism, during the Senate Commerce Committee hearing of May 17, 1974, Eric Stork, Director of EPA's Mobile Source Pollution Control Division, testified that it was not true that the EPA used only the worst model types. The EPA procedure tests two types of vehicles which they term "A-selection" and "B-selection." The A-selections represent 70 percent of the model mix that the manufacturer intends to sell for that engine system combination. Usually this is satisfied with two test cars. The B-selections are based on a consideration of all the combinations or equipment that the manufacturer plans to put on these cars. The vehicles which from a standpoint of emissions control are likely to be the worst performers are identified and then some of them are selected for testing. For the 1975 model year testing, the EPA is publishing the fuel economy data on an averaged basis and the B-selections will be in that average but only in relationship to the number of units sold. To reemphasize, the dynamometer provides a form of measurement that is more repeatable and more free from the variabilities that come into road track testing.

The need for consistency and precision is illustrated by the situation exposed by a consumer in a letter submitted into testimony during the Senate Commerce Committee hearing on fuel economy testing. The letter included two different advertisements published in the January and February issues of a national magazine of the 2-liter Porsche 914. In January the Porsche's mile-per-gallon ratio was 23; in February it miraculously jumped to 29. I find it difficult to rationalize this except as strong argument for passing the Fuel Economy Testing Act.

One final area with which auto manufacturers have expressed some concern is that they feel that the vehicles being used by the EPA in its testing which are preproduction models are not the same as those that will be sold in the national market. If this is true, perhaps the Justice Department should be informed. Auto manufacturers are required by law to provide the EPA with prototype vehicles. These vehicles, in fact, are often, if anything, built with more care than those that are sold in the general market.

In summary, if the fuel economy testing program were transferred out of the EPA, the public would be denied a constant credible source of this significant fuel economy information. To permit occurrences as the Porsche advertisement to be the sole source of fuel economy data will only exaggerate the public's confusion and disconcertion with the national energy shortage and particularly with fuel economy. EPA has been and would continue to be able to present standardized, uniform, and credible data.

Mr. President, I ask unanimous consent that the text of the Fuel Economy Testing Act of 1974 be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3664

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "National Fuel Economy Testing Act of 1974".

Sec. 2. Section 201 of the Motor Vehicle Information and Cost Savings Act (15 U.S.C. 1941) is amended by adding at the end thereof the following new subsection:

"(f) Fuel Economy Information.—Concurrently with such study and compilation of information by the Secretary, and on an annual basis, the Administrator of the Environmental Protection Agency shall determine and publish for the benefit of consumers information with respect to the fuel economy of passenger motor vehicles. As used in this subsection, "fuel economy" refers to the average distance traveled by a vehicle per unit of fuel consumed, as determined in accordance with test procedures established by such Administrator in cooperation with the Director of the National Bureau of Standards.".

ADDITIONAL COSPONSORS OF BILLS

S. 2784

At the request of Mr. Robert C. Byrd, on behalf of Mr. Hartke, the Senator from South Dakota (Mr. McGovern), the Senator from New Jersey (Mr. Williams), the Senator from Maryland, (Mr. Mathias), the Senator from Hawaii (Mr. Inouye), the Senator from Ohio (Mr. Taft), the Senator from New York (Mr. Buckley), and the Senator from Georgia (Mr. Nunn) were added as cosponsors of S. 2784, to amend title 38, United States Code, to increase the vocational rehabilitation subsistence allowance, educational assistance allowances, and the special training allowances paid to eligible veterans and persons under chapters 31, 34, and 35 of such title; to improve and expand the special programs for educationally disadvantaged veterans and servicemen under chapter 34 of such title; to improve and expand the veteran-student services program; to establish a veterans' education loan program for veterans eligible for benefits under chaper 34 of such title; to promote the employment of veterans and the wives and widows of certain veterans by improving and expanding the provisions governing the operation of the Veterans Employment Service and providing for an action plan for the employment of disabled and Vietnam era veterans; to make improvements in the educational assistance program; to recodify and expand veterans' reemployment rights; to make improvements in the administration of educational benefits; and for other purposes.

S. 2923

At the request of Mr. Inouye, the Senator from South Carolina (Mr. Thurmond) was added as a cosponsor of S. 2923, to provide certain special educational services to handicapped dependents of members serving on active duty.

S. 3305

At the request of Mr. Clark, the Senator from Delaware (Mr. Biden) was added as a cosponsor of S. 3305, to amend the Public Health Service Act to provide assistance for programs for the diagnosis, prevention, and treatment of, and research in Huntington's disease.

S. 3582

At the request of Mr. Ribicoff, the Senator from Iowa (Mr. Clark) was added as a cosponsor to S. 3582, to extend eligibility for food stamps for supplementary security income recipients.

S. 3625

At the request of Mr. Domenici, the Senator from Wyoming (Mr. Hansen), the Senator from South Dakota (Mr. McGovern), and the Senator from Montana (Mr. Metcalf) were added as cosponsors of S. 3625, to provide for the recycling of used oil, and for other purposes.

S. 3637

At the request of Mr. Hugh Scott, the Senator from Georgia (Mr. Nunn) was added as a cosponsor of S. 3637, to amend the Communications Act of 1934 to provide that licenses for the operation of broadcasting stations may be issued and renewed for terms of 5 years, and for other purposes.

S. 3638

At the request of Mr. Hugh Scott, the Senator from Montana (Mr. Metcalf) was added as a cosponsor of S. 3638, to amend the act to incorporate Little League Baseball to provide that the league shall be open to girls as well as to boys.

S. 3649

At the request of Mr. Pell, the Senator from Connecticut (Mr. Ribicoff) was added as a cosponsor of S. 3649, the Social Security Recipients Fairness Act of 1974.

SENATE RESOLUTION 342—SUBMISSION OF A RESOLUTION TO EXPRESS THE SENSE OF THE SENATE WITH RESPECT TO CERTAIN FISHING OPERATIONS OF NATIONS OF FOREIGN COUNTRIES

(Referred to the Committee on Commerce.)

Mr. GRAVEL. Mr. President, today I submit a resolution demanding action on the part of the Executive to implement the economic sanctions of the Fishermen's Protective Act (16 U.S.C. 1978).

The reports from Alaska on the salmon situation are very dismal. High seas commercial fishing in the Western Aleutians by the Japanese has so depleted this resource as to foreclose all commercial and subsistence fishing in western Alaska. The forecasted run for sockeye salmon in 1974 will be only half that necessary for brood stock to insure maintenance of this resource.

The harvesting statistics for the past 3 years are equally stunning. There has been a major downward trend in the commercial salmon harvests since 1970. For 1974, the projection of 15.6 million salmon is the lowest harvest to occur in this country. In this 3-year period, the largest industry in my State faces total destruction. Alaska, with an unemployment rate of 13.5 percent in January, the highest unemployment rate in this country, is now threatened with disbandment of its major industrial employer.

The promise of preserving fisheries has been bantered about in the political arena, but there is still no relief in sight for the affected fisherman. The Executive, charged with enforcement of our laws, has neglected its duty to the people. Alaskans have had enough rhetoric; Alaskans can no longer tolerate administration acquiescence in this rape of the sea in the name of higher goals; Alaskans demand action.

The blatant hypocrisy of the administration on this issue is well documented. The Director of the National Marine Fisheries Service runs about the country criticizing the Japanese for their failure to respond to critical conservation problems. These criticisms are not ill-founded; yet, this chief enforcement officer is strangely silent in urging action on the part of his boss, the Secretary of Commerce, to initiate appropriate relief available under the Fishermen's Protective Act. The response given for nonenforcement evades the issue, "It is unrealistic to impose these economic sanctions for scattered, minor violations." At this juncture in Alaskan fisheries, it is not a question of scattered, minor violations.

Furthermore, the State Department has laid out the administration's position in regard to protecting our coastal fisheries:

> If anyone seriously thinks that the U.S. Government is going to enforce a unilaterally declared 200 mile limit or ownership of anadromous species . . . they are very, very much mistaken. There is no way this will occur, no way!

These official pronouncements are illustrative of the lackadaisical attitude the enforcement arm of our Government takes to protecting our fisheries. It is certainly not a pleasant message to relay to our fishermen.

Beyond this inadequacy lies the real problem—the highly technical, highly efficient Japanese fishing operation competing with the independent Alaskan fishermen. Japan's blatant disregard for sound conservation practices and for the International Convention for the High Seas Fisheries of the North Pacific Ocean is well documented. Instances of floating foreign monofilament gillnet, with salmon still enmeshed, and the continued practice of failure to yield to boarding are too common to be "scattered, minor violations." There are too little fish left to allow these practices to continue.

On Friday, a U.S. Coast Guard C–130 aircraft with two National Marine Fisheries Service enforcement officers on board found the Japanese gilnetter *Myojin Maru No. 1* fishing in violation of the Convention. The tragedy of these violations can no longer be ignored. The depleted Bristol Bay red salmon stocks cannot sustain further action of this nature.

In sum, I implore Congress to act; to mandate action on this law; to save Alaskan fisheries from foreign encroachment while there is still time.

The resolution is as follows:

S. Res. 342

Whereas under the terms of the International Convention for the High Seas Fisheries of the North Pacific Ocean the Government of Japan did agree with the Government of the United States to abstain from engaging in the exploitation of certain stocks of fish in the North Pacific Ocean; and

Whereas the Government of Japan has failed to abide by the spirit and intent of such Convention by effectively prohibiting its nationals and fishing vessels from engaging in the exploitation of such stocks of fish; and

Whereas the actions of the Myojin Maru No. 1 on June 14, 1974 fishing in violation of said Convention is further evidence of the failure of the Government of Japan to abide by the terms of such Convention; and

Whereas the Secretary of Commerce is directed by section 8 of the Fishermen's Protective Act of 1967 (22 USC 1978) to make certification to the President when he determines the nationals of a foreign country are conducting fishing operations in a manner or under circumstances which diminish the effectiveness of an international fishery conservation program; and

Whereas upon receipt of such certification the President may direct the Secretary of the Treasury to prohibit the importation into the United States of fish products of the offending country for such duration as he determines appropriate: Now, therefore be it

Resolved, That it is the sense of the Senate that the Secretary of Commerce should certify to the President that nationals of Japan are conducting fishing operations in a manner which diminishes the effectiveness of the International Convention for the High Seas Fisheries of the North Pacific Ocean, and that upon receipt of such certification the President should direct the Secretary of the Treasury to prohibit the importation into the United States of fish products of Japan until such time as the Government of Japan faithfully carries out its commitments under such Convention.

SENATE RESOLUTION 343—SUBMISSION OF A RESOLUTION TO AMEND RULE XII OF THE STANDING RULES OF THE SENATE

(Referred to the Committee on Rules and Administration.)

Mr. LONG submitted the following resolution:

S. Res. 343

Resolved, That paragraph 1 of rule XII of the Standing Rules of the Senate is amended by inserting between the first and second sentences the following: "However, a Senator who is presiding at a hearing of a committee of the Senate, a joint committee of the Congress, or any subcommittee of any such committee or joint committee, may vote yea or nay without being present to cast his vote if (1) he notifies the leader of his party in the Senate, prior to the decision on the vote having been announced by the Presiding Officer, that he is presiding at a hearing while the vote is being conducted, (2) he requests that leader to cast his vote and how that vote shall be cast, and (3) that leader, prior to the announcement of such decision, obtains unanimous consent of the Senate to so cast the vote of that Senator. It shall be in order prior to that announcement for such leader to ask unanimous consent to so cast the vote of that Senator."

Mr. LONG. Mr. President, for some time the Senator from Louisiana has thought there were a number of things we ought to be doing to increase the efficiency of the Senate. I have discussed a number of these things with the distinguished Senator from West Virginia (Mr. Robert C. Byrd), and he has indicated some sympathy for them. I believe we can make headway with some of these measures.

If it has to be done, I shall at some time submit a resolution to install an electronic voting machine, to be used at such times as the Senate is willing to use it. It seems to me that if we use it only by unanimous consent at the beginning, in time we will develop practices and procedures to adjust to that efficient device for the use of the Senate. It will reduce the time of getting our business done, reduce the costs of the Government, and make this a more effective body.

In addition, Mr. President, another thing that irritates the Senator from Louisiana is that when a Senator is conducting committee hearings and a rollcall vote occurs over here, even though the vote might be a unanimous vote, he is required to recess the hearing and come to the Senate Chamber. Once here, it usually takes him about 30 seconds to inform himself what the vote is about, cast his vote, and go back. Meanwhile, a whole room full of witnesses, audience, and newsmen may be kept waiting for the Senator to make the round trip.

I know that the Nation would have some understanding of what I am talking about, because during the course of the Watergate hearings they saw how, when votes were occurring in the Senate, the committee would recess and come over and vote. If the public could see how little time those Senators had to apprise themselves of what they were voting on when they cast their ballots, the people would say, "Why do they do all that? Why did not those Senators simply pick up the telephone and ask to be recorded, however they would indicate?"

I am today submitting a resolution to provide that, by unanimous consent, when a Senator is presiding at a hearing before his committee and a rollcall vote occurs in the Senate, his vote can be recorded by the leader of his party with the unanimous consent of the Senate of the United States.

I have sought the advice of the Parliamentarian and have discussed the matter with other Senators, Mr. President. It seems rather ridiculous to me that one who is doing the work of the Senate cannot be recorded when he knows very well how he wants to be recorded on a rollcall vote. On occasion, I have simply declined to come over here and have gone ahead and conducted the hearing, because people were here from out of town, had traveled many miles to be here, and had waited for hours, or even for days, to be heard, and I felt they were entitled to be heard and that some Senator should stay there and hear them.

I would hope very much that at least in such cases we could make it possible for the Senate to be a little more efficient, rather than delaying, holding up, and postponing the outcome of a vote while some Senator comes rushing over with his shirttail out, so to speak, to cast his vote.

I send the resolution to the desk and ask that it be referred to the Committee on Rules and Administration.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT—AMENDMENTS

AMENDMENT NO. 1464

(Ordered to be printed, and to lie on the table.)

Mr. DOMINICK. Mr. President, along with Senator McClure I am today again offering an amendment for printing, this time to H.R. 14832, the public debt limit bill, to permit American citizens to own gold beginning September 1, 1974.

An amendment permitting gold ownership as of the first of September was added by the Senate to the International Development Association bill on May 29. However, it is my understanding that the House International Finance Subcommittee of the Committee on Banking and Currency has deleted the gold ownership amendment to the IDA bill.

There is still a possibility that the full Committee on Banking and Currency will reinsert the gold ownership amendment, or that the Senate's amendment may be brought up as an amendment to the IDA bill on the House floor. However, as things now stand the gold ownership amendment, passed by the Senate on three separate occasions, will not be considered by the House.

Mr. President, I believe the Senate should reaffirm its determination to allow U.S. citizens to own gold by attaching an amendment to that effect to the public debt limit bill. I welcome the cosponsorship of my colleagues to the amendment.

AMENDMENTS NOS. 1465 AND 1466

(Ordered to be printed, and to lie on the table.)

Mr. BEALL. Mr. President, I am sending to the desk two amendments to H.R. 14832, legislation to provide for a temporary increase in the public debt limit. The first amendment is similar to S. 2347, the Historic Structures Tax Act which I introduced on August 3, 1973. The second amendment is identical to S. 3184, the Bicentennial Celebration Contribution Tax Credit Act which I introduced on March 19, 1974.

AMENDMENT NO. 1468

(Ordered to be printed, and to lie on the table.)

Mr. HATFIELD. Mr. President, I send to the desk an amendment to H.R. 14832, and ask that it be printed.

The purpose of this amendment is to increase the exclusion from gross income gained from the sale or exchange of residence of an individual who has attained the age of 65 from $20,000 to $30,000.

Since this exemption was granted by the Revenue Act of 1964, inflation has caused its dollar limitation to become out-dated. According to the Bureau of the Census, in 1963, the nationwide average sales price for newly constructed personal residences was $19,300 and the median sales price was $18,000. For 1972, the nationwide average sales price for new personal residences was $30,500 and the median sales price was $27,600. According to the National Association of Realtors, the nationwide median sales price for existing homes for January 1974 was $30,600.

Therefore, while an exclusion of $20,000 was appropriate in 1964, it seems evident that it is insufficient now, and an exclusion of $30,000 is in order if we are to maintain the original intent of the law. That intent was expressed in the Senate Finance Committee's report on the Revenue Act of 1964—Senate Report No. 830, 88th Congress, 2d session:

> The elderly person whose family has grown and who no longer has need for the family homestead . . . may desire to purchase a less expensive home or move to an apartment or to a rental property at another location. He may also require some or all of the funds obtained from the sale of the old residence to meet his and his wife's living expenses. Nevertheless, under present law, such an individual must tie up all of his investment from the old residence in a new residence, if he is to avoid taxation on any of the gain which may be involved.

To achieve the same purpose today, that is, to enable the senior citizen to avoid taxation on the sale of his home without putting all the investment from the old residence into the new, we need to increase the exclusion on the gain realized from the sale of the old residence.

I am informed by the Finance Committee staff that the Treasury Department estimates the revenue loss caused by adoption of this amendment to be less than $10 million.

I hope that other Senators will join me in sponsoring this amendment to help our senior citizens, many of whom are sorely beset by inflation, and that the Senate will act favorably on this amendment.

In closing, I would like to thank Mr. Art Ratcliffe of Myrtle Point, Oreg., for suggesting this change in the tax code, and Mr. Michael Stern of the Finance Committee staff for his assistance in researching the history of this provision and the effects of its amendment.

AMENDMENT NO. 1469

(Ordered to be printed, and to lie on the table.)

Mr. BEALL (for himself and Mr. MATHIAS) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

AMENDMENT NO. 1471

(Ordered to be printed, and to lie on the table.)

SOCIAL SECURITY INCREMENT FOR DELAYED RETIREMENT AMENDMENT

Mr. FONG. Mr. President, I am introducing an amendment to H.R. 14832, the debt limit bill, which would amend title II of the Social Security Act to provide a 6⅔ percent annual increment in benefits to individuals who delay their retirement beyond age 65.

Currently those who choose to remain in the work force after 65 are entitled to an annual increment of 1 percent. This provision, enacted in 1972, was welcome, but it does little more than recognize the social security taxes paid by those who work beyond age 65. It falls far short of real equality. It is relatively ineffective in expanding choices open to older Americans.

Provisions of my amendment are identical to those in S. 3386, which I introduced April 25, which bill has been cosponsored by the following 27 Members of the Senate: Mr. Beall, Mr. Bennett, Mr. Brock, Mr. Brooke, Mr. Buckley, Mr. Cranston, Mr. Church, Mr. Cook, Mr. Dole, Mr. Domenici, Mr. Eastland, Mr. Fannin, Mr. Gurney, Mr. Hansen, Mr. Hart, Mr. Haskell, Mr. Inouye, Mr. McClure, Mr. McGee, Mr. Moss, Mr. Percy, Mr. Randolph, Mr. Ribicoff, Mr. Roth, Mr. Stafford, Mr. Thurmond, and Mr. Tower.

The bipartisan sponsorship of S. 3386 was most gratifying to me. I sincerely hope that similar broad support will be given to the amendment I introduce today.

My amendment would expand the choices open to older Americans under the social security system by providing that persons choosing to delay retirement will qualify for higher benefits on the same percentage basis as benefits are now reduced for early retirement.

It provides for an increase of 6⅔ percent in benefits for each year between age 65 and 72 that an individual elects to delay his or her receipt of social security retirement benefits. For those who choose to wait until age 72, the mininimum increase in benefits will be 46⅔ percent.

Since continued employment after age 65 may also raise the retiree's average monthly wage for social security benefit calculations, the actual improvement in benefits at retirement may be higher than at the 6⅔ percent annual rate. The maximum increment for retirement at 72 could be substantially above 50 percent.

The purpose of the amendment is to make the social security system more flexible by giving the retiree more freedom in adapting its provisions to his or her personal problems. He or she will be able to elect the benefit approach which best suits individual need and desire. To maximize the choice, the bill provides a benefit increase of five-ninths of 1 percent for each month that an individual chooses to continue employment after age 65.

The proposed benefit increment is a first major step in correcting a serious inequity in social security which sharply penalizes the hundreds of thousands of persons who prefer to continue working or who must work after age 65. Together with flat dollar liberalization of the earnings test, which now reduces OASDI benefits by 50 percent of earnings over $2,400 a year, the amendment would move us toward complete freedom for the individual in his or her choice of time for retirement.

It would in no way interfere with or jeopardize the current right of a person to elect early retirement for social security benefit purposes.

As a simple matter of equity, the amendment would recognize the principle of flexibility on behalf of those who delay retirement in much the same way as the law now recognizes the right of persons who choose to retire between 62 and 65.

My original decision to propose a 6⅔ percent annual benefit increment was based on two considerations. The percentage is identical to the reduction for early retirement. As a matter of fiscal and legislative practicality, I believe it is probably the maximum increment percentage now acceptable.

If, instead the Congress were to authorize the full actuarial benefit increase which should be available if we assume full entitlement to social security benefits at age 65, I am informed the annual increment would be 12 percent. While this is a laudable objective, I do not believe we are quite ready to go that far at this time.

The first year cost to the social security system will be approximately $200 million, about one-half of costs for the actuarially determined 12 percent increment.

It would be my ultimate hope that eventually we would amend the Social Security Act to provide fully equitable consideration for those who decide to continue work after age 65. My proposal offers a beginning, but not necessarily an end.

I have long been disturbed by the high share of social security costs which are now in fact borne by working persons past 65. Older people who work are now actually paying roughly $5 billion a year as a hidden subsidy to those drawing benefits.

It is small wonder that older persons are increasingly unwilling to remain in the work force. This is because the actual return for continuing to work is not enough to impel him or her to continue. Not only does the full-time worker lose social security benefits, but he or she also must pay income taxes and social security taxes on earnings. When these are added to expenses incurred in going to the job, often little if any net gain from employment remains for the worker's own use.

The Nation's loss of productivity resulting from waste of skills and experience among older Americans is serious. Even more important is the economic and psychological loss to the individual which comes through disinvolvement from life's mainstream. There is ample evidence that retirement often is accepted most reluctantly because there is little practical choice in terms of economic advantage.

It is time that we counterbalance present incentives in society for early retirement with comparable incentives for later retirement. Without such balance, older Americans are denied full freedom of choice.

Comments from individuals and such distinguished organizations of older people as the American Association of Retired Persons and the National Retired Teachers Association convince me that older Americans both employed and retired—feel strongly that they should have the right to choose. This demands flexibility in social security along the lines that I now propose.

During recent years there has been a great deal of talk about need for a new national policy in aging. Despite some progress, and every step forward is good, we have not yet really come to grips with the challenges in our new era of aging.

Millions of words have been used in thousands of articles and meetings ranging from the White House Conferences of 1961 and 1971 to sessions in our smallest villages. In them all, there has been a call for action to give older Americans full freedom of choice—with honor, dignity, and self-respect. And yet too often our seniors find themselves treated as second-class citizens.

In examinations of need for a new national policy in aging—whether by authorities in medicine, economics, sociology, or other disciplines—one key element in our problem comes clear. There is need for a new look at retirement practices in this country. We need to reconsider obsession with the numbers game—our pursuit of retirement based solely on artificial chronological rules of age without regard for either actual abilities of older persons to participate in the Nation's productive forces or the desire of many for continued involvement in society's mainstream.

Deliberations by the real experts on aging—older persons themselves—have been no less emphatic about the need for new approaches to the question of retirement. We need to reinstate the principle that choices should be made by the individual in the light of individual abilities and individual desires.

No one would claim that this objective can be achieved through legislation alone. Education about the tremendous productive potential and the will for involvement among older persons may, indeed, be the most important element in solving the problem.

But there are some things that Congress can do. Perhaps most important will be decisions in Federal programs, such as social security, which will offer incentives for continued life-participation by older persons at least equal to current disincentives.

My amendment to provide higher social security benefit increments for those who choose to delay retirement until after 65 in my judgment is an essential step toward this objective. I urge its adoption now.

AMENDMENT NO. 1472

(Ordered to be printed, and to lie on the table.)

TEMPORARY INCREASE IN THE PUBLIC DEBT AMENDMENT

NATIONAL COMMISSION ON SOCIAL SECURITY AMENDMENT

Mr. FONG. Mr. President, I am introducing today the National Commission on Social Security Amendment to H.R. 14832, the debt limit bill.

Provisions of the amendment are identical to those in Senate Joint Resolution 48, introduced by me February 1, 1973 on behalf of myself and Senator FANNIN, to create a permanent, independent, bipartisan National Social Security Commission.

Careful reading of the recently released 1974 report by trustees for the Social Security Trust Funds strengthens my conviction that constant, imaginative review of social security benefits and financing by a permanent panel of qualified persons independent of the Social Security Administration is essential to reassure the people of the system's integrity and its ability to serve their needs. Questions raised in the trustees' reports show again that it is not enough—in the Nation's biggest business—to rely on a part-time advisory council which meets and reports at 4-year intervals, nor to look to the Social Security Administration alone for evaluations of the system's operation.

Most alarming in the trustees' report on the funds is its present conclusion that the old-age, survivors, and disability insurance programs are underfinanced by almost 3 percent on a long-range basis.

The report said:

> The long-range actuarial cost estimates for the old-age, survivors, and disability insurance program prepared in accordance with dynamic assumptions as to both benefits and taxable earnings show an actuarial balance of—2.98 percent of taxable payroll over the valuation period of 75 years, which substantially exceeds the acceptable limit of variation of 5 percent of the cost of the program (0.69 percent of taxable payroll).

I introduce this amendment out of conviction that the magnitude of the social security system and its individual impact on every man, woman, and child in America, directly and indirectly, as well as on millions yet unborn, demands no less than constant review of how it serves our people.

Independent of either administrative or legislative responsibilities, the National Social Security Commission, as a bipartisan watchdog on behalf of the people, would be charged with continuous review of social security's effectiveness, including:

First. Consideration of innovations which may strengthen the system's ability to help provide decent economic and health security for its beneficiaries without excessive tax burdens on wage-earners and their employers;

Second. Analysis of inequities within the system which may affect substantial numbers of its participants;

Third. Assurances of the system's fiscal integrity and its ability always to meet its obligation; and

Fourth. Determination of the system's effects, on other elements in our society, both private and public, through which Americans strive for economic well-being.

I urge prompt approval of the amendment by the Senate, the House of Representatives, and the President as a demonstration of congressional and administration concern for the day-to-day impact of the Social Security Act on all Americans and as a joint reassurance of intent that this impact will be of maximum benefit to all.

As I make this appeal, I give full recognition to the long record of excellent administration of social security by the Department of Health, Education, and Welfare. No less important has been the distinguished work of the Senate Committee on Finance and the House Committee on Ways and Means. In no way would the independent National Social Security Commission diminish or derogate their responsibilities. On the contrary, it would be a new and valuable source of help to them.

The National Social Security Commission would have a continuing responsibility to study, investigate, and review the Federal old-age, survivors, and disability insurance program and the health insurance programs which operate under authority of the Social Security Act.

At present, the Social Security Act provides for such an overview by the Advisory Council on Social Security, but only on an intermittent basis. This council would be eliminated under the amendment.

To rely on an Advisory Council, which holds a limited number of meetings during 1 year out of 4, as is now the case, is unfair to the American people, the Congress and the President. The almost inevitable dependence on the social security program's administrative agency by such a part-time panel, no matter how distinguished its membership, also leaves much to be desired.

Social security is too important, too big to be the object of part-time review.

The importance of the Commission's work, as proposed in the amendment, is underscored by the manner of appointment of its nine members and the provision that the Commission shall be bipartisan.

The Commission chairman and four members will be appointed, on a bipartisan basis, by the President with the advice and consent of the Senate. Two members each, no more than one from a single political party, will be appointed by the president pro tempore of the Senate and the Speaker of the House.

Members of the Commission shall be individuals of recognized standing and distinction who have demonstrated capacity to discharge the great responsibility which the amendment places upon it.

The Commission membership unquestionably should include recognized authorities in the fields of actuarial science, economics and other disciplines.

The National Social Security Commission, in short, would be a blue-ribbon panel capable of responding imaginatively and effectively to both specific and broad ramifications of social security. It should be staffed by persons able to give continuous attention to these ramifications.

In the past, I have often pointed out that social security in many respects is the biggest business in America. Current old-age, survivors and disability insurance and health insurance payments are going to approximately 30 million persons. Over 90 percent of the American people are covered. Everyone directly or indirectly participates in its financing.

These statistics alone suggest the importance of independent review by experts serving an ombudsman role on behalf of all the people.

The implications of social security, however, go far beyond the dollars in benefits and the taxes paid to provide such benefits. The system affects all efforts of individual Americans and groups to provide for economic security. It has an effect on private pensions, individual insurance and savings, healthcare patterns, and on employment and retirement practices in our land.

At no time has there been an authoritative review of all of these elements which affect social security or are affected by it. I believe it is high time that we look at these questions. An independent, bipartisan National Social Security Commission would be expected to include these questions in its deliberations, investigations, and reports to the people, the Congress, and the President.

AMENDMENT NO. 1475

(Ordered to be printed, and to lie on the table.)

Mr. HATHAWAY submitted an amendment, intended to be proposed by him, to House bill 14832, supra.

AMENDMENT NO 1476

(Ordered to be printed, and to lie on the table.)

MINIMUM TAX AMENDMENT

Mr. CHURCH. Mr. President, I am submitting today an amendment to the Humphrey amendment to the temporary debt ceiling bill (H.R. 14832) which would establish a minimum tax of 10 percent on foreign source income of all American-based multinational corporations.

A little over a week ago, I submitted an amendment which would have established a minimum tax of 10 percent on the foreign source income of the multinational oil companies. Reflection since that time has convinced me that the same principles which argue for a minimum tax on overseas oil income also argue for such a tax on all overseas corporate income.

The situation existing today with regard to foreign source corporate income reminds me very much of the situation which existed when we passed the minimum tax provision for individuals, already in the code. At that time, it had become apparent to most of us that wealthy people, taking advantage of expensive tax advice, were often able to reduce their taxes to virtually zero, through the use of a large variety of tax sanctuaries. Rather than repeal these provisions, most of which were established for some legitimate purpose, we merely provided that whatever tax advantages a person claimed, he would still have to pay 10 percent of his income in the form of a minimum tax. We determined that this was the least we could require of any individual consistent with his responsibility to the support of this society. Equity demands that the same principle should be applicable to the taxation of corporations on their foreign income.

Another reason for this legislation stems from the fact that the multinational corporation today enjoys a distinct competitive advantage over corporations which operate only within the United States. A multinational corporation can credit directly against its U.S. tax liability all income taxes paid to foreign governments. In fact, we have learned during the course of our oil hearings, that some of these corporations credit payments which are really royalties merely by calling them income taxes. Meanwhile, the domestic corporation which pays State taxes can only deduct those taxes, as an ordinary business expense, on its Federal return. This minimum tax on foreign earnings would help equalize the overall tax burden between the huge multinational corporations and domestic business concerns.

Finally, when an American corporation ventures abroad, it takes with it the umbrella of protection provided by the Government of the United States. If its assets are nationalized overseas, the country which nationalizes them is subject to retaliation under the provisions of the Hickenlooper amendment. If a corporation is involved in a dispute with its host government, it often calls on the United States for assistance. Vast bureaucracies in the State, Commerce, and Treasury Departments are maintained for the sole purpose of giving advice and assistance to American companies operating abroad. All of these ties with the Government of the United States indicate the degree to which an American corporation is clothed with the benefits of American citizenship when it invests in a foreign country. In all fairness, it is not unreasonable to ask that these corporations pay their fair share of the cost of maintaining the Government which so protects them.

This bill would not add a cent to the tax bill of any corporation which is presently paying 10 percent or more of its overseas profits to the U.S. Treasury. It would only affect those corporations which through sophisticated tax arrangements, have managed thus far to avoid all, or virtually all, U.S. taxation on their foreign source earnings. However, it would enable the Treasury to realize approximately $1.2 billion; of this estimated amount, $700 million would be derived from the U.S. based multinational oil companies which now pay less than 1 percent of their foreign source earnings as income taxes to the U.S. Government. Thus the bill would constitute a significant revenue addition. It would also permit us to assist those most in need of tax relief, the low- and middle-income taxpayer, while minimizing the revenue losses resulting from such relief. At the same time, it is consistent with the basic premise of a progressive tax system: that the burden of increased taxes should fall primarily on those most able to pay. The proposed bill, therefore, is both equitable and reasonable, and I believe it merits favorable consideration by the Senate.

AMENDMENT NO. 1478

(Ordered to be printed, and to lie on the table.)

Mr. STEVENSON. Mr. President, on behalf of myself and the Senator from New York (Mr. JAVITS), I introduce an amendment to correct what I regard as a serious tax inequity affecting the publishing industry. The bill, which is designed to insure uniform application to all business products of a provision of the Federal income tax law covering research and development costs, is identical to H.R. 13064 which in April of this year was introduced in the House by Congressman COLLIER and Congressman ROSTENKOWSKI.

The bill provides that taxpayers engaged in the publishing business have the same option as other business taxpayers currently to deduct research or experimental expenditures incurred in developing or improving their products.

The bill is necessary because in September, 1973, the Internal Revenue Service published a ruling—Revenue Ruling 73-395—which interprets the Internal Revenue Code in a manner that would retroactively deny publishers the option to deduct prepublication expenditures incurred for the writing and editing of textbooks and the design and artwork of visual teaching aids. This ruling held, for the first time, that such costs do not constitute research or experimental expenditures under section 174 of the code.

The problem is compounded by the fact that this ruling was issued without notice to, or an opportunity for a hearing for, representatives of the publishing industry.

The publishing industry maintains that it has been a long-established tax accounting practice of publishers, generally accepted by the Internal Revenue Service on audit, to deduct such costs currently. The Service has not denied that assertion. The industry also maintains that the weight of authority in the accounting profession calls for the current deduction of such expenditures for financial accounting purposes. Many accounting firms insist on current expensing of such costs as a condition to certifying financial statements of publishers. Consequently, the ruling would require a tax accounting practice in conflict with the financial accounting standards required of that industry.

The new ruling has a very definite bias against education, the intellectual arts and freedom of communication through the printed word. Although the tax law has been interpreted by the IRS to allow current deduction of similar preproduction costs for the SST, television sets, computer software and a wide variety of other products, the ruling denies the same treatment to publishers of text and reference books. My staff has been unable to find any material in the legislative history of these tax laws which justifies this position. I cannot believe Congress intended to deny current deductions for expenditures to improve textbooks and visual teaching aids when research expenses to improve the chalk or ink used in the classroom are clearly deductible under section 174. If left standing, the ruling would increase the costs of improving books and developing new educational materials, thereby increasing the price of such products. Increased prices would add to the already severe inflationary pressures that threaten our Nation's educational system and the students it serves.

This matter was first brought to my attention by Encyclopaedia Britannica, Inc., a corporation headquartered in Chicago, whose encyclopedia is one of the primary reference works in the English language. However, the problem is one which adversely affects the entire publishing industry. Remedial legislation is endorsed by the Association of American Publishers which represents the publishers of approximately 85 percent of the general books, textbooks, visual aids, and educational materials published in the United States. The president of the AAP, Mr. Townsend Hoopes, has stated that the "result of the Internal Revenue Service's position is to penalize every citizen who reads."

Mr. Hoopes also stated that:

> It is indeed unfortunate that the nation's educational system and the students it serves will be more adversely affected by the ruling than any other part of our society.

For years prior to 1954, it was the administrative practice of the Internal Revenue Service to permit the current deduction of expenditures for research and development even though a strict interpretation of the tax law by the courts might have required capitalization of such expenses. One reason for current deductibility is that such expenditures generally are recurrent expenses of an ongoing business. Another reason is the difficulty of assigning the cost of such research to particular projects. A further reason is the speculative nature of such costs and the difficulty of determining whether the expenditures result in a particular product with a determinable useful life.

In 1954, section 174 was enacted to give a statutory basis for this longstanding Internal Revenue Service administrative practice. The accompanying report of the Committee on Finance stated that the purpose of the provision was to "eliminate uncertainty and to encourage taxpayers to carry on research and experimentation." Thus, the provision had the dual purpose of simplifying the administration of the tax law and of providing a positive incentive for research and experimentation designed to improve existing products or to create new products.

The statutory provisions do not define in any detail what constitutes "research or experimental expenditures." The Treasury regulations incorporate detailed definitional rules, most of which are based on the legislative history of section 174. However, one of these regulatory rules, when interpreted, as in this ruling, to exclude research and experimental expenditures to improve or develop educational products, has no foundation in the legislative history. This regulatory rule provides that the term "research or experimental expenditures" does not include expenditures for "research in connection with literary, historical or similar products." The regulatory exclusion of "literary, historical or similar projects" should be limited, for example, to preclude the amateur novelist from deducting his essentially personal expenditures in the guise of business research expenses. This would be in accord with the judicial decisions prior to 1954. Those decisions held that an author who was not in the trade or business of being a writer could not deduct, as "trade or business" expenses, the expenses incurred in writing and publishing a book.

Discussing the liberal intent of section 174, the United States Supreme Court held, in Snow against Commissioner of Internal Revenue, decided in May of this year, that research expenses are deductible under section 174 if they are incurred "in connection with" a trade or business even though the taxpayer has not yet reached the state of "carrying on" a trade or business for purposes of deduction under the general trade or business expense rules of section 162. The Supreme Court emphasized that discrimination against new, oncoming business enterprises would defeat the congressional purpose to encourage research and experimentation. The Court stated:

> Congress may at times in its wisdom discriminate taxwise between various kinds of business, between old and oncoming business and the like. But we would defeat the congressional purpose somewhat to equalize the tax benefits of the ongoing companies and those that are upcoming and about to reach the market by perpetuating the discrimination created below and urged upon us here.
>
> We read § 174 . . . 'to encourage expenditure for research and experimentation.'

Similarly, to allow the Revenue Service to exclude textbooks and visual teaching aids from the scope of section 174 would defeat the congressional purpose and would perpetuate the discrimination created by Revenue Ruling 73–395.

Revenue Ruling 73–395 not only discriminates against the publishing industry in general, but its retroactive application discriminates unfairly against particular publishers whose prior tax years are still under audit and whose reliance upon accepted tax accounting practice led them to commit themselves to make substantial financial outlays for research and experimentation for the improvement of their existing products and the development of new products.

Publishers believe that the Internal Revenue Service, when it published Revenue Ruling 73–395, did not realize that the ruling was contrary to long-established tax and financial accounting practice in the publishing industry and to the Service's own administrative practice. If the Service had knowledge of such facts, I doubt that the Service would have published the new ruling without notice to, and an opportunity for comment by, affected taxpayers. If there had been notice and hearing, I doubt that the Service would have adhered to its position. Even if it had, I feel confident that this drastic change would have been made effective only for future years because of the unfairness of retroactive rules, particularly as among competing taxpayers.

That the Service's left hand did not know what its right hand was doing is buttressed by recent technical changes in the inventory regulations. These changes—called the "full-absorption" inventory rules—permit any taxpayer, including publishers, to choose to include research and development expenses in inventory. However, the recent IRS ruling would deny publishers the right to inventory such costs, and thus is in conflict with the regulations.

Under this bill, the rules of present law establishing the cutoff point between development expenses covered by section 174, and production expenses not so covered, would apply to publishers just as they do to all other taxpayers.

Since the Service has not suspended its recent ruling pending study of the matter, remedial legislation is the proper recourse to correct an urgent industry problem. The pernicious effects of the ruling, born apparently from ignorance, ought not be allowed by Congress to be perpetuated.

We have today written Commissioner Alexander concerning this matter. I ask unanimous consent that a copy of our letter to him be reprinted at this point in the RECORD together with a copy of the amendment.

There being no objection, the letter

and amendment were ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., June 18, 1974.
Commissioner DONALD C. ALEXANDER,
Internal Revenue Service,
Washington, D.C.

DEAR COMMISSIONER ALEXANDER: We have today introduced in the Senate a bill identical to H.R. 13064, to amend section 174 of the Internal Revenue Code to insure its uniform application to business products.

The bill would reverse the result of Revenue Ruling 73-395 which held that prepublication expenditures for the writing and editing of textbooks and the design and artwork of visual teaching aids do not constitute research or experimental expenditures under section 174, and that such expenses must be capitalized. As a policy matter, I am surprised that the Internal Revenue Service would interpret section 174 to exclude development costs for textbooks and visual teaching aids when development expenses to improve the chalk or ink used in the classroom are clearly deductible under section 174.

I agree with the observation made by you in your 1955 article in the Tax Law Review that section 174 should not be construed as denying deduction of outlays for research which meet the trade or business test but are not expended for scientific or industrial purposes. The experimental, technical and innovative efforts required to improve textbooks and reference works for the nation's educational system are more essential to our society than the expenditures to produce the Trash-Away incinerator which the Supreme Court recently held were deductible in the *Snow* case.

However, aside from the policy considerations as to the proper interpretation of section 174, we are deeply concerned that, as a part of the practical administration of our tax laws, the Service would attempt to compel a change in an established tax accounting practice of the publishing industry without notice to, or an opportunity for a hearing by, representatives of the publishing industry. In particular, the retroactive nature of the attempted change is troubling.

We are advised by representatives of the Association of American Publishers that it has been a long established tax accounting practice of publishers, generally accepted by the Internal Revenue Service on audit, currently to deduct pre-publication costs for the development of textbooks and teaching aids. Although some publishers capitalize certain costs, it appears that most publishers currently deduct almost all of their pre-publication development costs.

We would appreciate advice, at your earliest opportunity, as to whether the National Office was aware of the publishing industry's tax accounting practice when the Service published Revenue Ruling 73-395. If the National Office had been aware of such practices, would it be in accord with National Office policy to compel a retroactive change in this industry's accounting practice without notice and an opportunity for a hearing? If not, and if the National Office is satisfied that the effect of Revenue Ruling 73-395 is to compel such a retroactive change in industry practice, does the Service intend to take any corrective action?

We look forward to your response.

Sincerely yours,
ADLAI E. STEVENSON III,
JACOB K. JAVITS

AMENDMENT NO. 1478

That section 174 of the Internal Revenue Code of 1954 (relating to research and experimental expenditures) is amended—

(1) by redesignating subsection (e) as subsection (f) and by inserting after subsection (d) the following new subsection:

"(e) Nature of Product Developed or Improved. Any expenditure paid or incurred by a taxpayer in connection with his trade or business for the development or improvement of a product shall be treated as a research or experimental expenditure irrespective of the nature of such product and irrespective of whether the product constitutes the result of research on a literary, historical, or similar project."; and

(2) by adding at the end of subsection (a) (3) thereof the following new sentence: "The method provided in this subsection shall include a deduction from gross receipts effected by treating such expenditures as an element of cost of goods sold.".

SEC. 2. EFFECTIVE DATE.—The amendments made by the first section of this Act shall apply—

(1) to any taxable year ending on or after the date of the enactment of this Act, and

(2) to any taxable year ending before such date, if the time for filing claim for credit or refund of overpayment of income tax for such year has not expired on such date.

EXPORT-IMPORT BANK AUTHORITY BILL—AMENDMENT

AMENDMENT NO. 1467

(Ordered to be printed, and referred to the Committee on Banking, Housing and Urban Affairs.)

Mr. SCHWEIKER. Mr. President, I am submitting today an amendment to S. 3660, the new Export-Import Bank authority bill. My amendment would absolutely prohibit any Export-Import Bank investment in fossil fuel energy research exploration, or production activities in Communist countries. It is intended to insure that the Eximbank does not, directly or indirectly, finance a multi-billion dollar Siberian energy deal.

I support the basic thrust of S. 3660, and I think the four basic points in this bill go four-fifths of the way toward protecting our national interest in Eximbank transactions. Ever since I obtained a Comptroller General's ruling last March, confirming my belief that Presidential national interest determinations are required for each Communist country transaction, I have been fighting for bank compliance with this requirement. I had the privilege of testifying before Senator STEVENSON's subcommittee prior to its preparation of this bill, and I am pleased that the majority of my basic proposals are incorporated in this measure.

Unfortunately, S. 3660 does not contain any new protection against Eximbank subsidy of the Siberian energy deal which is now in the planning stages. I recognize that the $50 million ceiling on transactions without congressional approval is theoretically designed to offer some protection. But it is clearly only theoretical protection, and in practice it is completely insufficient protection. Indeed, under S. 3660, Congress would be powerless to stop the only Russian energy proposal which has been submitted to the Eximbank to date—the Yakutsk energy exploration project, which involves $49.5 million of Eximbank financing.

So what we have, Mr. President, is a bill theoretically intended to prohibit a class of transactions by means of a $50 million ceiling—when the only transaction of that class yet considered is for $49.5 million.

I am sure the committee did not intend this result. I am sure the Senate does not want to endorse a Russian energy deal. And I therefore hope the amendment I introduce today, which would absolutely and unconditionally prohibit any Eximbank subsidy of a Russian energy deal, will be adopted by the full Senate.

If the American taxpayers are going to subsidize energy development with 6-percent and 7-percent loans, the money should be invested here, not in Siberia. My amendment covers only the exploration and production of fossil fuels, including oil, coal, and natural gas, which has been hampered in this country by equipment shortages and tight capital. I have previously inserted in the RECORD evidence that low interest Eximbank subsidies of overseas energy operations have created equipment shortages, crippling energy development activities in this country. My amendment would end that kind of foreign subsidy against our national interest. I believe the American taxpayer is entitled to demand that such subsidies be ended.

In conclusion, I am not opposed to East-West trade, and my amendment will not stop East-West trade. S. 3660 goes four-fifths of the way toward protecting our national interest—my amendment simply insures 100-percent protection for our national interest, by prohibiting a multibillion-dollar Russian energy deal. I urge adoption of this amendment.

AMENDMENT OF TITLE II OF THE COMMUNICATIONS ACT OF 1934—AMENDMENT

AMENDMENT NO. 1470

(Ordered to be printed, and referred to the Committee on Commerce.)

Mr. GRAVEL submitted an amendment, intended to be proposed by him, to the bill (S. 1218) to amend title II of the Communications Act of 1934 to authorize common carriers subject to such title to provide certain free or reduced rate service for individuals who are deaf or hard of hearing.

AMENDMENT OF TITLE VII OF THE OLDER AMERICANS ACT—AMENDMENTS

AMENDMENTS NOS. 1473 AND 1474

(Ordered to be printed, and to lie on the table.)

Mr. BEALL submitted two amendments, intended to be proposed by him, to the bill (H.R. 11105) to amend title VII of the Older Americans Act relating to the nutrition program for the Elderly to provide authorization of appropriations, and for other purposes.

VIETNAM ERA VETERANS' READJUSTMENT ASSISTANCE ACT OF 1973—AMENDMENTS

AMENDMENT NO. 1477

(Ordered to be printed, and to lie on the table.)

Mr. **HOLLINGS** submitted amendments, intended to be proposed by him, to the bill (S. 2784) to amend title 38, United States Code, to increase the vocational rehabilitation subsistence allowance, educational assistance allowances, and the special training allowances paid to eligible veterans and persons under chapters 31, 34, and 35 of such title; to improve and expand the special programs for educationally disadvantaged veterans and servicemen under chapter 34 of such title; to improve and expand the veteran-student services program; to establish a veterans education loan program for veterans eligible for benefits under chapter 34 of such title; to promote the employment of veterans and the wives and widows of certain veterans by improving and expanding the provisions governing the operation of the Veterans' Employment Service and by providing for an action plan for the employment of disabled and Vietnam-era veterans; to make improvements in the educational assistance program; to recodify and expand veterans' reemployment rights; to make improvements in the administration of educational benefits; and for other purposes.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 1445

At the request of Mr. DOMENICI, the Senator from Colorado (Mr. DOMINICK) was added as a cosponsor of amendment No. 1445, intended to be proposed by him to H.R. 14832, an act to provide for a temporary increase in the public debt limit.

NOTICE OF HEARING ON CHANGING VETERANS DAY

Mr. HRUSKA. Mr. President, on behalf of the Standing Subcommittee on Federal Charters, Holidays, and Celebrations of the Committee on the Judiciary, I desire to give notice that the subcommittee will hold a public hearing on July 11, 1974, on the following general bills which have for their purpose designating November 11 of each year as Veterans' Day and to make such a day a legal public holiday: S. 41, S. 552, S. 618, S. 2882, S. 2901, and S. 3079.

The hearing will commence at 10 a.m. in room 2228, Dirksen Office Building on July 11. Persons desiring to testify or submit statements should notify Thomas B. Collins, counsel, 2226 Dirksen Office Building on or before July 8, 1974.

The subcommittee consists of the Senator from Arkansas (Mr. MCCLELLAN) and myself, chairman.

ANNOUNCEMENT OF JOINT HEARINGS BY DISTRICT OF COLUMBIA COMMITTEE AND A SUBCOMMITTEE OF JUDICIARY COMMITTEE ON WASHINGTON, D.C., AREA RAIL COMMUTER PROBLEMS

Mr. MATHIAS. Mr. President, a joint hearing will be held by the District of Columbia Committee and a subcommittee of the Judiciary Committee on S. 2225, a bill to require under the Washington Area Transit Authority Compact, the inclusion of rail commuter service in the mass transit plan, on Thursday, June 27, 1974, at 9:30 a.m. in room 6226, Dirksen Senate Office Building. Persons wishing to present testimony should contact Mr. Michael Smith, minority professional staff member, District of Columbia Committee, 6222 Dirksen Senate Office Building, by the close of business on Tuesday, June 25, 1974.

NOTICE OF HEARINGS ON ORGANIZED CRIME

Mr. JACKSON. Mr. President, as chairman of the Senate Permanent Subcommittee on Investigations, I wish to announce that the subcommittee will hold hearings June 25 and 26 in its continuing inquiry into the role of organized crime in the billion dollar stolen securities racket.

In these hearings, representatives of major banks and brokerage houses will testify on how the financial community is trying to control the traffic in stolen, bogus and counterfeit securities.

The subcommittee will also receive testimony from persons who are using computer technology to combat the stolen securities racket.

The hearing will be at 10 a.m. in room 1202 of the Dirksen Building on Tuesday and in room 3302 of the Dirksen Building on Wednesday.

Since June 8, 1971, when hearings were first held on the role of organized crime in stolen securities and related frauds, the subcommittee has met 26 days on this subject and heard 1,739 pages of testimony from 88 witnesses. Some 153 exhibits have been received in connection with testimony which has been reprinted in seven volumes.

In previous hearings, the subcommittee has shown how organized crime elements have penetrated the Nation's financial community. Witnesses, some with connections in organized crime, have informed Senators how stolen and bogus securities are traded, sold for cash or used as collateral in loan transactions.

One estimate is that the total dollar value unaccounted for securities is $50 billion.

The uses of stolen and counterfeit securities are varied. But the purposes are always the same. They are either to convert them to cash or to establish credit or the appearance of solvency and substantial assets.

In using stolen securities in applying for a loan or in simply selling them outright, the criminal most often assumes a false identity. Usually he establishes a relationship of legitimate dealings with a financial house and then, after gaining the confidence of the institution, he negotiates a sizable transaction and enjoys a big profit. In this manner, the criminal turns the time tested banker's rule of "know your customer" against the bank itself.

The organized crime operative would prefer to sell the security for its face value. But he must weigh the risk involved in selling. Often it is safer for him to use securities as collateral in a loan and then take the cash to finance loan sharking and gambling and other organized crime pursuits.

In other situations, organized crime may "rent" stolen securities to a legitimate businessman who needs cash and plans to use the securities as collateral for a loan.

One witness cited an example of a businessman who "rented" $1.25 million in stolen securities from a gangster for $70,000. The criminal was not directly exposed and, while his return was nowhere near the face value of the bonds, the profit was still substantial, the risk not very great and, in any event, there was nothing to prevent him from "renting" the same set of certificates again and again.

Another use of stolen securities is for organized crime to provide stolen securities to businessmen who use the certificates to bolster a sagging financial institution. In this procedure, a businessman calls in an accounting firm and presents among his assets these "rented" securities. He obtains a certified statement of his apparently sound business and, on the basis of this statement, is able to win a fresh line of credit.

This method can also be used by financial institutions such as insurance companies and brokerage houses. Equity funding is a case in point. It is anyone's guess as to just how many stolen or counterfeit or otherwise fraudulent securities are currently in insurance company or pension fund portfolios. Moreover, there are no regulatory bodies of either the financial community or of government to detect bogus or stolen securities used in this manner.

Spokesmen for the financial community testified early in this investigation that they were aware of the traffic in stolen securities and the role of organized crime in this racket. They said, however, that they were taking steps to control the problem.

Now, in next week's hearings, Senators will inquire of representatives of major banks and brokerage houses if the steps they have taken have been successful.

A review of previous testimony demonstrates the financial community clearly understood the stolen securities racket. As early as June of 1971, for example, when hearings were first held on this subject, it was readily apparent that, while there was little public awareness of the traffic in stolen securities, Wall Street spokesmen and others knew very well the dimensions of the problem and what a serious threat to our economy it poses.

Officials of banks and brokerage houses testified about the entry of organized crime into the stolen securities field and the need to improve enforcement procedures and the system for reporting unaccounted for securities. On the law enforcement level, investigators expanded their efforts in this relatively new criminal activity. For example, Murray J. Gross, assistant district attorney of New York County, testified concerning the work he had done from 1966 to 1971 in heading up his office's investigation of the traffic in stolen securities.

Mr. Gross said he viewed the situation on Wall Street as:

> A free-for-all . . . where everyone is stealing, be it the messenger, be it the clerk or even supervisory personnel.

Mr. Gross said the illicit traffic in securities was growing rapidly. He said that in 1966 reported thefts of securities was $9.1 million. He estimated year-end 1971 reported securities thefts would total $100 million.

Mr. Gross said organized crime used the securities field as a source of substantial income. He described organized crime's entry into Wall Street this way:

> . . . they [organized crime] found they could use the traditional techniques that are so successful in other areas of criminality, extortion, robbery, intimidation, counterfeiting, embezzlement, simple theft and even arson, were more than able to breach the flimsy fortress of Wall Street.

Mr. Gross said organized crime has a virtual monopoly on the disposition of stolen securities. He said that in earlier days the potential securities thief was deterred from his crime because he did not know how to profit from having someone else's securities. But, with the arrival on the scene of organized crime, many opportunities became available for the profitable disposition of stolen stocks, bonds and other negotiable paper.

Independent inquiry by the Investigations Subcommittee, as well as the testimony of other witnesses, corroborated much of Mr. Gross' assertions. Moreover, subcommittee investigators have found that organized crime, with its national and international connections, can and does have an outlet for the sale and other use of all manner of stolen securities.

But organized crime must have the securities before it can move them—and for that the job relies on airport thievery of the U.S. mail, on burglary from homes and businesses and, in the instance of financial houses, on an agent known as "the man in the cage"; that is, someone employed in the financial house who will steal.

Inducements to the "man in the cage" kind of thievery are varied. A brokerage house employee might receive an offer from organized crime figures; or he might be under pressure from an impatient loan shark or bookmaker.

Many witnesses—Mr. Gross and other law enforcement officers, as well as persons associated with organized crime—testified that there was no shortage of financial house employees willing to steal securities.

In turn, witnesses told Senators that the thief's mission was made much easier by the almost casual handling of securities on Wall Street and elsewhere.

The way securities are processed and filed in brokerage houses was an issue touched on by representatives from Merrill Lynch, Pierce, Fenner & Smith, the largest firm in the securities industry. Speaking for Merrill Lynch at the June 1971 hearings were Donald T. Regan, chairman of the board; and Gerard J. McDavitt, manager of the protection services department.

Mr. Regan said securities thefts had risen dramatically recently as volume of transactions had increased and as criminals had become more sophisticated in their knowledge about how to profit from stolen securities.

Mr. Regan said that to combat stealing by employees Merrill Lynch had set up a security clearance system to screen the backgrounds of potential workers. In addition, he said, Merrill Lynch had strengthened its internal security procedures and had already noted improvements in controlling securities thefts. But, he said, the entire securities industry would have to work together, on a self-regulatory basis, to utilize "new means to fight organized crime."

Mr. Regan recommended a series of actions all financial houses should take to improve controls over securities thefts and fraudulent transactions based on these documents. He proposed that all stock certificates given to customers bear the customer's name and that the practice of endorsing and passing to customers street-name certificates should be ended.

Mr. Regan said banks and brokerage firms should be obligated to report missing securities promptly, not only to the FBI as was required, but also to the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation and that these agencies should exchange information.

Urging that the theft of securities be made a Federal offense, Mr. Regan went on to say that it "is a very rare event" when securities thieves or the securities themselves, or both, do not cross State lines when these negotiable documents are stolen.

Mr. Regan also proposed the eventual elimination of stock certificates and the uniform use of a "machine-readable cerficate, to be followed by a completely computerized statement."

Mr. Regan added:

> People now accept computer printouts as their bank statements without challenging their general validity. They do not go to the bank to see their money stowed safely somewhere in a plexiglass box.
>
> The same kind of printout could satisfy holders of securities, although, in another illustration of the reach of this business into other people's backyards, the legal profession and fiduciaries, as well as bankers, would all have to adapt to this change.

At the hearings, I questioned Mr. Regan about Merrill Lynch's position on the need for better record keeping in brokerage houses. Mr. Regan agreed that a computerized data bank was called for.

He said his firm had subscribed to a data bank service known as Securities Validation System but that because firms were not required to join the system it was not as successful as it might be.

The point I was driving at, and a question many people ask when they first learn of the extent of the traffic in stolen securities, is this: Why don't the financial houses keep better track of where their securities are? Why don't they report these thefts to law enforcement authorities just the way auto owners report car thefts?

The answer is that records are inadequate concerning where individual securities are at any given moment. Racketeers know this and exploit it. They know there is little likelihood that, first, the securities they hold will be promptly reported stolen and, second, that the bank or brokerage house will ever bother to check on the authenticity of securities which come to them.

Spokesmen for the financial community have told the subcommittee that the banks and brokerage houses are trying to improve record keeping practices. But progress has been slow. With some elements of the financial world, progress has also been reluctant.

The first important steps forward were in early 1969 in the midst of high volume trading, shortage of trained back office personnel and the collapse and merger of several major brokerage houses. At the time the financial community was faced with what is commonly known today as the back office crisis.

During this period of confusion, a unique type of organization was created called the Joint Bank Securities Industry Committee on Securities Protection. The committee was formed to review and act upon the latest information related to organized crime and unorganized crime in securities thefts.

The committee was comprised of major banking and securities firms, the New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers and the Association of Stock Exchange Firms.

The Joint Bank Securities Industry Committee on Securities Protection developed the concept of a centralized data base structure of reported lost, stolen and missing securities information.

It was hoped that with an easily accessible centralized data base brokers and banks throughout the Nation would have a tool to enable them to frustrate thieves by quickly determining the authenticity of any given stock certificate.

After it was found that the National Crime Information Center—NCIC—maintained by the FBI could not provide the centralized data facilities required by the securities industry, proposals were sought from commercial institutions.

In August 1970, a firm known as Sci-Tek, Inc., was selected to provide the computerized service. Sci-Tek developed the securities validation system, a computerized system which was made available to all members of the financial community to report and confirm the authenticity of lost, stolen or missing securities.

Using Telex, Dictaphone and other communications devices, brokerage houses, banks and other financial institutions could, for the first time, find out almost immediately the status of specific securities which had been reported missing to Sci-Tek.

By June 1, 1971, the data base of Sci-Tek's securities validation system had some 11,000 individual securities listed with a total value of $100 million. About 25 financial houses were participating in the system.

At that time, with an admittedly limited sampling, officials of the Securities Validation System came before the Investigations Subcommittee and estimated that the total worth of stolen, missing or lost securities came to $1.2 billion.

A year went by. In the summer of 1972,

the Securities Validation System was now formulating its projections on a data base of 169,000 individual securities with 120 financial houses taking part in the service. The total stolen, lost or missing securities figure was now $1.8 billion.

Another year passed. Some 252 financial houses were contributing information to the Securities Validation System. Officials estimated they were now operating a data base that approximated 10 percent of the total dollar value of stolen, lost, or missing securities. And on that basis Securities Validation System analysts projected a total dollar value in 1973 of $50 billion in unaccounted for securities. This projection was based on $5.3 billion in reported missing securities which were specifically listed in the data bank.

This figure, massive by any measure, included the total dollar value of stolen, lost or missing Federal, State, municipal and corporate securities.

The chairman of the board of Securities Validation System is W. Henry du Pont. He testified before the Investigations Subcommittee on June 29, 1973.

Concerning the $50 billion estimate of stolen, lost, or missing securities, Mr. du Pont said that Securities Validation System statisticians had arrived at that figure after careful assessment of reports and inquiries which were coming into the system center at the rate of 5,000 a month.

Mr. du Pont pointed out that while 5,000 a month may seem like a large number the securities validation system could handle many more requests for information and much more data could be fed into the computer.

Many financial institutions do not use the system, Mr. du Pont said, because their officers were apathetic or because they did not wish to disturb the holder in due course status. This attitude among brokers and bankers was reflected several times in the course of the subcommittee inquiry. In addition, witnesses asserted that the financial community in the United States—and worldwide as well—is cautious by nature, often unwilling to adopt new techniques and face new problems.

Preliminary staff inquiry in preparation for the June 25 and 26 hearings has not turned up optimistic news in connection with the computerized approach to combating stolen securities racketeers.

Instead, the staff has found that the financial community—brokers, bankers, lenders, investors—are still not using the securities validation system at a level anywhere near its capacity. And because they are not using it, because the system does not have the opportunity to record most missing securities, it is not yet a viable weapon in the fight against the stolen securities racket.

Mr. du Pont will testify during next week's hearing as to the future of the securities validation system and what steps he thinks should be taken to expand its use in the financial community.

One of the points the subcommittee, as well as the entire Congress, may wish to consider is the assertion made by Donald T. Regan, chairman of the board of Merrill Lynch. Mr. Regan, as I said earlier, testified before the Investigations Subcommittee some 3 years ago to the effect that until the securities validation System is mandatory, until all banks and brokerages begin prompt and accurate reporting to it, the service will never be completely successful.

There are some observers who say that financial institutions themselves will not voluntarily cooperate with services such as the securities validation system bceause to do so would open them up to serious monetary losses. These losses would result in part from a disruption of the holder in due course concept and this issue will be examined in next week's questioning of witnesses from financial houses.

One of those persons who is critical of the willingness—or lack of willingness—of the financial houses to control the securities thefts racket is Gerald Martin Zelmanowitz, a former key operative for organized crime, a brilliant financier who represented the mob in high finance transactions in banking circles in foreign capitals like Geneva and Brussels.

Zelmanowitz took millions of dollars in stolen securities, obtained by organized crime, and cleansed them for the mob in transactions with financiers around the world. In his appearance before the subcommittee July 13, 1973, Zelmanowitz was asked about the extent of fraudulent securities trafficking and why the legitimate financial institutions will not try harder to control this racket.

Here is what Zelmanowitz said:

> The biggest single problem is that there are so many securities right now in the vaults [of reputable financial houses] and pledged against and inside corporate structures that to expose them on your own would cause a downfall of half the brokerage firms. No one likes to look in the wallet and find out that the $1,000 they have there is counterfeit.
>
> The average feeling would be to pass it off to the next man and let him suffer the $1,000 loss. You have the problem of trying to get exposure first and policing second. Brokerage firms are reluctant to have you investigate or pass legislation or take the policing duties away from them directly because exposure will take place.
>
> God knows what is in the banks. I know of millions myself that have never been exposed, that are lying there on the part of corporate balance sheets and statements. I don't know what effect it would have on the economy. Of course, it would be disastrous.
>
> If it was all exposed and if all the bad securities in Europe and the United States were shown today, you are not wrong when you say $50 billion, but what would happen to the economy?
>
> You can take a match and burn it up and start from scratch. . . . It starts with people, really. The man sitting in the brokerage house, the better policing of the people you originally hire. That is probably your first key.

These and other issues involving the traffic in stolen securities will be examined when representatives of major banks and brokerage houses testify next week.

NOTICE OF HEARINGS ON INTELLIGENCE-GATHERING ACTIVITIES IN THE FIELD OF ORGANIZED CRIME

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. EASTLAND, the chairman of the Subcommittee on FBI Oversight of the Judiciary Committee, I wish to announce the holding of hearings on June 25, 1974, in room 2228 Dirksen Senate Office Building, at 10:30 a.m. on the subject of the legal basis for the FBI's authority to conduct intelligence-gathering activities in the field of organized crime. FBI Director Clarence M. Kelley and Assistant Director William V. Cleveland are scheduled witnesses.

ADDITIONAL STATEMENTS

SUMMARIZATION OF THE MILITARY PROCUREMENT AUTHORIZATION BILL

Mr. STENNIS. Mr. President, because we were pressed for time on Tuesday, June 11, when the Senate passed the military procurement authorization bill for fiscal 1975, I did not try to summarize the bill before the Senate voted.

I want the record to show, however, that the bill approved by the Senate would reduce the requests of the Department of Defense by nearly $1.3 billion—a cut of about 5.5 percent.

Here, in round numbers, are the totals specifically authorized by the Senate for military procurement and for defense research, development, test, and evaluation:

	Administration request	*Senate bill*
Procurement	$13.8	$12.9
R.D.T. & E.	9.3	8.9
Totals	23.1	21.8

As noted, the House has approved a $22.6 billion version of the bill, and differences will be settled in conference.

These totals do not fully tell the story however. In addition to these specific authorizations for procurement and R. & D., the Senate-approved bill recommended reductions in strengths for the services—uniformed and civilian—at the end of fiscal 1975. The bill passed by the Senate would cut the uniformed, active duty strength of each of the services by 2 percent. That is a total of about 49,000 distributed according to the following table:

ACTIVE DUTY MILITARY PERSONNEL STRENGTH

[End fiscal year 1975 strength in thousands]

	DOD request	Committee recommended	Reduction from request	Percent
Army	785.0	768.3	−16.7	2
Navy	540.4	527.6	−13.4	2
Marine Corps	196.4	192.8	−3.6	2
Air Force	630.3	615.0	−15.3	2
Total	2,152.1	2,103.1	−49.0	2

The bill's provision on civilian employees, included this year for the first time, would cut the proposed civilian employment at the end of fiscal 1975 by an average of 4 percent as set forth in the following table:

CIVILIAN EMPLOYEE STRENGTH

[End fiscal year 1975 strength in thousands]

	DOD request	Committee recommended	Reduction from request	Percent
Army	358.7	335.4	−23.3	−6
Navy-Marine Corps	323.5	313.2	−10.3	−3
Air Force	269.7	261.3	−8.4	−4
Defense agencies	75.4	72.8	−2.6	−3
Total	1,027.0	982.7	−44.6	−4

The strength proposed by the Department of Defense contemplated adding more new positions, and this civilian manpower shows a sizable turnover. Consequently, there need be no firings or reductions in force. These civilian manpower cuts can easily be accommodated by attrition and by not creating new positions.

When fully effective, these reductions in uniformed and civilian manpower would save about $1.2 billion annually. Slightly offsetting these reductions, however, were recommendations for military Reserve strengths which were, in some instances, above requested levels to take full advantage of favorable recruiting experience:

RESERVE PERSONNEL AUTHORIZATION CHART

	Congress authorized in fiscal year 1973	Congress authorized in fiscal year 1974	Requested in budget fiscal year 1975	Senate action
Army Guard	402, 333	379, 144	379, 848	390, 000
Army Reserve	261, 300	232, 591	215, 842	220, 000
Naval Reserve	129, 000	119, 231	107, 526	110, 000
Marine Reserve	45, 016	39, 735	36, 703	36, 703
Air National Guard	87, 614	92, 291	89, 128	93, 412
Air Force Reserve	51, 296	49, 773	51, 319	51, 319
Total, DOD	976, 559	912, 765	880, 366	901, 434
Coast Guard	11, 800	11, 300	11, 700	11, 700

We estimate the net effect of all these Senate-approved manpower actions, when fully effective, would be annual savings of about $1 billion. Those savings are in addition to the nearly $1.3 billion in specific cuts mentioned previously.

In past years, this military procurement bill has provided authorization for military allies who fought with our forces in Indochina. Now this program has evolved into a military aid program for one nation—South Vietnam.

The Senate bill would reduce administration requests, for this purpose, from $1.6 billion to $900 million. It would also tighten the administration of the program by:

Setting up a regular, separate appropriation for this assistance—a step which will permit regular accounting procedures and followup including GAO audit;

Requiring that the Secretary of Defense approve all obligations in this account and that obligations be charged when provided; and

Clearly defining the valuation procedures for obligations of assistance in this account.

In addition, I have strongly suggested to the White House and the Pentagon that a highly competent individual of top reputation be given full authority to run this program here and in Vietnam. I have been encouraged to believe that this suggestion will be followed. I shall continue to pursue the matter.

Up to this point, Mr. President, I have cited provisions in the military procurement bill which reduce administration requests. I must now mention an amendment, added to the bill on the Senate floor, which would materially increase costs.

The amendment, sponsored by the Senator from Indiana, Mr. HARTKE, would permit military retirees who retired prior to January 1, 1972, to recompute their retirement pay, at age 60, at pay scales in effect as of that date. This amendment would cost the Defense Department $300 million in the first year and a total of $16 billion by the time all those eligible had passed out of the retirement system.

I believe that is an accurate summary, in dollars and cents, of the bill passed here on June 11. There were, in addition, language amendments adopted in committee and on the floor, which dealt with important military policies including the nonnuclear potential of NATO, the operations of the CIA, and the export of U.S. technology. All the amendments—more than 30 of them—must be dealt with in the forthcoming Senate-House conference.

All in all, I think the Senate has passed a good bill—one which meets the demands of the times. By that I mean that the bill will provide military strength—ships, planes, missiles, as well as manpower—if they should be needed. That level of strength will also give necessary support to our negotiators who seek agreements to limit troop levels, weapon stockpiles, and so forth.

We can also take satisfaction from the fact that this important authorization bill has passed the Senate and House and is on its way to conference well before the end of the fiscal year. That will help assure a more efficient administration of these funds, assuming that the appropriations bill is passed in a timely way which I am sure will be the case.

In closing, I would like to say a word or two of caution to the Pentagon and the military services. Perhaps it would be more accurate to say that the Senate itself, by its actions on this bill, has already given the warnings, and I am simply restating them here.

In any event, I think the 1-vote margin, by which the Senate rejected a further cut in the $900 million in military aid for Vietnam, speaks very loudly.

It says to me that many here in the Senate are skeptical about this aid program. I hope the Defense Department—and the South Vietnamese—will act to put this program on a businesslike basis and get a dollar in value for every dollar expended.

I think there is a message, too, in the 2-vote margin by which the Senate defeated an amendment which would have required the withdrawal of 76,000 U.S. troops from oversea.

It seems clear to me that the services are being told to act in this area—to heed the suggestions of our Armed Services Committee—and to reduce support troops and headquarters echelons where that can be done without impairing military effectiveness.

If the services do not act I believe it is just as clear that steps will be taken in the Congress to require such action.

I hope these messages will not be lost on the Defense Department.

THE NATIONAL WILDERNESS PRESERVATION SYSTEM

Mr. AIKEN. Mr. President, on Thursday of last week, the President submitted a message to the Congress recommending that 15 new areas be added to the National Wilderness Preservation System.

The proposed additions are in national parks and national wildlife refuges and comprise more than 6 million acres.

I am certain that the Congress will give careful consideration to the President's recommendations.

In his message, the President made reference to legislation before the Congress concerning the designation of certain areas as wilderness in the eastern national forests.

The President noted that on May 31, the Senate passed a bill which would designate certain wilderness areas in the Eastern United States.

The bill to which the President made reference—S. 3433—was the work product of the Committee on Agriculture and Forestry and the Committee on Interior and Insular Affairs.

The bill combined major provisions of S. 22, as reported by the Committee on Agriculture and Forestry, and S. 316, as reported by the Committee on Interior and Insular Affairs.

The Senate passed S. 3433 with the inclusion of certain amendments offered by the chairman of the Committee on Interior and Insular Affairs.

The amendments reflected the concerns of several western Senators and were accepted by the chairman of the Committee on Agriculture and Forestry and by myself, as floor manager of the bill.

The Senate is united in the effort to provide a truly national system of wilderness areas, extend wilderness protection to the eastern national forests, and assure citizens in the East of an opportunity for access to wilderness areas.

However, in his message of last Thursday, the President stated his belief that S. 3433 was "inadequate" and urged the passage of the administration's proposed legislation on eastern wilderness areas.

The President was mistaken in his characterization of S. 3433.

S. 3433 is not only adequate, but is far superior to the administration's proposal in the areas designated and the protection afforded such areas.

S. 3433 designates 19 areas as "instant" wilderness areas within the National Wilderness Preservation System.

The bill also designates 40 additional areas to be preserved and studied for possible inclusion in the National Wilderness Preservation System.

In contrast, the administration's proposal—now embodied in H.R. 10469—designates 16 instant areas and 37 study areas.

S. 3433 also has management standards which are more strict than the standards in the administration's proposal.

S. 3433 prohibits timber stand modification except for the limited purposes of controlling fire, insects, and diseases.

The administration's bill contains no comparable provision.

S. 3433 withdraws, subject to valid existing rights, federally owned lands within instant wilderness areas and wilderness study areas from all forms of appropriation under the mining laws and from disposition under all laws pertaining to mineral leasing.

The administration's proposal on mining pertains only to instant wilderness areas.

S. 3433 provides that grazing within any wilderness area may be continued under permits consistent with the purposes of the bill.

Under the administration's proposal, grazing would continue until the termination of existing permits.

S. 3433 provides that wilderness study areas shall be managed to protect their wilderness potential while being reviewed and for a period of not less than three full Congresses from the date the President submits his recommendation concerning a particular study area.

In contrast, the protection afforded wilderness study areas under the administration's bill would expire upon the President's determination that a particular study area should not be included in the National Wilderness Preservation System.

S. 3433 also contains provisions requiring the development of a management plan for each wilderness area and wilderness study area.

Also, S. 3433 contains provisions designed to assure greater citizen participation in the review of wilderness study areas.

The administration's bill contains neither of these features.

I am sure that there is much support for adding 6 million additional acres to the national wilderness preservation system.

These recommendations will have to be reviewed by the appropriate committee of the Congress, but this review should not hold up consideration of the legislation to create for the first time eastern national forest wilderness areas, which has already passed the Senate and is now before the House Interior Committee.

In fact, I know of no surer way to kill eastern wilderness legislation than to take time to consider the addition of these new 6 million acres to the wilderness preservation system before acting on S. 3433.

We have to act now on S. 3433 and then duly consider the President's recommendations as presented in his message to the Congress last week.

In conclusion, S. 3433, as passed by the Senate through the cooperative efforts of the Committee on Interior and Insular Affairs and the Committee on Agriculture and Forestry, presents a great opportunity for the country to attain—this year—a system of wilderness areas in the eastern national forests.

Instead of characterizing the bill as "inadequate," I hope the administration will lend its efforts to the enactment of S. 3433 without further complications.

ASSISTANCE TO HANDICAPPED CHILDREN

Mr. BEALL. Mr. President, the Baltimore Sun recently did an editorial commending my colleague, Senator MATHIAS, for his amendment providing assistance to handicapped children.

I was pleased to cosponsor this amendment with Senator MATHIAS and I believe it to be one of the more important amendments before the House-Senate Conference Committee, which is presently meeting to work out the differences between the bills as passed by the House and the Senate.

Handicapped children have often been neglected by society and the education system. The recent court decision in Maryland and the growing number of court decisions throughout the country are requiring additional assistance on behalf of such children. The legislation would create a system of entitlement based on $15 per student in average daily attendance. If fully funded, the amendment would mean $12.1 million to my State and would certainly be of considerable help to the school districts as they attempt to comply with the court orders and to do justice for our handicapped children. As a conferee on this measure, I will do everything I can to see that this amendment is retained.

I ask unanimous consent that this editorial rightfully commending my colleague for his leadership, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Baltimore Sun, June 2, 1974]

MATHIAS AND HANDICAPPED CHILDREN

Many Americans still find it easy to overlook the needs of the less fortunate, including handicapped children. Maryland provides special education for only 60 per cent of its physically handicapped children and only 9 per cent of its emotionally disturbed children. Other states do better or worse, but the overall situation is generally grim. Some hope has been provided for Maryland handicapped children through a decision by a Baltimore county circuit judge who decreed the state must establish and enforce standards for special education for the children. But little can be done without money.

Thus one of the more important features of the aid-to-education bill passed recently by the Senate is an amendment introduced by Maryland's Senator Mathias which would authorize $631 million or special education for the handicapped. Senate passage of the amendment is no guarantee of anything, of course: The bill now goes to the Senate-House conference committee which will work out a final version and after that it is still subject to veto by President Nixon—who does not like some features of the Senate measure. Finally, an authorization is only a kind of ceiling, and dollars will not go to the schools until appropriation bills are approved.

But it is heartening that the Mathias amendment—along with other amendments which would provide educational help for other categories of deprived children and adults—has gone as far as it has. The amendment was, of course, relatively little-noticed in the agitation over an anti-busing amendment. Marylanders—and Americans—should be pleased that Senator Mathias chose to notice the plight of the handicapped children, a group that is so easily overlooked.

JUDGE ARNOLD BAUMAN'S RESIGNATION

Mr. McGEE. Mr. President, from time to time in recent weeks I have commented on the continuing problem created by this Government's failure to adjust the salaries of its higher ranking officers and employees in each of its three branches.

Later this week, the Committee on Post Office and Civil Service will begin a new series of hearings on the question of pay levels for those in the Executive Schedule, as well as for those in positions of comparable responsibility in the legislative and judicial branches.

Just recently, a pointed example of the problem arose with the resignation from the bench of U.S. District Court Judge Arnold Bauman of New York. Mr. President, I ask unanimous consent that a news report taken from the June 7, 1974, edition of the Washington Post which refers to Judge Bauman's resignation be printed in the RECORD, along with a copy of Judge Bauman's letter of resignation.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Washington Post, June 7, 1974]

JUDGE QUITS: $40,000 NOT ENOUGH TO LIVE

NEW YORK, June 6—A judge in U.S. District Court in Manhattan formally announced today that he is resigning from his $40,000-a-year job because he can't keep pace with the high cost of living.

In a letter to President Nixon, Judge Arnold Bauman said inflation "has resulted in a substantial reduction in my real income and has constrained me to conclude I can no longer continue."

Bauman, 59, who lives in suburban Rye, N.Y., has been on the federal court bench for 2½ years. His resignation will be effective in August, when he plans to return to private law practice.

U.S. DISTRICT COURT,
New York, N.Y., June 6, 1974.

THE PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: It is with the utmost reluctance that I herewith tender my resignation as a United States District Judge for the Southern District of New York effective as of August 15, 1974.

Needless to say, when I accepted this high office it was my intention to serve for the rest of my life. Almost exactly coincidentally, there started an unforeseen, precipitous inflation, which in the last two years has resulted in a substantial reduction in my real income and has constrained me to conclude that I can no longer continue.

Other than the Congress, Presidential appointees in the executive branch and Federal Judges, I am unaware of any group of employed citizens whose income has not increased in the last five years, at the very least to the extent of keeping pace with the cost of living. For reasons I am at a loss to understand, the Congress has rejected opportunities to correct this unfortunate state of affairs. Hence, the future appears bleak and the problem, for me, is insoluble.

Federal Judges do not have available income from the practice of professions or the conduct of business. They do not assume their offices for limited periods anticipating their return to private life and its lucrative pursuits. As such their problems are unique and require special and speedy consideration and action. I hope, therefore, that you will impress upon the Congress the need for a prompt solution of this situation.

Serving as a Federal Judge has afforded a satisfying opportunity for public service for which I am grateful to you. I have never known a group so dedicated, so able and so unswerving in the pursuit of excellence as my colleagues on the Federal Bench. I shall treasure the memories of our association. My one hope is that my action may have some effect in alleviating their increasingly difficult condition.

Respectfully yours,

ARNOLD BAUMAN.

SANTA FE TRAIL CENTER DEDICATION

Mr. DOLE. Mr. President, on June 2 it was my privilege to attend dedication ceremonies for Kansas' newest and one of America's finest historical preservation centers.

The Santa Fe Trail Center Museum and Cultural Center in Larned, Kans., is an outstanding facility for the preservation, study, and display of the history of one of America's most significant pathways of growth and development. The only museum on the Santa Fe Trail, Larned's center will be a tourist and educational attraction for the entire Midwest. And in conjunction with the Fort Larned historic site only 3 miles away, the area will assume an importance unmatched by any other along the entire distance of the trail.

Attended by an audience of some 1,000 persons, the dedication ceremonies for the $400,000 privately-funded center were keynoted by former Secretary of the Interior Walter Hickel, who, despite his famous association with the State of Alaska, is no stranger to this area of Kansas. Wally is a native of Claflin, and the center's dedication was something of a Hickel family reunion between Wally and seven of his nine brothers and sisters who were present.

The whole day was a great success, and the center—with the enthusiastic support of the entire area—is off to a fast start on what promises to be a highly rewarding job of serving the American people's interest in seeing our history preserved and perpetuated for the benefit of present and future generations.

If other Senators might want to furnish additional information to their constituents who are interested in our frontier history, I ask unanimous consent that a number of descriptive articles from the Larned Tiller and Toiler, as well as Governor Hickel's dedicatory remarks, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Trail Center: Helping America Refind Purpose

The Santa Fe Trail Center museum and cultural center was dedicated Sunday as a signpost on the Plains that may help America refind its purpose in showing mankind how to live.

Former Secretary of Interior Walter J. Hickel, in a stirring talk that drew him a standing ovation, said: "You here have demonstrated on this site that there are Americans with values that go way beyond personal gain. This museum is a triumph of those who understand personal fulfillment and the love of something greater than themselves."

The $400,000 center, 2½ miles west of Larned, was built with funds donated by area residents and businesses. It is the only museum along the historic Santa Fe Trail. It will depict the economic development, cultural growth and the lives of people during the century of the trail.

Glee Smith Jr., master of ceremonies, said the Trail Center along with Fort Larned National Historic Site three miles farther west, "should make not only one of the outstanding tourist attractions of the Midwest, but one of the most significant historical sites for scholarly research, for visitations to see artifacts and to study literature concerned with the Santa Fe Trail."

Hundred of residents from Pawnee and adjoining counties as well as many legislators and state officials were on hand for the two-hour ceremony. The visitors included officials of the Kansas Historical Society and Museum, Topeka.

They toured the center's various galleries and viewed the courtyard with its plants, trees and shrubs. Historical items will be placed in the galleries at a later date.

Hickel flew from Alaska to Kansas to make the dedication speech. He was secretary of Interior for two years in the Richard Nixon administration. He left in 1970 after a falling out with the President. He said he saw trouble brewing in the "isolation of the President from the real feeling of America" by the President's personal staff.

"America is searching," said Hickel, who is seeking a second term as governor of Alaska. "We are at a time of questioning. Our purpose as a nation and our values as individuals are being challenged . . . It's coming from ourselves . . . The people are somewhat adrift. We are looking for leadership. And that leadership goes to all levels. It shows that you have it here in what you have done. As in few other times in our history," Hickel said, "we need someone who will inspire us and point the way.

"This is why what you have accomplished here is really important to America as a whole. Here on the old Santa Fe Trail is hope . . . a signpost to the answers we seek. For it's time we Americans studied our past to better understand and judge what's going to happen."

He said a strong nation is rooted in a culture and that America, a leader in almost every field of endeavor, has been slow in claiming a culture.

"You have demonstrated on this site that there are Americans with values that go beyond personal gain. . . . Wealth, after all, is all in the mind. Material things aren't wealth. Happiness is. And one of the keys to a secure and happy nation is a culture that people can call their own.

"Cultures don't just happen. Someone has to make them happen. That means someone has to care.

"You at this ceremony and hundreds of others who have worked with you and contributed to this building are examples of what caring is all about and how to create this culture America so urgently needs."

He said the nation can't build a culture on economics alone, that there must be a middle ground of public concern for the land, water, air, forests and the rolling plains.

Now that the world is turning to America for food, Hickel said "the farming communities of America will have their voice heard with much greater strength in the halls of government, where it should be heard.

"And I believe that voice will be calling America back to its greatness. . . . You will help call us all back to the values with which we started and help point the way to the opportunities ahead.

"Believe me, America will listen, because America is ready to listen."

Hickel stated, "I do not see our destiny as a nation in terms of power—I see it in terms of showing mankind how to live. . . . The challenge to us, our distant hope, is to learn not to exploit the world, but to humanize it."

He predicted that Americans will be prouder than ever before of this country by the year 2000.

"America will be getting down to the business of fulfilling the destiny we were founded for in the first place—to be a pattern for mankind.

"Perhaps even more important," he added, "That culture will be fashioned in the decisions and examples we set in our own lives during this decisive moment in the shaping of America."

That culture will be preserved, he said, "in the Santa Fe Trail Museum and in many other such museums built by people who care."

Prior to his dedication talk, the seven principal donors were recognized.

They are Irma I. Smith of Macksville, Mrs. Bobbie Victor Wallace, Mrs. Isabel Campbell, both of Larned; Dr. and Mrs. Harold Davis of Florida, Alice Schnack McNamara, the John D. Jordaan Foundation, and the First National and First State banks of Larned.

Mrs. Campbell is president of the Fort Larned Historical Society which sponsored the fund drive for the Trail Center.

[From the Larned (Kans.) Tiller and Toiler, May 31, 1974]

Sunday Is Santa Fe Trail Center Day in Larned

"All kinds of things happen when a very small Midwestern town plans a very big celebration of national interest," author Vana Earle wrote about Larned several years ago.

The occasion then for another "Big Day in Larned" was the Golden Anniversary party by the Federal Land Bank System in Larned March 27, 1967.

There have been other "Big Days" before and since. The most recent, in 1972, the dedication of Fort Larned National Historic Site—the best preserved western fort of its kind in the nation.

Sunday another "Big Day" comes to Larned without the many celebrated movie and television stars of the past, without the floats and the bands, the community this time dramatizes its brawling beginning and that of the West in more quiet splendor.

This day is Santa Fe Trail Center Day. Former Interior Secretary Walter J. Hickel will dedicate the $400,000 library and museum in ceremonies beginning at 3 p.m. The center, built with private funds, is 2½ miles west of Larned on U.S. 156.

The center will be dedicated to the recognition of the agricultural and economic development of the early West, including depictions of everyday activities of early pioneers along the Santa Fe Trail.

Prior to the dedication, all Kansans and visitors are invited to a pre-dedication beef dinner in the Trail Center at 1 p.m. Tickets are available at Larned, Macksville and Burdett banks.

Former State Sen. Glee Smith will be master of ceremonies.

A dinner will be held Saturday night honoring donors, guests and other persons responsible for years of effort and planning that led to construction of the Trail Center. This will be held at the Harvest Inn at 7 p.m.

Special honor will be accorded those who contributed $25,000 or more. These included Mr. and Mrs. Harold C. Campbell, Dr. and Mrs. Harold E. Davis, First National Bank and Trust Co., First State Bank of Larned, John D. Jordaan Foundation, Alice Schnack McNamara, Irma I. Smith and Bobbie Victor Wallace.

Hickel, former governor of Alaska and a native of Claflin, Kan., was active in planning and development of Fort Larned National Historic site, three miles west of the Trail Center.

The fort, now undergoing renovation by the National Park Service, concentrates on military history and is operated by the National Park Service.

The Trail Center will be operated by the Fort Larned Historical Society and is the only facility of its kind telling the history of the Santa Fe Trail. Directed by Bill Pitts, historian and curator, the center's research laboratory, library and museum facilities will be made available to visiting researchers.

The Trail Center and Fort Larned, in complementing each other, are expected to be the state's largest tourist attractions within a few years, park service experts predict. Annual visitations already exceed 40,000.

U.S. Sen. Bob Dole and Congressman Keith Sebelius announced plans to attend the dedication. The new facility will be open to the public free of charge Saturday and Sunday.

"The Santa Fe Trail Center will concentrate its efforts in the interpretation of agricultural and economic development of the early west and the every-day lives of people involved in this noble effort," said Mrs. Isabel Campbell, president of the Fort Larned historical Society.

"We can think of no better way to recognize the efforts of these early pioneers than to establish this museum, library, research and study center for present and future scholars."

Funds for the center were raised by public subscription in 1972–73 and general contractor for the work was Fraser Construction of Larned.

Several Kansas newspapers plan to cover Sunday's dedication with reporter-photographer teams. In addition, television stations in Great Bend and Wichita will have camera crews here for filming of portions of the ceremony.

ADDRESS BY WALTER J. HICKEL, DEDICATION CEREMONY, SANTA FE TRAIL CENTER

This is a great moment for the west and a great moment for America as a whole.

It is a privilege to have a part in it.

America is searching.

We are in a time of questioning.

Our purpose as a nation and our values as individuals are being challenged.

The challenge is not so much from people in Europe, Asia, and Africa, or even Russia and China.

It is coming from ourselves.

Our society is in crisis.

Government is spending its time and energy solving its own problems.

And the people are somewhat adrift.

We have known greatness. And we have greatness within us.

But we are looking for leadership.

As in few other times in our history, we need someone who will inspire us and point the way.

This is why what you have accomplished here is of importance to America as a whole.

Here on the old Santa Fe Trail is a hope. . . . a signpost to the answers we seek.

For it's time we Americans studied our past to better understand who we are.

It's time we looked at what happened to better understand what's going to happen.

From the very beginning this nation of ours was a nation of searchers.

We are not content with the mediocre.

Our spirits are restless unless we have found a great calling.

And the story that is told within these walls is of earlier generations who also were searching.

There are many messages here for us today.

Above all, there is a message in what you, the people of Larned, have accomplished.

The strong nation is the nation rooted in a culture.

Yet in many respects, except for certain notable exceptions, we haven't even begun to create a culture in this nation of ours.

Cultures don't just happen. Somebody has to make them happen. That means, somebody has to care.

You at this ceremony and hundreds of others who have worked with you and contributed to this building are an example of the caring that is needed to create the culture America so urgently needs.

You may ask, why is America—so quick to lead in almost every field of endeavor—so slow in claiming a culture?

In part the answer is this.

At the turn of the century we somewhat lost our way.

As we moved from an agricultural to an industrial society, and in the struggle to wage and win two World Wars, the material side of life became dominant.

We became the world's greatest industrial power, and we confused industrial output with national purpose.

In fact, we began to confuse free enterprise with free society.

Enterprise—meaning some kind of business—is vital to our national well-being.

But it isn't the total wheel of life.

This nation was founded as a free society and enterprise was—and is—one of the most important freedoms.

But you cannot build a culture on economics alone.

While other civilizations were preserving their old, our tendency was to bulldoze away the past.

There is nothing big enough in this country to fit a Michelangelo.

So how can there be a Michelangelo? How can he come forward?

He cannot do a mural in a steel and glass courthouse that will last only a few years.

But you here have demonstrated on this site that there are Americans with values that go beyond personal gain.

This museum is a triumph of those who understand personal fulfillment and the love of something greater than themselves.

Wealth, after all, is all in the mind.

Material things aren't wealth. Happiness is.

And one of the keys to a secure and happy nation is a culture that the people call their own.

In the years ahead, hundreds of thousands of Americans will retrace the old Santa Fe Trail as they come to visit this museum.

Here they will find the roots of the old west, not as glamorized by Hollywood, but as recorded in the lives and writings of real men and women.

It is not the story of a perfect age in which people had all the answers.

Many mistakes were made.

One hundred years ago as the newcomers and the proud leaders of the Indian nations came into conflict, battles were fought and lives were lost.

But in those struggles, lessons were learned that should be heeded today.

I, for one, am a great admirer of the Indian people.

Where some people say the American Indian has much to learn. I say he has much to teach.

Especially in this age of public concern for the land, the water, and the air, the forests and the rolling plains.

In this new era where we have come to respect both the benefits and the needs of nature, we would do well to heed the approach and philosophy of the American Indian.

And yet the pioneer settlers carried with them a message too.

Their vision was of plowed lands and great harvests to feed communities much greater than themselves.

And it is somewhere in the balance between these two approaches—these two early American cultures—that modern America must find its way.

There is no question in my mind that God meant America to be a nation of the soil.

The unique piece of real estate that is the United States, with the depth and richness of its land, makes the destiny of our farming community one of America's greatest hopes.

If we care for the land, America will always be a breadbasket for the world.

It's true that our farmers have lived through a famine of public apathy.

But now the world is turning to us for food. With wise management we could feed a billion people.

As a result the farming community of America will have its voice be heard with much greater strength in the halls of government.

And I believe that voice will be calling America back to greatness.

Drawing on the heritage of all races who have lived, loved, bled, farmed, struggled, and died on this land, the depth and strength of America's plains will be heeded.

You will help call us back to the values with which we started and help point the way to the opportunities ahead.

America will listen, because she is ready to listen.

After all, America didn't start off as a country—it began as a cause.

The principle of why America was born is in the heart of every human, regardless of nationality.

There wasn't any hate in it. There was hope.

True patriotism to our founding fathers was not a narrow thing.

It meant loyalty to the cause of humanity.

This was a new and young idea in 1776. It had never been tried before.

It is interesting to me that so many of those who started America—and those who ventured along the Santa Fe Trail—were young men and women in their twenties and thirties.

They had a sense of future.

Somehow that idea is still as young and as new as it was in the time of those pioneers on the frontier.

Today the young of all ages must help this country re-find its original purpose.

Because the world has never needed America as much as it does today.

America the idea, America the dream, America the philosophy.

We must have a great vision.

We must have great leadership.

We must have a desire to work.

We will never solve our problems, or refind our sense of purpose with money alone. . . . It takes a sense of rebirth.

And rebirth is what America is all about.

I do not see our destiny as a nation in terms of power—I see it in terms of showing mankind how to live.

For by choice we are a mongrel nation.

The challenge to us . . . our distant hope . . . . is to learn not to exploit the world, but to humanize it.

I predict that in the remainder of this century—between now and the year 2000—we are going to be prouder to be Americans than ever before.

America will be getting down to the business of fulfilling the destiny we were founded for in the first place—to be a pattern for mankind.

If that is the driving force behind our search, we will indeed leave a great culture for future generations to inherit.

It will be preserved here in the Santa Fe trail museum and in many other such monuments built by people who cared.

But perhaps even more important, that culture will be fashioned in the decisions and examples we set in our own lives during this decisive moment in the shaping of America.

Thank you.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the birth of the United States was announced by a profound human rights document—the Declaration of Independence. Since that time the United States has championed the cause of human rights both here and abroad.

Indeed, it was effective American leadership at the San Francisco Conference in 1945 that resulted in a strong human rights section in the Charter of the United Nations. Our delegates recognized that the denial of human rights and human dignity creates a prime source of potential conflict and a threat to international peace.

A quarter century ago the United States also lent its leadership to the drafting of the Genocide Convention, which was the first human rights document to be endorsed by the U.N. General Assembly. Today, the United States stands with the Union of South Africa as the only charter members of the United Nations that have not ratified this convention.

The responsibility for this failure rests with this Chamber. This inaction has proven an embarrassment to our diplomats and allies and a delight to our enemies.

Mr. President, the cause of human rights and the promotion of international peace are interlocked. It is imperative that the United States regain its initiative in this vital field by ratifying the Genocide Convention now.

PERSECUTION OF UKRAINIAN AMERICANS

Mr. YOUNG. Mr. President, many Ukrainian Americans, including some personal friends of mine, have expressed to me their distress over the torture and other inhumane treatment being suffered by two political prisoners at the hands of their Russian captors.

They are Valentyn Moroz, a 38-year-old historian, who is being systematically beaten and tortured as a common criminal in the Vladimir Prison in the Russian Republic, and Leonid Plyushck, 34-year-old mathematician and cybernetics specialist, who is being held in the "psychiatric ward" in the city of Dnipropetrovsk, in the Ukraine. I am told the latter is near death.

The two prisoners, both young Ukrainian intellectuals, are representative of a new wave of persecution all over the Ukraine. I understand over 200 Urkainian poets, professors, writers, scientists, and scholars have been arrested for defending the culture and language of their people.

Mr. President, I have been asked by Dr. Anthony Zukowsky, a physician at Steele, N. Dak., who is the State president of the Ukrainian Congress Committee of America, as well as heritage chairman of all nationalities in my State, to bring this deplorable situation to the attention of the Senate.

I hope somehow, some way, the Soviet Government can be persuaded to release these two young men, and permit them to receive proper medical attention which is being denied them in their own country.

KISSINGER'S "NEW DIALOG" WITH LATIN AMERICA

Mr. McGEE. Mr. President, in the April 20, 1974, publication of Saturday Review/World there apepared an article written by Alan Riding on Secretary of State Henry Kissinger's "New Dialog" with Latin America.

I have had the opportunity to accompany Secretary of State Kissinger to three meetings which have an important bearing on the future of United States-Latin American relations. The first was to Panama City where the Secretary signed the Declaration of Principles with Panamanian Foreign Minister Juan Tack outlining the framework in which a new Panama Canal Treaty will be negotiated.

The second was the Foreign Ministers' meeting in Mexico City. The third was the OAS foreign ministers' meeting in Atlanta, Ga.

All three events symbolize the importance the Secretary attaches to a closer relationship with Latin American nations—a relationship which rejects the paternalism of the past.

It is to the Secretary's credit that significant psychological breakthroughs have been achieved in United States-Latin American relations. I am confident the Secretary will continue to build upon this new relationship. Those of us who have voiced concern over the past direction of United States-Latin American policy commend the Secretary for his foresight and wisdom in seeking a more viable and equitable relationship with our neighbors to the South.

I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

LATIN AMERICA: FOUR REPORTS—KISSINGER'S "NEW DIALOG"

(By Alan Riding)

(United States relations with Latin America, long chilled by mistrust and clumsy diplomacy, are thawing out in the warm glow of Henry Kissinger's new inter-American dialog.)

The sad truth about U.S.-Latin American relations is that ten decades of intercontinental conferences, "new dialogues," and proclamations of friendship have done little to redress the hemispheric imbalance: Latin America remains poor and frustrated; the United States remains rich and powerful.

Everything else follows from this. U.S. programs of trade and aid are merely frosting on the cake. The reality is that forty years of "good neighborliness" have not enabled a single Latin American nation to step out of poverty and underdevelopment.

Any "new relationship"—and the possibility is once again being aired—must therefore be based on a realistic appraisal of the basic relationship between the United States and Latin America. And if the Latins want to get rich and the Americans want to stay rich, the conclusion may well be that their interests are incompatible. To change the relationship, a clash of interests may therefore be inevitable.

Traditionally, Washington's policy toward the southern continent has consisted of negligent paternalism. And by constantly asking for a "new relationship" and complaining that "the United States doesn't care," Latin America has only encouraged this paternalism. Talking from a position of weakness, Latin America has only obtained reluctant charity; talking from a position of strength, Washington has only responded to threats to its interests.

To smooth over the wrinkles in this traditional relationship, endless numbers of inter-American organizations and committees have been created. Almost monthly, one or the other produces yet another study or resolution or declaration on the state of relations between the regions. But the names and acronyms—OAS, ECLA, CIAP, CECLA, CIES, CECON, and so on—are important only as symbols of mounting frustration for the continent's governments. There are some diplomats who have spent their working lives going from one of these committees to another. Eventually, their vision of reality also wrinkles beyond recognition.

But once the organizations and the reports are set aside—so repetitive, so depressing; so accurate, yet so irrelevant—Washington's policy toward Latin America can be seen in all its simplicity and nakedness: It involves maintaining the continent generally within Washington's sphere of influence, preventing the emergence of leftist regimes, protecting U.S. investments, developing a market for U.S. exports, and securing the region as a fount of raw materials. Liberalism apart, there is nothing wrong with this. Washington defends its interests as it sees them—and it softens the blow with some charity and rhetoric.

The Alliance for Progress, launched with such flair by President Kennedy in 1961, fell perfectly into this pattern. It was realism wrapped in goodwill. Once the CIA-guided invasion of Cuba had collapsed on the Bay of Pigs, Washington accepted the permanence of Fidel Castro and sought to neutralize his influence through the Alliance for Progress. Right-wing dictatorships therefore were frowned upon, democracies were bolstered, and economic and social reform was encouraged. This prong of the alliance was aimed at defusing popular unrest. The other prong—that of sharing the grim secrets of counter-insurgency with Latin America's armies and police forces—was to prevent this popular unrest from taking political shape.

Throughout the Sixties, U.S. advisers therefore helped Latin American governments to fight the extreme Left until the guerrillas of the continent were virtually exterminated. And as the ruling oligarchies modernized themselves to face the new challenges of the masses, Washington found that it could relax its vigil over the continent and concentrate on the problems of Southeast Asia. The Alliance for Progress consequently lost impetus and resources.

But there were occasional problems that required attention. In April 1964 Brazil's left-leaning government of President Joao Goulart was ousted with Washington's blessing. A few months later the defeat of the Marxist Salvador Allende in Chile's presidential elections was assisted by U.S. funds. In 1965 the Dominican Republic was invaded by U.S. Marines "to prevent another Cuba." And in 1968 a leftist military regime in Peru was boycotted—though it could not be ousted—after it had nationalized a major U.S. oil company. The collapse of the leftist regime of Gen. Juan José Torres in Bolivia in 1971, however, was a relief to Washington. And the successful termination of its campaign against the Allende government in Chile between November 1970 and September 1973 was toasted with champagne in Washington.

But none of these "occasional problems" were sufficient to alter U.S. policy toward the continent. In fact, in October 1969, in his only major speech on Latin America, President Nixon felt so confident about the region that he formally buried the Alliance for Progress and announced the start of a "more mature" relationship based on trade, not aid. Two years later this new maturity meant burdening Latin American products with a 10 percent import surcharge even though the continent had a huge trade deficit with the United States. But in November 1971 Mr. Nixon dispatched his special assistant, Robert Finch, around the continent to "confirm" his goodwill. And in May of last year, the then—Secretary of State William Rogers traveled Latin America to announce his stillborn "new relationship."

Now, with Henry Kissinger (who was quoted as once having characterized Latin America as "a dagger pointing at the heart of the Antarctic") in the State Department, the proclamation of yet another "new dialogue" is echoing over the bones of the decades-old "special relationship." And to this end, Dr. Kissinger met the foreign ministers of Latin America and of the Caribbean—of all except Cuba—in Mexico City in February and meets them again this month in Atlanta, Georgia.

But Dr. Kissinger is not a man given to political romanticism. This "new dialogue" is therefore different because it starts from a premise of realism rather than guilt. The words are the same, but the mood reflects a change in the basic relationship between the United States and Latin America. Washington has begun shaping a new policy toward Latin America because suddenly it has an interest to defend. And Latin America is responding differently to the invitation of a "new relationship" because suddenly it has acquired relative strength.

The change can be explained in one phrase: the energy crisis. It is, of course, an oversimplification, but the impact of the energy crisis on the attitudes and policies of the United States and Latin America threatens to transform the basic relationship between the two regions more than do any number of conferences and declarations.

For many Latin American countries, the hike in world oil prices has meant serious short-term economic problems, not least through increased inflationary pressures. But it has also left another mark. Many governments are now becoming aware that the terms of trade for their raw-material exports might also be altered dramatically if they follow the Arab example and join forces to push up world prices.

In a sense, Latin America has been preparing for such an action for over a decade. The mounting disillusionment with inter-American and even international forums has slowly pushed Latin America into the Third World camp of militancy. Only a few countries of the region are encompassed by the political nonaligned nations movement, but governments with the most divergent ideologies—such as Brazil and Peru—stand together on most world economic issues. In their relations with the United States, Latin American governments disagree on such political questions as Cuba, but they face Washington as a lboc on trade, investment and monetary issues.

From Dr. Kissinger's global perspective, the danger that Third World producers' cartels may spread from oil to other key raw materials is therefore apparent. And if they do spread, the industrialized world will be convulsed even more than now. Latin America thus takes on strategic significance: By wooing the continent, the United States not only would divide and weaken the Third World but also would assure itself a continued supply of cheap raw materials.

As with the Alliance for Progress, the first coherent U.S. policy toward Latin America in thirteen years has grown out of necessity and self-interest rather than goodwill and justice.

Though he is by no means a specialist in Latin American affairs, Dr. Kissinger nevertheless has found a place for the continent in his global pattern of power. And once his Atlantic Community had been rejected by a restive Western Europe, his concept of a Western Hemisphere Community's linking the United States and Latin America seemed all the more necessary. Ideally, such a community—a concept of mutual obligations and understanding rather than a juridical body—would bring Latin America closer to Washington and would separate the continent from the Third World.

The community idea was launched in Dr. Kissinger's masterly opening statement to the Mexico City Foreign Ministers' Conference on February 21.

He began by stressing the interdependence of world regions today and the need for collaboration and cooperation between "consumers and producers, the affluent and the poor, the free and the oppressed, the mighty and the weak." Then came the acorn. "So let us begin in this hemisphere. . . . The world community which we seek to build should have a Western Hemisphere Community as one of its central pillars." Soon "our community" already seemed to exist. "We must renew our political commitment to a Western Hemisphere system," he went on. "In this way, the Western Hemisphere Community can make its voice and interests felt in the world."

As proof of Washington's goodwill, he cited the February 7 Agreement of Principles for a new canal treaty signed by the United States and Panama and the February 19 agreement on compensation to expropriated U.S. companies signed with Peru. The other point of friction—Cuba—he refused to discuss, but he left broad hints that Washington's policy toward the island was under review. For the future, he proposed a mechanism for settling disputes between U.S. companies and Latin American governments without involving Washington, and he suggested an "equitable interim accord" for resolving the problem of U.S. fishing boats arrested inside the 200-mile territorial waters claimed by several Pacific-coast nations.

"But we cannot achieve our goals by remedying specific grievances," he said. "A special community can emerge only if we infuse it with life and substance." Wisely, he chose to be vague on the details, but the concept was clear. Members of the community would assume an obligation to consult at regular intervals and, in effect, to take no unilateral measures (such as joining raw-material producers' cartels) to harm the spirit of the community.

The reaction of Latin America was immediately negative. Most large countries prefer to deal bilaterally, rather than *en bloc*, with Washington. A few minutes before Dr. Kissinger had spoken, Mexico's President Luis Echeverría had also declared categorically that "Latin America forms part of the Third World." Brazil, supposedly Washington's closest ally on the continent, had already succeeded in sinking Dr. Kissinger's proposal for an energy debate for fear of offending the Arab oil producers that supply two-thirds of its oil needs. Venezuela, the continent's major oil exporter, felt under seige from Washington for its solidarity with the Arabs and responded by urging the producers of copper, bauxite, iron ore, manganese, and other key raw materials to follow the example of the Arabs. Argentina, which is currently strengthening its ties with Western Europe, was not interested in the community. Peru's left-leaning military rulers felt that they had little in common with Washington.

Even smaller countries were suspicious. Guyana's highly lucid foreign minister, Shridath S. Ramphal, asked how a Western Hemisphere Community could exist between one superpower and twenty-four poor nations and without the inclusion of Cuba or Canada.

But as the conference continued, it became clear that Dr. Kissinger had made an offer that Latin America could not refuse. The Latin and Caribbean foreign ministers had wanted to talk frankly and informally about a whole range of issues—aid, trade, and monetary questions, U.S. economic coercion, multi-national corporations, transfer of technology, and so on—and Dr. Kissinger was simply saying, "Fine, let's do so in an inter-American spirit." His presumption was that regular consultations and negotiations will create natural reciprocal obligations, even though the word *community* is abandoned. After all, as the secretary told the foreign ministers privately, hegemony comes from power, not words. So in the final Declaration, the foreign ministers "agreed that independence has become a physical and moral imperative and that a new vigorous spirit of inter-American solidarity is therefore essential."

Thus Latin America finally had found a place in Kissinger's view of the world. At last, U.S. diplomats and even businessmen scattered around the continent knew that Washington's new policy was aimed at preventing Latin America from joining the Third World as an unseemly threat to the industrialized nations.

The informal meeting of ministers in Atlanta (April 17 and 18) and the formal OAS session from April 19 to May 3 fall into the new "spirit of solidarity." The dialogue continues, and the negotiation toughens. Divisions are apparent in the Latin camp—some governments are prepared to brave on and to fight for a new world economic order; others would prefer to extract short-term advantages from Washington—but the confrontation is more equally balanced than before.

Washington still has huge bargaining power—and Dr. Kissinger insists on bringing congressional leaders for his talks with Latin America to secure his freedom of action—but U.S. concessions will be unavoidable. It could mean an early end to the economic blockade of Cuba or a generous new canal treaty for Panama or specialized preferences for the manufactured exports of the continent. But the strategy is clear: Washington wants Latin America back in its camp and is prepared to pay to achieve this end.

Economic relations are the obstacle, because political harmony largely exists. With the Allende regime removed from the man of Latin America, Dr. Kissinger could indeed afford to proclaim in Mexico that "we will not impose our political preferences; we will not intervene in the domestic affairs of others." After all, the vast majority of Latin American governments are already to Washington's preference. Generals rule in Brazil, Paraguay, Uruguay, Chile, Peru, Ecuador, Panama, Nicaragua, Honduras, El Salvador, and Guatemala, and militarism is still spreading. Of these, only Peru has a progressive regime.

But, largely because of Dr. Kissinger himself, international affairs are no longer guided by ideology. So Latin America's real problems—its economic problems—are now the determining factors in any new relationship with Washington. And the concept that these problems can be resolved without a reordering—and perhaps a convulsion—of the world economy is as outdated as a reliance on ideology.

But at the human level, at the subsistence level at which most—yes, most—Latin Americans live, what does this mean? Dare one say, nothing? The former foreign minister of Venezuela, Dr. Aristides Calvani, liked to compare the battle of developing countries to the struggle of the trade unions in nineteenth-century England. "The oil producers are merely the first trade union," he said. "But with courage and short-term sacrifice, the producers of other raw materials can help build a massive trade union movement of developing nations."

The analogy is interesting and appropriate, but what about the real trade union movements of Latin America—will the benefits of any world economic reform seep down to the poor workers and peasants and each country? The case of the Arab oil producers offers no encouragement. In Venezuela the oil wealth is also concentrated in a few hands. In many cases, in fact, new wealth will merely strengthen right-wing and repressive regimes. In Panama, for example, opponents of the dictator, Gen. Omar Torrijos, feel he will be secure for years once the massive Cerro Colorado copper project gets rolling. In Ecuador, which became an oil exporter in 1972, an unpopular military regime already has been saved by increased oil revenues.

According to Washington's new policy toward the continent, all this is irrelevant. Its rather special "hands-off" policy—non-interference in the internal affairs of right-wing dictatorships—ensures that poverty will remain widespread even if raw-material prices rise sharply.

But the U.S. influence—political, economic, and cultural—is enormous even without a policy of rapprochement in Washington. The economic shadow is obvious. Trade between the regions in 1973 exceeded $16.5 billion—$1.8 billion to the advantage of the United States—and U.S. private investment in the continent approached $18 billion. In some smaller countries a single U.S. company dominates the entire local economy. U.S. businessmen are not reluctant to express and promote their preferences in local politics, too.

Culturally, U.S. companies provide most of the entertainment and information available in the continent—films, television, and wire-service news. Local U.S.-owned subsidiaries also bring with them a special consumer consciousness that eventually distorts local tastes to conform with the American Dream.

On critical occasions, the United States, of course, intervenes directly in local affairs. But its indirect political influence is perhaps even more important. Events in the United States are followed and are reported closely in Latin America. The "demonstration effect" is powerful, and political unrest in the United States is quickly reflected in Latin America. For example, upheavals in Latin America during the Sixties cannot be separated from the anti-war movement in the United States at the same time.

Thus, even without an interventionist policy, the United States, by its very nature, cannot avoid intervening as a domestic political factor in every Latin American country. So, once again, the basic power relationship should not be obscured by conferences and declarations. Change will probably come to Latin America some time after it has reached the United States.

COMMENCEMENT ADDRESS BY DR. RONALD BERMAN, CHAIRMAN OF THE NATIONAL ENDOWMENT FOR THE HUMANITIES, AT GEORGE WASHINGTON UNIVERSITY

Mr. JAVITS. Mr. President, this is the season for school commencement addresses. All in this body are privileged to give them. All of us have had the opportunity to hear them. The recent commencement address of National Humanities Endowment Chairman Dr. Ronald Berman at the George Washington University stands high above the average. I understand that Dr. Berman received a standing ovation, the first such recognition at George Washington since 1964. I ask unanimous consent that Dr. Berman's speech be printed in the RECORD as part of my remarks.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

COMMENCEMENT ADDRESS BY DR. RONALD BERMAN

Perhaps my education can be of some use to your own. The first experience I had of commencement exercises came in 1948 at my high school graduation. I then heard that the world was newly safe for democracy: that education was the one sure hope for human progress; and that the innocent young would avoid the mistakes of all previous generations. This was pleasing and I believed it. Almost immediately the Iron Curtain was drawn and Korea began a generation of brushfire wars. Four years later, at my own baccalaureate exercises, I was treated to more of the same with additions: that the United Nations was the guarantee of world peace; that depressions and recessions were things of the past; and that all problems were soluble to technology. Almost with the delivery of these lines the McCarthy hearings began; Asia and Africa began to dissolve in revolution; and the problems of affluence crept abreast of its solutions. When I got my Masters degree the assurances from the podium were still repeated, with these additions: that crime and disease were only stages en route to universal perfection; that anticommunism was no longer a necessary political attitude; and that the right distribution of taxes would solve most human problems. With the utterance, the Soviet Union invaded Hungary and the British, exhausted by Suez, handed themselves and the world over the class of 1956. When, a short time later, I attended my doctoral ceremonies all the above promises were tendered along with the assurance that anxieties of race, aging and personal morality were temporary; and that a new relationship with the rest of the world was now to begin. In close sequence came the news of the overthrow of new democracies in Asia, Africa, and South America and the perfection of the infamous wall around East Berlin. And, some American advisors had been dispatched to Cochin, China, soon to be known as Viet Nam. I suppose the commencements I have attended have been on the whole bad news for Modern times.

I would like to spare you some of the humbug offered to my own generation. Commencement exercises should be among the happiest of times—but they should also be moments of truth, and recognizable for the intellectual responsibility they bring us.

My high school, Erasmus Hall, was generally held to be the oldest in the United States, for it had been founded by the Dutch long before the colonies thought of revolting—or in fact before there were any colonies at all. I learned there the simplest of practical lessons. First among them was that prayer was probably the most effective way of attacking algebra. Otherwise, that academic life had two parts; the first was involuntary servitude in the classroom; the second the spendid exploration of libraries and museums that gave satisfaction to the mind hoping to see, in the works of great men, a reason to respect and learn the ideas they had created.

I left High School in 1948 and went to sea, the last, very nearly, of those who did so because it was in Melville and Dana and other authors too humble to commemorate. I think I learned as much here as at school, although I would not offer the experience for credit. I learned how to speak some foreign languages because these were the only ones in stock. I met men above me intellectually who in their cranky and self-destructive shipboard lives had learned Plato by heart and argued out the Dialogues. Like Conrad, although with less insight, I saw most of the vices and some of the virtues and came to terms with all that. Although I didn't know it fully, when I went back to college—as I hope you will go back from time to time from action to contemplation—I had made some little progress in education. I found it important to know and get along with those not literate but whose imagination and sense of things exceeded my own. I tested the difference between the real and the rational, which extended from polishing brass in a hurricane to the discovery that free choice implied alternatives for others that I myself found unacceptable.

So, at the age of eighteen I had some different kinds of knowledge. A very good high school education which would now I suppose be considered a museum piece. Familiarity with the world as it actually is. And, a heavy load of those mental prejudices which are every year condensed into graduation addresses. As it turned out, this was not much preparation for Harvard around 1950.

At that time the university sincerely believed in its pre-eminence and each day was passed in the confident expectation that the power of intelligence exceeded the resistance of those problems to which it was applied. My teachers showed professional and I think personal greatness. It was at that time customary for scholars to teach well and I am still proud of the example of their commitment. As a freshman I was taught by the President of the University, James Bryant Conant, who later became High Commissioner for Germany. Samuel Beer taught me history and Clyde Kluckholm anthropology; both with the most informed passion and style. As a sophomore I took courses with Harry Levin, John Finley and McGeorge Bundy; as a junior with Pitirim Sorokin; as a senior with Talcott Parsons. Throughout the four years I worked in the laboratory of Harry Murray, without whose work modern psychology would not be the same. Certainly my own life would not be.

I invoke these names because they deserve respect; teachers after all are as good as politicians. And I hope that among you there are those who will replace them.

I naturally learned what these men had to teach, and assimilated their respect for work and disciplined intelligence. What I admired most of all was the careful distinction they observed between their own views and their duty of teaching. They were distinterested men: Samuel Beer, a future president of the ADA, teaching views opposed to his own with superb attention to their virtues, McGeorge Bundy, a lifelong scholar of European history, gracefully changing my grade from C to B when I pointed out that my own views, at least three weeks old, deserved the encouragement I invited him to bestow. Although fundamentally inept at science I spent a year with Conant, astonishing both of us with the grim upward crawl from the first D to the last A.

I learned also that enough was enough, and stopped going to classes after two years. I spent the last two years of college in Widener Library, coming up briefly for air, and on the banks of the Charles where I didn't do much of anything.

I left Harvard somewhat as Samuel Johnson approached Oxford, with a stock of knowledge that would have astonished a philosopher and an amount of ignorance that would have disgraced a freshman. On my own commencement day twenty-two years ago I spent the morning with family and friends, proving to them and to myself that four years of education were now official because I had a cap and gown to show for it. After lunch I left for Alaska.

I wasn't the first man from my college to use a pick and shovel—in fact, although the trip from Cambridge to Walden was much shorter the transformation was probably more noticeable for another student who had preceded me by about a hundred years. Anyhow, I worked on the last section of the great Alcan Highway, which wound from the port of Valdez through the glaciers and mountains of the southern coast to Fairbanks. A sensible man learns from everything. I learned to stay away from bears and to share the loathing of glacial water of everyone who had had to work immersed in it. I saw sets of prejudices new to me—mainly dedicated to the extermination of animals and the conversion of the land into a commodity. I also saw that bush flying and bulldozing were honorable vocations, and that selling groceries five thousand miles from Boston was more of an accomplishment than it looked. I had to admit that Stubb's *Constitutional History of England* was no more fascinating than the actual process of building a road, converting a wide place on the right of way into a community; that in turn producing school, church and every other form of organization. The wilderness blossomed and put forth billboards.

But of course it did something else, which was to repeat what I guess is the central theme of American history: the advance of what we call civilization to a place we call wilderness. It was useful to have a look at the last growth of our frontier—and to see, as in glass darkly, the shape of our own Malthusian times.

My sojourn in Alaska was much shorter than I wanted, being interrupted by an invitation to join the Korean War. After putting in for torpedo boats I found myself back at the same desk in Widener for three years of naval research. *Nil admirari*. Simply as a variant I went to Yale after the war.

The Navy, of course, was an education of its own. Having for the first time a regular salary and not many ways to spend it, I headed for the bookstores of Boston and New York, laying the foundation of a library that became the white elephant of my life. It was like caring for a five-thousand pound infant. But it, of course, has cared for me.

Graduate school had many satisfactions but peace of mind was not one of them. One of the most remarkable statistics in American life is the eleven years it customarily takes—or has up till now taken—to get a degree in the humanities. And of course it involves an authentic vow of poverty. I certainly would have been much better off if someone had said to me "You are now going into years of residence which will be difficult and probably painful. You will have to beg, borrow and perhaps steal the money you need for wife and children. In order to succeed, you will do little of what you like and much of what you find intolerable. Reading will give way to study, wisdom to knowledge, and tranquillity to the restless desire to make yourself as marketable as possible. You will be taught fairly badly, and encouraged yourself to do as little as possible for your own students. Possibly, it will all be worth it."

It was, but as a form of resistance to precept and experience. At any rate, I finished up quickly and, handing in my dissertation, went south twenty miles to work in Bridgeport, at the most Dickensian factory to have survived the nineteenth century. Among other things I discovered that I disliked cold, darkness, and generally inhuman conditions of work. I also discovered a loathing for the idiot Ph.D.'s on the floors above who set our hourly wages and acted on the whole like another part of the human race. A half year of this made me a wiser and better man—so I ended my academic career with the face of Janus: degrees and fellowships in the seventeenth century and an AFL card for the operation of a stamping press. It was *As You Like It* and *Hard Times* put together.

All this turned out only to be the prelude to an informal education. As an involuntary participant in civilization for the last decade or so I have seen a good many certainties lead from the drawing board to the chopping block. One theory after another has surfaced from the deep, shown us its glistening back, then disappeared once again into the void. Where now is the education for good citizenship? for the whole or Renaissance man? for excellence? and even for social relevance. All the certainties of valedictorians that I have been forced to listen to have had a shorter life span than the American dollar. And of course the structures supposed to sustain them have shared a ridiculous temporality: the ivory tower, the free university, the street theater, the teach-in—either time or common sense has defaced their original shininess.

In general, even as we heard more and more speeches about the glories of education it was getting less and less effective. The reasons are fairly plain: universities, emulating the success of corporations, embarked on what can only be called a binge of over-development. One of the most ridiculous things today is to hear pieties about a no-growth technology from a campus with forty thousand students, seven layers of deans and their dependents, dozens of skyscraper laboratories, and an administrative budget that would run Costa Rica or Honduras for half a decade. And, of course, undergraduate education got lost in the commercial process. Teaching was a reasonably good way to support graduate students or Faculty to whom research was more important than anything else, although not in itself of actual importance. Education now did not imply any special study to student, subject or self. It is clear, however, that for more than two thousand years, whether in pagan or Christian civilization, whether in medieval, Renaissance or modern times, teaching was generally considered to be one of the great vocations. In fact, the I and Thou relationship it fostered made for one of the authentically great themes of Western culture. It is altogether extraordinary to reflect on the literature of learning—perhaps better described as the story of becoming a person—which in fact constitutes our tradition. Aristotle, in one of the most symbolic of relationships, was teacher to Alexander. Socrates taught Plato, Xenophon and the rest of the civilized world. Both Old and New Testament refer continuously to the essential body of moral and practical knowledge that one generation must transmit to another, and raise the figure of the teacher and his disciples to the highest of all human—and superhuman—relationship. From the *Education* of John Milton through the Academy of Lagado, from Tom Jones' school days to Tom Brown's, from Oliver Twist's workhouse and Dotheboys Hall to Cardinal Newman's idea of a liberal education; from that of Henry Adams to George Orwell; from Eugene Rastignai at the Maison Vanquer to Scott FitzGerald at Princeton, the idea of education has been powerful enough to supply a good deal of the energies of fiction. Commencement speeches ought at least to recognize that—and to recall with some modesty that a good deal of the forementioned are admonishments or satires.

Satire may be the right mode to discuss commencement as an institution in your own generation. In my time occasions like these were given over to harmless humbug—in yours to something less admirable. A few years ago this kind of exercise had become a symbolic revolution, contemptible not only because disruptive but worse, because a form of moral entertainment without penalty. One great university after another passively accepted its own disgrace: I speak not only of rocks thrown through windows, or the universal spray can—worse than the Reformation fig leaf—hiding facts behind ideology, or the uproar of heckling, sign-waving, shouting, assault and other spineless accommodations to academic approval. I mean of course the time-serving commencement speeches which from one end of this country to the other incited the academy to break its own traditions and destroy its own values.

Commencement for a decade or so routinely informed us that we were racist, fascist, and genocidal and compiled other exaggerations which tended to grant temporary importance to the cause and the speaker. But clearly the way to attack problems is through rationality, deliberation, and honesty. Guilt and innocence are terms too large to subject to the applause of a single afternoon. They take a lifetime of dedication to unravel, and not an hour of propaganda.

What commencement—and education itself—might well take up for discussion now is the new climate of mediocrity on campus. Credit, for example, can be given for astrology, a superstition dead already half a millenium, or the contemplation of one's own or assumed identity; for a few hours in a theater or the temporary adhesion to a hobby or religion; for studies of rock music, science-fiction or other distractions. This is not the business of intelligence. It is a bad way to spend desperately needed money in a world of shortage; and it is a consummate waste of time.

I don't argue that these kinds of experience or belief are without value. I've built roads, sailed ships, worked in hospitals and warehouses precisely because education needed a complement and even an antidote. But it is disingenuous to assert that education should grant credit for each and every human experience. If it did, why go to school at all? My guess is that before we sent our graduates out headlong to save the world they should pay some attention first to the place that sends them.

Once in the world you will have problems equal to any of the preceding generations of this century. I hope you will view them with the respect they deserve, but never abandon that respect you owe to yourself, your family and your nation. The great discourse of these times must concern equity for all of us; the stabilizing of foreign relations; the rational use of cities and countryside; the balance between technological benefits and costs; political function and reform. To this should be added a more important intellectual problem, which takes at least a lifetime of application; the continuous training of the mind and conscience so that the difference between truth and falsity can be discerned.

I leave you then to what I trust is a happy and useful lifetime of continuing knowledge; and the ability it confers to equal those great productions of the mind which have forced us year after year, to acknowledge their indispensable presence in civilization. That process of recognition is rightfully called education and I think it as high a calling as a man may follow. I sincerely hope that, in school or out, yours will be even better than mine.

MOBIL OIL AND MARCOR

Mr. CHURCH. Mr. President, I was astonished to read in this morning's paper that the Mobil Oil Co. is planning to offer at least $350 million for a 51-percent interest in the company that owns Montgomery Ward and the Container Corporation of America, Marcor, Inc.

Mr. Tavoulareas, president of Mobil, just finished telling the Senate Subcommittee on Multinational Corporations that the company's extraordinary first-quarter profits were not real, and, in any event, were desperately needed so the company could search for new petroleum and reinvest the necessary capital to bring refined products to market.

This morning's Wall Street Journal quotes analysts as describing this purchase as an attempt by a cash-rich oil company to take over a concern whose stock is generally viewed as undervalued. After piling up exorbitant profits on the highjacked price for oil, Mobil now intends to play the stock market. This adds insult to injury.

I believe that the Department of Justice should investigate the merger forthwith and that the Congress should take Mobil's action as evidence that oil company profits are being diverted away from the development of new energy resources. Appropriate tax legislation, which I have proposed, such as the minimum tax on foreign earnings, should be passed forthwith.

I ask unanimous consent that the article appearing in this mornings Washington Post concerning the plans of Mobil Oil to purchase a controlling interest in Marcor, Inc., be printed in the RECORD.

There being no objection, the article

was ordered to be printed in the Record, as follows:

[From the Washington Post, June 18, 1974]

Mobil Seeks To Acquire Marcor Corp.

(By Philip Greer)

New York, June 17.—Mobil Oil Corp., one of the giant international oil companies whose profits have soared since the fuel shortage last fall and winter, said today it plans to buy 51 per cent of Marcor Corp., parent company of Montgomery Ward stores and Container Corp. of America.

Mobil said its plans are preliminary, but it intends to offer to buy shares from current stockholders. It already owns 1.235 million shares of Marcor, about 4½ per cent of the total outstanding, Mobil said. At current prices, the remaining 46½ per cent would cost about $350 million—which Mobil could pay out of profits earned since the fuel shortage struck the United States last fall.

In the last quarter of 1973 and the first quarter of this year, Mobil reported profits of $537 million, up nearly 70 per cent from the $317 million earned in the comparable periods of 1972–73.

Mobil is the second large oil company to seek acquisitions outside its own field in recent months. Last October, Gulf Oil Corp, abandoned plans to take over CNA Financial Corp., a large insurance, real estate and financial complex.

A Marcor spokesman said today that Mobil officers notified Marcor last Friday that they had been authorized by their board of directors to buy 51 per cent of Marcor's stock. There have been no actual discussions between officials of the two companies and no meetings have been set, the spokesman said, but he added that they are expected soon.

Today's announcements from Marcor headquarters in Chicago and Mobil's offices here indicated that the offer is at a very early stage.

Leo H. Schoenhofen, Marcor chairman, said this morning that "the definitive terms of Mobil's proposal—such as the price per share to be tendered and the timing of such an offer—have not been discussed with Marcor.

"Therefore, Marcor's management is not in a position to reach any judgment regarding the proposal," Schoenhofen's statement said.

Rawleigh Warner Jr., Mobil's chairman, later confirmed the Marcor statement and said that "neither the terms nor the timing of a possible offer have been decided upon by the Mobil board."

Mobil's planned purchase could face hurdles in the form of objections from the Justice Department's antitrust division.

At the end of Marcor's fiscal year last January, the company reported total assets of more than $2.8 billion. The Montgomery Ward division had 445 stores in operation throughout the country at that time.

Mobil, one of the world's 10 largest international oil companies, had total assets of $10.7 billion at the end of 1973.

Before its merger with Container Corp. in 1968, Montgomery Ward and Co. was long a prime target of corporate takeover specialists because the company's conservative management had a tradition of maintaining large amounts cf ready cash. After the merger that created Marcor, cash reserves were used to upgrade the Ward stores, several hundreds of which have been closed or modernized.

Mobil, an offshot of the vast Rockefeller oil empire, was formerly Standard Oil Co. of New York. It has exploration, development and marketing affiliates in virtually every part of the non-Communist world, including a 10 per cent interest in Aramco, the Arabian-American Oil Co., which extracts oil from the vast Saudi Arabian fields.

THE SAHELIAN DROUGHT

Mr. BROOKE. Mr. President, as the drought afflicting the Sahelian region of Africa continues to spread, the need for expansion of the scope of our aid and rehabilitation programs in the area becomes more apparent.

The ongoing drought continues to cause widespread suffering, disease, and social and ecological problems. In attempting to ease the plight of the drought victims, I believe we must constantly review and reconsider the direction of our efforts and the effects of existing programs.

Mr. President, I bring to the attention of my colleagues an article from the New York Times of Sunday June 9, 1974, which gives a broad overview of the recent developments in this afflicted area. I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the New York Times Magazine, June 9, 1974]

Drought

(By Martin Walker)

Boutilimit, Mauritania. "We are living in a catastrophe," said Dr. Moustapha Siddatt. "Last year, the babies started to die in May when the measles came. This year, they started to die in March, with the flu. We are all that much weaker this year."

Above us on a hill brooded the curiously squat shape of an old French fort. It had once been three stories high, but now the two lower floors were filled with drifting sand. This part of the dry season was always windy, but years of drought had killed off what little vegetation held down the sand. The sandstorms had never been so bad.

Boutilimit—a garbled phrase of the Legionnaires' that means "the end of the line"—was home last year to 4,000 people. This year, there are 12,000, and more arrive every day from the desert that has finally proven too much for them. They arrive without their animals. Mauritania had some 11 million head of cattle last year, and a million people. This year, says the Minister of Health, there are perhaps two million cattle left. Even the camels have died. In Boutilimit, they saved five camels to haul up the water from the wells. The water level has fallen so far—it is now more than 200 feet deep—that the men are too weak to haul up the buckets.

It was 140 degrees Fahrenheit in Boutilimit, and it had taken us a day to drive the 160 miles from the Mauritanian capital of Nouakchott in a four-wheel-driven Land Rover. Much of the time was spent digging the truck free from drifting sand, and it had become horribly clear to us why no food trucks had reached this place since the week before Christmas, why the food ration for the 12,000 people had been cut to less than 200 grams per person per day, why the French doctor who came here went back to the capital and told the Ministry of Health: "There is nothing to be done. These people are lost."

Dr. Siddatt led me through the crowded tents that made up his hospital. One hundred and thirty-four families had trekked in from the desert in the last week. Their tents surrounded the little mud building where the dwindling supplies of drugs were kept, sprawled across what had been the main street, and crept up the hill to the old fort. "Here is where we keep those with TB. There are the typhoid patients. They all have anemia, and soon they will all have jaundice. There is not very much I can do. I write to doctors who were at medical school with me in France, asking for their free samples. But what they really need is protein—meat and milk from the animals that died last year."

The flu came to Boutilimit in March and killed more than 400. Nobody had the time or the strength to keep exact figures. Now chicken pox was racing through the tents. We stopped at one tent, where three children had died recently of chicken pox. The other four children were still sick. Dr. Siddatt thought that two would live.

We walked through the tents, looking at feet that had swollen, like footballs, from protein deficiency, at eyelids chalk-white from anemia, at limbs so like sticks that the knee joints looked gross and deformed. Something seemed to be missing, and it suddenly occurred to me that there were no children following us. In most villages in Africa, a white man strolling around bears a long train of giggling, thumb-sucking children. But here, not one child had the strength to play or to follow or even to wave away the flies that crawled on his sores.

The drought that afflicts Boutilimit streches across the African continent, all the way to Mecca. As well as Mauritania, its dry hand has touched the adjoining countries of Mali, Niger, Chad, the Central African Republic, the Sudan and Ethiopia. It has crept down to Kenya and it has killed the animals in the game park outside Nairobi. It has divided huge Lake Chad into four ponds. (The fishing village of Bol, once stood on the lake's shore but now is stranded 18 miles from water.) Right across the waist of Africa, the belt of drought stretches 4,000 miles long and 1,000 miles wide. And beyond the Indian Ocean, in a similar latitude, the drought continues through India's Maharashtra province, into China's Yangtze Valley and right on around the world into Central America.

It is such a vast calamity that our statistical machinery is unable to measure it meaningfully. In the African drought belt, observers think there are about 50 million people, of whom one-third have been severely affected. Bill Price, the British Overseas Development Minister who has just returned from West Africa, reckons that five million now face starvation. Kurt Waldheim, the Secretary General of the United Nations, says that up to 10 million may face starvation across Africa. Nobody really knows for sure.

It is perhaps easier to comprehend in geographic terms: As a result of the ongoing drought, the Sahara Desert has been creeping south, reclaiming huge sections of the marginal land between the desert and the great River Niger, an area known as the Sahel, from the Arabic word meaning shore. The Sahel supports the herds—cattle, camels and the ubiquitous goats—of such desert-dwelling nomads as the Fulani and the Tuareg in the dry season, as well as thousands and thousands of tiny villages and hamlets that exist on subsistence crops of millet and sorghum. Last year, the desert advanced about 60 miles, leaving behind village after village where only sand blows through abandoned huts, where the desert has already covered the stubble of millet.

Thus, in addition to causing widespread physical suffering and death, the drought has incalculable social consequences. The scarcity of food and other resources has aggravated existing tensions in the underdeveloped societies of the Sahel—in recent months, the Governments of Niger and Ethiopia have fallen, and in both countries the drought has contributed to unrest.

The ancient nomadic and peasant cultures of the Sahel were already under considerable pressure as the national boundaries of new African nations cut across their traditional paths of migration and as modern cash economies disrupted their normal way of making a living. The drought has proved a final blow in many places, and some observers of the Sahel have come to believe that the traditional cultures are no longer viable. Meanwhile, Sahel governments must cope with the problem of feeding and caring for settlements of refugees that begin to look more and more permanent.

Rain still falls in the Sahel—enough each summer, in fact, to wash out fragile roads necessary to transport food stores—but in recent years these rains have been sharply diminished. In normal times, 200 millimeters of rain would fall on Boutilimit between July and September, but last year only 41.6 millimeters fell. That was typical—it was a lucky Sahel zone that received even half its normal rainfall last year, and any area that received that much was immediately deluged with refugees. Rosso, on the Senegal River, gets 350 millimeters in a normal year. Last year, 164.5 millimeters fell, and the town exploded from 8,000 to 35,000 people in eight weeks.

It is becoming increasingly clear, furthermore, that this drought is no temporary meteorological aberration, but a basic shift in weather patterns that is causing a progressive reduction in Sahel rainfall. For centuries, weather in the Sahel had been governed by the shifting of a body of cold polar air. In spring and early summer, it would begin to recede to the north. As it did so, temperate air masses would follow, and so, in turn, would moist air belts that carry monsoon rains. Then in October, the polar air would begin moving south again, bringing the dry season to the Sahel. Now, however, an increasing number of climatologists believe the polar air mass is not receding so much with summer, and so the temperate air, and the monsoon bearing moist air, cannot move so far north. No one knows for sure why this has happened, although some scientists believe it has to do with the recently observed fact that the temperature of the earth has dropped gradually over the past few decades. This has resulted in an expansion of polar air masses, in a way that keeps monsoon rains below a line that corresponds closely to areas now experiencing drought.

If the theory of the polar air mass is valid, however, the implications are dire for the Sahel, for there is little man can do to deal with it. Thus, the British meteorologist Derek Winstanley argues that massive reforestation projects in the Sahel will have little effect on the southward march of the Sahara. For the rain will still not fall.

The effects of the drought are compounded by an ironic factor: Well-meaning aid projects over the last decade or so have resulted in an over-population of men and livestock that makes the current reduced ability of the land to support them far more disastrous in terms of lives than it might have been before. In the Sahel, the good years began shortly after 1961. There were six years of unusually high rainfall, which improved the thin and scraggly desert pasture. Then came the aid projects—U.S.A.I.D. built more than 1,400 wells where people seemed to need them most, which meant where there were most people and most cattle. In a desert society, which exists in a subtle ecological balance, one of the key restraints upon the size of herds has been the amount of water the tribe can haul up for its cattle by hand. The new power wells were soon surrounded by too many cattle for the available pasture. And with the vaccination programs, fewer cattle died prematurely. The human population explosion, fueled by the beginnings of health care, needed the extra cattle, and the frail ecology of the Sahel began to crumble. Even in 1968, a relatively mild drought led to the desertification of vast areas, as the herdsmen cut down trees so their cattle could eat the foliage, as the hungry and numerous goats ate the very roots in the ground. Nineteen-sixty-nine was an almost normal year for rains, and the crisis was avoided, but the diminished rains of 1970, '71 and '72 condemned the bulk of the Sahel herds to death in 1973, and brought the Sahara into thousands of square miles of hitherto fertile land. The sheer scale of the human population increase terrifies local aid officials. Achim Kratz, the director of the European Development Fund mission in Niger, last year produced an authoritative report that concluded that even with good rains for the next 10 years, the food-population ratio will be worse in 1982 than in disastrous 1973.

There are a handful of towns scattered through the Sahel, most of them, like Agadez and Timbuktu, centuries old—the only reminder of the great and prosperous civilizations that flourished here six centuries ago when the desert was fertile. When the nomads and the peasants, their traditional way of life shattered by the drought, decide to flee, they move to these towns and to the modern cities on the Niger. There they live in pathetic and disease-riddled shantytowns. Fewer and fewer people remain on the land to plant next year's harvest, to tend what cattle are left. Food production has thus declined and can be expected to continue at reduced levels, but the uprooted nomads and peasants gathered in the towns must still be fed. And though the crisis that has left them starving is awesome in magnitude, organized attempts to help them have shown an appalling lack of urgency and competence.

The major food donors and local officials have agreed that about seven million people in the Sahel will need emergency food aid this year, and an investigating committee of donors decided after a factfinding tour last September that some 650,000 tons of food would be required. The food itself was not a problem—in fact, almost 600,000 tons were placed by various donors (in particular, the U.S. and the European Economic Community) by January of this year. But the food is useless unless it can be shipped to northern areas where the hungry people are.

Roads are few in Sahel. When they exist, they are simple dirt tracks that are covered by drifting sand in the dry season and washed away by the rains. On the average, a Land-Rover can cover 100 miles a day. The normal life of a truck, in these conditions, with few servicing facilities, is about 1,000 hours. There are also four old and frail railroads that go from the ports on the coast up to the southern part of the marginal zone. The capacity of these road and rail links is about 100,000 tons of food per month, and so if the required 600,000 tons of food is to be moved into place by the time the rains come in July, the shipments should have begun in January.

That should have been possible. Last year, when an emergency program was hastily patched together to deliver 400,000 tons, so little time was left to deliver before the rains came that aircraft were being used from May. But the airlift was so cumbersome and expensive that local aid officials hoped to avoid it this year. They worked out a plan for transporting food by land and forwarded it to Brussels, Rome and Washington last October. That left more than three months for the bureaucratic work and for the shipments to be arranged.

But on Jan. 31, the Food and Agricultural Organization's Sahel Relief Office (OSRO) issued report No. 8. Clause 6 reads: "The timely shipment of donated commodities is of considerable importance. OSRO has prepared tentative shipping schedules for each country by month and by port, taking into account port and internal transport capacities. These schedules will be discussed at a meeting of major donors called by the E.E.C. in Brussels in 12 February 1974."

In other words, by the time that meeting began, six vital weeks of delivery time had been wasted. And it was not until mid-March that the Council of Ministers in Brussels gave the full and final agreement for the deliveries. Only in April did the food begin to arrive in any real quantity. In Niger, for example, a steady supply of 23,000 tons a month was needed. Anything less meant transport capacity wasted. Anything more meant transport capacity swamped and food stockpiled on the wharfs at the mercy of rats and weather. But the monthly arrivals at the ports for Niger look like this:

[All figures are in tons]

February	10,438
March	7,662
April	49,102
May	20,252
June	11,017

It takes five weeks to get the food from the ports to the distribution points, so anything delivered after June will be blocked by the rains, which close the roads. The transport plan was never put into effect.

So another airlift will have to be undertaken this year, a fact that amounts to an indictment of the international aid community. President Hamani Diori of Niger pointed out to me shortly before he was ousted in a military coup that "the international community spent over $40-million on transporting food to Niger last year. Most of that money went on the airlift. For that kind of money we could have irrigated 11,000 hectares of land near the Niger River, which would have produced 110,000 tons of food. That is not far from our total needs—the economics of airlifts simply does not make sense."

Moreover, aircraft need fuel. The Belgian Air Force Hercules planes were using 19 tons of aviation fuel to deliver one ton of medical supplies to northern Chad last year. The U.S. Air Force used a ton of fuel for every ton of grain it flew from the railhead at Bamako to the refugee camps at Gao. That aviation fuel has to compete with food for limited rail space on the long slog from the ports.

The delay in approving food shipments was not the only administrative mistake. The multidonor mission that visited the Sahel last September to ascertain the total food needs agreed with the Mauritanian Government that Mauritania needed 100,000 tons in 1974, in additon to the 40,000 tons already in the pipeline for the country. Once back in the F.A.O. office in Rome, that 100,000 ton requirement was cut to 60,000 tons, to the horror of the Mauritanians.

To quote from a confidential World Food Program report dated Dec. 8, 1973, the reduced F.A.O. estimates were "based on either a misinterpretation of the recommendation made by the members who visited Mauritania or on a misunderstanding of the situation by the latter. It had been agreed between the mission and the Government that 100,000 tons of cereal would be required in 1974 in addition to the 40,000 tons in the pipeline at the beginning of October, 1973."

In other words, somebody had put a minus sign where there should have been a plus sign. The immediate result was that the Mauritanian Government cut the food ration to below 300 grams per head per day—a level of slow starvation.

The confidential report goes on: "In a report of the proceedings of the multidonor mission in Rome it is claimed that the Mauritanian Government indicated that it could only handle the distribution of 58,000 tons of food aid or relief supplies. This is absolutely inaccurate. No such statement was ever made, nor is it contained in any report originating in Mauritania." In fact, the report went on, Mauritania could distribute about 120,000 tons a year. Although this mistake was uncovered last September, Dr. Abdallahi Ould Bah, the minister in charge of the Mauritanian relief program, told me at the end of March that he had still not been promised the extra 40,000 tons. Belatedly, this food is now on its way.

The organization that should have detected this error was the Sahel nations' own emeregency committee, which was established more than a year ago. Based in the

Upper Volta capital of Ouagadougou, it was meant to coordinate food deliveries and provide the link between the bulk deliveries of the donor nations and the local transport of the individual nations. In fact, it has done little, largely because the various nations of the Sahel, each jealous of its own authority, have given the committee no real executive authority. Its major action so far has been to undermine its own credibility in Western eyes by presenting last year an unrealistic shipping list of unrelated and ambitious aid projects, with a price tag of $1-billion. According to one American soil expert, the committee's estimate of fertilizer needs would have poisoned every river and every acre of the Sahel for a decade.

We should not forget that the bureaucratic standards of the West are not applicable in the Sahel. These nations are among the poorest in the world. Insofar as the figures mean anything, Upper Volta has an annual G.N.P. per capita of about $60. Niger's is about $80. Independence 14 years ago found these countries with but a tiny band of educated leaders. Niger had but one high school. Education facilities, civil administrations and the accounterments of statehood had to be assembled from scratch. In "normal" years, about 40 per cent of Tuareg children die before the age of 5. The fragile administrative structures of the Sahel nations were barely adequate to cope with the strains of underdevelopment, let alone with a drought that made half the population into refugees.

This fundamental economic and administrative incapacity to handle a crisis of this scale was aggravated by the prickly pride of these newly independent nations. It is never easy for a government to announce to the world that it is incapable of saving its own citizens, and this kind of confession can be politically dangerous in countries where traditional tribal hostilities and jealousies are in an uneasy state of truce. Nowhere was this official reluctance to face up to the problems as marked as in Ethiopia. In November, 1972, its Ministry of Agriculture circulated a confidential report on the failure of the rains and crops, which would necessitate "major food imports" in 1973. The Cabinet chose to suppress and virtually ignore this report. And then in February, 1973 the first batch of starving refugees approached the capital and the tourists of Addis Ababa. They were swiftly turned away by the police and the alarmed Government was soothed by the report of the Governor of Wallo Province that there was "a problem of drought," but all was under control.

This official complacency meant that the local U.N. aid agencies, whose charter forbids them to work in anything but close association with the host Government, were not able to mobilize any effective relief. A stormy meeting took place in Addis Ababa on Aug. 14 last year, when an ex-Peace Corps UNICEF official presented a report saying that 60,000 people had already died in Wallo Province and the area was devastated. The Minister of Health suppressed this report, and said that such events could not occur in the great Empire of Ethiopia. But a copy of this report found its way to Britain, and journalists and TV crews went to Ethiopia and reported the crisis to an alarmed world. Then the Government, with incompetence and corruption, began to handle its "problem of drought." Terrified that adverse news would ruin the tourist trade, the Government refused to admit that Wallo Province was raging with cholera. The Government insisted that the ailment be called "gastro-enteritis C." But the Government was only too happy to accept doses of free cholera vaccine—and then to sell them for the equivalent of two American dollars a shot. The people who had to pay were the desperate, starving, impoverished victims of Wallo.

These were the events that led to the student and military outrage which erupted early this year and led Emperor Haile Selassie to dismiss the Government of Premier Aklilou Wold and install the avowedly reformist regime of Endalkachew Makonnen. That old and discredited Government is gone, but the inflation and the national trauma that drought has brought have injected a basic instability into a system that has preserved Ethiopia in feudal stasis for centuries. For the drought's effects are all the more vicious in the context of that archaic system. Drought or no drought, the church, owning one-third of all the land, has demanded its rents from the impoverished aristocracy. The peasant farmers of Ethiopia have paid about 90 per cent of their crops in rents and taxes. Corrupt officials have abused their power to enrich themselves at the expense of drought victims.

The results have often been violent. In April, I drove deep into southern Ethiopia towards the Kenyan border where the drought of last year had left the inhabitants desperate. Encouraged by the political unrest in the capital, peasants who had been docile for generations exploded into a sudden rural revolt. All down the fertile Rift Valley the sky was trailed by the smoke from the burning farms. In the town of Arba Minch, we had barely crossed the only bridge before the local people tried to blow it up. Fifteen people were shot dead in the town that day, three by the nervous police, and the rest by landlords defending their farms against angry mobs of peasants. The provincial Governor had fled back to Addis Ababa, leaving his home in flames behind him. He was no great loss—he had persistently refused to distribute any of the aid food until every last bushel of his own harvest had been sold at three times the normal price. The local priest fled with him. The Governor had been donating $500 a month to the church, and the priest had threatened the townsfolk with mass excommunication if they attacked the Governor. They attacked anyway. The local Mayor was in hiding from a lynch mob.

In Ethiopia, whether the Emperor lives or dies, whether the rains come or not, life will never be the same again. The new Government has already begun to draw up more radical programs of land reform, because its first timid proposals were howled down by an outraged National Assembly. The peasants have shaken off the apathy of centuries. The Emperor has been forced to name an heir. The armed forces have come of political age.

Besides contributing to political unrest, the drought has cut savagely into Government revenues. In Mali, almost 20 per cent of the tax revenues came from poll taxes on cattle. And in Niger, the relatively mild drought of 1968 cost $20-million in lost agricultural production and $14-million in lost livestock—this in a country with a budget of $65-million. The oil crisis served to twist the economic knife inside the wound. The third world as a whole faces an oil bill that is $11-billion higher than last year, and yet total financial aid to the third world is only $8.5-billion. Even in relatively wealthy Senegal, this year's higher oil bill is costing over $70-million, which is slightly more than a quarter of the national budget. And one cannot relieve a famine without gasoline. In Senegal, the Government even has to take water in trucks to the people who live along the shores of the mighty Senegal River, because its flow is now so weak that the water is salt 80 miles from the sea. It has not passed unnoticed in the Sahel Governments that their fellow Moslems control the oil and have some say in the final gasoline prices, but the desperate Sahel governments are still paying the full commercial cost.

The prostration of the Sahel countries by the drought has undermined their economic negotiating position, particularly since the oil price rise has emphasized oil-rich Nigeria's role as Africa's new superstate. Diplomats and aid officials are already suggesting that the Sahel's future lies in much closer economic and political links with the stronger nations that surround them. Traditionally, these nations have been firmly tied to the apron strings of France, the original colonial power. But at the end of March, France agreed to withdraw her last troops from Senegal, and to hand over the key naval base of Dakar. The death of President Pompidou has simply accelerated an established trend of diminishing French influence. The oil-rich neighbors, Libya, Algeria and Nigeria, are increasingly concerned about who governs the nations in their rear. And the trans-Sahara road, from Algeria down through Niger to Nigeria, is arguably the single most strategic road in Africa. Although the social problems and dislocation of the drought were the underlying reasons for the recent coup against Niger's President Diori, its immediate cause was the defense treaty he had just signed with Libya, a move that upset the delicate new balance in the area and alarmed the neighboring Nigerians. Power politics has come to the Sahel, and the impact of the drought has left the Sahel nations with pitifully few cards to play.

If these countries are to stand on their own at all, they will need to solve the basic problems of underdevelopment that the drought has masked. They will need an agricultural revolution, producing cash crops with adequate roads to move the harvest to the markets. And yet, any change in the economic structure of the Sahel will need the agreement and cooperation of the markets for their cattle and manpower in the south. In addition, the Sahel nations argue that they need guaranteed prices for their primary produce from Europe, which will give their farmers incentives to increase production for export. But after the Arabs' use of the oil weapon and the explosion of commodity prices in general, Europe is wary of guaranteed price structures; the third world countries seem quite capable or getting better prices for themselves.

More profoundly, any attempt to modernize agriculture in these countries will require massive adjustments in attitude on the part of the people. Mauritania, a nation that is perhaps 90 per cent nomad, has already decided that the desert has become too much for the old way of life to continue. The Minister of Health, in charge of drought relief, openly suggests that the future of his country lies in having the vast majority of the population settle down to a static, peasant life in the fertile strips along the coast and along the Senegal. "There will be oases inland, and no doubt many of the older people will return to the desert if they can. But if this drought has given us the opportunity to modernize our society, we must not ignore it," he argues. In Niger, the only country which had a Minister for Nomads (who was himself a Tuareg), the future is seen to lie in irrigated farming along the banks of the Niger, with nonnomadic stock-raising in the marginal zones. Man has endorsed the verdict of nature.

A massive re-education project will be needed to turn the nomads into settled farmers, and to take the peasant refugees from the shantytowns and out to new, irrigated areas near the fertile river. In Mauritania, this is beginning to happen; a network of local radio stations to focus on agricultural education is being established. But there is little sign of such prescience elsewhere. This drought, and its social effects, has come as a traumatic psychological shock to the people of the Sahel. When a peasant loses faith in his land, and when a nomad loses his trust in the fertility of the desert, the effect is a kind of psychological castration.

Aid officials, too, are despondent, having seen the drought's brutal negation of a decade of development. In northern Senegal, the rice plantations and sugar-cane groves, all developed in the last 10 years, are dead, poisoned by the salt water that has crept up the river from the sea. In Mauritania, the famous gum trees of Mededra, whose gum arabic was a key source of foreign exchange, are dead. Small market-gardening projects, stock improvement programs—so many are now wasted by drought. The panic of the last two years and the overriding need to keep people alive have left little time for the planning of long-term reconstruction. The World Bank is looking at a $70-million dam project on the Senegal, but there are fears that the reduced water flow may make such a dam superfluous.

Meanwhile, to the frustration of those who hope for rural development, many of the refugees are digging in to become a permanent feature of urban life. In Nouakchott, for example, whose population swelled from 40,000 to 120,000 last year, walls of mud brick are beginning to appear around the tents in the shantytowns.

Inevitably, the old ways will pass, and the passage may not be very smooth. What few nomads the desert will support will have to give up their goats, the basis of their old way of life, for goats eat the bark from the trees, the roots from the ground and, in terms of erosion, are the advance guard of the Sahara. The Governments of Mauritania, Mali and Niger have already—with reluctance—decided to follow the example of Tunisia and declare war on the goat. The few remaining herdsmen will also have to learn to sell their beloved cattle for slaughter when they are 5 years old, rather than cherish them until they die, for reasons of custom and prestige, as they still do. The herds will be rebuilt, up to a point, but they will never be allowed to overpopulate again. This can and will be attacked as cultural rape, but the Sahel governments have little choice but to try and absorb the nomads into the developing economy.

And so there is a deeper sadness about the drought, beyond the immediate despair and suffering. The archaic feudal system of Ethiopia can pass unmourned, perhaps, but the nomad way of life in the Sahara, the style of the Tuareg, has probably contributed something utterly intangible but rather valuable to the human experience. It was a strikingly effective way of using limited resources to the best effect, and more than that, it generated an ethic of freedom and eternal challenge against the most hostile environment in the world. In that sense, it was always in some indefinable manner inspiring, and in a particular way the human race may never see again.

A TRAGIC COMMEMORATION

Mr. RIBICOFF. Mr. President, on June 15, Lithuanian-Americans joined with Lithuanians throughout the free world in observing the forcible annexation of Lithuania by the Soviet Union in 1940.

The passage of time has dimmed the memory of this event for many. However, it is important for all Americans to be reminded that the people of Lithuania are still denied the right to national self-determination, and are still struggling for their basic human rights.

At a time when there is talk of increasing détente between the Soviet Union and the United States, there is also a unique opportunity to address the plight of the peoples of Lithuania and the other Baltic States—Estonia and Latvia. It is vital that in the current European Security Conference and other international forums, the United States continue its policy of recognizing the incorporation of Estonia, Latvia, and Lithuania into the Soviet Union.

In addition to maintaining this policy of nonrecognition, our Government should be actively seeking certain changes in current Soviet practices of concern to Lithuanian Americans who still maintain this with their ancestral homeland. For example, there are excessive tariffs imposed on gifts to their relatives and friends in the Baltic States. Also, the short duration of current tourist visas, a mere 5 days, is another source of complaint. Perhaps most pressing, is that provision should be made for Lithuanians to emigrate to other countries as provided for by the laws of the Soviet Union. In this regard, it should be noted that the Jackson amendment to the Trade Reform Act applies to all Soviet citizens, regardless of their ethnic background.

While the June 15 observances were certainly a time of sadness, let us hope that the future will bring happier occasions for all the peoples of the Baltic area.

1974 KANSAS SPECIAL OLYMPICS

Mr. DOLE. Mr. President, the fifth annual Kansas Special Olympics was held in Memorial Stadium and Robinson Gymnasium at the University of Kansas in Lawrence, Kans., on May 31 and June 1. I was privileged to attend the games and can report to the Senate that they were a great success.

This athletic competition for more than 1,500 mentally retarded children from throughout the State is a great example of how many people's volunteer efforts can enrich the lives of children who stand in real need of belonging to and participating in the world around them.

The olympics was sponsored this year by the Kansas Association for Retarded Citizens, the Kansas Kiwanis Foundation, Inc., and the Joseph P. Kennedy, Jr. Foundation in cooperation with the Douglas County Association for Retarded Citizens, the University of Kansas and the Lawrence Chamber of Commerce. Overall coordination was provided by special olympics director Charlene Drosselmeyer and special olympics head coach Buck Buchanan of the Kansas City Chiefs. Coaches, teachers, and chaperones as well as many others from throughout the State contributed the time and effort required to make the 1974 special olympics and the 10 preliminary regional meets a rewarding experience for every participant. A number of civic leaders, professional and collegiate sports figures and many parents of the contestants were also present for the 2 days of events.

The idea of holding these competitions is spreading rapidly throughout the country at a rapid pace, and I would urge every Senator whose State does not yet have a special olympics to encourage their organization and provide whatever assistance they can to this most worthy cause.

To provide a more complete idea of the special olympics and what it can offer to retarded children, I ask unanimous consent that a short history of the Kansas special olympics be printed in the Record at the conclusion of my remarks. And as a further mark of recognition for the children who participated with great enthusiam and dedication, I ask unanimous consent that the list of winners in the various special olympics events be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

BRIEF HISTORY OF KANSAS SPECIAL OLYMPICS

A delegation of six students from Holy Family Center, Wichita, who participated in the 1968 International Special Olympics at Chicago were the fore-runners of the Kansas Special Olympics. Within a few months after the first Olympics, a committee was formed to plan a State Olympics in 1969. Members of the committee were: Mr. Dennis Popp, Sister Veronica Born, Mr. Charles Myers, Mr. Charles Watson and Mrs. Lyman Wiley. Due to the lack of funds and other problems, it was impossible and the meet was canceled. But as Kansans are not a group to be discouraged, it was re-set for 1970.

With financial and other support from the Joseph P. Kennedy, Jr., Foundation, the Kansas Association for Retarded Children, the Kansas Recreation and Park Association, Parson's Jaycees and the four State Institutions for the mentally retarded, the first Kansas Special Olympics was held at Parsons State Hospital and Training Center, May 30, 1970. Mr. Bill Blackwell and Mr. Charles Watson were appointed as co-directors. There were approximately 300 mentally retarded persons involved.

It became apparent that the Special Olympics could become a very important factor in the lives of many handicapped children and young adults living in Kansas. Those volunteers who played a key role in the 1970 Kansas Special Olympics were most emphatic about the need for a sponsoring organization. It was felt that the Special Olympics required the guidance of an organization who understood the program and the needs of the individuals who would be participating. It was then the Kansas Association for Retarded Children was asked to assume this responsibility.

The 1971 Special Olympics was sponsored by the Kansas Association for Retarded Children with a small grant through the Developmental Disabilities Act and in cooperation with the Joseph P. Kennedy, Jr., Foundation.

Mr. Charles Myers was named Olympics Director for 1971. Wichita State University was the site of the Olympics for that year and there were over 600 contestants. Ethel Kennedy was a special guest at the 1971 Olympics and, along with the other dignitaries and sports figures, added much to the excitement of the occasion.

Under the guidance of the 1972 co-directors, Mr. Charles Myers and Mr. Charles Watson, the Kansas Special Olympics was a great success. As a result of their efforts and the efforts of others, over 1,200 children and young adults participated in games held at Southwestern College in Winfield. Former gold medal decathlon winner, Rafer Johnson, was on hand to officially open the games.

Buck Buchanan, of the Kansas City Chiefs and Head Coach for the Kansas Special Olympics, was on hand to share in the thrills and joys of competition with over 1,300 participants at the 1973 Kansas Special Olympics at Washburn University in Topeka. Under the direction of Charlene Drosselmeyer, with the invaluable assistance of many volunteers, the athletes participated in track and field, bowling, swimming, and skating competition.

WINNERS—KANSAS SPECIAL OLYMPICS
LAWRENCE

I. SWIMMING—25-YARD FREESTYLE

Female—Age 8-9—Div. I: 1. G. Lockhart, 45.4, Topeka.

Female—Age 10-12—Div. I: 1. Treasa Cooper, 31.0, Kansas City, Kansas.

Female—Age 13-15—Div. I: 1. Patricia Cooke, 21.4, Paola.

Female—Age 13-15—Div. II: 1. Mary Fritz, 22.2, Wichita; 2. Lisa Thyfault, 23.2, 3. Winnona Lanam—24.9, Reno. Ct.

Female—Age 13–15—Div. III: 1. T. Chavez, 23.2, Reno County ARC; 2. Rose Todd, 23.6, Wichita (Jardine); 3. Cindy Edgington, 24.8, Reno County ARC.

Female—Age 16–18—Div. I: 1. Carol Dye, 20.3, Parsons; 1. Dana Judge, 20.3, Topeka.

Female—Age 16–18—Div. II: 1. V. Franklin, 24.8, Wichita; 2. T. Roman, 26.0, Shawnee; 3. J. Soverns, Shawnee.

Female—Age 16–18—Div. II: 1. Margaret Davidson, 38.0, Paola.

Female—Age 16–18—Div. IV: 1. Ann Newman, 37.2, Marysville; 2. Shelley Keeley, 48.8, Dodge City.

Female—Age 19—Div. I: 1. Nancy Schroeder, 33.4, Paola.

Male—Age 10–12—Div. I: 1. Randy Porter, 20.2, Reno County.

Male—Age 10–12—Div. II: 1. Gary Walk, 24.8, Lakin.

Male—Age 13–15—Div. I: 1. Nelson Taylor, 16.8, Paola; 2. Bob Davis, 18.3, Reno County ARC; 3. Charles Keeler, 18.7, Wichita.

Male—Age 13–15—Div. II: 1. Jeff Eckles, 19.1, Pratt; 2. Larry Maier, 21.5, Dodge City; 3. George Dugan, 23.1, Clay Center.

Male—Age 13–15—Div. III: 1. Ronnie Hubbard, 24.1, Wichita; 2. Richard Posey, 28.0, Wichita.

Male—Age 13–15—Div. IV: 1. Jamie Oliver, 27.1, Derby; 2. Steve Scholtterbeck, 32.4, Emporia.

Male—Age 13–18—Div. I: 1. Rockey Cole, 15.3, Reno County ARC; 2. Mike Wade, 16.8, Parsons; 3. D. Govea, 17.6, Paloa.

Male—Age 16–18—Div. II: 1. Bill Wayman, 21.0, Emporia; 2. Curtis Allen, 24.3, Derby.

Male—Age 16–18—Div. III: 1. Doyle Warder, 24.5, Dodge City; 2. Roy Baxter, 42.3, Dodge City.

Male—19+—Div. I: 1. Craig Fraizer, 15.5, Shawnee; 2. Rick Pahres, 16.9, Lakemary; 3. S. Rohr, 43.3, Norton.

Male—19+—Div. II. Roland Stielon, 20.0, Emporia; 2. Dick Berndt, 20.3, Emporia; 3. Rick Shelor, 20.9; Norton.

Male—19+—Div. III: 1. Donald Ander, 25.9, Topeka; 2. R. Hughey, 26.7, Topeka; 3, D. Puckett, 29.2, Kansas City, Kans.

Male—Age 19+—Div. IV: 1. Jerry Niehaus, 22.5, Topeka ARC; 2. Lon Swenson, 24.9, Emporia; 3. George Custenborder, 28.4, Topeka ARC.

Male—Age 19+—Div. V: 1. Mike Young, 29.1, Emporia.

II. SWIMMING—50-YARD FREESTYLE

Female—Age 13–15—Div. I: 1. Lisa Thyfault, 59.7, Marysville.

Female—Age 16–18—Div. I: 1. Cheryl Walsh, 36.0, Shawnee.

Female—Age 16–18—Div. II: 1. Carol Dye, 49.3, Parson.

Female—Age 16–18—Div. III: 1. Janice Soverns, 1:04.5, Shawnee; 2. Treasa Ronan, 70.0, Shawnee; 3. Annie Newman, Maryville.

Female—Age 19+—Div. I: 1. Kathy Vandever, 1:18.1, Winfield; 2. Linda Reed, Winfield.

Male—Age 10–12—Div. I: 1. R. Porter, 45.3, Reno County ARC.

Male—Age 13–15—Div. I: 1. Norman Korbe, 34.3, McPherson; 2. Nelson Taylor, 38.5, Paola; 3. Robert Ford, 44.8, Kansas City, Kansas.

Male—Age 13–15—Div. II: 1. George Dugan, 52.9, Clay Center.

Male—Age 16–18—Div. I: 1. D. Govea, 39.5, Paola; 2. Tom Schmidt, 44.5, Shawnee.

Male—Age 16–18—Div. II: 1. Tom Clinkingbeard, 45.1, Parsons; 2. Dennis Pointelin, 47.8, Shawnee.

Male—Age 19—Div. I: 1. Craig Fraizer, 34.4, Shawnee; 2. Tom Suernan, 35.5, McPherson.

Male—Age 19—Div. II: 1. Ray Shelor, 48.2, Norton; 2. William Young, 56.5, Norton.

III. SWIMMING—25-YARD BACKSTROKE

Female—Age 16–18—Div. I: 1. Cheryl Walsh, 23.1, Shawnee; 2. Val Franklin, 30.0, Wichita; 3. Shawn Green, 36.8, Parsons.

Female—Age 16–18—Div. II: 1. Margaret Davidson, 44.3, Paola.

Female—Age 19—Div. I: 1. Nancy Schroeder, 36.4, Paola.

Female—Age 19—Div. II. 1. Hope Allen, 32.3, Topeka.

Male—Age 10–12—Div. I: 1. Mark Shipley,
Male—Age 13–15, 35.0, Reno County ARC. Div. I: 1. Ronnie Crockenower, 21.6 Lakemary, Paola.

Male—Age 13–15—Div. II: 1. Billy Davis, 22.1, Reno County ARC.

Male—Age 19—Div. I: 1. Rick Pahres, 21.0, Paola; 2. Mike Wade—22.1, Parsons; 3. John Wright, 34.2, Shawnee.

IV. SWIMMING—25 YARD WOMEN'S CHOICE

Female—Special Division: 1. T. Kerns, :37, Reno County ARC; 2. Julie Anderson, 1:00, McPherson.

V. SWIMMING—25 YARD SPECIAL SWIM

Male—Special Swim: 1. Neil Hundley, :42.4, McPherson; 2. John Bledsoe, 1:14, McPherson; 3. Pat Underwood, Norton.

VI. SWIMMING—100 YARD FREESTYLE RELAY

Female—Div. I: 1. McPherson, 1:43.8.

Male—Div. I & II: 1. McPherson 1, 1:01.5, Div. I; 2. Paola, 1:13.6; 3. McPherson 2, 1:23.8, Div. II.

SWIMMING—25 YARD BACKSTROKE

Female—Age 13–15—Div. I: 1. Pat Cooke, 25.8, Paola; 2. Virginia Silas, 29.8, Reno County ARC.

I. 50-YARD DASH

Female—Age 8–9—Div. I: 1. Tylisa Brown, 7.6, Wichita; 2. Jennette Boykin, 8.3, Topeka; 3. Gloria Amaro, 8.7, Wichita.

Female—Age 8–9—Div. 11: 1. S. Haynes, 9.2, Shawnee Mission; 2. K. Hunter, 9.2, Lyons, Rice Co. ARC; 3. P. McCartney, 9.3, Wichita.

Female—Age 8–9—Div. III: 1. Carlette Guthrie, 13.4, Topeka S.; 1. Rochelle Byrd, 13.4, K.C.K.; 2. Kathy Johnson, 13.7, KNI; 3. Sandra Robinson, 15.5, Burlington SE.

Female—Age 10–12—Div. I: 1. R. Markham, 7.1, Wichita P.; 2. S. Kellogg, 7.5, IOL; 3. P. Palmer, 7.9, Norton S.E.

Female—Age 10–12—Div. II: 1. Kathy Robinson, 7.6, Wichita P.; 1. Evette King, 7.6, Topeka P.; 2. Beverly Walker, 7.8, Wichita P.

Female—Age 10–12—Div. III: 1. Carolyn Bardwell, 7.2, K.C.K.; 2. Barbara Bell, 8.0, Emporia; 3. Debbie DeBrosse, 8.3, Wichita P.

Female—Age 10–12—Div. IV: 1. Susan Peck, 8.8, Topeka P.; 2. Victoria Coast—9.0, Wichita P.; 2. Laura McLain, 9.0, K.C.K.; 2. B. Gravatt, 9.0, AMBUCS; 3. Julie Holding, 9.1, K.C.K.

Female—Age 10–12—Div. V: 1. J. Steck, 9.2, Wamego; 2. F. Duvall, 9.4, Sumner Co. S.E.; 3. L. Brown, 9.8, Wamego.

Female—Age 13–15—Div. I: 1. Annette Petterson, 7.2, Wichita P.; 1. Jennie Brown, 7.2, Lakemary Center; 2. Sheryl Lyon, 7.3, Reno Co. ARC; 3. Kim Metz, 7.9, Reno Co. ARC.

Female—Age 13–15—Div. II: 1. Cindy Pathode, 7.7, Lawrence; 2. T. Parker, 7.8, Derby; 3. I. Chiles, 7.9, McPherson; 3. Emma Damron, 7.9, Burlington.

Female—Age 13–15—Div. III: 1. D. Craft, 7.6, K.C.K.; 2. D. Moss, 7.8, Wamego; 3. L. Thyfault, 8.3, Marshall ARC.

Female—Age 13–15—Div. IV: 1. J. Rogers, 8.6, Wichita P.; 2. J. Bader, 9.0, Millbrooke; 3. B. Hutchens, 10.9, K. C. K.; 3. C. Hartzog, 10.9, Decature Mental Health.

Female—Age 13–15—Div. V: 1. Wanda Unruh, 9.5, Ulysses; 2. Beverly Buchanan, 14.5, Richland Valley; 3. T. White, 15.8, Northview Coop.

Female—Age 16–18—Div. I: 1. Janet Haines, 7.4, Topeka ARC; 2. Sherry Grissom, 7.5, Rice Co. ARC; 3. Pamela Potts, 7.6, Holy Family.

Female—Age 16–18—Div. II: 1. Sandra Vakas, 8.0, K.C.K.; 2. Connie Christy, 8.2, SCK Sp. Ed. Co.; 3. Debra Zimmerman, 8.3, SCK Sp. Ed. Co.

Female—Age 16–18—Div. III: 1. Kathy Weckerly, 8.9, Ulysses; 2. R. Ohnick, 8.5, Marshall Co. ARC.

Female—Age 16–18—Div. IV: 1. D. Brotten, 8.0, Emporia; 2. A. Gaston, 12.9, Marshall Co. ARC.

Female—Age 19—Div. I: 1. Judy Leiker, 8.0, Central Plains; 2. Corinna Stephenson, 8.4, NCK Coop.; 3. Mary Houstin, 8.7, Lawrence.

Female—Age 19—Div. II: 1. Sharon Yianskopulos, 8.1, WSH & TC Winfield; 2. B. Sanders, 8.3, Central Plains ARC; 3. K. Cooper, 9.2, Lawrence.

Female—Age 19—Div. III: 1. Judy Harris, 8.5, Wichita Public; 2. Pamela Greenman, 8.7, Parents of Spastics; E. Thompson, 8.8, Topeka ARC.

Female—Age 19—Div. IV: 1. M. Mathis, 12.1, Lawrence; 2. Mary Ann Lampson, 13.5, Norton State; 3. Hope Allen, 13.8, Topeka ARC.

Male—Age 8–9—Div. I: 1. Jerry Evans, 8.3, SCK Sp. Ed. Pratt; 2. Calvin Burgin, 8.5, K.C.K.; 3. Duane Emanuel, 8.7, Topeka Public.

Male—Age 8–9—Div. II: 1. Rodney Peghee, 8.1, K.C.K.; 2. Joe Woodman, 8.6, Topeka Public; 3. Brady Walker, 8.7, Topeka Schools.

Male—Age 8–9—Div. III: 1. Ira Osborn, 9.9, Lawrence; 2. Brad Robertson, 10–2, Briarwood SM; 3. Byron Barnhill, 11.0, Topeka Public.

Male—Age 8–9—Div . IV: 1. Matthew Watts, 12.2, Burlington Sp. Ed.; 2. Mike Eclarea, 13.0, AMBUCS; 3. Brian Wells, 14.2, Derby.

Male—Age 10–12—Div. I: 1. Thurman Brown, 6.9, MacArthur Elem., Wichita; 2. Leonard Thomas, 7.0, K.C.K., Fairfax; 3. James Coby, 7.2, K.C.K., Fairfax; 3. V. Walker, 7.2, MacArthur Elem., Wichita; 3. Jesse Bowers, 7.2, Wichita Pub. Schools.

Male—Age 10–12—Div. II: 1. LeRoy Soverns, 7.9, K.C.K.; 1. Wesley Edmonds, 7.9, K.C.K.; 1. Autry Stills, 7.9, Dodge City ARC; 2. Anthony Wilson, 8.0, K.C.K.; 3. Harold Shoemaker, 8.1, AMBUCS; 3. David Meeks, 8.1, Wamego.

Male—Age 10–12—Div. III: 1. R. Holloway, 8.1, Wichita; 2. M. Garcia, 9.2, Lakin; 3. C. Nelson, 9.3, Wellington.

Male—Age 10–12—Div. IV: 1. Bill Erdman, 8.3, Kingman; 2. Randy Hubbard, 8.5, Syracuse; 3. Marc Brugada, 12.4, Sumner County.

Male—Age 10–12—Div. V: 1. Donald Huff, 7.4, McPherson; 2. F. Johnson, 8.5, K.C.K.; 3. D. Henderson, 8.6, Topeka.

Male—Age 10–12—Div. VI: 1. K. Jackson, 8.3, Wichita; 2. C. Wilson, 8.5, K.C.K.; 3. D. Hoist, 9.5, Burlington.

Male—Age 13–15—Div. I: 1. Jeffrey Chairs, 6.6, Holy Family Wichita; 2. James Walker, 6.7, KNI Topeka; 3. Donald Mancini, 6.8, Paola.

Male—Age 13–15—Div. II: 1. Keith Hillard, 7.2, Peabody; 2. Bradford Stinson, 7.6, Wichita, Levy; 2. James Colwell, 7.6, Central Jr., K.C.K.; 3. Danell Collins, 7.7, AMBUCS.

Male—Age 13–15—Div. III: 1. Marvin Stallins, 8.5, K.C.K. Rec.; 2. Johnny Richardson, 9.1, Wichita; 3. K. Coulter, 9.4, DCARC Lawrence.

Male—Age 13–15—Div. IV: 1. Larry Diver, 7.5, Wamego; 2. Jim Anderson, 7.9, NCK Coop. Norton; 3. Kevin Roberts, 8.4, Wakeeney.

Male—Age 16–18—Div. I: 1. Rick Frisbie, 6.1, Pratt Coop.; 1. Danny Scott, 6.1, Derby; 2. Kim Carson, 6.3, Peabody; 2. Jesse Moore, 6.3, Parson State Hosp.; 3. Tony English, 6.5, Parsons State Hosp.

Male—Age 16–18—Div. II: 1. Dick Spaulding, 6.6, Shawnee Mission; 2. Phillip Dodge, 7.4, Reno Co. ARC; 3. Brian McDonald, 7.6, Holy Family Wichita.

Male—Age 16–18—Div. III: 1. B. Starkey, 6.6, Wichita; 2. Scott Bernhardt, 7.2, Johnson Co. MRC; 3. Ray Dancer, 10.6, Norton Coop.

Male—Age 16–18—Div. IV: 1. James Truman, 7.6, K.C.K.; 2. Ronnie Karst, 9.7, Central Plains; 3. Joe Dye, 11.0, Dodge City.

Male—Age 19—Div. I: 1. Robert Edwards, 6.4, Hope Center; 2. Dennis Brown, 6.9, DCARC Lawrence; 3. David Boise, 6.95, We Care.

Male—Age 19—Div. II: 1. R. French, 6.8, Parson State Hosp.; 2. M. Frey, 6.9, JCMRC, Shawnee; 3. J. Ulery, 7.1, Winfield S.H. & T.C., 3. B. Beckwith, 7.1, Central Plains; 3 J. Petey, 7.1, Norton.

Male—Age 19—Div. III: 1. Billy Legleiter, 7.1, Central Plains; 2. Benito Carballo, 7.2, Central Plains; 2. Roy Hughes, 7.2, Starkey; 3. R. Landreth, 7.5, DCARC Lawrence.

Male—Age 19—Div. IV: 1. Russell Tusha, 7.1, Inst. of Logo.; 2. H. Grimes, 8.6, Hope Center; 3. F. Johnson, 12.3, Kobler Center.

II. 220 YARD DASH

Female—Age 8–9—Div. I: 1. Brenda DeBrosse, 42.1, USD 260 Derby; 2. Betty Goheen, 44.7, Reno ARC & RRESO Hutchinson.

Female—Age 10–12—Div. I: 1. S. Kellogg, 32.7, Inst. Logo. Wichita; 2. C. Bardwell, 34.3, K.C.K. Argen. Mid. School; 3. B. Linsey, 37.0, Burlington Sp. Ed.

Female—Age 10–12—Div. II: 1. R. Hale; 41.5, Topeka; 2. Peggy Arnett, 42.8, MARC McPherson; 3. M. Penny, 43.2, PSH & TC Parsons.

Female—Age 13–15—Div. I: 1. A. Chavez, 33.0, Reno ARC Hutchinson; 2. J. Lingo, 33.8, AMBUCS; 3. M. Guilliford, 34.9, Topeka Pub.

Female—Age 13–15—Div. II: 1. V. Hansen, 39.4, PSH & TC Parsons; 2. V. McCormick, 40.3, PSH & TC Parsons; 3. D. Weber, 41.0, PSH & TC Parsons.

Female—Age 13–15—Div. III: 1. R. Taylor, 44.2, KCK Wyandotte Sp. Ed.; 2. T. Scovall, 46.6, PSH & TC Parsons; 3. C. Shannon, 48.9, KCK Wyandotte Sp. Ed.

Female—Age 16–18—Div. I: 1. Janet Haines, 31.6, Topeka ARC; 2. Tersa Walker, 32.1, Wichita Starkey; 3. Sherry Grissom, 34.0, RCARC Lyons.

Female—Age 16–18—Div. II: 1. Mary Williams, 35.0, KCK Wyandotte; 2. Clara Rush, 35.8, KCK Wyandotte; 3. L. Shriner, 36.8, SCK Sp. Ed. Coop.

Female—Age 19—Div. I: 1. Judy Leiker, 36.0, Central Plains Hays; 2. R. Lange, 40.0, WSH & TC Winfield; 3. Gail Ruckle, 42.0, PST & TC Parsons.

Female—19—Div. II: 1. Sherry Walker, 48.8, PSH & TC Parsons; 2. Linda Sears, 57.2; Central Plains Hays; 3. Vonie Jones, 1.01.0, Central Plains Hays.

Male—Age 8–9—Div. I: 1. Ronald Meeks, 35.0, KCK Quindaro; 2. Jerry Reed, 39.0, Hutchinson; 3. Ricky McKinley, 40.5, Topeka.

Male—Age 10–12—Div. I: 1. Thruman Brown, 31.0, McArthur Wichita, 2. Richard Grissom, 31.2, Rice Co. ARC; 3. Pat Collins, 32.6, AMBUCS.

Male—Age 10–12—Div. II: 1. Dwayne Lee, 32.0, KCK Banneker; 2. Maurice Cauthon, 32.3, KCK Quindaro; 3. Leonard Thomas, 32.8, KCK Fairfax.

Male—Age 10–12—Div. III: 1. John Dominquez, 35.8, KCK Emerson, 2. Larry Anderson, 40.9, KCK; 3. Todd Meeks, 43.5, KCK Banneker.

Male—Age 13–15—Div. I: 1. Keith Hillard, 30.8, Peabody; 2. Rickey Overbaugh, 31.8, KCK; 3. James Colwell, 33.1, KCK Central Jr.

Male—Age 13–15—Div. II: 1. Bryon Tatro, 32.0, Pratt; 2. Dennis Blick, 32.3, Wichita Inst. Of Logo; 3. Wayne Bishop, 32.5, Pratt.

Male—Age 13–15—Div. III: 1. Charles Quinn, 28.9, Wyandotte Sp. Ed. Coop; 2. Tim Brady, 29.3, Holy Family Wichita; 3. Kenneth Helfrich, 29.7, Dodge City.

Male—Age 16–18—Div. I: 1. Terry Brady, 32.8, AMBUCS; 2. Brian McDonald, 33.4, Holy Family Wichita; 3. Virgil O'Leary, 35.1, PSH & TC Parsons.

Male—Age 16–18—Div. II: 1. Scott Bernhardt, 31.6, JCMRC Shawnee; 2. A. Johnson, 32.0, Holy Family Wichita; 3. F. Hoffman, 32.2, Reno ARC; 4. Sidney Wren, 32.2, KCK Rec. Dept.

Male—Age 16–18—Div. III: 1. Danny Scott, 25.5, Derby HS; 2. Kim Carson, 27.0, Peabody HS; 3. Jessie Moore, 27.3 PSH & TC Parsons.

Male—Age 19—Div. I: 1. Ron Frenne, 45.0, Elks Center; 2. Bill Issaison, 45.8, Central Plains.

Male—Age 19—Div. II: 1. Russell Tusha, 30.7, IOL; 2. S. Passantino, 34.0, Shawnee Mission; 3. David Grimes, 35.8, JCMRC Shawnee.

Male—Age 19—Div. III: 1. Tom Suenram, 28.7, McPherson; 2. David Voese, 29.0, Emporia; 3. Robert Johnson, 30.0, Norton.

Male—Age 19—Div. IV: 1. Mike Frey, 28.7, JCMRC Shawnee; 2. James Lorance, 30.1, Wichita; 3. M. Stanton, 30.3, Ulysses.

III. 440-YARD WALK

Female—Age 8-9—Div. I: 1. F. Friesen, 2.56.5, Reno Co. & ARC RRESO.

Female—Age 10–15—Div. I: 1. Bernice Pluimer, 2:40.5, Wichita Public Schools: 2. J. Hancock, 2:41.5, Institute of Logo; 3. N. Crovetto, 2:48.2, Institute of Logo.

Female—Age 16–18—Div. I: 1. Bonita Monroe, 2.56.2, Derby Senior; 2. Patty Harger, 3:43.7, SCK Sp. Ed. Coop. Pratt.

Female—Age 19—Div. I: 1. Shirley Strange, 3.09.8, WSH & TC Winfield; 2. Angelia Krehbiel, 3.16.1, Elks Training Center; 3. Marie Sullivan, 3.20.5, WSH & TC Winfield.

Male—Age 8–9 & 10–12—Div. I: 1. Mike Werth, 2.57.1, Reno, ARC; 2. Jerry McNeff, 2.59.7, KCK Rec. Dept.; 3. Mike Wright, 3.11.0, Wyandotte Sp. Ed. Coop.

Male—Age 13–15—Div. I: 1. Phillip Evarts, 2.03.0, Inst. of Logo; 2. Dennis Pupparo, 2.03.0, Inst. of Logo; 3. Steven Konkel, 2.48.8, SCK Sp. Ed. Coop.

Male—Age 16–18—Div. I: 1. Wesley Steiner, 2.17.5, Emporia; 2. Burke Davis, 2.31.5, Inst. of Logo; 3. Greg Goodwin, 3.51.0, Wyandotte Sp. Ed. Coop.

Male—Age 19—Div. I: 1. George Emery, 2.12.3, JCMRC Shawnee; 2. Wesley Tuttle, 2.40.6, Central Plains ARC; 3. Richard Watkins, 2.48.2, Elks Training Center.

IV. SOFTBALL THROW

Female—Age 8–9—Div. I: 1. Lisa Flint, 59'5'', DCARC Lawrence; 2. Rochelle Hale, 34'6''.

Female—Age 8–9—Div. II: 1. Tina Horn, 46'7'', DCARC Lawrence; 2. Mary Bobeck, 40'7'', Sumner Co. Sp. Ed.; 3. Shelly Haynes, 40'3'', Briarwood-Shawnee.

Female—Age 8–9—Div. III: 1. Sandra Robinson, 11'5'', Burlington; 2. Kathy Johnson, 10'5¾'', KNI.

Female—Age 10–12—Div. I: 1. Evette King, 97'10½'', Topeka; 2. R. LaMountain, 79' 11½'', Topeka; 3. Roberta Lane, 69'10'', Syracuse.

Female—Age 10–12—Div. II: 1. B. Walker, 81.8'', MacArthur Wichita; 2. N. Kelly, 80'8'', KSK Fairfax; 3, L. Eves, 73'7'', Rice Co. ARC.

Female—Age 10–12—Div. III: 1. Lynne Keazer, 55'2'', Reno Co. ARC Hutchinson; 2. Susan Hickert, 54'7'', Decatur Mental Health; 3. Lynne McMaster, 42'9'', Derby Jr. High.

Female—Age 10–12—Div. IV: 1. Mary Farrington, 35'8'', Lakemary Center; 2. Donna Prickett, 34'7'', MARC McPherson; 3. Wanda Erskine, 32'8'', John Fiske School KCK.

Female—Age 10–12—Div. V: 1. Lisa Gardner, 20'10'', Wyandotte Sp. Ed. Coop; 2. Salle Cleeton, 19'9'', Wyandotte Sp. Ed. Coop.

Female—Age 13–15—Div. I: 1. Janell Wallace, 114' 6'', PSH & TC Parsons; 2. Cindy Patnode, 101' 4'', DCARC Lawrence; 3. Carol Klaassen, 99' 3'', Rice Co. ARC.

Female—Age 13–15—Div. II: 1. Sharyl Mabie, 77' 10½'', SCK Pratt; 2. Linda Bell, 77' 0'', Emporia; 3. Emma Damron, 68', 5'', Burlington Sp. Ed.

Female—Age 13–15—Div. III: 1. Rhonda McBee, 72' 2'', Holy Family Wichita; 2. Donna Davis, 71' 10'', Wakeeney; 3. Susan Martin, 70' 9'', Central Jr. High KCK.

Female—Age 13–15—Div. IV: 1. Beverly Hill, 67' 1½'', Rosedale High KCK; 2. Louella Gamblin, 55' 0½'', Decatur Mental Health; 3. Wanda Keeler, 52' 8'', Jardine Jr. High Wichita.

Female—Age 13–15—Div. V: 1. Chris Grothuson, 52', We Care, Inc. Emporia; 2. Beverly Wedgewood, 49' 7'', SCK Pratt; 3. Ruth Sawatsky, 33', Rice Co. ARC.

Female—Age 16–18—Div. I: 1. Debbie Crossman, 115' 6½'', SCK Pratt; 2. Karen Baker, 106', Derby Sr. High; 3. Betty Henderson, 66' 1½'', Wyandotte Sp. Ed. Coop.

Female—Age 16–18—Div. II: 1. Rhonda Redger, 88' 4½'', McPherson; 2. Jackie Simpkins, 62' 11'', PSH & TC Parsons.

Female—Age 16–18—Div. III: 1. Melba Moran, 62' 1¼'', PSH & TC Parsons; 2. Rhonda Ohnick, 61' 2'', MAC ARC; 3. Teresa Madden, 60', Norton Sp. Ed. Coop.

Female—Age 16–18—Div. IV: 1. Betty Hill, 49' 3'', Decatur Mental Health; 2. Sandra Vukas, 48' 9'', Eisenhower, KCK; 3. LeAnn Robben, 44' 9'', Inst. of Logo. Wichita.

Female—Age 19—Div. I: 1. Kathy Norris, 88' 2½'', CEC Wichita; 2. Pamela Kay Greenman, 85½', Parents of Spastics Wichita; 3. Gail Monroe, 79' 10¾'', Rice Co. ARC.

Female—Age 19—Div. II: 1. Marilyn Quested, 65' 2'', AMBUCS; 2. Patricia Austian, 52¼', AMBUCS; 3. Corina Stephens, 49', NCK Coop. Norton.

Female—Age 19—Div. III: 1. Nancy Baker, 52' 6'', AMBUCS; 2. Carol Lou Daley, 52½', Parents of Spastics Wichita; 3. Janetta Howard, 43' 5½'', AMBUCS.

Female—Age 19—Div. IV: 1. Leona Standfield, 89'6¼'', Norton State Hosp.; 2. Coleen Doxon, 30½; Central Plains; 3. Karen Miller, 27'8'', WSH & TC Winfield.

Male—Age 8–9—Div. I:1. Jerry Reid, 103', Reno Co. ARC; 2. Jerry Evens, 102½', SCK Pratt.

Male—Age 8–9—Div. II: 1. Donald Farr, 86'9¼'', Decatur Co. Mental Health; 2. B. Bjotvedt, 79'4¼'', IOL; 3. Rodney Peghee, 73'6'', KC.

Male—Age 8–9—Div. III; 1. C. Burgin, 89' 2'', KC; 2. S. McDonald, 77'9'', KC; 3. R. Conn, 72'11'', Lakemary Center Paola.

Male—Age 8–9—Div. IV: 1. Ira Osborn, 58'2¾'', DCARC Lawrence; 2. M. Johnson, 43'11'', KC; 3. S. Leach, 40'3''.

Male—Age 10–12—Div. I: 1. Victor Walker, 142'4'' MacArthur Wichita; 2. Anthony Wilson, 138'9¼'', KCK Argentine; 3. Richard Grissom, 135'3'', Rice Co. ARC.

Male—Age 10–12—Div. II: 1. David Meeks, 115'9'', Wamego; 2. Jerry Evans, 100'6'', Pratt; 3. Danny Hollingshead, 99'7½'', McPherson.

Male—Age 10–12—Div. III: 1. Sammy Reida, 104'8'' SCK Sp. Ed.; 2. Craig DeCavele, 88'4'', KCK Rec. Dept.; 3. Jeff Harrell, 88', Dodge City ARC.

Male—Age 10–12—Div. IV: 1. Autry Stills, 119'2½'', DCARC; 2. Curtis Wade, 85', Parsons; 3. Bobby Wesley, 65'3'', DCARC.

Male—Age 10–12—Div. V: 1. Wilbur Bennett, 24'9'', John Fiske KCK; 2. Randy Dinger, 23'4'', Central Plains ARC; 3. Tracy Brown, 16'4'', Lakemary Center.

Male—Age 13–15—Div. I: 1. Tom Woodman, 185'11'', PSH & TC Parsons; 2. L. Handerson, 161'9'', PSH & TC Parsons; 3. David Dye, 151'10½''.

Male—Age 13–15—Div. II: 1. Mike Mootz, 151'8'', Wyandotte Sp. Ed. Coop.; 2. P. Schmidt, 143'3½'', Santa Fe; 3. Michael Mack, 130'6'', Topeka Schools.

Male—Age 13–15—Div. III: 1. Bill Richey, 119' 7¾'', Millbrooke JHS; 2. Ralph Cartee, 108' 11'', Burlington; 3. Lloyd Baxter, 108' 6'', Richland.

Male—Age 13–15—Div. IV: 1. Jeff Hilgers, 87' 10'' Eisenhower KCK; 2. Troy Kistler, 76' 2'', Wichita; 3. K. Coulter, 71' 10''.

Male—Age 13–15—Div. V: 1. Neil Raum, 112' 9½'', Syracuse Schools; 2. Steve McBee, 62' 8'', AMBUCS; 3. John Casper, 49', Shawnee Mission North.

Male—Age 16–18—Div. I: 1. B. Van Campen, 225' 11'', Reno Co ARC; 2. C. Morris, 225′ 8½″, PHS & TC Parsons; 3. Harold Tarleton, 84′ 8″.

Male—Age 16–18—Div. II; 1. Dennis Knott, 158′ 7″, Wichita West; 2. Dennis Duffee, 147′ 3¾″, Lakemary Center; 3. Lloyd Allen, 136′ 10″, AMBUCS.

Male—Age 16–18—Div. III: 1. Larry Cox, 112′ 0″, Cent. Jr. High; 2. Billy Stewart, 82′ 8½″, PHS & TC Parsons; 3. Ronnie Karsh, 76′ 4″, Central Plains.

Male—Age 16–18—Div. IV: 1. Mark Roudabush—88′ 8″, Lakemary Center; 2. Pat Gleiter, 62′ 11″; Lakemary; 3. Jefferson Winter, 58′ 9½″, Starkey Wichita.

Male—Age 19—Div. I: 1. Clifford Welch, 164′ 4½″, Norton State Hosp.; 2. Phil Morse, 153′ 6¾″, Wyandotte Sp. Ed. Coop.; 3. Jo Petru, 153′ 3¾″, Norton State Hosp.

Male—Age 19—Div. II: 1. Charles Brand, 195′ 11¾″, AMBUCS; 2. Vere Womack, 135′ 1½″, Lawrence; 3. Roy Walker, 127′ 11″, Lawrence.

Male—Age 19—Div. III: 1. Glen Mastellar, 116′ 7½″, AMBUCS; 2. Ralph Landreth, 93′ 3¾″, Lawrence; 3. Pat Rowe, 89′ 7″, Lawrence.

Male—Age 19—Div. IV: 1. Robert Edwards, 177′ 7½″, Hope Haven; 2. Gary Hickerson, 97′ 2″, JCMR Shawnee; 3. Marvin Bottomley, 88′ 4½″, Hope Haven.

Male—Age 19—Div. 1. Virgil Hall, 75′ 1″, Hope Haven; 2. Manuel Cervantes, 50′ 11″, Topeka ARC; 3. Robert Zink, 33′ 0″, Kobler Center.

V. STANDING LONG JUMP

Female—Age 8–9—Div. I: 1. Tylsia Brown, 5′5″, MacArthur Wichita; 2. Shawna Denton, 5′3″, MAC ARC Fowler; 3. Jeanette Boykin, 5′2″, Topeka.

Female—Age 8–9—Div. II: 1. Debbie Gardner, 4′9″, Reno Co. ARC Hutch.; 2. Kandi Clulini, 4′7″, AMBUCS Salina; 3. Gloria Amora, 4′6″, Wichita.

Female—Age 8–9—Div. III: 1. Linda Smith, 54″, Fairfax, KCK; 2. Kristina Hunter, 53″, Rice Co. ARC Lyons; 3. Linda Hardesty, 51″, DCARC Lawrence.

Female—Age 8–9—Div. IV: 1. Veronica Lewis, 4′2″, Roosevelt KCK; 2. Carlette Guthrie, 3′2″, Topeka; 3. Renae Palacca, 6″, DCARC Lawrence.

Female—Age 10–12—Div. I: 1. Rhonda Widener, 6′10″, Reno Co. ARC Hutch.; 2. Brenda Linsey, 6′5″, USD No. 244 Burlington; 3. Kathy Kirby, 5′10″, Topeka.

Female—Age 10–12—Div. II: 1. Sandy Zircle, 5′4″, MacArthur Elem. Wichita; 2. Debbie DeBrosse, 5′3½″, Derby USD No. 260 Wichita; 3. Frances Frazier, 5′3″, DCARC Lawrence.

Female—Age 10–12—Div. III: 1. Delores Williams, 4′11″, Wichita Public; 1. Deborah Pluimer, 4′11″, Wichita Public; 2. Susan Hickert, 4′6″, Decatur Co. Mental Hosp.; 2. Fon Duvall, 4′6″, Sumner Co. Sp. Ed. Wellington; 3. Lynne McMaster, 4′5″, Derby Jr. High.

Female—Age 10–12—Div. IV: 1. Joanette Hickey, 3′11″, Wichita P.S.; 1. Bertha Morgan, 3′11″, John Fiske KCK; 2. Nancy Erskine, 3′10″, John Fiske KCK; 3. Nancy Weroli, 3′8″, USD No. 244 Burlington.

Female—Age 13–15—Div. I: 1. Winnowna Lanam, 6′11″, Reno Co. ARC Hutch.; 2. Teresa Parker, 6′8″, Derby Jr. High; 3. Karen Elson, 6′7″, NCK Coop Norton.

Female—Age 13–15—Div. II: 1. Melinda Whitney, 74″, Hutchinson Reno Co. ARC; 2. Anita Chambers, 69½″, Decatur Mental Health Oberlin; 3. Virginia Silas, 68″, Reno. Co. ARC Hutch.

Female—Age 13–15—Div. III: 1. Susan Turnbull, 5′9″, Parsons State Hosp.; 2. Kathy Lenon, 5′4″, Reno Co. ARC Hutch.; 3. Debra Reed, 5′.

Female—Age 13–15—Div. IV: 1. Mary Willard, 64″, Lakemary Center Paola; 2. Tami Haley, 56″, USD 253 Emporia; 3. Liz Schleimer, 52″, Wyandotte Sp. Ed. Coop.

Female—Age 16–18—Div. I: 1. Jackie Simpkins, 64″, Parsons.

Female—Age 16–18—Div. II: 1. Patty Keplinger, 65″, Topeka ARC; 2. Kathy Simpkins, 64″, Parsons; 2. T. Bartlett, 64″, Inst. of Logo. Wichita; 3. Patty Lemands, 57″, Rice Co. ARC.

Female—Age 16–18—Div. III: 1. Debbie Brotton, 60″, Emporia; 2. L. Ellis, 47″, Lakemary Center; 3. J. Squire, 42″, Lakemary Center.

Female—Age 19—Div. I: 1. Chris Grothuson, 59½″, Emporia; 2. Nancy Barrows, 58½″, Shawnee; 3. Charlene Porter, 57″, St. Marys.

Female—Age 19—Div. II: 1. Pam Land, 55″, Topeka Public School; 2. Dinah Turnbull, 54″, Grade School, St. Marys; 3. Esther Crute, 50″, Winfield State Hosp.

Female—Age 19—Div. III: 1. Joann Stewart, 4′4″, Norton State Hosp.; 2. Carol Williams, 3′11″, Winfield State Hosp.; 3. Teresa Freund, 3′9″, Parsons State Hosp.

Female—Age 19—Div. IV: 1. Karen Miller, 3′9″, Winfield State Hosp.; 1. Judy F. Harris, 3′9″, Starkey Wichita; 2. Rita Kay Davies, 3″7″, Winfield State Hosp.; 3. Jane Barker, 2′8″, Starkey Wichita.

Male—Age 8–9—Div. I: 1. Ronald Meeks, 5′10″, KCK; 2. Donald Darr, 5′6″, Decatur Co. M. R.; 3. Tim Martens, 5′0″, McPherson ARC.

Male—Age 8–9—Div. II: 1. Willie Jones, 4′10″, KCK; 2. Michael Johnson, 4′4″, KCK; 3. Ronda Switzer, 4′1″, IOL.

Male—Age 10–12—Div. I: 1. James Coby, 8′0″, KCK; 2. Keith Patterson, 7′8″, Wichita Public; 3. Timothy Dodd, 7′5″, KCK; 3. Ricky Henderson, 7′5″, Wichita Public.

Male—Age 10–12—Div. II: 1. Jerry Janssen, 5′6½″ Norton Sp. Ed.; 2. Kimberly Pledger, 5′6″ KCK; 3. Phillip Peters, 5′5″, SCK Pratt.

Male—Age 10–12—Div. III; 1. Randy Hubbard, 4′9″, Syracuse Schools; 2. Ryan Pike, 4′ 5″, Wichita Public; 3. Curtis Pfitzer, 3′ 9″, KCK.

Male—Age 13–15—Div. I: 1. Charles Quinn, 8′8″, Wyan Spec. Ed. KCK; 2. Tom Woodman, 8′0″, Parsons State Hosp.; 3. Steve Mervin, 7′4″, USD 244, Burlington.

Male—Age 13–15—Div. II; 1. Steve Glunt, 6′5″, Dodge City ARC; 1. Brady Cole, 6′5″, Reno Co. ARC; 2. David Dye, 6′2″, MAC ARC Fowler; 2. Craig Stith, 6′2″, Miller; 3. Curtis Sykes, 6′½″ KCK.

Male—Age 13–15—Div. III: 1. Marvin Stalins, 5′7″, KCK Rec. Dept.; 2. Kevin Michael, 5′5″, Wichita P.S.; 3. Brian Becker, 5′4″, Inst. of Logo.

Male—Age 13–15—Div. IV: 1. Neil Raum, 6′10½″, Syracuse; 2. Carl Carson, 48″, Peabody High; 3. Harold Brooks, 38″, Peabody High.

Male—Age 16–18—Div. I: 1. Mark Jacobs, 8′4″, Wyandotte Sp. Ed. Coop.; 2. Dennis Knott, 8′½″, Wichita P.S.; 3. Burton Emery, 7′4″, Topeka Public School.

Male—Age 16–18—Div. II: 1. John Godfrey, 6′6″, Burlington; 2. David Hurst, 6′, Parsons; 3. Phillip Dodge, 5′8″, Reno Co. ARC Hutch.

Male—Age 16–18—Div. III: 1. Richard Bennett, 5′2″, Starkey Wichita; 2. Terry Young, 3′6″, Parsons State Hosp.; 3. Pat Glirter, 2′8″, Lakemary Center Paola.

Male—Age 19—Div. I: 1. Raymond Edeman, 7′3″, Winfield State Hosp.; 2. Larry Jordan, 7′1″, Holy Family Wichita; 2. Shannon Woolsey, 7′1″, We Care Emporia; 3. George McKenzie, 6′6″, Winfield State Hosp.

Male—Age 19—Div. II: 1. Steve Passantino, 6′4″ Shawnee Mission North; 2. James Pierson, 5′9″, Starkey; 3. Alvin Long, 5′7″, Winfield State Hosp.

Male—Age 19—Div. III: 1. 1. Leroy Hensely, 4′11″, Winfield State Hosp.; 2. Mike Manion, 4′8″, Winfield; 3. Pat Manion, 4′8″, Winfield.

Male—Age 19—Div. IV: 1. Hank Grimes, 5′, Hope Haven Center, Ark. City; 2. Walter Rice, 3′6″, Winfield Stat. Hosp.; 3. David Dick, 3′5″, Winfield State Hosp.

VI. RUNNING LONG JUMP

Female—Age 13–15—Div. I: 1. Julia Beckwith, 5′6″, Holy Family, Wichita.

Female—Age 13–15—Div. II: 1. Sheryl Lyon, 11′4½″, Hutchinson; 2. Kim Metz, 11′0″; 3. Julie Lingo, 10′4″, AMBUCS.

Female—Age 19—Div. I: 1. Kathy Vandever, 7′8″, WSH & TC Winfield; 2. Edith Thompson, 5′7″, Topeka ARC; 3. Linda Sears, 2′3″, Central Plains, Hays.

Male—Age 13–15—Div. I: 1. Greg Solberg, 4′7″, AMBUCS.

Male—Age 13–15—Div. II: 1. Kenneth Helfrich, 14′4½″, DCARC, Lawrence; 2. Steven Merwin, 14′0″, Burlington Sp. Ed.; 3. Joe Pulliam, 12′4½″, Reno Co., ARC & RRESO.

Male—Age 13–15—Div. III: 1. Arthur Stano, 9′3″, E. Topeka Jr. High; 2. Jim Walker, 7′5″, KNI; 3. Doug Spitler, 7′2″, KNI.

Male—Age 16–18—Div. I: 1. Freddy Ligans, 14′1″ Wichita East; 2. Cluster Morris, 12′10″, PSH & TC Parsons.

Male—Age 16–18—Div. II: 1. Joe Thomas, 13′6″, Wichita Pub School; 2. Dennie Youngberg, 12′6″, Reno Co. ARC; 3. Danny Aguilera 10′6½″, Deby High School.

Male—Age 16–18—Div. III: 1. Darrel Johnson, 13′1½″, RRESO & Reno ARC; 2. Joe Jones, 11′8″, NCK Coop; 3. Jim Reed, 8′10″, KNI.

Male—Age 19—Div. I: 1. Bob Beckwith, 12′6½″, Central Plains; 2. Mike Sampler, 11′10″, We Care, Emporia; 3. Terry Thomas, 10′8″, Central Plains ARC.

VII. HIGH JUMP

Female—Age 13–15—Div. I: 1. Cindy Edington, 3′6″, Hutchinson.

Female—Age 16–18—Div. I: 1. Treasa Walker, 4′2″, Starkey; 2. Trella Knokel, 4′0″, Pratt; 3. Amber Jones, 3′2″, Starkey.

Female—Age 19—Div. I: 1. Sharon Yianskopulos, 3′2″.

Male—Age 13–15—Div. I: 1. Jeff Eckles, 4′4″, SCK Sp. Ed. Coop; 2. Wayne Bishop, 3′6″, SCK Sp. Ed. Coop.

Male—Age 13–15—Div. II: 1. Isaac Stewart, 4′1″, MacArthur Elem. Wichita; 2. Bryant Tatro, 3′10″, SCK Sp. Ed. Coop.

Male—Age 16–18—Div. I: 1. Rick Frisbie, 5′4″, SCK Sp. Ed. Coop; 2. Bill Van Campen—5′0½″, RRESO & Reno ARC; 3. Miles Hoffman—4′6″, McPherson.

Male—Age 16–18—Div. II: 1. Freddy Ligons, 4′9″, Wichita East; 2. Butch Medovich—4′6″, Topeka ARC.

Male—Age 19—Div. I: 1. Leano Kelso, 3′11″, Winfield State Hosp.; 2 Bob Penwel, 3′11″, We Care Inc.; 3. Raymond Edelman, 3′8″, WSH & TC Winfield.

Male—Age 19—Div. II: 1. Jim Lolli, 3′11″, Topeka; 2. James Pearson, 3′8″, Starkey; 3. Billy Ray Young, 3′, WSH & TC Winfield.

VIII. SHOT PUT

Male—Age 13–15—Div. I: 1. Ken Aden, 32′8¾″, Reno ARC; 2. Robert Ridge, 22′9¾″, Reno ARC.

Male—Age 13–15—Div. II: 1. Carl Coffman, 22′7½″, Holy Family Wichita; 2. Steve Glunt, 19′5½″, DCARC; 3. Jeff Kelley, Kelley, 18′2½″, Briarwood School.

Male—Age 16–18—Div. I: 1. Bob Horeshy, 33′9″, NCK Coop; 2. Otto Tisdale, 33′3½″, Wamego Coop; 3. Allen Johnson, 29′11½″, Holy Family.

Male—Age 19—Div. I: 1. Clifford Welch, 37′3″, Norton State; 2. Leeno Kelso, 36′½″, WSH & TC Winfield; 3. Jim Olli, 35′3″, Topeka ARC.

Male—19—Div. II: 1. Phillip Morse, 32′½″, Wyandotte Sp. Ed.; 2. Dick Berndt, 30′5″, We Care; 3. Shannon Woolsey, 23′3¾″, We Care.

Male—Age 19—Div. III: 1. Larry Smethers, 24′10″, WSH & TV Winfield; 2. Tom Davis, 24′2¾″, Wyandotte Sp. Ed.; 3. Don Anders, 22′0″, Topeka ARC.

IX. BASKETBALL FREE THROW

Female—Age 8–9—Div. I: 1. Shawna Denton, 4, MAC-ARC Fowler.

Female—Age 10–12—Div. I: 1. Laura Wethers, AMBUCS; 2. Barbara Gravatt, AMBUCS; 3. Pam Johnson, McPherson.

Female—Age 13–15—Div. I: 1. Thonda Mc-

Bee, 3, Holy Family; 2. Karen Elson, 2, NCK Coop.; 3. Laura Griswold, 1, Holy Family.

Female—Age 16–18—Div. I: 1. Dana Judge, Topeka ARC; 1. Cathy Ann Dixon, Wichita Heights; 2. Teresa Fletcher, Derby High; 2. Betty Hill, Decatur Mental Health; 3. Debbie Zimmerman, SCK Pratt; 3. Jean Allen, NCK Coop; 3. Sue Boyes, Derby Senior; 3. Denise Page, Holy Family.

Female—Age 19—Div. I: 1. Carol Williams, WSH & TC Winfield; 2. Nancy Baker, AMBUCS; 2. Gail Monroe, Rice Co. ARC; 3. Carol Lou Daley, Parents of Spastics Wichita; 3. Bonnie Sanders, Central Plains.

Male—Age 10–12—Div. I: 1. Gary Jewell, 11, AMBUCS; 2. Charles Anderson, 7, Topeka Schools; 3. Timothy Dodd, 5, KCK; 3. Dale Heggie, 5, KCK.

Male—Age 10–12—Div. II: 1. Jesse Bowers, 7, Wichita Public; 1. Bobby Jacques, 7, Wichita Public; 2. Bob Dunagan, 3, K.C.K.; 2. Mark Johnson, 3, KCK; 3. Jeffrey Gillam, 2, KCK; 3. Dale Thomas, 2, Wamego.

Male—Age 10–12—Div. III: 1. Blake Monasmith, 7, AMBUCS; 2. John Dominguez, 4, KCK. 2. Doug Sherwood, 4, Hutchinson; 2. David Townsend, 4, Wichita Public; 2. Jimmy Jackson, 4, Wichita; 3. Tom Crider, 3, KCK.

Male—Age 13–15—Div. I: 1. Donny Friesen, 10, Fowler; 2. Robert Ford, 6, Eisenhower KCK; 3. Larry Diver, 5, KRU Sp. Ed.

Male—Age 13–15—Div. II: 1. Scott Paine, 7, Eisenhower; 1. Jeff Hilgers, 7, Eisenhower; 2. Steve McBee, 4, AMBUCS; 2. Larry Cox, 4, KCK; 3. Kenneth Johnson, 3, Levy.

Male—Age 13–15—Div. III: 1. Tommy Barnes, 7, Reno Co. ARC; 2. Gary Miller, 6, Santa Fe; 2. Tony Eves, 6, Rice Co. ARC; 2. William Davis, 6, Reno Co. ARC; 2. Darren Hodgson, 6, Reno Co. ARC; 3. Steven Schrag, 5, Rice Co. ARC; 3. Marvin Pina, 5, Reno Co. ARC; 3. Mike Fisher, 5, Topeka Public.

Male—Age 16–18—Div. I: 1. Joe Thomas, 9, Wichita Heights; 2. Bruce Davis, 4, Topeka ARC; 3. Robert Clark, 3, Derby.

Male—Age 16–18—Div. II: 1. Mike Montgomery, 8, Topeka ARC; 2. Greg Mai, 3, Central Plains; 3. Tom Schmidt, 2, SM North; 3. Brian Bruntz, 2, Richland Valley; 3. Roy Baxter, 2, Richland Valley; 3. Otto Tisdale, 2, KRV; 3. Vernon Lowe, 2, Reno Co. ARC.

Male—Age 16–18—Div. III: 1. Richard Wheeler, 3, Holy Family; 1. Keith Ptacek, 3, Central Plains; 1. Allan Schwerdtfeger, 3, Rice Co. ARC; 1. Randy Myers, 3, Rice Co. ARC; 2. Byron Tennyson, 2, Starkey; 3. Thomas Dixon, 1, Starkey.

Male—Age 19+—Div. I: 1. Mark Stanton, 8, Joyce School; 2. James Bishop, 4, We Care; 3. Doug Berry, 3, Winfield.

Male—Age 19+—Div. II: 1. Arlan Weber, 7, Topeka ARC; 1. Ernie Ford, 7, KCK Rec.; 2. Jerry Weishaer, 6, KSTC; 2. Billy Ray Young, 6, Winfield; 2. Keith Wiley, 6, Norton S.H.; 3. Mike Fanning, 5, Norton S.H.

Male—19+—Div. III: 1. Geo. Gustenborden, 8, Topeka ARC; 2. Dennis Havel, 5, Central Plains; 2. Ted Wiley, 5, DCARC; 2. Mike Francis, 5, Rice Co. ARC; 2. Kenneth Leiker, 5, Central Plains; 3. Mike O'Keason, 4, NW KT MR; 3. Harold Baldwin, 4, Central Plains; 3. Merrill Maddy, 4, Central Plains.

Male—Age 19—Div. IV: 1. Bill Cody, 7, Topeka ARC; 2. Glen Mostellar, 4, AMBUCS; 2. Gary Samuels, 4, DCARC; 2. Paul Pool, 4, We Care Inc.; 3. Larry Jordan, 3, Holy Family.

X. MILE RUN

Male—Age 16–18—Div. I: 1. Daryl Johnson, 5:55.8, Reno Co. ARC; 2. Keith Ptacek, 6.04.0, Central Plains.

Male—Age 19—Div. I: 1. Fred McKinnis, 6:20.5, KNI; 2. Aaron Smith, 6:20.0, Central Plains; 3. Rodney Hughey, 9:37.2, KNI.

XI. PENTATHLON

Female—Age 13–15—Div. I: 1. Joyce Thomas, 7 points, Salina Ambucs; 2. Laura Williams, 5 points, Emporia USD #253.

Female—Age 19—Div. I: 1. Barbara Altenburg, 10 points, Winfield State Hospital; 2. Barb Hostetter, 5 points; We Care, Inc. Emporia.

Male—Age 13–15—Div. I: 1. Mark Gillette, 37 points, Wichita Public; 2. Jimmie Morgan, 31 points, DCARC Lawrence; 3. R. E. Webb, 22 points, Topeka Jr. High.

Male—Age 16–18—Div. I: 1. Edwin Johnson, 16 points, NCK Coop Norton; 2. Carl Tull, 10 points, KNI Topeka; 3. Herb Shurley, 7 points, Starkey-Wichita.

Male—19—Div. I: 1. R. Rice, 17 points, Wichita; 2. C. Wallace, 13 points, WSH & TC Winfield; 3. F. Harper, 10 points, Norton State Hospital.

XII. WHEEL CHAIR RACE

Female—1. Renata Blanchet, 1:12.4, DCARC Dodge City.

Male—Age 13–18: 1. Dennis Mason, 12:7.0, Derby J.H.S.; 2. Pat Kane, 16:8.0, Wyandotte Sp. Ed. Coop KCK; 3. Mike Burkle, 20:2.7, Salina.

Male—Age 19: 1. Bruce Hevel, 10.2, Elks Training Center; 2. Doc Smith, 19:1, WSH & TC Winfield.

XIII. WHEEL CHAIR SOFTBALL THROW

Female—Age 13–15—Div. I: 1. Renata Blanchet, 10.2, Dodge City ARC; 2. Susan Mock, 9.3, Lakemary Center.

Female—Age 16–18—Div. I: 1. Mary Ann Rohrig, 8.7, Parents of Spastics.

Male—Age 13–15—Div. I: 1. Pat Kane, 23.9, Wyandotte Sp. Ed. Coop.

Male—Age 16–18—Div. I: 1. Dennis Mason, 18.4, Derby Jr. High; 2. Bruce Freisen, 13.6, Joyce School; 3. Mike Burkle, 3, AMBUCS.

Male—Age 19: 1. Henry Waymire, 4.2, Votec.

XIV. 440-YARD RELAY

Female—Div. I: 1. Parsons State Hosp. & T.C., 1:05.1; 2. MacArthur Elem., 1:08.2, Wichita; 3. Lakemary Center Paola, 1:08.6.

Female—Div. II: 1. Hutchinson, 1:06.7; 2. Derby, 1:11.1; 3. Pratt, 1:11.4.

Male—Div. I: 1. PSH & TC Parsons, 56:1; 2. Topeka ARC, 57:3; 3. We Care, Inc., Emporia, 57:5.

Male—Div. II: 1. Shawnee Mission North Annex, 1:05.9; 2. AMBUCS, Salina, 1:07.2; 3. Banneker Elem., KCK, 1:08.4; 3. MAC ARC Fowler, 1:08.4.

WHO SAYS EVERYTHING'S FINE DOWN ON THE FARM?

Mr. CHURCH. Mr. President, everything is not so rosy down on the farm as the American people have been led to believe. It is time for the record to be put straight.

According to Don Paarlberg, Director of Agricultural Economics, USDA, in testimony before the Senate Joint Economic Committee in May of this year, the middleman, and not the farmer, benefited most from the record food prices of 1973. The wholesaler and retailer latched onto 64 cents out of each food dollar spent by the consumer. In fact, since August 1973, farm prices have dwindled, while the farm-retail spread—the difference between price paid the farmer and that charged at the grocery counter—for a market basket of food, has increased 25 percent. By May 1974, the American farmer was getting no more than he had prior to the boom. Worse still, the farmer's share is expected to fall even further during the rest of this year.

Yet, the lower prices received by farmers are not being passed on to the consumer. The USDA reports that the price of bread rose, from January to April, by 2 cents, while the farm value of bread ingredients fell by 2 cents. Those 4 extra pennies were picked up and pocketed by the middleman.

Idaho farmers are not only confronted with dwindling prices for their products, but they must pay soaring prices for everything they buy. In a word, farm expenses have zoomed out of sight. Diesel fuel has doubled in price since last year; fertilizer has doubled or tripled in price; farm machinery—if it can be found—has also skyrocketed; the price of a box of baling wire, around $7 to $8 last year, is now selling—if you are lucky enough to find it—for about $37 per box.

Jim Hightower, director of the Agribusiness Accountability Project, in an article published recently in the Washington Post, lays out the farmer's case and answers the unjustified criticism leveled against farmers by the uninformed. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Feeling Outraged About High Prices Down on the Farm

(By Jim Hightower)

"Farmers never had it so good," declared President Nixon at a press conference in March. But have they? Certainly, farm people do not share the President's cheery outlook on the farm economy. In fact, farmers were shocked and outraged, and one national farm group considered the remark so callous as to warrant impeachment.

With the highest food and farm prices in memory, what caused farmers to bridle at the President's comment? Two things in particular.

First, farmers did not benefit most from the exorbitant food prices of 1973—the U.S. Department of Agriculture (USDA) reports that food middlemen continued to take nearly three-fifths of the consumer's food dollar in 1973.

Second, the President was trying to make political hay out of a temporary farm price boom that already is fizzling out—1974 does not look all that great to farmers.

Consider the first question: who profited? There can be no doubt that 1973 was a good year for farm income, especially for grain and livestock farmers. As it turns out, administration publicists were a bit overzealous in their initial claims for farm income and they had to revise their early figures downward by $2 billion. And there is considerable doubt that all of the $24 billion farmers supposedly earned actually ended up on the farm, since a good many corporate processors and marketers of such commodities as eggs and poultry get counted as "farmers." These quibbles aside, however, 1973 was not a bad year to have been a farmer.

But it was not the kind of year that warrants being singled out in a Presidential press conference. Even with the record income levels of 1973, farmers received only 46 cents of the consumer's food dollar. The rest went to the corporate middlemen that process, market and retail food. Nor does every farmer in America draw 46 cents every time a consumer lays down a dollar; most farmers never see that kind of ratio.

For an example, the chicken for which you pay $1.50 pays the chicken farmer 6 cents. USDA statistics show that a can of peaches cost consumers 41 cents last year, but the peach farmer got only 7 cents of it. You spent 28 cents for a loaf of white bread, but only 4 cents trickled back to the wheat farmer. A head of lettuce cost 43 cents at the supermarket, but paid only 4 cents to the farmer.

PROCESSORS' PROFITS UP

At a time of skyrocketing food prices and consumer disgruntlement, the President pointed to farmers, without bothering to mention that food corporations were enjoying even better times. Far from flattered, farmers felt picked on. Cattle ranchers are said to have done especially well in 1973, but none did anywhere near as well as such corporate cowboys as Iowa Beef Processors, with a 66 per cent profit increase last year, or American Beef Packers, with a 288 per cent profit increase. Food processors grumbled all last year about government price controls, but their 1973 profit figures suggest that they grumbled all the way to the bank. For example, the big canners of fruits and vegetables did much better than the farmers who grow them with such firms as Del Monte taking a 35 per cent profit increase in 1973, Campbell soup 23 per cent and Castle & Cook (Dole) up 52 per cent.

The May 4 issue of Business Week offered another interesting insight into how the chips actually fell last year. In a listing of salary increases for corporate executives, the food industry was found to be very generous. Food firms and government officials are quick to point to rising labor costs as an inflationary villain and a drain on corporate profit margins, but they do not draw attention to inflationary jumps in executive salaries. In 1973, food industry workers had wage increases of 6 per cent. Up in the executive suites of food corporations, however, there was much less restraint.

Food manufacturing firms ranked ninth out of 32 industries surveyed by Business Week, boosting the pay of their top executives by an average of 17.7 per cent. For example, while consumers were being advised by government and industry to switch from beef to beans, Kraftco increased the salary of its board chairman from $264,000 to $291,000. Consumers ultimately get to pay for Kraftco's internal largesse. Grocery chain executives ranked fourth in Business Week's listing, taking home a 24.3 per cent pay increase. Safeway, which complained all last year that its profit margins were paper thin, scraped up an extra $16,000 to round off its chairman's salary at $200,000 a year. Nothing that these corporate executives now claim to be feeling the "pinch" of inflation, Business Week reports that their pay levels can be expected "to take another big jump with the expiration of controls."

FARM PRICES DOWN

Grocery shoppers undoubtedly are puzzled over the phenomenon of the "disappearing price drop" in our food economy. Since September, 1973, the news media have been reporting each month that the farm value of food has been falling. But that price drop on the farm has not made its way into the supermarkets. Farm prices fizzled 16 per cent from August to December of last year but supermarket prices remained sizzling hot. Even as President Nixon was making his remark about the good fortunes of American farmers, the price they were being paid was falling for the sixth straight month, while the price charged to consumers actually was rising.

Not only did food firms pass all of the farmers' 1973 increase right through to the beleaguered consumer, but they also attached a sizable markup of their own. The Federal Reserve Bank of Chicago reported on March 8 that food middlemen increased their take from consumers by 6.5 percent in 1973. That is an increase exceeded only once (in 1970) in the last 20 years. And the Department of Agriculture reports that these firms will increase their share in 1973 at a rate that "may be more than double the 1973 increase." What that means is that consumers will pay much more for food this year and much less of what they pay will go to farmers.

In 1973, the farmer was averaging 46 cents of the food dollar. By May, 1974, that already had fallen to 42 cents, the same level it was prior to the boom of 1973. And the farmer's share is expected to fall even more during this year. The retail price of food is hardly keeping pace. A Department of Agriculture report shows that the price of bread rose from January to April by two cents, while the farm value of bread ingredients fell by two cents. That is four extra pennies picked up by middlemen every time a loaf of bread is bought.

Not only are middlemen failing to pass along cheaper farm prices, but some appear also to be holding back on supplies of farm goods. For example, Reps. Frank Denholm (D–S.D.), Thomas P. O'Neill Jr. (D-Mass.) and Lester Wolff (D–N.Y.) have suggested that meat packers and processors are widening their profit margins today by manipulating available supplies of meat.

The congressmen took a look at the meat industry's cold storage inventories in May and found an astounding amount of money being packed away in corporate warehouses. Department of Agriculture figures showed that cold storage of beef by the packers and processors is 33 per cent above last year, pork stocks are 43 per cent greater and poultry storage is up by 87 percent. Denholm charged that this storage "clearly pirates the prices of consumers and producers alike." By storing meat, the corporations can artificially decrease supplies in supermarkets, thus keeping consumer prices high. Simultaneously, the record inventories decrease industry demand, thus dampening prices paid to meat raisers.

During April, farm prices overall fell another 4 per cent, with the price of cattle falling from 39 to 37 cents a pound, hogs down from 31 to 26 cents a pound, wheat down from $3.98 a bushel to $3.52, cotton down from 58 to 49 cents a pound and eggs down from 50 to 42 cents a dozen.

STEIN'S STATEMENT

A remark in May by Herbert Stein, chairman of the President's Council of Economic Advisors, is depressing to farmers and consumers alike. He said, "The *declines* in farm product prices are likely to be reflected in much smaller *increases* in retail food prices than occurred in the first quarter of 1974" (emphasis supplied). Only the Grocery Manufacturers of America and the National Association of Food Chains can appreciate the logic of that.

In fact, that is the kind of logic that food middlemen can carry to the bank. The Federal Reserve Bank of Chicago said in its May 31 agricultural letter that "the available evidence suggests that higher profits have contributed to the widening farm-to-retail price spreads." That conclusion is supported by Business Week magazine figures showing that in the first three months of this year the largest food retailers had profits that were 59 per cent higher than a year ago, even though their sales were up just 14 per cent.

The Department of Agriculture clouds the issue of high middleman profits by reporting figures that encompass all food firms, the small with the giant. There are 32,000 food manufacturing firms in America, but just a handful of those sell nearly all the food and control the industry. In May testimony before the Joint Economic Committee, the Federal Trade Commission's Dr. Russell Parker noted that "the 50 largest [food manufacturers] controlled 50 per cent of assets of 1964, they accounted for 61 per cent of profits and nearly 90 percent of television advertising." According to Dr. Parker and other authorities, this level of industry concentration is increasing steadily. These are the brand-name giants, powerfully situated between millions of farmers and millions of consumers, and they are fast becoming the decisive force in the American food economy.

The average profit increase for all 32,000 food firms in 1973 would not be remarkable, but the dominant firms had "a year to remember," as Business Week put it. A special USDA task force on food marketing costs reported this month that the profits of food middlemen in 1973 "probably" will exceed the 1972 total of $3.4 billion. But the task force need have no doubt about the largest firms. Analyzing the 66 largest food processors, Business Week reported in March that their profits averaged 17 per cent higher than in 1972. The profits of those 66 industry leaders were more than $1.8 billion, which is more than half the industry's total for the previous year.

To a significant degree, this level of profit is the result of monopoly power in the food industry.

Dr. William Shepherd, a leading authority on market concentration, reports that the food industry falls well within the category of "tight oligopoly," with the average four-firm concentration within the industry being 55 per cent. In many food lines, shared monopolies exert much greater control. For example, 91 per cent of all breakfast cereal is sold by four firms (Kellogg, General Mills, General Foods and Quaker). Three firms (Dole , Del Monte and United Brands) sell 85 per cent of all bananas in this country. Gerber alone sells 60 per cent of all baby food and Campbell's sells 90 per cent of all soup.

The same high levels of concentration exist in food retailing, with more than half the cities in the country being dominated by four or fewer chains. In the Washington, D.C. area, for example, Safeway, Giant, Grand Union and A & P control 72 per cent of the grocery market. Nationally, one-third of all the convenience grocery stores are owned by Southland Corp., parent of the 7-11 chain.

PRODUCTION COSTS

There is another harsh economic reality that is squeezing farmers and causing them to think anew about the advice of old-time populist leader, Mary E. Lease: "Raise less corn and more hell." That reality is the rise in farm production costs.

Not much of what the farmer gets stays in his pockets, for he has a mess of bills to pay. As farmers move into the summer months, they are massively pessimistic. The cost of their production supplies has increased about as rapidly as the plummeting of farm prices. In March alone, farm prices fell 4.4 per cent, while the cost of farm inputs increased 2.2 per cent. The Department of Agriculture predicts that farmers expenses in 1974 will be "more than $9 billion above last year."

A corn farmer in Iowa told the Des Moines Register of fertilizer prices this year 40 per cent higher than last, of diesel fuel prices doubling since last year and of corn seed that has gone from $25 a bushel to $37 a bushel. The cost of new machinery has gone out of sight, and repair of old machinery is about as costly—as this corn farmer put it, "You don't need too big a truck to haul away $500 in parts." He is having to shell out this kind of money now, while the price he can expect for his corn already has tumbled this year from $3.25 a bushel to $2.27.

At work here is the other jaw of the corporate vise that is squeezing family farmers and contributing to higher food prices. There may be a profit made on the farm in 1974, but there will be much more profit made off the farmer. Here's a sample of profit increases farm suppliers already have had in the first quarter of this year.

[In percent]

	1st quarter, 1974—	
	Profit increase	Sales increase
International Harvester	113	16
Stauffer Chemical	55	31
Occidental Petroleum	716	96
Firestone Tire & Rubber	19	17
Pfizer	33	26

Source: Business Week. May 11, 1974. "Survey of Corporate Performance: 1st Quarter 1974." pp. 70–90.

To put these profits into perspective, the average profit increase in all industries in this first quarter was 16 per cent. And again, these profits can be traced to the existence of monopoly power within the industries. For example, Dr. Shepherd reports that the four leading farm machinery firms hold 70 per cent of the relevant market. The Federal Trade Commission staff found in 1972 that farmers were overcharged $251 million because of the existence of monopoly power in the farm machinery industry. The four-firm concentration ratio in the chemical industry is 71 per cent; in petroleum refining, 65 per cent, and in tires, 71 per cent.

The general public, the Congress and the press have paid little attention to the rise of corporate power in the food economy. It is time to notice, for not only has that power become significant, it already has become the single, most dominant factor affecting the food supply.

It is impossible in the long run to lower food prices, to raise farm income and to assure a steady supply of nutritious food without dealing directly with the shifting structure of the food economy. Both as suppliers of inputs to farmers and as buyers of raw commodities from them, corporations have become the determining force in the farmer's business. As manufacturers, advertisers and retailers of food, corporations have become the decisive force in the quality, choice and price of food available to the shopper.

As a minimal first step toward keeping corporate food power in check, the country's antitrust apparatus ought to be focused on food. The Federal Trade Commission shows some hopeful signs that it might be listening to consumer and farmer complaints on food issues. The chairman of the commission, Lewis A. Engman, has announced creation of a special task force of lawyers within FTC's enforcement ranch to develop and implement a program of antitrust action directed at the food industry. Whether Chairman Engman's highly-touted "National Food Plan" will be more than window dressing is questioned by several consumer and farmer organizations, but at this point they are grateful for any official response tossed their way.

Also encouraging are signs that at least a few congressmen are waking up to the corporate presence and beginning to probe for some answers. Within the last six months, the Senate Select Committee on Small Business, the Senate Commerce Committee and the Joint Economic Committee have conducted public hearings on the role of corporate middlemen in the food economy. In addition, the Senate Antitrust and Monopoly Subcommittee and the Senate's Peramanent Subcommittee on Investigations have shown an interest in corporate activities that affect farmers and consumers.

These are halting, first steps, but they are important. Old perceptions of food power, based on the idea of independent farmers responding to sovereign consumers, no longer are valid. Increasingly, corporations are the decisive force at both ends of the food chain. That fundamental shift in power is too important a matter to be left to USDA and corporate executives.

The most lasting and significant impact of 1973's skyrocketing food prices may well be the wide public attention that the jolt of those prices attracted to food economics. The food issue will abate somewhat in intensity, but it will not go away, and neither will public attention. The food industry can expect much more scrutiny in the months ahead.

COL. MICHAEL DE KOVATS, 1724–79

Mr. THURMOND. Mr. President, this spring and summer we are celebrating two important anniversaries concerning the life of Col. Michael de Kovats, the Hungarian-American hero of the American Revolution who was largely responsible for the creation of the U.S. cavalry.

Colonel de Kovats as born in 1724 in Hungary, and thus this year marks the 250th anniversary of his birth. It is also the 195th anniversary of his death. He died on May 11, 1779, in Charleston, S.C. Though Hungarian by birth and American by choice, Colonel de Kovats is also a South Carolinian by fate.

His life, during which he served with two of the great cavalry powers in the world at the time, Austria-Hungary and Russia, would take too long to describe. His meritorious services were offered to this country in a now famous letter to Benjamin Franklin in Paris, which he signed with the Latin motto: Fidelissimus ad mortem—Faithful unto death.

In the fall of 1777, shortly after arriving in America, Colonel de Kovats joined the company of Count Casimir Pulaski, who had been given the task of organizing an American cavalry. Count Pulaski was only a young man, 29 years of age at the time, and his military experience was not as extensive as that of de Kovats. He needed de Kovats' assistance in organizing and training this cavalry.

On February 4, 1778, Pulaski recommended the formation of a training division of Hussars to be commanded by Colonel de Kovats. While both de Kovats and Pulaski wanted to introduce the Prussian Rules of Conduct and Training, they realized that textbook procedures would be ineffective, and proposed instead to train their forces in battle.

Throughout the rest of that winter (1777–78), Pulaski bombarded Washington with proposals for the cavalry and numerous commendations for Colonel de Kovats. However, the only response he elicited was the temporary appointment of de Kovats as master of exercises. Basically, the plans of Pulaski and de Kovats were too grandiose for an army with only 4,000 regulars, many of whom were barefoot and freezing in Valley Forge at the time.

In the spring of 1778, Pulaski resigned his command, and on March 28, 1778, Congress approved the creation of the Pulaski Legion, named in his honor. Shortly thereafter, General Washington appointed Michael de Kovats as colonel, commanding the legion. Congressional approval followed within a week.

The Pulaski Legion, under Colonel de Kovats, fought the British bravely on many occasions.

I would like to specifically comment on the battle at Charleston, in which Colonel de Kovats found both glory and death.

On March 28, 1779, the Pulaski Legion was ordered to leave Yorktown for South Carolina. A month later, the legion was at Salem, N.C. There is a record there which tells us how soldierlike and decently the legion behaved. They paid for all their necessities rather than adopting the custom of commandeering.

Smallpox became a greater scourge than the British. Forty cases occurred among the troops and two of them ended in death. All the way to Charleston, they continued to lose men to smallpox, and eventually were down to an effective strength of 150 men.

When the legion arrived, Charleston was under siege by the British. The situation was critical. In response to this state of affairs, Colonel de Kovats decided to create some relief with a cavalry diversion against the besieging forces. On May 11, 1779, he attacked with his remaining 120 men, but was defeated and killed in the battle.

The British buried him at the corner of Huger Street on the lot of Mr. John Margart. His British opponent, Brigade Major Skelly, paid him the greatest tribute in the eulogy at his grave: He said, "The best cavalry the Rebels ever had."

This great man, coming from Hungary and willing to fight and lay down his life for the freedom and independence of our country, blazed a shining trail for later Hungarians who came to this country and contributed so much to the development of the United States and to its cultural and moral heritage.

Mr. President, it is a pleasure to pay tribute to this great soldier.

MEETING OF THE INTERPARLIAMENTARY UNION

Mr. SPARKMAN. Mr. President, I wish to announce for the RECORD that I, as chairman of the U.S. group of the Interparliamentary Union, have asked Senator ROBERT T. STAFFORD to meet the rest of this week in Geneva with an international committee from other parliaments on the subject of the general revision of the statutes of the Union. The meetings to be attended by Senator STAFFORD will be held in the Union's headquarters at Geneva, and will involve, besides the Senator from Vermont, Mr. G. S. Dhillon, president of the Interparliamentary Union and Speaker of the Lok Sabha of India, Mr. Andre Chandernagor, former Union President and member of the French Assembly, and Mr. C. Manescu, chief of the Romanian Interparliamentary Group.

The redraft of the statutes will concern a number of questions with international implications for the 1974 world parliaments which go to make up the Union. It is hoped the work will be completed this week as Senator STAFFORD will return to the United States on Saturday, June 22.

AMNESTY FOR DRAFT DODGERS AND DESERTERS

Mr. GURNEY. Mr. President, in the wake of the hearings held last March by the House Judiciary Committee, there has been an upsurge of interest in the question of amnesty for draft dodgers and deserters. Certainly my mail from Florida on the subject has increased and I suspect the same is true for that of my colleagues.

However, in looking at the mail, I see that people feel the same way now about amnesty as they did a year or 2 years ago. In a recent Gallup poll, 58 percent of the people interviewed indicated they were opposed to unconditional amnesty. Only 34 percent felt draft dodgers or deserters should be allowed to return to this country without at least some sort of compensatory service.

Despite the fact that the Vietnam conflict is receding into the pages of history, the reasons for opposing unconditional amnesty, or even a blanket amnesty on a conditional basis, are as compelling now as they ever were.

If the principle of the law is to be upheld, we cannot reward, by granting unconditional amnesty, people who took it upon themselves to evade the law. A system of law cannot long survive if those within it are permitted to choose which laws they will or will not obey.

Furthermore, we have an obligation to those who served and served with such distinction. To overlook the sin of those who shirked their duty is to repudiate the efforts of those who did their duty and served their country. At best, such a precedent would be discriminatory; at worst it would undermine the morale of those who have served, are serving, or who might serve sometime in the future. To grant amnesty now, would be to tell future generations that they need not serve if duty calls.

Contrary to what some would have us believe, this Nation has never granted unconditional amnesty to draft dodgers and deserters. What we have done, on occasion, is grant pardons—on a case-by-case basis—in situations where the circumstances warrant.

While there are those who equate the two, there is a tremendous difference between unconditional amnesty and limited pardon. Those seeking the former want people to forget what they did and treat it as if it never happened, while those who have received pardons have acknowledged the error of their ways and have been extended forgiveness. By no stretch of the imagination are forgiveness and forgetfulness synonymous.

Confusion over this point has caused some people to think that a bill introduced in this session of Congress—which I am pleased to cosponsor—to restore the citizenship of Robert E. Lee would, in fact, represent an act of amnesty that should also be applied to those who seek amnesty now. Nothing could be further from the truth. There is no justification for comparing General Lee, who was punished by loss of citizenship and who, after the war, signed an oath of allegiance to this country, to those who are seeking to avoid punishment and who have demonstrated their loyalty to the United States by fleeing to other nations.

If, however, an effort is made to make this restoration of citizenship for General Lee into a general amnesty bill to cover the draftdodgers and deserters of the Vietnam era, I will strongly oppose it. Moreover, I feel confident that, if General Lee knew that restoration of his citizenship might be linked to such an effort, he would oppose it also, for the general was certainly a man who knew the meaning of the word "duty," and did not shirk from its consequences.

The question of amnesty and the matter of General Lee's citizenship are two entirely different issues, each of which should be judged on its own merits. To that end, I sent out a report to the people of Florida a year ago, giving facts, figures, and essential historical background on the amnesty issue. Today, for the benefit of my colleagues, I would like to introduce an updated version of that report which I hope will help put the whole issue into its proper prospective.

Mr. President, I ask that a copy of my report on amnesty be printed in the Record at the conclusion of my remarks.

There being no objection, the report was ordered to be printed in the Record, as follows:

Report on Amnesty

HISTORICAL BACKGROUND

The first so-called "amnesty" in the U.S. history came in 1795 when President Washington gave a general pardon to all those involved in the Whiskey Rebellion who agreed to obey the law in the future. Several hundred people were affected.

During the war of 1812, President Madison offered, on three different occasions, full pardon to deserters who surrendered and returned to duty within a four month period. No figures were kept on the number of men who availed themselves of this opportunity.

The Civil War generated the greatest pressures for proclamations of amnesty and or pardon. However, during the War, offers of pardon were limited—on both sides—to encouraging deserters to return to duty or, in the case of the Union, to influencing Confederate supporters in Union-occupied areas to switch allegiance.

After the War was over, attitudes toward amnesty hardened. Although many former Confederates were re-enfranchized by a law passed in 1872, it wasn't until 1898 that all penalties against them were removed. As for draft dodgers, both sides dealt harshly with them during the Civil War, and no legislation was passed granting them amnesty afterwards.

No amnesty whatsoever was granted to draft dodgers after World War I. Draft evaders were either sent to jail for a year and then required to serve in the armed forces or were inducted and then sentenced to long terms in prison if they refused to serve.

It wasn't until 1924, six years after the War was over, that President Coolidge restored citizenship to 100 men convicted of deserting *after* the armistice in 1918. Then, in 1933, President Roosevelt granted pardons to 1,500 or so people who had been convicted of espionage acts or draft law violations and who had *completed* their sentences.

During World War II, 15,805 persons were convicted of violating the Selective Service Act. After the War, a committee established to study the circumstances recommended against any general amnesty. Instead, a special board reviewed each case separately and, subsequently, President Truman granted 1,523 pardons—to about one person in ten.

Finally, in 1952, President Truman granted pardons to peacetime deserters (1945 to 1950) who already had been punished. However, amnesty has not been granted for Korean War Deserters, nor has there been any amnesty for draft evaders during the Korean Conflict.

As the record shows, there has never been a case of unconditional amnesty for draft dodgers or deserters. Almost without exception the so-called amnesties in American History were actually pardons—where guilt was admitted and forgiveness extended.

DESERTION, DRAFT EVASION, AND CRIME

Some interesting statistics have come to light about draft dodgers and deserters—statistics that cast doubt upon the premise, held by some, that they are all pilgrims riding the white charger.

Of the 15,805 convicted for draft evasion during World War II, it was discovered that 7,500—nearly half—were wanted for murder, robbery, assault, desertion of their families, or some other serious crime.

Furthermore, statistics kept by the Swedish government showed that, from 1967 to 1970, 20% of the American "war resistors" allowed to enter the country were involved in major crimes, 10% were jailed and 6% deported.

Judging from these figures, there is good reason to question not only the motives of those who now seek amnesty, but also their potential as good citizens. They should hardly expect special treatment.

THOSE WHO FLED

A number of newspaper accounts have placed the number of draft dodgers and deserters now living in *voluntary* exile in Canada and elsewhere at anywhere from 70,000 to 100,000.

Actually, the best figures available indicate that the number is quite a bit less than that. As of December 31, 1973, the Defense Department listed 28,661 deserters as being still at large, 2,099 of these were listed as being in foreign countries—1,587 in Canada and 512 elsewhere.

As far as draft dodgers are concerned, Justice Department figures compiled as of April 30, 1974 showed that there were 4,200 warrants outstanding against men accused of draft violations. Of these, some 2,950 were believed to be in Canada and 600 in other foreign nations. Another 2,576 draft law violation complaints are pending and are under prosecutive review.

Adding these figures up, we get about 4,500 draft dodgers and deserters in Canada plus another 1,100 or so in other nations. This may seem low in view of all the publicity but figures from foreign nations tend to bear these estimates out.

For instance, unofficial estimates by Canadian officials put a top figure of 10,000 on their estimates of number of U.S. draft dodgers and deserters in Canada. And Sweden, which got the reputation of being a haven for deserters, released figures in the fall of 1972 that showed there were only 602 U.S. war resistors in the country.

So, if we allow for error, and for those who fled even though their case has yet to come up, the number of draft dodgers and deserters in self-imposed exile abroad may go as high as 7,000 to 10,000—a far cry from what some would have us believe.

AND THOSE WHO SERVED

On the other side of the coin, there are those who did answer the call of duty. According to Defense Department figures, some 2.6 million men served in Vietnam. Of these 45,941 were killed in combat, 300,635 were wounded, 566 were captured and 1,363 are still missing in action.

Nothing could better illustrate the suffering endured and the sacrifice made by many of these men than what happened to our POW's. The torture, deprivation, suffering and anguish these men went through should be enough to convince all Americans of the injustice of granting amnesty to those who refused to serve. Not only did the draft dodgers and deserters let others take the risks for them, but their efforts made life even tougher for the brave men incarcerated by the North Vietnamese or the Viet Cong.

If we grant amnesty to those who refused to serve, we are, ineffect, saying that they were right, and that those who fought, those who were captured, those who were wounded and those who died—were wrong. Heaven help us if we ever say that about our brave fighting men who sacrificed so much, so unselfishly, for the cause of freedom.

PROPOSED LEGISLATION

A number of proposals have been put forward here in Congress concerning amnesty for draft dodgers and deserters. Briefly, they fall into three categories: (1) two or three years alternative service in return for immunity from prosecution; (2) broadening the definition of consciencious objector (CO) and allowing draft evaders to apply for CO status retroactively; and (3) universal and unconditional amnesty (no alternative service) for all draft dodgers *and* deserters. These proposals, in addition to a "sense of Congress" resolution expressing opposition to either Congressional or Presidential amnesty, are in Committee but, so far, none have come to the Senate Floor for a vote.

For his part, the President has indicated that the price of disobeying the laws of the U.S. involves a criminal penalty and that those who fled can either return and pay that penalty or stay in whatever foreign country will have them. Fairness requires no less.

THE CASE AGAINST AMNESTY

It must be remembered that those in foreign countries went abroad by their own choice. Now, according to their spokesmen, they want the American people to forget, not just forgive, what they did as if it never happened.

This we cannot do. Even the idea of forgiveness, in the form of alternative service, strikes me as being most unfair at this time. Two or three years in the Peace Corps, VISTA or some clinic is hardly comparable to the risks faced by hundreds of thousands of American boys who answered the call and went to Vietnam.

Furthermore, if we were to grant amnesty to draft dodgers and deserters, we would break down discipline in the Armed Forces now and we would endanger national security later by undermining the possible use of the draft during some future emergency.

What it really boils down to is a question of whether or not we are going to allow individuals to decide for themselves which laws they will or will not obey. As far as I am concerned, our society can't function that way; if laws are passed, and not enforced, then chaos will eventually be the result.

If we are going to be fair to all concerned—fair to those who have served, fair to those who may have to serve, fair to those who obey the law, and fair to those who enforce the law—WE CANNOT GRANT AMNESTY TO THOSE WHO DISOBEY THE LAW. To do so would open far more wounds that it would heal.

U.S. REPRESENTATION ABROAD

Mr. HUMPHREY. Mr. President, I have long felt that U.S. diplomatic relations with other countries were far too limited. Our embassies and our Department of State often express only the views of the current administration—rather than giving a full and fair picture of the broad spectrum of American opinion. And at the same time our diplomatic representatives often deal exclusively with governments in power. Too often, they purposely cut themselves off from all formal and informal contact with opposition parties, labor unions, journalists, religious groups, and factions within governments.

I realize that considerable diplomatic skill and caution would be required for a foreign service officer or Ambassador to represent all the American people and maintain contact with representatives of all the groups in the country to which he was assigned. His efforts could be easily interpreted as undercutting an administration's foreign policy on the one hand and attempting to subvert a government in power in a foreign country on the other. But I believe the dangers of such a policy have been exaggerated, and caution has been taken to an extreme. Too often, other countries have been totally unprepared for a change in administration and policy in this country or for a vote by Congress that alters foreign policy. And far too often, we have been totally unprepared for a change in government in another country—when the people we snubbed for fear of offending a government in power come to power themselves.

This appears to have been the case in the recent change of government in Portugal. Tom Wicker recently wrote, in the New York Times, that Mario Soares, Portugal's new Foreign Minister, is now—

> Telling funny stories about his fruitless efforts, as leader of the outlawed Socialist party during the Salazar and Caetano regimes, to make some kind of contact with the American State Department.

Apparently, an American foreign service officer was forbidden by a U.S. Ambassador to Portugal to keep a dinner engagement he had with the Soares family.

Mr. Wicker concludes:

> When Mr. Soares became Foreign Minister a few weeks ago, he did not even try to approach the State Department directly; and he asked his friends, Harold Wilson of Britain and Willy Brandt of West Germany, to put him in touch. They did, and no doubt Mr. Soares will soon be getting red-carpet treatment in Washington; but he has not forgotten—and probably won't the years when no one but third secretaries paid attention to him.

It has been particularly damaging to our image as "the champion of democracy and freedom everywhere" that our Government did not maintain contact with the Portuguese leaders who were advocating democratic reforms in their country. Obviously, Harold Wilson and Willy Brandt felt it was appropriate for the Western democracies to keep in touch with those who wanted democracy for Portugal. Yet the United States preferred to deal only with the oppressive government in power.

Mr. Wicker points out that such policies reinforce the fear around the world that the United States will in some way intervene to prevent takeovers by political groups committed to democratic reform. Whether or not these fears are founded in fact, it is logical for many to assume that the United States would rather maintain in power friendly leaders we know and deal with regularly than see a change of government by people we do not know. We would be much less vulnerable to criticism on these grounds if we adopted a policy of getting to know and having formal and informal contacts with all the groups in a country, of developing some kind of working relationship with potential future leaders.

It is in our interest to maintain contact and be familiar with representatives of all groups in other countries. It is especially in our interest, as a country which is committed to democracy and freedom, to have good relations with those leaders in every country who are committed to these principles. We have made the mistake too often that we most recently made in Portugal—of not communicating with any leaders who were not official representatives of a government, and therefore, of being total strangers with new leaders. I hope that we will never make this mistake again.

Mr. President, I ask unanimous consent that Tom Wicker's column from the New York Times of June 14, 1974, "The Land of the Free", be printed in the RECORD.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

THE LAND OF THE FREE

(By Tom Wicker)

LISBON.—While planning the coup that overthrew Portugal's 48-year-old dictatorship on April 25, the young army officers primarily responsible had no intention of letting the United States have the faintest inkling of what was afoot. They were convinced that if the Central Intelligence Agency knew a coup was even being talked of, the agency would promptly inform the D.G.S., Portugal's secret police, with which the C.I.A. had close and cordial ties.

Yet, in Spain, which now eyes free Portugal both uneasily and hopefully—according to one's political outlook—across their common border, a long-experienced former diplomat recently delivered himself of the opinion that the United States must have given its approval in advance for the Portuguese coup. Otherwise, he said confidently, the United States never would have permitted the dictatorial Caetano regime to be overthrown.

There was a lesson in that for Spain, he continued. If there was to be genuine change toward a democratic regime after the death of Francisco Franco, or movement toward such a regime before Franco's death, the United States would have to be convinced that such a development in Spain was in the best American interest. Washington simply would not permit democracy in Spain unless that point was made in advance.

A younger Spaniard, deeply involved in clandestine activities for a more democratic regime, took a darker view. Citing what "everybody knows," that the C.I.A. had overthrown the Allende Government in Chile, he remarked gloomily that the United States probably would never allow Spain to have democracy.

This kind of thing is deeply disturbing, even shocking, to an American who would like to think of his country as the champion of democracy and freedom everywhere.

The point is not whether the C.I.A. really did overthrow Allende, or whether the agency would in fact have betrayed the Portuguese coup to the D.G.S.; and explanations that the United States ought logically to welcome more democratic regimes in both Spain and Portugal, since that would ease the domestic political burden of alliances with these countries, do not alter the case. The fact is that many people abroad believe the United States is the enemy of freedom, and that it uses the C.I.A. relentlessly and efficiently to oppose democratic movements everywhere.

It is a sort of instant or ready-made paranoia. When the American Ambassador to Portugal, Stuart N. Scott, paid the first diplomatic call on Gen. António de Spinola after the coup in Lisbon, and again paid the first call on the general after he was named Provisional President, the United States did not get all the expected credit for welcoming the advent of democracy in Portugal. Instead, Communists and others spread the word to willing listeners that the calls had been to protest the coup; and this was widely believed.

To a great extent, the United States has no one to blame but itself for this state of affairs. The wheel has come full circle from the kind of American thinking that, in the fifties and sixties, suspected a Communist plot behind every political development in the world. From the Iran of Mossadegh twenty years ago to the Chile of Allende in 1973, there have been ample facts and plausible reports of C.I.A. involvement in the overthrow of governments and the propping up of dictators—all augmented by the implacable set of American policy in Southeast Asia for the last fifteen years—to account for the world's paranoia.

Just recently, Mario Soares, Portugal's animated new Foreign Minister, was telling funny stories about his fruitless efforts, as leader of the outlawed Socialist party during the Salazar and Caetano regimes, to make some kind of contact with the American State Department. "Never got higher than a third secretary," he recalled. When one young American Foreign Service officer made an engagement for dinner with Mr. Soares's family in Lisbon a few years ago, the American had to call and report with embarrassment that the American Ambassador of the day had forbidden him to keep the date.

So when Mr. Soares became Foreign Minister a few weeks ago, he did not even try to approach the State Department directly; he asked his friends, Harold Wilson of Britain and Willy Brandt of West Germany, to put him in touch. They did, and no doubt, Mr. Soares will soon be getting redcarpet treatment in Washington; but he has not forgotten—and probably won't—the years when no one but third secretaries paid attention to him.

LITHUANIAN INDEPENDENCE DAY

Mr. BROOKE. Mr. President, on June 15, Lithuanian-Americans joined with Lithuanians throughout the free world to observe a day of reflection upon the forced annexation of Lithuania by the Soviet Union.

This is an appropriate time for us to consider the fate of these and other peoples forcefully included under the rule of others.

The vast majority of individuals in Eastern Europe do not share the "freedom of information" which we take so readily for granted. They do not hold any hopes for the free and open communication and personal contact with loved ones which we have come to regard as an inalienable right. In many instances there is little possibility that they will be reunited.

Many of our ancestors have experienced the restriction of their freedoms in the forms of racial, religious, or national discrimination. This search for freedom has been continuous throughout history.

In considering the plight of these individuals let us recommit ourselves to accepting the responsibilities which will help us to preserve and uphold the freedoms we are so fortunate to enjoy.

GEORGE MEANY SPEAKS OUT ON AGING

Mr. WILLIAMS. Mr. President, George Meany has made many declarations on behalf of social and economic justice for all Americans.

Last week, June 14, at the 12th Constitutional Convention of the National Council of Senior Citizens, the President of the AFL–CIO brought the audience to its feet with a stirring speech which dealt directly with problems of older Americans, and the importance of those problems to other age groups.

Mr. Meany spoke from the perspective of history. He knows of the struggles that today's generations of senior citizens lived through because he shared many of them and he helped solve some of them.

His remarks about our social security system are worthy of special note. He warned against "scare stories" which suggest that "social security will be broke by 1980, or 1985, or 1990, or the year 2000."

In a typical summing up, Mr. Meany said:

That's baloney.

But he also acknowledges that the system stands in need of constant attention, that payroll taxes must never become oppressive, and that general revenues will have to be used for limited, specific purposes in such a way as to preserve the contributory payroll tax.

Mr. President, as former chairman of the Senate Special Committee on Aging and now as its ranking member, I believe that Mr. Meany's address is significant and informative. I ask unanimous consent to have it printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

SPEECH DELIVERED BY AFL–CIO PRESIDENT GEORGE MEANY

It is an unusual pleasure to address this convention today. After all, this is the largest group of officially-designated "White House enemies" I have ever addressed.

As one who was not on the original "enemies" list, Nelson, my jealousy at your designation is outweighted by my profound sorrow that this sort of thing would ever happen in America.

It is beyond me how any Administration could class as "enemies" an organization of American citizens, distinguished by their age, their commitment to social progress, and their dedication to their country.

The members of this organization and the generation of Americans it represents should be praised—not scorned—by Presidents and their staffs.

Franklin Delano Roosevelt said that the generation you represent had a "rendezvous with destiny". You kept that rendezvous and because you did, America is the better.

This generation was tempered by the Great Depression and tested by World War II, Korea and Vietnam. Your strength—the moral strength of your commitment to the American dream and the physical strength of your labor—saw America through those difficult and trying times. And your basic belief in right and fairness—a belief shared by millions of Americans of all ages—will see this country through its present crisis.

You met destiny on the bread line, on the picket line, on the assembly line, at the ballot box, at congressional hearings, in your daily lives. And more than 13½ million Americans of the AFL–CIO do not call you "enemies". We call you "allies"—in fact, you are Number One on our "allies" list.

As our allies, you share with the labor movement the deep, rewarding sense of satisfaction we feel about two of the greatest legislative accomplishments of American history—federal aid to education and Social Security.

The strength of a society can well be measured by what it does for the very young and the very old. By that measure, our society is strong, but it should be—it must be—stronger.

It is a sad political fact of life that just at the time when Social Security must be vastly improved and strengthened, it is under renewed attack. The attack has never really ceased since Social Security was enacted. But the pace of the attack and the intensity of it are quickening.

At stake is national health insurance. The opponents of true national health insurance, based on the rational and proven social insurance system, are now seeking to undermine public confidence in the bedrock of social insurance in America—Social Security.

The opponents of Social Security recognize that its popularity is rooted in the fact that the public knows its benefits are an earned right. There can be no stigma attached to Social Security because beneficiaries made contributions during their working lives. They earned it; they paid for it; they are entitled to it.

That very same contributory feature is one of the key principles in National Health Security—a principle we do not intend to compromise.

Under a social insurance system, there is public accountability of funds. In addition, the worker takes an active interest in the administration of these funds because a portion of every paycheck he earns is earmarked for them. It is the people's program—not one administered behind the locked doors of corporate boardrooms. Social Security is administered out in the open. And, as a result, it is fair game for journalists shooting from the hip and politicians shooting from the lip.

Thus, in recent months, you have seen the scare stories which infer that Social Security will be broke by 1980, or 1985, or 1990, or the year 2000—the date varies. The recurring theme of these stories is that the trust fund won't have enough money to pay benefits.

That's baloney!

Or there are the stories about how "regressive" the Social Security tax is and how it is losing public support.

Like all political propaganda, there is a grain of truth mixed in with a bushel of distortion.

Benefit increases in Social Security were never intended to be financed solely by payroll taxes. The fact has been recognized since the inception of Social Security.

Payroll taxes—contributory taxes—provide Social Security with an abundance of public interest and acceptability. But payroll taxes are not adequate for the total job that must be done.

Tampering with the Social Security financing mechanism—such as graduating the payroll tax or exempting some workers from making any contributions—would endanger the broad public support for Social Security. Far more sensible is the idea of increasing the federal general revenue contribution, as was envisioned by the framers of the original Social Security Act and long supported by the AFL–CIO.

In this manner, inequities can be handled without threatening either public support for Social Security or stable, contributory financing.

The Social Security Trust Fund is not in danger of collapse, unless the Congress and the White House fail to respond to warning signals. And those who pretend otherwise have a political axe to grind. They hope their campaign will hurt the drive for genuine national health legislation.

This leads me to a second point that threatens to undermine Social Security—political bias in the selection of those charged with operating the signal flags.

Each of you knows the work of Red Smith and the Machinists Union on behalf of Social Security. The Machinists, of course, are very active in your own organization.

Red Smith is, as you know, a vice president of the AFL–CIO and he is the chairman of the AFL–CIO Standing Committee on Social Security. He is not the type of chairman who simply presides over meetings. He is an active, articulate spokesman—both in the Standing Committee and the AFL–CIO Executive Council—on behalf of Social Security.

But the Nixon Administration said "no" to the nomination of Red Smith to the Social Security Advisory Council. By law, organized labor is supposed to have three representatives on the Council. So we recommended Red Smith, along with Bert Seidman, our director of Social Securty, and Velma Hill of the Teachers.

Caspar Weinberger, who is better known in Washington as "Cap the Knife", said Red Smith wasn't fit to serve. Red's "crime" was that he supported George McGovern for President.

Well, I guess everybody knows that I wouldn't support George McGovern for President. But I will fight with all the vigor at my command for the right of every AFL–CIO vice president, every AFL–CIO affiliate and every union member to support any presidential nominee they want to support.

Weinberger now says he didn't even know that Red Smith was the chairman of the AFL–CIO Standing Committee on Social Security. Rather, Weinberger told the New York Times he had heard "adverse reports" about Smith.

That is the rankest form of character assassination. But it is completely in keeping with this Administration's "character."

The law doesn't say that the labor representatives on the Advisory Council shall be those committed to the reelection of the President of the United States. It doesn't say that Advisory Council members shall be political eunuchs or loyal members of CREEP.

Bert Seidman and Velma Hill refused appointment to the Council because of the shabby treatment of Red Smith. The UAW also refused to nominate a candidate.

But the Administration found three people to fill the labor positions. One was from the Teamsters—an organization that made this Administration's "friends" list. The other two, while members of the AFL–CIO, do not speak for the AFL–CIO.

So statements by the Social Security Advisory Council will now be subjected to the same credibility test as economic predictions by the President's Council of Economic Advisors. As has happened so often in the past five and a half years, political flackery has replaced candor in Washington.

The same President of the United States, who has moved to weaken Social Security, said last week that he would never do anything to "weaken" the Presidency. Well, he has sure cheapened it. He has degraded and destroyed public confidence in the Presidency. We must not let him cheapen, degrade and destroy public confidence in Social Security.

I am sure you remember that he fought down to the very last minute every improvement in Social Security benefits. But when you and we won, he then set his political propagandists to work trying to drain every last ounce of public relations value out of his signature on the legislation he opposed.

And we also remember that senior citizens are victims of his veto. The Older Americans Act—he vetoed that. Social Security increases—he threatened to veto them. Say a word in opposition and you make the "enemies" list.

If it wasn't for the Watergate bunglers, Washington might still be operating that way. Thank heavens it isn't—the Committee for Fairness to the Unindicted Co-Conspirator notwithstanding.

But enough of Watergate. What of the future?

There is much this country must do to improve Social Security and to provide quality health care as a matter of right for all citizens. There is need for housing for our citizens, justice in our tax laws, education for our children and our children's children, equal justice and opportunity for all our fellow citizens. And these take good, progressive laws.

So we in the AFL–CIO have a goal this year. It is more of a slogan—Elect a Veto-Proof Congress.

Now a veto-proof Congress doesn't mean that on January 1, 1975, the AFL–CIO will march up to Capitol Hill and say: "here is our legislative program, fellows. Rubber stamp it and go home."

A veto-proof Congress simply means majority rule—just like the civics textbooks define democracy. Whenever an anti-progress President is in the White House, you need two-thirds of both the House and Senate to get a progressive program enacted into law.

Without a veto-proof Congress, an anti-progress President can force his views down the throat of the majority with only one vote more than one-third. And not even new math can make one-third plus one equal a majority.

To make sure that doesn't happen, we are going to have to work together again. The rendezvous date is November 5 in voting booths across America. That means a drive to register union members, members of your organization, friends, neighbors, family. And we'll all have to work together to get the people out to vote on election day.

If we both are successful in getting our message across to our members, we are confident they will elect Congressmen and Senators sympathetic to the people's needs. Then this country can make the improvements in Social Security that are so necessary and move ahead in housing, education, safety, health and all the other areas neglected by this Administration.

There is a very good chance that the new Congress will enact National Health Security—not some cheap substitute whose only virtue is that it is so weak Nixon won't veto it.

There is a big move on in the Congress to pass a "compromise" national health insurance bill before there is a "veto-proof" Congress.

In fact, some newspapers have stated in print that organized labor is really supporting the Mills-Kennedy bill behind the scenes and not Health Security. This little dance, the papers say, was designed by labor to strengthen Senator Kennedy's hand in negotiating for his new bill.

Well, if this is so, nobody has told us about it. Mills-Kennedy is unacceptable to the AFL–CIO. It has means, tests, deductibles, co-insurance, doesn't reform the system and turns over too much administration to private insurance companies. So the AFL–CIO has said publicly and unitedly:

"We won't buy it."

If Mills-Kennedy is so good, then its sponsors should be willing to take it to the American people. To campaign on it, and try to elect candidates committed to it. Just as we will do with National Health Security.

They won't do that because their bill is designed for lobbyists, for the insurance companies, hospitals and doctors—not the American people. It is not as bad as the Nixon bill—that's for sure. But it certainly isn't as good as National Health Security, for one simple reason: Health Security is the people's bill—not the insurance companies' bill or the medical lobby bill. It is the people's bill.

I have confidence in this system of government. I am convinced that if enough people truly want a piece of legislation, the Congress will sit up and take notice.

The fight for Medicare is still too fresh in our minds for us to be willing to compromise just to get any kind of a national health insurance bill this year. We wouldn't settle for a meaningless Medicare bill and we won't settle for a meaningless health bill. We want a good national health insurance bill—and we can get one from the next Congress.

There is one other pressing problem I would like to discuss with you. And that is inflation.

Hardly a week goes by that I fail to receive a letter prom a Social Security recipient who says that if unions will only forgo wage increases, inflation will be defeated.

Well, workers have just spent 2½ years under a program that held down wages. And what happened? Everything else went out of sight.

So we know that's no answer.

Now there isn't an organization more attuned to the problems of those living on fixed incomes than the labor movement. That is why we have constantly pressed for increased Social Security benefits—not just benefit increases tied solely to the cost of living. Such a move, in our opinion, would leave the living standard of retirees static while the rest of society was free to move forward.

We know that you—like workers—bore the brunt of the Nixon wage-price control farce. The buying power of workers and retirees was seriously eroded by unrestrained price increases. We'd lost ground. You've lost ground.

Workers and their unions are going to the collective bargaining table this year determined to make up that lost ground, to restore our living standard. You must go to Capitol Hill to seek economic justice. You will not go alone. We pledge our continued efforts to improve Social Security and to enact a national health insurance program that will end the financial worry of getting sick—a worry that we all share equally.

So, we are together—the National Council of Senior Citizens and the AFL–CIO. We are out of the same family—the family of labor.

Your distinguished president and my friend, Nelson Cruikshank, and I have worked together for many years. When he was the director of our Social Security Department, I turned to him constantly for counsel and advice. And things didn't change when he became your president. And I still get from Nelson sound counsel and good advice. And so do you.

So I am here today on behalf of compassionate, progressive government in America. And I say we can get it.

Our COPE program, plus your experience, your vitality, your minds and your hours, can do the job. The country needs your help in electing a veto-proof Congress that won't turn a deaf ear to the problems of the people. A Congress that won't be cowed by the veto. A Congress that can chart a new course for America.

With your outstanding leadership and your commitment, I am confident of victory for the people on Election Day.

Thank you.

FEDERAL JUDGES DESERVE SALARY INCREASES

Mr. PERCY. Mr. President, the system of justice in this Nation is the undergirding of the structure of our society. One of the key parts of that undergirding is the Federal judiciary.

A judge is a person respected by the community and looked up to by the legal profession. Because he is a judge, he is expected to set a high standard of conduct. In other words, we expect a lot from our judges and rightly so, for it is the judge to whom we give the awesome responsibility of interpreting our laws, and applying them in a fair and equitable manner.

Naturally, we seek out only the best lawyers to serve as judges. The man or woman who wears the judicial robes must be one of the most qualified lawyers in that particular jurisdiction. Consequently, judges are often lawyers who, in private practice, were quite successful and who earned high salaries. But judges recognize their responsibility to their country and to their profession, and give up their lucrative law practices to serve the public even though many times it means a substantial reduction in salary.

We are only fooling ourselves though if we think that we are going to be able to attract and hold the caliber of judges we so desperately need if we do not offer our judges reasonable salaries.

Unfortunately, the Senate recently failed to give judges salary increases. At present, a judge on the U.S. District Court makes $40,000 annually, while a judge on the U.S. Court of Appeals makes $42,500. The modest salary increase which was before the Senate would have raised these salaries, by March 1, 1974, to $43,000 and $45,700 respectively. Unfortunately, the Senate turned down these much needed and greatly deserved increases. Arguments that judges do not deserve raises, or that they earn enough now, are just plain wrong. I know it is an election year and I know the conventional political wisdom is to avoid voting pay increases to public servants, but such rhetoric cannot withstand the facts. If we want the most capable people to sit as Federal judges, we must be willing to offer them salaries which more closely reflect their true worth.

If anyone doubts this, he should know that in the last year at least seven Federal District Court judges have announced their intentions to quit for economic reasons. The latest example is Judge Arnold Bauman of the U.S. District Court for the Southern District of New York.

I want to bring this matter up because I deplored the completely irresponsible action of the Senate when it turned down the pay raises in March, and I think that we are now seeing that we do indeed have to reap what we have sown. I hope that, upon reflection, the Senate will vote to increase the salaries of our Federal judges in the very near future.

Mr. President, I ask unanimous consent that an editorial from the New York Times of June 15, 1974, be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

PAYING FOR JUSTICE

United States District Judge Arnold Bauman announced recently that he is going to resign the judgeship to which he was appointed only two years ago. Over in New Jersey, U.S. District Judge Frederick B. Lacey said that he intended to resign his judgeship by the end of the year unless Congress increased Federal judges' salaries.

Judge Bauman is the fifth Federal district judge to announce his resignation this year. All of them have made it clear that inadequate pay is a substantial part of the problem. United States district judges, who are paid $40,000 per annum, have not had a raise in five years.

In urging the Senate to reject proposals to raise salary levels of the Federal judiciary earlier this year, Senate Majority Leader Mansfield said that there were hundreds of lawyers who would be willing to take judgeships at $40,000. Senator Mansfield totally missed the point and grossly demeaned the judiciary. The problem is not rounding up live bodies with law degrees, but rather selecting good judges and insuring justice.

Lawyers of high ability have traditionally made substantial financial sacrifices to serve on the Federal bench. But the combination of soaring inflation and Congressional inaction—even to take care of increases in the cost of living—has imposed a double sacrifice on those upon whom the country depends so heavily for the quality of justice.

Since 1969 when judges' salaries were last increased, the cost of living in New York has gone up 31.5 per cent in New York City and 29.8 per cent around the country. Judge Bauman noted in his letter of resignation, "Other than the Congress, Presidential appointees in the executive branch and Federal judges, I am unaware of any group of employed citizens whose income has not increased in the last five years, at the very least to the extent of keeping pace with the cost of living." The need for Congressional action is urgent.

WEATHER AND THE CORN CROP

Mr. HUMPHREY. Mr. President, an informative article, "Rain Washes Out Corn Crop Record," appeared in the June 16 edition of the New York Times.

This article points out the serious impact that the recent heavy rains will have on this year's corn crop. While it is still too early to predict the impact with precision, it is clear that some replanting will be necessary, and yields will be significantly reduced.

Taken with the reduced fertilizer availabilities, earlier optimistic estimates of an average of 97 bushels per acre appear unattainable. This will of course affect prices of feed and the costs of producing livestock.

The farmer is vulnerable on a wide number of fronts in addition to the weather. The lack of a national food policy and a food reserve is another major unsettling element in the agriculture picture.

Mr. President, I ask unanimous consent that this informative article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAIN WASHES OUT CORN CROP RECORD

(By Seth S. King)

CHICAGO, June 15.—Late spring rains of unusual intensity battered cornfields this week along a 100-mile-wide band that stretched across the heart of the Corn Belt.

In many parts of this band the young plants were washed away or left submerged under a foot of water. Some of this land can be replanted in corn. But at this late date, yields from these fields will be much lower.

Thus, while the corn in many other parts of this abundant area is still in excellent shape, the losses of the last two weeks are expected to cut the total corn crop as much as 10 per cent below the record that was expected.

This year's crop should still be one of the largest ever harvested. But it probably will not provide the price-depressing surplus the Agriculture Department expected.

DISCOURAGING NEWS

For consumers, this was not encouraging news. Corn is the predominant feed for beef cattle, hogs and poultry. If expected supplies are lower, prices for feed grains will remain high, thus discouraging livestock raisers who are already cutting back on the numbers they are fattening for market.

Lower numbers of animals have usually meant that prices both to the farmers and in the supermarkets, will eventually creep up again.

Dr. Harvey E. Thompson, an Iowa State University agronomist, said yesterday that some of the most productive corn areas in his state had been badly damaged by the downpours.

"Farmers in those sections can still replant most of what they have lost," he said. "But, at this late date, yields will certainly drop. I'm not expecting a bad decline, but it's unlikely we'll get the bumper crop we were expecting a month ago."

The rains also delayed the winter wheat harvest, and early per-acre yields were falling more than 5 per cent below expectations.

HUGE CROPS SOWN

With planting restrictions removed, farmers have sown the largest wheat and corn crops since World War II. These should have been large enough to start a decline in grain prices.

And while soybean planting was expected to be lower than last year, supplies were expected to be large enough to bring down those prices, too.

Yet both the cash and commodity futures market for grains held at high levels this week, indicating that demand for feed grains was still great enough and the expected total crop reduced enough to keep prices high throughout the year.

This prospect was a particularly heavy blow to cattle and hog raisers when the prices they were getting declined again this week, as they have for the last two months.

On Wednesday, stockyard prices for beef cattle fell to the lowest point since December, 1972. The day before, hog prices dropped to their lowest levels in two years, causing further losses to livestock farmers. Wholesale broiler prices were 28 per cent lower than at this time last year, and eggs were nearly 35 per cent below their levels of a year ago.

These declines, under normal patterns, should bring lower costs to consumers. But for the last three months, retail prices have failed to follow farm prices downward.

MARGINS GROW

Instead, with the removal of all price controls, the margins between what a farmer gets and what a housewife pays have grown steadily.

Wholesalers and retailers say that they are caught with higher transportation, packaging and labor costs. But their profit margins have also increased.

By the end of April, the latest accounting period available, the farmer's share of food in a family's market basket cost, fell more than 4 per cent while the retail cost fell only 1 per cent.

This broadened the farm-to-retail spread that was 22 per cent more than in April, 1973.

With feed grain prices still the highest in memory and fat cattle prices the lowest in two years, feed lot operators were losing at least $150 on each animal they sold this week.

As a result, there were 16 per cent fewer cattle now on feed than a year ago. During May, there were 40 per cent fewer animals started on the fattening cycle than last year.

ROCKVILLE'S GENERAL REVENUE-SHARING PROGRAM

Mr. BEALL. Mr. President, all too often our attention is drawn to that which is unsuccessful in government rather than to those programs which are successful. The city of Rockville, Md., has a successful general revenue-sharing program which has been briefly described in a recent letter to me from Mayor William E. Hanna, Jr.

In order that my colleagues may have the benefit of Rockville's successful experience with this program, I ask unanimous consent that Mayor Hanna's letter be printed in the RECORD.

There being no objection, the letter

was ordered to be printed in the Record, as follows:

City of Rockville,
Rockville, Md., June 7, 1974.
Senator J. Glenn Beall, Jr.,
U.S. Senate,
Washington, D.C.

Dear Senator Beall: Mindful that Senator Muskie's Subcommittee on Intergovernmental Relations will be conducting Congressional oversight hearings of the General Revenue-Sharing Program, and that some misunderstandings have arisen among some members of the Congress to the effect that perhaps Revenue-Sharing is not being used to provide needed services to citizens in accordance with the legislative intent, I want to bring your attention to some of the ways in which Revenue-Sharing funds have been used in Rockville as well as to the process used to allocate the funds.

First, as to the allocation process, Revenue-Sharing funds were budgeted as part of our normal City budget process, which includes opportunities for citizen participation. The proposed budget was, as always, available for a month of public scrutiny after which three evenings of public hearings were held. Revenue-Sharing funds were shown in a separate tabbed section of the budget for easy identification by any interested party. Views expressed by the citizens were certainly considered in the final decisions made by the Mayor and Council. Again, six months later, at Mid-year Budget Review, public hearings were held which affected decisions made on budget adjustments including the Revenue-Sharing portion. This process will be used every year.

The Revenue-Sharing funds were allocated to a wide variety of critically needed items. It is doubtful that any of them would have been within the City's means had it not been for Revenue-Sharing, and certainly none of the Revenue-Sharing was used to offset or reduce City taxes, which in the year in which Revenue-Sharing was first budgeted, increased 16%.

Among Social Services, the City expended Revenue-Sharing to support a local urban renewal project, Rockville Gardens, by paying for relocation assistance, and for a community specialist to work with residents to be dislocated by the demolition of deteriorated housing, as well as the interest on the acquisition and demolition loan. This project represented 30% of the Revenue-Sharing funds. Funds were also used, in the first year, to hire a Senior Citizens Coordinator to begin to assess the needs of Rockville's Senior Citizens and coordinate all possible assistance to them. This proved a strategic investment of Revenue-Sharing as the Senior Citizens coordinator within a few months secured a $56,000 grant which now supports her salary as well as a range of badly needed services for senior citizens.

In the area of public safety an innovative park ranger program was initiated costing only 7% of the Revenue-Sharing funds. It employs eight persons of college age or older to patrol city parks during the summer rendering assistance to park users, deterring vandalism and other crimes, and serving as the eyes and ears of the police. This enables us to bolster our law enforcement capability during the summer without incurring the cost of full policemen.

To mention just one more of the programs supported by Revenue-Sharing, in the area of streets, 29% of Revenue-Sharing funds went to a smoothseal program which enables us to extend the life of our streets, precluding the need for more expensive repair and reconstruction at a later date.

Let the Rockville example help to demonstrate the critical need of cities for Revenue-Sharing funds. It is true that we are not doing as many exciting or innovative things as we would like. That is because the small amount of Revenue-Sharing Rockville receives, given our present local financial constraints, is barely enough to help us to meet some of our basic responsibilities as a city.

What cities badly need is for Revenue-Sharing to be increased, as it has proven an effective mechanism for easily transferring resources from the Federal government to the localities, which are forced to rely excessively on regressive property taxes.

I would appreciate it if you would share these views with the Subcommittee on Intergovernmental Relations.

Thank you for your kind attention.

Sincerely,

William E. Hanna, Jr., *Mayor.*

NATIONAL JEWISH HOSPITAL, DENVER, COLO.

Mr. DOMINICK. Mr. President, 75 years ago the Jewish community of Denver saw a need. Late in the 19th century, victims of tuberculosis were flocking to Denver to benefit from the fresh dry air and sunshine. Little else was available for treatment of this dread disease. Medical facilities were limited, however, and people were dying in the streets.

To meet this need, a group of Jewish pioneers incorporated and in 1892 erected the first building of National Jewish Hospital. A depression in 1893 severely curtailed funds and it was not until 1899, when B'nai B'rith assumed the financial burden, that the first patients were admitted.

From its inception, National Jewish Hospital has been open to persons of all races and creeds regardless of ability to pay. Contributors now number more than 250,000 and represent all financial, religious and racial groups.

Starting as a 60-bed tuberculosis sanatorium, National Jewish Hospital has grown to an institution of 18 buildings, with 210 beds, internationally known as a center for treatment, teaching, and research in chest diseases.

Parade Magazine, in its April 21 issue, featured part of what National Jewish Hospital has become today in an article on the unique concept of family living units which are an integral part of the treatment of pediatric patients.

I recommend the article to anyone wanting to learn about this fine institution. I, therefore, ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Novel Hospital Concept—Children Live Together as a Family

(By Pam Proctor)

Denver, Colorado.—Big families are "in" again. At least they are at National Jewish Hospital, a respiratory disease center here which is experimenting with a novel concept in hospital life called "family units."

Seven-year-old Sarah Fee is part of a family with 12 boys and girls ranging in age from 1½ to 13. Her brothers and sisters are asthma patients, related not by blood, but by the severity of their disease. And her parents are not her mother and father but a team of medical experts who are trying to bring her back to health.

The family units, which originated last year, are a radical departure from tradition. In most hospitals, children live in institutional wards, segregated by sex and age. At the non-sectarian National Jewish Hospital (NJH), Sarah and her "brothers" and "sisters" occupy rooms clustered around a family dining room and recreation area. Her hospital family eats, studies and shares activities together as a real family would.

The purpose of the family units is to create a more normal environment for the children, who spend from nine months to a year at the hospital. They come from all parts of the country, and while parents are free to visit, some live far away and can't afford to do so.

"Kids at NJH are removed from home at a time of rapid personality growth," explained Dr. Irwin Matus, a staff psychologist. "Usually this growth is in a family context. At home kids can work out their problems with siblings and parents around.

"The units are an attempt to duplicate the relationships in a family. Here they have an opportunity to associate closely with children of different sexes and ages as they would at home."

TALE OF A NAUGHTY BOY

One youngster who has benefited dramatically from the family unit experiment is 7-year-old Tommy, a feisty redhead who had serious emotional problems along with his asthma. Under the old system at NJH, when he was grouped with boys his age, his behavior was uncontrollable. When other children approached he started kicking, biting and shouting. Finally, his social worker, George Yoshida, decided he should be put in a family unit.

He was assigned a confident, muscular 13-year-old roommate who immediately put Tommy on notice that there would be no funny business when Tommy started fingering a hairbrush that didn't belong to him.

"If you try any of that stuff around me, I'll punch you right in the mouth," said the older boy. Tommy meekly removed his hand from the brush and gave his fellow patients in the unit no further trouble.

Dr. John E. Sadler Jr., a child psychiatrist who initiated the program, said that younger children often model themselves after the older ones.

TEEN-AGERS HELP OUT

"At medicine time, when the little ones see bigger kids cooperating with the nurses and taking their pills and shots, they'll cooperate too," said Sadler. "We can also use the role model idea to bring the adolescents around. The teen-agers might be in a mood to give the nurses the business, but when we take them aside and ask for their help in demonstrating to the younger kids how to give injections, they're quick to stop horsing around."

It's also common to see girls taking charge of their younger "siblings." For example, 10-year-old Damita Lindsay of New York City regularly takes special pains to help 2½-year-old Gary Ramirez of Brush, Colo., open his breakfast cereal and pour his milk.

Interestingly enough, the 24 children participating in the two experimental units see themselves as separate families. "They laugh about the fact that they're not real brothers and sisters," said Mrs. Ruth Masters, R.N., head nurse in one of the units. "But in the back of their minds they have a strong allegiance to one another."

PROTECTOR . . . AND BULLY

One 11-year-old named Johnny likes to play the role of big brother and protect the younger kids in his unit from the jibes and threats of the children in the other unit. But "family life' has its drawbacks. Inside his own unit Johnny often bullied the younger kids, just like an older brother in a real family might.

Daily life in the units is aimed at giving the children responsibility and independence. Wake-up time is 7, and before their 7:30 breakfast with the "family," children are expected to make their beds, clean their rooms and get themselves ready for school.

Let's take a look at the morning scene in a typical household—the "Nova Rainbow Cartoon" family unit, a name which the kids themselves came up with to express the new and happy experience they were having.

The older girls, Sarah Fee of Monongahela, Pa., and Damita Lindsay, get out of their bunk beds and scurry about getting their cheerful yellow room in shape. Damita, an aspiring majorette, pulls out her baton for a few twirls before breakfast.

Country music blares from a four-bed room shared by 13-year-old Wyatt Wall of Santaquin, Utah; little Gary Ramirez; Trevor Cope, 7, and his brother Clay, 5, of Bellvue, Colo. Lanky Wyatt, who left his father's sprawling ranch in January to come to the hospital, pulls on his cowboy boots and 10-gallon hat. The wall near his bed sports a rakish sign: "I m a lover, I'm a fighter, I'm a wild bull rider."

GRANDPARENTS, TOO

In another room, four other boys in the family are making their beds and packing up their books. The babies of the family, Brian Stevenson, 1½, of Hoisington, Kans., and Georgia Curtis, 1½, of Hinsdale, Ill., are getting dressed with the help of their foster grandparents—oldsters from Denver who are paid under the federal ACTION program to look after the young ones during their hospital stay.

As homelike as the units appear in practice, there's an important difference. Nurses are on hand around the clock to give the children their medication and take care of emergencies. In addition, a full program of physical therapy and diagnostic allergy tests is part of the daily schedule. Since all of the 90 children at NJH are there because they have failed to respond to treatment in their home communities, a battery of tests is conducted daily and weekly to get at the root of their disease.

Soon after getting up, the kids go to the nurses' station and breathe into a device that checks the speed and volume of their breathing. This test is conducted three times a day.

Because asthma attacks come only sporadically, the children at National Jewish Hospital attend school regularly and are encouraged to participate in sports. After breakfast, Trevor Cope and Sarah Fee get their books and head for the nearby public elementary school. Other children in their family unit go to special remedial classes in the hospital's pediatrics building. When they come to NJH, many of the children are behind their grade level because of long absences from school. Helping the children make up for lost time is an important adjunct to treatment.

Since there is no cure for asthma—just control through careful diagnosis and drug therapy—getting used to this regular round of testing and treatment is essential in learning to live with the disease. The family units have also become a key to teaching the children how to handle their asthma in practical family situations when they go home.

The hospital's professional staff, who act as surrogate parents, have as tough a job as any mother or father. They work in teams of up to 10 people, including a doctor, nurse, social worker, physical therapist, teacher, occupation therapist, psychologist and a couple of counselors. If there are babies or toddlers in the family unit, a foster grandparent rounds out the team.

REGULAR DISCUSSIONS

In addition to the important social benefits to the children, the team arrangement has positive advantages for treatment. Meeting regularly, the teams discuss any problems in each child's medical management or emotional adjustment.

"This way, team members can become familiar with all aspects of a child's case, not just their particular slice," said psychiatrist John Sadler.

During a recent meeting of one team, staffers discussed how to deal with 10-year-old Richie, who lacked confidence in his ability to handle problems alone. The boy was small for his age and afraid of the bigger kids.

"Will I always need someone to protect me?" he asked counselor Leland Bebee.

Bebee suggested to the team that in this case the boy should be encouraged to stand up to his opponents. But Helen "Muffie" Shumaker, a teacher on the team, disagreed.

"There are ways of dealing with conflict other than direct confrontation," she said. "He'll probably be small for the rest of his life, and telling him to confront a physical adversary face to face will only get him bruised."

NO PHONY MACHISMO

Psychologist Irwin Matus said, "There's no shame in running away in a situation like this. Helping Richie to size up a situation and deal with it realistically is better than emphasizing a phony sense of machismo."

The team agreed to concentrate on giving Richie support in handling conflicts without feeling ashamed or afraid.

The establishment of the teams has solved a perennial problem that plagues all hospitals—continuity of care.

"With the family units, we have a unique forum where the children can form stable relationships with a single core of adults," said Dr. Sadler.

"Then, when a crisis situation arises the team and the children can sit down as a 'family' and talks about it openly," he added.

The success of the family unit experiment has convinced the hospital to expand the program when its new building for research and patient care is completed this summer. The top four floors of the 11-story structure will become a pediatrics pavillion, divided into eight family units to take in all the children in the hospital.

THE BALTIC STATES

Mr. PERCY. Mr. President, in June 1940, the peoples of Lithuania, Latvia, and Estonia were deprived of their freedom in a crushing defeat for the cause of justice.

As we take note of this sad anniversary, let us pause to honor the Baltic peoples—who have suffered so much—for their continuing faith and for their steadfastness in adversity.

We must never forget them.

NUCLEAR POWER: IS ITS BRIGHT PROMISE FADING? FROM PROMISE TO PERFORMANCE, IT IS PROVING TO BE A LONG AND DIFFICULT ROAD FOR MANY NUCLEAR POWER PLANTS

Mr. RANDOLPH. Mr. President, the U.S. News & World Report, in its June 10, 1974, issue, reported that—

> In spite of the many operating difficulties which have been experienced by the manufacturers and operators of nuclear power plants, the Atomic Energy Commission and the nuclear industry still feel that the atom will live up to the bright future its supporters long have proclaimed for it. All that is needed is time, they say, to work out the wrinkles of this vast and complex technology. . . . More time—more research and development money—incredible amounts of both; these have been the pleas for more than two decades.

The same U.S. News & World Report article revealed that—

> Some nuclear plants are "down" for repairs about as much of the time as they are actually generating power. The costs involved run into billions of dollars a year which, in the final analysis, have to come out of consumers' pockets.

Also, Mr. President, Weekly Energy Report, in its June 10, 1974, issue, revealed that a man whom it calls Britain's leading scientific advisor, says that light water reactors are too dangerous.

So, there is strong doubt about both the efficiency, reliability, and safety of nuclear power plants—at home and abroad. This is important, because of the necessity that we consider the nuclear power potential in our evaluations of energy sources and energy supplies at this particular time in history—and, apparently, during this period in our foreign relations.

Mr. President, the article from which I have quoted, in part, makes a sobering and thought-provoking report on atomic power and questions whether its bright promise might be fading. I ask unanimous consent that the whole of this article be printed in the Record, along with the item from the Weekly Energy Report concerning the British evaluation of light water reactors.

There being no objection, the two articles were ordered to be printed in the Record, as follows:

Atomic Power: A Bright Promise Fading?

(From promise to performance—it's proving to be a long and difficult road for many nuclear power plants. Jack McWethy of the magazine's staff reports on an industry struggling to get on top of troublesome problems.)

The advent of nuclear power as a major energy source for the U.S. continues to be marked by fits and starts.

Many atomic generating plants have run smoothly for years. But just as many, experience shows, are plagued by poor design, sloppy workmanship and inadequate quality control. The result is one costly breakdown after another.

Some nuclear plants are "down" for repairs about as much of the time as they are actually generating power. The costs involved run into billions of dollars a year which, in the final analysis, have to come out of consumers' pockets.

Official reports from the Atomic Energy Commission and industry sources document some recent troubles.

For example, the AEC reports that during March there were "25 forced outages" in the 31 reactors then producing commercial power. This resulted in a loss of 3,350 hours of generating time and more than 1 billion kilowatt-hours of electricity.

And, in late May, a new AEC report revealed that every reactor in the country had at least one "abnormal occurrence" last year.

These were unplanned power cuts with causes ranging from radioactive steam leaks, to storm damage and operator errors. One power plant, Browns Ferry Unit 1 near Decatur, Ala., reported 65 of these incidents to the AEC in 12 months.

RECORD IN CRISIS

In January—during the height of the energy crisis caused by the Arab oil embargo—22 of the nation's nuclear plants were reported by "Nucleonics Week," an industry trade publication, to have been out of commission for part or all of the month. Sixteen of these were down for repairs or maintenance.

In spite of the many operating difficulties, the Atomic Energy Commission and the nuclear industry still feel that the atom will live up to the bright future its supporters long have proclaimed for it. All that is needed is time, they say, to work out the wrinkles of this vast and complex technology. Projections for growth of atomic power are shown on this page.

Yet, the record thus far is disappointing. One of the strongest incentives for a utility to turn to nuclear power plants is the promised high "availability"—the amount of time a unit is producing. However, says L. Manning Muntzing, director of regulation for the AEC:

"A disturbing finding has been that the availability of nuclear power plants has fallen short of what was expected and has in fact not exceeded the availability of comparably sized fossil-fueled plants."

During 1973, the availability of the nation's nuclear facilities actually declined slightly. Says Mr. Muntzing: "Numerous forced outages, due primarily to equipment malfunctions, have been responsible for the disappointing performance we have had."

Some of the incidents that led to shutdowns also posed safety questions, as small doses of radioactivity escaped the protective "containment" area. No one has yet been injured by the radioactivity, but critics claim the industry has been fortunate thus far.

The kinds of troubles that force nuclear units out of service are shown by two case histories as related to "U.S. News & World Report" by the companies' officials.

PALISADES

On a Lake Michigan beach 6 miles from South Haven, Mich., sits the Palisades Nuclear Plant—a 700-megawatt system that went into commercial operation in December of 1971. In two and one-half years, the plant has run full-tilt for only five months.

In January of 1973, engineers for Consumers Power—the utility owner and operator—discovered leaks of radioactive steam from one of the facility's two generators. The plant was shut down for seven weeks to plug the holes.

Then last August, more leaks were found, this time from the second generator. The plant has not been in operation since. When engineers took apart the generator, they discovered that many of the tubes carrying water into the generator had deteriorated dangerously. A massive repair job was begun.

Just as the utility was getting ready to put Palisades back into operation in early May of this year, new steam leaks were detected in the generator that caused trouble back in January of 1973. Start-up has been delayed again, perhaps to midsummer.

The shutdown of the Palisades power plant is costing Consumers Power 3 million dollars per month.

Pilgrim-1

Boston Edison Company's nuclear plant near Plymouth, Mass.—called Pilgrim-1— is a 660-megawatt system that first went into commercial operation in December of 1972.

For just over a year it ran without problems. Then strange vibrations were detected inside the reactor. The AEC ordered it shut down on Dec. 28, 1973. It has not produced electricity since.

While the unit was down for adjustment to eliminate vibrations, officials decided to carry out a partial refueling of the reactor and run some routine tests.

During one ultrasonic examination of the reactor's inner works, engineers discovered a half-inch "discontinuity" in a 6-inch-thick—weld on a pipe that carries radioactive water back into the reactor after it has been run through a generator. The AEC has ordered further tests on the weld.

The shutdown is costing Boston Edison $305,000 per day, or more than 9 million dollars each month.

Inadequate quality controls is cited as the cause of problems at other plants. A spokesman for the Atomic Energy Commission said that in 1973, utilities in the U.S. reported 861 "abnormal occurrences" in their nuclear facilities and 43 per cent of these incidents had "potential safety significance."

Eighteen incidents were considered "significant" hazards and 12 of those involved release of radioactivity above permissible limits beyond the plant site boundaries, although still within AEC safety limits. Eleven releases of radioactivity in the form of gaseous iodine-131 were related to steam leaks at the Quad Cities nuclear plant near Cordova, Ill. Another release was at the Palisades facility near South Haven, Mich.

Quality control also has been a problem at the Vermont Yankee nuclear plant near Vernon, Vt. It was shut down 17 times in its first 19 months of commercial operation.

A CHAIN REACTION

In 1973, the plant was ordered out of action by the AEC for the same internal-vibration problems that plagued Pilgrim-1 at Plymouth, Mass. While workers were locating the difficulty, two control rods accidentally were pulled from the reactor core at the same time, setting off a chain reaction. The heavy steel protective lid was off the reactor at the time.

Control rods are long cylinders of a substance that absorbs neutrons. They are made of boron or hafnium and prevent the controlled-fission reaction in an atomic plant from turning into a nuclear holocaust.

Vermont Yankee Corporation was fined $15,000 for its violation of safety regulations. This was the second time the AEC began imposing fines in 1971 that a utility has been penalized this way.

According to Mr. Muntzing of the AEC: "Many of these occurrences would have been prevented had strong quality-assurance programs been in effect."

The AEC is working with the nuclear industry to step up quality control at the 45 atomic plants now licensed to operate commercially in the U.S.

SUMMER TROUBLE?

There is concern, however, that if these improvements in quality control do not show quick results, the nation could be in trouble this summer as consumers start using air conditioners and create new peak demands for electricity.

An official outlook on "brownout" possibilities across the nation is provided on page 46.

Delays in bringing atomic units into service, as well as huge cost increases accrued in getting them built, pose still other problems.

The 10 nuclear plants that had been licensed to operate by 1971 took less than 6 years to move from the planning stage into service, on the average. Today this lead time has stretched out to between 9 and 10 years. The delays are caused by prolonged licensing procedures, construction difficulties, technical problems, and intervention by groups concerned about safety and environment.

For example, the Toledo Edison Company's Davis-Besse nuclear plant was expected to start commercial service in December of 1974 on the shores of Lake Erie. Company officials now say a startup date in early 1976 is more likely and costs have increased 60 million dollars to a total of 415 million dollars.

"SHAKEDOWN" NEEDED

The industry feels that before any final judgments are made about the capabilities of nuclear power plants, utilities should be given an chance to work some of the "bugs" out of the systems. As spelled out by the Atomic Industrial Forum, an industry association:

"Valid comparisons between the performance of nuclear power stations and fossil-fired plants are difficult . . . Most fossil plants are much smaller than most nuclear plants, and they have been operating for considerably longer than the 1 to 5 years' experience of most nuclear plants."

The Forum points out that like any other piece of machinery, atomic plants, need a "shakedown" period before reaching their most efficient levels of production. Older facilities, the Forum reports, generally show improving operating figures.

Mr. Muntzing of the AEC notes, however, that 1973 figures for older plants are not anywhere near the 80 per cent availability estimates many thought would be achieved by these matured facilities. He reports: "The average 1973 availability factor for plants in this older age group was 67 per cent, less than the average for all plants."

The atom now accounts for about 1 per cent of total U.S. energy demand. If it is to become a major energy source that will carry the U.S. into the next century, say officials of the Atomic Energy Commission, it must prove itself a reliable and safe way to go.

"The enormous potential of energy from nuclear fission has been established beyond doubt," says Mr. Muntzing, but, he adds:

"Nuclear power facilities, to be safe, must be designed, constructed and operated with a discipline that has not normally been required in American industry . . . . People at every level must be made to understand that quality is everybody's business."

On the Plus Side of A-Plant Picture

For all the nuclear plants that have suffered repeated breakdowns, there are others that have maintained a high record of both productivity and safety.

Commonwealth Edison in Illinois, which has the largest string of operating atomic stations of any utility in the U.S., also has achieved one of the best records of productivity from these facilities.

During 1973, for example, its nuclear plants were available to produce power 82 per cent of the time while its five newest coal-fired facilities were available just 69 per cent of the time. The company's seven operating atomic units generate more than 30 per cent of its total electricity.

By 1980, Commonwealth Edison plans to produce one half its power by nuclear units. To reach that goal, the firm will spend more than 1 million dollars per day between now and 1978 to build new plants.

Wisconsin Electric Power, with its twin-unit Point Beach nuclear plant near Two Creeks, Wis., has had almost 100 per cent availability from both reactors during the first quarter of 1974. In 1973, Unit 1 was available to produce power 79 per cent of the time, Unit 2 for 94 per cent.

Another way successful use of atomic power can be measured is by what it costs to generate electricity once the plant is running.

Shearon Harris, president of Carolina Power & Light Company, reports that his utility pays 1.7 cents per kilowatt-hour for electricity generated by oil and coal-fired plants, but less than half that, 0.68 cents, for the same unit of nuclear power.

Rochester Gas & Electric, which owns and operates the R. E. Ginna nuclear plant near Ontario, N.Y., reports that during 1973 it paid 0.31 cents per kilowatt-hour for its nuclear-generated electricity and 0.84 cents for that coming from its newest coal-fired facility. The Ginna plant, which was out of service for almost three months for repairs and maintenance in early 1974, was available to produce power 95 per cent of the time during 1973.

Wisconsin Electric Power reports a 2-to-1 ratio between costs of producing a kilowatt of electricity with fossil fuels and with nuclear material. Many other utilities are enjoying similar low-cost production from their nuclear units once they get the systems built and running smoothly.

Light Water Reactors Are Too Dangerous, Says Britain's Leading Scientific Advisor

Light water reactors have been condemned by one of Britain's most eminent scientists as being too heavily dependent on the quality of manufacture and maintenance to be acceptable in Britain. Sir Alan Cottrell, the government's chief scientific advisor until his retirement in April, says: "I hope that the safety of the public in this country will never be made dependent upon almost superhuman engineering and operational qualities." (Light water reactors account for all installed capacity in the U.S.) In a letter to the London *Financial Times* in the aftermath of one of Britain's first factory accidents, the explosion of a caprolactam plant at Flixborough which devastated both the plant and surrounding houses, Cottrell warns of "plenty of examples, including recent ones from various fields of activity, where most carefully designed and maintained engineering projects have gone disastrously wrong."

When the consequences to the public are as "uniquely grave" as an accident to a reactor, the government would be "wise to choose a system less critically dependent on human perfection than the steel pressure-vessel water reactor." Cottrell refutes suggestions that all the evidence and expert opinion says that Britain should order LWRs. His letter makes it plain that he favors the pressure-tube heavy water type of reactor, such as CANDU or the British-designed SGHWR. In such systems, he points out, the high-pressure point of the system is distributed among a large number of small and independent tubes, "any of which would signal any incipient failure of itself by gently leaking long before it completely broke."

The security of the LWR, says Cottrell, depends on the maintenance of an "immaculate standard for manufacture and quality control and on regular in-service inspection of the most rigorous and detailed kind." The letter, from a scientist who has taken a leading role in advising successive U.K. governments on nuclear safety, will be seen by opponents of LWRs as one of the most powerful weapons to come to hand. In his previous public statements, Cottrell has gone no further than saying that not enough information was yet available to be sure the LWR could be engineered safely.

OCEANS AND ENERGY

Mr. HOLLINGS. Mr. President, I wish to commend the University of Miami for its recent ocean energy systems workshop. The participants of the workshop jointly incorporated their expertise on energy and ocean-related issues into a resolution.

They unanimously concurred that there is a dire need for the national ocean policy study to take an initiative by examining the ocean in the context of its vast reservoir of potential energy resources. Likewise, the national ocean policy study needs to examine the significant impact of finding oceanic energy sources upon the Nation's present and prospective supply and demand of energy.

The national ocean policy study, which I am privileged to chair, is presently conducting a comprehensive analysis of the social, economic, and environmental impact of oil and gas development along the Atlantic, Pacific, and Gulf of Alaska. The first phase of our study has been devoted to oversight hearings on the issues at hand. These hearings have shown that the oil and gas industry, Federal agencies, congressional Members, educators, environmentalists, and interested citizens are all indeed aware of the energy crisis and its consequences. But the heart of the issue lies in where, when, and how our Nation will find new sources of energy to meet the present and future demands.

It is becoming increasingly evident that beneath the ocean lies the Nations' largest untapped resources of energy—not only petroleum and gas—but energy from the Sun, hydrogen, geothermal sites, the tides, and the waves. Each of these potential oceanic energy sources could have a significant impact on total U.S. energy needs. Part of our study efforts will be devoted to a comprehensive examination of future alternate sources of energy such as a hydrogen economy. We will take into consideration the various proposals adopted in the ocean energy systems workshop's resolution, and I will incorporate these ideas into the national ocean policy study.

Mr. President, I ask unanimous consent that the resolution of the University of Miami Ocean Energy Systems Workshop be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION

The February 25–26 University of Miami Ocean Energy Systems Workshop calls to the attention of the United States government, including energy and ocean-related Committees of Congress and appropriate institutions involved in the forthcoming National Ocean Policy Study, the numerous possibilities of extracting energy from the oceans at a scale significant to make an impact upon the total U.S. energy consumption and at costs competitive with other energy options.

The following program areas are identified and their study is recommended:

1. Direct and indirect conversion of solar energy in the ocean into electrical power.
2. The generation, storage, and transportation of the energy in the form of synthetic fuels, for example, hydrogen. We also note the potential for fresh water, seafood, and mineral production.

We recognize the need for a Steering Committee drawn from academic, government, and industry. This Steering Committee will be asked to:

1. Conduct an overview study of ocean energy systems;
2. Establish priorities for the various viable schemes consistent with realistically available funds, technology status, and potential impact on the total U.S. energy needs; and
3. Oversee the Development program management.

Whereas, the oceans of the world represent an almost infinite source of natural energy,

Whereas, this source is distributed in various forms throughout the world,

Whereas, the scientific feasibility of extracting ocean energy by various systems has been demonstrated,

Whereas, methods may be developed to produce energy in nonpolluting forms,

Whereas, the time has arrived to develop the engineering feasibility of those systems of highest priority,

Whereas, subsequent developments of prototype, ocean-based energy plants would be the result of engineering feasibility studies,

Now, therefore, be it resolved that the Federal Government immediately begin funding demonstration projects which will provide a consortium of industry, government, and university with the means to research how energy may be economically produced by environmentally acceptable means from these ocean energy resources.

The time for action has arrived, and the members of this assembled Ocean Energy Systems Workshop on Virginia Key, Florida, on this twenty-sixth day of February, 1974, unanimously ascribe to this resolution.

The following persons were in attendance:

OCEAN ENERGY SYSTEMS WORKSHOP PARTICIPANTS

February 25–26, 1974

William H. Avery, Assistant Director, Johns Hopkins App. Physks Lab., 8621 Georgia Avenue, Silver Spring, Maryland 20910.

Dr. Wilbert Annis, Director of Technical Activities, Florida Ocean Sci. Institute Inc., 604 Park Drive—University Park, Boca Roton, Fla. 33432.

Joe Alexander, Mech. Engineering Dept. U/M.

J. Hilbert Anderson, President, Sea Solar Power Inc., 1615 Hillock Lane, York, Pa. 17403.

Dr. John R. Apel, Director, Ocean Remote Sensing Lab, NOAA/AOML, 15 Rickenbacker Cswy, Miami, Florida 33149.

Wallace H. Boggs, Experimental Equip. Engr., CODE DD–SEO–4, NASA, J. F. Kennedy Space Center, Florida 32899.

John R. Botzum, Editor, Ocean Science News, 1056 Natl. Press Building, Washington, D.C. 20004.

Charles S. Chen, Public Tech. Projects, Program Manager, National Science Foundation, Washington, D.C. 20550.

Dr. T. Hsu, Civil Engineering Dept., SEED U/M.

Robert Cohen, Dr./Program Manager, 1800 G Street NW, Washington, D.C. 20550.

A. J. Coyle, Ocean Eng. Prog. Mgr., Bettelle Columbus Laboratories, 505 King Avenue, Columbus, Ohio 43214.

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Leonard Glickman, 1035 E. 26th Street, Hialeah, Fla. 33013.

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Lee Hargrave, General Electric Co., Aerospace Group, P.O. Box 8555, Philadelphia, Pa. 19101.

Ludo Van Hemelrijck, Sen. Staff Associate, Lamnot-Doherty Geolog., OBS, Palisades, N.Y. 10964.

Dr. William E. Heronemus, Prof. of Civil Engineering, University of Massachusetts, Amherst, Mass. 01002.

Dr. H. W. Hiser, Director, Remote Sensing Lab., SEED, U/M.

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C. D. Hornburg, DSS Engineers, 2701 E. Sunrise Blvd., Ft. Lauderdale, Fla.

Verne Ireton, Assoc. Prof., Dept. of M. E., University of N.B., Fredricton, N.B., Canada.

Joseph C. Hirschberg, Professor of Physics, Laboratory for Optics and Astrophysics, University of Miami.

Dr. Robert Kay, Chief, Operations & Planning Group, NOAA/National Ocean Survey, Executive Boulevard, Bldg. 1, Rockville, Maryland 20852.

William Kirk, Mrg., Francis L. LeQue Corr. Lab., International Nickel Co., Inc., P.O. Box 656, Wrightsville Beach, N.C.

Dr. Abrahim Lavi, Carnegie-Mellon University (EE Dept.), Pittsburgh, Pennsylvania 15213.

Thomas H. Leggett, President, Thomas Leggett Associates, 76 W. Front Street, Red Bank, New Jersey 07701.

Dr. Eugene H. Man, Dean, Research Coordination, University of Miami.

Dr. Fendall Marbury, Naval Architect, Ketron, Inc., 1400 Wilson Blvd., Arlington, Virginia 22209.

Dr. Hugh L. McLellan, National Sea Grant Program, U.S. Dept. of Commerce, NOAA, Rockville, Maryland 20852.

David L. Motherway, Mechanical Engineering, Ocean Systems Branch, U.S. Coast Guard RID Ctr., Avery Point, Groton, Conn. 06335.

Donald Neale, Head, Naval Undersea Systems Center, Atlantic Underwater Tech., West Palm Beach, Fla.

Dr. Perry A. Pepper, Princ. Res. Scientist, EDO Corp., College Pt., New York.

Mr. John A. Satkowski, Physical Science Administrator, Office of Naval Research, Arlington, Va. 22217.

Dr. Herman E. Sheets, Chairman, Ocean Engineering Department, University of Rhode Island, Kingston, Rhode Island 02881.

Dr. Herman Shoupp, Senior Vice Pres. for Research, Westinghouse Electric, 343 Maple Ave., Pittsburgh, Pa. 15218.

Carroll Smith, Res. Assoc. Prof., Ocean Engineering, RSMAS.

Dr. Gary Steelman, Inventor, Route 3, Adel, Iowa 50003.

Dr. Charles Stephan, Professor, Ocean Engineering Dept., Florida Atlantic Univ., Boca Raton, Fla. 33432.

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Mr. Al Volker, Research Editorial Specialist, Research Coordination, University of Miami.

Douglas K. Warinner, Assist. Professor, Florida Atlantic University, Boca Raton, Fla. 33432.

Dr. Warren Wisby, Assoc. Dean, RSMAS.

Brig. Gen. J. J. George, Director of Meteorology, Eastern Airlines, Box 787, International Airport Branch, Miami, Fla. 33148.

L. E. Poteat, University of Miami, Mechanical Engineering, SEED.

Mr. Dennis M. O'Connor, Prof. of Law & Oceanography, School of Law, Box 423, U/M.

Dr. Oswald A. Roels, Chairman, Biological Oceanography, Lamont-Doherty, Geological Observatory of Columbia U., Palisades, New York 10964.

Dr. Richard G. Bader, Director, Sea Grant Program—Center for Urban Studies, University of Miami.

D. Howard Harrenstein, Dean, School of Engineering & Environmental Design, University of Miami—P.O. Box 8294, Coral Gables, Florida 33134.

Dr. T. Najat Veziroglu, Chairman, Mechanical & Industrial Engineering Dept., University of Miami.

LEGAL SERVICES CONFERENCE REPORT

Mr. JAVITS. Mr. President, it is expected that the Senate will consider soon the conference report on H.R. 7824, the Legal Services Corporation Act of 1974, which the House already approved on May 16 by a vote of 227 to 143.

This measure would establish, as requested by the President, a new independent nonprofit legal services corporation, to conduct the legal services program, now under OEO administration, under the governance of an 11-member Board of Directors, appointed by the President, with the advice and consent of the Senate; a majority of the Board must be members of the bar.

The conference report, which was signed by all the conferees, represents a reasonable accommodation between the Senate and the House measures, toward the objective of establishing such a corporation, an objective which has already been frustrated twice: first by veto by the President in December 1971 and then the following year when the corporation provisions were dropped from the Economic Opportunity Amendments of 1972, by virtue of disagreement over the Board and other provisions.

On May 31, 1974, I reported that the American Bar Association, which has been one of the strongest advocates of the legislation, had on May 23 formalized its support for the concept of a new independent corporation and for the conference report in particular. The resolution adopted by the governors of the American Bar Association, urged that the conference report be approved by the Senate and signed into law by the President.

At that time, I noted that the president of the ABA, Chesterfield Smith, had transmitted the resolution to each of the State and local bar organizations, urging them to make their support known to the Senate and to the administration.

I am pleased to report today that on June 12, 1974, the New York State Bar Association, the Association of the Bar of the City of New York, the New York County Lawyers' Association, as well as the major organizations in New York City conducting the programs—the New York City Legal Aid Society, the New York City Community Action for Legal Services, and the New York Community Law Offices—jointly adopted a resolution similar to the ABA resolution, urging immediate enactment of H.R. 7824.

It should be noted that the bar associations and other groups expressed concern with "several unfortunate restrictions on the kinds of cases that can be taken and on personnel policies."

I have shared these concerns throughout consideration of the legislation and have made every effort to get a bill without unreasonable restrictions, while recognizing the need to compromise to some extent to achieve the overall objective.

I am very pleased that the bar associations and other organizations which I have named have also kept this objective in mind and, accordingly, while noting their reservations with respect to certain restrictions, have concluded that the conference bill does:

> Preserve the basic structure of an independent corporation contained in the President's original bill and endorsed by the organized bar.

And that:

> Further delay in the legislation might imperil the continuation of the entire legal services program.

The adopted resolution concludes as follows:

> We therefore urge speedy passage by the Senate of the legislation in its current form, and ask that the President promptly sign the bill, so that the future of this vital program may be secure.

Mr. President, this support for the conference bill from the organized bar, and other organizations in New York State and New York City is most gratifying and characteristic of the support they have given on so many occasions when the program has been challenged, both in words and in deeds, to the existing legal services program and to the gifted concept of a national legal services corporation; I pledge every continued effort toward the establishment of such a corporation, and, in the interim, to maintenance of the current legal services program.

Mr. President, I ask unanimous consent that the resolution of the bar associations, and other groups to which I referred be printed in the RECORD.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

RESOLUTION OF THE BAR ASSOCIATIONS ON THE PROPOSED NATIONAL LEGAL SERVICES CORPORATION (H.R. 7824)

We join in urging immediate enactment of the Legal Services Corporation Bill, H.R. 7824, as reported out of Conference on May 13, 1974, and passed by the House on May 16, 1974.

In earlier joint statements issued by our organizations in July and December, 1973, we urged the creation of a National Legal Services Corporation which

"(a) is adequately funded to meet the compelling need for legal representation of eligible indigent clients;

"(b) permits legal services lawyers to provide the same representation to indigent clients that the private bar provides to its clients;

"(c) has sufficient flexibility in its personnel policies and in the use and application of its funds to permit an innovative attack on the problem of providing legal representation to the indigent; and

"(d) is not restricted by statute in the kind of cases that it can take or the nature of the legal assistance it can provide to eligible clients."*

We concluded in our July statement that H.R. 7824, as it passed the House, failed to meet the standards for an acceptable program. On the other hand, we did support, in our December statement, the version of the bill reported out by the Senate Committee on Labor and Public Welfare, although it was in our view "only minimally adequate to assure an independent and professional program."

Provisions contrary to our standards were added in the Senate and the Conference Committee, so that the bill now contains several unfortunate restrictions on the kinds of cases that can be taken and on personnel policies. It does, however, preserve the basic structure of an independent corporation contained in the President's original bill and endorsed by the organized bar.

The current uncertainty over the future structure and funding of the legal services program is causing severe problems within local legal services offices; further delay in the legislation might imperil the continuation of the entire legal services program. We therefore urge speedy passage by the Senate of the legislation in its current form, and ask that the President promptly sign the bill, so that the future of this vital program may be secure.

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*Joint Statement of New York State Bar Association, Association of the Bar of the City of New York, New York County Lawyers Association, The Legal Aid Society, Community Action for Legal Services, and Community Law Offices, July 1973, accepting the principles contained in a Resolution adopted by the House of Delegates of the New York State Bar Association on June 29, 1973.

THE CATTLE INDUSTRY IN IDAHO THREATENED WITH A SHUTDOWN

Mr. CHURCH. Mr. President, cattlemen and feeders in Idaho are facing a cost-price squeeze which has caused bankruptcies by the dozens and threatens the same fate for scores of other small, family-sized operators.

The seriousness of this situation has reached crisis proportions. Feeders have suffered losses on fat cattle running anywhere from $75 to $200 per head. For almost a year producers in Idaho have watched helplessly as feeding margins—the difference between selling price of fed cattle and price of feeder calves 6 months earlier—have taken a nose-dive. The large negative margins the feeding industry has faced since August 1973, along with rising feed costs, have eliminated all profits. Tom Hovenden, secretary-manager of the Idaho Cattle Feeders Association, reports that on a 700-pound calf, which requires about 120 days to feed out to 1,000 pounds, the feeder needs about 43 cents per pound to break even. At present market prices, he is getting 35 cents a pound and thus losing $80 on each head. This loss is even more serious for those feeders who bought 400-pound calves at 60 and 80 cents a pound and are now getting ready to market that beef.

By telephone and letter I have heard and read the outrage and despair of Idaho farm families. The Idaho Commissioner of Agriculture, Wilson Kellogg; county commissioners; the president of the Idaho Cattlemen's Association; and many feeders and cow-calf operators have informed me that unless relief is fast in coming more barn doors will be closed permanently.

In Idaho, the cow-calf operator, like the feeder, is also being hit with depressed prices for feeder animals, and that in turn is causing many such operators to sell off cows from their production herds.

Mr. President, it is not an overstatement when I say that at all levels of the industry, ranchers have been caught in a merciless cost-price squeeze with no hope of breaking even in the near future. Mr. and Mrs. Cleo Ahlers of Priest River, Idaho, are typical victims of the sagging cattle industry. Their letter to me is testimony to the cattle industry crisis and I ask unanimous consent that the letter appear at the end of my remarks.

The economic well-being of my State, which is predominantly rural and agricultural, is gauged by the health of the farming industry. In 1972, the latest figures available, beef cattle and milk made up almost 45 percent of all cash farm receipts. Both the dairy and cattle industry are in deep trouble and this spells bad times for the entire economy of the State. Further, it does not take an economist to know that farmers in Idaho, like those around Malad who grow substantial acreages of barley, or others who grow hay or other roughage, will feel the spikes of a general decline in the Idaho cattle industry.

I have been informed that more than one billion pounds of meat, mostly beef, is presently in cold storage in this country. Add to this reserve the fact that the United States is the only major meat consuming nation that has no restrictions on the importation of foreign beef. Japan, the European economic community and Canada all have placed complete or nearly complete embargoes on beef imports because of the depressed state of their domestic cattle and beef markets. Yet, in the United States Bob Henderlider of the Idaho Cattlemen's Association informs me that there is an estimated "115 million pounds of foreign beef in cold storage, waiting to enter our trade channels." The depressing effect of foreign beef on prices will not be lifted unless steps are taken to reimpose the import quotas, suspended by President Nixon in 1972, provided for under the 1964 Meat Import Act.

Certain immediate actions can be taken to help relieve the glut on the beef market.

I have joined with 43 of my Senate colleagues in urging the President to reimpose the beef import quotas.

It is clear to me that the administration's removal of the import quotas on beef has not had the intended result. The President's economic advisers assumed that increased imports of beef would have the effect of lowering prices at the grocery store. But these retail prices have come down very little. The housewife has not benefited. Rather, our own cattlemen and feeders have been the victims of increased imports. The administration has it within its power to reimpose import restrictions. I hope the President will heed our appeal and grant the relief that is so urgently needed.

In addition to requesting the reimposition of import quotas, we have asked the administration to increase its beef buying program for the Department of Defense and the commodity distribution program.

Also, I have been informed that negotiations are presently taking place with Canada to reduce the restrictions on American exports of beef to that country.

I support each of these efforts.

If the administration will act positively the panic which pervades the cattle industry can be calmed. Rural bankers are threatening to foreclose as they witness the continued dip in the beef market; feeders and cow-calf owners are selling off herds hoping to stave off even larger losses. This reaction to skidding prices has put even more beef on the market. Still, if given time and some Government assistance, I have every confidence that the cattle industry can rebound.

Some additional legislation may be needed to stabilize the industry. Hearings in the Senate and House of Representatives Agriculture Committees will begin this week on legislation to establish a program whereby the Government would, if necessary, guarantee 90 percent of commercial loans to cattlemen. With adequate provisions to prevent misuse of such a program, this may well be helpful in preventing further shutdowns while the cattle industry recovers. The public hearings will help to bear out the advisability of such a proposal.

Agriculture is the heart of Idaho's economy. I will support Idaho cattlemen and feeders in any way I can.

THE MIDDLE EAST

Mr. GURNEY. Mr. President, less than a month ago, I addressed this Chamber on the state of affairs in the Middle East. At that time, the world was still reeling in shock as a response to the slaughter of innocent schoolchildren in the village of Maalot. Fortunately, as a result of the prudent and skilled diplomatic efforts of Secretary of State Kissinger, it appears that we are finally at a point where peace in that troubled region of the world may be a reality. I add my hopes to those of civilized men the world over that the peoples of this region can finally live in harmonious accord.

As this Chamber remembers, at the time I discussed the situation in the Middle East, I indicated that a group of Florida dentists who were visiting the Soviet Union had been subjected to base and unnecessary harassment by that country's militiamen while attending a religious service.

I now note with horror that, in spite of protestations of innocence by Breshnev's puppets, this harassment of Russia's Jewish people continues. An article in a local Washington paper this morning indicates that, as part of Russia's preparations to welcome President Nixon, the leader of a free people, Russia is stepping up their tactics of harassment and surveillance of that nation's Jews.

It well behooves this Chamber to bring this situation to the attention of the President and caution the Soviets that, if they seek peace and accord with this Nation, they had best realize that Americans will not tolerate harassment of any form anywhere in the world.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SOVIETS CUT PHONE TIES OF JEWS

(By William R. MacKaye)

The Soviet government has shut off the telephone of virtually every Jewish activist in the U.S.S.R., American groups concerned about Soviet Jews have reported.

The maneuver is apparently designed to thwart any effort by Soviet Jews to dramatize to President Nixon their campaign for freedom to emigrate to Israel during the President's visit to the Soviet Union later this month, representatives of the groups said.

Jerry Goodman, executive director of the National Conference on Soviet Jewry in New York, estimated that 98 per cent of the activists' phones had been disconnected, most of them in the last two weeks.

Karen Kravette, Washington representative of the somewhat more militant Union of Councils for Soviet Jews, who also reported the massive telephone disconnection, speculated that the Soviet authorities also hoped to block news of other repressive moves against Jews by cutting their telephone ties to the West.

Activist Jews, however, have used other contingency lines of communications to alert Western friends of an increase in secret police surveillance of leading activists and of growing fears among male Jews that they will be called up for military service, she said.

Before President Nixon's Moscow trip two years ago, a number of key activists, many of them over 40, were drafted for up to 90 days of military service, effectively removing them from Moscow during the presidential visit. A similar wave of telephone disconnections also preceded the 1972 Nixon trip.

Agencies involved in the cause of Soviet Jewry are particularly edgy about the possible impact on Soviet Jews of President Nixon's speech in Annapolis last week in which he pledged a U.S. "hands off" policy regarding internal Soviet affairs and urged defeat of the Jackson-Vanik amendment to the pending trade bill.

The proposed amendment, which has the vigorous backing of the agencies and the American Jewish community generally, would tie liberalized U.S. trade policies toward the Soviet Union to Soviet government easing of the emigration restrictions.

Goodman noted that Stanley Lowell, the new chairman of his agency, which is funded by a broad coalition of Jewish groups, issued a statement shortly after the President's speech expressing the hope that Soviet Jews would not suffer as a result of Mr. Nixon's assurances to the Soviet government.

FEDERAL SPENDING

Mr. HOLLINGS. Mr. President, on May 22, 1974, the General Assembly of South Carolina adopted a concurrent resolution addressing the Congress of the United States to enact appropriate legislation to insure that annual Federal appropriations by the Congress shall not exceed anticipated annual revenues.

On behalf of Senator Thurmond and myself, I would like to bring this resolution to the attention of my colleagues in the Senate, and I ask unanimous consent that it be printed in the Record.

There being no objection, the concurrent resolution was ordered to be printed in the Record, as follows:

Calendar No. S. 947

A concurrent resolution to memorialize the Congress of the United States to enact appropriate legislation to ensure that annual Federal appropriations by the Congress shall not exceed anticipated annual revenues

Whereas, it has become the habitual practice of the Congress to appropriate Federal funds in excess of anticipated Federal revenues; and

Whereas, this practice has not only created a massive national debt but has been a major factor in the ever increasing inflation with its dire consequences for the economy and the budgets of our citizens; and

Whereas, the continuation of deficit spending can only increase inflationary pressures which most probably will cause more problems than the additional appropriations will solve; and

Whereas, the State of South Carolina has for many years demonstrated that limiting spending to anticipated revenue is feasible and develops financial stability and public confidence in government. Now, therefore,

Be it resolved by the Senate, the House of Representatives concurring:

That the Congress of the United States be and hereby is memorialized to enact appropriate legislation to ensure that annual Federal appropriations by the Congress shall not exceed anticipated annual Federal revenues.

Be it further resolved that copies of this resolution be sent to the Vice President, the Speaker of the House of Representatives, and each member of the South Carolina Congressional Delegation in Washington, D.C.

PSRO PROGRESS REPORT

Mr. BENNETT. Mr. President, today, at the Department of Health, Education, and Welfare, I had the pleasure of participating in the signing of the first Professional Standards Review Organization contract under which operational responsibilities will be assumed by practicing physicians for review of the care and services provided under medicare and medicaid.

I attended the contract signing with a distinct sense of pride and achievement because the contracting parties were the physicians of my own State of Utah and the Department of Health, Education, and Welfare.

The PSRO program is now an operating reality. Many more contracts will be let within the next 2 weeks to physician-sponsored professional review entities. These contracts—expected to total more than 100—including those for operational review activities as well as those for PSRO planning purposes.

The Office of Professional Standards Review in HEW has just mailed to every physician a report on the program's current status and activities. The report also includes some simple and succinct responses to the more frequent and unfounded allegations made against the PSRO program. It is a document which will prove helpful in enhancing understanding of a most vital and necessary effort.

Mr. President, I ask unanimous consent that the text of the HEW memorandum entitled "Report on PSRO" be printed in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

Report on PSRO

As part of a continuing effort to keep the practicing physicians informed about the Professional Standards Review Organization (PSRO) program, this Memo has been prepared to report on the program's current status and activities. Implementation of the PSRO legislation is proceeding through the cooperative efforts of the public and private sectors of medicine.

Two hundred and three (203) PSRO areas have been designated and over 125 physician organizations to date have applied to DHEW for funds to plan and establish PSROs and to provide assistance to groups to help them qualify as PSROs. Organizations from all but four States have applied for PSRO funding. Additional physician organizations are expected to apply in the future, and it is anticipated that PSROs will exist in each of the designated areas by 1976.

TYPES OF FUNDING

Three types of funding are being provided—planning contracts, conditional PSRO contracts and contracts for Statewide PSRO Support Centers.

Planning contracts for potential PSROs will be awarded to organizations to help them meet the requirements for conditional designation as a PSRO and will help finance activities, such as recruiting of physician members, designing their review plan, and selecting staff. It is anticipated that approximately 100 planning contracts will be awarded by July 1, 1974.

Organizations that are ready to conduct PSRO review of medical care will be awarded funds as conditional PSROs. These organizations will have met the statutory organizational requirements, such as open and voluntary membership including a substantial proportion of physicians in the PSRO area—which has been set at about 25 percent. They will have open election of officers and they will rotate reviewers. As conditional PSROs, they will have developed an appropriate review plan approved by DHEW. DHEW has announced its intention to contract with 13 conditional PSROs by July 1, 1974.

A third type of activity to be funded is the Statewide PSRO Support Centers. These Centers are designed to capitalize upon the experience and knowledge of State professional organizations, particularly the State medical societies and foundations. These organizations will stimulate and support the development and operation of the PSRO program. They will be of particular help to local PSROs in activities, such as educating physicians about peer review and assisting groups to develop their organizational structures and review plans. The development of local PSROs can be significantly facilitated through the leadership, experience, and support of State-level organizations. The first Statewide Support Center contract has been awarded to the Pennsylvania Foundation for Medical Care. Approximately 11 more Support Center contracts will be awarded by July 1, 1974.

PSRO PROGRAM MANUAL

In March, DHEW issued the PSRO Program Manual which contains explicit instructions on how to apply to be a PSRO and the basic PSRO qualifications and requirements. In early April, at a Washington, D.C., meeting organized by the American Association of Foundations for Medical Care, the basic PSRO requirements were discussed by over 400 participants. The Manual was also reviewed at open public meetings of the National Professional Standards Review Council, as well as with the major national organizations, such as the American Medical Association, the American Hospital Association, and the Joint Commission on Accreditation of Hospitals.

The Manual contains a set of guidelines. They are not regulations. This was done so that DHEW can gather comments and modify the Manual based upon actual operating experience. The medical care review system which is described in the Manual is flexible and encourages local decision-making and innovation. Local PSROs may recommend alternative review systems which are based upon their best judgment and experience and are in compliance with statutory requirements.

PRIVATE INITIATIVE

The W. R. Kellogg Foundation has awarded a grant of over $1 million for a study of six prototype PSROs. This major, private initiative will aid the implementation of the PSRO program. The study will develop and test alternative approaches to incorporating a greater emphasis on quality assessment and assurance in PSRO. The American Association of Foundations for Medical Care, the American College of Physicians, the American Medical Association, the American Hospital Association, and the American Society of Internal Medicine are responsible for the conduct of this study.

GUIDELINES FOR USE OF ANTIBIOTICS

DHEW is awarding a contract to develop guidelines, criteria, and standards for the use of antibiotics. Such criteria and standards will be used for screening purposes to identify cases of potentially excessive, insufficient, or inappropriate use of antibiotics. The guidelines will take into account the uncertainties of antibiotic use under many conditions and will deal with the realistic problems of the practitioner. This activity will be conducted by the American College of Physicians, the American Academy of Pediatrics, the American Academy of Family Physicians, the American College of Surgeons, and the Infectious Disease Society of America.

MODEL SCREENING CRITERIA

Many medical specialty societies are working in the development of the PSRO program, including the American College of Physicians, the American College of Surgeons, the American Academy of Pediatrics, the American Society of Internal Medicine, the American Academy of Family Physicians, the American College of Obstetricians and Gynecologists, and the American College of Radiology. These and other medical specialty societies are developing, under the leadership of the American Medical Association, model screening criteria for their specialty area which can be of assistance to the local PSROs.

The local physicians will develop the norms, standards, and criteria to be used in their area. The PSRO can adopt or adapt to meet their specific situation the criteria developed by the national specialty societies, or they can reject the model criteria completely and develop their own, if they wish.

The norms, standards, and criteria are checkpoints which identify instances of care that fall outside what would normally be expected to occur. These checkpoints will be established for classes of patients with a particular diagnosis or problem. When applied, they screen out cases requiring more in-depth review. It is at this point that peer review really comes into play. All factors related to the particular case in question must be considered before any decision affecting payment is made. For example, consideration of the patient's psychological and social situation and the availability of alternative facilities must be considered as, of course, must the distinction between the case in question and the criteria themselves.

OBJECTION TO THE PROGRAM

Many physicians are concerned about the impact of the PSRO program upon the practice of medicine. Some of that concern is legitimate. Much of it, however, is based upon incomplete information or misunderstanding about the purpose and activities of the program. DHEW has prepared an information document that addresses the most common concerns expressed about the program. This document is available from the Office of Professional Standards Review.

CONFIDENTIALITY: A MAJOR ISSUE

The issue of confidentiality which is often raised in connection with the PSRO program is a potential problem, not only in our present Medicare and Medicaid programs and in existing private health insurance plans, but throughout our society.

The PSRO legislation contains strong penalties for breech of confidentiality. With the help of experts and affected organizations, DHEW currently is developing guidelines and regulations which will address confidentiality in very specific terms. These guidelines will be made available to the PSROs, to data processors who support PSROs, and other involved groups. Their application will be mandatory for all the PSROs and all groups which handle data for any PSRO.

The privacy of patients and physicians is a basic civil right and must be respected. Medical records contain a great deal of privileged information, but the data collected for PSRO purposes will be limited to that required for review. While the law requires the development of patient and physician profiles, the identity of the individuals will be protected from disclosure. There will be no national data bank of individual patient records and everything possible will be done to protect the confidential nature of any records maintained on a local level.

COST OF THE PROGRAM

PSRO will involve substantial administrative cost which will be financed totally by the Federal Government. These costs will be reasonable in comparison with the total cost of the health care programs which are subject to PSRO review. The Administration's proposed $55 million PSRO fiscal year 1975 budget, for example, is about one-fourth of one per cent of the total estimated cost of the Medicare and Medicaid programs for 1975.

FUTURE PROGRAM ACTIVITIES

DHEW is studying ways in which the program might be improved. It is still too early in the development of the program to determine exactly the form those improvements should take—which aspects of the law will work and which may require modification. Many organizations have recommended amendments to the legislation. DHEW has analyzed the law and some of the proposed changes and has concluded that the law should be implemented as it was enacted until the experience of operating PSROs can be evaluated. In addition, many of the proposed amendments are no longer necessary because the issues they deal with have been covered in administrative guidelines developed by DHEW. Any problem areas that arise in the operation of PSROs which cannot be handled satisfactorily through administrative actions will be the subject of recommended legislative modifications.

ACQUISITION OF MARCOR CORP.

Mr. BROOKE. Mr. President, I was concerned to read in several newspapers this morning of the proposed acquisition of the Marcor Corp. by Mobil Oil Corp.

Any such proposed merger surely raises questions of the concentration of economic power. Mobil Oil Corp. is the Nation's third largest oil company and our seventh largest corporation. In 1973 it had total assets in excess of $10 billion. Marcor Corp. is the parent company of both Montgomery Ward and the Container Corp. Its assets exceed $2.8 billion. The combination of these two powerful corporations would certainly result in a tremendous increase of economic and social leverage.

But the issue that most aroused my interest, Mr. President, was the suggestion that a large portion of the funds to be used by the Mobil Oil Corp. in the proposed acquisition would come from the greatly increased profits reported by Mobil since the onset of last year's oil crisis. Only 4 months ago the presidents of major oil companies in their testimony before the permanent Subcommittee on Investigations stated that it was imperative for them to increase their profit margins in order to provide the necessary capital for increased exploration and drilling. Moreover, it has been repeatedly stated that the continuation of exploration efforts is dependent solely on the oil companies abilities to generate increased profits. In this the administration concurred. The administration's justification for granting price increases on domestic oil was to permit the generation of increased profits and, thus, further increased exploration and drilling activities.

Mr. President, it would appear that increased profits are being used to increase economic power, not to expand exploration for new energy sources.

I have, today, written to Rawleigh Warner, Jr., chairman of the board of the Mobil Oil Corp., asking him to explain this apparent contradiction.

I hope, Mr. President, that appropriate committees of the Senate and the House may decide to pose similar questions in an open forum. At this point, Mr. President, I ask unanimous consent to insert the text of my letter to Mr. Warner.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washnigton, D.C., June 18, 1974.

RAWLEIGH WARNER, Jr.,
Chairman of the Board, Mobil Oil Corp., New York, N.Y.

DEAR MR. WARNER: I have learned with considerable surprise that the Mobil Oil Corporation is contemplating acquisition of a controlling interest in the Marcor Corporation. It has been suggested that a significant fraction of the proposed acquisition will be financed by the increased profits reported by Mobil Oil Corporation during the past year.

The justification presented to the Congress by spokesmen for the petroleum industry and for the Administration for allowing major oil company profits to increase substantially has been that increased profits are necessary in order to fund increased exploration and drilling costs. The utilization of your profits to acquire a major American corporation would appear inconsistent with the above explanation.

I would be most grateful to receive any comments on this matter that you would care to send to me.

Sincerely,

EDWARD W. BROOKE.

HYPERACTIVITY IN CHILDREN

Mr. BEALL. Mr. President, Senators may recall that I have previously called to their attention the interesting work of Dr. Ben F. Feingold of the Kaiser Foundation Hospitals and Permanente Medical Group with respect to a possible link between food additives and hyperactivity in children. See CONGRESSIONAL RECORD, volume 119, part 27, page 35403.

Dr. Feingold, by altering the diets of hyperactive children has achieved some dramatic results. There have been some who have criticized the methodology. Dr. Feingold himself recognizes some of the limitations of his work to date, particularly the lack of a control group. As a result, I have been working with Dr. Feingold and the National Institute of Education, including a personal meeting with Dr. Feingold and Dr. Boesel in early March, in an effort to pursue Dr. Feingold's hypothesis.

I am pleased to advise my colleagues that the National Institute of Education has awarded a $50,000 Federal grant to Dr. C. Keith Conners of Harvard to see if Dr. Feingold's work can be replicated. A control group will be employed. I ask unanimous consent that a background material on this grant be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Background Material

(Attachment A—Scope of Work; Contract No. NIE–C–74–0093)

I. INTRODUCTION

Within the last year an intriguing new hypothesis about the etiology of hyperkinesis has been suggested. Dr. Ben Feingold, Chief Emeritus of the Division of Allergy at the Kaiser Institute and Permanente Group in San Francisco has found evidence in his clinical experience which convinces him that the ingestion of food additives and salicylates causes hyperkinesis in some children, and that in many cases adherence to a diet free of additives and salicylates can substantially reduce or eliminate hyperkinetic behavior within two weeks. If this hypothesis is verified, an etiologic factor and a method of treatment will have been simultaneously identified.

The question is of importance to educational policy for at least two reasons—first because hyperkinesis affects a significant number of elementary school children, frustrating their attempts to do well in school and to get along with their peers and teachers; second because the Federal Government subsidizes school lunch programs in which foods with additives are served. The National Institute of Education therefore intends to fund an experiment to discover whether Dr. Feingold's hypothesis is correct. The experiment, together with the activities necessary to start it, carry it through, and complete a comprehensive report on it, will constitute a project. Dr. Feingold will serve as dietary advisor to the project.

II. METHODOLOGY

NIE is seeking a double-blind experiment in which a sample of hyperkinetic children is divided into experimental and control groups on a random or stratified-random basis. Both groups will be put on "special" diets, but only one of the diets will be free of additives and salicylates. Ideally both diets should be identical except for the presence of additives and salicylates in one; operationally, the diets should approximate this equivalence as closely as possible, consistent with the other objectives of the study. Both groups will be rated and tested before, during, and after the experiment to determine whether the additive- and salicylate-free diet is effective.

Potential subjects for the experiment should be carefully screened so that borderline and non-hyperkinetic cases can be excluded. The two groups should be put on their respective diets and kept on them for a period of time sufficient to test the hypothesis, providing that enough time remains after the experiment to complete a preliminary report within nine months of the project's initiation. While as little as one month's experimentation would probably be sufficient to show whether the diet has an immediate effect, NIE is also interested in discovering whether effects persist at the same level, increase, or diminish over a longer period.

As a minimum, analysis should indicate, for each test or criterion, changes over time (if any) in the number and percent of children showing improvement in each group and variation within groups in the degree of improvement.

III. WORK STATEMENT

The contractor will design and conduct a double-blind experiment which will, in terms of acceptable measures of hyperkinesis:

(a) Discover whether an additive- and salicyclate-free diet can reduce or eliminate hyperkinetic behavior.

(b) Indicate both the proportion of subjects in each group showing change in dependent variables and the degree of change.

(c) Indicate changes over time in dependent variables (measures of hyperkinesis).

(d) Be capable of detecting large changes in dependent variables in as little as 15% of the subjects in each group at the .05 level of significance.

The project should include, but need not be limited to, the following tasks:

1. Recruit candidates from whom participants in the experiment will be drawn.
2. Screen candidates for inclusion in the experiment.
3. Divide subjects into experimental and control groups on a random or stratified-random basis.
4. Before introducing diets, test and rate subjects using instruments sensitive to hyperkinesis.
5. Put experimental and control groups on appropriate diets.
6. Re-administer the same instruments at least once during the experiment and again at its conclusion.
7. Code and process data.
8. Analyze results.
9. Within nine months of the beginning of the project complete a preliminary report on the experiment and submit it to NIE; within 12 months, complete a final report and submit it to NIE.

IV. ADDITIONAL SPECIFICATIONS

1. Screening of Subjects:

Rigorous criteria should be adopted to distinguish between hyperkinetic children on the one hand and borderline and non-hyperkinetic children on the other. Subjects should be clearly hyperkinetic, insofar as current methods of diagnosis permit identification.

2. Control and Monitoring of Diet:

Strict adherence to diet is of course desirable, and any reasonable method to encourage adherence should be considered. Monitoring procedures should make it possible to note instances of non-compliance.

V. CONTRACTOR'S OBLIGATIONS

Put succinctly, the contractor will be responsible for the project from start to finish. He or she will organize, manage and oversee the project and will provide all personnel, facilities, goods and services necessary for its successful completion.

VI. STAFFING

Project staff should be selected and organized so as to maximize the efficient conduct of the project and the quality of the final product. Many staffing arrangements can be considered; the following is set forth as an illustration:

Principal Investigator: 6 months (1 year at ½ time).
Two psychologists: 9 months each.
Two diet monitors: 3 months each.
Nutritionist: 1 month.
Dietary consultant.
Dr. Feingold: 15 days.
Secretary: 1 year.

NURSE-CLINICIANS

Mr. HOLLINGS. Mr. President, a recent article in the Spartanburg, S.C., Herald-Journal, tells about a new program at the Spartanburg General Hospital to prepare registered nurses as nurse-clinicians. This program is the first of its kind in South Carolina.

Programs like this are helping to expand the functions of nurses and free doctors to spend more time on the more complex medical problems. Mr. President, this is a promising development in efforts to improve health care in this country. I think this article describing the program at Spartanburg General Hospital would be of interest to all of my colleagues. I ask unanimous consent to have the article printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Spartanburg (S.C.) Herald-Journal, May 26, 1974]

Nurses' Roles Expand as Nurse-Clinicians

(By Linda Hembree)

Nurses in Spartanburg and throughout the state are expanding their roles. They are taking on new duties and responsibilities that traditionally belonged to the doctors.

This new "nurse" is called a nurse-clinician and the first program of its type for registered nurses in South Carolina is available at Spartanburg General Hospital.

"The primary objective of the program," says Mrs. Theo Thomas, nursing coordinator for department of medical education and nursing supervisor for family practice at General Hospital, "is to provide opportunities for students to learn and demonstrate basic skills of medical history taking and physical diagnosis as developed by the speciality of family practice and interrelationship of nursing processes. We call it the expanded role of the nurse.

"The program is open only to registered nurses and we prefer to admit those who have at least two years experience," she adds. "This makes our program unlike the doctors' assistants program at Medical University of South Carolina where former medics are usually the students who are getting further education.

"Fourteen students have graduated from the program here so far," Mrs. Thomas asserts. "Not all of these have been residents of the Spartansburg area. Those who have remained here are now working in the family practice center at the hospital, at the county health department or in private doctors' offices."

"We do not encourage the girls to remain at the hospital. Instead, we want them to go in whichever direction their skills enable them," she explains.

Two of the graduates of the program have gone to work in private doctors offices.

Mrs. Ray Kimmons works in the office of Dr. David K. Stokes Jr. in Inman and Mrs. Frank Chalmers works at the Wallace Wilson Brailsford Clinic.

"My work in the office is done in close consultation with the doctors," Mrs. Kimmons says. "I do complete physicals and histories for school, insurance and employment and work closely with diabetic and hypertensive patients and their diets. If I feel a patient should see the doctor for further examination, then an appointment is made for him.

"I went into the nurse-clinician program because I felt it was an area where I could extend my role as a nurse as well as relieve the doctor of some of his duties," she continues. "I love to work with and help people. I think people need to understand what is wrong with them and I try to help them have better understandings of their conditions. I have never given any consideration to going to medical school. I like the role of nurse too much.

"So far I have been accepted well by the doctors here. Some nurses think nurse-clinicians are stepping out of their bounds and accepting responsibility that is not theirs and others are very much in favor of the program. So far the patients have accepted me very well. They appreciate the time I can give them."

Dr. Stokes is wholeheartedly in favor of the new program. "In fact," I encouraged Mrs. Kimmons to take the training," he says. "She had previously worked in my office as an R.N.

"I feel there is a great need for nurse clinicians," he adds. "They can perform a great service as well as help cut down on the expense of medical care. I plan to have another girl from my office begin training in the fall and will use her along with Mrs. Kimmons in the practice."

Mrs. Chalmers' duties at the Wallace Wilson Brailsford Clinic are a bit different from those of Mrs. Kimmons in general practitioners' office.

"I work at the hospital a great deal of the time," she says. "I see all patients preoperatively, make morning and evening rounds with the doctors, verify daily scheduled admissions and review charts of newly admitted and dismissed patients, provide a liaison between the hospital and the office, augment the patients' understanding of his condition and treatment, review in-hospital nursing plans with hospital nurses, visit patients in extended-care facilities and report on their progress and maintain a liaison with the operating room staff." Her doctors comment that her duties are not in lieu of any duties of the doctor. She does not replace the doctor and there are no fees for her duties.

Mrs. Roy Lancaster is employed by the Spartanburg County Health Department. She works with patients who come into the clinic and those in neighborhood centers and also makes house calls. At present she is working with the Cherokee County Health Department while a nurse from there attends the nurse-clinician program in Spartanburg. Other nurse-clinicians at the Health Department are Mrs. Charles Silverman, who is family planning coordinator; Mrs. Eugene Cote, who is in home health services, and Mrs. Gary Hutchins, maternal and child care coordinator for early screening clinic for children.

"I enjoy most the versatility of my work," Mrs. Lancaster says. "I am involved in a family planning clinic as well as do routine physicals and Pap smears. The Brotherhood Center is a free clinic, a walk-in type thing, so there I get a variety of duties.

"I feel the nurse-clinician program is a worthwhile thing for Spartanburg and I hope more registered nurses will take advantage of its availability here," she says.

THE LOCKHEED LOAN

Mr. JAVITS. Mr. President, I am gratified to draw the attention of my colleagues to an important development in the Lockheed loan guarantee legislation which was announced on June 3 and could take the United States out of its loan guarantee for which I voted. On that date the Textron Corp. announced jointly with Lockheed Aircraft Corp., a tentative plan which will include an equity investment by Textron in Lockheed and a restructuring of Lockheed's debt.

The plan is extraordinarily complex involving in excess of $300 million, and the issuance of new Lockheed common shares and new Lockheed preferred stock. What is important about this plan, however, is that, if consummated, it contemplates a release of the U.S. Government loan guarantee for Lockheed which was approved by Congress by a one-vote Senate margin in 1971; in effect, saving the United States harmless in its commitment.

My colleagues in the Senate will recall that at the time I sought actively to insure emergency loan guarantees for key corporations which were then possibly only a few steps behind Lockheed, and which included Lockheed. At the time, I cited the fact that many basically sound corporations with good management were facing liquidity problems having been caught in the squeeze of tight money, costly labor, higher prices for raw materials, and higher operating costs while at the same time sales and profits were declining and taxes increasing, which could collapse them and the U.S. economy, too. This set of conditions had caused the deterioration of the credit standing of many corporations, which in turn had an effect on their debt refinancing.

In Lockheed's particular case, a series of extraordinary shocks—including the failure of the Rolls Royce Corp., which supplied engines for the L1011 Tristar aircraft—made the bankruptcy of Lockheed virtually inevitable unless some extraordinary step was taken. The debate in Congress over the advisability of a Government-backed loan guarantee was heated and the vote was close.

My purpose this morning is to draw my colleagues' attention to the fact that when faced with this great Lockheed dilemma back in 1971 we did the right thing: We kept one of the Nation's major corporations and leading defense contractors, employer of 60,000 workers and a partner with the British Government in the production of a new commercial plane, in business. We did this even though it placed a contingent liability on the U.S. Treasury and even though none of us wanted the Lockheed experience to serve as a precedent for loans to corporations faced with financial troubles generally.

Since the passage of that loan guarantee, the world has not been stable, and yet Lockheed seems to have been able to improve its financial condition to the extent that this new development has taken place. The Mideast oil crisis, for example, has raised the price of jet fuel so high that airframe manufacturers are necessarily affected. However, Lockheed has not come running back to Washington seeking additional financial aid; instead it has turned to the traditional sources of capital in this country, the investment banking community, and the Loan Guarantee Board and the British representatives for Rolls Royce. And there, within the next 6 months, an imaginative solution to Lockheed's long-range problems may well have been worked out. And, of course, the most refreshing, reassuring, and distinctive feature of the Lockheed-Textron proposal is the contemplated release of the U.S. Government from its loan guarantee on terms negotiated by Lockheed, Textron, and the banks who originally sought the guarantee.

It is a proposed solution that has many tough features to it for the management and shareholders of Lockheed; the banks are being asked to agree to unconventional rearrangements of debt and interest payments; and Textron Corp. would be putting up a substantial amount of capital to help relieve the financial strain on Lockheed Corp. Also, there are still hurdles that the parties to the agreement may find difficult to cross but if, as we hope and expect, it succeeds, it could prove once again the resourcefulness of the private sector so important to the economic history of our country.

I point out the fact that Treasury Secretary Simons in commenting on the proposed Lockheed-Textron plan said:

> The [Loan Guarantee] Board believes such an arrangement will considerably improve Lockheed's capital position. This, in turn, would enhance and better assure the company's long-term viability and the success of its existing commercial and military progress.

As a footnote, I would point out to my colleagues that over the years much has been said about Government-industry partnerships, and the need for cooperation and understanding among the various sectors of our pluralistic society. The Lockheed loan guarantee program illustrated an extraordinarily constructive example of that kind of partnership at work. I hope that if the plan is consummated the Congress can keep in mind the lessons to be learned from that experience, lessons which would illustrate the continued vitality of America's business community and of the possibilities for other creative Government-business partnerships in the future.

Mr. President, I ask unanimous consent that a press release from Textron Corp. and a recent article from Business Week, describing the Textron-Lockheed plan, be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

News From Textron

June 3, 1974.—Daniel J. Haughton, Chairman of the Board of Lockheed Aircraft Corporation, and G. William Miller, Chairman of the Board of Textron Inc., jointly announced today that their respective Boards of Directors have approved a tentative plan which would include an equity investment by Textron in Lockheed and a restructuring of Lockheed's debt. Mr. Miller indicated that Textron has held talks concerning the plan with Lazard Freres & Co., Lockheed's financial advisor, and also with some of the Lockheed lending banks.

The plan contemplates a new equity investment in Lockheed of $100 million, of which Textron would provide $85 million by acquiring 12 million new common shares of Lockheed at $5 per share and $25 million of a new Lockheed preferred stock. The remaining $15 million would be provided by a rights offering of 3 million new Lockheed common shares to Lockheed shareholders at $5 per share to be underwritten by Lazard. After the purchase of 12 million shares of Lockheed common stock, Textron would own about 45% of the approximately 26.4 million Lockheed common shares then outstanding.

It will be a condition of the plan that the Lockheed lending banks convert $275 million of the present $620 million Lockheed bank debt into the new Lockheed preferred stock, and confirm a bank credit to Lockheed of $375 million.

In addition to the infusion of new equity, the plan would result in a significant reduction in Lockheed's debt service costs and would improve cash flow during the next several years.

Under the plan, Lockheed would continue as a separate corporation, with the benefit of the new financial support provided by the lending banks, Textron and Lockheed shareholders. The stock of Lockheed acquired by Textron would be held for investment, and there would not be a merger or consolidation of the two companies. Textron operations would not be affected in any way.

Except for Mr. Miller becoming Chairman and Chief Executive Officer of Lockheed after the proposed recapitalization is finalized, at which time Mr. Haughton will become Vice Chairman, no other changes in the management of Lockheed are contemplated. Mr.

Miller will continue as Chairman and Chief Executive Officer of Textron.

Textron is a diversified company with total assets of $1.3 billion, and with 1973 sales of $1.9 billion and net income after taxes of $100.5 million.

One of the primary purposes of the plan is to give additional support to Lockheed's TriStar L–1011 commercial air transport program. The TriStar is an important part of the air fleet of many major airlines around the world.

In order for the plan to become effective, it would be a condition that sufficient airline second buy options be converted into firm orders, or new orders be obtained, to bring the TriStar program to a total of 180 firm production commitments including the 74 airplanes already delivered. Cumulative orders to date total 202, including 135 firm orders and 67 second buy options. It is contemplated that the TriStar program will run to at least 300 aircraft over its entire lifetime, extending well into the next decade.

Under the proposed plan Lockheed would undertake to adopt a change in accounting policy by writing off certain non-recurring costs related to the TriStar program. These non-recurring costs have already been expended and are currently being amortized by Lockheed over the planned 300 airplane program. It is estimated that under the amended accounting policy, the write-off, which would be charged to Lockheed's accounting policy, the write-off, which would be charged to Lockheed's income in 1974 as a condition to and before the plan becomes effective, would amount to approximately $300 million net after providing for the anticipated related tax benefits. It is anticipated that in future years the TriStar program would operate near a breakeven after all charges. With continuation of Lockheed's other substantial and profitable programs, this would permit Lockheed to return to greater profitability.

Lockheed's operations include Lockheed Missiles and Space, located in Sunnyvale, California, which produces fleet submarine ballistic missiles such as the Poseidon, satellite space vehicles and other research and development projects; Lockheed California, with plants in Burbank and Palmdale, which, in addition to producing the TriStar L–1011, designs and manufactures military aircraft such as the P–3C Orion and the S–3A Viking; Lockheed-Georgia, located in Marietta, which designs and builds large military and commercial airlift and cargo aircraft such as the C–130 Hercules; Lockheed Aircraft Service, with headquarters in Ontario, California, which is the nation's oldest and largest aircraft maintenance and modification firm with operating branches around the world; and a number of other divisions.

The plan is intended to assure availability of sufficient capital so that these Lockheed operations will not be restricted by lack of adequate financial resources. Many Lockheed programs are essential to national security and represent some of the most advanced technology in the world.

The suggested plan contemplates release, on terms satisfactory to the parties, of the U.S. Government loan guarantee for Lockheed which was approved by Congress in 1971. The proposed support from private banks and private industry should assure continued vitality of Lockheed as a unique and vital American enterprise.

With the restructuring of debt, it is expected that Lockheed would be able to generate sufficient cash over the next few years to make substantial reduction in its senior securities and maintain itself on a sound financial basis.

The preliminary plan, if accepted and implemented, would be subject to approval by Lockheed's banks and other creditors and by Lockheed and Textron directors and shareholders. It would also be subject to several other conditions, including agreement by Rolls-Royce as engine supplier to continue its support of the TriStar L–1011 program, and approval of various U.S. Government agencies.

It is expected that closing would occur by 30 November 1974.

[From Business Week, June 8, 1974]

TEXTRON EASES THE PRESSURE ON LOCKHEED

G. William Miller, chairman and chief executive officer of Textron, Inc., the self-styled conservative conglomerate, has no second thoughts about the $85-million he plans to pump into ailing Lockheed Aircraft Corp.—a move one New England businessman calls "a radical roll of the dice out of character with Miller's usual style."

"I'm afraid people will look back and say it was too easy," the 49-year-old executive says confidently. If all the conditions of the complex deal O.K.'d by Textron and Lockheed directors this week are met—perhaps the biggest corporate "if" of the year—Miller will become chairman and chief executive of Lockheed as well as of Textron, and the Providence (R.I.) conglomerate will own 45% of Lockheed's common stocks.

"A big risk? Not at all," Miller demurs. "In relation to some other things Textron has done, this is a moderate investment—a constructive, exciting, once-in-a-lifetime opportunity."

According to Miller, a recapitalized Lockheed, assuming it meets the conditions of the proposed rescue, "will be profitable at once, the first month after the deal is completed." The tentative agreement is contingent on:

Lockheed's ability to find 45 additional orders for its $20-million L–1011 by Nov. 30, the target date for consummation of the deal.

Acceptance by all 24 Lockheed's creditor banks of a restructure of its $650-million bank debt that would convert $275-million into Lockheed preferred shares bearing 5% interest and reduce the interest on the remaining $375-million to 4% from the present prime rate of 11½%.

The creditor banks' release of the federal government from its 1971 pledge to guarantee up to $250-million of the bank debt.

The British government and Rolls-Royce (1971), Ltd.'s agreement to produce the big jet engines Lockheed might need to sell the L–1011.

As Miller sees it, if these provisos are met and Lockheed immediately writes off some $600-million of "nonrecurring" development and preproduction costs of the L–1011, Lockheed should contribute substantially to Textron's 1975 earnings. As 45% owner of Lockheed common, Textron could add 45% of any Lockheed earnings to its own income. That could mean nearly $1 a share to Textron in 1975 if Lockheed earns the $2 a share some analysts forecast. Textron netted $2.65 a share last year on $1.9-billion in sales.

Under the agreement, Textron would purchase 12-million shares of a new issue of Lockheed common at $5 a share, or 45% of the 26.4-million to be outstanding after the offering. It would also buy $25-million worth of a new Lockheed preferred. In addition to Textron's $85-million investment, Lockheed will also offer $15-million worth of the preferred to the public in the underwriting, which will be handled by the New York investment banking house of Lazard Frères & Co.

Making it work. Miller insists that the whole plan will come apart unless all the conditions are met, just as a picture puzzle is not complete until all the pieces fit. He denies that Textron might be willing to compromise if Lockheed cannot come up with 45 firm new aircraft orders—enough to keep the production lines fully scheduled through 1978.

"That's a must condition—we can't go through without it," he says. Miller believes that bad mouthing by competitive aircraft makers may be behind the pessimism some express over the prospects of lining up new L–1011 orders. The much traveled Miller says he will visit all the airlines this summer to assure them of Lockheed's viability if the rescue deal goes through. He is sure the orders are there.

"All of Lockheed's troubles are bound up in the L–1011, which tied up cash and required too much debt and interest," says Miller. "But once that's on a sound operating platform, you'll see the strength of one of the world's great technology companies. We figure we have a very attractive deal when we can let Textron's shareholders share in Lockheed's progress for years to come for only $60-million."

Organizing it. Miller does not intend to merge Textron with Lockheed. That, he says, would destroy the advantages of the "alliance," as he calls the proposed relationship of the two companies. Nor does he anticipate assigning other Textron executives to the Burbank-based aerospace giant.

"This way we'll retain our independence at Textron without wrecking the balance that we now have with 100% control of our [34] diversified companies," he explains. Last fall Textron directors formally considered a Lockheed merger after talks between the two companies were set up by their mutual auditors, Arthur Young & Co. That proposal was voted down by Textron directors, Miller says, but the investment "alliance" appealed to them.

Miller says that he insists on taking over as chairman and chief executive at Lockheed so that he can represent Textron's 45% interest. He intends to do this by managing Lockheed in the same tightly controlled, financially conservative way he has managed Textron since he became president at age 35 in 1960. He plans to spend most of the coming months in California.

"We're beautifully organized at Textron. They won't miss me," he declares, pointing out that he will now cancel a planned three-month sabbatical beginning in July. Textron's newly elected president, Joseph B. Collinson, will handle most of Miller's Textron duties while he is initially absorbed in Lockheed's affairs.

Putting it together. Miller was born in Oklahoma, grew up in Texas, went to school in California and Connecticut, and has traveled widely throughout the world on Textron business. But he has yet to visit Burbank. He knows Lockheed's chairman, Daniel J. Haughton, through Textron's aerospace interests at its Bell Helicopter Co. and Bell Aerospace Co. subsidiaries. But most of the negotiating on the Lockheed deal was done by telephone from Miller's Providence office, which overlooks Brown University, with Lazard Frères partner Felix G. Rohatyn serving as catalyst and middleman.

Rohatyn headed a team of his firm's partners who had been seeking a solution to Lockheed's problems since December. That was when a special committee of Lockheed's outside directors, headed by former New York Stock Exchange president Robert W. Haack, retained Lazard as a consultant. "Our task was to address ourselves to the financial problems of Lockheed through merger or some other means," Haack says. "The problems were so serious that I thought of my old problem solver at the Exchange, Felix Rohatyn, who headed up our surveillance committee of beleaguered member firms during the financial crisis of 1970–71."

Working closely with Haack, Rohatyn developed a scenario that called for persuading the banks to take a junior position on some of the debt, thereby reducing the cash drain in interest payments, which amount to nearly $90-million this year. At one time Rohatyn was talking in terms of a write-off of as much as $1-billion, but the auditors balked. He and Haack put a proposal from General Dynamics Corp. to the banks in late February. General Dynamics Chairman David S. Lewis wanted to build a financial fence around the L-1011 to insulate GD from the troubled aircraft. "He wanted to make the banks' situation contingent on the success of the L-1011, and they wouldn't buy that," Haack says.

With the General Dynamics deal rejected by the banks, Rohatyn turned to Miller at Textron. "Miller was willing to talk in terms of participating in the whole Lockheed situation, not just part of it," Rohatyn recalls.

Some observers describe the negotiations among Textron, Lockheed, Lazard, the British, the government, the banks, and the airlines as a business counterpart of the recent Middle East "shuttle" diplomacy of Secretary of State Henry A. Kissinger. Miller says he sees a parallel in the many groups of interests that had to be satisfied in both negotiations. But, he adds, once the banks and government agreed to their parts in the rescue, it became relatively smooth sailing. "As far as I know, we were the only company that was approached on this specific deal," he says. "To their credit, Lazard didn't try to 'shop it around.'"

Rohatyn confirms this, noting that although he held his first talks with Miller in February, while the General Dynamics deal was very much alive, "We kept all parties informed of what was going on at all times." He adds that tentative discussions were also held with Rockwell International Corp.

Miller points out that Textron can simply walk away from the Lockheed deal if all the conditions are not met. But that is not what he is counting on as he lauds the deal as good for Lockheed, good for the nation, good for the private sector, and "very good indeed for Textron shareholders."

PART "B" OF ESEA TITLE I

Mr. DOMINICK. Mr. President, the House and Senate are currently in conference on H.R. 69, the Education Amendments of 1974. For the information of my colleagues, I would like to offer a table showing the State allocations, as proposed by the Senate amendment to H.R. 69, for the special incentive grants program of title I of the Elementary and Secondary Education Act—the so-called part "B" program of title I. The House bill would eliminate all of part B.

The special incentive grants program is designed to provide an incentive to those States whose citizens carry a larger burden than the national average in taxing themselves in order to finance their elementary and secondary schools.

Due to increases in the costs of living and the costs of education, the Senate has proposed to update part B by allowing for an increase in the amount available to eligible States. Under the proposed Senate language, the part B program would be extended through fiscal year 1978 under the same conditions and limitations of existing law with the following additions:

First, the aggregate amount from title I funds to which the States are entitled under the computation of $1 per eligible title I student shall not exceed $50 million for any fiscal year; and

Second, a separate amount, not to exceed $25 million for any fiscal year, is authorized for the purpose of computing an additional $0.50 payable to the States for each eligible title I student.

Mr. President, the following table indicates the State allocations for part B which would have been received if the part B program were funded at the projected appropriation level, allowing for the ratable reduction applied to title I moneys.

I ask unanimous consent to have the table printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

TOTAL ESTIMATED PART B GRANTS INCLUDING (A) GRANTS BASED ON $1 PAYMENT RATE AND RATABLY REDUCED TO $39,000,000 OUT OF TITLE I APPROPRIATIONS AND (B) GRANTS BASED ON $0.50 PAYMENT RATE WITH SEPARATE AUTHORIZATION OF $25,000,000 USED AS APPROPRIATION LEVEL—NO STATE TO RECEIVE MORE THAN 15 PERCENT OF EITHER GRANT WHICH IS THE SAME AS NO MORE THAN 15 PERCENT OF TOTAL PART B GRANTS

State	1st allocation (Col. A)	Separate allocation (Col. B)	Total
Alaska	1,082,307	689,948	1,772,255
California	248,163	158,199	406,362
Colorado	87,129	55,543	142,672
Connecticut	443,438	282,683	726,121
Delaware	105,185	67,053	172,238
Indiana	279,778	178,352	458,130
Iowa	1,726,673	1,100,717	2,827,390
Louisiana	3,535,362	2,253,716	5,789,078
Maine	844,582	538,403	1,382,985
Maryland	577,376	368,065	945,441
Michigan	5,882,555	3,750,000	[1]9,632,555
Minnesota	5,429,275	3,461,044	8,890,319
Montana	708,208	451,467	1,159,675
New Jersey	1,804,224	1,150,153	2,954,377
New Mexico	942,589	600,880	1,534,469
New York	5,882,555	3,750,000	[1]9,632,555
Oregon	1,400,705	892,919	2,293,624
Pennsylvania	1,030,620	656,998	1,687,618
South Dakota	314,248	200,327	514,575
Utah	419,235	267,254	686,489
Vermont	890,545	567,703	1,458,248
Washington	1,656,784	1,056,164	2,712,948
West Virginia	187,041	119,234	306,275
Wisconsin	3,296,550	2,101,478	5,398,028
Wyoming	441,880	281,689	723,569
Total	39,217,007	24,999,989	64,216,996

[1] Denotes those States which are at 15 percent of available grants.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the unfinished business, H.R. 14832, which the clerk will state by title.

The assistant legislative clerk read the bill by title, as follows:

> A bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

The Senate resumed the consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum, without prejudicing the rights of the Senator from Alabama.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the Senator from Alabama is to be recognized. Will the Senator then yield to me?

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, I have no objection to yielding to the distinguished assistant majority leader provided I do not lose my right to the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, what is the pending question before the Senate?

The ACTING PRESIDENT pro tempore. The pending question is on agreeing to the amendment of the Senator from Alabama.

Mr. ROBERT C. BYRD. On yesterday, the distinguished Senator from Alabama made a motion, which appears on page 19486 of the CONGRESSIONAL RECORD, as follows:

> I move that the bill and the pending amendment be postponed until the next legislative day.

Mr. President, that motion, in my opinion, became moot with the adjournment of the Senate on yesterday, the purpose of the motion being to lay the matter over until the next legislative day, which would have been today. If the Senate had recessed last evening, of course, the question in my opinion would still be pending before the Senate, but in view of the adjournment, the purpose of the motion has been accomplished.

I have discussed this matter with the distinguished Senator from Alabama and he, of course, will speak for himself, but I believe that he agrees with me that this is the case.

Such motions have been made from time to time in the past, and no challenge has been raised, as I understand it. Hence, there has never been a ruling of the Chair on this point. I feel, from the standpoint of being a member of the leadership, that it is desirable to have such a ruling from the Chair, for this reason: I feel that if a Senator makes a motion to postpone to a definite date, say the 20th of June, then that motion would continue in a pending status with daily adjournments of the Senate until the 20th of June, if it were not agreed to in the meantime. But if such a motion is for postponement only until the next legislative day, then for it to continue in effect, I think, gives it valid life that should not continue to attach to it. I believe that any Senator should be required to again obtain recognition time on the next legislative day and make his motion anew, if he wishes to make such a motion.

I am not raising this question because of Senator ALLEN in this instance, and he understands that, but were it any Senator I would raise the question, because I think it is time that it ought to be raised and settled. Of course, as the Senator from Alabama knows, if he wishes to make another similar motion he can do it as soon as the Chair has stated its opinion.

I ask unanimous consent, Mr. President, that the Senator from Alabama and I be permitted to discuss this matter for no more than 10 minutes at the most, 8 minutes of the time to be under his control, because I have already taken a good bit of time, and that he then be recognized again, and if he wishes to renew his motion he can do it at that time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, I thank the distinguished acting majority leader.

There is no point in controversy as far as the Senator from Alabama is concerned. At the time I made the motion that the bill and the pending amendment be postponed to the next legislative day, no decision had been made, and if one had been made it could have been changed at any time, as to whether the Senate was going to adjourn at the close of business yesterday, or recess.

As the distinguished Senator has said, if the Senate had recessed at the close of business yesterday, we would still be in the same legislative day, and obviously the motion of the Senator from Alabama would still be alive and the pending question before the Senate. But we did adjourn yesterday evening, and that did make the motion moot. I agree with the contention and statement of the distinguished acting majority leader in this regard that the motion is dead, that it is not now pending before the Senate, and that the pending question is on agreeing to the amendment of the Senator from Alabama, on which he would like to speak at the proper time in accordance with the unanimous-consent agreement of yesterday.

So I agree entirely with the distinguished acting majority leader.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. I thank the distinguished Senator from Alabama. This question has never been raised, as I understand it. Such a motion has been made in a recent instance by the Senator from Wisconsin (Mr. PROXMIRE), I believe, in connection with the debate on the SST, and there was no challenge when such a motion went over, and no ruling from the Chair.

While the Senator and I are in agreement on this matter, I would like—if the Senator will allow sufficient time—for the Chair to rule as to whether, in the opinion of the Chair, a motion to postpone to the next legislative day dies with adjournment, so that there will be a precedent by which we can be guided in the future.

Mr. ALLEN. I thank the distinguished Senator. I have no objection. I believe, however—and I have consulted with the Parliamentarian on this question—that the matter of the motion by the distinguished Senator from Wisconsin (Mr. PROXMIRE) was somewhat different and would not be a case in point, because he renewed his motion each day. I do not believe there is any parallel there.

Mr. ROBERT C. BYRD. I see. Very well.

Mr. ALLEN. I have no objection to a ruling from the Chair on this question.

Mr. ROBERT C. BYRD. I thank the Senator.

The ACTING PRESIDENT pro tempore. Does the Senator now ask for the ruling?

Mr. ROBERT C. BYRD. Yes, I do.

The ACTING PRESIDENT pro tempore (Mr. HUGHES). The motion made yesterday by the Senator from Alabama (Mr. ALLEN) to postpone further consideration of the pending bill, H.R. 14832, and the pending amendment thereto, until the next legislative day was the pending question when the Senate adjourned last night. But having adjourned last night, the Senate is now in a new legislative day. Had that motion been to postpone until June 18, instead of until a new legislative day, that motion would now be a moot question. Reasoning on the same basis, it would appear that the motion made yesterday to postpone further consideration of the bill and amendment until the next legislative day, if it were in order in the first instance, would now also be a moot question, or otherwise it could not have been considered in compliance with rule XXII, which makes it in order to make a motion "to postpone until a day certain." If the Senate had recessed last night, instead of adjourning, the Senate would not be in a new legislative day, so there would be reason to assume that the motion would still be alive. Consequently, the Chair holds that the motion in question is now moot and would have to be renewed.

Mr. ALLEN. I thank the Chair, and I thank the Senator from West Virginia.

Mr. NELSON. Mr. President, will the Senator now yield for the purpose of a unanimous-consent request?

Mr. ALLEN. Yes, if I may do so without the resumption of my remarks being considered a second speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. NELSON. Mr. President, I ask unanimous consent that Mr. James Verdier be accorded the privilege of the floor during the debate on the pending debt limit bill.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR.). Without objection, it is so ordered.

Mr. ALLEN. Mr. President, we have continuing before us at this time the consideration of H.R. 14832 as the unfinished business. The pending question, of course, is on agreeing to an amendment by the Senator from Alabama, which I shall discuss momentarily. This bill has to do with the debt limit of the National Government. It has no reference whatsoever to taxation. Tax legislation is generally and traditionally embraced in what is called a revenue bill. It would seem to the Senator from Alabama that any changes in the tax laws should be embraced in revenue bills or a revenue bill originating as required by the Constitution in the House of Representatives. It was never contemplated, in the judgment of the Senator from Alabama, that the Senate should pounce on a bill coming from the House of Representatives and add nongermane tax legislation thereto. It was contemplated, Mr. President, that the Senate would have the right to offer and adopt amendments to revenue bills but not to originate them to amend revenue bills as to the specific provisions of revenue bills coming over from the House.

This is no revenue bill. This is a 12-line bill dealing with the national debt. Our national debt limit right now is $475.7 billion. That is a staggering sum, and I am sure none of us have any conception of what that amount of money is—$475.7 billion. That is the limitation. I understand from figures furnished by the Treasury Department that we are within a couple billion dollars or so of having reached that limitation.

Now the national debt is divided into two portions or two divisions. The permanent debt of $400 billion—and we never do legislate with respect to that. That is there. It is frozen. We pay, I dare say, $23 billion or $24 billion each year on it in interest, and that limitation remains intact. It goes on year after year. Then they have what they call the temporary debt limit and that temporary debt limit is, right now, as I have stated, in effect, $75.7 billion.

I might say that I am ready to vote on the bill right now. I am not arguing against the bill. I am ready to vote right now and order the bill to a third reading and vote on it. So my remarks are not directed against the bill. Let us vote any time on the bill. So we need not worry about the debt limit authorizations expiring and the Senator from Alabama's preventing action on the bill. He is ready at any time to vote on the bill and I hope that somewhere along the line we will come to a vote on it.

I might state, Mr. President, that the effort that is being made in connection with this bill, from those who do not feel that tax legislation should be added to it, that this action on the part of those Senators will, in the judgment of the Senator from Alabama, lessen the amount of time that is expended with respect to the bill, because I do not believe that the leadership on both sides of the aisle is going to be willing to see Senators who seek to load down the bill with tax legislation and continue to hold this bill hostage while they make speeches here on the floor of the Senate talking about the great need for their amendments. I do not believe that will take place. I believe that sometime before many days have elapsed a halt will be called to this charade on their part of insisting that they be allowed to tack tax measures on a bill that is not a tax bill.

Let us consider some of the bills in the past which have been before the Senate having to do with taxation.

Mr. NELSON. Mr. President, will the Senator from Alabama yield for a question?

Mr. ALLEN. I am happy to yield to the Senator from Wisconsin.

Mr. NELSON. Do I understand correctly from the Senator's comments that if there were before us a revenue measure of some kind, the Senator would permit amendments to it and let them come to a rollcall vote after reasonable discussion?

Mr. ALLEN. This Senator has no authority or any right to prevent amendments. This Senator certainly does not have in mind speaking at length on revenue measures coming from the House having been considered by the Ways and Means Committee of the House, passed by the House, considered by the Senate, and a recommendation having been made by the Senate in a revenue measure. The Senator from Alabama would not speak at length on any such measure. He is hopeful that such a bill will come forward. The Senator from Alabama believes that if such a bill does come from those committees, it will be a bill that will balance the reductions with the increases, and with the closing of loopholes, and that it will be something that the committee with its knowledge and expertise would recommend to the Senate.

The Senator from Alabama would not have any idea whatsoever of speaking at length on any such measure. But he does object to a measure coming over from the House of Representatives in a simple form like the pending bill, to accomplish a necessary function, and then being pounced on by Senators to seek to add these measures to a bill that must be passed and must be approved, and so force the President to sign ill-advised legislation. He feels that that is not the proper way to run the legislative system, because it is not the system which has been set up, and it deprives the House and Senate of the expertise of the Ways and Means Committee. It deprives the Senate of the expertise of the Finance Committee. These committees, I assume, are carrying on continuous studies of the necessity for tax reform.

That is a far cry from "throwing" a bill into the Senate and allowing Senators to offer any sort of amendment they wish, and having each Senator vying with his colleagues in offering the best tax reduction measure that can be conceived, with no concern about the loss to the Treasury, no concern about the effect of various amendments on the existing tax laws.

In answer to the question by the Senator from Wisconsin, if a real revenue measure were before the Senate, it would remove many of the objections of the Senator from Alabama to this approach.

Mr. NELSON. Mr. President, will the Senator yield further?

Mr. ALLEN. Yes, for a question.

Mr. NELSON. Just for the clarification and guidance of Senators who are proponents of a tax cut as well as proponents of amendments to raise additional revenues in various ways—for the guidance of those who are proponents of that concept—I should like to have the RECORD clear on this point.

The amendments, as I understand, were offered to this bill by the proponents because they think the chances for their adoption would be better if the amendments were attached to an important bill such as this which the President would be likely to sign, rather than if they were attached to another bill. That was the tactical reason for doing what is being proposed.

I think everybody understands. Some Senators would rather do, or just as soon do, as the Senator suggests—attach these revenue measures and tax-cut measures to some revenue bill.

Mr. ALLEN. The Senator from Wisconsin has misunderstood the Senator from Alabama. The Senator from Alabama is not talking about jumping on a little bill such as H.R. 8217, which has to do with duty on ships, or something of that sort. He is not talking about that.

He is talking about a general revenue measure which purports to be the solution of some of the tax inequities which have been considered by the House of Representatives and the House Ways and Means Committee and have been considered by the Senate Finance Committee.

He is not talking about a tax on jute, which I believe is one vehicle that was employed in the Senate at one time. He is talking about a bill on which the Ways and Means Committee of the House and the Finance Committee of the Senate say, "Here is a bill that will cure some of the inequities in our tax system. It will close loopholes. It will reduce taxes in an amount that will not add fuel to the fires of inflation. It is a tax bill that is in the best interests of the country."

That is the type of tax bill the Senator from Alabama is talking about. He is not talking about getting amendments onto H.R. 8217, if that is what the Senator has in mind.

Mr. NELSON. Mr. President, will the Senator yield further for a question?

Mr. ALLEN. I yield.

Mr. NELSON. That is precisely the question I wanted answered.

Mr. ALLEN. I am glad the Senator clarified his intention, because that is not what the Senator from Alabama is talking about.

Mr. NELSON. I understand what the Senator is saying. Just to be certain about it, there is no reason, then, for the proponents of amendments to raise revenues or amendments to reduce taxes to attempt to offer them amendments to any small revenue bill such as the Senator discussed, because there will be, as the Senator euphemistically calls it, extended debate if they come to the floor of the Senate in that fashion.

Mr. ALLEN. I did not say that; the Senator is saying that. I will decide that when the bill is before the Senate. I have no advice to give Senators who are so inclined.

Mr. NELSON. But I understood the Senator to say that he would be opposed to any bill unless it had come from the Ways and Means Committee, unless it had been a proposal for tax reductions balanced with proposals for raising additional taxes, and unless it had come over to the Senate, been considered by the Finance Committee and then had come to the floor of the Senate.

Mr. ALLEN. No, I believe the Senator misunderstood the Senator from Alabama. What the Senator from Alabama said was that such a measure would certainly not be discussed extensively by the Senator from Alabama, a measure that met those qualifications.

Mr. NELSON. I understand what the Senator said. But the Senator does say that, if it is a small revenue measure of some kind that comes from the Ways and Means Committee goes to the Finance Committee, and then to the floor of the Senate, and, if these types of amendments are offered here, although they have not been approved by the Ways and Means Committee or the Finance Committee, then, when those amendments are called up, the Senator would engage in extended——

Mr. ALLEN. No, the Senator from Alabama did not say that. He said he would not discuss the other type of bill at length, but he did not make any statement with respect to the bill to which the Senator now has reference.

Mr. NELSON. That is what I would like clarified. Is the Senator prepared to say that if a revenue measure of the kind mentioned by the Senator, a small tax on jute or something else, came to the floor of the Senate, and these amendments were offered, he would discuss them at length—as we say here, extensively, or in what some people call a filibuster, but what others would rather call an extended debate?

Mr. ALLEN. That is a moot question. It is too hypothetical. We do not know whether we will ever be confronted with such a bill. I do not want to commit myself to an activity that may be way down the line or may be in the next session of Congress. I do not know what the circumstances might be.

Mr. NELSON. There is a bill, which the Senator mentioned, to which these amendments could be offered. I am trying to see whether we can get the Senate to proceed to act on its business and dispose of it. If the Senator is going to discuss at length any revenue measure that comes before the Senate on which are offered amendments of the kind pending, then there is hardly any point in pulling down these amendments and waiting for a revenue bill. I am trying to clarify the situation so that every Senator will know.

Mr. ALLEN. The Senator has not given thought to that.

Mr. NELSON. Would the Senator give some thought to it?

Mr. ALLEN. Yes, I will take it under consideration.

Mr. NELSON. When might the Senator give us an answer to that question?

Mr. ALLEN. I would say that sometime before the close of this Congress I would be able to reach a decision on that matter.

Mr. NELSON. Sometime before the close of this Congress?

Mr. ALLEN. Yes.

Mr. NELSON. I think I understand what the Senator's position is. I had hoped that the Senator would say we would get a chance to vote on these bills. We voted on the depletion allowance, minimum tax, ADR, and a whole series of amendments such as are before the Senate now, at least a half dozen times on previous occasions.

It seems to me that the business of the Senate would be expedited if we could just have a vote on them. Every Senator knows what is in the amendments.

Mr. ALLEN. Why does the House not, having in mind all of the votes that have been taken on this legislation, come up with a tax package and send it over to us?

Mr. NELSON. I think we should address that to the chairman of the Ways and Means Committee, but that should not prevent the Senate from suggesting amendments to revenue measures and having a vote on them. That has been traditional here for many, many years.

Speaking for myself, I would be perfectly willing, on the amendments that I have submitted, to agree to a limitation of 1 hour on each one of them and vote them all up or down.

Mr. ALLEN. The Senator from Alabama would certainly agree to that provided it is stipulated that the amendment shall be germane to the bill.

Mr. NELSON. I am assuming that if it were a revenue measure of any kind that came from the House, it would be germane. I suppose the Senator would agree to that?

Mr. ALLEN. No, sir; the Senator would not agree to that, and that is not the case.

Mr. NELSON. The Senator does not think that if there is a revenue measure of some kind that came from the House, one which would add another amendment to raise some revenue from some different source, it is not germane?

Mr. ALLEN. No; I think the Senator will find, if he will make inquiry or do some research on it, that the House bill amends the income tax. That would not authorize an amendment in the Senate to that bill changing the estate tax; it would have to be germane to what the House did. I believe the Senator will find that, if he will check into it.

Mr. NELSON. I think I understand the Senator's position respecting this matter.

Mr. ALLEN. I will say this to the Senator. The Senator from Alabama looks with much less favor on what the Senator is talking about, putting it on an innocuous measure like the duty on ships, provided by H.R. 8217, than on this "must" legislation.

That is one of the features of the effort being made that the Senator from Alabama disagrees with: that a bill that has to pass is held hostage, it is laid on the President's desk, and he has to take it to keep the Government running. He might be much more inclined to sign such a bill than he would the one on the duty on ships. But the Senator is making no commitment in that connection.

Mr. NELSON. The Senator would not be prepared to say at this time that if a bill were before us, such as a revenue bill—What is the number?

Mr. ALLEN. I believe it is H.R. 8217.

Mr. NELSON. H.R. 8217. If a bill such as that were before us, is or is not the Senator prepared to say that he would be willing to reach a unanimous-consent agreement on a time limitation on the various amendments?

Mr. ALLEN. The Senator is not stating that, but I think there is more to be said for that position—tacking it onto a bill that makes very little difference—than tacking it onto a bill that must be enacted by a certain time. But as I said, we have to take that under study.

Mr. NELSON. Then, the Senator would not be prepared to say right now that he would agree to a time limitation on these amendments so that we could vote on them?

Mr. ALLEN. No, sir, not at this time, but possibly at a later time. Are those all the questions?

Mr. NELSON. That is all the Senator from Wisconsin has for the moment.

Mr. ALLEN. I thank the distinguished Senator.

I appreciate the questions that he has brought out, because I believe they illustrate the position of the Senator from Alabama possibly better than he has been able to point out in his own behalf.

Mr. President, the danger of the procedure that is being suggested by the distinguished Senator from Wisconsin (Mr. NELSON) is that if the floodgates are opened to the consideration of any amendments, we are going to have those amendments under consideration for the next 10 or 14 days. I am talking about the legislation days, not calendar days, and I did not simply pull those figures out of the air.

We have the record of the experience of the Senate on similar legislation in the past. In fact, in the 91st Congress, H.R. 13270, income tax reform, was the type of measure that the Senator from Alabama is talking about. It came over from the House and was before the Senate. We had the expertise and the recommendations of the Ways and Means Committee in the House and the Senate Finance Committee in the Senate. Surely, that should have been considered on the floor of the Senate, and we feel that these committees, having the best brains in Congress in the field of taxation, would have considered the effect of that legislation on the economy of this country, on the effect it might have on accelerating inflation, on the effect that it might have on the deterioration of the wage earner's earnings. Having considered the effect that that legislation would have on remaining statutes, we could then consider that type of bill. Certainly, there would be no occasion for an extended debate.

But an effort is being made to open up the floodgates to any sort of amendment, and on H.R. 13270, which the Senate debated from November 21, 1969, to December 11, 1969, 14 legislative days, there were 160 printed amendments to that bill. The committee had amendments adopted en bloc; 75 of them were adopted in the Senate; 75 amendments were offered and adopted on the floor of the Senate; 38 were rejected. That shows the vast number of amendments that we can look forward to if this bill is opened up to amendments of every sort.

Mr. President, it is much easier to offer an amendment to cut somebody's taxes. I assume that everybody is in favor of cutting taxes. I would like to see taxes cut. I assume 100 Members of the Senate would like to see taxes cut. It is a lot easier to cut taxes than it is to tax somebody.

So we can be assured, Mr. President, that the vast majority of the 150 or 160 amendments that we might look forward to are tax-cutting amendments.

The amendment of the distinguished Senator from Massachusetts—and they talk about a great tax reform—that is being proposed by that amendment, does what? The tax reform in the way of tax-cutting increases the personal exemption from $750 to $825, or in the alternative, a tax credit of $190 per exemption. Well, Mr. President, is the tax on $75 added exemption any great tax reform? It is made to look like a great bonanza to the taxpayer.

If the taxpayer were in the 25-percent bracket, that would be around a $19 tax saving per exemption. So if there were a family of three, say, there would be a tax saving of some $57 a year. That is fine. We would like to have everybody get that. But that is just a little over a dollar a week, and the impact of a $6 billion loss to the Treasury, which is what it would cost, will cause his cost of living to go up a whole lot more than a dollar a week. So, for the very people who Senators say would benefit by their amendment—and that is just a start; that is just 1 out of 160; but that is the great reform amendment that they have—the cost of living would go up a whole lot more than a dollar a week as a result of adding that fuel to the fires of inflation. If I did not think so, I would not be making this argument. The very people whom they say they are trying to help would not be helped, in the opinion of the Senator from Alabama.

I, among many Members of the Senate, I imagine, had the pleasure of seeing on Sunday the able and distinguished Senator from Louisiana (Mr. LONG), the chairman of the Finance Committee on "Meet the Press." I thought he made an outstanding appearance, an outstanding contribution to this discussion. Yesterday I placed in the RECORD a copy of the transcript of his appearance. But the question was asked, "Well, if these amendments are added, will the bill pass the House?" The distinguished Senator, who is one of the ablest Members of the Senate, and certainly one of the Nation's foremost authorities in the field of taxation, said he thought there was doubt about whether the bill would pass the House, but that it could pass the Senate; but if it did pass Congress, it would, in his judgment, be vetoed by the President. "Well," they asked, "could the veto be overridden?" He answered, "No, no; he did not think so."

Mr. President, if the bill is heading down a dead end street, as stated, in effect, by the distinguished Senator from Louisiana, what is the use of having the Senate spending 10 to 14 legislative days on this measure?

We hear a whole lot to the effect that Congress ought to clear the decks. The House ought to clear the deck. The Senate ought to clear the deck. Important matters are coming before the Senate. We ought to prepare for any contingency. We have 13 appropriation bills that have got to be passed. The new fiscal year starts July 1, at the same time as the expiration of the debt authorization. I understand that none of those bills are out of the Senate committee. I think possibly two are in the committee; one is being marked up. Long before we can act on 160 amendments, we will have appropriation bills before us.

Let us just give it up as an unfortunate try, I say to the distinguished Senator from Minnesota. Let us give it up as a nice bid. We have shown how strong we are for tax reform. We put in the amendment. We talked about it on the floor of the Senate. We wanted to add $75 to the personal exemption. This great reform measure is going to add $75 to each person's exemption. We made that great effort, but those fellows in the Senate would not let us act on it. We tried.

Let us pass on to something else, Mr. President. I do not believe this effort is going to succeed.

Mr. FANNIN. Mr. President, will the Senator yield for a question?

Mr. ALLEN. I am delighted to yield for a question.

Mr. FANNIN. First of all, I commend the distinguished Senator from Alabama for wanting to proceed in an orderly manner. I feel that what he is doing is tremendously beneficial not only to the people of our country but to all the free nations of the world, because we do have some serious problems. I think the Senator agrees that not only is the United States affected by what is being done here, but that other countries in the world certainly are affected if we have inflation. The goal of the distinguished Senator from Alabama is to do everything in his power to see that we do not have further inflation. Is that correct?

Mr. ALLEN. That is correct.

Mr. FANNIN. I should like to refer to what is happening in some other countries of the world and get the Senator's thoughts or answers to the question. The Organization for Economic Cooperation Development, composed of 24 leading nations of the world, at a meeting just 3 weeks ago, which it was my privilege to attend, considered the No. 1 problem, worldwide, to be inflation. They felt that the No. 2 problem was the balance of trade problem, which was certainly affected by what the OPEC countries had done in tripling the price of oil. The No. 3 problem was what the smaller countries, the emerging countries, the underdeveloped countries of the world, would be able to do about the problem of inflation and the problem of the increased price of oil.

Does not the Senator agree that all this is going to be affected by what is done as far as this legislation is concerned? In one amendment Senators talk about decreasing the amount of taxes by $5.9 billion—that is just one amendment—without any assurance, because they cannot give assurance, that they are going to be able to raise revenues from other sources. I should like to ask about those other sources.

Does the Senator believe that if this $5.9 billion figure cut in revenues is brought about by raising the exemption from $750 to $820, there is no assurance that we are going to be able to recapture that money by some of the other amendments that are being talked about?

Mr. ALLEN. Certainly not. None of the proponents talk a whole lot about cutting Federal expenditures. They are not taking that approach, either.

I certainly agree with the distinguished Senator from Arizona that it is important not only to our own Nation but to the peace of the world, and certainly the freedom of the entire free world, that America remains strong, that our economy remains strong, and that the dollar remains strong.

As the Senator knows, Federal revenues at this time are falling short of estimates for this fiscal year, and expenditures have increased. So the deficit is going to be larger than anticipated. To add another $6 billion to it would certainly add to the fires of inflation.

Mr. FANNIN. That $6 billion would not only threaten the dollar from the standpoint of America and our people, and especially, as the Senator has brought out very capably, it affects the low-income person. It is a great problem to him, because he does not have an increased income; he has a fixed income. So as the value of the dollar decreases, his purchasing power, of course, decreases proportionately. It is a great problem. But we are talking about other countries, emerging nations, all being affected. It is just the wrong action to take, and certainly the wrong time to have a decrease in our revenues.

This was, I think, brought out very capably in talking about the problems of the other countries. We referred to Germany, for instance, as having a good reserve balance. Still, what is that reserve balance? It is in dollars.

The former head of the Bundesbank, Dr. Blessing, who has now passed away, brought this matter very forcefully to the attention of the world monetary officials, those in the IMF, and the people who are involved in the world monetary program, when he said:

> The challenge of our time is putting an end to rapid inflation. If that problem is not solved both in the national and in the international spheres, I would take a very pessimistic view of the future of our free way of life.

He went on to say:

> It is a way in which the last 20 years have achieved an improvement in living standards which could never have been accomplished by any other economic systems. But this free way of life is increasingly menaced by rapid inflation. We already have price and wage controls and protectionism is at hand. It is the last chance for putting an end to inflation.

He went on to say:

> Don't let anyone tell me it is not possible, though, to do something about this. Stability is always possible if one has the courage to really want it.

I think the distinguished Senator from Alabama really has the courage to want to put it into fighting inflation, and I commend him for it.

Does he not feel that if we take each of these items individually on their own merits it would be far better than simply to consider them on the floor of the Senate and write the legislation here?

Mr. ALLEN. Yes, I certainly agree with the Senator. I believe we need the advice and expertise of the standing committees of the House and the Senate. We are deprived of their guidance by the procedure that is being followed. I think it is certainly not conducive to good legislation.

The distinguished Senator from Massachusetts (Mr. KENNEDY) yesterday was talking about the minimum tax under which we operate now. He says that instead of providing a minimum, it has created a loophole. But that provision was put in right on the floor. That shows the danger of legislating on the floor of the Senate.

Mr. FANNIN That is correct.

Mr. ALLEN. That shows the danger of legislating without any guidance by the committee.

Mr. FANNIN. I think the Senator will agree that that illustration has been utilized time and time again to show the policy of taking action on the floor precipitately and what can result from that.

As we both know, this happened to be disastrous to the particular individuals involved in offering that amendment on the floor because it was not understood, and it was very difficult to explain. But we were doing something in the Chamber hurriedly, without proper consultation. Does not the Senator agree that we could have disastrous results if we go forward with some of the legislation that is proposed?

Mr. ALLEN. I think there is no doubt about it. I think Senators would be more interested in adopting amendments on the floor that would cut revenue, that would give tax concessions to individuals and possibly others. I think each Senator would be inclined to try to outdo his colleagues. I think we would run into that type of situation.

I might say also that if the committees are not going to be able to act on these proposals, if they just turn the legislation loose on the floor for any amendments that any Senator might care to offer without any guidance whatsoever, what is the use of having committees? We might as well abolish the committees if they are not going to function.

Mr. FANNIN. I certainly agree with the distinguished Senator. We now have one item that we have heard a lot about; that we should do away with DISC, the Domestic International Sales Corporation. I would like to know more about it. We passed that legislation for one reason: That we thought it was beneficial. It was to keep more jobs in this country. I know the Senator is familiar with that. What it does is to give a company an opportunity to stay in this country and to help it, so far as exports are concerned.

If it has not worked out, we would like to have information about it. It is now being discussed in the Ways and Means Committee, and it will be discussed in the Ways and Means Committee, and it will be discussed in the Finance Committee.

Maybe we do want to make the changes; I do not know. But does not the Senator agree that we should determine what the results have been before we start taking some precipitate action?

Mr. ALLEN. Yes, I certainly agree that we ought to find out, and that is the committee function—to hold hearings; to have experts on the committee make studies. I assume the committee is studying tax laws all the time, finding deficiencies in them, and finding areas where reductions need to be made to aid the economy. But we do not have those recommendations before us.

If this type of legislation were to go to the committee and the committee understood that it was to be a revenue measure, then they could make recommendations and tell the Senate the effect that these amendments would have on the economy. But we are deprived of that expertise. I think it is dangerous to act on legislation when we do not have the proper advice and guidance.

Mr. FANNIN. Yes. We know that we are very much involved now in trying to increase our exports, in attempting to try to decrease our imbalance of payments. That is a great problem in this country, and it is what the Senator is talking about.

Does he not agree that we should look to other devices if we are going to cancel one and say, "This has not worked out the way we thought it would." Should we not be studying, and should not the committees be considering what can be done, either by amending that particular legislation or by substituting other legislation?

Mr. ALLEN. I certainly agree with that. That is the way the system is supposed to work.

Mr. FANNIN. Yes.

Mr. ALLEN. I am surprised that the able Senators who have been in the Senate for many years would go this route rather than to use the time-honored method of following the committee system. That is what puzzles the Senator from Alabama.

Mr. FANNIN. Yes; it is an orderly system. We have time remaining this year to give proper consideration to these different programs. Does not the Senator agree?

Mr. ALLEN. Yes.

Mr. FANNIN. That is what should be done.

We have a number of amendments—I do not know how many—but we probably will have additional ones. I think in this list, 24 amendments are going to be either discussed or considered.

Mr. ALLEN. I think that hardly starts the list.

Mr. FANNIN. It is just a start.

Mr. ALLEN. Twice that many have already been filed to H.R. 8217, and it is possible to leave them printed as to this bill.

The Senator also knows that amendments spawn amendments.

When one amendment is adopted that gives a Senator an idea that he needs to offer an amendment either in the same area or in another area, so that often there are floor amendments.

I might suggest that in the 92d Congress, on the Revenue Act of 1971, which took just 10 calendar days to pass, 150 amendments were printed as to that bill; 71 were adopted, of which 27 were floor amendments.

Somebody thought, "Gee, I believe I will put in an amendment to that," and wrote it right here in the Chamber.

Then 21 were rejected, of which 17 were floor amendments; 150 amendments might have come in with respect to that bill.

I have no doubt that there will be as many at this time as there were in the past because—and we might as well face it—this is an election year and many Senators may possibly have political considerations in mind; I do not know. But it is always popular to advocate lowering taxes, I assume, and to provide greater exemptions.

Senators talk about a great reform measure. But I do not feel that adding $75 to the exemption allowance is a great reform. I do not believe it is.

Mr. FANNIN. I would certainly agree. The Senator will agree that we have talked about some of these items to take just a few of them, they were placed in our legislative programs because of the benefits that we, as Members of Congress, thought would be beneficial.

The 7-percent investment credit has been considered off and on again over the years, and I think the Senator will agree that when we have made changes in it, we have sometimes done it hurriedly. At times we have had to come back and correct the mistakes at a great cost to our economy, mostly in jobs.

I think that what we must consider is what is going to happen as far as employment is concerned. Does the Senator feel that this is usually a No. 1 consideration?

Mr. ALLEN. Yes; I certainly agree that if we can create jobs through legislation, we ought to make every effort to do so, if it is not too costly to the Treasury.

Mr. FANNIN. The fellow who is out of a job does not worry about the income tax, because he is not going to have any income on which to pay taxes; he wishes he could have.

Mr. ALLEN. That is certainly true.

Mr. FANNIN. So the 7-percent investment credit would probably cost more than $100,000. I do not know how the $100,000 is arrived at. I would like to see some facts and have some testimony about just how it affects the investment credit. I personally have not had a report to convince me that that is the level at which changes can be made. Does the Senator from Alabama have any information in that regard?

Mr. ALLEN. No; none whatsoever. That again illustrates the lack of wisdom of proceeding on the course of having a bale of amendments dropped out for the Senate to consider and to act on, rather than to have the committees make a study, and then give the Senators the benefit of the studies they have made, the information they have gathered, and the recommendations that they may care to make.

Mr. FANNIN. I agree with the Senator. When we talk about the more rapid depreciation allowed under accelerated depreciation range, the ADR system, and when Senators come to the floor with suggested changes, it is a very complex matter to consider. Does not the Senator think that that should be handled in the committee, that we should have testimony from the people affected, that it should be considered both in the Ways and Means Committee and on the floor of the House of Representatives, and then come to the Senate with their recommendation, so that we will have something on which to make a decision?

Mr. ALLEN. That is true. It is not well understood by the average citizen.

Mr. FANNIN. No; I do not imagine that too many Members of the Senate understand the reasons for the way in which it is handled. The whole idea was that we would be able to make improvements that would result in our being able to be more competitive. Many of these amendments were to provide our industries with the incentive to improve their equipment and to be more competitive with the other countries of the world, because we know we have dropped behind. I think the Senator willl agree that the reports that have come to us are such that we should have great concern.

Mr. ALLEN. Yes, I certainly agree.

Mr. FANNIN. This is something that I think should have study. Maybe some changes ought to be made. I do not think the Senator is taking a position one way or another on what should be done on these different amendments, but certainly I think he is taking the correct position, which is that this is not the way to decide.

Mr. ALLEN. I certainly agree with the Senator. As I stated to the Senator from Wisconsin, if a genuine revenue bill, purporting to legislate the necessary provisions to revise and reform our tax structure, comes from the House of Representatives after having been considered by the Ways and Means Committee, comes to the Senate and is considered by the Finance Committee, and they make recommendations as to the legislation they recommend that the Senate enact, certainly there would be no extended discussion on the part of the Senator from Alabama as to legislation that has proceeded in that fashion. But instead of that, we have Senators pouncing on a piece of "must" legislation, holding it hostage with demands that a bunch of nongermane amendments be added to the "must" legislation.

Mr. FANNIN. I think the Senator realizes that it was never intended that legislation be handled on that basis. There should be an opportunity to move forward with such legislation.

The Senator has made a fair offer, saying that if the amendments are germane, that is another consideration.

Mr. ALLEN. Yes.

Mr. FANNIN. He certainly has not foreclosed the possibility of germane amendments at the right time, if they come long. But to say we are going to accept all of these amendments, or any number of them, would mean we would just start a flow of amendments that could result in a disastrous situation, so far as our economic position is concerned.

I am glad the Senator is taking this position. I think the position he has taken is justifiable.

Mr. ALLEN. I thank the distinguished Senator.

Mr. President, I shall get back to the bill and the amendments that are before us. I have digressed somewhat from my original words, because it seemed necessary to discuss these other matters and to have colloquy with the distinguished Senator from Wisconsin and the distinguished Senator from Arizona. But I was discussing the bill that is pending before the Senate at this time, the amendment of the Senator from Alabama being the pending question.

If we examine the 12 lines of this bill, it speaks of the temporary indebtedness being increased by $95 billion. That is pretty much scare language. As the bill reads:

> The public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) shall be temporarily increased by $95,000,000,000.

All it really is is a $19.3 billion increase. But they use that language, and in the next paragraph they repeal the provision of the present law that the temporary debt limit increase shall be $75.7 billion. The difference between the two is the $19.3 billion increase.

Mr. President, why is it necessary to come in every few months with a debt ceiling bill? I guess about the most accurate way to describe the debt ceiling bill is that it would be a temporary debt ceiling and authorization extension bill. It is just a little easier to call it a debt ceiling bill.

As I stated a little earlier, we have a permanent debt ceiling of $400 billion, which we do not legislate on; all we do is extend that from time to time, and pay even a higher interest rate. On the $400 billion permanent debt. I daresay the average interest rate is 6 percent or perhaps 5 percent, costing the Government $20 billion a year just to pay the interest on that $400 billion permanent debt. Of course, they pay more than that now; I am talking about the average. But say it is an average of 6 percent. That would be some $24 billion interest on the $400 billion permanent debt.

Then there is the temporary debt, the authorization for which is extended from time to time. The present extension expires with this month—$75.7 billion.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed the bill (S. 1803) to authorize the waiver of claims of the United States arising out of erroneous payments of pay and allowances to certain officers and employees of the legislative branch, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the bill (S. 3007) to authorize appropriations for the Indian Claims Commission for fiscal year 1975, with an amendment, in which it requested the concurrence of the Senate.

The message further announced that the House had passed the bill (S. 3458) to amend the Agriculture and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes, with amendments, in which it requested the concurrence of the Senate; that the House insisted upon its amendments to the bill; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Poage, Mr. Stubblefield, Mr. Foley, Mr. Wampler, and Mr. Goodling were appointed managers on the part of the House at the conference.

The message also announced that the House has passed a bill (H.R. 15296) to authorize the Commissioner of Education to carry out a program to assist persons from disadvantaged backgrounds to undertake training for the legal profession, in which it requested the concurrence of the Senate.

HOUSE BILL REFERRED

The bill (H.R. 15296) to authorize the Commissioner of Education to carry out a program to assist persons from disadvantaged backgrounds to undertake training for the legal profession, was read twice by its title and referred to the Committee on Labor and Public Welfare.

EXECUTIVE SESSION

The PRESIDING OFFICER (Mr. Harry F. Byrd, Jr.). Under the previous order, the hour of 12 noon having arrived, the Senate will go into executive session to consider the nomination of John C. Sawhill, of Maryland, to be Administrator of the Federal Energy Administration.

Mr. ALLEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Alabama will state it.

Mr. ALLEN. Mr. President, after the business in executive session has been concluded, the Senate will return to legislative session, and the Senator from Alabama will continue to have the floor; is that correct?

The PRESIDING OFFICER. The Senator from Alabama is correct.

Mr. ALLEN. I thank the Chair.

The PRESIDING OFFICER. The time for debate on the pending nomination is limited to 40 minutes, with 30 minutes to be under the control of the Senator from South Dakota (Mr. Abourezk), and 10 minutes to be under the control of the Senator from Pennsylvania (Mr. Hugh Scott); after which the Senate will return to legislative session.

The Senator from South Dakota (Mr. Abourezk) is now recognized.

Mr. ABOUREZK. Mr. President, as many of my Senators know, I am opposing President Nixon's nomination of Dr. John Sawhill as Administrator of the Federal Energy Administration. While Dr. Sawhill may indeed prove to be a capable Administrator, his policy positions precisely reflect those of the administration; and it has been the administration's policies on energy which have caused so much havoc with our Nation's economy. It is painfully obvious to millions of farmers, laborers, people on fixed incomes, and middle-income people, that the Nixon administration's idea of improving the Nation's economy is being imposed at their expense. The beneficiaries of the Nixon economic doctrine are primarily the Nation's largest oil companies.

At Dr. Sawhill's confirmation hearings, I had the opportunity to question him at length on his past and likely future performance. While for the most part he is candid and forthright, Dr. Sawhill's policy responses to questions were, in my opinion, less than adequate for a man who is going to be in charge of such a powerful agency.

During the first day of hearings. Senator Jackson released Cost of Living documents—which had been forced out of the Council by Ralph Nader—clearly demonstrating that the Council's decision to raise the price of old oil to $5.25 on December 19, 1973, was unjustified and arbitrary. According to the documents, old oilfields were already producing at maximum levels, and the bottleneck on domestic new production was not the price level, but a drilling equipment shortage. Yet, in spite of this evidence, Dr. Sawhill told the Interior Committee that he would not roll back crude oil prices, giving the people of this country the economic relief they very desperately need.

The administration has allowed the price of new oil—oil found and produced since September 1972—to rise to the "free" market level. Yet, Dr. Sawhill agreed that world oil prices are now set by the Organization of Petroleum Exporting Countries. Therefore, the so-called free market is really a fixed market. In spite of this fact, Dr. Sawhill insists that the price of domestic "new" oil ought to be tied to a price fixed by this cartel of oil producing countries. There is no question that this policy assures high profits for American oil companies and thus, as we have heard in recent days, encourages foreign nations to maintain, or even increase their prices.

There were a number of questions asked by the committee which Dr. Sawhill found great difficulty in answering. Dr. Sawhill stated, for example, that—

> The immediate effect of higher prices on crude production is confined to the effects achieved by holding marginal wells in production. While these effects will continue for a long time, they probably do not amount to more than 25,000 or 50,000 barrels a day.

In other words, the American people have to bear the cost of oil at $10.50 a barrel merely to get an additional 25,000 to 50,000 barrels a day in production. Yet, it was only last summer that the Stripper Well Association was asking for only 25 cents a barrel increase.

For the most part, Dr. Sawhill denied any responsibility with regard to conflict of interest problems concerning members of his own staff. According to a GAO report asked for by Congressman Vanik and provided to the Interior Committee, it is unlawful for "an officer or employee of the executive branch to participate personally and substantially as a Government officer or employee through decision approval or disapproval or recommendation of the rendering of advice, investigation, or otherwise in a judicial or other proceeding or other particular matter in which to his knowledge he has a financial interest."

The FEO employed a man named Robert Bowen, an employee of the Phllips Petroleum Co., as part of the administration's executive interchange program. Mr. Bowen's responsibilities, however, were concerned with the drafting of regulations for propane. The Phillips Oil Co. is the largest producer of propane in the country. According to the GAO report:

> A memorandum dated June 13, 1973, from Treasury's General Counsel to Deputy Secretary of the Treasury William Simon discussed conflict of interest considerations in the employment of Mr. Bowen. The memorandum noted that Mr. Bowen had a financial interest in Phillips by virtue of his participation in the Company's thrift and retirement plans and more importantly, by virtue of his continuing employment with the Company. The memorandum also notes it is necessary to recognize that Phillips has a financial interest in the activities of the Office of the Energy Advisor.

On April 4, Congressman VANIK wrote to the GAO to ask for an investigation of conflict-of-interest problems in the FEO. On April 24, Dr. Sawhill was sent a memorandum from his general counsel, William Walker, indicating that there were serious conflict-of-interest problems with respect to Mr. Robert Bowen. Walker wrote:

> From the materials developed to date, I do not believe that the potential conflict problem has been resolved in this case. I, therefore, recommend that immediate consideration be given to such further action as may be necessary to resolve the matter.

Dr. Sawhill in a letter to Congressman VANIK felt that his decision to reassign Mr. Bowen to the Treasury Department "did not represent a finding on my part that a conflict-of-interest situation existed in Mr. Bowen's case. It merely reflected my belief that on balance—in view of the questions that had been raised—Mr. Bowen's reassignment was in both his and FEO's best interest."

In his confirmation hearings, Mr. Sawhill conveniently avoided taking responsibility for Mr. Bowen's work at the FEO. The following dialog between Mr. Sawhill and myself reveals this quite clearly:

> Senator ABOUREZK. Would it have been possible in the term that Mr. Bowen served in the Federal Energy Office for him to provide technical advice to the extent that his company might have benefited from the advice he gave?
>
> Mr. SAWHILL. I am not familiar with Mr. Bowen's technical advice because he never directly provided me any technical advice. He provided it to people who were working for me, and they assured me he was not providing technical advice that would have been of particular benefit to his company and he disqualified himself. It is my understanding from certain decisions that he was concerned about the very problem that you are bringing up.
>
> Senator ABOUREZK. In other words, the question of disqualification was apparently left to him?
>
> Dr. SAWHILL. He had notified his superiors of those areas, or those subjects that he did not feel would be appropriate for him to even make technical advice.
>
> Senator ABOUREZK. What I am getting at is when a technical advisor, as you have categorized Mr. Bowen, provides technical advice, that technical advice is used as a basis for decision for policy makers?
>
> Dr. SAWHILL. Yes, that is true.
>
> Senator ABOUREZK. Isn't it fair then, when you have a conflict on its face such as the Bowen case, that there is really not much discussion about it, it ought to be ruled completely out of order?
>
> Dr. SAWHILL. The only thing I can say to you is when I became Administrator this was brought to my attention. It so happened we were reorganizing the department anyway. And we determined that Mr. Bowen should return to the Treasury, and so the issue of conflict and Mr. Bowen never really surfaced when I was Administrator.
>
> It seems to me we took every action we could to try to avoid any conflict of interest.
>
> Senator ABOUREZK. Except—I am not saying you—except the Federal Energy Office did not let him go. You took every action but you kept him on.

It is obvious that Dr. Sawhill conceded that he felt there was no conflict of interest in his letter to Congressman VANIK. He resolved his dilemma by sending Mr. Bowen back to the Treasury Department. The conflict-of-interest problem was carefully laid aside, for reasons that have as yet not been explained.

Dr. Sawhill further raised doubts concerning his attitude to protect the Nation's energy consumers with respect to his agency's authority over propane. In spite of mandatory language in the Federal Energy Administration Act requiring the Administrator to roll back propane prices to May 15, 1973, levels, Dr. Sawhill has interpreted this language to be discretionary. His position is that he will not roll prices of propane back to the May 15, 1973, levels.

On June 17, the Wall Street Journal reported additional problems of conflict of interest in the Federal Energy Office. This article concerned one consultant primarily, a Mr. Russell J. Cameron, who is chairman and part-owner of Cameron Engineers, Inc., a company whose clients are among the major energy companies in the United States.

According to the Journal story:

> Although he denies any wrongdoing or conflict of interest, Mr. Cameron has helped the FEO to exert pressure on other government agencies to speed action on his clients' lagging energy projects. The companies involved are Shell Oil Co., Atlantic Richfield Col, El Paso Natural Gas Co., Pacific Lighting Corp., Sun Oil Co., and Ashland Oil, Inc.

Further on, the report states:

> Officials of the Energy Office, for their part, aren't talking about the possibility of a conflict of interest, Mr. Sawhill declines to answer a Cameron claim that he knew some of the companies whose projects might be expedited were Cameron Engineers clients.

Dr. Sawhill even went so far as to write a memorandum to top FEO officials which included a statement prepared by Acting Assistant Administrator Robert Schatz "with whom consultant Cameron has worked. It suggested the Energy Office 'assist' companies with coal-gasification projects before the FPC to 'obtain Federal decisions on applications.'" Most of the companies involved happened to be Cameron clients.

Dr. Sawhill took recommendations from Mr. Cameron regarding a March 14 FEO report entitled "Project Independence Management Plan" which dealt with "action" projects in greater detail than the March 4 memorandum. This report was delivered "personally" by Dr. Sawhill to Interior Secretary Rogers Morton and "was discussed at a White House meeting in mid-March by the Cabinet-level energy policy group."

While Dr. Sawhill is allowing Mr. Cameron to advise him on Federal policy regarding oil shale development, coal gasification, and so forth, Mr. Cameron continues to hold a financial interest in companies involved in these specific areas. Cameron engineers, jointly with Marathon Oil Co., owns Mintech Corp., which "is considering building a coal gasification plant of its own."

"Moreover, Mr. Cameron, through Mintech, has a financial interest in oil shale properties near the Interior Department's valuable first shale-lease site in western Colorado—which is known as the Cameron tract." Mr. President, I ask unanimous consent that the Wall Street Journal article be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. ABOUREZK. Mr. President, it seems to me that in a number of critical areas affecting the Nation's supply and price of energy, Dr. Sawhill has not only showed an affinity to accept the point of view propounded by the leaders in the oil industry, but that he has showed a lack of urgency with respect to solving a number of serious problems. Dr. Sawhill, in my opinion, has not set up a viable program in FEO to deal with conflict of interest problems; he has not received FEO policy with respect to handing out contracts, many contracts are awarded on a noncompetitive basis; he has shown an unwillingness to rollback crude oil and other petroleum product prices; he has refused to propose legislation that would end the hoarding of tubular steel goods by the major oil companies; he has dealt with conservation problems more with public relations than with substantive proposals; and he has done little to relieve consumers of the economic hardships they have had to bear as a result of the administration's "unjustified price increases."

This morning's Washington Post contains an article that discusses Mobil Oil seeking to acquire the Marcor Corp., the parent company of Montgomery Ward. I recall that earlier this year, in a television interview, Dr. Sawhill, when asked what he intended to do about the "obscene" profits the oil companies were bringing in as a result of the higher prices, said that if they were not going to use the profits for exploration and development of energy, he would do something about it.

Mr. President, I submit that in this respect he has failed his promise as well. When an oil company sets out to buy a merchandising company such as Montgomery Ward, that has nothing to do with oil exploration. It is taking the profits that come from the hard-earned wages and hard-earned profits of people throughout this country, by virtue of the excessive prices of crude oil allowed by the Federal Energy Office, and using them for investment in other broad areas that have nothing to do with oil exploration and development.

It seems to me that somebody in our Government, whether it be Congress or the Federal Energy Office, is going to have to do something to protect the public from the predatory practices of major oil companies which have concentrated their economic wealth to such an extent that even the Government seems powerless to be able to do anything.

For all these reasons, I believe it is incumbent upon the members of the Senate to reject these policies by voting against confirmation of Dr. Sawhill. The Senate must go on record against the unjustified price increases heaped on the public by the oil industry and the Administration. A vote in opposition to Dr. Sawhill's nomination will be a clear signal to the Administration that the Congress is fed up with fuel pricing policies that fleece the public for the benefit of the major oil companies.

Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks the article published in this morning's Washington Post.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. ABOUREZK. Mr. President, I reserve the remainder of my time.

EXHIBIT 1

[From the Wall Street Journal, June 17, 1974]

LINKS OF SOME FEDERAL ENERGY EXPERTS TO INDUSTRY RAISE QUESTIONS OF CONFLICT

(By Les Gapay)

WASHINGTON.—Russell J. Cameron is Mr. Oil Shale. He was supervisor of the U.S. Bureau of Mines oil-shale experiments in Colorado in the early 1950s until he formed a consulting firm and became a foremost promoter of the development of synthetic fuels in the West.

Mr. Cameron, who is chairman and part-owner of Cameron Engineers Inc. in Denver, enjoys such high regard that he was recently considered for a post as assistant energy administrator heading Project Independence, the drive for U.S. self-sufficiency in fuel. He hasn't gotten that post, but since Feb. 1 he has been a key part of Project Independence efforts through a small consulting contract with the Federal Energy Office.

Consultant Cameron has been heavily relied upon by both former energy chief William Simon and present chief John Sawhill for advice. Beyond that, he has had much to do with an FEO "action" program to identify and crack open bureaucratic bottlenecks holding back energy-development projects. Mr. Cameron and his firm have identified a number of bottlenecks, all right—most of them involving companies that have been or now are clients of Cameron Engineers.

Although he denies any wrongdoing or conflict of interest, Mr. Cameron has helped the FEO to exert pressure on other government agencies to speed action on his clients' lagging energy projects. The companies involved are Shell Oil Co., Atlantic Richfield Co., El Paso Natural Gas Co., Pacific Lighting Corp., Sun Oil Co. and Ashland Oil Inc.

REPORTS AND RECOMMENDATIONS

Mr. Cameron has arranged meetings between executives of some of his client companies and officials of the Energy Office and the Interior Department. He has also met, as a representative of the Energy Office, with top Interior Department officials on two projects involving his clients; these call for oil-shale development and drilling off the U.S. coast for oil and gas. He got a warning from one high department official that he might be in a conflict-of-interest situation. He says he doesn't recall such a warning.

The consultant has also made reports and recommendations to energy officials urging action on projects of his clients, and his ideas have won some high-level attention. They have resulted in one memo mentioning these projects that was sent by Mr. Sawhill to other officials of his agency, and another which circulated widely through the government and was delivered by Mr. Sawhill to Cabinet members who deal with energy problems. Among the projects Mr. Cameron wanted to speed were proposed coal-gasification plants of two Cameron clients that are awaiting action by the Federal Power Commission.

It should be noted that none of the half-dozen client companies is being served by Cameron Engineers in connection with the particular projects that the Energy Office and Mr. Cameron have tried to expedite. But all recently were or now are clients of the firm for consultation on oil-shale, coal-gasification and other synthetic-fuel technology.

Mr. Cameron confirms his activities within the government on behalf of the companies. But he says he represents many companies (40 in 1973) and isn't seeking to please clients or get added business, but just to speed energy projects needed by the nation.

Officials of the Energy Office, for their part, aren't talking about the possibility of a conflict of interest. Mr. Sawhill declines to answer a Cameron claim that he knew some of the companies whose projects might be expedited were Cameron Engineers clients. Robert Nipp, FEO public affairs director, recently declined to answer questions until after a Senate committee ended confirmation hearings on Mr. Sawhill's nomination as energy administrator. But the hearings are over, and Mr. Nipp still declines to reply.

The Cameron situation indicates the ease with which energy-industry men coming to the new Energy Office can run into possible conflicts of interest. One Senator, Democrat James Abourezk of South Dakota, voted against Mr. Sawhill's confirmation in committee partly because he feels the agency has been lax in dealing with conflicts of interest.

Lacking oil expertise, the agency often feels compelled to seek information and manpower from the industry; out of some 2,000 workers, it recently had 100 former oil-industry employes. FEO spokesmen, in defense, say, "You wouldn't want to get a plumber for a toothache."

A GAO REPORT

Specific conflict-of-interest complaints have arisen before. Congress's General Accounting Office recently reported that Robert C. Bowen, who was on leave from Phillips Pertoleum Corp. and who formerly served at the FEO, was involved in such a conflict. The GAO referred the matter to the Justice Department for investigation.

The GAO said Mr. Bowen, contrary to limitations imposed when he joined the government, became involved in policymaking at the Energy Office and at one point had in his files a letter from his former employer concerning an FEO proposal on propane pricing. Mr. Bowen, who recently returned to Phillips, denies any wrongdoing and says he hasn't heard from the Justice Department.

At any rate, the GAO is investigating other former oil-industry employees who are still at the Energy Office. And intriguing situations don't seem hard to find there. Investigation by The Wall Street Journal has uncovered an unusual plum received by a high FEO official, Melvin Conant, from his employer until last January, Exxon Corp. Mr. Conant is acting assistant administrator for international affairs (dealing with foreign governments and international oil companies like Exxon) and is in line for permanent appointment to the post.

Before leaving Exxon, Mr. Conant received a lump-sum payment of tens of thousands of dollars; the exact amount isn't known. A company spokesman says it was less than two years' salary. Though he won't reveal Mr. Conant's salary at Exxon, industry sources say an executive af his level (he was a senior adviser on government affairs, specializing in the Middle East and Far East) would have made at least $35,000 a year, plus bonuses and benefits.

NO CONFLICT, EXXON SAYS

An Exxon spokesman says the one-time payment was intended to insure that Mr. Conant doesn't "suffer an economic pain" by taking a government job that pays less than he was earning. The spokesman says Exxon and a few other large companies make such payments so executives won't be discouraged from taking government positions. He adds that because the payment was made before Mr. Conant's departure from Exxon, no conflict exists—even though the FEO regulates the oil industry. Mr. Conant declines to comment, as does the Energy Office.

Though shale-oil expert Cameron is serving merely as a consultant, he says he has spent about half his time at the FEO during the four and a half months since his appointment. His influence has shown up in various FEO memos that urged quick governmental action on certain energy projects.

A March 6 memo signed by Mr. Sawhill and addressed to top officials in the Energy Office included an attachment prepared by the office of acting assistant administrator Robert Shatz, with whom consultant Cameron has worked. It suggested the Energy Office "assist" companies with coal-gasification projects before the FPC to "obtain federal decisions on the applications." These cases involve El Paso Natural Gas and Transwestern Pipeline Co., the latter a joint venture of units of Pacific Lighting Co. and Texas Eastern Transmission Corp. El Paso and Pacific Lighting have been Cameron Engineers clients, Mr. Cameron says.

The same memo also suggested that the Colony group of companies be assisted in getting "federal decisions on their applications for a shale-oil pipeline." The group is made up of four firms, three of which are clients of Cameron Engineers. They are Shell Oil, Ashland Oil and Atlantic Richfield.

INDIVIDUAL AID AGAINST POLICY

A spokesman for Mr. Sawhill has said that the March 6 memo didn't circulate outside the agency and was sent out for comment of FEO officials only. He added that it isn't the agency's policy to aid individual companies in energy projects.

But a March 14 FEO report titled "Project Independence Management Plan" dealt with the same specific, "action" projects in greater detail. And that report was circulated widely in government agencies dealing with energy, was delivered by Mr. Sawhill personally to Interior Secretary Rogers Morton and was discussed at a White House meeting in mid-March by the Cabinet-level Energy Policy Group. The Energy Office declines comment on that report.

The March 14 report said interagency task forces would be formed to assist the Colony group in its pipeline permit request as well as the concerns with coal-gasification applications pending before the FPC. The report also said a task force would determine "the kind of assistance" a group of companies led by Sun Oil needs to proceed with a sampling program for oil and gas exploration in the Atlantic outer-continental shelf.

Mr. Cameron didn't write either of the reports, but he says he instituted many of the ideas for action through discussions with Messrs. Sawhill and Simon. "They said, 'Let's go on that'," Mr. Cameron recalls. His firm has clients in all the energy areas mentioned in the two documents.

Because of Mr. Cameron's efforts to get the Interior Department's Bureau of Land Management to speed action on the Colony pipeline application, a high Interior official warned Jared G. Carter, deputy under secretary of the department, that Mr. Cameron might be involved in a conflict of interest. Mr. Carter told Mr. Cameron the same thing at one point. The consultant says that if such a conversation occurred he responded that there was no conflict. (The relations between the department and Mr. Cameron have been close for years; one division has used him regularly as a paid consultant.)

As for the FPC matter, Mr. Cameron says he discussed coal gasification in general with a top planner of that agency but never mentioned specific projects. He adds, though, that the pending projects are "cowbells for the industry"; a host of similar plans are awaiting a regulatory framework for gas made from coal. Among those listening for the bell is Cameron Engineers; through a subsidiary, Mintech Corp., jointly owned with Marathon Oil Co., it is considering building a cost-gasification plant of its own.

Moreover, Mr. Cameron, through Mintech, has a financial interest in oil shale properties near the Interior Department's valuable first shale-lease site in Western Colorado—which is known as the Cameron tract.

Exhibit 2

[From the Washington Post, June 18, 1974]

Mobil Seeks To Acquire Marcor Corp.

(By Philip Greer)

New York, June 17.—Mobil Oil Corp., one of the giant international oil companies whose profits have soared since the fuel shortage last fall and winter, said today it plans to buy 51 per cent of Marcor Corp., parent company of Montgomery Ward stores and Container Corp. of America.

Mobil said it plans are preliminary, but it intends to offer to buy shares from current stockholders. It already owns 1.235 million shares of Marcor, about 4½ per cent of the total outstanding, Mobil said. At current prices, the remaining 46½ per cent would cost about $350 million—which Mobil could pay out of profits earned since the fuel shortage struck the United States last fall.

In the last quarter of 1973 and the first quarter of this year, Mobil reported profits of $537 million, up nearly 70 per cent from the $317 million earned in the comparable periods of 1972–73.

Mobil is the second large oil company to seek acquisitions outside its own field in recent months. Last October, Gulf Oil Corp. abandoned plans to take over CNA Financial Corp., a large insurance, real estate and financial complex.

A Marcor spokesman said today that Mobil officers notified Marcor last Friday that they had been authorized by their board of directors to buy 51 per cent of Marcor's stock. There have been no actual discussions between officials of the two companies and no meetings have been set, the spokesman said, but he added that they are expected soon.

Today's announcements from Marcor headquarters in Chicago and Mobil's offices here indicated that the offer is at a very early stage.

Leo H. Schoenhofen, Marcor chairman, said this morning that "the definitive terms of Mobil's proposal—such as the price per share to be tendered and the timing of such an offer—have not been discussed with Marcor.

"Therefore, Marcor's management is not in a position to reach any judgment regarding the proposal." Schoenhofen's statement said.

Rawleigh Warner Jr., Mobil's chairman, later confirmed the Marcor statement and said that "neither the terms nor the timing of a possible offer have been decided upon by the Mobil board."

Mobil's planned purchase could face hurdles in the form of objections from the Justice Department's antitrust division.

At the end of Marcor's fiscal year last January, the company reported total assets of more than $2.8 billion. The Montgomery Ward division had 445 stores in operation throughout the country at that time.

Mobil, one of the world's 10 largest international oil companies, had total assets of $10.7 billion at the end of 1973.

Before its merger with Container Corp. in 1968, Montgomery Ward and Co. was long a prime target of corporate takeover specialists because the company's conservative management had a tradition of maintaining large amounts of ready cash. After the merger that created Marcor, cash reserves were used to upgrade the Ward stores, several hundred of which have been closed or modernized.

Mobil, an offshoot of the vast Rockefeller oil empire, was formerly Standard Oil Co. of New York. It has exploration, development and marketing affiliates in virtually every part of the non-Communist world, including a 10 per cent interest in Aramco, the Arabian-American Oil Co., which extracts oil from the vast Saudi Arabian fields.

Mr. FANNIN. Mr. President, I certainly understand the concern that the distinguished Senator from South Dakota has expressed, though I do not agree with him. When he talks about propane, I know that he is concerned about the price increases which have come about.

Let us consider what is involved today. We are talking about the confirmation of the nomination of a dedicated individual. John Sawhill has been referred to as a dedicated, hard working, intelligent, and highly capable administrator. From the experience that we have had with him, I would say that he certainly does justify that particular reputation.

I want to make clear that from the testimony he gave us—and I think the Senator from South Dakota will agree—he said that every precaution will be taken to avoid any conflict of interest problems.

At the same time, Mr. President, I think we must consider that we need intelligent, experienced men advising the Administrator and the persons under the Administrator, the other officials, as to just what action should be taken on general propane picture.

When we are talking about propane, which the Senator has so eloquently talked about—and we all share the problem of the increase in the price of propane—what is involved? Seventy percent of the propane comes from natural gas production. Another 30 percent comes from refining. So when we are talking about one company in the United States that is a very large supplier of this particular product, we are not simply referring to its particular emphasis in this field; we are referring to the general propane picture.

This one company did not establish the prices. The prices were established in an open market. I think we should take those matters into consideration when we talk about rollbacks.

After all, what we are discussing is the production of more products in this Nation. We are dependent now upon the importation of a large amount of fuel. Approximately 35 percent of the petroleum products now being utilized in this country is imported. This is of great concern, I know, to the Senator from South Dakota, and of great concern to all of us.

We must do something about this and I think the actions that have been taken by Dr. Sawhill illustrate his desire to go forward with programs that would be of help in that regard.

It is easy to say we are going to roll back prices, but when we come right down to what is involved, are we going to roll back production? That is the question at hand, and we must realize that there has been inflation. When the Senator refers to prices at some certain date and what it would take at that particular time to have increased our production, that has changed considerably, so we do have to take into account what has happened.

It certainly is not popular for the Administrator to take a position against the rollback because the general public does not understand the term "roll back prices."

They are talking about the rollback of prices on crude, but are we really talking about a rollback of prices at the service station? That is what the public is really interested in and there is a great misconception in that regard.

Rolling back the prices on crude, as we are talking about, does not mean that there will be a rollback on the prices at the service stations. In fact, it may mean the opposite, because for every barrel of oil we do not produce in this country, we must import a barrel of oil, and that barrel of oil will come in at a very high price.

If we take the average price of oil in this country today, and take into consideration the price of natural gas, we have a very low price on domestic petroleum as compared to the imported products, especially with respect to natural gas.

I consider Dr. Sawhill a distinguished administrator because I feel he has done an outstanding service and I support him. I feel that he did satisfactorily answer the questions we had placed to him, and has offered to come back at any time before the committee if we have any further questions. I feel that he will do capable service to this country. If the distinguished Senator from South Dakota has a conflict-of-interest problem I am sure Dr. Sawhill will be very pleased to cooperate with him.

Mr. President, I yield to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. HANSEN. Mr. President, I thank my distinguished colleague from Arizona.

I would like to say that I respect the motivation that impels our good friend from South Dakota to question, as he has, the confirmation of Dr. John Sawhill to become the head of the Federal Energy Administration.

I think, though, that before we judge him too harshly, before we make up our minds as to the wisdom that he has exercised in taking the actions he has, we should try to look at the whole picture.

My good friend from South Dakota said that the main beneficiary of the Nixon economic policies is the major oil companies. I am certain that he could, in good conscience, make such a declaration, but I am certain that most Americans are aware that we got through a winter that many predicted last fall would be fraught with plants closed down, interruptions in the production schedule of the major companies in America, widespread unemployment, cold houses, and automobiles that could not be driven unless we had gasoline rationing. These are some of the predictions that the President knows were being made last fall.

I just say to my colleagues that during that period John Sawhill was working with the present Secretary of the Treasury, William Simon. I think he has distinguished himself as a dedicated, conscientious, knowledgeable public servant. It is true he objected to a rollback of prices. I am glad that he did. I think it further underscores his wisdom.

Even today, the Canadians have increased the price of crude that they export to the United States from $10.70 a barrel to $12.93 a barrel FOB Chicago.

Mr. President, you undoubtedly read that the OPEC countries have just authorized another tax raise at their meeting in Ecuador. I understand that most Middle East oil now has a posted price of $11.65 a barrel. So why should not John Sawhill have readily agreed that he would rollback the price of oil in this country?

If the price is going up everywhere else, would it not help the typical consumer if we would rollback the price here? This is what John Sawhill was being asked to do. Well, he did not do it, and I think if we will reflect for just one moment, we can nuderstand why he did not do it.

About 13 perecnt of our present domestic production comes from stripper wells. The distinguished Senator from New York has pointed out that presently some 5,300 stripper wells are operating in his State, the Empire State.

A stripper well by definition is a well whose production last year averaged not in excess of 10 barrels per day. Do these wells in the State of New York average that? Indeed, they do not. As a matter of fact, they are averaging about one-half barrel per day.

The State of New York, from those 5,300 wells, is presently pumping about 2,700 barrels a day. That is not very much, but it is 2,700 barrels a day more than nothing.

And nothing is exactly what would be produced from those wells if John Sawhill were to rollback the price of oil in this country. Anybody knows that. Anybody should know that.

There has been a great increase in activity in the oilfields of America. One can ask, Why has this increase come about? It has come about for one very basic reason. The price of crude oil has not been rolled back.

It is expensive drilling deep wells in this country, it is expensive going into old fields and doing all of those things which may make it possible to recover even more oil that otherwise would be left in the ground. The reason it is not being left in the ground today is that the price has not been rolled back.

The **PRESIDING OFFICER**. All of the time of the proponents has expired.

Mr. **HANSEN**. That is a pity.

Mr. **ABOUREZK**. Mr. President, I want to yield a little bit of time to the Senator from Oklahoma, who wants to speak in favor of the nomination of Mr. Sawhill, but before I do, I wish to respond just briefly to a couple of the comments my colleagues from Wyoming and Arizona have made.

I think the American people understand very well that there is something going on in Washington that they do not like and that is that the price of crude oil which has increased the price of their diesel, their gasoline, and of every other byproduct, has gone up with the permission, with the acquiescence, and sometimes with the outright approval of a great many Members of Congress and the administration, and the result of that increase means to the American people great economic dislocation. The beneficiaries have been the major oil companies that seem to control so much of our life in this Nation.

When I went out to South Dakota earlier this year, when prices first started rising, I had a great many people, many of them elderly, many of them Indian people, come up to me and say, "I am on social security and I am getting $100 a month, or thereabouts, and my fuel bill is running $100 a month, or thereabouts."

They had to make a choice between eating and keeping warm, and that is a choice we should not force those people to make.

I do not need to talk about the other segments of our economy that have suffered from the economic dislocations as a result of this.

Two other points: The talk about increases in prices bringing increased production in my opinion is not valid in any way, shape, or form. The internal documents that were kept secret for so long and that were finally released under the Freedom of Information Act, the information with the Cost of Living Council, clearly show, and the Cost of Living Council has advised us by their own people, that the increase in the price of oil would not stir any more production from wells already producing, because they were already pumping at the maximum level.

The documents also show that the increase in the price resulting from allowing it to float up to the free market price did not result in an increase in production, because the bottleneck was not in the low price; the bottleneck was due to the fact that the major oil companies had bought up the drilling equipment and that prevented the independent producers from drilling any new oil because of the price increase. So with respect to both points, the views of the administration and of Mr. Sawhill coincide. There has been no increase in production. As a matter of fact, there is a decrease in production of 314,000 barrels from last year. So the higher price will do nothing except benefit the outrageous profits of the major oil companies, at the expense of the American people.

I yield 2 minutes to the Senator from Oklahoma (Mr. BARTLETT).

Mr. **BARTLETT**. Mr. President, I thank my friend very much for yielding to me at this time. I think there are several points that are important.

First, the Senator has said that the price of oil or gas going up does not stimulate activity which will produce additional oil and gas. This is just not the case. There is already ample evidence to show that increases in the price of gas that occurred 2 years ago have stimulated increased activity in gas import and increased gas production. The recent increases in the price of crude oil have had little time to work, but they have had time enough to increase drilling activity by 40 percent this year, during the first 3 or 4 months, as compared to a year ago. This shows that the increased prices are bringing on a real momentum in the oil industry for the first time in 20 years.

I compliment Administrator Sawhill for his willingness to take leadership to provide an oil policy, to provide an opportunity for this country to buy supplies of energy at a partially fair market price and at a partially free market price to assure that we will have increased supplies so that we can have the best gasoline prices possible.

I also commend him, because he has been accused of not dealing promptly and quickly with conflict of interest, for dealing with it very quickly and making a decision within 1 week from the time this information came to him, and then as soon as the person involved returned to this country and as soon as the Administrator was available, which was 3 weeks later, he did transfer this individual back to the Treasury Department.

I think it is important that we have a man of this caliber, ability, and integrity to head up this office.

I believe the Senator from South Dakota—

The **PRESIDING OFFICER**. The time of the Senator has expired.

Mr. **BARTLETT**. May I have 1 minute?

Mr. **ABOUREZK**. I yield 1 minute to the Senator.

Mr. **BARTLETT**. I believe the Senator from South Dakota will agree that Administrator Sawhill did answer his question candidly and forthrightly concerning the matters of price, conflict of interest, and other matters. I think that is important, not because the Senator from South Dakota shares his point of view—I know he does not—but because I think it is important that in the hearing we had, which went on for several days, the person to be confirmed be forthright, candid, and honest with the Members of the Senate. I think he did that and showed he was answering the questions in an honorable, honest, candid, forthright manner.

It is my pleasure to support this nomination, and I urge my colleagues to do likewise.

Mr. **JACKSON**. Mr. President, after 2 days of hearings, the Interior Committee reported favorably on the President's nomination of Dr. John C. Sawhill to be Administrator of the Federal Energy Administration. I support the committee's recommendation. I believe Dr. Sawhill to be a man of competence and integrity. He possesses the intellect, the understanding, and the leadership to bring cohesion and coherence to the administration's fragmented, diverse, and often contradictory energy policies. It remains, however, to be seen whether he will be given the opportunity by the administration to provide the leadership which is needed in the executive branch on energy policy issues.

While I have a great deal of respect for Dr. Sawhill I must note that there are many questions of energy policy on which we are in fundamental disagreement. Perhaps the most important of these is the question of petroleum pricing. Dr. Sawhill, understandably, has publicly supported the administration's position that petroleum prices are not too high and that they should not be subject to further controls. I disagree with him on this point. I can find no justification for the present level of petrolem prices which are a major factor in today's rampant inflation.

Mr. President, it is my strong view that prices for petroleum are already so high that increased prices cannot bring forth new supplies. For the near term, supply is now constrained by other factors, such as shortages of manpower, tubular goods, pumps, and other drilling equipment.

In response to questions at his confirmation hearing Dr. Sawhill said:

> The immediate effect of higher prices on crude production is confined to the effects achieved by holding marginal wells in production. While these effects will continue for a long period of time, they probably do not amount to more than 25–50,000 BBL per day.

At current prices, Mr. President, the American consumer is paying $240 per barrel for this incremental oil production.

With these price levels reason no longer prevails in the marketplace. Exorbitant fuel costs are causing damaging inflation in the industrialized countries of the world, and this in turn leads to escalating threats of further price hikes by producing nations. I find no justification for the present level of petroleum prices. I find no merit in driving up consumer costs, in driving up fuel costs to utilities, in driving up the general cost of doing business, to provide windfall profits to oil producers. I see no advantage in higher crude prices that will not elicit new supplies.

Mr. President, we are told that these high prices are needed to achieve energy self-sufficiency by 1980. However, it will do us no good to be energy self-sufficient and economically ruined.

As recently as June 8, 1974, Secretary of the Treasury William Simon said:

> It is clearly in the common interest of both oil-producers and consumers not to take action which will prevent market forces from bringing about somewhat lower levels of oil prices.
>
> More reasonable prices of oil would contribute greatly to the strength of the world economy.

Yet we find, Mr. President that the President of the United States on March 6th vetoed congressional action to impose reasonable price ceilings. We further find that the administration refuses to impose price ceilings required by the Petroleum Allocation Act. Instead, in December of 1973 the COLC and the FEO decided to increase prices on flowing domestic crude by $1 to $5.25 per barrel. The arguments evinced publicly for permitting this increase were twofold: it would diminish the disparity between domestic and foreign crude prices, and would encourage secondary and tertiary recovery. However, according to COLC documents made available to the committee, neither of these reasons can be justified. In fact, these findings are contradicted by the internal memoranda COLC prepared prior to granting the increase. I would just quote, Mr. President, from these memoranda:

> As no additional costs are involved and a ceiling increase in the price of crude would be based on other factors such as world market prices and the desire to increase domestic prices of products to deter demand, this is an arbitrary decision.
>
> Increasing the price of ceiling domestic crude may trigger additional price increases by countries exporting crude to the United States. Apparently these countries are not reluctant to increase prices without a corresponding U.S. increase but would be even more likely to do so with a domestic increase. A new base for ceiling crude will probably also mean a higher price for new and released oil.
>
> It was agreed that about 200,000 barrels per day of additional oil would be obtained through secondary and tertiary recovery during the first six months or so of next year. This increase would result even absent a rise in the price of domestic crude through operation of the existing two-tier system. Limitations on additional crude production result from supply limitations on such commodities as rigs, drilling bits, steel tubing, etc.

Yet, in spite of these findings, the staff papers conclude as follows:

> It is recommended that the price of domestic crude be raised now to $5.00 by the Cost of Living Council (with a tax announcement at the White House) and that a further increase of about the same amount be considered in several months (not to be announced now). The $5.00 old oil price (and $8.00 new oil) would yield an immediate average price of $5.75.

Mr. President, these documents were printed in the June 10th CONGRESSIONAL RECORD.

For the longer run, current price levels already far exceed any long-run supply price estimates ever projected by the oil industry or by this administration as being needed to produce new energy supplies. Mr. President, I ask unanimous consent that the findings of a few of the most recent studies on long-term supply prices be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. JACKSON. Mr. President, I also ask unanimous consent that a legal memorandum in support of a motion for summary judgment in a lawsuit against Dr. Sawhill as Administrator of the Federal Energy Office be printed in the record together with earlier correspondence I have had on this subject with the FEA.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 2.)

Mr. JACKSON. Mr. President, I ask unanimous consent that my remarks appear in the Record in connection with the discussion on the nomination of Dr. Sawhill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JACKSON. I thank the distinguished Senator from Alabama for so courteously and generously yielding to me at this point.

EXHIBIT 1

FINDINGS OF RECENT OIL PRICE STUDIES

Federal Energy Office (January 1974):

"The long term supply price of bringing in the alternate sources of energy in this country, as well as drilling the Outer Continental Shelf and the North Slope . . . is $7 a barrel, current 1973 dollars."

Department of the Treasury (December, 1973) (Mr. William Simon):

"No one knows exactly what the long-term supply price is, as no one can predict the future that clearly. Our best estimate is that it would be in the neighborhood of $7 per barrel within the next few years."

Independent Petroleum Association of America (1973 projections):

"In terms of constant 1973 dollars . . . an average price of about $6.65 per barrel for crude oil . . . would be required over the long run to achieve 85% self-sufficiency in oil and gas by 1980."

National Petroleum Council Oil and Gas Availability (Dec. 1973):

For maximum attainable self sufficiency by 1980, average revenue required per barrel of crude is shown on the following table for different rates of return.

AVERAGE UNIT REVENUE REQUIRED PER BARREL OF CRUDE OIL[1]

[Dollars per barrel]

	10 percent rate of return	12.5 percent rate of return	15 percent rate of return	17.5 percent rate of return	20 percent rate of return
1971..	2,739	2,931	3,223	3,465	3,706
1972..	2,819	3,066	3,315	3,563	3,812
1973..	2,855	3,112	3,370	3,623	3,836
1974..	2,941	3,214	3,485	3,759	4,031
1975..	3,163	3,359	3,650	3,943	4,232
1976..	3,216	3,530	3,844	4,158	4,472
1977..	3,398	3,738	4,078	4,418	4,758
1978..	3,612	3,978	4,344	4,711	5,077
1979..	3,315	4,208	4,601	4,995	5,389
1980..	4,056	4,478	4,896	5,317	5,737
1981..	4,283	4,733	5,183	5,639	6,087
1982..	4,553	5,037	5,520	6,004	6,427
1983..	4,864	5,053	5,899	6,417	6,925
1984..	5,151	5,707	6,262	6,818	7,374
1985..	5,500	6,093	6,887	7,230	7,873

[1] Based on economics for lower 43 States and South Alaska.

Oil and Gas Journal (September 17, 1973):

"The price outlook for domestic crude thus has to be rated promising . . . The new prices make investment attractive in the new equipment and services to rejuvenate marginal wells . . . Risks are becoming worth taking."

Petroleum Independent (November 1973):

"There's no doubt that prospects are for increased drilling. Everybody I know is planning on it. With new oil priced from $5.30 to $6.00 per barrel, there's incentive now to go looking for oil."

U.S. SENATE,
COMMITTEE ON INTERIOR
AND INSULAR AFFAIRS,
Washington, D.C. February 2, 1974.

Hon. WILLIAM E. SIMON,
Administrator, Federal Energy Office,
Washington, D.C.

DEAR MR. SIMON: At the conclusion of the testimony of Administration witnesses at the Committee's hearings on Friday, February 1, 1974, on S. 2885, a bill I introduced to roll back and establish price ceilings for crude oil and refined petroleum products, questions were raised concerning the Administration's authority to exempt new oil, released oil, and State royalty oil from the regulations implementing the price ceiling provisions of the Emergency Petroleum Allocation Act.

Legal Counsel to the Committee has advised me that the Administration is in apparent violation of the pricing requirements of Section 4 of the Allocation Act. Section 4(a) of the Act provides that "the President *shall* promulgate a regulation providing for the mandatory allocation" of crude oil and petroleum products "in amounts . . . and at price specified in (or determined in a manner prescribed by) such regulation" (italic added).

Section 4(b)(1)(F) provides that the regulation "*shall* provide for" . . . "equitable distribution of crude oil, residual fuel oil, and refined petroleum products at *equitable prices* among all regions and areas of the United States and sectors of the petroleum industry . . ." (italic added).

Section 4(e) provides one exception to this requirement that all oil prices be placed under price ceilings. Section 4(e)(2) provides that the regulation promulgated under Section 4(a) on allocations and on prices "shall not apply to the first sale of crude oil . . ." from stripper wells.

Section 4(e)(1) provides a procedure for suspending allocation authority *if* the President makes and transmits to the Congress a finding that mandatory allocation is no longer needed to achieve the purposes of the Act. This procedure *does not* permit suspension of the Act's requirement that oil prices be "specified in (or determined in a manner prescribed by)" the regulation required under section 4 (a) of the Act.

I would appreciate it if you would furnish me with a report and a legal memorandum on this matter. I am specifically interested in your views as to the legal authority for exempting new oil, released oil, and State royalty oil from the price requirements of the Emergency Petroleum Allocation Act.

As I understand it, the Administration's position on allowing major exemptions to price ceilings may be based in part upon an interpretation of the Conference Report on the Allocation Act which was contained in a letter of November 13, 1973, to me from Dr. John T. Dunlop, Director of the Cost of Living Council. Dr. Dunlop's letter dealt with his understanding of provisions of the Report dealing with stripper wells, pricing and personnel. In connection with the adoption of the Conference Report, I had Dr. Dunlop's letter together with other materials printed in the Congressional Record and indicated general concurrence in Dr. Dunlop's interpretation.

On further review of the clear meaning of the Act and Dr. Dunlop's November 13 interpretation it is my view that the Act does not permit these exceptions to the price requirements of the Act. To the extent I expressed concurrence in Dr. Dunlop's interpretation of the pricing authority and directive in the Act I was in error. In any event, the concurrence of any single member of Congress in an interpretation of the law does not change the meaning or requirements of the law.

I do concur in Dr. Dunlop's statement in his letter that ". . . the administering agency which has been delegated price control authority under both statutes would be obligated to comply with the provisions of both."

I appreciate your assistance in this matter and I assure you of my cooperation and assistance in achieving a new level of stability and reasonableness in petroleum prices. As you know, the Conference Committee will meet on Monday on S. 2589, the Energy Emergency Act, to work out a resolution of the controversy over the windfall profit provisions of the Conference Report. As you know, I and other members of the Conference Committee will be proposing language to mandate a price ceiling for oil which has been exempted from price controls. I have directed the Committee staff to meet with representatives of your office to discuss how this can best be achieved. Meetings were held last night and a further meeting is scheduled at noon today.

With best regards,
Sincerely yours.
Henry M. Jackson,
Chairman.

Federal Energy Office,
Washington, D.C., April 18, 1974.

Hon. Henry M. Jackson,
Chairman, Committee on Interior and Insular Affairs, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: This is in response to your letter seeking our views "as to the legal authority for exempting new oil, released oil and State royalty oil from the price regulations of the Emergency Petroleum Allocation Act."

I am enclosing a memorandum from the General Counsel of the Agency expressing his opinion, with which I concur, that new oil and released oil are not exempt from the Emergency Petroleum Allocation Act and that the current regulations respecting those items conform to the requirements of the Act.

Further, the Agency amended its regulations on February 21, 1974, to eliminate the exemption for State royalty crude. This action was taken pursuant to an earlier notice of proposed rulemaking issued by the Cost of Living Council and was made effective on the date of that notice, October 25, 1973. In addition, on April 2, 1974, the Agency issued a further statement with respect to the subject, announcing its determination to sustain, with slight change, the February 21, 1974, amendment and also to remove the exemption for prices charged by the Federal government for the sale of crude oil and refined petroleum products.

I hope this information is helpful and urge you to contact me if you need further information.

Sincerely,
William E. Simon, *Administrator.*

Federal Energy Office,
Washington, D.C., April 2, 1974.

Memorandum for William E. Simon

From: William N. Walker, General Counsel.
Subject: Senator Jackson's Letter on "New and Released" Oil Pricing Regulations.

Senator Jackson's February 2, 1974, letter asserts that FEO's pricing regulations have improperly exempted prices for new and released oil. He cites Section 4(a) of the Emergency Petroleum Allocation Act (hereinafter "the Act") which provides that "the President shall promulgate a regulation providing for the mandatory allocation of crude oil ... at prices specified in (or determined in a manner prescribed by such regulation)." His letter also cites Section 4(b)(1)(F) which provides that, "the regulation under subsection (a) to the maximum extent practicable, shall provide for * * *

(F) equitable distribution of crude oil at equitable prices ... among all regions and areas of the United States and sectors of the petroleum industry."

His letter contends that exemption of price controls for any product may be accomplished only pursuant to the provisions of Section 4(g)(2) which requires the making of certain findings and submission to both Houses of Congress for a period of five days.

For the reasons hereinbelow set forth, I am of the opinion that the provisions governing prices of new and released oil under Part 212 of the FEO regulations are not inconsistent with the Act.

The only point in the legislative history of the Act explicitly relating to new oil prices is that which appears at pages S20396–20398 of the Congressional Record of November 14, 1973, in which Senator Jackson introduced into the Record a letter from Dr. John T. Dunlop of the Cost of Living Council. Senator Jackson stated: "Dr. Dunlop's letter concerns the interpretation of certain sections of the Conference Report. I concur and I believe it was the intention of the Conference Committee to concur with the interpretation Dr. Dunlop places on the language of the Report."

In the letter, Dr. Dunlop stated:

"It is my understanding that, assuming the Phase IV price regulations in the petroleum industry are continued, the provisions of Section 150.354 of those regulations providing for release from crude petroleum ceiling price rules of new crude petroleum and base production control level crude petroleum would not be deemed inconsistent with or require modification because of the language of Section 4(a) of the allocation act which refers to 'prices specified in (or determined in a manner prescribed)' the regulation therein provided for."

The letter was prompted by the Conference Report on the Act which explicitly contemplated continuation of the Cost of Living Council's Phase IV Petroleum Pricing Regulations. The report stated at page 26:

"By requiring that both allocations and prices be covered in the regulation required to be promulgated and implemented under Section 4(a), Congress intends to force the Administration to rationalize and harmonize the objective of equitable allocation of fuels with the objectives of the Economic Stabilization Act. The Committee wishes to emphasize that the pricing controls called for in this legislation may, in those circumstances where pricing controls established pursuant to other Federal authority are consistent with the requirements and objectives of this Act, merely confirm those controls in the regulation to be promulgated under authority of section 4 of this Act. It is expressly contemplated, for example, that the price controls established by Phase IV under authority of the Economic Stabilization Act would continue in effect unless and until required to be modified by the price regulation required to carry out the purposes of this Act."

The question was whether the provisions for new and released oil would have to be "modified" to carry out the purposes of the Act. Senator Jackson's floor speech explicitly conceded that it would not.

Senator Jackson's February 2, 1974 letter, in hindsight, contains a different view. He states:

"On further review of the clear meaning of the Act and Dr. Dunlop's interpretation, it is my view that the Act does not permit those exceptions to the price requirements of the Act. To the extent I expressed concurrence to Dr. Dunlop's interpretation of the pricing authority, I was in error."

Notwithstanding the Senator's subsequent change of heart, however, the contemporaneous view which he expressed on the floor of the Senate and which was not challenged by other members of that body represents an important element in the legislative history which supports the proposition that no modification of the new and released oil division of the regulations is required by the Act.

Moreover, even aside from the legislative history, the price control regulations for domestic crude meet the statutory requirements. The regulatory framework established a two-tier pricing system for crude oil. The first tier—so called "old" oil—is controlled at a fixed ceiling price while the second tier—for "new and released" oil—is subject to controls but permitted to rise to market prices. It is a unitary regulatory scheme comprised of two parts. Stated another way, the crude oil price control system prescribes a manner for determining prices, pursuant to the statutory obligation, which results in differential prices for new and released oil on the one hand and old oil on the other hand. Because it has continuing price control authority over new and released oil, FEO could, for example, establish ceiling prices for these items in the same fashion as it did for old oil; or it could order a rollback in new and released oil prices. It has chosen not to do so for sound economic reasons and so as to stimulate domestic production. But the continuing price control authority remains.

Thus, new and released oil prices are not *exempt* from controls. If they had been exempted under Cost of Living Council regulations (which they were not), the Emergency Petroleum Allocation Act would have ended that exemption. Moreover, crude oil cannot now be exempted from the regulation in subsection (a) except pursuant to the procedural process set forth in Section 4(g) (2) of the Act. But the assertion in the Senator's letter that new and released oil are exempt from price controls is erroneous.

It should be further noted that both the language of the Act and its legislative history lend support to maintenance of the two-tier domestic crude price system. The avowed purpose of the two-tier system was to stimulate domestic crude oil production. That objective took on even greater force with the advent of the Arab nations' oil embargo and reemphasized the need for devising incentives to increase domestic crude oil production. The exemption for stripper well oil enacted in Congress in both the Alaska Pipeline Bill and the Emergency Petroleum Allocation Act had similar objectives. The Conference Report on the Act addressed this issue at several points. On page 14, the Report states:

"Although specific language to this end was not included in the Bill, it is the clear and firm understanding on the members of both Houses—that the Mandatory Allocation Program called for in this legislation shall not be designed or implemented in a manner which would have the net effect of occasioning a substantial reduction in the total supply of crude oil, residual fuel oil or refined petroleum products. It is expected that the President in applying the mandatory controls called for in this legislation will assiduously avoid that result."

Again, at page 26, amplifying the meaning of Section 4(b) (1) (f) referred to in Senator Jackson's letter, the Report states:

"Most importantly, the President must, in exercising this authority, strike an equitable balance between the sometimes conflicting needs of providing adequate inducement for the production of an adequate supply of product and of holding down spiraling consumer costs."

In commenting upon the sometimes conflicting statutory objectives which Section 4(b) (1) of the Act directs the President to provide for, the Report states:

"The direction of the President is qualified to permit the regulation to be constructed so as to accomplish objectives to the maximum extent practicable. This qualification is intended to give the President administrative flexibility in marshalling short supplies and equitably assigning them particular needs."

There is ample evidence in the legislative history that Congress was acutely aware of the importance of stimulating additional domestic crude oil production. That is the purpose and has been the effect of the two-tier pricing system. Conversely, there is no hint in the legislative history that Congress intended to require dismantling of the two-tier system, nor is such a result dictated by the language of the Act itself.

EXHIBIT 2

[In the U.S. District Court for the District of Columbia, Civil Action No. 74–722]

MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF PLAINTIFF'S MOTION FOR SUMMARY JUDGMENT

Consumers Union of United States, Inc., Plaintiff, versus John C. Sawhill, Administrator of the Federal Energy Office, Defendant.

The memorandum of points and authorities is submitted in support of the motion of plaintiff Consumers Union of United States, Inc. ("Consumers Union"), pursuant to Rule 56, F.R.Civ.P., for summary judgment.

As is clear from the Statement of Material Facts Not in Genuine Dispute, submitted by plaintiff herewith pursuant to local Rule 1–9(g), there are no factual issues in this case. Rather, the dispute is entirely one of law—whether the Emergency Petroleum Allocation Act of 1973, Pub. Law 93–159 ("the Act")[1] imposes upon the defendant the mandatory duty to set, by regulation, equitable ceilings on the price at which certain categories of crude oil, residual fuel oil, and refined petroleum products may be sold.

Plaintiff contends that the Act does impose such a mandatory duty, and that defendant has violated that duty by permitting a substantial portion of crude oil produced in or imported into the United States to be sold at whatever price the market will bear. Defendant concedes that such a mandatory duty exists, but contends that it has complied with this duty by permitting the price of such oil "to rise to market prices." [2] This is the sole issue in this case.

STATEMENT OF FACTS

On November 27, 1973, the President signed the Act into law. On December 4, 1973, the President established the Federal Energy Office ("FEO") and delegated to the Administrator of the FEO the authority to administer and implement the Act.[3] On December 26, 1973, the Chairman of the Cost of Living Council ("CLC") delegated to the FEO Administrator the CLC's authority under the Economic Stabilization Act of 1970, as amended, with respect to petroleum products and crude oil.[4]

On January 14, 1974, defendant Sawhill, then Deputy Administrator of the FEO, issued the FEO's regulations purporting to implement the requirements of the Act.[5] Subpart D of the "Mandatory Petroleum Price Regulations" imposes ceiling prices on the first sale of domestic crude petroleum, which ceiling prices are for any barrel of crude petroleum of any grade from any field, equal to the sum of the highest posted price for that grade of petroleum in that particular field on May 15, 1973, and $1.35.

Subpart C and D of these regulations, however, failed to prescribe any ceiling prices for six categories of crude oil and refined products.[6] One such category—so-called "stripper well" crude—had been specificially exempted from controls by Section 4(e) (2) of the Act. A second category—so-called "royalty" crude—was subsequently subjected to controls by an amendment to the regulations.[7] The FEO has refused to establish *any* ceiling prices for the four remaining categories. They are (1) so-called "new" crude, defined as the number of barrels of domestic crude petroleum produced and sold from a property in a specific month, less the number of barrels of domestic crude petroleum produced and sold from that property during a base month in 1972 (i.e., "the base production control level" for that month);[8] (2) so-called "released" crude, which refers to the barrel of "old" crude which is "released" from controls for every barrel of "new" crude produced from that property;[9] (3) imports;[10] and (4) exports.[11] These four categories of crude and refined products are referred to hereinafter as the "uncontrolled oil." [12]

The national average ceiling price—the controlled price—of all "old" crude is approximately $5.25 per barrel, while the average prices of uncontrolled domestic crude is approximately $10 per barrel [13] and the average price of uncontrolled imported crude in March 1974 was apparently in excess of $11 per barrel.[14] In April 1974, the FEO estimated that the total of domestic crude oil production and imports was over 12.1 million barrels per day (or in excess of 4.4 *billion* barrels per year), roughly 75 percent of which was domestic production. [15]

By letter dated February 2, 1974, Senator Henry M. Jackson, Chairman of the Senate Committee on Interior and Insular Affairs and a Senate manager of the bill (S. 1570) which became the Act, wrote to William E. Simon, then the FEO Administrator, questioning "the Administration's authority to exempt new oil, released oil, and State royalty oil from the regulations implementing the price ceiling provisions of the Emergency Petroleum Allocation Act," asserting that "it is my view that the Act does not permit these exceptions to the price requirements of the Act," and requesting "a report and a legal memorandum on this matter." [16] No response to this letter was received until the latter part of April 1974. By letter dated April 10, 1974, plaintiff wrote to Mr. Simon, then the FEO Administrator, asserting that all crude other than stripper well crude "is subject to the mandatory price ceiling requirements of Section 4(a) of the Act" and requesting that the FEO rescind the illegal exemptions, impose price ceilings on the uncontrolled oil, and "require the refund to consumers of amounts paid by consumers in excess of the price ceilings the imposition of which was mandated by the Act." [17]

By an undated letter received by plaintiff on or about April 23, 1974, Mr. Duke Ligon, Assistant Administrator of the FEO, responded to plaintiff's April 10 letter, informing plaintiff that its letter "is being treated as a petition for initiation of a rulemaking procedure" and "is denied for the reasons set forth herein. In view of this disposition, your request that the FEO initiate a compliance proceeding to require refunds to consumers is dismissed." Mr. Ligon's letter further stated that the basis for FEO's denial of plaintiff's petition was set forth in its response to Senator Jackson, dated April 18, 1974, and an accompanying memorandum by Mr. William Walker, the FEO General Counsel, both of which were attached to said letter.[18]

Plaintiff filed its complaint in this action on May 13, 1974, naming as defendant John C. Sawhill, Administrator of the FEO.[19] The complaint seeks a declaratory judgment declaring that the FEO regulations permitting uncontrolled oil to be sold without respect to the ceiling price violates Section 4 of the Act, and seeks a permanent injunction requiring the immediate rescission of such regulations, the prompt issuance of new regulations imposing ceiling prices upon the first sale of such uncontrolled oil, and requiring the FEO to require the restitution to refiners of such oil of all moneys previously paid in excess of said ceilings, an appropriate portion of such moneys to be returned to plaintiff, its members, and all other purchasers of products derived and/or refined from such crude, or of products whose costs are directly or indirectly affected by the costs of such crude.

More than 20 days having expired since the commencement of the action, there being no issues of fact genuinely in dispute, and plaintiff being entitled to judgment as a matter of law, plaintiff now moves for summary judgment.

ARGUMENT

Plaintiff's argument is in three parts. First, plaintiff demonstrates what defendant has already conceded—that the Act mandates defendant to establish price controls for the uncontrolled oil. Second, plaintiff demonstrates that defendant, by permitting uncontrolled oil to be sold at any price that the market will bear, has violated this mandatory duty. Third, plaintiff demonstrates that the Court may grant the equitable relief requested in the complaint.

I. Section 4 of the act imposes a mandatory duty to establish price controls for "new", released", exported, and imported crude oil and refined products.

Section 4(a) of the Act provides, in pertinent part:

"Not later than fifteen days after the date of enactment of this Act, the President shall promulgate a regulation providing for the mandatory allocation of crude oil, residual fuel oil, and each refined petroleum product, in amounts specified in (or determined in a manner prescribed by) and at prices specified in (or determined in a manner prescribed by) such regulation". . . . (Emphasis supplied.)

Footnotes at end of article.

Numerous courts have held that use of the word "shall" or "will" is mandatory and implies no discretion whatsoever. E.g., *Escoe* v. *Zerbst*, 295 U.S. 490, 493 (1935): *Richbourg Motor Co.* v. *United States*, 281 U.S. 528. 534 (1930). Indeed, only several months ago, the United States Court of Appeals for this circuit held that a statute providing that "the President shall . . . adjust the rates of pay . . . imposed a mandatory, nondiscretionary, legally enforceable duty upon the President. *National Treasury Employees Union* v. *Nixon*, 492 F. 2d 587, 601 (D.C. Cir. 1974).

The Act not only imposed a mandatory duty to specify, or prescribe the manner for determining, price; it also extended this duty to all of the uncontrolled oil. Section 4(a) concludes:

"Except as provided in subsection (e) [the stripper well exemption] such regulation shall apply to *all* crude oil, residual fuel oil, and refined petroleum products produced in or imported into the United States (Emphasis supplied).

The Act confers only one specific exemption from the pricing regulation mandated by Section 4(a)—so-called stripper well production (ie, production from leases whose average daily production for the base year did not exceed 10 barrels per well), which exemption is expressly created by Section 4(e)(2). That Congress intended to restrict the granting of exemptions could hardly be clearer. Section 4(g) of the Act prescribes an unusually specific procedure by which the President[20] may create other exemptions from the mandatory allocation and pricing regulation, a procedure which is notable for its detailed requirements and the extent to which Congress insisted upon retaining the power to veto any or all such exemptions.

Section 4(g)(1) sets forth two basic requirements for any such exemption. First, the amendment to the mandatory allocation and pricing regulation, which amendment seeks to create an exemption, must *itself* meet the requirements of Section 4. Second, "the President may exempt crude oil, residual fuel oil, or any refined petroleum product from" the mandatory allocation and pricing regulation only in accordance with Section 4(g)(2), which requires that *each* of the following conditions be met before *any* exemption may be made:

1. the exemption must be effected by an amendment to the mandatory allocation and pricing regulation;
2. The President must find "that application of the regulation under subsection (a) to crude oil, residual fuel oil, or a refined petroleum product is not necessary to carry out this Act";
3. The President must find "that there is no shortage of such oil or product";
4. the President must find "that exempting such oil or product from such regulation will not have an adverse impact on the supply of any other oil or refined petroleum products subject to this Act";
5. the exemption may last only 90 days;
6. the President must submit any such amendment and any such findings to the Congress;
7. such an amendment "may not exempt more than one oil or one product";
8. such an amendment may not take effect "sooner than the close of the earliest period which begins after the submission of such amendment to the Congress *and* which includes at least five days during which the House was in session *and* at least five days during which the Senate was in session" (Emphasis supplied); and
9. such amendment "shall not take effect if before the expiration of such period *either* House of Congress approves a resolution of that House stating in substance that such House disapproves such amendment." (Emphasis supplied).

Section 4(g)(2), then, represents an extraordinarily detailed, carefully drafted, and wholly unprecedented effort to restrict Presidential authority to exempt crude oil and refined products (other than that from stripper wells) from the mandatory allocation and pricing regulation promulgated pursuant to Section 4(a).[21]

In view of this crystal clear assertion of Congressional policy, this Court should be exceedingly reluctant to indulge any reading of the Act which would enlarge the President's authority to create exemptions either formally—by use of the procedure required by section 4(g)(2)—or informally—by disingenuously describing as "subject to controls" what is in fact simply an uncontrolled market price.[22]

There are yet other indications in the Act of the importance which Congress attached to price controls on crude oil. For example, Section 4(e)(1) of the Act, while authorizing the President to dispense with *allocation* at the producer level upon the making of certain findings, expressly denies him such authority in the case of price regulation:

"The provisions of the regulation under subsection (a) shall specify (or prescribe a manner for determining) prices of crude oil at the producer level . . ." (Emphasis supplied).

The fact that the Act imposes a mandatory obligation to control prices on the uncontrolled oil has not escaped the notice of the FEO. In denying plaintiff's April 10 petition, the FEO has expressed its vigorous agreement with plaintiff's contention that the Act's mandate to control the price of crude oil extends not only to "old" oil, but to "new" and "released" oil as well.[23] Thus, William E. Simon, defendant's predecessor in office, transmitted to Senator Jackson the views of FEO that "new oil and released oil are not exempt from the Emergency Petroleum Allocation Act . . ." (Exhibit H). The accompanying legal memorandum dated April 2, 1974 from FEO's General Counsel, to which Simon adhered, spells out FEO's position with perfect clarity (Exhibit I). After referring to the FEO's crude oil price control system, which "prescribes a manner for determining prices, pursuant to the statutory obligation" (emphasis supplied), the memorandum concludes:

"Thus, new and released oil prices are not *exempt* from controls. If they had been exempted under Cost of Living Council regulations (which they were not), the Emergency Petroleum Allocation Act would have ended that exemption. Moreover, crude oil cannot now be exempted from the regulation in subsection (a) except pursuant to the procedural process set forth in Section 4(g)(2) of the Act . . ." (Exhibit I, p. 3). (Emphasis original.)

FEO's position, then, is *not* that the FEO has discretion under the Act as to whether price controls on uncontrolled oil are to be imposed. Quite the contrary, the clear language of the Act has compelled FEO unequivocally to concede what plaintiff contends—that price controls on such oil are *mandated* by the Act. FEO nevertheless defends its regulations on the astonishing ground that its "statutory obligation" to impose price controls on uncontrolled oil has been fully discharged by letting such oil be sold at whatever price the market will bear. We now proceed to examine the validity of this position.

II. By permitting uncontrolled oil to be sold at whatever price the market will bear, the FEO has violated its mandatory duty to establish equitable prices for such oil.

As demonstrated above, FEO has a mandatory, statutory obligation to issue a regulation "providing for the mandatory allocation of crude oil, residual fuel oil, and each refined petroleum product . . . at prices specified in (or determined in a manner prescribed by) such regulation." Section 4(a). All parties agree that this duty to impose price controls exists. The only issue in this case is whether FEO has discharged this duty.

FEO's own descriptions of the prices for new and "released" crude stress that they are not controlled prices but are simply "free market" prices, notwithstanding that it was the severe dislocation in the petroleum market caused by the unprecedented shortage that caused Congress to reject the market as an allocative and pricing mechanism for the duration of the Act.[24] See, e.g., Section 2(b). Thus, FEO's legal memorandum refers to the prices for uncontrolled oil as ("market prices."[25] Similarly, FEO's monthly Petroleum Report refers to the price for stripper well, new, and released crude oil production as the "non controlled price" as distinguished from the "controlled price" for old oil.[26] And the FEO's pricing regulations expressly refer to exports and imports as "exempt" from the mandatory controls.[27]

FEO has employed a transparent semantic device to flout the clear requirements of the Act. On the one hand, it speaks of its "unitary regulatory scheme comprised of two parts." On the other hand, it concedes—one sentence earlier—that "new" and "released" oil is "permitted to rise to market prices."[28] FEO's disingenuous effort to bring its refusal to control price under the umbrella of its "regulatory scheme" is like saying that apples and automobiles are both fruits. The illogic of FEO's assertion is underscored by its assurance that the oil selling at "market prices" is still "subject to controls" and that "the continuing price control authority remains."[29] Apart from the fact that FEO has a *duty*, and not simply "authority," to impose controls,[30] this is a clear admission of what is already perfectly obvious—that FEO has not yet imposed price controls of the uncontrolled oil.

Clearly, FEO's mere acquiescence in a free market price, particularly when that market price had enjoyed a spectacular increase of over 300% in the space of less than nine months,[31] does not discharge its statutory duty to specify, or prescribe a manner for determining, price. Still less does it discharge the statutory directive to set a price which is "equitable." See Section 4(b)(1)(F) of the Act. It would have been bizarre indeed if Congress, having expressly and clearly mandated price controls and having assiduously avoided authorizing any non-statutory exemptions from such mandatory controls except in the most carefully limited circumstances,[32] had intended to permit FEO to free some 25–30% of crude oil production from such controls, at a time when oil shortages were wreaking cruel havoc with consumers. Certainly, there is not the slightest evidence in the Act of any such intent.

While Congress carefully refrained from dictating to the President what particular price must be set, it did direct that the noncontrolled prices must be "equitable" (Section 4(b)(1)(F)), and that the Act's authority "be exercised for the purpose of minimizing the adverse impacts of such shortages or dislocations on the American people and the domestic economy." (Section 2(b)).

The statutory language then, is clear that FEO was required to establish equitable price levels for the uncontrolled oil, either by specifying a particular price or by prescribing some formula or method for arriving at such a price, and that simply acquiescing in the market prices generated by the very shortage which had occasioned the Act was not sufficient.

A recent case in this Circuit, also involving the oil industry, has reaffirmed the principle demonstrated by the foregoing analysis—that the statutory duty to regulate prices is not met by simply accepting whatever price the vagaries of a suspect market yields. In *Texaco, Inc.* v. *Federal Power Commission*, 474 F. 2d 416 (D.C. Cir. 1972) *cert. granted* ______ U.S. ______, October 9, 1973, the Court of Appeals struck down the Federal Power Commission's Order No. 428, which exempted "small producers" from regulation of rates for sales of natural gas. The Court in *Texaco* considered the same argument, *mutatis*

Footnotes at end of article.

mutandis, that the FEO advances here, i.e., "that, while the *Commission* would no longer be regulating rates, the *market mechanism* itself would, in effect, dictate small producer prices which were 'just and reasonable.'" (Emphasis original). 474 F. 2d at 422. The Court sharply rejected this position:

> "However, though ingenious on a semantic level, that argument ignores the essential difference between a regulated and an unregulated industry. Put simply, the latter is governed by the market while the former, by definition, is the subject of active governmental control." (*Id.*)

The Fifth Circuit has also stressed the violence done to the Congressional intent when market price is used in lieu of a statutorily mandated regulatory price:

> "A price paid for gas as the result of arm's length bargaining with the producer is not, merely because bargained for in a highly competitive market, 'just and reasonable' within the intendment of the Natural Gas Act. . . . This is so because the only justification for giving the Commission the duty to regulate prices was the determination by Congress that the producers have a supply that is so restricted in relation to demand that they have the economic power to bargain for prices that will be injurious to the public. . . ."

United Gas Improvement Co. v. *Federal Power Commission,* 290 F.2d 133, 135 (5th Cir. 1961), *cert. denied sub nom. Sun Oil Co.* v. *United Gas Improvement Co.,* 368 U.S. 823. Similarly, the Court of Appeals for this Circuit has recently rejected the use of market price where a regulated price is required. In *Public Service Commission for the State of New York* v. *Federal Power Commission* 487 F.2d 1043, 1057 (D.C. Cir. 1973), the Court stated:

> "However, so long as the legislature has assigned the agency the function of regulations of rates it cannot legitimately execute that function in a fashion which, in fact, is tantamount to total deregulation or nonregulation. Congress did not provide for agency action and court review as a charade."

The Court, after reiterating its holding in *Texaco, Inc.* v. *Federal Power Commission, supra,* continued:

> "We reaffirm the principle that regulation cannot be conducted on a premise tantamount to nonregulation." (487 F.2d at 1057, n. 32).

The Emergency Petroleum Allocation Act, like the Natural Gas Act, requres the agency to permit[33] producers to charge prices only in accordance with a statutory standard, but does not specify precisely what those rates must be. In the *Texaco* case, the FPC argued that simply because it possessed broad discretion as to what the specific "just and reasonable" rate was, it need not determine that rate itself according to the statutory criteria, but could rely on the market price to yield a "just and reasonable" rate. Rejecting this argument out of hand, the Court noted that a higher FPC-prescribed rate for small producers than for large ones might well meet the requirements of the statute, "[b]ut the small producers cannot be exempted from the regulatory scheme, and have their prices tied to the free market, by administrative agency fiat." *Texaco, Inc.* v. *Federal Power Commission, supra,* 474 F.2d at 423.

The statutory obligation of the FEO to establish "equitable prices" is legally indistinguishable from the statutory obligation of the FPC to certificate only "just and reasonable" rates. Reliance upon market price in lieu of agency regulation violates a statutory obligation in either case.

III. In the exercise of its equitable powers, this court may require the FEO to require the restitution of past overcharges to plaintiff, its members, and other consumers of the uncontrolled oil.

If, as plaintiff has demonstrated, defendant has illegally failed to impose equitable price ceilings on the uncontrolled oil, it would be palpably unjust to permit the producers of such oil to retain the sums which they have received in excess of the equitable ceiling prices which defendant is required by the Act to establish. While the precise magnitude of these sums remains to be established, they are unquestionably enormous.[34]

The FEO has ample authority to require restitution of these overcharges. See 10 C.F.R. § 205.82 concerning the FEO's authority to issue "remedial orders" and the definition of that term at 10 C.F.R. § 205.2. Moreover, the FEO and its predecessor, the Cost of Living Council, have issued such orders on numerous occasions. See, e.g., CCH Economic Controls, § 7201.

Even if the FEO lacked or refused to exercise such authority, however, this Court clearly possesses the equitable power to require restitution of such overcharges. Indeed, the Court of Appeals in this circuit during the last year has reaffirmed this principle in a very similar case. In *Democratic Central Committee of the District of Columbia* v. *Washington Metropolitan Area Transit Commission,* —— U.S. App. D.C. ——, 485 F. 2d 786 (D.C. Cir. 1973), the Court, after finding that the bus fares fixed by the Commission's order were illegal and that "the fares fixed by that order have been charged and paid since it went into effect", went on to fashion appropriate relief:

> Here, no less than in *Williams* [*Williams* v. *Washington Metropolitan Area Transit Commission,* 134 U.S. App. D.C. ——, 415 F. 2d 922 (D.C. Cir. 1968), *cert. denied* 393 U.S. 1081 (1969)], "given our conclusion" that in formulating Order No. 773 "the Commission failed to apply appropriate criteria, and failed to make the inquiries prerequisite to valid exercise of its rate-setting authority, we could not permit Transit to retain the increased fares, since to do so would be to give legal effect to the Commission's invalid order.

485 F. 2d at 824–25. See also, *Bebchick* v. *Public Utilities Commission,* 115 U.S. App. D.C. 216, 232–33, 318 F. 2d 187 (D.C. Cir. 1963) (*en banc*), *cert denied,* 373 U.S. 913. The Court then set aside the invalid order and remanded to the Commission for a determination of the amount of restitution to be required. Finally, the Court noted that there were "many ways" in which the restitution could be effected, holding:

> "The choice will become the task of this court after the remand is completed, and we invite the Commission to delve into it on remand." 485 F. 2d at 828.

In sum, this Court possesses ample authority, well-established by precedent, to grant the equitable relief requested by plaintiff.

CONCLUSION

For the reasons set forth above, plaintiff respectfully requests that this Court issue an order granting plaintiff summary judgment and that it grant the relief prayed for in the complaint.

Respectfully submitted,
PETER H. SCHUCK,
JAMES A. BRODSKY,
Counsel for Plaintiff.

FOOTNOTES

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[1] A copy of the Act is annexed hereto as Exhibit A.

[2] See *infra,* pp. 10–15.

[3] Executive Order No. 11748, December 4, 1973, 38 F.R. 33575–76.

[4] Cost of Living Council Order No. 47, dated December 26, 1973, 30 F.R. 24, January 2, 1974. Certain exceptions to this delegation of authority are not relevant to the instant acion.

[5] 39 F.R 1924–61, January 15, 1974.

[6] Subparts C and D of the regulations are annexed hereto as Exhibit B.

[7] 10 C.F.R. § 212.52, as amended, 39 F.R. 122–52–55, April 4, 1974.

[8] 10 C.F.R. § 212.74(a).

[9] 10 C.F.R. § 212.74(b).

[10] 10 C.F.R. § 212.53(b).

[11] 10 C.F.R. § 212.53(a).

[12] See *infra,* pp. 10–15.

[13] See Table VII of the Federal Energy Office, Office of Policy, Planning and Regulation, "The PIMS Monthly Petroleum Report", dated April 30, 1974, annexed hereto as Exhibit C.

[14] "Summary of U.S. Export and Import Merchandise Trade, March 1974," FT 900–74–3 Supplement, published by the U.S. Dept. of Commerce, Bureau of the Census, and annexed hereto as Exhibit D. The $11 per barrel figure cited is derived from Table 1A at p. 4 of Exhibit D, by dividing the quantity for "crude and partly refined petroleum" into the customs value for that item, and this figure apparently excludes U.S. import duties, freight, insurance, and other costs of importation. See Exhibit D, p. 3. Crude oil accounts for approximately 90% of this item. See "Extracts from U.S. Imports for Consumption, March 1974," IM 145, published by the U.S. Dept. of Commerce, Bureau of the Census.

[15] Exhibit C, Table XI.

[16] Senator Jackson's letter is annexed hereto as Exhibit E.

[17] Plaintiff's letter is annexed hereto as Exhibit F.

[18] The undated letter from Mr. Ligon to plaintiff, the April 18 letter from Mr. Simon to Senator Jackson, and the April 2 memorandum from Mr. Walker to Mr. Simon, are annexed hereto as Exhibits G, H, and I, respectively.

[19] On May 7, 1974, the President signed into law the Federal Energy Administration Act of 1974, Pub. Law 93–275, which provides for the creation of a Federal Energy Administration in the executive branch. The Federal Energy Administration will absorb the FEO and its legal authority when the Act becomes effective.

[20] Or his delegate. See Section 5(b) of the Act.

[21] Compare, for example, the virtually untrammeled discretion to create exceptions from price and wage control authority conferred upon the President by Section 203(b) (2) of the Economic Stabilization Act of 1970, 12 U.S.C. § 1904 note, the predecessor of the Emergency Petroleum Allocation Act with respect to price controls over petroleum and petroleum products.

[22] See Exhibit I, p. 3 and *infra,* pp. 10–15.

[23] While FEO's contentions, as set forth in Exhibits G, H, and I, have reference only to "new" and "released" crude oil (since those were the only categories of uncontrolled crude about which Senator Jackson inquired), there is no legal basis in the Act for distinguishing FEO's statutory obligations with respect to "new" and "released" crude from its statutory obligations with respect to imports and exports. See Section 4(a) of the Act, last sentence.

[24] Section 4(g)(1) of the Act provides that the pricing and allocation regulation expires on February 28, 1975.

[25] Exhibit I, p. 3.

[26] Exhibit C, p. 15. At page 2 of the Report, FEO refers to the "free market price" for stripper well, new, and released crude.

[27] Exhibit B, 10 C.F.R. § 212.53(a) and (b).

[28] Exhibit I, p. 3. As stated above, it abandons this charade altogether in the case of exports and imports, which are "exempted" from the regulations. Exhibit B, 10 C.F.R. § 212.53 (a) and (b).

[29] Exhibit I, p. 3.

[30] See Argument I, *supra.*

[31] According to PEO statistics, the average price of all domestic crude was $3.41 per barrel in March 1973 and $3.86 in August 1973. By January 1974, the average price of uncontrolled domestic crude reached $10.35 per barrel and in April 1974 remained at approximately $10 per barrel. See Exhibit C and H. Report No. 93–1014, 93d Congress, 2d Session, April 29, 1974, p. 10, n. 2.

[32] See *supra*, pp. 7-9.

[33] In theory, the producer, not the FPC, "sets" rates under the Natural Gas Act. Under that Act, however, each transportation or sale of natural gas in interstate commerce must be at rates which are "just and reasonable", no such transportation or sale may be undertaken unless a certificate of public convenience and necessity has been issued by the FPC, and the FPC may (and routinely does) condition the certificate upon the acceptance by the producer of a particular just and reasonable" rate, 15 U.S.C. §§ 717c(a), 717(c) and (e).

[34] See Plaintiff's Motion for Expedited Hearing of Plaintiff's Motion for Summary Judgment, filed simultaneously herewith, at pp. 2, 3.

Mr. PACKWOOD. Mr. President, I rise today in support of the nomination of John Sawhill as the Administrator of the Federal Energy Office.

I can think of no greater testament to the effectiveness and ability of John Sawmill than by simply comparing where this Nation stands today in the allocation and development of energy resources to where we stood just a half a year ago.

In late 1973 it was not uncommon to hear dire predictions of gas at a dollar a gallon, if a gallon were to be found at all. Americans were hit with horror stories about fuel drying up accompanied by a flood of gasoline coupons and rationing stamps.

We weathered the crisis, and certainly a large share of the credit must be given to John Sawhill as Deputy Administrator of the Federal Energy Office. If men rise to the demand of the moment, and if grave emergencies are the discoverers of equally great men, then the energy crisis of 1974 found its match in Bill Simon and John Sawhill.

During the gasoline crunch last winter, Oregon was particularly hard hit. John Sawhill's knowledge and concern regarding Oregon's plight was a constant reassurance to me and many Oregonians. His dedication was remarkable. I have received calls from John at 10 in the evening only to find him back at his desk at 7 a.m. the very next morning. His is clearly a case of a dedicated American stretching the 24-hour clock to its limits to get ahead of this Nation's energy problems.

Clearly, we are still confronted by a serious energy shortage. We are, however, in the midst of a respite from our winter's woes, and while the problems are no longer on the front page, the planning is still going on behind the scenes at the FEA.

John Sawhill's confirmation today as Administrator of the Federal Energy Administration will lend great support to the task of solving our Nation's energy problems. I support John with my admiration and thanks.

Mr. HATFIELD. Mr. President, I have a few comments about the nomination of John Sawhill to be the Administrator of the Federal Energy Administration. During his tenure as deputy to William Simon at FEO, and since he took over as the head, I have gotten to know John Sawhill well. As a member of the Senate Interior Committee, it is our responsibility to help formulate energy policies for the Senate, and we have met with Mr. Sawhill on numerous occasions. In addition, my State of Oregon was one of the first, if not the first, States to suffer the full impact of the gasoline shortage last Christmas. We had a terrible situation in Oregon, and the FEO, which had just been in operation allocating gasoline for a few days, was little help to us as we tried to gather data. Since that time, some of our Oregon initiatives have served as models in the field of energy conservation.

When Mr. Sawhill was named as Mr. Simon's Deputy, I was probably one of the few Senators who knew him. Prior to moving to FEO, he had served as the Natural Resource Deputy of OMB Director Roy Ash. As a member of both the Senate Interior Committee, and the Appropriations Subcommittees on Public Works and the Interior agencies, I had come in frequent contact with Mr. Sawhill's office at OMB, and, like most of my colleagues, often was concerned about natural resource decisions made by OMB.

Since he left OMB and moved to FEO, John Sawhill and I have met many times, and I have been impressed with his quick grasp of complex problems, and his clear presentation of his agency's views. While I have not always agreed with those views, I believe he has a grasp of our energy problems, and I respect his efforts to remind Americans that we are not out of the cold, so to speak, in ending our energy crisis.

I hope that John Sawhill will continue to be a prod to the people of the country, and to the Congress. It will be all too easy for us, especially in Congress, to wish the energy crisis away. It is a time of tough decisions in this area, and, unfortunately, all too often Congress seems to prefer waffling rather than meeting some of these issues head on. John Sawhill should receive the support of members of this body who believe that we still must take major steps to meet our energy crisis and to see that more energy supplies are developed. I wish John Sawhill well, and hope he can continue to pressure us all, both in Congress and across the Nation, to invoke more energy conservation measures, and to prod us into taking further action to meet our future energy needs.

Mr. BIBLE. Mr. President, I had the privilege of attending the confirmation hearings of the President's nomination of Dr. John C. Sawhill of Maryland to be the Administrator of the Federal Energy Administration. In my view, based upon the hearings and upon my contact with Dr. Sawhill during his service as Deputy Administrator of the FEA, Dr. Sawhill is a man of great integrity and competence. I have always found Dr. Sawhill candid and forthcoming in his dealings with my office and with the Interior and Related Agencies Appropriations Subcommittee which I chair as well as with the Committee on Interior and Insular Affairs.

There have, of course, been a number of major energy policy issues on which Dr. Sawhill's position and mine have been substantially at variance. The best example perhaps relates to the President's veto on March 6 of the Energy Emergency Act. As passed by the Congress this measure provided special protection for States such as Nevada whose economies are largely based upon tourism and the recreational industries. This bill would have also provided for the establishment of statutory price ceilings for petroleum products at equitable levels which would protect consumers and at the same time, assure reasonable profits to the oil industry.

Mr. President, I recognize that Dr. Sawhill's position and our differences on these and other issues is, in part, a result of Dr. Sawhill's advocacy of policy positions previously taken by his predecessors or by the President. In recognition of this fact and in view of his high qualifications for this important office, I intend to vote in favor of his nomination.

SENATOR RANDOLPH COMMENDS JOHN C. SAWHILL AS FULLY QUALIFIED TO BE ADMINISTRATOR OF THE FEDERAL ENERGY ADMINISTRATION

Mr. RANDOLPH. Mr. President, during the 6 months that John C. Sawhill has been associated with the Federal Energy Office, he has demonstrated a deep appreciation for the serious energy problems that face our Nation now and in the years ahead. In recognition of the significant role that energy conservation must perform in a national energy policy, John Sawhill has demonstrated a balanced and innovative approach to the formulation of Federal policies geared at solving our country's energy problems with a minimum disruption to our economic and social well-being.

Creation of the Federal Energy Administration constitutes the first step in a national commitment to centralized Federal energy programs. In the months ahead, legislation will be making its way through the Congress to also establish an energy information administration, an energy research and development administration, a centralized Federal energy regulatory agency, and eventually a comprehensive Department of Energy and Natural Resources.

In the interim period the Federal Energy Office will serve as the lead agency for the management of Project Independence toward the development of a national capability for energy self-sufficiency. Achievement of this national goal will require close cooperation between the Congress and the executive branch in a nonpartisan effort.

We must move forward in the formulation of a national energy policy for the United States which marshals the private resources of this Nation toward the eventual elimination of our present dependence on foreign energy supplies.

The Administrator of the Federal Energy Administration will organize and direct a wide diversity of programs involving individuals of many disciplines and specialties. Mr. Sawhill's background as an educator, economist, a manager of large private business organizations, his work in the Office of Management and Budget, and his experience as Deputy Administrator and Administrator of the Federal Energy Office make him fully qualified for this herculean task.

The Congress will be moving forward in the formulation of not only a national energy policy but regional energy policies for the United States. This task is of first priority to assuring the future of our country. A close policy of openness will be required between the administration and the Congress in this effort. Unfortunately, this has not always been the case in recent months.

In his statement before the Senate Interior Committee, John Sawhill emphasized:

> In redesigning our future energy base, we face a myriad of choices concerning both supply and demand. The fact that we have so many choices testifies the great abundance that this Nation enjoys.

Mr. Sawhill then said that—

> We must be decisive and resolute in making the hard choices ahead if we are to enjoy any viable energy future.

The Administrator of the Federal Energy Administration will be called on to make many difficult choices. We have not yet faced a decision on what is the single most effective strategy for achieving energy self-sufficiency; rather, we are faced with the hard decisions involved in pursuing parallel programs in oil and gas and coal and nuclear and unconventional energy sources—each must be successful if Project Independence is to have any chance of success.

In the formulation of the necessary regional and national strategies to implement Project Independence, I look forward to working with John Sawhill and I urge his confirmation.

Mr. ABOUREZK. Mr. President, I intend to ask for the yeas and nays on the nomination. There are not enough Senators present to obtain the yeas and nays, so I will defer that request, but I just want to put the Senate on notice that I will do that before 3 o'clock.

I yield back the remainder of my time, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ABOUREZK. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. ALLEN. Mr. President, I object.

Mr. ABOUREZK. Mr. President, I have a parliamentary inquiry.

The PRESIDING OFFICER. Objection was heard.

Mr. ABOUREZK. Oh, there is objection?

Mr. ALLEN. Yes.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. ALLEN. Mr. President, I object for the moment. I have no objection to what the Senator has in mind.

The PRESIDING OFFICER. Objection is heard.

Mr. MANSFIELD. Mr. President, I repeat my request.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. I ask for the yeas and nays on the Sawhill nomination.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TALMADGE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Hathaway). Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

MESSAGE FROM THE HOUSE—ENROLLED BILLS SIGNED

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the Speaker had affixed his signature to the following enrolled bills:

H.R. 2514. An act for the relief of Mrs. Gavina A. Palacay;

H.R. 5477. An act for the relief of Charito Fernandez Bautista;

H.R. 7685. An act for the relief of Giuseppe Greco;

H.R. 12165. An act to authorize the construction, operation, and maintenance of certain works in the Colorado River Basin to control the salinity of water delivered to users in the United States and Mexico;

H.R. 13998. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; and

H.R. 14368. An act to provide for means of dealing with energy shortages by requiring reports with respect to energy resources, by providing for temporary suspension of certain air pollution requirements, by providing for coal conversion and for other purposes.

The enrolled bills were subsequently signed by the Vice President.

ORDER OF BUSINESS

Mr. TALMADGE. Mr. President, I ask unanimous consent that the distinguished Senator from Alabama (Mr. Allen) may yield to me to take up a privileged matter briefly, with the understanding that he will not lose his right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF AGRICULTURE AND CONSUMER PROTECTION ACT OF 1973, THE FOOD STAMP ACT OF 1964

Mr. TALMADGE. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3458.

The PRESIDING OFFICER (Mr. Hathaway) laid before the Senate the amendments of the House of Representatives to the bill (S. 3458) to amend the Agriculture and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes which were to strike out all after the enacting clause, and insert:

> That section 4(a) of the Agriculture and Consumer Protection Act of 1973, as amended (87 Stat. 221, as amended, 7 U.S.C. 612c), is amended to read as follows:
>
> "Sec. 4. (a) Notwithstanding any other provision of law, the Secretary of Agriculture is hereby authorized, until July 1, 1975, to (1) use funds available under provisions of section 32 of Public Law 320, Seventy-fourth Congress, as amended (7 U.S.C. 612c), and not otherwise expended or necessary for such purposes to purchase, without regard to the provisions of existing law governing the expenditure of public funds, agricultural commodities and their products of the types customarily purchased under section 32 and seafood commodities and their products to maintain the level of assistance required by domestic food assistance programs that are authorized by law, including but not limited to distribution to needy families pending the transition to the food stamp program, institutions, supplemental feeding programs wherever located, disaster relief, summer camps for children, and Indian reservations not requesting a food stamp program, and (2) if stocks of the Commodity Credit Corporation are not available, use the funds of the Corporation to purchase agricultural commodities and their products of the types customarily available under section 416 of the Agricultural Act of 1949 to meet such requirements."
>
> And amend the title so as to read: "An Act to continue domestic food assistance programs, and for other purposes."

Mr. TALMADGE. Mr. President, I move that the Senate disagree to the House amendments and agree to the conference requested by the House on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint the conferees.

The motion was agreed to, and the Presiding Officer appointed Mr. Talmadge, Mr. McGovern, Mr. Allen, Mr. Humphrey, Mr. Young, Mr. Dole, and Mr. Bellmon conferees on the part of the Senate.

Mr. TALMADGE. Mr. President, I thank the distinguished Senator from Alabama for yielding me this time.

Mr. ALLEN. Mr. President, I was delighted to yield to the Senator from Georgia, the able chairman of the Committee on Agriculture and Forestry. I was delighted that this matter was brought before the Senate and that action was taken on it.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate resumed the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. ALLEN. Mr. President, when we reached the point where the Presiding Officer interrupted the Senator from Alabama in order that we might go to debate on the confirmation of Mr. Sawhill, the Senator from Alabama was discussing the provisions of H.R. 14832 which is the unfinished business, the pending business being the amendment of the Senator from Alabama to cut from $95 billion down to $90 billion the amount of the temporary debt limit on the National Government.

I was explaining for the benefit of Senators who may not have been in the Chamber at the time the matter of the debt ceiling which is divided into two parts, the permanent debt of $400 billion and then the temporary debt limit presently at $75.7 billion.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Alabama yield to me, under all the conditions to protect his right to the floor?

Mr. ALLEN. I yield.

Mr. ROBERT C. BYRD. Mr. President, yesterday I obtained consent for a vote to occur at 2 p.m. today on the Sawhill nomination, if the yeas and nays thereon were ordered. There was no desire on my part at that time, and there is no desire on my part at this time, to take advantage of the Senator from Alabama. I want to protect his rights, but at the hour of 2 p.m. today a rollcall vote will occur on the Sawhill nomination and the Senator from Alabama cannot prevent that vote from occurring by virtue of the order entered into.

I made the request yesterday that the vote occur at 2 o'clock, without protecting the rights of the Senator from Alabama. At the time, he did not protect his own rights, and he did not foresee the need to do so. Lest any controversy arise that might tend to prevent him from regaining the floor, I think it is only fair to him that I now ask unanimous consent that upon the disposition of the vote on that nomination, the Senate return to legislative session and that the Senator from Alabama be recognized, without a second speech having been charged against him.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ALLEN. I thank the distinguished Senator from West Virginia for clarifying this point, and protecting the right of the Senator from Alabama to discuss this matter thoroughly.

Actually, Mr. President, the effort and discussion by those Senators who do not wish to see this debt authorization extension bill burdened with scores and scores and scores of tax revision amendments will shorten the time that this bill is before the Senate.

Why does the Senator from Alabama feel that way about it? There would be in the neighborhood of 150 amendments offered to this bill, if the flood gates are opened and amendments are permitted that are not germane. The amendment of the Senator from Alabama which is at the desk and has been stated and is the pending business, is a germane amendment. So far as the Senator from Alabama knows, it is the only germane amendment that has been submitted. Of all of the amendments that have been sent to the desk with respect to H.R. 8217, which was originally planned to be used as the device for tacking these amendments on, not one, so far as the Senator from Alabama knows, is germane, except the amendment of the Senator from Alabama.

If the Senator from Alabama is wrong about that, I am sure he will stand corrected.

The permanent debt of the U.S. Government is $400 billion. The temporary debt, which expires this month, is $75.7 billion. While this bill says nothing about the $400 billion permanent indebtedness—I suppose that is just going to be swept under the rug or something—the fact remains we have to pay anywhere from $20 billion to $24 billion a year interest on that $400 billion. This has to do with the temporary debt limit and term extension.

The term during which the Government can have this temporary debt over and above the $400 billion is presently to expire with the end of this month. The bill would extend the authorization period through March of next year, and it would increase the temporary debt authorization by $19.3 billion, up to $95 billion.

The amendment of the Senator from Alabama would cut that temporary debt limit down to $90 billion, which would give the Treasury an increase in debt authorization of $14.3 billion.

The figures that have been furnished would indicate that $14.3 billion ought to be enough, because it is estimated that the total deficit for the next fiscal year, starting July 1 of this year, will be $11.4 billion. So it appears that the amendment of the Senator from Alabama is a wise amendment and that it should be agreed to.

Somewhere down the line, I hope we get to the amendment of the Senator from Alabama.

It seems to be the desire on the part of some to discuss this amendment. We are gong to have to get it out of the way before can can consider other amendments of the nongermane character. I wonder why the Members of the Senate who offered all these amendments did not think of offering a germane amendment or two along the way.

There is not much popular appeal to a germane amendment, but there is a great deal of popular appeal to a tax-cutting amendment, at first blush.

They say they have a major piece of tax-cutting legislation. It is major to the extent that it would cost the Government $6 billion. The Government, after all, is a collection of taxpayers; the citizens of our country make up the Government. It would cost the citizens of our country $6 billion. It would increase the deficit by $6 billion. It would add to inflation. What would it accomplish?

One would think they would have thought of something novel to put a lot of money in the taxpayers' pockets, the way this amendment has been played up.

What does it do? Well, it increases the first exemption from $750 to $825, or, in the alternative, it changes it to a tax credit of $190.

Let us say the taxpayer is in the 25-percent bracket. A $75 exemption would be about a $19 tax reduction per exemption. If one had three exemptions, it would be about $57.

But how much damage would this do to his paycheck, how much would it increase his cost of living? I dare say it would increase it a whole lot more than this $1 a week in tax saving.

Mr. President, it is an elementary fact of economics that budget deficits contribute to inflation. Everyone views that the same, I assume—most everyone, anyhow.

So if we lose $6 billion in revenue to the Federal Government, it would increase the rate of inflation and wipe out what little tax benefits the taxpayer is going to get.

I favor tax adjustment, tax reform, if you please, tax reduction under the proper circumstances, but I feel we should cut Government expenditure to accompany that, but who is talking about cutting Government expenditures? Not the proponents of this legislation.

By and large, they are the supporters of large expenditures by the Federal Government.

Mr. ROTH. Will the Senator from Alabama yield for a question?

Mr. ALLEN. Yes, I am delighted to yield to the Senator from Delaware.

Mr. ROTH. I wonder if the Senator would be willing to yield to me without losing the floor, to permit me to make a statement.

Mr. ALLEN. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Delaware without losing my right to the floor or without the resumption of my remarks being considered a second speech.

Mr. ROBERT C. BYRD. Reserving the right to object, Mr. President, would the Senator from Delaware indicate how long he wishes to speak?

Mr. ROTH. It will take less than 15 minutes.

Mr. ROBERT C. BYRD. I have no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROTH. I thank the distinguished Senator from Alabama for his courtesy in yielding.

The PRESIDING OFFICER. The Senator from Delaware may proceed.

INFLATION, FEDERAL SPENDING, AND THE PUBLIC DEBT

Mr. ROTH. Mr. President, for the past several months, both the administration and the Congress have done a lot of talking but taken little action to solve the inflation problem.

Inflation is this country's most serious problem, and it is high time that the President and Members of Congress recognize that one of the best ways of attacking it is by reducing Federal spending.

In the near future, the Congress will vote on a request by the President to raise the limit on the public debt by almost $20 billion to $495 billion. That is like adding gasoline to an already raging fire. To make matters worse, several Members of Congress are planning to offer tax amendments to the bill. In fact, at last count there were almost 50 amendments to be offered to the bill. The supporters of these amendments have claimed their legislation will provide relief from inflation, but in my opinion, this bill is a symbol of fiscal irresponsibility and I intend to vote against it.

The Congress first established a limit on the size of the public debt in 1917 as a means of controlling spending. The public debt rose slowly until World War II, when the huge defense costs caused large Federal deficits. From 1945 to 1960, the public debt increased by only $17.4 billion. But in the subsequent 15 years from 1960 until 1975, the public debt will have increased more than 11 times as much, by over $209 billion. The growth in the public debt has skyrocketed from

$22.5 billion in 1933 to an estimated $495.2 billion in 1975.

Mr. President, I ask unanimous consent to have printed in the RECORD a table showing the growth in the public debt.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Debt subject to limitation

[In billions of dollars]

1933	$22.5
1940	43.2
1945	268.7
1950	256.7
1955	273.9
1960	286.1
1965	317.6
1970	373.4
1971	399.5
1972	428.6
1973	459.1
1974 (est.)	475.4
1975 (est.)	495.2

Mr. ROTH. Mr. President, every time the public debt gets near its limit, the Congress raises the limit. It is time this imprudent practice ceases. In the past several years, increases in the debt limit have become a regular annual affair, with frequent instances of several increases occurring in a single year. The per capita costs of the public debt have also risen. In 1939, it was only $179. In 1960, the cost per American was $1,583, while today each American would have to pay $2,186 to pay off the national debt.

The public debt rises whenever the Government spends more money than it collects and the Treasury is forced to borrow money to cover the deficits. And the only way to reduce it is to collect more money than is spent.

In other words, we have to end Federal deficits if we want to reduce the public debt. And to end Federal deficits we can either increase taxes or reduce Federal spending.

The growth in Federal spending over the last 15 years has been astonishing and alarming.

In 1960, the Federal Government was spending $92 billion a year. Five years later, in 1965, the Government spent $118 billion. By 1971, the Government was spending over $211 billion, and in fiscal 1975, which starts next month, the Government has budgeted $305.4 billion.

It will not be easy to put a stop to this wild growth in spending. The recipients of government handouts have established special interest groups which have a vested interest in urging the Congress to spend more and more money. Each year lobbyists for the special interest groups come up to the Congress urging us to increase their share of the spending. There are lobbyists for education, health, welfare, highways, and virtually every other program. You name it and some group is asking the Federal Government to spend vast sums on it.

And if you do not vote for the largest possible spending increase, these lobbyists will return to your home State and claim that you are against these programs. The facts are that many of these programs can be funded more efficiently at the State and local levels. Some are highly necessary or desirable, but the Federal Government just cannot give top priority to everything.

The loneliest lobbyists on the Hill are those who urge you to vote against Federal spending. Since coming to the Congress in 1967, I can count on one hand the number of lobbyists who have urged the Congress to hold down Federal spending.

A year ago, the Congress was under intense pressure from the President to put a stop to wasteful and futile spending programs. I, along with many other Members of Congress, supported his efforts to persuade the Congress that economic and social problems would not go away simply by throwing money at them.

Last year's budget message included a detailed listing of Federal programs that the President recommended for termination or reduction because of their being inefficient and wasteful. But this year that list has disappeared and we are told by the President and his Budget Director that all of the spending increases are necessary.

We are kidding ourselves and the American people if we believe that such rapid increases are all "uncontrollable" or "unavoidable." I cannot believe that there is no room in the Federal budget for belt tightening. The special interest groups are going to have to learn to live without an expansion in every Federal program every year.

Inflation will not be brought under control until Government spending is brought under control. For this reason, I intend to vote against the $20 billion increase in the public debt. In its place, I will introduce legislation that will trim Federal spending by over $6 billion and lower the debt limit increase by $5 billion.

This vote will not be a popular vote, because of the tax cut and tax reform amendments that will be added to the bill. But I believe that a tax cut without a cut in Federal spending will be a cruel hoax on the American people.

The tax cut proposal will reduce the average family's taxes by only $50 to $60, but the cost to the Government will increase the Federal deficit by over $6 billion.

The inflation that will result from the larger Federal deficit will cost the average family far more than $50.

The soaring inflation rate has caused much uncertainty and confusion. Never before in our history have we had two digit or 15 percent inflation. This is a time for political statesmanship, not political promises. We cannot fool the American family into thinking that a $50 tax cut will solve this inflation problem.

The Federal tax laws are too complex and interrelated to make quickie changes to achieve instant results. Any changes that are made should take into account the full effects on the Federal budget and inflation.

The Treasury Department is currently preparing a balanced package of individual tax cuts combined with measures to increase industrial expansion. The Senate Finance Committee, of which I am a member, and the House Ways and Means Committee, are now holding hearings on tax reform. Inflation is a cruel burden on every American citizen and we should take a long, hard look at our tax laws to formulate changes to reduce that inflation burden.

In conclusion, we must all recognize that inflation is a serious problem that will not go away through wishful thinking or simple gimmicks. The Federal Government, business, labor, and every consumer must be willing to show some restraint. We should work for meaningful tax reform, and we should encourage an increase in the supply of goods to help combat the shortages and capacity problems that lead to higher prices. And most importantly, the Federal Government must slow the alarming growth in Federal spending.

Mr. President, at this stage, I yield back the floor to the distinguished Senator from Alabama.

Mr. ALLEN. Mr. President, I thank the distinguished Senator from Delaware for his very fine remarks. He has pinpointed the fact that the real culprit in the problem of inflation is excess spending, deficit spending, by the Federal Government, and he has pointed out that these tax reduction amendments would have the effect of increasing the deficit of the National Government, thereby contributing to further inflation.

That is one of the chief arguments, the chief points, against the scores of amendments that have been prepared for introduction on this bill, every one of the amendments being nongermane, as far as the Senator from Alabama understands.

Mr. President, speaking to the bill itself, our debt limit being $400 billion permanent, and $75.7 billion temporary, the temporary authorization to expire with this month, and then with the raise in the bill, H.R. 14832, to where the temporary debt would be $95 billion, a raise of $19.3 billion, of course leaving the permanent debt where it is, and extending that authorization from the end of June this month through March of next year, I really question whether it is conducive to sound budgetary policies and fiscal policies of Government to separate the permanent debt and the temporary debt.

At one time, I assume in the early days when they had the first temporary debt, which was back in 1955, they authorized a $6 billion temporary debt to add on to the permament debt of $275 billion. So it is quite obvious the debt since that time—since 1947, actually—has increased approximately $200 billion, coming about, of course, as a result of spending policies of the Federal Government. But when the temporary additional debt was authorized for the first time in 1955, it was anticipated that, through prudent management of the Nation's business, the operations of the Government, surpluses could be had and the temporary debt be paid off.

I notice on the chart on page 2 of the committee report that situation actually took place. In 1955 they set up a temporary additional debt of $6 billion. The next year it remained at $6 billion, and then the following year it went to $3 billion, indicating that the debt was going down. Then the very next year they wiped out the temporary additional debt altogether, according to this chart.

Well, that is fine, as long as there is a temporary additional debt down in the neighborhood of where one might anticipate that a budgetary surplus, or an actual surplus, might be sufficient to wipe out the debt. But how in the world is one going to wipe out a temporary debt of $75.7 billion in the few months that they extend this authorization? It is absolutely impossible.

So if the two merged, as the Senator from Alabama sees it, the temporary date consolidated with the permanent debt, set just a little above the actual indebtedness, there would be some incentive for the Government to live within that limitation and not spend so much money, or not budget so much spending. But as it is now, Mr. President, it is impossible, between now and March 31, to which this bill extends the temporary debt, to pay off a $95 billion indebtedness.

So what happens? They come back in here with another debt limit, and Senators who feel so inclined jump on that bill and use it as a vehicle for all sorts of amendments. And since this authorization or this extension is necessary for the operation of the Government of the United States, it is felt, and with some reason, that a bill of this sort cannot be vetoed by the President.

Otherwise, if Congress was so adamant on the matter, and the President was, too, they would just shut up the Government. There would not be any funds, no borrowing, no sale of bonds, no refunding of bonds, no social security checks, no aid to education.

So it is very important to pass this temporary debt extension and raising bill. That is why it is so vulnerable to attack from Senators who want to capitalize on the need to see that bill enacted into law by adding amendments that are not germane to the bill but which can be passed here in the Senate.

The Senate does not require, under its rules, that amendments be germane.

So all sorts of amendments are put on. That is what is being done or is being sought to be done in this case, scores of amendments and, judging the future by the past on tax measures, since I have been in the Senate, going back to the 91st Congress, H.R. 13270, there were 160 printed amendments, and that is what we are trying to ward off here with this little discussion, because once you open these flood gates, once you have Senators competing with each other for who might be able to offer the people, the electorate, one might say, Mr. President, the most tax benefits, the most tax concessions, then we are going to end up with the legislation that is not in the public interest.

The very first amendment that is planned to be offered will cost the Government $6 million. Well, that is fine if we are operating at a surplus. But, according to the Treasury figures, next year we will operate at an $11.4 billion deficit.

How are we going to stand a $6 billion loss? That would just be the start of it, Mr. President.

Does the Senator think the other Senators would sit idly by if one Senator or a small group of Senators were able to pass a $6 billion bonanza to the electorate, and that they would not have a similar amendment, possibly containing an $8 billion tax reduction?

Then what would prevent another Senator from putting in an amendment on a still larger tax cut? There is no end to it, Mr. President.

I have seen these bills, in the short time I have been in the Senate, where the economically and fiscally sound conservative Senators stand against some of these amendments, and they are bowled over, and then the attitude seems to be they become frustrated and disillusioned, and they join the pack and start voting for any amendment that comes up that lightens the load of the taxpayer, as they say.

I am pointing out an illustration of how this division of the national debt does not serve the public interest, and how, in the judgment of the Senator from Alabama, by combining the permanent debt and the temporary additional debt the public interest might be served by the fact that an administration might possibly seek to live within its income, even have a surplus in order that it might live within this overall limitation, and not have to come back to the Congress every few months—I believe as short a period as 4 months on occasion; certainly there was one period of 5 months, I know—and furnish Senators who are so disposed the opportunity to load a piece of must legislation down with some nongermane amendments.

The $400 billion debt remains static, so to speak, except for being refunded from time to time at ever-increasing rates of interest, and by the payment of interest on this colossal indebtedness. As I have pointed out, the $400 billion in permanent debt that we do not interfere with except for paying interest on it and refunding it is probably costing somewhere between $20 and $24 billion a year in interest alone; and all that comes up for extension—and increase, I might say—is the temporary indebtedness.

That was raised back in December to $75.7 billion authorized temporary indebtedness. But that indebtedness, or that authorization to have this indebtedness, expires with this month, and all that the pending bill does is extend that period through March of next year, of course increasing the amount of the authorized temporary debt by $19.3 billion.

The pending amendment at the desk seeks to reduce that increase by $5 billion, which would leave a $14.3 billion increase. But having to come before Congress every 4, 5, or 6 months with a piece of must legislation, which must be passed, gives those Senators who might be so disposed an opportunity to load the bill down with nongermane amendments; and I would anticipate that it is not unreasonable to assume that as many as 150 amendments have been or will be prepared for offering in connection with this bill.

As I say, I have not pulled those figures out of a hat, because I am sure such numbers of amendments have been prepared for other revenue bills in the past. In the 91st Congress, the bill at that time had 160 printed amendments. I do not believe that our Senators and their staffs are less proliferous than the Members of the Senate were back in 1969. As a matter of fact, I believe they can crank out more amendments now than they could back then.

Mr. LONG. Mr. President, will the Senator yield at that point for a question.

Mr. ALLEN. Yes, I am glad to yield.

Mr. LONG. May I ask the Senator, has the rate at which new amendments have been coming to the desk been slowed or has it been hastened by the Senator's speech? In other words, may I ask if the Senator's speech has discouraged Senators from submitting more amendments? It seems to me that during the day or so the Senator has held the floor, Senators may have been discouraged from offering amendments. Can the Senator tell me whether more amendments have arrived at the desk since he started speaking, or fewer?

Mr. ALLEN. I hope the Senator is correct, and that Senators have been discouraged from offering amendments; it might save the Treasury billions of dollars if that be the case, and the efforts of the Senator from Alabama will have been worthwhile if he is able to save that much money.

Mr. LONG. But can the Senator say whether more amendments have been submitted during the course of his presentation?

Mr. ALLEN. I am not sure. I have not checked, I will say to the distinguished chairman of the Committee on Finance.

I believe when it was planned to bring up H.R. 8217, 55 amendments had been filed to that measure. It may be that some Senators have in mind just knocking out the number H.R. 8217 and putting the same amendment on this measure, thus not costing the Government the additional expense to print those amendments up.

But as the Senator knows, the adoption of amendments spawns additional amendments, and if we had in 1969, 75 amendments adopted and 38 rejected, I think we could anticipate that many on this bill, except that I doubt if many will be rejected. I think they will all pretty well be adopted, if we get to that point.

However, there is an amendment pending now, which I am trying to explain and get before the Senate, so that at some time down the line I can possibly get action on my own amendment; but we are being kept from the consideration of that by discussions going on at this time.

Mr. LONG. It has sometimes been the experience of the Senator from Lousiana, on trying to dispose of a measure such as the one the Senator from Alabama has in mind, that if you adjourn overnight, you will find in the morning that more new amendments have come in than you were able to dispose of during the previous day.

Mr. ALLEN. The Senator knows whereof he speaks; I bow to his judgment on the number of amendments likely to come in.

I thank the distinguished Senator.

Mr. PERCY. Mr. President, will the Senator yield for the purpose of a unanimous-consent request?

Mr. ALLEN. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Illinois for the purpose stated without losing my right to the floor, and without my subsequent remarks being considered a second speech.

The PRESIDING OFFICER. Is there

objection to the request of the Senator from Alabama? Without objection, it is so ordered.

Mr. PERCY. Mr. President, I ask unanimous consent that Hannah McCornack be granted the privilege of the floor during the remainder of the debate on this bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. So, Mr. President, the necessity of coming before the House of Representatives and the Senate every 4 to 5 months with bills to extend the debt limit is a hazardous procedure, because there is no telling what will end up being added to the bill. So I say, without the benefit of a great deal of research on it, that I believe it would be best to merge the temporary debt and the permanent debt, set it at a figure that is somewhat above the present indebtedness, and I believe an administration would try awfully hard not to come back and lay before Congress another bill increasing that debt limit. I believe they would try to stay within the limit. But it is impossible now not to have to come back every 4 or 5 months with a renewal of this authorization measure, because it is impossible to pay off $75 billion in 4 or 5 months through budgetary procedures.

I believe it would be in the public interest to consolidate these debt limits. The Senator from Alabama may possibly introduce such an amendment after we get action on the amendment now pending, but I am not sure when that amendment will come to a vote.

Mr. President, for the Senate to take this bill, one page in size, 12 lines in length, that accomplishes a necessary and essential purpose or function of keeping the U.S. Government running and operating, it is not in the best interests of sound government or legislative procedure to allow the addition of scores of nongermane amendments to weight down the bill.

Mr. President, what is wrong with passing a revenue act, what is wrong with the House of Representatives initiating revisions in the revenue laws and letting them be considered by the Ways and Means Committee?

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House insisted upon its amendments to the bill (S. 628) to amend chapter 83 of title 5, United States Code, to eliminate the annuity reduction made, in order to provide a surviving spouse with an annuity, during periods when the annuitant is not married; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. Dulski, Mr. Henderson, Mr. Dominick V. Daniels, Mr. Waldie, Mr. Gross, Mr. Derwinski, and Mr. Hogan were appointed managers on the part of the House at the conference.

The message also announced that the House had disagreed to the amendment of the Senate to the bill (H.R. 11295) to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out such act, and for other purposes; asked a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mrs. Sullivan, Mr. Dingell, and Mr. Goodling were appointed managers on the part of the House at the conference.

ENROLLED JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the enrolled joint resolution (S. J. Res. 206) authorizing the Secretary of the Army to receive for instruction at the U.S. Military Academy one citizen of the Kingdom of Laos.

EXECUTIVE SESSION

The PRESIDING OFFICER (Mr. Helms). Under the previous order, the hour of 2 p.m. having arrived, the Senate will go into executive session to consider the nomination of John C. Sawhill, of Maryland, to be Administrator of the Federal Energy Administration.

Mr. ALLEN. Mr. President, a parliamentary inquiry. I will resume, will I not, when this rollcall vote has been concluded?

The PRESIDING OFFICER. That is correct.

Mr. ALLEN. I thank the Chair.

The PRESIDING OFFICER. On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Kentucky (Mr. Huddleston), the Senator from Washington (Mr. Magnuson), the Senator from Ohio (Mr. Metzenbaum), and the Senator from California (Mr. Tunney), are necessarily absent.

I further announce that the Senator from Indiana (Mr. Hartke) is absent on official business.

I further announce that, if present and voting, the Senator from Ohio (Mr. Metzenbaum) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. Cook) and the Senator from Nebraska (Mr. Curtis) are necessarily absent.

I further announce that the Senator from Idaho (Mr. McClure) is absent attending the funeral of a relative.

I further announce that, if present and voting, the Senator from Kentucky (Mr. Cook) would vote "yea."

The yeas and nays resulted, yeas 87, nays 4, as follows:

[No. 257 Ex.]

YEAS—87

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cotton
Cranston
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Haskell
Hatfield
Hathaway
Hollings
Hruska
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stafford
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Weicker
Williams
Young

NAYS—4

Abourezk
Biden
Hart
Helms

NOT VOTING—9

Bayh
Cook
Curtis
Hartke
Huddleston
Magnuson
McClure
Metzenbaum
Tunney

So Mr. Sawhill's nomination to be Administrator of the Federal Energy Administration was confirmed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7130) to improve congressional control over budgetary outlay and receipt totals, to provide for a Legislative Budget Office, to establish a procedure providing congressional control over the impoundment of funds by the executive branch, and for other purposes.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Without objection, the Senate will now resume the consideration of legislative business.

MESSAGE FROM THE HOUSE—ENROLLED BILL SIGNED

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 1961) for the relief of Mildred Christine Ford.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate resumed the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

The PRESIDING OFFICER. The Senator from Alabama is recognized.

Mr. ALLEN. Mr. President, I ask unanimous consent that I may yield to the distinguished assistant majority leader, and thereafter to the distinguished Senator from Utah (Mr. Bennett), without losing my right to the floor and without the resumption of my remarks being considered a second speech.

Mr. ROBERT C. BYRD. Mr. President, will the Senator make the request with respect to me separately from that of the Senator from Utah?

Mr. ALLEN. Very well.

The PRESIDING OFFICER. Without objection, it is so ordered.

OLDER AMERICANS ACT—UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as H.R. 11105, the Older Americans Act, is called up and made the pending business before the Senate, there be a limitation thereon of 1 hour, to be equally divided between the majority and minority leaders or their designees; that there be a limitation of one-half hour on any amendment; that there be a limitation of 20 minutes on any debatable motion or appeal; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, did the majority whip say 20 minutes on amendments or 30 minutes?

Mr. ROBERT C. BYRD. Thirty minutes.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. I thank the Chair.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. ALLEN. Mr. President, I renew my request with respect to yielding to the distinguished Senator from Utah (Mr. BENNETT).

Mr. ROBERT C. BYRD. Mr. President, reserving the right to object—and I have no intention to object—how long will the distinguished Senator be speaking, may I ask?

Mr. BENNETT. I would say about 45 minutes.

Mr. ROBERT C. BYRD. I have no objection.

Mr. KENNEDY. Mr. President, reserving the right to object, may we have the unanimous-consent request stated one more time? I make this request as a parliamentary inquiry.

The PRESIDING OFFICER. Will the Senator from Alabama restate his request?

Mr. ALLEN. I asked unanimous consent that I might yield to the distinguished Senator from Utah (Mr. BENNETT) for 45 minutes, without losing my right to the floor and without the resumption of my remarks being considered a second speech.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. Reserving the right to object, I wonder if the Senator from Alabama could give us a better indication, or an idea, as to when he is going to permit Members of the Senate to take the floor on their own right?

As one who was able to gain the floor at the tolerance of the Senator from Alabama yesterday, I certainly want to be able to see other Members of the Senate enjoy the same opportunity that I had. But I wonder if we could have some kind of indication from the Senator from Alabama as to when he is going to yield the floor and permit Members in their own right to gain the floor and present their views on matters of considerable interest to the Members of the Senate and very great importance to the country?

Mr. ALLEN. Well, the Senator from Alabama has the floor and he has an amendment pending and he is prepared to discuss it, but in order to accommodate various Senators he is delighted to yield the floor temporarily to such Senators as may desire it, just as the Senator from Alabama yielded some 30 or 40 minutes yesterday to the distinguished Senator from Massachusetts.

He will certainly follow that same policy with respect to anyone who desires to speak, but inasmuch as the Senator from Alabama is the offeror of the pending amendment, he would hate to lose his right to conclude the debate with respect to the bill, and if it is the understanding that no effort be made to table the amendment of the Senator from Alabama and that the Senator from Alabama be allowed to conclude the debate at such time as he sees fit, he will have no objection to the release of the floor.

Mr. MANSFIELD. If the Senator will allow me to interrupt, I ask that the Senator from Alabama yield to me, without losing his right to the floor, to send to the desk a cloture motion.

Mr. ALLEN. Yes, I understood the Senator from Montana was preparing such a motion and, of course, the Senator does not have to get the floor in order to file such a motion.

Mr. MANSFIELD. I just wanted it done so the Senator would be aware of what was being done.

Would the Senator allow me?

Mr. ALLEN. Yes.

CLOTURE MOTION

Mr. MANSFIELD. Mr. President, I send to the desk a cloture motion and ask that it be read.

Mr. KENNEDY. Further reserving the right to object——

Mr. GRIFFIN. Mr. President, may we hear the cloture motion read?

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The second assistant legislative clerk read the motion, as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the pending amendment of the Junior Senator from Alabama (Mr. ALLEN) to the bill H.R. 14832, an act to provide for a temporary increase in the public debt limit.

Walter R. Mondale, James Abourezk, Mike Mansfield, Claiborne Pell, Frank E. Moss, Abraham Ribicoff, Henry M. Jackson, Harrison A. Williams, Jr., Floyd K. Haskell, George McGovern, Thomas F. Eagleton, Dick Clark, Hubert H. Humphrey, Edmund S. Muskie, Joseph M. Montoya, Lee Metcalf.

Mr. KENNEDY. Mr. President——

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Mr. KENNEDY. Reserving the right to object, would the Senator be willing to yield the floor for the purposes of a tabling motion, so that we could at least find out what the sense of the Senate is on the amendment of the Senator from Alabama?

Mr. ALLEN. Well, I will say to the distinguished Senator from Massachusetts that the cloture motion filed by the distinguished majority leader would get rid of the amendment of the Senaor from Alabama, in all likelihood, sometime this week.

So I do not believe the Senator would want to cut off this cloture motion and make that question moot.

Mr. ROBERT C. BYRD. Would the Senator yield to me for a question?

Mr. ALLEN. For a question, yes.

Mr. KENNEDY. Further reserving the right to object——

Mr. ALLEN. I withdraw the request in view of the attitude of the distinguished Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Alabama.

Mr. ALLEN. Mr. President——

Mr. ROBERT C. BYRD. Will the Senator yield for 1 minute without his losing his right to the floor and without being charged as a second speech?

Mr. ALLEN. Very well. I ask unanimous consent.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from West Virginia.

Mr. ROBERT C. BYRD. Mr. President, may I say that any Senator who wishes to have an opportunity to take the Senator from Alabama off his feet possibly can have that opportunity if he stays around the floor and watches diligently the opportunities as they come.

Mr. ALLEN. I would doubt that.

Mr. ROBERT C. BYRD. Well, I do not doubt the possibility.

I would say this, that the Senator would certainly be able to hold the floor throughout the day today.

Yesterday, I sought consent for the Senator to be recognized today upon the resumption of the unfinished business. If any Senator had wished to object to that consent, if he had been on the floor he could have objected. The Senator will face the same situation today, and unless he wishes to speak throughout the night, there will come a time for the Senate to adjourn and the Senator from Alabama will not automatically get recognition tomorrow on the resumption of the unfinished business.

That was done today by virtue of the attitude of fairness on the part of the leadership.

I have, on my own, attempted to protect the Senator and assure him that he would have the floor upon the disposition of the vote on the Sawhill nomination. He would not necessarily have had that right automatically but for my asking consent that he be recognized on the disposition of that vote and the Senate's return to legislative session.

Mr. ALLEN. I appreciate that.

Mr. ROBERT C. BYRD. I did that because I felt that the leadership ought to bend over backward to extend that spirit of fairness toward him, but may I say to all Senators that while the Senator from Alabama is well versed in the rules, the rules are here for all to use and any Senator who wishes to object to the Senator from Alabama being recognized upon the disposition of a vote or upon the resumption of unfinished business tomorrow can do so and recognition is then up for grabs. All Senators have access to the same rules to protect their rights.

I merely wish to make that observation.

Mr. ALLEN. I thank the distinguished Senator for his remarks and his advice to the Members of the Senate. Certainly the Senator from Alabama recognizes that the comments of the distinguished Senator from West Virginia are well founded and correct on the points he mentioned.

The Senator from Alabama did wish to yield time to the distinguished Senator from Utah on all of these questions. It would seem to the Senator from Alabama that the question as to when and if an effort can be made to table the pending amendment will be decided when the cloture motion is ruled on, voted on; and I would feel that the cloture would probably be adopted. Obviously, that points out the further plan to then see to it that the distinguished Senator from Massachusetts be recognized in order that he might put in his amendment on which an effort then will be made to get cloture on that amendment. That is very, very obvious, it would seem.

So, Mr. President, the Senator from Alabama is hopeful that when this cloture motion is voted on the day after tomorrow, the cloture motion ordinarily would go to the whole bill. Rules would permit, of course, the cloture to be addressed just to an amendment.

Well, there is a method in the madness, of course, because if cloture is invoked as to the whole bill, then the amendment of the Senator from Massachusetts would not be in order because the cloture rules require that all amendments be germane.

So this is going to be an effort to circumvent the rule requiring that amendments, once cloture is invoked, must be germane. Any amendments voted on prior to invoking cloture on the whole bill would not have to be germane. So the test will come day after tomorrow on the cloture vote, and the distinguished Senator from Massachusetts is asking for an opportunity at that time for the membership to express their opinion with regard to this amendment, and it would be an opportunity to express the opinion of the membership on the amendment.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. ALLEN. I yield.

Mr. KENNEDY. I asked the Senator from Alabama yesterday whether he would be willing to accept a time agreement with regard to his amendment and also with regard to amendments which are going to be offered by the Senator from Minnesota (Mr. HUMPHREY) on behalf of himself and other Senators, so that Members of the Senate could express their views.

The Senator from Alabama has suggested that my views on such questions as tax reform, the oil depletion allowance, accelerated depreciation, and the minimum tax were only my views. Of course, it is my position at least that these are matters on which the Members of the Senate ought to be able to express their views. I believe they have broad support.

So I would ask the Senator whether he is willing to permit a more extended debate and discussion of the particular issues which have been included in a number of different amendments which are at the desk, I ask whether he is willing to accept any reasonable request with regard to a time limitation.

I feel that the majority leader may withdraw the cloture motion if we are able to get some reasonable time limitation on the Senator from Alabama's amendment, as well as on some of the other amendments—perhaps just with regard to the Senator from Alabama's amendment.

I ask him again today, just as I did yesterday, and just as I intend to ask tomorrow, whether the Senator from Alabama would be willing to have a time agreement. The issue he is raising was debated here last week on a $10 billion cut in expenditures. The Senate went on record as being overwhelmingly in support of such a cut.

It seems to me we are not really talking about a new issue or a new question. We are talking about an issue which has been adequately discussed, and on which the Senate worked its overwhelming will last week.

Mr. ALLEN. Will the Senator tell me what the question is?

Mr. KENNEDY. I wonder if the Senator would enter into a time limitation on the amendment of the Senator from Alabama.

Mr. ALLEN. The Senator from Alabama, on three separate and distinct occasions, on yesterday, answered that question, and he said he was willing to set a time limit on all amendments, with the simple proviso that all amendments shall be germane.

The Senator is well aware of the fact that when time limitations are agreed to here in the Senate by unanimous consent, there is a recital that all amendments shall be germane. All the Senator from Alabama is asking is that a definite and clear stipulation be inserted in the unanimous consent agreement that the amendment of the Senator from Massachusetts and the Senator from Minnesota, and others, as shall the Senator from Alabama's amendment, shall be germane. If the Senator is willing to agree to that, then, yes, the Senator from Alabama is willing to set the time limit.

Mr. KENNEDY. It is interesting to note that the Senator from Alabama voted for a 20-percent increase in social security benefits on a debt ceiling bill 2 years ago. That was an amendment that was not germane to the debt ceiling bill, yet he was prepared to support it and vote for it. Under the technical rules of the Senate it may not have been germane, but he felt it was germane in a broader sense to the purpose of the legislation, and he was prepared to go ahead and vote for it, without extended debate.

All I am trying to do on this amendment is permit Members of the Senate to make a similar decision. They have been elected by the people. They can make their decision as to whether they want to vote for it or against it on the basis of germaneness.

It is my belief that the tax reform and tax relief amendment is germane to the fundamental thrust of the legislation, in terms of amounts of Federal money that are going to be raised and expended.

So, if I understand the Senator, he is not prepared to agree to any time limitation on his amendment and is not prepared to give consent to any time limitation on any other amendment unless such amendment is germane, even though he voted, himself, for nongermane amendments on the debt ceiling bill back in 1972.

Mr. ALLEN. It would not be up to the Senator from Alabama to determine whether the amendment of the Senator from Alabama was germane. That is something for the Chair to decide.

Mr. KENNEDY. Did the Senator from Alabama vote for the social security amendment on June 30, 1972?

Mr. ALLEN. Yes.

Mr. KENNEDY. Was that germane to the debt ceiling bill?

Mr. ALLEN. The point was not raised.

Mr. KENNEDY. Does the Senator think it was germane?

Mr. ALLEN. No, it was not germane.

Mr. KENNEDY. But the Senator voted for it.

Mr. ALLEN. Yes, and the Senator from Alabama might vote for this one.

Mr. KENNEDY. Yet the Senator's position is to object to any time limitation on any amendment just because he feels it is not germane.

Mr. ALLEN. The rules provide that amendments shall be germane. The unanimous-consent agreements have that provision in them. All I am asking is that the rule be followed.

Mr. KENNEDY. As the Senator knows, the rules do not require that amendments shall be germane. That is why unanimous-consent requests often include a condition of germaneness. The Senator voted for a nongermane amendment in 1972 in the Debt Ceiling Act. Yet now, by exercising his rights under the rules of the Senate, he is virtually precluding Members of the Senate from voting on amendments of great concern and interest.

Mr. ALLEN. Mr. President, it is interesting that the Senator from Massachusetts, even though the Senator from Alabama has responded 4 times to that question, is not willing to enter into the usual type of agreement that is made with respect to amendments. That is what the Senator from Alabama objects to——

Mr. KENNEDY. The Senator does not state my position correctly. I have heard many usual kinds of requests made by the leadership, which have asked for time limitations referring to particular amendments, whether they fell within the technical definition of germaneness or not, and I am sure the Senator has been on the floor when such proposals have been advanced.

The Senator from Alabama is well familiar with the practice of the leadership of including time agreements on nongermane amendments. The Senator from Alabama does not object when it has served the interests of the Senator from Alabama. Yet when it does not serve his interests, such as now, he is willing to prevent other Senators from exercising the responsibility for which they were sent here, and prevent them from voting on matters that are important to them.

Let me ask again. I ask whether the Senator from Alabama is willing to agree to a time limitation tomorrow and tomorrow and tomorrow.

Mr. ALLEN. The Senator has made his choice, and I am not sure it is going to be necessary to ask tomorrow and tomorrow and tomorrow.

Mr. KENNEDY. Maybe just tomorrow and tomorrow.

Mr. ALLEN. Maybe it will not be necessary, but the Senator has made his choice on the motion for cloture, and if the Senate wants to invoke cloture, it can do so, and the Senator can get his wish.

The Senator from Alabama has leaned over backward to accommodate the Senator from Massachusetts. He has tried to accommodate him. He is not willing that other Members be accommodated as he has been accommodated. If that is the attitude of the Senator from Massachusetts, I feel it would not serve the Senate's interest to interrupt the Senator from Alabama for further questions that turn into lengthy debates that the Senate has listened to patiently without a great deal of reward.

Mr. KENNEDY. I do not know whether the Senator——

The PRESIDING OFFICER. Does the Senator from Alabama yield?

Mr. ALLEN. I decline to yield further, Mr. President.

Mr. HANSEN. Mr. President, would the distinguished Senator from Alabama yield for a question?

Mr. ALLEN. Yes, I yield for a question, Mr. President.

Mr. HANSEN. It is my understanding, Mr. President, that the distinguished Senator from Alabama has made the point, I think quite accurately, that some of the amendments that are proposed to this measure before us now, that the question is whether or not the debt ceiling limit presently in effect in the United States should be increased, and with another time limitation set down the road; am I right in assuming this is the situation?

Mr. ALLEN. As to the amendment, the amendment of the Senator from Alabama cuts the $95 billion figure down to $90 billion as a limit of the temporary debt, and he leaves the time of extension the same as in the bill, which is March 31.

Mr. HANSEN. Mr. President, I will support the amendment of the distinguished Senator from Alabama, insofar as I know.

I would ask the Senator from Alabama, is it not true that, as the Senator from Wyoming understands the issue, these other amendments that have been proposed, some to cut the tax or some to increase the personal exemptions, either by raising the exempt amount of income for dependents from $750 to $825 per person or to provide for—I have forgotten the precise terms.

Mr. ALLEN. $190 credit.

Mr. HANSEN. $190 credit per individual.

Mr. ALLEN. Yes.

Mr. HANSEN. Is it not my understanding that these two proposals, either to raise the exemption $75 or to give this credit of $190, would pose very serious problems for the budget of the United States insofar as its being in balance is concerned?

Mr. ALLEN. Yes. Of course, the budget is way out of balance.

Mr. HANSEN. That is correct.

Mr. ALLEN. The budget is way out of balance now.

There is about $6 billion as to the imbalance or as to the debt ceiling. That is not all, as the Senator realizes. Once the floodgates are opened there would be other Senators who would like to outdo possibly, if that is possible, the distinguished Senator from Massachusetts in his generosity to the electorate at the expense of the Public Treasury.

So we will have other Senators putting in other amendments, possibly as many as 160 amendments, looking to the past as a forerunner of the future.

I think we could very safely count on the revenue loss being far more than $6 billion. It could very easily run up in the neighborhood of $10, $15 or $20 billion. The conscience of the Senate would be about the only inhibition on the amount of revenue loss that would be occasioned, because the Senator realizes that these amendments do not have the endorsement or the representation of either the House Ways and Means Committee or the Senate Finance Committee. They have not recommended a single one of these amendments.

The Senate is here without the guidance and without the benefit of the expertise of the Members of the Senate Finance Committee, and we are operating like a ship without a rudder. The only guidance we have is with respect to one of these amendments, that being the word of the sponsors of the amendment, as to how much good it is going to do. But they say nothing about the gutting of Federal expenditures, and there is no assurance that the revenue loss will be made up; because, far from this being a package, as we read in the papers, these amendments, of course, are going to have to be voted on separately.

Whereas the Senate might be glad to vote a tax cut, are they going to be equally glad to replace that revenue. So, it seems to the Senator from Alabama, that we are opening the floodgates to scores of amendments that are going to be attached to this bill, a bill that, while it might grant relief of $1 or $1.50 or approximately $2 a week to the heads of the families, we will find that the cost of those individuals will go up, in all likelihood, more than the benefit they get from the tax reduction.

We would like to have the advice of the Finance Committee on this subject. But where is it? It is not available. If this measure had been handled as a tax measure and had come over to the Senate after having been recommended by the House Ways and Means Committee and had come to the Senate floor with the recommendation of the Finance Committee, then we would have something on which to base a judgment. But, as it is now, we do not have the knowledge, the expertise and the capability of the experts they have on the staff of those committees.

Mr. HANSEN. Mr. President, if the Senator would yield further, I would note that four members, at least, of the Finance Committee are presently on the floor: Senator FANNIN, Senator DOLE, Senator BYRD of Virginia, and myself.

These various proposals, some of which have been alluded to by the distinguished Senator from Alabama, have been discussed and rediscussed by the members of the Finance Committee.

I might say they have been discussed at length by the members of the Interior Committee because, as the Senator from Alabama knows, they impinge on the energy crisis, and if there is one thing that has been talked about, that has been discussed at length, been explored from every angle, it certainly is this series of related questions to the energy bills.

The Senator from Alabama has spoken about the depletion allowance. As the Senator knows, I think in 1968 or 1969, the depletion allowance was dropped from 27.5 percent with respect to oil and natural gas down to 22 percent.

There are proposals now, as the distinguished Senator well knows, to lower that even more. In fact, it has been suggested that it be wiped out immediately.

There have been other proposals that it be phased out over a 3-year period of time; and it is not hard, it is not difficult at all, to fan a lot of enthusiasm among Americans when you talk about doing anything that may be presumed by some to have an adverse effect upon the oil industry. I think it would be helpful to explain why that might be the case.

As Americans know, oil and natural gas are not in the plentiful supply situation that at one time we may have believed them to be. Last fall, following a summer when gasoline was not as readily available everywhere as people had hoped that it might be, it became increasingly clear to many Americans that there might not be enough gasoline to go around this past winter. It was clear to many that there might be some closing of factories, that there could be layoffs, that people could be unemployed, that schools might be closed. In fact, the distinguished Senator from Oklahoma (Mr. BELLMON) more than a year ago called attention to the fact that in the State of Oklahoma, a State which he and the junior Senator from Oklahoma both have had the honor of serving as Governors, schools were closed. This happened right in the middle of one of the most prolific natural-gas-producing areas in the United States.

It happened, not because there was not enough gas in the State of Oklahoma to take care of the heating of the schools in that State, but rather because, in order to satisfy other needs throughout the United States and in order to comply as nearly as could be done with the Clean Air Act, it was necessary to limit the amount of gas that could be used in the State of Oklahoma and to move that gas interstate to other parts of the country. Much of the gas came to this area. It came to the big metropolitan cities along the northeastern part of the United States, up and down the Atlantic seaboard.

That was just one of the things that made many Americans aware of the fact that we were having an energy crisis. The fact that it was not always so simple to have one's gasoline tank filled as had earlier been the case was another reason why many Americans became aware that the days of adequate energy were either at an end or nearing an end. Coupling that with the fact that following the war in the Middle East the Arab exporting countries decided to place an embargo on the shipment of crude and refined products from those important oil-producing countries of the world underscored the determination of some of the Arab and non-Arab countries interested in a different resolution of the Middle East problem to employ oil as a weapon of war. This brought further frustration to many Americans.

Then, on top of everything else, on top of the service charges, on top of the frustration of having to wait in lines as people took their turns to have their cars filled in filling stations, the price went up; and it was not difficult at all to convince many Americans that the oil companies were one of the enemies of the average citizen in the United States.

Many Senators, some of whom, I daresay, were interested in actively promoting their chances to win a nomination for the Presidency of the United States, seized upon this energy crisis to try to catapult themselves into national prominence. There were those who made dire predictions about the absolute necessity of rationing gasoline, saying that if we did not do so the whole system would break down, and that America would face an extremely serious crisis. Others predicted that many factories would be closing in the United States this past winter. As I have said earlier, they predicted that schools would be closed, and in fact some schools were closed.

So this whole feeling of frustration, this rising tide of anger that gripped many people, made those persons who were critical of the oil industry very popular, and it was not hard to muster enough support, at least in the Senate of the United States, to pass all kinds of bills that would have been serious mistakes: To cut out the depletion allowance, to abolish the foreign tax credit, to amend the accelerated depreciation rates, to abolish gifts—anything that had anything to do with international trade, that was easy to associate with international oil companies. As a consequence, the thrust against those businesses that were engaged in activities beyond the borders of the United States, not being limited to the oil companies, went far beyond that, and a lot of proposals came into being that certainly deserved better understanding and deeper insight than many of us had been able to give them.

It was said that the way to help ease the energy crunch in America was to roll back the price of domestic crude.

Mr. ALLEN. Mr. President, with all due respect to my colleague, the distinguished Senator from Wyoming (Mr. HANSEN), I yielded only for a question. I am hopeful that the Senator will soon state the question, because the Senator from Alabama yielded only for that purpose.

Mr. HANSEN. Mr. President, I appreciate the courtesy of my distinguished colleague from Alabama, and I have perhaps been over-long, but it seemed to me important to point out that some of the issues that could be before us as we consider a very simple proposition—should we raise the debt limit and should it be extended—go far beyond that; and because it is my feeling that we are talking about many things that have no relationship at all to that issue, I simply expanded somewhat on what I had originally intended to ask in the way of a question, in the hope that it might bring about a better comprehension among Senators as to what the issue is. That is I imposed upon the Senator's time as I have done.

My question is, Do not these issues, in the judgment of the distinguished Senator from Alabama, a man for whom I have great respect, deserve a little different format, deserve the examination that I think the Senate ought to be able to give such issues, without trying to tie them on to this debt limitation bill as a means of offsetting the negative impact that either an increased amount of personal exemption, going from $750 to $825, on the one hand, or on the other giving a tax credit of $190—these things to which I have alluded, I understand, have been offered as a way of offsetting that increased deficit which surely would result from these proposals to lower individual taxes. I ask my good friend from Alabama, does he not agree that these are issues that, in all honesty, are not germane to the question of changing the amount of the national debt and its expiration date?

Mr. ALLEN. I certainly agree with the distinguished Senator from Wyoming that these are most important issues. They are issues on which we should have the advice and the recommendations of the Finance Committee. The Finance Committee is supposed to be one of the most prestigious committees in the entire Senate. Here, if we call on them to abdicate its function and go around this committee, I think we are denying ourselves the hearings that they might hold. We are denying ourselves the expertise of the various members of the subcommittee, all outstanding Senators, and all authorities on the tax laws of the country.

For us to gather up a bundle of 160 amendments and toss them out here before the Senate for consideration, without any guidance, which road is the Senate likely to follow? Is it going to be the considered judgment of the Senate? Is it going to weigh the various issues? Or is it going to take the easy way out and say, "I did not know these able Senators would be offering this amendment. I just assumed it was all right"? That is not the way to legislate on permanent legislation involving the tax laws of this country. Certainly if a bill that originated in the House, a tax measure, had gone to the committee, and if the committee had studied the various measures needed for removing inequities in the tax laws or removing loopholes, or reducing taxes in some areas and raising them possibly in other areas, and presented a plan to the House which had been approved and then it came to the Senate, and the Senate committee had sort of polished up the recommendations and had hearings on it and considered the various aspects of it, and what effect it will have on the economy, what effect it will have on the rate of inflation, what effect it will have on the other tax laws and sent that package out to the Senate floor, there would be no extended discussion going on at this time.

We would have had the benefit, though, of the advice and the knowledge of these knowledgeable Senators who are authorities in the field of taxation. But, as it is now, the average Member of the Senate is not thoroughly conversant with the technicalities of the revenue laws. It is outside the field of the interests that they have had. It might be on the Agriculture Committee. It might be on another committee—Government Operations, possibly, which does not consider tax laws.

Probably some members of the committee will get up and give their views. But that is not the same as the considered judgment of the entire committee because the distinguished Senator from Wyoming (Mr. HANSEN) might have one view and the distinguished Senator from Louisiana (Mr. LONG) might have still another view. It would be this consensus of opinion of some 15 members—whatever number it is—15 or some 17 members on the committee—that would be of value to the Members of the Senate. But we do not have that. I feel that that is depriving the Senate of what is available.

I assume—and the Senator should note—that the Finance Committee and the Ways and Means Committee over in the House have a continuing study of the tax laws, they are making and studying them all the time—if not individual members, then the staff is—and I am sure they have recommendations inside the committee to make suggested changes in the laws. But they are not made available to us, because the Senate committee did not act with respect to revenue laws when they passed out the bill (H.R. 14832), which is a simple extension of the temporary debt authority and raising the amount of the temporary debt limit.

Now, if the committee had considered this, there would be a little different outlook on it. It still would not be the proper vehicle, but I could have accepted it with better grace if the committee had made some recommendations, than to come out with a package that did not provide for a $6 billion tax loss—or much more, in all likelihood.

So, Mr. President, the proper approach to this problem is to follow the Constitution. The Constitution says that revenue measures originate in the House but that the Senate has a right to add amendments—to adopt amendments to the revenue bills. This is not a revenue bill. It does not have anything to do with a revenue bill. It is a debt ceiling bill.

Mr. HANSEN. Mr. President, if the Senator would yield further——

Mr. ALLEN. For a question.

Mr. HANSEN. I should like to ask him, is it not true that a number of the proposals very probably would have an impact far beyond the issue before the Senate now? The question of raising the debt limit, which I understand was proposed some time ago—I do not know how many years ago—in the vain hope that it might bring or instill a little deeper sense of fiscal responsibility in the minds of Senators and in the administration, apparently, than has been the case.

But basically, is it not true that the idea of the debt ceiling limit was to accomplish that purpose and to focus attention also on how much money this country owes?

Mr. ALLEN. That was certainly the theory of it, but with the Congress being called on three or four times a year to increase the debt limit and to extend the time during which the Government is authorized to have this debt limit as accommodated to the Treasury by passing these bills, they exact a price. I will say to the distinguished Senator from Wyoming that they add these nongermane amendments which, if placed on the President's desk in such a condition that he has to veto it, or they wait right up to the end of the period and then pass the legislation at the last minute, and the President either has to veto it or run the risk of not having a debt limit extended or raised, or taking unacceptable amendments, that is the theory that the proponents of these amendments are operating on. They take the position that by adding these tax reduction measures—which would be costly, in the judgment of the Senator from Alabama, to the very people they seek to aid—but by adding these amendments to this bill, they would have a better chance of getting it signed by the President than if it were a separate bill. But I do feel that a bill that does receive consideration by the Ways and Means Committee and the Finance Committee and the House of Representatives that might be presented to the Senate as a package to reform our tax laws, I feel would receive very favorable consideration in the Senate.

Some of the very ones who are now opposed to this unstudied approach, this backdoor approach, to this problem, would be the strongest for a true tax reform bill.

Mr. HANSEN. Mr. President, if the Senator will yield further, is it not true that we might be doing great mischief to our country, to our economy, to our energy supplies in trying to take up in this hurried fashion amendments that really are not relevant to the debt limitation bill now before us

Mr. ALLEN. I do not think there is any doubt that the economy of our country, our fight against inflation, is endangered by this irresponsible approach. I say "irresponsible" in that it has not had consideration by the appropriate committees that are set up to give the House and the Senate advice and recommendations in this field.

If they wanted true tax reform, I believe they would await the bill that I understand is now being marked up in the House of Representatves. It should not be too long getting over here. The way they seem to be able to manage the movement of bills on the floor of the Senate, I do not think there would be any difficulty in bringing up such a bill as a bill of number one priority.

I think it might be interesting, Mr. President, to comment on the efforts that are being made by some 16 Senators who filed the cloture motion to bring up the amendment of the Senator from Massachusetts and the Senator from Minnesota.

Of course, what they are doing in an effort to tack these nongermane amendments onto this bill is very plain.

The Senator from Alabama, I believe, has the only germane amendment that is included in the entire packet of amendments that is circulating around the Chamber and is on the desks of some Senators. This amendment is germane because it applies to figures in the bill, itself.

Mr. HANSEN. If the Senator will yield, his amendment simply provides that the debt limit would not be raised as much. It would have that effect, would it not?

Mr. ALLEN. That is correct. It reduces the amount by $5 billion.

Ordinarily, when a bill is subjected to lengthy debate, the proponents of the bill file a cloture motion, and then amendments that have already been read or are at the desk, are considered, under unanimous consent, as having been read, and are considered. The catch is, I say to the distinguished Senator from Wyoming, that when cloture is invoked on the bill, the amendments that are considered have to be germane.

Of course, the proponents of these amendments know that their amendments are not germane. So the effort they are making to bring up the Kennedy-Mondale amendment is, first, to get rid of the only germane amendment. That is the amendment that the Senator from Alabama has offered.

They have directed the cloture motion not at the entire bill, because that would not serve their purposes. They would not get the bill enacted without amendments. What it would do, in effect, would be to dispose of, in one way or another, my amendment, because my amendment is serving as a barrier to the submission of the Kennedy amendment.

If cloture is invoked, that will be the test vote, the vote on cloture the day after tomorrow, on whether cloture shall be invoked on my amendment. So long as my amendment is pending, the Kennedy amendment cannot be offered. Once cloture is invoked—I hope it will not be, and I do not believe it will be—and this amendment is disposed of, I give the Senator one guess as to who is going to be recognized on the next amendment.

Mr. HANSEN. Mr. President, if the Senator will yield further, one guess is all I need. I think I might be able to name the Senator.

Mr. President, I do not want to intrude upon the generosity of the distinguished Senator from Alabama, but it does seem as though it would be helpful if Senators might understand what is at issue.

I ask if he will be kind enough to yield to be for more than just a normal question, in order that I might be permitted to make the statement that I think provides a sound basis of understanding from which Senators might be better able to determine how they would frame, in their minds, a proper response to the question: Are the other amendments germane?

I ask my good friend, the Senator from Alabama, if he will extend such a courtesy to me.

Mr. ALLEN. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Wyoming without losing my right to the floor and without the resumption of my remarks being considered as a second speech.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HANSEN. I thank the Senator from Alabama.

Mr. President, as we gather here today, I say, after noting some of the numerous amendments to be offered to the debt ceiling increase bill, that this is either an old-time lynching posse or a requiem Mass for the oil industry. I think it must be apparent to nearly every one that most of the amendments that have been proposed to balance or to try to achieve a newer balance in the budget than would otherwise result from the Kennedy-Mondale amendment, or the first one, are directed at the oil industry.

I have spoken a number of times in defense of the oil industry, not because I think it is without blame, but rather, because it is my feeling and belief that before we make changes in our tax laws, we ought to understand clearly what the import and the impact of these changes could mean for all Americans.

I said earlier that it is not difficult at all to whip up a great amount of sentiment if we want to do something to take the oil industry apart these days. Goodness knows, there are all kinds of reasons for the frustration, the bitterness, the anger that all too often characterizes the attitude of the typical American citizen.

I believe that the press of the United States has to assume its fair share of the blame for the situation. I do not mean by that observation to seek without a hearing the incrimination of the press, but I leave it to each Senator to decide for himself how even handedly and how fairly and objectively the news media has handled the questions.

Mr. HELMS. Mr. President, will the distinguished Senator yield for a unanimous consent request?

Mr. HANSEN. Mr. President, without losing my right to the floor, and with the understanding that the Senator from Alabama has yielded to me to make this statement, I yield to my good friend, the Senator from North Carolina.

Mr. HELMS. Mr. President, I ask unanimous consent that when the pending business is laid before the Senate tomorrow the distinguished Senator from Alabama (Mr. ALLEN) be recognized.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The Senator from Wyoming is recognized.

Mr. HANSEN. Mr. President, I was speaking about the role the press has played that I think may have served the Nation rather poorly in recent times, and that is that Americans have a propensity to sympathize with the underdog. When most Americans were scrounging around working hard trying to make ends meet as the inflationary spiral kept chewing away, taking ever bigger bites from paychecks, it was not difficult to understand how the industry profits were characterized by the press and by politicians as extreme, as windfall in character, and even obscene. I do not know exactly what is meant by an obscene profit. I am told that it had no specific connotation to the particular morality of the oil business, but, rather, was used to attract attention to a situation that some believed was, indeed, to say the least, very extreme.

Columnist Bill Buckley pointed out some few weeks ago that the press—at least some members of the press—had discussed the situation, or had continued to discuss the situation, with respect to major oil companies, particularly international oil companies. At this particular time when each of the major oil companies was disclosing to the public for the first time the amount of those quarterly profits, indicating the direction that those profits were taking as compared with profits of the previous quarter, or of the identical quarter for the year earlier, and finding as was almost invariably the case, that profits were going up, the press took occasion to talk about Occidental Petroleum.

For those who did not know, the major newspapers in the East, or at least some of the major ones, I have in mind two, particularly, one in this city and one in New York City, did not bother to tell the full facts in the story.

Rather, they chose to report those selected facts which seemed most dramatically to call attention to the point they were trying to make, and the point they were trying to make was that the international oil companies were getting very rich, that their profits had exceeded anything before in the history of the industry, and it certainly was this kind of observation which gave credence in the minds of many Americans to a belief that the Congress of the United States ought to do several things: that it ought to pass a windfall profits tax, that it should eliminate the depletion allowance, that it should abolish foreign tax credits.

Other proposals in a similar vein were made, and at least some members of the press and some members of the electronic media, as well, made the point that Occidental Petroleum's profits for this past quarter exceeded those of the previous year, or I guess I should compare actually not quarters but years in this respect, comparing the profits of Occidental Petroleum for the year 1973 with 1972, the profits had gone up very sharply. They had gone up by some 718 percent, Mr. President, and anyone ought to know that there could be no possible defense made of a rise in profits of that amount.

What the press failed to report was that in 1971, Occidental Petroleum had a very poor year. It did not make money; it lost money. It lost quite a bit of money.

So when the time came to determine if a dividend should be paid for 1972, the corporate management of Occidental Petroleum determined it would not be well to pay no dividend, but that some return should be given the investors in Occidental stock, and it was decided to pay a dividend of 1.3 percent.

That is not very much. It is not the kind of dividend that would encourage anyone to buy Occidental Petroleum stock; nevertheless, it was better than nothing.

Had they paid the dividend upon the fiscal success of Occidental for the year 1971, they would not have paid any dividend, because they did not make money. As I said earlier, they lost money that year. Nevertheless, they paid a 1.3-percent dividend.

In 1973, several things happened to Occidental. With most of their business taking place overseas, they were the recipients of two major developments.

In the first place, the devaluation of the American dollar occurred, so automatically all the profit that Occidental had—its balance of payments, and everything else—reflected the decreased value of the American dollar.

This made a substantial amount of profit, not only for Occidental, but for every American corporation that was operating overseas that was in a position to receive the benefits of the devaluation of the dollar. That was one thing.

The second thing that took place was that the Arab and non-Arab oil exporting countries concluded that they would use the oil they have in such great abundance as a political weapon to bring about a quicker and more satisfactory resolution of the problems in the Middle East. So the Arab countries and Iran and some other non-Arab countries put an embargo upon the exportation of oil and they increased, at the same time, the value of that oil.

This was not something that was done by any international oil company acting unilaterally. It was the collective actions of the OPEC nations, those nations that had most of the oil for sale, deciding what they were going to get for their oil. So, in two ways, Occidental, along with all of the foreign oil companies, found their products suddenly were worth a great deal more than they were worth before.

These two factors, then—the devaluation of the dollar, on the one hand, and also the increase in the price of crude and refined products from the oil exporting countries of the world—made Occidental's year of 1973 a very profitable year as compared with 1972 or 1971.

These two facts together encouraged Occidental's management to increase the dividend, to increase the return on the dollars that the typical stockholder had invested in Occidental stock, from the 1.3 percent that prevailed in 1972 to about 9 percent in 1973. Any fourth-grade schoolboy could tell you, Mr. President, that if you add all of the decimals that followed those two figures, and if we were to compare that with the 9 percent, we would find that Occidental's profits according to the newspapers and some of the electronic media, did increase 718 percent.

What the papers did not say was that a 9-percent return on investment is below the average. It is below the average for the average manufacturing company in the United States—rather significantly below average. It is below average for the average mercantile institution in the United States.

The New York Times, which experienced a rate of return on its own investment of more than 14 percent, did not take occasion fairly to point out that if one wanted to see his dollars grow into more dollars as quickly as possible, he would be far better advised to invest in the New York Times stock than he would in Occidental, because, on the one hand, Occidental had a 9-percent return, whereas the New York Times had a return in excess of 14 percent—more than 50 percent above that of Occidental's.

The Washington Post did not seize upon this opportunity to point out fairly, as it also might have done, that the Washington Post stock was not too badly off, either. It had a return, as I recall, of 14 percent or more to the shareholders on their dollars invested.

But, in typical fashion, painting the oil industry as being composed of people invariably wearing black hats, neither of these two great newspapers took occasion to tell the whole story. They merely told those portions of it that best served their interest in what they thought Americans should be told the facts were, instead of telling them what the facts really were.

I might add that CBS, which has not exactly been quiet in deploring the activities of the oil industry, might also have mentioned that their earnings provided an even better investment than an investment in the New York Times or the Washington Post. They had a return for the year 1973, so I am informed, of 18.5 percent.

So what has happened? The typical American gets a very distorted picture of the facts from listening to these biased, one-sided, distorted, incomplete presentations of the facts, and that is that the average American thinks America would be served well if we passed punitive legislation that simply took the oil industry apart.

I recall when, in the closing days of the first session of the 93d Congress, we were debating the energy bill, the distinguished Senator from Washington (Mr. JACKSON) said that he had been forced to enter into some compromises that were not to his liking, and he could assure Senators—I am paraphrasing what he said—that if that bill was passed in the form that it had been reported or acted upon favorably by the Senate that evening, we could expect some very punitive legislation passed against the oil industry.

Mr. President, I am one who finds

much merit in the Senator from Washington (Mr. JACKSON). I think in many respects he is a knowledgeable, dedicated, and able U.S. Senator. I must say that I do not agree with him on everything that he says. I think he has been wrong about the energy business, and I just do not happen to think that some of the proposals he has made that deal with the energy business would serve America at all. But this is the sort of feeling that is rampant in this country today. People do not stop to look at the depletion allowance in terms of what it has done for typical Americans.

The unique thing about America is that even as late as last summer the average price of a gallon of gasoline in the United States of America was about half of what it was anywhere in Europe, and there were places in Europe where the cost of a gallon of gasoline exceeded by 3 or 4 times what a gallon sold for here.

What does that mean? It means simply that those persons who contend that the depletion allowance has militated against the best interests of America had better take another look.

If we are given all the elements of the oil industry—and there are literally thousands of them—15 or more years ago we had over 20,000 independent oil men in this country engaged in the search for and the discovery of new oil and gas supplies. There is all kinds of competition. The competition in the oil business is well known. A number—two score—of the major companies lack quite a bit of having 95 percent of the control of the oil industry. I do not believe any one company has any more than 8 percent, or maybe 10 percent, as I recall, in this country. So there is competition.

When we give each of these units or individuals in the oil business the advantage of the depletion allowance, what it really means is that the depletion allowance is not an advantage to any one company, because everybody has it. So all it does is insure that the customer will have the advantage, and that is precisely the way it has been in the United States of America. It accounts for the fact that when the cheapest gasoline-selling country in Europe was getting 75 or 76 cents per gallon for petrol, we were selling it for about half that amount here.

Mr. President, I ask you, does it make sense for Americans to say we will do away with the depletion allowance and at the same time seriously pursue a policy of energy self-sufficiency? It is well known that the average independent is able to round up enough money to drill an oil well only by interesting other investors and getting them to go along as he takes the very risky chance of drilling a hole in the ground and not knowing until that job has been completed whether or not oil will indeed be discovered.

It is risky, it is expensive. One of the reasons why people were willing to do it was the depletion allowance. They knew, as lottery ticket purchasers know, that the chances of getting oil, as are true with the chances of winning a lottery, are not very good. They did know that if they struck oil they, at least, had the depletion allowance which would minimize the taxes they would otherwise be required to pay. That has been a real incentive for the industry to continue to search for the oil and gas necessary for America.

The average oil production in this country per well comes to about 18 barrels per day. That is not much. The average in Saudi Arabia, a country that I had the privilege of visiting in January, is 18,000 barrels per day. It is far cheaper to find and produce oil over there than it is here.

Yet, despite that fact, this country has done an A-No. 1 job of seeing to its energy self-sufficiency, because Congress wisely, a number of years ago, considered tax measures that would induce typical Americans to make the investment necessary to make certain that we had enough oil to keep our country running.

In 1967, when the Six-Day War took place in the Middle East, Senators will recall that America was able, because of the reserve capacity on hand at that time, to take care of all our needs and to supply the needs of a number of our friendly neighbors as well.

That time has passed. We no longer have any shutin capacity that we can draw on as we did then. We no longer have the difference between what we are producing on the one hand, and what can be produced under the maximum efficient rate to draw upon as we had back in 1967.

There is need to give incentive and inducement to the domestic oil industry to undertake this increasingly costly search for oil and gas. America is fortunate in having a great number of different kinds of energy resources upon which it can draw. We have oil, we have oil shale, we have uranium, and we have geothermal energy in the underground steam wells that we have tapped from time to time, in addition to oil and gas. None of these exotic sources, so I have been told, excluding coal, of course, can be used immediately. We do not have the technology perfected to the point where we can bring them on stream.

Adding to our problems of technology are the environmental concerns which we have today. What shall we do with oil shale as we develop it? It is sort of like popcorn. When it is mined and retorted, it becomes bigger than the original mass with which one started.

How shall we dispose of it? These are tough environmental questions that have not yet been satisfactorily resolved so that we can get on with the job of trying to loosen and make available to this country and to our friends the 1,800 billion barrels of oil believed to be trapped in the oil shale deposits of the States of Colorado, Utah, and Wyoming.

My State, Wyoming, is the No. 1 uranium producer among the States in the Union today. I can recall that at the end of World War II predictions were being made by many, certainly by people knowledgeable in the business of nuclear fusion and fission, that it would not be long before oil and gas would be outmoded as energy sources. We would be using atomic energy, nuclear energy. We have not gotten very far with that yet. I think about 1 percent of the total energy produced in the United States today comes from nuclear energy.

One might ask, Why is this true? It is true, because we are concerned, among other things, about what to do with atomic waste. We are concerned lest we start with a nuclear energy plant that could possibly have some accident occur which would harm an employee or might even harm an entire city. So we are going back, retracting our steps, and taking every possible action we can in order to make certain that these accidents do not occur. As a consequence, we find ourselves relying still, in this year 1974, upon oil and gas. They provide 77 percent of all the power that Americans use today. Coal provides about 18 percent. Waterpower, geothermal steam, and nuclear energy, provide most of the rest, as we know.

I mention these things, Mr. President, because it seems important to me that people understand that the kind of amendments that are being proposed to the debt limitation bill ought not to be considered lightly.

If one asks the typical person on the street, Shall we roll the price of gas back or the price of crude oil back in this country? The chances are that one would get an affirmative response.

Yet I ask whether it makes sense when foreign crude costs around $12 a barrel, and the domestic crude that we have in this country costs perhaps an average of $7 or $7.50 a barrel, to roll back the price of domestic crude, if that is where we must look for a source to increase our supply of total energy. Does it make sense to roll back that price if we want to have an intensification of activity in the domestic oil fields of America to bring more oil on stream?

My answer is that it does not make sense. I point this out because we could, without fully understanding what is at issue, without fully comprehending the ramifications of the energy business, take steps which are popular today with too many Americans which could prove to be a very great disservice to America tomorrow.

I say that based upon the solid fact that we passed an energy bill early this year that would have done many of the things to which I have alluded, and had it not been for the fact that the President of the United States vetoed that bill, and 40 Senators sustained that veto, these things that I say would militate against the best interests of America would today be law.

Mr. President, I think it is extremely important that we consider these amendments on a tax reform bill. That opportunity will be provided the Senate. Such a bill is being considered by the House of Representatives now. It will be sent over here in due time. That is where these amendments ought to be considered. We will have the benefit of the hearings in the House, we will have the benefit of the hearings before the Senate Finance Committee and the Committee on Interior and Insular Affairs; one of the subcommittees of the Committee on Foreign Relations has been considering some of the aspects of the international oil companies, and we will have the benefit of those hearings; and I am hopeful that, girded with better knowledge, we will be less likely to make the mistakes we now could make if we were to take the precipitate action that surely would follow were we to consider the whole raft of amendments that have been talked about and that, in all probability, would be put on this bill.

This is a serious matter, a matter that deserves far more attention and study than it has had up to now. It is a matter that raises issues that certainly are extraneous to the bill before the Senate at this time. I think we would be well advised to delay the consideration of these various tax proposals, and not to consider them as a part of the bill to raise the debt limit and to extend the time during which that debt limit shall apply, as is the case with the measure now before us, subject, of course, only to the amendment by the distinguished Senator from Alabama, which would lower the proposed debt limit, as his amendment calls for. If we can do, if we can consider, if we can ponder what is now before us, and avoid all these other amendments which are not germane, I think Congress would be well advised to do so, and that we would be coming to grips with an issue that demands attention.

There is no more crucial problem facing typical Americans today than the problem of inflation. I am pleased with the accomplishments of Dr. Kissinger and the President in bringing about a return to more peaceful relationships in other parts of the world. I have no doubt about the ability of this country to produce those requirements that good health and well-being demand for the United States; but the one thing that we have not done anything about is how to prevent the further erosion of the paycheck and the income of the typical American. Because of that, I suggest that we ought to consider only the amendment by the distinguished Senator from Alabama and no others.

Mr. President, I thank the distinguished Senator from Alabama for his courtesy in permitting me this opportunity to discuss some of the aspects of the amendments that have been proposed, that very easily could be attached to this bill, amendments which I think are inappropriate to the bill, amendments which deserve more time and consideration than they have so far been given, and amendments which can indeed be taken up and considered on more appropriate legislation that will be coming before the Senate when the tax bill, as passed by the House of Representatives, is reported to this body.

I thank the Senator from Alabama.

Mr. ALLEN. Mr. President, I thank the distinguished Senator from Wyoming for his very fine remarks and for the great contribution he has made to this discussion.

Mr. President, I now ask unanimous consent that I may yield to the distinguished Senator from South Dakota (Mr. McGovern) to bring up a privileged matter, with the understanding that I do not lose my right to the floor and that the resumption of my remarks will not be credited as a second speech.

Mr. LONG. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard. The Senator from Alabama has the floor.

Mr. ALLEN. Mr. President, I regret the objection——

Mr. LONG. Mr. President, will the Senator yield?

Mr. ALLEN. I yield for a question.

Mr. LONG. I ask unanimous consent that the Senator from Alabama may yield to me without prejudice to his rights to retain the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, I am willing that this conference report be laid before the Senate, provided we have a firm agreement as to how long that will take. If we can agree that the conference report will take no more than 15 minutes to present, I will have no objection.

Mr. ALLEN. I imagine it will take no more than one minute, but I shall be delighted to yield 15.

Mr. LONG. Mr. President, I ask unanimous consent that, without prejudice to the rights of the Senator from Alabama, the Senator from South Dakota be recognized to bring up a privileged matter, and that after 15 minutes, if that matter not be concluded, the Senator from Alabama be recognized and the parliamentary situation revert to what it had been.

Mr. ALLEN. That is perfectly all right. I had no idea it would extend beyond 15 minutes.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Louisiana? Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President if the Senator will yield, within the context of that agreement I ask unanimous consent that I be given 2 minutes to explain an embarrassing situation in which the leadership finds itself.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. The situation is the request of the Senator from North Carolina to be recognized tomorrow morning at the conclusion of morning business.

This is a request which usually causes little discussion and no objection. Of course, the Senator is perfectly within his rights in making such a request, but the leadership does have a responsibility in situations of this kind which I would hope will be given consideration.

There is no law saying that we can be recognized at any time we rise, but custom and precedent have usually been accorded to the joint leadership in the matter of recognition. It was the leadership's intention to seek recognition tomorrow after morning business was concluded, but that will be impossible at this time because of the perfectly legitimate action taken by the Senator from North Carolina (Mr. Helms).

I hope that when we are considering a difficult piece of legislation which tends to hold up the business of the Senate and draws time needed for consideration of the calendar, especially in this most difficult of years, the joint leadership will be accorded, in the future, the courtesy of consideration in matters of this kind when contentious legislation is before us. That is all I have to say.

I find no fault with what the Senator from North Carolina has done. He is perfectly within his rights. But I felt I should make my position clear at this time on this matter.

Mr. HELMS. Mr. President, might I ask the distinguished majority leader what his understanding is of the unanimous-consent agreement that I obtained earlier?

Mr. MANSFIELD. That the Senator would be recognized at the conclusion of morning business.

Mr. HELMS. No, my unanimous consent request, which was agreed to, was that when the pending business is laid before the Senate on tomorrow, that the Senator from Alabama (Mr. Allen) be recognized.

Mr. MANSFIELD. I beg the Senator's pardon. That the Senator from Alabama would be recognized at the conclusion of morning business. I gave the name of the wrong Senator and the wrong State.

The PRESIDING OFFICER. The Chair's understanding of the unanimous-consent request and the order that followed it is that the Senator from Alabama would be recognized when the unfinished business is laid before the Senate.

Mr. HELMS. That is correct.

Mr. MANSFIELD. That is correct, and that is what I was referring to, because the unfinished business would not be laid before the Senate until the conclusion of morning business.

Mr. ALLEN. Mr. President, will the Senator yield?

Mr. MANSFIELD. Surely.

Mr. ALLEN. I appreciate having the distinguished Senator from North Carolina make this request. I had no prior knowledge that the request was going to be made; and after hearing that the unanimous consent had been granted, I spoke to the distinguished assistant majority leader, in the absence of the distinguished majority leader, and voluntarily agreed, if he so desired, that I would have no objection to rescinding the unanimous-consent agreement. Let me make that statement.

Mr. MANSFIELD. If the Senator from Alabama will yield at that point, I appreciate that statement more than I can say. It was our intention—my intention—to meet with the distinguished Senator from Alabama (Mr. Allen) and explain to him that I was giving the most serious consideration tomorrow morning to offering a motion to recommit or to table the motion of the Senator from Alabama; that is, provided I could have achieved recognition—and that recognition is usually accorded to the joint leadership, but only as the occasion arises.

I did not intend to do anything which could be considered to be "under the table" because it was my intention to meet with the Senator from Alabama this afternoon and explain the situation and to do so on the basis that I felt was part of the leadership's responsibilities;

that is, to notify any individual ahead of time of what was intended to be done and, in that way, to keep alive the comity which exists in this body between the two parties and among the Senate as a whole.

The reason for my giving the most serious consideration to this suggestion lies in the fact that at my instigation I asked a number of Democratic Senators among the leadership to meet with Senators KENNEDY, MONDALE, NELSON, and others, to find out, if possible, what their plans were on the tax-reduction amendment which has been given considerable publicity of late.

I urged that group to give some more consideration to not putting it on the ship bill, which was reported from the Finance Committee, but rather on the debt-ceiling legislation. I discussed the matter with the distinguished Senator from Louisiana (Mr. LONG), and he assured me that he would do his best to get that legislation out of his committee last week—and he did. I assured the group that I would get it up as expeditiously as possible. That was done. But during the course of our conversations, a commitment of sorts—an informal commitment, a commitment without standing, really, but an informal commitment—was made to the group on the tax-reduction amendment that they would have the opportunity to offer the amendment.

I had anticipated that the first order of business would be the offering of the Kennedy, Mondale, Humphrey, Nelson, and so forth, amendment and, consequently, when I came on the floor yesterday and found that the distinguished Senator from Alabama (Mr. ALLEN) was in control, I was surprised—but not too surprised. [Laughter.]

The purpose of my desire to get together with the distinguished Senator from Alabama this afternoon was to discuss this matter. What I have said to the Senator I would say and have said publicly, because I think the only way we can get on in this body is to lay the cards on the table at all times.

I find no fault with what the Senator has done. He was on his feet. He was operating well within the rules and regulations of the Senate. But I did want to tell him what I was considering for tomorrow so that he would not be caught unaware of the proposal I had in mind at the time. That is all I want to say.

Mr. ALLEN. Mr. President, I appreciate the statement of the distinguished majority leader and, again, I say that I had no knowledge that such a request was going to be made. I say again that I appreciate the alertness of the distinguished Senator from North Carolina (Mr. HELMS) in making the request. But I further state that, as soon as I heard that the unanimous consent had been given that I be recognized, and being so appreciative of the leadership's ever-willingness to protect the rights of the Senator from Alabama when his rights are called to the attention of the leadership, that he did not wish to have this advantage.

In talking to the distinguished assistant majority leader I said that if he so desired, the Senator from Alabama would request that the unanimous consent agreement be rescinded. That is still the position of the Senator from Alabama and, Mr. President, I ask unanimous consent that the unanimous consent agreement entered into, giving me the floor at the start of the consideration of the pending business tomorrow, be rescinded.

The PRESIDING OFFICER (Mr. BENNETT). Is there objection to the request of the Senator from Alabama?

Mr. MANSFIELD. Mr. President, before the Chair rules, may I say that I would not have made that request on tomorrow. Again I repeat, it was done within the rules and regulations of the Senate. I have no complaint. I just asked for a little more consideration, and of course, not just for myself but also for the distinguished Republican leader (Mr. HUGH SCOTT). However, this is a decision which the Senator from Alabama must make himself and, evidently, he has made it, and I will say no more.

Mr. HELMS. Mr. President, reserving the right to object, and I shall not object, I want the distinguished majority leader to know that I do not want to do anything untoward or that appears to be untoward. Earlier this afternoon, we had a lesson in the rules of the Senate from the distinguished assistant majority leader. He spoke plainly and clearly. He reminded us that each Senator has certain rights under the rules, and that it was up to us to exercise our rights. This is what I did. The rules of the Senate prevail. I have a definite point of view on this matter, and I wanted to exercise such rights as I have; but, under the circumstances, I certainly agree with the distinguished Senator from Alabama, and I should like to join him in his unanimous-consent request.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Alabama? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, if the Senator will allow me, may I say that I had no suspicion whatsoever of any ulterior motive. These things happen to all of us. But I wanted to clear the Record as to what I intended to do and what I may intend to do tomorrow, so that my position will be clear. I find no fault with anyone.

Mr. ROBERT C. BYRD. Mr. President, I want to attest to what the distinguished Senator from Alabama (Mr. ALLEN) has said. When I came back to the Chamber after meeting with the distinguished majority leader and Senators LONG and KENNEDY. I was informed by Senator ALLEN of what had transpired. He graciously offered to stand by and not object in the event I sought to rescind the request. I said to him that I appreciated it and that I knew the distinguished Senator from North Carolina (Mr. HELMS) had no idea of taking unfair advantage of the leadership, but has always been most fair, reasonable, cooperative, and understanding.

I have no feeling whatsoever toward my good friend from North Carolina by way of antipathy for his having obtained the unanimous-consent order while I was not in the Chamber.

The Senator from Alabama has now had the request rescinded, and I appreciate the fine spirit shown by the Senator from North Carolina. The leadership does have a problem, always, in scheduling and programing for the coming day. If the able Senator from North Carolina will let the leadership know, in the future, that he intends to make a request of this kind, so that we can object if necessary, then we will be in a position, together with the joint leadership on the other side of the aisle, to continue to schedule the business of the Senate. I certainly will appreciate it.

Mr. HELMS. Mr. President, I merely wished to maintain the option of the Senator from Alabama, which has been done in this case, and I appreciate the kind remarks of the Senator from West Virginia.

Mr. ALLEN. Mr. President, I appreciate the remarks of the Senator from North Carolina.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time that was consumed in the colloquy just now not be charged against the distinguished Senator from South Dakota.

Mr. McGOVERN. Does that include the colloquy with the majority leader?

Mr. ROBERT C. BYRD. That includes the entire colloquy.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Chair, once the conference report is adopted, either recognize me, if the Senator from Alabama is not on the floor, or, if the Senator from Alabama is on the floor, recognize the Senator from Alabama, because the Senator from Alabama has been called off the floor by the majority leader and I want to protect the Senator from Alabama's rights.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from South Dakota is recognized.

Mr. McGOVERN. Mr. President, before I proceed, I ask unanimous consent that four members of the committee staff—Forest Reece, James Thornton, Michael McLeod, and Alan Stone—be permitted the privilege of the floor during the consideration of the conference report.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT OF NATIONAL SCHOOL LUNCH ACT—CONFERENCE REPORT

Mr. McGOVERN. Mr. President, I submit a report of the committee of conference on H.R. 14354, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. DOMENICI). The report will be stated by title.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 14354) to amend the National School Lunch Act, to authorize the use of certain funds to purchase agricultural commodities for distribution to schools, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of June 13, 1974, at p. H5094.)

Mr. McGOVERN. Mr. President, I am very pleased to present to the Senate this conference report.

I am quite pleased with the agreement that the Senate conferees were able to work out with the House conferees on this bill. It is an excellent agreement because we adopted the provisions of the House bill, as well as the more comprehensive features of the Senate bill. The House bill would have provided the Secretary of Agriculture with authority, for fiscal year 1975, to use funds under section 32 and funds of the Commodity Credit Corporation to purchase agricultural commodities that are not in surplus to maintain the annually programed level of assistance for programs authorized under the National School Lunch Act, the Child Nutrition Act, and title VII of the Older Americans Act. The conferees adopted this provision and agreed to make it mandatory rather than permissive. Thus, the Secretary is required to use section 32 funds and Commodity Credit Corporation funds to maintain commodity donations at the annually programed levels of assistance.

The conferees accepted without change the Senate amendment to require the Secretary of Agriculture to provide, beginning with fiscal year 1975, commodity donations for the school lunch program at a level of not less than 10 cents per lunch. The Secretary must provide 7 cents worth of commodities and 3 additional cents neither cash nor commodities. The 10 cents minimum amount must be adjusted for each fiscal year after fiscal year 1975 to reflect changes in the series for food away from home of the Consumer Price Index. Also, the Senate amendment requires that in providing donated commodities the Secretary must give special emphasis to high-protein foods—meat and meat alternates. The conferees, in the joint explanatory statement, point out that high-protein foods include cheese, milk, and fish.

Thus, by accepting the amended House provision on donated commodities and the Senate provision on the level of commodity assistance for the school lunch program, the conferees have agreed that, for fiscal year 1975, the Department of Agriculture must purchase the amount that it has programed for commodity acquisition and distribution, $290 million. Also, they have agreed that the Secretary of Agriculture must provide at least 10 cents per lunch in donated commodity assistance for the school lunch program, or cash in lieu thereof.

The House conferees agreed to the Senate amendment which makes permanent State educational agencies' authorization to establish income guidelines, for use by schools in the State in determining eligibility for reduced price lunches, at levels up to 75 percent above those in the Secretary's income poverty guidelines.

The House conferees also agreed to the Senate amendment which would increase the authorization for appropriations for child nutrition equipment assistance for fiscal years after 1975 from $20 million to the amount that is currently authorized, which is $40 million.

Another Senate amendment had provided for an increase of the authorization of appropriations for the special supplemental food program for women, infants, and children from $40 million to $131 million for fiscal year 1975. The House bill had contained no comparable provision. The conferees agreed to adopt the Senate provision, with an amendment reducing the proposed new authorization from $131 to $100 million.

Mr. President, the Congress was compelled to act very quickly on this legislation. The administration had expressed its intention to eliminate the donated commodity program. Moreover, the authority of the Department of Agriculture to purchase for donation the commodities which are not in surplus expires on June 30.

I believe that the Department of Agriculture's position is that we no longer have surpluses and, therefore, should eliminate all commodity purchase programs. This already has been proven to be quite fallacious. Their reasoning is fallacious for two reasons:

First. The donated commodity program has been popular and beneficial to our child feeding programs, our institutional feeding programs, and our family feeding programs.

Second. In the past few months we have seen a swift and disastrous turnaround in the livestock situation. We do, indeed, now have large surpluses of beef, pork, and other livestock and livestock products. Without a commodity purchase program, there is very little that the Government can do to alleviate the plight of our livestock producers.

I was pleased to note today that the Secretary of Agriculture has announced the purchase of $100 million in beef and pork products. That was done under the very painful price collapse that our livestock industry is going through at the present time. It will provide some modest, although I must say entirely inadequate, assistance to the livestock industry. But, beyond that, it will definitely increase the protein content of our school lunch and other food assistance programs.

In spite of the urgency of this legislation and the need for prompt action, the Senate Committee on Agriculture and Forestry did report and the Senate passed several other provisions which were badly needed for the school lunch and child nutrition programs. The increased income guidelines for reduced-priced lunches, the increased authorization for equipment assistance and the increase in the authorization for the special supplemental food program are all measures which were badly needed for the Nation's infants and children. I am pleased that we were able to act so promptly and that the conference committee agreed to report such an excellent bill.

The House and Senate conferees were able to work out an excellent agreement on these improvements in our school lunch and other food assistance programs, and I think what we have accomplished in general is to preserve the best features of the bill that passed the Senate unanimously a few days ago and the best features in the House legislation.

In the interest of time, I will not elaborate any further on the conference, other than to assure the Senate that it is a good report and that it does represent the best of both the House and Senate actions on the important matter of nutrition.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

Mr. HUMPHREY. Mr. President, let me state how pleased I am with the splendid leadership we have received on this matter of our feeding programs, particularly the school lunch program and the special supplemental food programs, and all others, by the distinguished Senator from South Dakota. He has been in the forefront of this effort in all the days of his public service, from the time he was the director of the food for peace program up to this very hour in the Senate.

The bill that has come from conference is a major step forward and will do great good for literally millions of children and adults throughout this land.

I have a question that I want to propound to the Senator from South Dakota.

This bill, H.R. 14354, as the Senator has described it, provides funds for the special supplemental food program, commonly referred to as WIC—women, infants, and children.

WIC is a program under which supplemental foods are made available to pregnant and lactating women and infants found to be nutritional risks.

Mr. President, I ask the Senator from South Dakota if he does not agree with me that nutrition education should be a part of the WIC program. In fact, if I recall correctly, when this measure was first drafted, we both intended that nutrition education be included in the WIC program structure.

Mr. McGOVERN. I agree with Senator HUMPHREY, whose leadership has helped insure the success of this very beneficial program. Certainly, a nutrition program worthy of the name includes nutrition education. One possible reason for poor nutrition is low income, but another is lack of knowledge as to where to concentrate family financial resources in terms of food. What we are trying to accomplish with the WIC program is, first, to make nutritious foods available to these vulnerable groups and, second, to help people form good dietary habits which will hopefully have a permanent impact. The only way to achieve this is through a formal program of nutrition education which is implemented where the people are: namely, when they come in to the clinic to be certified, and each time they return on a programed basis for medical examination. In addition, some consideration should be given to the importance of nutrition education when people pick up their food or food vouchers.

WIC program regulations provide for the payment of clinic costs, and this is certainly consistent with the original intent of the WIC legislation. In the same way, WIC funds should be authorized to pay for a commonsense program of nutrition education—as a legitimate program cost, and not deducted from administrative funds. It seems reasonable that this kind of program, so necessary to the success of any feeding plan, should be started without delay.

As the Senator from Minnesota knows, there are two principal causes of bad nutrition in this country. One is the low income of millions of our citizens that makes it difficult for them to purchase an adequate diet, and the other major factor is the lack of adequate knowledge on the part of millions of our people as to what constitutes a healthy diet, a nutritious diet.

I think that at a time when we are investing substantial amounts of public funds in attempting to put more food into the hands and onto the tables of hungry people, we also have some obligation, both to the people we are trying to assist and to those who are paying for the program, the taxpayers, to see that those foods are used in the most efficient way possible.

Nutrition education is part of the purpose of any good nutrition program.

I think the Senator from Minnesota is absolutely correct in stressing that in this program, designed especially for women, infants, and children, we can and should under the authority granted under in this act implement an educational program.

It ought to be developed at the level where these people are participating in the program, at the clinics, at the distribution points, and I think it would be a practical investment that would increase the value of every dollar that we are investing in nutrition.

Mr. HUMPHREY. Would the Senator agree, then, the WIC funds should be authorized to pay for a commonsense program of nutrition education—as a legitimate program cost, and not deducted from administrative funds.

Mr. McGOVERN. Absolutely; the WIC program regulations provide for the payment of clinical costs and that is certainly consistent with the original intent of the legislation In the same way with these WIC funds should be authorized to pay for a program of nutrition education. This is a legitimate program cost. It should not be deducted from the administrative allowances and it seems to me very reasonable that a program of that kind ought to get underway without any further delay.

Mr. HUMPHREY. Mr. President, I wish to express my thanks to the Senator from South Dakota (Mr. McGOVERN) for his commitment and for his expertise in the nutrition area.

As I said earlier, millions of people will be everlastingly grateful to the Senator.

My last comment is intended to make clear the nutrition programs are covered by this bill.

Let me ask the Senator from South Dakota this question: Is it the Senator's understanding that this bill mandates a supply of commodities for school lunches and breakfasts, plus commodities for summer feeding, day care, Headstart, elderly feeding, under title VII of the Older Americans Act and other nonprofit institution feeding programs?

Mr. McGOVERN. The Senator's understanding is correct. The bill, as he knows, increases the level of commodity assistance for school lunches, but it provides, indeed it mandates, that for all these other food programs that he has mentioned no less than the level of commodity assistance that has been made available this year should be extended over into fiscal 1975.

Mr. HUMPHREY. I again want to thank the Senator.

Mr. President, it is so appropriate, the Senator from South Dakota has noted, the purchase that has been authorized today by the Department of Agriculture of beef and pork in the sum of $100 million. This commodity program is one of the programs that the Senator from South Dakota, the Senator from Minnesota, and other Senators have fought for, because this commodity program not only serves our agricultural interests at times, but also, and more important, it serves the nutritional needs of our people.

I think this day of June 18 should be looked upon as one of the happy days in the life of the 93d Congress. We have really done something here today to improve the lot of many, many people.

The other body, the House of Representatives, has overwhelmingly approved this legislation, and now the Senate, I am confident, is going to approve it unanimously which is, I believe, a sign we have grown a great deal and have matured much to understand the nutritional needs of the American people.

I thank the Senator.

Mr. McGOVERN. While the Senator is in the Chamber, in view of the fact that we have been granted a few minutes additional time, I think this would be a good opportunity to underscore the importance of retaining this commodity purchase program.

The Senator will recall that the big battle we had with the Department of Agriculture was based on their contention that there no longer are any surpluses and that, therefore, we should end the commodity purchase program for the school lunch operations and for the other food assistance programs.

Numerous Agriculture Department officials testified within the last few months that the day of the surplus is over and that, therefore, we no longer need this authority to go into the market and purchase meat and other products for the benefit of our schoolchildren and others who are participating in this program.

Yesterday, the Senator will be interested to know, the Secretary of Agriculture came before our Subcommittee on Agricultural Credit, and vigorously opposed a measure designed to provide guaranteed loans for livestock producers who are going bankrupt. He said the reason the Department opposed that is that we have too much meat in this country; we have a surplus of meat now and we dare not do anything that might continue the level of production at its present level, which is a dramatic reminder of how quickly what looks like a scarcity can turn to surplus, and vice versa. That is why it seems to me the House and Senate conferees were wise in insisting that the Secretary continue to exercise that authority, to go into the market and make purchases of high protein foods and other commodities that are needed to nourish our people, and we saw him use that authority yesterday afternoon with this $100 million purchase.

I think it should have been a larger purchase. I hope that at a time when there are so many malnourished people in the country suffering from inadequate diets we will take advantage of this abundant meat supply and dairy supply that we have in the country, not only to shore up the sagging economic condition of our livestock and dairy industry, but also to benefit so many of our people who stand in need of this program.

Mr. HUMPHREY. I may say to the Senator that I have been one, as has the Senator from South Dakota and other members of the Committee on Agriculture and Forestry, and I am sure there are many other Senators who feel the same way, who felt this commodity purchase program was absolutely vital.

We have had an inadequate supply in our school lunch program and other feeding programs of what we call the red meat, as well as poultry products. These are all high protein foods, they are the best foods; therefore the purchase that was authorized today will come in handy. I agree with the Senator from South Dakota that the amount should have been larger.

Somebody is going to say, "Where do you get the money?" The money is in the section 32 funds that are gathered as tariffs on imports of agricultural commodities into the United States. There is over $700 million in the section 32 account, so the purchase of $100 million worth of beef and pork products does not seriously diminish the reserve of funds that were specifically set aside for this kind of purchase.

I might add further that the Department of Defense could move promptly now to make some purchases. The reason why they should do so is that the price is right, insofar as the Government is concerned. The Government will be getting these meat products, if they are smart buyers, at reasonably good rates, and at the same time it will help the cattle raiser and the hog farmer and will also provide a good supply of nutritious food for the men and women in the armed services of the United States.

These purchase programs, plus the program that the Senator from South Dakota and myself, the Senator from Minnesota, have offered, namely, the guaranteed loan at a 5.5-percent interest rate will do a great deal to stabilize and to help the cattle and hog industry.

On top of that, I might add that if

we just take a look at the flow of imports into this country, which I think has been excessive in light of the precarious condition of our cattle and hog farmers, we could put together a program very quickly that would give immediate economic assistance to our cattle and hog farmers.

This, by the way, Mr. President, is a great need, as the Presiding Officer knows, coming from the State where the cattle industry is of major importance.

Once this cattle industry is liquidated, the whole Nation will suffer, the consumer will suffer, the banking structure will suffer, the whole economy will suffer, and therefore even as we talk nutrition today in school lunches, I say that it shows the interrelationship here of the producer and the consumer.

The purchase program announced today will be very helpful to the feeding programs that have been outlined in the bill that is brought before us this afternoon. That purchase program will be helpful to the farm producer, and if it is properly organized, it can be very helpful to the consumer.

I wonder whether the Senator from South Dakota has given any thought to the fact that it might be useful to the Department of Agriculture to make some of the buys of cattle and hogs right at the feed lot level rather than at the packer level?

Mr. McGOVERN. As a matter of fact, I have thought of that very possibility, I will say to the Senator. We have been talking about it just this afternoon. There is a great deal of concern about the man in the middle, and nobody knows exactly how to account for the difference between what the producer and the feeder gets and what the consumer pays at the retail end, but I think one direct way to have an impact immediately on the market is to buy the slaughtered steers, hogs, and other livestock right at the feed lots, and not go through the whole process. This is a way of having an immediate impact to help out the producer and also eliminate some of the anxiety about what happens to the price of that meat after it leaves the feed lot.

Mr. HUMPHREY. That kind of purchase would have a maximum impact, insofar as the cattle price was concerned, on the consumer. Then the USDA could extend an invitation to bid on their purchases at the feedlot level, at least use the feedlots or commission houses for that purpose, and then direct such live animals to packing houses for processing, on a negotiated price.

I think this is something they might look into, may I say most respectfully to the Senator. It is more complicated, but what we are looking for here is, how does the Government get the best buy? We know it gets it at the feedlot level. Second, how do we get the major impact on consumer prices? That is at the feedlot level. Third, how do we get the benefits of the purchase program into the consumer's hands? That can be done by the USDA's negotiating prices after they have made the purchases at the feedlot level.

I thank the Senator from South Dakota.

Mr. President, I am particularly placing emphasis on the need for nutrition education. It is my feeling that we have a great need for nutrition education. It is one of the great needs in the field of individual health. I spent a part of the past week at a meeting of the Minnesota Medical Association, which was meeting at Minneapolis. Part of the discussion at that association meeting was on the whole subject of adequate diet, good nutrition, and its relation to personal health. Doctors now are keenly interested in this subject. No longer is the medical field confined to pills, surgery, and medicine, but proper diet and good nutrition, are absolutely essential for what we call preventive medicine or for the protection of health.

I hope that we will move along in our nutrition programs. Not only do we need good nutrition for supplemental feeding; we also need a good nutrition program and education for every young boy and girl, for every family. In this way, we can make good use of the large quantities of food this country produces.

I think we should remember that one of the great diseases in America is obesity. We are overfed. That does not mean we are properly fed. If we are properly fed, we can save money and improve health.

I thank the Senator from South Dakota.

Mr. McGOVERN. I thank the Senator from Minnesota.

I call attention to the fact that beginning tomorrow at 9:30, the Select Committee on Nutrition and Human Needs will begin a series of hearings that are scheduled for 3 days—Wednesday, Thursday, and Friday of this week—in which we are going to explore the whole subject of nutrition and American food policy, looking to the interrelationship of the problems of agriculture and the problems of the food industry and the responsibilities we have to the undernourished in this country and abroad. It is an attempt to lay the basis on which the Senate, and indeed the entire Congress, might legislate more intelligently in developing an overall nutrition policy. I hope that Senators will follow those hearings closely. They bear directly on nutritional health and a sound food policy for the entire Nation.

Mr. President, I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

(The following colloquy occurred during the debate on the conference report:)

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. McGOVERN. I yield.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the request I made appear at an appropriate place, so that the colloquy will not be disconnected.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, how much time remains of the 15 minutes?

The PRESIDING OFFICER. Eight minutes remain.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an additional 15 minutes be granted under the same circumstances as the original 15 minutes were granted.

Mr. ALLEN. Mr. President, reserving the right to object, the entire time would be used before we return to the debate on the bill. Is that correct?

Mr. MANSFIELD. Absolutely.

Mr. ALLEN. In other words, the bill will not come up for debate again or for recognition of any Senator other than the Senator from Alabama for 23 minutes. Is that correct?

Mr. MANSFIELD. That is correct. The Senator from Alabama will be recognized at that time, and he will be on the floor in plenty of time so that he will not miss the timetable.

Mr. ALLEN. I thank the Senator.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Marks, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session,

The PRESIDING OFFICER (Mr. DOMENICI) laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of Senate proceedings.)

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. KENNEDY. Mr. President, as Senators are aware, we are now in the countdown on the Debt Ceiling Act, which must be cleared by Congress and signed by the President by June 30.

Yesterday, I commended the leadership for bringing this important measure to the floor with time for ample debate and action by the Senate before the June 30 deadline.

Now, however, the effective work of the Senate is challenged by delaying tactics apparently designed to prevent the Senate from working its will on tax relief and tax reform, two issues that many of us in the Senate feel are at the top of the congressional agenda this year.

I, and the other sponsors of amendment 1443, our consolidated tax reform and tax relief amendment, are not offering the amendment lightly to the Debt Ceiling Act. We feel, however, that, in light of the potential workload of other business looming in the Senate and the House, the Debt Ceiling Act may well be the last clear chance this year for Congress to work its will on these important issues.

The amendment we propose has two

related parts. First we are proposing four important tax reforms—repeal of the oil depletion allowance, repeal of the disc system for export subsidies, repeal of the ADR system of accelerated depreciation, and a strengthening of the minimum tax. Together, these four reforms will raise $4 billion in Federal revenues in 1974 and $7 billion by 1978.

Each of the four reforms involves a well-known and well-debated system of the Internal Revenue Code. The Senate is thoroughly familiar with each proposal. There is no element whatever of uncertainty about the consequences of this part of the amendment. The Senate is ready to vote on tax reform, and I hope the opponents of these reforms will let the vote come soon, without crowding the June 30 deadline.

Second, we are proposing $6.5 billion in tax relief for 80 million hard-pressed American taxpayers and their families. The relief will be made available in three separate ways: By increasing the personal income tax exemption from its present level of $750 to a new level of $825; by offering each taxpayer the option of taking a $190 tax credit instead of the $825 exemption; and by granting a refundable tax credit for 10 percent of social security payroll taxes paid by lower-income workers.

The twin goals of this tax relief are to stop the current nosedive of the economy into recession and to provide relief for consumers from the crushing burden of inflation. Those who look at our current economic crisis and see only the problem of inflation are ignoring half the crisis. The Nation is now going through the worst of both economic worlds, a simultaneous siege of both inflation and recession. I believe we are doing all we reasonably can to fight inflation, but we are doing nothing about the recession.

Some of the most distinguished economic experts in the Nation—Walter Heller and Arthur Okun, past chairmen of the Council of Economic Advisers, and Paul Samuelson, Nobel Prize winner in economics for 1970—have given their strong support to tax relief in its own right. They see our $6 billion package as a needed economic stimulus to stop the current slide into recession, at no risk whatever of contributing in any significant way to the present problem of inflation.

In any event, our amendment proposes offsetting tax reforms that will create no net long-run revenue loss to the Federal Treasury. Thus, the tax relief we propose cannot possibly be inflationary. I urge all Senators to recognize the simple logic of this fact.

Yesterday, I discussed in detail some of the major economic arguments in favor of tax relief at this time.

Today, I would like to deal briefly with the case for tax reform in general and repeal of the oil depletion allowance in particular.

We have a crisis over tax reform today because countless ordinary men and women now realize that our revenue laws are basically unfair. Our present Federal revenue laws are nothing but a giant sieve, full of loopholes through which pour billions of dollars in special benefits each year.

And of all the aspects of Watergate, perhaps the one that strikes the most serious blow at the ordinary citizen is the low amount of taxes paid by the President of the United States. Whatever the outcome of the current investigation, the disclosure of the President's low tax payments has made tax reform a searing issue for the Nation.

The reason is not far to seek. We have a tax system today that floats the principle of a progressive income tax, a system that has turned the revenue code into a Swiss cheese, full of loopholes, incentives, shelters, and safe harbors for the few who have the wealth and expertise to profit from such provisions.

To paraphrase a famous aphorism, our tax laws in their majestic equality allow the poor as well as the rich to invest in State and local bonds, to reap long-term capital gains, to search for oil, and to invest in real estate and cattle partnerships that promise rich tax rewards to shelter large executive salaries.

But we know that only the rich are able to play the loopholes well. Experts estimate that income must reach $50,000 a year before they can come fully into play.

Middle and lower income Americans simply cannot afford the substantial sums that are necessary if they are to take advantage of the many different tax shelters that now exist.

Not only do we have a promiscuous system of tax benefits, but it has a "means" test too. The sign is hanging out on most tax shelters—"abandon taxes all ye who enter here; those with modest incomes stay away."

Wherever we look, we find the tax base being eroded by deductions and exemptions, by windfall subsidies, by questionable incentives for various industries, by benefits that have long since outlived whatever justification they might have had when they were first enacted, and even by sinister loopholes quietly written into law for the benefit of particular individuals or corporations—"tax fingerprints" which fit only a single taxpayer, but which dot the revenue code in silent tribute to the political muscle of the wealthy and the powerful in the Nation.

An excellent recent study by the Brookings Institution tells the story. According to the findings, the income taxes paid today are extremely modest when calculated on the basis of "effective tax rates"—the percentage of a taxpayer's total income that actually goes for income taxes. The difference between the stated rate and the effective rate gives rise to what many now call "tax welfare"—the annual subsidy a taxpayer receives because of the loopholes in the laws:

Overall income	Effective tax rate (percent)	Average annual tax welfare payment
Under $3,000	0.5	$16
$3,000 to $5,000	1.7	148
$5,000 to $10,000	5.3	340
$10,000 to $15,000	8.7	651
$15,000 to $20,000	10.7	1,181
$20,000 to $25,000	12.1	1,931
$25,000 to $50,000	14.5	3,897
$50,000 to $100,000	23.5	11,911
$100,000 to $500,000	29.5	41,480
$500,000 to $1,000,000	30.4	202,752
Over $1,000,000	32.1	720,448

The effective tax rates are still progressive, to be sure, but instead of ranging from 14 to 70 percent, as the schedules say, they range instead from less than 1 to only 32 percent.

The really interesting figures, however, are the figures on tax welfare—the enormous subsidies bestowed by the Revenue Code on upper income taxpayers. There are 6 million families in the "under $3,000" category, yet they receive only $16 each in "tax welfare." The 3,000 families with income over $1 million get over $700,000 in tax welfare each. Put another way, 70 percent of the Nation's families have incomes less than $15,000 a year, but they get only 25 percent of the tax welfare. And the .3 percent of the families with income over $100,000 get 15 percent of the tax welfare.

It is facts like these that make the case for tax reform so compelling. How can the administration fail to see the need, when the Internal Revenue Code is so clearly America's biggest welfare bill of all?

Clearly, when we talk about tax reform, we are not talking about insignificant amounts. We are talking about billions of dollars in urgently needed funds—dollars that can be used in a variety of ways to help meet all the challenges we face at home and overseas.

Tax reform can provide dollars for Federal tax relief; dollars for homes and jobs and schools and health; dollars for policemen and drug control; dollars for transportation and the environment; dollars to reduce the soaring burden of State and local taxes; dollars for revenue sharing with State and local governments—in short, dollars to meet all our urgent national priorities that have already been set in the past, and that will be set in the future by Congress, the administration, and the American people.

It is no accident, therefore, that tax reform is now erupting as one of the most important national issues in 1974. It is a powerful mass movement that can no longer be denied. It is long past time for the Senate to take up the people's cause.

And nowhere is the need for tax reform more clear than in the case of the oil depletion allowance. Year after year, Congress after Congress, the percentage depletion deduction allowed for oil has been the most notorious loophole in the Internal Revenue Code.

In 1969, Congress went part way. In the Tax Reform Act that year, we reduced the depletion allowance from the legendary 27½-percent level it had occupied for many years, to 22 percent.

Even after 1969, the 22-percent rate left an enormous windfall for America's oil producers. Every year, the depletion allowance was available to permit 22 percent of the gross revenues from oil production to go entirely free of the Federal income tax.

Virtually every other business is required to take depreciation on its assets. No one else can depreciate more than 100 percent of an asset. But the oil industry is allowed to take percentage depletion without effective limit—22 percent, year after year, over the life of every producing well.

Other businesses can depreciate their assets once, and that is all. But as a result of percentage depletion, experts estimate that the average oil well is depreciated 16 times. And each time depletion is taken, it means vast tax benefits for the oil producers.

As a result, at a time when ordinary individual taxpayers are paying taxes at an average rate of 20 percent, the oil industry has been paying taxes at an average rate of only about 5 percent.

But 5 percent is only an average. Some oil companies have been paying at a rate much lower. In 1972, for example, the tax rate paid by some of the largest and best known oil companies was as follows:

[In percent]

Gulf	1.2
Mobil	1.3
Texaco	1.7
SoCal	2.0
Arco	3.7
Exxon	6.5
Standard of Indiana	10.2

And that was before the energy crisis and the Arab oil embargo of 1973. That was when oil was selling for $3.25 a barrel, instead of the $5.25 a barrel price for "old" oil and the $10 a barrel price for "new" oil we know today.

As a result of these major price increases, oil company profits for 1973 and for the first quarter of 1974 have soared to astronomical levels, as bloated corporate treasuries for oil enjoy their greatest profits in history.

Again, the figures tell the story. For the companies cited above, the recent profits picture for the first quarter of 1974 is as follows:

[In percent]

Gulf	up	76
Mobil	up	66
Texaco	up	123.2
Southern California	up	92
Arco	up	87
Exxon	up	39
Standard of Indiana	up	81

Those are dream world profit increases by any standard. Yet they are the actual profit increases that American oil companies enjoy today, thanks to the soaring price of oil and to the generous gift of the oil depletion allowance.

No wonder we find that oil companies are looking for new worlds to conquer with their profits. No wonder we find that the new conglomerate merger movement is being financed out of oil. No wonder we read in the news this morning that Mobil is trying to swallow up Montgomery Ward. No wonder we read a few months ago that Gulf was trying to take over Ringling Brothers Circus.

Because oil depletion is keyed so precisely to the price of oil, the enormous recent oil price increases are being matched by enormous recent increases in the tax benefits enjoyed by every oil producer.

Now is the time to end this major inequity and injustice in our tax laws. Whatever marginal justification may possibly have existed in the past for the 22 percent depletion allowance, none exists today.

Congress must not let this flagrant tax loophole remain open in 1974. The Debt Ceiling Act is the place to make a stand, to say that the free tax ride is over for America's major oil companies, to insist that every oil producer must pay his fair share of taxes, like any average citizen.

Mr. MONDALE. Mr. President, the issues we face in connection with this debt ceiling legislation go well beyond the merits or disadvantages of the particular tax amendments we will be considering.

There are some fundamental issues of economic policy and philosophy at stake here. Important notions of fairness and equity will be tested. And our ability to control inflation in the weeks and months to come may well hang in the balance.

Our economy is now in deep trouble. In the first quarter of this year, prices rose at an annual rate of 11.5 percent—the worst inflation in 23 years—and real GNP fell at an annual rate of 6.3 percent—the worst decline in 16 years.

Disturbingly, the burden of this unprecedented combination of inflation and recession has fallen very unevenly, with poor and middle income Americans suffering the most, while others are relatively untouched.

A just-released Labor Department survey, for example, shows that the cost of living rose faster last year for "lower" and "intermediate" income families than it did for "higher" income families.

The average worker's real spendable earnings are down 5.6 percent from a year ago, and are now even lower than they were in January of 1969 when Richard Nixon took office.

Corporate profits after taxes, on the other hand, rose 16 percent in the last year, and oil company profits rose 82 percent. Corporate profits are now 79 percent above their 1969 level.

Executive compensation, according to a recent Business Week survey, went up by 13.3 percent in 1973, following an increase of 13.5 percent in 1972. This despite a 5.5-percent Cost of Living Council limit on wage and salary increases.

Unemployment, which hits hardest at the poor and unskilled, has now reached 5.2 percent, and most economists predict it will reach 6 percent before the end of the year.

Interest rates have reached their highest levels since the Civil War. Buying a home has become virtually impossible for any but the most affluent families, and fully one-quarter of the average family's after-tax income now goes just to paying interest charges and repaying mortgages and installment loans. In the early post-World War II years, by comparison, only about 10 percent of consumer income was needed to service debts. But for the banks which charge these rates, and for the large corporations which can pass them on, high interest rates are a burden that is easy to bear.

Those fortunate enough to receive pay increases large enough to keep up with inflation have seen a larger share of their income taken away in taxes as they moved into higher brackets. Not only are their dollars worth less, but they are taxed more. Here, too, the burden has fallen most heavily on those with lower incomes.

The most rapidly rising tax of all, however, is the social security payroll tax, which hits hardest at those with low and middle incomes, while having little impact on the most affluent. According to the Labor Department survey, social security taxes for an intermediate income family—$12,626—rose 34.6 percent last year.

Oil prices have been permitted to rise to levels far in excess of what is needed to encourage production. On one day last December, we have now learned, the administration granted the oil industry a $3 billion-a-year price increase over the protests of many officials within the administration. Again, those hurt most by these rising oil prices have been the poor and the middle-class American, while the benefits have gone to some of the richest and most powerful corporations in the world.

In the Federal budget, social programs aimed at helping those with low and middle incomes—programs in education, health, manpower, and community health—have been held back and severely eroded by inflation, while programs like Defense have more than kept pace. According to the most recent Brookings budget study, the level of real spending on these social programs in the fiscal year 1975 budget is 30 percent below what it was in fiscal year 1972:

> In 1975, about $1.8 billion more than in 1972 would have to be spent on these programs to maintain the 1972 level of activity. Instead, the Administration proposes a $0.5 billion reduction in obligations. This means that if the administration's proposals are accepted by Congress the level of Federal activity in these areas measured in dollars of constant purchasing power will be about $2.4 billion, or 30 percent, below what it was in 1972. (p. 40)

CONTROLLING INFLATION

It is clear that Americans are terribly worried over inflation. Those who have suffered the most from inflation—the average worker, and those with low and fixed incomes—clearly have the greatest stake in seeing inflation brought under control. And they realize that discipline and sacrifice will be necessary.

But everyone must bear their fair share of this burden. In a government that depends on the consent of the governed, we cannot expect people to accept policies which require great sacrifices from them, but nothing from others.

Measured by that standard, I wonder

how this administration's policies for controlling inflation look to the average American.

There has been much administration talk about the "old time religion" of tight money and a tight budget.

The administration is going to fight inflation with the "old-fashioned remedies" of fiscal and monetary restraint "no matter how long it takes," economic coordinator Kenneth Rush has proclaimed. This policy "will hurt and it will take willpower," Rush told an audience of businessmen.

But how much will high interest rates hurt that audience of big businessmen, as compared to the cruel burden they impose on the average worker and homebuyer?

How much will a tight fiscal policy hurt them, when the administration announces in advance that no cuts will come from Defense, but will come instead from social security, education, and health?

That is this administration's idea of fiscal and monetary sacrifice and discipline. The poor and the aged and the average worker must sacrifice, but nothing is asked for the Pentagon, the big corporations and banks, or the major multinational oil companies. There is cake for them, but only blood, sweat, and tears for everyone else.

Now, as a further "painful" remedy for inflation, the administration has announced they are studying proposals to lower taxes on business. A modest tax cut for average workers, however, remains in their view dangerously inflationary and irresponsible.

This borders on unreality. Those who have already suffered the most from inflation and recession must now suffer even more from the administration's efforts to control it, while those who have flourished will flourish even more:

> To every one who has will more be given, and he will have abundance; but from him who has not, even what he has will be taken away.

This policy cannot work, and it should not. The American people will not stand for it.

This policy of special preferences for the wealthy and the powerful, and the back of the hand for the average American, is eroding the trust and confidence any government must have if it is to pursue any policy requiring discipline and sacrifice.

The administration should have learned this lesson from its experience with wage and price controls. By controlling wages, but not prices; by administering the program with a combination of distaste and ineptness, the administration managed to rob itself—at least for now—of a valuable anti-inflation tool. The American people and the Congress simply lost confidence in the administration's ability or willingness to run a fair and equitable controls program, and even the modest control authority the administration sought was voted down.

The administration is now extremely vulnerable to a fatal loss of confidence in its economic policies. A recent Harris poll showed that Americans believe—by a margin of fully 3 to 1—that "the economic policies of the Nixon administration are doing more harm than good." A key factor in this negative rating is the belief of 72 percent of those polled that the Nixon administration is "too close to big business." "It has given too many advantages, made too many special deals with business," people said.

DIFFERENT APPROACHES

The differences we have with the administration are not mere quibbles over details. There are fundamental differences of economic policy and philosophy at issue here.

The question is how best to combat simultaneous inflation and recession, and encourage the increased production that can ease inflationary pressures and bring greater long-term prosperity.

We have proposed, as part of the answer, a modest $6.6 billion tax cut, offset in part by revenue-raising tax reforms which we believe will make our tax system more equitable.

The administration, however, has strongly opposed our consumer tax cut, and instead is working on tax cuts for business to, as Secretary Simon has said, "give incentives to business to expand production."

There are, of course, two ways to expand production. One is to put money in the hands of consumers so they can afford to buy the things they need. When they do so, demand is increased and more capital investment is stimulated to meet that demand. This is the strategy we have adopted with our tax-cut amendment.

Alternatively, one might give tax subsidies to business in the hope of inducing them to invest more in plant and equipment. This approach has been followed consistently by the administration in the past, and is being pursued by them today.

There are obviously significant differences between these two approaches.

As a matter of economic philosophy, one might suppose that the demand stimulation approach would have more appeal to those with a free market bent than would the investment subsidy approach. After all, in a free market increased demand ought to provide all the incentive—and attract all the capital—needed for more investment and more production. Unless it is assumed that buildings and machines have some inherent value irrespective of whether there is any demand for what they produce, it is hard to see why capital investment should be stimulated in excess of demand by artificial tax subsidies.

However, it has not been unusual in this administration to see expediency triumph over philosophy.

In this case, the expedient consideration is that with the investment subsidy approach the first benefits—those off the top—go to big business and investors—a group whose interests this administration has always found compelling. In the demand stimulation approach, however, it is the average worker who gets his benefits off the top, while the benefits to businessmen and investors arises from increased consumer demand.

The administration's preference for "trickle down" investment subsidies rather than "percolate-up" demand stimuation can be traced back to its earliest days. Proposals to reduce taxes on the average taxpayer and consumer have been consistently reviled as irresponsible and demagogic, while proposals to reduce taxes for business and other special interests have been hailed as acts of economic statesmanship.

In 1969, when Congress began moving on some modest reforms in our tax system, coupled with a reduction of taxes for individual taxpayers, the Nixon administration fought us nearly every step of the way.

We finally ended up with a package that contained about $6.6 billion in reforms—most of them resulting in increased taxes on big business—and about $9 billion in tax relief for individual taxpayers.

President Nixon threatened to veto the bill, but finally signed it. In doing so, he complained that:

> The bill unduly favors spending at the expense of saving at a time when demands on our savings are heavy.

In 1971, however, the President was able to push through a tax package that was more to his taste.

First, however, the way was paved by the September 1970, report of the President's Task Force on Business Taxation. This Task Force—made up almost entirely of businessmen, corporate lawyers, and accountants—recommended, not surprisingly, that taxes on business ought to be reduced.

The President promptly moved on their recommendations. In January 1971, the asset depreciation range (ADR) system of rapid depreciation write-offs was instituted by administrative order and without congressional approval, reducing long-run taxes on business by $2 to $3 billion a year.

The year was capped by the Revenue Act of 1971, which included about $8 billion a year in long-run tax relief for business—principally ADR, the investment tax credit, and DISC—but only about $1 billion a year in relief for the average taxpayer.

This time, though, there was no wringing of hands and gnashing of teeth over the inflationary impact of tax cuts—despite the fact that inflation was so serious the President felt compelled to impose wage and price controls just a short time before.

And now, the history of 1970–71 is repeating itself.

We are again experiencing simultaneous inflation and recession, a feat previously thought impossible.

Again, the administration's only solution is to slam on the monetary and fiscal brakes, driving up unemployment and worsening the recession.

Again, we are told repeatedly that wage and price controls will not be imposed, even though there is a strong likelihood they will have to be.

And again, a task force has been quietly formed to study new tax breaks for business.

In his May 25 radio message to the Nation on economics, President Nixon announced the establishment of a "high-level group" under the Council of Economic Advisers to study "the shortage of capital for investment" and recommend measures to deal with it.

Since then, administration economic spokesmen have made it clear that what they have in mind are various plans to lower taxes on business and investment, including accelerated depreciation, lower taxes on capital gains, and special investment write-offs for various industries.

It is hard to see why lower taxes on business are an appropriate response to the need to stimulate the economy and encourage more production and investment.

The most recent McGraw-Hill capital spending survey reported that businessmen plan to increase spending on new plant and equipment by more than 19.4 percent over last year—the biggest percentage increase in 18 years. A Commerce Department survey recently projected a smaller 12.2 percent increase—still well above the average of recent years.

Businessmen are increasing their capital investment in response to market demand without tax subsidies. Granting them subsidies in the form of lower taxes to induce them to do what they are already doing would simply result in a windfall.

Beyond that, however, it is becoming clear that the real key to economic recovery is consumer spending.

As Business Week noted in its article on the McGraw-Hill capital spending survey:

> One thing that would slow down the fast-stepping advance in plant and equipment spending would be consumer retrenchment.

A Wall Street Journal article made this point even more forcefully last week. Any meaningful economic recovery, the article says, will depend in large part on a pickup in consumer spending. It quotes economists at Chicago's Continental Illinois National Bank & Trust as warning that:

> Without the support of strong consumer spending, which makes up 60% of gross national product, any business recovery would be modest at best.

Past periods of economic recovery, the Journal notes, "have invariably been marked by a substantial rise in consumer outlays." Now, however, in "real" terms—after inflation—"consumer spending has been declining since last fall."

The article goes on to report that:

> A major reason that consumer spending is likely to remain lackluster, economists say, is that consumers today are caught in an extraordinary financial squeeze. The squeeze has developed chiefly because prices in recent months have risen far faster than most incomes. Soaring energy costs, of course, have aggravated the situation.

These are precisely the points those of us supporting a tax cut for consumers have been making.

The extra $200 our tax cut proposal would put in the hands of the average family would make up in part for this erosion in real consumer incomes, and give the boost to consumer demand that is needed to support an economic recovery.

The Journal article says there is doubt that a tax cut would spur much additional consumer spending, since people would be more likely to save it than spend it. That depends in large measure, however, on how the benefits of the tax cut are distributed. In our proposal, well over 80 percent of the relief will go to those making less than $15,000 a year, who must spend all—or more than all—of their income just to meet their current needs. They cannot afford the luxury of much saving, especially in the face of today's double-digit inflationary squeeze.

In the alternative, the Journal article suggests that if the money from the tax cut is spent rather than saved, it could intensify inflation.

This of course is the argument the administration has been making, despite the fact that an OMB study done late last year said that a $5 billion tax cut would increase inflation by only 0.1 percent, and would at the same time reduce unemployment by 0.3 or 0.4 percentage points—which would mean as many as 250,000 extra jobs. Of course, they now say this study is "inoperative."

This OMB study is consistent with more recent studies, and with the views of eminent economists such as Walter Heller, Arthur Okun, and Paul Samuelson. I ask unanimous consent that statements by Drs. Heller, Okun, and Samuelson be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. MONDALE. Mr. President, analyses performed recently using the Wharton and Data Resources, Inc., econometric forecasting models indicate that a tax cut of about $6 billion can stimulate the economy without worsening inflation.

F. Gerard Adams of Wharton testified before the Joint Economic Committee on May 10 that a tax cut of perhaps $6 billion, coupled with the elimination of overwithholding, "would provide a moderate stimulus to real economic activity when it is most needed in the second half of 1974 and early 1975. It would create only moderate additional inflationary pressure."

The Data Resources estimate of the effect of a 5 percent tax cut—about $6 bililon—shows a small increase in GNP—5 percent—and a modest reduction in unemployment—3.5 percent—and a very small increase in inflation—1.5 percent.

In each case, the main reason the increase in inflation is insignificant is because the stimulus to the economy from the tax cut increases productivity and reduces costs enough to keep prices from rising further—precisely what is needed for healthy economic growth.

Mr. President, it is clear that this administration's opposition to a tax cut for consumers—and its preference for further tax subsidies for business—cannot be explained solely on economic grounds. What is at work here is a more deeply ingrained bias in favor of those with wealth and power—and policies which favor them—and a lack of concern for the cruel burdens those policies impose on average Americans. It is time those policies were challenged.

Mr. President, I ask unanimous consent that a statement I made on May 21 describing our tax reform and tax cut proposals in more detail be printed in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AN ANTIRECESSION TAX CUT FOR WORKING AMERICANS

Mr. MONDALE. Mr. President, the $6.6 billion tax cut we are proposing can help lift our sagging economy out of recession and ease the burden this past year's inflation has imposed on working Americans, without adding significantly to inflation in the months to come.

This view is supported by a number of the Nation's most distinguished economists, including former Council of Economic Advisers Chairmen Walter Heller and Arthur Okun, and Nobel laureate Paul Samuelson.

The respected Wharton and Data Resources, Inc., econometric forecasting models also indicate that a tax cut of the kind we propose can stimulate the economy without adding significantly to inflationary pressures.

This tax cut amendment would raise the $750 personal exemption to $825, and institute a new optional $190 credit. Taxpayers could either deduct $825 per person from the income on which their tax is figured, or subtract $190 per person from their final tax bill. Most families earning up to $15,000 would save more in taxes by using the $190 credit. I ask unanimous consent that a table showing this breakdown level for families of different sizes be printed at the conclusion of my remarks.

A family of four with an income of $8,000 a year would save $196 under this plan, while a family of the same size earning $15,000 would save $77.

Large families, of course, would save more. A family of six with an income of $8,000 a year would save $322, while a family of six earning $15,000 a year would save $127.

I ask unanimous consent that a series of tables showing the taxes for families of various sizes at different income levels be printed in the Record at the conclusion of my remarks, along with a table showing the distribution of total tax savings by income category.

Another important feature of our tax cut amendment is Senator RUSSELL LONG's "work bonus" plan, which would give low income workers with one or more children a refundable tax credit equal to 10 percent of their income up to $4,000, and a gradually smaller percentage of their income up to $5,600. The work bonus would extend relief to those with incomes so low they pay no income taxes, but who nonetheless pay very substantial social security payroll taxes. It passed the Senate last November 30 by an overwhelming 57–21 vote.

COMPENSATION FOR INFLATION AND HIGHER TAXES

The relief this tax cut proposal would bring to low- and middle-income families is desperately needed after the runaway inflation and higher taxes of last year.

A study released earlier this year by the Joint Economic Committee shows that a family with a budget of $12,614 had to pay an extra $1,168 just to maintain their 1972 living standards in 1973. In addition, that same family had to pay $281 more in social security and income taxes during 1973, a 15-percent increase.

Much of the income tax increase came about solely because of inflation. If incomes go up just enough to keep up with inflation, workers are no better off—they are just keeping even. But this pushes them into higher marginal tax brackets, and a bigger percentage of their income is taken in taxes—leaving them worse off.

This inflation tax added about 8 or 9 percent to the average family's tax bill last year.

The tax cut we are proposing would help make up for this erosion in real family incomes.

FIGHTING SIMULTANEOUS INFLATION AND RECESSION

The conventional economic wisdom has long been that it is not possible to have soaring inflation and a recession at the same time.

The Nixon administration, however, has managed to work this wonder not once, but twice. Once in the recession of 1969-70, and now again. But this time it is much worse.

In the first quarter of this year, inflation was 11.5 percent—the worst in 23 years—and real GNP dropped by 6.3 percent—the worst decline in 16 years.

The standard remedies for inflation—tight money and a tight Federal budget—are being pursued by this administration with great passion, but with little effect. We now have the highest interest rates since the Civil War, and the budget has been in surplus on a full employment basis for more than a year, yet inflation has escalated without abatement.

Arthur Burns, Chairman of the Federal Reserve Board, has acknowledged that "the rules of economics are not working in quite the way they used to."

It is time to recognize that the inflation we face is not of the conventional kind, and that our efforts to combat it must take into account the equally serious problem of recession.

The present inflation is largely a carryover from the worldwide crop shortages of last year and the Arab oil embargo, which touched off an explosion in food and fuel prices.

This inflation is now built into the economy, and fiscal and monetary policy can have little effect on it.

At the same time, however, this food and fuel inflation has seriously eroded the real incomes of American workers. Real spendable earnings are down 5.6 percent from a year ago.

Because consumers must spend more for the same amount of food and fuel— $15 billion more for fuel alone—they have less left over to spend on other things. The economic effect is the same as if a huge tax increase had been imposed on consumers. This money has been taken out of the economy, and a large part of it will not be put back in, at least for some time.

As a result, consumer demand is lagging badly, and this is a large factor in the present recession. A tax cut aimed at low- and middle-income consumers would make up in part for this erosion in real incomes, and help restore consumer demand to more normal levels.

This can be done without contributing significantly to inflationary pressure, economists say, since little of this additional consumer income would be spent on food and fuel, the two remaining sectors of the economy where significant shortages persist.

In addition, by compensating in part for the bite inflation has taken out of workers' paychecks, a tax cut can lessen somewhat the need for very high wage increases that could build even greater inflation into the economy.

The $6.6 billion tax cut we are proposing would bring the Federal budget for this coming year closer to a balance on a full employment basis. The administration's latest estimates show a full employment surplus of $9 billion for fiscal year 1975, following an $8 billion surplus in the current fiscal year. This is too restrictive, and threatens to deepen the present recession.

Analyses performed recently using the Wharton and Data Resources econometric forecasting models support the view that a tax cut of about $6 billion can stimulate the economy without worsening inflation.

REVENUE-RAISING TAX REFORM AND SPENDING CUTS

While the tax cut we are proposing is needed this year to boost lagging consumer demand and lift the economy out of recession it is important too that we maintain the long-term Federal revenue base.

That is why we have joined in proposing a tax reform amendment that will be offered in conjunction with the tax cut amendment. This reform amendment will generate new revenues of $4 billion in 1974, and $7 billion in the 5th year, by making the following four changes in the Internal Revenue Code:

(1) Repeal of the oil depletion allowance, effective January 1, 1974 ($2.0 billion revenue gain in 1st year, $2.6 billion in 3rd year; $3.3 billion in 5th year).

(2) Repeal of the Asset Depreciation Range (ADR) system of accelerated depreciation, effective for plant and equipment placed in service as of this letter's date ($250 million revenue gain in 1st year, $1.5 billion in 3rd year; $2.0 billion in 5th year).

(3) Repeal of the Domestic International Sales Corporation (DISC) system of tax incentives for exports, effective January 1, 1974 ($815 million revenue gain).

(4) Strengthening the Minimum Tax by reducing the current exclusion from $30,000 to $10,000 and by eliminating the current deduction for taxes paid, effective January 1, 1974. This provision was passed 47-32 by the Senate on January 24, 1974 ($800 million revenue gain).

The revenue gain from these reform amendments will not significantly impair the antirecession stimulus from the tax cut amendment in the first year, since the tax cut will have a more direct and immediate impact on demand than will the tax reforms.

The $6.6 billion tax cut will show up promptly in workers' paychecks as withholding tables are changed, and most of it will go to low- and moderate-income consumers, who must spend most of their income for current needs rather than saving it. It will therefore appear promptly in the consumer spending stream.

The $4 billion in tax reforms, however, will affect principally business and capital spending, which normally has a long lead-time, and which in any event has little immediate impact on jobs or consumer spending. This is especially true for provisions like oil depletion, ADR and DISC, which are widely viewed as relatively ineffective subsidies. Just as their availability has done little to encourage new investment and job creation, so their withdrawal will do little to impair it.

The administration has made it clear, however, that it does not like the idea of balancing tax cuts with revenue-raising tax reforms. CEA Chairman Herbert Stein was asked by Senator Proxmire in hearings before the Joint Economic Committee on May 10 whether the administration would favor a tax cut "combined with an increase in other sectors of the tax code, such as investment credit and oil depletion and so forth, so that you would have a balanced overall effect on revenues, but you would have a different distribution between the impact of the taxes on consumption and investment."

Dr. Stein's response was that—

"[We] are in a situation where the . . . country's need for a higher rate of investment is very great, and . . . we should think very carefully about any tax measures which would reduce the rate of investment. . . .

"So it seems to me very doubtful that we would want to move in the direction of that trade-off at this time. . . .

I think there would be . . . objections to it from the standpoint of the long run welfare of the American people."

This is the classic expression of a Republican trickle-down economics. It is a process always congenial to the tricklers, but often of little value to the tricklees.

There is of course, an alternative way to encourage investment, and that is to provide consumers with more money to spend on things they need, which in turn leads to more investment in producing those things. That is the course we have adopted in our tax cut amendment.

It makes especially good sense at a time like the present, when consumer demand is lagging badly, while capital investment is already booming along at an annual rate of over 19 percent.

The issue between us and the administration is as much one of priorities as it is one of fiscal policy. The administration has already acknowledged one budgetary move to stimulate the economy, although it is a remarkably inappropriate one.

Testifying before the House Appropriations Committee earlier this year, Defense Secretary Schlesinger admitted that the Pentagon budget had been increased by $1 to $2 billion at the last minute to provide "economic stimulus."

Apart from its dubious necessity in a time of declining international tensions, this extra $1 billion is a remarkably inefficient way of providing more jobs. In its 1972 Manpower Report, the Labor Department estimated that an additional $1 billion spent on "aircraft and ordnance" would generate only about 66,000 new jobs. The same amount spent on "personal consumption," however, would generate 82,500 new jobs—fully 25 percent more.

If, as many of our colleagues believe, some spending cuts should accompany tax reduction, there is no doubt where we should begin looking.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TAX SAVINGS FROM KENNEDY-MONDALE AMENDMENT (ASSUMES PERSONAL DEDUCTIONS OF 15 PERCENT OF INCOME)

Adjusted gross income	Present tax	Tax with $825 exemption or $190 credit	Tax saving
Married couple with 4 dependents:			
$3,000	0	0	0
$5,000	0	0	0
$6,000	$28	0	$28
$8,000	322	0	322
$10,000	620	$350	270
$12,500	1,024	818	206
$15,000	1,435	1,308	127
$17,500	1,903	1,804	99
$20,000	2,385	2,273	112
$25,000	3,470	3,344	126
Married couple with 2 dependents:			
$3,000	0	0	0
$5,000	98	0	98
$6,000	245	0	245
$8,000	569	373	196
$10,000	905	730	175
$12,500	1,309	1,198	111
$15,000	1,765	1,688	77
$17,500	2,233	2,167	66
$20,000	2,760	2,685	75
$25,000	3,890	3,806	84
Married couple with 1 dependent:			
$3,000	0	0	0
$5,000	208	0	208
$6,000	362	183	179
$8,000	706	563	143
$10,000	1,048	920	128
$12,500	1,463	1,388	75
$15,000	1,930	1,878	52
$17,500	2,416	2,360	56
$20,000	2,948	2,891	57
$25,000	4,100	4,037	63

Adjusted gross income	Present tax	Tax with $825 exemption or $190 credit	Tax saving
Married couple with no dependents:			
$3,000	$28	0	$28
$5,000	322	$189	133
$6,000	484	373	111
$8,000	848	753	95
$10,000	1, 190	1, 110	80
$12,500	1, 628	1, 578	50
$15,000	2, 095	2, 062	33
$17,500	2, 604	2, 566	38
$20,000	3, 136	3, 098	37
$25,000	4, 310	4, 268	42
Single person:			
$3,000	138	69	69
$5,000	491	443	48
$6,000	681	647	34
$8,000	1, 100	1, 084	16
$10,000	1, 530	1, 512	18
$12,500	2, 059	2, 040	14
$15,000	3, 360	2, 610	20
$17,500	3, 249	3, 226	23
$20,000	3, 915	3, 890	25
$25,000	5, 240	5, 392	28

"BREAKEVEN" POINTS (ADJUSTED GROSS INCOME LEVEL AT WHICH THE OPTIONAL $190 TAX CREDIT IS WORTH THE SAME AS THE $825 PERSONAL EXEMPTION)

Type of tax return and adjusted gross income level:	
Married couple with 4 dependents	$16, 117. 65
Married couple with 2 dependents	15, 450. 98
Married couple with 1 dependent	15, 117. 65
Married couple with no dependents	14, 784. 31
Single person	7, 848. 33

DECREASE IN TAX LIABILITY UNDER KENNEDY-MONDALE AMENDMENT (BASED ON CALENDAR YEAR 1972 INCOME LEVELS)

Adjusted gross income class	Percent of returns in each income class	Number of returns with tax decrease (thousands)	Decrease in tax liability (millions)	Percent of total decrease
0 to $3,000	5. 3	3, 221	154	2. 6
$3,000 to $5,000	12. 7	7, 746	559	9. 4
$5,000 to $7,000	14. 3	8, 737	853	14. 4
$7,000 to $10,000	20. 1	12, 229	1, 484	25. 0
$10,000 to $15,000	25. 6	15, 595	1, 804	30. 4
$15,000 to $20,000	12. 4	7, 557	556	9. 4
$20,000 to $50,000	8. 7	5, 305	441	7. 4
$50,000 to $100,000	. 7	449	66	1. 1
$100,000 and over	. 2	102	17	. 003
Total	100. 00	60, 940	5, 936	99. 703

EXHIBIT 1

[From the Washington Post, May 1, 1974]

TAX CUTS AND INFLATION

(By Walter W. Heller)

That the "savage inflation" of recent months scared the Post into opposing income tax relief in its April 23 editorial is understandable, but wrong. To say that "the most sensible thing to do right now is nothing" reflects (a) a misreading of economic facts and (b) an unwillingness to incur even very small risks on the inflationary front in exchange for sizable gains in social justice and economic recovery.

First, the Kennedy-Mondale tax cut of $6 billion would redress a glaring social grievance. By boosting the per capita exemption to $825 and providing the option of a $190 per capita credit against taxes, it would concentrate the bulk of the tax benefits at the middle and lower ends of the income scale where the past year's surge in food and fuel prices has taken a particularly heavy toll. (It would be the logical counterpart of the sharply expanded Food Stamp Program and unemployment compensation to aid the poor and the jobless.)

Second, by restoring some of the consumer's badly eroded buying power, the $6 billion cut would help arrest the sharper-than-expected slide of the economy toward recession and brighten the chances of recovery in an economy staggering under a new burden of soaring interest rates.

But won't the costs outweigh the benefits? Aren't supply shortages rather than weak demand the hallmark of today's recession? No.

The consumer is reeling under the blows of tight money and runaway food and fuel prices. Not only have car sales plummeted, but sales of household durables have been falling in real terms for nearly a year. Total retail sales in dollar terms are limping along at a pace only 5 per cent above a year ago, or only half the advance in prices over the same period.

Nor is any early rebound of consumer spending in sight. Exploding oil prices are still working their way through the economy. They are siphoning about $15 billion of consumer buying power away from other goods and services into the pockets of foreign and domestic oil producers. As the Post cogently pointed out in an earlier editorial, the end of the Arab embargo has not relieved us of this paradox of "oil drag"—a cost inflation of prices and a taxlike deflation of consumer demand.

The tax cut would offset a considerable part of the demand drag without increasing cost push. Indeed, by helping labor regain part of the 3 per cent loss of real pay in the past year, the carefully targeted Kennedy-Mondale exemption increase might even ease wage-push pressure somewhat. If we are to de-escalate inflation in the longer run, we will have to think more in terms of such broad trade-offs, of changes in the terms of the social contract.

But won't the added buying power released by a tax cut run up against industrial and materials bottlenecks? Federal Reserve capacity data don't support this:

In manufacturing, the combination of falling output and rising capacity—at a 4½ per cent rate in the past 6 months—has cut operating rate to 80 per cent of capacity.

In major materials industries, capacity rose 2 per cent in the past quarter, while output fell 1.7 per cent, thereby easing the operating rate to 92 per cent.

With demand falling significantly below our capacity to produce, then, this seems a relatively safe time to release a moderate amount of funds into the economy.

But for all that, won't much of the tax cut run off into higher prices? On the contrary. Given the special nature of today's inflation, the real thrust of added consumer buying made possible by the tax cut will be to expand output and jobs rather than prices:

The fuel, food, and commodity price explosions are largely the work of outside forces like the oil cartel and worldwide food and commodity shortages, not of excess domestic demand.

The pop-up effect of dumping Phase IV price and wage controls is also largely immune to fiscal or monetary policy.

So inflation has a life of its own. It is in major part the product of special forces that will be ebbing by the end of 1974 even if economic recovery is under way.

Insofar as wage-push pressures take over from these factors, the tax cut will not worsen them and might, as noted, ease them a bit.

But can we spare $6 billion of the $129 billion annual yield of the individual income tax? This year, yes. But for future years, the loss can and should be offset, preferably through removal of tax shelters, especially for oil.

Finally, isn't the Nixon budget already stimulative? Not if we are to believe analyses by the Council of Economic Advisers, the Library of Congress, the St. Louis Federal Reserve Bank, and Michael Levy of the Conference Board. All of them conclude that the fiscal 1975 budget is either neutral or somewhat restrictive.

In short, the proposed tax cut would be socially, economically, and fiscally responsible.

STATEMENT OF ARTHUR M. OKUN, SENIOR FELLOW, THE BROOKINGS INSTITUTION[*]

Economic activity is sagging in the United States today: Industrial production has declined during the past three consecutive months; unemployment has risen by 650,000 persons since October; and real GNP is declining sharply this quarter. In large measure, the economic setback reflects the oil embargo and the ensuing escalation of petroleum prices. The economy was slowing down last summer and autumn in response to fiscal and monetary restraints that were applied to halt the earlier hyperactive boom. If not for the energy crisis, I believe the slowdown would have been limited and appropriate in scope and magnitude. But after colliding with the oil embargo, the welcome slowdown turned into an unwelcome tailspin.

Federal allocation policies prevented the oil shortage from having major disruptive effects on industry and headed off the wave of store, plant, and office closings that seemed to emerge on the horizon. The shortage was confined largely to consumer use and particularly to the gas tank of the family car. As a result, the petroleum shortage has affected the economy primarily by weakening the demand for products related to gasoline—most notably automobiles and vacation activities. The collapse of new car sales is just beginning to spread to other industries that supply products to Detroit. These prospective damaging secondary effects are one negative element in the economic outlook for the months ahead.

A second and much larger negative factor in the outlook is the prospective impact of higher fuel prices on consumer demand for other products. Fuel inflation is taking an enormous toll on the real purchasing power of the American consumer. It now seems likely that, directly and indirectly, the American consumer will spend $20 billion more on petroleum products in 1974 than in 1973 (and will get less product). History tells us that the consumer responds to such increases in the cost of essential items by tightening his belt generally, and cutting his consumption of a wide variety of discretionary items ranging from movie tickets to television sets. It takes time for such adjustments to be made, and they are not visible now. But the fuel price drain is an inevitable depressive influence that will increasingly hold down production in consumer industries across the economy during the year ahead. The higher payments to countries that ship oil to the United States and the higher payments to the domestic oil industry are the equivalent of a huge tax on the consumer, and they will force cutbacks in other areas of consumer spending.

Moreover, the incomes earned from higher petroleum prices will not flow into the spending stream to create jobs or output in the United States during the foreseeable future. Only a small portion of the increased revenues of the domestic industry will be reflected in increased investment this year; at this point, the industry is probably ready to invest all it can given managerial and physical limitations on the speed with which capital spending can be geared up.

The nations that ship oil to the United States will ultimately spend some of their increased revenues on U.S. products; but that too will take a considerable period of time. In the interim, that money will be a net drain out of the U.S. spending stream.

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[*] The views expressed are my own and not necessarily those of the officers, trustees, or other staff members of the Brookings Institution.

This diagnosis points to a clear prescription for providing additional fiscal support to the U.S. economy, particularly to alleviate the pinch on consumer purchasing power. At a minimum, such support will help to ensure the beginnings of a recovery by the end of 1974. I see virtually no risk of such a strong self-generating upsurge that additional fiscal support would be risky and inappropriate. At a maximum, such a measure might prevent a prolonged and sharp slide in employment and output.

A well-timed, broad-based cut in consumer taxes would be the best way to provide the fiscal support. In gauging the appropriate magnitude of such a measure, I am assuming that the expenditure side of the budget for fiscal year 1975 may turn out slightly above the administration proposal, but not by a significant margin. I see some opportunities that Congress may choose to pursue in adding to jobs programs, housing programs, and strengthening the unemployment compensation system. But only a small volume of such expenditures could be geared up adequately to provide anti-recessionary protection in the near-term when it is needed. On the other hand, I see some likelihood that Congress may trim the administration requests for military expenditures. Given that assumption, I conclude that a tax cut of about $6 billion (annual rates) would be large enough to be constructive and small enough to avoid excessive fiscal stimulus under any plausible economic scenario.

THE INFLATION ISSUE

I am recommending anti-recessionary supportive measures only after the most careful consideration of their possible impact on the serious problem of inflation. I feel particularly confident today that the response of the economy to a tax cut will increase output and employment rather than add to inflation. A tax cut in 1974 will not even reduce unemployment from current levels; it can and will limit the deterioration in economic activity that is bound to occur in the months ahead. It supplies a landing net for a recessionary economy—not a launching pad for a boom.

When the tax cut bolsters consumer demand, the economy will have ample labor and plant capacity to meet and greet that spending. While a number of shortage areas linger on today, those other than food and fuel will continue to vanish during the first half of 1974 as rapidly as they emerged during the first half of 1973. The economy's operating rates will be significantly lower by mid-year than they were late in 1972, when lumber was the only significant area of shortage. Since only a trivial part of additional consumer income is funneled into the demand for food, a tax cut will have virtually no effect on food prices. In the case of petroleum, price controls should ensure that any increment in demand is not converted into additional inflation.

More unemployment is *not* what this country needs to stop inflation. Labor markets were not tight last year and they are becoming regrettably easier. Wages have not accelerated and have not contributed to the upsurge in inflation. To maintain the fiscal policy of 1973 in 1974 is to prescribe the same medicine for a case of the chills that was appropriate for a fever.

It is expensive and ineffective medicine. The difference between 6½ percent and 5½ percent unemployment rates at yearend could cost $40 billion in our rate of GNP without reducing the rate of wage-increase by as much as 0.1 percent. Indeed, I would argue that, by evidencing the concern and effort of the government to alleviate the acute cost-of-living squeeze on the worker, a tax cut may have beneficial effects in preserving the recent moderate behavior of wages.

In short, a supportive tax cut that offsets only part of the "tax" collected by the petroleum-producing countries is not going to exacerbate the inflation problem. My sense of the urgent need to reverse the present inflation leads to proposals for a rollback of petroleum prices and for regulations to ensure adequate domestic supplies of farm products. These are surely lesser evils (with greater anti-inflationary benefits) than letting the whole economy go through the wringer.

SPECIFIC TAX CUTS

Three specific proposals would fill the tax bill, as I see it:

1.—Reduce social insurance taxes on employees and the self-employed, making up for that loss of receipts to the social insurance funds out of general revenues. That could amount to a reduction across the board in payroll taxes of nearly one percentage point. Alternatively, it could be structured to graduate the payroll tax, giving the greatest proportionate relief at the low end of the wage scale.

2.—Incorporate into the income tax law the option of a $200 credit in lieu of the present $750 personal exemption that is deductible in calculating taxable income.

3.—Raise the present personal exemption from $750 to $900 per person.

The economic impact of all these options would be highly desirable and roughly equivalent. The tax cut stemming from any would flow immediately into consumer take-home pay through our withholding system. Indeed, any one would provide an occasion for restructuring withholding rates to reduce the current large volume of over-withholding and thus to produce an even larger immediate effect on take-home pay. The widespread small increases in consumer take-home pay resulting from any of the tax cuts would get into the spending stream and help to alleviate the possible retrenchment in consumer living standards that might otherwise take place in response to job layoffs and fuel inflation. The vast bulk of any of these tax cuts would flow to the lower-middle and middle-income consumer who consumes virtually the whole of his income.

Any choice among the measures really has to be based on one's sense of equity about the tax system and one's perception of the feasibility of prompt enactment. As I view the equity issue, easing the burden of the payroll tax would be my top priority. But that requires the use of general revenues for partial financing of the social insurance funds; and that would be a new precedent which the Congress has been reluctant to adopt in the past and might well wish to deliberate at length before accepting now.

The $200 credit option aso introduces a new provision into the tax laws, but one that should be much less controversial in principle. There is a paradox in the present provisions that make the personal exemption worth $105 per head to families in the lowest income-tax bracket and $525 per head in the highest. The $200 credit option provides tax relief for families in tax brackets under 26 percent. That covers the vast majority of Americans and, by excluding the remainder, it can offer a significantly larger amount of tax relief to the family at median income than would the straight rise in the personal exemption. I regard that feature as an advantage of the $200 credit option. On the other hand, the personal exemption increase has the advantage of being the simplest type of tax cut. The fact that it provides some relief to every family that pays income taxes may also be viewed as an advantage.

Any one of these three tax measures would be constructive and responsible, representing a combination of good economic policy and good social policy. They deserve prompt consideration and action.

MASSACHUSETTS INSTITUTE OF TECHNOLOGY,
Cambridge, Mass., March 27, 1974.
Senator WALTER F. MONDALE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR MONDALE: I am glad to respond to your request of March for my views on your proposal to give taxpayers the option of taking a $200 credit for themselves and each dependent if they prefer that over the current $750 exemption.

I do favor this proposal. Perhaps the three most important considerations in its favor are the following:

1. Because of the rise in prices and cost of minimum living standard in the 30 years since World War II, the present exemption level is increasingly inadequate, being more onerous than was thought appropriate even in the middle of World War II when our system was fighting for its life. So an increase in effective tax reduction at the bottom, such as you are recommending, has been long overdue rgardless of the state of the business cycle.

2. Currently the U. S. economy is in a state of stagflation. Real family incomes have not been growing in the way considered par for our system. If ever there were a good time for introducing this reform, with its implied $6 billion revenue loss, this would seem to be it. I say this taking due regard of the fact that as I write the consumers price index is soaring around the 10 percent annual rate. However, the causes of the most recent acceleration of the price level are not to be found primarily in an excess of consumer purchasing power, but rather in the realm of energy, food, and other staple prices. Reducing the onerous tax burden on the middle and low-income taxpayers is not calculated to worsen this kind of inflation—and indeed a powerful case can be made, as Dr. Heller has recently shown, that the moderation in wage settlements of recent times can be best preserved by just such tax reform.

3. Finally, there is the point that energy costs will be irreversibly higher than before the October Mideast War. This hits middle and low income families particularly. Even the Administration economists agreed, at the time when they were fearing political pressures for gasoline and fuel rationing in the interests of equity, that a strong economic case could be made for offsetting some of the rise in market prices for energy by middle- and low-income tax adjustments. Your bill, it seems to me, achieves this vital purpose with a minimum of administrative difficulty. So, aside from the long-term and the cyclical arguments for your proposal, I think there is a powerful reinforcing argument from the standpoint of efficiency and equity in adjusting to the higher costs of energy that will be with us in the longer run.

I have not exhausted the arguments for the tax-credit proposal, nor commented in detail on the counter arguments. But I believe I have said enough to indicate that a majority of mainstream American economists would favor this proposal on the basis of a broad nonpartisan consensus.

Sincerely yours,

PAUL A. SAMUELSON,
Institute Professor.

Mr. ROBERT C. BYRD. Mr. President, I understand that the distinguished Senator from Utah (Mr. BENNETT) has a cloture motion to offer. That is a privileged motion, and I ask unanimous consent that I may yield to him for the purpose of offering that motion only, which he has a right to offer without my yielding to him.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION

Mr. BENNETT. Mr. President, I send to the desk a cloture motion and ask that it be read.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The assistant legislative clerk read the cloture motion as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon H.R. 14832, an act to provide for a temporary increase in the public debt limit.

Wallace F. Bennett, James B. Allen, Charles H. Percy, Paul Fannin, Clifford P. Hansen, J. Glenn Beall, Jr., Robert Dole, Jesse Helms, Edward W. Brooke, Robert P. Griffin, Hugh Scott, Edward J. Gurney, John Tower, Strom Thurmond, Pete V. Domenici, William L. Scott, Hiram L. Fong.

Mr. BENNETT. I thank my friend from West Virginia.

Mr. GRIFFIN. Mr. President, will the Senator from West Virginia yield for the purpose of a parliamentary inquiry?

Mr. ROBERT C. BYRD. Yes, I yield for that purpose only, without losing my right to the floor.

Mr. GRIFFIN. Mr. President, in view of the fact that there are now two cloture motions at the desk, for the information of the Senate, one cloture motion filed by the majority leader and the second cloture motion filed by the Senator from Utah (Mr. BENNETT), am I correct in my understanding that the first vote will be, under the rule, on the motion filed by the majority leader?

The PRESIDING OFFICER. Under the precedents, the first one filed will be the first one upon which the Senate will vote. If the first one fails, the Senate will vote immediately on the second one. If the first one were agreed to, the Senate would dispose of that amendment before the second cloture motion would be voted upon.

Mr. GRIFFIN. I thank the Chair. I think that information will be of interest to the Members of the Senate.

Mr. ROBERT C. BYRD. Mr. President, if the Chair will indulge me momentarily, while various conferences are being held, I have no desire to speak on the amendment of the Senator from Alabama.

I shall hold the floor, as I promised I would, to protect the Senator from Alabama until he is through.

Mr. HUGH SCOTT. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. Mr President, I yield for a question only on condition that I do not lose my right to the floor.

Mr. HUGH SCOTT. On those terms I accept.

Mr. President, if the Senator finds some difficulty in locating something to talk about, perhaps he might want to discuss the climate of West Virginia and its resorts and its greenery.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I have the floor.

Mr. HUGH SCOTT. I think I have achieved my purpose.

The PRESIDING OFFICER. The time has expired, and the Chair recognizes the Senator from Alabama under the previous order.

Mr. ALLEN. I thank the distinguished Senator from West Virginia for yielding to me.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield 10 minutes to me to discuss this matter?

Mr. ALLEN. I would be delighted to yield on the condition that I not lose my right to the floor, and that my resumption of my remarks shall not be considered as a second speech.

Mr. President, I ask unanimous consent that I may yield for 10 minutes for that purpose and under that condition.

The PRESIDING OFFICER. Is there objection? Without objection, the Senator from Virginia has the floor.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the Senator from Alabama yielding to me and want to commend him for what he is doing, for his actions of yesterday and today in bringing to the attention of the Senate the nature of the matter in which we are engaged.

I believe that all Senators see the need for tax reform. I believe that all Senators want each citizen to pay his fair share of the tax burden. If seems, however, Mr. President, that we need to look at the nature of the various amendments that have been offered to the debt ceiling bill. I believe we should recognize the cost of the amendments that have been printed and are ready to be offered.

If we look at the first amendment, amendment No. 1362, which would increase the personal exemption of the individual, I, too, would like to see us get $1,000 for each individual. To have a $1,000 personal exemption would appear to be very reasonable.

But if we look at the report of the committee, we see on page 3 of the report that last year, 1973, we had an actual deficit, the difference between the Government receipts and outlay, of $14.3 billion; and if we look at the makeup of that deficit, we find that $25 billion was the real deficit in the administrative budget, the way Congress used to consider it. In the matter over which Congress has control, we had a deficit last year of $25 billion.

However, in recent years we have had a unified budget where we have lumped the trust funds with the administrative budget. In that way, because there is a surplus in the trust fund, our overall budget deficit does not look as bad.

I have had constituents write to me who are concerned about the fiscal integrity of our trust fund. They write about the government employees' retirement fund and whether or not it is actuarially sound.

They also write to me about social security. We know that these are two of the principal items included in the trust funds, together with the highway funds.

I do not believe we can obtain a fair picture of the national debt by looking at this unified bulget. It gives us the impression that $14.3 billion was the actual amount of the Government deficit for 1973. However, I submit that the $25 billion is the actual amount.

When we look at the current year's budget we see that when the President submitted a budget—and this again was the unified budget—he indicated that we would have a deficit of $4.7 billion. The estimate today is $3.5 billion. We have improved a bit for the current year.

But we look further to the estimated budget for 1975, at the time the President submitted it, in February there was an estimate of $9.4 billion deficit. Today it is $11.4 billion. There has been a change that will produce $1 billion less in receipts, and a need for $1 billion more, making the deficit increase by $2 billion.

If we look at the administrative budget, the Federal funds, we note that during fiscal year 1975 an estimate of a $19.9 billion deficit, almost a $20 billion deficit, without the amendments in this bill being adopted.

Mr. President, I submit that in view of the present fiscal situation in which the Government finds itself, these amendments are unrealistic.

It is said that a part of the first amendment offered by the Senator from Massachusetts (Mr. KENNEDY) would return the social security payment to the low-income people.

Purportedly that amendment, in its entirety, is to help the lower income people. But lower income people are not helped by inflation. Deficit spending, in my opinion, is one of the major factors that has brought about the inflation which exists today.

I hate to think of the social security recipients as being on welfare. We like to think that social security is an insurance program; that the worker contributes; that the contribution of the employee and the employer match each other and make up the amount that is contributed into the social security fund.

But if we are going to provide that the lower income people's contribution will be returned to them, then that will take away some of the pride of the people in being self-sufficient, in managing their own lives?

Will not the stigma of welfare be attached to the social security recipient if he gets his benefits out of the general fund or if he gets it out of a trust fund to which he has not made a contribution?

Mr. President, I think the social security program is an excellent program. I feel, however, that it should not be combined in any manner with the welfare concept.

When we look at the first amendment to this bill and at the report, the summary that was prepared by the Finance Committee staff and see that the first portion of the amendment, to increase the amount of the personal exemption from $750 to $825 would cost $5.934 billion, almost $6 billion.

If we combine the remainder of the amendment, that would be an additional $700 million, and would make a total addition to the deficit with which the country is confronted in the next fiscal year of $6.6 billion.

This is not helping the poor person. It is not helping any of our American citizens by adding to the national debt.

I believe that under our Constitution we have a manner in which——

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. WILLIAM L. SCOTT. As soon as I have finished my thought.

Under our Constitution, we have a manner in which we consider tax legislation. Tax legislation, under the Constitution, originates in the House of Representatives. It is considered by the Committee on Ways and Means. Then it comes over to this body.

I submit that to attach an amendment costing $6.6 billion to a debt ceiling bill is not the proper way to legislate, especially when we are talking about increasing the debt ceiling to $495 billion.

I am glad to yield now to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I hope that while the Senator from Virginia is describing the amendment, he will also mention its tax reform provisions in his comments, because quite clearly he is not presenting a full picture of the amendment by just describing the tax relief provisions. I hope that, in fairness, in his presentation he would indicate to the Senate whether he is for tax reform, and if so, what his evaluations are of the various provisions of the amendment, rather than present only half of the proposal.

Mr. WILLIAM L. SCOTT. May I ask the distinguished Senator from Massachusetts, What is the amendment that he is proposing going to cost the taxpayers?

Mr. KENNEDY. It would provide $6.5 billion in tax relief through the modest increase in the personal exemption, the optional tax credit, and the work bonus for the working poor.

This revenue loss is made up in the first year by increased revenues of $4 billion in tax reform, which will rise to $7 billion in the fifth year. So the revenue loss is almost completely offset.

Mr. WILLIAM L. SCOTT. May I ask the Senator what the amendment——

Mr. KENNEDY. If the Senator will permit me to respond to the question of the Senator——

The PRESIDING OFFICER. Will the Senators suspend? The time agreed upon by the Senator from Alabama has expired. The Senator from Alabama has the floor.

Mr. WILLIAM L. SCOTT. Mr. President, will the Senator yield, under the same conditions, an additional 5 minutes?

Mr. ALLEN. Mr. President, I ask unanimous consent that the Senator from Virginia have an additional 10 minutes under the same conditions.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. WILLIAM L. SCOTT. Mr. President, I believe the distinguished Senator from Massachusetts certainly should have an opportunity to respond to my comments, but I would ask him, if he will, to tell us whether the particular amendment which I am talking about, without bringing in extraneous matters, does increase or decrease the income of the Government?

Mr. KENNEDY. Is the Senator talking about amendment No. 1443?

Mr. WILLIAM L. SCOTT. I am talking about——

Mr. KENNEDY. Amendment No. 1443 provides tax relief for middle-income, low income, and working poor. The Senator is describing only a part of that amendment. Other parts of the amendment deal with tax reform.

Mr. WILLIAM L. SCOTT. No, I am not talking about that one.

Mr. KENNEDY. It includes the repeal of accelerated depreciation, repeal of oil depletion, repeal of DISC, and a strengthening of the minimum tax.

Mr. WILLIAM L. SCOTT. No, I am not talking about that amendment.

Mr. KENNEDY. Then, will the Senator describe which amendment he is talking about?

Mr. WILLIAM L. SCOTT. I am talking about amendment No. 1362, which is number one on the summary of amendments to the bill which was prepared by the staff of the Committee on Finance. The figures I quoted to the Senate, which the distinguished Senator heard, were figures prepared by the staff of the Committee on Finance. As I read those figures and read the summary prepared by the Committee on Finance, this would result in a further deficit of $6.6 billion. I was not referring to the other amendment which the Senator mentioned.

Mr. KENNEDY. Mr. President, the point that I would like to make is that the amendment which we hope to have considered is amendment No. 1443. It includes the identical tax relief provisions described by the Senator from Virginia, as comprising amendment No. 1362. As the Senator will see, amendment No. 1363 comprises the tax reform proposal; amendment No. 1443 combines amendments Nos. 1362 and 1363 into a single amendment. There is no present intention to call up amendment No. 1362. The summary to which the Senator refers, is simply a list prepared by the committee staff of all the amendments offered so far to the Debt Ceiling Act. Amendment No. 1362 is listed first because it happened to be the first amendment introduced to the bill.

If the Senator wants to use his time to describe an amendment which I previously offered but which will not be called up, then obviously the Senator is entitled to do so. But if he would address himself to amendment No. 1443, which it is our intention to call up at the earliest posible time, which is the amendment referred to by the majority leader, which is the amendment that has been written about and considered in the course of this discussion, then I personally feel, as one of the sponsors of that amendment, that the attention of the Senate would be used more valuably.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the comments of the Senator from Massachusetts. I call attention, however, to the fact that this is designated on the summary prepared by the staff of the Committee on Finance as the first amendment. It is amendment No. 1362, of which the Senator from Massachusetts is the chief sponsor.

I am glad to know that he does not intend to call this amendment up. I had not heard him say that on the floor of the Senate prior to just a moment ago. As I understand the Senator, he is not going to call up amendment No. 1362; he is going to call up a substitute amendment, No. 1443 which he cosponsored with Senator HUMPHREY and others.

Mr. KENNEDY. The Senator is correct, and I think the statements I have made in the RECORD over a period of recent days and last week will clearly indicate that.

Amendment No. 1443 includes amendments Nos. 1362 and 1363. The substance is the same, but the form is amendment No. 1443. So I am glad to clarify the RECORD, and indicate that it is the hope and intention of the sponsors to call up amendment No. 1443. It provides some tax relief tax equity to middle income, low income, and working poor people, and its revenue loss will be offset by the closing of various tax loopholes, such as accelerated depreciation, the DISC provision, the minimum tax, and the oil depletion allowance.

It is our intention to provide relief to the middle income, low income, and working poor groups, and to offset that relief by increased revenues from closing tax loopholes.

So I hope, in behalf of those who are interested in providing tax justice and tax relief, that we will be able to have some debate and discussion of that amendment. I think it would be useful, now, since the Senator is interested in talking about the merits of these provisions, if we could have an opportunity to discuss them. We are not permitted to discuss them now under the parliamentary situation.

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the Senator's explanation and his reference to another amendment and the fact that he is not going to call up the amendment. I would say, however, that amendment No. 1362 is the one at the head of the page numbered 1 of the summary of amendments prepared by the staff of the Committee on Finance. So if I was incorrect in understanding that the Senator intended to call up amendmet No. 1362, apparently the staff of the Senate Finance Committee was also mistaken.

Mr. President, I believe that substantially all of these amendments, would decrease the amount of the Federal income and result in a further spread of the difference between the Government's receipts and outlays. In my opinion a greater deficit is against the interests of everyone including poor people of the country.

Mr. KENNEDY. Mr. President, will the Senator from Virginia yield?

Mr. WILLIAM L. SCOTT. I do not yield further to the Senator from Massachusetts.

Mr. President, I feel that the inflationary pressures in this country work against the poor people, against people in retirement, and people living on a fixed income. I feel that some way must be found to bring our fiscal house in order so that we will not have this continued deficit.

If we look at page 2 of the committee

report, we will find that in 1947 a debt ceiling was first established, in the amount of $275 billion. We see, that through the years, the debt ceiling has gone up and up until now we have a debt ceiling, a permanent ceiling, of $400 billion, and a temporary ceiling of $75.7 billion more resulting in the present temporary ceiling of $475.7 billion.

The proposal is to raise the temporary ceiling by an additional $95 billion, placing the permanent ceiling at $400 billion.

Mr. President, it seems to me that, somehow, we have to reverse this trend so that we can have income equal our outlays. If we really want to help the people of this country, I hope that Members of Congress, both Senate and House, can find a way to balance the budget of the country. We are playing a cruel hoax on the people of the country when we say that we are going to help them by reducing taxes because, regardless of the amount of the tax they pay, when they have to pay more for the things they buy in order to live from day to day, then the tax advantages we might give to them are of no real benefit.

We have to find a way to control inflation in this country. I hope that the various amendments to decrease the Federal income will not prevail, although some of them have considerable merit. We can consider tax reform in the regular way and let the House Committee on Ways and Means hold hearings and report a bill for consideration by the Congress.

The PRESIDING OFFICER (Mr. HASKELL). The 10 minutes of the Senator have expired. The floor reverts to the distinguished Senator from Alabama (Mr. ALLEN).

Mr. WILLIAM L. SCOTT. Mr. President, I appreciate the distinguished Senator's yielding this time to me.

Mr. ROBERT C. BYRD. Mr. President, with the understanding that the distinguished Senator from Alabama (Mr. ALLEN) will not lose his right to the floor and that he will not be charged with a second speech, I ask unanimous consent that the Senate stand in recess——

Mr. MANSFIELD. Mr. President, if the Senator will withhold that request briefly, and under the same conditions, I should like to ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

Mr. ALLEN. Mr. President, is that within the 30 minutes for the recess?

RECESS FOR 30 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, under the conditions previously stated, that the Senate stand in recess for 30 minutes.

There being no objection, at 5:04 p.m., the Senate recessed for 30 minutes; whereupon, the Senate reassembled at 5:34 p.m., when called to order by the Presiding Officer (Mr. HASKELL).

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

The PRESIDING OFFICER. The Senator from Alabama has the floor.

Mr. ALLEN. Mr. President, I ask unanimous consent that I may yield the floor for not to exceed 12 minutes to the distinguished Senator from Iowa (Mr. CLARK), with the understanding that I will not lose my right to the floor and with the further understanding that my resumption of my remarks after he has yielded the floor back to me will not be considered a second speech on the same subject.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. Mr. President, will the Senator from Alabama and the Senator from Iowa yield me 3 minutes, under the same conditions, before the Senator from Iowa starts his speech?

Mr. CLARK. Yes.

Mr. ALLEN. Yes.

Mr. MANSFIELD. Mr. President, I am about to make a unanimous-consent request.

I ask unanimous consent that the time for the vote on the cloture motion introduced today covering the amendment of the distinguished Senator from Alabama (Mr. ALLEN) be moved up from Thursday to Wednesday afternoon at 4 p.m.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Mr. President, reserving the right to object—and I shall not object—I am sure the majority leader is going further and is also providing for moving up the cloture motion calling for cloture as to the entire bill.

Mr. MANSFIELD. Yes. I make that request and that the vote on the first cloture motion occur at the hour of 4 o'clock tomorrow.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, would it also be understood that perhaps it could be agreed that a motion to table the amendment would not be in order prior to that?

Mr. MANSFIELD. It would be in order, but it would not be made.

Mr. GRIFFIN. I know the distinguished majority leader does not intend to make that motion.

Mr. MANSFIELD. I think on the basis of my conversations with various Members, I can give the full Senate that assurance.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDER TO HOLD H.R. 15124 AT DESK

Mr. LONG. Mr. President, will the Senator from Alabama be willing to yield to me for 1 minute, on the same basis, for a unanimous-consent request?

Mr. ALLEN. Yes.

Mr. LONG. Mr. President, I ask unanimous consent that when the bill H.R. 15124 arrives at the desk, it be held at the desk pending further decision by the Senate as to its disposition.

Mr. ALLEN. Mr. President, reserving the right to object, what is the item of legislation?

Mr. LONG. That is a bill involving food stamps for the poor, which I would like to keep at the desk when it comes over from the House, because I believe the Senate will want to act on that bill without amendments. In due course I expect to ask unanimous consent that it be placed on the calendar, but for the time being I merely ask that it be held at the desk until the Senate decides what it wants to do.

I point out that I can do that by objection, anyway. A single objection will keep it from being referred to the committee. What I am saying is that what I want to do, I will do, anyway; the Senator cannot keep me from doing it.

Mr. GRIFFIN. Very well.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the two votes on the cloture motions be back-to-back.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object, in the event that the Senate were to vote to invoke cloture on the Allen amendment, would there then be back-to-back votes, under the unanimous-consent agreement?

The PRESIDING OFFICER. If the first cloture motion were not agreed to, then there would be two successive votes. If the first cloture motion were agreed to, the vote on the second cloture motion would not occur until the first matter had been disposed of, except by unanimous consent.

Mr. GRIFFIN. Mr. President, I do not know whether or not that is what the majority leader intended by his unanimous-consent request. I would have no objection to his request, provided that the cloture motion did not carry on the first vote.

Mr. MANSFIELD. Mr. President, I withdraw my request, and let the rules of the Senate be in force.

PROVISION FOR TIME TO BE SET FOR DISCUSSION OF CLOTURE MOTIONS

Mr. ALLEN. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator from Alabama will state it.

Mr. ALLEN. No provision has been made for a discussion of the motions immediately prior to the vote on the cloture motion. Would not the majority leader not like to make provision for a time to be set apart for discussion of those motions? Generally it is 1 hour's time.

Mr. MANSFIELD. How much time would the Senator suggest?

Mr. ALLEN. I was wondering whether,

possibly, 1 hour would cover both cloture motions.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that on the first cloture motion there be—well, on both cloture motions, if we get to the second cloture motion, the second cloture vote—that there be 1 hour equally divided between the majority and minority leaders or whomever they may designate.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. MANSFIELD. The right designations will be made.

Mr. ALLEN. A further inquiry, Mr. President. Has it been definitely established that the vote on the Bennett cloture motion will also be on Wednesday?

Mr. MANSFIELD. If necessary, yes.

Mr. ALLEN. Yes.

PROVISION FOR ESTABLISHMENT OF QUORUM AT TIME OF VOTE ON FIRST CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I wonder whether the distinguished majority leader and other Senators will allow me to make whatever arrangements are necessary to provide for the establishment of a quorum, which is required under the rule, in such a way that the vote on the first cloture motion will occur as near to the hour of 4 o'clock as is possible; because unless we vacate that portion of the rule requiring the establishment of a quorum, we cannot be absolutely sure that that vote on the first cloture motion will come precisely at 4 o'clock, no matter what kind of unanimous consent request we enter into.

The PRESIDING OFFICER. The Senator from West Virginia is correct.

Mr. ROBERT C. BYRD. Unless we vitiate the request for a quorum.

So if the Senator will allow me, after the Senator from Iowa has finished his speech, to shape up the program accordingly, as best I can, it will be appreciated.

The PRESIDING OFFICER. The Senator from Iowa is recognized for 12 minutes.

THE ADMINISTRATION'S LIVESTOCK POLICY: TOO LITTLE CONCERN AND TOO LITTLE ACTION

Mr. CLARK. I want to thank the distinguished Senator from Alabama for yielding. I shall not take the entire 12 minutes.

Mr. President, yesterday 19 Senators got together here to discuss the crisis in the livestock industry and to propose several specific steps to resolve that crisis. Later in the day, the Subcommittee on Agricultural Credit and Rural Electrification held hearings on legislation to provide emergency loans to livestock producers now threatened with bankruptcy because they can no longer afford to raise cattle, hogs, turkeys, and chickens. The prices are so low—and the expenses in raising livestock are so high—that farmers cannot break even, let alone make a small profit on their hard work.

The proposals for concrete action and the prospects for passage of an emergency loan bill have provided some encouragement to livestock producers. But with that encouragement came some very bad news. Yesterday, it became clear that this administration has no plans to provide substantial assistance to the livestock industry.

And, what is even more discouraging, this administration opposes legislation now before Congress that would provide just that kind of help.

For the last week or so, this administration has been involved in little more than a charade, pretending that it was ready and willing to come to the assistance of livestock producers. There were high-level meetings and pronouncements, but it was all a sham. This administration continues to act as if it still believes that "farmers have never had it so good."

Time and time again, spokesmen for this administration have promised action, but that is not what it has delivered. They have testified against the emergency loan bill, against reimposing import quotas for beef, and against a tax cut that would increase the consumers buying power, and it is apparent that this administration will do little to encourage wholesalers and retailers to lower their profit margins.

There was a well-publicized White House meeting yesterday where the administration was supposed to "jawbone" meat retailers to reduce the spread between the prices paid by the consumer and the prices paid to farmers. But that did not happen. Instead, administration spokesmen questioned the effectiveness of jawboning and suggested that the "price spread" was not all that significant—even though the spread is at or near record levels.

This administration still refuses to reinstate import quotas on meat. It argues that quotas will not help very much. Instead of quotas, the administration has promised to encourage other nations not to export as much beef to this country. But livestock producers are going out of business today—they cannot wait for the administration's encouragement to take effect, especially when the administration cannot tell us how much its proposals will help.

The most outrageous example of the administration's callous indifference to the problems of the livestock industry occurred yesterday when Under Secretary of Agriculture J. Phil Campbell testified at Senator McGOVERN's hearings on the emergency loan legislation.

He said that the administration opposed such legislation. For the administration to say, on the one hand, that it wants to help the livestock producers and then, on the other hand, to flatly oppose a modest emergency loan program is hypocritical at best.

Unfortunately, Secretary Campbell did not come to the subcommittee hearing well prepared. He told us he had no idea what the "break-even" price for cattle is. He could not tell us what impact on prices the administration's proposals would have. This is not the first time that an official of the Department of Agriculture has been poorly prepared for an appearance before the Senate Agriculture Committee. Most of us accept that as a reflection of the administration's attitude toward the Congress, but surely the cattle and hog feeders who had come to testify had the right to expect more. And no one left that hearing room without the feeling that this administration does not have much concern for the health and welfare of the American farmer or consumer.

I find it difficult to understand the administration's opposition to the emergency loan proposal—especially when just a few months ago it failed to oppose a $10 million giveaway to a few large poultry producers. Unlike the chicken indemnity bill, this emergency loan program is not a grant. Unlike the chicken indemnity bill, it would help thousands of farmers. And unlike the chicken indemnity bill, it is a limited response to a very serious problem.

One avenue of relief that the administration has pursued, is increased Government purchases of meat. The Department of Agriculture has just announced that it will purchase $100 million of meat. It is a good step forward, but obviously will make no significant improvement in the price situation. As long as the administration is unwilling to provide any other assistance, it must be willing to make a much greater commitment to buying more meat—for the school lunch and commodity programs and for the military's use. In 1964, during a crisis much less acute, the administration purchased $280 million in meat.

So far, at least, all this administration has done for livestock producers is to supply them with words and false hopes. If the administration has other concrete plans, let us hear them. If not, let them stop making promises of help they do not intend to keep.

In the meantime, Congress cannot stand idly by.

We can pass that emergency loan legislation. Hopefully, the Senate Agriculture Committee can report a bill to the floor tomorrow.

We can continue to argue strongly for a reimposition of the meat quotas, and we can emphasize the need to thoroughly investigate the growing "price spread" in the livestock industry and put meaningful pressure on those who may be profiting unjustly at the expense of farmers and consumers.

Finally, the Congress can help the entire economy—including livestock producers—by passing the tax-reform tax-cut proposal that has been offered as an amendment to the debt ceiling bill. That would put additional money in low- and moderate-income consumers hands. It would give them buying power for meat and other goods.

The administration has opposed each of these proposals without suggesting an effective alternative. Its basic policy seems to be "hands off." Eventually perhaps, enough producers will go bankrupt to enable the remaining producers to survive. And although that hardly seems sound policy, it is this administration's policy. The consequences of a "hands off" approach to this problem add up to economic tragedy—for farmers, related businesses, rural communities, and the consumer.

I hope that the Senate will pass the emergency loan program and the tax-reform-tax cut legislation in the next few days—to provide leadership where the administration has not.

I yield to the Senator from Alabama.

Mr. ALLEN. Mr. President, an agreement has been entered into whereby the cloture vote on the motion to bring debate to a close on the pending germane amendment introduced by the Senator from Alabama will occur tomorrow instead of Thursday.

Immediately after that vote, provided it does not carry, there will be a vote on the cloture motion filed by the distinguished Senator from Utah (Mr. BENNETT).

This agreement was entered into in order to accelerate the business of the Senate and to get to the issue at the earliest moment, in accordance with the rules of the Senate.

The agreement has been made that no motion to table will be made as against the pending amendment, but that it will be decided on its merits; and for that reason, the Senator from Alabama is going to suggest the absence of a quorum.

Mr. LONG. Mr. President, if the Senator will yield, would the Senator be so kind as to permit me to have unanimous consent to address the Senate for about 7 minutes?

Mr. ALLEN. Provided that I do not lose my right to the floor, and that the resumption of my remarks will not constitute the beginning of a second speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR PRINTING ADDITIONAL COPIES AND CORRECTION OF A TECHNICAL ERROR IN S. 2513, WITH ADDITIONAL COSPONSORS LISTED

Mr. LONG. Mr. President, on October 2, 1973, Senator RIBICOFF and I were joined by 13 of our colleagues in the Senate in introducing S. 2513, "The Catastrophic Health Insurance and Medical Assistance Reform Act." Since then, 12 additional Senators have joined in cosponsoring S. 2513.

In the initial printing of S. 2513, 4,000 copies were printed and distributed. In addition, the Senate document room has gone back to press twice to meet the demand for copies of S. 2513.

A technical error was inadvertently included in these initial printings of the bill. In title II of the bill, page 53, between lines 13 and 14, the following was omitted:

(D) skilled nursing facility services.

Since this error results in a substantial change in the intended bill, I believe it is important to correct it in a new printing.

In view of this required correction, the continuing demand for the bill, and the fact that the committee has initiated hearings on this and other bills on catastrophic and national health insurance, I ask unanimous consent that the bill, S. 2513, be reprinted to correct the technical error and to include all 25 cosponsors, that 1,000 copies be printed for the use of the Committee on Finance, and that the record remain open for 3 days to enable other Senators who wish to do so to join in cosponsoring S. 2513.

The PRESIDING OFFICER (Mr. HASKELL). Without objection, it is so ordered.

Mr. LONG. Mr. President, I ask unanimous consent that a list of the members of the Committee on Finance who will be holding hearings on this measure, as well as a list of other Senators who have joined in cosponsoring it, be printed in the Record at this point.

There being no objection, the lists were ordered to be printed in the RECORD, as follows:

COSPONSORS OF S. 2513, THE CATASTROPHIC HEALTH INSURANCE AND MEDICAL ASSISTANCE REFORM ACT

MEMBERS OF THE COMMITTEE ON FINANCE

Russell B. Long, Herman E. Talmadge, Abraham Ribicoff, Gaylord Nelson, Lloyd Bentsen, Clifford P. Hansen, Robert Dole, William V. Roth.

OTHER SENATORS

Charles H. Percy, Hugh Scott, Joseph M. Montoya, James S. Abourezk, George S. McGovern, Milton R. Young, Lawton Chiles, Floyd K. Haskell, Gale W. McGee.

Daniel K. Inouye, Alan Bible, Edward J. Gurney, Howard W. Cannon, Jennings Randolph, Ernest F. Hollings, Quentin N. Burdick, Adlai E. Stevenson III.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. ROBERT C. BYRD. Mr. President, will the Senator from Alabama yield?

Mr. ALLEN. Mr. President, I ask unanimous consent to yield such time as the distinguished assistant majority leader may require, without losing my right to the floor and without the resumption of my remarks being considered the beginning of a second speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, in accordance with the understanding that has previously been entered into, that at the hour of 3 p.m. tomorrow the Senate resume the consideration of the unfinished business, and that the 1 hour for the debate on the motion to invoke cloture then begin running.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that at the conclusion of routine morning business on tomorrow, the Senate proceed to the consideration of the Older Americans Act, H.R. 11105.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF S. 2784 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon disposition of H.R. 11105 tomorrow, the Senate proceed to the consideration of S. 2784, Calendar No. 879, the veterans bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the unfinished business on tomorrow be temporarily laid aside and remain in temporarily laid aside status until the hour of 3 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the conclusion of the vote—which will be by rollcall, automatically—on the motion to invoke cloture on the amendment by the Senator from Alabama (Mr. ALLEN), if that motion to invoke cloture fails, the vote on the motion to invoke cloture on the bill immediately occur.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Now, Mr. President, I ask unanimous consent that, if the first motion to invoke cloture carries, upon disposition of the Allen amendment, if that be on tomorrow, the vote then immediately occur on the second motion to invoke cloture.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I believe this request is necessary, otherwise, under the rule, in the event the Allen amendment were brought under cloture and disposed of tomorrow, the second vote to invoke cloture would not automatically come tomorrow, because tomorrow would not be the first calendar day except one following the entry of the cloture motion.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if action on the Older Americans Act and/or on the veterans' bill is not completed by the hour of 3 p.m. tomorrow, at such time as the leadership may wish to return to such measure, the leadership would be authorized to do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that prior to the hour of 3 p.m. tomorrow, no motion to table the Allen amendment be in order.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the program for tomorrow is as follows——

Mr. ALLEN. Mr. President, will the Senator from West Virginia yield, before he leaves the matter of cloture? I understood—and I wish to underline the agreement—the distinguished majority leader to say that there would be no motions to table the Allen amendment even in case cloture was invoked against that amendment. Is that correct?

Mr. ROBERT C. BYRD. I think that was the intention of the majority leader. Whether he expressed it precisely in that fashion, I do not recall, but I think that was his intention.

Mr. ALLEN. Shall we get that nailed

down by a unanimous-consent agreement?

Mr. ROBERT C. BYRD. I would be willing to ask unanimous consent to that effect, realizing that if cloture is invoked on the Allen amendment, any amendments at the desk at the time, that have met the reading requirement and are germane, can be called up before the Allen amendment would be disposed of.

Mr. ALLEN. How would they have to be disposed of if they were amendments to the Allen amendment?

Mr. ROBERT C. BYRD. If cloture is invoked, any amendments to the Allen amendment that had been read would qualify for being called up.

Mr. ALLEN. That is true, but if the basic amendment is tabled, there would be nothing to amend.

Mr. ROBERT C. BYRD. I am not questioning that. I am saying that I realize, and the distinguished majority leader realizes, that in making the promise that no motion to table the amendment would be in order even if cloture is invoked, the leadership is giving up something, because without such consent, under the rules, even though cloture is invoked on the Allen amendment, a motion to table would be in order.

Mr. ALLEN. Yes, I realize that.

Mr. ROBERT C. BYRD. If the motion to table the Allen amendment cannot be made by virtue of an understanding—which I am sure the majority leader meant to convey—then the leadership is bound to allow any amendments germane to the Allen amendment, any amendments that have met the reading requirement—to be called up and discussed, thus delaying final action on the Allen amendment, if cloture is invoked.

Mr. ALLEN. In other words, the amendment to the Allen amendment would not be subject to a motion to table if cloture is invoked on the Allen amendment; is that correct?

Mr. ROBERT C. BYRD. No.

Mr. ALLEN. No, but in view of the unanimous-consent agreement, that would not be——

Mr. ROBERT C. BYRD. What I am saying is that—and I want the record to show—the leadership is giving up something.

Mr. ALLEN. What is it giving up? That is the point.

Mr. ROBERT C. BYRD. By consenting, by agreeing that no motion to table the Allen amendment would be made even if cloture is invoked on the Allen amendment——

Mr. ALLEN. Yes, I understand that. That is what I am trying to get nailed down, that there would be no motions to table the Allen amendment even if cloture is invoked.

Mr. ROBERT C. BYRD. That is what the Senator is trying to get nailed down. That is what I am interested in getting an agreement on, but not without making the comment that the leadership is fully aware that in agreeing that no motion to table would be made, the leadership is fully aware it is giving up some of its rights and that the Senator's amendment, if subject to amendment to a considerable extent—say there are 50 qualified amendments to the Senator's amendment at the desk—this could mean that even though cloture were invoked on the Senator's amendment, the Senate could spend a week on amendments to his amendment, if the leadership gives up its ordinary right to move, after cloture is invoked, to table the basic amendment. I am simply trying to say to the Senator, to the Senate, and to the world, that the leadership is giving up something in giving up this motion to table the Allen amendment.

Mr. ALLEN. What will be the status of the understanding that no motions to table may be filed in the event cloture is invoked to the Allen amendment or to any amendment thereto that met the test?

Mr. ROBERT C. BYRD. I think that the leader indicated that there would be no motion to table the Allen amendment, and I do not believe he went beyond that.

Mr. ALLEN. That is perfectly all right. I have no interest in amendments to the amendment, but the Senator from Alabama is under the impression that the distinguished acting minority leader asked that question of the majority leader, and that was the impression the Senator from Alabama was under. So is it agreed, then, that the unanimous-consent agreement stipulates, even if cloture is invoked, that there will be no motions to table the Allen amendment?

Mr. ROBERT C. BYRD. Up to now, that exists only as an understanding. I have gotten consent that no motion to table the Allen amendment will be in order prior to 3 p.m. I am now prepared, in carrying out the distinguished majority leader's promise, and in making sure that the understanding is nailed down, to ask unanimous consent, because that was the understanding, that even if the motion to invoke cloture is agreed to, no tabling motion of the Senator's amendment would be in order.

Mr. ALLEN. But the amendments to the Allen amendment would be subject to the tabling motion?

Mr. ROBERT C. BYRD. Yes; because I do not think the majority leader made such a statement.

Mr. ALLEN. That is the way the Senator from Alabama understands it.

Mr. LONG. Mr. President, reserving the right to object, I can foresee the possibility that the Senate might vote cloture on the Allen amendment and, having voted cloture on the Allen amendment, that 35 or 40 Senators might avail themselves of the 1 hour available under the cloture rule, and the discussion might take another 5 days on the Allen amendment before it came to a vote, if no motion to table were available to those who do not favor the amendment.

Mr. President, I do not feel that it is my duty to protect the parliamentary rights of those who favor the Humphrey-Kennedy-Mondale amendment, but I do not think that those Senators, if they knew what this meant, would permit this unanimous consent request to be agreed to if they were here.

Therefore, Mr. President, in fairness, I must object. If they were here, I should think that they would object; and, to protect their rights, I think it is my duty to object.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. ALLEN. I yield.

Mr. ROBERT C. BYRD. May I say to my distinguished friend, the Senator from Louisiana, that I do not believe they would object. They were under the understanding that there would be no motion to table the Allen amendment, that it would go to a vote on cloture, and that if cloture were invoked, no motion would be made to table the Allen amendment, in any event.

Mr. LONG. If the Senator is that confident that they will not object, I will go along. But my first impression was that those who favored the Kennedy-Humphrey amendment would be making a mistake to agree to that. But if the Senator is confident that they would go along with that, I will not object.

Mr. ROBERT C. BYRD. I thank the Senator.

Suppose we not make this further request but have that understanding, and let the majority leader speak for himself in that regard.

Mr. ALLEN. I was not asking the Senator to make any new request. If I have to, I will ask for a ruling from the Chair. I was merely trying to have it stated, in so many words, that that was the agreement.

It is the recollection of the Senator from Alabama that, in answer to the question of the Senator from Michigan, that is what the majority leader embraced in his request. The Senator from Alabama had a similar conversation with the majority leader, himself. I am not basing it on that request. I am asking it on the basis of the record, if the Senator from West Virginia is not going to make the request to remove any doubt.

I ask the Chair for a ruling on the question.

The PRESIDING OFFICER. Will the Senator repeat his request for a ruling?

Mr. ALLEN. The Senator from Alabama, wanting to underline the unanimous-consent agreement, asks of the Chair if it was not the unanimous-consent agreement, as stipulated by the majority leader in answer to a question from the distinguished acting minority leader, Mr. GRIFFIN, that there would be no motion to table the Allen amendment even if cloture should be invoked. Obviously, that motion to table, in the event cloture should be invoked, would deprive the Members of the Senate of their opportunity to discuss the amendment. It was the understanding of the Senator from Alabama that the majority leader stated that he gave his assurance that there would be no motion to table the Allen amendment.

The Senator from Alabama thought that was incorporated in the unanimous-consent agreement. Apparently, the distinguished Senator from West Virginia was of the same opinion.

Mr. LONG. Mr. President, if the Senator will yield, reserving his rights and not prejudicing his rights whatever, those who wanted to offer the Kennedy-Humphrey-Mondale-Nelson amendment should arrange to be on the floor of the

Senate from time to time. It is very difficult for those of us who are not completely in agreement with that amendment to protect their rights, not knowing what they would like to do about this matter. If they had been here to begin with, they would have had an opportunity to move their amendment before the Senator from Alabama (Mr. ALLEN) moved his amendment, but they were not here.

Mr. President, none of us in the Senate can read a crystal ball, nor can we be sure we know what they have in mind. So the amendment was not offered.

Mr. President, if the majority leader, made a commitment, he made it in complete good faith and will endeavor to keep it. But if I were one of the sponsors of that amendment, I would not agree not to make a motion to table once cloture is invoked. Otherwise, there could be another 4 or 5 days of debate on the Allen amendment, even after cloture, is invoked. It would be a pretty ridiculous thing to agree to if you are the ones trying to pass the Kennedy-Nelson-Mondale-Humphrey-and so forth amendment.

Mr. President, if I were one of the sponsors of that amendment, I would object. I would be saying that if cloture is invoked, it is all right for someone to make a 1-hour speech about it, but after one or two 1-hour speeches, we should then move to table the amendment rather than to have the debate on that one amendment drag out for days.

I have had my say, and I will trust to the good judgment of the assistant majority leader. He thinks he knows what the Senators want. So far as I am concerned, I trust him, having told him what I would be thinking if I were one of the sponsors of that amendment.

The PRESIDING OFFICER. The Chair will state that the only unanimous-consent agreement relative to the motion to table related to a motion to table prior to the cloture vote prior to 3 o'clock tomorrow, but that, not necessarily a part of the unanimous-consent agreement, the majority leader did give his assurance to the effect indicated by the Senator from Alabama.

Mr. ALLEN. I thank the Chair.

In view of that statement from the Chair, I wonder if the distinguished assistant majority leader would not renew his request.

Mr. ROBERT C. BYRD. No, I do not think I would want to renew it, because I think that the understanding is universal, and the majority leader's word is as good as a unanimous-consent agreement.

I did proceed to get the unanimous-consent request that he asked me to get, and that was to the effect that no tabling of the motion would be in order prior to the motion to invoke cloture.

Mr. ALLEN. There could not be any motion to table prior to cloture because the Senate has already had this bill laid over until 3 o'clock. Obviously, there could not be any motion, so there is no concession.

Mr. ROBERT C. BYRD. I would not say that. After all, I think it was I who got the request to lay it over until 3 o'clock. I merely added an additional bit of protection.

I wanted to fully protect the Senator from Alabama by adding that no motion to table would be in order before the vote to invoke cloture occurred. Otherwise, a motion to table could have been made yet today.

Mr. ALLEN. I appreciate the attitude of the distinguished Senator from West Virginia.

The Chair stated that the majority leader made that personal assurance, and the Senator from Alabama felt that that was incorporated in any unanimous-consent agreement. If he is mistaken, that is his loss.

Mr. ROBERT C. BYRD. I had earlier sought to nail that down by consent request, but I think I will not. The understanding is sufficiently clear.

I did take occasion, as the distinguished Senator from Louisiana did, to point out what the leadership is giving up when it gives assurance that there will be no motion to table the Allen amendment even if the motion to invoke cloture carries. It means any amendment at the desk—there may be 50 or 500 in number—can be called up if qualified. Of course, they could be tabled. But action, one way or another, would have to be taken on those amendments, and that could take some time. Each Senator has 1 hour, and the motion to table could not be made until someone who was ready to make that motion got the floor and the time of any Senator who wishes to speak in an intervening way ran its course.

I think all sides have been very cooperative here. The Senator from Alabama has been most understanding and cooperative, as have the Senator from Louisiana, the Senator from Massachusetts and other Senators. The leadership has, as I think I have said, given up one of its prerogatives, but in so doing I think the time of the Senate, in an overall way, has been saved; otherwise, the Senate would have been in session throughout this night and possibly tomorrow night, and the vote on the motion to invoke cloture would not have occurred until the day after tomorrow.

So, by virtue of this agreement, the Senate will have saved 1 day.

Mr. ALLEN. I think a very fine agreement has been worked out and, I feel, expediting consideration of the matter in coming to the issue involved, which in the final analysis is going to be the Kennedy amendment, because I know the motion to invoke cloture will eventually be filed as to that.

Seeking then, Mr. President, to clear up the status of amendments that are at the desk with respect to the Allen amendment, they, having met the requirements of the rules, could they be offered in the event the majority leader's assurance that no motion will be filed as to the Allen amendment is not lived up to? I have no reference to the majority leader himself. Could the amendments at the desk, with respect to the Allen amendment, still be offered to the bill?

The PRESIDING OFFICER. Assuming the amendments to the Allen amendment had complied with rule XXII, any such amendment could be offered to the Allen amendment while the Allen amendment was pending.

Mr. ALLEN. Well, in the event the Allen amendment is tabled, would all the amendments then fall?

The PRESIDING OFFICER. If the Allen amendment were tabled subject to invoking cloture or were defeated, any amendments to the Allen amendment lying at the desk would fall, but could subsequently be offered, of course, as amendments to the bill if drafted before cloture were invoked.

Mr. ALLEN. Well, could they be offered during the cloture period, could the other amendments be offered during the cloture period?

The PRESIDING OFFICER. The Chair would state that the amendments referred to by the Senator from Alabama—the amendments to the Allen amendment—if cloture were invoked on the Allen amendment, could be offered to the Allen amendment until the Allen amendment was disposed of either by tabling or by defeat or by the adoption of the amendment in the alternative, and then subsequently such amendments would have to be, if they were to be adopted, offered to the bill, would have to be redrafted, sent to the desk, and read before cloture could be invoked on the bill.

Mr. ALLEN. Could they be offered, though, during the time set apart for considering the Allen amendment, or would it be after we got back on the bill?

The PRESIDING OFFICER. Is the distinguished Senator from Alabama referring to the period prior?

Mr. ALLEN. No, after cloture is invoked. The question of the Senator from Alabama is, Will Senators be able to use their 1 hour's time to discuss the other amendments, the amendments to the Allen amendment?

The PRESIDING OFFICER. Unless the Allen amendment were disposed of by a tabling motion.

Mr. ALLEN. Then there is no further discussion.

The PRESIDING OFFICER. Then there is no further discussion; and assuming that the Allen amendment were tabled, then the amendments at the desk to the Allen amendment would fall.

Mr. ALLEN. I think so.

Mr. ROBERT C. BYRD. I am not sure that I understood that the Senator's question was answered.

The PRESIDING OFFICER. The Chair understood the Senator——

Mr. ALLEN. I feel that it was. I am satisfied. Unless the Chair wants further clarification, I have no objection.

AUTHORIZATION OF APPROPRIATIONS FOR INDIAN CLAIMS COMMISSION, 1975

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on S. 3007.

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3007) to authorize appropriations for the Indian Claims Commission for fiscal year

1975, which was to strike out all after the enacting clause, and insert:

> That there is authorized to be appropriated to carry out the provisions of the Indian Claims Commission Act (25 U.S.C. 70), during fiscal year 1975, not to exceed $1,450,000 to continue the program of the Indian Claims Commission.

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. JACKSON, I move that the Senate disagree to the amendment of the House to S. 3007 and ask for a conference with the House of Representatives on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. JACKSON, Mr. METCALF, Mr. ABOUREZK, Mr. BARTLETT, and Mr. MCCLURE conferees on the part of the Senate.

ADDITIONAL COSIGNER OF CLOTURE MOTIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the name of my senior colleague from West Virginia (Mr. RANDOLPH) be added as a signer of both cloture motions.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I will attempt to state the program for tomorrow.

The Senate will convene at the hour of 10 a.m. After the two leaders or their designees have been recognized under the standing order, Mr. PROXMIRE and Mr. BROCK, I believe, will be recognized in that order, each for not to exceed 15 minutes, with a period for the transaction of routine morning business of not to exceed 15 minutes to follow, and statements therein to be limited to 5 minutes each.

At the conclusion of routine morning business, the Senate will take up the Older Americans Act, H.R. 11105, under a time limitation. Votes by rollcall may occur thereon or on amendments thereto.

On the disposition of that bill, the Senate will take up S. 2784, a bill to amend title 38, United States Code, to increase the vocational rehabilitation subsistence allowance, educational assistance allowances, and the special training allowances paid to eligible veterans, and for other purposes. Rollcalls may occur on that bill and/or on amendments thereto, the bill and amendments being under a time agreement.

At the hour of 3 p.m. tomorrow, the Senate will proceed, for 1 hour to debate the motion to invoke cloture on the amendment by Mr. ALLEN to the bill (H.R. 14832)—the so-called debt limit bill. Upon the conclusion of 1 hour, or at the hour of 4 p.m., to be specific, the Chair will have the clerk call the roll to establish a quorum, and upon the establishment of a quorum, the Senate will proceed to vote by mandatory rollcall on the motion to invoke cloture.

If that vote carries, then the Senate will proceed to dispose of the Allen amendment under rule XXII, and upon the disposition of the Allen amendment, should that occur tomorrow, the vote will then occur on the motion to invoke cloture on the bill.

If the vote to invoke cloture on the Allen amendment does not succeed, then the vote will occur immediately by rollcall on the motion to invoke cloture on the bill.

If that succeeds, then the Senate will proceed with the consideration of that bill to the exclusion of all other business until its disposition under rule XXII.

If that vote also fails, then we will be where we are now—on the Allen amendment.

Am I correct, Mr. President?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I thank the Chair. There will be several rollcall votes tomorrow.

ADJOURNMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until the hour of 10 a.m. tomorrow.

The motion was agreed to; and, at 6:35 p.m., the Senate adjourned until tomorrow, Wednesday, June 19, 1974, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate June 18, 1974:

DEPARTMENT OF STATE

Robert Stephen Ingersoll, of Illinois, to be Deputy Secretary of State.

Carlyle E. Maw, of New York, to be Under Secretary of State for Coordinating Security Assistance Programs.

CONFIRMATION

Executive nomination confirmed by the Senate June 18, 1974:

FEDERAL ENERGY ADMINISTRATION

John C. Sawhill, of Maryland, to be Administrator of the Federal Energy Administration.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Tuesday, June 18, 1974*

The House met at 12 o'clock noon.

Rev. Harley J. Murray, Western Avenue Southern Baptist Church, Anaheim, Calif., offered the following prayer:

Our Father we thank You for this great Nation, America. We ask that Thou might continue to guide and preserve her. We invoke Thy blessings upon this Congress and these our Representatives. Father we ask that You might grant to them wisdom, knowledge, insight, and a spirit of discernment. We pray, O God, that there might be a desire in each of their hearts to follow Thee and to do Thy will. We ask that we might see displayed here, on the floor of the House of Representatives, that great spirit which has made America truly one nation indivisible under God. We ask all these things in Jesus' name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill and concurrent resolutions of the House of the following titles:

H.R. 8586. An act to authorize the foreign sale of the passenger vessel steamship *Independence;*

H. Con. Res. 454. Concurrent resolution to authorize the printing as a House document "Our Flag", and to provide for additional copies;

H. Con. Res. 455. Concurrent resolution to provide for the printing as a House document "Our American Government. What Is It? How Does It Work?"; and

H. Con. Res. 537. Concurrent resolution designating the 21 days from June 14 to July 4, 1974, as a period to honor America.

The message also announced that the Senate had passed with an amendment in which the concurrence of the House is requested, a concurrent resolution of the House of the following title:

H. Con. Res. 201. Concurrent resolution to reprint the brochure entitled "How Our Laws Are Made."

The message also announced that the Senate insists upon its amendments to the bill (H.R. 11864) entitled "An act to provide for the early commercial demonstration of the technology of solar heating by the National Aeronautics and Space Administration and the Department of Housing and Urban Development, in cooperation with the National Bureau of Standards, the National Science Foundation, the General Services Administration, and other Federal agencies, and for the early development and commercial demonstration of technology for combined solar heating and cooling," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. MOSS, Mr. KENNEDY, Mr. CRANSTON, Mr. TUNNEY, Mr. HASKELL, Mr. GOLDWATER, Mr. DOMINICK, Mr. WEICKER, and Mr. FANNIN to be conferees on the part of the Senate.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A REPORT

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on a House joint resolution making continuing appropriations for the fiscal year 1975.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

MAKING IN ORDER CONSIDERATION OF CONTINUING RESOLUTION

Mr. NATCHER. Mr. Speaker, I ask unanimous consent that it may be in order in the House on Thursday this week or any day thereafter to consider a House joint resolution making continuing appropriations for the fiscal year beginning July 1 next.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

Mr. GROSS. Mr. Speaker, reserving the right to object, I have just been provided with a copy of this continuing resolution. I would appreciate it if the gentleman would withhold or withdraw his request at this time until we have had an opportunity to see what is proposed in this continuing resolution.

Mr. Speaker, this business of continuing resolutions maintains waivers of various conditions in the appropriation bills passed last year. In the light of changing events, it may well be possible that Members of the House would not want to subscribe to continuance of some of the provisions in those bills that were enacted many months ago. I think we ought to have just a little more time.

I fully appreciate and realize that the Committee on Appropriations can go to the Committee on Rules and obtain a rule making the resolution in order. That would give us a further opportunity to understand and know what is in the continuing resolution.

I would appreciate it if the gentleman would withhold for the time being his request with respect to the continuing resolution. Otherwise, I would be constrained to object.

The SPEAKER. The Chair will state that the gentleman has already been given permission to file. The gentleman's reservation is with respect to time for calling it up; is that correct?

Mr. NATCHER. The Speaker is correct.

The SPEAKER. The question now is whether it shall be brought up on Thursday or some day thereafter.

Mr. GROSS. Mr. Speaker, under those conditions, and because I did not understand it that way, I withdraw my reservation.

The SPEAKER. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A REPORT

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the bill making appropriations for the agriculture, environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes.

Mr. ANDREWS of North Dakota reserved all points of order on the bill.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

APPOINTMENT OF CONFEREES ON S. 628, ELIMINATING ANNUITY REDUCTIONS

Mr. DULSKI. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (S. 628) to amend chapter 83 of title 5, United States Code, to eliminate the annuity reduction made, in order to provide a surviving spouse with an annuity, during periods when the annuitant is not married, with the House amendments thereto, insist on the House amendments, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from New York? The Chair hears none, and appoints the following conferees: Messrs. Dulski, Henderson, Dominick V. Daniels, Waldie, Gross, Derwinski, and Hogan.

SPENDING MONEY FROM A BARREN TREASURE

(Mr. GROSS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GROSS. Mr. Speaker, to paraphrase a statement by Winston Churchill, never in the peacetime history of the United States has a President promised to spend so much in so few days as has President Nixon on his safari to the Middle East.

Never were more glittering promises made on the basis of a more barren treasury and in contradiction to the declaration of a fight to the finish against the ravages of inflation in this country.

PRIVATE CALENDAR

The SPEAKER. This is Private Calendar day. The Clerk will call the first individual bill on the Private Calendar.

MRS. ROSE THOMAS

The Clerk called the bill (H.R. 2535) for the relief of Mrs. Rose Thomas.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

COL. JOHN H. SHERMAN

The Clerk called the bill (H.R. 2633) for the relief of Col. John H. Sherman.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ESTATE OF THE LATE RICHARD BURTON, SFC, U.S. ARMY (RETIRED)

The Clerk called the bill (H.R. 3533) for the relief of the estate of the late Richard Burton, SFC, U.S. Army (retired).

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MR. AND MRS. JOHN F. FUENTES

The Clerk called the bill (H.R. 2508) for the relief of Mr. and Mrs. John F. Fuentes.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

MURRAY SWARTZ

The Clerk called the bill (H.R. 6411) for the relief of Murray Swartz.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

RESOLUTION TO REFER BILL FOR THE RELIEF OF ESTELLE M. FASS TO THE CHIEF COMMISSIONER OF THE COURT OF CLAIMS

The Clerk called the resolution (H. Res. 362) to refer the bill (H.R. 7209) for the relief of Estelle M. Fass to the Chief Commissioner of the Court of Claims.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the resolution be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

RITA SWANN

The Clerk called the bill (H.R. 1342) for the relief of Rita Swann.

Mr. GROSS. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Iowa?

There was no objection.

LEONARD ALFRED BROWNRIGG

The Clerk called the bill (H.R. 2629) for the relief of Leonard Alfred Brownrigg.

Mr. BAUMAN. Mr. Speaker, I ask

unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

FAUSTINO MURGIA-MELENDREZ

The Clerk called the bill (H.R. 7535) for the relief of Faustino Murgia-Melendrez.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

ROMEO LANCIN

The Clerk called the bill (H.R. 4172) for the relief of Romeo Lancin.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

GABRIEL EDGAR BUCHOWIECKI

The Clerk called the bill (H.R. 3190) for the relief of Gabriel Edgar Buchowiecki.

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

LEONOR LOPEZ

The Clerk called the Senate bill (S. 280) for the relief of Leonor Lopez.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

ESTATE OF PETER BOSCAS, DECEASED

The Clerk called the bill (H.R. 2637) for the relief of the estate of Peter Boscas, deceased.

Mr. WYLIE. Mr. Speaker, I ask unanimous consent that the bill be passed over without prejudice.

The SPEAKER. Is there objection to the request of the gentleman from Ohio?

There was no objection.

The SPEAKER. This concludes the call of the Private Calendar.

CALL OF THE HOUSE

Mr. VEYSEY. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 299]

Blatnik
Brasco
Brown, Mich.
Burke, Calif.
Chisholm
Clark
Cleveland
Conyers
Daniels, Dominick V.
Davis, Ga.
Dellums
Diggs
Dorn
Drinan
Esch
Frey
Gibbons
Gray
Green, Pa.
Hanna
Hansen, Wash.
Harsha
Hastings
Hébert
Howard
Jarman
Jones, Tenn.
Litton
Long, Md.
McFall
Macdonald
Madden
Mahon
Mathias, Calif.
Metcalfe
Minshall, Ohio
Murtha
Powell, Ohio
Reid
Riegle
Rooney, N.Y.
Runnels
Ruppe
St Germain
Sarasin
Shipley
Sisk
Steele
Stratton
Stuckey
Talcott
Teague
Thompson, N.J.
Udall
Ullman

The SPEAKER. On this rollcall 378 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

APPOINTMENT OF CONFEREES ON H.R. 11295, THE ANADROMOUS FISH CONSERVATION ACT

Mr. DINGELL. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 11295) to amend the Anadromous Fish Conservation Act in order to extend the authorization for appropriations to carry out such act, and for other purposes, with a Senate amendment thereto, disagree to the Senate amendment, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Michigan? The Chair hears none, and appoints the following conferees: Mrs. SULLIVAN, Messrs. DINGELL, and GOODLING.

PERSONAL STATEMENT

(Mr. BINGHAM asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, on May 30, I missed roll No. 256. Had I been present I would have cast my vote "no". I was also absent from the House the week of June 3 and on June 10 due to my attendance at the 10th Anglo-American Parliamentary Conference. For the record, had I been present I would have cast my vote as follows: Roll No. 261 "yea"; roll No. 262 "yea"; roll No. 266 "yea"; roll No. 267 "yea"; roll No. 268 "yea"; roll No. 270 "yea"; roll No. 271 "yea"; roll No. 272 "aye"; roll No. 273 "aye"; roll No. 274 "aye"; roll No. 278 "aye"; roll No. 279 "aye"; roll No. 280 "aye"; roll No. 281 "aye"; roll No. 282 "yea"; roll No. 284 "yea"; and roll No. 285 "yea".

STRIP MINE RECLAMATION BILL

(Mr. MELCHER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MELCHER. Mr. Speaker, the House Interior Committee has reported out H.R. 11500, the coal strip mine reclamation bill which is badly needed as coal mining by surface methods increases.

This bill has only minimum standards for reclamation to protect our land and to prevent damage to water resources, our watersheds and streams and also underground water supplies and aquifers. It will permit the States and Indian reservations to have stronger regulations if they desire and give them the option to administer their own reclamation programs as long as they meet the minimum Federal standards established in the bill.

There are many sections of the bill which I would like to see strengthened. However, it presents a basic and sound approach and is workable.

Efforts are being made to present weakening amendments on the floor, advocated by a coalition consisting of the National Coal Association, the National Association of Electric Companies, and the administration. I have reviewed their objectives and I believe it would be valuable and constructive to discuss their proposals in the House. Reclamation procedures cannot be haphazard if they are to be effective and many of the requirements in the bill must be technical and thorough. To provide a forum for discussion of the weakening amendments that are going to be proposed on behalf of the coalition, I am having a special order on Thursday of this week. I invite all of my colleagues that are interested to participate in the discussion of the bill and the need to prevent amendments that would defeat the purposes of sound reclamation.

I hope that my colleagues will join with me in participating in considering this vital subject to become acquainted with the needed requirements in the bill before the House considers the measure.

FOOD STAMP ELIGIBILITY FOR SUPPLEMENTAL SECURITY INCOME BENEFICIARIES

Mr. MILLS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 15124) to amend Public Law 93-233 to extend for an additional 12 months (until July 1, 1975) the eligibility of supplemental security income recipients for food stamps, as amended.

The Clerk read as follows:

H.R. 15124

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 8(a)(1) of Public Law 93-233 is amended by striking out "6-month period", where it appears in the matter preceding the colon and in the new sentence added by such section, and inserting in lieu thereof in each instance "18-month period".

(b) Subsections (a)(2), (b)(1), (b)(2), (b)(3), and (e) of section 8 of such public law are each amended by striking out "6-month period" and inserting in lieu thereof "18-month period".

(c) The amendments made by this section shall be effective as of July 1, 1974.

SEC. 2. (a) Section 212(a)(3)(B)(i) of Public Law 93-66 is amended by striking out "and" after "June 1973," and inserting in lieu thereof the following: "together with the bonus value of food stamps for January

1972, as defined in section 401(b)(3) of Public Law 92-603, if, for such month, such individual resides in a State which provides State supplementary payments (I) of the type described in section 1616(a) of the Social Security Act, and (II) the level of which has been found by the Secretary pursuant to section 8 of Public Law 93-233 to have been specifically increased so as to include the bonus value of food stamps, and".

(b)(1) The amendment made by subsection (a) shall take effect on January 1, 1974.

(2) The Secretary of Health, Education, and Welfare is authorized to prescribe regulations for the adjustment of an individual's monthly supplemental security income payment in accordance with any increase to which such individual may be entitled under the amendment made by subsection (a) of this section: *Provided*, That such adjustment in monthly payment, together with the remittance of any prior unpaid increments to which such individual may be entitled under such amendment, shall be made no later than the first day of the first month beginning more than sixty days after the date of the enactment of this Act.

The SPEAKER. Is a second demanded?

Mr. PETTIS. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER. The gentleman from Arkansas (Mr. MILLS) will be recognized for 20 minutes, and the gentleman from California (Mr. PETTIS) will be recognized for 20 minutes.

The Chair now recognizes the gentleman from Arkansas (Mr. MILLS).

Mr. MILLS. Mr. Speaker, H.R. 15124, which was reported unanimously by the Committee on Ways and Means, would extend for 1 year, until June 30, 1975, the existing arrangements with respect to the eligibility of supplemental security income—SSI—beneficiaries for food stamps. This action is necessary to avert what the States have determined to be a critical situation on June 30 of this year if the provisions of existing laws go into effect.

At the present time, supplemental security income beneficaries in 45 States and the District of Columbia are eligible to purchase food stamps. In the other five States—California, Massachusetts, Nevada, New York, and Wisconsin—they receive an approximately equivalent amount of additional cash in lieu of food stamps. On July 1 all of these persons would have to have their eligibility determined under the provisions of Public Law 93-86, the Agriculture and Consumer Protection Act which we passed last fall. If this occurs several things will happen. More than 500,000 of the SSI beneficiaries in the States where they did not receive a cash out for their food stamps would become ineligible to purchase them. Conversely, half of more of the 900,000 beneficaries who are receiving cash instead of food stamps would also be eligible to purchase food stamps. For these persons, the Federal Government would be paying twice, once in the form of cash and again for the food stamp bonus.

The States have contended that the provisions of Public Law 93-86 while logical and well intended, are virtually if not entirely unworkable. To try to make them work will involve inordinate administrative costs according to State estimates. One large State estimates the cost at $35 million a year for administration. A second at $12 million and in my own relatively small State they believe it will be necessary to employ an additional 500 people. The Ways and Means Committee does not believe that the present arrangement is the best permanent one, and it accordingly proposes to extend the arrangement for a year during which time a permanent policy can be developed. We are convinced that with the problems that exist in the SSI program, this is not a good time to change the rules, either for the Social Security Administration or for the State welfare agencies.

The Department of Health, Education, and Welfare advises us that the cost of the bill would be negligible as some people would be made eligible and others ineligible under existing law and the Federal Government would assume some share of the very large estimated administrative costs.

The President's budget for fiscal year 1975 assumed the continuation of existing arrangements rather than the provisions which will go into effect July 1 if this bill does not become law.

Last week when I requested unanimous consent to consider the bill, there were some reservations expressed. The Committee on Ways and Means has included an amendment designed to deal with these reservations. The reservations and the amendment apply only to the five States which have substituted cash for food stamps. Of the 900,000 SSI beneficiaries in those States, approximately 850,000 receive incomes at least as large as the welfare payment plus the value of food stamps they received last December. The other 50,000 are not and are in many instances disadvantaged because they were participating in the food stamp program. The amendment would assure that each person would receive an income at least $10 higher than that which they received under the former State welfare programs. If his income today is the same as under the State welfare program in December 1973, he would get an additional $10. If it has increased by only $6, he will receive an additional $4. Since these 50,000 individuals were receiving larger amounts under State welfare programs than the adjusted payment levels which we provided under Public Law 92-603, any additional costs would fall on the States. The State estimates of additional costs are: New York—$4.5 million a year for 40,000 persons; California—$900,000 a year for 7,500 people, and Wisconsin—$300,000 a year for about 3,000 persons. The cost is believed to be nonexistent or negligible in Massachusetts and Nevada since payments have been substantially increased since January 1.

These costs are very small compared with the estimates of administrative costs if we do not pass this bill. Actually, the States would have larger net savings on administrative costs.

The amendment is so drafted that only the amount of income as compared with 1973 levels under the State programs will be considered. Whether an individual lives in a food stamp county or one which distributes surplus commodities, whether he lives with a large family, which might reduce his food stamp bonus, or whether he does not live in a family situation will not be considered. By making the change on an income basis only, the Department of Health, Education, and Welfare assures us that it could be done entirely by Federal computers and that the States will have no administrative costs involved. The computers in the Social Security Administration would also compute any deficiencies in benefits since January 1974.

Mr. Speaker, I strongly urge the passage of this bill with the committee amendment.

Mr. BINGHAM. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Speaker, I thank the gentleman for yielding.

Of course I support this legislation. I am delighted that the amendment which was proposed last week by my colleague, the gentlewoman from New York (Ms. HOLTZMAN) has been included. This will correct one of the injustices that had been included although certainly it was not intended.

However, I am distressed that other deficiencies in the SSI program are not dealt with here.

For example, it seems to me and to many of us that it is an injustice to these people on social security who need increases in social security the most, but who are on SSI, that they do not get those increases because their SSI benefits go down by the amount of the increase.

We are also concerned with the absence of cost-of-living increases, and we are also concerned about the whole method of cash-out in place of food stamps which is not working well.

I wonder if the chairman could say if there is any chance that some of these other matters that many of us in the New York delegation and other delegations are concerned about and have introduced legislation about, whether these can be taken up during the remainder of this session?

Mr. MILLS. It is entirely possible. The gentleman knows the situation that we face and the effect upon all the legislative possibilities with certain developments that could occur.

I know there are some deficiencies, yes. We are never satisfied with the final product and we always find from year to year that we can make proper adjustments and correct inequities that do develop.

We have required at times that the States themselves pass through to the recipient of the State welfare benefits some of the increase that we made available to the recipients of social security and welfare. We only do that with respect to SSI under the Federal administration policy program, because we assume here for benefits to SSI beneficiaries the major cost, not only the administrative costs, but the major costs of what is being paid to them. This is a matter we can consider sometime. We may want to do it or we may want to add to their benefits some type of cost-of-living increase. Certainly these people are at income levels that feel the effect of our 12 percent rate of inflation and we are very sympathetic to them, or we would not be doing what we are doing today.

Mr. BINGHAM. Mr. Speaker, if the gentleman will yield further, may I express the hope that, if the other body would act favorably on some of these other changes, the gentleman in conference would consider those other changes sympathetically.

Mr. MILLS. The gentleman from New York, I know, will recall that one of the objections we find to the present provisions was an amendment adopted over the objection of the committee by the House when the bill was considered.

Mr. CORMAN. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentleman from California.

Mr. CORMAN. During this session, the Committee on Ways and Means recommended the passthrough of $10 to SSI recipients and the House rejected that recommendation of the Committee on Ways and Means. I think it was a mistake and I hope when we take a look at the overall problems of SSI we can be more generous. The State of California decided to increase benefits at its own expense. Perhaps the State of New York will be able to do the same, now that we have saved it some administrative costs.

Mr. BINGHAM. May I respond briefly, if the gentleman will yield further.

I am quite aware of that and we regret that action. There are other matters that are deficiencies in the SSI legislation that were not acted upon by the House and it was primarily to these deficiencies I was addressing my comments.

Ms. HOLTZMAN. Mr. Speaker, will the gentleman yield?

Mr. MILLS. I yield to the gentlewoman from New York.

Ms. HOLTZMAN. Mr. Speaker, I want to say on behalf of my colleagues from New York that we are extremely grateful for the action of the Committee on Ways and Means and especially for the leadership of the gentleman from Arkansas (Mr. Mills) in proposing this amendment on the House floor today.

The amendment, which I originally introduced last February, will close an unintended loophole in the SSI law and correct a serious injustice, whereby many of the people who were switched from welfare to the SSI program lost benefits in terms of value of food stamps.

In restoring the lost benefits to 84,000 poverty-stricken aged, blind and disabled New Yorkers, the Committee on Ways and Means and particularly the distinguished chairman of the committee, Mr. Mills, have done an important service.

As a result of this amendment, 84,000 of the most helpless people in New York State—the poverty-stricken aged, blind and disabled—together with thousands of SSI recipients in California, Massachusetts, Wisconsin and Nevada, will get increases in their benefits to make up for losses they suffered when SSI went into effect last January.

I originally introduced this amendment last February in a bill that was subsequently cosponsored by 39 Representatives (H.R. 12680).

When the SSI program was first created, Congress provided that persons transferred from welfare to SSI would not lose benefits. The SSI law, however, had a loophole in that this protective provision did not cover food stamp value in States which gave the cash value of food stamps instead of the stamps themselves. Thus, in the 5 States which substituted cash payments for food stamps, thousands of people lost their eligibilty for food stamps but did not get the cash payments.

Many of my constituents, in letters, phone calls and visits to my District office, told me of the hardships caused by this loophole. These elderly and disabled persons, already living at bare subsistence levels, saw their incomes reduced even further under SSI.

I know that Congress never intended to create this loophole and its cruel and inequitable result. Today's legislation will close the loophole by requiring that persons who lost food stamps without receiving compensating benefit increases, will get the bonus value of food stamps—an additional $10 per month. It will effectuate Congress' intent that no individual should suffer because of the transfer to SSI.

I would like to express my sincere appreciation to Chairman Mills for his action last Tuesday in withdrawing the committee bill to extend food-stamp eligibility rules and reintroducing it today with my amendment attached. By taking this unusual, but extremely important step, the chairman has helped to provide thousands of elderly and disabled Americans with desperately needed funds.

I am also deeply grateful to Representative Hugh Carey whose efforts in the Ways and Means Committee were invaluable in securing passage of the amendment; and to Representative James Corman for his work in the Ways and Means Committee as well.

Many members of the New York delegation have played important roles in securing today's action. Representative Abzug was on the floor with me when Chairman Mills agreed to withdraw the initial bill, and she helped to explain the need for my amendment. Representatives Koch and Rosenthal also assisted in securing Chairman Mills' agreement to the food stamp bonus value amendment.

I would like to note in conclusion that today's bill is only a small step toward vitally needed improvement in the SSI program. Under SSI, thousands, perhaps millions, of the elderly and crippled still do not have enough money to meet their basic needs for food and housing. Under SSI there is still no provision for cost-of-living increases to allow these most helpless people in our Nation to keep pace with inflation. Under SSI people lose the benefit of all social security increases as their SSI payments are reduced in the exact amount of such increases. And under SSI these poverty-stricken aged, blind and disabled may be without any funds for living expenses for weeks while waiting for lost or stolen checks to be replaced.

While I am grateful for the progress that has been made today, I regret that these many problems remain. I hope that Congress will act quickly on comprehensive SSI reform so that no elderly, blind or disabled American need suffer the desperation of helpless poverty.

Mr. MILLS. I appreciate the gentlewoman's remarks.

Let me call attention to the fact that the gentlewoman and other Members of the New York delegation called to our attention the problems that existed in the State of the gentlewoman. Frankly, I was not aware of that until the delegation, including the gentleman from New York (Mr. Carey), did call it to my attention.

Mr. CARNEY of Ohio. Mr. Speaker, will the gentleman yield?

Mr. MILLS. Mr. Speaker, I yield to the gentleman from Ohio.

Mr. CARNEY of Ohio. Mr. Speaker, I want to commend the committee and the chairman for taking this matter up so promptly.

Mr. Speaker, I rise in support of H.R. 15124. This bill would provide a 12-month extension of supplemental security income recipients' eligibility for food stamps.

In 1972, Congress created the supplemental security income program to replace State welfare programs for aged, blind, and disabled persons. Under the SSI program, aged, blind, and disabled persons were supposed to have their food stamps cashed out or replaced by increased cash assistance equal to the value of the food stamps. Based on that assumption, the Agriculture Act passed by Congress in 1973 limited the food stamp eligibility of SSI recipients. However, only five States provided increased cash benefits to SSI recipients to offset the loss of food stamps.

Last December, Congress extended the food stamp eligibility of SSI recipients to allow further study of the problems involved in administering this provision. That extension expires in just 12 days.

On May 14, I introduced a bill to prevent aged, blind, and disabled SSI recipients from losing their eligibility for food stamps. Three weeks later the Ways and Means Committee responded to the concerns which I and several other Members of Congress expressed by reporting out a bill to extend the food stamp eligibility of SSI recipients until July 1, 1975. I commend Chairman Mills and the members of the Ways and Means Committee for the prompt and effective steps taken to deal with this inequity.

Mr. Speaker, the present income standards for SSI recipients is $146 per month or $1,888 per year for aged individuals, and $219 per month or $2,628 per year for aged couples. These amounts are below the poverty level for 1974, which is about $2,250 per year for aged individuals, and $2,850 per year for aged couples.

Mr. Speaker, the current runaway inflation robs the pockets of every American, but it hits aged, blind, and disabled people, who live on fixed incomes, the hardest. Consequently, the continuation of food stamp eligibility for SSI recipients is absolutely essential. I urge my colleagues to support this bill.

Ms. ABZUG. Mr. Speaker, will the gentleman yield?

Mr. MILLS. Mr. Speaker, I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Speaker, I want to commend the chairman, the committee, Mr. CAREY, Ms. HOLTZMAN, and the other members of the New York delegation, for the effort made here. I think it indicates that we can work to make corrections when it becomes necessary.

This bill as amended will guarantee to each SSI recipient who resides in a cash-out State that his or her SSI benefit level will reflect the bonus value of food stamps he or she had received while on public assistance.

The amendment corrects an error we had made in the mandatory supplementation provisions of Public Law 93-66, which were passed guaranteeing all SSI recipients that they would receive the same benefits in the SSI program as they had received on public assistance in December 1973. We will now be able to assure SSI recipients in California, New York, Nevada, Wisconsin, and Massachusetts that their benefits level will include $10 for the bonus value of food stamps and further that they will receive a reimbursement for this amount which has been missing from their SSI checks since January 1974.

Again, Mr. Speaker, I would like to commend the committee for reporting H.R. 15124 to guarantee categorical eligibility for food stamps to the SSI recipients in 45 States and to correct the injustice done to many of the SSI recipients in the five cash-out States.

However, I would like to reemphasize the issues which Mr. BINGHAM raised earlier regarding the lack of congressional action correcting other glaring errors in the SSI program. On May 14, 1974, I introduced H.R. 14753, which has 30 cosponsors, to correct many of these inequities.

The action taken today to correct the loopholes in the mandatory supplementation provisions of Public Law 93-66 is a vital and significant first step. I would urge that it be followed up and that the chairman and the members of the Ways and Means Committee consider legislation to correct the difficulties in this program. These problems include an extremely prolonged period for the processing of SSI applications, especially in the case of the disabled; inadequate review and appeal rights for those recipients whose benefits have been reduced or denied; the improper designation of a third party payee in cases where the recipient is fully qualified to administer his own funds; the lack of an adequate emergency system for the replacement of lost or stolen checks; and an inadequate SSI benefits level and State's hold harmless pool because the payments are based on State's public assistance payments of more than 2½ years ago.

But, Mr. Speaker, if there is one inequity which is more glaring than the others, it is that SSI recipients in more than 25 States have not enjoyed the two SSI benefits increases which were passed after the original enactment of the SSI legislation and prior to its implementation. These were passed because Congress recognized that the cost of living had gone up and those that are on these less than modest fixed incomes provided by SSI needed additional money. New York State recipients are among those who have not received the $16 benefit increase.

Further, there is the additional problem of those SSI recipients who are also receiving benefits from social security. These recipients have not received their social security cost-of-living increases, because the law requires that we reduce their SSI payment by the exact amount of the increase in social security. What we give with one hand we take away with the other.

It is obvious that the cost-of-living increase in SSI and in social security have absolutely no effect on increasing the benefits of SSI recipients who reside in half the States in this Nation. These recipients are denied SSI increases because their States average payment level is above the Federal floor of $140. My bill, H.R. 14753, deals with each of these problem areas and provides solutions that will have the ultimate effect, which I believe we all want, of assisting the poor who need this help the most.

I was very happy to have assisted in the drafting of the amendment today. Its acceptance by the committee and the Social Security Administration bodes well for the future. I and the other members of our delegation look forward to further cooperation with the committee and its staff with a view to making needed changes in the SSI program.

Mrs. SULLIVAN. Mr. Speaker, will the gentleman yield?

Mr. MILLS. Mr. Speaker, I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Speaker, as the author of the Food Stamp Act of 1964, which now enables 13½ million Americans to eat far better than they would be able to without the existence of this law, I am well aware of its shortcomings and the widespread abuses which have been allowed to occur because of some well-meaning but unfortunate changes in the law 3 years ago and because of lax administration and enforcement at State and local levels.

Nevertheless, it still remains the most effective, most dignified, most efficient—the best—method we have ever had for supplementing the diets of low-income families who could not otherwise afford a decent and nutritious diet. Legitimate complaints have been lodged against the slowness of the Department of Agriculture in adjusting coupon allowances to reflect the cruel increases in food prices, but just imagine what would have happened to the diets of the 13½ million covered Americans if we had not had a food stamp program during these past 17 months when food prices were soaring to astronomical levels.

Ten years ago, when the present nationwide food stamp program was first authorized, the legislation was dragged out of a reluctant House Committee on Agriculture as the urban Members' condition for agreeing to consider pending farm legislation. The food stamp program's fate ever since has hinged on a combination of farm and food stamp provisions included in the same bills. But the Agriculture Committee, time after time in these past 10 years, has decried it as welfare legislation and has urged the Ways and Means Committee to take it over. The Ways and Means Committee in turn has frequently wished it dead, suggesting in its place a modest increase in case benefits for those on public assistance.

As a consequence, we now have a situation in which millions of elderly Americans who receive benefits under the successor program to old-age assistance, and other former categorical assistance programs, such as aid to the blind and aid to the disabled, are now scheduled to be taken off the food stamp program as of June 30 regardless of the fact that their incomes are too low to enable them to afford a proper diet.

It has always been a cardinal principle of the food stamp program from its very beginning as a pilot operation in early 1961—as it was a major principle of the first food stamp bill which I introduced 20 years ago—that it is the need of the individual for food assistance, not the source of that person's income, that should determine eligibility for the program. The supplementary security income program of cash assistance changed that concept by providing that if anyone received SSI benefits, he or she could not receive food stamps, regardless of how low their income might be. This is cruel. It is indefensible. We have established two classes of the poor: despite having the same incomes, one group is eligible for food stamps and another is not.

Congress has granted one short reprieve of 6 months from the operation of this double standard of compassion. H. R. 15124 extends that reprieve for another 12 months for the people on SSI. Certainly this bill should pass. And I hope it will pass so resoundingly that the members of the Committee on Ways and Means will find it in their hearts—and they certainly are compassionate people—to repeal the provision of the SSI law which says you can no longer be assured an adequate diet if you are on SSI. The test should be not what form of public assistance you are on, but whether you have enough income to buy enough food for proper nutrition. Any other test of eligibility for food stamps is based not on logic or fairness but on the academic idea that if you are on SSI, you're supposed to have some magic power to stretch your dollars better than any other class or group of Americans can do, and battle inflation with your wits.

An elderly family on SSI may have accumulated much wisdom in a long life, but even the wisest among them cannot buy enough food without enough money to buy the food they need. This stop-gap one-year bill should be passed, of course; but remedial legislation will still be needed to eliminate the unfairness of the SSI law's restrictions on food stamp eligibility—not just for a year but permanently.

Mr. WOLFF. Mr. Speaker, will the gentleman yield?

Mr. MILLS. Mr. Speaker, I yield to the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Speaker, I thank the gentleman for yielding to me.

I want to join with my colleagues, especially those from the State of New York, in commending the chairman for the leadership he has given on this question. I would hope that this does become a part of the permanent legislation.

Also, Mr. Speaker, I would hope that there would be some consideration given the veterans who are on pension today who have changes in social security status.

Mr. MILLS. That is a matter over which the Committee on Ways and Means does not have jurisdiction.

It is a matter on which the Committee on Veterans' Affairs has jurisdiction. It applies to provisions of law dealing with veterans' pensions.

Mr. WOLFF. Mr. Speaker, I would hope that this does not become a football between the Committee on Veterans' Affairs and the Committee on Ways and Means.

Mr. MILLS. Mr. Speaker, the Committee on Veterans' Affairs has always cooperated in the past by not allowing the social security increase to be considered as veteran's income in determining the amount of a veteran's pension.

Mr. WOLFF. Mr. Speaker, I thank the gentleman for his response.

Mr. Speaker, I rise in support of H.R. 15124, to extend food stamp eligibility for SSI recipients and to amend the inequity that has arisen for those individuals who were transferred from public assistance to SSI.

As my colleagues know, the creation of the supplementary security income program was intended to be an improvement over States' assistance programs for needy blind, aged, and handicapped. Unfortunately, however, SSI has resulted in severe financial hardship for thousands of these needy individuals in several States. Many of them have found that they are actually receiving less assistance under the new program than they did under the State's assistance program. One of the major problems has been the loss of food stamp eligibility for SSI recipients residing in the so-called cash-out States. Several months ago, I introduced legislation to restore food stamp eligibility to all SSI recipients, and I am pleased to report that several members of the New York delegation have joined together in introducing a comprehensive legislative package designed to correct the most glaring of the inequities in SSI—such as, the loss of food stamps, the lack of emergency replacement for lost, stolen or undelivered checks, the adverse effect which social security increases have on SSI payments and the need for cost-of-living increases.

I think it is important to impress upon all of my colleagues the real nature of the hardships we are discussing. In Nassau or Queens County, for example—which I represent, a single blind, handicapped or elderly person living alone with no other outside income receives a maximum of $206 a month in SSI payments.

In either Nassau or Queens it is virtually impossible to find a one-bedroom apartment for less than $150 a month. Food, as we all know, even if you are living on the bare essentials, runs anywhere from $80 to $100 a month. Thus, we are already up to about $250 a month in food and rent alone, yet this needy individual living in Nassau or Queens has only $206 a month to make ends meet.

The committee amendment we are considering today, to restore food stamp benefits to thousands of needy aged and handicapped individuals, embodies a proposal originally introduced by myself and Congresswoman ELIZABETH HOLTZMAN. The amendment seeks to correct a basic inequity that surely was not intended by Congress.

When SSI went into effect last January, thousands of needy blind, aged, and handicapped in the five cash-out States—New York, California, Wisconsin, Massachusetts and Nevada—who were transferred from public assistance to SSI, lost their eligibility for food stamps by virtue of the transfer. These individuals, some 40,000 in New York alone, did not receive a comparable increase in SSI payments to compensate for the loss of food stamps. As a result, the majority of these people are actually receiving less assistance under the new program than they got under the old. This is in spite of the fact that Congress clearly intended that the level of assistance for those who were grandfathered into the new program would not decrease.

The committee amendment would require the five cash-out States to include the bonus value of food stamps in payments to all people transferred to SSI. It would reaffirm congressional intent that people who were transferred to SSI will receive the same level of benefits as they got under the old program.

Mr. Speaker, this amendment represents only one small measure of relief needed for SSI recipients. It is by no means the final solution to the many inequities that have arisen with creation of the SSI program, in particular the inequities in food stamp eligibility; however, it does show that we are moving forward in meeting the responsibility we have to the thousands of needy aged, blind and handicapped who depend on our help. I urge my colleagues to support H.R. 15124 and the committee amendment, and then continue to work with us to insure that the needy blind, elderly and handicapped in this country receive the assistance they need to live in some measure of dignity and comfort.

Mr. KOCH. Mr. Speaker, will the gentleman yield?

Mr. MILLS. Mr. Speaker, I yield to the gentleman from New York.

Mr. KOCH. Mr. Speaker, I want to add my thanks to those Members who spoke earlier in expressing our appreciation to the gentleman from Arkansas the distinguished chairman of the Ways and Means Committee for responding so quickly, he and his committee, to an urgent need on the part of approximately 40,000 residents of the State of New York and thousands more in other States.

I would also take special note of our colleagues from New York (Ms. HOLTZMAN) and (Mr. CAREY) who spearheaded the fight on behalf of the New York delegation. Thousands of American citizens heretofore denied the full benefits of SSI, will eat a little better as a result of this change in the law.

Mr. BIAGGI. Mr. Speaker, will the gentleman yield?

Mr. MILLS. Mr. Speaker, I yield to the gentleman from New York (Mr. BIAGGI).

Mr. BIAGGI. Mr. Speaker, I would like to congratulate the chairman of the Committee on Ways and Means and the Members thereof, especially the gentleman from New York (Mr. CAREY) for the leadership he has displayed in this fight, and the responsiveness of the committee to the need of the people of the Nation.

Mr. Speaker, I rise in strong support of H.R. 15124, as amended, which will allow recipients of SSI to continue to receive food stamps, and will provide for increases of as much as $10 a month in food stamp benefits for some 80,000 SSI recipients in New York State. I wish to commend the distinguished chairman of the Ways and Means Committee, Mr. MILLS, who at the request of the New York Congressional Delegation, withdrew the original version of this bill last week and reported out this new version with the amendment to correct the serious inequity which had plagued these 80,000 SSI recipients in New York State.

The problem which these individuals encountered came as a result of their joining up with the SSI program after January 1. As a result, these elderly Americans were ineligible for the full food-stamp payments which were enjoyed by other SSI recipients in New York. What this meant was simply that these senior citizens, already hit hard by relentless inflation, were forced to deal with inflation with as much as $10 a month less with which to buy food, an item which traditionally takes up a major part of an elderly person's budget. However, thanks to this legislation, not only will these people be brought up to equal levels with other SSI recipients, almost 64,000 of them will also be receiving a $60 check to compensate for the losses in food-stamp benefits they have incurred since the SSI program went into effect in January.

The complexities of the SSI program and food-stamp eligibility and benefits payments have long perplexed both the administrators and recipients of SSI. Under the terms of Public Law 93-233 those provisions of Public Law 93-86, the Agriculture and Consumer Protection Act dealing with food-stamp eligibility, were suspended. As a result, millions more older Americans became eligible for food stamps.

Also tied in with the enactment of Public Law 93-233 was a provision that Congress would devise a comprehensive and long-range solution to the problem of food-stamp eligibility. In the absence of such a final plan, which is the case today, grave problems were likely to occur in many States at the end of the month, unless some kind of remedial legislation could be enacted. An example would be New York which, as previously mentioned, chose to cash out the value of food stamps for their SSI recipients. Unless this bill is passed New York would be forced to recertify and recalculate food-stamp eligibility for each of their 280,000 SSI recipients effective July 1.

Therefore in an effort to prevent this economic and administrative nightmare from occurring, not only in New York but nationwide, H.R. 15124 was introduced to extend food-stamp eligibility for an additional 12 months, as well as bringing the aforementioned 80,000 individuals up to par with food-stamp benefit payments. It is a necessary concept, and I am happy to give it my support.

However, I do remain opposed to these stopgap and piecemeal approaches to solving the many other problems besides food stamps which afflict the SSI program. SSI, although laudable in concept, has encountered numerous difficulties in practice. Countless administrative problems have plagued this program almost since its inception. I receive calls and letters daily from distraught senior citizens who cite SSI problems ranging from lost or stolen checks to questions about eligibility.

In an effort to make SSI the meaningful program it was designed to be, I have introduced legislation which will provide the needed administrative remedies. My objective is to provide those presently receiving SSI with the means to enjoy the full benefits of the program, and to insure that as many eligible older Americans as possible can participate in the program.

While passing this legislation will solve the important question dealing with food-stamp benefit payments and eligibility, we need action on other fronts as well. It is my hope and the hopes of millions of SSI recipients in this Nation that this Congress will act on other equally important SSI reform bills. The economic security of millions of blind and disabled Americans may rest with the action or inaction of this Congress.

Mr. Speaker, the mandate of the SSI program is far from being realized today. Yet, we do have the legislation which can correct these problems. Today's bill is but one of them. We must pass it if we are to effectively serve the immediate interests of all elderly food-stamp recipients, but let us not stop here. The need for the reform of the SSI program is apparent, and I call upon my colleagues to respond to the challenge before it becomes too late for the senior citizens of this Nation.

Mr. FASCELL. Mr. Speaker, will the gentleman yield?

Mr. MILLS. Mr. Speaker, I yield to the gentleman from Florida.

Mr. FASCELL. Mr. Speaker, I rise in strong support of H.R. 15124, the bill to extend present food stamp eligibility rules for SSI recipients until July 1, 1975. Unless favorable action is taken on this bill by both Houses of Congress, the eligibility of SSI recipients for this important assistance will expire on June 30. It is imperative that we act quickly and favorably.

Food prices are at an all time record high, and inflation continues to eat away the purchasing power of the dollar. All Americans are having a very difficult time making ends meet, and the burden is greatest on those living on fixed incomes such as SSI benefits. To deny food-stamp assistance to those persons would make it virtually impossible for them to make ends meet.

The Congress is concerned that those needy blind, aged, and disabled persons now receiving supplemental security income benefits receive the assistance they require. The 12 month extension of eligibility to continue receiving food-stamp benefits will give the Congress the time necessary to work out a permanent solution to the question of eligibility.

I strongly urge that H.R. 15124 be passed.

Mr. BADILLO. Mr. Speaker, will the gentleman yield?

Mr. MILLS. Mr. Speaker, I yield to the gentleman from New York.

Mr. BADILLO. Mr. Speaker, I join with my colleagues in commending the chairman and the members of the committee for this important legislation.

Mr. PETTIS. Mr. Speaker, I support H.R. 15124, which would extend for an additional year the eligibility of supplemental security income recipients for food stamps. It also would prevent what has been described in some States as a very costly administrative nightmare.

In order to explain the problem which this legislation is designed to alleviate temporarily, it is necessary to go back to Public Law 92–603. This is the act which established the supplemental security income—SSI—program, a federalized version of the old State-operated system of cash assistance to the aged, blind, and disabled.

Under Public Law 92–603, persons eligible for SSI payments were not to be eligible for food stamps. As compensation, however, adjustments were made in the new Federal payment standards. SSI benefits were raised to reflect the loss of the food stamp bonus, and savings clause for the States was incorporated. Under the savings clause, the Federal Government would assume all of a State's costs of supplemental payments which exceeded its calendar year 1972 share of expenditures under the old program of aid to the aged, blind, and disabled. This coverage, applicable only to State supplementation required to maintain the State's assistance levels in effect as of January 1972, also covered an upward adjustment over the January 1972 levels to the extent necessary to offset elimination of food stamp eligibility.

Public Law 92–603 was enacted in October of 1972, and the SSI program became effective in January of this year. In 1973, however, the Agriculture and Consumer Protection Act was passed, establishing new criteria for determining food stamp eligibility. This legislation, which became Public Law 93–86, provided that beneficiaries receiving a greater total payment in SSI benefits and State supplementation under the new program, than they would have received, including the food stamp bonus, under the old program as of December 1973, would not be entitled to food stamps. Conversely, those receiving less under the new program than they would have received under the old program would be eligible for food stamps.

The objectives of this provision were most understandable, but the administrative complications, which would be caused by the eligibility criteria, alarmed a number of State officials. They pointed out that Public Law 93–86 would require them to determine how much income each applicant would have had under a program which no longer was in existence. The apparatus for operating the old program might have been dismantled, but meeting the new criteria might require its reassembly, which surely would be costly, and in some cases might be virtually impossible.

The Governor of California, calling attention to the problem, termed it potentially an administrative nightmare, and estimated it could cost his State as much as $35 million, not one cent of which would go to needy recipients.

In light of this situation, the Congress included, in Public Law 93–233, which was enacted late last year, a provision to suspend the operation of pertinent portions of both Public Law 93–86 and Public Law 92–603 for 6 months, or through June 30 of this year. The net effect was to continue during this "grace period" the eligibility of SSI beneficiaries for food stamps in States where there had been no "cash out." In the five States—California, New York, Massachusetts, Wisconsin, and Nevada—where provision had been made for a "cash out," SSI beneficiaries would remain ineligible for food stamps.

It was hoped, at the time this stopgap provision was enacted, that the Congress would be able to reach a more lasting solution to the SSI-food stamp problem before the end of the fiscal year. This was not possible however, and we are faced today with the necessity of extending that grace period for another 12 months, or through fiscal year 1975.

If we fail to act, a substantial number of SSI beneficiaries in 45 States would lose food stamps without receiving cash compensation. In the five "cash out" States, some SSI beneficiaries would be eligible not only to purchase food stamps but to receive the "cash out" value of about $10 as well, with the Federal Government footing the bill for the double benefit.

In several States, most notably New York, many thousands of SSI beneficiaries would continue to receive less in total assistance than they were receiving under the old welfare program. The bill before us includes an amendment, which the chairman has described, to rectify that situation by assuring the affected beneficiaries that they will receive amounts equal not only to the cash assistance previously provided, but to the food stamp bonus as well.

Mr. Speaker, I can see no practical alternative to prompt enactment of this legislation. I also can see no alternative to a thorough congressional review, as soon as possible, of the underlying problems with respect to SSI and food stamps.

The SSI program, which is under jurisdiction of the Committee on Ways and Means, is new and needs to be reviewed in light of practical experience under the law. The food stamp program, under jurisdiction of the Agriculture Committee, is not new, but it is large and growing and should be examined in light of changing needs and national policies on the production and distribution of food.

We simply must find the time, within the year of grace which this bill provides, to confront these issues squarely and reach permanent solution which will be both practical and equitable. Today, however, we have no choice, and I urge my colleagues to act favorably on H.R. 15124.

Mr. BROTZMAN. Mr. Speaker, will the gentleman yield?

Mr. PETTIS. Mr. Speaker, I yield to the gentleman from Colorado.

Mr. BROTZMAN. Mr. Speaker, I supported this legislation in the Ways and Means Committee on which I shall, and I rise in its support on the floor today.

This legislator helps to temporarily correct an inequity relating to some of our senior citizens, particularly the blind and disabled. It should assist them in combating inflation which militates against their nutritional requirements.

Additionally, the passage of this bill will give Congress the time it needs to develop a long-range resolution of the issue of food stamp eligibility that is both equitable and administratively feasible. As a member this committee, I will continue to work for this type of solution.

Mr. BADILLO. Mr. Speaker, I want to express my thanks to the chairman of the Committee on Ways and Means (Mr. MILLS) for taking the initiative to correct a technical oversight in the supplemental security income program which has caused considerable hardship for a number of my constituents.

When SSI was enacted, Congress intended to hold harmless participants switching from State welfare to the Federal program. Unfortunately, no mandatory supplementation of the bonus value of food stamps was stipulated in the hold harmless provisions. Consequently, in the five cashout States, including New York, the benefits of some recipients were reduced by the amount of their former food stamps bonus. Without Federal intervention, New York State could only correct this inequity by unilaterally raising the benefit levels of the 40,000 individuals thus affected.

Today's action in the House corrects the original oversight. The bonus value of the food stamps is included in the mandatory supplementation payments and will go a long way, I am sure, toward alleviating the plight of the poorest of the poor in these days of runaway inflation.

Mr. MIZELL. Mr. Speaker, I rise in strong support of legislation which will continue to allow the purchase of food stamps by supplemental security income recipients.

The basic premise behind the original legislation which initiated the food stamp program was that of providing a mechanism for those without any means to be able to purchase necessary food.

I support that premise, and this legislation is also another step in our effort to provide our elderly with a decent and respectful environment. America's elderly are one of our most precious resources, and it is the duty of all of us to see that their retirement years are ones, not of hardship, but of enjoyment, dignity and respectability.

Mr. GILMAN. Mr. Speaker, I rise in support of H.R. 15124, a bill I am cosponsoring and which provides a 12-month eligibility extension for food stamps for those individuals who are recipients of the supplemental security income program.

Mr. Speaker, the manifold problems of the newly established SSI program have been a plague to all us who have become aware of the hardships inflicted by the administrative bungling and poor planning of the new SSI program.

In the State of New York, where needy individuals were receiving fairly adequate assistance prior to the imposition of the SSI program, many of our elderly and disabled citizens were particularly hard hit.

One of the most glaring inadequacies of the SSI program was the substitution of a cash program in place of food stamps which had previously been given to New York's needy. The cash allotments allowed under the SSI program were not equal to the value of the food stamps and were placing onerous burdens on our disadvantaged, most of whom rely totally on this small allowance for their basic needs. Without the added assistance of food stamps, or a cash substitute of equal value, many of the recipients who had looked forward eagerly to the new program found that they could not exist on the allowances which are provided by the SSI program.

I am extremely pleased that the New York delegation has been able to join together in this effort to close the legislative loophole which is affecting thousands of individuals. I urge my colleagues to add their support to correcting this inequity by strongly endorsing H.R. 15124.

Mrs. HOLT. Mr. Speaker, I am pleased to rise in support of H.R. 15124, which would extend eligibility for the supplemental security income recipients food stamp program.

I realize that this is, at best, a stopgap measure to permit a thorough review of the entire issue of food stamp eligibility under the new supplemental security income program, and I am gratified that the committee recognizes the need for further consideration of this problem. I am firmly convinced that there is a real necessity for restoring food stamps to everyone in the SSI program without this hodgepodge of eligibility criteria. It has become painfully apparent that too many of our aged, blind and disabled would undergo real hardships if they should be cut off from the benefits of food stamps.

In my State of Maryland, alone, almost all of our 39,000 SSI recipients would be denied food stamps under the current legislation. Inequities exist to the point where an individual receiving up to $194 from social security or any other source would be permitted to purchase food stamps, while another with only $140 monthly in SSI benefits would be barred from this program. I would hope that the extension of eligibility which we have authorized today will give the Ways and Means Committee sufficient time to address themselves to this issue. We must restructure the basic authority to reflect the original congressional intention of improving the quality of life for all our elderly, blind and disabled citizens.

Mr. BURKE of Massachusetts. Mr. Speaker, I rise in support of the legislation before us, H.R. 15124, which will extend for 1 year the current authority for SSI recipients to participate in the food stamp program.

In my own home State of Massachusetts, as well as in four other "cash-out" States, the impact of this legislation will be the continuation of a cash supplement in lieu of food stamps/commodity distribution program. Without the extension, the State would have to evaluate each SSI case to determine the effect of the State's food stamp/commodity distribution cash out on each of the aged, blind, and disabled recipients, at great administrative expense and burden to the State.

Under recent Federal law, effective July 1 of this year, SSI recipients would be eligible to receive food stamps only if their current income level is lower than the combination of welfare payments and the cash value of the food stamp bonus to which they were entitled back in December 1973. Congress, subsequently, enacted a temporary suspension of this law. Under the 6-month suspension, which will expire on June 30, five States were permitted to completely cash out the food stamp benefits for SSI recipients. Massachusetts, California, Hawaii, New York, and Wisconsin now provide an additional cash supplement to all recipients of the SSI program to replace the bonus portion of the food stamp or surplus commodity distribution program benefits. In the remaining States, eligibility for food stamps is automatic for SSI recipients regardless of their income level.

The bill also remedies an unusual situation that has developed in the five cash-out States. Those SSI recipients who had been receiving more under the old welfare program—at a rate higher than the States average SSI payment level—when they were converted to SSI, did not receive the cash-out bonus value of food stamps/commodity distribution program. They were converted at the rate of public assistance they had previously received, with a total disregard for the benefits they had received through participation in the food stamp/commodity distribution program. The value of the lost income is estimated at abount $10 per person a month. For this special category of SSI recipients in cash-out States, the bill requires that States include in their mandatory supplementation payments an amount equal to the bonus value of the food stamps/commodity distribution program.

Mr. Speaker, we cannot afford to delay passage of this legislation which will extend the current food stamp eligibility rules, and cash-out provisions for the five States, for 1 year, or we will saddle the States with the mammoth task of costly eligibility determinations. The extension will allow us the time to work toward a permanent solution to the knotty question of eligibility under the SSI program.

GENERAL LEAVE

Mr. MILLS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 15124.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Arkansas (Mr. MILLS) that the House suspend the rules and pass the bill H.R. 15124, as amended.

The question was taken; and (two-thirds having voted in favor thereof), the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF CONFERENCE REPORT ON H.R. 7130, CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1171, and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 1171

Resolved, That upon the adoption of this resolution it shall be in order to consider the conference report on the bill (H.R. 7130) to improve congressional control over budgetary outlay and receipt totals, to provide for a Legislative Budget Office, to establish a procedure providing congressional control over the impoundment of funds by the executive branch, and for other purposes, and all points of order against titles III and X and against sections 201 and 607 of said conference report for failure to comply with the provisions of clause 3, rule XXVIII are hereby waived.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Nebraska (Mr. MARTIN), pending which I yield myself such time as I may consume.

Mr. Speaker, there was no controversy in the Rules Committee on this rule. It provides for the waiver of points of order on two titles as to which the managers of the House on this matter of the budget control bill felt there might be some question. We thought the argument was really undecided; we did not need the waiver, but since we needed a waiver on at least one other section, we included waivers on title III and title X with respect to the scope of the conference, as well as the two that were required.

We needed a waiver on section 607, which deals with requiring a year-ahead request for an authorization of new budget authority by the President. That was not in either bill. It fits into the bill, and it fits into the philosophy of the bill. It was not technically in either bill. Therefore, it needed the waiver.

Mr. Speaker, there is a relatively obscure provision in title II that has to do with the salary of the Deputy Director of the new Congressional Budget Office, and again it is somewhat technical. But it was necessary to request the waiver because it went beyond the scope, as it finally came out.

I have neither learned nor heard of any controversy about this rule.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I am delighted to yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, this seems to be something of a red letter day in the House of Representatives when the Rules Committee sees fit to waive points of order on its own legislation. The legislation does come from the Rules Committee, does it not?

Mr. BOLLING. To answer the gentleman, in a sort of complicated way, it does. I will try to explain the complexity of this.

The gentleman's point is accurate. That is why I made the point that I did earlier that there was not any real objection in the Rules Committee, but there was a request of a member of the Rules Committee, supported by another member of the Rules Committee, for a waiver of points of order on legislation passed out of the Rules Committee.

Mr. GROSS. Yes; this is a notable day in the history of the House, when the Rules Committee takes care of the Rules Committee by waiving points of order. I appreciate the admission on the part of the gentleman from Missouri that we have arrived at this—let me use my own words—lowly state of procedure when this sort of thing is deemed necessary.

Mr. BOLLING. Mr. Speaker, I would have to say to the gentleman, since he puts it in that light, that the Committee on Rules was dealing with something beyond the purview of the Committee on Rules. The Committee on Rules was dealing with the conference report, which, of course, involved not only the House of Representatives, but also the other body, and, therefore, it was not purely the product of the Committee on Rules that required the waiver of points of order.

Mr. GROSS. Mr. Speaker, if the gentleman will yield further, I think the other body ought to have due credit for its contribution to the notable situation that exists today in the House of Representatives.

Mr. ULLMAN. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I will be delighted to yield to the distinguished gentleman from Oregon, who, of course, was cochairman of the Joint Study Committee which gave birth to the product on which we are now working.

Mr. ULLMAN. Mr. Speaker, I thank the gentleman for yielding and for reminding the House of the long history of this legislation.

I want to congratulate the gentleman from Missouri for his dedication during the year in helping to put this legislation together.

I wish to remind the House that the Joint Budget Committee was established in October of 1972, when we on the Committee on Ways and Means added it to a debt ceiling bill. It was approved by both the House and the Senate. The Committee was made up of 32 Members, 16 from the House and 16 from the Senate, as follows: The seven ranking majority and minority members from the Committee on Ways and Means and a like number from the Committee on Appropriations, plus two members at large, the gentleman from Wisconsin (Mr. REUSS) and the gentleman from North Carolina (Mr. JIM BROYHILL) the seven ranking members from the Senate Finance Committee, and Committee on Appropriations, plus the Senator from Wisconsin, Mr. PROXMIRE, and the Senator from Delaware, Mr. ROTH.

When we started our efforts, it looked like a rather long and difficult job. We had an excellent staff, and I want to remind the Members, of the contribution of Dr. Larry Woodworth and others, who worked so diligently in putting the package together. We held many meetings, and there were times when the prospect looked bleak. We worked hard; we held hearings; we put together a sound proposal, and then we introduced it in the House. It was then, of course, assigned to the Committee on Rules, and that is when the gentleman from Missouri (Mr. BOLLING) came to play such an important role.

Mr. Speaker, I wish also to commend the gentleman from California (Mr. SISK) who spent a great deal of time and effort on this, as well as other members of the Committee on Rules who were likewise concerned.

The gentleman well remembers the long months of controversy that ensued over the whole concept of developing a congressional budget. I think the gentleman from Missouri will agree with me that this is a rather revolutionary development in the Congress of the United States. We are returning to the Congress the basic powers of budgeting that were originally intended by the Founding Fathers in the Constitution.

Our present problem began 100 years or more ago, obligational authority was taken from the Committee on Ways and Means, and established in a new Committee on Appropriations. There has been an increasing trend to further shift detailed obligational authority to the President and executive branch and this development of the spending pipeline gradually evaded the authority assigned to Congress by the Constitution. It now largely rests in the executive branch.

Mr. Speaker, this bill is the turning around of a process that has been going on for 100 years or more, and it is one that is vitally important.

I wish to say at this time that I want to join with the gentleman from Missouri and all of the other members in the tremendous effort before us, after this legislation is passed, in getting a staff developed which will be competent to handle the tremendous job. How it is set up during the next year is going to have a lot to do with whether this really is a milestone piece of legislation, and achieves the things we hope it will do.

Again let me congratulate the gentleman from Missouri and the House conferees for bringing forth what I consider to be a sound package.

Our original proposal, as the gentleman will indicate when he begins to explain the conference report, has been modified somewhat. However, we still have the original concept of separate committees in the House and the Senate and high level agreements for concurrent resolutions whereby we establish the disciplines and procedures for locking them into the appropriation process, and completing that process before the end of the fiscal year.

Mr. Speaker, I congratulate the gentleman for holding that kind of a package together. It is workable. I pledge to him my continued dedication to the effort of making it work, and making it a viable force in the proceedings of the Congress.

Mr. BOLLING. I thank the gentleman very much for his contribution.

Mr. Speaker, I yield back the balance of my time.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support this rule and the conference report on the Congressional Budget and Impoundment Control Act, even though there are several points about which I have reservations.

This conference agreement provides a mechanism by which the Congress can, if it will, take a larger role in establishing priorities and controlling Federal spending. However, there is nothing magic about the proposed mechanism. It has been designed for flexibility. While this flexibility is desirable in some ways, in other ways it may prove to be a problem. If Members abuse the degree of flexibility built into this mechanism by failling to act in accordance with the proposed time schedule, the whole system could bog down. On the other hand, if the Congress really wants to take a more active role in the budget process, this conference agreement provides a vehicle. I will not take additional time to talk about the conference report now, since we will have more time to discuss it after the rule is adopted.

A rule is necessary in this case in order to waive points of order against four provisions for failure to comply with clause 3, rule XXVIII. Clause 3 of rule XXVIII prohibits going beyond the scope of the conference, that is, putting anything into the conference report which is not in either the House or the Senate bill.

Mr. Speaker, the first provision which requires a waiver is section 201 of the conference report. This section includes provisions for a Deputy Director of the Congressional Budget Office to be paid at level IV of the Executive Schedule. The House-passed version included no provision for a Deputy Director. The Senate-passed version provided for a Deputy Director, but at a slightly lower salary level. The conference agreement goes beyond either version by providing a slightly higher salary for the Deputy Director.

The second provision which requires a waiver is title III of the conference report, which among other things sets a date for completion of enactment into law of all bills and resolutions providing new budget authority. The House bill sets this deadline at August 1. The Senate bill provided that the comparable date should be either 5 days before the beginning of the August adjournment or August 7 when there is no August adjournment. The conference agreement, because of other changes in the timetable dates, set the deadline on the seventh day after Labor Day, with provisions for a waiver of that deadline if necessary. Since the date finally agreed upon is not between the dates in the House and Senate passed versions, it can be argued that this new date is beyond the scope of conference. In order to avoid a problem, a waiver is recommended for this provision.

The third provision requiring a waiver is section 607 of the conference report which deals with year-ahead requests for an authorization of new budget authority. No similar provision was in either the House or Senate bills.

The fourth provision requiring a waiver is title X. This title deals with the subject of impoundment. The conference agreement provides a specific procedure for the handling of rescission of budget authority. Such a procedure was contemplated under the Senate bill, however, it was not spelled out. The conference agreement specifies the procedure, and therefore, in order to be on the safe side, a waiver is recommended for this provision.

Mr. Speaker, I support the rule, so that the House may proceed to consider the conference report on the Congressional Budget and Impoundment Control Act, which in my judgment is one of the most important pieces of legislation that this body has considered in the last 50 years.

Mr. BOLLING. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Speaker, when this idea of having a congressional budget control first came up, and when it was authorized in legislation offered by my friend and colleague, the gentleman from Oregon (Mr. ULLMAN) and even later when we created the joint study committee, few believed we would ever reach the stage at which we arrive today.

We are ready to pass the Congressional and Impoundment Control Act. I anticipate that the vote will be practically unanimous.

Mr. Speaker, I take this time to congratulate the Committee on Rules, and particularly the gentleman from Missouri, Hon. DICK BOLLING, and our friend, the gentleman from Nebraska, Hon. DAVE MARTIN for the wonderful job they have done in seeing through to a finish the views and viewpoints of the entire membership of the Congress.

I recall very vividly the first organizational meeting of the joint study committee of which I had the honor later to be named cochairman, along with my friend and colleague, the gentleman from Oregon (Mr. ULLMAN).

From that time down to today there have been many, many meetings, and many differences of opinion expressed, but I think that the course we have followed, and the many general agreements reached at each successive stage is unique in the history of the Congress. I do not believe that there has been any substantial disagreement on the necessity to get together for affirmative action, to set up a system to better provide for stability. On the joint study committee all 32 members were in agreement on the report. We were unanimous in introducing the first bill.

The bill, somewhat modified, came out of the Committee on Rules unanimously. This is particularly impressive considering the many diverse points of view, liberal, conservative, members from North and South, from East and West. Now we find these efforts brought together in the bill before us which I understand was reported back by the conferees unanimously.

To me this means that the conditions we face are so very apparent that every one agrees we must take action. The bill before us is not all I would like it to be. I wish I could say it would get rid of the $500 billion debt that we have. I wish I could say it would do away with deficit spending. I wish that it would result in cutting back a number of programs—and it may or it may not—but I believe that when there is this much unanimity in trying to reach our objective, and that much agreement to bring us a bill that we have now, that this certainly speaks well for the general understanding of our financial condition and fiscal problems. It also speaks well for this committee in ironing out the differences with the other body, and in providing language that we all understand, language that will let us, as the Congress, and let the American people, who judge us as Congressmen, be aware each and every year of the money we have coming in and the money that is going out, so that we can vote with both eyes open, and attempt to hold the line.

I wish that we could make this retroactive, but we cannot undo many of the actions that have occurred in the past but every step provided for in this bill is a step in the right direction.

It is true that time may show that we need to improve this, or change that, but at least we are off to a good start.

I want to thank my colleagues, particularly those on the Committee on Rules, for ironing out the final draft with the other body, because Mr. Speaker we end up with about 90 percent of what we started out with, and that is quite a large degree of success. Whatever its defect, I think that this action today marks the beginning of a new day.

Later in the discussion on the bill I shall go into more detail about the bill's provisions. I take this time again to thank all who have contributed. I believe we are going to find Congress itself is going to be practically unanimous in recognizing that we must take this step forward.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 1 minute to the gentleman from New York (Mr. CONABLE).

Mr. CONABLE. Mr. Speaker, I rise in strong support of this conference report and the rule that brings it to the floor. I do not expect this measure to be either the millennium or a panacea but a needed discipline that will help us face up to our responsibilities as fiscal managers of the Government. I hope that the will to govern will follow the adoption of this measure and will be greatly enhanced by the discipline it provides. Unless we are willing to make these tough, priority-setting decisions of government from which we have shrunk in the past, no procedure of this sort will avail us. I am confident that its adoption today, however, will signal an improvement of our fiscal intentions.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield such time as he may consume to the gentleman from California (Mr. PETTIS).

Mr. PETTIS. Mr. Speaker, controversy over a budget-spending ceiling and Presidential impoundments during 1972 led to the creation of a Joint Committee on Budget Control to devise a mechanism for improving congressional controls over budget outlays and receipts. The recommendations of that committee were considered and modified by the House Rules Committee in the course of drafting H.R. 7130. The House bill created a 23-member Budget Committee to recommend annual budget outlays, revenue levels and other spending policies, and established a step-by-step procedure for consideration of the budget. The fiscal year was also moved up to October 1 and certain controls were placed on the use of impoundments.

H.R. 7130 passed the House by a vote of 386 to 23 on December 5, 1973, with one amendment extending by 10 days the layover period before a budget resolution could be considered on the floor. An amended version passed the Senate on March 22 and conference meetings were held on April 9 and June 5.

The measure agreed to by conferees retains many of the provisions of the House bill. The budget consideration procedures in the two versions were similar in many respects, but differed with respect to deadlines for completion of certain actions. The impoundment-control provisions are a synthesis of House and Senate bills.

I support this legislation because I believe it is our only hope for a balanced budget.

Mrs. HOLT. Mr. Speaker, I rise in support of the conference report on H.R. 7130, the Budget and Impoundment Control Act.

I would like to commend my colleagues on the conference committee who have worked so diligently in bringing this historic legislation to the floor for final consideration. They have the admiration and respect of every Member of this body. I do, however, have grave reservations about the final timetable which echoes those of my colleague from Nebraska (Mr. MARTIN), and I certainly would have preferred the more cohesive proposals contained in the House version. I am convinced that by moving the March 31 deadline forward to May 15, we stand in danger of not completing the authorizations in time to permit an adequate period for the appropriations measures. And to further compound this by exempting appropriations legislation for which enacting authorizations have not yet been completed, and to delay consideration from August 1 to the 7th day after Labor Day, seems to me to open a Pandora's box of problems.

On balance, however, this landmark legislation will certainly provide Congress with the necessary tools to make intelligent and coordinated decisions on the proper level of Federal spending. We now have the opportunity to reassert congressional control over the budget by replacing our presently chaotic and outdated method of allocating the Federal dollar with a streamlined system which sets priorities and apportions funds in a rational and orderly manner. How we exercise this new authority remains to be seen. Optimism will never take the place of self-restraint; budget control will only be as effective as this body chooses to make it. There is no provision in this legislation for a new congressional backbone. It will take a concerted effort on the part of each Member to make this authority effective by perseverant self control.

Mr. Speaker, I urge my colleagues to exercise "the dauntless spirit of resolution" and to return our Nation to a sound fiscal policy through a thoughtful and considered implementation of the Budget and Impoundment Control Act.

Mr. HAMMERSCHMIDT. Mr. Speaker, I rise in support of the conference report on H.R. 7130, Congressional Budget and Impoundment Control Act. In my judgment, this legislation may well be the most important proposal considered by the 93d Congress. If enacted, it could be the most important law to come out of several Congresses.

Fiscal responsibility on the part of the Federal Government, which has always been necessary, is now critical. Among the economic issues facing our Nation, inflation presents the greatest challenge and the gravest consequences. The long and arduous effort to produce H.R. 7130 in the final form presented to us today originated with the Joint Committee on Budget Control in 1972, and their recommendations were studied by the House Rules Committee and the Senate Government Operations Committee in the formulation of the two versions of the bill. The conference report demonstrates the extent to which the Congress has taken inflation seriously, and the extent to which it is ready to embark on a program to relieve it.

Uncontrollable spending and the lack of budget flexibility is both frustrating and serious; the resulting inflationary impact is taking its toll on millions of Americans who are trying harder to keep up with the rising cost of living only to find themselves further behind for the effort. Last year, inflation took a sizable chunk out of the dollar of around 8 percent. In the first month of 1974, the wholesale price index rose a frightening 3.1 percent. Under these circumstances, the 1975 budget tries to achieve somewhat contradictory objectives of supporting high employment, restraining inflation and maintaining the flexibility to take further action if needed to offset the effects of energy shortages.

The 1975 budget brings the national debt to new records, increasing it by another $20 billion. In the face of demanding more governmental services than the taxpayers can afford, we are finding that deficit spending can be painful. The 1975 budget of $304 billion is based on receipts of $295 billion and is the largest budget in history.

H.R. 7130, as finalized by the conference committee, can provide the mechanism for countering the growing trend of uncontrollability of the budget by either Congress or the executive branch. Under existing law, 73 percent of the present budget is "uncontrollable," as compared with 64 percent in 1970 and 59 percent in 1967. Although the Appropriations Committees of the House and Senate review spending every year and our House committee has stayed under the budget for 30 straight years, the so-called "backdoor spending" which bypassed the Appropriations Committee has created the excesses.

The "backdoor" mechanisms include the special trust funds and Federal insurance and guarantee programs, contract authority and the use of entitlement provisions. While in 1952 only 17 percent of the budget was outside the appropriations process, we now have a figure in the neighborhood of 40 percent.

H.R. 7130 is also designed to ease the long-waged controversy between the executive and legislative branches over the impoundment of funds. Although impoundment is one way to curb the level of Federal outlays, it works to substitute executive priorities for legislative priorities. It, therefore, preempts the decision-making prerogative of the Congress elected to represent the people. It has frequently lead to impasses which are not in the best interests of good government. Today, our country's economic condition is most perplexing, and we cannot afford to prolong the conflict.

The Congressional Budget and Impoundment Control Act of 1974 provides the tools for achieving far-reaching reforms in the budget process. It would establish House and Senate Budget Committees and a Legislative Budget Office to provide the necessary services and special assistance. In line with a budget process timetable for a more orderly legislative procedure, it would shift the fiscal year from October 1 through September 30.

H.R. 7130 embodies target dates for submission of the President's budget and reports on budget estimates from all standing committees to the House and Senate budget committees. Based on analyses of the various committee estimates, fiscal policy and national priorities, the budget committees would recommend revenue levels within major categories. A deadline would be established for all committees for reporting authorizing legislation, with appropriate emergency waivers. A first budget resolution would have to be passed before authorizations, backdoor spending and changes in revenue and debt are considered. Action on regular appropriations bills would ensue, followed by enactment of the second budget resolution. Standing committees would then adopt reconciliation bills after which approved spending levels could not be exceeded or revenue levels reduced.

The impoundment control provisions of H.R. 7130 require that the President submit reports to Congress when funds are withheld. If he determines that budget authority is no longer required to carry out a program or should be rescinded for fiscal policy reasons, he must submit to Congress a rescision message explaining his actions. Both the House and Senate, within a reasonable time limitation, must pass a rescision bill; otherwise the funds will be made available as appropriated.

Although the reform potential in H.R. 7130 has great potential, it will not be an easy program to implement. It will involve not only hard work, but a considerable amount of discipline on the part of the Congress. Target dates must be met and, after adoption of the first budget resolution, the reconciliation process will be tedious and may involve unpopular cutbacks in Federal programs. If this new congressional budget process is to work effectively, it will require the full cooperation of the budget, authorizing, and appropriations committees. Slippage in the schedule could lead to uncertainty and ultimate chaos. Limitations on spending authority may be hard to live with. The impoundment control provisions could be abused by either the executive or legislative branches.

In the fiscal history of this Nation and others, once a spending program is launched it is nearly impossible to wind it down. The more democratic the society, the more difficult it is to exert the discipline to have some control over spending in apparently vital and important programs for health, education, welfare, housing, public service projects, and many, many others. Further spending increases without accompanying increases in revenues will only bring about greater economic ills. And the citizens of this country cannot bear a greater tax burden to foot the bills. We must dedicate ourselves to fiscal responsibility, and H.R. 7130 provides a framework for meeting this goal. I urge my colleagues to adopt the conference report on the Congressional Budget and Impoundment Control Act.

Mr. YOUNG of Illinois. Mr. Speaker, it has long been my view, shared by many, many of my colleagues, that the most important responsibility that Congress has is to determine Federal budget spending and the means of raising the money to meet spending appropriations.

For a long time, Congress has been derelict in controlling the Federal budget. The Congressional Budget and Impoundment Control Act of 1974 can be an outstanding piece of legislation. I compliment my colleagues on both sides of the aisle for their bipartisan support in the passage of this legislation. I also compliment the Senate on their work on this bill.

Truthfully, I say that "perhaps" this is the most important legislation passed by Congress since 1914. In 1914, the U.S. income tax was enacted.

Why do I say "perhaps"? The proposed law provides the tools for Congress to be fiscally responsible. The means are provided to focus public political pressure on the Congress to get results. The question marks are: First, will Congress set ceilings on spending based on projected income, or continue its past record of approving deficit spending? Second, will the public express their strong opinions to Congressmen that they want a balanced budget?

The budget control bill provides Congress the tools that it needs. Some of the provisions are as follows:

First. The Government fiscal year is changed to commence on October 1. This gives Congress a longer period to enact the next budget.

Second. Adequate staff is provided with a Congressional Budget Office to give Congress equal capability with the Office of Management and Budget of the executive branch of Government.

Third. Economic information about the state of the Nation and projected revenue of the Federal Government will be provided to Congress before it sets a ceiling on spending.

Fourth. Congress will adopt a joint resolution setting a ceiling on spending by May 15. This is a tentative ceiling and must be finalized and adopted by Congress in an appropriate joint resolution by September 15.

Fifth. Most "backdoor spending" is required to go through the regular Appropriations Committee. Exempt are social security and general revenue-sharing programs.

Sixth. Congress must set an overall ceiling and also set subcategory ceilings of spending in 14 different areas. In other words, Congress must set the priorities and take responsibility for the priorities.

Seventh. Impoundments of spending by the President are subject to new requirements. Deferrals of spending constitute the majority of impoundment actions. Other impoundments are for routine financial purpose and do not involve questions of policy, and such impoundments will continue. Congress, however, can disapprove of such deferral by majority action of either House. If the President proposes to rescind budget authority, then the President must submit a rescission message, which must be approved by the House and the Senate within 45 days or the rescission must cease. The bill will improve reporting procedures on spending by the executive branch to the Congress.

A review of the increases in the Federal budget and the increases in the national debt over the last 40 years reveals a strong trend of excessive spending and a serious weakness of excessive borrowing in our Federal Government. Congress has been able to "have its cake, and eat it too" under our present system of appropriating funds piecemeal. The political popularity of spending programs and the political unpopularity of taxing programs are well-known. The result of this trend has been the devastating inflationary problems of the last 5 years. It is also most difficult for the taxpayer to understand the process of congressional authorization and appropriation, and even more difficult for him to fix responsibility on his particular representative.

The American taxpayer is suffering under the present 11-percent annual rate of inflation. The average wage earner with an income of $12,000 per year will have to spend an estimated additional $1,200 to maintain his standard of living. His food bill will be up $400; his housing cost will be up $160; and he will have to spend $70 more for clothing. In addition, if he has to borrow money, he will be required to pay at least 11 percent interest if he can find a lender. The American taxpayer knows that this inflation has been caused by excessive Government spending and borrowing.

The taxpayers of the 10th Congressional District favored Presidential "impoundment." They did so because they realized the dangers of overspending and the failure of Congress to act responsibly.

When this new bill becomes law, it should make Congressmen more accountable to their constituents, and thus, it should enhance the Democratic aspects of our representative form of government.

GENERAL LEAVE

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on House Resolution 1171. I also ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the conference report on the bill H.R. 7130.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORTS

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

CONFERENCE REPORT ON H.R. 7130, CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974

Mr. BOLLING. Mr. Speaker, I ask unanimous consent for the immediate consideration of the conference report on the bill (H.R. 7130) to improve congressional control over budgetary outlay and receipt totals, to provide for a Legislative Budget Office, to establish a procedure providing congressional control over the impoundment of funds by the executive branch, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the statement of the managers be read in lieu of the report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the statement.

(For conference report and statement see proceedings of the House of June 11, 1974.)

Mr. BOLLING (during the reading). Mr. Speaker, I ask unanimous consent that further reading of the statement of the managers be dispensed with and that it be printed in the RECORD.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The SPEAKER. The gentleman from Missouri (Mr. BOLLING) will be recognized for 30 minutes, and the gentleman from Nebraska (Mr. MARTIN) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Missouri.

Mr. BOLLING. Mr. Speaker, rather than go into a lengthy, detailed explanation of this matter, I am going to do the same thing that I did when we first considered budget and impoundment control in December of last year in the House. I got unanimous consent for all Members to revise and extend their remarks. Under that general leave I am going to put in an outline of the salient features as the first item of my insertion, and then a statement which describes them in greater detail than does the outline. In effect, this gives to the Members an outline, a relatively brief statement, and then the statement of the managers, which is rather detailed.

Mr. Speaker, the outline and my statement follow:

OUTLINE

1. BUDGET COMMITTEES AND CONGRESSIONAL BUDGET OFFICE

23-member House Budget Committee, exactly as in House bill. Rotating membership with 5 each from Appropriations and Ways & Means; 2 from leaderships; and 11 at large.

Congressional Budget Office with Director appointed by Speaker and President pro tem with recommendations from Budget Committees. Director has 4-year term and can be removed by House or Senate.

Congressional Budget Office main responsibility to Budget Committees. Also to give very high priority to Appropriations and tax Committees. Assistance to all other committees and Members also provided.

2. TIMETABLE OF BUDGET PROCESS

Congress has to move to advance authorizations for process to work most effectively. Section 607 requires President to propose advance authorizations.

Current services budget by November 10 each year; no change in date for January submission of regular budget.

Each standing committee to give Budget Committee its view and recommendations on budget matters by March 15; CBO report to Budget Committees by April 1; first budget resolution reported by April 15.

May 15 adoption date for first budget resolution. Also deadline for committee reporting of authorizing legislation.

Regular consideration of appropriation bills completed by early September. Then second budget resolution and reconciliation actions.

3. BUDGET RESOLUTIONS AND RECONCILIATION PROCESS

Spring budget resolution is a target; Fall budget resolution is a ceiling. Congress can adopt additional budget resolutions, but all revenue and spending must be in accord with latest resolution.

Budget resolutions deal with macroeconomic matters and broad functional allocations. More detailed spending information in committee reports. Procedure in bill for relating functional allocations to jurisdictions of committees and subcommittees.

Revenue, spending, debt, and entitlement legislation cannot be considered before first budget resolution. Doesn't apply to advance revenues and advance appropriations.

4. ENTITLEMENTS AND BACKDOOR SPENDING

Special procedures apply only to new backdoors. Do not apply to social security or to 90 percent self-financed trust funds. Status of general revenue sharing deferred to future legislation.

Contract and borrowing authority to be effective only as funding is provided in appropriations.

Entitlements to be referred to Appropriations Committee with opportunity for amendment (15-day time limit) prior to floor consideration. Applies only if entitlement is in excess of level in budget resolution.

Entitlements cannot be considered before adoption of first budget resolution and (except exempt ones) cannot become effective before start of next fiscal year.

5. IMPOUNDMENT CONTROL

Combines features of House and Senate bills to provide more effective and comprehensive controls.

Amends Antideficiency Act to eliminate its use for policy impoundments.

Recissions proposed by President must terminate unless approved by both Houses of Congress within 45 days.

Deferrals proposed by President must cease if disapproved by either the House or Senate.

Monthly reports by President on Rescissions, Reserves and Deferrals plus reports by Comptroller General if President has failed to report action.

Comptroller General suits to enforce congressional action, but with 25-day waiting period and notification of Speaker of House and President of the Senate.

STATEMENT

For more than a year, a succession of committees has worked to devise a congressional budget process that can restore meaningful spending control to the legislative branch. The effort began with the Joint Study Committee on Budget Control which was established in 1972 and issued its final report in April 1973. Although the Joint Study Committee set the overall framework for budget reform legislation, it provided a rigid and probably unworkable set of procedures. The Study Committee's plan did not contain any provision for taming the proclivities of the President to impound funds rightfully appropriated by Congress.

Following extensive hearings by the Rules Committee, the House passed an anti-impoundment bill in July 1973, and comprehensive budget and impoundment control legislation in December. After Senate action on companion legislation in March of this year, House and Senate conferees formulated an agreement which combines balanced and realistic budget reform and impoundment control into a cohesive and consistent budget process. I hope that this measure will be enacted and that its implementation will begin during this session of Congress.

These first steps have been difficult enough, but the hard part of budget reform is yet to begin. This legislation is only the beginning for it will not be an easy or painless task to weld the fragmentary spending procedures of Congress into a comprehensive and coordinated budget process. It will not be easy to adhere to the carefully tuned timetable fixed in this legislation. It will not be easy to resist the temptation for new forms of backdoor spending which evade our own appropriations machinery. It will not be easy to reconcile individual spending decisions with our overall budget determinations.

Yet I am convinced that the methods incorporated in this conference report can be made to work. They can return to Congress the power and responsibility of the purse. They can put an end to illicit impoundments of appropriated funds without crippling the capability of the President to manage the federal bureaucracy. They can provide a mechanism for the determination of macroeconomic policy by Congress and for the setting of appropriate budget levels in the light of current economic conditions.

No one can foretell exactly how the new congressional budget process will operate. It will require discipline and toughness to change the comfortable practices of the past. The pending enactment of this legislation offers encouragement that Congress is willing to make the effort. If this is true, effective congressional budget control soon will be a reality.

I do not consider it necessary to review every detail of this legislation. There is an ample legislative record and the conference agreement adheres in its important features to the legislation approved by the House last December. I will concentrate on the more salient and difficult portions of the bill and explain the major decisions made in conference.

BUDGET COMMITTEES AND STAFFS

Throughout the period that this legislation has been under consideration, there has been recognition of the need for new budget committees and for a congressional budget staff. The main issues have related to the composition of the committees and the responsibilities of the budget staff.

The conference agreement strictly adheres to the decisions voted by the House last December concerning the composition of the House Committee on the Budget. This 23-member committee will draw (in accord with prescribed quotas) from the Appropriations and the Ways and Means Committees, the membership at large, and the majority and minority leaderships.

My initial preference was that the Budget Committees have no staff of their own but that they utilize the new budget office which would be chartered to serve both of these committees and to assist other committees and Members. The Senate conferees took the position that the Senate Budget Committee must be given the status of a regular standing committee in matters of staffing. Accordingly, it is appropriate that the House Budget Committee have a staff of its own.

The bill establishes a Congressional Budget Office with a Director appointed by the Speaker and the President pro tempore after considering the recommendations of the House and Senate Budget Committee. The conference agreements sets forth the priorities which are to guide the Budget Office in its assistance to Committees and Members. The priority responsibility of the Budget Office must be to the two new Budget Committees whose function it will be to superintend the congressional budget process. Assistance to the Budget Committees shall include the development of budgetary information, analytic studies, assignment of personnel, and annual reports by the Budget Office to the Committees on fiscal policy and national budget priorities. The Managers' statement expresses the clear intent of this legislation that the Budget Committees have first claim on the resources of the new Budget Office.

Very high priority must be given to the two Appropriations Committees and to the House Ways and Means and Senate Finance Committees. The jurisdictions of these committees are closely related to the congressional budget process, and at the request of these committees, the Budget Office is to furnish information and staff assistance.

Assistance also is to be rendered to other congressional committees, primarily in the form of available information and Budget Office discretion to provide staff on a temporary basis. Finally, assistance may be given to Members with respect to available budget information.

The House conferees have been very determined to avoid the creation of a large and duplicate agency within Congress. Accordingly, the bill provides and the Managers' statement emphasizes that the Congressional Budget Office is to utilize the resources and capabilities of existing congressional agencies. It is anticipated that the Budget Office will coordinate its work with the GAO, the Library of Congress, and the Office of Technology Assessment.

TIMETABLE OF THE CONGRESSIONAL BUDGET PROCESS

Extended and careful consideration has been given to the formulation of a budget timetable that harmonizes the many different phases of the budget process. Questions of timing have proven to be among the most difficult and sensitive and it is with considerable satisfaction that I report an accommodation which will allow an adequate amount of time for each stage as well as completion of the process before the fiscal year starts.

Simply stated, the problem is that even with a shift in the start of the fiscal year to October 1, there is only a limited amount of time within which to complete the several stages of the budget process. Programs must be authorized; an initial budget resolution adopted; funds appropriated; and the final budget reconciliation aproved. The various parts of the process are interdependent: appropriations cannot be voted until all relevant programs have been authorized; the budget reconciliation cannot be completed until the spending bills have been approved. A delay at one stage of the process can prevent the successful completion of ensuing parts of the process.

I am convinced that the most sensible—and in the long run, necessary—solution would be the enactment of authorizing legislation in the year before the appropriations are made. If this were done, Congress would be able to proceed to early consideration of appropriation bills and the dismal practice of continuing resolutions would be ended. The conference bill moves in the direction of advance authorizations by requiring the President to submit requests for new authorizations in the calendar year prior to the one in which they are to take effect. The bill also calls for a study of the desirability and feasibility of advance appropriations.

To encourage the early commencement of the annual congressional budget process, the bill provides that by November 10 of each year, the President shall submit a current services budget to Congress—an estimate of the costs of continuing government programs during the next fiscal year without any policy changes. This "preliminary" estimate would be followed by submission of the regular budget in January, shortly after Congress convenes.

Standing committees of the House and Senate would have approximately two months—until March 15—to prepare their views and estimates on budget matters within their jurisdiction and to transmit these to the Budget Committees. The conference bill mandates these reports by standing committees in the expectation that the budget process will function more effectively if all relevant factors are known prior to adoption of the first budget resolution.

May 15 is set as the deadline for approval of this budget resolution. Prior to this date, Congress may not consider any spending, revenue, debt, or entitlement legislation (except for advance revenues and expenditures.) The ban against prior consideration of these bills will enhance the status and meaning of the first budget resolution. As it takes up individual entitlement, spending, or tax bills, Congress will be able to compare them to the targets fixed in its initial budget resolution.

May 15 also is the deadline for the reporting of authorizing legislation by committees. Beyond, this date, authorizations may be considered only through special waiver procedures in the House and the Senate.

The House bill provided a March 31 deadline for the enactment of authorizations. Because the lack of necessary authorizations is the leadeing cause of bottlenecks in the appropriations process, it would be best to impose a cutoff date on enactments. The Senate conferees, however, took the position that they could accept only a late deadline on the enactment of authorizations, perhaps one as late as June 30. I was concerned that a late date would be worse than no date at all. First, it would be logistically impossible to clear all appropriation bills in time if authorizations were deferred until a late date. Second, there is the real danger that a late deadline would become the norm and that Congress would slip into the tendency of considering major authorizations only shortly before the deadline.

A prudent course, therefore, was to set a reasonable deadline on the reporting of authorizations by committees in the expectation that floor consideration would be scheduled shortly after the committees had reported. Although the May 15 deadline is a compromise between those who would prefer an early completion of authorizations and those who would give the authorizing committee more time for their work, I believe it represents a workable solution to one of the most sensitive issues in this legislation. Moreover, the cutoff date for the reporting of authorizations must be viewed in the light of my previous remarks that the preferred procedures would be advance authorization in the preceding year.

In the months following adoption of the first budget resolution and the authorizations, Congress will take up the various spending bills in the manner that it now does. The conference bill atuhorizes Congress to adopt optional procedures for appropriation bills, but this is a matter to be decided after the congressional budget process is in operation. If all authorizations have been enacted on a timely basis, it is contemplated that Congress will complete action on appropriations shortly after it returns from the Labor Day recess. This will allow approximately three weeks for adoption of a second budget resolution plus reconcilation measures to implement the congressional budget.

Obviously, this is a tight timetable and all parties will have to do their utmost to avert the fallback on continuing resolutions. But if the process is working properly, we can anticipate that the second budget resolution will be reported during the summer recess and that Congress will be in a position to wrap up the budget process before the start of the new fiscal year.

THE BUDGET RESOLUTIONS AND RECONCILIATION PROCESS

I am happy to report that the conference bill maintains the House concept of a budget resolution that is addressed primarily to broad issues of fiscal policy and budget priorities. Throughout the period that I have been involved with this legislation, I have advanced the proposition that the foremost responsibility of Congress must be the determination of macro-economic budget policy. Toward this end, the budget resolution deals primarily with overall budget aggregates: the total amounts of revenue, spending, and surplus or deficit. Within these totals, it is appropriate for Congress to give attention to broad spending issues, using the familiar functional categories in the budget. However, the budget resolution does not get into particular programs, agencies, appropriations, or projects. To do so would destroy the utility of the congressional budget process as an instrument for making national economic policy.

Yet I am sympathetic to the argument that Congress should be able to relate its overall budget decisions to its subsequent appropriations actions and to more specialized matters. The conference bill sensibly allows the amplification of background information in the committee reports accompanying the budget resolution. Thus while the resolution will be a concise and straightforward statement of the principal budget amounts, the committee reports will furnish information on new and continuing programs, permanent and regular appropriations, and controllable and other expenses. The bill also establishes a procedure for relating the functional allocations in the budget resolution to the spending legislation handled by congressional committees and subcommittees.

In brief, then, the budget reform legislation provides for a substantial amount of information in committee reports without diverting Congress from its central concern with overall budget levels and functional allocations.

The first budget resolution which (as previously noted) is to be adopted by May 15, will be in the form of a target. I am convinced that the ultimate effectiveness of the new budget process will depend in good on the extent to which Congress utilizes these guidelines in considering subsequent spending and revenue legislation. Built into the new process will be various scorekeeping procedures to enable Congress to compare its spending decisions with the levels specified in the targeting resolution.

Firm budget decisions will be made in the second budget resolution to be adopted before the start of the next fiscal year. In considering this ceiling resolution, Congress will have the benefit of updated budget figures and, most importantly, concrete knowledge of its previous actions on entitlement, and spending measures. Congress will be in a position to affirm these decisions or to set into motion a reconciliation process whereby spending, revenue, and debt legislation are adjusted in conformity with the second resolution. The reconciliation process thus will be able to reach any or all components of the budget and it will provide the context for establishment of a comprehensive and consistent budget policy.

After the second budget resolution and any required reconciliation have been adopted, all subsequent revenue and spending actions would not be able to violate the levels fixed in the resolution. Congress would have the option to adopt additional budget resolutions any time during the fiscal year, but it would not be able to violate the levels fixed in its latest budget decisions.

By combining flexibility and firmness in its new budget process, Congress strengthens the prospects that the process will work. As I stated when the House considered the legislation last December, the overriding objective of budget reform must be to make Congress informed about and responsible for its budget decisions, not to prevent Congress from implementing its will. The conference bill fully upholds this objective.

ENTITLEMENTS AND BACKDOOR SPENDING

Backdoor spending long has been the nemesis of effective spending control. By circumventing the appropriations process, Congress has debilitated its traditional and time tested procedure for maintaining its power of the purse. All of us are familiar with the statistics that show that year after year Congress appropriates less money than was requested by the President. But year after year, also, Congress authorizes backdoor spending above the amounts in the President's budget.

The time has come to close the backdoor. This simple imperative has been recognized by all who have been involved in the development of the budget control legislation. Ideally, we would close the backdoor to all programs which now benefit from special procedures outside of the appropriations process. The House bill would have ended all backdoors as of October, 1978, thereby allowing a transition period during which all programs would be returned to the appropriations process. The conference bill stops short of this absolute requirement and it recognizes that the new procedures can be most realistically applied to new programs.

The procedures themselves have been refined to distinguish between the various forms of backdoor spending. The House bill imposed the same requirement on contract, borrowing, and entitlement authority—the three types of backdoor spending. All such authority would have been effective only to the extent subsequently provided in appropriations.

The conference bill retains this procedure for contract and borrowing authority. In the future, both of these types of enactment would have the same status as ordinary authorizing legislation. The amount of funding will be determined through the regular appropriations process. The situation is somewhat different for entitlement legislation. As provided in the conference report, new entitlement legislation would be referred to the Appropriations Committee for its review prior to floor consideration. This procedure which would apply only to entitlements in excess of the allocations provided in the budget resolution would give the Appropriations Committee an opportunity to evaluate the fiscal impact of the entitlement and to report amendments scaling down the amount of entitlement authority.

Certain types of programs would be exempted from the new procedures for backdoor spending and entitlements. These include all social security trust funds and other funds which are 90 percent self financed. However, these latter types of funds would also be subject to the same controls in the new budget system as are applied to the appropriation bills. The transactions of government corporations would be excluded from the procedures while the status of revenue sharing would be left for future determination.

I consider the changes made in the treatment of entitlements an improvement over the original version. By their very character, entitlements can be controlled only before they are enacted. Even when entitlements are funded through the regular appropriations process—as they are for a number of programs—it is virtually impossible to control them at that stage. Once the entitlement has been tendered, the appropriation becomes a perfunctory act. Accordingly, the procedure adopted in the conference bill to subject entitlements to review by the Appropriations Committees before they have been enacted offers a more realistic opportunity for controlling them.

IMPOUNDMENT CONTROL

From the start I have held to the position that impoundment control is an essential component of budget reform. It makes no sense for Congress to establish new procedures for the appropriation of funds if the President can override the will of Congress by means of impoundment. At the same time, the methods used to control Presidential impoundments must be reasonable and appropriate. They should neither deny the President the capability to manage the executive branch nor impose upon Congress the burden of redoing its previous decisions. In line with this position, the House last year passed H.R. 8480 to provide for the veto of any impoundment by either the House or Senate and a similar provision was incorporated into H.R. 7130 when it was approved by the House last December.

I can report that the conference bill both upholds the position of the House and makes some worthwhile elaborations in the procedures of expenditure control. The bill addresses the various types of impoundments and provides appropriate procedures for each. First, it provides for disapproval by either the House or the Senate of Presidential proposals to defer the expenditure of funds. Analysis has shown that deferrals constitute the lion's share of impoundment actions and many of these are for routine financial purposes and involve neither questions of policy nor attempts to negate the will of Congress. In the case of deferrals, disapproval can be expressed by resolution of either the House or the Senate. Such disapproval will clearly instigate the view of Congress that the deferral is not merely a routine financial matter. When disapproved by either House or Senate, a deferral must cease at once.

A different situation is presented when the President proposes to rescind budget authority previously voted by Congress. In such instances, the President must submit a rescission mesage and unles approved by both the House and the Senate within 45 days, the rescission must cease and any withheld funds released. Inasmuch as a rescission represents the undoing of what Congress previously enacted, it is entirely appropriate that no rescission be authorized except by affirmative vote of both Houses.

The conference bill also amends the Antideficiency Act to clarify and limit the purposes for which funds may be reserved from apportionment. Such reserves may be established only to provide for contingencies, or because of savings secured through efficient operations or changes in requirements. When the President wishes to withhold funds for policy purposes, he must propose a rescission rather than use the authority under the Antideficiency to establish budgetary reserves.

The conference bill also improves the procedures for special and cumulative reports on budgetary reserves, deferrals, and rescissions, and it assigns to the Comptroller General the role of reporting to Congress when the President has failed to submit a required impoundment message. In addition, the Comptroller General would be able to bring court action, after a 25 day waiting period and notification of the Speaker of the House and the President of the Senate, to enforce the new impoundment controls.

The budget legislation is a lengthy and complex matter. I have reviewed only its most salient features. It has taken a long time to bring this legislation to the brink of enactment. Improvements have been made at every stage. I commend this bill to the House as a practical and workable approach to budget reform.

Having inserted that matter, I propose to rather briefly outline the events that took place since the matter was before the House of Representatives in December. I have already gotten unanimous consent for all Members to revise and extend their remarks on the conference report as well as on the rule so that any Member who wishes to do so may use that privilege, but what I would like to do now is talk about what really happened.

The other body passed a rather substantially different version, at least as to length and as to variety of relatively minor matters on budget control. When we contemplated going to conference with that bill, which had passed the Senate unanimously, we realized that the great danger of failure probably would not come on the budget control items. There were a great many differences that had to be reconciled and of course they successfully were, but the dilemma that confronted us was a Senate position on impoundment which was virtually the exact opposite of the House position. We recognized that we must come to grips with that matter or we probably would lose the whole matter, both budget control and impoundment control.

Curiously enough we discovered the way in which to resolve that was a rather unusual way. We found at the first conference that we had 7 Members of the House as conferees and 14 Members of the other body as conferees. We realized there were a great many other Senators as well as other Members of the House who had a great interest, so what we tried do to in the initial conference was to make very clear what the conflicts were and then in subsequent conversations make very clear what kind of reconciliations seemed essential.

This is where the conference proceeded in a very unusual fashion and I think it is important that the House understand it. It is not too much to say that literally dozens of Members of the House, not only those who served on the Joint Study Committee but also many others were involved in every step of the way. I have never seen anything like the interest that Members expressed in this particular proposition. There was almost universal support.

The leadership of both sides was most helpful to those of us who worked on this matter at every stage. As the gentleman from Oregon (Mr. ULLMAN) has already pointed out there was a tremendous input before it came to the Rules Committee. When it came to the Rules Committee there was great cooperation on both sides in resolving the problem in the initial stage as we tried to prepare legislation to bring to the floor in December, which we did, and to pass it, and there was a great deal of cooperation from all Members, including the cochairmen of the Joint Study Committee and the Committee on Ways and Means, including its chairman and the ranking minority member, and the same was true of the Committee on Appropriations. Many other committees and Members participated. The staff of the Joint Study Committee were most helpful. Certainly the staff of the Rules Committee on both sides, Democrat and Republican, were most helpful.

The committee staff's job under the supervision of the Members was to work out a reconciliation, and it was enormously difficult.

I know that the people I had the privilege of working with in that latter stage, in the period from March until now, prefer anonymity but I think this bill is so important that I would like to mention the five people whom I, as the manager of the House side of the conference, in addition to the members of the conference from the House, and in addition to all members of the Rules Committee, and in addition to members of the Joint Study Committee, I thought did such a remarkable job.

Now, each of them told me separately that they wished I would keep my mouth shut, that they preferred to be anonymous; but I am going to name five people without whom this matter would not be complete. They are all members of staffs of the House or of groups that support the House: Eugene Wilhelm was our chief negotiator. Many of us know him.

Bruce Meredith was of enormous assistance to us.

Laurence Filson from the legislative counsel's office was invaluable, as was Allen Schick from the Congressional Research.

Last, but by no means least, John Barriere of the Speaker's staff, the Democratic Steering Committee staff, was very helpful.

I think this matter is important enough so that Members should know that we could not have accomplished what we did without the hundreds of hours—not dozens of hours—that loyal staff members put in with careful supervision, with careful checking with members of the conference, to achieve this result. I cannot say enough, either for the Members of the House or for the staff that worked with the House Members primarily involved in a cooperative endeavor which resulted in a very remarkable experience for me. Just after the second conference—the conference only met twice—just after the second conference in which there was unanimous agreement between the House conferees and the Senate conferees, Senator ERVIN, who was the chief Senate conferee, said in effect that he thought we had improved upon the bills, both the House bill and the Senate bill.

I feel that this bill, which follows the original version proposed by the Joint Study Committee, which is very like the version passed by the House, is an excellent bill, a bill that can work.

I would emphasize that it is only the beginning. The 20 months of work that bring us to this point is only the beginning. The effort that will have to go into making this design work, and it essentially follows the House approach with relatively minor modifications, to make this design work is going to be just as onerous, perhaps more onerous and more difficult, than coming up with the design; but we feel this is a workable product, one that can succeed. Whether it does succeed will depend almost entirely on the will of the Members of this House and of the other body in this Congress and in the next two Congresses. This can be a worthless endeavor unless we understand that it is the beginning, that this structure is one that can work and can be modified to work better; but unless we are determined to make it work, this will all turn out to be empty rhetoric, as was the rhetoric on this same subject back when the Reorganization Act of 1946 was passed.

I will be delighted to yield to Members if they wish later; but I reserve the balance of my time.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I support this conference report, even though I do not agree with all the provisions in it. I support it because it will provide an improvement over the present congressional budget procedure.

Under our present procedure, each spending bill is considered by Congress as a separate entity and there is little assessment of relative priorities. One result is that by the time we add up the totals, the Congress has usually spent far more than it has taken in. The Nation is left with a large deficit which contributes to inflation, and leaves future generations of Americans with an ever-increasing debt burden.

This conference report establishes mechanisms to allow Congress to vote on the overall level of spending, the overall level of revenues, the overall level of deficit or surplus, and the overall level of debt.

In summary form, the procedures will operate as follows. Two new committees on the budget will be established, one in the House and one in the Senate. The Senate committee will have 15 members, the House committee, 23 members.

The 23 Members from the House side are composed of five from Appropriations, five from Ways and Means, 11 from other legislative committees, one Member representing the majority leadership and one Member representing the minority leadership. A new Congressional Budget Office is established to provide a central point for coordinating the legislative budget. The Director of the Congressional Budget Office will be appointed for a 4-year term by the Speaker of the House and President pro tempore of the Senate, after recommendations by the Budget committees. The Director may be removed by either House.

Under this conference agreement, the fiscal year will begin on October 1. In addition, a number of dates are specified for completion of various stages in the budget process. The President will continue to submit his budget at the same time that he does under present law, that is, 15 days after Congress meets.

By March 15 other committees are to submit reports to the Budget Committees on budget matters within their jurisdictions. By April 1, the Congressional Budget Office is to report to Congress on national budget priorities. By April 15 the Budget Committees are to report an initial concurrent resolution on the budget, setting target levels for spending, revenues, deficit, or surplus, and debt. By May 15 all authorizing legislation is to be reported from committees and on the same date, Congress is to complete action on the initial budget resolution. By the seventh day after Labor Day, all appropriations bills are to be enacted into law. By September 15, action is to be completed on a second required concurrent budget resolution which will reaffirm or revise levels of spending, revenues, surplus or deficit, and debt established in earlier budget resolutions. This second required concurrent resolution may direct the appropriate committees to either raise taxes or the debt, or cut spending. By September 25, action on a reconciliation bill is to be completed. And, by October 1, the new fiscal year begins.

Mr. Speaker, I have several reservations about the workability of this budget timetable. First, this timetable does not even require authorizations to be reported from committee until May 15, and sets no specific deadline by which authorizations must be enacted. By way of comparison, the House-passed version of this bill provided that all authorizing legislation had to be enacted by March 31, with provisions for a waiver of this deadline if necessary.

There were objections on the floor of the House to this mandatory provision in the House bill. After considerable debate on this proposal, an amendment was offered by the Chairman of the Armed Services Committee to strike out this mandatory date. The House, by a recorded vote, upheld the position of the Rules Committee in its recommendations for the March 31st cutoff date by a vote of 300 to 106. The House Conferees did not uphold the House position in regard to this date, which concerned me somewhat because I do feel that we must have a mandatory date in which authorizations must be cut off and will no longer be considered for appropriations.

The Members will note, as I pointed out, that the mandatory date is eliminated when authorizing bills must be passed, and now we have in the Conference Report a May 15th date when they must be reported.

The Senate version had no deadline by which authorizing legislation had to be enacted. The conference agreement should have retained the House passed March 31 deadline for enactment of authorizations. By moving the deadline date for reporting authorizing legislation to May 15, and completely removing the deadline for enacting authorizations, the danger is that authorizations will be enacted too late to allow time for the appropriations process.

The result could be that the end of the fiscal year will arrive without all the necessary authorizations and appropriations having been enacted. Such a situation will make it almost impossible to do the kind of reconciliation process that is supposed to occur before the beginning of the new fiscal year.

There is a great deal of difference between reporting and passage, and it could mean a delay in the time schedule as set up in this Conference Report for the final action on the second budgetary control resolution.

Mr. Speaker, a second reservation which I have about this conference report concerns the date by which the President is required to submit his budget to the Congress.

Present law requires that the budget be submitted 15 days after Congress convenes, and this was the House position. However, the Senate version allowed the President to submit his budget up to February 15. This extra time is necessary because under this conference report, the previous fiscal year will end on September 30, instead of June 30. So the administration will have 3 months less to assemble the final figures from the preceding fiscal year and prepare careful budget estimates for the next fiscal year. This time squeeze will affect any administration—Democratic or Republican. In order to allow any administration time to prepare its new budget, the date for submitting the President's budget should have been moved to February 15.

In the conference meeting, I raised this problem, and there seemed to be agreement, that if the administration found it impossible to meet the current deadline for submitting the budget to Congress, some flexibility would be provided.

Mr. Speaker, in order to make legislative history, I would like to ask the chairman, the manager of the bill, as to his understanding on this point.

Mr. BOLLING. My understanding is precisely as stated by the gentleman from Nebraska as to what his understanding is. Several Senators made it clear, and I think some Members on our side, that any President making a request for additional time would surely be granted that additional time.

This is a matter that came up before in connection with some of the messages in the beginning of the year, and I think it would be inconceivable that there would be any serious difficulty in that respect.

Mr. MARTIN of Nebraska. Mr. Speaker, I thank the gentleman for his reply to my inquiry.

Mr. Speaker, the third item about which I have reservations is in section 309 of the conference report. This section includes a provision that the Congress complete action on all appropriation bills no later than the seventh day after Labor Day. However, this deadline does not apply to any appropriation bills whose consideration has been delayed because necessary authorization has not been timely enacted.

As a result, Mr. Speaker, we could have a situation where all appropriation bills have not been enacted by the September 15 date, when the second final budgetary resolution has to be adopted on the floor of the House. This could create some very serious problems if we do not have proper cooperation from the chairmen of the authorizing committees and from those committees in the House.

Mr. Speaker, it is a mistake to exempt appropriation bills from this deadline, just because authorizing legislation has not been enacted. This is another place where the schedule is too loose. The deadline on appropriations should apply to all appropriations, with no exception.

In summary, Mr. Speaker, I do have reservations about this conference agreement, but I support it because it provides a mechanism by which Congress can play a more responsible role in the budget process.

If it is going to be successful, however—and I want to make this point very strongly—if this vehicle is going to be successful, it will require the work of the chairman and the complete cooperation of all the Members of the House and the other body, if this to work.

Mr. Speaker, I sincerely hope and trust that it will work as the committee has intended.

Mr. ROBISON of New York. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from New York.

Mr. ROBISON of New York. Mr. Speaker, I rise in strong support of this legislation. Although I have certain reservations about it, which are either comparable to those the gentleman has mentioned or of some other nature, I agree with him that this is, at least potentially, landmark legislation.

I would like to congratulate the gentleman from Nebraska (Mr. Martin), the gentleman from Missouri (Mr. Bolling), and all the other Members who have worked on this truly necessary piece of legislation in order to bring it to us today.

Mr. Speaker, I have one question that perhaps the gentleman from Nebraska could help me find the answer to: What will the impact of this legislation, or of this procedure once it is in place, be on the present Office of Management and Budget?

Is it the gentleman's judgment that the Office of Management and Budget will continue to carry a substantial workload, comparable to the workload it now has, or will that workload be reduced as a result of this new congressional procedure?

Mr. MARTIN of Nebraska. Mr. Speaker, in my judgment, I would say to the gentleman that OMB would still continue to carry the same workload that they carry at the present time. On the other hand, we would have a virile committee and an organization and staff up here in the legislative branch of the Government that would receive a great deal of information from OMB, as well as assistance and help, in the compiling of the legislative budget. I feel it would be necessary for both to continue to cooperate.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, it would seem to me that this legislation, at least initially, has to place an extra burden on the Office of Management and Budget, first, because of the change of the fiscal year. That is going to place some real problems before them initially. Once they get over that point, I can see that it will level out.

On the other hand, it is my understanding that all impoundments will have to be reported; is that correct?

Mr. MARTIN of Nebraska. The gentleman is correct.

Mr. CEDERBERG. So any impoundment would be reported, and the definition of "impoundment" can be very broad. So those reporting requirements are obviously going to put additional burdens on the Office of Management and Budget as long as that requirement exists.

Mr. MARTIN of Nebraska. The gentleman is exactly correct.

Mr. ROBISON of New York. Mr. Speaker, will the gentleman yield further?

Mr. MARTIN of Nebraska. I yield to the gentleman from New York.

Mr. ROBISON of New York. Mr. Speaker, the reason I brought this point up this afternoon is that, next week, if the schedule is not changed, the House will be considering the annual appropriation for the Office of Management and Budget. While we are acting here today in an objective and responsible fashion, I would hope—I will say to my friend, the gentleman in the well—that next week, when the House considers an amendment to drastically reduce the budget level and, therefore, the personnel level of the Office of Management and Budget, it would consider the impact of any such action on the workability and the effectiveness of these new congressional procedures.

Mr. Speaker, I thank the gentleman for yielding.

Mr. MARTIN of Nebraska. Mr. Speaker, I share the gentleman's views.

Mr. ROGERS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from Florida.

Mr. ROGERS. Mr. Speaker, I wish to commend the gentleman from Missouri (Mr. Bolling) and all the other Members who have contributed to bringing us to this stage.

Mr. Speaker, I thank the gentleman. I wish to express my strong support for the bill H.R. 7130, the Congressional Budget and Impoundment Control Act of 1974, as reported from conference. I would only observe that this legislation, which would work fundamental changes in the process by which Congress makes its spending decisions, could not come at a better time. The world is afflicted with double-digit inflation of which the United States has also been a victim. This inflation is causing dislocations in our economy and hardship for each American. Particularly hard hit have been those who depend on fixed or low incomes.

This bill would be helpful in the fight against inflation, because it provides hope for bringing Federal spending under control. The impact of Federal deficit spending on inflation should not be underestimated. In recent years, $15 and $20 billion deficits have become commonplace. The President's budget request for the coming fiscal year for the first time exceeds $300 billion and projects a unified budget deficit of $11.4 billion. A Federal deficit has become so built into our economy that even this budget is considered economically restrictive, with many advocating a tax cut to stimulate production.

The national debt is fast approaching $500 billion—half a trillion—and one-fourth of this amount has been accumulated during the past 5 years. This debt would be increased by another $19.9 billion under the President's budget request.

I submit, Mr. Speaker, that there is grave danger in pursuing a national spending policy under which the Federal Government consistently spends $15 billion more than it earns, and mortgages future generations in the amount of $20 billion per year just in interest on this ever growing debt. The illogic of this policy is obvious; the inflationary impact must be recognized.

Reversing this trend is difficult—there has been little that any one Member of Congress or even any one committee could do alone. We have passed, and I have introduced and supported, legislation which would place a ceiling on total Federal expenditures, and on the national debt. But these have proved inadequate tools—the first leaves basic spending decisions with the President through the impoundment process, and the second is an idle threat to shut down the entire Government.

The trend has also proved difficult to reverse because, while the appropriations process has served Congress well—appropriations have at least been below the budget request for the past 30 years—the mandatory and back door forms of spending outside the appropriations process have proved relatively uncontrollable.

In this bill, we attempt to bring this spending, too, under control. Congress is forced to make the basic spending and taxation decisions which have not been adequately dealt with in the past.

The new process will probably prove difficult to implement as old ways give way to new. But I would ask each Member of the House to bend every effort to make this process work. I submit that excercising firm control over the spending decisions of the Federal Government should be the No. 1 priority of the 93d and 94th Congresses. These are difficult economic times. I support this legislation in the spirit of providing for better times to come.

Mr. VEYSEY. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from California.

Mr. VEYSEY. Mr. Speaker, I wish to congratulate the gentleman in the well for his role in this legislation, and I wish to congratulate all of those Members who have participated in the development of this landmark legislation. It seems to me it is the most significant legislation, with its long-range impact, that has come before the House during my several years here.

Mr. Speaker, the 93d Congress is making important legislative history in what I hope will be final passage of the Congressional Budget and Impoundment Control Act. I urge my distinguished colleagues to support this conference report.

However, before we vote on this report, I would like to address myself to a few important underlying issues that spawned this measure.

The controversy surrounding Presidential impoundment during 1972 jarred the Congress into positive action. But I believe that the real issue is that we, the Congress, for years have buried ourselves and the country in a mountain of deficits, broken budgets, and runaway spending on ill-conceived programs.

We do not presently have the capacity to study the overall impact of spending in any single area, much less all Federal programs collectively. The proposed Congressional Budget Office, by providing special assistance to budget committees, House and Senate appropriations and tax committees, will give us the broader scope we require.

Additionally, we have never had adequate time to complete the appropriation process and more often than not, have operated on continuing resolutions. The changing of the fiscal year from July 1–June 30 to October 1–September 30, will give us the necessary time to enact more responsible appropriations.

When the Congress has a more effective and responsible budgetary process, there will be no need for Presidents to use impoundment authority. If this bill accomplishes what it is designed to do, anti-impoundment amendments will generally be superfluous. The people are demanding that Congress assert leadership in budgetary matters, and the time has passed when we can pass that responsibility to the White House and expect the President to balance the budget.

In conclusion, one of the key issues in the Nation is inflation and the general state of the economy. Mr. Chairman, if we fail to pass this measure we will be failing in our responsibility to the American people. We must demonstrate that we are willing to support sound fiscal policies.

Mr. CRONIN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from Massachusetts.

Mr. CRONIN. Mr. Speaker, I rise in support of the position taken by the gentleman in the well.

Mr. Speaker, the time has long since passed for the Congress to enact budget reform legislation, and I rise once again in support of the Budget Reform Act, this time in the form of the conference report, the long-awaited final stage of congressional activity on the matter. I urge its passage by the House as a demonstration of the desire of the Congress to take the lead against inflation and irresponsibility in fiscal activity that has so long shackled the Federal Government and the American economy.

The conference report that we consider today will for the first time begin to eliminate the haphazard preparation of the budget and spending procedures that has resulted in mismanagement of the overall economic picture. It will organize the budgetary policies emphasizing structure and will recognize the Federal budget as it really is—not a forum for partisan differences of opinion, but a major component of the Government which deserves fair, rational, and carefully coordinated consideration.

Today, by passing this budget conference report we will together tell the American public that we understand the overwhelming aspects of the shrinking American dollar and rising prices. But, moreover, we will tell the American public that the U.S. Congress is going to do something about the high cost of living. We will show that through a cooperative effort on the part of every Member of Congress that our spending can be regulated and our economy healthy. I urge our unanimous vote today.

Mr. HILLIS. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Speaker, I, too, would like to commend the gentleman for his remarks and associate myself with his position on this important piece of legislation.

Mr. Speaker, as I did last December when the Congressional Budget and Impoundment Control Act came before the House for a vote, I once again rise in support of this legislation. I urge approval of this critically important measure.

No one can deny that the need for congressional action in the area of budgetary reform has existed for far too long. In order for the Congress to reestablish the ability to exert responsible control over the Nation's purse strings, steps must be taken to update the budgetary process of the Congress. Reform is needed to insure responsible budgetary programing and accounting on the part of the Congress. Today's proliferation of authorizing committees, issues, spending needs, and complicated built-in backdoor spending programs require the closer scrutiny and expertise of an overseeing body as recommended in the Budget and Impoundment Control Act.

The Congress must accept responsibility for having followed a policy of deficit spending—a policy which must be marked as one of the basic and leading causes of inflation. Our constituents are tired of coping with continually rising prices. They are not only asking the Congress to take the appropriate actions toward solving the complicated problem of inflation, they are demanding these actions be taken.

One of the least painful yet necessary steps the Congress can take to curb inflation is to set its own house in order by following the steps recommended in the legislation before us. This bill needs to be enacted, but most important of all, the provisions contained within this measure must be implemented and made to work. This can only be done by each Member of Congress accepting the need for fiscal responsibility and acting accordingly. This course of action must be taken.

Mr. FRENZEL. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman.

Mr. FRENZEL. Mr. Speaker, I strongly support the gentleman's position.

Mr. Speaker, I heartily endorse and enthusiastically support the conference report on H.R. 7130, the bill to establish improved budget procedures for Congress. I think it is one of the most significant pieces of legislation I have ever voted on.

The bill will set up procedures that will tend to force us to establish our own spending priorities, to control our overspending more sensibly, and to strike a better balance between our income and our expenses. H.R. 7130 will enhance the congressional role in the budget process. All of those are desirable objectives, and ones we have had difficulty achieving in the past. In fact, we have not even come close.

But as extremely desirable as the objectives of H.R. 7130 are, we should not be deluded into thinking that this bill will do for us what we are unwilling to do for ourselves. The bill will help us, but it will not make spending priority choices for us. It won't guarantee a balanced budget, even though it makes a balanced budget more attainable.

The best inflation fighter the Congress has—and one we have not used yet—is budget control. Reduced Federal overspending reduces inflationary forces, and it sets the best kind of example for our inflation-saturated economy and our inflation-oriented society. It is about time we used our fiscal weapon against inflation. This bill will help us, but we still have to stand up and be counted.

I applaud the bill and I urge the Congress to use it and its own will power to achieve the bill's lofty purposes.

Mr. GROSS. Will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

Perhaps up to this point I have not been listening attentively enough. I have not heard anything about cost tag that can be put on this wonderful new piece of legislation. Has the gentleman any idea as to what this is going to cost?

Mr. MARTIN of Nebraska. I do not recall that we have any estimate of the cost of setting up this House and Senate Budget and Impoundment Control Act.

Mr. GROSS. There will be two committees created, one of 22 members and one of 15?

Mr. MARTIN of Nebraska. The members will not add to the cost, but it is the staff and the work of the staff that will.

Mr. GROSS. That is exactly the point. What will the staffs cost and all that goes with them?

Mr. ANDERSON of Illinois. Will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of the conference report.

The gentleman now in the well, as the gentleman from Missouri (Mr. BOLLING), has been very generous in praising others this afternoon for contributing to the work product which brings us to the consideration of this conference report. I think they, too, deserve special praise for their fidelity in the cause of budget reform.

I could not help but think in reading the RECORD again for yesterday when we debated the national school lunch amendments of 1974 that we had a rather clear example of why this particular piece of legislation before us today in the form of a conference report is needed.

That particular conference report passed by a vote of 345 to 15; yet I was not without some sympathy for those who felt obliged to oppose it because of their concern over the fact that it was $135 million, I believe, over the amount that had been in the House bill when it left the House.

There was an interesting colloquy on yesterday between the gentleman from Idaho (Mr. SYMMS) when he asked a question as to how long it would take at the present rate of adding to our Federal debt before we would totally debase our currency, and the gentleman from Minnesota (Mr. QUIE) who in answering that question referred to the fact that under this particular legislation we were in effect increasing from 7 cents to 10 cents the minimum assistance by the Federal Government to each school lunch and the gentleman from Minnesota doubted that that relatively small amount would be the thing that would push us over the precipice; but he also made the very valid point that no one really knows how far we can go down this road of piling deficit upon deficit. Especially he said that if we could only find a way where Congress could take into consideration these matters and reduce expenditures someplace else it would be extremely helpful. He made the point, in other words, that while we were adding justifiably to the appropriations in this area there ought to be some means for the Congress to reconcile this action by reducing expenditures elsewhere.

It seems to me that is the great hope and the great promise of this legislation. Even though, as others have said, it is not a panacea, much will depend on how willing we are to submit to the discipline of the budget committees in the House and the Senate and utilize the other procedures that the conference report refers to, but at least we have established a mechanism whereby it ought to be possible to balance the kinds of increases that were made in the legislation that I just talked about, which we voted on yesterday, with expenditure reductions in other areas so that we could hope to bring the Federal budget into balance.

Therefore I think this is indeed a red letter day in the history of this body, and I hope we will in the future look back on the 18th of June, 1974, as the date when we began this very important task of restoring a measure of fiscal discipline to the deliberations of this body so that in turn we can recover some of the prestige that I think we have lost in recent years because of the irresponsible way in which we have acted in this particular area.

Mr. Speaker, I ask the Members of this body to look at this budget reform conference report from the perspective of the average American wage earner. He is concerned, to be sure, with the need for Congress to put its fiscal house in order and to assert its rightful authority vis-a-vis the President in the determination of budget priorities. But these are surely subsidiary considerations to the overwhelming issue of how we in Congress can bring the budget process under control in the fight to stem inflation.

For the average American family earning approximately $12,000 per year, and who had to spend an additional $1,200 last year to maintain its standard of living—including $400 more for food, $170 more for housing and $60 more for clothing—the issue is inflation.

With the prime rate of interest having reached the highest levels since the Civil War, and with the consumer in some areas having to pay 14 percent for automobile and home improvement loans, the issue is also inflation.

In recent months experts have noticed that despite high interest rates consumers are beginning to stretch their credit more than ever in anticipation of further price increases. At the same time mortgage and installment loan delinquencies have reached their highest level since the end of the Korean war.

Mr. Speaker, it is no coincidence that this accelerating spiral of inflation that we have experienced in the past 4 years has been accompanied by skyrocketing Federal expenditures. In 1970 the President proposed the first $200 billion budget in the Nation's history, and this year he presented to Congress the first $300 billion budget. During the same period, we enacted a number of tax cuts. The effect has been to run up an estimated deficit of nearly $80 billion from 1970 through fiscal 1975. To allow the financing of this growing debt the administration came before the Ways and Means Committee last month and requested an increase in the national debt ceiling to $500 billion—a half a trillion dollar national debt ceiling.

We are all aware that priming the pump through deficit spending can play a constructive role in stimulating employment and income during times of normal business cycle contraction. But such has not been the use of deficit spending in the last few years. During the Vietnam war, when the economy was running at full tilt, we still ran budget deficits. In part because of that practice we created pressures that by 1970 led to the unprecedented consequence now known as "stagflation"—an economy characterized by high rates of unemployment and inflation. As far as the economy is concerned, inflation has become public enemy No. 1 in the minds of the people. And the budget, insofar as it is a source in inflation, must be tamed.

That is the most important issue before us today. With the adoption of this budget reform conference report we would be adopting a truly revolutionary new procedure that for the first time would allow Congress to assess the budget and its inflationary impact on the American people. We would be saying to the American people that the Congress is willing to assume responsibility, really for the first time, in setting the priorities of the budget within limits that will not bury the American people under an avalanche of price increases. In a very real sense whether we will make that pledge to the American people, or whether we will acquiesce to the status quo of runaway prices is what we are voting on today.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I thank the gentleman for yielding, and I wish to commend the gentleman from Nebraska (Mr. MARTIN) for his leadership in this very important matter, and wish to associate myself with the remarks made by the gentleman.

Mr. Speaker, the other day my wife went shopping. She saw a sweater she liked and asked the clerk if she had something more expensive along the same lines. "No," the clerk said, "but I can put this one aside and you could come back for it in a few days."

Now, Mr. Speaker, inflation is no joke. But when salesclerks can see it coming on a day-by-day basis, then matters are serious. Inflation is robbing American consumers of millions of dollars every day. And America's taxpayers are the ones who are footing the bill, in terms of lost purchasing power, higher income taxes, and higher interest rates. Inflation is the direct result of uncontrolled Government spending, especially deficit spending. And uncontrolled spending, gentlemen, starts right here, on this floor.

One way we can control inflation is to adopt this conference report. Every day we pass bills which only contribute to the problem. Today we can pass a bill which contributes to the solution. The people are demanding responsibility on the part of Congress. Let's act responsibly. Let's not make our rate of inflation a laughing matter. Because to the people, it is no joke.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from New York.

Mr. KEMP. Mr. Speaker, I appreciate the gentleman yielding to me. I strongly urge passage of this legislation.

I want to congratulate the gentleman from Nebraska on his leadership, as well as the gentleman from Missouri (Mr. Bolling) and all those Members who have had such a major role in bringing this historic legislation to fruition.

The gentleman from Illinois (Mr. Anderson) has made some very important remarks with which I would like to be associated.

I believe that fiscal responsibility and the fight against inflation in this country begins and ends right here in the Congress of the United States. I believe this effort we are making today will be a large and constructive step forward in bringing to this body and the other body, the type of fiscal restraint and responsibility to our budget deliberations that are so long overdue. This is not a panacea at all, but it does provide vital guidelines and procedural machinery necessary to developing a congressional budget and spending ceiling.

I am also glad to note that the President is talking about submitting a balanced budget in 1976 to the Congress, and I welcome that as a step certainly in the right direction. I support legislation to mandate a balanced budget. Now if we can get the Federal Reserve to match their rhetoric of monetary restraint with the reality of sound monetary practices by slowing down the irresponsible growth and the expansion of the money supply, which is not matched by a concurrent growth in productivity, we will have made a positive contribution toward solving the very difficult problem of inflation in our country.

Mr. Speaker, again I thank the gentleman for yielding.

Mr. WHALEN. Mr. Speaker, would the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from Ohio.

Mr. WHALEN. Mr. Speaker, I rise in support of the conference report. I would like to take this opportunity to congratulate the gentleman from Nebraska (Mr. Martin) and the gentleman from Missouri (Mr. Bolling) on the outstanding work they have done in bringing this legislation to the floor.

The gentleman from Illinois (Mr. Anderson) referred to this as a red letter day in the history of the Congress. I think it might well be termed a black letter day in the history of the Congress.

Mr. Speaker, I rise in support of the conference report on H.R. 7130, the Congressional Budget and Impoundment Control Act of 1974.

When I became a Member of the House in 1967, I discovered that the theory of fiscal policy, which I and hundreds of other economics professors had described to our students for years, deviates tremendously from fiscal practice. Indeed, I concluded that there is not now, and perhaps never has been, a congressional "fiscal policy." Instead, I found, as one noted economist has observed, that the economy shapes fiscal policy rather than fiscal policy shaping the economy.

Therefore, over 2 years ago I proposed that Congress establish new budgetary procedures. My approach, which I titled the "Speaker's Budget," was designed to overcome what I consider to be the five major weaknesses in the present congressional process. They are:

First, there can be no cohesive policy when 14 appropriations bills are considered as separate entities unrelated to any total spending goal.

Second, there is little coordination between expenditure programs and congressional revenue-producing efforts. In fact, taxation and appropriations measures emerge from different committees after little or no cross-consultation.

Third, failure to relate individual parts to the whole inhibits the establishment of spending priorities. In a sense, each bill is pitted against itself. It can be increased or decreased at the whim of Congress with little consideration given to specific total budgetary objectives.

Fourth, under the present system, pressure groups have an undue opportunity to influence congressional decisions. Rather than competing against each other, they can focus on individual bills. To use basketball terminology, a "one on one" situation prevails. As a result, Congressmen are exposed to pressures from 14 separate groups rather than from 14 competing groups. This situation helps to distort priorities in the allocation process.

Fifth, the process now is so drawn out that it interferes with departmental planning. Thus, many executive agencies do not know until well into the fiscal year what their total budgetary obligations will be.

The procedures recommended in the conference agreement which is before us this afternoon are more detailed than those contained in my proposal. However, the significant benefits which I believe will accrue to our economy through the implementation of my plan also will result from the adoption of this report.

First, by integrating the Government's spending and taxing programs, it represents a cohesive approach to our Nation's economic needs.

Second, by considering each department's needs within the context of the whole budget, this approach permits a more precise delineation of spending priorities.

Third, this process also will diminish the impact of pressure groups.

Fourth, departmental effectiveness will be increased since each agency will know its total expenditure level at the beginning of the fiscal year.

Mr. Speaker, I urge my colleagues to join me in voting affirmatively on this conference report.

Mr. MARTIN of Nebraska. Mr. Speaker, I would simply like to conclude by pointing out that in my mind this is only 50 percent of the package which the House of Representatives should adopt this year to improve the operation of the Congress itself. The second half is the Reorganization Act that is now held up by the Democratic caucus. I trust that we will soon have that on the floor of the House for consideration.

Mr. du PONT. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from Delaware.

Mr. du PONT. Mr. Speaker, I rise in strong support of this legislation.

When I first came to the Congress, I sponsored legislation that would require the Congress to reform its budgetary process. Since that time we have seen ample evidence why this reform is so important if the Congress is to hold the line against excess deficit financing and to help control our spiraling inflation.

Unlike any other institution with which I am familiar, the Congress has had no procedure to adopt an overall budget, and has had no requirements for living within that budget. We have simply considered each spending bill as it came up, voting increases along the way in a merry fashion, with no overall view of the fiscal implications. Congress evidently thought it could please everyone and disappoint no one. For a while, it appeared that was right, but the cumulative effect of this political expediency and budgetary neglect has been rampant inflation. In 1971 and 1972 we had deficits of $24 billion. This has not only created excess Government demand for products and services, but it has also contributed to escalating interest rates. The Government has had to compete in the money markets to pay for its bills, and has driven up the interest rates. If we remove some of this excess demand for money, products and services, we will then be able to take some of the steam out of inflation.

But if we are to use the appropriations process as an effective fiscal tool for curbing inflation, we must have an effective budgetary process which forces us to make some tough policy choices and live within the stated ceiling. Without such discipline Congress will continue to be one of the instruments of inflation.

I think the Budget Reform and Impoundment Control Act is the vehicle for exercising responsible fiscal restraint, and urge my colleagues to join me in supporting it.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I rise in support of the conference report on H.R. 7130, the Congressional Budget and Impoundment Control Act of 1974.

I have consistently supported action on legislation which will establish the basic framework to allow Congress to grasp control of the budgetary process, and I believe that H.R. 7130 is basically a step in the right direction. However, I would have preferred a bill that more closely followed the recommendations of the Joint Study Committee on Budget Control with regards to providing that Congress set overall limitations on budget outlays and on new budget authority before beginning the appropriations process, as well as safeguards to insure that Congress worked within the limitations it established.

Although I will vote for this conference report, two of the provisions are especially of concern to me:

First. The Congressional Budget Office: In its House report on H.R. 7130, the House Rules Committee warned that:

> If a new budget office were separated from the committee process, the Budget Committees of the House and Senate would be impelled to create their own staffs.

Although I can appreciate the need for an independent office, I am concerned that the Congressional Budget Office as provided by this legislation will develop into just another bureaucratic entity, and rather than facilitating the work of the Budget Committees, it could actually hinder their objectives. I would have preferred the House approach of combining the features of a committee staff and an independent legislative office.

Second. Impoundment Control Procedures: The conference agreement would provide that in the case of a Presidential message requesting a rescission of budget authority that unless both Houses of Congress complete action approving a rescission bill within 45 days, the budget authority shall be made available for obligation. In the case of a Presidential message requesting deferral of budget authority, the President would be required to make the budget authority available if either House of Congress passes an impoundment resolution disapproving of the proposed deferral at any time after receipt of the special message. I would have preferred that Congress be required to take action in order to disapprove either a rescission bill or an impoundment resolution, and that in both cases, this action be required within a specific time period. The conference agreement does, however, provide procedures for congressional action if the committee fails to report a rescission bill or an impoundment resolution.

In conclusion, Mr. Speaker, I was pleased that the conference agreement does establish timetables for essential elements in the budget process, and it does prohibit the floor consideration of budget authority, entitlement authority, or changes in revenues or in the public debt limit before the adoption of the first concurrent resolution. I fully concur with the point stressed by the managers of the conference that the success of this legislation is going to depend on the complete cooperation of the Congress, and I for one will do all in my power to make it work. Congressional control of the budget is essential for our fight against inflation.

Mr. BOLLING. Mr. Speaker, I yield such time as he may consume to the gentleman from Florida (Mr. Sikes).

Mr. SIKES. Mr. Speaker, I support this meritorious and much-needed legislation.

Mr. Speaker, virtually everyone will agree there is need for a Congressional Budget Control Act. H.R. 7130 is intended to meet that need. It has been a long time coming. It grew out of the work of a Joint Study Committee on Budget Control which began early in this Congress; a committee of senior House and Senate committeee members and staffers who worked closely and in harmony toward an objective which was clearly recognized.

The report of the Joint Committee was made on April 18, 1973. The bill which is now before us was reported by the Rules Committee on November 20, 1973, and passed the House December 5 of that year. Now it is mid-June. The contents of the bill have been carefully and fully thought out and I feel that the new Congressional Budget Control Committee which it authorizes will offer the best opportunity yet for Congress to exercise sound and professional management of budget procedures. The bill can help to stop budget busting which has been the bane of those who have so long desired sounder budget procedures, both in Congress and in the administration.

The bill is not going to require Congress to do a better job. It is going to give the Congress an opportunity to do a better job. It can help to halt deficit spending, but we shall have to live up to the responsibilities which it provides and do so in a forthright manner.

The bill does a number of things that I think are important. For instance, we have long deplored "backdoor" spending. This bill provides a beginning for the control of "backdoor" spending. The bill changes the date of the fiscal year to begin October 1. We have long realized that we cannot complete today's cumbersome budget processes by July 1. The budget is too big. The problem is too difficult. The bill tightens Anti-Deficiency Act language. Importantly, it provides procedures for veto of impoundment. It requires the President to submit a request for rescission when a proposed Presidential impoundment or reserve involves cancellation of a program.

The bill will provide a review of the Presidet's budget at specified times. It provides that a target be set by May 15 for budget totals and functional categories. The budget resolution must be adopted before appropriations, entitlement, and tax bills are considered.

An important new procedure is the requirement that all appropriations bills be submitted to Congress at one time rather than piecemeal. This, in itself, will require that Congress take a more careful look at its budget procedures than at present. We will be looking at totals, not at pieces of the year's program.

The bill establishes a Congressional Budget Office to strengthen congressional resources for fiscal and budget information. This can be a very useful office for all of the Congress.

The bill looks good. Obviously great care must be exercised that people with good judgment, good background, and proper attitudes are placed in staff positions. They will be very important to the sound administration of the new system. This is particularly true in view of the fact that Members of Congress who are named to the Budget Committee will also have other important committee responsibilities and will have to rely to a considerable extent on the recommendations of staff members. This wil be no different than the procedure which was used by the Joint Committee on Budget Control, and I can state unqualifiedly that I have never seen better staff work or known more able and dedicated individuals than those who assisted in the preparation of the initial phases of the bill now before us.

I feel that this bill is a major step forward and a big plus for Congress. It is landmark legislation.

Mr. BOLLING. Mr. Speaker, I yield such time as he may consume to the gentleman from Oregon (Mr. Ullman).

Mr. ULLMAN. Mr. Speaker, I thank the gentleman for yielding me this time. I would like to ask the gentleman from Missouri a couple of clarifying questions.

This is landmark legislation—far-reaching, important legislation that is going to change drastically the procedures for every Member of the House, for every committee of the House, as well as for the Office of Management and Budget, and the whole executive branch as well. It is certainly going to involve some drastic revisions in the way we do business.

I would like to have the Members of the House understand this, because it is not going to be easy to implement, as the gentleman from Missouri has indicated.

Would the gentleman from Missouri (Mr. Bolling) clarify for me first the impact upon the reporting of the budget from the executive branch?

Mr. BOLLING. If the gentleman from Oregon would permit me to answer him in this fashion: The first thing that is done is to change the fiscal year from its current year of July 1 to June 30 to October 1 and September 30. That, of course, is a drastic change. All the other changes that are proposed relate to that.

The first one is the one for which we required a waiver of points of order, and that is to require the President to come in with advance authorizations. Then we require that the President provide us with a current services budget on November 1 of each year.

Mr. ULLMAN. By November 1?

Mr. BOLLING. Of the preceding year.

Mr. ULLMAN. Yes, of the preceding year.

Mr. BOLLING. And no change in date for the January submission of the regular budget.

The gentleman heard the colloquy I had with the gentleman from Nebraska about the leniency that might be required on that.

Mr. ULLMAN. What about the legislative committee?

Mr. BOLLING. Each standing committee shall give the budget committee its views and recommendations on budget matters by the 15th of March. Then the Congressional Budget Office reports to the budget committees, both of them, by April 1, and the first budget resolution is reported by April 15. That, of course, is the target resolution. Then May 15 is the adoption date for the first budget resolution.

Mr. ULLMAN. If the gentleman would yield further, let me clarify that issue. Will the House and the Senate proceed independently, or does this originate in the House?

Mr. BOLLING. They proceed independently.

Mr. ULLMAN. They proceed independently as of that date?

Mr. BOLLING. Yes.

Mr. ULLMAN. Then will come out their different points, and there will be a conference to iron out the differences in the concurrent resolution; is that right?

Mr. BOLLING. That is correct. Then

May 15 is also the deadline for committee reporting of authorizing legislation. Mr. MARTIN referred to that in his original statement. The regular consideration of appropriation bills was to be completed by early September. Then the second budget resolution and reconciliation occurs, concluding on the 25th of September.

Mr. ULLMAN. If the gentleman will yield further to clarify the issue on appropriation bills, is it my understanding that all of the appropriation bills will be referred back immediately to committee and held, and that none of them will be sent down for White House signature until the final wrapup bill?

Mr. BOLLING. The final version includes that as a possibility, and all kinds of other possibilities, because the difference between the House and Senate was so substantial that there is an optional feature there which in effect would have it done that way or a variety of other ways, as determined by each House.

Mr. ULLMAN. In other words, we could adopt a procedure whereby if we stayed within the limitations imposed by the first concurrent resolution, budgets for appropriation bills could go down and be signed?

Mr. BOLLING. That is correct.

Mr. ULLMAN. I see. But, if the House chose, they could hold them off until the final wrapup bill.

As I understand it, however, if we exceed the initial limitations of the initial concurrent resolution, if we exceed those in the appropriation process, then there must be a second concurrent resolution out of the budget committee, taking into consideration these divergencies from the first concurrent resolution, and meeting them either by directing additional revenue or cutting in the appropriations, or reestablishing new goals on spending.

Mr. BOLLING. There is no attempt to say that the Congress cannot have as many budget resolutions as they want. Actually, the process that the gentleman has described is that which will likely take place in conforming to reality with regard to the second concurrent resolution. The first concurrent resolution deals with targets, and the second one deals with firm ceilings.

Mr. ULLMAN. I thank the gentleman. Finally, and I think this is the real crux of the whole problem, do we have assurances that prior to the end of the fiscal year and the beginning of a new fiscal year the Congress shall have had to comply with the objectives of this bill in holding to our limitations and in passing on appropriation bills prior to the end of the fiscal year?

Mr. BOLLING. All I can say to the gentleman on that is that we have gone just as far as we can go in trying with one Congress to bind another Congress. We simply are not in a position to say dogmatically that that is done, because the current Congress could modify the situation. There is no way to make it binding, but surely the intent of the whole process is to see to it that we have a rationalized situation in which we have balanced things out and made all our decisions by the 25th of September, which is 5 days before the beginning of the new fiscal year.

Mr. ULLMAN. Of course, any Congress can act to change it, but the bill is designed to have all appropriation measures passed before the end of the fiscal year. It aims to eliminate the present system of having to operate under continuing resolutions, because we fail to get appropriate measures presented before the end of the fiscal year.

Mr. BOLLING. That is certainly the whole intent.

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Speaker, I feel that this is a landmark bill today in the House of Representatives. This is not to say we have found the perfect answer on how to control the budget and how to ride herd on spending. We have not found the perfect answer and much improvement is required in this direction.

One of the main improvements is a determination on the part of the Congress to do a better job as far as legislative enactment, but I think this bill before us is an important first step.

I want to salute the Rules Committee and I want to salute the gentleman from Missouri (Mr. BOLLING), the gentleman from Nebraska (Mr. MARTIN), the gentleman from Mississippi (Mr. WHITTEN), the gentleman from Oregon (Mr. ULLMAN), and all who have worked toward the accomplishment of this goal.

It hardly seemed possible a short time ago that we would finally be at the point of enacting this legislation, so I think the Congress is to be applauded and I think the country will applaud the Congress for this effort—not because the bill is a perfect solution, but because it is an important first step toward that end.

Mr. BOLLING. Mr. Speaker, I thank the gentleman from Texas for his statement and I point out to the House that the gentleman has made an invaluable contribution in this process both by his work on the budget matter and also and in particular on the impoundment control matter.

Mr. FINDLEY. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Speaker, I was struck by the gentleman's comment earlier that the legislative budget under the rules reform we set in 1947 had not worked.

Am I correct that in this new procedure which we hopefully will approve today that it will be necessary for the initial budget resolution to be adopted by both Houses before an appropriation bill can ever be considered?

Mr. BOLLING. That is correct.

Mr. FINDLEY. I am gratified at that and I want to congratulate the gentleman from Missouri and congratulate him especially for the comment he made about the need for the will to accomplish the procedure itself. Arthur Burns, Chairman of the Federal Reserve System, took very favorable note of this bill in a commencement speech a couple of weeks ago, but he also added this:

> Procedural changes, however, will mean little unless the political will exists to exploit the changes fully. And this can happen only if the American people understand better the nature of the inflation we have been experiencing and demand appropriate action by their elected representatives.

Mr. Speaker, I thank the gentleman for yielding.

Mr. QUIE. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Minnesota.

Mr. QUIE. Mr. Speaker, first I commend the gentleman and all those who did such great work in putting this proposal together and bringing it to us.

My question is this: While we are moving to a new budget year, which will be from October 1 to September 30, is there any requirement that other units of Government shift to a different budget year, for instance, the school district or a State or any other unit of a government outside the Federal Government?

Mr. BOLLING. There is an assumption that will happen and also a provision in the proposed bill that would provide for very careful study of the process of the shift. We are not proposing to shift next year in this. We are proposing to shift for fiscal year 1977, which begins October 1, 1976, so we are fully cognizant of the dilemma and we hope this can be worked out in a coordinated fashion.

Mr. QUIE. I thank the gentleman.

Mr. MARTIN of Nebraska. Mr. Speaker, I find myself in the very embarrassing position that I have 11 minutes requested of me and I have only 6 minutes remaining.

I yield to the gentleman from Michigan.

Mr. CEDERBERG. Mr. Speaker, I rise in support of this conference report and commend the committee for the actions they have taken. However, I think that while we are here today as sort of a mutual admiration society thinking that we have done some great things on behalf of budget control, and I hope we have, we have to recognize that we have yet to see the product of our efforts. Whether or not this is going to work is going to be determined by the will of the people in this House.

It strikes me as a little incongruous, but when we are talking about budget control here I notice over in the other body they are talking about tax reduction in the debt ceiling bill. That hardly looks like budget or fiscal control.

Mr. Speaker, this conference report is a classic product of the legislative process. It has been some 20 months in the making; first in the Joint Study Committee on Budget Control, where I served under the able leadership of the gentleman from Mississippi (Mr. WHITTEN) the gentleman from Oregon (Mr. ULLMAN) and the gentleman from Pennsylvania (Mr. SCHNEEBELI). It has been led throught the legislative process by the gentleman from Missouri (Mr. BOLLING) and the gentleman from Nebraska (Mr. MARTIN). It has been considered by two Senate committees, and was in conference between the House and the Senate for over 2 months.

The conference report should, and I believe will, receive the approval of the House. There are features in the report that individual Members may differ with. For example, I had hoped that the bill would set a deadline for enactment of authorization legislation, instead of the reporting deadline proposed by the Senate and accepted by the conferees. I would prefer that the Congressional Budget Office be limited to direct support of the budget control process. And I think that impoundment control is an issue whose time has come and gone.

Yet there is a critical need for a mechanism through which the Congress can establish and review budget totals, and relate its appropriations for individual programs to those totals. This conference report does provide such a mechanism, and I support it for that reason. It does not, and can not, ensure that this mechanism will be used in a responsible manner. That will be determined by the congressional leadership, working with individual committee chairmen and Members.

I would like to direct an inquiry to the gentleman from Missouri, who, with the gentleman from Nebraska, and the other members of the Committee on Rules, has worked so hard to reach a compromise which is technically and politically acceptable to all who have a vital interest in budget control. I think those efforts have been successful, and the committee has my compliments and admiration.

Now we must turn our attention to the future, and to the operation of this budget control mechanism. We are establishing procedures which are new, and in many cases untested. In spite of our best efforts, some will not work, and some will work in ways we do not intend. I think it is extremely important that we establish responsibility for the oversight of these procedures, so that problems can be promptly identified, and administrative or legislative remedies implemented. I think that the new House Committee on the Budget should have an important role in this oversight, because that committee has the key legislative role in budget control, and its membership has been specifically defined to represent the interests of the House.

Would the gentleman from Missouri respond to this concern?

Mr. BOLLING. Mr. Speaker, in the first place, I have to say to the gentleman from Michigan, who has done so much on this matter on the floor, that I do not know. I do not know what the intentions are, because I would think that would largely be in the hands of the leadership on both sides and the members of the Budget Committee on both sides.

I would envisage this would be a very careful, continuing examination of the process, because I cannot conceive that this process, although it is the best that we can figure out, would be the best for all circumstances.

I would think one of the first charges in that Budget Committee and the staff of the Budget Committee and of the leadership would be to see if this is a practicable outline of the plan. It really is no more than that.

The gentleman made very clear and very accurately, as a number of others have, that it is going to take a tremendous amount of doing to make this real. I think the oversight should come from the committee and from the leadership.

Mr. CEDERBERG. I wanted to get some of the legislative history. It is the gentleman's opinion that the Budget Committee of the House should have the primary oversight in cooperation with the leadership?

Mr. BOLLING. That would be my thought.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield 2 minutes to the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Speaker, I rise in support of the conference report on the Budget and Impoundment Control Act of 1975.

We are on the threshold of accomplishing what some felt was not possible only a few short months ago. I want to congratulate the Members of the Rules Committee and particularly Mr. BOLLING and Mr. MARTIN on an excellent conference agreement. I also want to offer my thanks to the Joint Study Committee on Budget Control where much of the early work on tackling this tough problem was completed. And finally, I want to pay special tribute to Gene Wilhelm and Bruce Meredith of the Appropriations Committee Staff, and Larry Filson, Allan Schick, John Barriere—all have worked to pull together the scattered parts of the budget process into a cohesive document.

Mr. Speaker, this House is about to put into place, the last stone, in the long effort to build a framework for effective budget control. Each year, Congress acts on a wide variety of bills. But this could be the single most important piece of legislation adopted in recent times. Fiscal policy in the Congress has not been stimulated by choice. Rather, it has been the victim of confusion. Year after year, the appropriations enacted have totalled less than the executive branch requested. But legislation reported by other committees has gradually increased outlays through "backdoor" and other mandatory spending. It is shocking when you realize, that the 13 major appropriation bills we act on each year, represent only 40 percent of the Government's expenditures. The fact is that the decisions that determine the ultimate shape of the budget are made—not just in 13 major appropriation bills—but in more than 150 separate measures that have budget impact. This fragmented and uncoordinated process denies Members a vote on the most vital issues—what total expenditures should be—how they should be financed—and what priorities should be assigned among competing programs.

The conference agreement before us today provides us with the tools to gain control over all the budget. It provides us with the tools to determine effective priorities—to determine what old programs should be discarded, and what new programs should be adopted.

Revenues are limited, and we must begin now to choose among many desirable objectives and concentrate our resources on those areas that matter the most.

This is an historic day in the House, but after all the work is finished, and after all the speeches are made, the only question remaining is will it work? Of course, I can not answer that question today—but I do know, that whether it works or not, depends largely on the will of each Member to make it work.

The budget process is by definition complicated. The nuances of budget control are complex. In many ways, this budget reform exercise is most useful because it helps educate each of us about what we have been doing out here. Let me cite two statistics. Only 28 percent of the 1975 budget is controllable. The balance goes to interest on the debt, revenue-sharing, farm price supports, and fixed payments to individuals. Payments to individual alone now comprises 44 percent of the Government's total outlays. These payments are for social security, military and civilian retirement, unemployment assistance, veteran's benefits, medicare, housing payments, and public assistance. Seven years ago the same payments to individuals represented only 26 percent of total Government outlays.

This is the heart of budget control and budget reform. We cannot continue approving new payments for this group and new programs to solve that problem. But in a sense, that is what we have been doing. The problem is that new programs have a way of developing powerful constituencies, and payments to individuals have a way of being made to voters. So in the last analysis, we come back to the question of will. Do we have the will to make this new tool work? I hope we do because the alternative is a budget completely out of control, and a nation which is rapidly outspending its resources.

When we vote to adopt this conference report our work is only just beginning. This bill will provide us with an opportunity. I do not think we can miss this opportunity and I urge the adoption of the conference report.

Mr. BOLLING. Mr. Speaker, I yield such time as he may consume to the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Speaker, as I said earlier, it has been a great pleasure to work with this committee. I do commend the members of the Rules Committee for the fine job they have done.

Mr. Speaker, first, may I say I wish I could claim that the pending Congressional Budget and Impoundment Control Act would or could result in paying off the national debt of nearly $500,000,000,000; or possibly take up the extra U.S. dollar in the amount of $100,000,000,000 that each Japan and Western Europe has with which they bid up U.S. prices on lumber, coal, other raw materials and commodities, as well as land, causing much of our inflation. I wish I could say this measure would pull foreign aid back to assistance, for foreign aid is almost one hundred per cent inflationary. We sell our goods and commodities to get our own money back; therefore, we have more money at a depreciated value and less goods which means higher prices in terms of U.S. dollars for everything. I cannot claim that this measure will accomplish all that.

The measure before us, however, will bring before the Congress and the American people the whole story each year and each step provided herein is a step toward fiscal responsibility, determined on an annual basis.

OUR JOINT COMMITTEE

It was almost 18 months ago that the Joint Study Committee on Budget Control had its first organization meeting and undertook its study of the inadequacies of our present legislative budget control system. I was pleased to serve as cochairman of the joint study committee along with my colleague Al Ullman as well as the other 30 members of the committee. I am highly gratified that all 32 of us were able to agree upon a report and that the 32 of us joined in introducing the original bill H.R. 7130. Although it was not intended that we have agreement on many of the details of that original bill, we felt, nevertheless, that it was valuable in establishing certain fundamental principals of budget control which are still incorporated in the final bill now before us for approval.

H.R. 10961

Based on my experience with the Joint Study Committee, I was asked to study and examine the provisions of many other excellent bills, which had been prepared by the members of the Rules Committee and various of our colleagues. I did this and thought the best way to comment was to introduce a bill which in my judgment brought together the best parts of various bills that were before us. Thus, I introduced H.R. 10961 on October 16.

I am glad that H.R. 7130, as finally agreed upon in the conference action, generally incorporates these revisions, all of which had the basic objective of simplifying to the greatest extent possible the new budgetary control organization and procedures.

Very briefly, I would like to emphasize certain basic principles incorporated in the approval plan which I believe, based on our extensive study and deliberations, will assure the establishment of an effective system of legislative budget control.

CHANGE IN FISCAL YEAR

The change in the fiscal year, which I had embodied in my bill, to the period of October 1 to September 30 will provide adequate time for consideration of the Budget and avoid the necessity of passing continuing resolutions for the operation of Government agencies pending passage of the appropriations bills.

MEMBERSHIP OF COMMITTEE-ROTATION

The establishment of budget committees in both the House and the Senate will provide the essential mechanism for coordinating revenue and expenditure actions and recommending a legislative budget. The bill properly provides that the membership of this coordinating committee in the House will give representation to the Appropriations, Ways and Means, and the Legislative Committees, and the leadership of the majority and minority parties. The plan also provides, as I proposed in H.R. 10961, that the members shall be rotated among the members of their parent committees to assure that the Budget Committee does not become a "super-duper" committee. The Budget Committee will have only the power to make recommendations in reference to the legislative budget, and all of its actions will be subject to the majority will of the House.

FLEXIBLE TARGETS—CONGRESSIONAL EXAMINATION

The bill provides that Congress shall have an adequate opportunity to examine the budget from an overall point of view together with a congressional system of deciding program priorities. The mechanism for providing this opportunity is the budget resolution. The first resolution will set tentative total levels for new budget authority and outlays, the appropriate spending level for each functional category in the budget, and overall levels of Federal revenues, debt, and surplus or deficit. Most important, and we learned this in our earlier unsuccessful attempts to establish a legislative budget, it is not feasible to establish a rigid, fixed ceiling on the budget at the outset of each session. The plan provides, therefore, as I proposed in H.R. 10961, that overall figures and breakdowns in the initial resolution shall be targets, serving as guidelines to the subsequent passage of appropriation bills. The complex and detailed compliance requirements and procedures of the original joint study committee plan have been dropped to permit Congress to work its will in consideration of individual bills, but with understanding of their impact in relationship to the targets.

FINAL RESOLUTION

The final budget resolution, to be enacted after passage of the appropriation bills, will provide a final determination of the legislative budget totals with direction to the Appropriations Committees and the Ways and Means and Finance Committees to take such actions in the form of a budget reconciliation bill as may be necessary to conform to the revised budget total. This is a most important element of the budget control plan, for it assures that before adjourning, Congress will take responsible action to either reduce its spending actions to conform to the target figures or pass such revenue measures as may be necessary to finance a higher spending figure.

Finally, incorporated in the bill is the new procedure for processing the appropriation bills, which I proposed to H.R. 10961. Prior to the reporting of the first appropriation bill, the Committee on Appropriations must complete its subcommittee mark-ups and full committee action on all the annual appropriation bills and report to the House a summary of its recommendation in comparison with the target figures contained in the first budget resolution. The conference agreement properly contains an exception to the procedure in the instance of those appropriation bills which must be delayed pending authorizations. This revised procedure for the handling of appropriation bills has the advantages of a single package appropriation bill without its disadvantages. It will assure that the Congress in its action on the individual appropriation bills will be fully informed as of the over all impact on the budget targets of the committee's recommendations as well as the added impact of any floor amendments that might be considered.

In summary, I believe that the conference agreement on H.R. 7130 provides for a practical and workable solution and will make possible more responsible action by the Congress in its exercise of its power of the purse. As is true of any system, however, it will not achieve this objective unless it has the full support of all of us.

CONGRATULATE CONFEREES

Mr. Speaker, I congratulate Mr. Bolling, Mr. Martin and the other members of the Rules Committee who served as conferees for the excellent conference report on the budget control bill which they have brought back to the House for our approval. They have been able to keep intact the basic principles, organization and procedure of the budget control bill passed by the House last December 4. They are to be commended for bringing back a conference bill, which I believe, will permit us to establish and maintain a legislative budget control system and yet avoid the many complexities that might frustrate a majority of Congress in working its will on fiscal matters. In the final analysis, every procedure and every action provided in the bill, is subject to the approval of a majority of the Members.

Mr. Bolling, Mr. Martin and the other House conferees have done a tremendous job in bringing back to us such an excellent conference agreement on this most complicated subject and I strongly urge its adoption by the House.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentleman from Texas (Mr. Pickle).

Mr. PICKLE. Mr. Speaker, almost exactly 2 years ago I was joined by several of our colleagues particularly Mr. Sarbanes, Mr. Ford, and Mr. Harrington here in a special order to discuss the very problem we are addressing here today in final legislation.

We were concerned that the Congress and the House of Representatives were losing control of the most precious and important power and elected body can have: The right to appropriate funds, that is, the power of the purse string. Throughout history, who controlled the Government's purse strings has mandated who really controlled the Government. Throughout history, the power over the purse has meant for elected bodies the difference between wielding an equal role in Government or consigning oneself to the role of a mere figurehead.

Two years ago, when we addressed the House, the Congress was headed down the figurehead road. We had lost control of the budget, and the new administrative practice of policy impoundments was cementing the path.

I tried to make the point that the choice of what would happen next was up to us in the Congress. We could either allow things to continue on that course or we could address the problem and reclaim our constitutional duty to control the Federal pursestrings.

The situation was not the fault of individual men or individual committees, for none are more dedicated than our able colleagues who have charge in their committees of the comings and going of Federal revenues.

It was the system itself as it had evolved which was at fault.

For several years, even before the impoundment debate reached its peak, I had introduced legislation to restore fiscal responsibility to our congressional budget system, and I had introduced legislation to change the fiscal year to allow the Congress a more reasonable and practical time to do its business. Those bills were somewhat along the same lines as the one we consider today.

I am pleased to see this great new effort being made in these directions today.

Shortly after the address to the House 2 years ago, I was joined by over a hundred colleagues in sponsorship of an anti-impoundment bill. That bill went through long and hard and vigorous debates, getting into the most basic of constitutional questions. Along the way, the anti-impoundment measure was wedded to the broader approach, an effort totally to reform the congressional handling of the budget and to increase greatly the oversight efforts of all congressional committees.

I welcomed this marriage; I think the bill is the stronger for it. I commend Mr. ULLMAN and Mr. BOLLING for this dedicated work in presenting this measure, and I commend Mr. MARTIN for his leadership and cooperation.

My early proposals and the suggestions of others have been changed greatly. Parts of the bill are hard to recognize. Other parts, however, seem very familiar to me—the changing of the fiscal year, provision of spending targets and of a resolution of later developments with those targets, a recognition of the vast role played by the so-called "uncontrollable" budget items in our outlay totals, and a serious effort to equip the Congress with the manpower needed to handle today's huge Federal budget.

Yet while changes have been made, all of the bill before us is obviously, to me, the outcome of the serious and carefully weighed constitutional questions which were raised and reraised, hashed about and rehashed about, until I think we have found a solution which will be not only constitutional but practical, not only practical but sound.

I applaud the conference committee for its able work in settling difficult issues, and I applaud all those who have labored so hard over the past years to bring this bill to fruition.

This is a good bill, and I urge each of my colleagues here today to vote for it—and to vote for a restoration to the Congress of our constitutional duties over the purse.

This bill may not be a cure-all. It may be only a beginning. Its success will depend on the cooperation of the Members. While most of us feel that we might have finally at long last agreed to a budget-control process, and with it an anti-impoundment provision, it really is basically a new approach, a new start on fiscal responsibility.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Speaker, I am tempted to join those of my colleagues who have hailed the Budget and Impoundment Control Act as "historic," "monumental," and "vital" legislation, but I am going to resist that temptation. I do so because no one can accurately predict how this bill, with all its complexities, is going to work out, and I confess to real trepidation on that score. However, I am impressed by all the thought and hard work that has gone into this bill. Moreover, it is clear that the final version before us today represents a marked improvement over the initial drafts and the bills considered by the House and the Senate originally. For example, I am pleased to note that the conference committee has incorporated provisions similar to an amendment I offered to the House bill which will tend to insure that all appropriations bills are treated equally. The original House bill, H.R. 7130, expressly provided that those appropriations bills which conformed to the targets in the first concurrent resolution on the budget would be enacted into law, without awaiting final congressional action on all appropriations bills, thus giving them a kind of preferred status. The conference report provides in section 301(b) that the first concurrent resolution on the budget can specify that all appropriations bills not be sent to the President until Congress has completed a September reconciliation of its initial budget targets with its separate spending measures. This, then, appears to be the preferred procedure, even though the bill also allows "any other procedure which is considered appropriate to carry out the purposes of this act."

There are many other such improvements which together make this bill as tightly knit as one could hope. The Budget Committee and the Legislative Budget Office should give the Congress a much firmer grip on the raising and spending of tax dollars, and replace the present piecemeal, uncoordinated process with a coordinated, comprehensive approach to the Federal budget. It should also allow meaningful debates on national priorities at the beginning of each Congress which will be a welcome development. The impoundment controls in title X should end the executive branch's abuse of power in this area.

But, Mr. Speaker, the procedure is, necessarily I suppose, cumbersome. A great amount of additional work will have to be squeezed into an already crowded congressional calendar. The race between authorization bills and appropriations bills in such areas as foreign aid will become even more frantic. I cannot see how the expectation of the managers of this bill that future programs will be authorized at least a year in advance will be realized in many areas.

However, there is no contesting the fact that we must try to make this proposed system work. I will join with what I know will be the overwhelming majority of my colleagues in supporting the enactment of this legislation.

Mr. Speaker, I would now like to address a couple of questions to the chairman. First, as he will recall, I proposed an amendment on the floor of the House which would delay the consideration of all appropriation bills until after the second concurrent resolution.

Would it be a fair statement that section 301(b) if the bill reported by the Conference, which states that the original concurrent resolution can provide for that process, moves at least some of the way in the direction of treating all appropriation bills equally?

Mr. BOLLING. That is correct.

Mr. BINGHAM. Mr. Speaker, I thank the gentleman for his reply.

With regard to the effective date timing the bill, I notice a number of provisions. Is it the contemplation of the Committee that the Committees will be appointed promptly in this Congress so as to appoint the Director of the Budget Office and to proceed in the preparation for the coming year?

Mr. BOLLING. I think it is safe to say it is the hope of the committee, and all the committees which worked on this, that the matter would proceed very quickly, because it will take all the time they can possibly have for the people who are designated on the Budget Committee and other committees to even meet the rather generous time schedule provided.

Mr. BINGHAM. Mr. Speaker, I thank the gentleman.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Speaker, a great day is about to dawn in the House of Representatives. There has been a lack, we are told today, of will, discipline, and restraint, and this budget control bill is going to cure all things.

Bless your hearts and souls, you have had for years an antideficiency act, a perfectly good act, but what do you do with it?

You come here each year with two or three and up to four deficiency appropriation bills. You make the regular appropriations, and then come in later with deficiency bills which bear the sugar-coated titles of supplemental appropriations. They are deficiency appropriations nevertheless and for the purpose of spending above the regular appropriations. They demonstrate the lack of discipline and will to take the measures that are necessary to establish sound, responsible fiscal policy.

Mr. Speaker, we also have a perfectly good act which provides that Congress shall adjourn each year on July 31. So what do we do? We pass a concurrent resolution setting that act aside and Congress gleefully goes its way for the rest of the year, almost celebrating Christmas Eve in session.

Yes, Mr. Speaker, with this bill, everything and everybody is going to be reformed. Everything is going to be hunky-dory, and the goose is going to hang high. If we just pass this bill, we will have brought into play all the will, all of the restraint, and all of the discipline that is necessary to balance the budget, stop inflation, and restore fiscal sanity. Do not believe it for 1 minute.

I will not be here when this alleged reform goes into operation, but I predict Members of this House and the Members of the other body will quickly find ways to warp and bend the reform rules laid down here today and, at least, some of the Members present on the floor will be a part of it.

Mr. Speaker, this legislation is another resort to gimmickry. The issue of budget and spending control can be met here today, tomorrow, and the next day if the Members of Congress will but exercise the courage and determination. This is again misleading the public and I predict again that time and events will prove it.

Mr. BAUMAN. Mr. Speaker, I wish to endorse the remarks just made by the gentleman from Iowa (Mr. GROSS). I think I shall have those remarks engraved in stone, and present them next year at this time, after the gentleman has retired from his many years of dedicated service to his country, to the many who have made glowing speeches here today about budget control, but who will probably end up voting for more backdoor spending and bigger budget levels the moment we approve this bill.

Make no mistake: this bill is a step forward, and it will help. But it is not a panacea, and it will only be as effective in enforcing budget control as the collective will of the Members of this Congress. While it will lead to a more organized method of approaching the budgetary responsibility, it contains no guarantee that the overall level of Federal spending will be held to a reasonable limit; only firm resolve on the part of Congress can insure that. It does not guarantee an end to red ink in the Government's books; only a balanced budget amendment to the Constitution, of the sort which I have introduced in this House, or similar action, will assure an end to the practice of spending more than we take in each year. And it certainly will not assure a rational approach to the expenditure of the taxpayers' money—we will still be free to spend that money on as many foolish and ill-advised programs as a majority of us like.

In addition, the final conference version of this bill does not contain several key elements which were included in the original House bill. The measure does not include present programs under the limitations placed on backdoor spending, which represents a significant weakening of the bill. The provisions requiring committee oversight and review of existing programs, an essential part of any effort to weed out programs which are unproductive, or which have outlived their usefulness, have also been watered down.

In short, the Budget and Impoundment Control Act will give us the tools we need to approach the budgetmaking process in a responsible and organized fashion. But we must use these tools effectively. If we approach them as troublesome annoyances and work around them, then budget control will be a sham. If we employ them intelligently, and combine them with a willingness to hold down the overall level of spending, then we may succeed in bringing fiscal responsibility to the Federal Government for the first time in my memory. I pledge to work toward this goal, and I hope that the other Members who have praised this bill so eloquently today will do so as well. I only wish that we could look forward to the wise counsel of the gentleman from Iowa as we implement its provisions.

Mr. BOLLING. Mr. Speaker, I would like to yield 1 minute to the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Speaker, I rise in support of this legislation.

The legislation before us this afternoon is a comprehensive measure designed to end the haphazard manner in which the Congress, for far too long, has dealt with the Federal budget. Not only will this measure be one of the most vital and urgently needed to be acted upon by this Congress but its passage will mark a significant reform in both congressional procedures and in legislative-executive relationships.

As the New York Times very appropriately observed editorially earlier this month—

> Until now a loose and fragmented budget process has often caused spending to veer out of control, with serious inflationary consequences.

Further, in view of the absence of any substantive coordination between the appropriations and revenue raising committees of both Houses, fiscal policy has been a major cause of instability.

By providing a mechanism for the Congress to regain control over the Federal budget—through the creation of a procedure for viewing the budget as a whole and determining the desired levels of spending, revenues, deficit or surplus and debt in a manner affecting the overall economy in the most advantageous fashion—H.R. 7130 will bring some order out of chaos. By restoring the Congress to its proper role in the budget process this measure will correct the serious imbalance of power which for many years has rendered the legislative branch ineffective when faced with a better organized and more purposeful Executive.

The annual budget battles which have ensued have been terribly damaging to the democratic process and to economic stability and have frequently jeopardized programs which have sought to provide remedies for many of the domestic ills confronting our people. Further, the Congress has been in a difficult position to achieve a meaningful reordering of national priorities because of our unwillingness to take the initiative to rationally manage the budget.

This legislation contains a number of progressive and useful features which will not only streamline the whole budget process but will make it more functional and responsive to the needs of the country. Through the establishment of budget committees in each house—aided by the Congressional Budget Office—the Congress will be able to effectively match the executive's fiscal expertise and will certainly better equip us to determine spending priorities. Further, H.R. 7130 will set a procedure to provide for congressional control over the impoundment of funds by the President, a device whose necessity has been highlighted by the irresponsible and detrimental impoundments of the past several years.

As the distinguished gentleman from Oregon (Mr. ULLMAN) is quoted as having declared, the Congress "cannot continue our present course of fiscal irresponsibility without destroying the Nation. Congressional budgeting has to be the first step." The reform measure we are now considering cannot be delayed further and we must move affirmatively to correct present deficiencies and enact this conference report to enable us to properly meet national economic needs and overall budget priorities. Further, this legislation will aid in placing the interests of the people above narrow special interests in shaping the Federal budget and, hopefully, will assist in restoring public confidence in governmental processes.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself the balance of my time.

Mr. BROTZMAN. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I yield to the gentleman from Colorado.

Mr. BROTZMAN. Mr. Speaker, I rise in support of this particular conference report, as I did the bill.

I rise in support of the conference report on H.R. 7130, the Congressional Budget and Impoundment Control Act of 1974. I congratulate the members of the conference committee for their good work in reporting this agreement to the floor; an agreement that is nonpartisan and protects the best interests of the American people.

This legislation represents a big step forward in dealing with the catastrophe of inflation that has been so damaging to the well-being of this Nation. It is no exaggeration to say that inflation is the most severe economic problem now confronting this country. Consumer prices have risen to exorbitant highs, and purchasing power has eroded to record lows.

The chief cause of this insidious growth of inflation has been irresponsible and uncontrolled Government spending. Until now, the President's impoundment of funds has been the only thing keeping this spending under control. I believe that impoundment of funds ultimately works to the detriment of every American citizen by weakening the separation of powers between the executive and legislative branches.

However, if the Congress were to destroy this power to impound funds, without first providing the machinery to responsibly handle the Federal budget, the result would be bankruptcy for the American people.

There must be a mechanism in the Congress to effectively limit congressional spending and this bill accomplishes the goal. It sets up budget committees within both bodies of Congress to coordinate and monitor budget outlays and authority. The committees are responsible for reporting resolutions that will set a statutory spending ceiling for the Federal Government and also determine the overall levels of Federal revenues and public debt, and the resulting surplus or deficit levels.

The bill permits the President to impound funds solely for contingencies or to affect certain savings. The President is required to report any impoundment action to the Congress by means of a deferral message, and the Congress is given the right to pass an impoundment resolution disapproving the deferral, thereby making the funds available for their intended purpose.

Mr. Chairman, by setting a limit for expenditures, this bill reaffirms, in Congress, the constitutional prerogative for controlling the Nation's pursestrings. Fiscal responsibility and constitutional power must go hand in hand if the Congress is to deal with the rampant rise in inflation.

Mr. MARTIN of Nebraska. Mr. Speaker, in the 1 minute which I have remaining, I would again like to point out that this legislation will work only if the Members of Congress, of both the House and the other body, have the will and the determination to carry through and make it work. That is extremely important.

Mr. Speaker, as I pointed out in earlier remarks, the bill is very, very flexible. There are options in the House for not making it work if the Congress and the committees do not have the will to carry through. But I hope, Mr. Speaker, that we do have the will in future years and that it will work and will improve the operation of the Congress and be of great benefit to the entire Nation.

Again, I want to point out that this is only one-half the package. The other half of the package is the Reorganization Act, which I hope we can have before us on the floor of the House in the very near future.

Mr. BOLLING. Mr. Speaker, I yield myself the balance of my time.

Mr. RANDALL. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from Missouri.

Mr. RANDALL. Mr. Speaker, for all of the Missouri delegation let me say we are proud today of the dean of our delegation for his leadership in the Congressional Budget and Impoundment Control Act. Let me quickly add the view that I am not as pessimistic as some Members who have just taken the well—that this legislation may be meaningless. On the contrary I am almost certain this legislation will help the Congress do a better job in making expenditures equal—rather than exceed—revenues.

Mr. Speaker, I rise in enthusiastic support of H.R. 7130. There are so many meritorious provisions in this important piece of legislation that it will not be possible to mention, even briefly, all of them.

In just a very few words the legislation which we refer to as the Congressional Budget and Impoundment Control Act of 1974 establishes two budget committees consisting of 23 Members on the House side and 15 Members on the Senate side. It also provides for the establishment of a Congressional Budget Office, changes the fiscal year and provides impoundment review procedures.

A casual glance at some of the action that was taken in order to arrive at this stage of the conference report will show that nearly all of the activity in the early stages have been by either unanimous vote or by such a substantial vote as to be virtually unanimous.

For example, the report of the Joint Study Committee on Budget Control was adopted on April 18, 1973. Thereafter this report was approved by our Rules Committee on November 20, 1973. Thereafter this legislation passed the House on December 5, 1973 by a vote of 286 to 23. On March 22, 1974 very similar legislation, if not identical, passed the Senate unanimously. Then, when the conferees got together for their deliberations the conference report was agreed to unanimously on June 17, 1974.

All of the foregoing should speak eloquently of the fact that this legislation before us today must be of such great consequence and of such merit and excellence as to be almost unanimously accepted throughout its legislative history.

Perhaps it should be emphasized that what we have before us today is the design for procedure that will aid and assist the Congress to arrive at better informed and better prepared decisions and conclusions to see to it that the funding which is appropriated does not exceed the revenues which are available.

During some of the debate several months ago in the House one Member who said that action on the congressional budget measure made the date a red letter day was promptly challenged and corrected to say it would be more appropriate to refer to it as a black letter day because a legislation of this kind should go a long way in the future to keeping our Government in the black rather than having to use more red ink.

Some have been exceedingly pessimistic that the Control Act will not work. The best way to look at this new measure, however, is with an atttiude of optimism. Whether it will work or not will depend on whether Congress wants to make it work. It can be a worthless effort today and all of our action today can be an exercise of rhetoric unless we are determined to make this new machinery work. For my part I hope and pray that the membership of this Congress and the membership of the next Congress will share the determination to make this new Control Act workable and effective.

There is little value in discussing the dates when authorization must be complete and when the committees must act. All of these timetables are spelled out in the bill and in the report.

Some have described this legislation as historic; others have said that it is landmark legislation. It is my hope that it will serve as an effective tool that will enable us to set some priorities in our expenditures. Also there must be a will and a determination in setting these priorities to exercise some self-restraint.

Mr. Speaker, the action on this conference report today is essentially a reaffirmation of the congressional power of the purse. This is indeed a historic day. The need for this legislation has been clear for a long while. The end result of what we do here today may not be fully foreseen at this moment but I predict it very well could or might produce a profound result in the not too distant future because this should enable the Congress through its congressional budget committees to zero in on budget totals and thus arrive at more carefully appraised appropriation legislation that comes within the revenues available.

To assist the budget committees, of course, is the Congressional Budget Office whose staff would serve both the Senate and House committees. This office will have the advantage of computers which are now available only to the executive branch. This office would submit annual reports to the two Budget Committees to assist them in preparing their own congressional budget. Please note we are speaking of a budget prepared by the Congress not one that comes up from downtown and is handed to us on a take it or leave it basis and which we always seem to swallow no matter how unpalatable it may be.

What we do here today may not be the perfect answer but it certainly is an important step. It is even hard to believe we have come this far. Perhaps the Congress should take time to congratulate itself. In my judgment, the country will applaud what the Congress is doing today. This conference report is the last stone in the structure that started way back in the fall of 1972 when the House imposed a limit of expenditures of $250 million on itself for the first time ever.

The legislation today gives us the tools for budget control. Certainly our revenues are limited and always will be. Certainly there are many meritorious demands on these revenues. The procedures we establish today will simply enable the Congress to cut the pie and divide the portions according to the highest priorities.

Mr. Speaker, budget control is only part of the tools provided by H.R. 7130; the other part, impoundment control. The President may now withhold funds under the Anti-Deficiency Act but under the terms of this new bill he must notify Congress of his actions, then the Congress has 45 days in which to act by way of disapproving resolutions. Put differently, when the President believes a program should be rescinded for fiscal policy reasons he must submit to Congress a rescission message, explaining his action. Thereafter, both Houses are given 45 days to pass a rescession bill which rescinds the amount proposed by the President. Otherwise, the funds will be made available as appropriated.

If the President only wishes to temporarily defer an expenditure but not terminate the program under this bill, he must submit a deferral message explaining his action. This procedure differs from a rescission message because under deferrals the President must make the impoundment available if either House passes an impoundment resolution disapproving the deferral. This act contains the authority for the Comptroller General, with congressional approval, to bring suit after the rescission and deferral decisions are complete.

While H.R. 7130 is important as a budget control tool it is also important as a tool to fight the impoundment process of funds appropriated needed to carry out authorized programs so urgently needed by our people. We have seen in the immediate past of impoundments of agricultural, educational, and House programs that have suffered by ill-advised and unwise impoundments of this administration.

Mr. Speaker, the legislation before us today will give us the opportunity to do what we have always said we should and ought to do and that is exercise better control of expenditures.

Once again, let me say it is more than an opportunity, it is an effective tool. I predict that the Congress will make good use of this tool. The legislation embodied in this conference report today may very well be the means to achieve fiscal commonsense in the future. If we are not determined to make these procedures work, those who fail will find that the people will not long tolerate such failure.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. BOLLING. I yield to the gentleman from New York.

Mr. GILMAN. Mr. Speaker, I rise in support of the Congressional Budget and Impoundment Control Act.

We have been awaiting the conference report on this measure for some time now and it is gratifying that the conferees have finally come forward with a viable proposal.

As a freshman Congressman, it was dismaying to discover the haphazard method by which the Congress spends the taxpayers money—authorizing and appropriating billions of dollars without setting any spending ceiling or without considering the inflationary consequences of responsible spending.

Passage of this legislation is a landmark achievement of the 93d Congress. For the first time, we will be working with a unified budgetary process and there will be one central committee recommending levels of budgetary outlays, as well as setting overall levels of Federal revenues and public debt. This will start Congress on its way toward seeing both the forest and the trees of fiscal policy.

It is especially important to pass this legislation because we probably will not have the opportunity of voting on the committee reform measure which was carefully prepared and presented by the bipartisan Committee on Committees which was formed to restructure the antiquated House committee structure. That worthy proposal has apparently been sidetracked by a handful of the members who are reluctant to consider any reform which may weaken their own powerful positions.

Accordingly, I urge my colleagues to wholeheartedly support this worthy fiscal reform measure which may well be our only opportunity this session for putting the lid on massive Federal spending which has become such a tradition over the past few years in Congress.

Mr. HOGAN. Mr. Speaker, I rise to state that I am fully in support of the efforts being made here today to get the Congress' fiscal house in order at long last.

Ever since I was elected to Congress in 1968, I have been among those urging a commitment to greater fiscal responsibility. Unfortunately, that commitment has not been strong enough with enough Members of this House, and the result has been a national economy suffering under the heavy burden of rampant inflation.

At the heart of our economic problems, in my opinion, is the policy which the Federal Government has followed with alarming consistency over the past 10 years—the policy of spending more money than it takes in.

This policy of deficit spending has brought about an increase of $148 billion in the national debt over the last decade. Since 1964, the national debt has gone from $317 billion to $490 billion, and we are now paying nearly $30 billion a year just for interest on the national debt.

This represents almost 10 percent of the entire Federal budget that we are spending just to pay for past economic mistakes.

When we talk of reordering priorities, we need look no further than this interest payment on the national debt to see one major area that could stand some reform.

We cannot expect inflation to be really slowed, or the dollar to be really sound, until we decide to stop spending money as if it grew on trees instead of coming out of the taxpayer's pocket.

I believe the legislation we are considering today represents a giant step forward in the process of regaining some sense of fiscal responsibility as well as budgetary authority.

In setting an overall target ceiling for congressional spending, this legislation for the first time says "No" to the spending sprees the Congress has embarked on so many times in the past, with no regard for the means to pay our bills, and no thought given to the possible effects of such wanton spending on the Nation's economy.

If this spending limitation is set in conjunction with anticipated revenues for a given fiscal year, and if we do not exceed that limitation, then we will be exercising fiscal responsibility. And any proposal whose cost would exceed that limitation should be made to provide for a system of taxation to pay for the excessive cost.

I believe this is the key to staying at a responsible level of Government spending, and I am committed to keeping a close watch over the Nation's purse strings so that American people can keep more of their own money in their own pockets.

The bill would create a 23-member Budget Committee in the House and a 15-member committee in the Senate, with a joint professional staff to serve both committees.

These committees would recommend annual budget outlays, revenue levels, and other spending policies, and follow a step-by-step procedure for consideration of the budget that would greatly improve the efficiency and the overview capabilities of the Congress.

We have not had the benefit of such a centralized and comprehensive budget supervision in a very long time, and the results of this incohesive approach speak for themselves—a national economy too long plagued with the curse of inflation, a curse that has brought on higher and higher prices for consumer goods, demands for higher and higher wages, serious deficits in our international balance of payments, and a lessening of confidence in the American dollar within the world financial community.

We have the opportunity before us today to remedy these economic ills and to prevent them from recurring in the future. Let us seize the opportunity; let us enact this much-needed legislation.

Mr. SISK. Mr. Speaker, perhaps as never before, this Congress has the opportunity to strengthen and make meaning out of the separation of powers clause, one of the most fundamental provisions of our Government.

During the first session, the 93d Congress made a significant stride in regaining its rightful authority with enactment of the War Powers Act, and now it can take another step by passing the budget control bill.

Never before has one branch so effectively become the dominant force in American politics as has the executive branch. For the last four decades, the Congress has been playing subaltern to the President, watching as undeclared wars were fought, international agreements were entered into without benefit of treaty, and the Nation's priorities were set by the White House.

The Presidency has reached such a stature of political power and personal prestige that some believe it impossible for Congress to contest the executive branch on equal terms. But in what could be one of the most significant reassertions of congressional prerogatives, the Congress has the opportunity to stop the arrogation of power of the Nation's purse strings.

There are several significant provisions in the budget control bill, but none are as important as the prohibition against impoundment by executive fiat and the requirement that Congress, for the first time, establish national priorities and fix a spending ceiling for each year.

For the public, the legislation means two things: No longer will a President be able to arbitrarily withhold legally appropriated funds for programs, such as housing, education, and community development. Second, Congress cannot be a free-spending body, refusing to treat the $300 billion Federal budget as a total document but merely as a cumulation of figures for splintered programs which have no relationship to one another.

It is generally agreed, I believe, that budget reform would not be on Congress' docket had President Nixon not resorted to executive impoundments to eliminate domestic programs he did not favor. Surely, no President in this country's history has ever used impoundments to the extent Mr. Nixon has.

But the President is correct when he charges Congress historically has failed to control the budget. The Federal budget has steadily grown without Congress concerning itself too much with the totals, and clearly Congress has never made a concerted effort to identify the priority needs of the Nation. It has simply been too easy for both Chambers to pass supplemental appropriations bills when it became apparent that the programs they had approved demanded a far higher budget than was initially approved.

Congress must come to grips with the realization that it cannot continue to be the free wheeler any longer and that by establishing priorities, it must also be willing to eliminate or cut back on programs which are not successful or have basically only special interest appeal.

It will not be sufficient, however, for Congress merely to enact budget control legislation. We must make it work, we must be willing to hold to a spending ceiling, we must decide what are the Nation's most pressing needs. Without such commitment, then the legislation will only be paper and words without substance.

I know that the two men most instrumental for the budget control bill, the Honorable AL ULLMAN of Oregon and JAMIE WHITTEN of Mississippi, who cochaired the Joint Study Committee on Budget Control, want and expect this legislation to work as intended.

I think this Congress owes Mr. ULLMAN and Mr. WHITTEN its thanks, and it clearly would be a disgrace to those gentlemen and to the Congress as a whole if we do not fully implement budget control and adhere to its provisions. After long and arduous hearings, which continued over several months, this legislation may have very well died had it not been for the perseverance of Mr. ULLMAN and his repeated pleas to the Rules Committee to keep working to make this proposal a reality.

I am sure no one knows more than Mr. ULLMAN of the strong amount of opposition that existed at one time over budget control legislation. But now, thankfully, that has been overcome to large degree, and much of the reason is a result of the work that Mr. ULLMAN gave to this very important piece of legislation.

Mr. Speaker, I also would like to commend the Rules Committee and the Honorable RICHARD BOLLING of Missouri, who chaired the House conference committee from which the final budget control legislation emerged. A great deal of time and effort has been spent for us to reach this point, and we should not forget to acknowledge those who designed the legislation and gave us the opportunity to regain the authority that the Constitution gave us, but which we allowed to slip from our hands.

Mr. BROYHILL of North Carolina. Mr. Speaker, I rise in support of H.R. 7130, the Budget and Impoundement Control Act. As an original member of the Joint Study Committee on Budget Control. I believe the bill reported by the conference committee is a very good piece of legislation, one worthy of favorable consideration by my colleagues.

As we all know, the Constitution delegates control of the purse to the Congress. In this legislation, we are reaffirming the position of Congress as the guardian of the Treasury by establishing a legislative budget process for determining national policies and priorities and by providing for congressional review of any impoundment of funds by the executive branch. In our Government of shared powers, the spending of money is a two-stage process: First, the money is appropriated by Congress as a method of determining national policy; then, these funds are spent by the executive branch as a means of carrying out that policy.

Unfortunately, this has not always been the case, especially in recent years. In my 12 years in Congress, I have become increasingly concerned with the appropriations and budgetary process in Congress. The source of my concern lies in the procedural mechanics of the appropriations process. While these mechanics make it possible to reach legislatively wise and prudent decisions on individual programs, they also make it exceedingly difficult to frame our decisions in terms of the larger and equally important context of the budget—and the direction of the Federal Government—as a whole.

One of the leading factors in the breakdown of the appropriations process is the rapidly increasing size of the Federal budget. During the past 25 years, the budget has increased annually by $15 to $20 billion. At the same time, the size of the Federal deficit has grown, from $1 billion in 1900 to $500 billion in 1974. The United States is in the vise of a budget gone out of control. And yet, the Congress makes little, if any, effort to review the total budget and its implications for the American economy and the direction of general government policy.

A second major factor is the increasing number of programs funded by the Federal Government. Within the last decade, poverty, the environment, energy, and health care, have all become significant focuses of national concern. In response, the Congress has directed the Federal Government to implement programs to meet these concerns and, as a result, America is confronted with a complexity of national priorities. However, there is no institutional arrangement in the budget process of the Congress to facilitate the hard spending decisions which must be made between competing priorities and programs. This lack of an institutional procedure for crucial priority decisions leads to the partial funding of many programs, rather than the selective or full funding of the most critical programs. The end result is a wasted taxpayer's dollar.

I firmly believe H.R. 7130 will correct these problems. First, the bill changes the fiscal year to an October 1 to September 30 cycle, giving Congress 3 extra months for budget work. Second, it creates new budget committees. Comprised of 23 members, the House Budget Committee, with the assistance of the Legislative Budget Office, would offer an initial budget resolution to be adopted by the Congress by May 1. This concurrent resolution would establish guidelines for the processing of appropriations measures through Congress: It would set tentative total levels for new budget authority and outlays, the appropriate spending level for each functional category in the budget, and the overall levels of Federal revenues, debt, and surplus or deficit. The second budget resolution, to be adopted by September 15, would establish the appropriate level of budget authority and outlays and, if necessary, call for implementing legislation to be reported out by the appropriating or revenue committees of Congress. The implementing legislation would be in the form of a budget reconciliation bill, providing for the rescission or amendment of appropriations or for adjustments in the tax rates. Following completion of this process, the appropriation bills would be sent to the President.

Title II contains the basic impoundment control features provided by H.R. 8480, which passed the House last July. I voted against H.R. 8480 because I believed that passing anti-impoundment legislation alone was not the answer; rather, the Congress must first exercise its responsibilities to set and to live within reasonable spending levels. This is accomplished in H.R. 7130, and congressional control over impoundments can be viewed from an entirely different standpoint. First, there probably will not be any need for impoundments and, second, if impoundments do occur, they can be reviewed under the procedures established by this legislation. Briefly, if funds are impounded, the President has 10 days in which to transmit to Congress a special message setting forth the details of the impoundment. Impoundment of funds must cease immediately if either the House or Senate disapproves the action within 60 days of continuous session of Congress. If the President fails to transmit the impoundment message to Congress, the Comptroller General is to report the impoundment to Congress. Additionally, the Comptroller General is empowered to sue any department, agency, officer, or employee of the U.S. Government in a civil action to enforce these provisions.

Mr. Speaker, as I said at the outset, H.R. 7130 reaffirms congressional control over our Nation's budget and its programs and priorities. It is necessary legislation. As the conference report so aptly stated:

> Congress must not permit its own vital and constitutional role in deciding spending priorities to lapse by default. It will surely do so if Congress does not provide a suitable and equitable institutional mechanism to preserve its legitimate prerogatives.

I urge the passage of this most worthwhile bill.

Mr. ALEXANDER. Mr. Speaker, the Congressional Budget and Impoundment Control Act of 1974 is the most significant piece of legislation to come under consideration by the 93d Congress. Indeed, putting a congressional halter on the Federal budget may very well be the most important legislation of this century.

The inability of Congress to control spending has eroded public confidence in the people's branch of our Government. People deserve a dependable level of fiscal responsibility. Under the present system Congress is fiscally irresponsible. The American people demand and deserve relief from the undermining forces of the spiralling inflationary trend that permeates our economy today.

Trust and confidence in democratic institutions is maintained by a proven ability to get the job done. And, if trust in the Congress is lost, the electorate will begin to depend totally on an unelected, unconfirmed, and undemocratic bureaucracy. Such is the case in our Nation. Executive impoundment is nothing less than an assertion of the legislative power to spend by the President and his advisers, because the congressional mechanism for handling the budget does not adequately protect the people's interest in a sound economy.

Through this landmark legislation, Congress for the first time will have a vehicle to commit itself not only to the stopping of debt creation, but also to the budgeting of a definite amount each year as a payment on the national debt.

Inflation is undoubtedly the most critical problem confronting this Nation today. Some economic advisers have taken the view that, if left alone, the disease will run its course and disappear. That may be fine for a common cold, but it is no good for pneumonia—and the present rate of inflation is clearly assuming the symptoms of the latter.

At present we are drifting toward the double danger of inflation and recession. But there is a way back to economic health and sanity. The Congressional Budget and Impoundment Control Act is the road to a sound economy. I urge my colleagues to support this legislation and restore the power of the purse to the branch of Government which our Founding Fathers intended.

Mr. O'NEILL. Mr. Speaker, I rise in strong support of this conference report and want to heartily commend DICK BOLLING and all the House conferees for their diligence and responsible efforts in giving us legislation which will restore to the Congress its rightful role in determining the spending priorities of ths Nation.

This conference report is a balanced and workable compromise incorporating the outstanding merits of both House and Senate versions.

It promises meaningful and attainable improvements in the congressional budget process and will give to the Congress a stronger hand in deciding budget totals, and thus, in controlling runaway inflation.

It preserves and strengthens the authorization and appropriation machinery of Congress, while at the same time enabling Congress to review and terminate the impoundment of funds by the executive branch.

The Constitution gives to the Congress the power to appropriate money and ultimately to control how that money is spent. The impoundment provision requires the President to come to Congress when he decides to impound. This is as it should be. For it is the rightful prerogative of the Congress, the branch of Government which controls the purse strings, to determine whether the recommended impoundments are justifiable and necessary.

This conference report provides a comprehensive approach to budget reform. It is the top priority of the House Democratic leadership and has the support and endorsement of the Nixon administration.

The time for Congress to reform its handling of the budget has come. I urge immediate adoption of this conference report.

Mr. BENNETT. Mr. Speaker, I rise in strong support of the conference report on H.R. 7130. This legislation has more potential for good for our country than any measure that has been before Congress in the last 26 years, the period of time that I have served here. This is true because the legislation will establish a workable procedure by which Congress can achieve effective command in the selection of priorities; and can take needed action to reduce and eliminate deficit spending and thus importantly stem the tides of inflation. There is nothing more destructive to our country today and nothing more hurtful to the citizens of our country today than the high and rising costs of living, the almost uncontrolled inflation that we are experiencing. Inflation hurts the people in their efforts to live normal lives within their available wages. It also hurts the efforts of the country to survive in a costly climate of increasing domestic and defense needs. Hopefully, this legislation will give Congress a handle on a way to bring all of this under control.

The legislation, when law, will still require a persistent will on the part of a majority of the House and a majority of the Senate to make the law work. I have confidence that the law will work. It is a good start. We must make it work.

Mr. FASCELL. Mr. Speaker, I rise in strong support of the conference report on H.R. 7130, the Congressional Budget and Impoundment Control Act of 1974.

It is imperative that the Congress strengthen its procedures for dealing effectively with its appropriations responsibilities. We must be able to review the overall spending picture—where the revenue is coming from and how it should be allocated—and tighten the congressional reins on the Federal budget.

In the past, I have sponsored legislation similar to this bill which would have required the House to make fundamental decisions on how much aggregate spending should occur and where the money would come from before it started to approve separate spending bills. Under that legislation, as under H.R. 7130, this House could not consider any appropriations bill until it had first approved a resolution containing a legislative budget which included an estimate of tax revenues, expenditure ceilings for each appropriation bill and recommendations for handling differences between revenues and expenditures.

H.R. 7130 provides not only the machinery and procedure for developing a Congressional Budget, but also provides urgently needed technical assistance by establishing the Congressional Budget Office. One of the major problems has always been the difficulty of interpreting the budget documents submitted to the Congress by the administration. With the added expertise of the new Congressional Budget Office, we should be able to better assess the recommendations made by the executive branch.

Runaway inflation continues to plague every American family. One solution to that problem and the critical state of our economy as a whole is greater congressional control over Federal expenditures. Passage of the Congressional Budget and Impoundment Control Act will give us that control.

Mrs. SCHROEDER. Mr. Speaker, Congress as an institution is held in low esteem by the American people, and not without cause. Two of the most frequently voiced criticisms are of antiquated procedures which prevent the Congress from dealing realistically with the problems of our fast moving society, and of fiscal irresponsibility. In voting for passage of the Congressional Budget and Impoundment Control Act today, we have an opportunity to meet these criticisms and recapture for Congress control of the Federal budget.

More importantly, at a time when inflation is so serious that, in the words of Federal Reserve Board Chairman Arthur Burns, "the future of our country is in jeopardy," we will be able to establish spending limitations in an overall, coordinated fashion. Although economic experts disagree on exactly what should be done to cope with inflation and the additional threat of a serious recession, almost all are agreed that one element of any program must be a reduction in government spending and a balancing of the Federal budget. Our difficulty up to this point has been that we have had no procedure for reviewing the Federal budget—tax receipts as well as expenditures—as an integrated whole. The resources and procedures for review set up in the budget control act will allow us to restrain the level of Federal spending in light of receipts and at the same time exercise greater control in establishing budget priorities.

In arranging these priorities, we will need to be flexible, and see some of our favored programs be cut back in the interest of overall fiscal soundness. This includes flexibility in reviewing the military budget as it comes to us from the Defense Department. We must not, as we have done in the past, treat it as a fixed weight in the balancing process. Secretary Schlesinger has admitted that more than $1 billion of the fiscal year 1975 budget request was for "pump priming"—an oddly timed and ill-conceived military solution for our economic troubles. Even so, the new economic czar Kenneth Rush has stated that administration officials, in their new search to cut the Federal budget, will not touch defense spending. This, in spite of the admitted padding and in spite of the fact that several former high Defense Department officials have recently testified that an $11 billion cut could be made in the Defense budget without impairing our military capabilities.

The second prong of the act, which sets up procedures for countering the abuse of executive impoundments, will further enable us to control spending and priorities. The arrogant treatment of Congress—and the people it represents—by the present administration, most recently exemplified by Mr. Rush's refusal to testify on Mr. Nixon's plans for the economy before the Joint Economic Committee, must be stopped.

At this critical time in our Nation's history, Congress must act to regain its constitutional power over spending and to fill the void in economic leadership left by our distracted Executive.

Mr. ANNUNZIO. Mr. Speaker, fiscal responsibility can be established or destroyed, recaptured or further banished from our public ethic, by two institutions: The President and the Congress. To this point in time, both institutions have contributed to our budgetary quagmire. However, it is too late for charges of fault. We must take positive steps to correct current inadequacies.

We in Congress have a heavy responsibility to bear in our authority to approve the spending of public funds. In order to exercise this authority with integrity and a real sensitivity to national needs, we need to consider more adequately the overall impacts of each of our financial moves. We need to have a more complete vision of where we are, and where we are going. We must be seriously willing to recognize that we simply can no longer afford to do whatever we want in the way of spending. And we must be willing to compromise the desires of special groups or constituencies when the national interest will be more beneficially served through such denial.

We must devote ourselves to finding and implementing measures which will assure that fiscal responsibility will once again be a national hallmark. It is time that we restored the public's trust in its Government.

It was for these reasons, Mr. Speaker, that I favored the creation of the Joint Study Committee on Budget Reform, and applauded its fine report when it came out last year. It was also for these reasons that I voted last December for H.R. 7130, the Congressional Budget and Impoundment Control Act of 1974.

Mr. Speaker, this is one of the most far-reaching pieces of legislation it has ever been my pleasure to support.

The amount of effort and commitment that went into this bill is unprecedented in my experience in Congress, and every person who contributed deserves the appreciation of this body and the entire Nation.

I called this bill far-reaching, and indeed it covers a wide variety of subjects, as it should. Practically every reform given life in this bill has merit—time and experience may reveal a few flaws, since nothing made by man is perfect—but it is my belief that the careful integration of many reforms in one bill is the keystone in the successful construction of a new budget-making process, just as the careful integration of many and diverse programs is the essence of making a budget.

It is for this reason that the requirement of annual congressional budget—a concurrent resolution which sets the size of the Federal budget and divides the whole among many parts—is such an important reform. Rather than having the budget be the result of haphazard and unrelated decisions on a mind-boggling array of choices, the concurrent resolution will allow the Congress of the United States to examine the entire budget in one piece, and then decide in a straightforward manner how much to allot to competing priorities. The concurrent resolutions, and the mechanisms to make sure that they will be enforced, are really the heart of this budget reform bill, as far as I am concerned.

There are many other useful, even vital, features, however. To begin with, a Congressional Budget Office will be created, which will aid in redressing the imbalance of information which the executive branch commonly uses to its advantage and our embarrassment. The establishment of a professional and nonpartisan Congressional Budget Office should be significant in helping each of us more fully to understand the budget and more effectively serve the people.

Another important, though controversial, aspect of the budget reform effort has been the attempt to bring "backdoor" spending within the purview of the congressional budget, and allow the Appropriations Committees a greater role in controlling spending. By limiting the fragmentation of the budgetmaking process, this budget reform bill allows Congress to maintain a comprehensive and rational view of the Federal budget, and surely we can ask little more.

This bill also encourages the periodic evaluation of major Federal programs, and the pilot testing of new programs, to enhance the role of Congress in making sure that the American public gets full value for its tax dollar. And, speaking of taxes, the bill requires that the Budget Committees and the Congressional Budget Office spotlight the "tax expenditures budget." In other words, the loopholes, exemptions, and deductions which are really hidden subsidies will be brought into the light so that Congress will have a more detailed and accurate picture of how the budget laws—both spending and taxing—really affect the country.

Yet another advantage to this budget reform bill is the ambitious timetable for the transaction of each year's budget business. It is certainly true that the May 15 deadline for reporting authorizations puts pressure on the legislative committees, and that the September deadlines for appropriations, the second concurrent resolution, and the reconciliation process may place a strain on the Budget and Appropriations Committees, and Congress as a whole. But it is hardly too much to ask that we apply ourselves to the most important aspect of the Nation's business—surely with good will and hard work we can meet the deadlines. I, for one, have every expectation that the same spirit which has brought the budget reform bill this far will also bring about its final enactment as well as its successful implementation by the Congress.

Finally, I have always supported, and will continue to support, attempts to limit the impoundment of funds. Nobody wants public funds to be wasted and, if, through intelligent management, bits and pieces can be saved here and there, I will always applaud. But the "economical management" should never be used as an excuse to gut vital national programs. It seems most appropriate that provisions tying the reform of our budgetmaking process be tied to provisions which reform the budget execution process, as this bill does.

In conclusion, Mr. Speaker, I want to point out that this landmark legislation will enable the Congress to be responsible for devising the budget and for meeting our obligations, with no deficit spending, and in the event that we collect more money than we spend, this money will be used to pay off our national debt which has reached astronomical proportions. For America to survive, it is absolutely necessary for the Congress to insist on fiscal responsibility and to restore fiscal and monetary sanity.

The public has a right to expect a government which will go into debt only when absolutely necessary, and which will repay its debts during periods of national prosperity. To this end, I urge my colleagues to support the conference report on the Congressional Budget and Impoundment Control Act. We need fiscal responsibility now.

Mr. McCLORY. Mr. Speaker, I congratulate our conferees, and I rise in enthusiastic support of this conference report on H.R. 7130—the Congressional Budget and Impoundment Control Act of 1974. I urge my colleagues to join me in voting for this conference report. With an affirmative vote this afternoon, we can travel the final mile down the long legislative road to fiscal responsibility in Federal spending. Let us pass this conference report and move the financial procedures of the Congress into the 20th century.

Mr. Speaker, excessive deficit spending by the Federal Government is one of the principal causes of the rampant inflation that has been afflicting our national economy and causing extreme hardships for Americans at all economic levels. Now, for the first time in the history of the Federal Government, the Congress will have a method of reconciling competing claims for Federal funds within an overall scheme of national spending priorities. Under the procedures established by this legislation, the Congress will be able to develop a comprehensive spending policy that provides for the wisest allocation of the Government's resources while assuring a reasonable balance between Federal revenues and expenditures. For the first time, we in the Congress will be able to put Federal dollars where they are most needed without risking the deficit spending that has fanned the fires of high inflation in recent years.

Mr. Speaker, enactment of budget control legislation such as H.R. 7130 has been one of my major goals since coming to Congress almost 12 years ago. In each Congress, I have watched the frantic rush of the committees to enact legislation within their jurisdictions with little regard for the overall fiscal integrity of the Government. Under this haphazard system, it has been impossible to formulate any sort of coherent congressional policy with respect to national priorities.

Mr. Speaker, we all know that the credibility of the Congress has suffered greatly for the lack of a reasonable budget control system. The trust of the American people has been abused. Passage of legislation with unrealistically high authorizations has raised false hopes on the part of the people. Expectations have been dashed when the appropriation bills go through. I look to this legislation to curb this damaging tendency of the Congress to overpromise results. It is certainly better for all concerned if the Congress will stop promising what it can't possibly deliver; and under the procedures of this act, the Congress will begin to deliver only on the basis of what it promises the American people.

Mr. Speaker, without denigrating the importance of tax reform, I want to remind my colleagues that passage of this legislation is unquestionably the most important step that this House can take in the fight against inflation in this session. With the national debt rapidly approaching one half trillion dollars, this budget control legislation is an absolute necessity. Today, let us vote to put a stop to deficit spending; let us vote for fiscal responsibility in the Federal Government; let us vote for this conference report.

Mr. ROBISON of New York. Mr. Speaker, I rise in support of this conference report and of this legislation, which—creature of compromise though it may be—is an extremely important step forward, in my judgment, in giving the Congress a realistic chance at recouping some of its power and proper control over the "public purse" that it has lost, by attrition, in recent times.

If that "power-of-the-purse" is a barometer of legislative vigor and purpose, then it is understandable, Mr. Speaker, why both we who serve in that legislature and those who are our constituents have been less than satisfied, of late, with our capacity and performance.

It was, so I am told, over the spending power that Parliament and Crown, long ago, waged an historic struggle out of which emerged the concept—later adopted on these shores—of the national legislature serving as a check on Executive discretion. Hence, when our Republic was formed, that issue was—if words could do it—decided conclusively in favor of Congress inasmuch as article I, section 9 of our Constitution declares:

> No money shall be drawn from the Treasury except in consequence of appropriations made by law.

As a 10-year member of the House Appropriations Committee, while I am well aware of the fact that those words still reside in our Constitution, exactly as they were written 200 years or so ago, I also believe it true that—as Allen Schick, of the Congressional Research Service has written:

> Bit by bit the spending power has gravitated from the legislative chamber to executive suites, and the power that once was the hallmark of legislative independence is a pale shadow of its original design.

The villain of the piece—if there is, indeed, one—would seem, however, to be less a series of Presidents greedy for power and authority, than the fact of the growth of American Government, itself, in which phenomenon the old question of "Who shall decide how much will be spent and for what?" gradually shifted, in any search for an answer, from Congress to President or, as is the case with "big government" today, to a sprawling and seemingly uncontrollable Federal bureaucracy with which even the "strongest" of recent Presidents have hardly known how to cope. Was it not, in fact, Czar Nicholas I, of Russia—an absolute monarch, if ever there was one—who bitterly complained: "Not I, but 10,000 clerks, rule Russia!"

Hence, if Congress has been in trouble when it comes to trying to control and direct a Federal Government constantly increasing in size—and I think we all admit it has—then recent Presidents have also encountered similar, if not precisely the same sort of, trouble. The source of that common trouble is the size of our National Government—spending something like one dollar in every four of our gross national product—which has simply become too big and too intricate to be run firmly, and I reiterate the word "firmly" for emphasis, by either the President or the people's representatives, so-called, no matter how well organized or pure they may be. Hence, Congress has delegated—abdicated, if you wish—its power over the purse increasingly to the President, which may seem like a sensible thing for any body to do that finds itself with too big a job on its hands.

The initial recipient of that delegation of power has been the President—not necessarily this President, but the Presidency, as an institution. But, then, he in turn—being only one person no matter all the current furor over what one author has termed "The Imperial Presidency"—has had to delegate, or abdicate, again if you wish, much of his supposed powers, however enhanced, to that self-same bureaucracy. So, I deem it altogether possible that not only the Congress, but often the President cannot get accurate information, and that the President—any President—must have every bit as much trouble as do we here on Capitol Hill when it comes to determining competing spending priorities and that same question of "How much will be spent and for what?".

And, so, Mr. Speaker, as I muse on these things, I recall President Truman's words on President Eisenhower's taking office—an Army man used to having his orders obeyed:

> He'll sit there . . . and he'll say, "Do this! Do that!" And nothing will happen . . . Poor Ike—it won't be a bit like the Army. He'll find it very frustrating.

As, Mr. Speaker, I have to assume Mr. Nixon has—and Mr. Johnson before him, and even Mr. Kennedy before him, it having been an unidentified Kennedy aide who was quoted in Thomas Cronin's "Papers on the Institutionalized Presidency" to this effect:

> Everybody believes in democracy until he gets to the White House and then you begin to believe in dictatorship, because it's so hard to get things done . . . Everytime you turn around, people resist you and even resist their own job.

Thus, I have to wonder, Mr. Speaker, why some in this present Congress seem as bent as they are on taking things out on Roy Ash's hide—or through him, as a symbol of what may well have been, for now, a necessary concentration of authority in the White House, on the hide of the Office of Management and Budget that he heads.

For, clearly, someone—I repeat, someone—around here has to try to coordinate and manage things at the White House level; at least unless and until the Congress, and hopefully this legislation will be a vehicle in that direction, can reassume the kind of responsibility for control, and management, that the Founders of our Republic envisioned it should have.

Equally clearly, in that regard, it is time—way past time—to seek to redress the balance; as this legislation attempts to do. Whether it works out that way, or not, depends, I suppose, on the faith and will we put into it in future fiscal years. At the very least, if it does not prove up to the task we have set ourselves, out of it may evolve a still better system that will work as its authors hope this one will.

But I would like to conclude these remarks, Mr. Speaker, with the suggestion—not mine, but one proffered by Arthur S. Schlesinger, Jr., in his book on "The Imperial Presidency"—that:

> The answer to the runaway presidency is not the messenger-boy presidency. The American democracy must discover a middle ground between making the Prseident a czar, and making him a puppet.

I find those very wise words, Mr. Speaker, even in this emotion-laden time when Watergate—with all its broad impact and our preoccupation with it—may often tend to distort our thinking. As I said a few months ago, in my brief colloquy with the distinguished gentleman from Nebraska (Mr. MARTIN)—to which the distinguished gentleman from Michigan (Mr. CEDERBERG) made a helpful contribution—it is already apparent that, next week, when the Treasury-Postal Service and general Government appropriation bill comes to this floor, an effort will be made to drastically cut the appropriation item as voted therein by a majority of our subcommittee for the Office of Management and Budget. I can understand the motivation of those who will offer such an amendment, and of those who may then be inclined to support it, for OMB—and Roy Ash, as its present Director—is no more popular than any disciplinarian, or watch-dog, in any other field of human endeavor. And when one adds on top of that fact, Mr. Speaker, the fallout from "Watergate" and of the felt need here on Capitol Hill to redress the balance as between President and Congress, next week—when we are not operating in the genial and objective and responsible atmosphere that prevails here this afternoon—it may seem to be an appropriate thing to do to knock Roy Ash and OMB back a little bit; after all, some will then ask themselves, what harm could that do?

Well, the clear and obvious harm it could do, Mr. Speaker, is to the potential effectiveness of the action we take, here today. For, as I read and understand the thrust of that action, OMB's duties and responsibilities will, in all likelihood, be enhanced and increased, rather than lightened and reduced, once the rather complicated congressional machinery contemplated under that action is in place—particularly in its first year of operation, what with the proposed shifting of the beginning of the fiscal year to October 1st, the new reporting duties laid upon OMB in the attempt at limiting Presidential impoundments as set forth in title X of the final draft of this legislation, and so forth.

I understand that most of this—except for "dry-runs" with regard to fiscal year 1976—is not required to be in place until new fiscal year 1977 but, even so, I strongly argue that you do not build up the Congressional capacity to deal more effectively with budgetary challenges by tearing down the Executive Branch's existing capacity to seek to deal, as best it can, with those challenges if we fail in our initial efforts. Perhaps OMB, under the concept therefor as developed by the current administration and under Mr. Ash's personal style, has ventured too far into the so-called "management" field—that is a matter for debate. But, even if so I submit that you cannot cure that problem by gutting an agency—as we may be tempted to consider doing next week—that had, as the old Bureau of the Budget, 435 authorized personnel in fiscal year 1959, when I first came here and when the total Federal budget was only $92 billion, and that now has, as the Office of Management and Budget, still only 660 authorized personnel striving to handle the current fiscal year 1974 budget of over $274 billion, and has requested 691 people to try to deal with the challenges of the projected over $304 billion budget in fiscal year 1975.

Mr. Speaker, I fully realize that I have strayed rather far from the point of my earlier comments on this legislation. Yet, the point I have here been seeking to make is, I feel, an important one—to be summed up, I suppose, in the hope that this House will not be responsible one week, as I believe we are in approving this conference report, only to be almost equally as irresponsible next week.

Mr. HARRINGTON. Mr. Speaker, I rise in opposition to the conference report on H.R. 7130, the Budget and Impoundment Control Act of 1974. While it is difficult to argue with the concept of improved congressional control over the massive Federal budget, it is unfortunate that this bill accomplishes these goals in little but name.

Too often in the past I have found myself in the position of voting for legislation with which I had serious reservations and because in far too many cases such bills came before the House on a take-it-or-leave-it basis. Today, however, we consider a budget control bill which is so totally unworkable that even the valid need for fiscal responsibility should stampede none of us to its support.

H.R. 7130 is a bill whose time has come—and gone. Without intending to disparage the good faith efforts of the authors of this legislation, it is hard to avoid the conclusion that this legislation is a reaction to a political climate that ceased to be a reality months ago.

It does not seem to me that the answer to the need for better budget control is to be found in the rigorously structured system proposed in H.R. 7130, a system which would make the budget process in the House more unresponsive to the needs and conditions of our country than it already is. We cannot hope to impose an arbitrary formula upon a very complex system and expect it to work, for it will not.

The first question about any administrative reform has to be: Will it work? However good the intention of any proposal, if it will not work when implemented, it will be a failure. But, how would the budget formulation process work under the legislation we are considering today?

By January 15, the President would have to submit his proposed budget to Congress.

By March 15, the Appropriations, Ways and Means, Joint Economic and other committees would have to submit budget recommendations to the Budget Committees. By April 1, all authorizing legislation to be funded during the upcoming fiscal year must be approved. By May 15 Congress must approve the first concurrent resolution establishing a tentative congressional budget. Congress then has May, June and July to act on all appropriations bills, none of which can be considered on the floor unless all are complete and a summary report is available. By early September, Congress must complete action on all 13 appropriations bills, holding any bill in excess of the targeted subceiling set out in the first concurrent resolution. By September 15, Congress must approve a second concurrent resolution revising or reaffirming the budget set out by the May 1 resolution, and if necessary directing the Ways and Means and/or Appropriations Committees to report out legislation reducing appropriations bills and/or raising additional revenues, and/or raising or lowering the national debt ceiling. By adjournment, Congress would be required to complete action on the final resolution and legislation necessary to bring about compliance with total revenue, debt, deficit, and spending totals and subtotals.

Now I ask you, Mr. Speaker, can any Member of this body really believe that such a schedule of events is at all realistic given the way in which this body works? It is not, and H.R. 7130, for all its good intentions, will not work.

This fault alone should be enough to defeat the proposal, but it is not all. When I compare my own sense of what the goals and means of budget control should be to what would actually be accomplished by this legislation, I find that H.R. 7130 may be a step in the wrong direction. For example, one of the more disturbing facets of the current budgetary process is that it is, in many ways, unrepresentative as a handful of Members now exercise authority over budgetary matters that is well in excess of their numerical proportions. Would H.R. 7130 make the budget process more representative?

The answer is, unfortunately, that it would not. In effect H.R. 7130 would increase the control of a few Members of Congress over the budgetary functions of the legislative branch, both in terms of the composition of the Budget Committee that is to be created, and in terms of the procedures that will be used. The net effect of these shortcomings will be to worsen the ability of the Congress to control the Federal budget vis-a-vis the executive branch.

H.R. 7130 effectively reproduces the existing situation of excessively centralized, undemocratic input into the budgetary process in two ways. First, it requires that a majority of the Budget Committee be comprised of members of the Ways and Means and Appropriations Committees and the party leaderships. In this way, the traditional authority of the party caucus system over committee membership would be dangerously eroded, raising the danger of a situation in which a minority of the majority party and a majority of the minority party could combine forces and dominate the entire committee system of the House. Second, by instituting such a rigid timetable, the legislation promotes a relatively homogeneous committee composition—for without a consensus of opinion on budget priorities, the proposed deadlines cannot be met. This situation, of course, is anything but conducive to a redirecting of misdirected budget priorities.

The procedures of H.R. 7130 will make it increasingly difficult for the Congress to be responsive to the changing needs of the country, as well as having the effect of frustrating congressional efforts to reorder the budget priorities laid down in the administration budget request. By locking the Congress into an ill-defined set of target ceilings, denying, in most instances, the opportunity to fund new authorizing legislation after the first few months of each session, and by cramming Congress into a rigorously paced budgetary structure, it is reasonable to expect that the Congress, for want of ample time and opportunity to do otherwise, will increasingly stick to the budgetary proposals already formulated by the executive branch.

The fact that the target ceilings are based on the functional categories of executive budget requests while the appropriations subcommittees correspond to these categories only in coincidental ways, means that only members of the

Appropriations Committee—if even these individuals—and possibly the Director of the Legislative Budget Office, will have any idea of whether the target ceiling figures are in fact being met. To make matters worse, the requirement that all appropriations measures be held up for floor consideration until all are completed and a summary report is available, raises the likely prospect that all 13 appropriations bills, involving billions of dollars of public funds, will come in a mass to the House floor late in July, so that the House will have its back to the wall as far as meeting the August 1 deadline for completion of appropriations actions. I think it a matter of critical importance that the Congress have ample time to consider appropriations legislation—which even under our loose contemporary system we rarely have—but under H.R. 7130 the situation would be further exacerbated.

We have all witnessed the decline in the authority of Congress over critical governmental functions. H.R. 7130 would, in a sense, make matters worse, not better. During the consideration of the first concurrent resolution that sets target ceilings, the political pressure upon the Congress to "underbid" the executive branch would probably be irresistible.

This pressure, a result of the desire of most Members to avoid the tag of being "fiscally irresponsible" would make the possibility of a budget ceiling set higher than that proposed by the President most unlikely. This would enable a President to set an unreasonably low Federal budget—with most of the loss coming, as it almost always seems, to social programs—without any real fear of being challenged by Congress. What is more, at each step in the process Congress would again be exposed to a politically vulnerable situation. What would happen, I feel I should ask, if something analogous to the energy crisis happens 10 years hence, under the budget control system proposed by H.R. 7130? Would Congress be able to respond by passing urgently needed multibillion-dollar energy research and development legislation? It would be very difficult. What about meeting a sudden drastic need for greater unemployment compensation—a need that might not be foreseen and that could not wait. How would we able to deal with this sort of need that would throw all of the carefully constructed, intricate budget tables out of whack? So much for being "responsive." More than likely, the reality of our situation under these procedures would be to follow the lead of the Executive like placid and obeying lambs.

Time and time again I have taken the floor of this House to oppose what I view to be the remarkable deference of Congress to other parts of our Government—be it the President, or the Pentagon, or some other figure or institution wrongly held to be something akin to inviolate. To some degree now this deference is voluntary, but under the system of H.R. 7130 it would become a structured fact of life, probably inescapable. How could we, trapped in a lock-step budgetary process, reasonably hope to be able to substitute our judgment for that of the Executive when it comes to budgetary priorities? We will be far too obsessed with meeting the deadlines, timetables and schedules to be able to take time out to give hard, critical thought to what the realities of the country's needs are.

My essential point is that while we need budget reform, while we need to better monitor "backdoor" spending and tax expenditures, these needs should not force us to rush into ill-considered and hasty action, however good the motivations. Our actions today take only a matter of hours, but we will have to live with their repercussions for years to come.

H.R. 7130 also provides for impoundment control. The conference report outlines two types of requests by the President for impoundment of funds: Rescissions concern the termination of obligations of budget authority, while deferrals concern the delaying of obligations. To prohibit a deferral, either House must pass an impoundment resolution at any time after receipt of the deferral request. It is conceivable, therefore, that without such positive action from either House, deferrals could tend to become permanent impoundments of funds. By permitting the President to suspend the allocation of funds previously authorized by the Congress, this procedure requiring congressional action to disapprove deferrals implicitly accepts the legitimacy of the principle of impoundment. Ratifying such a procedure, through the adoption of H.R. 7130, would, I believe, further dissipate rightful congressional authority over appropriations.

A great deal of genuine reform is needed within the Congress, but change for the sake of change is not reform by another name. We need to democratize our budgetary process. And we do need to make our budgetary process more responsive. But meeting a stiff timetable cannot be equated with fiscal responsibility. The actual result of H.R. 7130 will be an undermining of the interests of the country—an appearance of budgetary reform without real substance.

Mr. FOUNTAIN. Mr. Speaker, the spectre of inflation overshadows our land today, making necessary the rediscovery of a sense of fiscal responsibility at all levels of government, especially the Federal, as well as in the hearts and minds of Americans everywhere.

With these facts before us, it is great to anticipate that H.R. 7130 will soon become law.

The Budget and Impoundment Control Act of 1974 is an extremely important first step toward getting national spending under control and insuring that the Congress will examine all future spending plans in the light of what is available to spend.

Regrettably, that has not been the case in the past—one reason why deficit spending has become almost a permanent fixture in our country throughout the lives of the majority of our citizens.

In my opinion, Mr. Speaker, the legislation embodied in the conference report being considered today contains appropriate legislative machinery to enable the Congress to get the job done—to move us toward the promised land of fiscal responsibility.

The provisions of this legislation are extremely sensible. Establishing a Budget Committee to concentrate on budget totals and make appropriate decisions makes sense—good sense.

Setting up a Congressional Budget Office to search out the facts for the Congress, so that we can make decisions on the basis of more accurate, unbiased information, makes sense, too.

The budget procedure called for is also something long needed. The same is true for other major provisions of the act, such as the impoundment control section.

Though kinks have a way of showing up in every new undertaking—doubtlessly we will have to make some minor corrections after the new system gets underway—what we are considering today bids fair to be an effective instrument for responsive and responsible action.

One thing we must keep in mind, however, is the continuing requirement for a strong will and determination on the part of each Member of Congress to make the new machinery achieve the desired goal of fiscal responsibility.

Remember, too, that it will not work well nor accomplish much unless the majority of the American people also have a strong will and determination to make it work. In short, there must be wide public support for control of spending before it will be controlled.

If we pass an effective bill here today—one that sets forth good legislative procedures for budget control and therefore for responsible expenditures—and ultimately proceed to legislate beyond those controls, then what we do here today will mean little. Following that course would mean the negation of all that we are hopefully accomplishing by the passage of this act.

But, I do not believe this body—the House of Representatives—will make such a mistake. To do so could be fatal to America's future by allowing inflation to rage unchecked, gnawing away at the vitals of our society.

I feel that this House has at long last waked up to the necessity for setting up the right kind of legislative machinery and for making it work. The present rate of inflation is a good "waker upper."

There is an imperative need for everybody to work cooperatively together to beat inflation. It is time for labor and management, for the Congress and the President, for State and local governments likewise, and even more essentially for large segments of the American people—however meritorious their needs—to stop demanding that government, especially the Federal, continue spending more than we have and much more than we are earning.

Summing up my attitude toward H.R. 7130: By passing it we will be taking the first step of a first step. We will be taking the first step toward a fiscally responsible Federal budget, which will be in itself the first step toward controlling inflation.

America's tomorrow will be bleak if we do not choose to act responsibly today.

Mr. FINDLEY. Mr. Speaker, at long

last Congress has established businesslike control over the purse strings of government. It has been no small task. When I first began my own intensive study of the problem in the fall of 1971, I was astounded at how little attention it had received over the years. No doubt much was done in the past which escaped my attention, but inquiries I made of longtime professionals in the appropriations and tax-writing field disclosed almost no literature on the problem. Ken Sprankle, the former clerk of the House Appropriations Committee, was most helpful to me in my search and led me to what little information there was.

Almost everyone familiar with congressional procedures has recognized the existence of the problem for many years, but few are those who sat down, studied the problem and put the results of that study on paper. Rare indeed has been the person in public office willing to venture into the field of actual drafting.

The power of the Congress has waned substantially and, I think, dangerously in this field. All of us must share the blame. We have tended to take the easy way out. It is easier not to set priorities than to set them. It is easier to authorize expenditures without deciding at the same time how the revenue will be provided. It is easier to appropriate money piecemeal from the President's budget requests than to adopt a budget ourselves.

Fifty years ago, the Congress established the present appropriations system. The purpose was to bring under a single committee's discipline management of the expenditure process. Today, however—at least on the House side—the Appropriations Committee functions not as a single entity, but as 13 separate ones.

The waning of congressional control of the purse strings has been one of the main factors causing public confidence in the Congress itself to wane.

For this reason, late in 1971 I began an intensive study of the problem and ways to meet it. The resolution I finally drafted, House Resolution 1020, specified that the House could not consider any appropriation bills until it first approved a resolution containing a comprehensive Federal budget for the ensuing fiscal year.

The budget resolution would include an estimate of tax revenues, expenditure ceilings for each main appropriation bill, and recommendations on handling differences between revenues and expenditures. If expenditures exceeded revenues, for example, the resolution would have included a recommendation to raise taxes or increase the Federal debt, or a combination of both.

Once the budget resolution was approved, appropriation measures would be handled in customary fashion, with one important exception. Two-thirds affirmative vote would have been required for the House to approve any appropriation bill which exceeded the provisions of the budget resolution.

House Resolution 1020 was cosponsored by more than 25 Members of the House.

On the first day of the 93d Congress, I reintroduced my proposal with several important changes. House Resolution 17 required two preliminary steps before the House could consider an appropriation bill:

First, the adoption of a resolution from the Appropriations Committee containing a comprehensive budget for the ensuing fiscal year. The budget would require for each appropriation bill category and for each nonappropriation action, a ceiling on obligational authority and a celing on outlays. It would relate these figures to estimated revenues from all sources for the year.

Second, the adoption of a resolution from Ways and Means Committee containing recommendations as to the levels of public debt and aggregate Federal revenues necessitated by figures on outlays and receipts contained in the first resolution.

Then and only then could the appropriation process begin. Then and only then could nonappropriation measures be considered which had the effect of authorizing outlays and/or obligations. And each such measure would have to be tested against the budget as adopted by the House. First, it would have to be tested against the budget provision for obligational authority, and second, it would have to be tested against the budget provision for outlays. If it exceeded the budget provision on either point, the measure could pass the House only by the approval of two-thirds of those present and voting.

Conference reports would also have to pass the same double test.

This approach was strikingly simple. It relied upon the existing institutional structure of the Congress.

Writing for the Reader's Digest, former Budget Director Caspar Weinberger described House Resolution 17 as a proposal which "would enable Congress for the first time to approach the budget question sensibly."

The new Congress was determined to enact budget reform. A joint study committee was appointed and lengthy hearings were held.

When I appeared before the committee to explain the various provisions of my bill, I pointed out the unbusinesslike character of our national finances. Almost every business firm and municipality in the country—even the smallest—adopts a budget before it starts spending money for the coming business year. Ironically, the institution charged by the Constitution with controlling the largest business in the country, the Federal Government, does not adopt a budget. To be sure, the President proposes one, but at no time does the House of Representatives adopt the President's budget or one of its own.

The bill which emerged from the committee was quite similar to my own. The committee recognized the need to establish limits on obligational authority and kept the provision requiring a two-thirds vote to exceed budgeted limits.

The work of the study committee, and the House Rules Committee, will stand as a monument to the determination of the 93d Congress to bring inflation under control. With double-digit inflation now a fact, their work comes none too soon. As Chairman Arthur Burns stated recently at Illinois College:

> If past experience is any guide, the future of our country is in jeopardy. No country that I know of has been able to maintain widespread economic prosperity once inflation got out of hand. And the unhappy consequences are by no means solely of an economic character. If long continued, inflation at anything like the present rate would threaten the very foundations of our society.

Dr. Burns continued:

> I cannot emphasize too strongly that monetary policy alone cannot solve our stubborn inflationary problem.
>
> We must work simultaneously at lessening the powerful underlying bias toward inflation that stems from excessive total demands on our limited resources. This means, among other things, that the Federal budget has to be handled more responsibly than it has been in the past.
>
> Incredible though it may seem, the Congress has been operating over the years without any semblance of a rational budget plan. The committees that consider spending operate independently of the committees that consider taxes, and appropriations themselves are treated in more than a dozen different bills annually. All of this means that the Federal budget never really gets considered as a whole—a fact which helps explain why it is so often in deficit.
>
> Fortunately, after many years of advocacy by concerned citizens and legislators, this glaring deficiency in the Congressional budget process is about to be remedied. Bills that would integrate spending and taxing decisions have passed both the House and the Senate. Ths is a most encouraging development, and we may confidently expect final action soon by the Congress on this landmark legislation.
>
> Procedural changes, however, will mean little unless the political will exists to exploit the changes fully. And this can happen only if the American people understand better the nature of the inflation we have been experiencing and demand appropriate action by their elected representatives.

In the final analysis, the only way to successfully fight inflation is to demonstrate the political will to master it. The conference report before the House today is the first step in that fight. I believe that it is an important step, and I believe that we will be successful.

Mr. REUSS. Mr. Speaker, I rise in support of the conference report on H.R. 7130, the Congressional Budget and Impoundment Control Act of 1974.

As a member of the Joint Study Committee on Budget Control, upon whose recommendations the legislation now before us is based, I have been involved with the issue of congressional budget reform for some time. Budget reform was badly needed 18 months ago, when the Joint Committee started meeting. It is even more urgent today. With a fiscal 1975 Federal budget of more than $300 billion, Congress must regain effective control over the increasingly technical and complex process of setting national priorities and spending levels. H.R. 7130 would provide the tools to do so. I commend my colleagues of both parties who have worked long and hard to bring this legislation to the floor today.

In particular, I commend the Senate which passed, and House conferees who retained, language incorporating control over tax expenditures in the reformed congressional budget process. The House bill, excellent in most respects, contained a serious flaw. While direct expenditures—outlays, new budget authority—were made subject to congressional control, tax expenditures—tax forgiveness of various kinds—were not.

Yet tax expenditures are estimated to cost the Treasury some $77 billion in fiscal 1975—about one-fourth as much as total direct expenditures. Clearly, to leave a gap of that magnitude in the congressional budget procedure would have undermined severely the effectiveness of budget reform.

What are tax expenditures? They are special provisions in the tax code giving financial assistance to specific persons, or activities. Tax expenditures include credits, deductions, lowered tax rates, deferred taxes, all of which result in reduced tax liability. There are many examples: investment tax credit, pollution control facilities amortization, sick pay exclusion, dividend exclusion. Some tax expenditures are good, others not so good; some began as experiments, and have never been reevaluated; some have been made obsolete by events. Whatever their individual merits, tax expenditures must certainly be included with direct expenditures to give Congress a comprehensive look at real spending priorities and the different ways in which national goals may be accomplished.

According to the Senate-passed bill, as revised slightly by the conference committee, a list of current tax expenditures must be included in the report accompanying the concurrent budget resolution. This resolution must be adopted before any bill affecting revenues may be passed. After the first resolution, any bill or amendment providing new or increased tax expenditures must contain, in the accompanying report, a statement prepared by the Congressional Budget Office, setting forth: First the impact of the proposed legislation on tax expenditure levels in the most recent concurrent budget resolution report, and second the projected impact of the proposed tax expenditure over the next 5 years. Finally, the conference bill specifies that once the second required concurrent budget resolution and bill of reconciliation—if needed—are passed, any measure reducing revenues below specified levels is subject to a point of order.

The conference committee, then, has improved upon the House-passed version of the budget bill by integrating tax expenditures into congressional consideration of the budget.

I urge my colleagues to support the conference report on H.R. 7130, and to make possible more effective congressional control over Federal spending and revenues.

Mr. TAYLOR of North Carolina. Mr. Speaker, I rise in support of this conference report which establishes a budget committee and enables Congress to focus on budget totals and establishes a congressional budget office to increase congressional sources of budget information.

The Budget Committee would be charged with the responsibility of determining a spending limitation at the beginning of each session of Congress. Congress would then have the authority to increase the spending limitation in certain categories only by reducing it in others.

We all know that deficit spending has been one of the causes of inflation and of many of our national problems. It is imperative that Congress face up to the responsibility of fiscal integrity, and this legislation should become a useful tool in securing this result.

In the past we have not been able to look at the budget as a unit, but have made piecemeal appropriations. Too often one hand has not known what the other was doing. This legislation by itself will not assure fiscal integrity, but it is a step in that direction.

It is important that a budget resolution be adopted by both Houses of Congress before appropriations bills are acted upon and the Members of Congress resolve to exercise discipline and restraint and to make certain that this legislation is used to improve fiscal procedures, with a view of stopping deficit spending.

Mr. PEPPER. Mr. Speaker, we are today enacting a measure which is momentous in its significance. By the adoption of this conference report Congress will undertake the heavy responsibility of discharging its duties as defined by the Constitution of making its own budget and taking the responsibility for the revenue received by the Government of the United States and the expenditures made by it. Many years ago the Congress set up the Bureau of the Budget which later became the Office of Budget and Management, both under the direction of the President. The Budget Bureau of the Office of Budget and Management, with the President's approval, prepared the budget which was submitted to the Congress by the President. This was a great task requiring the participation of many people and long and tedious periods of labor by those involved. Then Congress acted upon that budget—approving, disapproving, modifying items on the total. We will henceforth, after the enactment of this conference report and the approval which we hope the President will give it, continue to receive the budget from the President but it will simply be information for us. We will proceed to make our own budget. The making of our own budget will involve difficult tasks, long and tedious labor, and an able staff assisting the Congress through the Budget Office created by this bill. We shall have difficult decisions to make in determining that we are going to be responsible in the expenditures that we make and we are going to make conscious decisions as to whether we have a deficit between receipts and expenditures and, if so, how much that deficit shall be. We are going to have to determine not only the amount of money we spend on behalf of the Government but what the order of priorities of those expenditures shall be. We shall determine not only what we spend but to what purpose we spend.

Under this measure a rigid timetable for the performance of all these many duties in making its own budget by the Congress must be set. It will be difficult to keep that timetable. We shall have to impose stern discipline upon ourselves as Members of Congress if we are to make this bill work. We not only take responsibility for expenditures but we undertake to relate expenditures and revenue to keep them in proper relationship one to the other. If we carry out this measure we will make our budget and pass the necessary appropriation bills by the end of the fiscal year—and I think we wisely changed the fiscal year from ending June 30 to ending October 31. The Congress is to be commended upon undertaking this great responsibility and committing itself to discharging it competently and creditably.

One of the most significant features of this bill is to forbid the Executive to impound funds that Congress authorizes and appropriates pursuant to our own budget. The Constitution says that the President shall see to it that the laws are faithfully executed. The Constitution never contemplated that the Executive would hold up the expenditure of funds authorized and appropriated by the Congress. Yet, many Presidents have done that. This administration has done it more than any other. We must clarify the constitutional responsibility of the Congress and of the President. This bill makes it clear that it is the responsibility of the Congress to authorize and appropriate expenditures. It is the duty of the President to see to it that the laws authorizing and appropriating the funds for such expenditures are faithfully executed like other laws. This too is a most significant step forward by the Congress.

Mr. Speaker, we have enacted many reforms in the last few years in the Congress. This, I believe, is our greatest. It is indicative of the fact that Congress is not moribund, incapable of acting, unwilling to meet and to measure up to the challenge of its responsibilities. We are passing this bill with the spirit of determination to make it work. If we do we will have vindicated the faith the forefathers put in us that we would do it and also the confidence of the people of this country who have been wanting us to do it and are going to trust us to perform these great duties.

Mr. HOGAN. Mr. Speaker, I rise to state that I am fully in support of the efforts being made here today to get the Congress' fiscal house in order at long last.

Ever since I was elected to Congress in 1968, I have been urging my colleagues to join me in a commitment to greater fiscal responsibility. Unfortunately, that commitment has not been strong enough with enough Members of this House, and the result has been a national economy suffering under the heavy burden of rampant inflation.

At the heart of our economic problems, in my opinion, is the policy the Federal Government has followed with alarming consistency over the past 10 years—the policy of spending more money than it takes in.

This policy of deficit spending has brought about an increase of $148 billion in the national debt over the last decade. Since 1964, the national debt has gone from $317 billion to $490 billion, and we are now paying nearly $30 billion a year just for interest on the national debt.

This represents almost 10 percent of the entire Federal budget that we are spending just to pay for past economic mistakes.

When we talk of reordering priorities, we need look no farther than this interest payment on the national debt to see one major area that could stand some reform.

We cannot expect inflation to be really slowed, or the dollar to be really sound, until we decide to stop spending money as if it grew on trees instead of coming out of the taxpayer's pocket.

I believe the legislation we are considering today represents a giant step forward in the process of regaining some sense of fiscal responsibility as well as budgetary authority.

In setting an overall target ceiling for congressional spending, this legislation for the first time says "no" to the spending sprees we have embarked on so many times in the past, with no regard for the means to pay our bills, and no thought given to the possible effects of such wanton spending on the Nation's economy.

If this spending limitation is set in conjunction with anticipated revenues for a given fiscal year, and if we do not exceed that limitation, then we will be exercising fiscal responsibility. And any proposal whose cost would exceed that limitation should be made to provide for a system of taxation to pay for the excessive cost.

I believe this is the key to staying at a responsible level of government spending, and I am committed to keeping a close watch over the Nation's pursestrings so the American people can keep more of their own money in their own pockets.

The bill would create a 23-member Budget Committee in the House and a 15-member committee in the Senate, with a joint professional staff to serve both committees.

These committees would recommend annual budget outlays, revenue levels and other spending policies, and follow a step-by-step procedure for consideration of the budget that would greatly improve the efficiency and the overview capabilities of the Congress.

We have not had the benefit of such a centralized and comprehensive budget supervision in a very long time, and the results of this incohesive approach speak for themselves—a national economy too long plagued with the curse of inflation, a curse that has brought on higher and higher prices for consumer goods, demands for higher and higher wages, serious deficits in our international balance of payments, and a lessening of confidence in the American dollar within the world financial community.

We have the opportunity before us today to remedy these economic ills and to prevent them from recurring in the future. Let us seize the opportunity; let us enact this good legislation.

Mr. DRINAN. Mr. Speaker, today I will join with a majority of my colleagues in approving the conference report on H.R. 7130, the Congressional Budget and Impoundment Control Act of 1974. I cast my affirmative vote with great reluctance for I do not believe that this legislation will fully restore effective control over the budgetary process to Congress. The decline of congressional authority in this area coupled with the Nixon administration's unprecedented and illegal impoundment of appropriated funds have threatened to make a mockery of our system of government.

The shortcomings of the bill which has emerged from the conference are virtually the same as those which I enumerated when this bill came before the House last December. First, the stipulation that 10 of the 23 members of the House Budget Committee shall come from two standing committees represents a backward step away from congressional reform. Second, the tight schedule of budgetary formulation and approval established in the bill will further decrease the extent to which most Members can participate substantively in the budgetary process. When appropriations bills funneled through the process established in H.R. 7130 come to the floor for a few hours of consideration, the House can legitimately add little more than its rubber stamp approval Third, by placing all "backdoor spending" under the jurisdiction of the Appropriations Committee, the bill grants this one committee increased power over the Federal budget at the expense of the House membership as a whole.

Finally, the bill would recognize the validity of Presidential impoundment unless Congress acted specifically to negate the President's action within 60 days. I am wary of any legislative provision which accepts, under any circumstances, actions by the Executive which impinge upon the constitutional authority of Congress to appropriate funds from the Federal Treasury.

Despite all of these shortcomings in the bill before us, I believe it is imperative for the House to act immediately to curtail further acts of impoundment by the Nixon administration. Continued inaction on this front will demonstrate congressional acquiescence to this flagrant abuse of power by the executive branch. Thus, I believe that the budgetary control mechanism and anti-impoundment provisions of H.R. 7130 are better than no legislation at all.

Mr. MATSUNAGA. Mr. Speaker, as a cosponsor of the bill and one who has been intimately involved with this legislation for some time, I am pleased to rise in support of the conference report accompaying the bill H.R. 7130, the proposed Congressional Budget and Impoundment Control Act of 1974.

Not only does this bill reassert the constitutional role of the Congress in the Federal budgetary proccess, it also provides a procedure for effective congressional review of impoundment actions by the executive branch.

Each year the country endures the inefficiencies inherent in continuing resolutions. This is a cumbersome procedure at best, taxing the schedules and resources of the Congress, executive agencies, and beneficiaries involved. Hopefully, the process called for under H.R. 7130 will eliminate the need for such stop-gap remedies.

Initially, the bill changes the fiscal year to a new date, beginning October 1 and ending on September 30, from the present fiscal year which begin on July 1 and ends on June 30. This will allow more time for the preparation of the budget by all the departments of Government concerned. Then a timetable is envisioned for passage of the various bills and resolutions needed before the fiscal year begins.

The bill will also establish Budget Committees in both Houses of Congress, and a separate Budget Office. This new Budget Office will greatly enhance Congress' ability to obtain data it needs to evaluate Executive budget requests.

One of the most important features of the bill, Mr. Speaker, is the impoundment title, which tightens the language of the Anti-Deficiency Act, thereby prohibiting "reserves" for fiscal purposes. This provision is key to maintaining the balance of power among the three branches of Government.

Mr. Speaker, if Congress is to resume its rightful place as the shaper of policy in the United States, it must come to grips with the problems presented by the current fragmented proccess by which it considers the Federal budget. I believe that the enactment of H.R. 7130 would be a necessary, even historic step toward that important goal. I urge the adoption of the conference report.

Mr. CLEVELAND. Mr. Speaker, I rise in support of the conference report on H.R. 7130, the Budget and Impoundment Control Act, with great satisfaction and the hope that the reform process it represents will be maintained and indeed intensified.

This is truly landmark legislation. At long last we have created the mechanism indispensable to meeting our responsibilities to determine national priorities, control spending and avoid the disruption of impoundments of funds by the executive branch.

At last we have a means of looking in a comprehensive way at all the needs we seek to meet, balancing the competing demands for limited resources and gaging them against total spending levels. At last we can assess squarely the question of overall spending in terms of its relation to the tax burden, the impact of spending on deficits or budgetary surpluses, the state of the economy and the effect of our actions on inflation and unemployment.

This, alone, is a major accomplishment in its own right. But there are benefits of magnitude far transcending the procedural—and policy—implications of this legislation. At last, we are taking a genuinely gigantic step toward strengthening the Congress as a coequal branch of the Federal Government. At last, with Watergate being cited as a symptom of excessive power in the executive, we are strengthening our position and taking steps to curb that concentration. And finally, our action today represents the most important initiative against inflation.

To be sure, no single piece of legislation is any cure-all, and much will depend on the spirit in which we put its provisions to work. The overwhelming vote on initial House passage is most promising in this respect.

Yet for all the infusion of responsibility and discipline this bill offers, it cannot alone meet our total need for reform. The system it establishes can work only as well as the individual committees functioning within the system.

Therefore, the reforms recommended by the Select Committee on Committees remain indispensable. As a matter of fact, the discipline imposed by this bill, the tight deadlines our committees must meet, the total focus of the entire Congress this bill brings to bear on the work of our individual committees, will only make the deficiencies of the existing committee system more glaringly apparent.

And finally, the public is entitled to no less than equally prompt progress in the area of election reform.

We are making a good beginning with this legislation before us today. I would urge my colleagues to move forward with the momentum this bill has generated, seize the opportunities represented by the congressional reform and campaign reform measures pending before us, and make a clean sweep, writing a record that will legitimately entitle the 93d Congress to be known as the reform Congress.

Mr. VANIK. Mr. Speaker, I supported the passage of the Congressional Budget and Impoundment Control Act when it was before the House on December 5. Earlier last year, I testified before the House Rules Committee on the need for budget reform legislation—and, in particular, the need for congressional budget controls over guaranteed and insured loans.

I am very disappointed that the bill does not place some controls on guaranteed and insured loans. As the conference report notes, the Senate amendment "excluded insured or guaranteed loans from the definition of budget authority."

In addition,

> The managers intend that the definition of "budget outlays" and "budget authority" for purposes of the congressional budget process be the same as that used for the executive budget and that any item which is excluded by law from the executive budget may be excluded from any specification of budget outlays or budget authority in the congressional budget process.

Further, sections 606 and 607 of the conference bill also weaken efforts to control "off-budget agencies." According to the conference report, the Senate-passed bill included an amendment to terminate the off-budget status of six designated agencies. "The conference substitute provides for continuing studies of off-budget agencies by the House and Senate Budget Committees."

Mr. Speaker, I do not believe that we need any more studies. We know there is an explosion of backdoor spending. We know that dozens of agencies are avoiding budget control by guaranteeing and insuring loans. We know that major Government agencies have been able to defy the will of Congress because they are excluded from the budget and from budget considerations. We know that these guarantees and insurances, these Government corporations, do provide enormous public interest subsidies and contribute to inflation, all without adequate congressional safeguards or review.

GUARANTEED AND INSURED LOANS

The growth of this form of back-door spending has been staggering—and has played a large role in the growth of inflation. For example, between 1968 and 1974, the level of direct loans is estimated to have increased by a little less than $6 billion. But the level of guaranteed loans outstanding has spiraled nearly 100 percent—from $108.1 to $196.6 billion. In fiscal year 1975, the administration has requested some $7 billion in new direct loan authority. But new commitments for guaranteed and insured loans in fiscal year 1975 will be $39.3 billion—approximately $0.3 billion more than in fiscal year 1974. In addition, net credit advanced and net credit raised by major credit agencies outside the budget will be nearly $3.6 billion. Neither the guaranteed and insured loans or the loans by "off-budget agencies" will receive any adequate congressional supervision or review. They are Government programs that are outside of effective, yearly congressional control and oversight.

CONTINGENT LIABILITY

In addition, there has been no examination by anyone in the Federal Government of the implications of our growing contingent liability. It is my understanding that we will soon be considering a 10-year extension of the Price-Anderson nuclear reactor insurance program. There is already about $10 billion in contingent liability insurance involved in this program. By the end of this decade—within the next 5 or 6 years—the liability under this program will rise to approximately $90 billion. Is this wise—when we already have a total Federal contingent liability of approximately a trillion dollars? Do we want to undertake another enormous insurance program without adequate reserves? A Federal court has recently ruled that nuclear powerplants should not be built in highly populated areas. Is there a higher risk in this insurance program than we have imagined? If not, why have not the private insurance companies taken over this program?

I am disappointed, Mr. Speaker, that the final version of this legislation fails to provide any controls or review of the continually growing level of contingent liabiilties.

THE COST TO THE TAXPAYER OF GUARANTEED AND INSURED LOANS AND OFF-BUDGET AGENCIES

It is generally believed that there is "no cost" to the Government and to the taxpayers in guaranteed and insured loans. It is often contended that the off-budget agencies make a "profit" and do not "cost" the taxpayer anything. But there is a very definite cost from all these loan subsidies and insurance programs. The growth of these "backdoor" loan programs stretches the capital markets and drives up the rate of interest for all borrowers. To the extent that a lower rate of interest is offered, the subsidy has to be made up by others. The amount of these interest subsidies is calculated in a little-noticed section of the Special Analysis of the Fiscal Year 1975 Budget, a document prepared by the Office of Management and Budget:

> GUARANTEED LOAN SUBSIDIES
>
> In recent years, an increasing number of guaranteed loan programs have provided significant subsidies in order to help meet the needs of their borrowers. Fees or premiums to cover part or most of administrative expenses and probable losses are customary in guarantee programs. But absence of such charges in some programs is an additional form of subsidy.
>
> Long-term contracts to provide debt service payments are the most frequently used subsidy device. These commitments sometimes cover both interest and principal amounts, but more often cover some designated share of the interest cost. This approach is being used for a growing variety of loan programs, including those for low- and moderate-income housing, student expenses for higher education, academic facilities, and medical facilities.
>
> In some programs, the guaranteed loan begins as a direct loan made at interest rates below the market, which is resold with the Government agency's guarantee, either at a discount (which provides a marketable yield) or with a commitment to pay additional interest in periodic installments to the private purchaser of the loan.
>
> Just as for direct loans, the costs of subsidies for guaranteed loans include those arising from both new and outstanding loans. New subsidies add to net budget outlays in future years; and some meaningful measure of their ultimate net cost is needed to lend perspective to budget decisions.
>
> SUBSIDY MEASUREMENT
>
> One way that the impact of future subsidies could be viewed would be simply to total all future payments. However, because of interest, a dollar payable at some future date is worth less than a dollar paid out today. Said differently, a dollar payable in the future "costs" less, because some smaller amount invested today at interest would grow sufficiently to meet the obligation when due. Therefore, a simple total of future obligations would clearly overstate the true value of the subsidy stream. A better way to measure the ultimate value of the successive annual subsidy payments is in "present value" terms, in accordance with the recommendations of the President's Commission on Budget Concepts. This is accomplished by capitalizing (or discounting) future subsidies at an appropriate interest (or discount) rate.
>
> The selection of an appropriate interest rate might vary with analytical objectives. The choice for discounting both direct and guaranteed loans in this analysis is 9½%, a rate approximately equivalent to the private market yield on long-term guaranteed housing loan commitments in December 1973, if an allowance for guarantee costs is added. Although private market interest rates would vary significantly according to program, borrower, and loan characteristics, the use of a single market rate as a "proxy" for all loans facilitates analysis. Likewise, year-to-year comparisons are facilitated when the same rate is used for all 3 years of the table (despite the significant changes in market rates that have occurred over the past year). The selection of a private market rate basis (over a Treasury borrowing rate for instance) has the advantage of valuing direct loan assets near the price which they should bring if sold to private investors, and also more nearly approaches the benefit provided to borrowers.
>
> Table E–6 provides estimates of subsidy values that will result from loan commit-

ments made or to be made in the years 1973 through 1975. Both the annual subsidy rates and the discounted present value of all future subsidies are provided. However, the subsidies provided currently—on behalf of guaranteed or direct loans already outstanding—are not covered in this analysis. While the estimates are primarily illustrative rather than exact or comprehensive, they do facilitate year-to-year comparisons of new subsidy commitments.

LOAN SUBSIDIES, ANNUAL BASIS

The annual subsidy rate for direct loan commitments made in 1973 was approximately $400 million. The rate for 1974 commitments rises to $447 million, followed by a decline to $434 million for 1975 commitments. This trend is largely influenced by a 1974 bulge in commitments for international security assistance loans. For guaranteed loan commitments, the annual rate was $472 million for 1973 and is projected to decline to $477 and $291 million in 1974 and 1975, respectively. This trend largely reflects the slowing of commitment activity for subsidized housing.

LOAN SUBSIDIES, PRESENT-VALUE BASIS

When extended to their respective maturities, the amounts of the annual subsidies cited above total $19.2, $21.9, and $15.0 billion for 1973 through 1975 commitments, respectively. But since these subsidies occur over time, rather than at once, their present value is determined by discounting (at 9½% in this year's analysis), using the procedure previously discussed. The present values of the 1973 to 1975 commitments are thus estimated at $6.4, $7.1, and $5.1 billion.

As the above analysis indicates, the cost to the public of these programs ultimately runs into the tens of billions of dollars on a present-value basis.

Mr. Speaker, because of the failure of this legislation to provide some method of control, some method of oversight and review of these "backdoor" and "off budget programs." I predict that the use of these programs will grow by leaps and bounds. Future Presidents, congressional committees, line agencies, will all seek to obtain their own insured loan program so that they make commitments without having to go through the new Budget Committees and the Appropriations Committees. Additional agencies of the Government will come up with arguments on why they should be dropped out of the regular budget. The back door spending problem, already serious, will grow worse. Back door spending, loans, and insurance commitments may defeat our efforts to shape the direction of the American economy through better control of the Federal budget.

I deeply regret that this legislation has missed this golden opportunity to close this back door to the budget.

Mr. BOLLING. Mr. Speaker, I have asked that all Members be permitted to revise and extend their remarks.

Mr. Speaker, I would like to conclude today, before I move the previous question, by saying that the gentleman from Iowa is, as is often the case, precisely correct. He is a student of legislation, and he knows that under certain circumstances legislation exists that could work to accomplish the same purpose.

We will miss him because we need more students of legislation. The fact is, however, that this represents a new start. It gives us an opportunity to do what we say we are going to do, and that is all it gives us. It is a start, a frame of reference, a framework. I happen to believe that the House and its Members are ready to face up to this responsibility. I believe it in part because I think increasingly Members understand that if the House cannot be fiscally responsible, the people will not long tolerate it.

Mr. Speaker, I believe this will work. I believe that we can make it work, and I urge the support of the Members for this conference report.

Mr. Speaker, I move the previous question on the conference report.

The previous question was ordered.

The SPEAKER. The question is on the conference report.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MARTIN of Nebraska. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 401, nays 6, not voting 26, as follows:

[Roll No. 300]

YEAS—401

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burgener
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carey, N.Y.
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harsha
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reuss
Rhodes
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shoup
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Symms
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—6

Burton
Gross
Harrington
Kastenmeier
Landgrebe
Moss

NOT VOTING—26

Brasco
Brown, Mich.
Daniels, Dominick V.
Davis, Ga.
Diggs
Dorn
Frey
Gray
Hastings
Hébert
Howard
Jones, Tenn.
Macdonald
Madden
Mathias, Calif.
Metcalfe
Minshall, Ohio
Reid
Riegle
Rooney, N.Y.
Ruppe
Shipley
Sisk
Talcott
Thompson, N.J.
Vander Jagt

So the conference report was agreed to.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mr. Madden.

Mr. Hébert with Mr. Dorn.

Mr. Rooney of New York with Mr. Davis of Georgia.

Mr. Brasco with Mr. Mathias of California.

Mr. Howard with Mr. Frey.

Mr. Macdonald with Mr. Brown of Michigan.

Mr. Shipley with Mr. Hastings.

Mr. Reid with Mr. Minshall of Ohio.

Mr. Diggs with Mr. Gray.

Mr. Riegle with Mr. Metcalfe.

Mr. Dominick V. Daniels with Mr. Ruppe.

Mr. Sisk with Mr. Vander Jagt.

Mr. Jones of Tennessee with Mr. Talcott.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

PROVIDING FOR CONSIDERATION OF H.R. 15405, DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATIONS FOR FISCAL YEAR 1975

Mr. YOUNG of Texas, from the Committee on Rules, reported the following privileged resolution (H. Res. 1183, Report No. 93–1117), which was referred to the House Calendar and ordered to be printed:

H. Res. 1183

Resolved, That during the consideration of the bill (H.R. 15405) making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1975, and for other purposes, all points of order against the following provisions in said bill for failure to comply with the provisions of clauses 2 and 5, Rule XXI are hereby waived: In title I—"Coast Guard"—beginning on page 3, line 2 through page 4, line 14, and beginning on page 4, line 20 through page 5, line 12; "National Highway Traffic Safety Administration"—beginning on page 14, lines 3 through 13; and "Federal Railroad Administration"—beginning on page 15, lines 1 through 8.

PROVIDING FOR CONSIDERATION OF H.R. 14715, CLARIFYING EXISTING AUTHORITY FOR EMPLOYMENT OF WHITE HOUSE OFFICE AND EXECUTIVE RESIDENCE PERSONNEL

Mr. PEPPER, from the Committee on Rules, reported the following privileged resolution (H. Res. 1184, Report No. 93–1118), which was referred to the House Calendar and ordered to be printed:

H. Res. 1184

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 14715) to clarify existing authority for employment of White House Office and Executive Residence personnel, and employment of personnel by the President in emergencies involving the national security and defense, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment in the nature of a substitute recommended by the Committee on Post Office and Civil Service now printed in the bill as an original bill for the purpose of amendment under the five-minute rule. At the conclusion of such consideration, the Committee shall rise and report the bill to the House with such amendments as may have been adopted and any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the Committee amendment in the nature of a substitute. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

PROVIDING FOR CONSIDERATION OF H.R. 15361, COMMUNITY DEVELOPMENT BLOCK GRANTS

Mr. PEPPER, from the Committee on Rules, reported the following privileged resolution (H. Res. 1182, Report No. 93–1116), which was referred to the House Calendar and ordered to be printed:

H. Res. 1182

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 27(d)(4) of Rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15361) to establish a program of community development block grants, to amend and extend laws relating to housing and urban development, and for other purposes, and all points of order against sections 108(f), 115, 411, 414, 415(a), and 505 of said bill for failure to comply with the provisions of clause 4, Rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 15361, the Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 3066, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 15361 as passed by the House.

DEPARTMENTS OF STATE, JUSTICE, AND COMMERCE, THE JUDICIARY, AND RELATED AGENCIES APPROPRIATIONS BILL, FISCAL YEAR 1975

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1176 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 1176

Resolved, That during the consideration of the bill (H.R. 15404) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes, all points of order against the following provisions in said bill for failure to comply with the provisions of clause 2, rule XXI are hereby waived: In title I—"Department of State"—beginning on page 2, line 2 through page 3, line 24, and beginning on page 5, line 1 through page 12, line 21; in title II—"Department of Justice"—beginning on page 20, line 8 through page 21, line 5; in title III—"Department of Commerce"—beginning on page 23, line 8 through page 25, line 21, beginning on page 26, line 13 through page 27, line 11, beginning on page 28, lines 1 through 5, and beginning on page 28, line 20 through page 30, line 16; and in title V—"Related Agencies"—beginning on page 40, lines 2 through 12, and beginning on page 46, line 3 through page 49, line 2.

The SPEAKER. The gentleman is recognized for 1 hour.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Ohio (Mr. Latta) pending which time I yield myself such time as I may require.

Mr. Speaker, House Resolution 1176 permits the Committee on Appropriations to submit the 1975 appropriation bill for the Departments of State, Justice, Commerce, and the Judiciary and other related agencies for action on the floor of the House of Representatives.

House Resolution 1176 provides that all points of order against the provisions of clause 2, rule XXI of the Rules of the House of Representatives, prohibiting unauthorized appropriations, are waived with respect to certain items for the Departments of State, Justice, Commerce, and other related agencies.

The total amount recommended in the bill in new obligational authority is $5,304,972,100 which is a reduction of $106,837,500 from the total amount of the budget estimates. It is an increase of $586,974,800 above the total appropriated for the current fiscal year.

Appropriations are also made in the bill for the Arms Control and Disarmament Agency, the Commission on Civil Rights, the Equal Employment Opportunity Commission, and the Small Business Administration.

Mr. Speaker, I urge the adoption of House Resolution 1176 in order that we may discuss and debate H.R. 15404.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Texas. I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Speaker, I thank the gentleman for yielding. I commend the committee for its selectiveness in permitting waivers of points of order. Does the Rules Committee provide the staff to tell us just what lines in the bill, if we are unable to decipher and apply all of these lines the committee has set forth, to tell us where we can make valid points of order and where we cannot make them?

Mr. MAHON. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Texas. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Speaker, I will be glad to see to it that the gentleman from Iowa gets all the information on this matter. I will be glad to yield to the gentleman my copy of the bill with certain notation.

Mr. GROSS. The gentleman will yield his copy? The exemptions are all contained in the rule, I will say to the distinguished chairman of the Appropriations Committee. For instance, it is provided there are waivers of points of order

"Beginning on page 2, line 2 through page 3, line 24, and beginning on page 5, line 1 through page 12, line 21; in title II—"Department of Justice"—beginning on page 20, line 8 through 21, line 5;" and so on and so on and so on and so on.

Mr. MAHON. Mr. Speaker, if the gentleman will yield further, I would be glad to tell the gentleman.

Mr. GROSS. I will be glad to invite the distinguished chairman of the Appropriations Committee to sit right over here and help me when we get to the consideration of the bill and tell me where I can make a point of order.

Mr. MAHON. I will say to the distinguished gentleman from Iowa, we are asking for the waivers generally on points of order because the State Department authorization has not been approved and because certain portions of the Justice title and the Commerce have not yet received legislative authorization for the new fiscal year which begins in a couple of weeks.

Mr. GROSS. Does the gentleman suppose this new Reform Act the House just approved by an overwhelming vote will take care of the situations of this kind so we will not be confronted with rules waiving points of order in this fashion?

Mr. MAHON. Much will depend on a four-letter word spelled "w-i-l-l." If we have the will to make this legislation work and the will to harness spending, I think great improvements can be made. Without the will the new legislation will not help much.

Mr. GROSS. We can bring that up to date right now, I will say to the gentleman from Texas: If we have the will to do it, we can defeat this rule and stop this kind of nonsense right now.

Mr. MAHON. But if we do that we cannot pass the legislation without destroying the substance of much that is required. The problem is to achieve timely enactment of legislative bills.

Mr. YOUNG of Texas. Mr. Speaker, I urge adoption of House Resolution 1176.

I yield now to the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Speaker, I would like to say to the membership and specifically to my friend, the gentleman from Iowa, if he wishes to take a copy of the printed bill I will be glad to go over it page by page and give him the items which have not yet been authorized.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Iowa.

Mr. GROSS. I would like to find a cold day when it is snowing heavily outside and we have nothing else to do so we can sit down in a corner and do just that. It would be helpful.

Mr. LATTA. Mr. Speaker, House Resolution 1176 provides that during the consideration of H.R. 15404, the 1975 Appropriation for the Departments of State, Justice, and Commerce, the Judiciary and related agencies, points of order will be waived for failure to comply with clause 2, rule XXI. Clause 2 of rule XXI prohibits unauthorized appropriations. The waiver is necessary because most items in this appropriation have not yet been authorized.

In requesting a rule from the Rules Committee, the distinguished chairman of the Appropriations Committee indicated that waivers were necessary on the following items:

With the exception of the two items dealing with acquisition, operation and maintenance of buildings abroad, all the items in title I—Department of State are not yet authorized. S. 3473, which would authorize these appropriations, has passed the Senate, but is still pending in the House committee.

Authorizing legislation required for most of the activities of the Drug Enforcement Administration in title II—Department of Justice is still pending in the Interstate and Foreign Commerce Committee.

Several items in title III—Department of Commerce need authorization. H.R. 14883, authorizing appropriations for the Economic Development Administration and the Regional Action Planning Commissions, has been reported by the House Public Works Committee, but the bill has not yet been considered by the full House. Legislation extending the Export Administration program under Domestic and International Business Administration is still being considered by the Banking and Currency Committee. The minority business enterprise item needs authorization for its program of technical assistance grants which is covered by H.R. 14883, the economic development authorization.

Under "operations, research and facilities" of the National Oceanic and Atmospheric Administration, certain weather programs need authorizing legislation, which is still in committee; and authorizing legislation for the anadromous fisheries program has passed the House and the Senate but is still in conference. H.R. 13296 a bill authorizing appropriations for the Maritime Administration, passed the House on June 4, but remains in committee in the Senate.

In title V, related agencies, several items are not authorized as yet. H.R. 12799, a bill authorizing appropriations for the Arms Control and Disarmament Agency, is in conference. The Board for International Broadcasting needs authorization, for which legislation is still pending in committee. Authorization for the U.S. Information Agency is carried in S. 3473, which has passed the Senate. The House Foreign Affairs Committee is considering a separate authorization bill for USIA, H.R. 14870, but it has not yet been reported.

Mr. Speaker, the Appropriations Committee has held back about as long as possible waiting for these authorizations.

With the end of the fiscal year almost upon us, it seems to me that we have to go ahead and waive points of order for lack of authorization.

Mr. Speaker, I urge adoption of this rule, so that the House may proceed to consider the various items in this bill.

Mr. Speaker, I reserve the balance of my time.

Mr. YOUNG of Texas. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. SLACK. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union consideration of the bill (H.R. 15404) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes, and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 2 hours, the time to be equally divided between the gentleman from Michigan (Mr. CEDERBERG) and myself.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from West Virginia.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15404) with Mr. VANIK in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement, the gentleman from West Virginia (Mr. SLACK) will be recognized for 1 hour and the gentleman from Michigan (Mr. CEDERBERG) will be recognized for 1 hour.

The Chair now recognizes the gentleman from West Virginia.

Mr. SLACK. Mr. Chairman, I yield myself 10 minutes.

We submit for your consideration the bill making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for fiscal year 1975.

The hearings on this bill started on February 26 and were completed on May 22. They are contained in four volumes with more than 4,000 pages of printed material.

We have examined the estimates in considerable detail and have assembled what we believe to be a balanced bill. Since there are some 100 items, I shall summarize the committee's actions, after which I shall be pleased to respond to questions.

Mr. Chairman, the total amount recommended in the bill in new obligational authority is $5,310,372,100, which is a reduction of $101,437,500 from the total amount of the budget estimates. The amount recommended is an increase of $592,374,800 above the total appropriated for the current fiscal year. The increase above the total appropriations for the current fiscal year is attributable largely to the following:

First. Approximately $170 million in rental charges for space and services imposed by the General Services Administration in accordance with Public Law 92-313.

Second. Additional capital for the business loan and investment fund,

$103 million, and the disaster loan fund, $91 million, of the Small Business Administration.

Third. Additional construction costs approximating $42 million for the Federal prison system and the U.S. Information Agency, including alteration and maintenance of existing facilities.

The remainder of the increase recommended over fiscal year 1974 appropriations is due to mandatory increases and increased workload, over which the departments and agencies concerned have limited control, and selected program increases in certain areas.

The action of the committee as set forth in the bill will reduce expenditures projected for fiscal year 1975 by approximately $80 million.

The total amount recommended in the bill for the Department of State is $698,784,0000, a decrease of $17,485,000 from the budget estimates. Under the general heading of "Administration of Foreign Affairs" a total of $401,419,000 is recommended. For "International Organizations and Conferences" the bill includes $220,903,000. The recommendation for "International Commissions" is $16,262,000. A total of $60,200,000 is provided for "Educational Exchange."

The contribution to the United Nations and a number of specialized agencies is now limited to 25 percent of the total assessments of such organizations. This is the first budget to which the 25-percent ceiling for those organizations applied. The budget requested exemption of the "International Civil Aviation Organization," the "United Nations Educational Scientific and Cultural Organization," and the "World Health Organization."

From the 25-percent ceiling, however, in accordance with existing legislation, the amount requested for each of these organizations has been reduced to the 25-percent level of assessment.

The total amount recommended for the Department of Justice is $2,111,403,000. This is an increase of $192,233,000 over the 1974 appropriations, but a decrease of $30,245,000 from the budget estimates. For "Legal Activities and General Administration" the bill provides $241,080,000. The budget proposed the consolidation of appropriations for the "antitrust division" and the "U.S. attorneys and marshals" with the "general legal activities" appropriation. The committee feels that these are distinctly different activities and that the funds should be maintained in separate appropriation accounts.

The committee recommends $433,100,000 for the "Federal Bureau of Investigation." This is an increase of $40,806,000 over the appropriation for the current fiscal year. This increase includes funds for 25 additional clerks, the cost of moving to the new J. Edgar Hoover FBI Building, increased costs for the Federal Bureau of Investigation Academy at Quantico, Va., and additional equipment costs, as well as uncontrollable increases such an annualization of mandatory pay increases.

For the "Immigration and Naturalization Service," the committee provided $175,350,000, an increase of $21,646,000 over the total funds appropriated for the current fiscal year. The increase will provide funds for 50 additional personnel, certain equipment purchases, increased detention and deportation costs, construction and repairs, as well as annualization of 300 additional positions provided in fiscal year 1974, and other uncontrollable increases.

The committee recommends a total of $246,900,000 for the "Federal Prison System"— $169 million is provided for the administration, operation, and maintenance of Federal Penal and Correctional Institutions. This consists of custody, care, and treatment of prisoners, inmate education, maintenance, and operation of institutions, medical services, narcotic addict treatment, technical assistance to State and local governments and general administration. The sum provided for fiscal year 1975 is $25,626,000 more than the funds available for the current fiscal year. This increase includes funds for the activation of four new facilities.

The amount of $53,200,000 is provided for construction and improvement of facilities in the Federal prison system.

The committee bill provides $880 million for the "Law Enforcement Assistance Administration," for grants, contracts, loans, and other law enforcement assistance authorized by title I, of the Omnibus Crime Control and Safe Streets Act of 1968, as amended.

The committee recommends $135 million for necessary expenses of the "Drug Enforcement Administration."

The budget requests considered by the committee for the "Department of Commerce" for fiscal year 1975 total $1,406,817,000 in new budget authority, for which the committee recommends a total of $1,377,828,000. In addition the sum of $242,800,000 is recommended in order to liquidate contractual obligations incurred in the operating subsidy program of the Maritime Administration.

The committee considered budget requests for the "Economic Development Administration" totaling $201,987,000, for which $201,825,000 is recommended. The bill includes $184,200,000 for economic development assistance as authorized by titles I, II, III, and IV of the Public Works and Economic Development Act of 1965, as amended.

The sum of $34,995,000 is included to provide for regional development programs as authorized by title V of the Public Works and Economic Development Act of 1965, as amended.

The committee recommends a total of $584,033,000 for the four appropriation items under the "Maritime Administration"; namely, ship construction, $275 million—operating, differentials subsidiaries, $242,800,000, research and development, $25,900,000, and operations and training, $40,333,000.

The budget requests for the "Federal Judiciary" total $313,238,600. These requests are submitted to Congress without revision by the Office of Management and Budget, as directed by the Budget and Accounting Act of 1921, as amended. The bill includes $297,573,100 for these items, an increase of $83,563,800 over the funds appropriated for fiscal year 1974.

These appropriations provide funds for operating the Federal courts, including salaries of judges, judicial officers, and employees and other expenses of the Federal Judiciary.

The committee recommends a total of $824,757,000 for the 13 related agencies included in this title. This is $227,580,000 more than the amounts appropriated to these agencies for fiscal year 1974. The increase is due primarily to the appropriation of additional capital to the revolving funds of the Small Business Administration.

The sum of $9,250,000 is recommended for "Arms Control and Disarmament Activities." This is an increase of $1,185,000 over the current year appropriation, which will provide additional funds for rising costs associated with the Strategic Arms Limitation Talks, the negotiations on mutual balanced force reductions and other negotiations, and external research related to those efforts.

The sum of $52,347,000 is included in the bill for expenses of the "Equal Employment Opportunity Commission, established by title VII of the Civil Rights Act of 1964. This is an increase of $7,947,000 over the current year appropriation.

The bill provides a total of $445,500,000 in three appropriation items for the "Small Business Administration." For additional capital for the Business Loan and Investment Fund, the sum of $328 million is provided and the amount included for additional capital for the disaster loan fund is $91 million.

A total of $239,538,000 is provided in the bill in four separate appropriations items for the activities of the "U.S. Information Agency."

Mr. Chairman, the members of the subcommittee have shared equally in the work of preparing this bill and in my judgment they have taken a practical and realistic approach to the many items contained in the bill. I appreciate their cooperation and diligent work.

I commend the gentleman from Iowa (Mr. SMITH), the gentleman from Georgia (Mr. FLYNT), the gentleman from Florida (Mr. SIKES), the able ranking minority member, the gentleman from Michigan (Mr. CEDERBERG), the gentleman from North Dakota (Mr. ANDREWS), and the gentleman from Oregon (Mr. WYATT).

I want to commend our excellent committee staff—Dempsey Mizelle and John Osthaus for their ability, dedication, and loyalty to this committee. They have done an outstanding job.

Mr. Chairman, I want to pay special tribute to the able and distinguished gentleman from Oregon (Mr. WYATT). He has made an outstanding contribution to the work of this committee. We are sorry to see him leave the House of Representatives, but he departs with a record of which he and those he has represented can be justly proud.

Mr. Chairman, 2 weeks ago the chairman of our subcommittee, our distinguished colleague from New York, the Honorable JOHN J. ROONEY, announced that he would not be a candidate for reelection to the House of Representatives. We who serve on the State-Justice-Commerce-Judiciary Subcommittee, are especially saddened by this announcement, for he has served as chairman or ranking minority member since the 80th Congress. Mr. ROONEY has been an outstanding chairman. His expertise is always evident in committee hearings and markups and during consideration of the bill on the House floor. A wise and prudent use of the people's capital has been his abiding interest.

It will be no easy task to carry on at the level of wisdom and scrupulous honesty established by JOHN ROONEY. We shall miss his counsel and guidance, his decisiveness and determination, his broad fund of knowledge and legislative skill. He has done much for us, for the House of Representatives and for our country. In return, we can only wish him pleasant hours of retirement, free of the cares of public office, made more enjoyable by the knowledge that none of us who served with him will forget his work as long as we continue membership in this great body.

Mr. Chairman, we have today received the following message from the Secretary of State, the Honorable Henry A. Kissinger, which pays tribute to Mr. ROONEY:

> We are saddened today by the announcement of the retirement of the distinguished Congressman and Chairman of the Subcommittee on State, Justice and Commerce, the Judiciary and Related Agencies, the Honorable John J. Rooney. Through fifteen consecutive Congresses and since 1947 he has served the subcommittee either as Chairman or ranking minority member. John Rooney gave the State Department outstanding leadership and guidance. We will miss John Rooney as Chairman, watchdog of the dollar, and a true friend. As Secretary of State I extend on behalf of the Department of State and the Foreign Service of the United States our sincere admiration and, most of all, our profound respect for John Rooney and the job he has done

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the distinguished Chairman of the Committee.

Mr. MAHON. Mr. Chairman, I wish to join with the gentleman from West Virginia (Mr. SLACK) the acting chairman of the subcommittee today, in words of praise and recognition for the tremendous job that has been done in the Congress by the gentleman from New York, JOHN ROONEY.

We talk about budget control and fiscal restraint and congressional influence in the running of the Government. Few people have made these words more a part of his life than has the gentleman from New York, JOHN ROONEY, who has tried for so many years to assist the Congress in doing an adequate job in controlling expenditures that come within the range of this appropriation bill.

He had as an ally through these years a member of the staff named Jay Howe. Jay retired from his position on the staff a few months ago after having worked on the subcommittee since 1948. I thought it appropriate that we take note of the long service of this distinguished staffman.

It has been said that staff people are supposed to have a passion for anonymity. Well, they may not be famous in some ways, but they are absolutely essential for the operation of the Government, and they do a great job in assisting the Members. Without an adequate staff, we would be poor indeed.

Mr. Chairman, I want to pay tribute to Jay Howe in connection with these remarks concerning the distinguished chairman of the subcommittee.

I would like also to take note of the outstanding job which Mr. SLACK, the acting chairman of the subcommittee, has done in connection with this bill, working closely of course with Mr. ROONEY.

Mr. Chairman, I thank the gentleman for yielding.

Mr. SLACK. Mr. Chairman, as has been stated by the distinguished Chairman of our Committee, since this bill was presented to the House last year, the Committee on Appropriations has lost the services of one of its most able and devoted staff, Jay Howe. It seems appropriate to mention this when talking about Chairman ROONEY, for the two worked together so well for so many years.

Jay retired recently after 35 years of Government service. Several years of that service was as an FBI agent, but most of it was with the House Appropriations Committee. He was appointed to the committee staff on February 14, 1947. He served as Clerk to the State Justice Commerce Judiciary Subcommittee from 1948 until he retired.

Jay Howe served the committee well and his good counsel will be sorely missed. We want to extend our best wishes to him during his retirement.

Mr. CEDERBERG. Mr. Chairman, I yield such time as I may consume.

Mr. Chairman, I want to pay my respects to the acting chairman of this subcommittee, my good friend, the gentleman from West Virginia (Mr. SLACK) who has taken over this committee in very admirable fashion after the illness of our good friend and colleague, the gentleman from New York, JOHN ROONEY.

I think we have one of the finest and most cooperative subcommittees on the Committee on Appropriations.

One of the things we usually do over the years is come in with a bill that is quite substantially below the budget request, and we are going to do this, I am sure, under the able direction of the gentleman from West Virginia (Mr. SLACK).

I want to join with him and with the distinguished chairman of the full committee, the gentleman from Texas (Mr. MAHON) in their remarks regarding our good friend JOHN ROONEY who will no longer after this session be chairman of this subcommittee.

I have had the privilege of serving with JOHN for many, many years, and I cannot think of a more delightful individual than JOHN ROONEY, nor was there anyone who knew his subject matter better, or who could make it more interesting, or present it better.

JOHN, if you read the record, I hope you will come back and see us very often after you retire after this session.

We are going to lose another member of the subcommittee, the gentleman from Oregon (Mr. WYATT) who has decided to leave us. He has decided, evidently, that the practice of law is a little more lucrative than the practice of legislation. I know we are going to miss WENDELL. He is going back to his home State of Oregon to make a continued contribution to the public good back there.

I do not have anything to add to what has been said about Jay Howe, because Jay has served all of the years on that subcommittee that I have served, and he has done it with great distinction. Jay has been one of our very valuable right-hand men. As a matter of fact, I know that I can say Jay is already enjoying his retirement, and we wish him many, many more years of it.

As the distinguished gentleman from West Virginia has said, we have reduced the new obligational authority in this bill about $101 million and we have reduced expenditures in fiscal year 1975 something like $80 million. We would have liked to have reduced it further, but we are faced with certain facts that we have which deal with uncontrollable items over which we have little control. However, I am confident that anyone who wants to go over this report will find that of all the agencies for which we have responsibility, the total subcommittee thinks they are adequately funded.

It has come to my attention that there are a few areas where there are some differences of opinion, which is only natural. You cannot have a bill as complex as this and believe that everyone will be satisfied with it I understand there might be an amendment offered to reduce the bill. I understand there may be one or two offered to increase the bill. We shall oppose all of these amendments, because we think after months of deliberations we have come up with figures that we can justify.

It is my understanding that there will be an amendment offered to increase the amount of money for the Antitrust Division. Well, over the years I think we have done quite well by Antitrust. In this bill we have given them 20 additional new employees. If they can justify something beyond that, then I think they can go to the other body and talk to them over there, and if they can convince them that what we have done has not been adequate, then they can come in and we can discuss it with them in conference.

I understand, also, there are those who are somewhat disappointed over the amount of money we have appropriated for the Immigration and Naturalization Service. However, if you will look at the bill, you will find we have increased it by $21 million over last year's figure, which included the annualization of about 300 new employees that we gave them last year. There are about 50 more here at the present time. I recognize that they have a tremendous workload. We think we have taken that into consideration, and it is our responsibility to do so.

As I say, there are those who would probably like to reduce the bill further.

I suppose there are some areas in which we could justify some reductions, but in the interests of trying to bring out a well balanced bill and one which we can live with, I stand by the results and the work of this subcommittee. So I hope we can get this matter resolved here very soon.

Does the gentleman from Iowa want me to yield to him?

Mr. GROSS. I would appreciate it.

Mr. CEDERBERG. I was wondering when the gentleman would want me to do that. I would have felt very unhappy if he had not asked me to yield.

Mr. GROSS. I thank the gentleman for yielding.

I want to join the gentleman from Michigan (Mr. CEDERBERG) and with the chairman of the subcommittee, the gentleman from West Virginia (Mr. SLACK) and the chairman of the full committee, the gentleman from Texas (Mr. MAHON) in their expression of regret that our friend and colleague, the gentleman from New York (Mr. ROONEY) is not with us today.

Through the years it has been my good fortune to have the honor to read the hearings. I regret that the gentleman from New York has been ill and unable to carry on his detailed questioning of some of the witnesses appearing before the committee. The gentleman from New York had a way and a gift not given to many others. I always appreciated reading the hearings. They were a must with me. I shall miss the gentleman very much as I do Jay Howe, the excellent chief of staff of the subcommittee, who is now retired.

In the absence of the gentleman from New York (Mr. ROONEY) I would like to ask the gentleman from Michigan (Mr. CEDERBERG) if he feels that the $1,300,000 contained in the bill for lemonade will be sufficient for the State Department for next year.

Mr. CEDERBERG. There are some who think it will not be sufficient. I think it will. The price of lemonade, as I understand it, has increased quite substantially due to the devaluation of the dollar abroad. I trust they have not had any freeze in the lemon trees out in California. I do not know whether they have not, but I think the $1,300,000 will be adequate.

I told the gentleman from Iowa earlier that after the gentleman retires, if he takes a trip abroad, we want him to get special treatment when he goes into some of these other countries so that he can find out for himself whether or not we are properly handling this kind of a situation.

Mr. GROSS. It would be my hope, Mr. Chairman, if the gentleman will yield further, that by the time I go abroad that Congress would have abolished the representation allowance—I believe it is still called that, although it is sometimes called the booze and food allowance for the State Department.

Mr. CEDERBERG. Yes, hope always springs eternal, but I would not count upon it.

Mr. GROSS. I thank the gentleman for his solicitude, if and when I should go abroad.

Mr. CEDERBERG. I cannot think of any Member we are going to miss more than we will the gentleman from Iowa, when we bring this sort of a bill to the floor, because the gentleman from Iowa has always made an interesting and a valuable contribution, and we are going to miss him and this House is going to miss the gentleman.

Mr. GROSS. The gentleman is more than kind. But my criticisms of the bill and the expenditures, as with some other legislation that comes before the House, have not borne as much fruit as I would like.

Mr. CEDERBERG. I think the gentleman has done quite well. I think we have always taken the gentleman's ideas into consideration. We may not have taken them all the way, but I think the gentleman has made a great contribution.

Mr. GROSS. I thank the gentleman.

With regard to the Waldorf-Astoria Hotel, I am pleased to see that the committee denied a rent increase of $22,000. Does the gentleman from Michigan have at his fingertips what we are expending on the Waldorf-Astoria?

Mr. CEDERBERG. It comes to my mind that it is roughly about $32,000.

Mr. GROSS. About $32,000?

Mr. CEDERBERG. Yes.

Mr. GROSS. And they were asking for a rent increase?

Mr. CEDERBERG. We are about to be evicted. I hope that we will not be evicted.

Mr. GROSS. That would have been the next question. Are we threatened with eviction because of our failure to increase the flow of Federal funds to the Waldorf-Astoria?

Mr. CEDERBERG. No, but the Waldorf-Astoria is of the opinion that they are not being paid adequately. There may come a time when some adjustment may have to be made in this particular item, but we have held the line here.

Mr. GROSS. I would ask the gentleman from Michigan, in view of the fact that this bill does contain appropriations for various international organizations, if the Russians have paid what they owe?

Mr. CEDERBERG. I cannot honestly give the gentleman the exact details, they are in the hearings, but I think that the Russians are keeping up, not as current as we are, but I think probably they are doing a little better than they have done. As soon as I finish my presentation I will secure that information for the gentleman from Iowa.

Mr. GROSS. I thank the gentleman.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

Will the gentleman explain the amount of grants for Radio Free Europe and Radio Free Liberty? It seems to me we are talking about détente on the one hand, and on the other hand we are talking about these old adages left over from the Cold War.

Mr. CEDERBERG. As a matter of fact, Radio Free Europe and Radio Free Liberty are, I think, two of the most effective voices we have in that particular area. I should like, if we could, to get some mutual negotiations with some of the other countries that are in the broadcast business, too, possibly to reduce these operations; but the facts are that I personally do not believe in doing it unilaterally.

As a matter of fact, they have had a reduction last year of a considerable amount of personnel. Of course, as the gentleman knows, when one reduces personnel, sometimes one's first-year costs are more than one expects.

I have a letter here from the chairman, Mr. Ashire, of the Board of International Broadcasting, that lays this out pretty effectively, and I should be glad to make it available to the gentleman from Colorado so that he can see what the situation is here. But I do believe that these two Radios are well worth the funds that we expend now.

Mr. JOHNSON of Colorado. If the gentleman will yield further, is there any possibility of having some of these other countries that are involved in that combine on that so that we will have aid from some of these other countries the gentleman mentions?

Mr. CEDERBERG. This particular operation is supported by us. Regarding all of these other countries, most of them do have their own operation. The British have their own broadcast operations. We are not great big spenders in this area like some of the other countries are, although we also have the Voice, which is covered.

Mr. ARCHER. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Texas.

Mr. ARCHER. I thank the gentleman for yielding.

I commend the gentleman for trimming $107 million off of the proposed budget. This is at least a start in the right direction. I wonder if the gentleman could tell us what specific items might contain any increase over the proposed budget?

Mr. CEDERBERG. There may be an instance or two, but I should prefer to defer to the gentleman from West Virginia who has a staff man right there. I do not know whether we have any items that are increased, but I doubt it very much.

Mr. SLACK. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from West Virginia.

Mr. SLACK. I thank the gentleman for yielding.

The bill provides for no increases above the budget requests.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

This appropriation is over the last years bill by 13 percent. We definitely have increased last year's appropriation by over $587 million.

Mr. CEDERBERG. Of course, absolutely.

Mr. ROUSSELOT. That represents, roughly, a 13-percent increase. So in our effort—and I know the gentleman in the well has been very active in trying to keep inflationary pressures down—we really have not done the job in keeping the inflationary monster in the closet, because a 13-percent increase is a greater increase than the rate of increase of the Price Index.

Mr. CEDERBERG. We have got a problem here. We have certain responsibilities that are uncontrollable. We have to make the pay increases, and we vote those in the House of Representatives here. In addition to that, in this increase we have to recognize, that under a bill that we passed, all of the departments have to figure in their own budget the rent that they pay to the General Services Administration. I do not know what the exact figure is, but it is over $100-some million. It is $170 million. The increase for that legislation, I am sure, was supported by the gentleman from California.

As the gentleman knows, that goes into a fund, a General Services Administration fund, and does not show up in the budget handled by the gentleman from Oklahoma (Mr. Steed).

Mr. ROUSSELOT. I appreciate the fact that there was a better accounting of the actual floor space utilized by the various agencies. Of course, we never talk about reducing the size of the office space, in relation to the total amount of space actually needed. There always seems to be an increase in space for more bureaucracy.

My additional point is this. The gentleman mentioned "uncontrollable expenditures." Mr. Simon has recently mentioned that we probably should not consider that such a sacred cow, because that is an easy way out just to say, Well, we just can't do anything about it. There is no way we can touch it.

Also Mr. Shultz, in leaving the Treasury Department, said it became very disappointing always to come up against this statement: "Well, it is uncontrollable; therefore, we cannot touch it."

Since it is the American taxpayers that have to foot this bill, and we are constantly as Members of Congress getting more and more complaints from the person who earns an honest living and earns from $8,000 to $25,000 a year, who constantly finds his share of this Government cost going up, let me ask this question: Is the Appropriations Committee taking a harder look at these so-called uncontrollable expenditures and saying, "Wait a minute, we do not believe this uncontrolled expenditure has to go on at this level, or maybe we ought to cut here and there"?

Mr. CEDERBERG. Of course we take a good look at it, but if they are uncontrollable expenditures they are uncontrollable expenditures. There is legislation on the books that mandate certain actions to take place and they have to take place.

But as I have said before, many times, the place to start is in the legislative committees. There is where we ought to start. This is authorized in the authorization bills and then they come to us.

Mr. ROUSSELOT. So then our authorizing committees should stop saying what the gentleman is trying to point out that, "Well, we will just authorize the legislation at some high level and we will let the Appropriations Committee take a crack at it and bring it down to match what we actually have in the treasury."

Mr. CEDERBERG. That was an old-fashioned idea when we came here. The idea was in the past that the authorization does not mean too much and the Appropriations Committee will handle it for the authorizing committee. We on the Appropriations Committee have always been considered—and I believe properly so—as the ones to hold the line, but we now have gotten into the full funding kick, and that makes it doubly hard for us on the Appropriations Committee.

We would like to get the gentleman's help if we can. He makes a great contribution.

Mr. ROUSSELOT. The gentleman does not have to worry about my help. I am considering not voting for this bill because it is 13 percent over last year's appropriation. That is $487 million more, and that is a substantial amount. I think it becomes very difficult to say to our constituents that we are really holding the line when we actually are turning around and increasing the amount by that much.

Again, it is not the fault of the gentleman in the well who has warned this House consistently when we are considering the authorizing bills that it puts a tremendous amount of pressure on the Appropriations Committee to shift the level down.

Mr. CEDERBERG. It not only puts pressure on the Appropriations Committee but also on the administration downtown, and they get plenty of pressure also from people on the Hill to get it in the budget, and they get the pressure from all over the country. It is a very difficult situation.

Mr. ROUSSELOT. I thank the gentleman.

Mr. WYATT. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Oregon.

Mr. WYATT. Mr. Chairman, it has been a great pleasure on my part to have served on this committee for the past 2 years and to have served with the distinguished gentleman from New York, John J. Rooney. It has been an experience I will remember the rest of my life.

Likewise, I have enjoyed every minute of the time I have served with the gentleman from West Virginia (Mr. Slack) who has so ably run this committee during this period, as well as I have enjoyed serving with the gentleman in the well, the gentleman from Michigan, as well as the other members of the subcommittee and our very able staff.

I have great confidence in the job that was done by the committee during my tenure on the committee. We have had extensive, lengthy, and exhausting hearings in connection with every amount in this bill. I would commend to the members who would desire to look at an excellent record this examination of the expenditures of the three different departments plus the Judiciary and related agencies and suggest to them that this is how an examination, item by item, is to be conducted. It is an excellent example of how this can be done.

I would like to thank the gentleman from West Virginia and the gentleman from Michigan further for their very kind remarks about me, and I will take their friendship with me as I return to practice other arts in the State of Oregon.

Mr. CEDERBERG. I thank the gentleman from Oregon.

As I said earlier, we will miss the gentleman and his wise counsel. We hope as he travels back from Oregon to the east coast he will never fail to stop by and see us.

Mr. MAHON. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Texas.

Mr. MAHON. Mr. Chairman, I would say to the gentleman from Oregon that when he goes back to his beloved Northwest he will undoubtedly continue to serve his fellow man and he will leave behind here on Capitol Hill and in the executive and legislative branches of the Government a great many friends who admire him for what he has accomplished as a legislator and who will be wishing him well.

As chairman of the Committee on Appropriations I want to pay tribute to the gentleman for the outstanding work which he has performed in his service to the country.

I thank the gentleman from Michigan for yielding.

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Ohio.

Mr. DEVINE. Mr. Chairman, I thank the gentleman for yielding. I would add my commendation to the gentleman from Oregon for the service he has performed in the Congress during his time here.

I would also like to point out particularly relative to the gentleman from Michigan (Mr. Cederberg) the great service he has rendered to the Nation in trying to ride herd on these appropriation matters.

I think it is a very important thing when the gentleman mentioned the so-called uncontrollables. We play a Mickey Mouse game in this House and people across America do not understand what is going on.

I regret that there are less than half a dozen people in the press gallery and less than 20 persons on the floor of the House now to engage in meaningful colloquy of what is going on.

We authorize first certain expenditures, and I would say to the gentleman in the well that the easiest thing in the Congress is to vote aye, vote yes, and we have the big spenders in Congress who go back and say, "Look what I did. I voted for this and that, the poor, the crippled and the blind and so forth," and yet when it comes time to pay for it they say the Committee on Appropriations will take care of it. It puts the people in the Committee on Appropriations in a very difficult position. As the gentleman says, it is uncontrollable. When the President sends us a budget of $300 billion, they say 70 or 80 percent is uncontrollable and it leaves him with 20 or 30 percent to try to work for the general interests of the country.

So the people around here that are the big spenders and are so anxious to go home and say what they have done, if they would act responsibly, they would vote for the commitments they have made, for the excesses they have produced. It would help the country greatly, would it not?

Mr. CEDERBERG. Mr. Chairman, the gentleman from Ohio is right, as he always is. As I said, we join in this debate in a mutual admiration society. I have never seen so much complimenting. I have never seen such unanimity on how this new legislation will solve our budget problems. We will have a chance to see what will happen with this particular legislation. As I said, it is going to depend upon the will of the Members of the House as to whether or not they really mean business. This voting for the budget control bill is only one step in the right direction.

Mr. DEVINE. If the gentleman will yield one moment further, one of my pet gripes in this body, and I love all the Members, is the fact that some of our big spenders are the very ones that come up with a deep breath and sigh when we have legislation increasing the debt ceiling.

Now, for 16 years I have voted against that, not as an irresponsible vote, but as a protest to those persons that want to spend and spend and not pay for their excesses, those that come and vote for all the spending and then when the debt ceiling comes up, they vote no. That bill passed by only one vote. That is not taking a responsible position.

Mr. CEDERBERG. Well, now when we are talking about budget control and fiscal responsibility, the other body took a bill to increase the debt that the American people will have to pay sometime, and put a tax reduction on it. That is just about going as far as we can get, as far as I am personally concerned, in the area of irresponsibility.

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Idaho.

Mr. SYMMS. I know that the gentleman from Michigan has stated his position and supports the committee position; but I am sure he will be pleased if some Member of the House offers, and if no one does I will offer an amendment to cut this entire appropriation across the board by a few percentage points and then we will find out how many people mean what they say in the legislation passed on budgetary reform.

The gentleman from Michigan ought to be very interested in the result of the vote on that.

Mr. CEDERBERG. I have stated my position on that. We have gone down that road many times before the gentleman from Idaho was a Member of this body. This is an interesting exercise. The problem is that in this bill we have already reduced a slight amount for the Federal Bureau of Investigation, on whom we put additional responsibilities. This is something we never did before.

We have reduced some of the other budget requests quite substantially and to reduce them further would place me in a position of saying, well, I did not do as good a job as we should have done as a subcommittee. I think we have done a good job. We never do a perfect job.

Cutting across the board, I commend the gentleman for what he is trying to achieve; but I am not sure that is quite the wise way to handle this.

Mr. SYMMS. Mr. Chairman, if the gentleman will yield further, I would like to state that I appreciate the gentleman's position and I certainly understand his argument.

I do think, however, that when we are talking about funding agencies, for instance to give better law and order to the country, it is rather paradoxical to be stealing money from the public by counterfeiting the legal tender we use as a medium of exchange, which certainly is money in its own right, in the name of funding the Justice Department.

Therefore, I think there is a point here at some time where the Members of this House are going to have to face the reality that we have a printing press on 14th Street, which if the gentleman from Michigan (Mr. CEDERBERG) or the gentleman from Idaho (Mr. SYMMS) would have one similar to it, we would be thrown in prison for counterfeiting. However, since the Federal Government has the legal tender laws, they can counterfeit at will. They can finally make it so that it is not worth anything. When it finally gets to the point where it is not worth what it costs to print, maybe the politicians will wake up and do something about it.

Mr. CEDERBERG. Mr. Chairman, I think the gentleman makes an interesting point. I do not know whether he wants most of us to go to jail or not, but I say to him that also in this bill we do have money for the Federal prisons which we are trying to improve a little bit.

Mr. SYMMS. I am not sure that if I keep it up I will probably end up there, as an enemy of the State.

Mr. RODINO. Mr. Chairman, I rise in support of H.R. 15404 but I am deeply concerned over the drastic reduction of funds for the Department of Justice.

While there are substantial increases in funding for the Department of Justice as compared with fiscal year 1974, the committee has reduced the amount contained in the President's budget request by over $30 million. These reductions, in my opinion, will substantially affect the operation of the Antitrust Division, the Immigration and Naturalization Service, and the LEAA programs established by the Congress.

I am particularly disturbed by the $6.4 million reduction in appropriations to the Law Enforcement Assistance Administration. It appears that there should be no higher priority than to assure our country of a safe environment on our streets and in our communities. The reduction in LEAA funding will certainly thwart to some extent our fight against rising crime.

In 1973, statistics indicate a rise in serious crime. FBI indexes reveal serious crime offenses were increased by 5 percent in that same year. In addition, the tragic crimes of rape, murder, and aggravated assault all indicate a substantial increase. With these facts I am troubled that the funds requested for LEAA have been reduced by the Appropriations Committee.

When Congress passed the Omnibus Crime Control and Safe Streets Act, it recognized the vital role of the Federal Government in assisting local law enforcement agencies in the fight against crime. It is my hope that the agency entrusted with administering and coordinating the anti-crime effort will be given the financial and technical resources which will enable it to successfully discharge its duties.

Furthermore, major developments within the past 2 months argue forcefully against any reduction in budget appropriations for the Antitrust Division, these events only confirm conclusions reached by my Monopolies Subcommittee over the past year. On June 12, 1973, the Monopolies Subcommittee commenced oversight of the Antitrust Division with emphasis on the petroleum and the food industries. In March 1974, largely after constant pressure from my subcommittee's antitrust oversight, the Antitrust Division formed and activated a Special Energy Unit to investigate antitrust violations in the energy field, particularly in the oil industry. This action has added further drains on already-overburdened resources. The Antitrust Division did not cause the energy crisis but we, the Congress, have the duty to follow through and fund it so that the Division can cope with many apparent antitrust problems in the energy field.

During Monopolies Subcommittee hearings in June and July 1973 on skyrocketing food prices, the lessons of antitrust history were fully explored. After each major period of national wage-price controls, the most serious antitrust violations of the century occurred: after World War I, expiration of the NRA, World War II, and the Korean War. The Antitrust Division was urged to devote more of its resources to prevent a repetition of these disastrous effects. In early April 1974, shortly before the expiration of wage-price controls, the Antitrust Division did act in this regard. Again, the Antitrust Division should not be criticized but praised for its contributions in solving complex, national problems.

Within the past several weeks, at least two mergers of corporations each with multi-billion-dollar sales have been announced. At least two other of similar nature have been announced recently. Significantly, two of these four mergers have been announced by major oil companies, Gulf and Mobil. These mergers were predictable in theory as a result of sustained inflation. In this case, these results are more serious, rekindling giant conglomerate mergers that have been quiescent for the past several years. In the long run, these structural changes are more harmful to our Nation than antitrust conduct such as price fixing. Furthermore, serious questions of oil industry use of record profits to acquire corporations rather than to increase production are raised. The Antitrust Division must be supported by the Congress if it is to properly investigate and to attenuate these dangers to the structure of the Nation's economy.

Finally, while H.R. 15404 contains an increase of over $21 million for the Immigration and Naturalization Service, I had hoped that the Committee on Appropriations would have provided the full budget request of $180 million. I am gratified that the administration, particularly the Department of Justice and OMB, has finally recognized the serious nature of the illegal alien problem by requesting funds which will enable INS to effectively cope with this problem.

However, if we are to reduce by $5 million the amount requested by the administration for INS, we, the Congress, will have to bear a certain portion of the blame for the illegal alien problem. In the past, the Appropriations Committee has provided the full budget request for INS but in these instances the initial INS request had been severely reduced by the Department of Justice and OMB prior to its submission to Congress.

In addition to the funding and manpower problems confronting INS, my Committee has recognized the need for legislation to eliminate the serious illegal alien problem. In this regard, the committee and the full House overwhelmingly approved my bill, H.R. 982, to impose civil and criminal sanctions on employers of illegal aliens. This bill is presently pending in the Senate and I am hopeful that it will be enacted in the near future. This legislation, however, will not completely solve the problem and INS must be provided with the resources to control the influx of illegal aliens to this country.

I am hopeful that during the consideration of this bill by the House and Senate the $30 million will be restored to the Department of Justice in order that it can effectively discharge the duties which have been delegated to it by the Congress.

Mr. COHEN. Mr. Chairman, the House Judiciary Committee conducted an extensive hearing last year regarding the programs of the Law Enforcement Assistance Administration which culminated in the enactment of the Crime Control Act of 1973. This act extended the LEAA program through fiscal 1976 and renewed the Federal commitment to provide leadership and assistance to State and local criminal justice agencies across the Nation. The 1973 act, amending the Omnibus Crime Control and Safe Streets Act of 1968, also placed new responsibilities on LEAA for juvenile justice improvement and for extensive evaluation of crime control efforts—to determine what works and what does not—and to distribute information regarding successful crime-reduction programs to all interested justice systems. It should be noted that the Congress authorized an appropriation of $1 billion for fiscal year 1975, while the administration's request was for a comparatively modest $886.4 million. I regret that the Committee on Appropriations has recommended a reduction of $6.4 million below the fiscal year 1975 request.

It is unwise to reduce the congressional commitment to law enforcement by denying an adequate level of funding to the LEAA program. Moreover, it is false economy at best to reduce the amount of funds available for the evaluation of crime-reduction projects and for technical assistance services to State and local criminal justice systems. Unless effective project evaluation identifies successful and cost-effective programs and unless technical assistance leading to an improved quality of criminal justice performance is provided around the country, the other funds extended will have a smaller impact on crime reduction and criminal justice improvement.

I would urge the Members of the House to support any House-Senate conference effort to restore the LEAA appropriation to the full amount requested by the administration.

Mr. EILBERG. Mr. Chairman, I rise in support of H.R. 15404, but I wish to express several reservations regarding the inadequate funding provided for the Immigration and Naturalization Service.

I wish to emphasize that I am particularly gratified that the Committee on Appropriations has recommended an increase of $21.6 million of current funding for INS, but I am somewhat dissatisfied that the committee deleted $5 million from the administration's budget request.

For years now the budget request of INS has been emasculated by the Department of Justice and the Office of Management and Budget prior to its submission to the Congress each year.

As a result of my subcommittee's review of the illegal alien problem in this Congress, we have concluded that INS is confronted with severe funding and manpower problems. In order to control the serious illegal alien problem, the Judiciary Committee approved H.R. 982 which the House passed by an overwhelming majority. This bill would impose civil and criminal penalties on employers who knowingly hire illegal aliens. The Senate has yet to act on this urgently needed legislation. In addition to recommending this legislation, the committee noted in its report on H.R. 982 that INS's inability to control this problem is "directly attributable to the manpower and funding problems which have continuously plagued the Service."

Therefore, I was very pleased when OMB submitted to the Congess a budget request of over $180 million for INS. This request was long overdue and my only regret is that the Appropriations Committee failed to approve the full budget request. It is my understanding that the Appropriations Committee was somewhat concerned by the large number of vacancies in INS. When INS appeared before that committee in January of this year, there were 547 permanent positions unfilled; 247 of these positions were normal turnover vacancies while the additional 300 were a result of a 1974 supplemental appropriations bill which had been approved on January 3, 1974. Since that time INS has made substantial efforts to fill these vacancies. For example, as of May 31, 1974, there were only 395 vacancies and at the present time less than 300 vacancies exist.

I can appreciate the concern of the Appropriations Committee when an agency requests an increase in manpower while vacancies exist. I share that concern particularly in view of the fact that INS has been severely understaffed for such a long period of time. I inquired as to the reasons for the large number of vacancies and was informed that first, there is presently a waiting period for security clearances which are being processed; and second, there are procedural and processing problems encountered in filling a vacancy and this problem is intensified when one considers that there are over 300 locations for INS facilities throughout the country. As a result, there is generally a lapse of 5 months between the occurrence of a vacancy and the filling of this position.

I have also been advised that INS has revised its policy and a project was undertaken to reduce the 5-month period. As a result, this time period has been reduced to 60 days and INS is making substantial progress in its effort to expedite the filling of its vacancies.

Consequently, I believe that INS will be in a better position in the future to present a specific and detailed program and justification for increased personnel when it presents its request to the Appropriations Committee.

On numerous occasions I have been asked why INS has been unable to stem the illegal alien problem. In each instance I responded that "INS lacks the proper funds and personnel notwithstanding the fact that Congress has always met the budget request needed for INS." It was, therefore, apparent that the real problem was the low priority attached to the enforcement of our immigration laws by the administration.

I am pleased that the administration now recognizes the importance of curtailing the flow of illegal aliens to this country by substantially increasing its request for INS appropriations. However, if Congress fails to provide the requested amount of $180 million, it must be ready to assume partial responsibility for this problem.

I also share the concern of my colleagues that we must reduce Federal spending whenever possible, but I must emphasize that the additional $5 million becomes insignificant when compared to the tremendous economic impact resulting from the presence of millions of illegal aliens in the United States. Testimony before the committee during our investigation of this problem clearly indicates that illegal aliens have contributed to our balance-of-payments problem and have burdened our public assistance programs. In addition, many illegal aliens claim nonexistent dependents or otherwise fail to pay their just share of Federal income taxes.

I fully believe that Congress must be fiscally responsible, but in this case I would have hoped that the Committee on Appropriations would have appropriated the full budget request of $180 million.

The Congress must provide the necessary resources if we expect INS to more adequately administer the provisions of the Immigration and Nationality Act and to alleviate the critical illegal alien problem.

Mr. FISH. Mr. Chairman, I rise to associate myself with the remarks of the gentleman from Pennsylvania, and to further discuss the serious problems faced by the Immigration Service with respect to illegal aliens which would be aggravated by manpower cuts caused by a reduction in their requested appropriations. Oversight hearings held in April of this year by the Judiciary Subcommittee on Immigration on which I am pleased to serve as ranking member heard testimony from Gen. L. F. Chapman, Commissioner of the Immigration and Naturalization Service. He stated that:

> With regard to law enforcement the problem is the very large number of illegal aliens in this country, more every day, and our efforts to keep them out, and find those who are here and remove them.

He added the second most important aspect of the illegal alien situation is the crime growing out of it. General Chapman went on to cite the smuggling of illegal aliens into this country, the arranging of fraudulent marriages and the preparations of fraudulent documents as examples of the serious crime surrounding the problem.

The number of illegal aliens discovered by the Immigration Service has risen from less than 100,000 in fiscal 1964 to an anticipated 900,000 in the present fiscal year. Our subcommittee has heard testimony indicating that illegal aliens in this country displace U.S. citizens from jobs, especially among low-paid occupations, and others find their way into our welfare rolls. The House has dealt with this problem by passing H.R. 982 during the last session which imposes sanctions on employers for knowingly employing such illegal aliens and that bill is now pending in the Senate.

However, we must also provide enough money for the manpower needed to control this ever-increasing flow of illegal aliens.

I had the pleasure of recently visiting the New Orleans office of the Immigration Service and I can personally report that the staff there is significantly undermanned. For example, on ships coming up the Mississippi, often there is only one Immigration Service official available to inspect an entire ship. This results in less than adequate inspections, increasing the possibility of illegal aliens entering this country. To do their job, the Border Patrol of the New Orleans office frequently has to recruit from other services.

Mr. Chairman, this is not the time to cut back on personnel for the Immigration and Naturalization Service. I am sure with the legislation we have passed last session, together with adequate funding, the Immigration Service will be able to bring this grave problem under control.

Mr. VAN DEERLIN. Mr. Chairman, the Committee on Appropriations has knocked out funds for a major project in my district, the Tia Juana River Flood Control Project.

Naturally I do not like to see any money that had been headed for my own constituency side-tracked in this fashion. And normally a Congressman in the position I now find myself would protest loudly, at least, before surrendering to the inevitable.

But in this case the committee was right; it had no other choice but to reject the $1.5 million sought for the project.

These flood works were conceived as a grand joint endeavor by Mexico and the United States to protect floodprone acreage on both sides of the border.

I was proud to be the author, in 1966, of the enabling act for this project. At that point, the proposed works strongly supported by the State of California and the cities of San Diego and Imperial Beach, Calif.—the State and local governments most immediately concerned.

In December of 1971, however, San Diego abruptly withdrew its support from the full-length flood control channel which, as then envisioned, would have extended 5½ miles to the ocean. A new, environmentally conscious city council and mayor felt the amenities of the undeveloped Tia Juana River Valley could best be preserved by minimal flood control works.

The Boundary and Water Commission and Army Engineers went back to their drawing boards and came up with something more to San Diego's liking—a modest system of dikes sufficient to receive runoff from the fullscale works now nearing completion in Mexico, while doing nothing to encourage development in the U.S. section of the valley.

But these changes had the effect of nullifying the previous commitment of the State to buy rights-of-way for the project. The obligation of our State government was to a specific project, but the plans had been rewritten.

Getting the State to renew its commitment thus far has not been possible, due to a series of legal and political complications. There is no hope that California wil come up with its share of the money until after a new administration has taken office in January—and it is an open question whether anything will happen even then.

Therefore, the Appropriations Committee can hardly be blamed for refusing to put up additional money for construction when the needed land has not yet been acquired.

I hope we can have a more optimistic report next year, to justify Congress' continued faith in this potentially valuable flood control program, and to make good on a treaty obligation we have undertaken with Mexico.

Meanwhile, Mr. Chairman, my constituents must hope for a blessing that is beyond the gift even of the House Appropriations Committee—that upcoming winters will be free of rain levels which afflict our Southwest once every 30 or 40 years. Should such a storm strike, our failure to complete this channel project in timely fashion could leave a trail of watery death and destruction.

Mr. FRENZEL. Mr. Chairman, I do not like to vote against appropriations bills but I object to passing a bill that is 12½ percent, $600,000,000, more than last year, especially immediately following the passage of the Budget Control Act.

I voted for an amendment to increase the bill by $1 million, but that was for vital antitrust effort. I also voted for larger reduction.

If we cannot control the appropriations for the simple ongoing work of the bureaucracy, we are never going to control them on other matters. I have nothing against the agencies funded, and I value the work of the committee, but I simply cannot vote for an increase of this size.

Mr. Chairman, I rise in support of the Heinz amendment to H.R. 15404. I can not imagine why this Congress would be cutting the administration's budget in the Antitrust Division. I congratulate the gentleman from Pennsylvania (Mr. HEINZ) for his sharp eye in uncovering this attempt to reduce the effectiveness of our antitrust programs.

Cutting antitrust efforts is particularly inappropriate at a time of low public confidence in our—all our institutions. Neither large corporations nor the Congress are held high in public confidence and esteem. A reduction of this budget item makes it look as though the latter were in cahoots with the former.

This Congress and this House have played around with injecting many agencies into what should be the jurisdiction of the Antitrust Division. We have given powers needlessly to FTC. We have tried to create a variety of consumer agencies. I believe we do our consumers, and all our constituents, more good by assuring the effectiveness of the Antitrust Division of the Justice Department.

I urge the adoption of the Heinz amendment.

Mr. BADILLO. Mr. Chairman, as we consider the fiscal year 1975 appropriations for the Department of Justice, I wish to point out the appalling situation of Spanish surnamed employment within that agency.

According to figures in the Civil Service Commission's periodic reports on minority group employment within the Federal Government, as of March 30, 1974, Spanish-speaking employees represented only 2.97 percent of the total Justice Department work force. That figure as of November 30, 1972, was 2.9 percent, 2 years earlier it was 2.4 percent and in November 1969, 2.1 percent of all that agency's employees were Spanish surnamed. Thus, over a period of almost 5 years, Spanish surnamed employment within the Department of Justice has increased by only eight-tenths of 1 percent.

These figures are even more startling when we consider that on November 5, 1970, President Nixon announced the implementation of a new 16-point program designed to encourage Federal employment of the Spanish speaking. The rationale for such a program was that the Federal Government could better serve the needs of Spanish surnamed Americans if there were significant numbers of our community in Federal jobs, especially in responsible, policymaking positions. During this period of near 4 years, the much-touted 16-point program has been a dismal failure, and I believe that the Justice Department figures bear this out most clearly.

I think it is important that we also note that if this total employment picture is unfavorable, a closer scrutiny of the concentration of Spanish surnamed in the various grade levels is even more disappointing. The vast majority of these individuals are concentrated in grades 1 through 8, and the numbers of Spanish surnamed employed in mid or upper grades is negligible. In November 1969, 587, or 83 percent, of the Spanish surnamed persons employed by the Justice Department were in grades 1 through 8, yet in 1974 that figure had dropped only to 82 percent.

The Department of Justice, as the law enforcement arm of the executive branch and administrator of the criminal justice system, has many functions which are particularly crucial to the Spanish speaking, such as the Civil Rights Division, Bureau of Prisons, Community Relations Service, and the Immigration and Naturalization Service. Although the Immigration and Naturalization Service appears to have an unusually high percentage of Spanish surnamed employees, about 8 percent, it is worth noting that they serve a very large number of Spanish speaking persons. In fiscal year 1973, at least 34 percent of all immigrants to the United States were from Spanish language countries and 44 percent of all temporary visitors for pleasure were from Spain and Latin America. The U.S. Border Patrol, which, I am told, requires that all agents have a good command of Spanish, employs only 134 Spanish surnamed persons out of a total employment figure of 1,625. Since approximately 1,300 of their positions exist in the southwestern part of the United States and require Spanish language facility, it would seem that they must make a much greater effort to take advantage of the vast resource of native Spanish-speaking people who live in that section of the country. Of a total of 1,360 U.S. attorneys—positions which pay a supergrade salary—only 7, or 0.51 percent are Spanish surnamed. The appropriation which we are considering today provides for funds for 56 new U.S. attorney positions, and I urge that the President fill many of these posts with Spanish surnamed individuals.

Mr. Chairman, out of a total budget of almost $2 billion for the Department of Justice for fiscal 1975, some $1,869,797,000 will go toward salaries and administrative expenses. Clearly this Department and most of its constituent agencies has failed to move affirmatively toward expanding employment opportunities for the Spanish speaking. I believe that during this new fiscal year we should carefully scrutinize this Department and encourage it to show some positive signs of commitment to the ideal of equal employment opportunity for Spanish surnamed Americans.

Mr. DRINAN. Mr. Chairman, today we appropriate over $5.4 billion for the Departments of State, Commerce, and Justice, the Judiciary, and related agencies. There are, to be sure, literally hundreds of items which merit comment; I wish to focus on two.

Approximately $2.1 billion has been granted to the Justice Department to pursue its law-enforcement activities. If I had my way, the vast proportion of that money would be used to eliminate discrimination, to improve the quality of the environment, to protect consumers, and to reform the criminal justice system. But that is not likely to happen until this administration changes its priorities.

A few weeks ago the House Judiciary Subcommittee on Civil Rights and Civil Liberties released its report on the proposed cutbacks in the Community Relations Service, an agency within Justice which seeks to ameliorate and mediate racial tensions and disputes. Among other things, we found that the administration had begun dismantling the Community Relations Service contrary to congressional directives, and that its proposed level of funding was inadequate for the proper execution of CRS' statutory functions.

After stating our findings with respect to the actions of the administration, we recommended that "the budget of the Community Relations Service in fiscal year 1975 be reinstated at a level adequate to both the prevention and mediation of racial crises." While the bill before us does not appropriate as much moneys for CRS as I believe are necessary, it does provide for a modest increase over fiscal 1974. I am hopeful that continued oversight by our subcommittee will disclose any additional budgetary deficiencies in CRS operations.

A second item of note relates to the proposed recommendation to appropriate $332,000 for the National Commission for the Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance. By Federal standards, that sum is indeed a drop in the proverbial bucket. It is, I submit, money well spent.

Since the Commission was first "established" in the Omnibus Crime Control and Safe Streets Act of 1968, it has gone through periods of life, death, and resurrection. It is now with us and, as originally contemplated, is beginning its work to evaluate the wiretapping and electronic surveillance provisions of title III of that act.

While the Commission is presently scheduled to expire in June 1975, H.R. 15173, now pending before our Subcommittee on Courts, Civil Liberties, and the Administration of Justice, would extend its life to January 1977. That bill would also allow the Commission access to government surveillance records, while preserving the citizen's right of privacy.

It is important that we move on several fronts in our battle against Government snooping and intrusions into privacy. Funding this Commission would be another step to increase our capacity to keep watch over the watchers. With the passage of this appropriation, I await anxiously for the Commission's first report.

Mr. ALEXANDER. Mr. Chairman, as chairman of the House Subcommittee on Rural Development and as a representative of a district which is basically countryside, I am very much interested in determining how much of the moneys we in the Congress appropriate each year go to nonmetropolitan areas.

I have been in search of a definitive answer to this question for more months than I like to recall. Thus far the answers which I have been able to assemble are only partial ones. And, they are not altogether encouraging. This is particularly true with regard to the programs which would be funded under the bill which we consider today, H.R. 15404, State, Justice, Commerce, Judiciary appropriations for fiscal year 1975.

One reason that we who are concerned with the interests of the Nation's residents who live and work in the countryside have such difficulty learning how much Federal moneys go to their benefit is, so far as I can determine, because the departments and agencies involved either do not keep track of such important information or have internal difficulties establishing the answers. Another reason is to be found within the appropriations bills which we in Congress approve. Too often they do not earmark the funds for specific programs, or even recommend in the committee reports on the bills how much of the funds we appropriate should be spent in which program. Also, when this is done it is not in frequent to find different titles being used for the same program.

Keeping all these shortcomings in mind, I intend during the consideration of a number of the remaining appropriations bills to attempt to suggest where moneys in a number of selected programs may be expected to be spent. The divisions which I will discuss are based on the optimistic assumption that nonmetropolitan areas will get at least as much money in fiscal year 1975 as in fiscal year 1973, the most recent year for which such figures are available.

The programs to which I refer are selected programs in the Law Enforcement Administration, the Economic Development Administration and the Small Business Administration. Because of differences in the manner in which various information sources break down the Small Business Administration programs I have not attempted such a breakdown in the chart which I would include as a part of the RECORD. But, these programs include economic opportunity loans to small businesses, loans to State and local development companies, and small business investment company loans.

While I have not projected a figure in the chart for disaster loan assistance to nonmetropolitan areas, I think it is very important to note that in fiscal year 1973 only 29.3 percent of the direct disaster loans under SBA went to nonmetropolitan areas while 79.3 percent of the insured loans went to such areas.

The chart which I am inserting contains in column 1 the program identification; in column 2 the amount of money the Committee on Appropriations is recommending for fiscal year 1975; in column 3 the amount of column 2 which—based on fiscal year 1973 results, may be expected to benefit nonmetropolitan areas; column 4 the amount appropriated for fiscal year 1974; and column 5 the percent of each item which went to nonmetropolitan areas in fiscal year 1973.

I would emphasize that the figures in column 1 for such programs as SBA's business loan investment fund is capital going into the fund not the level of loans which SBA anticipates making.

[Figures are given in millions]

Program	1975 committee recommendation	1975 amount for non-metropolitan areas	1974 appropriations	Percentage of fiscal year 1973 outlays going to non-metropolitan areas
Law Enforcement Assistance Administration	$880.0	$85.4	$870.6	9.7
Economic Development Administration programs:				
Public works grants and loans	160.0	100.3	159.0	62.7
Industrial development loans and guarantees	15.0	7.4	5.0	49.1
Planning, technical assistance, and research	9.2	3.7	20.0	41.0
Regional Action Planning Commissions: Regional development programs	34.9	15.3	42.0	43.7

Mr. SIKES. Mr. Chairman, for many years, the legislation for the annual appropriation for the Departments of State, Justice, Commerce and the Judiciary has borne the honored name of JOHN ROONEY. During most of those years, I have been privileged to serve with him on this subcommittee—a witness to his leadership and to his patriotic contributions.

JOHN ROONEY has announced his retirement at the end of his present term in Congress. It means we shall not again see a bill bearing his name as chairman of the subcommittee.

I have spoken earlier of my concern that his retirement from this body will mean that an able and conscientious and honorable member of the Congress will no longer be among us. I shall not reiterate those thoughts here again today.

In many ways, it is a sad day, for JOHN ROONEY will be missed. Yet, in retrospect, it is a proud and happy day for JOHN ROONEY'S work has been honorable and distinguished and effective and his contributions stand as a monument to his stewardship of the trust extended to him by his constituents. He is now privileged to receive the accolades and congratulations which surely will come his way and which are so well deserved.

It has been my honor to serve with him. It has been my honor to support the subcommittee bills which he has so skillfully and soundly drawn, and it has been my honor to have called JOHN ROONEY my friend. I join with my colleagues in wishing him and Mrs. ROONEY only the very best in all the years that lie ahead for them.

Mr. SIKES. Mr. Chairman, I associate myself with the comments that have been expressed about the pending retirement of my good friend and colleague, the Honorable WENDELL WYATT of Oregon. It was with surprise and with great disappointment that I learned of his plans. WENDELL WYATT has served long and well. He has earned the confidence and the friendship of his colleagues on both sides of the aisle. He is an able and dedicated legislator.

Elected to this body on November 3, 1964 to succeed the late Walter Norblad, Congressman WYATT immediately plunged into the work of the Congress and in a short time distinguished himself through sound, useful and dedicated service. It has been my honor to serve with him in Congress and to work closely with him on the Appropriations Committee. I know from first hand experience that WENDELL WYATT is a man of keen mind and sincere convictions. He is a sincere student of government and one of the hardest working Members of the Congress. His effective services to his Nation and the Congress have been at a time when wisdom and leadership and dependable thinking were sorely needed. It was because he possesses genuine qualities of ability that we shall miss him so greatly. I am sorry to see him go, but I join in wishing WENDELL and Mrs. Wyatt a long and happy and useful life together in the years ahead.

Mr. SLACK. Mr. Chairman, we have no further requests for time.

Mr. CEDERBERG. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk proceeded to read the bill.

Mr. SYMMS. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Evidently a quorum is not present.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. 102 Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Clerk will read.

The Clerk read as follows:

SALARIES AND EXPENSES, GENERAL LEGAL ACTIVITIES

> For expenses necessary for the legal activities of the Department of Justice, not otherwise provided for, including miscellaneous and emergency expenses authorized or approved by the Attorney General or the Assistant Attorney General for Administration; not to exceed $30,000 for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on his certificate; and advances of public moneys pursuant to law (31 U.S.C. 529); $59,000,000: *Provided*, That not to exceed $125,000 may be transferred to this appropriation from the "Alien Property Fund, World War II", for the general administrative expenses of alien property activities, including rent of private or Government-owned space in the District of Columbia.

POINT OF ORDER

Mr. ECKHARDT. Mr. Chairman, I raise a point of order to the language on page 14 of the bill, beginning at line 8, which states:

> Not to exceed $30,000 for expenses of collecting evidence, to be expended under the direction of the Attorney General and accounted for solely on his certificate.

I raise the point of order under rule XXI, clause 2, providing as follows:

> Nor shall any provision in any such bill or amendment thereto changing existing law be in order, except such as being germane to the subject matter of the bill shall retrench * * * et cetera.

Mr. Chairman, the language contained here would alter the general law under which the Comptroller General would be required to examine and approve the expenditure, whereas this language would permit expenditure under the direction of the Attorney General and accounting for it only under his certificate.

Mr. SLACK. Mr. Chairman, I would like to be heard on the point of order.

This language was included in the 1963 Appropriation Act and Appropriation Acts of subsequent years. The pertinent budget specifications for 1963 read as follows:

> The Department has been seriously handicapped in conducting investigations and obtaining evidence in criminal cases because the legal divisions have not been authorized to make expenditures for confidential purposes in appropriate situations. Investigations of organized crime or racketeering would be greatly facilitated if the requested authority is granted. Funds are to be used solely for the purpose indicated and only if authorized and directed by the Attorney General.

Mr. ECKHARDT. Mr. Chairman, may I be heard further?

Mr. Chairman, if I heard the gentleman's reply correctly, he stated that the language had been authorized in previous Appropriation Acts—not in any other substantive law or in any allocation or provision of positive law but only in previous appropriations, which, of course, is only a term, and even if they were not, they would not be available to afford a basis in substantive law for this provision.

The other evidence was to certain statements made in hearings, but, as I understand the rule, when a point of order is made under clause 2, rule XXI, it then becomes incumbent on the one urging the language to show that it is based on other than appropriations provisions.

Mr. SLACK. Will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman.

Mr. SLACK. The gentleman is correct, and, if he insists on the point of order, we concede it.

The CHAIRMAN (Mr. VANIK). The Chair understands the point of order is directed solely to the language in lines 8, 9, 10, and 11 rather than the entire paragraph. Is that correct?

Mr. ECKHARDT. That is correct.

The CHAIRMAN. The point of order is conceded, and the point of order is sustained.

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BIAGGI: On page 13, add a new section to title I:

SEC. 105. None of the funds appropriated in this title shall be used to enter into agreements with foreign countries to provide them with nuclear technology or materials, without the expressed consent of both Houses of Congress.

The CHAIRMAN. The Chair must advise the gentleman from New York that this is an amendment at the end of title I. The gentleman will have to ask unanimous consent that it may be considered out of order.

Mr. BIAGGI. Mr. Chairman, I ask unanimous consent that this amendment may be considered out of order.

The CHAIRMAN. The gentleman from New York asks unanimous consent to go back to page 13, line 16. Is there objection to the request of the gentleman from New York?

Mr. CEDERBERG. Mr. Chairman, I regret that I am going to have to object. I hesitate to do so. I have seen the amendment offered by the gentleman from New York, and it raises some questions some of which really we have not had an opportunity to look at at all. I do not know what the ramifications would be. For that reason and for no other I feel constrained to object.

The CHAIRMAN. Objection is heard.

Mr. BIAGGI. Mr. Chairman, I was on my feet at the exact moment that the gentleman from Texas (Mr. ECKHARDT) was on his feet. The Chairman chose to recognize the gentleman from Texas while I was standing. The Clerk had not as yet reached that point in the bill which would have dealt with this amendment.

The CHAIRMAN. The Chair thinks the proceedings would show at that point at which the gentleman from New York first sought recognition, the Clerk had read beyond the point of the amendment offered by the gentleman from New York and in fact had read the second paragraph of title II.

The gentleman from Texas had arisen several times prior to that, and the Chair did not perceive the gentleman from New York seeking recognition at the time until we had read past that section.

Mr. BIAGGI. Mr. Chairman, I must insist that I was standing at the same time as the gentleman from Texas was standing.

The CHAIRMAN. The Chair will state that the Chair regrets that the gentleman from New York is barred by the rules from offering his amendment.

The Clerk will read.

The Clerk read as follows:

SALARIES AND EXPENSES, ANTITRUST DIVISION

For expenses necessary for the enforcement of antitrust, consumer protection and kindred laws, $15,680,000: *Provided*, That none of this appropriation shall be expended for the establishment and maintenance of permanent regional offices of the Antitrust Division.

AMENDMENT OFFERED BY MR. HEINZ

Mr. HEINZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HEINZ: Page 14, line 20, strike out "$15,680,000" and insert in lieu thereof "$16,762,000".

Mr. HEINZ. Mr. Chairman, I rise to offer an amendment to restore the administration's budget request to this portion of the appropriation, minus $120,000 that would otherwise be included for rent to the General Services Administration.

Mr. Chairman, before I argue in behalf of this amendment, I want to commend the members of the Committee on Appropriations for an excellent job. We all know they have been working extremely long and hard. They have cut $101 million from the original requests, and I think most or all of us in the House of Representatives compliment all of the members of the Committee on Appropriations for having successfully done some needed trimming.

However, Mr. Chairman, I feel that in having trimmed the budget, that in this one instance a mistake may have been made.

Every day, my mail brings new complaints of higher prices and frustration of the lack of Government action in doing anything about inflation. Others want to know why retail prices go up and never come down relative to the drop in farm or other wholesale prices. Without healthy and vigorous competition, we cannot ever expect prices to come down to realistic market levels. That is where strong and effective antitrust enforcement comes in.

And it is for this reason, Mr. Chairman, that I propose a strengthening of the budget for the Antitrust Division of the Justice Department.

I would particularly like to draw the attention of the committee to the need for this increase. In real dollar terms the Antitrust Division is now operating with a budget smaller than it had in 1950. Meanwhile, its responsibilities have continually grown in response to our complex, expanding economy. Not only that, but the resources of the Antitrust Division are presently strained with new major litigation, a massive, new investigation of the energy industry, and additional manpower-consuming responsibilities because of amendments to the Bank Holding Company Act which in 1973 alone required the division to evaluate over 150 bank mergers. Furthermore, there has been a huge increase in the workload for consumer protection and interagency matters.

Vast as these new demands are, the amount proposed in H.R. 15404 amounts to no more than a cost of living increase—and an inadequate one at that.

The increase we are seeking in the budget is small, but very important. Protecting the public interest through investigation of complex industries and prosecution of complicated cases takes painstaking research, a great deal of time and effort and the necessary manpower. A little spent now insuring the kind of competition that puts pressure on prices may mean a lot less spent later by the American consumer.

I am aware that the committee deliberated long and hard over how many positions were needed in the Antitrust Division of the Justice Department, but the facts of the matter is that presently the Antitrust Division is authorized less people than it it was allowed in 1950. In fact, in 1950 there were 632 professional and clerical positions in the Antitrust Division. Today the number is only 629.

Mr. Chairman, the Assistant Attorney General for Antitrust, Mr. Thomas E. Kauper, appeared before the Congress just a little while ago to explain that he needed the funds in this request to increase the size of the staff by 63 more people than the committee has seen fit up to this point to authorize. Let me quote:

> The requested increase is not designed to produce any marked increase in level of Antitrust Division activity; it will, however, permit us to maintain a responsible level of efficiency, and thus to maintain public confidence in the credibility of the antitrust enforcement program.
>
> At present there is no part of the Antitrust Division which has the staff to perform its tasks effectively; the proposed program increase will bring several operating units up to a minimum effective level, and provide the Division with the means to begin a program to do the antitrust enforcement job on a comprehensive basis.

Mr. Chairman, there is another fact that I feel should be brought to the attention of this committee, and that is that since 1972—for the past 3 fiscal years—the level of manpower in the Justice Department Antitrust Division has not increased. In fact, it has decreased: in 1972, 630 positions authorized, in 1973, 629, and in 1974, 629. In 1975 we want to catch up with the needs of this Division, which have been so sadly neglected. If the manpower level of the Antitrust Division had just been increased at the rate of 5 percent since 1972, the committee would today be authorizing 720 badly needed positions.

The funds appropriated by my amendment will, in contrast, permit only a total manning level of 692. What the amendment that I propose seeks to do is to increase the staff, both professional and clerical, to a level well beneath what that modest, reasonable, 5 percent increase would have accomplished.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. HEINZ was allowed to proceed for 2 additional minutes.)

Mr. HEINZ. Mr. Chairman, I recognize that some will say that the Department of Justice Antitrust Division cannot fill the positions that they now have, and that statistics can be produced to demonstrate this point. But I would submit to anybody who does produce those statistics that we should look behind them, because if we look behind them, we will find that the vacancies are largely due to a series of retirements that have taken place right at the end of this fiscal year and as such represent vacancies that, yes, cannot be filled immediately, because they need good people, and they just do not want to hire anybody off of the street. In addition, some funds authorized for personnel were not spent because they were needed to pay unexpected expenses of major litigation, for which funds were not specifically authorized in the budget.

Mr. Chairman, before I conclude my discussion on this amendment, I would also like to say to the Members just one other thing. We have had a lot of experience over the last 3 years with wage and price controls, talk of direct government intervention in industry in various ways, and of nationalization of various parts of the economy. I feel very strongly that all of these approaches to inflation would not be in the public interest. I think the best answer to inflation is the competitive marketplace where someone is always cutting prices or improving service, or product quality to increase sales. I think this amendment stands for the principle of the unfettered market mechanism by helping to insure a condition where no group can manipulate the market. Under that condition the market is a very democratic institution, a point we all too often forget. Hence, a warning: Pushing new controls is of dubious merit. A better program, and one that is the heart of the matter here, is to get government out of private decisions in all markets, and instead to get government fulltime back into the traditional governmental task of maintaining the open, competitive market by insuring the vigilance of the Antitrust Division.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. HEINZ. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

I agree with the thrust of the gentleman's arguments. It seems to me that the policy of the past several administrations is what the gentleman is really concerned with, and that an additional million dollars is really not going to change the policy of the administration with respect to Antitrust; is it?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, at the request of Mr. Johnson of Colorado, Mr. Heinz was allowed to proceed for 1 additional minute.)

Mr. HEINZ. I think this million dollars will greatly assist the Antitrust Division in carrying out its mission. It is a drop in the bucket of the appropriation as a whole, which is over $4 billion.

According to the Antitrust Division, it will allow them to operate efficiently rather than inefficiently. I believe the Antitrust Division wants to do the job—this amendment will give them the manpower necessary to do the job.

Mr. JOHNSON of Colorado. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SLACK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the amount recommended in this bill for the Antitrust Division is $15,680,000. Although this is $1,200,000 less than the request, it is $890,000 more than the 1974 appropriation. The 1974 appropriation included supplemental funds of $761,000 for litigative costs associated with the *IBM* case, which was the full amount requested.

The Antitrust Division is now authorized 629 positions. They requested 83 additional, an increase of more than 13 percent. However, as of May 16 last, the division had 76 actual vacancies out of the 629 authorized.

This is a vacancy rate of 12 percent, virtually the same as the 13-percent increase in positions requested. The committee bill would allow 20 of the additional positions, plus mandatory increases associated with the antitrust program. We feel that this is adequate for the enforcement of the antitrust laws for fiscal year 1975 and for that reason we ask that the amendment be defeated.

Mr. CEDERBERG. Mr. Chairman, I rise in opposition to the amendment. I will not go over the reasons already gone over by the gentleman from West Virginia (Mr. Slack). The funds we have for the Antitrust Division provide 20 additional new employees, which is adequate. In 1966 the appropriation for this item was $7.3 million. This year the committee recommends $15.7 million. That is a rather substantial increase in funds.

I do not have any prejudice in this matter one way or the other except I think we have given it very fair consideration.

I have said to the chairman of the Antitrust Division, a gentleman from my State for whom I have great regard, that if he wants to appeal this matter to the Senate and he can convince the other body we did not provide enough, we can work out something in conference, but I would hope we reject this amendment, because I do not think on the basis of the testimony we have had that we should agree to this.

Mr. HEINZ. Mr. Chairman, was the gentleman referring to the budget for 1965?

Mr. CEDERBERG. It was for 1966.

Mr. HEINZ. Would the gentleman know what number of people there were in the Justice Department Antitrust Division in 1966?

Mr. CEDERBERG. No, but I can look it up.

Mr. HEINZ. I will save the gentleman the trouble. In 1966, there were 614 people in the Justice Department. Today there are 629.

Mr. CEDERBERG. Maybe we are overpaying them now, because it is costing a great deal more.

Mr. HEINZ. I think the gentleman would agree that many of the policies that have been agreed to by the Congress are inflationary, and I know the gentleman feels strongly about this. I would make the point that, correct as the gentleman is on the expenses, the number of people, the manpower, the effort we have allocated in spite of the dollar cost is hardly more than a dozen people greater today than it was 8 years ago.

Mr. CEDERBERG. I can remember when we had some stockholder appeals and we had that great General Electric antitrust case that took a great deal of time and effort and we did very well with it. I think they can get along with this.

As I said, if they can convince the other body, we will be glad to talk to them in conference about it. I do not prejudice the gentleman's amendment at all, but I happen to think it is not necessary.

Mr. SIKES. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Florida.

Mr. SIKES. Mr. Chairman, I am reluctant to question the figures given about the Justice Department and the number of employees in 1966 as compared to now, but I cannot believe the figures are accurate. I know we have been adding to every department of Government, including the Department of Justice, year after year after year. That is one of the reasons the budget of this country is in the mess it is in now. We keep adding more and more people every year. Every year virtually every agency in this country comes to the Congress and asks for more people and more money. There has to be a limit to it somewhere. We have given them an additional few people for this year, as many as we think they can possibly require, and there are other Government agencies covered in this bill. It is an attempt to use some judgment in keeping down the escalation of the costs of Government. Of course, we have given them enough money.

Mr. CEDERBERG. The thing that disturbs me in going back to these figures of past years is that over the years we have had many reorganizations and shifting of responsibilities in the Department of Justice and new administrative responsibilities, so I do not know whether those people have been moved to the Office of Administration, and so on. With so much of that going on it is very difficult to compare figures.

Mr. HEINZ. They have substantially increased responsibilities just because of programs we have passed. In 1970, and previously in 1966, for instance, the Bank Holding Act greatly increased the division's burden. Because of this, they have had to screen 200 bank mergers this year alone. These are responsibilities the Department of Justice's Antitrust Division never had back in 1966. Today they have many more industries to oversee, huge conglomerates, the energy industry, many more responsibilities new since 1966.

While they have taken on many important tasks since 1966, the fact is that since 1966 the staff of the Justice Department has increased only from 614 to 629, a total of only 15 new positions.

Mr. FLYNT. Mr. Chairman, will the gentleman yield?

Mr. CEDERBURG. I yield to the gentleman from Georgia.

Mr. FLYNT. I wish to associate myself with the remarks of the gentleman from Michigan, the gentleman from Florida, and the gentleman from Pennsylvania. I think a cursory look at the report will show we increased the appropriations for the Department of Justice by $890,000. Of course, we listened to the arguments which were presented to us in justification for the full budget request and the committee in its judgment determined they had not made out a justifiable case for the full amount of increase that was requested.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. Flynt and by unanimous consent Mr. Cederberg was allowed to proceed for an additional 2 minutes.)

Mr. FLYNT. Mr. Chairman, if they had made out a case, I would say to my distinguished friend, the gentleman from Pennsylvania, we could rest assured this committee would have granted it. The committee has been generous above and beyond the call of duty in funding the requirements of the Antitrust Division of the Department of Justice. No one recognizes the need for an adequate staff in the Antitrust Division more than the members of this committee; but on the other hand, I would point out that the answer to the questions and the problems which the gentleman from Pennsylvania raises do not necessarily lie in spending more money and in hiring more people. It lies, rather, in a better management of the resources and of the people which are available in the Division. If and when the Department of Justice, the Antitrust Division thereof, makes out a case for justification of more funds, the committee will look with favor on it; but until that time, Mr. Chairman, I hope the Committee will vote down the amendment.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I am one that has been very critical of the Justice Department for a number of years for not prosecuting antitrust cases and for their general attitude on antitrust cases. I think it is one of the most important things in regard to inflation as the gentleman mentioned; but adding bodies to the Department in Washington is not synonymous with better antitrust enforcement. These cases are tried in the field. They have a stack of cases now that have been developed for several years and they are not prosecuting them in the field. What they have to have is a change in attitude.

They have 12 percent vacancies in the positions now authorized. What we are saying is that we will give them some more personnel, 20 more, and that will give them 15 percent in vacancies.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. ECKHARDT and by unanimous consent Mr. CEDERBERG was allowed to proceed for an additional minute.)

Mr. SMITH of Iowa. Every one of the members of the subcommittee is very sympathetic and would give them all the tools they need. One of the things I questioned the new Attorney General about when he came before the committee was the need to change their attitude on antitrust and when the day comes they can show they need more bodies, they will get more bodies; but giving them more bodies under the circumstances will not make one iota of difference in the prosecution of cases.

Mr. HEINZ. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Pennsylvania.

Mr. HEINZ. I thank the gentleman for his observation. I think it depends on how one looks at the enforcement activities of the Justice Department. For example, they have been held at the same level of personnel for the last 4 years. Obviously at some point the dam has to give a little bit; but more importantly, I think the gentleman is probably well aware that the Justice Department is consistently settling things by consent decrees. Why? Because they do not have enough people to do what the gentleman wants, which is to go to trial. When the Justice Department takes on a big corporation, they have to have lawyers to fight that case in court. But too often they are stretched so thin by all the demands made on them that they have no alternative but to settle out of court through the consent decree mechanism.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. CEDERBERG. I yield to the gentleman from Texas.

Mr. ECKHARDT. I am persuaded to a certain extent by the gentleman's argument on the amendment; except that on this side I hear arguments that indicate that in analogy we cannot give the bulldog teeth by throwing him meat. Is there any answer to that argument on the other side of the aisle?

Mr. CEDERBERG. I think the Antitrust Division has done a commendable job. If they need more personnel and if they can convince the other body we have not provided adequate resources for them to do their job, I do not think we will have any trouble compromising this at all.

Mr. ECKHARDT. I really intended to ask that question.

Mr. HEINZ. Mr. Chairman, could the gentleman rephrase his question? I am not sure I understood his colorful Texas simile.

Mr. ECKHARDT. My question is, how do we give the bulldog teeth by throwing him meat?

Mr. HEINZ. Mr. Chairman, I like to think that what we are doing is trying to keep the committee from filing down the teeth so far that they lose their grip on the quarry. I think there is plenty of meat out there, but I respectfully suggest to the gentleman that the Antitrust Division needs additional chewing power to handle it.

Mr. ECKHARDT. Do I not understand that there are 12 percent of the positions available which are not filled?

Mr. HEINZ. Yes. The gentleman is technically correct that a substantial number of permanent positions are currently filled by manpower classed as "temporary."

Mr. ECKHARDT. We are not filing the teeth. That is the Justice Department filing its own teeth, it seems to me.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to point out also that according to their own estimates, they only intend to file five additional cases, and they have 12-percent vacancy in the Washington office in the Antitrust Division. If they cannot handle those other five cases out of that 12-percent vacancy, there is something wrong with the management of resources.

Mr. HEINZ. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. Mr. Chairman, I yield to the gentleman from Pennsylvania.

Mr. HEINZ. Mr. Chairman, I do not question the genteleman's statistics, but in a recent check with the Justice Department—which is for this month, not for May—is that 624 of the 629 spaces or vacancies authorized by Congress were filled. I have no doubt that on May 15, as the gentleman suggests, they had a high number of vacancies. That is the time of year when people do change jobs and move.

I urge the gentleman to please consult his information and see if my figures are not, in fact, correct.

Mr. SMITH of Iowa. I say to the gentleman that those included temporary people who do not count against the permanent ceiling, so that he is comparing apples with oranges.

Mr. HEINZ. Did the gentleman say 624?

Mr. SMITH of Iowa. That is correct.

Mr. HEINZ. As I understand it, I think we have a real disagreement on that. I say to the gentleman from Iowa, I would like to compare sources with him.

Mr. SMITH of Iowa. What the department itself this morning said is that they had a 12-percent vacancy.

Mr. HEINZ. But that memo the gentleman is referring to, and I have a copy of it, was for, as I recall, the month of May; May 16. It is not today. I have a copy of the gentleman's memorandum.

Mr. SMITH of Iowa. I say the 624 includes temporary positions which do not count against the permanent ceiling.

Anyway, the point is that they had a 12-percent vacancy. If they need any more bodies to perform those functions or if they will change their attitude toward the enforcement of the antitrust laws, they certainly have friends up here on the Hill.

The point is this: I do not think their attitude has been right on antitrust. We ought to have better enforcement of the antitrust laws, but merely adding bodies in the Washington office is not going to increase the antitrust enforcement in this country. What we need is a change of attitude. They prosecute cases in the field and they have got a stack of cases down there now that have been developed which they are not going forward with. If this committee finds that they need any more people, I am sure everybody on the committee wants to give them the personnel with which to work.

Mr. CONTE. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, let me state at the outset that I reluctantly stand here in the well and speak for this amendment because of my high respect and regard for the chairman of the subcommittee and the ranking minority member, the gentleman from Michigan (Mr. CEDERBERG), both of whom have done such an excellent job with this bill.

I held hearings on some energy matters with the gentleman from Michigan (Mr. DINGELL), in which we ordered the Justice Department to come before us. One of the reasons they gave for the inadequate investigations was that they were short of personnel. At that time Mr. DINGELL and I promised that we would do all we could to see that they got the necessary personnel in this budget. So I gave my word, and about all we have around here in the Congress is our word.

That is why I am on the floor now supporting this amendment.

Mr. Chairman, I rise in support of this amendment to provide an increase of 83 persons in the Antitrust Division of the Department of Justice.

For reasons that remain unexplained in the committee's report, the Justice Department request for these 83 additional members of the Antitrust Division was reduced to 20 during committee mark-up.

At stake in this amendment is the vitality and direction of our Federal antitrust policy. The basic question I pose to my colleagues is this: Are we going to provide enough manpower for the Antitrust Division to perform the duties assigned to it? Or are we going to allow our antitrust policy to languish and wilt like a flower without water?

There is a concerted effort in the House to gut our antitrust policy by withholding funds. Later this week, during consideration of the agricultural appropriations bill on Friday, the House will face the question whether to cut out $1 million from another vital Federal antitrust investigation. If this money is lost, the FTC's antitrust case against the eight largest oil companies, which has already been filed, will certainly collapse. Even with present manpower levels in the FTC, the case is expected to require 6 to 10 years.

I want to make my colleagues fully aware of the two-pronged effort to strip the Federal antitrust policy of its backbone.

At the present time, there is no part of the Antitrust Division that has the staff to do its work effectively. Three major investigations—of IBM, the drug industry, and the gypsum industry—have virtually sapped the strength of the Division.

But meanwhile, the energy crisis has assumed such proportions that massive new duties have been imposed on the Antitrust Division.

Let me illustrate why these additional personnel are needed by the Antitrust Division.

Two years ago, the House Select Committee on Small Business, on which I am the ranking minority member, investigated competition in the oil industry. What we found was shocking. Let me quote from the final report of the Small Business Committee:

> Presently, the major oil companies account for approximately 84 percent of U.S. refinery capacity: About 72 percent of the natural gas production and reserve ownership; 30 percent of the domestic coal reserves and over 20 percent of the domestic coal production capacity: Over 50 percent of the uranium reserves and 25 percent of the uranium milling capacity. Further, the major oil companies are acquiring oil shale and tar sands as well as water rights in many areas of the country. This trend toward concentration by the oil companies in acquiring competing fuel resources clearly presents a very dangerous monopolistic fuel supply situation.

That was a direct quote from the report of the Small Business Committee in 1972.

That same year, the Small Business Committee started its investigation of the monopolistic control by the major oil companies over the oil product pipelines in the United States. The committee strongly recommended that the Justice Department file an antitrust suit to require the oil companies to divest all their ownership and control over these pipelines. In these hearings, the Justice Department admitted that it had been considering this action for over a decade.

Two months ago, when a Justice Department official was back before the Small Business Committee, I asked him what had happened to the pipeline investigation.

Reluctantly, this official admitted that after 12 years, the pipeline investigation was "dead." The facts were "stale" and the data was sadly out of date. Due to a lack of manpower, the investigation had collapsed.

That investigation was important to the maintenance of competition and to the price that consumers pay for oil products.

If my colleagues want to avoid a repeat of that disaster, I urge them to support this amendment.

It will give the Justice Department 83 additional personnel—both lawyers and nonlawyers. It will provide a vital breath of life toward enforcement of our Federal antitrust policy. And ultimately, it will repay the extra $1 million appropriated—as competition will be revived and prices will be held in check.

I urge my colleagues to support this amendment.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. CONTE) has expired.

(On request of Mr. SMITH of Iowa and by unanimous consent, Mr. CONTE was allowed to proceed for 3 additional minutes.)

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. Mr. Chairman, I want to point out that, of course, I was chairman of the subcommittee that asked two of these questions the gentleman has asked. The answers we got back were as follows:

In the case of Conoco's acquisition of Consolidated, they have no intention of reviewing and changing the ruling on that case that was made several years ago, because in their view it is insignificant when you increase the percentage of energy by six-tenths of one percent that is held by one company. So their attitude is that they do not want to do anything in the energy field.

As far as IBM is concerned, we gave them $675,000, which is every dime they want in these cases. If they want any money in any of these other cases, I am sure it will be forthcoming.

The point is that these additional bodies that are requesting this will have nothing to do with changing their attitude on these energy matters or their idea as far as going forward with some of the other energy cases.

Mr. CONTE. Mr. Chairman, I imagine the gentleman from Michigan (Mr. DINGELL) will elaborate on these matters. We saw a change in attitude just a few weeks ago when we heard the Justice Department, concerning possible violations of our antitrust laws in regard to offshore drilling and the consortiums formed by major oil companies.

Let me point out one other thing I did not mention. The Justice Department asked OMB originally for 156 new jobs. OMB gave them 20. They appealed the case, and then OMB gave them 83. This covers the 83 jobs we are asking for here today.

Mr. Chairman, I really hate to get into an argument with the committee, because I think the committee has done a great job, as I said. I hope, though, that the House will see fit to go along with this amendment. It is a very small price, and we will not raise the budget too much by adopting this amendment.

It is only a million and some odd thousand dollars, but this money will be repaid many times over to American taxpayers.

Mr. SMITH of Iowa. Mr. Chairman, it depends on what level we are talking about in the Justice Department. The third level wants to go forward. They want to go forward with the stack of cases which have already been developed.

However, I still think that they must have a change of attitude.

Mr. DINGELL. Mr. Chairman, I rise in support of the amendment. I commend the committee for the increase of 20 persons to the Antitrust Division of the Department of Justice. I think that the addition of 20 persons is going to make a modest contribution toward the betterment of the Antitrust enforcement activities in the Nation.

Let us look at the situation as it stands. The gentleman from Iowa (Mr. SMITH) who is my good friend and colleague on the Small Business Committee and who is also on the Appropriations Committee, tells us that we need a change of attitude in the Antitrust Division. The gentleman from Iowa has been complaining about the attitude in the Antitrust Division and in the Department of Justice, as has my good friend, the gentleman from Massachusetts (Mr. CONTE) for a number of years.

Let us ask ourselves this question: How can we expect a change of attitude in the Antitrust Division when we do not give them the people to do the job?

The hard fact of the matter is that the amendment proposes the addition of about $1 million. It would give 83 positions to the Department of Justice, the Antitrust Division, which is the same number that the tightwads of the Bureau of the Budget recommended. The hard fact of the matter is that the Division's budget for 1973 is slightly lower in terms of real dollars than it was in 1950.

The number of employees, attorneys, and others in the Antitrust Division today is only about the same, or perhaps a little less than it was in 1950.

Now, how can the Members of the House say to the Department of Justice, "You must be more vigorous," when we do not give them the number of people that are needed for the Department of Justice to do the job required.

The fact of the matter is that the economy has doubled during the time since 1950. We have had the energy crisis. We have the energy industry rampant with antitrust questions.

We have huge anticompetitive mergers; we have a whole new gamut of responsibilities that have been assigned to the Antitrust Division, including bank mergers. In addition to this, other responsibilities relating to section 7 of the Clayton Act have been imposed upon them. They have the duty of getting into anti-competitive mergers; that is an effort which today requires 36 percent of their investigations and 31 percent of the Division's caseload.

Is it true to say we have not given them the teeth they needed? We had a big discussion about teeth, and I think the analogy is great except that it does not apply here. The facts of the matter are the teeth of the Antitrust Division are the economists, the lawyers, and other people who go to court and do the litigation and perform the investigations.

You cannot expect a changing attitude by the agency if you do not give them the personnel that they need to do the job. While 20 is an improvement, no one will ever charge it is the kind or the quality of change that is going to make a meaningful and a significant difference in the capacity of the Justice Department's Antitrust Division to carry out its proper responsibilities.

The Division has been given new resonsibilities for consumer protection, for participation in a wide variety of proceedings before regulatory agencies involving competitive implications. This has necessitated a tremendous drop in attention devoted to price fixing conspiracies and other antitrust conduct and has restricted the capability of the Antitrust Division to go into structural restraints upon competition. Note that the gross national product has doubled in the years since 1950. In this time we literally find ourselves awash in potential antitrust conspiracies and violations relating to the energy problem.

The existing Division staff is so thinly employed today as to severely affect and impair the effectiveness of the Division's operating units. Out of four litgiation sections one is almost totally tied up with two big cases, IBM and Tetracycline, so much so that it has practically no staff remaining with the competence to fulfill its other responsibilities. Another section is presently deeply involved in litigating another large case, the Gypsum case, and it lacks sufficient staff to maintain its other responsibilities adequately, and they include the petroleum industry. The patent section is tied up so that it has little staff to handle new matters and its trial staffs are not adequate to handle the cases now pending.

I would like my colleagues to know that I am on the Subcommitee on Regulatory Agencies of the Committee on Small Business where I work very closely with my good friend and colleague, the gentleman from Massachusetts (Mr. CONTE). The one thing we have consistently found there is the incapacity through a lack of numbers and resources of a fine trial staff and a fine group of attorneys in the Antitrust Division to carry out their appointed responsibilities.

As a law clerk to a Federal judge a number of years ago, in the early 1950's, I had an opportunity to watch how Antitrust cases are tried by the Justice Department.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. DINGELL was allowed to proceed for 2 additional minutes.)

Mr. DINGELL. The Antitrust Division will have one or two lawyers who will be assigned to a case, and the defendants in the case will hire whole law firms and whole floors of hotels and will proceed to motion and to litigate an important question involving competition and the very existence of the free competitive society and free competitive enterprise system, almost to death.

Mr. Chairman, I think the committee has generally done a good job with the bill, but the hard facts of the matter are clearly before us. Today they cut back on reposed antitrust enforcement in the Department of Justice. Very shortly we will come upon, on Friday of this week, a major cutback with regard to investigation of oil before the Federal Trade Commission.

The Congress is asked to lay out the policy and to give the guidance and to see to it that the Government is able to function. Certainly in the field of antitrust it will ill behoove this body to complain about the inadequacies of the performance of the Antitrust Division and the slow strangulation by the giants and anticompetitive forces within the industry if we refuse to give more money to the agencies charged with enforcing the antitrust laws of the United States.

When even the OMB can recommend 83 positions, why is it that the Congress cannot come forward and say, yes, let us give these agencies the capabilities to meet their congressional mandates?

If they fail to exercise their responsibilities then let us be most vigorous in chastising them, but let us not let them have the refuge that the Congress failed to give them the resources which they need to carry out their proper and lawful responsibilities of protecting the free, competitive system against the giants, against the mergers, against the evil anticompetitive forces that are so rampant in the system today.

Mr. ANDERSON of Illinois. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment offered by the gentleman from Pennsylvania (Mr. HEINZ).

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in support of restoring the appropriation for the Antitrust Division to the level requested by the administration. This would have the effect of adding 83 positions to the staff of the Antitrust Division instead of the 20 approved by the Appropriations Committee.

With all due respsect to my colleagues on the committee, I think this is an increase in spending which the Congress should applaud as an investment in fighting inflation. We have just come through a period when the Congress and the administration have tried to control inflation by controlling prices directly. For reasons which need not be debated now, that effort has not worked well, and direct controls have been abandoned. Inflation is increasing at a rate which threatens the very security of our Government. All that we have to contain inflation at the present time is the working of our free enterprise system, and an increase in spending for antitrust enforcement is one of the effective things which the Congress can do to give the system a chance to work.

We have only recently removed direct price controls. Our free enterprise economists warned that they could not work, and I think we can all now see that they have not worked. Maybe—just maybe—competition in a free market can slow the rate of inflation; at the very least competition can hold prices down.

This is an article of faith that this country has professed since its very beginning: That the "invisible hand" of Adam Smith's "Wealth of Nations" would keep prices and costs at the lowest levels. We embraced that belief in the Sherman Act of 1890. And we have two agencies to see to it that private interests do not engage in conspiracies and other practices to take the profits of private enterprise without running the risks of genuine competition. Those two agencies are the Federal Trade Commission and the Antitrust Division. They live on mighty small budgets; they come to the Congress for mere pittances compared to what other parts of the Government spend. I, for one, am in favor of giving those agencies the funds they need to do their job.

Indeed, we in the Congress should be wondering how they could ever do their job with the small budgets on which they now operate, rather than talking about paring down their requests. The Antitrust Division budget has not kept pace with the growth of the economy. In fact, the Antitrust Division has been trying to enforce the antitrust laws in an economy that has doubled since 1950 with a staff that has not grown at all. The Antitrust Division, with a staff of 327 lawyers, is trying to police the largest most complex industrial economy the world has ever known.

I say to my colleagues that adding 83 staff members to the Antitrust Division—of whom 40 would be lawyers and 7 would be professional economists—is an investment in the fight against inflation that just cannot miss. Providing the Division with extra staff will itself have a positive effect. For industry must know that added staff is the means of a better policing job; no company can be sure that its conduct will not be the subject of extra scrutiny; and this is bound to be a restraint upon those who would otherwise flout the law. Every price fixing conspiracy which is deterred, frustrated, or exposed is money in the pockets of the consuming public and a blow against inflation. Hiring additional staff for the Antitrust Division is like putting motorcycle policemen on the highways to deter speeders. It is just bound to deter price-fixing conspiracies. It is a step which we in the Congress should applaud and support to the fullest. It puts to the test the faith we have in the system of free enterprise on which we pin such high hopes.

Every Congress since 1890 has supported antitrust enforcement, without regard to political party. The depth and sincerity of that support is measured by the moneys we provide to hire the staff to do the job. I urge you to support the full appropriation requested by the administration.

Just this morning we read that one of

the international oil companies which increased its profits by almost 70 percent in 1973 over the previous year and will earn a half a billion dollars in the last quarter of 1973 and the first quarter of 1974 is going to acquire 51 percent of the stock of a giant merchandising corporation. This is a time for vigilance in the field of corporate mergers to be sure they are in the best interests of our competitive free enterprise system.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, at the request of Mr. SYMMS, Mr. ANDERSON of Illinois was allowed to proceed for 1 additional minute.)

Mr. SYMMS. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

I was just wondering if the gentleman would be inclined to apply the same zeal with regard to organized labor union monopolies that has been applied to the Antitrust Division?

Mr. ANDERSON of Illinois. I am not suggesting that we are going to cure all of the evils. There is featherbedding. There are certainly practices in restraint of competition of which some labor organizations are guilty, which ought to be dealt with. All I am suggesting at this time is that in this bill we have an opportunity to really strike a blow for the free enterprise system. I have heard the gentleman very eloquently defend that system here on the floor many times. I think this ought to be the kind of amendment that he could wholeheartedly support, even if it does mean a few extra dollars for the budget of the Antitrust Division of the Department of Justice.

Mr. SYMMS. I am not sure whether the gentleman understood; if the gentleman will yield further. Should we have legislation to apply the same zeal to organized labor union monopolies?

Mr. ANDERSON of Illinois. If the gentleman will give me specific items in that regard, I should appreciate it.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, at the request of Mr. SMITH of Iowa, Mr. ANDERSON of Illinois was allowed to proceed for 1 additional minute.)

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the geneman from Iowa.

Mr. SMITH of Iowa. I appreciate the gentleman's yielding.

I was not going to refer to the 12 percent. I am referring to, as evidence of a need for a change in attitude, the fact that they have cases which have been developed for 2 years which have not been sent to the field for trial, and these jobs that they want to add are not in the field; they are in the Washington office, and that is the area in which I say they need a change in attitude.

Mr. ANDERSON of Illinois. I would simply say to the gentleman from Iowa in response that I would be certain that they could make the same in-house transfers that would enable them, if they had additional personnel in the Antitrust Division here, to disperse people out in the field so that we could get prompt action on those cases. I woud join the gentleman in the belief and in the hope that these cases that have been in the process of preparation for 2 years can be tried, and tried very soon.

Mr. HUNT. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

One hundred and four Members are present, a quorum.

The question is on the amendment offered by the gentleman from Pennsylvania (Mr. HEINZ).

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CONTE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 216, noes 185, not voting 32, as follows:

[Roll No. 301]

AYES—216

Abdnor
Abzug
Adams
Anderson, Ill.
Archer
Arends
Ashley
Aspin
Badillo
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Bolling
Brademas
Bray
Breckinridge
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Ohio
Broyhill, N.C.
Burgener
Burke, Fla.
Burke, Mass.
Burton
Carney, Ohio
Carter
Chamberlain
Chisholm
Clark
Clausen, Don H.
Clay
Cleveland
Cohen
Collier
Collins, Ill.
Conable
Conlan
Conte
Conyers
Corman
Coughlin
Cronin
Culver
Danielson
Dellenback
Dellums
Dent
Diggs
Dingell
Donohue
Drinan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Fascell
Findley
Fish
Flowers
Ford
Forsythe
Fountain
Fraser
Frenzel
Froehlich
Fulton
Fuqua
Giaimo
Gibbons
Gilman
Goldwater
Grasso
Green, Pa.
Griffiths
Grover
Gude
Gunter
Guyer
Hamilton
Hammerschmidt
Hanna
Hanrahan
Harrington
Hawkins
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hillis
Hinshaw
Holifield
Holtzman
Horton
Hosmer
Hudnut
Hungate
Hunt
Ichord
Johnson, Colo.
Jordan
Kastenmeier
Kemp
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Latta
Leggett
Lent
Litton
Long, Md.
Luken
McClory
McCloskey
McCollister
McDade
McKinney
Madigan
Mallary
Mayne
Meeds
Melcher
Mezvinsky
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moorhead, Pa.
Mosher
Moss
Murphy, Ill.
Nedzi
Nelsen
Obey
O'Hara
Owens
Pepper
Peyser
Pike
Podell
Preyer
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rosenthal
Rostenkowski
Roy
Roybal
Sandman
Sarasin
Sarbanes
Schroeder
Sebelius
Seiberling
Shuster
Skubitz
Smith, N.Y.
Stanton, J. William
Stark
Steele
Steelman
Studds
Sullivan
Symington
Thomson, Wis.
Thone
Thornton
Traxler
Udall
Van Deerlin
Vander Veen
Vanik
Veysey
Vigorito
Waldie
Walsh
Ware
Whalen
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyman
Yates
Yatron
Young, Ga.
Young, Ill.
Zwach

NOES—185

Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Armstrong
Ashbrook
Bafalis
Baker
Barrett
Bauman
Blatnik
Boggs
Boland
Bowen
Breaux
Brinkley
Broyhill, Va.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Casey, Tex.
Cederberg
Chappell
Clancy
Clawson, Del
Cochran
Collins, Tex.
Cotter
Crane
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Denholm
Dennis
Derwinski
Devine
Dickinson
Downing
Dulski
Duncan
Edwards, Ala.
Evans, Colo.
Evins, Tenn.
Fisher
Flood
Flynt
Foley
Frelinghuysen
Gaydos
Gettys
Ginn
Gonzalez
Goodling
Gray
Gross
Gubser
Haley
Hanley
Hansen, Idaho
Hansen, Wash.
Harsha
Hays
Henderson
Hicks
Hogan
Holt
Huber
Hutchinson
Jarman
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Karth
Kazen
Ketchum
King
Landgrebe
Landrum
Lehman
Long, La.
Lott
Lujan
McCormack
McEwen
McFall
McKay
McSpadden
Mahon
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Matsunaga
Mazzoli
Michel
Milford
Miller
Mills
Mizell
Mollohan
Montgomery
Moorhead, Calif.
Morgan
Murphy, N.Y.
Murtha
Myers
Natcher
Nichols
Nix
O'Brien
O'Neill
Parris
Passman
Patman
Patten
Perkins
Pettis
Pickle
Poage
Powell, Ohio
Price, Ill.
Price, Tex.
Quillen
Rarick
Rhodes
Roberts
Robinson, Va.
Roncallo, N.Y.
Rooney, Pa.
Rose
Roush
Rousselot
Runnels
Ruth
Ryan
St Germain
Satterfield
Scherle
Schneebeli
Shoup
Shriver
Slack
Smith, Iowa
Snyder
Spence
Staggers
Stanton, James V.
Steed
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Symms
Taylor, Mo.
Taylor, N.C.
Tiernan
Towell, Nev.
Treen
Ullman
Waggonner
Wampler
White
Whitehurst
Whitten
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, S.C.
Young, Tex.
Zablocki
Zion

NOT VOTING—32

Brasco
Brown, Mich.
Buchanan
Burke, Calif.
Carey, N.Y.
Daniels, Dominick V.
Davis, Ga.
Dorn
Frey
Green, Oreg.
Hastings
Hébert
Howard
Jones, Tenn.
Macdonald
Madden
Mathias, Calif.
Metcalfe
Minshall, Ohio
Reid
Riegle
Rooney, N.Y.
Ruppe
Shipley
Sikes
Sisk
Stuckey
Talcott
Teague
Thompson, N.J.
Vander Jagt
Widnall

So the amendment was agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FEDERAL BUREAU OF INVESTIGATION

SALARIES AND EXPENSES

For expenses necessary for the detection and prosecution of crimes against the United States; protection of the person of the President of the United States; acquisition, collection, classification and preservation of identification and other records and their exchange with, and for the official use of, the duly authorized officials of the Federal Government, of States, cities, and other institutions, such exchange to be subject to cancellation if dissemination is made outside the receiving departments or related agencies; and such other investigations regarding official matters under the control of the Department of Justice and the Department of State as may be directed by the Attorney General, including purchase for police-type use without regard to the general purchase price limitation for the current fiscal year not to exceed one thousand one hundred and seventy-nine (for replacement only) and hire of passenger motor vehicles; purchase (two), lease, hire, maintenance, operation and storage of aircraft; firearms and ammunition; not to exceed $10,000 for taxicab hire to be used exclusively for the purposes set forth in this paragraph; payment of rewards; and not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate; $433,100,000.

None of the funds appropriated for the Federal Bureau of Investigation shall be used to pay the compensation of any civil-service employee.

POINT OF ORDER

Mr. ECKHARDT. Mr. Chairman, I make a point of order to the following language on page 16, line 22: "and not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate."

Mr. Chairman, I should like to speak on my point of order, if I may, at this time.

The CHAIRMAN. The gentleman from Texas will state his point of order.

Mr. ECKHARDT. Mr. Chairman, the point of order is made under rule XXI, clause 2, the second sentence, providing "Nor shall any provision in any such bill or amendment thereto changing the existing law be in order," with an inapplicable exception.

Mr. Chairman, this would amend existing law, existing law being the Budget and Accounting Act of 1921. The Budget and Accounting Act of 1921 contains no exception for the FBI and requires that the Comptroller General review expenditures of the nature of that listed here. But for this provision, the Budget and Accounting Act of 1921 would call upon the Comptroller General to review the question of the validity of the Attorney General's certificate.

The CHAIRMAN. Does the gentleman from West Virginia wish to be heard on the point of order?

Mr. SLACK. Mr. Chairman, I desire to be heard on the point of order.

Mr. Chairman, 28 U.S.C. 537 states:

> Appropriations for the Federal Bureau of Investigation are available for expenses of unforeseen emergencies of a confidential nature when so specified in the appropriation concerned, to the extent that under the direction of the Attorney General, the Attorney General shall certify the amount spent that he considers advisable not to specify, and his certification is of sufficient stature for the amount therein expressed to have been spent.

Mr. ECKHARDT. Mr. Chairman, may I be heard further on the point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. ECKHARDT. Mr. Chairman, the language which was read, of course, is the Attorney General's authority to determine the question as it relates to acting upon or authorizing the expenditure, but it does not remove the duty on the part of the Comptroller General to examine whether or not, in fact, it is a confidential expenditure.

The very purpose for which we have the Budget and Accounting Act of 1921 is to determine whether or not various appropriations fall into categories which the legislation directs them to fall into. The Comptroller General must review and should review any expenditure, for instance, to determine whether or not it is confidential.

The CHAIRMAN (Mr. Vanik). The Chair is ready to rule.

The Chair understands the point that is being made by the gentleman from Texas (Mr. Eckhardt) and in response suggests that the language that has been suggested by the gentleman from West Virginia (Mr. Slack) the chairman of the subcommittee, is included in a statute which the Chair has studied and reviewed. The statute is the later and more specific pronouncement. It is the ruling of the Chair, therefore, that no change in law is made by the language of the bill and the point of order is overruled.

AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Eckhardt: On page 16 after the word, "certificate" on line 26 add the following: ", provided that the Comptroller General shall be furnished such information relating to such expenditure as he may request and access to all necessary books, documents, papers and records, relating to such expenditure in order that he may determine whether the expenditure was, in fact, of such confidential or other special nature."

Mr. SLACK. Mr. Chairman, I make a point of order against the amendment on the ground that it is legislation in an appropriation bill.

The CHAIRMAN. Does the gentleman from Texas (Mr. Eckhardt) wish to be heard on the point of order?

Mr. ECKHARDT. I do, Mr. Chairman.

Mr. Chairman, in this case all this language does is place a limitation upon an appropriation. It simply provides that if the amount called for to be expended is to be expended in that way, "the Comptroller General shall be furnished such information relating to such expenditure as he may request and access to all necessary books, documents, papers and records, relating to such expenditure in order that he may determine whether the expenditure was, in fact, of such confidential or other special nature."

So all this does is to place a limitation upon the appropriation, which is not legislation on an appropriation bill.

The CHAIRMAN (Mr. Vanik). The Chair is ready to rule.

The present occupant of the Chair, on June 29, 1973, on a comparable amendment held the amendment to be out of order, and the Chair sustains the point of order at this time for the reason stated on that occasion:

> To a general appropriation bill containing legislation authorizing an executive official to make confidential or special expenditures solely on his certificate, which provisions are permitted to remain in the bill, an amendment making such expenditures by the government official subject to examination by the Comptroller General was held to impose additional duties on executive officials and was ruled out in violation of clause 2, rule XXI.

The Chair sustains the point of order.

The Clerk will read.

The Clerk read as follows:

Drug Enforcement Administration

SALARIES AND EXPENSES

For necessary expenses of the Drug Enforcement Administration, including hire of passenger motor vehicles; payment in advance for special tests and studies by contract; not to exceed $70,000 to meet unforeseen emergencies of a confidential character, to be expended under the direction of the Attorney General, and to be accounted for solely on his certificate; purchase of not to exceed 441 passenger motor vehicles (of which 406 are for replacement only) for police-type use without regard to the general purchase price limitation for the current fiscal year; payment of rewards; payment for publication of technical and informational material in professional and trade journals: purchase of chemicals, apparatus, and scientific equipment; payment for necessary accommodations in the District of Columbia for conferences and training activities; acquisition (purchase of one), lease, maintenance, and operation of aircraft; employment of aliens by contract for services abroad; research related to enforcement and drug control; benefits in accordance with those provided under 22 U.S.C. 1136(9)–(11), under regulations prescribed by the Secretary of State; $135,000,000, of which not to exceed $4,500,000 for research shall remain available until expended.

AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. Eckhardt: On page 20 after the word "certificate" on line 16 add the following: "*Provided* that such expenditures to be made under the direction of the Attorney General only and to be accounted for solely on his certificate shall not be made unless the Comptroller General shall be furnished such information relating to such expenditure as he may request and access to all necessary books, documents, papers and records, relating to such expenditure in order that he may determine whether the expenditure was, in fact, of such confidential or other special nature."

Mr. SLACK. Mr. Chairman, I make a point of order against the amendment on the basis that it is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from Texas wish to be heard on the point of order?

Mr. ECKHARDT. Yes, Mr. Chairman.

Mr. Chairman, House Resolution 1176 provides that points of order under rule XXI are hereby waived with respect to material contained on page 5, line 1, through page 12, line 21, and beginning on page 20, line 8, through page 21, line 5. The original language is thus protected by a waiver of the rule. The amendment is nothing more than a qualification or a limitation of the special change in existing law.

Mr. Chairman, I submit that such a limitation dealing with the same subject matter and solving the problem in a different way, being germane, is thus appropriate, rule XXI, clause 2, having been waived.

The CHAIRMAN (Mr. VANIK). The Chair is ready to rule.

The Chair wishes to state the same point was made in the ruling which the present occupant of the chair made a year ago on the same legislation, and it is the opinion of the Chair the waiver in House Resolution 1176 only protects the language on page 20 line 8 through page 21, line 5 of the bill and does not protect amendments which add legislation. And based upon the Chair's prior ruling of today, it is the opinion of the Chair that the point of order is well taken and it is sustained.

AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ECKHARDT: Page 20, strike line 13 and all that follows down through "certificate" on line 16.

The CHAIRMAN. The gentleman from Texas is recognized for 5 minutes in support of his amendment.

Mr. SLACK. Mr. Chairman, I make a point of order.

Mr. ECKHARDT. Mr. Chairman, the point of order comes too late. The Chair has already recognized the gentleman from Texas to speak on his amendment.

The CHAIRMAN. The gentleman has been recognized, and the point of order comes too late. The gentleman is recognized.

Mr. ECKHARDT. Mr. Chairman, for a good many years now I have objected to provisions in appropriation bills that remove items from consideration by the Comptroller General. I have consistently made points of order on these propositions. It is extremely simple to take care of the matter, if these matters are really sought to be made confidential, and that is simply to place in an authorization bill or in any language of legislation before this body a provision that certain matters are to be considered absolutely confidential except to the extent that the Comptroller General may examine them privately and may determine whether or not they are within that bracket that is reserved for consideration of the particular officer of the Government.

This is an item concerning certain drug enforcement. I am all for permitting certain actions to be confidential, but I do not think they should be confidential from the agent who represents us to determine whether the money is properly spent.

Of course, everybody is in favor of enforcing drug laws. It is, however, important to know whether such expenditures or in fact confidential and legitimate purposes, or expended for illegal wire taps, or for entertainment by that department or other purposes not authorized by any act of Congress.

Why should we not trust the Comptroller General of the United States, who has a long term in office and is less subject to the pressures of politics, than any other govermental authority to examine whether, in fact, the money was spent properly? I do not see any reason for an exception from that rule. We do not make an exception to that rule in some of the most secret uses of funds for military purposes. Why do we not? Because the Comptroller General is completely cleared for security purposes, and because the material does not necessarily get out of his hands. As a matter of fact, he is not even accountable under the Freedom of Information Act because he is not under the Administrative Procedures Act. Why should we then cripple the only means that we have to determine whether or not moneys are in fact spent for the purposes for which we appropriated them?

If this section is stricken it will not limit the amount appropriated. It will not affect that one iota.

As the distinguished chairman of the subcommittee has pointed out here, the officer involved has authority to direct that certain moneys be used for confidential purposes, so we do not cripple him in the use of the funds. All we do in effect is keep in operation the provisions of the Federal act that gives our own agent, the Comptroller General, the authority to examine the account to see whether it is indeed and in fact confidential. If it is, he passes it immediately. There is no question about it. Exactly the same amount is appropriated if my amendment passes because it does not decrease the total appropriation. All it does is strike that provision that removes this amount of money from the scrutiny of the Comptroller General for the sole purpose of determining whether the expenditure does in fact fit into the legislative provisions that were cited by the chairman of the subcommittee.

I ask for an "aye" vote on the amendment.

Mr. SMITH of Iowa. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I would agree with what the gentleman from Texas (Mr. ECKHARDT) says in almost every instance, but not in this one. Mind you, we are involved here with drug control, and this involves the underworld. There are a few cases where enforcement officers simply cannot trust anybody knowing the identity of the one person who is making the buy. The agent has got to be trusted to some extent. It is only $70,000 for the whole United States. Some agent may misappropriate some of the money, I cannot say that he will not.

But I know this: We are dealing with lives here, and if some informer were to be squealed on because two or three extra people found out about it or had a way to find out about it, and he is killed, that is going to dry up that source and other sources like it. We are dealing with a situation here where we have just got to trust somebody, whether we want to or not. I just think this is one case where we have got to say, here is $70,000, Mr. Attorney General, and trust him to make sure that it is used in the way that we intended.

Mr. CEDERBERG. Mr. Chairman, will the genteman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Michigan.

Mr. CEDERBERG. I thank the gentleman for yielding.

I agree with the gentleman from Iowa completely. This is an area in which we should be very careful and cautious. The gentleman has explained it very well, and I hope this amendment will be defeated because it is in the best interests of all of us in the country that it be defeated.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. SMITH of Iowa. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

If the gentleman will note, the Comptroller General must act in accordance with the requirements of 31 U.S.C. 72, 74 and 75, the rules and regulations promulgated in accordance with the statutory requirements, and applicable Executive orders.

For example, in accordance with established procedures, an agent of the Comptroller General inspecting agency accounts must now meet the requirements of that particular agency regarding security clearance.

What my amendment will do is simply place the Comptroller General under the limitations of existing law. He has got to act within the stringencies of the agency. If the agency feels that this information cannot under any circumstances be revealed to anyone else, the Comptroller General must answer them with that same confidence, and there is nothing in the Freedom of Information Act that touches the Comptroller General because he is not an agent of Government. The only persons that can demand information of him—and they can only demand that information which he has in his possession—are Members of Congress.

If the gentleman fears the activity of appropriate Members of Congress and of the Comptroller General himself, who could in fact merely examine the information in the office of the agency, taking nothing with him, he would simply answer to Members of Congress that this was indeed confidential. If the gentleman fears that procedure, then my amendment has the danger he says. But I submit those dangers do not exist.

Mr. SMITH of Iowa. I think those dangers do exist. I think any time a second or a third person, even, knows who made a buy or who gave the information that was paid for, that we are endangering the lives of the very people we have got to depend upon to enforce these laws.

Mr. MOSS. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I find it rather difficult to understand the rationale that says, If the Comptroller General of the United States has access to this fund for the purposes of auditing and determining whether it is spent consistent with the intent of this Congress, that that does violence. I find it particularly strange at a time when we have witnessed a succession of officers of this Government going into courts of law and entering pleas of guilty after the most extensive of plea bargaining because they have breached the trust imposed upon them by this Government.

I find it strange, in view of the fact that no man in this chamber can cite a single instance where the Comptroller General of the United States has ever breached the trust placed upon him or the limitations imposed upon him regarding disclosure of the items he is called upon to audit, as the auditing arm of the Congress of the United States.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Iowa.

Mr. SMITH of Iowa. I thank the gentleman for yielding.

I think the gentleman will agree that in order to prove that the money has been spent as intended, the agent would have to keep a record as to who is paid, and after that happens, the man's name is then in the record, and his very life is endangered. I think it would be a dangerous situation and dry up needed sources of information.

Mr. MOSS. I can respect the opinion of the gentleman. I do not agree. I do not think it is dangerous. I think if it was in the hands of an irresponsible person it would be dangerous. I have no doubt the Attorney General's secretary will know the names. Others in the Attorney General's office might well know the names. I do not believe that would be dangerous.

I will say during my 22 years in the House I have conducted more investigations than has the gentleman. During 16 of those 22 years I was engaged in writing the Freedom of Information Act and I heard of all these pleas of damage that would be done if there was any kind of disclosure, if this disclosure was required of officers of the Government, but I have yet to see that damage happen.

We have the responsibility to vote on this. We have the responsibility to account for the funds appropriated. We have the authority to say to someone that an officer of this Congress has inquired into these expenditures and finds them lawful and proper. I do not think we should act to foreclose that responsible person from carrying out the duties imposed by this Congress under the Budget and Accounting Act of 1921 and the amendments thereto.

Mr. ECKHARDT. If the gentleman will yield, I fail to understand how it would be of any value to pay someone for a duty if the person named did not even know who he was.

Mr. MOSS. That is one of the interesting things we have in the cases of this type. We have to have such absolute secrecy that no one knows what is happening, and when the public's business is nobody's business then all sorts of chicanery can take place.

Mr. HUNT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to add my little bit of knowledge to this business. I was in the narcotics field for a number of years and I handled considerable sums of money for undercover agents. I am absolutely opposed to anyone making public the names of those persons who go under cover and make buys. This is utter madness.

If the Members want some proof as to my logic and belief on this, all they have to do is go downtown to the FBI and Narcotics Division and get the photo album of the men who have been murdered who have worked under cover for the narcotics people where somebody leaked the names to others outside.

Do not tell me about leaks. I have been all through this up and down the field hundreds of times. I would not tell anybody who my undercoverman was. I had a great one for 19 months who worked with the French connection. If I had to reveal his name to anyone he would have been long gone.

This amount of $70,000 is a pittance. It would not buy one a quarter kilo of heroin.

This is the most maddening discussion I have ever heard in my life by people who do not know what they are talking about. I ask for the defeat of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. ECKHARDT).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. ECKHARDT. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. The Clerk will read.

Mr. SLACK (during the reading). Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BIAGGI: On page 51, add a new section 707 to title VII:

SEC. 707. None of the funds appropriated in this Act shall be used (1) to provide foreign countries with nuclear technology or materials, or (2) to enter into agreements with foreign countries to provide them with nuclear technology or materials, without the expressed consent of both Houses of Congress.

Mr. BIAGGI. Mr. Chairman, during the 5 years I have been in Congress a goodly portion of the agreements between the various nations and the United States involving nuclear materials that have been entered into and validated, not once have they been discussed on this floor, to my knowledge. In the light of what is transpiring in the Mideast in the last few days and the proposed agreements between Israel and Egypt and whomever, it has come to my attention, at least the thought was suggested to me, that perhaps the Congress, both Houses of Congress, should be more involved than they are at the present moment.

We take no quarrel with the suggestion that agreements should be entered into. What I suggest is that they be subjected to discussion and review by both Houses before they are finally ratified. We have been advised that the agreements have safeguards and that they are only given for the purpose of peacetime activities. That may well be the intention on our Nation's part.

It may well be that the intentions of those in our Government, and those in the governments with whom we are now entering into agreements, are honorable; but what safeguard do we have that the intentions of those who might succeed to power in those foreign governments also will be honorable?

The Canadian Government entered into a similar agreement with India, ostensibly for the purpose of providing nuclear materials for peaceful purposes. We have witnessed in the not too distant past a nuclear explosion. To me, that constitutes a breach of promise.

Who is to say that possibly will not be repeated in this instance? Who is to say a new administration in Egypt or Syria will not take the nuclear materials that we provide and develop nuclear explosive power? Who is to say that the militant terrorists of the nations of the Far East and other countries will not raid and take possession of these materials and use them in hostile and aggressive fashion?

Mr. Chairman, the questions I pose to the Members deserve answers. Those answers can be better found in an agreement ratified by both Houses of the Congress after careful review. The safeguards really are only as good as the integrity of the people with whom we deal. If there is a diminution of that integrity, or an absence of it, we would find the safeguards worthless.

So far we have entered into nuclear technology agreements with more than 20 countries. I think it is about time that we take a close look at that area of activity. Rather than expand, perhaps we should contract. Rather than disseminate the nuclear materials, perhaps we should make certain that they are not as available to as many countries.

The amendment I offer would in one way—in a small way—place a curtailment on the Department of State, but even more important, it will trigger action and should trigger action on the part of the other committees which deal with the other phases of this issue. It is vital, it is here, it is current, and the people out there in the Nation are concerned about what is transpiring.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. Mr. Chairman, I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I want to associate myself with the gentleman's remarks. The House is really not attentive to the gentleman's remarks, but the subject on which the gentleman has addressed himself is one that could very well determine the future of this world.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LONG of Maryland. Mr. Chairman, I move to strike the last word.

We are making all kinds of agreements to provide atomic reactors and other kinds of help to literally scores of countries, with safeguards that no one in the State Department has been able to assure me before our Foreign Operations Subcommittee have any real value or any permanence.

It is clear, I think, to anybody who wants to think about this—and I think most people do not want to think about it, and that is why the House is not listening—but it is clear that once one country gets a nuclear weapon, particularly in the underdeveloped world, the political pressures on neighboring countries to develop such a weapon will be absolutely irresistible.

In order to get a short-run headline, I am afraid we are making all kinds of agreements, scattering all kinds of provisions for atomic power, and ultimately atomic weapons, that could very well determine the future of this Earth.

Mr. Chairman, I would like to know from the gentleman from New York just how his amendment would deal with this, because I think he has addressed himself to a very important question.

Mr. BIAGGI. Mr. Chairman, if the gentleman will yield, under my amendment, it would prohibit the State Department from using any of the funds we appropriate today from using its employees to make agreements. It really is to stay them from any conduct in this area unless they have the approval of both Houses of Congress.

I would like to suggest, first, that we find ourselves in a position similar to that which we were in in the last war, World War II. In New York City we took down the Third Avenue Elevated. That steel we sold to Japan. That steel was projected back against our American soldiers. I can foresee a repetition of that event. The nuclear materials we provide today may well be used against us in the future. It was said to be incredulous and impossible then.

Yet, it happened.

Mr. Chairman, if the same doubts exist and the same comments are made, I dread having to wait until history proves we are right.

Mr. LONG of Maryland. Mr. Chairman, I agree with the gentleman. I want to associate my remarks with his.

Mr. HAYS. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Ohio.

Mr. HAYS. I am in sympathy with what the gentleman is trying to accomplish, but there is not any money provided in this bill which will pay for some atomic reactor. Perhaps the gentleman's amendment should apply somewhere else.

It seems to me that precluding the State Department from having anything to do with it might be all right, except that if the President wants to make an executive agreement and can find money in the Defense Department or Atomic Energy funds or somewhere else, this amendment really does not do much to prevent that.

Mr. LONG of Maryland. Mr. Chairman, I think the gentleman is right, but it is just like the fellow who was asked why he gambled in a crooked gambling hall, and he said it was the only game in town.

Mr. BIAGGI. If I may address myself to the gentleman's comments, this is only one of the many agencies that can deal with this multifaceted problem.

The amendment says:

> None of the funds appropriated in this Act shall be used to provide foreign countries with nuclear technology or materials, or to enter into agreement with foreign countries to provide them with nuclear technology or materials, without the expressed consent of both Houses of Congress.

Mr. HAYS. If the gentleman will yield, I understand all of that, but the point is that this was an executive agreement, and as I understand it, it has already been made, and the State Department does not have anything to do with it.

Mr. BIAGGI. But the State Department employees were involved; that is the point I am making.

Mr. HAYS. So that they were involved.

Mr. BIAGGI. I do not fault them. I am talking about the future. Many other agencies have to do with foreign aid. There are many agencies that are dealing with this, and this is just the first step.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. LONG of Maryland. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I understand this amendment to say quite clearly that none of these funds shall be used by the State Department to reach an agreement with foreign countries to provide nuclear energy. I think that is good. I think that is a fine amendment. I cannot see why it cannot be made to this bill unless subject to a point of order, which I think might be good, but it was not made.

Mr. Chairman, I think if we are going to do such a serious thing as to provide nuclear power, certainly it should come about by agreement of both Houses of Congress.

Mr. HAYS. Mr. Chairman, I move to strike the last word.

It seems to me that if we really want to preclude Egypt or anybody else from getting an atomic energy reactor, saying that State Department employees cannot have anything to do with negotiations may be fine, but it does not really do much, because if there is an executive agreement, it seems to me that somebody ought to have some say along the line. If we want to do this and give the House an opportunity to vote on it, we ought to say in the Atomic Energy bill perhaps, or in some other bill, "None of the money in this act or any other act may be used to provide an atomic reactor without the previous consent of Congress." Then we would really have it.

All this amendment does is say that if there is any negotiation, the State Department employees cannot be involved.

Mr. LONG of Maryland. Mr. Chairman, will the gentleman yield?

Mr. HAYS. I yield to the gentleman from Maryland.

Mr. LONG of Maryland. Mr. Chairman, I think it is quite possible that the gentleman is correct on this. My own desire and motive in supporting this amendment is simply to show displeasure. I wish to show my displeasure and, I hope, the displeasure of the rest of the Members concerning the lighthearted way in which these agreements have been worked out.

I certainly hope to show my displeasure, and I hope others will make some effort to show our displeasure in much more substantial ways than we are able to do by this particular amendment.

Mr. HAYS. Mr. Chairman, I think the issue comes down to whether we want to show displeasure or whether we want to prohibit something. Showing displeasure does not really accomplish much. I think the Congress has shown its displeasure a number of times concerning Executive actions, but that has not prevented the Executive from doing whatever he felt like doing.

If we want to really get something done, it ought to be by a flat-out proposition.

Mr. SLACK. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it is my understanding that the subject matter with which the gentleman's amendment deals is already covered by law.

I would like at this time to yield to the chairman of the Joint Committee on Atomic Energy, the gentleman from Illinois (Mr. PRICE), to shed some light on this matter.

Mr. PRICE of Illinois. Mr. Chairman, I think the House should reject this amendment this afternoon. I think it is catching the Members at a period when they may have become disturbed by recent anouncements concerning the agreements reached in cooperation with the Egyptians and with the Israelis.

The Members will have ample time to be heard on these specific agreements, which are the targets of this amendment. The Joint Committee, under the law, will receive these agreements when they are completed, we will have time to consider them, and for a period of 30 days we will have an opportunity to hear every Member of the House who desires to testify on this matter state his position on the agreements, whether he is in favor of them or whether he is opposed to them.

Mr. Chairman, I have placed a statement in the RECORD today, and that statement will be found in the special orders of today. In that statement I enumerate by number all of these types of agreements we have had over the years since 1952. I have also pledged to the membership of this House that when the agreement has been received by the Joint Committee on Atomic Energy, I will inform the House so that every Member then can state his desire to be heard. I am sure that any Member of the House who wants to be heard at that time will be heard.

We will not act hastily on the agreements. We will examine them carefully. We will do more than that: We will go into the agreements that have been agreed to in previous years in order to make certain in our minds that all the positions of the State Department are reflected in these agreements. If they are not in them, we will offer amendments to these former agreements.

Mr. Chairman, we are interested in safeguards. We have established a panel on safeguards to go into the very issue. We are going to consider them in a proper way. I do not think that positive action today on this amendment would be the proper way to do it.

Mr. HOLIFIELD. Mr. Chairman, will the gentleman yield?

Mr. SLACK. I yield to the gentleman from California.

Mr. HOLIFIELD. Mr. Chairman, I thank the chairman of the subcommittee for yielding to me.

The fact of this matter is this: We have 30 international agreements that have been made. All of those international agreements come before the Joint Committee on Atomic Energy for scrutiny, for justification, and we are given the opportunity in the case of any kind of military agreement to put a concurrent resolution in disapproving of it in both Houses.

In the case of these reactors that we are talking about today, regardless of what Canada or France or some of the other people, including the Soviet Union, do, the United States provides in any case like this that there be safeguards to prevent the diversion of material.

What am I talking about? The fuel rods in a reactor, for instance.

When they are spent, they are taken out of the reactor and they are chemically dissolved, and they take out some metal, some radioactive substance such as plutonium, and that can be used in a weapon. That can only be done in a chemically sophisticated plant. It has to be done by remote control; it does have to be put in a machine.

The plutonium has to be turned into metal and it has to be machined by remote control. All of these things are safeguarded in our agreements.

It is very possible that some people who want to criticize the President for anything he does will get up and say that he has done something terrible and has done it without any chance for the Congress to look at it, but that is not true. The President has proposed that a reactor be built in Egypt and one be built in Israel, but before that can be done it has to be financed and we have to get export licenses for it and it has to be approved by the Joint Committee on Atomic Energy.

We look into this safeguarding problem and we do safeguard. There has been no diversion of materials from any of these atomic reactors.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HOLIFIELD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to finish this story, because it is a story. It is taken care of by existing Atomic Energy Act. If this agreement is made—and it is only a proposal of the President at this time, which has not been negotiated, but if it is negotiated, it has to come before the Joint Committee on Atomic Energy within some 30 days in one instance and 60 days in another instance. The Joint Committee on Atomic Energy will look into it, and we will protect and safeguard the diversion of material as we have in all instances up to this time, which could under very extreme circumstances possibly be diverted.

Remember, this is very low-level material we are talking about and is not the level that atomic weapons are constructed of. We are talking about 3 percent material. But it is less than when it comes out and goes into the reactor. We are talking about a much higher level of enrichment in the case of weapons. So there is a lot of alarm and this alarm is based on misinformation, but I assure you that the Atomic Energy Act takes care of it and that the State Department and the President have to abide by the Atomic Energy Act. Let this run its regular course, and we will take care of the situation.

Mr. GONZALEZ. Will the gentleman yield for a question?

Mr. HOLIFIELD. I yield to the gentleman.

Mr. GONZALEZ. The gentleman stated that we have about 30 such agreements in existence with 30 days notice in each instance.

Mr. HOLIFIELD. That is right, and that is in accord with the act which this Congress enacted in order to share peacetime applications of atomic energy with other nations of the world.

Mr. GONZALEZ. Will the gentleman say whether or not the Congress has a right of review or whether it merely goes to the Joint Committee?

Mr. HOLIFIELD. That happens to be a case of the Congress, both Houses, receiving it, and they do review it.

Mr. GONZALEZ. But there is no general——

Mr. HOLIFIELD. If we want to bring a concurrent resolution to the House, and if we find something wrong about it we will bring one to the House, the Congress then will have a chance to act on it. But if 18 men, 9 in the other body and 9 in the House, find that this is in accord with the other agreements that have been made and which have not caused us any trouble and from which there has been no diversion, then at that point there will be no necessity for a concurrent resolution. However, the gentleman can come before the committee and hear the testimony and give such testimony as he desires.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Biaggi).

The amendment was rejected.

AMENDMENT OFFERED BY MR. SYMMS

Mr. SYMMS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Symms: On page 51, following line 22, insert the following:

Sec. 707. Notwithstanding any other provision of this Act or any other law, each appropriation contained in this Act is hereby reduced by an amount equal to 3 percent of the amount originally appropriated by this Act.

Mr. SYMMS. Mr. Chairman, about 2 p.m. this afternoon we passed a budgetary reform bill and we heard a lot of very sincere colloquy, I am sure, on the part of many Members about how we had to balance the Federal budget.

This amendment would cut approximately $151 million across the board in each item of this appropriation bill, and it would still leave a 10-percent increase over last year's appropriation levels. It just cuts it down to a 10-percent increase.

I would say further, Mr. Chairman, that this would be about 10 percent more of an increase than any Members of the Congress will get in any legislation which affects their salaries. I think it is high time that we start off on a new day. We passed the budgetary reform bill today, and we can start taking a piecemeal slice across the board on this, and accept a reasonable 3-percent cut.

Mr. FRENZEL. Mr. Chairman, will the gentleman yield?

Mr. SYMMS. I yield to the gentleman from Minnesota.

Mr. FRENZEL. Mr. Chairman, as I read the bill, we are increasing the budget for these agencies by 12.5 percent; is that correct?

Mr. SYMMS. It is approximately that, about 12.5 to 13 percent.

Mr. FRENZEL. I think the gentleman from Idaho is modest in his request, and I intend to support the amendment.

Mr. SYMMS. I thank the gentleman and would welcome a substitute to the amendment and cut it a little deeper.

Mr. CEDERBERG. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Idaho (Mr. Symms). We have already cut the budget requests by *some $100 million*.

This amendment would cut the FBI by 3 percent; it would cut the drug enforcement people; it would cut the prison system; it would cut all of the items in the bill.

I understand the noble intent of the gentleman from Idaho, but I think it would be most unwise to agree to such an amendment.

Mr. SLACK. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment offered by the gentleman from Idaho (Mr. Symms).

Mr. Chairman, let me say that we have considered all of the items in the bill in great detail and have made reductions where appropriate. I ask that the amendment be rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Idaho (Mr. Symms).

The question was taken; and on a division (demanded by Mr. Symms) there were—ayes 12, noes 70.

So the amendment was rejected.

Mr. SLACK. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Vanik, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15404) making appropriations for the Departments of State, Justice, and Commerce, the judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes, had directed him to report the bill back to the House with an amendment, with the recommendation that the amendment be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. DELLENBACK. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 365, nays 36, not voting 32, as follows:

[Roll No. 302]

YEAS—365

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burgener
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, Wis.
de la Garza
Delaney
Dellums
Denholm
Dennis
Dent
Derwinski
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Gray
Green, Oreg.
Green, Pa.
Griffiths
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hawkins
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hosmer
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Madden
Madigan
Mahon
Mallary
Mann
Martin, Nebr.
Mathis, Ga.
Matsunaga
Mayne
Mazzoli
Meeds
Melcher
Mezvinsky
Michel
Milford
Miller
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shriver
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki
Zion

NAYS—36

Archer
Ashbrook
Bauman
Collins, Tex.
Conlan
Crane
Davis, S.C.
Dellenback
Devine
Dickinson
Frenzel
Froehlich
Goodling
Gross
Grover
Helstoski
Huber
Landgrebe
Long, Md.
Maraziti
Martin, N.C.
Mizell
Pritchard
Rarick
Roncallo, N.Y.
Rousselot
Ruth
Satterfield
Shoup
Shuster
Spence
Steiger, Wis.
Symms
Wylie
Young, S.C.
Zwach

NOT VOTING—32

Blatnik
Brasco
Brown, Mich.
Buchanan
Burke, Calif.
Carey, N.Y.
Daniels, Dominick V.
Davis, Ga.
Dorn
Frey
Hastings
Hébert
Howard
Jones, Tenn.
Macdonald
Mathias, Calif.
Metcalfe
Minshall, Ohio
Podell
Reid
Riegle
Rooney, N.Y.
Ruppe
Shipley
Sikes
Sisk
Stuckey
Talcott
Teague
Thompson, N.J.
Vander Jagt
Widnall

So the bill was passed.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mr. Blatnik.

Mr. Hébert with Mrs. Burke of California.

Mr. Rooney of New York with Mr. Davis of Georgia.

Mr. Teague with Mr. Dorn.

Mr. Dominick V. Daniels with Mr. Brown of Michigan.

Mr. Brasco with Mr. Minshall of Ohio.

Mr. Sikes with Mr. Hastings.

Mr. Shipley with Mr. Buchanan.

Mr. Carey of New York with Mr. Frey.

Mr. Macdonald with Mr. Mathias of California.

Mr. Podell with Mr. Ruppe.

Mr. Reid with Mr. Metcalfe.

Mr. Riegle with Mr. Widnall.

Mr. Howard with Mr. Talcott.

Mr. Sisk with Mr. Vander Jagt.

Mr. Stuckey with Mr. Jones of Tennessee.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SLACK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from West Virginia?

There was no objection.

ADDITIONAL PROGRAM ANNOUNCEMENT

(Mr. O'NEILL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. O'NEILL. Mr. Speaker, the bill S. 411, extended phasing of postal rate adjustments, was scheduled for today. A rule has been granted.

Mr. Speaker, it is our intent that the postal rate adjustment bill be brought up first tomorrow, and then we will follow the schedule as printed in the Calendar. The schedule consists of the Transportation appropriation bill for fiscal year 1975, and H.R. 14715, White House authorization, on which a rule has been granted.

HOUR OF MEETING ON WEDNESDAY, JUNE 19, 1974

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 11 o'clock a.m. tomorrow, Wednesday, June 19, 1974.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

ACQUISITION BY MOBIL OIL DEMONSTRATES NEED FOR OIL TAX REFORM

(Mr. VANIK asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. VANIK. Mr. Speaker, the announcement today that the Mobil Oil Corp. plans to buy and take over the Marcor Corp., operating Montgomery Ward stores and the Container Corporation of America, is vivid evidence of the conversion of huge oil profits into nonenergy producing investments.

For years, the oil industry has been pleading for more profits—a higher return on investment—to create capital for reinvestment in the development of new sources of gas and oil.

Mobil Oil—like Gulf Oil in an earlier effort—demonstrates that capital accumulation by oil companies is being shifted into buying up the country and creating new sources of profits and power instead of creating more energy for America.

The recent actions of Mobil and Gulf demonstrate the need for terminating the percentage depletion allowance, the foreign tax credit, and other devices by which oil profits bypass the tax collector.

Mobil's investment in Marcor—that is, Montgomery Ward and the Container Corporation—will do nothing to bring the American people an extra barrel of oil. Instead, it is simply a way for Mobil Oil to use up embarrassing profits.

I find it unconscionable that at the same time the big oil companies are scrambling for ways to "use up" their windfall profits, they are fighting the Congress tooth and nail over the proposed Windfall Profits Tax Act.

For example, last week I received a two page telegram from Mr. Herman J. Schmidt, vice chairman of the board, Mobil Oil Corp., in opposition to a tax reform amendment which I hope to offer to the windfall profits tax bill. My amendment, which would eliminate the overseas use of the intangible drilling expense and convert the foreign tax credit for oil and gas extraction to a business deduction, would increase Treasury revenues by approximately $2 billion a year. More importantly, it would encourage more oil exploration here in the United States rather than overseas. Obviously, it appears that Mobil would much rather spend $350 million buying a chain of retail stores and a container company than pay its fair share of corporate taxes to the Federal Treasury.

The oil industry is moving closer to contempt of Congress and the American people. The abuse of these oil profits—if allowed to proceed without restraint—provides a dangerous assault to the American economy.

RESOLUTION BARRING NUCLEAR ENERGY CAPABILITIES TO FOREIGN NATIONS

(Mr. BIAGGI asked and was given permission to address the House for 1 minute, and to revise and extend his remarks and include extraneous matter.)

Mr. BIAGGI. Mr. Speaker, I am introducing a resolution today barring any agreement to provide nuclear energy capabilities to a foreign nation without the expressed consent of both Houses of Congress.

This resolution is in response to President Nixon's alarming announcements that the United States had agreed to supply both Egypt and Israel with the means to develop nuclear energy generators.

The precarious peace which exists today in the Middle East did not come easily. It took many long hours of delicate negotiations, which were skillfully led by the distinguished Secretary of State, Henry Kissinger. Yet, these efforts now stand to be sabotaged by agreements that threaten to destroy the balance of power in the Middle East. No assurances or safeguards would minimize the fear of the awesome consequences involved if the nuclear technology were misused.

The United States, which has entered into some 80 of these agreements with foreign nations, cannot continue to toss nuclear technology agreements around as if they were political plums. The nuclear weaponry club of the world is already too big, and our efforts should be concentrated on reducing its membership rather than providing the potential for expanding it.

The future of man may lie in nuclear energy, but in today's world—with little means to fully control its use—it is a highly volatile commodity. Many will say that Egypt and Israel will not misuse this technology. I would, however, point to the recent experience of Canada in providing India with nuclear energy. Faced with the serious nuclear threat from China, India violated agreements with Canada and used nuclear materials, provided for peaceful uses, to make a nuclear bomb. Who can guarantee that a similar situation might not occur in the Middle East? Or anywhere else.

Or what assurances can be made the Palestinian terrorist groups might not steal the nuclear materials and use them to make atomic bombs to destroy Israel? The Atomic Energy Commission is taking extraordinary security measures to protect such materials against Arab terrorist raids in this country How can we possibly provide sufficient protection for safeguarding nuclear materials in Egypt and Israel?

This is an ill-conceived plan that must be rejected. I hope my colleagues will join me in cosponsoring my resolution.

WEST VIRGINIA'S SGT. PAUL LEEPER—UNSUNG HERO OF WATERGATE

(Mr. HECHLER of West Virginia asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. HECHLER of West Virginia. Mr. Speaker, June 17 marked the second anniversary of the arrests of five burglers in the Democratic National Committee's headquarters in the Watergate Office Building. The arrests touched off a series of incredible events which are still unfolding. The man in charge of the police detail making the historic arrests is 35-year-old Sgt. Paul Leeper, a native of Fairmont, W. Va. The following article, appearing in the June 15, 1974, edition of Parade magazine, describes the 28 hours of duty Sergeant Leeper put in the night of the arrests and what effect this event had on his life. I commend it to my colleagues:

What Happened to the Cop Who Arrested the Watergate Five?

(By Fred Blumenthal)

Washington, D.C.—In the two incredible years since five burglars were arrested in the Democratic National Committee's headquarters in the Watergate Office Building, hundreds of lives have been irrevocably changed by that seemingly small event.

Men of power and prestige have been disgraced; some have gone to jail, others may well follow. Some men have become rich—lawyers for example, and the folk who sell things like Watergate Bourbon or bumper stickers reading "Free the Watergate 500."

But for the key man life has gone on unchanged.

That man is Sgt. Paul Leeper of the Washington Police Department.

It was Leeper who, in the line of duty, pushed the rock that tipped the boulders that started the avalanche that filled the valley. With two other officers under his command, John B. Barrett and Carl M. Shoffler, he searched the Watergate Building at 2 a.m., June 17, 1972, after a night watchman became suspicious of a taped door latch.

BEYOND EXPECTATIONS

At the command, "Put up your hands and lean against the wall," Leeper and his comrades expected to see two grubby hands attached to a burglar in search of a typewriter or adding machine he might peddle for $150 or so.

What they got were 10 hands, gloved in rubber, and attached to men in expensive suits with rolls of $100 bills in their pockets. They were also carrying notebooks that connected them to men in the White House and the Committee for the Re-Election of the President, to be known ever after as CREEP.

The revelations that followed shook the White House, the Republican Party, both Houses of Congress, the country as a whole. As the avalanche grew, it ground down men who had been at the pinnacle of power: Haldeman, Ehrlichman. It brought notoriety to heretofore nameless toilers in the White House back corridors—E. Howard Hunt, Egil Krogh and the rest. It threw up an instant folk hero (Senator Ervin), created overnight a Presidential possibility (Senator Baker).

But the man who started it all goes on as before, like a catalyst in the chemical reaction—a chemical entirely necessary to the reaction, but entirely unchanged by it.

SAME AS BEFORE

Leeper is still a sergeant, still second in command of the old clothes detail, or "bum squad," in Northwest Washington, going about in a beat-up car, wearing his old jacket with "George Washington University" written across it, and his go-to-hell golf hat, still protecting the lives and property of the citizens.

It was this very un-copish look, coupled with a very copish dedication to doing things right, that insured that Watergate would become a crucial event in American history. A point in time from which other events can be dated. "That was before Watergate, of course," someone will say, or "Well, since Watergate the political situation. . . .

Leeper is 35 years old, a 12-year veteran of the D.C. Police who served as a scout-car man and detective before moving over to the tactical squad. There, by the nature of his assignment, his speciality has been street robberies, muggings and burglaries.

"Our old clothes and ordinary cars make us blend into the background," Leeper told Parade. "When somebody's about to pull off a crime, he generally takes a last look around. If he sees us he doesn't see anyone he's particularly afraid of; it gives us that extra step on him. We have a very high percentage of arrests."

One of the very first "victims of Watergate" was Leeper's wife Donna. She missed her birthday celebration. At 2 a.m., June 17, 1972, Leeper had already put in two hours of overtime and was about to call it a night. His plan was to go home, get some sleep, and then celebrate Donna's birthday by taking her out to dinner. A baby-sitter had already been hired to care for the three Leeper daughters, Stephanie, 7; Tracy, 5, and Marsha 3 months.

Then came the burglary call to proceed to Watergate.

Donna might still have had her birthday party—and Watergate remained only the name of an office-hotel-apartment complex on the banks of the Potomac, except for several flukes. The first was that Squad Car 80, which would normally have responded to the call, was out of service temporarily. If Car 80, with "police" written all over it, had pulled up, the lookout across the street would have warned the five men via walkie-talkie, and they would have vanished.

But Leeper and his men drove up quietly in their unmarked car, found a legal parking spot, and walked casually into the building. The lookout (a former FBI man) watched them carefully—and decided that they were harmless civilians—probably repairmen.

The first time he realized there was trouble was when he saw Leeper's team, with drawn guns, searching the eighth floor, balconies and all. But by then, the inside men, who were afraid its static would betray them, had turned off their walkie-talkie, and the lookout's warning went unheard.

Through the seventh floor and down to the sixth came the police, and the Watergate Five were trapped. Officer Barrett spotted an elbow behind a desk and the illegal entry was over.

But for Leeper, Barrett and Shoffler—and Donna waiting at home—the long night had just begun.

"Police work is mostly cut and dried anyway," says Leeper modestly. "A well-trained officer does what he must do automatically; any fear or questioning comes later.

"But I must admit that when I saw those 10 hands go up, I thought, 'Well, I expected one and I've got five; how do I know there isn't a sixth one behind me with a .45 aimed at my skull?' I turned around very slowly. But there wasn't."

CARE PAYS OFF

Then the careful procedures began to pay off. Even though none of the officers knew what they had gotten hold of, they knew it was no ordinary $150 typewriter snatch.

While the well-dressed burglars looked with some disbelief at the ragtag trio which had them under arrest, Leeper read each man his rights as he was frisked. Later, Leeper read all five the same statement of rights, including the right to contact an attorney.

Considering the ramifications of the case, the powers who were involved and the kind of attorney who showed up (without any of the five bothering to call him), any imperfection in the arrest routine might have ended the affair very quickly. ("I knew we were really on to something when I saw that lawyer arrive to represent them wearing a $300 suit," said another policeman later.)

The 2d District Police Station began to fill up. The FBI arrived. Higher ranking policemen rolled in, up to an assistant chief, who read the suspects their rights all over again. Everything moved very slowly as the routine took control.

Each piece of property on the defendants was carefully logged in—including the now-famous $100 bills and the notebooks that were to lead to higher places.

A United States Attorney arrived to get a search warrant for the two hotel rooms four of the five were occupying, and to find a judge to sign it. Then all the property in the hotel rooms had to be logged in with care.

THE LONG NIGHT

Every few hours Leeper would call his wife and explain that he'd be home "soon." That "soon" stretched into all night and most of Saturday. When Leeper finally made it home at 8 o'clock Saturday night—28 hours after going on duty—he was too bushed to take anyone anywhere.

Since that long night, Leeper's life has gone back to the old, comfortable routine. His captain put him in for a citation, but the Awards Committee never issued one. He did appear briefly on television as a witness at the Senate hearings, and got a few letters.

Some were from old friends from his hometown, Fairmont, W. Va., now scattered around the country. There were a few requests for autographs, and a series of letters from someone in Kentucky urging him to read the Bible and fight corruption in government. (Leeper, as it happens, is, and always has been, a member of the Church of Christ.)

Around the station house, even the kidding from his fellow officers has quieted down, or shifted to the topic of why his team in the police softball league finished only second in the city championship.

A CRYING SHAME

But when Leeper is not around, his fellow cops feel rather strongly about what they consider his lack of recognition. "It's a crying shame that he wasn't named Policeman of the Year, not only for the city but for the whole country," says Detective Sgt. Anthony Rogers of the 2d District.

Leeper, since the Watergate night, has received an $800 yearly raise—but he was due that anyway. He has moved to a new home in suburban Maryland (as planned) and fights an endless war against the dandelions (not foreseen). He goes about his work happily, as he always has, proud to be a policeman.

He has had to explain to his older daughters what Watergate is—they had pictured it as an enormous gate with water pouring out.

And there came a point in time when the anonymous hero of Watergate was helping take his daughter's kindergarten class to the Smithsonian's museums.

As the bus passed the Watergate complex, the teacher pointed it out and explained, "That's where it all began." Little Tracy Leeper looked up at her father and grinned. He smiled down at her, as the bus, like his life, rolled quietly on.

THE GOVERNMENT IS THE SERVANT—NOT THE MASTER

(Mr. BRAY asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. BRAY. Mr. Speaker, the defeat of the land use bill by the House of Representatives could be a landmark vote demonstrating growing public and congressional awareness of the dangers of more and more Federal supervision over the private lives of our citizens.

The bill had been quite controversial. My mail has reached a 50-to-1 ratio against it, despite the fact that the Senate passed the bill by a heavy majority a year ago. The public and the House, however, read the fine print in the bill and both became aware of the extent to which the Federal bureaucracy was trying to move in.

The bill appeared quite innocuous. Eight hundred million was to be given to States, to pass legislation and impose regulations, and cooperate with the Federal Government. Those not cooperating would get none of the money. But, on close study, it was clear that this proposed bill, if enacted into law, could have been in conflict with every local zoning regulation, and the Federal bureaucracy could be hovering over every landowner. Experience has been making us increasingly aware of the truth of the old adage, that once a camel gets its nose under the tent, the camel is in and you are out.

A clear case in point was the creation of the Environmental Protection Agency—EPA. Legislation concerning the environment was needed. The bill on environmental protection appeared good and at the time of its passage, the public was overwhelmingly in favor of it. The EPA has certain good points especially in preventing the pollution of streams. The Agency created, however, moved with more enthusiasm than prudence. EPA, in many instances, succeeded in forcing many utilities who were generating electricity by coal to convert to nonexistent oil. If the energy crisis had occurred a year or so later and except for the battle waged by many communities and utilities, great parts of America would have been cold and hungry in the dark.

Consider Indianapolis for instance. Among about a dozen restrictions which the EPA attempted to impose on Indianapolis included an effort to stop all parking on the streets in downtown Indianapolis, to impose a surtax up to $5 a day for parking in downtown garages and to curtail construction of additional parking garages and parking lots at shopping centers. It is only by the united effort of the city government and the citizenry of Indianapolis that the city is temporarily averting the penalties planned against them by the EPA, penalties that would be disastrous to the well-being of the city and its citizens.

It is the fault of all of us that certain Government bureaucracies have moved in to take over the private lives and affairs of its citizens. We have demanded that the Federal Government do things for us that we should do for ourselves, and have begged that Government for money which the Government, to get, must take from us. The philosophy seems to exist that our Federal Government in Washington is a great, kind, and benevolent father that will take care of our lives and personal problems and provide us with free money. We have been depending upon the Federal Government to take care of the many matters which citizens, communities, cities and the State should and could take care of better by their own efforts. We apparently are finally learning that Federal direction and Federal dollars are not panaceas for all our personal and community ills. Why we ever thought the Federal Government in Washington could solve all our problems is a mystery.

It is quite apparent that the aggressive manner in which the Federal bureaucracy moved into the environmental field would be mild compared to the zeal it would probably show moving into the field of land use if it had the opportunity.

We must have a strong Government, but we should not expect or allow it to totally direct our personal lives and affairs. A great problem in allowing governmental direction of our private lives is that there is always a zealot who, with glee, takes over. We must remember that a zealot is one who, upon losing sight of his objective, redoubles his effort.

Generally we have a good and strong Government in America but we must see to it that it does not follow the "Papa knows best" philosophy. Let us keep the Government strong and a servant of the people, not their master. Let us see to it that our Government continues to perform its historic functions that it has performed for so long, so well. However, let us also run our private lives and cause our local governments to be responsive to our needs. Neither should be dominated by a powerful Federal bureaucracy.

THE LAND-USE FUROR

(Mr. KAZEN asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. KAZEN. Mr. Speaker, since the House last week voted to refuse a rule to the Federal land-use planning bill, those of us who advocated that action have been criticized as unthinking, unwise, and even unpatriotic. I submit to those who criticize, a thoughtful editorial from the Wall Street Journal. That newspaper finds that our action "may have headed off a movement toward overplanning that could, over time, seriously damage economic growth." The editorial concludes that "the House deserves some praise for knowing when to say no."

Because I believe the comment worth the consideration of all Members, I include it in the RECORD:

THE LAND-USE FUROR

When the House defeated the Land Use Planning Act of 1974 in a close vote the other day there were enough howls of dismay to suggest that it had just voted 211–204 to repeal motherhood.

The Sierra Club fired an urgent Telex to editorial page editors accusing the House of "dereliction of duty." The New York Times, as is its wont, blamed it all on Watergate politics. And Senator Jackson, as is his wont, promised to use his considerable parliamentary skills to revive land use in the form of a rider to some must bill.

But those of us who are less impassioned on the issue might conclude that the House acted with considerable wisdom. There is little persuasive evidence that it struck any kind of really damaging blow at environmental interests. And on the positive side, it may have headed off a movement toward overplanning that could, over time, seriously damage economic growth.

Fundamentally, the defeated bill would have authorized $800 million for grants to states to help them set up "comprehensive land use planning." The federal government would have had considerable power, of course, to decide how the money would be put to use.

Assuming that the federal government can afford $800 million, which is not a safe assumption these days, it may well be that the bill would have achieved some positive results. However, it might also have encouraged the kind of forced draft planning that soon would have had every acre of some states tied up in red tape that would create long delays for people looking for a place to live or conduct a business.

There is no persuasive evidence that any such forced draft is necessary. The states already are taking initiatives in land use planning. And other federal laws, most importantly the environmental protection and coastal zone management acts, already put strict limitations on the kind of land uses that cause "quality of life" problems that disturb environmentalists.

Given the cosmic effects that land use regulations can have, it seems to us more sensible to address land use problems on an "as needed" and "where needed" basis, rather than through some grandiose federal initiative. If the Colorado plan works, it might be something other states can emulate. The same for Delaware. But there is no point in everyone getting locked into something that doesn't work just because of pressures to spend federal money.

We already have seen some of the consequences that flow from the difficulties oil companies have in finding sites for new refineries and utilities have in siting power plants. These were not totally responsible for the energy crisis, but they played a role. Some businessmen think a national land use policy that would clearly authorize such sites would be a good thing. But we doubt that the defeated bill was headed quite that way. As things now stand, states individually weigh the drawbacks of attracting industry against its benefits, which probably is a good thing.

At any rate, we don't feel any great sense of loss. And it seems to us that the House deserve some praise for knowing when to say no.

PROJECT INTERFERENCE

(Mr. GOLDWATER asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. GOLDWATER. Mr. Speaker, this week marks the culmination of a nationwide effort entitled "Project Interference" in which American citizens are expressing solidarity with Soviet Jews who have been victimized by yet another insidious form of official Soviet harassment—the disconnecting of their telephones.

It seems that the Government of the Soviet Union has an increasing reservoir of intimidating devices to use against its Jewish citizens. While Soviet officials seem anxious to engage in such petty and cruel acts, it also appears they have conveniently forgotten that the Soviet Union is a signatory to the Treaty of Montreux, which guarantees free access to channels of communications.

Mr. Speaker, as a member of the Subcommittee on Communications and Power of the House Interstate and Foreign Commerce Committee, I am very interested in international telecommunications, and the Treaty of Montreaux. In addition, I was proud to join my colleague from Texas, Mr. PICKLE, last year as a representative from the Congress to the World Administrative Telegraph and Telephone Conference in Geneva.

Article 31 of the treaty of Montreux states:

> Members and Associate Members recognize the right of the public to correspond by means of the international service of public correspondence. The services, the charges, and the safeguards shall be the same for all users in each category of correspondence without any priority or preference.

The importance of telephone communication for a Soviet Jew is in the spiritual and moral support he receives from knowing that people outside the U.S.S.R. care about him.

Just recently, a good friend of mine, Zev Yaroslavsky, returned from a visit to the Soviet Union, and he reported how eager these courageous and beleaguered people are to receive telephone calls from the United States.

The recipients of these calls throughout the Soviet Union go to any length to receive calls. The most extreme example is that of ballet dancer, Valery Panov, who used to travel to Lithuania to receive or place telephone calls. It has been reported that the last time he tried this he was poisoned on his way back to his home in Leningrad.

Last March a campaign was launched to restore the telephone service to those Jewish citizens whose lines had been disconnected. This endeavor was quite successful. During the working week of June 17–21, a much larger effort is underway, and I am hopeful that it, "Project Interference," will serve to remind Soviet officials of their treaty obligations and the fact that people, regardless of where they live, should have access to channels of communication.

Mr. Speaker, in order to express solidarity with those Soviet Jews who have lost their right to communicate via telephone, I would like to include with my remarks a list of their names and telephone numbers. This list is by no means complete. It is only for those who live in Moscow. However, I feel that it makes the point very symbolically. The list is as follows:

Leonid Koshevoy, 110–80–38.
Dimitry Ramm, 129–93–05.
Riva Feldman, 283–83–47.
Grigory Vigdorov, 187–68–80.
Victor Elistratov, 162–39–00.
Mikhail Suslov, 151–40–75.
Leonid Belopolsky, 269–20–31.
Felix Kandel, 151–96–85.
Igor Abramovich, 219–44–19.
Efim Tsatskin, 251–82–11.
Iosif Begun, 276–32–33.
Viktor Lapidus, 198–02–22.
Vladimir Safonov, 123–53–08.
Mikhail Agursky, 129–52–81.
Pavel Abramovich, 461–81–38.
Iosif Beilin, 161–42–28.
Viktor Brailovsky, 433–92–28.
Anatoly Galperin, 164–75–82.
Lev Kogan, 477–80–62.
Yuly Kosharovsky, 218–39–94.
Valery Krizhak, 157–08–00.
Benjamin Levich, 232–41–16.
Evgeny Levich, 255–30–06.
Alexander Levich, 433–77–09.
Alexander Lerner, 137–53–96.
Alexander Luntz, 133–27–55.
Mark Novikov, 164–19–83.
Ida Nudel, 172–43–64.
Mark Nashpitz, 263–24–81.
Viktor Polsky, 274–16–31.
Vladimir Prestin, 162–79–22.
Arkady Rutman, 457–70–84.
Lasar Svetchinsky, 256–86–85.
Girsh Toker, 489–83–31.
Victor Faiermark, 151–58–04.
Boris Tsitlonok, 164–43–75.
Vladimir Shakhnovsky, 482–92–32.
Lev Gendin, 178–76–71.
Vitaly Rubin, 223–54–72.
Benjamin Gorokhov, 287–70–63.
Bella Galinovskaya, 169–43–98.
Evgeny Yakir, 129–26–30.

SIXTH ANNUAL CONGRESSIONAL CLASSROOM

(Mr. MANN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. MANN. Mr. Speaker, the Fourth District of South Carolina is fortunate in having so many citizens, who like Lincoln, recognize that education is our most important duty.

To that end, these good people through the aegis of their businesses, civic clubs and service organizations have annually sponsored participants in the Fourth District Congressional Classroom trip, which I initiated during my first year in Congress in 1969 for the purpose of introducing my youthful constituents to their historic Nation's Capital and to the day-to-day mechanics of their Federal Government.

This week 18 scholars, outstanding young men and women selected by their high schools in Greenville and Spartanburg Counties, are engaging in seminars, sightseeing, question-and-answer sessions with Federal officials, and exploration of the legislative process, and I take great pride in being host to this delightful, inquisitive group of students. Knowledge and understanding have a ripple effect beyond the individual into the family, the community, the State and the Nation, and we are all the beneficiaries.

I commend the public spirit of the sponsors, who recognize the grave importance of an awareness and comprehension of our system of Government by our young people. Mr. Speaker, the Sixth Annual Fourth District Congressional Classroom scholars and their sponsors are:

Ran Bailey, Cowpens High School, sponsored by the Hillcrest Breakfast Optimist Club; Frank Bomar, Dorman High School, sponsored by the Spartan Radiocasting Company; Debbie Brown, Landrum High School, sponsored by the Hoescht Fibers, Inc.; Kay Dean, Pacolet High School, sponsored by the Pacolet Lions Club; Rebecca Ann Gaston, James F. Byrnes High School, sponsored by Lyman Printing; Stanley Hix, Woodruff High School, sponsored by Hoechst Fibers, Inc.; Calvin Holland, Boiling Springs High School, sponsored by North Spartanburg Rotary Club; Russell Hunsinger, Chapman High School, sponsored by Professional Women's Club.

Leon Michael, Dorman High School, sponsored by Spartanburg Lions Club; Jamise Moorer, Spartanburg High School, sponsored by Spartanburg Evening Lions; David Painter, Chesnee High School, sponsored by Jones Tractor Company; Sherri Smith, Spartanburg High School, sponsored by Hillcrest Breakfast Optimist Club; Jeff Atkins, Greer High School, sponsored by Greer Kiwanis Club; Wayne Bagwell, Parker High School, sponsored by Greenville Lions Club; Steven Bruce, Travelers Rest High School, sponsored by Greenville Lions Club.

John Pack, Woodmont High School, sponsored by Greenville Kiwanis Club; George Patterson, Southside High School, sponsored by Greenville Rotary Club; and Davis Taylor, Greenville High School, sponsored by Greenville Jaycees. Special sponsor: Collins Music Company, Inc. of Greenville.

BUDGET REFORM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. RAILSBACK) is recognized for 5 minutes.

Mr. RAILSBACK. Mr. Speaker, I would like to commend the members of the conference committee who have worked so hard in hammering out the final version of the Congressional Budget and Impoundment Control Act. I am particularly encouraged that this legislation resembles, in several respects, H.R. 4053, my own budget reform bill.

We are now seeing all too well the results of deficit spending and irresponsible economic policies: current inflation hovering around 12 percent annually, rising unemployment, three painful and unsuccessful years of wage-price controls; widespread shortages of some of our most vital materials; and the American dollar in a weaker position on the international market.

Current estimates anticipate at least a $9.4 billion deficit in fiscal year 1975. And Federal spending is expected to increase by approximately $35 billion. Unless Congress adapts the mechanisms to coordinate and control its spending, we may even exceed these estimates. In fact, in 13 of the last 20 years, actual budget outlays have exceeded the original budget requests.

There is also a vicious budget cycle which Congress must break if it is to exert control over Federal spending. Too often, spending is approved with little regard for its impact on the current budget or its implications for future spending. And in subsequent years, this spending gets built into the annual budget and Congress has little control over whether or not the spending continues to occur. And the budget grows and grows.

Quite rightly and understandably, taxpayers are tired of being asked to foot the ever-increasing bill for many ill-conceived Federal activities. They are beginning to realize that they are actually being asked to fuel the inflation which wilts their incomes. Every day I hear from dozens of residents in my district who simply cannot make ends meet. Their letters reflect a despairing note, and generally conclude: "Why isn't anything being done for the economy?"

With the legislation before us today, we have hope that Congress will bring our troubled economy under control and again assert its leadership and responsibility in this area. I therefore submit that enactment of H.R. 7130 is mandatory if we in Congress are to avoid gross spending overruns and confrontations over impoundment. Let us wait no longer to pass this important bill.

INDIVIDUAL PRIVACY AND THE NATIONAL SECURITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. STEELMAN) is recognized for 5 minutes.

Mr. STEELMAN. Mr. Speaker, in a free society, the rights of citizens to be secure against governmental intrusion and oppression must not be suspended at the personal discretion of those in power, whatever the asserted justification. "The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures," is absolute and "shall not be violated. [N]o warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized."

In a time when others in the free world community are rebuilding their commitments to civil rights, as evidenced in French President Valery Giscard d'Estaing's May 29 directive that henceforth official wiretapping will be banned in France and wiretapping archives will be destroyed, America, whose political philosophy owes much to the French Revolution and particularly Rousseau, should show not less commitment to and reaffirmation of the right reflected in the fourth amendment.

Over the past several years, the use of warrantless wiretaps under the rubric of national security has increased at an alarming pace. Congress should act now to end this intolerable situation and every American citizen should be assured that his privacy will not be invaded unless a court has determined that the invasion is necessary and issues a warrant in conformance with the Constitution of the United States.

To this end, I have today cosponsored the Surveillance Practices and Procedures Act of 1974. Under this act wiretapping for national security reasons would be granted only if other investigative procedures had been tried and failed, appeared unlikely to succeed, or were too dangerous. Moving from these prerequisites, the act has three primary thrusts.

First, before the Government could wiretap American citizens in national security cases, it would have to obtain a judicial warrant based on probable cause that a specific crime has been or is about to be committed. This provision will help protect an individual's constitutional rights against national security wiretaps.

Second, before the Government could wiretap a foreign power or its agents, it would have to obtain a judicial warrant based on the belief that the tap is necessary to protect national security interests. The warrant standards for foreign powers and their agents would thus be less rigorous than those required for American citizens. This warrant requirement will not diminish the Government's ability to protect against foreign attack or subversion; the Government will be able to wiretap foreign powers and their agents any time there is a demonstrated need for such surveillance.

Starting in 1969 the current administration has overtly claimed the right to wiretap and electronically survey anyone without judicial involvement or sanction in cases of domestic security and national security. In fact, former Attorney General John N. Mitchell asserted that the judiciary was not qualified to evaluate the need for security measures on the home front or in international affairs.

The soundness of this proposition was shattered by the Supreme Court in the 1972 Keith case (*United States* v. *United States District Court*, 407 U.S. 297) at least in re domestic security wiretaps when the Court declared in a landmark, 8 to 0, decision that the Government could not wiretap American citizens without judicial warrant—even when the citizen's activities threatened the domestic security of the Nation. Associate Justice Lewis F. Powell Jr., who is well known for his concern about the security of the United States, confronted the former Attorney General's claim head on when he declared in the case that:

> If the threat is too subtle or complex for our senior law enforcement officers to convey the significance to a court, one may question whether there is probable cause for surveillance at all.

The Supreme Court has not yet decided whether the fourth amendment's protections apply to cases involving national security and explicitly delineated that it did not consider those situations where American citizens have a "significant connection" with foreign powers and their agents.

Because subsequent Attorneys General and apparently the administration still believe they have power to authorize warrantless wiretaps concerning national security and since we have no decisive direction from the Supreme Court, it is imperative that the Congress move to enact the Surveillance Practices and Procedures Act of 1974.

The third requirement of the act requires that every American citizen wiretapped be informed of the surveillance within 30 days after the last authorized interception. This provision will assure every wiretapped American citizen the opportunity to protect himself against violations of his constitutional rights.

It is quite clear historically that the fourth amendment's protections were not to be suspended in cases of national security. When the fourth amendment was adopted, our Nation was only 11 years old. Foreign threats to the Nation's integrity remained ever present. Yet the fourth amendment provides for no exception to its application. This conclusion has been reconfirmed in the pivitol *Katz* v. *United States* decision (389 U.S. 347, 360, 1967) wherein Justice William O. Douglas in a concurring opinion stated:

> There is, so far as I understand Constitutional history, no distinction under the Fourth Amendment between types of crimes.

Recent events have demonstrated what havoc and harm can be done not only to an individual's personal privacy right through the use of warrantless wiretaps, but also to the ability of the Government to maintain the full support and confidence of its citizens, which is critical for the effective conduct of national and international relations.

Mr. Speaker, whatever the rationale for past inaction, the Watergate scandals make clear that Congress must act now to insure the preservation of precious constitutional rights—and particularly in this instance, the right of privacy.

This bill will not weaken our national security, but rather strengthen it by showing to our citizens here at home, and to our foreign neighbors, that while the United States is resolutely determined to protect its national security, it will do so with unwavering adherence to our Constitution. In Federal District Court Judge Gerhard A. Gesell's recent words:

> The security of one's privacy against arbitrary intrusion by governmental authorities has proven essential to our concept of ordered liberty . . . No right so fundamental should now, after the long struggle against governmental trespass, be diluted to accommodate conduct of the very type the amendment was designed to outlaw.

SUPPLEMENTARY SECURITY INCOME "PASS THROUGH"

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Minnesota (Mr. FRASER) is recognized for 5 minutes.

Mr. **FRASER**. Mr. Speaker, I am introducing legislation today aimed at guaranteeing supplementary security income recipients at least a small net gain in income next month when monthly SSI benefits are increased from $140 to $146.

Because they will face a simultaneous reduction in their State supplemental benefits, the July SSI increase will be purely illusory for many of the 3½ million people who now participate in the new program of Federal assistance for the aged, blind, and disabled.

Those States that supplement the Federal SSI payment have the option of "passing through" the Federal increase by not cutting back State supplements. Thus far, eight States have already agreed to pass on the Federal increase or are expected to do so soon. Four additional States have approved increase in their supplements to coincide with the Federal increase. In other States, however, supplements are likely to be cut back "dollar for dollar" to offset the higher Federal benefits. In many States, including my own, legislative action is needed to prevent this cutback. But legislatures are now meeting in only nine States, two of which have already dealt with the "pass through" problem.

My bill would prevent State supplements from being cut during the next 6 months or until State legislatures convene next year and have had an opportunity to consider this issue. With the exception of those States that are covered by the "hold harmless" provisions of Public Law 92-603, my bill would not require additional State or Federal expenditures. It would merely prevent States from reducing benefits during the period in which their legislatures are not in session.

Admittedly, this legislation is only a stopgap measure. It is intended merely to head off the mandatory cuts in State supplements that will occur next month when Federal benefits are increased. Legislation has already been introduced by Representative BINGHAM and others which would provide a longer term solution to the "pass through" problem. However, with the time constraints facing us, it is essential that we find a simple and direct way of aiding more than a million elderly, blind, and disabled people who will otherwise be denied the few extra dollars of income they need and deserve. This legislation is intended to accomplish that objective.

The text of the bill follows:

H.R. 15440

A bill to provide that the increase in supplemental security income benefits under title XVI of the Social Security Act which was enacted (effective July 1, 1974) by section 4 of Public Law 93–233 shall not be taken into account in determining the minimum level of required State supplementation of such benefits, in any State, until the legislature of the State has had an opportunity to consider such supplementation

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That, effective with respect to payments of supplemental security income benefits for months after June 1974, section 4 of Public Law 93–233 is amended by adding at the end thereof the following new subsection:

"(c) Notwithstanding any other provision of law, the increase in supplemental security income benefits provided under the amendments made by subsection (b) shall be disregarded for purposes of determining with respect to residents of any State—

"(1) the level of the State supplementary payments described in section 1616 of the Social Security Act,

"(2) the level of mandatory minimum State supplementation under section 212 (a) of Public Law 93–66, for any month prior to January 1975 or (if later) the first month which begins after the date of the enactment of this subsection and in which the legislature of such State is in session."

AMERICAN NUCLEAR TECHNOLOGY

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from New York (Mr. WOLFF) is recognized for 5 minutes.

Mr. WOLFF. Mr. Speaker, I have today introduced legislation which I believe is an essential step for Congress to take to assure that American nuclear technology is not introduced into the world's most volatile area without the most careful scrutiny of the American people and their representatives in Congress. My bill will amend the Atomic Energy Act of 1954 (title 42 U.S.C., sec. 2153) to require that all proposed agreements between the United States and any foreign power for cooperation on atomic energy development be subject to a congressional power to disapprove, by concurrent resolution. In light of the potentially grave consequences of the executive branch agreeing to supply American nuclear technology to traditionally hostile nations in the Middle East, the Congress must unequivocally indicate the necessity of congressional consent to any such agreements.

Present law recognizes this necessity where atomic information is supplied by this country for military uses. The only requirement for agreements which do not deal with atomic weapons, however, mandates that the President submit his agreement to the Joint Committee on Atomic Energy, and the agreement then goes into effect after 30 days. I am aware that the committee has undertaken the most careful and complete review of all such agreements in the past, and in fact has sought changes in the agreements to gain greater safeguards against misuse, to which administration have acceded. But as more and more members are added to the "nuclear club," and as the capability of developing nuclear weapons becomes more widespread, it is incumbent upon the Congress to take an active responsibility in the process which distributes this technology.

I am seriously concerned that the President's pledge to supply this advanced technology to Egypt and Israel is not a cautious step in the direction of stability in the Middle East. I do not fully comprehend reasoning which declares that the way to insure peace in the most volatile area of the world is to present the antagonist with concrete assistance that could conceivably lead to the development of the most destructive weapons ever created. It is highly appropriate that the entire Congress should have the right to fully consider executive proposals in this most critical area of foreign policy. It is altogether inappropriate for the Executive to dole out American nuclear technology without having the concurrence of the Congress.

My amendment is straightforward: It allows the Congress to act to disapprove any atomic agreements by concurrent resolution within a 60-day time period. But I believe if we act promptly, we will establish the procedural methods whereby the Congress can act, should such action become necessary.

Mr. Speaker, in the next few days I will be seeking cosponsors for this resolution, and I am hopeful that my colleagues will join in this effort to insure that the Congress, as an equal branch of Government, and as a guardian of the best interests of the American people, will be able to most effectively exercise its constitutional responsibility.

CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. CULVER) is recognized for 5 minutes.

Mr. CULVER. Mr. Speaker, the Budget and Impoundment Control Act represents a major congressional achievement of responsible reform and self-discipline.

This act, based on arduous deliberation and the most careful diagnosis, is a determined declaration by Congress that it wishes to establish control over the now fragmented and piecemeal consideration of the budget and revenues. It is based on a broad consensus of views among several committees and many individual Members of Congress. It has been progressively improved as it moved through the legislative process and it has effectively reconciled a diversity of interests and views.

The mechanisms in this bill make it possible to relate various categories of spending to one another as well as spending as a whole to revenue. It puts severe restraints on back door spending and brings about better coherence between the authorization and appropriations processes. At the same time the composition of the Budget Committee in the House insures that its recommendations will originate in a group which does not come from the closed universe of a single committee or viewpoint or from the czardom of a single chairman. The rotation and diversity of membership mean that program and priorities will be blended with requirements of expenditure and revenue. Budget surpluses and deficits would become more predictable and manageable.

At the same time, this bill also carries a proper reassertion of congressional authority over impoundments. Resolutions in this bill allow the Executive reasonable latitude for limited administrative deferrals but clearly prohibits the use of impoundments as a silent veto of policy determinations and objectives enacted by the Congress. No longer can the President substitute his own policies for those of Congress.

Congressman BOLLING has wisely led the House conferees and helped to achieve a bipartisan approach to this very difficult issue as well as a broad harmony between House and Senate. He showed the same leadership in the Select Committee on Committees of which I am honored to be a member. The select committee's recommendations equally deserve consideration and adoption at this session of Congress in a nonpartisan spirit of institutional reform. The Budget Control Act is one of the essential cornerstones of congressional reform. The Bolling committee reforms are another.

I congratulate the architects of this Budget and Impoundment Control Act for an accomplishment of historic magnitude. I hope that in turn the membership will respond with the same stamina and sense of purpose to the imperatives of committee reform.

INTRODUCTION OF LEGISLATION TO REPEAL DISC

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, I am introducing today, on behalf of myself and 17 other Members of the House, legislation to repeal the Domestic International Sales Corporation tax loophole.

During the last several months, I have submitted to the House of Representatives two General Accounting Office reports on the DISC program as well as statements on DISC from tax experts and an analysis of the Treasury Department's first report on DISC operations.

From these reports one can conclude that:

First, there is no way to determine whether DISC has helped increase exports;

Second, but it appears unlikely that DISC has had any impact;

Third, DISC almost entirely is a tax subsidy to the largest American corporations;

Fourth, it subsidizes the most profitable area of a corporation's sales;

Fifth, DISC can be used as a form of stock option in which tax can be avoided forever; and

Sixth, its cost to the Treasury is running three times more than expected.

On June 16, 1974, the Washington Post carried an article by Harvard Law Prof. Stanley S. Surrey entitled, "DISC Repeal Called Needed Tax Reform." As Professor Surrey states:

> Repeal would remove from the statute a tax atrocity that was a mistake from the very start. . . . The time has come for Congress to set the match to this huge paper monument of DISC and to end the wasteful revenue loss—a loss that it never anticipated would reach the $1 billion figure that is now projected. A quick repeal of DISC is the only sensible response to this absurd tax situation.

Professor Surrey's article follows:

DISC REPEAL CALLED NEEDED TAX REFORM

(By Stanley S. Surrey)

Repeal of the Domestic International Sales Corp. export subsidy provisions would be an income tax reform of high priority. Repeal would prevent an annual revenue loss that will be close to $1 billion by 1975. It could be simply achieved—clean-cut elimination of the provisions is all that is needed. Repeal would not affect our export trade. And finally, repeal would remove from the statute a tax atrocity that was a mistake from the very start.

DISC was adopted in 1971, at the insistent urging of the Treasury Department, as a tax subsidy incentive to exporters. That department, spurred by statements from the Commerce Department and others that the Treasury was doing nothing to improve our export position, had desperately looked about for some subsidy device and in 1970 had come up with DISC.

But then came the new monetary policy of 1971 and the first devaluation of the dollar, making any search for artificial export incentives beside the point. Yet the Treasury clung to its anachronistic idea of a DISC tax incentive and pushed it before the Congress late in 1971. A reluctant Congress adopted only half of the DISC proposal.

As enacted, DISC allowed a new type of export subsidiary corporation to be formed, half of whose income from export activities would be relieved from current income taxation.

Most companies initially thought of DISC presumably as a complex device requiring adoption of a new method of conducting export operations, which would necessitate restructuring their present organizations and procedures.

They soon learned that DISC is purely a paper procedure requiring no real change in port operations. All that is needed is creation of a new subsidiary. This new corporation need not have any employees, any operating activities, any substance whatever. A DISC requires only $2,500 of capital and a separate bank account. With that, a manufacturer can have its accountants start the paper work that immediately reduces its income tax by eliminating from taxable income one-half of the DISC's share of the profits attributable to the export sales of the manufacturer.

Once manufacturers with export sales caught on to the idea that DISC was a tax reduction gift with no needed change in their operations, they were eager to accept the DISC bounty. Thus, there were 1,000 DISCs by March 1972, some 3,439 at the end of 1972 and more than 5,000 by February 1974.

The repeal of DISC would involve no interruption of or effect on export activities. Instead, the tax-reduction paper work that DISC brought about simply would end. Unlike some other tax reform situations, repeal is not in any way hampered by claims to equities based on actions not quickly reversible.

The real facts must be kept squarely in mind. DISC was deliberately planned by the Treasury as a paper device—as an elaborate file drawers—as a schedule on a tax return.

But this paper device meant a revenue loss of $250 million for 1972 and an estimated loss of $500 million in 1973. By 1975, the loss is estimated to be $920 million. We are thus talking about a device that will soon be costing the government more than $1 billion a year. Who receives these benefits? Treasury data show:

Twenty-two per cent of the untaxed DISC export income was earned by eight firms in 1972.

More than 90 per cent of the DISC receipts go to parent corporations whose asset size places them in the top 1 per cent of U.S. corporations.

DISC is thus a windfall handed over to our largest corporations. Our largest corporations are our largest exporters and DISC simply reduces the current tax on export activity. A Treasury official was recently quoted to the effect that DISC has not significantly helped to add new exporters to the roster of existing ones.

There is a reason for most small firms to stay clear of DISC. While a DISC is a paper corporation, the paper work can be immense. The DISC statutory provisions and accompanying Treasury regulations are a monstrous technical morass. DISC rules are replete with percentage tests, special pricing rules, special computations—all a technical paper wonderland.

For the big companies, elaborate attention to the paper work can enlarge the DISC payoff. The special pricing rules a DISC enjoys are an elaborate facade, for they allow a DISC to claim as its profit—for doing nothing whatsoever—50 per cent of the difference between the costs of the export product and its final sales price, in complete disregard of the arms-length pricing rules developed by the IRS and the courts.

In retrospect, it is remarkable—and saddening—how little the Treasury and the Congress that relied on it knew about this paper device it was fashioning. The Treasury estimated the first year's revenue loss to be $100 million—it turned out to be $250 million. The second year's loss was said to be $170 million—it is now estimated at $500 million.

The Treasury now says the reason for the difference is that the rate of return on export sales is about twice as great as the Treasury expected—it is 15 per cent as against the expected 8 per cent, which is the average for domestic sales. This one fact alone shows how little analysis was really made of the situation—and it also raises the question of why the most profitable part of a manufacturing and selling operation must be subsidized.

Congress was also told that the tax on the DISC untaxed income would only be deferred, so that some day it would be paid. But Congress was not told that the deferral could be lengthy and that the present value of such deferral often would be worth about as much as current exemption.

DISC is thus built on paper and myths.

There is the myth that a DISC is an aggressively exporting organization, when in reality it is only a paper company.

There is the myth that the tax benefit of DISC is "only deferral" so that not much is involved, when in reality the deferral is so long delayed it can become the equivalent of exemption.

There is the myth that DISC-benefitted income must be invested in "export-related assets," when in reality that is but a drafting term that can cover any assets of the parent.

There is the myth that the DISC-benefitted income cannot be used by the parent for manufacturing activities abroad, when in reality a properly guided parent can use those funds to build a plant abroad.

The ultimate question remains to be asked—of what benefit is the DISC provision to the United States? We know about the windfall to exporters—more than three times as large as the Treasury estimated—and we know that the only operational price paid by exporters for this windfall is that of paying accountants and lawyers to handle the work that keeps this intricate paper-consuming machine properly nourished. But do we as a nation gain anything?

The answer is no. The Treasury in its first report on DISC could come up with no solid evidence that our export position had at all been improved because of the presence of DISC. Our exports have indeed increased—from $48.8 billion in 1972 to $70.3 billion in 1973. But behind this increase are such major developments as two devaluations of the dollar, a new monetary system, a worldwide inflation and a worldwide food shortage leading to a huge increase in agricultural exports.

Exporters who benefit from the policy changes should not also be handed a tax reduction windfall through DISC—a windfall that increases automatically as exporters reap the benefits of these and other policy changes.

So the time has come for Congress to set the match to this huge paper monument of DISC and to end the wasteful revenue loss—a loss that it never anticipated would reach the $1 billion figure that is now projected. A quick repeal of DISC is the only sensible response to this absurd tax situation.

The importance of DISC as a "tax reducer" for major corporations can be seen in a recent analysis completed by tax analysts and advocates of the effective tax rates of America's five major aerospace companies. Airplane manufacture and sales is certainly one of the areas in which the United States is predominant in the world. Whether it be safe, economical new planes or parts for old planes, the United States is the world's prime supplier. Yet we have extended DISC to these companies to help them make the sales they would normally make anyway. The study shows that:

> Exports through domestic international sales corporations (DISCs) and the investment tax credit were the principal methods of tax avoidance used by five of the largest aerospace firms in 1973.

According to the analysis, DISC savings were worth an average reduction of 4.6 points from the statutory rate of 48 percent. The tax analysis and advocates study follows:

> Exports through domestic international sales corporations (DISCs) and the investment tax credit were the principal methods of tax avoidance used by five of the largest aerospace firms in 1973, according to the companies' annual reports filed with the Securities and Exchange Commission.
>
> The DISCs were more important in four of the five cases. The DISC savings were worth an average reduction of 4.6 points from the statutory rate of 48% on pre-tax net income and the investment credit produced an average saving of 4.1 percentage points.
>
> It should be noted that the comments above and the data on the accompanying table reflect tax items that make a "permanent" change in tax liability. In the case of many industries and corporations, so-called "timing" differences also have a significant effect on the amount of taxes actually paid by the taxpayer.
>
> Permanent differences, such as the investment tax credit, are actual writeoffs of taxes. The timing differences permit a tax reduction in one or even many years but the federal government, in theory, will recapture at least part of these taxes at a later date. For example, a deduction for depreciation must later be subtracted from the cost when the asset is sold, thus making the capital gain on the asset higher and increasing taxes. When fast depreciation is used, this means that there could later be a period of receiving no depreciation deduction on the asset even though it still is in use.
>
> Reality is radically different. Large corporations which continually are acquiring assets generally do not get to the point where the government recaptures. In effect, the company has another permanent tax difference. When possible, Tax Notes will highlight that difference. (There were none for the aerospace companies included in this report.)

MAJOR AEROSPACE COMPANIES, 1973

[All figures are percentages of pretax financial income]

Statutory rate	Curtiss-Wright	General Dynamics	Lockheed	McDonnell Douglas	United Aircraft	Number of companies
Increases (decreases) due to:						
Investment credit	(0.6)	(4.6)	(10.5)	(1.8)	(3.1)	5
DISC	(2.0)	(1.1)	(10.8)	(5.1)	(4.2)	5
Foreign tax	.1			(1.8)		2
State tax					2.7	1
Tax-exempt interest	(1.2)					1
Capital gains	.4					1
Depletion		(3.7)				1
Miscellaneous	(1.5)	(.6)	1.5	(2.2)	1.7	5
Effective rate	[1]43.2	[2]38.0	[3]28.2	[4]37.1	45.1	

[1] Of this 43.2 percent rate, the provision for foreign taxes was 19.3 percent so that the U.S. tax rate was 23.9 percent. Timing differences netted out in 1973.

[2] Of this 38 percent, 5.4 percent of tax was deferred by not recognizing income on long-term contracts until the end of the contract for tax purposes. The company has disclosed that this timing difference will "turnaround" and result in a tax payment in 1974 in excess of that year's tax expense by $10,000,000.

[3] Of this 28.2 percent provision, the foreign tax provision was 13.7 percent leaving a U.S. tax provision of 14.5 percent. The company indicated that timing differences on deferral of contract income recognition will be offset by loss carryforwards available.

[4] Although taxes were expensed on the income statement to the tune of 37 percent taxes currently payable are only 3.2 percent due to operating loss and investment credit carryforwards of 36.6 percent which are partially offset by timing difference "turnarounds" of 4.9 percent.

Note: Categories constituting less then 2.4 percent are not required to be separately set out and are often shown as "miscellaneous."

It is my hope, Mr. Speaker, that the Congress will repeal DISC this year.

COOPERATIVE NUCLEAR POWER AGREEMENTS WITH EGYPT AND ISRAEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. PRICE) is recognized for 5 minutes.

Mr. PRICE of Illinois. Mr. Speaker, considerable interest has been generated by the President's announced intention on June 14 to enter into a cooperative nuclear power agreement with Egypt, and his statement yesterday indicating that a similar type of arrangement would be negotiated with Israel. As Chairman of the Joint Committee on Atomic Energy, I am particularly sensitive to the concerns, opinions, and interest of Members of the House and of the Senate in regard to these important matters. I want to assure my fellow Representatives and Senators that the Joint Committee will be appropriately responsive to any desire on their part to be appraised of developments concerning these matters and to have an opportunity to convey their views to the committee in the course of the committee's consideration of any arrangements that may be proposed.

At this very preliminary stage, it may be helpful if I described the general background of this situation:

Pursuant to section 123 and related provisions of the Atomic Energy Act of

1954, as amended, agreements involving the export of special nuclear material or nuclear reactors may not be undertaken unless and until a series of statutorily required steps are taken:

First, the Atomic Energy Commission must submit to the President a proposed agreement for cooperation, together with its recommendations. The submitted proposal must include: First, the terms, conditions, duration, nature, and scope of the proposed cooperation; second, a guaranty by the other party that the security safeguards and standards provided for in the agreement will be maintained; and third, certain other guarantees by such party respecting the use of special materials and their unavailability to unauthorized persons;

Second, the President must approve the proposed agreement, following a written determination by him that its implementation would promote, and would not constitute an unreasonable risk to, the common defense and security; and

Third, the proposed agreement for cooperation, together with the President's approval and determination, must be submitted to the Joint Committee for a period of 30 days while Congress is in session.

Mr. Speaker, the Joint Committee will issue a public announcement, and I will inform this body, when the committee receives a submission of a proposed agreement for cooperation with Egypt, and with Israel, and the committee will make every effort to accommodate the wishes of Members of the Congress for information or conveyance of their views. Following the Joint Committee's consideration of each submittal, a report will be made to the House and to the Senate of the committee's recommendations.

Meanwhile and pending any submittals to the Joint Committee, the committee will see to it that it is kept fully and currently informed of developments arising in the course of the negotiation of potential agreements for cooperation with Egypt and Israel, and I will keep this body appropriately informed of apparent progress.

To date, negotiations have not yet begun. They may not commence for several weeks. I anticipate that a number of intrinsic features—particularly the inclusion of carefully devised, stringent safeguards requirements—will take some time to negotiate. Protraction and difficulties may well be encountered in the course of the negotiations, despite the best of intentions on all sides. I have been assured that restricted data will definitely not be involved in the anticipated agreements, so this important aspect will not be part of any difficulties in the negotiations.

Mr. Speaker, from the considerable platform of my experience with these matters for almost three decades, I strongly recommend to my fellow Members in the Congress that we await the development of a significant core of hard information—preferably the statutorily required submissions of any proposed agreements for cooperation—before reacting legislatively or definitively in any way to the President's announced intentions respecting cooperative nuclear power agreements with Egypt and Israel. Congress will have ample time to respond to any such proposed agreement in a manner it determines to be necessary or advisable in the national interest.

Before I close, I would like to add the following items of related background interest:

First. Egypt has a small research reactor obtained from the U.S.S.R. It is a 2MW thermal reactor which began operation in 1961. Such a reactor produces plutonium, but in such small amounts as to have no practical value as a source of material for weapons. The reactor is not subject to International Atomic Energy Agency safeguards.

Pursuant to a cooperative agreement with Israel, for nuclear research—which excludes power reactors—the United States furnished Israel with a small research reactor of 5MW thermal capacity using highly enriched uranium. Such a reactor does not produce a significant quantity of plutonium. This reactor began operation in 1960. It is subject to IAEA safeguards.

Israel also has a 26MW thermal natural uranium, heavy water moderated reactor, known as the Dimona reactor. This reactor was obtained from France, and began operating in 1963. Such a reactor is capable of producing up to about 8 kilograms of plutonium per year. It is not subject to IAEA safeguards.

Second. Egypt has signed, but not yet ratified, the Non-Proliferation Treaty. Israel is not a signatory to that treaty.

Third. Following is a listing of U.S. nuclear international agreements:

A. Bilateral Agreements for Cooperation in the Civil Uses of Atomic Energy

COUNTRY, SCOPE, EFFECTIVE DATE, AND TERMINATION DATE

Argentina: Research and Power; July 25, 1969; July 24, 1999.

Australia: Research and Power; May 28, 1957; May 27, 1997.

Austria: Research and Power; Jan. 24, 1970; Jan. 25, 2000.

Brazil: Research and Power; Sept. 20, 1972; Sept. 19, 2002.

Canada: Research and Power; July 21, 1955; July 13, 1980.

China, Rep. of: Research and Power; June 22, 1972; June 21, 2002.

Colombia: Research; March 29, 1963; March 28, 1977.

Finland: Research and Power; July 7, 1970; July 6, 2000.

Greece: Research; Aug. 4, 1955; Aug. 3, 1974.

India: Power (Tarapur); Oct 25, 1963; Oct. 24, 1993.

Indonesia: Research; Sept. 21, 1960; Sept. 20, 1980.

Iran: Research; April 27, 1959; April 26, 1979.

Ireland: Research; July 9, 1958; July 8, 1978.

Israel: Research; July 12, 1955; April 11, 1975.

Italy: Research and Power; April 15, 1958; April 14, 1978.

Japan: Research and Power; July 10, 1968; July 9, 2003.

Korea: Research and Power; March 19, 1973; March 18, 2003.

Norway: Research and Power; June 8, 1967; June 7, 1997.

Philippines: Research and Power; July 19, 1968; July 18, 1998.

Portugal: Research; July 19, 1969; July 18, 1979.

South Africa: Research and Power; Aug. 22, 1957; Aug. 21, 1977.

Spain: Research and Power; Feb. 12, 1958; Feb. 11, 1988.

Sweden: Research and Power; Sept. 15, 1966; Sept. 14, 1996.

Switzerland: Research and Power; Aug. 8, 1966; Aug. 7, 1996.

Thailand: Research; March 13, 1956; March 12, 1975.

Turkey: Research; June 10, 1955; June 9, 1981.

United Kingdom: Research; July 21, 1955; July 20, 1976.

United Kingdom: Power; July 15, 1966; July 14, 1976.

Venezuela: Research and Power; Feb. 9, 1960; Feb. 8, 1980.

Viet-Nam: Research; July 1, 1959; June 30, 1974.

30 agreements with 29 countries.

B. Agreements for Cooperation With International Organizations

ORGANIZATION, SCOPE, EFFECTIVE DATE, AND TERMINATION DATE

European Atomic Energy Community (EURATOM): Joint Nuclear Power Program; Feb. 18, 1959; Dec. 31, 1985.

Euratom: *Additional Agreement to Joint Nuclear Power Program; July 25, 1960; Dec. 31, 1995.

International Atomic Energy Agency (IAEA): Supply of Materials, etc.; Aug. 7, 1959; Aug. 6, 1979.

*The 1955 research agreement with Denmark was allowed to expire on July 24, 1973; cooperation was folded in under the Additional Agreement.

THE BUDGET CONTROL BILL, H.R. 7130

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 10 minutes.

Mr. ULLMAN. Mr. Speaker, I would like to make some remarks of historical perspective on this landmark budget control legislation we have approved today. This is a great day for the House of Representatives, for we have moved a step closer to approving procedures for the establishment of a sound congressional budgeting system.

We in Congress, in the past, have not been able to go to the Nation with a clean record and in good faith because, in fact, we have not been very fiscally responsible. This irresponsibility has not, at the congressional level, necessarily indicated a lack of responsibility on the part of the individual Members of the House and Senate. But it rests on a system and outmoded procedures in the Congress which tend toward collective irresponsibility.

We have been through several confrontations with the White House over impoundment. In 1972 when the President sent up his proposal to limit total expenditures as part of the debt ceiling measure, we had to bite the bullet on this critical issue for the first time. In the Ways and Means Committee, where the proposal was made, I told the Members that, yes, this is abdication if we put outer limits on spending which are less than the amount of appropriated funds; that then the President will make the cuts in his own manner and according to his priorities; and that we in Congress are, in effect, abdicating our responsibility. But I told the committee then that this was not really a new thing;

this was an abdication that had taken place during the past century.

Ever since 1865 when the Ways and Means Committee was split to establish a separate Appropriations Committee, the revenue and spending functions have been divided, and since that time fiscal responsibility has proliferated in the Congress. Then in the 1920's when we established legislative spending procedures that led to back door spending and end runs around the appropriations process we further proliferated our fiscal responsibility. Finally when the Appropriations Committee split into a dozen more or less autonomous subcommittees each with its own power and with nobody putting the whole package together we further proliferated our effort.

In the very nature of our process, whereby we extend obligational authority to the President for long-range programs, we have rendered meaningless the total dollar figure on any appropriation bill. Since the funds in that appropriations bill may not extend just to 1 year, but often to a series of years, and to different series of years in the case of almost every program included in the bill, we reach the point where the President has over $250 billion of money in the pipeline previously appropriated. That is authority to spend from previously appropriated bills, and almost totally beyond the control of the Congress.

Well, all of this has led to an irresponsible system, and so I proposed to the committee last fall a procedure whereby we would establish a temporary committee, a joint committee of the House and the Senate, that would report back to the Congress early in this session with a procedure for the establishment of new Budget Committees in the Congress. The committee bought the package, as did the House and the Senate, and the spending ceiling finally was removed, although the President implemented it anyway.

But we did establish the Joint Study Committee on Budget Control, and I served as cochairman, with Jamie Whitten, the able and responsible ranking member of the Appropriations Committee. The Senators—and this is not their usual procedure—the Senators on the Joint Committee were extremely kind in bowing to the House for the chairmanship. We had an Executive Committee including Senators Russell Long, John McClellan, and Roman Hruska, and Congressman Herman Schneebeli, the ranking Republican on the Ways and Means Committee.

This legislation has truly been a joint effort. We should acknowledge the fine and dedicated work of the members of the Joint Study Committee on Budget Control. The following House Members, in addition to Jamie Whitten and myself, were active participants in our deliberations and deserve commendations from the House:

James Burke, Martha Griffiths, Dan Rostenkowski, Herman Schneebeli, Harold Collier, Joel Broyhill, George Mahon, John Rooney, Robert Sikes, Elford Cederberg, John Rhodes, Glenn Davis, Henry Reuss, and James Broyhill.

The professional staff of the Joint Budget Committee, Dr. Laurence Woodworth, Eugene Wilhelm, Albert Buckberg, and John King were most helpful in putting our budget concepts into workable language. Their perception of the problems we faced, and their critical analysis of our various recommendations were vital to our work. We owe them our sincere thanks for their enormous contributions.

By February of 1973, the Joint Budget Committee reached unanimous agreement on a rough outline of basic principles, and after full hearings and further deliberations, we issued our final report and proposed H.R. 7130 on April 18, 1973. It is this legislation, with amendments, which is the basis for the conference report we approved this afternoon.

Our colleagues on the Rules Committee, in particular the gentleman from Missouri (Mr. Bolling) the gentleman from Nebraska (Mr. Martin) and the gentleman from California (Mr. Sisk) played a major role in shaping the bill and carrying through on the arduous details of conference. The structure of our proposal was altered somewhat, but I am pleased with this bill and believe it is most consistent with the Joint Budget Committee's original proposals.

This is revolutionary legislation, for Congress will soon debate, for the first time ever, our national goals and priorities in a framework comprehensible to all citizens. If we make this work, we will be clearly asserting our constitutional prerogatives over the power of the purse. These new procedures—as good as they appear—will only function well if the leadership and Members of both Houses are determined to make them work.

The members of the new Budget Committee will have to be dedicated to the concept of a congressional budget process. They will also have to be attuned to the needs and priorities of the Nation at large as never before. Our leadership and all Members must recognize that refusal by either House to achieve a legislative agreement can wreck this delicate process. The gut issues of our Government—the raising of revenues and the allocating of spending priorities, will be involved in this process, and that implies numerous opportunities for strong disagreement. As a result, I believe each committee member must be willing to give up something to turn this into a forceful, operational exercise in congressional responsibility.

It seems to me that we must also take care that the director and staff of the Congressional Budget Office are professionals of the highest caliber. Competent staff work on the Budget Committees themselves is also vital if we are to make the system work.

I am genuinely proud of and deeply pleased with the completion of this legislation. It is the first reform of its kind since the Budget and Accounting Act of 1921. This bill will make Congress a more respected institution and a more effective partner in our Federal Government. I believe it will be recognized as the major fiscal reform of the 20th century, and a fundamental new element in the frame work of our democratic structure.

WHY AMERICA NEEDS A CHEMICAL WARFARE CAPABILITY

(Mr. SIKES asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. SIKES. Mr. Speaker, a great deal has been said in recent months about chemical weapons; much less about the need for our nation to have a chemical warfare capability. I want to put this need in the proper context—the context of national defense.

The Department of Defense has warned Congress that the chemical weapons of the Soviet Union and the Warsaw Pact nations "represent a serious potential threat to the United States and allied forces in Europe and elsewhere."

In testimony to the House Armed Services subcommittee on arms control and disarmament, Amos A. Jordan, Acting Assistant Secretary of Defense for International Security Affairs, said:

> The USSR is better prepared to operate offensively and defensively in a chemical environment than any other nation in the world. We believe it has developed, standardized and stockpiled highly toxic chemical agents for dissemination by ground and air munitions and is technically capable of producing all known toxic agents in sufficient quantities to support full-scale operations.

The U.S.S.R. provided the Arab side with chemical warfare defensive equipment during the October 1973 war in the Middle East, but it was not used. It could have been used, the potential was there.

The United States has included in its budget for the coming fiscal year an item of $5.8 million for continuing research on so-called binary weapons, and a similar sum to begin setting up a factory at Pine Bluff, Colo., for their manufacture. Comparatively, this is an extremely small budget request.

The binary is a nerve gas in a new format. The two principal components of binary gas, which separately are only mildly toxic, would be kept apart during storage and transport, thereby introducing a new element of safety. They would be combined only in combat. Then the two parts of a gas shell, separated by a membrane, would combine and become lethal.

Spokesmen for the Defense Department defended the binary as an essential part of the American "deterrent" armory. In contrast the alleged dangers it could present to the United States and the world community have been the central theme of a number of experts—real or imagined—on chemical warfare.

Our Armed Forces have included chemical weapons in their armament to assist in achieving their primary mission—to deter armed conflict—specifically to deter the use of chemical weapons in any conflict in which the United States is involved. If chemical weapons are used against us, it is sound policy to have the capability to retaliate. Part of the Armed Forces mission is to be able to resolve a conflict on terms favorable to the United States if deterrence fails. The maintenance of this capability to retaliate in kind supports our overall strategy of deterrence while bolstering the credibility of that strategy. It applies to chemical weapons just as it does to other weapons.

It is axiomatic that, while we seek to avoid war, we must be prepared to fight, even though the threat may not be to the continent itself. This is particularly true for the chemical warfare threat. Chemical weapons are not, and have never been, considered strategic weapons by the United States. However, as we meet our commitments overseas, we are placed in positions where we could be subjected to an attack with tactical chemical weapons. In these situations the initiator of chemical warfare could gain a significant tactical advantage over the defender if the defender does not have the ability both to protect himself and to retaliate in kind. Even if protective equipment is available and used by the defender, he may still suffer a serious disadvantage in tactical mobility since his forces would be encumbered by the necessary protective equipment. With a retaliatory capability, he can subject the attacker to similar severe operational constraints attendant to warfare in a toxic environment.

The preparedness of our Armed Forces to survive in a toxic environment and to retaliate if authorized is a subject for which we all should share a concern.

But just what does preparedness mean? It means having the forces you need where you need them and when you need them.

It also means that these forces must be capable. And it means that the strength of these forces must be credible, to our friends and allies as well as to our potential enemies if we are to deter war. Preparedness also explains other important parts of our Armed Forces activities. It accounts for our concern that we have modern effective weapons systems with which to equip these forces and our interest in having a strong production and mobilization base on which we can build additional strength if needed.

All of this points toward the goal of providing an effective, credible fighting force with sufficient flexibility to respond to any threat.

One of the primary reasons for the chemical capability is that it provides the President and the Nation an option for limited retaliation to the use of chemical weapons which is below the nuclear threshold. This option thus provides for a greater degree of flexibility in conflicts involving chemicals while improving the credibility of deterrence against any use of chemical weapons.

It is no secret that foremost among potential adversaries of the United States is the Soviet Union. It is there that the dominant threat of chemical warfare exists for U.S. Forces.

For many years the Soviet Union has maintained a CW capability unequalled anywhere in the world. The large amounts of Russian chemical, biological, and radiological equipment captured in the Middle East only 6 months ago reflect this capability, and emphasize Soviet CW preparedness.

Soviet troops in Eastern Europe are superbly trained with these systems, using them routinely in field training, U.S. Forces do not receive comparable training. Large Russian Army maneuvers include a highly realistic chemical warfare phase. Soviet troops and unit leaders are trained to exploit immediately the results of their own offensive chemical operations, and to defend against possible CW attacks by an adversary. Their training stresses both technical proficiency in the use of CW equipment, and psychological preparation to operate in a toxic environment if need be. Why? Do they plan to use these weapons?

Although critics of U.S. chemical warfare policy can belittle or ignore these unpleasant facts, responsible civilian and military officials must address them squarely. For many years they have recognized America's fundamental interest is to prevent the use of lethal chemical weapons against U.S. Forces. National strategy should accomplish this by maintenance of a credible retaliatory CW deterrent, supplemented by international efforts to reach a realistic accord which would limit chemical warfare. It is a strategy which has been eminently successful so far in avoiding a chemical attack against U.S. troops.

The U.S. position is pointedly nonprovocative. In 1969, the President reaffirmed a no-first-use policy and stipulated that any chemical retaliation by U.S. Forces would require Presidential approval. Under extremely tight legal and regulatory controls, American offensive CW systems and stockpiles are probably supervised more intensively than any other national asset, including nuclear weapons.

Opponents of this strategy have made much of the failure of U.S. negotiators to reach a quick agreement at Geneva which would abandon offensive CW weapons, in the same fashion as was done several years ago with biological warfare systems. Their principal argument is that an offensive CW capability offers no useful deterrent when America already has such potent nuclear muscle—which they claim could be used to deter or respond to any chemical attack.

This is flimsy logic. What President of the United States would want to initiate tactical nuclear warfare when his troops in the field have encountered a localized chemical attack? Escalation to the nuclear level is a major step, one with new risks, and to be avoided if possible. But if the President lost his intermediate option at the CW level, he could be forced to take that step.

For these reasons, the nuclear deterrent to a chemical attack is simply not credible. Worse, it could easily encourage CW adventures by an adversary. Knowing that in a conventional conflict America would not wish to escalate to nuclear weapons, a potential enemy could well be encouraged to use CW if he had the capability. This situation is not difficult to imagine if the U.S. should have to fight a conventional war in the NATO theater.

To avoid putting U.S. troops in such an untenable position, this country has discretely maintained a small CW retaliatory capability for years—a sobering restraint on any possible chemical attacker. Even a small capability means the latter will have to pay a high price—the loss of mobility and communications, the encumbrances of protective equipment, the severe disruption, and the casualties—if he initiates chemical operations. That knowledge is the most precise sort of deterrent against CW. Many historians agree that Germany did not use chemicals in World War II because she feared just such retaliation-in-kind from the Allies. There is simply no credible response other than CW retaliation that could equivalently offset the effects of a chemical attack against U.S. Forces. If there were, it would have been pursued long ago. Moreover, these arguments miss the central point—that America seeks to deter the outbreak of CW, not merely palliate it.

The whole subject of chemical warfare is so charged with emotional and political energy that critics of the chemical warfare program and of the U.S.-CW policies have had a publicity field day, filling the air with a hail of accusations and doomsday cries, and obscuring the real issue. I wonder what they would say to the families of American soldiers who were exposed to a chemical attack in some future conflict because the United States had unilaterally abandoned its CW deterrent?

There is no merit in plunging our heads in the sand on this issue. We must deal with it sanely and responsibly. In the face of a very formidable Soviet chemical warfare threat, the prudent course for this country to follow is to continue to maintain at least a small CW deterrent/retaliatory capability as a "blue chip" incentive for the Soviets to negotiate seriously toward an effective CW arms limitation agreement.

For as long as there is a threat of chemical warfare and it is judged to be in the best interests of U.S. national security to have a deterrent and retaliatory capability to meet that threat, then our forces must continue to insure that they have the ability to accomplish their mission in support of America's interests.

THOUGHTS ON A VISIT TO YAD VASHEM

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, on June 17,

President Nixon visited Yad Vashem, the memorial to the 6 million Jews murdered by the Nazis during the Second World War. This massive, bleak memorial stands on a hill outside of Jerusalem. It is a long, low structure, within which burns an eternal flame. The names of the infamous concentration camps, houses of unimaginable horrors, are etched into the floor. There is a gallery of photographs depicting men reduced to skeletons in the barracks of Auschwitz, women trembling in the yards of Buchenwald, and children, their eyes wide with terror, being marched to death in the Warsaw Ghetto.

Along the winding path leading up the hill to the memorial are shrubs marked with the names of gentiles who died while trying to save the lives of their Jewish countrymen. A visit to Yad Vashem cannot help but be a moving, thought-provoking experience.

In news films the President stood silently while a cantor sang a memorial service. I wonder what thoughts were passing through his mind? I hope that he was seeing Israel in a new light. I hope he was understanding that Israel is a living memorial to these 6 million souls, a haven for Jews who fled persecution, who wished to see their children and grandchildren grow up in freedom.

Unfortunately, freedom has not come hand in hand with security. Israel has gone through four wars in her 26-year life, as well as countless border skirmishes and the brutal attacks of Arab guerrillas. Israel's small population continues to fight for a piece of land to call its own, a land deeded by history to the world's Jews.

U.S. aid to Israel is vital to the survival of that state. Israel counts upon the benevolence and good sense of our Nation to come to its aid in both times of war and times of peace.

The Jews of America have understood the soul of Israel for much longer than the 26 years that it has been a recognized nation. Perhaps with his visit to Yad Vashem, a memorial which so eloquently describes the past and gives strength for the future, the President will also come to understand the soul of Israel, continuing the American friendship that he has been, not permitting U.S. aid to Israel to falter.

NUCLEAR WHAT?

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, when President Nixon announced that he had promised Egypt a nuclear reactor of its very own as the reward for entering peace negotiations with Israel, I was shocked, outraged, and dismayed. I had thought that dollar diplomacy, in which we paid nations to be our allies and behave properly, had long since been discredited. But apparently President Nixon is still an adherent of the type of foreign policy practiced during the Eisenhower administration.

It is not simply that we are buying friendship and hopefully peace in the Middle East that upsets me, it is the price we are paying. Offering Egypt and Syria economic assistance is one thing. But offering them the means to build nuclear weapons which they could then use against Israel is quite another story.

Now, Mr. Speaker, the President, and the Secretary of State, and the President's press secretary, have all joined in a chorus saying that the reactor we are giving to Egypt will be accompanied by adequate safeguards that will ensure its use for peaceful purposes only. But I seriously wonder whether these men have read the newspapers lately.

Only a few days ago, India stunned the world as she tested her first nuclear weapon. India, a few years back, received from Canada a nuclear reactor similar to the one we plan to give Egypt, and presumably promised to live by the same safeguards which we will propose to Egypt. Well, those safeguards and promises went right out the window, and India learned it was not so hard to make an A-bomb once you have a source of plutonium.

In fact, the President's press secretary has come out and said that it is impossible to guarantee that Egypt will use its new reactor only for peaceful purposes. We can only rely on Egypt's good word.

Mr. Speaker, that is precious little to rely on. Egypt has a long history of acting in the most opportunistic manner, of playing the United States and the Soviet Union against each other, of acting duplicitously and striking out against her enemies whenever it is in her advantage to do so. I do not think Egypt can be trusted to control the uses to which this reactor will be put.

Many people say that they are not as worried now, because Israel will be getting an identical reactor. To this I say, you are rationalizing. Israel has had nuclear technology for a decade. She has had ample opportunity to develop and test nuclear weapons, and to use them against her enemies, and has not done so. Israel has demonstrated clearly and convincingly to the world that she will use nuclear technology only for peaceful purposes. Egypt cannot fall back on such a record, and the only record which Egypt can demonstrate is one of untrustworthiness.

People are also saying that it is better for Egypt to get nuclear technology from the United States, as part of an increased American influence in the Middle East, than from the Soviet Union or any other nation, whose interests in the area might be inimical to world peace. To this I say, you are still rationalizing. World peace will be served far better if there is no spread of nuclear technology in such a volatile area.

While Egypt may yet surprise us all, and limit the use of her reactor to peaceful purposes within her own boundaries, what safeguards are there that she will not then spread such knowledge to nations such as Syria and Libya? These nations would certainly be under no restraints about developing nuclear weapons, or using them against Israel. Until there is full and complete peace in the area, and resolution of all outstanding disputes between Israel and her neighbors, it is the height of foolhardiness for the President to offer a nuclear reactor to Egypt in the hopes that this will cement good American-Egyptian relations.

We are already giving the Egyptians and other Arab States more than enough in the way of grants in aid for military and economic purposes. We are literally threatening the existence of Israel with every additional dollar that goes to Egypt or Jordan or Syria. We have poured so much money into the coffers of the Arab States because of the high price of petroleum, that for us to give them another penny marks us as a nation of fools and suckers.

Perhaps in the long run, if peace does come about this way, it will be worth the price. But I seriously wonder, Mr. Speaker, what kind of peace it is that must be bought and paid for in such a manner and at such a price.

In the hope of preventing what I think is an ultimate act of folly by this Government, I am today introducing a resolution that would prevent the United States from giving a nuclear reactor to Egypt unless the President can convincingly demonstrate that such a reactor will be limited to peaceful uses. It will not have the effect of barring a similar gift to Israel, because Israel already has nuclear technology, and has already demonstrated restraint in the use of this powerful resource.

The first precarious steps toward peace have been made. I want the United States to foster peace in the Middle East, for doing so can only inure to our benefit, and will certainly be of the greatest help to Israel. But I do not see how providing Egypt and other Arab nations with nuclear technology can further the cause of peace, and I strongly urge the President to reconsider the offer he made until adequate safeguards can be worked out.

THE ROLE OF NUCLEAR FORCES IN CURRENT SOVIET STRATEGY

(Mr. PRICE of Illinois asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PRICE of Illinois. Mr. Speaker, as chairman of the Research and Development Subcommittee of the House Armed Services Committee, I am often asked about the Soviet threat in terms of their nuclear weaponry and the strategy under which such weapons systems would be employed. I have recently been made aware of an excellent monograph on this subject published by the Center for Advanced International Studies at the University of Miami. I commend this thesis to my colleagues and urge that those who share my concerns and the concerns of the committee as to what the United States faces in the way of a Soviet nuclear threat read the entire book. It is relatively short but exceptionally complete and concise in its analysis.

For those whose busy schedules do not permit the reading of the entire book, I include in the RECORD at this point the

foreword by the Honorable Foy D. Kohler, career Ambassador of the United States, long associated with Soviet affairs and now a professor at the University of Miami and a coauthor of the book:

FOREWORD

(By Foy D. Kohler)

The aim of this study is to provide insights that may be useful in current appraisals and debates relative to the new "detente" relationship between the United States and the Soviet Union, with particular emphasis on security implications for the US.

The study is limited to the examination and analysis, in the light of open Soviet sources, of certain critical aspects of current Soviet thinking and planning for the nuclear forces of the USSR. The specific problem areas addressed relate to Moscow's views on the purposes its nuclear forces serve and the relative weight it attaches to these purposes; how much in the way of nuclear forces Moscow considers necessary under present and prospective international conditions; how Moscow envisages the possible military use of its nuclear forces; and Moscow's perception of the relationship between the use of strategic nuclear forces and theater forces.

I

While the focus of the study is thus quite narrow, and deliberately so, we feel the issues involved are basic to the range of important questions that need to be weighed at this stage of detente. According to both US and Soviet authorities, the greatest of the fruits to be expected from detente is a reduction in the chances of a nuclear war between the two countries and, to this end, an amelioration of the conditions that might lead to nuclear war, including particularly a slowing of the arms race and a change in military doctrines and postures which might, if left intact, generate dynamics for the continuation of hostile attitudes and policies with their accompanying dangers. The Soviets, for their part, are paying close attention to developments in US positions in the area of weapons and military roles doctrines and treat any indication of a persistence of past patterns as a serious threat to detente. As a case in point, Georgii Arbatov, Director of the USSR Academy of Sciences Institute for the Study of the USA and one of the most heavily utilized Soviet spokesmen on the new US-Soviet relationship, wrote for *Problems of Peace and Socialism* in February 1974:

"Many representatives of the U.S. ruling circles [have not] yet renounced the hope that some future achievements of a military-technical nature will even now make it possible to increase the 'viability' of employing military force and in some way to turn back the course of events . . . this explains, at least partially, one of the paradoxes of the contemporary strategic situation. On the one hand, the fact that military force is, in a way, powerless is becoming increasingly obvious, and the impossibility of employing it for political purposes is becoming increasingly clear. On the other hand, in contrast to this, the arms race is continuing and, in some areas, even intensifying. From this ensues, too, another contradiction—that existing between the developing processes of political detente in the world and the major lagging behind in terms of military detente. Speaking at the recent World Peace Congress in Moscow, Comrade L. I. Brezhnev stressed that this situation cannot continue indefinitely. 'If we want detente and peace to last,' he pointed out, 'we must halt the arms race.'"

It would seem only prudent that the US in its turn examine with care evidence as to what the Soviets may or may not be doing to adjust their own military doctrines and postures to the requirements of detente, and particularly in the nuclear sphere which is obviously central to the common objective of reducing the chances of general war. Is there a change in the pattern of Soviet thinking in response to the requirements of detente, as the Soviets demand of the US? Or is Moscow seeking the application of a double standard? The Soviets have discussed the issues freely and with apparent frankness. What do these discussions show?

A second consideration that appears to make desirable an in-depth look at a specific area of the detente spectrum is that the trend so far has been to concentrate on general aspects of the new situation. The atmospherics of an improvement in relations between the US and the USSR are important; it would seem in fact that given the course of events and attitudes of the past twenty-five years a change in atmospherics was an essential prelude to any sort of genuine progress between the two countries. But the real test must lie in the concrete results that follow the change in atmospherics. Several fields have been earmarked by the two sides for special efforts in direct state-to-state relations: closer trade and economic relations; more effective cultural and scientific-technical exchanges; cooperation in space; and of course movement toward arms limitation, beginning with nuclear arms. What has actually happened in these different fields and how has it affected pre-existing modes of thought and behavior, not only in the sense of performance against specific commitments but in the broader sense of implications for policy?

II

In this study we have sought to determine whether the changing relationship between the US and USSR has led, or appears likely to lead, to significant modifications in Moscow's position regarding the nature and role of Soviet nuclear forces. To this end we have examined the mass of documentary materials bearing on the question that have appeared in the Soviet Union since the beginning of the nuclear era, but have concentrated primary attention on statements and publications immediately preceding and following the summit meetings of 1972 and 1973.

I might say at the outset that the results of this effort are not encouraging Current Soviet positions, as revealed by public pronouncements, on the role of nuclear forces are very much now as they have been in the past, only more so. In simplest terms, Moscow continues to see nuclear weapons and forces, and particularly nuclear rocket forces, as central to all phases of Soviet military power. Today as much as at any time since the Kremlin finally effected in January 1960 its adjustment to the "revolutionary" implications of nuclear weapons for warfare, Soviet military theory, doctrine, strategy, war planning, force structure and organization, instruction and training programs, battle exercises, resource allocations, research and development programs and activities, civil defense efforts, indoctrination programs for the troops and for the population, war readiness measures, and so on are all keyed to and dominated by the nuclear weapons factor. We have found no evidence that agreements reached at the Moscow and Washington Summits of 1972 and 1973, or the general relaxation of tension between the US and the USSR, have brought any changes in Soviet positions. Neither SALT I nor on-going negotiations for SALT II have had any discernible impact on overall Soviet postures, activities, or plans relative to the further development and possible utilization of nuclear weapons. To the contrary, Moscow emphasizes that while the danger of a general war has been reduced, it continues to exist and will as long as capitalism survives. Moreover, a general war is viewed as having become less likely only because the accelerating shift in the "world balance of forces" in favor of the Soviet Union, primarily in consequence of the steady growth of nuclear-based Soviet military might, has forced the US to recognize that under existing conditions it cannot hope to operate "from a position of strength" as against the USSR. However, it is said that this situation is tenuous and may be reversed in consequence of a number of possible developments during the further course of the inevitable "strugggle between systems," and that the one guarantee that a war will not actually come is for the USSR to continue to strengthen its armed forces in all possible ways and by all means. Especially important, according to Moscow, is for the USSR to avoid any possibility for the US securing any important technological advantage in weapons, or "illusion" of advantage, through constantly pressing forward with its own military research and development efforts.

Until quite recently, many analysts would have questioned the utility of Soviet public pronouncements in such an effort as we have made to determine actual Soviet attitudes, intentions and expectations. For a number of years after the war's end it was generally accepted among those concerned with Soviet affairs that the members of the ruling heirarchy of the USSR provide through their public utterances a substantially accurate account of what they are up to and why, both in a strategic sense and with respect to particular situations and moves, and that very often the ruling hierarchy have through such utterances signaled in advance their actual purposes and intended courses of action. Indeed, it appeared that we were severely handicapped in shaping US policies as against the USSR without readily available access and close attention to past and current authoritative Soviet statements as to Soviet positions. And it was only after shortcomings in these regards were overcome that the US, from both an intelligence and an operational standpoint, was able to break through the assumed enigma in which the Soviet Union was supposed to be wrapped.

However, fundamental documentary research of this nature came to be greatly curtailed and in many cases simply abandoned. In fact, there came to be considerable intellectual disdain for such documentary research which tended to be scornfully referred to as "Kremlinology." But this very skepticism has led to a superficial approach to understanding Soviet concepts and intentions and to a lot of wishful thinking. This tendency was pithily dealt with by Sir Hugh Seton-Watson in an article in *Interplay* of August-September 1969, in which he said: "What 200,000 Communist Party officials, from Brezhnev down to the secretaries of party branches in factories or collective farms tell their subjects is all camouflage. The real views of the Soviet leaders are what some nice guy from the Soviet delegation at the UN said over a drink or what an itinerant midwestern scientist heard from some friendly academician in Novosibirsk." The tendency was for analysts to ascribe to Soviet leaders attitudes, values, and interests which in all important respects closely parallel our own, and to endow those leaders in their dealings with us with a growing "realism" or "pragmatism" in the Western sense of these words. The thought was that as a modern great state the Soviet Union faces situations, develops policies and determines courses of actions on the basis of essentially the same considerations and decision-making processes as does the United States. In other words, the tendency was to perceive the Soviet leaders as thinking and seeing things as we do and, in effect, to project into Soviet affairs a mirror-image of ourselves and our own concepts. The consequencs of such an approach, as well as many closely related approaches based upon self-conceived assumptions about the Soviets and their conduct, is that it has led to serious misjudgments in understanding and forecasting Soviet behavior.

Fortunately, there has been a recent revival of respect for the value of the study of what the Soviets themselves say about their outlook and purposes, their policies and activities at home and abroad. Perhaps the most decisive factor responsible for this phenomenon was Soviet behavior with respect to the October 1973 Middle East war which ran so strongly counter to Western assumptions of Soviet positions regarding detente and Soviet purposes in the Middle East itself, as well as Western perceptions of the situation and possibilities in that region. In any event, it appears again to be widely accepted that in trying to understand and interpret Soviet affairs due attention and weight must be given to the "view from the Kremlin" as the Soviets themselves reveal that view.

III

Certainly for such a problem area as Moscow's purpose with respect to its nuclear forces, whether under conditions of detente or otherwise, a knowledgeable reading and analysis of what Soviet authorities have to say is essential for a realistic understanding and reliable judgment of actual Soviet positions. This is not to suggest that there is any set of fixed principles, or settled "doctrines," that govern for this or any similar area in the Soviet Union. There is, regrettably, no straight-line methodology to a solution of any problem relative to Soviet policies and conduct. Any approach must allow for a mix of basic factors entering into and affecting Soviet decisions and actions, and must allow that this "mix is not constant but in continuous flux." Further, beyond the particular basic factors operating in a given situation, account must be taken of such variables as Soviet priorities, capabilities, risk calculations, and the costs and trade-offs which the Soviet leaders may see in the pursuit of competing objectives.

It cannot be assumed from the foregoing, however, that the Soviets in practice proceed essentially on the basis of the same considerations and in the same manner as we do in dealing with similar or even identical situations and problems. The actual record of Soviet behavior, as well as the explanations and justifications provided by the Soviets themselves, make clear that the considerations that determine Soviet policies and actions are not the product of conditions and practices similar to our own but are the product of an environment, a view of the world and a decision-making process entirely different from ours.

The Soviet environment and world outlook reflect elements that are peculiar to the Soviet Union, including the oligarchic system of rule with its unremitting urge to preserve itself; a set of unique historical experiences and geographic influences; Marxist-Leninist doctrine, especially its peculiar *Weltanschauung;* a long history of economic inferiority as against those it considers its adversaries; superpower status combined with a self-assumed role of leadership of a worldwide revolutionary movement; a sense of destiny with respect to rivalry with the US, the only superpower and the leader of a competing world system; a special concern for China due to both national and ideological factors; and so on down a substantial list.

Similarly, the Soviet decision-making process is quite different from that of the US, being marked by the absolute authority of the party hierarchy with no mechanisms for public dissent and influence and with built-in imperatives to preserve established patterns of thought and rule. None of this is to say, however, that the Soviets make their decisions without regard to real world considerations and factors. Instead, they place great emphasis on being "realistic" in their courses of action. However, it should never be forgotten that what they operate on is their own perceptions of reality, not ours; and that their perceptions are derived from a set of circumstances quite different from our own. The Soviet view of the real world and its requirements and possibilities is a view from the Kremlin, not a view from Washington, London, Paris or Berlin.

Inherent in this view are what Moscow identifies as "immutable" considerations which it invariably takes into account in determining policies and actions, including particularly:

The inevitability of a continuing East-West, or socialist-capitalist, struggle for predominance.

The critical role of the East-West balance of forces, in which "forces" are understood to include not only Soviet perceptions of the military balance but also relative economic and scientific-technological capabilities and their utilization; the relative effectiveness of the socialist and capitalist systems to achieve desired ends; the relative degree of social-political and ideological cohesion of socialist as against capitalist countries; conflict within and among capitalist countries; the extent of popular acceptance of national objectives on the two sides; the question of relative national morale; and so on.

A unique ability of the Soviet leadership to reach "scientifically" correct assessments of the "dominant" short and long-term trends in the competing groupings of states and in specific regions and countries based on the expectation of unavoidable interstate and class conflicts of interest and the effects of social-economic development.

"Proletarian internationalism" as the essential base for the Soviet claim to leadership of the global "anti-imperialist struggle" and of global revolutionary and national liberation movements.

IV

Within the framework of such basic considerations the Soviets often change in their approaches and positions for even very fundamental questions and issues, and they quite evidently precede and accompany these changes with intensive and often heated debate and controversy, much of which is fully exposed—one can conjecture deliberately exposed—in the open media.

This is not a case of cynicism on the part of the leadership toward the Marxist-Leninist ideology to which they adhere. Despite the rigidity of the Soviet system of rule and decision-making and despite the constraints and compulsions inherent in the Soviet environment, both Soviet doctrine and practice allow for great flexibility in the area of strategy and tactics. The doctrinal line, first set by Lenin and continued by all leaders since, is that strategy as well as tactics must be constantly adjusted as changes take place in the "objective realities" at home and abroad. The "verities" of Marxist-Leninist ideology, while providing the framework in which the Soviet leadership appears intent on operating now and in the future, provide no barrier to even drastic shifts because the Central Committee of the CPSU (i.e., the Politburo or the dominant element in the Politburo) has the self-asserted authority not only to act as the sole interpreter of Marxism-Leninism but also to "creatively" develop it as conditions change. The standard position of the Soviet leaders, now and in the past, is to deplore "rigidity" and "doctrinairism" and to make a virtue of adjusting to concrete circumstances of any particular time or place through, as they put it, "compromises, zigzags, retreats, maneuvering, adopting new methods, combining and recombining and changing policies and approaches and forms of struggle," and so on.

In practice, the Soviet decision-making process for strategic and foreign policy matters, as revealed by Soviet sources, involves a succession of steps which are designed to bring into play a variety of interacting and possibly competing factors:

1. Determining the "doctrinal setting" in which the matter at issue must be viewed and handled (i.e., its relationship to basic goals as determined essentially by long-term environmental influences).

2. Development of policy options or alternatives in terms of "doctrinal" requirements.

3. Considering, weighing and adjusting policy alternatives in light of existing economic, military, diplomatic and other capabilities, taking into account competing requirements and various other "objective realities" that must be dealth with, such as the policies and activities and resources of adversaries and local opportunities and obstacles.

4. Subjecting any resultant proposals to a succession of Party-Government reviews at operational levels.

5. Review of all relevant proposals and considerations affecting them by the "Section" of the Central Committee Secretariat which has responsibility for the problem area involved and establishment of a "Party position" by the Section in question on controversial issues and questions and preparation of recommendations for the Politburo.

6. Examination (discussion and debate) within the Politburo of recommendations thus reached and submitted by the Section.

7. Arrival at a final decision by the Politburo (usually, according to Brezhnev, by "consensus" rather than vote), and communication of the decision to appropriate elements in the Party and Government where it has the force of unquestionable law. (Sooner or later, and often quite soon, the decision, unless it deals with a highly sensitive matter, together with its rationale, is also communicated in one way or another to Soviet society at large, e.g. through a *Pravda* editorial, a speech by a member of the top hierarchy, a published report on a Central Committee Plenum, guidelines, for propaganda organizations, and so on and on—so as to insure the widespread understanding of and faithful adherence to the decision that the Soviet system requires.)

Until the last step in this process is reached, opportunities exist for the input of differing points of view and for debate by representatives of institutions and organizations which are directly concerned with the matters at issue or which may be affected by the decision reached. In actual practice, vested interest elements in the Soviet Party-Government structure, which are widely pervasive and deeply entrenched, almost always insure that through each of the steps debate will be intense, and often bitter, for any matter of significant import. On major matters, the debate passes from one level of the Soviet hierarchy to another up to and including members of the Politburo itself. Often, also, the debate is extended into party and government media, beginning usually with low-level commentaries in professional or ministerial organs and continuing, if the importance of the stakes appear to merit it, to higher and higher level statements and arguments utilizing ever more authoritative media or platforms. Once, however, the Politburo has arrived at a decision, which often comes only after extensive debate within that body, all further debate usually ceases and what has been decided is treated as binding on all elements of the hierarchy and on Soviet society generally. When exceptions occur, and of course they do occur, it can be assumed that something far-reaching is taking place within the Soviet leadership, that in fact something on the order of a power struggle is building up or underway for dominance in the party and country.

V

With respect to the particular question of the role of nuclear forces in Soviet strategy, Soviet sources themselves emphasize that a virtual revolution has been wrought in Soviet positions.

The revolution was not effected quickly or easily, it evolved over the years and only after the theory of strategy had undergone unusually great changes through extensive debate and controversy of the type just discussed. Almost on the morrow of the acquisition of a nuclear weapons capability by the USSR, questions evidently arose within the Soviet hierarchy as to the implications for basic Soviet tenets relative to the nature, requirements and role of future wars, questions which Stalin felt necessary to quell personally through public pronouncements before and in connection with the 19th Party Congress of October 1952. After Stalin's death, the questioning reemerged and at the top level. Council of Ministers Chairman Georgi Malenkov, ostensibly first among equals in the Stalin succession, implied in 1954 that with nuclear weapons a new general war had become unthinkable because it would result in the "destruction of civilization," and, further, advocated an easing of Soviet concentration on power building through shifting some of the resources from the military-heavy industry sector to the consumer sector (light industry, housing and agriculture), and he even went so far as to advocate the diversion of military grain reserves to meet immediate consumption needs. A great intra-leadership debate immediately ensued, with Khrushchev, then holding first place in the Party apparatus, leading the opposition to Malenkov's propositions. The debate quickly broke into the open for all the world to follow, with *Izvestiya*, the main organ of the Soviet government, serving as mouthpiece for Malenkov and his followers, and *Pravda*, the main organ of the Soviet party, serving the same role for Khrushchev's side. The outcome was the ouster of Malenkov as Premier in January 1955 amidst denunciations by Khrushchev and other leaders for his heresies and mistakes. A particularly prominent role went to Molotov who scornfully repudiated Malenkov's destructon-of-civilization contention on grounds that no change in weaponology, nuclear or otherwise, could alter the immutable laws of social development and that not civilization but only capitalism would be destroyed by a new world war.

Hardly had Khrushchev trimphed over Malenkov than he made his own break with Leninist-Stalinist orthodoxy. Avoiding Malenkov's line regarding the destruction of civilization, he asserted at the 20th Party Congress in February 1956 that because of the might of the USSR and the socialist camp another general war was no longer "fatalistically inevitable." While no voice was openly raised against Khrushchev's formulation, it soon became evident that this, along with other of his departures from the Stalinist past, was producing rumblings in the collective which was presumably sharing power in the party and government. Matters came to a head in July 1957 with a Politburo decision to oust Khrushchev. However, Khrushchev and his followers engineered a quick turnabout at the hands of the Party Central Committee which, reviving powers that had long since seemed dead, ousted Khrushchev's opponents in the Politburo as "Anti-Party" conspirators.

Thereafter Khrushchev further developed his thesis that war was no longer fatalistically inevitable, reaching the point of asserting that the danger of a new world war could actually be eliminated while capitalism still existed. Further, Khrushchev came to argue, and apparently with great effectiveness on those concerned with strategy in the Soviet Union, that given a strong Soviet nuclear capability the "imperialists" would not only be deterred from an attack on the USSR but would also be, if not provoked by "adventurist" threats and violence, increasingly deterred from activist policies and actions in furtherance of their world positions and interests. (Witness among other evidence his polemical exchanges with Peking that began in 1959.) In keeping with this line of thinking, Khrushchev, in January 1960, announced at a meeting of the Supreme Soviet the establishment of the Strategic Rocket Troops which would thenceforth serve as the main instrument of the Soviet armed forces. At the same time, he announced a substantial reduction in conventional forces.

The decision by Khrushchev to elevate nuclear forces to the prime position in the Soviet military structure represented the consummation of the "military-technical revolution" which had been in preparation for some time and which quite evidently had the full support of all principal elements in the Soviet hierarchy. It can be assumed, however, that given the supremacy long enjoyed by the ground forces this step was anything but popular among traditionalists within the Soviet military establishment, and all the more so since it was accompanied by reductions in ground and other conventional forces. Further, explanatory details provided by then Defense Minister Marshal Malinovsky could hardly have been very reassuring to the traditionalists. While "Rocket Troops of our Armed Forces," Malinovsky told the Supreme Soviet," undoubtedly are the main Service of the Armed Forces, . . .we realize that one Service alone cannot resolve all the tasks of war." In view of his, "we are keeping a definite number and corresponding sensible proportion of all the Services of the Armed Forces." However, "combat actions both in their organization and in methods . . . will bear little resemblance to those of the last war."

Apprehensive though they doubtless were, and in contrast to reaction to far less drastic changes in force relationships in the U.S., traditionalists in the armed forces made no discernible effort to contest the decisions reached by the leadership. Instead, the new setup, as announced by Khrushchev and explained by Malinovsky, was taken as doctrine which was dutifully echoed by military spokesmen and commentators up and down the line. Even the ouster of Khrushchev in October 1964, and the follow-up authoritative references (i.e., a *Pravada* editorial of October 17, 1964) to "harebrained scheming, hasty conclusions, rash decisions and actions based on wishful thinking, boasting, empty words, bureaucratism," and so on, did not produce any repercussions among the military or on behalf of the military. There was, in fact, no suggestion that Khrushchev's handling of military affairs was a factor in his dismissal, despite the fact that he had had to backtrack on his force reduction decision of January 1960 and authorize an emergency increase of approximately thirty percent in military expenditures in July 1961, as well as an increase in food prices in June 1962 because of urgent new "defense needs." Also, of course, there had been the Cuban missile fiasco. Khrushchev was later heavily criticized for his errors in a number of specific fields such as agriculture, but not in the military field.

Meanwhile, Marshal Malinovsky remained Defense Minister in the post-Khrushchev government and as such continued to talk of the new nuclear-centered military doctrine as he had in 1960, as indeed did all other military leaders and spokesmen. And what was true with Malinovsky has remained true with the new Defense Minister, Marshal Grechko, up to and including the present day. Thus, after some ten years of uncertainty and debate, the Soviet decision-making process was able in 1960 to settle upon a profound reorientation of concepts, organization, force assignments, and general direction of development for the Soviet armed forces, in response to what was considered the "objective" requirements of the nuclear age, and to secure unquestioned adherence to the new orientation among all affected elements of society, including particularly military elements, over the following years.

VI

Several important points relative to political-military relationships in the USSR are suggested by this course of events which are, in my view, particularly pertinent to the issues dealt with in this study.

At no time during either the period of uncertainty and debate regarding nuclear weapons or the period of decision or the long period of adherence that has followed, did the Soviet military as the military come out in opposition to the political authorities who rule the Soviet Union, or seek *as an organized entity* to induce acceptance of its point of view by the political authorities. In fact, never in Soviet history, even during the full militarization of the country in the Civil War period and World War II, has the military as such attempted to achieve any degree of *independent* political power or even independent political say so. The military obviously represents and has always represented a very powerful vested-interest group in the Soviet Union, and one that has been strongly supported by the ruling political authorities. But a price that has been successfully exacted from the military in return is that it play the game of politics according to the political authoriies' rules. These rules permit the military a very strong voice in the decision-making process, but only up to the point of final resolution of a question or issue. They permit the military almost unlimited opportunities to protect and promote its interests, but only within the framework of the established Soviet way of doing things, And this way of doing things requires that the military, collectively and in its several parts, subordinate itself to the will and control of the rulers of the country, that it always act as a submissive instrument of the party, never as an active or potential rival.

The Soviet leadership, it might be noted, does not leave to chance the subordination of the military to its own will and control. It has effectively demonstrated over a period of many years that active membership in the CPSU or its preparatory organization, the Komsomol, is a virtual prerequisite for advancement in the military hierarchy. (Currently some ninety percent of all Soviet military officers are members of either the Communist Party or the Komsomol, with seventy-odd percent members of the former.) The leadership has also followed the practice of selecting key military figures to serve in Party organizations while continuing in their military posts. (Of the military officers who now occupy the 13 positions of Deputy Minister and above in the Ministry of Defense, ten are members of the Party Central Committee and one is a candidate member; the Chief of Staff of the Armed Forces is a member, as is the Director of the Main Political Administration of the Armed Forces.)

Most important of all, however, organized units of the Party, which are controlled by and responsible to the Party apparatus, are used throughout the armed forces (i.e., all administrative and functional branches and down to the company or battery level in combat units) to keep tabs on all phases of activity. It must be said that this particular aspect of Party control has from time to time been resisted by some military elements. This has not, however, been a case of resistance to political authority as such but to interference by non-specialists in professional affairs. The military during the early post-Stalin years conducted something of a running campaign against the practice. Defense Minister Marshal Zhukov, who rose to a position of seemingly great influence with Khrushchev during his struggle for ascendancy, brought the issue to a head. After a succession of steps reducing the power of Political Department of the Soviet Army and Navy (now the Main Political Administration), which directs and controls party units in the armed forces, Zhukov managed to secure a Central Committee "Instruction" in May 1957, which ruled, among other things, that "criticism of the orders and decisions of commanders will not be permitted at Party meetings." But Zhukov's triumph was short-lived. In October 1957 he was summarily dismissed as Defense Minister and later expelled from his Party posts on grounds, as stated by the responsible Central Committee Plenum, that he had "violated the Leninist Party principles for the guidance of the armed forces, pursued a policy of curtailing the work of Party organizations, political organs and military councils, of abolishing the leadership and control of the Party . . . over the Army and Navy." The old rule as to direct party participation in military affairs was quickly reestablished. As explained by *Sovietskii Flot* on November 1, 1957, "Regardless of the rank or position of a Communist he not only can, but must, be subjected at Party meetings or conferences to criticism for shortcomings in his service." And this is the way it has remained in the armed forces ever since.

Basic to the Party-military relationship in the Soviet Union is, as I suggested above, the "unswerving solicitude of the Party and Government" for the armed forces. This solicitude, of course, reflects more than political expediency. Built into the Soviet system and the Soviet world outlook are factors which make, as the Soviets themselves say, the constant strengthening of the armed forces an "objective necessity." The military do not have to seek power to get what they feel they need; it ordinarily is given to them as a matter of settled policy. Where there has appeared to be any reluctance on the part of elements within the political leadership to go along with the "constant strengthening" formula, other elements have quickly and successfully sprung to the support of the military cause. In fact, a feature of struggles for power in the Soviet leadership has often been an effort of one faction to put into question the loyalty of a rival faction to the formula. Stalin used this tactic with great effectiveness. So too did Khrushchev in his contest with Malenkov. And the possibility that the same might be done to him by political rivals may well have served as a constraint on Khrushchev in his own policies toward the military.*

Beyond this use of the "military loyalty image" to undercut a rival in a power struggle, a political faction has sometimes successfully sought to use the military directly against an opponent. Evidently such a ploy played a decisive role in the elimination of Beria shortly after the death of Stalin. The same appears to have been true for Khrushchev in his 1957 contest with the "Anti-Party Group" in the Politburo. But in neither of these cases did the initiative come from the military; it came instead from the political side. And in neither did the military, or any element in the military, secure more than fleeting political advantages from its involvement, if that. After Beria was out, the Party leaders resumed full control and fought among themselves without any direct influence by the military. And within short months after Khrushchev's defeat of the Anti-Party Group in 1957, he unceremoniously dumped Marshal Zhukov, who had been used by Khrushchev to great benefit in effecting that defeat, from his high positions in the party and government.

VII

The fundamental question raised by the analysis presented in this study is whether the views on which the analysis is based reflect decisions, policies and purposes of the Soviet political leadership or merely doctrinal and strategic game-playing on the part of the military and military-minded civilians.

For my own part, I am convinced that, in light of such circumstances and factors as I have touched upon above, the views must be taken as reflective of positions of the political leadership.

The views are consonant with concepts relative to the role of nuclear forces in Soviet military strategy that have been repeatedly voiced by various members of the political leadership, over the past decade and more.

The views, it should be particularly stressed, rest solidly on pronouncements of General Secretary Brezhnev. There is, in other words, nothing reflected in the views to suggest any differences or conflicts between Brezhnev and his present policies and either military elements or political elements in the Soviet hierachy.

The views flow directly from the body of Soviet military theory and doctrine that has developed since the mid-1950s under the direct aegis and with the explicit sanctions of the political leadership.

The views accord with actual Soviet decisions and actions in the development and deployment of nuclear weapons and forces, and with currently indicated Soviet plans for the future development and deployment of nuclear weapons and forces.

The views as they apply to basic Soviet positions, intentions, and expectations cannot be meaningfully divided between military and non-military. When read without knowledge of origin an editorial article devoted to nuclear forces appearing in *Pravda* can hardly be distinguished from an editorial article appearing in *Red Star*. Suslov says much the same thing as Grechko and Grechko much the same as Brezhnev and Kosygin. A colonel writing in an obscure military journal makes essentially the same points as a professional party functionary writing in an obscure provincial newspaper.

Differences frequently do occur with regard to particular aspects of Soviet military matters, and not only as between military and non-military but also within the military itself. But these differences are invariably within the framework of the basic position and principles established by the hierarchy. Also, military spokesmen talk much more about military affairs and in far greater detail than do non-military spokesmen. But this would seem natural in light of professional interests.

The views, in any event, could not conceivably have been voiced in such volume, with such a degree of general uniformity, and by the way of such widespread and authoritative media without the sanction of the political leadership.

VIII

There is the further question of whether the Soviet leadership is not now in process of changing its positions regarding Soviet nuclear forces in consequence of the new detente relationship between the US and the USSR.

In attempts to answer this question, I feel it essential that account be taken of the fact that the Soviet leadership views the nature, requirements and implications of the new relationship with the U.S. in an entirely different light than do most of us in the U.S.

In the U.S. it is generally assumed that the Soviet situation as regards the relationship is very much the same as our own. Detente has given rise in the U.S. to a whole range of expectations and interpretations concerning the future prospects of Soviet-U.S. cooperation for international stability, reductions in the threat of nuclear war and the burdens of defense and even of progressive convergence between the systems. These expectations rest upon assumptions regarding the character of the Soviet leaders, their policies and priorities which go well beyond the specific commitments made by both governments in the agreements reached at summit meetings in Moscow in May 1972 and in Washington in June 1973. An important feature is the widespread belief that fundamental changes have taken place in the former opponent's motivations, priorities and intentions. Not only is the absence of war assumed but also the elimination of conditions which might lead to war, that is, a scaling down of mutually incompatible objectives, the absence of intense competition which infringes on important national interests, cessation of efforts by either side to gain a significant advantage over the other or to alter the existing or agreed-upon balance of power, especially military power. In brief, detente is taken to mean considerable cooperation in the preservation of international stability and the status quo, and as meaning that while competition between the countries may persist to a degree it will be conducted according to equal rules and within fixed bounds and that on all important issues cooperation will take precedence over competition.

The Soviets, for their part, seldom use the term detente in reference to the new relationship, and do so almost exclusively in pronouncements and commentaries aimed at Western targets. The Soviets use, instead, their own preferred term "peaceful coexistence." Moreover, they ordinarily add "between states with different social systems," thereby indicating not only the limits on their cooperation but also reflecting an underlying assumption of a dynamic international environment and of continuing and irreducible competition—the Soviet word is "struggle"—between the opposing systems. Unlike detente, "peaceful coexistence," as explained by the Soviets, does not assume or require the abandonment of either side of incomptaible objectives. Its stated aim is not to maintain the *status quo* or to promote stability, but to facilitate changes favorable to the Soviet Union and its allies. Therefore, the Soviets see "peaceful coexistence" not only as a form of struggle with the West but also as a strategy of struggle aimed at achieving Soviet global objectives. Since the Soviet leadership has gone to great lengths to spell out what it means by "peaceful coexistence" and the limits of that concept as well as its implications for Soviet foreign policies, there is no reason, as Soviet spokesmen themselves point out, why the West should harbor any "illusions" about it or persist in basing its expectations on different assumptions concerning Moscow's policies and actions.

According to Moscow's specifications the prime purpose of peaceful coexistence is to reduce the chances that the continuing

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*While I was serving as American Ambassador in Moscow, Khrushchev told me that he would like to cut back on the military but could not do so. The best, he said, he could do was to hold them where they were. Actually at that time the regime had already embarked on a far-reaching program to close the strategic gap between the US and the USSR. (See my *Understanding the Russians: A Citizen's Primer* [New York, Harper and Row, 1970], pp. 247–48).

struggle between systems will lead to war between the great powers, or, as Brezhnev has said, "will make possible a shift of the historically inevitable struggle [between systems] onto a path that will not threaten wars, dangerous conflicts and unrestricted arms race." Thus, according to *Pravda* of August 22, 1973, "Peaceful coexistence does not mean the end of the struggle of the two world social systems. The struggle between the proletariat and the bourgeoisie, between world socialism and imperialism will be waged right up to the complete and final victory of communism on a world scale." And according to the authoritative collective study *Leninism Today*, "Peaceful coexistence does not extinguish or cancel out class struggle . . . it is a new form of class struggle employed by the working class and the socialist countries in the world arena. It cancels only one type of struggle—war as a means of settling international issues." Further, according to an authoritative 1972 study of the USSR Academy of Sciences, *Problems of War and Peace*, "As for the policy of peaceful coexistence, it rests on a *system of principles* that make it possible to avoid a major international conflict in the course of development of revolutionary processes in individual countries."

Also, although peaceful coexistence appears at first glance to impose equal restraints on both sides to abstain from war or dangerous confrontations in settling disputes between them, in the Soviet view the primary purpose is to place the West and especially the United States under unilateral constraints. The Soviets take the position that it is only the West which threatens war, resorts to military "adventures" and violence against other nations, promotes the arms race, organizes political and military alliances and blocs against the Soviet Union and seeks to deal with Moscow "from a position of strength." In the Soviet view, therefore, the purpose of peaceful coexistence is to curb the West's aggressiveness, militarism and attempts to oppose by force the movement for the transformation of the world according to the Soviet model, or in Soviet terminology, to prevent the West from" exporting counterrevolution" and from trying to impinge upon the "rights of peoples" to utilize every available means, including "arms in hand," to liberate themselves from "reactionary" forces, whether of foreign or domestic origin, and with the aid and support of the Soviet Union.

As an overall matter and as I pointed out above, Moscow interprets US movement toward the new relationship with the USSR, that is US "acceptance of the principle of peaceful coexistence," as a result of, and a further step in, the decline of the power and influence of the US as against the USSR. Hardly had President Nixon left Moscow at the end of May 1972 before the vast propaganda apparatus of the USSR was proclaiming that,

"The strategic course of US policies is now changing before our very eyes from 'pax Americana' . . . to a definite form of necessity for peaceful coexistence. We must clearly understand that this change is a *forced* one and that it is precisely the power—the social, economic, and ultimately, military power of the Soviet Union and the socialist countries—that is *compelling* American ruling circles to engage in an agonizing reappraisal of values."

Subsequently, Soviet spokesmen explained that US leaders had had no choice but "to concern themselves with ensuring that US foreign policy objectives, methods, and the doctrines for achieving them are proportionate to [its] dwindling resources," and that the new situation represented "a great victory for our Party and for all the Soviet people—an event of outstanding significance." That, however, much still remains to be done has been emphasized by Brezhnev himself:

"We soberly and realistically evaluate the current situation. Despite the successes in relaxing international tension, a hard struggle against the enemies of peace, national and social liberation faces us. Marxist-Leninists do not entertain any illusions in relation to the anti-peoples essence of imperialism and its aggressive aspirations."

It is against this background that I feel we must examine the question of whether the Soviet leadership may be changing its positions regarding Soviet nuclear forces in consequence of detente. It is also against this background that I feel we must weigh the significance of General Secretary Brezhnev's warning to President Nixon in Moscow that the USSR would continue to strengthen its strategic forces in all ways not specifically prohibited by the SALT I agreement. And it is against this background that I feel we must judge the implications of the post-SALT I testing and deployment of the first Soviet MIRV's; the testing and imminent deployment of four new families of Soviet ICBM's, each decidedly more advanced and effective than its predecessor; an accelerating program of production and deployment of Soviet SLBM's, and the prospective early testing of an entirely new family of SLBM's; and a solid Soviet push for a highly modernized strategic bomber capability.

UNITED STATES-MEXICAN RELATIONS

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. FASCELL. Mr. Speaker, in recent years much of the attention of the American public has been directed to farflung areas of the world from Vietnam to the Near East. Often overlooked have been events much closer to home. Today I would like to call attention to one of these too little publicized events—the steady progress in our relations with our great southern neighbor Mexico.

In a speech last month before the Mexico City Rotary Club, our distinguished Ambassador to Mexico, Joseph John Jova, concisely reported on the state of United States-Mexican relations. Because of the widespread interest by Members of Congress in Mexico, I am certain that Ambassador Jova's speech will be of great interest to many in this Chamber:

ROTARY CLUB SPEECH BY U.S. AMBASSADOR JOSEPH JOHN JOVA, MAY 14, 1974

First of all, I want to thank Mr. Clemente Serna Alvear, president of the Rotary Club for the opportunity he has given me to address this select audience of men and women concerned with community problems.

Ladies and gentlemen, distinguished rotarians, today I want to present to you some thoughts on the wide panorama of Mexico-U.S. relations. I think this fits perfectly within the goals of the rotarian community which, from its beginning, has always devoted itself to the promotion of international friendship.

The very bases of the Rotarians, their concern for truth, their interest to hear the other side of a question and to insure fair solutions to both sides can contribute to further improvement of the good relations already existing between our two peoples.

New demands for economic and social development are creating pressures on governments throughout the world. The dynamics of this phenomenon were clearly demonstrated during the last year. Countries which had assumed that they had indefinite supplies of energy were suddenly shocked into realization of natural and man-made limitations. Countries were faced with new problems, created primarily, if indirectly, by man's increasing use of energy, his development of new technologies, his advances in science, and his efforts to provide better social and living standards for the inhabitants of this earth.

The recent crises emphasized the reality of inter-dependence among nations—that nations cannot live in isolation, and that in one way or another we are all dependent upon each other. This dependence, which begins with our most immediate neighbors, also stretches around the world.

Our desire is to enhance and preserve the special neighborly relationship between our peoples: a relationship that is based on trust and understanding, that recognizes our common interests, and that allows both of our nations to contribute to improved international relations in the hemisphere and in the world.

Earlier this year in Mexico City, a meeting of hemispheric foreign ministers convened in an atmosphere of complete frankness, candor, and mutual respect. In that meeting of Tlatelolco, Secretary of State Henry Kissinger called for a new dialogue, a new relationship among nations of the hemisphere, that would increase mutual trust and understanding in our common efforts to resolve hemispheric problems. He emphasized that 'Our common impulse in meeting here is to fulfill the promise of America as the continent which beckoned men to fulfill what was best in them. Our common reality is the recognition of our diversity. Our common determination is to derive strength from that diversity and forge our historical and geographical links into shared purposes and endeavor."

There is a realization that national development is a complex matter indeed, and the impulse must come from within each country. We have accepted the existence of a "plurality of ideologies" in the hemisphere. Within this developing concept of interdependence, there is a good reason for optimism about future cooperation among the nations of the Americas.

As part of this new dialogue, Latin America presents concerted position facilitating—as Foreign Minister Rabasa pointed out—a mutual exchange of viewpoints based on true equality. This New Dialogue was baptized as The Spirit of Tlatelolco and has set the tone for subsequent meetings in Washington and Atlanta in April.

I am very optimistic about multilateral inter-American relations in which Mexico, as it is traditional, has played an important and innovating role.

In bilateral issues we can observe with satisfaction the friendliness existing in relations between Mexico and the United States.

My government is convinced that problems which might arise between our two countries should be resolved through amicable, bilateral negotiation. Thus, in recent times, we reached agreement on the Chamizal in 1963; in 1970 we signed a modern Boundary Treaty which provides for a clear definition of our shared border. Just last year, we negotiated an agreement to resolve the longstanding dispute over the salinity of Colorado River waters delivered to Mexico. The United States Congress presently is considering legislation necessary to implement that agreement.

ILLEGAL ENTRANTS

The complex subject of Mexican nationals who are illegally in the U.S. has emerged as one of the most important outstanding bilateral political issues.

Over the past several years, the number of Mexicans illegally entering the United States has grown dramatically. During the 10 calendar years between 1963 and 1972, the number of such Mexicans who were apprehended and required to leave the U.S. grew from roughly 42,000 to almost half a million. By 1972 Mexicans made up 88% of all aliens illegally in the United States. The earlier northbound migration went primarily to the agricultural sector in the southwestern United States; the present-day Mexican illegal entrant usually goes farther afield and more often than not settles in an urban area, where he assumes a job in manufacturing or in a service industry. The impact on wage scales and the resulting job-displacement are matters of serious concern, especially for so-called "chicanos" already established in the country and for organized labor in the United States.

Both governments are concerned not only with the legal problems created by this large-scale and illegal movement of persons but also with the social and economic implications. Let me emphasize, by the way, that everyone agrees that aliens, whether legally or illegally in the United States, should receive the same humane treatment accorded to U.S. citizens. Respect for the other's rights is peace.

The "illegal" problem will be with us for some time. Resolution calls for dedication and imagination on the part of both governments. In the final analysis, I can do no better than to quote President Echeverria at the time of his second State of the Union message in September, 1972:

"We are convinced that the substantive solution is to be found within our own borders. By encouraging our economic and social development we shall increase the prospects for satisfactorily remunerative jobs. In expressing this view during my visit to the United States, I stated that we wish to export products and not social problems."

FOREIGN INVESTMENT

Extensive discussions are underway throughout the world on the role of foreign investment in promoting national economic and social programs.

In his annual report of September 1972, President Echeverría referred to his proposal for a Charter of Economic Rights and Duties of States and said that the Charter was intended "to transfer economic cooperation from the sphere of good will in order to fix it firmly in the field of law" ("Propuse trasladar la cooperación económica del ámbito de la buena voluntad para acuñarla en el campo del derecho").

Mexico, on its part, has indicated its readiness to accept foreign capital imposing on it the controls which it considers necessary according to its sovereign decision.

In May 1973 the Mexican Congress passed the "Law to Promote Mexican Investment and to Regulate Foreign Investment". This new law, in large part a codification of previous laws and regulations, provides for the approval, by a National Commission, of direct foreign private investment which meets Mexico's own development criteria.

In certain respects, Mexico has achieved a substantial degree of economic independence. Direct foreign private investment in Mexico is now only 5 per cent of total direct investment. *New* direct private foreign investment in Mexico in 1972 amounted to only 215 million dollars and was a little less than that in 1973. It is estimated that total direct private foreign investment in Mexico today is about 3.3 billion dollars, of which about 70 per cent—or slightly more than 2.2 billion dollars—comes from the United States. Mexico offers exceptional conditions for political, social and economic stability.

It is our view that the country offers an excellent opportunity for direct private foreign investment on the part of potential investors who wish to invest in areas where they are welcomed by the Mexican government, are willing to go into joint ventures with Mexican partners, and who otherwise accept the social responsibilities inherent in the realities of Mexico's present-day mixed economy.

THE PROBLEM OF NARCOTICS

Narcotics and the related social evils are no longer problems to be resolved by one nation or another. This problem is international in its scope, involving international dealers and traffickers.

Throughout Latin America, governments and private organizations are accelerating their efforts against drug traffic and abuse, and they are meeting with increasing success despite obstacles.

The flow of narcotics into the United States from Mexico constitutes a major problem for both countries. The narcotics traffic is difficult to control because of our long common border; because of the relative ease of transporting narcotics. I must accept that smugglers do not have nationalities nor patriotism. Many of those in the narcotics trade, particularly marijuana and cocaine, are North Americans; at the present time there are more than 400 U.S. citizens in Mexican jails on narcotics charges.

Fortunately, the Mexican Government, concerned to protect its own people by enforcing Mexican narcotics laws and acting out of humanitarian and political concern for its relations with the United States, has proven a strong ally in fighting narcotics. Mexican Federal Judicial Police and Army units are in continuous and intensive operation to eradicate the poppy and marijuana fields, and Mexican narcotics agents risk their lives daily to interdict the illicit traffic and to arrest those engaged in it. The results are constantly more impressive. There is much yet to be done; but the determined commitment of the Mexican Government to destroy the illegal crops and traffic, together with the continuing cooperation of the United States, means that significant progress is being made to contain this worldwide menace.

Mr. President, distinguished gentlemen, I think that you will agree with me that Mexico and the United States have been successful in their efforts in collaborating to solve common problems. For some years now, we have been able to refer sincerely to the good relations between our two countries. We will always have problems, but we can and do discuss them amicably and reasonably in spite of our past differences.

These friendly bilateral relations created the conditions for Mexico and the United States to act cooperatively—not as a single but with the strength of shared ideals—in a world of growingly complex problems and opportunities.

President Echeverria correctly foresaw the growing strength of interdependence when in 1972 he proposed the Charter of Economic Rights and Duties of the States as a model for relations between countries at a different stage of development. Secretary of State Kissinger realized the importance of this initiative when in his opening speech at the Conference of Tlatelolco he supported the Charter saying: "In the emerging interdependent world, both, the weak and the strong have responsibilities and the world's interest is the interest of each nation."

To conclude I would like to repeat a quote that, I believe, precisely describes the current world situation: "The principal fact of the modern world is not its massive unrest—although that is its most visible characteristic—but its growing and necessary unity, the interpretation of all lives by every other life, the coming together of peoples, cultures and societies to accomplish common purposes . . ."

TOO MUCH TIME, TOO MUCH MONEY

(Mr. MILLER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. MILLER. Mr. Speaker, information has recently come to my attention which points out the great amount of money that the American taxpayer has paid out for the Watergate investigations. While the amount of money itself is cause for concern, the more alarming fact is that this is not the end of the spending. We have come down the road of these investigations for 18 months and seem to be no nearer to a conclusion now than we were in early 1973 when no one had ever heard of the Senate Watergate Committee.

The estimated spending for Watergate runs to these amounts: for the Senate Watergate Committee, its staff of 42 and 17 lawyers—$2 million; for the House Judiciary Committee, its staff of 100 and 43 lawyers—$1.7 million; for the Special Prosecutor's Office, its staff of 80 and 38 lawyers—$2.8 million; for the several Watergate Grand Juries—$225,000; for the GSA audit of the Nixon homes—$100,000; for the GAO audit of the Nixon homes—$100,000. The grand totals for these runs to approximately $6.9 million for all bodies with 222 staff members and 98 lawyers.

Mr. Speaker, like each Member of this Congress I am in favor of discovering the truth behind all of the charges associated with Watergate. However, I do not see any need to do this at the cost of an endless drain on the taxpayer's pocket. It seems to me that it is far past the time when we should begin to question the money spent on these investigations. After $6.3 million has been spent what can we say has been achieved in the way of concrete results?

While the public has wearied of the confusing and never-ending investigations, the various staffs of these investigative bodies seem content to drift along on the public payroll. It is time that these groups were shaken from their 18-month hibernation. It is time the American people received some conclusions for their $6.3 million.

MANHATTAN VA HOSPITAL STAFF RECEIVES PRAISE

(Mr. KOCH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, Federal agencies are often criticized for their failures and at times the obstacles their bureaucratic procedures place before people. But, there are times when the agencies deserve commendation—and usually this is because the individuals working within them extend special interest and compassion to the people they are attempting to help.

Recently, I received a letter from a lady whose husband died at the Manhattan Veterans' Administration Hospital after an extended stay. The woman, Mrs. Marquis, said that the doctors and nurses at the VA hospital were very good to her husband and gave him excellent care. This is particularly encouraging since the VA hospitals have been the subject of some criticism in recent years. There are many within the Federal Government that give a great deal of themselves in their work and do more than a perfunctory job. They deserve our gratitude.

Mrs. Marquis has consented to my sharing her letter with my colleagues; it follows:

Hon. Edward I. Koch,
New York, N.Y.

Dear Congressman Koch: A little more than two years ago through your good offices the application of my husband (Harry G. Marquis) for admission to the Veterans Nursing facility at Castle Point was approved. At that time there was no vacancy but it was arranged that my husband should remain at the Manhattan Veterans Hospital until a vacancy should occur.

For various reasons, including a deterioration in his condition Harry was kept on at the Manhattan V.A. Hospital where he died on May 1, 1974.

There having been so many criticisms of veterans' treatment at V.A. Hospitals, I'd like you to know of my experience:

Nowhere could more have been done for a patient by the doctors, nurses and aides, every one of whom left nothing undone that could be done. The dedication, the devotion, the kindness—I might almost say the tenderness—of everyone in the care of my husband is something I can never forget.

With deepest appreciation and gratitude to you for the help you have given us, I am

Sincerely yours,

Mrs. Harry G. Marquis.

SHEA MOSELEY'S 4-H CLUB WORK

(Mr. de la GARZA asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. de la GARZA. Mr. Speaker, it has been my privilege for many years to work with the young people in the 4-H Clubs in the 15th Congressional District of Texas. I have seen hundreds and hundreds of these fine young men and women engaged in worthwhile activities—the kinds of activities that prepare them to take their place as contributing members of their communities.

This week I received a letter from one of them—Shea Moseley of Pharr, Tex.—which tells an inspiring story of constant endeavor and success in 4-H Club work. I wish to share this letter with my colleagues by inserting it here and at the same time to extend my congratulations for a job well done to Shea Moseley:

Pharr, Tex.,
June 12, 1974.

Kika de la Garza,
Congressman, United States of America,
Washington, D.C.

Dear Congressman: I have been a member of the San Juan 4-H club of Hidalgo County for 5 years. Throughout these years, I have held the offices of reporter, recreation leader, and council delegate. On the County level, besides being a local representive, I have been fortunate enough to be Hidalgo County 4-H Council recreation leader. 4-H has meant a lot to me, and I have accomplished quite a bit—and I intend to keep on going. Just recently I was chosen to represent my County at District 12 Leadership Lab. This was a big honor. Working on the local, county, and district levels is just a part of my 4-H success because just this past week on June 4-5, 1974, the Hidalgo County 4-H Share-the-fun group was awarded First place—Overall—Texas State Share-the-fun Contest, and 'Best Vocal Group' at Texas State 4-H Roundup at Texas A&M University. Since this was my first year at Roundup, it was a great honor and a tremendous surprise! There were 7 other members in our group, our name as 'The 8-Teens'. Our skit consisted of various songs and speeches on Americanism, the trials and tribulations of our society, and how 4-H clubwork can help bring our country together once again, under God.

I would like to thank you for the gratitude and strong support that you have shown the 4-H clubs of Texas. 4-H has been beneficial to me for these past 5 years, and without people like you backing this worthwhile organization, it could not continue to prepare the youth of our nation, and myself, to assume the many and serious responsibilities of adulthood.

Thank you again.

Shea Moseley,
Recreation Leader, Hidalgo County.

MEMBERS' TRAVEL REPORTS

(Mr. GUDE asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. GUDE. Mr. Speaker, today 42 of our colleagues are joining me in introducing legislation to again provide for publication of Members' travel reports in the Congressional Record. This requirement was removed as part of last year's State Department authorization, although this particular provision was never the subject of floor debate. Joining me in the introduction of this bill are: Messrs. Steiger of Wisconsin, Anderson of Illinois, Reuss, McSpadden, Mrs. Grasso, Mrs. Schroeder, Messrs. Vanik, Ketchum, Davis of Wisconsin, Forsythe, Brown of California, Madigan, Rees, Hanley, Robison of New York, Mann, Eilberg, Edwards of California, Duncan, Anderson of California, Harrington, Huber, Stark, Horton, Bafalis, Du Pont, Lagomarsino, Whitehurst, Eckhardt, Jones of Oklahoma, Bell, Broyhill of North Carolina, Sarasin, Mosher, Fraser, Frelinghuysen, Cleveland, McKinney, McCollister, Thone, Symington, and Culver.

We are introducing this legislation because we believe that we have all seen the unfortunate results of Government secrecy and decisionmaking behind closed doors, and it is imperative that the Congress take the lead in opening up governmental processes and letting the people see what we do and why do it.

Foreign travel by Members of Congress is viewed with some suspicion by the public and the press. Major newspapers regularly write stories hinting of scandal and the waste of public funds. Such a view is unfortunate because it ignores the real importance of travel to the proper fulfillment of congressional responsibilities. Congress cannot be expected to appropriate millions of dollars for military installations overseas without ever inspecting the sites in question. The World Food Conference, which will be held in Rome this fall, will deal with vital matters concerning world agriculture, fertilizer supplies, and famine relief. These are matters of daily concern in Congress as they deal with America's domestic food requirements and work to determine our obligations to the world's underdeveloped nations. The forthcoming Law of the Seas Conference, as another example, could have a significant impact on U.S. oceans policy and on that portion of our economy dependent on fishing. Congressional participation in these negotiations is essential if we are to develop appropriate legislation regulating American use of the oceans and their resources.

Changing the popular view of travel, however, cannot be accomplished by hiding travel information and making it available only to the persistent reporter. Such an approach will only increase the suspicion surrounding travel and lower the public view of Congress. A better solution in my judgment is to restore such information to the Congressional Record, making it easy for the public to examine it and bringing the entire question into the open. Such a solution is the measure we are introducing today, and I urge its favorable consideration.

CANDLELIGHTERS FIGHT CANCER ON BEHALF OF CHILDREN

(Mr. JOHNSON of California asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. JOHNSON of California. Mr. Speaker, one of the great campaigns in the history of this Nation is now under way. It is the fight to discover a cure for cancer. This was triggered by the action of the Congress several years ago when it passed the Conquest of Cancer Act. Since that time, greater and greater strides have been made in the fields of research and related sciences in an effort to find a cure to the baffling mystery of what causes the disease that kills so many thousands of our citizens every year.

Not many Americans realize that cancer is also one of the foremost destroyers of our children. More and more attention has been focused on the fact that young children have their lives snuffed out without an opportunity for full and worthwhile life by this disease.

Some years ago in Washington, D.C., an organization known as the Candlelighters was created. This is a group that is composed of parents whose children have died from, or are currently under treatment for, cancer. The Candlelighters are now active in 16 States, and are dedicated to only one purpose, and that is to find the means and the way to find a cure for this dread disease.

Their quiet work over the last 4 years in the Congress of the United States, and across the country, has helped to effectively provide new authorizations and funding for the continuing program to battle cancer.

The Candlelighters, in the person of Grace Powers Monaco, national liaison chairman of that organization, recently testified before the Subcommittee on Labor, Health, Education, and Welfare of the Committee on Appropriations of the House of Representatives.

Under leave to extend my remarks, I will include Mrs. Monaco's statement before that distinguished subcommittee, and also a related article dealing with cancer which appeared in the New York Times Magazine section of April 7, 1974.

I salute the Candlelighters in their work in this field, and I join with them in the fervent hope that in the not too distant future we will find the answer to this baffling disease.

THE CANDLELIGHTERS

(Mr. JOHNSON of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. JOHNSON of California. Mr. Speaker, I would like to take this opportunity to call to the attention of my colleagues the outstanding work of a unique organization in our midst, here in the Nation's capital.

The Candlelighters is an organization composed of parents of children who are currently under treatment for, or have died from, cancer. Their special mission is to work for increased research in the field of cancer. Unfortunately, cancer is one of the leading causes of death in children. These parents have felt the heartbreak and trials of a child who must face death from this fearful disease.

Through the work of this organization and others like it, American scientists and their counterparts around the world will be able to devote their full resources to the effort of finding an effective cure and a means of prevention.

Just recently, the Candlelighters had the opportunity of testifying before the Labor-HEW Subcommittee of the House Appropriations Committee. For the benefit of my fellow Members of Congress, I am including in the RECORD a copy of that testimony and an enlightening article from the New York Times magazine which eloquently tells the story of children suffering from cancer and of the desperate fight to stop this killer:

STATEMENT OF THE CANDLELIGHTERS BEFORE THE SUBCOMMITTEE ON LABOR, HEALTH, EDUCATION, AND WELFARE

Mr. Chairman and Members of the Committee:

My name is Grace Powers Monaco, National Liaison Chairman of CANDLELIGHTERS. I am accompanied by Richard Sullivan, President of the Mertopolitan Washington Chapter, Rev. Kirk Hudson, President of the Pittsburgh Chapter, Bob Bogoff Co-founder with his wife of the South Florida group and Mrs. Chris Naegle, founder of IMPACT of New Jersey, a Candlelighter affiliate. As the members of this Committee know, Candlelighters is an organization of parents in 16 states whose children have died from or are currently under treatment for cancer.

As we have indicated in previous appearances before this Committee, we feel that we are in a good position to inform the Committee on the effect and results of the funding efforts on the consumer level. As in the past, we wish to bring to your attention those areas which we feel merit further attention or where increased funding levels or new funding is required.

Before entering into a discussion of the various aspects, I would be remiss if I did not extend on behalf of all of us our deep gratitude and appreciation to you, Mr. Chairman, and the members of this Committee for the efforts on behalf of the afflicted and, in particular, for the unflagging interest which this Committee has shown towards cancer research and treatment. We know that the lives of our children have been extended and, in some cases, preserved through cancer research efforts which this Committee allocated to the various elements of the National Cancer Institute and in conjunction with some private sources. We know, as I am sure you do, the importance of building on the great progress already made in this field so that the aspirations contained in the National Cancer Act may be realized.

Since our children's lives and the lives of future cancer victims depend upon cancer research progress, and the translation of the results of this progress into improved methods of diagnosis, treatment and rehabilitation, we have made it our business to become informed about the various facets of the various different programs so that we might be in a position to inform you.

In preparing our testimony for this Hearing, we have related to the provisions of the National Cancer Amendments of 1974 as approved by the House and which are presently awaiting action on the Conference Report.

With respect to the overall amounts, the $600 million requested by the President for the 1975 budget would appear substantially below the amount necessary to carry forward the program along the lines contemplated in the Authorizing Legislation. If one looks to the inflationary factor alone, the small increase from the 1974 budget would be retrogression rather than an increase. An interesting table is contained in the House Report No. 93954 accompanying the National Cancer Amendments of 1974, which shows the appropriation in terms of the value of the 1965 dollar. Even without taking account of the inflation which has taken place since that table was compiled, the amount specified in the President's budget request would be less than $400 million in terms of the deflation to which I have referred.

If one takes account of the built-in increases, including those for salaries and for the higher costs of construction, the amount available for research in this sector, which is of such vital interest to us, might suffer material reduction. This we believe should be avoided at all costs and we urge this Committee to take appropriate action on the line items regarding the NCI so that the amount set aside for research and other elements discussed in this testimony will not be adversely affected.

It would appear to us that the total amount which should be appropriated for NCI for FY 1975 should be the authorized amount of $800 million. There are a number of specific areas which we would like to bring to your attention, including two which we recommended to the Authorizing Committee. These deal with "nutrition" and information services".

COMPREHENSIVE CANCER CENTERS

The amendments to the National Cancer Act provide for an expansion of the number of comprehensive cancer centers to 35. This expansion, which will take 5 to 10 years to implement, may go a long way toward insuring the best quality care to most of our population. However, the effect of the comprehensive cancer center toward meeting this goal depends upon those centers not being centers in name only but truly centers of excellence, which the name would suggest, in all areas of cancer care.

As you are well aware, NCI does not "fund" cancer centers as such, it provides some organizational seed money when the center is designated. But as recognized by the NCI, the core grants provide only a small part of the operational costs; the remainder of the operational costs are supplied through individual research grants, center grants, contracts, and non federal sources. To become a comprehensive cancer center, the center must therefore compete for research grants, contracts, fellowships, training funds, etc. It is unusual if all areas of cancer treatment at a newly designated center would approach the same level of degree of excellence. For example, it might have an excellent and innovative radiotherapy staff but might need upgrading in neurology or pediatrics, or pharmacology. How do we bring the other areas of the center up to the standard of excellence envisioned by the term comprehensive cancer center—how do we maintain the degree of excellence in the departments that is already excellent, through competition for federal moneys; to fund innovative programs.

That is where the "rub" is with respect to the goal of cancer centers of a uniform degree of excellence in the spectrum of programs offered. It is current NCI funding policy to give grants to investigators for programs. Well endowed medical schools and institutes which maintain large and prestigious staff continue to attract the bulk of program funding in both the basic research and clinical trial areas. The core support money appears to be insufficient to provide innovative investigative support to a staff which usually because of an overwhelming case load does not have the time and also lacks the specialized expertise to draft grantable programs. Therefore the established and prestigious centers which have the time and funds to support innovative staff investigators to draft programs, will continue, albeit on merit, to get the lions' share of federal funds. If the policy continues as it now exists, new centers will have to struggle along for years while slowly attracting and building up a quality staff necessary for a center's all around strength.

Obviously any sort of preferential or quota system is inappropriate to remedy this problem. The most excellent program responses should be the ones funded. However, we would urge this Committee to allocate the additional sum of $2,400,000 to provide for the support of additional innovative investigators for new centers. This will enable new centers to reach their goal—the goal promised by the Cancer Act and expected by the community—of all around excellence in cancer treatment sooner. By way of illustration of this problem, we cite as an example the current situation in South Florida. The Miami Comprehensive Cancer Center which has some excellent cancer programs received $2.9 of the $13 million requested for its first three years, the ten worthiest proposals were funded. However, there are some departments which have excellent staffs and good treatment facilities but because of an unbalanced patient/physician ratio are deficient in personnel who have the time and special expertise to devise and draft grantable programs. For example, the pediatrics, radiotherapy and pharmacology departments need assistance in this area. Fortunately, there was sufficient unearmarked money in the center's funding to bring in one investigator who will probably be assigned to assist pediatrics. However, this will not help the upgrading in other departments with similar problems.

The expansion of the number of comprehensive cancer centers in the next 5 to 10 years should alleviate one major problem connected with obtaining the best possible cancer treatment which we experience now—distance. In New Mexico, to reach a comprehensive treatment center patients travel from 100 to 400 miles, even drawing from Arizona Indian Reservations. Also traveling a distance for treatment, when unnecessary, may be forced upon patients for economic reasons. New Jersey pediatric patients travel from only a few miles to over 75 miles one way. However, driving 75 miles for in-state cancer care is too far for a desperately ill child, at least for those patients situated in the northernmost or southernmost areas of the state who are closer to care in New York or Philadelphia than that which is available in New Jersey. Even if it is more convenient for a family so situated to go to New York or Philadelphia to receive care, there are economic reasons why they may not be able to go. For example, according to our experience, the State funded the Crippled Children's Program which reimburses some cancer care costs will not pay for any services out-of-state unless they are totally unavailable in New Jersey.

PSYCHO-SOCIAL SUPPORT

This Committee has heard from us in the past about the importance of psycho-social support to the patient and the family group undergoing an experience with cancer. This type of supportive care, where available, has been shown to improve the quality of treatment and enable the family during and after crisis to function as a cohesive supporting family group instead of breaking up, with the resultant drain on themselves and on society, NCI has recognized the importance of this assistance in treatment and rehabilitation and has initiated a request for proposals dealing with this area.

This group counseling or psycho-social support should be made available not only to the patient and his family but also to the medical staff in dealing with the problem of the terminal patient. A common complaint of our groups both local and national is that many doctors were largely unable to deal with the terminaly ill patient and his family. They tend to be mechanical, impersonal and curt and this problem becomes more severe when the child approaches death, when the support should be the strongest from medical and nursing personnel. Unless medical personnel can cope and come to terms with their own feelings about death and dying, they cannot give the type of support required by the terminally ill child. Indeed, how can they appropriately monitor the child if they try to avoid him. It is an incredibly frightening experience for a parent to be left virtually alone without supportive care to deal with his dying child. For this reason we request that NCI be directed to include within the definition of cancer related subject in its clinical training program to advance the education given by medical schools in cancer related subjects, programs related to the training of the physician and nursing personnel in how to deal with death and the dying patient. We also request that these programs be expanded to permit inclusion of practicing physicians in the cancer area.

We realize that this Committee can go no further than provide the funds for demonstration projects in this area. However, we would ask you to talk to your colleagues who deal with national health insurance legislation to include coverage for all kinds of cancer rehabilitation programs, of which this is one type.

NEUROLOGIC DIAGNOSTIC EVALUATION

As the survival statistics applied to cancer patients on chemotherapy and radiotherapy lengthen, problems arise which were unknown when the patient's lifespan was compressed into 2 or 3 years, e.g. an increasing number of neurologic disorders resulting from chemotherapy and radiotherapy. For example, nerve damage, paraplegia, meningitic impairment of cognitive function, muscle pain and atrophy are surfacing. Since one of the goals of the cancer control program is to focus on rehabilitation—the best quality of life as well as the ever lengthening life span—, it is imperative that evaluations of patients be done to assess the damage chemotherapy or radiotherapy is causing neurologically and to pinpoint its cause and take steps to correct it. Funds to support this type of evaluation work would not be included in most normal insurance coverage. We would ask this Committee to require NCI to initiate demonstration projects which would evaluate the new and existing patient neurologically as well as medically and hematologically and as part of these projects, to undertake to convince major insurers to include such evaluations in their insurance coverage.

INSURANCE COVERAGE

The area of insurance coverage is one which strikes hard at the parents whose children are under treatment. Even if you have taken a major medical policy and consider yourself well covered, you have not protected your family when cancer strikes. For example, some insurance carriers do not consider chemotherapy a recognized treatment for cancer and will not reimburse it; some will not pay for recognized rehabilitation needs; some will not pay for psychiatric or group counseling sessions or for experimental drugs, etc. If this Committee is to be assured that once the NCI has demonstrated the effectiveness of cancer diagnostic treatment and rehabilitation programs, that these programs are not dropped but continued; it is essential that the insurance community review and revise their coverage standards to reflect the up-to-date procedures which are the crux of cancer treatment and rehabilitation.

We hope that this Committee would utilize its good offices in bringing to the attention of your colleagues who are concerned with health insurance legislation the great and vital need for an early change in the attitude of the insurance industry with respect to the coverage of proven diagnostic, treatment and rehabilitative procedures connected with cancer.

LAMINAR FLOW FACILITIES

One of the successes in the cancer program pointed to by NCI is the reduction of deaths due to infection related to acute leukemia through the use of protective environments and antibiotic therapy. The findings of NCI make it clear to us that every center or hospital employed in clinical trials for NCI should have laminar flow facilities. One of the reasons they are not being included in privately funded hospitals is that there are no funds available to sustain them. One reason may be lack of insurance carrier coverage for such facilities. For instance, the new Childrens Hospital here in Washington for lack of funds has not planned to put in any laminar flow room.

CANCER CONTROL

Even after the expansion of Comprehensive Cancer Centers, we must still rely on local physicians for diagnosis and follow-up care. At present in the areas in which we have Candlelighter chapters or affiliates, there are no federal privately funded programs designed to educate the family physician or pediatrician on the best methods for detecting cancer. Early proper diagnosis is often critical in determining the patients' chances of survival. Unfortunately, however, misdiagnosis of childhood cancers, from the experience of our members, is the rule rather than the exception. The experience of one of our local Candlelighters families is a case in point: Following a playground accident, they took their child to a local hospital where X-rays were taken and the child was examined by two staff physicians who concluded that it was merely a soft tissue injury. Two months later a prominent and thoroughly experienced orthopedist pronounced the child neurotic when he was not responding to the treatment he prescribed and in fact his condition was deteriorating. Two more months passed before the child was diagnosed as having acute lymphocytic leukemia. Four valuable months were lost. The symptoms and objective evidence was available from the time of the original hospital visit but the physicians were incapable or neglectful of interpreting them.

Other examples are: Wilms tumor diagnosed as an impacted bowel; leukemia frequently diagnosed as flu or rheumatoid arthritis or even malingering. For this reason we request the fullest support of the cancer control program so that through the expansion of information systems and demonstration projects, the facts on cancer diagnosis and treatment can be disseminated to all physicians. For this we request that the fullest authorized sum of $50,000,000 for fiscal year 1975 be appropriated for the Cancer Control Program.

INFORMATION SERVICES

The Authorizing Committees included in the National Cancer Act Amendments of 1974 language suggested by Candlelighters which would require NCI to devise means to interpret and disseminate new and existing knowledge and information produced by the Cancer Program to researchers, practicing physicians and the general public. The outlay required to implement this program for fiscal 1975 is $3,000,000.

In this connection, pending implementation of cancer control information and education projects, and the information services provided for in the 1974 Cancer Act Amendments, the information burden at NCI falls upon the Office of Cancer Communication. It was this office which was mentioned as the disseminator of information by Dr. Rauscher in his testimony before the Committee. It is this office which was given as the information access reference in a recent Public Broadcasting System special program on cancer. Also, it is this office which has responded fully and informatively to many inquiries made by Candlelighter families and their physicians with respect to materials available on a disease or its treatment, a medical contact within NCI to talk to and information on where there are comprehensive cancer care facilities available in their area. However, the personnel in this office has recently been cut back by 25% as part of an overall cutback in HEW public information offices. It is impossible to do the job expected of this office pending any Cancer Control Program or information services development without proper staffing. The Committee has demonstrated in the past that it is not content with paper tiger programs—programs that look good on paper but cannot deliver. This Committee wants working programs—programs that really are able to reach the people they are designed to help with information. We would suggest, therefore, that at least 6 additional job slots be provided to implement the function of the Office of Cancer Communication and return it to the level of its operating strength during 1973.

TRAINING GRANTS AND FELLOWSHIPS

In connection with our testimony of last year, we pointed out that there are three definite purposes that training grants and fellowship programs serve in relation to the conquest of cancer:

They provide the economic support needed to encourage qualified young physicians to concentrate on the less lucrative cancer connected specialties.

B. They provide the increase in skilled manpower available to implement the cancer program on all levels.

C. They provide during training the additional personnel needed by the clinical trial centers to insure that those trials are carried out completely, the subjects monitored sufficiently and the results reported comprehensively.

We also indicated the experience of the clinical centers treating our children, namely, that the principal investigators had received their basic training through federal grants and had stayed in the field.

To provide a level of training and fellowship support which will not permit the above objectives is to short circuit the cancer program now and for the future. Without sufficient manpower to implement the programs, increased funding is useless.

One example of this folly is the current dilemma of the excellent clinical trial program at the University of New Mexico School of Medicine. Because of the cutbacks in fellowship training grants by NCI they will only be able to fund one fellow for fiscal year 1975, instead of two to three which they really need. If the level of support is not restored and increased, the additional medical personnel will have to come from private funds committed to other vital areas of the Department's cancer program. For example, the Department has an excellent program in the area of rehabilitation for the cancer patient and his family. Group and individual counseling is available to children and adult cancer patients and their families. This program should be expanded but if funds for additional medical personnel are not forthcoming from private sources, there is therefore the possibility that the moneys used for the part-time social worker running the counseling programs which are contributed by the Leukemia-Lymphoma Society of New Mexico could be rerouted for medical personnel. The supportive care furnished by the University of New Mexico is the sort of program which NCI is now encouraging as part of the Cancer Control Program. This is the kind of program which parents know is essential to survive this scarring experience. This type of program helps the parent/child face their joint problems and give each other the support needed to make the best use of the treatment program and to emerge a whole, productive family unit after the experience. It is ironic that the level of support for fellowships and training could place UNM in a robbing Peter to pay Paul situation. Thus it could be necessary to de-emphasize a far reaching rehabilitation program to provide needed personnel for the clinical trial program. Another example is one reported by Candlelighters in Pittsburg in which the same procedure was followed at Childrens Hospital in Pittsburg. Because of a cutback in the level of federal funding, the part-time social worker which they made available for group counseling was terminated.

We have already pointed out the importance of adequate staffing for conducting the most intensive and productive clinical trials. At present, there does not seem to be any consideration given in the NCI funding process to the ratio of patients to clinician. Obviously there are only so many patients that a single physician can treat and monitor comprehensively at one time. Even if medical care does not suffer from an increased ratio, which is doubtful, the quality of monitoring and report in which is the function of the clinical trial, must suffer. Therefore, we request that the overall appropriation be increased to the level in terms of a percentage of the total appropriation of fiscal 1972 (5.4%), over the 1975 requested level of 4%. Further we request that NCI be directed to establish a patient/physician ratio for its clinical trial programs and to provide for additional clinical trial staff at trial centers where an unrealistic, overburdening patient/clinician ratio exists. For example, in the South Florida Center the ratio is 130 pediatric oncology patients for two hemotologists.

NUTRITION PROGRAM

Our testimony before the Authorizing Committee with respect to nutrition programs as confirmed by the NCI indicated that the programs of support for nutrition were inadequate. In general, this program is concerned with the function of nutrition related to the well-being and survival time of cancer patients as well as the relation of nutrition to cancer causation. We have felt and Congress has concurred, that NCI has not maintained general programs of dissemination to people concerned with cancer or afflicted by it of information about the relationship between nutrition and cancer. For this reason the National Cancer Amendments of 1974 provided for language to encourage NCI to improve its performance in these areas. The amendment will require the Institute to gather information on the relationship between nutrition and cancer and the role of nutrition in the treatment of cancer patients and then make this information generally available to all those who would be interested in or aided by it. For this new program we would urge the Committee to appropriate $6.5 million for fiscal year 1975.

It is a matter of considerable concern to Candlelighters that in the rush to find a fast answer to the cancer problem, some research programs, particularly in the areas of cause and prevention which hold the key to the ultimate resolution of this problem may be de-emphasized. Candlelighters realize that the most effective use of our current knowledge of exam and treatment procedures holds the only real hope available to the present cancer patient. However, we know that in *the long run* it is basic research which will give us the final answer.

Mr. Chairman, Members of the Committee, on behalf of all these parents across the country, I should like to again commend the Chairman and the members of this Committee for their many efforts and their understanding of our problems. Your dedication to the cause, the cure and the prevention of cancer encourages us to face the future with a greater degree of hope and peace of mind. Those of us who have lost our children are grateful that your efforts to adequately fund the cancer research will be a memorial to them. And, those of us whose children are under treatment are grateful for the hope which research gives us in maintaining their well-being.

We gratefully acknowledge the part this Committee has played in this effort to conquer this dreaded disease. Thank you for permitting us to appear before you.

NATIONAL CANCER INSTITUTE APPROPRIATION FOR FISCAL 1975

Object	Administrative request	Candlelighters [1]
RESEARCH		
(a) Cause and prevention		
(b) Detection and diagnosis		
(c) Treatment	203,128,000	211,028,000 (+6,500,000 nutrition) (+1,400,000 neurological evaluation).
(d) Cancer biology		

Object	Administrative request	Candlelighters [1]
RESOURCE DEVELOPMENT		
(a) Cancer Centers support	23,484,000	25,884,000 (+2,400,000 additional care support for investigations).
(b) Research manpower development	22,530,000	40,500,000; +17,970,000 (fellowship and training at 1972 5.4 percent level).[2]
(c) Contractual		
CANCER CONTROL	45,814,000	50,000,000 (+4,186,000).
(b) Information services		3,000,000.

[1] Candlelighters in this table only address themselves to the areas in which our particular knowledge of the cancer program gives us information on which to base requests for specific resources. In general we support the 800,000,000 authorized for fiscal 1975 and particularly urge increase in funds for Research to at least 50 percent of the approved projects.

[2] This 5.4 percent figure should prevent erosion of this program, an ongoing program would appear to require 7 percent—about a 30,000,000 increase.

[From the New York Times Magazine, Apr. 7, 1974]

WHEN CANCER STRIKES AT CHILDREN

(By Rona Cherry and Laurence Cherry)

The thought that their child might develop cancer is literally unthinkable for most parents. Yet the fact is that cancer kills more children between the ages 1 and 4 than any other disease (it strikes more than 7,000 children each year), and that no period in childhood is immune (some infants are born with malignant tumors; many cancers appears before the age of 5).

All this was spotlighted by the harsh reality of the announcement several months ago that the 12-year-old son by Senator Edward Kennedy had cancer. Teddy had complained of pain in his right leg. There was a swelling. When the pain persisted, doctors were consulted. The swelling was diagnosed as chondrosarcoma, a malignant tumor of the cartilage. To check the spread of the cancer, young Kennedy's leg was amputated above the knee.

Not too long ago, the diagnosis of cancer in a child was usually a death sentence—immediate or eventual. Now early detection and research breakthroughs have ameliorated the sentence. In many cases, long-term, possibly permanent, remissions have been achieved; other cases have been cured. A look at the record is encouraging. In 1965, more than 4,600 children died from cancer; in 1973, the figure was 3,500, a drop of close to 25 per cent.

Childhood cancers are different from adult cancers. They tend to grow more quickly than do those of adults, partly because the body tissues are in a state of rapid growth and the cancer grows right along with them and partly because of the areas of the body in which they are found. The most common ones in children affect the blood, the brain, the nervous system, the bones and the kidneys. Rarely do children suffer from lung, colon, breast or stomach cancers, which constitute the majority of adult malignancies.

"The child just hasn't lived long enough to be exposed to the carcinogens that cause cancer in older people," says Dr. Sidney Arje of the American Cancer Society. "It takes 20 years of smoking, let's say, before a person busts out with lung cancer."

Among the common types of childhood cancer are:

Leukemia, cancer of the blood-forming tissues. Leukemia affects more children than any other kind of cancer and is the leading killer of children under 5. "The symptoms of leukemia are quite vague and it is difficult for a parent to detect them," Dr. Arje says. "A child may be listless, anemic or tired, but he will have the same symptoms when he is run down or has a cold." As the disease progresses, however, the child may be plagued by rashes; the lmph glands in the youngster's neck and groin may swell. And the child may bruise "at the flick of a feather," as one oncologist (a cancer specialist) put it.

Brain tumors. It is, if not impossible, devastatingly difficult to detect brain tumors before a child is 2. "Sometimes, all you can go on is a strange squint," says Dr. Philip Exelby, chief of pediatric surgery at New York's Memorial Hospital for Cancer and Allied Diseases.

Neuroblastoma, cancer of the sympathetic nervous system. This usually strikes children between birth and 9 years of age. Tumors can erupt anywhere in the nervous tissue that extends from the neck to the groin, although the most common site is the abdomen.

Wilms's tumor, cancer of the kidney. This usually occurs before the age of 7 and, if it is diagnosed early enough, more than 60 per cent of the victims will survive. Most of the children with this cancer do not complain of pain or run a fever. Three-year-old Billy, for instance, ate well, was active and seemed to be thriving, but his mother noticed that his belly was significantly bigger from one day to the next. She checked and felt a hard mass under the skin. At this, she rushed her son to the pediatrician, who eventually diagnosed Wilms's tumor.

Bone cancers. Teen-agers are prone to bone cancer, which occurs in several forms. The survival rate is low, only about 25 per cent, mostly because the first symptoms, vague aches, are often dismissed as "growing pains."

Chondrosarcoma, the cancer affecting Teddy Kennedy, usually erupts in the area of the leg bones. The tumor may not be noticed for some time, because there will be no pain or swelling. "They're hard to treat, because they're not found early enough," Dr. Arje says. "But a chondrosarcoma like the Kennedy boy's has a better prognosis than some of the others."

Amputation is still almost always necessary in bone cancer, but exciting new uses of powerful drugs such as methotrexate, which is being used to treat Teddy have prolonged the lives of many young people. The drug has been in existence for nearly 30 years, but only recently has another chemical, called citrovorum factor, which prevents side effects, been used.

"Bone cancer used to be one of the most resistant forms of the disease," says Dr. M. Lois Murphy, chairman of pediatrics at Memorial Hospital, "but during the past two years, we've designed a group of chemicals to be used in a very special way on advanced disease. It seems to arrest the cancer, although it can't make it go away."

The best defense against cancer—childhood or adult—is early diagnosis. But even the most alert parent may miss warning symptoms in a very young child—as may the pediatrician. "The younger the child, the harder it is to make an initial diagnosis," Dr. Exelby says. "If a child behaves in any unusual fashion or is not getting over an illness, one thing that should be thought about is cancer." But like parents, most pediatricians do not "think cancer."

The case of 20-month-old Jennifer Becker illustrates the reluctance or inability of both parent and pediatrician to think cancer. Jennifer's father first noticed something wrong with the little girl one night when he came home from work. "She was flaked out on the floor and had absolutely no steam whatsoever." Mr. Becker took Jennifer to the pediatrician—who prescribed iron pills.

Five days later, when he was lifting Jennifer out of the bathtub, her father noticed a lump on the left side of her abdomen. "Oh, my God, she's fallen and ruptured something!" was his first thought. But two days later, Jennifer was admitted to the hospital for a battery of tests, which were followed by a three-hour operation for what turned out to be widespread neuroblastoma.

The following day, chemotherapy was begun, a program of once a week for nine months. A little later, X-ray treatments—five days a week—were instituted. "They let us choose whether to keep her in the hospital or have her come in for treatment as an outpatient," her father said. "The child was so terrified by this time at the sight of anyone in a white coat that we decided to keep her home." The treatment had distressing side-effects. Jennifer would be nauseated and lethargic after her injections. Most of her hair fell out. And it was all in vain; 10 months after her operation she died.

Could Jennifer's life have been saved if the cancer had been diagnosed earlier? It is impossible to say. But in an attempt to educate pediatricians to cancer awareness, the first National Conference on Childhood Cancer will be held in Dallas next month. "Its main purpose," reports one cancer specialist, "will be to tell pediatricians and general practitioners how to pick up the symptoms of cancer and educate them on how they should deal with them."

"The average doctor doesn't see a case of childhood cancer in his whole career," says Dr. Arje. This makes it doubly important for parents to make a point of mentioning any suspicious signs such as a swelling and also tell the doctor if there is a family history of cancer when a child has his regular checkups: once a month for infants and at least twice a year for children between the ages of 2 and 4.

When cancer is diagnosed in a child, one of the first problems parents usually agonize over is whether or not to tell the youngster. The first reaction is to keep it a secret. "We simply don't want her to know," said the mother of a 9-year-old girl who had leukemia. "It's hard enough for us to accept this thing without burdening her." Most doctors disagree with this. Dr. Arje says, "I believe in full disclosure up to the point that a child can accept it, as with an adult."

The "you'll be fine next week" kind of pretense can boomerang. Children sense something is wrong and suspect that their parents are deceiving them. "My experience has taught me that children—except, perhaps, for infants—are not fooled about the seriousness of their condition. It's we adults who fool ourselves," says Natalie Issner, social-service consultant at Children's Hospital in Los Angeles. But even if parents tell the truth, there are still psychological problems.

"How do you treat someone who is not expected to live more than a few months?" asked a father whose 4-year-old daughter was suffering from a virulent form of eye cancer. "What happens to that good life? That happy family?"

The truth is that it usually disappears. The mother of a 6-year-old left her job when she discovered her daughter had cancer, handed the household over to a relative and spent her days with her daughter. The child became increasingly distressed. "Hanging over a child really must be avoided," warns Dr. Murphy. "It isn't natural and it isn't healthy. The best thing for a child is to act on the assumption that he is going to get well. He should be with other children. If at all possible, he should be in school."

Going back to school poses another whole set of problems, particularly if the child has missed a lot of schoolwork or if he has lost his hair, put on a lot of weight or shows signs of surgery. On top of that, there is the teacher's reaction. "The direction of most of us who are teachers is to isolate the cancerous child," says Dr. Frederick Cyphert of the School of Education at the University of Virginia. "We don't know what to say to him, so we say little; we fear that we might get asked an uncomfortable question, so we don't permit the opportunity for questions; we overempathize because we identify the child who has cancer with our loved ones."

Another major problem for parents is their feeling of guilt. "I can't help but think I am somehow to blame," said the mother of a 3-year-old cancer victim. "If only I'd noticed the symptoms earlier. . . ." It is not uncommon for this guilt to sour into bitter denunciation of the other spouse—for not caring enough, for not being helpful, for anything and everything. Often hidden tensions in a marriage surface dramatically at this time. One study carried out in California found that the marriages of a startling 80 per cent of parents of children with cancer eventually broke up.

"When people find themselves in this situation," says Dr. Arje, "there are all kinds of reactions. There's a big interplay of aggressions and, before you know it, many husbands and wives are chewing one another up." Many cancer hospitals recommend marriage counseling and psychiatric help to parents—often something the couple may have needed for years. "If there is emotional pathology in the family, this stirs it up," Dr. Murphy says. "But," she adds very deliberately, "cancer doesn't produce anything that wasn't smoldering in the first place."

Some hospitals—Children's Hospital in Washington, D.C., is one of them—encourage parents of cancer victims to meet regularly to discuss their common problems and personal difficulties. "Most parents of children with cancer are in a kind of solitary confinement," says Peter C. Koltnow of Candlelighters, an organization of parents of children with cancer which has chapters in 16 states. "They want to know how to handle personal crises within the family, how to tell others about it, how to cope with behavioral changes, how to play fair with the other children. These and other, even more subtle problems plague parents. To whom can they turn for help? To whom do they turn? This offers them a way to break out of the isolation."

The groups also exchange information on how parents can help in their child's treatment. "Parents can be most useful," says Peter Koltnow. "To my knowledge they have successfully assisted in platelet transfusions, have prevented mistaken dosages of aspirin to leukemic children, have identified mismatched blood and have alerted medical staff to serious symptoms in their child."

But many hospitals regard parents as stumbling blocks who interfere with vital treatments. In these institutions, contact with the family is kept to a minimum and the staff gives parents what one father angrily calls "the idiot treatment."

Some medical people feel that an informed parent is more of a nuisance than a help. In Solzhenitsyn's "Cancer Ward," a patient who asks to see a book on pathological anatomy is told, "It's strictly against the rules for a patient to read medical books." This is not funny in real life.

This alienating attitude seems to be changing. "Everyone is in this together," asserts one New York cancer specialist. "That means everyone—child, family and staff. When there's cooperation and understanding, we have licked one of our biggest problems and childhood cancer becomes that much easier to fight."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows:

Mr. Jones of North Carolina (at the request of Mr. O'Neill), on Wednesday, June 19, 1974, on account of official business.

Mr. Riegle (at the request of Mr. O'Neill), for today through Friday, June 21, 1974, on account of official business of the Foreign Affairs Committee (addressing the meeting of the Western European Union).

Mr. Buchanan (at the request of Mr. Rhodes), from 3 o'clock p.m. today and balance of week, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Johnson of Colorado) and to revise and extend their remarks and include extraneous matter:)

Mr. McKinney, for 5 minutes, today.

Mr. Railsback, for 5 minutes, today.

Mr. Roncallo of New York, for 5 minutes, today.

Mr. Young of Illinois, for 5 minutes, today.

Mr. Steelman, for 5 minutes, today.

(The following Members (at the request of Mrs. Boggs) to revise and extend their remarks and include extraneous material:)

Mr. Fraser, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Wolff, for 5 minutes, today.

Mr. Culver, for 5 minutes, today.

Mr. Vanik, for 5 minutes, today.

Mr. Price of Illinois, for 5 minutes, today.

Ms. Abzug, for 10 minutes, today.

Mr. Ullman, for 10 minutes, today.

Mr. Alexander, for 60 minutes, June 19.

Mr. Melcher, for 60 minutes, June 20.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Bauman to extend his remarks following those of Mr. Gross during the consideration of the budget conference report today.

Mr. Price of Illinois, and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $679.25.

Mr. Johnson of California and to include extraneous matter notwithstanding the fact that is exceeds three pages of the Congressional Record and is estimated by the Public Printer to cost $783.75.

Mr. Slack to extend his remarks and include tables and pertinent extraneous matter on H.R. 15404.

(The following Members (at the request to Mr. Johnson of Colorado) and to include extraneous matter:)

Mr. Kemp in five instances.

Mr. Pettis is two instances.

Mr. Veysey in two instances.

Mr. Hunt in two instances.

Mr. Symms.

Mr. Steiger of Wisconsin.

Mr. Hosmer in three instances.

Mr. Horton in two instances.

Mr. Froehlich.

Mr. Zwach.

Mr. Ketchum.

Mr. Derwinski in two instances.

Mr. Sarasin in two instances.

Mr. Heinz in two instances.

Mr. Camp.

Mr. Wydler.

Mr. Wyman in five instances.

Mr. Bafalis in five instances.

Mr. Goodling.

Mr. Roncallo of New York.

Mr. Huber in two instances.

Mr. Steelman.

Mr. Gude.

Mr. Broyhill of Virginia.

Mr. Gubser.

Mr. Grover.

Mr. Collier in five instances.

Mr. Hogan in five instances.

Mr. Martin of Nebraska in two instances.

Mr. Gilman.

Mr. Peyser.

(The following Members (at the request of Mrs. Boggs) and to include extraneous material:)

Mr. Nedzi in two instances.

Mr. Fascell in five instances.

Mr. Corman in five instances.

Mr. Yatron.

Mr. Fraser in five instances.

Mr. Gonzalez in three instances.

Mr. Patten.

Mr. Rarick in three instances.

Mr. Edwards of California.

Mr. Barrett in five instances.

Mr. Moorhead of Pennsylvania in five instances.

Mr. Rangel in 15 instances.

Mr. Mahon.

Mr. Carey of New York.

Mr. Rees.

Mr. Anderson of California in two instances.

Mr. Badillo in three instances.

Mr. Rose in two instances.

Mr. Benitez.

Mr. Stratton.

Mr. Dingell.

Mr. Ford.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1961. An act for the relief of Mildred Christine Ford;

H.R. 2514. An act for the relief of Mrs. Gavina A. Palacay;

H.R. 5477. An act for the relief of Charito Fernandez Bautista;

H.R. 7685. An act for the relief of Giuseppe Greco;

H.R. 12165. An act to authorize the construction, operation, and maintenance of certain works in the Colorado River Basin to control the salinity of water delivered to users in the United States and Mexico;

H.R. 13998. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; and

H.R. 14368. An act to provide for means of dealing with energy shortages by requiring reports with respect to energy resources, by providing for temporary suspension of certain air pollution requirements, by providing for coal conversion and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S.J. Res. 206. A joint resolution authorizing the Secretary of the Army to receive for instruction at the U.S. Military Academy one citizen of the Kingdom of Laos.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following title:

H.R. 2514. An act for the relief of Mrs. Gavina A. Palacay;

H.R. 5477. An act for the relief of Charito Fernandez Bautista;

H.R. 7685. An act for the relief of Giuseppe Greco;

H.R. 12165. An act to authorize the construction, operation, and maintenance of certain works in the Colorado River Basin to control the salinity of water delivered to users in the United States and Mexico;

H.R. 13998. An act to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; and

H.R. 14368. An act to provide for means of dealing with energy shortages by requiring reports with respect to energy resources, by providing for temporary suspension of certain air pollution requirements, by providing for coal conversion, and for other purposes.

ADJOURNMENT

Mrs. BOGGS. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 11 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, June 19, 1974, at 11 o'clock a.m.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PRICE of Illinois: Joint Committee on Atomic Energy. H.R. 15323. A bill to amend the Atomic Energy Act of 1954, as amended, to revise the method of providing for public remuneration in the event of a nuclear incident, and for other purposes; with amendment (Rept. No. 93–1115). Referred to the Committee of the Whole House on the State of the Union.

Mr. PEPPER: Committee on Rules. House Resolution 1182. Resolution providing for the consideration of H.R. 15361. A bill to establish a program of community development block grants, to amend and extend laws relating to housing and urban development, and for other purposes (Rept. No. 93–1116). Referred to the House Calendar.

Mr. YOUNG of Texas: Committee on Rules. House Resolution 1183. Resolution waiving certain points of order against H.R. 15405. A bill making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93–1117). Referred to the House Calendar.

Mr. PEPPER: Committee on Rules. House Resolution 1184. Resolution providing for the consideration of H.R. 14715. A bill to clarify existing authority for employment of White House Office and Executive Residence personnel, and employment of personnel by the President in emergencies involving the national security and defense, and for other purposes (Rept. No. 93–1118). Referred to the House Calendar.

Mr. MAHON: Committee on Appropriations. House Joint Resolution 1062. Joint resolution making continuing appropriations for the fiscal year 1975, and for other purposes (Rept. No. 93–1119). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee on Appropriations. H.R. 15472. A bill making appropriations for Agriculture-Environmental and Consumer Protection programs for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93–1120). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Ms. ABZUG (for herself and Ms. Schroeder):

H.R. 15432. A bill to amend title XVI of the Social Security Act to provide for emergency assistance grants to recipients of supplemental security income benefits, to authorize cost-of-living increases in such benefits and in State supplementary payments, to prevent reductions in such benefits because of social security benefit increases, to provide reimbursement to States for home relief payments to disabled applicants prior to determination of their disability, to permit payment of such benefits directly to drug addicts and alcoholics (without a third-party payee) in certain cases, to continue on a permanent basis the provision making supplemental security income recipients eligible for food stamps, and for other purposes; to the Committee on Ways and Means.

By Mr. BROTZMAN:

H.R. 15433. A bill to amend the provisions of the Social Security Act to consolidate the reporting of wages by employers for income tax withholding and old-age, survivors, and disability insurance purposes, and for other purposes; to the Committee on Ways and Means.

By Mr. BROYHILL of Virginia:

H.R. 15434. A bill to authorize and direct the Comptroller General to make payments to certain subcontractors whenever payment bonds are not required of, or furnished by, persons awarded contracts with the Federal Government; to the Committee on the Judiciary.

By Mr. BURLESON of Texas:

H.R. 15435. A bill to amend the Internal Revenue Code of 1954 to increase the exemption for purposes of the Federal estate tax, to increase the estate tax marital deduction, and to provide an alternate method of valuing certain real property for estate tax purposes; to the Committee on Ways and Means.

By Mr. CORMAN (for himself, Mr. Pettis, Mr. Van Deerlin, and Mr. Burgener):

H.R. 15436. A bill to suspend for a 3-year period the duty on steel strand for prestressed concrete; to the Committee on Ways and Means.

By Mr. ESHLEMAN:

H.R. 15437. A bill to prohibit the military departments from using dogs in connection with any research or other activities relating to biological or chemical warfare agents; to the Committee on Armed Services.

By Mr. FASCELL:

H.R. 15438. A bill to prohibit the military departments from using dogs in connection with any research or other activities relating to biological or chemical warfare agents; to the Committee on Armed Services.

By Mr. FISH:

H.R. 15439. A bill to terminate the granting of construction licenses of nuclear fission powerplants in the United States pending action by the Congress following a comprehensive 5-year study of the nuclear fuel cycle with particular reference to its safety and environmental hazards, to be conducted by the Office of Technological Assessment; to the Joint Committee on Atomic Energy.

By Mr. FRASER:

H.R. 15440. A bill to provide that the increase in supplemental security income benefits under title XVI of the Social Security Act which was enacted (effective July 1, 1974) by section 4 of Public Law 93–233 shall not be taken into account in determining the minimum level of required State supplementation of such benefits, in any State, until the legislature of the State has had an opportunity to consider such supplementation; to the Committee on Ways and Means.

By Mr. FUQUA:

H.R. 15441. A bill to amend title 38 of the United States Code to liberalize the provisions relating to payment of disability and death pension; to the Committee on Veterans' Affairs.

By Mr. GUDE (for himself, Mr. Huber, Mr. Stark, Mr. Horton, Mr. Bafalis, Mr. du Pont, Mr. Lagomarsino, Mr. Whitehurst, Mr. Eckhardt, Mr. Jones of Oklahoma, Mr. Bell, Mr. Broyhill of North Carolina, Mr. Sarasin, Mr. Mosher, Mr. Fraser, Mr. Frelinghuysen, Mr. Cleveland, Mr. McKinney, Mr. McCollister, Mr. Thone, Mr. Symington and Mr. Culver):

H.R. 15442. A bill to amend section 502(b) of the Mutual Security Act of 1954 to reinstitute specific accounting requirements for foreign currency expenditures in connection with congressional travel outside the United States, and for other purposes; to the Committee on Foreign Affairs.

By Mr. GUDE (for himself, Mr. Steiger of Wisconsin, Mr. Anderson of Illinois, Mr. Reuss, Mrs. Grasso, Mr. McSpadden, Ms. Schroeder, Mr. Vanik, Mr. Ketchum, Mr. Davis of Wisconsin, Mr. Forsythe, Mr. Brown of California, Mr. Madigan, Mr. Rees, Mr. Hanley, Mr. Robison of New York, Mr. Mann, Mr. Eilberg, Mr. Edwards of California, Mr. Duncan, Mr. Anderson of California, and Mr. Harrington):

H.R. 15443. A bill to amend section 502(b) of the Mutual Security Act of 1954 to reinstitute specific accounting requirements for foreign currency expenditures in connection with congressional travel outside the United States, and for other purposes; to the Committee on Foreign Affairs.

By Mr. KETCHUM:

H.R. 15444. A bill to amend the U.S. Housing Act of 1937, and the National Housing Act, to provide that future social security benefit increases shall be disregarded in determining eligibility for submission to or occupancy of low-rent public housing or the rent which an individual or family must pay for such housing, and that such increases shall also be disregarded in determining eligibility for (and the amount of) other Federal housing subsidies; to the Committee on Banking and Currency.

By Mr. MINISH:

H.R. 15445. A bill to prohibit the military departments from using dogs in connection with any research or other activities relating to biological or chemical warfare agents; to the Committee on Armed Services.

By Mr. ROUSH (for himself, Mr. Bingham, and Mrs. Burke of California):

H.R. 15446. A bill to amend the Internal Revenue Code of 1954 to allow the rapid depreciation of expenditures to rehabilitate low-income rental housing incurred after December 31, 1974; to the Committee on Ways and Means.

By Mrs. SCHROEDER (for herself and Mr. Charles H. Wilson of California):

H.R. 15447. A bill to amend title 39, United States Code, to provide additional standards to regulate the proper use of the penalty mail privilege on an official basis by Government departments, and for other purposes; to the Committee on Post Office and Civil Service.

By Mrs. SULLIVAN (for herself, Mr. Clark, Mr. Dingell, Mr. Downing, Mr. Murphy of New York, Mr. Jones of North Carolina, Mr. Biaggi, Mr. Anderson of California, Mr. Kyros, Mr. Rooney of Pennsylvania, Mr. Ginn, Mr. Studds, Mr. Mosher, Mr. Ruppe, Mr. McCloskey, Mr. Snyder, Mr. Cohen, and Mr. Lagomarsino):

H.R. 15448. A bill to amend section 216(b) (1) of the Merchant Marine Act, 1936; to the Committee on Merchant Marine and Fisheries.

By Mr. TAYLOR of Missouri (for himself and Mr. McSpadden):

H.R. 15449. A bill to amend the Consolidated Farm and Rural Development Act to establish a loan insurance program for cattlemen; to the Committee on Agriculture.

H.R. 15450. A bill to prohibit the importation into the United States of any fresh, chilled, or frozen cattle meat during a 180-day period; to the Committee on Ways and Means.

By Mr. THOMPSON of New Jersey:

H.R. 15451. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Interstate and Foreign Commerce.

By Mr. VANIK (for himself, Ms. Abzug, Mr. Carney of Ohio, Mrs. Collins of Illinois, Mr. Drinan, Mr. Dulski, Mr. Edwards of California, Mr. Gibbons, Mr. Harrington, Ms. Holtzman, Mr. Lehman, Mr. Long of Maryland, Mr. Moss, Mr. Reuss, Mr. Rosenthal, Mr. Stark, Mr. Charles H. Wilson of California, and Mr. Young of Georgia):

H.R. 15452. A bill to amend the Internal Revenue Code of 1954 to terminate special tax treatment for domestic international sales corporation; to the Committee on Ways and Means.

By Mr. WOLFF:

H.R. 15453. A bill to amend the Atomic Energy Act of 1954 to require that all proposed agreements between the United States and any foreign power for cooperation on atomic energy development be subject to a congressional power to disapprove; to the Joint Committee on Atomic Energy.

By Mr. YOUNG of Illinois:

H.R. 15454. A bill to amend section 502(b) of the Mutual Security Act of 1954 to require a complete accounting of foreign currency expended in connection with congressional travel outside the United States, and for other purposes; to the Committee on Foreign Affairs.

By Mr. ZION (for himself, Mr. Brademas, Mr. Bray, Mr. Dennis, Mr. Hamilton, Mr. Hillis, Mr. Hudnut, Mr. Landgrebe, Mr. Madden, Mr. Myers, and Mr. Roush):

H.R. 15455. A bill to authorize the repayment of certain Federal-aid highway funds by the State of Indiana; to the Committee on Public Works.

By Mr. BERGLAND:

H.R. 15456. A bill to amend the Consolidated Farm and Rural Development Act to establish a loan insurance program for producers of livestock and poultry; to the Committee on Agriculture.

By Mr. BROYHILL of Virginia:

H.R. 15457. A bill to amend section 1245(b) of the Internal Revenue Code of 1954, and for other purposes; to the Committee on Ways and Means.

By Mr. EVANS of Colorado (for himself, Mr. Brown of California, Mr. Broyhill of North Carolina, Mr. Hanley, Mr. Peyser, Mr. Sisk, Mr. Traxler, and Mr. Treen):

H.R. 15458. A bill to direct the Secretary of Agriculture to investigate and study the feasibility of a Federal insurance program covering livestock and other similar agricultural entities not covered under the Federal Crop Insurance Act, and to report to the Congress the results of such investigation and study; to the Committee on Agriculture.

By Mr. FREY (for himself, Mr. Addabbo, Mr. Bafalis, Mr. Bennett, Mr. Brown of California, Mr. Chappell, Mr. Cochran, Mr. Conte, Mr. du Pont, Mr. Forsythe, Mr. Helstoski, Mr. Johnson of Pennsylvania, Mr. Kastenmeier, Mr. Kemp, Mr. Lehman, Mr. Lent, Mr. Long of Maryland, Mr. McCollister, Mr. McKinney, Mr. Moss, Mr. Obey, Mr. Pettis, Mr. Quie, Mr. Rodino, and Mr. Roe):

H.R. 15459. A bill to amend the Marine Mammal Protection Act of 1972 in order to prohibit the issuance of general permits thereunder which authorize the taking of marine mammals in connection with commercial fishing operations, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. HECHLER of West Virginia:

H.R. 15460. A bill to amend the act to incorporate Little League Baseball to provide that the league shall be open to girls as well as to boys; to the Committee on the Judiciary.

By Mr. HUNGATE (for himself, Mr. Kastenmeier, Mr. Edwards of California, Mr. Mann, Ms. Holtzman, Mr. Smith of New York, Mr. Dennis, Mr. Mayne, and Mr. Hogan):

H.R. 15461. A bill to secure to the Congress additional time in which to consider the proposed amendments to the Federal Rules of Criminal Procedure which the Chief Justice of the U.S. Supreme Court transmitted to the Congress on April 22, 1974; to the Committee on the Judiciary.

By Mr. LITTON (for himself, Mr. Brown of California, Mr. Podell, Mr. Roncalio of Wyoming, Mr. Charles Wilson of Texas, Mr. Hudnut, Mr. Luken, Mr. Mitchell of New York, Mr. Murtha, Ms. Schroeder, Mr. Veysey, Mr. Ichord, Mr. Davis of South Carolina, Mr. Steiger of Wisconsin, Mr. Long of Maryland, Mr. Froehlich, Ms. Grasso, Mr. Roush, Mr. St Germain, Ms. Jordan, Mr. Williams, Mr. Burgener, Mr. Moss, Mr. McCollister, and Ms. Abzug):

H.R. 15462. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. LITTON (for himself, Mr. Roe, Mr. Rees, Mr. Eilberg, Mr. Kyros, and Mr. Robinson of Virginia):

H.R. 15463. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. MEZVINSKY:

H.R. 15464. A bill to amend section 214 of the Internal Revenue Code of 1954 to provide a deduction for dependent care expenses for married taxpayers who are employed part time, or who are students, and for other purposes; to the Committee on Ways and Means.

By Mr. PATMAN (for himself, Mr. Reuss, Mr. Ashley, Mr. Hanna, Mr. Koch, Mr. Mitchell of Maryland, Mr. Stark, Mr. Widnall, Mr. Johnson of Pennsylvania, Mr. Blackburn, Mr. Williams, Mr. Wylie, Mr. Crane, Mr. McKinney, and Mr. Roncallo of New York):

H.R. 15465. A bill to provide for increased participation by the United States in the International Development Association and to permit U.S. citizens to purchase, hold, sell, or otherwise deal with gold in the United States or abroad; to the Committee on Banking and Currency.

By Mr. PEYSER (for himself, and Mr. Rostenkowski):

H.R. 15466. A bill to amend the Comprehensive Employment and Training Act of 1973 to make it clear that the summer youth recreation program is to be operated in the same manner and on the same conditions as the program has been operated in the past; to the Committee on Education and Labor.

By Mr. PRICE of Illinois (for himself and Mr. Arends):

H.R. 15467. A bill to amend the Soldiers and Sailors Civil Relief Act; to the Committee on Veteran's Affairs.

By Mr. RONCALLO of New York:

H.R. 15468. A bill to amend chapter 113 of title 18, United States Code, to prohibit certain acts concerning stolen gravestones in interstate commerce, and for other purposes; to the Committee on the Judiciary.

By Mr. STEIGER of Arizona:

H.R. 15469. A bill to relinquish and disclaim any title to certain lands and to authorize the Secretary of the Interior to convey certain lands situated in Yuma County, Ariz.; to the Committee on Interior and Insular Affairs.

By Mr. SYMINGTON:

H.R. 15470. A bill to amend the Federal Property and Administrative Services Act of 1949 so as to permit donations of surplus property to public museums; to the Committee on Government Operations.

By Mr. ROYBAL:

H.J. Res. 1063. Joint resolution designating the first Saturday in April of each year as National Brotherhood Day; to the Committee on the Judiciary.

By Mr. SPENCE (for himself, Mr. Baker, Mr. Beard, Mr. Burgener, Mr. Camp, Mr. Davis of South Carolina, Mr. Devine, Mr. Froehlich, Mr. Goldwater, Mr. Henderson, Mr. Hosmer, Mr. Jarman, Mr. Kemp, Mr. Ketchum, Mr. Lott, Mr. Lujan, Mr. McCloskey, Mr. Mathis of Georgia, Mr. Milford, Mr. Miller, Mr. Montgomery, Mr. Runnels, Mr. Waggonner, and Mr. Won Pat):

H.J. Res. 1064. A resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget; to the Committee on the Judiciary.

By Mr. WYMAN:

H.J. Res. 1065. Joint resolution to prevent the abandonment of railroad lines; to the Committee on Interstate and Foreign Commerce.

By Mr. PODELL:

H. Con. Res. 547. Concurrent resolution to limit the spread of nuclear technology without adequate guarantees of its peaceful use; to the Joint Committee on Atomic Energy.

By Mr. RONCALLO of New York:

H. Con. Res. 548. Concurrent resolution requesting the President to declare July 2 through 5, 1976, to be a legal public holiday, which was referred to the Committee on the the Judiciary.

By Mr. ARCHER:

H. Res. 1185. Resolution to amend rule XIII of the Rules of the House of Representatives to require reports of committees to contain estimates of the costs to both public and nonpublic sectors; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. BARRETT introduced a bill (H.R. 15471) for the relief of Kelly Persaude, which was referred to the committee on the Judiciary.

EXTENSIONS OF REMARKS

FEDERAL CIVILIAN EMPLOYMENT, APRIL 1974

HON. GEORGE H. MAHON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. MAHON. Mr. Speaker, I include a release highlighting the April 1974 civilian personnel report of the Joint Committee on Reduction of Federal Expenditures:

FEDERAL CIVILIAN EMPLOYMENT, APRIL 1974

Total civilian employment in the Executive, Legislative and Judicial Branches of the Federal Government in April 1974 was 2,849,009 as compared with 2,835,640 in the preceding month of March—a net increase of 13,369. Total pay for March 1974, the latest month for which actual expenditures are available, was $2,992,553,000.

Employment in the Legislative Branch in April totaled 34,757—an increase of 75, and the Judicial Branch decreased 94 during the month to a total of 9,394.

These figures are from reports certified by the agencies as compiled by the Joint Committee on Reduction of Federal Expenditures.

Civilian employment in the *Executive Branch* in April 1974, as compared with the preceding month of March and with April a year ago, follows:

	Full-time in permanent positions	Change	Temporary part-time, etc.	Change	Total employment	Change
Monthly change:						
March 1974	2,451,875		339,783		2,791,658	
April 1974	2,455,621	+3,746	349,237	+9,454	2,804,858	+13,200
12-month change:						
April 1973	2,431,912		333,618		2,765,530	
April 1974	2,455,621	+23,709	349,237	+15,619	2,804,858	+39,328

Some highlights with respect to executive branch employment for the month of April 1974 are:

Total employment of executive agencies shows an increase of 13,200 during the month to a total of 2,804,858. Major increases were in Agriculture with 5,782, Defense agencies with 4,317, Veterans with 1,557 and Interior with 1,546. The largest decrease was in Postal Service with 2,182.

The full-time permanent employment level of 2,455,621 reflects a net increase during the month of 3,746, primarily in Defense with 3,384. The largest decrease was in Postal Service with 1,815.

During the first ten months of fiscal year 1974 there was a net increase of 33,914 employees in full-time permanent positions. This represents an increase of 30,621 among the civilian agencies and an increase of 3,293 in Defense agencies.

Temporary and part-time employment in April shows an increase over March of 9,454 to a total of 349,237. Major increases were in Agriculture with 5,663, Interior with 1,312, Veterans with 975 and Defense agencies with 933. The increases in Agriculture and Interior are largely seasonal.

Total employment *inside* the United States increased 14,277 in April to a total of 2,661,553. Total employment *outside* the United States decreased 1,077 during the month to a total of 143,305.

In addition, Mr. Speaker, I would like to include a tabulation, excerpted from the joint committee report, on personnel employed full time in permanent positions by executive branch agencies during April 1974, showing comparisons with June 1972, June 1973 and the budget estimates for June 1974:

FULL-TIME PERMANENT EMPLOYMENT

Major agencies	June 1972	June 1973	April 1974	Estimated June 30, 1974[2]
Agriculture	82,511	81,715	78,503	80,200
Commerce	28,412	28,300	28,419	28,600
Defense:				
Civil functions	30,585	29,971	28,733	28,700
Military functions	1,009,548	957,310	961,841	906,600
Health, Education, and Welfare	105,764	114,307	124,765	[4] 123,900
Housing and Urban Development	15,200	15,820	14,938	14,800
Interior	56,892	56,771	57,474	58,900
Justice	45,446	45,496	47,400	48,900
Labor	12,339	12,468	12,276	12,700
State	22,699	22,578	22,543	23,400
Agency for International Development	11,719	10,108	9,222	9,900
Transportation	67,232	67,885	67,954	69,500
Treasury	95,728	98,087	104,369	104,700
Atomic Energy Commission	6,836	7,145	7,334	7,400
Civil Service Commission	5,260	5,911	6,269	6,100
Environmental Protection Agency	7,835	8,270	8,737	9,200

Major agencies	June 1972	June 1973	April 1974	Estimated June 30, 1974[3]
General Services Administration	36,002	35,721	36,236	37,200
National Aeronautics and Space Administration	27,428	25,955	25,499	25,000
Panama Canal	13,777	13,680	13,683	14,030
Selective Service System	5,791	4,607	3,223	3,100
Small Business Administration	3,916	4,050	3,914	4,100
Tennessee Valley Authority	14,001	13,995	13,504	14,000
U.S. Information Agency	9,255	9,048	8,828	9,100
Veterans' Administration	163,179	170,616	173,387	173,400
All other agencies	33,499	34,610	36,231	37,300
Contingencies				2,000
Subtotal	1,910,854	1,874,424	1,895,082	1,942,700
U.S. Postal Service	594,834	547,283	560,539	537,900
Total [5]	2,505,688	2,421,707	2,455,621	2,480,600

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[1] Included in the total employment shown on table 1, beginning on p. 3.

[2] Source: As projected in 1974 budget document submitted by the President on February 4, 1974.

[3] Includes approximately 15,000 employees involved in the conversion of certain public assistance grant programs (formerly operated by the States) to direct Federal administration.

[4] Excludes 4,000 positions involved in proposed transfer of St. Elizabeth's Hospital to the District of Columbia.

[5] April figure excludes 1,113 disadvantaged persons in public service careers programs as compared with 963 in March.

ADDRESS BY HON. COLGATE DARDEN AT CHOWAN COLLEGE COMMENCEMENT

HON. JESSE A. HELMS

OF NORTH CAROLINA

IN THE SENATE OF THE UNITED STATES

Tuesday, June 18, 1974

Mr. HELMS. Mr. President, I have long been an admirer of Hon. Colgate W. Darden, Jr., a distinguished American whose remarkable career includes services as Governor of Virginia and as president of the University of Virginia.

On May 19, Governor Darden addressed the graduating class at Chowan College, Murfreesboro, N.C. Chowan College is a fine 126-year-old Baptist institution whose president, Dr. Bruce E. Whitaker, is a close personal friend of mine. It was from Dr. Whitaker that I obtained the text of Governor Darden's address.

I hope my colleagues will take the time to read this address. If they cannot do it now, I suggest that they set it aside for careful reading later on. The entire speech is impressive, but I was especially gratified to note Colgate Darden's comments relative to teaching morality in our schools. He makes the point that—

> The argument that our public school system has no responsibility for moral instruction is dangerous nonsense. To say such instruction is prohibited by law is simply a calculated effort to undermine our social and political structure and if it is not countered it will prove very damaging to public and private schools alike. And it will end in weakening seriously if not destroying completely the moral fibre of our nation.

I am delighted, Mr. President, that Governor Darden accepted the invitation to address the graduation exercises at Chowan College in my State. And I am personally very grateful to him for choosing to deliver the very clear warning to all of us about a very serious threat to our educational system in America.

I ask unanimous consent that the text of this address be printed in the Extensions of Remarks.

There being no objection, the text of the address was ordered to be printed in the Record, as follows:

ADDRESS BY HON. COLGATE DARDEN

When Dr. Whitaker was good enough to ask me to make this talk I accepted promptly, although it was only a few years ago that I addressed another graduating class here. There were very good reasons for this. For me, at least, it is always a thrilling experience to join in graduating exercises. There is something both stimulating and heartwarming in the enthusiasm of young people who have completed one of the great stages in their education. Without this enthusiasm and hope the world would be a dreary place indeed. To all of you my congratulations and best wishes. Also there is my admiration for Mrs. Camp, whose name the imposing new building we are dedicating is to bear, and my warm regard for her children with whom I grew up in Franklin, Virginia, many years ago. And lastly another reason, I must confess, represents nothing more than nostalgia—a state of mind which appears indissolubly linked with age, for it is nostalgia that weaves the magic web that casts a golden spell over the years long past.

I have always had a deep and abiding love for this part of North Carolina, for it was my father's home and it was here he grew up. Many years ago—more than I care to remember—I would come in the summer to visit my grandmother who lived at Elm Grove on the outskirts of Mapleton, a small village a few miles from here on the road to Winton.

Those were very happy and memorable visits for me. They were before the telephone and automobile had wrought such profound changes. Since then the changes have been profound, indeed, and the passing years have taken their toll. The old home is gone, along with the dependencies which stood nearby. These buildings housed the academy over which my forebears presided, along with other stout Baptists, during the early and middle part of the last century. It was one of many such small schools found in North Carolina during the 19th Century. Most of them, I believe, were provided by Baptists.

It is of passing interest to note that the Reverend Amos Battle, who was for some time engaged in instruction at the Elm Grove Academy, was later at the Chowan Baptist Female Institute which was, as you know, the forerunner of this college. In the cursory examination which I made I did not discover any other connection between the two endeavors. However, I think it likely the two were associated, since they were within a few miles of each other and both were presided over by individuals of the same religious faith.

The school itself had ceased to exist for years before my visits. When I was there the buildings were falling to the ravages of time and over all, like a pall, hung the lingering poverty that so marked our land at the turn of the century. For some strange reason my memory goes back always to the beautiful Crepe Myrtles which dotted the grounds of the old place. They stood out against the aging buildings even though they were overshadowed by the great elms which gave the home its name. The Crepe Myrtles seemed so large and beautiful to me as a child that I could not imagine they would ever disappear. They were small trees, not large shrubs, and at Elm Grove in the summer they were a flaming mass of watermelon colored flowers. They must have been quite old when I first saw them. However, they too are all gone now along with the buildings and the elms.

Just when they disappeared I do not know because after my grandmother's death I lost touch. However, their disappearance taught me a worthwhile lesson in that they have served to remind me many times over that nothing escapes the remorseless march of the years; the beautiful, and happily the unattractive, go their way. Their going, small yet poignant, taught me yet another lesson. I have come to understand as the years have marched on, that only in the human spirit is there hope of immortality, and then only to the extent that there is woven into the lives of others the enduring virtues that safeguard our race.

It was this that Pericles had in mind when in the deeply moving funeral oration, recorded by Thucydides, he is quoted as reminding his listeners that while famous Athenians are commemorated by columns and inscriptions in their own country, in foreign lands "there dwells also an unwritten memorial of them graven not on stone but in the hearts of men." There can be little doubt that Pericles considered the "unwritten memorial" the most enduring of them all. This judgment has been confirmed by twenty-three hundred years of history.

I have long believed an address to graduating students a trespass. It is quite apt to be too long and it comes when what the students need and, in truth, what they deserve, is respite from wearying tasks and an opportunity to relax and rest. Believing this I shall be brief, but I do want to talk to you about a subject which of late has given me deep concern and which, I fear, is going to give your generation very serious difficulty unless we are able to do something about it.

No thoughtful person can fail to be troubled by the turbulence and violence that have wracked our society in recent years. A good part of the trouble, in my opinion, comes from those individuals, how numerous I do not know, who believe that the state has no responsibility for the moral development of its citizens, and that there is no obligation to see that the public schools offer moral instruction. A startling number of those who assert such a belief go further and declare that since our federal constitution stipulates there shall be a clear separation between church and state our public schools are prohibited from offering such instruction.

The result of this assault has been to weaken our educational system already staggering under the back-breaking problems attending integration. Because of this it comes at a most inopportune time because it is now that our schools, public and private, need all the help we can give them in their efforts to properly instruct those entrusted to their care. The argument that our public school system has no responsibility for moral instruction is dangerous nonsense. To say such instruction is prohibited by law is simply a calculated effort to undermine our social and political structure and if it is not countered it will prove very damaging to public and private schools alike. And it will end in weakening seriously if not destroying completely the moral fibre of our nation.

The men who drafted our federal constitution had lived too close to the terrible religious wars of the 16th and 17th centuries to have any doubt about the difficulties certain to flow from a mixture of politics and religious sectarianism. Consequently they made freedom of conscience the bedrock of the American political system. This was accomplished by placing religion beyond the control of the government. But I have never believed that this wholesome stipulation means or was intended to mean the founding fathers were of the opinion that the government was without moral responsibility. Nor do I think they believed that any government that lacked moral responsibility could endure.

The Constitutional Convention marked each of us as an independent moral force and it imposed upon each the supreme obligation of citizenship—the necessity of deciding for what we shall stand in life. No government is to tell us what to believe or what to do. That decision must be made by us and for it we are answerable to our own conscience. But make it we must and make it wisely if our government is to prosper. The fabric of our society is woven from the moral sensitivity of our people, therefore it is the personal sense of truth, duty and honor that determines the worth of our society and the effectiveness of our system of government. This sense which comes from within, not from without, is the priceless possession of each. Because of this, the development and moulding of individual character is, in my opinion, the first and paramount obligation of any school system that is worthwhile.

No one understood this better than did Mr. Jefferson, who as you well know, played so important a part in the formation of our government. He expressed his belief succinctly in his second inaugural address when he said, "We are firmly convinced and we act upon that conviction, that with nations, as with individuals, our interests soundly calculated, will ever be found inseparable from our moral duties . . ." Throughout Mr. Jefferson's voluminous writings you find this dedication to truth, honor and fair dealing repeated time after time. When we recall that he was probably America's leading advocate of the separation of church and state it is difficult to understand the reason of those who assert that this provision in any way relieves the state of its obligation to inculcate in each generation the principles by which he set such great store.

When I hear individuals assert that our schools have no responsibility for moral education and that in considering such matters they believe in being "open minded," I am reminded of a story that President Eisenhower used to tell. A distinguished lady, the president of one of the nation's leading colleges for young women, was asked at a White House conference on some subject, the name of which I have forgotten, if she did not think the matter under discussion required an open mind, to which she replied that she always thought "it well to keep an open mind but not so open that your brains fall out."

You will find it very useful to bear in mind always that our government depends upon the quality and capacity of the individual citizens. We depend upon an appeal to the enlightened sense of mankind—on man's commitment to moral values to provide the authority needed to govern. This reliance upon persuasion rather than upon force is what distinguishes our government from the authoritarian regimes that have come and gone over the years. Of course our machinery of government has failed more than once, but it is encouraging to remember that the American people have risen above the difficulties threatening and put things right again. They have been able to do this because there is deeply imbedded within them a sense of what is right, what is honorable and what is just.

The suggestion I wish to leave with you, therefore, is that you spare no effort to see that our schools, public and private alike, never weary in their determination to drive home to the young minds entrusted to them the ageless beliefs as to honor, duty and truth which our forebears held dear, and upon which our civilization rests. In short that you spare no effort in the development of individual character, for without this our system of government cannot possibly succeed.

It was just under 100 years ago that the young lady whose name the imposing science building is to bear graduated from Chowan Baptist Female Institute, the predecessor of this College. Carrie Savage finished in 1881 in a class of nine, and as you come to know of her you will agree with me that in using her name the College has honored itself fully as much as it has honored her.

Her close association with this institution is interesting because few graduates have ever enjoyed so close a relationship with an alma mater. Her family was closely associated with Chowan from its founding in 1848. Her father, the Reverend Robert R. Savage, was a dedicated Baptist minister who served Eastern North Carolina for many years. As part of his ministry, which must have been an exacting one, he looked after this Baptist Female Institute during bleak and trying years. From 1879 to 1892 he was a member of its Board and for eleven years he was chairman, a position which he held when Carrie, his eldest daughter, was graduated. Her mother, the daughter of Tilman D. Vann, who also was a member of this Board for sixteen years, had attended school here in 1854–55. So you can see that this young graduate, who shortly after her graduation married James L. Camp, came from a family deeply committed to education and the Baptist Church. Both of these played a decisive role in her life and the life of her family. The size of the graduating class, of which she was a member, bears eloquent testimony to the modest undertaking in education which obtained here then. It tells us much also of the vision and determination of those who were attempting to build again in a land ravished and exhausted by fratricidal war. We can better understand this remarkable person, whose name today becomes a part of this new building, if we look briefly at the forces and circumstances that moulded her life. To this end let us recall some of the events that claimed the attention of North Carolina and the nation when this young lady, as a graduate, just as you are tody, set forth on what proved to be a long and a very useful career.

It was her fortune to live through and in fact to be a part of what is surely one of the most difficult periods, if not the most difficult period in American history. When she entered Chowan College, North Carolina and her sister southern states were emerging from a tragic period—Reconstruction. Why it should have been so called is not easy to understand, except it was a term fastened upon the time immediately following Appomattox by politically powerful figures in the Congress, and their supporters, who were bent upon imposing the harshest possible penalties upon a broken and defeated foe. For these extremists military victory in the exhausting struggle was not enough. Only impoverishment and humiliation would satisfy them. As a result the humane programs of Presidents Lincoln and Johnson were swept aside to be replaced by legislation which ushered in what Claude Bowers was to call in his moving account of those times "The Tragic Era." Thus the agony of war was prolonged.

There was a better spirit abroad in the land in 1881. The military occupation was over and the troops had gone home leaving an impoverished people to attempt to find their way back into the main stream of American life. But they were a proud and resourceful people and they faced the future with hope although they possessed little more than their bare hands and a fierce determination to survive. It was to be a long and painful journey back but it was made during the lifetime of Mrs. Camp. And it was made successfully because her generation possessed the vision, the stubborn courage and the personal character to make it so.

The period was by no means an easy one for any of those who lived through it, and while some were more fortunate than others, there is no denying the fact it was difficult for all. A student of history remarked to me a few months ago that it was the women of the south in the fifty years following 1865 who made both the greatest sacrifice and the greatest contribution to the rehabilitation of the southern states. They did this, he observed, by their valiant efforts to hold together the family as a viable unit thereby creating a social structure that at once possessed stability and vigor. It is the diminished influence of this powerful force that now gives thoughtful persons such uneasiness.

It was her role as a mother that Mrs. Camp seemed to me to play such an effective part. And though I certainly never knew her well enough to qualify as a judge, I do know she left the indelible imprint of her character upon her children. Anyone who grew up with them knew that. And we knew another thing, she possessed an unobtrusive determination touched with courage and compassion through prosperity and adversity that marked her as one of our great people.

I remember talking to a prominent American businessman a few years ago about a visit to Franklin shortly after the Second World War. He told me of a conversation with Mrs. Camp and he observed—"She was a person of great wisdom." I had long thought this but it was good to have my estimate confirmed by one in whose judgment I had confidence.

I must confess it gives me deep pleasure to contemplate the joy and satisfaction it must have given her to see her children grow up and take useful places in the world, and to see her son, building with imagination and boldness upon the secure foundation laid by his father and his uncles, lead Camp Manufacturing Company into the new field of paper making. It was this significant step which in time opened the door to the far reaching merger with Union Bag & Paper and the creation of one of our country's large and prosperous companies that provides employment for many people in manufacturing products unknown a few years ago.

It was a conversation, however, which I had with one of Mrs. Camp's children many years ago that best portrayed her sterling character. She told me of her mother's early years living in the logging camps looking after her husband—years that could not have been easy under the best of circumstances, with children to be tended and housekeeping to be done. But it was here, I suspect, the character that stood her and her family in such good stead in later years was forged. Against the background of her girlhood she came to understand that only spiritual values are lasting and that nothing is more ephemeral and deceptive than are material goals—glittering prizes though they may be. If that one fact can be remembered by those who labor here, then her name over this new science building will be ample reward for the hundreds who have contributed to its construction. And I am certain that a steadfast adherence to the principles in which she believed and which governed her entire life will be the surest guide for those who enter here in quest of what I hope will prove to be a brighter and a happier world.

LITHUANIA'S DARK ANNIVERSARY

HON. SAMUEL S. STRATTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. STRATTON. Mr. Speaker, I am proud to have the opportunity to rise once again to commend the steadfast and courageous spirit of the Lithuanian people. On June 15, Lithuanian-Americans joined with Lithuanians throughout the free world in commemorating the forcible annexation of Lithuania by the Soviet Union in 1940. These middle days of June have a special meaning to all Americans of Baltic origin because on June 14 to 16, 1941, the Soviet Union deported thousands of citizens of Estonia, Latvia, and Lithuania to Siberian concentration camps in its endeavor to demolish the three Baltic nations which had achieved their own independence upon the conclusion of World War I.

Although the people of Lithuania now must live within the cloud of Communist domination, they still display an independence of spirit which no political realinement can extinguish. Their right of national self-determination has been denied and they suffer continued religious persecution; yet the light of freedom still shines brightly in their hearts and inspires worldwide appreciation of their determination in the face of the ominous Soviet presence in their homeland.

Since the very beginning of the Soviet occupation Lithuanians have waged a valiant fight for freedom. During the years between 1940 and 1952 alone some 30,000 Lithuanian freedom fighters lost their lives in an organized, underground resistance movement against the Red invaders. And the cessation of the guerrilla warfare in 1952 by no means halted the resistance of the Lithuanian people to their captors. On the contrary, passive resistance gained a new impetus.

The Government of the United States has traditionally refused to recognize the "incorporation" of Estonia, Latvia, and Lithuania into the Union of Soviet Socialist Republics. We must not let the mood of the times deter us from our resolution in this regard. An era of détente with the Russians is upon us, and they are desperately seeking a most-favored-nation status; but they certainly have not favored the people of the Baltic nations.

It is imperative that the United States maintain its support for the Baltic nations and do nothing to diminish the hope of Lithuanians, Latvians, and Estonians for their eventual release from bondage. As we in America move rapidly toward the bicentennial of our own independence, let us stand by those same sacred principles when applied to the brave people of Lithuania who are still fighting in defense of the same freedom we achieved 198 years ago.

COUNTRYSIDE ROADS DESERVE A "PIECE OF THE PIE"

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. ALEXANDER. Mr. Speaker, while there has never been a time in the history of man when the technology of transportation is as advanced as today, our utilization of our transportation resources does not match our technology. Hardest hit by our foot dragging in the development of a national transportation policy are those Americans who live in the heartland of our Nation. While those of us in Washington who are concerned think we may have a grasp of the situation and conditions of countryside roads in our Nation, no one can express it better than the individual who travels those rural roads daily. I would like to share with my colleagues a letter from one such traveler of countryside roads in Arkansas:

JUNE 12, 1974.

DEAR MR. ALEXANDER: I just got one of your reports on transportation. I just want to add my 2 cents worth, even tho it may end in the waste basket. I am so disgusted in the way our tax money is wasted on all kinds of high flying projects and the average don't seem to realize the government grants and other methods of spending are tax-money the poor and middle class people pay. The government can't go on forever operating in the *Red* any more than an ordinary citizen without sooner or later going under. Everybody wants a "piece of the pie."

Personally I think there has been too much highway money spent on high priced thru-ways and expressways and not enough on country roads, so called farm-to-market roads. If you have traveled in the farm country in Arkansas you know what I'm talking about. Most of the county roads are a disgrace when you get a couple of miles off the main black-top. Too narrow for two cars to pass without going into the side ditch and scraping the car with brush along the fence rows. Usually a ridge of gravel and big rocks left by the grader. Up here in the hills is bad enough but in the lower counties no natural gravel they can get so muddy and full of ruts almost impossible to travel. We tried it and found out the hard way.

I live in town now and don't drive a car but I could write a book on some of the road conditions we have seen in traveling in different parts of state over the years. Most of the black tops up here are of such poor quality they have to be resurfaced before the new wears off. Thanks for listening.

Yours truly,
MRS. CARRIE RUTHERMAN.

LAND USE PLANNING

HON. HAROLD V. FROEHLICH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. FROEHLICH. Mr. Speaker, I would like to call the attention of my colleagues to an excellent editorial which appeared in the Wall Street Journal on June 17 discussing the land use planning legislation. I think this editorial places the subject in its proper perspective and I am in total agreement with the sentiments expressed therein. The editorial follows:

THE LAND USE FUROR

When the House defeated the Land Use Planning Act of 1974 in a close vote the other day there were enough howls of dismay to suggest that it had just voted 211-204 to repeal motherhood.

The Sierra Club fired off an urgent Telex to editorial page editors accusing the House of "dereliction of duty." The New York Times, as is its wont, blamed it all on Watergate politics. And Senator Jackson, as is his wont, promised to use his considerable parliamentary skills to revive land use in the form of a rider to some must bill.

But those of us who are less impassioned on the issue might conclude that the House acted with considerable wisdom. There is little persuasive evidence that it struck any kind of really damaging blow at environmental interests. And on the positive side, it may have headed off a movement towards over-planning that could, over time, seriously damage economic growth.

Fundamentally, the defeated bill would have authorized $800 million for grants to states to help them set up "comprehensive land use planning." The federal government would have had considerable power, of course, to decide how the money would be put to use.

Assuming that the federal government can afford $800 million, which is not a safe assumption these days, it may well be that the bill would have achieved some positive results. However, it might also have encouraged the kind of forced draft planning that soon would have had every acre of some states tied up in red tape that would create long delays for people looking for a place to live or conduct a business.

There is no persuasive evidence that any such forced draft is necessary. The states already are taking initiatives in land use planning. And other federal laws, most importantly the environmental protection and coastal zone management acts, already put strict limitations on the kind of land uses that cause "quality of life" problems that disturb environmentalists.

Given the cosmic effects that land use regulations can have, it seems to us more sensible to address land use problems on an "as needed" and "where needed" basis, rather than through some grandiose federal initiative. If the Colorado plan works, it might be something other states can emulate. The same for Delaware. But there is no point in everyone getting locked into something that doesn't work just because of pressures to spend federal money.

We already have seen some of the consequences that flow from the difficulties oil companies have in finding sites for new refineries and utilities have in siting power plants. These were not totally responsible for the energy crisis, but they played a role. Some businessmen think a national land use policy that would clearly authorize such sites would be a good thing. But we doubt that the defeated bill was headed quite that way. As things now stand, states individually weigh the drawbacks of attracting industry against its benefits, which probably is a good thing.

At any rate, we don't feel any great sense of loss. And it seems to us that the House deserves some praise for knowing when to say no.

THE LAND USE FUROR

HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. SYMMS. Mr. Speaker, I would like to commend to the House on the good sense it showed last Tuesday in the defeat of land-use planning as well as the following editorial from the Wall Street Journal, dated June 17, 1974:

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COMMITTEE REFORM

HON. DAVE MARTIN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. MARTIN of Nebraska. Mr. Speaker, the rank political nature of the move by the Democratic caucus in sidetracking the committee reform resolution, House Resolution 988, to a caucus committee probably could not be better demonstrated than the action taken by the caucus committee in soliciting, by **letter**, the views of the Democratic Members of the House on this legislation.

The more you consider that action the more outrageous it seems. Think of that—here is a vitally important piece of legislation, of interest and significance to every citizen of the Nation, and only Democrats are asked for their views.

That procedure is clearly unacceptable for many reasons. As just one of the many inequities created by such action, consider the case of Nebraska. My home State happens to have three Representatives in the House, all Republicans. Are, therefore, none of the citizens of our great State to have voice in what may be recommended at this crucial stage in the life of this legislation?

Not that one would expect the Democratic caucus to request the views of Republican Members of the House. This is not the point at all. The point is that a partisan body such as the Democratic caucus is simply the wrong place for this legislation to be. What could possibly be expected from such an organization but a partisan package, if indeed anything at all emerges.

House Resolution 988 should be released from its partisan captivity and brought before the House now so that it can be considered, evaluated, and voted on by all Members in their capacities as Members of the House of Representatives.

LITHUANIA

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. PATTEN. Mr. Speaker, June 15 marks the 34th anniversary of the Soviet Union's forcible annexation of Lithuania. It is not a happy time to remember, but it is important to acknowledge this date because it marks the time when Lithuanians were subjected to limitations on their religious and political freedoms.

Lithuania achieved its independence on February 18, 1918. This independence was terminated on June 15, 1940, when an army of occupation, which included 140,000 men, was sent by the U.S.S.R. into the small country of Lithuania. The brutality of the incident is almost too much to bear even for those in this country who are free from this sort of oppression. The Russians ruthlessly entrenched themselves in Lithuania and forced their system on these courageous people. Mock elections were held, for instance, where only one slate of Moscow-sponsored candidates were permitted to run.

The Soviet Government has attempted to destroy the identity of the Lithuanian people by prohibiting the continuation of Lithuanian culture, language, and religion. I recently saw a poster containing the words, "You cannot convert a man by silencing him." These words hold much meaning for what has happened to the Lithuanian people.

Mr. Speaker, we must commemorate this anniversary with the view that we will always support the efforts of those people, such as the Lithuanians, who are fighting for their basic human rights and freedom.

WE MUST SUBSIDIZE MASS TRANSIT

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. RANGEL. Mr. Speaker, today there is a great deal of concern in America's cities over the problem of mass transit. It seems that some solution must be found to this problem since mass transit systems now lose 23 cents for every dollar they collect.

In New York City, for example, without Federal subsidies the New York Public Transportation system will become so costly that the average working people will not be able to afford to use it. If they are not able to use the system then the alternative would be to drive their cars to work. Should this occur then the city's pollution and traffic problems would increase tremendously.

The following article, written by William J. Ronan, the former chief executive officer of the Metropolitan Transportation Authority for New York State speaks to this question. I highly recommend it to my colleagues:

[From the Reader's Digest, April, 1974]

WE MUST SUBSIDIZE MASS TRANSIT

(By William J. Ronan)

A fierce debate that will do much to determine the future of our decaying cities is now under way in Congress. At issue is whether the federal government—*i.e.*, we taxpayers—should provide some $500 million a year to enable our starving mass-transit networks to continue to provide adequate service at fares most riders can afford. This kind of subsidy has powerful enemies, but if it is not approved the entire nation will suffer.

Right now almost every transit authority in the country is having trouble meeting payrolls, paying repair bills and keeping up with other essential expenses. As recently as 1945, U.S. bus, trolley and subway systems returned a profit of 11 cents for every dollar deposited in the fare box. Then, thanks to federal highway subsidies, the automobile began to cut heavily into mass-transit business. Ridership plummeted from almost 19 billion in 1945 to about 6.5 billion last year. As a result, mass transit now loses 23 cents for every dollar it collects.

Private operators have been driven out of business, and urban transit has become almost entirely a governmental responsibility. Only assistance from states and localities is keeping most of us going. As president of the Institute for Rapid Transit, which represents all rail rapid-transit systems in North America and most of our large urban bus fleets, I know that the problem is national in scope and needs immediate help from Washington.

The urgency of the problem was expressed by Michael Cafferty, a former chairman of the Chicago Transit Authority: "Is public transit worth saving? For our largest cities, one could almost answer this question merely by asking another: 'Are cities worth saving?' " For mass transit is the circulatory system of our cities, great and small. If some of our big cities have to cut service sharply or raise fares to prohibitive levels, the whole country will suffer.

Suburbanites who start their daily trips to jobs in the city by driving only as far as a commuter railroad or bus station and then taking urban transit to their offices will have to drive all the way. Even if enough gasoline were available, the ensuing pollution and traffic snarls would be intolerable. With breakdowns and gaps in the network of main and feeder commuter lines, people who live farther from the city would be similarly immobilized. Our tight-knit economy would be dealt a serious economic blow.

As it is, eight cities with populations in the 20,000-to-50,000 range have no mass transit at all. Consider Selma, Ala., for example. The city has a fine new school for the handicapped, yet it is of no use to two little deaf children—a girl five and a boy six—because they live beyond the range of the school bus system and have no other transportation. Or Burlington, N.C. A retired couple there spent two years looking for a home along the bus line. No sooner had they bought it than the buses stopped running along that route. If more and more mass-transit systems fail, personal tragedies like these would multiply by the thousands—a foretaste of what may happen in dozens of bigger cities.

I am no anti-highway zealot. Clearly, the private automobile has its place in the total transportation picture. But it is impossible to rely entirely on the automobile, since about 100 million people—half our population—are too young, too old or too infirm to drive.

The situation underscores the need for a federal operating subsidy for mass transit. By saving some of our most hard-pressed systems, it will provide benefits that are by no means restricted to the cities:

(1) An immediate relaxation in the energy crisis. A modern subway or commuter railroad consumes about one tenth the energy per passenger-mile of an automobile. Buses fall somewhere in between, but they are far ahead of automobiles. More effective publice transit, a federal study estimates, would reduce our oil-import needs by ten percent.

(2) A dramatic decrease in air pollution. When their various pollutants are compared by volume and toxicity, the diesel bus has a 25-1 advantage over a private automobile; with electric rail vehicles, the ratio is nearly 40-1.

(3) A brake on inflation, if fares are held down. The Bureau of Labor Statistics predicts that a 50-cent subway fare in New York City (it is now 35 cents) would cause a 0.6-percent rise in the area's Consumer Price Index. Furthermore, few people realize how expensive it is to drive a car. In 1972, the out-of-pocket cost was estimated at 13.6 cents a mile. But, according to J. Herbert Hollomon, a former Assistant Secretary of Commerce, the total cost to the individual and to society, in terms of congestion, pollution, parking and traffic, is at least a dollar a mile for city driving.

(4) More mobility for those who cannot afford automobiles or skyrocketing transit fares. The social and economic benefits cannot be stated in dollars and cents. But the McCone Commission, which studied the 1965 Watts riots in Los Angeles, put a major share of the blame on a lack of efficient public transit, preventing blacks' access to available jobs in the metropolitan area. And in any city, how many people earning close to the minimum-wage level would choose to go on relief if it costs more to get to work?

(5) Better land use. The new PATCO commuter-subway line between Philadelphia and towns in suburban New Jersey has given birth to a string of industrial centers, inter-

spersed with pleasant residential sections. And in recent years ingenious uses of highways have demonstrated how many more commuters can travel swiftly and comfortably without condemning extra land for rights-of-way. Especially impressive is the grade-separated express lane reserved for buses and car pools during rush hours on the Shirley Highway, just south of Washington, D.C. Riders by the thousands zip past motorists crawling along the adjacent lanes. Chicago has built rail lines on the median strips of three expressways. In peak hours, the trains carry 50-percent more passengers than the expressways.

With the energy crisis and the ecological problems that now confront us, public transportation is getting new emphasis across the country. The long decline in ridership appears to have bottomed out—if only fares can be kept down. We have begun to make progress, partly because the federal government is helping us buy modern, comfortable vehicles and build new lines,* and partly because we in the industry are finally beginning to use some ingenuity to attract more riders. Consider:

Atlanta has slashed bus fares to 15 cents from 40 cents. In just a few months, 20,000 automobiles disappeared from that city's streets, more than half of them during peak commuting periods.

In September, Seattle began a "Magic Carpet" no-fare zone that in two months increased ridership by 56 percent. This innovative program, operating on all downtown routes, costs the city about $64,000 a year, but reduces air pollution considerably.

Tulsa reduced bus fares to 25 cents with surprising results. Not only has ridership increased by almost 50 percent, but total revenues are also up. Now Boston and New York are experimenting with reduced-fare periods on their transit lines. Initial results have been extremely successful.

Many cities, states and interstate bodies have shown willingness to provide extra operating subsidies for urban mass transit. Profits from bridge and tunnel tolls have been used for this purpose in the New York, Philadelphia and San Francisco Bay areas. Voter referendums have approved support of mass transit in Atlanta, Chicago, Cincinnati, Dayton, Denver, Miami, Seattle and in the states of California and New Jersey.

Because the tide of public enthusiasm is rising, urban mass transit needs comparatively modest federal help. Just how much will depend upon the establishment of a national transportation policy and on the allocation of specific roles to the various modes of transportation. Certainly we need improved highways, but not at the expense of other forms of transportation that are especially well suited to these critical times and to the needs of the majority of U.S. citizens.

What worries me and other transit officials is the possibiilty that the idea of operating subsidies will not survive this spring's Congressional debates. Some opponents of federal aid fear that it would be used to meet unreasonable labor demands for pay raises. Actually, the transit industry has a good record for fair and reasonable settlements in these areas. Others contend that public transportation is solely of concern to the nation's urban areas and should be handled by state and local governments alone. The current energy and environmental crisis, if nothing else, should convince them that public transportation affects every American.

It is high time that we face up to a basic fact: Mass transit, like public health and social security, is a national responsibility.

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*Since 1965, federal grants for new transit vehicels and construction of new lines have totaled some $2.6 billion. None of this money can be used for operating costs.

THE LEAKS, THE PRESS, AND DR. KISSINGER

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. HUNT. Mr. Speaker, like millions of fair-minded and appreciative Americans, I too was appalled by the most recent attack on Secretary Kissinger during his press conference 2 weeks ago. There can no longer be any question about the true intent of the media—to completely destroy any individual, regardless of his achievement, regardless of his level of competency.

No less guilty are those who would "leak" this information to the media. They, too, share in this effort at character assassination, and have rendered themselves unfit to pass judgment on those who they attempt to destroy.

On Friday last, Joseph Alsop writing in the Washington Post put the Kissinger press conference in its proper perspective. I commend it to the attention of my colleagues:

THE POLITICAL ROLE OF THE MEDIA

(By Joseph Alsop)

It is a time to stop being mealy-mouthed. If the U.S. government loses the invaluable services of Secretary of State Henry A. Kissinger, the enormous, Watergate-induced self importance of the American press will be to blame.

If the U.S. dollar—your dollar and my dollar—loses a lot of its value on the world markets; and if American foreign policy also joins American economic policy on the dungheap of disorder, you can thank your friendly media.

The plain fact of the matter is that we now have in Washington, not just a double standard, but a triple standard. You have to begin right there to understand the resulting orgies of hypocrisy. And the first part of this triple standard for public judgment of public men concerns the political role of the press, or media.

It is the smarmiest kind of hypocrisy to pretend that the press was not directly responsible for Dr. Kissinger's decision to resign his office unless his name could be promptly and decisively cleared.

On last Thursday, he had just returned from one of the greatest and most totally exhausting diplomatic feats in rather more than a century. The secretary was being very modest if he merely thought he had "deserved well of the Republic"—in the phrase of old Rome.

His reception was a savage and disgusting press conference, during which he was treated like a common criminal. At one point, one of his interrogators even suggested that he might well be indicted for perjury, and bellowingly inquired whether he had already retained counsel to represent him in case of a perjury indictment. To be sure, only a minority thus disgraced the formerly honorable reporter's trade.

Yet in the subsequent commentaries, the members of this minority were never rebuked by their colleagues. Instead, Dr. Kissinger was rebuked. The climax came on the evening of Monday, when The New York Times hit the streets with an editorial accusing Dr. Kissinger of "dissembling" in tones majestically combining self-righteousness and pecksniffery. Telegraphed to Salzburg, the editorial promptly triggered Dr. Kissinger's press conference and resignation statement on Tuesday.

Those are the plain facts. What has happened cannot be comprehended without those facts. Yet this reporter has seen no account of Dr. Kissinger's threat to resign that has set forth the facts either fully or forthrightly. Overall, it seems a mite odd for the major political role of the press to be left out of the accounting, when we have taken to holding our public men so strictly accountable.

This is the first part of the prevailing triple standard in Washington. As to the other part that justifies the word, "triple," it is simple enough. Dr. Kissinger has in fact been accused of "dissembling," and has even heard the word "perjury" hurled at him, because of a crucial national security matter involving less than a score of wiretaps. Under the law, such wiretaps are entirely permissable for national security purposes.

One wonders, then, why it was so shocking for a servant of the Nixon administration to worry about national security to the extent of knowingly approving under a score of wiretaps. After all, national security wiretaps were very much more numerous in the Truman administration, and they were vastly more numerous in the administration of President Kennedy.

This reporter, with a known three wiretaps to his credit, all pre-Nixon, has long held the doctrine that if you have not been tapped, you have been slacking on your job. As to the Johnson administration, President Johnson sensibly did not trust the late J. Edgar Hoover—so he had the Secret Service do the tapping for him, again on a major scale. In short, the servants of the Nixon administration are plainly being judged by different tests than those that prevailed in happier times.

So we come back to the Watergate-induced self-importance of the American press that was noted at the outset, noting this is not meant to detract for one moment from the great achievement of exposing the crimes and squalors that now go by the name of Watergate.

Yet it seems this success has now led to a new and dangerous situation. Some people have now openly begun to follow the rule: "I'll be judge, I'll be jury," said Cunning Old Fury; "I'll try the whole cause, and condemn you to death."

Meanwhile Sen. J. William Fulbright, who has seen more than mere leaked bits of the total data, is reportedly confident that Dr. Kissinger did *not* dissemble when he appeared before the Foreign Relations Committee. Furthermore, even with Cunning Old Fury, one supposes that some vague notions of national interest usually prevailed.

AMENDMENTS TO H.R. 14715

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. DINGELL. Mr. Speaker, later this week the House plans to take up H.R. 14715 which authorizes expenditures—in blank check form—for such Presidential activities, as payment of improvements for preservation of the "Executive residence." It also reinstates the authority previously continued under the discontinued and now famous appropriation entitled "Special projects".

I proposed to offer the following two amendments to the bill:

PROPOSED AMENDMENTS BY MR. DINGELL ON H.R. 14715, AS REPORTED

1. On page 6 of H.R. 14715, as reported, line 24, strike the period and insert the following: "at the White House."

2. On page 8 of H.R. 14715, as reported, between lines 13 and 14, insert the following:

"(f) Notwithstanding any other provision of this section or any other law, the Comptroller General of the United States shall have access to any books, documents, papers, statistics, data, records, and other information pertaining to the expenditure of funds to carry out the provisions of this section, shall audit such expenditures periodically, and shall report the results of such audit to the President and the Congress."

STUDENTS SAY BUSING DOES NOT WORK

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. HUBER. Mr. Speaker, as we all know, the House and Senate conferees are trying to resolve the differences in the two versions of the Elementary and Secondary Education Act Amendments for 1974. Of course, one of the main problems is the matter of restricting forced busing for purposes of achieving a racial balance.

In the entire time that the Congress has been discussing this matter, very little has been said about the views of those most directly effected, the students. Recently, the noted columnist, Allan Brownfield, observed that according to a poll of some 85,000 junior and senior high school students conducted by Scholastic Magazine—

> Only 8% thought that busing to achieve racial balance was working.

Thus, there is evidence that even the students do not think that forced busing for racial balance accomplishes anything constructive. Of course, nobody seems to want to pay attention to them, since they are only the people that have to endure the consequences of our actions. It is no wonder that today, the students' biggest fear is of their Government and what it will do to them.

I would like to insert, for the consideration of my colleagues, Mr. Brownfield's article on "Busing and the Failure of Democracy" as it appeared in the May 30, 1974, Anaheim Bulletin:

[From the Anaheim Bulletin, May 30, 1974]

BUSING AND THE FAILURE OF DEMOCRACY

(By Allan C. Brownfield)

WASHINGTON.—If by the "democratic process" we mean a procedure through which the will of the majority is expressed by their elected representatives, then the recent vote in the U.S. Senate against reversing the massive court-ordered busing of school children for racial balance represents an example of how that process is not working.

Sponsored by Sen. Edward J. Gurney, R-Fla., the amendment would have guaranteed to every school child the right to attend the school "closest or next closest" to his home. In addition, localities now laboring under previous busing edicts would have been able to go back to court to have the busing orders rescinded if they did not conform with the new legislation.

Following six hours of tense debate, the Senate voted 47-46 to continue compulsory busing. In doing so, it clearly opposed the views of the overwhelming majority of Americans.

Public opinion polls indicate that people throughout the U.S. are opposed to busing for racial balance. Busing is opposed by three and four to one public opinion ratios in every section of the country and by every age group, from high school students to senior citizens.

Young people, those most directly involved in busing, are opposed to the program. According to a survey of 85,000 junior and high school students conducted by Scholastic Magazine, only 8 per cent thought that busing to achieve racial balance was working.

Minority groups have also expressed their opposition to compulsory school busing. Contrary to most public assumptions, whites are not the racial group most opposed to busing. On the basis of San Francisco data released by the Multi-Media Research poll, that distinction goes to the Chinese. San Francisco Chinese were found to oppose busing 92 per cent to 6 per cent. San Francisco whites were opposed busing by a ratio of 83 per cent to 14 per cent.

ONLY THE SENATE

Even black opinion is closely divided. Gallup's national survey found blacks against busing by the narrow margin of 47 per cent to 45 per cent. In San Francisco, the ratio of black opposition is 56 per cent to 39 per cent. In Detroit, a survey by Market Opinion Research found that local blacks are against busing by the wide edge of 63 per cent to 29 per cent.

Who was the Senate representing when it voted to continue compulsory busing? This is difficult to answer. Beyond this, it cannot be argued that the senators were acting as a deliberative body and were resisting the will of the majority because the evidence was so overwhelmingly in favor of school busing. The evidence, quite to the contrary, is almost all on the other side.

The arguments presented by supporters of compulsory busing, that black children will only improve their educational performance by attending schools with white children, because integration assists learning and because they are then certain of equal expenditure of funds, does not seem to be borne out by the available data.

Studies show that blacks finish high school in the North three or more years behind whites in achievement. Prof. Nathan Glazer of Harvard notes, "We also know with fair confidence that this huge gap is not caused by differential expenditures of money. Just about as much is spent on predominantly black schools outside the South as on predominantly white ones. Classes in black schools will often be smaller than classes in white ones—because the black schools tend to be located in old areas with many school buildings, while white schools tend to be in newer areas with fewer and more crowded buildings. Blacks will often have more professional personnel assigned, owing to various federal and other programs."

CLASS NOT RACE

If money is not the decisive element in the gap between white and black, what is? In 1966 the Coleman Report on "Equality of Educational Opportunity" reviewed the achievement of hundreds of thousands of American school children, black and white, and related it to social and economic background, to various factors within the schools, and to integration. In 1967, another study, "Racial Isolation in the Public Schools," analyzed the effects of compensatory education programs and reviewed the data on integration. Both studies showed that integration could be counted upon to have an effect on education. The operative element, however, was not race, but class.

The conclusion of the Coleman Report said the following: ". . . the apparent beneficial effect of a student body with a high proportion of white students comes not from racial composition per se, but from the better educational background and higher educational aspirations that are, on the average, found among white students."

A study conducted in 1972 by Harvard sociologist David Armor found that busing, far from improving education, actually had adverse effects on students who were bused. Another study done a year later by Prof. Jeffrey Leech by the Indiana University Law School confirmed the findings of the Armor report. The Leech study concluded that, ". . . the most recent sociological evidence fails to confirm a basic premise underlying the rationale of court-ordered busing: i.e., that it will positively affect the academic performance of minority children."

In voting for continued busing the Senate flew in the face of both public opinion and the findings of experts. If the democratic process is really working in the Senate, the burden of proving it rests with those 47 men who cast their votes against the Gurney Amendment.

11500 BANANAS IN LONG BEACH, CALIF.

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mrs. SCHROEDER. Mr. Speaker, I am aware that all my colleagues have been lately receiving statements concerning "11500 Bananas on Pike's Peak." The seed of this series has been the bill H.R. 11500, which would regulate strip mining. It seems that this legislation is as absurd as trying to grow bananas on Pike's Peak.

Mr. Speaker, Pikes' Peak is not in my district, but it is nearby. While I am sure that bananas will not grow on Pike's Peak, it would be very comforting to know that in the future there will be something growing on the lands which surround Pike's Peak and my district. Yet, with the "strippable" coal deposits which lie in Colorado and other Rocky Mountain States, there is an element of doubt that this will be. We who know Pike's Peak respect it and the lands which surround it, but it may be fruitless in a few years to try to see Pike's Peak or these lands if mining refuse fills the air.

In this relation, I would like to share with my colleagues the following two editorials from the Denver Post concerning H.R. 11500 and its merits:

HOUSE COAL STRIP MINING BILL IS SOUND LEGISLATION

The U.S. House of Representatives has been handed a bill on coal strip mining. The bill, H.R. 11500, was prepared by the House Interior Committee. It is a good bill and should be passed with a minimum of alterations.

Within the nation's strip mining going into high gear—largely in the West—because of the energy crunch, it is essential to pass a bill now. The land needs protection before th energy crisis, wrapped in the flag, carries all before it.

H.R. 11500 contains these major elements:

It would severely limit where coal can be strip mined. No permit would be allowed on a national forest, in a designated wilderness area or wildlife preserve. States are required to set up procedures for declaring certain areas unsuitable for surface mining by virtue of natural, historical, cultural, or scientific reasons.

A reclamation fee will be charged, and at today's fuel prices it should be a stiff one. Levied according to heat value in the coal, the amount will average 30 cents a ton and will be as low as 20 cents in some Northern Great Plains areas where BTU content is low. This money will be used for reclamation of "orphan" lands—abandoned lands from old stripping operations. On existing operations, the operator will pay the cost of his own reclamation work. These provisions must be stringent.

Strip-mined land must be returned to "approximate original contour" under terms of the bill. The bill eliminates "high walls"—steep slopes remaining after mining—and spoil banks (heaps of ungraded material) on downslope areas.

If reclamation of any land is not feasible for economic or physical reasons, then the land cannot be strip mined until such time as technology permits.

The hydrologic (underground water) balance is not to be disrupted. Surface water is protected from pollution. The bill concedes as inevitable some change in surface water patterns, however, and permits lakes to be left in depressions provided quality of the water is good.

Land reclaimed and returned to federal ownership will, under terms of the bill, be available for agriculture or recreation purposes. Communities undergoing dramatic growth because of coal mining can apply for such lands for use in meeting development needs: housing and other facilities.

These are among the key provisions of H.R. 11500. The chain of command envisioned still includes participation by the states. States may enforce their own laws on coal strip mining, provided they are as strong or stronger than the federal law.

There are a number of areas where the bill is vulnerable to criticism. Environmentalists say it is too weak, that nothing but a complete ban on strip mining is workable.

Thus, Louise Dunlap of the Environmental Policy Center, Washington, D.C., attacks any concession to mining she can find. The section on water, for example, says that coal firms shall give "particular attention" to aquifer recharge. "We don't believe giving 'particular attention' to something is a very precise way to protect it," she said.

A Western utility spokesman, while favoring the bill's reclamation provisions, believes the definition of areas "unsuitable" for mining is so broad as to ban mining almost anywhere. He'd like to see that changed.

But fundamentally the bill is not in bad shape. It should receive favorable consideration. There is one problem, however, which no one has been able to solve, it involves the mining of publicly owned coal which lies under privately-held homestead land. This problem will be discussed tomorrow.

The West Needs Tough Strip Mining Bill

One of the toughest questions facing Congress in considering legislation to control coal strip mining is what to do about 38 billion tons of coal owned by the public but lying under land in privately owned homesteads.

The land involved is mostly in Montana, Wyoming and North Dakota. As the nation turns increasingly to coal for electrical power generation and gasification projects, those 38 billion tons assume tremendous importance.

Whether and how the coal is mined is a challenging environmental issue, of course, but it also raises a tough question about equity for the landowners.

Historically, under the law, mining claimants have had the right to override surface owners to develop underground minerals on such lands. In cases involving oil or gas there has not been much conflict of interest. Those wells don't disturb much surface.

An oil company can compensate the surface owner for the inconvenience and both agriculture and mineral production can flourish on the same ground. But quite clearly when Congress passed the homestead laws it scarcely could have envisioned giant coal stripping machines which are capable of gobbling up the land surface in ranch-sized digging operations.

So the surface owners are fighting back, and this newspaper supports their struggle. They face loss of agricultural income and the fact that the proliferation of strip mines may damage the environmental climate for agriculture beyond the boundaries of the mining area. Water tables, surface water flow, general scarring of the landscape—these are among the legitimate topics for rancher concern.

To try to settle the matter fairly, Sen. Mike Mansfield, D-Mont., last October successfully attached to a Senate strip mining bill an amendment which forbids any strip mining of federally owned coal where the surface is privately held.

Mining companies, waving the "energy crisis" wrapped in the flag, reacted bitterly, claiming that the ban would apply even to mining companies which planned to extract coal under lease rights they already had purchased. Ranchers were divided on the issue; some supported mining for income now; some opposed mining to save the land for the future.

Mining firms also argued that the Mansfield amendment locked up the 38 billion tons of coal at a time when the energy shortage "demands" development of all the domestic hydrocarbon resources we can lay our hands on.

So Rep. John Melcher, a Democrat who represents eastern Montana (where some of the coal lies), developed an amendment in the House. Melcher's proposal promises to move the debate off dead center, but it is controversial, too.

Melcher would give landowners legal authority to grant or withhold permission for mining of subsurface coal deposits. In other words, at least give the surface owner the right to say whether or not his ground will be ravaged by the bulldozer.

Congressmen from the West are divided over the issue; some say the rancher's permission becomes a vested right: money in his pocket for public coal. Others say, why not? Why shouldn't the surface owner make something if he is to let his farming operation be disrupted?

Conservationists who want to halt all strip mining favor the Mansfield amendment. There may thus be surprising strength in this blanket ban even though the case for mining the coal is persuasive. Easterners, jealous of the mining industry's move westward, may vote for the ban for selfish economic reasons.

The mining industry will fight the plan all the way. "The Melcher bill just gives the ranchers leverage to charge the public—in higher coal prices—for a resource the public already owns," said a coal specialist for a large oil company with offices in Denver. He ignores the rancher's right to compensation for damage to his livelihood.

The House bill with the Melcher amendment is moving to floor debate. At minimum the House should pass a tough bill and then let conferees hash out differences with the Senate.

Our Western congressmen probably face no more important vote for the future economy of this region. The essentials of the House bill look good. At the moment, protection of surface rights demands attention and H.R. 11500, with the Melcher amendment, seems to be the best way to proceed.

Any Western congressman who panics before energy "crisis" pressure and votes to weaken this vital legislation deserves to hear from the voters.

AID FOR SOUTH KOREA—DICTATOR IN DISTRESS?

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. FRASER. Mr. Speaker, one of our country's most distinguished authorities on East Asia, Prof. Edwin O. Reischauer, pointed out in a recent letter to the New York Times the folly of continued American support for the repressive regime of President Park of the Republic of Korea. He argues that the American people are not willing to continue this commitment to "still another dictator in distress".

Professor Reischauer says:

> I am deeply opposed to interference in the domestic policies of any other country, but our present support for Park is already a massive interference.

The blatant disregard for human rights demonstrated by the Park regime is a mockery of democratic institutions. The Park government is not the kind of government the United States should be encouraging through economic and military assistance.

I believe, as Ambassador Reischauer believes, that we must make sharp cuts in military aid to South Korea. Last week I became all the more convinced of the necessity to cut this aid. During a hearing of the Committee on Foreign Affairs, Assistant Secretary of State Robert Ingersoll admitted that the State Department had paid no attention whatsoever to the expressed will of Congress. The aid bill last year stated strong opposition to U.S. assistance for repressive governments like that of President Park.

For the information of our colleagues and the public, I insert the text of Ambassador Reischauer's letter be printed in the Record at this point:

South Korea on a "Disastrous Course"

To the Editor:

If Vietnam has taught us anything, it should be to be aware of danger before we walk heedlessly into it. It is easier to avoid a catastrophe by forethought than to extricate oneself from a disaster after it has occurred.

Korea now is the case in point. After a war costing 142,000 U.S. casualties and $80 billion, we have poured in another $12 billion in economic and military aid and still maintain some 38,000 American troops in the peninsula.

I have hitherto supported this involvement for two reasons. First and most important, it lessened the possibility of the resumption of war in this strategically placed peninsula, lying between Japan, China and the Soviet Union. Second, it gave a chance to the people of South Korea to develop the prosperous and democratic society of which their high standards of education and capacity for hard work make them fully capable.

The situation, however, is changing drastically, and American policy therefore must be rethought. President Park is making a mockery of the democratic institutions of his country and seriously undermining the loyalty of his people. The kidnapping last summer of Kim Dae-jung and now the charges brought against him of violations of the election law in 1967 and 1971 are merely symptomatic of a harsh oppression that is beginning to resemble that of openly totalitarian regimes. Civil disturbances are predictable and could easily be followed by successful subversion from North Korea and even warfare.

President Park's regime is still supported by American arms, aid and a defense commitment, but as conditions are developing in Korea, if trouble should arise there, the American people simply will not support this defense commitment to "still another dictator" in distress.

This is something Washington should understand and make clear to Seoul. It can do this best by cutting sharply back on its military aid, now proposed at $252.8 million, and starting to withdraw its troops from the peninsula. If the message fails to get through, at least we would be headed in the right direction—away from a possible catastrophe in Korea.

I am deeply opposed to interference in the domestic policies of any other country, but our present support for Park is already a massive interference. To cut down on it would hardly be greater intervention.

But only the Koreans can decide their own future. There may still be time for South Korea to turn back from the disastrous course it is following, which is sure to lose it the necessary support of both the United States and Japan. A good start for Seoul would be to permit Kim to leave the country, abolish its recently imposed draconian laws and permit again at least a modicum of free speech and political debate.

EDWIN O. REISCHAUER,
University Professor, Harvard U., Cambridge, Mass., June 7, 1974.

U.S. NUCLEAR TECHNOLOGY

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. WOLFF. Mr. Speaker, this week I plan to introduce legislation to prohibit, without congressional approval, implementation of the recently declared executive policy to provide U.S. nuclear technology to Egypt and Israel.

The announcement of these agreements has caused considerable concern among many Americans, I, view with great concern this new medium of exchange in international foreign policy, whereby nuclear power has been substituted as a bargaining tool for dollar assistance because the dollar presently has little appeal. I do not feel that in this day and age when we are striving for arms limitations and peaceful coexistence, we should add more members to the nuclear club. The recent precedent created by India's nuclear blast indicates that nuclear power designated for peaceful uses can be diverted to military ends.

The volatile nature of the Middle East raises grave concern that nulcear power may serve as a prelude to an extremely destructive force that might ultimately jeopardize U.S. security. We have seen the rise of terrorism in the Middle East and the indiscriminate use of terror tactics against the most helpless and innocent, women and children. What kind of nightmare would enfold should the nuclear technology we are providing ever reach the hands of terrorist forces? Once the nuclear chain is started, it is beyond our control. We may perhaps trust the word of President Sadat and Rabin but we have no assurances from whoever follows in Sadat's footsteps. We cannot afford to play nuclear roulette whatever the prize.

LITHUANIA

HON. FRANK HORTON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. HORTON. Mr. Speaker, last Saturday marked the 34th anniversary of the forcible annexation of the Baltic Nation of Lithuania by the Soviet Union. It is incumbent upon us, as representatives of a free people, to remember this violation of human liberty and the unending struggle by Lithuanians to break the grip of foreign domination.

Since World War II, the history of Lithuania has been one of continuous resistence to Soviet oppression. An armed patriotic resistance movement waged war against the Soviets until 1953. Nearly 50,000 lost their lives. In the years since then, countless Lithuanians have been deported against their will and sent to other areas of the Soviet world. They have been replaced by Russians in an effort to quell resistance. But these tactics have not repressed the vision of a free Lithuania or the desire for self-rule.

Mr. Speaker, the plight of the young Lithuanian sailor, Simas Kudirka, is well known to the Members of this Chamber. Simas sought asylum aboard a U.S. Coast Guard vessel moored in our territorial waters. In a tragic mistake, Soviet officials were permitted to board the American ship and take Simas back to face trial. He is now in a Soviet labor camp.

Last month, Simas' mother, Mrs. Marija Kudirka Sulskiene, was officially registered as an American citizen and issued a U.S. passport at the American Embassy in Moscow. Through his mother, Simas Kudirka has derived a right to American citizenship. Mrs. Sulskiene has expressed a desire to come to the United States, but must first obtain a Soviet exit visa.

I have joined many of my colleagues in urging President Nixon, during his forthcoming trip to the Soviet Union, to intercede on behalf of Simas and his mother and to urge the granting of their immediate release. If the Soviets desire concessions from us in areas such as trade, they should be prepared to yield on issues of great concern to American citizens. To anyone who would doubt the force of world opinion and pressure, I would remind them of Soviet action in the cases of Valery Panov and his wife, as well as that of Alexander Solzhenitsyn.

Mr. Speaker, the Lithuanian-American community has identified four areas of particular concern with respect to Soviet policies. They are:

First. Lowering of excessive tariffs imposed on gifts to relatives and friends residing in the Baltic States.

Second. Increase the current 5-day tourist visa to Lithuania to a more reasonable limit.

Third. Elimination of unreasonable travel restrictions on tourists to Lithuania.

Fourth. Provision for Lithuanians to emigrate to other countries.

I hope these areas will also be included in the agenda of talks with the Soviet leaders. In anticipation of the Moscow trip, I asked the Department of State to comment on these policy recommendations and I include that response for the review of my colleagues:

DEPARTMENT OF STATE,
Washington, D.C., June 14, 1974.

Hon. FRANK HORTON,
House of Representatives,
Washington, D.C.

DEAR MR. HORTON: The Secretary has asked me to reply to your letter of June 4, which requests our comments on several policy recommendations made by the Rochester chapter of the Association of Young Lithuanian Americans.

The Department sympathizes deeply with the plight of all individuals and groups which have been prevented from exercising fundamental human freedoms. In general, we believe the more effective way to further the cause of human rights in areas controlled by the USSR is through quiet diplomatic efforts, as opposed to rigid and formal governmental demands regarding what Soviet authorities—no matter how strongly we may disagree—consider to be their internal affairs.

We also believe that the moral weight of peaceful, lawful expression of public opinion can have an effect upon Soviet policy, and we believe that organizations within the United States as well as prominent Americans are fully justified in making their views known to responsible Soviet officials.

As with most countries, the Soviet Union regards the setting of customs duties as exclusively within its competence. It apparently imposes high duties on gift parcels from abroad as one of several means designed to accumulate hard currency reserves and perhaps also to discourage the practice of sending such parcels. Whether US citizens send parcels under those circumstances is a matter for individual decision, weighing the expense involved against the potential benefit to parcel recipients.

The United States recently discussed the five-day limit on tourist travel to Lithuania with Soviet authorities and requested that a more reasonable limit be established. We expect a Soviet response in the near future.

We have also raised with Soviet authorities the question of travel restrictions on Americans traveling in the Soviet Union. Unfortunately, the Soviets have not responded to our longstanding proposals to abolish the travel control system or to moderate it substantially. We recognize the hardships that this system imposes, and will continue our efforts to improve the situation.

As you may know, the Soviets view emigration as an internal matter and do not consider that their signing of the UN Charter—which in fact does not mention the right of emigration—or their adherence to other international documents affects their position. We have nonetheless discussed the question of emigration with Soviet authorities on numerous occasions, through traditional diplomatic channels and in delicate negotiations pursued at the highest level. We have seen encouraging trends in Soviet emigration policy over the past five years. We believe that in the context of an improving US-Soviet relationship Soviet authorities will have incentives to continue these trends.

I hope you will call on me if we can be of further assistance.

Cordially,

LINWOOD HOLTON,
Assistant Secretary for Congressional Relations.

FPC LICENSING ACTION

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Monday, June 17, 1974

Mr. MIZELL. Mr. Speaker, last week the Federal Power Commission acted to license the Blue Ridge hydroelectric power project effective January 2, 1975. Upon learning of the FPC action, I issued the following statement:

> I deeply resent the ultimatum which the Federal Power Commission has today sought to impose on the Congress of the United States by establishing a deadline for congressional action that may "delay or foreclose" the Blue Ridge power project.
>
> The legislative process of the Congress is not, and should not be, subject to any dictates or constraints prescribed by an agency which is itself a creation of the Congress.
>
> I have always sought to impress the urgency of this matter on my colleagues in the Congress, but it is the Congress—and not the Federal Power Commission—which must set the pace of legislative action in this matter, as in all others.
>
> It is my hope, however, that this inordinate and unseemly demand by the Federal Power Commission will serve to strengthen the Congress' resolve to act with favor and with dispatch on the legislation I have proposed to preserve the New River and deny its destruction by the Blue Ridge power project.

Mr. Speaker, I do not like to make unwarranted insinuations or to unjustly question the motives of a Federal agency. I believe the Government suffers from much unjustified criticism today. However, I am compelled to relate my experience last Friday regarding this FPC licensing action.

In addition to being the Representative of the people who will be most affected by the Blue Ridge project, I am an intervenor in the application before the Commission.

But, I learned of the decision from a newspaper reporter contacting my office for a comment. I directed a member of my staff to telephone the FPC office of public information to determine if I could pick up a copy of the decision and press release.

Upon being told I could, I dispatched a staff member to the FPC for the documents. When he arrived, he was refused the needed copies. To make matters worse, he was not even permitted to use their telephone to let me know he would be returning without a copy of the FPC order.

Mr. Speaker, it is regrettable that I was so thwarted in attempting to discharge my duties as the Representative of North Carolina's Fifth Congressional District.

LITHUANIAN INDEPENDENCE

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. SARASIN. Mr. Speaker, on Sunday, June 16, 1974, I had the distinct honor and pleasure to once again address my constituents at the St. Joseph's Church in Waterbury, Conn. on the Commemoration of Lithuania's Bondage.

A year ago when I addressed the parishoners of St. Joseph's Church, I had secretly hoped that this year's celebration might be a more joyful occasion. I hoped that Lithuanians would be exercising greater rights and freedoms as a result of the much-publicized détente with the Soviet Union. Unfortunately, my hopes have not been realized to any great extent over the past 12 months, but never being a nation to give up hope, our Nation is still striving to attain for our Lithuanian friends and relatives, the individual rights and freedoms we have come to know and take for granted in our country.

We can discuss these infringements and ponder the implications of such restraints upon our own lives, but that is not really helping the Lithuanians and other citizens in the Baltic States who must live under these rules daily. Therefore, I have made several gestures on behalf of Lithuania and her sister States of Latvia and Estonia in an effort to ease these suffocating regulations. I have, of course, kept in mind that we must avoid provoking the Soviet Union while urging that nation to grant the personal liberties.

Last year, I cosponsored a resolution asking the President, as well as our Delegate to the United Nations, to encourage the Soviet Union to release information regarding the health and overall condition of Simas Kudirka. He was the young seaman who attempted to escape to the United States from his Russian fishing vessel, but was captured and imprisoned by the Soviets. I have recently signed a petition which was presented to President Nixon, asking that he bring the Kudirka case before the leaders of the Soviet Government during his planned summit talks in the Soviet Union.

Because I believe that our country should continue to adopt policies which show a deep concern and commitment toward these Baltic States, I have cosponsored House Concurrent Resolution 546 with Hon. EDWARD J. DERWINSKI, which seeks to insure continued U S. recognition of Lithuanian independence, Estonia and Latvian.

H. CON. RES. 546

Whereas the three Baltic nations of Estonia, Latvia, and Lithuania have been illegally occupied by the Soviet Union since World War II; and

Whereas the Soviet Union will attempt to obtain the recognition by the European Security Conference of its annexation of these nations, and

Whereas the United States delegation to the European Secnrity Conference should not agree to the recognition of the forcible conquest of these nations by the Soviet Union: Now, therefore, be it

Resolved by the House of Representatives (The Senate concurring), That it is the sense of the Congress that the United States delegation to the European Security Conference should not agree to the recognition by the European Security Conference of the Soviet Union's annexation of Estonia, Latvia, and Lithuania and it should remain the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union.

I pledge my continued support for all Lithuanians and Americans of Lithuanian descent in striving to achieve freedom for the Baltic States before we commemorate another anniversary marking the loss of freedom. My only wish is that the next anniversary will be one of jubilation for new-found independence for Lithuania and her sister states in the Baltic area.

THE LATE H. F. "FRANK" CARTER

HON. WILLIAM M. KETCHUM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. KETCHUM. Mr. Speaker, I am honored today to call to the attention of Congress, the accomplishments of one of Kern County, California's most distinguished citizens, the late H. F. "Frank" Carter of McFarland.

During recent ceremonies held at McFarland Elementary School, a towering flag staff was dedicated, and a U.S. flag flown over the Capitol in his honor, was presented. Mr. Carter served on the board of the school for 15 years.

Mr. Carter and his wife, Catherine, moved to McFarland in 1931, originally being from Missouri. Frank Carter found work in various capacities, first as a mechanic for road district No. 1, and then as a carpenter and painter. In the 1960's, he went into farming with his son, Warren. Through his skills, Mr. Carter was instrumental in the development and continued growth of McFarland.

Frank Carter leaves behind him a record of great commitment to the betterment of his community. Along with his 15 years of service on the school board, Mr. Carter also served on the McFarland Planning Commission for several years and was an active member in church affairs.

More importantly, however, he will be remembered not for his accomplishments, but for his dedication to those around him. Frank Carter was a man who gave unselfishly of his time and efforts to improve his community. He possessed the qualities of those men who made our Nation great—the ability to love his country and his fellow man.

THE DEFEAT OF LAND-USE: A VICTORY FOR FREEDOM AND PRIVATE PROPERTY

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. LANDGREBE. Mr. Speaker, it was very satisfying to see the rule for H.R. 10294 defeated. The legislation was rampant with problems and ambiguities, some of which even the myriad of proposed amendments could not cure. The floor of the House is certainly no place to attempt such a grandiose scheme of patchwork. The basic issues manifested in the bill, however, are not dead. There are those who would continue this fruitless struggle with the long-range goal of effectively destroying the concept of individual ownership of property.

No one will dispute the importance of rational and efficient allocation of resources. However, the means as contained in this bill are totally inappropriate.

This country was founded upon the free-enterprise system which rests on the basic notion of individual ownership of property. The market has always directed the use of lands. Because of the profit motive, we can assume that a property owner will tend to put his land to its highest valued use. Thus, the ability of individuals to capture the potential returns from various uses of the resources provides a superior incentive for growth and development and for achieving the maximum output from the resources available.

Furthermore, a market system with private property rights has an inherent check on the actions of individual members of society. Each person's power to allocate resources to his own ends is limited by his wealth and ability to borrow.

Because we believe in these basic values, we firmly oppose this bill. Not only in the legislation drawn vaguely with its cryotic references to areas of "critical economic concern," but there are serious constitutional questions raised both in the area of individual property rights, and in the area of federalism. The following considerations point up the irremedial defects in this bill:

INDIVIDUAL PROPERTY RIGHTS

The bill, as it stands, raises serious questions of constitutionality with respect to individual property rights. The fifth amendment with respect to the Federal Government and applicable to the States through the 14th amendment, provides that any government "taking" of land shall be justly compensated. The difficulty, of course, arises in defining when a "restriction" on land becomes a "taking" within the meaning of the Constitution. Under this bill, a landowner whose property has greatly depreciated in value due to restrictions on its use is faced with initiating "inverse condemnation" proceedings in court in order to be compensated. Obviously, not many landowners can afford to choose this alternative nor can the already overburdened courts afford a rash of inverse condemnation proceedings.

The proponents of the bill claim that it is not economically feasible for either the State or Federal Governments to compensate for all these potential losses and with that argument, they dismiss the issue. Never in this country have we allowed administrative costs to supersede individual rights. We cannot do so here. The proponents of this bill also point out that the legislation itself is not per se unconstitutional. However, if there is a legitimate likelihood that in its application it would be unconstitutional, then that is enough to vote against its passage.

The bill is based on the unorthodox premise that land is a public resource—that it is owned privately only to the extent that the public does not need it.

This country was founded upon the notion that the individual rights of the minority cannot be compromised for the benefit of the majority. We must believe this is still valid. Thus, an individual's decision as to the use to which his land will be put cannot be compromised as for the general good to society by a Government decision so long as that use is not depriving his neighbors of their same rights. The Supreme Court, in *West Virginia State Board of Education* v. *Barnette*, 319 U.S. 624 at 638, states:

> One's right to life, liberty and property . . . and other fundamental rights may not be submitted to a vote . . . they depend on the outcome of no election.

Granted, the individual decisionmaking process in the marketplace has not always been free of mistakes. However, these mistakes are never quite so enormous as those made by governments.

FEDERALISM

A centralized decisionmaking cannot produce a superior allocation of resources as compared to a decentralized market system based on individual ownership and property rights. The proponents of this bill claim that this situation is not changed by the proposed legislation—that the decisions are still basically made at the local level.

However, in reading the bill, even the language providing for input for the decisionmaking process at the local level is not persuasive. The bill is not "basically procedural" as its proponents claim. It contains dominant substantive elements that truly amount to an extension of Federal authority into realms traditionally local in nature. The bill purports to be merely an "ongoing decisionmaking process" with the Federal Government playing the most minor of roles, and yet at the same time, the bill contains line after line of specific criteria that must be met by each State in order to qualify for funds. If the Secretary of the Interior finds differently from a particular State with respect to areas of "critical economic concern" within its borders, or determines that a particular land use has more than a statewide impact, then the State must adapt its land use plan so as to be consistent with Federal policy.

The concept of "critical economic concern" is defined by such phrases as: "fragile or historic lands"; "natural hazard lands"; "renewable resource lands." Indeed, this concept is broad enough to include most of the land in every State.

Moreover, "voluntary participation" by each State is a fiction. Even without sanctions, the bill presents an almost irresistible enticement for the States to capitulate to the centralized land control in order to attain the much-needed slice of the $900 million fund. To call this a voluntary exercise on the part of the States is not realistic. The loss of funds through nonparticipation is truly a penalty, and this coercion easily penetrates to the local level of land use control—indirectly pressuring local land use decisions to coincide with the State and Federal plans.

Finally, this inherent notion of centralized control is based upon the assumption that more viable solutions to our present land use problems can be made at the Federal level. A Washington solution to local land use problems is a sterile decision which cannot possibly reflect the market process. Its plan must necessarily conform to idealistic sociological desires.

If land use regulation is constitutional at all, it certainly is not to be implemented on the Federal level.

OTHER COUNTERVAILING CONSIDERATIONS

(1) There is a question as to whether this bill provides for a program that is at all "manageable." By specific reference, the bill incorporates practically every other Federal agency in the decision as to whether a particular State's plan qualifies it for Federal funds. This, of course, is a legitimate provision since the impact of land use controls at the Federal level extends beyond the jurisdiction of the Secretary of the Interior. However, this greatly adds not only to administrative costs but is also a formidable challenger to any State applying for funds to comply with the possible varying views of the different agencies as to which land should be restricted and how.

Second, the practical effect of this bill will be to impede substantially the development of energy sources at a time when we obviously do not need it. For example, the individual seeking to develop mineral resources must not only negotiate at the local level with the land owner, but he must also bear the costs of carrying his case to Washington if his proposed land-use is incompatible with the State and national plans. This will not only greatly slow down the development process but it will force the entrepreneur to pass these excess costs on to the consumer.

Finally, we in Congress are responsible for appropriating funds for this bill if it should pass. The obvious question that has not been answered is: Where is the $900 million coming from? Are taxes to be raised? If not, then what present programs are to be cut in order to finance this project? The Federal Government's deficit spending and the worst inflation in the history of this country should lend an air of caution to the consideration of this bill.

CONCLUSION

It is essential to this country's prosperity to provide for efficient use of land. However, this bill adopts the wrong method. The free market process through mobilized public opinion can be just as effective as law in attaining this goal. We also agree that the environment must be protected through wise programs setting up minimum standards. However, this goal can be achieved without implementing a Federal land-use law which infringes on the fundamental right of individual ownership of property and greatly extends Federal authority into local concerns.

U.S. CHAMBER OF COMMERCE WARNS AGAINST H.R. 11500

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. HOSMER. Mr. Speaker, the U.S. Chamber of Commerce has forcefully warned of the unwisdom of H.R. 11500, the bill which would practically stop surface coal mining under the guise of regulating it.

The reclamation of mined land can be effectively mandated by H.R. 12898, which does not have those disasterous consequences. H.R. 12898 should be substituted for the defective measure H.R. 11500.

The U.S. Chamber's warning dated June 10 follows:

ULTRA-TOUGH STRIP MINE LAW COULD CAUSE A DISASTER

WASHINGTON.—The Arab oil embargo deprived the United States of about 1.4 million barrels of oil a day. Chances are you either felt that loss personally or you know someone who did.

Using that experience as a standard of comparison, ask yourself this: What would life be like if, next year, we faced a fuel shortage equivalent to 2.3 million barrels of oil a day?

In the opinion of federal experts a bill to "control" the surface mining of coal—now before the House as H.R. 11500—could have such an effect if it became law. (Surface, or "strip" mining is any kind of mining in which topsoil, rock or other strata are removed to get at underlying mineral deposits.)

The problem with this bill is not its intent. There is general agreement that land should be returned to a useful condition following surface mining, and that steps should be taken by the extractive industries to prevent such secondary consequences of mining as damage to water supplies.

GOING OVERBOARD

But H.R 11500 goes much too far in pursuit of these goals.

John Sawhill, head of the Federal Energy Office, says that in its present form, this bill "would seriously cut existing coal production and also remove vast amounts of coal reserves from future production."

Rogers Morton, Secretary of the Interior, says of the same bill: "I am led to conclude that the bill will involve unacceptable coal production losses."

Both men cite Bureau of Mines estimates that H.R. 11500 would reduce 1975 coal production anywhere from 31 million to 187 million tons, depending on the stringency of interpretation and administration. For 1980, the loss would range between 33 million and 271 million tons.

We can't afford such losses. The facts are these:

One ton of coal is equivalent in energy value to 4.5 barrels of oil.

Coal is the only fossil fuel we still have in relative abundance.

Electricity is now generated by nuclear reaction, water power, or by burning natural gas, oil or coal. Of these power sources, only the supply of coal can be increased significantly within a year or two.

Surface mining currently accounts for 50 percent of all coal production, or roughly 300 million tons. In 1970, more than 28 percent of our electricity was produced by surface-mined coal. Fifty-five percent of total 1970 coal production and 75 percent of 1970 surface-mined production of bituminous coal was shipped to electric utilities.

Coal high in sulfur content contributes to air pollution. Most of our low-sulfur coal is in the West. Most of the Western coal lies in shallow beds, near the surface. Therefore, it is not suited to deep mining.

It takes 3–5 years to open a new deep mine; only months to begin surface mining. There is a shortage of experienced deep miners. Surface mining entails fewer dangers and health hazards for the workers than deep mining.

LIVING WITH REALITY

Someday we will have better, cleaner sources of power—solar power, hydrogen fusion, perhaps even wind power.

In the meantime, we must get along on what we've got. To do that will require striking some difficult balances between the costs to the consumer and the costs to the environment.

Some people, I've noticed, have a tendency to pay lip service to the environment by backing almost anything proposed in the name of protecting it, no matter how extreme. But many of these same people go right on buying and using electric appliances, heating their homes comfortably in the winter and cooling them comfortably in the summer, taking long, high-speed drives in their cars, and complaining bitterly when utility rates are raised.

We just can't have it both ways at once. No fueling.

THE REVEREND LEON H. SULLIVAN AND OIC

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. RANGEL. Mr. Speaker, the employment and economic development problems of the inner cities are one of America's most important, but neglected, crises. The Reverend Leon H. Sullivan has been and continues to be a driving force in providing job training and placement, the vital first steps in the economic development of our inner cities. The success of his Opportunities Industrialization Centers of America is delineated in the Wall Street Journal article that follows. Mr. Speaker, I hope all my colleagues will read this significant success story of a great man:

THE WORK ETHIC: LEON SULLIVAN PUSHES JOB TRAINING AS KEY TO BLACKS' SUCCESS

(By Thomas J. Bray)

PHILADELPHIA.—Leon Howard Sullivan leans his six-foot, five-inch frame forward in the pulpit, gazes sternly out over his congregation and launches into his weekly sermon.

"God likes to stir people's nests from time to time." (Scattered amens.) "God stirred America's nest in the 60s during the civil-rights movement." (More amens; his voice rises.) "God stirred President Nixon's nest, and little Mitchells and Deans fell out," (Laughter, "right-on.") "And God's stirring your nest—because he wants you to stand on your own two feet." (Loud chorus of amens and approval.)

It's an old theme—God helps those who help themselves—but one on which Leon Sullivan is well-qualified to preach. As founder and national director of the Opportunities Industrialization Centers of America, Mr. Sullivan has made a career out of self-help for blacks and other minorities. The OIC program began 10 years ago in an abandoned police station in the North Philadelphia slums and has since grown into a network of more than 100 job-training centers across the Nation. Over 150,000 disadvantaged and unskilled workers have been trained and placed in jobs ranging from brickworking to court reporting, and labor experts praise the OIC as one of the most successful and efficient manpower programs going.

AN INFLUENTIAL LEADER

The OIC program has helped make the 51-year-old Mr. Sullivan one of the more influential black leaders in the U.S. "He comes as close as any man to being my idol," says Jesse Jackson, the charismatic Chicago civil-rights leader and onetime aide to Martin Luther King. Politicians of both parties regularly beat a path to Mr. Sullivan's door, and the businessmen who have lent their support read like a Who's Who of American industry. In 1971, Mr. Sullivan became the first black director of General Motors.

The OIC hasn't been Mr. Sullivan's only contribution to the black cause. He was a key—if youthful—organizer of the 1943 equal-rights march on Washington. In the 1950s, as pastor of Philadelphia's Zion Baptist Church—the largest church in Philadelphia, white or black—Mr. Sullivan pioneered the business-boycott techniques later adopted and expanded upon by the civil-rights movement. "It was one of the stellar contributions to the movement," Chicago's Mr. Jackson says.

But it was the OIC program that brought Mr. Sullivan to national attention. He had begun his Philadelphia OIC in early 1964 with less than $750,000, most of it raised privately; Mr. Sullivan mortgaged his own home to help meet start-up costs. The federal government, desperate for new ideas and programs that might help dampen growing inner-city tensions, was quick to embrace the OIC concept, however. Several million dollars in federal funds flowed into OIC coffers in 1965; by 1970, the sum had risen to $13.5 million, and in the current fiscal year, it is expected to reach about $23 million.

A GROWING CHAIN

The result has been a steadily growing chain of job-training centers modeled along the lines of the Philadelphia OIC. But the OICs haven't been without problems. A number of them are little more than shells, floundering for lack of local leadership or suffering from mismanagement. Others have been closed in the wake of revenue sharing, which gives city halls a veto power over financing. Federal cutbacks in manpower spending have also hurt; the OIC, which now is almost entirely financed by the federal government, started this fiscal year expecting to receive $32 million in funds from Washington, but has been cut back twice to the current $23 million level. But, as one staffer puts it, "The most impressive thing is that the OIC still exists at all."

In any case, the ups and downs of Mr. Sullivan's operations tell much about minority efforts to implement the gains of the civil-rights movement of the 1960s. Mr. Sullivan's career is also a remarkable story in its own right.

INTEGRATING LUNCHROOMS

That career started in Charleston, W. Va., where Leon Sullivan was born in a dirt alley to a mother who was an elevator operator and a father who was a janitor. He was rised mainly by his grandmother, and it was apparent fairly early that young Leon had brains, ambition and zeal. He was a good student, a good athlete—and a constant pest to white lunchroom owners who tried to deny him service. "I tried to integrate every place that said blacks couldn't enter," he recalls, "I couldn't understand why my people put up with it." Occasionally, he was successful: one establishment served him a Coke after he recited the Declaration of Independence from memory.

Mr. Sullivan won an athletic scholarship to West Virginia State College, and when an injury put an end to his football and basketball career, he worked his way through school in a steel mill. He also picked up a little extra cash as an itinerant preacher. In person, he is soft-spoken, almost shy, but his pulpit style is in the best tradition of fire-and-brimstone Baptist revivalism.

Soon after graduation, Mr. Sullivan encountered a flamboyant Harlem minister (later to be a controversial Congressman), Adam Clayton Powell, who was in West Virginia on a speaking engagement. Mr. Powell, impressed by the youth, invited him to New York, where he helped organize the wartime civil-rights march on Washington and entered prestigious Union Theological Seminary for his doctorate in divinity. For several years, he also served as assistant pastor of Mr. Powell's powerful Abyssinian Baptist Church.

In 1950, Mr. Sullivan came to Philadelphia as pastor of Zion Baptist, which then had a congregation of about 600. (It now is about 6,000.)

"There was a big problem with gangs." Mr. Sullivan recalls, "so I did a lot of youth work, organizing basketball leagues and things like that. But then I began to realize that a big reason for juvenile delinquency was unemployment. So I contacted every large company in Philadelphia—about 300 of them—and asked them to at least give job interviews to some of the kids. I wasn't asking them necessarily to hire all the kids, just to take a look at them. I heard back from 10 companies, and two said they would."

Outraged by the lack of response from the business establishment, Mr. Sullivan called a meeting of Philadelphia's 400 or so black clergy. He emerged with their backing for a massive business boycott. Boycott tactics had been tried before, notably by Harlem's Mr. Powell, but they were usually applied on a limited scale, such as demanding a few jobs as checkout clerks at local stores within the black community.

The Philadelphia boycott was designed to pressure companies on a citywide basis, starting with such vulnerable concerns as bakers and soft-drink bottlers. Blacks constituted about 20% of the city's population, and Mr. Sullivan estimates that at one point the boycotts involved nearly a half-million consumers. "After a while, all you had to do was show your face at a company" and more jobs would become available, he recalls. Between 1959 and 1962, he figures, several thousand jobs were opened up for blacks.

Other observers recall the boycotts as being less successful for the number of jobs they opened up than for the sense of pride and organization they instilled in the black community. Mr. Sullivan shared the spotlight with the boycott's other organizers, but he was clearly the leader. His reputation was solidified when Martin Luther King asked him to go to Atlanta to help organize the boycotts there.

At the same time, however, Mr. Sullivan was moving beyond the portest tactics of the civil-rights movement. "Jobs were becoming available," he says, "but our people couldn't do them."

The result was the OIC. At first, Mr. Sullivan thought the solution lay in mobilizing the savings of the black community to form companies that would train and employ other blacks. "I got the idea from Jesus feeding the 5,000 with loaves and fishes," he says, referring to a Biblical story that emphasizes the Christian concept of sharing. Mr. Sullivan asked members of his congregation to set aside $10 a month for 36 months—the 10–36 Plan, he called it—to form the seed capital for his ventures. More practical heads, however, persuaded Mr. Sullivan to separate the investment and job-training aspects of his program.

From the start, the OIC didn't claim any startling new concepts in training as such. But it was soon apparent to the OIC staff that enrollees needed something more than training in skills. "The transition from unemployed to employed can be a lot for some of these people to grasp," a Philadelphia OIC staffer says. "Our feedback was that many people were losing their jobs not because their technical training wasn't adequate but because of personal problems and attitudes."

A feeder program was quickly established to acquaint the traineers, about half of whom are welfare recipients ranging in age from 21 to 40, with the realities of the largely white workaday world. The students learn such rudiments as how to apply for a job, how to take employment tests, how to accept criticism from their future bosses—and how to make complaints of their own. Punctuality, courtesy and social amenities are stressed; gum chewing and wearing hats indoors are out, good diction is in. One classroom is lined with mirrors to make students aware of their dress and grooming. "Basically," says Lorraine Lockett, an instructor, "we teach them to conform."

The applicants also take refresher courses in basic math, reading and oral communication during the feeder program. When the enrollees are judged ready—usually in two to five weeks—they are sent to the job-training centers. The Philadelphia program, for example, offers 14 courses ranging from keypunch operator to auto mechanic; there are four centers around the city. Close continuing contact with employers and careful follow-up work with trainees have produced a relatively high job-retention rate; more than 50% of the traineers are still on the same job six months later. (And a good many others move on to other jobs, it is believed.)

"That shapes up just as well as most company-run training programs," says a Labor Department official in Philadelphia who monitors the OIC program here. Adds a labor expert with an old-line civil-rights organization: "The OIC may not place its people at the highest level, but it is definitely productive—unlike most government programs that are supposed to deal with the hard-core unemployed." The OIC also says it does the job more cheaply—for about $1,500 a trainee, compared with about $3,500 in most federally financed programs.

For the enrollees, however, there can be financial problems. No stipends are paid in the OIC program, making it difficult for many to attend classes regularly but ensuring that those who do tend to be fairly well-motivated. For various reasons, about a third of the enrollees drop out during the feeder program or during actual job training.

At about the same time that Mr. Sullivan was beginning the OIC program in the mid-1960s, he was also forming Zion Investment Association, an investment company in which parishoners provided most of the capital. (This was an outgrowth of his old 10-36 Plan.) ZIA bought some garden apartments, built a new shopping center in North Philadelphia and started several companies that supply parts to the aerospace and automotive industries. Assets now are about $5 million, and ZIA has more than 8,000 stockholders.

But like the OIC, Zion Investment Association has had its share of problems. ZIA has stubbed its toe badly on several investments, notably a garment-manufacturing operation that attempted to double as a job-training program. The aerospace company lost $500,000 last year, and the automotive-parts concern has been hurt, like other auto suppliers, by the energy crisis. Mr. Sullivan got a chilly reception recently when he approached John Bunting, chairman of First Pennsylvania Corp., Philadelphia's biggest bank, to ask for financing for shopping centers in other cities. "I told him we only back successes," says Mr. Bunting, whose bank had nonetheless been a heavy lender to earlier ZIA ventures.

Mr. Sullivan contends that ZIA eventually will turn the corner; one of his priorities is to help ZIA become a self-sustaining, dividend-paying enterprise. "It won't be easy," Mr. Sullivan says, "but it has to succeed so minorities can see that they can manage businesses, too."

Another of his goals is to cajole General Motors, of which he is a director, to assign more dealerships to blacks, promote more blacks to executive positions and train more black mechanics.

And, always, there's Mr. Sullivan's church, which burned down in 1971 but has been rebuilt on a larger, more modern scale, complete with a day-care center, classrooms for adult education and a gym for the basketball league that Mr. Sullivan organized nearly two decades ago.

It is from his modest church salary that Mr. Sullivan receives his only compensation, aside from some lecture and directorship fees; his clothes tend to be wrinkled and a little threadbare. He recently moved to a comfortable but modest home in a predominantly white suburb in order to be closer to the Quaker school that his three children attend. The move drew the predictable hate mail and telephone calls.

Mr. Sullivan continues to put in long hours, and he makes substantial demands on his congregation. At one recent service, offerings were asked separately for the Girl Scouts, and the church mortgage fund, missionary work and the general church fund.

He doesn't plan to let up, either. One ambitious project he is planning: to use the resources and manpower of his church, the OIC and ZIA to rehabilitate large chunks of the black ghetto in Philadelphia.

TWO FINE YOUNG MEN

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. PETTIS. Mr. Speaker, last week I was privileged to have two fine young men visit me from Palm Springs, Calif. Eighteen-year-old Will Marek, a high school senior, and 13-year-old Kevin Ambler, a junior high school student, were visiting our Nation's Capitol as part of their prizes for winning the Palm Springs Rotary Club sponsored Americanism Essay Contest.

The topic of the contest was "How Can Faith in America Be Enhanced Among Youth?" Will and Kevin won in their respective age group categories and, after reading their essays, it is easy to see why they were chosen.

I am proud to commend the essays of Will Marek and Kevin Ambler to my colleagues as outstanding examples of the thoughts of two young men who personify what is right with our younger generation.

The essays follow:

How Can Faith in America Be Enhanced Among Youth?

(By Will Marek)

With Watergate, the energy crisis, the Middle East hot bed, and bearish Wall Street making their nightly appearances on the six o'clock news, many young Americans are beginning to seriously question whether their country will survive these turbulent upsets intact.

The seventeen generations of Americans that came before them could have had the same question. They lived through that first freezing winter at Jamestown, fought the Red Coats for their independence, and looked on as the Compromise of 1850 and following acts attempted to avoid the inevitable Civil War. They saw Lincoln fall in the Ford Theater, sat tight as depression, scandals and graft ravaged the nation in the 1870's, and were shaken as Harding's Secretary of the Interior was imprisoned for his part in the Teapot Dome Scandal. American life has never been a picnic. Hardship and controversy are part of our heritage. But so is overcoming them.

We have reached a point in history when every facet of our government has become suspect. Criticism is an essential part of a healthy society; however, it can be carried too far. Theodore Roosevelt observed this danger in 1906: "Men with the muckrake are often indispensable to the well-being of society, but only if they know when to stop raking the muck."

The time is coming to stop criticism and begin rebuilding faith and respect in our government. Just as Americans overcame such crises as the impeachment and acquittal of President Johnson, the Gold Conspiracy of 1869, and the McCarthy era, we will weather today's trauma and look back a little sadder, but wiser.

If our country is to survive these hard times, this generation, as well as those following it, must not only have faith that there will be a better day, but also do everything in their power to head us out of these troubles. Our worst enemy is indifference. If the people are apathetic, how can one expect their representatives to be anything but indifferent to the people's wishes?

Faith is a lot easier to lose than regain. Youth has become disillusioned with politics and government and now government must respond to this. A drive to make our leadership more open might be the answer. Through legislation requiring officials to make their incomes, income taxes, health and pertinent personal data public, some integrity and faith might be recovered. Not only would this preclude the unworthy candidate, but it would strengthen the truly qualified man.

Laws should also be passed regarding campaign contribution limitations and the "dirty-trick" side of politics. If politicians are no longer dependent on big business and personal interests, they can devote themselves more easily to the needs of the people. Perhaps these measures could be the start of the faith-restoring process in our politics.

We must also pick up some of our national goals that have lost ground on the priorities list. If we can continue to make strides toward a decent income for our aged and poor, improved social equality for all citizens, and a clean environment, perhaps youth would have a little more respect for government. There is a lot less to criticize in a "working" government that is accomplishing something.

In the past few decades the word patriotism has become unfashionable among the younger generation. Perhaps this is because the term patriot has taken on a false connotation. Most people think a patriot is someone who loves his country, but there is more than that to it. To truly love your country you must accept and acknowledge its faults. Some people called patriots are merely infatuated with their country and never admit it has shortcomings. An inadequacy not admitted only becomes bigger.

Adlai Stevenson said in 1952, "What do we mean by patriotism in the context of our times? . . . A patriotism that puts country ahead of self; a patriotism which is not short, frenzied outbursts of emotion, but the tranquil and steady dedication of a lifetime."

I am one person who thinks America can face just about any crisis and come out better from it. I only hope that the rest of my generation can maintain that same faith for the future.

How Can Faith in America be Enhanced Among Youth?

(By Kevin Ambler)

The gong clanged and the siren yelped. Within minutes, thirty young people appeared from all directions to answer a fire call in Nashville, Tennesseee. It seems that the adults had all lost interest in their volunteer fire duties so the youngsters took over and they are doing a great job.

In Modesto, a sixteen year old girl was appointed to the Park Commission. In San Anselmo, a twelve year old girl was appointed to the Parks and Recreation Board. The city fathers in both communities said that since youth represent the largest single segment of the population who use the park and playground facilities, they should have representation on the commission.

In Sacramento, a fifteen member panel of persons under twenty-five years of age will be appointed to the newly established Advisory Committee on Youth. The Commission, created by an executive order of Governor Ronald Reagan with Lt. Governor Ed Reinecke as chairman, will be responsible for coordinating information on youth activities throughout the state, advising the executive and legislative branches and conducting forums on areas of concern to youth. Members will be selected to represent, as closely as possible, the state's youth on the basis of geographical area, populaiton, race and sex.

Another view of youth involvement can be seen in Tucson, Arizona. In a skid-row section, in the vicinity of the University of Arizona, a group of young people got together. Using more imagination and hard labor than money, they transformed the dilapidated stores into a unique shopping area. It is a popular place with the students as well as with the rich people in town who flock there, bored with their fancy shops and turned on by the real craftsmanship produced in the establishments. They like the decorated store fronts that show great originality. Twice a year, a crafts fair is held and everybody comes down and has a ball.

What these industrious young people have done is to recycle a tired-out urban district into an environment which reflects the dream of lots of kids who want to get into their own kind of business in their own way.

These are just a few of the positive aspects of youth involvement. This is the way young people should be heard—no picketing, no demonstrations, no riots—just positive action. Youth suffer from a shortage of confidence in their own abilities and as a result, adults panic at the thought of turning over to them any responsibilities. Those young people who are bold enough to chart a new course of youth involvement and youth leadership will be the ones to succeed, providing they also possess the follow through necessary to get things done.

In Los Angeles, Mayor Bradley's Youth Advisory Council is composed of forty-five members from every race and every walk of life. These young people feel that they are really involved. They are concerning themselves with the problem of developing gratifying roles in youthful enterprises so they can be certain that they have a place in society. Young people are looking for meaning and recognition in their lives just as older people do. Kids can feel rage and frustration the same as adults if they are thwarted in their attempts to achieve a meaningful existence.

Since the beginning of time, almost every man has wanted a son—and why? The reason for this is that the son can carry on the family name and in that way the father can feel as though he has achieved immortality, in some small degree anyway. Well, perhaps. Young people have the same needs only they want to accomplish their goals in a more self-fulfilling fashion. Rather than projecting their hopes and dreams through their children, they want to reach their destination in a more personal way like the well-known quotation, "please Mom, I want to do it myself."

The Los Angeles Youth Council plan to use the media for communication and urge the media to cooperate with them for areas of improvement and new programs. Youth must make known what they are doing and the facilities being provided for them to get involved. This group is working hard to get and to stay organized so that the council will not fail. They know if success is to be achieved that they must lay the groundwork for future councils. It is important that they establish a good track record. For instance, they are starting at the grass roots level—and what better place to begin? Find the areas of interest to the young people and direct them in a positive way toward those ends—into recreational opportunities, educational opportunities, employment opportunities or if they are so inclined, toward political opportunities. This last category is going to be somewhat of an uphill battle, I am afraid. For, since the franchise was granted to the eighteen to twenty-one year old group, only a small percentage have exercised their voting privilege. Young people, instead of protesting after an election must become active before the election.

No Monday morning quarterbacking here. We must learn all about the candidates and what they stand for. If we don't like what we hear then we must run our own candidates. This is the proper way to fight the system. Rioting will only get you an arrest record and a label of trouble-maker.

We youth of the nation want adults to listen to us because we feel very strongly that we have something to offer that is important. We have brains, common sense, physical strength, education and courage. We beg you to listen and after you hear us and have your pictures taken with us for the publicity of it, please don't turn your backs. Let something happen. Let us expect that we will have a real part in the schools, in politics and in society and we shall try to play our roles in a meaningful way. Knowing that we belong, really belong is the only way that faith in America can be enhanced among youth!

A TRIBUTE TO THE AMERICAN LEGION

HON. JAMES R. GROVER, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. GROVER. Mr. Speaker, I was honored last week to address the Suffolk County, N.Y., American Legion Convention at Babylon High School, hosted by my own Post No. 94. My remarks were as follows:

REMARKS OF HON. JAMES R. GROVER, JR.

Fellow Legionnaires, my comrades in arms, over fifty years ago a small group of Americans gathered in a Paris hotel to discuss the great challenges facing America after World War I.

Their vision saw the continuing international perils in an unsettled world. They saw the need for Americans to dedicate themselves to those keystones of our Nation's history: life, liberty and the pursuit of happiness!

They said to you, "Your mission, Legionnaires and American Legion, if you choose to accept it, is to work with patriotic zeal in the troubled years ahead for America, the bastion of democracy in the free world, by fighting the autocracy of classes and masses, by making right the master of might, by inculcating law and order and assisting your community and one another with a brotherly spirit of mutual helpfulness."

My comrades you have willingly accepted that mission, and you have performed well. You have worked to develop an American Legion which has helped the United States of America in the dangerous decades as defender of democracy, and in its recent years as world policeman. And you will now aid her and support her in the new role of international peacemaker. A generation—indeed a century of peace—is within our grasp, within the grasp of a strong America, strong in arms and strong in spirit. What the Grand Alliance could not do, what the Geneva League of Nations failed to do, what the United Nations cannot do, a united United States of America can and will do!

And as we as Legionnaires meet with new resolve to see new and historic accomplishments for our great country in its world posture, let us not be unmindful of our responsibilities to each other as veterans and brothers. It has been a tradition long-standing that our servicemen be compensated for their sacrifices with more than citations and medals. Simply stated, the Vietnam veteran should receive penny for penny, dollar for dollar, equal parity with the GI benefits which a grateful nation gave the veterans of World War II. The Legion stands for it; you do; I do, and so must the Congress of the United States! We must not settle for less!

And another way we can honor our Vietnam heroes is to stand firm on amnesty! The Congress of the United States has never granted amnesty, and the Congress of the United States will never grant amnesty!

To those who refused to serve for conscientious reasons, and who have remorse and prove it, and profess to love their country and prove it, I say, "Come back, face the music, take your punishment. You're lucky. Most other countries would have the firing squad waiting!"

In all justice, a full accounting for the families of the MIA's, we insist upon. For those comrades damaged in mind or limb, we have some good, some fine facilities. But good and fine hospital treatment is not enough. We insist excellence be the hallmark of the Veterans Administration.

And lastly, my friends, for those heroes of World War I who braved the hazards of that conflict and who are now needy after four or five decades of personal war with taxes and inflation, a retirement pension is now in order.

Suffolk Legionnaires, much has been done. Yet our mission is far from accomplished. When this convention is finished, take up the challenge anew to work, through the security of strength and with God's help, for peace in the world and here at home.

CON ED OF NEW YORK AND THE PUBLIC ATTITUDE TOWARD BUSINESS

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. HUBER. Mr. Speaker, the recent energy shortage, plus other disruptions in supplies of raw materials for our economy have brought forth a wave of denunciations against the business community of this Nation. An attitude is appearing that asserts that all big business, by virtue of its size, is against the best interests of the people as a whole.

This attitude creates grave problems as Mr. Irving Kristol recently discussed in an article entitled: "The Mugging of Con Ed." Professor Kristol's article inspired the Richmond Times-Dispatch to write an editorial on this general problem, which I feel is worth the attention of my colleagues. The item from that paper of Friday, May 24, 1974 follows:

URGENT WARNING

Published on this page today is an article conveying an urgent warning that should be heeded by all Americans eager for their nation to remain economically strong and progressive. Written by New York University Professor Irving Kristol, the article specifically discusses the frightening financial plight of Consolidated Edison Company of New York, the nation's largest generator of power. Since many of the troubles of Con Ed, which has skipped a quarterly dividend for the first time in its history and faces the possibility of being taken over by the state, flow from a pernicious attitude that Americans are increasingly showing toward business in general, the company's problems are of more than provincial import.

That attitude views business—especially big business—and the "people" as antagonists pitted in an unequal struggle. Large corporations are often portrayed as oppressive and greedy giants who extort exorbitant amounts from consumers for the sake of making unconscionable profits. To combat the alleged avarice of big business, its critics constantly demand punitive and restrictive government regulations; and ambitious politicians, ever eager to appease any potentially large bloc of voters, strive to comply.

This attitude inspired many of the official governmental policies that led to Con Ed's troubles. It has inspired congressional efforts to impose an excess profits tax upon the nation's oil companies and to abolish the fuel depletion allowance, which has served as a vital incentive for the exploration of oil and gas. It inspires the diatribes against business that flow from the pens of many of the nation's liberal and most influential journalists.

The essential weakness in this attitude is that it rests upon the false notion that large corporations are aloof and impersonal titans that stand apart from the people. The truth is that big business is people. Corporations are stockholders; anyone who owns a single share of stock in a corporation, or who has an interest in a pension fund that is invested in stocks, is part of business. If his interest is in a large corporation, he is part of big business.

Thus, Con Ed is not simply a group of high-salaried executives and directors; it is more than 300,000 stockohlders. It is people like Mrs. Sydell B. Pflaum, 76, of Miami Beach, who had planned to use the dividends from her stock to support herself in retirement. It is people like Dorothy Belle Pollack of Teaneck, N.J., who has watched her $25,000 investment in Con Ed dwindle to $7,000. It is people like Mrs. Sylvia Gettleman of New York who has received nothing "but a lot of sleepless nights" from her $17,000 investment in Con Ed.

And what about the Exxon Corporation? Is it simply a collection of fat cats who sit around counting their oil profits? No, Exxon is 755,000 individuals, men and women who have invested, some at great sacrifice, in the company. And consider the Virginia Electric and Power Company, whose request for a rate increase is being severely challenged in the State Corporation Commission. Vepco is 86,000 stockholders.

According to the most recent figures compiled by the New York Stock Exchange, more than 31 million persons own stock in 10,000 corporations and investment companies. At the time of its study, one in every four American adults—one in every four—was a stockholder. And most of these stockholders had family incomes of less than $15,000 a year.

So when the critics of business attack, they attack millions of ordinary people. They threaten the financial welfare of teachers, plumbers, truck drivers, clerks and pensioners. They attack you, Mr. Stockholder. Unfair restrictions upon business can make its stocks less attractive to investors and deprive it of funds it needs to grow. By treating the big corporation as if it were an enemy of the people, instead of as an aggregate of people, which is what it is, critics of business discourage initiative, innovation and expansion.

It is precisely such an attitude that has helped push Con Ed to the brink of disaster, and it is such an attitude that is pushing the American economy in general closer to statism and further from the principles of free enterprise. If America is to avoid economic catastrophe, it must learn, before it is too late, that when it kicks business, it kicks and cripples itself.

100TH ANNIVERSARY OF THE NORTHPORT JOURNAL

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. RONCALLO of New York. Mr. Speaker, it is my honor today to call the attention of the House of Representatives to the 100th anniversary of the Northport Journal of Northport, N.Y.

The Journal was originally founded in 1874 by Benjamin T. Robins who held off publication of his first issue to announce the birth of his first child, Archie. Robins continued publication until 1900 when he sold it to Dan Arthur who continued publication taking on Henry G. Simpson as a partner. Simpson published as sole owner from 1915 until 1921 when he sold it to John Alden Brett, a Boston newspaperman who handed over daily operation of the paper to his wife, Marion H. Brett. Tragedy befell that family, however, with the death in 1922 of Brett, and his wife, who was left with three small children, also found herself with a newspaper to manage.

She continued as editor-publisher of the Northport Journal for 50 years until the demands of business forced her to sell it to its present owner and my good friend, Angelo C. Scandalis, and his wife, Gwen.

Together they have brought imagination and hard work to produce a fine quality weekly and important part of life in one of my district's most beautiful areas.

I congratulate Tony and Gwen and wish them all future success in their fine work. I know all the Members of the House join me in that wish.

H.R. 12898 VERSUS H.R. 11500

HON. CRAIG HOSMER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. HOSMER. Mr. Speaker, America's energy requirements demand that we mine and use every ton of coal we possibly can. Yet, equally as important as the availability of this coal is the reclamation of land from which it may be surface mined.

The following extract from Dissenting Views opposing H.R. 11500 and calling for the substitution of H.R. 12898 explain how both the environmental ethic and the energy ethic can be respected by the adoption of H.R. 12898 and the rejection of H.R. 11500:

DISSENTING VIEWS

We oppose the passage of H.R. 11500, the "Surface Mining Control and Reclamation Act of 1974", as amended and reported by the Committee on Interior and Insular Affairs.

We fully recognize the need for strict and fair legislation to regulate surface coal mining to assure that environmental depredations of the past are never repeated. We believe that an essential and integral part of the surface mining process is the prompt and certain restoration of mined land to a decent and environmentally acceptable condition.

We also recognize that our complex industrial society is power dependent and that the availability of adequate energy from surface mined coal is a societal value in America deserving at least equal legislative consideration with environmental values.

We oppose H.R. 11500 because the bill unwisely and unnecessarily discriminates against energy values in its single minded focus upon environmental values.

We propose substitution of the bill H.R. 12898 which we believe properly respects both these values.

The bill H.R. 12898 is quite strict in its requirements that mined land be reclaimed and restored. It prohibits the mining of any land that cannot be put back in as good a condition as before mining. But it does not impose unreasonable and unneeded restrictions or bans upon surface coal mining in order to accomplish these objectives as does H.R. 11500.

Rather, H.R. 12898 fairly and squarely reinforces both the environmental ethic and the energy ethic in the United States. By contrast, H.R. 11500 is an overreaction environmentally to the need to control and regulate surface coal mining in this country. It is ill-conceived legislation, the provisions of which are ambiguous, vague, and indefinite of application to the facts and varied conditions of surface coal mining in the United States. It is in essence a detailed federal regulatory measure which pays no more than lip service to the concept of state regulatory programs. It is short-sighted and dangerous legislation for a nation which is involved in serious energy circumstances because it minimizes the access to and the production of coal—our most abundant and logical fuel source—and presupposes the protection of the natural environment as our paramount national interest.

NUTS TO THE PEANUT PROGRAM

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. PEYSER. Mr. Speaker, on Friday of this week the House is scheduled to consider the agriculture environmental and consumer protection appropriations bill. I intend to offer an amendment to this bill prohibiting the use of any funds provided therein for the purpose of formulating or carrying out a price-support program for peanuts.

The price-support program for peanuts has cost the taxpayer $611,926,000 in the years between 1955–73. In 1971 the program cost the taxpayer $66.91 an acre for each of the 1,454,000 acres planted for a total cost of $97,287,000. The situation results from 1938 legislation which requires the Secretary of Agriculture to support the price of peanuts at 75 percent of parity. If the market price is below this amount, the Federal Government buys the peanuts from the growers and sells them, at a loss, often up to 50 percent.

Additionally, the peanut program maintains a feudal system in this democracy of ours. Only those farmers lucky enough to hold peanut allotments may market this commodity. These farmers can lease the allotted land to others for substantial amounts of money. Thus, the value of the land increases dramatically. The Federal Government is therefore subsidizing the peanut grower and the allotment holder—often one and the same person.

According to USDA figures, the peanut program will cost the taxpayers $1,183,000,000 between 1975 and 1979. The General Accounting Office—GAO—in 1968 and again in 1973 recommended the enactment of new legislation. The peanut program, however, is permanent legislation and will not terminate of its own accord. I therefore urge you to support my amendment and to finally terminate these outrageous payments.

OKLAHOMA WELCOMES THE PRESIDENT

HON. JOHN N. HAPPY CAMP

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. CAMP. Mr. Speaker, last month Oklahoma's Sixth District which I am privileged to represent was honored by a visit from the President of the United States and his lovely wife. I was proud of President Nixon and I was proud of the warm and rousing welcome the good people in my district gave them.

The President had come to Oklahoma to deliver the commencement address at Oklahoma State University in Stillwater. Some days later, I read a very interesting editorial concerning his appearance at OSU in the Daily Oklahoman. The article follows and I commend it to the attention of my colleagues:

LIGHT AND SIDELIGHTS

President Nixon met a warm reception on his arrival at Vance Air Force Base in Enid Saturday, although that might have been expected. If Oklahoma is still largely Nixon country, Garfield County is more intensely so. The men and women of the military bases also hold the President in special esteem because he was able to bring the prisoners of war home and end American participation in the Southeast Asia war—to most intents and purposes—without abandoning the reason we were there in the first place.

So an air base in Garfield County was certainly safe ground. Oklahoma State University, at Stillwater, was another scene, however. There is much blind opposition to Nixon on all campuses merely because he is Nixon and students are expected to support "liberal" political figures—just because! Yet on a campus with over 18,000 students only 50 or so could be mustered for what has come to be known as a "demonstration"—although all it usually demonstrates is bad manners. Another hundred were assembled from Oklahoma City and Norman to make up the catcall section, which seemed to annoy the audience more than it did the President.

And Oklahomans turned out although it is custom for OSU to have big attendance at graduation ceremonies (in contrast to OU). The 25,000-seat south stands overflowed into the two end zone stands, and there were at least 5,000 seated on the playing field in the stadium. There was no doubt they were pleased to have a President as commencement speaker, and they listened respectfully as he discussed the problems and challenges of the age, as commencement speakers do.

The next night was commencement night at Norman. The speaker, chosen by the student government, was Harvard economist and political gadfly John Kenneth Galbraith, whose views set many teeth on edge in this part of the nation anyway. Galbraith used the occasion to indulge in political gibes at the President, and tempers flared in the sparse audience. Although only 3,000 or so of the graduates attended their own ceremonies, they comprised about half the total audience.

One irate Oklahoman is reported to have told Galbraith after the speech that although he minimized the importance of the office of the presidency, Oklahomans consider it vital "enough that three out of four of us voted against the man you recommended for the job."

The Washington press corps had traveled with Nixon, and of course had gone home, so the contrast was lost on them. But there were other revealing sidelights involving them during the Stillwater visit. One, turning away from the President's address to seek more information on the lonely hecklers in the stands, was heard to say "There's my story!" Watergate and impeachment fever have so gripped that group that they can no longer believe a warm reception for Nixon, but have no trouble spotting his antagonists everywhere.

The presidential visit and the Harvard professor, and even the visiting reporters, gave Oklahomans some interesting insights into the President's problems. New light was shed on the man and his concerns, and the sidelights helped us to understand the rocks in his path.

REPORTERS' WORK COMMENDABLE

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. MIZELL. Mr. Speaker, it is a privilege to take just a few minutes today to recognize a young reporter for his excellent service to the constituents of the Fifth Congressional District of North Carolina. Charles Osolin has worked for the Winston-Salem Journal and Sentinel since the mid-1960's, and for the past several years he has held the position of Washington correspondent for that paper. Prior to his work with the Journal and Sentinel, Mr. Osolin was the editor of the Old Gold and Black at Wake Forest University in Winston-Salem, where he received his B.A. degree in English. In that position, the American Newspaper Publishers' Association presented Mr. Osolin with a "Pacemaker" award for his work. Mr. Osolin also distinguished himself by 5 years of service as an information officer in the U.S. Air Force.

Most recently, Mr. Osolin was the recipient of the 1973 Edward J. Meeman Award for excellence in reporting on conservation issues. The Meeman Awards are meant to encourage newspaper men and women to help educate the public and public officials to a better understanding and support of conservation through their newspaper writing.

I can think of few individuals more deserving of this award than Mr. Osolin. He has been one of the most influential journalists covering an environmental controversy in North Carolina that has attracted national attention. Mr. Osolin's efforts and talent have played a major role in thus far keeping an environmental nightmare from coming true.

The case involves the New River on the North Carolina-Virginia border and an attempt by the Appalachian Power Co. of Roanoke, Va., to dam the river and cause severe environmental damage in the process of constructing and operating a massive, and most probably inefficient, powerplant. New River is believed to be the second oldest river in the world, and the last remaining major unpolluted river in the eastern United States. It has been identified by the Environmental Protection Agency as a "major environmental resource," and its destruction would be a loss to the immediate region and the Nation as well.

Mr. Osolin's influence in this case has been demonstrated time and time again by repeated references in congressional and Federal agency testimony to his incisive and intelligent reporting. When making the presentation, President Matt Meyer of the Scripps-Howard Foundation, which sponsors the Meeman Awards, said:

> Your hardhitting in-depth reporting, and then your eloquent editorial comment, must have great impact and will eventually save New River from harmful exploitation.

There is little doubt that both Mr. Osolin's reporting and the impact of his influential and widely read opinion column have helped to persuade public officials to support the conservation position.

Last week I learned with personal sadness that Mr. Osolin will soon be leaving his position with the Journal and Sentinel for another job. I feel that the citizens of my district are losing an effective and forceful voice for their interests, but I congratulate Mr. Osolin on his good fortune. I am confident that this young man, only 31 years old, will continue for many years to serve the people of this country with vigorous and effective reporting. Mr. Osolin is the kind of newspaperman we need more of in our Nation. I wish him well, and thank him again for his outstanding service to the citizens of the Fifth Congressional District of North Carolina.

It is proper that I should recognize another young, dedicated journalist on the Journal and Sentinel staff, Mr. Robert M. Poole, who, like Mr. Osolin, has been honored with a Meeman Award. Mr. Poole's award was for a series of articles he wrote dealing with the preservation of North Carolina's coastal areas. This is a matter of concern to all North Carolinians, and Mr. Poole has rightly been commended for his efforts. Mr. Poole also received a Meeman Award last year for articles on stream channelization. That same series also won the Thomas L. Stokes Award, given by the Washington Journalism Center annually for what it considers the best energy or conservation writing in the United States and Canada. It is a privilege, as Representative of the Fifth Congressional District, to offer congratulations and thanks to Mr. Poole for his meritorious service to my district and the State of North Carolina.

HON. STOKES OFFERS PROPOSALS TO AID LITHUANIA

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. STOKES. Mr. Speaker, I am proud to be able to speak in behalf of the people of Lithuania who for the past 34 years have been denied the right of national self-determination, who have suffered continual religious and political persecution, and who have been unable to exercise their basic human rights.

Following deportations of thousands of Lithuanians to Siberian concentration camps, the Lithuanians have continued to suffer the rigors of arbitrary oppression which is so repugnant to those who are dedicated to freedom.

We have a unique opportunity as we extend and expand our relationship with the Soviet Union to urge as strongly as we can that some of those policies most abhorrent to the United States, and which are not vital to the national interests of the Soviet Union, ought to be curbed. In light of what has already transpired, I think the following suggestions for the improvement of the situation of the Lithuanians are entirely in keeping with fairness and the basic tone of our foreign policy:

First. Lowering of excessive tariffs imposed on gifts to relatives and friends residing in the Baltic States;

Second. Increase the current 5-day tourist visa to Lithuania to a more reasonable limit;

Third. Elimination of unreasonable travel restrictions on tourists to Lithuania;

Fourth. Provision for Lithuanians to emigrate to other countries as provided by the Charter of the United Nations signed by the Soviet Union.

I call upon the U.S. Government and its officials to utilize this unique opportunity to ease the plight of the people of Lithuania and other captive nations.

QUEST FOR FREEDOM

HON. EDWIN B. FORSYTHE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. FORSYTHE. Mr. Speaker, the Baltic States of Latvia, Lithuania, and Estonia continue to inspire our admiration for their thirst for independence. Their refusal to allow the yoke of tyranny to negate their love of freedom demonstrates an unquestionable loyalty to democratic principles.

The struggle from oppression began over 34 years ago on June 15, 1940. It was this forcible entry and subsequent annexation by the Soviet Union, that was followed quickly by a public policy of tyranny, repression, and cruelty which began with thousands of deportations to Siberia the following year.

Soviet tyranny continues to this day to forcefully restrain independent action by Baltic citizens. It attempts to control every movement as well as every thought. Religious, political, and national ideologies contrary to Soviet doctrine continue to be strictly discouraged, while excessive tariffs, travel restrictions, and emigration laws remain unreasonable.

Such repression does not diminish but instead nourishes the Baltic citizens' unique spirit of independence. Their response is one of continuous vigilance in efforts to remind the free world through petitions, demonstrations, and desperate acts of suicide that they refuse to succumb to the treachery of the Soviet Union.

Let us respond to their tireless efforts by continuing our refusal to recognize the annexation and incorporation of the Baltic States by Soviet Russia. And let us recognize as we negotiate at the Conference on European Security and Cooperation in Geneva that the cherished ideals of truth, freedom, and independence should never be extinguished.

MRS. GREEN TEACHES ACLU

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. CRANE. Mr. Speaker, all of us support the concept of due process of law. It is one of our fundamental liberties guaranteed by the Constitution. Many have even formed organizations to protect this concept, and to challenge violations in the court. Yet many of these same persons and organizations are strangely silent regarding the violation of such principles with respect to the current impeachment process. Indeed those who profess to champion these civil rights are themselves ignoring them here.

It is time to speak out in protest against those who urge the Congress to impeach without examining the evidence, and who cloak the accused with a presumption of guilt rather than the presumption of innocence which the Constitution guarantees to all.

Mr. Speaker, my close friend and esteemed colleague from Oregon, Representative EDITH GREEN, has taken a strong stand against such double standards, urging the preservation of due process in these proceedings. As she has stated so eloquently:

> The means by which we arrive at our decision may prove of even greater importance than the decision itself . . . abandoning the due process can only make a travesty of justice.

Mr. Speaker, I should like to place in the RECORD a recent article detailing the remarks of my distinguished colleague. I would urge us all to follow her strong leadership in taking a stand against any abuse of the constitutional guarantees which we hold so dear:

MRS. GREEN TEACHES ACLU

(By Bill Anderson)

WASHINGTON.—One of the most respected members of the U.S. House of Representatives is Mrs. Edith Green, often called a liberal Democrat from Oregon as she helped in the presidential nominations of John F. Kennedy and Adlai E. Stevenson.

Before her election to Congress in 1954, Mrs. Green was a teacher. Today, as she is about to step out of the House (although she was a cinch for reelection), her expertise continues to be in the field of education. Today she also happens to be teaching the American Civil Liberties Union a thing or two about the duties of a member of the federal legislature.

The background for this is that the Oregon branch of the ACLU is just as staunchly pushing for the impeachment of President Nixon as is the national organization. In its zeal, the Oregon ACLU sent Mrs. Green a rather long letter, which we excerpt:

"We regret that you did not find the time during the recess to discuss impeachment issues with us," the ACLU letter says.

"While we agree that your decision on impeachment should not be based on the opinions of your constituents, we had hoped to be able to present arguments on the merits for your consideration.

"We hope that you will reconsider your position that it would be inappropriate for you to decide whether the President should be impeached prior to a report of the judiciary committee. Since you would only be deciding that evidence should be presented to the Senate so that it may determine whether he is guilty of an impeachable offense, you need not and should not require the production of conclusive proof of the President's guilt.

"As we have pointed out in our previous resolution, evidence sufficient to justify impeachment is already before the nation as facts which are not disputed by the White House. Evidence sufficient to prove or disprove many of the charges against Richard Nixon will apparently not be made available to Congress or to the people except through the impeachment process.

"We have had more than a year of trauma and impeachment is the only way to end it. The House of Representatives has a constitutional duty to impeach. Failure to do so will not only prolong the nation's agony until 1976, but will destroy the fundamental principle of our form of government for which the Revolutionary War was fought: that the people may be free of tyranny by virtue of a system limiting the powers of government generally and particularly those of the chief executive."

Mrs. Green replied that she was "fully aware" of her responsibilities. She acknowledged that while the House action would be similar to a grand jury, one difference was the political pressures at work. Mrs. Green said:

"The Members of the House nevertheless have a right—indeed, a duty—to conduct their own inquiry in a dignified manner and to resist outside pressures to prejudge the results. While I appreciate the ACLU's and other lay organizations' attempts to relieve me and my colleagues of our constitutional responsibilities, I, speaking for myself, most respectfully decline.

"The House has appropriated $1 million for the purpose of gathering and assessing pertinent data. We have had a few precedents to guide us in a proceeding of enormous consequence both to present and future generations. The means by which we arrive at our decision may prove of even greater importance than the decision itself. As the ACLU should surely be aware, abandoning the due process can only make a travesty of justice."

Then she asks: "Where in the Constitution does it state, as you state in your letter, that 'The House of Representatives has a constitutional duty to impeach'? My copy of the Constitution reads, 'The House of Representatives . . . shall have the sole power of impeachment.' To me, there is a significant difference."

And she adds: "Do you genuinely believe the House should accept, without separate inquiry, the conclusions of the ACLU or any other organization? If the answer is yes, how would you suggest we decide which organization's conclusions to accept? As you know there are other organizations whose viewpoint is diametrically opposed to yours . . ."

Mrs. Green asks: "Do you believe the accused, the most powerful as well as the least, are entitled to a presumption of innocence and to due process of law? If so, how do you justify the ACLU's current nationwide lobbying effort to pressure members of Congress to forthwith impeach the President? . . ."

VIETNAM ERA VETERANS' READJUSTMENT ASSISTANCE ACT OF 1974

HON. JAIME BENITEZ

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. BENITEZ. Mr. Speaker, I understand that the Senate will be considering S. 2784—Vietnam Era Veterans' Readjustment Assistance Act of 1974—tomorrow. I am gladdened by the fact that we are recognizing the special needs of our recent returnees from Vietnam, and am especially gratified by certain provisions in the bill, which deal with providing special services to the Vietnam era veteran who has a limited English-speaking ability.

If the problems of the veteran are serious, they are even more acute for the veteran who possesses a limited command of the English language. S. 2784 provides for the dissemination of information relating to benefit eligibility, claims, education, employment, et cetera. It also provides for VA counselors in areas where there are large concentrations of Spanish-surnamed veterans. Federal agencies, such as the Department of Labor, are authorized to fund groups which possess skills and expertise in veterans' affairs, so they can provide the necessary special information and orientation services to these veterans.

I would like to recognize the arduous task undertaken by the National Congress of Puerto Rico Veterans, who conscientiously espouse the cause of the Puerto Rican veteran, and who have strongly supported the aforementioned provisions in the bill. But I would especially like to endorse and commend Senator VANCE HARTKE, chairman of the Senate Veterans' Affairs Committee, for his strong initiative and commitment which will be of incalculable benefit to the Puerto Rican veteran, both in Puerto Rico and in the States.

I would like to enter in the RECORD the letter which I sent Senator HARTKE in this regard:

CONGRESS OF THE UNITED STATES,
Washington, D.C., June 18, 1974.

Hon. VANCE HARTKE,
Chairman, Veterans' Affairs Committee, Old Senate Office Building, Washington, D.C.

DEAR SENATOR HARTKE: I would like to commend you and your colleagues on the Committee on Veterans' Affairs for making the Veterans' Outreach Services Program more responsive to the needs of the Puerto Rican veteran. Section 217 of S. 2784 addresses itself to these special needs by providing for V.A. information in Spanish, and V.A. bilingual counsellors in areas with large concentrations of Spanish-surnamed veterans.

The aid and assistance which is provided to the veteran with limited English-speaking ability through the outreach services (Section 241, Subchapter IV, "Veterans' Outreach Services Program") is commendable. This section provides information regarding benefits, education, employment, and claims in the language of the veteran with limited English-speaking ability.

In addition, Section 244 allows community-based national or local organizations who possess the knowledge and expertise, to provide special services to veterans, through Federal support, particularly through the Department of Labor.

I trust that the Senate will act favorably upon legislation, and hope that these invaluable provisions dealing with the needs of those veterans with limited command of the English language will be reaffirmed in the final bill.

Cordially,

JAMIE BENÍFEZ.

ONE CONSTITUENT'S VIEW

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. REES. Mr. Speaker, Mr. L. E. Cutler, a constituent in the 26th Congressional District of California which I represent, has requested that his recent letter to me be read into the RECORD. In accord with his wishes, I am submitting his letter:

LOS ANGELES, CALIF.,
May 3, 1974.

Congressman THOMAS REES,
U.S. House of Representatives,
Washington, D.C.

MY DEAR CONGRESSMAN: With the action of the President, Mr. Nixon, regarding the tapes comes a clear charge to all of Congress. There is no debate, no possible out, no compromise of principle available to provide room for more inaction on Congress' part. The congressional subpoena issued to Mr. Nixon and extended for his convenience by the Judiciary Committee was defied. Defied by Mr. Nixon in both the substance of the "compromise" and in principle. The tapes were not made available, and I'm not certain the requested documents were delivered. Now, you tell me that he has not defied Congress and that he is not in contempt of Congress.

He can be and should be impeached on that basis alone. The President of the United States completely disregards his oath of office to uphold the Constitution, and he decides how Congress shall execute its right of impeachment. The accused or investigated (whichever you prefer) edits the evidence and tells Congress, "That's it. All of it. That's all you get. And now, that you have this, I don't want you to investigate anything else, milk deals, taxes, contributions. No, just look at the edited evidence I've delivered to you."

As a forum for this gesture of defiance, Mr. Nixon chooses to go before national television in a histrionic speech and appeal to the people. It is obvious from the transcripts and much more obvious from Mr. Nixon himself that he is not fitted to the stature of the office. He finds himself in superior company. I would imagine that Grant would (have been) embarassed to be seen with Richard Nixon.

Mr. Nixon said that the act of impeachment was the most solemn Constitutional act. Well, that shows you where his thoughts are. The most solemn act in a Constitutional democracy is the electoral act itself, for it is the only feeble means for the governed to change and influence the direction of their state. It is this solemn act which Mr. Nixon has abused and perverted and distorted in every one of his campaigns. It is in part, for these same abuses that he is now being investigated. However, he now sees no need even to be discrete in his abuse of the Constitution itself as evidenced by his behavior throughout the "Watergate" investigations.

Still congressmen and women hold their tongues, still committees debate and mull over this and that. Do you all think there is no cause for reasonable men and women to wonder?

"But when a long Train of Abuses and Usurpations, pursuing invariably the same Object, evinces a Design to reduce them (the people) under absolute Despotism, it is their Right, it is their Duty, to throw off such Government, and to provide new Guards for their future Security."

The Declaration of Independence, July 4th, 1776.

Something to think on.

Sincerely,

MR. L. E. CUTLER.

VIEWPOINT ON JEWISH POOR

HON. BELLA S. ABZUG

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Ms. ABZUG. Mr. Speaker, an article recently appeared in Viewpoint, a publication of the National Council of Young Israel, that is of special interest to my constituency and ultimately to the Congress as well. According to Jerome M. Becker, president of the Metropolitan New York Coordinating Council on Jewish Poverty, nearly 20 percent of New York City Jews are potential welfare recipients. These astonishing figures came out of a coordinating council study of New York's Jewish poor. Rabbi Jack Cohen, who is executive director of the Coordinating Council, disclosed statistics showing that one-tenth of New York City's Jewish population lives below the poverty level as defined by the Bureau of Labor Statistics.

Our priorities in this country are topsy-turvy. The astronomical amount of money we are spending on the military could be better spent for the Nation's poor, ill, aged, underprivileged, and handicapped. The Federal budget, at a time of supposed and illusionary peace, includes the highest military appropriations ever proposed—some $94 billion. There is no way to justify this misuse of human and natural resources.

On disclosing the numbers of Jewish poor, Rabbi Cohen declared:

> We must be ever cognizant of the fact that only the Federal Government commands the personnel and the funding needed to break the pattern of poverty that ruthlessly entraps its victims.

I concur with Rabbi Cohen's observation and therefore I commend the following article to the attention of my colleagues:

JEWISH POOR

One out of every five Jews in New York City is a potential welfare recipient, Jerome M. Becker, president of the Metropolitan New York Coordinating Council on Jewish Poverty, declared recently.

Commenting on the results of a report compiled by the Coordinating Council, the central communal body for ameliorating the plight of New York City's Jewish poor, Mr. Becker said, "Our statistical data discloses that 357,100 persons, or 19.9 per-cent of the estimated 1,800,000 Jews in New York, may now be considered potential welfare risks." This represents an increase of 85,500 persons from the total of 272,000 poor Jews cited by the Federation of Jewish Philanthropies in its 1972 demographic report on the Jewish poor.

The latest study, prepared by Coordinating Council Executive Director Rabbi Jack Simcha Cohen, disclosed a total of 190,800 persons, or 10.6 per-cent of the Jewish population living under the Poverty Level. A total of 80,800 persons, or 4.5 per-cent of New York City's Jews have incomes between the Poverty and Near Poverty levels. (Near Poverty is defined as the maximum income of the Poverty Level multipled by 1.25) These two categories constitute the estimated 272,000 Jewish poor, the earlier figure reported by the Federation.

However, in recent Federal programs, the Bureau of Labor Statistics Lower Income Level has been utilized as the base for defining low income. In addition, this figure has been utilized in New York City as the criteria to determine the number of residents who are potential "risks" of going on welfare. According to the New York City Human Resources Administration, these are persons who just manage to make ends meet and must turn to welfare in any financial crisis; e.g. sporadic unemployment.

By taking this new income category into account, an additional 85,500 persons, or 4.8 per-cent of the total Jewish population of New York City may now be labelled potential welfare risks.

While the survey discloses that 1,105,400 or 61.4 per-cent of New York's Jews earn decent incomes which are greater than the moderate BLS level, the percentage of potential welfare risks has now outstripped the percentage of working class, defined as having incomes between the BLS lower and moderate budgets, which now constitutes 337,500 or 18.6 percent of New York City's total Jewish population.

ORTHODOX NEEDS CITED

Furthermore the report notes, these standards do not take into account the additional needs of Orthodox Jews for kosher food, or the cost of day school education. "As a result of these expenditures for religious necessities," Rabbi Cohen noted, "certain segments of society may actually be poor even though their incomes are above the officially accepted yardstick level."

Indicating that the statistical data utilized in compiling the report was now nearly two years old, Rabbi Cohen added, "It is imperative to note that, when one takes into account the skyrocketing rate of inflation, especially as it pertains to food costs, and the problems of rising unemployment, particularly as they are exacerbated by the energy crisis, these figures of Jews approaching the poverty level are, in reality, minimum estimates. Were one able to compile a 1974 up-date on these figures, all indicies point to a dramatic rise in the percentage of persons in the Poor and Near Poor categories."

Noting that "the organized Jewish community does not possess the boundless resources needed to support the masses of the needy and the impoverished," Rabbi Cohen declared, "we must be ever cognizant of the fact that only the Federal Government commands the personnel and the funding needed to break the pattern of poverty that ruthlessly entraps its victims."

PERSONNEL BRIDGE GAP

Calling upon Jewish organizations to aid the Coordinating Council in the development of "facilitators," people who know to properly and legally "work the system," Mr. Becker added, "As a result of this report it becomes evident that our priority must be to train the personnel who will serve as the interlocking bridge between communal needs and governmental aid. In keeping with its role of communal advocacy, the Coordinating Council will exert every effort to insure that a high level of rapport is maintained between the government and the poor."

The Metropolitan New York Coordinating Council on Jewish Poverty represents more than three score national and grass roots leadership organizations, including the National Council of Young Israel, providing a communal response to Jewish poverty in New York City. In December 1972, the Coordinating Council received a grant from the New York City Human Resources Administration. This grant was renewed with a 30 per-cent increase in December, 1973, for 1973–74. In addition, the Coordinating Council has been awarded a grant from the Federal Office of Economic Opportunity.

The Coordinating Council has developed neighborhood Jewish Community Action Programs in the Lower East Side of Manhattan and in the Concourse section of the Bronx. In addition, it has staffed local Jewish community councils in Boro Park, Brighton Beach, Coney Island, Crown Heights, Queens, the Rockaways, Rugby-East Flatbush and Washington Heights Inwood, provides research on Jewish poverty, and serves as an advocate of the Jewish poor.

U-CREST FIRE COMPANY

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. KEMP. Mr. Speaker, I would like to draw to the attention of my colleagues in the Congress that June 20 marks the 50th anniversary of the U-Crest Fire Company, Inc. of Cheektowaga, N.Y. On that day in 1924 a group of community minded and dedicated men formed a fire company which presently holds the distinction of providing protection for more property than any other fire company in Cheektowaga, N.Y.

I draw this to the attention of my colleagues because of my continuous interest in fire prevention and control act benefits and services for both full-time and volunteer firefighters. I recently helped sponsor H.R. 11989, the Fire Prevention and Control Act of 1974.

This measure would, specifically——

Create a National Bureau of Fire Safety and a Fire Research Center within the U.S. Department of Commerce;

Authorize an improved treatment program to be conducted by the National Institute of Health;

Authorize the Secretary of Housing and Urban Development to extend loan insurance to nursing homes for fire prevention equipment; and

Provide reimbursement for local firefighting efforts on Federal property.

Title I of the bill establishes within the Department of Commerce a National Bureau of Fire Safety, within which will be established a U.S. Fire Academy.

These benefits will be available to full-time and volunteer departments.

The second objective is the establishment of a national fire date clearinghouse to provide a better understanding of the fire problem and to secure accurate, reliable data urgently needed in order to expand fire technology R. & D. programs.

The third objective is to facilitate the transfer of NASA technology to the fire service.

The U-Crest Volunteer Fire Company, like all others, deserves these benefits and deserves to be supported by the Congress.

The U-Crest Fire Company had modest beginnings with only the bare minimum of equipment. The devoted men worked hard to achieve their present status which currently boasts the most modern firefighting equipment and facilities.

Certainly the efforts and the deserving rewards of such efforts should not go unnoticed. Certainly an organization which exists because of the loyalty and undying dedication of 80 volunteer men should serve as a model to all community-oriented agencies and must gain the recognition it merits.

The U-Crest Fire Company provided me with a brief history of their career focusing on the highlights of their history. It is now my privilege to relate their experiences and say how proud I am of those volunteer firefighters not only from U-Crest but all over our community and country who give unselfishly so we can be safe from the scourge of fire.

HOW IT ALL BEGAN

In the summer of 1924, upon the urging of several local merchants, a group of young men: Bremiller, Fath, Wise, Schieder, Kielholz, Kron, and several others met at the Gangnagel Real Estate office located on the north corner of Northcrest and Union. The building is now moved back on lot from the corner. The fire company was born, and after several meetings at this location, moved its headquarters to the backroom of a tavern owned by Baptist Schieder and located on the corner of Union and George Urban.

The infant fire company took the name U-Crest from the U Shaped curve made at the intersection of Northcrest and Southcrest Ave. By standing at Union and George Urban and looking down the trolly tracks on Orchard Place this U was clearly visible.

The first fire of recollection was in the Wenzel home on Orchard. A chimney fire. The men responded and fought the fire with the only equipment they had at the time; two-hand-held fire extinguishers of approx. 5 lb. each, carried on the run from the back-room hall.

The equipment situation improved when Eggertsville loaned U-Crest a hand-drawn hose cart. This was kept in a garage which stood, until recently, just across Evergreen from the present firehouse. At an alarm the men would run to Dan Davids back door, get the key which hung by a round steak-bone from a nail, open the garage and pull the hosecart to the scene. Occasionally, the cart was tied to a car for the trip.

The year 1928 was a momentous one for U-Crest. Ground was broken for the firehouse and an honest-to-goodness Buffalo pumper was received. The hosecart was returned to Eggertsville where it may still be seen. The bill for the construction of the firehouse? $19,000! This firehouse is the central structure of our present hall with the exception of the original hosetower which blew down, siren and all, in a heavy windstorm.

The 30's were hard years but by individual sacrifice the company continued to serve the community.

During the war the members of the company were required to take their turn in sleeping at the firehouse each night. George Keller, company Secretary, would shine a light in the window each night to check.

During the war years the men were trained in first-aid and in 1944 the reconditioned Dodge panel truck went into service as a rescue truck.

In 1952 with the purchase of the Maxim Quad and in 1956 with the replacement of the Buffalo by a Maxim pumper the modern era at U-Crest began. The improvements followed quickly, in 1958 the Maxim First-Aid truck, two 1000 Gallon per minute pumpers, the Snorkel and this year the 1500 gallon per minute diesel pumper from Ward La France and the GMC Emergency truck for house calls.

The beginnings were humble and the improvements were many, but the spirit that has brought U-Crest this far cannot help but propel us eagerly into the future.

U-Crest Fire Company is located at 255 Clover Place near the Genesee-Union and Geo. Urban-Union intersections in the heart of Cheektowaga. It is one of two Fire Companies in Cheektowaga carrying a Class "A" rating, and affords fire protection to more property valuation than any other fire company in town.

Paul Tachok Jr. has been Chief since 1956. His father Paul Tachok Sr. is one of the Charter members and still active in the company.

Our equipment consists of 4 pumpers; 1 Snorkel; 2 Rescue Trucks all manned by 80 active volunteer firemen.

CITIZENS AID BRONX COMMUNITY

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. BINGHAM. Mr. Speaker, Government inattention or local decay often inspires unusual remedial actions by private citizens.

Two examples of such initiative were recently described in the New York Times. In one case, a young Bronxite, Frank Kowalski, prodded the New York City Parks Department to protect the Edgar Allan Poe cottage, a landmark which had suffered from increasing vandalism; he was hired as a night watchman. In another case, Bronx police commander, Anthony V. Bouza, a Scarsdale resident, organized a volunteer program to clean up the banks of the Bronx River. Bronxite Ruth Anderberg and Queens resident, Herbert Miller, are now coordinating this very successful effort.

These citizens should be commended for assuming an active responsibility for the improvement of the quality of life in their community. Certainly all Americans can benefit from their example and find opportunities for similar action in their own communities. I include in the RECORD the articles from the May 25 edition of the Times:

BRONX PROJECT IS LIFTING FACE OF RIVER'S BANKS

(By Allan M. Siegal)

An alien growth is poking out of the banks of the Bronx River near West Farms Square. It is grass.

What kept it from growing before, at the busy crossroads just south of the Bronz Zoo, was, among other things, the following:

Six wrecked cars, two rusted horse trailers, 50 to 60 refrigerators, one discarded 25-foot lamppost, five rotted sofa beds, a mimeograph machine, two boiler tanks and the remains of an upright piano. And—oh, yes—a wine press.

All of that has been hauled off so far in a month-old volunteer project that yesterday drew 100 seventh-grade pupils to the river with rakes, shovels, pitchforks and zeal.

'KEEP CIVILIZATION CLEAN'

"We've got to keep civilization clean," said 12-year-old Philip Jones as he hefted a small boulder. A classmate, Phyllis Savage, 13, shoveled rocks into a tar bucket and called to a woman passer-by, "We're cleaning up New York City."

"You've got a long time to go," said the woman, who had a point. Rusting junk and old tires still line much of the river's path through the Bronx. In at least two spots, in the East 230's, raw sewage pours in from open pipes.

Environmentalists of the New York Botanical Gardens concluded in a report the other day, "At no point in its course is the Bronx River water suitable for drinking." Below Yonkers, they said, "the river is unsuitable for bathing, swimming or other recreational purposes."

"When I was a kid, living nearby on Crotona Park, my father and I used to go bathing on that river," said the pupils' science teacher, 31-year-old Martin Gidansky, who now lives in the Riverdale section. "The water was pretty clean then. We've been teaching the kids to take water samples and soil samples to show them what they're up against."

Along with the seventh-graders, from Intermediate School 167, cleanup volunteers have included Bronx units of the National Guard, local tow-truck owners, and scrap dealers, who sell what they fish up. The city has assigned Sanitation Department and Water Resources Department equipment to help out in free moments.

Coordinating the job is an effervescent young woman named Ruth Anderberg, administrative assistant for a nonprofit study group in Manhattan. Yesterday, in jeans and sweater, she beamed as a city bucket crane scooped up mounds of fiber dumped in the river by an upholsterer.

"They handle that thing like it was sugar tongs," she said.

Miss Anderberg hopes the project will last for years, creating "parkland all the way down to the mouth of the river." Already, she said, other teams are at work near the Westchester County line and inside the zoo.

The project's founder—who jokes that he has "nothing to offer except bullying power" —is Assistant Chief Inspector Anthony V. Bouza, borough commander of the police.

"At home, my wife and kids and I walk the banks of the Bronx River and it's bucolic," said the chief." Every day I would ride in on the train and look out and think. 'Why should the Bronx live that way?' We picked West Farms for a start because I wanted it in the heart of the ghetto, where things were worst. I wanted people to see that things could happen here. That goes to the root of everything."

A GENTLE POET NOW PROTECTS POE COTTAGE IN BRONX

(By Richard Severo)

About 2 A.M. last April 30, a drunk stumbled up to the front door of the Edgar Allan Poe cottage in the Bronx and tried to kick the front door down.

It wasn't out of malice; he was drunk and he was cold.

The door to the house where Poe lived 128 years ago swung open, and in a scene Poe would have relished the drunk found himself confronted with an elongated shadow, which explained that this was a museum, not a flop-house and that the drunk might be better off elsewhere.

As surprised as anyone in his condition could be, the drunk stumbled off toward benches in the park at Grand Concourse and Kingsbridge Road, mumbling and wondering at how a museum would have someone around at that hour.

The watchman, only recently hired, in question, is himself a poet, a young man who has read everything Edgar Allan Poe ever wrote and who is determined that while he is around, there'll be no more nighttime vandalism at the Poe cottage.

Frank Kowalski, a 24-year-old literature major at John Jay College, is a tall, thin young man who has to keep explaining to people that he really doesn't want to be a police officer, although his late father was a detective and his school is best known for its courses in police science.

"I grew up right around the corner on Briggs Avenue," Mr. Kowalski said the other day, "and I've seen this neighborhood decline. I got so upset at what was happening to the Poe cottage that I decided to do something about it."

What he did was to write to the Parks Department expressing his concern, and as a result, he has become the Department's answer to drunks and drug addicts. He spends at least five nights a week in the cottage (salary: $111 a week) and he regards it as kind of a scholarship, for from his point of view, no other place in New York can equal the cottage as a place to write and sketch (Mr. Kowalski illustrates all his poems), and with minor interruptions from an occasional would-be night-time intruder, Mr. Kowalski is free to immmerse himself in the past, in the ambience of Edgar Allan Poe.

In any event, Mr. Kowalski has become the Parks Department's answer to night time vandalism at the cottage. He spends at least five nights a week in the cottage, but staggers his hours so that potential malefactors can't determine his schedule.

YAMAHA'S SCARE COMMERCIALS

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. GAYDOS. Mr. Speaker, I am incensed that a Japanese company doing big business in the United States has now seen fit to attempt to profit by fanning fears of new gasoline shortages and price hikes here.

I refer to Yamaha, the Japanese motorcycle maker, which currently is filling the airwaves with speculations that our fuel shortage suddenly may worsen and gasoline prices shoot up to $1 a gallon. The "commercials" cite warnings made back in the midst of the recent crisis—warnings which use only a minimum amount of gasoline. At the same time, I might add, we are urged to give up our U.S.-made motor cars and thus create greater American joblessness.

As a Member of this Congress, I protest this kind of scare merchandising and especially by a foreign concern which has enjoyed high profits in the U.S. market while American competitors continue to find it almost impossible because of import restrictions to do business in Japan.

Few domestic firms, to my knowledge, are bent on frightening us into buying their products. And I think the FCC ought to look into the Yamaha "dollar-a-gallon" commercial on the simple grounds that it is not telling the present truth about our fuel situation.

WHAT'S HAPPENING TO CHEESE?

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, as representative of Wisconsin's Sixth Congressional District—and the many people who own and operate dairy farms there—I have been increasingly concerned about the harmful effect administration policies have had on dairy farming in the Nation.

Several factors have contributed to uncertainty in the dairy industry. Among them are the administration's circumvention of existing import quotas on nonfat dry milk, butter, and cheese; its failure to raise support prices at the proper time; its ill-advised imposition of wage/price controls; publication of the Flanigan report; inadequate inspection of dairy imports; and the Treasury Department's failure to implement countervailing duties on imports from countries subsidizing their dairy industry.

The net effect of these actions and failures to act is that dairy farmers and processors alike are having a difficult time continuing operations. And some farmers who do maintain their herds are having a hard time finding a market for their milk.

This is an incredibly serious problem. What is happening—and will continue to unless drastic immediate action is taken—is a closing down of operations by milk producers and processors. The administration's announcement last week that it will be buying surplus cheese at the support price is welcome news to those who have seen cheese selling below that level at the beginning of the price chain only to be sold to consumers at steadily rising prices at the retail level.

Further action to restrict imports, to implement countervailing duties where applicable and to toughen import quality standards is clearly needed. The law of supply and demand has not been given the opportunity to work. In fact, administration actions have completely skewed the entire cheese market.

Carl Zimmermann, director of communications for WITI–TV, channel 6 in Milwaukee, in a June 7 editorial, presented an excellent case for immediate change in our present dairy policies. I commend it to your attention:

[Editorial, June 7, 1974]

WHAT'S HAPPENING TO CHEESE IN THE DAIRY STATE?

It came as quite a shock to all of us . . . a cheese storage plant suddenly stopped taking milk products from a large number of Marathon County dairy farmers . . . thus denying the milk producers their market.

Yes, it happened here in the dairy state. Your first thought, of course, is . . . this shows there's a surplus and by the law of supply and demand . . . the price of cheese at the supermarket should be coming down. Well . . . not so! Prices are still high . . .

and the farmer not only get less money . . . but has one heck of a time trying to find a market for his product.

What is happening here, is that we have bureaucratic manipulators at work . . . controlling the market at severe cost to both the farmer and the consumer. Blame must go to the farm administration. They have so-called experts who are supposed to be able to predict future market conditions. It's obvious those manipulators have "goofed" on allowing a flood of cheese imports.

Where is our faith in the good old law of supply and demand? TV6 hopes the so-called experts will stop tampering with that law. It has worked in the past . . . there's no reason why it shouldn't work now . . . for the betterment of both the consumer and the farmer.

CHANGES FOR PORTUGAL

HON. GILBERT GUDE

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. GUDE. Mr. Speaker, the recent change in government in Portugal should be a welcome sign for the African States under Portugese rule—Mozambique, Angola, and Guinea-Bissau.

These areas represent three of the last bastions of colonialism in Africa, and the willingness of the new Portuguese regime to negotiate a settlement gives new impetus to the continentwide drive for freedom and human rights. Particularly welcome is the possibility of a peaceful transition, affirming the rule of law after years of guerrilla activity.

As the Mideast situation moves slowly toward stability, I am hopeful that the United States too can give increased attention to the problems of colonialism and provide significant diplomatic and economic support to governments obtaining independence. Some of the least developed countries in the world are in Africa, and it is of vital importance that we do more, not simply to relieve human suffering, but also to assist these countries along their own chosen paths of developing their often limited natural resources and abundant manpower into self sufficient economies. A recent editorial in the Baltimore Sun summed up the promise of Portugal's new government for the Africans:

[From the Baltimore Sun, May 1, 1974]

CHANGES FOR PORTUGAL

Breaths of fresh air are sweeping Portugal. An army junta may be a strange source of civil liberties. General Antonio de Spinola is by background an authoritarian and hardly a democratic figure. But in their comparatively bloodless coup and remarkably humane transfer of power, Portugal's new rulers have abolished a dictatorship, censorship and the political police. In promising a provisional government of varied views, free speech and assembly, free political associations and elections within a year, General Spinola has created the expectations of liberal democracy. In calling for a negotiated rather than military conclusion to the three wars in African colonies, General Spinola has raised domestic hopes for an end to the costly fighting, and encouraged the rebels in Guinea-Bissau, Mozambique and Angola.

The international implications are large. Democracy in Portugal would raise pressure in Spain for comparable reforms there. Democracy and an end to the colonial wars would make Portugal a less embarrassing ally in NATO and create political acceptability should Portugal later seek to join the Common Market, which would further heighten demands for democracy in Spain and Greece. Independence for Angola, Mozambique and Guinea-Bissau would probably number the days of the minority white regime in Rhodesia, and create difficulties for South Africa.

Contradictions are built into the present situation, General Spinola anticipates that the Africans will freely negotiate a federation with Portugal, while the African rebels vow to fight on until total independence. Mario Soares, the democratic Socialist who has triumphantly returned from exile, is a valiant crusader for democracy, but when the real left emerges, its nature and strength may well alarm the likes of General Spinola. Throughout history, rebel regimes have failed to deliver liberties they promised. The deposed prime minister, Marcello Caetano, himself abolished the hated political police amid general rejoicing, only to retain them under different initials. What is clear now is that the Portuguese have responded enthusiastically to the promise of liberal democracy. Any attempt to deny it would meet opposition that the junta and General Spinola have summoned into being.

TVA ANNOUNCES NEW-STYLE MONTHLY RATE ESCALATOR POLICY

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. EVINS of Tennessee. Mr. Speaker, the Tennessee Valley Authority in an unprecedented series of electric power rate increases in the past few years has boosted power rates 8 times in 7 years, aggregating a net increase of 80 percent to the public.

Many people in the Tennessee Valley are concerned and are protesting these increases and now TVA has announced a new method of adjusting power rates monthly—rates will "float", depending upon the cost of coal each month.

The increases—the latest one included—have raised questions in the minds of many TVA customers as to who is setting policy for TVA—the Office of Management and Budget—OMB—in the White House, or the TVA Board.

These increases and the revenue realized from each increase as reported by TVA are as follows:

Month rate increase effective	Average percent of increase	Additional annual revenue
July 1967	7.5	$27,300,000
March 1969	7.3	28,200,000
August 1969	6.0	24,800,000
August 1970	3.4	16,200,000
October 1970	24.1	98,700,000
January 1973	8.9	64,600,000
January 1974	20.0	190,000,000
August 1974	3.0	(1)

[1] Fuel escalator clause.

In prior years TVA had built a justified reputation of having rates among the lowest in the Nation.

Now, however, although TVA officials still insist that overall TVA's power rates remain lower than the national average, the fact is that, according to TVA, TVA's rate of increase since 1970 is .33 of a cent per kilowatt hour, which is slightly higher than the national average of .32 for power rate increases per kilowatt hour.

Testimony before the Subcommittee on Public Works Appropriations, which I am honored to serve as chairman, has indicated that TVA has increased its rates 70 percent from 1967–1972, while investor-owned utilities increased their rates by an average of 12 percent during that same period.

This is not a bright picture for a public power agency.

The significance of this parallel pattern of rate increases by TVA and other utilities, in my view, is that TVA, which was formerly a low-cost power yardstick, is becoming a higher cost power pacesetter.

I have warned repeatedly since the current epidemic of rate increases began in 1967, and have admonished TVA that this agency is losing its image as a low-cost power rate yardstick—its traditional role in the field of public power.

It now appears from TVA's own figures that the agency's example is being followed generally throughout the Nation as rates go up, and up. These comparisons indicate that as TVA goes, so goes the Nation.

While TVA has accomplished much good for the people of the area and the Nation in the fields of navigation, flood control, reforestation, recreation, attraction of industry, TVA in its recent rate escalation policy is embarked on a course running contrary to the public interest.

The rate increases are too frequent, too much and too consistent—the Bonneville Power Administration, another public power agency—for example—reviews its rates once every 5 years. TVA has been reviewing its rates quarterly and has now, in effect, gone to a monthly adjustment.

In this connection The Tennessean in Nashville in a recent editorial calls the most recent rate increase announcement by TVA a "mistake of tragic consequence".

Because of the interest of my colleagues and the American people in this most important matter, I place the editorial in the RECORD herewith.

The editorial follows:

[From The Tennessean, June 10, 1974]

TVA AND THE PUBLIC

The new rate escalator policy announced last week by the Tennessee Valley Authority is distressing for the people of this region—both for short-term and long-term reasons.

The new system of automatically passing increases in fuel prices along to TVA's customers certainly will mean frequent jumps in electric bills. That alone is bad news enough for the consumers of TVA power, who have watched those bills climb steadily upwards over the past seven years.

But additionally, the escalator policy itself may prove even more detrimental to the TVA's role as a public utility.

Superficially, the spreading of hefty coal cost increases over monthly, rather than quarterly, billing periods may seem to be a means of softening the blow to the consumer. Heretofore, the significant jumps in electric bills have come in strong doses only four times a year, rather than 12.

In that context, the effect of such a policy would be relatively subtle after the initial public response to the escalator plan dies away. And yet, that is the very danger of it.

The historical role of the TVA in America's electric power system has been that of a publicly-owned "yardstick," against which citizens could measure the privately-owned utilities in terms of their true production costs. However, the performance of that function depends predominantly on public awareness, and it seems that members of the public may tend to pay less attention to fluctuations in their electric rates when they are structured to appear smaller than before—and especially when they are unannounced.

Rep. Joe L. Evins, Tennessee's senior member in the House, is correct in suggesting that TVA "is now embarked on a course running contrary to the public interest" and that the agency may lose its image as "a lower-cost power rate yardstick."

The power rates charged by the TVA still may be below the "national average," but obviously no real relief is in sight for the bill-paying consumers of TVA electricity. It seems, then, that the only savings under the new escalator plan will accrue to the TVA's management—in the form of smaller, more infrequent doses of public criticism.

That, in the short run, may be to their benefit. But in the larger context of the TVA's role as a government agency which should be responsive to the public, it will be a mistake of tragic significance.

WRONG VIEWS ON RIGHT TO LIFE

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. ZWACH. Mr. Speaker, I would like to share an editorial, which recently appeared in Our Sunday Visitor, a Catholic publication, with my colleagues, by inserting it into the CONGRESSIONAL RECORD.

I commend the reading of this editorial, because it may clear up misconceptions some people have about the right-to-life movement:

WRONG VIEWS ON RIGHT TO LIFE

(By Richard B. Scheiber)

A few weeks ago, Mrs. Marion K. Sanders wrote an article in *Harper's* magazine. Her message was that the pro-life movement is promoted and generously financed by the Catholic Church. She compiled a convincing set of half-truths and "managed" facts, cementing them all together with innuendo to build her "Catholic" wall around right-to-life.

That original article is not the subject of this essay. Rather, it is about the attitudes—erroneous attitudes—that many people hold about abortion, right-to-life and the Catholic Church.

First of all, pro-abortion people keep trying to characterize the pro-life movement as some kind of giant monolith, founded, directed and generously financed by the Catholic Church. Here at OSV, we have dealt with people in the right-to-life field long enough to know this simply is not true. In fact, it's hard to nail the movement down.

Right-to-life groups, under many names, have sprung up all over the country without any real, centralized direction, and certainly without widespread financing. Their members include people of all faiths. Quite frankly, many of them are Catholic, but, by and large, they try to avoid any religious label.

It's true that the position of most members of the Catholic Church, except for a few mavericks, is solidly behind the right-to-life philosophy. How could it be any other way? God's word is clear. But that does not make right-to-life an exclusively Catholic movement, any more than support for freedom of religion (in colonial Maryland) was a "Catholic" movement.

And where financing is concerned, most right-to-life groups with which I am familiar must scrape for every penny. "Angels" are few and far between.

One astonishingly inaccurate—more than that—totally false phrase turned up in *Harper's* in a letter from Beatrice Blair, executive director of the National Abortion Rights Action League in New York. Twice in a two-paragraph letter, Ms. Blair referred to right-to-life groups as "compulsory pregnancy" people. What apparently escapes Ms. Blair is that there is no such thing as a "compulsory pregnancy." No woman is forced to become pregnant, with the possible exception of rape.

Perhaps the biggest trouble with pro-abortion people is that they apply the principle of free will to pregnancy, but fail to carry it to its logical conclusion, the freedom not to get pregnant in the first place. I find it hard to believe these people are unaware of what causes pregnancies.

Then, as if Mrs. Sanders did not have enough to say in her original attack on right-to-life advocates in general and Catholics in particular, she added some comments in the letters column of *Harper's* which really revealed her attitude toward those who disagree with her.

Complaining about the heavy volume of opposition mail, she wrote: "The fervor of this well-organized opposition is documented by the mail that has poured into *Harper's* and to me. That most of the writers are not regular *Harper's* readers (as attested by their syntax and rhetoric) is unimportant."

I think it is important. For a couple of reasons. First, if the pro-life people are so well organized and financed, they could surely hire somebody to organize letters which would have "syntax and rhetoric" of which people as well-educated as Mrs. Sanders and the regular readers of *Harper's* would approve. Instead, she got letters from people who feel, deep in their gut, that to kill an unborn baby is wrong. Too bad.

Second; Mrs. Sanders reveals a "better-than-thou" attitude towards people who have the temerity to disagree with her. This attitude, in its condescension, is insulting at best, frightening at worst. It is the same attitude which exists among the "elite" of the pro-abortion and pro-euthanasia people. It is the attitude which leads them to try to take the discussion about sanctity of life out of the public arena, where they know they cannot win, and into the courts where their anti-life philosophy can be imposed against the will of the people.

Obviously, this has already taken place in the United States. But it can be changed.

STUPIDITY OR MALICE

HON. GEORGE A. GOODLING

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. GOODLING. Mr. Speaker, we are all aware of the attacks recently heaped upon the brow of Secretary of State Kissinger with respect to his supposed involvement in wiretapping.

An editorial dealing with this matter and titled "Stupidity or Malice" appeared in the June 13, 1974, issue of the Dallas Morning News. Because this article is both meaningful and timely, I am inserting it into the CONGRESSIONAL RECORD and commending it to the attention of my colleagues.

It is interesting to observe that on a recent television program reflecting the identical circumstances to which this editorial addresses itself, a Democrat on the Judiciary Committee having rank superior to the Congressman discussed in the article, stated forthrightly there was absolutely no evidence in the materials before the committee of positive proof that Secretary Kissinger ordered security wiretaps on White House personnel and newsmen 3 years ago.

STUPIDITY OR MALICE?

In its attack on Secretary of State Henry Kissinger, the impeachment crowd has stormed into more than just Nixon's last preserve of credibility—foreign policy. The irresponsibles in rumor-ridden Washington are fooling with the peace of the world.

They couldn't have chosen a worse time to declare that Kissinger ordered security wiretaps on White House personnel and newsmen three years ago. Only a triumph of stupidity or malice could burst a bomb like that over a delicate peace mission.

Rep. Joshua Eilberg's declaration that the House Judiciary Committee has "positive proof" that the wiretap orders came from Kissinger must, given the circumstances, qualify as one of the most irresponsible incursions of politics into foreign policy in our history. He simply couldn't wait to add his say to the "leaks and innuendos" that Kissinger denounced from Austria in his passionate threat to quit.

The question isn't whether Kissinger did wiretap. He has flatly denied doing so twice—and until the facts are established he has a right to his honor and credibility. But whatever the truth of the wiretap allegations (and even proof that Kissinger did order them is not necessarily culpable) is the Mid-East mission so trifling that a trial of the truth can't wait?

Whether stupidity or malice spurs the effort to drag Kissinger—at this time—into the malarial mist of rumor and allegation that is Watergate Washington, Congress must know that it is pushing the probe game into an area where it has no business: Foreign policy, American security, the peace of the world.

Are the impeachment-minded so blind to the world beyond the Potomac that they can sabotage a world peace offensive as casually as they have destroyed Nixon's effectiveness at home? Or is the drive to get Nixon so consuming that everything else comes second—even great achievements with old enemies and adversaries who have made our lives less secure in the past?

The irresponsibles cheapened Nixon's and Kissinger's accomplishments as much as they could before the mission began—questioned even Nixon's right to go and secure the peace while under threat of impeachment at home. Now they have pursued him and Kissinger abroad.

Not on the basis of established fact, but on the same basis on which so much of the impeachment movement has so far proceeded: Rumor and repetition overrunning each other to establish new rumor and repetition while truth trails far behind.

That is the nature of the beast—little responsibility, less concern. The Potomac cloud will follow the presidential party and do as much harm as malice and stupidity can do to wreck a great venture in world diplomacy—one which any other president and secretary of state of another party or time would have been honored to the skies for even attempting.

CHAOTIC SITUATION IN THE LIVESTOCK INDUSTRY

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. MATHIS of Georgia. Mr. Speaker, I would like to call to the attention of all the Members of the House that the Committee on Agriculture, under the leadership of its distinguished chairman, W. R. Poage, this morning began hearings on the chaotic situation in the livestock industry in this Nation.

The committee properly felt that the House could not sit idly by and allow this administration to continue policies that are leading to bankruptcy for America's producers of food. These hearings intend to expose the problems of producers, and to try and determine why, in the face of declining prices paid producers, prices remain so high in the supermarket.

In opening the hearings this morning, the first witness was the Speaker of the House, the Honorable Carl Albert, whose testimony followed an opening statement by Chairman Poage. I am including both presentations for the consideration of all Members of the House:

Remarks of Chairman W. R. "Bob" Poage, June 18, 1974, of 3-Day Hearing on Livestock Price Situation

Good Morning: Mr. Speaker, the disastrous financial strait in which livestock producers of the nation find themselves brings us together in the hope of alleviating their condition before it spreads to the entire American economy.

This is no idle warning. Today, I fear that we see only the tip of the iceberg. Every depression for a century past, including those dire years of the early 1930s, has been preceded by a break in farm prices. Not every such break has ended in depression, but certainly the stage is set for one.

For weeks we have had increasing complaint that cattle prices were falling, and that many producers, especially feeders, were facing losses of a hundred to two hundred dollars per head. You don't have to understand the cattle business to realize that this means certain ruin to a great number of producers. I realize that this should have given us much lower prices in the retail market. Apparently, rather little of the reductions have reached the housewife. We propose to seek an explanation of this. These deplorable market conditions have spread to hogs and poultry and only a few days ago a Texas turkey grower was here and told us he was losing $2.50 on each bird.

Obviously, this state of affairs can't go on long. This break in prices, unless corrected promptly, will inevitably and probably soon spread to feed grains and to all farm comcommodities. Next it could well develop into a general depression. Three out of every 10 jobs in private industry are related to agriculture. Even before the sharp inflationary spiral began a couple of years ago, the farmers of this nation spent over $10 billion a year for goods and services to produce crops and livestock, $5 billion on tractors and other equipment, and nearly $5 billion for fuel. If a depression should come, residents of the big cities would suffer most. Farmers may not have much money but at least they can produce some food.

I could go on into more detail, but I won't do so because we have the distinguished Speaker of the House, the Honorable Carl Albert of Oklahoma, here as our lead-off witness. We expect to have the Minority Leader of the House, the Honorable John Rhodes of Arizona, as the opening witness tomorrow, and the Secretary of Agriculture, the Honorable Earl Butz, as the opening witness on Thursday. Other witnesses who have been invited include spokesmen of consumer groups, bankers, distributors, farm organizations, and public officials. We trust that if they have nothing to hide that they will all appear.

Our purpose in these meetings is not to consider specific legislation but rather to suggest the course of action we should pursue. On June 25 and 26 our colleague, the Honorable Tom Foley of Washington, will convene his Subcommitee on Livestock and Grains to consider specific legislation and to consider facts brought out at this current hearing.

We are now honored to have the Speaker of the House, the Honorable Carl Albert, formerly a distinguished member of this Committee and now, as always, a friend of both consumers and producers.

Statement of Representative Carl Albert Before the Committee on Agriculture, June 18, 1974

Mr. Chairman and distinguished members of the Committee on Agriculture: Thank you very much for the opportunity to appear before this Committee. The Congress may well be faced with one of the most serious economic problems since the depression. The cattle industry is in a financial squeeze which could have a serious impact on our entire economy if it is not straightened out. The market price of cattle has dropped to an average of $150 a head, the worst price decline in twenty years while at the same time the worst peacetime inflation in history causes production costs to skyrocket. Small, independent ranchers as well as large operators are suffering terrible consequences as a result of this situation. In the South Central Great Plains alone, I am advised that over $2 billion in income has been lost since last October. This economic debacle rages today while the Administration gives every evidence that it understands neither the depth nor the meaning of the problem which exists in the cattle industry.

The problem was well put by a constituent of mine, when he wrote:

"I am a retired service station man, 65 years old, and am trying to supplement my social security income by raising cattle; however, it is becoming increasingly hard to do because of the drop in beef prices. It is ruining the cattlemen in this community.

"Since last August, prices have gone down almost half price, while the price of feed and costs for raising cattle are continually rising.

"Yearlings that were bringing 70c a pound last year have gone down to 39c to 40c. Top price for a cow and calf are now approximately $375, while last August they were selling for $600. Prices have not come down in the grocery store.

"There is no way for the cattlemen to stay in business when everything is so out of balance. The cattlemen in this community believe it is due to the beef imports. Something is going to have to be done if the cattlemen are to stay in business."

I feel that several factors are contributing to this alarming condition plaguing our farmers and ranchers. First, there has been significant pressure from foreign beef which has had a direct effect on the domestic price. For two years the United States has been without quota protection for American beef as a result of the President's decision in the Spring of 1972 to lift the import quotas imposed by the Meat Import Act of 1964. This, in itself, did not affect the American market until recently, when in the face of decreasing demand and increasing production, several countries instituted import quotas on foreign beef, and as I understand it, they are now prohibiting the import of beef altogether. Thus, with the United States having the only open market, foreign producers have begun exporting inordinately large quantities of beef to the United States. In essence, the United States is quickly becoming the dumping ground for world beef producers.

Adding to the increased supply of foreign beef was a tremendous production increase by American farmers. Reacting to American consumer pressure, cattlemen rapidly increased the numbers of their animals. In one year we have seen an increase of 6 million head of cattle in the United States. Therefore, due to rising imports, greatly increased domestic production and decreased demand the beef market has become glutted.

A second major factor in the present crisis is the soaring increase in the cost of production. The Oklahoma Cattlemen's Association reports that cow-calf producing costs are up 20% over last year. Fuel, fertilizer, baling wire, and feed costs have increased dramatically and continue to soar.

A large number of my constituents raise cattle, and we have watched the cost of farmers' and ranchers' supplies very closely over the last year. Baling wire sold last August in my home town for about $14.00 a roll, provided you could find it. Today, in the same area, a roll of wire will cost anywhere from $35–50, once again, provided you can find it. One farmer wrote:

"No cattle producer can pay the high price of baling wire, fuel, taxes, and machinery and make ends meet when cattle are so cheap."

Another stated:

"I depend on cow-calf operations. Since Nixon froze the price of beef and opened foreign imports on beef, I will not be able to meet my creditors. There is no way I can pay $50 a spool for baling wire, pay high taxes, high cost of fuel, and machinery when the price of beef has dropped in half."

A third factor to consider is the impact of the price ceiling placed on beef at the retail level one year ago by the President. At that time I stated that such a stopgap effort was little more than a misplaced band-aid on the inflationary sores of this country. It was evident then, and it is evident now, that the farmers and ranchers are taking the full brunt of a badly managed economy. The only effect of the price freeze was a total disruption of the cattle industry. Farmers and ranchers, in an effort to avoid this disastrous move, held cattle off the feed lots and out of the slaughterhouses, hoping to turn a profit when the price freeze was lifted. Too many cattle were held off, and a glut formed on the market, only to be followed by increased production. There is no doubt that this price freeze by the Administration was a major factor in the total disruption of our agriculture economy.

The final factor to consider in this disruption of our agriculture economy is the cash situation of our producers and feeders. Cattle feeders require large amounts of capital to operate. Through normal banking channels, cattlemen obtain mortgages on their cattle, their land, and everything else they own. If cash is not available, then the whole system grinds to a halt. One manager of a federal land bank in Oklahoma reported to me that of 1100 loans he has outstanding, 200 are in immediate jeopardy of default. Our small town banks, dependent upon loans to farmers, are faced with unknown numbers of defaulting borrowers, all to the detriment of our rural areas.

What is the effect of this? In the narrowest sense, as costs continue to increase, and prices continue to fall, the farmer's cash flow is disrupted. As his cash supply dries up, debts begin to accumulate. He must refinance his loans. Having neither cash nor equity, the farmer is faced with bankruptcy or liquidation.

You cannot divorce the cattlemen from the rest of the economy. It is like a row of falling dominoes. First one segment falls, then another, *ad infinitum.* This domino effect reaches to the outer limit of the economy. Our small town businessman is hurt because the farmer's income is reduced, the bank is hurt because of defaults, agriculture-related industries are hurt because the farmer, no longer in business, does not purchase products. As the dominoes fall, one by one, an additional segment of the economy is devastated. Finally, we reach the same result as before—bankruptcy or financial liquidation for many segments of agriculture and the entire economy.

In view of the critical situation facing the American cattleman and indeed the country, I would urge this Committee, as well as the entire Congress, to consider a number of steps to alleviate this problem.

First, and most important, is the immediate implementation by the President of a moratorium on the import of foreign beef. Several days ago, I urged the President in a letter to institute such a moratorium to be followed by tough restrictions on the import of beef. The Oklahoma Department of Agriculture has reported that if beef imports were curbed to 7% of domestic production, this would go far in shoring up the sagging market.

While I have not as yet received any definitive response from the Administration to this request, the news media have reported that the White House will not reimplement import quotas. This is disappointing news for it means only a continuation of the past mistakes made by the Administration. When the President removed the quotas two years ago, I vehemently opposed the action. As we can see now, the Administration made a mistake, and it will only compound this mistake with a decision to postpone the implementation of the quota system.

Second, I would urge the Congress to consider a guaranteed loan program for our financially troubled farmers, feeders, and other segments of the industry where needed. A loan fund to be used through normal commercial banking channels as a prop for the cash troubled cattlemen might be considered. I feel sufficient safeguards could be provided to prevent, in the words of one USDA official "the bailing out of creditors rather than the farmers." Dr. John Goodwin, Professor of Agriculture Economics at Oklahoma State University, has suggested that a guaranteed loan fund of $1 billion would produce $5 billion worth of loanable money. It is this type of capital that is needed to keep our farmers afloat. Once again, Mr. Chairman, this proposal will not solve all the problems of the cattleman, but it will be of great aid. Perhaps this idea was best expressed by a farm family in Oklahoma when they wrote, "It is not necessarily more loans we need. Too many cattlemen are already too deeply in debt." However, an emergency guaranteed loan program would provide one instance in which a program of assistance could begin.

Finally, in an effort to absorb the vast quantities of beef available, I would urge that appropriate steps be taken by the various federal departments to buy up excess beef. For example, a requirement that purchases by the government be limited to American-grown beef would be a viable option. Also, a possible utilization of the food stamp program to increase beef consumption among food stamp users would be a potential source of aid to the cattle industry.

In implementing these suggestions it is important to consider the consumer, for the ultimate result of the present trend of the cattle industry will be complete scarcity of beef for the consumer. Beef will become so scarce and expensive that meat substitutes will become the rule rather than the exception. By moving to aid the domestic cattle industry, the Congress will be helping the American beef consumer as much as it will be helping the American beef producer.

In the same light, it is important to ask why the price of beef in the supermarket has remained essentially the same over the last year while the price received by the producer continues to decline. The prices in the grocery store simply do not reflect the huge cut of cattle prices. Somewhere between the stockyard and the family table things have gone awry. Some have alleged price gouging by various elements in the market. Whether this is true or not. I do not know. But I would urge this Committee to take an in-depth look at this particular problem.

Mr. Chairman, one last word, if the Department of Agriculture and the Administration refuse to recognize the problem, then it is up to Congress to take action. At this time, Mr. Chairman, I would like to introduce into the record a resolution signed by 29 of the nation's governors just ten days ago at the National Governor's Conference in Seattle. I think you will find the resolution indicative of the thought of the cattlemen in the United States.

I appreciate being invited to appear before this distinguished Committee, and I congratulate you for calling these hearings to focus attention on these monumental problems.

WHAT THE AMERICAN FLAG MEANS TO ME

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. SARASIN. Mr. Speaker, on June 14, 1974, I had the honor of participating in the Flag Day ceremony held by the Cross Street Elementary School of Naugatuck, Conn.

To me, there is a particular attraction in spending this day, when we pause to pay homage to this great symbol of our nationhood, with the young people who will carry on the traditions and the spirit that have made this country what it is.

There is great satisfaction in observing the understanding, dedication, and reverence of young Americans for the history and the ideals embodied in that banner.

Never have I heard it better exemplified than by the essay written and delivered by Miss Kim Bradley of Cross Street Elementary School on the occasion of Flag Day, 1974.

I therefore offer for inclusion in the Record the simple and heartfelt tribute in the words of this young schoolgirl:

What the American Flag Means to Me

The American Flag to me, means Freedom, to do, say, and believe in what you want. The American Flag to me means a lot. Let's thank the men and women, who with their help, their lives and the will to fight for something they believed in, have made this possible. Fathers have fought for their families, friends, and neighborhood to defend the things they believed in since the beginning of time. The American Flag is a symbol to be proud of. Many foreign nations have asked for help, and received it because the American Flag stands for help, understanding, and our belief in the right of each nation to govern itself as a free nation and to let the people of that nation live a free life. This includes the freedom to pray the way they want, to talk and form groups, to stand up and say: "We Want To Be Heard," without fear of being killed or put in jail. What does the American Flag mean to me? As I said, it means a lot, but not nearly as much to me as to the men and women who fought to keep the good old Red, White, and Blue flying. I have not yet reached the age and maybe I never will at which I can really realize how great a country I live in and what it cost to say I have Freedom.

Kim Bradley.

NEW YORK CITY PLANS URBAN ACADEMY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. RANGEL. Mr. Speaker, the mayor of the city of New York, Abraham Beame, recently announced plans for the establishment of the first municipally sponsored training institution for city employees in the United States. I commend the mayor for initiating this plan.

Some 350,000 city employees will be eligible for the program. They will take courses that deal with various aspects of urban life and government.

Their training at the academy will undoubtedly enable city employees to study new technology and also be more responsive to the needs of the people they serve.

The following article, which discusses this very noteworthy program in more detail, appeared in the New York Times. It follows:

[From the New York Times, May 22, 1974]

Urban Academy Planned by City

An Urban Academy—said to be the first municipally sponsored training institution in the country for city employes and executives—will be established jointly by the city and The City University, Mayor Beame announced yesterday.

With the formation of a planning committee to outline the scope and content of the academy program, Mayor Beame and Chancellor Robert J. Kibbee of the City University said that they expected the project to get under way this September.

The venture, which was announced at a City Hall news conference, will rely heavily on Federal funds, with additional money, if needed, coming from private institutions, the university and the possible diversion of some city funds earmarked for training purposes.

All 300,000 city employes and 50,000 persons employed by quasi-governmental agencies will be eligible, but the planners are not yet able to say how many will be accommodated initially.

The students will be allowed to proceed at their own pace through courses in urban sociology, psychology, personnel management, economics, accounting, computer science and government.

IN MAYOR'S PROGRAM

Mayor Beame, who was credited with having advanced the idea for the program before he took office last January, said: "New York City is uniquely suited to create such a program, which would be the first of its kind nationally."

The Urban Academy will have its headquarters at the CUNY Graduate Center in mid-Manhattan. The following four major tiers of training programs are being considered:

A university-wide program aimed at specialized career development and advancement in Civil Service.

Seminars and conferences shorter duration for top-level management. These will provide background information and specific training.

A comprehensive, degree-granting mid-career program of full-time study.

A professional degree program for urban generalists, at a doctoral level, as an urban "West Point" for training future top-level executives and program heads.

One of the facilities for inservice training planned for the academy will be a computer-science learning center. Courses will be available in such specialized areas as computer programming, computer-systems analysis and computer management.

EDELSTEIN TO LEAD

Dean Julius C. C. Edelstein of City University, will head the planning committee. First Deputy Mayor James A. Cavanagh will serve as vice chairman.

In addition, the CUNY representatives on the committee will be Harold M. Proshansky, president of the Graduate School and University; Dean Mary Jane Kingcade, Dean James McGrath, Dean Kenneth King, Prof. Joseph Shenker of La Guardia Community College and Dean Irene Impellizzeri of the School of Education at Brooklyn College.

The city's representatives will be Alfred Eisenpreis, Economic Development Administrator, Harry I. Bronstein, personnel director; Stanley Kreutzer, Board of Ethics counsel; Robert Bott, Deputy Budget Director; Edward Brennan, assistant budget director, and Alice Levy of the Health and Hospitals Corporation.

CONGRESSIONAL REFORM

HON. DAVE MARTIN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. MARTIN of Nebraska. Mr. Speaker, the irony of a nonlegislative Democratic caucus committee meeting in secret with a shadowy membership of opponents to the select committee reform bill is overwhelming. For a positive result to come from such a group is highly unlikely, if not impossible.

The stakes are very high on the Democratic side of the aisle. For the first time since 1946 they are threatened with an alternative to the present set of relationships between outside groups and the existing committee leaders. Members of this group who have talked in favor of reform in the past are not thinking about the House now, but about their own perceived selfish interest.

But do their constituents lose under the plan? No, because each representative elected to Congress will have an important committee assignment under the plan. National subjects which need attention such as energy, transportation, environment, and health are organized so that the problems can be grappled with, not handled piecemeal as they are today. Congressional oversight over existing Federal programs and activities would be strengthened so that Congress would know more about the results of previous legislation. The public will be far better served.

Then what is the fuss all about? Simply that those men with power do not want to give any up to be spread around so that the Congress can work. That is why they are so desperate as to abandon all principles and try to kill the reform proposal in secret, and wheel and deal behind closed doors to unravel a bipartisan unanimous plan that took 16 months to put together.

FATHER TOM GAVIN, S.J., SPEAKS OUT AGAINST THE DENIAL OF RELIGIOUS FREEDOM IN COMMUNIST COUNTRIES

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. KEMP. Mr. Speaker, we must speak out today about the denial of religious freedom in the Soviet Union. Despite the existence of a handful of functioning churches within the major cities, the official policy of the Soviet Government is to suppress religious freedom—because that government denies, as official state policy, the existence of God and discourages—with awful and stringent sanctions—religious worship.

In these days of heightened interest in the problems of Soviet Jewry—problems with which I feel great empathy and about which I have fought long and hard on this floor—we must be mindful not to overlook the millions of Christians and those of other religions who are similarly deprived of the right to worship and who are denied benefits of government because they believe in a god and claim a right to worship him free of state interference.

In Rumania, Bulgaria, Czechoslovakia, East Germany, and the other countries of Eastern Europe—in the lands of central and east Asia too— religious freedom is denied, suppressed, or restrained by Communist Governments. The Roman Catholic Church has felt the full, blunt impact of these policies in Eastern Europe.

In a recent column in our outstanding western New York Catholic newspaper, Father Tom Gavin, of the Society of Jesus—the Jesuits, recently addressed himself to this issue, depicting—country by country— how the Roman Catholic Church is suppressed. Father Gavin is a regular columnist in the pages of this important publication and has contributed mightily to its readers' understanding of some of the major, profound issues confronting our Nation and the Church. He is to be commended for his efforts, and I do so.

At this point in our proceedings and for the benefit of all my colleagues, particularly those Members who concentrate on the vital issues of foreign policy—and how we must use our own foreign and economic policies to help effect important changes in the policies of those nations who want our trade and friendship, I include the full text of Father Gavin's article:

CHURCH STILL RESTRAINED IN RED-CONTROLLED LANDS

U.S. News and World Report in its issue of Sept. 3 summarizes the situation. The article estimates that there are about 31 million Catholics in the captive nations. Nation by nation.

RUMANIA

Enrollment in seminaries restricted and printing of religious books banned.

BULGARIA

While tolerated, the Church enjoys no official recognition, judicial status or property rights.

HUNGARY

Religious education of the young is prohibited.

CZECHOSLOVAKIA

Only half of the dioceses have bishops. In 1972 many nuns were deported to work camps for teaching religion.

EAST GERMANY

Catholics are second class citizens, meaning, for instance, that they have trouble getting into universities or holding public office.

ALBANIA

All religious activity is banned. Recently a priest reportedly was executed for baptizing a child.

YUGOSLAVIA

Tito propagandizes against the Church but Catholicism has more freedom here than in the rest of Eastern Europe.

POLAND

Clergy and laity are under close watch for any sign of "political" sermons or activity.

If you want to know how conditions are in Russia, read "With God in Russia" by Walter Ciszek. An American priest from Pennsylvania, he spent about 30 years in Russian prisons and Siberian work camps. His crime was exercising his priesthood. The simple, matter-of-fact story of what he went through makes "The French Connection" read like a bedtime story for children.

THE LITHUANIAN STRUGGLE

HON. LUCIEN N. NEDZI

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. NEDZI. Mr. Speaker, on June 15 Lithuanian Americans and people sympathetic to the cause of Lithuania will commemorate the forcible annexation of Lithuania by the Soviet Union in 1940.

Despite mass deportations of Lithuanians to labor camps, despite the religious and political persecution, despite heavyhanded policies of Russification, the people of Lithuania have continued to struggle for individual dignity and their Lithuanian identity.

The Lithuanian-American community in the United States, particularly, has succeeded in keeping this issue alive for over three decades. In recent years, occasional dramatic events in Lithuania have increased international understanding of the plight of Lithuania.

Personally, I have reservations about the much-publicized United States-Soviet détente.

It seems to me that external détente on the part of the Soviet Union cannot be separated from her domestic policies.

Indeed, a Russian strategy of rigidity internally and flexibility externally does not necessarily bode well either for us or the Russian people.

International public opinion can make some difference. The recent cases of Alexander Solzhenitsyn and the Panovs are examples of how international concern and pressure can cause even a repressive state to make some changes. Certainly, some liberalization of travel restrictions on tourists to Lithuania should be within the range of possibility.

Accordingly I am pleased to have this opportunity to join with my colleagues in commemoration of this occasion.

THE STUDENTS OF THE FIFTH AND SPRING ELEMENTARY SCHOOL: INVOLVEMENT IN CLEANING UP THE ENVIRONMENT AND COMMUNITY ACHIEVEMENT

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. YATRON. Mr. Speaker, one of the impressive and noteworthy examples of environmental efforts by young people is reflected in the involvement of the students at Fifth and Spring School, Reading, Pa., who are making constructive headway toward a cleaner environment.

Often, these young students can be seen walking to classes each morning, carrying old tin cans, which play an important role in their learning process. Twice a week after breakfast, the children gather all the family's empty tins and promptly deposit them in a steel trash container in the schoolyard. Despite the fact that this program was only recently initiated, already the trash container is filled to the top.

Mrs. Barbara A. Wunder, sixth-grade teacher and PTA program planner, devised this meaningful environmental program. She is to be commended, as are the students and Mrs. Jean Gaspari, PTA president, for taking part in this meaningful effort. Last summer, Mrs. Wunder and the Fifth and Spring School students decided that the time had come to do something for a cleaner ecology. Problems were encountered at first, for it was necessary to find someone to donate the trash container and also some had to be located to take the trash for recycling—without charge.

The students, therefore, clearly recognized the importance of recycling.

Fortunately, Clements Brothers, Inc., in Wyomissing, generously donated the container—and the program began.

Both the students at Fifth and Spring School, and their parents, have displayed great enthusiasm. In fact, the program is going to be expanded. Posters are being made for display at playgrounds and business establishments. Everyone is being urged to contribute toward the collection and deposit of old tin cans, to be recycled.

The recycling aspects are being helped along through the assistance of Carpenter Technology Corp. of Reading, which will lend its full cooperation in making certain that the cans are delivered to the proper recycling center in Maryland.

Mr. Speaker, the students of the Fifth and Spring School in Reading have outlined their major environmental goals and I feel that they are deserving of our attention. I am, therefore, pleased to list these goals below, which could be followed by schools and students throughout the Nation:

First. To generate excitement and interest in ecology among children and parents.

Second. To become better informed on conservation issues.

Third. To help students and families be more thoughtful users of products made from our natural resources.

Fourth. To have a small share in helping to insure a lasting supply of these resources for future generations.

Fifth. To provide the machinery for a school/community action program that might help to make a difference in the neighborhoods.

Sixth. To provide a service not presently being provided by collecting materials for recycling.

These are goals of great importance and significance and clearly reflect the acute awareness of the students of environmental problems and needs. And, each is being very successfully promoted and carried out.

Participation in civic and community projects is not just a fad with the students at Fifth and Spring School in Reading. It is an awareness that pollution is everyone's problem and that it will take a very special effort on everyone's part to realize a cleaner world in which to live.

Mr. Speaker, I know that my congressional colleagues join me in extending our warmest congratulations and commendation to the teachers and students of the Fifth and Spring School, who are setting an example worthy of emulation.

TRIBUTE TO REAR ADM. WARD S. MILLER

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. ANDERSON of California. Mr. Speaker, at the end of June the U.S. Navy will lose one of its more distinguished officers through the retirement of Rear Adm. Ward S. Miller.

Rear Admiral Miller has devoted 35 years of his life to the services of his country through his active involvement in the U.S. Navy.

A native of Denver, Col., Rear Admiral Miller left his land-locked State during college to seek adventure throughout most of the world.

Graduating in an accelerated program from the U.S. Naval Academy on December 19, 1941, he quickly made a mark for himself during World War II through his heroic activities which were to typify the remainder of his outstanding career.

Naturally, space does not permit an examination here of each of the extraordinary events which have earned him the respect from his fellow officers for his courage, professional skills, and sound judgment. However, I am confident that the Distinguished Flying Cross awarded him 22 years ago during the Korean conflict when his plane was hit after returning his group from a successful mission must be for him most memorable.

His dedication to preserving freedom has been recognized through numerous awards including the Legion of Merit with Gold Star, the Meritorious Service Medal, the Air Medal with Gold Star, the Navy Commendation Medal with Gold Star, the Purple Heart, and the Navy Commendation Ribbon. In addition, he has earned awards for his efforts in the defense of our country including: the American Defense Service Medal, American Campaign Medal, European-African-Middle Eastern Campaign Medal with two stars, Asiatic-Pacific Campaign Medal with two stars, World War II Victory Medal, China Service Medal, National Defense Service Medal with Bronze Star, Korean Service Medal, United Nations Service Medal, and the Vietnam Service Medal. And he has also earned numerous other medals in recognition of his efforts in behalf of the Republic of Vietnam.

In addition to the exceptional professional skills he has displayed as a military leader, Rear Admiral Miller also possesses an astute personality which has made him an effective leader when representing the Department of Defense or the U.S. Government.

Since September 1973, he has displayed his sound judgment and administrative skills as the commander of the Los Angeles-Long Beach Naval Base. Here he has been responsible for coordinating the various activities of 43 separate commands throughout southern California, including the naval station, naval shipyard, and naval supply in Long Beach; the Naval Weapon Station in Seal Beach; and the Naval Air Station in Los Alamitos.

In this capacity he has been most effective in accommodating the orderly phasedown of the Long Beach Naval Complex. I am confident that most city officials and community leaders will agree with me that he has maintained a continuous hospitable relationship in facilitating this transition.

Mr. Speaker, the presence of this dynamic public servant will definitely be missed in the Harbor Area. I am sure that his lovely wife, Betsy Jane, and his five children, Mrs. Carol E. Olson, Catherine, Ward, Christine, and Betsy, are as pleased with him as we are in southern California. I join his many friends in the military and civilian community in wishing Rear Adm. Ward S. Miller and his family the joys of retirement he has so richly earned.

THE ENVIRONMENT AND TEXAS

HON. ALAN STEELMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. STEELMAN. Mr. Speaker, the Texas Constitutional Convention is presently in session in Austin. One of the major tasks left to the delegates is assurance of the quality of life that has made Texas unique and to strike the proper balance between growth and maintaining this quality.

Bert Holmes, associate editor of the Dallas Times Herald, recently offered to the constitutional convention delegates some very perceptive guidance about growth and the quality of life that I commend to my colleagues.

The article follows:

THE ENVIRONMENT AND TEXAS

(By Bert Holmes)

The protection of the environment in which every Texan lives and will live is perhaps the single most important issue facing the Constitutional Convention now in session in Austin.

The pockets of pollution are easy to ignore in the vast reaches of blue skies and clear streams, but the rapid growth of population, the increased industrialization and the extensive urbanization of Texas make it certain that we need laws which will help clean up present pollution and prevent more of it in the future.

The convention delegates have not shown a strong environmental conviction, but there is reason to hope that the final draft of the new constitution will find a satisfactory balance between environment and growth.

Dallas Rep. Ray Hutchison, the author of one controversial proposal with serious environmental drawbacks, has called a Monday meeting of all interested groups to discuss a constitutional statement on the environment.

Hutchison's plan to ban class action suits against polluters, permitting plain citizens only to sue state agencies which are charged with protecting our air, water and land, goes too far. It is true that environmental extremists have tied up vast projects through their suits, but it would seem preferable to write tighter guidelines on class action suits than to forbid them altogether.

Although Hutchinson does not agree with the position or the tactics of the Sierra Club, the Environmental Coalition and other groups, he admits that there are either "perceived or artifilcal misunderstandings" regarding the convention's proposals on the environment.

The constitution writers might do well to write a general statement about the citizens' rights to a good environment and leave the details—including who can sue whom—to future legislative deliberations.

Certainly, the convention should do nothing which will give even the slightest constitutional protection to polluters.

Great concern about the environment is of rather recent vintage. Americans and citizens of other highely developed nations for decades ignored their foul air, polluted rivers and spoiled landscapes. We all came late to the realization that we are all part of one interrelated ecosystem and that we must cooperate to protect that system.

Although this nation is moving toward zero population growth, it is likely that Texas will continue to attract immigrants from less desirable parts of the country. Its economic growth will exceed the national average in the decades ahead and we must insure that industrial expansion does not diminish the quality of life in Texas.

In a recent speech, Russell W. Peterson, chairman of the national Council on Environmental Quality, said: "During the energy crisis in the U.S., it became clear that the public is tired of watching opposing groups alternating in trying to place the blame on one another. It became clear that the people want adequate energy AND a healthy environment. They called for workable solutions, not contrived issues."

Rep. Hutchinson, in calling for a conference on the environment and the constitution, noted that it is a subject which deals with important fundamental rights of all, not just a few citizens of Texas.

Peterson said it more completely: "If you care about your physical health, you must care about the environment. If you care about your spiritual well-being or the productivity of your soils or the wise use of your water, then you must care about your environment. If you care about the survival of your cities or about the welfare of your children's children, then you must also care about the environment."

The delegates to the Texas Constitutional Convention must now demonstrate that they, too, care, and care deeply, about the environment.

THE INSECURITY OF SOCIAL SECURITY—PART II

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. ALEXANDER. Mr. Speaker, yesterday, I inserted the first of an article entitled "The Insecurity of Social Security." This article has evidently touched on the concerns of many of my constituents who have written to draw my attention to this piece and to the problem which exists for older citizens forced to live on inadequate social security benefits. Today, I would like to share with you the second part of this article along with a letter from Mr. Bruce Wheatley of Forest City which I believe echoes the feelings of many Americans today.

The letter and article follows

FOREST CITY, ARK., *June 4, 1974.*

Hon. BILL ALEXANDER,
House of Representatives,
Washington, D.C.

DEAR SIR: I am 27 years old, married, have 3 children, and an employee of A.T. & T. in Forrest City.

I was spurred to write to you after reading the enclosed article. I found it both informative and alarming.

The Social Security Tax is becoming more oppressive and burdensome from year to year, to both employer and employee, and it appears that there is no let-up in sight under the present system. That is why I advocate reform or change of some type. I realize that the change as mentioned in the article may not be an effective course to take. I realize that there can not be an overnight solution, for an effective solution will take time, study, and research. And I realize that these are trying times for you and our other Representatives in Washington.

But I feel that this problem, which is growing all the time, must be solved before it becomes a crisis. I believe that the time to start working on it is now.

I know that the elderly of this nation that are on fixed incomes are especially hard-hit at these times of higher and inflated prices, and they have my whole-hearted support. But I feel that both they and we could be better served under a revised system.

Your feelings on the above would be greatly appreciated, and your endeavors toward reform would have my sincere support.

Sincerely,

BRUCE WHEATLEY.

[From the Memphis Commercial Appeal, June 2, 1974]

THE INSECURITY OF SOCIAL SECURITY—PART II

(By Warren Shore)

THE MIDDLE YEARS

For most of today's young wage earners the real inequities of the Social Security system won't become clear until their middle years. By then it will be too late.

The questions we should be doing right now include:

Why should the cost of protection during my healthiest years (22 to 55) come to more than $50,000?

Why should that bill be going up every year when the protection promised is going down?

Why should my wife (in the care of a male worker who dies or becomes disabled) be faced with government imposed alternatives that are so bad she might not be able to claim her benefits?

The real answer to all these questions is that Social Security is not insurance at all. In spite of federal publications developing Social Security's "benefits" or "contributions" or the existence of a special insurance trust fund," the system is emphatically unlike insurance.

What the Social Security Administration calls a contribution is, in fact, $100 to $120-a-month worker-employer payroll tax which if unpaid would result in federal prosecution. If you're "covered" by this system, you can't get out.

As for the trust fund, it's simply a myth. More about that later.

While the middle, child-raising years are the time when most couples need the greatest protection, it's also the time when Social Security can be the most cruel.

Mrs. Marion Poteka found out the hard way. When her husband, Joseph, died recently of a heart attack at age 39, Mrs. Poteka was left with the couple's two sons, mortgage payments and some hard decisions.

"When Joe died," she recalls, "I was in a fog for a few weeks. But when I came home from the Social Security office, I was sick all over again."

The family benefit check, Mrs. Poteka learned, was not computed on the insurance value of what Mr. Poteka paid in taxes or even the family's need. It's based on the "average contribution" Joseph Poteka made to Social Security during his whole working career.

The difference is critical. Mr. Poteka was earning over $14,000 a year when he died, but there were many leaner years before that.

"When we were married," said Mrs. Poteka, "Joe got whatever work he could—delivering pizzas, selling furniture—anything. I worked for a while too, until things got straightened out. Last year, I worked again."

The "average" for all those years came to "slightly more than $6,600 which meant that the total family benefit check, for Mrs. Poteka and her two sons (ages 10 and 8), would be $435 per month.

"That would have helped a *lot*," said Mrs. Poteka, "but then the man explained that I couldn't get it."

What the Social Security representative explained was the system's incredible "earnings test." Because Mrs. Poteka is making $125 a week as a food store checkout clerk, the family benefit check must be "reduced," he said.

What he should have said was that the benefit would be all but destroyed. The law says that a widow cannot receive full benefits if she earns more than $1,680 a year. That's $140 a month.

Thus because Mrs. Poteka earns $6,500 a year as a check-out clerk (now the family's only source of income), her $435-a-month benefit is "reduced" to $133.50.

I couldn't believe it when he told me," recalled Mrs. Poteka. "Joe and I were both working to make ends meet. Now this man tells me I'll have to quit my job and live on $435 a month—or keep my job and lose over $300 a month in benefits. What kind of a choice is that?"

Like a lot of others, she chose to keep working and take the tiny benefit "so maybe I can get ahead on the job and keep us above water," but she still says, bitterly, "Joe's Social Security money was wasted."

In fact the choice Marion Poteka faced was worse than she knew—and even more cruel. Had she "retired" to take the $435 she would have lost valuable years on the job needed to qualify for Social Security retirement benefits.

By law, she will collect the family benefit (even the reduced amount) only as long as she has a child under 18 (22 if in college). That's less than 13 years for Mrs. Poteka. She would get nothing more until she turns 62—a 12-year gap.

Mrs. Poteka (and everyone else born after 1929) needs to work at least 10 years to qualify for any retirement benefits. Even a fraction less than the full amount means she gets nothing on retirement.

Thus, if she had chosen to stop working to collect her full death benefit she might have lost her chance at collecting any retirement money at all.

"You know," she adds, "it's like they have us coming and going."

At last count nearly 40 per cent of American widows drawing Social Security benefits get a reduced amount because they earn more than $1,680 a year.

For those young workers entering the job market now, the deal is even worse. Rising Social Security taxes mean they will pay more than $20,000 (and their employers a like amount) by the time they reach the age when Joe Poteka died.

Those they leave behind will then have the same choices as Marion Poteka. Remember, benefit increases are tied to the cost of living and by law will rise only the same as Social Security tax increases.

Since a widow can collect only death benefits while she has children under 22, the value of Social Security for a stable family shrinks every month.

This is because the money needed to pay for monthly death benefits grows less as the youngest child in a family approaches 22. Yet Social Security taxes for the family will grow every year.

Under this law a young couple today planning to pursue professional careers instead of having a family can look forward to a combined Social Security tax bill of $300,000 with little, if any, hope of collecting a death benefit.

Without children, a widow must wait until age 62 before benefits are paid—no matter how long she remains a widow.

With or without children, the retirement income today's young workers can look forward to is less than half what they could buy on their own.

THE RETIREMENT HOAX

By the time today's younger worker is ready to retire, he will have lost a fortune to the Social Security system. So much money, in fact, that if used properly it would double his retirement pension or give him a $100,000 bonus.

Before he reaches 65, the typical young American worker and his employer will have paid more than $135,000 for a retirement plan which claimed to have given disability protection along the way. Instead he will get:

The cheapest kind of "term insurance" at three to five times its normal cost.

The cheapest, least useful, kind of disability protection at more than three times its normal cost.

Incredible discrimination against wage earners from a fund entirely supported by wage earners.

To understand how so much money could pay for so little protection it's necessary to know a little about how your money should work for you.

For instance, if a young worker wants to make sure that his wife and family will be protected, should he die, with an income until the kids are out of school, the cheapest insurance he can buy is called term insurance.

As an example, a 27-year-old man can guarantee an income for his family of $500 per month for the next 20 years for an annual payment of $192—that's $16 per month.

George Menlow, a 27-year-old freight handler with a wife and two young children, is promised a maximum of $450 a month benefit for his family for the next 20 years by Social Security. It's the same as term insurance because the money will stop once the kids are out of school.

The difference is that George Menlow, like millions of others like him, pays $700 a year for Social Security's brand of term insurance. He and his boss pay $60 a month each—more than 700 per cent above market cost.

Social Security Administration officials point out, however, that George gets more than just term insurance for his money; he also gets disability protection and a retirement plan. Take a look:

The Social Security brand of disability insurance comes with two running limitations: First, it requires that a total disability be "expected to last at least 12 months."

This requirement alone, according to the National Safety Council, would eliminate more than 90 per cent of all total disabilities from Social Security protection.

The 10 per cent who do qualify do little better. Social Security rules say these totally disabled workers must wait "until the beginning of the seventh month" out of work to be paid at all.

George Menlow can buy disability insurance to add to his death benefit insurance for about $10 a month. There would be no 12-month total disability rule and only a one-month waiting period.

Thus Mr. Menlow could improve upon both Social Security's death benefit and disability plans for a total cost of less than $30 a month. Yet he and his boss pay $120 a month—still four times the real cost.

Does this mean that the other $1,100 a year Social Security takes from George Menlow goes toward his retirement fund? Menlow had better not rely on that. The fact is that the retirement program is the saddest, least defensible, part of Social Security.

Consider the case of two men who will retire this year: Charles Teppit and John Singer will both turn 65 during the same month. Both live with their wives in homes they own. Although the two men have paid nearly the same Social Security tax, once they retire most similarities between them will end.

Charles Teppit will retire as vice-president of a large manufacturing company. His salary has been above the $40,000 level for the last 20 years and with company bond options, an executive pension plan and his own annuities, Teppit is guaranteed a retirement income of more than $1,300 a month.

John Singer is ending a 25-year career as a routing supervisor for a small trucking company. Last year his salary was $14,900. For the last 10 years, says Singer, it has been almost impossible for him and his wife Ada to save much after paying the bills. Although they have a small savings account and some insurance, the Singers will be relying on Social Security.

Because maximum Social Security tax has always been pegged at middle-class earning levels, both Teppit and Singer have paid the maximum tax, even though Teppit has always earned at least twice what Singer has.

Now the two men will be "evaluated" by the Social Security Administration to determine the size of their retirement checks.

Since Teppit and Singer paid the same tax during their working lives and their wives do not work, both are eligible for a family benefit check of $440 a month. But only Teppit will get the full amount.

The Social Security benefit "earnings test" decrees that for every dollar earned over $2,880 during a year one dollar is deducted from the benefit check.

The Social Security considers "earnings" to be wages—nothing else. Thus, Teppit's bond interest, executive pension and private annuity don't count. He will have the full $440 per month added to his other $1,300 per month for a $21,000-a-year retirement income.

"But Ada and I can't afford to live on $440 a month," says John Singer. "It's less than half what I used to take home." So, like millions of others over 65, John Singer will keep working to make ends meet.

In Singer's case, it's a part-time routing job with a small trucking firm which pays $100 a week for three days' work. The income means the Singers' Social Security check shrinks to $246 a month.

"Is it fair," asks Singer, "that I should lose the Social Security I worked for because I can't afford to stop working?"

Mr. and Mrs. John Singer have become the ultimate victims of Social Security. If a system can be judged by its end product, the Singers' plight should be judged:

After 35 years in the work force, paying at the maximum Social Security tax rate, John Singer at 65 will begin giving more to the system than when he was working full time.

Since the Social Security Administration will begin deducting both from Singer's benefit check ($158 a month) and his part-time earnings (another $24 a month) one-fifth of all his income will be taken away.

The tragic irony of a system 100 per cent supported by payroll taxes punishing the wage earner and ignoring all other forms of income will be compounded in the future.

The present generation of young workers will pay three times what Singer paid for a government promise worth no more to them than Singer's.

The only way that the federal Treasury can guarantee even this promise is with the hope that the next generation (our children) will accept a still worse deal—that they, too, will ecome a generation of victims.

PAMPER THE CRIMINAL AND WHAT DO YOU GET?

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. HUNT. Mr. Speaker, some people never learn—or, so says the Saturday edition of the Philadelphia Bulletin:

TOUGH TO REMAIN A LIBERAL

Two weeks ago, Massachusetts state Rep. Richard E. Landry had his car stolen from the capitol parking lot in Boston. This week he was robbed of $40 at gunpoint in the same place. "I voted for the prison furlough bill," he said. "But to tell you the truth, it's getting harder and harder for me to remain a liberal."

UNITED STATES SHOULD KEEP ITS WORD TO SAIGON

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. MATHIS of Georgia. Mr. Speaker, at a time when the mood of certain Members of Congress is to forget our commitment to South Vietnam, I feel that certain relevant information should be remembered.

It seems that only one side of the Vietnamese story is ever related, so I would like to share with my colleagues an editorial written by Mr. Nick Thimmesch of the Baltimore Sun which should cast a far different light on the subject than what we have experienced in the last few weeks:

[From the Baltimore Sun, June 6, 1974]

UNITED STATES SHOULD KEEP ITS WORD TO SAIGON

(By Nick Thimmesch)

WASHINGTON.—Of the lesser priorities in most Americans' thinking these days is what happens to South Vietnam. Most people want to forget that ordeal. But a struggle continues in Congress over whether the United States will keep its word and help the Saigon government remain strong.

James R. Schelsinger, the Secretary of Defense, was right when he said the U.S. is committed to send South Vietnam the tools of self-protection for one simple reason—because we said we would. The same point could be made about continued military assistance to Israel—we must do it, because we promised we would.

Yet, it has become popular among some aspiring politicians in this town, Senator Edward Kennedy (D., Mass.), for one, to join the pro-Hanoi lobbying group against South Vietnam. Their line is that President Nguyen Van Thieu's government is corrupt, the war and the killing go on, there is brutality toward political prisoners, and our support costs billions. Therefore, the U.S. should sharply cut, or eliminate, military and economic aid to Saigon.

The anti-Saigon lobbyists had fair success. The Nixon administration asked for $1.6 billion in military aid to South Vietnam for 1975. The House finally okayed $1.1 billion, and the Senate will soon vote on a $900-million recommendation by its Armed Services Committee. An administration request for $775 million economic aid in 1974 was trimmed to $650 million. The administration asks for $910 million in 1975.

The effort to cut funds for South Vietnam was carefully laid out last October by the "Indochina peace campaign," representing 15 organizations, and spurred by Tom Hayden, husband of Jane Fonda. Mr. Hayden had already met in Paris with officials of the Viet Cong's Provisional Revolutionary Government, thus suggesting a well coordinated plan.

The October meeting ended with a "united campaign to pressure Congress," and the view that "the antiwar movement now has the objective capacity to actually force an end to U.S. aid to the Thieu government" and to Cambodia.

A "spring offensive" was promised, and it came in March with an anti-South Vietnam meeting in a House office building conference room arranged for by Representative Ronald V. Dellums (D., Calif.).

Miss Fonda and Mr. Hayden toured the country, appearing on TV and radio talk shows, and giving newspaper interviews about the bad old United States to anyone gullible enough to listen. Their rule was they would not allow guests on the programs to challenge their views. Indeed, they even appeared on Martin Agronsky's Evening Edition, a public broadcast TV program from Washington, holding Mr. Agronsky to their no-challenge rule.

The reality of South Vietnam is that President Thieu, while not a democrat by American standards, is about as good as any ruler in Indochina, has held the country together, and has an army which has successfully repulsed the Viet Cong and North Vietnamese forces.

The North Vietnamese are as wanton and ruthless as ever, killing village leaders, burning homes of resettled refugees (Wonder why Senator Kennedy never speaks of that?), and violating the Paris agreements.

Henry A. Kissinger, the Secretary of State, responded to Senator Kennedy's challenges on Indochina with a short letter and a long statement, and was expected to do more this week before Congress. The gist of Dr. Kissinger's argument is that the U.S. will continue to provide "material assistance and political encouragement" to the Indochinese governments so that they can determine their own futures.

Dr. Kissinger noted that casualties in South Vietnam have been substantially reduced since the 1973 ceasefire, but that "the fundamental problem is that the North Vietnamese are still determined to seize political power in the South, using military means if necessary . . . [with] continued widespread terrorism against the population."

U.S. INVOLVEMENT IN CHILE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. BROWN of California. Mr. Speaker, there is growing publicity and interest on the extent to which various U.S. organizations were involved in efforts to destroy Allende's ability to govern.

The Subcommittee on Inter-American Affairs in conjunction with the Subcommittee on International Organizations and Movements tried to obtain information on this subject from Harry W. Shlaudeman, Deputy Assistant Secretary for Inter-American Affairs in the Department of State, who willingly testified at the hearings on "Human Rights in Chile." When asked if the United States, through the use of any organization, exercised a policy of intervention by giving aid in any form to any opposition group working against the Allende government, Mr. Shlaudeman refused to answer. This refusal has sparked even greater interest in various Members in finding out just exactly how much aid the United States gave to Chile for the purpose of counteracting the developing popularity of the Allende government.

The following article, published in Labor Today by John Kailin, is an example of the attention that is being directed toward this issue:

HOW U.S. MONOPOLIES CONSPIRED TO BRING FASCISM TO CHILE

(By John Kailin)

All world labor federations have condemned the fascist military junta in Chile—the International Confederation of Free Trade Unions, the World Federation of Trade Unions, and the World Congress of Labor.

The International Metalworkers Federation, supported by Leonard Woodcock, UAW President, deplored the overthrow "of a constitutionally elected president and government, who had attempted to return the country's resources to the people, despite the bitter opposition of the giant multinational companies, and to bring about democratic social reforms that could have opened up new avenues of hope and change throughout Latin America."

Even I. W. Abel, USWA president said the suppression of Chilean unions and the coup itself, was "the result of the 'enemies list' concept . . . in which union members found they were on the list when they faced the firing squads."

Longshore and other unions in Scotland, France, the United States, Colombia, Belgium and Switzerland, are refusing to service, repair or unload ships or cargoes for the junta.

But at the 10th AFL–CIO Convention, the position pressed on the delegates by the International Affairs Department, was uniquely different. Entitled, "Restore Democracy in Chile," its first lines condemned the "excessive violence" of the junta. However, the next 57 lines indicted the Allende government itself, for causing its own "downfall."

MINORITY, UNPOPULAR

The statement said Allende's was a "minority government" and "increasingly unpopular." The Popular Unity government had received a 36% plurality in the 1970 election. The AFL–CIO made no reference to the Chilean general elections of 1973. After three years of trial, the Unidad Popular increased its vote from 36% to 44%. Right wing parties publicly predicted that later elections would show 80% of the people behind Allende.

In condemning Allende's plurality vote the AFL–CIO was using a double standard, for it did not condemn the parliamentary system used by governments which it supports, such as Israel, West Germany, Canada, Great Britain or Venezuela, where the governing parties frequently poll less than 50% of the votes but continue to head the government. For example, the December 4 Danish elections gave the leading Social Democratic Party a drop from 37% to 26% of the vote.

The AFL–CIO blamed Allende for a "350% rate of inflation," and "sharply deteriorating living conditions." As proof of its unpopularity, they said copper and transportation workers "became bitterly alienated and paralyzing strikes ensued." Totally ignoring the rise in living standards, the return of land to the peasants, the child care center programs, etc., which we reported in the first article of this series had taken place in three years of Unidad Popular, the AFL–CIO said "Allende's 'road to socialism' had all but destroyed Chile's economy and put Chile on the brink of a bloody civil war."

PUTTING ON BLINDERS

The AFL–CIO brass would not concede that the Popular Unity government had taken effective action that, despite all difficulties, was raising the living standard of the Chilean majority.

The AFL–CIO ignored the evidence exposed through Jack Anderson that the ITT, the State Department and the CIA decided *themselves* to cause inflation, unemployment and strikes in Chile.

When it was clear Allende would be named president, "Ambassador Edward Korry . . .

received . . . the green light to move in the name of President Nixon . . . to keep Allende from taking power," said an ITT agent who was working for the CIA.

The ITT-CIA agents reported the Chilean military wouldn't stage a coup "unless they are provided with a constitutional threat . . . That threat must be provided through provocation."

Said Chilean millionaire Matte, brother of ex-President Frei, "A constitutional solution . . . could result from massive internal disorders, strikes, urban and rural warfare. This would morally justify an armed forces intervention for an indefinite period."

THE CONSPIRACY

So it was decided: "Undercover efforts are being made to bring about the bankruptcy of one or two of the major savings and loan associations. This is expected to trigger a run on banks and the closure of some factories, resulting in more unemployment. . . ."

And it was done: the country was flooded with phony currency to cause inflation. Bridges and plants were bombed daily. Shoes were hoarded, baby-nipples destroyed, other "shortages" created.

ITT Vice President Gerrity recommended that "companies should drag their feet in sending money, in making deliveries, in shipping spare parts, etc." And this was done too.

Truck owners called a paralyzing *lockout*. Afterwards they admitted they were being paid more for not working than they earned when they worked. It was common knowledge that they were financed by the CIA.

Abroad, Kennecott Copper led a European effort to boycott Chilean copper. As revealed by Sen. Ted Kennedy, the "Committee of 40" U.S. big businesses in Chile held meetings to get the World Bank to cut off loans to Unidad Popular.

Through all this, the reactionary El Mercurio was allowed to function. Its owner Agustin Edwards, a vice president of Pepsi Cola, called for the Chilean armed forces to "create a new form of establishment."

The Anderson papers show ITT offered to throw $1 million into the "destroy Chile" pot with the State Department. Neither ITT, the State Department nor the CIA will admit their role in the junta's bloody rise to power. But the pattern in Chile was the same as the pattern in other countries where the facts have been admitted before U.S. Senate committees.

WHEN WILL WE EVER LEARN

In Brazil, Guatemala, Bolivia, British Guyana—and unsuccessfully in Cuba—massive propaganda campaigns accompanied sabotage and murder, and progressive governments were eventually replaced by ruthless military regimes that survive on deception, torture and U.S. aid. Even "pots and pans" demonstrations of wealthy women (called "middle class" in our press) were part of the pattern in these countries.

In our last issue we indicated what Unidad Popular had done to reverse decades of looting Chile by the multinationals, how the lowest income groups improved their conditions most, land was returned to the peasants, and democracy brought to the factories. These facts were certainly known to the AFL–CIO leadership who drafted the Convention resolution.

Why then did the AFL–CIO distort the facts? Why did they echo the reactionary U.S. press in blaming Chile's "road to socialism" for the junta's success? Could it be an effort to cover its own shameful record in the Allende overthrow? To cover the facts about how it used the dues of AFL–CIO members to help put the junta and its guns in power.

Last year an estimated $1 million was spent by the AFL–CIO's AIFLD—the American Institute for Free Labor Development—in Chile. Part of this money was used to train 200 Chileans in the U.S. We can only guess what subjects these potential "labor leaders" were trained for, but AIFLD Director William C. Donerty has given some clues.

He boasts that AIFLD agents helped plan and carry out the overthrow of the elected Goulart government in Brazil in 1964. There is no doubt that AIFLD works according to CIA plans. The Senate reports indicated that the CIA annually channels money to the AIFLD via the Agency for International Development.

WHICH SIDE ARE WE ON

That is sufficient to show that the AFL–CIO is working the wrong side of the street in Latin America. Further, the AIFLD itself includes representatives from 68 U.S. big businesses—including ITT, Kennecott, Anaconda, the Rockefeller interests, Sinclair Oil, Pan American, etc.

Attention focuses on ITT, Kennecott and Anaconda because their intervention in Chilean politics was the most brazen and the most exposed. But the U.S.-based multinational vultures are reassembling to pick the bones of the Chilean working people, among them: Corning Glass Works, Ford Motors, General Electric, Crown Cork and Seal, Dow Chemical, Phelps Dodge, Caterpillar Tractor, and General Tire and Rubber, to name a few.

Do AFL–CIO workers want their name and their dues money used to put down workers who are defending themselves against the same corporations in other countries?

We must work for the day when the AFL–CIO leadership will join with that of labor organizations in other lands to match and outrank the power of the multinationals.

I hope that the subcommittees' hearings will continue to pursue this course of inquiry until the Members are satisfied that all pertinent information bearing on this subject has been received. The people of this country should know where, and for what purpose, Government funds are being allocated.

MAKING ANY IMPEACHMENT DEBATE PUBLIC

HON. FRANK J. BRASCO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. BRASCO. Mr. Speaker, as events wend their inexorable way toward what appear to be inevitable conclusions, it is obvious to even the most casual observer that the House will be called upon to debate the question of impeachment of the President. Certainly a number of quite legitimate questions have been raised regarding the propriety and legitimacy of such events being televised, and I believe we can and should respond to such questions forthrightly and with promptness.

There is no question of our ability to televise or broadcast the debate in a proper sense, without turning any such debate into a carnival prejudicial to the rights of the President and harmful to the institutions of the republic. With the Nation watching, the Members of the House will be even more mindful, rather than less so, of their responsibilities.

We have had television with us for a full generation. The American public has trained itself to separate fact from fiction, and cannot be fooled by mere demagoguery. Should any member of the House act in a manner prejudicial to the proceedings, he will be hoist by his own petard before tens of millions of his or her fellow citizens.

Also, because we have faith in the Nation as a mature society, I see no reason whatsoever why any such debate, which is the essence of the people's business, should in any way be hidden from the people. We are their elected representatives conducting their affairs, and we have no right to exclude them from observing us deport ourselves in this manner.

In the same matter, I believe the caliber of the membership of this body is quite high, and that the Nation, able to observe how Members can learn and conduct such business, will raise its deplorably low estimate of this body accordingly. Only by the fullest disclosure can the faith of the people be even partially restored in this body.

We can also be certain that an audience will be guaranteed. The argument advanced by a few that there will be little audience concern is specious on its face. The importance of the broadcasts will be vast, not only by allowing the people to see the House at work on this critical issue, but because it will set a new and necessary precedent of opening up such debates to the public view. They would also be a living piece of recorded history, available to future generations of Americans.

Our distinguished colleague, SIDNEY YATES of Illinois, has offered a resolution to permit the televising of any future impeachment debate by the House. I fully concur in this proposal and take the greatest of pleasure in joining in sponsoring it at this time. Let it also be noted that this proposal has a significant measure of bipartisan support from all elements of the political spectrum. Members from all areas of the Nation and from all shades of opinion in both parties have joined in supporting the resolution.

Finally, let it be stated that there is little reason for even debating this question. In the past, the House has been correctly criticized for not conducting significant portions of the people's business in the open. In the most recent past, growing and successful efforts have been made to open up closed meetings and proceedings to public view. I have always identified myself with such endeavors. The people have a right to know what business is being conducted in their name. This is not a negotiable question in my mind. In fact, Watergate and everything associated with it sprang from a secretive effort to undermine democratic procedures because a small group of people had so little belief in the people.

Our Nation's founders did not create an exclusionary document when they constructed and passed on to us the Constitution and Bill of Rights. At this time, it would ill behoove us to try to slam the door in the faces of the very citizenry who have been most offended by the alleged abuses of power involved in Watergate.

EDUCATION PLUS

HON. CHARLES WILSON

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. CHARLES WILSON of Texas. Mr. Speaker, it is my great honor to be associated with the Stephen F. Austin State University in Nacogdoches, Tex., as the Representative of its fine faculty and most of its students. Graduation ceremonies for its 1974 class took place on May 15, and while most such events are more to be endured than enjoyed, a speech given by Dr. Charles W. Brown was a striking departure from routine. Dr. Brown, head of the Economics Department, spoke directly to the heart of the issue that is facing all Americans—the integrity of this country and its institutions. I am inserting his speech into the RECORD because I think that we can all benefit by careful study of what Dr. Brown concludes are the implications of this crisis period for the future of this Nation. The speech follows:

SPEECH BY DR. CHARLES W. BROWN

It is indeed an understatement to say that these are strange times we live in. In fact the past twelve months could be described as "the year that shook America." We have seen the President of the United States go on television to argue that he is not a crook. Even now the Judiciary Committee of the House of Representatives is weighing the possible impeachment of our Chief Executive. We have seen our Vice President resign in humiliation after facing a lengthy list of charges in Federal court. We have seen our gasoline supply sharply curtailed and we have suffered through an energy crisis while oil company profits have skyrocketed. We have had so many shocks, we don't know what to believe anymore.

But as I look out over this audience today, I believe in the future of America. Much has been written about this generation of college students—that they are more open; more honest; less hypocritical—and these are attributes that are sorely needed today. Graduates, your generation also represents one of the best educated in our history. Your knowledge, your enthusiasm, and your talents will soon be making an immense contribution to the future of our country.

There is a building on this campus with an inscription on it that has a powerful message. It says, "The cultivated mind is the guardian genius of democracy." How true this is today. The importance of education to our whole welfare is apparent to all of us.

President Johnson, who did more for education than any president in our history, used to say that education may not be the answer to all of our problems, but without education no solutions are possible.

As we confront the problems of today, our continuing education will equip us to analyze these problems and develop solutions. But if we are to be truly successful as a nation and as individuals, more than education is needed. The top henchmen in Adolph Hitler's Germany were very well educated. The 25 men who have been indicted or convicted in the so-called Watergate mess represent the best in education—degrees in law and other professional fields from the top universities in our land.

Certainly, Samuel Johnson expressed a great truth when he said, "integrity without knowledge is weak and useless" but "knowledge without integrity is dangerous and dreadful."

Roscoe Drummond, writing in the Christian Science Monitor, brought the situation into sharp focus with these words—and I quote:

"The number 1 problem in the U.S. is not the energy crisis nor health nor housing nor unemployment—urgent as these matters are. It is something else.

It is sleazy ethics and pervasive dishonesty in just about everything—in government, in politics, in business, in labor, and to some extent in the media ..

I submit that corrupt politics, shabby ethics, and widespread dishonesty are death dealing to human freedom and democratic government."

I suppose if there is any message to the rambling comments that I am making here today, it is this—if we are to achieve greatness as a nation or fulfillment as individuals, we must be imbued with a strong sense of honesty, decency, and fair play. Education is essential, but so are honesty and integrity.

I believe that this is one of the lessons of the Watergate affair. Watergate has been a tragedy, a comedy, and many other things, but perhaps most important of all it has been a learning experience—an experience devoid of honesty and integrity.

Senator Sam Ervin, certainly one of the top authorities on Watergate, has spoken throughout the land concerning what he considers to be the sad problems of the whole affair—an affair that has literally destroyed bright men from the best of homes; men who received the best in education and had the brightest of futures. As Senator Ervin sees it, there were three factors that led to their downfall as they became entangled in a complex web that we do not yet fully understand: The three factors are:

FIRST, A DESIRE TO CONFORM

To be a team player. How many of them went along in order to get along? How many looked the other way as though nothing wrong was happening? This was the tragedy of Nazi Germany—good people looked the other way and remained silent. Evil triumphed because good people did nothing.

SECOND, THE IDEA THAT THE END JUSTIFIED THE MEANS

If the goal is good then any method which attains it is good.

Let me relate several examples of this type of thinking. The first example involves testimony of former Attorney General John Mitchell, before the Senate Watergate Committee. Senator Talmadge asked the question: "Am I to understand from your response that you placed the expediency of the next election above your responsibility to advise the President of the peril that surrounded him?"

Mitchell replied—"Senator, I think you have put it exactly correct. In my mind, the reelection of Richard Nixon, compared with what was available on the other side, was so much more important that I put it in just that context."

Another sad example involves Senator Talmadge interrogating Bernard Barker, one of the original Watergate defendants—

Senator Talmadge asked the question—"Who did you think your backers were?"

Barker replied—"Sir, I was not there to think, I was there to follow orders, not to think."

Talmadge then asked—"Didn't you wonder who was giving you these orders?"

Barker answered—"No. I had absolute confidence in (as I do now) the people I was dealing with, sir."

Talmadge asked—"Who do you think you were working for?"

Barker replied—"I was working for Mr. Hunt, and those things, Mr. Hunt represents."

Talmadge's next question—"What does he represent?"

Barker's answer—"He represents the liberation of Cuba."

Whereupon Senator Talmadge asked—"How did you think you could liberate Cuba by participating in a burglary in Washington, D.C.?"

This exchange also illustrates the danger of blind obedience.

A final example relates to a famous statement made by a candidate for President ten years ago. He said, and I quote, "Extremism in defense of liberty is no vice." So now we have had bugging of opposition party headquarters, breaking into psychiatrist's offices, and all sorts of "dirty tricks" in the name of something called "national security." This extremism would certainly seem to constitute a vice.

The *third problem* that Senator Ervin saw was *the overwhelming desire for success*—the desire to get results. Go along to get along and use any means to get results. Einstein has warned us that we should not strive to be men of success but rather men of value. These views—the desire to conform, the idea that the end justifies the means, and the desire for success at any cost—represent serious dangers to our society today. I trust that *we* can *avoid* these pitfalls.

William Lee Miller, writing about the Watergate hearings in the Yale Review, has called our attention to another aspect of the case—the circular effort to avoid responsibility. Every man was pointing to someone else. Each Watergate person said it was not I, I just did my part. Listen to this list of excuses given by different witnesses before the committee: I was just a messenger; I was just a conduit; I took the money but I don't know why; I raised the money but I don't know how it was spent; I made the call but I didn't know what it meant; I typed the memo but I didn't read it; I was just obeying orders as I had been taught to do in the Navy; I assumed that because the President's counsel endorsed it, it must be legal; I talked to my subordinates and they kept telling me everything was all right.

Where, we might ask, was the honesty and decency in this whole sordid mess?

Well, this is past history. What about the future? What can we do? We can resolve that we will not be dishonest—that we will not participate in dishonesty. We can vow that we will not look the other way when dishonesty is going on.

The American Heritage Dictionary defines honesty in this manner—not lying, cheating, stealing, or taking unfair advantage, honorable, truthful, trustworthy.

We need education—yes!! But in addition we need hundreds, and thousands and literally millions of honest and decent citizens. Your education plus your integrity represent a bright future for our Nation.

In conclusion, let me leave you with a quote from Shakespeare—"This above all: To thine own self be true, and it must follow as the night the day, thou canst not then be false to any man."

Thank you, and good luck.

RARICK REPORTS TO HIS PEOPLE: AN INTERVIEW WITH HUGH A. HALL, ASSISTANT ADMINISTRATOR OF THE AMERICAN REVOLUTION BICENTENNIAL ADMINISTRATION

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. RARICK. Mr. Speaker, the Bicentennial Celebration of the Nation's birth offers each of us a unique opportunity to take stock in what is right with America.

Every parish in the Sixth Congressional District of Louisiana will have been designated as "Bicentennial Parishes" within the next few days. It has been my privilege over the past few months to present Bicentennial flags to each of the local communities which have received their recognition.

A program so vital to the patriotic growth of American ideals as the Bicentennial certainly deserves the continued support and cooperation of the Congress. I am proud, not only to have voted for this worthwhile endeavor, but that my State of Louisiana and my district have become so actively involved in the Bicentennial with such a patriotic dedication.

Recently on my weekly televised report to my constituents, my guest was Mr. Hugh A. Hall, Assistant Administrator of the American Revolution Bicentennial Administration. In order that our colleagues may have benefit of Mr. Hall's comments on the recent developments of the Bicentennial Celebration, I include a transcript of that broadcast:

YOU HAVE A RIGHT TO KNOW—INTERVIEW WITH MR. HUGH A. HALL

RARICK. The 200th anniversary of the founding of the United States is a short two years away. But already many of our citizens and communities are preparing for the celebration with a great deal of anticipation. Many of us look upon the celebration of the nation's birth as time to reaffirm basic American beliefs we may have taken for granted too long. It will afford Americans a good opportunity to look back upon the events that have shaped the country's feelings toward individual freedoms, and to resolve that these same traditions are as meaningful to Americans in 1976 as they were in 1776. Individual liberty never goes out of style.

With me today, to discuss some of the plans to help make the celebration more than just a big birthday party, is Assistant Administrator of the American Revolution Bicentennial Administration, Hugh A. Hall. Thank you for joining us, Mr. Hall.

One of the most noticeable things about the people in the Sixth District who have some knowledge of the Bicentennial celebration is a high degree of enthusiasm. And this feeling of involvement seems to be contagious. What are some of the things that the Administration is doing to get local communities and citizens involved in the Bicentennial? What are your goals and purposes?

Mr. HALL. Congressman Rarick, it's a pleasure to be with you and hopefully to answer some of these questions. The original concept to commemorate the 200th anniversary was put together by the former Bicentennial Commission, with a prime goal set that all of the citizens of all the states should be participants in commemorating our 200th anniversary, rather than staging a big show someplace and have everyone as spectators. The concept of the commemoration is that we would be looking at the past, learning from it, dealing with the present and stepping into the future. We developed three themes: Heritage '76, Festival U.S.A., and Horizons '76. Those three themes deal with the past, the present, and the future. We've asked each state, and they have all complied, and most of the major cities of the United States, to get citizens groups together and plan on actually participating at the local level in commemorating the 200th anniversary of the oldest democracy under a republic in the history of mankind. We're finding this great spirit in our country absolutely erupting on us.

And of course, Louisiana and the Sixth District have more or less set the example, I believe, for the rest of the nation. As you're well aware, the state of Louisiana has over 138 parishes and cities and communities involved. The nation has a total now of officially recognized approximately 800. The spirit and the concept of the commemoration was to be participatory, that the people of our country would be involved directly working for our country, and that we would have a commemoration, in which millions of people at the local level were involved.

RARICK. The hopes on the national level are to encourage as broad as possible local participation by the states, local communities and cities?

Mr. HALL. Exactly that, yes sir.

RARICK. Congress has enacted legislation and has appropriated money. Can you give some idea of how this money is being divided; or how it's being used to encourage local and state participation?

Mr. HALL. Yes. We've had minimal funding. The original concept, which has been sanctioned by five Congresses and two Presidents, was not to get out and try to purchase a Bicentennial by infusing massive millions or billions of dollars in trying to solve all of the problems that exist in our country or the world today, but rather to get the spirit of the thing, *participation* in the Bicentennial. Since 1966, we've received a total of $18 million in appropriated monies. From that, we've given approximately $5 million directly back to the states for distribution to the communities, national organizations, and organizations in communities to be used for work on Bicentennial activities. The other $13 million has been used over that 8-year period for putting together professional staff. Offices were opened in the ten Federal regions. They work closely with the states and the communities, helping them coordinate their programs. We are setting up a master calendar on a computerized basis, of the myriad, literally thousands of events that will be taking place during 1975 and 1976. Let's put it this way, we've spent less than one cent per person, per year. But it's the spirit of the thing that's coming through loud and clear, not how much can we spend but how much we can accomplish.

RARICK. There are also tokens and memoranda that are being made available to raise money?

Mr. HALL. Yes. We issued a national commemorative medal struck by the United States Mint. Also in combination with the first day cover, we've issued one each in 1972–1973–1974. We've raised approximately $6 million from this effort, at no cost to the taxpayer. We've taken that money and in turn granted it back to each of the states for distribution to be matched by an equal amount for Bicentennial programs or projects that are being undertaken at the state and the local level. The projects range from historic preservation, the staging in schools of historical dramas, publications of books, films or many of the Horizon programs one of which your District is so eargerly involved in: the Johnny Horizons Program, Let's clean up America for the 200th birthday. The Johnny Horizon's program is being undertaken ambitiously in Baker. Baker is also involved in the restoration and saving of the century old oak trees, the planting program of magnolias, the state flower.

RARICK. Mr. Hall, you mentioned the Sixth District of Louisiana. I'm sure that you are aware that I have participated, I guess, in every one of our ceremonies in which we have raised the Bicentennial flag at the parish courthouse, at our state capital, and in the city of Baker. I'm sure that you must be aware that there seems to be a spontaneous enthusiasm among the people of the Sixth District of Louisiana. And the rest of our state is actively asserting that we want our individual people to play a part in the Bicentennial observance. You have even sensed that feeling here in Washington.

Mr. HALL. That is correct. We have frequently used Louisiana as a state, and your District in particular, as an example to many of the states and communities as how to catch hold of the participatory nature of the Bicentennial. We've used your District and the state as an example of how citizens not only want to get involved, but how they can get involved constructively. And as you know, like in Baker, they've already got the marching band that won the state championship performing concerts this year, building up and drumming up the enthusiasm for the Bicentennial in 1976.

RARICK. Well, I know that the people in my District feel it's time to wave the flag, and they're going to pick up the idea of selling America and run with it. We have many patriotic people in the Florida Parishes, as we affectionately call them—the Sixth District of Louisiana. Are you, on the national level of the Bicentennial, satisfied that you are on schedule in looking ahead for the target year of 1976?

Mr. HALL. Oh, yes, by all means. We have been through lots of trials and tribulations. And any planning group that would try to plan for something as gigantic an undertaking as this whole 200th anniversary is bound to go through sorting the literally milions of ideas of what the commemoration should be like and then, finally come down to a concept that the nation buys, accepts, and is going to undertake. And we've done that. There were many people that thought we should have one or two big things: either a great big party at one single location, or some massive infusions of multi-billions of dollars of Federal monies to cure all kinds of programs that really aren't related to the spiritual concept of our 200th anniversary. I think that now the nation, most of the nation certainly is understanding that neither of those two concepts are appropriate nor will take place in our 200th anniversary. It's going to be a kind of spiritual reawaking of people working constructively for their country to make this a better place to live, realizing that we've done so much over 200 years and have so much to do as we step in our next 100 years. Yes, the understanding of the great opportunity we have at hand is finally soaking in across the country, and I think we're right on target. We're right where we should be in 1974.

RARICK. Of course, if we didn't have the support of the President and the Congress, we wouldn't be at the planning stage that we're in today. I'm sure we realize that there will be need for additional funds and support from the national level. How do you see it? Do you still have the continued support of the Congress and the President and the other parties of the Administration?

Mr. HALL. We certainly do. We have the support of all three branches of the government. As you know, the House has just passed the Supplemental Appropriation, which will allow grants to the individual states of $200,000 each. The Supplemental Appropriations passed in the House and I understand the Senate will probably act on it next week. A new board will be named and the administrator, John Warner, the former Secretary of the Navy, will be administering matching grants to the states for Bicentennial programs and projects between now and 1976. Also, in that Supplemental budget, there is $25,000 for each state and territory for 1974, 75, and 76. And there's $12,500 in the first six months of 1977 to help offset the cost of operation of the states' staff offices.

RARICK. Mr. Hall, I'm sure that there are many good Americans who, as individuals want to participate in the Bicentennial celebration. What suggestions do you have as to what they should do, or how they can get involved to participate in our nation's birthday?

Mr. HALL. Take the example again of the Sixth District. Do like Baton Rouge or Baker or any one of your communities have done. They have talked to their citizens, and, say, if you belong to a club, or group, or organization, have that club, or group, or organization pick out something constructive that they want to do to make this a better country and get to work with that group. And if they don't belong to a group or club or organization, start to belong. Pick up the phone and call an organization that's involved in the 200th anniversary in their community and volunteer their services and join in the effort. This country's going to be just exactly like we make it.

RARICK. Of course, there's plenty of room for everyone to participate, isn't there?

Mr. HALL. There certainly is.

RARICK. Well, thank you very much. Our guest today has been Mr. Hugh Hall, who is the Assistant Administrator of the American Revolution Bicentennial Administration here in Washington, D.C. Our topic has been preparing to celebrate the country's 200th anniversary by reselling and rejuvenating America. It's been a pleasure to have you on the program, Mr. Hall.

Mr. HALL. I'm honored to be with you, sir.

AN APPEAL TO THE LAW OF THE SEA CONFERENCE

HON. DONALD M. FRASER

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. FRASER. Mr. Speaker, one of the ways in which the United Nations Law of the Sea Conference can be of greatest benefit to the international community is to draft a treaty which provides that a substantial portion of the immense revenues from the mineral resources of the deep seabeds be earmarked for assistance to the developing countries.

As the Conference opens in Caracas this week after 3 years of preparation, a group of distinguished citizens of 10 nations have presented to U.N. Secretary-General Waldheim a manifesto which urges that the Conference stress the concept of the oceans as "the common heritage of mankind" and that "an imaginative, realistic approach to the complex and urgent ocean problem can reverse the present grave threat to the oceans' ecological system, provide an orderly and equitable means of managing ocean resources and furnish substantial revenues for international community purposes." The group urges that revenues for seabed mineral exploitation, which could amount to billions of dollars per year, be used not only to aid development but also to fund the fight against ocean pollution and to aid research for new sources of energy which are relatively free of pollution.

The ocean manifesto was signed by Maj. Gen. Indar Jit Rikhye, president of the International Peace Academy, and former commander of the U.N. Emergency Force in the Middle East; ocean explorer Thor Heyerdahl of Norway; Charles W. Yost, former U.S. Ambassador to the U.N.; anthropologist Margaret Mead; Nobel laureate Jan Tinbergen, a Dutch economist; Per Haekkerup, former Foreign Minister of Denmark; Dr. Paul M. Fye, director of the Woods Hole Oceanographic Institution; Ambassador Arvid Pardo of Malta and Lord Ritchie-Calder, a British scientist and author; Dr. John J. Logue, director of Villanova University's World Order Research Institute who is serving as secretary of the group.

I include the text of the ocean manifesto in the RECORD at this point:

AN OCEAN MANIFESTO: AN APPEAL TO THE CARACAS CONFERENCE ON THE LAW OF THE SEA

The Third United Nations Conference on the Law of the Sea provides extraordinary opportunity to establish an effective system of order and justice in a large portion of the earth where rivalry among nations daily becomes more threatening and self-defeating. The delegates who come to Caracas in June of 1974 will decide whether the oceans of the world will be wisely managed and their immense resources, whether of minerals or living species, safeguarded and shared. For if chaos and shortsighted selfishness reign it will be to the detriment of our common human future.

We believe that an imaginative, realistic long-term approach to the complex and urgent ocean problem can reverse the present grave threat to the oceans' ecological system, provide an orderly and equitable means of managing ocean resources and furnish substantial revenues for international community purposes. That approach must reflect the proposition that the oceans of the world are an indivisible and fragile ecological whole which cannot be dealt with on a unilateral or piecemeal basis.

We believe that the Law of the Sea Conference should take as its inspiration the principle of "the common heritage of mankind" enshrined in the United Nations General Assembly's Declaration on the Seabed, unanimously adopted on December 17, 1970. In our view adherence to this principle would represent a major and significant development in international relations. We urge the Conference to demonstrate its faith in mankind by a full and realistic recognition and application of the common heritage principle. Adherence to it could reconcile national interests and broader interests which otherwise would be irreconcilable.

A realistic common heritage approach would require that a substantial portion of the revenues from seabed resources, both within and outside the continental margin, be dedicated to international community purposes. In our view those revenues should be used to help fund the struggle against ocean pollution, to make ocean technologies more widely available, and to contribute to the aid given by the United Nations to developing countries. It might also add revenues to the general budget of the United Nations. Seabed revenues might also be used to assist intensive international research, some of it through the United Nations University, on new sources of energy which are relatively free of pollution.

We believe that the common heritage principle can also furnish the inspiration for another essential part of the Conference's work, namely, securing international agreement as to the responsible uses of the ocean environment. That agreement should include provision for the monitoring of that environment and protecting it from overfishing and from the many forms of ocean pollution. It should also include a statement that states are obligated to prevent marine pollution from any source, and it should establish means and standards for the fulfillment of this obligation.

In our view the international seabed area under the sole jurisdiction of the United Nations international regime should be as large as possible, extending in as close to the 200-meter depth line as possible with, however, some "distance provision" for those countries which, in effect, have no continental shelves. However, if the Conference should agree to a 200-mile "economic zone" or "patrimonial sea" between the national territorial sea and the proposed international area, we believe that it is essential that the coastal state share jurisdiction within this zone with the appropriate United Nations agencies in order to insure that world community interests are respected, particularly with respect to pollution, fishing, navigation and scientific research. It is important to stress that a 200-mile economic zone would include an overwhelming proportion of the seabed resources believed to be exploitable in the next decades.

We believe that in order to carry out its important purposes the United Nations ocean regime must have strong institutions based on equitable and democratic representation from all countries. If the regime is to be effective in implementing the common heritage principle, it must have substantial powers including power to license and regulate the exploration and exploitation of the international seabed area by states and private organizations. The regime must have its own power to explore and exploit that area. In our view this arrangement would promote stability of expectations and security of investments. Most importantly, the United Nations international regime must have unquestioned authority to settle disputes. In short, there must be a legal system which protects and fosters the many but competing uses of the oceans. Provision for environmental impact review should be part of that agreement.

Among the special problems to which the Law of the Sea Conference must urgently address itself, always keeping in mind the common heritage approach, are the following:

a. Preservation and improvement of fisheries, with particular attention to the economic interests of coastal countries, but with provision for the interests of distant-water fishermen as well.

b. Protection of the interests of those countries which fear that increased production of seabed minerals may lower the prices for their land-based minerals. This would include adherence to the United Nations General Assembly's Moratorium on the exploitation of deep seabed mineral resources until the Conference works out an agreed system for exploiting those resources.

Preservation of the historic freedom of navigation and transit through international straits. Limitations on those freedoms for control of pollution and traffic should be made by international agreement taking into account the legitimate interests of the world community as well as those of coastal states.

d. Support for freedom of scientific research, with due regard for the interest of coastal states. For the benefit of all, we urge that the United Nations ocean regime commission and fund ocean research, establish a clearing house for worldwide dissemination of information and assist in the transfer of ocean technology to developing nations.

e. Coordination of the ocean activities of existing international agencies and encouragement, where appropraite, of regional solutions to ocean problems.

The Law of the Sea Conference provides the opportunity for a major advance in global awareness, a strengthening of the sense of individual, national and international responsibility for and "stewardship" of planetary life and resources. For these reasons we encourage peoples of all countries to acquaint themselves with the preparations for the Conference and the problems and opportunities it represents. We urge them to do this in their private capacities and in the governmental and nongovernmental organizations to which they may belong. And we urge them to communicate their views to all who will influence the Conference's decisions.

A successful Law of the Sea Conference based on the principle of the common heritage of mankind would establish the basis for responsible management of the global areas beyond the jurisdiction of nations. It would head off the possibility of a competitive and potentially dangerous struggle among states for the resources of the seas. And it would make a major and historic contribution to the realization of the high principles set forth in the preamble to the United Nations Charter. A Law of the Sea Conference which devised equitable, acceptable and workable responses to the present "ocean opportunities" would also promote international comity and serve as a guide and inspiration to solutions to other pressing international problems.

SPAGHETTI AND STEEL

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. GAYDOS. Mr. Speaker, the May issue of a newsletter published by Local 2227, USWA, in West Mifflin, Pa., carried an article dealing with the increased importation of spaghetti and macaroni into the United States.

It would be reasonble for someone to wonder what steel has to do with spaghetti. The answer is because they are in the same pot. Steelworkers know what unfair foreign competition can do to an industry and its employees. They have been in that sauce.

It also is interesting to note the steelworkers' news point out the imported spaghetti is not coming from Italy but from Mexico. Made there with American wheat, it is shipped across the border and sold here at a new price of 15 cents a pound. American manufacturers cannot compete with that price. The cost of raw materials is twice that amount.

Steelworkers know the pattern foreign imports follow. First, the foreign manufacturer, using low-cost labor, undersells his American competitior. As his market expands, the American manufacturer's dwindles, causing job layoffs and plant closings. Once the foreign manufacturer has knocked the starch out of domestic competition, he controls the market and the price of his product, is his for the setting.

So, while it is the production worker and his employer who first feel the pains of unfair foreign competition, it is the American consumer who is the victim at the end.

Mr. Speaker, I am inserting Local 2227's article into the RECORD for the attention of my colleagues:

SPAGHETTI FROM MEXICO

> You read it right. Those fine old "Italian" products, spaghetti and macaroni, are being made in Mexico—with U.S. Wheat—are being shipped into the U.S. And the process is causing serious concern among the American manufacturers.
>
> The American companies have complained to Congress and the U.S. government that the imports are threatening their existence. So far, as one manufacturer has put it, they have gotten "responses of sympathy, but no definitive action."
>
> The companies say that the Mexican products are made from the highest grade of wheat ingredient and are "being offered and sold at a net price of 15 cents per pound . . . We as an industry cannot compete with a 15 cents per pound product because our raw material costs are now twice that."
>
> Robert S. William, president of Western Globe Products Inc., of Los Angeles, warns that the "destructive price from Mexico could and probably will expand into other areas of this country and if allowed to continue may cost the jobs of many people as well as the closure of some macaroni manufacturers."
>
> U.S. Tariff Commission figures show a sharp increase in imports of spaghetti and macaroni products in 1972 and in the first seven months of 1973 with Mexico becoming a significant factor for the first time in 1973.
>
> American manufacturers report the appearance of the Mexican-made products in Texas and California, principally. But they also noted that imports into Minnesota, Wisconsin, Illinois and Michigan are coming from Canadian sources, which also are causing concern.

LAW AND ORDER—PART I

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mrs. SCHROEDER. Mr. Speaker, I am today introducing a bill amending title 39 of the United States Code, to provide additional standards guaranteeing the proper use of the penalty mail privilege by Government departments. Mr. CHARLES H. WILSON of California, chairman of the Postal Facilities, Mail, and Labor Management Subcommittee of the House Committee on Post Office and Civil Service, joins me in proposing this important measure.

In April of last year a number of constituents called my attention to a mailing sent out by the Justice Department under penalty mail indicia—the executive analog to our congressional frank. Included was the full text of a Presidential speech on crime and a cover letter from the then Attorney General, Richard Kleindienst. Because the nature of this material is pertinent to the need for the legislation we propose, I intend to include full copies in tomorrow's CONGRESSIONAL RECORD. Perhaps, though, the following excerpt from the Kleindienst cover letter will suggest the general tenor of this mailing, while at the same time providing some high irony:

> Mr. Nixon's remarks served to remind us very clearly that leadership in the war on crime comes right from the top of the United States Government. And it also indicated once again that law-abiding Americans have a man with the courage to represent their interests.

In answer to several inquiries, both direct and through the Post Office Committee, the Justice Department at first attempted to characterize the mailing as properly in discharge of the Attorney General's duty as chief law enforcement officer of the executive branch. The distribution, I was told in a July 19 letter, served to inform those "particularly concerned or involved" in our Government's policy toward criminal prosecution and drug abuse—a policy I would have thought to have been well understood already by the American people. The response did not clarify, however, the particular concern or involvement of the "nationalities organizations newspapers and radio stations," the "ethnic mailing lists," the "Amvets," or, intriguingly, the "big city and small town opinion molders," who found themselves among the 64,000 recipients of this material.

My confusion was complete when a month later the Justice Department disclosed in an August 10 letter that while in discharge of Mr. Kleindienst's official duties, the entire mailing—except the postage—had been "paid for by the Republican National Committee." This was later confirmed by Acting Attorney General Bork, who felt constrained in a December 21 letter to volunteer further that the mailing was a "cooperative venture between the Department and the White House."

This was too much even for the Postal Service, and after some weeks of negotiation, the Justice Department finally agreed to pay a special postage billing of $10,240 for the mailing.

Mr. Speaker, the mailing, as a joint venture among the White House, Justice Department, and Republican National Committee, was just one more example of a Government agency's official mission being subverted to partisan ends—something this administration has become famous for.

Last session Congress enacted sweeping controls against the political abuse of its franking privilege, including a special commission to review the nature of materials franked by Members. My experience with the Justice Department convinces me it is time to start thinking about similar controls for the Executive.

For the information of my colleagues, there follows the text of our bill and copies of the Justice Department correspondence discussed above:

H.R. 15447

A bill to amend title 39, United States Code, to provide additional standards to regulate the proper use of the penalty mail privilege on an official basis by Government departments, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3204 of title 39, United States Code, is amended by adding at the end thereof the following new subsection:

"(c) (1) Notwithstanding any other provisions of this section, any mailing of matter, as penalty mail, in excess of 5,000 identical pieces, may not be carried in the mails as penalty mail until the officer, executive department, or independent establishment of the Government which intends to transmit such matter has submitted to the Comptroller General of the United States a request for certification that the carriage of such matter in the mails as penalty mail is in compliance with this chapter and has received such certification from the Comptroller General. The Comptroller General shall respond expeditiously to all such requests for certification.

"(2) The fact of each transmission of matter in excess of 5,000 identical pieces in the mail as penalty mail or otherwise, and additional information concerning such mailing shall be published in the Federal Register, and copies of the matter mailed shall be available for public inspection at reasonable times in the office of the Government transmitting authority concerned. Such additional information to be so published in the Federal Register shall include the following:

"(A) a description of the nature and subject matter of the mailing;

"(B) a statement of the purpose of mailing such matter;

"(C) a statement that copies of such matter may be examined in the office of the Government transmitting authority concerned;

"(D a statement of the numerical number of identical pieces mailed;

"(E) a statement of the general category or categories of persons or organizations to whom or which the matter was mailed;

"(F) the source from which the mailing list of such persons or organizations was received;

"(G) the amount or equivalent amount of postage due for mailing such matter; and

"(H) the source from which such amount was or is to be paid."

DEPARTMENT OF JUSTICE,
Washington, D.C., August 10, 1973.

Hon. PATRICIA SCHROEDER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSWOMAN SCHROEDER: This is in response to your recent inquiry concerning an April 6th, 1973, mailing of the President's March 10th crime message by the Department of Justice.

This mailing, which included a cover letter from Attorney General Richard Kleindienst and a radio speech on law enforcement delivered by the President, was sent to persons with a general interest in law enforcement. Acting as the Federal Government's chief law enforcement officer, the Attorney General mailed the President's crime message for the purpose of seeking state and local law enforcement cooperation in the implementation of the President's crime policies.

The mailing, which was consistent with 39 U.S.C. § 3204(b) (A), was paid for by the Republican National Committee.

Cordially,

PATRICK M. MCSWEENEY,
Deputy Assistant Attorney General.

DEPARTMENT OF JUSTICE,
Washington, D.C., July 19, 1973.

MARVIN H. MORSE, ESQ.
Assistant General Counsel, Postal Rates and Mail Classification Office, U.S. Postal Service, Washington, D.C.

DEAR MR. MORSE: In response to your letter of July 6, 1973, I am forwarding a list of addressee-categories to whom the letter of former Attorney General Kleindienst, dated April 6, 1973, enclosing a copy of President Nixon's March 10th address was sent.

The purpose of the letter was to inform the addressee of the Executive's policy regarding crime and drug abuse as articulated by the President in his radio address of March 10th. The mailing of this information was in discharge of the Attorney General's duty as chief law enforcement officer of the Executive branch. The distribution of the letter and the text of the broadcast served a two-fold function: (1) to inform the addressees who are particularly concerned or involved with this problem what the policy of this Department is regarding the prosecution of criminal offenders and the curbing of drug abuse, and (2) to implement this policy by stating the Federal Government's determination to seek greater assistance for State and local law enforcement agencies so that through the cooperative effort of local, State, and Federal agencies substantial progress can be made against crime and drug abuse.

Within this context, we are of the opinion that the mailing was authorized by 39 U.S.C. § 3204(b) (1) as "enclosures reasonably related to the subject matter of official correspondence. . . .", as well as by 39 U.S.C. § 3204(b) (4) as ". . . interpretations necessary in the administration of the department or establishment. . . .". and by 39 U.S.C. § 3204(b) (8) as "articles or documents to educational institutions or public libraries, or to Federal, State or other public authorities"

The general authority of departments of the Executive branch to use the mails for the transmission of official matter is contained in 39 U.S.C. § 3202 (formerly 39 U.S.C. § 321 and § 4152). This section dates back to 1939 when Congress, becoming disturbed by the rising cost of transmitting Government matter through the mails, enacted as part of an appropriation act restrictive provisions. (Sec. 6 of the Act of May 6, 1939, 53 Stat. 654, 683, as amended by § 2 of the Act of June 30, 1939, 53 Stat. 980, 989.) These provisions were carried forward into the Penalty Mail Act of 1948 (Act of June 25, 1948, c. 658, Title III, § 306, 62 Stat. 1049, 39 U.S.C. 1952 ed. § 321n).

By 1953 it was apparently believed that the statute had not fully achieved its purpose of reducing the volume of free Government mail. Therefore, Congress provided by the first section of the Act of August 15, 1953, (67 Stat. 614, 39 U.S.C. (Supp. V) § 3211), for the reimbursement of the Post Office, on the basis of accountings regarding the transmission of matter in the mails under the penalty privilege (except mailings by the Post Office Department), of the equivalent amount of postage due the Post Office Department by reason of the transmission of such mail. This reimbursement was to be made out of any appropriations or funds available to the agencies concerned.

In 1956, 39 U.S.C. § 321n was amended (Act of July 14, 1956, § 2, 70 Stat. 536) by striking out the words "free of postage" and inserting the words "as penalty mail" to "reflect existing law to the effect that mailings by Government agencies under the penalty privilege are no longer 'free of postage' and that the equivalent amount of postage is required to be paid by such agencies to the Post Office Department." H.R. Rept. No. 2421, 84th Cong., 2d Sess., p. 17.

The provisions regarding penalty mail were again revised by the Act of September 2, 1960, 74 Stat. 660, becoming 39 U.S.C. § 4152. The Postal Reorganization Act of 1970, P.L. 91–375, § 652, continued the provisions of § 4152, becoming 39 U.S.C. § 3202.

The legislative history of the present section, authorizing the use of the penalty mail privilege, and the restrictions of such use imposed by 39 U.S.C. § 3204 indicate that official letter correspondence, including such enclosures as are reasonably related to the subject matter of the correspondence, as well as the sub-categories of official correspondence involving informational releases of administrative orders and interpretations necessary in the administration of executive departments and agencies as well as information distributed to Federal, State or other public authorities, has always been deemed to be a permissible and proper use of the penalty privilege.

It should be noted regarding any impermissible use of the penalty privilege that criminal sanctions are provided for the use of official envelopes to avoid the payment of postage fees on private letters. Such conduct is punishable by fine of not more than $300 (18 U.S.C. § 1719). Similarly, although I am aware of no statute expressly precluding an agency from transmitting mail postage paid, it is reasonable to conclude that the purchase of postage for the transmission of mail on any large scale would be challenged as the use of appropriated funds for an illegal object. (See R.S. § 3678, (31 U.S.C. § 628 and 39 U.S.C. § 3206(a)).

The pertinent test of legality is whether the correspondence has a bearing on the Attorney General's functions and duties so as to qualify as official mail entitled to the penalty mail privilege. We are of the opinion that it does so qualify, being sent pursuant to the Attorney General's law enforcement responsibilities.

Sincerely,

LEON ULMAN,
Acting Assistant Attorney General.

ATTACHMENT

The following list of 28 categories classifies the 64,000 recipients of the April 6, 1973 letter enclosing President Nixon's speech. This list was prepared prior to the selection of the individual addressees. It would be possible to obtain a computer print-out of the 64,000 addressees but the expense would be considerable. However, if you are interested in receiving the whole or a portion of the list, you may refer your request to this Office.

DISTRIBUTION ON RN SPEECH ON LAW ENFORCEMENT AND DRUG ABUSE

United States Senators.
United States Congressmen.
Governors.
State Senators and Representatives.
Mayors.
County Officials.
State Attorneys and Assistant State Attorneys.
District Attorneys and Assistant District Attorneys.
Prosecuting Attorneys and Assistant Prosecuting Attorneys.
County Attorneys and City Attorneys.
Assistant County and City Attorneys.
United States District Attorneys.
Attorneys General of the United States.
Municipal Police Chiefs.
Law Schools.
Editors of Dailies.
Radio and TV Commentators.
Radio and TV News Directors.
Nationalities organizations.
Nationalities Newspapers.
Nationalities radio stations.
Ethnic Mailing List.
Labor Leaders.
VFW State Leaders.
AmVets.
Disabled American Veterans National Officers.
American Legion National Officers and Post Commanders.
Big City and Small Town Opinion Molders.
Total mailing: 64,000.

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., December 21, 1973.

Hon. PATRICIA SCHROEDER,
Denver Federal Building,
Denver, Colo.

DEAR MRS. SCHROEDER: I am responding to your letter of August 20, 1973 to Elliott Richardson, relating to a mailing on April 6, 1973 to members of the public of copies of the President's speech on crime and drug abuse with a covering letter by then Attorney General Richard G. Kleindienst. The mailing was a cooperative venture between the Department and the White House. As you know, it is not uncommon for major speeches of the President or of agency heads to be mailed to members of the public for their information, usually at the expense of the agency most directly concerned with the subject matter of the speech.

Except for the Departmental envelopes used, the costs of the mailing were defrayed in this instance by the Republican National Committee.

It is clear that the mailing was not in violation of the penalty provision of 18 U.S.C. 1719 which prescribes a fine of $300 for the use by any person of any official envelope "to avoid the payment of postage or registry fee on his private letter." The April 6 mailing, which related only to the law enforcement and drug control programs of the President and the Department, was not a private mailing. I am aware of no other statute relating to the matter which provides for a penalty enforceable by the Department of Justice. There is, therefore, no reason to refer the matter to the Special Prosecutor.

The following information is given in response to your particular questions:

1. The mailing numbered 64,000 with two pieces enclosed in each envelope.

2. The mailing was sent to the categories in the attached list.

3. The mailing list was provided by the Republican National Committee.

4. The Department of Justice incurred no expense for the mailing other than the cost of the 64,000 penalty mail envelopes.

5. The policy or motivation for the cooperative mailing seems to have been the desire to bring to the attention of members of the public important aspects of the Department's current law enforcement program.

6. Most agencies, as you know, are provided portions of their appropriations to maintain public information offices and it is inherent in the creation of such offices that they will provide information to the public. This is recognized in the postal statutes discussed in the attached letter from Leon Ulman to Marvin H. Morse, dated July 19, 1973.

Sincerely,

ROBERT H. BORK,
Acting Attorney General.

THE FEDERAL CONTRACT INDEMNITY ACT OF 1974

HON. JOEL T. BROYHILL

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. BROYHILL of Virginia. Mr. Speaker, I am introducing legislation today, cited as the Federal Contract Indemnity Act of 1974, to authorize and direct the Comptroller General to make payments to certain subcontractors whenever payment bonds are not required of, or furnished by, persons awarded contracts with the Federal Government.

Specifically, this act will require that whenever any Federal contract is awarded to any person and such person is not required to or does not furnish a payment bond to the United States, each person who furnishes labor or material with respect to the execution of such contract may file a claim with the Comptroller General of the United States for the unpaid sum which such person is due for any such labor or material under any agreement with the person to whom the contract is awarded. Each such claim shall set forth such information as the Comptroller General may prescribe by regulation, including an accurate statement of the amount claimed and the name of the person to whom the material was furnished or supplied, or for whom the labor was done or performed. A claim of any person for payment under the provisions of this act shall be filed with the Comptroller General no later than 90 days after the date on which such person was to have received payment—pursuant to an agreement with the person to whom the contract was awarded—for the labor or material for which such claim is made or in the absence of such an agreement with respect to a payment date, the date on which such person performed or furnished the last of the labor or furnished the last of the material for which such claim is made.

The Comptroller General shall receive and process claims for payment filed pursuant to section 3 of this act, hold such hearings, sit and act at such times and places, administer oaths, and take such testimony as he may determine necessary to carry out the provisions of this act, and no later than 90 days after the receipt of a claim filed by any person pursuant to section 3 of this act, either order the payment of and pay to such person such sum as he determines to be necessary and proper in accordance with the provisions of this act, or notify such person by certified mail of the denial of such claim and the reason for such denial. Should the Comptroller General fail to act with respect to the claim of any person, he shall pay to such person the sum requested in such claim.

In carrying out the provisions of this act, the Comptroller General shall have the power to issue subpenas requiring the attendance and testimony of witnesses and the production of any evidence that relates to a claim filed under this act. Such attendance of witnesses and the production of any such evidence may be required from any place within the United States at any designated place of hearing within the United States. If a person issued a subpena refuses to obey such subpena or is guilty of contumacy, any court of the United States within the judicial district within which the hearing is conducted or within the judicial district within which such person is found or resides or transacts business may—upon application by the Comptroller General—order such person to appear before the Comptroller General to produce evidence or to give testimony relating to the claim being considered. Any failure to obey such order of the court may be punished by such court as a contempt thereof.

Further provisions of this act provide that if the claim of any person is denied by the Comptroller General, such person may file a request with the Comptroller General for the review of the denial of such claim, so long as such request is filed no later than 30 days after the receipt by such person of the notification of denial and such person sets forth in such request evidence which supports such claim and which was unavailable both at the time such claim was filed and during the period of time between the date of such filing and the date of the transmission of denial by the Comptroller General.

The act will also provide that whenever a claim or a request for the review of a denial of a claim is filed by any person under the provisions of this act, such person may appear and be heard in any hearing which is held by the Comptroller General with respect to such claim or request; and any other person may appear and be heard in such hearing if the Comptroller General determines that such person has a substantial interest in the result of such hearing. Any person who appears in any hearing pursuant to the provisions of this section may produce evidence and cross-examine witnesses.

The acceptance by any claimant of any payment pursuant to this act shall be final and conclusive on the claimant and shall constitute a complete release of any claim against the United States for the labor or material furnished with respect to the execution of the contract, and an assignment to the United States of all rights of action with respect to his claim against the person with whom he had an agreement, the violation of which resulted in such claim.

Mr. Speaker, this legislation is designed to provide financial protection to the many persons who have subcontracted under agreement with the prime contractor to furnish labor or material in the execution of a Federal contract when the prime contractor is not required to establish a payment bond. I am particularly concerned that in some instances, Federal contracts have been awarded to persons with no standing in the business community, no credit rating, experience, validity, or competence and yet no business bond is required. This has led to payment defaults on many Federal contracts, and unfortunately the subcontractor who was actually furnishing the labor or material under Government purchase orders with the commonplace assumption that the integrity of the Federal Government was implied or was in fact a part of the transaction is never reimbursed for his services. Unless the subcontractor is able to absorb the loss, it spells financial disaster, ultimately closing his doors and going out of business.

Mr. Speaker, this is badly needed legislation and I strongly urge early and favorable consideration by the Congress of this bill which I have proposed today.

THE SOVIET TAKEOVER OF LITHUANIA

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. WYDLER. Mr. Speaker, 24 years ago the people of Lithuania underwent one of the darkest moments in their history. Their shortlived period of independence was abruptly terminated by the invasion of Soviet troops. This was a dark moment indeed for the entire free world.

On June 15, 1940, the Soviet Union moved troops into Lithuania and created a government that would follow its dictates. By means of devious tactics and interference with the domestic politics of a once sovereign state, the Soviet Union grievously violated Lithuania's national integrity. In July 1940, a rigged election produced a congress that requested the incorporation of Lithuania into the Soviet Union. Shortly thereafter, Moscow made the formal announcement. Its strategy of aggression had thereby met with success at the expense of Lithuania's sovereignty.

The Lithuanian people were immediately subjected to extreme forms of oppression. In order to consolidate Soviet control and reduce anti-Soviet agitation, some 30,000 members of the Lithuanian intelligentsia were deported to Siberia. In hasty retreat before advancing Germans, the Soviet troops executed 5,000 political prisoners. When the tide of the war turned against Germany, Lithuania returned not to independence, but to Soviet domination.

The postwar years have witnessed a tightening of Soviet control over Lithuanian society. Lithuanian culture is no longer allowed to flourish. Religious persecution has been especially fierce in this predominantly Roman Catholic state. In March 1972, more than 17,000 Lithuanian Catholics signed a protest memorandum addressed to Secretary General Waldheim, of the United Nations, that called on him to intervene with the Soviet Government in their behalf against such persecution.

As part of this Soviet hostility toward religion, many churches have been closed or left unrepaired or converted into warehouses, clubhouses, or museums. As a result, only about half of the former number of 1,200 churches remain. Seminary enrollment has been severely restricted, and some priests have been reported as having been tried and imprisoned on charges of "bourgeois nationalism."

The Soviet Union has intensified its efforts to impose cultural homogeneity throughout the country at the expense of the various non-Russian nationalities. Lithuania, with its fierce sense of pride and tradition, has been a special target of this all-pervasive policy of sovietization.

On this occasion, we pause to pay homage to the valiant Lithuanian people who continue to struggle for freedom against the mighty forces of tyrannical oppression. Their heroic acts of courage do not go unnoticed. If the spirit of détente is to have meaning, we strongly urge the Soviet Union to reverse its policy of discrimination and pay heed to the constant stirrings of Lithuanian nationalism. In its negotiations with the Soviet Union, the United States should emphasize its concern over the plight of the people of Lithuania and should continue its policy of nonrecognition of this forcible annexation. This continual religious and political persecution must come to an end. We Americans cannot stand by as passive spectators to such a tragedy. Let us hope that our protests echoed throughout the world will move the Soviet authorities to correct this intolerable situation in Lithuania.

HUD'S RESEARCH PRIORITIES, POLICIES, AND PROGRAMS

HON. ROBERT N. GIAIMO

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. GIAIMO. Mr. Speaker, the Assistant Secretary for Policy Development and Research at the Department of Housing and Urban Development, Mr. Michael H. Moskow, in a recent speech to the American Institute of Architects outlined in some detail HUD's research priorities, policies, and programs.

As a member of the Appropriations subcommittee which passes on HUD's appropriations—which is chaired by the distinguished gentleman from Massachusetts (Mr. Boland)—I have watched the budget for housing and urban research grow to its present level of $65 million from less than $400,000 in fiscal year 1965, the year I joined the subcommittee. That, of course, was a year prior to the organization of HUD. This growth in housing and urban research is a development I fully support, because of the great importance I attach to the need for redeploying our highly skilled scientific and technical manpower to meet the challenges of our many domestic problems. Chief among them on almost everyone's list is housing and urban development.

As important as the increased dollar volume in HUD research is, however, it would matter very little if the money were not well spent. For that reason, I was glad to read in Mr. Moskow's remarks about the tighter coordination between policy and research that he and his HUD colleagues are attempting to bring about and of the "sharper focus" in research programs at HUD that has occurred since Mr. Moskow's Office of Policy Development and Research was formed over a year ago. The uncoordinated approach to research priorities by Federal policymakers has long disturbed me and I have consistently criticized this flaw in Federal management. I am pleased, therefore, by the efforts being made to correct this problem within HUD, as described by Mr. Moskow in his AIA speech as well as more recently in his testimony before the HUD appropriations subcommittee.

I commend Mr. Moskow's AIA speech to the attention of my colleagues and include it in the Record at this point:

Research Priorities, Policies, and Programs—A New Direction

(By Michael H. Moskow)

I am intrigued by the theme of this 106th annual AIA convention—"A Humane Architecture"—because it seems to say so much, and yet its meaning remains quite elusive. It is a subject that is particularly timely now, and yet it is timeless. It is an ideal theme for generating a debate.

The Washington Post had it about right, I think, in an editorial the other day welcoming you to the city, which said: "We welcome both the nation's architects and their convention theme, which seems to us of great importance, though we are not quite sure what it means."

Undeterred by that uncertainty about its meaning, the editorial writer proceeded with a brief treatise on what it ought to mean.

"Far too many buildings architects have recently given us, notably high rise housing projects, show little compassion for the people who live in and around them," the editorial asserted and it concluded that, "The time appears to be ripe for a searching reevaluation of architectural practice and production."

Obviously, your theme will be interpreted by many as the architectural profession's "mea culpa" for projects such as Pruitt-Igoe which, although an architectural triumph by the profession's standards in the 1950's, proved a social tragedy as a public housing project. Its impact on the people who live there was—in a word—inhumane.

The theme will be read as an apology, as well, for the energy-squandering glass boxes which came to dominate our urban landscape during the Sixties and are now proving wasteful to the point of inhumanity because of their impact on our store of resources. It has been estimated that buildings consume one third of all energy consumed in the United States and that of that third about 40 percent is wasted.

I am reminded of a Frank Lloyd Wright witticism: "The physician," he said, "can bury his mistakes, but the architect can only advise his client to plant vines." But is there a vine big enough to hide the shame of Pruitt-Igoe, or to insulate the glass-curtained walls of Park Avenue?

The mistakes and the guilt, however, are obviously not yours alone to bear. Your clients—and chief among them the Federal Government—must join in the mea culpas for the Pruitt-Igoes and the glass canyons, just as they must join in the search for solutions. Clearly, your profession is only one among many with a burdensome cross to bear. If the public's mistrust of our major institutions, particularly of the Federal Government—as measured by public opinion polls—is a fair guide, most of us need to conduct searching re-evaluations.

But to return to your theme, I prefer to interpret it as a vow—a vow to get back to first principles, to put man back at the center of your good works, to build an environment, as AIA president Archibald Rogers has proposed, in equilibrium with its natural surroundings and resources and in sympathy with its users.

In a sense, it was that kind of vow that prompted our own re-evaluation at HUD last year of Federal housing policies which had as much, or more, to do with the failure of the Pruitt-Igoes as the shortcomings of the design profession. It was that kind of vow, too, which prompted the marriage within HUD of the R&D and policy development functions the better to meet the tasks we foresaw.

If our efforts can be said to hew to one thematic scheme, I would label it "Humane Housing and Urban Development Policies."

As our six month National Housing Policy Review last summer made clear, Federal housing policies by the end of 1972—without anyone intending it—had become misanthropic, or inhumane, in their effect. Like so many Don Quixotes, we set out after the Housing Act of 1968 with new and ambitious housing programs and a new determination to fulfill that long-established national goal of a decent home and a suitable living environment for all American families. And we ended by impaling the poor on the lance of our good intentions.

You are all familiar with the litany of failures. Pruitt-Igoe is only one. There are the FHA field office scandals and the growing inventory of abandoned FHA-insured houses in Detroit, Philadelphia and elsewhere, as well.

"They were trying to better poor people," said one Pruitt-Igoe tenant quoted by Lee Rainwater in his book, *Behind Ghetto Walls,"* (but) they tore down one slum and built another; put all kinds of people together; made a filthy place."

When the Administration suspended the subsidized housing programs in January 1973, it was suspending a Federal housing policy that had clearly failed. The Housing Act of 1968, by establishing a production timetable for delivering on the promise of a decent home for all, skewed Federal housing programs toward an emphasis on new production—the most expensive and least efficient possible method of fulfilling that promise. As a result some $65 billion to $85 billion has been spent or committed to provide housing subsidy assistance to fewer than one family out of 15 that technically are eligible for such help.

Direct cash assistance has been identified by the Administration as the most promising alternative to the suspended housing programs and my office has the responsibility for testing the viability of that approach.

We are seeking, in other words, to build a *policy* environment that is in equilibrium with its surroundings and in sympathy with its intended beneficiaries—if you will permit me to stretch a point and to borrow from Mr. Rogers' eloquent phrase. We have had, instead, a policy environment that does violence to its surroundings and its beneficiaries.

Let me now address—within that context—the subject of this talk, namely HUD's research policies, priorities and programs.

First, let me describe, briefly, the Office of Policy Development and Research, or PD&R, which I head. It was established by Secretary Lynn early last year and it brings together for the first time within HUD the functions of research, policy development, program analysis and evaluation, and economic affairs.

PD&R's budget for the fiscal year ending June 30 is $65 million; its proposed budget for fiscal year 1975 is $70 million.

PD&R has principal responsibility for staff assistance to the Secretary and Under Secretary in developing and analyzing Departmental policies designed to carry out HUD's basic mission of providing decent housing and a suitable living environment for every American family and of strengthening the capability of State and local governments to meet public needs. The marriage of the policy development and research functions was intended to further our priority objective of making HUD-sponsored R&D increasingly policy relevant.

As a result, since PD&R was organized, HUD's research activities—a significant portion of which are devoted to program analysis and demonstration projects in direct support of HUD's program Assistant Secretaries—have acquired a sharper focus and have begun to zero in on what we view as HUD's principal policy challenges:

How to assist disadvantaged families in obtaining decent housing;

How to obtain the fullest possible use of our existing housing stock;

How to moderate further increases in the costs of new housing without compromising safety or durability;

How to assure that growth and development do not reduce the quality of our environment or waste energy or other resources; and

How to better assist States and local governments to increase their capacity and effectiveness in dealing with the problems they confront.

We intend to sharpen the focus of our research efforts even further in the budget year ahead by:

Further tightening our insistence on policy relevant R&D directed to priority needs as identified by Federal policymakers, by HUD operating elements and by the expected users of research products;

Increased support to HUD program officers;

Increased emphasis on objective evaluation during the performance of R&D programs to be certain they are meeting their objectives within estimated costs;

Improved in-house capability to perform analysis that will provide tighter guidance to R&D programs;

Increased inter-agency coordination; and finally;

Increased emphasis on dissemination and transfer of R&D products through a requirement that each of the individual elements of the research program incorporate a dissemination and transfer strategy.

Let me turn now to PD&R's specific programs:

Our Direct Cash Assistance Program, which I alluded to earlier, is our priority effort focusing on the problem of assisting disadvantaged families to obtain decent housing.

The program, which was initiated in 1972, is designed to test the general proposition that direct assistance to families in making rental or homeownership payments would be more cost effective than the suspended subsidy programs and would overcome or minimize the serious shortcomings of those programs.

The DCA experiments are now well established. As of May 3rd, we had over 9,000 families in ten states enrolled in and receiving or about to receive assistance payments.

The key elements of the program are:

The consumer experiments to determine the response of households receiving different kinds of housing allowances.

The market experiments which seek to determine the behavior of suppliers of housing and housing services in a market where demand is increased by the introduction of allowances.

The management tests to determine how agencies at the Federal, State, metropolitan or local government levels might administer most successfully a housing allowance program.

Integrated analysis to insure comparability of data collected in all three experiments and to estimate the probable effects of a program of direct cash assistance on a national level.

Another major research effort which addresses itself to the housing problems of the disadvantaged is the Public Housing Management Improvement Program (PHMIP), which is being administered jointly by PD&R and H. R. Crawford, the Assistant Secretary for Housing Management. Its objective is to improve the management and maintenance of the more than one million public housing units under the management of local housing authorities (LHA's), which house some 3.5 million people. The 13 LHA's participating in the program are developing and demonstrating innovative management systems and methods that have potential for widespread applicability to the more than 2,500 LHA's across the country.

An innovative property disposition program was initiated by PD&R in 1974 in an effort to prevent housing from standing vacant because of mortgage default and acquisition by HUD. The program involves the testing and demonstration of a new technique for selling unoccupied properties in single-family subdivisions. Houses will be transferred to a project sponsor-developer, who will rehabilitate them and place them on the rental market for a period of time thereby removing them from the sales market until the market stabilizes. The key objective is to make HUD's property disposition methods contribute to the preservation of neighborhoods rather than to neighborhood decline and accelerated housing abandonment.

The preservation or rehabilitation of our existing housing stock is a policy problem of the very highest priority to HUD. We have just begun a neighborhood preservation effort—which we think has promise—that emphasizes the ability of local people to understand the problems and the characteristics of neighborhood change and to commit local resources to solving them. In cooperation with the Federal Home Loan Bank Board, we will provide funding for demonstration efforts by partnerships of local government, local financial institutions and neighborhood residents in about twenty cities.

It is clear that one of the major flaws in the Federal housing efforts of the past decade was that new construction was pursued to the point of choking off preservation or rehabilitation initiatives.

As the New York Times editorialized earlier this year:

"When nothing was in short supply except sensitivity, it was easier to bulldoze than to rehabilitate. The fault has been in the common conceit that the architect or builder should start from scratch. This proposition has produced a surprising second-rate landscape. Conversion as a viable alternative to new construction may be the best idea since cities."

Several of our new building technology efforts focus on cost savings through the conservation of material and energy. For example, a joint project with the Forest Service and the American Plywood Association is developing a new two-by-four and a new "plywood" which utilize mill wastes and thereby have the potential for doubling the supply of useable wood products. We are also conducting research on all-weather construction methods and are testing innovative plumbing techniques.

Much more, of course, needs to be done both by government and by the architectural profession to control building costs. Clearly, this is another area where mea culpas are called for—both from your profession and from government. The architectural critic, Wolf Von Eckhardt, in a book he wrote in the late Sixties, "A Place to Live," declared that the twentieth century architectural revolution had floundered on three enormous failures. The first, he said, was its failure to fully harness modern technology. Said Eckhardt:

"As architect Raymond Reed has observed, medicine has increased our longevity, and agriculture has dramatically increased productivity and value, while architecture has reduced productivity and increased prices. Our great-grandfathers paid for the family home in three years, and though we live in an age of technological production, we are lucky to qualify for a 30-year loan . . ."

PD&R also has extensive efforts under way aimed at promoting home safety through research on home fire safety, resistance to natural disasters and lead-based paint poisoning prevention.

Some 12,000 Americans die annually in fires and yet, until very recently, the problem has met a wall of indifference, not only among the general public but among those who should be most concerned about it. The National Commission on Fire Prevention and Control in its report to the President last year said: "There are fire department administrators who pay lip service to fire prevention and then do little to promote it. Designers of buildings generally give minimal attention to fire safety in the buildings they design. They are content, as are their clients, to meet the minimal safety standards of the local building code . . . The Federal Government also has been largely indifferent to the fire problem."

HUD research—in a major priority effort to reduce the adverse effects of community development on environmental quality and energy consumption—has focused on residential energy consumption in a program which has been underway for several years. One of the most important of these efforts is the development of a Modular Integrated Utility System (MIUS), which conserves fuel through recovery of energy that normally is wasted when essential utility services are supplied from separate sources. What MIUS does is to "recycle" energy by "packaging" into one processing plan all of the five utility services necessary for community development: electricity, space heating and air conditioning, solid waste processing, liquid waste processing, and residential water purification. This program has progressed to the point where test hardware for a total energy system is now in place and operating at a residential complex in Jersey City. A small-scale laboratory version of MIUS is being tested at the Johnson Space Center in Houston under a HUD agreement with NASA.

And a demonstration program that incorporates MIUS into a residential/commercial complex scheduled for occupancy in 1976 soon will begin.

We have also begun our planning for demonstrations of the wide-scale applicability of solar energy to housing.

We have initiated in PD&R research and demonstration activities that will test and disseminate proven methods to help local officials increase their overall management capability.

Urban growth has placed unprecedented demands on local government for improving and expanding services and facilities, taxing the administrative and managerial capabilities of government officials. Among the factors hampering an effective response to new demands are restrictive local charters, outdated operational procedures, shortages of trained manpower, and overlapping jurisdictions among agencies and levels of government. At the same time, the Federal Government, through revenue sharing, is undergoing basic readjustments in intergovernmental relationships.

Within this context, PD&R's program provides for: urban observatories to bring local university capabilities to bear on urban problems and to improve the ability of the academic community to contribute to city needs; specific assistance on computerization and integration of local government operations through a research effort initiated in 1970 under the sponsorship of the Urban Information Systems Interagency Committee (USAC), which is demonstrating in five cities a broad range of specific management applications of computer technology; demonstration of proven methods of increasing local officials' capacity to deal with major local issues; and testing of new forms of local government and investigation of new patterns of community economics and tax reform.

Another major function of PD&R is the collection of current and accurate economic and financial data relating to housing and urban development. Examples of on-going work in this area include collection and analysis of data on the absorption of new rental units, new home sales and loan activity. The largest single project in this area is the Annual Housing Survey, undertaken to measure changes in housing inventory and to compile data on the physical condition of housing units and the characteristics of the occupants in both urban and rural areas.

As you can see, PD&R is an umbrella for a wide range of research activities.

If there is one organizing theme for PD&R's efforts however, as I suggested earlier, it is a more direct focus than in the past on the basic needs of people and a movement away from a bloodless—even misanthropic—emphasis on structures and on gadgetry to the exclusion of all else.

I take inspiration, again, from Frank Lloyd Wright who many years ago concluded a lecture to an audience of architectural students, saying: "Respect the masterpiece—it is true reverence to Man. There is no quality so great, none so much needed now." Those words strike rather directly at your theme this week.

MILTON FRIEDMAN TELLS WHY WE MUST NOT ACCEPT INFLATION AS INEVITABLE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. KEMP. Mr. Speaker, there is no reason why we must accept inflation as an inevitability. Inflation is not an inevitable economic phenomenon. It is produced—it is created and fostered—by government policy and actions.

In his column this week in Newsweek, Prof. Milton Friedman documents the relationship between money supply and prices.

Put in its simplest terms he shows there is a direct corresponding relationship between money supply and prices. As money supply goes up, so do prices. In economists' terms, as the quantity of money per unit of output increases, so does the consumer price index.

We can control inflation by controlling spending and controlling the increase in the expansion of the money supply.

There is no reason why we have to live with double-digit inflation or even a 6-percent rate. To reconcile ourselves to inflation is to reconcile ourselves to ever-spiraling prices and downward purchasing power of dollars. I am unwilling to do that. And, I would suggest that it would behoove this Congress to join with those of us who are committed—by actions, not just words—to really getting a handle on inflation by exercising fiscal responsibility and monetary restraint.

There is a mechanism to do this, and I am proud to be its cosponsor in the House.

I refer to the proposed Economic Stability Act of 1974, introduced as S. 3101 in the Senate and as H.R. 14322 in the House.

In summary, this proposed act would limit the supply of new money issued pursuant to order of the Federal Reserve Board to no more than an additional 1¼ percent per quarter during ordinary times and no more than 1½ percent per quarter during extraordinary times.

This contrasts greatly with the estimated 8-, 9-, even 10-percent increase in the money supply which has occurred all too often in the past. In short, I propose that we mandate to the Federal Reserve a gradual rate of increase in the supply of money roughly equal to the increase in productivity.

The Constitution, article I, section 8, gives to the Congress the authority—the responsibility—to regulate our money supply.

I suggest it is time that we exercise that responsibility and not to continue, by default, to let another instrumentality do it—especially when it is having the detrimental effects on the economy that it is now having.

It is time to gain control over the ever increasing quantity of money in movement in the economy. This measure coupled with legislation to mandate a balanced budget would stop inflation.

The article by Professor Friedman most certainly buttresses this need and I commend him for his leadership in the fight against the debasement of our currency.

The article follows:

PERSPECTIVE ON INFLATION

(By Milton Friedman)

(NOTE: The chart is not reproduced in the RECORD).

"We must not accept inflation as an inevitability."

Double-digit inflation is the new scare word. We are warned that it is here to stay. Predictions that inflation will be "only" 6 or 7 per cent by the end of the year are greeted as wildly optimistic.

As one who believes that inflation is a serious danger to our society, I deplore this widespread lack of perspective. I fear that exaggerating and misrepresenting the current situation will weaken our will to meet the real problem

MISLEADING INDEX NUMBERS

True, computed price-index numbers record double-digit inflation in early 1974. But these computed price-index numbers overstate the "real" inflation. To see why they do, it is necessary to consider the whole period since Aug. 15, 1971, when President Nixon froze prices and wages. Shortly thereafter, I wrote in this space: "Officially computed index numbers . . . will . . . show a dramatic improvement . . . and depart increasingly from reality . . How will it end? Sooner or later . . . as all previous attempts to freeze prices and wages have ended . . . in utter failure and the emergence into the open of suppressed inflation" (NEWSWEEK, Aug. 30, 1971).

Precisely that has occurred. The recent explosion in the idex reflects largely the unveiling of previously suppressed price increases. The recorded rate of inflation was below the true rate in late 1971 and 1972. It has been above the true rate since mid-1973. This is primarily a catch-up.

The catch-up will no doubt carry too far, but we should shortly be back to the basic underlying inflation of about 6 per cent per year. That should be an occasion for concern, not for congratulation. Inflation was running at only 4½ per cent in 1971 when political pressures "forced" President Nixon to freeze prices and wages.

But you will reproach me: what of oil and food to which every government official has pointed? Are they not the obvious immediate cause of the price explosion? Not at all. It is essential to distinguish changes in *relative* prices from changes in *absolute* prices. The special conditions that drove up the prices of oil and food required purchasers to spend more on them, leaving less to spend on other items. Did that not force other prices to go down or to rise less rapidly than otherwise? Why should the *average* level of all prices be affected significantly by changes in the prices of some things relative to others? Thanks to delays in adjustments, the rapidly rises in oil and food prices may have temporarily raised the rate of inflation somewhat. In the main, however, they have been convenient excuses for besieged government officials and harried journalists rather than reasons for the price explosion.

The basic source of inflation is the faster growth in the quantity of money than in output. From the fourth quarter of 1970 (the final quarter of the 1970 recession) to the fourth quarter of 1973 (the final quarter of the subsequent expansion) the quantity of money (M_2=currency plus all commercial bank deposits other than large CD's) grew at the average rate of 10.4 per cent per year; output (GNP at constant prices) at 5.5 per cent. The growth rate of money exceeded that of output by 4.9 percentage points which, by no coincidence, is almost precisely equal to the rate of inflation in consumer prices (5.1 per cent). However, the 5.1 per cent is an average of 3.4 per cent for the first two years, when inflation was being suppressed by controls, and 8.4 per cent for the final year.

CHERCHEZ LA MONNAIE

The same story is told by the chart that plots for the past twelve years consumer prices and the ratio of the quantity of money to output, both expressed as index numbers with 1970=100. Prices have clearly danced to the tune of money. But in 1972, the price index fell below the monetary ratio; in 1973, it overshot the monetary ratio.

For the long pull, averaging booms with

recessions, we cannot expect output to grow by more than about 4 per cent per year. If the relation that has prevailed between money and prices for the past dozen years continues,* and if the Federal Reserve continues to permit the quantity of money to grow by 10 per cent a year, inflation will proceed at a rate of about 6 per cent. Judged not by pronouncements, not by intentions, but by performance, that is the rate that monetary policy for the past four years has been directed at producing.

Like you, and like the Fed, I regard 6 per cent inflation as much too high. I therefore welcome the Federal Reserve's announced intention to reduce the rate of monetary growth. Unfortunately, there is as yet little sign of any change in performance. The widespread impression that the Fed has tightened is based on the mistake of judging monetary policy by interest rates, which the Fed cannot control, rather than by the quantity of money, which it can. The quantity of money is still growing as rapidly as it has for the past four years.

The future well-being of this country depends critically on whether, this time, intentions are translated promptly into performance.

PENDING VETERANS LEGISLATION PROMISES TO ASSIST SPANISH-SPEAKING VETERANS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. RANGEL. Mr. Speaker, the veteran of the Vietnam war has been exposed to numerous complex problems that the veterans of previous wars did not encounter. The unpopularity of our intervention in that civil war, the veterans' exposure to drugs while in the service, unemployment, inflation, lack of just benefits, and the increasing bureaucracy of the Veterans' Administration have all contributed to the difficulties of our latest veterans.

The Vietnam war resulted in the induction of a great many of our Spanish-speaking citizens into the service. Upon leaving the Armed Forces, these veterans had, in addition to all of the burdens borne by veterans, the additional burden of not speaking fluent English.

Fortunately, some action is being taken to remedy the tragic situation of our Vietnam war veterans in general, and more specifically, the problems of our Spanish-speaking veterans. In the next few days, the Senate will be considering S. 2784, the "Vietnam Era Veterans' Readjustment Assistance Act of 1974." This act will provide badly needed benefits for all our Vietnam veterans, and contains several provisions which will aid Spanish-speaking veterans. Section 217 of this bill allows for the hiring of bilingual counselors in those areas of the country that have significant numbers of Spanish-speaking veterans. Further, the act contains a provision which will allow for the dissemination of information in Spanish about all the benefits that the veteran is due. Finally, this legislation will allow local organizations, that meet certain qualifications, to provide services to all our veterans with the help of Federal aid.

It is my sincere hope that the Senate will act favorably on this vital legislation.

GEN. LEWIS B. HERSHEY

HON. J. EDWARD ROUSH

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. ROUSH. Mr. Speaker, on June 8, the National Guard Armory in Angola, Ind., was dedicated in honor of Gen. Lewis B. Hershey, a native of that city who has had a long and distinguished career of service to his country.

Richard L. Roudebush, another Indiana native, Deputy Administrator of the Veterans' Administration, was on hand for the dedication ceremonies, and I feel his remarks in honor of General Hershey should be called to the attention of my colleagues.

Following is the text of Mr. Roudebush's remarks:

REMARKS AT DEDICATION CEREMONIES AT ANGOLA, IND., JUNE 8, 1974

(By Richard L. Roudebush, Deputy Administrator, Veterans' Administration)

It is always a pleasure to re-visit Angola. Today I feel that it is a special honor to be with you, because this event is so significant in the life of this community and because we have the opportunity to pay special tribute to such a distinguished gentleman and an old friend.

This is a great day not only for the community but for the State of Indiana and for the contribution we make to our national defense. I am glad to have a part in it.

This is a building of which the people of Angola can be proud. It is a structure that will enable citizens here to carry on activities that benefit the area and to perform functions that are vital to the success of our society. It will help those who use it to serve their country better.

Long before our colonies became a nation it was the practice wherever people settled—to organize a body of men for protection—a group which every able-bodied person was obligated to serve when called on.

The tradition of local militia has been strong ever since and the concept that all citizens who are able should share in our defense has never been seriously challenged.

Citizen-soldiers have served whenever we faced danger. They have distinguished themselves in all our wars. They have made it possible for us to be strong and successful as a nation.

They have come from communities such as this and many of them had their first taste of military activity in a facility such as this building we dedicate.

The National Guard was the starting point of a distinguished military career which we take note of today, a career that benefited the American people beyond calculation, a career that is practically beyond parallel in terms of length and accomplishment.

General Lewis B. Hershey did not report to a facility such as this when as a teenager he became a National Guard recruit. The surroundings were different, the equipment was different, the weapons were different, military methodology was different.

But I am sure he possessed the same eagerness and interest, the same determination to do a good job, the same youthful spirit and curiosity that young men possess today.

And I am sure that—at some point—he suffered the same discouragement and boredom, the same weariness and frustration with service. For, like most of the men in the Guard today. He had no ambition or no plans for a military career at that time. We are all thankful that he later changed his plans and that he developed such an ambition.

For some years the Nation has been safer and stronger as a result of his decision to be a full-time soldier.

You are proud of General Hershey because he is one of you and because what he has achieved has brought honor to you and to Angola. You are proud that others—over a long period of time—have recognized his ability and his greatness, that Presidents and common citizens alike counted on him, relied on him, and were rewarded for their faith.

Of course, every great man has "home folks"—ready and eager to claim him and to applaud him.

But today we honor a native son of Indiana, who is completely unique in American history, in terms of the size of the job he did for his country and the longevity of that job.

Several months ago I had the pleasant duty of helping to dedicate a plaque honoring another great American of our time, the late Speaker Sam Rayburn, for whom the Veterans' Administration Center in Bonham, Texas, is named.

At that time I said that the center's name was a fitting hometown tribute to a man who had contributed so much for so long—but that the honoree would be remembered for his deeds without benefit of a plaque or building.

Certainly, the same comment applies here today. The building we dedicate bears the name of Lewis B. Hershey, logically and deservedly. But it is only a building and the record of service compiled by General Hershey will long outlast it.

An interesting incidental note is that the careers of Speaker Rayburn—and General Hershey—touched at one historic point in 1941, when the question of extending the Selective Service Act came before Congress. The act was extended by one vote, due to the effort of Mr. Rayburn, and the result was that our army was not critically crippled only months before Pearl Harbor.

General Hershey was allowed to keep in motion the manpower program that eventually saved the allied cause.

In making speeches on Veterans' Administration subjects—I often cite the fact that America has 29 million living veterans. This is a vast number of citizens—and most people are impressed by a number so large.

But this is a very modest number when you consider the number of Americans who came under programs administered by General Hershey in three wars. Of course, not all these men were drafted, service was "selective". And while it was the duty of some citizens to wear the uniform, others could not, and many were called on to serve in other ways.

But still more than 80 percent of all Americans who were ever on wartime military duty served while General Hershey was in charge of Selective Service.

How do you administer a program so big and so important and how do you do it so successfully that the Nation keeps demanding the benefit of your skill?

This is a difficult question to answer and I am not sure that even General Hershey has a ready and easy answer.

His success was, of course, compounded of many ingredients: intelligence, industry, imagination, dedication, and an honesty of conduct and purpose that encouraged supporters and disarmed critics.

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* It has prevailed for as far back as the data go, which is more than 100 years for the U.S. and Japan, 90 years for Britain, and shorter periods for other countries. However, the relation in the U.S. for the past dozen years is closer than the average relation.

But I think the circumstances of General Hershey's early life and career—had a great deal to do with helping him succeed. And not the least important of those circumstances was his small town background.

I feel qualified to make this observation because I am myself a product of a small town in Indiana and I know the influence that such a community can have on your outlook and actions, no matter where your career may lead you.

In General Hershey's case he had the good sense to realize that such communities are the backbone of America and that if America were to be mobilized effectively it must be through community action.

Selective Service in World War II and later was essentially an effort of local citizens, not Washington bureaucrats, although it was staffed nationally by General Hershey and his colleagues.

Lewis Hershey had a great deal to do with the decision that selection should be made by local boards, that they should have autonomy, and that ordinary people should have the task of calling out their fellow citizens to supply the manpower we needed.

Now, at the time it may have been little comfort to know that it was your "friends and neighbors" who chose you to go into service. And many young men and many parents may have questioned both the friendliness and neighborliness of such a choice.

But it was the fairest, most effective way of achieving a national goal. And most historians agree that much of the strength of selective service was due to the decision to make it a local operation and that its success was due to the hard work of local boards.

This fact does honor to the people of Angola. For it was from his early experience here that General Hershey learned that in America the most important tasks of a public nature can be fully entrusted to ordinary citizens.

It has been some time now since the draft has been in effect but the need for a strong America—with the men and weapons necessary to provide defense—is always with us.

We are a nation weary of war but I am sure that we are a nation that continues to recognize its obligations and that will not let our basically peaceful and humanitarian inclinations blind us to the fact that we must stay prepared.

And I am sure that we will never isolate ourselves from other countries that share our concepts of freedom and self-determination.

The facility we dedicate today is a link in the defense of those concepts. The men who train here—are the lineal descendents of men who have trained and learned so as to protect our people and our principles in all eras of our history . . . from the early day militia to the National Guardsmen and the draftees who have been called to combat, four times in this century.

We hope and pray that there will be no more combat. It is our fervent desire that the Vietnam veteran will be our last war veteran.

But it is comforting to know that our military establishment is strong, and we intend to keep it that way despite changing circumstances, changing needs, and changing technology.

And it is good to know that the citizens who serve and provide that defense whether volunteers, career people, reserves, or members of the guards are alert, skilled and dedicated.

It may even be that some young man—now on duty—will approach the greatness of the eminent American who honors this building with his name. It may be that the name Lewis B. Hershey will be joined in another generation by that of another native of Angola when people consider famous patriots of the 20th century.

The odds would be against this community—producing a second such celebrated soldier and public servant but this is a land of opportunity and this is a land of talent. And the same love of country and respect for its principles that motivated General Hershey exist today here in Angola.

So let us dedicate this building to our Nation's defense and safety and to the success of those who use it—today and in the future.

They will be inspired by the example of a famous man, inspired by his industry, his humanity, his dedication, and the beneficial impact he has had on our history.

If they serve well they will bring him new honor.

COUNTER-TERRORISM HANDBOOK

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. ASHBROOK. Mr. Speaker, "The threat is less visible today—but far more deadly" concerning terrorism, according to an official of the FBI as quoted in the June 3 issue of U.S. News & World Report in an article entitled "Where Far-Out Radicals Go Next." Today the terrorist trend is toward small groups of skilled urban guerrillas rather than on broadly based movements.

The terrorism score card reflects this trend domestically and internationally:

DOMESTIC TERRORISM

On June 5, 1974, Mr. W. Raymond Wannall, Assistant Director of the FBI's Intelligence Division, testified before the House Internal Security Committee that during the period 1971–73, there were a total of 573 incidents of violence across the Nation attributed to terrorists. Broken down, this figure included: 114 firebombings, 21 arsons, 45 snipings, 114 shootings, 23 ambushes, 27 other physical attacks, 59 incidents of weapon stockpiling, 43 criminal acts in support of terrorist endeavors, and 127 bombings.

During the same period, Wannall stated, terrorists were responsible for 152 police woundings and 43 deaths, and 53 civilian woundings and 22 deaths.

INTERNATIONAL TERRORIST KIDNAPINGS

On August 1, 1973, the House Internal Security Committee released a staff study entitled "Political Kidnapings, 1968–73." During the period covered by the report there had been 42 attempted or successful major political kidnapings, 21 of which had involved American citizens; 13 of the victims had been killed and 5 others had been injured. Among those killed, 6 were Americans. Ransom demands were made in 26 instances of which 14, at least partially, were met.

Mr. Speaker, with the above highlights offered by way of introduction, I am pleased to place in the RECORD, the contents of a short booklet on preventive security published in 1974 by the Burns International Investigation Bureau, entitled "Executive Protection Handbook." Initially prepared as an all-encompassing guide for businessmen and their families on overseas assignment, where the problem of corporate kidnaping first surfaced, Burns apparently feels that it is booklet or portions thereof also has a useful function to fulfill domestically, particularly for the business executive, in minimizing his chances of becoming a victim of terrorism.

Excerpts of the handbook, which was brought to the committee's attention by Mr. Fred Rayne, director of Burns Investigation Bureau, during his recent testimony at a HISC hearing on terrorism, follows:

PREVENTIVE SECURITY

Protection against terrorism is not a course taught at business schools.

Perhaps it ought to be. As distasteful as the subject may be, terrorism is today a matter of concern to virtually every businessman. It has spread from the political arena to the field of commerce, and few areas of the world are free from this form of conflict.

Foreigners and foreign businesses are a particular object of terrorists.

They are handy ideological targets for radical militants.

They are vulnerable to various forms of attack.

They are willing to pay large sums of money for the release of kidnapped officials.

Even so, the situation for businessmen is far from hopeless, even in those countries where activism is intense. There is a great deal businessmen can do to protect themselves. Offices, plants and top executives can be guarded. Electronic alarm systems can be installed in homes and offices.

Reliance on guards and electronic systems, however, is only a partial answer.

Many companies try to provide round-the-clock guards for all their officials and key employees. Alarm systems are also provided but function only at the sites where they have been installed; they provide no protection for the individual moving about.

The businessman need not be frightened. Fear accomplishes little. If the businessman is aware of what he must and must not do in the best interests of his security, and acts accordingly, he can feel confident and lead a relatively normal life.

This handbook was written for the purpose of helping the businessman to protect himself. It provides detailed advice based on the concept that preventive security is the best answer to terrorism. He is, after all, far more adept at planning than using a weapon.

THE FAMILY

Every member of the family, even children, must be security conscious. The aim is not to frighten, but rather to make them aware that they can help prevent anything from happening. The following precautions are suggested:

Do not open the door to anyone unless that person is clearly identified. Front doors should have peepholes installed.

Be vigilant at all times to strangers who may be "hanging around" the neighborhood. Usually a potential victim is watched several days before an act is perpetrated.

Be particularly watchful of cars that seem to be cruising about, going by the house at intervals. Also bicycles, which are slower, and allow more time for observation.

Be on watch for cars parked in the neighborhood with one or more persons in them, persons who do not seem to be doing anything in particular. Suspicious persons should be reported with a full description of the individuals and/or vehicle.

Do not tell strangers about a family's comings and goings. Do not remark to the barber, "Say, we're going up into the mountains next week."

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Do not accept unexpected packages at the house. Treat them with suspicion.

Do not tell milk, newspaper and other deliveries in advance when to stop or resume services.

Do not place items in the social pages of local newspapers that report forthcoming trips or parties. An item that the family is spending two weeks at a resort will tip terrorists that the head of the family can be abducted in an area where there is probably little police protection.

Although wives and children are rarely targeted by activists, it is advisable that they also follow basic precautions in regard to routes and routines. They make excellent hostages.

Try to know the whereabouts of family members at all times. Members should always call when unforeseen delays occur in their normal schedules.

The wife should not shop at the supermarket at the same time of the same day of every week.

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Do not dine out on the same night of each week, or go to the same restaurant more than twice in a row.

This applies to going to the movies and other entertainment. The less frequently an executive goes to any one place, the better his security.

Outside social gatherings at night are not advisable where approaches to the area are unprotected. If the function must be held, ask for police or guard protection (on a reimbursable basis, if necessary).

THE OFFICE

Have every employee security screened by the company security officers, working with the local police and reputable private security firms. Overseas, establish liaison with Embassy officials.

As much as is feasible, remove outside signs identifying the company's offices.

Provide security briefings on a regular basis to all employees. Among the points to emphasize:

(1) Do not leave the front door unlocked at night or on weekends.

(2) Do not leave important papers lying around, particularly at night or on weekends.

(3) Lock all cabinets and closets when not in actual use. Janitors should clean these areas only when under observation.

(4) Lock all private latrines when not in actual use and have them cleaned only by, or under the observation of, a cleared employee.

(5) Do not let visitors wander around the office unescorted. A positive control of strangers seeking entrance should be exercised.

(6) Do not reveal to visitors the comings and goings of company officials, or the visits of home office VIPs.

(7) Be alert to anyone apparently loitering near the office.

(8) Notify the company security official immediately of an unexplained package anywhere in or near the office. Offices should be so arranged that either the executive or his secretary will immediately recognize strange objects in a room.

(9) Do not open a letter that appears to be unusual in any way, particularly if it has a perceptible bump which might be an explosive device.

(10) Do not reveal to telephone callers, no matter who they say they are—(voices can be imitated)—the whereabouts of persons asked for.

(11) Arrange with local officials to place a "No Parking" sign in front of office entrance, if applicable.

(12) Be alert to parked or slowly-moving bicycles or motorcycles. They are dangerous as carriers of explosives.

(13) Do not gossip about company matters or officials, especially travel plans.

(14) Do not give strangers or telephone callers the names and positions of company officials, and certainly not home addresses or phone numbers.

(15) Overseas, arrange for some type of radio communications to the embassy, consulate, local officials, etc., for use in emergencies. Telephone communication is the first thing to be compromised. The same goes for the home. Appoint a doctor for emergency situations and include him in the radio web.

(*a*) There should be periodic checks and a standard operating procedure established for emergencies, coordinated with other American companies, a U.S. official office or a designated local official.

(*b*) There should be periodic searches or electronic sweeps for bugs or other recording or listening devices, particularly in the general manager's office, boardroom, etc. Homes should also be included in some cases.

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(17) Take all precautions, wherever mail is delivered, to guard against the receipt of letter bombs. Unopened packages should not be accepted unless origination is positively known.

Items of mail should be carefully examined for any suspicious features, such as:

(a) Excessive weight for size.

(b) Springiness in the top, bottom, or sides.

(c) Wires or strings protruding or attached.

(d) Peculiar odor.

(e) Uneven balance.

(f) Stiffening either with cards or with any other material. Such stiffening could contain a spring-load striker.

(g) A letter containing another envelope addressed to someone personally of high position, or an inner letter tied with string.

Opening or tampering in any way with suspect letters or packages should only be attempted by an expert.

Isolate any suspect letters or packages.

Do not immerse in a bucket of water; this may make the paper soggy and cause spring-loaded devices to detonate.

THE RESIDENCE

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(d) It is recommended that an alarm system be installed in the house and that ideally this alarm be direct connected with a local security company and the police department as well as having a local enunciator system and siren. The advantage of the siren is to alert neighbors to notify authorities, should the direct-connect alarm lines be compromised. In countries that do not have companies with alarm capabilities, it is recommended that portable systems be shipped individually or with household goods.

(e) It is recommended that exterior lighting be installed in such a way as to illuminate the entire perimeter of the house, particularly any perimeter gates.

(f) It is recommended that an adequate supply of all-purpose fire extinguishers, including one 10-pound ABC extinguisher, be kept in strategic places within the house. Other items to be kept in the house include an emergency supply of fresh water, a 5-day supply of staple food, candles, blankets, two flashlights, extra batteries, a sterno stove, bottled gas, an axe, first aid kit and a readily available list of emergency telephone numbers—police, fire, company security office, nearby reliable neighbors, hospital, doctor and power company.

(g) Prior to moving into the house, all locks should be changed, including locks on fuse and switch boxes located outside of the garage. Ideally this can be done by a reliable company maintenance employee or a locksmith whose name may be obtained from recommendations of the local consulate, or the firm's security department.

(h) The addition of a trained watchdog to the family residence is a recommended consideration. In addition to being a natural deterrent, it is another means of alarming the home. Also, the dog would serve as a protective companion for the executive who likes to take walks, for escorting children to the school bus, etc.

(i) A trusted, checked-out guard at the gate is worthwhile, particularly at night.

(j) If the area is subject to possible bombings or explosions, replace glass windows with thick plastic.

(k) Don't stand in front of or sit in windows.

(l) Don't stand in a doorway or at the gate waiting for someone.

(m) Have storm shutters available that can be closed or installed instantly.

(n) Keep refrigerator at coldest setting so the food will keep longer when power fails.

(o) Draw all shades and close shutters at dark.

(p) When leaving the residence vacant, leave several lights burning, or use automatic devices to turn lights on and off at set times. If a light is no longer on when returning to the house, approach with extreme caution or call for assistance.

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AIR TRAVEL

There is no known case of terrorists kidnapping a person from commercial airliners. Entire planes have been hijacked but no abduction of passengers. An airliner is one of the safest places to be, and it is recommended that it be used not only for international travel but for travel within a country. Company planes are also secure, provided the pilots have proper security clearance and the planes are well guarded when not in use. If possible, always use international carriers, particularly in the Far East.

The main danger in air travel is the car ride to and from airports. Airports are located in rural areas well outside cities. Roads to airports, therefore, run through relatively uninhabited areas.

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In driving or being driven to the airport, the usual precautions should be taken (see Vehicular Travel).

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VEHICULAR TRANSPORTATION

It is while driving, or being driven, in an urban or rural area that potential kidnap victims are most vulnerable. Abductors can stop a car, remove its passengers and flee with them, all within minutes. These precautions should be taken:

The vehicle

Businessmen should use vehicles common to the country in which they are working. Ideally, these vehicles are of models, makes and colors most prevalent.

License plates should be the same as those used by the local citizenry. Adopt a low profile.

If a company has the facilities, vehicles should be handled in a manner similar to that of government car pools. The businessman may drive any one of several vehicles, whether it be for business or personal reasons. The garage where the cars are kept should be guarded at all times.

Vehicles should be equipped with gas tank locks as well as hood locks to prevent sabotage or the concealment of explosives. Whenever the vehicle is parked anywhere outside the company facility, even for a brief time, all locks must be in use. If possible, never park outside except with a cleared chauffeur.

After a car has been parked in a vulnerable area, it is a good idea to make a walk-round check before entering the car. Check: 1) hood latch secure, 2) exhaust tail pipe, 3) fender wells, 4) back seat for persons who may be hiding inside.

It is recommended that cars, particularly those utilized by top executives, be equipped with two-way radios, so help may be summoned in the event of an assault.

Install curtains in rear window of each company vehicle, but have side view mirrors clear to observe the traffic areas of the vehicle.

For high-ranking executives, an armed guard (arms not in sight) riding in the front seat next to the driver is of great advantage.

If a vehicle is being accompanied by an escort, such escort should be in the rear, not preceding.

If this involves a high-ranking VIP and indigenous police escort is the case, then the vehicle should be preceded, preventing its stopping at lights, etc. If the VIP vehicle is also followed by a second police car, its main assignment is to watch the rear.

Cars can also be equipped with loud sirens which can be activated in the event of an attack.

The gas tank should never be allowed to contain less than half a tank of gas so as to avoid running out while en route somewhere. Gasoline should be purchased at different stations or through a company motor pool. All cars should have a locking gas cap.

The trip

The single most important factor of security is that the businessman not follow a routine, either by the clock or by route. This means he must never follow the same route twice in succession and never leave or arrive at a place at the same time twice in succession. Terrorists planning a kidnapping can carry it out only if they can seize him at a point convenient and safe for them. So far as it is feasible, the businessman must:

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Use different doors in entering or leaving his company's offices.

Park in different areas near the company, unless the company has a garage.

Never leave his car on the street overnight.

Utilize different routes in traveling, between places visited fairly regularly (home, office, club, restaurant, and so on).

If he uses the services of a chauffeur, have the chauffeur's background carefully checked by the police or a private security company. If possible, use drivers that have been with the company for a long period. Even then, however, never tell the driver in advance where he will be going.

Not go through uninhabited areas, where terrorists can set up ambushes free of the fear of observation. However, built-up areas are more dangerous for grenade and fire bomb threats.

Avoid traveling during late darkness hours. If necessary, arrange to travel in pairs. Remote areas of the cities and the countryside should be avoided during darkness.

Know the route being taken so as to avoid possible obstructions, such as road repairing, that would force the vehicle to slow or stop.

Keep all doors locked and windows closed.

Not stop for hitchhikers or to see any commotions that may be taking place on the street.

Keep all lines of vision through windows clear.

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A businessman should know the locations of all police stations in the areas in which he works, lives and travels.

Avoid driving alone, particularly in times of tension. With two in the car, the driver can watch left and front, the passenger, right and rear.

Be careful of motorcycles that seem to be following. A motorcyclist may be the advance man for a carload of activists. In the Far East, following motorcycles are more dangerous than cars.

Vehicles are particularly vulnerable to assassination attempts.

A favorite practice is for the motorcyle to follow at a short distance and when the target vehicle stops at the light, pull up just to the left and rear.

As the vehicle starts up, the cyclist speeds by shooting at close range or dropping a grenade in the window (even a window open only 4–5 inches). The assassin then spurts ahead turning a corner and is gone.

Rotate cars amongst executives so that a specific license plate and vehicle does not always indicate a specific person.

Be alert to cars or trucks parked along the road. If they appear to contain several men, skirt them widely and rapidly.

Be alert to following bicycles in slow traffic.

If possible, take lessons in evasive driving. Chauffeurs should, also.

Do not use any one taxi stand on a regular basis.

If you make frequent use of taxis, and are in the habit of flagging them down, do not always stop the first cab that comes by.

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When driving, maintain a good distance between your own vehicle and any vehicle in front, particularly a truck. Should the vehicle in front stop suddenly, you will have time to skirt it and not be boxed in.

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Keep vehicle maintenance up-to-date.

If a kidnaping is attempted

Try to evade the kidnappers' vehicle by veering left and right so that it cannot come broadside or cut you off.

Try to lose the abduction vehicle in traffic. Abductors prefer to do their work at points where several streets intersect, so they will have a choice of escape routes. The would-be victim can also try to escape down one of these streets.

Only if absolutely necessary is it suggested that the would-be victim drive up on a sidewalk since this may immobilize his car. If it must be done, maintain a reasonable speed and have the wheels of the car at not more than 40 degrees to the sidewalk. At this angle crippling damage to the car and its wheels is less likely. Grip the steering wheel firmly in order to maintain control. Hopefully, seat belts will have been fastened to secure the driver and anyone else in the car.

Outracing an abductors' car is not an end in itself. Speed is only a means to achieve temporary evasion; time enough, for instance, to reach a police station or a military post. Speed entails great risks because of the possibility it will result in a serious accident. Speed should only be used to get to a specific point quickly.

If evasion is not possible—if the terrorists, for example, get close enough to fire at the driver—surrender quickly. Don't try anything heroic. Don't shoot first. Do not try to run away. No less at a personage than an ambassador was killed when he attempted to flee on foot. As a rule of thumb, evasion may be attempted as long as one has a moving vehicle and is not in immediate danger of being shot.

Suggested behavior in case of kidnaping

While it is recognized that hard and fast rules cannot be applied in kidnappings, embassies, consulates and others with experience in such situations emphasized the following points:

Under all circumstances, attempt to stay calm and be alert to situations that you can exploit to your advantage. Remember that the primary objective of your family and law enforcement officials will be to secure your safe return as quickly as possible.

Do not attempt to fight back or to struggle physically. No matter how "reasonable" your captors may appear on the surface, they cannot be trusted to behave normally and their actions may be unpredictable.

Comply with the instructions of your abductors as well as you can.

Do not discuss what action may be taken by your family, friends or company.

Make a mental note of all movements, including times in transit, direction, distances, speeds, landmarks along the way, special odors and sounds like transportation, bells, construction, etc.

Whenever possible, take note of the characteristics of your abductors, their habits, surroundings, speech mannerisms, and what contacts they make. Such information can be of great value in their ultimate apprehension.

Generally, you cannot expect to have a good opoprtunity to escape; any attempt to escape, however, should not be made unless it has been carefully calculated to ensure the best possible odds for success.

Avoid making provocative remarks to your abductors. As noted, they may be unstable individuals who react explosively and are likely to be violent and abusive.

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GENERAL RECOMMENDATIONS

1. If the executive does not know the language of the country to which he is assigned, it is vital he learn specific phrases, i.e., "I need a doctor." "I need a policeman." "Where is the nearest police station." "Where is the nearest hospital," etc.

2. Personnel should know how to use the public pay telephones as well as normal phones. Pay telephones in many countries differ. In some countries, money is deposited after the connection is made. Personnel should always carry the exact amount of change necessary for a telephone call at a pay station. Because of the construction of some telephone booths, the executive on foot may find them a temporary refuge while making a call for assistance.

3. The executive should establish a set of signals to be used in an emergency. These could, of course, vary depending upon the potential problems. Signals could be used between the executive and his secretary when he is communicating with her from outside the facility, between the executive and his family, and between the residence of the executive and nearby reliable residents. Signals could be oral and visual. For example, a particular light turning on in the residence during the night might indicate to nearby resident that the police should be called. The executive speaking to his secretary and calling her by another code name might be a signal that he is in trouble.

4. An up-to-date security survey should be conducted of your office or factory as well as your residence.

5. Security checks should be conducted on all employees who have not, in the last two years, been thoroughly checked.

6. Special training should be given to the security personnel now assigned to your plant, whether they be contract guards or your own.

7. All chauffeurs assigned to executives and staff should be thoroughly trained against attacks, kidnappings, etc.

8. All personnel assigned to pick up mail from the local post office should be particularly checked out to assure that mail is not censored by undesirable groups or individuals.

9. On a irregular monthly basis security checks should be conducted to assure that maximum security is implemented, and to keep all personnel security conscious.

10. Written security guidelines should be distributed to all employees, outlining procedures in case a bomb threat is received at the switchboard.

11. Switchboard operators and executive secretaries should be trained pertaining to such bomb threats.

12. Telephone operators, executive secre-

taries, wives and relatives of executives should be given written guidelines as to what action is to be taken in case of kidnapping attempts or actual kidnappings.

13. Corporate employees going abroad should be thoroughly briefed and given security guidelines.

14. Executives who are in any way connected with overseas operations should be thoroughly briefed about the country, its political and social climate. Such personnel must also be briefed as to what kinds of attacks have occurred previously, who has carried out such attacks, and methods employed.

15. An emergency evacuation plan should be prepared in coordination with the Embassy or Consulate.

* * * * *

16. Avoid any disputes with local citizens. If a troublesome incident is initiated by others, leave the scene quietly and report the matter to the proper authority.

17. In cases of extreme emergency in troubled countries, always be prepared for immediate evacuation. Always have a traveling bag of necessary clothing and toilet articles ready to go. Keep negotiable currency on hand at both the home and office. Make sure passports, visas and vaccination certificates are current and valid, in case you must leave the country in a hurry.

18. The senior company official in a country should cultivate trusted police, armed forces officers and/or highly placed foreign government officials to whom he can turn for assistance if necessary.

* * * * *

19. Several prints of a recent photograph of all key executives and their descriptions (including special features) should be kept on file. These can be disseminated to police, newspapers and other agencies to assist in identifying a kidnap victim.

CONGRESSIONAL PRAYER

HON. CHARLES S. GUBSER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. GUBSER. Mr. Speaker, one of my friends and supporters, Miss Lorraine Flora, is visiting Washington this summer. She has long had an active interest in politics and the legislative process, but also has a very deep dedication to religion and spiritual life.

Miss Flora believes that religion and politics are inseparable and that God is always in our midst. In her letter she wrote:

> The Congressional Prayer expresses part of my concern for the Congress and my hopes that God will always have a place in his heart for the American Congress.

I commend to the attention of my colleagues the following Congressional Prayer composed by Miss Flora:

Congressional Prayer

O Lord, grant to Members of Congress, Your servants, the guidance and graces to follow Your will. In their mission, that of being Representatives in Congress, always be with them in all their duties—in the office, in Committee, on the Floor, with constituents and friends, and in leisure after long hours of conscientious and sincere work. Keep them humble, patient, and simple in all endeavors. Remind them that they are simply instruments of Your Peace. When things are hectic and frantic, remind them that simpleness and patience is needed and that "the sun also rises." When things are happy and success is achieved, let them thank You. No matter what may occur during the day, be with them, Lord. It is in Your Name that they serve. Let them always have faith, hope, and a will to be charitable, patient and friendly in all their actions. As they debate or vote upon bills before Congress, remind them to think of others, since others were also Your creation and children. Let them protect Your creations, and keep our Nation free and protected. As we reach toward the Heavens, let them think of the future and all Earth's peoples. In whatever their duties and activities, keep them close to You, Lord. Give them an interior Peace which the world doesn't even recognize. Let Your Peace be their guide, strength, and joy. Let them do Your will, Lord. It is in Your Name that they exist and serve as Members of Congress.

Lorraine Flora, 1974.

"Lord, give success to the work of our hands." : Ps. 89.

CONGRESSMAN MOORHEAD SPEAKS ON THE HOUSING AND URBAN DEVELOPMENT ACT OF 1974—H.R. 15361

HON. WILLIAM A. BARRETT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. BARRETT. Mr. Speaker, my good friend and fellow Pennsylvanian representing the State's 14th Congressional District, yesterday, June 17, spoke before the Tennessee Municipal League. Congressman Bill Moorhead, a highly valued member of the Subcommittee on Housing spoke on a subject for which he is eminently qualified—the Housing and Urban Development Act of 1974. This proposal, H.R. 15361, is scheduled to be before the House for consideration on Thursday. His remarks merit the attention of all Members of the House and I include them at this point in the Record:

Remarks of Congressman William S. Moorhead

Mr. Bingham, ladies and gentlemen. It is a great honor for me to come to the Volunteer State to speak to you on the subject of community development and housing legislation currently pending before the Congress.

While it might seem a bit strange for a Pittsburgher to come to Tennessee for that reason, I feel its the least I can do for the state which sent Johnny Majors to the University of Pittsburgh and made it a football winner for the first time in 10 years.

Your invitation to me is doubly satisfying because it was tendered after some of your members heard me speak on the same subject to the League of Cities Conference of Mayors meeting in Washington a dozen weeks ago.

Late last year, I had an opportunity to make another major housing address, this one to the National Association of Housing and Redevelopment Officials.

Secretary of Housing and Urban Development Jim Lynn also was a speaker.

Lynn spent about 20 minutes huckstering the Administration's new housing and community development proposals and speaking glowingly of the President's desire to provide shelter for those in need and return community development decision making to local officials.

I like Jim Lynn and I knew he had a job to perform, but I kept asking myself as he paid homage to the President, is he speaking about the same guy that forced all housing programs to a halt, the man whose bully-boy tactics put him in constant conflict with the Congress and in hot water with the Courts?

As I took my turn at the dais, I spoke of the Magna Carta of Housing legislation, the 1968 Act and its grand directives to build 20 million units of subsidized housing and I said to my audience, "I know President Nixon is a strict constructionist when it comes to the law, but to take the broad mandate of the 1968 Housing Act and apply it to one house in San Clemente and another in Key Biscayne is a little too narrow for me".

The minute the audience began to roar at my barb and Jim Lynn's face grew redder, I thought to myself, "Oh Lord give us today the wisdom to speak tender and gracious words for tomorrow we may have to eat them".

I know you haven't brought me all the way to the foothills of the Smokies to hear political anecdotes. You want to know what the Federal government is going to do about giving you the community development tools and resources to revitalize and recaste your communities? You want to know if the federal government again will provide funds to house those too poor to shelter themselves?

The answers to both these questions are embodied in H.R. 15361, the amended version of H.R. 14490, the Housing and Community Development Act of 1974, which was reported by the Banking and Currency Committee last Thursday and is scheduled for the House Floor later this week.

Before giving you the specifics of H.R. 15361, let me offer a brief bit of history.

In 1972, the Senate passed an omnibus housing and community development bill by an 80–1 vote, only to see housing legislation fail to reach the floor of the House. In that year, our Housing Subcommittee wrote its own omnibus legislation, which was reconsidered and rewritten by the full Banking and Currency Committee. The Rules Committee then failed to act, and the bill died in the waning days of the 92nd Congress.

In retrospect, this was most unfortunate. The differences between the House and Senate Omnibus Housing bills could easily have been reconciled and a bill passed and sent to the White House. It is unlikely that Mr. Nixon with his re-election only weeks away would have vetoed the bill.

The 1972 election landslide changed all that and in January 1973 the Nixon administration, carried away by that electoral mandate, abruptly suspended all subsidized housing programs, a moratorium which, with few exceptions, is still in effect. This set the stage for this year's housing bill.

Shortly after the moratorium was announced, members of the Housing Subcommittee, and the Administration, offered their respective versions of a community development special revenue sharing or block grant program.

Ours was part of H.R. 10036, the so-called Barrett-Ashley bill. The Nixon administration countered with the Better Communities Act, or BCA.

H.R. 10036 had three major parts: (1) a program of block grants for community development and housing, (2) a major new program providing for the modernization of our existing public housing stock, (3) a revised program of FHA mortgage insurance with special provisions for assisting middle income families.

Last September the President sent a unique housing message to Congress. It was a unique housing message because it proposed no housing program at all, except for the Housing Allowance program which could not be put into effect before 1976.

A confrontation seemed inevitable. Congress would not pass a community development bill without a meaningful housing component. The White House and OMB, still almost all powerful, were violently insisting upon their legislation and no other, and would not let HUD Secretary Lynn negotiate with the Congress.

But as the web of Watergate snared more and more senior officials, the power of the White House declined and that of the Department heads increased to the point where Secretary Lynn could propose greater use of the Section 23 Leased Housing program, as the primary subsidy vehicle, while at the same time embracing the committee's desire for community development block grants rather than special revenue sharing.

H.R. 10036, the administration's Better Communities Act, and the suggested expansion of the Section 23 programs were the main ingredients in what evolved as H.R. 14490 and is now H.R. 15361.

Three months ago, the Senate passed an omnibus housing and community development bill by a vote of 76–11.

In April, after two months of our own deliberations, the members of the Housing Subcommittee concluded that it was unlikely that Congress could act successfully on omnibus legislation in this session. We reached this conclusion for several reasons. The subcommittee knew that President Nixon would veto any omnibus bill along the lines of the Senate bill, even if we could get it past both the full Banking and Currency and Rules Committees. We also knew his veto would be sustained. Finally, it was felt that the time available for any major legislation was limited, because of the probability that consideration of impeachment would tie up the House in June or July and that thereafter the House or Senate would be preoccupied with impeachment and trial for the remainder of the session.

The Housing Subcommittee therefore changed its approach, and decided to work on a "bobtail bill" instead of an omnibus one.

Several considerations were paramount as the Subcommittee undertook to draft this bill. First, it had to be sufficiently free of controversial provisions so that it could clear the Rules Committee and pass the House. Second, it had to be sufficiently satisfactory to the Administration so that it would be signed into law and then administered by HUD. And third, the Subcommittee felt strongly the bill had to inextricably tie housing and community development assistance together.

If there is one thing the Subcommittee has learned it is that we cannot have sound community development without a close tie-in of housing assistance. And we cannot have effective housing programs without local government providing adequate facilities and services and a healthy community environment for housing.

With these objectives firmly in mind, the Housing Subcommittee worked very closely with the Administration and produced H.R. 15361, which authorizes a new multi-billion dollar program of community development block grants and establishes an expanded Section 23 Leased Housing program as the primary source of Federally subsidized housing funds.

Specifically, the legislation authorizes the expenditure of $8.35 billion in community development block grants, over a period of three years, to units of local government to carry out the basic community development activities.

The bill allocates 80% of appropriate funds to 268 Standard Metropolitan Statistical Areas and 20% to non-metropolitan areas.

It provides a direct entitlement to the 490 metropolitan cities, with a population of 50,000 or more, and an undetermined number of urban counties under a three-part formula based on population, poverty counted twice, and housing overcrowding.

An "urban county" is defined as one having 200,000 or more population not counting metropolitan cities, and which is authorized to carry out development and assistance activities, either in its unincorporated areas through state law or incorporated areas through cooperative agreements with local government units.

If an eligible community, within a county, elected to carry on its own activities, its population would not be counted as part of county's.

All communities would be eligible for three years for a "hold harmless" amount based on the average amounts they received under the consolidated programs for the five fiscal years 1968 through 1972.

If their formula share were larger than their hold harmless share, recipient governments would be phased in to the formula share over three years. After the first three years, hold harmless would be phased out gradually.

In other words, by year six, every unit of government would have been weaned from phase-in or hold harmless to pure formula.

For example, the city of Memphis, under the formula, has a greater formula share than hold harmless. Its formula share would be $14,413,000.

It would reach this figure in the third year of the program, having received $5.5 million in the first year and $8.6 million the second.

Balances remaining in the SMSA allocation would be reallocated by the same three-part formula to the SMSAs and distributed by HUD on a discretionary basis within those areas to small communities and state agencies.

In the rural, non-SMSA areas, HUD first would meet the hold harmless needs of communities and then allocate the balance by formula among the states for discretionary distribution by the department within the states.

While Members of Congress, the Administration, and groups like yourself enthusiastically support community development block grants, that same support, in some quarters, wanes when the subject turns to federally subsidized housing.

After all, water and sewer programs, open spaces, historical preservation, urban beautification, and some elements of urban renewal appeal to a broad social and economic range of people.

But subsidized housing addresses the needs of only one group—the poor and near poor.

Yet before we rush to give money to cities and counties and other units of Government to confront their community development needs, we must ask ourselves some questions.

For whom are we developing our communities?

What replaces units torn down by urban renewal programs?

What replaces shelter which is labeled worthless by code enforcement programs?

Who lives in model neighborhoods? The answers are people and housing.

Thus, in all our deliberations in the Subcommittee, with HUD and in the full Committee we've made it patently clear that we must have a strong subsidized housing program to go along with community development.

In establishing a housing component for the new community development block grant program, the Committee decided to greatly expand the Section 23 Leased Housing program, which as you know is a provision of the public housing law, and rely upon it to serve those families who need housing. Specifically the Committee authorized $1.23 billion in fiscal 1975 to build and renovate 300,000 units of leased housing and for operating subsidies for conventional public housing.

This massive rent supplement program is designed to serve the very poor as well as those with moderate incomes.

Our bill calls for the Federal Government to make up the difference between the fair market rental a developer could charge and between 20 and 25 percent of the tenant's income. Existing private housing could be leased for low and moderate income families with a similar federal subsidy.

While eligible units of government are entitled to automatic community development grants, you still must annually make application to HUD for the funds.

Applicants for block grants are required to (1) identify community development and housing needs, including the submission of a housing assistance plan (2) describe planned activities to meet those needs, and (3) provide assurances of compliance with civil rights laws and citizen participation requirements.

HUD plans to allocate Section 23 commitments on the basis of housing needs reflected in your application and their own estimation of need.

If your application says you need 500 units for the elderly and HUD agrees, your request will be filled based on a comparison of needs of similar communities.

The Committee has agreed not to make you go through detailed application requirements before receiving your first entitlement. However, we have emphasized quite strongly that the Secretary must conduct a vigorous post performance audit to guarantee proper use of Federal funds.

In other words, in the first year to facilitate start-up, the Secretary should not seriously challenge your community development priorities—unless they are patently absurd or unreasonable—but we do expect him to hold back second and third year funds if, in his judgment, you fail to make serious advances toward your own program objectives.

I know that represented here today are a large number of small communities with relatively high levels of past program activity under the categorical programs. I want to take this opportunity to stress the great lengths to which we have gone in the House bill to insure that sufficient funds will be available to meet the growing community development needs of smaller cities and communities, I am now convinced that we have reached the balancing point where one can honestly call this block grant legislation a "small city" bill.

There will be more funds—several times more—for community development activities in smaller communities than have been available up to now under the programs to be consolidated.

Since I am proud of the numbers, let me offer them to you.

There will be two basic sources of funding for small cities and other non-metropolitan communities within SMSA's, the hold harmless section and the remaining SMSA balances which will be distributed on a discretionary basis.

In fiscal year 1975, hold harmless for small cities and other governments will be approximately $220 million, with an additional $125 million in the discretionary pot for a total of $345 million. In fiscal year 1976, this grows to $540 million, $185 million in hold harmless and $355 million in discretionary funds, And in fiscal year 1977 the total funding available for non-metropolitan cities in SMSA's is $600 million, with $180 million in hold harmless and a whopping $420 million in discretionary funds.

These figures are even higher for those rural communities outside of the SMSA's.

It should become clear to all of you that the new formula, block grant concept—which is the heart of H.R. 15361—takes money from the urban areas, which have been on the receiving end of this cash for years, and spreads available funding to areas of the country which have been very inactive or have taken second place to their big city brothers.

Don't think the Committee adopted this position easily. As a matter of fact the districts of every senior member of the Housing Subcommittee came out with less money under the formula concept than it would have received had we perpetuated the categorical programs.

But the new special revenue sharing concept reflects two very real facts of life.

First, urban areas hold no exclusivity on the problems of blight, overcrowding and poor community facilities. Secondly, the Congress increasingly has more and more members reflecting non-urban, non-rural, but suburban jurisdictions.

Quite frankly, if the new legislation did not take into consideration these two elements the Housing Act of 1974 would have absolutely no chance of passage.

As it is, while accommodating the growing needs of suburban America, the Committee succeeded in alienating some civil rights, public rights and labor groups that traditionally have provided the backbone of support for major housing and community development bills.

They have accused us of backing away from the needs of the urban poor, of caving into the demands of the Nixon Administration, and legislating in a "safe" rather than progressive manner.

The unfortunate fact is that there is a grain of truth in the charges.

The Administration did not, and does not, have the horses to write and pass the kind of bill it wants. But the President can veto a bill and we cannot override that veto.

Therefore, pragmatism was the rule throughout the six months that the Housing Subcommittee and the full Banking and Currency Committee worked on this bill.

This is not to say that H.R. 15361 is a weak bill. It is not. The community development section is innovative and challenging, but the housing provisions are at best adequate.

However, it is a vehicle of compromise, and as such, it is a bill which can become a law.

While it is natural to compare our bill with that which passed the Senate, it is like comparing apples to oranges. They are both fruit, but the similarity stops there. Nixon would veto the Senate's bill. I don't think he will kill ours.

I have been in Washington too long and have heard the complaints of the people I represent for too many years for me to rely on "moral victories". Therefore I did not, and do not, believe we should go through the wasted exercise of writing a bill Nixon won't sign. Fortunately the Committee agreed with me.

While the Banking Committee has approved H.R. 15361, we must still navigate the House Rules Committee, the floor of the House, and the House-Senate Conference which must work out the differences between the 94 page bill we reported and their 300 page behemoth. We go to Rules tomorrow, the floor on Thursday, and hopefully a conference thereafter.

I have one great fear about tomorrow's Rules Committee meeting.

Last Thursday, at the regular House Whip meeting, I heard some very pointed criticism of the bill from senior House leaders representing urban congressional districts.

All through subcommittee and full committee consideration urban lobbyists tried to win reinstatement of the much maligned subsidized housing programs.

We resisted it in Subcommittee and in the full committee knowing that approval of those programs would cause a collapse of the fragile "house of cards" coalition that had brought the bill so far.

As I said earlier, it is not that we opposed these programs but we knew if they were added to the legislation we were begging for a Nixon veto, a veto we cannot override.

While I hope my fears about tomorrow's rules' hearing are not justified, I think it would be ironic if this year's housing bill fell victim to an alliance of the right wing, which always opposes housing, and a group of liberal, urban Congressmen frustrated by what they consider too little housing assistance.

I feel that this would be most shortsighted, since refusal to allow the block grant-housing bill to get to the floor means no legislation at all this year.

In the past we could always fall back onto a simple extension of existing programs, but with the moratorium there are no programs to extend.

A majority of the House must come to realize that it is either the bill the Banking Committee reported—or nothing. There is no in between legislation this year.

Therefore, if you believe as I do that H. R. 15361 can make a real contribution in attacking the legitimate development and housing needs of our nation, I urge you to communicate not only with your elected representatives in the Congress to support this bill, but with other associations similar to your own and ask them to contact their congressmen.

I consider the road this legislation must travel in the coming days like a minefield, one misstep—boom—we've lost everything.

I think with your help and those of like-minded people we can defuse those mines and begin spending that new community development and housing money sometime early next year for the people we serve. Thank you.

D. & H. RAILROAD RECEIVES HARRIMAN GOLD MEDAL FOR SAFETY

HON. ROBERT C. McEWEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. McEWEN. Mr. Speaker, the Delaware & Hudson Railway Co. received the coveted E. H. Harriman Memorial Gold Medal for the second consecutive year for having the best safety record of any railroad in its category during 1973.

Carl B. Sterzing, Jr., president and chief executive officer of the D. & H., accepted the award from Mr. John H. Reed, chairman of the National Transportation Safety Board at a luncheon at the Madison Hotel in Washington, May 30.

The Harriman medals were established in 1913 by the late Mrs. Mary W. Harriman in memory of her husband, Edward H. Harriman, a pioneer railroad builder and financier. The medals are presented annually in four categories by the E. H. Harriman Memorial Awards Institute.

With a casualty ratio of only 3.08 per 1 million man-hours in 1973, the 720-mile D. & H. not only led all railroads in its size—3 million man-hours or less—but also set the outstanding safety record among all railroads in the United States, regardless of size.

The Delaware & Hudson Railway employs approximately 2,000 citizens in the States of New York, Pennsylvania, and Vermont, and maintains its headquarters in Albany, N.Y.

URBAN HOMESTEADING AMENDMENT TO H.R. 15361, THE HOUSING AND URBAN DEVELOPMENT ACT OF 1974

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. BADILLO. Mr. Speaker, owners by the thousands are walking away from housing units in Washington, Philadelphia, Detroit, Cleveland, Baltimore, Boston, and Birmingham. New York City's annual loss of housing units attributable to abandonment was estimated to be between 15,000 and 20,000 a couple of years ago. Nationally, statistics developed by the Housing and Urban Development Department reveal that the figures reach 200,000 to 300,000 a year. Yet a large number of these abandoned buildings are not dilapidated and uninhabitable. In New York City an estimated 80 percent of the unrecorded losses in 1968 were in buildings classified only 3 years earlier as either sound or deteriorating, but not dilapidated. Consequently, abandonment in those cases represented a decision "to get out and leave" on the part of the owners.

Experts are unable to pinpoint the exact causes of abandonment. However, the national survey of housing abandonment conducted by the National Urban League's Center for Community Change has been able to establish a relationship between certain characteristics and criteria in areas experiencing abandonment. Among these criteria are:

Absentee ownership;

Lack of investment capital for purchase, transfer or extensive rehabilitation by owners;

Dislocation of entire neighborhoods by development;

Speculative practices;

Self-defeating use of city tax code enforcement policies; and

Disinvestment on the part of owners and consequent deterioration of entire neighborhoods.

The areas in which these criteria surface most often are transitional neighborhoods. The chain reaction that ultimately ends in abandonment can start with blockbusting, buying out and the departure of whites and middleclass, inmigration of blacks and other poor minority group members. Most often the new residents cannot afford to pay the rents required to maintain the housing. The absentee owner then allows or assists in overoccupancy of units. Such practices overload facilities and lead to deterioration. Faced with this situation, cognizant of the fact that money for rehabilitation is difficult or impossible to obtain, and aware also that the rents he can collect will not cover ongoing expenses and the cost of necessary rehabilitation, the owner most often decides to disinvest.

Deteriorated, abandoned buildings become a danger for the neighborhood. They become havens for addicts who can terrorize the residents. This in turn leads to increased disinvestment and accelerated outmigration of all who can afford it. Whole areas then move toward the status of the "crisis ghetto" characterized by decreasing median income, increasing unemployment rates, declining total population, increasing public assistance dependency, increasing rates of crime and vandalism.

Continued owner-occupancy, on the other hand, acts as a stabilizer for the neighborhood. When people occupying a building have a proprietary interest they can and do take an active part in the affairs of the community. In New York City tenants residing in buildings abandoned by the landlords have banded together to maintain, as best as they can, a roof over their heads. They arrange for most immediately needed repairs, they keep the building habitable and often set up common funds for common expenses. Their interest and presence help to reduce rates of vandalism, crime, and other social ills which often result in the eventual death of a neighborhood.

When H.R. 15361, the Housing and Urban Development Act of 1974, reaches the floor of the House, I intend to offer an amendment designed to promote low- and moderate-income homeownership, or cooperative apartment ownership, through the development of urban homesteading programs. My proposal is for a pilot program that would permit cities and localities that establish an urban homesteading program—under which they turn over city-owned buildings to qualified tenant groups, and, in conjunction with such transfer of title, grant them a 10-year tax abatement—to use the value of taxes thus forfeited to establish credit with the Federal Government. This credit can in turn be applied toward meeting the requirements of local matching funds for existing Federal programs.

The amendment then outlines the type of urban homesteading program that can qualify under my legislation:

First. The city or locality must establish an overall urban homesteading and neighborhood revitalization plan which must be submitted to the Secretary for approval;

Second. It must take steps to assure that the properties designated for participation in the program are located in model cities, urban renewal, or other areas in need of revitalization and upgrading;

Third. It must establish an urban homestead board or a similar body which consists of appointed and elected members. The board will have the duty to:

a. compile and catalog properties suitable for inclusion in the program;

b. institute in rem and/or foreclosure proceedings against appropriate ones with the cooperation of all relevant agencies;

c. investigate the properties and secure an accurate assessment of needed repairs and cost of such repairs;

d. negotiate low-interest loans in the amount necessary to carry out the repairs needed to make the structures safe, sanitary, and habitable;

e. furnish technical assistance to tenant groups performing repair work;

f. establish an office of tenant assistance.

The selection criteria for homesteaders shall include, but shall not be limited to:

First, residence in the building designated for participation;

Second, residence in the area affected or model cities or urban renewal;

Third, need of housing because of governmental action.

Income limits shall be required in the proposed plan. They should be about 133 percent of public housing, or low-cost assisted housing level. They must not exceed the section 236 limits.

Homesteading candidates must agree to assist in rehabilitation; they must agree to occupy the buildings for a stated period of time, and they may not rent their unit commercially during the period they receive tax abatement.

I believe that this legislation represents a helpful and desirable approach to our housing problems. I hope that Members will see fit to support this effort.

INCREASING SUPPLY OF GOODS AND SERVICES KEY TO INFLATION ILLS

HON. HAROLD R. COLLIER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. COLLIER. Mr. Speaker, to the average American, inflation is the most serious problem facing the country today. While they feel it in their pocketbooks, many do not understand its causes and the basic economics involved.

One of my constituents, Karl Klomann, has prepared the following paper setting forth his views on the subject. Mr. Klomann, a Phi Beta Kappa who graduated from Denison University with special honors in economics, has set forth his views in a forthright manner and in language that every layman can understand.

I am submitting his paper for the RECORD because it is such a logical presentation of basic economics, from which we have strayed over the years. The article follows:

INCREASING SUPPLY OF GOODS AND SERVICES KEY TO INFLATION ILLS

The number one problem facing this nation is inflation. I have let the cure for inflation rest in the hands of the professional economist. He has left the sheltered halls of ivy, taken a leave from his college teaching job and undertaken to cure inflation. His only weapon in this fight is to decrease demand by limiting the money supply. This is what I shall call "tight money." In the last 5 years—as a result of this policy, my investments in stocks have gone down 60%, bonds 48%—while at the same time prices have increased at an all time record rate. Now you would think that any remedy that severe and disruptive would be the center of a storm of controversy . . . but, believe it or not millions of fellow Americans have suffered having their life savings, investments, and purchasing power cut in half without even a single protest.

Try to think of any position that would go unchallenged—say, motherhood, apple pie, the flag . . . if you suggested a simple resolution: "Hooray for Motherhood" you would soon be swamped by protests from "zero population growth" and various women's lib organizations. "Hooray for Apple Pie" would bring protests from the weight watchers and the cholesterol lobby. In short the protesting American public carefully examines everything suggested, with one exception, the very factor that determines our prosperity . . . or, lack of it. Not a single voice of protest has been raised against the Tight Money Economic Policy used to fight inflation. Why does this go unchallenged? Because this is an age of experts. Anyone claiming expertise in a seemingly difficult and complicated matter can cow and bewilder the ordinary citizen into silence. Economics today is so filled with jargon Mr. Average Citizen says, "They must know what they are doing . . . after all 'they' are experts and I don't even understand their vocabulary."

Well, I understand their vocabulary, I understand the problem, I understand the remedy they are applying and I am suffering from its consequences and today I am speaking out. Let me first answer "How expert are the experts", and show how our government has no answer to our problem and no economic policy and no direction. Then, I shall show why present "Tight Money" policies work in the opposite way in which they are intended. I'll point our where the economists went wrong. Lastly, I will show the proper way for us to fight inflation and win.

Milton Freidman of the University of Chicago is the best known spokesman for the Chicago School of Economics. He has served as Barry Goldwater's Economics Advisor and has many followers of his theory, including George Schultz—until recently the Number 1 economics expert of the Federal Government.

The theory of the Chicago School of Economics is that you can control the rate of inflation by controlling the supply of money. If you decrease the supply of money you will decrease demand. The law of supply and demand still works so when demand is decreased prices will go down. If prices do not go down, as they should according to this theory, it means only that you didn't tighten money enough so you tighten it still further until you actually have a "money crunch" such as we suffered in 1970 and 1971. This money crunch caused several million people to lose jobs, caused the stock and bond markets to fall out of bed, caused Federal Revenues to decline, caused welfare rolls to expand and caused several large businesses to fail and thousands of small businesses to undergo severe changes in plans and prospects. Was all this havoc worth the price? The tragedy is—it didn't even work! They had what they called "stagflation"—which meant stagnant economy and inflation at the same time. Well, it wasn't supposed to work that way.

There was speculation among the economists that maybe the old economic laws no longer worked in the modern semi-controlled economy. They abandoned "Tight Money" long enough to get prosperity going and Nixon reelected. Now they have returned to that non-effective policy with a vengence. Instead of a peak prime rate of 10%, which we had at the peak of this period, we now have 11¼% prime rate with 12% prime rate forecast.

When C. Jackson Grayson, Jr. was appointed Chairman of the Price Commission and given virtual limitless power over prices, he found, when he arrived in Wahington, the Federal Government really had no policy: he had no organization provided and he wasn't even able to get any advice. As he tells it, Paul McCracken and Herbert Stein, then Chairman and member respectively of the Council of Economic Advisers, told him in essence—"Not much in classical economics seems to be working to curb inflation, why don't you come up with something on your own rather than be prejudiced by our views?" Finally, Milton Friedman himself recently advocated that we learn to live with inflation since apparently nobody knows how to cure it. In short, the experts are not at all expert. They have no cure for inflation and the economic policy of the nation is almost nonexistent and as far as it does exist it only makes things worse rather than better. It has been said war is too serious a matter to be left to the Generals—Economics, likewise, is far too serious to be felt to the economists.

Now why does the policy of "Tight Money" have an effect of raising prices rather than lowering them? All recent doubts—notwithstanding the law of supply and demand still works. When supply remains the same and demand increases prices will rise. When supply is diminished and demand remains the same, prices go up.

The cure for inflation must lie in either increasing the supply of goods and services or in diminishing the demand for them. Nobody likes to diminish demand—a happier fight against inflation would be to increase supply. Federal policy—tight money—does the opposite. It works to decrease supply and tends to leave demand the same and in some cases even bolsters demand. The error made by economists is to use a shotgun rather than a rifle. All demand is lumped together and supressed, whereas, demand has many faces, and different demands have different effects. The farmer that buys $100 worth of fertilizer to increase his crops cannot have that demand equated with the consumer who drinks $100 worth of imported Champagne. In short, there are demand factors that, on balance, add to our supply and demand factors that consume our supply.

I shall call the first productive demand and the latter consumptive demand. The failure to sort these out has been the downfall of the modern economy.

PART II

There is one economic law that has never been repealed, still works, and contains what must be the only cure for inflation. It is not a sophisticated law, encased in jargon—or a law beyond the understanding of the average citizen. It is—if you increase supply—prices tend to go down. If you diminish supply, prices go up. If you increase demand, prices rise—if you decrease demand, prices tend to decline. Tight Money was invented by people so skilled in economics that they forgot the fundamental law of supply and demand. See how Tight Money clashes with the law of Supply and Demand.

Let us paint for a moment with broad brush strokes to see the over-all picture. Let us make a list of economic factors and assign them to either "Supply" or "Demand" on the basis of their total effect (somethings could affect both supply and demand, but it will, in the end, weigh most heavily on either the supply or demand side).

Increases supply: employment, manufacturing, farming, construction, capital spending.

Increases demand: unemployment benefits, social security benefits, consumer credit, government low cost subsidized mortgage, lower taxes.

Let us look at these factors and see how Tight Money raises prices and causes inflation.

SUPPLY

1. Employment.—Workers receive wages which increase demand, but basically every worker creates more than he consumes, so on balance this factor increases supply. Tight Money, it is conceded, causes unemployment—this, then, diminishes supply a great deal—(picture having 100% unemployment, nothing would be produced and supply would be zero). Demand also falls, but only a little (the auto workers recently unemployed, drew wages and unemployment benefits equal to their wages). Tight money, here we see, is trying to swim up stream against the law of supply and demand.

2. Manufacturing.—Factories consume products, machines, and materials so they affect demand, but on the whole they create more than they consume, so they are placed in the "supply" category. Tight Money squeezes manufacturing, raising the cost of doing business and preventing business expansion, which expansion would have increased supply. Added to higher prices caused by Tight Money and its affect on supply, you have a further raising of prices caused by a "cost push" inflation due to higher cost of the money with which business is conducted. There are 3 factors which determine the cost of a product. The cost of labor, materials, and capital. If you double any of these factors the cost of a product will rise. We can no more achieve lower prices by doubling the cost of capital than we could by doubling the cost of labor.

3. Construction.—If we have any tighter money we will end construction altogether. This will lower the demand for building materials but will reduce supply much more, so that on balance, reduced construction will mean higher prices for buildings. Score 100% wrong again for Tight Money.

4. Farming.—Supposedly the government is asking farmers to produce as much as they can—but, on the other hand Tight Money has raised the cost of farming, for the farmer requires large amounts of money in order to farm. The farmer borrows money for seed, fertilizer, farm machinery and labor. If we double the cost of this money we exert a cost push that makes it necessary for the farmer to raise his prices. It is sure hard to see how Tight Money could make him lower his prices.

5. Bank Credit.—We are speaking here of money loaned to business. Business loans are usually used to increase production thereby increasing supply. They also add to demand but on the whole, Loans to Business represent a net increase to the supply side of the equation. Here we see again, Tight Money chokes bank credit thereby diminishing supply and raises prices. It certainly is a peculiar remedy for obtaining lower prices.

6. Capital Spending.—The above comments on bank credit apply to capital spending as well. Capital spending might appear to fit on the demand side of the equation—but it doesn't—in the long run, the spent capital will increase supply. Tight Money once again diminishes supply—raising prices.

These supply factors all have a demand factor as well, but this is productive demand, that is, demand that ultimately results in a greater supply of goods and services. The factors that follow are also demand factors—but, these are consumptive demand, the result is less goods and services rather than more.

DEMAND

1. Unemployment Benefits.—This is a device to sustain demand by giving people money while they are unemployed, as a result of a Tight Money policy. Their unemployment reduces supply, but the government does not let demand diminish so the net effect is decreased supply and sustained demand. This means higher prices.

2. Consumer Credit.—Tight Money never has affected consumer credit. At no time during the credit crunch has it been difficult to obtain small loans from banks or finance companies, credit card credit, or store credit. All these devices keep up or increase consumptive demand, thereby raising prices.

3. Social Security.—Here is a most laudable end—however, when social security benefits are raised, total consumptive demand is increased and pressure is exerted for higher prices.

4. Lowering Taxes.—Another Federal government ploy to increase consumptive demand adding pressure for higher prices.

5. Government Low Cost Subsidized Mortgages.—We have already seen how Tight Money diminishes the supply of housing. What housing is built costs the builder more so the price goes up because the supply is diminished. There is also an upward "cost push" because it costs more to build . . . and now the government increases demand with 10 billion dollars worth of subsidized, "low cost" mortgages . . . is this a way to get the prices down?

These factors show that the Federal Reserve Banks and Federal Governments' policy of fighting inflation, with Tight Money, has unpleasant side effects: low stock market prices, increased unemployment, holding back business expansion and modernization (which would have enabled us to better compete with other nations). Suffering these side effects is in vain for the cure itself merely intensifies the disease and the result is higher prices . . . not the lower prices which should be our goal.

This also tends to disrupt business. Large businesses have ample credit sources and merely pass on the added costs of tight money to the price charged the consumer. However, small businesses are severely hurt for their sources of funds are limited and may actually disappear. The net effect is big business thrives at the expense of small businesses.

Banks also are enjoying unparalleled prosperity. The money deposited by us at 5% is loaned out at 12%. That is a pretty good spread in an industry that traditionally had a 1% spread between cost of money and the cost of a loan. Tight money for a bank is like having a license to steal.

The cost of borrowing by the Federal Government also goes up drastically. The government borrows billions of dollars. A year ago treasury bills were as low as 3.5%—today they are near 9%. You, the taxpayer, pay the difference.

Let us cast a nostalgic eye to the early 60's. Then we had a rate of inflation of under 2% per year (today over 10%) and 91 day Treasury bill rate of less than 3% (today close to 9%). Once the policy of tight money and high interest began to be used, the rate of inflation soared . . . and nobody, until today, has even raised the question—Is Tight Money really the way to fight inflation?

REMEMBER LITHUANIA

HON. EARL F. LANDGREBE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. LANDGREBE. Mr. Speaker, June 15, 1974, is the 34th anniversary of the Communist takeover of Lithuania. The forcible annexation of the Baltic nations was one of the several events leading up to World War II, and one of the many examples of Communist brutality and tyranny—a tyranny that has not mellowed. It cannot mellow and continue to exist. When Lithuania was occupied, the Soviet Communists began mass deportations of Lithuanian citizens to concentration camps in Siberia. Today, we know that those camps still exist and that they are still filled with prisoners—some of whom perhaps are hardly Lithuanians who have survived 34 years of torture. Indeed, Alexander Solzhenitsyn's Gulag Archipelago is a graphic history of the oppression and brutality under which Lithuanians and other nationals suffered at the hands of the Communists.

I fear that we have not completely grasped the nature of our relationship with the Communists in our eagerness to achieve "détente." Presently and for some years past, our foreign policy has been exemplified by the case of Simas Kudirka, the Lithuanian seaman impressed into the Red Navy. In 1971, he jumped from his ship to an American Coast Guard vessel. After consulting with a superior officer, the captain of the American vessel allowed Communist sailors to board the American ship and drag Kudirka back to the Communist ship. All the while Kudirka begged pitifully for help, but received none from the Americans who seemed to feel compelled to follow a policy of "nonintervention" in the "internal" policies of the Communists.

This policy of appeasing the Communists, as in the Kudirka affair, is a consistent principle found throughout our foreign policy. The fine distinction many analysts of our foreign policy have drawn between internal and external policies of Communist governments should not be made. We fail to understand the true depths and nature of our influence over the Communist nations economically and technologically. Thus, most foreign aid and trade is made totally without strings attached. Yet we have the power to demand some sort of mutually satisfying exchange—a quid pro quo. Wheat sales to Russia could include demands for a less harsh policy toward its citizens in certain areas, for example. Economic dealings with Lithuania could be bent to the same purpose.

It is the responsibility of the Congress to help move us in this direction. Through the power to approve treaties and make appropriations, Congress has control essential to orienting our foreign policy toward demanding more of an "exchange" for our assistance. Too long we have given it away blindly.

The Communist treatment of Lithuania cannot be rationalized morally by labeling it "internal" and thus beyond our concern. And if we term this treatment "external," then we are announcing the hollowness of the alleged goals of the détente. This reasoning applies to all nationalities that make up the Union of Soviet Socialist Republics. We should not embrace this distinction between internal and external policy as a means of escaping our moral responsibility. June 15, as national remembrance day for Lithuanians in this country, provides the perspective that, essentially, some searching evaluation now be undertaken redefining goals of the détente.

WATERGATE REVIEWED

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. MICHEL. Mr. Speaker, the Peoria Journal-Star recently carried an editorial that I think should be brought to the attention of my colleagues here in Congress, as well as anyone who has even been remotely interested in the issues of Watergate.

The conclusions of the editorialist are, I am afraid, all too valid. The article speaks for itself, and I would urge that it be given serious and thoughtful attention by all those who have any concern for our constitutional system:

WATERGATE REVIEWED

(By C. L. Dancey)

It is hard to tell whether our town had been inundated with visitors from press and TV because of its classic sociological reputation as the most nearly representative of American cities, or because the editor here is out of step with the rest of the media.

In any case their persistent attention has obliged me to review our position on the Watergate matter down through all these months. It is something we do from time to time anyway, as regular readers will know, but now seems to be the time.

It is not that being out of step shakes us up. We have been out of step before—and proud of it in the light of subsequent events. It always seems to happen when there is one of these great surges in which we all seem to get carried away with things. We try not to do that, and the past results have given us confidence in that calmer pace.

As we review the Watergate history, we find that we were out of step early. We were the first newspaper or other media to review the Andrew Johnson impeachment trial and to seriously discuss impeachment in the Watergate case.

More than a year ago we studied the Constitution on this matter and the previous trial, and we then came to the conclusion, publicly, that the only proper way to inquire into a serious question of presidential misconduct was by the impeachment process.

In such matters, we took the position that due process must be carefully observed, that the inquiry should be exclusively conducted by the House judiciary committee, and that it should be carried out in a scrupulously fair and proper manner to whatever conclusion the evidence required.

Since then, unhappily, we have seen very little of that level of responsible conduct, in fact.

The Watergate happened two years ago, but the Watergate approach seems to have infected a great many people since then and they have been "Watergating" themselves through this whole mess, it seems.

In the ensuing rumpus, which finally got around to impeachment, as we warned in the first place it must, the air is blue with careless kicking of the Constitution on all sides.

Our outrage at these continuing abuses has been read by many as "supporting the President", and since he has been the victim of many of them, such is, indeed, the result.

However, the record will show that we were not concerned whether proper process served to damn him or a acquit him, in fact. That is a matter of evidence, if anybody ever gets around to presenting it in a proper way and subjects it to the proper tests of trial.

What we have been concerned with from the start is due process, and preserving the Constitution in the conduct of a matter as serious as a presidential impeachment.

And it is not our choice that in pursuing this, it has so often been Nixon's accusers who have charged ahead with such disregard for the rules of the game and the common standards of justice and decency which we are either going to preserve for all Americans—or throw overboard in this affair.

Let us look at the substantive basics of this matter to date. The Senate majority leader, virtually every responsible senator, and the Democratic caucus all NOW agree that senator's Constitutional duty is that of jurors.

Likewise, they now agree that as jurors they should avoid any pre-trial activities or statements that would be improper in a juror in any criminal case.

This is precisely what we counseled over a year ago, in May, 1973, and most strongly in June of last year!

Ten months later—and ten months too late for many, the senators have awakened to this reality—with the exception, perhaps of Lowell Weicker, and more recently there has been some doubt about Charles Percy.

On the charges flung around so carelessly we have been cautious, and let us all stop for a moment to look at the record just once.

The special prosecutor has officially advised the courts that President Nixon is not involved in the Ellsberg cases because he had no prior knowledge of that burglary, in fact.

The special prosecutor has also advised the courts that Nixon is in the clear in the ITT cases his office has investigated so thoroughly.

The special prosecutor has gone to court in the Vesco case and all witnesses, both prosecution and defense, made it clear when they got actually into court and under oath that the President was not involved—and the jury found his campaign manager and treasurer also to be innocent in fact.

That was clearly the BEST CASE on campaign fund charges the prosecutors could bring, and the first that they took into court!

On Watergate, itself, none other than Sam Ervin, himself, has said that after months of investigation, and two million dollars spent on it, no evidence of an impeachable offense was produced.

There are matters which filled our eyes, ears, and minds in the most prejudicial charges, claims, and reports for over a year—and then failed of the test in a sober application of due process.

This is not the way to handle a matter so vital to the balance of our *Constitutional* system.

If Richard Nixon is, in fact, guilty of some wrongdoing that is impeachable, these gross departures from due process have messed up the case terribly.

If he is not guilty, they have perpetrated a staggering injustice and deception of the American people.

When this is over, one way or the other, the world will take notice of how it has been mishandled from the start.

And we do not apologize in the least for keeping an eye on the matter of the greatest importance to the future of the Republic from the beginning.

THE IMPORTANCE OF LINE OF BUSINESS REPORTS

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. VANIK. Mr. Speaker, later this week, the House of Representatives will have an opportunity to support the Federal Trade Commission's efforts to obtain line of business data. This will be an opportunity for the Congress and the Nation to obtain basic information about our economy. It will be an opportunity to determine the merits and demerits of "conglomerate" manufacture. If we believe in having necessary information, if we still believe in competition and the struggle against monopoly, then the line of business program is essential.

Mr. Speaker, while many giant businesses are opposed to this proposal, it is interesting to note that many small businesses favor the program. I believe that the line of business data is essential if we are to obtain the information and make the public affairs judgments necessary to preserve our free enterprise system. I would also predict, Mr. Speaker, that if this Congress does not fund the line of business report program—the next Congress will take even stronger steps. The next Congress may require the publication of the actual tax returns of corporations. I would hope, therefore, that big business would see the wisdom of proceeding now with the line of business report program.

I would like to include at this point in the RECORD a Statement of Purpose, prepared by the FTC last August concerning the reasons for the annual line of business report program. Since this statement was prepared, the FTC has decided to limit the survey to the top 500 corporations.

The statement follows:

STATEMENT OF PURPOSE

I. INTRODUCTION

The Annual Line of Business Report Program of the Federal Trade Commission (the LB Program) is an adjunct of the Commission's Quarterly Financial Statistical Program. Its purpose is to collect certain items of financial information on a line of business basis, and to publish selected aggregate performance measures for industry categories.

The items of financial information for which data are requested are those which are most important for the satisfactory execution of the responsibilities which Congress has given to the FTC. The items include sales, assets, profits, and some specific costs.

A line of business is defined as a combination of organizational units which make closely substitutable products. The organizational units which are combined into lines of business are specified according to two criteria: (1) the activity of the unit should closely correspond to one of the industry categories which are specified in the Addendum to the report form, and (2) the unit is one for which the company collects financial information for its own internal management purposes.

The industry categories are defined in terms of economic meaningfulness, competitive significance, and compatibility with other sources of data. They are described in the Addendum to the report form.

The LB report form is to be sent to about 500 large companies in all sectors except those which are regulated by some other agency. All but a few of these companies will be reporting to the Commission on a regular basis under the QFR Program. After the forms have been returned, they will be verified. All of the lines of business which are associated with a given industry category will be combined, and aggregate data for that category will be published. Names and data for individual firms will not be made public. Tabulations of data will be released using the Internal Revenue Service Statistics of Income format for avoiding disclosure of confidential financial data from corporate tax returns.

Section II of this statement covers the benefits of the LB Program. In Section III, certain technical problems related to line of business reporting are addressed. Section IV is devoted to an examination of the possibility of using alternative sources of data which are already publicly available. The costs of the program are detailed in Section V. And, finally, in Section VI, the statement is concluded.

II. BENEFITS OF THE PROGRAM

A. *The role of information in the economy.*—Information plays a critical role in the efficient working of a free enterprise economy. Generally speaking, the greater the amount of information which is possessed by all the groups which are interested in a given market, the more efficiently the market will work. Other things being equal, then, society stands to reap benefits from the dissemination of information.

The benefits of the dissemination of information must be weighed against its cost, of course. One potentially serious cost of the uncontrolled disclosure of information is associated with the dampening of incentives by private parties to discover new basic knowledge or to innovate. This hazard is substantially mitigated by the protection afforded by the patent, copyright, and trademark laws.

Assuming that the ability to recoup the private costs of the discovery and development of new products and technologies is reasonably well protected by these laws, attention can be turned to some specific ways in which various groups in society may benefit from the data collection and publication activities of the LB Program.

B. *Potential beneficiaries of line of business data.*—The first group of users of meaningful data on separate categories of goods and services are the buyers of those goods and services. With data on sales, costs, profits, and assets, buyers are able to form judgments concerning the appropriateness of price/cost margins and profit rates.

These data will also be of great value to small business firms. The size of the expenditure needed to acquire useful financial information means that large enterprises can better afford to engage in information search. To the extent that the search and reliability analysis of available public and private sources is productive of useful information, smaller firms, to whom this type of information service is essentially unavailable, are disadvantaged. If reliable data were available from a public source, on the other hand, small firms would be able to make use of them at minimal cost.

Established firms are significant users of published data on profitability and other aspects of performance for industry categories. Most of the 4,500 private individual subscribers of the QFR quarterly publication are corporations. The LB data will be extremely useful to these firms. It will be possible for a firm to compare the performance of each of its lines of business with the performance of lines of business of other firms which produce similar products.

Potential competitors, both large and small, would benefit greatly from the LB data. Firms which have resources which they wish to invest in some activity, whether they are newly organized or already established, will seek those activities which offer the greatest return for the investment. Where data on the actual returns which established producers are earning in various industries are not available, or where the available data are of poor quality because of the intermingling of primary and secondary product data, incorrect choices of investment alternatives will be made. And that will result in an inefficient allocation of the total resources which are at the disposal of society.

The labor movement also has an interest in data on sales, costs, and profits for individual industry categories. The evaluation of the share of total sales or receipts which goes to labor can be performed efficiently only if such data are available. These data will also facilitate comparisons of labor's share among different industries. And finally, for those companies where laborers are organized on a product, or craft, basis, data on sales, costs, and profits on a line of business basis are essential to the efficient working of the bargaining process. Organized farm groups have the same need for information in dealing with suppliers and processors.

C. *The role of the Federal Trade Commission.*—The FTC can serve the needs of the groups mentioned above in two ways. First, it can provide certain kinds of information which are necessary for the efficient working of markets. And second, it can intervene more directly in those markets which do not work efficiently enough even in the presence of adequate information.

To the extent that markets work inefficiently because of lack of information on sales, costs, and profits, the distribution of relevant data by the Commission may be expected to have a beneficial effect. Congress has mandated to the Commission the responsibility of collecting and disseminating information in the major portion of American business. The Annual Line of Business Report Program is a continuation of a long line of efforts by the Commission to fulfill this mandate.

The Commission is an independent agency with particular expertise in the analysis of market performance. Its independent status removes it from possible conflicts of interest inherent in agencies that reflect the interests of special economic groups. It has been equipped by Congress with the strongest mandatory data collection powers of government. The Federal Trade Commission is not only in the position to produce statistics but can provide the analysis of what those statistics are all about.

From its earliest days, the Commission has been involved in the reporting of business information. The legislative history of the FTC Act shows that Congress intended that the continuous collection of basic economic and financial statistics from corporations be one of the most important functions of the new agency. This activity was inherited from the Commission's predecessor, the Bureau of Corporations.

Commission activity in this area has been extensive throughout its existence. A long list of rate of return and industry reports have been published. In the field of the reporting of current data on industry profitability, the Commission did pioneering work. In 1938, the Bureau of the Budget designated the FTC as the primary agency of Government to collect complete profit and loss and balance sheet data, and an extensive program was begun in 1939. During World War II the data were published as *Wartime Costs and Profits for Manufacturing Corporations*. After the war, the present name of the publication, *Quarterly Financial Report for Manufacturing Companies*, was adopted.

The Commission began the publication of a second study in this area in the late 1940's. It is entitled *Rates of Return for Identical Companies in Selected Manufacturing Industries*, and is published annually. This publication contains annual profit data for the individual leading companies in certain manufacturing industries—a dimension not available in the QFR.

With respect to its function of investigation of and intervention in those markets which evidence persistent deviation from competitive performance, the FTC has a clear need for the industry aggregate data which the LB Program will publish. Since the resources available to the Commission for the execution of its Congressional mandate in this area are limited, it must pick and choose from among a variety of activities designed to enhance competition. The goal in this selection process is to provide society with the greatest return for the resources which the FTC uses.

The question of which activities to undertake depends, of course, on the relative benefits which the activities would provide. And the benefits depend critically, in turn, on profitability, sales promotion intensity, and research and development intensity. The business community benefits when the FTC allocates its resources efficiently. The availability of good market performance data would prevent the Commission from making false starts in investigating competitively performing industries. Federal Trade Commission false starts cause disruptions, unfavorable publicity to companies and high legal costs to business.

The need for data on profitability is hardly debatable. The ratio of profits to sales provides insight into the relative extent to which price exceeds cost. The ratio of profits to capital shows the relative rate of return and serves to guide the shifting of resources from industries where the public values them less to industries where the public values them more.

Concern with sales promotion activities follows from the effects that they may have on other characteristics of industries, especially barriers to entry and profitability. The form requests separate data on advertising and on other sales promotional activities. The major reason for requesting separate data on advertising is that some data on advertising expenditures are available in the public domain. Advertising messages can be directly observed by interested parties, who can then estimate some of the costs which were incurred in the distribution of them. This practice has led to the generation of a substantial amount of data on advertising. These data can provide partial verification of the advertising data reported on the LB form. Other sales promotional activities are not as readily observed by third parties. These activities include calls by salesmen, free samples, etc. Since they are not so readily observed, no public data on them are available. These non-advertising promotional activities may be very important, relative to advertising, in some selected industries.

The need for usable R&D data on an industry by industry basis is based partly on the need to explore the interrelations among R&D activity, technological change, and other industry characteristics. Understanding of the causes and effects of technological change is not settled from a conceptual point of view. There are several theories in this area which have direct policy planning implications, and they need to be tested using meaningful data. Of particular concern is whether there are trade-offs between technological change and deviations from competitive structure, in the sense that along with the social costs of the absence of a competitive structure, there are offsetting benefits to society as a result of technological progress which the absence of competition makes possible.

Within the broad area of policy planning, there are also neeeds for better data to improve statistical studies of the relations among structure, conduct, and performance. The results of these studies are critical to the Commission, since they are addressed to questions of cause and effect. As a general rule, the Commission does not control performance directly; rather, it seeks to influence structure and conduct directly, with the intent of causing an indirect effect on performance. A sound empirically based understanding of the relationships among these characteristics of markets are of special importance.

On the question of the causes of differences in profitability among industries, numerous empirical studies have been conducted by economists in the field of industrial organization. The results of investigations like these are directly relevant to public policy decisions which the FTC must make. Both the determination of what factors explain high profits and the discovery of how important those factors are relative to each other are key inputs in decisions about which industries to investigate and what to do when sub-standard performance is discovered.

There have also been a number of studies by economists of the causes of differences in advertising intensity and of the effects which advertising intensity have on other industry characteristics.

The number of studies of the causes and effects of variations in R and D activities among industries is substantially smaller than for profitability or advertising intensity. One very important reason for this gap in the empirical analysis of such an important aspect of industry performance is the lack of data. The LB Program should provide some remedies for that deficiency.

One final point needs to be made with respect to both sales promotion and R and D data. The practice of expensing these costs introduces biases in the measurement of profitability. Sales promotion activities typically generate effects which last more than one period. They should be accounted for in the same way as other investments. Expensing usually results in a measurement of the rate of return on capital which is higher than if such costs were capitalized.

The extent of this bias depends on the relative magnitude of sales promotional activities. The amount by which the rate of return on capital is overstated will be greater in an industry with more sales promotional activities than in one with less. Techniques for correcting for the bias have been developed; they require data not only for the current year, but for a significant number of previous years as well. As the LB Program adds data for successive years, it will be able to undertake the corrections for this bias.

R&D data are also needed to correct for the same kind of bias in profitability. As with sales promotion costs, the expensing of R&D costs usually leads to an overstatement of profitability, with the overstatement increasing with the intensity of R&D effort. Data are needed for a significant number of years in order to correct for this bias. As additional data are collected by the LB Program, correction procedures can be introduced.

D. *Macroeconomic uses of the line of business data.*—Line of business data will improve the quality of data used in the Government's efforts to control inflation and unemployment and to deal with other national economic problems. The QFR data are currently used by the Bureau of Economic Analysis of the Department of Commerce, the Federal Reserve Board, the Council of Economic Advisors, the Treasury Department, and many agencies with special interests in specific segments of the economy, such as the Department of Agriculture. Each of these agencies is concerned with the current estimation and predition of some aspect of the economy as a whole. The major contribution of the LB data to these agencies will be to provide the means for the adjustment of the QFR data which they use as inputs in their estimation and prediction procedures.

Profit data for reasonably well defined industry categories are particularly important in applied macroeconomic analysis. As a case in point, consider the prediction of GNP, which is the responsibility of BEA. In order to project GNP, the separate contributions of individual industries to GNP are first determined. These components of the economy are projected individually, and the projected data are then aggregated to get the projections for the economy as a whole.

If the industry categories for which profit data are available are too aggregative or are too much affected by the problem of diversification of companies, then the projections of GNP suffer. This is particularly crucial in view of the fact that the profit component of GNP is among the most volatile components. The data which are to be published by the LB Program will be extremely useful in the GNP estimation process, and they have been actively solicited by BEA.

THE DIMINISHING AMERICAN FOOD SUPPLY

HON. WILLIAM A. BARRETT

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. BARRETT. Mr. Speaker, the United States has often been referred to as the world's breadbasket. For many years we were the major source of basic foods for the world's needy nations. Of late, as we all know, world demand has greatly increased, straining the world food supply and driving prices up. Last summer we saw the effects upon our domestic economy as a result of large-scale sales of wheat to Russia. There was a domestic shortage resulting in skyrocketing prices of wheat, flour, and their products.

The administration spokesmen gave all sorts of reasons to justify the uncontrolled sale and export of wheat. Unfortunately, no real concern was evidenced for the American consumer. Early this spring these spokesmen spoke optimistically of the coming wheat harvests and predicted a more than ample supply for our domestic needs. However, a series of climatic conditions and events raise serious doubts about those forecasts. There are predictions of less than an adequate supply for domestic consumption. Last week, in fact, the Department of Agriculture released figures indicating that our wheat reserves can be expected to remain on the verge of scarcity for at least another year. This condition is predicted while world demand continues to increase. This situation does not obtain for wheat alone.

The lead paragraph in a Wall Street Journal article today states:

> That 6.7 billion-bushel corn crop you've heard Agriculture Secretary Earl L. Butz talking about has been cancelled because of rain * * *.

As we know, corn is the most important feed ingredient in producing meat, poultry, eggs, and milk. A lower total crop this year would deal a severe blow to hopes for increased production of these foods and thus to prospects for lower or at least only moderately rising food prices next year. The shortage in this year's harvest cannot be made up by corn from last year's crop which is expected to be the lowest in 26 years.

Mr. Speaker, I point these facts out for the purpose of calling the attention of the administration to the need to squarely face what is developing insofar as our food supply is concerned. The administration must take the appropriate steps to protect the American consumer by restricting the uncontrolled export of food and farm products.

This past winter the United States and the industrialized nations of the world experienced an oil and gas shortage. We know the reason for this. It was the use of a natural resource by the oil-producing nations as a tool of foreign policy. Food and farm products are a resource of America. They must be allocated to meet our domestic needs and serve our best interests abroad.

This concept was cogently set forth in an article by Mr. Herbert Wilf, which appeared in the Philadelphia Inquirer on April 22, 1974. The article merits the reading by all and I include it at this point in the RECORD:

USE OF AGRICULTURE AS A TOOL, NOT A GIFT

(By Herbert Wilf)

The response to Arab economic imperialism, encouraged by the Soviet Union, should be simple, direct, effective. We have the means and ability. The following steps can be taken immediately:

Establish a Farm Product Export Board.

Have the export customer submit his request for intended purchases.

Have the board establish each customer's allotment, based on our total amount for export.

According to economist Elliot Janeway, who coined the term "agri-power," America is the world's granary, and our ability to produce forces foreign governments to come to us.

The Arab bloc nations will buy over $600-million worth of food from the United States this year. We could have affected the Arab oil boycott by using our agri-power against their petro-power.

The U.S. Department of Agriculture figures for the last half of 1973 show a 300 percent increase in food exports to the Arab countries over the same period in 1972.

Egypt, Syria, Jordan, Saudi Arabia, and Iraq are the countries that participated in the war against Israel. It is interesting to note that they took double their normal monthly supply in September, just prior to their surprise attack on Yom Kippur.

Control of food in time of shortage is a political club. Russia, which was faced with a famine in 1972, purchased our wheat at a ridiculous price, partially paid for by the American taxpayer through government subsidies.

The USSR will have wheat for underdeveloped nations while we run short. Is this possible? You bet it is.

Russia has sold grain to Italy, and more recently to India, to avert famine. In October, the United States cancelled a $3 billion debt which India owed us. Russia then sold two million tons of grain to India for cash.

We can and must control the available reserves of wheat in this country. We can control and must allocate food consistent with our needs and self-interests abroad.

Our complete lack of export controls and insatiable world demand has created a dangerous situation.

At this stage we can wait for the crisis due this summer, and then react to the emergency with a shoot-from-the-hip program. Or, we can act now while we have time to think.

The administration has taken the position that all exports are helping our balance of payments. This is not true, because there are no controls and we are paying higher prices at home.

A good program for the balance of payments would include the following:

All grain exports would have a 20 percent excise tax. This will be a double-tiered system which will not affect our domestic economy.

Special arrangements must be made for those countries that require relief assistance.

It is the job of the U.N., not America, to provide relief. We should sell our food to the U.N.; they will distribute it to the needy countries. Members of the U.N. can then return to America the dollars that otherwise would be used against us in international money markets.

The present administration does not want a Farm Product Export Board, because it would place all information out in the open. They feel that the grain companies operated best in competitive secrecy. Too many of our problems today are a direct result of that government secrecy.

Our current policy relating to exports is codified by the Export Administration Act of 1969. As interpreted by this administration, all three of the following criteria must be met before any export control system can be imposed: scarcity of supply, abnormal foreign demand, and domestic inflationary demand.

In view of the fact that all three of these criteria presently exist, there is no reason why the President should not establish the Farm Product Export Board now.

BLACK JUDGES IMPROVE QUALITY OF JUSTICE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. RANGEL. Mr. Speaker, recently WWRL, a New York City radio station aired an editorial on the increase in the number of black judges and of their impact on the quality of justice.

I would like to share that editorial with my colleagues, for it makes the important point that every area of our national life can be strengthened if we permit full participation by all of our people and allow the best of our Nation to serve us regardless of race, sex, or economic station.

The article follows:

BLACKS ON THE BENCH

There are now some 325 black judges sitting in various courts across the nation. Just 10 years ago there were about 70. Many critics have viewed with alarm this minority intrusion into what used to be the majority's world.

But WWRL believes that the results indicate that any changes have been all to the good. It's true that most black jurists come from humble origins. Because of this, they understand the problems of both the black and the poor. Many are inclined to be lenient with a first offender. And no longer is the testimony of a policeman regarded as something not to be challenged. This approach has rubbed off on many white colleagues. As result, the judicial atmosphere is not the same as it used to be. Today's disadvantaged defendant has a better chance at justice.

Black judges, on the other hand, hold no brief with violence. They often are tougher in such cases than their white counterparts.

This indicates to us, as we've said in the past, that the broader the talent pool the better the end result in any given field. That's why we keep reminding young blacks that the future does indeed belong to those who prepare for it.

HOUSE OF REPRESENTATIVES—*Wednesday, June 19, 1974*

The House met at 11 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

May your strength last as long as you live.—Deuteronomy 33: 25.

Almighty God, our Father, whose love never falters, whose light never fails, and whose life never fades, we bow our heads in this moment of meditation to open our hearts to Thy grace, our minds to Thy truth, and our spirits to Thy wisdom.

To our human strength add Thou Thy divine power; to our human love, Thy divine grace; and to our human wisdom, Thy divine truth that all that is right and good may come to new life in us and in our country.

As we pray do Thou forgive what we have been, help us to amend our ways, and by Thy spirit direct what we shall be; that Thou mayest come into the full glory of Thy creation in us and in all men. Through Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 14354) entitled "An act to amend the National School Lunch Act, to authorize the use of certain funds to purchase agricultural commodities for distribution to schools, and for other purposes."

The message also announced that the Senate agrees to the amendment of the House to a bill of the Senate of the following title:

S. 1585. An act to prevent the unauthorized manufacture and use of the character "Woodsy Owl," and for other purposes.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3458) entitled "An act to amend the Agriculture and Consumer Protection Act of 1973, the Food Stamp Act of 1964, and for other purposes," agrees to a conference requested by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. TALMADGE, Mr. MCGOVERN, Mr. ALLEN, Mr. HUMPHREY, Mr. YOUNG, Mr. DOLE, and Mr. BELLMON to be the conferees on the part of the Senate.

The message also announced that the Senate disagrees to the amendments of the House to the bill (S. 3007) entitled "An act to authorize appropriations for the Indian Claims Commission for fiscal year 1975," requests a conference with the House on the disagreeing votes of the two Houses thereon, and appoints Mr. Jackson, Mr. Metcalf, Mr. Abourezk, Mr. Bartlett, and Mr. McClure to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested.

S. 2201. An act to provide for the settlement of damage claims arising out of certain actions by the United States in opening certain spillways to avoid flooding populated areas.

PERMISSION TO FILE CONFERENCE REPORT ON H.R. 14434, SPECIAL ENERGY RESEARCH AND DEVELOPMENT APPROPRIATION ACT, 1975

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the managers may have until midnight tonight to file a conference report on H.R. 14434, making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Conference Report (H. Rept. No. 93–1123)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14434) "making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes," having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 9 and 20.

That the House recede from its disagreement to the amendments of the Senate numbered 2, 3, 4, 6, 8, 10, 11, 12, 13, 14, 16, 18, 19, 21, and 22, and agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$142,298,000"; and the Senate agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$261,278,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment, as follows: In lieu of the sum proposed by said amendment insert "$453,970,000"; and the Senate agree to the same.

The committee of conference report in disagreement amendments numbered 1 and 17.

George H. Mahon,
Jamie L. Whitten,
Joe L. Evins,
Edward P. Boland,
Tom Steed,
John M. Slack,
Julia Butler Hansen,
John J. McFall,
Elford A. Cederberg,
Glenn R. Davis (except amendment 17),
Howard W. Robison,
Joseph M. McDade,
Earl B. Ruth,
Managers on the Part of the House.

John L. McClellan,
John C. Stennis,
John O. Pastore,
Alan Bible,
William Proxmire,
Joseph M. Montoya,
Ernest F. Hollings,
Milton R. Young,
Roman L. Hruska,
Hiram L. Fong,
Mark O. Hatfield,
Ted Stevens,
Charles McC. Mathias, Jr.,
Henry Bellmon,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 14434) making appropriations for energy research and development activities of certain departments, independent executive agencies, bureaus, offices, and commissions for the fiscal year ending June 30, 1975, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

CHAPTER I

Environmental Protection Agency

Energy Research and Development

Amendment No. 1: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the Senate amendment, which provides language allowing the Environmental Protection Agency to hire passenger motor vehicles and to hire, operate, and maintain aircraft, in connection with their energy research and developemnt activities. Similar authority is available to the agency in connection with their other activities.

CHAPTER II

National Aeronautics and Space Administration

Amendment No. 2: Appropriates $4,435,000 for research and development as proposed by the Senate instead of $8,935,000 as proposed by the House. The legislative authorization for the $4,500,000 proposed by the House to initiate solar demonstration projects is still pending, and there is no budget estimate for this amount.

Amendment No. 3: Deletes contingency language proposed by the House.

CHAPTER III

Department of the Interior

Geological Survey

Amendment No. 4: Provides for the acquisition of one new aircraft as proposed by the Senate.

In a recent budget amendment from the Administration there was a proposal to reprogram approximately $855,000 provided in this bill for geothermal investigations to be used for management of geothermal leases. The managers on the part of the House and Senate are in agreement that no such reprogramming shall take place until such time as the actual funding requirements are known and the Department of the Interior submits for approval a formal reprogramming request to the House and Senate Committees on Appropriations.

Bureau of Mines

Amendment No. 5: Appropriates $142,298,000 for mines and minerals instead of $144,308,000 as proposed by the House and $137,298,000 as proposed by the Senate. The net decrease below the amount proposed by the House includes an addition of $3,000,000 for the Hydrane high-BTU gasification project at Morgantown, West Virginia; and reductions of $4,000,000 for research on stimulation of petroleum and gas production; $1,000,000 for research on tar sand and heavy oil production; and $10,000 for GSA space costs.

Amendemnt No. 6: Provides that $103,500,000 shall remain available until expended as proposed by the Senate instead of $100,500,000 as proposed by the House.

Office of Coal Research

Amendment No. 7: Appropriates $261,278,000 for salaries and expenses instead of $283,400,000 as proposed by the House and $258,378,000 as proposed by the Senate. The net decrease below the amount proposed by the House includes an addition of $5,000,000 for MHD (magnetohydrodynamics) to initiate design and planning work on an engineering test facility and to provide for additional research on MHD techniques and applications at the Montana College of Mineral Science and Technology and other units of the Montana University System; and reductions of $27,100,000 for "pioneer plant" projects; and $22,000 for GSA space costs.

Amendment No. 8: Provides $6,541,000 for administration and supervision as proposed by the Senate instead of $6,563,000 as proposed by the House.

Fuel Allocation, Oil and Gas Programs

Amendment No. 9: Deletes language providing $2,000 for official reception and representation expenses as proposed by the Senate.

Amendment No. 10: Appropriates $69,590,000 for salaries and expenses as proposed by the Senate instead of $59,700,000 as proposed by the House.

The managers on the part of the House and Senate are in agreement that funds provided under this heading for reimbursements to the States shall only be used for validated costs incurred by the States and local governments for specific activities authorized by the Federal Energy Administration Act. The FEA is directed to keep the House and Senate Committees on Appropriations fully informed on the criteria and guidelines used in the distribution of these funds.

Amendment No. 11: Provides language authorizing $10,000,000 for reimbursement to State and local public agencies as authorized by Public Law 93–275, section 7(d), as proposed by the Senate.

Office of the Secretary

Amendment No. 12: Appropriates $26,875,000 for energy conservation and analysis as proposed by the Senate instead of $27,400,000 as proposed by the House.

CHAPTER IV

Atomic Energy Commission

Operating Expenses

Amendment No. 13: Appropriates $1,032,690,000 as proposed by the Senate instead of $1,043,790,000 as proposed by the House.

Amendment No. 14: Adds language which provides that no funds shall be used for the field testing of nuclear explosives in the recovery of oil and gas, as proposed by the Senate.

The conferees are concerned about the shortage of natural gas. While a ban on nuclear explosives for the stimulation of natural gas in FY 1975 is included in the bill, the conferees feel that this technology is a potentially viable method of producing significant new amounts of energy for the United States. For example, a recent Federal Power Commission staff study included estimates that the amount of natural gas recoverable in the Rocky Mountain Region by fracturing techniques, including nuclear, may be as high as 300 trillion cubic feet.

Plant and Capital Equipment

Amendment No. 15: Appropriates $453,970,000 instead of $463,970,000 as proposed by the House and $433,970,000 as proposed by the Senate. The Committee of Conference is agreed that of the $20,000,000 added above the Senate bill, $17,000,000 is applied to the process equipment modification—gaseous diffusion plants project, and $3,000,000 is applied to the cascade uprating program—gaseous diffusion plants.

Department of the Interior—Office of the Secretary

Underground and Other Electric Power Transmission Research

Amendment No. 16: Appropriates $8,498,000 as proposed by the Senate instead of $8,500,000 as proposed by the House.

CHAPTER V

Department of Commerce

National Oceanic and Atmospheric Administration

Amendment No. 17: Reported in technical disagreement. The managers on the part of the House will offer a motion to recede and concur in the amendment of the Senate with an amendment appropriating $6,630,000 for "Operations, Research, and Facilities" instead of $19,157,000 for "Surveys, Investigations, and Research" as proposed by the Senate. The managers on the part of the Senate will move to concur in the amendment of the House to the amendment of the Senate.

The conferees are agreed that the funds provided are for reactivation and equipment costs associated with the *Discoverer*, the *Surveyor* and the *Miller Freeman* and for the cost of operating and manning these three vessels for a period of not to exceed 63 days each at sea in Fiscal Year 1975, for the purpose of conducting surveys, investigations and research connected with the environmental effects of offshore energy-related activities. The conferees further agree that costs for such other operations in FY 1975 which are not associated with offshore energy activities shall be reviewed in the normal procedure for FY 1975 appropriations.

The conferees agree further that all government agencies shall give preference to the use of government owned and operated vessels in contracting for work in connection with offshore energy activities.

Amendments No. 18 and 19: Change chapter numbers.

Federal Energy Office

Amendment No. 20: Appropriates $19,000,000 for "Salaries and Expenses", as proposed by the House instead of $18,000,000 as proposed by the Senate.

TITLE II

General provisions

Amendment No. 21: Changes title heading.

Amendment No. 22: Provides language, as proposed by the Senate, limiting the payment to the Administrator of the General Services Administration to not in excess of 90 per centum of the standard level user charge for space and services.

Conference total—with comparisons

The total new budget (obligational) authority for the fiscal year 1975 recommended by the Committee of Conference, with comparisons to the budget estimate total, and the House and Senate bills follows:

Budget estimate	$2,203,728,000
House bill	2,269,828,000
Senate bill	2,219,716,000
Conference agreement	2,236,089,000
Conference agreement compared with:	
Budget estimate	+32,361,000
House bill	−33,739,000
Senate bill	+16,373,000

George H. Mahon,
Jamie L. Whitten,
Joe L. Evins,
Edward P. Boland,
Tom Steed,
John M. Slack,
Julia Butler Hansen,
John J. McFall,
Elford A. Cederberg,
Glenn R. Davis
(except amendment 17),
Howard W. Robison,
Joseph M. McDade,
Earl B. Ruth,
Managers on the Part of the House.

John L. McClellan,
John C. Stennis,
John O. Pastore,
Alan Bible,
William Proxmire,
Joseph M. Montoya,
Ernest F. Hollings,
Milton R. Young,
Roman L. Hruska,
Hiram L. Fong,
Mark O. Hatfield,
Ted Stevens,
Charles McC. Mathias, Jr.,
Henry Bellmon,
Managers on the Part of the Senate.

NUCLEAR PLANTS FOR EGYPT

(Mr. OBEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OBEY. Mr. Speaker, we should not be too anxious to criticize President Nixon's offer to provide Egypt with a nuclear generating plant.

I am not exactly overjoyed with the idea of nuclear plants in the Middle East. But the administration argues that the real question is not whether the Egyptians will obtain nuclear plants, but the conditions under which they will obtain them—under the guidance of the Soviet Union or the United States. There is something to be said for that point of view.

That is why I think the proposal deserves an open-minded but complete review by the Congress. We must have assurances that any agreement contains adequate safeguards to prevent nuclear materials from being diverted to nonpeaceful purposes, the kinds of safeguards which the Canadians evidently did not have when they constructed a nuclear powerplant in India.

With such safeguards included in the agreement with Egypt, however, the administration proposal may well make long-term good sense.

NEED FOR EXTENDING VETERANS' EDUCATIONAL BENEFITS

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BIAGGI. Mr. Speaker, on May 28, the House passed a bill extending veterans' educational benefits for an additional 30 days. On that occasion, I reluctantly gave up my fight to pass a bill I introduced which would have extended these benefits for 2 years. I did so only after this body received explicit assurances that the House and Senate would complete all necessary action on pending veterans legislation by the end of June.

I come to you today alarmed over the lack of progress in adhering to the terms of this agreement. We find ourselves a mere 11 days from June 30 and no closer than we were on May 28 to having this legislation passed. The Senate has just today scheduled their bill for consideration. Despite the lofty assurances made on this floor, our veterans find themselves perched once again on the brink of disaster.

We are faced with the unlikely prospect of having the Senate pass their bill, having a conference committee complete final action, and then having both Houses ratify the final report—in only 11 days.

Must we once again make excuses to the hundreds of thousands of veterans who see the date of June 30 looming ominously close—a day on which many of them will be forced to prematurely terminate their educations and be forced to turn either to an uncertain labor market or public assistance.

Whatever they do, one fact will emerge. It was due to the inaction and insensitivity of this Congress that they were deprived of the education that would have led to the decent job and future they were expecting.

I, for one, will not tolerate the Congress turning its back on the brave men who risked their lives in defense of this Nation. Therefore, barring any spectacular progress, I will seek passage of my bill which will allow our veterans to continue their educations for 2 more uninterrupted years. I hope many of you will join me in this effort to show the veterans of today that the Congress really is concerned with their welfare.

STATEMENT OF REPRESENTATIVE BARBER B. CONABLE OF NEW YORK CONCERNING ECONOMIC LEADERSHIP

(Mr. CONABLE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONABLE. Mr. Speaker, like other Americans, I want to welcome the President back from what appears to have been a very successful mission for peace in the Middle East. Like other Americans, I am proud of the role the United States has played there and am grateful that it has turned out so well. We have come to accept a pattern of success in foreign affairs to the point where we are almost taking it for granted.

The same cannot be said about our economic policies. We are far from taking success for granted there; we are confused and troubled. I want to urge the President to address economic policy on the same priority level that he has given to foreign policy during recent months. As with foreign policy, Congress finds it difficult to speak with one voice about economic policy. For instance, some congressional leaders recently have been urging the return of wage and price controls, major tax cuts, and major revision of business incentives. In fact, there appear to be many versions of the appropriate economic policy within the Administration itself. We are reassured that the President has appointed a first-class economic coordinator in Mr. Rush, but already he is involved in a somewhat silly confrontation with the Joint Economic Committee as to procedural matters.

Mr. Speaker, at a time like this we cannot afford inattention and confusion in economic policy any more than we can afford confrontation in the diplomatic and military sphere. I want to express the real hope that the President will address the inflation issue, of so great concern to the American people, with great vigor. The kind of leadership possible only by the Presidency is needed to restore the confidence eroded by the sense of drift and defeatism which are major contributing factors to a deeply troubled economy, an increasingly disturbed consuming public and a gravely concerned business community.

CALL OF THE HOUSE

Mr. SCHERLE. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 303]

Ashley
Badillo
Blatnik
Brasco
Bray
Buchanan
Burke, Calif.
Carey, N.Y.
Chisholm
Clark
Daniels, Dominick V.
Davis, Ga.
Dellums
Diggs
Dingell
Dorn
Eckhardt
Fountain
Fraser
Frey
Fuqua
Gray
Hansen, Wash.
Hastings
Hébert
Holifield
Hosmer
Howard
Ichord
Jones, N.C.
Macdonald
Matsunaga
Mayne
Mosher
Moss
Murphy, N.Y.
O'Hara
Podell
Powell, Ohio
Rees
Reid
Reuss
Riegle
Rooney, N.Y.
Rose
Ruppe
Shuster
Smith, Iowa
Smith, N.Y.
Steele
Stratton
Stubblefield
Thompson, N.J.
Tiernan
Udall
Vander Jagt
Widnall
Wilson, Charles H., Calif.
Young, Alaska
Young, S.C.

The SPEAKER. On this rollcall 373 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

EXTENDED PHASING OF POSTAL RATE ADJUSTMENTS

Mr. DELANEY. Mr. Speaker, by direction of the Committee on Rules I call up House Resolution 1170 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. Res. 1170

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (S. 411) to amend title 39, United States Code, with respect to certain rates of postage, and for other purposes. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Post Office and Civil Service, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from New York (Mr. Delaney) is recognized for 1 hour.

Mr. DELANEY. Mr. Speaker, House Resolution 1170 provides for an open rule with 1 hour of general debate on S. 411, a bill to amend title 38, United States Code, with respect to certain rates of postage,

The primary purpose of S. 411 is to provide a measure of relief from rising postal rates for regular rate, nonprofit, and other preferred rate publications mailed under second class and controlled circulation rates of postage; nonprofit third class rate material; and for books, films, sound recordings, educational materials and other mail matter under special fourth class rates of postage. This would be accomplished by extending the "phasing-in" period for profit mailers from 5 to 8 years and extending the "phasing-in" period for nonprofit mailers from 10 to 16 years.

The total cost of S. 411 through the end of the proposed phasing period will be approximately $753.7 million. The phasing period ends in 1988.

Mr. Speaker, I urge the adoption of House Resolution 1170 in order that we may discuss and debate S. 411.

Mr. DEL CLAWSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as previously explained, House Resolution 1170 provides for the consideration of S. 411, extended phasing of postal rate adjustment bill, under an open rule with 1 hour of general debate.

The primary purpose of S. 411 is to extend the phasing in periods for certain second, third, and fourth class mailers to reach the point where they pay the full cost of delivering their mail.

The Postal Reorganization Act of 1970 provided for phasing increases in postal rates resulting under the act. The period was 5 years for profit-oriented mailers and 10 years for nonprofit mailers. The difference between the full and the phased rate, revenue foregone, was to be appropriated by Congress each year until the phasing periods were completed.

This bill extends the phasing in period for profit oriented mailers from 5 to 8 years and extends the phasing in period for nonprofit mailers from 10 to 16 years. The bill provides that no rate of postage currently in effect would be reduced. Finally the bill provides that appropriation requests of the Postal Service are required to be submitted to the Congress by the President without revision, though the President may make recommendations.

The committee report contains a letter from OMB stating strong opposition to the bill. OMB notes that existing phase in periods are already costing $1,600,000,000 and this bill would add an additional $753,700,000 to that cost through the end of the proposed phasing period in 1988.

Minority views were filed by Members Gross and Bafalis opposing this bill. They object to taxpayers subsidizing publishers in even larger amounts when excessive Government spending is a prime cause of inflation. They note that the full Committee on Post Office and Civil Service considered this bill for only 22 minutes before reporting it out. They conclude that "S. 411 is special-interest legislation in its worst form. It is a blatant, unjustified, unwarranted, and totally unconscionable raid on the Federal Treasury."

Mr. Speaker, the resolution does provide an open rule with no waivers or exceptions and I recommend its adoption.

Mr. QUILLEN. Mr. Speaker, will the gentleman yield?

Mr. DEL CLAWSON. I yield to the gentleman from Tennessee.

Mr. QUILLEN. Mr. Speaker, I rise in support of the rule and S. 411, which would provide a measure of relief to newspapers and magazines, as well as nonprofit materials and books, now suffering from rising postal rates.

Under the present law, increases in the phasing periods authorized for postal rate increases of second class regular rate matter—magazines and news papers—special fourth class matter—books and records—and controlled circulation publications is 5 years. S. 411 would extend this to 8 years.

Increases in the phasing periods authorized for nonprofit mail matter is now 10 years. S. 411 would increase it to 16 years.

This measure does not set rates for the publications I have mentioned, but it simply phases the rates in over a longer period of time, as I indicated.

Since May of 1971, second-class regular postal rates have been increased by 74 percent; by 1976 it is estimated they will increase by at least 217 percent. Although prices in general are going up, no publishing cost is increasing annually by as large a percentage as postal rates.

These enormous increases in postal rates are endangering the reading public. The costs are so large that many publications simply will not be able to absorb them, and there is a real danger that several newspapers and periodicals will be forced out of business because of higher postage cost. Also, the activities of thousands of nonprofit organizations and educational institutions could be seriously curtailed if this measure is not enacted.

I am particularly concerned with the provision providing for additional phasing for special rate fourth-class mail, which embraces books and other educational materials.

From 1938 until 1958, books were the only materials in this special category. In 1958 Congress added other categories of educational materials upon the recommendation of the Post Office Department. Included are books, 16 millimeter or narrower film strips, which are not sent to commercial theaters, printed music, printed objective test materials and accessories thereto, used by or on behalf of educational institutions, sound recordings, playscripts and manuscripts for books, periodicals and music, printed educational reference charts and loose-leaf pages and binders therefor, consisting of medical information for distribution to doctors, hospitals, medical schools and medical students.

It should be borne in mind that as a legal and practical matter no significant amount of advertising can be carried in anything shipped under special rate fourth-class.

It should also be borne in mind that the special rate fourth class is available, not only to libraries and educational institutions, but to the general public. Any citizen can send a book to a friend or ship parts of his personal library to a college library as a gift at the same rate as the shipment of books to bookstores, libraries, and other individual consumers.

Libraries and individuals pay the postage on book shipments received by mail, and libraries receive more than half their incoming volume of books by special rate fourth-class mail. In some instances, especially for school and public libraries in rural areas, upward of 90 percent of new volumes come through the mail.

The more libraries must spend for postage, the less they have to spend on materials. Congress first gave recognition to the need for the flow of educational, cultural, and scientific materials through the mails in the form of books in 1942. The growth in consumption of books, per capita, in the United States to the highest level in the world is not unrelated to this far-sighted policy.

In 1973 the Postal Rate Commission recommended a 70-percent increase in postal rates for books. This is 6 to 8 times greater than the average yearly increase voted by the Congress over the period from 1940 to 1970. Rate increases of this magnitude are bound to have an adverse impact on the distribution and consumption of books and other educational materials.

As we all know, schools and libraries are already under great financial pressure, and since over 50 percent of book shipments through the mails are to schools, libraries, and college stores, the impact on these institutions is bound to be severe.

The purchase of materials by academic and public libraries consists, overwhelmingly, of books, with a much smaller amount spent for magazines, journals, and newspapers. A survey, conducted by the R. R. Bowker Co. for the year 1968, shows that university and college libraries spent 73 percent of their funds for books and 19.9 percent for periodicals, while public libraries spent 86.1 percent of their funds for books, and 7 percent for periodicals.

Freedom of information is one of the top priorities in our country and, historically, the postal rates for these classes of mail have been kept low to encourage the free flow of ideas. The data contained in these magazines, newspapers, books, and so forth, is crucial to our educational and cultural interest.

It is a small cost that we pay by virtue of this legislation to insure the concept that is basic to our democracy that all of our people have free and easy access to books and other printed materials and to insure that we maintain the free flow of printed words throughout our Nation.

Mr. DELANEY. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. HANLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 411) to amend title 39, United States Code, with respect to certain rates of postage, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from New York (Mr. HANLEY).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the Senate bill (S. 411) with Mr. ADDABBO in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from New York (Mr. HANLEY) will be recognized for 30 minutes, and the gentleman from Iowa (Mr. GROSS) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Chairman, I yield myself 10 minutes.

Mr. Chairman, today we are debating a bill of great importance to the American people. By passage of S. 411, Congress will reaffirm the principle that one of the most important functions of the mail is to provide a channel through which the public can receive printed news, opinion, and charitable solicitations and publications at reasonable cost.

The bill passed the Senate by an overwhelming vote of 71 to 11. The Postal Service Subcommittee approved the measure by an 8-to-0 vote, and the full committee ordered the bill reported by a vote of 23 to 2.

S. 411 is an uncomplicated bill which makes no basic changes in the postal rate policy written into the Postal Reorganization Act of 1970.

In the Postal Reorganization Act of 1970, we provided that nonprofit mailers in certain categories be given a total of 10 years to absorb increased rates promulgated under its new ratemaking provisions. Commercial mailers of second, third, and fourth class special rate material were given 5 years. S. 411 would increase these periods to 16 and 8 years respectively, excluding advertising matter sent under the regular third class bulk rate.

Experience has shown that the size of subsequent increases was severely underestimated and the ability of the mailers to adjust rapidly to the increases was severely overestimated. Thus we are faced today with a crisis in the publishing industry and among nonprofit organizations which, no matter how you look at it, will be detrimental to the American public.

At best, the extremely heavy postal rate increases already placed into effect or proposed will accelerate a trend toward a diminution in the quality of magazines and newspapers and the creation of publications aimed at narrowly focused, high income markets.

At worst, they will mean that many commercial and nonprofit publications will severely curtail their activities or go out of business altogether. And nonprofit organizations, libraries, and educational institutions will have more of their income diverted away from the purposes for whch they were created.

From any of these perspectives, the American public is the loser because of the inexorable reduction of the availability of a broad range of news, opinions, and charitable activities using the written word which forms the foundation of an enlightened public opinion.

And make no mistake about it, the increases have been staggering. When we add Postal Service proposals now pending before the Postal Rate Commission to rate schedules approved in 1972, rates will have gone up since 1971 for some of the categories of mail affected by this bill as follows:

For commercial magazines and newspapers, the rates will rise by an average of 217 percent. For many, the increases will be much larger.

For nonprofit publications, the average increase will be 574 percent. Some nonprofit magazines have testified that their rates will soar by at least 800 percent by the time the full rate is achieved.

For small commercial and nonprofit publications mailing within the county of their publication, rates will rise by an average of 334 per cent.

Nonprofit bulk mail will rise by about 36 percent, the special book rate by 150 percent and the library rate by 180 to 200 percent.

Much of the discussion concerning this legislatoin has centered around the ability of those affected to absorb the increase without great dislocation. Generally, opponents have cited only a few publishing giants which have resources far beyond their publishing activities.

Even these figures are misleading. The minority report points to the profits of the three largest publishers, yet two of these three are conglomerates which engage in many profitable activities other than publishing. Time, Inc., for example, reports that less than half of its income comes from its publishing ventures.

And, these three companies, while accounting for 13 percent of second class regular rate volume, will generate only 5 percent of the additional cost of S. 411.

And the minority report totally ignores the countless magazines which operate on a perilous profit margin. The editor of Southern Living and Progressive Farmer has stated that rate increases will wipe out half of his profit, severely limiting his ability to put out magazines of broad appeal.

Last year, the New Republic lost $30,000. The single phased increase scheduled in July will double that loss. The publisher of a well-known literary and cultural magazine informed us last year that the increased rates would equal his total profit, and this of course did not include the new increases which have since been proposed. Reflecting the plight of many small magazines, Progressive magazine has never shown a profit and relies on donations to remain alive. Without the assistance S. 411 provides, many magazines and newspapers will be placed in mortal financial danger.

And when we look at the industry as a whole, the picture is anything but bright. A Price-Waterhouse study of a representative sample of consumer magazines shows that after tax profits in 1972 were only 2.65 percent. On an industrywide basis in 1972, postal costs amounted to 9 percent of revenue. And this was before the most severe increases took effect. The impact will begin to be felt most heavily with the next phased increases scheduled for July 6, 1974.

Magazines and newspapers have difficulty in matching increased postal costs with increases in advertising and subscription revenues. Competition for the advertising dollar with other forms of media is particularly intense, and long-term magazine subscriptions prevent dramatic increases in this form of revenue except over relatively long periods of time. In addition, many other devices which would be used to cut postal costs have already been instituted by magazines and newspapers.

Many have already reduced the size and quality of their publications, began printing on lighter paper, and the like. In other words, the industry has already made severe adjustments—including the discontinuance of some publications—in attempting to cope with the postal rate increases. There is a limit to what they can absorb without extension of phasing, and extensive testimony has convinced the committee that the limit has been reached.

However, it must be emphasized that phasing for commercial magazines and newspapers account for less than half of the modest cost of S. 411. Nonprofit mailers will be significantly aided by S. 411, and, as should be clear to all, these institutions are even less able to absorb heavy postal rate increases without a serious decline in the services which they offer.

As a representative of the American Legion Auxiliary bluntly stated during our hearings:

> The postal rate increases will not allow our publications to survive.

Similar comments have been received from representatives of Catholic, Protestant, and Jewish press organizations, AFL–CIO and other labor unions, veterans groups such as the American Legion, Disabled American Veterans, and VFW, the American Library Association, and many other nonprofit groups. All of the organizations which I named are supporting S. 411.

Last year, the rule was defeated on another bill, H.R. 8929, which dealt with the same subject matter as S. 411.

H.R. 8929 was a far more complex and expensive bill than S. 411. H.R. 8929 extended phasing for commercial publications by 4 years in biennial increments. It provided permanent subsidies for nonprofit and smaller commercial publications, and changed the size and weight limitations for parcels mailed from first-class post offices.

In contrast, S. 411 merely extends the phasing periods as I have described above.

The cost of H.R. 8929 through 1980 was estimated at $865.5 million and the permanent subsidies would have cost $84.4 million every year thereafter. The proposed rates now pending before the Postal Rate Commission would have raised that cost to about $1.15 billion through 1980 and at least $100 million every year thereafter.

On the other hand, S. 411 will cost a total of $753.5 million through 1988 and nothing thereafter. And this cost includes the rate proposals currently pending before the Postal Rate Commission.

Finally, S. 411 contains a provision requiring that Postal Service appropriations requests be sent to Congress without revision by the President. The President may, however, transmit his own recommendations.

This language merely clarifies our intent when we passed the Postal Reorganization Act in 1970 which specifically exempted the Postal Service from Federal budget laws. It would simply prevent OMB from altering the appropriations requests by the Postal Service to cover the costs of the congressionally mandated phasing for certain classes of mail.

In summary, S. 411 is a bill designed to benefit the American public by supporting our historic policy of providing, through the mails, a relatively inexpensive means by which the public at large can receive the printed word. The bill breaks no new ground, but merely extends the phasing periods already provided by law.

I strongly urge its passage.

Mr. GROSS. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I am opposed to the enactment of S. 411. The bill is a blatant unjustified, unwarranted, and totally unconscionable raid on the Federal Treasury. It is special-interest legislation in its worst form.

At the outset, I want to emphasize that this bill is identical in purpose to H.R. 8929 which the House refused to consider last year on July 23 by defeating the rule.

Both bills would grant additional large subsidies to magazines, newspapers, books, and records by requiring the taxpayers to pick up their postal costs. The bills differ only in their approach to bilking the taxpayers.

H.R. 8929 was more complicated—and would have cost the taxpayers $865 million. S. 411 is less complicated—it simply extends the phasing-in periods an additional 3 years for profit publications and 6 years for nonprofit publications—and will cost $753 million.

Also, S. 411 represents a "compromise" only in that the divergent views of the various lobbyists with respect to H.R. 8929 have now been resolved, and they are all in solid agreement in the same trough with the more simple dip into the Treasury as provided in S. 411.

I would also urge that you not be misled by arguments that this particular bill is needed—under the guise of promoting education and culture—to help financially depressed small publishers. The facts are that this bill will subsidize all publishers.

The facts also are that those whose hearts are bleeding here today for the small publisher could very well have made an exception in this bill for that category of publisher.

In fact, the big beneficiaries of the increased subsidies are the big publishers. For example, the combination of just three publications—the Reader's Digest, Time, and the Wall Street Journal—will get 25 percent of the additional subsidy that is being proposed for so-called regular-rate publications. If, indeed, the true intent of legislation of this nature were to help small publishers, a bill could have been drafted very easily that would have applied only to publications with limited circulation or to those containing little or no advertising.

In any event, the basic decision that faces us today, in my opinion, is whether or not we are going to vote for a bill which will require the taxpayers to pick up an additional $753 million share of publishers' postal costs—and whether we are going to take this action in view of the following facts:

First, all the evidence available conclusively shows that the publishing industry today is in good, financial condition and that future prospects for this industry are brighter than for most other segments of the economy. There is simply no evidence that rate increases so far have had any serious adverse financial effect on this industry.

Second, postage costs for publishers are already being heavily subsidized by the taxpayers as provided in the Postal Reorganization Act. The publishers are not required to make any substantial contribution to institutional costs. And, by reason of the 5- and 10-year-phasing periods already in the law, the taxpayers—under present postal rates—are picking up $1.6 billion of the postal costs the publishers should now be paying.

In 2 weeks, perhaps next week, the House will be considering the appropriation bill for the Postal Service. Included in this bill will be the revenue-foregone subsidy for fiscal year 1975 in an amount of $571 million. Of this amount—for this 1 fiscal year alone—$325 million will be the specific subsidy Congress will be giving to mailers of second-class publications, books, and records under existing law.

Third, we are in the midst of the worst inflation in our Nation's history. A time such as this, when every economist in the country is calling for reduced Federal spending is no time for Congress to be enacting legislation which will commit the Federal Treasury to additional unbudgeted and uncalled for spending in an amount of $753 million.

Mr. Chairman, the minority views on this bill, which are available to each of the Members, document in detail the major arguments in opposition to this legislation.

However, in my opinion, the overriding, simple issue, is whether we should vote for legislation which will give the Wall Street Journal a total subsidy of $38.7 million over the next 6 years—when it is already getting a taxpayers' subsidy of $23.3 million—and when its financial report for 1973 shows a profit of $23.3 million, up 17 percent from 1972.

Or, using another example, should we increase Time's existing subsidy of $17.9 million to $29.7 million—when it showed a profit last year of $49.9 million, an increase of 30 percent over 1972, and when its first quarter earnings for 1974 were up 22 percent over the first quarter of 1973?

Are we going to give the Reader's Digest—which now enjoys a tax subsidy of $19.4 million—an additional $12.5 million, for a total of $32 million—in view of the fact that it is one of the most profitable privately owned corporations in America? Its May 1973 edition alone carried $8.1 million in advertising—a world record for a single issue of any periodical.

Remember this, I would say to the Members of the House, that it was these publications and many others that contributed a slush fund to the Citizens Committee for Postal Reform which backed the Postal Reform Act. The Postal Reorganization Act—provided that the Postal Rate Commission from then on out would fix postal rates. It was these and other publishers who contributed between $300,000 and $400,000 to a slush fund to put over the Postal Reorganization Act that is now in effect, and which they now refuse to live with in the matter of rate effectiveness.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I will yield briefly to the gentleman from Michigan.

Mr. FORD. Mr. Chairman, the gentleman from Iowa deserves to be complimented, because he has been more constant and consistent than any other Member of the House in his opposition to the creation of the Postal Corporation. I have on previous occasions apologized publicly to the gentleman because I did not follow his lead and vote against the Postal Corporation. That is why I find myself quite amazed that the gentleman would oppose this bill, and defend the irresponsible methods of the Postal Rate Commission in the way they have increased the rates on educational and cultural materials going through the mail.

Mr. GROSS. Mr. Chairman, I cannot conceive of how any Member of Congress can vote for the massive, unjustified postal rate subsidies contained in this bill under these conditions, particularly at a time when we are losing a desperate battle against inflation; at a time when the average taxpayer is hard pressed just to make ends meet; and at a time when his own costs of doing business with the Postal Service have risen—this individual citizen—have risen 66⅔ percent in 3 years—which costs, incidentally, no one seems interested in subsidizing.

Mr. Chairman, the massive, unjustified additional subsidy contained in this bill is reason enough for its defeat. However, there is another provision in the bill which is equally onerous and which also justifies its rejection.

I refer to section 3 of the bill which has the effect of restricting the President's presentation of the Postal Service budget. The language in this section requires the President to ask Congress for the subsidy and specifically prevents him from making any revision in the amounts to be included in his budget. This is an unprecedented subversion of the budget and the Accounting Act. It is a brash attempt to make sure that the subsidies flow unrestricted into the coffers of the magazine, newspaper, and book publishers, contrary to any sound fiscal management. This is fiscal irresponsibility in a refined degree and certainly is an additional compelling reason for rejecting this bill.

Mr. Chairman, yesterday evening, only about 18 hours ago, the House by an overwhelming vote of 401 to 6 gave its final approval to a so-called Budget Control Act. It is designed, we were told, to restore fiscal sanity and responsibility in the Federal Government through the exercise of discipline and restraint on the part of the legislative and the executive branches, discipline and restraints on profligate spending which is fueling inflation and driving the Nation toward insolvency.

In voting for that measure yesterday, did 401 Members of the House vote to bring the budget and spending under control, or did they merely vote for legislation on the basis of which they could campaign for reelection? To those who voted for the Budget Control Act I say that here and now, with S. 411, is their opportunity to demonstrate that they meant what they said by their vote. Here is their opportunity to stop a $753 million raid on the Federal Treasury.

Mr. Chairman, this is bad legislation, and I urge that it be defeated.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from New York.

Mr. HANLEY. I thank the gentleman for yielding.

I do want to point out that the Postal Service is exempt from the Budget Reform Act by virtue of a law of 1970, and reiteration just yesterday in a letter from the Office of Management and Budget, which I quote:

> It is our view that the Budget Reform Act as recently reported out of conference does not cover the Postal Service.

Mr. GROSS. Let me remind the gentleman that I only referred to the Budget Control Act on the basis that those who voted for it yesterday must have accepted the arguments that were made that restraints and disciplines upon the drains on the Federal Treasury were the issue, and that those drains must be stopped because of their inflationary pressures.

This is the only reference that I have made here today to the Budget Control Act, and it was certainly implied in the votes of those who approved it that they were interested in the most expeditious action that could be taken to put these restraints into effect.

By voting today for this bill for a $753 million raid on the Federal Treasury, the Members who supported yesterday's budget control legislation will be repudiating their votes.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. WYLIE. Do I understand from the statement of the gentleman from New York that we are already making exceptions to the Budget Control Act which we just passed yesterday, that the $750 million provided for in this bill will be an exception to budgeted items?

Mr. GROSS. Of course, it will have to be. It is unbudgeted. It may never be budgeted if this bill is passed.

Mr. WYLIE. Further as I understand the statement of the gentleman from New York, the Budget Control Act which we passed yesterday does not apply to this legislation. Money in this bill would be excepted from the Budget Control Act? Did I understand correctly?

Mr. HANLEY. Mr. Chairman, if the gentleman will yield, the gentleman is correct.

Mr. GROSS. But the purpose of the Budget Control Act was to put restraints on spending.

Mr. WYLIE. Mr. Chairman, if the gentleman will yield, how many such exceptions will we have to the Budget Control Act? Will this be just the first one of many?

Mr. DEVINE. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. DEVINE. Mr. Chairman, am I accurate in my understanding of the gentleman's statement that we have legislation here that will cost the taxpayers three-quarters of a billion dollars and this is not included in the budget and this will violate the budget in that amount?

Mr. GROSS. It is not included in the budget.

Mr. WRIGHT. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, I congratulate the gentleman on the statement he is making particularly with reference to his opposition to this so-called Postal Reform Act. I was one of those who voted with the gentleman in opposing that when it was initially foisted upon us.

Is it not true that under that act the Post Office comes under an entirely separate arrangement, where the Postmaster General, or whatever we call the head of this Corporation, does not even have to go to the Office of Management and Budget but has a sort of carte blanche to present his due bill to the Congress in whatever form it exists?

Mr. GROSS. That is true.

Mr. WRIGHT. Could the gentleman tell me how much money in this particular fiscal year we are still picking up as a postal deficit?

Mr. GROSS. Without this bill, if all the requests are met, we will appropriate $2 billion for the Post Office Department.

Mr. WRIGHT. So we have $2 billion this year to pick up their loss in operating revenues. And was it not the theory when we passed the so-called Postal Reform Act, which, in my judgment, was not reform, but retrogression, that this would make revenues come out even and we would not have any more postal deficits.

Mr. GROSS. That is exactly right and that is why the Congress delegated to the Postal Service Corporation, so-called, the ability to fix rates through the Rate Commission.

Mr. WRIGHT. I am not at all sure I believe the Post Office ought to operate in the black necessarily or I do not think it ought to be a moneymaking operation. It is essentially a service. But can the gentleman tell me, is there any less deficit we are having to pay for than we were paying for when Congress and the people had control over the Post Office?

Mr. GROSS. The $2 billion would be the largest amount ever appropriated to the Post Office Department in the history of this country. And let me say this to the gentleman, that it was the agreement to provide the Post Office Department, when the reorganization took place, with approximately $1 billion a year which would cover postage foregone, preferential rates for nonprofit publications, and so on and so forth, but this has gone far beyond anything that the Congress contemplated.

Mr. WRIGHT. If the gentleman would yield further, am I correct, as I believe I am, in the summation that since the so-called Postal Reform Act the Postal Service has measurably declined, postal rates have measurably increased, and notwithstanding that fact the deficit we are picking up and the taxpayers are paying for has also increased?

Mr. GROSS. There is no question but what the Postal Service operation is most extravagant. There is no question about it.

Mr. WRIGHT. I thank the gentleman.

Mr. CARTER. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Kentucky.

Mr. CARTER. Mr. Chairman, I would like to ask my distinguished friend, the gentleman in the well, if he has visited the imposing quarters of the Postmaster General Mr. Klassen. Has the gentleman ever visited Mr. Klassen's quarters in his new office?

Mr. GROSS. No, I have not personally visited his new quarters.

Mr. CARTER. I understand from reading in one of the leading newspapers here in Washington that they are extremely sumptuous with alabaster walls and imported rugs and the very finest of everything, all at the expense again of the taxpayer. Furthermore, that there are 12 rooms for the different members of the board which are seldom used, but are furnished in the same sumptuous manner.

I think that this goes through the leadership or the appointees of the Postmaster General. Certainly I think the taxpayers of this country should rebel against excessive expenditure. Does the gentleman agree?

Mr. GROSS. Yes. I just got through saying that I think there is too much extravagance in the operation and too little solid management in the operation of the Postal Service as it now exists.

Mr. CARTER. Again I would ask the gentleman if the Postal Service has not diminished throughout the country?

Mr. GROSS. That is the contention, and I agree.

Mr. CARTER. As an observer and as a Member who has, I think, the second or third largest number of rural post offices in the Nation, I must say that it has diminished immeasurably. The mail service is much poorer. Not only that, I have evidence of nepotism in the program in my district.

Mr. GROSS. I think if the gentleman would look further, he would find not only nepotism, but cronyism.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Ohio.

Mr. WYLIE. Does first-class mail now pay its own way?

Mr. GROSS. Yes; first-class mail does pay its own way at 10 cents per ounce and there is no subsidy for the citizens who use that service.

Mr. WYLIE. We have told people who mail letters that the Postal Service is a business operation and we must increase the cost of first-class stamps so that it will be maintained as a business operation.

Mr. Chairman, if you believe that the classes of mail provided for in this bill need a subsidy, then the provisions of current law are quite adequate in this regard. S. 411 is a blatant example of special interest legislation, and there is no rational basis to support a vote in favor of this proposal. One of the purposes of the Postal Reorganization Act of 1970 was to get politics out of the ratemaking process in the hope that the new Postal Service Corporation would operate in a businesslike manner with each service offered paying its way. This bill is definitely a departure from this concept.

This bill is also inflationary for it will commit an additional three-quarters of a billion dollars in Federal spending as an unbudgeted outlay. Possibly, this is one of the reasons that the committee reported this bill without any hearings after a grand total of 22 minutes of deliberations. Someone is trying to pull a fast one with S. 411, and I strongly suggest that you vote against this raid on the Treasury.

Passage of this measure would create a precedent that would encourage other postal users to seek similar subsidies and phase-in extensions. We have told people who mail letters that the Postal Service is a business and all of its customers must pay a rate sufficient to finance the service provided and yet we come in here and say we really did not mean it except for individual mailers.

I could not in good conscience vote for this bill in its present form.

Mr. HANLEY. I yield to the chairman of the full committee, the gentleman from New York (Mr. Dulski) such time as he may consume.

Mr. DULSKI. Mr. Chairman, I rise in support of the bill S. 411.

The thrust of this bill involves congressional policy in the matter of postal rates for certain specified classes of mail.

As you know, under the Postal Reorganization Act of 1970, this body decided that future postal rate increases for both commercial and nonprofit mailers needed to be phased in. This was necessary in order to lessen the impact of these increases and thus give these mailers a reasonable time to adjust to the substantial rate increases anticipated as a result of this act.

Prior to postal reform, and for as long as I can remember, the Congress recognized that the service provided by news publications was most desirable and should be encouraged. To this end, postal rates for these classes of mail were traditionally low and did not bear the costs incurred by the Post Office Department for their handling and delivery.

This long standing policy was revised with passage of the Postal Reorganization Act, which now requires each class to pay all its attributable costs plus a share of so-called institutional costs. Hence, under this new statutory requirement, the new postal rates would reflect mammoth increases for these classes.

Congress recognized that the resultant large rate increases would have disastrously adverse effects on these mailers. Therefore, it established the policy that rates for certain classes of mail would be phased in over a period of time.

S. 411 reaffirms this postal policy and recognizes that the original period for phasing rates is not sufficient. The purpose of the bill, therefore, is merely to provide an extension of the period for phasing in these rate increases—3 additional years for mailers of commercial publications, except regular third-class bulk mail, and 6 additional years for mailers of nonprofit publications.

I recognize that there are certain commercial publications which enjoy a healthy profit factor and, if taken alone, would not need this legislation. The fact remains, however, that there are hundreds which are economically marginal—whose very existence is threatened by huge postal rate increases.

Also, thousands of publications for veterans' groups, labor organizations, consumer groups, religious and charitable organizations, are seriously threatened by these rate increases.

The question is—should we, as policymakers, deny additional time for these mailers to adjust to these rate increases, or, stated another way, should we continue present law, ignoring the disastrous results which are sure to follow?

In my opinion, we can best serve our constituency by passing S. 411. For it is in the best interest of this Nation that the printed news media remain vital and viable. Recent events have demonstrated its importance to the country. No matter how you analyze it, freedom of the press, recognized by our Founding Fathers as the foundation of the Republic, is directly endangered by high postal rates. The Congress should do all that it can to prevent this from happening.

I want to make one other point. Contrary to public belief, the subsidy contemplated under this legislation is not solely for the magazine industry. Ultimately, it is a direct monetary benefit for the public. It is clear that many magazines which cannot pass the increase on to the consumer will soon stop publishing. Those which remain will not absorb these costs but will pass them on to their subscribers. The eventual beneficiaries then, in my view, are the citizens of our Nation who will pay less for magazines and continue to be well informed by the printed media.

Mr. Chairman, I strongly urge my colleagues to support passage of this bill.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. DULSKI. Mr. Chairman, I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, I have been reading a series of articles in the Washington Post. I wonder if the gentleman can verify some of the questions which have been raised in that series. For instance, it mentioned that mail costs to first class users have been increased by $1 billion per year to cover the expenses of second-, third-, and fourth-class users.

Can the gentleman verify that?

Mr. DULSKI. I do not know where the figures came from. The only thing is that I can assure the gentleman that on July 2 and 3, my committee will have open hearings on the entire question as it relates to Postal Service. The gentleman from New York (Mr. HANLEY) and Mr. WILSON have scheduled hearings in the next month.

I do not know where the reporter got all his figures. Some of the information he receives from our committee. Beyond that, I would not like to comment on series in the Washington Post at this time.

Mr. GROSS. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, I rise in support of S. 411 which is, I believe, a reasonable modification of postal policy.

In writing the Postal Reorganization Act of 1970, the Congress properly removed itself from the process of fixing the rates of postage for the various classes of mail. However, the Congress, at the same time, established the policy that the impact of increased rates under the new "break-even" mandate should be minimized. This was accomplished by establishing in the law certain phasing periods for profit and nonprofit categories of mail.

The legislation before us is the result of a reexamination of that phasing policy. It provides for an extension of these phasing periods in view of the unexpected and unanticipated postage increases which have been experienced under the provisions of the law.

Under this legislation the phasing period for certain commercial mail matter is increased by 3 years, to a total of 8, rather than the 5 years which is presently provided by law. The phasing period for nonprofit mail matter is increased by 6 years, to a total of 16. While I am convinced that such an extension of the phasing is justified, I regard it as a one-time adjustment. I see no need for, and could not support, an indefinite continuation of these postal subsidies.

In supporting this legislation, my concern is for the smaller publications and journals on whom the rate increases have the more serious effect. While relief will be granted under this bill to some who are not in as great a need for it, we cannot exclude a few while we give it to others. Because it is the vital dissemination of printed information and ideas which is at stake, I believe we should lean in favor of the broad approach to make sure we keep in business those small journals which have meant so much to our Nation's history.

As the committee report quite properly points out, the activities of thousands of nonprofit organizations and educational institutions could be seriously curtailed if S. 411 is not enacted. Congress historically has provided lower rates for the nonprofit classes of mail. The Postal Reorganization Act continued this policy, in the form of phased rates, and therefore the provisions of this legislation are consistent with both past and present congressional policy.

Of course, the real answer is that the legislation is not being enacted to benefit the publishers, but rather to benefit the reading public; it is the reader who is the beneficiary of the additional subsidy since it would guarantee him a variety of publications at a reasonable price. Publishers are not that different from any other business; if their profit margins are cut too severely, they will simply elect to put their capital into a different, more profitable, business enterprise. Thus, postal costs become a material consideration as to whether a large publishing house will use its capital to launch new publications and improve the quality of its current publications, or whether it will put that capital into other ventures, such as paper manufacturing or other allied fields.

It is also obvious, but nevertheless not well understood, that a large circulation publication is not necessarily a financially sound publication. Conversely, a small circulation publication may have a very healthy financial condition. Large publications can be and often are a very valuable national resource that should be continued. It should be remembered that Life magazine was killed not by disinterest on the part of its readers, but rather by a decision by advertisers that there were more effective ways of reaching the market that the advertisers wanted to reach. Life magazine was widely read and desired by many diverse parts of our society; it was an extremely valuable communication medium, and and the country is poorer for its loss.

The question is who is the ultimate loser: Time, Inc., or the American people? Immediately after suspension of publication of Life magazine, the stock of Time, Inc. rebounded sharply on the stock market, and its profit structure was substantially improved. Time, Inc. did not need a larger postal subsidy in order to make money; it made money by ceasing to publish Life magazine. However, it did need a larger postal subsidy if it was going to continue to publish that magazine. Thus, it seems clear that the American people were the loser, and not Time, Inc. Time, Inc. is now making more money, but the American people have lost an irreplaceable communication medium.

Section 3 of the bill requires that the budget requests of the Postal Service for public service and revenue foregone appropriations be submitted to the Congress by the President without revision.

The effect of this section is to preclude the Office of Management and Budget from indirectly adjusting postal rates, because any revision OMB would make in the revenue foregone appropriation would have an effect on the phased rates the mailer is required to pay or eliminate phasing altogether. While the objection of OMB to this provision of the bill can be appreciated from the standpoint of preparing a budget, nevertheless the role of postal ratemaking is not one that belongs to OMB. The Congress, in the Postal Reorganization Act, gave this authority to the Postal Rate Commission and the Postal Service.

In its report on S. 411, the Postal Service states that it does not oppose section 3 of the bill, and points out that this provision will make it easier for Congress to deal with revenue foregone appropriation requests.

It would not be proper for OMB to intercede into the postal ratemaking procedure, and very probably they would not wish to do so. The language of section 3 of the bill would insure this separation of duties and authority.

It should also be pointed out, Mr. Chairman, that S. 411 is significantly different from the legislation brought before the House last year, H.R. 8929. That legislation proposed permanent subsidies in the form of a one-third discount on rates for the first 100,000 copies of profit publications and the first 250,000 copies of nonprofit publications. It provided for biennial phasing rather than annual phasing steps, and therefore was a considerably broader and more expensive proposal.

Mr. Chairman, because S. 411 deals strictly with an extension of the phasing periods without the gimmicks which were built into the prior House bill, I believe S. 411 can be justified and I urge its approval.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. Yes, I will be happy to yield to the gentleman from Iowa.

Mr. GROSS. The gentleman does not take into consideration any rate increases that may take place in the meantime over that extended period of time; there might be a rate increase each year.

Mr. DERWINSKI. No; not in each year, every other year if the pattern of labor-management agreements continue. But, of course, we cannot speculate on that. That would depend on the contract that the Postal Service works out with its employees.

However, Mr. Chairman, I would like to clarify one other point: H.R. 8929, the rule on which was rejected, had a basic price tag of $700 million above S. 411. Therefore, although I must honestly admit that I am not quite as effective an economizer as is the gentleman from Iowa, I nevertheless submit to those Members who want a budgetary justification for supporting this bill that this bill is really a $700 million reduction from the previous proposal that was brought to the floor, on which a rule was rejected. Also, this is a one-shot adjustment. None of us who are supporting this measure look upon it as something that we would repeat. All we are providing is a one-time adjustment, 3 years for profit publications and an additional 6 years for not for profit. When that basic period ends, they will pay the full cost of delivery.

Mr. Chairman, this bill is a practical piece of legislation. I think it is budgetarily sound, and I urge its approval.

Mr. HANLEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. FORD. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from Michigan.

Mr. FORD. Mr. Chairman, I rise in support of the bill.

I would like to say, Mr. Chairman, that I appreciate the efforts of the gentleman in the well, the gentleman from New York (Mr. HANLEY), for working so very carefully to meet the objections that were expressed by our colleagues when we brought this matter to the floor a year ago and for meeting each and every one of the legitimate objections that were made at that time to the legislation that we had proposed in the way in which he has through this legislation.

The patience the gentleman has used in explaining the matter within the subcommittee and within the full committee has resulted, I might say, in a virtually unanimous support on both sides of the aisle in the Committee on Post Office and Civil Service for the legislation. Only two Members, as I recall, voted against reporting this bill favorably. I think the gentleman in the well should be commended for the long, hard work he has put in.

I know that the people who will be reading books and the children who will be reading books and using books in libraries and schools and in their homes across this country will long remember the name of the gentleman from New York (JIM HANLEY).

Mr. HANLEY. Mr. Chairman, I am most grateful to the gentleman from Michigan (Mr. FORD) for his very kind remarks.

I do not come before the Members today as an ardent supporter of the Postal Reform Act, because it is riddled with problems and because of some of the major shortcomings inherent in it which motivated the hearings which were held on this particular issue. I want the Members to know that it was not taken lightly at all. In the previous Congress 19 days of hearings were conducted on this subject, and in this Congress an additional 2 days of hearings were held on this subject.

The Congress made a mistake back then when it mandated that the U.S. Postal Service become self-sustaining. Hindsight is always better, and for what it is worth, if the traditional quality of postal service is going to prevail in America, that entity can never become self-sustaining.

There have been a good many allegations hurled against the USPS. Earlier one of the Members posed a question to the chairman of the committee with regard to the allegation that the first-class user was being bilked by a billion dollars. For what it is worth, that was a very erroneous statement, one which has been responded to by the Postmaster General.

Mr. Chairman, I wish to go a little bit further back in the way of background. I do not want to appear to be defending the Postmaster General. For what it is worth, the Members will be hearing from him very shortly by letter, and he is going to ask us for the opportunity to sit with us in order to discuss some of the problems of the Postal Service and to defend some of the allegations that have been hurled against it. I hope very much that the Members will take him up on his invitation.

Beyond his willingness to sit with us in our offices, he is going to conduct office hours up here on the Hill and respond to all of the allegations that have been hurled against that entity, the Postal Service.

Now, the problems inherent in the Postal Reorganization Act are not going to be resolved by the issue that we are debating here today. This is a corrective interim measure. It is one that will hopefully prevent the demise and destruction of thousands of publications across this country.

Further in the way of background, tomorrow I will be introducing a bag of rather substantive amendments to the Postal Reorganization Act. In July we will be conducting a series of hearings. Our leadoff witness will be the Postmaster General. He will be succeeded by the Chairman of the Postal Rate Commission. Hopefully, the Members of Congress will involve themselves heavily in this colloquy. So whatever the Members may have on their minds, let us hear from them through the course of these hearings, because we want to move very positively in this Congress in the direction of eliminating a good number of the shortcomings which now prevail within the system and which are resultant from the Postal Reorganization Act of 1970.

The gentleman from Iowa (Mr. GROSS) is quite correct when he accuses certain people who are interested in the passage of this bill of exerting their efforts back in the earlier days and using the vehicle of the Citizens' Committee for Postal Reform to provide the momentum that was generated within this body and the Senate chamber and which, in turn, resulted in the Postal Reorganization Act of 1970.

In my mind there is no question but that the Congress made a rather large mistake back then. As you know, my position was somewhat different than what was contained in that reorganization act, but that plea fell on deaf ears. We are around to say, "I told you so," but that is all academic. The mission of this Congress from this point on is to do whatever is necessary, legislatively speaking, to get this entity back on the tracks, so to speak.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. HANLEY. I yield to the gentleman from Iowa.

Mr. GROSS. The gentleman says that the Postal Service will never become self-sustaining.

Mr. HANLEY. That is correct.

Mr. GROSS. The gentleman is eminently correct. As long as you pass bills of this kind and raid the Treasury to pump money in, of course it will not be. The Postal Service could not care less where they get their money from as long as they get the dough they need.

Mr. HANLEY. I conditioned my statement that the traditional quality of the Postal Service as it is known to the American people cannot possibly prevail under this mandate. Back when our Founding Fathers were writing the Constitution they were very emphatic about "reasonable rates for all classes of mail." Their thinking back then was to assure that we had an informed citizenry here in America, and I think they did a pretty good job in accomplishing that.

However, the reorganization act that we are working under, the route that we are taking resulting from that reorganization act, is going to continue to send the rates for all classes of mail spiraling.

So, under this mandate, in essence, if the American people think that 10 cents is a lot for a first-class stamp, if I might use the vernacular of the street, "They ain't seen nothing yet," unless Congress moves in the direction of correcting this. We intend to do this by virtue of the amendments that I have already referred to.

You have a situation here whereby that entity is faced with the strong probability of a decline of volume along with an ever-increasing increase in the cost of operation. For example, take the energy problem alone. With regard to the cost of a gallon of gasoline, a 1-cent increase in the cost of a gallon of gasoline is reflected in the postal overhead by a cost of $1.5 million. So, therefore, the cost of operation increases on a day-to-day basis. Yet the volume will decline through the implementation of electronic devices. For instance, soon the Social Security Administration will be electronically transmitting benefits to beneficiaries across America. That constitutes about a matter of 30 million pieces of mail a month for the Postal Service. The banking industry is rapidly moving in the direction of the electronic transfer of funds, void of any need for the Postal Service.

So, as I say, the Postal Service is faced with a decline in volume on the one hand and on the other hand, an increasing cost of overhead on a day-to-day basis. Therefore, it is incumbent on the Congress to do something, and we hope we will be able to do that something prior to the termination of the 93d Congress.

For what it is worth, ladies and gentlemen, in no degree is this issue today related to the performance of the U.S. Postal Service per se but, rather, it is designed to correct the shortcoming I have already referred to. If we do not move in this direction, you will soon see the demise of so many thousands of publications across the country, newspapers and magazines that have been traditional in their communities but which cannot cut the mustard under the postal rate hikes that they face. Nonprofit rates, as you know, under this mandate can spiral to 800 percent. The average throughout the magazine industry is 217 percent.

Gentlemen, I hope so much that you will help us today and on a temporary basis alleviate this acute problem by supporting the passage of S. 411.

Mr. GROSS. Mr. Chairman, I yield such time as he may consume to the gentleman from New York (Mr. ROBISON).

Mr. ROBISON of New York. Mr. Chairman, this exercise today—on S. 411—coming, as it does, on the heels of yesterday's reach by this House for fiscal responsibility in the form of "budgetary reform," is a most interesting one, indeed.

As I read the situation, S. 411 is a rehash of sorts—though described in its accompanying report as a "considerably more modest" version—of H.R. 8929 which emerged from this same committee last year but which, quite properly I think, failed to see the light of day when the rule thereon was defeated last July 23d.

The subject matter both bills are—or were—concerned with is the same: The phasing period, as originally set under the Postal Reorganization Act of 1970, for certain commercial mail matter.

As is mentioned in the accompanying report, that Postal Reorganization Act marked "a new and significant attempt to provide adequate postal service for the American people." It is a proper matter for debate whether or not that goal has been achieved though, certainly, even the most-ardent supporters of "postal reform" have to admit to certain disappointments.

The accompanying report also goes on—and again quite properly—to note that—

> Congress wisely relinquished the responsibility for setting postal rates under the Postal Reorganization Act.

However, it must be clear to all of us that it is precisely that business that, with the offering of this bill, we are about to reenter.

Now, Mr. Chairman, I would be the first to admit that the impact of recent postal-rate increases on certain magazines and newspapers has been harsh—especially when it comes to the publications of nonprofit organizations such as, for a for-instance, the "American Legion magazine" or "Boys' Life," as well as for certain other magazines of limited interest and, therefore, circulation, in which category one could cite numerous examples. And, I would be the first to argue that, in such instances, it is still eminently within the right of the Congress—as stated in the accompanying report—to continue to "set basic policies which are involved in postal ratemaking."

However, as is so often the case around here with legislation proffered as efforts to correct, or alleviate, certain unforeseen inequities, the bill now before us adopts not the rifleshot approach to the areas in real need of congressional concern but adopts, instead, that familiar shotgun approach that attempts to solve all problems at once, and hang the taxpayer in the process.

For, the fact of the matter is—no matter how one slices it, and no matter how more modest this proposal is than its immediate predecessor as offered by the same committee—that S. 411 carries an eventual price tag to the taxpayer of $753 million, and that it is that selfsame taxpayer who, as the minority views point out, is already shouldering an onerous burden just in paying for his own, unsubsidized first-class postage rates, plus a frightful toll in inflation, generally.

Mr. Chairman, by virtue of my service, these past 10 years, on what is now called the Treasury, Postal Service, and General Government Subcommittee of our Committee on Appropriations, I have sought to become as much of a student as possible of the problems of, and challenges faced by, the still-new Postal Service Corporation. Some years back, before postal reform was voted on, I even ventured to learn as much as I could about the complexities and the vagaries of the postal ratemaking process, itself. And, I became convinced—even back then—that there was a need for Congress, if it was to stay in the postal ratemaking business, to adopt the rifleshot approach as opposed to the shotgun approach as once again resorted to in the bill now before us.

And, way back then—relatively speaking—although I have not had time to look up my exact remarks, I believe I said that, although there were undoubtedly certain kinds of publications that needed assistance, if they were to survive then-projected postal-rate increases, on the other hand if I, as an individual, wished to subscribe through the mail to Time or Newsweek or Sports Illustrated, rather than to bother to buy the same publications on the newsstands which, in fact, is the case, then I ought to be willing to pay the full cost of having such publications delivered to my house without asking my neighbor across the street who had no interest in receiving the same publications to subsidize, as a taxpayer, my personal desire in reading material.

And that, Mr. Chairman, is still precisely what is wrong with the pending proposal; and basically why, despite the acknowledged need for some legislative adjustments with regard to the plight of certain publications, I cannot vote for the pending proposal.

As is pointed out in the minority views—and I am sorry to see the "minority" in this instance so substantially reduced in numbers, even though I can appreciate the impact on that result of the fact that this is, after all, an election-year—the publishing industry, already heavily subsidized, is not in all that bad shape at the present as it is sometimes pictured. There is, as I so well know by virtue of my work on my aforementioned subcommittee, a more or less permanent public-service and revenue-foregone subsidy which—built into the postal reform act—helps keep postal rates generally lower, and is at least of indirect benefit to publishers. Setting postal rates, and assigning them fairly among the various mail classes is a complex—a very highly complex—task, and one can well argue with the methods adopted by the Postal Service for trying to do so, but I don't think they are all that wide of the mark. And, so, when—as is pointed out in the minority views—I read that enactment of this bill will increase the subsidy available to the already-profitable Reader's Digest by $12.5 million a year; to Time magazine, that is hardly a shaky operation, by $11.8 million a year, and to the Wall Street Journal—that affluent and influential publication to which I would probably continue to subscribe regardless of the mail cost—by an additional $15.3 million a year, then I am certain that this is not the answer to whatever postal-rate problems are really faced by our publishing industry, today, no matter how many fine words are carried in this bill's accompanying report about the need for "universal communication, [a] policy of paramount importance to the functioning of our democracy."

Mr. Chairman, next week—as the ranking member on the Appropriations Subcommittee I have already mentioned—I will have to help carry the burden on this same floor of obtaining my colleagues' approval of the postal subsidies our bill will recommend to them. I anticipate some difficulty in that regard, as one who still believes in the concept of "postal reform" and who, whatever my own disappointments to date in how that concept has worked out, understands full well how, in an election year, it is easy and tempting to inveigh against the failings and, even, the "arrogance," of the still-new Postal Service Corporation and of those who are trying to make it a workable mechanism. When our subcommittee brought the $230 million additional subsidy item for that Corporation to the House—in the so-called second supplemental appropriations bill earlier this year, an amendment offered to strike the same from that bill garnered 97 votes in this body on April 10, of this year. It will, therefore, be extremely interesting to me to note how many, if any, of those same 97 Members vote for S. 411—the bill now before us—for it would seem to me that such would be the height of inconsistency and, if I may say so, of irresponsibility.

Mr. GROSS. Mr. Chairman, I yield

such time as he may consume to the gentleman from Vermont (Mr. MALLARY).

Mr. MALLARY. Mr. Chairman, I think it is very important in considering this bill that we remind ourselves that it calls only for the extended phasing in of full postal rates. It does not call for the permanent subsidization by tax dollars of the mailing costs for communications or publications covered under the terms of this bill.

In July of last year, I opposed H.R. 8929 and was pleased that the rule for its consideration was defeated. I opposed this bill because it reintroduced the Congress into the postal ratemaking process. I also opposed it because it provided for permanent tax subsidization of certain classes of mailers.

The Congress established the principle in the Postal Reorganization Act that the mailers, and not the taxpayers, should ultimately pay the cost of mail deliveries. Despite all the talk that we hear these days criticizing the Postal Service and criticizing the Postal Reorganization Act, I still believe that the principle of a self-sustaining Postal Service was sound. I intend to continue to support that principle.

This is an extremely expensive bill. As the figures show, the total cost over the full period until 1988 is $753 million. The costs will probably be substantially higher as regular postal rates rise on a periodic basis with inflation and, therefore, the extended phase-in will cost much more than this. I have real resistance to voting in favor of this amount of subsidization of postal rates without a substantial showing of need. I firmly believe that the evidence brought forward in the early hearings on the bill last year gives real evidence that some kind of rate relief is both necessary and desirable. The amount of increase in rates for both profit and nonprofit mailers required under the original Postal Reorganization Act is so high that it will cause serious dislocations for significant numbers of mailers. It may well be that the term of years for the phasing-in of full rates contemplated in this act—8 years for the profit mailers and 16 years for the nonprofit mailers—may be excessive in some cases.

I would much prefer more selective legislation that would get at the needs of the seriously affected mailers and would not provide generalized rate relief or subsidies for those who do not need it. Unfortunately, the legislative problem of trying to devise selective rate relief in an equitable and technically correct manner is exceedingly difficult, if not impossible. Therefore, I have reluctantly decided that this bill which does provide significant relief is an appropriate exercise for this Congress. I, therefore, support the concept of this extended phasing of postal rates. It is my conviction that this legislation will help to promote the dissemination of information and opinion in our country and thus allow publishers of all sorts the necessary time to make economic adjustments caused by the large postal rate increases which they must face.

Before concluding, I would also like to point out that legislation is now being prepared that would reject the principle of a self-sufficient Postal Service. This legislation would call for permanent taxpayer subsidies of certain mailers and it would, by doing so, reintroduce the Congress into the messy and very inappropriate area of postal ratemaking. I feel that the passage of this bill today may reduce some of the very heavy pressures for total rejection of the principles of the Postal Reorganization Act and will permit it to move slowly—unfortunately more slowly than I would prefer—toward a streamlined and self-sufficient Postal Service.

Mr. Chairman, with some reluctance and reservations, I urge the passage of this bill.

Mr. FINDLEY. Mr. Chairman, many Members, myself included, have received messages urging support of this bill from newspaper publishers and other publishing concerns.

I am a publisher myself, holding a majority interest in a country weekly newspaper in Pittsfield, Ill. My associates, I am sure, would be glad to see this stretch-out of rate increases approved for purely financial reasons. But I hope, and believe, that they and most other newspaper people in the Nation would applaud this body for rejecting the bill.

Most newspaper people view with concern the level of Federal subsidies in private life. They want the budget cut back, as a way to combat inflation. They believe in a private enterprise paying its own way. They do not want ever to be beholden to Government, prizing highly the independence of Government domination that has been the hallmark of journalism since the beginning of the Republic.

Members who fear retaliation by publishers in consequence of a negative vote misjudge the character of newspaper publishers.

When I first came to Congress I helped to eliminate the century-old policy under which newspapers were delivered free of charge to subscribers in the county of publication. Most publishers respected this change, and they will respect, too, I believe, the phaseout of all subsidies.

Mr. BINGHAM. Mr. Chairman, I rise to express my support for S. 411 which extends the period for phasing of certain postal rates. The goal of this legislation is to prevent irreparable damage to our Nation's diversified information distribution system which depends principally on the mails to reach its consumers. This system includes profit and nonprofit newspapers, magazines, and a variety of publications, sound recordings, books, film and other communications from cultural, educational, and charitable organizations. The system allows groups of all sizes and persuasions to communicate with their members and the public at a cost most can afford to pay, and it allows Americans, rich and poor, rural and urban, to engage in a free flow of ideas and have access to a variety of opinions, evaluations, and information on a myriad of subjects which affect their lives. In addition it helps to encourage Americans to engage in charitable causes. This system has helped Americans become what is probably the best informed citizenry in the world.

This system is now in danger because of inflation and because of ruinous postal rate increases which were made necessary by the self-sufficiency requirement for all classes of mail contained in the Postal Reorganization Act of 1970. In that year, Congress created an independent Postal Service Corporation and set the goal that by 1984 each class of mail would pay its own way and contribute a fair share of the Postal Service's institutional costs. To help those classes of mail which had been traditionally favored with low rates because of their public service value Congress provided for phasein periods for the rate increases. Back in 1970 this all seemed reasonable and wise, but we did not anticipate the devastating effects of these rate increases on the public service-valued-classes when added to the worst inflation in 25 years and shortages in many materials on which the media depends. The Government has so far been unable to deal effectively with this inflation. But the bill before us, S. 411, can provide much needed relief to this important industry just as we have done for other industries whose health we have determined to be vital to the survival of the American way of life.

S. 411 provides for a 3-year extension through fiscal year 1979 of the present phasein period for commercial magazines and newspapers—second class regular rate matter—books and records—special fourth class matter—and controlled circulation publications. For nonprofit mail matter—preferred second class mail, and third class bulk—and matter sent under the special fourth class library rate the phasein period would be extended from 10 to 16 years through fiscal year 1987. To insure that the U.S. Postal Service receives the appropriations it needs to cover the costs for this phasein period and other public service costs, and to insure that Congress maintains its control over general ratemaking policy, S. 411 requires that the amounts requested by the Postal Service for such purposes be included in the President's budget request with his recommendations but without revision. In the past the administration has shown its opposition to subsidizing these classes of mail by not including the necessary amounts in its budget request. This tactic is unacceptable.

S. 411 is similar to legislation (H.R. 4128) I cosponsored with former Postal Subcommittee Chairman MORRIS UDALL early last year. Our bill offered not only an extension of the phasein periods but additional subsidies for organizations in the information system not able to absorb all of the phasein increases and other rate charges because of their small operating capital and limited circulation. When the House defeated a similar subsidy bill (H.R. 8929) last year by refusing to approve the rule, which would have allowed its consideration on the floor I realized that many of my colleagues were not ready to provide such costly subsidies even to save some of these marginal operations. S. 411 is a compromise which I think can preserve the general health of and competition in the information system at an acceptable cost. This bill does accept at least in theory, the necessity of ultimately requiring these classes of mail to pay their full share of the costs and an end to Federal subsidies for this purpose. I sincerely hope that my colleagues will consider the dangers inherent in a rapidly shrinking information system and vote for S. 411 which allows the remaining diverse elements in the system more time to adjust to Government-mandated postal rate increases.

Mr. HARRINGTON. Mr. Chairman, I rise today in support of S. 411, legislation to extend the postal rate increase phase-in periods for newspapers, magazines, and books.

The Postal Reorganization Act of 1970, which established the Postal Service, set as its guideline that every class of mail eventually pay all of its attributable costs and a portion of institutional or overhead costs. The Congress realized at the time that some period of adjustment for bulk mailers was necessary before full implementation of rate hikes. Consequently, a 5-year phase-in period was allotted to commercial mailers, and 10 years was granted to nonprofit mailers.

Since its enactment, the cost savings expected to result from automation and businesslike management of the Postal Service have never materialized. In fact, due to inflation, increased labor costs, and management inefficiencies the budget has grown by 10 percent per year with ever-increasing budget deficits. These deficits, expected to reach $385 million for 1974, have forced excessive rate increases which affect bulk mailers most severely.

The failure of the Postal Service to live up to its expectations has necessitated the Congress exercising its oversight function to review and extend the statutory phase-in periods, to reduce the detrimental effect of rate increases on the flow of printed material through the mails.

The primary provisions of the bill would extend the phase-in period for second-class regular rate matter—commercial magazines and newspapers—special fourth-class matter—books and records—and controlled circulation publications from the present 5 to 8 years. The phase-in period for nonprofit second- and third-class matter, and special fourth-class library matter would similarly be extended from the current 10 to 16 years. However, S. 411 requires that no present postal rate be reduced because of the extensions of the phase-in periods.

It is important to realize that S. 411 does not abridge the authority of the Postal Rate Setting Commission; nor does it provide permanent Government subsidies for the classes of mail involved. The bill leaves unchanged the goal of self-sufficiency for the Postal Service, and it insures that rate increases will not damage the communications industry unfairly. S. 411 grants the service a further period to improve its cost efficiency, after which time all subsidy will cease.

It seems to me that the dissemination of ideas and opinions through the mails has a critical importance for America. The value of the mails in promoting a well-informed citizenry is extremely important in today's democracy.

Throughout our history the postal rates set for magazines and newspapers have been subsidized to promote the flow of information. Although we have decided to transform the Postal Service into an independent corporation, it is important that we guarantee that the pursuit of fiscal economy does not impair the freedom and vitality of the press.

The rate increases for second-class commercial publications will rise by an average of 217 percent through 1977 over the pre-1971 rates, and if postal costs continue to increase, the rate may reach as high as 300 percent. Most severely injured by such drastic rate increases will be hundreds of small circulation newspapers and magazines, which provide essential independent opinions and coverage of local and regional news. Most such small publications depend on the mails for the bulk of their subscriptions, and they operate on a slim margin. In the event of their demise there is no competing media to fill the gap; only the mail can serve as the vehicle of distribution.

Without subsidies of some sort, nonprofit publications will be burdened by an astounding 574-percent average increase in postal rates. This will have a crippling effect on the bulk mailings and newsletters of countless charitable, religious, veterans, and civic organizations.

Rate increases as high as 200 percent will add to the costs of library books, clearly increasing library expenses and probably forcing a curtailment of their services.

The total estimated cost, in revenue foregone, of S. 411 over the course of the phase-in period is $753.7 million. Some have called this bill an unjust subsidy to the publishing industry. This is not the case. The funds spent will provide the financially threatened small publications and nonprofit organizations with sufficient time to absorb increasing postal costs without fatal harm.

Mr. Chairman, as we enter one of the most crucial periods of our history it is essential that the free flow of information be preserved. The enactment of S. 411 will assure that the Postal Service does not inadvertently restrict the people's right to know.

Mr. DRINAN. Mr. Chairman, I rise in support of S. 411 to extend the phase-in period of rate increases for specified classes of mail under the Postal Reorganization Act of 1970. This legislation is designed to ease the serious problems which beset publishers and libraries as a result of steeply rising postal rates.

Since May of 1971, second-class postal rates for newspapers and magazines have increased 74 percent. Projected rates for mid-1976 are 300 percent above the 1971 level. These actual and anticipated rate hikes have already contributed to the demise of several highly regarded popular magazines including Look, Life, the Saturday Evening Post, and Collier's. Many other publications of marginal profitability face possible extinction if projected rate increases are implemented by 1976. Subscription rates for publications which remain in business will continue to rise, reducing the number of Americans who can afford them.

Publications produced by nonprofit organizations have been hardest hit by skyrocketing postal rates. The expected increase in postal rates for such publications during the 10-year period ending in 1981 is 574 percent. Religious, educational, labor, scientific, and philanthropic publications are among those affected by these rates. Nearly all such groups rely upon their membership as subscribers and could not feasibly shift their sales to newsstands to avoid the burden of higher postal rates.

One essential community service, the local library, is particularly susceptible to postal rate increases. Many libraries outside of our cities deliver books and other materials on loan via mail. Sharp increases in fourth-class postal rates have resulted in higher library operating costs. Since most libraries cannot pass on increased costs to their customers, higher postal rates must be offset by reduced acquisitions or cutbacks in library services.

The bill before us today would not change the provision of the Postal Reorganization Act requiring that all classes of mail become economically self-sustaining in the future. It would merely adjust the phase-in period of that provision to a more realistic level. When Congress established the existing phase-in terms for ending all postal subsidies in 1970, the subsequent sharp rise in postal rates was not anticipated. The President's Commission on Postal Organization predicted that passage of legislation along the lines of the Postal Reorganization Act would result in lower postal costs, rather than in increased expenses which have been passed on to the consumer in the form of higher rates.

The phase-in extensions provided by this legislation would sustain limited Federal subsidization of postal rates for certain second- and fourth-class mail for an additional 3 to 6 years. Rates for nonprofit publications, local newspapers, classroom publications, and special library mailings would escalate over a period of 16 rather than 10 years. Magazine and newspaper rates would rise to cover costs by 1979 instead of 1976.

I should point out that this represents limited relief from future rate hikes; no postal rates presently in effect would be altered. Yet the bill would help to maintain adequate library services and to prevent the further disappearance of publications which serve the public.

The postal rate increases of the past few years have been an economic burden to all Americans. They have placed a particularly heavy strain upon the written communications media. If projected rate hikes are implemented during the next few years, the diversity of thought expressed in print will inevitably decline. It is the duty of Congress to safeguard the people's access to information and keep communications channels open by passing this vital legislation.

Mr. HANLEY. Mr. Chairman, I yield myself the balance of our time.

Mr. Chairman, I will utilize my final minute by reminding the Members of the House that this legislation passed our subcommittee unanimously, it was an 8-to-0 vote. In the full committee the vote was 23 to 2. It came out of the Committee on Rules unanimously. Hopefully it will get the same treatment here in the House today.

Mr. CULVER. Mr. Chairman, I support S. 411, a bill identical to H.R. 14194, which passed the Senate on May 9 of this year. This legislation extending the period over which postal rates are to be implemented for second class and other mail categories promulgated under the Postal Reorganization Act of 1970, would be of great benefit to the future of America's community newspapers, periodicals, and nonprofit publications.

It is imperative that a free society be kept informed of national and world news if it is to remain free. Second class mail, available only to newspapers and magazines which have paid subscribers, was established about 100 years ago stemming from the philosophy which held that it was in the public interest to promote the widest dissemination of information possible. Thus these publications were given a preferential rate. For years, American newspapers and periodicals have been providing news to readers in communities across the Nation. Reasonable rates were seen as a principal underpinning for a broad diversity of publications and their widest possible circulation.

The Postal Reorganization Act of 1970 was passed to provide much-needed reform within the postal system. However, with the frequent postage increases coupled with the high percentage increases in postal rates, newspapers are finding it increasingly difficult to keep their prices within the range of the reader's ability to pay. These rate hikes are placing a tremendous hardship on all newspapers, and place a special burden on smaller papers which operate on a low margin of profit.

S. 411 is a bipartisan measure which seeks to keep existing publications alive while necessary changes in the Postal Reorganization Act of 1970 can be developed by the appropriate committees of Congress. It has as its purpose to extend the implementation of postal rate increases over an 8-year period, thus making it easier for newspapers, magazines, and nonprofit publications to absorb the new rate increases and to ensure that the subsequent rise in mailing costs does not impair the publication nor the dissemination of news to the American people.

Mr. DULSKI. Mr. Chairman, passage of S. 411 is a long-range service to the American public. Additional phasing-in periods for increased postage rates are vital to the survival of such mail as classroom and library materials; for nonprofit mailers such as religious, veterans, labor, educational, scientific, farm, and charitable organizations; and small newspapers and magazines largely dependent on mail subscriptions rather than newsstand sales.

If these groups had not been afforded the relief of additional time to absorb the unforeseen and drastic postal rate increases, it would have meant the death of many of them. There has been a lot of opposition by a few people who point out that included in the phasing are some users well able to afford the costs now. The fact remains that 75 percent of the beneficiaries do desperately need the extra time, and there is simply no equitable way to legislate the distinction.

At this point, I would like to insert an editorial from the March 12, 1974, Buffalo Evening News on this subject:

Postal Squeeze on Magazines

> The latest hike in second-class mail rates, and those now in prospect through 1977, spell trouble for the magazine industry. More important, these steep increases add up to bad news for a self-governing society crucially dependent upon a broad dissemination of information and diversity of opinion.
>
> In defending severe annual boosts in second-class rates, the Postal Service contends that it is merely complying with the mandate of Congress that each class of mail in a reorganized "businesslike" operation pay its own way.
>
> But this fetish for a simplistic profit-and-loss approach to rates blithely ignores the national policy, prevailing since the founding of the postal system, under which a moderate rate structure serving the people's need to be well informed was properly regarded as more important than black ink in the Post Office accounting ledger.
>
> This reversal of policy is inferentially questioned now by the Senate Post Office Committee. Casting doubt on how truly "businesslike" the postal operation is in its management policies, the panel concludes that a greater measure of Treasury financing may well be the only alternative to spiraling rates higher than the public can be expected to pay.
>
> Certainly for many journals which depend heavily on mail circulation—though far less so for major metropolitan dailies like The News whose mail subscriptions represent fairly negligible proportions of the total—proposed 1977 rates as much as 400 per cent over the 1971 schedule would pose grave threats. This is particularly true for many of the small-circulation opinion journals which depend primarily on subscription rather than advertising revenues.
>
> In any event, the threat foreseen to many periodicals, especially those dependent more upon subscription rates than upon advertising revenue, is one needing relief from Congress. Even from the standpoint of the Postal Service's insatiable revenue demands, it would be ironically self-defeating if steep rate hikes led to the death of periodicals or to deep cuts in their readership stemming from higher subscription rates. But far more important than the stake of any single publication, surely, is the public interest in preserving a healthy diversity of viewpoints and sources of information in an increasingly complex society.

I want to emphasize that this is not an open-ended subsidy; it is an extension of a temporary one, enabling economically marginal publications to continue to exist. The estimated total cost through the end of the phasing period in 1987 is $753.7 million. It is taxpayers' money, but it is going to benefit the taxpayers. If the budget can stand the strain of simply writing off $2 billion owed us by the new nuclear India, the budget can stand the strain of this amount to ease the burden on Rev. Billy Graham's Decision magazine; the American Legion magazine; the Jewish Press Association; the Catholic Press Association; the Atlantic Monthly; small newspapers; trade journals; cultural, educational, scientific, and opinion periodicals; Boys Life; school newspapers; and charitable fundraisers—and ease the burden on their subscribers.

With captive television audiences and with limited newsstand space dominated by sex-oriented magazines, the American public more than ever needs the diverse opinions, intellectual stimulation, and free flow of subject matter offered by those publications which depend more on subscriptions than advertisements for solvency. S. 411 is a sound investment in a free press.

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That section 3626 of title 39, United States Code, is amended as follows:

(1) Subparagraph (1) is amended by striking out the word "tenth" and inserting in lieu thereof the word "sixteenth" and by striking out the word "and" following the semicolon.

(2) Subparagraph (2) is amended—

(A) by inserting the word "former" between the words "under" and "sections";

(B) by striking out "4452(a),";

(C) by striking out the word "fifth" and inserting in lieu thereof the word "eighth";

(D) by striking out "subsection" and inserting in lieu thereof "subparagraph"; and

(E) by striking out the period and inserting in lieu thereof a semicolon and the word "and".

(3) Immediately below subparagraph (2), add the following new subparagraph:

"(3) the rates for mail under former section 4452 (a) shall be equal, on and after the first day of the fifth year following the effective date of the first rate decision applicable to that class or kind, to the rates that would have been in effect for such mail if this subparagraph had not been enacted."

Sec. 2. Nothing in section 1 of this Act shall be construed to authorize a reduction in any rate of postage in effect and being paid on the date of enactment of this Act.

Sec. 3. Section 2009 of title 39, United States Code, is amended by adding at the end thereof the following: "The budget program shall also include separate statements of the amounts which the Postal Service requests to be appropriated under subsections (b) and (c) of section 2401 of this title. The President shall include these amounts, with his recommendations but without revision, in the budget transmitted to Congress under section 11 of title 31.".

Mr. HANLEY (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. GONZALEZ. Mr. Chairman, reserving the right to object—this does not mean that if the unanimous-consent request is agreed to that Members will be precluded from offering amendments to this bill?

The CHAIRMAN. The Chair will state that the answer is "No"; amendments would be in order.

Mr. GONZALEZ. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to

the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. CHAPPELL

Mr. CHAPPELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CHAPPELL: On page 2, beginning in line 2, strike out all of paragraphs (2) and (3) down through line 22 and insert in lieu thereof the following:
>
> (2) Subparagraph (2) is amended—
>
> (A) by striking out the period and inserting in lieu thereof a semicolon and the word "and" and
>
> (B) Immediately below subparagraph (2), add the following new subparagraph:
>
> "(3) Notwithstanding the provisions of this section, the rates for mail for in county, weekly and classroom publications, on and after the first day of the eighth year following the effective date of the first rate decision applicable to that class or kind, to the rates that would have been in effect for such mail if this subparagraph had not been enacted."

Mr. CHAPPELL. Mr. Chairman, this is a very simple amendment. If we here are trying to help the people who need help, then we will vote for this amendment. By the very nature of the report itself, it is shown that those who need help from this kind of situation we are in today are, first of all, the nonprofits. The report shows that those are the ones that are worse hit by this present situation. All this amendment does is to leave the nonprofits in the bill, which means that they have a longer period to phase-in, as this bill provides, and adds to it the little weekly newspapers who are having some problem in the struggle today.

That is all the amendment does.

Let me explain. If the Members want to help the nonprofit publications—and they are the ones that need the most help—and if they want to help the little struggling weekly in their local areas, then they will vote on this amendment.

Mr. Chairman, I hope that all of us will see the necessity for helping those who need help and will realize that this bill primarily gives assistance to those people who need help the least. I hope we can all join together and vote for this amendment.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

Mr. Chairman, I commend the gentleman for his amendment.

Mr. FORD. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred and one Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The Chair recognizes the gentleman from Florida, who has 3 minutes remaining.

Mr. CHAPPELL. Mr. Chairman, I believe the gentleman from Iowa was asking a question and I yield to the gentleman.

Mr. GROSS. Mr. Chairman, what is the exact intent of the gentleman's amendment?

Mr. CHAPPELL. The intent, Mr. Chairman, of my amendment is to include in this bill only nonprofit publications and the small weekly and in-county publications. It is not intended to include anyone else, only those categories.

Mr. GROSS. Does this strike section 3 of the bill; does the gentleman know?

Mr. CHAPPELL. This would not strike section 3 of the bill.

Mr. GROSS. It does not strike section 3?

Mr. CHAPPELL. No; that remains in the bill.

Mr. COLLIER. Mr. Chairman, if the gentleman will yield, I have two biweekly newspapers. How can we handle the situation, seriously, where we have one newspaper coming out once a week and in the same area we have a newspaper coming out twice a week?

Mr. CHAPPELL. This is intended to take care of that kind of newspaper. I am trying to help those who need it, and those are the small weekly, biweekly, and daily newspapers.

Mr. COLLIER. I understand what the gentleman is trying to do. Will this be done by regulation, or how do we draw the regulation to distinguish between a weekly newspaper in a town and another biweekly newspaper in another community?

Mr. CHAPPELL. Mr. Chairman, I ask unanimous consent to withdraw this amendment so I may offer another that would make that clear.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

Mr. FORD. Reserving the right to object, Mr. Chairman, we would like to see the wording and see whether or not it is germane to the bill.

Mr. CHAPPELL. I will have it for the gentleman. All it would do is add "those publications with 5,000 circulation or less" which would reach the problems the gentleman here was talking about.

Mr. FORD. Further reserving the right to object, is the gentleman talking about only weekly newspapers?

Mr. CHAPPELL. As this gentleman has just pointed out, we are talking about the smaller publications, which are the ones in trouble, and under this proposition we would include the in-county publications.

Mr. FORD. But the in-county classification means something in the postal code, and it does not mean weeklies. It means any publication, daily or weekly or any other periodical, magazine, or newspaper so long as it is mailed within the county of its distribution, and that would include Cook County, Ill., in which Chicago is located, so I do not think the gentleman should leave the impression this is a minor matter.

Mr. CHAPPELL. The point I am getting at is this is to be modified with the phrase "less than 5,000 circulation" and this would be done to meet the "less than 5,000 circulation" publications whether profit or nonprofit and whether dailies or weeklies.

The CHAIRMAN. Is there objection to the gentleman's request?

Mr. DERWINSKI. Mr. Chairman, further reserving the right to object, I just want to be sure the gentleman from Florida will give us sufficient time to question him on this amendment, since it came to us like a bolt out of the blue. I do not think any of us know what we are dealing with. I do not say that facetiously, because we have not had the chance to absorb the total impact of his amendment, but I do not object with the understanding that the gentleman will give us the opportunity to thoroughly go through this matter.

Mr. CHAPPELL. Mr. Chairman, I suggest the gentleman look at the amendment. Again, the amendment was drafted by counsel for the Post Office and Civil Service Committee and he assures me that the amendment is written so as to meet the intent and purpose of the amendment which I have just expressed.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida to withdraw his amendment?

There was no objection.

AMENDMENT OFFERED BY MR. CHAPPELL

Mr. CHAPPELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CHAPPELL: On page 2, beginning in line 2, strike out all of paragraphs (2) and (3) down through line 22 and insert in lieu thereof the following:
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> (2) Subparagraph (2) is amended—
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> (A) by striking out the period and inserting in lieu thereof a semicolon and the word "and" and
>
> (B) Immediately below subparagraph (2), add the following new subparagraph:
>
> "(3) Notwithstanding the provisions of this section, the rates for mail for publications of 5,000 copies or less in county, weekly and classroom publications, on and after the first day of the eighth year following the effective date of the first rate decision applicable to that class or kind, to the rates that would have been in effect for such mail of this subparagraph had not been enacted."

Mr. CHAPPELL. Mr. Chairman, I believe I have explained the amendment and the intent and purpose of the amendment sufficiently. I hope all of us will join together in helping these people who need the help and leaving those people who are able to phase in under the present schedule to pay their proper share.

As I understand, the first-class user, the letter user today pays 125 percent of his cost. That means he is subsidizing right off the top 25 percent of those who are otherwise users of the mail services.

This bill very clearly shows us we are going to spend about $750 million by the passage of this bill. It shows that those who are most able are the ones who are going to benefit most by the subsidy. So

I think it is only fair and proper to help those who need help and take cognizance of those today, the little people who are using the letter services, and we ought to give them some consideration. I do not see how we can refuse to take this kind of approach, in view of the fact that the letter user today is the one carrying the burden and that there is no indication anywhere that the big publishers of this country have any serious financial problem deserving of this subsidy provided by the bill. I hope we will join our efforts in the passage of this amendment.

Mr. ANDERSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. CHAPPELL. I yield to the gentleman from Illinois.

Mr. ANDERSON of Illinois. I would hope in the discussion of the gentleman's amendment we would have some clarification as to this cutoff, this 5,000 circulation cutoff. As I understand the amendment, it would refer to daily publications of 5,000 circulation or below and weekly.

Mr. CHAPPELL. Yes, sir; but it is primarily for the small publisher and would exclude those of 5,000 or more circulation.

Mr. ANDERSON of Illinois. I do not know whether that would be a constitutional classification or not. There would be a degree of arbitrariness in suggesting that publications of 5,000 circulation or more are necessarily so affluent that they would not deserve the kind of treatment given those with a circulation below 5,000. This is a point I would hope we would discuss, because I think it is material.

Mr. CHAPPELL. I believe the classification is a constitutional one. The intent and purpose of this amendment is to give help where help is needed and not to subsidize those most able to carry their part of the Postal Service costs today.

Mr. FORD. Mr. Chairman, I rise in opposition to the amendment.

I hope that the Members will support the bill in the form in which it has come from the committee and to the floor. It represents a considerable degree of compromise by everyone concerned with the publication and dissemination of information, whether we are talking about books are propaganda in libraries, in schools, in homes.

The gentleman from Illinois raises a very good question about the amendment when he suggests that the amendment may have constitutional implications. I am informed by counsel that the reason this kind of cutoff was not used during the years that legislation was passed by the Congress setting rates is because there always was a question raised about whether it was constitutional to do so.

I suppose if the House wants to try it, it can adopt it and let some newspaper go through the expense of taking it to court. When we talk about publications as being profit or nonprofit publications, the fact that we classify publications as "for profit" does not necessarily mean they are in fact making a profit. All we have to do is look at a newstand and see the vacancies, or the spaces filled with something else which used to be taken up by news magazines—not just little ones, but some of the largest, oldest, best established news magazines in this country which were there up until just a few years ago and are no longer being enjoyed by anyone of any age. So, it is not just the little guy who is being gobbled up.

Mr. Chairman, talk to any farmer about the number of publications available to him now as compared to what he had available to him 5 or 10 years ago. He has already read in his magazines that it has been the sudden input of postal rate increases that has led to the demise of that type of publication where the trend is to subscribe over a long period of time.

Not every one of the publications can pass on a new raise instantly to its customers. They have contractual agreements for years down the road, and all we are doing is—not cutting their rate, not saying that they should not pay the full cost of carrying the mail—we are simply saying that instead of dropping this on them over a period of 5 years, we will drop it on them over a period of 8 years; take 8 steps to get the same distance we would go in 5 steps.

All we are trying to do is soften the impact. Let us remember that we are talking about a consumer's bill here. If we want to increase, as we do here, the cost of carrying the publication through the mail to a person who is going to receive it by 150 to 300 percent, depending on its size, that is what the rate ultimately does. We must recognize that we should not pass on to all the users of books in this country that kind of jolt all at once. So, this legislation will give them the full shot, 150, 200, 300 percent, depending on what kind of publication we are talking about, but let us spread it over 3 additional years so that the consumer is not getting hit with all of it at one time.

We are talking here about revenue deferred not to exceed $58 million a year. We are not talking about profits to big corporations. We are talking about a saving in the cost to the consumer of books and other publications, the major source of education, for the most part, for most of the people in this country, and particularly in the rural parts of the country where the vast majority of these materials get into people's hands and get there by being carried by the U.S. mail.

It was when this country was a predominantly rural country that we recognized that if people not living in the big cities where libraries were available to them were going to have access to learning and knowledge, the U.S. post office was going to have to be the link to bring it to them. If you want to tell the user that we are going to increase the cost of that privilege by 300 percent in one shot because somehow somebody thinks that is contributing to balancing the budget, then vote against this bill, but it is not going to do so. It is not going to close the sumptuous quarters of the Postmaster General and it is not going to decrease the cost of a first class stamp.

However, I am fearful that the Chappell amendment literally kills the bill. If that is what the Members want to do, they should vote for the amendment. I urge the Members not to do so.

Mr. DERWINSKI. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I emphasize that we really cannot understand the full impact of this amendment.

There may be many a major periodical in our districts which serve our constituents which will not be at all aided by this amendment. The question comes up, when we use this approach, whether it is fair to attack because of size. I think most Members, being objective, would claim that is not a fair approach.

Mr. Chairman, I would like to read the statement made on the floor of the Senate a month ago by our highly respected senior Senator from Arizona, Mr. GOLDWATER.

I quote from the statement:

> During the eight-year period from 1965 through 1972, 718 new magazines were launched. However, by 1973 more than 70 percent of these magazines were no longer being published. Of the 718 new publications, only 205 were still alive in 1973. This signifies an overall death rate of 72 percent, meaning less than 3 in 10 chance of survival.
>
> With this vulnerability, there is a very real danger that many more newspapers and periodicals will be forced to go out of business because of higher postage costs. Those which do survive may be drastically changed in format or frequency of publication. Instead of offering the public a great variety of viewpoints and information on general issues and events, publications may be far less responsive to public needs. The problem is that no one can predict what changes in society may be set in motion if the people can no longer select from among a vast range of informative printed materials.

Mr. Chairman, the point here is that Chappell amendment totally diverts this bill from its intended purpose. It does not stimulate the effective service to the public that we foresee as needed in this 3-year phasing period. Let me emphasize that we are speaking of a 3-year phasing period, and that is all.

Mr. Chairman, I think this is a good bill. I strongly urge that the amendment be rejected.

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in opposition to the amendment. I rise in support of S. 411 which extends the phasing period of postal rate increases for certain classes of mail. Specifically, this bill is designed to provide a measure of relief from rising postal rates for regular rate, nonprofit, and other preferred rate publications mailed under second class and controlled circulation rates of postage; for nonprofit third class rate material; and for books, films, sound recordings, and educational materials under special fourth class rates of postage.

This objective is accomplished in the bill by increasing from 10 to 16 years the period of adjustment to full rates for preferred second class, nonprofit third class, and special fourth class and library rates; and by increasing from 5 to 8 years the period of adjustment to full rates for second class regular, that is, magazines and newspapers, and special book rate fourth class which is books and records.

Mr. Chairman, I had the privilege to testify in favor of these objectives back on July 25, 1972, before the Postal Service Subcommittee, and this year I joined in cosponsoring H.R. 4128 with the gentleman from Arizona (Mr. UDALL). The legislation which I cosponsored was aimed at giving preferential treatment to small circulation publications, many of which have since been forced out of existence due to rising costs.

Mr. Chairman, my support for this bill, as well as the one I originally cosponsored, stems mainly from my concern about the future of small magazines and newspapers which do provide the American people with a vital source of independent news and diverse opinion. The hearings of the committee indicate that nonprofit mail has been especially hard hit by increased rates and other costs. These include publications of religious organizations, labor unions, veterans' organizations, and charitable institutions. The soaring postal costs of educational materials also puts severe limitations on libraries which purchase books and yet are faced with budgetary constraints. I think a partial review of the organizations which support this bill will demonstrate who is most affected by such postal rate increases. They include the AFL–CIO, the American Legion, VFW, Catholic Press Association, American Jewish Press Association, and the Evangelical Press Association, to name but a few.

Mr. Chairman, not only will this legislation help to insure the survival of these small yet vital publications, but it will also help to insure that low-income individuals will still be able to receive these at lower rates than would otherwise be possible.

In conclusion, Mr. Chairman, I think this bill will help to perpetuate and expand our cherished freedom of the press in the fullest and most meaningful sense of the term, and I urge its adoption.

The CHAIRMAN. The Committee will rise informally in order that the House may receive a message.

MESSAGE FROM THE PRESIDENT

The Speaker resumed the chair.

The SPEAKER. The Chair will receive a message.

A message in writing from the President of the United States was communicated to the House by Mr. Marks, one of his secretaries.

The SPEAKER. The Committee will resume its sitting.

EXTENDED PHASING OF POSTAL RATE ADJUSTMENTS

Mr. HANLEY. Mr. Chairman, I rise in opposition to the amendment.

With respect to the intent of the author, actually the measure falls just a hair or two short of striking the enactment clause, so if we want to kill the bill, then we should support the amendment.

Mr. Chairman, apparently there is some resentment relating to the fact that some entities within the publishing industry are being helped economically. I would like to reiterate that the handful of publishers that appear to enjoy a decent economic status are relatively few. I would like to point out that those in that category will enjoy about 5 percent of the total dollar figure associated with the bill. On the other hand, they account for about 13 percent of our national circulation.

As I pointed out in my previous remarks, two of the major publishers are conglomerates, and publishing is but one part of their overall operation. I point out that, at best, according to Price Waterhouse, their profit margin has been about 5 percent, which is not that great in consideration of what other corporate profits are showing.

Mr. Chairman, if we moved in the direction of the gentleman's amendment, we would deny the accommodation provided in this measure to most of the publications in America. I do not think that that is the intent of the committee or of the Congress, and I point out that this was not taken lightly. We tried hard over a long period of time, about 2 years now, to resolve this matter and come up with a fair compromise.

Now, some have described this as a subsidy to the publishing interests. It is anything but that. The rate hikes are not paid by the publishers, it is passed on to the subscribers. So, in essence, we are dealing with a consumer matter here.

Mr. Chairman, I hope very much that the Members will see fit to reject the amendment offered by the gentleman from Florida (Mr. CHAPPELL).

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Mr. Chairman, I rise in support of the amendment.

It is interesting to hear the statements made in opposition to the amendment about how everybody in the publishing industry is going to go out of business unless this bill is passed without amendment.

Let me read a quote or two for the benefit of the Members:

> For America's newspapers, 1972 was a very good year, probably the best in history, in fact. Ad revenues rose about 12% to $6.94 billion while newspapers consumed 650,000 tons of newsprint.

That is a quote from the Graphic Communications Weekly.

Again quoting:

> The NNA Board also felt that the Postal rates now in effect, with increases that are spelled out for the next several years, will not drive any newspaper publisher out of business. The board believes that these rates can be lived with.

That is the statement of William Mullen, general counsel, National Newspaper Association Publishers Auxiliary.

> The second great revolution in advertising's return to print his already begun. We in the magazine field look ahead with strong conviction to further growth within the industry.

That is a quote from Stephen Kelly, president of the National Newspaper Association, as reported in Folio, January of 1973.

> Life's collapse is like the cancellation of a long-running TV show. Because Bonanza is on its way out doesn't mean the TV industry is dying. As for magazine publishing, the industry has never been healthier.

That is Mr. Joseph Hanson, the publisher of Folio, speaking.

The gentleman from New York (Mr. HANLEY) has repeatedly referred to "Price-Waterhouse," to the study made by that firm.

Mr. Chairman, I will ask the gentleman this: Is it not true that study was bought and paid for by the magazine publishers?

Mr. HANLEY. Mr. Chairman, if the gentleman will yield, it is pretty much in concurrence with the information developed during the course of our 21 days of hearings.

Mr. GROSS. Yes; and it was bought and paid for by the magazine publishers; is that not correct?

Mr. HANLEY. If the gentleman will yield, on his point with regard to the National Newspaper Association, in the previous forum they opposed the legislation which was considered, but they now support this legislation. That is the association of weekly and small daily circulation newspapers. They do support this legislation.

Mr. GROSS. Mr. Chairman, the gentleman has not yet answered my question.

My question was whether the Price-Waterhouse survey or review, whatever you wish to call it, was not bought and paid for by the magazine publishers.

Mr. HANLEY. Frankly, I do not know who underwrote the effort. I do know that during the course of our hearings it was pretty much established the economic survey coincided with the information we had received.

Mr. GROSS. If it was, that would be a self-serving review or survey; would it not?

Mr. HANLEY. Certainly.

Mr. GROSS. Yes; it would be completely self-serving.

Mr. HANLEY. Not from the standpoint of the committee's activity, which was completely subjective.

Mr. GROSS. It would be self-serving as it was translated from the magazine publishers to the committee; would it not?

Mr. HANLEY. Regardless of whether it would be self-serving or not, it reflected the true economic picture.

Mr. GROSS. Mr. Chairman, if the gentleman does not wish to answer the question, that is all right.

The Magazine Publishers' Association has told us that between 1962 and 1972, 750 new magazines were introduced and 160 were sold.

The gentleman talks about the rate of attrition of magazines and tried to build a case today about how magazines are going to be driven out of business unless this bill is approved.

I repeat, there were 750 new magazines introduced and 160 sold, merged, or discontinued in that 10-year period. That is not a high rate of attrition.

Mr. DERWINSKI. Will the gentleman yield?

Mr. GROSS. And I have no fund-raising dinners scheduled, I will say to the gentleman from Illinois.

Mr. DERWINSKI. Let me say to the gentleman from Iowa that I fear to tangle with him in debate since he is such a formidable antagonist, but let me point out to the gentleman that he has selectively read from some material from which I gather the publishing industry is not doing too well.

Mr. GROSS. You selectively read from material that was supplied——

Mr. DERWINSKI. By our great friend Barry Goldwater.

Mr. GROSS. Was that selected material or something else?

Mr. DERWINSKI. No; it is most effective, I can tell you.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Gross was allowed to proceed for 1 additional minute.)

Mr. GROSS. I ask for this time because I would like to hear what the gentleman has to say.

Mr. DERWINSKI. My question is, Is it the proper way to approach the alleged profits in the publishing industry to see to it that they pay their fair share of Federal taxes? If they are that profitable, that is wonderful. We want them to be so that they can help to pay for some of the Federal budgetary expenses which you and I help to keep down.

Mr. GROSS. Let them pay their fair share of postal costs instead of loading it on the backs of the first-class postal users who have been hit with a 10-cent stamp, but no one is subsidizing them.

Mr. DERWINSKI. But the first-class user will not be helped by getting this bill. He will still have to pay the heavier cost.

Mr. GROSS. Out of what he ought to be paying for the postal service.

Mr. DERWINSKI. But there is no way that you can solve the problem of the first-class mail user. Not with this Chappell amendment or anything of that kind.

Mr. GROSS. I support the amendment offered by the gentleman from Florida. It is aimed in the right direction, and it will make the bill much less worse.

AMENDMENT OFFERED BY MR. MATHIS OF GEORGIA TO THE AMENDMENT OFFERED BY MR. CHAPPELL

Mr. MATHIS of Georgia. Mr. Chairman, I offer an amendment to the amendment offered by the gentleman from Florida (Mr. Chappell).

The Clerk read as follows:

> Amendment offered by Mr. Mathis of Georgia to the amendment offered by Mr. Chappell: Line 4 strike out "in county" and "5,000" and insert for "5,000" the numeral "10,000".

Mr. MATHIS of Georgia. Mr. Chairman, this amendment is a clarifying amendment, I hope, to the amendment offered by the gentleman from Florida, which I support, because inadvertently in the drafting of the language it appears that the gentleman has reduced the 16-year exemption for these small weekly newspapers back down to 8 years. My amendment would restore it, to make the weekly newspapers dealt with as they were in the original bill reported by the committee.

My amendment also increases the number 5,000 to 10,000 to insure that we cover a few more of these weekly newspapers that have this same problem. Perhaps, as arbitrary as the gentleman from Illinois pointed out, the 5,000 figure is, I think it does broaden the amendment to a point where it will cover more of these weekly newspapers.

I feel it is the desire of a majority of the members of the committee to try to assist them. I think there is a good possibility that the gentleman from Florida (Mr. Chappell's) amendment will support my amendment.

Mr. CHAPPELL. Will the gentleman yield?

Mr. MATHIS of Georgia. I yield to the gentleman.

Mr. CHAPPELL. I accept the gentleman's amendment. As a matter of fact, I commend him on it, because I think he makes perfectly clear the people we are trying to help are the in-county publications which are intended to be helped so that they will be subject to the extended period of 16 years rather than the shorter period. I concur that it will help all of those who need help by increasing the limitation to 10,000 rather than 5,000.

Mr. MATHIS of Georgia. I appreciate the support of the gentleman from Florida and urge the support of the Chappell amendment as amended by my amendment if the committee will accept it.

Mr. DERWINSKI. Will the gentleman yield to me in order to expedite the matter?

Mr. MATHIS of Georgia. I yield to the gentleman.

Mr. DERWINSKI. Let me say that I recognize the gentleman from Florida and the gentleman from Georgia are two of the really effective Members of this body. When I see this combination linked up it frightens me even a bit more than the gentleman from Iowa.

What the gentleman from Georgia is really doing is rushing to correct the original mistakes in drafting that were innocently made by the gentleman from Florida.

I support it as a recisionary effort but ask that we reject the amendment as amended, and get back to the original bill.

Mr. MATHIS of Georgia. I appreciate about one half of the comments made by the gentleman from Illinois.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. MATHIS of Georgia. I would be delighted to yield to the gentleman from Iowa.

Mr. GROSS. I think what the gentleman from Illinois (Mr. Derwinski) is really interested in is whether this amendment takes the United Nations Magazine, Playboy, and other publications out of subsidy provided in this bill.

Mr. DERWINSKI. Mr. Chairman, will the gentleman yield?

Mr. MATHIS of Georgia. I would say to the distinguished gentleman from Iowa that I do not want to become involved in a big interparty dispute between the people on that side of the aisle.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. Mathis) to the amendment offered by the gentleman from Florida (Mr. Chappell).

The amendment to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida as amended.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CHAPPELL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 166, noes 237, answered "present" 1, not voting 29, as follows:

[Roll No. 304]

AYES—166

Alexander
Archer
Bafalis
Baker
Beard
Bennett
Bevill
Biester
Bowen
Breaux
Brown, Mich.
Broyhill, N.C.
Burgener
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Camp
Carter
Cederberg
Chappell
Clancy
Clawson, Del
Cleveland
Cochran
Corman
Coughlin
Daniel, Robert W., Jr.
Davis, S.C.
Davis, Wis.
de la Garza
Dennis
Dent
Devine
Dickinson
Diggs
Downing
Duncan
du Pont
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Flowers
Flynt
Forsythe
Fountain
Frenzel
Froehlich
Fulton
Fuqua
Gettys
Gibbons
Ginn
Goodling
Green, Oreg.
Griffiths
Gross
Grover
Gude
Gunter
Haley
Hammerschmidt
Hansen, Idaho
Harsha
Hays
Hechler, W. Va.
Hicks
Hinshaw
Hogan
Horton
Huber
Hunt
Hutchinson
Ichord
Jarman
Johnson, Colo.
Jones, Ala.
Jones, Okla.
Jones, Tenn.
Ketchum
Kuykendall
Latta
Lent
Lott
Lujan
McDade
McKay
McSpadden
Mahon
Mallary
Martin, N.C.
Mathis, Ga.
Mayne
Mazzoli
Michel
Miller
Minshall, Ohio
Mizell
Mollohan
Montgomery
Mosher
Natcher
Nelsen
Nichols
O'Hara
Parris
Passman
Poage
Price, Tex.
Pritchard
Rarick
Roberts
Robinson, Va.
Robison, N.Y.
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rousselot
Runnels
Ruth
Ryan
Sandman
Satterfield
Seiberling
Shipley
Shoup
Shuster
Sikes
Slack
Snyder
Spence
Staggers
Stanton, J. William
Steed
Steiger, Ariz.
Steiger, Wis.
Stubblefield
Stuckey
Symington
Symms
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thornton
Towell, Nev.
Treen
Vander Veen
Veysey
Waggonner
Wampler
Ware
Whitehurst
Whitten
Wilson, Bob
Wyatt
Wydler
Wylie
Wyman
Young, Alaska
Young, Fla.
Young, Ga.
Young, S.C.
Zion
Zwach

NOES—237

Abdnor
Abzug
Adams
Addabbo
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Barrett
Bauman
Bell
Bergland
Biaggi
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Brademas
Bray
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Broyhill, Va.
Burke, Calif.
Burke, Mass.
Burton
Byron
Carney, Ohio
Casey, Tex.
Chamberlain
Chisholm
Clark
Clausen, Don H.
Clay
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conlan
Conte
Conyers

Cotter
Crane
Cronin
Culver
Daniel, Dan
Danielson
Delaney
Dellenback
Dellums
Denholm
Derwinski
Dingell
Donohue
Drinan
Dulski
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Fascell
Findley
Fish
Flood
Foley
Ford
Fraser
Frelinghuysen
Gaydos
Giaimo
Gilman
Goldwater
Gonzalez
Grasso
Green, Pa.
Gubser
Guyer
Hamilton
Hanley
Hanrahan
Hansen, Wash.
Harrington
Hawkins
Heckler, Mass.
Heinz
Helstoski
Henderson
Hillis
Holifield
Holt
Holtzman
Hudnut
Hungate
Johnson, Calif.
Johnson, Pa.
Jordan
Karth
Kastenmeier
Kazen
Kemp
King
Kluczynski
Koch
Kyros
Lagomarsino
Landgrebe
Lehman
Litton
Long, La.
Long, Md.
Luken
McClory
McCloskey
McCollister
McCormack
McEwen
McFall
McKinney
Madden
Mann
Maraziti
Martin, Nebr.
Mathias, Calif.
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Nedzi
Nix
Obey
O'Brien
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Rinaldo
Rodino
Roe
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roy
Roybal
St Germain
Sarasin
Sarbanes
Scherle
Schneebeli
Schroeder
Sebelius
Shriver
Sisk
Skubitz
Smith, Iowa
Stanton, James V.
Stark
Steele
Steelman
Stephens
Stokes
Stratton
Studds
Sullivan
Teague
Thone
Tiernan
Traxler
Ullman
Van Deerlin
Vander Jagt
Vanik
Vigorito
Waldie
Walsh
Whalen
White
Widnall
Wiggins
Williams
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Yates
Yatron
Young, Ill.
Young, Tex.
Zablocki

ANSWERED "PRESENT"—1

Brown, Ohio

NOT VOTING—29

Brasco
Buchanan
Carey, N.Y.
Daniels, Dominick V.
Davis, Ga.
Dorn
Esch
Fisher
Frey
Gray
Hanna
Hastings
Hébert
Hosmer
Howard
Jones, N.C.
Landrum
Leggett
Macdonald
Madigan
Matsunaga
Reid
Riegle
Rooney, N.Y.
Rose
Ruppe
Smith, N.Y.
Thompson, N.J.
Udall

So the amendment, as amended, was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. GONZALEZ

Mr. GONZALEZ. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Gonzalez: Page 3, immediately after line 8, add the following new section:

Sec. 4. (a) Subchapter V of chapter 36 of title 39, United States Code, is amended by adding at the end thereof the following new section:

"§ 3686. One cent postage rate for postal and post cards

"Notwithstanding any other provision of this title or of any other law, the rate of postage for the use (other than any use which is related to a trade or business) of each single postal card and for each portion of a double postal card, including the cost of manufacture, and for each post card and the initial portion of each double post card is 1 cent until otherwise provided by law. For the purposes of the preceding sentence—

"(1) a postal card is a card supplied by the Postal Service with a postage stamp printed or impressed on it for the transmission of messages, orders, notices, and other communications, either printed or written in pencil or ink;

"(2) a post card is a privately printed mailing card for the transmission of a message, and not larger than the size fixed by the Convention of the Universal Postal Union in effect, and of approximately the same form, quality, and weight as a postal card; and

"(3) the term 'trade or business' means any occupation or other activity engaged in for profit, compensation, or hire.".

(b) The table of sections for subchapter V of chapter 36 of title 39, United States Code, is amended by adding at the end thereof the following new item:

"3686. One cent postage rate for postal and post cards.".

(c) The amendments made by this section shall become effective at the beginning of the third calendar month following the date of the enactment of this section or on such earlier date, published in the Federal Register by the Board of Governors of the Postal Service, as the Board may prescribe.

POINT OF ORDER

Mr. DULSKI. Mr. Chairman, I make a point of order against the amendment on the ground that the amendment is not germane to the bill.

The CHAIRMAN (Mr. Addabbo). Does the gentleman wish to be heard on his point of order?

Mr. DULSKI. I do, Mr. Chairman.

Mr. Chairman, the question is whether the matter contained in the amendment is in violation of House rule XVI, clause 7, which provides, in part, that—

> No motion or proposition on a subject different from that under consideration shall be admitted under color of amendment.

The bill under consideration, S. 411, relates to the following subject matters.

The first section amends section 3626 of title 39, United States Code, to extend the rate phasing for certain classes of mail, namely:

First, from 10 to 16 years for nonprofit and preferred rate second-class mail, nonprofit third-class, and the special library fourth-class rate; and

Second, from 5 to 8 years for regular second and third-class mail, controlled circulation mail, and special commercial books and records fourth-class mail.

Section 2 is a savings clause.

Section 3 amends section 2009 of title 39, United States Code (relating to the method of presenting the annual Postal Service budget) to add two new requirements.

Under House rule XVI, clause 7, any amendment to a bill concerning a subject different from those contained in the bill is not germane and is subject to a point of order.

The instant amendment proposes to add a new section to chapter 36 of title 39 relating to the establishment of a new class of mail and thus attempts to establish postal rates.

In my opinion, the subject matter of the amendment is not similar to any of the subject matters involved in S. 411 which I have just outlined and is not germane.

Mr. Chairman, I insist on my point of order.

The CHAIRMAN. Does the gentleman from Texas wish to be heard on the point of order?

Mr. GONZALEZ. I do, Mr. Chairman.

Mr. Chairman, this amendment is as germane as a newborn infant is to its mother when still suckling at her breast. This whole transaction is concerned with the matter of postal rates. The whole thrust of this legislation before the House is that point, a decision made by the Postal Rate Commission.

My amendment goes to the heart of germaneness; strikes it right down the middle. It merely says, as my predecessor attempted to do in his amendment in this particular category, as it has been known as a post card, that we shall stimulate for private use, family use, noncommercial use, the penny postcard.

Mr. Chairman, I just cannot conceive of this amendment not being wholly germane.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. GONZALEZ. Mr. Chairman, I yield to the gentleman from Iowa.

Mr. GROSS. Mr. Chairman, what is more American than a penny postcard?

Mr. GONZALEZ. I cannot think of anything more American than a penny postcard.

The CHAIRMAN (Mr. Addabbo). The Chair is prepared to rule on the point of order.

The Chair has listened to the point of order and has studied the bill and the report. In the opinion of the Chair, the gentleman from New York (Mr. Dulski) has properly characterized the bill. It is very narrow in scope and relates only to a period of phasing of certain classifications of mail and of budget submission.

It certainly is not broad enough to open the whole subject of postal rate adjustments. The amendment would establish a 1-cent post card, a subject not within the scope of the bill.

The Chair is not against the amendment of the gentleman from Texas, but the Chair must hold that the amendment is not germane, and sustains the point of order.

Mr. DERWINSKI. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am only going to take a minute. When one is armed with absolutely perfect logic, that is all he needs to make his point. The point I want to make at this time, since we have a fair number of Members on the floor, is that all through this debate a number of Members were rising to take shots at the Postal Service.

I am afraid too many Members may innocently be in the frame of mind of voting against this bill, thinking they are getting at the Postal Service, which seems to be a whipping boy.

That is not the case at all. A vote for this bill or a vote against this bill has no real significance to the Postal Service, and any gripes and complaints the Members have about the U.S. Postal Service or their attitude toward change is not going to be altered one iota by the passage or defeat of this bill.

Mr. Chairman, this bill deserves passage on its merits. This is a practical piece of legislation to meet the needs of the mailers including the not for profit who have encountered extraordinary problems in the last 3 years because of the increase in postal rates. This bill is $700 million less than a similar proposal which the House rejected. I consider this a practical adjustment both in terms of dollars and impact. I believe the practical thing to do at this point now is to pass the bill.

Mr. HANLEY. Mr. Chairman, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman.

Mr. HANLEY. I commend the gentleman for his statement and want to associate myself with his remarks.

Mr. GROSS. Mr. Chairman, I move to strike the necessary number of words.

Let me say to the gentleman from Illinois that this bill may involve less money than the previously defeated bill in the House, but it is still a $753 million completely unjustified raid on the U.S. Treasury.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. ADDABBO, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (S. 411) to amend title 39, United States Code, with respect to certain rates of postage, and for other purposes, pursuant to House Resolution 1170, he reported the bill back to the House.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the third reading of the bill.

The bill was ordered to be read a third time and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. GROSS. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 277, nays 129, not voting 27, as follows:

[Roll No. 305]

YEAS—277

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Arends
Ashbrook
Ashley
Aspin
Badillo
Barrett
Bell
Bergland
Biaggi
Biester
Bingham
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton
Carney, Ohio
Carter
Cederberg
Chamberlain
Chisholm
Clark
Clausen, Don H.
Clay
Cochran
Cohen
Collins, Ill.
Collins, Tex.
Conte
Conyers
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Danielson
Delaney
Dellenback
Dellums
Denholm
Dent
Derwinski
Diggs
Dingell
Donohue
Drinan
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Esch
Fascell
Fish
Flood
Flynt
Foley
Ford
Forsythe
Fraser
Frelinghuysen
Froehlich
Gaydos
Gettys
Giaimo
Gilman
Ginn
Goldwater
Grasso
Gray
Green, Pa.
Guyer
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Wash.
Harrington
Hays
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Hudnut
Hungate
Hunt
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Kluczynski
Koch
Kyros
Lagomarsino
Latta
Lehman
Lent
Litton
Long, Md.
Lott
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McFall
McKinney
Madden
Mallary
Mann
Maraziti
Martin, Nebr.
Mathias, Calif.
Mayne
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Mills
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rees
Regula
Reuss
Rhodes
Rinaldo
Rodino
Roe
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sisk
Skubitz
Slack
Smith, Iowa
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steele
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Teague
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vigorito
Waldie
Walsh
Wampler
Whalen
White
Widnall
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Yates
Yatron
Young, Ga.
Young, Ill.
Young, Tex.
Zablocki

NAYS—129

Archer
Armstrong
Bafalis
Baker
Bauman
Beard
Bennett
Bevill
Blackburn
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burgener
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Casey, Tex.
Chappell
Clancy
Clawson, Del
Cleveland
Collier
Conable
Conlan
Corman
Crane
Daniel, Robert W., Jr.
Davis, S.C.
Davis, Wis.
de la Garza
Dennis
Devine
Dickinson
Downing
Duncan
du Pont
Edwards, Ala.
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Flowers
Fountain
Frenzel
Fulton
Fuqua
Gibbons
Gonzalez
Goodling
Green, Oreg.
Gross
Grover
Gubser
Gude
Gunter
Haley
Hanrahan
Hansen, Idaho
Harsha
Hechler, W. Va.
Huber
Hutchinson
Ichord
Jarman
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Ketchum
King
Kuykendall
Landgrebe
Leggett
Lujan
McEwen
McKay
McSpadden
Madigan
Mahon
Martin, N.C.
Mathis, Ga.
Mazzoli
Michel
Miller
Mizell
Moorhead, Calif.
Mosher
Parris
Passman
Poage
Price, Tex.
Rarick
Roberts
Robinson, Va.
Robison, N.Y.
Rogers
Roncalio, Wyo.
Rousselot
Runnels
Ruth
Satterfield
Shuster
Sikes
Snyder
Spence
Steed
Steiger, Ariz.
Stubblefield
Stuckey
Symms
Taylor, N.C.
Towell, Nev.
Treen
Vanik
Veysey
Waggonner
Ware
Whitehurst
Whitten
Wiggins
Wylie
Wyman
Young, Alaska
Young, Fla.
Young, S.C.
Zion
Zwach

NOT VOTING—27

Brasco
Buchanan
Carey, N.Y.
Daniels, Dominick V.
Davis, Ga.
Dorn
Fisher
Frey
Griffiths
Hastings
Hawkins
Hébert
Hosmer
Howard
Jones, N.C.
Landrum
Long, La.
Macdonald
Matsunaga
Reid
Riegle
Rooney, N.Y.
Rose
Ruppe
Smith, N.Y.
Thompson, N.J.
Udall

So the bill was passed.

The Clerk announced the following pairs:

On this vote:

Mr. Thompson of New Jersey for, with Mr. Hébert against.

Mr. Dominick V. Daniels for, with Mr. Fisher against.

Mr. Buchanan for, with Mr. Hosmer against.

Until further notice:

Mr. Matsunaga with Mrs. Griffiths.

Mr. Hawkins with Mr. Dorn.

Mr. Macdonald with Mr. Reid.

Mr. Rooney of New York with Mr. Davis of Georgia.

Mr. Riegle with Mr. Carey of New York.

Mr. Howard with Mr. Long of Louisiana.

Mr. Brasco with Mr. Smith of New York.

Mr. Jones of North Carolina with Mr. Landrum.

Mr. Udall with Mr. Rose.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HANLEY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed, S. 411, and to include extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

SIXTH ANNUAL REPORT ON THE ADMINISTRATION OF THE NATURAL GAS PIPELINE SAFETY ACT OF 1968—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Interstate and Foreign Commerce:

To the Congress of the United States:

I herewith transmit the Sixth Annual Report on the administration of the Natural Gas Pipeline Safety Act of 1968. This report has been prepared in accordance with section 14 of the act, and covers the period January 1, 1973, through December 31, 1973.

RICHARD NIXON.

THE WHITE HOUSE, *June 19, 1974.*

DEPARTMENT OF TRANSPORTATION AND RELATED AGENCIES APPROPRIATION BILL, 1975

Mr. YOUNG of Texas. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1183 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1183

Resolved, That during the consideration of the bill (H.R. 15405) making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1975, and for other purposes, all points of order against the following provisions in said bill for failure to comply with the provisions of clauses 2 and 5, rule XXI, are hereby waived: In title I—"Coast Guard"—beginning on page 3, line 2, through page 4, line 14, and beginning on page 4, line 20, through page 5, line 12; "National Highway Traffic Safety Administration"—beginning on page 14, lines 3 through 13; and "Federal Railroad Administration"—beginning on page 15, lines 1 through 8.

The SPEAKER. The gentleman from Texas is recognized.

Mr. YOUNG of Texas. Mr. Speaker, I yield 30 minutes to the distinguished gentleman from Tennessee (Mr. QUILLEN) pending which I yield myself such time as I may require.

Mr. Speaker, House Resolution 1183 permits the Committee on Appropriations to submit the 1975 appropriation bill for the Department of Transportation and related agencies for action on the floor of the House of Representatives.

House Resolution 1183 provides that all points of order against the provisions of clause 2—prohibiting unauthorized appropriations—and clause 5—prohibiting reappropriations—rule XXI of the rules of the House of Representatives are waived with respect to certain items for three different agencies in title I.

H.R. 15405 provides $3,307,239,000 in new budget—obligational—authority for the included programs. This is a reduction of $231,699,552 below the $3,538,938,552 requested in the budget. The amount recommended in the bill is $110,478,994 more than the total amount appropriated for the current fiscal year.

Appropriations are also made in the bill for the Coast Guard, the Federal Aviation Administration, the Urban Mass Transportation Administration, the Civil Aeronautics Board, the Interstate Commerce Commission, and the Federal Railroad Administration.

Mr. Speaker, I urge the adoption of House Resolution 1183 in order that we may discuss and debate H.R. 15404.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as explained, House Resolution 1183 is the rule under which we will consider H.R. 15405, the Department of Transportation and related agencies appropriation bill, for 1975. This rule waives points of order against several sections of the bill for failure to comply with the provisions of clause 2 and clause 5 of rule XXI. These two clauses deal with lack of authorization and reappropriations. These waivers are needed for the following provisions of the bill:

All of page 3, page 4, lines 1–14 and lines 20–25, and page 5, lines 1–12, dealing with the Coast Guard. Under the National Highway Traffic Safety Administration, page 14, lines 3–13 and page 15, lines 1–8.

The primary purpose of H.R. 15405 is to appropriate $3,307,239,000 for the programs of the Department of Transportation and related agencies. This is $110,478,994 more than the $3,196,760,006 appropriated for the current fiscal year. On the other hand, the amount recommended in this bill is $231,699,552, below the $3,538,938,552 requested in the budget.

Mr. Speaker, I urge the adoption of this rule in order that the House may begin debate on H.R. 15405.

Mr. Speaker, I have no requests for time, but I reserve the balance of my time.

Mr. YOUNG of Texas. Mr. Speaker, I have no requests for time.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. McFALL. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15405) making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1975, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to 2 hours, the time to be equally divided and controlled by the gentleman from Massachusetts (Mr. CONTE) and myself.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from California.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 15405, with Mr. MURPHY of New York in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous consent agreement, the gentleman from California (Mr. McFALL) will be recognized for 1 hour, and the gentleman from Massachusetts (Mr. CONTE) will be recognized for 1 hour.

The Chair recognizes the gentleman from California.

Mr. McFALL. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman, before discussing the specifics of the bill, I want to express my appreciation to the other members for their cooperation during the detailed hearings conducted by our subcommittee. It is a real pleasure to serve with them. I especially want to thank the distinguished ranking minority member from Massachusetts (Mr. CONTE) for his active participation and support in developing this legislation.

Our committee feels that the transportation problems of this Nation are great. We also recognize the need to reduce Federal spending to curb the inflation which large deficits have helped to produce. I think the bill before us today reflects the proper balance between improving transportation and holding back inflationary spending.

SUMMARY OF THE BILL

The bill includes a total of $8,848,978,448, of which about $5.5 billion is liquidating cash and $3.3 billion is new obligational authority. The committee's recommendation is $366,222,552 less than the administration's request. We believe that, at this time, all agencies should separate that which is essential from that which is merely desirable.

The bill provides funds for about 128,500 positions, including nearly 38,000 military personnel for the Coast Guard. This is an increase of about 600 positions over fiscal year 1974. Most of these new personnel are Coast Guard military and FAA air traffic controllers and flight service specialists.

SELECTED MAJOR RECOMMENDATIONS

I would call the attention of the Members of the Committee to the summary beginning on page 4 of the report. The major recommendations are as follows:

First, the appropriation of $1,363,000,000 for the operations activities of the Federal Aviation Administration, $22,500,000 less than the budget request;

Second, the appropriation of $617,579,448 for operating expenses of the Coast Guard;

Third, approval of the $6,380,000 requested to complete the Morgantown personal rapid transit—PRT—demonstration project, contingent upon an acceptable agreement between UMTA and the University of West Virginia on the future of the project;

Fourth, deletion of the $10,620,000 requested to continue UMTA's high performance personal rapid transit demonstration project at Broomfield, Colo.;

Fifth, approval of the $16,900,000 requested to provide for an improved Loran-C radionavigational system for the Pacific coastal region;

Sixth, the appropriation of $50,000,000 for research and development of the Federal Railroad Administration;

Seventh, a general provision providing for commitments of not to exceed $1,321,750,000 for urban mass transportation;

Eighth, the addition of $8,000,000 over the budget for certain railroad-highway crossings demonstration projects;

Ninth, a reduction of $15,000,000 in the research, engineering, and development—trust funds—appropriation of the FAA;

Tenth, a general provision limiting obligations for State and community highway safety and highway-related safety grants to $100,000,000, a reduction of $48,000,000 below the budget estimate, including a denial of the funds requested for incentive grants for mandatory seatbelt legislation;

Eleventh, the appropriation of $15,000,000 for procurement of aircraft by the Coast Guard; and

Twelfth, a general provision prohibiting the use of funds to implement a program of increased aviation user charges.

OFFICE OF THE SECRETARY

Mr. Chairman, the bill provides a total of $60.5 million for the Office of the Secretary of Transportation. This includes $31.3 million for salaries and expenses. Most of the 42 new positions provided for are safety related.

I am pleased to report that the Department of Transportation has finally recognized the need for a national transportation policy. We conducted several days of hearings on this matter. While the Secretary's progress report was not as specific as we would have liked, it was, nonetheless, a first step. I hope that next year I can report that further progress has been made in this area.

The bill also includes $28 million for the transportation research activities of the Office of the Secretary. This is in addition to the $6.4 million included in the special energy research and development appropriations bill for fiscal year 1975, which passed the House on April 30.

COAST GUARD

The Coast Guard is one of the oldest and finest organizations in our Government. This fine tradition is exemplified by the recently retired Commandant, Adm. Chester R. Bender, and the Vice Commandant, Vice Adm. Thomas R. Sargent. Under their leadership the Coast Guard successfully phased out its participation in the Vietnam conflict and assumed much broader peacetime responsibilities.

The Coast Guard has a reputation for being cost conscious and submitting tight budgets. We have reduced the agency's appropriation for operating expenses by $5,390,552. This is less than 1 percent of their budget.

For acquisition, construction, and improvements, the committee recommends the sum of $111,307,000. This amount includes the full $16.9 million requested to improve the Loran-C radionavigation system on the Pacific coast and $15 million for the procurement of new aircraft.

No reductions are proposed in the appropriations for bridge alterations and retired pay.

For reserve training, we recommend $29 million, an increase of $2.23 million over the appropriations for the current fiscal year. For a number of years we suggest that the Coast Guard develop a peacetime mission for the Reserves. This has now been accomplished. And Reservists have already been used to assist victims of the serious flooding which occurred on the Mississippi and Missouri Rivers last year.

The bill also includes $17.5 million for the research and development programs of the Coast Guard. This is 25 percent more than the amount appropriated for fiscal year 1974.

In the area of State boating safety assistance, we recommend an appropriation of $6 million. This is an increase of $2.5 million over the current year's appropriation. We are concerned, however, that some States are merely substituting these Federal funds for State funds. We hope that the Coast Guard will seek legislation to require the States to increase their funding in this field.

We did not include the $10 million requested to increase the balance in the pollution fund. The balance in this fund is almost $10 million, and total fund income is expected to exceed expenditures during fiscal years 1974 and 1975.

FEDERAL AVIATION ADMINISTRATION

Mr. Chairman, we recommend the sum of $1,363,000,000 for operations of the Federal Aviation Administration. This provides for all personnel engaged in the operation and maintenance of the air traffic control system, as well as all supporting services, administrative costs, and regulatory personnel in the FAA.

Our recommendation for operations is $22.5 million less than the budget. We found out that the air traffic levels on which FAA's request is based were developed last September, prior to the fuel shortage. Since that time, there have been some significant reductions in air traffic operations.

The bill includes $241.1 million for facilities and equipment. As in past years, most of these funds are for the terminal and en route traffic control systems. In addition we recommend funds for 22 new instrument landing systems. The locations for these systems are contained on page 16 of the committee report.

For the R. & D. programs of FAA, the bill includes $55 millon in trust funds and about $10.4 million in general funds. We feel it is essential for FAA to move forward as fast as it can in the area of wake vortex research and have approved the full amount for this program.

We have recommended the full budget request for airport development grants. In the planning grant program, we felt the unobligated balance was too large, and, therefore, we have not recommended any new funds for this purpose.

With respect to the National Capital airports, the committee recommends $16 million for operation and maintenance and $4.2 million for construction.

FEDERAL HIGHWAY ADMINISTRATION

Mr. Chairman, highways provide by far the largest portion of transportation services used in this country. About 89 percent of all intercity travel and 97 percent of all urban passenger trips are by the highway mode. This mode remains the predominant choice in our national quest for mobility.

To continue our highway program, we recommend a liquidating cash appropriation of $4,573,840,000 from the highway trust fund. Of this amount, nearly $3 billion is to continue the construction of the interstate highway system.

For administrative expenses of the Federal Highway Administration, the bill includes a limitation of $127.2 million. This is a reduction of $10.8 million below the budget.

The bill includes separate appropriations for motor carrier safety and highway safety research and development. These are not new programs, but this is the first time that we have recommended separate appropriations for both of these items. The amounts recommended are $6.1 million for motor carrier safety and $9 million for highway safety research and development.

For highway beautification, we recommend a $25 million liquidating cash appropriation. The bill also includes a limitation on highway beautification obligations for fiscal year 1975. The $40 million limitation is about $10 million less than the level requested in the budget.

We did not include any additional funds for the rail-crossings projects in the Northeast corridor. This program is still progressing very slowly, but not because of a lack of Federal funds. As of April 30, 1974, almost $20 million of prior year appropriations still had not been obligated. With respect to the 12 rail-highway crossings projects authorized by section 163 of the Federal-Aid Highway Act, we have added $8 million over the budget. Since the funds recommended can be used only for these projects, they should be able to proceed without any significant delays. It is our intention that these funds be used prior to the regular apportionment of funds under sections 203 and 230.

We recommend the budget request of $10 million for a new program of rural highway public transportation demonstrations. Under our recommendations, the budget requests for highway safety construction programs and forest and public land highways would also be approved.

NATIONAL HIGHWAY TRAFFIC SAFETY ADMINISTRATION

In the field of highway safety, we recommend $17,350,000 for the traffic and highway safety program, a reduction of $13,150,000 below the budget request.

Under our recommendation, no funds would be provided for the compliance test facility. We have been advised that the lease agreement for this facility has not yet been finalized.

The bill does include the full amounts requested for the experimental safety vehicle and motor vehicle consumer information programs.

The other activity under this administration is a matching grant program for State and community highway safety. We recommend $96 million to pay obligations already incurred in this program, and, also, recommend a limitation of $100 million on obligations to be made in 1975. Under our obligation ceiling, no funds would be available for a program of incentive grants to States to enact mandatory seat belt legislation.

FEDERAL RAILROAD ADMINISTRATION

The bill provides $3.8 million for the Office of the Administrator of the Federal Railroad Administration. We recommend the appropriation of $10,170,000, an increase of $933,000 over fiscal year 1974, for the railroad safety functions of the Federal Railroad Administration. I feel that additional safety inspectors are essential for improved railroad safety and that this program should be given a higher priority than it has heretofore been accorded by FRA. The bill also includes the budget request of $1 million for grants to States for railroad safety, plus language which would make an additional $1.5 million available for this program.

We recommend $50 million for railroad research and development, which is

$19,550,000 more than the amount appropriated for similar activities in fiscal year 1974. The reductions, which are listed on page 28 of the report, include $1.5 million for research involving industry problems. We feel it has not been demonstrated that any of the proposed research will solve the railroad industry's problems. We are also concerned about the possible duplication of effort between this program and certain activities of the ICC. As stated in the report, we expect the activities of these agencies to be properly coordinated.

We have reduced the advanced systems programs by $8 million and the supporting technology program by $1.5 million. We feel the Federal Railroad Administration should concentrate its efforts on those programs which appear to have the greatest potential for immediate and near term improvements.

The bill includes a $125 million appropriation to Amtrak to offset operating deficits. The Congress has appropriated, over the years, nearly a half a billion dollars to Amtrak. Amtrak, however, is no closer to breaking even now than it was about 3½ years ago when the first appropriation was made. In the conference report on the second supplemental appropriations bill we directed the Secretary of Transportation and the president of Amtrak to submit service and route criteria to the Congress. We expect that the criteria submitted will establish a reasonable balance between sound fiscal policy and adquate service to the traveling public.

Mr. ADAMS. Mr. Chairman, will the gentleman yield?

Mr. McFALL. Yes, I yield to the gentleman from Washington.

Mr. ADAMS. One of the problems that the authorizing committee is having with this is that that route structure may well be frozen, and if it is frozen the $125 million will not maintain that structure, so that if we change the amount of money that they have, they have no other source of revenue. They are running at a deficit, and it means that they must either stop routes or stop service in particular areas.

Mr. Chairman, I would be hopeful that the gentleman might consider the testimony that was before us to the effect that the deficit will be $143 million at a minimum, and depending upon fuel costs for the rest of the year, could rise.

I would just like to know if the gentleman has some position for the Appropriations Committee as to whether we are going to drop the service or whether there is a chance that additional money can be placed in this as the case is made for it.

Mr. McFALL. Is the gentleman from Washington referring to the $18 million that we reduced from the proposed budget?

Mr. ADAMS. Correct. They have a deficit, and there is no other money, so they just have to shut down operations to that degree.

Mr. McFALL. We realize that; and as the gentleman knows, this entire appropriation is subject to a point of order. I expect that the point of order will be made and we will have a discussion at that time concerning it.

Mr. Chairman, I would like to say this: I am glad the gentleman asked the question because I know that he and others on the authorizing committee are working very hard on Amtrak. I suppose you could categorize the reduction of Amtrak's funds as an attempt to get the Members attention with respect to this company. We are concerned that Amtrak's request seems to change every month.

I know the authorizing committees of this Congress, the administration, and Amtrak are making an attempt to look into this matter.

If we make absolutely certain that Amtrak is going to perform the function for which it was intended, then, I think, we have accomplished our purpose. When we get to that point during the reading of the bill, perhaps, we can have a meaningful discussion of just what the committee that the gentleman belongs to is doing with reference to oversight of Amtrak.

Mr. ADAMS. I thank the gentleman.

What we are trying to solve is the very difficult problem of service versus how much the taxpayers should pay.

Mr. Chairman, I thank the gentleman for his comment.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. McFALL. I will be glad to yield to the gentleman from Texas.

Mr. PICKLE. If it is the gentleman's intent, assuming this point is raised, and further consideration of the Amtrak program is to be made, perhaps if we can have a better agreement between Amtrak and the railroads, the committee would consider putting additional funds into it or at least restoring some of these funds so that Amtrak can operate properly.

Mr. McFALL. Mr. Chairman, I would point out to the gentleman that the authorizing legislation is still in his committee. It is not authorized as yet. I hope that the gentleman's committee will be considering that point.

I think all of the members of our subcommittee are in favor of Amtrak. We support Amtrak. We want to see it operated properly. We just want to make certain that those who are responsible for its operation in and out of the Congress are paying adequate attention to it. Hopefully, many of the roadblocks of the past, such as bad track and lack of cooperation by the railroads from which Amtrak has to get its service, are some of the things which we will be doing something about.

Mr PICKLE. The gentleman's last point is certainly commendable. We should aid Amtrak's operation in every respect we can in helping it in scheduling its service, but we should also expect full cooperation of the participating railroads, especially with regard to tracks and the condition of tracks, because that is a factor if we are going to make a success of this. Therefore, these two elements must go together. I hope that we can consider both of them in the same light.

Mr. McFALL. With reference to that, the gentleman knows that the train from St. Louis to Chicago takes a longer time than it did in 1912.

The track is in such terrible condition that, as one approaches St. Louis, the train never goes over 30 miles an hour.

We have heard testimony given before the committee, and we know that this is a real problem, especially in the Northeast for railroads such as the Penn Central, and others.

Mr. PICKLE. Mr. Chairman, will the gentleman yield further?

Mr. McFALL. I yield to the gentleman from Texas.

Mr. PICKLE. For example, the track of the Inter-American line is in such poor condition that the train cannot even go fast enough to charge the battery to provide air-conditioning. So in the very deep part of the South we are forced to go miles and miles without any kind of air-conditioning. That is a deplorable situation, and we must do something about that.

Mr. McFALL. Mr. Chairman, we recommend $7 million for administrative expenses of the Urban Mass Transportation Administration. For research, development, and demonstrations we are recommending $51,130,000, an increase of $16,080,000 over fiscal 1974 and a reduction of $27,870,000 below the budget estimate. Among the recommended reductions, is $10,620,000 for the high performance PRT. We felt that the unobligated balances should be adequate for completion of the conceptual design and evaluation of this project during fiscal 1975. During the coming year, we expect UMTA to conduct an urban deployability study of PRT to see what role, if any, these systems should play in mass transportation.

The bill includes the full amount requested to complete the research and development phase of the Morgantown project. We have directed, however, that none of these funds be obligated until UMTA and the University of West Virginia agree on what will happen beyond the R. & D. phase and this agreement has been approved. If such an agreement is not reached within 30 days after the enactment of this bill, we have directed that the $6,380,000 recommended should be used to dismantle the project as required in the contract between UMTA and the university.

We recommend $400 million to liquidate obligations incurred under basic legislation for urban mass transportation. We are concerned about the techniques employed in selecting fixed guideway and other capital grant applications for approval and expect UMTA to accelerate its efforts to provide adequate guidelines to the cities. In addition, the bill provides for an obligation level of $1,321,750,000 for Urban Mass Transportation Administration programs in fiscal year 1975.

RELATED AGENCIES

Title II of the bill provides $298,002,000 for five related agencies. This includes $9,450,000 for the National Transportation Safety Board which investigates and determines the probable cause of all aviation accidents, and selected surface transportation accidents. In addition, the Board conducts a continuing review of safety in all modes of transportation.

The sum of $17,150,000 is recommended for salaries and expenses of the Civil

Aeronautics Board. We are recommending the full budget request of $69,828,000 for subsidy payments to air carriers providing service to communities which would not otherwise be served.

For the Interstate Commerce Commission, the sum of $43 million is recommended. This is essentially the full amount requested.

The bill provides the Panama Canal $62.7 million for operating expenses, $6 million for capital outlay, and a limitation on general and administrative expenses of $23,837,000. The Panama Canal Company has recommended a toll increase of approximately 20 percent. Most of the items on which this increased is based appear to be valid costs, but we are concerned with the company's change in depreciation policy. The depreciation of certain assets which previously were not depreciated adds an annual charge of about $8.3 million to operating expenses and is partially responsible for the toll increase. We feel the legislative committee should consider whether this change is related to possible treaty modifications. We also feel that the part of the toll increase related to depreciation costs should not be implemented until the legislative committee has approved this change in policy.

Finally, we recommend $72,124,000, including $52,724,000 in advance appropriations for fiscal year 1976, for the Federal share of the funding of the Washington, D.C., Metro system and the full budget request of $17.75 million to provide a Federal interest subsidy for the revenue bonds marketed by Metro. We have deferred the Federal contribution for the 1976 purchase of 256 transit cars until Metro and the Urban Mass Transportation Administration can reach an agreement on which cars are best for the Metro system. This action should not delay the opening of the system, since funding has already been provided for 300 cars and a decision on the next procurement does not need to be made for about 15 months.

Mr. Chairman, I believe we have brought a balanced and carefully considered bill to the committee and I urge its adoption.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from New York.

Mr. ADDABBO. Mr. Chairman, I am deeply disturbed that the committee bill recommends a net decrease of $1.1 million in aviation noise and pollution research as indicated in the table on page 16 of the committee report.

Those of us who represent districts which are affected by the noise and pollution associated with large airports have long called on the Federal Government, particularly the Federal Aviation Administration, to do more to resolve jet noise problems.

Many of us have long felt that the Federal Aviation Administration was not really making its best efforts along those lines. Unfortunately, this year's committee bill simply has the effect of reinforcing our feeling that the FAA continues to lag on this matter.

I find it interesting to read in the report that the FAA testified that the agency has not yet produced valid evidence that the implementation of retrofitting will bring "meaningful relief" to the public. The committee, according to the report, is left with a question that the cost-benefit ratio is unresolved.

The agency further continues to play the game of "let's wait one more year." The agency now seeks to delay the retrofitting program because it is studying an alternative option, the "refan" technology which, it reports, will be available by June 1, 1975.

It is my feeling that June 1 of next year would come and go without a definite conclusion by the agency. That, of course, would mean that instead of being specifically a part of the fiscal year 1976 budget, the issue would be delayed until fiscal year 1977.

Mr. Chairman, the people of my congressional district, surrounded as they are by Kennedy International Airport, La Guardia Airport, and Newark, cannot afford to wait 1 year, 2 more years or however long FAA would delay.

The people of my congressional district, along with those from urban areas all over America, want the Congress to act now to take positive steps to eliminate the worst hazards of jet noise and pollution.

The Congress acted several years ago to instruct the Federal Aviation Administration to promptly study the cost and the feasibility of retrofitting, and begin an organized program to implement it. The FAA is still studying the matter, even though the National Aeronautics and Space Administration, operating with limited funds several years ago, demonstrated admirably that retrofitting is indeed feasible and plays a distinct role in substantially reducing jet noise.

Mr. Chairman, it is time to stop this annual charade we let the FAA play on the American people and on the Congress.

Mr. Chairman, I would ask the chairman of the subcommittee (Mr. McFALL) to comment on these questions.

The committee report states the FAA testified that it has not yet developed valid evidence that retrofitting will provide meaningful relief to the public. Did not the FAA testify that retrofitting could reduce noise levels for perceived noise up to 50 percent of the present noise levels and NASA has concluded retrofitting produces significant decreases of jet noise. A year ago the Boeing Corp. demonstrated a workable retrofitting plan. Does the committee have any realistic belief that FAA, given its choice, will ever come out in favor of retrofitting?

Mr. McFALL. Will the gentleman yield?

Mr. ADDABBO. I yield to the gentleman.

Mr. McFALL. Yes, I think FAA will be able to come out with a satisfactory rule on noise abatement.

Mr. ADDABBO. Has the committee considered just how long it will allow FAA to stall off retrofitting. Under the terms of the committee report on page 16, it would be at least fiscal year 1977 or later before retrofitting could be implemented.

As I remember the language in the report, we asked them to delay it until June of next year. Could the chairman please explain why the noise pollution funds were cut below last year's budget? Last year it was $6 million, and it was reduced this year to $4.9 million.

Mr. McFALL. We gave them virtually what they requested. I do not believe there is a significant reduction.

Let me read the table on aviation noise and pollution research from page 14 of the report. For fiscal year 1974, the appropriation was $6 million. For fiscal year 1975, they requested $4,986,000, and we gave them $4,920,000. We reduced the request only by some $66,000.

I can assure the gentleman from New York that the committee is concerned about aviation noise. The gentleman is very knowledgeable on this subject. In fiscal year 1972, as I recall, his amendment earmarked $4.5 million for noise abatement research. We have included at least that much for noise abatement research in every year since 1972.

Mr. ADDABBO. Could you explain what the proposed program of research into the psychoacoustic reaction of individuals is, and why the Congress should use its limited research funds studying ways to determine the limits of noise abuse people can take rather than ways in which to lower noise levels?

Mr. McFALL. Mr. Chairman, I yield myself 2 additional minutes.

I would say to the gentleman that in seeking ways in which to lower noise levels we must first consider which aspects of noise are causing the problem—otherwise we could spend a great deal of money and still have offensive noise.

Mr. ADDABBO. The testimony on pages 402 and 403 of the subcommittee hearings shows that at least 1,800 airlines or 90 percent of the airline fleet does not now meet noise standards promulgated by the FAA. Will it ever implement the retrofitting plan at any time?

Mr. McFALL. Yes. Essentially, beginning June 1975, I would expect FAA to do this. I would say to the gentleman our estimate is it will cost $800 million to do this industrywide. We want to make certain that when they do it they will be doing something which will be acceptable to the public. I suppose it is a lot like the old question of what kind of noise annoys an oyster.

Mr. ADDABBO. Will the committee hold the FAA to the June 1, 1975, date in view of the fact that on page 404 Administrator Butterfield and other people testified:

> I'd be more accurate to say it's at least two years down the road.

Would the chairman give me any assurances they will try to hold the FAA to at least June 1, 1975?

Mr. McFALL. We think they can still hold to June 1975, assuming they can get some kind of an answer to the questions we posed in studying this. I agree completely that something has to be done to reduce aircraft noise. And it is not our intent to unduly delay an FAA rule on this subject. We would like, however, for the rule finally adopted by the FAA to take advantage of the latest technology which is available. NASA has been conducting research on a refan program. We do not want FAA to preclude this technology from its rule.

Mr. ADDABBO. I thank the gentleman for his response.

Mr. CONTE. Mr. Chairman, I rise in support of the bill, and I yield myself such time as I may consume.

Mr. Chairman, the Appropriations Subcommittee on Transportation has completed its review of that portion of the administration's budget for fiscal 1975. I believe that the bill the committee has reported and that we are considering today is a good one. The committee has worked long and hard to "achieve the best possible balance between the financial requirements of the Department of Transportation and related agencies, and the need to reduce Government spending to curb the inflation, which large deficits have helped to produce." I would like to commend my colleagues on the subcommittee, especially Chairman McFALL and counsel Tom Kingfield, for their serious efforts in attempting to reach this balance. Even though we have cut the administration's request by over $231 million, excluding contract authorization, the committee has appropriated $8,848,948,448, an increase of more than $600 million over fiscal 1974.

Although I concur with most of the committee's recommendations, there are major areas which concern me and which, I feel, warrant discussion and clarification. It is to those areas of concern that I will address my remarks.

PERSONAL RAPID TRANSIT—RESEARCH AND DEVELOPMENT

The Urban Mass Transportation Administration funds various research and development projects to examine the feasibility of instituting new transportation systems. Cited for continuing appropriations by the administration in fiscal 1975 are the personal rapid transit projects at Denver, Colo. and Morgantown, W. Va., as well as research on the dual mode system. The committee has recommended the full budgetary request for Morgantown, $6,380,000, but has deleted the requests for the other two projects. Although there is a lot to learn from PRT experiments, and research should continue, we need to reassess our approach to this research and development. The Morgantown situation speaks for itself. Instead of creating a new and efficient mass transit system, the Morgantown project may indeed be a setback for future transit planning. The project is nothing short of a disaster at the expense of the American taxpayers.

I personally went down to Morgantown to observe the situation and believe me, it is the perfect example of misguided innovation. Instead of researching the system before development in an urban environment, the decision was made to research and develop simultaneously. The result has been an expenditure of over $57 million of the taxpayers' money with the only new technology breakthrough being how to keep the guideways from freezing. For those of you unfamiliar with the system the "people mover" consists of individual, automated, 20-passenger, rubber-tired cars traveling along an elevated concrete guideway or track. I have brought along some photographs of my Morgantown trip which will give a better visual picture of this system.

In the fall of 1969 a Federal grant was awarded to West Virginia University to conduct design studies for personal rapid transit system for use in Morgantown. As a result of those studies the university subsequently submitted a grant application to the Urban Mass Transportation Administration—UMTA—to construct a six station system for an estimated cost of $13.5 million.

But because of the potential national application of such a system, UMTA selected the Jet Propulsion Laboratory to develop a new system design. The cost escalated. What was to be a research and development project conducted by the University of West Virginia turned out to be the beginning of the construction of a transit system for urban Morgantown. The cost estimate for this project rose to $35 million in January 1971. By April of that year, a review of the estimated construction cost indicated that the full system would be over $37 million.

To date, only three of the six stations have been completed at a cost of over $57 million. It has been estimated that it will cost $33 million a mile to complete, resulting in an additional expenditure of $65 million. An example of the type of poor planning at Morgantown, which has added to the escalating costs of completing the six-station project, now estimated at $110 million, has been in the construction of the guideway itself. The guideway was built before the weight of the passenger cars was known, and it was made much stronger than necessary. The cost was roughly $1,100 a foot as against $150 a foot for a similar "people mover" at the new Dallas-Fort Worth Airport.

What created this $110 million boondoggle out of a project estimated to cost $13.5 million? A lack of research and an impatience to construct. However, the project has been plagued by more than money problems. In order to cut its losses, the Department of Transportation attempted to turn over the partially completed project to the university to begin operation next spring. The university insisted, however, that the Department fund the project to completion—extending the elevated guideway another 1.4 miles and adding three more stations. In spite of this problem, the committee has decided to concur in the administration's budget request of $6,380,000. However, this is contingent upon the university and DOT–UMTA arriving at a compromise agreement within 30 days of enactment of the legislation.

Mr. ADAMS. Mr. Chairman, would the gentleman yield on that point?

Mr. CONTE. I would be glad to yield to my good friend.

Mr. ADAMS. The gentleman in the well is my very good friend, and he has been most helpful to transportation matters in the United States. But I am concerned because I have a letter from the University of West Virginia. They have responded to a telegram from UMTA dated March 21, 1974, indicating that a contract exists between the two of them, and that this contract they want to have carried out because they spent a number of millions of dollars, and the State has spent a number of millions of dollars, in granting rights-of-way. I am concerned with the language in the report, and I understand the gentleman is concerned. I am concerned about it, and I have some familiarity with it because one of the people or some of the people building the cars are from my district, so my interest is more than just being a member of the committee.

I know that the project has had a lot of problems, but I am concerned with this language on pages 30 and 31 in that it cannot be carried out or cannot be really construed as congressional action. I would caution the gentleman, because if a contract exists, and the University of West Virginia is saying: We want to have you carry out your half of the contract, and we will carry out ours, are we not really legislating an ex post facto law, in other words, taking away their contract?

Mr. CONTE. That is a very good point, and I will speak on this as I go along.

First of all, let me say that it is a bad contract. I said in committee that the lawyer for DOT who drew that contract should have been fired, there is this clause that says that if the University does not want the project, when completed, we are going to have to go and take the project out. So the costs mentioned here could be money to dynamite the project.

I think it is DOT's interpretation of the contract that the contract is fulfilled by the completion of 1 (a) and (b) of the contract.

Mr. ADAMS. Does that not include six stations?

Mr. CONTE. No, a three station system.

I yield to my chairman and he may have it right in his hand.

Mr. McFALL Mr Chairman I have a copy of the contract between the Urban Mass Transportation Administration and the University of West Virginia It says on page 2:

> The Personal Rapid Transit System at Morgantown will begin with:
>
> a. Fifteen (15) vehicles.
>
> b. Three stations designated as Walnut Street Station, Beechurst Station and Engineering Station and located in the general areas specified on the route Plan for Personal Rapid Transit System at Morgantown.
>
> c. Approximately 2 miles of double track guideway connecting the three stations.
>
> d. Power supply system, control and communications system and related equipment and facilities required for automatic operation of the total transit system, designed to accommodate further expansion up to 100 vehicles and six stations.
>
> e. The facilities necessary for maintenance and repair of the vehicles and the facilities necessary to accommodate the operations and control center.
>
> UMTA will test and evaluate the system, and generate the necessary data to ensure the reproduceability and utility of the system in nation-wide locations that may have similar transportation needs.

There is nothing in here that says anything about six stations. We also had testimony in the hearings that indicated that there was not a contractual agreement for six stations. However, I thought the best evidence of that would be a copy of the contract itself. If the gentleman would want it I can bring down and he can read the testimony which the Administrator gave us to describe the contract, but, of course, the best evidence is the contract itself.

Mr. ADAMS. Mr. Chairman, if the gentleman will yield further, I will get permission to put this letter in the Record when we go back to the House, but I just quote this from the letter, and I will say I understand the concern of the Chairman and the ranking minority member on this matter. Here is what the University of West Virginia said through their Mr. Earle T. Andrews on March 24, 1974:

West Virginia University,
Morgantown, W. Va., March 28, 1974.

Mr. Frank C. Herringer,
Administrator, Urban Mass Transportation Administration, Washington, D.C.

Dear Mr. Herringer: This letter is in response to your telegram dated March 21, 1974. I feel that I must, as the representative of the West Virginia Board of Regents in the matter of the PRT System, decline to accept the terms of your offer to modify the existing contract between the Board of Regents and UMTA.

I have discussed this matter with Dr. James G. Harlow, President of West Virginia University and Dr. Samy E. G. Elias, as fully as the time limit set in your telegram will permit, and we are all in agreement on this point. The major reasons for our reluctance to accept the modification you offer are as follows:

We entered into our agreement, and have always understood, that the University would wind up with a full six station system extending from the center of Morgantown, West Virginia to the West Virginia University Hospital on the University's Medical Center Campus. This was spelled out in the original contract proposal we had mutually agreed to but was modified in the final executed contract in deference to UMTA's need to align spending with the annual flow of budgetable funds. It was understood by the parties that the full six station system would be provided even though the second phase might well have to be through capital grant funds. On the strength of the promise of the United States Government to provide the complete system the Board expended substantial sums of money, and used its power of eminent domain, in acquiring various rights-of-way for the project. This was in addition to supplying several rights-of-way over land the Board already owned.

Similarly, the West Virginia Department of Highways, the County Court of Monongalia County, the City of Morgantown, and the Monongalia County Board of Education all supplied land and rights-of-way for the project. The existing system runs from the City of Morgantown to the Engineering Sciences Building, about halfway to the planned terminus. The latter station is not designed as a terminal and is totally inadequate to serve such function.

Further, it is too remotely removed from the Towers Student Dormitory Complex to serve a useful purpose in that respect. The bus systems would have to be maintained to provide adequate transport facilities for these students among the three University campuses. As you know, the PRT System was changed from a West Virginia University to an UMTA project to be constructed on property to be supplied by the Board and other local agencies. You also know when UMTA pre-empted our right to approve the system design it gave us the existing contract to assure us that the end product would be a viable one.

There is no provision in your proposed modification for taking care of the system, other than solving of problems of an operational nature during the initial year of operation. We feel that many problems involving design, failure, and necessary modifications will present themselves during the real testing period, that is, when the system is actually in service and carrying passengers. This is almost without exception the history of any unique engineering project no matter how intelligently and carefully a forecast has been made on the basis of an integration of non-data relevant to a multiplicity of component elements. It is this historical truism that gives us concern.

It was our understanding that UMTA would support the system during the first year of operation in taking care of such critical problems which might arise. We further understood that UMTA intended to use this system as a demonstration project which, of course, implies public use and reaction. As the installation now stands it can serve only as a testing stand for design and equipment evaluation. If Phase I is completed, while it will not serve as a viable transportation entity to meet the needs of the University and the people of the area, it should well serve as a research and demonstration vehicle for UMTA, which was the Department of Transportation's intent and publicly evolved purpose in undertaking the Morgantown PRT.

While we want to cooperate with your agency in every feasible manner, we are frankly concerned that if we agree to the modification of the contract suggested by you that we will have a system on our hands that, while it may meet your specifications, will not operate satisfactorily under actual conditions. If the cause of the failure were a "unique operational problem" your suggestion that you provide a grant for a Boeing "back-up" design team for the first year of operation might take care of it. But we do not know what the quoted phrase actually means, and it does not appear to include design, hardware, software, or other possible failures of a critical nature.

In any of such cases the correction of the defects may well require the expenditure of large sums of money which the Board would not have at its disposal. We cannot conceive that your agency, after having expended the large sums required to construct the system, would even consider turning it over to us for the first year of operation under these conditions. We have thought, and still think, that the first year of operation would be part of the research and development phase of the project. If your agency should construct the system and turn it over to us in such a status that it, for unexpected reasons, would not successfully operate for more than a few months, and we not have the funds to correct conditions, both UMTA and the Board would be subject to merited public criticism.

We sense that you believe the system will work without any trouble other than some conventional operational problem if it meets to your satisfaction the specifications you have set up. We do not share that feeling, yet we would be taking the entire risk in case of failure. At least we believe that would be the situation if we should agree to your suggested modification of the agreement.

Sincerely,

Earle T. Andrews,
Member, West Virginia Board of Regents.

What I am pointing out to the gentleman, and I know he has spent a great deal of time on this, is that there is apparently a deep difference of opinion on the contract, and I do not try to judge the merits of how well the lawyer for DOT or UMTA did this, but certainly the University of West Virginia believes that they have a contract with UMTA for six stations, and I am sure they understand that without this they will: First, not have a functional system and second, if the directive on pages 30 and 31 of this report is really legislative history or law and they go in and dynamite this thing and start to clean it up afterwards, the university's moneys will have been completely sent down the drain.

I am not trying to act as a lawyer or judge their cause of action but I think we need to be very conscious that we have not violated the terms of a U.S. Government contract by a statement in the report.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman from California.

Mr. McFALL. I think we should discuss the question of whether or not the University of West Virginia and UMTA have a contract for a six-station system. They do not have such a contract. President Harlow wrote a very clever letter in which he tries to intimate this was an original agreement, but it is not in writing. He keeps saying, "Oh, yes, we had a six-station agreement," but he cannot point to any written contract for a six-station system. There is not any such agreement. Whether or not they had an oral agreement before the written agreement was entered into, I do not know; but if they did have such an agreement and it is not in the original contract, it is vitiated by the formal contract.

If the gentleman will continue to yield on his time——

Mr. CONTE. I yield to the gentleman.

Mr. McFALL. I think we should put this in the proper perspective. Mr. Herringer, the Administrator of Urban Mass Transportation Administration, testified before the committee. I feel he was testifying correctly. This is in response to some questions by Mr. Yates concerning the Morgantown project investment:

Mr. Yates. Incidentally, it did say that the Government had invested approximately $115 million. Is that correct?

Mr. Herringer. No, that is incorrect.

Mr. Yates. How much have we invested?

Mr. Herringer. It was approximately $55 million or $57 million. We are proceeding with the plans as outlined to you last year to complete phase I–B of the project, which is to develop 45 vehicles on 2.2 miles of guideway, at a cost of $64.3 million.

The dispute that has attracted the attention of the press concerns where we go from there.

We have an agreement that dates from 1971 with the University of West Virginia, a contract, that states that at the close of the project, when we are finished testing these vehicles on the 2.2 miles of guideway, that the university essentially has the right to accept or reject the system. If they reject the system, then we are obligated to take it out and restore the site to its original condition.

In my viewpont, what the university is trying to do is amend the contract themselves by demanding that it be a six-station system completely acceptable to them and that they be guaranteed a $50 million capital grants or they will not accept the R. & D. project.

Now, in my opinion, this is essentially an anticipatory breach of the contract. They are trying, by issuing demands ahead of time, to change the contract by what they will accept and what they will not accept.

I think that the Government would be very wise at this point to say that we will not invest another $6 or $7 million in this project until we can get some kind of agreement with them on what they will accept.

I do not think we ought to be tied to giving them entirely what they want, especially if it will cost another $56 million to build the kind of six-station PRT system that they want.

Mr. CONTE. I want the record to show that I concur wholeheartedly with the chairman's interpretation and also with the hearings here. It is my interpretation that it was as phase 1 in the three-station program.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am glad to yield to the gentleman from Iowa.

Mr. GROSS. If I understand the record correctly, it has been proposed that the $6,380,000—is that the figure in the bill for demolition?

Mr. CONTE. $6,380,000, yes.

Mr. GROSS. Unless something can be done about this boondoggle at Morgantown, W. Va., within 30 days then it should be dismantled?

Mr. CONTE. Well, under the contract——

Mr. GROSS. Is that not what the report says?

Mr. CONTE. That is right. We say, "Either accept this if we give you the $6,380,000 as a finished product, but if you are not going to go ahead and accept this as a finished product and you are going to enforce that part of the contract that says to come in and dismantle, you tell us now before we spend another nickel and we will go ahead and dynamite this thing."

Mr. GROSS. Is there any way we can get mandatory language in the bill to provide that $6,380,000 is all there is, "There ain't no more," if this deal cannot be made to operate with that much money, we go in and use what is left of the $6 million and buy dynamite and get it out of there?

Knock this thing in the head once and for all. It seems to me we have already spent far more money than we ought to have spent on this project. It is time, I say again, to knock it in the head and get it out if it cannot be made to operate with the money that has already gone into it.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I would like to ask, is the gentleman familiar with the "dial-a-ride" bus system?

Mr. CONTE. Certainly. We have many dial-a-ride projects all over the country, there are 40 of them.

Mr. CONABLE. Mr. Chairman, I would like to make a request here and also make some legislative history.

Mr. Chairman, the administration requested $1.5 million for continuing research on dial-a-ride bus service. At the subcommittee hearings members questioned the request on the grounds that research had been going on for 5 years and dial-a-ride bus service has been widely accepted and is now in use in more than 50 communities. When administration witnesses did not make a vigorous defense, the committee decided to eliminate the million and a half dollars from the appropriation bill.

The Rochester-Genesee Regional Transit Authority maintains there is a definite need for additional research on dial-a-ride. It will begin soon to integrate its dial-a-ride system into the regular municipal bus service and reseach funds are needed to develop this system in the best way. It is in this final integration of demand and regular systems that the greatest savings and improved service are possible. The transit authority people feel strongly that additional research money should be included to finance this final step of dial-a-ride improved service.

Most or all research money in the past has gone to Haddonfield, N.J., a dial-a-ride pioneer, at the insistence of Senator CLIFFORD CASE, ranking subcommittee member in the Senate. The Rochester-Genesee Regional Transit Service maintains that most of the Haddonfield research has not been applicable to larger metropolitan areas such as Rochester and that additional research should be financed for areas of this size. The Rochester research for an integrated system would be applicable to the great majority of communities.

I would like to ask the gentleman this question: The senior Senator from New Jersey will be expected to submit his usual amendment in the other body to add research money. It is entirely possible for the conferees on the part of the House, assuming this measure passes, to seek some broader use of any research money appropriated in the conference with the other body, so that it can be used for more general application than to benefit Haddonfield.

Mr. CONTE. Mr. Chairman, let me say to the gentleman from New York that he has stated the case clearly and right to the point. We have appropriated $6 million to support the dial-a-ride demonstration project in Haddonfield, N.J., for research. It has been going on for 4 years, and the committee feels that this type of technology has been proven. It is now time for the people of Haddonfield to provide part of the cost for operating this system.

There are 40 dial-a-ride systems in operation throughout the country, and all of these except Haddonfield, N.J., are funded primarily with local funds. In the case of the Haddonfield project, the Federal Government has been supporting the system, which has a deficit of $2.50 per rider. One of the reasons this deficit is so high is that the Federal Government has maintained taxi and bus companies for Haddonfield riders who are not riding taxis because of this project. These costs amount to $127,000.

Mr. Chairman, speaking for myself, if the other body tries to put any money in here for research and development, which I do not feel we need, I hope the administration, the Department of Transportation, will give it to Rochester. Haddonfield has had its hand in the pot too long.

Mr. CONABLE. We are talking about such research money as may be appropriated. I do not oppose such research funds, but feel they should be applied to study ways to integrate dial-a-bus into the regular transit systems.

If there is research money, what I would like from the gentleman is a commitment that he will work to see that research money applied to these projects of more general application than Haddonfield.

Mr. CONTE. Such as Rochester.

Mr. CONABLE. Yes.

Mr. HANNA. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I am happy to yield to my friend from California.

Mr. HANNA. Mr. Chairman, I would just like to add my comments to those of the gentleman from New York. There is no program in the whole gamut of Federal assistance that has been more valuable, more helpful in terms of existing problems in my district than the dial-a-ride idea in transportation.

We got very little money to start with. Yet, that program has moved ahead very dynamically. It has taken off and it has now spread throughout the county, whereas it started in one city.

I cannot conceive of a situation in which we can justify, as a Congress, the concentration and use of money under the guise of development for supporting the inefficiency and the failure to adapt to the configurations and performance of 40 other places in the United States.

Mr. Chairman, I hope that the gentleman and his conferees from the House will very strongly oppose a continuation of this situation in New Jersey.

Mr. CONTE. Mr. Chairman, I might say the gentleman from California, Congressman HANNA, again came through with flying colors and made a great contribution here today. We certainly will miss him next year.

Mr. MYERS. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Indiana.

Mr. MYERS. It seems to me that the University of West Virginia is about to break their contract; am I correct in that, that they are really breaking the terms?

Mr. CONTE. No. There is a clause in the contract that says when this phase I(a) and I(b) is completed, if they do not want the project, they can ask the Federal Government to come in and dismantle it and return the area to what it was.

Mr. MYERS. Therefore, they are satisfied with the conditions of the contract at this point?

Mr. CONTE. And so are we.

Mr. MYERS. At this point the U.S. Government has provided $6 million for dismantling regardless of what the university does?

Mr. CONTE. $6,800,000 is for what we feel is needed to complete the project.

Mr. MYERS. Thank you.

Mr. CONTE. Mr. Chairman, if the parties fail to agree, the appropriated funds are to be used to demolish the project. Even here there is a problem, a general study into the cost of dismantling the project places the cost of demolition at over $13 million. In fact, the cost would probably be much higher, according to DOT. Perhaps the thoughts of Mr. James G. Harlow, president of West Virginia University, best sum up the situation at Morgantown:

> The system as it now stands will satisfy neither of its prime objectives. It won't handle Morgantown's traffic problems and it

won't serve as a viable test, nationally, of the value of PRT's.

No matter what the final outcome of the Morgantown situation is, I am convinced of one thing. Politically and morally, we cannot waste the taxpayers' money on funding similar PRT projects, without proper research and development outside of the urban environment before actual urban construction begins. That is why I am pleased to report that the committee has deferred the $10,620,000 administration request for the high-performance PRT project at Denver, at least for a year.

This does not mean that the committee is against PRT research and development, nor does it mean the end of PRT development activities. The committee believes that the unobligated balance of 1974 funds is adequate to complete the design and evaluation phase of the high-performance PRT project. However, the committee does not want to create another Morgantown situation. The committee wants assurance that it is not committing DOT-UMTA to capital funding of Denver's PRT system.

Although the administration requested $7,750,000, no funds are recommended for dual mode research. Dual mode in its simplest form would consist of a vehicle that would ordinarily operate on a guideway or roadway but would also travel the streets picking up passengers—then connecting to the guideway.

A Department of Transportation report on the dual mode system raised the problem of increased energy consumption because of its high speed. In light of the energy crisis facing the Nation there was hesitation to proceed with development of this system. Also, because of the high cost of initiating this type of project the committee felt compelled to deny funding.

COAST GUARD

Although the committee cut more than $5 million from the operating expenses of the Coast Guard, it did recommend $617,579,448, a $32.6 million increase over fiscal 1974. It also approved the full administration request for retired pay and beneficiary payments of Coast Guard personnel.

The 1975 appropriations bill also includes a $2.3 million increase for Reserve training in order to provide qualified and experienced Reservists in time of war or natural disasters. Seven months after the enactment of Public Law 92–479, authorizing peacetime missions for the Coast Guard Reserve, Reservists were responding to the serious flooding which occurred on the Mississippi and Missouri Rivers. The committee is pleased with this type of Reserve utilization. Even though it reduced the administration request for Reserve training by $1,200,000, this reduction is only related to initial training cost estimates for nonprior service personnel.

The Coast Guard had projected 1,000 non-prior-service recruits in fiscal 1974. The records show that 200 would have been a more realistic estimate. However, the budget request for fiscal 1975 reflected the 1,000 figure. The committee felt that this projection is too high and has reduced the budget accordingly.

The sum included in the bill for research, development, test, and evaluation programs of the Coast Guard is $3,500,000 or 25 percent more than the amount appropriated for fiscal 1974 even though it is lower than the administration request. The Coast Guard plans to continue its development of pollution monitoring, detection, and cleanup systems, vessel traffic systems, and vessel and cargo safety technology.

The committee has rejected the $10 million requested to increase the balance in the pollution fund. This fund was established under the Federal Water Pollution Control Act to assure adequate money would be available to initiate and conduct the cleanup of oil or other hazardous polluting substances spilled into U.S. waters. In 1971 $20 million was provided to establish this fund and although cash has been withdrawn, the total income from the fund is expected to exceed expenditures in fiscal 1974 and 1975.

The amount recommended by the committee also includes the full budget request of $16,900,000 to improve the loran-C radionavigation system on the Pacific coast. These loran-C stations are operated by the Coast Guard in support of the Department of Defense for precise navigational purposes. Although DOD has no requirements for these stations on the west coast, the committee feels it is essential to improve this system to support its civilian users.

I have always supported the idea of a strong and active Coast Guard, not only to protect our waters in time of war but more importantly, to serve the public during times of natural disaster. I feel our committee recomendations continue to support the concept of an experienced and well equipped Coast Guard, even though we have attempted to keep spending down.

FEDERAL AVIATION AGENCY

At our committee hearings the FAA indicated that it does not have a need for certain air traffic controller training simulators for which $7.7 million had been previously appropriated. Only about $1 million of those funds has been spent. There remains $6.7 million which can be applied to fiscal 1975 if necessary, but we have directed the FAA not to proceed on any research, development, or procurement of training simulators without prior approval by the committee. A $2.2 million request for a light jet simulator used to train FAA pilots has also been denied. The cost of this type of training seems much too high, and we feel that the FAA should examine alternatives, such as obtaining this training by contract.

Recognizing the need for continued airport development, the committee has approved the full budget request of $280 million for airport development grants, but has deleted the $13 million requested for airport planning. This was done because of the large unobligated balance for this program amounting to more than $14.7 million.

FAA's efforts directed at turning over some of the Agency's functions in airport development to States has been a concern of many of the committee members, including myself. We are trying to coordinate a national policy, not promote a fragmented State policy. Therefore we have directed the FAA not to proceed with the delegation of any of its present functions to State and local governments without prior explicit approval from the committee.

DARIEN GAP HIGHWAY

The committee has included $20,000,000 to continue construction of 250 miles of highway in Panama to connect the Inter-America Highway of South America with the Pan-American Highway System, creating a single highway network from Alaska to every South American country. From an economic viewpoint this project will benefit all the Americas.

RURAL HIGHWAY PUBLIC TRANSPORTATION DEMONSTRATION PROGRAM

Upon administration request the committee has approved $10 million to encourage the development, improvement, and use of highway related public mass transportation in rural areas. This is of particular interest to me, representing a district with many small towns where the only mode of transportation is a private car. I am pleased to know that the transportation problems of the rural population are finally being acknowledged—hopefully they will also be solved.

RAILROAD SAFETY

The committee has recommended $10,170,000 to help insure railroad safety. This appropriation to the Federal Railroad Administration is over $900,000 more than fiscal 1974 although it is $50,000 less than the budget request. This reduction, however, only relates to GSA rent. The money recommended will enable a greater number of safety inspectors to further the effective investigation and enforcement of Federal railroad safety rules.

Railroad safety has become a high priority of the committee because of the added significance placed upon railroads as a part of our national transportation system.

ICC

The bill includes $43 million for salaries and expenses of the Interstate Commerce Commission. This is an increase of over $2.4 million from fiscal 1974 but is $300,000 less than the administration request. However, this entire reduction pertains to rental payments to GSA. The committee looks forward to a more effective and efficient resolution of surface transportation problems affecting the public. Problem areas under ICC jurisdiction which I, personally, would like to see resolved are, freight car shortages and disparities in grain freight rates. I have already complained about the grain freight rates from Toledo, Ohio, to Fitchburg, Mass., which are $12.20 a ton as compared to grain freight rates from Cincinnati to High Point, N.C., at $5.07 per ton.

The congressional purpose for creating the Department of Transportation was clear. It was to coordinate a national policy of transportation in order to promote a fast, safe, efficient, and convenient system at the lowest cost, consistent with other national objectives. Those objectives included the efficient utilization and conservation of our resources. In the past, we have sometimes deviated from those objectives, but I sincerely feel that the proposals made by this committee are a step toward achieving those goals.

I am proud to have been a part of that effort.

Mr. McFALL. Mr. Chairman, I yield 5 minutes to the gentleman from West Virginia (Mr. STAGGERS).

Mr. STAGGERS. Mr. Chairman, at the outset, I would like to say that the two gentlemen handling the bill, the gentleman from California (Mr. McFALL) and the gentleman from Massachusetts (Mr. CONTE) are two of the finest Members that we have in the House. They are two gentlemen who have served their Nation and their districts well.

First, concerning the project as it applies to Morgantown, W. Va., I have heard several comments here. Let me give the Members a little bit of the history of this, because I sat in on some of the meetings between the university officials and the representatives of the Department of Transportation.

I received a letter from the President of the University of West Virginia saying that he had seen proposals to build a high-speed transportation system in some of the cities around the country, and he wondered if he could come down and talk to the officials of the Department of Transportation to see if they could get a demonstration project located in Morgantown. I set up the appointment and sat in on the first meeting.

They asked for planning money, and planning money was granted. West Virginia officials went back and came up with a design.

Under the original proposal, the project was estimated to cost $18 million. West Virginia was prepared to supply $4.5 million but needed $13.5 million from the Urban Mass Transit Administration. This UMTA agreed to provide. But then UMTA decided that they should take over the project and do it themselves rather than let West Virginia University do it. So they rescinded the University's design proposal and requested open bids for the project.

A company from California, the Jet Propulsion Laboratory, came in and gave their bid on it. They were the original ones who made the design or helped to design the vehicle that put a man on the Moon, and they were certainly competent to do the job. I am talking about Jet Propulsion Laboratories which did the design for Alden.

UMTA announced that it was taking over the project because they wanted to expand its scope to serve as a model rapid transit system. West Virginia University acceded to this.

When the contract was signed I was there, and unless I am mistaken, it was to be a fully developed six-station system. Then later on it was modified to some degree. They were to develop the first project part consisting of three stations under an appropriation and then later on another three would be developed under capital grants.

The part they are building now will take care of 3.5 million passengers a year. The other three stations will take care of 14.5 million passengers a year.

When the university came to Washington to ask for a grant to build this themselves they had the largest bus fleet of any university in America and a good one transporting their students between the three campuses. Today they have the second largest in America and they are practically all new. They are doing the very utmost that they can. However, in the clogged streets that they have they are trying to transfer the students between three campuses and it takes the students 70 minutes to transfer from one campus to another.

If we stop with these three stations, it will be no good for the university. I can tell you that. You will be able to transfer 3.5 million students a year with this system but they will still have 14.5 million a year who will remain dependent on the buses and these students will still need 70 minutes to get from one campus to another.

Mr. Chairman, I believe that the Government made a promise to the university and the citizens of Morgantown and they should keep that promise. The university went out and got the best people in America that were available to do the job and spent a considerable amount of money in reliance on the Federal Government's promises to develop a workable and efficient system. Dr. Harlow and many others at the university have worked tirelessly and skillfully to make this project a success. Their efforts should not be lost by the unilateral decision of UMTA to dishonor its pledge to the university and the people of West Virginia. Too often the people of this Nation that have been disappointed by the empty promises of the Federal Establishment.

Mr. McFALL. Will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman.

Mr. McFALL. Let us get this whole issue right down to where it is. What do you say the contract is? I have the contract right here. What do you say is in it?

The CHAIRMAN. The time of the gentleman has expired.

Mr. McFALL. Mr. Chairman, I yield the gentleman 1 additional minute for him to say what the contract is.

Mr. STAGGERS. I will say to the gentleman when the first contract was signed what they were going to do was to complete the six stations. They came along afterward and said, "Let us amend this and we will complete the first three stations under appropriations and the next three stations under capital grants." This $6 million will complete the first phase.

But what the committee has done is to permit UMTA to withdraw from its original promises and require the university and the people of Morgantown to agree to a change in the agreement. That is what they said. "You change this contract in 30 days or we will take the $6 million and tear it down."

I think that this will be a black mark for this Congress to become a party to any proposal which would enable the Urban Mass Transit Administration to go back on its word and breach its promises to the citizens of the State of West Virginia.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONTE. I yield 5 additional minutes to the gentleman from West Virginia.

Mr. STAGGERS. I thank the gentleman for yielding me the additional time.

Mr. Chairman, I say, as President Roosevelt said in this very place on January 7, 1941, that it would be a day of infamy, and I say that too, if the Congress says to that Department of the Government that they are able to abrogate the contract with the people of a State. That is exactly what this is. I know the gentleman from California may not share my opinion on this, but that is my opinion. I know the gentleman from California has his own opinion.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. STAGGERS. I yield to the gentleman from California.

Mr. McFALL. Mr. Chairman, I would ask the gentleman from West Virginia where in this written contract is there anything about a six-station system?

Mr. STAGGERS. There is.

Mr. McFALL. This is the contract that I have here in my hand.

Mr. STAGGERS. I can tell the gentleman that if the gentleman will look back at the first contract, and all through here, it mentions it in several places.

Mr. McFALL. I have the contract here, and it says three stations.

Mr. STAGGERS. The gentleman is looking at the latter part, in which it says they will use capital grants to build the rest of it.

Mr. McFALL. Will the gentleman yield further to me?

Mr. STAGGERS. Yes, I would have to yield to the gentleman.

Mr. McFALL. I want to read what that language says.

Mr. STAGGERS. I will put that in the RECORD so that the Members of the House can read it.

Mr. McFALL. Let me read it to the gentleman. It says that the successful completion of this project will qualify this system concept for capital grants in appropriate locations.

Mr. STAGGERS. That is right.

Mr. McFALL. Is that a guarantee of six stations?

Mr. STAGGERS. There have been spoken or oral guarantees too.

Mr. McFALL. Does the gentleman from West Virginia say that this is such a guarantee?

Mr. STAGGERS. There is the intimation of it there; it is intimating it.

Let me say to the gentleman that this is a demonstration project, and a needed one. This is in an urban area where the people are extremely crowded, and they cannot get through the streets easily. The State of West Virginia has already spent $5.5 million. If you blow this up will you be keeping faith with the taxpayers of the State of West Virginia, then? Not at all. The people of West Virginia went into this in good faith, that it would be completed.

I have a letter from a young lady from the university about this project. And in looking over the project and hearing some of the publicity that has been given to it, she said—and I will not read the complete letter—she said:

> I never hitchhiked until I went to college, but I soon learned, as the transportation system between campuses was inadequate. I was also there when the two co-eds disappeared

and were later found in the woods decapitated.

These were the two young girls who, at the time when the buses had stopped running, found that the only way they could get from one campus to another, was to hitchhike. And they disappeared while hitchhiking to get back to the second campus. They searched for those two girls for months and months and months, and when they finally found them their heads had been cut off, and they never did find who murdered them. But that was the only way that they could get, or that the students now can get, between the two campuses, is hitchhike when the buses are not running.

So I say that the university was trying to cure a situation which needed to be cured, and certainly I think that they expect the Congress to fulfill its obligation.

To me, the $6.3 million should not have any strings attached to it. It should go without qualification to the completion of the project, and then we can determine where to go from there.

I believe, really, that the Appropriations Committee is exceeding its authority by including in its report important limitations on the appropriation of this money which do not appear in the bill.

Indeed, if the limitations contained in the committee's report were proposed to be included specifically within the terms of the bill itself, the Members would realize that it would be subject to a point of order because it would be legislating on an appropriation bill, which violates the rules of this House. In my opinion, the inclusion of this language in the committee's report which accompanies this bill is equally objectionable and violates the spirit of the rules.

That is exactly what has happened here. It would appear that we are trying to legislate here, and this should not be done. This is not the right way to do it.

We should finish the first phase of the project, and then see about finishing the second phase, which phase would have to be completed through capital grants which would not have to come through the Committee on Appropriations.

I know that my good friend, the gentleman from Massachusetts (Mr. CONTE) has been there to see the project, and the gentleman from California (Mr. McFALL) has been there also. It has been done correctly, and it should be finished up, and it will do the job expected of it.

I will admit that there were some things that were done in the wrong way. For instance, they tried to hurry it up, and get something done for the election in 1972. That is where a lot of mistakes were made. But the project is definitely worth saving. It should not be allowed to be dismantled and we should not give UMTA the tacit authority to coerce the University of West Virginia into agreeing to revisions in the project under the threat that, if they do not, the Federal Government will come in and tear down the existing structures. That, in my opinion, would be a disgrace and would contradict fundamental principals of fairness.

The CHAIRMAN. The time of the gentleman has expired.

Mr. McFALL. Mr. Chairman, I yield myself 1½ additional minutes.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, my remarks in regard to the bill before us, H.R. 15405, the Transportation appropriations measure, are directed at this moment toward the two provisions which relate to funding for the U.S. Coast Guard, and specifically to a navigation research project currently under way under the Coast Guard's direction.

While the Coast Guard now utilizes the Loran-C system of radio navigation for most purposes, a continuing program has been underway to develop a radio navigation system suitable for small boat operators in rivers and harbors.

A considerable amount of work has already been done by the Coast Guard, in cooperation with TRACOR, Inc. on this type of system, with the specific system under test being known as the Rivers and Harbors Aids Navigation System, or RIHANS.

During recent hearings before the House Merchant Marine and Fisheries Coast Guard and Navigation Subcommittee, RIHANS was explored to some extent in connection with that committee's authorization activities.

Because Loran-C planning and development was also discussed during the same hearings, some possible confusion has arisen over the separate contexts in which the Loran and RIHANS systems operate.

There is an outside chance this confusion could lead the Coast Guard to believe that the RIHANS program might be terminated or the broader rivers and harbors navigation goal modified, and it is this chance which concerns me in these floor remarks today.

I have been assured by the staff of the Coast Guard and Navigation Subcommittee that Loran-C and RIHANS are not mutually exclusive in the Coast Guard's navigation program, and that nothing in pending legislation should imply that the navigation system for small boat owners does not remain preferable.

I have further been informed by the subcommittee that nothing shall preclude the Coast Guard from continuing the RIHANS development program during the coming fiscal year, utilizing for support discretionary funds from its Congressional appropriation.

It appears especially important that some navigation system for small boat owners who frequent rivers and harbors be developed, for there is currently no readily available radio navigation device available for this class service.

I might note in passing that RIHANS is currently undergoing field tests which have yielded very promising preliminary results.

Since substantial sums have been spent on development of this system, and since it has yielded positive results, it would appear that final testing should proceed rather than opting for termination of the entire program or switching to a newer and as-yet-untested variation. To do so would either deprive the Coast Guard of a needed navigation aid, or, in the later case, would constitute a costly duplication of taxpayer money.

As far as I know, Mr. Chairman, there is no great problem with this program, but I am anxious to clear up what could be a troublesome ambiguity in days to come. I merely wish to make clear that the Coast Guard remains free to proceed with RIHANS and the rivers and harbors program, in addition to the loran-C improvements which appear as a line item in the legislation before us. I have been assured by the chairman of this last committee and the chairman of the authorizing subcommittee that this is their intent, also.

Mr. McFALL. Mr. Chairman, I just want to make clear at this point in the record my opinion of the Morgantown project. I supported this project in the past. I would hope that we would be able to construct a project there that the University of West Virginia would find acceptable. But I do not think that the Government should yield to what I consider to be blackmail by the University of West Virginia in demanding a $50 million capital grant guarantee, demanding a six-station system, and demanding everything that they want, which is not in the original contract.

That is what we are trying to do with this language—put a little backbone behind UMTA so that when they are negotiating with the University of West Virginia, they will be able to come up with something reasonable.

Mr. STAGGERS. Mr. Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from West Virginia.

Mr. STAGGERS. All the university officials are saying is they do not want the Government to say: "Get down on your knees and do what we want you to do when you make a contract with us." They do not want to be blackmailed.

They are just asking the Government to fulfill the contract. That is all.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONTE. Mr. Chairman, I yield myself 2 minutes.

Mr. Chairman, I want to read from page 479 of this year's hearings, the 1974 hearings, part IV. Mr. Herringer was testifying.

> The university feels that they have a commitment to a six-station system which was the original system discussed back in 1970. They feel that we should either build the whole thing or get out.
>
> I have indicated to the university that if we decide that a $50 million extension is not reasonable and the university then says they won't accept the three-station system, then we will take it out. I do not want the university to feel that we are not willing to take it out under any circumstances and that they can essentially ask us for anything they want. I feel we have to draw the line somewhere and express our willingness to live up to the original contract and take it out.
>
> I would rather spend $7 million on taking it out than to spend $50 million on building a system that I can't justify to you.

I think it would be fiscally irresponsible if the Congress appropriated funds to build another three-station system. First of all, my colleagues ought to go to Morgantown. I do not want to whack this thing too hard, but I have been against it from the beginning. I was the first one against it, back in the beginning. It goes by the county jail, shoots up around the campus, I do not think the students are going to go downtown to use this vehicle.

But I think that what is really behind all of this is not so much the three other stations but the operating costs of this particular type of PRT. The money that it is going to cost to keep those guideways free from ice and snow is going to be fantastic. It will break that school.

I have the greatest respect for the gentleman from West Virginia (Mr. STAGGERS). I admire him. He is one of the great chairmen of this Congress. I think we would be doing the school and Chairman STAGGERS a real favor by going down there and blowing that thing up and salvaging some copper and brass.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONTE. I now yield 5 minutes to my good friend, the gentleman from Alabama, (Mr. EDWARDS), a very distinguished member of the committee.

Mr. EDWARDS of Alabama. Mr. Chairman, I rise to speak in favor of H.R. 15405. As a member of the Transportation Subcommittee of the Appropriations Committee, I have, of course, followed this legislation closely since hearings began early this year. I commend the chairman for his steadfast leadership on this bill and for his conscientious attention to the goal of getting the taxpayer's money's worth out of all programs included in this legislation And, it is always a pleasure to work with the gentleman from Massachusetts. (Mr. CONTE). He is one of the most thorough and best prepared Members of the House.

America is a country on the move. Our society, like it or not, is a highly mobile one. One measurement of the quality of life in America, because of these facts, is one's access to a balanced transportation system. Our ability to choose between different modes of transportation, the ability to get to work, to school, to church, to recreation areas with maximum convenience and minimum expense are very important. The ability to buy a wide variety of goods at reasonable prices is attainable only if the goods can reach us over an efficient transportation system.

Recent events continue to remind us that the search for improved transportation cannot successfully be carried out without a simultaneous consideration of the energy crisis, land use, the environment, the economy, and many other related issues. Transportation affects all aspects of American life, and I believe H.R. 15405 recognizes the interrelationship between transportation and other pressing problems facing our country.

H.R. 15405 recognizes that our overriding goal must be to make our transportation system as responsive as possible to the traveling public, to the people who need to get themselves and their goods from one place to another.

The committee's hearings this year have revealed that America's transportation problems are still very real. We continue to need better long-range planning, and we must do a better job of steering our research and development away from simply discovering new ways of achieving old results and toward genuine solutions. But we are making progress. While H.R. 15405 is certainly not perfect, I believe it moves us in the right direction during fiscal year 1975. I urge every Member of the House to support this bill.

Mr. Chairman, I want to add a few remarks here on Morgantown. One of the things all of this discussion brings out very forcefully is that the Government a few years ago took off on the wrong track in trying to do something like Morgantown without knowing where it was going. It is the best reason I know why we ought to start spending this kind of money in Pueblo, Colo., where we have test facilities and a test area, where we can develop the systems and know exactly where we are going. Then when a city desires to put in a personal rapid transit project we will have the research done and we can say: "Here is what you can do and here is what it will cost and on this basis we will talk to you about a capital grant."

But until we go this route we will have something like Morgantown which is a system really not designed with the greatest efficiency in mind. The gentleman from Massachusetts (Mr. CONTE) pointed out that the guideways will cost many hundreds of dollars a foot more than they should have. But if all of this had been worked out in Pueblo years ago we would not be here talking about the problems we are finding in Morgantown today. So I would hope that in the future the people and the committees will face up to the fact that the research concerned with this kind of problem which needs to be done should not be done in a city, but should be done at Pueblo where we will have it under our complete control.

It concerns me that a great deal of this kind of money—and I say this with respect to Amtrak as well—seems to drift to centers of political influence or where there are members who have the strongest pull within the agencies involved. We are running into that right now in Amtrak where it seems every member wants a demonstration project paid for by Amtrak.

Mr. Chairman, somewhere along the line we have to call a halt to this foolishness and put our money where it can best be used and stop playing games with the Members on both sides, in this body and in the other body.

This is the taxpayers money we are talking about and the Congress must be more concerned about spending it.

Mr. CONTE. Mr. Chairman, I yield 5 minutes to my good friend, the gentleman from Iowa (Mr. GROSS).

Mr. GROSS. Mr. Chairman, I am pleased to hear the gentleman from Alabama (Mr. EDWARDS) caution the Members of the House that we must do some real husbanding of money in this Government. I note that this bill is $605 million more than was spent for the same general purposes last year. I well remember that yesterday afternoon the House had before it the State, Justice, and Commerce Department appropriation bill. That bill was also a half billion dollars and more over the spending of the previous year, and the House this afternoon passed a bill that calls for $753 million subsidy to finance a stretchout of postal rates.

I wonder when the Appropriations Committee is going to bring a bill to the House floor to provide for the spending of less than in the previous year.

I wonder how the Appropriations Committee can possibly justify this kind of increased spending?

I am sure my friend, the gentleman from California, the chairman of the subcommittee in this instance, could not conduct his personal affairs on the basis of increased spending this year if he had run a deficit in his spending the previous year. He would be compelled to cut back on his spending.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I am glad to yield to the gentleman from California.

Mr. McFALL. I was out and I did not hear all the gentleman's speech.

Mr. GROSS. I will say to my friend that there is in this bill $605 million more than we spent for the same general purposes last year.

The question is how can we go on like this? We cannot conduct our personal affairs on the basis of deficit spending without cutting down the next year in order to recoup our fortunes. Any other conduct in the managing the funds of the Federal Government will result only in fiscal chaos.

Mr. McFALL. Mr. Chairman, will the gentleman yield further?

Mr. GROSS. Yes, of course.

Mr. McFALL. I will say to the gentleman that, of course, I do not operate my own finances, or at least I try not to operate my own finances that way, and I believe the gentleman from Iowa does not, either. However, I would point out to the gentleman that we have tried to be responsible in this bill. It is $605 million more than last year. However, as indicated in the report we did reduce proposed expenditures by several hundred million dollars. We reduced the new obligational authority by more than $200 million below the budget. We have attempted to be responsible in our handling of this part of the budget.

I would point out further that we have to operate the Coast Guard. We have to operate the FAA. We have to operate all of these agencies of Government. We are doing some valuable things in this bill.

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONTE. Mr. Chairman, I yield the gentleman an additional 3 minutes.

Mr. McFALL. Mr. Chairman, will the gentleman yield further?

Mr. GROSS. I yield to the gentleman.

Mr. McFALL. I do not intend to take all the gentleman's time, but I wanted to make that observation.

Mr. GROSS. I do not know how in the world we are going to reach any kind of financial stability in this country if we are going to continue to boost spending from 1 year to the next by a half-million dollars in every appropriation bill. To do so convinces me that there was no meaning to the reformation legislation that was approved yesterday. Either we have the will to cut spending here and now or we do not have the will to do it at all. We can pass all the reform legislation in the wide world and it is not going to change it. It takes courage and determination to cut these appropriation bills or we will simply go deeper and deeper into debt until national insolvency overtakes us.

Now, I would like to ask the gentleman about this SST business. I see there has been a new title concocted for it. "climatic impact assessment." This is the SST, is it not? Did this title originate in the committee or with some bureaucrat?

Mr. McFALL. Mr. Chairman, if the gentleman will yield, it is not there for the SST, but it is the aftermath of the SST. The climatic impact assessment program is to determine the effect of an SST on the upper atmosphere. I think it is very important and very valuable research which is being done.

We are going to have a report before the end of the year which will indicate what damage, if any, would be done by a fleet of 400 supersonic aircraft flying in the upper atmosphere.

Mr. GROSS. I thought we put the quietus on the SST long ago. Why is there $3,200,000 in this bill for continuation of the SST?

Mr. McFALL. It is not for the continuation of the SST. It is for the determination of what effect an SST would have on the atmosphere.

As the gentleman knows, there is a Concorde which landed at Boston just this last week. There is a Tupelov. It is possible a fleet of Tupelovs and Concordes might be flying in the future. Since we have got into this thing, we have been spending money to find out what would happen if we would have such a fleet. I think it is valuable to know what would happen.

Mr. GROSS. Do we not have a number of supersonic aircraft?

Mr. McFALL. There are, of course, military supersonic aircraft.

Mr. GROSS. I would hope so.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, the gentleman well knows my opposition to the SST program. At the conclusion of that program and in the arguments against continuation and what was its possible effect. It is this effect on the upper atmosphere on our lives on the earth which is involved. The administration had begun its research on what the effect of SST flights in the upper atmosphere would be. It had progressed about halfway or a little bit more in the research for the future.

Mr. GROSS. Surely we could ascertain the effect supersonic aircraft have on the upper atmosphere without a supersonic transport of questionable value.

Mr YATES. That was the purpose of this research. We thought it would be well to continue that program. This appropriation is for the continuation, for the ending of that program.

Mr. McFALL. Mr. Chairman, I yield 10 minutes to the gentleman from Missouri (Mr. BURLISON).

Mr. BURLISON of Missouri. Mr. Chairman, I appreciate my friend from California yielding me this time. My remarks will be directed to a paragraph in the report of the committee found on page 17 of the report, the next to the last paragraph.

This statement by the committee purports to direct the beginning of construction of an airport for the metropolitan St. Louis area to be constructed at Waterloo, Ill. Incidentally, Mr. Chairman, I have submitted separate views that are a part of the committee report, and at the proper time I will ask unanimous consent to insert those remarks at this point in the RECORD.

(The material referred to follows:)

SEPARATE VIEWS OF HON. BILL D. BURLISON

I take this opportunity to advise my colleagues of my strong objections to one paragraph of this committee report which calls for the immediate construction of a new St. Louis airport inconveniently located 25 miles southeast of St. Louis in Illinois. The report further states the opinion that there have been enough studies of this subject to date and further studies are unwarranted. Not being assigned to the Transportation Subcommittee, this paragraph did not come to my attention until the report was submitted to the full committee.

However, if the subcommittee had examined the St. Louis airport situation carefully, it would have discovered that the facts of this matter contradict the unfortunate conclusion reached. Furthermore, this committee recommendation is both fiscally imprudent and represents an unjustified intrusion into an airport site selection decision—which by law is the primary responsibility of local authorities. Certainly my colleagues would not want important local issues in their communities decided in this manner.

The Committee report states that it feels that 25 studies of the St. Louis airport situation have been enough. This statement does not reflect a recognition of the fact that only two studies have examined in depth the ability to expand Lambert-St. Louis International Airport to meet the area's air travel needs in the foreseeable future. Both studies concluded the expansion potential of Lambert is considerable.

The major study recommending a new Illinois airport for St. Louis (R. Dixon Speas Site Selection Survey, 1970) did not address the question of whether a new airport was even necessary. It assumed Lambert could not be adequately expanded and based this assumption on a statement purportedly taken from a 1968 ATA–TWA assessment that Lambert "even with maximum expansion, cannot be expected to fulfill commercial air carrier needs beyond 1979." In fact, no such statement or conclusion was contained in the ATA–TWA report!

Recognizing that previous projections of air traffic in the St. Louis area are now out of date and virtually useless because of changes in the energy situation and technology, the Department of Transportation last week announced that a new 90-day study forecasting St. Louis air traffic will be made. Moreover, the Department feels it is wise to spend a modest $221,000 of federal money to complete a 6-month master plan of Lambert Field, which has never been done, to determine if it can be expanded to meet St. Louis' needs through 1995. The money for this has already been appropriated. Approval of the Illinois application now, as suggested in the committee report, would mean spending between $350 million and an estimated $1.2 billion of taxpayers' money for a new airport before we even know if a new airport is in fact needed.

Since a $25 million construction program already underway at Lambert will double the airport's capacity (from 6 million to 12 million) by 1977, we can clearly afford to wait 6 months for the Lambert master plan in order to make an enlightened decision, not a hasty one.

Perhaps the most alarming aspect of the committee's recommendation is the fact that it attempts to impose an Illinois airport in the St. Louis area when an overwhelming majority of the region's citizens and their elected public officials vigorously oppose the Illinois site. Seventy-eight percent of the population of the metropolitan area and 91 percent of the area's air travelers live in the City of St. Louis and the four surrounding Missouri counties. Ninety-two percent of these Missouri voters approved a November 1972 referendum favoring expansion of Lambert Airport and opposing the Illinois site.

This committee report's recommendation on the St. Louis airport not only opposes the strong wishes of the St. Louis area, it contradicts the clear intent of Congress as stated in the Airport Airway Development Act that airport site selection should properly be made by the local area—not dictated by a bureaucrat or a far away government entity.

It is curious to note that the Illinois airport was first advanced by a quiet arrangement between the ex-mayor of St. Louis and the ex-governor of Illinois, each defeated for re-election. Similarly, the Transportation Appropriations Subcommittee did not openly consider both sides of this question. Instead, it heard brief testimony in response to several leading questions from an able subcommittee member from the Illinois delegation. It also heard the Administrator of the Federal Aviation Administration plead for a master study because there had never been one and for the further reason of considering changes wrought by the recent aviation fuel shortage and technology advancement. Clearly, at the least, this calls for a cautious approach toward construction of a large new airport that will require hundreds of millions of federal dollars.

In view of all of the above concerns, the proper course in this matter would be to allow the Department of Transportation to follow the requirements of the law and its own guidelines in order to reach a decision based on accurate information. The report paragraph above discussed clearly should not be included in the committee report.

BILL D. BURLISON.

Mr. YATES. Mr. Chairman, will the gentleman yield for a correction?

Mr. BURLISON of Missouri. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I do not interpret the report in the same way as the gentleman does. The report does not require the construction of an airport at Columbia/Waterloo in Illinois. As I read the language, and I read, I hope, concisely, it says:

> FAA has recommended that a new airport be constructed at the Columbia/Waterloo site to serve the St. Louis area. The Committee is advised that there have been 25 different studies of this subject since 1968. Yet, the Department continues to authorize additional studies, building delay upon delay instead of building the much needed airport. The Committee feels that this matter has been studied enough and directs the Department to begin the construction of the airport.

If the Department chooses to construct the airport in Missouri, that would be fine. The purpose of this language was only to get the airport off of dead center and say that there have been enough studies, and let us get on with the selection of the airport and building of it.

Mr. BURLISON of Missouri. Mr. Chairman, I thank my friend for his contribution. I apologize if I have misled him.

Possibly I should have said that the effect of this language is to dictate the construction of the airport at Waterloo, Ill.

Mr. Chairman, I think that the Members, those who are interested in the issue, would have to become familiar with the facts and then read that language in the report. I think they would conclude that that is the effect of the language.

Mr. Chairman, what the committee has directed with that language is clearly in violation of the law and could not be legally done.

I direct the attention of the Members to the 1970 Airport and Airways Act, title 49, section 1716(f)(1), which states in part as follows:

> The Secretary shall notify in writing the governing authorities of the area concerned of the need for such additional airport and request such authorities to confer, agree upon a site for the location of such additional airport, and notify the Secretary of their selection.

Clearly, in this instance there has been no conference among the interested officials. There has been no agreement, and certainly no notification to the Department of any such agreement or conference.

Mr. Chairman, in addition to this law, I refer to the 1972 national airport system plan of the Department of Transportation where it says, in the same vein:

> The FAA cannot itself direct the construction of facilities which it considers necessary without the cooperation and consent of the local officials and interested elements of the community.

Therefore, Mr. Chairman, it is clear from the law, and the regulations of the Department, that the committee is seeking to do with this language what it clearly cannot do.

Let me turn to one other point. Eighty percent of those who live in the area served by the Metropolitan St. Louis Airport live in Missouri, that is, in the city of St. Louis and the four counties which immediately surround it. Ninety-one percent of the customers of this airport, the passengers of this airport, are residents of Missouri and the area that I designated.

We held a referendum in Missouri in 1972 which gave a return of 92 percent voting for an expansion of the St. Louis Airport and against construction of an airport 30 miles south of St. Louis, in Waterloo, Ill. Therefore, we can see that the people served are unequivocally opposed to terminating the present airport facilities in St. Louis.

More on the point at issue, however, Mr. Chairman, is the matter of a feasibility study to see whether the airport facilities at Lambert in St. Louis should be expanded at their present location. There has been money appropriated in fiscal year 1974 for this study. It is already appropriated. The Department is ready to use it.

Mr. Chairman, if the mandate of the committee, as expressed in this paragraph that I have taken issue with, were carried out, these funds could not be used that have already been appropriated and that are requested by the Department and by the FAA to conduct a feasibility study. There has never been a master plan made for this purpose, to determine this feasibility. The FAA and the Department of Transportation have requested such a study.

Mr. Chairman, in part 3, page 396 of the Transportation Subcommittee Hearings in the statement by the FAA, submitted by the Department of Transportation for inclusion in the RECORD, is this statement:

> The Secretary of Transportation has concluded that he must have an updated appraisal of the alternative of the continued use of Lambert Field.
>
> The Secretary also has requested the Assistant Secretary for Policy, with the assistance of private consultants, to appraise and update the forecast of air transportation demand in the St. Louis metropolitan area.

So, Mr. Chairman, we have the request of the Department for a feasibility study which has never been made; we have a flagrant change in circumstances wrought by the recent critical aviation fuel crisis, and also by the very dramatic technology breakthroughs and advances in recent years, as well as by those projected for the immediate future. Those are all three sound basic reasons why we should have this master feasibility study conducted.

If the mandate of the committee in this paragraph which we have alluded to is carried out, there is no way to have this feasibility study made. It is a study that we have never had, one that the Department wants, and it is one that is obviously dictated by the law and the circumstances surrounding our controversy.

Mr. Chairman, I have the very highest regard for the ranking member of the Subcommittee on Transportation, my very good friend, the gentleman from Illinois (Mr. YATES).

I have the highest regard and respect for the gentleman in whose district the proposed new site is located, the gentleman from Illinois (Mr. PRICE).

However, I feel, Mr. Chairman, that the equities in this situation demand further study.

Mr. Chairman, I am very pleased to yield at this time to my able colleague, a respected member of the Interstate Commerce Committee, the gentleman from Missouri (Mr. SYMINGTON) in whose district the present St. Louis Metropolitan Airport is located.

Mr. SYMINGTON. Mr. Chairman, I want to thank very much my good friend, the gentleman from Missouri (Mr. BURLISON) for allowing me some time here to speak on a matter in which I am sure the Members will agree I have some interest. It is a matter of whether or not the 10,000 people who work at Lambert and the some 2 million people who use it as an airport, most of whom live in my district, should, by a simple stroke of the pen in a report of the Subcommittee on Transportation, be led to believe that it is the determination of the House, without appropriate hearings on the subject, to dictate the construction of a new airport to serve the very same community that wants to keep the present one.

Implicit in the directive is that the new airport would be located on the Illinois side of the river, some 30 miles away, requiring in a time of fuel shortage an extra 60-mile round trip, far in excess of the average distance traveled by those who use the present airport to say nothing of the dislocation of our mass transit system, and the need for new highways and bridges.

Mr. Chairman, I certainly understand the interest of the State of Illinois in having such an airport built. There is a little land there which has not been developed, and it would be pleasant to make a billion dollar investment there.

The CHAIRMAN. The time of the gentleman from Missouri (Mr. BURLISON) has expired.

Mr. McFALL. Mr. Chairman, I yield the gentleman from Missouri (Mr. SYMINGTON) 1 minute.

Mr. CONTE. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri (Mr. BURLISON).

Mr. HUNGATE. Mr. Chairman, will the gentleman yield?

Mr. SYMINGTON. I yield to the gentleman from Missouri.

Mr. HUNGATE. Mr. Chairman, I thank my colleague for yielding.

I rise in support of the position taken by my colleague, the gentleman from Missouri.

I will state that we are united on this issue, regardless of party, and we have the support, I understand, of our State administration. We in Missouri are poor, but we are proud. We have the Missouri Airport located now where the people are who use it.

Mr. Chairman, I appreciate the efforts of the gentleman from Missouri (Mr. SYMINGTON).

Mr. SYMINGTON. Mr. Chairman, I shall say in response to the gentleman; he has paraphrased the remarks made by Daniel Webster in the Dartmouth College case, for Missouri, "is a small place, but there are those who love her."

Mr. HUNGATE. Mr. Chairman, I would like to join my distinguished colleagues from Missouri in expressing my strong objections to the recommendations of the Appropriations Committee on the St. Louis Airport question.

The committee has directed the Department of Transportation to begin construction of a new airport 25 miles southeast of St. Louis in Illinois. This action clearly oversteps the bounds of the committee's responsibility by making a decision which is a local one, and which goes against the wishes of the majority of the region's ctiizens and elected officials who have already voiced their support for Lambert Field in a November 1972, referendum.

Moreover, a decision to proceed with the Illinois project would be inconsistent with the intent of the Airport and Airway Development Act, which provides that these questions be resolved at the local level. It would seem unconscionable to spend the many millions of dollars it will cost to build a new facility when the capacity of Lambert Field is still unknown. The money for a 6-month master plan study of Lambert has already been appropriated by this body. Additionally, there is a $25 million construction program underway at Lambert which will double the airport's capacity by 1977. Therefore, we in the Missouri delegation see no reasonable explanation for the committee's unprecedented action which ignores local wishes and hastily commits millions of taxpayer dollars for an unwanted project.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. SYMINGTON. I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I wish to join with my other distinguished colleagues here today in criticizing the unnecessary, inexplicable, illegal, ineffectual, and very shabby language in the report to accompany H.R. 15405 regarding the determination of the location of an airport to serve the future needs of the St. Louis area. The report for some unknown reason purports to make a policy determination regarding the location of such an airport which is totally beyond the committee's purview, recommending that a massive new airport be constructed 25 miles southeast of St. Louis in Illinois rather than exploring the expansion of the existing Lambert Field which now serves the area. The report does accurately point out that the location of a St. Louis airport has been a point of controversy since 1968 and that this controversy must be settled and certainly no one has even taken issue with this conclusion, but surely the committee in its wisdom cannot feel qualified to unilaterally solve a very complex problem by the inclusion of some 93 offhanded remarks in a totally unrelated committee report.

There are several facts, Mr. Chairman, which I believe the committee must have overlooked in the press of their urgent business and I should like to take this opportunity to respectfully make these facts known to the committee.

Fact I. The St. Louis area will require expanded air carrier service in the years ahead. The committee has apparently recognized this fact and I applaud their interest and foresight.

Fact II. There is an airport already serving the St. Louis area, Lambert Field, which in a time demanding budgetary restraint and efficiency, might be sufficiently expanded to serve the future air transportation needs of the St. Louis area. The committee is apparently unaware of this fact as no mention is made of Lambert Field in their report.

Fact III. The alternative to expansion of Lambert Field would require the development of a massive new airport site at Columbia/Waterloo in Illinois which: First, would require land acquisition of 18,650 acres; second, would involve Federal expenditures of between $400 million and $1.2 billion; third, would, according to all studies, significantly disrupt the economies of Missouri and St. Louis; fourth, which has no access roads unlike the easy accessibility of Lambert Field to most of St. Louis via Interstate 70, thus requiring additional construction moneys for a sophisticated expressway; fifth, which would be located an unnecessarily long distance from the majority of airport customers who reside in St. Louis county and outstate Missouri thus requiring greater fuel usage when fuel conservation is required; and sixth, most importantly, the need for which has not yet even been ascertained.

Fact IV. While the unusual language is certainly a grave departure from customary and proper practice, the recommendation is also illegal given the fact that the Secretary of Transportation cannot authorize construction of a new metropolitan airport until a consensus is reached by the affected local communities on the question of airport site selection. I would respectfully point out to the committee that not only is such a consensus not present but that the overwhelming majority of the affected citizens in the area are totally opposed to the surprising recommendation contained in the report.

Fact V. Given this situation of need, budgetary restraints and the controversy over whether to expand the existing airport or to develop a totally new airport site, it is quite obvious that the only rational course would be to make a master plan study of the Lambert-St. Louis International Airport to determine whether it can indeed be adequately expanded to serve the St. Louis area as the primary air carrier facility for the 1990's. But here again the reports offer no reason to not make such a study but recommends the expenditure of vast sums of tax moneys on a new airport without further considering the public interest or the efficacy and efficiency of possibly expanding the existing St. Louis airport.

Mr. Chairman, I would certainly not presume to prejudice at this time where the airport should be located as a matter of desirability even if we did not have to consider the desires of local citizens. And I would certainly not have expected the report to attempt to do so. Indeed, since the peculiar recommendation cannot even carry the force or effect of law, I find it strange that any comment was made at all. After thoroughly studying the committee's report, however, I can only presume that the uncharacteristic language in such poor taste was due to haste and oversight. As we should all be in the business of wisely utilizing the taxpayer's money—especially during this time of rampant Federal spending and double-digit inflation—I certainly believe that it makes more sense—both economically and in terms of the public needs and interests in the St. Louis area—to allot moneys to first determine whether the Lambert-St. Louis International Airport can be sufficiently expanded to serve what is certainly a very real need before making any sweeping recommendation for the construction of a massive, new and expensive airport at another site.

I would hope that when the committee has had time to sufficiently study that matter upon which they are making recommendations that they too would arrive at this conclusion.

May I say to the Members that this matter is premature for a legislative determination at this time. I cannot believe that the FAA will ever force an airport location upon a group of local citizens who voted 92 percent against such a location. I cannot believe that the Congress would ever affirm such a determination if the FAA were to make such a decision.

May I also advise the Member that if the FAA ever made such a decision over such overwhelming objections of the users, I, for one, intend to bring this matter before Congress for an ultimate decision. Forcing American citizens to do what they do not want to do in planning activities such as this is no way to run a show. I cannot believe that the Congress would acquiesce in such an infringement upon the right of local determination.

Mr. SYMINGTON. Mr. Chairman, I thank the gentleman.

The gentleman from Missouri (Mr. ICHORD) has made a very salient point which touches on the governing provisions of airport law. The operative language of the national airport systems plan reads, "the FAA cannot itself direct the construction of facilities it considers necessary without the cooperation and consent of the local officials and the interested elements of the community." Of course, those interested elements of the community are the people who live there. In the Waterloo part of the "community" I imagine there are some farmers and chickens. But we have a great many thousands of travelers and working people who are keenly interested in this.

I yield to the gentleman from Missouri (Mr. TAYLOR).

Mr. TAYLOR of Missouri. I thank the gentleman for yielding.

Mr. Chairman, I rise in strong support of the remarks of my colleague from Missouri with regard to the airport in the Greater St. Louis area.

I feel strongly the present facilities at Lambert Field with proper extensions could very well serve the people of the Greater St. Louis area. I certainly think it would be premature at this time to make any further recommendations without the committee taking a long, hard look at the St. Louis area and the present St. Louis Lambert Airport, which is overwhelmingly supported by the people of Missouri in the St. Louis area.

Mr. SYMINGTON. I thank the gentleman very much.

The main point at the outset, of course, is the illegality of such a direction. Were it contained in the bill, I am confident it would be subject to a point of order as unauthorized legislation in an appropriations bill.

Looking at the merits of the case, it is important to hear what the current FAA Administrator said while testifying on the general subject of airports. He said that "it is only a matter of time, and the day is not too far distant when you will actually look back and joke about the long runways used today in commercial aviation. The technology to bring this about is just around the corner."

Bear in mind, Mr. Chairman, that what we are dealing with here is an unequivocal order to build a new airport with such long runways which will not become operative until the 1990's, when the technology that will obviate their necessity is just around the corner.

These are the things that I ask the House to bear in mind so that the legislative history made this day leaves no one in doubt that the House has absolutely no intention of directing what is essentially an illegal, and unwarranted act and one which the Secretary of Transportation himself does not wish to have imposed on him as is implied in his letter to us sent only yesterday. He has approved and authorized the first study of, Lambert's potential made partially with Federal funds, with local subscription of about half that figure. The purpose of the study is to determine whether or not Lambert Field can remain viable into the 1990's. He certainly does not want to be directed to invest up to half a billion dollars in a new airport on either side of the river until he has had ample opportunity to examine the results of the report he has authorized.

Mr. CLAY. Mr. Chairman, I have long been concerned about the lack of understanding surrounding St. Louis Airport controversy. The recent action taken by the House Appropriations Committee tends only to worsen an already bad situation. A statement such as the Transportation Subcommittee issued instructing the Department of Transportation to start construction of an Illinois airport illustrates that the committee has no real knowledge of the situation. First, the airport site selection is, by law, the primary responsibility of the local community which must use the airport. Most of the committee members voting have no idea that 91 percent of the users of the St. Louis Airport live on the Missouri side of the river. Furthermore, I doubt that they realize this means that 91 percent of the travelers would have to commute over 70 miles round trip to use the new airport site.

This blatantly points out that the committee's action, in this case, is inconsistent with its prior record of responsibility. First, in an era of conservation and fuel shortages can one imagine the unnecessary gasoline being consumed with 91 percent of the airport users having to go over 38 miles one way to reach the proposed new site. Second, the committee has made clear that it is ready to spend between $400 million and $1.2 billion for a new airport when a mere $200,000 study could determine if a new facility is necessary at all. No study has been done to determine Lambert's expansion potential, however, the proposal before the Department of Transportation would take only 6 months to complete.

In addition, a $25 million construction program currently underway at Lambert will double the airport's capacity by 1977 and may mean that no additional building is necessary. I do not believe 6 months is too long to wait to possibly save $1.2 billion tax dollars. Third, the committee did not take into account that the distance of the proposed new site would mean that most of the St. Louis' SMSA's mass transit funds would have to go simply to transit lines going to and from the airport.

In conclusion, I would like to point to Dulles Airport in Washington, D.C., with which my colleagues are familiar. Dulles, 35 miles from Washington, was intended to become the Capital's major jet port, but 15 years after its opening it is still operating at a deficit. National Airport still remains the primary facility with no one desiring to go to Dulles unless absolutely necessary. This situation points out the importance of having all the facts before making a commitment of tax dollars. I fear by currently designating Illinois as the site of the new airport, the same grave mistake will be repeated.

Mr. McFALL. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois (Mr. YATES).

Mr. YATES. Mr. Chairman, I rise in support of the provision respecting the Waterloo/Columbia Airport in the committee report. I can well understand the attitude of the gentlemen from Missouri, and I address myself to all of them. They are all friends of mine, and I do not like to get into this kind of a controversy with them. I suggest that they may be reading something into the language which is not there.

As I indicated in my discussion with my good friend, the gentleman fom Missouri (Mr. BURLISON) the language in the bill does not mandate the construction, nor does it direct the construction of an airport at Waterloo-Columbia in Illinois. What it does say is that the FAA Administrator has found in the past that the logical place for the construction of an airport in the St. Louis area would be in the Columbia-Waterloo area.

Mr. SYMINGTON. Mr. Chairman, will the gentleman yield?

Mr. YATES. I would be delighted to yield to the gentleman from Missouri.

Mr. SYMINGTON. That was Administrator Schaeffer.

Mr. YATES. That is correct, that was the FAA Administrator, Mr. Schaeffer.

Mr. SYMINGTON. We were never able to explain to Mr. Schaeffer that any discussion of this kind should be made in the context of the technology which would be in existence at the time the new airport would come into being. Mr. Butterfield indicated he was aware of this.

I think that the FAA study and recommendations were made upon insufficient evidence, and upon insufficient studies, and were made before the energy crisis, and did not take into account the fact that rapid transit would have to be used to move the people from Missouri to Illinois across bridges that are not as yet built. None of these things were taken into consideration.

Two former administrators agreed with this. Both of them agreed that it should be considered on the basis of the technology that is coming into being, that technology which means that they can continue to accommodate a great many more people in flight, and even so, that this would not include continuing to build the huge airports like this in the future. And Secretary Brinegar has made the same kind of statement.

Mr. YATES. Is the gentleman opposed to the construction of a new airport for St. Louis, or is the gentleman opposed to the construction of a new airport in Illinois?

Mr. SYMINGTON. I think we in Missouri who have studied this are opposed to the construction of a new airport anywhere until it has been made undeniably clear as to what exactly is necessary.

Mr. YATES. Let me ask the next question. The gentleman from Missouri knows about the letter I received from Secretary Brinegar, he and I discussed it earlier.

Mr. SYMINGTON. Yes.

Mr. YATES. Secretary Brinegar in that letter indicates that he is going to undertake another study of the St. Louis area.

Mr. SYMINGTON. Yes.

Mr. YATES. In which he is going to make the feasibility study that the gentleman referred to before.

May I ask the gentleman from Missouri this question: Suppose that as a result of this feasibility study the Secretary determines that Lambert Field cannot be extended, that the St. Louis area needs a new airport and that the new airport should be built in the Waterloo-Columbia area; would the gentleman and the Missouri delegation be willing to accept that result?

Mr. SYMINGTON. In the first place, I should point out that the committee report says that the matter has been studied enough, and directs the Department to begin construction of the airport.

I think that the main thing I want to make clear is that that language should not reflect the views of the House.

The gentleman has asked me the question, and my answer is that the House does not want to direct the Secretary to do something until he is ready to do it, or until he is empowered by law to do it, and until consent is received from the affected area. The gentleman has asked me a hypothetical question concerning how many of us feel if, should the 6-month plan not convince the Secretary or mandate that Lambert is viable through the 1990's, and at that point he must come back to the affected area and look for the kind of consent which authorized him under the law to decide where a new airport might be possibly located. But that is way down the road.

Mr. YATES. That is not way down the road, may I say to the gentleman. The time is now. The study is being made. This question has already been studied a great many times.

I have in my hand a list of studies that have already been made since 1968. There were earlier studies than that. Some 20 or 21 studies have been made.

Mr. SYMINGTON. I am aware of that.

Mr. YATES. Let me complete my statement.

There have been 21 studies made so far, and let me read from the last report that has been made since October 1972.

October 1972. The Lambert-St. Louis year 2000 plan, Wilbur Smith & Associates, sponsored by the Missouri-St. Louis Metropolitan Airport Authority, proposed a $370 million expansion of Lambert as an alternate to constructing a new airport.

Another study was made in January 1973. This was a study of relocation housing resources in the city of St. Louis and St. Louis County by the Vector Corp., again sponsored by the St. Louis

Metropolitan Area Airport Authority. It concluded that the city and county of St. Louis lacked sufficient housing resources to relocate the residential and commercial occupants that would be displaced as a result of the implementation of the Lambert-St. Louis 2000 year plan. It was suggested that Federal funds for expansion of Lambert would, therefore, be denied or delayed considerably.

The third study was made in January 1973, an evaluation report of the Lambert-St. Louis year 2000 plan, by Tippetts - Abbett - McCarthy - Stratton, sponsored by the city of St. Louis Airport Authority. It concluded that the Lambert-St. Louis 2000 year plan was inadequate and recommended that the city of St. Louis pursue an interim expansion program for Lambert concurrent with the necessary planning for a new air carrier airport to replace Lambert by the early 1980's.

In February 1973, there was an analysis of Lambert-St. Louis 2000 year plan by R. Dixon Speas Associates, sponsored by the St. Louis Metropolitan Area Airport Authority, which concluded that the Lambert-St. Louis 2000 year plan is not a feasible alternative for meeting the long-term air transportation needs of the St. Louis area.

Mr. PRICE of Illinois. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Illinois.

Mr. PRICE of Illinois. I thank the gentleman for yielding.

I, too, hold a high regard for every member of the Missouri delegation. I think they are all good friends, and I hate to be in the position of being on the opposite side of them. But the gentleman from Missouri has not yet replied to the gentleman's question whether or not he would support an Illinois site after the studies were completed and the department approved the application. There is only one application pending, and that is the application of the Metropolitan St. Louis Airport Authority. No other application is pending.

Mr. YATES. May I ask the gentleman a question? Is it not true that the environmental statement also indicates that the new airport should be constructed in the Columbia-Waterloo area of Illinois?

Mr. PRICE of Illinois. Yes. There was complete harmony in the family on both sides of the river. Then for several years this matter was studied. Outside firms were hired to make examinations of locations, and finally the decision was reached that the best and most suitable site was on the Illinois side of the river. That is where the harmony ended.

I would say to the gentleman if it had been a Missouri site—and I think I can cite more than one example—I would have accepted the decision at that time. It would not have been my purpose to oppose the location if that original committee had selected a Missouri site. But that committee, which was not involved in politics, selected as the most suitable site and the one closest for serving the St. Louis area, the Columbia-Waterloo site.

On the question of the short takeoff and landing, everyone knows they are talking about intercity traffic. We are talking about an airport for intercontinental traffic with larger planes and the greater amount of the business. I am not privy to what their final recommendation was. I have a hunch that it did approve the Illinois site. I cannot say that because I have not seen the report, but I think every thorough study made so far has indicated that the most suitable site and the most economical area in which to build it is the one that has been selected on the Illinois side.

Mr. HUNGATE. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Missouri.

Mr. HUNGATE. I thank the gentleman for yielding.

The gentleman gave us a number of studies that were made. He recited a number of them, and I am sure there were more.

Mr. YATES. That is correct.

Mr. HUNGATE. I am willing to concede there were a number. I think the gentleman would agree with me, however, that there were a number of studies made on Vietnam, and that it might have been better if we had just kept studying it and had never gone in there.

Mr. YATES. I do not see the relationship between Vietnam and the St. Louis Airport, but if the gentleman does, more power to him.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. CONTE. I yield the gentleman 2 additional minutes.

Mr. YATES. Mr. Chairman, I asked for this additional time so I may complete the record by reading the letter from Secretary Brinegar on this subject, which is dated June 18, 1974. It says:

THE SECRETARY OF TRANSPORTATION,
Washington, D.C., June 18, 1974.

Hon. SIDNEY R. YATES,
House of Representatives,
Washington, D.C.

DEAR MR. YATES: In view of your interest in the St. Louis airport matter, I would like to bring you up to date on its present status.

The environmental impact statement prepared in connection with the proposed development of a new airport near Waterloo, Illinois, is now being reviewed within the Department. Concurrent with this review, I have concluded that I must have an updated appraisal of the alternative of continued use of Lambert Field.

The Missouri-St. Louis Metropolitan Airport Authority and the St. Louis Airport Authority have applied to the Federal Aviation Administration (FAA) for an airport master planning grant for the purpose of evaluating the feasibility of expanding Lambert to meet the area's long-range air transportation requirements. The Metropolitan and St. Louis Airport Authorities, with the concurrence of Governor Bond, have agreed to conduct a six-month study to determine what can be done at Lambert Field. The study will not extend beyond Lambert's present boundaries to land areas the acquisition of which would be economically or technically infeasible, involve unreasonably adverse environmental impact, or would cause unreasonable residential dislocation and/or inhibition of the operations and growth of commercial and industrial employers in the Lambert vicinity. I have asked the FAA to process promptly the application for this six-month study.

I have also requested the Assistant Secretary for Policy, Plans, and International Affairs, with the assistance of private consultants, to appraise and update the forecasts of air transportation demand in the St. Louis metropolitan area up to the year 2000.

I have directed that these matters be resolved as quickly as possible, for I recognize the importance of a decision having such long-term significance.

Sincerely,
CLAUDE S. BRINEGAR.

Mr. Chairman, I make one final point. We now have a feasibility study in prospect. I would hope, I would think, and I would expect that the Illinois delegation would certainly be willing to accept the conclusions and recommendations in the completed studies the Department of Transportation makes. I hope the Missouri delegation would similarly be willing to accept such conclusions and recommendations. I think it is to the best interest of both Missouri and Illinois that the best interests of the people of the area be fostered that their property be enhanced by having the airport constructed in the best possible place. Studies up to the present time indicate that place to be the Waterloo/Columbia location. I would expect that will still be the finding. Certainly, I would hope my friends from Missouri will not remain adamant and resistant if the studies now being undertaken follow earlier recommendations that the airport be constructed in Illinois.

Mr. RANDALL. Mr. Chairman, although our congressional district is situated in west-central Missouri, I join with my colleagues from central and eastern Missouri in their protest over the action of the Transportation Subcommittee of the Committee on Appropriations in attempting to direct the Department of Transportation to begin the construction of an airport in Illinois near East St. Louis.

I join in this protest not only because I am a Missourian, but because what the committee was attempting to do here in the St. Louis area, it could do also in the Kansas City area or anywhere else in America if this usurpation of power at the expense of city, county, and other local units of government is not vigorously protested as an action which is in effect contrary to law.

Without going into the necessity of quoting the exact wording of the United States Code, the location of an airport in the metropolitan area can be finalized only after a concurrence or a consensus of all local differences of opinion have been melded into one final conclusion.

There is no general concurrence of opinion as to the location of the airport either at the Columbia-Waterloo site or a continuation of the Lambert-St. Louis, Mo., site. Suffice it to say, there certainly has been no compliance with the procedures required for the location of an airport prior to the use of the ill-advised and unwarranted language in the committee report which directs the construction of the airport evidently at the Columbia-Waterloo site. Such is the only location mentioned in the pertinent paragraphs in the report accompanying H.R. 15405.

Now, of course, it is difficult, if not impossible, to strike language from a committee report. It is noteworthy that there is no language of any kind in the bill itself, H.R. 15405.

At this point, it would be appropriate to inquire just what is the complaint of those who are protesting the language of the committee report accompanying H.R. 15405 on page 17?

Well, suddenly the committee becomes concerned about the lack of progress on the St. Louis airport problem. The committee is worrying that there have been so many studies since 1968 and to solve the problem puts in the report mandatory language:

> The committee feels that this matter has been studied enough and directs the department to begin the construction of the airport.

For the good of all of us it is most fortunate that the committee cannot direct that anything be done. It is just a committee of the House and there is no authority for it to direct the FAA or the House itself or any branch of the executive department to do anything, any time, anywhere. Of course, it may suggest but even such a suggestion of a location of an airport at a particular site would not be in accordance with the provision of law already enacted for the location of airports.

What else is wrong with the language of the committee report?

The answer is money for feasibility studies was already appropriated in fiscal 1974. The funds are available. The language on page 17 of the report says build the airport now—there is no use for any more studies and forget about the funding for the study that we, the same committee, made last year.

Mr. Chairman, what else is wrong about this shuddering mandate from the Subcommittee on Transportation of the Committee on Appropriations?

The easy answer is that the Illinois location, if selected, would require millions upon millions of dollars to construct rapid transit to the location including the construction of several new bridges. The expense would be difficult to estimate in these days of inflated construction costs.

Those of us who live on the other side of the State are undergoing some current experience with an airport that is 45 minutes from our homes and was built far too far away from the population that it services rather than adopt the alternate option of spending some money to improve the existing airport by lengthening the runways and by providing additional safety features at a conveniently located airport.

Mr. Chairman, all any of us can do at this point is to raise strong objection to the language of the committee report. Because while it cannot be struck out or expunged from the report it is important that reference be made to the separate views of our member on the Appropriations Committee, BILL BURLISON. On pages 38 and 39 of the report, he cites his strong objections to the paragraph when he so appropriately points out that this direction on the part of the committee is an unjustified intrusion into airport site decisions and that it is the primary responsibility of local authorities to select a site. He goes on eloquently to explain that if the committee can get away with a mandate of this kind in this instance then any of our colleagues in the House may expect intrusion in their congressional districts. Surely none of them would want their airport sites selected in their communities in the manner attempted by the Subcommittee on Transportation in the St. Louis airport situation.

Finally, Mr. Chairman, the only proper course after appropriate objection has been stated is for the Federal Aviation Administration to ignore this attempt to direct the location of a site. The Department of Transportation should follow the requirements set out in current law and reach a decision on site location based on agreement by the entire local community to be served. Airport site selection should properly be made by the local area and not be dictated by any bureaucrat in far away Washington and certainly not by any transportation subcommittee of the Committee on Appropriations.

Mrs. SULLIVAN. Mr. Chairman, I would like to take this opportunity to advise my colleagues of my complete agreement with the other members of the Missouri delegation who have spoken today in opposition to the committee's recommendation concerning the proposed Illinois airport for the St. Louis area. We feel that important local matters such as whether a new airport should be built and the location of such an airport should be decided by the local citizens of the St. Louis area who must use the airport. These citizens and their local public officials have overwhelmingly opposed the proposed Illinois Airport and have supported the expansion of Lambert-St. Louis International Airport to the maximum possible extent.

We are therefore greatly encouraged by the indications we have received that the Secretary of Transportation will approve the pending application to conduct a masterplan of Lambert Airport to determine if a new airport is necessary. It is presumptuous for the Appropriations Committee to direct the construction of a new St. Louis Airport before we know if a new airport is needed. We do know that the citizens who would have to travel an average distance of 38 miles to reach the Illinois site are strongly opposed to the committee's recommendation and the committee has done a disservice to these citizens.

Mr. CONTE. Mr. Chairman, I yield 2 minutes to the gentleman from Indiana (Mr. HILLIS).

Mr. HILLIS. Mr. Chairman, I thank the gentleman for yielding.

I really want to address some questions to the gentleman, to have him answer some questions concerning Amtrak, to change the subject for a moment.

I have a copy of a letter here which I received from a constituent directed to the problems with Amtrak, which is a general letter of complaint really, and I am including the letter in its entirety for the RECORD. It reads as follows:

MAY 31, 1974.

Mr. HAROLD GRAHAM,
Vice President, Marketing,
Amtrak,
Washington, D.C.

DEAR MR. GRAHAM: We recently completed a train trip from Decatur, Alabama, to Orlando, Florida, and return. We had a pleasant trip and enjoyed the train ride; however, we do have a major complaint, which I feel should be redressed.

Our complaint concerns train accommodations and equipment. As you will note from the enclosed copy of our passenger receipt, we reserved and paid for first-class accommodations and were supposed to have had a double bedroom. On the trip from Decatur to Orlando, we were assigned two roometts, each of which had single seats and single berths. Now, Mr. Graham, have you ever tried to sleep in a single (and tapered no less) berth with a five-year old boy? If you have had such a misfortune, you can readily understand the nature of my complaint! Nevertheless, Car 5232 was in fairly good condition, although none too clean.

On the return was when we really had the problems. Again, no double bedrooms were available, and we were assigned one single and one double compartment in a "slumber" coach which from all practical appearances was a reject from the Civil War. In the first place, the car was extremely dirty, and there is simply no excuse for that. The air conditioning malfunctioned and the car was so hot when we boarded that we couldn't sleep. The porter opened the car doors to try to cool the car down, but then it was so noisy we couldn't sleep. The malfunction was repaired in Jacksonville, and you guessed it, there was no way to shut the cold air off, so we froze to death the balance of the night! The extreme hardness of the seats, not to mention the lack of foot room in the "double" compartment, coupled with the bone-jarring jolts caused by the suspension system of the antiquated car, made us think we were riding in a stagecoach.

Now, it is my contention that if you are going to offer first-class services and charge first-class rates, you should provide clean first-class accommodations. I believe that a first-class passenger has a right to expect a seat at least as comfortable as a coach seat and a seat for each passenger (even if he is only five-years old and traveling at a reduced fare). Further, I believe that if you are going to charge the equivalent of a good motel room for sleeping accommodations, you should provide a berth for each passenger.

Incidentally, the train service representative told me that a double bedroom provided only two single berths. If this is the case, the reservation agent was misleading in selling us double bedroom accommodations for three people.

I can understand that sometimes it is impossible to have the equipment needed where it is needed, and when this happens, I would suggest that you devise a procedure to so notify ticketed passengers and to provide them with an automatic refund if appropriate. I have no idea of the cost of the accommodations we actually had or if we should receive a refund as was suggested by several members of the train crew. I would, however, appreciate a comparison of fares and a refund if appropriate.

In spite of this rather lengthy complaint, we did enjoy the train. The staff was courteous, friendly, and helpful, and appeared genuinely interested in making Amtrak successful. Our porter, Michael Ghelerter, who was with us on the Decatur to Jacksonville and Jacksonville to Decatur portions of the trip was outstanding.

I look forward to your response.

Sincerely,

FRANK H. PRICE, Jr.

Mr. Chairman, the complaints concern

the accommodations and equipment which Amtrak was using on the trip. The point I am getting at is that I see in this bill the request for Amtrak has been reduced by some $18 million, and I certainly favor the economy. But what are their plans for the acquisition of new equipment for Amtrak? Is this bill going to permit them to replace their worn out equipment such as is referred to in the letter here?

Mr. CONTE. Mr. Chairman, yes, by all means. One of the biggest problems, and we cross-examined the people from Amtrak, is that they are having trouble buying the equipment and also in refurbishing the old equipment. It is really amazing and the gentleman ought to read the record on this matter.

There are not that many firms in the United States who do this refurbishing and there are not that many companies in the United States that build these new cars that they need. They are way behind.

Mr. HILLIS. But they will under the proposal be able to continue with the updating and modernization of the Amtrak equipment?

Mr. CONTE. That is correct.

Mr. SYMINGTON. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield 1 minute to the gentleman from Missouri (Mr. SYMINGTON).

Mr. SYMINGTON. Mr. Chairman, I would like the Members to look at this discussion of St. Louis metropolitan airport needs in the context of the suggestions that were made previously with respect to large Federal expenditures that appeared to lack a sound basis. All the Missouri delegation—and it is to a man and I might say woman—all we are saying, in order to correct the legislative history on this question, is that it is entirely out of order for the Committee on Appropriations, the Transportation Subcommittee, and for that matter, this House to direct the Secretary of Transportation to build an unauthorized airport. It is helpful to hear the distinguished Member from Illinois (Mr. YATES) disclaim any intent to force an Illinois site. What we say is it is wrong to order a new airport built anywhere until an opportunity to review all the questions involved has been fully provided those in a position to make decisions of this kind including the Secretary and the governing authorities of the areas affected. This kind of joint concurrence will continue to be required by law to undertake further action should it be determined that Lambert Field's lifespan is limited—a conclusion we devoutly hope and believe is not supported by the facts.

Mr. MURPHY of New York. Mr. Chairman, will the gentleman yield?

Mr. McFALL. I yield 2 minutes to the gentleman from New York (Mr. MURPHY).

Mr. MURPHY of New York. Mr. Chairman, I wish to make a brief comment in regard to the observations of the Appropriations Committee report on the Department of Transportation and re- in reference to the proposed increase in lated agencies appropriations bill, 1975, Panama Canal tolls—page 34, House Report No. 93-1111.

The tolls formula formerly enacted by Congress requires the recovery from tolls of operating expenses of the canal including depreciation, interest, and the net cost of government of the Canal Zone. The statute does not define depreciation, but leaves the details of setting up the depreciation account to the Panama Canal Company.

Until 1974, titles, treaty rights, and certain excavations were not depreciated on the assumption that these assets had an indefinite economic life. However, in 1973, the company concluded that this assumption was no longer justified in view of the developing economic obsolescence of the canal resulting from the increase in numbers of ships too large to go through the locks as well as the agreement in principle by the executive branch in treaty negotiations with Panama that responsibility for operation of the canal by this Government will terminate at a date to be specified by a new treaty. Thus, in 1974, the company changed its policy and began depreciating these assets. This policy change adds an annual charge of about $8.3 million to operating expenses, and is, in part, responsible for the contemplated toll increase.

The committee report states, "because of the substantial increase to operations resulting from this policy change and because questions have been raised about whether or not this change is related to possible treaty modifications, the committee feels that the Legislative Committee should look into this matter. The committee also feels that that part of the toll increase related to depreciation costs should not be implemented until the Legislative Committee has approved this change in policy."

I concur with the committee on this decision. There is strong feeling in the Congress, a feeling which I share, disagreeing with the statement of principles laid out by the executive branch with Panama. Although I feel that there should be a depreciation allowed on the growing obsolescence of the canal, I firmly believe that a depreciation should not be allowed based on an agreement of principles that responsibility for operation of the canal by this Government will terminate at a date to be specified by a new treaty. Too much is being assumed by the executive branch. The Congress very well may never set a date for the turning over of the operation of the canal to the Republic of Panama.

I commend the Appropriations Committee for its foresight and for making it clear that the Legislative Committees should and will carefully review any attempts by the executive branch to begin to implement certain treaty agreements before acceptance by the full Congress.

Mr. REUSS. Mr. Chairman, the Committee on Appropriations' report—House report 93-1111—on the 1975 Department of Transportation appropriations is disappointing in regard to the Urban Mass Transportation Administration's "new systems" research, development, and demonstration program.

The new systems program began with legislation the Congress passed in 1966 directing the Department of Housing and Urban Development to "undertake a project to study and prepare a program of research, development, and demonstration of new systems of urban transportation that will carry people and goods within metropolitan areas speedily, safely, without polluting the air, and in a manner that will contribute to sound city planning."

In 1968, President Johnson transmitted to Congress the action plan, Tomorrow's Transportation, prepared in response to the law. The report concluded that "present modes of urban transportation are inadequate to meet total future urban needs," and called for the "vigorous leadership of the Federal Government" in developing new systems. Specifically, it recommended Federal spending of $530 million over 5 to 15 years for R.D. & D. of six types of new systems: dial-a-ride, personal rapid transit, dual-mode, pallet systems, new systems for major activity centers, and fast intraurban transit links.

Today, despite efforts by hundreds of transportation engineers and technicians in Government and private enterprise, and the desire of countless urban communities across the nation to join UMTA in demonstrating the new systems, our accomplishments are feeble:

Dial-a-ride—The dial-a-ride demonstration in Haddonfield, N.J., is the only project funded by UMTA new systems money that has advanced to urban revenue operation. About 30 other demand-responsive bus systems—eight with UHTA service development assistance—are in operation around the country.

Personal rapid transit—The first segment of a so-called PRT system in Morgantown, W. Va., was opened for testing in 1972. But the ridership potential there is not sufficient to justify the costs, and UMTA now faces the possibility of having to spend $7 million to dismantle and dynamite an investment of $64 million.

Dual-mode—No dual-mode systems have been demonstrated.

Pallet systems—No pallet systems have been demonstrated with Federal assistance, though Auto-Train Corp. has made its Virginia to Florida service a big and profitable success, and is opening a new route from Louisville to Florida.

New systems for major activity centers—The four people-mover systems exhibited during TRANSPO 72 at Dulles Airport, at a reported Federal cost of at least $10 million, are now dismantled. None has been constructed in a working urban environment, despite all the election-year hullabaloo given the exhibition. Four other people-mover systems—one funded in part by an UMTA capital grant—are operating at airports at Tampa, Dallas-Fort Worth, Seattle, and Houston; and another is under construction at Bradley Field outside of Hartford, Conn. The most successful people-mover systems demonstrated to date are those at Disneyland and Disneyworld. The Disney people have offered UMTA their designs, but have declined to join UMTA in any construction projects.

Fast intra-urban transit links—None of the possible systems for rapid intracity travel, such as tracked air-cushion vehicles, has been demonstrated.

The problem is smallness of vision. Both the administration and Congress must share the blame.

Compared to Tomorrow's Transportation's recommendation that $530 million be spent over 5 to 15 years, UMTA's funding of new systems from fiscal 1970 through 1975 will be just $121 million if we approve this appropriations bill as reported.

In this fiscal 1975 appropriation alone, the committee has cut the program by nearly $20 million, or two-thirds:

[In thousands]

New system	UMTA request	H. Rept. 93–1111	Reduction
Morgantown PRT	$6,380	$6,380	----------
High-performance PRT	10,620	0	$10,620
High-capacity PRT	2,750	2,750	----------
Dual-mode	7,750	0	7,750
Dial-a-ride	1,500	0	1,500
Pallet systems	0	0	----------
New systems for major activity centers	0	0	----------
Fast intra-urban transit links	0	0	----------
Total	29,000	9,130	19,870

Two-thirds of the money in the appropriation is for Morgantown. This is throwing good money after bad on a proven dud, while dual-mode and dial-a-ride, both very promising, are killed.

The committee's report explains that no funds are recommended for dual-mode because—

> A Department of Transportation report on this subject states that the introduction of dual mode systems would cause increased transportation energy consumption due, in part, to the increased speeds attained. The Administrator testified that he was not convinced that UMTA should proceed to prototype development, not only because of the energy consumption characteristics of dual-mode but also because of the cost implications of this type of system.

The Department of Transportation report referred to by the committee is the April 1973, "Analysis of Dual Mode Systems in an Urban Area," by DOT's Transportation Systems Center. Unfortunately, the dual-mode systems covered by the TSC report are primarily small vehicle systems, rather than dual-mode transit systems such as Milwaukee, Toledo, and other cities have proposed. According to TSC's Dual-Mode Program Manager J. J. Marino:

> The statement, "The introduction of Dual Mode systems caused increased regional transportation energy consumption . . . due in part to the increased speeds attained" can certainly be misinterpreted by the uninformed reader and has little or no relationship to the ongoing UMTA Dual-Mode program.

Total regional transportation energy consumption in Boston, the sample city in the "Analysis of Dual Mode Systems in an Urban Area" study, would only be increased from 222 billion to 223 billion B.t.u.'s per day, if dual-mode transit were implemented, according to Peter Benjamin, head of TSC's Urban Analysis Group, who calls this increase "not very significant".

Benjamin also emphasizes that TSC's figures are based on studies that "preceded the current concern about energy utilization. Thus the system designs were aimed at maximizing ridership and minimizing traveltime. Had energy use been a major criterion, an alternative design may have yielded other results." According to a 1973 UMTA study, "The Energy Consumption Rate of Various Transportation Modes," for example, dual-mode transit is more energy-efficient than any other ground transportation system now in operation or on the drawing boards, because of its high efficiency in taking people where they want to go and the elimination of congestion.

In terms of passenger-miles per gallon of gas, the auto gets about 19 miles per gallon, rapid rail systems 32 miles per gallon, transit buses 41 miles per gallon, PRT vehicles between 46 and 50 miles per gallon, and dual-mode minibuses 53 miles per gallon, according to the UMTA study.

Dual-mode and other new transit systems could save the equivalent of 32.3 billion gallons of gasoline a year—about one-third our total annual consumption of gasoline—according to the October, 1972, Office of Emergency Preparedness report, "The Potential for Energy Conservation."

And while urbanwide dual-mode systems will be expensive, the "Analysis of Dual Mode Systems in an Urban Area" found that the costs "are not inconsistent with those of any large urban transportation system, and on a route-mile basis are lower than those of the New York Second Avenue Subway and the projected unit costs of the Washington, D.C., Metro and Baltimore and Atlanta rapid transit systems." Finally, the report concludes that the benefits of dual-mode, such as traveltime savings, cleaner air, and the reduction of auto accidents, are more than twice the costs.

The "vigorous leadership" by the Federal Government called for by Tomorrow's Transportation is long overdue. It will be further postponed by House Report 93–1111 and by this transportation appropriation bill.

Mr. DULSKI. Mr. Chairman, I view with some concern the reduction which the Committee has recommended in the fiscal 1975 funds for the Federal Railroad Administration.

The recommended reduction is $35.3 million, over half of which is Federal support for Amtrak.

Last year, the Rail Reorganization Act became law, aimed at revitalizing the rail system in the Northeast and Midwest sections of the United States.

The Department of Transportation and the Interstate Commerce Commission currently are attempting to meet the stiff deadlines which we imposed in the law. There is need for fastest possible action, but at the same time I hope that we do not find ourselves sacrificing quality for speed to the detriment of all.

Last February 1, Transportation Secretary Claude S. Brinegar met one of the first deadlines when he issued a comprehensive reorganization plan for the Northeast rail pattern.

To those of us who are familiar with existing rail lines in the Northeast, the DOT report was a great disappointment. The Rail Reorganization Act laid down eight goals which should be considered in deciding which rail lines should be retained.

The DOT report, perhaps because of the time pressure, chose to focus on just one so-called goal: profitability.

Using this single criterion, DOT came up with a wholly distorted and alarming picture of the lines it believed should be abandoned.

Fortunately, the law also provided for an initial analysis and recommendation by the Interstate Commerce Commission's Rail Services Planning Office. This ICC report recognized the shortcomings of the DOT report and, hopefully, a more practical approach is being pursued today as the agencies move toward their next deadlines.

At my request the ICC arranged to come to my home city of Buffalo last month to let upstate New York people provide some input to the current reorganization effort. I testified at that hearing and I was indeed impressed by the apparent understanding which the ICC staff showed of the scope of the rail reorganization problem.

The profitability data upon which DOT relied for its report last February had many flaws. The data reflected unfair and discriminatory cost allocations to branch lines. Further, DOT did not take into account the other seven goals in the law, particularly as they applied to local economic conditions. Clearly, the DOT report was based upon out-of-date and inadequate information. The statistical guidelines must be greatly strengthened.

We cannot afford to make any gross mistakes in our endeavor to reorganize the rail system. No branch line should be sacrificed—its rails and right-of-way lost forever—until the economic consequences are studied carefully.

Considerable spadework on the rail system in New York State has been done already by the State department of transportation. Secretary Brinegar came up with an astonishing list of branch lines in New York State which he said should be scrapped because they were unprofitable.

Our State agency had made its own analysis and found that Secretary Brinegar was wrong on two-thirds of the branch lines in our State he recommended for the scrap heap. Those lines are profitable today when you take into full account cost allocations. As for the other third, they are not as bad off as the Secretary would imply; the State analysis says they can be made profitable with little effort.

The ICC's rail planning office has assured me that it is evaluating these lines in a much more reasonable and fair fashion. However, it is incumbent upon Members of Congress to keep tabs on progress of this reorganization and see that it does not get off on a tangent inconsistent with our legislative intent.

Last winter, our Nation felt the bite of the energy pinch which experts have been warning us about for some years. While there has been some easing, we by no means have found a solution, nor is one in prospect in the foreseeable future.

Many, many thousands of people discovered during that energy pinch last winter the advantages of a rail system in our economy, both for passengers and for cargo.

With that fuel pinch of last winter still quite fresh in our minds, we should remember the fuel economy which is an integral feature of the railroad. Not only should we remember the fuel economy, but we also must remember the vital role which the railroads will play in any national emergency.

As I said at the outset, I view with some concern the reduction which the Committee on Appropriations has made in the budget for the Federal Railroad Administration.

We still have an energy shortage.

We need a viable rail system for our national defense.

Mr. Chairman, our railroad network has been the backbone of our Nation's economy over the years. For various reasons that need not be detailed here, it has come upon hard times and vigorous competition.

But it should always be remembered, that in two areas it shines bright: Capacity and reliability, and in all kinds of weather.

Mr. BLATNIK. Mr. Chairman, I wish to support the amendment offered by my colleague and fellow committee member, the gentleman from Texas (Mr. WRIGHT). The obligational ceiling imposed by section 315 is both unwarranted and unwise. It will establish a bad practice as well as a bad precedent.

Highway safety construction projects are essential to save lives. Our estimates indicate that if the programs contained in the 1973 Highway Safety Act are fully funded and effectively implemented, 5,000 or more lives will be saved annually.

The moneys come from the highway trust fund. Contract authority is contained in each. Overall, almost a half of a billion dollars has been authorized. This is a small price to pay for saving lives on the Nation's highways.

The obligational ceiling proposed in section 315 would halve the effectiveness of the highway safety programs in question. I realize that this imposition is in accordance with the budgetary request of the Department of Transportation. But, I strongly question whether such limitations should be imposed on these potentially high payoff, high benefit types of programs.

I, therefore, strongly urge my colleagues to support the amendment offered by Congressman WRIGHT and urge my colleagues to do the same.

Mr. ALEXANDER. Mr. Chairman, today we consider the transportation appropriations bill, a bill which will affect every citizen of the Nation. It matters not whether you drive a car, use a bus, ride a subway, or fly in an airplane. This bill is a people-moving bill. It is also a product-moving bill. If you eat food, wear clothes, or use furniture—for instance—that was made by persons other than yourself or your neighbors this bill is important to you.

As I have stood in this Chamber many times before and discussed transportation needs with our colleagues I rise again today to focus interest for at least a brief time on the problems of the countryside. There is a growing need for increased resources in the countryside to improve transportation networks which have been allowed to deteriorate in recent years, particularly as our State tried to meet their responsibilities to the Interstate Highway System.

The deterioration threatens our food distribution system and our efforts to strengthen the quailty of life in the rural areas and move their citizens back into the mainstream of national life. In my study of Federal efforts to deal with these needs, I am attempting to determine how much of the moneys we appropriate in actions such as those contemplated here today are used in nonmetropolitan areas. Such statistics are difficult to assemble. Thus far we have been forced to accept partial answers.

The answers today deal with the Federal Highway Administration and Urban Mass Transportation Administration programs. I find the results of the analysis which I have been able to do disheartening. For instance, of the billions we appropriate for highway planning and construction less than 34 percent was used in nonmetropolitan areas in fiscal year 1973. Under the UMPTA programs in the same year only 4 percent of the funds went to nonmetropolitan counties.

In the chart which I will make a part of the RECORD the programs in the highway planning and construction category include: interstate, rural, and urban highways; motor carrier safety; highway safety research and development; highway-related safety grants; rail crossing demonstration projects; railroad-highway crossing demonstration projects; territorial highways; Darien Gap Highway; highway safety construction; right-of-way revolving fund; forest highways; public lands highways, and Baltimore-Washington Parkway.

Column 1 of the chart identifies the program; column 2 lists the committee's recommendation for fiscal year 1975; column 3 lists the amount estimated for expenditure in nonmetropolitan counties based on fiscal year 1973 expenditures; column 4 lists the fiscal year 1974 appropriation, and column 5 lists the percent of the Federal outlays for the program made in fiscal year 1973 for nonmetropolitan counties.

	In millions of dollars			
Program	1975 committee recommendation	1975 amount for nonmetropolitan areas	1974 appropriations	Percent [1]
Highway planning and construction	4,924.7	1,669.5	4,495.7	33.9
Highway beautification	25.0	7.3	30.0	29.0
Urban mass transportation administration	458.1	18.3	420.0	4.0
Rural highway public transportation demonstration program [2]	10.0	10.0	0	0
Total	5,417.8	1,175.1		

[1] Percentage of fiscal year 1973 outlays going to nonmetropolitan areas.

[2] The rural highway public transportation demonstration program has not been funded in past years, thus until proven wrong it is assumed that all the moneys in this program will be used in nonmetropolitan areas.

Mr. VANIK. Mr. Chairman, in general, I support the legislation before the House today to provide for appropriations for the Department of Transportation and related agencies. However, I would like to raise an issue for the consideration of the committee and the other Members of the House of Representatives. I realize that the proposal which I will be discussing cannot be implemented without careful study and suitable authorizing legislation. Nevertheless, it is an issue which should be discussed as we continue to spend nearly $9 billion for our Nation's transportation systems.

Specifically, this bill provides $4,573,-840,000 for the Federal-aid highways program and the liquidation of contract authorizations funded by the highway trust fund. According to the committee report, approximately $3 billion of the funds recommended are to continue the construction of the Interstate Highway System. The balance of the funds are for payments to the States for rural and urban transportation programs, certain planning and research programs, emergency relief, and for the administrative costs of the Federal Highway Administration.

Again, quoting from the committee report:

> From July 1, 1973, to March 31, 1974, an additional 870 miles of the Interstate system were completed and opened to traffic. As of March 31, 1974, about 35,700 miles, or 84 percent of the 42,500 mile authorized Interstate System, had been completed and opened to traffic. In addition, there are about 5,900 miles on which construction, right-of-way acquisition, or preliminary engineering is underway, making a total of roughly 41,600 miles of the system on which work is either completed or underway.
>
> In the regular Federal-aid primary, secondary, and urban programs an additional 4,800 miles were improved during this same period. As of March 31, 1974, construction projects involving about 268,500 miles had been completed at a cost of $30.3 billion. Contracts involving an additional 11,400 miles were authorized or underway.

Other than this brief description, there is very little information available as to the exact location and nature of the highways which will be constructed with this enormous sum of money. Some idea of the type of projects which are being funded can be obtained from the various, recent, highway acts. For example, in reviewing the Highway Act of 1973, Public Law 93–87, one comes across section 143, providing for 10 highway studies to be completed by January 1, 1975. These studies are to discuss the feasibility and necessity for constructing highways along such routes as:

First. Brunswick, Ga., to Kansas City, Mo.

Second. Kansas City, Mo., to Chicago, crossing the Mississippi between Nauvoo, Ill., and Hannibal, Mo.

Third. Amarillo, Tex., to Las Cruces, N. Mex.

Fourth. Catoosa, Okla., to Ponca City, Okla.

Fifth. Cove Fort, Utah, west toward Carson City, Nev.

Sixth. Kansas City, Mo., to Baton Rouge, La., via major Arkansas cities.

Seventh. Waterloo, Iowa, via Dubuque, Iowa, and Rockford, Ill., to LaCrosse, Wis.

Eighth. Lubbock, Tex., south to Interstate 10.

Ninth. Salina, Kans., north toward Watertown, S. Dak.

Tenth. Wichita, Kans., to Tucumcari, N. Mex.

In addition, Public Law 93–87 provides for a National Scenic Highway Systems Study in which highway funds might be made available for a highway system to "link together and make more accessible to the American people recreational, historical, scientific, and other similar areas of scenic interest and importance." In addition, section 129 of the 1973 Highway Act provides for the "Great River Road." This section requires that the Secretary of Transportation shall establish criteria for the location and construction of reconstruction of the Great River Road by the 10 States bordering the Mississippi River. In essence, this proposal provides for some $70 million to maintain and improve a road along the entire length of the course of the Mississippi River.

Public Law 91–605, the Federal Aid Highway Act of 1970, provides a similar list of authorized new highways and new highway feasibility studies. For example, section 140 provides for future additions to the Interstate System. The 1970 act also provided for the Baltimore-Washington Parkway and the improvement of that portion of the Parkway under the jurisdiction of the Secretary of the Interior. The act also provided for the "federalization" of the West Virginia Turnpike.

Mr. Chairman, I mention these items only to point out that, with the Interstate Highway System now 84 percent completed, the Department of Transportation and those interested in highway construction seem to be desperately searching for new roads to build. Instead of searching for money with which to build roads, we are searching for roads on which to use our money. Despite the fact that the Interstate Highway System is nearly completed, there is a desperate effort underway to continue construction. For example, section 107 of Public Law 93–87, the Highway Act of 1973, provides:

> It is further declared that since the Interstate System is now in the final phase of completion it shall be the national policy that increased emphasis be placed on the construction and reconstruction of the other Federal-aid systems.

Mr. Chairman, like many, I believe that the highway trust fund should increasingly be used to provide a "mix" of transportation projects. For example, if a State such as Ohio, which has almost completed its interstate system, wants to use some of its trust fund allocation to build rapid rail and urban mass transit systems, then it should be permitted to do so, without restriction or hindrance from Washington.

Rather than continuing to pave the Nation in concrete and asphalt, the highway trust fund should be made more flexible, should be used for other purposes, and the taxes collected by motorists for the highway trust fund might even be reduced.

In addition, rather than continue to build new roads, the Highway Trust Fund could be used to retire the debt on the toll roads managed by the various States. A number of States, realizing the severity of the highway transportation problem, began early construction of modern parkways and super highways, prior to the start of the interstate highway system in 1956. A number of these States, primarily those in the more populated and congested eastern portion of the Nation, financed the construction of their own super highways by imposing tolls on the use of these highways. Mr. Chairman, I believe that it is very unfair for the Department of Transportation to continue to seek out increasingly obscure highway projects, while large portions of the country remained burdened with numerous toll roads and frequent toll station stops. The citizens of the toll road areas are placed at a distinct disadvantage compared to the citizens of other areas of the country. Everyone who buys a gallon of gas has to pay 4 cents per gallon which is contributed to the Highway Trust Fund. But persons who are surrounded by toll roads must also pay a fee for the use of the highways constructed by their States prior to the start of the Interstate Highway System. In essence, it is double taxation. The toll road is an additional burden on the commerce of the areas which impose the toll. It increases the cost of doing business in the area; it increases the burden on workers who must use the high speed highway for commuting purposes.

Mr. Chairman, the development of the free Interstate System and the interstate beltways around densely populated urban areas has been followed by a substantial development of residential, industrial, and commercial activity along the system and at its interchanges. Interstate 128 around Boston and the Baltimore and Washington Beltways are evidence of the tremendous economic benefits of toll-free highway construction. By comparison, the toll roads have produced considerably less economic gain to the urban areas they serve. In this respect, the toll road system discriminates against the urban areas which they were intended to serve.

Mr. Chairman, I believe that it is time that we consider authorizing the redemption of the State bonds which financed the various toll roads around the Nation. This refinancing would be available to those States and localities which desired it and which were willing to see the "federalization" of their State highway or local parkway. Such a Federal retirement of State highway bonds should be totally voluntary—but it should be offered before the Federal Government commits the Highway Trust Fund to additional, marginal highway projects.

I make this suggestion in the hope that it can be debated in the various States in which there are toll roads. I am hopeful that it could be considered in future, up-coming highway authorization bills.

There is a fairly extensive list of toll roads, primarily in the Northeastern States and in Kansas, Oklahoma, and Texas. The longest toll road is the New York State Throughway which runs 496 miles with a maximum toll of $8.70. In general, the average toll per mile appears to be around 2 cents, with the Chicago Skyway costing 5 cents per mile and the Dallas North Tollway costing 6.1 cents per mile. I would like to enter at this point in the record a list of the various toll roads in the Nation. It is my understanding that there may have been some changes in this list. In particular, the West Virginia Turnpike and Alligator Alley in Florida may no longer be toll roads. In addition, I would like to include a brief memorandum from the Library of Congress as to the reasons for the concentration of toll roads in the eastern part of the Nation.

This memorandum discusses a provision in the 1970 Federal Aid to Highway Act which provided for assistance to the West Virginia Turnpike. I would like to enter in the record a portion of the conference report on the Federal Aid to Highway Act of 1970 which describes the West Virginia Turnpike decision and the precedent for Federal participation in the improvement of toll roads. In addition, the 1973 Federal Aid to Highway Act included a number of references to the problem of toll bridges, tunnels and ferries, as well as a study of toll bridge authority. In particular, section 132 provides for Federal assistance in the "freeing" of interstate toll bridges. Section 133 provides for a study of "what action can and should be taken to assure just and the prudence of the highway admin-118 provides that:

> When any such toll road that the Secretary has approved as a part of the Interstate system is made a toll-free facility, Federal-aid Highway funds apportioned. . . . may be expended for the construction, reconstruction, or improvement of that road to meet the standards adopted for the improvement of projects located on the interstate system.

THE OHIO TURNPIKE

I do not believe that the burden created by toll roads is fully realized by many Members—especially those from States which have totally free highway systems. The Ohio Turnpike system is worth examining. It is one of the better run highway authorities in the Nation. The highway was financed by bonds which are coming due in 1992. Because of the nature of the enabling legislation and reasonable tolls nationwide." Section istrators, Ohio has been paying off the bondholders ahead of schedule. The result has been considerable interest savings to the people of Ohio. It is now estimated that the State will be able to retire the remaining $131,632,000 debt—40.4 percent of the original $326 million borrowed in 1952—within the next 6 or 7 years. At that point, the highway will belong to the people of the State of Ohio and will become a toll-free road.

Why shouldn't the highway trust fund which is supported by toll users be available to help States like Ohio retire these bonds, and make these highways toll free rather than continue building an endless chain of new and marginally useful highway in relatively unpopulated areas of the Nation?

What has been the toll burden of the Ohio Turnpike? Between 1960 and 1973—the years for which I have figures readily available—the highway collected $379.7 million. Last year alone, it collected some $37.9 million. There is increasing evidence, Mr. Chairman, that this toll burden is largely paid by local residents of Ohio. The following statistics show the trend:

	1960	1973
Number of vehicles using turnpike:		
Passenger vehicles	10, 125, 471	18, 835, 204
Commercial vehicles	2, 641, 764	5, 308, 070
Total	12, 767, 235	24, 143, 274
Number of miles traveled	1, 019, 096, 796	1, 648, 253, 679
Percent traveled by passenger vehicles	79. 4	72. 9
Percent of tolls paid by passenger vehicles	59. 6	47. 5
Average miles per trip	79. 9	63. 8
Average toll revenue per trip for passenger vehicles	$1. 19	$0. 96

As these statistics show, the average miles per trip travelled by passenger vehicles has declined about 16 miles over the past 13 years. The average revenue toll paid per passenger vehicle also declined. What this indicates is that the number of commercial vehicles transversing the State remains high or is increasing, while there are an increasing number of Ohioans who use a portion of the turnpike for business travel and commuting.

The growth of the use of the highway in the Greater Cleveland-Akron area is particularly remarkable. Following are statistics on the number of vehicles entering and leaving the turnpike between interchanges 8 and 13, between Lorain-Elyria and Streetsboro:

	1960	1973
Vehicles entering and leaving Lorain/Elyria and Streetsboro	8, 500, 000	21, 600, 000
Total vehicles, entering and leaving turnpike	25, 500, 000	48, 300, 000
Percentage of vehicles entering and leaving turnpike from Greater Cleveland area	33. 2	44. 8

Mr. Chairman, it is obvious that a toll road can be a particular burden to a highly urbanized area. Yet at the same time that the citizens of these areas are paying toll fees, they are also paying the Federal gasoline excise tax which is used for building highways, toll free.

Mr. Chairman, the people of Ohio may want to continue to operate the Ohio Turnpike under the present system. Personally, I would hope that the tolls could be ended as soon as possible. Yet by the time the road becomes toll free, we in northern Ohio will have lost many of the economic advantages which would have been available to us if we had had a toll free road. I am sure that many areas of the country would like to be able to end their toll road system. I believe that the Highway Trust Fund could be used to free these communities from the burden of the toll road system. I would expect that such a removal of tolls would show many of the same—and even better—economic benefits than new road construction.

This is an issue that should be debated. I am drafting legislation to enable Highway Trust Fund moneys to be used for eliminating toll roads. If this proposal has the interest and support of areas which are burdened with toll highways, I hope that it may be considered in the next highway authorization legislation.

Following is data on toll roads, their history, and the precedents for federalization.

TOLL ROADS

State and road name	Location	Miles	Max. toll	Average per mile (cents)	Speed limit
Connecticut: Connecticut Turnpike	Rhode Island State line to New York State line	129. 0	$2. 75	2. 1	70
Delaware: Kennedy Memorial Highway	Wilmington to Maryland State line	11. 0	. 30	2. 7	60
Florida:					
Aligator Alley (Everglades Parkway)	State Route 858 (Naples) to Andytown	77. 0	1. 50	1. 9	65
Bee Line Expressway	Orlando to State Route 520	17. 0	. 35	2. 0	70
Florida's Turnpike	Wildwood to Miami	260. 0	4. 80	1. 8	70
Illinois:					
Chicago Skyway	Illinois-Indiana State line to Route 94 Chicago	7. 0	. 35	5. 0	65
East-West Tollway	West of Chicago to Aurora	28. 0	. 50	1. 8	65
Northwest Tollway	Des Plaines to South Beloit	76. 0	1. 50	2. 0	65
Tri-State Tollway	Indiana State line to Wisconsin State line	83. 0	1. 80	2. 2	70
Indiana: Indiana Toll Road	Ohio State line to Illinois State line	156. 9	2. 80	1. 8	70
Kansas: Kansas Turnpike	Kansas City to Oklahoma State line	233. 0	5. 25	2. 2	75
Kentucky:					
Audubon Parkway	Pennyrile Parkway to Owensboro	23. 0	. 50	2. 2	70
Blue Grass Parkway	Elizabethtown to Lexington	72. 0	1. 30	1. 8	70
Kentucky Turnpike	Louisville to Elizabethtown	40. 0	. 60	1. 5	70
Mountain Parkway	Winchester to Salyersville	76. 0	1. 60	2. 1	70
Pennyrile Parkway	Hopkinsville to Henderson, Ky	60. 0	1. 00	1. 7	70
Purchase Parkway	Fulton to junction of U.S. 62 near Gilbertsville	49. 0	. 90	1. 8	70
Western Kentucky Parkway	Elizabethtown to Princeton	136. 0	2. 20	1. 6	70
Maine: Maine Turnpike	York to Augusta	100. 0	2. 15	2. 2	70
Maryland: Kennedy Memorial Highway	Maryland State line to Baltimore	42. 0	. 90	2. 1	70
Massachusetts: Massachusetts Turnpike	Boston to New York State line	134. 0	3. 30	2. 5	65
New Hampshire:					
F. E. Everett Turnpike	Massachusetts and New Hampshire to U.S. border	39. 0	. 50	1. 3	70
New Hampshire Turnpike	Portsmouth to Massachusetts State line	16. 0	. 25	1. 6	70
Spaulding Turnpike	Portsmouth to Rochester, N.H	23. 0	. 25	1. 1	70
New Jersey:					
Atlantic City Expressway	Turnersville to Atlantic City	44. 0	1. 25	2. 8	60
Garden State Parkway	Montvale to Cape May	173. 0	2. 75	1. 6	60
New Jersey Turnpike	Deepwater to Ridgefield Park	131. 0	1. 75	1. 3	60
New York:					
New York State Thruway—Main line section (Thomas Dewey Turnpike)	Pennsylvania State line to New York City:				
	Eastbound	496. 0	8. 70	1. 8	65
	Westbound	496. 0	7. 70	1. 6	65
Berkshire Section	Massachusetts Turnpike to Selkirk	24. 0	. 75	3. 1	65
New England Section	Connecticut Turnpile to New York City	15. 0	. 25	1. 7	65
Niagara Section	Through Buffalo to Niagara Falls	21. 0	. 55	2. 6	65
Ohio: Ohio Turnpike	Pennsylvania State line in Indiana State line	241. 0	3. 50	1. 5	70
Oklahoma:					
H. E. Bailey Turnpike	Oklahoma City to Texas State line	86. 4	1. 70	2. 0	70
Indian Nation Turnpike	Henryetta to Hugo	105. 2	2. 25	2. 1	70
Muskogee Turnpike	Broken Arrow to Muskogee South to Webber Falls	54. 1	1. 00	1. 8	70
Turner Turnpike	Oklahoma City to Tulsa	86. 0	1. 60	1. 9	70
Will Rogers Turnpike	Tulsa, Oklahoma to Joplin, Missouri	88. 5	1. 60	1. 8	70
Pennsylvania:					
Pennsylvania Turnpike	New Jersey line to Ohio line	359. 0	7. 10	2. 0	65
Pennsylvania Turnpike (northeastern section)	Norristown to Scranton	110. 0	2. 00	1. 8	65
Texas:					
Dallas-Fort Worth Turnpike	Dallas to Fort Worth	30. 0	. 60	2. 0	70
Dallas North Tollway		9. 8	. 60	6. 1	55
Virginia:					
Richmond-Petersburg Turnpike	Richmond to Petersburg	35. 0	. 95	2. 7	65
Virginia Beach-Norfolk Expressway	Interstate 64 in Norfolk to Baltic Ave	12. 1	. 25	2. 0	65
West Virginia: West Virginia Turnpike	Charleston to Princeton	88. 0	2. 75	3. 1	60

THE LIBRARY OF CONGRESS,
Washington, D.C.

To: The Honorable CHARLES A. VANIK.
From: Economics Division.
Subject: Toll Roads.

This refers to your recent request for information on toll roads. Enclosed is a table from the current Rand McNally Road Atlas showing the nation's toll roads, the mileage of each, the total maximum toll, and the average charge per mile.

It is true that there is a concentration of toll roads in the Eastern portion of the United States. The earliest form—the turnpikes—were located in the East because that is where the population was concentrated in the earliest days of the nation. Then, after the automobile became popular, the heavy volume of traffic, hilly or mountainous terrain, with frequent highway intersections and railroad crossings, led to the parkway or limited access highway. Again, these factors abounded in the East. However, the staggering cost of constructing such highway systems led to toll-road methods of financing them. The Pennsylvania Turnpike, opened to traffic in 1937, is an example of such an undertaking, and its success led to similar facilities in more than a dozen other states.

In contrast, the smaller number of vehicles per mile of highway, and the vast areas of the Western States which were relatively flat, meant that the standard two-lane highway served the existing traffic more adequately than a similar road in the heavily-traveled East.

In connection with the matter of Federal aid for toll roads, the Federal-Aid Highway Act of 1970 provided the medium for extending assistance to the West Virginia Turnpike. A copy of the commentary on this provision appearing in the Conference Report of the House Public Works Committee, Report No. 91–1780, is enclosed. Also enclosed is the legislative history of the 1970 Highway Act.

Under the terms of this provision, a spur toll road facility at Utica, New York, and later Route 84 in Florida, (Alligator Alley) were included in the toll road program.

Thomas E. McCardell,
Economist in Transportation
and Communications.

[From Conference Report, H. Rept. 91–1780]

Federal Participation in the Improvement of Toll Roads

Senate amendment

This amendment to section 129 of title 23, would change existing Federal law to permit participation in safety improvements of toll roads which are part of the Interstate System, but only on the condition that the State and the toll authority agree to remove tolls when the bonded indebtedness outstanding as of the date of the agreement is liquidated.

House bill

No comparable provision.

Conference substitute

The conference substitute would authorize Federal participation in the construction of a toll road which provides for only two lanes of traffic and which is on the Interstate System in order to bring it to the geometric and construction standards for the Interstate System (including the requirement in section 109(b) of title 23, United States Code, for at least 4 lanes) and to facilitate removal of the tolls therefrom. Federal participation would be on the same basis as in the case of free Interstate System highways, would be limited to those two lane toll roads which were designated as part of the Interstate System before June 30, 1968, and would be contingent upon an agreement with the State highway department and the toll route authority that no indebtedness to be liquidated by a collection of tolls is to be incurred after the date of enactment of the subsection, that all tolls received less cost of operation and maintenance will be applied to repayment of bonds outstanding on the date of enactment constituting a valid lien against the toll road, and that upon liquidation of the bonds the road will become a road free to the public.

The conferees wish to make it clear that, if a two lane toll road which is otherwise eligible for assistance under this section contains additional climbing lanes along its route, these climbing lanes are not to be counted for the purpose of determining the eligibility of the toll road for assistance.

Mr. DON H. CLAUSEN. Mr. Chairman, I want to take this time to express my appreciation to the chairman and members of the Subcommittee on Transportation Appropriations for the responsive way they deal with the requests we attempt to advance.

They have proven themselves to be receptive to our requests and understanding of the problems we seek to solve.

I appreciate the funding commitment included in the bill for the Coast Guard's search and rescue station to be located at the airport in Humboldt.

This station, when completed, will be extremely beneficial to our north coast area and is a necessary link in the Coast Guard's chain of search and rescue installations.

Mr. Chairman, I wish to speak briefly to express my full support for the Shoup amendment which will prevent the Federal Aviation Administration from eliminating flight service stations.

I am unable to understand the reasoning behind the FAA's efforts to terminate these facilities which provide the primary aviation safety programs for the benefit of pilots and passengers.

Along the north coast of California we have an unusual climate and a rugged topography that combine to require pilots to have the latest and most complete information from knowledgeable professionals.

As a pilot, I know there is no substitute for the "eyeball-to-eyeball" contact between the aviator and the briefer. Unique weather conditions and other problems in many areas require the presence of flight service station facilities and personnel.

My concluding point, which I have discussed on numerous occasions with the gentleman from Montana (Mr. Shoup) and others interested in aviation, is that even though there has been a navigation and communication system advanced that, in theory, is supposed to be able to service areas which now have flight service stations, we have only the theory to go on—not the fact.

My strong feeling is that we should, and must, retain the present system until such time as any new proposal has been fully tested and proven superior.

I hope the House will overwhelmingly approve this amendment.

Mr. CONTE. Mr. Chairman, I have no further requests for time.

The CHAIRMAN pro tempore (Mr. Sisk). The Clerk will read.

The Clerk read as follows:

Facilities and Equipment (Airport and Airway Trust Fund)

For necessary expenses, not otherwise provided for; for acquisition, establishment, and improvement by contract or purchase, and hire of air navigation and experimental facilities, including initial acquisition of necessary sites by lease or grant; engineering and service testing including construction of test facilities and acquisition of necessary sites by lease or grant; construction and furnishing of quarters and related accommodations for officers and employees of the Federal Aviation Administration stationed at remote localities where such accommodations are not available, and purchase of six aircraft; $241,100,000, to be derived from the Airport and Airway Trust Fund, to remain available until June 30, 1977: *Provided,* That there may be credited to this appropriation funds received from States, counties, municipalities, other public authorities, and private sources, for expenses incurred in the establishment and modernization of air navigation facilities: *Provided further,* That no part of the foregoing appropriation shall be available for the construction of a new wind tunnel, or to purchase any land for or in connection with the National Aviation Facilities Experimental Center.

AMENDMENT OFFERED BY MR. SHOUP

Mr. SHOUP. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Shoup: Page 7, line 15, immediately before the period, insert ", or to remote or decommission any existing flight service station".

Mr. SHOUP. Mr. Chairman, last year the Conference Committee on Transportation Appropriations directed the FAA not to close any stations "until such time as automated systems are in place and satisfactorily operational." Despite the fact that proven automated systems have not been developed put in place, and satisfactorily operational for flight service stations and are unlikely to be for several years, in testifying for its fiscal year 1975 budget request, the FAA asked the House Transportation Appropriations Subcommittee to lift the conference prohibition.

I think the prohibition was wise and should be retained until the FAA presents a realistic plan for a future flight service station system and modernized automated hardware and software that has been tested and proven to work.

The effect of allowing the FAA to proceed with the closing or remoting the proposed 30 flight stations without complying with the wishes of Congress as expressed in the conference report adopted last year, would be to jeopardize continued services to the flying public such as: Preflight pilot briefing, enroute communications, VFR flights, assisting lost VFR aircraft, originating NOTAM's notice to airmen, broadcasting aviation weather information, accepting and closing flight plans, monitoring radio navaids, participating with search and rescue units in locating missing VFR aircraft, and operating the national weather teletypewriter systems. In addition, at selected locations, flight service stations take weather observations, issue airport advisories, administer airman written examinations, and advise customs and immigration of transborder flight.

In the interest for the safety of the flying public, I do not think it unreasonable to insist, as we did last year, that the FAA properly plan and sufficiently test alternate procedures. My concern is based on experience—using funds appropriated prior to fiscal year 1974, FAA services at one of the small airports in western Montana was remoted. The resulting operation has not been satisfactory—thankfully we have had no fatalities—several near accidents have occured. It is a fact that the number of private aircraft is increasing, resulting in greater traffic and necessitating expanded safety measures. Such premature action as proposed by the FAA does not reflect its previous dedication to service to the flying public.

This amendment will in no way deny or hamper the FAA in their search for more safe efficient aviation operations—on the contrary it will endorse such action but once again mandate——

Mr. STUBBLEFIELD. Mr. Chairman, will the gentleman yield?

Mr. SHOUP. I will be happy to yield to the gentleman from Kentucky.

Mr. STUBBLEFIELD. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Montana (Mr. SHOUP).

Since the Conference Committee on Transportation Appropriations last year directed the Federal Aviation Administration not to close any flight service stations "until such time as automated systems are in place and satisfactorily operational," I urge the House to retain that prohibition and certainly agree that no consolidation should be authorized in 1975.

While I am opposed to FFA's so-called modernization plan in general, I am specifically concerned that the flight service station located at Barkley Field in Paducah, Ky., is among the 30 flight service stations which have been designated for consolidation. Such action would cause a serious economic hardship to all classifications of aviation users, not only in western Kentucky, but in nearby areas of Illinois, Missouri, and Tennessee. I would like to point put that Barkley Field is the busiest in all Kentucky west of Louisville and has the third largest airline volume of any Kentucky airport. To close this station would mean a loss of instrument flight traffic inbound when the tower is not open and would deny pilots their local weather briefings at Barkley Field at hours when the control tower is closed. I urge the adoption of this amendment.

Mr. THORNTON. Mr. Chairman, will the gentleman yield?

Mr. SHOUP. I will be happy to yield to the gentleman from Arkansas.

Mr. THORNTON. Mr. Chairman, I would like to thank the gentleman for offering his amendment. I rise in support of the amendment.

The Federal Aviation Administration's proposal for flight service station consolidation and modernization directly affects south Arkansas, which I represent. As part of its 5-year consolidation program which would result in the closing of 30 flight service stations each year, the FAA plans to close the Pine Bluff Flight Service Station in fiscal year 1975 and the El Dorado Flight Service Station in fiscal year 1976. Both of these flight service stations lie within my district.

The Pine Bluff Flight Service Station not only serves Jefferson County, the second largest county in Arkansas, but southeast Arkansas as well. For the past 2 years, Jefferson County has led Arkansas in industrial growth which has caused an increase in corporate aircraft activity. Nevertheless, in March of this year, the FAA reduced the Pine Bluff Flight Service Station's operations from 24 to 12 hours daily, with many of its services being transferred to the Little Rock Flight Service Station.

At the present time, the Pine Bluff Flight Service Station is open from 6 a.m. until 6 p.m., and the air traffic control tower is open from 6 a.m. until 8 p.m.

This means that for a significant portion of the day, pilots do not have access to local weather observations. During the periods when the Pine Bluff station is not in operation, pilot weather briefings are handled by the Little Rock flight service station; however, due to the differences in the weather conditions which may prevail between Pine Bluff and Little Rock, which is situated 40 miles away on the Arkansas River, the weather briefings are not always satisfactory. There have been instances where Little Rock was fogged in while Pine Bluff was clear, and vice versa.

Additionally, during periods when the control tower in Pine Bluff is not in operation, there are no trained personnel available at the Pine Bluff airport to operate the high intensity runway lights during periods of bad weather.

Numerous complaints concerning the effects of this situation on safe aircraft operation have been received from citizens of the Pine Bluff community as well as companies that operate corporate jets and utilize Grider Field, the Pine Bluff airport. Closing the Pine Bluff station would only compound the problems.

I am convinced that El Dorado would face the same problems should its flight service station be closed.

Last year the Congress, in passing the Transportation Appropriation Act of 1974, directed that the FAA not close any existing flight service stations "until such time as automated systems are in place and satisfactorily operational." Based on their experiences, it is the opinion of several airport managers with whom I have talked that the automated systems for flight service stations have not yet been proven to be effective. I ask my colleagues to keep this in mind. Should we do away with our existing flight service stations without having a proven alternative? I think not. Therefore, I ask my colleagues to support this amendment.

Mr. ULLMAN. Mr. Chairman, will the gentleman yield?

Mr. SHOUP. I will be happy to yield to the gentleman from Oregon.

Mr. ULLMAN. Mr. Chairman, I, too, want to join with my colleague, the gentleman from Montana, in expressing the view that in the areas we represent, involving great distances, the closure of some of these facilities would indeed be unwarranted and contrary to the public interest. I especially refer to the proposed closures at the Dalles and at Baker in Oregon.

Mr. Chairman, I rise in support of the gentleman's amendment.

Mr. SKUBITZ. Mr. Chairman, I want to associate myself with the remarks of my colleague from Montana. The amendment he has proposed does not add a single penny to the budget. All that the amendment proposes to do is to make sure that some 30 flight service airports are not arbitrarily closed by an overambitious bureau.

I also want to call to the committee's attention that this bill proposes a grant of $125 million to Amtrak. I understand that my colleague from Michigan (Mr. DINGELL) will raise a point of order which should be sustained. The authorizing committee of which I am a member has not reported the authorizing bill to date. Furthermore, testimony before our committee supports at least $150 million. To appropriate less than this would be disastrous to Amtrak.

Mr. McFALL. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, we received an excellent and detailed briefing from the FAA during our hearings on the subject of flight service stations. The FAA has two programs which are frequently confused with one another. One is a long-term research program to develop automated equipment such as cathode-ray tube data displays and computer information storage, which will not be completed for about 10 years. The other program is the remoting of personnel from 30 flight service stations to other nearby, and more active, stations.

There is insufficient activity to keep equipment and personnel fully utilized at several locations, while at other locations the number of personnel is inadequate to meet existing demands. Consolidation of personnel will result in much-needed greater productivity and system efficiency: safety would not be derogated, and all essential services would be retained along with providing increased capability to meet the demand.

It is important to remember that these 30 stations to be remoted would not be closed: They would just not be manned by personnel. Pilots would enter these stations, utilize the updated briefing materials available there, use a direct telephone line to speak to flight service personnel in the nearby station and file their flight plans. The weather reports and forecasts would be just as up to date and locally generated as they are now. Inflight radio communication and direction-finding services would not be affected, since the remoted stations would still have their radio transmitters and receivers. This is similar to what is now done with the 20 air-route traffic control centers, which communicate with and observe—through remote radar—IFR en route aircraft in all of the 48 contiguous States.

One thing to keep in mind is that 95 percent of all the functions of the flight service stations are done in a remote manner at this time. That is to say, a pilot calls in for a briefing on the telephone, or files a flight plan by telephone, or talks on an air-ground communications channel when he is airborne.

The current annual operating costs for flight service stations is $86 million and includes over 4,000 personnel. In another 10 years, without any remoted stations, the annual cost will be $250 million and 11,000 personnel. In about 10 years, the automation program will be completed. If we allow the system to grow to 11,000 personnel, what would happen to the 8,000 personnel who would no longer be needed in the automated 3,000-man system? Rather than build up staffing now and then reduce it after automation, it would be more efficient to redistribute the present work force. In this way, there would be no loss of jobs, now or in the future, and there would be an estimated savings of $190 million in operating costs each year after automation is implemented.

In summary, the remoting of 30 flight service stations would improve efficiency, slow the escalation of costs, and allow the FAA to prepare for the implementation of its automation program, but would not have any adverse personnel impact, or in any way derogate safety.

Mr. Chairman, I ask that the amendment be defeated.

I include the following:

Services of Flight Service Stations

Now Performed by FSS Specialists and Proposed for 30 Remoted Stations

1. Weather observations: Contract observer (same dissemination).
2. Direction finding assistance: NC.
3. Pilot weather briefing: Self briefing and telephone briefing.
4. Flight plan processing: NC.
5. Processing pilot reports: NC.
6. Processing notices to airmen: NC.
7. Airport advisory service (current practice 183 airports): Fixed base operator (Current practice 10,000 airports).

Locations

Arizona: Yuma, 3rd, Sam Steiger (R).

Arkansas: Pine Bluff, 4th, R. H. Thornton, Jr. (D).

California: Marysville, 4th, Robert L. Leggett (D)

Colorado: Akron, 4th, James P. Johnson (R)

Florida: Key West, 15th, Dante B. Fascell (D).

Georgia: Brunswick, 1st, Ronald Bo Ginn (D).

Indiana: Terra Haute, 7th, John Thomas Myers (R).

Iowa: Ottumwa, 4th, Neal Smith (D).

Kansas: Hill City, 1st, Keith G. Sebelius (R).

Kentucky: Paducah, 1st, Frank A. Stubblefield (D).

Louisiana: Alexandria, 8th, Gillis W. Long (D).

Maine: Houlton, 2nd, William S. Cohen (R).

Michigan: Sault Ste. Marie, 11th, Phillip E. Ruppe (R).

Minnesota: Rochester, 1st, Albert Harold Quie (R).

Missouri: Joplin, 7th, Gene Taylor (R).

Total, 30 Locations—$1,644,000.

Montana: Livingston, 1st, Dick Shoup (R).

Nebraska: Sidney, 3rd, David Thomas Martin (R).

New Mexico: Truth or Consequences, 2nd, Harold Runnels (D).

New York: Elmira, 39th, James F. Hastings (R).

Ohio: Zanesville, 10th, Clarence E. Miller (R).

Oklahoma: Ponca City, 6th, John N. Happy Camp (R).

Pennsylvania: Williamsport, 17th, Herbert T. Schneebeli (R).

South Carolina: Myrtle Beach, 6th, Edward L. Young (R).

Tennessee: Bristol, 1st, James H. Quillen (R).

Texas: Dallas, 5th, Alan W. Steelman (R).

Utah: Bryce Canyon, 2nd, Wayne Owens (D).

Virginia: Charlottesville, 7th, J. Kenneth Robinson (R).

Washington: Toledo, 3rd, Julia Butler Hansen (D).

Wisconsin: Lone Rock, 6th, William A. Steiger (R).

Wyoming: Rawlins, (At Large), Teno Roncalio (D).

Fact Sheet Concerning Deficiencies at Dillon, Mont.

After the Dillon FSS functions were remoted to Bozeman in June, 1973, two major deficiencies surfaced. The first was concerning the quality and timeliness of the contract weather observations. The second concerned the unavailability of altimeter settings for Dillon which effected instrument approach activities at Dillon. Arrangements had been made to provide pilots making instrument approaches with the Butte altimeter setting, but because of the distance between Butte and Dillon this was unsatisfactory. Upon notification of these deficiencies, the FAA arranged through the National Weather Service for replacement of the contract observer with a more reliable person, and additionally provided for a backup weather observer. The altimeter setting problem was resolved by making arrangements for the Dillon altimeter setting to be available on a 24-hour basis through the Bozeman FSS. The FAA has received no complaints since these actions were accomplished in April 1974.

This series of events after the consolidation of Dillon indicates that when problems arise, as they frequently can in a move of this magnitude, that FAA takes positive action to resolve them and will continue to do so in any future consolidations.

Mr. HILLIS. Mr. Chairman, I move to strike the requisite number of words and rise in support of the amendment.

Mr. SHOUP. Mr. Chairman, will the gentleman yield?

Mr. HILLIS. I yield to the gentleman from Montana.

Mr. SHOUP. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, the distinguished chairman of the committee has referred specifically to Willon, Mont. I think it was very obvious that his entire presentation did point up the fact that there were deficiencies when the remoting program was put into effect, and it has taken something like a year to get the bugs out of it.

I would ask the Committee to consider this: Would it not be better to iron out all these bugs before we expose the flying public to these dangers?

I have also noticed, Mr. Chairman, that the FAA conveniently forgot to note that the day after the remoted installation was cut in, the entire thing went on the blink, and for something like 4 days there was no service whatsoever; they forgot to mention this.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. HILLIS. I yield to the gentleman from California.

Mr. McFALL. Mr. Chairman, will the gentleman from Montana agree that the service at Dillon is proper now, after they have solved these problems?

Mr. SHOUP. No, I would not.

Mr. McFALL. What would the gentleman say is wrong with the service?

Mr. SHOUP. Mr. Chairman, I would say that the intermittent service on the telephone communications is causing a considerable problem. As late as 2 months ago—we experienced this problem—there was no backup service between Dillon and Bozeman, where the system is remoted, to take the place of the downed lines. At those times, when the storms hit, there is no remoting; the system is completely dead.

Mr. McFALL. Mr. Chairman, if the gentleman from Indiana will yield further, I will say to the gentleman from Montana that almost all the problems at Dillon have been resolved in less than 1 year. You mention a new problem, and I am certain that the FAA will solve this one.

However, if we put a provision in the bill saying that we cannot do anything—we cannot remote, we cannot close the flight station—there is no way in which we can solve these problems. Under that provision we are going to have personnel coming out of our ears manning flight stations throughout the country.

Mr. SHOUP. Will the gentleman yield further?

Mr. HILLIS. I yield to the gentleman.

Mr. SHOUP. Within the bill there are funds which can be expended for research and development of satisfactory systems. I feel it is completely within the bill and that the FAA can install alternate systems and can install remote equipment, but they cannot proceed to utilize them within this particular fiscal year. That is because I do not feel they have complied with the Congress dictates of last year.

Mr. McFALL. Will the gentleman yield for an answer to that question?

Mr. HILLIS. I yield to the gentleman.

Mr. McFALL. What the gentleman is referring to is to the automated system which will not be available for 10 years. The system we have at Dillon is based upon existing equipment.

The problems they had there were in putting this system in and making it work properly. It does not have anything to do with automated equipment. All the system really needs is the opportunity to go into operation and become functioning. However, if this amendment is adopted, they cannot do much of anything. All they can do is have the existing flight stations, which will require substantially more personnel.

Mr. SHOUP. Will the gentleman yield?

Mr. HILLIS. I yield to the gentleman.

Mr. SHOUP. It takes some time for the installation of these stations. It takes a considerable time for the development to do this. There is nothing in this amendment that prohibits them from doing that.

What the problem is, Mr. Chairman, and what I keep pointing out is that they go in and just put in a radio and hook it up to a telephone line and immediately on the same day transfer all of their men out and then cross their fingers and hope it will work.

I have an example to show that it did not work. I am saying in all the other 30 stations proposed in this fiscal year—and let us look ahead to the other 30 in fiscal year 1976, which makes a total of 60—it is only reasonable for us to insure that before we expose the flying public to the possible danger we should insure ourselves that it is done correctly. It is not too much to ask from the FAA.

Mr. McFALL. Will the gentleman yield further?

Mr. HILLIS. I yield to the gentleman.

Mr. McFALL. We are making the Dillon system work. There is no new technology involved here—just telephone lines and radios. This is a system that will work. And if we will do it properly and reasonably with 30 stations, the FAA is not going to jeopardize the safety of aircraft in any area.

Mr. LEGGETT. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I hesitate to take issue with the dlistinguished chairman of the with the distinguished chairman of the State and my colleague from the Central Valley of California, but I do.

We have a problem in the Central Valley up near Marysville where we are plagued with fog and with very specialized conditions. Here it appears that the FAA is attempting to change a trend. In the effort to modernize and become perhaps most efficient I think they are foresaking some of the requirements of air safety.

I support the amendment offered by the gentleman from Montana (Mr. Shoup). I do not know what the conditions are in Montana, but I have researched this issue a little bit. Of the 30 flight stations that the FAA proposes to close this year 13 or almost half of them are in the middle third of all the flight service stations, and that is the way they would remain by activity. I do not know whether that point was brought out. Only 12 are in the lowest third, and none of those are in the bottom 20 that are recommended for closure this year.

The Aircraft Owners and Pilots Association—and there are a great number who use these facilities—expressed extreme misgivings about the alternate service that the FAA scheduled to replace the 30 sites. What they tell me is picking up a telephone and calling Sacramento from the north Central Valley is not equivalent to having some people right there that have the reports and the back-up information and who can actually provide the proper questions to ask of the pilots and give them better information.

What they say is that they get better service, they feel, from the existing method.

FAA's proposals rely heavily on some new concepts and equipment that have not yet been fully tested. Indeed, the National Weather Service has said that the concept is beyond the present state of technology. It would be very callous of us to consign pilots to the use of hardware and technology that does not yet exist.

The FAA plan also does not truly represent consolidation; it is a step sideways rather than a step forward. A consolidation would have the functions provided by flight service stations directly to air traffic control centers, rather than the far more costly technique of creating a new system of flight service station hubs. It seems to me that the cost implications of this procedure should be rather closely examined.

There is no doubt about it, we may save some money by going to these facilities, but the facility I am concerned with is at Marysville, which performs some 60,000 to 70,000 services a year. It has a 10-man complement, and in my book, my experience has been that this FAA unit has saved lots of lives and it should not be replaced simply by a telephone line hookup.

I admit that I am perhaps rather prejudiced in this matter.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. LEGGETT. I yield to the gentleman from California.

Mr. McFALL. Mr. Chairman, I would say that what the gentleman has said about the technology does not apply. We are not talking about a new technology, we are talking about a system of remoting with existing technology. Contrary to what the Aircraft Owners and Pilots Association says, we have remoted other stations and they are working out fine. There may have been some problems involved in some of them, but we are getting these problems worked out. The FAA would not put in an unsafe system.

As far as Marysville is concerned, you can get on the receiver of a radio, or on a telephone from Marysville to Sacramento, where the personnel are, and the weather reading will be by personnel in Marysville, not Sacramento. As I say, some of these may have had some problems, but at 30 a year this is not being done so rapidly that it will be jeopardizing the safety of anyone.

Mr. LEGGETT. Mr. Chairman, I think we all want to build up the utilization of private aviation and general aviation in this country. I think that these FAA facilities are a substantial contributing factor to the buildup of general aviation, particularly in the rural areas. I think this is classically a rural versus urban problem. I think that the amendment should be supported.

Mr. ANDERSON of Illinois. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. ANDERSON of Illinois. Mr. Chairman and members of the committee, I am happy to support this amendment to delay the closing of any flight service station until such time as automated systems are in place and satisfactorily operational.

In my own district I am aware of the excellent work performed daily by the FSS personnel based at the Greater Rockford Airport, Rockford, Ill. Not only does this facility service the general aviation community flying in and out of Rockford, but pilots and airport personnel throughout northern Illinois have come to rely on the reports quickly and easily obtained by phone from the Rockford station.

I understand approximately 15 local airports also use this FSS facility which includes the cities of Janesville and Beloit, Wis., and in my State of Illinois such communities as Dixon, Freeport, Rochelle, and Belvidere. Over the past 30 years pilots in this midwestern area have come to expect and have consistently received excellent service from Rockford. If, however, this facility is closed, it may be consolidated with the already overburdened station in Chicago. From past experience, the local pilots have reason to fear being included in the Chicago FSS area of operations.

Before the Congress agrees with the abandonment of the projected 30 stations per year, I would hope that the replacement of upgraded facilities would already be in place and operating at the high standards so essential for air traffic safety. While I am sympathetic to the Federal Aviation Administration's desire of equalizing the workload at their flight service stations, I also realize it is impossible to equalize the level of airport operations across the country. There will always be the large airports such as Chicago's O'Hare, New York's JFK, and Los Angeles' International. Air traffic patterns necessitate increased FAA responsibility at these major hubs.

As the airport conditions vary from place to place, so perhaps should the FAA's support. O'Hare's congestion demands a large traffic control commitment. Perhaps this individual consideration should also be given to the vital weather and flight-planning data support system which is performed by these flight service stations. If this proves to be impractical, then at least the FAA should provide to the affected aviation community—scheduled for a consolidation—that they will receive no less quality of service from the upgraded and more distant station. To date this assurance has not been adequately conveyed.

Also it should not be forgotten that the Nation's aircraft pilots, owners, and passengers are paying for the new equipment costs inherent in each consolidation. It is the facilities and equipment section of the aviation trust fund which supports this hardware request. It is no wonder then that so many aviation oriented individuals are concerned with this FAA program. While stations are being listed for deactivation, little or no mention is being made with which facility the retired FSS area will be remoted. There is the other allied consideration of when the new facilities will be fully operational.

It is for these reasons then that I feel the House should instruct the FAA to rework their plans in order to provide a more clear and coordinated program for improving the operation of its flight service stations.

Mr. CONTE. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hope that this amendment is not adopted. I go back to the question that the gentleman from Iowa (Mr. Gross) asked the chairman of the committee about this budget being $600 million over last year's budget. Where do we go?

We have a responsibility to the taxpayers to hold the budget down. Here is a chance to try to do something to try to hold expenditures down, to keep this budget within reason.

Here they are—the budget busters. They are out here ready to knock it in the head. If this system did not work, I would go along with the budget busters, but the system does work.

Mr. SHOUP. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I will yield to the gentleman from Montana when I am finished. The gentleman has been on the floor. I can see where he is interested in this because of the problems they have in Montana. But we have memorandums from FAA to the effect that everything is working fine out there in Montana, and that this flight service station as it is now has been corrected, and they have not had one complaint since April.

I have one here in the Kirksville-Columbia area, and here is the FAA before our committee. This is a slide projection. It said:

> I use this to illustrate an example of a successful consolidation. About a year ago we consolidated the Kirksville Flight Service Station with the Columbia Flight Service Station. We had extreme opposition from the local citizens of Kirksville. We worked with them and finally they agreed to the consolidation. The activity at Columbia has increased 17 percent. We added no specialists to Columbia, which was also not fully productive. The Columbia people are personally satisfied. We have made a point of checking and made sure our services have not deteriorated in either location. I believe it's a very successful consolidation. It had some side benefits to local airport management at Kirksville, in that they became the contract weather observer. This helped supplement the airport management's budget for the year.

We could go on and on. But here is a program that, unless we do something with it, is going to mean that we are going to have to add an 11,000-men work force to approximately 3,000 when the automated system is implemented 10 years from now. If we translate that into dollars and cents, we are talking about millions and millions of dollars.

How did this amendment get in here last year? We went over there in conference, and there were a great many Senators who were very upset about closing some of these flight service stations, and they prevailed and put in this amendment on the DOT bill that these stations would not be closed.

I understand that the FAA has met with these Senators, has explained the system, has gone over it as they have with us, and now these Senators are satisfied with the new system and feel that the new system will do everything that the old system had done before with less personnel.

Mr. SHOUP. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I now yield to the gentleman from Montana.

Mr. SHOUP. I thank the gentleman for yielding.

Mr. Chairman, I speak for the people of Dillon, Mont. They are not satisfied with what has been done to them. I am not too much concerned about whether the Senators are satisfied; I am more concerned about whether my people are satisfied. They are not.

The other question I should like to ask the gentleman, who started out with this budget-busting comment, is, How much does this amendment add to the budget?

Mr. CONTE. It says here:

> To refuse the FAA's proposal to greatly increase system efficiency by redistributing their work force will result in a continuation of stations inability to satisfy user demands or will involve the hiring and training of an additional 7000 people (presently 4000) to meet the projected growth in demand. Both of these alternatives are undesirable: one because it would create degradation of safety and the other because of the subsequent necessity to reduce the 11,000-man work force to approximately 3000 when the automated system is implemented ten years from now.
>
> No loss of essential services. Electronic equipment will remain at vacated site. Telephone lines will connect it to an adjacent manned facility. Weather observations—taken by tower, National Weather Service, or contract observers—will be given the same nationwide dissemination.

Mr. SHOUP. I thank the gentleman. I would like to make an observation.

The CHAIRMAN. The time of the gentleman from Massachusetts has expired.

(On request of Mr. SHOUP, and by unanimous consent, Mr. CONTE was allowed to proceed for 1 additional minute.)

Mr. SHOUP. I would like to make an observation regarding the statement, that it will require additional hiring—how much was the addition?

Mr. CONTE. It will involve hiring and training of an additional 7,000 men, it says.

Mr. SHOUP. That is 7,000 men. We are going to remote 30 flight stations, which would be 230 men per station.

Mr. CONTE. We will get 60 more.

Mr. SHOUP. That would be 115 men per station. I think this gets a little bit out of reason.

Mr. CONTE. They are talking about 10 years. This is an FAA memorandum I am reading from.

Mr. SHOUP. If we do not close the 30 this year, in 10 years we are going to have to hire 7,000 men?

Mr. CONTE. They are talking of a 10-year program.

First. Ninety-five percent of contact with these remote flight service stations is by radio or telephone. Only 5 percent of contact is made by personal appearances.

Second. It is the first step in modernization of flight service station systems. If these stations are not consolidated, it will mean hiring an additional 7,000 people. The present number employed is 4,000. After modernization only 3,000 will be needed. The 4,000 presently employed can and will be placed into positions within the FAA—some at a higher level. But, it would be difficult to deal with and place 11,000 employees.

Third. From an economic view, consolidation will create a more efficient system. These low-activity stations involve a $5.10 cost per hour for flight services. This is opposed to $1.80 cost per hour in high-activity flight service stations. The only flight service station being consolidated that is not a low-activity station is Dallas-Fort Worth—reason: present facilities inadequate.

Fourth. It is a misnomer to say that these stations are closing. Rather, they are being consolidated by means of telephone service. They are not closing these facilities, but merely removing their personnel.

WEATHER REPORTING PROBLEM AFTER CONSOLIDATION

First. Some stations will utilize national weather service facilities.

Second. Other stations will utilize weather observers, which will be contracted.

Mr. SHOUP. I thank the gentleman.

Mr. CONTE. Mr. Chairman, I hope the amendment is defeated.

Mr. KETCHUM. Mr. Chairman, I move to strike the last word and I rise today in support of the amendment offered by the gentleman from Montana. As a private pilot myself, I am well aware of the services provided by flight service stations, and have often depended upon them while flying. I have no quarrel with the FAA's plan to modernize the stations and upgrade their capabilities, but I do question the wisdom of cutbacks when the technology to replace existing stations is not available. The fact is that at the present time there is need to construct and staff more stations than those which are now in operation.

I can certainly attest to the need for a flight service station in Bishop, Calif. Bishop is a resort and recreation community situated in the vicinity of the White and Sierra Mountains. The local airport serves the community of 10,000, as well as a visitor population of 4½ million annually. Since many of these visitors fly their own planes or use small commercial aircraft, it is imperative for safety reasons that a flight service station be established at Bishop.

The two most important services that could be provided by a flight service station would be weather advisories, and the monitoring of navigational aids. The unpredictable weather conditions, and the unreliability of NAVAIDS are of the utmost concern to the pilots flying in the area. They are unanimous in their support for an FSS, and believe flying safety would be greatly enhanced with the construction of a flight service station. At the present time, however, the FAA will not even consider this proposal due to their pending FSS system modernization.

I believe that the passage of this amendment is essential to the continued safe operation of the flight service systems. It would also serve notice on the FAA that there is a desire in Congress to insure the safety needs of small communities like Bishop are met. I urge my colleagues to vote for the Shoup amendment.

Mr. TAYLOR of Missouri. Mr. Chairman, I move to strike the last word and I rise in support of Congressman SHOUP's amendment to H.R. 15405 to prevent the Federal Aviation Administration's ill-conceived closing of 30 flight service stations in fiscal year 1975. Congressman SHOUP has already described the many vital services to airmen that these stations provide. It is my belief that the FAA's plan to reduce the number of flight service stations from 282 in 1974 to 138 in 1978 and eventually reduce the total number of stations across the United States to as few as 20 by 1983 is ill-considered.

Substituting unmanned automated facilities at selected locations as a substitute for the fully manned stations is only a conceptual idea and the concept should at least be proven experimentally in actual flight service station operations before a consolidation plan is put into effect. In addition, the FAA has no plan to provide the same services to pilots during the long transition period to automated facilities. In fact, many of the flight service stations to be closed will apparently never be replaced by automated facilities.

For example, under the FAA proposal the pilot services presently provided by the Joplin, Mo., flight service station will be transferred to Springfield, Mo. The Joplin flight service station serves a wide area in the four-State region of Arkansas, Oklahoma, Kansas, and Missouri and handles over 113,000 flight services per year. The FAA has no plans at all to construct an unmanned automated facility at the Joplin airport or even install a "type 1" facility which only consists of a flight information desk. The Joplin flight service station ranks as the 169th busiest station in the United States, yet 162 of the 375 total flight service stations operating in the United States in fiscal year 1973 handled less business than Joplin but will remain in operation during fiscal years 1975 and 1976 under the FAA consolidation plan.

You can get an idea of just how faulty the reasoning is behind this plan by taking a close look at the proposed closing of the flight service station at Love Field in Dallas, Tex. The Love Flight Service Station ranks as the 21st busiest station in the United States, and yet, the FAA proposes that the Love Station be consolidated with the Fort Worth Station which itself is the 22d busiest station in the United States. This surely cannot be in the best interests of efficiency, economy and safety.

Last year it was the judgment of the conference committee on the Transportation appropriation bill that the FAA should not decommission any existing flight service station until such time as automated systems are in place and satisfactorily operational. At the present time automated systems still have not been installed and consequently I believe a prohibition is still necessary.

I share the concern of the small aircraft pilots of southwest Missouri that the FAA's vague plans for remoting pilot services will result in a reduction of the services which they find essential. I urge the adoption of the amendment introduced by the gentleman from Montana.

Mr. SHOUP. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count. Seventy-four Members are present, not a quorum.

The Chair announces that he will vacate proceedings under the call when a quorum of the Committee appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to rule XXIII, clause 2, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

The question is on the amendment of the gentleman from Montana (Mr. Shoup).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. STEED. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

GRANTS TO THE NATIONAL RAILROAD PASSENGER CORPORATION

To enable the Secretary of Transportation to make grants to the National Railroad Passenger Corporation, $125,000,000, to remain available until expended.

POINT OF ORDER

Mr. DINGELL. Mr. Chairman, I reserve a point of order and I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Michigan reserves a point of order at this point against what provision of the bill?

Mr. DINGELL. Against the provisions beginning with line 14 through line 18, page 15, which were just read by the Clerk.

Mr. Chairman, I will regretfully insist on the point of order. I rise for the purpose at this time of engaging in colloquy with my good friend from California (Mr. McFall).

I note first that there is no authorization in time for the $125 million figure; that the matter is now pending in legislative committee. I would point out that the legislative committee will be shortly coming forward with a much higher figure.

I want to commend my colleague, and I do not criticize the Committee on Appropriations for bringing forward an appropriation bill in view of the fact that the legislative committee and the legislative subcommittee of which I am a member have not been sufficiently punctual in bringing forward the appropriation authorization. Therefore, my comments are not to be taken in any sense as critical of my good friend from California (Mr. McFall) or the subcommittee, for having brought forward this figure.

But, there is something that is important to the House, and I am glad to see my friend from California (Mr. McFall) is prepared to respond, because I do think colloquy at this time is important.

Mr. Chairman, the figure of $125 million is $18 million less for the National Rail Passenger Corporation than the Bureau of the Budget has suggested. The Bureau of the Budget had suggested and the Department of Transportation had indicated $143 million was needed. In point of fact, the National Rail Passenger Corporation had indicated that to provide the kind of service that is going to be needed during this period of the energy crisis, the figure which should be appropriated is $200 million, or very close to it.

Now, I want to yield to my good friend and colleague from California (Mr. McFall) for whatever comment he wishes to make, because he is a sincere, able, and valuable Member of this body.

Mr. McFALL. Mr. Chairman, I would like to thank the gentleman from Michigan for yielding to me.

We discussed this before, and I am glad that the gentleman has taken this reservation at this time to discuss this matter. I would like to explain to the House why we put this matter in the bill, and further reply to the gentleman's comments about Amtrak.

The bill does include funds for Amtrak, which we have not yet authorized, as the gentleman points out. The reason for this is that we felt we should report a complete bill to the House. We felt that the House should have the benefit of the committee's thinking with respect to this program, and should be able to assess the relative priority of this program with other transportation programs.

Prior to this year, we have never reported a regular annual appropriations bill including funds for Amtrak. The reason for this is that the authorization has never been enacted at the time we have reported our bill. Last year we reported on June 15 and the authorization had not passed the House. The year before we reported on May 22 and the year before that we reported on July 8, after the fiscal year had already begun. In none of these years had the authorization passed the House and in none of these years did we report our regular bill with funds included for Amtrak.

We feel that the Federal grants made to Amtrak are very important. We also feel that it is important that someone call to the attention of the Members the fact that, with the funds recommended in the accompanying bill, nearly half of a billion dollars will have been appropriated to Amtrak. And it appears as though substantial future appropriations will be required. In view of this, we have urged the adoption of criteria which will establish a reasonable balance between sound fiscal policy and service to the traveling public.

Mr. Chairman, it is not our intent, nor is it the committee's intent to usurp the functions of this very important legislative committee to which the gentleman refers.

We did not request a rule waiving points of order against this program because we wanted to bring it to the floor of the House in this way, and not usurp the authority of the legislative committee. We merely, as I told the gentleman from Washington (Mr. Adams) when we discussed this earlier, wanted to bring this to the attention of the House, and of the members of the committee.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(On request of Mr. McFall, and by unanimous consent, Mr. Dingell was allowed to proceed for 2 additional minutes.)

Mr. DINGELL. Mr. Chairman, I want to thank my colleague, the gentleman from California, for his comments.

The House should know that having a viable national railroad passenger system in this country is going to require extensive subsidies for a goodly period in the future.

The Commerce Committee, in bringing this authorization legislation to the floor, has never indicated to the House that there was not going to be a big cost. We are going to need an enormous amount of new equipment.

None of the cars procured by Amtrak from the other railroads are dated nearer than 1955, and very few of them date from that time. Roadbeds are in incredibly bad condition. Safety is intolerable. There are management and employee security problems which still plague Amtrak. There are great problems because of the fact that the roadbeds are so bad that it is difficult to get on-time service.

Mr. Chairman, the Subcommittee on Transportation and the Commerce Committee have worked diligently on these matters, and I want to commend the gentleman from California, and the Subcommittee on Transportation and the Subcommittee on Commerce, for their concern in these matters.

I agree that we should certainly have an authorization bill in time.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. DINGELL. Yes, I yield to the gentleman from California.

Mr. McFALL. Mr. Chairman, I think the gentleman's comments are positive and very valuable in understanding the problem we have with Amtrak, and I think the gentleman will agree that we have to move forward in trying to remedy those problems.

I am in favor of Amtrak. We have to have Amtrak. I think Amtrak is necessary for the transportation system of the country.

As to the point the gentleman makes about the reason for Amtrak's deficiencies, I think many of us expected that. However, these deficiencies demonstrate the kind of work that this Congress has to do to try to remedy these conditions.

Mr. DINGELL. Mr. Chairman, the gentleman from California is eminently correct, and it is the intention of the Committee on Commerce to do this very thing.

I thank the gentleman.

The CHAIRMAN. Does the gentleman from Michigan (Mr. DINGELL) insist on his point of order?

Mr. DINGELL. I do at this time, Mr. Chairman, insist on my point of order.

The CHAIRMAN. Does the gentleman from California (Mr. McFALL) concede the point of order.

Mr. McFALL. Mr. Chairman, I concede the point of order.

The CHAIRMAN (Mr. MURPHY of New York). The gentleman from California (Mr. McFALL) concedes the point of order.

The Chair sustains the point of order.

Mr. McKINNEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would just like to reiterate some of the points that the gentleman from Michigan made and to make some points concerning Amtrak and the Department of Transportation and the appropriation that we are discussing.

I honestly do not think, although I realize the intent of the gentleman from California, that the House of Representatives can go along with an Amtrak appropriation at this present moment under the conditions that I now see with the purchase of new equipment by Amtrak. I understand that Amtrak has been ordered by the Department of Transportation to buy six French trains. At a time and period in our country when American labor is suffering unemployment, when our mass transit facilities and technology are at a low ebb, and when various American corporations have invested enormous amounts of their own money, particularly in my district, with United Aircraft spending $53 million in developing turbopowered trains, it is incredible to me that they should be asking us to spend the American taxpayers' money in a way that is taking jobs out of this country and paying for foreign technology rather than helping produce American technology in a field which we all know will expand dramatically in the next few years.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from California.

Mr. McFALL. Mr. Chairman, I can understand the gentleman's concern, since United Aircraft, which is located in his district, has a competing train. I would point out to the gentleman that while this is a French patent train, the train will be made in the United States by Rohr Corp. in San Diego. So, it is actually a train made in the United States which is competing with that of United Aircraft.

Mr. McKINNEY. Mr. Chairman, I wish to respectfully disagree with the gentleman from California on this point.

Concerning the first eight trains, they were made in France; is that not correct? Is it not correct that the two which are now running on the St. Louis run and the first six trains we purchased have been or will be made fully in France by French labor?

Mr. McFALL. Mr. Chairman, I do not pretend to be an expert on this matter. The gentleman may well be correct, but my understanding is that the Rohr Corp. has the contract to manufacture the French-patent trains.

Mr. McKINNEY. Mr. Chairman, I would not argue the point which the gentleman made that Rohr Aircraft has a license for the manufacture of the French train. I think California has every bit as much right to compete on these trains as Connecticut does. However Amtrak informed me that 6 car sets or 30 cars will be made in France; 20 new ones and the 2 trains now existing.

It seems to me that it is clear that we are using trains which come from foreign sources, and it does seem to me that when we consider an Amtrak authorization, we should take a long look at what is happening to American jobs. We ought to take action which will bring American technology forward in a field of this type, because we know the entire world is going to be asking for this technology in the near future.

For that reason, I am delighted, though I understand the intentions of the gentleman from California, that the point of order was carried.

Mr. EVINS of Tennessee. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this time to direct a question to the distinguished chairman of the Subcommittee on Transportation. I have read the report with regard to Amtrak, and I commend the gentleman for providing the funds that are recommended in the bill.

However, we have all read recent press reports which state that Amtrak is destined to fail, that Amtrak cannot succeed. On the other hand, we read reports that Amtrak at places is overbooked at times. Passenger traffic is growing.

Our people need a balanced system of transportation. If Amtrak is overbooked, why do we get the reports that Amtrak is failing?

Will the gentleman give us a report as to the future of Amtrak?

Mr. McFALL. Mr. Chairman, if the gentleman will yield, as I know he does, I would say that in discussing the future of Amtrak, perhaps my crystal ball is as cloudy as that of the gentleman from Tennessee. However, I do remember some of the testimony before the committee, and I have some ideas of my own about Amtrak.

I think Amtrak is going to be successful. I think Amtrak has to be successful. I think we must have a rail passenger system in the United States.

There are certain areas in which Amtrak is going to make money if we can get the kind of tracks that are essential in order to operate an efficient train.

Certainly, in the Northeast corridor between Washington-New York and New York-Boston there is sufficient traffic and sufficient customers in order to make an Amtrak operation successful and profitable. Also there are lines out of Chicago, like the spokes of a wheel.

Mr. EVINS of Tennessee. I thank the gentleman.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

RESEARCH, DEVELOPMENT, AND DEMONSTRATIONS AND UNIVERSITY RESEARCH AND TRAINING

For an additional amount for the urban mass transportation program, as authorized by the Urban Mass Transportation Act of 1964, as amended (49 U.S.C. 1601 et seq.), to remain available until expended: $51,130,000: *Provided,* That $47,880,000 shall be available for research, development, and demonstrations, $2,250,000 shall be available for university research and training, and not to exceed $1,000,000 shall be available for managerial training as authorized under the authority of the said act.

Mr. FRENZEL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, once again the House House is about to engage in its annual ritual of routinely appropriating hundreds of millions of dollars to finance the construction and deployment of obsolete transit systems despite their unerring tendency to fall flat on their face in the marketplace. At the same time I suspect we will also act today to cut substantially the comparatively small transit research and development program even though it holds our only hope of making transit competitive.

Ever since I came to Congress in 1971, the House has voted a substantial cut in transit R. & D. funds. The Senate has consistently voted full funding for these programs and through compromises in conference, the program has been able to limp along.

I recite this history because I believe it reflects poorly on our sense of transit priorities. Contrary to the rhetoric from the transit establishment, the capital grant program will not work until the research and development is made to succeed. The capital grant program is necessary, but it only keeps transit's head above water. It does not generate much forward progress.

I think even my good friend from Massachusetts (Mr. CONTE) would agree that our fundamental transportation problem in this country is not the multimillion-dollar cost overrun in Morgantown, however unfortunate that situation has turned out to be. Our fundamental problem is that this country says it wants a balanced urban transportation system and there is no currently available transit options that can make that goal a reality.

Let us look for just a moment at the available options. Short of flat out coercion, city fathers really have only two choices in trying to put together a long-range transit development plan. They can buy an enormously expensive and probably obsolete conventional fixed guideway system or they can buy buses or they can buy both. Our dilemma is that neither of these options has come within a country mile of cutting the mustard in the marketplace. Instead, the pattern has been that whenever either of these options are extensively deployed, operating deficits begin to soar and ridership improves almost not at all.

Despite substantially increased Federal funding in recent years, transit has continued its steady decline since World War II to where it now accounts for the astonishingly low market share of about 4 percent. This decline in transit patronage is occuring in Europe as well as in the United States despite the much stronger transit riding tradition in Europe. It was recently called to my attention for example that the much vaunted London transport system has experienced declining patronage since 1948 despite the professional management, through expansion, modernization, and automation. Europe is discovering what we have long recognized about individual tastes in transportation—if a person can afford an automobile, he will buy one and use it. Transit's performance is poor primarily because none of the currently available options comes close to matching the automobile's comfort, privacy, and convenience. Until we develop those options, transit will continue to attract its abysmally low market share of ridership.

We have some rather serious problems with our R. & D. efforts, but they pale in comparison to the problem of trying to find a billion dollars worth of cost-effective transit to fund each year. UMTA's R. & D. program does lack something in coherence and focus. Mr. Herringer, administrator of UMTA, I think, recognizes this fact and is in the process of trying to do something about it. Maybe UMTA has not accomplished any miracles, but there is no satisfaction to be had in reducing our commitment to transit R. & D. We ought to be seeking ways to beef up that commitment. Unless this R. & D. effort succeeds, the goal of a balanced transportation system will remain an impossible dream.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 304. None of the funds provided under this Act shall be available for the planning or execution of programs for incentive grants for mandatory seat belt legislation nor for programs the obligations for which are in excess of $100,000,000 in fiscal year 1975 for "State and Community Highway Safety" and "Highway-Related Safety Grants".

AMENDMENT OFFERED BY MR. HARSHA

Mr. HARSHA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HARSHA: Page 23, beginning on line 19, strike out "for incentive grants for mandatory seat belt legislation nor for programs" and on lines 20 and 21, strike out "$100,000,000" and insert "$132,000,000."

Mr. HARSHA. Mr. Chairman, the purpose of my amendment is to reinstate the $32 million in requested funding for the incentive grants provision of the Highway Safety Act of 1973. The purpose of such incentive grants is to encourage the States to adopt safety belt use laws. States which do so would be eligible, assuming funds were available, for up to a 25-percent bonus over the moneys normally apportioned to them for section 402 highway safety programs.

I was the original sponsor of this proposal in the Committee on Public Works. I did so because of the overwhelming evidence indicating the worth and need of safety belts as a means of saving lives and preventing crippling injuries when traffic mishaps occur.

In Australia, where safety belt use laws have been on the books for 2 years, fatality reductions on the order of 25 percent have been achieved; crippling injuries of the type that permanently disable and disfigure, have been reduced by 35 percent. If we can achieve similar results in this country through the adoption of such laws, that is if all the States adopt and enforce safety belt use, studies indicate that fatality reductions of 10,000 or more can be achieved annually. Over 100,000 serious injuries can be prevented.

Over the next decade this translates into 100,000 lives saved and a million serious injuries prevented. In other words, we will be saving over twice the number of lives and preventing twice the number of injuries that this Nation sustained during the course of our 10-year involvement in Vietnam.

And, it is worth noting that 25,000 of those whose lives will be saved will be children. A quarter million will avoid crippling injuries.

If we achieve these results, and I believe we can, the societal damages which we will avoid will be astronomical. Estimates vary, but we can conservatively forecast saving of upward of $50 billion during this period. And that figure could easily be doubled.

The Department of Transportation shares my optimism in this regard. Administrator James Gregory is most enthusiastic about the incentives grant approach contained in the 1973 Highway Safety Act. He believes it will be a constructive stimulus to the States in motivating them to adopt safety belt use laws. In fact, a presentation was recently made to Puerto Rico as the first State to become eligible for such a grant.

It seems to me that offering incentives to States to encourage them to take positive action is far more preferable than mandating such action on the Federal level—as we have done in the case of interlock and sequential warning devices. Incentive requirements encourage "States rights" and they recognize Federal responsibilities.

I realize that opposition to safety belt use laws exists. Much of it, however, centers around the federally imposed requirement that all new automobiles be equipped with interlock and nuisance buzzers aimed at compelling seat belt usage. Personally, I do not approve of this "back door" approach to highway safety. In fact, as I see it, once safety belt use laws are on the books, there will be no further need for interlocks. In other words we can safely abandon the objectionable interlock and buzzer systems.

As a matter of fact, I have introduced, and the Committee on Public Works is considering, a bill, H.R. 13499, which would end the requirement for interlocks on vehicles sold in States which have become eligible for safety belt incentive awards. This seems to me a constructive and realistic approach.

Over the next decade, when passive restraints, such as the airbag, are gradually replacing older modes, safety belts offer the best, indeed the only means for achieving wholesale reductions in fatalities postcrash or loss of control of motor vehicles.

But we cannot hope to achieve such reductions unless the $32 million needed to fund the incentive grants provision to encourage States to adopt safety belt use laws is restored.

If you agree with me that saving 100,000 American lives is a worthwhile objective, I urge that you support my amendment; $32 million is a small price to pay for such a promising program.

Mr. SHUSTER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Ohio (Mr. HARSHA).

Mr. Chairman, it is with great reluctance that I oppose my distinguished leader from the Committee on Public Works, but as a member of that Transportation Subcommittee, and, indeed, as author of two of the safety amendments which are now in the Federal highway law, I can certainly attest to the accuracy of his statistics in terms of seatbelts being very valuable in saving lives. In fact, anybody who does not wear a seatbelt is absolutely foolish.

But, Mr. Chairman, I believe that a free people have a right to be foolish. I think that we certainly must insist upon informing and educating the public as to the importance of seatbelts, but to encourage the States to mandate, to force by law, a person to wear a seatbelt is, in effect, to say, "We know what is good for you." I believe this does violence to our individual liberties. If we start this, where will it stop?

We are told that many lives can be saved, and they can be. On the other hand, there are 250,000 people who die prematurely each year from smoking, so should we provide incentives to make smoking illegal? There are 15 million people who are 20 percent overweight, and this takes 7.5 years from each of their lives. That adds up to 1.6 million lifetimes. Should we make it illegal to consume over 3,000 calories a day? There are 28,000 people who die each year from alcohol, we are told. Should we make it illegal to drink?

Now I understand there is scientific evidence that by taking an aspirin a day we can reduce heart attacks. Should we make it mandatory for each American to take one aspirin a day?

Mr. Chairman, I think the answer to all of these questions is the same. The answer is we have no right to mandate, we have no right to pass a law or encourage the passage of a law which forces a free people to do what we think is good for them. I urge the defeat of this amendment.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Missouri.

Mr. ICHORD. I thank the gentleman for yielding.

I certainly concur with the remarks of the gentleman in the well, and I am surprised that my good and distinguished friend, the gentleman from Ohio, would be sponsoring this amendment. I should like to have the gentleman in the well elucidate upon just what this $32 million is for that the gentleman from Ohio wants to put back in the bill. It is my understanding that this $32 million is going to be used by the Department of Transportation to lobby State legislators to pass a law making it illegal for me not to wear a seatbelt.

Mr. SHUSTER. That is absolutely correct. However, I would not want to speak for the gentleman from Ohio.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Ohio.

Mr. HARSHA. I thank the gentleman for yielding.

In the first place, it is not a mandatory section. It does not impose any responsibility on the States whatsoever. They have the option of enacting mandatory seatbelt laws if they want to.

Mr. SHUSTER. That is right. But this amendment says: If you, Mr. State, pass a law saying that our people in the State must wear seatbelts, then you get these Federal dollars.

Mr. HARSHA. Will the gentleman yield further?

Mr. SHUSTER. I yield to the gentleman from Ohio.

Mr. HARSHA. I thank the gentleman for yielding.

Will the gentleman in the well enlighten me on one point? He is a member of the committee. He was present when this committee adopted this amendment in committee. I offered it there, and he did not vote against it. In fact, there was not one single vote against it in the committee.

Mr. SHUSTER. That is exactly right. That occurred over a year ago, and as a freshman Member, I am learning.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

There is an old adage that goes like this:

> A wise man changes his mind; a fool never does.

Let me ask the gentleman this question. Does the gentleman think we are already sharing enough revenue now with the States without sticking $32 million more into this bill? If we are going to share more revenue with the States, let us do it openly and above board, and without seatbelts.

Mr. SHUSTER. I certainly agree with the gentleman from Iowa. I think the $32 million issue is an important issue, but I think the fundamental issue of our individual freedoms and our individual liberties is a much more significant issue than the $32 million.

Mr. HARSHA. Mr. Chairman, will the gentleman yield again?

Mr. SHUSTER. I would be happy to yield to the gentleman from Ohio.

Mr. HARSHA. I thank the gentleman for yielding.

The net effect of denying this amendment is to resort to just the very thing that the gentleman objects to. Then we are saddled with this mandate of interlock and sequential warning devices.

Mr. SHUSTER. There is no relationship between the two, I would suggest to the gentleman.

Mr. HARSHA. There certainly is. If we can get mandatory use seatbelt laws, then we do not need it.

Mr. SHUSTER. Your amendment unfortunately does not affect the interlock or warning devices in any way.

Mr. McFALL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not wish to prolong this debate any more. I think the Members understand what is at issue here, but I wish to express the opposition of the subcommittee to the amendment.

The bill, as reported, prohibits the use of funds to provide incentive grants to States for enacting legislation which would make the use of seatbelts mandatory.

The amendment which has been offered would delete that prohibition, and thereby allow the expenditure of $32 million to encourage States to require that seatbelts be worn.

I, as anyone well knows, think seatbelts are good. I wear them and I feel safer with the belts on, but I still oppose the amendment because I do not believe we can justify the expenditure of $32 million just to encourage the State legislatures to do their job. If mandatory seatbelt legislation is so vital and so important, then the State legislatures should not need any encouragement to enact such legislation.

Mr. Chairman, I ask that this amendment to add $32 million for grants to encourage mandatory State seatbelt legislation be defeated.

Mr. STEED. Mr. Chairman, will the gentleman yield?

Mr. McFALL. I yield to the gentleman from Oklahoma (Mr. STEED).

Mr. STEED. Mr. Chairman, I have seen some bad amendments in my time, but I do not think I have ever seen any amendment as bad as this one. I think this approach, to try to bribe the State legislatures into doing something they otherwise would not do, is all wrong. I believe that this is such a waste of Government money that if all we were interested in were wasting money, this proposition does not even get a high priority in that respect.

I just do not believe the House wants to start this kind of precedent of providing lobbying money to try to get the States to pass this kind of law. I just cannot believe if the Members really understand what is involved that they could possibly support it.

Mr. ICHORD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the distinguished gentleman has brought up a suggestion that if we do not follow his approach we will have to resort to the mandatory hook-up of seatbelts to the ignition, the so-called interlock system, which the Department of Transportation has by regulation required every car coming out of Detroit to have.

I had the experience a number of weeks ago of returning to my district and renting a 1974 Hertz rental car with the seatbelt hooked up to the ignition. I understand that Hertz has now ripped out all such interlock systems in their rental cars rather than risk the customers doing so which many were so doing. But I had the experience of spending all week long fighting this contraption. I was having to move the automobile from one motel room to another, being at a political convention, and when I moved the car only 10 feet I had to completely hook up the shoulder strap and the seatbelt strap, and it almost ran me out of my mind. Before the weekend was over I did figure out a way to beat the system by rolling down the window and starting the car from without and then getting into the car.

Let me say to the Members of the House that we do not need more silly rules and regulations. I am surprised at the gentleman from Ohio—and I will yield to him in a minute since I mentioned his name—offering this amendment. Think what we are doing here. This is an issue upon which all conservatives and liberals should agree.

I happen to be an airplane pilot. I agree with all the information and the facts and statistics given by the gentleman from Ohio. I realize the value and the safety in a seatbelt. As a pilot, I automatically fasten my seatbelt; but it is altogether a different issue when we are asked to make it a crime for me not to wear a seatbelt. Since when do the American people need "big brother" to say that it shall be a crime if they do not take these steps to protect themselves? This is what the gentleman from Ohio is trying to do here. He is asking us to spend $32 million of money that we do not have to go back to the State legislators and ask them to pass a law, to bribe them to pass a law making it a crime for us not to protect ourselves. My God, how far have we gone?

Mr. HARSHA. Mr. Chairman, if the gentleman will yield, this has nothing to do with the interlock system. This will enable legislation to do away with the interlock system.

Mr. ICHORD. I agree with the gentleman, but we should immediately pass a law repealing this silly regulation requiring all cars coming out of Detroit to have an interlock system, which incidentally costs the consumer a considerable sum.

Mr. HARSHA. Has the gentleman got a bill in to do that?

Mr. ICHORD. Yes, I have, and I hope the gentleman will pass it.

Mr. HARSHA. I have, too, to do that very thing.

Mr. ICHORD. Let us pass it then.

Mr. HARSHA. The point the gentleman is missing is that the use of the seatbelts does not involve only the user himself. It involves the safety of everyone on the highway.

Mr. ICHORD. I refuse to yield further. I disagree with the gentleman. This is not like passing a law to make it illegal to drive an automobile while drunk, which endangers other people. It is not like driving an automobile under the influence of narcotics. There again, we endanger someone else; but the amendment of the gentleman from Ohio seeks to effect an intrusion of a personal right of free choice of the individual and I cannot think of any more horrible way to waste $32 million.

Mr. HARSHA. It is not any more an intrusion of the rights of the individual than it was to pass the mandatory requirement for motorcyclists to use helmets. That has been done. That was for the protection of all users of the highways.

Mr. ICHORD. The Federal Government does not do that.

Mr. HARSHA. Yes, it was a result of Federal action. It has been adopted in 26 States and it has been further upheld by the U.S. Supreme Court. It involves not only the protection of the user but the rights of society as well.

Mr. MOSS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I do not particularly care what happens to this amendment; but I do think there should be a little more fact laid on the table here and some of the statements made here have not been facts.

In the first place, I happen to chair the subcommittee having jurisdiction over autos and if we had the time we might be able to hear some of the bills introduced dealing with the correction of the mistake which was forced upon the the Department of Transportation by the White House after a visit by Mr. Henry Ford the 2d, who was the principal advocate of the present contraption known as the interlock, probably the least desirable of all the alternatives then being proposed, certainly not desirable as the device being advocated then by General Motors for a passive restraint system.

We talk about free choice and the impact it has upon us. I want some free choice. I do not want to continue the rapid escalation of insurance costs because of persons who are irresponsible and fail to hook their seatbelts, which incidentally are required to be in the automobiles by law.

We started back in the fifties imposing mandatory safety features in automobiles and if we had not done so, we would not have the safety in the automobiles that we do today.

Granted, there have been mistakes. We delegated to the agencies the responsibility of determining the best systems rather than legislatively mandating specific systems. But, the fact is that there is a lot more noise being made over the interlock, and I am not—and I emphasize that again—an advocate of the interlock. But, over at the Department of Transportation they have had less than 600 letters of complaint.

The Members may exclaim, "ah" all they want to, but if any Member can show a different number, I will be willing to correct this record. I am not in the habit of stepping into this well and misleading my colleagues. I have not done it in this instance, nor have I done it at any time in my more than a quarter century of legislating.

The fact is that we have alternatives even today to the interlock. They can have a passive restraint system to meet requirements. Now, in legislation coming out of the Interstate and Foreign Commerce Committee, we are going to require that there be a modification to permit a sequential signal system not tied to the present ignition as an intermediate step. There are some engineering problems. The cars have been modified, the electrical systems have been modified, and I have been told by this great automobile industry that they have difficulty in effecting changes within the automobile.

Mr. ICHORD. Mr. Chairman, will the gentleman yield?

Mr. MOSS. Mr. Chairman, I yield to the gentleman from Missouri.

Mr. ICHORD. Mr. Chairman, I was wondering what would be the approximate cost to the consumer of the passive system. It is my information that the average cost of the interlock system to the consumer—and of course the consumer is the one who pays the cost—is on the average between $50 and $90. I am wondering what would be the cost of the passive system of which the gentleman speaks.

Mr. MOSS. It is my present opinion that it would not be much greater initially than the cost of the interlock. I think it would be far less frustrating—far less frustrating, and provide a far greater degree of security, particularly in the high speed accidents, than is achieved through the interlock system.

Mr. COCHRAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. HARSHA. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. HARSHA. Mr. Chairman, no one more than I could be more concerned about preserving the personal freedoms that all of us enjoy.

But the question is not one solely of personal liberty as the gentleman from Missouri suggests.

There is solid foundation in both case law and in the philosophical underpinnings of our system of government for legislative action that requires individuals to conform to a standard of conduct that is substantially beneficial to the society as a whole.

What we are concerned about in promoting the acceptance of safety belt use legislation by providing incentive grants is the safety and health and welfare of all of the people who drive or ride in motor vehicles on our streets and highways.

There is considerable evidence to show that use of belt restraints protects not only the individual using them, but others around him—in his vehicle, in other vehicles, and others using the public pathways—including pedestrians, bicyclists, and motorcyclists.

Who is it that benefits from the use of safety belts, when such restraint enables a driver to stay at the controls under extreme circumstances so that he can maneuver his vehicle to avoid hitting another car, or a pedestrian?

Who is it that benefits from belt use when such restraint keeps one occupant of a car from crashing into another in an accident, thus preventing serious injury or even death to one or both?

No one can argue against the fact that belt use protects both the wearer, and others too.

In law today the closest analogy we have are the laws in 46 States requiring motorcyclists to use safety helmets.

These laws have been appealed to the highest courts in 26 States, and upheld in all but one. There have been six cases that have gone to the U.S. Supreme Court and in each the State laws have been upheld.

If one argues that an individual does have the right to determine for himself whether or not he shall use safety restraints, then he is asking us to believe that even when the consequences of nonuse may be death, or serious and perhaps permanent injury to others on the roadways, those other people are devoid of any right to be protected. He is asking us to accept the fallacy that "only I am involved, therefore the choice is only mine."

We must also consider that not only are we talking about people and their personal injuries or deaths, but we are talking about all of the other consequences of accidents and injuries.

Does not the public have an interest in keeping to a minimum the very large drain on public resources that follow accidents, and the economic impact on each of our citizens?

In Simon against Sargent, which was affirmed by the U.S. Supreme Court in 1972, the Federal District Court of Massachusetts wrote:

> "(T)he public has an interest in minimizing the resources directly involved. From the moment of injury, society picks the person up off the highway; delivers him to a municipal hospital and municipal doctors; provides him with unemployment compensation if, after recovery he cannot replace his lost job, and, if the injury causes permanent disability, may assume the responsibility for his and his family' subsistence. We do not understand a state of mind that permits plaintiff to think that only he himself is concerned."—Simon v. Sargent, 346 F. Supp. 277, 279 (D. Mass. 1972).

Mr. Chairman, there are only two methods available to us for increasing safety belt use. One is suasion, and the other is compulsion.

We all know that efforts during the past decade to induce voluntary use of safety belts have failed. We all know that in Australia where safety belt use laws are in existence, use has increased to 85 percent and more, and deaths have been reduced 20–25 percent and serious injuries even more.

Universal safety belt use in the United States could be expected to save 10 to 15,000 lives a year out of the approximate 35,000 motor vehicle occupants that are killed. And prevent or reduce the seriousness of as many as two million injuries.

The States need the incentive grant funds that DOT has requested. And those funds can be used for any safety program, so that by approving them Congress can get double it's money's worth.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. COCHRAN. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, I understand the theory that if one does not have a seat belt on, he might not be able to control the car as well, but as a member of the Subcommittee on Transportation, I searched for the hard evidence to substantiate that, and I know of none. If the gentleman from Ohio does know of any, I would be happy to hear him cite chapter and verse.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. HARSHA).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 315. None of the funds provided under this Act shall be available for the planning or execution of programs the obligations for which are in excess of $250,000,000 in fiscal year 1975 for "Highway Safety Construction Programs".

AMENDMENT OFFERED BY MR. WRIGHT

Mr. WRIGHT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WRIGHT: On page 26, strike lines 19 through 23, inclusive.

Mr. WRIGHT. Mr. Chairman, this amendment would simply strike section 315, which for the very first time, if I am correctly informed, would impose a spending limitation upon highway construction money which comes out of the highway trust fund.

Not only is it a bad precedent, it seems to me, to place a congressional impoundment on the highway trust fund moneys, but it occurs to me that this is the very worst place to do it because this limitation would reduce by a very substantial amount the moneys that are available in the authorization for contract authority out of the highway trust fund for highway safety construction projects.

Mr. Chairman, I wish to put the importance of this into proper perspective.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. WRIGHT. I will be glad to yield at a later time. First, I wish to explain what my amendment provides.

Mr. CONTE. Mr. Chairman, if the gentleman will yield, I understand that the chairman of the committee agrees to the amendment, and the ranking minority Member agrees to the amendment. I was just trying to save some time.

Mr. WRIGHT. Mr. Chairman, if that is the gentleman's understanding, I will be glad to yield.

Mr. McFALL. Mr. Chairman, if the gentleman will yield, we on this side accept the amendment offered by the gentleman from Texas.

Mr. WRIGHT. Mr. Chairman, I thank the gentleman.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. WRIGHT).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BIAGGI: Page 26 under title III, general provisions, add a new section: 316.

"None of the funds provided under this Act shall be available for the purchase of passenger rail or subway cars, for the purchase of motor buses or for the construction of related facilities unless such cars, buses and facilities are designed to meet the mass transportation needs of the elderly and the handicapped."

Mr. BIAGGI. Mr. Chairman, I am offering this amendment to reaffirm our national policy that elderly and handicapped persons have the same rights as other persons to utilize mass transportation facilities and services. When this policy was first enunciated in my amendment to the 1970 Urban Mass Transportation Assistance Act, it has hailed as the emancipation proclamation for the handicapped.

Heretofore, handicapped Americans were relegated to separate and unequal transit systems—systems that were very costly not only to the Government, but also to the individual user, my 1970 amendment sought to require the design and construction of all new mass transit systems, equipment, and facilities be totally accessible to the elderly and the handicapped.

Sadly, the Department of Transportation has continued its separate systems program for the elderly and handicapped under fancy sounding names such as "Dial-A-Ride." These programs serve relatively few handicapped at a very high price.

The vast majority of handicapped and elderly people—including those in wheelchairs—could be served through the general transportation system for little or no additional cost. Why then does the Department continue to subsidize buses and mass transit systems that cannot be used by the handicapped? I really would like to know, but I have not been able to get a straight answer from the administration on this.

Why, I ask you, did the Department fight the San Francisco Bay Area rapid transit plans to make its bus system accessible to the handicapped in wheelchairs? The new subway system there was built without barriers, and the buses would form an integral part of the mass transit system. If the buses were inaccessible, the handicapped would be unable to reach the subways.

The local agency was for it; the handicapped were for it; but the Department of Transportation opposed it saying it was an unnecessary expenditure. Yet the cost of providing lifts in the buses to make them accessible to the handicapped was far less than establishing a "Dial-A-Ride" system for all the handicapped in the Bay area.

Mr. Chairman, what is happening here is out and out discrimination. If the Department of Transportation is allowed to continue on its present route, the elderly and the handicapped will be denied access to mass transit for many years to come.

Hundreds of buses that are inaccessible to the handicapped are rolling off the assembly lines. Yet collecting dust on the Department's drawing boards is a bus design that could be mass produced for virtually the same cost and be fully accessible to the elderly and the handicapped as well as to the general public.

I want to see steps in buses eliminated—and they can be. I want to see escalators and elevators instead of stairways—and they can be put in.

I want to see gates instead of turnstyles—and we can have them. I want to see mass transportation for all Americans—and we can have it.

Yes, mass transportation for every American even if he is elderly or on crutches or missing an arm or using a wheelchair. The cost is little. Only the determination to eliminate discrimination in mass transportation is needed. My amendment, today, will put a stop to future expenditures by the Department of Transportation for equipment and facilities that are inaccessible to the elderly and the handicapped. We cannot continue to abide by the doctrine of separate and unequal facilities. I urge my colleagues to support this amendment and put meaning to the words of the national policy for the handicapped we enunciated 4 years ago.

Mr. McFALL. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from California.

Mr. McFALL. Mr. Chairman, I wish to commend the gentleman from New York (Mr. BIAGGI) for providing us with this fine amendment. I believe it is absolutely essential. I do think it is a part of the existing law; it is in other parts of the law. This certainly would be very helpful if we had it in this bill.

Mr. Chairman, I am willing to accept the amendment.

Mr. CONTE. Mr. Chairman, if the gentleman will yield, the amendment offered by the gentleman from New York (Mr. BIAGGI) is a very good amendment, and we have no objection to it on this side.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BIAGGI).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BROWN OF OHIO

Mr. BROWN of Ohio. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROWN of Ohio: page 26, after line 23, insert a new section to read:

"SEC. 316. None of the funds provided herein for the purposes of State and Community Highway Safety shall be available to any state or jurisdiction which fails to enforce the National Maximum Speed Limit" (Public Law 93-239)

Mr. BROWN of Ohio. Mr. Chairman, one of the bonuses which we have achieved in this country as a result of the effort to save fuel by reducing the speed limit is the saving of lives. In that connection, I would like to read some statistics for the Members.

The deaths occurring in January 1974, as opposed to those in January 1973, in the State of Pennsylvania were cut in half; in New Jersey there were 42 percent fewer highway killings; in New York State the reduction was 36 percent; in Florida it was 25 percent; and nationwide it was some 23 percent.

However, Mr. Chairman, an item in the Washington Star-News yesterday indicated that throughout the country we are not observing the nationally mandated speed limit. The American Automobile Association set up its own speed trap with radar on a Texas highway yesterday and found that 62 percent of the vehicles that zoomed past were traveling in excess of the 55-mile-per-hour speed limit. The American Automobile Association said that 76 percent of the 295 female drivers and 58 percent of the 1,171 male drivers checked exceeded the limit. The average speed for all motorists was 57 miles per hour. Better than two-thirds of the automobiles clocked were speeding.

It has been reported that the rate of highway deaths per 100,000 miles of motor travel has dropped to the lowest level since the year 1933. If Public Law 93–239 helped achieve that, it surely is one of the most commendable accomplishments of this Congress. I call on you to reaffirm that action by voting for my right-to-life amendment for the American motorist.

If we allow motorists throughout the country to increase their speed gradually, now that we seem not to have as much of a crisis in the fuel field as we had a few months ago, we are likely to be increasing, along with that, the number of people who will die on the highways. I guess what I ought to do is wish a Merry Christmas and a Happy New Year to those people who will not be around at the end of this year because that speed limit is creeping up. And it is creeping up because apparently it is not being enforced.

Mr. Chairman, the purpose of my amendment is to say that the other methods of bringing about safety, for instance, driver education, will not be financed by the Federal Government as long as State and local authorities fail to enforce what we mandated as a national maximum speed limit of 55 miles an hour.

Mr. Chairman, I think we can save lives by this approach, because my guess is that State and local governments would like to have the additional funds to finance safety programs in other fields. If they want to finance those safety programs, I say that we should give them the money only if they enforce one of the best safety programs that we have provided in this Congress over the past few years, and that is the 55-mile-per-hour speed limit.

It makes no sense to grant Federal funds to States for "driver education" and such purposes, in those States that flout the greatest highway safety measure ever enacted.

What could these States possibly teach student drivers that could overcome the horrible example of unrestrained violations of a highway safety law that is at once the most effective measure for conserving motor fuel and human life?

The easing of the fuel crisis has seen motorists eke their speedometers up over the 55 mile-per-hour restraint, and now, all too often, even over the old limits, with prodigal implications for our petroleum resources, but far, far worse, the most evil and disastrous implications for those tens of thousands of people for whom a sane highway speed law had offered a reprieve from execution by automobile.

What a mockery it is if we here today appropriate money for the supposed purposes of promoting safety, to the very State agencies that are a part of this tacit conspiracy to do nothing to restrain the reescalation of this monstrous mayhem on the highways.

Mr. McFALL. Mr. Chairman, I rise in opposition to the amendment.

This amendment does nothing. The law is that the 55-mile-an-hour speed limit must be observed. We passed that law. Every State in the Union is going to say, "Why, we have our law enforcement officers out and they are enforcing the law."

I will say to the Members that it is very difficult to enforce this law. I have been getting mail from my constituents about the enforcement of the law in my State. You cannot enforce a law which nobody pays any attention to. No matter how many highway patrolmen you put on the highways, if people are no longer interested in the 55-mile-an-hour speed limit, the patrolmen are not going to be able to effectively enforce the law.

On the big freeways which we have in every State, with automobiles that can easily go 65 or 70 miles an hour, the temptation is too great to go faster than the law permits.

I do not think this will do anything one way or the other.

Mr. BROWN of Ohio. Will the gentleman yield?

Mr. McFALL. Let me finish my statement first.

I think what we have before us is something we ought to look at very carefully. Probably, we have a situation here now where everybody has automobiles that will go at least 65 to 70 miles an hour on these big freeways, and they just do not see the need for curtailing their speed to 55.

Even though I agree with the gentleman that it will reduce the number of lives lost and that it has conserved fuel, I still believe that to require State highway traffic patrolmen to stop everybody going over 55 miles an hour in the United States today will mean that you will need infinitely more law enforcement officers.

Mr. BROWN of Ohio. Will the gentleman yield?

Mr. McFALL. I yield to the gentleman.

Mr. BROWN of Ohio. What this amendment does is to say the Secretary of Transportation can say that you do not get the money unless you have a law enforcement program and it is operative. It seems to me it puts the Secretary in a good position to encourage law enforcement, and it will also help the States to decide on their own that maybe this is a pretty good safety program, as good as the driver education program is.

I recognize that in many States—and perhaps the gentleman from California is in one of those States—there are safe drivers, but there are some people who are killing others by driving 70 or 75 miles an hour while the national speed limit is 55.

Mr. McFALL. I do not pretend that we have safer drivers in California than any other place, but I say to the gentleman that the law says 55 miles per hour is the speed limit, and the States will say "We are enforcing the law to the best of our ability." I just do not think you are going to accomplish anything with this. I oppose the amendment.

Mr. CONTE. Mr. Chairman, I join my chairman in opposing the amendment.

As the chairman said, I really feel it does not do anything. We passed a law calling for a 55-mile-an-hour speed limit throughout the country. This amendment says that no State or community shall get any of these funds if they fail to enforce the maximum national speed limit. Who is going to find out whether they are enforcing it? Will we send out the FBI or the Secret Service and try to find out who is complying with the law? And do they comply with it if they enforce it once a year or do they comply if they enforce it 365 days a year?

I am all for the 55-mile-an-hour speed limit. I think it is good and I think it has cut down on accidents. I also believe the daylight saving time law that we enacted has also helped a great deal in cutting down on the growth of deaths on the highways. But I think we are adding words to a bill that already has plenty of words in it now.

Mr. BROWN of Ohio. Will the gentleman yield?

Mr. CONTE. I yield to the gentleman.

Mr. BROWN of Ohio. To respond to the gentleman's question as to who makes the determination in this case, I will say the Secretary of the Department of Transportation will make the determination, and that is the thrust of my amendment.

Mr. CONTE. Yes; but he has to have some supporting evidence. He just cannot accept it carte blanche that the State says, "Yes, we have the right amount of enforcement."

They will say they are doing all they can to enforce the law, and every State will say that they are doing that.

Mr. BROWN of Ohio. Will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I would ask the gentleman from Massachusetts whether the gentleman denies that the effect of the amendment I have offered will be to encourage States to enforce the 50-mile-an-hour speed limit so that we can save some lives? That is the thrust of the amendment.

Mr. CONTE. I hope that the amendment is defeated.

The CHAIRMAN. The time of the gentleman has expired.

The question is on the amendment offered by the gentleman from Ohio (Mr. BROWN).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk concluded the reading of the bill.

Mr. McFALL. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. MURPHY of New York, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15405) making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1975, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. EDWARDS of Alabama. Mr. Speaker, I demand a separate vote on the so-called Shoup amendment.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The Clerk will report the amendment on which a separate vote has been demanded.

The Clerk read as follows:

Amendment offered by Mr. SHOUP: Page 7, line 15, immediately before the period, insert ", or to remote or decommission any existing flight service station".

The SPEAKER. The question is on the amendment.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. EDWARDS of Alabama. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 281, nays 120, not voting 32, as follows:

[Roll No. 306]

YEAS—281

Abdnor
Adams
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Arends
Armstrong
Ashbrook
Ashley
Bafalis
Baker
Beard
Bennett
Bergland
Biester
Blackburn
Boland
Bowen
Brademas
Bray
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burgener
Burke, Calif.
Burke, Fla.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Cederberg
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Coughlin
Cotter
Cochran
Cohen
Collier
Collins, Tex.
Culver
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
de la Garza
Denholm
Dent
Derwinski
Devine
Dickinson
Dingell
Downing
Dulski
Duncan
Edwards, Calif.
du Pont
Fish
Fisher
Flowers
Flynt
Erlenborn
Esch
Eshleman
Evans, Colo.
Fascell
Forsythe
Fraser
Frelinghuysen
Frenzel
Froehlich
Fulton
Fuqua
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Grover
Gubser
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hansen, Idaho
Hansen, Wash.
Harsha
Hawkins
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hillis
Hinshaw
Hogan
Holt
Horton
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kuykendall
Kyros
Lagomarsino
Landgrebe
Landrum
Latta
Leggett
Lehman
Litton
Lott
Lujan
McCloskey
McCollister
McCormack
McKay
McKinney
Madigan
Mann
Maraziti
Martin, Nebr.
Mathias, Calif.
Mathis, Ga.
Mayne
Meeds
Melcher
Mezvinsky
Milford
Miller
Mink
Mitchell, N.Y.
Mollohan
Montgomery
Moorhead, Calif.
Morgan
Mosher
Murtha
Myers
Natcher
Nelsen
Obey
O'Brien
O'Hara
Owens
Parris
Pepper
Perkins
Pettis
Peyser
Podell
Powell, Ohio
Preyer
Price, Ill.
Quie
Quillen
Randall
Rarick
Rees
Regula
Rhodes
Roberts
Robinson, Va.
Robison, N.Y.
Roe
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rosenthal
Roush
Rousselot
Roy
Roybal
Runnels
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sikes
Skubitz
Smith, Iowa
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Symington
Symms
Talcott
Taylor, Mo.
Teague
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Vander Jagt
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Williams
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wright
Wyatt
Wylie
Wyman
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—120

Abzug
Addabbo
Andrews, N.C.
Annunzio
Archer
Aspin
Badillo
Barrett
Bauman
Bell
Bevill
Biaggi
Bingham
Blatnik
Boggs
Bolling
Breaux
Brown, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Casey, Tex.
Clay
Cleveland
Collins, Ill.
Conable
Conte
Conyers
Corman
Davis, Wis.
Delaney
Dellenback
Dellums
Foley
Crane
Daniel, Dan
Cronin
Eckhardt
Edwards, Ala.
Eilberg
Evins, Tenn.
Findley
Flood
Ford
Fountain
Gaydos
Gettys
Green, Pa.
Gross
Gude
Hanna
Hanrahan
Harrington
Henderson
Hicks
Holtzman
Huber
Jones, Ala.
Jordan
Kluczynski
Koch
Lent
Long, La.
Long, Md.
Luken
McClory
McDade
McEwen
McFall
McSpadden
Madden
Mahon
Mallary
Martin, N.C.
Mazzoli
Metcalfe
Michel
Mills
Minshall, Ohio
Mitchell, Md.
Mizell
Moakley
Moorhead, Pa.
Moss
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nichols
Nix
O'Neill
Passman
Patman
Patten
Pickle
Pike
Price, Tex.
Pritchard
Rangel
Reuss
Rinaldo
Rodino
Roncallo, N.Y.
Rostenkowski
Ruth
Ryan
Shuster
Slack
Steed
Sullivan
Taylor, N.C.
Van Deerlin
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Wiggins
Wolff
Wydler
Yates

NOT VOTING—32

Brasco
Buchanan
Carey, N.Y.
Chamberlain
Conlan
Daniels, Dominick V.
Davis, Ga.
Diggs
Dorn
Frey
Griffiths
Hastings
Hays
Hébert
Holifield
Hosmer
Howard
Macdonald
Matsunaga
Minish
Poage
Railsback
Reid
Riegle
Rooney, N.Y.
Rose
Ruppe
St Germain
Sisk
Smith, N.Y.
Thompson, N.J.
Wilson, Charles H., Calif.

So the amendment was agreed to.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Davis of Georgia.

Mr. Thompson of New Jersey with Mr. Rose.

Mr. Rooney of New York with Mr. Sisk.

Mr. Matsunaga with Mr. Ruppe.

Mr. Macdonald with Mr. Conlan.

Mr. Riegle with Mr. Smith of New York.

Mr. St Germain with Mr. Buchanan.

Mr. Dominick V. Daniels with Mr. Frey.

Mr. Charles H. Wilson of California with Mr. Railsback.

Mr. Holifield with Mr. Chamberlain.

Mr. Howard with Mr. Hastings.

Mr. Brasco with Mr. Diggs.

Mr. Carey of New York with Mr. Hosmer.

Mr. Reid with Mr. Minish.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

Mr. DELLENBACK. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 392, nays 4, not voting 37, as follows:

[Roll No. 307]

YEAS—392

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chappell
Chisholm
Clancy
Clark
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Dennis
Donohue
Drinan
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain

Fraser
Frelinghuysen
Frenzel
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hawkins
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Landrum
Latta
Leggett
Lehman
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Mills
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Quillen
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reuss
Rhodes
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Rousselot
Roy
Roybal
Runnels
Ruth
Ryan
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Shuster
Sikes
Skubitz
Slack
Smith, Iowa
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—4

Crane
Gross
Landgrebe
Symms

NOT VOTING—37

Beard
Brasco
Buchanan
Burgener
Carey, N.Y.
Chamberlain
Clausen, Don H.
Conlan
Daniels, Dominick V.
Davis, Ga.
Diggs
Dorn
Frey
Griffiths
Hastings
Hays
Hébert
Holifield
Hosmer
Howard
Lent
Macdonald
Matsunaga
Minish
Poage
Reid
Riegle
Rooney, N.Y.
Rose
Ruppe
St Germain
Sisk
Smith, N.Y.
Teague
Thompson, N.J.
Wiggins
Winn

So the bill was passed.

The Clerk announced the following pairs:

Mr. Hébert with Mr. Davis of Georgia.

Mr. Thompson of New Jersey with Mr. Rose.

Mr. Hays with Mrs. Griffiths.

Mr. Matsunaga with Mr. Ruppe.

Mr. Macdonald with Mr. Conlan.

Mr. Riegle with Mr. Smith of New York.

Mr. Dominick V. Daniels with Mr. Buchanan.

Mr. St Germain with Mr. Frey.

Mr. Howard with Mr. Chamberlain.

Mr. Brasco with Mr. Hosmer.

Mr. Carey of New York with Mr. Wiggins.

Mr. Reid with Mr. Lent.

Mr. Minish with Mr. Winn.

Mr. Teague of Texas with Mr. Hastings.

Mr. Sisk with Mr. Burgener.

Mr. Diggs with Mr. Don H. Clausen.

Mr. Holifield with Mr. Rooney of New York.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. McFALL. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill H.R. 15405 and include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. McFALL. Mr. Speaker, I ask unanimous consent that all Members may have permission to revise and extend their remarks following the colloquy had between the gentleman from Missouri (Mr. Bublison) and the gentleman from Missouri (Mr. Symington) and the gentleman from Illinois (Mr Yates).

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERSONAL EXPLANATION

Mr. DON H. CLAUSEN. Mr. Speaker, I was unavoidably detained in my office by a telephone call, and therefore missed the vote on the bill H.R. 15405, the Department of Transportation Appropriation Bill. Had I been here I would have voted "aye," and I would like the Record to reflect how I would have voted.

THE CRISIS OF CONFIDENCE IN CONGRESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. Anderson) is recognized for 60 minutes.

Mr. ANDERSON of Illinois. Mr. Speaker, I have taken this special order to discuss the subject, "the crisis of confidence in Congress." Our colleague from Indiana, the distinguished chief deputy whip on the other side of the aisle (Mr. Brademas), recently advised our State Governors that they should start thinking about the prospect of what he termed "congressional government" in the next 2 years, a situation in which a House of 300 Democrats would confront a much weakened presidency.

I must confess that my own reaction to this prediction was one of ambivalence, for it is cause both for amusement and serious concern. In the first place, I do not accept the speculation that the Democrats will pick up better than 50 seats in the House in the next election. But even if we accept such a prediction for the sake of argument, it is ludicrous to think that it would usher in an era of congressional government. While the Democrats might be stronger in numbers, it does not follow that the Congress will be stronger as an institution.

Surely this Congress has had ample opportunity to reassert itself in the face of a Watergate-weakened executive branch, and yet the evidence does not indicate such a trend. If anything, despite the opportunities, this Democratic-controlled Congress has demonstrated that it cannot effectively and responsibly manage itself, let alone direct the rest of the Government or govern the country. And I think the American people are well aware of this fact. A recent Harris poll indicates that while only 30 percent of the American people approve of the job the President has been doing, an even lower 21 percent are satisfied with the performance of Congress. A more recent Gallup poll shows the Congress enjoying only a slightly higher approval rating than the President, 30 percent to 25 percent.

Mr. Speaker, while one might expect the Congress to at least temporarily fill the power vacuum created by Watergate, the polls clearly indicate the contrary. Congress too is on the skids with the American people, and I think it is fair to characterize this as a "crisis of confidence in Congress." I think it therefore behooves us at this critical juncture in our Nation's political history to conduct a serious self-evaluation of why the people's branch has lost the confidence of the people.

It would be easy to simply attribute this to unwarranted Watergate fallout, but such an assessment would be both simplistic and misleading. The same Harris survey which I earlier cited indicates that even in February of 1973, before Watergate became a major issue, the Congress enjoyed only a tepid 38-percent approval rating with the public. While one could conceivably argue that the subsequent drop of 17 percent in the polls had something to do with Watergate, we must also keep in mind that during this same period both energy and inflation were major issues, as was our inability to grapple with either problem.

THE ROOTS OF THE CRISIS

No, Mr. Speaker, I think a fair assessment of the crisis of confidence in Congress would clearly reveal that its roots antedate Watergate—that they in fact stretch back to the New Deal era and the emergence of a strong presidency and congressional acquiescence in that development over the past 40 years. Further accelerating this trend was the Congress rubber stamp role in the Great Society era which can best be characterized as an era of overpromising and underperforming. When the promises of the Great Society went unfulfilled, the American people were not only greatly disillusioned and disenchanted with its presidential architect, but perhaps even more so with its congressional builders.

Finally, Mr. Speaker, the Vietnam war was perhaps the straw that broke the camel's back, for not only did public weariness with this war force a President out of office, but it brought great discredit to a Congress which had acquiesced in this presidential war without attempting to assert its constitutional war powers. I think history will view the Vietnam war as one of the greatest sources of public alienation from Government.

It is true that in this Congress we have taken some steps to redress the balance between the executive and legislative branches. We have passed a war powers bill to restore Congress to its rightful role in this area. We are nearing completion of a budget and impoundment reform bill to restore to the Congress its constitutional prerogatives over the pursestrings. We hopefully will be considering legislation to limit the use of the doctrine of Executive privilege. We are moving ahead, albeit slowly, with our impeachment responsibilities. We have opened our committee deliberations to greater public scrutiny, and we at least began a monumental effort to overhaul our committee system, about which I will say more later.

But all of these reforms will be but mere hollow gestures if we do not demonstrate to the American people that we have the will and determination to implement them and thus to strengthen the Congress as an institution; and, in so doing, to act more responsibly and responsively in the national interest. On this count, the jury is still out, and while the American people are waiting for us to act, the erosion of public esteem based on our past and present failings continues.

Mr. Speaker, in the time remaining, I want to address myself to what I consider to be a very ominous trend which has already begun in this body, and one which is certain to be accelerated in the next Congress. In our zeal to restore the Congress as a coequal branch, or more, there are some who are charting what I consider to be a wrong course for the Congress and a disservice to the Nation. And I think the time has come to make the American people fully aware of just what is happening in this body so that they will be in a position to make informed and prudent choices at the polls this fall. I am speaking of the trend toward what our colleague from Indiana, the chief deputy whip (Mr. BRADEMAS) has termed "congressional government" and the danger that lurks beneath that development: the reemergence of King Caucus.

WOODROW WILSON ON CONGRESSIONAL GOVERNMENT

Mr. Speaker, in 1885, an obscure professor at Johns Hopkins University in Baltimore, a man by the name of Woodrow Wilson, published a book entitled, "Congressional Government: A Study in American Politics." Interestingly enough, at the time the book was published, Wilson had never visited Washington, D.C., and the Congress. According to one biographer, this omission was intentional, for he feared his mind might be contaminated by exposure to Congress and its Members.

In that book Wilson, who had long been enamored with the British parliamentary system, made a strong plea for strict party loyalty and discipline, proposing that congressional committees, like the British party model, be composed solely of members of the majority party strictly committed to implementing the party platform.

Central to this proposal was the operation of strong party caucuses. In Wilson's words:

> Rather than imprudently expose to the world the difference of opinion threatened or developed among its members, each party hastens to remove disrupting debate from the floor of Congress, where speakers might too hastily commit themselves to insubordination, to quiet conferences behind closed doors, where frightened scruples may be reassured and every disagreement healed with a salve of compromise or subdued with the whip of political expediency.

Wilson went on to write:

> The voting and speaking in the House are generally merely the movements of a sort of dress parade, for which the exercises of the caucus are designed to prepare. . . . the silver speech spent in caucus secures the golden silence maintained on the floor of Congress, making each party rich in concord and happy in cooperation.

KING CAUCUS SUPERSEDES CZAR CANNON

Wilson's prescription for congressional government became a reality when the Democrats took control of the House in 1911, less than a year after the revolution against a powerful Republican speaker, fondly known as Czar Cannon. As George Galloway notes in his "History of the United States House of Representatives":

> After capturing control of the House in the congressional elections of 1910, the Democrats promptly erected on the ruins of Cannonism a new political structure based on the secret caucus.

Perhaps not so coincidentally, King Caucus reigned supreme during the administration of President Woodrow Wilson, the author of "Congressional Government."

What kind of monarch was King Caucus? Fortunately, the historical record provides ample documentation as to the answer to that question. The spirit of King Caucus is perhaps best captured in the preamble to the Democratic caucus rules adopted in 1909:

> In essentials of Democratic principles and doctrine, unity. In non-essentials, and in all things not involving fidelity to party principles, entire individual independence. Party alignment only upon matters of party faith or party policy. Friendly conference, and whenever reasonably possible, party cooperation.

Unity and alinement on matters of party principles, doctrine, faith, or policy were enforceable through caucus rule 7 under which a two-thirds vote in caucus was binding on the entire Democratic Membership of the House unless a Member had made a contrary prior commitment to his constituents in the previous election or felt a construction of the Constitution was involved.

The man behind the throne of King Caucus during this period was Democratic majority leader Oscar Underwood of Alabama who was also chairman of the Ways and Means Committee. Exemplifying Underwood's rule are two resolutions which he offered in the April 1 and 11, 1911, Democratic caucuses. The first read:

> *Resolved*, That the Democratic members of the various committees of the house are directed not to report to the house during the first session of the 62nd Congress, unless hereafter directed by this caucus, any legislation except with reference to the following matters.

The second read:

> *Be it resolved*, by the Democratic caucus that we endorse the bills presented by the ways and means committee . . . and pledge ourselves to support said bills in the house . . . with our votes, and to vote against all amendments, except formal committee amendments, to said bills and motions to recommit, changing their text from the language agreed upon in this caucus.

George Galloway points out that another instrument of caucus control over legislative action was through the standing committees which were appointed by the Democratic members on Ways and Means, subject to caucus ratification: In Galloway's words:

> The caucus often controlled the committees by forbidding reports on other than specified subjects, or by other than specified committees, without its express consent; by issuing instructions to the Rules Committee as to the terms of special rules under which bills could be taken up in the House; and even by developing legislation in the caucus itself and bringing it to the floor after formal committee reference.

What all this means is that the Democratic caucus not only determined what legislation would go to the floor when, but it drafted legislation as well and bound its membership to vote against amendments on the floor.

Mr. Speaker, rather than cite all the instances in which Underwood's rule ran roughshod over the legislative process during the reign of "King Caucus." I think it will suffice to cite but one case history, that of the Underwood tariff bill.

SYDNEY ANDERSON ON KING CAUCUS

Mr. Speaker, on September 11, 1913, another Republican by the name of Anderson, Sydney Anderson of Minnesota, stood at this very spot in the well to announce his resignation from the Ways and Means Committee in protest. In his words:

> I am induced to resign my membership on the Committee on Ways and Means because the rules of this House and the system of legislation which is in vogue here deprive me of my opportunity for service to the country upon that committee; and because my continuance as a member of the committee must be construed into acquiescence in a fraud upon those who have a right to believe and do believe that I have had or shall have some part in framing the legislation reported by that committee.

Anderson went on to confess:

> I have had no part in making the tariff bill which passed the House and is now pending in the Senate. I shall have none. I am overwhelmed, discouraged, disheartened by the uselessness and the terrible fruitlessness of it all.
>
> It is true that I am still permitted to cast my vote, but I do so with the foreknowledge

> that it will not count. The votes are counted and the returns made up before my vote is cast.
>
> It is true that I may still offer an amendment, but though that amendment was suggested by the Apostle Paul it could not be adopted.
>
> It is true that I may still lift my voice in argument, but though my logic were as irresistible as the tide of human progress itself, and though I spoke with the voice of the angel Gabriel, I could not change a line or sentence of the bill.

Anderson went on to recount the history of the tariff bill; how, after less than a month of hearings, the Democratic members of the committee went into secret caucus to draft the bill; how they then reported the bill, not to the House, but to the Democratic caucus; how it was debated in caucus and a new version was reported from caucus on a Saturday by Chairman Underwood and then routinely referred to the committee the following Monday; how the committee, after only 30 minutes, with no discussion or opportunity for amendment, reported this massive tariff bill containing 14 schedules with up to 4,000 items affecting every major industry in the United States. Commenting on the development of the legislation up to this point, Anderson said, "it would be humorous if it were not so tragic."

The bill followed a similar course when it reached the floor. Despite the fact that debate on the bill consumed 156 hours, not a single amendment or suggestion offered by any of the 140-odd minority members of the House was adopted.

Commenting on this farce, Anderson said:

> It follows as a necessary conclusion that the sum total of human wisdom had been expended upon the bill before it left the Democratic caucus, or that members of the caucus were bound by its rules, written or unwritten, to vote against any amendments offered by the minority, no matter how meritorious. The first proposition is absurd; but if it were not, its falsity is demonstrated by the fact that suggestions and amendments of the minority were adopted and written into the bill by the Finance Committee of the Senate. The undisputed fact is that the whole bill, in form and substance, was determined by the caucus beyond the possibility of change before it came into the House at all.

Anderson went on to observe that, given these events, it was correct to view the caucus not simply as a party organ, but as an institution in its organization and relation to legislation. In his words:

> These questions reach the very foundation of representative government, for the effect of the caucus is to deprive the minority wholly of participation in the actual making of legislation.

Amplifying on this observation, Anderson explained how caucus rule strikes at the very heart of representative government by depriving a large body of Members the rights of debate, to offer amendments, and to vote as one's judgment dictates without coercion or restriction. In his words:

> The caucus preserves the shadow but destroys the substance of these rights.

And, in a most telling observation, Anderson noted:

> The caucus not only destroys the representation of the minority but of a minority of the majority, for it binds the votes of both majority and minority of the caucus as a unit in the House against all suggestion, amendments and debate.

And he went on to assert that caucus rule destroys another essential element of good legislation, "that the acts of Representatives should be always open to the scrutiny of the public." In his words:

> The caucus is the real legislative body and its proceedings are essentially secret. The yeas and nays and the proceedings of the House are valuable records to the public only when they record the real transactions of the House and the real attitude of its membership. The real attitude of the majority party, which under the caucus system is in complete control of legislation, is disclosed only in the caucus, and hence the record provided by the Constitution is a false or at least inaccurate and useless one.

Anderson said it was not enough to justify such caucus rule on the grounds that it was producing some good legislation, for, in his words:

> The same reasoning which now attempts to justify a caucus would justify a despotism.

He went on:

> I cannot believe in a despotism because I know that despots have done some good in the world. Nor does the right of representation seem less precious because it is denied by this benevolent beast, the caucus.

Anderson also informed his colleagues that he was resigning his committee post to devote his full efforts to reform of the House. In words strikingly similar to remarks which have echoed in this Chamber in recent years, Anderson said:

> If a business concern exhibited the same reluctance to establish new and modern methods in the conduct of its business as the House of Representatives does, it would soon be left behind in the march of progress, outstripped in the race of competition. This is exactly what has happened in the House. We have simply failed to revise our methods and to keep the machinery of legislation abreast of the march of civilization.

And what could be closer to home at a time when we are attempting to overhaul our committee structure than Anderson's observation that, and I quote:

> We should have the courage to tear down the crazy patchwork we have erected and by reconstruction make it efficient and responsive to popular demand.

Anderson concluded his speech with words which ring just as true to our purpose here today. In his words:

> I frankly hope that the action which I have taken will emphasize the situation which exists in the House and that it will arouse the country to a real sense of the iniquity, injustice and inefficiency of the system.
>
> I frankly hope that what I have said will arouse the whole people to protest, to a determination to assert their effective representation. I believe they can be relied upon to act intelligently when they are well informed, and I shall have mistaken their temper if they do not, in the near future, demand the reconstruction of the system which deprives them of the vital right of a free government.

APPRAISAL OF KING CAUCUS UNDER UNDERWOOD

Mr. Speaker, George Rothwell Brown, in his book, "The Leadership of Congress," pointed out that the powerful speakerships of Reed and Cannon, while not without their faults and abuses, at least had the courage of their convictions, were honest and four-square, and at all times were "in the open, exposed to the pitiless glare of publicity." Brown goes on to write:

> Every action it committed was instantly known throughout the country. The oligarchy demanded power commensurate with its responsibility, but the people could always hold it to that responsibility.

By contrast, Brown characterized the regime of Underwood and King Caucus as "a system of secret government in the House of Representatives, and in this lies its chief weakness and greatest menace." Continuing his incisive critique, Brown wrote:

> It does not operate in the open, but under cover. It does not stand four-square to all the winds that blow, nor does it court publicity. It avoids the light and suppresses all mention of itself.

Brown went on to write:

> The members constituting the Committee on Committees and the Steering Committee are not a part of the organization of the House, but of the caucus; they are not responsible to the House itself, or to the American people, but to the caucus or conference. Not being responsible, they cannot be held to accountability.

And Brown concluded:

> Obviously, there is a responsible power somewhere in the House, for the country from time to time has evidence that certain bills are put forward, and that others are held back. Where then has gone the power that Reed and Cannon used to wield? That is a question of vital concern. . . . Previously the country could see the wheel go around. Now it cannot.

In attempting to rebut such charges of secret caucus rule on the House floor on September 24, 1913, Speaker Clark said:

> All this talk of secrecy is of no avail. . . . The people of the United States want to know what Congress does. They are much more interested in results than in the methods by which those results are worked out.

Congressman Victor Murdock of Kansas responded:

> I heard this morning with profound regret the expression of the Speaker of the House. . . . He said to the House that the country was not interested in how Congress did things, but that it was interested only in what Congress did. . . . The country is interested in how this House does things. . . . The unit of representation in this House is not the political party. . . . The unit of representation here is the individual member representing a district, and the individual Member here is responsible not to his party or his party leadership, but is responsible to the people in his district.

Murdock went on to offer a classic definition of King Caucus as it operated at that time:

> Now what is the caucus? The caucus is a device by which the leadership hamstrings and hogties its following. How does it work? The formula is simple. A standing committee holds meetings, frames, fashions, forms and adopts a bill. That bill is brought into the caucus under the leadership of that committee. Here in a meeting which is secret from the public, which is out of public surveillance, away from public vigilance, there is some sort of deliberative proceeding. . . . And when they are ready the leaders rise, put on the gag, and force the vote. . . . Every man who goes into a Caucus knows that

> when he goes in he ties himself and ties his constituency against his own and against their constitutional rights. It is not a good practice. It is a bad practice. It is not good legislation. It is poor legislation.

KING CAUCUS TODAY

Mr. Speaker, why bother to review the historical record of King Caucus as it operated in the first part of this century? The answer is very simple. History has a way of repeating itself, and, as Hegel once said, the only lesson we seemed to have learned from history is that "people and governments have never learned anything from history, or acted on principles deduced from it."

One of our colleagues, the gentleman from Missouri (Mr. BOLLING), has written a very learned book entitled, "Power in the House," in which he cautions against a return to either King Caucus or Czar Speaker. In his words:

> It would be undesirable to impose the kind of party discipline which has been the rule in the modern British Parliament, whose members are now struggling to break their bondage. Dissent must not be stifled in the Democratic party. No member shall be subject to greater coercion than now exists. This country is too large and diverse to attempt to homogenize either party.

And yet, there is already a considerable-evidence accumulating that indicates King Caucus is making a comeback, and in all the worst possible senses of that term, including secrecy, strict party unity and discipline, disregard for minority rights, restraints on the free operation of the legislative process in committees and on the floor, and resistance to meaningful reforms.

Mr. Speaker, just as Congressman Sydney Anderson resigned his committee post in 1913 to protest the ruthless rule of King Caucus and arouse the country "to a real sense of the inequity, injustice, and inefficiency of the system," it is incumbent upon us here today to alert the American people to the dangers inherent in the congressional government which the Democratic leadership in this body projects for the next Congress. It is especially incumbent on us to warn the American people of the undemocratic and secretive nature of King Caucus, for if King Caucus is allowed to reclaim the throne in the House, I fear the crisis of confidence in Congress will only be exacerbated rather than ameliorated.

SECRECY

Mr. Speaker, a Harris survey conducted for the Senate Government Operations Subcommittee on Intergovernmental Relations, released on December 3, 1973, reveals that while Watergate has certainly been a factor in the decline in public confidence in Government, the lack of openness and candor from Government is a major factor in that decline. According to a Congressional Quarterly summary of the results of the Harris poll:

> The two chief conclusions drawn by the report were that government secrecy could no longer be excused as an operational necessity and that the key to any kind of successful future leadership must be absolute integrity.

In commenting on the accomplishments of the first session of this Congress, Speaker ALBERT, in a report published in the January 14, 1974, CONGRESSIONAL RECORD, made the following statement:

> While the executive branch has been growing more closed and secretive, with its excessive claims of executive privilege, the House of Representatives has opened up its workings to closer inspection by the public. Committee meetings are automatically open to the public, and a separate rollcall vote is now required to close any committee meeting or hearing.

The Speaker went on to say, and I quote:

> At a time when even such fundamental prerogatives of the Congress as control of the purse have been challenged and the Congress' reaction might well have been to withdraw into greater secrecy, the Congress demonstrated its vitality as an institution by opening up its workings, and growing closer and more responsive to the desires of the people.

It should also be noted that in the 1970 Legislative Reorganization Act, the House for the first time provided for recorded teller votes on amendments in the Committee of the Whole, a major reform in fostering greater openness and accountability. But one must ask to what avail are these so-called "sunshine" reforms if the House returns to a system in which a secretive King Caucus becomes the real legislative body?

At least under the old King Caucus era of 1910–20, rule 11 of the Democratic caucus provided that—

> The caucus shall keep a journal of its proceedings which shall be published after each meeting, and the yeas and nays on any question shall, at the desire of one-fifth of those present, be entered on the journal.

And Speaker Champ Clark, a defender of the secret caucus, could still boast:

> So far as an open caucus is concerned, the Democratic caucus blazed the way to give publicity to caucus action. The Democratic party established the rule in its caucus that every resolution should be entered in the journal and the journal should be kept open not only to members of the caucus, but to the press and everybody else interested, so that they can inspect it and see what has been done. That journal is kept like the Journal of the House, on the same principle, with all matters of legislation embraced on it.

Clark went on to remark:

> Every resolution which is offered in the Democratic caucus is entered in the journal, is open to inspection, and given to the newspapers if they desire to print it. The minutes are examined almost every day by Members of the House and by newspaper reporters and others who desire to examine them. They are open to the public.

And just what is the situation today in the Democratic caucus? The fact is that the caucus has taken a backward step by forbidding anyone other than members of the caucus from examining the caucus journal. This new rule was put forward by the so-called "reform" committee of the caucus, the same committee now studying the committee reorganization proposal. An attempt by the gentleman from Hawaii (Mr. MATSUNAGA) to insure that the journal would be open to public inspection was defeated on a 57 to 72 nonrecord vote on February 1, 1973. According to a Congressional Quarterly report on this supersecrecy reform:

> More damaging was the opposition of the House Democratic leadership, especially Majority Leader Thomas P. O'Neill Jr. (Mass.). O'Neill did not speak against the proposal in caucus, but he had said earlier that he opposed the plan because it would hinder him in rounding up votes on the House floor. He said he often needed votes from Democrats who initially disagreed with him on a piece of legislation, and he would find it harder to persuade them if they were already on record against him in caucus.
>
> Matsunaga did not ask for a record vote on his proposal. "Inasmuch as Mr. O'Neill was opposed to it, I didn't want to embarrass the leadership," Matsunaga told Congressional Quarterly after the vote.

Mr. Speaker, it is ironic at a time when the other party is claiming credit for all the "sunshine" in the House, that it is simultaneously moving to deeper and darker recesses of its caucus to design and dictate the legislative business of the Congress and the country. While some are warning against ever again emulating the King Caucus era of bygone days, the Democratic caucus today is becoming even more secretive than its predecessor. The American people should take a hard look at this new translucent facade which has been erected in the House, for all it reveals is a closed caucus door behind which increasing business will be conducted in the congressional government of a new King Caucus.

PARTY UNITY, MINORITY RIGHTS, AND REFORM

Mr. Speaker, rule 7 of the Democratic caucus rules has only been employed once, to my recollection, during my 14-year tenure in this body. That took place in January of 1971 when the caucus by a two-thirds vote, bound its membership to scuttling a one-third minority committee staffing provision contained in the Legislative Reorganization Act of 1970. Here again was an example of King Caucus at its very worst, suppressing the rights not only of the minority party in the House, but those in the majority who had in good faith supported the minority staffing provision in the previous Congress. Here was King Caucus, resistant to change, undermining reform, subverting an honest attempt to strengthen the Congress as an institution. This bald partisan power play left an ugly scar on the Democratic caucus, and it was duly noted in the press and across the land.

While the other party had won a battle, King Caucus had suffered a serious setback in his comeback attempt, and I think this largely explains why rule 7 has not been resorted to since.

But a much more subtle attempt is now being made to revive King Caucus, not through the use of the two-thirds binding provision of rule 7, but rather through the device of caucus instructions to Democratic committee members. It should be remembered that this device was used most effectively during the Underwood era of King Caucus.

The first resort to this device in recent times came in April of 1972 when the caucus instructed the members of the House Foreign Affairs Committee to report legislation setting a termination date for U.S. military involved in Indochina. The committee adopted such an amendment to the foreign assistance authorization on July 25, 1972, calling for an October 1 termination date subject to a cease-fire and release of prisoners.

The amendment was adopted by an 18 to 17 vote, with 5 Democrats of the 20 voting ignoring their instructions. The amendment was later deleted on the House floor by a vote of 299 to 177, including 80 Democrats supporting deletion. No disciplinary action was taken against the five defecting committee Democrats, mainly due to confusion over whether the caucus instructions were actually binding.

The next use of the committee instruction devices came on May 9, 1974, when the House Democratic caucus voted 111 to 95 to send the Bolling-Martin committee reform proposal to its "reform" task force for further study, and instructed the Democratic members of the House Rules Committee to take no action until the caucus had acted on the task force report. Here again King Caucus was acting contrary to widespread pressures for reform in the House. A mere 111 caucus members, or approximately one-fourth of the total House Membership and less than a majority of the Democratic Membership, was thwarting the will of a majority by caucus rule. Even if the Caucus Journal were available for public inspection, which it is not, the public would not know which 111 Democrats were killing committee reform: The vote was taken by secret ballot after a prior nonrecord vote adopting this undemocratic procedure.

Finally, the most recent example of the committee instruction device being employed by the caucus occurred on May 15, 1974, when the caucus by a voice vote instructed both the chairman of the Ways and Means Committee and the Democratic members of the Rules Committee "to seek and vote for, respectively, a modified closed rule" making in order only two Democratic amendments to the Oil and Gas Energy Tax Act of 1974.

Due to a fierce internecine battle now raging within Democratic ranks over the question of whether the instructions are binding, the American people are being deprived of a responsible oil tax bill which was originally promised for House floor action by April. The bill has been on-again, off-again in the Rules Committee several times, and as of the present, no date certain has been set for bringing this bill to the House floor.

ARE INSTRUCTIONS BINDING?

The real significance of the battle now being fought over the instructions question is much greater than the immediate issue of an oil tax bill. What is really at stake is whether King Caucus will again be allowed to regain the throne in the House. If those prevail who are arguing that caucus instructions are binding on committee Democrats, with no exception, and that disciplinary action can be taken against those who ignore the instructions, then the way will be paved for a return to Underwood rule under which the caucus dictated committee business and the substantive content of legislation to be reported.

A special report issued by the Democratic Study Group on June 4, 1974, entitled, "Caucus Instruction and Binding Actions" adopts this tough line. According to the DSG report:

> Members serve on committees entirely at the discretion of the Caucus, and although it is highly unlikely, the Caucus could decide to not assign a particular Member (or Members) to any committee whatsoever.

The DSG report goes on:

> The Caucus therefore has complete control over Members' committee assignments—including that of removing a Member from a committee entirely or stripping the Member of his or her committee seniority. . . . In addition, the Caucus may expel a Member under Caucus Rule No. 2 for "failing to abide by the rules governing" the Caucus.

The DSG brief likens a Member's relationship to the caucus in terms of committee assignments to that of a Member to his district in terms of his status as a Member of the House. Whereas a district elects a Member to the House, the caucus elects the Member to a committee. As Members of the House, they represent their districts; as Members of a committee, they represent the caucus, especially when the caucus gives them specific instructions.

Unlike rule 7 which requires a two-thirds vote to bind Members in voting on the floor, a simple majority of the caucus may instruct Members in committee, according to the DSG report. And, unlike rule 7, which permits exceptions if a prior commitment has been made to constituents or a constitutional question is involved, there can be no exceptions or exemptions from instructions to committee members.

How can such strict and airtight instructions be justified? The DSG report views mandatory committee instruction as a mere procedural device designed primarily to bring party programs and policies to the floor for consideration by the House—as in the case of the Green and Vanik amendments.

One must ask how it is, for the purpose of instructing committee members, that a matter can be considered a party program or policy at the insistence of a majority of those present and voting at a Democratic caucus. For a bare caucus majority could number as few as 63 members—one-half plus one of a quorum, a quorum being 124 Democrats out of a total membership of 247 Democrats—while it takes two-thirds of those present and voting in caucus, providing that two-thirds is at least a majority of the total caucus membership or 124, to determine party policy for the purpose of binding members on the floor. In other words, if a caucus consists only of a bare quorum, as few as 63 members can both determine what is party policy and impose that policy on Democratic committee members with binding instructions and the threat of reprisals for failure to comply with those instructions.

It can readily be seen from this example the great potential for abuse inherent in the reemergence of King Caucus. One-fourth of the total Democratic membership and one-seventh of the total House membership can determine the legislative priorities of the Congress and the country through this allegedly harmless and minor precedural method of dictating to committees what they will and will not consider and what they will and will not report.

How much support does the DSG interpretation of the binding nature of such instructions have? It remains to be seen. At present it is only safe to say that there is great confusion, conflict, and concern about the issue within Democratic ranks.

Perhaps best exemplifying the confusion is the following. In a story by Mary Russell in the May 24 Washington Post, we find the following paragraph:

> Rep. Richard Bolling (D-Mo.) considered an expert on the House as an institution, said the caucus action would bind Mills as well as the Rules Committee members.

This of course relates to the caucus instructions on the oil tax bill. And yet, on another matter, the committee reform resolution, again a matter on which the Democratic caucus instructed the members of the Rules Committee, the same interpretation apparently does not apply. In a Rules Committee discussion on the Bolling-Martin committee reform resolution on May 14, 1974, the gentleman from Missouri (Mr. BOLLING) said, and I quote from the transcripts:

> My problem is, as a member of that caucus, I am not bound and could not be bound, even by a two-thirds vote on this subject because I have a commitment to my constituents on this matter.

Apparently the Washington Post quote and the DSG brief are "inoperative" in this particular situation.

WILL KING CAUCUS PREVAIL?

Mr. Speaker, while there is certainly some amusement to be found in all this confusion and contradiction, I am reminded again of Congressman Sydney Anderson's remarks in 1913 in protesting the ruthless rule of King Caucus. In his words:

> It would be humorous if it were not so tragic.

We are discussing a very serious prospect here today, and that is the prospect of a revival of King Caucus and a further exacerbation of the "crisis of confidence" in Congress as the American people awaken to what King Caucus is all about. Instead of more openness, King Caucus promises to bring greater secrecy. Rather than greater direct responsiveness and accountability to the people, King Caucus reduces accountability to only what a simple majority of a majority of all Democrats may dictate at a given moment in time as party policy.

In place of structural and procedural reform of the House, King Caucus portends resistance to change and democratization of the House as an institution. And instead of legislative decisions being arrived at through the open and adversary operation of our committees and the full House, King Caucus promises predetermined results arranged behind closed doors.

Mr. Speaker, such prospects are not mere partisan fantasies or fears, for they strike at the very heart of our representative form of government, and the very nature of the legislative process. They should be cause for concern, not only on the part of the minority party in the House, but on the part of free-thinking individual Members of the majority party, and especially on the part of the American people.

The Congress does have a revitalized role to play in our system of government. But we will not regain our rightful role and public confidence through a reactionary abdication to King Caucus, and all that connotes.

If we are truly interested in restoring public confidence in the Congress, we must firmly reject King Caucus in favor of greater openness and candor with the American people, of due regard for minority rights, of more urgent and expeditious attention to committee reform, campaign reform, and tax reform, and of more responsible and responsive action on the problems of inflation and energy.

I am convinced that the House is capable of regaining public trust both through a reform of its structure and procedures and by making these reforms work for the enactment of responsible national legislation. While both parties can and must offer their alternate policies and programs, these must be freely openly and vigorusly debated, amended and passed upon in full public view, in the rough and tumble arena of our legislative process; we can never again accept Speaker Clark's assertion that the American people are only interested in results and not in how they were arrived at. We can never again allow secret caucuses to impose their will on this process or substitute their judgment for that of the full House. Let us hope we have at least learned this from history.

Mr. HORTON. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from New York.

Mr. HORTON. Mr. Speaker, I commend the gentleman from Illinois (Mr. ANDERSON) for arranging this special order today to discuss the crisis of confidence in Congress.

Recent public opinion polls have indicated that less than a third of the American people approve of the job Congress is doing. The fact that one major poll showed Congress scoring lower than the White House should dispel any notion that Watergate alone is behind this loss of confidence. Watergate aside, the people sense that Congress is not effectively addressing national problems.

Our colleague, Mr. ANDERSON, began today by warning us of the dangers of having the House of Representatives controlled by the secret deliberations of the caucus of the majority party. I associate myself with those remarks because the dangers are very real. Democracy and good government cannot be served if the will of the House is dictated by a simple majority of the majority party. That such policy determinations are made in secret flies in the face of everything we have done to open up our committee and floor deliberations. They run counter, as well, to our efforts to open the executive branch to greater congressional and public view.

The most outrageous example of rule by a minority of men from behind closed doors occurred at a meeting of the House Democratic Caucus on May 9. By a vote of 111–95, the Bolling-Martin Committee Reform proposal was pigeonholed in a party organ for further study. Less than one-fourth of the House killed reform by secret ballot.

To my mind, no other proposal holds more promise for improving the ability of the House to respond to the needs of the Nation. The committee system is the heart of the legislative process but we are operating under jurisdictional lines that date back to the 1940's. The Bolling-Martin committee did a valiant job of restructuring jurisdictions so as to provide the best division of labor. They recommended a long-overdue limit on assignments to major committees. And they called for improved mechanisms by which Congress can exert its oversight responsibilities.

That effort appears doomed and the price is great. More bills will languish in committees because of jurisdictional jealousies. Critical issues such as energy will be handled by a host of committees in piecemeal fashion. Committees will fail to get quorums because Members' time and efforts are spread too thinly. Those committees whose workloads are beyond reason will continue to be overtaxed. The social security program, for example, requires drastic reforms but it sits on the back burner.

Mr. Speaker, Congress is not without some accomplishments. The war powers legislation and the budget reform bill nearing completion come to mind as two examples of our ability to right the balance of power between Congress and the Executive. But the list of issues which have gone unanswered is the root cause for our low marks in the public's mind. I will deal with just one because it ranks above all others in terms of rebuilding confidence.

The House has yet to be presented with a major bill to reform campaign financing practices. Many of us have sponsored sweeping bills on this subject and there can be no doubt about the sense of urgency our constituents attach to these efforts. At a minimum, we need to establish stricter ceilings on contributions and spending, stiff disclosure requirements, and an independent regulatory body to enforce our campaign laws. We must give the people reason to believe that their elected representatives are in fact serving the public good rather than special interests. If we fail to do that much, we will never restore the people's faith in Congress.

Mr. YOUNG of Illinois. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Illinois.

Mr. YOUNG of Illinois. Mr. Speaker, I wish to say to the gentleman from Illinois (Mr. ANDERSON) that, as a new Member of the House of Representatives, I am most pleased to join with the gentleman in this discussion concerning the crisis as it relates to the people's confidence in Congress. I think this is a most timely and a most provocative subject.

I believe that, with the combined thinking of the Members of this House, there is an opoprtunity presented to us to make improvements which will help erase some of that loss of confidence.

I am particularly indebted to the gentleman for pointing out the dangers that can develop from the "king caucus" system, and I am indebted to my congressional colleague, the gentleman from Illinois (Mr. MICHEL) for the examples that he will provide with respect to the problems of having the Congress enact legislation according to the will of the people. I am hopeful that the Bolling report, the report from the Committee on Committees, for a reform of the operations of our committees will be given an opportunity to be fully debated on the floor of the House so that we can get the benefit of the time and the effort and the money that has been expended by that group in trying to improve our procedures.

Mr. Speaker, I am also hopeful that we will review the procedural matters and the way we attend to business in the Congress, and that we will afford more time for committee work and ample time for consideration of legislative matters in such a way that we will not have committee work infringe on legislative work and legislative work infringe on committee work.

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentleman.

Mr. KETCHUM. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I am pleased to yield to the gentleman from California (Mr. KETCHUM).

Mr. KETCHUM. Mr. Speaker, I wish to commend my colleague from Illinois for taking this important and timely special order on "the Crisis of Confidence in Congress." It is high time that the Members of this House not only recognize that confidence in this institution has eroded, but also place the blame for this occurrence squarely on the shoulders of the Democratic leadership—where it belongs.

Last February, I issued a press release stating my frustrations at the haphazard, arbitrary, and irresponsible manner in which legislation was being scheduled for consideration by the House. You may recall that this was the time when the Speaker canceled the Lincoln Day recess claiming that the press of business was too great. Well, here are some times for the House's sessions in that period: January 24—58 minutes; January 28—36 minutes; February 14—17 minutes; February 18—45 minutes. Where was all the pressing business on those days? Scheduling is hardly any better now. On June 4, for instance, the House was in session for 1 hour and 2 minutes. The next 2 days, June 5 and June 6, the sessions lasted for 7 hours and 56 minutes and 8 hours and 10 minutes, respectively. Somebody is doing a masterful job of misplanning.

We were all treated to a special display of absurdity last week. After the defeat of the rule for the Land Use Planning Act, it was apparent that there were huge holes in our calendar where land use was scheduled to have been. There was no reason on Earth why consideration of the International Economic Policy Act authorization had to be postponed from June 12 to June 13. The House adjourned at 2:32 p.m. on June 12. But the leadership obviously decided that having some piece of legislation was necessary on June 13 to preserve the fiction that they are doing an outstanding job in tending to the Nation's business.

While all of this foolishness is going on, a very great deal of legislation remains languishing in committee. We have not touched upon tax reform, or OSHA or farm labor legislation, or scores of other issues of vital concern to the American people. Instead, we find time for things like "Woodsy Owl," or for the most meaningless token sessions. No wonder the people are fed up.

I should also like to say a word about the abysmal shape of some of the bills that the Rules Committee is permitting to reach the floor. More and more often, we find sponsors of legislation offering amendments to clean up their product—the energy bill last December was a classic—on the floor instead of committee where this work should be done. With procedures like this, it should come as no surprise that the legislation that emerges from this House is so often such a mess.

As several of my colleagues are pointing out this afternoon, the American people are waking up and seeing through the clouds of fluff being sent out by the Democratic leadership. They know there are problems and that they are grievous. They demand that their elected officials stop fiddling around up here and do something about them. I hope that sometime soon, when the House leadership takes a break from hurling stones at the executive branch, they turn and take a good long look at their stewardship of Congress. Perhaps then we might see a little responsibility around here.

Mr. SHUSTER. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I am pleased to yield to the gentleman from Pennsylvania (Mr. SHUSTER).

Mr. SHUSTER. Mr. Speaker, I thank the gentleman for yielding.

I certainly wish to commend the gentleman from Illinois. I believe his remarks have been profound and thoughtful, and indeed I would go so far as to suggest that they may be recorded in time as historic remarks.

They may be looked upon as historic remarks which touch upon a very important issue.

As I read the prepared document which the gentleman from Illinois (Mr. ANDERSON) was kind enough to send around—it was sent to each Member, I presume—and studied the document in preparation for this special order, it struck me that there is perhaps an additional perspective which might be added to the concern over so-called congressional Government, which has been elucidated so clearly by the gentleman from Illinois; and that is the related problem or, indeed, the outgrowth of the proposal and the majority's desire for a so-called veto-proof Congress. We have heard time and time again that it is the objective of the majority and, as well, the objective of some very powerful special interest groups in this country to achieve a veto-proof Congress.

Mr. Speaker, I would suggest, in the context of the gentleman's remarks tonight, that if we look behind the words, "veto-proof Congress," there is both a general and a specific meaning.

The general meaning of a veto-proof Congress is the elimination of one of the fundamental checks and balances of our Constitution, for a veto-proof Congress will thwart the executive constitutional power, the executive constitutional capability to exercise the veto.

This to me is fundamental, it is pervasive, and it is of enormous concern, and it is the general implication, if we go beyond the code words "veto-proof Congress."

I think the American people should know what the real meaning of that term is. It is nothing more nor less than a blatant attempt to subvert the Constitution by eliminating the effective utilization of that check and balance of the Constitution.

However, there is a specific meaning to these code words "veto-proof Congress" as well, and that specific meaning, if we look at the particular individuals and groups espousing that veto-proof Congress is that they would like to see their programs, the programs which they advocate, adopted without any challenge.

I would suggest that those programs by and large are programs which relate to the so-called welfare state. We have had in this Nation, in my opinion, a creeping welfare state, and if those parties who advocate a veto-proof Congress achieve their goal, we will no longer have a creeping welfare state in this Nation but, rather, we will have a galloping one.

As distasteful as the word is, the word for it, I believe, is socialism. Indeed that is the kind of a battle which we are fighting now. We should face it and recognize it and name it accurately for what it really is. I think the American people should wake up and recognize that we are facing the possibility of a galloping welfare state and indeed of socialism in this country if the specific programs advocated by those who espouse the veto-proof Congress are adopted.

Even more importantly, perhaps, on the general point, if a veto-proof Congress is achieved, we will be in fact eliminating the fundamental check and balance of our Constitution.

Mr. ANDERSON of Illinois. Mr. Speaker, I am deeply indebted to the gentleman from Pennsylvania (Mr. SHUSTER) for remaining on the floor this late in the evening to make what I think is a very valuable contribution to this discussion, because it would be the height of irony indeed if at the very time when we are trying to redress the imbalance in power that has developed between the executive and the legislative branches we should, by electing what he has correctly designated as a veto-proof Congress, eliminate the very, very important check and balance as far as our whole constitutional system is concerned.

What we want surely is not a veto-proof Congress but, rather, what we want is an accountable, responsible, and responsive Congress that will act with dispatch on the people's business.

I am pleased now to yield to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Speaker, I appreciate my colleague yielding.

First may I subscribe to the comments that the gentleman just made but, moreover, to commend my colleague from Illinois (Mr. ANDERSON) for reaching back into the pages of history and bringing us up to date on the dangers inherent in the King Caucus, for here we are today in a kind of situation with an energy tax bill languishing in the wings and with all of the uncertainties surrounding our consideration of that measure as a result of an action by the King Caucus.

Mr. Speaker, as a member of the Appropriations Committee, I too believe there is a crisis of confidence in the Congress and would like to say something here today about spending, taxes, and mounting deficits, and its bearing upon the terrible plague of inflation. During this week and next week we are considering a number of our appropriations bills on the floor of the House. Figures are tossed around carelessly in the hundreds of millions and billions of dollars, as if Uncle Sam had access to an unlimited charge account.

The fact is that the Nation's bank account is badly overdrawn and a good measure of the responsibility for this financial mess rests right here with the Congress.

All during my 18 years here in this House I have been a member of the minority and the Democratic majority has rolled up one budget deficit after another that in the aggregate totals $218 billion during the past 20 years spending spree. This has added $234 billion to the national debt.

Notwithstanding the talk we hear from the other side of the aisle relative to our Appropriations Committee cutting the President's budget, we should not lose sight of the fact that the Democratic majority is responsible for enacting many of the new programs which have forced additional spending upon the administration. As a matter of fact, when the administration has attempted in the past to withhold funds from a program—impounding if you please—members of the Democratic majority have been the first ones on their feet to condemn the practice, and have instigated the court cases forcing the President to spend additional sums which he would prefer not to spend. The House Judiciary Committee is actually exploring the possibility of trying to impeach the President for his efforts to impound Federal funds.

There is another outrageous legislative gimmick that has come into vogue in recent years and that is back-door spending. Our Appropriations Committee is completely bypassed in these cases and there is really no way of maintaining Federal control over expenditures of this kind. Back-door spending plus mandatory programs enacted by the Democratic-controlled Congress have added $19 billion to the budget outlay since the fiscal year 1970.

A few weeks ago when we were debating the increase in the national debt ceiling, we were hearing all kinds of talk—principally from those who vote for every spending proposal that comes down the pike—about how tragic it was that we were forced to raise the national debt ceiling again. It was a day of demagogue's delight. I had occasion after that episode to check the record with respect to this issue of spending and a glance at the 1973 votes taken here in the House shows very clearly how the vast majority of Democrats by their votes reject the economy efforts and vote for increased spending. Democratic members provided the margin of victory on the following 1973 votes:

No. 10. Approved spending $210 million for rural environmental assistance.

No. 25. Defeated a more economical version of the vocational rehabilitation bill.

No. 27. Defeated a more reasonable substitute to provide authorizations of $501 million for programs for older Americans in fiscal 1973 and 1974—instead of $1.4 billion for 3 years.

No. 46. Voted to force the spending of all money appropriated for rural water and sewer grant programs. This increased Federal spending by $300 million over a 3-year period.

No. 90. Voted to increase funding for Category B Federally Impacted Area School Assistance Aid from 54 to 68 percent of entitlement.

No. 153. Defeated effort to cut authorization for arts and humanities from $145 to $81 million.

No. 204. Defeated an amendment to cut $632 million from the $1.2 billion increase over the budget in the Labor, HEW Appropriations bill.

No. 298. Tried unsuccessfully to cut funds proposed for Office of Management and Budget, which rides herd on Federal spending.

No. 349. Pushed through increase in Federal contribution to Federal workers' health insurance cost from 40 to 75 percent by 1977.

No. 366. Voted down an amendment to cut out $800 million proposed for urban mass transit operating subsidies.

No. 407. Defeated an effort to allow closing of eight public health service hospitals which have proved to be obsolete.

No. 461. Defeated a budget reform amendment that proposed limiting spending authorization to not more than three years except where there is funding through user taxes.

A few weeks ago in the Supplemental Appropriation bill we had another quarter of a billion dollars added by the Democrat majority to the public service jobs program and next week we will probably see another effort to add several hundred million more to the regular bill for the same program.

This Congress can no longer go on its merry spending spree as though the day of financial reckoning will never come.

It is time for Congress to make a serious examination of how to remedy its bad spending habits. Hopefully, the budget reform measure finally approved yesterday will have some impact on the confusion that to often surrounds congressional expenditures.

With the stranglehold the Democrat majority has on the machinery of both Houses of Congress, I would say to my friends on the other side of the aisle that you cannot escape the responsibility.

Instead of automatically adding to budget requests in every area of domestic spending, the majority party needs to use some of its expertise in helping us hold the line on Federal spending. It would be refreshing to see the Democrat majority making the same effort to cut spending in the nondefense areas as it does in defense.

A battle between the two political parties to reduce Federal spending would be a victory for the American people.

But instead of this kind of contest, we hear Democrats calling for a tax cut, one of the most self-defeating forms of political expediency that the majority party could propose as a cure for inflation. We cannot afford to cut our income, until we cut our spending habits. A tax cut now would be a cruel hoax on the American public, because it would fan the fires of inflation and reduce further the purchasing power of their dollar.

There can be no arguments over national priorities until we tackle the first major priority—an end to extravagant Federal spending.

A man with debts is not free—and neither is a nation. Economic stability is vital to our democracy, and we cannot buy financial security or prosperity with unlimited spending.

Mr. ANDERSON of Illinois. Mr. Speaker, I thank the gentleman from Illinois for his contribution. Indeed, I think the remarks made by the gentleman from Illinois are entirely germane to the subject that we have been discussing here this evening.

Mr. Speaker, I am now pleased to yield to the gentleman from California (Mr. VEYSEY).

Mr. VEYSEY. Mr. Speaker, I thank the gentleman in the well for yielding to me, and I want to congratulate the gentleman for bringing before us this important matter for consideration here today.

I think he has ventured into an area that is very controversial, and of course has its partisan overtones. But I am sorry that this special order is not participated in and not attended by more, including some of our colleagues from the other side of the aisle who, I think, could very well consider some of the matters that have been laid before us here today.

The concept of King Caucus dominating this House of Representatives is shocking. Especially is it sinister if we have a closed or secret caucus dominated by one particular group with one type of philosophical orientation within the caucus, and that group implements its instructions and desires by means of a gag rule, or by the terrible leverage of removal of seniority or of committee status, this is indeed an appalling concept, and I truly recoil from that idea. Yet that is the direction in which the majority party is taking us.

I agree with the gentleman in the well that the Congress has serious deficiencies and we have had serious omissions in our ability to tackle some of the problems that we should have solved.

Just today the gentleman from Illinois (Mr. ANDERSON) and I were discussing some details of inadequate procedure here on the floor of the House in terms of having amendments clearly in writing and available to all Members at the time that they are brought up.

The minority staffing commitment has been sloughed off, as the gentleman has so ably pointed out. The great drive for committee restructuring, long overdue, has been apparently sidetracked and diffused in some other way.

Closed committee meetings are still taking place. I find in my own Appropriations Committee meetings our friends from the other side of the aisle voting consistently to close those markup meetings, which should not be done. It is an action contrary, I think, to the hope and expectation of most Americans that these meetings should be open for public inspection. The public's business should be conducted openly.

The fact that we have not had action on oil depletion legislation in the House has been a great disappointment to all of us, and to most Americans.

As we review these things, I have to project ahead to the November election and consider this concept of a veto-proof Congress. A Congress heavily dominated by one political party. I view that as an extreme hazard. But I know that out in every Republican-held district throughout America there must be men and women grooming themselves as congressional candidates who are going to stand up and say, "If I am elected, I will be independent; I will exercise my independent judgment based on my own knowledge of what the people in this district really want in Washington."

And they will be wrong, because if elected as Democrats they will not be able to do that. They will be under the rule and the domination of King Caucus. They will be over-promising to the people of their districts when they make that statement. If they are elected they will find that they are under sanctions and under a gag rule implemented by slightly more than 100 Members in the Democrat caucus. They will not be independent.

I think it is time on both sides of the aisle that we begin to pay attention to what is good for America, not to what is good for the straight partisan politics in either of the parties.

I thank the gentleman very much.

Mr. ANDERSON of Illinois. The gentleman from California (Mr. VEYSEY) in his usual thoughtful and very succinct manner has literally addressed himself to, I believe, what is the very heart and core of the argument that I am proceeding to make here in the well this evening.

I am enormously grateful to him for his contribution.

Mr. Speaker, I am pleased to yield

now to the gentleman from Indiana (Mr. DENNIS).

Mr. DENNIS. Mr. Speaker, my own preoccupation necessarily with the current impeachment inquiry has been so exclusive that I am not sure that I have a great deal to contribute this evening. Certainly I have nothing carefully prepared such as the gentleman from Illinois prepared, and I have read his remarks.

I have read his remarks. But I came over nonetheless for just a few minutes because I sincerely felt that the gentleman in the well had raised such an important question and had taken the trouble to schedule a special order on such a vital matter that really a concerned Member of this Congress ought to make some effort to take part. It is unfortunate that our general situation here, as in so many cases, leaves practically a corporal's guard or less on the floor even for matters of this kind. I sympathize with the gentleman because on the one occasion when I ever took a special order so far it was on the vital question of war powers and I did not get any more people here than the gentleman has here this afternoon.

But, Mr. Speaker, when I first came to the Congress I heard a statement made over and over again and we have all heard it attributed to the late and distinguished Speaker, the Honorable Sam Rayburn, that "the way to get along is to go along." I do not dispute of course that there is some truth in that statement. No one wants to unnecessarily antagonize his fellows and heads have never been improved so far as I know by running them indiscriminately into stone walls.

Yet I think the fact that the statement is quoted so often in this Chamber and is quoted to newcomers and is quoted always as if it were the epitome of wisdom and a standard perhaps, and perhaps it is in its way, indicates in a thumbnail description what is wrong with the Congress because actually just to get along and to go along, whatever practical wisdom it may have, cannot be considered to be the highest principle of action in this Chamber or any other. It ignores completely the matter of belief, principles, courage, conviction, and a few other small things of that kind which also have their proper place in this body, it would seem to me.

There are just a few of the things which occurred to me and which occurred to me now as I go along, which I think are just criticisms of this body, and I have a great deal of respect and affection for this body, as I think almost everyone does who serves here. We get our share of unfair criticism. People do not know about a great many of the good things about this organization, but we are talking about some of the others tonight.

One of the things that annoyed me a great deal when I first came here and still does, is the closed rule. What is the excuse? If a man came from Mars and he was told we could not get up on the floor of this Congress and offer an amendment to a bill, what is the explanation? It is ridiculous. The people who elect me think I can get up and offer an amendment to any bill, and I ought to be able to.

I do not say there is never any excuse. I suppose everybody has sat here and voted for a modified rule at times. One bill for instance is the tax bill which always has a closed rule and some say we always have to have a closed rule and there may be some merit to that for the tax bill. But there are four or five issues in any different tax bill that amount to anything and they could be made in order to be debated. We could have a sensible modified rule. There is no excuse ever for completely closing a tax bill in my judgment.

The seniority system is pure baloney. I think I will believe that if I stay here for 20 years and gain some seniority, which, incidentally, I doubt I will do. Seniority has a good point. Seniority is important. Experience is valuable. But nobody can suggest it is the sole criterion of leadership. And we have begun to change that a little but it is so slow one can hardly see the molasses in January move. As a matter of fact the theory has begun to change and in practice it has not changed much at all. We could say the committee chairman could be elected from the three senior Members. It would be easy to do if we had the will to do it.

Budget reform is something we have finally done and that is one of the things we can credit ourselves with. I do not know how well it is going to work but at least we are trying.

The gentleman from Illinois has been here, I think, 14 years, and some Members longer than that. Everybody knows we ought to do something about that. It takes too long.

We are still trying to get some campaign reform. I am not quite sure just what form it ought to take, but I know we ought to have some. Everybody knows we ought to have some, but even in the wake of Watergate we cannot get a bill out of the committee. We cannot get the committee together to have a quorum. That is the kind of thing that loses confidence in this body.

There is too much general demagoguery that goes on. We, of course, want votes. I want them, we all want them. It is the essence of the system; but we cannot justify all the things we do. Somebody says when a man does something for principle there is also usually some good reason. Well, that is too true in this body too often.

Just to mention my own committee right now, and I am not going to go into the merits of what we are considering or anything of that kind; I think our chairman, although I disagree with him on a lot of things, has tried to conduct a fair inquiry from where he sits; but we cannot keep our Members from running out and making headlines by our own rules. This is supposed to be done in confidence. We are doing it every day. Can we expect to have respect for a body like that? I do not even respect my own committee in that respect. It has done a lot of good work and I like the people.

I say again, it is not the chairman's fault. He does not want that to happen, but there are some Members of our committee willing to do that right along all the time, just for a headline, just because they think the rule should be different and the way to get it changed is to act in that fashion. That is very irresponsible and there is too much of that going on in this whole body.

We do not come to grips with the things we ought to come to grips with. We do too many little things on the shoddy side as that.

I appreciate the gentleman from Illinois taking the time. My remarks are somewhat disorganized, but I thought I would like to take the opportunity to make them and especially to thank the gentleman for raising a question, which whether I have said anything worthwhile or not, ought to be raised.

Mr. ANDERSON of Illinois. Mr. Speaker, I am deeply grateful to the gentleman from Indiana, who has had a very arduous day, I know, in connection with his service on the House Committee on the Judiciary. I am honored that he would take the time to come here this evening and make a very important and very valiant contribution to this discussion.

Mr. KEMP. Mr. Speaker, I commend the gentleman from Illinois (Mr. ANDERSON) for offering Members an opportunity this afternoon to address themselves and the Nation on the crisis of confidence in Congress.

The gentleman's record in these Halls attests to his deep concern over this matter throughout his entire tenure here.

I too am deeply concerned over the growing—the mushrooming—lack of confidence in the Congress.

Lest we go astray, however, and thereby ascribe the wrong reasons to this phenomenon, I think it is important—and instructive—for us to take stock of why there is this growing lack of confidence.

Is it directed at the institution of Congress—the first branch of government? Or, is it directed at the controlling leadership? Or, is it directed at isolated Members or the postures they maintain?

I think it is probably a combination of all of these factors, and each—and all—should deeply concern all of us as we have the responsibility of doing our best to restore faith and credibility to our institutions.

I think the people are beginning to see the Democrat leadership of Congress as engaging in the smoke-filled backroom, bossism politics which we thought—and had hoped—had disappeared from mid-20th century politics.

Decisions are not being made on the floor of the Congress—decisions for all Members to participate in and for the Nation's press and people to witness. Rather, the important decisions are now being made in the backrooms.

As the gentleman from Illinois (Mr. ANDERSON) has indicated, we have returned to the era of King Caucus—where the backroom, closed door caucus of the controlling party reigns over the people's will. The epitome of political bosses, Speaker—"Czar"—Joe Cannon—who reigned over this House many years ago would be thrilled with what we are witnessing today.

One of the most important and most significant congressional reforms in years—the proposed reform of the congressional committee system and structure—has been pigeonholed by the Democrat caucus. Members—Republicans and Democrats—were denied outright the opportunity to debate this matter on the floor—to fully air the issues. Excuses are offered that the reform has been merely postponed by the caucus—sidetracked as the case may be—but many believe it may be dead.

Campaign reform—truly one of the most pressing needs of our day to restore confidence in our system—has yet to come from committee—a committee, like all others, chaired by a Democrat chairman and governed by the Democrat majority on the committee.

Are partisan motivations now dominant over the people's general welfare?

How else can one reasonably explain the inordinate delay in moving to the floor many crucially important matters now before committees?

How else can one explain why there is so much talk about our Nation's problems and so little action.

How else can one explain deferring action on some major proposals from this Congress to the next—from this year to next—if it is not from a belief that the Democrat majority expects to have more partisan votes next year than this year?

How else can one hear so much talk before the television cameras on the problems of inflation and soaring prices, and yet not have a concerted effort amongst the Democrat leadership to help us balance the budget, require stopping paper money issuance when there is no increased productivity commensurate with it, and hold the line on spending?

Maybe there are other answers. But, I cannot find any answer which responds adequately to these questions except that partisan politics is reigning supreme among the Democrat majority.

I have always felt that a Member serves his party best by serving his Nation and community first.

I had hoped when I came to Congress two terms ago that that opinion was shared by the Democrat leadership.

I think one of the unfortunate characteristics of public service in our time has been its reorientation, among far too many, away from the primacy of character and toward, instead, a primacy of personality.

We do not now live in a time when the essential quality of character is foremost in what people—the electorate—are seen to follow. Rather, the politics of personality has become dominant.

Instead of paying careful attention to the genuine character of a man and the ideals he espouses, the people too often follow those personalities who live under the camera's lights and before the microphones often it seems, to advance themselves in the people's minds more than to advance ideas in which they might believe.

Ideas and substance is subsumed when this happens—made to take second place to such considerations as what ought to be said to garner the most votes, what can get one on national television and before the public's eye, what can become sufficiently newsworthy or catchy to get front page coverage.

There was a time in our Nation's history when character was the chief determining factor for public office. It seems to me that at a time when we witness almost daily the abuse of office which arises—naturally—from the lack of character, that we should insist—that the people should insist—that character be once again made a governing factor in the selection of public officials. Personality is superfluous. In many ways it actually detracts from the substance of the man or woman. It is that substance to which we should redirect our mind's eye.

The people would be better served if they paid more attention to what their elected officials do than what they say. How many times have we seen officials decry excessive spending when back home among their constituents, only to return to Washington where they are known as big spenders?

When promises are made without conscious regard for whether they can be kept or not, dispair is bound to set in among the people. Our institutions are threatened by this gap in confidence caused by the lack of performance in matching the political promises of something for nothing.

Is there any doubt but that they are discouraged when they hear—time after time—that something is going to be done and yet it is not done?

Every public leader, elected or otherwise, has a specific, affirmative obligation to tell the people the truth, not just what they perceive the people might want to hear. The time has come to tell the people the whole truth, no matter how much that may be in disagreement with prevailing public opinion and no matter how much the telling of the truth may hurt at the voting booth. We can no longer afford superficial solutions and foolish promises which can neither be fulfilled nor are expected to be fulfilled by those who make them. Words and promises are not deeds.

There are no painless nor cheap solutions to defeating inflation, providing adequate energy resources, restoring our environment, providing an adequate national defense, helping to assure peace. Promises made in a vacuum resolve none of our Nation's ills. Truth alone provides the premises upon which real world answers can be espoused and effectuated.

The frustration of mandates given to the programs of elected leaders by the people is nothing new to our system or to our Nation, yet it has been accentuated in recent years.

Consider what happens with most Federal programs today. The Congress levies taxes and authorizes expenditures, but the crucial operating decisions are often made by anonymous bureaucrats who are directly accountable neither to elected officials nor to the public at large.

Government talks more and taxes more, but too often it fails to deliver. It grows bigger and costlier, but our problems only seem to get worse. The result has been a widening frustration in America and the mounting fear, as I have pointed out in the entirety of these remarks, that our institutions will never again be equal to our needs. This must not be allowed to continue.

The people work and vote for a candidate pledged to a change in the direction of programs. The people, by majority vote, give to that candidate a mandate for such change. He comes to office and strives to achieve his plurality-endorsed mandate, but too often nothing, or little, happens.

The American people perceive the ways in which bureaucracy committed to old programs and special interests committed to their own particular interests, often over and against the interests of the whole, are able to frustrate their—the people's—intent, expressed through the ballot box.

There can be little wonder why these frustrated voters often call into question the capacity of government to perform. One answer lies in making the structure and people within the government more accountable. An additional answer lies in removing from government the power over peoples' lives, so that they may, individually and collectively, make the decisions which affect them most directly.

Mr. Speaker, the time has come for a reassertion of genuine leadership in America. Misdirected programs—resting upon ill-conceived or inadequately documented premises, arising from the central yet fallacious notion that government alone can perform best for the people—have contributed mightily to the breakdown in our institutions, public and private. We see daily manifestations of this breakdown, but they are the results, not the causes, of our problems and of my concern.

Abraham Lincoln, before he came to the Presidency, lamented:

> If we could first know where we are, and whither we are tending, we could better judge what to do, and how to do it.

I think we, who look coldly at the truths of history and their relationship to our present crisis, know exactly where we are and where we should tend. I think it is time for this Nation and Members of this body to give to the Nation the quality of leadership which it and its institutions now require.

Mr. MIZELL. Mr. Speaker, I rise today to add my voice to those who are participating in this special order on "The Crisis of Confidence in Congress." My colleagues have cited extensively the findings of recent public opinion polls indicating that public confidence in the Congress is at an alarming low point. It behooves us all—Democrat and Republican alike—to heed the warnings of the people and take definitive, effective action to insure that the Congress can and does execute the primary duty assigned it by the Constitution—representing the will of the people who have elected us.

The answer to the question, "What can

we do?" is not difficult. In my opinion, there are three things which we may do. First, it is imperative that the Congress stop regulating the people to death. Our task is responsive and responsible government, not total regulation of the details of the lives of every American citizen. Second, we must halt excessive, wasteful Government spending. Through repeated delegation of broad, unrestricted authority to the Federal bureaucracy, the Congress has permitted the proliferation of numerous Federal spending programs which frequently do not answer legitimate needs, do not attack problems in a rational, feasible manner, but simply throw money haphazardly at problems accomplishing little besides increasing inflationary pressures and placing higher tax burdens on the American wage earner.

Finally, if we are to restore confidence in this institution, we must not permit the re-emergence of "King Caucus" as effective, representative Congress. If we permit the establishment of rule in the House by party caucus—binding Members to vote the party line, perhaps against their convictions or against the wishes of their constituents, we cannot expect the people to believe that we are legislating in their best interests. We are first and foremost the representatives of the people—not of party or some vague ideology. We are answerable to the people in the first instance and always—not to some ill-defined party line.

In our hands is the awesome responsibility of the public trust. An important part of that trust is the assurance of an effective, representative Congress. If we fail to honor that trust, we will rightly be turned away by the voters at the polls. The results of recent elections across the country indicate that the voters are dissatisfied with "business as usual" in the Nation's Capitol. The message is clear: either we act to reform our own procedures and to make Government responsive and responsible, or we will no longer enjoy the privilege of representing the people.

We should not—we cannot—turn our backs on the call to return power to the people. The people want effective power returned to the State and local levels. When we passed the general revenue sharing program, we took a first step in the right direction. But, it took this Democrat-controlled Congress almost 4 years to enact that legislation. Now, we hear rumblings that a "veto proof" Congress will do away with revenue sharing over the objections of the people. Such irresponsible action will not restore the confidence of the people in the Congress.

Is it any wonder that the people do not trust us? Not only did the Congress drag its feet on revenue sharing, it permitted massive forced busing of children to continue when every available poll indicated that between 70 and 90 percent of the public opposed busing. The House finally acted on this issue, but for too long it ignored the cry of the people. If the Senate continues in its obstinate refusal to heed the people's voice, public trust and confidence in the Congress will surely sink even lower.

The best way to end the crisis of confidence in the Congress is to reform the Congress. And to reform now. Not tomorrow. Not next week. And most certainly not in the next Congress. We have the mandate of the people, and we must act on that mandate now. We are obligated to get moving in a positive direction. We must show the people of this Nation that we can and will take the initiative. We will be negligent if we are forced by the people to act. We must act to reduce the regulation of the lives of the people. We must act to curtail unnecessary Federal spending. And we must insure that this body functions openly and honestly with the views of the people considered the most important factor in the decisionmaking process.

My colleague, the distinguished chairman of the House Republican Conference, JOHN ANDERSON, has today presented the facts in his usual eloquent manner, and I think his words bear repeating:

> If anything, this Democratic-controlled Congress has demonstrated that it cannot effectively and responsibly govern itself, let alone govern the rest of the government or the country.

The arguments we frequently hear these days about the merits of party rule in the House need to be examined in the light of their real potential for the minority in the House and for the Nation. It is significant that the Democrats have controlled the Congress for 36 out of the last 40 years. During this time, the power of the Congress has been drastically reduced, the number of Federal categorical grant-in-aid programs has increased in almost geometric proportions, the power of the Federal bureaucracy has grown at astronomical rates, and the voice of the people in the affairs of Government has been sadly reduced. If we could be assured that the will of the majority in the Democratic caucus would always correspond to the will of the people, we would have little about which to be concerned. But, this assurance is not ours. I have only to cite the action of the Democratic caucus on May 9, 1974, of effectively tabling indefinitely the Bolling-Martin committee reform proposals, to provide proof of my contention. It bears repeating that this action was done in secret—done in secret so that those opposed to reform would not be embarrassed by their votes. I urge my Democrat colleagues to quickly bring this issue before the House and the people. The action of the majority party blocking these reforms, which would benefit the entire Nation, is sad indeed.

Mr. Speaker, the people of this Nation are tired of the influence which special interests groups exert over the legislative process. The people resent the power of a few powerful labor bosses over the House Education and Labor Committee. They resent the inordinate power of a few members of certain strategic and powerful committees over the legislative process. The people are angry because big business can demand and get special treatment from certain committees. The people desire—the people demand—effective changes.

The people of this Nation need to be told the facts of this matter. The Republicans in the House have endorsed the Bolling-Martin Committee reform proposals through their Policy Committee. The Republicans have gone on record, openly, in favor of making this body once more representative of the will of the people. The Democrats in the House—acting in secret to refer the reform proposals to a task force of the Democratic Caucus for further study—have effectively told the American people: "We are not going to act to reform the antiquated committee system in the House. We are, instead, acting to protect our power and to continue and extend the tired and cumbersome jurisdictional jungle inherent in the present committee structure."

I need not repeat at length here the numerous examples of overlapping committee jurisdictions. We are all well aware of the extent of the problem, and the hearing record of the Select Committee on Committees is replete with examples. The testimony of Members and private citizens alike shows that there is little dispute over the fact that in recent years the House of Representatives has become less capable of discharging the myriad intricate duties imposed upon it by the ever-increasing needs of our complex society. There is also general recognition of the fact that if Congress is to assume a vigorous and effective role in the conduct of the Federal Government, the committee structure of the House must be reformed.

Not only must we revamp the juristion of the major committees of the House, but we must insure that the House is capable of exercising adequate oversight of the administration of congressionally authorized program by the Executive. In his testimony before the Select Committee on Committees, my distinguished colleague, the gentleman from Minnesota (Mr. AL QUIE) noted that the Federal Government has some 264 programs in force in the field of education. Most of the authorizing legislation requires the administering agency to report on these programs annually to the House Education and Labor Committee. As the co-chairman of the Select Committee on Committees, Representative DAVE MARTIN, rightly noted:

> These reports come to the committee—and I think this is generally true of all the legislative committees—maybe some of the staff takes a look at them, glances through a couple of pages and they put them back in file 13 . . . No one pays any attention to the reports. To me, that is a primary reason why once a Federal program is started it is never eliminated, because no one pays any attention to it.

Congressman MARTIN is certainly justified in being concerned about the lack of adequate and responsible congressional oversight. This is a major reason why Federal spending is out of control. Wasteful programs laid on top of wasteful programs—that has been the drift of our legislative action since the New Deal. Adequate oversight is absolutely essential if we are to halt this trend—and halting it is what the American people want us to do.

In a society where needs are as complex and rapidly changing as those of our society, it is necessary that the Congress be equipped to review our own action and the implementing actions of the Executive in order that we may alter, and when necessary, eliminate antiquated, inefficient and wasteful programs which do not meet the new and different needs which arise in the course of the life of the Nation. Is it reasonable to expect a Member of Congress to know what is going on in 264 educational programs in the country when his time, energy, and attention are divided between the needs of his own constituents and the further demands imposed by the duties of more than one major committee and subcommittee assignment which may deal with several hundred more related and unrelated programs? Specialization is necessary and natural in the conduct of our affairs. This is a strong argument for the adoption of the proposals of the Select Committee.

The House has just taken a significant step in the right direction by approving the establishment of a centralized mechanism for formulation and review of the Federal budget. I gladly supported this effort because of the need to establish firm congressional control over the Federal budget. Since my first term in the House, I have been urging action to bring Federal spending under control and to make the Congress once more a co-equal branch with the Executive in the fiscal policy of the Nation. We need these separate budget committees in the House and Senate to look over all proposals for Federal spending. We now have the opportunity for the Congress to take the lead in insuring a rational, reasonable Federal fiscal policy. We can now fix an overall target for Federal expenditures. We can now set a responsible ceiling on the Federal budget. We can now assign reasonable priorities to the increasing number of programs which are proposed each session, and we should be better able to weed out unnecessary programs. These budget committees must have access to the technical capabilities now available to the Executive which will enable them to adequately review the programs in existence, many of which are playing havoc with the tax dollars of the American citizen. Congress needs and must have the same capabilities now possessed by the Executive in the Office of Management and Budget. I have said before that the essential need of our Government is to have both a strong Executive and a strong Congress, working together, to insure the maintenance of sound fiscal policy.

It is worth emphasizing that we must end our futile habit of passing individual spending bills which in total far exceed amounts dictated by economic prudence and which feed inflationary fires. The American housewife is tired of ever-increasing food and medical costs. The American businessman is justly fed up with decreasing profits and rising costs.

The responsibility of the Congress is to halt these lamentable tendencies in Federal policy—not to encourage them. We can see from experience that relying solely on the Federal bureaucracy to formulate and administer national fiscal policy cannot and does not insure a responsible policy which accurately reflects the needs and desires of the people. We can see from experience that the present system of divided authorization and appropriation in the Congress serves only to add deficit to deficit—a patently ridiculous and disastrous approach. I am encouraged therefore that we have recognized the need for fiscal reform and have taken this step toward insuring that the taxpayer can keep more of his hard-earned dollars in his own pocket.

Mr. Speaker, it is imperative that we add to this small beginning a strong effort to effectively restructure and reform the committee system in the House of Representatives. My colleague, the gentleman from Illinois (Mr. ANDERSON) has given us a concise and poignant summary of the evils of King Caucus. I would admonish my Democratic colleagues to heed his words. The people will no longer tolerate lip service to reform. The people want and demand action. If the Democratic majority in the House acts to thwart meaningful and effective reform, they will surely answer for their negligence at the polls this fall. The American people simply will not buy the story that the Republican Party is responsible for the excesses of Watergate and all the excesses of Government. What the American people will buy is this: It is the Democrats who in the 93d Congress blocked efforts to reform the House of Representatives—efforts to make this body responsive and responsible to the people. The American public will be made aware that it is the Democrats who would prevent Congress from making itself capable of adequate oversight of rampant Federal spending. The American people will not elect a "veto proof" Congress because the people are not fools. They do not want a Congress that will continue a fiscal policy which will burden them with higher taxes, which will not halt inflation and which will perpetuate Federal programs which do not answer legitimate needs in a responsible fashion. The people want responsible representation—representation which will make every conceivable effort to control the growing and unresponsive bureaucracy, representation which will make every possible human effort to halt runaway inflation.

We are charged with providing our constituents with good Government. Today, we have outlined the opportunities, which lie at our doorstep, to meet the challenge of good Government and to end the crisis of public confidence in the Congress.

Gentlemen, we have only to act.

Mr. MALLARY. Mr. Speaker, I am delighted that the gentleman from Illinois has taken this time to discuss the present precarious state of our legislative processes. I would like in these moments to discuss briefly the inadequate performance of the Congress in the energy field.

Mr. Speaker, the energy crisis, along with inflation, is uppermost in the minds of my constituents. And when I travel to Vermont, a number of my constituents ask me: Has Congress done anything about the energy crisis? Has Congress done anything about gas and oil prices? Has Congress done anything to see that next winter we do not have an oil shortage worse than last winter, and that we do not have longer gas lines?

I have a hard time answering those questions. I can point to various pieces of legislation in various stages of progress in the legislative process—hundreds of "energy crisis" bills have been introduced in this Congress—but has all of this really amounted to anything?

In the spring of 1973, it became clear to anyone who cared to study our energy situation, that the United States was already involved in an energy crisis, which would soon become critical. In various public statements, I cautioned Vermonters to conserve gasoline, because there would be a gas shortage that summer. On April 18, the President sent to the Congress his energy message, which described the serious nature of our energy supply and demand picture, and outlined actions, which could only be taken with legislative authorization, which should be taken to relieve our energy problems.

The congressional leadership seemed to take little note of that message. By summer, when the gasoline shortage hit much of this country, and a number of small, independent nonbranded or independent branded gasoline retailers were forced out of business, the House leadership again seemed to be little concerned.

Significant energy legislation was not cleared by the Congress last year until almost a month after the Arabs announced their oil embargo. By that time, the United States had plunged into an energy crisis and energy shortages of critical proportions. By then, it was too late to do anything about immediate shortages except to see that everyone got a fair share of the energy supplies that were available.

The first piece of major energy legislation cleared by the Congress last year was the bill authorizing construction of the trans-Alaska oil pipeline. It was not cleared by the Congress until November 13, more than 7 months after the Supreme Court affirmed a lower court decision that congressional authorization was necessary before the Alaska pipeline could be built. Alasko oil is our primary new domestic source of oil. Of course, even if the bill had been passed immediately after the Supreme Court decision, the pipeline could not be built fast enough to help increase our oil supplies last year, or this year. But a delay of even a few months in tapping these reserves which the United States desperately needs is unconscionable. Despite the great importance of this bill, we witnessed a curious delay—it was not referred to a conference committee until more than a month after it had been passed by both houses. And a conference report was not filed until 2 months after that. One wonders why the leadership condoned, or encouraged, this kind of procrastination.

One day after the Congress cleared the pipeline bill, it cleared the Emergency Petroleum Allocation Act. Of course, 2 weeks earlier, the administration had already implemented a mandatory allocation program for middle distillate fuels. By that time, hundreds of small gasoline retailers had already gone out of business. And the bill had by that time been subjected to some bewildering legislative shenanigans. In the Senate, the provisions of that bill, along with a rollback of the beef price ceiling, were attached to the Hobby Protection Act. The obvious guess as to why this was done in the Senate was because the Senate hoped that the House would get around to considering petroleum allocation. The Senate passed an allocation bill on June 5, and by August 2, when they tacked allocation on to the Hobby Protection Act, the House still had not seen fit to consider the problem of petroleum allocation. It was not until October 17, when the Arabs announced the oil embargo, that the House finally passed an emergency allocation bill. The ultimate congressional passage of the bill was of little comfort to businesses that had already gone out of business for lack of adequate petroleum supplies.

Only two other significant energy bills were cleared by the Congress in 1973. On December 14, a bill providing for year-round daylight savings time was cleared. On December 21, a bill providing for a 55 miles-per-hour speed limit on the Nation's highways, was passed. Both of these bills were subject to intense opposition in some quarters, but they are examples of how the Congress can, within a matter of weeks, swiftly act on urgently needed legislation. With these bills, it was clear from the beginning, however, that they received the full support of the House leadership—and by that I mean the Democratic leadership.

An Energy Emergency Act never was enacted. Of course, the Democratic leadership can point to the fact that the bill was vetoed by the President, and the veto was sustained primarily by Senate Republicans. But the bill was not finally approved by the Congress until 4 months after it was requested by the President. By that time, the bill included everything but the kitchen sink—including an oil price rollback. We can spend hours debating the question of whether oil price rollback legislation would provide more than political hay for Members seeking reelection, but it is clear that such a provision would be more appropriately considered on separate legislation, not attached to legislation providing, among other things, authorization for gasoline rationing. If leadership had been exerted in the House and Senate, the act could have been approved by the Congress in December, instead of allowing the act to languish during an extended recess, only to be subjected to oil price rollback language.

This Democratic-controlled Congress has failed to enact legislation needed to deal with our energy problems on a long term basis. The only bill thus far enacted with a view to the long term is the bill to establish a Federal Energy Administration, which had substantially already been created by the Executive. We have yet to send to the President legislation to establish an Energy Research and Development Administration. Coordination of all Federal energy research programs, and a substantial injection of research funds, could well be the most important investments we can make in our country's future.

Millions of citizens across the country are frustrated and angered by high prices for petroleum products. At the same time, they are receiving reports of tremendous increases in oil company profits. The Congress has done nothing to defuse the highly emotional charges of monopolistic activities of oil companies and profiteering. The Congress had not initiated or authorized funds for a full-scale investigation of these charges. In order to deal with this problem, and to retain any public confidence in our system, we need to know the facts about competition in the energy industries, allocation of energy supplies, and calculation of prices.

The Federal Trade Commission did initiate a study of the oil companies, and has initiated a suit against major oil companies for alleged anticompetitive practices in the refining stages on the east and gulf coasts. There are questions as to whether the FTC has the resources to handle this suit, and this does not begin to address the issues presented in 1973 and 1974.

The only "investigations" which have been launched as a result of the shortages we faced last summer and winter have been congressional hearings, orchestrated for the purpose of committee leaders receiving maximum public exposure while castigating oil company officials. This has resulted in political gain for certain individuals, but has not constructively contributed to solving our energy problems.

Many House Republicans are anxious for a significant investigation. Until the congressional leadership sees fit to act on this type of legislation, we must content ourselves with the necessarily limited investigations such as that to be conducted by the Task Force on Anti-competitive Practices and Monopolistic Powers, sponsored by the House Republican Conference.

We are watching the Democrats play political football with the issue of oil company profits. The House Ways and Means Committee has reported legislation providing for a gradual elimination of the oil depletion allowance, and the imposition of a windfall profits tax on excessive profits which are not plowed back into exploration, research and development. The House Democrats have retreated into the Caucus, to vote in secret that the percentage depletion allowance should be eliminated immediately, not gradually. Members of the leadership are declaring that all Democratic Members of the House are bound by this vote, and must vote for immediate elimination. Other Democratic Members are understandably recalcitrant, believing that they are representing their home districts and add the people of this Nation and not the National Democratic Party. Therefore, the House has not yet had a chance to vote on the Oil and Gas Energy Tax, not only because the Democrats do not agree on the provisions, but because they do not agree on the prerogatives of the "King Caucus." It is unfortunate, to say the least, that this issue has to slow up progress on energy tax legislation. It is also unfortunate that the Democrats are not prepared to iron this out in public, and simply have a rollcall vote on the House floor to determine whether a majority of the House supports immediate or gradual elimination of the depletion allowance. That is how our schoolchildren are taught the democratic legislative process works.

There is a great deal of urgently needed energy legislatioin pending before this Congress. Let us not play party politics with it.

Mr. DU PONT. Mr. Speaker, the more I travel around and the more I listen to the people of Delaware and to the people all around the country, the more it becomes obvious to me that the issues of ethics and integrity in government has swept aside all other issues.

To restore confidence in Congress, we must deal not only with the problems of this country, but we must begin to practice what we preach.

What is Congress preaching? Why reform, of course. Response to Watergate; Cleaning up America's political system so that we will not have this corruption.

Never in the history of our young country, has there been such an outpouring of righteous indignation from the Congress as there has been recently over the activities surrounding the Watergate affair. Everyone is investigating the scandal from Senator ERVIN to the Washington Post to the House Judiciary Committee.

As the inquiry proceeds on all fronts, we witness daily statements by all sorts of Members of Congress, condemning the abuses of the administration, expressing shock and outrage, and pointing the finger of accusation at the other end of Pennsylvania Avenue.

I am one of those people who has spoken out—rather forcefully—against the abuses represented by the scandal that is broadly being referred to as Watergate.

I too have pointed out need for reforms—that never has opportunity been better for reform—that now is time to act—to strike while the iron is hot.

But is the Congress acting? Are we striking while the iron is hot?

The answer is that Congress is not doing one thing to pass the reforms which are so necessary to ensure that the same things do not happen again. Not one single thing. Never has so little been done about so much.

Wouldn't it be a tragedy if our country gained nothing from the agonies and frustrations we are going through now? Wouldn't it be a tragedy to have gone through a traumatic investigation of everyone from the President to the milkman in vain?

Regardless of the final fate of Richard Nixon, I truly believe that the lasting impact we receive from our efforts can only be the passage and enactment of meaningful, comprehensive reforms to modernize Congress, to make it more accountable to the people and not to special interests—to change the god-awful manner in which we finance our campaigns, and to bring a new candor and honesty to the political institutions of our country. By doing these things we begin to restore confidence in government and its leaders.

But are we progressing?

The Clean Elections Act, of which I am a sponsor, has been before the House Administration Committee for over 16 months. During these 16 months, the committee has somehow managed, in its laborious struggle, to go over a dozen pages of the bill—out of 30. The leadership has absolutely killed the bill. They keep saying, "Oh, it is going to come out for a vote pretty soon," but I do not believe a word of it. Already, it is too late for the 1974 election. And at the current rate of progress, they probably can stall past the 1976 election, as well. The Clean Election Act is a major piece of legislation to bring campaigns and politics out in the open. It puts limits on contributions and expenditures. It requires full disclosure. It sets up effective enforcement procedures. And the House Administration Committee would not even let it come up for a vote.

That is one of the reasons why I decided to take matters into my own hands with Pete's 3000. I am not accepting any contributions over $100 because I believe it's time someone did something about the problem, rather than keep coming up with the same tired, old excuses. And frankly, I did not relish going back to Delaware telling the people we might have some legislation passed by 1976. It is clear to me that the people of Delaware and this Nation are tired of a lot of political excuses. They want action now—not in 3 years.

There can be no question where the responsibility lies—it lies in the Democrat Congress. There can be no question who bears the burden of getting a bill to the floor of the House—the Democrat leadership of this Congress bears that burden.

But it is a safe year for the majority party, as the popular wisdom goes, so there is absolutely no pressure to enact the types of reforms which are going to cost anyone one iota of their power. "We're going to coast in, so why worry?" is the comment you hear. I hope this advice is not needed, and that we get a chance at reform.

We have plenty of political scandals in Washington—one in the White House, another in the Capitol. The message for 1974 is that they must be cleaned up—both of them—and reform enacted now. Perhaps the best reform of all would be to vote all the backroom politicians out—then maybe some of us who have been trying to enact reforms would have a chance.

Mr. STEELMAN. Mr. Speaker, I commend the gentleman from Illinois for bringing to this House's attention the crisis of confidence in Congress.

Never has this been brought to the fore as it was 6 weeks ago when the Democrats buried the Committee Reform Amendments. This is an intolerable delaying tactic, and it is no wonder the American people's confidence in government has eroded to an all-time low.

Over 50 of my colleagues have joined me in cosponsoring a resolution to indicate to the Rules Committee that this much-needed reform must be considered immediately, and I call on more of my colleagues to join us in urging that this very important piece of legislation be brought to the floor so it can be debated in public on its merits. We must show the American people that self-interest and pressure politics do not rule in the legislative process. The public is demanding reform, and only if we move forward with the first internal committee reform in 28 years can we demonstrate that we are capable of meeting this challenge.

Mr. CLEVELAND. Mr. Speaker, I welcome the opportunity to join in this most timely discussion of what I see as one of the most dangerous long-term political trends of our time: the disastrous decline in public confidence in and respect for the Congress as an institution.

I find this most deeply disturbing, as Members who know of my long-time position on congressional reform hardly need be told. We hear, I know, that the Congress merely shares in a more general decline in the prestige of all our institutions. I take no comfort from that. The strength and stability of our system of government cannot be taken for granted. They demand that the Congress—and particularly the House, the branch closest to the people—stand out and represent something a little more, a little better, and offer at least one source of credible confidence to the people when so much else seems to be coming apart at the seams.

But what should be infuriatingly frustrating to all of us as it is to me is that we bring it on ourselves. And do so knowingly. At best what we are and what we do will often be misunderstood. Unlike the other two branches, with their decorum and conformity, we are diverse in the philosophy, traditions, geography, and particular interest of those whom we represent.

Our conflicts are largely out in the open. Compromise—which leaves no interest or group at either extreme of a dispute totally satisfied—is the rule rather than the exception. As it should be. Legitimate balancing of interests is too often mindlessly broadcast as a sellout. Legitimate concern for the means we employ, as well as the objectives they are intended to reach, is misinterpreted as a mere cover for negativism. The inevitably time-consuming job of getting the facts on increasingly complex problems and giving them due deliberation is seen as foot-dragging. Changes in legislation to remove needless coercion are often reported as "weakening," "watering down," "gutting," "ripper amendments." So our job is untidy and poorly understood. This is inherent in what we do. If it is not inspiring to those who don't understand the process, that's something we have to live with.

OPPORTUNITY FORFEITED

What we are not obliged to endure is the loss of real opportunities to equip ourselves to do our job better, improve our performance and thus restore the much-eroded public confidence in us as a representative institution. And that is exactly what happened last month when the Democratic Caucus sidetracked the most important proposal for real reform to come along in two decades.

Mr. Speaker, a recent editorial page piece in the Washington Post, discussing the caucus treatment of the Select Committee on Committees' reform package, began by saying:

> While House members last week, after reading the presidential transcripts on Watergate, were decrying the President's lack of concern for anything except protecting himself, they were proving on the House floor and in the Democratic caucus that they weren't much better at putting the public interest above self interest.

I would submit that the real relevance of those transcripts to the caucus action can be found in a significant exchange between the President and John Dean on February 28, 1973:

> D I spent some years on the Hill myself and one of the things I always noticed was the inability of the Congress to deal effectively with the Executive Branch because they have never provided themselves with adequate staffs, had adequate information available——
>
> P Well they have huge staffs compared to what we had.
>
> D Well they have huge staffs, true, as opposed to what they had years ago. But they are still inadequate to deal effectively——
>
> P (Expletive deleted) Don't try to help them out!

This highlights the supreme irony of the caucus majority's action in this of all years; a year of controversy over war powers, impoundment of funds, budget control, determination of priorities, campaign reform, grappling with an energy crisis we should have anticipated and dealt with decades ago. And inflation.

DEMOCRATIC CAUCUS OBSTRUCTION

With cynical calculation, the caucus has deliberately left the Congress crippled in its capacity to deal with the problems facing the Nation and to cope with the executive branch. What is more, it was done in closed session by secret ballot through a partisan political procedure which has absolutely no place in this bipartisan reform effort.

I do not join in this special order to belabor my colleagues on the other side of the aisle. At least not all of them. The fact that the vote to sidetrack the reform resolution to a caucus subcommittee was 111 to 95 suggests strong minority support within the caucus for these reforms. Nor will I burden my colleagues with a full recitation of my comments issued on the day of the vote, except to cite one observation:

> I can only conclude that a majority of House Democrats, and the leadership which made reform a partisan matter, are more interested in their prerogatives than progress; when real reform threatens the power relationships developed over decades of domination in the House, they close the doors, draw the drapes, turn down the lights and break out a stacked deck.

Our friends on the majority side have been dining out for some time on the reforms enacted—with minority support, I might add—in the way of more open committee hearings, mark-up sessions, fewer closed rules. Now we have turned tail and gone the other way—to minority government. Not government by the minority party but one faction of the majority party. A majority of House Democrats can dictate to this body. They can call the tune in closed session, determining whether legislation gets sent to the floor, held back or shunted over to a caucus subcommittee for rewrite. What is more, half of the Democratic membership can bind all 247 Democratic House members—and the one Member-elect once seated—to their will provided that that half constitutes two-thirds of those present and voting in a caucus session. That comes down to 124 Democrats, by binding all 247 or 248, being able to railroad anything they want through a membership of 435. That is less than 30 percent of the House. Let us not forget that it has happened before, and happened in this same area—congressional reform. If the Republican Party did that, the liberal media would be absolutely cyanotic. They would be setting some kind of record for sustained apoplexy.

I have dwelt at some length on the fact of the reform package in the context of confidence in Congress for two reasons: First, the entire range of reforms—realinement of committee jurisdictions, staffing provisions, scheduling, legislative oversight—was produced by a completely open process accessible to all Members for more than a year. The Bolling-Martin committee effort was a completely bipartisan operation, equally representing both parties and launched with the support of the leadership on both sides of the aisle. Thus, it contrasts starkly with the treatment given by the caucus, which treats its findings as a partisan political preserve. And second, and more importantly, the reforms proposed by the select committee would go a long way toward meeting many of the problems at the root of public disenchantment with the Congress.

RECORD SUPPORTS REFORM

I say this not just on the basis of my own convictions in this department. We have a record precisely to this effect in the Joint Committee on Congressional Operations, on which I serve as ranking minority member. The joint committee has not reported its findings yet, so I would like to share with Members some highlights of testimony directly relating the need for reforms to the image and public posture of the Congress. The subject of our extended series of hearings was "Congress and Mass Communications." We explored exhaustively the question of procedures to facilities more extensive and perceptive coverage of Congress as an institution—as distinct from the communications operations of individual Members—as a means of generating improved public understanding of congressional operations.

In my own statements for the record and questioning of witnesses, moreover, I sought to concentrate on procedural reforms which would enable us to do our jobs better, improve our ability to meet our responsibilities, and as an inherent and inevitable consequence also make the Congress more intelligible to press and public by earning more extensive and perceptive coverage. Throughout, my principal thrust was: "To improve its public image, Congress must improve its public performance."

The response was most gratifying.

MUSKIE, HUMPHREY, MONDALE

Our leadoff witness, the senior Senator from Maine (Mr. MUSKIE) documented the devastating decline in public confidence in the Congress, presenting the results of survey work done for his Intergovernmental Relations Subcommittee of the Senate Committee on Government Operations. After discussing the need for concern over communications viewed narrowly, he agreed that there is a broader need to reorganize ourselves to concentrate our attention and resources on problems facing the country in their overall dimensions.

Significantly, the Senator also touched on a problem that has long concerned me and which related specifically to the Bolling-Martin Committee's recommendation concerning legislative oversight. Part of our problem is that we have overpromised in selling our programs. I share this concern. We discover a problem, whip up concern, propose a program guaranteed to solve it and float it out on the country. Then we go on to other crises and repeat the process, failing to monitor the progress of what we have created.

Parenthetically, I would point out that the experience of our Public Works Investigations Subcommittee in examining the chaos besetting the Clean Water Act of 1972 sheds light on the problem of congressional credibility. We enacted a massive new program, promised the public a great leap forward in cleaning up our rivers and streams, and let the whole thing bog down in a morass of red tape. But I take encouragement from the oversight hearings we have held that some real improvements can realistically be expected.

While I am digressing here, I also would like to cite in this connection the comments of Ralph K. Winter, Jr., in the American Enterprise Institute study: "Watergate and the Law: Political Campaigns and Presidential Power," issued earlier this year:

> The inconclusive results of the social programs of the 1960's may be a cause of the present flap over campaign financing. Frustrated over the failures of these programs to produce the expected results, their proponents may automatically assume that something must be wrong with the political process.

That such considerations should be raised in the context of Watergate should surprise no one. Abuses, like reforms to prevent their recurrence, are closely related in the public mind, and rightly so.

The senior Senator from Minnesota (Mr. MONDALE), also called for specific reforms which hopefully would help the public understand what we are doing and the imbalance of our position in relation to the executive branch,

Citing a "growing arrogance which has characterized the White House in recent years," the Senator continued:

> This arrogance is not a phenomenon only of this Administration, but is the culmination of a trend which began decades ago. Unless we end the misuse of Executive power and gain public respect for and understanding of Congress' role in increasing the accountability of government, we will never reverse the loss of confidence which the polls are now reflecting.

In colloquy with joint committee members the Senator specifically endorsed procedures to improve not merely the visibility of what we do but the substance of what is visible, the reality of what the Congress does. Procedures including strengthening committees, reform of committee jurisdictions, budgetary processes, and the like.

ENERGY DEBACLE CITED

Another welcome contribution came from former Vice President HUMPHREY, now junior Senator from Minnesota, who also zeroed in on the structural inadequacies of Congress. With some insight, he cited examples of ways in which the communications problem of media coverage is inherently related to substantive performance:

Scatteration of responsibility for energy matters—which, incidentally the Bolling-Martin select committee's recommendations address constructively—means that the media have an almost impossible job of covering congressional action relating to energy. Implicit here is the fact that it is almost impossible for Members as well as newsmen to keep on top of this problem without any clear focus of responsibility and information resources.

Confusion in scheduling—also dealt with somewhat by the select committee—also tends to blur the image of Congress, as indeed it hampers our ability to function effectively.

And finally, the Senator suggested that the same loose organization which hampers our work also tends to set up barriers to public attention and scrutiny, which I submit tends to reinforce public suspicion of Congress.

I could go on in the same vein, Mr. Speaker, citing other specific expressions of support for reforms from Members of both Houses, including several members of the joint committee, and outside witnesses. I commend the hearings and report to you upon their publication.

In view of his saving scheduled this special order, I do want to note that my friend from Illinois (Mr. ANDERSON) also contributed to our joint committee deliberations to the effect that the way to make news is to make news. He pointed out that the administration gains attention from the media because it is more powerful than Congress—as a result of congressional acquiescence in the process. His conclusion, and I could not agree more is:

The way to redress the balance is to redress—by action.

POLITICAL BACKFIRE SEEN

Writing in a recent issue of the New York Times, John W. Gardner, chairman of Common Cause, reflected commendable outrage at the caucus action to sidetrack the reforms:

> This is going to be a hard year for Republicans on the campaign trail. But observers are saying that it may also prove to be a tough year for incumbent Democrats. Some of the voter sentiment is indiscriminately anti-incumbent.
>
> Given that consideration, one can only register astonishment at the arrogant be-

> havior of leading Democrats in the House of Representatives. They are writing a record that will hang around their neck like the Ancient Mariner's albatross.

No. 1 item was the House Democratic Caucus action of which he said:

> A strange coalition of entrenched, aging chairmen and younger more liberal party members joined hands with outside special-interest groups to block the measure.

Mr. Speaker, I welcome this most well-founded expression of concern. Indeed, there are grounds for political challenge to incumbent Democrats on this ground alone. I would say to my Democratic colleagues that you have handed Common Cause and other reform advocates, and to me and my colleagues on this side of the aisle a real issue. This is an issue the people already recognize. And it is ours.

While this gives me—I hope understandably—a certain amount of partisan relish, I would gladly swap this particular issue for real reforms, which I have advocated ever since serving as chairman of the Republican Task Force on Congressional Reform and Minority Staffing a decade ago. So I reject the lure of an issue rather than a bill—or in this case a resolution. That is business as usual, politics as usual. And that is exactly what I have been deploring here. Caucus business as usual, politics as usual. At least in this area of bipartisan reforms, I would prefer to go before the public and say with some credibility that Congress really cares, it has bitten the bullet and taken the painful steps necessary. There will be plenty of credit to go around.

SMOKE OUT OPPOSITION

I commend to caucus members' attention other provisions of the rules, provisions which allow 50 members to call a meeting, 50 members to place an item on the agenda of a caucus meeting. I urge those who voted not to delay action on the Bolling-Martin Committee's proposals to reassert that position publicly, smoke out the opposition, and go on record for reform. Just as it would be unfair for House Members of my party to take the rap for Watergate, it would be unfair for you to be tarred with the brush of obstructionism.

For openers, you have it within your power to call for open sessions of the subcommittee's deliberations on the reform package.

Now, certainly, the caucus will have a role; so will the Republican conference. Legitimate concerns of both parties include the need to recognize Members' prior service on committees, pieces of whose jurisdiction go elsewhere; seniority, leadership positions as committee and subcommittee chairmen and ranking minority members. These are all difficult matters to be worked out by the respective parties. But only after the reforms have been approved, in the process of putting them into effect.

The Bolling-Martin committee's recommendations are now in the hands of the subcommittee headed by the gentlelady from Washington (Mrs. HANSEN). On the occasion of the announcement of her impending retirement from this body, I joined many colleagues in expressing deserved tribute to her service. That was not routine rhetorical boilerplate.

I urge the subcommittee chairman, membership, and Members at large on both sides of the aisle to join in supporting the Bolling committee reforms. We act not for the next session or the next Congress alone; we act for the long-term needs of the country.

Mrs. HOLT. Mr. Speaker, I am pleased to join my colleague from Illinois (Mr. ANDERSON) in addressing ourselves to the growing dissatisfaction of the American people in their Congress.

Certainly one area of genuine concern to us should be our tendency to condemn the executive branch for usurping our powers, and then turn around and hand those powers back to the executive on a silver platter. It is no wonder Americans are bewildered. We certainly have not dealt with the country's problems in a positive and constructive manner. We have failed to come to grips with inflation or the energy crisis, we await responsible legislation on pension reform, relief for the middle income taxpayer remains in committee, catastrophic medical insurance is being approached on the occasional Friday, and even the much overdue veterans' educational benefits have yet to be brought to the Senate floor, with the already extended deadline only 11 days away. Our method of dealing with national problems of crisis proportions appears to be to study them to death, and hope they will go away before we have to get a report out. Our national legislature appears to be unwilling and unable to conduct its business promptly and efficiently, and this lethargy does not sit well with Americans, who expect real answers to their very real problems. The majority leadership has hamstrung the legislative process by blocking key programs without offering alternatives, and by passing ill-conceived and budget-breaking programs which add more Federal agencies but few solutions.

We are deeper in debt than ever—the interest alone on our national debt is almost 27 billion annually—and we are no closer to responsible solutions for basic issues of concern. And how do we respond to this spiraling economic mess? We very simply increase the debt ceiling from $475 to $495 billion.

Now we are told that the answer to congressional responsibility and a reinstatement of national confidence is to insure that the American people are served, next November, by a veto-proof Congress. I know that the American voter is too smart to fall for that reasoning. Thirty-eight of the past 42 years with Democratic control of Congress bears reliable witness to the real reason for this national crisis in confidence.

Mr. Speaker, I urge my colleagues, on both sides of the aisle, to reexamine their roles as responsible legislators, to divest themselves of self-interest, and to respond to the genuine concern of the American people before it is too late.

Mr. ZION. Mr. Speaker, the last time we had a Republican-controlled Congress was in 1953. By any measure, it must be considered one of the most successful Congresses in our history. That Republican Congress balanced the budget, paid off part of our national debt, lowered taxes, and got us out of the Korean war. With a record like that, why is it that the Republican Party is unable to enjoy the support of the majority of the people?

One probable cause is that the majority party in power has taken advantage of its numerical superiority and its support by special interest groups to dominate the political picture. One such special interest group is organized labor. The contributions by organized labor of $189,000 to Democrat members of the Judiciary Committee could well dictate the results of the impeachment inquiry. When a member is counting on $20,000 to $30,000 in campaign funds from this source, he can hardly ignore the feelings of the people providing the money.

There is little question but what we desperately need campaign reform in order to reduce the power of the special interest groups. Why is it, then, that no meaningful campaign reform legislation has come to us from the House Administration Committee? Victor Riesel, veteran labor reporter, notes, if you apply cost accounting to what the unions do in a political way, the noncash contributions consist of staff time of union officials assigned to campaigns for months on end, to printing costs, postage, telephone bills, and various other support services financed from union dues and fees. Riesel estimated big unions spent in cash and in kind $60 million in the 1968 Federal elections and $50 million in the 1972 elections, mostly to aid Democratic congressional candidates. Labor aid to Democrats in the special elections so far this year is estimated to be well into six figures.

All of this union effort and money is expended in spite of the fact that vast numbers of workers vote contrary to the union's endorsements. In fact, all too often, a union worker's money is used to support the candidacy of someone he personally opposes.

It is certainly no secret that the chairman of the committee responsible for reform legislation is also chairman of the Democrat congressional committee. As he looks forward then to some $50 to $60 million to help keep his party in control of the Congress, he can hardly be expected to introduce legislation that would reduce this influence.

It would appear then that the people who perpetuate themselves in power through special influences are the same people who for the past 20 years have gotten us into wars, have greatly increased the national debt, have—through reckless and irresponsible spending as requested by their benefactors—produced the greatest inflation in history, and have permitted us to become slaves to Arab oil interests.

It is interesting to note that in the 1972 election Democrat members of the House Administration Committee received over $137,000. It is time the American people recognized the truth. As long as they continue to support a party whose only interest is perpetuating themselves in power at the public's expense, we will continue to have these serious problems. There has never been a period of peacetime prosperity under a Democrat-controlled Congress. Our only chance to balance the budget, to reduce our national debt, to lower taxes, to stay out of wars is to return this Congress to the one party that has accomplished these objectives in the past and is capable of doing it again.

Mr. BIESTER. Mr. Speaker, I would like to commend our distinguished colleague, Mr. Anderson, for the opportunity to discuss the crisis of confidence in Congress, and personally acknowledge the leadership he has so ably demonstrated in both word and action in his capacity as Republican conference chairman.

The crisis of confidence in Congress need not be viewed solely in partisan terms. I believe we should be forthright enough to admit there is guilt to share on both sides of the aisle. All of us, leadership and membership alike, have contributed in varying degrees and ways to where we find ourselves today in the eyes of a public which rates our performance so negatively.

It becomes a value judgment as to what has contributed to the crisis of confidence, but over the past several weeks a number of events has underscored for me the distressing failure of leadership in this Congress aggressively to address the problems facing us.

On May 8 the House refused even to consider the post card registration bill when it voted down the rule, 197–204. Unless a rule is blatantly unfair, it is a disservice to the honest efforts of Members who wish to debate the merits of a bill for others to use the rule as the easy way of avoiding open discussion and voting on the substance of a bill. In this case, the rule specifically allowed a substitute version to the committee-reported bill to be considered. Most recently, the House consideration when a fair, open land-use bill—amendments, substitute and all—never saw the light of full rule was defeated, 204–211. I do not dispute the argument that rules are sometimes inappropriate and should be modified. I do, however, believe it is a most questionable practice to kill legislation by hiding behind a rule. On one of the most critical issues facing this Nation, after lengthy hearings and much public discussion, we have to tell our constituents that the House lacked the wherewithal to give this legislation a fair chance on the open floor. Because this legislation was so controversial, proponents and opponents should have had the opportunity to address themselves to the arguments which had been set forth.

Can we sincerely believe that Congress deserves its rightful place as a coequal partner in Government if we, as Members, are so reluctant to consider a controversial piece of legislation in the open, vote our convictions and stand by that decision before the voters on election day?

How can we expect the public to have confidence in Congress when we do not seem to have confidence in ourselves?

Can we be that unsure of ourselves that we turn away from facing issues squarely and refuse to vote up or down on an important piece of legislation? If so, and it increasingly seems to be the case, then this is a sad commentary on the state of the House. The public is looking to Congress with hopeful anticipation that the legislative branch will reassert itself as a responsive and responsible initiator. We cannot assume that Congress will fulfill these expectations merely by continuing a business-as-usual attitude. Congress must earn that respect and trust by positively and constructively addressing itself to those matters deserving our attention.

David Broder, in his Washington Post column this past Sunday entitled "A City of Actors, Waiting," comments:

> The House, mesmerized by the impeachment impasse, has become a death trap of legislation . . . long nurtured measures . . . are being sidetracked or killed by legislators fearful of the future, imprisoned by the past.

Case in point. After years of calling for reform, the House has finally reached the point where a comprehensive, thoughtful and far-reaching set of committee reform proposals has been readied for our consideration. Now, when our goal of substantive reform is in sight, the Democratic leadership has capitulated to those of its own members who are selfishly more concerned with preserving their own personal power centers than making Congress a more effective body. I doubt whether any one Member in this Chamber is in total agreement with all the recommendations of the Bolling committee, but I believe we must recognize that if we are ever to change an outmoded and outdated system each of us will have to concede some of our special interests for the good of the entire body and the good of the nation. Again, we are witnessing lack of responsibility as the Democratic caucus has slammed the door in the face of full House consideration of a most critical matter.

Another example. When the abuses and imperfections of our political system have been brought four-square to the attention of virtually every citizen of this Nation and the public is outspoken for reform, the House is jeopardizing passage or even floor consideration of a campaign reform bill. The Senate first passed a version of election reform on July 30, 1973, again on November 27 and most recently April 11, but the House Administration Committee has yet to complete its mark-up of campaign financing and other reforms and we can not be certain how strong or effective a bill will emerge. As a result, with this session well over half completed, we are far away from where we should be on an issue of such overriding significance. It may very well be that we will be going into this November's elections—the first nationwide elections since the magnitude of Watergate became apparent—having failed to come up with a legislative response to the most obvious deficiencies of the present way of conducting our elections.

There are numerous other things—large and small—which, taken together, contribute to the erosion of confidence of both Members and the public in the capacity of Congress to perform. I find personally frustrating and disappointing such things as committee hearings unprinted long after the hearings have concluded, floor programs which are embarassingly light in both time and substance and our failure regularly to work a full 5-day week, and the defeat of very important measures—such as metric conversion and international development association bills—for narrow and short-sighted reasons. These are personal observations, but I am certain everyone shares similar thoughts on other incidents which disillusion and dismay.

Observers have commented that Watergate and associated revelations hold out the possibility for some important changes in Government which otherwise might not have occurred or would have been a long time in coming. Election reform and strengthening the position of the Legislative branch vis-a-vis the executive are examples which come readily to mind. but ironically the House is resisting the impetus to move ahead in these two areas.

The budget reform legislation we passed yesterday and the opportunity we will have to reverse our earlier vote on IDA do demonstrate we have the ability to move ahead and to change. Unless this attitude becomes the rule rather than the exception and there is a noticeable change of attitude in the House reflecting a commitment to act which is translated into tangible results, we should not expect—nor do we do deserve to receive—the approval of the public.

Mr. VANDER JAGT. Mr. Speaker, early in the 93d Congress, by a decisive, bipartisan vote of 282 to 91, the House approved House Resolution 132, establishing a 10-member select committee to thoroughly study the House committee system. Speaker Carl Albert and then minority leader Gerald Ford were instrumental in launching this initiative, the first study of committee jurisdictions and practices since 1946. The support which Members gave the proposal demonstrated a common belief that committee reform is vital if the House is to fulfill its responsibilities. As Representative David Martin said, the goal was "a more efficient operation of the committees of the House which are the heart and soul of the legislative process."

Unlike customary practice, each party was to be represented equally on the committee. Its funds were to be equally available to the Democrats and Republicans in support of the inquiry. This bipartisan, professional approach was strengthened in early committee decisions to minimize partisan distinctions in staffing and to designate the ranking minority member as its vice chairman.

In precedent-breaking recognition of the study's importance, Speaker Albert and Representative Ford were the first witnesses to appear before the committee. The panel achieved a vast amount of insight by conducting interviews and hearing testimony from Members, as well as through extensive interviews with committee staffs and significant research projects. Political scientists and groups interested in congressional organization also offered their views. A full year of study, debate, drafting and revising resulted in the introduction on March 19, 1974 of House Resolution 988, proposing changes in committee structure and jurisdiction and modifications of committee procedure.

The committee proposed that Members generally should have only one committee assignment, thus fostering expertise and minimizing schedule conflicts. Second assignments would extend only to a few minor committees whose workloads would not interfere with major legislative proceedings. In an effort to equalize the stature of the 15 recommended major committees and to overcome existing jurisdictional problems, the select committee proposed a number of jurisdictional shifts, thereby increasing some committees' responsibilities and decreasing others.

Major attention was given to the intensification of Congress oversight of laws it has enacted. The select committee recommended further professionalization of the House through increased committee staffing, and proposed that the minority party should control one-third of the staff posts. Proxy voting in committees was to be banned, removing a procedural obstacle to serious consideration of amendments on controversial issues, as exemplified by the Consumer Portection Agency legislation.

Change almost inevitable yields some hardship and inconvenience. Like other reform proposals, these recommendations were viewed by some Members as a threat. They affected the career patterns of Members and jeopardized power relationships both within Congress and between it and lobby groups and Federal agencies.

Under the proposals, more than 100 Members including myself would have to surrender a committee assignment, something one might be expected to do only reluctantly.

But in order to strengthen any social institution, individuals must sacrifice. At the core of democracy is the premise that the process by which decisions are made is more important than either the decisions themselves or the persons who make them, both of which are temporary. Thus, I am extremely disappointed in the Democratic caucus, which voted last week to bar the select committee's plan from coming to the House for debate and consideration.

In the wake of solid GOP approval, the Democratic caucus instead referred the plan to an opposition-laden party committee. This is an ironic result of another well intentioned reform effort strengthening the caucus' power in relation to that of the floor leaders. I call on the caucus to awaken to its responsibility.

Our country today is in great need of positive congressional leadership. We cannot afford to permit selfishly motivated establishment Democrats to derail this vital bipartisan attempt to strengthen the House of Representatives for the tasks before it.

Mr. ROBISON of New York. Mr. Speaker, I am joining today in this discussion because of a strongly held feeling that Congress—rather than rising to the challenge laid before us because of a crisis in national leadership—has disgraced itself by failing to come to grips with national problems and important internal reforms, today's vote in favor of "budgetary reform" being a rare, and welcome, exception.

One of the reasons the House of Representatives, in particular, has become even less responsive to national needs is the increasing use by the majority party of its caucus as a means of running the House. This is a deplorable state of affairs. The House Democratic caucus is not the House of Representatives. Those who would make the two synonomous do our system of government a great disservice. A majority in the Democratic caucus—even two-thirds of that caucus—does not constitute a majority in the House of Representatives. It is undemocratic for an obstructionist minority of the House acting in the Democratic caucus to thwart the will of the House in the manner, for instance, used to prevent consideration of the committee reorganization proposal, something I believe to be of equal importance as budgetary reform.

Such use of the caucus violates any standard of responsive and open government. It operates behind closed doors—most often with secret votes.

I find a bit incongruous the views of those of my colleagues who are calling for complete candor and openness on the part of this administration with respect to Watergate—as I have done—but who at the same time stand by lamely and silently when an instrument of their own party violates those principles of openness and candor.

The inconsistency would be amusing if it were not so serious.

Presently, the House has been unable to consider the Oil and Gas Tax Energy Act because of a dispute over the action of the Democratic caucus.

Is it democratic for the Democratic Party of the House to reserve for itself the only opportunity to decide under what conditions any bill can come to the House floor? The Democratic caucus presumes to act for the House in deciding whether or not amendments to tax legislation will be permissible on the House floor. Why, I ask, should that decision not be that of all Members of the House? Why should a minority of the House preclude action by a majority?

Mr. Speaker, the most tragic result, so far, of this reemergence of "King Caucus" has been this scuttling of committee reform. I have spoken to the House before on this matter. That action of the caucus affronted and angered me. It had been my hope to be able to help make Congress more responsive before I retired at the end of this year. Now it appears that a minority—even of the Democratic Party in the House—will deny me that opportunity. This is a travesty of the democratic process. It subverts the legislative process. More importantly, it denies the House the chance it needs to fully enter the 20th century.

Mr. Speaker, I fully realize that the debate over party responsibility—which really lies at the bottom of this discussion—has been raging for decades. Our discussion today will not resolve the issues in that debate, but I hope I will be forgiven some philosophical comments on the nature of our system of government and the characteristics that have given it greatness.

Ours is a republican form of government that depends heavily on an informed and literate electorate. If there is a discernible thread that runs through our development as a democracy, particularly in this century, it is the broadening of the voting franchise. Universal suffrage has largely been achieved. Direct election of Senators, suffrage for women, 18-year-old voting, and aggressive enforcement of antidiscrimination voting laws have enhanced participation in our system of government. One man, one vote as a concept in State and local government has been slowly, but surely, realized. "King Caucus" violates all of the principles that undergird the significant advances we have thus made. It signifies a retrogression from those remarkable words of Jefferson "that all men are created equal." For "King Caucus" breeds inequality. It unduly weights the votes of all those people who are constituents of majority party members. It denys my constituents the kind of representation guaranteed them under the Constitution.

"Let the House work its will" has been the byword of these Halls for a good many years. And that is all we ask. The work of the House as expressed through its duly constituted committees should not be subverted by either a majority or an obstructionist minority—either in the House itself or in the caucus or conference of its two political parties.

We take great pride in being a government "of the people, by the people, for the people." The people are not the Democratic caucus. It cannot claim to represent "the people." It should stop acting as if it can.

Mr. COUGHLIN. Mr. Speaker, public confidence in this body and the Congress as a whole stands at low ebb. A recent Gallup poll reveals that only 30 percent of the American people approve of the job Congress has been doing. If 7 out of 10 Americans believe that the legislative branch has failed to represent their views and respond to their needs, then the onus for this massive alienation must be laid to the Democratic leadership of the House and Senate.

For many years, the Democrats have maintained control of both Houses of the Congress. Yet, the record of performance is only too clear—this leadership has proven inept, insensitive and incapable. Time and again the Democratic leadership has delayed or blocked progressive legislation. It is this pattern of negativism, postponement, and lack of initiative which has earned Congress the reputation as an unresponsive institution, incapable of dealing effectively with the challenges before the country. While this reputation may not be entirely deserved, there is enough evidence in the legislative record of the Democratically controlled 93d Congress to account for the loss of prestige and confidence in public opinion.

No where is this lack of initiative more evident than in the critical areas of anti-inflationary measures and tax reform, perhaps our most urgent national needs about which the American public has consistently expressed concern and repeatedly urged strong legislative solutions. It is failing to deal with these pocketbook issues that the Congress has appeared most timid and lethargic, qualities with which the American people have little patience and rightly so.

In a stunning display of legislative short-sightedness, the House Banking and Currency Committee moved earlier this year to end antiinflationary economic controls by allowing the Economic Stabilization Act to expire. The result was an end to the only existing machinery to restrain spiraling wages and prices while nothing was offered to take its place. The overworked Ways and Means Committee has been slow to respond to the need for greater equity in the tax structure, especially for individuals and families of moderate means and the elderly.

Likewise, urgently needed campaign reform legislation, which could have a positive impact on the public's assessment of Congress, has also been delayed in committee by Democratic leaders. Stricter campaign spending laws as well as reporting and disclosure requirements should have been enacted by now and implemented uniformly for the 1974 elections. It should not have been necessary for candidates like myself and others to adopt proposed campaign financing standards and regulations which the Democratically controlled Congress has failed to enact. Every day that campaign reform is not taken up in the House, the public's suspicions that this is not a serious issue in Congress grow stronger. Passage of meaningful and comprehensive campaign reform legislation this year would be a significant first step toward restoring public trust in and respect for Congress.

In an even more blatant move to head off reform that would replace the House's outmoded committee structure with one more responsive to current national needs, the House Democratic caucus voted in secret to sidetrack the modernization scheme for further study. The committee reorganization proposal recommended by the Select Committee on Committees would enable Congress to deal more effectively with the issues of greatest concern to Americans and should be brought to the House floor for a vote immediately. Until it is, Congress will be hard put to convince the American public that it is either forward-looking or seriously reform-minded.

In other areas, the Democratic Congress has been equally reluctant to take the initiative to enact innovative legislation which enjoys broad public support and which has been under careful preparation for years. Most notably, the House recently rejected an important land use planning proposal, delaying any prospects for enactment of legislation in this vital area until the next Congress. Earlier this year, the Democratically controlled House similarly defeated a modest proposal to encourage conversion to the metric system.

If the Congress is to raise its public image and to restore the faith and respect of the American people which is essential to our representative system of government, then the Democratic leadership must be willing to make the hard decisions and, in some cases, personal sacrifices, which are necessary to update House organization and to legislate further against campaign financing abuses. In addition, the Democratic leadership must no longer shirk from its responsibility to move the House toward creative solutions to the difficult problems confronting the Nation. Only in this way can public confidence in Congress ever be reestablished.

Mr. HOSMER. Mr. Speaker, little can be expected from an organization grown old and tired. All organizations need an infusion of new blood occasionally to keep them moving at a productive pace.

That is true of the Congress and it is especially true of those who serve the Congress in key staff advisory positions on its various committees. They often give those committees their basic complexion.

Yet for 40 years these needs have been denied.

Up until that time the political leadership of Congress changed occasionally. Deadwood on the congressional staffs was flushed away. New faces and new ideas appeared. A revitalization of the institution took place.

But only twice in 40 years have the positions of minority and majority in the political leadership of the House been reversed. Those occasions have been so infrequent and so brief that the flushing out process really never took hold. The last one was all of 20 years ago.

I have nothing against age, I am getting old myself and I am also leaving the Congress. But when I look around at some of the staff people who are still around the Congress and who were old, at least in ideas, old liberals and old conservatives when I came here 22 years ago, I am compelled to think about the situation.

And, my conclusion is that the country would be benefited greatly by a change in controlling parties in the two bodies of the Congress at sufficiently frequent intervals to clean out the intellectual and philosophical cobwebs that abound amongst the staffs of many committees.

This is intended as no universal damnation of congressional staff members. By and large they are fine and dedicated people. But some of them have been around much too long. Some of them have the idea they run the place rather than the elected representatives.

A new political party in control once in a while to turn out these characters and replace them with people of fresh outlook would do much to help restore the tarnished image of the Congress.

Surely, the Congressmen themselves are not totally and solely to blame for it all.

Mr. HANRAHAN. Mr. Speaker, there is no doubt in my mind that the public is dissatisfied with the Congress. The events of the past year have been exteremly disillusioning to the American people. The low voter turnout in the primaries across the country bears this out. Faced with an energy crisis, economic uncertainty, moral decay, and political corruption the American people face an uncertain future. At this time of crisis the Congress should be providing leadership. Instead, a few radical elements have taken an unfortunate incident and blown it up out of proportion with its importance. With the constant barrage of Watergate many voters are not only wondering whether their vote is worth anything but if anything can be done to restore some responsibility in government. These things became obvious to me after the results of my last district questionnaire came in.

We are faced with the problem of imminent economic collapse, a touchy situation in the Middle East, an energy crisis, and high crime. With these things it is a shame that these radicals are content with taking cheap political potshots over a much exaggerated incident. The public demands leadership and action to solve the problems that face our Nation. The current Democratic controlled Congress is not supplying that leadership. As Republicans, we must stay above this cheap political game playing. The American people demand dynamic action and as Republicans and Members of Congress, it is our duty to supply the leadership and initiative to help bring this Nation back on its feet.

I have cosponsored bills to legalize the private ownership of gold and to place a limit on Federal spending so that it does not exceed Federal revenues, as well as to pay back the national debt. These measures were all aimed at curbing and eventually eliminating monetary inflation. Both of these measures were defeated. With Government deficit spending as the cause of our current inflation it is not surprising to me that the public would have little confidence in the Congress.

I am now sponsoring H.R. 14995 to amend the Federal Election Campaign Act of 1971. The purpose of this amendment is to place a limit on the amount of money that can be spent on any campaign for Federal office. The purpose of placing such a limit is to put an end to the practice of buying elections. As it now stands it is usually the man with the most money who gets elected to office, not the man who is best qualified for the job. This reform would also do much to bring an end to the practice of private interests buying elected officials by limiting campaign contributions from individuals and groups. I strongly feel that if this amendment were passed by the Congress that it would be a great step toward restoring public confidence in our Government, and in particular, the Congress.

What we are faced with today is not merely a political crisis. It is a moral crisis. It was noted almost two centuries ago by the English historian, Edward Gibbon, that governments reflect the society in which they exist. A people not confident in themselves or their future cannot be confident in their government. Back room deals, underhanded campaign tactics, hollow political promises, and partisan political power struggles are not going to contribute to the rebuilding of this confidence. As Republicans we are faced with the difficult task of bringing some stability and responsibility back to a free spending and do nothing Democratic controlled Congress. However, only until we are able to restore the moral values that had once made this Republic great can we begin the ardous task of restoring public confidence in the Congress.

Mr. FRENZEL. Mr. Speaker, I am pleased that the gentleman from Illinois (Mr. ANDERSON), the chairman of the House Republican caucus, has taken this time to point out to his colleagues and to the people of America that there are two cancers eating at the Congress.

The first is the public lack of confidence in Congress, caused in part by conditions external to us, but also in part by our own ineptitude and unwillingness to perform.

The second cancer is the reemergence of what the gentleman from Illinois calls "King Caucus." It is, of course, a clumsy reaction to crisis of confidence, intended to staunch the gaping wounds of distrust. But in fact, its Draculan return from the grave has exactly the opposite effect.

First, the crisis of confidence: the unbelievably low esteem into which the Congress has fallen, 21 percent approval rating, Harris poll, early 1974, is, thankfully, not uniform. In my own district, Congress' rating is much higher. But even if public confidence were to double, and thereby send the Harris rating skyrocketing to 40 percent, it must be remembered that 40 percent is still a failing grade.

Conceding that factors other than the Congress, and its failures do affect its unfavorable public ratings, I still believe that Congress itself is most responsible for its own low estate. Arthur Schlesinger, writing in the Wall Street Journal of May 1, 1974 expresses the idea like this:

> What is Congress' trouble? Why after Watergate should it linger in this condition of impotence? . . . The post-Watergate Congress, though controlled by the opposition party, seems rather less consequential than the so-called "rubber stamp".

Mr. Schlesinger answers his own question in just about the same terms I would use:

> Congress can have all the staff, expertise, information it needs. What it lacks is the will to use the power it has.

I concur in the Schlesinger thesis that our basic defect is that we lack the will to tackle tough issues. More than that, our leadership, our Democratic majority, is unwilling to clean up its own procedural and organizational mess. The failure of jurisdictional reform, the Bolling-Martin resolution, is the most dramatic example of the Democratic majority's unwillingness, or inability, to unfoul its own nest. Rather than make our procedures up to date and effective, the House Democrats have voted by secret ballot not to inconvenience any of their members. They were, however, unconcerned that our obsolete organization inconveniences the public.

More and more our image is taking a shape described by such adjectives as disorganized, decision-deferring, slow, unresponsive, antireform, leaderless, seniority-dominated, unbusinesslike and obsolescent. The image may not be wholly descriptive of our efforts, but it is prevalent. In general, the old "windbag image was more flattering, and certainly more comfortable.

The responsibility for congressional responsiveness and effectiveness lies with both the majority and minority, and with each Member. But it is undeniable that the majority caucus bears the prime responsibility, and the public has given it a failing grade—21 percent. In the unlikely event it would magically become a majority, the minority group might not do much better, but it could not do worse.

Next the reemergence of King Caucus: The gentleman from Illinois (Mr. ANDERSON) has identified and described this aberration of political representation better than I can.

If the fact that freely elected Members of Congress allow themselves to be bound by unit rule votes in their caucuses were widely known, I believe the American people would be horrified. How much more outraged would they be if they knew binding votes were taken by secret ballot in closed meetings?

The problem for us in Congress is that the Democrat unit-rule caucus allows a minority of the Congress, a bare majority of a caucus quorum, to exercise absolute control over the Congress. Like the seniority system, it makes a few of us more equal than all the rest of us. Obviously it can be used, and has been used, to frustrate the will of the majority of the people's representatives in this House.

The willingness of the Democrat majority to surrender its responsibilities to those of the caucus poses still another problem to those Members who think their first responsibilities are to their constituents and to the Constitution. That problem is that we are governed by the rules of the Democrat cucus in which we have no inputs and about which we have no information. Even these rules which are revealed to us in discussions on the floor of the House are subject to amendment and change from time to time.

The effect of this phenomenon, which some Democrats have apologetically described as a return to party responsibility is in fact simply a different way to keep the cloak of secrecy on the key decisions of the House. The House has been rightly applauded editorially for opening a large percentage of the meetings at which it does legislative business to the public. Of course, it could and should open most of them. However, at the same time the House is taking credit for this wonderful improvement, it has buried its most important decisions behind the closed doors of its caucus meetings where unit rule decisions are made by secret ballot. I would hope that all Members who love and respect the House of Representatives, and who have confidence in its ability to represent the will of all the people, would rise up against "King Caucus" and help the gentleman from Illinois thrust the stake back into the monster's heart.

Mr. CULVER. Mr. Speaker, the gentleman from Illinois and his colleagues deserve praise for arranging this special order. It is timely and deals with a matter of the most genuine urgency. The twin issue of congressional and campaign reform ought to be at the very top of the current House agenda. Yet each has been thwarted until now.

There was no warrant for sidetracking the reform proposals of the Select Committee on Committees. There was even less justification for the manner in which it was done—by a secret vote in a closed caucus and by referring the proposals to a subcommittee which is proceeding silently without any public record. As a member of the caucus and of the select committee, I am appalled how the treatment of this issue is unnecessarily inflicting damage on one party and on the institution whose performance and legislative mechanisms we are seeking to improve.

However, I urge my friends on the Republican side of the aisle to take note that the fight for committee reform is not yet over. The opportunity for meaningful reform in this Congress is not yet lost. The Democratic caucus will vote again on these proposals, and I am confident that our caucus membership will not again permit a secret ballot. We will put our members on record, and there is good prospect that we can secure for the House an opportunity to vote on this measure—and to amend it—since we are under no illusion that it is a perfect document.

The members of the Republican Party have every justification for holding our feet to the fire. The actions of the Democratic caucus—on close votes—have properly yielded a wide and resonant outcry from many citizen groups and the press. The opportunity to vote on the reform proposals, stemming from the careful and painstaking work of a genuinely bipartisan enterprise, is fully merited. It would be unconscionable simply to discard these proposals without their full ventilation and debate.

When the House does vote on congressional reform, I am sure we shall rediscover the fact that this is an objective which has adherents on both sides of the political aisle. There is a readiness among many Democrats to put aside personal self-interest and inconvenience when the overall effectiveness of our institution can be advanced. There is a clear majority in this body ready to act and to join the issue on the floor. I know that there are many Democrats who are determined that full debate be assured so that the House as a whole, rather than one or another faction, can resolve this issue so clearly worthy of our best efforts as well as the individual accountability of each Member.

Mr. Speaker, I ask unanimous consent to append a letter which I sent to the chairman of the Democratic caucus and to the chairman of the caucus committee, Mrs. HANSEN on May 17, 1974.

MAY 17, 1974.

Hon. OLIN TEAGUE,
Rayburn House Office Building,
Washington, D.C.

DEAR MR. CHAIRMAN: As a member of Congress and of the Democratic Caucus, I am writing to express my deep concern about the manner in which we are dealing with fundamental issues of institutional reform within Congress. Thus far we have managed only to bring a series of self-inflicted wounds upon ourselves—by treating committee reforms as primarily an intra-party issue, by taking caucus decisions on them in secret and without individual accountability, and by referring the whole matter to a caucus sub-committee which itself appears to be operating on the basis of confidentiality and secret bargaining. I am not surprised that these procedures are being lampooned by many Republicans, by the press, and particularly by those citizen organizations seriously interested in having the bipartisan Bolling proposals openly considered and voted on.

Whatever views there may be about the individual recommendations of the Select Committee, I believe that the Committee adhered to an unprecedented extent to principles of openness—in its hearings, in its solicitation of views from all colleagues, in its markup sessions, in its accessibility to press and public. In its own operations, in its staff procedures, and in its mandate from Speaker Albert and then Minority Leader Ford it sought to find solutions which would commend themselves to the whole membership and bring about the fullest measure of confidence in the House of Representatives. Those of us who served on the Select Committee were under no illusions that there was a painless or politically facile way of reaching such a result.

With the actions of the caucus these large purposes may well be lost. If there is an impression created that the Hansen Committee is administering a few pain-killers or is accommodating itself to the lowest common denominator of internal and external Congressional pressures, then the Democratic membership as a whole will suffer needlessly.

For these reasons I urgently recommend that the Hansen Sub-committee forthwith adopt rules and procedures consistent with those which the Bolling Committee has had—all hearings public, all communications from members available to all, open markup sessions, and full documentation. I shall further propose at the appropriate time recommendations to the Caucus that during the consideration of the Hansen report, all sessions and votes pertaining to it be open and accountable.

I hope that you find these suggestions reasonable and that you can respond to them at an early date.

Sincerely,

John C. Culver,
Member of Congress.

GENERAL LEAVE

Mr. ANDERSON of Illinois. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of the special order I have just taken.

The SPEAKER pro tempore (Mr. McFall). Is there objection to the request of the gentleman from Illinois?

There was no objection.

A NATIONAL TRANSPORTATION POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Arkansas (Mr. Alexander) is recognized for 60 minutes.

Mr. ALEXANDER. Mr. Speaker, I am pleased to be joined by a number of our colleagues in the sponsorship of this proposal to strengthen the Nation's transportation system and to establish a national transportation policy.

Joining in this effort are Mr. Bowen, Mr. Lott, Mr. Breckinridge, Mr. Zwach, Mr. Brown of California, Mr. Davis of South Carolina, Mr. Thornton, Mr. Bauman, Mr. Findley, Mr. Ichord, Mr. Montgomery, Mr. McEwen, Mr. Hillis, Mr. Sikes, Mr. Long of Louisiana, Mr. Andrews of North Dakota, and Mr. Andrews of North Carolina.

The proposal which we are supporting is, we recognize, not the complete solution to the transportation problems facing our Nation. But, if enacted we will be taking steps in the right direction.

Transportation systems are like pieces of a jigsaw puzzle. Put together in the proper proportion and balance they make a national transportation policy as a jigsaw puzzle makes sense. In our Nation today there are truck, car, bus, and highway pieces to the puzzle. There are pieces marked "railroads," "barge lines," "airlines," and "mass transit."

Each has its useful role to play. But, without an established national transportation policy they can not, I believe, fulfill their potential for service to the citizens of our country.

Unfortunately our transportation systems have been allowed, even encouraged by Government actions at all levels, to develop without a great deal of thought for coordination with other modes of transportation. For instance at the present time in Congress we are at various stages of considering legislative proposals for railroads, highways, and mass transit.

This present round of consideration began with President Nixon's transportation message containing two pieces of proposed legislation—UTAP and TIA—which was sent up to Congress on February 13 of this year. As chairman of the House subcommittee responsible for rural development legislation and activities I have been concerned for more than a year about the impact of the Federal transportation policies on community development in the countryside.

My efforts to study this subject have persuaded me that we as a nation can no longer afford to go along with separate policies for each of the transportation modes.

UTAP, as the Unified Transportation Assistance Act has been nick-named, was basically a highway and mass transit bill. It was assigned to the House Committee on Public Works. TIA, the alphabetic shorthand for Transportation Improvement Act, deals with railroads—particularly liberalizing abandonment policies—and was sent to the House Committee on Interstate and Foreign Commerce.

Despite the fact that each proposal would impact on the operation of the transportation network the other affects, under the traditional method of congressional consideration UTAP and TIA would be reviewed as items separate and apart from each other. It would be difficult for the committees with legislative jurisdiction over them to review, for instance, the potential impact of these proposals—should one or both of them become law—on community development in rural areas. Taken together or separately they seemed inevitably to mean a reduction of the highway and railway resources available to rural areas.

For that reason the subcommittee of which I am chairman conducted 4 days of hearings into the impact of Federal transportation policy on the countryside, and specifically the anticipated effect of UTAP and TIA.

The story told by the witnesses we heard was one of a nation ignoring the transportation needs of a small minority of its citizens living on and struggling to cultivate and harvest the potential of a vast, rural land area in order to do the fundamental job of providing food for the hungry cities and essential manufactured items for metropolitan-based industries.

It was a story of heartland road systems shortsightedly allowed to deteriorate as State and Federal resources were pumped into Federal highway systems, particularly those interstate systems designed to serve major cities of the Nation. Because of the heavy and increasing demands on limited resources available for transportation uses it is not difficult to understand how some persons might find it easy to forego equity and justice and overlook the needs of this minority.

A reduction of any element of transportation service in the rural areas has implications for the whole Nation. Without transportation the tools of food production, for instance, cannot get to the countryside and the food can not get to the cities to feed the hungry or to the export markets to aid our Nation with its balance-of-payments problems.

Such stresses as those I have mentioned are, I believe, a direct result of the failure of the Congress and the executive branch of our Federal Government to enact and implement a national transportation policy which takes fully into account the interdependence of both the cities and the countryside and the interrelationships of all modes of transportation.

Mr. HILLIS. Mr. Speaker, I commend the gentleman from Arkansas for his recognition of the transportation needs of our countryside areas and for his introduction of the Rural Highway Act, the provisions of which will go far in solving many of the existing problems in our rural areas. The Alexander bill has already captured the interest of Hoosiers in government, industry, farming, and the news media. Interest is being generated by those who recognize the dire needs of rural area primary and secondary highway systems, bridge improvement, and safety projects for high hazard areas. The Alexander bill provides adequately and rightly for these areas.

Due in part to the development of the Interstate Highway System, the real needs of countryside areas have been neglected. Revenue demands for maintaining and constructing adequate countryside roads and bridges are growing along with a greater national dependence on rural roads due to the movement of record farm crops and continual abandonment of railroad lines. Countryside bridge and road needs become more obvious when we note that the Federal Highway Administration has estimated that only 14 percent of our country's rural roads are adequate for safely handling the tonnage necessary to move heavy loads of commodities to and from farm areas.

As an example of countryside needs, I would like to bring out the problems presently being encountered in Fulton County, Ind. There are 82 rural bridges in Fulton County. A recent inspection of these bridges brought out the fact that six of these bridges require immediate replacement. If this was not enough, 10 of the bridges should be replaced within the next 2 years, 12 of the bridges will be worn out within the next 5 years, and 6 more bridges must be replaced within the next decade.

Furthermore, immediate repair has been recommended for 64 of the county bridges not due for replacement for 5 or more years. The citizens of Fulton County are frankly worried about where they are going to get the money to finance their bridge needs much less their highway needs.

Fulton County is not alone. Many counties throughout our Nation are experiencing similar problems. Passage of the Alexander bill can help our rural areas solve these critical problems at no additional cost to the taxpayer. This would be done by establishing countryside needs as a priority allocation of highway trust fund moneys. The Alexander bill would further provide for the distribution of these moneys on a more equitable basis to the States.

We owe it to our Nation to make a national transportation policy out of what now appears to be an urban mass transit policy. This can be accomplished without diminishing the goals of mass transit through adoption of the Alexander bill.

I urge the serious and rapid consideration of the Rural Highway Act.

Mr. FINDLEY. Mr. Speaker, many roads in rural America are outdated, unsafe, and, in some cases, completely unusable in bad weather. Little has been done as special Federal aid for rural roads in past years.

But the future demands improved roads. Highways in rural areas of the United States are a vital part of this Nation's transportation system. The products of agriculture and mining begin their move to market on these roads.

As the railroads threaten abandonment of thousands of miles of trackage, industry and agriculture are looking to the Nation's roads as the only alternative by which to move their products to market. The United States depends on agricultural exports, yet the very arrival of these products at terminals is threatened if adequate transportation is not available.

Rural families are often barred from simple trips to town because of obsolete bridges and almost impassable roads.

Unsafe rural roads are a special threat to millions of children each year as thousands of schoolbuses pass each day over roads which are barely suitable to cars.

This bill, while not requiring an increase in taxes, would finance the improvement of a too long ignored, but vital, cog in the machinery of U.S. industry, agriculture, and recreation.

GENERAL LEAVE

Mr. ALEXANDER. Mr. Speaker, I ask unanimous consent that all Members may be permitted to have 5 days in which to revise and extend their remarks and include extraneous material on the subject of my Special Order that I have asked for in the House today.

The SPEAKER pro tempore (Mr. McFALL). Is there objection to the request of the gentleman from Arkansas?

There was no objection.

JOSEPH ALSOP'S WARNING ON THE PRESIDENT'S PENDING TRIP TO THE SOVIET UNION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 15 minutes.

Mr. KEMP. Mr. Speaker, we have heard much during the past several weeks about varying concerns over the President's pending trip to the Soviet Union.

Unfortunately, I believe, much of that concern has come from quarters wherein repose political agenda unsupportive of virtually any actions which the incumbent President might pursue.

There has been, therefore, at least among many on this side of the aisle, a tendency to discount that concern.

There has appeared today, however, a disturbing—yet enlightening—commentary on the President's pending trip and the specific agenda points apparently agreed upon between him and the Soviet leadership.

This article can be disturbing because—as it expresses deep reservations as to the substance which might arise in the form of agreements limiting strategic nuclear arms between the United States and the Soviet Union—we are mindful that it is authored by Joseph Alsop, one of the most accurate, perceptive commentators on international and military affairs.

Joseph Alsop, to my knowledge, has absolutely no political agenda to be served by such a warning. His only agenda is national security. Therefore, credence must be given to the concerns he has voiced.

In discussing the reasons presumed to be behind the recent resignation of one of our Nation's most knowledgable strategic arms negotiators, Paul Nitze, Mr. Alsop comments:

> Whenever this country has looked weak . . . the Kremlin has always moved with great brutality to exploit the supposed advantage.
>
> The Berlin blockade, the Korean war, the second Berlin crisis that was only liquidated in the confrontation over the Cuban missiles—these have been the consequences when the Kremlin has yielded to such temptations in the past. Not unnaturally, Dr. Kissinger therefore fears the consequences of the spectacle of this city in the Watergate summer, with a U.S. Government all but paralyzed.

I will not join rank, Mr. Speaker, with those who urge the President not to go to Moscow or to postpone indefinitely that trip.

But I do urge the President and the Secretary of State to enter into no agreement which gives any advantage to our potential Soviet adversary.

I do not believe that the President would, but I do feel compelled to at least share this warning of Mr. Alsop's with my colleagues.

Mr. Alsop's column follows:

[From the Washington Post, June 19, 1974]

THE IRONY OF PAUL NITZE'S RESIGNATION

(By Joseph Alsop)

Take any deeply somber event that ought to constitute a storm warning. In this town today, you can be certain that the event will then be thoroughly, even willfully misunderstood. This rule has been proven once again by the recent resignation of Paul H. Nitze from the U.S. team negotiating strategic arms limitation with the Soviets.

In his resignation statement, this brilliant veteran of the public service referred to the paralyzing influence of the Watergate mess. Nitze did so, however, in guarded, carefully general terms. Hence all and sundry instantaneously concluded that this was another "protest" resignation—a drawing aside of clean skirts from the prevailing dirty business.

In reality, however, Paul Nitze resigned solely because he now expects President Nixon to make a new SALT agreement in Moscow that will be dangerously favorable to the Soviets. As he told friends, he has always believed in speaking his piece and then leaving if he got no hearing. He had spoken his piece. He had got no hearing. So he left.

The reference to the Watergate mess in Paul Nitze's resignation therefore needs to be explained. Rightly or wrongly—and almost certainly rightly, alas!—Nitze is further convinced that the President wants to go dangerously too far in Moscow for two linked domestic-political reasons.

On the one hand, a squashy SALT agreement can hardly be attacked by the anti-Nixon leaders in U.S. politics today. These are in fact the men with chief responsibility for eroding America's defense posture. On the other hand, even a dangerous SALT agreement will give President Nixon "something to show" for his coming visit to Moscow, and will therefore let him pose as a peace-bringer when he desperately needs any advantage he can get.

The ironies of all this are considerable. Not very long ago, and again because of Watergate, President Nixon let Sen. Barry Goldwater and other ultra conservative Republicans veto Nitze's transfer to a major post in the Defense Department. The President urgently needed those conservatives' support.

The conservatives vetoed Nitze on the ludicrous ground that he was too soft, too little tough-minded in his assessments of the world situation and the American role. Now, however, Nitze has left the SALT negotiating team because he foresees that President Nixon is going to be too soft, too little tough-minded in Moscow, in order to make a domestic political gain.

Yet the ironies are the least part of the grim lesson taught by Nitze's resignation. It is known that the man to whom he spoke his piece before resigning was Secretary of State Henry A. Kissinger. So the question here is why the Secretary should allow the President to play games with this country's long term security for domestic political reasons.

The answer is that the Secretary is doing nothing of the sort, at least in the well-informed opinion of Paul Nitze. That was the reason for the guarded language of Nitze's resignation statement, and also for his statement's applause for all those—meaning those like Secretary Kissinger—"who are continuing to maintain the orderly process of government."

If you examine Secretary Kissinger's motives, however, you again find that they are both deeply somber and totally misunderstood. In brief, the spectacle of seeming-weakness in Washington has always proved an irresistible temptation to the Kremlin. Whenever this country has looked weak, in other words, the Kremlin has always moved with great brutality to exploit the supposed advantage.

The Berlin blockade; the Korean war; the second Berlin crisis that was only liquidated in the confrontation over the Cuban missiles—these have been the consequences when the Kremlin has yielded to such temptations in the past. Not unnaturally, Dr. Kissinger therefore fears the consequences of the spectacle of this city in the Watergate summer, with a U.S. government all but paralyzed.

Perfectly rationally, too, Dr. Kissinger is further convinced that the tougher Kremlin policy-makers would be greatly strengthened by U.S. withdrawal from the SALT negotiating-table. We have gone too far down that road to make breaking off the SALT talks anything but very risky.

In sum, Dr. Kissinger and Paul Nitze disagree on a subtle issue: whether it is a greater risk to break off SALT, or to accept a squashy agreement in order not to break off SALT. But here, once again, the Watergate mess enters in, like an all pervading poison gas.

PUBLIC DISGUSTED WITH IMPEACHMENT PROCEEDINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. BURLISON) is recognized for 15 minutes.

Mr. BURLISON of Missouri. Mr. Speaker, I believe the leadership of the House and the Judiciary Committee are not aware of the intense disgust of the public with what it feels is unwarranted delay of the impeachment proceedings. Of course, I can speak only for my people, but I believe they are representative of the entire country.

I realize a strong case can be made that the President has not been cooperative and has refused to provide tapes, documents, and other evidence, and has thus delayed the proceeding. It is my view, however, that our constituents would prefer us to give consideration to that action as an impeachable offense in itself in preference to plodding through the courts in time-consuming efforts to enforce our subpenas.

Many of Missouri's 10th District voters feel Mr. Nixon has flagrantly betrayed his public trust and must be removed from office. Many others believe, in varying degrees, that he has committed improper or illegal acts, but that to remove him from office would not be in the best interest of our Nation. There are yet others who say that the President is innocent and that the charges are contrived by the press and others bent on destroying him.

In spite of the polarization of the three above described viewpoints, virtually all of the people are united in their almost emotional insistence that the Congress get busy now and conclude the impeachment process. The suggestion that it could be after the election or even next year before the Senate acts is totally unacceptable. What the final verdict may be is far less important to our citizens than that there be a verdict soon.

There are a number of cogent reasons why our decision should be expedited. Suffice it to say that our total governmental process is in a state of partial paralysis. So I say to you, Mr. Speaker, and to my good friend, Chairman RODINO, we should put this malady behind us by facing the problem, making a decision, and then uniting to move our country forward as we prepare to celebrate the 200th birthday of the greatest Government and Nation recorded in the annals of time.

THE PENNY POST CARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, today I offered an amendment to S. 411 that would have provided Americans with the penny postcard. It was ruled out of order.

I have introduced a similar bill in the past several Congresses including the 93d, and in light of the U.S. Postal Service's increase in rates this year I strongly feel that the penny post card is needed now more than ever.

I am aware that many, including the U.S. Postal Service, believe that a penny post card in these times of rising costs is unthinkable. But when we stop to realize that since postal reorganization took place 3 years ago first-class postage rates have gone up to 66⅔ percent, and since March of this year first class rates have gone up 25 percent, we must provide some relief for the common man. We must provide those living on a fixed income and the poorest of the poor with an avenue of communication within their meager budgets.

Postal service is one of the fundamental services provided by the Government, and there should not be an economic bar to this service. There should always be one rate available to every citizen regardless of his financial circumstances.

I believe that it is within the realm of reason to have a Postal Service that is efficient enough to handle postcards for a penny—and, if it cannot do that then perhaps we should consider subsidizing it. After all, no matter how poor a person is he could still afford a penny post card, and this would enable him to stay in touch with his family.

Many people feel that we should not subsidize postal rates, but I doubt if post card subsidies would cost as much as has been spent on other largesses—and certainly would provide far greater benefits to many of our citizens.

The U.S. Postal Service, when asked for executive comments on my bill introduced in this Congress, protested that a penny post card rate would be used by businesses and other commercial enterprises and that any subsidy involved would be largely enjoyed by business firms. Therefore, my amendment includes a provision that precludes the use of the penny post card when it is related to a trade or business, and is not available for commercial use.

The purpose of the penny post card is to serve people who need to tell someone easily, conveniently, reliably, and at very little cost, that everything is all right, or everyone is OK, and perhaps even communicate with their Congressman by using this inexpensive means of communication.

On previous occasions when I have introduced penny post card bills I have been contacted by people from all over the country who support this idea, so I hope that the Members will agree with my amendment to bring back the penny post card—perhaps it will bring us back together.

WHERE HAVE ALL THE PROFITS GONE?

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

Mr. VANIK. Mr. Speaker, yesterday, it was announced that Mobil Oil Corp. plans to buy 51 percent interest in Marcor, Inc.—the parent corporation of Montgomery Ward & Co. and Container Corporation of America.

This proposed acquisition of Mobil highlights the fundamental fact of the energy industry today: The oil companies cannot possibly reinvest all the money they are making. As the result, Mobil is attempting a massive diversification outside the energy field. Mobil is not alone. Last October, Gulf Oil Co. attempted to buy Mattel Inc.'s Ringling Brothers Barnum & Bailey Circus and CNA Financial Corp.

This is not the first indication that Mobil is rolling in money with which it does not know what to do. Just over a month ago, Mobil announced to its employees that they would be getting a special 1-month bonus. To its 37,000 domestic employees, Mobil distributed over $39,500,000 in revenues.

This bonus plan was financed directly from the windfall revenues Mobil has been reaping from the American consumer. In 1972, Mobil paid $17,300,000 in taxes to the Federal Government according to data compiled by the Joint Committee on Internal Revenue Taxation. In other words, in 1 month Mobil distributed to its employees over twice as much money as it paid in taxes to the Federal Government in 1972.

Tax reform in the oil industry is needed now.

THE HOUSING AND URBAN DEVELOPMENT ACT, H.R. 15361

The SPEAKER pro tempore. Under a previous order of the *House*, the gentleman from Minnesota (Mr. FRASER) is recognized for 10 minutes.

Mr. FRASER. Mr. Speaker, the Housing and Urban Development Act, H.R. 15361, is scheduled to reach the House floor on Thursday.

In general, this legislation represents a useful effort to streamline and consolidate a collection of HUD categorical programs aimed at combating urban blight. But H.R. 15361 is clearly a mixed blessing for many communities now actively involved in urban renewal and/or model cities programs. With one hand the bill gives these cities new administrative flexibility, but with the other hand it takes away their ability to use these new administrative tools effectively.

Under the formula funding system authorized in title I of H.R. 15361, nearly 200 cities over 50,000 population can look forward to 6 years of steadily diminishing Federal support for their community development efforts. If authorization levels are substantially increased during the latter years of the program, it is true, the impact of the funding cuts will be softened somewhat. But many communities, including my own, will still find that their annual funding level has been cut in half by the sixth year of the program, even if authorizations increase at a yearly rate of 10 percent.

This legislation is really penalizing those cities that have been most energetic in dealing with their community developing needs. In effect, it is telling them that the time for progress on the community development front is over. From now on, they must look for ways to cut back rather than expand local programs.

For many of us, this bill may come to be called the "worse" communities act, unless major changes are made in the funding allocation system.

At this point, I would like to include in the RECORD a list of the metropolitan cities whose automatic entitlement is reduced over the 6 years of the new block grant program:

Metropolitan cities (over 50,000 population) whose automatic entitlement is reduced over the 6-year period for community development block grants under the provisions of H.R. 15361 which phase out hold-harmless protection

[Dollars in thousands]

	Year 1	Year 6
Alabama:		
Florence	$1,023	$653
Hunstville	2,492	1,918
Tuscaloosa	1,571	1,445
Arizona (2):		
Scottsdale	1,832	677
Tucson	5,626	4,825
Arkansas (6):		
Springdale	770	272
Little Rock	6,193	2,566
No. Little Rock	2,952	1,229
Pine Bluff	2,271	1,531
Texarkana	758	511
Fayetteville	853	530
California (16):		
Fresno	9,560	3,210
Compton	5,128	2,084
Pasadena	2,581	1,698
Oxnard	1,584	1,362
Ventura	1,325	683
San Bernardino	3,108	2,007
Seaside	1,724	673
Berkeley	2,836	2,207
Oakland	12,504	7,004
Richmond	2,736	1,389
San Francisco	$28,601	$12,784
San Jose	6,472	6,043
Santa Maria	860	542
Santa Rosa	1,821	673
Napa	2,244	459
Vallejo	1,277	1,026
Colorado (1): Denver	16,086	8,380
Connecticut (11):		
Bridgeport	4,107	2,613
Bristol	1,060	642
Danbury	1,198	631
Hartford	10,275	3,283
New Britain	4,181	1,184
New Haven	17,078	2,646
West Haven	727	624
New London	6,418	465
Norwich	1,478	570
Stamford	2,034	1,376
Waterbury	5,679	1,607
Delaware (1): Wilmington	4,463	1,738
District of Columbia:		
Washington, D.C.	42,574	16,427
Florida (3):		
Titusville	958	371
Sarasota	965	768
Boca Raton	408	315
Georgia (2):		
Savannah	7,194	3,103
Atlanta	18,967	11,393
Hawaii (1): Honolulu	12,753	6,284
Idaho (1): Boise	5,276	1,011
Illinois (5):		
Bloomington	2,168	555
Rock Island	2,481	728
Peoria	2,115	1,911
Rockford	2,607	2,012
Springfield	4,501	1,392
Indiana (5):		
Evansville	2,871	2,293
East Chicago	2,160	965
Gary	7,217	3,713
Indianapolis	13,928	10,967
South Bend	3,547	1,720
Iowa (3):		
Des Moines	3,593	2,844
Sioux City	3,929	1,266
Waterloo	1,180	1,159
Kansas (2):		
Kansas City	5,899	2,992
Wichita	12,512	4,140
Kentucky (2):		
Covington	1,566	1,167
Louisville	8,662	7,505
Maine (3):		
Lewiston	2,936	667
Portland	3,644	1,121
Auburn	699	366
Maryland (1): Baltimore	33,185	18,555
Massachusetts (13):		
Cambridge	4,119	1,601
Boston	23,687	11,860
Lynn	3,234	1,317
Malden	4,561	694
Fall River	5,470	1,654
Haverhill	1,976	615
Lawrence	1,637	1,021
Lowell	3,461	1,445
New Bedford	10,125	1,766
Pittsfield	1,339	666
Holyoke	2,943	883
Springfield	9,109	2,571
Worcester	6,038	2,429
Michigan (11):		
Ann Arbor	2,475	1,365
Bay City	1,317	720
Detroit	34,101	26,982
Pontiac	3,197	1,550
Flint	5,832	3,236
Grand Rapids	4,762	2,985
Jackson	1,062	701
Lansing	6,967	1,871
Muskegon	1,107	720
Muskegon Heights	676	394
Saginaw	3,608	1,614
Rhode Island (2):		
Duluth	2,080	1,458
Minneapolis	16,710	6,341
St. Paul	18,822	4,228
Mississippi(2):		
Biloxi	$3,933	$903
Gulfport	2,338	834
Missouri (4):		
Kansas City	9,464	8,170
St. Joseph	1,715	1,266
St. Louis	15,196	15,115
Springfield	2,781	1,998
New Hampshire (1): Manchester	2,494	1,275
New Jersey (10):		
Atlantic City	3,358	1,078
Jersey City	6,481	4,961
New Brunswick	1,402	700
Perth Amboy	1,306	662
East Orange	2,522	1,124
Newark	20,565	10,009
Paterson	4,266	3,058
Camden	5,502	2,283
Trenton	5,075	1,985
Vineland	1,512	692
New Mexico (1): Albuquerque	7,195	4.288
New York (15):		
Albany	2,090	1,793
Schenectady	1,477	996
Troy	1,414	984
Binghamton	5,414	926
Buffalo	11,716	7,665
Niagara Falls	1,579	1,267
Elmira	1,609	681
Mt. Vernon	2,596	1,127
White Plains	3,712	594
Yonkers	5,245	2,623
Poughkeepsie	10,831	505
Rochester	14,613	4,505
Syracuse	11,852	3,070
Rome	1,523	646
Utica	1,551	1,408
North Carolina (8):		
Ashville	3,238	1,124
Burlington	1,338	509
Charlotte	10,564	4,356
Gastonia	1,402	875
Fayetteville	1,444	1,314
High Point	4,021	1,153
Winston-Salem	5,675	2,643
Durham	2,382	2,038
North Dakota (1): Fargo	1,726	705
Ohio (12):		
Akron	10,978	4,063
Cincinnati	18,834	9,432
Cleveland	16,091	14,506
Columbus	9,186	8,741
Dayton	4,509	4,206
Middletown	5,353	745
Elyria	1,380	673
Lorain	1,264	1,221
Steubenville	1,411	521
Toledo	8,154	5,447
Warren	913	887
Youngstown	3,692	2,362
Oklahoma (3):		
Lawton	6,661	1,475
Oklahoma City	8,217	6,305
Tulsa	9,435	4,925
Oregon (2):		
Portland	8,574	5,578
Salem	3,182	899
Pennsylvania (16):		
Allentown	2,426	1,338
Bethlehem	1,175	869
Easton	3,104	504
Altoona	1,224	978
Erie	4,587	1,875
Harrisburg	2,482	1,340
Johnstown	1,187	743
Lancaster	4,318	938
Scranton	7,982	1,481
Wilkes-Barre	8,339	902
Chester (City)	2,274	1,200
Philadelphia	56,522	34,076
Pittsburgh	16,429	9,150
Reading	4,186	1,237
Williamsport	1,405	636
York	1,234	823
Minnesota (3):		
Pawtucket	5,901	1,167
Providence	7,143	3,457

	Year 1	*Year 6*
South Carolina (2):		
Greenville	$2,205	$1,356
Spartanburg	4,434	1,040
South Dakota (1): Sioux Falls	3,064	987
Tennessee (5):		
Chattanooga	6,526	3,024
Bristol	365	357
Kingsport	675	546
Knoxville	4,053	3,453
Nashville-Davidson	9,609	7,370
Texas (7):		
Port Arthur	1,324	1,291
Grand Prairie	3,298	751
Lubbock	5,310	2,983
Edinburg	4,195	729
Texarkana	1,168	649
Waco	3,308	2,060
Austin	7,974	4,820
Utah (1): Salt Lake City	4,604	2,990
Virginia (7):		
Lynchburg	1,537	924
Norfolk	14,053	5,949
Portsmouth	4,536	2,336
Hopewell	750	348
Richmond	10,067	4,912
Roanoke	2,091	1,543
Alexandria	1,751	1,434
Washington (1): Seattle	7,003	6,927
West Virginia (3):		
Huntington	1,513	1,416
Wheeling	1,533	837
Charleston	1,385	1,324
Wisconsin (2):		
Green Bay	1,757	1,201
Milwaukee	13,291	11,130

AMENDMENT TO H.R. 15361

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from the District of Columbia (Mr. FAUNTROY) is recognized for 5 minutes.

Mr. FAUNTROY. Mr. Speaker, during consideration by the House of H.R. 15361, the Housing and Urban Development Act of 1974, I intend to offer the following amendment which will extend and adequately until 1977 the 235 and 236 housing programs of this Nation:

On page 62, strike lines 3 through 12 and insert in lieu thereof the following:

SEC. 207(a)(1) Section 235 of the National Housing Act is amended by adding the following new subsection (n):

Notwithstanding any other provision of this section, no mortgage shall be insured under this section unless the property involved is located in an area referred to in Section 220(d)(1) or in an area designated as an urban renewal area in an approved housing assistance plan submitted by a unit of general local government or combinations of such units assisted pursuant to sections 106 and 107 of the Housing and Urban Development Act of 1974.

(2) Section 235(m) of such Act is amended by striking out "October 1, 1974" and inserting in lieu thereof "June 30, 1977."

(3) Section 236 of such Act is amended by adding the following new subsection (p):

Notwithstanding any other provision of this section, no mortgage shall be insured under this section unless the property involved is located in an area referred to in Section 220(d)(1) or in an area designated as an urban renewal area in an approved housing assistance plan submitted by a unit of general local government or combinations of such units assisted pursuant to sections 106 and 107 of the Housing and Urban Development Act of 1974.

(4) Section 236(n) of such Act is amended by striking out "October 1, 1974" and inserting in lieu thereof "June 30, 1977."

(b)(1) The second sentence of section 235(h)(1) of such Act is amended by striking out all that follows "1970," and inserting in lieu thereof the following: "by $200,000,000 on July 1, 1971, by $115,000,000 on July 1, 1972, and by $120,000,000 on July 1, 1975, $12,000,000 on July 1, 1976, and $120,000,000 on July 1, 1977."

(2) The second sentence of section 236(i)(1) of such Act is amended by striking out all that follows "1970," and inserting in lieu thereof the following: "by $200,000,000 on July 1, 1971, by $225,000,000 on July 1, 1972, by $180,000,000 on July 1, 1974, and by $200,000,000 on July 1, 1975, $200,000,000 on July 1, 1976, and $200,000,000 on July 1, 1977."

HIGH COSTS DRIVE POOR TO PET FOOD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. BURKE) is recognized for 5 minutes.

Mr. BURKE of Massachusetts. Mr. Speaker, again I take the floor of the House to bring to the attention of the Members of the U.S. Congress conditions that exists throughout the Nation as the result of the fast escalation of food prices and the dire effects on our American citizens. I have mentioned before my bill to authorize the Secretary of Agriculture to provide free garden seeds to home gardeners for the promotion of a back-to-the-soil movement in America.

At a cost not to exceed $6 million the U.S. Government can return to its former policy of distributing free garden seeds upon request, a policy that was in effect prior to 1936. With the predicted shortages in food in the years to come now is the time for our Government to act. Give the poor of this Nation and those of low income a chance to grow nutritious vegetables in our urban areas of the country. A lot 30 by 30 can produce enough vegetables for a family of four. My bill has been heard by the Subcommittee on Agriculture chaired by Congressman JOSEPH VIGORITO, of Pennsyvania. This legislation while costing very little can produce up to $380 million in food.

Last week I offered an amendment to the tax reform bill that would provide a 7-percent investment credit to home gardeners who raise vegetables for their own use on the purchase of gardening tools on purchases up to $100. After listening to the tax shelters enjoyed by hobby farmers and the tremendous tax breaks given to the large corporate farms in the country, I felt that something should be done for the little man to help him fight inflation and help him provide a balanced diet for his family.

I ask unanimous consent to include an article that appeared in today's Washington Post entitled "High Costs Drive Poor to Pet Food," written by Jack Anderson.

HIGH COSTS DRIVE POOR TO PET FOOD

(By Jack Anderson)

Soaring prices are driving the poor, particularly old people with fixed incomes, to eating cheap dog and cat foods. This is the stark finding of a confidential Senate nutrition study.

My associate Les Whitten tried some of the pet foods, which suddenly are selling big in the ghettos and communities for the impoverished elderly.

He found the canned pet foods, though edible, had a rank taste which made him queasy. The dry foods, sold in bulk quantities, were coarse tasting and hard to swallow.

When he mixed them with water and salted them, they were at least palatable. Peanut butter or cheese spread made dry dog foods easier to get down, he found. But the poor seldom can afford these tasty spreads.

The confidential study, prepared by nationally known experts for the Senate Nutrition Committee, reports that high costs are increasing the demand for cheaper foods even among the better-to-do.

"For the poor, however, who already are consuming generally the lowest cost and lowest quality food items, there is virtually no flexibility to switch to lower cost food items," the study declares.

Therefore, they "eat less . . . and switch to foods that are not designed for human consumption, that is, pet foods." The world population expansion makes the plight of the poor even more precarious, contends the report.

The nutrition experts found that chicken and beef are vanishing from the diet of the poor. At the same time, "the sale of pet food rose by 12 per cent over the first nine months of 1973."

Estimates the study: "As much as one-third of the pet foods sold in ghetto areas are being used for human consumption. For areas with high proportions of elderly poor, the estimates (are) even higher."

The proud but poor, embarrassed over their poverty, are furtively buying pet foods to feed themselves and their families, indicate the study.

Wage increases only tighten the squeeze on the truly poor by driving up the demand and, therefore, the cost of meats. For those on fixed incomes, the struggle to stay alive is becoming more difficult.

Senate Nutrition Chairman George McGovern (D-S.D.) and ranking minority member, Sen. Charles Percy (R-Ill.), will explore the world food problem at hearings beginning this week.

OUR CONGRESSIONAL RECORD CLERK, RAYMOND F. NOYES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kentucky (Mr. NATCHER) is recognized for 5 minutes.

Mr. NATCHER. Mr. Speaker, I rise to pay tribute to my friend, Raymond F. Noyes, CONGRESSIONAL RECORD Clerk, who will be retiring on June 22d after 39 years with the Government Printing Office.

Raymond F. Noyes began work at the Government Printing Office on April 26, 1935. He was detailed to the Capitol as an assistant to the CONGRESSIONAL RECORD Clerk in May 1953, promoted to Assistant RECORD Clerk 2 months later, and on January 1, 1958, was promoted to his present position as CONGRESSIONAL RECORD Clerk since that time.

The position of the CONGRESSIONAL RECORD Clerk was created in the 1880's, and there have been only four CONGRESSIONAL RECORD Clerks. During his service as the CONGRESSIONAL RECORD Clerk for more than 16 years Raymond Noyes has been responsible for the processing of all orders by the Members of Congress for reprinting portions of the CONGRESSIONAL RECORD, ordering public documents, such as franks, envelopes, extracts of hearings, reprints of bills, reports, and other documents that are paid for by the individual Congressman or Senator. He also has been responsible for the handling of correspondence in regard to the mailing of the CONGRESSIONAL RECORD to the constituents of the Members.

Mr. Noyes has received many letters over the years from Members of Congress commending him on the performance of his duties, and justifiably so. He has always been extremely pleasant while efficiently conducting the business of his office. I might add that Raymond Noyes also has a perfect attendance record, having never been late or absent during his 39 years of Federal service.

Born and raised in the District of Columbia, Raymond Noyes served in the District of Columbia National Guard from January 22, 1931, to January 21, 1934; and July 14, 1936 to November 25, 1940. On January 27, 1942, he enlisted for active duty in the U.S. Army and on January 13, 1946 he was discharged after serving in the Asian-Pacific theater with the combat engineers. He reenlisted in the District of Columbia National Guard on August 29, 1946 and served continuously until January 31, 1958. He was discharged from the National Guard shortly after becoming CONGRESSIONAL RECORD Clerk and at that time he was sergeant major of the 260th AAA Group. He retired from the U.S. Army as a first sergeant on February 1, 1974, after over 22 years of service.

Raymond Noyes is married and presently resides in Wheaton, Md. He has two children and four grandchildren.

Mr. Speaker, Raymond F. Noyes has been a dedicated public servant and he will long be remembered and admired for the excellent manner in which he has served as our CONGRESSIONAL RECORD Clerk. I want to wish him and the members of his family all the very best in the future.

REFLECTIONS ON ISRAEL—I

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PODELL) is recognized for 10 minutes.

Mr. PODELL. Mr. Speaker, I recently returned from my fourth trip to Israel, and I would like to share some of my observations and thoughts.

All of us who have been to Israel have usually had one feeling resulting from the trip—a combination of hope and excitement. Israel somehow never fails to stir something in the souls of men. But this time, something was different.

The Yom Kippur war has worked a drastic change on Israeli society. Israel has always had many problems, economic, political, and social. Sometimes it seems that every major problem a nation could have is present in one form or another in Israel. But before last October, there was a feeling that they could manage, and overcome all their difficulties.

Now, however, the people seem to be tiring of this continuing struggle. There is inflation that makes our own pale by comparison, there is a 22-percent interest rate, there is the highest tax burden in the world, there is a government for which people want to have great hopes but in which there is not an abundance of confidence, and there is a growing dissatisfaction with the quality of life in general.

These are all observations I gleaned from walking the streets, and meeting with and talking to Israelis. This attitude may partly be blamed on the natural growing pains in the life of any nation, and partly on the outcome of the Yom Kippur war. When a war ends in victory, the people are jubilant, hopeful, confident that they can overcome any obstacle. This was the prevalent feeling in Israel until last October.

But a war need not end in a total defeat to take the heart out of the people. A stalemate can do that just as easily. Kissinger's activities in Egypt and Syria, his negotiations with the various leaders, were designed to create a stalemate and force Israel to face up to the necessities of ending the fighting and working toward peace. Perhaps in the long run this may prove to be the wisest course. Only time can tell. But in the short run, it may well have been disastrous for Israel's national morale. The Israelis suffered a severe blow when they were attacked by Egypt and Syria, and they were not permitted to regain their former military advantage.

I visited housing built for Russian immigrants. In a number of ways, this was one of the high points in my visit to Israel. It demonstrated as clearly as anything could, that despite all her troubles, Israel is still an active, growing, and open society. I found it personally rewarding, because it showed that all the work I have done on the Vanik freedom of emigration amendment has had a tangible impact on people's lives. I was most impressed when I learned that even during the worst of the fighting, Israel was still sending empty planes to Vienna to bring the Russian emigrants to their new homes, and that in spite of the incredible costs incurred because of the Arab attack, Israel was still spending as much money as possible on assimilating the new arrivals into a free, democratic society.

The Israeli people in general, I noticed, are particularly encouraged by what Henry Kissinger has done to achieve disengagement and get peace talks underway. They believe in the possibility of peace. But deep down, many of them fear that genuine peace cannot be achieved without unacceptable compromises on the return of occupied lands or the creation of a Palestinian state. There is no doubt in my mind that the Israelis want peace. But they feel that including a sovereign Palestinian state as part of a peace settlement would be like asking them to point a loaded gun at their own hearts.

While the Israelis approve of the agreement that Kissinger worked out between Israel and Egypt and Syria, they look with disfavor on President Nixon's plans to send massive amounts of aid to Egypt, Syria, and Saudi Arabia. While ostensibly this is economic aid, many Israelis feel that the money, if not used directly for military purposes, will free other funds in Arab countries for military expenditures. And these funds, while they might not go to direct action against the Israelis, could very easily find their way into the coffers of Palestinian terrorists organizations, so long as there is no provision in the peace settlement for the control and settlement of the Palestinian question.

On the whole, I found a strong desire for peace. The Yom Kippur war used up Israel's gross national product for the next year. Israel simply cannot afford another war. While offering the Arabs dollars in exchange for their cooperation in peace talks is a gamble, many Israelis, including the country's leadership, feel that the prospect of peace makes the gamble worth while.

In the meantime, Israel is still sorely beset by many problems. The Israelis feel that they did not suffer a military defeat so much as a moral loss. They fear that they are losing American support. The average Israeli worries that our current efforts to buy friendship with the Arabs is not motivated so much by interest in Israel's future well-being, as by our desire to ensure future uninterrupted oil supplies from Saudi Arabia. They do not fully trust the Nixon administration to be "even-handed" and each new overture and gift to the Arabs increases this distrust.

This sense of fear and distrust have been increased by the recent upswing in terrorist activities. The long-run costs, both economic and emotional, of the war against the Palestinian terrorists, may prove greater than the costs of the "formal" wars against the Arab States. The people cannot lie easy in their beds at night. It is not known when and where the terrorists will strike next, and how many will be killed the next time they attack.

The high point of this trip, as it was of my other visits to Israel, was seeing Jerusalem. To me, it is the most beautiful city in the world. Its beauty is more than just physical. It contains the beauty of Jews, Christians, and Arabs living together harmoniously, and all working for the same basic goals. Jerusalem still symbolizes the hope that there can be genuine peace and cooperation between Jew and Arab.

I found complete democracy in Israel. Everyone has an opinion, and voices it proudly. Dissent is encouraged, and is not branded a subversive attack on the Government. To me, this is a healthy sign, for as long as people can talk and argue about their difficulties and the best solutions to their problems, there is the hope that they will find a way to work things out.

There was so much to see, and so many observations to be made. It is difficult for me to relate everything I saw and did. One thing, however, came through clearly. In spite of everything, Israel is still a country consumed with the goal of continuing growth. In spite of the costs of the war, Israel is still looking toward a future in which she will be at peace and able to direct her energies toward meeting the needs of her people.

The Israelis are blunt about their hatred for the Soviet Union. It is not a clash of economic ideologies, but rather this hatred stems from Russia's treatment of the Jews and from Russia's pivotal role in prolonging the conflict in the Middle East by supplying the Arabs with weapons and shoring up their resistance against Israel. Although there are grave misgivings about the new Arab-American friendship, the Israelis fear this far less than they fear a resurgence of the Soviet hegemony in the Middle East.

I must admit, Mr. Speaker, that at times it was difficult for me to understand how these people were able to keep up the struggle. There are so many difficulties.

There is still so much land waiting to be developed, so much desert waiting to blossom and bear fruit. The war has taken away precious time, money and manpower. The war has placed so many burdens on Israel, and yet the people keep on fighting to build a homeland they can be proud of. The guts and determination of this small nation are truly awe inspiring.

The most impotrant thing I learned in my visit is that American support of Israel is more important now than ever before. A demoralized Israel will be easy prey for the Arabs and their Russian mentors at the Geneva peace talks. We must support Israel with grants of economic and military aid, with assurances from Dr. Kissinger and President Nixon that there will be no "sell out."

I think it is time now, Mr. Speaker, to demonstrate to Israel that the American people and the American Government still offer her their support, and that the Israeli people need not worry about our actions and motivations. We must not purchase friendship with the Arab States at the expense of ending our traditional good relations with Israel.

PERSONAL STATEMENT

(Mr. DULSKI asked and was given permission to extend his remarks at this point in the Record).

Mr. DULSKI. Mr. Speaker, because of business in my congressional district, I have missed some rollcall votes. I would like to have the Record show that had I been present and voting on June 3, 1974, I would have voted "yea" on Roll No. 261 and No. 262; on June 10, 1974, I would have voted "yea" on Roll No. 284 and No. 285; on June 17, 1974, I would have voted "yea" on Roll No. 297 and No. 298.

June 11, 1974, I was detained in my office and unable to reach the floor in the allotted time; had I made it, I would have voted "yea" on Roll No. 289.

SUPPORT FOR A NATIONAL DEVELOPMENT BANK

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, it is gratifying to know that the governing body of one of the largest urban areas of the country has endorsed my proposal to establish a National Development Bank to allocate low-cost credit to priority areas of the economy.

The Board of Supervisors of Los Angeles County, through its legislative office here in Washington, issued the following letter June 11:

"Dear Congressman: Our staff recently analyzed your bill H.R. 13637 (Establishment of a National Development Bank). The Los Angeles County Board of Supervisors is vitally concerned with this bill and is pleased to be able to offer its support for this legislation.

Thank you very much for the interest and concern you have invested in this bill.

Sincerely,

Joseph M. Pollard,
Legislative Consultant."

A brief analysis of H.R. 13637 to establish a National Development Bank accompanied the letter and it reads as follows:

H.R. 13637 (Patman). *"Establishment of National Development Bank.*

This bill would establish a National Development Bank for purposes of achieving a full employment economy both in urban and rural America. The Bank would make long-term loans to states and local governments for public works and facilities, to individuals and corporations to establish new businesses, and to public agencies, private corporations and limited dividend corporations for construction of low- and moderate-income housing providing that qualifying regulations are met."

3/20/74. Referred to House Committee on Banking and Currency.

County Position: Favor. The bill, if enacted, would provide for long-term financing for construction purposes to combat nationwide unemployment particularly in those depressed urban and rural areas where the loss of industry and business has produced an unemployment crisis. Loan funds if acquired by the County under this bill, must be used to provide medical, social, educational, transportation, production control, or recreational services. The bill indicates that it may be necessary to provide job training and unskilled and semi-skilled unemployed and underemployed workers. It would appear that the County could only acquire funds under the heading (Projects) as indicated on Page 11, Section 16 of the proposed bill. This section seems to be the only section that does not require the 6% or above unemployment rate as a prerequisite to obtaining loan funds. Relative to the Department of Urban Affairs, the bill would afford another means to finance low and moderate income housing.

Mr. Speaker, I must point out that the restriction cited in this otherwise very good analysis, namely that an unemployment rate of 6 percent or more governs when and where Development Bank loans are made in all instances except low- and moderate-income housing, is in error. Under the bill, the Development Bank could provide credit for industrial development and public works projects in areas threatened by unemployment and for other reasons, which in the judgment of the Bank's board of directors, would qualify communities for assistance.

But aside from this point, the attention given this legislation by the Los Angeles County Board of Supervisors, is a reflection of the growing need for establishment of a National Development Bank. The high unemployment that exists in southern California and across the Nation and the lack of credit and exhorbitant interest rates that prevail throughout our economy, are the strongest arguments I know of for congressional approval of the bill.

There is an excellent precedent for such action. The National Development Bank which would be established in this legislation, to a large extent, parallels the structure of the Reconstruction Finance Corporation which Congress created in the 1930's.

The Reconstruction Finance Corporation—RFC—was a major economic force in the Nation during much of the 1930's and all throughout the 1940's, particularly during World War II when it provided the financial resources by which the Nation swiftly expanded its defense production capacity. It provided billions of dollars of low-cost credit and helped establish and sustain millions of jobs. In short, the RFC provides us with a powerful example of how a financial vehicle can be fashioned to address the priority credit needs of the Nation.

It is true that in some important respects, the economic problems facing the Nation today are different than those which confronted us 20 and 30 years ago. But the need to respond to current problems is no less great and the concept and potential for achievement that was demonstrated in the operation of the Reconstruction Finance Corporation can in large part be duplicated through establishment of a National Development Bank.

SECRECY AT THE FEDERAL RESERVE

(Mr. PATMAN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PATMAN. Mr. Speaker, last month, the House had an opportunity to peel back some of the secrecy which exists in the Federal Reserve System.

By passing a measure which called for auditing of the administrative expenses, the House took a step forward but there is a great deal more to be done in opening up this agency to the Congress and the public. We still need to require a full-scale audit by the General Accounting Office—the same kind of audit which is required of all major agencies of the Federal Government.

The problems of Federal Reserve secrecy are at long last becoming recognized around the Nation. On June 7, the Christian Science Monitor, in an article by David R. Francis, described the Federal Reserve as one of the most secretive government organizations in Washington, listing it right alongside the Central Intelligence Agency and the Federal Bureau of Investigation.

Mr. Speaker, I place in the Record a copy of Mr. Francis' article which quotes extensively from Dr. William Wolman, an economist at Argus Research Corp.

The Fed—It's Right Up There With the CIA and FBI in Terms of Secrecy

(By David R. Francis)

BOSTON.—Among the most secretive government organizations in Washington are the CIA, FBI, and the Fed.

Yes, the Federal Reserve System, the nation's central bank. Probably more than Congress or the President, the Fed determines the level of economic activity in the nation. In setting monetary policy it often has a dominant influence on interest rates and even the level of employment.

By controlling the amount of money introduced into the banking system, the Fed plays a large indirect role in setting interest charges on mortgages and car loans, in deciding whether industry cuts its payrolls or adds to them.

Yet the Fed makes its key decisions in utmost secrecy.

Is this policy right in a democracy? Should there not be public debate over Fed decisions?

"Money policy," argues Dr. William Wolman, an economist at Argus Research Corporation, "should be made on the basis of open covenants openly arrived at.

"THE ECONOMIC SCENE

"Although this is an age that seems to be hung up on the occult, it is high time for the mystique of central banking to be exorcised. Let the Fed then state what its policy is and state it clearly."

At present the Fed releases the minutes of its Federal Open Market Committee (FOMC) the 12-man body that sets monetary policy, 90 days after its meetings.

If it were to announce immediately its monetary targets for the four weeks to the next FOMC meeting, it would give the money market sophisticates an advantage, the Fed maintains.

"You have to consider how much money you want to let a few favorite people make," held a spokesman.

Dr. Wolman's rebuttal is that a relatively few money-market firms are already making money through their expertise. They can quickly detect the nature of Fed policy changes—whether to tighten or loosen money—and make profits.

"I am extremely skeptical that the distortion of profits and losses would be more skewed than it is now," he says.

Interestingly, West Germany's central bank, the Bundesbank, does as a rule announce its policy decisions immediately after meetings of its governing council. This policy apparently causes no major harm.

The Fed, too, has been moving gradually in the direction of less secrecy. For the first time, it gave actual targets for interest rates and money growth when it released the minutes for the January and February meetings of the FOMC.

At this time, however, it remains one of the great games of economic journalism to try to sniff out at least the direction of the Fed's monetary policy changes.

A Fed governor will not specifically state such policy changes. That would be considered malfeasance. But sometimes he will indicate them indirectly by presenting his opinions of the economic scene.

New York's bond houses seek the same information, usually by following closely Fed actions in the money market. They often hire former Fed employees with an intimate knowledge of the manner in which the central bank operates in buying and selling government bonds, Treasury bills, or other money-market instruments.

The trend in the United States is to full disclosure by private corporations.

"The largest public corporation [the Fed] should take the lead in disclosure," asserts Dr. Wolman.

The 12 men on the FOMC have an extraordinarily difficult task. Before deciding monetary policy, they must first figure out which direction the economy appears to be moving. And economic forecasting is an imprecise art at any time.

It is a particularly risky occupation at the moment because of the unusual factor of an exceptionally high rate of inflation.

Economists at the Federal Reserve Bank of St. Louis are counseling the FOMC that it restrain the rate of growth of the money supply to 5 or 6 percent. That compares with an annual rate of 8.1 percent for the approximately seven months since the oil embargo was imposed.

In fact, the money supply has been restricted to a 5.5 percent growth rate in the past two months. That explains the credit squeeze.

Others argue, however, that the Fed should be more generous, taking account of inflation. The central bank, they say, should consider to some degree "real" money stocks. Otherwise money will become too tight and shove the economy into a recession.

Economists cannot agree among themselves on this issue. The FOMC must make up its collective mind on the basis of such imperfect knowledge.

But a democracy is based on the concept that a public debate of important policy decisions is healthy. Public disclosure by the Fed of its decisions would certainly feed the debate on monetary policy. It would also take some of the mystery out of government.

THE FOOD RESEARCH AND DEVELOPMENT ACT OF 1974

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. SEIBERLING. Mr. Speaker, I am today introducing a bill to deal with what I think can be justifiably labelled the most critical problem the world is now facing—the world food shortage. This problem is affecting millions of people all over the world, from the American housewife who is struggling to keep up with rising food prices to the African peasant who is struggling to keep alive.

This bill attempts to deal with this problem by establishing a Government-sponsored research and development program to focus on new methods of protein production, fertilizer production, and the processing of vegetable protein. Additionally, this bill would provide for an education program to encourage market acceptance of the products produced by such methods.

It is a sad commentary on our notion of "progress" that in the 20th century when we have developed the technology to send men into outer space and the depths of the oceans that we have not applied our technological know-how to adequately meet our most basic need—the need for food. The technology is available. The problem is that we are not using it. We have not had to use it, until now. American agriculture, aided by the "green revolution," has always been able to keep one step ahead in the race between population and food production. Our food for peace program—Public Law 480—has done a superb job in that respect, until now.

Now we are losing the race. While the global demand for food has increased by half in the past two decades, world grain reserves have dropped by half. New constraints are making themselves felt on our food supplies aside from population. These constraints include the growing demand of the newly affluent nations for better food—mainly more meat and dairy products—exhaustion of our fisheries in the oceans, changing climatic conditions, and the natural limits of our land resources.

Experts on the world food situation estimate that we will have to double food production in the next generation in order to maintain current per capita consumption levels.

Fortunately, scientists have already discovered many new methods of producing protein which have the potential for meeting our future food needs. Some of the most promising methods include the use of waste materials such as newspapers, corncobs, citrus pulp, manure, and petroleum to grow protein-producing microorganisms. While these innovations may not whet the appetite of most Americans, they can be used in livestock production, freeing massive quantities of grain for direct human consumption. We must launch a major effort to develop these new food techniques.

I have discussed this proposal in more detail in testimony submitted today to the Senate Select Committee on Nutrition and Human Needs. The committee, cochaired by Senator GEORGE MCGOVERN and Senator CHARLES PERCY, is conducting a series of hearings on the need for the establishment of a national nutrition policy.

My testimony before the McGovern committee and a copy of the proposed bill follow these remarks.

The World Food Crisis

(By Congressman JOHN F. SEIBERLING)

Mr. Chairman, I am pleased to present this statement to your distinguished Committee and panel of guests on a subject which is of critical importance to so many millions of people throughout the world—the increasing shortage of food. Your committee deserves applause for undertaking the consideration of a subject of such urgency and complexity.

I don't feel it is necessary for me to reiterate the well-known facts about the tragic dimensions of the world food crisis or debate its causes. This Committee is fully aware of the massive number of lives being threatened by starvation and malnutrition throughout the world and is familiar with the problems at the root of this crisis.

I would like to take this opportunity instead to offer a modest proposal to deal with the food shortage. My proposal is contained in a bill I am today introducing in the House of Representatives entitled "The Food Research and Development Act of 1974." This bill would establish a government-sponsored research and development program to focus on new methods of protein production, fertilizer production, and the processing of vegetable protein. In addition, it would provide for an education program to encourage market acceptance of the products produced by such methods. Such programs are essential to the establishment of any effective national or international food policy.

The technology of the Green Revolution, which played such an important role in averting a major food disaster in the 1960s, is no longer adequate to meet the world's growing demands for food. Demographic experts say that our food supplies will have to *double* within the next generation in order to keep pace with population growth. The Green Revolution cannot perform that kind of a miracle. We must seek a new technology and develop a new food policy that can.

A central concept in any policy designed to meet our future food needs must be a reduced reliance on animal protein in our diet. Animal protein is an extremely inefficient way of supplying food energy. It takes 21 pounds of vegetable protein to produce one pound of animal protein. Yet, most of the protein in the American diet comes from animals, in the form of meat and dairy products.

Vegetable sources supply protein of equal quality, particularly soybeans (the Japanese have made soybeans a staple of their diet for years.) Yet, in this country about half of our annual crop of vegetable protein is used to feed livestock. Right now, the average American eats the equivalent of five times as much grain as the average person living in India due to the prepondenrance of meat and dairy products in our diet. At a time when people are starving by the hundreds of thousands in the impoverished areas of the world, we must reassess our own eating habits.

The Food Research and Development Act would encourage greater consumption of vegetable protein as an alternative to animal protein by providing funds for the development of methods of processing vegetable protein into "imitation" meat and dairy products. Some success has already been made in this direction with the introduction of vegetable oil as a substitute for animal fat, most notably as margarine. Margarine has established itself so well as a competitive product to butter that it is no longer considered an "imitation" product by many people. Soybean meat extender also became popular last summer when meat prices skyrocketed, but most people still consider it no more than a meat supplement. In the future, however, "meat" made totally from Soybeans may be the rule. As Agriculture Secretary Earl Butz recently noted, "We have the technology to make better hamburgers out of soybeans than out of cows." Indeed, modern technology has made it possible to duplicate the flavor, texture, appearance, and nutrition of nearly every existing meat product—from bacon to pork chops—and many dairy products as well.

Many of these products are already commercially available, although not at prices the average consumer can afford. The Food Research and Development Act would help find ways to market these products at low cost, hopefully much lower than the products they imitate, and to expand their production.

By using more of our grain supply directly to supply human food instead of animal food, we would have not only a bigger grain surplus to share with the rest of the world, but a better balance of payments and lower food prices. Additionally, greater human consumption of vegetable protein may produce a healthier population since it contains none of the saturated fat and cholesterol found in meat and dairy products which doctors warn their heart patients to avoid.

As another alternative to animal protein—or at least an alternative method of producing it—the Food Research and Development Act would promote the development of "single-cell" protein. Single-cell protein is produced by single-celled microorganisms, known as "microbes" for short. Microbes are the tiny organisms such as bacteria, yeasts, and molds used to ripen cheese, ferment wine, and produce penicillin. People have been eating them for ages, but only recently has their full potential as a plentiful source of protein been discovered. The possibilities for their use as food are amazing.

Scientists working at the U.S. Army Laboratories in Natick, Massachusetts have discovered a way of using microbes to produce protein from old newspaper, clothes, and other organic materials. Their discovery involves the use of a special enzyme to break down the cellulose in these materials into glucose, a type of sugar which is used to feed protein-producing microbes. The scientists have set up a small pilot plant which is designed to convert 100 pounds of waste paper into 50 pounds of glucose a day. Their work has fantastic possibilities not only for easing the world food shortage, but for solving many of our waste disposal problems as well.

Other scientists working in laboratories for British Petroleum have put microbes to work producing protein from petroleum. In fact, they have already begun marketing it as a feed supplement for livestock. According to British experts, all of the world's protein needs could be met by using only one percent of the oil and gas now being consumed as fuel throughout the world.

Microbes can also be used to produce fertilizer. Scientists at the University of Wisconsin think they have developed a super microbe that can turn the nitrogen in the air into fertilizer eight times as fast as normal microbes. At a time when critical shortages of chemical fertilizer are threatening to reduce existing crop yields, the success of their research could be revolutionary.

The Food Research and Development Act would provide funds for this type of research and any other research designed to increase agricultural output. To help put the results of these and other research efforts into practical use, the bill would direct the Secretary of Agriculture to take all possible steps to assure that full and complete information about them is made available to industry, the general public, and federal, state, local, and international authorities, through demonstration projects and other means.

Of course, developing new types of food won't help the world food problem unless people eat them. This won't pose any problem in the starving nations of the world where people must eat any food they can get in order to survive. But it may pose a problem in countries like the United States where the people have very fixed tastes and eating habits and might not relish the thought of eating protein made from soybeans or newspapers.

To help promote market acceptance of new food products in the advanced nations, the Food Research and Development Act would direct the Secretary of HEW to set up an education program for schools and nonprofit organizations relating to the preparation and use of such products. The program would include the preparation of course outlines, visual materials, classroom teaching aids, food samples, and the training of teachers to conduct courses in the preparation and use of such food products. The bill also directs the Secretary of Agriculture to make such new food products available for school lunch programs.

The possibilities I have mentioned for improving the use of our agricultural resources and developing new types of protein and fertilizer are only some of the alternatives available. Other new ways of producing food are being explored. New discoveries may be imminent. The future of the world's population depends on the willingness of the industrialized nations to take the initiative to develop these new food sources and to make the best possible use of existing agricultural techniques. As the world's greatest producer and per capita consumer of food, the U.S. is in a unique position to take this initiative.

Right now, the portion of the federal agricultural budget being devoted to the discovery and practical application of new ways of increasing food production is miniscule in comparison to the size of the hunger problem the world is facing. It is going to take an effort comparable to the energy R & D effort we launched in response to the energy crisis in order to meet the food crisis. If we don't begin this effort now, the situation could become catastrophic.

The bill I am offering today is, of course, only one of many different steps which must be taken to deal with the growing scarcity of food. The world food crisis is a complex problem related to an intricate web of economic, political, and social issues. It is not going to be cured overnight. My bill is intended not as an immediate solution, but as an intermediate and long-term program for helping to meet the growing demand for food.

As your Committee studies the world food crisis and begins to lay the groundwork for a national food policy on this critical issue, I hope the concepts presented in my bill will be helpful.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food Research and Development Act of 1974".

SEC. 2. (a) The Congress finds and declares that—

(1) a more efficient use of our agricultural resources and the development of new techniques of protein production and of increasing crop yields is necessary to alleviate the present worldwide shortage of protein;

(2) the large amount of grain required to produce meat and dairy products and the high cost of such products requires the development of new methods of processing vegetable protein to produce low cost substitutes for such products of comparable nutritional value.

(b) It is the purpose of this Act to encourage the development and demonstration of new methods of protein production, fertilizer production, and processing vegetable protein and to encourage market acceptance of the products produced by such new methods.

SEC. 3. (a) The Secretary of Agriculture (hereinafter in this Act referred to as the "Secretary") shall conduct research and development relating to the following:

(1) New methods of protein production, including the treatment of waste materials with micro-organisms.

(2) New methods of improving the protein content of cereals and grains, including combining different types of these products to create the amino acid balance required for "complete" protein.

(3) New methods of fertilizer production, including microbiological techniques.

(4) New methods of processing vegetable protein into low cost substitutes for meat and dairy products.

(5) The effect of existing public policy, including Federal and State regulation of food products, on the utilization of new methods of protein production, fertilizer production, and processing vegetable protein.

(b) The Secretary may conduct demonstration projects to test and demonstrate the new methods of protein production, fertilizer production, and processing vegetable protein developed under subsection (a) of this section.

(c) In carrying out the provisions of this section, the Secretary shall make grants to public or nonprofit entities and individuals for research, development, and demonstration projects, and provide for the conduct of research, development, and demonstration projects by contract with public or private entities, or persons without regard to sections 3648 and 3709 of the Revised Statutes (31 U.S.C. 529; 41 U.S.C. 5). Any such contract shall be made in accordance with, and subject to the limitations provided with respect to research contracts of the military departments in, section 2353 of title 10 of the United States Code, to except that the determination, approval, and certification required under such section shall be made by the Secretary.

SEC. 4. The Secretary shall take all possible steps to assure that full and complete information with respect to the research, development, and demonstration projects conducted under section 3 of this Act is made available to Federal, State, local, and international authorities, industry, and the general public with the objective of promoting and facilitating the use of the new methods of protein production, fertilizer production, and processing vegetable protein developed under section 3 of this Act.

SEC. 5. The Secretary shall take all possible steps to make the products developed under section 3(a) of this Act available for school lunch programs.

SEC. 6. The Secretary of Health, Education, and Welfare shall develop and make available to educational and other nonprofit institutions an educational program relating to the preparation and use of the food products produced by the methods developed under section 3(a) of this Act. Such program shall include the preparation of course outlines, visual materials, classroom teaching aids, food samples, and the training of teachers to conduct courses in the preparation and use of such food products.

SEC. 7. The Secretary of Agriculture shall submit annual reports to the President and the Congress on the results of the research, development, and demonstration projects conducted under section 3 of this Act, together with such recommendations (if any) as the Secretary deems advisable. The first such report shall be submitted within six months after the date of the enactment of this Act.

SEC. 8. For the purpose of carrying out the sections of this bill, there are authorized such sums as may be necessary through fiscal year 1978.

RADIATION PROTECTION FOR HEALTH AND SAFETY

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I would like to bring to the attention of the House S. 667, the Radiation Health and Safety Act introduced by Senator JENNINGS RANDOLPH. I have been most pleased to be the House sponsor of the companion bill, H.R. 673, which provides Federal minimum standards for the training of radiologic technologists, for the accreditation standards of schools training radiologic technologists, and for the licensure of radiologic technologists. These standards would be the national minimums required in these fields. The bill would make it unlawful for an education institution not accredited to conduct such training and would make it unlawful for an individual to apply radiation to a patient for diagnosis or treatment unless he or she is a licensed medical practitioner, a licensed dentist, a licensed dental hygienist, or a licensed radiolcgic technologist or technologist-in-training.

State standards consistent with the Federal criteria and minimum standards under this act will be the standards that will apply in that State. It is my understanding that New York is one of only three States in the Nation that license radiologic technologists, the others being New Jersey and California. To encourage such responsible regulation, the Public Health Service has prepared model legislation for State licensure. There is a need to insure that radiologic technologists have reached a degree of proficiency and thus can perform competently. A voluntary certification program is not sufficient as it is only voluntary and cannot require more than the most minimum standards.

The problem of not having competent personnel is most serious to the patient. So often, the operator of X-ray equipment is not qualified to handle the equipment. A Nebraska news item which I have seen reported that in a small community close to a large metropolitan area, qualified technologists were turned down for positions at a hospital. It was felt that the maintenance man was capable of doing the radiography.

I have been advised by X-ray technologists that often a physician will train his receptionist, secretary, medical assistant, part-time student or person with no professional background to operate the X-ray equipment. Yet, as Dr. Richard Chamberlain of the American College of Radiology stated at the 1968 congressional hearings, that every physician had, on an average, only 4.4 hours of his entire medical training devoted to lectures on radiological protection and techniques. He has probably relied on the salesman for basic knowledge about the working of the X-ray equipment. Often too, the physician will not supervise the number of X-rays the incompetent operator of the equipment might be giving the patient in order to get a better quality image, thus exposing the patient to unnecessary X-radiation.

A safe level of X-radiation has not been established and people are being subjected to unnecessary radiation exposure. The U.S. Public Health Service found that X-radiation levels lower than previously realized can cause genetic damage. In most danger is a fetus in early pregnancy. Small amounts of radiation can also cause birth defects, damage to the reproductive organs and cell damage to adults.

The National Academy of Sciences National Research Council released its study last year on "The Effects on Populations of Exposure to Low Levels of Ionizing Radiation." The conclusions reached in this study were that 1,300 to 6,000 cancer deaths annually are caused by exposure of the American public to present levels of diagnostic X-rays. In addition, ill health results from genetic damage caused by the exposure. The NAS-NRC study further shows that present exposure of the population to X-rays and the associated toll in lives can be significantly reduced through simple improvements in X-ray techniques.

For example, present genetic damage from X-rays can be reduced by up to 50 percent through improved techniques such as gonad shielding, particularly on male patients and restricting the size of the X-ray beam to the area of clinical interest. This is especially important during those X-ray procedures in which the reproductive organs are in the direct X-ray beam, as during examinations of the lower back, lower abdomen, and hip. In view of the known leukemogenic effect of X-rays, avoiding needless exposure of the bone marrow is also of special significance. Because of the increased radiosensitivity of embryonic tissue, special prudence should be exercised in prescribing X-ray examinations for pregnant or potentially pregnant women.

Another cause for concern has been the recent discovery reported in the New England Journal of Medicine that as many as 5 percent of all children may be more susceptible to the leukemia inducing effects of allegedly safe diagnostic X-radiation than other children are.

Joel Griffiths and Richard Ballantine state in their book "Silent Slaughter," that a child exposed to X-rays during the first 3 months of pregnancy is 10 times more likely to develop cancer than a child not exposed. One study conducted by Dr. Brian MacMahon of the Harvard School of Public Health in 1962 indicated that there is a 40 percent higher cancer mortality rate among children X-rayed in the womb. A study published in May 1973 in the American Journal of Epidemiology found that the total mortality experience of the white children during the first 10 years of life who had been exposed to intrauterine X-rays was almost twice that of children not exposed. The death rate from leukemia was about three times higher for the exposed population than for the controls.

Untrained, unqualified personnel cannot be permitted to handle X-ray procedures that have the potential for inflicting harm on so many people. We must assure that the personnel be trained as well as possible—and that only those licensed to practice be permitted to practice.

There is no evidence to suggest that there is a radiation exposure level so low that the probability of damage is zero. Indeed, there are those who believe that the present American population and generations yet unborn are and will be adversely affected by unnecessary X-radiation exposure, all of which is cumulative in its effect. The International Commission on Radiological Protection had indicated that present medical X-ray exposure is causing 3,000 deaths per year in the United States from various forms of cancer and genetic damage and may be introducing each year into future generations approximately 30,000 deaths from malignancies, stillbirths, and spontaneous abortions because of genetic damage. It has been found that exposure to varying amounts of X-radiation can increase the likelihood of cancer, leukemia, cataracts and damage to reproductive cells.

Yet, the most sophisticated and modern of X-ray systems cannot protect the health and safety of patients unless the technicians operating the equipment are adequately trained and licensed. In some States, we license car mechanics and TV mechanics. Does it not make sense that we license X-ray technologists who handle the most sophisticated of equipment—equipment which can provide extended life if properly used or shorten life when improperly used.

I became interested in the problems of excessive X-radiation and the practices of administering diagnostic X-rays when my sister took her son to a local hospital for a diagnostic X-ray of his ankle and the doctor refused to cover the rest of his body with a protective shield. I had a similar experience when I went to the dentist for a check-up. My dentist indicated that he draped the patient with a lead shield only if requested. My dentist is a good dentist and a friend. Unfortunately, he labored under the misconception, which is typical of so many dentists and technicians, that excess radiation is negligible from his machine, and that nothing could be wrong with that machine. He felt that the dental X-ray machine has so little penetrating power and does not scatter radiation to other parts of the body, that excess exposure would be harmless.

It is a fact that 95 percent of the radiation to which the American public is exposed comes from medical X-ray exposure. Only 2 percent of man's exposure comes from the nuclear power industry which is stringently regulated, while strangely medical and dental X-ray usage is not, in most cases, subject to control. By 1970, 130 million Americans had at least one medical or dental X-ray examination—up from 108 million in 1964. The total number of medical and dental X-ray examinations in that year was 212 million. K. Z. Morgan, former Director of the Health Physics Division of the Oak Ridge National Laboratory has stated that medical X-ray exposure could be reduced to less than 10 percent of its present level by the use of better equipment, improved techniques and protective shielding while at the same time improving X-ray diagnosis.

Of course, some medical X-rays are unavoidable. Medical X-rays are often necessary and have been responsible for the successful diagnostic and treatment of many ailments. However, unnecessary X-radiation is causing death and suffering to untold numbers of unsuspecting persons, as reported by the International Commission on Radiological Protection. We must do what we can now to control the X-ray machines and license the persons who use them.

No matter how technically excellent a machine is, a physician or user of an X-ray machine can still give unnecessary overexposure to the patient. It is of utmost importance that the physician or radiologic technologist be educated to the techniques of radiologic safety.

In order to develop an X-ray film, dentists have to take 5 minutes in the darkroom to develop a film. But, by increasing the dose to the patient, he can remain in the darkroom only 2½ minutes. Decreasing his time in the darkroom means increasing the exposure to the patient; techniques like this must be eliminated. I would like to append a press release from the New York City Department of Health announcing that New York City has voluntarily amended its health code to require that only the lower exposure dental films be used.

I would also like to mention a companion bill I have introduced, H.R. 672. This bill amends the Public Health Service Act to direct the Secretary of HEW to prescribe radiation standards for, and conduct annual inspections of diagnostic and other X-ray systems in use. This bill would require that existing dental and medical diagnostic X-ray machines meet new performance standards mandated by the Radiation Control for Health and Safety Act, Public Law 90-2, standards which are now required after August 1, 1974 for all newly manufactured machines, wherever feasible.

The diagnostic and medical X-ray machines currently in use and manufactured before August 1, 1974 do not have to meet the already established Federal performance standards for diagnostic X-ray equipment mandated by the Radiation Control for Health and Safety Act. And, these machines will continue to be used for the foreseeable future without being subject to these standards.

Basically, these standards for machines manufactured after August 1, 1974, will cause a substantial reduction in the beam size of the X-ray exposure to the size of the film or fluorscopic screen, and will render a far better image quality, thus reducing the need for retaking photographs and consequent repeat X-ray exposure.

I have been advised by X-ray technicians that it is technically feasible for the faulty collimation of an old machine to be upgraded to meet the stated Federal performance standards. If performance standards currently exist for new diagnostic X-ray equipment because they are necessary to protect the public from dangerous X-ray exposure, there seems to be no valid reason why the great percentage of machines currently in use should not be subject to the same controls in the public interest, wherever this is feasible.

The average life span of an X-ray machine is about 15–20 years, with some lasting 30–40 years and probably only 5 percent of that equipment is replaced yearly. It has been estimated by Prof. Hanson Blatz, chief of the New York City Office of Radiation Control that 50 percent of the X-ray equipment sold in New York is second hand. In a survey of owners of secondhand X-ray machines, the Public Health Service ascertained that of the 765 secondhand X-ray machines inspected, 595 deficiencies were identified.

An investigation conducted in Suffolk County, N.Y., to determine the number of diagnostic and therapeutic X-ray machines that were in violation of the New York State Ionizing Radiation Regulation found that in 1962 75 percent of the machines did not comply. A follow-up survey in 1972 found that about 34 percent did not comply—demonstrating that with careful supervision by a local health unit and cooperation by professional practitioners, progress can be made to reduce the X-radiation exposure to the public.

No individual should be required to submit to X-radiation by a machine which does not meet the established performance standards set by the Secretary of HEW. I submit that the Congress require all diagnostic machines to meet the performance standards mandated by Public Law 90-602 wherever feasible. And further, that there be annual inspections of the existing machinery to ensure their continued operation at the stated Federal performance level.

Mr. Speaker, in 1968, the Senate passed an amendment calling for the licensure of radiologic technologists, but the provision was dropped in conference by the House.

With each passing year, 3,000 people are dying from cancer due to X-ray exposure. They would not all be saved—but some will be if we pass legislation this year.

Hopefully, S. 667 will pass the Senate shortly. I would urge Members of the House who are supportive of this measure to urge Hon. PAUL ROGERS to do what he can to see that this legislation is speedily considered by his committee.

AMENDMENT TO BE OFFERED TO H.R. 15361

(Mr. KOCH asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. KOCH. Mr. Speaker, I intend to offer an amendment to the Housing and Urban Development Act, H.R. 15361, when the bill is on the floor, and I intend to use the 5 minutes allowed for this purpose. The text of the amendment is as follows:

AMENDMENT TO H.R. 15361, AS REPORTED, OFFERED BY MR. KOCH

Page 48, lines 22 and 23, strike out "not less than 20 per centum nor more than 25 per centum" and insert in lieu thereof "not less than 15 per centum nor more than 20 per centum".

WILL PRESIDENT NIXON'S MOSCOW TRIP UNDERCUT OUR STRATEGIC POSTURE?

(Mr. BLACKBURN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BLACKBURN. Mr. Speaker, euphoric over his administration's diplomatic triumphs in the Middle East, President Nixon will travel to Moscow in late June. The exact outcome of his visit is still in doubt, but it is no secret that the President hopes to score a fresh breakthrough in the disarmament area.

While admiring the administration's Mideast diplomacy, many astute analysts of the international scene are by no means sanguine that a successful outcome will be the result in Moscow. In fact, signs point increasingly to the likelihood that the President will grant new concessions to the Kremlin on the same order as those associated with SALT I.

A number of defense experts point to conspicuous flaws in the SALT I agreement on offensive missiles negotiated by the administration in 1972.

In areas where the Soviets are superior, the agreement guarantees the Soviets existing superiority, such as in heavy missiles. In regard to the most important area in which the U.S. enjoys superiority, multiple warheads—MIRV's—the agreement does nothing to prevent the Soviets from passing us.

With respect to the other area in which we are now superior, the number of submarine-based missiles, the pact includes an incredible provision which not only permits the Soviets to surpass us in numbers of missile-firing nuclear powered submarines, but to achieve superiority by about one third.

Still another way of looking at this agreement is to look at the numbers given to both sides in the agreement. The maximum number of long-range, land-based missiles that the United States is permitted to retain is 1,054. The maximum number of long-range, land-based missiles that the U.S.S.R. is permitted to retain is 1,618.

The maximum number of submarine-launched ballistic missiles that the United States is allowed to deploy is 710; the Soviets can deploy 950. The total permissible number of American missile-firing subs that can be deployed is 44; the Soviets can deploy 84. The United States is allowed "zero" heavy intercontinental ballistic missiles—but the Soviets can deploy 313 with the equivalent "throw weight"—or payload—of our entire 1,000 Minuteman missile force.

At present, the Soviets have developed four new missiles which, even under SALT I constraints, could be deployed to replace "lighter" missiles—thus magnifying the Soviet's already considerable payload advantage. In his posture statement of this year, Defense Secretary James Schlesinger warned that Soviet deployment of these new missiles would give the Soviets an "impermissible" lead.

In exchange for extending the lopsided SALT I advantages given the Soviets, the United States is said to want an "agreement in principle" to limit the number of multiple independently targeted warheads—MIRV's—that each side's missile force could hurl. An "agreement in principle," however, is not a bird in the hand; there is no way of knowing how long it would take for such an agreement to be translated into reality. In addition, many experts believe that our capacity to detect MIRV violations, except through on-site inspection which is not even being considered, is extremely limited.

HERB HOFFMAN TO SERVE THE PUBLIC IN ANOTHER CAPACITY

(Mr. MANN asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MANN. Mr. Speaker, Herb Hoffman has this month completed a period of outstanding service as a member of the staff of the House Judiciary Committee. I view his departure with mixed emotions, because he is moving to a position of great opportunity and importance, that of Director of the Governmental Relations Office of the American Bar Association.

As a member of the Subcommittee on Criminal Justice of the House Judiciary Committee, I have come to know Herb Hoffman well. In his position as subcommittee counsel, Herb has demonstrated skill as an attorney, an innovative mind for suggesting compromises for getting past potential impasses, and an abundance of vitality and cheerfulness. During the 93d Congress the subcommittee moved two very difficult and controversial pieces of legislation, in large measure because of the staff work.

The committee will miss the talent and personality of Herb Hoffman. Frankly I think the American Bar Association needs someone with the talent and ability of Herb Hoffman and his position as Director of the Governmental Relations Office of ABA here in Washington should be mutually beneficial and rewarding to all concerned. Since his work will keep him in close contact with the Congress we can expect to benefit from his work and his abilities in his new capacity as he responds on behalf of his constituency to the problems that confront our society.

At a recent reception in his honor I met most of his lovely family—wife, daughters, son-in-law, and grandson. They, and his lawyer-son in Arizona, are entitled to be proud of his record of service.

CONTINUING FOOD STAMPS

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, I would like to note with much pleasure the passage of H.R. 15124 by the Senate today by a vote of 90 to 0, thereby supporting the House action of yesterday. This bill extended food stamp eligibilty of supplemental security income recipients until July 1, 1975. When the President signs this bill into law, SSI recipients will be assured continuation of financial assistance particularly necessary in today's economic situation.

The needy SSI recipients of this country have a difficult time coping with inflation while living on their fixed benefits. The passage of the bill was imperative in order to enable these disabled, blind, and aged Americans to receive this assistance which they so urgently need.

The Congress now has the obligation to consider permanent legislation along with other urgently needed Federal proposals, to continue to provide for the health, independence, and security of these Americans.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. ESCH (at the request of Mr. RHODES), for the week of June 24, on account of official business.

Mr. HOSMER (at the request of Mr. RHODES), for June 19 and 20, on account of official business.

Mr. BRASCO (at the request of Mr. O'NEILL), for an indefinite period, on account of a necessary absence.

Mr. MATSUNAGA (at the request of Mr. O'NEILL), for today through June 21, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. HECHLER of West Virginia, for 30 minutes, tomorrow.

(The following Members (at the request of Mr. VEYSEY), to revise and extend their remarks, and to include extraneous matter:)

Mr. BLACKBURN, for 10 minutes, today.

Mr. KEMP, for 15 minutes, today.

(The following Members (at the request of Mr. RYAN) to revise and extend their remarks and include extraneous matter:)

Mr. BURLISON of Missouri, for 15 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. OWENS, for 5 minutes, today.

Mr. FRASER, for 10 minutes, today.

Mr. FAUNTROY, for 5 minutes, today.

Mr. BURKE of Massachusetts, for 5 minutes, today.

Mr. BINGHAM, for 5 minutes, today.

Mr. NATCHER, for 5 minutes, today.

Mr. PODELL, for 10 minutes, today.

Mr. HARRINGTON, for 60 minutes, on June 26.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. WYLIE, his remarks during general debate in the Committee of the Whole today, immediately following the remarks of Mr. GROSS on S. 411.

Mr. CLAY, to follow the remarks of Mr. SYMINGTON in the Committee of the Whole today on H.R. 15405.

Mr. RANDALL in the Committee of the Whole today, following the remarks of Mr. YATES, on H.R. 15405.

Mr. SKUBITZ following the remarks of Mr. SHOUP.

(The following Members (at the request of Mr. VEYSEY) and to include extraneous matter:)

Mr. HANRAHAN in three instances.
Mr. WYMAN in two instances.
Mr. QUIE in two instances.
Mr. PEYSER.
Mr. ZWACH.
Mr. LANDGREBE in 10 instances.
Mr. WYDLER.
Mr. ROUSSELOT.
Mr. DERWINSKI in two instances.
Mr. MINSHALL of Ohio.
Mr. KEMP in three instances.
Mr. MCCLOSKEY.
Mr. SARASIN.
Mr. GOLDWATER.
Mr. RHODES.
Mr. CARTER in five instances.
Mr. ARENDS.
Mr. DENNIS in two instances.
Mr. DEL CLAWSON.

(The following Members (at the request of Mr. RYAN) and to include extraneous matter:)

Mr. GONZALEZ in three instances.
Mr. RARICK in three instances.
Mr. DELANEY.
Mr. MATSUNAGA.
Mr. DINGELL in three instances.

Mr. Koch in five instances.

Mr. Rees.

Mr. Edwards of California.

Mr. Won Pat.

Mr. Leggett.

Mr. Harrington in three instances.

Mr. Anderson of California in two instances.

Mr. Green of Pennsylvania in two instances.

Mr. Evins of Tennessee.

Mr. Rogers in two instances.

Mr. Fauntroy in four instances.

Mr. Vanik in three instances.

Mr. Brown of California in 10 instances.

Mr. Moss.

Mr. Evans of Colorado.

Mr. Poage.

Mr. Bevill.

Mr. Luken.

Mr. Ford.

Mr. Andrews of North Carolina.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2201. An act to provide for the settlement of damage claims arising out of certain actions by the United States in opening certain spillways to avoid flooding populated areas; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 8586. An act to authorize the foreign sale of the passenger vessel steamship Independence; and

H.R. 14354. An act to amend the National School Lunch Act, to authorize the use of certain funds to purchase agricultural commodities for distribution to schools, and for other purposes.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 1585. An act to prevent the unauthorized manufacture and use of the character "Woodsy Owl," and for other purposes.

BILLS PRESENTED TO THE PRESIDENT

Mr. HAYS, from the Committee on House Administration, reported that that committee did on this day present to the President, for his approval, bills of the House of the following title:

H.R. 1961. An act for the relief of Mildred Christine Ford;

H.R. 8586. An act to authorize the foreign sale of the passenger vessel steamship Independence; and

H.R. 14354. An act to amend the National School Lunch Act, to authorize the use of certain funds to purchase agricultural commodities for distribution to schools, and for other purposes.

ADJOURNMENT

Mr. BURLISON of Missouri. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 32 minutes p.m.) the House adjourned until tomorrow, Thursday, June 20, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2463. A letter from the Deputy Assistant Secretary of the Interior (transmitting a copy of a proposed contract with FMC Corp., San Jose, Calif., for a research project entitled "Development of a Miner/Bolter System," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

2464. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with the Bendix Corp., Denver, Colo., for a research project entitled "Development of a Miner/Bolter System," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

2465. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Ingersoll-Rand Research, Inc., Princeton, N.J., for a research project entitled "Development of a Miner/Bolter System," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

2466. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Jeffrey Mining Machinery Co., Columbus, Ohio, for a research project entitled "Development of a Miner/Bolter System," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

2467. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Joy Manufacturing Co., Pittsburgh, Pa., for a research project entitled "Development of a Miner/Bolter System," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

2468. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Talley-Frac Corp., Mesa, Ariz. for a research project entitled "Chemical Explosive Fracturing Field Demonstration," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

2469. A letter from the Deputy Assistant Secretary of the Interior, transmitting a copy of a proposed contract with Petroleum Technology Corp., Redmond, Wash., for a research project entitled "Chemical Explosive Fracturing Field Demonstration," pursuant to section 1(d) of Public Law 89–672; to the Committee on Interior and Insular Affairs.

2470. A letter from the Secretary of Commerce, transmitting the report of the Department of Commerce on its administration of the Marine Mammal Protection Act of 1972 for the period June 22, 1973, through April 30, 1974, pursuant to section 103(f) of the act; to the Committee on Merchant Marine and Fisheries.

2471. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a report on grants for basic scientific research made by the Department of Defense to nonprofit institutions during calendar year 1973, pursuant to section 3 of Public Law 85–934 [42 U.S.C. 1893]; to the Committee on Science and Astronautics.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. PATMAN: Committee on Banking and Currency. H.R. 13044. A bill to amend the Defense Production Act of 1950; with amendment (Rept. No. 93–1121). Referred to the Committee of the Whole House on the State of the Union.

Mr. PATMAN: Committee on Banking and Currency. H.R. 15264. A bill to further amend and extend the authority for regulation of exports (Rept. No. 93–1122). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee of conference. Conference report on H.R. 14434 (Rept. No. 93–1123). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

[*Omitted from the Record of June 18, 1974*]

By Mr. WHITTEN:

H.R. 15472. A bill making appropriations for agriculture-environmental and consumer protection program for the fiscal year ending June 30, 1975, and for other purposes.

[*Submitted June 19, 1974*]

By Mr. ALEXANDER (for himself, Mr. Lott, Mr. Breckinridge, Mr. Zwach, Mr. Brown of California, Mr. Davis of South Carolina, Mr. Thornton, Mr. Bauman, Mr. Findley, Mr. Ichord, Mr. Montgomery, Mr. McEwen, Mr. Hillis, Mr. Sikes, Mr. Long of Louisiana, Mr. Andrews of North Dakota, and Mr. Andrews of North Carolina):

H.R. 15473. A bill to amend title 23, United States Code, the Federal-Aid Highway Act of 1973, and other related provisions of law, to increase safety on the Nation's highways; to the Committee on Public Works.

By Mr. CAREY of New York:

H.R. 15474. A bill to amend section 6056 of the Internal Revenue Code of 1954; to the Committee on Ways and Means.

By Mr. GUNTER:

H.R. 15475. A bill to amend the Federal Water Pollution Control Act to increase the penalties for discharging oil and hazardous substances; to the Committee on Public Works.

By Mr. HAWKINS (for himself and Mr. Reuss):

H.R. 15476. A bill to establish a national policy and nationwide machinery for guaranteeing to all adult Americans able and willing to work the availability of equal opportunities for useful and rewarding employment; to the Committee on Education and Labor.

By Mr. PATTEN:

H.R. 15477. A bill to establish a National Commission on Supplies and Shortages; to the Committee on Banking and Currency.

By Mr. SANDMAN (for himself, Mr. Burgener, Mr. Flood, and Mr. McCloskey):

H.R. 15478. A bill to provide property tax relief to low-income elderly homeowners through direct reimbursements; to the Committee on Ways and Means.

By Mr. SEIBERLING:

H.R. 15479. A bill to authorize research, development, and demonstration projects relating to new techniques of protein production, fertilizer production, and processing vegetable protein, and an education program to encourage market acceptance of products produced by such methods; to the Committee on Agriculture.

By Mr. THOMSON of Wisconsin:

H.R. 15480. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. VANDER VEEN:

H.R. 15481. A bill to amend the Internal Revenue Code of 1954 to include certain joint hospital laundry ventures among the cooperative hospital service organizations entitled to tax exemption thereunder; to the Committee on Ways and Means.

By Mr. ABDNOR:

H.R. 15482. A bill to establish the Great Prairie Lakes National Recreation Area in the States of South Dakota, North Dakota, and Nebraska, and for other purposes; to the Committee on Public Works.

By Mr. BLATNIK:

H.R. 15483. A bill to provide for additional Federal financial participation in expenses incurred in providing benefits to Indians, Aleuts, native Hawaiians, and other aboriginal persons, under certain State public assistance programs established pursuant to the Social Security Act; to the Committee on Ways and Means.

By Mr. BYRON:

H.R. 15484. A bill to repeal the Emergency Daylight Saving Time Energy Conservation Act of 1973; to the Committee on Interstate and Foreign Commerce.

H.R. 15485. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. CRONIN:

H.R. 15486. A bill to amend title II of the Social Security Act to provide for voluntary agreements between clergymen and their employers to treat clergymen as employed persons; to the Committee on Ways and Means.

By Mr. CULVER (for himself, Mr. Zablocki, Mr. Wolff, Mr. Yatron, Mr. Davis of Georgia, Mr. Harrington, Mr. Ryan, Mr. Burke of Florida, Mr. Vander Jagt, Mr. Steele, Mr. Whalen, and Mr. Gilman):

H.R. 15487. A bill to authorize the Secretary of Commerce and the Secretary of the Treasury to conduct a study of foreign direct and portfolio investment in the United States, and for other purposes; to the Committee on Foreign Affairs.

By Mr. CULVER (for himself, Mr. Winn, Mr. Conte, Ms. Abzug, Mr. Seiberling, Mr. Coughlin, Mr. Steelman, Mr. Mann, Mr. Obey, Ms. Holtzman, Mr. Diggs, and Ms. Burke of California):

H.R. 15488. A bill to authorize the Secretary of Commerce and the Secretary of the Treasury to conduct a study of foreign direct and portfolio investment in the United States, and for other purposes; to the Committee on Foreign Affairs.

By Mr. GAYDOS:

H.R. 15489. A bill to prohibit the military departments from using dogs in connection with any research or other activities relating to biological or medical warfare agents; to the Committee on Armed Services.

By Mr. GUDE (for himself, Mr. Owens, and Mr. Riegle):

H.R. 15490. A bill to amend section 502(b) of the Mutual Security Act of 1954 to reinstitute specific accounting requirements for foreign currency expenditures in connection with congressional travel outside the United States, and for other purposes; to the Committee on Foreign Affairs.

By Mr. HUNGATE:

H.R. 15491. A bill to extend the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

By Mr. KASTENMEIER (for himself and Mr. Steelman):

H.R. 15492. A bill to establish administrative and governmental practices and procedures for certain kinds of surveillance activities engaged in by the administrative agencies and departments of the Government when executing their investigative, law enforcement, and other functions, and for other purposes; to the Committee on the Judiciary.

By Mr. KOCH (for himself, Ms. Burke of California, Mr. Harrington, Ms. Holtzman, and Ms. Mink):

H.R. 15493. A bill to amend the Federal Food, Drug, and Cosmetic Act to authorize the Secretary of Health, Education, and Welfare to halt the sales and distribution of food, drugs, and cosmetics adulterated or misbranded in a manner which presents an imminent hazard to the public health and to require their recall or destruction, as may be appropriate; to the Committee on Interstate and Foreign Commerce.

By Mr. MELCHER:

H.R. 15494. A bill to amend chapter 1 of title 23 of the United States Code to provide for construction of access highways to rural areas substantially impacted by accelerated mining activities to meet national energy demands; to the Committee on Public Works.

By Mr. MOLLOHAN:

H.R. 15495. A bill to authorize the disposal of tin from the national stockpile and the supplemental stockpile; to the Committee on Armed Services.

By Mr. RARICK (for himself, Mr. Crane, Mr. Edwards of Alabama, Mr. Denholm, Mr. Milford, and Mr. Minshall of Ohio):

H.R. 15496. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. ROSENTHAL:

H.R. 15497. A bill to provide for the development and implementation of programs for youth camp safety; to the Committee on Education and Labor.

By Mr. THONE:

H.R. 15498. A bill to amend the Regional Rail Reorganization Act of 1973 in order to expand the planning and rail service continuation subsidy authority under such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. YOUNG of Illinois:

H.R. 15499. A bill to improve the regulation of Federal election campaign activities; to the Committee on House Administration.

H.R. 15500. A bill to amend the Internal Revenue Code of 1954 to increase the maximum deduction allowable with respect to contributions to candidates for public office, and to exempt certain political organizations from the payment of income tax; to the Committee on Ways and Means.

By Mr. ZWACH:

H.R. 15501. A bill to amend section 502(b) of the Mutual Security Act of 1954 to reinstitute specific accounting requirements for foreign currency expenditures in connection with congressional travel outside the United States, and for other purposes; to the Committee on Foreign Affairs.

[*Omitted from the Record of June 18, 1974*]

By Mr. MAHON:

H.J. Res. 1062. Joint resolution making continuing appropriations for the fiscal year 1975, and for other purposes; to the Committee on Appropriations.

[*Submitted June 19, 1974*]

By Mr. BIAGGI:

H.J. Res. 1066. Joint resolution barring nuclear technology agreements without the expressed consent of Congress; to the Joint Committee on Atomic Energy.

By Mr. BYRON:

H.J. Res. 1067. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. du PONT:

H.J. Res. 1068. Joint resolution to prevent the abandonment of railroad lines; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMSON of Wisconsin:

H.J. Res. 1069. Joint resolution to create a farmer to consumer price index; to the Committee on Education and Labor.

By Mr. WIGGINS:

H.J. Res. 1070. Joint resolution authorizing the President to proclaim the period of September 15, 1974 through October 15, 1974, as "Johnny Horizon 1976 Clean Up America Month"; to the Committee on the Judiciary.

By Mr. BROOMFIELD:

H. Con. Res. 549. Concurrent resolution designating June 6 of each year as "Liberation Day"; to the Committee on the Judiciary.

By Mr. KETCHUM (for himself, Mr. Sebelius, Mr. Hanrahan, and Mr. Grover):

H. Res. 1186. Resolution expressing the sense of the House regarding the reclassification of servicemen listed as missing in action in Southeast Asia to presumptive finding of death status; to the Committee on Armed Services.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. STAGGERS introduced a bill (H.R. 15502) for the relief of Gopal Pardasani, his wife Kavita, and child Kamlesh, which was referred to the Committee on the Judiciary.

SENATE—*Wednesday, June 19, 1974*

The Senate met at 10 a.m. and was called to order by Hon. Frank E. Moss, a Senator from the State of Utah.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Lord by whom the meek are guided in judgment, grant us a goodly measure of humility. Show us that nothing is low save that which is wrong; that greatness is never hurt, but rather enriched by little ministries; that the pride that fears to stoop is more defiled than the humility that takes a towel and washes men's feet. Save us from thinking more highly of ourselves than we ought to think. As we are kept close to Thee, keep us ever close to the warm heart of humanity in all its variety. Give us the mind and spirit of Jesus Christ, who made himself of no reputation, but whose name is now above every name. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The **PRESIDING OFFICER**. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., June 19, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. FRANK E. MOSS, a Senator from the State of Utah, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. MOSS thereupon took the chair as Acting President pro tempore.

THE JOURNAL

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Tuesday, June 18, 1974, be dispensed with.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The **ACTING PRESIDENT** pro tempore. The nominations on the Executive Calendar will be stated.

DEPARTMENT OF STATE

The assistant legislative clerk read the nomination of James D. Hodgson, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

The **ACTING PRESIDENT** pro tempore. Without objection, the nomination is considered and confirmed.

The assistant legislative clerk read the nomination of David E. Mark, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Burundi.

The **ACTING PRESIDENT** pro tempore. Without objection, the nomination is considered and confirmed.

LEGISLATIVE SESSION

Mr. **MANSFIELD**. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. **MANSIFIELD**. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 893, 905, 906, 907, 908, and 911.

The **ACTING PRESIDENT** pro tempore. Without objection, it is so ordered.

LANCE CPL. FEDERICO SILVA

The Senate proceeded to consider the bill (H.R. 7682) to confer citizenship posthumously upon Lance Cpl. Federico Silva, which had been reported from the Committee on the Judiciary with amendments, on page 1, line 3, after the word "a", strike out "national" and insert "native"; and at the beginning of line 5, strike out "in the vicinity of Que Son, Republic of Vietnam,".

Mr. **GRIFFIN**. Mr. President, I wish to be recognized for a moment or two before the vote is taken on this particular bill. Last week I asked that this particular bill be passed over temporarily. At the time, no committee report was available to provide an explanation of the bill.

Since then, I have examined the report which is now available, and I find that the bill has great merit. It will confer citizenship posthumously on a young alien who served in the U.S. Marines and was killed in Vietnam.

The amendments were agreed to.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

The title was amended, so as to read: "An Act to confer United States citizenship posthumously upon Lance Corporal Federico Silva.".

AMENDMENT OF THE DISTRICT OF COLUMBIA UNEMPLOYMENT COMPENSATION ACT

The bill (S. 3474) to amend the District of Columbia Unemployment Compensation Act was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 3474

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3(c) (4) (B) of the District of Columbia Unemployment Compensation Act, approved August 28, 1935, as amended (D.C. Code, sec. 46-303(c) (4) (B)), is further amended by striking the following from the first sentence thereof, "but in no event shall the contribution rate for any employer be more than 2.7 per centum.".

AMENDMENT OF ACT RELATING TO MARRIAGE LICENSES IN THE DISTRICT OF COLUMBIA

The bill (S. 3476) to amend section 1291 of the act of March 3, 1901, relating to marriage licenses in the District of Columbia, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

S. 3476

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1291 of the Act of March 3, 1901, as amended (D.C. Code, sec. 30-110), is amended by deleting "names, ages, and color" and inserting in lieu thereof "names and ages.".

BILL PASSED OVER

The bill, S. 2581, to amend the Randolph-Sheppard Act for the blind, to provide for a strengthening of the program authorized thereunder, and for other purposes, was announced as next in order.

Mr. **MANSFIELD**. Over, Mr. President.

The **ACTING PRESIDENT** pro tempore. The bill will be passed over.

THE SEWALL-BELMONT HOUSE NATIONAL HISTORIC SITE

The bill (S. 3188) to establish the Sewall-Belmont House National Historic Site, and for other purposes, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to preserve for the benefit and inspiration of the people of the United States as a national historic site, the Sewall-Belmont House within the District of Columbia, the Secretary of the Interior is authorized to enter into a cooperative agreement to assist in the preservation and interpretation of such house.

SEC. 2. The property subject to cooperative agreement pursuant to section 1 of this Act is hereby designated as the Sewall-Belmont National Historic Site.

SEC. 3. The cooperative agreement shall contain, but shall not be limited to, provisions that the Secretary through the National Park Service, shall have right of access at all reasonable times to all public portions of the property covered by such agreement for the purpose of conducting visitors through such property and interpreting it to the public, that no changes or alterations shall be made in such property except by mutual agreement between the Secretary and the other parties to such agreement. The agreement may contain specific provisions which outline in detail the extent of the participation by the Secretary in the restoration, preservation, and maintenance of the historic site.

SEC. 4. There are hereby authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

INTERNATIONAL ECONOMIC POLICY ACT AUTHORIZATIONS

The bill (H.R. 13839) to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended, was considered, ordered to a third reading, read the third time, and passed.

ORDER OF BUSINESS

The **ACTING PRESIDENT** pro tempore. Under the previous order, the distinguished Senator from Wisconsin (Mr.

PROXMIRE) is now recognized for not to exceed 15 minutes.

WHAT'S RIGHT WITH THE FEDERAL GOVERNMENT: THE FBI AND INTELLIGENCE COMMUNITY

Mr. PROXMIRE. Mr. President, without fanfare or public awareness the U.S. intelligence community and the Federal Bureau of Investigation have provided this country with a vastly improved intelligence and law enforcement system that may now be the best in the world.

I have been a persistent critic of the excessive and unjustifiable secrecy surrounding the intelligence community. But there can be no doubt about the value to the Nation of U.S. intelligence. In large measure this has come about because the intelligence community and the FBI have profited by the technological revolution as no other Government institutions except possibly the Department of Defense.

At this point I should explain what the intelligence community is. It is not just the Central Intelligence Agency. In fact there are nine other Government institutions that compose the membership of the U.S. Intelligence Board. They are the Defense Intelligence Agency, the National Security Agency, the Bureau of Intelligence and Reports of the Department of State, and the intelligence components of the Army, Navy, Air Force, FBI, Atomic Energy Commission, and Department of the Treasury.

That is the intelligence community. The nominal head of this diverse group is the Director of Central Intelligence, currently William Colby, who also is Director of the CIA. In practice, however, the defense components have virtual independence in budgetary and certain operational matters.

The increased capability of the intelligence community has been highlighted recently by Mr. Colby before the Los Angeles World Affairs Council. He said:

> The first and most dramatic change in today's meaning of the word intelligence stems from the technological genius of Americans. We have applied to intelligence the talents of our inventors, of our engineers, and of our scientists. In the short space of eighteen years since the U–2 began its missions, we have revolutionized intelligence. In 1960 this country engaged in a great debate as to whether there was a missile gap between the Soviet Union and ourselves. Today the facts are so well established that such a debate is impossible. Then we had to try to deduce from bits of circumstantial evidence how many missiles the Soviets had; today we see and count them. We wondered then what new missiles the Soviets might be developing: today we follow their tests and determine from them the range, the size and the effectiveness of such missiles.

Mr. Colby went on to show how this technology has enabled us to negotiate international arms control agreements such as the Nuclear Test Ban and the Strategic Arms Limitations Treaty because we had the intelligence to monitor cheating.

With this vast increase in capability, however, has come the threat that such power could be used for immoral or illegal purposes. We have seen how the CIA has engaged in training of police in this country even though it was strictly prohibited by the 1947 National Security Act.

We have seen how the CIA gave Howard Hunt, a former CIA employee, alias identification gear, disguises, and other technical materials for purposes having nothing to do with the CIA mission.

Such involvement in domestic politics or any law enforcement functions will be prohibited if the House of Representatives accepts the Proxmire amendment to the military procurement authorization bill.

This amendment would make certain that CIA activities are directed toward foreign countries and would specifically prohibit law enforcement or internal security activities by the CIA here at home. This is the business of the FBI and local police forces.

To guard against abuse at home and abroad, the American people must insist on the following safeguards:

Court orders for all types of surveillance either by technical means or by traditional methods.

Real congressional oversight instead of the present "do nothing" system. Some of the oversight committees have not been meeting frequently or actively watching these agencies.

Insistence on improved productivity. The FBI in particular appears to have increased its manpower without a resulting increase in cases solved. In fiscal year 1970 the volume of investigative matters received was 882,254 with 6,935 agents. By fiscal year 1975 estimates, the volume has dropped, it has gone down substantially, to 310,000, while the number of agents has sharply increased. In fact, it has increased by about 25 percent. The FBI argues that this apparent declining productivity has been offset by increases in selected complex areas like organized crime convictions, civil rights and counter espionage cases but the fact remains that overall the productivity of the Bureau should be subject to close scrutiny. They can do much better.

The combined intelligence budget should be made public and not hidden in other appropriations.

Duplication between intelligence agencies should be eliminated.

The CIA should be barred from taking actions overseas which result in the disruption of foreign governments as opposed to normal intelligence collection.

And, finally, guarantees must be insured that personal privacy will not be violated by new computer data banks.

Despite these numerous reservations, I have concluded that the intelligence community and the FBI have performed well for many years.

For example, in the past 15 years the role of classical espionage—called spying—has declined as satellites and technical devices have returned hard intelligence about foreign weapon systems and operations. Based on unclassified magazine articles, it appears that U.S. photography can identify ground targets under 1 foot in size from 100 nautical miles in space.

Just think of that, Mr. President. It means that we can take pictures 100 miles in space from satellites and have them show up, when what they are taking pictures of is only inches in size.

Furthermore, certain satellites collect electronic emissions which aid in the identificatiton and pinpointing of targets.

Satellites also provide an accurate early warning indication of missile launches in the U.S.S.R. and Peoples Republic of China. The so-called "big birds" are the latest and most sophisticated in this series and are thought to have almost a real time capability to transmit data to earth.

Even weather satellites are used to predict cloud cover and enhanced the effectiveness of our photographic satellites.

Photography is only one example of the technological revolution. New codes and miniaturized equipment make it safer for traditional spies to communicate without being subject to identification or codebreaking. The National Security Agency has the most advanced computer equipment in the world for the breaking of foreign codes and the safeguarding of our own transmissions. Various listening posts have been established throughout the world for intercepting communications from foreign military and civilian organizations.

One intelligence function I am adamantly opposed to is the deliberate interference in the affairs of a foreign nation. Unfortunately, this has occurred with frequency the past 15 years in Laos, Vietnam, Tibet, Singapore, Thailand, Cuba, Chile, and many other countries. This type of active intrusion, called covert action, is distinct from normal intelligence collection and should be stopped immediately.

Improvements in the foreign intelligence field have been matched by advances in law enforcement procedures by the Federal Bureau of Investigation.

The FBI laboratory has exploited technological developments in the identification of inks, human hair, small quantities of metals, gas, paints, dyes, medicines, and the restoration of obliterated numbers on metals. They have used ultra-violet, infra-red and X-rays for investigative intelligence. An explosives unit reconstructs bomb components for identification and linkages to the scene of the crime.

Neutron activation provides a method of detecting small concentrations of metals and other elements while mass spectrographs identify the type of element involved. This is particularly important in cases of poisoning. A serology unit analyzes physical evidence such as blood while a microscopic unit matches hairs and fibers. Documents can be restored by new techniques.

The most recent and controversial development is the National Crime Information Center which is a centralized communications system containing vast amounts of data about stolen securities, guns, boats, automobiles, wanted persons and criminal histories. The last category has raised questions about privacy and the types of data in the system.

Nonetheless, the National Crime Information Center will be an extremely valuable source of data for State and local police.

The FBI not only has a domestic law enforcement function but also is charged with a counter intelligence requirement. With the dramatic increase of Soviet and eastern bloc nationals currently residing in the United States, FBI protection against spying is under strain but still very effective, relying in part on the cooperation of our citizens.

According to FBI statistics the total Soviet bloc official personnel in the United States increased by 48 percent from 990 as of July 1970 to 1,463 as of February 1974. Furthermore representatives of the People's Republic of China have increased since November 1971 when that country's mission to the United Nations was established. Many of these officials are known to be related to foreign intelligence organizations.

Mr. President, our country has always faced foreign threats. Now to a considerable degree, by the miracles of modern technology and the hard work of many Americans, those threats can be assessed. This is not to say that we live in a state of perfect information or that for a moment we should let our guard down. But it is a recognition that we can rely with confidence on the institutions that have been established for these specialized functions, as long as that confidence is rooted in strong congressional oversight.

Too often we hear of the failures of our law enforcement agencies and the intelligence community. Sometimes these failures have been real. But more often these organizations have performed their jobs with remarkable skill and expertise. How often do we hear of the crimes successfully solved, the piece of intelligence that changes a diplomatic situation, the data acquired so necessary for national defense? Rarely do we hear about that. We hear about our mistakes, our blunders.

The reason I am making this statement, as I am making the other series of speeches about what is right with the Federal Government, is that we have not had an appreciation of the many, many advances that make this a stronger and more secure country than it has ever been.

It is a national trait that Americans are self-critical. It is one of our strongest assets. But with that tendency to demand the best from all of Government should come an awareness that some agencies of Government are giving their best and deserve our commendation. With such an evenhanded attitude, our country will continue to make progress.

THE NEED FOR MR. RUSH TO APPEAR BEFORE THE JOINT ECONOMIC COMMITTEE

Mr. PROXMIRE. Mr. President, in the remaining few moments that I have, I would like to call attention once again to the fact that although Mr. Kenneth Rush, who is the top economic policymaker of this administration, was invited to appear before the Joint Economic Committee and agreed that he would appear, and that was confirmed, he later wrote me a letter on June 13 and said he would not appear because of executive privilege; that he was a counselor to the President and in that capacity he should not appear.

Now, Mr. President, we have no interest in Mr. Rush's conversations with the President. He is the principal economic policymaker, he is head of the Cost of Living Council, he is head of the foreign economic operations of our Government, he is the superior to the Counselor of Economic Advisers to the Secretary of the Treasury, he is superior to the Director of the Office of Management and Budget, and all of these agencies will have their economic policies coordinated by Mr. Rush. So it is impossible for the Joint Economic Committee to do its job unless Mr. Rush appears before us.

I am delighted to see a number of newspapers have recognized this great mistake Mr. Rush has made in refusing to appear before Congress and have said so in their editorials.

I call attention to an editorial this morning that appeared in the New York Times which argued that Mr. Rush should reconsider and should appear before the Joint Economic Committee; the Boston Globe yesterday morning published an article entitled "Stonewalling the Economy" which stated how foolish it is that the administration refuses to let Mr. Rush appear when, obviously, he is the principal economic policymaker of the administration and that Congress cannot have anything like the kind of knowledge we should have without his appearance; and an article in yesterday's Washington Star entitled "No Rush To Testify" which also supports the position that has been taken by the committee in urging Mr. Rush to reconsider and to appear.

Mr. President, I ask unanimous consent to have printed in the Record the editorials to which I have referred.

There being no objection, the editorials were ordered to be printed in the Record, as follows:

Unaccountable Power

Kenneth Rush, President Nixon's counselor for economic policy, declined an invitation last week to go up to Capitol Hill to testify before the Joint Economic Committee on the President's mid-year economic report. In a letter to Senator William Proxmire, the committee chairman, Mr. Rush claimed executive privilege and said that his obligation to give the President "candid and uninhibited" advice prohibited him from testifying before Congressional committees.

Such a claim might have had merit in earlier, simpler times or even now, if Mr. Rush's sole function were to advise the President. But, since the first Administration of Franklin D. Roosevelt, function after function has been added to the Presidency and title after title has been bestowed upon the men and women who work directly for the President. Mr. Nixon has added at least two significant innovations. He invented the title of counselor to the President and he has bestowed "Cabinet rank" on at least some who hold that title.

Mr. Rush holds both the title and the rank. By all accounts, he was appointed to his present post in order to mediate disputes over economic policy between Budget Director Roy Ash and Treasury Secretary William Simon. In his own terms, Mr. Rush considers himself "first spokesman" for the Administration's economic policy. Thus, he is a man of considerable power with substantive responsibilities that affect every household and every business in the United States.

Yet, he does not want to be held answerable to Congress. Unless successfully challenged, he will place his views and his operations beyond all accountability. Congress and the American people have a vital interest in the policy views of the Administration's economic spokesman, and they have a legitimate right to know how economic policy is formulated and executed.

The Rush case is simply the latest symptom of a long-term trend with which Congress has yet to deal effectively. The power seepage into the White House presents a threat to representative and accountable government. Congress alone can stem the growth of unaccountable Presidential government.

Stonewalling the Economy

In refusing to appear before the Congressional Joint Economic Committee, President Nixon's new chief economic adviser has put the Administration's domestic policy—if one can be said to exist—out of reach of the public.

Kenneth Rush, who once taught law to Mr. Nixon, has part of a leg to stand on in declining to meet in open session with the JEC. He is, to be sure, a member of the President's immediate staff and as such ought to be free of questioning that would intrude on the executive function.

But Mr. Rush has also been named the coordinator of all economic policy for the Administration. In the past this function has fallen to George Shultz and John Connally, both while serving as Secretary of the Treasury and, as such, subject to review by Congress on a variety of issues. Strictly speaking, Mr. Rush's exact title exempts him from that sort of review.

Other members of the White House staff have had regular dealings with Congress. Roy Ash, director of the Office of Management and Budget, appeared before Congressional committees as recently as last week even though he serves at the pleasure of the President and without having to go through Senatorial confirmation—a situation, by the way, that ought to be revised for exactly the same reason Mr. Rush should not attempt to hide behind executive privilege.

There are sometimes reasons why a policymaking adviser to the President can claim the right to avoid questioning in public by a committee like the JEC. Henry Kissinger, before he became Secretary of State, was in such a position. He was conducting delicate negotiations with sometimes hostile governments, negotiations that might have been disturbed by publicity.

It is extremely difficult, however, to assign such privilege to domestic policy, especially domestic economic policy. Clearly this policy is in much less than full command of the situation, given inflation at unprecedented rates and unemployment above 5 percent. No one pretends to have full answers to these perplexing problems, but Mr. Rush has hardly contributed to the pursuit of solutions with his attitude toward the JEC.

Worse, he has taken an adamant position. He has now made executive privilege the issue. If he really believes that to be sufficient grounds for refusing to attend JEC hearings, he cannot back down from his refusal without seeming to compromise a principle he has in effect described as inviolable.

Surely no one in or out of government thinks domestic economic policy is something that deserves less than extensive examination and argument. It is preposterous for the nation's chief economic coordinator to say he is out of reach of questioning by Congress, even if he is technically correct. The President has made an unwise decision in placing such responsibility in a sanctuaried office and Mr. Rush has acted unwisely in leaning on the letter of the law to avoid possibly hostile questioning about that policy.

There is a shred of hope. This Administration has been nothing if not flexible. It abhorred controls and twice introduced price freezes. It opposed Communism and embraced detente. It advocated balanced budgets and has the largest Federal deficits since World War II.

Surely an Administration so dedicated to its own principles will be able to find a way to get Mr. Rush to sit in open session with the Joint Economic Committee. The sooner, the better.

NO RUSH TO TESTIFY

The White House carried "executive privilege" to a ridiculous extreme when it was invoked the other day by Kenneth Rush, the President's new chief economics adviser, in refusing to testify before the Congressional Joint Economic Committee.

It is very doubtful that Rush would reveal any information that would endanger national security or disclose material that would otherwise be harmful to the national interest, which should be the only real reason for using executive privilege. It isn't likely either that he would spill anything that could discombobulate administration planning to meet the nation's economic problems, since there are few signs the Nixon administration has any effective planning underway for stemming inflation while at the same time preventing a recession and holding down unemployment.

What seems probable is that executive privilege was invoked in this case for no greater purpose than to demonstrate that the White House can do it on something other than Watergate. Executive privilege has been an overworked catchall used by the President throughout Watergate to delay or prevent disclosure of information sought by investigators, on the ground that "confidentiality" of executive branch discussions must be protected.

The joint committee's vice chairman, Democratic Senator Proxmire, was justified in describing Rush's refusal to testify as being based on an "arrogance and immaturity of thought" in the White House. And Senator Javits, a Republican member of the committee, was correct in saying that Congress "cannot fulfill its legislative responsibilities for the economy if it meets this type of economic stonewalling."

Rush told the joint committee that his responsibility to give Mr. Nixon "candid and uninhibited advice" precludes his testimony. If Rush has any "candid and uninhibited advice" that would get the nation out of the economic mess it is in, the American people are interested in hearing it, and certainly one of the congressional committees involved in this field ought to be told it. The reality may be that he has none, and perhaps that has something to do with his silence.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT—PRIVILEGE OF THE FLOOR

Mr. PROXMIRE. Mr. President, I ask unanimous consent that Mr. William A. Cox III may remain on the floor during the course of the day. We need him to monitor the tax reform forces on the debt ceiling bill and the Joint Economic Committee.

The ACTING PRESIDENT pro tempore. Without objection, that will be granted.

INTENTION TO PROPOSE LIMITATIONS ON EXPORT OF NUCLEAR KNOW-HOW

Mr. PROXMIRE. Mr. President, I wish to serve notice, later on in the day I intend to submit an amendment to the Export Control Act which will provide limitations on the export of nuclear know-how to any nation and which will do so by giving Congress—not just a committee, but Congress itself—the opportunity to act; and in fact the requirement that it does act before this knowledge is to be disseminated further.

The ACTING PRESIDENT pro tempore. The Senator's time has expired.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed a bill (H.R. 15124) to amend Public Law 93-233 to extend for an additional 12 months—until July 1, 1975—the eligibility of supplemental security income recipients for food stamps, in which it requested the concurrence of the Senate.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Tennessee (Mr. BROCK) is recognized.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum and ask that the time be taken out of the time allotted to the Senator from Tennessee.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

VACATION OF ORDER RECOGNIZING SENATOR BROCK

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the time allocated to the distinguished Senator from Tennessee (Mr. BROCK) be vacated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements limited therein to 5 minutes.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the role.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

The ACTING PRESIDENT pro tempore (Mr. Moss) on today, June 19, 1974, signed the following enrolled bill and joint resolution, which had previously been signed by the Speaker of the House of Representatives:

H.R. 1961. An act for the relief of Mildred Christine Ford; and

S.J. Res. 206. Joint resolution authorizing the Secretary of the Army to receive for instruction at the U.S. Military Academy one citizen of the Kingdom of Laos.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. Moss) laid before the Senate the following communications and letters, which were referred as indicated:

PROPOSED AMENDMENT TO THE BUDGET, 1974, FOR THE DEPARTMENT OF THE TREASURY

A communication from the President of the United States, transmitting a proposed amendment for appropriations transmitted in the budget for the fiscal year 1975, in the amount of $2,560,000, for the Department of the Treasury (with an accompanying paper). Referred to the Committee on Appropriations, and ordered to be printed.

PLANS FOR UPSTREAM WATERSHED PROTECTION

A letter from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, four work plans for upstream watershed protection (with accompanying documents). Referred to the Committee on Agriculture and Forestry.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. TUNNEY, from the Committee on the District of Columbia, without amendment:

S. 3389. A bill to amend the act entitled "An Act to Incorporate the American University", approved February 24, 1893 (Rept. No. 93-942); and

H.R. 8747. An act to repeal section 274 of the Revised Statutes of the United States relating to the District of Columbia, requiring compulsory vaccination against smallpox for public school students (Rept. No. 39-943).

By Mr. FULBRIGHT, from the Committee on Foreign Relations, without amendment:

S. Res. 340. A resolution, International Wheat Agreement Conference (Rept. No. 93-944).

By Mr. HOLLINGS, from the Committee on Appropriations, with amendments:

H.R. 14012. An act making appropriations for the Legislative Branch for the fiscal year ending June 30, 1974, and for other purposes (Rept. No. 93-945).

By Mr. McGEE, from the Committee on Post Office and Civil Service, without amendment:

H.R. 8660. An act to amend title 5 of the United States Code (relating to Government organization and employees) to assist Federal employees in meeting their tax obligations under city ordinances (Rept. No. 93-946).

By Mr. McGEE, from the Committee on Post Office and Civil Service, with an amendment:

H.R. 29. An act to provide for payments by the Postal Service to the Civil Service Retirement Fund for increases in the unfunded liability of the Fund due to increases in benefits for Postal Service employees, and for other purposes (Rept. No. 93-947).

By Mr. McGEE, from the Committee on Post Office and Civil Service, with amendments:

H.R. 9281. An act to amend title 5, United States Code, wth respect to the retirement of certain law enforcement and firefighter personnel, and for other purposes (Rept. No. 93-948).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

Thomas O. Enders, of Connecticut, a Foreign Service officer of class 1, to be an Assistant Secretary of State (Exec. Rept. No. 93-30).

(The above nomination was reported with the recommendation that the nomination be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constiuted committee of the Senate.)

CHANGE OF REFERENCE

Mr. HATHAWAY. Mr. President, I ask unanimous consent that the Committee on Banking, Housing and Urban Affairs be discharged from the further consideration of the bill S. 3619, and that the bill be referred to the Committee on Government Operations.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOULTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. PROXMIRE (for himself and Mr. Nelson):

S. 3666. A bill for the relief of Marlin Toy Products, Inc. Referred to the Committee on the Judiciary.

By Mr. TOWER:

S. 3667. A bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes. Referred to the Committee on Labor and Public Welfare.

By Mr. AIKEN:

S. 3668. A bill for the relief of Sheila J. Phelps. Referred to the Committee on the Judiciary.

By Mr. PASTORE:

S. 3669. A bill to amend the Atomic Energy Act of 1954, as amended, and the Atomic Weapons Rewards Act of 1955, and for other purposes. Referred to the Joint Committee on Atomic Energy.

By Mr. BROCK:

S. 3670. A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for medical expenses, and for other purposes. Referred to the Committee on Finance.

By Mr. HELMS:

S. 3671. A bill for the relief of Mr. Shahnwaz Kadir Shaikh and his wife, Mrs. Avis Phyllis Shaikh. Referred to the Committee on the Judiciary.

By Mr. BAKER (for himself, Mr. Brock, and Mr. Javits):

S. 3672. A bill to amend title 17 of the United States Code to remove the expiration date for a limited copyright in sound recordings, to increase the criminal penalties for piracy and counterfeiting of sound recordings, and for other purposes. Referred to the Committee on the Judiciary.

By Mr. ERVIN:

S. 3673. A bill for the relief of John Czarnecki. Referred to the Committee on Foreign Relations.

By Mr. ABOUREZK (for himself, Mr. Mansfield, Mr. Metcalf, Mr. Dole, Mr. McGovern, Mr. McGee, and Mr. Hughes):

S. 3674. A bill to provide for thorough health and sanitation inspection of all livestock products imported into the United States, and for other purposes. Referred to the Committee on Agriculture and Forestry.

By Mr. WILLIAM L. SCOTT:

S. 3675. A bill to amend title XI of the Social Security Act to repeal the recently added provision for the establishment of professional standards review organizations to review services covered under the medicare and medicaid programs. Referred to the Committee on Finance.

By Mr. STEVENSON (for himself and Mr. Javits):

S. 3676. A bill to amend section 174 of the Internal Revenue Code of 1954 to insure its uniform application to business products. Referred to the Committee on Finance.

By Mr. ROTH:

S. 3677. A bill to authorize the Federal Power Commission to allocate scarce supplies of natural gas. Referred to the Committee on Commerce.

By Mr. HUGH SCOTT:

S.J. Res. 216. A joint resolution to provide for a temporary extension of the authority conferred by the Export Administration Act of 1969, as amended. Referred to the Committee on Banking, Housing and Urban Affairs.

By Mr. DOMINICK:

S.J. Res. 217. A joint resolution to designate the third week of September of each year as "National Medical Assistants' Week". Referred to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. TOWER:

S. 3667. A bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes. Referred to the Committee on Labor and Public Welfare.

Mr. TOWER. Mr. President, today I am introducing a bill to amend the Walsh-Healey Act—WHA—of 1936 and the Contract Work House Standards Act—CWHSA—of 1962. The purpose of this legislation is to permit companies to switch to a 10-hour, 4-day workweek without having to compensate workers for hours worked in excess of 8 hours in 1 day. As these laws now stand, firms with Government contracts exceeding $10,000 must pay time and one-half for all work over 8 hours in 1 day. This serves as a restriction to firms and their employees who want to go on 4-day schedules. Also, this overtime requirement is in contrast to the Fair Labor Standards Act—FLSA—which does not require that time and one-half be paid when more than 8 hours are worked in any 1 day.

Clearly, the 10-hour, 4-day workweek is a idea whose time has not only come, but come at a good time for America in light of the Nation's recent slowdown in productivity. Paul A. Samuelson, the renowned economist and Nobel Prize winner, has called it "a momentous social invention." In 1970 it was estimated that 60 to 70 American companies were on the 4-day workweek. By 1972 the number grew to between 700 and 1,000 organizations which had made the switch to the shorter week. And by mid-1973 an estimated 1 million workers, or a little over 1 percent of all full-time workers, were on 4- and 3-day schedules. All this occurred at firms not subject to WHA and CWHSA.

The economic advantages to be gained from this innovation can be summed up in two words "greater productivity." Increased productivity results from allowing managers more flexibility in production schedules so that capital equipment may be utilized better. Also, the reduced number of times that production operations have to be started up and closed down adds to the economic efficiency of the production process and reduces the time equipment stands idle. The productivity gains that result from more efficient scheduling are likely to be long term because multiple compressed schedules can be used to adjust the flow of man-hours to coincide with peak workloads.

On the labor side, the worker's morale and his attitude toward his job is enhanced by the introduction of the 4-day week in firms. Higher output per manhour is largely ascribed to improved morale that results in reduced absenteeism, tardiness, and turnover. Also, many employers who have instituted 4-day weeks report that they find the recruitment of labor much easier. The shortened workweek reduces commuting time to and from the job by 20 percent. This not only cuts down on commuter costs, but also boosts worker morale by eliminating

1 day of bucking traffic or waiting for the bus or train.

In recent years many businessmen and economists have become increasingly concerned about the slowdown in the rate of the Nation's productivity growth. One of the reasons frequently given for this slowdown is the compositional change in employment from high productivity manufacturing industries to low productivity service industries. However, a recent U.S. Bureau of Labor Statistics—BLS—study saw opportunities for increased productivity in the service industries if the 4-day workweek was adopted. These opportunities are particularly important since in the future a larger and larger part of our national product will come from the service sector of the economy. It should be noted that 12 of the 16 companies in this special BLS survey considered their compressed workweek a permanent arrangement.

Service industries which directly serve the public rely more on people than machines in producing their product and can gain much by an innovation which makes more efficient use of labor. The Federal Reserve Bank of Philadelphia Business Review reports how the 10-hour day has improved efficiency in many hospitals:

> Since 24-hour staffing is a basic problem, some hospitals have adopted two ten-hour shifts and one five-hour evening shift with employees working only seven out of every fourteen days. Recruitment of both full- and part-time personnel is easier with this schedule.

The Review also reported:

> The four-day week is . . . proving useful in those areas where competition is forcing business to remain open longer. This is particularly true among large retail outlets and increasingly the case in banking. The four-day week can help them efficiently arrange their operations.

The Engineering News Record reported that at least 24 architectural or engineering firms "now operate on a modified weekly schedule aimed at cutting absenteeism, increasing job productivity and providing longer weekends." The Record reports that Louis C. Ripa, chairman of Porter & Ripa Associates of Morristown, N.J., as being very pleased with the 4-day week. Mr. Ripa says:

> Our rate of production is up, on some projects by ten percent. Sick leave is down, morale is good and we've attracted new employees.

The 4-day week can also help us through our current energy problems. The institution of the 4-day week could result in substantial savings in fuel with respect to commuting, heating and supplying power to buildings. The Maryland State Legislature has already approved an executive order issued by the Governor which allows employers to adopt a 4-day week of 10 hours a day as a way of conserving energy. As one columnist observed:

> In terms of conserving energy, there is not much doubt about the impact of a 20 percent reduction in the fuel Americans now expend in getting to work, especially if coupled with Sunday driving restrictions.
>
> Moreover, traffic pressure would be reduced as the "weekend" would mean different days to different families, and most gasoline is wasted by cars stuck in traffic jams at weekend rush.

Mr. President, in light of the Nation's current problems with decreased productivity growth and energy shortages, the 10-hour day, 4-day week should be instituted wherever employees and employers find it mutually beneficial. My bill would allow them to do this. I do not think it should be the policy of the Federal Government to maintain a roadblock in the way of progress.

By Mr. BROCK:

S. 3670. A bill to amend the Internal Revenue Code of 1954 to provide a refundable income tax credit for medical expenses, and for other purposes. Referred to the Committee on Finance.

TOWARD A REALISTIC HEALTH CARE PLAN

Mr. BROCK. Mr. President, looking at the plethora of bills introduced in Congress this session and the distinguished list of principal sponsors, there seems little doubt that some sort of national health care bill will be passed in the near future.

If so, we need to establish now certain ground rules and certain objectives to be sought in the final product of our efforts.

First, I would hope that the debate would be conducted within the context of our existing health delivery system. In so many words, it should recognize the enormous strengths we have in the present system, using those strengths to attack areas of inadequacy. Such existing strengths as voluntarism, doctor-patient relationship, individual choice, public-private competition, private insurance efficiencies, and a host of others are assets to be regarded as essential to a sound health delivery system.

Second, I hope that any bill would be: simple enough to understand; cheap enough to afford; efficient enough to avoid new regulations and bureaucracy, and broad and effective enough to satisfy our needs and solve the problem.

I feel that the Medical Expense Tax Credit Act—METCA—which I introduce today, presents a concept that meets these objectives. Within the framework of an already existing universal administrative system, the Internal Revenue Service, and an existing financing method, the tax credit system, we can realistically meet the need of the American family to be protected against unaffordable or "catastrophic" medical costs.

However, to define catastrophic by using a "percentage of income," a realistic percentage of income, we can actually bridge the gap between "catastrophic and comprehensive" care that makes other plans so complex.

I am proposing that by adding only four lines to the present IRS form that we can solve our most difficult health care problem—how to protect American families against medical costs which are catastrophic to them without excessive taxation or regulation.

These four lines are:

> Line 1: The eligible medical expenses now defined very definitely by the IRS.
>
> Line 2: The deductible. I plan to use a 15% of IRS adjusted gross income, minus the personal ($750) exemptions.
>
> Line 3: The difference between lines One and Two, if any.
>
> Line 4: A copayment multiplier which would be the tax credit or refund. I intend to use a 15% copayment schedule.

Let me give you an example. Assume a family of four with a $9,000 income having health care expenses of $2,000. Their modified IRS adjusted gross would be $6,000; that is, $9,000—four times $750.

Line 1: Eligible medical expenses	$2,000
Line 2: 15 percent (deductible) of income	900
Line 3: Difference	1,100
Line 4: Tax credit or refund (co-pay multiplied x .85)	935

The obvious question arises, how will this help the aged, nonworking poor and working poor? For the nonworking poor and the aged, we should remember that such payments as aid to dependent children, welfare payments, food stamps, social security payments, disability payments, et cetera, are not subject to income tax and would not be included in the IRS adjusted gross. Therefore, they would be eligible for tax credits or refunds immediately.

What about the working poor? If we take, for example, a family of four with an income of $4,000, their modified IRS adjusted gross would be only $1,000. So after a deductible of only $150, they would be eligible for tax credits and/or refunds to pay their bills.

In short, for the poor, working poor, and aged, this would be a comprehensive plan.

Now what about the vast majority of Americans who fall into the middle-income group—the people who are usually the victims of the worst tax discrimination? The thing most families fear is extended illness, or other major medical costs which might wipe out savings, cause the loss of their home, or eliminate earnings capability. This bill limits such costs to only 15 percent of their income. After that the credit "insurance" will pick up 85 percent of all costs. Thus we have realistic catastrophic protection against health care costs that could substantially alter their way of life—or ruin them.

This then, very briefly begins to explain my plan, one that bridges the "comprehensive-catastrophic" gap, one that is simple, equitable and easily understood, without a new Government program, without a new bureaucracy and without additional regulation and control of the existing health delivery system.

I do not pretend that this is the "perfect" bill, and therefore I submit it as a "concept" that I hope will get a full airing in the spirit of traditional, dialectic debate. I do think, however, that the Medical Expense Tax Credit Act, with just one concept and just four lines on the IRS form, can go further than any bill I have yet seen to solve our real national insurance problem. I short, I feel that METCA is a major conceptual step "toward a realistic health care plan."

Mr. President, I ask unanimous consent that my bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 3670

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "Medical Expense Tax Credit Act".

(b) The purpose of this Act is to provide a system of protection against the costs of catastrophic illness which is easy to use and simple to administer by providing for a refundable tax credit for excessive medical expenses incurred by individuals, and to provide for a study as to whether existing Federal programs of medical assistance and health care should be changed in any respect.

SEC. 2. TAX CREDIT FOR MEDICAL EXPENSES

(a) ALLOWANCE OF CREDIT.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by redesignating section 42 as 43, and by inserting after section 41 the following new section:

"SEC. 42. MEDICAL EXPENSES

"(a) IN GENERAL.—There is allowed to an individual as a credit against the tax imposed by this chapter an amount equal to 85 percent of the amount by which the medical expenses paid or incurred by him during the taxable year exceed 15 percent of his modified adjusted gross income.

"(b) DEFINITIONS.—For purposes of this section—

"(1) MEDICAL EXPENSES.—The term 'medical expenses' means amounts paid or incurred by the taxpayer for medical care expenses for himself or for a dependent (as defined in section 152).

"(2) MEDICAL CARE EXPENSES.—The term 'medical care expenses' means—

"(A) expenses incurred for—

"(i) the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affection any structure or function of the body; and

"(ii) medicine and drugs' and

"(B) one-half of the amounts paid during the taxable year for insurance which constitutes medical care for the taxpayer, his spouse, and dependents.

"(3) MODIFIED ADJUSTED GROSS INCOME.—The term 'modified adjusted gross income' means adjusted gross income, reduced by the amount of the deductions for personal exemptions provided in section 151, and increased by—

"(A) the deduction allowed by section 2102 (relating to capital gains), and

"(B) the sum of any amounts received during the taxable year which are excluded from gross income under section 103 (relating to interest on certain governmental obligations).

"(4) INSURANCE.—The term 'insurance which constitutes medical care' means insurance (including amounts paid as premiums under part B of title XVIII of the Social Security Act, relating to supplementary medical insurance for the aged) covering medical care described in paragraph (2) (A). In the case of an insurance contract under which amounts are payable for other than medical care referred to in such paragraph—

"(A) no amount shall be treated as paid for insurance unless the charge for such insurance is either separately stated in the contract, or furnished to the policy holder by the insurance company in a separate statement,

"(B) the amount taken into account as the amount paid for such insurance shall not exceed such charge, and

"(C) no amount shall be treated as paid for such insurance if the amount specified in the contract (or furnished to the policy holder by the insurance company in a separate statement) as the charge for such insurance is unreasonably large in relation to the total charge under the contract.

Subject to the limitations of this paragraph, premiums paid during the taxable year by a taxpayer before he attains the age of 65 for insurance covering medical care for the taxpayer, his spouse, or dependents after the taxpayer attains the age of 65 shall be treated as expenses paid during the taxable year for insurance which constitutes medical care if premiums for such insurance are payable (on a level payment basis) under the contract for a period of 10 years or more or until the year in which the taxpayer attains the age of 65 (but in no case for a period of less than 5 years).".

"(c) Election to Apply Credit to Preceding Year.—

"(1) IN GENERAL.—Notwithstanding the provisions of subsection (a), at the election of the taxpayer, medical expenses paid or incurred in a taxable year may be claimed as a credit against the tax imposed by this chapter for the preceding taxable year.

"(2) LIMITATION.—The amount of the credit claimed under paragraph (1) for the taxable year preceding the taxable year in which the medical expenses were paid or incurred may not exceed the amount of the credit—

"(A) allowable for the preceding taxable year, or

"(B) allowable for the taxable year in which the medical expenses were paid or incurred.

"(d) REGULATIONS.—The Secretary or his delegate shall prescribe such regulations as may be necessary to carry out the provisions of this section.".

(b) REFUND OF EXCESS CREDIT.—

(1) Section 6401(b) of the Internal Revenue Code of 1954 (relating to excessive credits) is amended by—

(A) inserting after "lubricating oil)" the following:", 42 (relating to medical expenses),"; and

(B) striking out "sections 31, 39, and 42."

(2) Section 7201(a)(4) of such Code (relating to assessment authority) is amended by—

(A) inserting "or 42" after "section 39" in the caption of such section, and

(B) striking out "oil)," and inserting in lieu thereof "oil) or section 42 (relating to medical expenses),".

(c) TAXPAYER MUST FILE RETURN TO CLAIM CREDIT.—Section 6012(a) of such Code (relating to persons required to make returns of income) is amended by—

(1) striking out "and" at the end of paragraph (4),

(2) inserting "and" after the semicolon at the end of paragraph (5) and

(3) inserting after paragraph (5) the following new paragraph:

"(6) Every individual who has attained the age of 18 years and who claims the credit allowed by section 42;".

(d) CLERICAL AMENDMENT.—The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Medical Expenses.
"Sec. 43. Overpayment of Tax.".

(e) REPEAL OF DEDUCTION FOR MEDICAL, DENTAL, ETC., EXPENSES.—Section 213 of such Code (relating to medical, dental, etc., expenses) is repealed.

(f) EFFECTIVE DATE.—The amendments made by this section apply to taxable years beginning after December 31, 1974.

SEC. 3. STUDY OF CERTAIN FEDERAL MEDICAL ASSISTANCE PROGRAMS.

The President is authorized and requested to study the adequacy of the use of refundable tax credit under section 42 of the Internal Revenue Code of 1954 (as amended by this Act) in meeting the health care needs of the Nation as an alternative to medicaid, medicare, and all other Federal medical assistance and health care programs, and to report to the Congress on his findings and conclusion not later than 36 months after the date of enactment of this Act. The report made by the President under this section shall include any recommendations he may have as to whether such Federal medical assistance and health care programs should be terminated, reduced, or changed in any respect.

By Mr. BAKER (for himself and Mr. BROCK and Mr. JAVITS):

S. 3672. A bill to amend title 17 of the United States Code to remove the expiration date for a limited copyright in sound recordings, to increase the criminal penalties for piracy and counterfeiting of sound recordings, and for other purposes. Referred to the Committee on the Judiciary.

TAPE AND RECORD PIRACY

Mr. BAKER. Mr. President, today my colleagues, Senator BROCK and Senator JAVITS, and I introduce a bill which would create continuing copyright protection for sound recordings released after January 1, 1975, and which would increase the criminal penalties for record piracy and counterfeiting of sound recordings.

This legislation is essential to stop, once and for all, piracy of sound recordings and tapes. Record piracy is a major, nationwide economic crime. It is estimated that about $200 million pirated sound recordings are sold each year. These pirates pay nothing to the artists, song writers, and musicians who perform the hit records, nor to the record companies who produce the original hit records. Furthermore, record pirates duplicate only the most successful recordings, thus depriving the record industry of essential revenues in this extremely risky business.

In 1971, the Senate passed legislation creating a copyright of sound recordings to stop record and tape piracy. The Senate report on the bill said in part:

> . . . the attention of the Committee was directed to the widespread unauthorized reproduction of phonograph records and tapes. While it is difficult to establish the exact volume or dollar value of current piracy activity, it is estimated by reliable trade sources that the annual volume of such piracy [in 1971] is in excess of $100 million. It has been estimated that legitimate prerecorded tape sales have an annual value of approximately $300 million. The pirating of records and tapes is not only depriving legitimate manufacturers of substantial income, but of equal importance, is denying performing artists and musicians of royalties and contributions to pension and welfare funds and

Federal and State governments are losing tax revenues.

The Senate sought to give copyright protection to all sound recordings issued after passage of the bill. However, the House limited the copyright protection to records released prior to December 31, 1974; this version of the protection was enacted in Public Law 92-140. It was anticipated that copyright protection for sound recordings issued after December 31, 1974, would be included in the general copyright revision legislation then pending before the Senate.

However, at this time, it appears doubtful that general copyright revision will be passed by both Houses of Congress this year, notwithstanding the fact that the Senate Subcommittee on Patents, Trademarks, and Copyrights under the determined leadership of the senior Senator from Arkansas, Mr. McCLELLAN, and the full Judiciary Committee reported out S. 1361, general copyright revision, which includes the protections afforded by the legislation we introduce today.

Mr. President, because the copyright protection for sound recordings will expire on December 31, 1974, it is essential that this bill be enacted to protect legitimate business against piracy and counterfeiting of sound recordings. Without our bill, records issued after January 1, 1975, could be fair game for record pirates.

Furthermore, enactment of this legislation is essential to fulfill our international treaty obligations against record piracy which were ratified by the Senate only last year.

An additional feature of this legislation is the provision which makes record piracy and counterfeiting a felony. Such felony penalties are consistent with the provision proposed by the Department of Justice in S. 1400, the Criminal Code Reform Act—

> To upgrade the offense of infringing on the copyright in sound recordings from its present status as a misdemeanor to that of a Class E felony. . . ."

In commenting on that legislation, the Department of Justice noted that—

> Its proposal reflects the seriousness with which the Department sees the commission of offenses involving the infringement of sound recording copyrights.

The record of the last few years indicates that, despite vigorous enforcement actions by the Department of Justice and some of the States, record piracy cannot be stamped out without Federal felony penalties.

This legislation has the strong support of the Recording Industry Association of America, the Country Music Association, the National Association of Recording Merchandisers, the American Federation of Musicians, and the American Federation of Television and Radio Artists.

In the event enactment of S. 1361 is not possible this year, we urge prompt action on this legislation.

By Mr. ABOUREZK (for himself, Mr. MANSFIELD, Mr. METCALF, Mr. DOLE, Mr. MCGOVERN, Mr. MCGEE, and Mr. HUGHES):

S. 3674. A bill to provide for thorough health and sanitation inspection of all livestock products imported into the United States, and for other purposes. Referred to the Committee on Agriculture and Forestry.

Mr. ABOUREZK. Mr. President, over the past several weeks the subject of meat imports has received as much attention as it has any time since the passage of the act of August 22, 1964 which established a system of meat import quotas. There is one facet of meat imports, however, that have not received nearly enough attention.

That question is the adequacy of the sanitary inspection of imported meats. As imported meats constitute a larger and larger share of domestic production, the American consumer faces a greater risk of encountering unsanitary meat. Domestically, we have nearly 7,000 full time Federal inspectors to keep an eye on the nearly 1,100 plants that process meat animals. They essentially do a good job and we have a reasonable assurance that 100 percent of domestically processed meat is inspected at some stage of the procedure.

In the case of imports, however, the story is much more grim. Again, there are nearly 1,100 foreign plants that are licensed to sell in the United States. Technically, sanitary standards of these plants are supposed to equal domestic standards.

To insure this we rely on the foreign countries to do their own sanitation inspection. To check on them we have a pitifully small, approximately 15, force of veterinarians, known as "foreign review officers." The plants that they must visit are spread all over the world. Much of their time is spent in traveling.

When they do inspect a plant, about all they can do is check out the general character of the plant—the architectural and engineering features, equipment and procedural arrangements, a quick look at the holding pens for the animals, and an even more quick view at the finished products. In short, far less than 1 percent of the processed meat is ever actually inspected by these "foreign review officers."

To back up this cursory foreign inspection, we have another force, this time the equivalent of about 75 full-time inspectors, who spot check the imported meat at the point of entry in this country. This is done on a random sampling basis with a tiny fraction of samples drawn from each shipment. The sampling, again, amounts to less than 1 percent of all meat imported. Further, the standards that the samples must meet allow a certain number of minor, major, and critical defects to get by.

I find it hard to believe that this system creates a situation where foreign plants and imports of foreign meats approach the high quality of sanitation inspection that we have domestically. The random sampling process results in a ridiculously small amount of imports ever inspected and those that are inspected are done under circumstances that are themselves rushed and not conducive to careful work.

I am sure that the U.S. inspectors are trying their best. It is just that we are giving them a huge task and too little tools to do it with. And as imports increase, that task becomes even larger.

I think that the American consumer is entitled to more protection than he is receiving. It is the intent of the bill I am introducing today to make sure that that protection is available.

The actual bill itself is simple. It directs the Secretary of Agriculture to establish a system of thorough examination and inspection of all livestock products imported into the United States. It also directs the Commissioner of Customs to levy a charge on imported animal products to pay the cost of the inspection system that is set up.

This is a bill that should be of concern to all Americans—whether producer or consumer. At a time when we are seeing more and more imports coming into this country, we had better do all that we can to assure adequate inspection of those imports.

By Mr. STEVENSON (for himself and Mr. JAVITS):

S. 3676. A bill to amend section 174 of the Internal Revenue Code of 1954 to insure its uniform application to business products. Referred to the Committee on Finance.

Mr. STEVENSON. Mr. President, yesterday, the Senator from New York (Mr. JAVITS) and I submitted amendment No. 1478 to H.R. 14832. That amendment concerns the tax treatment of certain types of research and development expenditures incurred in the publishing industry.

The bill we offer today is identical to amendment No. 1478. The description contained in the floor statement I made upon submission of the amendment yesterday—pages 19571-73 of the RECORD—applies equally to the bill we introduce today.

By Mr. ROTH:

S. 3677. A bill to authorize the Federal Power Commission to allocate scarce supplies of natural gas. Referred to the Committee on Commerce.

Mr. ROTH. Mr. President, today I am introducing for appropriate reference a bill to authorize the Federal Power Commission to allocate natural gas supplies in order to deal with existing and imminent shortages which may have significant adverse impacts on the American economy and society.

Natural gas, which is our cleanest fuel, has become increasingly scarce in the past few years. Recently, the chairman of the Federal Power Commission—FPC—testified that natural gas shortages would not improve in the immediate future; indeed, he predicted a deepening of the present natural gas shortage.

The FPC has attempted to deal with this problem by raising the price of interstate natural gas and by instituting a curtailment policy. While these measures have helped, they will not resolve many of the problems which will result from future shortages. In short, the FPC has indicated it has done all it can under its existing legislative authority. Additional powers are needed now to avert significant disruptions next winter and summer.

Unless prompt action is taken at the Federal level, shortages of natural gas will severely disrupt productivity and employment in many areas of the country. The impacts could reach or possibly exceed those suffered during the Arab oil embargo. The legislation I am introducing today is aimed at equipping the FPC with the necessary authority to ease the economic impact of shortages and provide for the equitable distribution of scarce supplies.

This measure would authorize the Federal Power Commission, when it determines natural gas to be in such short supply that the public health, safety or welfare is threatened, to promulgate regulations providing for the mandatory allocation of natural gas. The bill sets forth several goals and objectives the mandatory allocation program should work toward; these include: protection of public health, safety, welfare, and the national defense; maintenance of public services and agricultural operations; minimization of economic distortions or interference; and the protection of jobs.

The bill would insure that any mandatory allocation program for natural gas is based on an administratively reasonable base period.

The program could thus avert one of the problems now being encountered by the mandatory allocation program for petroleum. In addition, the bill clearly stipulates that the mandatory allocation program must be structured so as to result in the equitable distribution of natural gas among all regions and States and sectors of the economy. This would spread the impact of natural gas shortages across the Nation and not concentrate it in a few regions or States.

While the bill does not require the FPC to institute an allocation plan, it does include a provision to insure they will closely monitor shortages. One section would require the FPC to submit a detailed report to the Congress every 6 months on why a mandatory allocation program is not necessary.

Finally, the bill recognizes the short-term nature of the present supply crisis by terminating authority for the FPC to institute a mandatory allocation program on July 1, 1978.

Mr. President, when the Arab oil embargo was imposed, the United States found itself ill-prepared to cope with many of the problems that resulted. The impact of the embargo was nearly disastrous for the American people. Fortunately, we now have sufficient time to prepare ourselves for an upcoming natural gas shortage. We can avert another crisis if positive action is taken now.

The chairman of the FPC, Mr. John Nassikas, recently testified that he could see no end to natural gas shortages in the immediate future; indeed, he saw a deepening of the present natural gas shortage. He stated:

> The increased demand for (natural gas) and the lead times required to augment depleted supply levels, indicate that the natural gas shortage will deepen to even more severe crisis proportions in the next 5 years.

The current natural gas shortage has been most clearly demonstrated in curtailments of service by pipeline companies and distributors to their customers. Based on curtailment reports filed with the FPC, interstate pipeline companies anticipate curtailments will be 55 percent greater in the period April, 1974 through March, 1975 than they were in the comparable 1973–74 period. Curtailments will be equivalent to nearly 10 percent of total demand requirements of the reporting companies.

(Exhibit 1 presents a more detailed discussion of curtailment levels.)

It is important to note that these curtailments will manifest themselves in varying degrees in various regions of the country depending upon the supply posture of specific pipeline companies. Anticipated curtailments for individual pipeline companies range from less than 1 percent to over 40 percent of total firm requirements. For instance, United Gas Pipe Line Co. anticipates curtailments of almost 41 percent, while Trunkline Gas Co. and Arkansas Louisiana Gas Co. expect to curtail approximately one-third of their firm requirements. The regions that will experience major gas curtailments during the coming year include Appalachia, the Great Lakes, New England, the Middle Atlantic States, and the Southeast.

The impact these shortages will have is vividly demonstrated by Delaware's problem. The Transcontinental Gas Pipe Line Corp., which services the First State, anticipates that curtailments will vary between 23 and 33 percent over the next year (exhibit 2). This curtailment could have a profound economic impact. Delmarva Power & Light Co., for example, reports it will have to curtail power to industrial customers with total employment of 13,745 people, with an annual payroll in excess of $155 million (exhibit 3). If Delmarva must go through with these cutbacks, Delaware faces a truly crisis situation.

Mr. President, problems similar to those in Delaware will shortly begin to affect individuals and industries throughout the East, Midwest, and the Southeast. The potential economic impact could be profound, and we cannot allow such disruptions to further cripple an already troubled economy.

The solution to this problem must be viewed from two perspectives—the short and long term. Over the long term, we must begin to institute policies which will encourage the discovery and development of greater natural gas reserves. There are several important measures now before various committees of the Congress which will work toward this end, but no specific recommendations have emerged. It is imperative that the responsible congressional committees remove the roadblocks to this legislation and provide the tools that are necessary to increase the supply of natural gas.

Unfortunately, it will take several years for these measures to aid our dwindling natural gas supplies. Therefore, we must develop short-term policies to deal with increased shortages. This will not be easy, however.

The Federal Power Commission has implemented a general policy statement requiring each interstate pipeline company to have a curtailment plan approved. While this is an encouraging and helpful step, it is too little, too late. The curtailment priorities order is a "statement of policy," not a rule. The priorities are not enforceable on anyone; they were issued to provide guidance.

The Federal Power Commission simply does not have adequate legislative authority to deal with shortages. It cannot, for example, require one pipeline with excess gas to sell to another pipeline with a shortage. It cannot require physical interconnection of pipelines in order to facilitate improved supplies. And, it cannot allocate scarce supplies of natural gas among customers so that the impact of shortages is lessened.

Mr. President, it is perfectly clear that additional legislative authority is needed now to enable the Federal Power Commission to deal with present and imminent natural gas shortages. It is my belief that the only practical option available is to authorize the FPC to allocate natural gas supplies so that shortages do not unfairly affect one region of the country or one sector of the economy. It is, unfortunately, the only step we have left to avert a potentially disastrous situation.

I am fully cognizant that the institution of a mandatory allocation program is a drastic measure. However, when compared with the impact of massive shortages, allocation authority is the only logical alternative we have.

Mr. President, the introduction of this bill is not an end, it is only a beginning. Natural gas shortages, which have been building, will reach drastic levels next year. It is essential that we not only enact legislation to provide short-term solutions, but we should also pass legislation to improve the long-term supply picture. I welcome the challenge this problem presents and I look forward to working with my distinguished colleagues on the problem.

Mr. President, in order to make the text of my bill available to Senators and other interested parties, I ask unanimous consent that the full text, and other exhibits referred to be printed in the RECORD at this point.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3677

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act shall be known as the "Emergency Natural Gas Allocation Act of 1974".

FINDINGS AND PURPOSE

SEC. 2. (a) The Congress hereby determines that—

(1) shortages of natural gas have developed because domestic supplies are not sufficient to meet present and anticipated national needs;

(2) shortages have created or will create severe economic dislocations and hardships, including loss of jobs, closing of factories and businesses, reduction of agricultural production, and curtailment of vital public services;

(3) shortages have jeopardized the normal flow of commerce and constitute a supply crisis which is a threat to the public health, safety, and welfare and can be averted or minimized most efficiently and effectively through prompt action by the Federal Government; and

(4) shortages have created an unreasonable burden on certain areas of the country and on certain sectors of the economy, and legislation is needed to provide an equitable solution for these shortages.

(b) The purpose of this Act is to authorize the Federal Power Commission to allocate natural gas to deal with existing and imminent shortages and dislocations in the national distribution system which jeopardize the public health, safety or welfare. The authority granted under this Act shall be exercised for the purpose of minimizing the adverse impacts of shortages or dislocations on the American people and the domestic economy.

ALLOCATION AUTHORITY

SEC. 3. (a) Whenever the Federal Power Commission (hereinafter referred to as the "Commission") determines that supplies of natural gas are in such short supply that they pose a threat to the public health, safety or welfare, the Commission is authorized to promulgate regulations providing for the mandatory allocation of natural gas in amounts specified in (or determined in a manner prescribed by) such regulations.

(b) (1) The regulations authorized under subsection (a), to the maximum extent possible, shall provide for—

(A) protection of public health, safety and welfare, and the national defense;

(B) maintenance of all public services;

(C) maintenance of agricultural operations;

(D) minimization of economic distortion, protection of jobs, and elimination of inflexibility and unnecessary interference with economic market mechanisms.

(2) To the maximum extent practicable and consistent with the objectives of paragraph (1), the mandatory allocation program established under subsection (a) shall be (A) based on a reasonable base period, and (B) structured so as to result in the equitable distribution of natural gas among all regions, States, and areas of the United States and sectors of the economy so as to minimize the impact of natural gas shortages.

(3) The Commission may, by order, require such adjustments in the mandatory allocation program established under subsection (a) as may be reasonably necessary to accomplish the objectives of paragraph (1) or to prevent any person from taking any action which would be inconsistent with such objectives.

(4) The authority to promulgate the regulations under subsection (a), and to enforce such regulations and any such order, expires at midnight July 1, 1978, but such expiration shall not affect any action or pending proceedings, civil or criminal, not finally determined on such date, nor any action or proceeding based upon any act committed prior to such time of expiration.

EFFECTIVE DATE OF ALLOCATION PLANS

SEC. 4. The mandatory allocation regulations authorized under section 3(a) shall take effect after thirty calendar days following promulgation by the Commission.

APPLICATION

SEC. 5. The provisions of this Act shall apply to all natural gas produced or transported in the United States over which the Commission has jurisdiction under the provisions of the Natural Gas Act.

REPORT

SEC. 6. If the Commission determines that it is not necessary to promulgate a mandatory allocation program under section 3(a), the Commission shall submit a detailed report to the Congress not later than six months after the date of enactment of this Act, and at the end of each six-month interval thereafter ending prior to the expiration of authority in section 3(b)(4) with respect to the reasons a mandatory allocation program is not needed.

EXHIBIT 1

FPC RELEASES STAFF REPORT ON INTERSTATE NATURAL GAS PIPELINE CURTAILMENTS

The Federal Power Commission today released a staff report which indicates that natural gas supply deficiencies for the major interstate natural gas pipeline companies for the April 1974 through March 1975 period will be nearly 55 percent higher than they were a year earlier.

The report, by the FPC's Bureau of Natural Gas, based on responses to the Commission's Form 16, shows that actual or projected curtailments were reported by 17 out of 42 major interstate pipeline companies. Net curtailments totaled 1,191,132,000,000 cubic feet for the year April 1973 through March 1974. Net supply deficiencies totaling 1,845,770,000,000 cubic feet are projected for the year April 1974 through March 1975.

Thus supply deficiencies for the year ending in March of 1975 are expected to exceed the preceding year's curtailments by 654,638,000,000 cubic feet.

The complete text of the staff report accompanies this news release.

REQUIREMENTS AND CURTAILMENTS OF MAJOR INTERSTATE PIPELINE COMPANIES BASED ON FORM 16 REPORTS

Memorandum to: The Commission (for information).

JUNE 7, 1974.

From: Bureau of Natural Gas.

Subject: FPC Form No. 16 Report of Gas Supply and Requirements, April 30, 1974 Filing, docket No. R-472.

On August 24, 1973, the Commission issued Order No. 489 in Docket No. R-472 establishing Form No. 16, Report of Gas Supply and Requirements. The report is to be filed twice each year on April 30, and September 30 by pipeline companies making sales of natural gas for resale in interstate commerce. The April 30 filings will present supply and requirements data on a monthly basis for the past year, April through March, and projected data for the following one year period, April through March. The September 30 filings will present actual data for the past year, September through August, and projected data for the following year, September through August.

This report summarizes the data in the second Form 16 filings, which were due on April 30, 1974, filed by 41 major pipelines (Class A and B) and one small pipeline company, Western Gas Interstate Company (Class C).[1]

To date 42 pipeline companies have filed Form 16 reports as compared to 37 pipeline companies who filed in September 30, 1973.

Based on the filings made by the 42 pipelines, this report provides requirements and curtailment data for the period April 1973 through March 1974, and projected requirements and supply deficiency data for the period April 1974 through March 1975. It is noted that requirements less curtailments constitute the available supply.

CURTAILMENT OF FIRM REQUIREMENTS

Schedule I, attached, shows the actual firm requirements and percent of such requirements curtailed for the year April 1973 through March 1974 for each of the 42 companies listed in the schedule. For comparison, their projected firm requirements, projected supply deficiency, and percent deficiency for the following year (April 1974–March 1975) are also shown. After elimination of the curtailments of reporting pipelines to other reporting pipelines, a net actual total curtailment of 1,191,132,000 Mcf of firm requirements is shown for the year April 1973 through March 1974. For the following year, net supply deficiencies totalling 1,845,770,000 Mcf were projected. Thus, the anticipated supply deficiencies for April 1974 through March 1975 exceed the curtailments for the preceding year by 654,638,000 Mcf or 54.96%. Curtailments, actual and projected, were reported by 17 of the 42 companies. The largest actual curtailment (506,682,000 Mcf or 32.36% of its firm requirements) was reported by United Gas Pipe Line Company. This company expects still larger curtailment (40.95%) during the next year.

Schedule II shows the requirements and curtailment information for the heating seasons, November 1973 through March 1974, and projections for November 1974 through March 1975. Anticipated net supply deficiencies for November 1974 through March 1975 total 768,012,000 Mcf. Actual net curtailments for the preceding heating season 1973–1974 were 424,520,000 Mcf. The projected increase in net curtailments from 1973–1974 to 1974–1975 is 343,492,000 Mcf or 80.91%. Here, also, the largest curtailments and anticipated supply deficiencies were reported by United Gas Pipe Line Company.

Schedule III shows peak day firm requirements and curtailments and projected supply deficiencies. As with the annual and heating season data, it shows anticipated deficiencies increasing during the November 1974–March 1975 seasons from those encountered during the preceding heating season. It also shows United Gas Pipe Line Company having the largest actual peak day curtailment for 1973–1974 (1,284,000 Mcf, about 25% of its firm requirement) and projected peak day deficiency for 1974–1975 (1,988,000 Mcf, about 36% of its firm requirement).

CURTAILMENT OF INTERRUPTIBLE SALES

Schedule IV shows data on interruptible sales as reported by twenty pipelines. Fourteen companies reported that interruptible curtailments[2] were made for the period April 1973–March 1974 and are anticipated for April 1974–March 1975. The twenty pipelines had total curtailments of 37.36% of their interruptible load for the year ended March 1974 and anticipated increases to 47.85% for the following year. For the heating seasons, the curtailment of interruptible sales was 46.02% for November 1973 through March 1974 and 59.74% anticipated for the following season, November 1974 through March 1975.

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[1] In addition, 24 companies were exempted from filing Form 16 by Commission Orders issued November 7, 1973, February 20, 1974, and April 15, 1974.

[2] Form 16 requires reporting of curtailment of interruptible sales "based on reduction in normal deliveries to the attacked interruptible load of the reporting piplines."

Schedule V shows the comparison of projected and actual curtailments for firm requirements, supply deficiency and percent deficiency for the heating season and peak day—heating season of November 1973 through March 1974. The projected net supply deficiency for the heating season was 583,882,000 Mcf, but the actual net supply deficiency was 424,520,000 Mcf or 6.85% of firm requirements.

AREAS AFFECTED BY CURTAILMENTS

Schedules VI and VII show the areas serviced by the reporting pipelines and provide an indication of the regions affected by the curtailments.

LEON H. FRIEDLANDER,
Head, Data Management Section.

COMPARISON OF ACTUAL FIRM REQUIREMENTS AND FIRM CURTAILMENTS FOR YEAR 1973 THROUGH MARCH 1974 WITH PROJECTIONS FOR YEAR 1974 THROUGH MARCH 1975

	Actual total for year April 1973–March 1974			Projected total for year April 1974–March 1975		
	Firm requirements (Mcf)	Volume curtailed (Mcf)	Percent curtailed	Firm requirements (Mcf)	Deficiency (Mcf)	Percent deficient
Alabama-Tennessee Natural Gas Co	26,540,000	0	0	31,678,000	0	0
Algonquin Gas Transmission Co	153,746,000	9,882,000	6.42	166,956,000	12,454,000	7.45
Arkansas Louisiana Gas Co	556,958,000	164,200,000	29.48	547,725,000	175,092,000	31.96
Cities Service Cas Co	557,176,000	38,610,000	6.92	583,192,000	95,203,000	16.32
Colorado Interstate Gas Co	389,174,000	0	0	370,738,000	0	0
Columbia Gas Transmission Corp.[1]	1,357,586,000			1,465,366,000	84,253,000	5.74
Consolidated Gas Supply Corp.[2]	700,691,000	0	0	776,782,000	7,965,000	1.02
East Tennessee Natural Gas Co	98,826,000	0	0	109,106,000	0	0
Eastern Shore Natural Gas Co	11,153,000	42,000	.37	10,848,000	0	0
El Paso Natural Gas Co.[3]	1,801,829,000	113,109,000	6.27	1,461,897,000	248,268,000	16.98
Florida Gas Transmission Co	28,090,000	0	0	39,288,000	0	0
Great Lakes Cas Transmission Co	424,844,000	0	0	419,066,000	0	0
Kansas-Nebraska Natural Gas Co	82,828,000	0	0	81,153,000	0	0
Kentucky-West Virginia Gas Co	23,238,000	0	0	25,292,000	0	0
Lawrenceburg Gas Transmission Corp	5,322,000	0	0	5,419,000	0	0
Louisiana-Nevada Transit Co	4,846,000	107,000	2.20	4,873,000	705,000	14.46
McCulloch Interstate Gas Corp	17,740,000	0	0	14,319,000	0	0
Michigan Wisconsin Pipe Line Co	922,267,000	0	0	939,514,000	0	0
Mid Louisiana Gas Co	32,042,000	0	0	33,752,000	0	0
Midwestern Gas Transmission Co	349,004,000	0	0	351,056,000	0	0
Mississippi River Transmission Corp	203,916,000	2,601,000	1.27	222,582,000	0	0
Montana-Dakota Utilities Co	35,669,000	0	0	38,242,000	0	0
Natural Gas Pipeline Co. of America	1,193,911,000	221,823,000	18.57	1,200,971,000	208,792,000	17.38
North Penn Gas Co	28,084,000	0	0	29,818,000	0	0
Northern Natural Gas Co	884,834,000	9,446,000	1.06	834,795,000	6,375,000	.76
Northwest Pipe Line Corp.[3]	84,468,000	10,807,000	12.79	428,922,000	37,758,000	8.80
Pacific Gas Transmission Co	423,279,000	0	0	415,845,000	0	0
Panhandle Eastern Pipeline Co	827,568,000	37,514,000	4.53	817,162,000	70,791,000	8.66
South Georgia Natural Gas Co	10,694,000	0	0	10,908,000	0	0
Southern Natural Gas Co	597,284,000	53,000	.01	631,733,000	0	0
Tennessee Gas Pipeline Co., a division of Tenneco, Inc	1,353,094,000	0	0	1,383,990,000	0	0
Tennessee Natural Gas Lines, Inc	34,725,000	0	0	24,817,000	0	0
Texas Eastern Transmission Corp	1,069,704,000	133,212,000	12.45	1,098,682,000	204,022,000	18.56
Texas Gas Pipe Line Corp	4,747,000	0	0	2,432,000	0	0
Texas Gas Transmission Corp	742,677,000	0	0	737,118,000	34,123,000	4.62
Transcontinental Gas Pipe Line Corp	1,085,833,000	160,557,000	14,78	1,013,725,000	246,497,000	22.33
Transwestern Pipeline Co	358,355,000	5,116,000	1.42	366,290,000	63,653,000	1.73
Trunkline Gas Co	587,077,000	157,019,000	26.74	592,855,000	204,344,000	34.46
United Gas Pipe Line Co	1,565,442,000	506,682,000	32.16	1,608,438,000	658,738,000	40.95
United Natural Gas Co	97,259,000	0	0	101,971,000	0	0
West Texas Gathering Co	96,666,000	0	0	90,114,000	0	0
Western Gas Interstate Co	7,613,000	0	0	8,421,000	0	0
Total	18,836,799,000	1,570,780,000	8.34	19,187,851,000	2,359,033,000	12.29
Less pipeline to pipeline curtailments		379,446,000			513,263,000	
Net curtailments		1,191,132,000			1,845,770,000	

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[1] Columbia Gas Transmission Corp. states that during the period November 1973 through March 1974, imposed a 2 percent curtailment on all CD, WS, and G customers; however, due to warmer than normal weather, energy conservation, etc., actual curtailment cannot be ascertained.

[2] Consolidated Gas Supply Corp. data is on an "as measured" basis.

[3] On Jan. 31, 1974, El Paso divested its Northwest Division System properties to Northwest Pipeline Corp. Northwest has filed actual data for February and March 1974, as well as projected data for the period Apr. 1, 1974 through Mar. 31, 1975.

COMPARISON OF ACTUAL FIRM REQUIREMENTS AND CURTAILMENTS FOR HEATING SEASON NOVEMBER 1973–MARCH 1974 WITH PROJECTIONS FOR HEATING SEASON NOVEMBER 1974–MARCH 1975

Pipeline	Actual, heating season, November 1973–March 1974			Projected heating season, November 1974–March 1975		
	Firm requirements (Mcf)	Volume curtailed (Mcf)	Percent curtailed	Firm requirements (Mcf)	Deficiency (Mcf)	Percent deficient
Alabama-Tennessee Natural Gas Co	13,508,000	0	0	16,551,000	0	0
Algonquin Gas Transmission Co	90,657,000	9,882,000	10.90	96,539,000	6,873,000	7.11
Arkansas Louisiana Gas Co	249,259,000	75,257,000	30.19	254,647,000	84,428,000	33.15
Cities Service Gas Co	279,695,000	30,108,000	10.76	296,408,000	66,715,000	22.50
Colorado Interstate Gas Co	193,484,000	0	0	191,864,000	0	0
Columbia Gas Transmission Corp.[1]	766,769,000			855,435,000	84,253,000	9.84
Consolidated Gas Supply Corp.[2]	379,281,000	0	0	432,364,000	0	0
East Tennessee Natural Gas Co	45,055,000	0	0	49,222,000	0	0
Eastern Shore Natural Gas Co	4,990,000	42,000	.84	5,059,000	0	0
El Paso Natural Gas Co.[3]	735,139,000	63,098,000	8.58	612,308,000	133,638,000	21.82
Florida Gas Transmission Co	14,245,000	0	0	23,546,000	0	0
Great Lakes Gas Transmission	175,823,000	0	0	173,530,000	0	0
Kansas-Nebraska Natural Gas Co	39,521,000	0	0	38,922,000	0	0
Kentucky-West Virginia Gas Co	9,700,000	0	0	10,156,000	0	0
Lawrenceburg Gas Transmission Corp	2,289,000	0	0	2,194,000	0	0
Louisiana-Nevada Transit Co	2,150,000	30,000	1.39	2,253,000	610,000	27.07
McCulloch Interstate Gas Corp	6,214,000	0	0	5,499,000	0	0
Michigan Wisconsin Pipe Line Co	488,965,000	0	0	505,467,000	0	0
Mid Louisiana Gas Co	16,046,000	0	0	16,722,000	0	0
Midwestern Gas Transmission Co	150,841,000	0	0	150,841,000	0	0
Mississippi River Transmission Corp	117,968,000	2,466,000	2.09	104,729,000	0	0
Montana-Dakota Utilities Co	24,096,000	0	0	26,112,000	0	0

COMPARISON OF ACTUAL FIRM REQUIREMENTS AND CURTAILMENTS FOR HEATING SEASON NOVEMBER 1973-MARCH 1974 WITH PROJECTIONS FOR HEATING SEASON NOVEMBER 1974-MARCH 1975

Pipeline	Actual, heating season, November 1973-March 1974			Projected heating season, November 1974-March 1975		
	Firm requirements (Mcf)	Volume curtailed (Mcf)	Percent curtailed	Firm requirements (Mcf)	Deficiency (Mcf)	Percent deficient
Natural Gas Pipeline Co. of America	501, 807, 000	0	0	505, 479, 000	0	0
North Penn Gas Co	16, 223, 000	0	0	17, 298, 000	0	0
Northern Natural Gas Co	406, 306, 000	8, 240, 000	2. 02	390, 296, 000	3, 689, 000	0. 94
Northwest Pipe Line Corp.[3]				219, 976, 000	31, 855, 000	14. 48
Packfic Gas Transmission Co	181, 344, 000	0	0	176, 791, 000	0	0
Panhandle Eastern Pipeline Co	388, 135, 000	33, 447, 000	8. 61	389, 390, 000	46, 219, 000	11. 86
South Georgia Natural Gas Co	5, 670, 000	0	0	5, 783, 000	0	0
Southern Natural Gas Co	277, 676, 000	0	0	293, 177, 000	0	0
Tennessee Gas Pipeline Co., a division of Tenneco, Inc	601, 854, 000	0	0	616, 965, 000	0	0
Tennessee Natural Gas Lines, Inc	13, 277, 000	0	0	15, 005, 000	0	0
Texas Eastern Transmission Corp	480, 222, 000	53, 579, 000	11. 15	593, 975, 000	75, 984, 000	15. 38
Texas Gas Pipe Line Corp	1, 933, 000	0	0	877, 000	0	0
Texas Gas Transmission Corp	338, 747, 000	0	0	353, 912, 000	14, 179, 000	4. 00
Transcontinental Gas Pipeline Corp	498, 823, 000	66, 463, 000	13. 32	501, 131, 000	102, 386, 000	20. 43
Transwestern Pipeline Co	150, 704, 000	4, 237, 000	2. 81	151, 416, 000	33, 817, 000	2. 23
Trunkline Gas Co	247, 247, 000	74, 790, 000	30. 24	246, 818, 000	85, 512, 000	34. 64
United Gas Pipe Line Co	671, 626, 000	206, 895, 000	30. 80	706, 174, 000	283, 687, 000	40. 17
United Natural Gas Co	607, 373, 000	0	0	625, 030, 000	0	0
West Texas Gathering Co	40, 722, 000	0	0	38, 360, 000	0	0
Western Gas Interstate Co	2, 833, 000	0	0	3, 111, 000	0	0
Total	9, 166, 217, 000	628, 534, 000	6. 85	9, 621, 332, 000	1, 053, 845, 000	10. 95
Less pipeline to pipeline curtailments		204, 014, 000			285, 833, 000	
Net curtailments		424, 520, 000			768, 012, 000	

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[1] Columbia Gas Transmission Corp., states that during the period November 1973 through March 1974, imposed a 2-percent curtailment on all CD, WS, and G customers; however, due to warmer than normal weather, energy conservation, etc., actual curtailment cannot be ascertained.

[2] Consolidated Gas Supply Corp., data is on an "as measured" basis.

[3] On Jan. 31, 1974, El Paso divested its Northwest Division System properties to Northwest Pipeline Corp. Northwest has filed actual data for February and March 1974, as well as projected data for the period Apr. 1, 1974, through Mar. 31, 1975.

COMPARISON OF ACTUAL FIRM REQUIREMENTS AND CURTAILMENTS FOR PEAK DAY NOVEMBER 1973-MARCH 1974 HEATING SEASON WITH PROJECTIONS FOR NOVEMBER 1974-MARCH 1975 HEATING SEASON

Pipeline	Actual peak day heating season—November 1973-March 1974			Project peak day heating season—November 1974-March 1975		
	Firm requirements (Mcf)	Volume curtailed (Mcf)	Percent curtailed	Firm requirements (Mcf)	Volume deficiency (Mcf)	Percent deficient
Alabama-Tennessee Natural Gas Co	120, 000	0	0	129, 000	0	0
Algonquin Gas Transmission Co	850, 000	75, 000	8. 82	859, 000	54, 000	6. 28
Arkansas Louisiana Gas Co	2, 193, 000	816, 000	37. 20	2, 260, 000	757 000	33. 49
Cities Service Gas Co	2, 779, 000	855, 000	30. 54	3, 128, 000	817, 000	26. 11
Colorado Interstate Gas Co	1, 625, 000	0	0	1, 711, 000	0	0
Columbia Gas Transmission Corp [1]	7, 097, 000			7, 473, 000	0	0
Consolidated Gas Supply Cprp. [2]	3, 820, 000	0	0	4, 786, 000	0	0
East Tennessee Natural Gas Co	348, 000	0	0	348, 000	0	0
Eastern Shore Natural Gas Co	(3)			(3)		
El Paso Natural Gas Co [4]	4, 296, 000	738, 000	17. 17	4, 083, 000	895, 000	21. 92
Florida Gas Transmission Co	229, 000	0	0	390, 000	0	0
Great Lakes Gas Transmission Co	1, 227, 000	0	0	1, 149, 000	0	0
Kansas-Nebraska Natural Gas Co	419, 000	0	0	427, 000	0	0
Kentucky-West Virginia Gas Co	77, 000	0	0	77, 000	0	0
Lawrenceburg Gas Transmission Corp	16, 000	0	0	15, 000	0	0
Louisiana-Nevada Co	(3)			20, 000	6, 000	30, 00
McCulloch Interstate Gas Corp	62, 000	0	0	46, 000	0	0
Michigan Wisconsin Pipe Line Co	4, 066, 000	0	0	4, 303, 000	0	0
Mid Louisiana Gas Co	157, 000	0	0	190, 000	0	0
Midwestern Gas Transmission Co	1, 034, 000	0	0	1, 025, 000	0	0
Mississippi River Transmission Corp	861, 000	0	0	967, 000	0	0
Montana-Dakota Utilities Co	255, 000	0	0	260, 000	0	0
Natural Gas Pipeline Co of America	3, 353, 000	0	0	3, 367, 000	0	0
North Penn Gas Co	157, 000	0	0	211, 000	0	0
Northern Natural Gas Co	3, 036, 000	0	0	2, 931, 000	0	0
Northwest Pipe Line Corp [4]	(3)			1, 525, 000	247, 000	16. 19
Pacific Gas Transmission Co	1, 350, 000	0	0	1, 256, 000	0	0
Panhandle Eastern Pipeline Co	2, 856, 000	232, 000	8. 12	2, 924, 000	327. 000	11. 18
South Georgia Natural Gas Co	67, 000	0	0	68, 000	0	0
Southern Natural Gas Co	2, 073, 000	0	0	2, 226, 000	0	0
Tennessee Gas Pipeline Co., a division of Tenneco, Inc	4, 210, 000	0	0	4, 315, 000	0	0
Tennessee Natural Gas Lines, Inc	(3)			(3)		
Texas Eastern Transmission Corp	3, 579, 000	0	0	3, 929, 000	540, 000	13. 74
Texas Gas Pipe Line Corp	15, 000	0	0	7, 000	0	0
Texas Gas Transmission Corp	2, 471, 000	0	0	2, 609, 000	0	0
Transcontinental Gas Pipe Line Corp	3, 816, 000	263, 000	6. 18	4, 472, 000	0	0
Transwestern Pipeline Co	1, 018, 000	5, 000	. 049	1, 006, 000	144, 000	14. 31
Trunkline Gas Co	1, 675, 000	0	0	1, 675, 000	0	0
United Gas Pipe Line Co	5, 060, 000	1, 284, 000	25. 37	5, 594, 000	1, 988, 000	35. 53
United Natural Gas Co	532, 000	0	0	602, 000	0	0
West Texas Gathering Co	300, 000	0	0	300, 000	0	0
Western Gas Interstate Co	(3)			(3)		
Totals	671, 64, 000	4, 268, 000	6. 35	72, 663, 000	5, 775, 000	7. 94
Less pipeline to pipeline curtailments		442, 000			1, 020, 000	
Net curtailments		3, 826, 000			4, 755, 000	

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[1] Columbia Gas Transmission Corp. states that during the period November 1973 through March 1974, imposed a 2 percent curtailment on all CD, WS, and G customers; however, due to warmer then normal weather, energy conservation, etc., actual curtailment cannot be ascertained.

[2] Consolidated Gas Supply Corp. data is on an "as measured" basis.

[3] Not available.

[4] On Jan. 31, 1974, El Paso divested its Northwest Division System properties to Northwest Pipeline Corp. Northwest has filed actual data for February and March 1974, as well as projected data for the period Apr. 1, 1974 through Mar. 31, 1975.

COMPARISON OF ACTUAL INTERRUPTIBLE SALES AND CURTAILMENTS FOR YEAR APRIL 1973–MARCH 1974 WITH PROJECTED REQUIREMENTS AND DEFICIENCIES FOR YEAR APRIL 1974–MARCH 1975

	Actual year April 1973–March 1974			Projected year April 1974–March 1975		
	Interruptible requirement (Mcf)	Volume curtailed (Mcf)	Percent curtailed	Interruptible requirement (Mcf)	Volume deficiency	Percent deficient
Alabama-Tennessee Natural Gas Co	15, 349, 000	3, 467, 000	22. 59	16, 069, 000	4, 903, 000	30. 51
Algonquin Gas Transmission Co	10, 652, 000	10, 652, 000	100. 00	12, 366, 000	12, 366, 000	100. 00
Arkansas Louisiana Gas Co	6, 525, 000	6, 525, 000	100. 00	19, 533, 000	19, 533, 000	100. 00
Colorado Interstate Gas Co	26, 994, 000	0	0	37, 910, 000	10, 447, 000	27. 55
East Tennessee Natural Gas Co	23, 683, 000	0	0	26, 154, 000	0	0
Eastern Shore Natural Gas Co	1, 792, 000	1, 241, 000	69. 25	2, 284, 000	2, 006, 000	87. 83
El Paso Natural Gas Co.[1]	44, 301, 000	33, 861, 000	76. 43	0	0	0
Florida Gas Transmission Co	129, 031, 000	28, 908, 000	22. 40	142, 741, 000	66, 649, 000	46. 69
Kansas-Nebraska Natural Gas Co	33, 034, 000	0	0	29, 657, 000	0	0
Louisiana-Nevada Transit Co	1, 989, 000	17, 000	0. 85	5, 585, 000	2, 174, 000	38. 93
Mississippi River Transmission Corp	35, 292, 000	29, 304, 000	83. 03	35, 285, 000	35, 285, 000	100. 00
Montana-Dakota Utilities Co	20, 970, 000	256, 000	1. 22	21, 742, 000	330, 000	1. 52
Northern Natural Gas Co	3, 777, 000	0	0	16, 247, 000	0	0
Northwest Pipeline Corp.[1]	4, 155, 000	4, 155, 000	100. 00	11, 902, 000	9, 484, 000	79. 68
Panhandle Eastern Pipeline Co	73, 725, 000	12, 057, 000	16. 35	72, 129, 000	20, 959, 000	29. 06
South Georgia Natural Gas Co	16, 499, 000	8, 357, 000	50. 65	16, 285, 000	8, 357, 000	51. 32
Southern Natural Gas Co	168, 041, 000	97, 023, 000	57. 74	135, 325, 000	97, 729, 000	72. 22
Tennessee Natural Gas Lines, Inc	15, 479, 000	1, 909, 000	12. 33	15, 949, 000	4, 415, 000	27. 68
Texas Gas Transmission Corp	4, 020, 000	0	0	4, 080, 000	3, 107, 000	76. 15
Transwestern Pipeline Co	1, 038, 000	0	0	1, 029, 000	0	0
Total	636, 346, 000	237, 732, 000	37. 36	622, 272, 000	297, 744, 000	47. 85
Less pipeline to pipeline curtailments		29, 420, 000			46, 380, 000	
Net curtailments		208, 312, 000			251, 364, 000	

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[1] On Jan. 31, 1974, El Paso divested its Northwest Division System properties to Northwest Pipeline Corp. Northwest has filed actual data for February and March 1974, as well as projected data for the period Apr. 1, 1974 through Mar. 31, 1975.

COMPARISON OF ACTUAL INTERRUPTIBLE SALES AND CURTAILMENTS FOR NOVEMBER 1973–MARCH 1974 HEATING SEASON WITH PROJECTED REQUIREMENTS AND DEFICIENCIES FOR NOVEMBER 1974–MARCH 1975 HEATING SEASON

	Actual, heating season November 1973–March 1974			Projected, heating season November 1974–March 1975		
	Interruptible requirement (Mcf)	Volume curtailed (Mcf)	Percent curtailed	Interruptible requirement (Mcf)	Volume curtailed (Mcf)	Percnt deficient
Alabama-Tennessee Natural Gas Co	6, 352, 000	2, 643, 000	41. 61	6, 453, 000	4, 136, 000	64. 09
Algonquin Gas Transmission Co	0	0	0	0		0
Arkansas-Louisiana Gas Co	3, 985, 000	3, 985, 000	100. 00	9, 966, 000	9, 966, 000	100. 00
Colorado Interstate Gas Co	3, 753, 000	0	0	13, 591, 000	10, 447, 000	76. 87
East Tennessee Natural Gas Co	8, 882, 000	0	0	9, 764, 000	0	0
Eastern Shore Natural Gas Co	578, 000	485, 000	83. 91	822, 000	822, 000	100. 00
El Paso Natural Gas Co.[1]	32, 459, 000	32, 192, 000	99. 18	0	0	0
Florida Gas Transmission Co	56, 004, 000	18, 766, 000	33. 51	60, 070, 000	37, 578, 000	62. 56
Kansas-Nebraska Natural Gas Co	14, 329, 000	0	0	11, 237, 000	0	0
Louisiana-Nevada Transit Co	584, 000	3, 000	. 51	2, 856, 000	1, 428, 000	50. 00
Mississippi River Transmission Corp	12, 366, 000	10, 658, 000	86. 19	12, 382, 000	12, 382, 000	100. 00
Montana-Dakota Utilities Co	11, 179, 000	256, 000	2. 29	11, 193, 000	330, 000	2. 95
Northern Natural Gas Co	3, 499, 000	0	0	1, 449, 000	0	0
Northwest Pipeline Corp.[1]	4, 155, 000	4, 155, 000	100. 00	2, 800, 000	2, 800, 000	100. 00
Panhandle Eastern Pipeline Co	29, 017, 000	10, 025, 000	34. 55	28, 755, 000	14, 181, 000	49. 32
South Georgia Natural Gas Co	11, 282, 000	5, 080, 000	45. 03	11, 169, 000	5, 080, 000	45. 48
Southern Natural Gas Co	47, 293, 000	26, 980, 000	57. 05	41, 259, 000	35, 388, 000	85. 77
Tennessee Natural Gas Lines, Inc	6, 790, 000	1, 713, 000	25. 23	6, 901, 000	2, 550, 000	36. 95
Texas Gas Transmission Corp	1, 187, 000	0	0	1, 223, 000	1, 223, 000	100. 00
Transwestern Pipeline Co	399, 000	0	0	399, 000	0	0
Total	254, 093, 000	116, 941, 000	46. 02	232, 289, 000	138, 311, 000	59. 54
Less pipeline to pipeline curtailments		64, 523, 000			104, 790, 000	
Net curtailments		52, 418, 000			33, 521, 000	

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[1] On Jan. 31, 1974, El Paso divested its Northwest Division System properties to Northwest Pipeline Corp. Northwest has filed actual data for February and March 1974, as well as projected data for the period Apr. 1, 1974, through Mar. 31, 1975.

A COMPARISON OF PROJECTED AND ACTUAL FIRM REQUIREMENTS AND CURTAILMENTS FOR THE 1973-74 HEATING SEASON AND PEAK-DAY

	Firm requirements (M ft^3)	Volume curtailed (M ft^3)	Percent curtailed	Firm requirements (M ft^3)	Volume curtailed (M ft^3)	Percent curtailed
	Comparison of projected and actual firm requirements and curtailments for the heating season					
	Heating season: November 1973–March 1974, projected			Heating season: November 1973–March 1974, actual		
Total	9,079,137,000	752,928,000	8.29	9,166,217,000	628,534,000	6.85
Less: Pipeline to pipeline curtailments		169,046,000			204,014,000	
Net curtailments		583,882,000			424,520,000	
	Comparison of projected and actual peak-day firm requirements and curtailments					
	Peak day: November 1973–March 1974, projected			Peak day: November 1973–March 1974, actual		
Total	71,246,000	5,125,000	7.19	67,164,000	4,268,000	6.35
Less: Pipeline to pipeline curtailments		884,000			442,000	
Net curtailments		4,241,000			3,826,000	

SCHEDULE VI

PIPELINE COMPANIES SERVICING FUTURE REQUIREMENT REGIONS

	1	2	3	4	5	6	7	8	9	10
Alabama-Tennessee Natural Gas Co			X				X			
Algonquin Gas Transmission Co	X	X								
Arkansas Louisiana Gas Co						X	X			
Cities Service Gas Co					X	X	X			
Colorado Interstate Gas Co., a division of Colorado Interstate Corp.						X	X	X		
Columbia Gas Transmission Cop		X								
Consolidated Gas Supply Corp		X					X			
Eastern Shore Natural Gas Co		X								
East Tennessee Natural Gas Co		X	X							
El Paso Natural Gas Co						X	X	X	X	X
Florida Gas Transmission Co			X				X			
Great Lakes Gas Transmission Co				X	X					
Kansas-Nebraska Natural Gas Co					X	X	X	X		
Kentucky-West Virginia Gas Co		X								
Lawrenceburg Gas Transmission Co		X		X						
Louisiana-Nevada Transit Co							X			
McCulloch Interstate Gas Corp								X		
Michigan-Wisconsin Pipe Line Co		X	X	X	X	X	X			
Mid-Louisiana Gas Co							X			
Midwestern Gas Transmission Co				X	X	X				
Mississippi River Transmission Corp				X		X	X			

	1	2	3	4	5	6	7	8	9	10
Montana-Dakota Utilities Co					X			X		
Natural Gas Pipeline Co. of America				X	X	X	X		X	
North Penn Gas Co		X								
Northern Natural Gas Co				X	X	X	X	X	X	
Pacific Gas Transmission Co									X	X
Northwest Pipe Line Corp								X		X
Panhandle Eastern Pipe Line Co		X		X		X	X			
South Georgia Natural Gas Co			X							
Southern Natural Gas Co			X				X			
Tennessee Gas Pipeline Co	X	X	X				X			
Tennessee Natural Gas Lines, Inc			X							
Texas Eastern Transmission Corp		X	X	X		X	X			
Texas Gas Pipe Line Corp							X			
Texas Gas Transmission Corp		X	X	X			X			
Transcontinental Gas Pipe Line Corp		X	X				X			
Transwestern Pipeline Co						X	X		X	
Trunkline Gas Co		X	X	X			X			
United Gas Pipe Line Co			X				X			
United Natural Gas Co		X								
West Texas Gathering Co							X			
Western Gas Interstate Co						X	X		X	

Note: Some companies may have minor service in some areas not designated in this schedule. Future requirements regions are those defined by the Future Requirements Committee of the gas industry as shown on schedule VI.

REGIONS BY FRC

Region 1: Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, Vermont.

Region 2: Delaware, Kentucky, Maryland, New Jersey, New York, Virginia, West Virginia, Ohio, Pennsylvania.

Region 3: Alabama, Florida, Georgia, North Carolina, South Carolina, Tennessee.

Region 4: Illinois, Indiana, Michigan, Wisconsin.

Region 5: Iowa, Minnesota, Nebraska, North Dakota, South Dakota.

Region 6: Kansas, Missouri, Oklahoma.

Region 7: Arkansas, Louisiana, Mississippi, Texas.

Region 8: Colorado, Montana, Utah, Wyoming.

Region 9: Arizona, California, Nevada, New Mexico.

Region 10: Idaho, Oregon, Washington.

EXHIBIT II

TRANSCONTINENTAL GAS
PIPE LINE CORP.,
Houston, Tex., June 6, 1974.

To all CD, ACQ, G, OG and Firm Industrial Customers of Transco:

We are forwarding herewith Transco's current projection comparing gas available with system firm requirements and the resulting deficiency. The attached schedules reflect actual data for March and April, 1974 and estimated data for the months of May, 1974 through May, 1975.

Since our last letter the following significant changes have occurred:

(1) Estimated purchases from Odeco Block 224 previously shown in "Other Long Term Sources" are included in "Regular Sources" beginning May, 1974.

(2) It is our understanding from the operator that the remedial work in Block 76, Offshore Texas, referred to in our last letter will be done this summer. It is estimated that this work will require the entire production from this block to be shut-in for a period of approximately 60 days. To lessen the impact of the above mentioned outage we have revised our projected injections into our system storage. To provide for this significant contingency, "Operational Losses" have been increased by 45,000 Mcf per day in July and September and 90,000 Mcf per day in August.

Confirming previous advice by dispatch personnel of Transco, the announced curtailment percentage commencing June 1, 1974 will be 26%.

Yours very truly,
C. H. MULLENDORE, JR.,
Vice President.

TRANSCONTINENTAL GAS PIPE LINE CORPORATION—ESTIMATED SYSTEMWIDE CURTAILMENT (MMCF/D) AND TRANSCO SYSTEM STORAGE INVENTORY (BCF) (AT 14.7 P.S.I.A.)

		Actual, 1974		Estimated												
				1974								1975				
Line No.	Particulars	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
	Supplies:															
1	Regular sources	2,518	2,465	2,511	2,593	2,596	2,574	2,543	2,517	2,494	2,470	2,439	2,414	2,388	2,370	2,333
2	Other long-term sources (schedule A)	87	98							17	16	16	16	15	15	15
3	Authorized emergency sources (schedule B)	25	26	19	25	19	16	10	9	9	9	9	8	8	8	8

				Estimated												
		Actual, 1974		1974								1975				
Line No.	Particulars	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
4	Unspecified purchases				5	10	10	10	10	10	10	13	13	13	13	23
5	Subtotal	2,630	2,589	2,530	2,623	2,625	2,600	2,563	2,536	2,530	2,505	2,477	2,451	2,424	2,406	2,379
6	Operational losses				(57)	(87)	(114)	(79)	(32)	(23)	(43)	(84)	(84)	(18)	(18)	(18)
7	Company use and shrinkage	(174)	(198)	(182)	(184)	(182)	(179)	(178)	(180)	(182)	(181)	(181)	(178)	(175)	(173)	(169)
8	Exchange gas (delivered to others) or received by Transco	22	6	25	(15)											
9	Transco system storage, (injection) or withdrawal	76	(33)	(65)	(59)	(87)	(21)	(27)	(49)	(54)	17	162	185	32	7	(45)
10	Available for market	2,554	2,364	2,308	2,308	2,269	2,286	2,279	2,275	2,271	2,298	2,374	2,374	2,263	2,222	2,147
11	Firm requirements	[1] 2,971	[1] 2,980	2,992	3,036	3,029	3,042	3,036	3,012	2,982	2,994	3,021	3,024	3,007	3,026	3,061
12	Estimated net exemptions (returns)	(2)														
13	Deficiency (MMCFD)	415	616	684	728	760	756	757	737	711	696	647	650	744	804	914
14	Estimated system-wide curtailment percentage			25	26	27	27	27	26	25	25	23	23	27	29	33
15	Transco system storage inventory (end of month in BCF)	.2	1.1	2.8	5.4	8.1	8.8	9.6	11.1	12.7	12.2	7.2	2.0	1.0	.8	2.2

[1] Deliveries plus curtailments.

EXHIBIT 3

U.S. SENATE,
Washington, D.C., June 10, 1974.

Mr. FRANK C. ALLEN,
Chief, Bureau of Natural Gas, Federal Power Commission, Washington, D.C.

DEAR MR. ALLEN: This letter confirms the meeting scheduled in my office, room 4327, Dirksen Senate Office Building, on Thursday, June 13.

We would like to discuss the following topics during the meeting:

A. The general situation concerning the supply of natural gas for Delaware and the East Coast.

(1) Evidence that there is a real shortage.

(2) Availability in the next year and anticipated problems.

(3) Pros and cons on deregulation, depletion allowance, and allocations by the Federal Power Commission to pipelines.

B. Suggestions on legislation that would improve the supply of natural gas (there are now 20 Senate and 73 House bills pending on natural gas).

In addition, we would appreciate your appraisal of the problems of Delmarva Power and Light Company described in the attached paper. You will note that Transcontinental Gas Pipeline Corporation (Transco) has projected curtailments which could have a serious impact on employment in the State of Delaware. Any information concerning Transco is desired which would help in understanding the projected curtailments and the company's ability to serve the needs of Delmarva. For example, magnitude of supply to Transco, subsidiaries who might be engaged in intrastate sales of natural gas, new customers within past year, etc.

Your willingness to meet with me and my staff to assist us in formulating a legislative plan on natural gas and determining a course of action to avoid any shortage of natural gas on the East Coast is greatly appreciated. If you have any questions about our meeting, please contact Mr. Loren Murray, 225-0213.

Sincerely,

WILLIAM V. ROTH, JR.,
U.S. Senate.

DELMARVA POWER & LIGHT CO.

GAS SUPPLY

Sources of Gas: Transcontinental Gas Pipe Line Corporation (TRANSCO)

Daily firm allotment, 54,000,000 cubic feet

Pipeline storage—all types, 2,401,767,000 cubic feet.

Local LNG storage, 225,000,000 cubic feet

Propane air supplementary gas, 78,000,000 cubic feet

The above storage and propane air supplements are used during the winter period, November through March.

1968. Supply shortage first evident. Unable to obtain 15,000,000 cubic feet per day for proposed industrial customer. Transco unable to supply; likewise, Texas Eastern and Columbia.

Transco able to furnish only 2,000,000 cubic feet of firm gas and 3,000,000 cubic feet of storage gas in lieu of 5,000,000 cubic feet of firm gas requested.

1969. 7,00,000 cubic feet of firm gas requested. Transco able to furnish only 4,000,000 cubic feet of firm gas, 3,000,000 cubic feet of storage.

1970. Gas apportioned by Transco. Delmarva's share 1,300,000 cubic feet of firm gas, 3,300,000 cubic feet of storage gas.

1971. Transco apportioned to Delmarva 3,220,000 cubic feet of storage gas.

No additional firm gas or storage service has been available since 1971.

GAS SALES RESTRICTIONS

June 1970, Sales to new industrial and commercial customers banned as well as prohibiting present customers from increasing loads.

Dec. 1971, New residential sales banned. No new sales have been made or honored since that date. Advertising and sale of gas appliances has been discontinued. Additional advertising requesting public conservation of gas has been used effectively.

SUPPLY BETTERMENT EFFORTS

Two closest suppliers, Texas Eastern and Columbia, refused to render service in 1968.

1969. Meetings with Atlantic Seaboard Distribution Companies in New York for liquefied natural gas imports from Venezuela resulted in failure.

Meetings and communications with Distrigas of Boston for LNG imports off and on since 1969. No Distrigas imports to Delaware River Valley to this date.

Supported Transco's drilling fund which was abandoned because of FPC Staff position.

Completed in 1972 liquefied natural gas plant on our property.

Since 1971, many meetings with South Jersey Gas Company for purchase of gas from a substitute natural gas plant. Negotiations remain active. Feed stock for plant is the holdup.

Have had many meetings and discussions with sister utilities and potential suppliers for SNG; all to no avail.

Presently pursuing joint effort exploration and drilling in southwest with South Jersey Gas, Chesapeake Utilities and Piedmont Natural.

TRANSCO CURTAILMENTS

Curtailments of 5 to 7% began in the fall of 1971.

1972. Average curtailment, 8.2%.

1973. Average curtailment, 13%.

1974. To date, 18.5%.

June 1974. 26%.

May 1, 1974. Transco, in a meeting with its customers, projected curtailments of 28% for November, 1974, through March, 1975, and 34% for April, 1975, through October, 1975. These projections greatly increased over prior projections with a maximum of 25% with which we could continue to supply firm loads.

With the above projected curtailments, Delmarva faces partial or total curtailment of the following industrial customers. Number of employees and payroll are also indicated.

	No. of employees	Payroll
Phoenix Steel	1,500	$17,000,000
duPont—Edgemoor	850	10,000,000
General Motors	4,470	55,000,000
Diamond Shamrock	325	4,000,000
Chrysler	5,300	65,000,000
Forbes	225	2,300,000
Electric Hose	825	?
Motor Wheel	250	2,650,000
Totals	13,745	155,950,000

As the supply situation worsens, further curtailment of small industrials, commercials and even residential customers could be affected. The proposed curtailment policy of Delmarva Power, to be submitted to the Delaware Public Service Commission on Wednesday, June 19, 1974, is attached herewith.

DELMARVA POWER & LIGHT CO.

CURTAILMENT PLAN

If the gas supply of the Company is curtailed by its supplier to the extent that the Company cannot meet its customers' demands, then the Company will curtail service to its customers, to the extent permitted by operating feasibility in the following order:

1. Wholesale Interruptible customers will be curtailed completely.

2. Wholesale Seasonal Off-Peak customers will be curtailed completely.

3. Industrial customers (over 100 MCF/day) will be curtailed on a pro-rata basis to the extent required in view of operational feasibility and the time element involved. The extent of curtailment, including complete curtailment, shall be determined by the Company.

4. Industrial customers (over 100 MCF/day) will be curtailed on a pro-rata basis to the extent required in view of operational feasibility and the time element involved. The extent of curtailment, including complete curtailment, shall be determined by the Company.

5. Other industrial and/or large commercial (over 10 MCF/day) customers will be curtailed on a pro-rata basis to the extent required in view of operational feasibility and the time element involved. The extent of curtailment, including complete curtailment, shall be determined by the Company.

6. Commercial customers, other than those listed in 7 and 8, will be curtailed on a pro-rata basis to the extent required in view of operational feasibility and the time element involved. The extent of curtailment, including complete curtailment, shall be determined by the Company.

7. Apartments, hotels, motels, dormitories and residences, shall be curtailed on a pro-rata basis to the extent required in view of operational feasibility and the time element involved. The extent of curtailment, including complete curtailment, shall be determined by the Company.

8. Hospitals, nursing homes, institutions for the aged and infirm and institutions essential to the public welfare, shall be curtailed on a pro-rata basis to the extent required in view of operational feasibility and the time element involved. The extent of curtailment, including complete curtailment, shall be determined by the Company.

Curtailment will normally be on a monthly basis, with the monthly allocation to each customer being determined by the usage of that customer during each month of the twelve month period ending April 30, 1973. In the event of complete curtailment, the Company shall endeavor to provide the gas required for the protection of physical plant.

A customer not reducing to the requested volume in any month will be curtailed a double volume the following month. Failure to comply in the second month will result in service being discontinued.

When it becomes necessary to institute curtailment of firm customers, the Company will make public appeals to all customers, via the news media, for voluntary reductions in gas consumption.

By Mr. DOMINICK:

S.J. Res. 217. A joint resolution to designate the third week of September of each year as "National Medical Assistants' Week." Referred to the Committee on the Judiciary.

Mr. DOMINICK. Mr. President, I introduce for appropriate reference a joint resolution expressing the sense of Congress that the President should designate the third week of September each year as "National Medical Assistants' Week." A similar resolution, H.J. Res. 939, has been introduced in the House by Congressman JACK T. BRINKLEY of Georgia.

I believe it is only appropriate that Congress recognize the role played by medical assistants in the health care system in this country as we turn more and more attention to all parts of the delivery of health care. The receptionists, secretaries, bookkeepers, technicians, nurses, and other types of assistants employed in the offices of licensed physicians and accredited hospitals throughout the country play a vital role in handling important administrative and clinical duties for practicing physicians.

This year the American Association of Medical Assistants, representing over 15,000 medical assistants throughout the United States, will be holding its national convention in Denver, Colo., in September and I would hope that this resolution will be enacted prior to that time. This organization was founded in 1956, and represents members in 47 States and 450 local groups. Among its programs it sponsors a certification process whereby an examination is administered to medical assistants with passage entitling the individual to a certificate as a "certified medical assistant." In addition, the AAMA assists and provides information to institutions of higher learning desirous of initiating courses for medical assistants, and in working with the American Medical Association Council on Medical Education, has formulated a standardized 1- and 2-year curriculum in medical assistance. I became even more familiar with the fine services provided by this association as a participant during its 17th annual convention in Washington last October.

Mr. President, I would ask unanimous consent that at the end of my remarks two endorsements by the American Medical Association's House of Delegates be reproduced as well as a letter from my own State medical society supporting the companion resolution in the House. I hope my colleagues will share my conviction that medical assistants, important participants in the health care system in this country, deserve the honor of a nationally designated week.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RESOLUTION ADOPTED BY THE AMA HOUSE OF DELEGATES, NOVEMBER 30–DECEMBER 1969

NO. 37—SUPPORT OF AMERICAN ASSOCIATION OF MEDICAL ASSISTANTS

Resolved, That the House of Delegates of the American Medical Association urge constituent and county medical societies to establish placement bureaus for medical assistants as a service to such personnel; and be it further,

Resolved, That the American Medical Association reaffirm its support of the American Association of Medical Assistants and its purposes of advancing the education and upgrading the services of its members; and be it further

Resolved, That the House of Delegates encourage the individual members of the American Medical Association to urge their employees to become AAMA members by offering whatever incentives appear to be appropriate.

RESOLUTION ADOPTED BY THE AMA HOUSE OF DELEGATES NOVEMBER 26–29, 1967

NO. 50 PHYSICIAN ENCOURAGEMENT OF AMERICAN ASSOCIATION OF MEDICAL ASSISTANTS AND ITS EDUCATIONAL PROGRAMS

Preamble

The American Association of Medical Assistants has achieved a membership of more than 12,000 in less than ten years. Even with that impressive growth, the potential membership of AAMA doubtless is twenty times that number. Physicians should stimulate membership and participation in this fine national organization which endeavors to make even more effective allies of those who work for them in their offices and in hospital in the interest of patient care. Physicians can profit by reviewing the AAMA's objectives and programs which are set forth in pamphlets which are available from its headquarters at 510 North Dearborn Street, Chicago. Therefore be it

Resolved, That the AMA House of Delegates urges every physician to become fully acquainted with the objectives and programs of the American Association of Medical Assistants, and to encourage his own assistants to seek membership in the national organization and its local and state affiliates, and to participate in their educational and certification programs.

COLORADO MEDICAL SOCIETY,
Denver, Colo., May 30, 1974.

Hon. PETER H. DOMINICK,
U.S. Senate,
Washington, D.C.

DEAR SENATOR DOMINICK: The Colorado Medical Society Board of Trustees, at its regular meeting on May 18, 1974, considered H.J. Res. 939 which would designate the third week in September, of each year, as "National Medical Assistants Week". This group of individuals, so loyal to the medical profession, assists greatly in providing adequate medical care for the citizens of this country. We urge your support toward its passage.

Respectfully yours,
KENNETH A. KAHN, M.D.,
President.

ADDITIONAL COSPONSORS OF BILLS

S. 667

At the request of Mr. RANDOLPH, the Senator from Massachusetts (Mr. KENNEDY), the Senator from California (Mr. TUNNEY) were added as cosponsors to S. 667, the Radiation Control for Health and Safety Act of 1973, to provide for the protection of the public health from unnecessary medical exposure to ionizing radiation.

S. 2022

At the request of Mr. TUNNEY, the Senator from Alaska (Mr. STEVENS) was added as a cosponsor of S. 2022, a bill to provide increased employment opportunity by executive agencies of the U.S. Government for persons unable to work standard working hours, and for other purposes.

S. 2422

At the request of Mr. MATHIAS, the Senator from Kentucky (Mr. COOK) was added as a cosponsor of S. 2422, a bill to establish a National Center for the Prevention and Control of Rape and provide financial assistance for a research and demonstration program into the causes, consequences, prevention, treatment, and control of rape.

S. 2657

At the request of Senator Moss, the Senator from New Jersey (Mr. WILLIAMS) was added as a cosponsor of S. 2657, to provide scholarships for the dependent children of public safety officers who are the victims of homicide while performing their official duties, and for other purposes.

S. 2848

At the request of Mr. Javits, the Senator from Ohio (Mr. Taft) was added as a cosponsor of S. 2848, the "Alcohol and Drug Abuse Education Act of 1974."

S. 2983

At the request of Mr. Javits, the Senator from Pennsylvania (Mr. Schweiker) was added as a cosponsor of S. 2983, the "Urban Hospital Emergency Assistance Act of 1974."

S. 3383

At the request of Mr. McGovern, the Senator from Minnesota (Mr. Mondale) was added as a cosponsor of S. 3383, a bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans.

S. 3443

At the request of Mr. Mondale, the Senator from Massachusetts (Mr. Kennedy) was added as a cosponsor of S. 3443, the Petroleum Moratorium Act of 1974.

S. 3480

At the request of Mr. Tunney, the Senator from Missouri (Mr. Eagleton) was added as a cosponsor of S. 3480, a bill to authorize a national summer youth sports program.

S. 3548

At the request of Mr. Symington, the Senator from Nevada (Mr. Bible), the Senator from Indiana (Mr. Hartke), the Senator from Iowa (Mr. Hughes), and the Senator from Connecticut (Mr. Weicker) were added as cosponsors to S. 3548, the Harry S. Truman Memorial Scholarship Act.

S. 3556

At the request of Mr. Percy, the Senator from Florida (Mr. Chiles) was added as a cosponsor of S. 3556, the Highway Energy Conservation and Safety Act of 1974.

S. 3585

At the request of Mr Kennedy, the Senator from South Dakota (Mr. McGovern) and the Senator from South Dakota (Mr. Abourezk) were added as cosponsors to S. 3585, the Health Professions Educational Assistance Act of 1974.

S. 3586

At the request of Mr. Kennedy, the Senator from South Dakota (Mr. Abourezk) and the Senator from South Dakota (Mr. McGovern were added as cosponsors to S. 3586, the Nurse Training Act of 1974.

S. 3660

At the request of Mr. Stevenson, the Senator from Indiana (Mr. Bayh), and the Senator from Missouri (Mr. Symington) were added as cosponsors of S. 3660, a bill amend the Export-Import Bank Act of 1945.

SENATE RESOLUTION 344—SUBMISSION OF A RESOLUTION TO REFER S. 3666 TO COURT OF CLAIMS

(Referred to the Committee on the Judiciary.)

Mr. PROXMIRE (for himself and Mr. Nelson) submitted the following resolution:

S. Res. 344

Resolved, That S. 3666 entitled "A bill for the relief of Marlin Toy Products, Inc.", together with all accompanying papers, is hereby referred to the Chief Commissioner of the Court of Claims pursuant to sections 1492 and 2509 of title 28, United States Code, for further proceedings in accordance with applicable law.

SENATE CONCURRENT RESOLUTION 91—SUBMISSION OF A CONCURRENT RESOLUTION RELATIVE TO A BUST OR STATUE OF MARTIN LUTHER KING

(Referred to the Committee on Rules and Administration.)

Mr. MONDALE (for himself, Mr. Humphrey, Mr. Bayh, Mr. Bentsen, Mr. Bible, Mr. Biden, Mr. Brooke, Mr. Burdick, Mr. Case, Mr. Clark, Mr. Cook, Mr. Cranston, Mr. Dominick, Mr. Eagleton, Mr. Hart, Mr. Hartke, Mr. Hollings, Mr. Huddleston, Mr. Hughes, Mr. Javits, Mr. Johnston, Mr. Kennedy, Mr. Mathias, Mr. McGovern, Mr. McIntyre, Mr. Metzenbaum, Mr. Montoya, Mr. Moss, Mr. Schweiker, Mr. Hugh Scott, Mr. Stevenson, Mr. Symington, Mr. Taft, Mr. Tunney, Mr. Williams, and Mr. Nelson) submitted a concurrent resolution (S. Con. Res. 91) relative to a bust or statue of Martin Luther King, which reads as follows:

S. Con. Res. 91

Resolved by the Senate (the House of Representatives concurring), That the Joint Committee on the Library is authorized and directed to procure a bronze bust or statue of Martin Luther King, Junior, and to cause such sculpture to be placed in a suitable location in the Capitol as determined by the Joint Committee on the Library.

Sec. 2. Expenses incurred by the Joint Committee on the Library in carrying out this concurrent resolution, which shall not exceed $2,500, shall be paid out of the contingent fund of the Senate on vouchers approved by the chairman of the joint committee.

Mr. MONDALE. Mr. President, I am introducing today, with 34 cosponsors from both parties and all sections of this country, a concurrent resolution which would authorize the commissioning of a statue or bust of Dr. Martin Luther King, Jr. to be placed in the U.S. Capitol. A similar resolution, introduced by Congressman Jonathan B. Bingham, of New York, is pending in the House of Representatives where it has more than 140 cosponsors.

Dr. King, the son and grandson of Baptist ministers, was born in Atlanta, Ga., on January 15, 1929. Until his tragic death in Memphis, Tenn., on April 4, 1968, Dr. King lived a life of vision, dedication, leadership, and peace. The remarkable accomplishments of this man are too numerous to mention in detail here. Suffice it to say that the effects of his deeds are still being felt throughout this Nation. Dr. King was uncompromisingly dedicated to justice, to equality, to faith, and to peace.

For his important work, Dr. Martin Luther King, Jr. received many honors, including being awarded the Nobel Prize, being chosen as Time magazine's Man of the Year, and receiving numerous honorary degrees. Not the least of the results of Dr. King's efforts are the Civil Rights Act of 1964, the Voting Rights Act of 1965, and the Civil Rights Act of 1968. Although these laws stand as fitting memorials to Dr. King, I propose that Congress honor this great leader in yet another way.

Although Dr. King's portrait hangs today in millions of American homes, no such portrayal memorializes him in the halls of the U.S. Capitol, a building in which his deeds have been felt and the seat of government of a nation which he has profoundly affected. Indeed, not a single black American has been honored by having a portrait or statue placed in the Capitol Building.

The resolution which I am introducing today would authorize and direct the Joint Committee on the Library to procure a bronze bust or statue of Dr. Martin Luther King, Jr., and to place such sculpture in a suitable location in the Capitol.

ADDITIONAL COSPONSOR OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 66

At the request of Mr. Percy, the Senator from Florida (Mr. Chiles) was added as a cosponsor of Senate Concurernt Resolution 66, to urge the release from prison of Simas Kudirka, the Lithuanian seaman.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT—*AMENDMENTS*

AMENDMENT NO. 1479

(Ordered to be printed, and to lie on the table.)

Mr. MOSS (for himself and Mr. Cranston) submitted an amendment, intended to be proposed by them, jointly, to the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

AMENDMENT NO. 1480

(Ordered to be printed, and to lie on the table.)

Mr. BARTLETT submitted amendments, intended to be proposed by him, to the amendment No. 1362 intended to be proposed by Mr. Kennedy (for himself and others) to House bill 14832, supra.

AMENDMENTS NOS. 1481 THROUGH 1485

(Ordered to be printed, and to lie on the table.)

Mr. HELMS submitted five amendments, intended to be proposed by him, to House bill 14832, supra.

AMENDMENT NO. 1488

(Ordered to be printed and to lie on the table.)

Mr. ROTH. Mr. President, I am today submitting an amendment to the public debt limit bill which lowers the debt limit increase by $5 billion and cuts Federal spending by over $6 billion.

Specifically, my amendment would reduce from $495 billion to $490 billion the limit on the public debt and would cut expenditures and net lending during fiscal year 1975 from $305.4 billion to $299 billion.

The $490 billion figure for the public debt limit is $5 billion less than the figure approved by the House of Representatives and the Senate Finance Committee, and $15 billion less than requested by the administration. The administration's request for a $505 billion limit was large enough to allow for approximately $6 billion in contingencies and about $4 billion to meet peak debt needs. Since these peak debt needs will not occur until May 1975, and since this legislation expires on March 31, 1975, there is no need for this added request. Likewise, in this time of soaring inflation, an additional leeway of $6 billion for contingencies is also unnecessary.

I applaud the House and my fellow colleagues on the Finance Committee for trimming this extraordinary administration request. But I believe that the gravity of this country's inflation problem demands that we cut this request by an additional $5 billion.

The fiscal 1975 budget calls for a $20 billion Federal funds deficit, the deficit used to arrive at the debt limit needs.

The present national debt is close to $475 bililon, and the added $20 billion deficit will bring the debt close to $495 billion. A debt limit of $495 billion would allow both the administration and the Congress to continue borrowing at a level to finance an inflationary $20 billion deficit.

Several Members of Congress have warned that a $495 billion debt limit is very restrictive, but I do believe that a debt limit that allows a $20 bill on deficit is too restrictive. A vote for the $495 billion debt limit is an endorsement of a $20 billion deficit.

The public debt rises whenever the Government spends more money than it collects and the Treasury is forced to borrow money to cover the deficits. The Treasury has been forced to borrow so much money in the past years that we are now paying over $30 billion a year in interest charges alone.

The only way to reduce the debt is to collect more money than is spent. We cannot hope to reduce it this year, but we can prevent the debt from increasing by $20 billion.

If the Congress is serious about reducing the Federal deficits, it should reduce the debt limit by at least $5 billion.

A $5 billion reduction in the public debt limit increase will also require a cut in Federal spending. For this reason, I have included in my amendment a limit on Federal spending in fiscal 1975 of $299 billion.

This $299 billion is $6.4 billion less than the Administration's revised budget request. I believe that a cut in spending of $6.4 billion is both realistic and necessary. Although the administrtion has claimed that any reduction in spending is not possible, my legislation would require only a 2-percent reduction in total outlays. And the 2-percent cut would reduce the Federal deficit enough to give us a head start on balancing the budget next year.

If the Federal Government cannot sacrifice 2 percent of its total spending, how can we ask business, labor, and consumers to make sacrifices for the sake of controlling inflation?

A cut in Federal spending of $6.4 billion would reduce the Federal funds deficit to $13.5. A cut in the debt limit to $490 billion would allow for a $15 billion deficit, thus giving the Treasury a $1.5 billion leeway.

Mr. President, I firmly believe that one of the fundamental causes of inflation is the alarming and astonishing growth in Federal spending. Fifteen years ago, in 1960, the Government was spending $92 billion. In fiscal 1975, which starts next week, the Government is planning on spending $305.4 billion.

Certainly, we in the Congress cannot in good conscience ask business to hold down prices, ask labor to continue its very commendable wage restraint, and, in general, call for sacrifices on the part of every citizen if the Federal Government is not willing to show restraint in its spending practices.

Last week, 74 Senators voted to hold spending down to $295 billion, a cut in spending of over $10 billion. I commend this action, but I hope this will not be our token vote for reduced Federal spending. I cannot help wondering if the vote was so large because of the strong probability that the spending ceiling will be dropped in the conference committee meeting with the House.

A cut in Federal spending would slow inflationary pressures and allow the Congress to provide true tax relief for the American people. The Federal Government is spending the taxpayers' money, and so long as the Congress votes to continue spending the taxpayers' money, there will be no tax relief.

AMENDMENT NO. 1490

(Ordered to be printed, and to lie on the table.)

Mr. HASKELL. Mr. President, I am today submitting a modified version of amendment No. 1435 whch Senator Chiles and I introduced several weeks ago. That amendment provides for significant tax relief for some 55 million American taxpayers—nearly 90 percent of the total. It does so by replacing the present $750 personal exemption income deduction with a mandatory $200 personal tax credit.

The amendment I am offering today includes, in addition to the $200 personal credit provision, the so-called work bonus social security tax relief proposal offered by the distinguished Senator from Massachusetts (Mr. Kennedy), and the distinguished Senator from Minnesota (Mr. Mondale), and others, and first formulated by the distinguished chairman of the Finance Committee (Mr. Long). I am including the work bonus so as to minimize the difference among those of us who favor tax relief and tax reform. The work-bonus provision will cost around $700 million. Thus, the total cost of my proposal will be $5.152 billion. This is to be offset, of course, by companion amendments designed to raise revenues of like magnitude. Without such revenue-raising tax reform, I shall not offer a tax cut and, indeed, would vote against any other such proposal.

Now, the remaining difference between my proposal and that of Senators Mondale and Kennedy is that I would not allow taxpayers the option of taking either the present $750 or an increased $8.25 deduction. Moreover, my credit is at a level of $200 rather than $190.

My reasoning has been stated many times, Mr. President. I do not believe that we should provide one kind of personal exemption—a $190 credit—for 90 percent of the taxpaying public and another, far more valuable deduction for the wealthiest 6 million taxpayers.

I ask unanimous consent that the full text of my amendment be printed at this point in the Record.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1490

Insert the following:

Sec. 3. Amendment of the Internal Revenue Code.

Except as otherwise expressly provided, whenever in section 4 or 5 a reference is made (by way of amendment or repeal or otherwise) to a section, chapter, or other provision, the reference shall be considered to be made to a section, chapter, or other provision of the Internal Reveune Code of 1954.

Sec. 4. Credit Against Tax, in Lieu of Deduction, for Personal Exemptions.

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 (relating to credits against tax) is amended by renumbering section 42 as section 44 and by inserting after section 41 the following new section:

"Sec. 42. Personal Exemptions.

"There shall be allowed, as a credit against the tax imposed by section 1 or 3, the amount determined under section 151 for personal exemptions. Such credit shall not exceed the tax imposed by section 1 or 3 for the taxable year."

(b) Conforming Amendment.—So much of section 151 of such Code (relating to deductions for personal exemptions) as precedes subsection (b) is amended to read as follows:

"Sec. 151. Credit for Personal Exemptions.

"(a) Amount of Credit.—The amount of the credit allowed by section 42 for the taxable year for personal exemptions shall be $200 for each exemption allowed to the taxpayer under this section for the taxable year.".

(c) Conforming Amendment.—Section 151 is further amended by striking out "of $750" wherever it appears therein.

(d) Technical Amendments.—

(1) Sections 2(a)(1)(B), 2(b)(1), 143(b)(1), 214(b)(1)(A), 874(b), and 931(e) are each amended by striking out the word "deduction" wherever it appears and inserting in lieu thereof the word "credit".

(2) Section 37(a) (relating to retirement income credit) is amended by striking out "and" before "section 35" and by inserting before the period at the end thereof ", and section 42 (relating to personal exemptions)".

(3) Section 41(b)(2) (relating to contributions to candidates for public office) is amended by striking out "and" before "section 38" and by inserting before the period at the end thereof ", and section 42 (relating to personal exemptions)".

(4) Section 46(a)(3)(B) (relating to the investment credit) is amended to read as follows:

"(B) section 42 (relating to personal exemptions), and".

(5) Section 50A (a)(3) (relating to credit for expenses of work incentive programs) is amended—

(A) by striking out "and" at the end of subparagraph (D),

(B) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof ", and", and

(C) by inserting after subparagraph (E) the following new subparagraph:

"(F) section 42 (relating to personal exemptions)."

(6) Section 63(b) (relating to definition of taxable income) is amended by striking out all that follows after the words "adjusted gross income" and inserting in lieu thereof "minus such standard deduction".

(7) Section 72(n)(3) (relating to special computation of taxable income) is amended by striking out subparagraph (A).

(8) Section 170(b)(1)(C) (relating to unlimited charitable deduction) is amended by striking out clause (ii).

(9) Section 172(d)(3) (relating to net operating loss deduction) is amended to read as follows:

"(3) Estates and trusts.—No deduction shall be allowed for the personal exemption allowed an estate or trust under section 642(b).".

(10) Section 443(c) (relating to return for short period) is amended by striking out "a deduction under section 151 (and any deduction in lieu thereof)" and inserting in lieu thereof "as a credit under section 151 or a deduction under section 642(b)".

(11) The last sentence of section 642(b) (relating to estates and trusts) is amended to read as follows: "The deductions allowed by this subsection shall be in lieu of the credits allowed under section 42 (relating to credit for personal exemptions).".

(12) Section 7103(a)(2) (relating to partnership computations) is amended by striking out subparagraph (B).

(13) Section 873 (b)(3) (relating to nonresident aliens) is amended to read as follows:

"(3) Credit for personal exemption.—Except in the case of a nonresident alien individual who is a resident of a contiguous country, only one credit shall be allowed for exemptions under section 151.".

(14) Section 891 (relating to citizens of foreign countries) is amended by striking out "under section 151 and".

(15) Section 933(1) (relating to residents of Puerto Rico) is amended by striking out "(other than the deductions under section 151, relating to personal exemptions)".

(16) Section 1211(b)(3) (relating to deduction of capital losses) is amended by striking out "the deductions provided in section 151 (relating to personal exemptions) or any deduction in lieu thereof" and inserting in lieu thereof "any deduction allowed by section 642(b)".

(17) Section 1402(a) (relating to self-employment income) is amended by striking out paragraph (7).

(e)(1) The Secretary of the Treasury within 90 days after the date of enactment of this Act shall prescribe new tables for the withholding of tax under section 3402 of the Internal Revenue Code of 1954 to reflect the amendments made by this section. The tables shall apply to usages paid after December 31, 1974.

(2) Section 3402 of such code is amended by striking out "exemption" and "exemptions" each place they appear, and inserting in lieu thereof "credit" and "credits", respectively. The amendment made by this section applies to taxable years beginning after December 31, 1974.

(f) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1973.

Sec. 5. Tax Credit for Low-Income Workers With Families

(a) In General.—Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (as amended by section 4 of this Act) is amended by inserting the following new section:

"Sec. 43. Tax Credit for Low-Income Workers With Families.

"(a) In General.—

"(1) Allowance of credit.—There shall be allowed to a taxpayer who is an eligible individual as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable percentage (as determined under paragraph (2)) of the social security taxes imposed on him and his employer with respect to wages received by the taxpayer during that year. In the case of a taxpayer who is married (as determined under section 143) and who files a joint return of tax with his spouse under section 6013 for the taxable year, the amount of the credit allowance by this subsection shall be an amount equal to the applicable percentage (as determined under paragraph (2)) of the social security taxes imposed on him and his spouse, and their employers, with respect to wages received by the taxpayer and his spouse during that year.

"(2) Applicable percentage.—The percentage under paragraph (1) applicable to the social security taxes is—

"(A) 86 percent for calendar years 1974 through 1977,

"(B) 83 percent for calendar years 1978 through 1980,

"(C) 80 percent for calendar years 1981 through 1985,

"(D) 78 percent for calendar years 1986 through 2010, and

"(E) 68 percent for calendar years beginning after December 31, 2010.

"(b) Limitations.—

"(1) Maximum credit.—The amount of the credit allowable to a taxpayer (or to a taxpayer and his spouse in the case of a joint return of tax under section 6013) for any taxable year under subsection (a) shall not exceed an amount equal to 10 percent of so much of the wages (as defined in section 3121(a)) as does not exceed $4,000 received by that individual (or by that individual and his spouse in the case of a joint return of tax) during that year with respect to employment (as defined in section 3121(b) without regard to the exclusion set forth in paragraph (9) of that section).

"(2) Reduction for additional income.—The amount of the credit allowable under subsection (a) for any taxable year (after the application of paragraph (1)) shall be reduced by one-fourth of the amount by which a taxpayer's income, or, if he is married (as determined under section 143), the total of his income and his spouse's income, for the taxable year exceeds $4,000. For purposes of this paragraph, the term 'income' means adjusted gross income (as defined in section 62 but without regard to paragraph (3) (relating to long-term capital gains)) plus—

"(A) any amount described in section 71(b) (relating to payments to support minor children), 71(c) (relating to alimony and separate maintenance payments paid as a principal sum paid in installments), or 74(b) (relating to certain prizes and awards),

"(B) any amount excluded from income under section 101 (relating to certain death benefits), 102 (relating to gifts and inheritances), 103 (relating to interest on certain governmental obligations), 105(d) (relating to amounts received under wage continuation accident and health plans), 107 (relating to rental value of parsonages), 112 (relating to certain combat pay of members of the Armed Forces), 113 (relating to mustering-out payments for members of the Armed Forces), 116 (relating to partial exclusion of dividends received by individuals), 117 (relating to scholarships and fellowship grants), 119 (relating to meals or lodging furnished for the convenience of the employer), 121 (relating to gain from sale or exchange of residence by individual who has attained age 65), 911 (relating to earned income from sources without the United States), or 931 (relating to income from sources within possessions of the United States),

"(C) any amount received as a payment from a public agency based upon need, age, blindness, or disability, or as a payment from a public agency for the general support of the taxpayer and his family (as determined by the Secretary or his delegate), other than any payment for the purchase of prosthetic devices or medical services, and

"(D) any amount received as an annuity, pension, retirement, or disability benefit (including veterans' compensation and pensions, workmen's compensation payments, monthly insurance payments under title II of the Social Security Act, railroad retirement annuities and pensions, and benefits under any Federal or State unemployment compensation law).

"(3) Application with section 6428.—The amount allowable to a taxpayer, or to a taxpayer and his spouse, as a credit under subsection (a) for any taxable year (after the application of paragraphs (1) and (2)) shall be reduced by the sum of any amounts received under section 6428 during that year.

"(c) Definitions.—For purposes of this section—

"(1) Eligible individual.—The term 'eligible individual' means an individual who maintains a household (within the meaning of section 214(b)(3)) in the United States which is the principal place of abode of the individual and a child of that individual with respect to whom he is entitled to a deduction under section 151(e)(1)(B) (relating to additional exemption for dependents).

"(2) Social security taxes.—The term 'social security taxes' means the aggregate amount of taxes imposed by sections 3101 (relating to rate of tax on employees under the Federal Insurance Contributions Act) and 3111 (relating to rate of tax on employers under such Act) with respect to the wages (as defined in section 3121(a)) received by an individual and his spouse with respect to employment (as defined in section 3121(b)), or which would be imposed with respect to such wages by such sections if the definition of the term 'employment' (as defined in section 3121(b)) did not contain the exclusion set forth in paragraph (9) of such section.".

(b) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Personal exemptions.
"Sec. 43. Tax credit for low-income workers with families.
"Sec. 44. Overpayments of tax.".

(c) Section 6401(b) of such Code (relating to excessive credits) is amended by—

(1) inserting after "lubricating oil)" the following: ", 43 (relating to tax credit for low-income workers with families),"; and

(2) striking out "sections 31 and 39" and inserting in lieu thereof "sections 31, 39, and 43".

(d) Section 6201(a)(4) of such Code (relating to assessment authority) is amended by—

(1) inserting "or 43" after "SECTION 39" in the caption of such section; and

(2) striking out "oil)," and inserting in lieu thereof "oil) or section 43 (relating to tax credit for low-income workers with families),".

(e)(1) Subchapter B of chapter 65 of such Code (relating to rules of special application) is amended by adding at the end thereof the following new section:

"SEC. 6428. ADVANCE REFUND OF SECTION 43 CREDIT.

"(a) IN GENERAL.—A taxpayer may receive an advance refund of the credit allowable to him under section 43 (relating to tax credit for low-income workers with families) not more frequently than quarterly by filing an election for such refund with the Secretary or his delegate at such time and in such form as the Secretary or his delegate may prescribe. If the taxpayer elects to base his claim for refund on social security taxes imposed on him, his spouse, and their employer, the election shall be a joint election signed by the taxpayer and his spouse. An election may not be made under this subsection with respect to the last quarter of the calendar year, and any other election shall specify the quarter or quarters to which it relates and shall be made not later than the fifteenth day of the eleventh month of the taxable year to which it relates. The Secretary or his delegate shall pay any advance refund for which a proper election is made without regard to any liability, or potential liability, for tax under chapter 1 which has accrued, or may be expected to accrue, to the taxpayer for the taxable year to which the election relates.

"(b) LIMITATIONS.—

"(1) AMOUNT OF REFUND.—The amount of any refund for which a taxpayer files an election under subsection (a) shall be an amount equal to the amount of the credit allowable under section 43 with respect to social security taxes payable with respect to that taxpayer (or, in the case of a joint election, social security taxes payable with respect to that taxpayer and his spouse) for the quarter or quarters to which the election relates.

"(2) INELIGIBLE FOR CREDIT.—No advance refund may be made under this section for any quarter to a taxpayer who, on the basis of the income the taxpayer and his spouse reasonably may expect to receive during the taxable year, will not be entitled to claim any amount as a credit under section 43 for that year.

"(3) MINIMUM PAYMENT.—No payment may be made under this section in an amount less than $30.

"(c) COLLECTION OF EXCESS PAYMENTS.—In addition to any other method of collection available to him, if the Secretary or his delegate determines that any part of any amount paid to a taxpayer for any quarter under this section was in excess of the amount to which that taxpayer was entitled for that quarter, the Secretary or his delegate shall notify that taxpayer of the excess payment and may withhold, from any amounts which that taxpayer elects to receive under this section in any subsequent quarter, amounts totaling not more than the amount of that excess.".

(2) The table of sections for such subchapter is amended by adding at the end thereof the following new item:

"Sec. 6428. Advance refund of section 43 credit.".

(f) Section 6011(d) of such Code (relating to interest equalization returns, etc.) is amended by adding at the end thereof the following new paragraph:

"(4) RETURNS OF TAXPAYERS RECEIVING ADVANCE REFUND OF SECTION 43 CREDIT.—Every taxpayer who elects to receive an advance refund of the credit allowed by section 43 (relating to tax credit for low-income workers with families) during the taxable year shall file a return for that year, together with such additional information as the Secretary or his delegate may require.".

(g) (1) The Secretary of the Treasury shall develop simple and expedient application forms and procedures for use by taxpayers who wish to receive an advance refund under section 6428 of the Internal Revenue Code of 1954 (relating to advance refund of section 43 credit), arrange for distributing such forms and making them easily available to taxpayers, and prescribe such regulations as may be necessary to carry out the provisions of sections 43 and 6428 of such Code. Each such application form shall contain a warning that the making of a false or fraudulent statement thereon is a Federal crime.

(2) The Secretary of the Treasury is authorized to obtain from any agency or department of the United States Government or of any State or political subdivision thereof such information with respect to any taxpayer applying for or receiving benefits under section 6428 of the Internal Revenue Code of 1954 (relating to advance refund of section 53 credit), or his spouse, as may be necessary for the proper administration of section 43 of the Internal Revenue Code of 1954 (relating to tax credit for low-income workers with families) and of section 6428 of such Code (relating to advance refund of section 43 credit). Notwithstanding any other provision of law, each agency and department of the United States Government is authorized and directed to furnish to the Secretary such information upon request.

(h) Section 402(a)(7) of the Social Security Act is amended by inserting after "other income" the following: "(including any amounts derived from application of the tax credit established by section 43 of the Internal Revenue Code of 1954)".

(i) Except as otherwise expressly provided, the amendments made by this section shall apply with respect to taxable years beginning after December 31, 1973. No advance refund payment under section 6428 of the Internal Revenue Code of 1954 shall be made before October 1, 1974.

AMENDMENT NO. 1491

(Ordered to be printed, and to lie on the table.)

Mr. MONDALE submitted an amendment intended to be proposed by him to H.R. 14832, supra.

AMENDMENT NO. 1492

(Ordered to be printed, and to lie on the table.)

Mr. CHURCH submitted an amendment, intended to be proposed by him, to H.R. 14832, supra.

AMENDMENT NO. 1493

(Ordered to be printed, and to lie on the table.)

Mr. STEVENSON submitted an amendment, intended to be proposed by him, to H.R. 14832, supra.

AMENDMENT NO. 1494

(Ordered to be printed, and to lie on the table.)

AUTHORIZE A DEDUCTION FROM GROSS INCOME FOR AMOUNTS FORFEITED AS PENALTIES FOR PREMATURE WITHDRAWAL OF FUNDS FROM SAVINGS ACCOUNTS OR DEPOSITS OF BANKS AND SAVINGS AND LOAN ASSOCIATIONS

Mr. CHURCH. Mr. President, I introduce an amendment to H.R. 14832 to allow penalties incurred because of premature withdrawal of funds from time savings accounts or deposits to be deducted from gross income in calculating adjusted gross income.

Last November the Internal Revenue Service issued Revenue Ruling 73–511, which requires banks, savings and loan associations, and other financial institutions to report for purposes of information returns—Forms 1099 INT and 1096—the gross interest paid to each account holder during the year on time savings accounts or deposits.

In computing gross interest, amounts forfeited as penalties because of premature withdrawal of funds cannot be netted against the certificate holder's interest income. As a result, the depositors or accountholders must pay taxes on the full amount of interest paid or credited, although they were required to return part of it to the financial institution as a penalty.

If a saver itemizes his deductions he may subtract the amount of the penalty from his gross income as a loss incurred in a transaction entered into for profit under section 165(a) of the Internal Revenue Code.

But this provision provides no relief whatsoever for the vast majority of taxpayers who take the standard deduction or the low-income allowance in lieu of itemizing their deductions.

In fact, more than three out of every five taxpayers do not itemize their deductions. According to the latest complete data available, nearly 78 million returns were filed for taxable year 1972. Of this total more than 50 million claimed the standard deduction or low-income allowance.

To my way of thinking, Revenue Ruling 73–511 is unfair to taxpayers who do not itemize their deductions.

As chairman of the Senate Committee on Aging, I am especially concerned because many of these individuals are elderly retirees who can ill afford to pay tax on interest income which they have never received.

For these reasons, I am proposing that the Internal Revenue Code be amended to authorize a deduction from gross income for any amount or amounts forfeited as penalties for premature withdrawal of funds from time savings accounts or deposits located at banks and savings and loan associations.

Under this provision all savers will be taxed equally on sums forfeited as premature withdrawal penalties, whether they itemize their deductions or not.

Mr. President, I urge early approval of this measure.

Additionally, I ask unanimous consent that the text of this amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMDT. No. 1494

At the end of the bill, insert the following new section:

"SEC. . (a) Section 62 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new paragraph:

"(10) Penalties forfeited because of premature withdrawal of funds from time savings accounts or deposits—The deductions allowed by Section 165 for losses incurred in any transaction entered into for profit, though not connected with a trade or business to the extent that such losses include amounts forfeited to a bank, mutual savings bank, savings and loan association, building and loan association, cooperative bank or homestead association as a penalty for premature withdrawal of funds from a time savings account, certificate of deposit or similar class of deposit."

(b) The amendment made by this section

applies to taxable years beginning after December 31, 1972.

Amend the Title so as to read: "An Act to provide for a temporary increase in the public debt limit, and for other purposes."

AMENDMENT NO. 1495

(Ordered to be printed.)

Mr. MANSFIELD (for himself, Mr. Humphrey, Mr. Bayh, Mr. Cannon, Mr. Clark, Mr. Hart, Mr. Kennedy, Mr. Mondale, Mr. Muskie, and Mr. Nelson) proposed an amendment to House bill 14832, supra.

AMENDMENT NO. 1496

(Ordered to be printed, and to lie on the table.)

Mr. BUCKLEY submitted an amendment, intended to be proposed by him, to House bill 14832, supra.

AMENDMENT NO. 1497

(Ordered to be printed, and to lie on the table.)

Mr. BUCKLEY (for himself, Mr. Dominick, and Mr. Percy) submitted an amendment, intended to be proposed by them, jointly, to House bill 14832, supra.

AMENDMENTS NOS. 1498 AND 1499

(Ordered to be printed, and to lie on the table.)

Mr. BELLMON. Mr. President, today I am introducing two amendments to H.R. 14832 that will eliminate excessive Federal spending by providing a balanced Federal budget for fiscal years 1975 and 1976. In my judgment, it makes little sense for the Senate to engage in extensive debate on tax amendments that will reduce the receipts of the Federal Government when faced with an anticipated budget deficit for fiscal year 1975 of $11.4 billion.

My first amendment will accomplish two basic objectives. First, it will establish a spending ceiling for fiscal year 1975 of $294 billion, the level of anticipated receipts for this fiscal year.

Second, Federal expenditures, with the exception of several uncontrollable budgetary items, would be reduced proportionately in the event the ceiling is exceeded. Since we are well into the appropriations process for fiscal year 1975, this amendment will provide the mechanism to insure that Federal spending is held at $294 billion.

Mr. President, the Senate is very familiar with the terms of this amendment. It has been approved in identical form by the Senate on numerous occasions. This proposal passed the Senate as the Bellmon-Taft-Ervin amendment to the devaluation bill, S. 929, on April 4, 1974. On May 10, 1973, the Senate considered this exact mechanism to control Federal spending for fiscal year 1974 as title II of S. 373, Senator Ervin's impoundment control measure. On that date, title II of S. 373 was approved by an overwhelming majority of the Senate on a roll call vote of 86 to 4.

What was an excellent means to control Federal spending for fiscal year 1974 is an even more appropriate vehicle to control excessive Federal spending this year when the inflationary rate is at an all time high.

Arriving at the figure of $294 billion was a relatively simple matter. On May 30, 1974, budget outlays for fiscal year 1975 were estimated to be slightly in excess of $305 billion while receipts are anticipated to be slightly more than $294 billion. If these budget estimates become reality, it will mean a budget deficit for fiscal year 1975 of $11.4 billion. By establishing a spending ceiling of $294 billion, Congress would go on record for only the fourth time in 20 years for a balanced Federal budget.

In the event appropriations made for fiscal year 1975 result in the spending ceiling being exceeded, the President would be authorized to proportionately reduce spending in all functional categories with the exception of the following uncontrollable budget items: interest on national debt, veterans' benefits and services, payments from social insurance trust funds, public assistance maintenance grants under title IV of the Social Security Act, food stamps, military retirement pay, medicaid, judicial salaries. By excluding these uncontrollable items, according to my calculations, it will be necessary to proportionately reduce spending in all other Federal programs by approximately 5.8 percent in order to eliminate the $11.4 billion deficit.

Let me reiterate that this proportionate reduction provision has been the subject of extensive committee and Senate debate during the past 2 years and has passed the Senate by overwhelming majorities on at least two previous occasions.

My second amendment would simply require that Federal expenditures for fiscal year 1976 not exceed revenues. By enacting this amendment, the Senate will go on record for a balanced Federal budget for fiscal year 1976.

We need only examine the record on Federal spending to determine the urgent need for enactment of these two amendments. Federal spending and the corresponding huge Federal deficits have increased at an alarming rate. Runaway inflation has followed as night follows day. It is my conviction that the average citizen is completely unaware of how serious the Government's financial plight really is. The Federal budget has not been balanced since 1960. The financial condition of this country has deteriorated to the point that the interest on the national debt will soon reach $30 billion a year. This $30 billion breaks down to a cost to the taxpayers of the United States of $54,000 a minute or almost $1,000 every time the clock ticks.

In my judgment, it is excessive Federal spending which has been the prime cause for the back-breaking inflationary spiral this country is presently experiencing. The problem is illustrated well by an article which recently appeared in the U.S. News & World Report on June 17, 1974. This article illustrates the shrinking value of our dollar. Placing the 1969 dollar, which is just 5½ years ago, at a value of 100 percent, that dollar today is worth only 75 cents. At the current rate of inflation, by 1979 it will be worth 57 cents. If the present inflationary rate is not curbed by reducing excessive Federal spending, the average home now costing $37,500 will cost $51,700 in 1979. The price of food will go from $54.47 per family per week now to $80.50 in 1979. The local bus fare will go from 38 cents now to 53 cents in 1979. The price of gasoline will go from 58 cents a gallon now to 88 cents in 1979.

Obviously, our Nation faces a fiscal crisis which affects every American. For example, over 10 percent of the average American family's taxes go each year just to pay the interest on the national debt. Our Federal fiscal policy has had a devastating impact on those persons with fixed incomes, acquired savings, and insurance. It does not take an expert in economics to realize that excessive Federal spending has accelerated the cost of living for all Americans.

It is imperative that the 93d Congress act, and act decisively this session to rectify the dangerous situation created by continual Federal spending far in excess of income.

Mr. President, today this Nation faces a period of great economic uncertainty and unrest. American citizens are indeed faced with a rapid increase in the cost of living due to a 12-percent annual rate of inflation. Interest rates are at record highs. Investors are hesitant to make long-term commitments because of the future uncertainties. Industrialists are slow to improve their plants because of high costs of money. American families are finding it difficult to purchase homes because of tight money.

Mr. President, the Senate has an opportunity, by enacting these amendments, to remedy this situation and go on record for a balanced Federal budget for the next 2 fiscal years. I urge favorable approval of these proposals.

Mr. President, I ask that the text of these two amendments be printed in full in the Record at this point.

There being no objection, the amendments were ordered to be printed in the Record, as follows:

Amendment No. 1498

On the first page, strike out line 3 through line 7 and insert in lieu thereof the following:

TITLE I—PUBLIC DEBT LIMIT

Section 1. During the period beginning on the date of the enactment of this Act and ending on March 31, 1975, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act (31 U.S.C. 757b) shall be temporarily increased by $95,000,000.

On page 2, after line 5, insert the following:

TITLE III—CEILING ON FISCAL YEAR 75 EXPENDITURES

Sec. 201. (a) Except as provided in subsection (b) of this section, expenditures and net lending during the fiscal year ending June 30, 1975, under the budget of the United States Government, shall not exceed $294,000,000,000.

(b) If the estimates of revenues which will be received in the Treasury during the fiscal year ending June 30, 1975, as made from time to time, are increased as a result of legislation enacted after the date of the enactment of this Act reforming the Federal tax laws, the limitation specified in subsection (a) of this section shall be reviewed by Congress for the purpose of determining whether the additional revenues made available should be applied to essential public services for which adequate funding would not otherwise be provided.

Sec. 202. (a) Notwithstanding the provisions of any other law, the President shall, in accordance with this section, reserve from expenditure and net lending, from appropriations, or other obligational authority otherwise made available, such amounts as may be necessary to keep expenditures and net lending during the fiscal year ending June 30, 1974, within the limitation specified in section 201.

(b) In carrying out the provisions of subsection (a) of this section, the President shall reserve amounts proportionately from new obligational authority and other obligational authority available for each functional category, and to the extent practicable, subfunctional category (as set out in table 4 of the United States Budget in Brief for fiscal year 1975), except that no reservations shall be made from amounts available for interest, veterans' benefits and services, payments from social insurance trust funds, public assistance maintenance grants under title IV of the Social Security Act, food stamps, military retirement pay, medicaid, and judicial salaries.

(c) In no event shall the authority conferred by this section be used to impound funds, appropriated or otherwise made available by Congress, for the purpose of eliminating a program the creation or continuation of which has been authorized by Congress.

SEC. 203. In the administration of any program as to which—

(1) the amount of expenditures is limited pursuant to this title, and

(2) the allocation, grant, apportionment, or other distribution of funds among recipients is required to be determined by application of a formula involving the amount appropriated or otherwise made available for distribution, the amount available for expenditure (after the application of this title) shall be substituted for the amount appropriated or otherwise made available in the application of the formula.

AMENDMENT No. 1499

At the end of the bill, add the following new section:

SEC. . Notwithstanding any other provision of this or any other Act, expenditures (budget outlays) of the government of the United States during fiscal year 1976 shall not exceed its revenues.

AMENDMENT NO. 1500

(Ordered to be printed, and to lie on the table.)

Mr. BELLMON. Mr. President, today I am introducing an amendment to H.R. 14832, the debt ceiling bill, which will restore the ultimate decisionmaking power of the Federal bureaucracy over the affairs of this country to the Congress where it rightly belongs.

This amendment is easily understood. It simply states that when a governmental agency promulgates regulations in order to implement Federal legislation, the committee of origin, whether in the Senate or House, has 60 days to disapprove the proposed regulations.

The need for legislation of this nature is quite clear. Its enactment would accomplish several obvious worthwhile objectives. Let me explain. The Senate is certainly not unaware of the frustration shared by literally millions of Americans who believe that the Federal Government is entirely unresponsive to their needs and problems. Legislation is badly needed which would restore the system of checks and balances over the Federal bureaucracy and reasserts Congress' role in the decisionmaking regulatory process.

The problems we now face in controlling the agencies and bureaus have evolved over time. Certainly the Founding Fathers did not anticipate them. When the first regulatory agency, the ICC, was formed in the late 1800's there was no way to predict the eventual expansion of regulatory agencies. As the problems of the Nation have increased, the laws have become more complex. Congress has shared its responsibility by giving agencies and departments the power to issue regulations, licenses, and permits if the agency deems it to be "in the public interest."

For example, the management of national forests and national parks is left to Federal agencies which in turn promulgate regulations governing the use of those properties but seldom allow the public voice to be heard against any plan of the agency. Implementation of regulations concerning the Occupational Safety and Health Act is left to those administrators in Washington who for the most part have never worked in private enterprise and do not understand the practicalities and expenses involved in many of the regulations which they require. These regulations apply equally to the giants of industry as well as the smallest, least sophisticated business in the country.

The examples go on and on and cover a wide range of subjects, from food stamps and school lunch programs to the spraying of forests and grasslands, to the elimination of certain species of trees and shrubs, to the location of highways, to the location of missile bases, disposal of sewage and industrial wastes, building of dams, description of safety standards on oil wells, professional review standards for doctors, user fees for publicly owned recreation areas and environmental regulations imposed on independent oil drillers.

All sections of society, corporations, as well as the workingman and the poor, are affected by these broad generalized grants of authority to administrative agencies. Different segments of society are in a position to defend themselves against arbitrary agency action to varying degrees depending on their own resources and legal abilities. The voices of the majority of the people are never heard, as provision for official protest is complicated. The administrative agencies largely dictate their own desires. Anyone who has attempted to oppose a Federal agency in its promulgation of regulations will understand the feeling of futility which is held by the people across this land.

Many agencies, most notably those which have been granted the authority to disburse money for various Federal programs to individuals, organizations, and to the States, have almost the absolute power to turn on and off the flow of money. If a university or hospital does not comply with an agency's regulations, the funding, which is their lifeline, may be cut off. The promulgation of regulations which are extremely complex and confusing to even the well educated are the source of agency power. These rules and regulations are the conduit through which the agency imposes its views upon the general public, and the practical opportunities for protest are limited. Arguably, the opportunities for protest are present because of the Administrative Procedure Act. However, if only a handful of small businessmen or small farmers are affected by a regulation, it is difficult for them to hire a Washington lawyer to represent them before the agencies. It is a David against Goliath situation. However, the prognosis for the final outcome is not as hopeful as in the latter situation.

The effect of this legislation would be to provide a check on those agencies and the check would be imposed by the Congress from which the agency's power is derived. The values at stake are of constitutional impact and importance. Why, with few checks and balances, should the public stand by while some Federal agency makes decisions which affect their very livelihood? Why should the Congress allow the laws to be emasculated by the agencies and bureaus in Washington?

The agencies have promulgated regulations so extensive and so complex that the public has been denied the effective representation which they sent to Congress. That representation has been misplaced and displaced throughout the Federal agencies. The effect has been to reduce the respect which the American people have for the Government. Government is unresponsive to their needs, and a sense of futility overwhelms them. As Winston Churchill remarked:

> If you have 10,000 regulations, you destroy all respect for the law.

The purpose of this amendment is to restore this lost respect for the law, and to restore that respect by returning the command of this Government to the Congress and the American people. I ask unanimous consent that my amendment be printed in full in the Record at the conclusion of my remarks.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

AMENDMENT No. 1500

At the appropriate place in the bill, add a new section as follows:

SEC. . That section 301 of title 5, United States Code, is hereby amended to read as follows:

"(a) The head of an executive department or military department may prescribe regulations for the government of his department, the conduct of its employees, the distribution and performance of its business, and the custody, use, and preservation of its records, papers, and property. This section does not authorize withholding information from the public or limiting the availability of records to the public.

"(b) That upon the promulgation of proposed rules and regulations implementing public laws, the committee of origin, whether in the Senate or in the House of Representatives, shall give approval or disapproval of said rules and regulations within sixty days from the date of submission of said rules and regulations.

"(c) In the event the said committee fails to disapprove the proposed rules and regulations within sixty days, such abstention shall be deemed to be approval of said rules and regulations."

AMENDMENT OF FOREIGN ASSISTANCE ACT OF 1961—AMENDMENT

AMENDMENT NO. 1486

(Ordered to be printed, and referred to the Committee on Foreign Relations.)

Mr. HATHAWAY submitted an amendment, intended to be proposed by him, to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

AMENDMENT OF COMPREHENSIVE DRUG ABUSE PREVENTION AND CONTROL ACT OF 1970—AMENDMENT

AMENDMENT NO. 1487

(Ordered to be printed, and to lie on the table.)

REPEAL OF "NO-KNOCK" LAWS

Mr. ERVIN. Mr. President, in 1970 Congress enacted two provisions into law which I felt at the time could become a giant step in conversion of our free society into a police state. Those two provisions gave Federal narcotics officers and District of Columbia police extraordinary powers, powers we have not even given to agents of the Federal Bureau of Investigation, the power to enter the homes of American citizens like thieves in the night without notice and without warning. These two "no-knock" statutes are codified at section 879 of title 18 of the United States Code and in sections 23-521 through 23-591 of the District of Columbia Code. I ask unanimous consent that those statutory provisions be entered in the RECORD at the conclusion of my remarks as exhibits Nos. 1 and 2 respectively.

I am introducing today, along with the junior Senator from Wisconsin (Mr. NELSON), an amendment to S. 3355 which would repeal both the Federal and the District of Columbia "no-knock" statutes. S. 3355 is pending on the Senate Calendar and I anticipate that our amendment will be brought up some time this week. I ask unanimous consent that our amendment be printed and that it also be inserted in the RECORD immediately following my remarks as exhibit No. 3.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. When I joined a number of my colleagues in opposing these statutory provisions, we contended that "no-knock" authority would not be used very often by police, that when it was used, the likelihood of danger either to police or the occupants of the home searched was great, and most important that the provisions themselves were unconstitutional. Although I plan to discuss each of these points in greater detail when our amendment is brought up later this week, I would like to summarize them briefly at this time.

"NO-KNOCK" IS DANGEROUS AND RARELY USED

The danger inherent in granting Federal narcotics officers and District of Columbia police this extraordinary power was highlighted last year in the infamous "no-knock" narcotics raids into two homes in Collinsville, Ill. In separate incidents involving the same Justice Department agents, "no-knock" raids were conducted into two different homes in Collinsville.

The agents entered the two houses without warrants, kicked in the doors without warning, shouting obscenities, and threatening the inhabitants with drawn weapons. The terrified inhabitants were only temporarily relieved when the agents left after discovering that they had entered the wrong houses. Unfortunately, this is not the only example of no-knock authority. In a statement I delivered on May 10 of last year, I summarized a number of other incidents which have been brought to my attention and in an article appearing in the New York Times in June of last year a number of other incidents are chronicled. I ask unanimous consent that my speech and materials which I inserted in the RECORD on May 10 of last year and the Times article be inserted in the RECORD immediately following my remarks as exhibits Nos. 4 and 5 respectively.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. Responsible law enforcement officials have been concerned about the use of no-knock authority. They recognize the danger to police inherent in entering a home like common burglars. For example, D.C. Police Chief Jerry Wilson stated in an interview in the Washington Post on June 8 that he would not oppose repeal of the D.C. provision. According to the article, " 'I won't object,' Wilson said yesterday. 'It won't affect us one way or another.' He said that D.C. police have not used no-knock warrants since October 1971." The article continues, "Geoffry Alprin, chief lawyer for the D.C. police department has said the use of no-knock can increase the possibility of injuries both to police and occupants of homes. '. . . There might be a shootout; that is not what we want,' he said." I ask unanimous consent that the remainder of the Post article be reprinted in the RECORD at the conclusion of my remarks as exhibit No. 6.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ERVIN. I have had difficulty ascertaining the usefulness of the Federal no-knock provision. I attempted to get information from the Justice Department on how often no-knock warrants have been used since 1970 but I have only received a rough estimate. In response to a letter to me on May 24 of last year, Myles Ambrose, Director of the Office of Drug Abuse Law Enforcement—ODALE—stated that about 100 no-knock warrants had been issued and executed in the previous year.

However, when ODALE was replaced by the Drug Enforcement Administration—DEA—last year, a new set of guidelines were issued in response to Collinsville raids. According to an October 18, 1973, letter to me from John Bartels, then Acting Director of DEA, only one warrant had been issued and executed in the prior 3 months. This suggests to me that under the new, more restrictive guidelines, "no-knock" is only used 3 or 4 times a year in Federal drug cases. Obviously, a repeal of this most dangerous provision is not going to bring our Federal narcotics control effort to a standstill.

"NO-KNOCK" IS UNCONSTITUTIONAL

The basic rule that a law enforcement officer must announce his authority and purpose prior to forced entry into a private home is at least 300 years old in Anglo-American jurisprudence. It can be traced back to a case in 1603 known as Semayne's case. In that case the court said:

> The Sheriff (if the doors be not open) may break the party's house, either to arrest him, or to do other execution of the King's process, if otherwise he cannot enter. But before he breaks it, he ought to signify the cause of his coming, and to make request to open the doors.

That basic rule is part of the Federal Criminal Code as section 3109 of title 18 and reads as follows:

> The officer may break open any outer or inner door or window of a house, or any part of a house, or anything therein, to execute a search warrant, if, after notice of his authority and purpose, he is refused admittance or when necessary to liberate himself or a person aiding him in the execution of the warrant.

There have been generally accepted exceptions to the requirement of announcement of authority and purpose. These commonly accepted exceptions were set out with precision in Justice Brennan's opinion in the case of *Ker* v. *California*, 374 U.S. 23 (1962):

> . . . (1) where the persons within already know of the officers' authority and purpose, or (2) where the officers are justified in the belief that persons within are in imminent peril of bodily harm, or (3) where those within made aware of the presence of someone outside (because, for example, there has been a knock at the door), are then engaged in activity which justifies the officers in the belief that an escape or the destruction of evidence is being attempted.

The Ker case represents the only time that the Supreme Court has ever addressed the question of "no-knock" in constitutional terms. Although the Ker decision is confusing—the decision was 5-4 with three different opinions—it appears that at least eight justices on the Supreme Court subscribed to the view that the fourth amendment implicitly prohibits unannounced entry in the execution of a search or arrest. The confusion in Ker is not over whether announcement is constitutionally required but over the exceptions to the basic rule. The controversy over the two "no-knock" statutes is first whether they adequately codify the exceptions to the rule and second whether they go beyond even the broadest interpretation of Ker by permitting a judge to issue a warrant permitting "no-knock" entry.

Both of these basic constitutional arguments are set out in detail in the debates at the time of enactment of the two "no-knock" provisions in 1970. Senator HART and I set out these arguments in our dissenting views to the Senate Judiciary Committee's favorable report on the Federal drug "no-knock" provision and they are also reflected in the debate on the District of Columbia provision which occurred on July 17, 1970. I ask unanimous consent that the dissenting views and the debate on the District of Columbia crime bill be inserted in the RECORD at the conclusion of my remarks as exhibits Nos. 7 and 8 respectively.

In brief summary, opponents of "no-knock" contend that the exceptions to the announcement rule are broader than that permitted at common law and are unconstitutional because they go beyond Justice Brennan's summary in the Ker case. We also contend that the "no-knock" statutes are unconstitutional because they permit a judge to authorize "no-knock" entry at the time he issues the original search warrant. It is our position that all of the special circumstances set out by Justice Brennan are circumstances which must exist immediately before the forced entry, that is, at the door to the dwelling. It is impossible, and indeed unconstitutional, for a judge to predict that those circumstances will exist miles away and hours later when the warrant is actually executed.

ADEQUATE "NO-KNOCK" AUTHORITY WILL BE PRESERVED

Prior to the enactment of the two "no-knock" statutes in 1970, Federal narcotics agents and the District of Columbia police were subject to section 3109 of title 18 of the United States Code. The fact that the District of Columbia police were covered by the Federal statute was established in the Supreme Court case of *Miller* v. *United States* (1958) 357 U.S. 301. The Supreme Court also officially recognized in dicta the Ker exceptions to the proscription contained in section 3109 in the case of *Sabbath* v. *United States* (1967) 391 U.S. 585, 591.

Therefore, as a result of this amendment, the District of Columbia police and Federal narcotics agents will be treated exactly as the agents of the Federal Bureau of Investigation and all other Federal law enforcement officers. They will be subject to section 3109 and the exceptions which have been engrafted upon that provision by the court. Indeed Chief Wilson's statement and the infrequent use of the Federal provision suggest that there is no compelling reasons to treat the District of Columbia and Federal narcotics officers any differently. Furthermore, the reported abuses of "no-knock" authority underscore the need to eliminate these extraordinary provisions.

Exhibit 1

Statutes

Comprehensive Drug Abuse Prevention and Control Act, 84 Stat. 1236, 1274 (1970), § 509 (b)

Any officer authorized to execute a search warrant relating to offenses involving controlled substances the penalty for which is imprisonment for more than one year may, without notice of his authority and purpose, break open an outer or inner door or window of a building, or any part of the building, or anything therein, if the judge or United States magistrate issuing the warrant (1) is satisfied that there is probable cause to believe that (A) the property sought may and, if such notice is given, will be easily and quickly destroyed or disposed of, or (B) the giving of such notice will immediately endanger the life or safety of the executing officer or another person, and (2) has included in the warrant a direction that the officer executing such warrant, shall, as soon as practicable after entering the premises, identify himself and give the reasons and authority for his entrance upon the premises.

Exhibit 2

District of Columbia Court Reform and Criminal Procedure Act, 84 Stat. 473, 614–15, 627–28, 630–31 (1970)

D.C. Code § 23–521

. . . (f) A search warrant shall contain—

. . . . (6) where the judicial officer has found cause therefor, including one of the grounds set forth in subparagraph (A), (B), or (D) of section 23–591(c)(2), an authorization that the executing officer may break and enter the dwelling house or other building or vehicles to be searched without giving notice of his identity and purpose;

D.C. Code § 23–522

. . . (c) The application [for a search warrant] may also contain—

. . . (2) a request that the search warrant authorize the executing officer to break and enter dwelling houses or other buildings or vehicles to be searched without giving notice of his identity and purpose, upon probable cause to believe that one of the conditions set forth in subparagraph (A), (B), or (D) of section 23–591(c)(2) is likely to exist at the time and place at which such warrant is to be executed.

D.C. Code § 23–561

. . . (b)(1) . . . . If the complaint establishes probable cause to believe that one of the conditions set out in subparagraphs (A) through (D) of section 23–591(c)(2) is likely to exist at the time and place at which such [arrest] warrant is to be executed, the warrant may contain an authorization that it be executed as provided in section 23–591.

D.C. Code § 23–591

(a) Any officer authorized by law to make arrests, or to execute search warrants, or any person aiding such an officer, may break and enter any premises, any outer or inner door or window of a dwelling house or other building, or any part thereof, any vehicle or anything within such dwelling house, building, or vehicle, or otherwise enter to execute search or arrest warrants, to make an arrest where authorized by law without a warrant, or where necessary to liberate himself or a person aiding him in the execution of such warrant or in making such arrest.

(b) Breaking and entry shall not be made until after such officer or person makes an announcement of his identity and purpose and the officer reasonably believes that admittance to the dwelling house or other building or vehicle is being denied or unreasonably delayed.

(c) An announcement of identity and purpose shall not be required prior to such breaking and entry—

(1) if the warrant expressly authorizes breaking and entry without such a prior announcement, or

(2) if the circumstances known to such officer or person at the time of breaking and entry, but, in the case of the execution of a warrant, unknown to the applicant when applying for such warrant, give him probable cause to believe that—

(A) such notice is likely to result in the evidence subject to seizure being easily and quickly destroyed or disposed of,

(B) such notice is likely to endanger the life or safety of the officer or another person,

(C) such notice is likely to enable the party to be arrested to escape, or

(D) such notice would be a useless gesture.

(d) Whoever, after notice is given under subsection (b) or after entry where such notice is unnecessary under subsection (c), destroys, conceals, disposes of, or attempts to destroy, conceal, or dispose of, or otherwise prevents or attempts to prevent the seizure of, evidence subject to seizure shall be fined not more than $5,000 or imprisoned for not more than 5 years, or both.

(e) As used in this section and in subchapters II and IV, the terms "break and enter" and "breaking and entering" include any use of physical force or violence or other unauthorized entry but do not include entry obtained by trick or stratagem.

Exhibit 3

Amendment No. 1487

At the end of the bill add the following new sections:

SEC. 2. Subsection (b) of section 509 of the Controlled Substances Act (21 U.S.C. 879) is hereby repealed.

SEC. 3. (a) Section 23–522(c)(2) of the District of Columbia Code is hereby repealed.

(b) Section 23–521 (f)(6) of the District of Columbia Code is hereby repealed.

(c) Section 23–524(a) is amended to read as follows:

"(a) An officer executing a warrant directing a search of a dwelling house or other building or a vehicle shall execute such warrant in accordance with section 3109, title 18, United States Code."

(d) The last sentence of section 23–561 (b)(1) of the District of Columbia Code is hereby repealed.

(e) Section 23–591 of the District of Columbia Code is hereby repealed.

Exhibit 4

[From the Congressional Record, May 10, 1973]

No-Knock Searches and Governmental Lawlessness

Mr. ERVIN. Mr. President, 3 years ago Congress enacted a provision which I predicted would be a "giant step in conversion of our free society into a police state." That provision, section 879 of title 21 of the United States Code, permitted Federal narcotics agents to enter the private homes of American citizens like thieves in the night without notice and without warning.

I joined a number of my colleagues in strenuously objecting to this most dangerous no-knock search provision—Controlled Substances Act of 1970. We were outraged by this blatant invasion of the fourth amendment prohibition on unreasonable searches. We predicted that such a provision would lead to intolerable abuses when law enforcement officers faced with the frustrating task of enforcing our narcotics laws are tempted to avoid the requirements of traditional search procedures and resort to this new authority.

When the Senate considered this bill we spent hours debating warrant provisions of the no-knock section. How, we asked, could a police officer, while miles away from a house, predict and swear in an affidavit that his life will be endangered or that narcotics will be destroyed when he reaches the home?

We were assured that law enforcement officers and Federal judges, unlike ordinary mortals, are capable of predicting the future. We were told that this sort of authority was absolutely essential and that the whole narcotics enforcement strategy depended on making this exception to fourth amendment rules, centuries old. This attitude was expressed by Mr. Myles Ambrose of the Department of Justice most recently when he attempted to justify no-knock searches by Federal narcotics agents. According to Mr. Ambrose—

> "Drug people are the very vermin of humanity . . . occasionally we must adopt their dress and tactics."

In other words, in order to capture criminals, the law enforcement agencies must act criminally—a little lawbreaking does wonders for law and order.

Four recent cases convince me that some law enforcement agents have, indeed acted like common criminals. Innocent homeowners have been terrorized and all Americans are the victims. The newspaper articles which follow describe incidents involving no-knock raids against the Pine family in Winthrop, Mass., on January 10, 1973, the Majette family in Portsmouth, Mass., on January 26, 1973, the Giglotto family and the Askew family in two separate incidents in Collinsville, Ill., on April 29, 1973.

Unfortunately, these four cases are not the only examples of abuses by law enforcement agents of fourth amendment rights. In December of 1970, I brought to the attention of the Senate similar cases of no-knock searches of innocent homeowners in Arizona and Virginia. In June of 1971 there was the infamous Kenyon Ballew case in Maryland. Mr. Ballew was shot in the head when he attempted to resist a no-knock search.

Although the Majette and Pine incidents and the 1970 and 1971 cases involve State police, all of these illustrate the dangers of no-knock raids. In every one of the recent cases law enforcement agents kicked in the door of a private home and entered with weapons drawn in search of illegal narcotics. In all four they had entered the wrong home and terrorized the occupants. In almost every case the occupants thought the law enforcement agents were criminals. In at least one case the occupants likened the raids to Nazi Gestapo tactics, but they all qualify in that regard.

By far the most outrageous of the four incidents involved Federal agents in the Giglotto and Askew raids in Collinsville, Ill., about a week ago. According to the Washington Post, agents of the Office of Drug Abuse Law Enforcement—ODALE—of the Department of Justice entered two houses without warrants, kicked in the doors without warning, shouting obscenities, and threatened the inhabitants with drawn weapons. The Giglottos and Askews were terrified and only temporarily relieved when the agents left after discovering they had entered the wrong house.

No-knock searches are bad enough, especially where the search takes place on the wrong house. But a no-knock search without a warrant is totally unjustifiable and, indeed, is clearly illegal under the Federal no-knock statute. If the facts in the Post story are correct and these two no-knock searches were conducted without warrants, this means that certain agents of the Department of Justice see themselves as above the law.

The New York Times, commenting editorially about the Collinsville incidents and certain disclosures in the Watergate case, suggests that such governmental contempt for the law is subverting the whole American system of justice. Unfortunately, the unbridled desire for law and order is resulting in the greatest crime of all—abuse of justice and law by those sworn to uphold it. No crisis of street crime warrants subverting the Constitution.

I am reminded of the words of Justice Brandeis in his classic dissent in the wiretapping case of *Olmstead* v. *United States* (1928), 277 U.S. 438, 485:

". . . If the Government becomes a lawbreaker it breeds contempt for law; it invites every man to become a law unto himself; it invites anarchy. To declare that in the administration of the criminal law the end justifies the means—to declare that the Government may commit crimes in order to secure the conviction of a private criminal—would bring terrible retribution. Against that pernicious doctrine this court should resolutely set its face."

Every Senator in this Chamber and especially every law enforcement officer should ponder Justice Brandeis' teaching. I fervently believe that if we do not react quickly and without mercy against this government lawlessness that our republican form of government is in mortal danger. Furthermore, my mail suggests that citizens are outraged by the Collinsville raids and will support responsible congressional action against such governmental lawlessness.

I would like to draw the Senate's attention to a number of letters I have received from concerned citizens about these events which appear at the conclusion of my remarks.

One letter written by an attorney from Raleigh, N.C., summarized citizen outrage on these no-knock searches. In describing his feeling concerning the Collinsville events he said the following:

"The words 'appalling' and 'shocking' immediately came to mind but are too trite to express my true feelings. What I truly feel is repulsion and horror at what is described, especially when I realize that this atrocity was perpetrated in *my* name, by Federal agents supposedly representing *my* government, and in the name of justice. . . .

"I want my children to know that ours is still a government which respects the rights of individuals and that people who conduct themselves in the manner described in this article do not 'get away with it.' For the sake of every American, I hope that you will not only investigate this matter but—if the facts are as reported—will see that all those responsible are required to answer for their misconduct."

I have written to Mr. Myles Ambrose, of the Department of Justice, who directs the Office of Drug Abuse Law Enforcement, for an explanation of the Collinsville incidents. I pray that he has a satisfactory answer for, if he does not, I plan to introduce legislation repealing or modifying the Justice Department's authority to conduct no-knock searches and hope Members of the Senate will join me in that endeavor.

Mr. President, I ask unanimous consent that the newspaper articles described above, the letters from concerned citizens, and a letter I have written to Mr. Myles Ambrose of the Department of Justice concerning the Collinsville raids be printed in the Rrcord.

There being no objection, the articles and letters were ordered to be printed in the Record, as follows:

[From the New Orleans (La.) Times-Picayune, Jan. 14, 1973]

The Pine Incident—Fifteen Armed Men Smash Doors

Winthrop, Mass.—At 10 a.m. Wednesday, Bill Pine recalled, he was upstairs asleep. His wife, Phyllis, was in the bathroom getting dressed and their 13-year-old daughter, home sick from school, was downstairs watching television.

Mrs. Pine looked out the window of their single-family house and saw a man running down the driveway headed for the front door.

Melody went to open it, but never got a chance, her mother said Saturday. The glass and wood shattered in the front door and back door. And suddenly 15 men in street clothes were standing in the living room with drawn guns.

The men turned out to be police who had mistaken the Pines' home for another address where they later found an alleged drug factory.

NO COMMENT

The state police, who led the raid, have declined comment on the incident involving the Pines but have promised a statement Monday. Local and federal agents also have declined comment, but the Pines recall their 15 minutes at gunpoint with fear and anger.

"Oh, my God, they've come to kill us," Mrs. Pine remembered saying as she spoke of the incident Saturday. Mother and daughter were pushed onto a couch and five men raced toward the staircase.

Pine, 38, who works nights in a print shop, was awakened by his daughter's screams. He gave this account:

"I sat up in bed and there was a gun at my head, and I heard someone say, 'Don't move.'

THOUGHT OF KILLINGS

"I saw the man's eyes and the gun, and all I could think of was the mass killings by the Manson gang in California.

"I jumped up anyway and was pushed into the other bed room and pinned against the window with my back to the intruders. Now I was fully awake and knew there were five to eight guns pointed at my back.

"Someone asked me what my name was, and I replied 'Bill.' Three times I asked them who they were and what was going on.

"The confrontation lasted about 15 minutes, then I sensed things began to relax. I turned around and there was surprise on their faces. They went into full retreat. I heard someone downstairs say 'State Police.' My fear turned to rage."

ASKS EXPLANATION

Pine trailed the police downstairs and followed them outside in his undershorts, demanding an explanation.

By that time police had found the house they were after—the one next door on the quiet residential street, lined with one-family homes and apartment buildings.

Pine said that one Boston policeman came back and commented, "Look, I'm sorry we made a mistake."

Pine also said he was told by one officer that "two of the undercover men were rookies and a little gung-ho. They started before they should have."

ARRESTS MADE

When police officially announced the raid, they said it capped a 2½-month investigation. They said they arrested Jean Cataldo of Winthrop; James DiStefano, 29, of Malden, and Thomas Bradford, 30, of Wells, Maine, on a variety of drug charges, seized $50,000 worth of heroin and broke up a heroin processing plant that was doing $1 million a year business.

Conducting the raid were federal narcotics agents, state police and officers from six local police departments.

Mrs. Pine, 38, said she wanted to talk about the incident to expose actions that reminded her of police state dealings where "might makes right."

She said, "It's unbelievable how they can investigate a case for 2½ months and then knock down the wrong door."

Pine said his landlord had repaired the doors, smashed out in below freezing temperatures, and had sent the bill to the police.

[From the Greensboro (N.C.) Daily News, Jan. 14, 1973]

Agents Moved In for Drug Bust—At Wrong House

Winthrop, Mass.—At 10 a.m. Wednesday, Bill Pine recalled, he was upstairs asleep. His wife, Phyllis, was in the bathroom getting dressed and their 13-year-old daughter, home sick from school, was downstairs watching television.

Mrs. Pine looked out the window of their single-family house and saw a man running down the driveway headed for the front door.

Melody went to open it but never got a chance, her mother said Saturday. The glass and wood shattered in the front door and back door. And suddenly 15 men in street clothes were standing in the living room with drawn guns.

The men turned out to be police who had mistaken the Pines' home for another address where they later found an alleged drug factory.

DECLINED COMMENT

The state police, who led the raid, have declined comment on the incident involving Pine but have promised a statement Monday. Local and federal agents also have declined comment, but the Pines recall their 15 minutes at gun-point with fear and anger.

"Oh, my God, they've come to kill us," Mrs. Pine remembered saying as she spoke of the incident Saturday. Mother and daughter were pushed onto a couch and five men raced toward the staircase.

Pine, 38, who works nights in a print shop, was awakened by his daughter's screams. He gave the account:

"I sat up in bed and there was a gun at my head, and I heard someone say, 'Don't move.'

"I saw the man's eyes and the gun, and all I could think of was the mass killings by the Manson gang in California.

FULLY AWAKE

"I jumped up anyway and was pushed into the other bedroom and pinned against the window with my back to the intruders. Now I was fully awake and knew there were five to eight guns pointed at my back.

"Someone asked me what my name was, and I replied, 'Bill.' Three times I asked them who they were and what was going on.

"The confrontation lasted about 15 minutes, then I sensed things began to relax. I turned around and there was surprise on their faces. They went into full retreat. I heard someone downstairs say 'State Police.' My fear turned to rage."

Pine trailed the police downstairs and followed them outside in his undershorts, demanding an explanation.

By that time police had found the house they were after—the one next door on the quiet residential street, lined with one-family homes and apartment buildings.

APOLOGIZED

Pine said that one Boston policeman came back and commented, "Look, I'm sorry we made a mistake."

Pine also said he was told by one officer that "two of the undercover men were rookies and a little gung-ho. They started before they should have."

[From the Charleston (S.C.) News and Courier, Jan. 14, 1973]

POLICE RAID TERRORIZES FAMILY

WINTHROP, MASS.—The Pine family—38-year-old William, his wife and their 13-year-old daughter, Melody—are still shaken by the memory of the moment when 15 armed men burst into their home without explanation and held them at gunpoint for a terror filled quarter of an hour."

It was, as it turned out, a drug raid by plainclothes state and local police from several towns. The problem was that after a 2½-month investigation, they raided the wrong house.

The house they wanted was across the driveway from the Pines' residence.

Not until they had left his home, Pine said, did the men identify themselves as police or say what they wanted.

It happened at 10 a.m. Tuesday. Pine, who had worked all night, was asleep upstairs and Mrs. Pine had just finished dressing when Melody looked out of the window and saw a man running toward the front door.

As she went to open it, the wooden door was smashed in. Simultaneously, the rear door also burst open in a spray of splinters and broken glass.

Mrs. Pine was confronted by 15 men with drawn guns in her living room.

She and her daughter, who was home sick from school, were roughly pushed onto a couch and held at gunpoint while several men rushed upstairs.

"Oh, my God, they've come to kill us!" she thought.

Melody had the same fear. She screamed, "You are going to kill us!" and jarred Pine out of his slumbers.

"I sat up in bed," he said Saturday. "There was a gun at my head and I heard someone say 'Don't move.'"

Five or six men, all armed stood in his bedroom.

"Quite honestly, I thought my family and me was going to be killed," Pine said. "I kept thinking about Charles Manson and Sharon Tate and all those other things."

Although warned not to move, Pine said he jumped up anyway "and was pushed into the other bedroom and pinned against the window with my back to the intruders." He said he knew "there were five to eight guns pointed at my back."

After about 10 minutes, Pine said he sensed a change in the atmosphere.

"I turned around and there was surprise on their faces. They went into full retreat."

Pine, dressed only in his underwear, ran outside after them demanding an explanation.

"When I ran after them they told me they made a mistake, and that they were police," Pine said. "My fear began to turn to rage."

He called Winthrop police headquarters and spoke to Chief David Rice who, he said, was "very sympathetic."

"He tried to calm me down and said if I wanted to sign a formal complaint, I should come and see him," Pine said. "We haven't decided that yet."

He said he is worried about possible retaliation.

"We were thinking about possible repercussions," Pine said. "If a gang of so-called police can come in and just break down doors, there's no telling what they might do if you get their wrath up, and quite honestly we were very apprehensive about saying anything."

Winthrop police referred queries about the incident to the state police who led the raid. A state police spokesman said everyone connected with the raid was off for the weekend and, that he knew nothing about the matter.

Pine is philosophical about the question of compensation for the broken doors and the mental anguish his family went through.

"If there is any compensation I can get out of this, any satisfaction . . . it would be at least to deter any other incidents like this happening, from people being victims of circumstances," he said.

"If we can at least help in any small way, that would be reward enough for us. My wife and daughter are very shook up about it."

Mrs. Pine, who is under a doctor's care, said she wanted to tell about the incident because it resembled a police state action.

"It's unbelievable how they can investigate a case for two and a half months," she said, "and then knock down the wrong door."

[From the New York Times, Jan. 15, 1973]

WRONG-HOUSE RAID TERRIFIES FAMILY

WINTHROP, MASS., January 14.—Fifteen burly policemen, carrying rifles and handguns, broke down two doors and poured into the home of the William Pine family last Tuesday.

It was 10 A.M., and Mrs. Pine was caring for her 13-year-old daughter, Melody, who was home from school recovering from a mild illness; Mr. Pine, a 38-year-old night worker, was upstairs sleeping.

The men wore no uniforms, did not offer any identification and did not speak, Mrs. Pine said today in an interview, except for a few brusque orders followed by a rough shove to the living room couch.

Bewildered, Mrs. Pine and her daughter screamed over and over: "Please don't kill us, please don't kill us."

"Just don't move," came the only reply.

THE WRONG HOUSE

State and Federal agents and the narcotics squads of several communities had been surveying the house next to the Pine residence for the last two and a half months, where they believed a lucrative heroin factory was in operation. When the time came, they raided the wrong house. They realized the mistake in time to make the proper arrests, however, and to confiscate thousands of dollars worth of illegal drugs.

Police officials have declined comment, except to say there would be a thorough investigation.

"I thought they were all maniacs that had come to kill us," Mrs. Pine said. "I could only think of Poland or the Olympics, that they came to get us because we are Jewish."

"They never told us who they were or that they were police officers even after they left," she said. "I didn't know police operated like that in America. I'm ashamed that this could happen here."

During World War II, German storm troopers in Poland routed her grandmother and grandfather from their beds and annihilated the family, Mrs. Pine said. She said she first heard the story as a little girl and it filled her with terror.

Mr. Pine, who had been sleeping almost three hours, said he was awakened by the screams of his family. Suddenly, he said, he saw several guns trained on him and felt a gun barrel pressed against his temple.

"Don't move!" one of the men shouted. "Get up slowly and keep your hands over your head."

OUTDOORS IN UNDERSHORTS

Mr. Pine rose and the men—most dressed neatly and conservatively—pushed him out of the master bedroom and into the next room. They asked him his name. Then they suddenly rushed out of the room. Mr. Pine followed them downstairs and out the door wearing only his undershorts in the morning cold, asking over and over who they were and what they wanted.

Then one of the officers turned toward Mr. Pine and said, "State Police."

Mr. Pine said one of the officers later came back to apologize. "He said that two over-anxious rookies had moved too soon and made the mistake," Mr. Pine related. "That's a little ridiculous."

Mr. Pine said he was uncertain what legal action, if any, the family would take.

The police apparently did have a warrant, but for 30 Underhill Avenue, a green house. The Pine family lives at 32 Underhill, also a green house—now with two new doors.

[From the New York Times, Jan. 16, 1973]

UNREASONABLE SEARCH

At 10 o'clock of a weekday morning fifteen men, armed to the teeth, break into the home of the William Pine family in Winthrop, Mass., by smashing the doors. Mrs. Pine and her teen-age daughter, in uncomprehending terror, plead for mercy. Her husband, who holds a night job, awakens in his upstairs bedroom to stare into the muzzle of a gun. Through Mrs. Pine's panicked mind flashes the almost forgotten story, told to her as a little girl, of how Nazi stormtroopers had routed her grandparents out of bed in their native Poland and murdered them thirty years ago.

The armed intruders, however, were not fascist thugs; neither were they desperate bandits. They were merely Massachusetts state police officers in civilian dress on a narcotics raid—at the wrong address.

The incident should be a danger flag to police commanders throughout the country. In how many other states or communities would it be possible for law-enforcement officers, in mufti, to perpetrate a similar outrage, without identifying badges or any effort to let the occupants know that the break-in was actually an authorized search? The fact that such police procedures can happen at all—even leaving out the inevitability of monstrous error of the type that occurred in the Pine household—raises serious questions about those occasional reports of shootouts between raiding policemen and civilians.

Had Mr. Pine owned a gun, could he have been blamed for opening fire in the face of unknown armed invaders?

"I didn't know police operated like that in America," said Mrs. Pine. "I'm ashamed that this could happen here." Police chiefs everywhere should include the episode in their order of the day—as an example of an abuse of police power that must not happen again.

[From the New York Times, Jan. 30, 1973]

Victims of Mistaken Raid Sue Police for $1 Million

Boston, January 29.—An attorney for a Winthrop woman and her daughter filed a $1-million suit Monday in Federal District Court in connection with a mistaken police narcotics raid on their home.

Mrs. Phyllis Pine and her daughter, Melody, 13 years old, also asked for $10,000 damages each from 10 defendants, including the state public safety commissioner; the Boston police commissioner; the police chiefs of Winthrop, Chelsea, Revere, Malden and Lynn; three state troopers, and "other officers unknown."

The suit contended that about 10 state and local policemen broke down the front and rear doors of the Pine home Jan. 10, searched the house without a warrant, pointed guns at Mrs. Pine and her daughter, struck them on the arms and pushed them onto a couch.

Police officials have said that the raid was a mistake and that members of the Pine family were not assaulted.

[From the Ledger-Star, Jan. 26, 1973]

The Majette Incident

Narcotics Squad Breaks in Door of Wrong Apartment; Apologizes

(By Jack Armistead)

Portsmouth.—"I was half asleep. It scared me so bad that I'm still nervous."

Mrs. Anna Majette, 50, of the 1400 block of Barbour Drive, was explaining the way she felt after Portsmouth Police Narcotics Squad detectives broke her door down about 3:20 a.m. today by mistake.

"You are all wrong." Mrs. Majette told police.

Police were indeed wrong and have apologized to Mrs. Majette for the inconvenience, according to Police Chief Calvert L. Warren.

Mrs. Majette lives in apartment "J" in the Ida Barbour Apartments on Barbour Drive. Detectives were supposed to go to apartment "A", a police spokesman said.

Mrs. Majette said she heard loud knocking on her front door and then breaking glass.

She said they opened her bedroom door and by this time a policeman was already at the top of the stairs with a gun drawn.

"The policeman said they had heard a lot of reports about this house and I said, "This house?' "

Mrs. Majette said she asked the detectives if they had a search warrant and they did.

"But the search warrant said apartment 'A', 1420 Barbour Drive and this apartment is 'J,' " she told police.

Mrs. Majette said the detective apologized.

"I said it's too late to be sorry now," Mrs. Majette said.

While they were in her apartment, Mrs. Majette said she was asked if she knew the occupants of the other apartment.

"No I don't know them," she answered.

"I was so shook up. It's a good thing I didn't have a gun," Mrs. Majette said, adding that she hasn't been able to sleep since police left.

"I can't sleep because my door is broken and I can't lock it," she said.

After police left her apartment, Mrs. Majette said a detective came back by there again.

"He said 'I just wanted to let you know we got the people,' " Mrs. Majette said.

Mrs. Majette said she told the detective. "Mister, I don't care."

She lives with her 18-year-old son.

In the meantime, police did visit the other apartment.

They arrested the occupant there and charged him with possession of heroin.

Police identified the accused as William Thomas (Tow Bag) Bailey, 38.

Bailey appeared in Municipal Court today on the charge and his case was continued until Feb. 16. His bond was set at $2,000.

According to a spokesman, raids at the wrong addresses do occur every once in awhile but not frequently.

"I was on a raid one time and we got the wrong house. We broke in, went upstairs to a bedroom, and found a half deaf and blind couple that didn't even know we entered the house," the spokesman said.

The Askew and Giglotto Incidents

[From the Washington Post, Apr. 30, 1973]

The Night of Terror: "We Made a Mistake"

(By Dennis Montgomery)

Collinsville, Ill., April 29.—Herbert Giglotto, 29, and his wife, Louise, 28, had gone to bed at about 8 p.m.

"At about 9:30 we hear this crash. We hear this screaming. I take about three steps out of my bed and I see these hippies with guns," Giglotto recalled today. "I told my wife, 'My God, we're dead."

Across town at another home Donald Askew, 40, had just sat down to dinner with his wife, Virginia, 37, and their 16-year-old son, Michael. He looked out the window, he remembered, and saw several armed men in the yard.

Seconds later, he said, the men were at the door, trying to kick it in. Askew called to his wife to phone the police. She fainted. Askew told his son to run for his life.

The armed men who forced their way into the Askew and Giglotto homes last Monday were conducting narcotics raids. They came on the raids with no warning and apparently no warrant. They left when the raids turned out to be a mistake.

Myles J. Ambrose, director of the federal Drug Abuse Enforcement Program and a special assistant attorney general, said today it is his "understanding" that the men were agents from the program's St. Louis office.

Paul Cigilana, Collinsville police chief, confirmed that the raids were conducted by a "strike force" of federal narcotics agents from the St. Louis office.

Cigilano said he believed that policemen from some municipal police forces in the area who participated but he added, "I don't think there were too many of them."

Cigilano said no policemen from his department were involved. A spokesman from the Madison County sheriff's office said, "As far as I know there was no cooperation from the department."

Federal narcotics officials from the St. Louis office could not be reached Sunday, but had declined comment earlier. Askew said the men gave him the telephone number of the office to verify their identities.

Two days after the raids, Ambrose issued a statement: "I have directed an inspection team to thoroughly investigate this matter. If any federal agents have acted improperly, appropriate action will be taken. Under no circumstances will I permit my agents to violate anyone's constitutional rights."

Contacted of his Chevy Chase, Md. home, Ambrose said today. "The investigation is being conducted. When I have all the facts I will take appropriate action."

Ambrose, asked whether the investigation is top priority, said, "You bet your sweet life it is."

Before the raiders left without apologies, Giglotto said he and his wife had been threatened, bound, insulted and their apartment left in shambles.

"I've never had anything to do with narcotics," Giglotto, a boilermaker, said. "I hate it. I've never had anything to do with drugs and my wife never has."

The men did not identify themselves, he said, and showed no warrant. "They knocked me down across the bed and handcuffed me and my wife. They had our hands behind our backs. I was in my underwear and she was in her negligee."

"Just shut your mouth or I'll kill you," Giglotto quoted one agent as saying after he was asked to identity himself. The man reportedly told Mrs. Giglotto he would kill her husband if she did not tell him where the drugs they sought were hidden.

With 15 raiders in the room and more downstairs, Giglotto said his wife was pleading for his life. Giglotto asked, "Please look at my identification before you kill me."

None did, he said. He added the only identification, the Giglottos were shown was a gold badge flashed by one of the intruders. Only Mrs. Giglotto caught a glimpse of it.

As they lay trussed across the bed, Giglotto said, another raider walked up the stairs and announced, "Oh, I think we made a mistake."

They had torn the house apart and found nothing. The front room was a shambles, littered wtih books, overturned furniture and a smashed television set. Released from his handcuffs, Giglotto tried to put on his pants, he said, but a raider ripped them out of his hands.

"They were as rude leaving as they were coming," Giglotto said. He said he followed them downstairs, demanding an explanation, shouting: "My God, you just kicked in my door, threatened to kill me and my wife, can you tell me what's happening?"

Giglotto said one of the armed men turned and replied, "Shut your mouth, boy,"

Askew said the raid on his home began as they were beginning a late dinner after he had stayed overtime at the service station he runs in East St. Louis.

Askew thought his son had been in a fight with some other teen-agers and the men he saw in the yard were coming to kill him.

As he held the front door, Askew said Sunday, two men knocked down the back door and leveled two riot guns at him. A man at the front door flashed a gold badge and Askew let them in.

Five men, all dressed as hippies, searched the house, looking for a suspect, Askew said.

Mrs. Askew, lying on the couch, revived. She saw the men with the guns and fainted again. When she revived again, one of the raiders told her, "Take it easy, lady. We're really federal officers."

Askew said the men were polite. "Outside of kicking the door and scaring the —— out of us, they were all right."

Satisfied the man they sought was not in the Askew home, one of the intruders said, "We just got a wrong tip." The men refused, however, to let Mrs. Askew call the police, and showed no other identification.

The Askews have filed a $100,000 damage suit in U.S. District Court at Springfield. The Giglottos are to meet with their lawyer Monday morning to determine what course to take.

[From the New York Times, Apr. 30, 1973]

Law and Order

"There are those who say that law and order are just code words for repression and bigotry. "This is dangerous nonsense," President Nixon declared last month as he unveiled harsh new anticrime proposals, "Law and order are code words for goodness and decency in America."

As if the unfolding Watergate scandals were not enough, two fresh disclosures over the weekend further serve to underscore the extent to which goodness and decency have been despoiled in this country through the perversion of justice that poses as law and order today in Washington.

In the small southern Illinois town of Collinsville, it was revealed, two families were terrified one night last week by unkempt men shouting obscenities who kicked down doors, overturned furniture and threatened them with guns. The men were Federal narcotics agents, acting apparently without warrants. After discovering they had entered the wrong houses, the agents withdrew without apologies. These were not isolated incidents. A Massachusetts family suffered similar indignities at the hands of errant narcotics agents last January.

The Administration's haphazard approach to law and order which leads to such outrageous abuses of the rights of ordinary citizens does not extend to all who may be suspected of criminal activity. Government sources in Los Angeles reported that top-ranking officials of the Justice Department have turned down a request by the Federal Bureau of Investigation to continue authorized electronic surveillance that they say had begun to penetrate connections between the Mafia and the teamsters' union, whose president, Frank E. Fitzsimmons, is the Nixon Administration's staunchest ally in all of labor.

To ride roughshod over the constitutional rights of citizens in the reckless pursuit of one class of criminal when failing to use every available legitimate means to detect possible crime among those who enjoy favor in high places subverts the American system of justice. There can be no order when those entrusted with law enforcement themselves show contempt for the law. Law and order under such conditions become code words for repression and hypocrisy.

RALEIGH, N.C.

Senator SAM ERVIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ERVIN: Since having read an article in Sunday's *News and Observer*, a copy of which is enclosed, I have been considering how to express myself. The words "appalling" and "shocking" immediately came to mind but are too trite to express my true feelings. What I truly feel is repulsion and sorrow at what is described especially when I realize that this atrocity was perpertrated in *my* name, by federal agents supposedly representing *my* government, and in the name of justice.

It is shocking enough to consider conduct such as that described when it is attributed to criminals who might themselves be acting under the influence of drugs. It is unforgivable when done by narcotics officers under the guise of governmental authority. I have had my children read this article, in the hope that they may not become guilty of the complacency which I believe is shared by many—the misplaced belief that things like the Gestapo and NKVD "cannot happen here." Their reaction seemed to be that nothing would be done with those responsible and that they would probably "get away with it." I hope and pray for this country that my children are wrong. The men described in the article apparently acted without a search warrant—and whether with warrant or not their reported conduct was reprehensible and entirely unbecoming federal agents—and they should be required to answer for their conduct.

I want my children to know that ours is still a government which respects the rights of individuals and that people who conduct themselves in the manner described in this article do not "get away with it." For the sake of every American, I hope that you will not only investigate this matter but—if the facts are as reported—will see that all those responsible are required to answer for their misconduct.

——— ———.

MOREHEAD, CITY, N.C.

Senator SAM J. ERVIN, Jr.
Room 337, Old Senate Office Bldg.,
Washington, D.C.

DEAR SENATOR ERVIN. Your reputation as a defender of due process leads me to believe you are as disturbed as anyone over the continuing disregard of citizens' rights by the Federal Bureau of Narcotics and Dangerous Drugs—the latest case being the treatment of the Giglottos in Collinsville, Illinois (Agnews, also).

I am 58, a graduate engineer and management consultant, and I believe I am a reasonable, thinking, mature person. I try to keep perspective, and would like to have your opinion of the dangers to people's rights if attitudes and behavior on the part of Federal personnel shown in the Watergate case, the Giglotto case, and others you probably are more aware of than I, are not rooted out quickly and thoroughly.

I am thinking of offering to participate in a class-action suit on behalf of all citizens who feel endangered by such Federal activities. Is this feasible? Or advisable?

——— ———.

NEW YORK, N.Y.

Senator SAM ERVIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ERVIN: Among the mounting scandals in the Nixon administration it is difficult to single out one for particular censure. But the incredible, lawless Gestapo tactics reported in yesterday's *Times* on the part of narcotics raiders is downright terrifying. There have been other similar raids in the past, and many more by *local* officials. Also, one may assume that these reported cases were considered exceptional because the "wrong" houses were broken into at gunpoint without warrants; how many more cases have there been of similar "proper" raids which resulted in arrests and/or silenced or discredited complainants? More basically, whether or not a home being raided is the "right" one, such activities are illegal without warrants and even with warrants assault, terrorism, and vandalism are not allowed!

Anyone involved in these raids should be fired on the spot, and anyone who authorized, suggested or knew about them should be fired also. Everyone involved should face criminal prosecution.

I write to you because these activities seem to me intimately related to the attitude of Nixon and his Watergate friends—the arrogation of dictatorial powers to an executive capable of mounting terrorist raids on citizens, burglarizing Daniel Ellsberg's medical files, and subverting the recent national election!

——— ———.

GREENSBORO, N.C.,
May 1, 1973.

DEAR SENATOR ERVIN: I know you are very busy but I also know you always make time to pay attention to the things which affect the liberty of we Americans. You are our great defender of our liberties, and I respect you for it.

I'm sure you have read the article I'm enclosing but just wanted you to know I am very much concerned about this and what can be done to prevent it happening again and again.

My very best wishes to you in your every endeavor.

——— ———.

SMITHFIELD, N.C.

Hon. SAM ERVIN,
U.S. Senate,
Washington, D.C.

SIR: As must surely be the case with many thousands of Americans today, I am becoming more and more suspicious of some of the elected officials and those directly under their power who are controlling the directions in which his country moves. I have served as a minister of education in the United Methodist Church for six years, dealing primarily with youth and young adults. For about five or six years now it seems that young people are being dealt with only out of necessity and never out of genuine concern. Almost daily it becomes more dangerous for Americans who don't share the same beliefs of our chief executive.

I just returned from Washington Monday after spending five days at the National Explorer President's Congress at the Sheraton-Park Hotel. We had the opportunity to speak with several reporters and congressmen and that didn't help much to ease my feelings. Then upon reading Sunday's News & Observer, Raleigh, I found the enclosed article. Since then I have not been able to find any follow-up news concerning this event. It bothers me deeply that such things go on in America; and I question how much more, and worse, goes on that never makes the newspapers.

Why I'm writing you about this is not absolutely clear to me, except maybe that you are one politician that I feel can be trusted and will be worthy of whatever faith is put in you and your decisions. What is now going on concerning this incident? Will the American people forget this happened and lose their outrage as they did with Kent State, with college students who participated in "peace marches" two years ago, and as they seem to be doing with Watergate? If you can supply me with any information to help answer some of my questions or ease some of my doubts it will be greatly appreciated.

Enclosed find clipping from The Smithfield Herald, May 1, 1973, covering your presence at Davidson College. The youth and young adults of North Carolina believe in Sam Ervin. We trust you, have faith in you, and are proud that you are our senator.

——— ———.

SAM J. ERVIN, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR ERVIN: In today's paper I find many things that disturb me greatly. For some reason our country's government has turned to lawless means to produce a beneficial end. I am referring to certain tactics used by law enforcement agencies. Two families in Collinsville, Illinois, were threatened and beaten by federal drug agents. These were innocent people—the agents made a mistake. They crashed into these families' houses without warrants, but more distressing they were brutal to these people.

I am the first one to admit that the drug problem is a menace to America; however, only communist societies justify their ends by harsh and unjustified means. History has shown that countries with these policies are alienated from their citizens.

I am not a law breaker of any kind and most Americans are the same way. Has the day come when these Americans will have to barricade their homes and arm themselves in fear of their government?

——— ———.

WINSTON-SALEM, N.C.

Hon. SAM J. ERVIN, Jr.,
U.S. Senate,
Washington, D.C.

MY DEAR SENATOR ERVIN: Attached is a copy of a news article appearing in the Winston-Salem Journal and Sentinel for Sunday, April 29, 1973.

If this story is true and correctly reported, it represents an alarming situation. Even one's home is no longer safe.

When did our Government assume it could invade the privacy of the home without proper warrants? When did our Government assume it could treat people the way the people in the article were treated?

What are you as a representative of the people going to do about this kind of business? What steps are you going to take?

Watergate by comparison with this invasion of privacy of the home is an old maid's tea party. We are getting pretty sick and tired of you politicians making such a big issue of Watergate. Let's protect the people in their homes first, then clean up Watergate.

——— ———.

NEW BERN, N.C.

DEAR SENATOR: I'm very concerned over the incidents described in the attached articles. If my memory is correct, we had similar mistakes made months ago.

Is there any way to provide some stiff penalties for such mistakes? It seems to me that law enforcement officers should really have to do their "homework" or have absolute facts before they go busting into someone's home or suffer severe consequences for not being absolutely sure on who they're busting in on.

——— ———,

APRIL 30, 1973.

Senator SAM J. ERVIN, Jr.
Senate Office Building,
Washington, D.C.

DEAR SIR: The incidents in the enclosed clipping show a striking parallel to the "Bellew incident" which occurred at Silver Spring, Maryland in 1971.

The three incidents should illustrate that the "No Knock" law is a bad piece of legislation.

None of the top officials or their immediate aides are sensitive to the voting public. This seems to me to be a dangerous abuse of authority.

What can you as a member of the United States Senate do about this situation.

——— ———.

WINSTON-SALEM, N.C.

Senator SAM ERVIN,
Senate Office Building,
Washington, D.C.

DEAR SENATOR ERVIN: Please allow me to take a few minutes from your busy schedule so that you may read the enclosed article that appeared on P. 1. *Sunday Journal and Sentinel*, Winston-Salem, N.C., 29 April 1973. Realizing you to be the leading authority of *our* Constitution and a person who dearly loves the principles that our country symbolizes, I am certain that you will be as shocked as I.

Before you get the impression that I am a "radical" bent on destroying the police image allow me to tell you something about myself. I am a disabled veteran of the Viet Nam war who is completing his first year of Law School at Wake Forest University. Although I have never fully understood why I left part of my physical body in the mud of Viet Nam, I have tried to insulate myself from stark reality by fantasizing that the effort was to support principles that founded our Nation almost two hundred years ago. What has happened to these principles in our Nation?! Daily, I am appalled at the increasing "Gestapo" tactics and hunger for power shown by the current Administration. President Nixon seems to stereotype anyone who dissents from his policy as a "radical" bent on destroying the country. If the principles exemplified by the current Administration are indicative of this County's future. I suppose I am a "radical". I am a radical who wishes to see that individual freedom and security are protected by the Constitution. I only hope that we can survive long enough to re-establish these forgotten principles.

Changing the subject somewhat; Senator Ervin, I am extremely pleased with the work that you are doing for the people of this Nation. I can honestly say that you make me proud to be a North Carolinian. Let us hope that more representatives will show the courage and leadership that you have while in office.

——— ———.

BIG SPRING, TEX.

DEAR SENATOR ERVIN: As a permanent resident of North Carolina (I am stationed in Texas in the USAF), I would like to voice my feelings to you, my Senator, concerning the "drug" raids on private citizens (innocent) in Collinsville, Ill., carried on illegally by federal agents from the Office of Drug Abuse Law Enforcement. These raids are an outrage and those responsible should be punished. This certainly is not a good example of law and order, is it? Please do what you can.

P.S.—My wife and I think you are an outstanding congressman.

Thank you,

——— ———.

DEAR SENATOR ERVIN: Yesterday morning before going to church, I started to read the Greensboro paper and while reading the main headline article I was aghast at what it contained. This kind of thing done by our own government is wrong and to me a very serious matter.

I have always been a strong Law and Order man, and I did approve of the No-Knock provision in enforcement of Narcotics Laws, but this is a clear abuse and in a callous manner, of such laws.

Does it take something like this to show how our federal agents operate with suspects? I am not one for coddling criminals at any time, but even they have some rights to be treated decently when being apprehended. I would not approve of this kind of treatment even if they had been at the right houses.

How could the Narcotics Agents have been so stupid to have hit two wrong houses in the same town? I would like to know if they had a Warrant for each house. The attached article does not say.

This is the kind of thing I wish something would be done to correct this kind of treatment of people. I know the Watergate thing is serious, but in my opinion it is political, whereas this kind of treatment of people, especially innocent people, is something much more dangerous to our way of life than Watergate.

This is not the first instance I have read about, but this is the first I am writing to the Congress about. I believe the ATF Agents have had similar instances in the past in enforcing firearms laws. Such action is not right either. Like the man in the article said this is Gestapo tactics, or SS Stormtrooper action. Such should not be allowed to continue and I do hope you will do something about it. May I hear from you on this?

I have always supported you in the past and will do so next year. Almost all the time I agree with your views, but I know you are fair and interested in individual rights. This is such a case.

——— ———.

PEEKSKILL, N.Y.

DEAR SENATOR ERVIN: I wish to call your attention to the brutal and unconstitutional tactics employed by the Office of Drug Abuse Law Enforcement. According to an article in the New York Times of April 29, agents of that office recently terrorized two families in Collinsville, Illinois, after breaking into their homes without warrants.

The frightening thing is not that it happened to two innocent families, but that it happened at all. It is alarming that agents of the Federal government even contemplate the use of such measures against its own citizens. There is no legal or moral justification whatever for Gestapo tactics in the United States of America. Even the effort to rid ourselves of the scourge of hard drugs does not justify and is not well served by this horrible abuse of authority.

To say that violent raids conducted without warrants are unconstitutional is to understate the case by several orders of magnitude. These particular raids, and the training programs for the agents who participated in them, ought to be subject to immediate Congressional investigation. It is clearly in order to introduce corrective legislation to prevent and punish such abuses in the future.

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GREENSBORO, N.C.

Hon. SAM ERWIN,
U.S. Senate, Washington, D.C.

DEAR SIR: I have today read about federal narcotics agents breaking and entering without warrant and seemingly by mistake into two families' private residences in Collinsville, Illinois, terrifying these families, threatening to kill them, assaulting and abusing them without cause or provocation.

I am shocked; I am appalled! If this could happen there, it could happen in Greensboro to me or to you. Of course drug abuse, especially at the distribution level, is a severe problem and menace to us all and must be uncovered and prosecuted as best it can be. However, if disregard for innocent citizens such as in this case is more common than by accident, other means must be used; federal and state agents may not abridge our rights to safety and privacy within the home.

Please look into this situation to see if it is becoming a common practice. I feel that the supervisors of these federal agents should be checked on and reprimanded as necessary and if it be that this entrance without warrant and forcibly accomplished has become federal policy that those in charge be brought to public account.

I look forward also to your continued efforts investigating the Watergate Scandal. It appears that the end justifies the means in certain parts of the Executive Branch and it is imperative that such actions be brought to the surface for the public view.

Thank you for your efforts.

——— ———.

BRYN MAWR, PA.

Senator SAM ERVIN,
U.S. Senate Office Building,
Washington, D.C.

DEAR SENATOR ERVIN: I wish to applaud your conduct of the Watergate investigation. While this subject certainly deserves complete investigation, I believe an even larger danger lies in the recent actions of Federal Narcotics agents in Collinsville, Ill.

You are probably aware that these agents broke into two homes without wararnts or authority. Gestapo tactics such as this deserve a thorough Congressional investigation. I earnestly hope that you will pursue this matter.

——— ———.

COMMITTEE ON THE JUDICIARY,
Washington, D.C., May 7, 1973.

Mr. MYLES J. AMBROSE,
Special Assistant Attorney General, Drug Abuse Law Enforcement Office, Department of Justice, Washington, D.C.

DEAR MR. AMBROSE: I have just read of a recent incident involving the search by agents of the Office of Drug Abuse Law Enforcement (DALE) of the homes of Mr. and Mrs. Herbert Giglotto and Mr. and Mrs. Donald Askew of Collinsville, Illinois. My knowledge of the situation is limited to the information reported in the *Washington Post* on April 30th.

I am particularly concerned about the manner in which the search was conducted. Acocrding to the *Post* story the agents of DALE entered the two houses without warrants, kicked in the doors without warning, shouting obscenities and threatened the inhabitants with guns. The Giglottos and Askews were terrified and only temporarily relieved when the agents left after discovering they had entered the wrong house.

Please answer the following specific questions concerning these incidents:

(1) To what extent is the account in the *Post* article accurate?

(2) Along with a specific description of any inaccuracies in the *Post* story, please also provide me with the factual background which led the DALE agents to resort to a warrantless, no-knock search?

(3) I assume that this search was conducted pursuant to section 879 of Title 21 of the United States Code. If not, please provide me with the correct statutory authority.

(4) Please provide me with the DALE rules, regulations, orders, directives or policy statements governing the conduct of its agents while engaging in search and seizure with or without wararnts. Please also provide me with any information on disciplinary action taken by DALE against the agents involved in these incidents.

(5) How many no-knock warrants have been requested by DALE and the Bureau of Narcotics and Dangerous Drugs since the passage of section 879? How many such warrants have been granted? How many were executed? If you do not have precise figures please provide estimates of the total numbers and estimates of the frequency with which requests for such warrants are granted.

(6) How many warrantless, no-knock searches have been conducted since the passage of section 879? If no precise figures exist please provide estimates.

(7) Of the total number of no-knock searches both with and without warrants, how many have resulted in complaints by citizens such as the Askews and Giglottos? Please provide a list of such complaints as well as a brief description of the factual circumstances surrounding each complaint.

Your prompt personal attention to this matter will be much appreciated. With all kind wishes,

Sincerely yours,

SAM J. ERVIN, Jr.,
Chairman.

EXHIBIT 5

[From the New York Times, June 25, 1973]

VIOLENT DRUG RAIDS AGAINST INNOCENT FOUND WIDESPREAD

(By Andrew H. Malcolm)

WASHINGTON, JUNE 24.—Innocent Americans around the country have been subjected to dozens of mistaken, violent and often illegal police raids by local, state and Federal narcotics agents in search of illicit drugs and their dealers.

An eight-week investigation by The New York Times—consisting of interviews with victims of the raids, policemen and narcotics agents—has shown that, contrary to published reports and some Government assertions, the recent illegal drug raids on two Collinsville, Ill., families were not isolated incidents.

In fact, during the last three years, mistaken raids have been made by narcotics agents on all government levels, often acting on uncorroborated tips from informers.

Such incidents have resulted in at least four deaths, including one policeman slain when a terror-stricken innocent woman shot through her bedroom door as it burst open. In California one innocent father was shot through the head as he sat in a living room cradling his infant son.

Details of each raid, vary, but generally they involve heavily armed policemen, arriving at night, often unshaven and in slovenly "undercover" attire, bashing down the doors to a private home or apartment and holding the innocent residents at gunpoint while they ransack the house.

A raid victim in Long Island has settled a damage suit with the Federal Government for $160,000. Similar suits are pending.

Sometimes the agents have warrants and identify themselves. Sometimes they do not.

Frequently, the raiding party is rude, abusive and, as in Collinsville, shouts obscenities at its terrified victims.

In Los Angeles a veteran police officer says mistaken raids occur once or twice a month. In Miami complaints of police harassment on drug searches are so frequent that the Legal Services of Greater Miami can no longer handle the caseload.

Taken individually, the raids have been little noticed nationally, apparently because they were believed to be isolated aberrations or unfortunate but understandable errors as hard-pressed police forces sought to combat drug addiction, which President Nixon has called "Public Enemy No. 1."

In addition, the raids occurred in widely scattered areas. Often they involved lower-class families with little access to the media or to advice on possible legal recourse.

Some believe many families kept quiet for fear of reprisals by the agents or perhaps because in their hatred for drugs they condoned the tactics but not the locals.

"NO-KNOCK" LAWS

But taken together the mistaken raids paint a picture of strong-arm police tactics, shoddy or nonexistent pre-raid police investigation and the pressures and brutalizing impact on the police of constant contact with what they call "society's scum," the drug pusher.

The incidents also underline what some view as an inherent danger in "no-knock" narcotics raids, which were authorized for Federal agents by Congress in 1970. Some states have similar statutes.

Under these laws the police may obtain a special no-knock search warrant authorizing them to break into homes unannounced if there is probable cause to believe that the property sought can be quickly destroyed or disposed of or if giving notice of police presence could endanger an officer or other person.

To some observers such mistaken raids are just that—mistakes caused by an understandable mounting police frustration with the growing drug problem. They say that members of the more vocal middle class are now being subjected to rigorous police techniques that some allege some officers have long used in black communities.

To others, however, the mistaken raids signal the emergence of a dangerous climate of repression.

The drug raids on the homes of Herbert Giglotto and Donald Askew in Collinsville, Ill., occurred the night of April 23. Mr. Giglotto was asleep with his wife in their apartment when more than 15 poorly dressed men broke down two doors, handcuffed the Giglottos, held them at gunpoint, emptied drawers and closets, shattered pottery, threw a television set on the floor and shouted obscenities.

A half-hour later a similar event occurred across town at the Askews' modest home.

"CAVEAT VENDOR"

In both cases the men were agents of the Office for Drug Abuse Law Enforcement, an umbrella agency established in January, 1972, by President Nixon. Its motto is "Caveat Vendor."

In both cases the men were at the wrong address.

In both cases they had no search or arrest warrants.

In both cases they had no authority from their superiors for the raids. In both cases they did not identify themselves until well into the raid.

The agents, one of whom had been involved previously in incidents involving questionable force, have been suspended with pay but continue to perform limited duties while a grand jury investigates and the families sue.

Three days before the Collinsville raids, at 10:45 p.m. Mrs. Laura Smith heard a tapping on a window of her home on Chicago's tough South Side. Seconds later a sledgehammer came through the back door, she said. It was followed by four armed men in civilian clothes who ran through the house, she continued. They were Chicago policemen.

"They were looking for marijuana and some man named Will," recalls Mrs. Smith, who noticed that the search warrant was originally issued for 9763 South Oglesby, one block away from the Smiths' home at 9763 South Crandon. The original address was scratched off and that of the Smiths written in.

Circuit Court Judge Irving Kipnis, who signed the warrant, said such changes must be made in a judge's presence, but he handles so many warrants these days that he could not recall if that procedure had been followed.

The Chicago police offered no explanation for the raid, nor did they pay for the broken door. "Every time I hear a noise at night now," says Mrs. Smith, "I live it all over again." Her husband, James, is a Cook County deputy sheriff.

On Jan. 26 this year Mrs. Anna Majette was asleep in her apartment at 1420 Barbour Drive in Portsmouth, Va. She heard a noise as her door crashed in.

She rose from bed and, she says, Frank Bonnewell, chief of Portsmouth detectives, stepped in front of her with a gun. "We've heard a lot about this house," he said.

The officer produced a search warrant. His men searched for heroin.

Then Mrs. Majette noticed that the warrant was issued for Apartment A and hers was Apartment J.

"Sorry," said the officer. And they left.

PHILADELPHIA INCIDENT

At a hearing later officers got to talking. "I was on a raid one time," one policeman recalled, "and we got the wrong house. We broke in, went upstairs to a bedroom and found a half-deaf and blind couple that didn't even know we entered the house."

On Jan. 24 in Philadelphia three off-duty patrolmen—John Chopak, James Haney and Harry Herr—were drinking in a bar near 40th and Market Streets when, they say, a patron said they could find narcotics in a nearby house.

According to a police investigation, the three men went to the house on Wiota Street, ransacked the house and beat three occupants. Not finding any drugs, they forced a passerby into the house and beat him too.

Then the patron took the officers to another house on Baring Street where they beat three other occupants. They found no drugs there either.

The policemen were suspended and arrested.

On Jan. 9 at 10 A.M. in Winthrop, Mass., 15 burly men armed with shotguns broke down two doors and burst into the William Pine residence.

The men did not identify themselves and wore no uniforms. They pushed the family to a couch. "Please don't kill us, please don't kill us," screamed 13-year-old Melody Pine.

"Just don't move," came the reply.

Mr. Pine, a night worker, awakened upstairs to face several gun barrels. The men asked his name. "William Pine," he replied.

The men looked at each other and raced from the house. They were state and Federal narcotics agents, it was learned later. And they wanted the green house at 30 Underhill Avenue, not the Pines' green house at 32 Underhill.

"I didn't know police operated like that in America," said Mrs. Pine.

At 6 A.M. Sept. 20, 1972, the James R. Herman family of Rochester, N. Y., was awakening. Suddenly the door jamb splintered under the weight of four men.

They ordered Mrs. Herman from the bathtub, threatened the family's barking dogs and searched the house. "If I'd had a gun," said Mr. Herman, "I'd have fired. I thought they were burglars."

They were not. They were state troopers, part of a force executing 22 search warrants in a Monroe County drug round-up. But they were at the wrong house.

The police said they had overheard a telephone number during a wiretap and when they had called the Rochester Telephone Corporation to get an address for it, their service representative gave them 3 Audobon Street.

It was Herman's address but not their telephone. The police apparently never checked the address further.

Smashing into the wrong house, added Capt. Richard Bolan of the state police, was an "insignificant detail" in what was "one hell of a raid."

In Norfolk, Va., at 3 A.M. May 24, 1972, Mrs. Lillian Davidson, a previous burglary victim, heard someone breaking into her house at 812 Lancaster Street. Then someone began to batter down her locked bedroom door.

SHOT THROUGH DOOR

She grabbed a .32-caliber revolver and shot through the door.

The bullet pierced the chest of Patrolman Lewis W. Hurst Jr., the 22-year-old son of the head of the Norfolk Police Department's narcotics squad. He died minutes later.

The police arrested Mrs. Davidson. They were looking for 2,400 parcels of heroin that an informer, a former drug addict, had said were there. They were not.

The police said it had been an error by the young informer and released Mrs. Davidson. The agents acted on an "immediate entry" clause added to the search warrant. The clause, said Lawrence Wallace, assistant commonwealth attorney, is unwritten common law that dates back to Virginia's founding.

On April 24, 1972, local policemen and agents of the Bureau of Narcotics and Dangerous Drugs moved on the mountain retreat of 24-year-old Dirk Dickenson near Eureka, Calif., to seize a "giant lab" producing drugs.

Arriving on foot with dogs and in a borrowed helicopter, the agents, who were not in uniform and did not identify themselves, assaulted the cabin with rifles and hand guns. Apparently frightened and baffled, Mr. Dickenson ran toward the woods.

An agent, Lloyd Clifton, shot him in the back as he fled. Mr. Dickenson died. It is a violation of bureau rules to shoot at fleeing suspects. No "giant lab" was found.

The United States Attorney in San Francisco said there had been no civil rights violations and the killing had been justifiable homicide.

On Feb. 5, 1973, Mr. Clifton was indicted by a Humboldt County grand jury for second-degree murder and involuntary manslaughter. The Federal Government hired a special defense attorney for Mr. Clifton. The lawyer, James McKittrick, seeks to have the charges dismissed.

Mr. Clifton continues his duties.

SECOND CALIFORNIA DEATH

Mrs. Adelina Garcia has sued Los Angeles and Riverside County for $750,000 for the shooting death of her husband, Francisco, by the police on a drug raid at a ranch near Indio on May 12, 1971.

The police said Mr. Garcia had ignored commands to stop his truck. They shot him and wounded his wife. A substantial cache of marijuana was discovered on the ranch, but Mr. Garcia was never implicated in the narcotics operation.

Here in Washington on May 2, 1970, seven policemen, only one in uniform, broke into Miss Lauretta Whitney's home on Newton Street, knocked her down and ransacked the apartment in search of illegal narcotics. They found none.

The address on the warrant came from a trusted informant, the city police said, but now that Miss Whitney is suing for $100,000 damages, officials say they have no idea where the informer is.

"We're also considering a class action suit," said Mrs. Florence Isbell of the local American Civil Liberties Union as she leafed through files with more than 20 similar cases.

On Oct. 3, 1969, a number of state and local narcotics agents in Whittier, Calif., drank beer and highballs for two hours in a local bar as they awaited completion of search warrants for a drug raid on Apartments B and D at 8033 South Comstock.

However, they initially entered the apartment of Mrs. Florence Mehan at 8031 South Comstock. Realizing their mistake, the agents went upstairs to the correct address.

Drawn by the commotion, Mrs. Mehan's son-in-law, Heyward Henry Dyer, 22, and his 22-month-old son, Francis, went to the Mehan apartment.

Suddenly, a bullet crashed through the ceiling. It pierced Mr. Dyer's skull, killing him instantly.

The shot came from an AR–15 military rifle, which one of the agents upstairs, Sgt. Frank Sweeney, was not authorized to carry. He said it had fired accidentally.

No one in that upstairs apartment was arrested. A coroner's jury decided that Mr. Dyer died by criminal means, but the district attorney's office declined to prosecute.

Sergeant Sweeney, among others, was later suspended from duty without pay for a time.

Three weeks ago a court awarded the family $900,000 damages.

COMPLEX REASONS

The reasons behind these mistaken raids are varied and complex. But they are tied intimately to the veritable explosion of Government drug enforcement activities in recent years.

At its formation in 1968 the Bureau of Narcotics and Dangerous Drugs, the main Federal arm against drugs, had 615 agents and a $14-million budget. Now it has 1,586 domestic agents and a $74-million budget. On July 1, a new Drug Enforcement Administration will absorb most of the Federal efforts, including the bureau. These efforts cost about $245 million a year.

With its sudden growth, the bureau has had to do some fast recruiting. "A majority of our people come to us right out of college," said Richard Ulrich, administrative officer for the National Training Institute, the bureau's training arm, "and some of them have law enforcement experience."

The institute runs a 10-week school for new agents and hundreds of local policemen, with 600 hours of instruction, including 26 hours on due process and the Constitution's Fourth Amendment, which prohibits "unreasonable searches and seizures." But apparently attendance is not required; some agents involved in mistaken raids had not taken the course.

The raids are frightening for both raided and raider. The tactics are based in part on the theory that a sudden, overwhelming display of police force will quash any thought of resistance and secure evidence before it can be disposed of.

"You have to go in with the idea that this guy is going to fight," said Clyde Charles, an agent who asked that his real name not be used. "He's always being shaken down by other pushers. So you figure you'll be staring down a gun barrel."

"I've been on 200 or so raids," he continued, "and the no-knock is the scariest. You ask yourself what would you do if your door came crashing down at 3 A.M. and you had a gun. You'd let go, right? Personally, I think the danger might outweigh the value."

Officials of the bureau, which works against big-time pushers, say they have executed "two or three" no-knock raids; officials for the Office of Drug Abuse Law Enforcement, which concentrates on smaller drug dealers, say they have done "above 100."

But the agents themselves admit to some "funny business" regarding the requirement to announce themselves on other than no-knock raids. "You might whisper, 'Open up! Police!,' " one said, "or you could yell it the instant before you hit the door."

Another drug official added: "It's hard for outsiders to set a normal standard of behavior. You can't ask an agent to spend three months on a case and then expect him to announce himself politely and listen to every toilet on the floor flush away the evidence. You have to be a saint to do that."

Another agent said, "If you spend weeks undercover, living in a hole and dealing with drug people, your whole life-style changes and perhaps your morals too. Sometimes there's a thin line between the hunted and the hunter."

"This is dirty scummy work," said Myles J. Ambrose, head of the Office of Drug Abuse Law Enforcement. "You see these vermin selling drugs and what they do to people and our cities and you get sickened and angry and perhaps you take your hostilities and frustrations out on some guy's bookcase. It's not right. But how are you going to prevent it?"

EXHIBIT 6

[From the Washington Post, June 8, 1974]

WILSON WON'T FIGHT "NO-KNOCK" REPEAL

(By Stephen Green and Alfred E. Lewis)

A bipartisan move in the Senate to repeal the authorization for controversial no-knock search and arrest warrants prescribed in the 1970 D.C. crime act will not face opposition from Jerry V. Wilson, chief of the metropolitan police department, which was supposed to benefit from the measure.

"I won't object," Wilson said yesterday. "It won't affect us one way or another." He said that D.C. police have not used no knock warrants since October, 1971.

Sen. Sam J. Ervin, Jr., (D-N.C.) introduced a bill Thursday to repeal the no-knock authorization sections of the D.C. crime act as well as a similar section in the federal Comprehensive Drug Abuse Prevention and Control Act of 1970.

Yesterday Sen. Charles H. Percy (R-Ill.) also introduced a bill that would get rid of the authorization for no-knock warrants.

Ervin's bill is stronger than Percy's for it would allow innocent victims of no-knock searches to sue the government for damages as well as the police officers involved.

Ervin had opposed both the D.C. law and federal drug act on civil libertarian grounds. Percy, however, had voted for both measures.

Percy yesterday explained that he has changed his opinion because "the dangers and abuses that were predicted by some Senators have unhappily come to pass over the last few years."

He referred specifically to the widely publicized, mistaken drug raids by federal agents at Collinsville, Ill., in April, 1973, as "perhaps the most notorious example of this official lawlessness."

Federal and local narcotics officers raided two homes and terrorized the occupants in that incident until they realized they had gone to the wrong dwellings.

Geoffrey Alprin, chief lawyer for the D.C. police department has said the use of no-knock can increase the possibility of injuries both to police and occupants of homes.

". . . There might be a shootout; that's not what we want," he said.

"I believe that it is essential that these unconstitutional and unnecessary provisions be repealed," Ervin said.

He said repeal would still let police use no-knock warrants under certain circumstances, such as when law enforcement officials believe persons within a dwelling are in imminent danger of bodily harm.

The no-knock warrant authorization in the D.C. crime act and the federal drug law allow issuance if a regular warrant is likely to permit destruction of evidence or permit a suspect to escape.

Another controversial section of the D.C. crime act is preventive detention, which allows judges to jail a defendant without bond, before trial, if he is deemed to be a danger to the community.

Preventive detention has been used sparingly and has not aroused civil libertarians as much as the no-knock warrants. The day the law was enacted, for example, activist Julius Hobson publicly pledged to shoot any policeman trying to enter his home under the no-knock authority. The Rev. David Eaton, senior minister of All Souls Unitarian Church, 16th and Harvard Streets NW urged members of his congregations to do the same.

EXHIBIT 7

ADDITIONAL VIEWS OF MESSRS. ERVIN AND HART

The requirement of prior notice of authority and purpose before forcing entry into a home is deeply rooted in our heritage and should not be given grudging application (Mr. Justice Brennan speaking for the Court in *Miller* v. *U.S.*, 357 U.S. 301).

We strongly favor the general purposes of Controlled Dangerous Substances Act of 1969. In our opinion, drug abuse is one of the most serious problems facing our nation, and the Subcommittee on Juvenile Delinquency should be complimented for dealing with this difficult challenge. We believe that the proposed bill makes some very commendable changes in our laws relating to the severity of penalties which cover drug violations. Mandatory minimum sentences for drug violations are virtually eliminated and the committee has readjusted the laws dealing with marihuana to distinguish the young, casual user, the continuous user, and the professional criminal. The bill creates a Commission to study the effects of marihuana and its result, we hope, will be to provide a better understanding with respect to the dangers of this drug or the lack of them.

Despite our general approval of the bill, we feel that in its effort to facilitate law enforcement, the committee went too far in dealing with search warrants involving felony drug offenses by including section 702(b) in the bill which allows an officer to enter a home without notice if the issuing magistrate is satisfied that there is probable cause to believe that if such notice were given the evidence sought in the case may be easily and quickly disposed of or that danger to the life or limb of the officer or another may result.

We opposed this section in the Judiciary Committee on both constitutional and policy grounds. However, section 702(b) was retained in the bill by a vote of 6–5; even though, 8 of the committee members have now joined in opposing the section. We hope that the Senate will support my amendment to strike section 702(b) from the bill.

Beyond constitutional objections, we feel the section is controversial enough to warrant a serious examination, which it has not received from the Juvenile Delinquency Subcommittee, to study its possible effects on police practices and law enforcement efficiency; and we believe the Senate should agree to strike the provision. In the event the Senate fails to strike section 702(b), the bill should be recommitted to the Judiciary Committee with instructions to reopen this question with full hearings on it.

CONSTITUTIONAL CONSIDERATIONS

The rule that governmental authorities should announce their presence before entering a home is deeply rooted in our common law. It is generally thought to have originated in the 1603 decision in Seymayne's case (77 Eng. Rep. 194 (K.B. 1603)). In that case, the court said in dictum:

"In all cases when the King is party, the sheriff (if the door be not open) may break the party's house, either to arrest him, or to do other execution of the King's process, if otherwise he cannot enter. But before he breaks in, he ought to signify the cause of his coming, and to make request to open door * * *."

Down through the years, there has been a clear judicial application in the common law of the rule of announcement to service of warrants for arrest and warrants for searches. The rule of announcement has been embodied in statutory form in half of the states and recognized by judicial decisions in the others. However, beyond the legal tradition of receiving announcement, we personally believe that the principle is embodied in the fourth amendment to the U.S. Constitution. The fourth amendment states:

"The right of the people to be secure in their persons, houses, papers, and effects against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by Oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized."

Since the exception to the announcement principle, section 702(b), which we are considering is embodied in a possible Federal statute, the principle would have to be constitutionally founded to negate the statute in spite of its common law hearings. Because a Federal statute (18 U.S.C. 3109), requires announcement, the Supreme Court has never been called upon to determine the constitutional basis of this principle regarding Federal officers. The Court has, however, considered the announcement question with regard to state officers in Kerr. v. California (374 U.S. 23 (1963)), and for this reason, the Ker case has to be closely examined.

The Ker opinion was very unclear with the Justice dividing on several issues; but on balance, the case clearly pronounces the announcement principle a Federal constitutional requirement. Four Justices, in an opinion by Justice Brennan, flatly took the position that the announcement principle was implicit in the fourth amendment and voted to overturn the convictions below because the unannounced entry was not justified by exigent circumstances. Four Justices, in an opinion by Justice Clark, voted to affirm the convictions not because State officers were not bound by a Federal constitutional announcement requirement but because "in the practical circumstances of this case, the officer's method of entry * * * was not unreasonable under the Fourth Amendment * * *." The position of the ninth Justice, Justice Harlan, was that the States should not be bound by the same standards of search and seizure as is the Federal Government; so, his vote in Ker is no denial that the rule of announcement is constitutionally mandated for Federal officers.

Thus, it is very clear that at least eight members of the Court in Ker, the only case in this area, considered the announcement principle a constitutional requirement of the fourth amendment.

Of course, common law exceptions have been created to the announcement rule. Justice Brennan summarized these exceptions in *Ker* v. *California*, as "(1) where the persons within already know of the officers authority and purpose, or (2) where the officers are justified in the belief that persons within are in imminent peril of bodily harm, or (3) where those within made aware of the presence of someone outside (because, for example, there has been a knock at the door), are then engaged in activity which justifies the officers in the belief that an escape or the destruction of evidence is being attempted."

(1)

It is with regard to authorization in section 702(b) for a "no knock" provision if "there is probable cause to believe that if such notice were to be given the property sought in the case may be easily and quickly destroyed or disposed of * * *" which raises the most serious constitutional problem. This clause is ambiguous. Presumably the "may be * * * easily and quickly destroyed" refers to the nature of the property sought by which it lends itself to easy destruction; that is, the clause means the property "can be easily destroyed" rather than in the circumstances of the particular case it "might be easily destroyed." Thus, if the property sought is marihuana or heroin which can easily be washed down a sink or flushed down a toilet, the magistrate could with little more being shown insert in the warrant a "no knock" authorization:

Of course, the clause might mean that the officers have to present to the magistrate particular information which leads them to reasonably conclude that the occupants of a dwelling have specifically resolved to effect disposal in the event of police intrusion or have made specific preparations in that regard. But it can also be read as meaning merely that, given the easy destructability of the material sought and its incriminating nature as evidence, a reasonably prudent law breaker "is likely" to make every effort to destroy it. Thus, the statute will greatly expand the existing common law exception to the announcement principle.

We believe that the statements of Justice Clark and Justice Brennan in the Ker case preclude this latter rationale. Justice Clark's statement is more ambiguous, but it clearly does not go that far, and the facts of the case would suggest that the constitutionality of any statute used in such a way would be placed in doubt.

The facts in the Ker case are these: State officers had observed conduct occurring between Ker and a narcotics dealer exactly paralleling that observed the previous night when an undercover officer had bought narcotics from the dealer. The officers attempted to follow Ker's car but it made a U turn in the middle of a block, and they lost it. They then proceeded to Ker's apartment building, obtained a pass key from the manager, and entered the apartment surreptitiously, discovering Ker in the living room, his wife in the kitchen, and the marihuana in plain view.

After constitutionally enshrining the announcement principle, the Court in Ker proceeded to consider whether or not the judicial officers at the time of the arrest could find exigent circumstances justifying an authorization to break without notice. In other words, did the facts in Ker relate a reasonable and constitutional exception to the announcement principle? Justice Clark viewed the case as presenting exigent circumstances He said:

"Here justification for the officers' failure to give notice is uniquely present. In addition to the officers' belief that Ker was in possession of narcotics which could be quickly and easily destroyed, Ker's furtive conduct in eluding them shortly before the arrest was ground for the belief that he might well have been expecting the police."

Although Justice Clark cited the easy destructibility of the materials sought, it is evident from the quoted paragraph and the context of the entire opinion that it was not this fact alone or primarily that justified the officers' conduct. It was rather that the officers could reasonably have believed from Ker's conduct that he knew he was under surveillance and probably subject to imminent arrest. His "furtive" conduct in losing them could and did reasonably suggest to the officers that Ker's intention would be as rapidly as possible to destroy the evidence which could convict him. On this set of facts and reasonable beliefs there was thus activated two exceptions to the announcement rule. The first is that if objective facts and reasonable conclusions drawn therefrom lead officers to believe that suspects are in the process of destroying evidence they can break and enter without complying with the announcement rule or any other such restriction. The second exception is the commonsense one that if one's identity, authority and purpose are already known to the person within you need not waste your time telling him what he already knows. From Justice Clark's statement of facts and discussion of the issues, while somewhat hazily presented, it seems clear to me that the opinion must be read as grounded on these established exceptions and to lend no support to the constitutionality of section 702(b).

Justice Brennan, on the other hand, would have been even more restrictive. He would permit no exception to the announcement rule, whether it related to the destruction of evidence, the escape of the suspect, or danger to others, that did not turn in some way upon the facts or the probability that the occupant of the dwelling was aware of the officer's presence, identity, and purpose. This view would obviously not allow the insertion of a "no knock" authorization into a warrant by the magistrate because at that stage of the proceedings none of the exigent circumstances justifying failure to give notice could be present.

Presumably, under the Clark view there are a few instances in which the state of known facts at the time of the issuance of the warrant could justify the insertion of a "no knock" authorization. But this would be a distinctly minority case established only upon a particular showing as in *Ker* and not upon the easy destructibility of the evidence sought or the class of violators involved. Yet, this could hardly be what the proponents of section 702(b) have in mind. We believe the "easy destructibility" of the evidence standard in this proposed law is intended to allow the insertion a "no knock" authorization in every warrant issued for the seizure of narcotics. Such authority, even if the accused were a known criminal, would constitute a gross invasion of constitutional rights and would, we believe, suffer the same fate as the same claimed authority has recently suffered in California.

In the recent case of *People v. Gastelo* (67 Calif. 2d 586) the California Supreme Court rejected the arguments which have been made for section 702(b). In *Gastelo,* police went to an apartment where defendant was living, with a search warrant for narcotics. They broke in, without announcing, found defendant asleep, and discovered narcotics during the search. The state defended the unannounced entry on the basis that narcotics are easily destroyed and that narcotics violators normally are always on the alert to destroy them quickly at the first sign of a policeman. The court rejected the argument. "We do not agree with this contention. Neither this court nor the United States Supreme Court has held that unannounced forcible entries may be authorized by a blanket rule based on the type of crime or evidence involved." Continued Chief Justice Traynor:

"Under the fourth amendment, a specific showing must always be made to justify any kind of police action tending to disturb the security of the people in their homes. Unannounced forcible entry is in itself a serious disturbance of that security and cannot be justified in a blanket thesis. Otherwise the constitutional test of reasonableness would turn only on practical expendiency, and the amendment's primary safeguard—the requirement of particularity—would be lost. Just as the police must have sufficiently particular reason to enter at all, so must they have some particular reason to enter in the manner chosen (*supra,* 67 Calif. 2d, 588–589, 432 P. 2d 708)."

Similarly, in the case of *People v. De Santiago* (71 A.C. 18, 76 Calif. Rptr. 809, 453 P. 2d. 706 (1969)) the court specifically rejected the contention that noncompliance with the announcement requirement could be based upon an officer's general experience relative to the disposability of the kind of evidence sought and the propensity of offenders to effect disposal. Rather, the court reiterated, noncompliance must be justified because of the particular circumstances of the case which give rise to a reasonable belief that immediate action is necessary to prevent the destruction of evidence. Both decisions, of course, were interpretations of the California notice statute, but both had decided fourth amendment overtones.

The announcement principle is only one aspect of the constitutional protection embodied in the fourth amendment. It, as well as the requirements of probable cause, particularly, and prior approval of an impartial magistrate, embody the wisdom revealed by the experience of the Founding Fathers to whom the abuse of the general warrant and the unrestricted search was particularly abhorrent. Thus, the requirement of probable cause restricts police power whether to invade a citizen's privacy. The announcement requirement restricts police power as they invade a citizen's privacy. The particularity requirement restricts police power after they invade a citizens privacy by restricting the scope of the search to the items named and the places to be searched to those likely to contain the named items.

It is established constitutional doctrine that the facts that the police have a right to be where they are does not give them an unlimited range of freedom of activity once they get there. Similarly, we believe, the fact that they have a right to get where they are going does not give them an unlimited power, under warrant or not, to get there in any manner they choose. Regardless of how great the probable cause to believe a man guilty of a crime, in possession of contraband, or concealing evidence, the announcement requirement accords him a reasonable opportunity to surrender his privacy to minimal compulsion, and not yield to force.

Even if one concedes for the sake of argument that section 702(b) is not unconstitutional on its face, it is obvious that it will be unconstitutional as applied in virtually every instance in which it is used because police officers cannot possibly have advance knowledge that either of the specified emergencies will exist in the overwhelming majority of all instances where the section is invoked. It is manifest that the section will be construed to permit the issuance of a "no knock" warrant if the material is easily destructible or the persons involved merely belong to a class of violators with a propensity to destroy such material. This being true, section 702(b) will be invoked to justify unconstitutional search and seizure under the doctrine of the *Ker* case. Also, law enforcement officers will be tempted to pretend that they are searching for narcotics in all cases for the purpose of securing a "no knock" warrant.

The second part of section 702(b) would allow an officer in executing warrants involving felony drug offenses to enter the house of another without notice if the issuing magistrate was satisfied that danger to the life or limb of the officer or another may result.

It is a well recognized exception to the announcement rule in arrest and search and seizures cases that no notice is necessary when there is a danger to the life and limb of an officer or another. For example, in *Gilbert v. U.S.* (366 F 2d 923, 928 (C.A. 9, 1966) *cert, den.* 388 U.S. 922 (1967)) the suspect was wanted for the murder of a policeman and armed bank robbery and police knew he was always armed; thus, grabbing him with no announcement was excused. Because of this rule, we see no reason to attempt to set up this exception by statute. To do so would invite the unwise temptation to legislate additional classes of exceptions.

Also, we believe that an officer and someone inside a dwelling in danger have a greater chance of being killed or wounded if the officer blusters into the home of an accused without notice. Despite the law being clear in this area, we wonder if we should allow our policemen to catch burglars by acting like burglars. At any rate, there is no reason to try to codify the existing law on the subject since it would serve no worthwhile purpose.

POLICY OBJECTIONS

As stated previously, early common law and our fourth amendment were designed to protect the sanctity of the house. Throughout the development of the law on announcement, courts continually mentioned the right of privacy to which a man in his home is entitled. Justice Brennan in the case of *Miller* v. *U.S.* (357 U.S. 301) twice mentioned that a man's home protected him from the authority of the government because of a rule of "privacy." The remarks of William Pitt in 1763 express eloquently the general principles of protection which a man's home affords him from the forces of governmental authority:

"The poorest man may in his cottage bid defiance to all of the forces of the crown. It may be frail; its roof may shake; the wind may blow through it; the storm may enter; the rain may enter; but the King of England cannot enter—all his force dares not cross the threshold of the ruined tenement."

Beyond the general aspects of the right of privacy, the rule of announcement is founded on some very practical considerations. The first is to prevent a sudden, unannounced invasion of the privacy of a citizen, guilty or innocent, with a resulting destruction of property when entry might well be effected by giving notice. The second, to safeguard the officer who might otherwise be killed or injured by a fearful householder unaware of his purpose.

The Miller decision, mentioned earlier, was not of constitutional dimensions but we believe that Justice Brennan writing for the majority lays down very sound policy considerations to guide the Congress in legislating in the area of prior notice before entering. He said:

The requirement of prior notice of authority and purpose before forcing entry into a home is deeply rooted in our heritage.

We believe for this reason alone section 702(b) should be opposed.

LACK OF COMMITTEE CONSIDERATION OF THE OVERALL PROBLEM

There is no question that section 702(b) is a hastily considered measure. In the first place, why should this section apply only to announcement in drug cases? Numbers paraphernalia on so-called "flash paper" could be readily destroyed in great quantity by the touch of a lighted match. Also, the Senate Investigations Subcommittee has received testimony that it may take no less than 30 seconds to destroy all of the evidence of a wire service headquarters. There must be other property which "might easily be destroyed" which a general investigation into this entire area of search and seizure and announcement would disclose.

If we are to have a "no knock" authorization in federal law why legislate piece-meal in this manner. We think we should not have any and if we are to have some would it not be better to have a statute of general application inserted in the body of the Federal statutes governing search and seizure. To legislate so narrowly is bound to lead to confusion and to frustration among law enforcement agencies and create the temptation among law enforcement personnel not so well favored as narcotic agents to evade the restrictions binding them.

These considerations, we submit, make it imperative that the Senate return this bill to committee if the section is not stricken with instructions that hearings be held. The subcommittee hearings reveal very little effort at all to ascertain the necessity for the proposal, its desirability, its constitutionality, its potential for abuse, and the other things we should know before we legislate. Thus, law enforcement officials should be called to relate their experiences with the announcement requirement in narcotics and other areas. Scholars and others should be called on for their considered opinions. For example, New York and Utah by statute and Minnesota by court ruling authorize "no knock" entries. How have the laws worked in those States? Have there been abuses? Has law enforcement really been improved? What is the consensus of opinion in those States?

Moreover, from the early 1950's to the two cases we cited earlier, the California courts apparently permitted police officers wide latitude and discretion in not announcing, especially in narcotics cases. Now, the California court has clamped down. Why? Were there abuses? Did the experiment not work for some reason? These and other questions can be explored fully in hearings and if we are again presented with a "no knock" bill we will have the facts and the opinions needed to legislate.

The subcommittee gave no indepth consideration to the relationship between sections 702(b) and 3109 of title 18, the general statute dealing with announcement in Federal cases. Justice Brennan in the *Miller* case said that "Congress, codifying a tradition embedded in Anglo-American law, had designated in section 3109 the reverance of the law for the individual's right or privacy in his house." Before passage of section 702(b), we feel that hearings should thoroughly explore the significance of its relationship with this law.

Section 702(b) deals only with search warrants in drug cases. It does not deal with announcement in the analogous situation of general arrest or arrest without a warrant. Most of the leading cases, such as *Miller* and *Ker*, concern the question of announcement in connection with an arrest without a warrant. So there could be potentially one rule for arrest the existing rule—and another for search warrants under the rule of section 702(b). These matters lead to further confusion which could not help the police in their efforts to administer justice, and should be considered by the subcommittee. Suppose, for example, a policeman is executing both an arrest warrant and a search warrant under section 702(b). Would the announcement rulings of the common law dealing with arrest or section 702(b) govern his actions? The fact that there is no reasonable answer illustrates the defective nature of this legislation.

Enactment of section 702(b) would create an interesting paradox in the law which should be considered in hearings. There are holdings to the effect that in the absence of notice it would not be murder for the householder to kill the invading authority. By giving officers the right to enter without notice, section 702(b) would escalate a very real conflict in the law because of the existing right of the citizen to protect his home against intruders.

When legislation is being considered on which there is substantial constitutional doubt and it involves the foundation of one provision of the Bill of Rights, it is absolutely essential that we not vote until we have investigated the matter thoroughly. In short, the subcommittee failed to work out in its hearings the full constitutional and practical implications of S. 702(b). We think the section should be opposed for this reason and if not stricken, the bill should be sent back to the Judiciary Committee to be the subject of a general investigation into the rule of announcement and unlawful entry.

CONCLUSION

We oppose section 702(b) because we believe it is of doubtful constitutionality. We oppose it because we consider it unwise policy and because of its cavalier treatment in the subcommittee hearings. Proponents of this measure say that police already have the authority which would be granted to them under section 702(b). We would be quite willing to abide by this statement and allow the general law as it is developing to control search and seizure situations and we think this is as good reason as any to delete the section from the Controlled Dangerous Substances Act of 1969. Because the present common law exceptions to the announcement principle allow Federal and State officers to disregard it in exigent circumstances involving danger, destruction of evidence, or escape of suspects, we do not believe either a delay or final failure to enact such a provision at all will have a deleterious effect on law enforcement.

Proponents of section 702(b) argue that because of the demands of effective criminal investigation and law enforcement, this legislation is necessary; therefore, despite other considerations, it should be passed. Justice Jackson in *U.S.* v. *Di Re* (332 U.S. 581 (1948)) eloquently dealt with the necessity argument in the same way that we hope the Senate will deal with it in connection with section 702(b). He said:

"We meet in this case, as in many, the appeal to necessity. It is said that if such arrests and searches cannot be made, law enforcement will be more difficult and uncertain. But the forefathers, after consulting the lessons of history, designed our constitution to place obstacles in the way of a too permeating police surveillance, which they seemed to think was a greater danger to a free people than the escape of some criminals from punishment."

William Pitt put it even more bluntly:

"Necessity is the plea for every infringement of human freedom. It is the argument of tyrants; it is the creed of slaves."

SAM J. ERVIN, Jr.
PHILIP A. HUNT.

EXHIBIT 8

[From the CONGRESSIONAL RECORD,
July 17, 1970]

DISTRICT OF COLUMBIA COURT REFORM AND CRIMINAL PROCEDURE ACT OF 1970

NO-KNOCK SEARCHES

I wish to discuss at this time the provisions about no-knock. In my judgment, the fourth amendment and the doctrine that every man's home is or should be his castle arise out of what may be correctly described as the greatest longing of the human heart. In all the countries and all the generations of the people from whom we draw our blood and our laws and our literature and our religion, we have found that one of the great hungers of the human heart where he could converse with his God, free from the world, where he could communicate with the members of his family, and where he could converse with his god, free from molestation by any individual or by government itself. So we find in the early days of the common law that the principles were laid down, hundreds of years ago, that a man's home was his castle, that a man had a right to use any means necessary to prevent anyone from intruding on his home without his consent.

The principles of the common law lay it down that a man is guilty only of justifiable homicide when he kills another to prevent him from forcibly intruding himself into his home. Of course, this rule is subject to certain actions on the part of the law; but this common law said that even an officer of the law had no right and had no power to intrude into a man's home against the will of that man, unless he first knocked at the door of that house, identified himself as an officer of the law, advised the occupants of the house of his purpose in being there, and gave them a reasonable opportunity to open that door and admit him.

The desire to have a place to which one can flee from the world is one of the most passionate hungers of the human heart. Let us go back to the Prophet Micah, for he had something to say on this subject on the day when the people were going to go up the mountain to the House of the Lord. I read from chapter 4.

But in the last days it shall come to pass, *that* the mountain of the house of the Lord shall be established in the top of the mountains, and it shall be exalted above the hills; and people shall flow unto it.

2 And many nations shall come, and say, Come, and let us go up to the mountain of the Lord, and to the house of the God of Jacob; and he will teach us of his ways, and we will walk in his paths: for the law shall go forth of Zion, and the word of the Lord from Jerusalem.

3 And he shall judge among many people, and rebuke strong nations afar off; and they shall beat their swords into plowshares, and their spears into pruninghooks: nation shall not lift up a sword against nation, neither shall they learn war any more.

I come now to the words of the Prophet Micah to which I wish to call attention:

"4 But they shall sit every man under his vine and under his fig tree; and none shall make *them* afraid: for the mouth of the Lord of hosts hath spoken *it*."

So according to the prophet Micah, "the mouth of the Lord of Hosts hath spoken it." He has said that every man shall have a right to "sit under his vine and under his fig tree, and none shall make them afraid."

That is what religion has to say on this subject.

Some time ago, I mentioned that the excuse being made for passage of this bill containing the no-knock provision is the same excuse which is always made for every infringement upon human liberty. I have quoted the remark which the distinguished statesman William Pitt made on the floor of the House of Commons several generations ago, and now I should like to quote another one of his which is apropos to this subject of the no-knock provision.

On another occasion, William Pitt stood upon the floor of Parliament and opposed a no-knock bill. The British Parliament had placed an excise tax on cider and those charged with collecting the revenues of the realm had reported that it was difficult to enforce the excise tax on cider and the only way to enforce it was to let them enter a man's house without knocking, to let them enter the house like burglars, to let them enter the house like law-enforcement officers of the District of Columbia will be able to enter, if the District of Columbia crime bill becomes law.

William Pitt was a man who recognized that eternal vigilance was the price of liberty and he stood up on the floor of Parliament and opposed the proposal that would allow no-knock entry because it was necessary to enforce the tax laws of England.

At the close of his speech in opposition to that proposal, William Pitt had this to say—and if I had the power I would write these words indelibly upon the hearts of every legislator in this Nation, including the Members of the U.S. Senate as they consider the District of Columbia crime bill.

He said:

"The poorest man may, in his cottage, bid defiance to all the forces of the Crown. It may be frail. Its roof may shake. The wind may blow through it. The storm may enter. The rain may enter. But the King of England cannot enter. All his force dares not cross the threshold of that ruined tenement."

In these words, William Pitt was proclaiming what has always been one of the proudest boasts made by our law, that every man's home is his castle. That has been the law of the United States, not only at the Federal level but also at the State level ever since George Washington took his first oath of office as President of the United States.

Mr. President, here we have a proposal, made in the good year of our Lord 1970, that a man's home shall no longer be his castle, that any officer of the law having the power to make an arrest or to execute a search warrant, shall have the legal power to enter the home of any citizen of the District of Columbia, in like manner in which a burglar now illegally enters the homes of people to rob them—in other words, by threat or stealth or by force.

Mr. President, I hold in my hand a newspaper clipping, and it reads:

No-Knock Raiders: Armed Prince Georges Deputies Smash Into Wrong Home

A Prince Georges County woman was awakened about 1 a.m. yesterday by a crew of armed county deputy sheriffs who had broken into her apartment with a sledge hammer.

Maj. Daniel D. Ballard of the Prince Georges County sheriff's office yesterday confirmed the incident but said it was all a mistake.

He said that a squad from the sheriff's office conducting a drug raid had divided into three sections in order to assure surprise.

That is what no-knock is for, all right, to assure surprise.

It surely must have been a surprise to the lady, to have someone knock down her door at 1 a.m. in the morning with a sledge hammer.

I am sure that Senators need not bother with the thought that their doors will be knocked down with a sledge hammer at 1 o'clock in the morning, if the District of Columbia crime bill becomes law, because everyone knows whose doors are going to be knocked down.

They are going to be the poor, the humble, and the helpless, not persons of affluence or political power.

I continue to read:

He said that a squad from the sheriff's office conducting a drug raid had divided into three sections in order to assure surprise and to cover all entrances to a nearby apartment that was the actual target of the raid.

Ballard said that one section blundered into the apartment of Margaret O. Malloy. That section had been assigned to enter through the rear of the apartment that was to be raided and erred because there were no numeral markers there, Ballard said.

Mrs. Malloy, 58, who lives at 7308 Forest Rd. with her son John, 23, came into the living room to find a half-dozen men armed with pistols and with blackjacks protruding from their rear pockets. They were wearing civilian clothes, not uniforms.

I guess that was another way they had of surprising people.

I continue to read:

As Mrs. Malloy recounted the incident yesterday, she said she found herself staring down the barrel of a rifle held by a crouching man who wore a bandolier across his sports shirt.

"My God, what's happened?" asked Mrs. Malloy, shaking, as she later said, "like a leaf."

"This is a raid. We're Prince Georges County sheriffs," a spokesman for the group told her, she said.

"Isn't this 7302 Forest Rd.?" he asked.

"No," answered Mrs. Malloy's son. "This is 7308," she recounted.

"We've got the wrong apartment. I'll be right back and explain," the spokesman told her.

If we pass this District of Columbia crime bill, they will have a better explanation to give for raids when they knock people's doors down with sledgehammers. They can say that this honorable body, this guardian of the rights of the people, the U.S. Senate, authorized them to do it. They will have a better explanation in the eyes of some people. But in my opinion, it will be worse. I would a whole lot rather not have Prince Georges County sheriffs or law-enforcement officers of the District of Columbia break into the homes of people with sledgehammers at 1 o'clock in the morning without any consent, and as a Member of the U.S. Senate I affirm here and now that they will not get my consent to do so.

So, if they tell the truth in the future, they will have to say that the Senator from North Carolina attempted to prevent episodes of this kind.

I continue to read:

Mrs. Malloy and her thoroughly awakened neighbors then watched the group make its way to the nearby apartment.

They saw the search party go to 7302 Forest Rd. to a third floor apartment similar to Mrs. Malloy's.

Mrs. Malloy and her neighbors said they could hear screams and an unexplained shot as they saw pictures being removed from the walls and vases smashed, she said.

Ballard said that at the second address eight arrests were made and that $2,500 worth of heroin and other illegal drugs were seized. After the raid, a deputy returned to apologize to Mrs. Malloy, she said.

Mrs. Malloy said she believes in upholding the law but that she hopes the sheriff will be more careful next time.

"I have high blood pressure," she said.

I am afraid I will acquire high blood pressure, because it almost gives me high blood pressure to hear it solemnly advocated in the Congress of the United States that we do away with the boast in our law that a man's home is his castle and that we allow officers of the law and make it legal for officers of the law to enter houses of our citizens in like manner to that in which burglars now and have always entered them.

Mr. President, I would like to point out, of course, that they say these are bad men and that we are after bad men. Of course, sometimes they get good ladies like Mrs. Malloy.

I will read from the opinion of the Supreme Court of the United States in Miller against United States, reported in volume 2, lawyers' edition of the Supreme Court reports, second series, at page 1332 as to what the law says. It is also reported in the official edition of the reports of the U.S. Supreme Court, 357 U.S. at page 301.

Speaking of an act of Congress applicable to the District of Columbia which is to be done away with by the District of Columbia crime bill—this statute which requires an officer to notify occupants of the house of his presence and purpose before he enters—the Supreme Court says:

"Congress, codifying a tradition embedded in Anglo-American law, has declared in § 3109 the reverence of the law for the individual's right of privacy in his house.[11] Every householder, the good and the bad, the guilty and the innocent, is entitled to the protection designed to secure the common interest against unlawful invasion of the house. The petitioner could not be lawfully arrested in his home by officers breaking in without first giving him notice of their authority and purpose. Because the petitioner did not receive that notice before the officers broke the door to invade his home, the arrest was unlawful, and the evidence seized should have been suppressed.

This decision of the Supreme Court has much to say about the boast of our law that every man's home is his castle. For this reason, I ask unanimous consent that a complete copy of the opinion in Miller against United States be printed at this point in the Record.

There being no objection, the opinion was ordered to be printed in the Record, as follows:

[357 US 301, 2 L ed 2d 1332, 78 S Ct 1190,
No. 126]

William Miller, Petitioner, v. United States of America

Argued January 28, 1958—Decided June 23, 1958

[Footnotes omitted]

SUMMARY

Petitioner was convicted of federal narcotics offenses in the District Court for the District of Columbia, following a prosecution in which he sought unsuccessfully to suppress evidence consisting of marked currency found in his apartment after his arrest. Petitioner's contention was that the currency was unlawfully seized, since its seizure followed the breaking of his door by police officers who sought to arrest him without warrant, and the officers, before breaking the door, had not informed him of their purpose, in demanding admission. The conviction was affirmed by the United States Court of Appeals for the District of Columbia Circuit (100 App DC 302, 244 F2d 750).

On certiorari, the United States Supreme Court reversed the judgment below. Brennan, J., speaking for six members of the court, held that the arrest was unlawful, and the currency seized thereafter inadmissible in evidence, since the police officers had not expressly demanded admission or stated the purpose for their presence before breaking defendant's door, and the evidence did not warrant a finding that the facts known to the officers justified them in being virtually certain that defendant knew their purpose so that an announcement hereof would have been a useless gesture.

Harlan, J., concurred in the result.

Clark, J., joined by Burton, J., dissented, asserting that the evidence supported the finding of the court below that defendant, at the time the police entered his apartment, already fully understood who the officers were and that they sought to arrest him.

OPINION OF THE COURT

[357 US 302] Mr. Justice Brennan delivered the opinion of the Court.

Petitioner, William Miller, together with Bessie Byrd and her brother, Arthur R. Shepherd, was tried and convicted in the District Court for the District of Columbia for conspiracy to commit violations, and violations, of the federal narcotics laws. 26 USC § 4707a; 21 USC § 174; 18 USC § 371. The Court of Appeals for the District of Columbia Circuit affirmed, one judge dissenting, 100 App DC 302, 244 F2d 750. We granted certiorari, 353 US 957. 1 L ed 2d 908, 77 S Ct 867, to determine whether evidence seized at the time of petitioner's arrest was properly admitted against the petitioner. The evidence was $100 of marked currency which was seized by the federal officers who arrested the petitioner and Bessie Byrd at their apartment.

On March 25, 1955, at 1:35 a.m., Clifford Reed was arrested, under an arrest warrant, on a Washington, D.C. street on suspicion of narcotics offenses. Reed revealed to Wilson, a federal narcotics agent, that he purchased heroin in 100-capsule quantities from the petitioner through Shepherd. Agent Wilson knew of the petitioner as one who had trafficked in narcotics and had been convicted for a narcotics offense in 1953. Reed said that he was to meet Shepherd later that morning to make a purchase. Agent Wilson enlisted his aid to apprehend Shepherd and the petitioner. About 3 a.m. another federal narcotics agent, Lewis, carrying $100 of marked currency, went with Reed in a taxicab to Shepherd's home. Reed introduced Lewis to Shepherd as a buyer. Shepherd accepted the $100 and agreed to secure 100 capsules of heroin from the petitioner and deliver them to Lewis at Reed's apartment. Shepherd proceeded alone in the taxicab to the petitioner's apartment.

[357 US 303] The taxicab was followed by agent Wilson, officer Wurms of the Metropolitan Police Department, and other officers in police cars.[1] Shepherd was seen to leave the taxicab in front of the apartment house where the petitioner and Bessie Byrd occupied a two-room-and-bath basement apartment. The taxicab waited. Shepherd entered the basement but agent Wilson, who looked into the basement hall, could not see where he went. Shepherd came out of the basement within a few minutes and re-entered the taxicab. The taxicab was proceeding toward Reed's apartment when the officers following in the police cars intercepted it. Shepherd was arrested and searched. He did not have the marked bills on his person but admitted to agent Wilson and officer Wurms that a package of 100 capsules of narcotics found under the taxicab's front seat was put there by him when the police cars stopped the taxicab. He said that he had taken the package from behind a fire extinguisher in the basement hall where he had been sent by a "fellow" with Reed who had promised him $10 for getting it.

The federal officers returned immediately to the apartment building. About 3:45 a.m. agent Wilson and officer Wurms went to the door of the petitioner's apartment. Officer Wurms knocked and, upon the inquiry from within—"Who's there?"—replied in a low voice, "Police." The petitioner opened the door on an attached door chain and asked what the officers were doing there. Before either responded, he attempted to close the door. Thereupon, according to officer Wurms, "we put our hands inside the door and pulled and ripped the chain off, [357 US 304] and entered." [2] The officers had no arrest or search warrrant. They did not expressly demand admission or state their purpose for their presence,[3] nor did they place the petitioner under arrest until after they entered the apartment.

Bessie Byrd was also arrested in the apartment and turned over the cash she had in her housecoat. The cash included $34 of the marked currency. After an extended search the remaining $36 of marked currency was found, some in a hatbox in a closet, and the rest within the covers of a bed in the bedroom.

The Government contends that there was probable cause for arresting the petitioner and that the marked currency [357 US 305] was properly admitted in evidence because it was seized as an incident to a lawful arrest. Harris v United States, 331 US 145, 91 L ed 1399, 67 S Ct 1098. The petitioner's argument breaks down into three contentions: (1) that the officers had no probable cause to arrest the petitioner without a warrant; (2) that the search was not justified as being an incident of a lawful arrest; (3) that the arrest, and therefor the search, was in any event unlawful because the officers broke the door of petitioner's home without first giving notice of their authority and purpose in demanding admission. If any one of these contentions prevails, it is agreed that the marked money was inadmissible in evidence. In the view we take, we need consider only petitioner's third contention.

The lawfulness of the arrest of petitioner depends upon the power of the arresting officers to "break" the doors of a home in order to arrest without warrant persons suspected of having committed narcotics offenses. Agent Wilson did not have statutory authority to arrest without a warrant although officer Wurms, as a member of the Metropolitan Police Department (Headnote 2), did have such authority.[4] This Court has said, in the similar circumstance of an arrest for violation of federal law by state peace officers, that the lawfulness of the arrest without warrant is to be determined by reference to state law. United States v Di Re, 332 US 581, 589, 92 L ed 210, 217, 68 Ct 222; Johnson v United States, 333 US 10, 15, 92 L ed 436, 441, 68 S Ct 367. By like reasoning the validity of the arrest [357 US 306] of petitioner is to be determined by reference to the law of the District of Columbia.

In making reference to that law we are mindful of our policy of not interfering (Headnote 3) with local rules of law fashioned by the courts of the District of Columbia. Fisher v United States, 328 US 463, 476, 90 L ed 1382, 1391, 66 S Ct 1318; Griffin v United States, 336 US 704, 715, 93 L ed 993, 999, 69 S Ct 814. But the Government agrees with petitioner that the validity of the entry to execute the arrest without warrant must be tested by criteria identical with those embodied in 18 UCS § 3109, which deals with entry to execute a search warrant.[5] That section provides that an officer, executing a search warrant, may break open a door only if, "after notice of his authority and purpose," he is denied admittance. The Government states in its brief that, "where an arrest is made on probable cause rather than a warrant, these statutory requirements must be met before an officer can force entry into an apartment." These statutory requirements are substantially identical to those judicially developed by the Court of Appeals for the District of Columbia in Accarino v United States, 85 App Circuit in Accarino v United States, 85 App DC 394, 179 F2d 456, 465. Since the rule of Accarino (Headnote 4) bears such a close relationship to a statute which is not confined in operation to the District of Columbia, we believe that review is warranted here. Cf. Del Vecchio v Bowers, 296 US 280, 80 L ed 229, 56 S Ct 190; Carroll v United States, 354 US 394, 414, 1 L ed 2d 1442, 1454, 77 S Ct 1332.

From earliest days, the common law drastically limited the authority of law officers (Headnote 5) to break the door of a house [357 US 307] to effect an arrest.[6] Such action invades the precious interest of privacy summed up in the ancient adage that a man's house is his castle. As early as the 13th Yearbook of Edward IV (1461–1483), at folio 9, there is a recorded holding that it was unlawful for the sheriff to break the doors of a man's house to arrest him in a civil suit in debt or trespass, for the arrest was then only for the private interest of a party. Remarks attributed [7] to William Pitt, Earl of Chatham, on the occasion of debate in Parliament on the searches incident to the enforcement of an excise on cider, eloquently expressed the principle:

"The poorest man may in his cottage bid defiance to all the forces of the crown. It may be frail; its roof may shake; the wind may blow through it; the storm may enter; the rain may enter; but the King of England cannot enter—all his forces dares not cross the threshold of the ruined tenement!"

But the common law recognized some authority in law officers to break the door of a dwelling to arrest for felony. The common-law authorities differ, however, as to the circumstances in which this was the case. Hawkins says: "where one lies under a probable Suspicion only, and is not indicted, it seems the better Opinion at this Day. That no one can justify the Breaking open Doors in Order to [357 US 308] apprehend him." 2 Hawkins, Pleas of the Crown, c. 14 § 7 (1762); see also Foster, Crown Law, 321 (2d ed. 1776). Coke appears to have been of the same view, and to have thought that the breaking of a house was limited to cases in which a writ, now our warrant, had issued. Co. 4th Inst. 177. On the other hand. Hale says that "A man, that arrests upon suspicion of felony, may break open doors, if the party refuse upon demand to open them . . ." 1 Hale, Pleas of the Crown, 583 (1736).

Whatever the circumstances under which breaking a door to arrest for felony (Headnote 6) might be lawful, however, the breaking was unlawful where the officer failed first to state his authority and purpose for demanding admission. The requirement was pronounced in 1603 in Semayne's Case, 5 Coke 91, 11 ERC 629, 77 Eng Reprint 194: "In all cases where the King is party, the sheriff (if the doors be not open) may break the party's house, either to arrest him, or to do other execution of the K[ing]'s process, if otherwise he cannot enter. *But before he breaks it, he ought to signify the cause of his coming, and to make request to open doors. . . .*" (Emphasis supplied.)

The requirement stated in Semayne's Case still obtains. It is reflected in 18 U.S.C. § 3109, in the statutes of a large number of States,[8] and in the American Law [357 US 309] Institute's proposed Code of Criminal Procedure, § 28.[9] It applies, as the Government here concedes (Headnote 7), whether the arrest is to be made by virtue of a warrant, or when officers are authorized to make an arrest for a felony without a warrant. There are some state decisions holding that justification for noncompliance exists in exigent circumstances, as, for example, when the officers may in good faith believe that they or someone within are in peril of bodily harm, Read v Case, 4 Conn 166, 10 Am Dec 110, or that the person to be arrested is fleeing or attempting to destroy evidence. People v Maddox, 46 Cal2d 301, 294 P2d 6.

But whether the unqualified requirements of the rule admit of an exception justifying noncompliance in exigent circumstances is not a question we are called upon to decide in this case. The Government makes no claim here of the existence of circumstances excusing compliance. The Government concedes that compliance was required but argues that "compliance is evident from the events immediately preceding the officers' forced entry."

The rule seems to require notice (Headnote 8) in the form of an express announcement by the officers of their purpose for demanding admission. The burden of making an express announcement is certainly slight. A few more words by [357 US 310] the officers would have satisfied the requirement in this case. It may be that, without an express announcement of purpose, the facts known to officers would justify them in being virtually certain that the petitioner already knows their purpose so that an announcement would be a useless gesture. Cf. People v Martin, 45 Cal2d 755, 290 P2d 855; Wilgus, Arrest Without a Warrant, 22 Mich L Rev 798, 802 (1924).[10] But even by that test the evidence upon which the Government relies (Headnote 9) was not sufficient to justify the officers' failure expressly to notify the petitioner that they demanded admission to his apartment for the purpose of arresting him.

The single fact known to the officers upon which the Government relies is the "split-second" occurrence in which the petitioner evinced "instantaneous resistance to their entry," an "almost instinctive attempt to bar their entry after they [the officers] had identified themselves as police . . . ." It is argued that this occurrence "certainly points up that he knew their purpose immediately . . . [and], at once, realized that he had been detected and that the officers were there to arrest him"; [357 US 311] that "[i]t would be wholly unrealistic to say that the officers had not made their purpose known because they did not more formally announce that they were there to arrest him."

But, first, the fact that petitioner attempted to close the door did not of itself prove that he knew their purpose to arrest him. It was an ambiguous act. It could have been merely the expected reaction of any citizen having this experience at that hour of the morning, particularly since it does not appear that the officers were in uniform, of. Accarino v. United States, supra 85 App. DC at 403, 179 F2d at 465, and the answer "Police" was spoken "in a low voice" and might not have been heard by the petitioner so far as the officers could tell.

Second, petitioner's reaction upon opening the door could only have created doubt in the officers' minds that he knew they were police intent on arresting him. On the motion to suppress, Agent Wilson testified that "he wanted to know what we were doing there." This query, which went unanswered, is on its fact inconsistent with knowledge. The majority of the Court of Appeals denied the import of the query by inferring that Miller knew Wilson and Wurms personally and recognized them as soon as he opened the door. That inference has no support in the record.[11] But even if this inference were [357 US 312] supportable, Miller's recognition of Wilson and Wurms as police officers would not have justified them, in light of other facts known to them, in being virtually certain that Miller actually knew the reason for their presence. The officers knew that petitioner was unaware of Shepherd's arrest; they knew that he was unaware that the currency was marked; they knew that he was unaware that their presence was pursuant to a plan, initiated by Reed's disclosures, to catch the petitioner in a criminal act. Moreover, they did not actually know that petitioner had made a sale to Shepherd and received the marked money, for Shepherd had not talked and had not been seen to enter petitioner's apartment. The fact that the marked money was found in the apartment had no bearing upon the petitioner's knowledge of the officers' purpose since he did not know that the money was marked. This Court said in United States v. Di Re, supra, (322 US at 595): "We have had frequent occasion to point out that a search is not to be made legal by what it turns up (Headnote 10). In law it is good or bad when it starts and does not change character from its success." The most that can be said is that the petitioner's act in attempting to close the door might be the basis for the officers being virtually certain that the petitioner knew there were police at his door conducting an investigation. This, however, falls short of a [357 US 313] virtual certainty that the petitioner knew of their purpose to arrest him. The requirement is not met except by notice of that purpose, for the Government admits that the officers had no authority to break the petitioner's door except to arrest him. We must, therefore, conclude (Headnote 3) that the petitioner did not receive the required notice of authority and purpose.

We are duly mindful of the reliance that society must place for achieving law and order upon the enforcing agencies of the criminal law. But insistence on observance by law officers (Headnote 11) of traditional fair procedural requirements is, from the long point of view, best calculated to contribute to that end. However much in a particular case insistence upon such rules may appear as a technicality that insures to the benefit of a guilty person, the history of the criminal law proves that tolerance of short-cut methods in law enforcement impairs its enduring effectiveness. The requirement of prior notice of authority and purpose before forcing entry into a home is deeply rooted in our heritage and should not be given grudging application. Congress, codifying a tradition embedded in Anglo-American law, has declared in § 3109 the reverence of the law for the individual's right of privacy in his house.[12] Every householder (Headnote 12), the good and the bad, the guilty and the innocent, is entitled to the protection designed to secure the common interest against unlawful invasion of the house. The petitioner (Headnote 13) could not be lawfully arrested in his home by officers breaking in without first giving him notice of their authority and purpose. Because the petitioner did not receive that [357 US 314] notice before the officers broke the door to invade his home, the arrest was unlawful, and the evidence seized should have been suppressed.

Reversed.

Mr. Justice Harlan concurs in the result.

SEPARATE OPINION

Mr. Justice Clark, with whom Mr. Justice Burton concurs, dissenting.

I agree that a requirement of prior notice of authority and purpose should not be given a "grudging" application. But by the same token it should not be reduced to an absurdity. A majority of the Court of Appeals has concluded that petitioner, at the time the police entered his apartment, "already fully understood who the officers were and that they sought to arrest him." 100 App DC 302, 244 F2d 750, 758. The entry, therefore, was held valid under District of Columbia law.[13] [357 US 315] This Court now superimposes upon the local rule of the District an artificial and unrealistic requirement that, even under the circumstances found here, police must make "an express announcement" in unmistakable words that they are the police and have come to make an arrest.

The Court attempts to justify interference in local law by what it terms a "concession" of the Government that validity of the entry must be tested by a federal statute relating to forcible entry to execute a search warrant.[14] But the fact that the Government seeks clarification of a general federal statute, possibly to serve its purposes in prosecutions elsewhere, is no reason for us to oblige, especially when the result is to subvert existing local law. In the process, the Court reverses the conviction of a wholesale narcotics violator with a previous record in the traffic who carries on his abominable trade by using a juvenile as his dope peddler and co-conspirator.

The facts on which the Court of Appeals found the entry valid were these: Officers trailed Shepherd as he proceeded by taxicab to purchase heroin for Lewis, a narcotics agent. Shepherd went to the apartment occupied by his sister, Mrs. Byrd, and by petitioner. The officers saw him enter the apartment building. Agent Wilson followed him to the basement entrance and saw him disappear down a lighted hall about "as long as the jury box." Other than the entrance, there were only two [357 US 316] doors into the hall, one leading into petitioner's apartment, the other into a furnace room. No one lived in the basement except petitioner and Mrs. Byrd. Wilson then withdrew to a location across the street. He saw a light go on in the furnace room, remain on shortly, and then go out. Shepherd soon emerged, re-entered the taxicab and drove away. The officers followed, arrested Shepherd, and seized 100 capsules of heroin found in the taxicab.

The opinion of the Court of Appeals graphically described the subsequent events:

"After the arrest of Shepherd, the officers, having found the 100 capsules of heroin, immediately went back to the apartment occupied by Mrs. Byrd and Miller, and, a few minutes later, knocked on the door and announced their identity. Thereupon Miller, known to the officers as a narcotics violator, having opened his door part way, recognized the officers of the narcotics squad and attempted to close the door. As he *pulled the* door to, the officers resisted his effort to close it, a chain bolt broke, and the officers arrested Miller and Mrs. Byrd." 100 App DC at 304, 244 F2d, at 752.

This summary is amply supported by the evidence. Wilson testified that petitioner previously met him when he was an agent with the Federal Bureau of Narcotics. He also knew petitioner in connection with a narcotics case. Officer Wurms testified that he too knew petitioner officially.[15] As to their entry into the apartment, Wurms testified: "I knocked on the front door . . . somebody [357 US 317] asked, 'Who's there?' I said 'Blue'—in a low voice, I said 'Police.' I repeated it two or three times in that manner. The door opened. There was a chain on the door. Blue Miller saw me, Agent Wilson, and I don't know who else he saw but he tried to close the door. . . ." Wilson described the entry this way: "There was a short struggle there between Wurms and Miller to open the door and finally the door was forced open and we got ourselves into the apartment." The officers found the marked currency and a carton of one thousand unfilled gelatin capsules. Three hundred and eighty-one such capsules filled with heroin were found in the furnace room across the hall.

As a pretrial hearing petitioner moved to suppress the marked currency, alleging that the officers had neither warrant nor probable cause for arrest. This motion was denied. At trial before a jury and a different judge the motion was renewed. In denying the motion the judge said, "I will give you the right to make another motion. You certainly have a right at the end of the testimony." Petitioner never availed himself of this opportunity.

On appeal petitioner shifted his ground, emphasizing that even if the officers had probable cause to arrest him, such authority was improperly exercised because they did not formally announce their purpose before entry. The Court of Appeals held:

"Against the background of the facts as noted and the law as summarized, we find the officers at Miller's door, knowing that a felony had been committed and having probable cause to believe it was continuing. The statute spelled out their clear duty to arrest." 100 App DC 302, 309, 244 F2d 750, 757.

The court agreed with the trial judge "that the attempt of the officers to arrest Miller at his doorway under the circumstances of this case was not unreasonable," and found [357 US 318] that the breaking of the door chain "in the course of his resistance [was] immaterial and his arrest, immediately made was justified." 100 App DC at 310, 244 F2d, at 758. Concluding that Miller without doubt was aware both of the officers' identity and purpose, the court upheld the refusal of the trial court to suppress the evidence, and found the proof of guilt "overwhelming and unanswerable."

The majority, however, brushes aside these conclusions, explaining petitioner's action in slamming the door as "the expected reaction of any citizen." This "is something entirely foreign to my concept of the respect a law-abiding citizenry pays to its law-enforcement officers. Nor can I accept the conclusion of the Court that the circumstances found by the Court of Appeals fall "short of a virtual certainty that the petitioner knew of [the officers'] purpose to arrest him." His knowledge—in the absence of an express admission by him—can never be a "virtual certainty." Rather than attempting to psychoanalyze petitioner, we should measure his * * * Court of Appeals found that they indisputably established petitioner's awareness of the police purpose. We should not disturb that finding.

The majority does not deal with the "exigent circumstances" of the case because the Government makes no claim for thus "excusing compliance" with the statute. It is to be noted, however, that the Court of Appeals expressly based its opinion on the fact that the officers "were confronted by the need for a decision arising from the necessitious circumstances of the situation." The position of the Government does not excuse us from evaluating the circumstances of the whole case. I believe that the Court of Appeals was eminently correct in its conclusion that "necessitous circumstances" here warranted the officer in entering the apartment. As that court pointed out, petitioner might have fled or hidden [357 US 319] himself or destroyed the fruits of his crime, particularly in view of his background and the visit of his brother-in-law Shepherd only a few moments before. Certainly he soon would have learned of Shepherd's arrest. Moreover, his attempt to forcibly prevent the entry of the officers into his apartment required their immediate action. Any delay might well have precluded the arrest. Destruction of the marked money might have prevented the establishment of petitioner's guilt. As the Government points out, "split-second action [was] necessary."

I would affirm the judgment on the basis of the District of Columbia rule in Accarino, 85 App DC 394, 179 F2d 456, supra, which I believe this Court should honor.[16]

Mr. ERVIN. Mr. President, I think perhaps it was very appropriate for me to speak of the Prophet Micah because this bill depends so much on prophecy and the power of prophecy.

I wish to commend the distinguished senior Senator from Maryland for the great work he has done in this field, and I withdraw any purpose to criticize him on account of the fact that this bill contains the no-knock and preventive detention provisions. He has frankly stated all of the time that he favors such provisions. He has just the same right to favor preventive detention as I do to oppose putting people in jail for crimes they have not committed and may never commit. He has exactly the same right to say that officers of the law should be given the authority to enter people's houses without prior notice as I do to maintain the right that a man's home is his castle and that it is a sacred right that should be protected.

But I do agree with the Senator on one point. He used football language to describe my efforts and the efforts of my colleagues to get a really good bill here, without these inequities, as an "end run." It was well to engage in football parlance in discussing this bill and this conference report because this conference report certainly does "kick" the Constitution all over the District of Columbia. So it is well to refer to football where so much kicking is done as in this bill. I think it was a very appropriate metaphor or simile, as one may see fit to describe it.

I wish to call attention to the no-knock provisions of this bill. They appear on pages 160 and 177. The provision on page 177 states:

"(a) Any officer authorized by law to make arrests, or to execute search warrants, or any person aiding such an officer, may break and enter any premises, any outer or inner door or window of a dwelling house or other building, or any part thereof, any vehicle, or anything within such dwelling house, building, or vehicle, or otherwise enter to execute search or arrest warrants, to make an arrest where authorized by law without a warrant, or where necessary to liberate himself or a person aiding him in the execution of such warrant or in making such arrest.

"(b) Breaking and entry shall not be made until after such officer or person makes an announcement of his identity and purpose and the officer reasonably believes that admittance to the dwelling house or other building or vehicle is being denied or unreasonably delayed.

"(c) An announcement of identity and purpose shall not be required prior to such breaking and entry—

"(1) if the warrant expressly authorizes breaking and entry without such a prior announcement, or

"(2) if circumstances known to such officer or person at the time of breaking and entry, but, in the case of the execution of a warrant, unknown to the applicant when applying for such warrant, give him probable cause to believe that—

"(A) such notice is likely to result in the evidence subject to seizure being easily and quickly destroyed or disposed of,

"(B) such notice is likely to endanger the life or safety of the officer or another person,

"(C) such notice is likely to enable the party to be arrested to escape, or

"(D) such notice would be a useless gesture.

Mr. President, the Supreme Court had occasion to consider the question of the meaning of the Fourth Amendment in respect to matters of this kind. I shall return in a few minutes to discuss this particular provision, but I wish to lay some emphasis on my belief about what Micah called the right of a man to dwell under his own vine and under his own fig tree without being afraid, and what an important right it is.

One of the recent commentaries upon the Constitution was written by Bernard Schwartz. Two of the volumes of this commentary are entitled "The Rights of the Person." These two volumes deal with these fundamental rights, which Jeremiah Black stated in his argument in Ex parte Milligan, that the Founding Fathers had garnered from the basic principles of our law, such as the Magna Charta, the Bill of Rights, and Principles of Common Law. They deal with the importance of these rights which are necessary for the individual to retain if he is to be a free man and is to live in a free society.

In volume 1 of "Rights of the Person" Mr. Schwartz stated as follows, as shown at pages 178, 179, and 180:

PRIVACY OF THE HOME

When we think of a right of privacy, constitutionally guaranteed against governmental invasions, we naturally think first of the privacy of the home, for it is such privacy that is most plainly safeguarded by explicit provisions in the basic document.

In protecting the privacy of the home, the Constitution does "but embody a principle of English liberty, a principle old, yet newly won, that finds another expression in the maxim, 'every man's home is his castle.' " As early as 1603 *Coke's Reports* could declare. "That the house of every one is to him as his castle and fortress, as well for his defense against injury and violence, as for his repose."

Certainly the notion of the home as a privileged place whose privacy may not be disrupted by governmental intrusions is one that is basic in a free society: "A sane, decent, civilized society must provide some such oasis, some shelter from public scrutiny, some insulated enclosure, some enclave, some inviolate place which is a man's castle.

The Framers themselves were deeply concerned with the problem of search by public officials. They were well aware of the abusive attempts by Crown officers, both in Britain and the Colonies, to exceed the narrow limits within which the law confined governmental powers of search. Such attempts called forth both the enduring judgment in *Entick* v. *Carrington* (1765), which imposed fundamental limitations on the power of search that are still valid, and appeals to the colonial courts, which culminated in the famous attack by James Otis against general writs of assistance in *Paxton's Case* (1761).

What Otis was concerned with was essentially (to use his own phrase), "the freedom of one's house," which he characterized as "one of the most essential branches of Enlish liberty." The general writs at issue, declared Otis, "would totally annihilate this privilege."

* * * * *

It may thus be seen that it is statutes and the law of torts—not constitutional guaranties—which forbid invasions of privacy by private individuals. The constitutional guaranties, from which (we saw in the last section) a constitutional right of privacy may be derived, are directed against government action alone.[63] To the extent that the Constitution does confer a right of privacy, it is a right against governmental invasions. It is to the principles governing such invasions that the remainder of this chapter will be devoted, dealing first with the privacy of the home and then with other aspects of the constitutional right of privacy.

Well, Mr. President, that is all this bill requires—a bare suspicion, but it does say "oath"—a bare suspicion about what is going to happen in the future. You know, Mr. President, I think if officers of the law have the uncanny capacity to prophesy what is going to happen in the future, they ought to be given the job of running our Government, because they might keep us from involving us in such problems as we are now confronted with in Vietnam. This bill requires them to be prophets if they are going to discharge the duties imposed upon them and exercise the powers it vests in them. This bill permits them to break bars and locks just as James Otis said the British customs officers in Boston were doing at the time the American people decided they would seek freedom so that they could keep their homes for their castles and not have officers of the law breaking into their houses all day and all night, as this bill would authorize them to do. Continuing to read from Schwartz' book:

To be sure, the Otis appeal on behalf of the fundamental safeguard for the liberty of the people to the colonial court, staffed as it was with judges subservient to the Crown's pleasure, failed. But a higher tribunal was ultimately to receive the issue. The debate in *Paxton's Case,* we are told by the highest Court, "was perhaps the most prominent event which inaugurated the resistance of the colonies to the oppressions of the mother country." The Otis argument, exclaimed John Adams in a famous comment over half a century after the event, "breathed into this nation the breath of life," and, "Then and there the child Independence was born."

The abuses against which Otis declaimed were part of the living experience of the men who founded the American Republic. They wrote that experience directly into the Fourth Amendment. "With the fresh recollection of those stirring discussions [respecting writs of assistance], and of the revolution which followed them, the article in the Bill of Rights, respecting searches and seizures was framed and adopted."

The Fourth Amendment categorically proclaims that, "The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated." So basic to liberty is such protection against governmental search and seizure deemed, that every state in the Union has a similar constitutional safeguard.

In section 359, we saw that the Fourth Amendment prohibition (barring, as it does, unreasonable arrests) is a basic security for the Sanctity of the Person. There can, at the same time, be no doubt that, preoccupied as the Framers were with abusive exercises of powers of search—abuses so deeply felt by them as to be one of the potent causes of the Revolution—the amendment was primarily intended "to prevent . . . unlawful invasion of the sanctity of the home." At the very core of the Fourth Amendment, the highest Court tells us, "stands the right of a man to retreat into his own home and there be free from unreasonable governmental intrusion."

The Constitution, in thus safeguarding the sanctity of the home from unlawful governmental intrusion, ensures to the person a privileged sanctuary within which he can live his own life, sheltered from public supervision and scrutiny—a place where he can enjoy what William Faulkner has called that "last vestige of privacy without which man cannot be an individual." So long as such cases of privacy exist, there is still room for exercise of that individuality that distinguishes not only our species, but each of us from the other. "A man can still control a small part of his environment, his house; he can retreat thence from outsiders, secure in the knowledge that they cannot get at him without disobeying the Constitution. That is still a sizable hunk of liberty—worth protecting from encroachment."

Mr. President, that is exactly what I am trying to do. In opposing the adoption of the conference report, I am trying to preserve for the benefit of the people of the District of Columbia, who have no one here to speak in their behalf, a liberty worth protecting from encroachment. That is precisely what the District of Columbia crime bill proposes to take from every man, woman, and child who happens to have a residence or place of business in the District of Columbia.

It would seem to me that, if Congress should be solicitous about the basic liberties and the basic constitutional rights of any of the American people, it should be solicitous about the liberties and basic constitutional rights of the people of the District of Columbia, who live here in the shadow of the Capitol which bears a flag we like to call Old Glory; the Capitol of a country which was created by men, as they stated in the Preamble to the Constitution, for the purpose of preserving to themselves and their posterity the blessings of liberty.

It is really passing strange to see this proposal for a no-knock provision. It authorizes exactly the same kind of conduct toward the people residing in the District of Columbia that the British customs officers exercised in the days of James Otis, Samuel Adams, and John Adams in respect to the people of the city of Boston.

John Adams was certainly right when he said that this abuse by the officers of the Crown of the privilege of invading the homes of the people of the city of Boston was the thing which breathed the breath of life into our Nation and gave birth to the child Independence.

Yet we have it seriously proposed in this bill that this basic right—a right which the people of America deemed so precious that they went to war to secure it—be taken from the people of the District of Columbia.

I shall come to the preventive detention question after a while, but we know that preventive detention is like the provision of this bill with relation to the swearing out of a search warrant by an officer, in that it requires a prophetic foresight, the gift of prophecy, the ability to foretell the future. And not only the future, but the future behavior of an individual. That makes it even worse. We can come nearer foretelling what the forces of nature will do than what individual human beings are going to do, because individual human beings are very much like Josh Billings' mule, in one respect. Josh Billings, in speaking of his mule, said, "It didn't kick according to no rules whatever."

I do not believe any law which depends upon the ability to prophesy individual behavior will work.

It is a strange thing, here in the year of our Lord 1970, that a serious proposal is made in the Congress of the United States—and, I might add, at the recommendation of the President of the United States and at the insistance of the Department of Justice of the United States—that Congress make sacrosanct, by law, an abuse which prompted the American people to rebel against England and seeking independence from England. That shows that the behavior of men cannot be predicted—even that of Senators and Representatives.

We had a very fine poet in North Carolina some years ago named John Charles McNeill. He wrote one little poem in which he said:

How testing truth a thousand
faces shows,
As in a broken will;
And what the father died for
in the flames
His own son scorns as error.

American patriots died in the flames for the privilege of having their home regarded as their castle. They died in the flames of the revolution to secure the right which prophet Micah called the right to sit under their own vines and under their own fig trees, where none could make them afraid.

Yet we see their descendants asking that we legitimize something which was so bad in the eyes of our ancestors that they rebelled against the mother country and obtained their freedom in order to escape from such tyranny. Now we have the President of the United States and the Department of Justice urging that this tyranny be given the sanction of Congress in the form of the District of Columbia crime bill.

I mentioned a moment ago the decision of the Supreme Court of the United States in the case of *Ker* v. *the State of California*, reported in 374 U.S. 23, 10 L.ed. 2D726, 83 S.Ct. 1623. I am going to discuss this case.

There were three opinions in the case, which involved the question of whether or not the action of officers in the State of California in entering a man's house without knocking constituted a violation of the fourth amendment.

We had one opinion written by Justice Clark, in which three other Justices concurred, making it the opinion of four Justices. Those four all agreed that the requirement that an officer of the law notify the occupants of the house of their purpose and presence, and call on them to admit them before entering the house, is a normal and inseparable part of the fourth amendment.

There was another opinion, written by Justice Brennan, in which three other Justices joined, and those four Justices concurred in the ruling of the other four Justices that the obligation to knock at the door of the house and announce their presence and purpose to make an arrest or execute a search warrant is an inseparable part of the fourth amendment, subject only to limited exceptions.

The reason the opinion written by Justice Clark became the law of the case was because Justice Harlan wrote a separate concurring opinion. Justice Harlan does not accept the theory that the due process clause of the 14th amendment made the fourth amendment applicable to the States, and that the action of State officers, when they enter the house of a citizen for the purpose of making an arrest or a search without first acquainting the citizen with their presence and purpose, is to be governed solely by the due process clause, and not by the fourth amendment.

So, by reason of this separate concurring opinion of Justice Harlan, who concurred in the result reached by the opinion of Justice Clark, Justice Clark's opinion became the judgment of the Court, although it was concurred in by only four Justices out of the nine.

Since I am going to discuss this opinion, I ask unanimous consent at this point that all of the opinions and rulings made by the Supreme Court of the United States, including the dissenting opinions and the concurring opinions, in the case of Ker against State of California, be printed in the RECORD at this point.

There being no objection, the decision was ordered to be printed in the RECORD, as follows:

[374 U.S. 23, 10 L. ed. 2d 726, 83 S. Ct. 1623, No. 53]

GEORGE D. KER ET AL., PETITIONERS, *v.* STATE OF CALIFORNIA

Argued December 11, 1962—Decided June 10, 1963

[Footnotes omitted]

SUMMARY

On the day following a California police officer's encounter with a known marijuana dealer, including the purchase from the dealer of a package of marijuana, other police officers observed an encounter between the dealer and the defendant husband, which occurred under identical surrounding circumstances except that the officers did not see any substance passing between the two men. The officers following the defendant lost contact with him when he made a U-turn in the middle of a block. Without securing a search warrant, the officers, among them one having information that the defendant husband was selling from his apartment marijuana possibly secured from the dealer, obtained from the building manager a passkey to defendants' apartment, and entered the apartment, where they found the defendant husband in the living room. The defendant wife emerged from the kitchen, and one of the officers, after identifying himself, observed through the open doorway of the kitchen a package of marijuana on a scale atop the kitchen sink. The officers then arrested both defendants and searched the apartment, finding additional marijuana in the kitchen cupboard and atop the bedroom dresser.

The defendants were convicted in the Superior Court of Los Angeles County of possessing marijuana. The convictions were affirmed by the California District Court of Appeal on the grounds that there was probable cause for the arrests, that the officers' entry into the apartment was for the purpose of arrest and was not unlawful, and that the search, being incident to the arrests, was likewise lawful and its fruits admissible in evidence against the defendants. (195 Cal App 2d 246, 15 Cal Rptr 767.)

On certiorari, the United States Supreme Court affirmed. The ultimate issue before the Court concerned the admissibility, in defendants' trial, of the marijuana seized in their apartment. Eight members of the Court agreed on the nature of the standards applicable to determine the reasonableness of a state search and seizure, but split 4 to 4 as to whether these standards were violated under the circumstances of the present case. The remaining member—Mr. Justice Harlan—concurred in the affirmative of the judgment below.

In an opinion by Clark, J., expressing the views of eight members of the Court, it was held that the question of reasonableness of a state search and seizure is governed by federal constitutional standards, as expressed in the Fourth Amendment and the decisions of the Court applying that amendment. On the other hand, Harlan, J., expressed the view that state searches and seizures should be judged by the more flexible concept of "fundamental" fairness, or rights "basic to a free society," embraced in the due process clause of the Fourteenth Amendment.

The question whether federal constitutional standards of reasonableness were violated by the search in the present case was answered in the negative in an opinion by Clark, J., joined by Black, Stewart, and White, JJ. These justices held that the search without warrant was valid as incident to a lawful arrest, made upon probable cause, and that the officers' method of entry was not unreasonable. On the other hand, Brennan, J., joined by Warren, Ch. J., and Douglas and Goldberg, JJ., expressed the view that federal constitutional standards were violated because the unannounced intrusion of the arresting officers into defendants' apartment violated the Fourth Amendment.

OPINION OF THE COURT

[374 US 24] Mr. Justice Clark delivered the opinion of the Court with reference to the standard by which state searches and seizures must be evaluated (Part I), together with an opinion applying that standard, in which Mr. Justice Black, Mr. Justice Stewart and Mr. Justice White join (Parts II–V), and announced the judgment of the Court.

This case raises search and seizure questions under the rule of Mapp v Ohio, 367 US 643, 6 L ed 2d 1081, 81 S Ct 1684, 84 ALR2d 933 (1961). Petitioners, husband and wife, were convicted of possession of marijuana in violation of § 11530 of the California Health and Safety Code. The California District Court of Appeal affirmed, 195 Cal App 2d 246, 15 Cal Rptr 767, despite the contention of petitioners that their arrests in their [374 US 25] apartment without warrants lacked probable cause[1] and the evidence seized incident thereto and introduced at their trial was therefore inadmissible. The California Supreme Court denied without opinion a petition for hearing. This being the first case arriving here since our opinion in Mapp which would afford suitable opportunity for further explication of that holding in the light of intervening experience, we granted certiorari. 368 US 974, 7 L ed 2d 437, 82 S Ct 480. We affirm the judgment before us.

The state courts' conviction and affirmance are based on these events, which culminated in the petitioners' arrests. Sergeant Cook of the Los Angeles County Sheriff's Office, in negotiating the purchase of marijuana from one Terrhagen, accompanied him to a bowling alley about 7 p.m. on July 26, 1960, where they were to meet Terrhagen's "connection." Terrhagen went inside and returned shortly, pointing to a 1946 DeSoto as his "connection's" automobile and explaining that they were to meet him "up by the oil fields" near Fairfax and Slauson Avenues in Los Angeles. As they neared that location, Terrhagen again pointed out the DeSoto traveling ahead of them, stating that the "connection" kept his supply of narcotics "somewhere up in the hills." They parked near some vacant fields in the vicinity of the intersection of Fairfax and Slauson, and, shortly thereafter, the DeSoto reappeared and pulled up beside them. The deputy then recognized the driver as one Roland Murphy, whose "mug" photograph he had seen and whom he knew from other narcotics officers to be a large-scale seller of marijuana currently out on bail in connection with narcotics charges.

[374 US 26] Terrhagen entered the DeSoto and drove off toward the oil fields with Murphy, while the Sergeant waited. They returned shortly. Terrhagen left Murphy's car carrying a package of marijuana and entered his own vehicle, and they drove to Terrhagen's residence. There Terrhagen cut one pound of marijuana and gave it to Sergeant Cook, who had previously paid him. The Sergeant later reported this occurrence to Los Angeles County Officers Berman and Warthen, the latter of whom had observed the occurrences as well.

On the following day, July 27, Murphy was placed under surveillance. Officer Warthen, who had observed the Terrhagen-Murphy episode the previous night, and Officer Markman were assigned this duty. At about 7 p.m. that evening they followed Murphy's DeSoto as he drove to the same bowling alley in which he had met Terrhagen on the previous evening. Murphy went inside, emerged in about 10 minutes and drove to a house where he made a brief visit. The officers continued to follow him but, upon losing sight of his vehicle, proceeded to the vicinity of Fairfax and Slauson Avenues where they parked. There, immediately across the street from the location at which Terrhagen and Sergeant Cook had met Murphy on the previous evening, the officers observed a parked automobile whose lone occupant the latter determined to be the petitioner George Douglas Ker.

The officers then saw Murphy drive past them. They followed him but lost sight of him when he extinguished his lights and entered the oil fields. The officers returned to their vantage point and, shortly thereafter, observed Murphy return and park behind Ker. From their location approximately 1,000 feet from the two vehicles, they watched through field glasses. Murphy was seen leaving his DeSoto and walking up to the driver's side of Ker's car, where he "appeared to have conversation with him." It was shortly before 9 p.m. and the distance in the [374 US 27] twilight was too great for the officers to see anything pass between Murphy and Ker or whether the former had anything in his hands as he approached.

While Murphy and Ker were talking, the officers had driven past them in order to see their faces closely and in order to take the license number from Ker's vehicle. Soon thereafter Ker drove away and the officers followed him but lost him when he made a U-turn in the middle of the block and drove in the opposite direction. Now, having lost contact with Ker, they checked the registration with the Department of Motor Vehicles and ascertained that the automobile was registered to Douglas Ker at 4801 Slauson. They then communicated this information to Officer Berman, within 15 to 30 minutes after observing the meeting between Ker and Murphy. Though officers Warthen and Markman had no previous knowledge of Ker, Berman had received information at various times beginning in November of 1959 that Ker was selling marijuana from his apartment and that "he was possibly securing this marijuana from Ronnie Murphy who is the alias of Roland Murphy." In early 1960 Officer Berman had received a "mug" photograph of Ker from the Inglewood Police Department. He further testified that between May and July 27, 1960, he had received information as to Ker from one Robert Black, who had previously given information leading to at least three arrests and whose information was believed by Berman to be reliable. According to Officer Berman, Black had told him on four or five occasions after May 1960 that Ker and others, including himself, had purchased marijuana from Murphy."

[374 US 28] Armed with the knowledge of the meeting between Ker and Murphy and with Berman's information as to Ker's dealings with Murphy, the three officers and a fourth. Officer Love, proceeded immediately to the address which they had obtained through Ker's license number. They found the automobile which they had been following—and which they had learned was Ker's—in the parking lot of the multiple-apartment building and also ascertained that there was someone in the Kers' apartment. They then went to the office of the building manager and obtained from him a passkey to the apartment. Officer Markman was stationed outside the window to intercept any evidence which might be ejected, and the other three officers entered the apartment. Officer Berman unlocked and opened the door, proceeding quietly, he testified, in order to prevent the destruction of evidence,[3] and found petitioner George Ker sitting in the living room. Just as he identified himself, stating that "We are Sheriff's Narcotics Officers, conducting a narcotics investigation," petitioner Diane Ker emerged from the kitchen. Berman testified that he repeated his identification to her and immediately walked to the kitchen.

Without entering, he observed through the open doorway a small scale atop the kitchen sink, upon which lay a "brick-like—brick-shaped package containing the green leafy substance" which he recognized as marijuana. He beckoned the petitioners into the kitchen where, following their denial of knowledge of the contents of the two-and-two-tenths-pound package and [374 US 29] failure to answer a question as to its ownership, he placed them under arrest for suspicion of violating the State Narcotic Law. Officer Marksman testified that he entered the apartment approximately "a minute, minute and a half" after the other officers, at which time Officer Berman was placing the petitioners under arrest. As to the sequence of events, petitioner George Ker testified that his arrest took place immediately upon the officers' entry and before they saw the brick of marijuana in the kitchen.

Subsequent to the arrest and the petitioners' denial of possession of any other narcotics, the officers, proceeding without search warrants, found a half-ounce package of marijuana in the kitchen cupboard and another atop the bedroom dresser. Petitioners were asked if they had any automobile other than the one observed by the officers, and George Ker replied in the negative, while Diane remained silent. On the next day, having learned that an automobile was registered in the name of Diane Ker, Officer Warthen searched this car without a warrant, finding marijuana and marijuana seeds in the glove compartment and under the rear seat. The marijuana found on the kitchen scale, that found in the kitchen cupboard and in the bedroom, and that found in Diane Ker's automobile[4] were all introduced into evidence against the petitioners.

The California District Court of Appeal in affirming the convictions found that there was probable cause for the arrests; that the entry into the apartment was for the purpose of arrest and was not unlawful; and that the search being incident to the arrests was likewise lawful and its fruits admissible in evidence against petitioners. These conclusions were essential to the affirmance, since the California Supreme Court in 1955 had held that evidence [374 US 30] obtained by means of unlawful searches and seizures was inadmissible in criminal trials. People v. Cahan, 44 Cal 2d 434, 282 P2d 905, 50 ALR2d 513. The court concluded that in view of its findings and the implied findings of the trial court, this Court's intervening decision in Mapp v. Ohio, 367 US 643, 6 L ed 2d 1081, 81 S Ct 1684, 84 ALR2d 933, supra, did "not justify a change in our original conclusion." 195 Cal App 2d, at 257, 15 Cal Rptr, at 773.

I

In Mapp v. Ohio, 367 US at 646, 647, 657, we followed Boyd v. Unted States, 116 US 616, 630, 29 L ed 746, 651, 6 S Ct 524 (1886) which held that the Fourth Amendment,[5] implemented by the self-incrimination clause of the Fifth,[6] forbids the Federal Government to convict a man of crime by using testimony or papers obtained from him by unreasonable searches and seizures as defined in the Fourth Amendment. We specifically held in Mapp that this constitutional prohibition is enforceable against the States through the Fourteenth Amendment.[7] This means, as we said in Mapp (Headnote 1), that the Fourth Amendment "is enforceable against them [the states] by the same sanction of exclusion as is used against the Federal Government," by the application of the same constitutional standard prohibiting "unreasonable [374 US 31] searches and seizures." 367 US, at 655. We now face the specific question as to whether Mapp requires the exclusion of evidence in this case which the California District Court of Appeal has held to be lawfully seized. It is perhaps ironic that the initial test under the Mapp holding comes from California, whose decision voluntarily to adopt the exclusionary rule in 1955 has been commended by us previously. See Mapp v Ohio, supra (367 US at 651, 652); Elkins v United States, 364 US 206, 220, 4 L ed 2d 1669, 1679, 80 S Ct 1437 (1960).

Preliminary to our examination of the search and seizures involved here, it might be helpful for us to indicate what was not decided in Mapp. First, it must be recognized (Headnote 2) that the "principles governing the admissibility of evidence in federal criminal trials have not been restricted . . . to those derived solely from the Constitution. In the exercise of its supervisory authority in the federal courts . . . this Court has . . . formulated rules of evidence to be applied in federal criminal prosecutions." McNabb v. United States, 318 US 332, 341, 87 L ed 819, 824–63 S Ct 608 (1943); cf. Miller v United States, 357 US 301, 2 L ed 2d 1332, 78 S Ct 1190 (1958); Nardone v United States, 302 US 379, 82 L ed 314, 58 S Ct 275 (1937). Mapp, however, established no assumption by this Court of supervisory authority over state courts, cf. Cleary v Boiger, 371 US 392, 401, L ed 2d 390, 396, 83 S Ct 385 (1963), and, consequently, it implied no total obliteration of state laws relating to arrests and searches in favor of federal law. Mapp sounded no death knell for our federalism; rather, it echoed the sentiment of Elkins v. United States, supra (364 at 221), that (Headnote 3) "a healthy federalism depends upon the avoidance of needless conflict between state and federal courts" by itself urging that "[f]ederal-state cooperation in the solution of crime under constitutional standards will be promoted, if only by recognition of their now mutual obligation to respect *the same fundamental criteria* in their approaches." 367 US, at 658, (Emphasis added.) Second, Mapp did not attempt the impossible task of laying (374 US 32) down a "fixed formula" for the application in specific cases of the constitutional prohibition against unreasonable searches and seizures; it recognized that we would be "met with recurring questions of the reasonableness of searches" and that ,"at any rate, '[r]easonableness is in the first instance for the [trial court] . . . to determine,'" id. 367 US at 652, thus indicating that the usual weight be given to findings of trial courts.

Mapp, of course, did not lend itself to a detailed explication of standards, since the search involved there was clearly unreasonable and bore no stamp of legality even from the Ohio Supreme Court. Id. 387 US at 643–645. This is true also of Elkins v United States, where all of the courts assumed the unreasonableness of the search in question and this Court "invoked" its "supervisory power over the administration of criminal justice in the federal courts," 364 U.S. at 216, in declaring that the evidence so seized by state officers was inadmissible in a federal prosecution. The prosecution being in a federal court, this Court of course announced that "[t]he test is one of federal law, neither enlarged by what one state court may have countenanced, nor diminished by what another may have colorably supported." Id. 364 U.S. at 224. Significant in the Elkins holding is the statement, apposite here, that "it can fairly be said that in applying the Fourth Amendment this Court has seldom shown itself unaware of the practical demands of effective criminal investigation and law enforcement." Id. 364 U.S. at 222.

Implicit in the Fourth Amendment's protection from unreasonable searches and seisures (Headnote 4) is its recognition of individual freedom. That safeguard has been declared to be "as of the very essence of constitutional liberty" the guaranty of which "is as important and as imperative as are the guaranties of the other fundamental rights of the individual citizen. . . ." Gouled v United States, 255 U.S. 298, 304, 65 L ed 647, 650, 41 S Ct 261 (1921); cf. Powell v Alabama, 287 U.S.* 45, 65–68, 77 L ed 158, 168–170, 53 S Ct 55, 84 ALR 527 (1932). While the language of the Amendment (Headnotes 5 and 6) is "general," it "forbids every search that is unreasonable; it protects all, those suspected or known to be offenders as well as the innocent and unquestionably extends to the premises where the search was made. . . ." GoBart Importing Co. v. United States, 282 U.S. 344, 357, 75 L ed 374, 382, 51 S Ct 153 (1931). Mr. Justice Butler there stated for the Court that "[t]he Amendment is to be liberally construed and all owe the duty of vigilance for its effective enforcement lest there shall be impairment of the rights for the protection of which it was adopted." Ibid. He also recognized that "[t]here is no formula for the determination of reasonableness. Each case is to be decided on its own facts and circumstances." Ibid; see United States v Rabinowitz, 339 U.S. 56, 63, 94 L ed 658, 658, 70 S Ct 430 (1950); Rios v United States, 364 U.S. 253, 255, 4 L ed 2d 1688, 1690, 80 S Ct 1431 (1960).

This Court's long-established recognition that standards of reasonableness under the Fourth Amendment (Headnote 7) are not susceptible of Procrustean application is carried forward when that Amendment's proscriptions are enforced against the States through the Fourteenth Amendment. And, although the standard of reasonableness (Headnote 8) is the same under the Fourth and Fourteenth Amendments, the demands of our federal system compel us to distinguish between evidence held inadmissible because of our supervisory powers over federal courts and that held inadmissible because prohibited by the United States Constitution. We reiterate that the reasonableness of a search (Headnotes 9 and 10) is in the first instance a substantive determination to be made by the trial court from the facts and circumstances of the case and in the light of the "fundamental criteria" laid down by the Fourth Amendment and in opinions of this Court applying that Amendment. Findings of reasonableness, of course, are respected only insofar as consistent with federal constitutional guarantees. As we have stated above and in other cases involving [374 US 34] federal constitutional rights, findings of state courts (Headnote 11) are by no means insulated against examination here. See, e.g., Spano v New York, 360 US 315, 316, 3 L ed 2d 1256, 1267, 70 S Ct. 1202 (1959; Thomas v Alabama, 356 US 390, 393, 2 L ed 2d 863, 866. 78 S Ct 885 (1958); Pierre v Louisiana, 306 US 354, 358, 83 L ed 751, 760, 59 S Ct 536 (1939). While this Court does not sit as in nisi prius to appraise contradictory factual questions, it will, where necessary to the determination of constitutional rights, make an independent examination of the facts, the findings, and the record so that it can determine for itself whether in the decision as to reasonableness the fundamental—i.e., constitutional—criteria established by this Court have been respected. The States are not thereby precluded (Headnote 12) from developing workable rules governing arrests, searches and seizures to meet 'the practical demands of effective criminal investigation and law enforcement" in the States, provided that those rules do not violate the constitutional proscription of unreasonable searches and seizures and the concomitant command that evidence so seized is inadmissible against one who has standing to complain, See Jones v United States, 362, US 257, 4 L ed 2d 697, 80 S Ct 725, 78 ALR2d 233 (1969). Such a standard implies no derogation of uniformity in applying federal constitutional guarantees but is only a recognition that conditions and circumstances vary just as do investigative and enforcement techniques.

Applying this federal constitutional standard we proceed to examine the entire record including the findings of California's courts to determine whether the evidence seized from petitioners were constitutionally admissible under the circumstances of this case.

SEPARATE OPINION

(Editor's Note.—As stated on p. 732, supra, Parts II–V hereof represent the separate opinion of Clark, Black, Stewart, and White, JJ.)

II

The evidence at issue, in order to be admissible, must be the product of a search incident to a lawful arrest (headnotes 13 and 14), since the officers had no search warrant. The lawfulness of the arrest without warrant, in turn, must be based upon [374 US 35] probable cause, which exists "where the facts and circumstances within their [the officers'] knowledge and of which they had reasonably trustworthy information [are] sufficient in themselves to warrant a man of reasonable caution in the belief that an offense has been or is being committed." Brinegar v. United States, 338 US 160, 175, 176, 93 L ed 1879, 1890, 69 S Ct 1302 (1949), quoting from Carroll v United States, 267 US 132, 162, 69 L ed 543, 555, 45 S Ct 280, 39 ALR (1925); accord, People v Fisher, 49 Cal 2d 442, 317 P2d 967 (1957); Bompensiero v Superior Court of San Diego County, 44 Cal 2d 178, 281 P2d 250 (1955). The information (headnote 15) within the knowledge of the officers at the time they arrived at the Kers' apartment, as California's courts specifically found, clearly furnished grounds for a reasonable belief that petitioner George Ker had committed and was committing the offense of possession of marijuana. Officers Markman and Warthen observed a rendezvous between Murphy and Ker on the evening of the arrest which was a virtual reenactment of the previous night's encounter between Murphy, Terrhagen and Sergeant Cook, which concluded in the sale by Murphy to Terrhagen and the Sergeant of a package of marijuana of which the latter had paid Terrhagen for one pound which he received from Terrhagen after the encounter with Murphy. To be sure, the distance and lack of light prevented the officers from seeing and they did not see any substance pass between the two men, but the virtual identity of the surrounding circumstances warranted a strong suspicion that the one remaining element—a sale of narcotics—was a part of this encounter as it was the previous night.

But Ker's arrest does not depend upon this single episode with Murphy. When Ker's U-turn thwarted the officer's pursuit, they learned his name and address from the Department of Motor Vehicles and reported the occurrence to Officer Berman. Berman, in turn, revealed information from an informer whose reliability had been tested previously, as [374 US 36] well as from other sources, not only that Ker had been selling marijuana from his apartment but also that his likely source of supply was Murphy himself. That this information was hearsay (Headnote 16) does not destroy its role in establishing probable cause. Brinegar v. United

States, 338 US 160, 93 L. ed. 1879, 69 S. Ct. 1302, supra. In Draper v. United States, 358 U.S. 307, 3 L. ed. 2d 327, 79 S. Ct. 329 (1959), we held that information from a reliable informer, corroborated by the agents' observations as to the accuracy of the informer's description of the accused and of his presence at a particular place, was sufficient to establish probable cause for an arrest without warrant. The corroborative elements in Draper were innocuous in themselves, but here both the informer's tip and the personal observations connected Ker with specific illegal activities involving the same man, Murphy, a known marijuana dealer. To say that this coincidence of information was sufficient to support a reasonable belief of the officers that Ker was illegally in possession of marijuana is to indulge in understatement.

Probable cause for the arrest of petitioner Diane Ker (Headnote 17), while not present at the time the officers entered the apartment to arrest her husband, was nevertheless present at the time of her arrest. Upon their entry and announcement of their identity, the officers were met not only by George Ker but also by Diane Ker, who was emerging from the kitchen. Officer Berman immediately walked to the doorway from which she emerged and, without entering, observed the brick-shaped package of marijuana in plain view. Even assuming that her presence [374 US 37] in a small room with the contraband in a prominent position on the kitchen sink would not alone establish a reasonable ground for the officers' belief that she was in joint possession with her husband, that fact was accompanied by the officers' information that Ker had been using his apartment as a base of operations for his narcotics activities. Therefore, we cannot say that at the time of her arrest there were not sufficient grounds for a reasonable belief that Diane Ker, as well as her husband, was committing the offense of possession of marijuana in the presence of the officers.

III

It is contended that the lawfulness of the petitioners' arrests, even if they were based upon probable cause, was vitiated by the method of entry. This Court, in cases under the Fourth Amendment (Headnote 18), has long recognized that the lawfulness of arrests for federal offenses is to be determined by reference to state law insofar as it is not violative of the Federal Constitution. Miller v. United States, 357 US 301, 2 L ed 2d 1332, 78 S Ct 1190, supra; United States v Di Re, 332 US 581, 92 L ed 210, 68 S Ct 222 (1948): Johnson v United States, 338 US 10, 15, note 5, 92 L ed 436, 441, 68 S Ct 367 (1948). A fortiori, the lawfulness of these arrests by state officers for state offenses is to be determined by California law. California Penal Code, § 844,[9] permits peace officers to break into a dwelling place for the purpose of arrest after demanding admittance and explaining their purpose. Admittedly the officers did not comply with the terms of this statute since they entered quietly and without announcement, in order to prevent the destruction of contraband. The California District Court of Appeal, [374 US 38] however, held that the circumstances here came within a judicial exception which had been engrafted upon the statute by a series of decisions, see, e.g., People v Ruiz, 146 Cal App 2d 630, 304 P2d 175 (1956); People v Maddox, 46 Cal 2d 301, 294 P2d 6, cert den 352 US 858, 1 L ed 2d 65, 77 S Ct 81 (1956), and that the noncompliance was therefore lawful.

Since the petitioners' federal constitutional protection from unreasonable searches and seizures by police officers (Headnote 19) is here to be determined by whether the search was incident to a lawful arrest, we are warranted in examining that arrest to determine whether, notwithstanding its legality under state law, the method of entering the home may offend federal constitutional standards of reasonableness and therefore violates the legality of an accompanying search. We find no such offensiveness on the facts here. Assuming that the officers' entry by use of a key obtained from the manager is the legal equivalent of a "breaking," see Keiningham v United States, 109 App. DC 272, 276, 287 F2d 126, 130 (1960), it has been recognized from the early common law (Headnote 20) that such breaking is permissible in executing an arrest under certain circumstances.

See Wilgus, Arrest Without a Warrant, 22 Mich L Rev 541, 798, 800–806 (1924). Indeed, 18 USC § 3109,[10] dealing with the execution of search warrants by federal officers, authorizes breaking of doors in words very similar to those of the California statute, both statutes including a requirement of notice of authority and purpose. In Miller v United States, 357 US 301, 2 L ed 2d 1332, 78 S Ct 1190, supra, this Court held unlawful an arrest, and therefore its accompanying search, on the ground that the District of [375 US 39] Columbia officers before entering a dwelling did not fully satisfy the requirement of disclosing their identity and purpose. The Court stated that "the lawfulness of the arrest without warrant is to be determined by reference to state law. . . . By like reasoning the validity of the arrest of petitioner is to be determined by reference to the law of the District of Columbia." 357 US, at 305, 306. The parties there conceded and the Court accepted that the criteria for testing the arrest under District of Columbia law were "substantially identical" to the requirements of § 3109. Id. 357 US at 306. Here, however, the criteria under California law (Headnote 21) clearly include an exception to the notice requirement where exigent circumstances are present. Moreover, insofar as violation of a federal statute required the exclusion of evidence in Miller, the case is inapposite for state prosecutions, where admissibility is governed by constitutional standards. Finally, the basis of the judicial exception to the California statute, as expressed by Justice Traynor in People v Maddox, supra (46 Cal 2d at 306), effectively answers the petitioners' contention:

"It must be borne in mind that the primary purpose of the constitutional guarantees is to prevent unreasonable invasions of the security of the people in their persons, houses, papers, and effects, and when an officer has reasonable cause to enter a dwelling to make an arrest and as an incident to that arrest is authorized to make a reasonable search, his entry and his search are not unreasonable. Suspects have no constitutional right to destroy or dispose of evidence, and no basic constitutional guarantees are violated because an officer succeeds in getting to a place where he is entitled to be more quickly than he would, had he complied with section 844. Moreover, since the demand and explanation requirements [374 US 40] of section 844 are a codification of the common law, they may reasonably be interpreted as limited by the common law rules that compliance is not required if the officer's peril would have been increased or the arrest frustrated had he demanded entrance and stated his purpose. (Read v. Case, 4 Conn. 166, 170 [10 Am. Dec. 110]; see Rest., Tort, § 206, com. d.) Without the benefit of hindsight and ordinarily on the spur of the moment, the officer must decide these questions in the first instance."

No such exigent circumstances as would authorize noncompliance with the California statute were argued in Miller, and the Court expressly refrained from discussing the question, citing the Maddox Case without disapproval. 357 U.S., at 309.[11] Here justification for the officers' failure to give notice is uniquely present. In addition to the officers' belief that Ker was in possession of narcotics, which could be quickly and easily destroyed, Ker's furtive conduct in eluding them shortly before the arrest was ground for the belief that he might well have been expecting the police.[12] We therefore hold that in the particular [374 U.S. 41] circumstances of this case (Headnote 24) the officers' method of entry, sanctioned by the law of California, was not unreasonable under the standards of the Fourth Amendment as applied to the States through the Fourteenth Amendment.

IV

Having held the petitioners' arrests lawful, it remains only to consider whether the search which produced the evidence leading to their convictions was lawful as incident to those arrests. The doctrine that a search without warrant may be lawfully conducted (Headnote 25) if incident to a lawful arrest has long been recognized as consistent with the Fourth Amendment's protection against unreasonable searches and seizures. See Marron v. United States, 275 U.S. 192, 72 L ed 231, 48 S Ct. 74 (1927); Harris v United States, 331 U.S. 145, 91 L ed 1399, 67 S Ct 1098 (1947); Abel v United States, 362 U.S. 217, 4 L ed 2d 668, 80 S Ct 683 (1960); Kaplan, Search and Seizure: A No-Man's Land in the Criminal Law, 49 Cal L Rev 474, 490–493 (1961). The cases have imposed no requirement that the arrest be under authority of an arrest warrant, but only that it be lawful. See Marron v United States, supra (275 U.S. at 198, 199); United States v Rabinowitz, supra (339 U.S. at 61); cf. Agnello v United States, 269 U.S. 20, 30, 31, 70 L ed 145, 148, 46 S Ct 4, 51 ALR 409 (1925). The question remains whether the officers' action here exceeded the recognized bounds of an incidental search.

Petitioners contend that the search was unreasonable in that the officers could practicably have obtained a search warrant. The practicability of obtaining a warrant (Headnote 26 and 27) is not the controlling factor when a search is sought to be justified as incident to arrest, United States v Rabinowitz, 339 US 56, 94 L ed 653, 70 S Ct 430, supra; (374 US 42) but we need not rest the validity of the search here on Rabinowitz, since we agree with the California court that time clearly was of the essence. The officers' observations and their corroboration, which furnished probable cause for George Ker's arrest, occurred at about 9 p.m., approximately one hour before the time of arrest. The officers had reason to act quickly because of Ker's furtive conduct and the likelihood that the marijuana would be distributed or hidden before a warrant could be obtained at that time of night.[13] Thus the facts bear no resemblance to those in Trupiano v United States, 334 US 699, 92 L ed 1663, 68 S Ct 1229 (1948), where federal agents for three weeks had been in possession of knowledge sufficient to secure a search warrant.

The search of the petitioners' apartment (Headnote 28) was well within the limits upheld in Harris v United States, 331 US 145, 91 L ed 1399, 67 S Ct 1098, supra, which also concerned a private apartment dwelling. The evidence here, unlike that in Harris, was the instrumentality of the very crime for which petitioners were arrested, and the record does not indicate that the search here was as extensive in time or in area as that upheld in Harris.

The petitioners' . . . remaining contention is that the discovery of the brick of marijuana cannot be justified as incidental to arrest since it preceded the arrest. This contention is of course contrary to George Ker's testimony, but we reject it in any event. While an arrest may not be used merely as the pretext for a search without warrant (Headnote 29), the California court specifically found and the record supports both that the officers entered the apartment for (374 US 43) the purpose of arresting

George Ker and that they had probable cause to make that arrest prior to the entry.[14] We cannot say that it was unreasonable for Officer Berman, upon seeing Diane Ker emerge from the kitchen, merely to walk to the doorway of that adjacent room.

We thus agree with the California court's holding (Headnote 30) that the discovery of the brick of marijuana did not constitute a search, since the officer merely saw what was placed before him in full view. United States v Lee, 274 US 559, 71 L ed 1202, 47 S Ct 746 (1927); United States v Lefkowitz, 285 US 452, 465, 76 L ed 877, 882, 52 S Ct 420, 82 ALR 775 (1932); People v West, 144 Cal App 2d 214, 300 P2d 729 (1956). Therefore, while California law (Headnote 31) does not require that an arrest precede an incidental search as long as probable cause exists at the outset, Willson v Superior Court of San Diego County, 46 Cal 2d 291, 294 P2d 36 (1956), the California court did not rely on that rule and we need not reach the question of its status under the Federal Constitution.

V

The petitioners state and the record bears out that the officers searched Diane Ker's automobile on the day subsequent to her arrest. The reasonableness of that search (Headnotes 32 and 33), however, was not raised in the petition for certiorari nor was it discussed in the brief here. Ordinarily "[w]e do not reach for constitutional questions not raised by the parties," Mazer v Stein, 347 US 201, 206, 96 L ed 630, 636, 74 S Ct 460 note 5 (1954), nor extend our review beyond those specific federal questions [374 US 44] properly raised in the state court. The record gives no indication that the issue was raised in the trial court or in the District Court of Appeal, the latter court did not adjudicate it and we therefore find no reason to reach it on the record.[15]

For these reasons the judgment of the California District Court of Appeal is

Affirmed.

ADDITIONAL SEPARATE OPINIONS

Mr. Justice Harlan, concurring in the result.

Heretofore there has been a well-established line of demarcation between the constitutional principles governing the standards for state searches and seizures and those controlling federal activity of this kind. Federal searches and seizures have been subject to the requirement of "reasonableness" contained in the Fourth Amendment, as that requirement has been elaborated over the years in federal litigation. State searches and seizures, on the other hand, have been judged, and in my view properly so, by the more flexible concept of "fundamental" fairness, or rights "basic to a free society," embraced in the Due Process Clause of the Fourteenth Amendment. [374 US 45] See Wolf v Colorado, 338 US 25, 27, 93 L ed 1782, 1785, 69 S Ct 1359; [16] cf. Rochin v California, 342 US 165, 96 L ed 183, 72 S Ct 205, 25 ALR2d 1396; Palko v Connecticut, 302 US 319, 82 L ed 288, 58 S Ct 149. Today this distinction in constitutional principle is abandoned. Henceforth state searches and seizures are to be judged by the same constitutional standards as apply in the federal system.

In my opinion this further extension of federal power over state criminal cases, cf. Fay v Noia, 372 US 391, 9 L ed 2d 837, 83 S Ct 822; Douglas v California, 372 US 353, 9 L ed 2d 811, 83 S Ct 814; Draper v Washington, 372 U.S. 487, 9 L ed 2d 899, 83 S Ct 774—all decided only a few weeks ago, is quite uncalled for and unwise. It is uncalled for because the States generally, and more particularly California, are increasingly evidencing concern about improving their own criminal procedures, as this Court itself has recently observed on more than one occasion (see Gideon v Wainwright, 372 US 335, 345, 9 L ed 2d 799, 806, 83 S Ct 792; ante, p. 736, and because the Fourteenth Amendment's requirements of fundamental fairness stand as a bulwark against serious local shortcomings in this field. The rule is unwise because the States, with their differing law enforcement problems, should not be put in a constitutional straitjacket and also because the States, more likely than not, will be placed in an atmosphere of uncertainty since this Court's decisions in the realm of search and seizure are hardly notable for their predictability. Cf Harris v United States, 331 US 145, 175–181, 91 L ed 2d 1399, 1419–1422, 67 S. Ct 1098 (Appendix to dissenting opinion of Mr. Justice Frankfurter). (The latter point is indeed forcefully illustrated by the fact that in the first application of its new constitutional rule the majority finds itself equally divided.) And if the Court is prepared to relax Fourth Amendment standards in order to avoid unduly fettering the States, this would be in [874 US 46] derogation of law enforcement standards in the federal system—unless the Fourth Amendment is to mean one thing for the States and something else for the Federal Government.

I can see no good coming from this constitutional adventure. In judging state searches and seizures I would continue to adhere to establish Fourteenth Amendment concepts of fundamental fairness. So judging this case, I concur in the result.

Mr. Justice Brennan, with whom The Chief Justice, Mr. Justice Douglas and Mr. Justice Goldberg join.

I join Part I of Mr. Justice Clark's opinion and the holding therein that "as we said in Mapp . . . the Fourth Amendment 'is enforceable against . . . [the States] by the same sanction of exclusion as is used against the Federal Government,' by the application of the same constitutional standard prohibiting 'unreasonable searches and seizures.'" Only our Brother Harlan dissents from that holding; he would judge state searches and seizures "by the more flexible concept of 'fundamental' fairness, of rights 'basic to a free society,' embraced in the Due Process Clause of the Fourteenth Amendment."

However, Mr. Justice Clark, Mr. Justice Black, Mr. Justice Stewart and Mr. Justice White do not believe that the federal requirement of reasonableness contained in the Fourth Amendment was violated in this case. The Chief Justice, Mr. Justice Douglas, Mr. Justice Goldberg and I have the contrary view. For even on the premise that there was probable cause by federal standards for the arrest of George Ker, the arrests of these petitioners were nevertheless illegal, because the unannounced intrusion of the arresting officers into their apartment violated the Fourth Amendment. Since the [374 US 47] arrests were illegal, Mapp v Ohio, 367 US 643, 6 L ed 2d 1081, 81 S Ct 1684, 84 ALR2d 933, requires the exclusion of the evidence which was the product of the search incident to those arrests.

Even if probable cause exists for the arrest of a person within, the Fourth Amendment (Headnote 35) is violated by an unannounced police instrusion into a private home, with or without an arrest warrant, except (1) where the persons within already known of the officers' authority and purpose, or (2) where the officers are justified in the belief that persons within are in imminent peril of bodily harm, or (3) where those within, made aware of the presence of someone outside (because, for example, there has been a knock at the door), are then engaged in activity which justifies the officers in the belief that an escape or the destruction of evidence is being attempted.

I

It was firmly established long before the adoption of the Bill of Rights that the fundamental liberty of the individual includes protection against unannounced police entries. "[T]he Fourth Amendment did but embody a principle of English liberty, a principle old, yet newly won, that finds another expression in the maxim 'every man's home is his castle.'" Fraenkel, Concerning Searches and Seizures, 34 Harv L Rev 361, 365 (1921); Frank v Maryland, 359 US 360, 376–382, 3 L. ed. 2d 877, 887–891, 79 S. Ct. 804 (dissenting opinion). As early as Semayne's Case, 5 Co Rep 91a, 91b, 77 Eng Rep 194, 195 (1603), it was declared that "[i]n all cases when the King is party, the sheriff (if the doors be not open) may break the party's house, either to arrest him, or to do other execution of the K[ing]'s process, if otherwise he cannot enter. *But before he breaks it, he ought to signify the cause of his coming, and to make request to open doors. . . .*" (Emphasis supplied.) Over a century later the leading commentators upon the English criminal law affirmed the continuing vitality of [374 U.S. 48] that principle. 1 Hale, Pleas of the Crown (1736), 583; see also 2 Hawkins, Pleas of the Crown (6th ed. 1787), c. 14, § 1; Foster Crown Law (1762), 320–321.[17] Perhaps its most emphatic confirmation was supplied only 35 years before the ratification of the Bill of Rights. In Curtis' Case, Fost, 135, 168 Eng Rep 67, decided in 1756, the defendant, on trial for the murder of a Crown officer who was attempting an entry to serve an arrest warrant, pleaded that because the officer had failed adequately to announce himself and his mission before breaking the doors, forceful resistance to his entry was justified and the killing was therefore justifiable homicide. In recognizing the defense the court repeated the principle that "peace-officers, having a legal warrant to arrest for a breach of the peace, may break open doors, *after having demanded admittance and given due notice of their warrant*"; the court continued that "no precise form of words is required in a case of this kind" because "[i]t is sufficient that the party hath notice, that the officer cometh not as a mere trespasser, but claiming to act under a proper authority . . . ." Fost., at 136–137, 168 Eng Rep. at 68. (Emphasis supplied.) The principle was again confirmed not long after the Fourth Amendment became part of our Constitution. Abbott, C. J., said in Launock v Brown, 2 B & Ald 592, 593–594, 106 Eng. Rep. 482, 483 (1819):

> ". . . I am clearly of opinion that, in the case of a misdemeanor, such previous demand is requisite. . . . It is reasonable that the law should be so; for if no § 374 US 491 previous demand is made, how is it possible for a party to know what the object of the person breaking open the door may be? He has a right to consider it as an aggression on his private property, which he will be justified in resisting to the utmost." [18]

The protections of individual freedom carried into the Fourth Amendment, Boyd v United States, 116 US 616, 630, 29 L ed 746, 751, 6 S Ct 524, undoubtedly included this firmly established requirement of an announcement by police officers of purpose and authority before breaking into an individual's home. The requirement is no mere procedural nicety or formality attendant upon the service of a warrant. Decisions in both the federal and state courts have recognized, as did the English courts, that the requirement is of the essence of the substantive protections which safeguard individual liberty.[19] The Court of Appeals for the District of Columbia Circuit has said: ". . . there is no division of opinion among the learned authors . . . that even where an officer may [374 US 50] have power to break open a door without a warrant, he cannot lawfully do so unless he first notifies the occupants as to the purpose of his demand for entry." Accarino v United States, 85 App DC 394, 400, 179 F2d 456, 462.

Similarly, the Supreme Judicial Court of Massachusetts declared in 1852:

"The maxim of law that every man's house is his castle . . . has not the effect to restrain an officer of the law from breaking and entering a dwelling-house for the purpose of serving a criminal process upon the occupant. In such case the house of the party is no sanctuary for him, and the same may be forcibly entered by such officer after a proper notification of the purpose of the entry, and a demand upon the inmates to open the house, and a refusal by them to do so." Bernard V. Bartlett, 64 Mass (10 Cush) 501, 502, 503; cf. State v Smith, 1 NH 346.

Courts of the frontier States also enforced the requirement. For example, Tennessee's high court recognized that a police officer might break into a home to serve an arrest warrant only "after demand for admittance and notice of his purpose," McCaslin 1. McCord, 116 Tenn 690, 708, 94 SW 79, 83; cf. Hawkins v Commonwealth, 53 Ky (14 B Mon) 395. Indeed, a majority of the States have enacted the requirement in statutes Code § 844 and the federal statute, 18 USC § 3109.[20]

[374 US 51] Moreover, in addition to carrying forward the protections already afforded by English law, the Framers also meant by the Fourth Amendment to eliminate once and for all the odious practice of searches under general warrants and writs of assistance against which English law had generally left them helpless. The colonial experience under the writs was unmistakably "fresh in the memories of those who achieved our independence and established our form of government."[21] Boyd v United States, supra (116 US at 625). The problem of entry under a general warrant was not, of course, exactly that of unannounced intrusion to arrest with a warrant or upon probable cause, but the two practices clearly invited common abuses. One of the grounds of James Otis' eloquent indictment of the writs bears repetition here:

"Now one of the most essential branches of English liberty is the freedom of one's house. A man's house is his castle; and whilst he is quiet, he is as well [374 US 52] guarded as a prince in his castle. This writ, if it should be declared legal, would totally annihilate his privilege. Custom-house officers may enter our houses when they please; we are commanded to permit their entry. Their menial servants may enter, may break locks, bars, and everything in their way: and whether they break through malice or revenge, no man, no court, can inquire. Bare suspicion without oath is sufficient." Tudor, Life of James Otis (1823), 66–67.

Similar, if not the same, dangers to individual liberty are involved in unannounced intrusions of the police into the homes of citizens. Indeed in two respects such intrusions are even more offensive to the sanctity and privacy of the home. In the first place service of the general warrants and writs of assistance was usually preceded at least by some form of notice or demand for admission. In the second place the writs of assistance by their very terms might be served only during daylight hours.[22] By significant contrast, the unannounced entry of the Ker apartment occurred after dark, and such timing appears to be common police practice, at least in California.[23]

[374 US 53] It is much too late in the day to deny that a lawful entry is as essential to vindication of the protections of the Fourth Amendment as, for example, probable cause to arrest or a search warrant for a search not incidental to an arrest. This Court settled (Headnote 36) in Gouled v United States, 255 US 298, 305, 306, 65 L ed 647, 651, 41 S Ct 261, that a lawful entry is the indispensable predicate of a reasonable search. We held there that a search would violate the Fourth Amendment if the entry were illegal whether accomplished "by force or by an illegal threat or show of force" or "obtained by stealth instead of by force or coercion." Similarly, rigid restrictions upon unannounced entries are essential if the Fourth Amendment's prohibition against invasion of the security and privacy of the home is to have any meaning.

It is true, of course, that the only decision of this Court which forbids federal officers to arrest and search after an unannounced entry, Miller v United States, 357 US 301, 2 L ed 2d 1332, 78 S Ct. 1190, did not rest upon constitutional doctrine but rather upon an exercise of this Court's supervisory powers. But that disposition in no way implied that the same result was not compelled by the Fourth Amendment.

Miller is simply an instance of the usual practice of the Court (Headnote 37) not to decide constitutional questions when a nonconstitutional basis for decision is available. See International Asso. of Machinists v Street, 367 US 740, 749, 750, 6 L ed 2d 1141, 1149, 1150, 81 S Ct 1784. The result there drew upon analogy to a federal statute, similar in its terms to § 844, with which the federal officers concededly had not complied in entering to make an arrest. Nothing we said in Miller so much as intimated that, without such a basis for decision, the Fourth Amendment would not have required the same result. The implication, indeed, is quite to the contrary. For the history adduced in Miller in support of the nonconstitutional ground persuasively demonstrates that the Fourth Amendment's protections include the security of the householder against unannounced invasions by the police.

II

[374 US 54] The command of the Fourth Amendment reflects the lesson of history that "the breaking an outer door is, in general, so violent, obnoxious and dangerous a proceeding, that it should be adopted only in extreme cases, where an immediate arrest is requisite." 1 Burn, Justice of the Peace (28th ed 1837), 275–276.

I have found no English decisions which clearly recognizes any exception to the requirement that the police first give notice of their authority and purpose before forcibly entering a home. Exceptions were early sanctioned in American cases, e.g., Read v Case, 4 Conn 166, but these were rigidly and narrowly confined to situations not within the reason and spirit of the general requirement. Specifically, exceptional circumstances have been thought to exist only when, as one element, the facts surrounding the particular entry support a finding that those within actually knew or must have known of the officer's presence and purpose to seek admission. Cf. Miller v United States, supra (357 US at 311–313). For example, the earliest exception seems to have been that "[i]n the case of an *escape* after arrest, the officer, on fresh pursuit of the offender to a house in which he takes refuge, may break the doors to recapture him, in the case of felony, without a warrant, and without notice or demand for admission to the house of the offender."[24] Wilgus, Arrest Without [374 US 55] a Warrant, 22 Mich L Rev 541, 798, 804 (1924). The rationale of such an exception is clear, and serves to underscore the consistency and the purpose of the general requirement of notice: Where such circumstances as an escape and hot pursuit by the arresting officer leave no doubt that the fleeing felon is aware of the officer's presence and purpose, pausing at the threshold to make the ordinarily requisite announcement and demand would be a supperfluous act which the law does not require.[25] But no exceptions have heretofore permitted unannounced entries in the absence of such awareness on the part of the occupants—unless possibly where the officers are justified in the belief that someone within is in immediate danger of bodily harm.

Two reasons rooted in the Constitution clearly compel the courts to refuse to recognize exceptions in other situations [374 US 56] when there is no showing that those within were or had been made aware of the officers' presence. The first is that any exception not requiring a showing of such awareness necessarily implies a rejection of the inviolable presumption of innocence. The excuse for failing to knock or announce the officer's mission where the occupants are oblivious to his presence can only be an almost automatic assumption that the suspect within will resist the officer's attempt to enter peacefully, or will frustrate the arrest by an attempt to escape, or will attempt to destroy whatever possibly incriminating evidence he may have. Such assumptions do obvious violence to the presumption of innocence. Indeed, the violence is compounded by another assumption, also necessarily involved, that a suspect to whom the officer first makes known his presence will further violate the law. It need hardly be said that not every suspect is in fact guilty of the offense of which he is suspected, and that not everyone who is in fact guilty will forcibly resist arrest or attempt to escape or destroy evidence.[26]

[374 US 57] The second reason is that in the absence of a showing of awareness by the occupants of the officers' presence and purpose, "loud noises" or "running" within would amount, ordinarily, at least, only to ambiguous conduct. Our decisions in related contexts have held that ambiguous conduct cannot form the basis for a belief of the officer that an escape or the destruction of evidence is being attempted. Wong Sun v United States, 371 US 471, 483, 484, 9 L ed 2d 441, 452, 453, 83 S Ct 407; Miller v United States, supra (357 US at 311).

Beyond these constitutional considerations, practical hazards and law enforcement militate strongly against any relaxation of the requirement of awareness. First, cases of mistaken identiy are surely not novel in the investigation or crime. The possibility is very real that the police may be misinformed as to the name or address of a suspect, or as to other material information. That possibility is itself a good reason for holding a tight rein against judicial approval of unannounced police entries into private homes. Innocent citizens should not suffer the shock, freight or embarrassment attendant upon an unannounced police intrusion."

Second, the requirement [374 US 58] of awareness also serves to minimize the hazards of the officers' dangerous calling. We expressly recognize in Miller v United States, supra (257 US at 313, note 12), that compliance with the federal notice statute "is also a safeguard for the police themselves who might be mistaken for prowlers and be shot down by a fearful householder."[28] Indeed, one of the principal objectives of the English requirement of announcement of authority and purpose was to protect the arresting officer from being shot as trespassers," . . . for if no previous demand is made, how is it possible for a party to know what the object of the person breaking open the door may be? He has a right to consider it as an aggression on his private property, which he will be justified in resisting to the utmost." Launock v Brown, 2 B & Ald 592, 594, 106 Eng Rep. 482, 483 (1819).

These compelling considerations underlie the constitutional barrier against recognition of exceptions not predicated on knowledge or awareness of the officers' presence. State and Federal officers have the common obligation to respect this basic constitutional limitation upon their police activities. I reject the contention that the courts, in enforcing such respect on the part of all officers, State or Federal, create serious obstacles to effective law enforcement. Federal officers have operated for five years under [374 US 59] the Miller rule with no discernible impairment of their ability to make effective arrests and obtain important narcotics convictions.

Even if it were true that state and city police are generally less experienced or less resourceful than their federal counterparts (and the experience of the very police force involved in this case, under California's general exclusionary rule adopted judicially in 1955, goes very far toward returning any such suggestion,[29] see Elkins v. United States, 364 U.S. 206, 220, 221, 4 L ed 2d 1669, 1679, 80 S Ct 1437), the Fourth Amendment's protections against unlawful search and seizure do not contract or expand depending upon the relative experience and resourcefulness of different groups of law-enforcement officers. When we declared in Mapp that, because the rights of the Fourth Amendments were of no lesser dignity than those of the other liberties of the Bill of Rights absorbed in the Fourteenth, ". . . we can no longer permit . . . [them] to be revocable at the whim of any police officer who, in the name of law enforcement itself, chooses to suspend [their] . . . enjoyment,[21] 367 U.S. at 660—I thought by these words we had laid to rest the very problems of constitutional dissonance which I fear the present case so soon revives.[30]

III

[374 U.S. 60] I turn now to my reasons for believing that the arrests of these petitioners were illegal. My Brother Clark apparently recognizes that the element of the Kers' prior awareness of the officers' presence was essential, or at least highly relevant, to the validity of the officers' unannounced entry into the Ker apartment, for he says, "Ker's furtive conduct including them shortly before the arrest was ground for the belief that he *might well have been* expecting the police." (Emphasis supplied.) But the test under the "fresh pursuit" exception which my Brother Clark apparently seeks to invoke depends not, of course, upon more conjecture whether those within "might well have been" expecting the police, but upon whether there is evidence which shows that the occupants were in fact aware that the police were about to visit them. That the Kers were wholly oblivious to the officers' presence is the only possible inference on the uncontradicted facts; the "fresh pursuit" exception is therefore clearly unavailable.

When the officers let themselves in with the passkey, "proceeding quietly," as my Brother Clark says, George Ker was sitting in his living room reading a newspaper, and his wife was busy in the kitchen. The marijuana, moreover, was in full view on the top of the kitchen sink. More convincing evidence of the complete unawareness of an imminent police visit can hardly be imagined. Indeed, even the conjecture that the Kers "might well have been expecting the police" has no support in the record. That conjecture is made to rest entirely upon the unexplained U-turn made by Ker's car when the officers lost him after the rendezvous at the oil fields. But surely the U-turn must be disregarded as wholly ambiguous conduct; there is absolutely no proof that the driver of the Ker car knew that the officers were [374 U.S.61] * following it. Cf. Miller v. United States, supra (357 U.S. at 311); Wong Sun v. United States, supra (371 U.S. at 483, 484).

My Brother Clark invokes chiefly, however, the exception allowing an unannounced entry when officers have reason to believe that someone within is attempting to destroy evidence. But the minimal conditions for the application of that exception are not present in this case. On the uncontradicted record, not only were the Kers completely unaware of the officers' presence, but, again on the uncontradicted record, there was absolutely no activity within the apartment to justify the officers in the belief that anyone within was attempting to destroy evidence. Plainly enough, the Kers left the marijuana in full view on top of the sink because they were wholly oblivious that the police were on their trail. My Brother Clark recognizes that there is no evidence whatever of activity in the apartment, and is thus forced to find the requisite support for this element of the exception in the officers' testimony that, in their experience in the investigation of narcotics violations, *other* narcotics suspects had responded to police announcements by attempting to destroy evidence. Clearly such a basis for the exception fails to meet the requirements of the Fourth Amendment; if police experience in pursuing other narcotics suspects justified an unannounced police intrusion into a home the Fourth Amendment would afford no protection at all.

The recognition of exceptions to great principles always creates, of course, the hazard that the exceptions will devour the rule. If mere police experience that some offenders have attempted to destroy contraband justifies unannounced entry in *any* case, and cures the total absence of evidence not only of awareness of the officers' presence but even of such an attempt in the *particular* case, I perceive no logical basis for distinguishing unannounced police entries into homes *[374 U.S. 62] to make *arrests for any crime involving evidence of a kind which police experience indicates might be quickly destroyed or jettisoned. Moreover, if such experience, without more, completely excuses the failure of arresting officers before entry, at any hour of the day or night, either to announce their purpose at the threshold or to ascertain that the occupant already knows of their presence, then there is likewise no logical ground for distinguishing between the stealthy manner in which the entry in this case was effected, and the more violent manner usually associated with totalitarian police of breaking down the door or smashing the lock.[31]

My Brother Clark correctly states that only when state law "is not violative of the Federal Constitution" may we refer to state law in gauging the validity of an arrest under the Fourth Amendment. Since the California [374 U.S. 63] law of arrest here called in question patently violates the Fourth Amendment, that law cannot constitutionally provide the basis for affirming those convictions. This is not a case of conflicting testimony pro and con the existence of the elements requisite for finding a basis for the application of the exception. I agree that we should ordinarily be constrained to accept the state fact-finder's resolution of such factual conflicts.

Here, however, the facts are uncontradicted: the Kers were completely oblivious of the presence of the officers and were engaged in no activity of any kind indicating that they were attempting to destroy narcotics. Our duty then is only to decide whether the officers' testimony—that in their general experience narcotics suspects destroy evidence when forewarned of the officers' presence—satisfies the constitutional test for application of the exception. Manifestly we should hold that such testimony does not satisfy the constitutional test. The subjective judgment of the police officers cannot constitutionally be a substitute for what has always been considered a necessarily objective inquiry.[32] namely, whether circumstances exist in the *particular* case which allow an unannounced police entry.[33]

[374 US 64] We have no occasion here to decide how many of the situation in which, by the exercise of our supervisory power over the conduct of federal officers, we would exclude evidence, are also situations which would require the exclusion of evidence from state criminal proceedings under the constitutional principles extended to the States by Mapp. But when the conduct effecting an arrest so clearly transgresses those rights guaranteed by the Fourth Amendment as does the conduct which brought about the arrest of these petitioners, we would surely reverse the judgment if this were a federal prosecution involving federal officers. Since our decision in Mapp has made the guarantees of the Fourteenth Amendment coextensive with those of the Fourth we should pronounce precisely the same judgment upon the conduct of these state officers.

Mr. ERVIN. I am not going to belabor this decision at length. I do wish to emphasize again the fact that eight of the Justices of the Supreme Court—that is, Justice Clark and the three who concurred in his opinion and Justice Brennan and the three who concurred in his opinion—agreed that the obligation of an officer of the law to inform the occupants of the house of his presence and purpose, and to give them a reasonable time to admit him before breaking into the house, constitutes a part, and an integral part, of the fourth amendment.

Mr. President (Mr. MATHIAS), what I assert is the decision of these eight Justices is pretty well summarized in the opinion of Justice Brennan, in which he says:

Mr. Justice Clark, Mr. Justice Black, Mr. Justice Stewart, and Mr. Justice White do not believe that the Federal requirement of reasonableness contained in the Fourth Amendment was violated in this case. The Chief Justice, Mr. Justice Douglas, Mr. Justice Goldberg, and I have the contrary view. For even on the premise that there was probable cause by Federal standards for the arrest of George Ker, the arrest of these petitioners were nevertheless illegal, because the unannnounced intrusion of the arresting officers into their apartment violated the Fourth Amendment. Since the arrests were illegal, *Mapp* v. *Ohio*, 367 U.S. 643, 6th Law Edition 2d 1081, 81 Supreme Court Reporter 1684, 84 ALR 2d 933, requires the exclusion of the evidence which was the product of the search incident to those arrests.

Here is the crux of the opinion:

Even if probable cause exists for the arrests of a person within, the Fourth Amendment is violated by an unannounced police intrusion into a private home, with or without an arrest warrant, except (1) where the persons within already know of the officers' authority and purpose, or (2) where the officers are justified in the belief that persons within are in imminent peril of bodily harm, or (3) where those within, made aware of the presence of someone outside (because for example, there has been a knock at the door), are then engaged in activity which justifies the officers in the belief that the escape or destruction of evidence is being attempted.

Justice Brennan proceeds and says these three exceptions, which he enumerates, only come into play from facts and circumstances known to the officer at the time he breaks in without announcing his presence or purpose. One of these is where the people in the house already know the officer is there—know his presence and purpose. There is no necessity in that case to give notice. Or where the officer knows, at the time he breaks and enters without notice, that someone in the house is in peril of bodily harm; or where, because they are made aware of the presence of someone outside the house, the officer knows from the activity inside the house at the time that the occupants of the house would escape or destroy evidence. Manifestly, an officer cannot know in advance whether these conditions exist.

Mr. President, the Lord's Prayer says: "Lead me not into temptation."

One of the arguments against the District of Columbia crime bill is that that provision of the crime bill violates the injunction of the Lord's Prayer and leads the officers of the law into a temptation to make false affidavits or to indulge in false prophecies, without any basis for them.

The provisions of the District of Columbia crime bill about search warrants are found in section 23-522, which appears on page 160. In order to save time, I ask unanimous consent that section 23-522, as it appears on page 160 of the conference report, be printed in full at this point in the RECORD.

There being no objection, the section was ordered to be printed in the RECORD, as follows:

"§ 23-522. Applications for search warrants

"(a) Each application for a search warrant shall be made in writing upon oath or affirmation to a judicial officer.

"(b) Each application shall include—

"(1) the name and title of the applicant;

"(2) a statement that there is probable cause to believe that property of a kind or character described in section 23-521(d) is likely to be found in a designated premise, in a designated vehicle or object, or upon designated persons;

"(3) allegations of fact supporting such statement; and

"(4) a request that the judicial officer issue a search warrant directing a search for and seizure of the property in question.

The applicant may also submit depositions or affidavits of other persons containing allegations of fact supporting or tending to support those contained in the application.

"(c) The application may also contain—

"(1) a request that the search warrant be made executable at any hour of the day or night, upon the ground that there is probable cause to believe that (A) it cannot be executed during the hours of daylight, (B) the property sought is likely to be removed or destroyed if not seized forthwith, or (C) the property sought is not likely to be found except at certain times or in certain circumstances; and

"(2) a request that the search warrant authorize the executing officer to break and enter dwelling houses or other buildings or vehicles to be searched without giving notice of his identity and purpose, upon probable cause to believe that one of the conditions set forth in subparagraph (A), (B), or (D) of section 23-591(c)(2) is likely to exist at the time and place at which warrant is to be executed.

Any request made pursuant to this subsection must be accompanied and supported by allegations of fact supporting such request.

Mr. ERVIN. Section 23-591, which I have already mentioned, provides that an officer can break into a house without knocking, without advising the occupants of the house of his presence and purpose, and without giving them an opportunity to open the house to him, if the warrant expressly authorizes breaking and entering without such a prior announcement. How does an officer get a warrant such as that? The only way he can do it is to succumb to the temptation which is presented to him by section 23-522. So how does he get a warrant to authorize him to break in without notice of hearing? He has to apply for a search warrant. Of course, under the fourth amendment, his application must be supported by an oath of affirmation. It says that he can request that the search warrant authorize him to break and enter the house or building or vehicles to be searched without giving notice of his identity and purpose, if he has probable cause to believe that one of the conditions set forth in subparagraphs (a), (b), or (d) of section 23-591 is likely to exist at the time and place at which such warrant is to be executed. The provisions in subparagraphs (a), (b), and (d) of section 23-591 attempt to embody the exceptions to the announcement provisions of the fourth amendment as laid down substantially in the Ker case.

How does an officer who goes to get a search warrant from a U.S. judge or from a U.S. magistrate, miles away from the place he wants to search, know in advance that it is likely that at the time he undertakes to execute that search warrant miles away, one of these exceptions may exist. It says—and this is just an exercise, for all practical purposes, in linguistic hypocrisy—"Any request made pursuant to this subsection will be accompanied and supported by allegations or facts supporting such request."

How is an officer who goes before a judge to get a search warrant to search my apartment to know, when he gets to it hours later, that I am going to be attempting to dispose of some evidence, or feel that perhaps I am in imminent peril of bodily harm at the hands of some burglar to maintain as an exercise his privilege of an officer who has broken into my apartment? Or, how is he to know, when he goes up to a court building and gets an affidavit to search my apartment without knocking, that I am going to escape when he finally gets to the apartment at a subsequent time?

The truth is, he cannot know. There is no possibility of his knowing any of these things. So he goes and gets a search warrant, which he can only get on the basis of false prophecies; and no amount of sophistry can convert a false prophecy into a fact. Yet, to get the search warrant to enter a house, such as Mrs. Mallory's was entered, why he has to be able to establish the facts showing that at some subsequent time, things of which he is necessarily ignorant will be existing at the place where he undertakes to execute the search warrant.

The simple truth of it is that the no-knock provision of the bill leads U.S. magistrates and leads U.S. judges, who may be great law and order men in the most acceptable sense of that term, and law-enforcement officers, into the temptation to concoct false prophecies and foretell things that no human being on earth can foretell, in order to get what I call a spurious warrant.

I do not believe that the law should lead an officer of the law into the temptation to lie, but that is precisely what the no-knock provision of this bill would do, because it would authorize the issuance of a warrant to be executed at some future time without announcement of the officer's presence or purpose.

Mr. President, I should like to emphasize what Associate Justice Brennan had to say in this opinion. He pointed out that this rule, that an officer should announce his presence and purpose before entering the home of a citizen, was not only adopted to make the citizen's home his castle, but was also adopted for the protection of the officer of the law.

Mr. ALLEN. Mr. President, will the senior Senator from North Carolina yield to the junior Senator from Alabama at some convenient place?

Mr. ERVIN. I am happy to yield to the Senator right now.

Mr. ALLEN. It is the opinion of the junior Senator from Alabama that the distinguished senior Senator from North Carolina is the greatest living constitutional lawyer in the United States bar none.

Although the junior Senator from Alabama always enjoys the discussion by the distinguished senior Senator from North Carolina of any constitutional issue, or any point of law, he would like the distinguished senior Senator from North Carolina to recall the occasion when he was speaking against the no-knock provision in the drug control law, and he recited an argument made in a similar controversy, I believe, in the British Parliament where a similar provision was under discussion. I believe it possibly was the great William Pitt who said something about the sanctity and inviolability of the Englishman's home, that it was his castle.

I was very much impressed with the Senator's statement wherein he quoted William Pitt as saying that the elements could come into an Englishman's home, the rain, the snow, the sleet, but that the King of England could not.

Would the distinguished senior Senator from North Carolina refresh the recollection of the junior Senator from Alabama on that point?

Mr. ERVIN. Yes. I am delighted to do so. I was referring to a speech which William Pitt made in the House of Commons against the proposal of English officials who had been charged with the duty of collecting excise taxes on cider, that they believed they should have the right to enter the homes of people without apprising them of their presence or purpose; in other words, a no-knock provision back there was being advocated in the British Parliament.

In speaking in opposition to the proposal, William Pitt had this to say:

> The poorest man may, in his cottage, bid defiance to all the forces of the Crown. It may be frail. Its roof may shake. The wind may blow through it. The storm may enter. The rain may enter. But the King of England cannot enter. All his force dares not cross the threshold of the ruined tenement.

Mr. ALLEN. I would say to the distinguished senior Senator from North Carolina that is a great and stirring statement of the common law upon which the law of the various States in this country is based. Certainly that same argument would apply now just as it applied more than 200 years ago.

Mr. ERVIN. It would seem to be even stronger now because at that time people did have some veneration for the power of the King of England. The King was supposed to have some autocratic powers which our U.S. Constitution, of course, denies to our Government.

Mr. ALLEN. I thank the distinguished senior Senator from North Carolina and would like to recall to him that the junior Senator from Alabama followed his leadership in opposition to the no-knock provision in the drug control bill that was passed by the Senate, in voting against the no-knock provision; and he wishes to state that he wishes again to vote against the no-knock provision, that he feels it is obnoxious, that it is inadvisable, that it is unfair, that it would be dangerous for police officers, that it does invade the homes of our people, and he would like very much to be able to vote again against the no-knock provision.

Is there any way in which the junior Senator from Alabama will be able to vote against the no-knock provision and at the same time vote in favor of all other provisions of the bill?

Mr. ERVIN. The Senator from Alabama can do that in the event, and only in the event, the Senate rejects the conference report. The conference report cannot be amended.

The only way the Senator from Alabama can vote in that fashion is to vote against the conference report. In the event the conference report is rejected, he can then vote for the bill which has been introduced by 19 other Senators and me which will make law every provision of the conference report that is worthy of a place in any system of civilized justice.

Mr. ALLEN. Mr. President, under the parliamentary procedure then, as the Senator from North Carolina has explained it, there will be no opportunity to vote yes or no on the no-knock provision.

Mr. ERVIN. No. And I will say to the Senator that I am a very trusting person and I do not look unfavorably on other people. However, at the same time, this whole thing has been more or less strange.

The Senate has never yet been given an opportunity to vote up or down on any provision for preventive detention. The bill we passed that came from the House District Committee has no provision for preventive detention.

We have been conducting hearings in the Subcommittee on Constitutional Rights on the proposal of the administration and certain other proposals that preventive detention be made Federal law applicable throughout the 50 States. But the Department of Justice, I suspect, came to the conclusion that Senators were not going to impose that. They might vote to impose preventive detention on the people of the District of Columbia, but they were not going to be willing to vote for preventive detention upon the people of their States.

After the Senate bill had passed the Senate without any preventive detention provision in it, it was sent to the House. There it slept and slept and slept for many weeks. Then suddenly, according to what Representative BROCK ADAMS of Washington—a man who entertains views similar to those of the Senator from Alabama and myself and who is not willing to sell the everlasting liberties of the American people for the purpose of some temporary thing like getting a few people in jail without being tried—testified before my committee that on the day the House passed the original bill, they had announced in advance that the only thing the House would consider was some provision to aid police officers.

On that day those who were opposed to preventive detention, assured that no preventive detention was being suggested, absented themselves from the committee in order to attend other official duties. And in their absence a representative of the Department of Justice came there and presented the recommendations of the Department of Justice in the form of a bill.

Under those circumstances it was adopted. The representative of the Department of Justice was the only man permitted to be heard on that subject before the District Committee. Those were the circumstances. It was put in the bill.

I might state that the bill as it came from the House so outraged the Members of the Senate that on the motion of the senior Senator from Maryland, it rejected the House bill by a unanimous voice vote.

It then went back to the House. Now we are being asked to swallow this thing lock, stock, and barrel, the no-knock provision and everything else, without ever being given the opportunity to vote on these things separately.

Why the House District Committee could not find anyone else except one representative from the Department of Justice to testify, I do not know. I, as chairman of the Subcommittee on Constitutional Rights, found literally hundreds of liberty-loving Americans who have been willing to appear or to write the Constitutional Rights Subcommittee to testify against preventive detention.

We are now told that unless we bow down obsequiously and permit all of these constitutional inequities to be perpetrated on the people of the District, we will not have any bill.

I hate to think that the House subcommittee is guilty of that kind of legislative inequity. They tell us that we have no right to exercise our intelligence but must swallow the medicine they have concocted over there on these matters no matter how distasteful it is, no matter how unconstitutional it is, no matter how unwise it might be, no matter how unfair it might be, and no matter how unworkable it might be.

I will not take any medicine like that. I think that my oath to support the Constitution of the United States requires me to stand on the floor of the Senate and fight for the preservation of the liberty of all people of the United States as guaranteed to them by the Constitution, whether they live in the District of Columbia or somewhere else.

Mr. ALLEN. Mr. President, I greatly admire the distinguished Senator from North Carolina. I appreciate his statement. I admire him for his ability, knowledge, and courage to stand here and speak out for his convictions and for the freedoms that the people of the United States are guaranteed under the Constitution.

The junior Senator from Alabama would welcome once again the opportunity of voting against the no-knock provision. He regrets that this issue is not going to be presented to the Senate so the Senate can meet it head on.

In that event, the junior Senator from Alabama would cast his vote against the no-knock provision which he regards as being an invasion of the liberties and freedom that the people are guaranteed under the Constitution.

Mr. ERVIN. Mr. President, I thank the Senator from Alabama. I would say that if I were not a trusting person who is not inclined to think evil of others, I might succumb to the temptation to believe there is a little bit of legal chicanery in the House committee, the House committee being aided and abetted by the Department of Justice. But being a trusting person who thinks no evil of another person, I will not make that accusation on the floor of the Senate.

But I will absolve any Member of the * * * any legislative chicanery did occur.

Mr. ALLEN. Mr. President, I commend the distinguished Senator from North Carolina on his trusting nature. However, having seen some of the legislative proceedings and enactments that take place here, it is doubtful that the junior Senator from Alabama would go as far as the distinguished Senator from North Carolina has gone in this connection.

Mr. ERVIN. Mr. President, in the future I may be wiser. I always hope to be wiser tomorrow than I am today. It may be that the next time I will follow that old proverb that says, "If you fool me once, it is your fault; if you fool me twice, it is mine."

Mr. ALLEN. Mr. President, it having happened three, four, or five times now, I wonder that the Senator can continue to be so trustful.

Mr. ERVIN. It is very difficult.

I thank the Senator from Alabama for his contribution to the argument. I further say that the Senator from North Carolina entertains a very high admiration for the Senator from Alabama.

The Senator from North Carolina has noted during the service of the Senator from Alabama in this body that the Senator from Alabama has never succumbed to the temptation to sell the constitutional truth to serve political allies.

Mr. ALLEN. I thank the distinguished Senator.

Mr. ERVIN. I know of no higher tribute I can pay any man than that, because sometimes that temptation is very strong, all of us being political animals.

Mr. ALLEN. I thank the Senator.

Mr. ERVIN. Mr. President, I was emphasizing what Justice Brennan emphasized in the Ker case, that this requirement that a police officer shall inform the occupants of a house of his presence and purpose before he enters and giving them an opportunity to open the house to him is designed to protect the officer and his life as well as to protect the occupants of the house in the enjoyment of their rights of privacy.

In the Ker case he pointed out this situation. He stated in his opinion:

It was firmly established long before the adoption of the Bill of Rights that the fundamental liberty of the individual includes protection against unannounced police entries. "[T]he Fourth Amendment did but embody a principle of English liberty, a principle old, yet newly won, that finds another expression in the maxim 'every man's home is his castle.'" Fraenkel, Concerning Searches and Seizures, 34 Harv L Rev 161, 365 (1921); Frank v Maryland, 359 US 360, 376–382, 3 L ed 2d 877, 887–891, 79 S Ct 804 (dissenting opinion). As early as Semayne's Case, 5 Co Rep 91a, 91b, 77 Eng Rep 194, 195 (1603), it was declared that "[i]n all cases when the King is party, the sheriff (if the doors be not open) may break the party's house, either to arrest him, or to do other execution of the K(ing)'s process, if otherwise he cannot enter. *But before he breaks it, he ought to signify the cause of his coming, and to make request to open doors . . .*" (Emphasis supplied.) Over a century later the leading commentators upon the English criminal law affirmed the [374 US 48] continuing vitality of "that principle. 1 Hale, Pleas of the Crown (1736), 583; see also 2 Hawkins, Pleas of the Crown (6th ed 1787), c. 14, § 1; Foster, Crown Law (1762), 320–321.[1] Perhaps its most emphatic confirmation was supplied only 35 years before the ratification of the Bill of Rights. In Curtis' Case, Fost, 135, 168 Eng Rep. 67, decided in 1756, the defendant, on trial for the murder of a Crown officer who was attempting an entry to serve an arrest warrant, pleaded that because the officer had failed adequately to announce himself and his mission before breaking the doors, forceful resistance to his entry was justified homicide. In recognizing the defense the court repeated the principle that "peace-officers, having a legal warrant to arrest for a breach of the peace, may break open doors, *after having demanded admittance and given due notice of their warrant*"; the court continued that "no precise form of words is required in a case of this kind" because "[i]t is sufficient that the party hath notice, that the officer cometh not as a mere trespasser, but claiming to act under a proper authority . . . ." Fost., at 136–137, 168 Eng Rep. at 68. (Emphasis supplied.) The principle was again confirmed not long after the Fourth Amendment became part of our Constitution. Abbott, C. J., said in Launock v. Brown, 2 B & Ald 592, 593–594, 106 Eng Rep. 482, 483 (1819):

This holding of the English law is the law in virtually every American common law jurisdiction. When the officer undertakes to enter the house of a person without announcing his presence and without announcing his purpose and without giving the person a reasonable opportunity to open the doors to him, he runs the risk of being killed by the householder who has the right to protect his home against what he understands to be unwarranted intrusion; and the killing of an officer under these circumstances under this decision and a multitude of decisions in this country, is justifiable homicide.

Congress, in the law of the United States, should not put officers in a position of running the risk of being justifiably killed in their efforts to enter homes of our citizens without acquainting those citizens of their presence and purpose.

The Supreme Court had occasion to talk about some of these things some time ago in the case of *McDonald* v. *United States*, 335 U.S. 451.

In that case a woman operated a boarding house. Some officers of the law began to suspect that some of her roomers were engaged in operating an illegal lottery. Instead of getting a search warrant they undertook to enter the house under the supposition that they had the right to arrest the people because they had eavesdropped outside and gotten enough to go in and had gotten enough to convince them that the roomers were operating an illegal lottery. They entered without notice and without acquainting the occupants of the house of their presence and purpose.

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[1] Hale's view was representative: "A man, that arrests upon suspicion of felony, may break open doors, if the party refuse upon demand to open them. . . ." 1 Hale, Pleas of the Crown (1736), 583. See generally Miller v United States, 357 US 301, 306–310, 2 L d 2d 1332, 1336–1338, 78 S Ct 1190; Accarino v United States, 85 App DC 394, 398–402, 179 F 2d 456, 460–464; Thomas, The Execution of Warrants of Arrest (1962), Crim L Rev 520, 597, 601–604.

The man was tried and convicted and they offered in evidence the things they seized at that time. The Supreme Court reversed the conviction which occurred here in the District of Columbia, where these no-knock provisions are to be the law if this conference report is adopted. The Supreme Court reversed the conviction on the ground that the entry of the officers was illegal. The Court said:

"The right of privacy was deemed too precious to entrust to the discretion of those whose job is the detection of crime and the arrest of criminals. Power is a heady thing; and history shows that the police acting on their own cannot be trusted."

The Court said that was the reason the fourth amendment was written. They said:

"We cannot be true to that constitutional requirement and excuse the absence of a search warrant without a showing by those who seek exemption from the constitutional mandate that the exigencies of the situation made the course imperative."

Justice Jackson had something to say about exemptions occurring in circumstances like those. He said this in agreeing with the holding of the Court that this was an illegal search and seizure, in violation of the fourth amendment, in his concurring opinion, which appears on pages 457 to 461. I will read from his opinion on pages 460 and 461:

"I am the less reluctant to reach this conclusion—

Says Justice Jackson; that is, that it was an illegal search and seizure—

"because the method of enforcing the law exemplified by this search is one which not only violates legal rights of defendant but is certain to involve the police in grave troubles if continued. That it did not do so on this occasion was due to luck more than to foresight. Many homeowners in this crime-beset city doubtless are armed. When a woman sees a strange man, in plain clothes, prying up her bedroom windows and climbing in, here natural impulse would be to shoot. A plea of justifiable homicide might result awkwardly for enforcement officers. But an officer seeing a gun being drawn on him might shoot first. Under the circumstances of this case, I should not want the task of convincing a jury that it was not murder. I have no reluctance in condemning as unconstitutional a method of law enforcement so reckless and so fraught with danger and discredit to the law enforcement agencies themselves."

In other words, Justice Jackson intimates that this woman, seeing a man attempting to enter her house, would have been justified in shooting him, and he also intimates that if the officer, seeing her draw the gun to shoot him, shot her, the officer would be guilty of murder.

Why should the Congress of the United States adopt laws which, as Justice Jackson observed, are a discredit to law enforcement agencies and which are so reckless as this?

In other words, he talks about the woman seeing a man prying up her bedroom window and climbing in. Yet that is exactly what the no-knock provision of this law would authorize a law enforcement officer to do—to pry into the bedrooms of women in the District of Columbia. That is to be made legal. They could pry windows and do, as officers did in the lawyer's situation, break down the door with a sledgehammer if they did not want to enter quietly.

STATEMENT ON AMENDMENT TO REPEAL "NO-KNOCK" PROVISIONS

Mr. NELSON. Mr. President, approximately 30 years ago Supreme Court Justice Felix Frankfurter declared that "the history of liberty has largely been the history of observance of procedural safeguards."

That declaration embodies the essence of my reasoning in joining with Senator ERVIN in proposing an amendment to repeal the "no-knock" provisions of the Comprehensive Drug Prevention and Control Act of 1970 and the District of Columbia crime bill. These "no-knock" provisions authorize Federal narcotics agents and District of Columbia law enforcement officials to secure court warrants to forcibly enter an individual's home or office without first identifying themselves or the purposes for which they seek entry.

I opposed those "no-knock" provisions when the Senate debated and voted upon them in 1970. No argument has been advanced since then to make me question the soundness of that opposition. Indeed, quite the contrary. Subsequent experience and reconsideration of the law compel the conclusion that the "no-knock" provisions are unnecessary, dangerous, and unconstitutional.

To begin with, experience has demonstrated that the "no-knock" provisions are not at all necessary to the rigorous enforcement of Federal drug laws or District of Columbia criminal laws. In an interview on June 7, for example, Chief of Police Jerry V. Wilson stated flatly that he would not object to repeal of the "no-knock" provisions and that repeal of such provisions "would not effect the District of Columbia Metropolitan Police Department one way or another." In fact, the District of Columbia Metropolitan Police Department reported earlier that it has not used the "no-knock" authority at all since 1971. Similarly, although the Federal Government once used the "no-knock" authority regularly, more recent statistics indicate that the authority is invoked rarely today. Since June 1973, for instance, the Federal Government has invoked the authority only three times. In any event, as Senator ERVIN has pointed out, there is no reason why Federal narcotics agents and District of Columbia enforcement officials should be given broader police powers than the FBI, and other Federal enforcement officers who do not have access to "no-knock" authority.

Whatever the marginal utility of the "no-knock" provisions, it is far outweighed by the grave dangers which they pose to the fundamental and constitutionally guaranteed right to privacy. Numerous reports have documented how Government agents have abused the "no-knock" authority to break into homes and terrorize unsuspecting and even innocent individuals.

An exhaustive survey conducted by the New York Times in 1973 found, for example, that "innocent Americans around the country have been subjected to dozens of mistaken, violent, and often illegal police raids by local, State, and Federal narcotics agents in search of illicit drugs and their dealers." The Times article observed that the incidents underlie "an inherent danger in no-knock narcotics raids which were authorized for Federal agents by Congress in 1970." Reference to some of the incidents recounted by the Times should make that inherent danger clear to everyone:

A raid by Norfolk, Va., police on a home at 3 a.m. on May 24, 1972, was conducted pursuant to an "immediate entry" clause attached to a search warrant based on erroneous information from an informer. Because the resident was previously a burglary victim, she had a gun for personal protection. A patrolman was killed when the resident fired her revolver through her locked bedroom door as the police attempted to batter it down. There is no evidence that there were any drugs in the house.

On April 20, 1973, at 10:45 p.m. Chicago police dressed in civilian clothes broke down with a sledgehammer the back door of a home. The resident later noticed that her address had been written in on the search warrant after the original address had been scratched out. Because of the large volume of such warrants handled by the authorizing judge, it is unknown whether the change was made in his presence. But it is known that no evidence of drugs was found in the invaded house.

In Portsmouth, Va., on January 26, 1973, an apartment dweller was awakened by the sound of her door crashing in and confronted by a gun-carrying detective who handed her a warrant. As other officers searched for heroin, the woman pointed out to them that the warrant was issued for a different apartment.

The home of a Rochester, N.Y., family was mistakenly broken into by State troopers executing 22 warrants during a massive drug "roundup" on the morning of September 20, 1972. The family's address was obtained from the telephone company, supposedly matching a number the police had overheard during a wiretap. The homeowner thought the men were burglars and stated he would have fired if he had had a gun. One higher official of the State police termed the incident an "insignificant detail" in the context of the entire raid.

The "no-knock" provisions are dangerous not only because of the abuse of authority delegated to Federal agents; those provisions are equally dangerous, because they breed an official attitude which places Government agents above the law. In numerous cases Federal agents conducted "no-knock" raids without the required court warrant, apparently because they believed the warrants to be a procedural formality which they did not have to honor.

The Herbert Giglotto and Donald Ashew families of Colinsville, Ill., for example, were subjected to indiscriminate ransacking of their dwellings and verbal and physical abuse by Federal agents of the old Office of Drug Abuse Law Enforcement the night of April 23, 1973. The agents burst into the residences without warning and without warrants; they did not identify themselves until leaving. Not surprisingly, the Federal agents did not find any drugs; they had guessed the addresses of the residences to be searched. At a subsequent criminal trial, the agents were acquitted principally because the prosecutors failed to establish the agents' criminal intent. But the absence of criminal intent is of no solace to the families which endured the terror of the agents' night raid.

The Washington Star of January 4, 1974, detailed another example of the dangerous consequences when Government agents engaged in surprise searches. On April 24, 1972, disguised agents of the old Bureau of Narcotics and Dangerous Drugs conducted a massive raid, by helicopter and by foot, on a mountain cabin in Eureka, Calif. The agents carried an arrest warrant—but not a "no-knock" warrant—to arrest a man believed to be dealing in drugs. Apparently the agents were primarily interested in combing the suspect's premises in search of a large "drug factory." The agents descended on the suspect's cabin without identifying themselves or their purposes. The frightened suspect fled from the unidentified invaders and was fatally shot in the back by an agent who claimed he mistakenly thought a fellow agent had been shot.

The "no-knock" provisions, and the official state of mind which they foster, are clearly at odds with principles of common law and the fourth amendment. According to early English law, the King's agents could not enter a citizen's home without first identifying themselves and their purposes. This fundamental principle was articulated as early as 1603 in *Semayne's Case*, 5 Co. Rep. 919, 916, 77 Eng. Rep. 194, 195 (1603), where an English court declared:

> In all cases when the King is a party, the sheriff (if the doors be not open) may break the party's house, either to arrest him, or to do other execution of the King's process, if otherwise he cannot enter. *But before he breaks it, he ought to signify the cause of his coming, and to make request to open doors* . . . (Emphasis added.)

The principle was upheld by subsequent court decisions. But it received perhaps its most eloquent articulation in a statement by William Pitt in the House of Commons in 1766. The Commons was debating a proposal to allow the King's agents to enter an individual's home unannounced to collect an excise tax on cider. In opposing this proposal, Pitt made a forceful statement which warrants repetition here:

> The poorest man may, in his cottage, bid defiance to all the forces of the Crown. It may be frail. Its roof may shake. The wind may blow through it. The storm may enter. The rain may enter. But the King of England cannot enter. All his force dares not cross the threshold of that ruined tenement.

It is unthinkable that a power denied to the King of England should be conferred upon Federal agents acting under our Constitution. In fact, the Constitution does not confer such power upon any government; it applies the same restrictions to which the King of England was subject.

These restrictions are embodied in the fourth amendment. That amendment states quite simply that—

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

The purpose of this amendment is clear and unequivocal. It protects an individual's privacy against unreasonable intrusions by the Government. As one legal commentator stated—

> [T]he Fourth Amendment did not but embody a principle of English liberty, a principle old, yet newly won, that finds another expression in the maxim "every man's home is his castle." Fraenkel, "Concerning Searches and Seizures." 34 *Harv. L. Rev.* 361, 365 (1921).

As in the common law which first developed in England, the fourth amendment restrictions require that Government agents identify themselves and their purposes before executing any search. Enunciating the principle as understood by all but one of his colleagues, Supreme Court Justice William Brennan stated in *Ker* v. *California*, 374 U.S. 23, 49 (1963), that—

> [T]he protections of individual freedom carried into the Fourth Amendment undoubtedly included this firmly established requirement of an announcement by police officers of purpose and authority before breaking into an individual's home. The requirement is no mere procedural nicety or formality attendant upon the service of a warrant. Decisions of both the federal and state courts have recognized, as did the English courts, that the requirement is of the essence of the substantive protections which safeguard individual liberty.

Exceptions to this "firmly established requirement" occur only when Government agents are confronted with exigent circumstances immediately prior to the search. According to Justice Brennan, these exceptions are confined to cases:

> (1) where the persons within already know of the officers' authority and purpose, or (2) where the officers are justified in the belief that persons within are in imminent peril of bodily harm, or (3) where those within, made aware of the presence of someone outside (because, for example, there has been a knock at the door), are then engaged in activity which justifies the officers in the belief that an escape or the destruction of evidence is being attempted. 374 U.S. at 47.

The circumstances which could justify any one of these exceptions obviously could not be known in advance; they could become known only when the Government agents attempted to execute a search.

In contrast, the no-knock provisions allow a court to make an advance determination that such exigent circumstances will exist and to give Government agents prior authorization to dispense with the announcement of identity and purpose before executing their search. This prior determination of exigent circumstances flies in the face of logic; and the waiver of the Government agents' announcement flies in the fact of rights protected by the Constitution.

By repealing the no-knock provisions, our amendment would leave intact the constitutional and common law principles concerning Government searches. Under those principles, as noted above, "no-knock" searches would be permitted, but only when exigent circumstances become known to Government agents immediately prior to their contemplated search.

Many years ago, Oliver Wendell Holmes observed that "the life of the law has not been logic; it has been experience." That observation is of obvious relevance to consideration of the amendment proposed today. For the experiences of the past few years have shown that the no-knock authority is a dangerous affront to the right to privacy guaranteed to every individual under the common law and the fourth amendment. The no-knock provisions condone the kind of Government behavior which inspired the American Colonies to revolt in 1776; and such provisions foster an official state of mind which makes the law's protection of individual privacy a meaningless gesture.

There should be no question, therefore, about the wisdom of repealing the "no-knock" provisions. This is particularly so since they have proved to be a rarely used enforcement tool of dubious utility. After considering the merits of this issue, I am hopeful that the full Senate, and ultimately the House as well, will concur in the need for this amendment

Mr. President, I ask unanimous consent to insert in the Record my 1970 statements opposing inclusion of the "no-knock" authority in the drug bill and the District of Columbia crime bill. I also ask unanimous consent to insert in the Record a New York Times article which exposes the dangers of the "no-knock" provisions.

There being no objection, the material was ordered to be printed in the Record, as follows:

Opposing No-Knock Authority in the Drug Bill

Mr. Nelson. Mr. President, no matter how artistically and eloquently the proponents of this measure defend the concept of no-knock entry, preventive detention, and the provisions for wiretapping, the fact of the matter is that the provisions do in fact compromise the constitutional rights of the people of this country, and the conference report ought to be defeated.

Mr. President, there can be no doubt that the increasing crime rate is one of the most serious domestic problems facing our country today. The latest statistics of the Federal Bureau of Investigation indicate that there has been a 13 percent increase in serious crimes in the first 3 months of 1970. This added burden of crime has fallen most heavily upon our cities.

Nowhere are the criminal statistics more appalling than in the Nation's Capital: 56,000 felonies reported in the District of Columbia in 1969; serious crime rising at almost double the national rate; reported felonies having increased 122 percent in the last 5 years. Thus it is apparent that the national commitment to reducing crime can best begin here in Washington, making the District of Columbia an example for the entire country.

S. 2601, the District of Columbia crime bill, which we are now considering, therefore, must be considered as a pilot program to demonstrate the Federal Government's fight on crime to all of the United States. With this expectation, the administration has already sent similar legislative proposals to Congress to apply provisions of S. 2601 to all Federal districts throughout the country.

The District of Columbia crime bill which emerged from conference contains many noncontroversial features that are badly needed in any vigorous system of effective law enforcement—in the District of Columbia and in every other Federal jurisdiction as well. This bill, as it now stands, also contains provisions which are so antithetical to the entire history of American jurisprudence that their inclusion makes this legislation unacceptable.

The Senator from North Carolina (Mr. ERVIN) has ably and carefully documented the constitutional flaws in this legislation. While the bill provides for badly needed court reorganization, a strengthened District of Columbia Bail Agency, establishment of a public defender for the District, and the the adoption of an Interstate Compact on Juveniles, it is, in my judgment, totally compromised by the inclusion of such obnoxious features as preventive detention, no-knock entry, mandatory sentencing, broadened wiretapping authority, automatic mental commitment, changes in burden of proof in insanity pleas, procedures for the no-jury trial of multiple offenders, and expanded treatment of juvenile as adults.

It has been suggested that, because the valid and necessary features of this present bill outnumber the objectionable provision, the Senate should swallow its objections and approve the conference report as it stands. It has also been suggested that at some later time the courts can repair any violence done to the Constitution. This is a dangerous concept and ought to be summarily rejected by the Senate. It is also implied that preventive detention of persons charged with crime who may commit another crime, no-knock entry by policemen and unnamed assistants, and government eavesdropping are the prices that we must pay to reduce the crime rate.

I do not agree with these suggestions. There are alternate courses of legislative action which can be enacted in a short time and which will bolster law enforcement without objectionable erosions of constitutional guarantees. I also firmly believe that it is right and proper for the Senate to insist that anticrime proposals be consistent with longstanding American concepts of justice.

There are presently available three legislative proposals which offer effective means of giving the District of Columbia additional tools to prosecute law enforcement. I am referring to S. 4080 and S. 4081, introduced by Senator ERVIN and others as substitutes for S. 2601. These measures incorporate the worthwhile features of the court reorganization plan and changes in criminal law and procedure which was contained in the conference report on S. 2601.

The most needed and uncontroversial features of S. 4080 and S. 4081 include a new superior court which would take jurisdiction over all purely local civil and criminal cases with divisions of flexible size capable of adjusting to exact needs; a system of modern court management, with the centralization of nonjudicial, administrative duties in top-level court executives to invoke more efficient procedure that will clear away paperwork and other delays; substantial increase in judges with provisions for other means for expanding the city's judicial resources; a full-fledged public defender service for the District of Columbia, greatly expanding the size and scope of operation of the existing Legal Aid Agency; and expanded District of Columbia Bail Agency with the authority and manpower to keep a much closer watch on defendants released on bail; and restoration of the Senate's original Federal payment of $48 million to the District to carry out court reorganization and give substance to other crime programs, in particular, efforts to deal with narcotics addiction.

The third legislative proposal which would assist in reducing crime in the District of Columbia is S. 3936, the speedy trial bill. This measure would require each Federal District Court to provide trial within 60 days of indictment or information. The measure would also provide for additional penalties for crimes that are committed during pretrial release and would establish demonstration pretrial service agencies in five Federal districts, including the District of Columbia. In sum, S. 3936 provides a constitutional alternative to preventive detention.

These three bills are sensible anticrime measures for the District of Columbia which I have cosponsored and which I support as substitutes for S. 2601. In addition to exercising the questionable provisions infringing on citizens' constitutional guarantees, this legislation would give the District the additional money to begin to make a concerted effort against its No. 1 crime problem—narcotics. These substitute bills deserve expedited consideration and passage in place of the measure now before us.

Since this legislation will mainly affect an unrepresented minority within an unrepresented minority—the black residents of the District of Columbia—it is a proper duty and an obligation of this body to question and object to the infringements of citizens' protections under this bill. Furthermore, we must also consider the example which this bill is intended to make for law enforcement activities in all the States. This bill has vital implications for governmental conduct in every region of the country.

Mr. President, the affairs and activities of men and governments in this country have been controlled and guided for over 180 years by the U.S. Constitution. Its provisions have withstood the tests of time and relevance to an expanding nation. Thus we are the only country in the world that has sustained any form of government under one constitution for so long a period of time.

Over the years this Constitution and its Bill of Rights have faced stiff and critical challenges. This document has remained as the framework of government and the guardian of individual liberty through these tests only because men have taken the responsibility and the opportunity to defend the Constitution all through the continuing stresses and strains of this great and important experiment of man and government.

Today, the Senate is faced with a measure which makes specific attacks upon the rights guaranteed to all citizens by the fourth, fifth, sixth, and eighth amendments to the Constitution and traditional American concepts of justice. In particular, these attacks are embodied in the no-knock entry and preventive detention provisions of the District of Columbia crime bill.

First, the no-knock authority granted in the conference report is broader and less clear than the no-knock power permitted under the Griffin amendment, which I opposed, to the Drug Control Act, S. 3246, passed earlier this year. The language of the present no-knock provision in S. 2601 is therefore at variance with both previous legislative language in S. 3246, and with case law. It has been suggested that the provision merely codifies existing law. If this is so, then why is this provision necessary at all? Also, if existing law concerning no-knock is sufficient, then why has the Federal prosecutor for the District of Columbia claimed that he now cannot do what the new law would permit?

According to the conference report, a police officer needs only a low level of proof to obtain a no-knock warrant up to 10 days before it is to be used. A magistrate must rely upon an officer's judgment which can be far removed in time and place from the point of action. In addition, the use of the no-knock warrant in the conference report is not restricted to a specific category of crimes such as in S. 3246, the Drug Control Bill, where the no-knock provision can only be used in connection with narcotics felonies. Under S. 2601, no-knock could be used for anything from minor offenses to major felonies.

Under S. 2601, an officer may seek a no-knock warrant if he has probable cause that evidence is likely to be destroyed or an officer's life endangered. There is no reference to any certainty regarding the need for a no-knock warrant, only likelihood. This conjunction of "probable cause" and "likelihood," in effect, is a level of proof requiring only a contingent contingency and would allow an officer to conduct a no-knock search at will, or best, a reasoned conjecture.

A most curious part of the no-knock provision is that which extends no-knock authority to "any person aiding an officer" in the execution of this warrant. Who is this "any person aiding an officer?" Is he a passerby? Is he a vigilante? No need has been demonstrated for extending whatever right of unannounced intrusion there may be to private persons. Indeed, the language of the conference report leaves open the possibility of a self-labeled assistant breaking and entering alone on the barest suggestion from an officer or on the basis of what the aide alone interprets as an implied suggestion.

The Ker against California case decided by the Supreme Court established the current common law rules regarding no-knock searches. According to the best interpretation of this ruling, only "exigent circumstances" are sufficient for a no-knock entry. Exigent circumstances by their very nature can only be determined at the place where the search is to be conducted.

Thus the officer has to be at the scene where the search is to be executed before he can know whether a no-knock entry is justified. The words of the bill before us do not reflect this interpretation of the Ker case.

Finally, the present no-knock proposal raises the serious question of offending the fourth amendment which guarantees the right of people "to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures." There is no more important right secured by the Constitution, and no one has more eloquently stated the case against no-knock entry than William Pitt in debate in the House of Lords 204 years ago, when he stated:

"The poorest man may, in his cottage, bid defiance to all the forces of the Crown. It may be frail. Its roof may shake. The wind may blow through it. The storm may enter. The rain may enter. But the King of England cannot enter. All his force dares not cross the threshhold of that ruined tenement."

As if this no-knock provision is not offensive enough, the conference bill also contains a preventive detention provision. This provision introduces a new element to be considered in the release on bail of a person accused of a crime. Traditionally, the single issue to be considered in setting bail release conditions is the likelihood that the accused criminal will not appear for trial. Under the preventive detention provision, there is to be further determination as to whether pretrial release in noncapital criminal cases will affect the "safety of any other person or the community." This new factor makes far-reaching changes in the purpose and intent of bail procedures.

This new consideration is an outgrowth of the great concern to keep violent criminals off the street, that is, to prevent further crimes of physical violence before a criminal is incarcerated. The language of the conference bill, however, makes preventive detention applicable to a wide range of persons accused of both nonviolent as well as violent crime. Under the bill, not only can accused murderers, rapists, arsonists, and other perpetrators of physical violence be detained, but so can those accused of "taking or attempting to take property from another by force or threat of force" and those accused of "unlawfully entering or attempting to enter any premises adapted for overnight accommodation of persons or for carrying on business with the intent to commit an offense therein." This broadens the concept of preventive detention far beyond an intent to prevent further physical violence before trial and destroys the primary intent of release on bail to insure appearance at trial. Although preventive detention may have been intended to be limited to crimes of violence, under this bill it is subject to use as a catch-all street cleaning mechanism for those accused of antisocial behavior.

Reference is made in this bill to placing the case of a person preventively detained on an expedited court calendar so as to make a swift test of guilt or innocence of the original charge a part of the process, as in the English system. But there is no assurance that the accused will receive a speedy trial within the original 60-day detention period, as the British system provides. Since consecutive periods of 60-day detention are allowed under this bill, an accused person can be incarcerated for an extended period of time without either release or without trial.

Preventive detention is contradictory to the due process clause of the fifth amendment, since the arrested person is deprived of his liberty on the basis of a probability that he will commit a future crime. This detention is made before and without conviction for the first criminal charge.

Preventive detention also interferes with a person's right of access to counsel and participation in obtaining evidence and witnesses in his own defense as guaranteed by the sixth amendment.

It also violates the eighth amendment prohibition against the use of excessive bail. The historical purpose of the amendment was to make certain that bail is used to insure appearance and not to penalize the accused before conviction. Thus, by implication, the eighth amendment guarantees a right to reasonable bail for noncapital cases.

The arguments which I have considered concerning the issues of no-knock entry into private homes, the preventive detention of accused criminals who may cause further crime, and other provisions of this bill, lead me to the conclusion that there is certainly probable cause that the individual rights of citizens of the District are not only likely to be impaired, but they will be impaired. This constitutional infringement is unacceptable.

I should also like to voice my opposition to the wiretapping provision in this conference bill. With the possible exceptions of national security and organized crime, I am opposed to any use of wiretapping and the invasion of privacy that occurs in a formalized government effort to intercept wire or oral communications. The authority for electronic surveillance given in S. 2601 goes far beyond the limitations of these exceptions when the list of offenses for which wiretaps are permitted reads: arson, blackmail, bribery, burglary, destruction of property of value in excess of $200, gambling, grand larceny, kidnaping, murder, obstruction of justice, receiving stolen property of value in excess of $100, robbery, extortion, and offenses involving dealing in narcotic drugs, marihuana, and other dangerous drugs. This extends the Government's ear far too far.

Mr. President, the issue before the Senate is not whether to do something about crime. Nor is the issue one of preserving the rights of criminals. The issue is how to take strong law enforcement actions consistent with the constitutional guarantees of all citizens.

The no-knock, preventive detention, and wiretapping provisions are not only objectionable on constitutional grounds, but they are repugnant to American traditions and values. One freedom we have always honored is the freedom from repressive governmental action. Freedom from the fear that our life, our liberty, or our property may be arbitrarily taken from us by the State is a founding proposition of this country.

Millions of our citizens or their forefathers came to settle in America to escape the repressive practices in their homeland. They have known the terrible fear of "the knock at the door in the middle of the night." In contrast the United States symbolized a country where people could live in personal security and free from any threat to the security of their household.

I must cast my dissent to any possibility that this security may be compromised in any way. We have protected well against the specter of the "knock in the middle of the night"—we must defend even stronger against the fear of the unannounced breaking down of any man's door.

Nowadays, any legislation traveling the legislative route under the umbrella of "crime control" automatically receives wide public acclaim. No one wants to raise doubts or questions or vote against any such bill, because the public reaction will be adverse.

Grave doubts are being privately expressed by many who will vote for this bill because they view it as too difficult to explain to their constituents. Everyone here was elected to uphold the Constitution—not compromise it. I, therefore, register my opposition to this measure by voting against it.

Mr. President, the Senate has an even stronger alternate legislative plank to fight crime in the District of Columbia. My support is for the alternate bills to the conference report—S. 4080, S. 4081, and S. 3936, providing speedy trial for those accused of crime.

Mr. STENNIS. Mr. President, every Member of this body, I am sure, and the people of the Nation, owe a debt of gratitude to the Senator from North Carolina (Mr. ERVIN) for the very fine exposition he has made of this troublesome and far-reaching question.

I, too, would like to support a sound bill. I am not indifferent to conditions in the District of Columbia. In a small way. I am a property owner here—of a home, at least. A member of my family has been a victim of some of the lawlessness here. So I am not indifferent to that. I am not a total stranger to law enforcement here.

I spent 5 active years as a district attorney. In that office I did everything from investigating to serving a grand jury. My duties included preparing indictments, advising, and consulting with the grand jury, presenting the evidence, and making arguments to the jury, handled many hundreds of felony cases. I am not boasting, but I got it in the "raw." It was my privilege to serve 10 years on the trial court bench as a circuit judge, with all kinds of criminal cases and with unlimited civil jurisdiction. I have no outstanding record, but I am not a stranger to this field and the problems that go with it.

I think we are planting seeds of great disappointment in this bill. In the first place, almost everyone has doubts about its constitutionality. When those who doubt the constitutionality of statutes rely on the courts to overturn them, that does more to undermine our Constitution than anything else I know of. I refer to those who believe that the question of constitutionality is purely one for the courts and not for the Congress or State legislatures.

Passing on, Mr. President, because I do not have time to argue this question fully—and many of these very questions have been ably presented by the Senator from North Carolina—the principal argument is that we should pass the bill to help the District of Columbia. I do not think there is any doubt that we are making admissions and lowering the standards of the administration of justice if we pass this bill and it is upheld. We are lowering the standards and we are doing it because the standards have already been lowered in the District of Columbia to the point where there is little effective enforcement of our criminal law. But this bill is not the remedy, just because we have let these conditions build up. This is no excuse to desert constitutional standards. I believe that these conditions were largely caused by the unfortunate changes in the laws of criminal justice by the Supreme Court of the United States in its interpretation of the Bill of Rights, such as in the Mallory case, and many others. This bill will not bring about a remedy in that field. It does not touch, topside or bottom, the constitutional questions involved.

Another question is the general widespread permissiveness we have let come about in the District of Columbia and many other places in the country to which it has spread. For years there has been no real will to enforce the criminal law. There has been no positive determination on the part of many of the officials. Bandits walk the policemen's beats. The policeman is ridiculed. He is criticized and blasted in public day after day. Furthermore, there is a certain type of permissiveness that has almost gotten out of hand. We should not let it go on. My point is, that condition has to be met by will and determination. Putting more laws on the books is not going to do it.

There may be a need for more judges, but my feeling is that some of the judges could put in more hours a day than they seem to put in. They could do more to pursue cases and know more about the sentences that are going to attach to those criminals than using the system now in use under which someone files some kind of report.

So I believe we are looking in the wrong direction. We want to do something for the District of Columbia, certainly—we also want to do something for the whole country. But I believe we are going to have to reform ourselves first by law enforcement, and developing the will to enforce the law that we already have.

There is no breakdown of criminal procedure, as I see it. As I say, we may need more judges. We may need more law. But I strongly back the Senator from North Carolina (Mr. ERVIN) when he offers us a law that will give immediate relief and bring matters more up to date. His proposal skips all these very highly questionable constitutional matters that are in the bill before us. There are good motives behind those who worked on them. I would not suggest anything. I praise them for the work they have done. But I believe we are going to make the people think that paradise is at hand. We will lead the people of America to believe that we have found the remedy; that we are going to apply it to the District of Columbia first; and then apply it to the rest of the Nation. There is going to be a serious breakdown and a lot of hollering and disappointment.

I think we can take the laws we have, plus the proposals of the Senator from North Carolina, and get a strong public sentiment behind law enforcement officers, and a strong public sentiment behind enforcement of the law and support for the courts.

I remember the old days when public opinion was the basis for support of law enforcement. We must have that to have the juries in the right frame of mind.

I am really disappointed, in getting into this important matter—and it is highly important—to find so little of the things that really would, in my humble opinion, afford us an appreciable remedy.

So I have grave doubts about it, in fact, I just do not believe some of these provisions are constitutional, and if those of us who believe that way are going to surrender and say, "Let the courts decide everything," then who else will stand up for these basic principles?

Another thing I find here, and I have checked somewhat, is that there is no punishment passed out, no real punishment provided for these offenses. In the District of Columbia we do not have enough houses of correction or houses of punishment, or places where the offender may feel a penalty of some kind—I do not mean excessive penalties, but in order for the offender to feel the sting for having committed a crime. I believe that is the necessary remedy. We have always believed that, until recently. But some way, we have slipped into the idea that a man's background, or some other far-off reason, is to control, and he must be more or less protected instead of really punished. I say that is simply contrary to commonsense.

We have purse snatching because it is not unprofitable to snatch purses; and we have these felonies of burglary and larceny and stealing because it is not unprofitable. There is no sting of real punishment.

The Senator from Louisiana has stated that only 5 percent of those who are charged with felonies are ever punished. My goodness alive, if that is correct—and I assume it is—are we going to use that as the justification for the no-knock provision? I think we already have, in practical effect, most of this no-knock provision anyway.

DRUG CONTROL ACT

Mr. NELSON. Mr. President, on January 28, 1970, I joined with my Senate colleagues in unanimously approving S. 3246, the Controlled Dangerous Substances Act, better known as the Drug Control Act. While recognizing the necessity for a coordinated and unified Federal approach to the serious national problem of narcotics and dangerous drug control, I expressed grave reservations in January about one section of this legislation—the authorization for "no knock" entries which would allow law enforcement officers to enter premises without notice. Before voting for final passage of that bill, I cast my dissent against inclusion of "no knock" authority in three separate rollcall votes.

At the time of the Senate debate on the Drug Control Act in January, it was my conviction that whatever "no knock" authority may be permissible under the Constitution should be settled by the courts on a case by case basis rather than codified by statute which would, I think, be subject to serious administrative abuse.

"No knock" authority was included in the District of Columbia crime bill that was before the Senate this July. Although grave doubts were expressed by many over the wisdom and the justice of including "no knock" in the District of Columbia crime bill, there was apparently the feeling that it would be too difficult to explain this opposition to constituents. Furthermore, there was no necessity for an explanation since the reach of the District of Columbia crime bill would not touch home. My vote against "no knock" for District of Columbia was in the minority.

There are, however, some important distinctions between the issue before the Senate today and the issue that the Senate faced in July with the D.C. crime bill. First of all, this authority will not be restricted to an isolated unrepresented jurisdiction but will pervade every State in this Union. Second, it will not be necessary to vote against an entire bill in order to oppose this provision. There is no conference report that could be totally frustrated as was the argument on the D.C. crime bill. There is instead a simple and direct amendment which will delete this "no-knock" authority in this legislation on a national level and preserve the valid and necessary provisions of a much needed bill.

So the issue is rather direct and straightforward.

The issue is not whether to do something about drug abuse and law enforcement. Nor is the issue one of coddling criminals. The issue is how to guarantee strong law enforcement actions consistent with the constitutional guarantees of all citizens.

The fourth amendment of the Constitution guarantees the right of people in this country "to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures." There is no more important right secured by our Constitution and valued by our society.

The case against "no-knock" was eloquently stated by William Pitt in debate in the House of Lords:

"The poorest man may, in his cottage, bid defiance to all the forces of the Crown. It may be frail. Its roof may shake. The wind may blow through it. The storm may enter. The rain may enter. But the King of England cannot enter. All his force dares not cross the threshold of that ruined tenement."

William Pitt's statement was made 204 years ago. Today the issue is the same. There is a need to reaffirm the validity of his statement and the freedom from repressive and arbitrary governmental action. For this reason, I will again vote against "no-knock" authority. At the same time I will give my support to the other provisions of this bill and work to strengthen title I so as to provide for a balanced and coordinated attack upon drug and narcotics abuse that itself does not abuse constitutional prerogatives.

[From the New York Times, June 25, 1973]

VIOLENT DRUG RAIDS AGAINST THE INNOCENT FOUND WIDESPREAD

(By Andrew H. Malcolm)

WASHINGTON, June 24.—Innocent Americans around the country have been subjected to dozens of mistaken, violent and often illegal police raids by local, state and Federal narcotics agents in search of illicit drugs and their dealers.

An eight-week investigation by The New York Times—consisting of interviews with victims of the raids, policemen and narcotics agents—has shown that, contrary to published reports and some Government assertions, the recent illegal drug raids on two Collinsville, Ill., families were not isolated incidents.

In fact, during the last three years, mistaken raids have been made by narcotics agents on all government levels, often acting on uncorroborated tips.

Such incidents have resulted in at least four deaths, including one policeman slain when a terror-stricken innocent woman shot through her bedroom door as it burst open. In California one innocent father was shot through the head as he sat in a living room cradling his infant son.

Details of each raid vary, but generally they involve heavily armed policemen, arriving at night, often unshaven and in slovenly "undercover" attire, bashing down the doors to a private home or apartment and holding the innocent residents at gunpoint while they ransack the house.

A raid victim in Long Island has settled a damage suit with the Federal Government for $160,000. Similar suits are pending.

Sometimes the agents have warrants and identify themselves. Sometimes they do not.

Frequently, the raiding party is rude, abusive and, as in Collinsville, shouts obscenities at its terrified victims.

In Los Angeles a veteran police officer says mistaken raids occur once or twice a month. In Miami, complaints of police harassment on drug searches are so frequent that the Legal Services of Greater Miami can no longer handle the caseload.

Taken individually, the raids have been little noticed nationally, apparently because they were believed to be isolated aberrations or unfortunate but understandable errors as hard-pressed police forces sought to combat drug addiction, which President Nixon has called "Public Enemy No. 1."

In addition, the raids occurred in widely scattered areas. Often they involved lower-class families with little access to the media or to advice on possible legal recourse.

Some believe many families kept quiet for fear of reprisals by the agents or perhaps because in their hatred for drugs they condoned the tactics but not the locale.

"NO-KNOCK" LAWS

But taken together the mistaken raids paint a picture of strong-arm police tactics, shoddy or nonexistent pre-raid police investigation and the pressures and brutalizing impact on the police of constant contact with what they call "society's scum," the drug pusher.

The incidents also underline what some view as an inherent danger in "no-knock" narcotics raids, which were authorized for Federal agents by Congress in 1970. Some states have similar statutes.

Under these laws the police may obtain a special no-knock search warrant authorizing them to break into homes unannounced if there is probable cause to believe that the property sought can be quickly destroyed or disposed of or if giving notice of police presence could endanger an officer or other person.

To some observers such mistaken raids are just that—mistakes caused by an understandable mounting police frustration with the growing drug problem. They say that members of the more vocal middle class are now being subjected to rigorous police techniques that some allege some officers have long used in black communities.

To others, however, the mistaken raids signal the emergence of a dangerous climate of repression.

The drug raids on the homes of Herbert Giglotto and Donald Askew in Collinsville, Ill., occurred the night of April 23. Mr. Giglotto was asleep with his wife in their apartment when more than 15 poorly dressed men broke down two doors, handcuffed the Giglottos, held them at gunpoint, emptied drawers and closets, shattered pottery, threw a television set on the floor and shouted obscenities.

A half-hour later a similar event occurred across town at the Askews' modest home.

"CAVEAT VENDOR"

In both cases the men were agents of the Office for Drug Abuse Law Enforcement, an umbrella agency established in January, 1972, by President Nixon. Its motto is "Caveat Vendor."

In both cases the men were at the wrong address.

In both cases they had no search or arrest warrants.

In both cases they had no authority from their superiors for the raids. In both cases they did not identify themselves until well into the raid.

The agents, one of whom had been involved previously in incidents involving questionable force, have been suspended with pay but continue to perform limited duties while a grand jury investigates and the families sue.

Three days before the Collinsville raids, at 10:45 P.M. Mrs. Laura Smith heard a tapping on a window of her home on Chicago's tough South Side. Seconds later a sledgehammer came through the back door, she said. It was followed by four armed men in civilian clothes who ran through the house, she continued. They were Chicago policemen.

"They were looking for marijuana and some man named Will," recalls Mrs. Smith, who noticed that the search warrant was originally issued for 9763 South Oglesby, one block away from the Smiths' home at 9763 South Crandon. The original address was scratched off and that of the Smiths written in.

Circuit Court Judge Irvin Kipnis, who signed the warrant, said such changes must be made in a judge's presence, but he handles so many warrants these days that he could not recall if that procedure had been followed.

The Chicago police offered no explanation for the raid, nor did they pay for the broken door. "Every time I hear a noise at night now," says Mrs. Smith, "I live it all over again." Her husband, James, is a Cook County deputy sheriff.

On Jan. 26 this year, Mrs. Anna Majette was asleep in her apartment at 1420 Barbour Drive in Portsmouth, Va. She heard a noise as her door crashed in.

She rose from bed and, she says, Frank Bonnewell, chief of Portsmouth detectives, stepped in front of her with a gun. "We've heard a lot about this house," he said.

The officer produced a search warrant. His men searched for heroin.

Then Mrs. Majette noticed that the warrant was issued for Apartment A and hers was Apartment J.

"Sorry," said the officer. And they left.

PHILADELPHIA INCIDENT

At a hearing later officers got to talking. "I was on a raid one time," one policeman recalled, "and we got the wrong house. We broke in, went upstairs to a bedroom and found a half-deaf and blind couple that didn't even know we entered the house."

On Jan. 24 in Philadelphia three off-duty patrolmen—John Chopak, James Haney and Harry Herr—were drinking in a bar near 40th and Market Streets when, they say, a patron said they could find narcotics in a nearby house.

According to a police investigation, the three men went to the house on Wiota Street, ransacked the house and beat three occupants. Not finding any drugs, they forced a passerby into the house and beat him too.

Then the patron took the officers to another house on Baring Street where they beat three other occupants. They found no drugs there either.

The policemen were suspended and arrested.

On Jan. 9 at 10 A.M. in Winthrop, Mass., 15 burly men armed with shotguns broke down two doors and burst into the William Pine residence.

The men did not identify themselves and wore no uniforms. They pushed the family to a couch. "Please don't kill us, please don't kill us," screamed 13-year-old Melody Pine.

"Just don't move," came the reply.

Mr. Pine, a night worker, awakened upstairs to face several gun barrels. The men asked his name. "William Pine," he replied.

The men looked at each other and raced from the house. They were state and Federal narcotics agents, it was learned later. And they wanted the green house at 30 Underhill Avenue, not the Pines' green house at 32 Underhill.

"I didn't know police operated like that in America," said Mrs. Pine.

At 6 A.M. Sept. 20, 1972, the James R. Herman family of Rochester, N.Y., was awakening. Suddenly the door jamb splintered under the weight of four men.

They ordered Mrs. Herman from the bathtub, threatened the family's barking dogs and searched the house. "If I'd had a gun," said Mr. Herman, "I'd have fired. I thought they were burglars."

They were not. They were state troopers, part of a force executing 22 search warrants in a Monroe County drug round-up. But they were at the wrong house.

The police said they had overheard a telephone number during a wiretap and when they had called the Rochester Telephone Corporation to get an address for it, their service representative gave them 3 Audubon Street.

It was the Hermans' address but not their telephone. The police apparently never checked the address further.

Smashing into the wrong house, added Capt. Richard Bolan of the state police, was an "insignificant detail" in what was "one hell of a raid."

In Norfolk, Va., at 3 A.M. May 24, 1972, Mrs. Lillian Davidson, a previous burglary victim, heard someone breaking into her house at 812 Lancaster Street. Then someone began to batter down her locked bedroom door.

SHOT THROUGH DOOR

She grabbed a .32-caliber revolver and shot through the door.

The bullet pierced the chest of Patrolman Lewis W. Hurst, Jr., the 22-year-old son of the head of the Norfolk Police Department's narcotics squad. He died minutes later.

The police arrested Mrs. Davidson. They were looking for 2,400 parcels of heroin that an informer, a former drug addict, had said were there. They were not.

The police said it had been an error by the young informer and released Mrs. Davidson. The agents acted on an "immediate entry" clause added to the search warrant. The clause, said Lawrence Wallace, assistant commonwealth attorney, is unwritten common law that dates back to Virginia's founding.

On April 24, 1972, local policemen and agents of the Bureau of Narcotics and Dangerous Drugs moved on the mountain retreat of 24-year-old Dirk Dickenson near Eureka, Calif., to seize a "giant lab" producing drugs.

Arriving on foot with dogs and in a borrowed helicopter, the agents, who were not in uniform and did not identify themselves, assaulted the cabin with rifles and hand guns. Apparently frightened and baffled, Mr. Dickenson ran toward the woods.

An agent, Lloyd Clifton, shot him in the back as he fled. Mr. Dickenson died. It is a violation of bureau rules to shoot at fleeing suspects. No "giant lab" was found.

The United States Attorney in San Francisco said there had been no civil rights violations and the killing had been justifiable homicide.

On Feb. 5, 1973, Mr. Clifton was indicted by a Humboldt County grand jury for second-degree murder, and involuntary manslaughter. The Federal Government hired a special defense attorney for Mr. Clifton. The lawyer, James McKittrick, seeks to have the charges dismissed.

Mr. Clifton continues his duties.

SECOND CALIFORNIA DEATH

Mrs. Adelina Garcia has sued Los Angeles and Riverside County for $750,000 for the shooting death of her husband, Francisco, by the police on a drug raid at a ranch near Indio on May 12, 1971.

The police said Mr. Garcia had ignored commands to stop his truck. They shot him and wounded his wife. A substantial cache of marihuana was discovered on the ranch, but Mr. Garcia was never implicated in the narcotics operation.

Here in Washington on May 2, 1970, seven policemen, only one in uniform, broke into Miss Lauretta Whitney's home on Newton Street, knocked her down and ransacked the apartment in search of illegal narcotics. They found none.

The address on the warrant came from a trusted informant, the city police said, but now that Miss Whitney is suing for $100,000 damages, officials say they have no idea where the informer is.

"We're also considering a class action suit," said Mrs. Florence Isbell of the local American Civil Liberties Union as she leafed through files with more than 20 similar cases.

On Oct. 3, 1969, a number of state and local narcotics agents in Whittier, Calif., drank beer and highballs for two hours in a local bar as they awaited completion of search warrants for a drug raid on Apartments B and D at 8033 South Comstock.

However, they initially entered the apartment of Mrs. Florence Mehan at 8031 South Comstock. Realizing their mistake, the agents went upstairs to the correct address.

Drawn by the commotion, Mrs. Mehan's son-in-law, Heyward Henry Dyer, 22, and his 22-month-old son, Francis, went to the Mehan apartment.

Suddenly, a bullet crashed through the ceiling. It pierced Mr. Dyer's skull, killing him instantly.

The shot came from an AR–15 military rifle, which one of the agents upstairs, Sgt. Frank Sweeney, was not authorized to carry. He said it had fired accidentally.

No one in that upstairs apartment was arrested. A coroner's jury decided that Mr. Dyer died by criminal means, but the district attorney's office declined to prosecute.

Sergeant Sweeney, among others, was later suspended from duty without pay for a time.

Three weeks ago a court awarded the family $900,000 damages.

COMPLEX REASONS

The reasons behind these mistaken raids are varied and complex. But they are tied intimately to the veritable explosion of Government drug enforcement activities in recent years.

At its formation in 1968 the Bureau of Narcotics and Dangerous Drugs, the main Federal arm against drugs, had 615 agents and a $14-million budget. Now it has 1,568 domestic agents and a $74-million budget. On July 1, a new Drug Enforcement Administration will absorb most of the Federal efforts, including the bureau. These efforts cost about $245-million a year.

With its sudden growth, the bureau has had to do some fast recruiting. "A majority of our people come to us right out of college" said Richard Pirich, administrative officer for the National Training Institute, the bureau's training arm, "and some of them have law enforcement experience."

The institute runs a 10-week school for new agents and hundreds of local policemen, with 600 hours of instruction, including 26 hours on due process and the Constitution's Fourth Amendment, which prohibits "unreasonable searches and seizures." But apparently attendance is not required, some agents involved in mistaken raids had not taken the course.

The raids are frightening for both raided and raider. The tactics are based in part on the theory that a sudden, overwhelming display of police force will quash any thought of resistance and secure evidence before it can be disposed of.

"You have to go in with the idea that this guy is going to fight," said Clyde Charles, an agent who asked that his real name not be used. "He's always being shaken down by other pushers. So you figure you'll be staring down a gun barrel."

"I've been on 200 or so raids," he continued, "and the no-knock is the scariest. You ask yourself what would you do if your door came crashing down at 3 a.m. and you had a gun. You'd let go, right? Personally, I think the danger might outweigh the value."

Officials of the bureau, which works against big-time pushers, say they have executed "two or three" no-knock raids: officials for the Office of Drug Abuse Law Enforcement, which concentrates on smaller drug dealers, say they have done "about 100".

But the agents themselves admit to some "funny business" regarding the requirement to announce themselves on other than no-knock raids. "You might whisper, 'Open up! Police.' " one said, "or you could yell it the instant before you hit the door."

Another drug official added: "It's hard for outsiders to set a normal standard of behavior. You can't ask an agent to spend three months on a case and then expect him to announce himself politely and listen to every toilet on the floor flush away the evidence. You have to be a saint to do that."

Another agent said, "If you spend weeks undercover, living in a hole and dealing with drug people, your whole life-style changes and perhaps your morals, too. Sometimes there's a thin line between the hunted and the hunter."

"This is dirty scummy work," said Myles J. Ambrose, head of the Office of Drug Abuse Law Enforcement. "You see these vermin selling drugs and what they do to people and our cities and you get sickened and angry and perhaps you take your hostilities and frustrations out on some guy's bookcase. It's not right. But how are you going to prevent it?"

S. 3280—EXPORT ADMINISTRATION ACT AMENDMENT

AMENDMENT NO. 1489

(Ordered to be printed, and referred to the Committee on Banking, Housing and Urban Affairs.)

Mr. PROXMIRE. Mr. President, today I am submitting an amendment to the Export Administration Act which will require a congressional vote on sending nuclear technology to any foreign country.

Under present law, the President's proposed agreements with any country involving the transfer of nuclear technology could go into effect without any vote in Congress. Only a 60-day waiting period is required.

The authority for such a transfer is provided in the Atomic Energy Act of 1954. Basically that law states that the Atomic Energy Commission must submit the proposed agreement with any foreign country to the President along with its conditions, terms, and guarantees. The President then must approve and authorize the execution of the proposed agreement for cooperation and determine that it will not constitute an unreasonable risk to the common defense and security of the United States.

The proposed agreement then is submitted to the Joint Committee on Atomic Energy for a period of 30 days while Congress is in session. The committee, however, may decide to waive the 30-day requirement and is authorized to do so.

The last requirement is that the proposed agreement for cooperation is submitted to the Congress, referred to the Joint Committee on Atomic Energy, and must remain here for a period of 60 days after which it goes into effect.

Only if both Houses of Congress pass a concurrent resolution stating, in substance, that they do not favor the proposed agreement, will the agreement die.

Under my amendment, no nuclear technology, nuclear materials, or associated equipment could be sent to any country until both Houses of Congress give approval in a vote.

This amendment will force Congress to deal with the extraordinary questions raised by proposed agreements such as with the recently announced negotiations with Egypt and Israel.

In that particular case there are a number of items that need to be explained in full to the Congress including:

The safeguards required by the United States and the International Atomic Energy Agency.

What provisions are made to prohibit the diversion of plutonium necessary for making nuclear weapons?

Why Egypt and Israel have not signed the Nuclear Non-Proliferation Treaty?

The possibilities of terrorist acquisition of radioactive materials in the volatile Middle East.

The pressures created for other Middle East countries to obtain similar technology.

Will Egypt and Israel agree not to establish plutonium reprocessing plants?

Are prior U.S. agreements with 29 countries for research and power reactors in jeopardy of unauthorized use?

How can the Nuclear Non-Proliferation Treaty be strengthened?

With such momentous issues as yet unresolved, the Congress cannot stand by and allow this proposed agreement to go into effect without an expression of support or denial.

At the present time Congress can take no action and the President's authority is unchecked. The Proxmire amendment will force Congress to take a positive action every time the President asks far authority to give nuclear technology to another country.

Right now, if the Senate voted againt a proposed agreement but the House of Representatives supported it or took no action, the agreement would go into effect. Or conversely, a handful of Senators could keep the Senate from voting on the issue after the House had disapproved it and the measure would become law. It takes a vote of both Houses in the negative now to stop the transfer of such technology.

It is much more prudent and consonant with the powers inherent in Congress if this legislative body took positive action by a required vote every time this situation came up. To legislate and give approval in foreign affairs by refusing to act or by a lack of attention is not only poor oversight but bad procedure.

Therefore I hope that the Senate will recognize the principle involved here of allowing each Member to express his view by his vote on the critical question of exporting nuclear technology.

Maybe there is a great merit in the proposal of the President. Certainly we will hear that argued.

Maybe there is great risk in the proposal. Some Members have expressed reservations along this line.

In any event to decide the merits of this issue by inaction is a perversion of our responsibilities. The burden of proof, the compelling arguments must be made for any such agreement and the Senate must be able to express its will in a positive, straightforward manner easily recognized by the people we represent back home.

This amendment is attached to the Export Administration Act since it is not only germane to the provisions of that bill governing exports but also will allow the Congress to begin debating the merits of the current proposals before us.

That bill, I expect, will be before the Senate within a few days.

Mr. GRAVEL. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am pleased to yield to the distinguished Senator from Alaska.

Mr. GRAVEL. This amendment will require that Congress give approval before the export of this technology takes place?

Mr. PROXMIRE. The Senator from Alaska is correct.

Mr. GRAVEL. Mr. President, I would be honored to be a cosponsor of the amendment, if my colleague from Wisconsin would be willing to add my name.

Mr. PROXMIRE. I would be delighted and honored to do so.

Mr. GRAVEL. There is no question in my mind that this should be done. Up until the President's recent announcement, the proliferation of nuclear capability around the world was a "no-no." This was an integral part of our policy: that as a nation, we were opposed to the proliferation of nuclear capability.

Now, giving nuclear capability to the Arab world and to the Israeli community—an area where they have untold quantities of oil—is unnecessary. They do not need this capability to generate power. They have more capability for commercial power than any other place in the world.

What would be the reason for giving them this nuclear capability, other than to give them the ego trip of being a member of the nuclear club of the world? That ego trip is much too dangerous. The peace that may be wrought as a result of this process could be so flimsy that we could have only a respite before a holocaust.

I hope this subject will receive the dialog it should. The only device I know of now that can bring this about is the amendment of the Senator from Wisconsin.

I want to applaud the Senator from Wisconsin for his leadership in this area. I have been disappointed that the Senate has not acted before now. But this is a sound way to do it. I associate myself with his remarks. We in Congress either have the responsibility or we do not.

Mr. PROXMIRE. Mr. President, I thank the Senator from Alaska very much. He has put his finger exactly on the right point. I know that the administration is completely sincere and that they feel there are ample safeguards and no additional dangers on the basis of the agreement that they have, on the basis of present law. They may be right. But this kind of amendment will enable the Senate to debate the issue as to exactly what the safeguards are so that we will know and the public will know. There is an enormous amount of concern in the country about this, and it is an understandable concern. I feel very strongly that this kind of additional safeguard is necessary. I may be wrong, but at least it will give us the opportunity to determine precisely what the safeguards are.

Mr. ERVIN. Mr. President, I should like to commend the Senator from Wisconsin on the wisdom of his proposal and ask him to make me a cosponsor as well. I think we need to reclaim some of the powers which Congress has lost in this field. I have a bill which was reported by the Subcommittee on the Separation of Powers that deals with this incidentally but we have witnessed, in practice, of late years, the President's making executive agreements all around the face of the Earth and they never come to Congress in the form of treaties.

I have a bill in the Judiciary Committee which I hope will be reported and passed by Congress to the effect that except in cases where the President is authorized by the Constitution or by a prior act of Congress, or a prior treaty which has been ratified by the Senate, the President must report all executive agreements that he makes to the Congress so that the agreements may be vetoed by either House of Congress within a 60-day period if necessary to do so.

I see no other way to reclaim the power of Congress, at least in foreign affairs, because, as a matter of fact, Congress, by reason of the power of the purse, is so frequently called upon to implement executive agreements which Congress has had no voice in making.

I, therefore, want to commend the Senator from Wisconsin for his proposal and to say that I think it certainly should be made into law.

Mr. PROXMIRE. I think the Senator for his remarks. I am delighted to have the chance to add his name as a cosponsor of my amendment.

Mr. HART. Mr. President, I would also ask that I be made a cosponsor of the Senator's amendment. Quite aside from the broad question of whether this is an area where appropriately the judgment of Congress should be exercised, this is the point the Senator from North Carolina (Mr. Ervin) so long has insisted on.

I would ask the Senator from Wisconsin if a much narrower issue also is not involved, forgetting for a moment that we are proposing to introduce nuclear energy into areas, some of which, relatively, have very little technological skill. Is it not true that there is an increasing concern here at home, where we like to think that our technology is of a very high order and that the more we site nuclear energy plants, the greater is the risk that a mistake may destroy us all.

Is it not true that, right now, in developing and understanding the technology which we are supposed to export, even here in our own hands, where our scientific levels are relatively high, is an extremely risky undertaking indeed; but we are exporting that which is a greater risk than any society has ever undertaken in all of history. Are we not now proposing as a favor to give even less skilled nations this kind of exposure?

Mr. PROXMIRE. The Senator is absolutely correct. What we have done in the present law is to provide in the Price-Anderson legislation an insurance policy for those who establish nuclear plants which they could not get in the commercial market because the risk is so great that the commercial insurers would not provide it, they could not afford to provide it, it is too big a risk to provide it. By limiting the risk by law, we have instituted an artificial situation which has enabled the nuclear power people to move ahead and do so in a way which they could not do if we permitted the market to establish its own limits on risk.

The Senator from Alaska (Mr. Gravel) has taken the lead in this, as the distinguished Senator from Michigan knows. He has been on top of the Price-Anderson legislation for a long time.

Mr. GRAVEL. Mr. President, the Senator will remember that I sent a letter to all our colleagues covering a moratorium on development until we know that we can solve some of the critical problems, such as waste and safety. If we look at it with an objective eye, I would have to say, thus far, that the promise of commercial nuclear use or the peaceful use of the atom have not been so glorious. So it seems odd that we are all so taken by this.

We are exporting something that has not even worked well in the United States. We are just beginning to have a national reaction to what we have done.

Mr. PROXMIRE. That is why the Senator from Michigan's point is so well taken. With our technology and our sophisticated efforts to protect ourselves, that is one thing. Maybe we can and maybe we cannot. But to expect a country with a rudimentary technology to provide protection of the quality we can provide is expecting too much. These nuclear endeavors may seriously endanger the health and lives of those people. Maybe it will turn out that we may be doing them anything but a favor.

Mr. GRAVEL. It is like exporting the black plague. That is my personal view, of course. But this underscores the other point made, that the real need for this activity is not for peaceful purposes but for military purposes. It will be useful to develop these ideas in the dialog that will be brought about by the Senator's amendment.

Mr. PROXMIRE. Mr. President, I thank Senators Gravel, Ervin, and Hart, and yield the floor.

ADDITIONAL COSPONSORS OF AMENDMENTS

AMENDMENT NO. 1371

At the request of Mr. Huddleston, the Senator from Florida (Mr. Chiles) and the Senator from Maryland (Mr. Beall) were added as cosponsors of amendment No. 1371, providing an automatic cost-of-living adjustment in the retirement income credit, intended to be proposed to the bill (H.R. 8217) to exempt from duty certain vessel equipment repairs and costs.

AMENDMENT NO. 1443

At the request of Mr. Humphrey, the Senator from Ohio (Mr. Metzenbaum) and the Senator from Kentucky (Mr. (Huddleston) were added as cosponsors of amendment No. 1443 to H.R. 14832, an act to provide for a temporary increase in the public debt limit.

NOTICE OF HEARINGS ON BILLS TO CODIFY, REVISE, AND REFORM THE FEDERAL CRIMINAL LAWS

Mr. McCLELLAN. Mr. President, I wish to announce for the information of the Members and the public that the Subcommittee on Criminal Laws and Procedures of the Committee on the Judiciary will resume hearings on S. 1 and S. 1400, bills to codify, revise, and reform the Federal criminal laws on Monday, June 24, 1974. The hearings will begin at 10 a.m. in room 2228, Dirksen Senate Office Building. The testimony will primarily be directed to corporate offenses.

Further information on this and other hearings is available in room 2204, Dirksen Senate Office Building, telephone area code 202-225-3281.

NOTICE OF HEARING ON RURAL ENVIRONMENTAL ASSISTANCE PROGRAM AND RURAL ENVIRONMENTAL CONSERVATION PROGRAM

Mr. HUDDLESTON. Mr. President, I hereby announce the hearing scheduled for tomorrow, June 20, by the Subcommittee on Agricultural Production, Marketing and Stabilization of Prices of the Committee on Agriculture and Forestry, on implementation of the rural environmental assistance program—REAP—and the rural environmental conservation program—RECP—has been postponed until Thursday, June 27. The hearing on that date will begin at 10 a.m. in room 324, Russell Office Building. Anyone wishing to testify should contact the committee clerk as soon as possible.

NOTICE CONCERNING NOMINATION BEFORE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary: Evelyn K. Merker, of Virginia, to be Examiner-in-Chief of the U.S. Patent Office, vice Arthur H. Behrens, resigned.

On behalf of the Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Wednesday, June 26, 1974, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

NOTICE OF HEARING ON H.R. 10337—HOPI-NAVAJO LAND DISPUTE

Mr. JACKSON. Mr. President, I wish to announce to the Members of the Senate that the Committee on Interior and Insular Affairs will conduct a hearing on July 9 to consider H.R. 10337 and other measures relating to the Hopi-Navajo land dispute.

The purpose of the hearing is to receive testimony from the two tribes as well as the Department of the Interior.

The hearing will commence at 10 a.m. in room 3110 of the Dirksen Senate Office Building and will be open to the public.

NOTICE OF HEARING ON S. 3234—SOLAR ENERGY BILL

Mr. JACKSON. Mr. President, I would like to announce a change in date for the Senate Committee on Interior and Insular Affairs to hear witnesses on S. 3234, the solar energy bill.

Originally, we had scheduled this hearing for June 24 and 25. It now has been rescheduled for June 27, beginning at 10 a.m., in room 3110 of the Dirksen Senate Office Building.

Known as the Solar Energy Research Act of 1974, this very important legislation has been introduced by Senator HUMPHREY, and I am happy to be a cosponsor.

The hearing has attracted a list of impressive national and international experts in the field of solar energy. These include the following:

Dr. Peter Glaser, vice president of engineering sciences, Arthur D. Little Co., Cambridge, Mass.; The Honorable Cruz A. Matos, secretary, department of natural resources, Commonwealth of Puerto Rico, to be accompanied by Mr. William Beller, marine affairs coordinator, department of natural resources, Commonwealth of Puerto Rico; Dr. Harry Tabor director, National Physical Laboratory of Israel, Jerusalem, Israel; Dr. T. A. Lawand, director of field operations, Brace Research Institute, MacDonald College, Quebec, Canada; Dr. Kraft Ehricke, North American Space Operations, Rockwell International, El Segundo, Calif.; Dr. Joseph Lindmeyer, Solarex Corp., Rockville, Md.; Dr. George Szego, InterTechnology Corp., Warrenton, Va., to be accompanied by Dr. Charles Kemp, InterTechnology Corp.

ADDITIONAL STATEMENTS

POSSIBLE CRIMINAL VIOLATIONS BY THE WASHINGTON POST

Mr. GOLDWATER. Mr. President, when the American public begins to lose confidence in what it reads in the daily press and hears over the electronic media, I believe it is time for all of us to be concerned. In both the newspapers and the media everyone of us in public life, in private life, regardless of what we are doing, must hope and do what we can to see to it that the source of our news does not inadvertently destroy itself. You may wonder why one such as I who has received as much abuse at the hands of the press and media as anyone in public life should feel as I do and express myself as I am expressing myself today, but I have a deep concern for all American institutions and when I read my mail, when I travel across this country and listen to people, when I read polls that show the news media slipping to where it is just a fraction of a point above the Congress in public estimation, then I believe I am correct in speaking as I am today.

Frankly, I do not have the answer. I do not believe it lies necessarily on the editorial page because this is a private page of the editor and publisher, and he or she can do what they want with it. It is not to be found in the excellence or lack of excellence in any specific section of a newspaper but I believe I would be correct in saying that the quality of reporting and the emphasis of the selection of news will probably be at the root of these troubles.

Now I will admit Watergate has been a great story. I think the two gentlemen who originally reported it deserve the Pulitzer Prize if the prize still has any meaning but, Mr. President, when one cannot read anything but Watergate in the large Eastern press, when one knows that the country is in serious trouble in a number of domestic fields, and one wants to know about these areas, then there has to be something wrong. It may be a vendetta to get the President, I do not know; it may be that the publishers feel they need a good crime story to continue to sell newspapers. And I realize that newspapers must be sold or the press does not exist but, on the other hand, there is a responsibility to the public to publish a variety of news. As I say, this may or may not be the trouble, but at least it needs exploring.

Mr. President, I will place into the RECORD today a 38-page legal memorandum establishing that the Government could institute good-faith criminal prosecutions against the Washington Post under at least five provisions of the Federal Criminal Code. Each of these potential crimes are felonies and three of them are violations of the Espionage Act.

Specifically, these offenses are:

First. Communicating documents relating to the national defense.

Second. Retaining national defense documents.

Third. Conversion of property of the United States.

Fourth. Conspiracy to commit an offense against the United States.

Fifth. Conspiracy to impair, obstruct or defeat the lawful functions of the United States and the Secretary of State.

Probable cause for the Government to bring these criminal prosecutions against the Washington Post arises from the publication and retention by the Post of certain top secret FBI documents which it openly admits it has obtained. The Post published details about these documents on June the 12th and even printed a facsimile of one FBI memorandum clearly marked "Top Secret."

The Post asserted the documents were obtained by staff writers Bob Woodward and Carl Bernstein and the article was written by a third individual, Laurence Stern. This fact on its face raises the possibility of a conspiracy prosecution since it takes as few as two persons to constitute a conspiracy under the Federal Criminal Code.

Mr. President, I would point out that the possible criminality of the Post's activities lies not only in its disclosure and retention of Top Secret documents, but also in the use to which these documents were put, which was to challenge the credibility of the Secretary of State at a time when this country is engaged in negotiations of a monumental nature.

These breaks of Government security occurred only one day after Secretary Kissinger had warned that the selective leaking of classified documents is injuring the standing of the United States in the world. At his press conference of June the 11th, Secretary Kissinger stressed that leaks of State secrets cannot be assessed only by the content of the individual documents, or even by the effect on his own character and credibility as Secretary of State, "but they must also be analyzed in terms of the confidence other governments can have in a government that seems totally incapable of protecting its secrets."

Mr. President, I believe it is high time we find out if the Government of the United States can protect its Top Secret materials. It is time we learn whether this Nation can deal with other nations in an atmosphere where they can be assured that we will protect confidences. While we are at it, we should also determine whether the specific criminal laws Congress has passed to protect Government property and preserve Government secrets mean anything at all.

Congress has passed several such laws, and I believe it would be in the national interest if the Attorney General would ask the appropriate U.S. Attorney to immediately institute criminal proceedings against the Washington Post under the most relevant of these statutes in order that the courts of this land may get about the job of deciding their applicability to the facts of this case and their constitutionality.

Mr. President, at a press conference last Wednesday I used the word "treason" in relation to the activities of a newspaper. My attorneys and other legal advisers tell me that they doubt that the act I complained about would come under this term. However, there are other charges to which a newspaper which obtains Government secrets must answer, and the legal memorandum which I am making public today shows some of the hazards a newspaper must face if it publishes or retains protected materials.

Mr. President, in order to initiate a more full discussion of this subject, I ask unanimous consent that a "Legal Memorandum on Federal Criminal Offenses Relevant to the Publication and Unauthorized Retention by the Washington Post of Certain Top Secret Government Documents," be printed in the RECORD.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

LEGAL MEMORANDUM ON FEDERAL CRIMINAL OFFENSES RELEVANT TO THE PUBLICATION AND UNAUTHORIZED RETENTION BY THE WASHINGTON POST OF CERTAIN TOP SECRET GOVERNMENT DOCUMENTS

(By J. Terry Emerson)

I. OFFENSES

The Washington Post may be subject to criminal prosecution under at least five provisions of the Federal Criminal Code, as follows:

Offense

One. Communicating Documents Relating to the National Defense.

Two. Retaining National Defense Documents.

Three. Conversion of Property of the United States.

Four. Conspiracy to Commit the Above Offenses.

Five. Conspiracy to Impair, Obstruct or Defeat the Lawful Functions of the United States and the Secretary of State.

II. STATUTES AND RULES INVOLVED

A. Statutes

1. Conspiracy Offense.

Title 18, United States Code, Section 371, provides:

"If two or more persons conspire either to commit any offense against the United States, or to defraud the United States, or any agency thereof in any manner or for any purpose, and one or more of such persons do any act to effect the object of the conspiracy, each shall be fined not more than $10,000 or imprisoned not more than five years, or both. . . ."

2. Conversion of Government Property.

Title 18, United States Code, Section 641, provides:

"Whoever embezzles, steals, purloins, or knowingly converts to his use or the use of another, or without authority, sells, conveys or disposes of any record, voucher, money, or thing of value of the United States or of any department or agency thereof, or any property made or being made under contract for the United States or any department or agency thereof; or

"Whoever receives, conceals, or retains the same with intent to convert it to his use or gain, knowing it to have been embezzled, stolen, purloined or converted—

"Shall be fined not more than $10,000 or imprisoned not more than ten years, or both; but if the value of such property does not exceed the sum of $100, he shall be fined not more than $1,000 or imprisoned not more than one year, or both.

"The word 'value' means face, par, or market value, or cost price, either wholesale or retail, whichever is greater."

3. Espionage Offenses.

Title 18, United States Code, Section 793 (e), provides:

"(e) Whoever having unauthorized possession of, access to, or control over any document, writing, code book, signal book, sketch, photograph, photographic negative, blueprint, plan, map, model, instrument, appliance, or note relating to the national defense, or information relating to the national defense which information the possessor has reason to believe could be used to the injury of the United States or to the advantage of any foreign nation, willfully communicates, delivers, transmits or causes to be communicated, delivered, or transmitted, or attempts to communicate, deliver, transmit or cause to be communicated, delivered, or transmitted the same to any person not entitled to receive it, or willfully retains the same and fails to deliver it to the officer or employee of the United States entitled to receive it. . . .

"Shall be fined not more than $10,000 or imprisoned not more than ten years, or both. . . .

"(g) If two or more persons conspire to violate any of the foregoing provisions of this section, and one or more of such persons do any act to effect the object of the conspiracy, each of the parties to such conspiracy shall be subject to the punishment provided for the offense which is the object of such conspiracy."

B. Orders and Regulations

1. Executive Order 11652, Dated March 8, 1972, 50 U.S.C. 401 note (1972 Supp.), states in pertinent part as follows:

"Within the Federal Government there is some official information and material which, because it bears directly on the effectiveness of our national defense and the conduct of our foreign relations, must be subject to some constraints for the security of our Nation and the safety of our people and our allies. To protect against actions hostile to the United States, of both an overt and covert nature, it is essential that such official information and material be given only limited dissemination.

"This official information or material, referred to as classified information or material in this order, is expressly exempted from public disclosure by Section 552(b)(1) of Title 5, United States Code. Wrongful disclosure of such information or materials is recognized in the Federal Criminal Code as providing a basis for prosecution. * * *

"Now, Therefore, by virtue of the authority vested in me by the Constitution and statutes of the United States, it is hereby ordered:

"*Section 1. Security Classification Categories.* Official information or material which requires protection against unauthorized disclosure in the interest of the national defense or foreign relations of the United States (hereinafter collectively termed 'national security') shall be classified in one of three categories, namely, 'Top Secret,' 'Secret,' or 'Confidential,' depending upon the degree of its significance to national security. No other categories shall be used to identify official information or material as requiring protection in the interest of national security, except as otherwise expressly provided by statute. These classification categories are defined as follows:

"(A) *'Top Secret.'* 'Top Secret' refers to that national security information or material which requires the highest degree of protection. The test for assigning 'Top Secret' classification shall be whether its unauthorized disclosure could reasonably be expected to cause exceptionally grave damage to the national security. Examples of 'exceptionally grave damage" include armed hostilities against the United States or its allies; disruption of foreign relations vitally affecting the national security; the compromise of vital national defense plans or complex cryptologic and communications intelligence systems; the revelation of sensitive intelligence operations; and the disclosure of scientific or technological developments vital to national security. This classification shall be used with the utmost restraint. * * *

* * * * *

"*Sec. 4. Classification.* * * *

"(A) *Documents in General.*

"Each classified document shall show on its face its classification and whether it is subject to or exempt from the General Declassification Schedule. * * *

* * * * *

"*Sec. 5. Declassification and Downgrading.*

"Classified information and material, unless declassified earlier by the original classifying authority, shall be declassified and downgraded in accordance with the following rules:

"(A) *General Declassification Schedule.*

"(1) 'Top Secret.' Information or material originally classified 'Top Secret' shall become automatically downgraded to 'Secret' at the end of the second full calendar year following the year in which it was originated, downgraded to 'Confidential' at the end of the fourth full calendar year following the year in which it was originated, and declassified at the end of the tenth full calendar year following the year in which it was originated * * *

"(B.) *Exemptions from General Declassification Schedule.* Certain classified information or material may warrant some degree of protection for a period exceeding that provided in the General Declassification Schedule. An official authorized to originally classify information or material 'Top Secret' may exempt from the General Declassification Schedule any level of classified information or material originated by him or under his supervision if it falls within one of the categories described below. * * *

"(2.) Classified information or material specifically covered by statute, or pertaining to cryptography, or disclosing intelligence sources or methods.

"(3.) Classified information or material disclosing a system, plan, installation, project or specific foreign relations matter continuing protection of which is essential to the national security. * * *

"(D.) *Applicability of the General Declassification Schedule to Previously Classified Material.* Information or material classified before the effective date or this order and which is assigned to Group 4 under Executive Order No. 10501, as amended by Executive Order No. 10964, shall be subject to the General Declassification Schedule. All other information or material classified before the effective date of this Order whether or not assigned to Groups 1, 2, or 3 of Executive Order No. 10501, as amended, shall be excluded from the General Declassification Schedule. * * *

[Executive Order No. 10501, in section 4, categorized classified information or material into the following groups:

"(1) *Group* 1. Information or material originated by foreign governments or international organizations and over which the United States Government has no jurisdiction, information or material provided for by statutes such as the Atomic Energy Act, and information or material requiring special handling, such as intelligence and cryptography. This information and material is excluded from automatic downgrading or declassification.

"(2) *Group* 2. Extremely sensitive information or material which the head of the agency or his designees exempt, on an individual basis, from automatic downgrading and declassification.

"(3) *Group* 3. Information or material which warrants some degree of classification for an indefinite period. Such information or material shall become automatically downgraded at 12-year intervals until the lowest classification is reached, but shall not become automatically declassified.

"(4) *Group* 4. Information or material which does not qualify for, or is not assigned to, one of the first three groups. Such information or material shall become automatically downgraded at three-year intervals until the lowest classification is reached, and shall be automatically declassified twelve years after date of issuance."]

"*Sec. 6. Policy Directives on Access, Marking, Safekeeping, Accountability, Transmission, Disposition and Destruction of Classified Information and Material.* The President acting through the National Security Council shall issue directives which shall be binding on all Departments to protect classified information from loss or compromise. Such directives shall conform to the following policies:

"(A) No person shall be given access to classified information or material unless such person has been determined to be trustworthy and unless access to such information is necessary for the performance of his duties.

(B) All classified information and material shall be appropriately and conspicuously marked to put all persons on clear notice of its classified contents.

"(C) Classified information and material shall be used, possessed, and stored only under conditions which will prevent access by unauthorized persons or dissemination to unauthorized persons. * * *

"*Sec. 7. Implementation and Review Responsibilities.* (A) The National Security Council shall monitor the implementation of this order." * * *

* * * * *

2. National Security Council Directive of May 17, 1972, 50 U.S.C. 401 note, provides in pertinent part:

"VI. ACCESS AND ACCOUNTABILITY

"*A. General Access Requirements.* Except as provided in B. and C. below, [relating to access by historical researchers and by former Presidential appointees] access to classified information shall be granted in accordance with the following:

"*(1) Determination of Trustworthiness.* No person shall be given access to classified information or meterial unless a favorable determination has been made as to his trustworthiness. The determination of eligibility, referred to as a security clearance, shall be based on such investigations as the Department may require in accordance with the standards and criteria of E.O. 10450 and E.O. 10865 as appropriate.

"(2) *Determination of Need-to-Know*. In addition to a security clearance, a person must have a need for access to the particular classified information or materials sought in connection with the performance of his official duties or contractual obligations. The determination of that need shall be made by officials having responsibility for the classified information or material."

III. STATEMENT OF FACTS

The facts are as follows:

On June 12, 1974, the Washington Post published a news article concerning Secretary of State Henry A. Kissinger's role in efforts by the Government to identify the source, and prevent a recurrence, of a series of major leaks of National Security Council documents starting in early 1969 and continuing into 1971.

The Post article carried a banner headline, "FBI Records Dispute Stand By Kissinger."

The text of the article states that the story therein is based on "a series of FBI memoranda—some labeled 'top secret' obtained last night by the Washington Post."

The story was written under the byline of Laurence Stern and the documents were stated to have been "obtained by Washington Post staff writers Bob Woodward and Carl Bernstein."

Specifically identified in the article are a memorandum by the late J. Edgar Hoover, Director of the FBI, dated May 9, 1969, some "top secret memoranda from Hoover to (former Attorney General John N.) Mitchell;" and an "internal FBI memo, prepared by the FBI for acting bureau director William E. Ruckelshaus on May 13, 1973."

In addition, a facsimile of a memorandum marked "Top Secret," dated May 13, 1970, for Attorney General Mitchell by J. Edgar Hoover was printed in a three-column block accompanying the article. In the memorandum, it is stated that General Alexander M. Haig, then of the National Security Council staff, advised that Doctor Kissinger had requested a telephone surveillance be instituted on the home of a member of the National Security Council staff. The subject was identified only by the initial "K".

A portion of the Post article, at page A-4 discusses the code used for the purpose of disguising the identity of the subjects of surveillance as follows:

"In the FBI reports, as submitted to the Judiciary Committee, the White House aides and newsmen were referred to only by code letters—'N' and 'O' and 'G' and 'B'. It could be determined from descriptions of their roles on the staff that N is Morton Halperin, O is Daniel Davidson, G is Lt. Gen. Robert E. Pursley and B is Helmut Sonnenfeldt. . . ." Elsewhere in the article, another individual, John Sears, is identified as being referred to in the FBI memoranda by the initial "E".

The article argues the position, as stated in its opening sentence, that Secretary of State Kissinger's account of his role in the national security surveillance "is sharply contradicted" in the FBI memoranda.

In a related matter occurring a day earlier, on June 11, and the subject of a news story in the Washington Post of June 12, Secretary of State Kissinger had held a press conference at Salzburg, Austria, in which he announced:

"I do not believe that it is possible to conduct the foreign policy of the United States under these circumstances when the character and credibility of the Secretary of State is at issue."

At his news conference, Doctor Kissinger stated his belief that leaks of national security secrets "cannot be assessed only by analyzing the intrinsic merit of individual documents, but they must be also analyzed in terms of the confidence other governments can have in a government that seems totally incapable of protecting its secrets."

Speaking of the series of leaks in 1969, Secretary Kissinger also stressed: "Nor can my concern be explained away by calling to the intrinsic insignificance of the individual documents or maybe the whole body of documents."

Doctor Kissinger continued:

"My concern was at that time we were preparing the secret trip to China. I was engaged in secret negotiations with North Vietnam that ultimately led to the end of the American participation in Vietnam. We were also engaged in secret discussions on strategic arms limitation.

"I was profoundly concerned and so expressed my views to the President, that these initiatives might be aborted if other governments had the idea that the United States was not in a position to protect its secrets and that anybody could publish any document . . ."

In his press conference, Doctor Kissinger declared his belief that an attack on the character and credibility of the Secretary of State by the method of the selective leaking of documents outside of the appropriate investigative bodies, "affects the standing of the United States in the world. . . ." When asked a follow-up question on this statement, Doctor Kissinger added:

"I cannot conduct my office if I have to devote my energies to disproving allegations of perjury, nor do I believe the United States can conduct an effective foreign policy with a Secretary of State who is under such attack, and therefore I am simply stating a reality."

In a similar vein, Doctor Kissinger stated:

"It is impossible and incompatible with the dignity of the United States . . . to have its Secretary of State under this sort of attack in the face of the dangers we confront and the risks that may have to be run and the opportunities that may have to be seized. This is a fact."

Summing up the fundamental goal of his efforts as Secretary of State, Doctor Kissinger observed:

"I would rather like to think that when the record is written, one may remember that perhaps some lives were saved and that perhaps some mothers can rest more at ease, but I leave that to history."

On the date of publication of the article derived from top secret documents, President Nixon had embarked upon a tour of Middle East nations associated with United States negotiating efforts to achieve a lasting and stable peace in that area; President Nixon was scheduled to commence a visit to the Soviet Union and other nations in late June, 1974, related to the United States foreign policy program of achieving an improved relationship with the Soviet Union and an improved climate for world peace; and negotiations were underway by the United States and the Soviet Union in resumed nuclear strategic arms talks and were continuing between the opposing NATO and Warsaw Pact nations on the subject of a mutual reduction of armed forces in Europe; among other on-going negotiations directly involving the conduct of United States foreign policy and affecting the national security of the United States.

The underlying aim of the foreign policy initiatives of President Nixon and Secretary of State Kissinger is in the words of President Nixon, in his monumental Report to the Congress on February 9, 1972, "a generation of peace."

The Report concludes:

"There will always be conflict in the world, and turbulent change and international rivalries. But we can seek a new structure of global relationships in which all nations, friend and adversary, participate and have a stake. We can seek to build this into a world in which all nations, great and small, can live without fear that their security and survival are in danger, and without fear that every conflict contains for them the potential for Armageddon. In such a structure of peace, habits of moderation and compromise can be nurtured, and peoples and nations will find their fullest opportunities for social progress, justice, and freedom.

"This is what we mean by a generation of peace." (*U.S. Foreign Policy For the 1970's—The Emerging Structure of Peace.*)

IV. PERTINENT LAW

A. Conspiracy violations

1. Conspiracy to Commit Offenses Against the United States.

a. As noted in *Nye & Hissen* v. *United States,* 168 F. 2nd, 846, 850 (9th Cir. 1948), *aff'd*. 336 U.S. 613 (1949):

"A single conspiracy may embrace several related conspiracies. And the rule is settled that a single conspiracy may have as its object two or more wrongful acts, and that an indictment charging such a conspiracy is not duplicitous for that reason. Braverman v. United States, 317 U.S. 49, 63 S. Ct. 99, 87 L.Ed. 23."

b. The elements of the crime of conspiracy may be established by circumstantial evidence. *Davenport* v. *United States,* 260 F.2d 591 (9th Cir. 1958); *Jordan* v. *United States,* 370 F.2d 126 (10th Cir. 1966), *cert. den*. 386 U.S. 1033; *Johnson* v. *United States,* 380 F.2d 810 (10th Cir. 1967); *United States* v. *Chambers,* 382 F.2d 510 (6th Cir. 1967).

A conspiracy may be shown to exist among several persons without the necessity of showing that each person had actual knowledge of the identity and functions of all his alleged co-conspirators. *Daily* v. *United States,* 282 F.2d 818 (9th Cir. 1960); *Marino* v. *United States,* 91 F.2d 691 (9th Cir. 1937); *Wood* v. *United States,* 283 F. 2d 4 (5th Cir. 1960); *Nassif* v. *United States,* 370 F.2d 147 (8th Cir. 1966); *United States* v. *Battaglia,* 394 F. 2d 304 (7th Cir. 1968).

c. Declarations of one conspirator made during the period of the conspiracy may be used against another conspirator who was not present at the time of the declaration. This is a standard exception to the hearsay rule, based upon the theory that the declarant is an agent of the other conspirator. This, of course, presupposes independent evidence that the conspiracy in fact existed. *Lutwak* v. *United States,* 344 U.S. 604 (1953); *Carbo* v. *United States,* 314 F.2d 718 (9th Cir. 1963).

2. Conspiracy to Defraud the United States.

a. Conspiracy to defraud the United States covers any conspiracy to impair, obstruct or defeat the lawful function of any department of government.

In *Dennis* v. *United States,* 384 U.S. 855 (1966), a conspiracy fraudulently by false affidavits to obtain the services of the NLRB on behalf of a union was held to constitute a violation of the prohibition of section 371, title 18, United States Code, against conspiracies "to defraud the United States, or any agency thereof in any manner or for any purpose." The Court said:

"It has long been established that this statutory language is not confined to fraud as that term has been defined in the common law. It reaches 'any conspiracy for the purpose of impairing, obstructing or defeating the lawful function of any department of Government,' *Haas* v. *Hankel,* 216 U.S. 462, 479, quoted in *United States* v. *Johnson,* 383 U.S. 169, 172. See also, *Lutwak* v. *United States,* 344 U.S. 604; *Glasser* v. *United States,* 315 U.S. 60 66; *Hammerschmidt* v. *United States,* 265 U.S. 182, 188. Cf. Goldstein, Conspiracy to Defraud the United States, 68 Yale L.J. 405, 414–441, 455–458 (1959)." (861)

In *United States* v. *Johnson,* 383 U.S. 169 (1966), an allegation that the defendants conspired to defraud the United States by influencing the Department of Justice was upheld although they were not charged with any false statement, misrepresentation or deceit. The Court said: "18 U.S.C. § 371 has long been held to encompass not only conspiracies that might involve loss of government funds, but also 'any conspiracy for the purpose of impairing, obstructing or defeating the lawful function of any department of government.' *Haas* v. *Hankel,* 216 U.S. 462, 479." (172)

In *Haas* v. *Hankel,* 216 U.S. 462 (1910), an indictment charged that Haas and Price conspired to obtain from Holmes, an employee of the Agriculture Department's Bureau of Statistics, advance information on the contents of official crop reports. The Court found that the indictment charged an offense. It said:

"The statute is broad enough in its terms to include any conspiracy for the purpose of impairing, obstructing or defeating the lawful function of any department of Government . . . [I]t must follow that any conspiracy which is calculated to obstruct or impair its efficiency and destroy the value of its operations and reports as fair, impartial and reasonably accurate, would be to defraud the United States by depriving it of its lawful right and duty of promulgating or diffusing the information so officially acquired in the way and at the time required by law or departmental regulation." (pp. 479–480).

b. Alleged defects in performance of a governmental function are no defense to a charge of conspiracy to defraud the United States by impairing such function.

i. In *Dennis* v. *United States,* 384 U.S. 855 (1966), an effort was made to raise as a defense a claim that the statutory scheme the defendants sought to impair was constitutionally defective. The Court held:

"We need not reach this question, for petitioners are in no position to attack the constitutionality of § 9(b). They were indicted for an alleged conspiracy, cynical and fraudulent, to circumvent the statute. Whatever might be the result where the constitutionality of a statute is challenged by those who of necessity violate its provisions and seek releif in the courts is not relevant here. This is not such a case. The indictment here alleges an effort to circumvent the law and not to challenge it—a purported compliance with the statute designed to avoid the courts, not to invoke their jurisdiction. (p. 865) * * *

". . . The governing principle is that a claim of unconstitutionality will not be heard to excuse a voluntary, deliberate and calculated course of fraud and deceit. One who elects such a course as a means of self-help may not escape the consequences by urging that his conduct be excused because the statute which he sought to evade is unconstitutional. This is a prosecution directed at petitioners' fraud. It is not an action to enforce the statute claimed to be unconstitutional." (p. 867).

ii. As the constitutionality of a statute cannot be challenged by those prosecuted for conspiring to impair its operation, so it has been held that defendants charged with conspiring to impair a governmental function are not permitted to claim that such function was being incorrectly carried out. Specifically, this rule holds that defendants charged with impairing the governmental function of controlling the dissemination of classified government materials cannot raise the defense of a claim that the materials were not correctly classified.

A similar situation was faced in *Scarbeck* v. *United States,* 317 F.2d 546, 560 (D.C. Cir. 1963), in which the defendant was convicted of communicating classified Government documents to foreign agents in violation of 50 U.S.C. § 783(b). The defendant attempted to claim that the documents were not properly classified. The Court held:

[A]pellant is urging that after such an employee has obtained and delivered a classified document to an agent of a foreign power, knowing the document to be classified, he can present proof that his superior officer had no justification for classifying the document, and can obtain an instruction from the court to the jury that one of their duties is to determine whether the document, admittedly classified, was of such a nature that the superior was justified in classifying it. The trial of the employee would be converted into a trial of the superior. . . .

"We conclude that it is the intent of the statute to make the superior's classification binding on the employee. In this case, if the Government's evidence be believed, appellant knew perfectly well what he was about: the Polish agents were demanding classified (i.e., valuable and secret) information, and he tried to satisfy their demands. He cannot now claim that the Government is required to prove that the documents he gave were in fact properly classified. The factual determination required for purposes of Section 783(b) is whether the information has been classified and whether the employee knew or had reason to know it was classified. *Neither the employee nor the jury is permitted to ignore the classification given under Presidential authority."* (emphasis added)

c. The Protection of National Security Secrets From Unauthorized Disclosure is a Lawful Function of the United States.

i. Pertinent to an analysis of the lawful functions of the United States is not only the obvious requirement of the Department of State to effectively administer and conduct the foreign policy of the United States, but also the ability and need of the United States to protect against the unauthorized disclosure of certain official information and documents bearing on the national security.

In 1971, a Library of Congress report on security classification stated: "The use of markings such as 'Confidential,' 'Secret,' or 'Private' on communications from the military and naval or other public officials can be traced back almost continuously into the War of 1812." *Security Classification as a Problem in the Congressional Role in Foreign Policy,* Comm. Print of the Comm. on Foreign Relations, U.S. Senate, Dec. 1971, at 3.

The Library of Congress report notes several Federal statutes which would provide a basis for withholding information from the public, including the espionage laws, national Security Act, Internal Security Act, Atomic Energy Act, Freedom of Information Act, and certain other laws pertaining to foreign relations, mutual security, and arms control and disarmament. (pp. 5–13)

The report finds:

'"Through legislation such as this Congress has on occasion given recognition to the classification system although it has made no overall attempt to regulate it. To this extent it has sanctioned keeping information secret in the interest of national defense or foreign policy." (p. 13).

In 1973, the Supreme Court held that Congress had by law conferred total Executive discretion over classification of national security secrets. *Environmental Protection Agency* v. *Mink,* 409 U.S. 73.

ii. Executive Order 11652 relies both on "the Constitution and statutes of the United States."

The independent Constitutional authority of the President to "take care that the laws be faithfully executed," Article II, sec. 3, would clearly encompass the proper administration of the laws referred to above regarding espionage, national security, foreign policy, and related matters.

The President also is vested with all the "executive power" of the United States as a sovereign nation. Article II, sec. 1. Moreover, he is specially designated as "Commander in Chief of the Army and Navy of the United States." Article II, sec. 2.

These provisions endow the President, in the words of Justice Stewart, "with enormous power in the two related areas of national defense and international relations." (Concurring opinion of Stewart, J., joined by White, J., *New York Times Co.* v. *United States,* 403 U.S. 713, 727 (1971).)

Discussing the basis of Executive regulations protecting the confidentiality of national security data, Justice Stewart continued:

"[I]t is elementary that the successful conduct of international diplomacy and the maintenance of an effective national defense require both confidentiality and secrecy. Other nations can hardly deal with this Nation in an atmosphere of mutual trust unless they can be assured that their confidences will be kept. And within our own executive departments, the development of considered and intelligent international policies would be impossible if those charged with their formulation could not communicate with each other freely, frankly, and in confidence. In the area of basic national defense the frequent need for absolute secrecy is, of course, self-evident.

"I think there can be but one answer to this [First Amendment] dilemma, if dilemma it be. The responsibility must be where the power is. If the Constitution gives the Executive a large degree of unshared power in the conduct of foreign affairs and the maintenance of our national defense, then under the Constitution the Executive must have the largely unshared duty to determine and preserve the degree of internal security necessary to exercise that power successfully. . . . it is clear to me that *it is the constitutional duty of the Executive—as a matter of sovereign prerogative and not as a matter of law as the courts know law—through the promulgation and enforcement of executive regulations, to protect the confidentiality necessary to carry out its responsibilities in the fields of international relations and national defense.* (Emphasis added.) (pp. 728–730)

The underlying rationale of Justices Stewart and White that the President is endowed with inherent Constitutional prerogatives in the areas of national defense and international relations is shared by at least four other Members of the present Supreme Court, a clear majority of six.

Justice Blackmun has written:

"Article II of the great document vests in the Executive Branch primary power over the conduct of foreign affairs and places in that branch the responsibility for the Nation's safety." (*New York Times Co.* v. *United States, supra,* at 761.)

Justice Marshall has stated that "it is beyond cavil that the President has broad powers by virtue of his primary responsibility for the conduct of our foreign affairs and his position as Commander-in-Chief." *Id.,* at 741.

Chief Justice Burger has written: "With respect to the question of inherent power of the Executive to classify papers, records, and documents as secret, or otherwise unavailable for public exposure, and to secure aid of the courts for enforcement, there may be an analogy with respect to this Court. No statute gives this Court express power to establish and enforce the utmost security measures for the secrecy of our deliberations and records. Yet I have little doubt as to the inherent power of the Court to protect the confidentiality of its internal operations by whatever judicial measures may be required." *Id.,* at 752.

Justice Rehnquist has written an opinion of the Court which is grounded upon the "primacy of the Executive in the conduct of foreign relations" and "the lead role of the Executive in foreign policy." *First National City Bank v. Banco Nacional De Cuba,* 406 U.S. 759, 767 (1972).

iii. Executive Orders Have the Force and effect of Law.

See *Greene v. McElroy,* 360 U.S. 474 (1959); *United States v. Boris,* 191 F. Supp. 563 (D. Guam, 1961).

iii. From the foregoing, it is clear:

1. A majority of the presently constituted membership of the Supreme Court recognizes the authority of the Government to protect the confidentiality of documents and information in the interest of national security.

2. This Executive authority is grounded both upon specific statutes and the Constitution itself.

3. The retention and publication of top secret documents and information by a newspaper, with unauthorized possession of such materials, contrary to the constraints of legally promulgated rules protecting such materials, impairs, obstructs, or defeats the efficient and successful functioning of the Government's classification system.

4. Whatever the application of the First Amendment to a situation of prior restraint upon the publication of secret materials, a lesser standard applies to criminal prosecutions by the Government after publication.

5. If newspapers insist on publishing secret documents in violation of specific Government rules protecting the confidentiality of such material and criminal laws enacted by the Congress to protect government property and preserve government secrets, the First Amendment is no incantation conferring immunity from such criminal action. (See the related discussion of statements by five sitting Members of the Supreme Court assuming that criminal prosecution of newspapers would be consistent with the First Amendment, *infra,* at pp. 37–38.)

d. The Ability of the Secretary of State to Conduct an Effective Foreign Policy is a Lawful Function of the United States.

i. It is a generally recognized fact that Secretary of State Kissinger is the highest negotiating official of the United States, under the President.

As Secretary of State, Dr. Kissinger is charged with heading the Department of the Government responsible for the day-to-day management of the Nation's foreign relations. In this capacity he is the President's principal adviser in the area of foreign policy and the Nation's spokesman, under the President, on American foreign policy.

Dr. Kissinger also occupies the office of Special Assistant to the President for National Security Affairs. In this capacity, he serves as Director of the National Security Council staff, the agency of Government specifically established by Act of Congress, to assist the President in planning, integrating, and implementing national security policy. The National Security Act of 1947.

The National Security Council, under the direction of Dr. Kissinger, has played a preeminent role in national security planning. The NSC process developed by President Nixon uses the National Security Council as the principal forum for the consideration of policy issues confronting the nation. The Council now functions in fact as the Chief Executive's principal arm for examining, formulating, and coordinating military and international policies. *The National Security Structure,* S. Falk and T. Bauer, Revised Ed. 1972, Chapters III and IV.

ii. From the foregoing, it is clear:

1. Dr. Kissinger holds official offices, and enjoys a position of Presidential trust, which places him at the fore-front, second only to the President, of the planning, coordination, and implementation of the Nation's foreign policy and national security programs.

2. Dr. Kissinger himself one of the most authoritative sources available on the subject, believes that attacks on the character and credibility of the Secretary of State by the selective leaking of documents outside of the appropriate Constitutional forums "affects the standing of the United States in the world" and creates a situation in which the United States cannot "conduct an effective foreign policy."

3. Dr. Kissinger also has stated his belief that aside from the effect on the conduct of foreign policy because of attacks on the character and credibility of the Secretary of State, leaks of national security secrets impair "the confidence other governments can have in a government that seems totally incapable of protecting its secrets."

4. Accordingly, the publication of these particular Government secrets, and retention of such secret materials, by a newspaper having unauthorized possession of such materials, unquestionably could impair, obstruct, or defeat the lawful function of the Department of State and the United States Government to conduct foreign policy and could harm the value of its operations in the field of foreign policy by impairing the assurance of other nations that their confidences will be kept.

5. Whether or not the newspaper's behavior was actually intended to so impair, obstruct or defeat any lawful function of the Department of State or the United States, in the circumstances of this case the newspaper should have known as any person standing in like circumstances should reasonably expect, that its activity would have the prohibited result. For a newspaper to act in reckless disregard or indifference of the likely and natural consequences of its behavior is sufficient culpability to constitute a violation of the statute.

Screws v. United States, 325 U.S. 91, 105 (1945).

United States v. Price, 464 F. 2d 1217 (8th Cir. 1972); cert den., 409 U.S. 1040 (1972);

United States v. General Motors Corp., 121 F. 2d 376, 402 (7th Cir. 1941); cert. den., 314 U.S. 618 (1941); rehearing den., 314 U.S. 710 (1941);

United States v. Schneiderman, 102 F. Supp. 87, 93 (S.D. Cal. 1951).

3. *General Principles of Conspiracy.*

a. A conspiracy is complete upon the forming of the criminal agreement and the performance of at least one overt act in furtherance thereof.

Pinkerton v. *United States,* 151 F.2d 499 (5th Cir. 1945), aff'd. 328 U.S. 640 (1946).

Roberts v. *United States,* 416 F.2d 1216 (5th Cir. 1969);

Romontio v. *United States,* 400 F.2d 618 (10th Cir. 1968);

Miller v. *United States,* 382 F.2d 583 (9th Cir. 1967);

Jordan v. *United States,* 370 F.2d 126 (10th Cir. 1966).

b. The state of mind (intent) required to render an agreement and furthering act an unlawful conspiracy is knowledge of the agreement's unlawful object.

United States v. *Gallishaw,* 428 F.2d 760 (2d Cir. 1970);

United States v. *Mingsig,* 424 F.2d 710 (2d Cir. 1970);

Doty v. *United States,* 416 F.2d 887 (10th Cir. 1969);

United States v. *Hallahorn,* 408 F.2d 220 (7th Cir. 1969);

Jacobs v. *United States,* 395 F.2d 469 (8th Cir. 1968);

Miller v. *United States,* 382 F.2d 583 (9th Cir. 1967).

c. An express or formal agreement is not necessary to constitute conspiracy; such agreement may be established by acts of conspirators and inferences to be drawn therefrom.

United States v. *Schroeder,* 433 F.2d 846 (8th Cir. 1970); *cert. den.* 400 U.S. 1024 (1971), 401 U.S. 943 (1971).

United States v. *Varelli,* 407 F.2d 735 (7th Cir. 1969).

Dennis v. *United States,* 302 F.2d 5 (10th Cir. 1962).

United States v. *Frank,* 290 F.2d 1951 (3rd Cir. 1961); *cert. den*; 368 U.S. 821 (1961).

Jones v. *United States,* 251 F.2d 288 (10th Cir. 1958); *cert. den,* 356 U.S. 919 (1958).

B. Government Property Offenses

1. *Government Property.*

Under Executive Order 11652, documents bearing a security classification are within the exclusive ownership or control of the Government, and are protected against unauthorized disclosure or dissemination to unauthorized persons. *Adams* v. *Laird* 420 F.2d 230 (U.S. App. D.C. 1969); cert. denied 397 U.S. 1039.

Both the documents and their content are the property of the United States and remain its property until they are declassified and released by the Government. The content of such classified documents is itself government property quite apart from the government's ownership of the sheets of paper on which the content is recorded. See *United States* v. *Friedman,* 445 F.2d 106 (9th cir. 1971); *United States* v. *Bottone,* 365 F.2d 389, 393 (2d Cir. 1966), *cert. doc.* 385 U.S. 974 (1966).

2. *Value.*

a. The value of the stolen property is an element of the offense and proof of value must be introduced at trial. *United States* v. *Wilson,* 284 F.2d 407, 408 (4th Cir. 1960); *Cartwright* v. *United States,* 146 F.2d 133, 135 (5th Cir. 1944).

b. Section 641 of title 18, United States Code, defines value as "face, par, or market value, or cost price, either wholesale or retail, whichever is greater." The *face value* can be virtually nothing, as in *Keller* v. *United States,* 168 Fed. 697 (7th Cir. 1909), where the stolen property consisted of six blank checks worth one cent each. The *market value* is not limited to the legitimate resale price of the property, but may also be the price fences might pay on the "thieves' market." As applied to this case, the market value may be the price reporters, newsmen, or publishers might be willing to pay to obtain the series of top secret documents involved. *Churder* v. *United States,* 387 F.2d 825, 833 (8th Cir. 1969); *Jalbert* v. *United States,* 375 F.2d 125, 126 (5th Cir. 1967); *United States* v. *Bottone,* 365 F.2d 393.

c. The "whichever is greater" rule is applicable regardless of the disparity between the retail cost price and the market value. *O'Malley* v. *United States,* 227 F. 2d 332, 336 (1st Cir. 1953), *cert. denied* 350 U.S. 966 (1956). In *Fulks* v. *United States,* 283 F. 2d 259, 261 (9th Cir. 1960), *cert. denied* 365 U.S. 812 (1961), the court upheld a felony conviction based on the theft of eighty gyro horizon indicators with a cost price of $205 each, but a scrap value of only $.76 cash.

d. The prosecution does not have to prove the exact or approximate value of the stolen property, but to prove a felony offense merely has to show that it is in excess of $100. *Jalbert, supra,* at 126.

3. *Specific Offenses.*

a. Embezzles, steals, or knowingly converts.

i. At common law, offenses involving the loss of property were categorized on the basis of the nature of the "taking," the intent of the owner and the intent of the defendant. These distinctions were difficult to prove. Section 641 of title 18, United States Code, eliminates many of these problems: first, by permitting an indictment to set forth all the above offenses in the conjunctive; and secondly, by attempting to reach all possible offenses involving the loss or misuse of Government property.

The Supreme Court has held:

"It is not surprising if there is considerable overlapping in the embezzlement, stealing, purloining and knowing conversion grouped in this statute. What has concerned codifiers of the larceny-type offense is **that** gaps or crevices have separated particular crimes of this general class and guilty men have escaped through the breaches. The books contain a surfeit of cases drawing fine distinctions between slightly different circumstances under which one may obtain wrongful advantages from another's property. The codifiers wanted to reach all such instances." *Moriasette* v. *United States*, 342 U.S. 246, 271 (1952).

ii. As to the offenses included under 18 U.S.C. 641:

"Stealing, having no common law definition to restrict its meaning as an offense, is commonly used to denote any dishonest transaction whereby one person obtains that which rightfully belongs to another, and deprives the owner of the rights and benefits of ownership, but may or may not involve the element of stealth attributed to the word *purloin*." *Crabb* v. *Zerbst*, 99 F. 2d 562, 565 (5th Cir. 1938).

iii. Knowing conversion completes the picture of Section 641 by covering every other situation in which an individual might obtain "wrongful advantages" from Government property:

"Conversion . . . may be consummated without any intent to keep and without any wrongful taking, where the initial possession by the converter was entirely lawful. *Conversion may include misuse or abuse of property*. It may reach use in an unauthorized manner as to an unauthorized extent of property placed in one's custody for limited use. Money rightfully taken into one's custody may be converted without any intent to keep or embezzle it merely by commingling it with the custodian's own, if he was under a duty to keep it separate and intact. It is not difficult to think of intentional and knowing abuses and unauthorized use of government property that might be knowing conversions but which could not be reached as embezzlement, stealing or purloining. Knowing conversion adds significantly to the range of protection of government property without interpreting it to punish unwitting conversions." *Moriasetta*, *supra*, 342 U.S. at 271, 272. (Emphasis added.)

C. Espionage offenses involving classified documents or information

1. Section 793(e) of Chapter 37, of the United States Espionage Code, applies to the communication of documents and information "relating to the national defense."

The leading Supreme Court decision interpreting this phase, as used in the predecessor of section 793, is *Gorin* v. *United States*, 312 U.S. 19, 28 (1941), where the Court said:

"National defense, the Government maintains, is a generic concept of broad connotations, referring to the military and naval establishments and the related activities of national preparedness.

We agree that the words 'national defense' in the Espionage Act carry that meaning." (Emphasis added.)

The materials involved in the *Gorin* case were Naval Intelligence reports which were described in the court below as follows:

"None of the reports contained any information regarding the army, the navy, and part thereof, their equipment, munitions, supplies or aircraft or anything pertaining thereto . . .

"Most of them, on their face, appear innocuous, there being no way to connect them with other material which the Naval Intelligence may have, so that the importance of the reports does not appear." *Gorin* v. *United States*, 111 F.2d 712, 716 (9th Cir. 1940).

The defendants in *Gorin* thus claimed that because of their innocuous character, the reports could not relate to the national defense. The Court of Appeals rejected this claim, stating:

"It is urged that the Naval Intelligence reports show on their face that they do not relate to the national defense. We think the contention cannot be sustained." (p. 721)

The Supreme Court affirmed the ruling by the Court of Appeals. *Gorin, supra*, 312 U.S. at 33. The High Court also construed the predecessor of section 793 in its broadest sense by holding that whether a document or report is covered by the statute "depends upon its relation to the national defense, as so defined [generically], not upon its connection with places specified in [the statute]." (p. 28)

Referring to instructions given the jury by the trial court, the Supreme Court ruled:

"Instructions can, of course, go no farther than to say the connection must be reasonable, direct and natural . . . The question of the connection of the information with national defense is a question of fact to be determined by the jury as negligence upon undisputed facts is determined." (p. 32)

Based upon the foregoing, it is clear:

1. The term "national defense" is a generic concept of broad connotations.

2. Documents and information are connected with the national defense if they relate to the usefulness, efficiency, availability, or conduct of any of the military establishments and the related activities of national preparedness.

3. The term "national defense" includes diplomatic as well as military and all other matters having a reasonable and direct bearing on the defense of the United States.

4. The link between national defense and foreign relations is the relationship both bear to national security. The ability of the Government to function effectively and in a climate of trust for its Secretary of State bears directly and naturally upon the maintenance of an effective national defense.

5. When the character and credibility of the Secretary of State is attacked by the unauthorized disclosure and dissemination of secret documents and information, this creates a situation in which the ability of the United States to conduct foreign policy is significantly impaired, obstructed, and to some degree defeated.

6. In particular, at a time when the United States is engaged in major departures of policy for the purposes of building new relationships between this country and its potential adversaries, is conducting ongoing negotiations leading toward the building of a stable and lasting peace in certain present crisis areas of the world, and is holding current negotiations for reaching agreements of mutual arms and troops limitations and reductions, any impairment or obstruction of the functions of the Nation's highest negotiating official under the President has a serious, detrimental effect upon matters which have a direct, reasonable, and natural relation to national defense. Such behavior increases the risks to the security of the nation and decreases the opportunities the nation has of achieving its goal of creating a generation of peace.

7. To the foregoing may be added the nature of the secret documents obtained and published by the Washington Post, which originate from the files of the FBI. These documents pertain to the lawful efforts of the Government to identify the source of leaks, and prevent the continued disclosure and dissemination, to unauthorized persons of documents and information directly relating to secret American negotiating positions in international talks of the most serious character dealing with the American military posture and affecting the future security of our country. It further appears that the secret documents and information being leaked during the period covered by the FBI materials obtained by the Washington Post are of a type relating to the United States strategic position on, and plans to deal with, certain major foreign military-governmental crises having a direct relationship to the future security of our Nation. The leaks which are the subject of the Government's investigation involved in the FBI memoranda obtained by the Post also appear to include secret information about actual military activities of the United States during our participation in the Vietnam War. Obviously, any wrongful obtaining, retention, or publication of secret documents and information directly bearing on these vital security matters has a direct and natural relationship to the national defense, not only because of the subject matter of such material, but also because of the effect such wrongful activities may have in undermining now and in the future the lawful purpose of the Government in protecting the confidentiality of such material.

2. Section 793(e) punishes the disclosure or dissemination of "guarded" documents or information.

The Supreme Court in *Gorin* v. *United States* noted that, "The evil which the statute punishes is the obtaining or furnishing of this guarded information. . . ." (312 U.S. 30)

This holding has since been interpreted by the Court of Appeals for the Second Circuit as meaning that information coming from sources that are lawfully accessible to anyone throughout the country is not protected by the statute. *United States* v. *Heine*, 151 F.2d 813 (2nd Cir. 1945).

The same court has characterized its decision in *Heine* as an interpretation of the espionage statute "as to make it inapplicable to information which our armed forces had consented to have made public." *United States* v. *Rosenberg*, 195 F.2d 583, 591 (2nd Cir. 1952).

In *United States* v. *Soblen*, 301 F.2d 238, 239 (2d Cir. 1962), the same Court of Appeals held, in a related case, that:

"The fact that the source of the information was classified as secret distinguishes this case from United States v. Heine. . . ."

So in *Slack* v. *United States*, 203 F.2d 152, 155 (6th Cir. 1953); the Court of Appeals for the Sixth Circuit held that the rule of *Heine* did not apply as a defense because what the defendant had acquired "was secret information not obtained from public domain of knowledge."

Thus, the *Heine* case in no way furnishes an exception from 18 U.S.C. 793(e) for the publication of documents and information which are admittedly marked "top secret." Instead the rule of the Supreme Court in *Gorin* is controlling that "national defense" is a generic concept of broad connotations."

Nor can the very act of violating section 793(e) by the unauthorized publication of classified documents raise an immunity to the offense. Any such claim would be an absurdity because it would permit anyone with unauthorized access to guarded documents or information to destroy their protection at will, thereby negating the whole purpose of the statute to safeguard such material from unauthorized disclosure or dissemination.

3. In prosecuting for communicating or withholding a "document," the Government need not prove an intent to injure the United States or to benefit a foreign nation.

Subsection (e) of section 793 of the Espionage Laws was added by the Subversive Activities Control Act of 1950. 64 Stat. 987. The report of the Senate Judiciary Committee explains the purpose of the change, as follows:

"Section 18 of the bill amends section 793 of title 18 of the United States Code (espionage statute). The several paragraphs of section 793 of title 18 are designated as subsections (a) through (g) for purposes of convenient reference. The significant changes which would be made in section 793 of title 18 are as follows:

"(1) Amends the fourth paragraph of section 793, title 18 (subsec. (d)), to cover the unlawful dissemination of 'information relating to the national defense which information the possessor has reason to believe could be used to the injury of the United States or to the advantage of any foreign nation.' *The phrase 'which information the possessor has reason to believe could be used to the injury of the United States or to the advantage of any foreign nation' would modify only 'information relating to the national defense' and not the other items enumerated in the subsection.* The fourth paragraph of section 793 is also amended to provide that only those with lawful possession of the items relating to national defense enumerated therein may retain them subject to demand therefor. Those who have unauthorized possession of such items are treated in a separate subsection.

"(2) Amends section 793, title 18 (subsec. (e)), to provide that unauthorized possessors of items enumerated in paragraph 4 of section 793 must surrender possession thereof to the proper authorities without demand. Existing laws provide no penalty for the unauthorized possession of such items unless a demand for them is made by the person entitled to receive them. The dangers surrounding the unauthorized possession of such items are self-evident, and it is deemed advisable to require their surrender in such a case, regardless of demand, especially since their unauthorized possession may be unknown to the authorities who would otherwise make the demand. *The only difference between subsection (d) and subsection (e) of section 793 is that a demand by the person entitled to receive the items would be a necessary element of an offense under subsection (d) where the possession is lawful, whereas such a demand would not be a necessary element of an offense under subsection (e) where the possession is unauthorized.*" S. Rep. No. 2369, 81st Cong., 2d Sess., 8–9 (1950) (emphasis added).

In an analysis of section 793 (e) by Justice White, joined by Justice Stewart, and favorably noted by both Chief Justice Burger and Justice Blackmun, the foregoing legislative history is taken as conclusive on the issue of the applicable standard of proof:

"It seems clear from the foregoing, contrary to the intimations of the District Court for the Southern District of New York in this case, that in prosecuting for communicating or withholding a 'document' as contrasted with similar action with respect to 'information' the Government need not prove an intent to injure the United States or to benefit a foreign nation but only willful and knowing conduct. The District Court relied on *Gorin* v. *United States*, 312 U.S. 19 (1941). But that case arose under other parts of the predecessor to § 793, see 312 U.S., at 21–22—parts that imposed different intent standards not repeated in § 793 (d) or § 793 (e). Cf. 18 U.S.C. §§ 793 (a), (b), (c)." *New York Times Co.* v. *United States*, 403 at 739 note 9, concurring opinion of White, J.

4. The First Amendment Does Not Confer Any Immunity On Newspapers to Publish or Retain Government Secrets Of a Type Which Congress Has Protected by the Enactment of Criminal Statutes.

In determining whether a good-faith prosecution could have been instituted by the Government against the New York Times for publication of certain of the documents known as the Pentagon Papers, a determination necessary to his opinion in the case, Justice Marshall stated that: "At least one of the many statutes in this area seems relevant to this case . . . 18 U.S.C. § 793(e)." *New York Times Co.* v. *United States*, 403 U.S. 745.

In the same case, Justice Stewart wrote: "Undoubtedly Congress has the power to enact specific and appropriate criminal laws to protect government property and preserve government secrets." *Id.*, at 730.

Distinguishing a ban on publication from the separate matter of criminal prosecution, Justice White wrote: "Prior restraints require an unusually heavy justification under the First Amendment; but failure by the Government to justify prior restraints does not measure its constitutional entitlement to a conviction for criminal publication." *Id.* at 733.

Referring to certain of the espionage laws, Justice White, joined by Justice Stewart declared: "I would have no difficulty in sustaining convictions under these sections on facts that would not justify the intervention of equity and the imposition of a prior restraint." *Id.*, at 737.

Justice White added: "The same would be true under those sections of the Criminal Code casting a wider net to protect the national defense. Section 793(e) makes it a criminal act for any unauthorized possessor of a document 'relating to national defense' either (1) willfully to communicate or cause to be communicated that document to any person not entitled to receive it or (2) willfully to retain the document and fail to deliver it to an officer of the United States entitled to receive it." *Id.*, at 737.

Justice White further described the application of section 793(e) to a newspaper, as follows: "Also, from the face of subsection (e) and from the context of the act of which it was a part, it seems undeniable that a newspaper, as well as others unconnected with the Government, are vulnerable to prosecution under § 793(e) if they communicate or withhold the materials covered by that section." *Id.*, at page 739 note 9.

Chief Justice Burger appears to agree: "I should add that I am in general agreement with much of what Mr. Justice White has expressed with respect to penal sanctions concerning communication or retention of documents or information relating to the national defense." *Id.*, at 752.

Justice Blackmun also appears to share this view of section 793(e): "I also am in substantial accord with much that Mr. Justice White says, by way of admonition, in the latter part of his opinion." *Id.*, at 759.

Thus, at least five sitting Members of the Supreme Court have indicated, as recently as June 30 of 1971, that the Government could bring criminal prosecutions against newspapers under existing statutes. Where a prior restraint is not involved and Congress has passed specific laws to protect the national interest and the security of the country, a majority of the present Supreme Court has made it clear that the First Amendment is no bar to a successful criminal prosecution.

FOOD AND THE FUTURE

Mr. TALMADGE. Mr. President, for a number of years, consumers have generally ignored American agriculture because food was always available in plentiful supply at cheap prices.

In past months, however, because of a series of economic dislocations, there have been spot shortages of some food items, and food is no longer cheap to the consumer.

Neither is it cheap for the farmer to produce it. Inflation is sucking the life blood out of American agriculture. Farmers are caught in an inexorable price squeeze so that even with farm prices at much higher levels, inflation has stolen away their gains.

Overseas it is estimated that two-thirds of the 800 million children born in Asia, Africa, and Latin America suffer some form of mental retardation as a result of malnutrition.

Therefore, whether we are discussing food prcies at home or the prospects for famine overseas, the subject of food has suddenly become very important.

The renewable resources of food, fiber and timber are going to be glamour items for some time in the future.

As I have said previously, it is imperative that we move ahead to make maximum use of all of our renewable resources in an environmentally sound manner.

Dr. Gerald F. Combs of the Department of Foods and Nutrition at the University of Georgia has put the question of food and the future in excellent perspective in a presentation he made at the 1974 convention of the American Feed Manufacturers Association in Chicago on May 28. An internationally known nutritionist, Dr. Combs has served as food safety coordinator for the U.S. Department of Agriculture.

I ask unanimous consent that Dr. Combs' speech be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

FEED, FOOD, AND THE FUTURE

(By Dr. Gerald F. Combs)

Man's ability to supply sufficient food for people in all countries is perhaps the most important prerequisite to peace on this planet with its exploding population, its increasing pollution, its approaching fuel shortage and its better communication. Only recently has it been necessary in the U.S. to face up to some of the realities which lie ahead, as we continue our policy of food abundance in the midst of a world in which ⅔ of its people have been struggling to feed themselves. It is estimated that ⅔ of the 800 million children born each year in Asia, Africa and Latin America suffer some degree of physical or mental retardation directly or indirectly from malnutrition (See Durnin et al, 1973)

In contrast to the approximately 2,000 calories, 56 gm. of protein and 7 gm. of animal protein available per person annually in India, we are blessed with an average of 3,110 calories and 101 gm. of protein, 66 gm. of which is of animal origin. In India the average annual per capita of intake of cereals is 400 lb., while 1,800 lb. of cereals are available per person in the U.S. Of this, we use 150 lb. in foods for direct consumption and cycle 1,650 lb. through animals to develop more palatable, more nutritious and, of course, more expensive foods.

FOOD NEEDS AND RESOURCES

Population growth is still skyrocketing at a rate sufficient to double its population every thirty years. It is anticipated that the world's population will jump from the present 3.7 billion to 5.0 billion by 1985 and at least 6.2 billion by the year 2000, despite efforts for its control. FAO estimates of increases in food needs from 1965 to 1985 average 52% for the world, but 108, 146 and 104% for India, Pakistan and Brazil, respectively. Even with a 30% reduction in birth rates these countries would require 88%, 118% and 91% more food, respectively, to maintain present levels of consumption over that short period. Yes, requirements to meet projected food needs are indeed alarming.

But there's little question that the world could feed itself with its doubled population; and feed them well, at least through the end of this century with proper planning and use of technology. The extent to which this is done, however, will depend to a large part upon the social and political, as well as economic changes that may emerge. To do this, intensive agriculture would be required, which brings with it heavy demands for inputs of energy, fertilizers, pesticides and water. These in turn contribute significantly to environmental pollution.

In considering the world food problem of the future, there are several key points which should be stressed. First, we must learn to control population numbers. If this is not done voluntarily by man, it obviously will take care of itself in time. Next, the increased affluency of so-called "developing" countries has led to an increased demand of certain foods, especially animal products. This trend can be expected to continue as countries continue to improve their economic status. Third, most of the increase in production of food will need to result from improved technology rather than increased tillable acreage. Of the world's 33.3 billion acres, only 9.7 billion are considered suitable as agricultural land. Of this, only 3.5 are arable. By the end of the century, the land per person would have dropped from approximately 1 to ½ acre of tillable land per person.

(In contrast, there's approximately 350 million acres of tillable land in the U.S., 50 million of which were held out of production until last year. In 1973, many of the restraints of the planting of wheat and feed grains were removed and some 30 million additional acres were cultivated. It is anticipated that the increases in production efficiency in this country and the opportunity to add additional acreage to cultivation by draining swamp lands and using some timbered areas, will be quite sufficient in the U.S. for several years.)

The development of dwarf varieties of rice and wheat which were responsive to fertilizer, higher yielding and less restricted by day length has provided some additional time in the battle between population control and food supply. These improved dwarf varieties were capable of producing twice the yield of traditional varieties with proper fertilizer, water, pest control and management. From 1966 through 1971, the world cereal production steadily increased giving temporary relief to the severe problems of hunger throughout the world.

THE FREE WORLD MARKET

Then in 1972, several unpredictable things happened. It was a poor crop year in Eastern Europe, India, China, Australia, Argentina and U.S.S.R. The U.S. dollar was devaluated. The U.S. produced a bumber crop, but had a wet season which led to late harvest, with drying problems due to reduced availability of fuel and transport. U.S.S.R. purchased 26 million tons of grain from the world market, 16 million of which were purchased from the U.S. Other countries, whose affluency had steadily increased, also were purchasing more grains. For example, Japan's additional grain purchases from the U.S. exceeded that sold to Russia.

All of a sudden there was a free world market. Prices of feed grains, soybeans and other feedstuffs exploded with resulting sharp increases in food and feed prices.

The demand for cereals and feed grains continued strong in 1973, up approximately 6%. The 1973 growing season though good was not sufficient to replenish the previously dwindled stocks and price continued high. With the additional acreage under cultivation, a record crop is expected this year, if we have a good growing season, even with present fertilizer and fuel levels. Despite this, continued high levels of export are expected to result in further depletion of the low grain reserves. Wheat stocks are expected to be down 40% and feed grain stocks 13% from 1973 levels.

FOOD IN THE UNITED STATES

The cost of food in 1973 averaged 16% over the previous year, while red meats increased 22%. In 1973, consumption of red meats dropped 6% below its previous 116 lb. per capita/annual consumption. This higher cost of food probably is more nearly equitable to consumers in relation to other prices, as part of the cost of food production in the U.S. was offset by farm subsidies. These had reached a high of $7 billion in 1972 and account for the continued over production of feed grains and cereals in face of the surplus. This kept the price of feed grains low and made it possible to produce animal food products at relatively low cost.

The higher food costs which we have recently experienced in the U.S. can be expected to be with us for some time. They reflect increased demand of food and feed grains from other countries, a depletion of stockpiles, higher farm prices, more expensive labor and higher processing and marketing costs.

In 1973, consumers in the U.S. spent $139 billion for food according to USDA (The Farm Index). Based on 1973 data, only about 28% or $36 billion went to U.S. farmers. But today's food industry includes approximately 23,000 food processors, 30,000 wholesalers and 208,000 retail food stores in addition to the 3 million farmers (Report of the National Commission on Productivity).

Of each dollar spent for food last year at the retail level, 56.5 cents was spent for animal products. This breaks down as followed: red meats 32.2 cents, dairy products 17.5 cents, poultry 3.9 cents and eggs 2.9 cents. The Economic Research Service, USDA, has predicted that annual beef and veal consumption per person will increase to a record of 140 lb. per capita average by 1985. This contrasts with 47 lb. in 1932, 62 lb. in 1952 and 116 lb. in 1972.

Similarly, the Farm Index (USDA) predicts that 1985 production levels (as a percent of 1970–72 base) will increase as follows: cattle and calves 138%, hogs 124%, sheep and lamb 39%, chicken (excluding broilers) 124%, turkeys 147%, eggs 109% and milk 100%. Similarly, they predict levels of corn, wheat and soybeans to increase 130%, 102% and 151%.

ENERGY—A NEW PROBLEM

This past winter has baptized us with still another shortage, that of fossil fuel. As the U.S. has moved to improve efficiency of agricultural production, there has been a marked increase in the need for heavy energy inputs. Pimenthal et al. (1973) estimated the energy inputs in corn production to be 80 gal. of gasoline per acre with our present intensive production methods. They further estimated, based on energy need of corn, that we use approximately 112 gal. of gasoline in food crop production per person per year in the U.S. To illustrate the potential shortages in world reserves of fossil fuel, they calculated that the present known reserves of petroleum (546 billion barrels) would be depleted in a mere 29 years if a population of 4 billion were to use it at the present U.S. rate for food production alone. Of course this is not likely to happen, and it is anticipated that coal will become the primary energy source of the next century. However, this should strongly suggest to us the need for conserving energy in future planning.

But energy input in food production represents an average of only 18% of all energy inputs in the U.S. food system. Food processing and the energy uses in the home each account for approximately ⅓ of the total energy-requirements related to food according to Hirst (1974). He estimates that we are now expending 39.3 million B.T.U./per capita annually for food. Ratios of primary energy input to food energy output show that sugars, cereals and fresh vegetables are the most efficient. However, animal products are equally as efficient as fresh fruit and considerably more efficient than processed fruits and vegetables in this regard. Also, the ratio of primary energy required per unit of food protein is comparable for fish, eggs, poultry, red meat, milk, cereals and fresh vegetables, but much higher for fruits and processed vegetables.

Steinhart and Steinhart (1974) also have compared the Calories invested per food Calorie realized. Their data show that low intensive crop production can return from 5 to 50 food Calories per Calorie invested as contrasted to intensive feedlot beef or long distance fishing which require approximately 11 Calories per food Calorie obtained. Milk from grass fed cows, low intensity egg production and range-fed beef returned 1, 1.7 and 2.0 food Calories per Calorie invested, as contrasted with considerably lower yields when more intensive methods are employed.

ANIMAL AGRICULTURE IN DEVELOPING COUNTRIES

There's little question that transplantation of animal agriculture, as we know it in the U.S., is not the way to maximize the food resources of countries with limited ability to produce cereals.

Little effort has been given to improving the efficiency of animal production in developing countries because of limited feed grain resources and the much lower over-all efficiency of cycling man's energy or protein foods through animals. This is true especially for swine and poultry as they are not able to utilize roughages as efficiently as are ruminants; and they compete more directly with man for his food supply. The estimated percent of energy and protein retained in swine and poultry products range from 10 to 50% for energy and 20 to 25% for protein. (Byerly, 1971)

Ruminant animals are not necessarily competitive with man for their food. (Van Horn et al, 1972) Indeed the wise use of ruminants, not only can improve the quality of the food supply, but it can significantly increase the total amount of food available. For example, Moore et al. (1967) has calculated the protein input and output of a cow producing 5,295 kilograms of milk annually with usual feeding practices of the U.S. He found that the recovery of protein in the milk was comparable in amount to the protein consumed as grain and oil seed concentrates. However, when urea was used to partially replace protein concentrates, the protein in the milk averaged 47 lb. more per cow per year than was consumed in cereals and legumes.

Despite the marked reduction in efficiency when foodstuffs suitable for direct consumption by man are fed to productive animals, there is still a sound basis for efficient animal production in every country even if only on a limited scale. First, every country has some cereal byproducts or waste materials which are not suitable for man. These would include cereal, distillers and animal byproducts, vegetable wastes etc. Many potentially suitable foods for man may not be safe for direct consumption. Fish meals, cottonseed meal and some of the peanut meal fall in this category. Recycling of processed animal wastes in animal feeds is another example.

In many countries the green revolution has already resulted in some feed grains being made available for productive animals. If this cannot be done and if the country is economically unable to obtain its feed grain supply from imports, it is clear that available cereals suitable for human consumption should be used prudently. Over-all land use should be considered. The type and extent of animal industries should be determined carefully in relation to total resources and food needs of the specific country.

At present many farm herds and poultry flocks in developing countries are poorly fed and poorly managed. These consequently are poor, inefficient producers. With proper genetic stock, nutritionally complete feeds, better management, and disease control, the efficiency of even small production units could be markedly improved. At the same time the animal industry provides income opportunities and a cash market for feed grains which can materially contribute to economic development.

U.S. AGRICULTURE IN THE FUTURE

As we attempt to better identify the future role of U.S. animal agriculture, we can be reasonably certain of the following: (1) Population growth will continue for some time at essentially its present rate, (2) there will be an increasing need to conserve energy and especially fossil fuel from which most of our energy for agriculture production is derived, (3) there will be a growing concern about prevention of environmental pollution, (4) competition for food resources in a free world market will continue to exert growing demands for cereals and legumes, (5) higher prices of food generally and especially for animal products, can be expected, (6) there will be a steady trend to increased consumption of plant food products directly for economic reasons, (7) genetically improved varieties of cereals with higher levels and improved quality of protein will gain widespread use, (8) improved ways to fix nitrogen, including the use of rhizobium and free living organisms are likely to be developed, and (9) single cell protein and leaf protein will become economical for general use in animal and human foods.

Pimental et al. (1973) have suggested ways of reducing energy input in food production, including the reduced use of chemical fertilizers, pesticides, mechanical equipment, truck transport, and irrigated lands. In their place they suggest increasing the use of animal and green manures, crop rotation, manpower, train transportation and the development and use of more disease and pest-resistant varieties. Energy inputs at other points in the food system would suggest that corresponding concern should be given to the area of food processing. To what extent is processing necessary to insure appropriate storage and safety? Also, how much can the use of high requiring energy equipment used in food distribution and in the home be reduced?

ANIMAL AGRICULTURE—WHAT CAN IT DO?

Data from various countries, summarized by Byerly (1966), clearly show that the per capita intake of animal protein is a direct function of income. Undoubtedly, this trend will continue and with an increase in demand for highly palatable, nutritious animal protein foods in developing countries as economic improvement is achieved. Any attempt to transplant technology to meet this demand should recognize the need to develop opportunities for labor income and to improve marketing at the same time. Also, technical advisors should help the country identify the appropriate types and numbers of animals of productive animal units compatable with the objective of maximizing total food resources to man. Country governments should consider this in the development of national food and nutrition policies.

The maximal use of ruminant animals deserves additional attention, especially in tropical countries where there is an abundance of roughage, and where new protein sources could be developed with new technology. For example, sugar cane plus urea, fed to milk cows or beef animals can provide a very high food return in tropical areas. Recent studies suggest also that leaf protein and single cell protein (yeast grown on petroleum wastes) may be economically produced and used for animal feeding. In addition, studies with the recycling of fermented or processed animal wastes show considerable economic promise for extending food resources while alleviating environmental pollution.

Despite the marked improvement in production efficiency of farm animals in the past years, there still is considerable opportunity for further improvement even in the U.S. (Combs, 1972). Some research areas which can be expected to yield important improvements in production efficiency include the adaptation of present technology to other environmental conditions, and the development of improved breeds and strains with higher reproductive performance, improved disease resistance, and reduced fat content of the carcass. Better feeding, disease control and management of improved breeds could do much to increase animal production offering in developing countries.

ANIMAL PRODUCTION IN THE FUTURE

The real hope of man for meeting the world food problem must depend on his ability to apply science and technology to meet both economic and social needs. With best use of technology and the curtailment of population growth, it should be possible to meet the world's food needs far into the future without unduly polluting the environment. The extent to which this is achieved remains uncertain. But, as world population continues to increase, economic and social forces will require that considerably better use be made of available resources. In developing countries, animal production, if efficient and of the type and level appropriate to the locale, can be helpful in maximizing the full food production potentials of a country.

In more affluent countries such as the U.S. animal products will become more and more expensive to produce as world demands for cereals and protein supplements increase. More concern will be required to cope with the environmental pollution problems associated with intensive animal agriculture.

There will be increasing competition from modified or engineered foods (such as textured vegetable protein analogues) which simulate animal food products in appearance, taste, and nutritive value. Catron (1967) predicted the use of simulated foods of plant origin versus animal food products, pointing out that the preference gap is closing, the nutritional gap has closed, and the cost gap is rapidly widening. This area offers promise in extending food resources while meeting established food habits in this country. Of course, food habits themselves can and will be changed as food costs, availability and social habits differ over time.

In the meantime, the present strong demand for animal food products can be expected to continue even at relatively higher prices, particularly in industrialized countries. Catron also predicted that the next two generations of Americans will continue to enjoy the products of animal agriculture. He indicated that, of necessity, these will need to be produced on a more efficient basis, eventually sold at prices approaching the luxury level.

CONVERTING WASTE TO ENERGY

Mr. MATHIAS. Mr. President, it has recently come to my attention that the people of the Netherlands have for some time converted their garbage to significant amounts of electric power. This is an undertaking of tremendous importance to all of us. Only the most tentative beginnings have been made in this country to produce energy in this fashion. Our increasing problems in disposing of solid waste and current energy shortages both dictate that increased efforts be made to convert waste to energy.

I ask unanimous consent that an article in the Baltimore News American be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Garbage: As a Fuel It Is Plentiful, Cheap

Amsterdam.—As a fuel, it has no equal for being plentiful, cheap and always available. It is so cheap that the average Dutch family discards ten pounds a day, and so plentiful that it can be found in abundance anywhere in the world.

The fuel is garbage—ordinary household garbage—and the Dutch have been using it to produce steam heat and electricity for more than 50 years.

Only now is the idea of obtaining energy from garbage coming into its own in other parts of Europe and the United States, where experts estimated that enough solid waste exists in big cities to light every home and commercial establishment throughout the year.

Here in Amsterdam, virtually all trash—some 1,500 tons a day—generated by the city and surrounding suburbs is burned under pressure through high-temperature turbines to generate 5 per cent of the region's electricity, an amount sufficient for an American city the size of Santa Barbara, Calif., or Princeton, N.J.

The "garbage power" system is financially self-supporting. The municipal Garbage Department ("Stadsreiniging") collects the trash twice a week, hauling half of it by barge along Amsterdam's interconnecting canals and the other half by truck to the municipal incinerator, where the garbage is burned and converted into electricity at a cost of 10 dollars a day.

According to Tony Pingen, assistant director of Amsterdam's department, the system produced 150 million kilowatt hours of electricity last year—an output equivalent to 300,000 tons of residual fuel oil.

In addition, the burning of trash is accompanied by the recovery of metals for recycling. The value of scrap metal has more than tripled in the last year, and its sale to German steelmakers has become a major asset for Amsterdam's collection system.

Such resource recovery is solving a number of other critical problems, including the scarcity of land for dumps and the high cost of fuel for electric power plants. There are also clean air benefits, as trash is low in sulphur (0.1 per cent).

The Amsterdam system has been producing steam heat and electric power since 1917. Such other cities as Rotterdam, Copenhagen and Paris have been using similar systems almost as long; but it wasn't until recently that the skyrocketing cost of oil and coal made it economical for most cities to produce electricity from household garbage.

Most major West European cities are adopting garbage power for their electricity. By next year, West Germany expects 25 per cent of its total population to get electricity derived from garbage.

By 1977, the first major garbage-fueled system to produce power in the United States will reach full operation in St. Louis, where two coal-fired plants are being converted to burn 7,500 tons of trash a day.

Here in Amsterdam the Dutch have provided convincing evidence that a large, virtually untapped energy source—household garbage—can play a crucial role in meeting urban power demands at a time when other fuels are becoming increasingly scarce.

MEMORIAL DAY SERVICES AT HYDE PARK, N.Y.

Mr. MONDALE. Mr. President, on May 27, 1974, at Memorial Day services held at Hyde Park, N.Y., Mr. Joseph P. Lash delivered a truly beautiful, truly inspirational, truly thoughtful memorial address. I have the honor of placing the text of that address in the CONGRESSIONAL RECORD today so that my colleagues may share Mr. Lash's remarks.

As you know, Mr. President, Joseph Lash is the author of "Eleanor and Franklin" and "Eleanor: the Years Alone." For his biographies of Eleanor Roosevelt, he has received a Pulitzer Prize, the National Book Award, and the Francis Parkman Prize. President Harry Truman once called Mrs. Roosevelt "The First Lady of the World." Adlai Stevenson wrote of her, "What other single human being has touched and transformed the existence of so many others?" Mrs. Roosevelt was surely one of the most remarkable human beings ever to live, and Mr. Joseph Lash's books provide a rare insight into her character, her interests, her concerns, and her compassion.

In his memorial address at Hyde Park, Mr. Lash again turns to the lives of President and Mrs. Roosevelt and reflects on their reaction to the 1933 assassination attempt, the President's moral leadership, President Roosevelt's approach to the Presidency, and the empathy and the courage of the Roosevelts.

Mr. Lash's comments bear careful reading, for they are particularly pertinent at this time in our history. They represent the thoughtful insights of a brilliant author into the lives, leadership qualities, and values of two great Americans.

I ask unanimous consent that the program from the memorial services at Hyde Park, N.Y., followed by the address delivered by Mr. Joseph P. Lash, be printed in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

MEMORIAL SERVICES

Under auspices of National Park Service; assisted by Hyde Park Historical Association; continuing a tradition begun by the Roosevelt Home Club, Hyde Park, N.Y., May 27, 1974, 11:30 a.m.

Welcome: Warren H. Hill, Superintendent—National Historic Sites.

Invocation: Rev. Gordon L. Kidd, Rector Emeritus—St. James' Church.

Choral Music: "If We Only Have Love," New Frontier.

Remarks: Bernard Kessler, President—Roosevelt Home Club.

Choral Music: "Less of Me," New Frontier.

Memorial Address: Joseph P. Lash, Pulitzer Prize Winning Author.

Laying of Wreaths: American Legion Post 1303—William Reynolds and Roosevelt Home Club—Art Smith.

Taps.

REMARKS BY JOSEPH P. LASH AT MEMORIAL DAY SERVICES IN THE ROSE GARDEN, HYDE PARK, MAY 27, 1974

How bracing and reassuring it is in this moment of national travail and moral squalor to stand here in these lovely but unpretentious surroundings where Eleanor and Franklin Roosevelt lie buried. This simple slab of marble, the hemlock hedge, the trees that he planted, for he was a conservationist from his youth on, the roses that she tended, the modest fieldstone library to which he planned to retire after leaving the Presidency in order to give us his version of the Roosevelt years, and over beyond the fields and across Violet Avenue, the rambling cottage at Val Kill where Eleanor Roosevelt lived and worked after her husband's death—where Melly Johansson had her looms, Otto Berge his workshop and Moses Smith his farm—what strikes one about these surroundings, is their human dimension. There is no gargantuism here—style, yes, taste, yes, but no trappings for the sake of display, no panoply to proclaim power, none of the cosmetics and pomp of leadership that lesser men and women need to surround themselves with in order to prove to themselves and to those around them that they are Mr. and Mrs. Big. Eleanor and Franklin Roosevelt did not need such artifacts—in their presence you sensed large purposes, courage, compassion; you immediately sensed greatness.

They have been gone now, the President for almost 30 years, Eleanor Roosevelt for more than ten, and as the momentous years in which they lived and played so important a part recede, we think less of the specific programs that they advocated than of the spirit and attitudes that they embodied as national leaders.

Consider that day in February 1933, three weeks before Inauguration when Roosevelt, then President-elect, landed in Miami after an 11-day cruise on Vincent Astor's yacht, the *Nourmahal*. Twenty thousand people were there to greet him. They pressed around his open car as it proceeded to the bandstand where he was to say a few words. Suddenly a man standing on a park bench drew a revolver and emptied its five cartridges in Roosevelt's direction. Mayor Cermak of Chicago who had just spoken with Roosevelt, and three other bystanders were felled. Secret Service men shouted orders to Roosevelt's chauffeur to get the car out of the crowd immediately. But Roosevelt who had sat through the fusillade without flinching, took command of the situation. He countermanded the orders of the Secret Service and directed that Cermak be placed in the back of his car. He cradled the mortally wounded mayor in his arms and as the car sped to the hospital talked to him nearly all the way. "Tony—keep quiet—don't move. It won't hurt if you keep quiet."

Only after Cermak was in the hospital did Roosevelt permit his car to return to the *Nourmahal* where he was to spend the night. His companions who had been amazed by his coolness and self-possession thought that now there would be a letdown and reaction. Not at all, noted Raymond Moley, he was "simply himself, easy, confident, poised."

Eleanor Roosevelt in New York was not at home when the news broke and the reporters descended upon the 65th Street House. She was at a meeting, speaking. It is worth quoting some of the things she said that evening. It was the very bottom of the depression and her every speech, it seemed, was aimed at assuring people that she and the President-elect were moving into the White House to serve them. "We in this country feel that we can tell our public servants what has happened to us and what we would like them to do," she said. "And, somehow, I think perhaps that is going to be our salvation because if you can keep close to your leaders and feel that they belong to you and that they are working, not only for you, but with you, then nothing is too hard, and we will all win through to the goal that we desire."

She arrived home at 10:30 to hear the news about the assassination attempt. Her reaction, like the President's, was calm and poised. "These things are to be expected," she said and immediately called her husband whom she reached at the bedside of Mayor Cermak.

"He's all right," she said to her daughter Anna. "He's not the least bit excited." Her next thought was how to break the news to the President's mother. She left the packing to others—she was to take the midnight train to Ithaca—and went into the adjoining house and told Mama herself, assuring her there was no cause for alarm. "The only thing you can do is just to go along and not think about such things," she said to reporters the next day, and explaining why she, nevertheless, would refuse to have Secret Service protection in her travels about the country, said, "As far as I am concerned, I cannot imagine living in possible fear of death."

Roosevelt's coolness under an assassin's fire, capped a few weeks later by his ringing inaugural promise of ". . . action, and action now," his face-to-face meetings twice a week with a press corps that the dour Herbert Hoover had avoided, his "fireside chats" and numberless other manifestations of an open presidency accomplished precisely that restoration of public confidence that was the indispensable pathway to recovery and reform.

The presidency, Roosevelt told Anne O'Hare McCormick of the *New York Times*, "is not merely an administrative office. That's the least of it. It's more than an engineering job, efficient or inefficient. It's predominantly a place of moral leadership . . . T. R. and Wilson were both moral leaders, each in his own way and his own time, who used the Presidency as a pulpit.

"Isn't that what the office is—a superb opportunity for reapplying, applying in new conditions, the simple rules of human conduct we always go back to?"

The simple rules of human conduct . . ." how refreshing and exalted those words sound now. Last Tuesday Jeb Magruder, the deputy director of President Nixon's re-election campaign made a statement to the Court before sentencing that I found quite moving. "Somewhere between my ambition and my ideals I lost my ethical compass," he said. "I found myself on a path that had not been intended for me by my parents or my principles or by my own ethical instincts." Compare Magruder and the other attractive young men like Porter, Sloan, Krogh, who are ending up in a courtroom with the young men who hurried to Washington in the Thirties to serve Roosevelt and the New Deal and does not the critical difference lie in the fact that President Roosevelt recognized the presidency as preeminently a place of moral leadership?

Moral leadership is not moralizing and one of the differences between the two is that a President should himself exemplify, as Roosevelt did, the rules of human conduct he recommends to others.

There was, incidentally, an instructive sequel to the assassination attempt, Moley, a criminologist, took part in the cross examination of the assassin, Joseph Zangara. The nation was teeming with unrest—hunger marchers, bonus marchers, revolt in the farmlands. Everywhere communists and socialists were busy. What a chance the assassination provided to throw the radicals on the defensive by linking them with Zangara. The incoming Administration could not have been less interested. "He didn't manifest any interest in political ideas," reported Moley. He was neither socialist nor anarchist, he just didn't like presidents or kings. Imagine what the "plumbers" and their sponsors would have done with the latter.

A few weeks after Roosevelt took office the Secret Service wanted to throw up a wire fence around Roosevelt's cottage in Warm Springs. The President vetoed the idea. There was no fear of the people in his make-up.

The way to deal with radical discontent, Roosevelt believed, was to eliminate the social and political grievances which gave rise to it. Eleanor Roosevelt had been appalled when Herbert Hoover the year before had turned the military loose upon the bonus marchers. It was an example of what fear could do to even so well-intentioned a man as Hoover, she said. When the bonus marchers returned to Washington a few weeks after Roosevelt's assumption of office, he ordered the Veterans' Administration to house and feed them, even to provide a military band, and in May, when the Administration was seeking to persuade the veterans to go home or to enroll in the newly established CCC, Louis Howe took Eleanor Roosevelt to the bonus encampment in order to demonstrate the Administration's concern with the plight of the veteran. "Hoover sent the army. Roosevelt sends his wife," said one left-wing veteran chagrined over the communists' loss of influence.

Another exemplary aspect of Roosevelt's approach to the Presidency was that he considered himself president of all the people. He had political allies, chief among them labor, but he also had a conception of the public interest, of the presidency as an expression of American sovereignty and unity. It should be responsive to labor, agriculture, business, the consumer, but also independent of them, expressive of what united rather than divided the nation.

Who that was alive at the time will ever forget Roosevelt's exasperated reaction when labor in the sitdown strikes seemed to him to overreach itself and he pronounced a plague of "both your houses." It was the beginning of the breach with John L. Lewis, but it is noteworthy that in the 1940 elections when Lewis called on members of the CIO to vote for Wendell Willkie, not even his miners followed him.

In the final analysis Americans have a sound sense that the public interest must prevail over private interests. What is required is a confidence in the national leadership and Roosevelt had earned that confidence on the part of the underpriviliged by his constant efforts on their behalf.

For he was President of all the people in the profound, compassionate sense of using the powers of the presidential office not on behalf of the rich and exalted but of the deprived and neglected, the poor and the weak. Roosevelt was concerned, as he put it, with the forgotten man at the bottom of the economic pyramid, with the one-third of a nation that was ill-housed, ill-clothed and ill-fed. As he explained to Esther Lape, Eleanor Roosevelt's friend, who was discussing health care for all Americans with him, "Esther, my interest is in getting some kind of medical care for the submerged third that now has practically none." And if in the heat of political combat he was sometimes tempted to compromise with his conscience and to postpone the claims of the submerged third, there was Eleanor standing at his side, tugging at his sleeve, with her gentle but insistent, "But Franklin . . ." Eleanor and Franklin made a remarkable team because in the final analysis he shared her concern for the victimized and downtrodden and she had an astute understanding of his political necessities.

The Roosevelts had another quality that was characteristic of their style and leadership—empathy—the ability to put themselves in another's shoes, an intuitive feeling for another man's troubles, a sympathy that extended not just to the members of their family or to the social group in which they had been raised, but embraced the poor, the victimized, the downtrodden. I remember a scene in the President's oval study on the second floor. It was cocktail time, just before the guests led by Mrs. Roosevelt proceeded down to the family dining room. The President was seated by his desk, that desk which was so marvelously littered with gadgets and curiosities and donkeys of all sizes and hues, on which, also, that particular evening rested a copy of a little book called "Address Unknown" which it turned out both he and Mrs. Roosevelt had read. The book consisted of an exchange of letters between an American Jew living in California, an art dealer, and his erstwhile friend and partner, a man of German descent, who had returned to Germany just before Hitler's accession to power. The letters chronicle the German's surrender to the blandishments and pressures of the Nazis ending in the craven betrayal of his friend's daughter. The President and Mrs. Roosevelt talked about the pressures to conform, about the brutalities of totalitarian dictatorship, and Mrs. Roosevelt wondered whether she wouldn't under the same circumstances have caved in. "I really am a coward," this bravest and most non-conforming of women remarked. The President wouldn't hear of this. He was absolutely sure she would have done the right thing whatever the consequences. It was a theme to which Mrs. Roosevelt returned often. Was she standing up firmly enough for what she believed in, she would ask. How would she behave if put to the test of torture and death for her convictions?

How rare to have people at the pinnacle of power identifying with the victims of oppression. Who today in the White House, I wonder, identifies with the Valery Panovs and Sakharovs, with the heroes and heroines rotting in the jails of the Athenian and Santiago juntas, not to mention a few other dictatorships with which we are allied.

One trait was preeminently Eleanor Roosevelt's. Because she was in the White House, she felt a special obligation to make people feel they knew her, had a right to tell her about themselves, to ask for her help. Every letter was answered. She carried on an incredibly voluminous personal correspondence, especially during the war, when any GI who wrote, received a chatty letter full of news. One young man asked her to recommend a small list of books that constituted essential reading. She promptly turned to Justice Felix Frankfurter, Vice-President Wallace, and the Library of Congress, to suggest, as she put it, "the contents of a library for a young man of intellectual eagerness." All three responded and off the letter went. I won't read all of the lists, but will give you Justice Frankfurter's:

The Bible.

Shakespeare's works in a single volume.

The Oxford Book of English Verse.

Random House edition of the Greek Historians.

Montaigne's Essays.

Bacon's Essays.

Tolstoi's War and Peace.

The Federalist.

The Heritage of America—an anthology edited by Commager and Nevins.

Life and Writings of Abraham Lincoln, edited by Philip Van Doren Stern.

The Complete Jefferson, edited by Saul K. Padover a little heavy for a knapsack, but a good list indeed.

In closing, I want to return to the basic Roosevelt trait, the one that had such an enormous impact on his countrymen—his courage.

I am reminded of it whenever I go through the marvelous exhibits in the Roosevelt Library. The curator has placed on display a letter that Roosevelt, then Governor of New York, wrote in 1929 in reply to a question soliciting his favorite poem. "Invictus" by William Ernest Henley came back the reply and Roosevelt quoted the stirring stanzas:

> "In the fell clutch of circumstance,
> I have not winced nor cried out loud,
> And under the bludgeonings of chance
> My head is bloody but unbowed.
>
> "It matters not how straight the gait,
> How charged with punishment the scroll,
> I am the master of my fate,
> I am the captain of my soul."

The lines are redeemed from the commonplace by the spirit of the man who quoted them as his favorites. He had triumphed over polio by an effort of will and spirit. He had turned tragedy into a strengthening thing. He never whined, never complained, as these surroundings can bear personal witness. And when he came into the White House his example infected the nation. We felt ourselves in those great years of the Roosevelt presidency to be the captains of our souls. America was master of its fate.

It is no wonder that Eleanor Roosevelt, writing after the President's death, could say, despite the hurt she had suffered in her personal life, "I have never known a man who gave one a greater sense of security."

AN OPINION ON POLITICS IN POST-WATERGATE AMERICA

Mr. TOWER. Mr. President, a recent article by Mary Nimmo in the May 1974 issue of Mademoiselle brings much-needed perspective to the political climate engulfing us today. In "An Opinion on Politics in Post-Watergate America", Ms. Nimmo defends our much-abused profession by pointing out that—

> We have embarked on a nationwide witch-hunt for a victim at whose door to lay the blame for America's problems. The searched-for victims are politicians, either as individuals or as a class.

Ms. Nimmo goes on to suggest that—

> The entire Watergate saga is only a symptom and not the disease itself. Watergate happened not because a handful of politicians were unprincipled, but because we, as a people, are not being true to the principles we profess.

She continues:

> We, as a people, have ceased to look upon our laws as principles and have come to view them as rules in a game where everyone plays to the limits, cheating wherever possible. When the speed limit was 65, most of us drove at 69; since it's been lowered to 55, most of us drive at least 59. Be it income tax deductions, traffic regulations or campaign reporting laws, the game is always the same: stretch the rules as far as you can without getting caught breaking them.

After examining the symptoms and identifying the disease currently afflicting our society, Ms. Nimmo examines the remedies available. She dismissed as ill-advised suggestions that we seek to legislate morality for political candidates and officeholders at its heavy cost to personal freedom and privacy. She also dismisses the attitudes of those who would opt out of their involvement in our political processes. Instead she wisely suggests that—

> The only cure for America's current political ills is increased involvement. As perhaps never before, we need individuals of high moral purpose and strong commitment in our public offices at all levels of our political parties. We need people who care enough to seek candidates of uncompromising moral rectitude and to work untiringly to

get them elected. We need more investigative reporting to cover the specific abuses, making them exceptions rather than the rule. We need, as a people, to foster respect for the spirit of the law and for the principles behind it.

Mr. President, I commend Ms. Nimmo for her perceptive article and ask unanimous consent that it be printed in its entirety in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From Mademoiselle for May 1974]

On Politics in Post-Watergate America

(By Mary Nimmo)

"Why don't you get a respectable job?" my friends ask. When I mention my profession at parties, people tend to back away. Sometimes I begin to wonder if there's a letter emblazoned on my chest—the scarlet "P" for politics.

I wasn't always open about my associations. On the Stanford campus in '69, I was a closet conservative. In the midst of student strikes, off-ROTC vandalism, riots and arson, I "came out" and when the tear gas cleared, I found myself committed to the conservative cause. I began working for Republican candidates, most notably as campus chairman for Ronald Reagan's re-election campaign.

My involvement with Republican politics might have been forgiven as an undergraduate aberration had I abandoned it on graduation day. Instead, I joined the party staff for the state legislature and became a full-time paid political hack. The involvement became total when my father was elected to the state legislature and I joined his staff.

In the post-Watergate era, I am now part of what some pollsters claim is the least respected profession in America. The daily mail brings letters attacking all politicians as corrupt, declaring that special interests have bought the legislature, suggesting that all incumbents must go, and calling for radical changes in our political system.

As a member of the state and local Republican party organizations, as a full time political staffer and as the daughter of an elected politician, I have very strong personal reactions to such generalized attacks on the political profession and my concern for the future of politics in America is a very immediate one.

For more than a year now, Watergate has been a national disease wracking our body politic. Out of it has grown an increasing lack of confidence in our political and governmental institutions. There has also grown an assumption that all, or nearly all, of our elected officials are corrupt and that a handful of unprincipled politicians are to blame for the fuel shortage, rising food prices, unemployment, and virtually every evil except the common cold. Some suggest that only if the President goes now—regardless of innocence or guilt—can the country be saved from these myriad evils.

In short, we have embarked on a nationwide witchhunt for a victim at whose door to lay the blame for America's problems. The searched-for victims are politicians, either as individuals or as a class.

Now I'm not suggesting that there is no corruption in political offices. On the contrary, I have seen a fair amount of it at firsthand. Any reporter willing to stalk the halls and ask tough questions could uncover enough scandals in Sacramento alone to make headlines from now until '76. But I also know first hand that there are a great many people in politics who are honest, open and uncompromising. By painting all politicians with the same brush of corruption, we slander moral men while failing to uncover specific evils.

Nor do I suggest that wrongdoing should go unpunished. On the contrary, I'm convinced that wrongdoing has increased precisely because it has not met with sure, swift and substantial punishment.

What I *am* suggesting is that the entire Watergate saga is only a symptom and not the disease itself. Watergate happened not because a handful of politicians were unprincipled, but because we, as a people, are not being true to the principles we profess. We declare our faith in the principles upon which our nation was founded nearly two centuries ago, the ideals set forth in the Declaration of Independence and the Constitution of the United States. But our institutions will reflect those principles only when those same principles are also reflected in the daily lives of all of our citizens.

We, as a people, have ceased to look upon our laws as principles and have come to view them as rules in a game where everyone plays to the limits, cheating wherever possible. When the speed limit was 65, most of us drove at 69; since it's been lowered to 55, most of us drive at least 59. Be it income tax deductions, traffic regulations or campaign reporting laws, the game is always the same: stretch the rules as far as you can without getting caught breaking them.

Come September, I'll be taking a three-year leave from full-time politics to study law. One friend, after counting the number of lawyers involved in the White House scandals, claimed I was simply planning to move upstairs in the whorehouse. I disagree—lawyers, like politicians, are no more guilty than the American people. The participation of so many lawyers in illegal activities is only further evidence that law is viewed as a game. Rather than teaching the legal system as a moral social structure, too many law schools have educated students to playing the game of law, no holds barred, for one's client!

Since Watergate, we have discovered that those to whom we entrusted the law, including some of our highest elected officials, are no truer to principle than are most members of middle-class America. The tragedy is not that they were found immoral, but that they so accurately reflected the national morality. We, as a nation, stand convicted as surely as do the Watergate conspirators. A sense, of that shared guilt, I suspect, has prompted the scapegoating efforts and the most violent attacks upon politicians as a class.

At this point, I think the real question confronting America is not so much "Where do we stand?" but rather "In what direction are we going?" Out of this year of Watergate has come increasing pressure for some sort of legislative cure for political immorality. In California a variety of laws have been introduced, and a few passed, which seek to legislate morality for political candidates and office holders. Unfortunately, most of these laws either 1) violate the personal freedom and privacy of people not politically connected with a candidate, such as the clients of a candidate's spouse; 2) discourage qualified and capable people from serving in elected or appointed office; or 3) provide a smokescreen for those few legislators who would take credit for clean campaign laws while simplifying their abuse.

The passage of such laws might, at best, control the most blatant political excesses, but only at fearful cost to our citizens and institutions, the simple truth is that political morality cannot be legislated because politicians as a group, will always be as moral or immoral as the people they represent. The attempt to find a legislative cure would be a futile and unfortunate course for American politics.

The other ill-advised course available to us is increased nonparticipation in the political process. On the local level, I have already talked to a number of previous campaign workers who now express disinterest in, or distaste for, political involvement. If this attitude becomes a trend, it bodes ill for the country's future. I deplore the generalized attacks on politicians particularly because they foster this attitude.

If we come to view politics as a calling only slightly more respectable than prostitution, our best and brightest will choose other careers, our volunteers will find other causes, the average person will disdain the polls, and democracy will be doomed. The only cure for America's current political ills is increased involvement. As perhaps never before, we need individuals of high moral purpose and strong commitment in our public offices and at all levels of our political parties. We need people who care enough to seek out candidates of uncompromising moral rectitude and to work untiringly to get them elected. We need more investigative reporting to cover the specific abuses, making them exceptions rather than the rule. We need, as a people, to foster respect for the spirit of the law and for the principles behind it.

These are not easy times in which to be a lawyer, a politician or a Republican. But they are challenging times. I'm going to stick with all three commitments because I have a personal stake in the direction this country takes. We can make our politicians, our parties and our government more moral only by raising the moral level of our entire society. The challenge faces us collectively and individually and it offers the only positive course for America. If you're willing to answer that challenge, you might begin by asking yourself how fast you drive.

(*Mary Nimmo is a 1972 graduate of Stanford University and was MLLE's guest beauty editor that June. She is currently working in the office of her father who is a California state senator. She describes her current political involvement as "a total commitment" and hopes to study law in the future.*)

PROPER SALARY LEVELS FOR GOVERNMENT EXECUTIVE PERSONNEL

Mr. McGEE. Mr. President, the Committee on Post Office and Civil Service has today begun a new round of hearings on the question of proper salary levels and pay-setting machinery for the Government's executive personnel and those in comparable posts in the legislative and judicial branches.

Among the agencies deeply concerned with the present inequitable situation is the Library of Congress, which is feeling the impact on its ability to recruit and retain the varied specialists needed if it is to serve the information needs of the Congress and fulfill its role as the national library of the United States.

Mr. President, I ask unanimous consent that a letter addressed to me by L. Quincy Mumford, the Librarian of Congress, be printed in the Record so that Senators may benefit from Mr. Mumford's cogent observations.

There being no objection, the letter was ordered to be printed in the Record, as follows:

THE LIBRARY OF CONGRESS,
Washington, D.C., June 11, 1974.

Hon. GALE W. MCGEE,
Chairman, Committee on Post Office and Civil Service, U.S. Senate, Washington, D.C.

DEAR SENATOR MCGEE: It is my understanding that your Committee will be holding hearings on S. 3049, S. 3550, and S. 3551, bills to provide for a unified system of pay for civilian officers and employees of the U.S. Government, or to provide for salary increases at Levels III, IV, and V of the Federal Executive Pay Schedule. The Library of Congress is most concerned about the impact of the inequitable pay system that now exists on its executive and research positions, in grades 16, 17, and 18, and Levels IV and V. Currently the Library has 71 persons locked into the $36,000 pay category. This disparity is found in positions of varying degrees of accountability and responsibility ranging from the Deputy Librarian of Congress to subordinate GS–15 positions. The Deputy Librarian and Assistant Librarian of Congress, along with the Library's six department directors are supervising persons who, with lesser responsibilities, are being compensated at the same out-dated ceiling of $36,000. This, of course, is a serious morale situation.

Even more grave is the effect this ceiling is having on the recruitment and retention of the varied subject specialists the Library must obtain and hold in order to serve the information needs of the Congress and to serve as the national library of the United States.

As you know, the Legislative Reorganization Act of 1970 provides that the pay of Senior Specialists in the Congressional Research Service "shall not be less than the highest grade in the executive branch of the Government to which research analysts and consultants, with supervisory responsibility, are currently assigned." The Congressional Research Service has been severely hampered in obtaining and retaining such specialists in recent months. Specifically, during this year, several candidates for a senior specialist position in agriculture were interviewed. Two applicants, a research firm executive and a foundation official, expressed concern over the salary level. The research firm executive withdrew his application. Within the last 10 days, a very highly talented scientist who had planned to join the CRS staff declined the offer because his university offered him $42,000 if he would stay.

A Senior Specialist in Energy retired immediately upon becoming eligible for retirement although he had expressed his intention to work an additional 5 years. He changed his mind because of an offer of a high paying position by a major electrical corporation. Another Senior Specialist in Environmental Policy retired upon reaching age 55 with 30 years of service in order to accept an offer of part-time employment by two research firms and a university. He has also entered into a number of part-time consulting agreements. The Service has been particularly hard hit by these retirements because of the limited number of specialists in these fields and because of the intense competition for such expertise by private enterprise, which, of course, can pay much higher salaries. Obviously, if there were some incentive or hope for higher pay within the Federal GS structure, our ability to keep and recruit such talented personnel might well be more successful.

Although the Library of Congress is in fact, though not in name, the national library of the United States and the largest library in the world, the salary of the Librarian of Congress ($38,000), not to mention the top managerial staff, is below that paid to directors of numerous university and large municipal libraries.

The information science industry is in a much more favorable position to recruit experienced information scientists than the Library of Congress. This is particularly unfortunate at a time when the Library is attempting to apply computer techniques to Congressional operations and when it has taken the leadership in applying automation to bibliographic operations.

The enactment of S. 3049, S. 3550, or S. 3551 should at least give encouragement to persons presently on the Library staff who have been without a pay increase for nearly 5 years and should assist us in recruiting and retaining the top talent necessary to provide effective service to the Congress and effective leadership in general library operations.

Sincerely yours,

L. QUINCY MUMFORD,
Librarian of Congress.

COMBATING RETINITIS PIGMENTOSA

Mr. MATHIAS. Mr. President, Mr. Ted Venetoulis, of Baltimore, Mr., has been selected to serve as chairman of the legislative committee of the National Retinitis Pigmentosa Foundation. Retinitis pigmentosa is an inherited disease which affects sight and afflicts nearly 100,000 people in America. Progress in research to combat this disease is progressing, and the foundation is pledged to furthering these efforts.

In order for my colleagues to become more aware of this disease and the efforts of the foundation, I ask unanimous consent that a recent article about retinitis pigmentosa be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

FOUNDATION ESTABLISHED TO FIND A CURE FOR RETINITIS PIGMENTOSA

Retinitis pigmentosa is an inherited disease that affects nearly one hundred thousand people in this country. One can estimate that one out of eighty Americans, most unknowingly, is a carrier of this disease. The inheritance pattern in retinitis pigmentosa varies widely; that is, some types are dominant, and some are sex-linked, but almost ninety percent of the cases are autosomal recessive. The latter type usually strikes without warning since there is rarely a previous history of the disease in the afflicted person's family.

The first symptoms of retinitis pigmentosa frequently appear in children and adolescents and are night blindness and stumbling. Stumbling occurs since the victim's degree of vision is narrowing and he cannot see things ahead and beneath him simultaneously. Over a lifetime, the disease gradually decreases a person's ability to see at night and cuts down on the amount of side vision, resulting in "gun barrel vision." The loss is caused by changes in the retina, the innermost layer of the eye, which receives light and generates nerve impulses to the brain.

To date there is no known treatment that can halt the progress of retinitis pigmentosa in a person who has the gene for the disease. In many cases, however, retinitis pigmentosa does not progress to complete blindness. Many patients keep their reading vision throughout their lives, although it may be restricted to a small central part of the visual field. It should also be noted that the symptom of night blindness does not necessarily indicate retinitis pigmentosa.

The disease can be diagnosed in more advanced stages by an ophthalmoscope. Looking into the interior of the eye, if the disease is present, the ophthalmologist can see many black pigment deposits scattered throughout the retina, but particularly around its edges. This extra pigment is characteristic of the disease, as the name retinitis pigmentosa suggests, but in rare cases the pigment may be absent.

Retinal research has been hampered by the location of the retina since it and the optic nerve through which its signals are carried to the brain are part of the central nervous system. Research involving the retina has accelerated recently; however, due to the development of new techniques to study this highly inaccessible part of the central nervous system. These new methods allow one to detect the minute signals produced by retinal nerve cells when struck by light. The strength and timing of these signals is measured by electronic computers; when retinitis is present, the signals are very weak. In this way, retinitis pigmentosa can be distinguished from other diseases and can be diagnosed and analyzed in young children before ophthalmoscopic examination reveals any convincing abnormalities. Scientists can then study the earliest phases of the disease and test hypotheses on treatment. Currently therapeutic trials of light deprivation in young children with retinitis pigmentosa are under consideration.

Many scientists are conducting research to find out how retinitis pigmentosa affects retinal tissue. They have observed that in this disease, the rods and cones, which are the specialized light-receiving cells of the retina, become less active. The rods and cones used for peripheral or side vision are particularly affected. Because there is greater damage to the rods, which are also used to detect shades of black and white in dim light, night vision is also damaged. The deteriorated light-receptor cells no longer respond to stimuli and gradually the blood supply to the retina decreases.

Rats also have retinitis pigmentosa and offer medical scientists a rare opportunity to study it in an experimental animal. The first retinitis pigmentosa of rats was discovered in England, but this disease has a very violent onset early in life and produces total blindness rapidly. Recently new forms of retinitis pigmentosa have been discovered in rats that mimic the human variety much more closely. It is hoped that important clues can be obtained from the application of modern biochemical and electrophysiological techniques to such forms of retinitis pigmentosa in these animals which will bear on the human disease.

One of the important clues to the defect appears to lie in the chemical rhodopsin which is the part of the rod cell that actually catches the light that enters the eye which is then perceived by the brain. Rhodopsin is a molecule composed of a protein and vitamin A. It is known that when vitamin A is removed from the diet, rhodopsin will not be formed and the entire photoreceptor cell slowly dies, leading to blindness. Human subjects who cannot absorb vitamin A develop the symptoms of retinitis pigmentosa, though when treated with massive amounts of this vitamin, sight is restored. Most patients with retinitis pigmentosa do not have any such obvious abnormality of vitamin A in their bloodstream and do not improve when given large amounts of this vitamin.

Vitamin A is carried through the bloodstream by a recently identified protein called the vitamin A binding protein. Scientists feel there may be a problem of some kind in retinitis pigmentosa patients that does not permit vitamin A to color the eye. Another important development has been the discovery that the photoreceptor cells are continuously growing and are constantly trimmed by the pigment cells that surround them. In rats, the inability to perform this function by pigment cells leads to retinitis pigmentosa. A third clue in evaluating this disease is the adverse effect of light. Rats with retinitis pigmentosa become blind faster if exposed to continuous illumination, of conversely, they retain their sight longer if deprived of light. Light seems to interfere in some way with the vitamin A cycle in the photoreceptors.

People who have retinitis pigmentosa know therapy to arrest this disease is vital. Even a peephole of sight is cherished, and that is threatened since typically retinal deterioration has indefinite periods of remission.

Until about two years ago, there was no concentrated effort to put money into a research program devoted exclusively to the study of retinitis pigmentosa. Sporadic work was done in various laboratories across the country but none correlated.

Eliot L. Berson, M.D., Assistant Professor of Ophthalmology at Harvard University and the Massachusetts Eye and Ear Infirmary, was the leader in the field, having done research for six years on retinal disorders including RP.

Yet it took a personal tragedy in the life of a Baltimore County family to spur the establishing of the National Retinitis Pigmentosa Foundation. The story has been given national publicity—the vacation trip when one daughter complained of not being able to see in a semi-dark cave—visits to ophthalmologists, with the eventual diagnosis of RP—the discovery that another daughter, showing no symptoms, was similarly afflicted—and the final pragmatic advice from a physician, "go home and teach your children Braille."

The parents rebelled. No cure? Then why not find one! The father felt that a clinical ophthalmologist working alone would never find a cure for the disease. A multidisciplined approach would have the best chance . . . biochemists, anatomists, electrophysiologists, geneticists . . . all working together under one roof, and correlating their finds . . . they could find the answer.

Embarking upon a personal search for information on the disease, the father eventually reaches Dr. Berson in Massachusetts. His selfless dedication so impressed this distinguished specialist, as well as the Board of the Harvard Medical School, that he was promised a laboratory equipped with the best of modern technological equipment, and operated by highly qualified researchers to work on this dreaded eye disease . . . to seek its cause, cure, and treatment.

However, there was one stipulation. The father had to raise the monies required to equip this special section of the Massachusetts Eye and Ear Infirmary. The initial goal was $300,000. This was in September 1971, and by December 31, 1971, the goal must be met.

Personal anguish was transmitted into devotion to the cause. Working tirelessly, the couple began raising the money to assure the beginning of the laboratory . . . philanthropic foundations were approached, and they responded with substantial grants. Friends and relatives helped, offering their time and personal encouragement.

The $300,000 goal was met, and the National Retinitis Pigmentosa Foundation was born. The Laboratory for the Study of Retinal Degenerations at the Massachusetts Eye and Ear Infirmary will open in April 1974. A dream became a reality.

What Dr. Berson's work already has shown is that the retina appears to be overactive in this disease. He has hypothesized that exposure to daylight may therefore drive the tissue to destruction faster. Thus, he is beginning trial studies in which one of the patient's eyes would be completely shielded from the light by means of an opaque lens to cover the front of the eye.

"If light deprivation will stop or markedly delay the degeneration in patients in early stages of retinitis pigmentosa, then it may be possible to double the patient's visual lifetime." He cautions, however, that the degeneration wrought by retinitis pigmentosa usually advances slowly over a long period of time and, consequently, there can be no quick answers from the therapeutic trial recently begun. Any such attempts to preserve vision for these patients will require the passage of extensive time before any benefits become discernible.

In the meantime, the Laboratory for the Study of Retinal Degenerations will be exploring the basic mechanisms underlying these eye diseases. The work of the National Foundation, however, is only beginning. An additional $1,500,000 is needed to fund the laboratory research for a period of five years.

The objectives of the Foundation are: (1) To inform the public of the magnitude of RP and its symptoms; (2) To inform RP victims nationwide of the existence of and progress from a laboratory for the multi-disciplined research on RP and allied diseases; and (3) To solicit funds for the construction and operation of the laboratory, to coordinate fragmented research efforts throughout the country and abroad and to underwrite other research proposals to find a cure and/or a method to retard RP.

Additional information may be obtained by contacting the National Retinitis Pigmentosa Foundation, 8331 Mindale Circle, Rolling Park Building, Baltimore, Md. 21133, (301) 655-1011.

TEN YEARS OF THE ECONOMIC OPPORTUNITY ACT

Mr. MONDALE. Mr. President, a recent article in the New York Times by Roger Wilkins gives us all an accurate and incisive assessment of the 10 years of the Economic Opportunity Act and the likely future of the poverty program.

These 10 years have been difficult ones in the fight to give the poor the rights which others in our society have long enjoyed. In particular, the past 5 years have seen one attempt after another to cripple and even destroy the progress which had been made during the mid-1960's. Yet, as Mr. Wilkins states, the legacy of the antipoverty program is real—"the poor are a little stronger, considerably more self-aware, and somewhat more self-sufficient."

I commend this article to my colleagues, and ask unanimous consent that the text of the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE WAR ON POVERTY: 10 YEARS LATER

(By Roger Wilkins)

The House of Representatives voted the other day to repeal the Economic Opportunity Act of 1964 and to let the Office of Economic Opportunity die next month. The Senate is likely to follow suit. The Times reported that "few members . . . rose to mourn the end of the agency," which had been intended by President Johnson to bring "total victory" in the war against poverty.

The mind ran back ten years to the spring of 1964 when Bill Moyers turned from a visitor in his White House office, punched his telephone console with the heel of his shoe and took a call from a Congressman who wasn't sure what he thought about the poverty proposals. There was Texas oil in Mr. Moyers' voice but steel in the political turkey he was talking. When he was through, the man's vote was firm.

The White House heat was on. Though incubated under John F. Kennedy, the poverty program was to be Lyndon B. Johnsons' first major legislative effort. He wanted a win badly, and he got it.

The field was brand new, and idealists, visionaries, politicians, hustlers—bureaucratic and otherwise—and, ultimately, the poor all rushed in. Sargent Shriver donned a new hat and soon his intense driving brand of structed chaos turned O.E.O. into the hottest shop in Washington. In the countryside, the booklet of community action guidelines became, for a time, a new Bible. An instant body of Talmudic scholarshp sprang up around the words "maximum feasible participation of the poor."

Congressmen and mayors quickly became leery. The voiceless poor were becoming a loud unmanageable rabble—containing, incidentally, the seedbeds of viable new power rivalries—with which they had to contend. Horror stories about mismanagement, discourtesy, radicalism and thievery were soon being fed back to gleeful conservatives in Congress. Beneath all the clamor, however, real change began to occur. New programs were developed out of community action. Among them: Headstart, Legal Services, innovative manpower efforts and new health-delivery programs. But the main development was that groups of hitherto powerless people had, for the first time, the opportunity to handle sufficient amounts of money to generate for themsevles the beginnings of some power. They also developed government management skills and new community services opportunities for people who needed jobs.

It was not a neat and tidy process, and hostility grew. President Johnson became disenchanted and left office without fully comprehending the real accomplishments of the program. Over time, Richard M. Nixon became a determined foe of O.E.O. He succeeded in dismantling it and in scattering the programs all over the domestic side of the Government. The idea of a focal point for poverty in the Government—a place where advocacy, evaluation planning and governmental oversight could come together—is dead.

But the legacy is real. Legal Services—thought by many to be the most effective and economical tool in the effort to empower the poor—seems fairly sure to win its perilous two-year fight for survival. Headstart appears to be a permanent $500-million Federal effort. Community action—supported by a broad coalition of governors and mayors, including George C. Wallace—seems destied to continue in some form or another as a kind of ombudsman for those who need governmental services. The House bill would send it to Health, Education and Welfare. Senator Jacob K. Javits intends to try to set up a new independent Community Action—Community Development Administration. Whichever form finally emerges, barring a veto, Mr. Nixon seems to have lost his fight to destroy the heart of the anti-poverty effort.

The principal legacy is that the poor are a little stronger, considerably more self-aware and somewhat more self-sufficient. In many instances, their vision of their own potential has been enlarged. There is around the country a network of poor people and their advocates who know something about manipulating the system in order to alleviate poverty. That network did not exist in 1964. Citizen participation has become a part of our legislative landscape. The "invisible poor" have become visible and have entered the nation's consciousness. A foundation has been laid to await the next cycle of legislative creativity.

It wasn't "total victory" but it was a good beginning. And it was far from the total failure and the untmitigated mess is detractors claimed it to be.

FEDERAL SUPPORT FOR THE ARTS: A CONVERSATION WITH SENATOR PERCY

Mr. PERCY. Mr. President, several weeks ago I had the pleasure of appearing with Irma Lazarus of WCET-TV in Cincinnati, Ohio, on the "Conversation with Irma" program. Ms. Lazarus and I discussed the past, present, and future of Federal involvement with and support for the arts and humanities in this country. Since we shall soon be discussing this subject in the context of appropriations for fiscal year 1975, I believe the transcript of the broadcast might be of interest to my colleagues, and to the public as well.

I ask unanimous consent that WCET's transcript of the "Conversation with Irma" segment be printed in the RECORD.

There being no objection, the transcript was ordered to be printed in the RECORD, as follows:

CONVERSATION WITH IRMA

OPENING BY IRMA LAZARUS. Good evening everyone. Tonight I have the privilege of introducing to you someone that I have unbounded admiration for and known for a long time. He shares some of my passions with me. I have chased him down the mountain skiing in Vail and not being able to catch up with him. He has my admiration for The Kennedy Center and the arts. And, he holds a very distinguished position there as Vice-Chairman of The Kennedy Center. I am the Ohio Representative. But more than that, he is the kind of politician that I wish the world was made up of. He is just the kind of person who has integrity and humanity and a breath of understanding of political problems that we sorely need. His name is Senator Percy of Illinois, and I welcome him here today after many, many years of wanting to have the opportunity to talk to him. Not about politics really, but about the arts and about television because these are two other things that he seems to have a lot of knowledge and cares a lot about.

Chuck, I know that mostly people are talking about Watergate to you and the energy crisis so I want to break through all that and talk about something I care a lot about and I know you care a lot about.

IRMA LAZARUS. I know that you are the Vice-Chairman of the Kennedy Center, and I would like to ask you how you got to be that.

Senator PERCY. It was really when Saltenstal left the Senate. Everett Dirksen, the Minority Leader, came to me and said, "The United States Senate has two representatives on the Kennedy Center; one is a republican. Saltenstal was on it. Will you be the republican representative?" And, that began an activity in my life as a Trustee of The Kennedy Center that has enriched my life so tremendously.

IRMA LAZARUS. Could you explain why, as a political figure, you were even put into this role because usually we think of this kind of an institution as being a business man's role, perhaps, or just an art dilettante.

Senator PERCY. The United States Government has a great stake in The Kennedy Center because it is a national memorial. Now, it didn't start that way, Irma, as you know. It was started under the Eisenhower Administration, with the idea that there should be a national center for the performing arts. That Washington, in a sense, was a cultural void, and we should be a showcase for the world in many things, and the arts are a tremendous part of humanity and civilization really. And, why not then have the nation's capital as a great center. But, it was having a tremendous time financing itself and getting enough private donations. And then the tragedy of John F. Kennedy's assassination came and Roger Stevens, the gifted, brilliant Chairman of the Center on the Board, conceived of the idea of having the Center designated as a National Memorial. This then enabled Congress to appropriate funds and match part of the public money and foundation money coming in. As a result of those matching funds, we were finally able to complete the Kennedy Center.

IRMA LAZARUS. Having completed the Center, I think it is about two years, maybe a little more, do you feel it has accomplished what you hoped it would, as far as the City of Washington is concerned?

Senator PERCY. Really far exceeded it. Outside of the White House, it is the biggest, and the Capitol the third, I might say, largest tourist attraction.

IRMA LAZARUS. Is it really?

Senator PERCY. People pour through. And, we had a tough decision to make as to whether or not we should open it year round; every day so that every visitor to Washington could come through. . . . because, it does cost a great deal of money.

IRAMA LAZARUS. Do you mean the maintenance costs a great deal of money?

Senator PERCY. Maintenance cost and even vandalism. We had a problem at the beginning—we have beautiful crystal chandeliers in the elevators, and they would start to take the beads off. And we were very discouraged by this. Then we began to realize they wanted something they could take home, and opened up little souvenir shops and the vandalism stopped.

IRMA LAZARUS. That solved the problem?

Senator PERCY. We sold a little bust or some other momento of The Kennedy Center and the vandalism stopped. And, we have been very gratified as it brings in a source of income that helps finance and pay for the guided tours.

IRMA LAZARUS. You know very well, I had great misgivings about The Kennedy Center and the kind of attendance it would get when they were starting to build it. I didn't feel the Washingtonians basically were culturally oriented. They hadn't shown themseves to be in former years. They do not have a great symphony, a really great symphony, and they never had much live theatre there except touring theatre. And, suddenly it is all exploding! Can you account for this as part of The Kennedy Center sort of mystique?

Senator PERCY. Despite the fact that Loraine, my wife, and I have worked with The Chicago Symphony Orchestra, and with the Lyric Opera, and have seen the tremendous success of those through the years in Chicago, I shared your skepticism.

IRMA LAZARUS. Did you?

Senator PERCY. The diplomatic core, the busy life and schedule that everyone leads, and would the tourist come and watch them, and would they want to come to The Kennedy Center to see a play, an opera or the ballet. But our skepticism was unfounded and unwarranted. People have come in droves. And, in fact, at the last Board meeting, Irma, the operating budget showed that with the assistance and help of the friends, with the contributions that they make, we have a balanced budget.

IRMA LAZARUS. That is unusual.

Senator PERCY. The Kennedy Center has no government underwriting, not a penny of federal funds go into underwriting our operating expenses. And, this has really been a miracle. We are jammed virtually every night—in the Opera House, in the Concert Center, the Eisenhower Theatre, and in the American film festival theatre, so there are four productions going on simultaneously night in and night out.

IRMA LAZARUS. And, you mean to say with the amount of money that comes from friends' support plus admission tickets at the moment that is really supporting the Center without any further . . .

Senator PERCY. Yes, it is absolutely unbelievable.

IRMA LAZARUS. It is a miracle. Really, a miracle.

Senator PERCY. But, there is no endowment and look at the endowment that saved the Metropolitan. Their operating budget, I understand, this year will be seven million dollars in deficit. And, here we are virtually breaking even. Well, actually we are in the black with the help of the friends. I mean dollar bills coming, hundred dollars, ten dollars, thousands, ten thousand, from a corporation. Gifts come from all across the country because this is the nation's cultural center. It is owned by all the people and obviously now millions are going through it every year and hundreds of thousands are coming to Washington sending for their tickets ahead of time to be certain that they see a production or matinee.

IRMA LAZARUS. And, they keep it open in the summer time as well as in the winter?

Senator PERCY. Oh, yes. It is fully air conditioned. Right on the Potomac River. Should we give up river space for a memorial, but the decision was right. It is in the right place and there is good parking and the parking concession. Here you park right underneath the theatre and you can take an elevator right straight up. Much more convenient than any theatre I have been in in the world. And, the parking concession helps us pay and underwrite a part of our operating costs.

IRMA LAZARUS. There has been some criticism in various newspapers that the Center is too far away from the poor. Not in the sense of the enjoyment but the accessibility. Is that a fact?

Senator PERCY. Not at all. 25 percent of the tickets are underwritten. Even with that kind of an underwriting, so that school children, so that low income people can enjoy the Kennedy Center, with that underwriting we are still breaking even, with the help of the friends.

IRMA LAZARUS. Who does the underwriting for these 25%?

Senator PERCY. The operating expenses. In other words, everyone who attends helps participate a little bit.

IRMA LAZARUS. Oh, it comes out of the budget.

Senator PERCY. At every single performance you and I see when we pay, and the trustees pay the full cost of every ticket, when we go and attend, a small part of our ticket cost . . . is to help low income people, school children enjoy the benefits of the Kennedy Center. And, I think that is a rather good feeling to make the arts available to all Americans.

IRMA LAZARUS. Oh, I think that is marvelous. You know it is really interesting to me because I have some children who live in Washington and they have told me that since the opening of the Kennedy Center, there has been a proliferation of other art forms in the City that probably wouldn't have existed if people hadn't suddenly become very culture or art orientated, which I think is what Washington is really about. I was reading a very nice litle quotation from Henry James who said that businessmen felt that arts were the concern of women, foreigners and other impractical people. And, I can say now that we have certainly come a long way from that. It's amazing.

Senator PERCY. Well, Loraine and I were in New York last weekend and saw a preshowing of the "Great Gatsby." The next morning we went to the Metropolitan to see "The Tapestry." Magnificent and the new system now of voluntary contributions . . .

IRMA LAZARUS At the door?

Senator PERCY. At the Metropolitan, at the door. Not required, but they have a suggested $1.50 for adults and maybe $.50 for children. It was jammed.

IRMA LAZARUS. Was it?

Senator PERCY. And, to see across the country that people would realize we have more symphony orchestras in the United States than all the rest of the world combined. We do not just have a nation of economists and industrialists and so forth. We are really tremendously pursuing the humanities and the arts in this country. Educational television alone is a miracle in America for what it has accomplished.

IRMA LAZARUS. Let me talk to you a moment about the National Endowment because as you know the National Endowment is now seeking $80 million to support the arts of the United States. Are you happy about this? How far do you think the responsibility of government to the arts must go and can go?

Senator Percy. I think it is a function of government because of our progressive income tax system. The federal government pre-empts 90% of the federal graduated income tax. We have taken that away really from municipalities and states. And, therefore, this is the only fair and equitable way. We pay per capita in the United States less for the arts and humanities than any modern industrialized nation that I know both communist and free. And, for the fraction of a cent that we really put in, out of our taxes, when we consider how much West Germany, hard headed, practical people, but their contribution of federal government to the arts far exceeds that of the United States. So a mere $80 million to encourage and be seed money for young struggling American artists, to encourage American productions, to match grants. A hundred thousand dollars is all we give to the great symphony orchestras. And, that is not much. But, it is a symbol for all of America in the arts. It encourages the private contributions of foundations and support and help. Irma, my mother has been a violinist, concert violinist, all her life.

Irma Lazarus. I didn't know that.

Senator Percy. She started, well she is 39 like Jack Benny still and she has been that for forty and some years. But, she still plays in the Symphony Orchestra, the largest civic orchestra in America.

Irma Lazarus. Does she really? How wonderful.

Senator Percy. And, she is a little over 80 I guess, and she loves her music. It has enriched her life, and all her life she has been playing for schoolchildren. She spends a good deal of her spare time now going to nursing homes and elderly homes. She and an accompanist go out occasionally and put on concerts. Music really has made a tremendous contribution to the quality of life in every civilized nation and particularly in America now as we are devoting more and more of our resources to the humanities and the arts.

Irma Lazarus. I think you are saying something that is very close to my heart and this whole approach that you have for humanizing our world in, as you say, a very inexpensive way when you figure the cost of other things. I think you are right. Let's get to the other great subject that has to do with the amount of government support that should or shouldn't be given and that is public television. How do you feel about that?

Senator Percy. Oh, I very strongly support it. We are now sitting in the studio of the first licensed television station in America. And, a great educational outlet. But, I felt so strongly that when I went on the Ford Foundation Fund for Adult Education Board, and subsequently became Chairman of that Board, we simply decided at one board meeting, I remember Milton Eisenhower sitting opposite me when we said this board should try to become the Carnegie of educational television. So, we started with the idea that we should petition the government to set aside channels exclusively for education. Leaving it to the various cities, the great universities to decide in each locality what they wanted, but to give them the option. And, to their everlasting credit ABC, NBC, CBS mutual, Westinghouse all supported this concert.

Irma Lazarus. It's amazing.

Senator Percy. We spent about 22 million dollars of Ford Foundation money. Got this whole idea started. Now, as you know, with the help of the public and with the help of our great universities, with corporation assistance and support this concept is now a self-liquidating, self financing concept and obviously the big foundation grants are no longer needed. Local communities are carrying their share of the load now.

Irma Lazarus. Well they all do and yet I spent some time with a mutual friend of ours, Tom Watson, and Tom said after his illness he suddenly was aware for the first time of the enormous impact of television on the average family. Well, if this is the case. (This is a loaded question), but, don't you feel we are not really at the government level. We really haven't begun to help public television in the way that we could if we really wanted to get the great benefits that we could?

Senator Percy. Well, the federal government is putting in, obviously, into the network end of it still sustaining and supporting it and I deeply believe in that. I think it is a very modest sum of money compared to what any single commercial network and its advertisers would actually spend. But it is that seed money that does help them with production costs, does provide programming for network and we have, I'm not sure what the figures are, but I think it is better than 200 educational television stations.

Irma Lazarus. But, the point I was going to make is that after all if you realize alone what the "Sesame Street" and "The Electric Company" have done in the terms of elevating the educational potential of children all over America and you realize the money we put into public libraries aren't we being a little cowardly in terms of what we could accomplish if we really wanted to do the job properly?

Senator Percy. Obviously, those of us who are in government are concerned about getting government itself so deeply involved that it might begin establishing policy. We would rather have a minority role and have preponderance of support in the private sector so that we could never become like French television, an instrument of the government for propaganda purposes.

Irma Lazarus. Is it that way in France? I didn't know that.

Senator Percy. Oh, very much so. It is an arm of the government.

Irma Lazarus. As it is in Russia?

Senator Percy. It is used by the government for its own self preservation and promotion and propaganda. That would not be tolerated in this country.

Irma Lazarus. You know this is reasoning that I do not think has been as evident as perhaps as it should have been because I have never heard that argument before. And I have read a great deal about public support of public television. I think maybe it should have been stressed a little more than it has been. Have you found any effort on the part of politicians to use both public television and the arts to their own ends? You know . . .

Senator Percy. Oh . . . George Elliot said, "Leave us not enquire the motivation of man." All politicians can rationalize what they do in public affairs, appearances, as furthering the public education, but it does get into the area of self promotion, of course it does.

Irma Lazarus. No, I didn't mean that. I meant do you see a corruption in terms of saying this is art or this isn't; this I will permit on the show and this I will not. Has there been an effort on the part of many legislators to really influence the kind of things that television does and the kind of things that the National Endowment supports?

Senator Percy. There was some concern a couple of years ago. That there was an attempt to rid public television of the "radical lib type" of programming and in order to do so because public television, I think, had been eminently fair, and after all Bill Buckley had his program on, which I felt was an outstanding program, no one ever accused him of being a radical lib, they eliminated his program. And, in order to get those on what they considered the other side. I felt this was a great mistake.

Irma Lazarus. Oh, you mean in order to do the radical lib they wanted to make a point of saying they were going to do it on both ends of the spectrum.

Senator Percy. Oh, yes. So they were just on principle eliminating such programs that may tend to influence thought and I felt that was being rather extreme. I consider the American public quite discerning. I would consider that if local programming became slanted there would be enough public pressure, locally enough outcry and protest, to bring it back into line and objectivity. But, for the most part, the educational television has been extremely objective, has been fair, and has tried to do an unbiased job. And it has been relatively free of criticism.

Irma Lazarus. What about the endowment? Have you heard? I remember in the very early days when the endowment bill was first passed, there were many people who felt that government support of the arts would eventually turn out to be government chosen art and have you seen any indications of this?

Senator Percy. Not under Nancy Hanks. She has been a brilliant head of it and though I have not agreed with everything the Nixon administration has done, as you know, in the field of the arts, the Nixon administration has been magnificent.

Irma Lazarus. They certainly have.

Senator Percy. First in the selection of Nancy Hanks. And, second, in doubling and doubling again the budget. When other things have been cut, scientific areas and so forth and some research, at the outcry of scientist and doctors, the humanities have really moved dramatically ahead. And, just as in the recognition of Red China and the detente of the Soviet Union and the SALT talks possibly it does take something of a more conservative image in an administration in order to get by.

Irma Lazarus. You mean more acceptable?

Senator Percy. With some of the things that they might not otherwise and there has virtually been no criticism of these tremendous budgets and they have been virtually approved by Congress intact.

Irma Lazarus. Do you think that this go round, which is going to be a difficult one I know, because I think all of Congress is a little bit jittery about what is going to happen in the next election. Do you think this will influence in any way their willingness to increase the appropriations for the arts?

Senator Percy. No, I do not. I see rather solid support for it.

Irma Lazarus. That is very encouraging because Mike Streight told me that Nancy Hanks was very, very concerned for fear that the climate in Washington might be against the arts this time.

Senator Percy. No, I really do not detect that. I think she should be professionally concerned, always anxious, working hard, as she does, but I served on the Interior Department Appropriations Committee which handles this matter, and the ranking Republican on it, Senator Bible, has been very progressive in this area.

Irma Lazarus. Explain this to me. The bill under the Interior Department?

Senator Percy. Yes. Under the appropriations sub-committee that handles the Interior Department appropriations.

Irma Lazarus. Why would that be?

Senator Percy. Oh, it is just assigned. That is where it is. And the bureau of the budget decides that is probably the area of closest interest. And, it just happens to be in that one. And, it is certainly better than on the Defense budget sub-committee. It could logically go under probably one or two other categories, but that's the area it happened to be assigned to.

Irma Lazarus. You know, Chuck, we have

been talking about the quality of life really, which is certainly what public television is about, and what the arts are about. You have been in Washington a long time, where do you see us going now? Do you think we had a good shaking up in connection with the energy crisis and so forth. Are we going to start putting our emphasis other places or do you think it is going to be a very impermanent results?

Senator Percy. I was very discouraged this week when I heard that the bidding price for large automobiles and 8 cylinder cars had gone up.

Irma Lazarus. It's gone up?

Senator Percy. It's gone up. Just because it looks like the embargo is going to be lifted.

And, I hope we will not make that mistake. I hope we will not go back to the gas guzzling dinosaur.

I hope we won't go back to the unnecessarily large automobiles and I hope we won't go back to the practice of squandering and wasting our resources. I hope this experience we have gone through will be a permanent change in our outlook and our attitude. I hope it will emphasize things like recycling, and I hope that we will not let our standards go down, on air and water quality. But it is our job to keep the standards high and to keep the pressure on because the energy crisis is not a short term thing. We have a long run shortage now of many things, including energy and we should start to conserve rather than find ways to use up and consume.

Irma Lazarus. How can we do that? You can't continue to cry wolf? How do you keep in front of the American public the need to basically change their way of life?

Senator Percy. Oh, I think about the quality of life; what does it do? For instance, if we continue the 5% annual increase compounded every year, for petroleum products, we are going to need a great many more refineries. Do you know of a community that would like to have a big refinery?

Irma Lazarus. Not in New Hampshire.

Senator Percy. We have just had more states in New England turn them down. They are hollering for more oil, but they do not want the refineries. Santa Barbara is not about to start to put their derricks again right off shore. But, we are probably going to have to do some off shore drilling. You love the hills of Colorado, but you know we are going now into shale oil, and crumbling the rock and squeezing the oil out of it.

We are going to have to do a great many of these things. And these are the alternative we have to weigh. And, I would say starting to find ways to reduce consumption. Not to do without, not to bring suffering or anything like that, but a little sacrifice will go a long way towards conserving and making our quality of life much better in America.

Irma Lazarus. Well, you know the reason I question this is that most people are, I think, somewhat pessimistic in terms of the American people's memories. The minute the gas comes back I am so afraid the whole thing will be forgotten. And, I must say that I was so joyous myself at the gas shortage because I abhor these big cars. I don't feel, I think they don't serve any purpose, I think what has happened as far as our public transportation in this country has been shocking. Do you think there is any hope that we are now going to avoid making all these enormous concessions you know to asphalt and do something about transportation?

Senator Percy. Well, I think it is a basic national decision now on national priorities. We should bust the highway trust fund. We should create a transportation trust fund. Our railroads are bankrupt, our mass transit are bankrupt. They are trying to increase rates which always cuts the number of passengers and, yet, we have 3½ billion dollars of unspent funds in the highway trust fund because all that money pours into one thing to just keep paving, just keep pouring concrete. If each area, each state, each region could be given its own choice: do you want to use it for more roads and highways, expressways, do you want to use it for subsidizing mass transit and giving them an operation subsidy so more people can use it to improve the safety and swiftness and efficiency and air condition those cars and make it pleasant to be on mass transit. We are putting a tremendous amount of money into underground subway systems in Washington. You will be able to leave for Maryland or over across the river in Virginia and get off right at the Kennedy Center in safe, swift, efficient cars adapted and designed so that the elderly and the handicapped can use those cars. Now, this is what I think we should do.

Irma Lazarus. What about other cities though? Is it going to be government money for that?

Senator Percy. Well, look at Los Angeles. It is just based on the automobile and that is why life really is injurious to the health of the people. Life is becoming less pleasant every year. It will become horrendous if we don't do something. We have got to develop in Los Angeles a mass transit system. San Francisco has done it with Bart. It is a miracle with Bart.

Irma Lazarus. Is it working?

Senator Percy. I've not been out to use it. But, from what I've seen it has had problems obviously. It is a dramatic new system. But, how fortunate they are to have it.

Irma Lazarus. Right.

Senator Percy. How tragic it would be if they were just now starting to acquire the land and beginning the construction. Inflation alone would have cost more than the investment they now have in it.

Irma Lazarus. Never have we had a half hour go so fast and I am so reluctant to have to say goodbye to Senator Percy as you can see he is a great man. And, he has a great deal of vision. And, America needs him. Thank you for being with me. Good evening.

Senator Percy. Thank you, Irma.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, in attempting to consider the merits of the Genocide Convention, I believe it is instructive to review the statements of three of the administrations which have endorsed this treaty.

In submitting the convention to the Senate in 1949, President Truman made several points which still hold true:

> By giving its advice and consent to my ratification of this convention, which I urge, the Senate of the United States will demonstrate that the United States is prepared to take effective action on its part to contribute to the establishment of principles of law and justice.

President Kennedy also made several important points when he submitted three human rights treaties to the Senate:

> The day-to-day unfolding of events makes it ever clearer that our own welfare is interrelated with the rights and freedoms assured the other peoples of the world. . . . There is no society so advanced that it no longer needs periodic recommitment to human rights. The United States cannot afford to renounce responsibility for the support of the very fundamentals which distinguish our concept of government from all forms of tyranny.

And, finally, we have the words of President Nixon when he resubmitted the Genocide Convention for ratification:

> I believe we should delay no longer in taking the final convincing step which would reaffirm that the United States remains as strongly opposed to the crime of genocide as ever.

Despite these urgings, the U.S. Senate still has not acted. Indeed, it has been a full quarter century since the treaty was first submitted to this Chamber. A full generation has grown to manhood during these years of procrastination. But we cannot continue in this manner.

The time is right for ratification. I urge my colleagues to join with me in seeking ratification before another session of the Congress goes by.

INVESTMENT, CAPITAL GAINS, AND TAXES

Mr. MATHIAS. Mr. President, economists, businessmen, and bankers agree that one of the serious problems America will face in the remaining years of this decade is the accumulation of sufficient capital for the enormous investments in plant, new technology, and new industrial processes that will be required to continue our industrial leadership and our standard of living.

One serious concern expressd is that our current capital gains tax structure discourages new private investment and discourages the flow of funds from outdated projects to the frontiers of industrial science.

The Chicago Tribune recently contained an impressive editorial on this subject in which it pointed out that the tax on long-term capital gains must be considered in light of the enormous increase in the monetary price of any good which is caused over the years by inflation.

As the editorial stated:

> Inflation has made the capital gains tax confiscatory. It devoured 27 percent of any profit acquired over a period of ten years and nearly 50 per cent of the profit earned on an investment held for 25 years. Add the tax and there is very little left.

In order for my colleagues to be aware of the information in this editorial as they prepare for the debate on tax policy, I ask unanimous consent that it be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Capital Gains Tax Reform

American industry will need about $1.4 trillion in new capital by 1980 and $4 trillion by 1985 to finance industrial expansion, create new jobs, and meet future energy needs from new sources.

Unless the U.S. tax laws—particularly the tax on long term capital gains—are liberalized to encourage investments, the nation could fall short of its capital requirements. The penalty for this failure would be a lower standard of living for all Americans.

Capital gains taxes are paid on the increase in the value of an asset, such as stock or real estate, between the time it is purchased and when it is sold. At the present time, short term capital gains—on investments held for six months or less—are taxed at the same rate as ordinary income. Long term gains, those held more than six months, are taxed at half the ordinary rate up to a maximum of 35 per cent.

Investment capital traditionally has come from the savings that individuals invest in American business by buying securities. Because of low stock prices, unstable economic conditions, government crises, and high yields on savings and other fixed-income investments, investors—large or small—are staying out of the stock market, and corporations are finding it difficult to raise the money they need.

The Securities Industry Association, made up of investment bankers and stock brokers, cites what it terms a "capital drought." The number of new stock issues has dropped from 1,460 in 1972 to 440 last year. The number of new bond issues slipped from 470 to 248 in the same period.

Moreover, hundreds of billions of dollars in capital are "locked in" because stock holders are reluctant to sell them and thus become liable for the capital gains tax. The Treasury Department believes that between $233 and $558 billion in long term investments are thus immobilized. This, in turn, reduces federal revenue because investors would rather hold on to their securities than face a tax that could amount to more than one-third of their profit.

There have been a number of suggestions for liberalizing the capital gains tax. One has caught the attention of some members of Congress and is being pushed by Chairman Wilbur Mills of the House Ways and Means Committee. It calls for a sliding scale: The longer an investment was held, the lower the tax rate would be.

Mr. Mills has offered no specific figures. The Securities Industry Association, however, has suggested a scale ranging from 100 per cent when assets had been held for three months to 10 per cent for assets held 20 years or more.

S.I.A. estimates that for every billion dollars in securities unlocked by the sliding scale, the treasury would realize $200 million in additional tax revenues. More important, however, the lower tax rates would encourage investors to shift their assets, thus making money available to new industries.

Inflation has made the present capital gains tax confiscatory. It devoured 27 per cent of any profit acquired over a period of 10 years and nearly 50 per cent of the profit earned on an investment held for 25 years. Add the tax and there is very little left. Many family businesses have to be sold when the owner dies merely to pay the capital gains tax.

Some self-styled reformers would do away with the capital gains tax entirely, and tax investment profits at the higher rate applied to ordinary income. This, they contend, would enable government to redistribute the nation's wealth from the haves to the have-nots.

This is the sort of nonsense that appeals to economic illiterates. Such a tax would destroy any incentive to invest risk capital. It would invite industrial stagnation, jeopardize our standard of living, and inevitably lead toward socialism.

The sliding-scale proposal for capital gains is the most promising we've seen. We also like a proposal by Mr. Mills to exempt from taxation the first $10,000 in capital earned over a taxpayer's lifetime. This, we believe, would encourage lower income groups such as wage earners to participate in the free enterprise system and help provide the capital that will be needed in the years ahead.

WHAT HAPPENED TO THE COP WHO ARRESTED THE WATERGATE 5?

Mr. MONDALE. Mr. President, there can be no doubt that when the Watergate history is written, one of the most interesting—and bizarre—footnotes will concern the fact that, were it not for a series of fortuitous accidents, the complete story may never have come to light. We may never have learned of the most scandalous episode in our Nation's political history, and the American people may never have realized how close we came to losing our freedom.

However, because a few individuals pursued their regular responsibilities with diligence, the full dimensions of what originally looked like an ordinary burglary have become clear.

Sgt. Paul Leeper of the Washington Police Department is one such individual, whose routine duties led to the unraveling of the Watergate scandals.

In an excellent account of the part Leeper played in arresting the Watergate burglars, Fred Blumenthal, of Parade magazine, examines what he calls the "flukes" leading to Leeper's arrest of the original Watergate burglars. Reading Blumenthal's article brings home the realization that the American people are, indeed, fortunate that men like Paul Leeper were on the job.

I ask unanimous consent that the full text of Fred Blumenthal's article entitled "What Happened to the Cop Who Arrested the Watergate 5?" be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT HAPPENED TO THE COP WHO ARRESTED THE WATERGATE 5?

(By Fred Blumenthal)

WASHINGTON, D.C.—In the two incredible years since five burglars were arrested in the Democratic National Committee's headquarters in the Watergate Office Building, hundreds of lives have been irrevocably changed by that seemingly small event.

Men of power and prestige have been disgraced; some have gone to jail, others may well follow. Some men have become rich—lawyers for example, and the folk who sell things like Watergate Bourbon, or bumper stickers reading "Free the Watergate 500."

But for the key man life has gone on unchanged.

That man is Sgt. Paul Leeper of the Washington Police Department.

It was Leeper who, in the line of duty, pushed the rock that tipped the boulders that started the avalanche that filled the valley. With two officers under his command, John B. Barrett and Carl M. Shoffler, he searched the Watergate Building at 2 a.m., June 17, 1972, after a night watchman became suspicious of a taped door latch.

BEYOND EXPECTATIONS

At the command, "Put up your hands and lean against the wall," Leeper and his comrades expected to see two grubby hands attached to a burglar in search of a typewriter or adding machine he might peddle for $150 or so.

What they got were 10 hands, gloved in rubber, and attached to men in expensive suits with rolls of $100 bills in their pockets. They were also carrying notebooks that connected them to men in the White House and the Committee for the Re-Election of the President, to be known ever after as CREEP.

The revelations that followed shook the White House, the Republican Party, both Houses of Congress, the country as a whole. As the avalanche grew, it ground down men who had been at the pinnacle of power: Haldeman, Ehrlichman. It brought notoriety to heretofore nameless toilers in the White House back corridors—E. Howard Hunt, Egil Krogh and the rest. It threw up an instant folk hero (Senator Ervin), created overnight a Presidential possibility (Senator Baker).

But the man who started it all goes on as before, like a catalyst in a chemical reaction—a chemical entirely necessary to the reaction, but entirely unchanged by it.

SAME AS BEFORE

Leeper is still a sergeant, still second in command of the old clothes detail, or "bum squad," in Northwest Washington, going about in a beat-up car, wearing his old jacket with "George Washington University" written across it, and his go-to-hell gold hat, still protecting the lives and property of the citizens.

It was this very un-copish look, coupled with a very copish dedication to doing things right, that insured that Watergate would become a crucial event in American history. A point in time from which other events can be dated. "That was before Watergate, of course," someone will say, or "Well, since Watergate the political situation . . .

Leeper is 35 years old, a 12-year veteran of the D.C. Police who served as a scout-car man and detective before moving over to the tactical squad. There, by the nature of his assignment, his specialty has been street robberies, muggings and burglaries.

"Our old clothes and ordinary cars make us blend into the background," Leeper told Parade. "When somebody's about to pull off a crime, he generally takes a last look around. If he sees us he doesn't see anyone he's particularly afraid of; it gives us that extra step on him. We have a very high percentage of arrests."

One of the very first "victims of Watergate" was Leeper's wife Donna. She missed her birthday celebration. At 2 a.m., June 17, 1972, Leeper had already put in two hours of overtime and was about to call it a night. His plan was to go home, get some sleep, and then celebrate Donna's birthday by taking her out to dinner. A baby-sitter had already been hired to care for the three Leeper daughters, Stephanie, 7; Tracy, 5, and Marsha 3 months.

Then came the burglary call to proceed to Watergate.

Donna might still have had her birthday party—and Watergate remained only the name of an office-hotel-apartment complex on the banks of the Potomac, except for several flukes. The first was the Squad Car 80, which would normally have responded to the call, was out of service temporarily. If Car 80, with "police" written all over it, had pulled up, the lookout across the street would have warned the five men via walkie-talkie, and they would have vanished.

But Leeper and his men drove up quietly in their unmarked car, found a legal parking spot, and walked casually into the building. The lookout (a former FBI man) watched them carefully—and decided that they were harmless civilians—probably repairmen.

The first time he realized there was trouble was when he saw Leeper's team, with drawn guns, searching the eighth floor, balconies and all. But by then, the inside men who were afraid its static would betray them, had turned off their walkie-talkie, and the lookout's warning went unheard.

Through the seventh floor and down to the sixth came the police, and the Watergate Five were trapped. Officer Barrett spotted an elbow behind a desk and the illegal entry was over.

But for Leeper, Barrett and Shoffler—and Donna waiting at home—the long night had just begun.

"Police work is mostly cut and dried anyway," says Leeper modestly. "A well-trained officer does what he must do automatically; any fear or questioning comes later.

"But I must admit that when I saw those 10 hands go up, I thought, 'Well, I expected one and I've got five; how do I know there isn't a sixth one behind me with a .45 aimed at my skull?' I turned around ve-ry slowly. But there wasn't."

Then the careful procedures began to pay off. Even though none of the officers knew what they had gotten hold of, they knew it was no ordinary $150 typewriter snatch.

While the well-dressed burglars looked with some disbelief at the ragtag trio which had them under arrest, Leeper read each man his rights as he was frisked. Later, Leeper read all five the same statement of rights, including the right to contact an attorney.

"ON TO SOMETHING"

Considering the ramifications of the case, the powers who were involved and the kind of attorney who showed up (without any of the five bothering to call him), any imperfection in the arrest routine might have ended the affair very quickly. ("I knew we were really on to something when I saw that lawyer arrive to represent them wearing a $300 suit," said another policeman later.)

The 2d District Police Station began to fill up. The FBI arrived. Higher ranking policemen rolled in, up to an assistant chief, who read the suspects their rights all over again. Everything moved very slowly as the routine took control.

THOSE $100 BILLS

Each piece of property on the defendants was carefully logged in—including the now-famous $100 bills and the notebooks that were to lead to higher places.

A United States Attorney arrived to get a search warrant for the two hotel rooms four of the five were occupying, and to find a judge to sign it. Then all the property in the hotel rooms had to be logged in with care.

Every few hours Leeper would call his wife and explain that he'd be home "soon." That "soon" stretched into all night and most of Saturday. When Leeper finally made it home at 8 o'clock Saturday night—28 hours after going on duty—he was too bushed to take anyone anywhere.

Since that long night, Leeper's life has gone back to the old, comfortable routine. His captain put him in for a citation, but the Awards Committee never issued one. He did appear briefly on television as a witness at the Senate hearings, and got a few letters.

Some were from old friends from his hometown, Fairmont, W. Va., now scattered around the country. There were a few requests for autographs, and a series of letters from someone in Kentucky urging him to read the Bible and fight corruption in government. (Leeper, as it happens, is, and always has been, a member of the Church of Christ.)

A CRYING SHAME

Around the station house, even the kidding from his fellow officers has quieted down, or shifted to the topic of why his team in the police softball league finished only second in the city championship.

But when Leeper is not around, his fellow cops feel rather strongly about what they consider his lack of recognition. "It's a crying shame that he wasn't named Policeman of the Year, not only for the city but for the whole country," says Detective Sgt. Anthony Rogers of the 2d District.

A NEW HOME

Leeper, since the Watergate night, has received an $800 yearly raise—but he was due that anyway. He has moved to a new home in suburban Maryland (as planned) and fights an endless war against the dandelions (not foreseen). He goes about his work happily, as he always has, proud to be a policeman.

He has had to explain to his older daughters what Watergate is—they had pictured it as an enormous gate with water pouring out.

And there came a point in time when the anonymous hero of Watergate was helping take his daughter's kindergarten class to the Smithsonian Institution's museums.

As the bus passed the Watergate complex, the teacher pointed it out and explained, "That's where it all began." Little Tracy Leeper looked up at her father and grinned. He smiled down at her, as the bus, like his life, rolled quietly on.

KGB: THE SOVIET SECRET POLICE

Mr. BUCKLEY. Mr. President, Human Events recently published an exclusive interview with John Barron, a senior editor of Reader's Digest and author of "KGB: The Secret Work of Soviet Secret Agents." Mr. Barron dedicated 6 years of research and writing to this informative and important study of the Soviet secret police. I think that particularly at this time when, in the name of détente, there are so many efforts made in our own country to ignore or conveniently forget the KGB, the Human Events interview is especially noteworthy. It is my hope that the Congress and the President will study and learn from Mr. Barron's definitive study of this sinister organization.

Mr. President, I ask unanimous consent that the full text of the interview with Mr. Barron be printed in the RECORD.

There being no objection, the interview was ordered to be printed in the RECORD, as follows:

Inside the Soviet Secret Police

(By John Barron)

The following questions and answers are from a recent, exclusive Human Events interview with John Barron, a senior editor of Reader's Digest. Mr. Barron, a former Naval intelligence officer and a specialist in the Russian language, is the author of the critically acclaimed new book "KGB: The Secret Work of Soviet Secret Agents." In addition to being acknowledged Kremlinologist, Mr. Barron has received several top journalistic honors, including the Raymond Clapper Award, the George Polk Memorial Award, the Washington Newspaper Guild Front Page Award and the Newspaper Guild's grand award. With "KGB," Mr. Barron has focused a long overdue spotlight on the devious workings of the Soviet Secret police. As he states in the book's preface, ". . . it is impossible to understand the Soviet Union without understanding the KGB."

Q. How long did you work on the book?

A. More than six years. Commencing in April 1967, Reader's Digest colleagues and I spent some 20 months trying to determine whether we could amass enough original, verifiable data to justify a major book about the KGB. I began to devote myself entirely to research and writing in February 1969. The basic manuscript was completed early in 1973. Editorial revisions along with the documentation process by our Research and Legal Departments continued until August 1973.

Q. How did you go about gathering your information on defectors, foreign intelligence, and so forth?

A. We compiled a list of all former personnel of the KGB and its satellite services known to be in the West. Then we set out to find and interview each of them. At the same time, we sought to enlist the assistance of non-Communist security services throughout the world. Additionally, we asked the foreign offices of the Digest to monitor literature in 13 different languages for relevant new information.

No definitive book about the KGB existed simply because no one ever had been able to tap such original sources. I was able to do so only because the Digest granted me carte blanche to travel wherever I felt necessary and placed enormous research resources at my disposal.

Q. What sort of reception has the book received in the U.S.? In foreign countries? Have the Soviets reacted to it in any way?

A. The book remains on best-seller lists around the country and sales are exceeding by far our most optimistic expectations. We now are in a fifth printing and the publisher calculates that several more will be required to meet demand projected for the rest of the year.

The Book-of-the-Month Club is offering *KGB* as an alternate in July and three other clubs have chosen it as a main selection. Liberal and conservative critics alike have been generous. Some of the most laundatory reviews have come from the New York *Times*, *Newsweek*, the Columbia Broadcasting System, the Washington *Post* and the Washington *Star-News*. We are especially heartened by favorable commentary from internationally respected scholars and historians such as Hugh Trevor-Roper, Leonard Schapiro, Peter Reddaway and William C. Fletcher.

Interest abroad has equaled if not exceeded that in the United States. The semi-official Egyptian newspaper *Al Ahram* in an editorial March 15 called attention to the book and stated that it was being discussed by Arab leaders. *KGB* will be published throughout the British Commonwealth in June.

In response to offers from foreign publishers, we presently are negotiating contracts for publication in German, French, Spanish, Japanese, Hebrew, Turkish, Dutch and Norwegian. Several foreign newspapers are serializing the book.

Q. In brief, what is the KGB and what sort of danger does it represent to the West?

A. The KGB is an essentially clandestine apparatus which performs the functions of a secret political force within the Soviet Union and a variety of predatory, covert functions abroad. It is the one organization upon which Soviet leaders most rely to enforce their rules over the Soviet people and expand their rule over other peoples.

Each of the foreign activities of the KGB—espionage; subversion; support of civil disorders and terrorism; manipulation of agents of influence to affect the policies of other nations; the poisoning of public opinion through deceptions; preparations for sabotage and assassination—each of these by itself represents a menace and an unacceptable form of international conduct. But the real threat posed by the KGB derives from its orchestration of all such activities into a systematic, implacable, clandestine campaign to decompose other societies in hope that they can eventually be reconstructed in Soviet interests.

Q. How successful has the KGB been in its far-flung operations?

A. A definitive answer to that question could come only from someone who knows all the KGB has done and is doing. Doubtless, even in the Soviet Union there are very few such people. But on the basis of operations that have been uncovered, some assessment is possible.

The greatest achievement of the KGB consists of its continuing subjugation of the Soviet people. This always has been and remains the foremost mission of the KGB. In foreign operations, the KGB has been highly successful in stealing the scientific, technological and military secrets of the Western industrial nations.

During the 1960's serious KGB penetrations of West German and British intelligence as well as our own National Security Agency were detected. Sundry KGB disinformation operations certainly have contributed to the ongoing vilification of the United States around the world.

The KGB during the 1960's thoroughly infiltrated the Egyptian government, and its agents significantly influenced the late President Nasser. However, in May 1971 President Sadat aborted an imminent Soviet coup by arresting 91 leading Soviet sympathizers, including intelligence chief Sami Sharaf, who at the time was one of the most important KGB agents in the world. Ever since, Soviet ability to dictate Egyptian policy has eroded.

Outside Cuba, KGB subversive efforts in Latin America and Africa thus far have been largely frustrated. The KGB started in 1968 masterminded a particularly vicious operation aimed at inciting civil strife, indeed civil war, in Mexico by infiltrating guerrillas trained in North Korea. But Mexican authorities arrested the guerrilla leaders and disrupted the operation just as it was beginning.

The trouble is that disruption of some or even many KGB operations does not halt the underlying assault they manifest. Pursuant to Soviet policy, the KGB simply regroups and casts about for new means to attack.

Q. Has it penetrated the North Atlantic Treaty Organization?

A. Yes; repeatedly and deeply. Georges Pacques, a French national employed as a senior NATO official, was an important KGB agent. In 1961 he gave the KGB the Allied contingency plan for defense of West Berlin. The plan revealed that while the Allies were prepared to use any means necessary to defend the three Western sectors of Berlin, they were unprepared to resist erection of a "barrier" sealing off the Soviet sector. Forearmed by certainty of just how far they could go, the Russians allowed the East Germans to throw up the Berlin Wall, which has had profound effects in Europe.

Belgian police in 1968 arrested a Turkish employe of NATO, Nahit Imre, and found in his briefcase microfilm of 1,400 secret NATO documents. Numerous other examples could be cited.

Q. How successful has the KGB been in the United States?

A. Again, only the few men who know all the KGB is doing can say. Currently there is some effort in the West to represent the wartime theft of Anglo-American nuclear secrets as little more than petty pilferage. But in KGB schools, theft of the secrets is represented as an epic accomplishment of Soviet intelligence.

Since World War II, agents controlled by the KGB or its satellite services have been uncovered in sensitive military positions, in the Foreign Service, the NSA and other branches of government. Three of the most destructive were Army Sgt. Robert Lee Johnson, who was stationed at the Armed Forces Courier Center in France; Navy Yeoman Nelson Drummond, who worked at the U.S. Embassy in London, then at a naval base in New England, and Army Sgt. Jack Dunlop, who was assigned to NSA.

One authority told me that the revamping of classified plans and programs these three betrayed cost the U.S. government well over a billion dollars. More important, had history called for a U.S.-Soviet confrontation during the period of vulnerability before these betrayals were discovered, the Russians could have exploited the intelligence they provided, with terrible consequences.

Q. How does the KGB go about recruiting agents in the U.S. and other countries?

A. The question probably is best answered by a top-secret KGB training manual entitled "The Practice of Recruiting Americans in the U.S.A. and Third Countries." A Western intelligence service obtained one of the 100 copies printed, and the bulk of it is reproduced verbatim in an appendix of the book.

The manual was composed to instruct senior KGB officers assigned to suborn Americans, and for illustrative purposes the Soviet authors reconstructed a number of actual operations successfully conducted in the United States. They attempted to disguise these by using pseudonyms and changing dates and places. But their examples were sufficiently detailed that FBI analysts were able to identify some of the spies to whom the manual refers. Thus its authenticity clearly was established.

The recruitment procedures outlined by the manual are complex, even Byzantine. But, to simplify what the manual says and what is known from other sources, the recruitment process may be divided into three stages.

First, KGB officers and agents seek to spot and assess Americans with ideological sympathies or personal vulnerabilities that might make them subject to Soviet manipulation. Next, the KGB representative, while concealing his role as an intelligence agent or officer, tries to establish a relationship with the recruitment target under some plausible pretext.

Finally, the KGB representative endeavors gradually and subtly to transform the "normal" relationship into a conspiratorial one in which the American provides data or performs services as directed.

Analysis of Americans discovered to be Soviet agents in the 1960s shows that few, if any, acted out of ideological motives. They were recruited on the basis of simple greed, career frustration, sexual maladjustment, etc. In approaching politicians or senior government officials, the KGB is more likely to appeal to excessive vanity or ambition, or paranoid delusions about past wrongs or capacity to shape history.

Outside of the United States, the KGB concentrates upon American students in foreign universities, upon U.S. Embassy personnel, journalists and businessmen.

Q. What are the highest priority targets for KGB operatives in the United States?

A. The KGB aims high. The manual lists the ranking targets, in order of priority, as the President, Cabinet and the National Security Council; the State Department; the Defense Department; the CIA, FBI and other intelligence services. Other targets include the political parties, major business organizations, trade unions, scientific laboratories and research centers, and the communications media.

Q. How can we be sure that KGB operatives have not penetrated sensitive government agencies and policy-making positions today?

A. We cannot be sure. I do not mean to imply that I have evidence or knowledge that such penetrations exist. I do not. We do know that the KGB continuously and vigorously endeavors to secure such penetrations. There is no way of being certain that it has not at times succeeded.

Q. Do you know any of the KGB agents in this country at the present time?

A. Well, I know the names of quite a few KGB and GRU officers who presently are serving as diplomats, journalists and U.N. employes in the United States. As of early this year when our researchers last checked, the KGB Resident or chief in Washington was Mikhail K. Polonik, a first secretary at the Soviet Embassy. The KGB Resident in New York was Mikhail Solomatin, deputy permanent representative of the Soviet Mission to the United States. Another important KGB officer is Valeri Krepkogorsky, who is special assistant to the Secretary-General of the United Nations.

A particularly obnoxious KGB officer is Boris Logvin, first secretary of the Ukrainian Mission to the United Nations. Logvin works particularly against emigrés in the U.S. The appendix of the book, which lists some 1,500 Soviet officers engaged in clandestine operations, names several others who are still here.

Q. Where are some of the special KGB schools located? Do these schools train foreign nationals as well, and is there a special school for KGB operatives who are to be assigned to the U.S.?

A. The two most important schools are the so-called juridical institute of the KGB and Higher School 101 located in the suburbs north of Moscow. Officers admitted to each normally have had several years of experience in the field. Students at the juridical institute receive four years of graduate training in methods of counterintelligence and internal repression. Higher School 101 trains officers for foreign operations.

In recent years, some officers from the satellite services of Eastern Europe have been allowed to take courses at Higher School 101. However, East European and Cuban intelligence officers whom the KGB has recruited as Soviet agents to work against their own countries are trained individually and secretly in apartments around Moscow.

Additionally, the KGB maintains a special school to train border guards and a network of local schools in each of the Soviet republics where officers undergo a year of training in operations against the Soviet people.

Schools or camps for the training of guerrillas and terrorists are hidden in remote areas of the Urals and Central Asia. A KGB guerrilla captured in Africa reported that he and several hundred other Africans had been trained at military camps near Odessa. To my knowledge, that report has not been verified.

While Patrice Lumumba University in Moscow is not, strictly speaking, a KGB school, the faculty is permeated with KGB officers whose mission is to spot and indoctrinate foreign students for subversive purposes.

To my knowledge, there is no special school for officers destined for duty in the U.S.

Q. What kind of training does a KGB operative receive? Does he have to be any special age? How intelligent is he? What is the curricula? Is he given rigorous ideological instruction Is he tested for anti-American feelings?

A. We have to differentiate between training given the KGB staff officer, who is going abroad legally as a diplomat or in some other capacity that does not conceal the fact that he is a Soviet citizen, and the illegal agent who enters and lives lawfully in a foreign country under a fictitious identity.

Today the young staff officer often has specialized in international affairs and languages at a university before joining the KGB. Quite a few have studied as exchange students in the United States and Great Britain. Their university education equips them with a basic and generally, realistic understanding of their target country. At the KGB graduate school they undergo elaborate training in candestine tradecraft as well as further instruction about the areas where they are to work.

Illegal agents are trained individually in apartments sequestered around Moscow for periods ranging from three to eight years. They receive a thorough grounding in the language, culture, history and mores of the target country as well as in clandestine techniques. Usually illegals also are trained to perform some sort of blue-collar job and some sort of white-collar job so they can move in different levels of the target society. Customarily, an illegal makes one or two practice trips abroad to familiarize himself with the life abroad before departing on his permanent assignment.

Most KGB personnel are party members, and, as such, they have to attend regular meetings where they are likely to hear a lot of anti-American propaganda just as they have heard all their lives. Beyond that, I don't think there is any special anti-U.S. indoctrination. The ideological testing generally occurs before the officer or agent is recruited. Of course, KGB personnel always are watched by each other for signs of ideological deviance.

I would say that most KGB personnel assigned to foreign posts are of superior native intelligence, and some are quite brilliant.

Q. There seems to be a continuing effort in this country to get the U.S. to recognize Castro's Cuba. In your opinion, is Castro still trying to export revolution and subversion, and is he directing any of his efforts at the U.S. in particular? What is the Soviet role, if any, in all this?

A. In my opinion, Castro today does whatever the Soviet Union tells him to do. This thesis becomes more persuasive with a review of some secret events in past Soviet-Cuban relations.

The expeditions of Ché Guevara and other Cuban efforts to export violent revolution during the 1960s were unsuccessful and, from the Soviet perspective, counterproductive. This does not mean they did not have some effect upon the world.

It can be argued that much of the radical terrorism and nihilism occurring today has roots in the cult of Ché. But the Cuban forays overturned no societies, ignited no revolutions. By alerting Latin Americans to the threat of communism, they served to embarrass the Soviet Union and impede the more methodical subversion it attempts in Latin America.

To the Russians, the antics of the Cubans were unpredictable, uncontrollable and unprofitable. Moreover, Castro's blundering made a shambles of the Cuban economy that it became a painful financial burden to the Russians.

The KGB in late 1966 or early 1967 began a clandestine campaign to depose Castro and new recruits obedient to Moscow. It tried to suborn Cubans by the same techniques it long has practiced in other countries. However, the KGB was frustrated by its own handiwork—the Cuban internal security service which Soviet advisers largely created after the Castro takeover.

Early in 1968 Raúl Castro delivered an extraordinary speech at a secret session of the Central Committee of the Cuban Communist party. It revealed that the Cuban police had kept him and Fidel fully informed of the KGB machinations against them. Raúl reconstructed the Soviet plot in detail, naming a number of KGB officers involved and specifying the areas of Cuban government the KGB had penetrated. He cited tape recordings, agent reports and other documents to back up his charges.

The secret speech was followed by a vigorous purge in which Castro jailed some prominent Soviet sympathizers, fired others and dissipated the internal threat to his rule.

The Soviet Union soon retaliated by applying raw economic force to attain the ends the KGB had failed to achieve. Shipments of Soviet petroleum, replacement parts and other supplies dwindled to a trickle. Economic paralysis crept over the island and the imminent threat of total disaster finally brought Castro to heel.

In return for reopening of the fuel lines as well as increased economic and technical aid, Castro completely sold Cuba and himself to the Soviet Union. Shortly after this secret capitulation, foreign Communist parties and leaders the world over condemned the Soviet invasion of Czechoslovakia. Castro, that great and intrepid foe of imperialism, publicly defended it.

Castro's deal with the Russians made the Cuban clandestine service, the DGI, subservient to the KGB and Soviet policy. At Soviet behest, the DGI was reorganized and expanded, and KGB officers ensconced themselves in Havana to oversee it. The DGI established a school to train illegal agents for missions in the United States as espionage agents and potential saboteurs.

Again at Soviet insistence, the DGI began supporting Palestinian terrorists, the Irish Republican Army and the separatists of FLQ in Canada. Today Cuba is exporting subversion and terrorism, but in a more subtle and sophisticated manner. I think that in all clandestine Cuban activities, Soviet wishes are governing.

Q. The President and Secretary of State Henry Kissinger frequently seem convinced that the Soviet Union and the United States have entered into a period of detente. Is there any evidence that the KGB has lessened its activities during the Nixon Administration?

A. Director Clarence Kelly recently stated that the FBI could discern no diminution of KGB operations against the U.S. I believe that all the objective evidence shows that KGB operations, domestic and foreign, have been intensified since 1969.

Every responsible student of foreign affairs I know of agrees that repression against dissidents, ethnic minorities, religious believers and other non-conformists inside the Soviet Union have mounted in scope and harshness during the past five years.

Some statistics reflect the upsurge of Soviet clandestine operations abroad. Between 1970 and July 1973, 20 nations found it necessary to expel a total of 164 Soviet officials because of their illegal subversive activities. In the entire decade preceding 1970, only 226 Soviet representatives were expelled throughout the world.

Q. What do you think the KGB will do now that Solzhenitsyn has been exiled? Do you think the Politburo in Moscow may attempt to kill him the way Stalin ordered Trotsky assassinated?

A. I personally doubt that Soviet leaders will attempt to assassinate Solzhenitsyn physically. I do think they will try through the KGB to besmirch him as a man and destroy him as a writer. The disinformation campaign probably will include bogus interviews with former associates, forgeries, malicious leaks to correspondents in Moscow and slander surfaced through the foreign press by KGB collaborators.

Q. In your book, you maintain that the KGB has penetrated the United Nations. How has it influenced U.N. operations? Are KGB agents close to the U.N. secretary-general?

A. As the aforementioned KGB textbook indicates, the KGB looks upon United Nations headquarters in New York as one of its most important operational bases in the world. A substantial number of Soviet nationals employed by the U.N. are KGB and GRU officers, as are a goodly proportion of Soviet diplomats assigned to the U.N.

Viktor Lessiovski, long an assistant to Secretary-General U Thant, was a ranking KGB officer. After Lessiovski returned to the Soviet Union, he was replaced by another experienced KGB officer, Valeri Krepkogorsky.

Q. Is the KGB trying to penetrate any of the more rebellious Communist satellites in Eastern Europe, such as Rumania and Yugoslavia? Does it operate in Red China?

A. I really don't know what the situation is in Rumania, but the KGB is working vigorously against Yugoslavia in anticipation of recapturing or fragmenting the country after the passing of Tito. Incidentally, the large numbers of Yugoslavs working in Western Europe offer KGB numerous recruitment targets.

China now ranks just behind the United States as a KGB target. Some KGB officers in Washington spend much of their time trying to glean intelligence about China from U.S. agencies. The KGB also has mounted intensive operations against Communist Chinese personnel abroad.

Q. What is the relationship between the KGB and the Communist Party, U.S.A.?

A. I'm afraid national security considerations preclude a meaningful answer to that question.

Q. What do you think the U.S. and the West should do to neutralize the KGB?

A. First, we should liberate ourselves from an idiotic proposition which the Soviet Union has succeeded remarkably in compelling us to accept. This proposition holds that to contest or speak out against the depredations of the KGB is, some way, to impair improved relations with the Soviet Union and thereby to endanger peace. Actually the obverse is true.

So long as KGB operations go unpunished, so long as they cost Soviet leaders nothing in terms of what they desire from the rest of the world, then Soviet leaders will preceive no reason to abate KGB aggressions which are the anithesis of civilized international relations. Moreover, Soviet leaders cannot, and I am sure that privately they do not, expect other countries to adopt a different attitude toward espionage, subversion and sabotage than they themselves adopt. They look upon Western temporizing and silence in face of KGB onslaughts as a sign of weakness, if not simplemindedness, and as a tacit invitation to continue the onslaughts.

To the extent the West makes the activities of the KGB costly and counter-productive, then it reinforces the arguments of those in the Soviet Union who might prefer to find alternative means of dealing with their own and other people. So the first thing we ought to do is stop being afraid that we will offend the Soviet Union by defending ourselves against its secret aggressions.

We can defend ourselves by resort to some compartively inexpensive, honorable and democratic means. Nations should clean out the nests of KGB officers infesting Soviet embassies the world over simply by expelling the KGB.

A KGB officer expelled from one nation should not be accepted by any other. Once arrested, KGB officers or agents unprotected by diplomatic immunity should be fully and resolutely prosecuted; they should not be exchanged; and no government should try to conceal or minimize what they have done. Finally, the West should make clear to the Soviet Union that a fundamental precondition for meaningful detente, for the granting of economic and technological concessions the Soviet Union so desperately needs, is a cessation of KGB depredations.

Q. What role does the KGB play in determining policy for the Soviet Union?

A. I think all major Soviet policy, foreign and domestic, is determined by the Politburo. Certainly the mentality, interests and viewpoint of the KGB are heavily represented in the Politburo, perhaps now more than ever before.

Of the 17 Politburo members, three have intimate, personal ties with the KGB. KGB Chairman Yuri Andropov is the first head of the state security apparatus since Beria to attain full Politburo membership. Aleksandr Shelepin is a former chairman of the KGB and Arvid Pelshe was long an officer and operative of the secret police. So the KGB outlook undoubtedly is a factor in formulation of Soviet policy.

However, I think that once the Politburo decrees a policy, the KGB dutifully accepts and faithfully endeavors to execute it. I don't think the KGB, formally or institutionally, attempts to determine policy or intentionally does anything at variance with prevailing policy.

On the contrary, the more important a KGB activity, the more rigorously it is controlled by the Politburo. That really is why KGB actions are so disturbing. They are not aberrations of a given clique acting on its own. They rather reflect the considered, calculated decisions of the Soviet leadership.

Q. How does the KGB's disinformation section operate? And what are the major disinformation themes being spread to the U.S. and the free world today?

A. The Disinformation Department or Department A tries to influence public opinion and policies of other nations through a diverse array of techniques, ranging from the planting of forgeries and rumors to the commission of physical acts for phychological effect.

For example, in the late 1950s KGB agents desecrated Jewish synagogues and offices in Germany and many other nations to foster the impression that West Germany was a nest of neo-Nazism and hence not to be trusted. As part of this campaign, the Czechs at KGB behest blew up the wife of a French official and Radio Moscow blamed the murder on a non-existent neo-Nazi organization the Communists had manufactured to frighten the world.

Not long ago the KGB considered leaking radioactive waste in the waters around a U.S. Polaris submarine base. It intended to capitalize on the legitimate worldwide concern about the environment and to persuade public opinion that American nuclear submarines are a menace to everybody. The ultimate purpose was to dissuade Congress from approving development of the new Trident class submarine which will form a foundation of the future Western nuclear deterrent.

Generally, the KGB disinformation programs amplify the basic themes of overt Soviet propaganda.

The disintegration of NATO, the fragmentation of Western Europe and the isolation of the United States from Europe long have been priority Soviet objectives. So the KGB has undertaken numerous disinformation operations to breed suspicion and poison relations among the Western allies. In fact, the book quotes a specific order to all KGB Residents or chiefs abroad enjoining them to find ways to disrupt relations among the allies.

The CIA, FBI and other Western security services are another priority target of vilification for they form the first line of defense against the KGB. In Western Europe, the KGB tries to promulgate the impression that security and intelligence services are so hopelessly enfeebled and penetrated that they don't merit public confidence or support. Everywhere, the KGB tries to foster the impression that the CIA is a bureaucratic Frankenstein monster run amok, a blight on America that ought to be erased entirely.

The KGB has provided useful support to the sundry international fronts through which the Soviet Union for more than two decades has waged the so-called peace campaign.

Prof. Richard Piles brilliantly dissected the peace campaign in a treatise two or three years ago. Its thrust is that any opposition to Soviet aims entails the risk of catastrophic war. Thus, anyone opposing Soviet wishes is against peace and for war. Anyone for war is, manifestly, either contemptibly inhumane or downright insane, and in any case cannot be trusted.

The Disinformation Department additionally tries to ruin or besmirch individuals who prove to be particularly effective anti-Communists. When a member of the British Parliament began persuasively to argue that his government ought to cut down Communist embassy staffs in London, the KGB distributed compromising photographs taken of him years before in Moscow during a casual one-night affair with a KGB girl.

During the 1964 presidential campaign, the Czech Disinformation Department, which works in league with the KGB, disseminated forgeries depicting Barry Goldwater as a vile racist. The Communist campaign literature, incidentally, was smuggled into the United States through the diplomatic pouch.

John Barron on the KGB's Influence

In Cuba: "In my opinion, Castro today does whatever the Soviet Union tells him to do .... Castro's deal with the Russians made the Cuban clandestine service, the DGI, subservient to the KGB and Soviety policy ... the DGI was reorganized and expanded, and KGB officers ensconced themselves in Havana to oversee it. The DGI established a school to train illegal agents for missions in the United States as espionage agents and potential saboteurs .... I think that in all clandestine Cuban activities, Soviet wishes are governing."

In the U.S.: "... I know the names of quite a few KGB and GRU officers who presently are serving as diplomats, journalists and U.N. employes in the United States .... As of early this year when our researchers last checked, the KGB Resident or chief in Washington was Mikhail K. Polonik, first secretary of the Soviet Embassy. The KGB Resident in New York was Mikhail Solomatin, deputy permanent representative of the Soviet Mission to the United States. Another important KGB officer is Valeri Krepkogorsky, who is special assistant to the Secretary-General of the United Nations ...."

In the U.N.: "... [T]he KGB looks upon the United Nations headquarters in New York as one of its most important operational bases in the world. A substantial number of Soviet nationals employed by the U.N. are KGB and GRU officers, as are a goodly portion of Soviet diplomats assigned to the U.N."

In other Communist countries: "... [T]he KGB is working vigorously against Yugoslavia in anticipation of recapturing or fragmenting the country after the passing of Tito .... China now ranks just behind the United States as a KGB target .... The KGB also has mounted intensive operations against Communist Chinese personnel abroad."

NORMAN D. JONES, A VETERAN'S VETERAN

Mr. CRANSTON. Mr. President, I rise to inform my colleagues of the passing of Norman D. Jones, national service officer of the Veterans of Foreign Wars of the United States.

Mr. President, "Norm" Jones, since his discharge from service in 1945, worked tirelessly within the Veterans' Administration system and in the community to try to improve the plight of the veterans of this Nation. A decorated war hero himself, he knew what it was all about. He knew the trials and the fears of the battlefield and what it took to readjust to civilian life. He had been there and he had come back successfully, and he tried to help others do the same. Norm may not have planned it that way, but he spent the rest of his life helping other veterans to readjust and to receive adequate and compassionate attention from the Veterans' Administration and the community at large.

Mr. President, Norman Jones had a special empathy for severely disabled veterans and worked tirelessly to improve their plight. He served as Chairman of the President's Committee on Employment of the Handicapped's Committee on Disabled Veterans. He had the unique ability to deal with those within the administration, and the Congress, and to bridge the so-called "generation gap." He never feared to speak his mind with honesty, integrity, firmness, and compassionate belief.

Mr. President, I consider it a privilege to have known so fine a man who worked to the very end of his life when he lost his battle with leukemia on May 29, 1974, trying to help those other veterans who needed him. I consider it a privilege, Mr. President, to have had the wisdom and counsel of his testimony on countless occasions before hearings of the Subcommittee on Veterans' Affairs of the Committee on Labor and Public Welfare, and the Subcommittee on Health and Hospitals of the Veterans' Affairs Committee, both of which I have chaired.

Norm Jones and I shared a common concern for quality medical care and the advocacy of the rights of the veteran.

Mr. President, I will miss, but long remember, Norman Jones for all his good works and beliefs. I am sure that the veterans whom he aided will do likewise. We in the Congress can best pay tribute to such a dedicated servant of veterans by striving for the goals he set for himself and for us as well.

Mr. President, at this time, I ask unanimous consent that there be printed in the Record the text of the Veterans' Benefits News of the Veterans of Foreign Wars on May 1974, which, I believe, so eloquently explains what Norman Jones, and his life, meant to the veterans of the Nation and to the Veterans of Foreign Wars.

There being no objection, the news item was ordered to be printed in the Record, as follows:

Norman D. Jones, VFW National Service Officer; Director, National Veterans Service; Born 1915, Died 1974

Norman Jones was an ordinary man possessing extraordinary talent. He was a leader who possessed and utilized with uncanny naturalness the many principles of leadership of which the most notable was loyalty. Tenaciously loyal to superiors and subordinates alike he demonstrated an affection for his staff that could never be measured in words.

He was fiercely proud of his staff and had that rare capacity to see the depth of potential in each one. He encouraged them in their growth and work so that they could render a strong individual performance and function together harmoniously in the team effort.

Norman was a man of unbounded intellect who attained prodigious professional stature and remained unaffected by his achievements. He belittled no man and would spontaneously share his wealth of knowledge with the least informed.

He believed in the goals and objectives of the Veterans of Foreign Wars of the United States and pursued them with a devastating fervor and determination that became legend during his own time. He believed in the veteran who had honorably and faithfully served our Nation and he dedicated his life and exhausted his strength toward gaining those benefits to which the veteran was rightfully entitled. He was persistent in his inspiration to a widespread contingent of outstanding Department Service Officers that claimants must at all times be represented vigorously and with firmness. He believed that only through this approach to representation could the veteran be effectively served. He believed that the combined talents and dedicated efforts of all accredited representatives of the National Veterans Service made it the most complete service provided to veterans anywhere.

It is always tragic and sorrowful when someone like Norman is called home. However, we thank God for having given us the privilege of knowing and working with him.

Norman, we give you a final salute. Sleep in Peace. God Bless You.

INFLATION HURTS THE MIDDLE CLASS

Mr. MATHIAS. Mr. President, inflation is creating chaos in family budgets throughout America. Next week, the Senate is to start debate on proposals to reform or cut taxes. One of our central concerns in that debate must be trying to slash the current runaway rate of inflation and at the same time trying to deal sympathetically with those whose family budgets have been bent beyond the breaking point.

As we prepare for that debate, I think each of us must realize—in human terms—what the current rate of inflation—12 percent a year—really means.

The Wall Street Journal recently printed a series of articles detailing the real effects of inflation in a sampling of the Nation's households. I was particularly struck by the first of these articles, which describes the effects on a young, middle-income couple.

I would like to bring this article to the attention of my colleagues, and so I ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE COST OF LIVING: A YOUNG COUPLE FINDS LIFE HAS FEW FRILLS ON A $12,000 SALARY

(By Urban C. Lehner)

ELLICOTT CITY, MD.—Everything had gone wrong at headquarters for Trooper First Class Hugh Thomas (Tom) Moore of the Maryland State Police; so when he arrived home to find one of his children crying, he lost his temper. It was irrational, he admits with chagrin—"kind of like when you have a hard time and you kick the cat for no reason."

The Moores don't have a cat, but Tom Moore did have his eyeglasses in his hand as he swung his arm in a gesture of frustration. The glasses slipped out of his grasp, flew across the room and crashed into a metal stand for a flowerpot, smashing one lens and snapping the frame.

And *that*, Tom says, "really threw me into a spin. We try not to buy on credit except in an emergency, but I just don't have the $60 they want for a pair of glasses."

A few years ago, Tom Moore might have managed the $60 with less strain. But that was before fuel oil jumped from 19 cents a gallon to 28 cents, before the property taxes on the three-bedroom Cape Cod house that the Moores bought for $25,000 in 1970 almost doubled, back when gasoline was still 37 cents a gallon and the Moore family could still get by at the supermarket on $50 a week. Government talk of inflation? "They're not telling me anything I don't already know," Tom says.

For in truth, being forced to rely more on credit is just one of the changes that inflation is bringing in the lives of young, middle-income families like the Moores. Tom Moore, 31; his wife, Linda, 32, and their children Stephanie, 6, and Matthew, 4, aren't starving by any means. But in a great many ways, some big, some little, the Moores live differently now than they did just a year or two ago because of increases in the prices of almost everything they buy.

As a trooper first class after nine years with the Maryland State Police, Tom earns $12,281 a year before taxes; for him, that works out to $320 take-home every two weeks. (During his first eight years on the force, he drove a patrol car 10 hours a day on a series of rotating shifts. Nowadays, he works in the department's public-information office at headquarters in Pikesville, 15 miles from his house. Listeners to small radio stations throughout the state often learn the grisly details of auto accidents from "Trooper Tom Moore of the Maryland State Police.")

BENEFITS AND PREREQUISITES

Tom brings home another $812 a year as a staff sergeant in the Maryland National Guard. In addition, there are certain benefits and prerequisites attendant to his job as a trooper that translate, if not directly into income, at least into money saved—perhaps as much as $2,500 a year. These include a state car that he is permitted to drive on off-duty hours, a full set of uniforms (provided by the state) and an annual state-subsidized physical examination.

Salaries on the force have risen significantly in recent years. A starting trooper now makes $8,980 a year, compared to the $3,900 Tom got when he graduated from the state police academy in June 1965. But as Tom sees it, he has been essentially standing still for the last few years despite the raises. "I can remember thinking, 'If I could only make $10,000 a year I'd be home free.' Now that I'm making twelve, if I could make fifteen I'd be home free. It's a never-ending battle against the economy."

As a result, the Moores, like many families in similar circumstances, have responded to inflation by looking inward for opportunities to economize. They buy their meat in bulk and grow their own vegetables. Linda sews most of the children's clothes. Major household projects once left to professionals now fall largely to Tom. Last summer, after getting contractors' estimates to waterproof the basement that started at $1,500, Tom took two days off from work and did the job himself for $400.

A DIFFERENT APPROACH

For most of their nonrecurring purchases, Tom says, "we've had to do more planning." Four years ago, he says, when they moved into their house in this village of 9,500 about 12 miles west of Baltimore and wanted to paint some of the rooms, "we selected the colors . . . (and) went out and bought them." Just recently, however, when the dining room needed painting, Tom and Linda did things differently. This time, they asked a friend who owns a hardware store to let them know when paint went on sale, finally buying it only when they could get the reduced price.

What is remarkable about this jousting with inflation is that, in the Moores' case at least, it is done in the context of a way of life that by many standards was already restrained. Tom and Linda haven't gone anywhere on vacation—not even to the seashore for a weekend—since a trip they took to Florida in 1966. They dine out only on anniversaries and birthdays, and even then, Linda says, "We have to plan to get this money. We don't always make it." They rarely see the inside of a bar.

Most of their friends are people they know from the Catonsville Presbyterian Church. Tom is the catcher on the church softball team, and the big social event of the week is Monday night after the game when members of the team and their families gather at Pappy's, a pizza parlor on Route 40. "We're basically homebodies," says Tom, and Linda agrees.

Both Linda and Tom love to read (he is a World War II history buff), but they have always relied on the library for most of their books. Besides their subscription to Reader's Digest, a gift, Linda takes three women's magazines and a craft publication. Tom narrowed the choice of the one magazine he would allow himself to either Playboy or Model Railroading before deciding on the latter.

Down in the basement, the layout for Tom's model railroad is a clutter of half-completed villages and freight yards. The first of what will eventually be two loops of track circles three-quarters of the way around an unpainted plywood platform, ending abruptly at a gap in the table. This, Tom explains, is where the bridge will be—someday. "The company's out of funds right now," he says with a laugh. "My wife runs the finances, (and) she's not buying any more of our bonds for my railroad at the present time."

A few weeks ago, Tom and Linda fell upon $84 "mad money." He had investigated an accident involving two Virginia residents; when the civil case came to trial in Manassas, he was given expenses plus an hourly rate to testify on his day off, a common procedure in such cases. They used part of the money to have dinner out and to see a movie. "It was a big night on the town with buttered popcorn and the whole bit," Tom joshes. "Big time," Linda joshes back.

But joke as they will, the evening was a welcome break for the Moores. The fact of the matter is that the budget allows less and less room for frivolity and requires more and more work on their part to hold down spending. Linda, for example, had budgeted $100 every two weeks for food until last spring, when she discovered that $100 "just wasn't going anywhere."

"It really wasn't," she affirms. "And we don't eat that well. We never have rib roast or eye roast. It was a special occasion when we would buy a steak. We eat a lot of ground beef, a lot of chicken, a lot of chuck roast, things that I can make casseroles and stews out of, where you can take the meat and spread it."

Even before food prices began to soar last spring, Linda had cut back on buying snacks and dessert. Tom, who is six-feet-four, was trying to get down from 260 pounds to 215; now at 205, he still works out in the state police gym every day and is careful about what he eats.

Faced with the prospect of drastically cutting back on their diet, Tom and Linda bought a 20-year-old freezer for $75 and began shopping for sales and buying in bulk. Last summer, they expanded the little plot they tend on Linda's mother's 15-acre farm a few miles away to include tomatoes, radishes, squash, beans and cucumbers; this year, they're going to try corn as well.

Still not satisfied, this past March they joined a "food plan" offered by Dutterer's of Manchester, a local company. After paying an initial membership fee of $300, the Moores were entitled to buy a four-month supply of meats, canned juices and other food at what were billed as bargain prices. For their first four-month load, they're paying $87.30 a month; it includes beef, chicken, veal, orange juice, lemonade, bacon, sausage, margarine and fish. "So far, we've been very happy with it," Linda says.

They're also happy with what has happened to their food bills. Except when she needs to load up on paper products or on basic staples such as flour and sugar, Linda finds that she now can get by on $25 to $35 every two weeks for the items she doesn't order through the food plan.

The couple has also had some success in battling the rising cost of fuel. By keeping the thermostat at 62 degrees during the day last winter. ("It's just Matthew and I here, and we would wear socks and sweaters and warm things and we were very comfortable"). Linda cut the fuel bill to $140 for the winter from $300 a year ago—even though the price of a gallon of oil was 28 cents compared with 19 cents.

Linda has owned a sewing machine for years, but she didn't begin sewing in earnest until she noticed last year that boys' polo shirts, once $2.59 each, were selling for as much as $5 in some stores. Now, after a series of lessons on how to sew using knit fabrics, she makes 90% of Stephanie's and Matthew's clothes. (The lessons cost $15.)

"If Linda didn't make nice clothes, we wouldn't do it. But she's a very good seamstress," Tom says. "Mattie likes hers better than store-bought clothes. He's just tickled pink that his mother made him a coat for Easter and he got to pick out the material and the buttons and the red piping. And when you look at what they want for a coat like that in the store and consider that he will have outgrown it by next Easter, it just makes sense."

Tom, too does his share of cutting corners. He started changing the oil in the family car, a 1969 Ford LTD, "when I found out how much it costs to buy five quarts of oil and a filter versus how much they were charging me in a filling station." (The Ford is a demonstrator model that the Moores bought in 1970 for $1,800 and a trade-in on their 1966 Mustang.)

For tune-ups, he buys spark plugs, wires, points, condenser and rotor cap himself, and a friend helps him set the timing. Using automotive manuals in the state-police technical library and an occasional assist from friends who are mechanics, he has even changed his own wheel bearings and installed a new starter.

"I think a lot of people in the past—maybe still do—tended to feel that they didn't have time to do things for themselves," Tom theorizes. "Now that the prices have really gone up they're deciding, 'Maybe I'd better.' "

Still, the Moores haven't been able to make everything themselves. Only recently, they put $100 down on a new $349 stereo tuner-and-record changer that will double as a cabinet to occupy a long-standing "hole" along one living-room wall. They aren't happy about buying it on credit, but they rationalize that, as Linda puts it, the purchase was "the first thing we've bought in a long time."

Tom's glasses and the new stereo brought the Moore's nonmortgage debt to around $1,000, the highest it has been since they bought their car in 1970. That doesn't include the $19,000 principal balance outstanding on their 8%, 25-year mortgage. (Their monthly payment for principal, interest, taxes and insurance on the house comes to $220, up from $201 when they bought the house; the payment rose principally because the property tax on their quarter acre of Howard County, Md., almost doubled to $575 last year before being reduced by a statewide tax cut to $540 this year.) By contrast, their savings account shows a balance of only $200.

Part of the reason Tom and Linda are so far in debt is a fiscal lesson they learned last year. A few months before waterproofing the basement, they took out a 12%, $700 home improvement loan, thinking that was what the job would require.

The eventual tab, with Tom doing most of the work himself, only came to $400, but by then "we'd spent a little here, a little there and a little someplace else," ending up a little short of the $400 they needed. They still have over $300 due on the loan. "We really goofed when we took that loan out," Tom concedes. Fortunately, he adds, "it wasn't a very expensive lesson. We learned that if we need money, wait until the job's done, then go borrow exactly what you need."

THE CASE OF THE VANISHING INVESTOR

Mr. BENTSEN. Mr. President, I would like to again call the Senate's attention to one of the greatest economic problems facing this country today, the critical shortage of equity capital for industry in the United States.

There are few institutions which are more important to the foundation of American industry and to the American standard of living than our stock markets, and there are few more misunderstood. We must begin to recognize the function and problems of our stock markets now if we are to avoid serious consequences in the near future. In my opinion, this equity capital problem could be more serious than the energy shortage we have experienced this year.

The capitalist system has served this country well. In the short span of 200 years, it has brought the backward Colonies through their development to the most powerful industrial nation ever known. More importantly, it has afforded all people the chance for productive work and a high standard of living.

One reason we were able to achieve these gains is the success of the equity capital market. For generations, people have been willing to invest in the future of America by buying stock in the open market. Business have raised the money to expand production and create more jobs by selling their equity through the vehicle of common stock. The strength of the market has been in the large numbers of working people participating in the American dream of owning stock in the industries and firms of their choice.

However, the small investor who has historically provided the backbone of the equity market is on the verge of becoming an endangered species. He is entering the market less and less, he trades a smaller and smaller proportional amount at the expense of the large institutional investor, and he is increasingly penalized by the combination of high taxes and inflation. For fear of being taxed at a high rate for gains largely eroded by inflation, many small investors have switched their investments to debt instruments and savings accounts. Unfortunately, many corporations have already reached their debt limits and can only expand further through an increase in equity.

We must begin to take steps immediately to correct the growing problem of the shortage of investors in the equity capital market. What we need is a policy to unlock the large amounts of capital now locked up, because of the prohibitive taxes on the sale of these shares of stock.

I believe there are two sound ways to put us back on the track to a healthy capital market—the adoption of a more realistic capital gains policy and the imposition of reasonable diversification requirements on large pension fund managers. I have incorporated these two thrusts in a bill that I have introduced—the Stockholders Investment Act of 1974, S. 2842.

I commend to my colleagues an excellent article in the June 9 edition of the New York Times Magazine on the plight of the small investor. I ask unanimous consent that this article, "The Case of the Vanishing Investor," be printed in the RECORD.

There being no objection, the article was ordered to bs printed in the RECORD, as follows:

THE CASE OF THE VANISHING INVESTOR

(By Charles J. Rolo)

A celebrated ancedote of the nineteen-twenties has to do with a rustic visiting Manhattan, who is proudly shown the great brokers' yachts moored on the East River. "Where," inquires the yokel, "are the customers' yachts?" In an updated version, the rustic is exposed to the griping in a brokerage house board room, and his question is, "Where are the customers?"

The American shareholder population is now probably about 31.5 million, only one million less than its peak figure of a few years ago, and it owns about two-third of all the stock outstanding in American corporations. But over the past five years, public participation in stock-market trading has sharply declined, reflecting the downward trend of stock prices in that period—a slump that is far worse than is generally realized. In 1973, private investors bought and sold nearly 20 per cent less stock on the national exchanges than they did in 1968, and that 20 per cent represents $20-billion. The percentage decline in public participation has been even steeper in the over-the-counter market, where several thousand shares not listed on any exchange are traded.

What is more significant than the actual dollar figures is the enormous drop in the public's share of dollar trading volume and, consequently, of its influence in the marketplace. Back in 1961, individual investors accounted for 61 per cent of the dollar trading volume done on the New York Stock Exchange (excluding trading done by exchange members for their own account); today, their share of nonmember trading is less than 30 per cent.

As trading by individual investors has slowed, trading by huge financial institutions—bank trust departments, insurance companies, pension funds, mutual funds, foundations and the like—has increased dramatically, so that now these organizations, which buy and sell shares in colossal lots, account for more than 70 per cent of stock market activity. "Like the curator of the National Zoo," said G. Bradford Cook in his last days as chairman of the Securities and Exchange Commission, "I feel constrained to warn: The individual investor has acquired the status of an endangered species."

This complex of related trends—the decline in market prices, the flight of the small investor and the dominance of the institutions—is a source of profound worry on Wall Street. Indeed, if small investors amount to an endangered species, so do the brokerage houses, whose ranks have been thinned by the hostile environment. Lower public trading activity—accompanied by a succession of commission discounts on large orders (mandated by the S.E.C.) which have drastically curtailed revenues from institutional business—have together resulted in declining income at a time of sharply rising costs.

Thus since the beginning of 1968, some 290 New York Stock Exchange firms have fallen by the wayside through merger, consolidation or outright failure, and the casualties include some of Wall Street's oldest and most respected names. (At last count, there were 535 member firms, the lowest figure in half a century.) "Merge or submerge" has long been the order of the day on Wall Street. Nonetheless, in 1973, the brokerage houses, collectively, lost about $50-million. And though they made a profit of $49-million in this year's first quarter, the slump in trading volume since mid-March threatens to pluge the industry back into the red.

Meanwhile, the brokerage industry is approaching the climactic phase of a period of revolutionary change. The system of fixed commission rates that has been in effect since 1792 for stocks traded on the national exchanges will end in April of next year, and this, along with legislation now being shaped in Congress, could have a crucial impact on the functioning of the exchanges. This situation has led no less a figure than James J. Needham, chairman of the New York Stock Exchange, to describe the national exchanges as yet another endangered species. Whether the changes that lie ahead will be beneficial to the general public and help to restore confidence in Wall Street, or whether they will increase the alienation of individual investors is a subject of acute controversy.

With benefit of hindsight, it doesn't take much expertise in the stock market to grasp why, since 1969, the underlying trend in stock prices has been downward. First came the 1969–70 recession, climaxed by a liquidity crisis that helped to plunge Penn Central into bankruptcy. (In a liquidity crisis, the loanable funds available from the banks aren't sufficient to meet the needs of would-be borrowers.) The ensuing economic recovery rapidly turned into an inflationary boom, which the Chicago economist Beryl Sprinkel has aptly described as "the unhappiest boom I have ever lived through." Among the potent depressants that acted on stock prices were recurring bouts of streaking inflation and spiraling interest rates, the unsettling impact of the fuzzy game plan for wage-and-price controls, which created uncertainties abhorrent to the stock market, a succession of crises on the international money front accompanied by weakening of the dollar and soaring prices for gold, the progressive erosion of public confidence as the Watergate-Nixon drama unfolded in the manner of a serialized horror story, the Middle East war and the supershock of the energy crisis, and, most recently, fear of another liquidity crisis.

In sum, for five years, noxious emissions from the political and economic scene have cast a blanket of pollution over the stock market. The last quarter of 1973, in particular, was a hideous season for investors. Between late October and mid-December, the Dow-Jones Industrial Average went into a tailspin of 199 points. This was the largest short-term point decline in history, exceeding by 16 points the extent of the Dow's collapse in the crash of 1929.

Little wonder, then, that since 1968 the private investor has taken a licking. The largest exodus from the market has occurred among the really small investors—the so-called "odd lotters," who trade in units of less than 100 shares. Odd lotters have done more selling than buying for seven consecutive years, and they've siphoned more than $9 billion out of the stock market, thereby puncturing the once hallowed maxim that "the little guy is always wrong—find out what he's doing and do the opposite." In addition to liquidation by odd lotters, sales of mutual-fund shares—which are largely held by small-to-medium investors—exceeded purchases to the tune of $3-billion in 1972 and 1973.

"For quite some time," says one veteran board room manager, "the only really live customers have been large or substantial investors. What you might call the average investor has, typically, been hibernating—'frozen' into stocks with heavy losses, hoping that eventually they'll recover—or else he's been pulling out of the market and switching into savings accounts and bonds. If he's a real market addict, he's been doing a bit of bargain-hunting or he's been moving into energy-related and natural-resources stocks, which have been coming into fashion. But most of this is small business. Any registered rep who doesn't have one or two big customers would be better off running an elevator."

Unless he was extraordinarily lucky or astute, the private investor's losses have been considerably larger than might be inferred from the behavior of the popular averages—the Dow-Jones Industrial Average and Standard & Poor's 500—which were both recently down about 16 per cent since the beginning of 1969. Both of these averages are "weighted," with the result that their movements are strongly influenced by the behavior of a relatively small number of stocks—high-priced issues (such as Kodak, duPont, Procter & Gamble) in the case of the Dow and issues with large market capitalizations (price multiplied by number of shares outstanding) in the case of S&P's 500. Since about 70 such issues have been the institutional favorites of recent years and have performed much better than the general market, the Dow and S&P's 500 fail to reflect what's really happened to the majority of stocks.

For example, in 1973, the declines in the Dow and S&P's 500 were roughly 17 per cent and 18 per cent, respectively, whereas the average stock on the Big Board declined more than 26 per cent and on the American Stock Exchange nearly 40 per cent. What's really happened to the stock market over the past five years can be summed up in a single, devastating statistic: down 64 per cent. That's how much a genuinely representative index, the Value Line Index (see chart, Page 48) has declined from its record high of December, 1968.

A good many private investors—misled by the Dow's surge through the 1,000 level in November, 1972—don't fully realize that for five years we have been in a major bear market. And some have bitterly concluded that their broker is either a moron or a sadist. Actually, most brokers are hurting more than their customers. They, too, have lost money on the market, their earnings have slumped, and their egos are lacerated. Nowadays, a "successful" broker, someone has said, is a man in a five-year-old custom-made suit and five-year-old Gucci loafers, who still has a secretary to go for his 80-cent lunch from Nedick's.

The punishment inflicted on stock prices is reason enough for the average investor's disenchantment with the market—but there are others. Record-breaking interest rates have greatly increased the appeal of bonds and savings accounts, and massive advertising by the savings banks has certainly helped to sell the concept that 6.8 per cent plus a toaster is preferable to the hazards of the stock market. The well-publicized internal problems of the brokerage industry have hurt Wall Street's image with the public, and as the clout of big institutional investors has grown progressively greater the feeling has arisen that the "little guy" is likely to be steamrollered by the giants, with the result that the trend to institutional dominance has tended to feed on itself.

Thus a survey made by Arthur D. Little revealed that 70 per cent of investors think that the market is somehow "manipulated," and that institutional investors enjoy "unfair advantages." A typical complaint goes: "High-grade research and the 'hot' information are reserved for institutions. We get the hack work, and we're the last to be told when to sell." That is not quite true. Any brokerage house that deals with both institutional and private investors (some deal only with institutions) is required to issue at least a digest of each of its institutional reports to its private clients; and few private investors would want to wade through the mass of detail in the typical "in depth" institutional study. Moreover, when a brokerage house changes a "buy" or "hold" recommendation to a "sell," its registered reps receive a bulletin at the same time as the institutions, and they're supposed to advise their private clients holding the stock. However, economics dictates that a bank trust department generating upwards of $100,000 a year in commissions will receive more assiduous, timely and sophisticated service than the John and Mary Does, whose annual commission business doesn't pay for their broker's telephone bill.

Another widespread complaint is that institutional domination of the market has left the private investor at the mercy of the unpredictable decisions and whims of the big money managers. In September, 1972, Levitz Furniture, then an institutional favorite, plunged from 47 to 33 in less than half an hour (and went on sinking all the way to a low of 3¼). Handleman gave up 51 percent of its value in a single trade, and recently, Combustion Engineering fell from 75⅛ to 48½, again in one market session. Understandably, the average investor is leery of a market in which a sudden cyclone of institutional selling can demolish one of his holdings.

Individual investors who blame institutional dominance of the market for many of their sufferings are apparently forgetting that the wholly external forces that have depressed stock prices over the past few years have also humbled the top-flight institutional money managers.

Mutual funds, for example, have done better than the Value Line Index over the past five years, but much worse than the popular averages. If dividends are subtracted, the average decline in net asset value of mutual-fund shares since the beginning of 1969 has been about 40 per cent. Last year, the nine major New York City banks—gurus in the hierarchy of money management—showed a median decline of 19 per cent in their massive "common" pension funds, *including* reinvested dividends; the median decline for the smaller and more aggressive "special funds" was roughly 35 per cent, including reinvested dividends. (These closely guarded figures were disclosed in Robert Metz's column in The New York Times.) That's comparable to Henry Aaron hitting .180 or Jack Nicklaus shooting over 80.

A broader illustration of how last year's market confounded the pros is Institutional Investor's list of "the 10 top stocks" for 1973, selected by portfolio managers of 160 leading institutions across the country. Investment of an equal amount of money in each of these stocks would have produced a ghastly loss of 44 per cent from year-end to year-end.

More to the point, perhaps, if the institutions are to be cast in the role of the monster that has wrecked the stock market for the general public, then the general public is Dr. Frankenstein. For it's the American public that, by entrusting a growing portion of its savings to institutions, has given them the huge resources that makes them the dominant force in the market. The total equity holdings of institutions—$270-billion in 1968—were placed at nearly $400-billion at the end of 1972 by the Federal Reserve Board. Robert Soldofsky, professor of finance at the University of Iowa, has calculated that by 1980 institutional common-stock holdings will have reached $714-billion.

Still, the institutionalization of money has radically altered the character and behavior of the stock market. This can best be understood in terms of a political analogy. The stock market might be compared to a country that was once a democracy but has become an oligarchy with a fairly rigid class system. In the era before financial institutions became the dominant force in the marketplace, the price of stocks was determined, so to speak, by universal suffrage—by the individual decisions of countless investors, large, medium and small. True, the institutions, and the so-called "smart money" in private hands, influenced stock prices more than did the general public. Nevertheless, there existed a genuine diversity of opinion and a wide breadth of investor interest, which were duly reflected in the behavior of the market.

But for some years now, the institutions have constituted a ruling élite—not because they have made a power grab, but because of their huge resources and the relative absence of the public from the market. The resources of the big institutions have become so huge that they have to confine their major investment positions to companies with huge capitalizations. Thus, out of the 2,800 companies listed on the national exchanges, only a few hundred, most of them on the Big Board, qualify for strong institutional sponsorship.

The list of stocks in which institutions concentrate their holdings has been further narrowed in recent years by the wide uniformity of thought among money managers (especially in the big banks). To be sure, every trading session has witnessed a large number of "block trades," in which big chunks of stock are sold by one institution and bought by another—obviously a clearcut reflection of conflicts of opinion. Nevertheless, for several years, a powerful cross section of money managers was committed to the same broad investment strategy: to buy, and keep on buying at opportune moments, the top quality growth issues such as Avon, Eastman Kodak, Polaroid, IBM, Xerox, and the leading drug stocks—perhaps 70 companies all told. It's safe to say that never before have so many money managers, managing so much money, espoused a "party line" with so much fervor.

The institutional favorites were variously dubbed "the vestal virgins," "the 70 sacred cows," "the 50 religion stocks," or simply, "the anointed." In the jargon of money managers, they were "one-decision stocks"—meaning they need never be sold: The only decision was at what price to buy. Inevitably, the concept was for a long time self-validating, since the tremendous buying power flowing into these stocks pushed prices upward.

Late last summer, however, the party line began to crack. The September court decision against IBM (which awarded huge damages to Telex) brought about a sharp decline in the most sacred of the "one-decision" stocks, and this surely aroused misgivings about the vulnerability of others. But probably the basic reason is that the cult of any group of stocks is ultimately self-defeating. There inevitably comes a time when clouds start to intrude on the so-called "high visibility" of future earnings growth (as they did in the cases of Disney, Avon, Polaroid and other "religion" stocks), a time when the prices of the anointed begin to look sky-high in relation to the general market, and the twitchier money managers start asking themselves the old "to whom" question—to whom will they be able to sell even a part of their huge positions at anything close to current prices?

The result was that many of the "religion stocks" dropped anywhere from 41 per cent (IBM) to 63 per cent (Disney) from their 1973 highs, and "second team" favorites such as Clorox, Rite Aid and Tropicana showed losses of 75 per cent to nearly 90 per cent from last year's peak prices. There still exists, however, a huge concentration of institutional funds in a limited number of issues, a situation that has given rise to a well-defined class system for stocks, which is reflected in their valuations, or price-earnings ratios.

The price-earnings ratio is simply the price of a stock divided by its earnings per share—a stock selling at 20 which has per-share earnings of $2 has a p/e ratio of 10. Price-earnings ratios, which vary all the way from 3 to 60 and more, represent the valuation that investors put on a company's annual earnings. Today, valuations are influenced more than ever before by the amount of institutional sponsorship a stock is able to attract, since individual investors are not active enough to exert a powerful influence on the price-making process.

The current institutional favorites, most of which are valued at 20 to 40 times earnings, constitute a glamorous aristocracy of perhaps 70 stocks out of a stock population (including the over-the-counter market) of more than 6,000. Far beneath the aristocracy there is a large, depressed *bourgeoisie*, or middle class, composed of major corporations (many of them blue chips) big enough to have strong institutional sponsorship, but which—either because their business is vulnerable to cyclical downturns in the economy or for other reasons—have been out of favor with institutional investors. The bourgeois companies—currently valued at roughly 5 to 9 times 1973 earnings—include A. T. & T., most of the major utilities, General Motors and Ford, Time Inc., Woolworth, RCA, Zenith, the steel companies and other basic industry groups.

Below the middle class, there is a vast "unwashed" proletariat, a horde of secondary companies—most of them in sound financial health and with respectable earning power—that lack the size and supposedly the growth potential to attract institutional sponsorship. The current valuation range for the proletariat—3 to 6 times earnings—is one that a decade ago would have suggested possibilities of early bankruptcy.

Finally, there are the "untouchables"—a couple of thousand small, speculative companies traded over-the-counter, for which there is virtually no market; and some 350 listed companies for which most brokerage firms will not solicit orders because their stocks are selling below $5. It is this four-class system—rather than any conscious manipulation by institutions—that has been particularly damaging to the average investor. With three or four exceptions, the 50 stocks most widely owned by the conservative segment of the investing public fall within the depressed middle class; the stocks most widely owned by the speculative segment of the public fall within the "proletariat" and the "untouchable" classes, and these have truly been massacred.

Notably the small investor is not the only victim of this system. The shrunken or emaciated valuations prevailing for companies in the middle, proletariat and untouchable classes have also created an alarming situation for thousands of American corporations, which are unable to raise the capital they need for modernization and growth. For many companies, lofty interest rates have made it hellishly expensive to borrow money, and few of those that are privately owned find it possible to raise money in the other traditional way—by selling stock to the public. What's left of the public is cold towards new issues, ranking them among the untouchables. Of the 34 companies that did manage to go public in 1973, the stocks of 30 had averaged a 45 per cent decline from the offering price by the end of the year.

A majority of the publicly owned companies are also hard put to raise urgently needed capital by issuing new stock. Some 600 of them have formed the Committee of Publicly Owned Companies, whose function is to alert Congress and the S.E.C. to the threat facing American corporations and to campaign for measures that will give the private investor incentives to return to the stock market, thereby strengthening its capital-raising capabilities. "For 90 per cent of corporate America," says a spokesman for the committee, "stock prices are depressed to the point where it is impossible to raise needed capital by new stock issues. The result is that many of us are deferring necessary replacements, improvements and expansion. America will feel the brunt of this in a few years when the technological obsolescence of our plants and equipment weakens us in terms of profits and productivity."

What could loosen up the rigid four-class structure of the stock market? What, in other words, could restore a significantly greater breadth of interest in the market and a more normal (by historical standards) range of valuations? Just about everyone agrees on two prerequisites—less concentration by the institutions in a limited list of favored issues and a large-scale return of individual investors to the stock market.

Observers of the institutional scene see signs of a trend towards wider diversification. Institutional investors are deeply concerned about liquidity, which means the ability to buy or sell substantial amounts of stock at prices not too far removed from the prevailing quotations. In bygone days, the buying and selling power of tens of thousands of individual investors gave the market a degree of liquidity that today—with vastly greater resources in the hands of institutions and the public largely on the sidelines—is alarmingly absent. "Liquidity," says Ronald Bentien, a block trader at Loeb Rhoades, "is on the brink of being atrocious." This situation, which obviously heightens the risks of concentration, is a strong inducement to institutional investors to spread their funds a bit more widely.

As for the private investors many Wall Street sages believe that they will flock back into the market when the next major uptrend in stock prices is well under way. Others doubt that a strong, broad-based, and sustained uptrend in stock prices can take place without vigorous participation by the general public. If the latter are right, the public's situation today is rather like that of the fabulous Baron Munchausen, who, alone and sinking in quicksand, simply pulled himself out by his own hair. The public's "hair," to pursue the analog, is its "state of confidence," and it will therefore require a restoration of confidence in the national leadership and in the future of the economy to bring about a large-scale re-entry of individual investors into the stock market. For starters, what's most urgently needed is a sharp lowering of the scary rate of inflation. A once-popular myth held that, since common stocks are regarded as a hedge again inflation, inflation is bullish for the stock market. Not so. Well-chosen stocks do provide a hedge against inflation—but only in the long run and if the rate of inflation is moderate. Streaking inflation delivers a one-two punch to the stock market. By causing costs to soar, it tends to squeeze profits, which of course is bad for stock prices. What's even worse is that most of the measures used to curb inflation are either unsettling or damaging to the stock market, especially a drastic tightening of the money supply, which (as we saw in 1970) spells disaster for the market, since its lifeblood is money.

At this time, a cutback in the rate of inflation and a lowering of interest rates would be supertherapy for the stock market. It would strengthen the competitive position of stocks vis-a-vis bonds, short-term Government securities and savings accounts. More importantly, it would bolster confidence in the nation's economic future, thereby reviving the now badly battered concept that was largely responsible for the spectacular growth of public participation in the stock market in the nineteen-fifties: the concept that the best way in which the average citizen can seek to make his capital grow and provide for the future is to buy and hold stocks of good quality.

There are many people in Wall Street who feel that a segment of the public, because of the traumas of recent years, has literally forgotten that there's a persuasive case for owning stock, and they argue that the securities industry should start to rebroadcast that case in a big way. During the nineteen-fifties, an investment in the 30 blue-chip stocks that make up the Dow-Jones Industrial Average would have produced a total yearly return—price appreciation plus dividend income—of better than 17 per cent, compounded annually. What's more, the behavior of *all* stocks (on the New York Stock Exchange) over the period 1926 to 1960—an era that encompassed the Great Depression, World War II and the Korean war—is an impressive testimonial to the merits of stock ownership over the longer term. A 1965 study made at the University of Chicago sought to determine an investor's chances of making a profit by buying stocks *at random* over the above period. For any given issue on the New York Stock Exchange, there were 88,000 possible time combinations of purchases and sales over 35 years. The findings were that an investor would have made a profit on 78 per cent of the transactions and his median rate of return would have ben close to 10 per cent, compounded annually. In short, common stocks have been in the past—and could again be in future (bear markets don't last forever)—a rewarding long-term investment.

Among other possible developments that could improve the attitude of private investors, two of those most frequently mentioned are legislation that would provide tax incentives designed to encourage individual investors to put capital in the stock market, and legislation or regulatory measures designed to bring about fuller disclosure of institutional holdings and trading activity. These matters are in fact under consideration by Congress, which has been preparing legislation covering the securities industry. The program as recently passed by the Senate—a House vote is not likely this year—will mandate the development of a Central Market System in which existing markets—the New York, American, Boston, Detroit, Philadelphia-Baltimore-Washington, Midwest and Pacific stock exchanges, plus half a dozen others, plus the "Third" and over-the-counter markets—will be electronically linked through a consolidated tape, which will report every transaction, wherever it may take place, and a central quotation network, which will display all available bids and offers. Such a system will tell brokers and investors which market, at any given moment, offers the best price for a particular order and enable them to channel the order to that market. The so-called Third Market firms, which deal in listed securities—mainly with institutional clients—off the floors of the national exchanges, will be admitted to the central market system without having to become members of any exchange. Assuming that, as they claim, the Third-Market firms can offer cost savings to investors, they stand to benefit considerably from the wider exposure of their quotations provided by the central quotation network. The benefits of the Central Market System to small investors are likely to be modest, since it doesn't seem probable that quotations between the different markets will vary significantly. However, a saving of even one-eighth of a point—$12.50 per hundred shares—adds up to a sizable chunk of money on an institutional trade of 50,000 to 100,000 shares.

Creation of a Central Market System is an enormously complex undertaking, which is not likely to be completed for at least two years, and no one knows precisely what its impact will be on the brokerage community. Here and now, the overriding concern of James Needham and Paul Kolton, chairman of the American Stock Exchange, is how to avoid the potential disaster that might overtake the national exchanges when fixed commission rates are abolished on April 30, 1975. This has been mandated by the S.E.C. following a succession of challenges to the fixed commission system by both the Justice Department and the S.E.C. Essentially, their arguments were that the system is anticompetitive and also discriminatory in favor of institutions, since in recent years, commissions on very large orders have not been fixed, but have become subject to negotiation. Anticipation of the ending of fixed rates has plunged the weaker segments of the exchange community into a Kierkegaardian state of fear and trembling.

Messrs. Needham and Kolton are not opposed to the ending of fixed commissions; instead, they are desperately concerned that, unless appropriate measures are legislated by Congress or prescribed by the S.E.C., the ending of fixed commissions may cause major brokerage houses to drop their exchange memberships and join the Third Market, thereby emasculating the national exchanges.

Fixed commission rates, say Needham and Kolton, have been the chief economic incentive for incurring the large membership and operating costs of belonging to a national exchange and accepting the regulatory restrictions binding on its members. They constitute, in effect, a guaranteed tariff that pays the costs of a wide range of services provided by member firms and by the exchanges, including market surveillance procedures and other measures to protect the public interest. Without fixed commissions, the larger and stronger brokerage houses might well find it economically advantageous to withdraw from the exchanges—indeed half a dozen leading firms have publicly announced that they may be forced to consider this step—and adopt the *modus operandi* of the Third Market firms. They would maintain stocks and make "dealer markets" in them—which means that they would deal directly with you and me and, preferably, Bankers Trust, buying for and selling from the inventory in their vaults. Given some luck and lots of skill and capital this system has greater profit potential than operating as a broker on the floor of a national exchange. However, a proliferation of dealer markets in the most actively traded listed securities would siphon off a huge volume of orders from the Big Board, where 15 percent of the total stock list accounts for 51 percent of share volume; and to a lesser degree it would also hurt the Amex. That's why Mr. Needham has referred to the national exchanges as "an endangered species," and has voiced fears that the "auction market" system which they embody will atrophy and wither.

So who cares? What's so sacred about the exchanges and the auction markets? The answers given by Needham and Kolton boil down to this: It is our auction market, with its "fish bowl" operating procedures and its unique pricing mechanism, that fostered the growth of public ownership of American industry and made our equity markets the envy of the free world. In Europe, where the dealer type of market has generally prevailed, stock prices have been largely determined by institutions and corporate insiders, public participation in the market has been narrow, and industry has been able to raise only a small fraction of its capital requirements from the investing public.

The two-way auction market—by simultaneously bringing together buyers and sellers in an open forum—allows the forces of supply and demand to determine the price at which a particular stock is traded, thereby assuring both the buyer and the seller that each is obtaining the best available price at that particular moment.

In contrast, in a dealer market there is no uniform pricing mechanism; prices are not necessarily determined by the direct interaction of supply and demand, but rather by the dealer's personal assessment of the supply-demand situation, and sometimes by the state of his inventory. In addition, it's questionable whether a fragmented dealer market would lend itself to the elaborate, automated surveillance procedures developed by the national exchanges to guard against manipulation and to help maintain an orderly market. For these reasons Needham and Kolton insist that a major shift toward a dealer market would represent "a giant step backward." Needham has also urged Congress to include in the pending legislation the requirement that all orders in *listed* securities—including those held by Third Market firms—be executed on the floors of the registered national exchanges so that prices can be determined by the maximum interplay of supply and demand. In addition, Needham argues that "a dealer market will be strongly oriented towards the institutions and will offer prices to individuals strictly on a take-it-or-leave-it basis. Dissatisfaction with their treatment could thus lead millions of individual investors to withdraw from the market."

The most articulate spokesman for the Third Market, Donald E. Weeden, chairman of the firm that bears his name, rejects this thesis as "sanctimonious and self-serving bunk." The New York Stock Exchange, he says, "is simply playing the same old game of blocking innovation and competition in order to perpetuate its privileged status."

The Wall Street Journal has stated editorially that it considers Mr. Needham's fears exaggerated, but there are many people in Wall Street who believe that a swing toward dealer markets and ever-increasing institutional domination of the investment scene are real—and disturbing—possibilities. (A seat on the New York Stock Exchange recently sold for $75,000, as compared with $525,000 in 1969.)

Meanwhile, in April of this year, the brokerage industry embarked on an experiment involving its relations with the small investor. A number of major firms have reduced their commission rates on orders of $2,000 or less, subject to varying conditions (such as payment in advance or exclusion of orders involving a specified price). This is intended to pave the way for a possible "unbundling" of services, hitherto provided free, when fixed commission rates are abolished in 1975. At that time, brokerage firms may introduce charges for such services as safekeeping of securities, collection of dividends, investment advice and research material—either in the form of higher commissions or outright fees. Such unbundling would help to put the economics of the brokerage business on a more rational footing, since customers will pay for exactly what they get. It would also be inherently fairer than the present system, since investors who only want their broker to execute orders won't have to share the cost of services rendered to those who want the full package, including tender loving care.

Incidentally, the advent of negotiated commission rates in all transactions will not mean that Uncle Harry, when he wants to buy 10 shares of Telephone, will be able to haggle with his broker over the commission; only on orders involving large sums of money will commissions literally be negotiated. What it does means is that commission rates will come down to a level set by the strongest and most efficient house. Even so, taking into account the possible charges resulting from unbundling, the over-all cost of brokerage services to the general public may well wind up being slightly higher than it is today.

This could prove to be a blessing in disguise for the average investor. A segment of the brokerage industry turned its back on the public and geared itself to serving the institutions mainly because many firms found that, in an era of sharply rising costs, they were losing money handling small orders for individuals. If unbundling helps to make this business profitable—and we won't know until it's time—the average investor might regain some of the status he feels he's lost on Wall Street. Meanwhile, there are plenty of public-oriented firms that still want and welcome the average investor's business—and that's a tactful understatement.

The Wall Street community still has within it a strong phalanx of positive thinkers who see a Brave New World taking shape in the not so very distant future. The typical scenario concedes that a painful shakeout lies ahead, which only the fitter houses will survive. But after that, according to the script: "The industry will consist mainly of a few dozen large, strongly capitalized, superbly efficient firms, which will operate as supermarkets offering a full range of financial services, including insurance, real estate, tax shelters, estate planning and anything else allowed by law. There will also be a place in the sun for smaller firms with highly specialized skills and for the well-established regional houses. This streamlined brokerage community, utilizing (as the industry should be, but isn't today) all of the capabilities of modern technology, will be able to serve individual investors profitably and efficiently; and it will find ways of applying (as should have been done long ago) mass-merchandising techniques to the securities industry. In that Brave New World, the now-skittish and skeptical public will once again become 'the thundering herd.' " Amen.

PSRO: A POOR MECHANISM AND A POSSIBLE ALTERNATIVE

Mr. JAVITS. Mr. President, I commend to the attention of my colleagues an article written by Dr. Amitai Etzioni, long known for his work in the health field, entitled "PSRO: A Poor Mechanism and a Possible Alternative" (commentary: May 1974). The article reflects the kind of analysis which is needed to make the PSRO's more effective or to provide a viable alternative.

There is a great potential in the ideas that Dr. Etzioni puts forth for greater cooperation between the public and private sectors concerned with health care delivery. The suggested approach of forming comprehensive health auditing entities which would review the adequacy of inputs, processes, and outputs of hospital and other health care facilities deserve serious consideration.

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

PSRO: A POOR MECHANISM AND A POSSIBLE ALTERNATIVE

The American Medical Association called the enactment of the PSRO bill "potentially the most significant medical legislation of the 1970s" and promptly formed seven task forces to assist the Secretary of the Department of Health, Education, and Welfare in formulating the yet to be worked out details of the new legislation. Depending on how the PSROs will be set up, this new tool of societal management could have a far reaching effect on the health system of the country, possibly on the management of all domestic programs employing professionals.

The PSRO plan requires that no patient be admitted to a hospital under Medicare or Medicaid without prior approval from the new supervisory agency or by a physician authorized by the agency, unless it is an emergency. Moreover, if and when the patient is serviced in a hospital, the agency must check whether the patient was held longer than necessary, or whether services were rendered which are not medically indicated. The new adjudicating agency will not deal with the reasonableness of the charges made in terms of the amount charged (which is left to other authorities) but rather with the medical necessity of the services. PSROs, thus conceived, would be a government-sponsored body, designed to scrutinize hospitals—and through them, doctors—in a kind of independent medical audit.

To avoid dealing with several millions of patients the PSRO setup calls for high reliance on "good conduct" and on computers. Providers who have demonstrated that they treat patients within defined "norms" will be exempted from the need for prior approval. The internal review committees of these providers will then themselves act as certifying agents. But even the services of these approved facilities will continue to be monitored by computers. The weight of the forms to be filled out alone may serve to discouraged heatlh care abuse. If not, after several increasingly higher "courts" of review, the flow of public funds may be cut off. And the doctor or provider could be fined for up to $5,000.

The new mechanism relies on at least three assumptions which need to be critically examined. *Will the computers have appropriate health care norms?* If the norms are set too loosely, the effect of the system will be to cut off the extreme abuses but encourage the less extreme, but more massive and hence more costly, abuses. (Thus, if the norm for maternity stay is established at 4 days, few 5-day stays may be cut out, but thousands of 3-day stays might be extended into 4-day ones.) If on the other hand, the norms are set too tightly, in those numerous cases where the decision to treat or not to treat, admit or not to admit, make more tests or fewer, is not clear cut, doctors and porviders may well lean toward not providing the extra services, and the poor and the aged will suffer. (The argument that such systems worked well in a few trial cases is not compeling; these trials were made, for the most part, in choice areas, in which motivation to cooperate on the part of providers and recipients was much higher than one can expect on a nationwide basis.)

Most likely, the PSRO computers will not prove to have much of an impact one way or the other. Experience with the enforcement of other bills, from federal aid to education to controls built into Medicare and Medicaid legislation, suggests that cutting off funds is often too harsh a sanction to apply. On the other hand, the $5,000 fine is so small, compared to the profits that violators amass, that the PSROs may well end up without any effective sanction at all.

Most important, one must ask: will the PSROs really provide autonomous audits? The odds are that the doctors, whose activities and cost PSROs are to curb, and who are already controlling the supply of new medical resources and are in close coalition with the main health providers, will also control, indeed dominate, the PSROs.

The PSRO bill reveals the deep scars inflicted by the medical lobby. Again and again the bill apologizes for setting up the review mechanism, for "intruding" into the "doctors' turf." But much more than apologies are at stake. The PSROs, as legislated will be composed only of the *practicing physicians* in the state or county in which the supervision is to take place. Only if these physicians refuse to participate in this bit of what some doctors bitterly local "socialized" medicine will doctors drawn from elsewhere be mobilized to staff the PSOs. The possibility of review by other health professionals is not entertained. Actually, while the Association of American Physicians and Surgeons is exploring the possibility of filing suit against the federal government for "interfering in the practice of medicine" via the PSROs, an AMA survey shows that 36 state medical societies will seek to be designated as the state PSRO agent. The law clearly welcomes this arrangement, I guess hoping that this time, somehow the guards will suffice to guard the guardians. This is most explicit in that the local doctors will set the norms, locally, to be imposed on them, although higher PSRO levels are entitled to review these norms and try to renegotiate them.

As I see it, a major study is urgently needed to determine whether these norms will not cause more costs and medical harm than yields in saving and reduction of unnecessary services. Second, the sanctions should be increased to double the amount of damage the violator caused (thus if the overcharges were $200,000, the fine should be $400,000). Above all, the PSRO reviewers should not be limited to medical doctors, but should be composed of one-third consumer representatives, one-third health professionals other than doctors, and one-third doctors, not necessarily from the area under review. (Even then, the PSROs may prove to be doctor-dominated because nondoctors tend to defer to doctors, and additional correctives will be needed.)

The participating nondoctors would serve not to form medical judgments, but to secure that those doctors known *for* their integrity and willingness to challenge their colleagues will be in the review seats, rather than a random and rotating group of MDs for which the law now provides.

Finally, the PSROs should be provided with funds to call in independent health analysis to check figures and records provided to them by doctors and health providers. The success of this review mechanism is much too important to be left only to those who, the record shows, must be scrutinized.

Beyond PSRO, a new approach suggests itself. Imagine firms specializing in Comprehensive Health Auditing (CHA). All hospitals and other health care units would be required to submit to, say, a biannual review. This would include measurements of the adequacy of inputs, processes, and outputs. (Valid measures, especially of output, of course, still need to be further developed and corrected for nonhealth factors, such as socioeconomic status.) Only units certified as adequate would be entitled to draw on public funds (especially Medicaid and Medicare, but also local governmental monies). The CHA firms could be regular corporations akin to those who audit business records, or nonprofit corporations, or bodies set up by professional associations, like those who now carry out accreditation. (The fees for the CHA would be paid by those subject to audit.) The government would enter only to (a) ensure the auditors' integrity, through licensing; (b) help CHA firms to develop comprehensive and reliable measurements, by supporting R and D work in this area; (c) impose potent sanctions if the auditors' review indicates inadequacies, and these are not corrected.

The CHA's staff may well include MDs, biostatisticians, and other health professionals. They will be motivated, like financial auditors are, to maintain the credibility of their work. Thus, the profit motive and professional ambition, which so often work to undermine regulatory mechanisms, may here be mobilized to ensure a relatively diligent scrutiny.

Finally, the government may pay the SHA firms for a second report about each unit audited, examining its place in the local and regional health system. In this way CHAs might help not only to prune away overcharge, abuse, and overutilization, all cost and quality considerations, but also serve to ensure that health services will be encompassing, widely accessible, and potentially integrated into community wide and regional plans.

THE TRADE DEFICIT

Mr. INOUYE. Mr. President, during this session I introduced several bills aimed at bolstering the sagging balance-of-trade situation in which this country now finds itself. Two of the bills, S. 1486, the Omnibus Export Expansion Act of 1974, and S. 1488, the Tariff Simplification and Freight Rate Disparities Act, have passed the Senate. During February and March, our trade balance was substantially in deficit, and from all indications this trend will continue throughout the year, especially in the face of skyrocketing energy costs. CIF—cost, insurance, and freight—data clearly show the serious deficit position of our foreign trade balance, which amounted to $1.323 billion in the January to April period.

The Congress should not delay action on these measures any longer. Their passage will, I believe, provide a means to shore up our weakened economic position.

At this time, I ask unanimous consent that the following article from the Wall Street Journal be printed in the RECORD. This article attests to the fact that our trade position has seriously deteriorated in this calendar year with the prospects for a continued poor performance as a result of costlier imports.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

UNITED STATES REPORTS APRIL SURPLUS IN TRADE BALANCE

WASHINGTON.—Though the U.S. trade balance unexpectedly bounced back into the black in April, soaring oil import costs still point toward continuing deterioration in coming months.

The Commerce Department's report that U.S. exports exceeded imports by a seasonally adjusted $92.8 million last month came as a mild surprise after the trade balance had swung $171.3 million into the red in March. But the April surplus was smaller than the year-before's $136 million and just a fraction of the $630 million average of 1973's final four months, before skyrocketing oil prices suddenly reversed the outlook for an improving trade balance.

Escalating oil costs continued to be a drag on the trade balance last month, but a slackening of other imports and a surge in exports kept the trade figures in the black. Reflecting both higher oil prices and rising shipments following the end of the Arab oil embargo, total imports of petroleum and related products spurted to $2.24 billion in April, up $472 million from March and nearly five times the $470.8 million of a year before.

But as imports of foodstuffs, manufactured goods and other items declined last month, total April imports rose only 3.8% from March after much larger gains in earlier months. April imports totaled an adjusted $8.14 billion, up from $7.85 billion the previous month.

Exports last month spurted 7.3% to an adjusted $8.23 billion from $7.67 billion in March, when exports rose less than 1%. Machinery, chemicals and aircraft shipments paced the broad gain in exports last month.

April's results boosted the trade surplus for 1974's first four months to an adjusted $778.4 million, in sharp contrast with 1973's four-month deficit of $666.7 million. But the results to date this year still represent a decline from the $2.52 billion surplus piled up in 1973's final four months.

When measured on the basis used by most foreign nations, the U.S. had an April trade deficit of $488.2 million, compared with March's $702.7 million deficit. The department began calculating this additional measure of the trade balance in January to provide one set of figures comparable to foreign statistics.

SIMAS KUDIRKA

Mr. MATHIAS. Mr. President, the tragic case of Simas Kudirka has touched the heart of almost all Americans. Kudirka, the young Lithuanian sailor who attempted to defect to America by jumping aboard a U.S. Coast Guard vessel, reminded us how precious our heritage of freedom really is.

It is a reminder that is especially poignant today and as we approach our Bicentennial. And now, it appears that this young Lithuanian sailor may even be eligible for U.S. citizenship.

In order that my colleagues may recall this case, and be advised of its latest developments, I ask unanimous consent that an article which appeared in the Boston Globe be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Boston Globe, Apr. 11, 1974]

LITHUANIAN SAILOR MAY HAVE U.S. RIGHTS

(By Darius S. Jhabvala)

WASHINGTON.—Simas Kudirka, the young Lithuanian seaman who tried to defect to the United States by jumping aboard a Coast Guard ship off Martha's Vineyard in 1970, could have a claim to American citizenship, sources here say.

His mother, Marija, they say, was born in the United States to Onas and Angelauskas Kudirka in 1906. Baptismal records attesting to that fact have been found at the St. Mary of the Angel Church in Brooklyn, N.Y. Baptism was administered by Rev. V. Varnagiris.

Her family subsequently returned to Lithuania where Simas was born out of wedlock. Nevertheless, Section 205 of the Nationality Act of 1940 would make him eligible for American citizenship.

However, even if Marija satisfies the investigation, Simas does not automatically become an American national. He will be eligible to apply for citizenship on the basis of his mother's citizenship.

Sources say Marija has not yet presented herself to any US consular officials in the Soviet Union.

American-Lithuanian supporters of the Kudirka family were careful not to disclose too many details in order to protect their informants here and in the Soviet Union. They also fear Soviet authorities might react adversely toward the family if too much publicity is given to the case.

State Dept. officials said they are aware of the citizenship claim made on behalf of the mother and her son. "The Department is now investigating and is working closely with supporters of her in the United States to try to evaluate their claim," an official said.

On the afternoon of November 23, 1970, Simas, who was a seaman aboard the Sovietskaya Litva, a Russian fishing vessel, jumped into the Coast Guard cutter Vigilant. Officials of the two vessels were then negotiating fishing rights.

Crewmen from the Soviet boat pursued Simas onto the Vigilant, overpowered him and tried to bring him back to the Litva.

The Vigilant's captain immediately got in touch with the Coast Guard in Boston and it, in turn, reached State Dept. officials in Washington. However there was no clearcut decision by authorities to let Simas stay aboard the Vigilant, and the Russians were permitted to take him back to Litva.

In the United States, a House subcommittee investigated the episode and blamed the Coast Guard and the State department for "ineptitude." The Administration's own investigation resulted in revision of procedures to handle such cases.

Two Coast Guard officials, Rear Adm. William B. Ellis and Capt. Fletcher W. Brown, were allowed to retire rather than face a court-martial.

Marija's American citizenship came to the attention of Lithuanians in the United States from a childhood playmate and friend of the family, who sources would only refer by the pseudonym "Anna."

Marija's and Anna's parents lived in Brooklyn and their children were good friends. Then the families returned to Lithuania just before World War I. The friendship continued in Lithuania.

Anna returned to the United States but maintained her contacts with friends back home.

Late last year, she received a letter telling her that Simas was Marija's son. Further inquiries resulted in detailed information about the baptismal certificate.

REFLECTIONS ON WATERGATE AND 1972

Mr. McGOVERN. Mr. President, recently, Newsday—a New York newspaper—asked me to set down in writing my thoughts on the national political scene on the second anniversary of the Watergate break-in of June 1972. Since I have turned down most of the speaking and writing requests received since the 1972 election, I accepted this one with some reluctance.

But I submitted the article and it was printed in full without change. The editors, however, attached a title to it without checking with me that I would never have authorized. They entitled it: "I Told You So." That is a phrase I have not used once since the 1972 election. Indeed, I have carefully refrained from using it. The phrase is in bad taste and I object to its use as a title to my article in Newsday.

I ask unanimous consent that my article, printed in Newsday on Sunday, June 16, 1974, be printed in the RECORD with the title I would have given it: "Reflections on Watergate and 1972."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From Newsday's Journal of Opinion, June 16, 1974]

REFLECTIONS ON WATERGATE AND 1972

(BY GEORGE MCGOVERN)

On the eve of the second anniversary of the Watergate break-in, Richard Nixon's opponent in the 1972 president election looks back.

The present political crisis of America does not stem from flaws in our constitutional system; it stems, rather, from a clever, deceptive administration campaign to mislead the American electorate.

The character of Richard Nixon and the values he represents are at the heart of Watergate and its associated evils. The correction of these evils will require a leadership faithful to our enduring constitutional principles; it will also require an electorate and a press with the capacity to recognize the difference between a charlatan and a constitutionalist.

Mr. Nixon told us prior to the 1972 election that the American people were being offered "the choice of a century." That observation was true when it was offered, and its truth will be increasingly evident as the 1972 election is evaluated in historical perspective.

But for reasons beyond my limited powers of comprehension, half of the American electorate did not even bother to vote in 1972. With some brilliant exceptions, much of the press ignored troublesome questions in the administration's behavior that begged for serious and persistent investigation. I have little sympathy for these indifferent citizens who are now so angry about our national leadership.

Of those citizens who did vote in 1972, six out of 10 endorsed Mr. Nixon. They did so despite the following facts:

In his first campaign for Congress in 1946, Mr. Nixon savagely distorted the record and the patriotism of one of the noblest men ever to serve in the U.S. Congress—Jerry Voorhis of California.

In his first campaign for the U.S. Senate in 1950, Mr. Nixon slandered the reputation and integrity of a great woman—Helen Gahagan Douglas.

In his 1962 campaign for governor of California, Mr. Nixon and his campaign coordinator, H. R. Haldeman, were enjoined by the courts to desist from using illegal and unethical tactics against a highly decent political opponent, Gov. Pat Brown.

In his first term as President, Mr. Nixon needlessly expanded the war in Vietnam to Cambodia and Laos and continued the destruction of life and property for four more years.

The first Nixon administration was marked by the ITT deal, the milk deal, the wheat deal, the San Diego cases, illegal campaign financing and the Watergate break-in.

All of these actions were known to the press and to millions of American voters, at least in broad outline, before November of 1972. All of them violated the spirit, if not the letter, of our constitutional system. It was this compendium of deception and distortion that led me to my repeated warnings in the summer and fall of 1972 that we were faced with "the most corrupt administration in our national history."

But vast sums of money—much of it secretly and illegally raised—were used to finance a clever campaign of distortion and fear designed to destroy the Democratic candidate of 1972.

Those tactics succeeded. They succeeded, not because our Constitution is weak, but because the spirit and judgment of a majority of our people were temporarily blunted and manipulated.

The shock of the Watergate expose has given us another chance to evaluate Mr. Nixon and, more importantly, to evaluate our own judgments.

Thank God for the honest guard and the efficient police officers who trapped the Watergate burglars. Thank God for Judge John Sirica and reporters and editors of the Washington Post and other news organs. Thank God for Judge John Sirica, and Sen. Sam Ervin, for Messers. Archibald Cox and Leon Jaworski, for Judge Gerhard Gesell and Rep. Peter Rodino.

Thank God for our courts, our Congress, our press and our constitutional system that are day by day sorting through the hard-to-come-by evidence that is needed to make a final judgment on Mr. Nixon and his cohorts. I think that judgment will be made carefully, fairly and wisely by the Congress, by the grand jury, and by the prosecutors.

We can vindicate the rule of law by demonstrating that no man is beyond its reach.

We can convert Watergate from a tragedy into a new respect for our Constitution and the sanctity of the free ballot.

We can reexamine the dangerous notion that "national security" is a justified cloak for dirty tricks and constitutional bypasses at home and abroad.

We can halt the trend toward an imperial presidency by reasserting the traditional checks and balances of executive, legislative and judicial responsibility.

We can as voters demand full disclosure of the candidates' positions on major issues, his personal finances—including possible conflicts of interest—and the sources of his campaign financing. Although I lost in 1972, the McGovern campaign pioneered in full disclosure of all campaign contributions. We raised and spent more than $25,000,000—largely subscribed by small contributors averaging about $29 per person. We ended without accepting a dollar in corporate funds, without violating the law, without becoming indebted to any special interest and without a deficit. That is the kind of open, people's campaign the voters must demand in the future.

But let us beware of hasty proposals for drastic changes in our Constitution, the presidency, or our political institutions. As former Chief Justice Earl Warren has warned, "Do not tear down good buildings merely because they have been occupied by bad tenants."

Richard Nixon and much of his inner circle have committed moral suicide by placing themselves beyond the claims of moral and constitutional restraint.

Rep. Rodino, his colleagues and his staff on the House Judiciary Committee are not falling into that insidious trap. Frustrated by the maddening delays, stalls and refusals of the White House to release pertinent evidence, they are patiently carrying on "the Grand Inquest of the Nation." I am proud of a system that enables these elected representatives of the people to serve the people's cause—the cause of justice and decency.

They will do their work well, and one day soon we will give thanks for an American nation capable of rectifying its errors and redeeming its greatness.

DR. KISSINGER'S ORDEAL

Mr. HUGH SCOTT. Mr. President, a June 13 editorial in the Evening Bulletin of Philadelphia, Pa., very effectively examines Secretary of State Henry A. Kissinger's diplomatic record.

The Bulletin noted that while:

> The wiretaps authorized in 1969 to detect leaks of official information threatened to overshadow everything else. . . . Dr. Kissinger should not be made the victim of any misdirected drive to bring down anyone with a White House connection.

I agree with this author's premise that "Dr. Kissinger is not above open criticism or accusation," but that restraint is needed now when the balance of peace hangs so precipitously in the air. The Senate Foreign Relations Committee, of which I am a member, has already delved into recurrent charges against Dr. Kissinger and is again willing to reexamine Dr. Kissinger's testimony in this regard. This examination should not be delayed.

I sincerely urge that we allow the designated committee to evaluate testimony and that we all abide the result.

Mr. President, I ask unanimous consent that this editorial be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DR. KISSINGER'S ORDEAL

Secretary of State Henry A. Kissinger's emotional outburst in Austria—including his threat to resign—was the entirely human reaction of a man momentarily goaded beyond endurance.

Here was a man who, for 34 grueling days, single-handedly carried out the most exacting and exhausting form of diplomacy and who achieved at least the making of a miracle in the Mideast.

Only months before, even the thought of the tentative accord Dr. Kissinger worked out between Israel and its Arab neighbors would have been dismissed as an impossible dream. Yet, an agreement bringing the disengagement of Israeli, Egyptian and Syrian troops had been reached and Dr. Kissinger very naturally showed great satisfaction in his achievement.

While he was given the credit he deserved, and undoubtedly expected, in many quarters for this, Dr. Kissinger also found himself the target of public suspicion and criticism—much of it from unidentified sources—for the part he played back in 1969 in the placing of FBI wiretaps on the telephone conversations of 13 government officials and three newsmen.

These wiretaps, it ought to be kept in mind, grew out of the concern of Dr. Kissinger, then President Nixon's principal adviser on national security, over the "leaking" of what he regarded as critical national security material.

Although the distinction seems to have been lost on some, those wiretaps and the leaks which aroused Dr. Kissinger's personal concern have not been linked to the shameful political and other "Watergate" crimes which have stained so many others in the White House.

Now, long afterwards and as he was accompanying President Nixon on an unprecedented visit to Middle East capitals in an effort to consolidate the gains made in his own mission, Dr. Kissinger found that the wiretaps authorized in 1969 to detect leaks of official information threatened to overshadow everything else. A press conference last Thursday, upon his return from the Middle East, became what Dr. Kissinger described as a "cross-examination" on the wiretaps. He was asked if he had retained a lawyer to defend himself against possible charges of perjury in testimony he gave the Senate Foreign Relations Committee on his role in these wiretaps.

Dr. Kissinger requested that the Senate committee reexamine the testimony he gave in this regard and it is fitting that the committee has agreed. It would be beneficial for the committee to finally clear the air of the confusion that has developed over the entire matter. It may be impossible to determine just who specifically requested that the wiretaps be instituted. Dr. Kissinger insists that he did not, but explains that he cooperated in the operation once it was officially ordered, and knew nothing of the spy team of White House "Plumbers."

Dr. Kissinger is not above open criticism or accusation. If there are flaws let them be brought out. But he should not be made the victim of any misdirected drive to bring down anyone with a White House connection. He has been too good and faithful a public servant for such treatment, and there is a need now to keep things in focus and to remember that what is at stake could well be the first real peace in years.

THE ECONOMY

Mr. HOLLINGS. Mr. President, everywhere we look today, we see danger signals to the American economy. Spiraling prices outpace the gains of productivity—Government spending is completely out of control—our international trade and finance position becomes increasingly ominous—and the confidence of the average American in the management of the Nation's financial affairs is being rapidly swept away. What awaits us over the next hill, nobody knows. But that we are in grave peril, nobody should doubt.

"Those who cannot remember the past are condemned to repeat it," the great Santayana once wrote. The fact is that many of these danger signals we see around us are not new at all. We have seen them before—and always before great economic dislocation. Granted there are new conditions, too—but there is precious little comfort there, because the preponderance of these augur ill rather than good.

Mr. President, there are those in this country who have traveled these bumpy roads before. They recognize the storm warnings, and they know full well what is portended. We would do ourselves well to heed their counsel.

Recently, A. L. M. Wiggins, distinguished past president of the South Carolina Bankers Association and the American Bankers Association, delivered a wise and straight-from-the-shoulder speech recounting some of the similarities of our economic plight today with the experiences of 40 to 50 years ago. The speech is so replete with good judgment and commonsense that it deserves the widest possible reading audience. It provides the facts and the perspective we will need to overcome the serious economic challenges we face.

Mr. President, I ask unanimous consent that Mr. Wiggins' speech, delivered May 17, 1974, before the 74th Annual Convention of the South Carolina Bankers Association in Charleston, be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

Address by A. L. M. Wiggins

I appreciate the invitation to speak to you today. Forty-three years ago, you elected me President of this Association. From date of service 1931-32, I am the oldest living ex-President of the S. C. Bankers Association, and likewise of The American Bankers Association, 1943–44.

A relic of sixty years as a business man and banker who has survived four wars, numerous inflations and deflations, who has seen the rise and fall of more governments than in any similar period of history, and witnessed the greatest increase in scientific knowledge in the shortest span of time, a student of philosophy and religion who has observed the goodness and badness of four generations, you might expect that I have accumulated at least a moderate amount of wisdom during all these years that I could share with you today.

I am afraid that you will be disappointed. People today are not greatly interested in what has gone before—they are absorbed in speculating on what will happen tomorrow, next month or next year. Many think that conditions today are so new and different that what happened years ago has no relevance to today. They are partly right. However, there are some common factors in the economic and financial conditions of the 1920s and the 1930s and the situation today. There are also some conditions today that did not exist in the earlier periods. As a background for my observations on the current financial and economic situation, a brief review of these earlier periods seems appropriate.

Please listen carefully to what I have to say in the next three minutes—reading from my manuscript. I am quoting from the address I made as President of this Association, to the annual convention on June 3, 1932, forty-two years ago.

"A . . . fundamental problem of immediate importance in the economic situation is what is popularly called the restoration of confidence. We should recognize the fact that confidence is not a material asset that may be bought and sold, or the supply increased or decreased at will, but is a quality of character that arises out of the spirit of a people. Shall we not admit frankly that many of the serious difficulties of the present . . . (situation) do not result from natural economic laws, but have been aggravated, multiplied, and intensified by a selfish, cynical, and a grasping human behavior that has extended from the bottom to the top in our financial, industrial and political life. Leadership in industry must accept its share in the burdens it has added to the present (situation) . . . Financial leadership cannot escape a very large share of responsibility for its contribution to the destruction of confidence . . . Political leadership must also accept its share in helping destroy the confidence of the people when there has been bribery in high places, corruption in public office, and a general attitude among office holders that the Government is legitimate prey for private spoils at the public's expense.

"How can we have restoration of confidence so long as the attitude of a large part of the citizenship of the nation regards the United States Treasury as fair plunder for organized groups, or powerful minorities or individuals in favored positions. Has the national conscience become so dull from worshipping at the altar of material success that it is indifferent to the spoliation of Government for private gain? Shall we have to admit that the (past) decade of industrial prosperity . . . . was paid for in large measure at the price of moral bankruptcy?

"It is no surprise that faith is at a low ebb, the confidence in our institutions, and in our leadership, and even in ourselves has sunk to a point that many people are beginning to doubt that the rehabilitation of faith is possible. . . ."

This ends the quotation from my address of forty-two years ago. We are reminded of the old adage that "the more things change, the more they are the same."

At the time of this address, the country was near the bottom of the most serious depression and deflation in this century. Unemployment was at an unbearable level. Former executives of financial and other businesses were selling apples on the streets of the cities. Half the banks in the country were insolvent. The deflation of the early 1920s, the collapse of the Florida land boom in 1926, and the stock market fiasco of 1929 had broken the backs of the financial community. Prophets of doom predicted the downfall of the government. A crusading democrat politician, Franklin D. Roosevelt, swept the republicans out of office and instituted the most revolutionary social and financial reforms in the history of the government. It was during these times that I was elected President of this Association and President of The Bank of Hartsville. What a time to take on these two jobs?

My executive responsibility in business and banking began in 1921 when elected Vice President of The Bank of Hartsville. In that year, I also became general manager of a large farm supply department store. In the preceding year, I had organized a trust company to engage in all forms of finance except banking and to serve as a bank holding company. All this was in 1921. World War I had ended in 1918. During the war, and until May, 1920, inflation was rampant. In the spring of 1920, when crops were planted, the price of cotton was 42c a pound, wheat $2.40 a bushel, and good farm land in South Carolina had gone up to $500. an acre. Credit was over expanded and many loans had been made on the basis of inflated prices. Money was abundant, interest rates were high, profits of banks and stores were booming, and people were intoxicated with more money than they had ever seen. It looked as if prosperity had finally come to South Carolina and the South. But not for long. About the middle of the year 1920, the boom burst. By the time the crops were harvested, the price of cotton had dropped from 42c a pound to 12c and wheat was selling for 82c a bushel. The Southern farmer was bankrupt, along with supply merchants and fertilizer dealers. Banks soon followed. On June 30, 1920, deposits in the 461 banks in South Carolina were $243 million. One year later they had dropped $64 million or 25%. Bills payable and liabilities other than deposits aggregated $59 million, which was more than the combined capital and surplus of all the banks in the State. Deposits in The Bank of Hartsville, as well as of other banks in the agricultural areas of the State, in the 12-month period, June 30, 1920–21, dropped over 50%.

In the decade of the 1920s, banking in South Carolina experienced its worst disaster in the history of the State. In the thirty-three years prior to 1920, only twelve banks in this state had failed while in the ten years, 1921 to 1930, 252 suspended operations. In the following three years, eighty-three more closed, a total of 335 for the thirteen years or three-fourths of all the banks in the state. Deposits in banks that failed between 1920 and 1933 in South Carolina amounted to $130 million. Deposits in all operating banks in the state dropped from $243 million in 1920 to $53 million in 1933, or nearly 80%.

It was during this 1921–1933 period when 75% of the banks in this state suspended operation that I received my education as a banker. I will never forget the time when sixteen out of the twenty-two banks nearest to Hartsville closed their doors within a period of three weeks. They included every bank in Darlington County except The Bank of Hartsville and our neighbor across the street.

Being President of the South Carolina Bankers Association in 1931–32 was a hectic experience. Banks were closing almost every day and there were constant calls for help. The biggest blow was the failure of the Peoples State Bank and its forty-four branches to open their doors on January 2, 1932. Its assets of $28 million dollars represented one-fourth of the assets of all banks in the state.

The S.C. Bankers Association held a meeting of bankers in Columbia about that time to see what could be done, if anything, to avert disaster to the banking system in this state. Unfortunately, the State Banking Department was more of a problem than a help. I was instructed by the Executive Committee to call on the State Bank Examiner and ask him to resign his office. This painful request fell on deaf ears, and there was no way he could be fired. Thereupon, we resorted to the legislative technique of abolishing the office by law. On March 9, 1933, the General Assembly authorized the appointment by the Governor of a Board of Bank Control to take over supervision of the banks and, in April, the office of State Bank Examiner was abolished and the Board elected a new Chief Examiner to take charge.

At the meeting in Columbia, the Executive Committee of the Association insisted that I go on the radio and make a talk to try to calm the public and help stop the runs on the banks. This was the most difficult assignment I have ever had. In my heart, I knew that a number of the open banks in the state, including several in Columbia, were probably insolvent. My fear was that anything I might say would add fuel to the fire of withdrawal of deposits. In honesty, I could not tell the public that their money in the banks was safe. I could only plead for calmness and for confidence that, if given time, the situation would clear up. I do not remember anything I said in that radio talk, but I doubt that it had any effect in reducing withdrawals from the banks. The facts are that fifty-two banks in South Carolina closed in the two years 1931–32, and thirty-one others failed to reopen after the Bank Holiday in March, 1933.

On April 4, 1932, the Cash Depository Act was passed by the General Assembly. This Act provided for the organization of financial institutions with a minimum capital of $2,500 to serve largely as a local clearing house in communities without banks. They were not permitted to make loans for their own accounts, and depend on service charges for income. A total of sixty-two cash depositories were organized. It was a unique concept in providing nonrisk limited banking services. South Carolina was the only state that provided institutions of this type, although some of the other states authorized temporary tellers' windows of one kind or another. Although most of the depositories were small, they reached total resources of $17.3 million in 1944. Eventually, fifty-four of these depositories were converted into banks and eight were liquidated, all without any losses to a depositor. It was a unique and important financial service to the people of South Carolina that helped tide the state over a period of financial crisis.

In 1932, the federal government, under President Herbert Hoover, set up the Reconstruction Finance Corporation on which I was appointed a member of the Regional Advisory Committee in Charlotte. This committee passed on loans to banks throughout the Carolinas that were unable to secure funds from regular sources. President Hoover also appointed what was called the Banking and Industrial Committee, consisting of one banker and one industrialist from every state. The function of that committee was to recommend plans and programs to meet the urgent needs of banking and industry. Mr. Jim Self of Greenwood and I were appointed from South Carolina. This committee performed a valuable service, but as events turned out, its program was too little and too late to head off the depression.

Following the closing of all banks by the President in March, 1933, and the reopening of the solvent banks, the RFC set up in every state a committee called the Deposit Liquidation Committee. This committee was charged with the responsibility of approving loans to receivers of closed banks based on an appraisal of the collateral held by the bank. For several months, the South Carolina Committee met two or three times a week in Columbia interviewing applicants and appraising assets of the closed banks. We usually met in the afternoon and continued in session until near midnight examining the collateral offered as security for loans to receivers of the closed banks. The purpose of the program was to make available to the depositors in the closed banks as large per cent as possible of their deposits and as quickly as possible. As Chairman of this Committee, I appraised every loan and all other assets of practically every closed bank in the state. That experience was my education as a bank credit officer. The operation of this committee was an immediate financial lifesaver to the depositors in closed banks. The release of frozen funds in these banks had an invigorating effect on the paralyzed financial condition of the people of the state. Every loan made by the RFC to banks or receivers of closed banks in this state was repaid in full with interest.

In June, 1933, Congress passed the Banking Act of 1933, establishing the FDIC on a temporary basis with a provision for insuring deposits up to a maximum of $2,500 each. Two years later, Congress passed the Banking Act of 1935, in which the Federal Deposit Insurance Corporation was made permanent and the deposit insurance per account was increased to $5,000.

In 1936 this Association, under the leadership of its President, B. M. Edwards, sponsored legislation to reorganize the State Board of Bank Control to supervise all state banks, cash depositories and savings and loan associations. So effectively has this Board operated that the South Carolina law has been used as a pattern of legislation in many other states. With some revision, the regulatory system set up in 1936 is the law today.

South Carolina was particularly vulnerable to the deflation of 1921 because its economy was based primarily on agriculture, which in turn was principally concentrated in the production of cotton. The cotton crop represented seventy per cent of the value of all crops produced in 1920. The drop in price of cotton from 42c a pound in the spring of 1920 to 10c a pound in 1921, accompanied by a decrease in cotton production in South Carolina from 1,623,000 bales in 1920 to 755,000 bales in 1921, which was caused principally by the untimely invasion of the boll weevil, resulted in a drop in the value of the cotton crop from $307 million to $72 million in one year. Thus, the drop in price of 80%, and in production of over 50%, resulted in the reduction in the value of the crop in one year of $235 million, or 77%. Thereafter, the value of the cotton crop continued to decline and reached the low figure of $26 million in 1932, a drop in 13 years of 92% in the value of the principal base of the state's economy. For the country as a whole, gross farm income between 1919 and 1932 dropped 60%, while in South the same period, the value of manufactured products in this state, consisting largely of textiles, declined from $381.5 million in 1919 to $236.4 million in 1921 and $225.5 million in 1931. Net taxable income in South Carolina dropped from $109 million in 1920 to $68 million in 1921 and to $29 million in 1932.

Naturally, the impact on the banks was disastrous. Between 1920 and 1933, the number of commercial banks in the United States declined by 53%, largely through failures, while in South Carolina, the decrease was 75%. The decline in bank assets during this period in the United States was 15%, and in South Carolina, the decrease was 80%. Deposits in operating banks in this state dropped from $243 million to $53 million between 1920 and 1933; capital accounts of the banks dropped from $50 million to $11 million, and bank loans declined from $254 million to $24 million. During the 13-year period, there were 335 bank suspensions in South Carolina, of which more than one-third took place in a five-year period between 1921 and 1925, long before the Great Depression of the early 1930s. During the 13-year deflation period, the consumer price index declined thirty points, from 85.7 in 1920 to 55.3 in 1933. This 13-year deflation, with its bankruptcies, bank failures and economic disasters to this state and the nation, was the direct product of the inflation of the World War I period, which ended in 1920, and of the excessive credits extended on the basis of temporary values that the economy could not sustain. It required 22 years after 1920—it was 1942 before the deposits in the banks in South Carolina reached the figures that they were in the inflation year of 1920.

The sickening figures that I have given you represent not what could happen in South Carolina, but what did happen. The marvel is that, from the depths of financial and economic disasters in this state that continued through the deflation period of 13 years, recovery, though slow, continued, and at an increasingly rapid rate in the following years. At this point I would like to pay tribute to the bankers of South Carolina who met the disasters of the 1920s and 1930s with courage and fortitude and determination in the face of their own losses. Many of them were wiped out financially and some never recovered. This Association and its officers were a powerful force in providing constructive leadership during these trying years.

South Carolina is now outdistancing the nation in the rate of growth in the economy of the State and we may well take pride in this tremendous development. However, serious inflation in recent years and the explosive elements in financial, economic, social, and political conditions are beginning to cast the shadows of the disasters that followed the inflation of World War I. We would like to believe that such a catastrophe cannot befall this state and nation again, but we cannot overlook the laws of action and reaction and the economic corrections that usually follow periods of great inflation and speculative excesses such as have occurred in commodities and services and real estate in recent years. Not only are there similarities in some of the conditions today, and the ones that produced financial disasters in the past, but there are new factors that multiply the explosive effect of what may become a worldwide depression.

Consider the following: the past seven years, the consumer price index in this country, which is a fair measure of inflation, has gone up 43%, an average of more than 6% per year. In the last twelve months, it has increased 13.3 points or more than 10%. Last year, farm prices and farm income were the highest ever, with an increase of 32% over the year before. The value of farm land per acre in the United States went up 21% last year, the sharpest one-year leap in 50 years, and now averages $280, per acre for the country as a whole. In South Carolina, the increase in value of farm land last year was 29% to an average figure of $446 per acre. This represents an increase of 80% in the value of farm lands in South Carolina in the past five years. Last year mortgage loans on farm lands increased 40% to 50%.

Of the present annual gross national product of over 1300 billion dollars, only one-third is real in terms of the 1935–39 price level and the remaining two-thirds is nothing more than inflation mark-up.

Within the past three years, the money stock of the country (demand deposits and currency in circulation) increased $41 billion or 18%. Deposits in banks have gone up 43% in the same period and in South Carolina, the increase was $1,140 billion or 53%. Bank loans in South Carolina have increased two billion dollars in the past three years or 154%. Loans on real estate have more than doubled. In the three years ending June 30, 1973, the percentage of bank loans to total assets of banks has increased from 52% to 84%. At the same time, the assets of savings and loans, credit unions and finance companies in the state have reached the astonishing total of $3.3 billion, an amount equal to the total loans of all the banks in South Carolina.

The Federal Budget has gone from $211.4 billion in the year June 30, 1971, to an estimated $274.7 billion in the current fiscal year, an increase of $63.3 billion or 30% in three years. During these three years, 1971–2–3, the United States Government incurred budget deficits totaling $60.4 billion, making the Federal Debt approach the inconceivable amount of $500 billion.

Interest rates have now reached unbelievable figures, with the prime rate above 11%, Federal Reserve Discount rate 8%, Treasury issues 8% to 9%, Federal Agency issues 9% to 10% and Corporate Bonds above 9%. These rates reflect the high fever in the money markets and remind me of the time in the 1920s when our bank loaned money in New York on call at rates from 18% to 24%. In my opinion, no economy is sound nor can be sustained on a basis of the high interest rates prevailing today.

There are also new factors in today's economy that were minimum or absent in the 1920s and 1930s. In the past score of years, there has been a greater increase in knowledge in the scientific field and in the techniques of production than in any similar period in the world's history. This growth has been faster than the human mind can absorb. Man has discovered the secret of splitting the atom and releasing power of such magnitude that it may fill the demands of man for increased sources of energy in the years ahead. But if uncontrolled, it may destroy civilization.

We have seen the vast growth of Communism and the threat of world domination by Soviet Russia. We have noted the growth of the power of organized labor to influence government and to dominate industry and even to stop the flow of commerce by strikes backed by unspoken threats of violence. We have observed that democratic government is in trouble all over the world. In most of the Western democracies, coalitions of minority groups try in vain to maintain their temporary power through political horse trading that erodes the confidence of the citizens in the integrity and competence of national leadership. Witness England, West Germany, Israel, Canada, and others. Faith in the democratic processes as the best method of providing strong and capable leadership to deal with the challenge of today's complex society is at a low ebb. Discontent that finds expression in violent protest against the established order is worldwide. Thoughtful citizens are worried over the decline of the freedoms of democratic government and the rising demand for authoritarian socialist and communist programs under which the individual is subordinated to the state. Worldwide trends in this direction in recent years cannot be ignored. In this country, the concentration of power in the Federal Government has grown apace. Public confidence in the administration of government and the Congress is at a low level.

Inventions, discoveries and developments in the last half century have created new and multiple problems. The development of the automobile and airplane has increased the mobility of people all over the world, adding to the concentration and congestion of population in metropolitan centers and intensifying the tempo of human life.

Radio and television have brought instant communication from scenes of action around the world into the homes, and have become a most powerful influence on public opinion. These new modes of transportation and communication have fired up the aspirations of deprived people with increasing demands for better standards of living.

Recently, we have been shocked and become terribly concerned over the realization that, at the present rate of consumption of known reserves, the world faces an exhaustion of many natural resources, including oil, gas and several essential minerals, in the foreseeable future. We are being brought face to face with the absolute necessity for conserving natural resources and the elimination of wastes. It is a shock to affluent America to discover that the joy ride of extravagance in consumption and irresponsibility is over; that, for survival, our way of life must be readjusted to the diminishing supply of energy fuels and minerals and plant food.

A most disturbing revelation of recent years has been the failure of financial, business, and government leadership to find adequate answers to the two most threatening and far-reaching financial problems of the world today. One of these is the failure to develop a satisfactory medium or system for settlement for the exchange of goods and services in international trade. Long accepted standards for the measurement of values are inadequate to serve today's needs of world trade and finance. The result has been the virtual abandonment of the Gold Standard without any satisfactory substitute and a fantastic rise in the price of gold in the free markets. Surpluses and deficits in world trade have resulted in recurring monetary crises with the devaluation of currencies, including the dollar, and have brought about unstable and so-called floating rates of exchange that multiply the uncertainties of the future value of national currencies.

An even greater threat has been the failure of human ingenuity to control and direct our financial and economic life so as to harness inflation. There is no doubt in my mind that inflation, such as is now occurring in this country and throughout the world, is the greatest threat to the stability of human affairs in the years ahead and that, unless better answers are found for the stabilization of economic life, this nation and the world are headed toward catastrophic conditions that may cripple or destroy private enterprise and the freedoms of democratic government around the world. Inflation is an insidious destroyer of values. It is a form of creeping paralysis. The dollar that becomes worth less and worth less, and continues to be worth less and less will eventually become worthless. The great American Bernard Baruch predicted that if this malady is allowed to run unchecked, it will impoverish the people and destroy the nation. Any predictions about the future, in my opinion, have little merit unless the ingenuity, the knowledge, and the capabilities of the financial and governmental leadership throughout the world find and put into effect effective measures that will provide a more reasonable and stable economy in which growth will come from productivity rather than from the depreciation of national currencies through inflation. This is the present challenge to bankers and other financial leaders of this nation, and of the world, as well as to the leaders in government.

I am confident that the ingenuity of man can find answers to most of the serious social, political, and economic problems confronting this nation and the world without the sacrifice of human freedom once the problems are recognized and defined and the energies of man are directed to finding adequate answers. It is not hard to believe that, in the scientific field, the mind of man, which discovered the secret of splitting the atom and of converting solar energy into electric power, can further unlock the secrets of unlimited sources of energy.

But the real question is whether or not the mind and spirit of man can find answers to the aspirations of the human spirit in an environment of social, political, and economic revolution, and at the same time have the courage, the faith and the determination to exercise the discipline that will be needed to preserve the freedoms of democratic government.

CRIME IN THE WASHINGTON METROPOLITAN AREA

Mr. MATHIAS. Mr. President, the Metropolitan Washington Council of Governments has prepared another in a series of comprehensive studies of the problems of crime in the Washington Metropolitan area. I am pleased to have been associated with the Council in its efforts to evaluate the crime problem in this area. In 1971, I sponsored a conference on interjurisdictional crime in Metropolitan Washington and last year I offered an amendment, which I am pleased was adopted, to permit LEAA funding of intergovernmental units of this nature for planning purposes.

I ask unanimous consent that the summary from this latest council report be printed in the RECORD.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SUMMARY

This report is the second annual report on serious crime in metropolitan Washington, D.C. It constitutes the fifth in a series of analyses dealing with crime as a metropolitan phenomenon and concern, and is published by the Metropolitan Washington Council of Governments. The four earlier reports were for the calendar year 1972, and for the first, second, and third quarters of 1973.

In addition to the analysis of the nature, extent, and trends of reported index offenses in the metropolitan area, this report and each subsequent report on crime will be accompanied by a supplement/report designed to analyze the various problems, limits, and uses of crime reporting. The first of these supplements, appended to this report, contains a general discussion of the problems of collecting, reporting, and using crime data; especially Uniform Crime Report data.

This report compares index offense data reported in the D.C. SMSA during 1973 with that reported during calendar year 1972 and 1971. In addition, there are comparisons of the D.C. SMSA data with that of seven similar SMSAs, and with preliminary 1973 data for the Nation as a whole.

The data sources were the monthly Uniform Crime Reports which the jurisdictions in the metropolitan area prepare routinely for the UCR program of the F.B.I. Also utilized were the Annual Reports of the F.B.I. for 1971 and 1972, and the Preliminary F.B.I. Report for 1973.

What follows is a summary of major findings:

There were 147,202 index offenses reported in the metropolitan area during 1973, a six percent increase over the volume reported in 1972.

During 1973 the rate of reported offenses (4908 per 100,000) represented an increase of 6 percent over the 1972 rate.

For the nation in 1973 the reported volume of total index offenses increased 5 percent over the 1972 level. The volume reported in this SMSA increased 6 percent for this same period.

Cities of between 500,000 and 1,000,000 residents experienced a 2 percent rise in volume of offenses reported between 1972 and 1973. The District of Columbia experienced a 3 percent increase.

The Washington, D.C. suburbs experienced a 10 percent increase in the volume of offenses reported between 1972 and 1973, the same percentage increase reported for the rest of the nation's suburban jurisdictions.

For the nation, crimes against persons increased 4 percent from 1972 to 1973. The increase was 7 percent in the D.C. SMSA.

The larceny offense comprised the largest percentage (54 percent) of the SMSA crime index for 1973. In 1972 the percentage was 51 percent.

Violent crimes constituted approximately 12 percent of the total 1973 index in the metropolitan area. In both 1971 and 1972 violent crimes comprised approximately 14 percent of the index.

From 1971 to 1973, of the three major political subdivisions of the SMSA, only the District showed a decrease (9 percent) in the percentage of the total SMSA index which each contributes. The Maryland and Virginia suburbs showed increases of 6 percent and 3 percent, respectively.

CATASTROPHIC HEALTH INSURANCE

Mr. RIBICOFF. Mr. President, it is long past time for Congress to enact a national health insurance bill. We can debate forever the merits of the Nixon bill, the Health Security bill, the Mills-Kennedy bill, and others. We can wait for a "veto-proof" Congress if we wish, and we can argue whether or not we should enact a bill which does or does not dramatically restructure our health care delivery system.

But while we do all this there are thousands of Americans suffering from catastrophic health costs. These people are not abstractions. They are human beings who need help and they need it now.

I would like to share with you a story I know about a family from my State. The story is true. I will change the names.

The Smiths of Groton, Conn., are an average family. He works as a designer at General Dynamics—Electric Boat. The Smiths' daughter, Linda, suffered from aplastic anemia, a red blood cell deficiency which halts the formation of bone marrow. During the first two years of her life, Linda was in Yale-New Haven Hospital and Newington Hospital. Following hospitalization, Linda was treated at outpatient clinics until November of 1972, when she was brought to Yale-New Haven and then to Boston Children's Hospital Medical.

Linda, 5 years old, died in April of 1973. She had the finest possible medical attention. National health insurance would not have helped to save her life.

But her illness left the Smith family with a debt of $28,000 for hospital bills alone. That did not even count doctor bills.

Mr. Smith was not wealthy. He made $260 a week but the bills for months, at a time, amounted to $200 a day.

The $10,000 major medical insurance coverage the Smith family carried still left him with a debt of over $17,000.

The Smith family was luckier than most. His colleagues at work cared. Since June of 1973, they have collected $7,500 out of their own paychecks to help him pay the health bills.

But he is still deeply in debt and struggling to pay his bills and keep a roof over his family's head.

It is tragic that in a country like this a family can be wiped out by health bills. It does not have to happen. Congress can enact a bill to protect against these catastrophic costs, and it can do it now at a price everyone can afford. And it can be implemented quickly.

Mr. Smith has no place to turn. But others will have a place to go for help if we take the steps necessary to protect every American against catastrophic health costs.

PENNSYLVANIA STUDENT SELECTED NSPA DISTINGUISHED SCHOLAR

Mr. HUGH SCOTT. Mr. President, for the past 5 years the National Society of Public Accountants has provided scholarship assistance and recognition to outstanding students who are pursuing accounting as a profession. This year's recipient of the Distinguished Scholar Award from among 22 scholarship winners is Frank H. Cardini of North Versailles, Pa.

Over 400 applications were received by the NSPA Scholarship Foundation and all were judged on scholastic achievement, demonstrated leadership ability, financial need and extracurricular activities.

In addition to the $400 academic scholarship to assist him in continuing his studies at Pennsylvania State University in University Park, Pa., Mr. Cardini will receive a check for $100 and a plaque designating him the 1974 Distinguished Scholar.

The National Society of Public Accountants Scholarship Foundation was formed in 1969 by the NSPA board in order to encourage individuals to select accounting as a career and to permit deserving students to continue their academic training to accomplish this goal.

A total of 97 scholarships have been awarded over the 5 years of this important program. The majority of the funds for the awards are received from individual contributions from the 15,000 members of the National Society of Public Accountants.

I want to congratulate this year's winner, Frank Cardini, and the members of the public accounting profession represented by the National Society of Public Accountants for their efforts in making this significant contribution to the profession of accounting.

PRESIDENT OF TEXACO ADDRESSES GRADUATING CLASS AT TROY STATE UNIVERSITY IN TROY, ALA.

Mr. ALLEN. Mr. President, recently I read with interest the address given by Mr. John K. McKinley, president of Texaco, Inc., to the graduating class at Troy State University, Troy, Ala.

Mr. McKinley is a distinguished American and Alabamian who needs no introduction to either the Members of the Senate or the American public. His remarks to the students at Troy State University are both timely and valuable.

I congratulate him on his excellent address and ask unanimous consent to have his remarks printed in the Record.

There being no objection, the address was ordered to be printed in the Record, as follows:

Address by John K. McKinley

Thank you, Dr. Adams, ladies and gentlemen, graduates, parents, and friends of the University. (Impromptu opening remarks.)

Many changes have taken place in the intervening years. The world of the 1940's, when I left school, is unlike the world of today. But it remains the same world in one major aspect. Graduates of the 1940's faced a major conflict in World War II. Graduates of today face another major conflict—a challenge to this nation's traditional values.

I would like to discuss this challenge with you for a few moments this morning. The 1940's—given the knowledge and the resources available then—were just as challenging as the world that you face today, although there are some who suggest that the rate of change has accelerated in the 1970's.

However that may be, while graduates of the 1940's faced a physical conflict in the form of surmounting a worldwide economic depression and an approaching world war, graduates of today are confronted with a less tangible but perhaps more dangerous and difficult conflict.

I am talking about the conflict brought about by the challenge to all the traditional values and institutions—the ethical and moral base—upon which the nation was built and has prospered.

Conflict is not limited to the United States, of course. There is unrest and instability throughout the world. Just in the past few months, seven major governments have fallen—in Great Britain, West Germany, Portugal, France, Canada, Greece, and Israel. The peoples of these nations undoubtedly had specific complaints about their leadership—whether it was inflation, or growing unemployment, or a lack of personal freedom. But the basic reason why the leaders of these major governments fell was their inability to anticipate change and to manage a rapidly changing political environment. There was a widespread loss of confidence in these leaders, and a questioning of their motives.

Here in the United States, basic institutions which once afforded stability are being increasingly called into question. In one way, this is a positive thing. I hope that all of you will try to have questing minds as you proceed through life. But there is also a danger in the current unrest, distrust, and dissatisfaction with traditional values. It is important to recognize that major changes and the nation's problems can only be handled from a secure base or foundation of proven values and institutions. Lasting solutions cannot be built on foundations riddled with unrest, distrust, or disunity.

In my view, the danger for America lies in listening uncritically to false prophets who promise easy solutions to our problems. These false prophets often sound wise. But in seeking to dismantle those institutions that have made this country great and given us the highest living standard in the world, it unfortunately turns out that they have no viable alternatives to offer. Their own track records of achieving any meaningful goal are not encouraging. Those with the loudest voices—those who temporarily gain attention by repeating accusations against our basic institutions—are usually found to have said nothing when facts are examined.

The false prophets call for change, for restructuring institutions with long and proven records of being productive for the common good. I would counsel you to be on guard agaist these purveyors of change for the sake of change. Do not mistake promises for substance.

A good many of you here are contemplating careers in business, management, or government after graduation. Whether this is the case, or whether you plan on careers in education or the fine arts, it might be helpful to make a practice of searching out the facts of any given situation, then analyzing them and reaching considered conclusions that will stand the test of reason.

There is undoubtedly a great deal of anti-business sentiment in this country today. Contributing to it are environmental movements, consumer movements, a dislike of many people for big organizations of any kind, a suspicion about the role that profits play in business, a suspicion that there is something not quite respectable or idealistic about the way businessmen conduct their affairs.

Ironically enough, we Americans still expect—almost as a matter of right guaranteed by the Constitution—that businessmen will continue to build factories and provide jobs and produce all of the goods and services that the public desires while coping with attacks upon their methods and motives.

These unreasoned attacks upon businessmen—and this nation's traditional values and institutions—shift quickly from one subject to another. In passing parade, we see meat shortages, grain prices increases, the war in Viet Nam, inflation, integration, police protection, our defense forces, wage controls, price controls, subjected to the glare of publicity and the often radical solutions of the false prophets. These solutions are offered from a base of panic or crisis—and really are not long-lasting solutions at all. They all seem to have this in common—punitive legislation and the establishment of still more government bureaucracies and Federal regulatory bodies that have the end result of interfering with the public's right to a free choice and greatly reducing the ability of industry to function efficiently.

A good part of the distrust of business recently has fallen upon the nation's energy companies after a supply shortage developed into a crisis as a result of the outbreak of the Arab-Israeli war in October of last year. There is a lingering suspicion that the oil companies got together to contrive the energy shortages to raise prices and profits. A member of the U.S. Senate drew a lot of attention to himself by terming those recent profits "obsence," when, in fact, the United States Government controlled the prices that helped determine those profits in the United States. This Senator's colorful adjective suggests, of course, greed or illegal action, when in fact amounts greater than these profits are being reinvested to provide the nation with the energy it needs.

Meanwhile, endless investigations with a political orientation have produced a lot more talk but not one shred of evidence that these sinister charges are true. These investigations with their preconceived ideas and their unfounded allegations continue, often before nationwide television audiences. They are not, however, objective investigations but attacks and they have the negative result of lessening public confidence in industry.

Instead of indulging in attacks, we might ask ourselves this: was it the energy companies who stopped or reduced drilling on the east and west coasts, opposed deepwater ports, blocked the trans-Alaskan pipeline, removed coal from effective competition, opposed refinery siting, and passed unrealistic environmental regulations which are still restricting supply? It wasn't the energy companies who did any of these things. Instead they gave advice over many years about the impending shortages. Their advice was ignored.

Now the purveyors of unreasoned change are proposing actions that would dismantle the energy companies in the United States and weaken their operations abroad while replacing them with no workable alternatives. They call for higher taxes, but they do not say these taxes will have to be added to the prices paid by the public for energy, or, alternatively, less funds will be available to find and develop new energy sources. We can well wonder what good purpose is served by attacking the very institutions that have supplied the American public with more energy at lower prices in the past and now then any other nation in the developed world.

This situation provides the perfect setting for many enemies of the free enterprise system, and private industry, to launch ill-considered and counterproductive attacks that could be severely damaging to the nation and its economy. If these attacks on the energy industry succeed, can attacks upon agriculture, steel, paper and indeed all private business be far behind?

As a result of the unpopular Viet Nam war, the integrity, morality, and patriotism of the military have been attacked and our armed forces weakened—when such forces have proven throughout the years of our history to be a needed safeguard for the nation. Again, no viable alternative to strength in the real world has been proposed—just the vague suggestion that if we are weak, in some way peace will result.

Similar widespread attacks on public servants—such as our police—make them wonder and question the morality of their chosen work.

The media, unfortunately, have helped to spread these misguided attacks and to bring our traditional, productive values into conflict. Whether by intention or otherwise, some of the media seem to hold up to ridicule the concepts of honor, integrity, religion, family, and patriotism while proposing no alternatives to take the place of these basic values.

We are going through a period where calm, objective judgment is called for about where this nation is headed. This applies to the credibility of business leaders, politicians, the media, and college teachers alike. It is strange that we entrust a good part of the judgment on vital matters that concern all of us to newscasters, commentators and others who have no first-hand knowledge, expertise, or experience on subjects about which they report.

These reporters select what is presented to the people, and quite often express as proven fact what are really only their own conclusions, or opinions. Because of his tone, inflection, and impressive visual image we seem ready to ascribe great knowledge to a given television commentator and thus allow such a man to influence much of the thinking of the country. In reality, these sages may only be pleasant, skillful actors reading a script written by an unproven writer, although they perform with all the bias and confidence of an Alabama football fan. More importantly, they bear no responsibility for any damage their personal opinions may bring about.

Have you ever asked yourselves why the public seems to place a greater trust in the motivations of the press or government than those of business? And yet the news reporter might simply be motivated by the desire for a byline and a front-page story regardless of the facts and the politician might simply be seeking personal power or aggrandizement. I often wonder why the motivations of personal power and fame are considered more worthy of trust and accorded a higher moral value than the motivation of profit earned by the working man who provides goods and services that mankind needs.

Is there something ethically wrong with providing needed goods and services and paying taxes that power all the social programs of government? Is there something wrong with rewarding the man or woman who does the best job of providing those goods and services with more money than those who do not?

Some young people think it's significant and moral to earn a salary by working for a charity, a foundation, a university, or a government, but not so for a profit-making organization. Don't they realize that the profits of business are what finance charities, foundations, universities, and governments and that these profits are what pay their morally acceptable salaries in these worthy organizations?

Let us look at the facts here. I don't believe that anyone with an open mind would deny that the free enterprise system has given the American people the greatest personal freedom found anywhere in the world. It is the envy of other nations. Its success rests on allowing the people to make free economic choices. Its motivating force is the desire for personal progress and self-fulfillment, not decree or coercion, not regulation by government, not equalizing the economic benefits of life irrespective of the individual's work or contribution.

This system has worked, and it has worked well. Yet, despite its proven and obvious benefits, we find government intervention continuing to encroach upon the free choice of individual citizens in the open market place. I am not talking about such areas of proper governmental concern as running the social security system, or most primary or secondary schools or colleges. I am talking about government intervention in agriculture, business, and in industry. This trend poses a serious threat to the free enterprise system—the only system with a proven record.

Why should we be so concerned about preserving the free market private sector of our national life? The reason is not just because it is the most efficient system ever developed. More basically it is because without freedom of economic choice there can be no individual freedoms. When free choice is taken away, we might as well all be wards of the state and, in my view, a ward of the state is not a free man.

I believe that the traditional roles of government and business are the roles most likely to be of benefit to our people. There should, of course, be greater cooperation between the two. But on what terms? It seems to me that the role of government should be to create an international and domestic climate of peace and tranquillity, to provide broad guidelines and objectives. The role of industry is to see that they are implemented and carried out. The nation's economic policies should reaffirm that the private sector is the doer and that government interference with the task of doing should be kept to a minimum.

I would like to see our educational system start reteaching America, specifically *how* American business works and *why* it works. Instead of teaching about communism, or socialism, or some other ideologies, I would like to see our educators teach about them in comparison with the free-enterprise, capitalistic system. Then it would be realized, by any valid comparison, that one of the great, traditional values of this system is that it has achieved greater positive results for more people than any other system.

I would like to see our schools turn out a constituency that has the will and the desire to demand the facts, and not simply accept what they see or hear through the flip of a switch. There is nothing wrong with the proper, logical debate of our free market system, our religious preferences, or our traditional right to free choice in how we live our lives.

But there seems to be a growing tendency on the part of the people to react to crisis by believing that all the nation's basic institutions are bad and could be improved by drastic change. Where the electorate is not discriminating, where the electorate won't turn off the dial when it thinks it is hearing a biased message, it is easy for legislators to disassociate themselves from the true facts and take a temporarily popular position.

It is unfortunately true that we have some unethical people in all phases of national life. They exist in corporations, and in government, medicine, the media, agriculture, the military, student bodies and faculties. But I would ask you to remember that they are in the minority. The great majority are not unethical. There are still a great many people who have a high regard for basic moral values. They should not be judged guilty by association. We are not all the same, and we must therefore not paint each other with the same brush without regard for the facts.

Because of the unrest and conflict in the nation's values today, there may be a tendency for those leaving school to think that proven values are all wrong and can be improved by drastic change, and that truth, honesty, and integrity have no place in the future. I do not share these views. I suggest that we should not be misled by those who promise something for nothing. It is still necessary to create in order to spend, and you can't get more out of anything than you put into it. Excessive government intervention into private enterprise, government overregulation of business areas, invasion of privacy, restrictions of individual choice, offer no real solution.

There is presently a great opportunity to make positive, viable changes in the economy and our way of life. But such changes should be made after a logical examination of each given situation. The educated young of the nation are needed in formulating productive change. I suggest that you get into this ball game, and not just stand on the sidelines and watch or complain.

Whatever career one chooses to enter, it may be very useful to select a set of realistic personal goals. You can set them now, and modify them to meet the changing circumstances encountered throughout life. There are many different definitions of success. But each person knows—by his own personal satisfaction—if he has been successful in achieving his goals and ambitions.

Material rewards alone do not guarantee personal satisfaction or happiness. That is why I would encourage you to consider including among lifetime goals a high moral commitment, some service to your communities and others. If one makes no moral commitments, takes no stand on personal moral issues, material rewards in later years may not bring any comparable personal satisfaction. Material success alone is a lonely form of success that tends to have a rather disappointing and shallow end.

I suggest we remember that America's optimism is one of her greatest traditional values. So when one of you makes the commencement address here at Troy some 30 years hence, in the year 2004, I'm quite certain that the quality of life in America will still be the best in the world, and even better than it is today.

I wish each of you a challenging, interesting and hard-fought future. Thank you.

CONSUMER PROTECTION AGENCY (S. 707)

Mr. BUCKLEY. Mr. President, the Senator from Illinois (Mr. PERCY) and I recently debated the merits of the proposed Consumer Protection Agency before a meeting of the National Press Club. Because I believe many of our colleagues have not had an opportunity to study this legislation, and because of the extraordinary powers it would invest in a single individual who would be answerable to no one, I ask unanimous consent that my National Press Club statement be printed in the RECORD. I would also recommend that our colleagues read with the greatest care the compelling individual views filed by Senators ERVIN, ALLEN, BROCK, and NUNN.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

DISCUSSION ON A CONSUMER PROTECTION AGENCY

(By Senator JAMES L. BUCKLEY)

The "Consumer Protection Agency" that would be created by S. 707 would operate as an independent agency within the government to serve as an *advocate* of "consumer interests", as defined exclusively by the administrator of the CPA.

We are told that the need for such an agency is obvious; that the market is a complex and confusing place and that many or possibly even most businessmen are in the habit of taking advantage of unwary and naive consumers.

While it is acknowledged that during the course of the last thirty years or so we have created agency after agency to help the consumer by regulating business activities in a myriad of ways, we are now told that these efforts have all proven either to be failures or to be inadequate to the task at hand.

Thus, the authors of S. 707 tell us, the consumer needs even more protection. And he needs an advocate before those other agencies that were supposed, but have failed, to protect him.

It is possible that a number of their concerns are valued although I must admit to a degree of skepticism. But whether or not they are, I am appalled by the legislation they have put together to accomplish their purpose.

Instead of addressing themselves to the alleged deficiencies of existing consumer protection legislation, the authors propose to create still another entity, the CPA, whose administrator would be endowed with powers that are positively dazzling in their scope.

It is the administrator and the Administrator alone who will determine what is in the interest of consumers, and his determination is not reviewable by any court of law. He can intervene in any proceeding before any Federal agency, and can go to court to reopen proceedings and decisions hitherto considered final. The administrator, given wide discovery authority in the legislation, may in his sole discretion release information when he deems it to be "necessary to protect the health or safety of the public."

Based upon an unchallengeable determination of such necessity, the administrator may go so far as to disclose trade secrets and other private information. If the administrator has been proven to be imprudent in his determinations, he is instructed to issue an apology.

Few could consider such requirements to be safeguards in any meaningful sense. Further, the administrator is authorized to undertake product comparisons, under test procedures and guidelines that he alone determines to be appropriate.

One can only conclude that this administrator, whoever he or she may be, is granted unprecedented authority unchecked by any reasonable safeguards. The administrator has the practical authority to put an enterprise out of business, and yet, he cannot be fired except for lack of zeal.

With regard to information secured by the CPA but which the agency is only temporarily required to keep private, the minority views of Senators Ervin, Allen, Brock and Nunn state:

"Thus, the non-regulatory CPA can have regulatory power by proxy—it can force information out of a businessman, present the information to a regulatory agency, demand a proceeding against the person (and appeal any decisions not to hold a proceeding), enter the proceeding as a dual prosecutor, and appeal any decision made as a result of the proceeding which is not to the liking of the CPA. Thus, the CPA will have all the rights of a regulatory agency and none of the responsibilities."

Unfortunately, for the sake of sober analysis, the rhetoric of the legislation is deceptively attractive. We are all consumers, of course, and might therefore conclude that this new agency will protect each one of us. After all, its personnel will be directed to represent *our* interests as consumers—to represent you and me.

But on closer examination one discovers that the authors of S. 707 have failed to identify and meaningfully define our interests as consumers. They failed to do so in this effort for one very good reason. There is no such thing as a single, indentifiable, monolithic consumer interest.

We are all consumers, but we all have different, often conflicting interests at different times and under different circumstances. In an automobile, for example, such factors as safety, weight, power, fuel efficiency and price are often competing consumer values. This fact alone forces proponents of a consumer protection agency to do little more than talk in very general conceptual terms about the need to stand up for the consumer.

The Administrator of this agency then would be exercising power without practical limits. He alone would be the arbiter of what is or is not in the consumer's interest and would, under the terms of the law, be authorized to publicly castigate those who—in his unchallengeable opinion—are operating in a manner contrary to that interest.

He would be able single-handedly to damage or destroy businesses engaged in practices that have never been prohibited by law. Here the due process problem should be obvious, because the tradition of the rule of law absolutely requires that persons who are to be held accountable for their actions have prior-existing standards against which they can judge their performance.

Further, the legislation would authorize the agency to intervene as a proper party in administrative proceedings, even after they have been concluded, to file *Amicus* briefs and to otherwise represent the consumer interest in advocacy proceedings. And—getting back to the definitional problem—if there is disagreement as to just what is in the interest of the consumer, we are told simply that "the Administrator will decide . . ."

And he would have to decide without reference to any standards or guidelines, for S. 707 provides none. It merely authorizes him to declare certain acts "anti-social", if you will.

S. 707 authorizes the Consumer Protection Agency to appeal decisions of administrative agencies now considered final. As these appeals mount, disputes between the CPA and other governmental agencies will inevitably force the courts to arbitrate questions of a technical and policy nature—a task which most courts will readily admit is almost totally beyond their capacity to handle. Indeed, this is why courts have ordinarily recognized only a restricted appeal from administrative decisions.

I don't question the motives of the men who put this legislation together. But we have to remember that every regulatory agency established during the last forty years was set up to serve the public interest—and that every one of them has had side effects unforeseen by those who created it. In this instance, the opportunities for wholesale abuses by a CPA-run-wild are truly staggering.

The over-regulation of the marketplace has contributed to our problems in transportation and housing, energy, wages and prices. This agency will not destroy the American economy, but it will make life more difficult for those businessmen we should be most interested in helping. General Motors and Marcor will survive. But the small businessmen will have more trouble. If this happens the consumer will necessarily suffer.

Can you envision the possibility that it will be the duty of the administrator of the so-called consumer protection agency to declare his own agency as anti-consumer because its operation will effectively create conditions which will lessen competition?

In conclusion, let me simply reiterate my belief that this legislation would do far more harm than good. The American people have had their fill of "cure-all" solutions to problems that are both more difficult to solve and less pervasive than the advocates of such solutions would have us believe. This bill would create one more costly agency, hamstring other agencies and bury the American businessman under even more red tape. Such a consumer protection agency would not only do little to benefit the consumer, but it could result in less market competition and higher prices for consumers; I intend, therefore, when S. 707 comes to the floor, to vote for the consumer and against the bill.

THE MINNESOTA DATA SECURITY AND PRIVACY LAW

Mr. HUMPHREY. Mr. President, I would like to commend my colleague from North Carolina, Senator SAM J. ERVIN, for the hearings he is currently holding on personal privacy and information systems. Senator ERVIN's study, "Federal Data Banks and Constitutional Rights," reveals some incredible statistics about the data archiving business of the U.S. Government. There are 858 federally operated data banks and only 10 percent exist by statute. The existence of 40 percent of the computer data archives are not made public. It is time to start protecting personal privacy and it is time to curb government abuse of these data collection systems.

President Nixon has proposed that control on computer data archives be placed under the direction of the Domestic Council Committee on the Right of Privacy. The President's plan has made little progress, and I think Senator Ervin's Special Subcommittee on Privacy and Information Systems is doing a great service by helping this administration get off dead center on the privacy of the individual and computer data banks.

Mr. President, I want to point out that the State of Minnesota has recently made great progress in curbing government abuse of computer data collection systems. Minnesota has passed into law a comprehensive bill to control the collection, security, accuracy, and dissemination of information held in computer data banks. I would urge my colleagues to read a description of the Minnesota "Data Security and Privacy Law," by Nancy French, which appeared in a recent issue of Computerworld.

Mr. President, I ask unanimous consent that "Minnesota Government Data Tightly Reined," from Computerworld, be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Law Restricts Collection, Dissemination: Minnesota Government Data Tightly Reined

(By Nancy French)

St. Paul, Minn.—The State of Minnesota has passed into law one of the most comprehensive bills any state has yet enacted to control the collection, security and dissemination of computerbased records and information in state government and local governing bodies within the state.

The legislature is expected to pass another law next year to deal with data banks in use in the private sector, according to Daniel B. Magraw, assistant commissioner of administration here.

The writers of the present law felt it was most important to "get the government house in order first before going after the private sector," he added.

The act covers three general aspects of privacy/security.

First, it assigns responsibility for controlling the collection and use of data to the commissioner of administration; it outlines the rights of the individual who is the subject of the data collected; and it sets penalties for violations of the statute.

COMMISSIONER'S TASK

Called the "Minnesota Data Security and Privacy Law," the act requires the commissioner to limit data collection to "that necessary for administration and management of programs enacted by the legislature or local governing body."

To insure compliance, the statute requires each individual in charge of a data collection system to inform the commissioner of the nature of all data on individuals collected and stored, and the need for and the intended use of the data.

It further requires that all requests for use of the data by persons other than the original collector be submitted in writing and be entered into the public record.

Permission will then be granted only when required by law or where clearly necessary to the health, safety or welfare of the public if to do so would be clearly in the interest of the individual involved.

The law provides that summary data—data without accompanying names—may not be used without obtaining a written authorization specifying limitations on intended use.

The law requires that "reasonable and appropriate safeguards" be established to assure the stored data is accurate, complete and current, but leaves up to the commissioner decisions as to what is "reasonable and appropriate." And finally, data on individuals shall be stored "only so long as it is necessary to the administration of authorized programs or as authorized by statute."

INDIVIDUALS' RIGHTS

Individuals' rights under the law provide that an individual asked to supply personal data shall be informed of the purpose of its intended use and whether or not he may refuse to supply that information. He also shall be informed of any known consequences arising from supplying or refusing to supply the personal data.

In addition, data collected for one purpose can be used for another purpose only after the user notifies the commissioner of his intentions and his purpose.

Any citizen of the state may request the commissioner to inform him whether he is the subject of stored data and, if so, upon his additional request, he shall be informed of the content and meaning of the data or shown the data without charge to him.

Data found to be incorrect must be corrected within 30 days. In addition, the user must attempt to notify past recipients of the inaccurate or incomplete data or notify "the individual in question that the records have been corrected."

The person who willfully violates any provision is guilty of a misdemeanor and any public employee who willfully violates the law may be suspended without pay or discharged after a hearing.

The person who suffers damage as a result of a violation may bring an action against the political subdivision or "other responsible authority" to cover any damages sustained, plus costs and reasonable attorney fees.

In the case of a willful violation, the violator shall, in addition, be liable to exemplary damages of not less than $100 nor more than $1,000 for each violation.

Finally, on or before Dec. 1 of each year, the state commissioner of administration must notify the legislature in writing that these conditions are being fulfilled.

Exempt from the law are intelligence files, maintained by police departments on individuals under surveillance for possible future investigation, and records kept by state health and mental hospitals—the latter on the grounds that for some, knowledge of the contents of these health and mental files would cause more harm than good.

AMTRAK

Mr. HUGH SCOTT. Mr. President, in a June 17, 1974, article in the Pittsburgh Post-Gazette, Associated Press writer Jay Perkins assessed the efficiency, comfort, and safety of the Amtrak rail system. The headline read: "Amtrak Running Up Good Track Record."

I quite agree. I believe Amtrak is achieving remarkable progress. The railroads are a most enjoyable way to travel. Our Amtrak system is bringing back the kind of nostalgia that many of us railroad buffs remember because of the comfort and—as Mr. Perkins so aptly stated it by quoting one passenger—achieving for us in this space age a time and place where it is "easier to relax." Moreover, Amtrak is also introducing rail travel to whole new generations of young people.

I much enjoy my frequent metroliner trips between Washington and Philadelphia. And I am pledged to helping Amtrak continue to achieve its goals. I was pleased recently to announce a $81 million Amtrak contract to the Budd Co. of Philadelphia for the production of 200 new passenger cars. And I am working with Department of Transportation officials to gain a new and vital Boston-Erie-Chicago route.

Mr. President, Mr. Perkins performed a fine public service in his perceptive article about Amtrak. I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Amtrak Rolling Up Good Track Record

(By Jay Perkins)

Editor's Note.—In ancient coach cars with new cosmetic refurbishing or brand new turboliners, passengers are traveling on the nation's railroads. What is the ride like today and what lies in the future? Amtrak says improvements are slow, but sure.

The train was still feeling its way through the cavernous underground of New York City when the young man pulled out his pocket-sized chess set.

"We've got two days," he said, turning to his friend. "I can teach you to play chess."

Just a few seats up the aisle, passengers struggled to hoist baggage onto overhead racks and children squealed at the lighted concrete pillars slowly slipping through the darkness outside the windows.

Several passengers sat quietly. Others searched their luggage for a book to read in the long night ahead.

The Broadway Limited was under way.

Its 16 newly remodeled cars with carpeted ceilings and chrome trim had left New York on schedule, pulling away from the drab concrete depot below Madison Square Garden shortly before 5 p.m.

Tomorrow morning it would arrive in Chicago.

A year ago, only slightly more than half of the Broadway would have been taken. This trip, almost all of the seats were filled.

Since the start of the fuel shortage in November, the number of persons riding the nation's rail system has increased dramtically. Amtrak, the nationwide government-run rail passenger corporation, says passengers from January through April of 1973 totaled 4,495,210. During the first four months of 1974, there were 6,193,233 passengers, an increase of 37.77 per cent from the previous year.

Much of Amtrak's fleet is like the Broadway—aged equipment reconditioned with largely cosmetic repairs. Yet the corporation is moving to modernize its fleet.

The trip on the Broadway was part of a journey to see what type of transportation Amtrak currently is offering and to determine what trains in years to come will be like.

The journey included trips on two older trains—the Broadway and the National Limited—as well as trips on Amtrak's high speed electric Metroliners and gas turbine Turboliners.

Now it was late afternoon, the darkness of underground New York has turned into the hazy daylight of New Jersey. The Broadway was rolling along at slightly over 50 miles per hour.

The car was shaking like a pickup truck on a country road and the missed notes and hesitant chords of the piano player in the orange and deep purple bar car did little to drown out the clatter of iron wheels on neglected track.

The ride would get better as the night progressed. The piano player would not. Soon he would give up.

At one end of the car, the bartender stood gazing out the window, his back to the bar. There was no table service. Beer cost 65 cents—75 cents for premium and the probable loss of your seat while you waited for change. Mixed drinks were $1.40 each, soft drinks, 35 cents. Smoked almonds in foil packets were free.

Most passengers in the car came to drink, to stretch their legs or to play cards. Kathy came seeking refuge from the children in the coach seats behind her.

"I think a lot of people ride the train for the nostalgia," she said. "Also, you don't have that feeling of imminent annihilation on a train. It's easier to relax."

Kathy and her boyfriend travel by train often. Cost is a major factor in their choice of transportation. It costs about $43 for a coach seat from New York to Chicago, compared with $69 for an airline coach seat.

This trip on the Broadway, she said, had been pretty good so far. She recalled other trips where the air conditioning didn't work and she said, "If you're a creature of comfort, you just can't get on the train."

It would take a later ride on the National Limited to fully understand her comment.

The National runs from St. Louis to Washington and New York. It costs $95 for first-class service with a private roomette between St. Louis and Washington and $43 for a coach seat.

There was no bar car—four tables in the dining room doubled as a bar and waiting area for dining car patrons. Restaurant service was slow, waiters inefficient and unfriendly. It took over two hours to eat each meal. Some items on the dinner menu—notably steak—were exhausted before everyone was fed.

Yet all of the equipment worked—except for a one-minute power failure that plunged the dining room into darkness. The toilet and wash basin in the roomette's private bathroom were clean. The fold-out bed had clean sheets and blankets and two pillows. It would have been comfortable if the ride had not been so rough. Amtrak is moving to solve these problems, but some solutions could take years.

The corporation has $50 million available this fiscal year to build roadbeds and upgrade track, but it has not announced any plans for spending the money on its 24,000 miles of track. Some of the worst track in the Midwest and Northeast is so bad that the Federal Railway Administration forbids passenger trains from running over it at speeds over 10 miles per hour.

Amtrak expects on-train service to improve since it has taken over employment of waiters, porters and bartenders on its trains. In the past, these people were employed by the 12 railroads over whose tracks Amtrak operated.

Electric high speed Metroliners have been operated by Amtrak on the Washington-New York run for several years. Car are lighter and ride better than conventional coaches.

Amtrak last year ordered 51 new Metroliner-type coaches and expects delivery later this year. These coaches will not be self-propelled, however, allowing their use on lines that are not electrified.

Amtrak is expected to announce in the near future purchase of up to 200 new coach cars and 20 turbine-powered trains.

The rail corporation has been operating two gas turbine trains between Chicago and St. Louis on an experimental basis for less than a year. Built for the French railroads, these trains have a much better ride than conventional trains.

During the four-hour ride between Chicago and St. Louis, the top speed of the train is 80 m.p.h., although engineer Ed Berberet says the train could run over 100 if track signals at railroad crossings and sidings were reset.

There's no dining car, but half a coach car on the five-unit train has been converted to a cafeteria. Passengers select pre-packaged meals from racks on one wall. Cafeteria employes heat the selections in micro-wave ovens, pour coffee and keep the car clean.

PROJECT INDEPENDENCE OR PROJECT INTERDEPENDENCE?

Mr. HUMPHREY. Mr. President, the shortage of energy is clearly one of the most important issues facing Americans for the long term.

However, while the Congress and the consumer struggle with energy problems, the large oil corporations are reaping record high profits and in some instances are reportedly investing these profits in the stock of other corporations, rather than in new sources of energy. Meanwhile the large integrated oil companies are squeezing the independent refiners and gasoline marketers out of business, and their profits go higher.

Curiously, as profits go sky high, rumors continue to circulate that officials of energy producing corporations are being used to formulate the energy policy of this administration. Is this Project Independence or "Project Interdependence?"

Since the beginning of the energy shortage last fall, there have also been continuing reports of major oil companies getting special treatment from the Federal Energy Office.

Mr. President, it is in the context of these rumors that I urge my colleagues to read a well documented article by Les Gapay which appeared in the June 17, 1974 Wall Street Journal on the topic of linkages between the oil corporations and this administration. I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

WHAT PRICE EXPERTISE—LINKS OF SOME FEDERAL ENERGY EXPERTS TO INDUSTRY RAISE QUESTIONS OF CONFLICT

(By Les Gapay)

WASHINGTON.—Russell J. Cameron is Mr. Oil Shale. He was supervisor of the U.S. Bureau of Mines oil-shale experiments in Colorado in the early 1950s until he formed a consulting firm and became a foremost promoter of the development of synthetic fuels in the West.

Mr. Cameron, who is chairman and part-owner of Cameron Engineers Inc. in Denver, enjoys such high regard that he was recently considered for a post as assistant energy administrator heading Project Independence, the drive for U.S. self-sufficiency in fuel. He hasn't gotten that post, but since Feb. 1 he has been a key part of Project Independence efforts through a small consulting contract with the Federal Energy Office.

Consultant Cameron has been heavily relied upon by both former energy chief William Simon and present chief John Sawhill for advice. Beyond that, he has had much to do with an FEO "action" program to identify and crack open bureaucratic bottlenecks holding back energy-development projects. Mr. Cameron and his firm have identified a number of bottlenecks, all right—most of them involving companies that have been or now are clients of Cameron Engineers.

Although he denies any wrongdoing or conflict of interest, Mr. Cameron has helped the FEO to exert pressure on other government agencies to speed action on his clients' lagging energy projects. The companies involved are Shell Oil Co., Atlantic Richfield Co., El Paso Natural Gas Co., Pacific Lighting Corp., Sun Oil Co., and Ashland Oil Inc.

REPORTS AND RECOMMENDATIONS

Mr. Cameron has arranged meetings between executives of some of his client companies and officials of the Energy Office and the Interior Department. He has also met, as a representative of the Energy Office, with top Interior Department officials on two projects involving his clients; these call for oil-shale development and drilling off the U.S. coast for oil and gas. He got a warning from one high department official that he might be in a conflict-of-interest situation. He says he doesn't recall such a warning.

The consultant has also made reports and recommendations to energy officials urging action on projects of his clients, and his ideas have won some high-level attention. They have resulted in one memo mentioning these projects that was sent by Mr. Sawhill to other officials of his agency, and another which circulated widely through the government and was delivered by Mr. Sawhill to Cabinet members who deal with energy problems. Among the projects Mr. Cameron wanted to speed were proposed coal-gasification plants of two Cameron clients that are awaiting action by the Federal Power Commission.

It should be noted that none of the half-dozen client companies is being served by Cameron Engineers in connection with the particular projects that the Energy Office and Mr. Cameron have tried to expedite. But all recently were or now are clients of the firm for consultation on oil-shale, coal-gasification and other synthetic-fuel technology.

Mr. Cameron confirms his activities within the government on behalf of the companies. But he says he represents many companies (40 in 1973) and isn't seeking to please clients or get added business, but just to speed energy projects needed by the nation.

Officials of the Energy Office, for their part, aren't talking about the possibility of a conflict of interest. Mr. Sawhill declines to answer a Cameron claim that he knew some of the companies whose projects might be expedited were Cameron Engineers clients. Robert Nipp, FEO public affairs director, recently declined to answer questions until after a Senate committee ended confirmation hearings on Mr. Sawhill's nomination as energy administrator. But the hearings are over, and Mr. Nipp still declines to reply.

The Cameron situation indicates the ease with which energy-industry men coming to the new Energy Office can run into possible conflicts of interest. One Senator, Democrat James Abourezk of South Dakota, voted against Mr. Sawhill's confirmation in committee partly because he feels the agency has been lax in dealing with conflicts of interest.

Lacking oil expertise, the agency often feels compelled to seek information and manpower from the industry; out of some 2,000 workers, it recently had 100 former oil-industry employes. FEO spokesmen, in defense, say, "You wouldn't want to get a plumber for a toothache."

A GAO REPORT

Specific conflict-of-interest complaints have arisen before. Congress's General Accounting Office recently reported that Robert C. Bowen, who was on leave from Phillips Petroleum Corp. and who formerly served at the FEO, was involved in such a conflict. The GAO referred the matter to the Justice Department for investigation.

The GAO said Mr. Bowen, contrary to limitations imposed when he joined the government, became involved in policy making at the Energy Office and at one point had in his files a letter from his former employer concerning an FEO proposal on propane pricing. Mr. Bowen, who recently returned to Phillips, denies any wrongdoing and says he hasn't heard from the Justice Department.

At any rate, the GAO is investigating other former oil-industry employes who are still at the Energy Office. And intriguing situations don't seem hard to find there. Investigation by The Wall Street Journal has uncovered an unusual plum received by a high FEO official, Melvin Conant, from his employer until last January, Exxon Corp. Mr. Conant is acting assistant administrator for international affairs (dealing with foreign governments and international oil companies like Exxon) and is in line for permanent appointment to the post.

Before leaving Exxon, Mr. Conant received a lump-sum payment of tens of thousands of dollars; the exact amount isn't known. A company spokesman says it was less than two years' salary. Though he won't reveal Mr. Conant's salary at Exxon, industry sources say an executive of his level (he was a senior adviser on government affairs, specializing in the Middle East and Far East) would have made at least $35,000 a year, plus bonuses and benefits.

NO CONFLICT, EXXON SAYS

An Exxon spokesman says the one-time payment was intended to insure that Mr. Conant doesn't "suffer an economic pain" by taking a government job that pays less than he was earning. The spokesman says Exxon and a few other large companies make such payments so executives won't be discouraged from taking government positions. He adds that because the payment was made before Mr. Conant's departure from Exxon, no conflict exists—even though the FEO regulates the oil industry. Mr. Conant declines to comment, as does the Energy Office.

Though shale-oil expert Cameron is serving merely as a consultant, he says he has spent about half his time at the FEO during the four and a half months since his appontment. His influence has shown up in various FEO memos that urged quick governmental action on certain energy projects.

A March 6 memo signed by Mr. Sawhill and addressed to top officials in the Energy Office included an attachment prepared by the office of acting assistant administrator Robert Shatz, with whom consultant Cameron has worked. It suggested the Energy Office "assist" companies with coal-gasification projects before the FPC to "obtain federal decisions on the applications." These cases involve El Paso Natural Gas and Transwestern Pipeline Co., the latter a joint venture of units of Pacific Lighting Co. and Texas Eastern Transmission Corp. El Paso and Pacific Lighting have been Cameron Engineers clients, Mr. Cameron says.

The same memo also suggested that the Colony group of companies be assisted in getting "federal decisions on their applications for a shale-oil pipeline." The group is made up of four firms, three of which are clients of Cameron Engineers. They are Shell Oil, Ashland Oil and Atlantic Richfield.

INDIVIDUAL AID AGAINST POLICY

A spokesman for Mr. Sawhill has said that the March 6 memo didn't circulate outside the agency and was sent out for comment of FEO officials only. He added that it isn't the agency's policy to aid individual companies in energy projects.

But a March 14 FEO report titled "Project Independence Management Plan" dealt with the same specific "action" projects in greater detail. And that report was circulated widely in government agencies dealing with energy, was delivered by Mr. Sawhill personally to Interior Secretary Rogers Morton and was discussed at a White House meeting in mid-March by the Cabinet-level Energy Policy Group. The Energy Office declines comment on that report.

The March 14 report said interagency task forces would be formed to assist the Colony group in its pipeline permit request as well as the concerns with coal-gasification applications pending before the FPC. The report also said a task force would determine "the kind of assistance" a group of companies led by Sun Oil needs to proceed with a sampling program for oil and gas exploration in the Atlantic outer-continental shelf.

Mr. Cameron didn't write either of the reports, but he says he instituted many of the ideas for action through discussions with Messrs. Sawhill and Simon. "They said, 'Let's go on that'." Mr. Cameron recalls. His firm has clients in all the energy areas mentioned in the two documents.

Because of Mr. Cameron's efforts to get the Interior Department's Bureau of Land Management to speed action on the Colony pipeline Jared G. Carter, deputy under secretary of the department, said Mr. Cameron might be involved in a conflict of interest. Mr. Carter told Mr. Cameron the same thing at one point. The consultant says that if such a conversation occurred he responded that there was no conflict. (The relations between the department and Mr. Cameron have been close for years; one division has used him regularly as a paid consultant.)

As for the FPC matter, Mr. Cameron says he discussed coal gasification in general with a top planner of that agency but never mentioned specific projects. He adds, though, that the pending projects are "cowbells for the industry"; a host of similar plans are awaiting a regulatory framework for gas made from coal. Among those listening for the bell is Cameron Engineers; through a subsidy, Mintech Corp., jointly owned with Marathon Oil Co., it is considering building a coal-gasification plant of its own.

Moreover, Mr. Cameron, through Mintech, has a financial interest in oil shale properties near the Interior Department's valuable first shale-lease site in Western Colorado—which is known as the Cameron tract.

BEEF IMPORT QUOTAS AND BEEF PRICES

Mr. GURNEY. Mr. President, last Friday, I participated in a meeting attended by a bipartisan group of Senators to discuss the problems of the cattle industry and to formulate legislative and administrative actions that could be taken to dispel the current meat crisis.

While several proposals which have already been introduced in both Houses of Congress were discussed, including reductions of the retail cost of meat and the implementation of Federal loan support programs, the general consensus was reached that the most expedient means of helping the cattle industry is by the reimposition of beef import quotas.

Mr. President, on May 22, 1974, I joined with several of my colleagues in sponsoring legislation to reimpose the beef import quotas and to prohibit the imposition of such a quota for more than 60 days unless suspension was approved by a joint resolution of Congress. Since the introduction of this measure, I have had several inquiries from other Senators and constituents as to the need for beef import quotas as well as the effects of beef imports on the Florida cattle industry. Before I answer the latter question I think it is important to review the figures on beef imports for the last couple of years.

I am sure that most of us here today are quite familiar with the Meat Import Act of 1964. The beef import quota system established under this act was designed not only to insure the economic well-being of our Nation but also to protect the domestic livestock industry. Unfortunately, this act cannot fulfill these two important functions if the quota system has been suspended.

Under the Meat Import Act, beef import quotas are determined by a simple formula, namely that beef import levels are derived from an average percentage of domestic production. This average percentage is 6.7 percent of U.S. production. Thus, each year's beef import quota is determined by taking 6.7 percent of an annual average of a moving 3-year period. Therefore, using the moving 3-year period of 1972–74, the beef import quota for 1974 is 1.0279 billion pounds. However, the law also stipulates that the quota system will not take effect until imports hit 110 percent of that year's quota—or 1.307 billion pounds for 1974. Certainly, looking at these figures, figures which were established with the function of protecting our economy and our vital cattle producing industry, it is no wonder that our cattle industry is suffering, especially when the U.S.D.A. has estimated that imports for 1974 will reach 1.575 billion pounds, or 444.3 million pounds over the import limit.

Mr. President, this almost one-half billion pound increase over the established quota comes as no real surprise since imports during the period of 1971–73 have steadily increased some 417 million pounds or roughly 14 percent over the import limit. Yet, the beef import quota remains unimposed supposedly to increase the quantity and lower the price of beef to the consumer. Certainly, there is no denying that the amount of beef available to the consumer has increased, but because the price still remains high, consumers have changed their eating habits and have decreased their consumption of beef. Now, normally such conditions would have the effect of lowering beef prices, but as we are all well aware, this has not been the result. The price of beef at the retail level is still as high as it was and there seems to be no relief for either the consumer or the cattle producer or feeder.

In order to understand the problem entirely, it is necessary to look at the increased cost of beef production as compared to the price the cattle industry is receiving for cattle and the cost of beef to the consumer:

CATTLE INDUSTRY COSTS AND PRICES RECEIVED, 1974, WITH COMPARISONS

	1974	Year ago	Percent difference
Costs:			
Corn, Chicago (bushel), May 30	$2.74	$2.42	+13
Hay, U.S. average (ton), May 15	$50.80	$40.60	+25
Index of prices paid by farmers (1967=100), May 15	165	143	+15
Feed index, Apr. 15	167	139	+20
Fertilizer index, Apr. 15	178	112	+59
Seed index, Apr. 15	232	156	+49
Interest index, Apr. 15	204	179	+14
Wage rate index, Apr. 15	173	157	+10
Feeder livestock index, Apr. 15	152	185	−18
Average prices received (hundredweight), June 4:			
Choice steers, Omaha	$38.50	$46.75	−18
Utility cows, Omaha	$25.00	$32.90	−24
Choice feeder steers, Oklahoma City	$32.00	$55.80	−43

As clearly shown, the cost of producing cattle in the last year has increased substantially, not only for feed products, 20 percent increase, and fertilizer, 59 percent increase, but also for interest rates, 14 percent increase, and farm wages, 10 percent increase. However, the average price received for this same period by the farmer has decreased as much as 43 percent for feeder cows.

Mr. President, in 1971, the average retail price of beef was $1.04.3 per pound, the farm value was 67.9 cents per pound. Farm value is the price paid to cattlemen for 2.28 pounds of beef on the hoof which is needed to produce 1 pound of retail cuts. This means that in 1971, the price difference between the farm value and what the consumer paid was 36.4 cents per pound. That means that the consumer was paying almost 50 percent more for beef than the original cost to the retailer.

In 1973, the retail average price of beef was $1.35.5 per pound, the farm value was 90.1 cents per pound, thus, a difference of 45.4 cents per pound of the farm value and what the consumer paid, and costing the consumer 50 percent more for beef than the original cost to the retailer. Looking at 1974, as of April, the retail average cost of beef was $1.36.4 per pound, with the farm value at 84.4 cents per pound, 5.6 cents per pound less than the farm value in 1973. Therefore, the retailer is presently charging the consumer 51.9 cents per pound more than what he paid to the cattle producer, representing a 61-percent increase over the actual cost of beef to the retailer.

It is evident then that the increased cost of beef to the consumer has not gone to the cattle producer or feeder. Thus, to continue to allow beef imports to remain unchecked will not decrease the price to the consumer but will eventually force our domestic industry to fold and result in even higher prices.

Mr. President, the picture for Florida cattle producers is indeed very bleak. As you may know, Florida is the second largest cattle producing State in the Nation; however, if trends continue, that figure may very well change.

In Okeechobee County, slaughter cows were bringing 25 to 28 cents per pound last week compared to 32 cents per pound during the same week last year. Bulls brought 31 cents per pound compared to 38.5 cents in 1973. Calves, the most dramatic reduction, were only bringing 31 to 35 cents per pound as opposed to a whopping 90 cents per pound in June 1973.

This situation will only worsen as foreign beef floods the market at drastically reduced prices. Domestic sales, due to the losses incurred, have dropped off considerably. In Florida last week, sales of calves were down by 62,000 compared to the same week last year. Not only in Florida, but all over the Nation, producers are holding their cattle from market hoping for an increase which is so desperately needed.

One large cattle producer in Florida also is a partner in a feedlot in Texas. He estimates that in the last 10 months, he and his partner have had to shoulder a half million dollar loss. With feedlots losing anywhere from $200 to $250 per head, cattle are not being purchased. Why should a person invest in a losing proposition?

Mr. President, now let us look at the other side of the coin. The flood of imported beef has dropped domestic farm prices radically at a time when domestic farm expenses have escalated during the past year almost out of reach. Action must be taken now to protect our domestic cattle producers so as to insure a continued supply of choice beef.

Therefore, I urge each of my colleagues here in the Senate to either support legislation which would reimpose beef import quotas, or to contact the President requesting that he put back into effect the quota system of the Meat Import Act.

Time is of the essence, for each day that is allowed to pass by, an estimated 3.5 million pounds of beef is imported into the United States which will eventually cost the cattle industry millions of dollars and force people in this business into bankruptcy.

Down the road, this in turn will translate into fewer people in the cattle business raising fewer cattle. Then we will have real shortages and sky-high prices. I think nobody can disagree that this is too high a price to pay.

THE WORLD FOOD CONFERENCE: NOT A HOLLOW CHALLENGE

Mr. HUMPHREY. Mr. President, world food security is more than the good intentions of international statesmen. It is more than beautifully worded resolutions and principles; world food security is a commitment, and it is only with a sense of commitment that the leaders of the world will be able to assure future generations of the availability of mankind's most precious resource.

This fall delegates of over 100 nations will gather in Rome to address the issue of food security. The solemnity and exigency of their task must not be eclipsed by short range economic interests. Future generations will not judge us kindly if the opportunity to build a foundation for future food security is turned into an arena of myopic political concerns.

Mr. President, 2 weeks ago the United States participated in the second meeting of the Preparatory Committee of the World Food Conference. Our delegation played a most constructive role in these efforts. Through the experienced and competent leadership of Ambassador Edwin Martin, the U.S. delegation was able to secure an agreement on a well balanced agenda for the World Food Conference to be held in Rome this November.

The agenda, as it finally emerged, focuses on national and international actions to increase food production, to improve consumption patterns in the developing world, to strengthen emergency relief and food aid, to develop more effective food production and consumption information and stockpiling policies, and to improve the access of developing country exports to the markets of the developed world.

In addition to developing an agenda for the Conference, the committee also discussed and accepted a report of various U.N. agencies assessing the present world food situation. This document represents the preliminary background paper upon which the Conference can construct proposals for multilateral action to assist the food security of the poor nations of the world.

This assessment underlines the immediacy of the need to take affirmative action to address the threats to food security. The paper shows that cereal production must increase by an average of 25 million tons each year to meet rising demand. In 1972, instead of increasing, world production of cereals actually dropped 33 million tons, thereby sending prices and commodity markets into havoc. As a result of this shortfall, world stocks of cereals dropped from 49 million tons in 1971–72 to 29 million tons in 1972–73, leaving the consumers of the world dependent on a 27-day supply of reserves as protection against production shortfalls.

This period of tight supplies created particular hardships for the developing world. While exports of oil from the OPEC countries doubled in 1973, prices of wheat on world markets more than tripled, meaning that many of the poorer nations had to spend two or three times more of their scarce foreign exchange earnings to meet the food import requirements of their citizens. Developed countries, due to this increase in commodity prices, also had to cut the volume of bilateral food aid.

Grain prices recently have begun to recede, and our Department of Agriculture assures us that our production this year will be more than ample to meet domestic and foreign needs. Frankly, I find it difficult to be so optimistic.

The assessment paper offers little reassurance that the situation we experienced over the past 2 years is an aberration unlikely to be repeated. The report shows that while food supply should be roughly in balance with demand throughout the eighties, the disparity in terms of the availability of food supplies between the developed and developing world will become even more marked.

Furthermore, fluctuations in production will result in a broader impact worldwide than has been the general case in the past. The cereal "gap" of the developing world is projected to reach 85 million tons by 1985, a figure which represents almost three times its gross imports in 1969–72. This means that the capacity of the producing countries will become even more strained to meet world demand, and producers will be subject to the possibility of increasingly wide fluctuations in world demand. The result will be an ever-increasing uncertainty from year to year in regard to food availability.

What will happen to this assessment and to the volumes of papers and speeches which will follow it? Will hundreds of thousands of people now on the border of starvation be any better off for the money their country spent to send a delegation to Rome?

The next meeting of the Preparatory Committee for the World Food Conference will be held in September. It is crucial that this meeting produce specific proposals for action which will offer a departure point for the Conference in November. Unless the fine goals and objectives reflected in the agenda for the World Food Conference are translated into concrete projects, the Conference will produce little more than "platitudes on goodness and condemnations of evil."

We must accept the challenge of future world food security now. Our apologies for inaction will echo deafly if our children and grandchildren are not assured an adequate and stable food supply.

A RACE AGAINST THE CLOCK ON FOOD

Mr. HUMPHREY. Mr. President, I wish to call attention to an interesting editorial, by Roger E. Anderson, concerning the food shortage that is presently threatening many people of the world with starvation.

In recent years, the world's population has been increasing at a far faster rate than food production. If the present trends continue, famine and continued food scarcity are real threats.

In his article, Mr. Anderson emphasizes the need for international cooperation to solve this menacing problem. The United States, as the leading world farm producer, must take the initiative to help solve this crisis. Our technology and capital can be utilized to help underdeveloped and developed countries alike increase their annual food production.

This is a long run solution to the problem, but what about the short run? Our once-high level of food reserves has been depleted over the past few years. No longer do we have excess farm produce that can be utilized to aid starving people throughout the world. We must work to restore our reserves to a reasonable level. This is essential if we are to avert the disastrous famine and starvation that are lingering on our doorsteps.

Mr. President, I ask unanimous consent that this article from the June 16 edition of the New York Times be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 16, 1974]

A Race Against the Clock on Food

(By Roger E. Anderson)

The world food problem we are so sharply aware of today shares with most other so-called crises a curious duality: it was at once foreseeable and foreseen but still unrecognizable until the last minute.

Ever since Thomas Malthus proposed in 1798 that people might someday multiply themselves out of food, the idea has been hovering vaguely in our consciousness. For some, the reality has been deadly apparent.

A Malthusian moderate, which many food experts seem to have become, would note dispassionately that the problem has three dimensions—time, population, and production.

With world population growing at an annual rate of 2 per cent, we have perhaps 20 years, or roughly until the year 2000, to control population growth or to raise food production to sufficient levels around the world so that all people can afford to eat, or both. After that, unless the situation has been remedied, the lid blows off the pressure cooker, and few forecasters are prepared even to imagine the consequences if that should happen.

The short-term outlook is not encouraging, and it serves to define with grim precision the nature of the long-range problems ahead.

The current scarcity of major agricultural commodities and the large draw-down of world food reserves menace the poorest and slowest-growing countries most seriously. The developing nations may have to pay some $15-billion more for essential imports in 1974 than they did in 1973. They are so gravely threatened by increasing food and fertilizer prices and almost intolerably high oil prices that the prospect of disaster within the next several years is real, and we may see governments collapse under the strain.

Food production prospects for the Third World are less hopeful now than they were last fall. Most developing countries will be especially short of foreign exchange reserves as a result of the increase in energy prices last December, and shortages of imported energy, fertilizers, pesticides and other agricultural inputs consequently will be aggravated. The higher prices they will receive for their own relatively small commodity exports will not significantly offset their higher import costs.

Important parts of the world are, in fact, approaching the precarious line between survival and disaster. To take India as an example, if—on top of all its other burdens—it were to suffer a monsoon failure, the consequence could be a famine in which literally millions of lives would be lost. The shock of those deaths would rattle social, political and economic windows around the world.

In any discussion of world food problems the question of reserves invariably arises. It is widely expected that the outlines of some form of global food reserve system will emerge from the United Nations World Food Conference to be held in Rome this November. And it is of special significance that such a system supposedly will be accompanied by plans for an international effort to increase food production in the developing countries.

When the word reserves is mentioned heads immediately turn in the direction of the United States, for two decades the world's principal repository of grain stocks and balance wheel of food supply. These stocks have now been largely depleted. The present position, as expressed by Secretary of Agriculture Earl L. Butz and members of his department, seems to be that the United States is not opposed to the buildup of reserves and will cooperate in such an effort with other nations.

The United States cannot, however, accept the complete responsibility for carrying these reserves. That responsibility is a global one, to be shared by other nations, including the developing ones.

Moreover, in the long run people cannot continue to be fed from reserves. Food must come essentially from annual production, and the immediate and long-range challenge, therefore, is to plan to produce food instead of planning to store it.

Logic and intuition alike tell us that the ultimate solution to the food problem lies in production and development—and they go hand in hand.

International efforts, such as provided by the World Bank and the Agency for International Development, need to be increased to assist agricultural development in the developing nations. Many of these have extensive but untested agricultural potentials. The countries where "green revolution" practices have been applied have shown that meaningful increases in food production are possible there at substantially lower costs than for comparable increases in some of the more agriculturally advanced nations.

Ultimately, I believe, agriculture in the emerging nations will have to become more an industry and less a personal way of life. In the process it will have to develop along lines that will allow it to regenerate its own capital through profits. Initially, however, it will require seed capital, which could be provided by national governments, international organizations, bilateral arrangements with the United States or multinational companies and financial institutions.

Last March, speaking to a group of businessmen and Government officials in Tokyo, I suggested that the multinational agricultural corporation could be an effective vehicle for infusing capital into the now labor-intensive farming systems of developing nations, for transmitting programs leading to the development of technical and farm management skills and for marshalling local incentives to explore additional food sources and improve present sources through more effective production practices.

There are, of course, multinational corporations doing these things now, especially in the fields of food growing and processing, commercial fishing and fish meal production, farm machinery, pharmaceuticals and others. There is ample room for more.

The developing nations have limited resources. Their economies show diverse patterns but they share a common ability to frustrate private enterprise. Some seem to prefer outright aid because of their reluctance to deal with private, profit-making interests. This ignores the fairly-well documented claim that one dollar of private investment in technology is more effective than three dollars in outright aid.

To be as realistic as possible, private enterprise faces a number of possible hazards in doing business in these countries: currency devaluation, restraints on the repatriation of profits, expropriation, revolution and, lately, kidnapping.

These are sobering risks, but risk is private enterprise's middle name.

In many cases where it has been done successfully the key to entry into and operation in developing nations has been the joint-venture approach, where the host country has substantial participation in the enterprise. Several combinations are possible.

A government may want to process the raw materials its land can produce but must import the technology to do so.

Private capital may be introduced into a nation that will provide its own public funds for the building of port facilities, roads and infrastructures.

A government may agree to provide labor and materials in exchange for private capital and management.

Methods of payments differ, sometimes taking the form of long-range contracts by which the company can buy the host country products at fixed prices.

It is likely that ventures of this kind will increase as developing nations become more convinced that they offer greater benefits, with few strings attached, than other varieties of assistance. It has been documented, for instance, that in one country nationally owned and managed fertilizer plants consistently average only about 60 per cent of efficiency, a rate that is not effective and certainly not profitable. When a United States multinational corporation entered the picture, a typical plant was brought up to about 85 per cent of capacity in a relatively short time.

If the multinational company is going to make the contribution that it can toward easing or solving the food shortage problem, it will, in the nature of things, keep an eye on its profits, and growth in sales—but not exclusively. It will also have to show increasing concern with its positive effects on the totality of the host country and demonstrate its social and financial accountability.

The company will have to give evidence that it is providing the host country with contributions toward an increase in efficiency of local enterprise, the inward flow of capital and technology, employment growth, the national ability to compete in the world, balance-of-payments improvement and tax revenues.

The food crisis for the developing nations is real and it is dire. It has the potential to become disastrous, but we hope that it will not—and business shares an obligation with other sectors of society to work to prevent that eventuality.

One encouraging sign we might look for would be the emergence of a strong—perhaps collective—initiative by these struggling countries to actively seek from the business community some forms of productive, developmental participation that would be at least tolerable within their societies. They might be astonished by the quantity and quality of the response and by the results of that response.

This article is adapted from a speech presented at a seminar on "Feeding the World's Hungry: The Challenge to Business," presented in Chicago last month by the Continental Illinois National Bank and Trust Company. Mr. Anderson is chairman and chief executive officer of the bank and its parent company, the Continental Illinois Corporation.

A DISCUSSION OF THE CONGRESSIONAL SUBPENA POWER AND THE SCOPE OF JUDICIAL REVIEW

Mr. BROCK. Mr. President, the legal and political ramifications involved in the present impeachment inquiry are so multifaceted that historians and constitutional experts should have a field day for years to come. Hopefully, our actions ultimately will be found to have been fair and justified, whatever the outcome of the present undertakings may be. Yet we must be constantly aware of the precedents that are being set for the future. Only once before has a President been impeached, and he was not convicted. As a result, we are in relatively unexplored territory and must be careful of which paths we follow. In the past few months we have seen a proliferation of articles, books, and statements concerning the matter of impeachment. All too often, we are confronted with hearsay and emotionalism which tend to overshadow the seriousness of such a procedure and the need for a well-reasoned and systematized analysis of the undertaking. The Wall Street Journal recently printed a discussion of the congressional subpena power and the scope of judicial review. I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

[From the Wall Street Journal]

Congress and the Subpena Power

Should the House Judiciary Committee take the President to court for refusing to honor its demands for additional Watergate tapes and evidence? Or should it avoid the courts and consider the refusal itself as a principal basis for impeachment?

Recently, five well-known authorities in the fields of law and politics took up this knotty question as part of a broader discussion of Watergate-related issues. The five were Alexander M. Bickel, professor of law and legal history at Yale Law School, who chaired the discussion; Richard M. Scammon, director of the Elections Research Center of the Governmental Affairs Institute; Harry H. Wellington, professor of law at Yale Law School; James Q. Wilson, professor of government at Harvard University and Ralph K. Winter Jr., professor of law at Yale Law School.

The five were part of a "round table" sponsored by the American Enterprise Institute, from whose pamphlet transcript, "Watergate, Politics and the Legal Process" the following excerpts were taken. An editorial related to this subject also appears today:

Mr. Winter. . . . It seems to me that in terms of raw power, the Congress has the power to impeach and to remove for more or less whatever cause it wants to. It shouldn't do that. It should impeach only for gross abuses, in my view. It also seems to me that you can't limit it to indictable offenses. If we elect a President who one day wakes up and says—"Gosh, I've got a nice place in the islands; I'll see you guys around"—and just walks out, I think our Constitution provides a means of handling that situation. . . .

In thinking about it, I come down as follows: When the claimed impeachable offense is of a noncriminal nature, subpoenas are nonjusticiable. Where the subpoena charges an offense that is an indictable offense, a court might well say this is like a grand jury subpoena. In the latter case, impeachment of a President is a substitute for indictment of a President, and I think the need for enforcement is much greater there. But, again, it has to be specific evidence, sworn testimony that the evidence contains matters relevant to the offense. It ought not to be some kind of general claim of power to the indexes of all presidential papers and all presidential assistants' papers and the right to go through those files without restriction. That, it seems to me, is impermissible.

Mr. Bickel. . . . I generally agree. I would not draw the line at offenses that are criminal, indictable offenses.

I certainly agree—it seems to me the text of the Constitution is plain on it—that there can't be judicial review of the impeachment process, that there can't be an appeal from the impeachment judgment in the Senate to the Supreme Court, in effect, for the court to pass on the validity of the impeachment. I think the Constitution just says to the contrary.

On the other hand, that doesn't mean, as Ralph Winter says, that when it comes to a subpoena the judges are equally excluded. It doesn't mean that, for one thing, because the alternative to involving the judicial process in some measure is to force Congress to drop the atom bomb, is to force Congress to say that any denial, any refusal to accede to a request for information, is in itself an impeachable offense. That seems to me a resolution of the problem that is of a magnitude and of a violence, if you will, which is undesirable. So I think, although the inclination seems to be to the contrary in the House now, that the House ought to go to a judge with its subpoenas.

Now, what is the judge to do? Sure the case is easy if the information is relevant to an indictable offense. If it is not, it seems to me the judge cannot avoid asking himself the question, "Is the information relevant to what would properly be an impeachable offense?" You see, while as a matter of raw power the House can impeach for anything, the fact is that it shouldn't and that there ought to be limits on the impeachment power, very serious limits, because otherwise ours will become a parliamentary system of government.

A judge ought to ask that question. I think if it is plain in his mind that the information is not relevant to an impeachable offense, for example, if the House now asks for information on the President's practice of impounding funds—a dubious constitutional practice perhaps, but surely not an impeachable offense—in such an event, I think a judge ought to say, "I will not enforce that subpoena" . . .

So, I would place the judge in an arbitrating position, in order to make it less likely that Congress will enforce its subpoenas by impeachment itself, and in order to have at this preliminary stage some control over the impulse to use the impeachment power in unbridled fashion—which is an impulse, if we allow it to proceed to its satisfaction, that would destroy the separation of powers and make the President simply a creature of Congress.

Mr. Wellington. I would like to disagree in part, if I may. Certainly I don't want to disagree with the proposition that the House should be very careful and circumspect in deciding what constitutes an impeachable offense. But I am concerned about the House going to a court and asking it to enforce a subpoena. I am concerned quite simply because of separation of powers.

I can see the merit of the contrary position. It sounds like a nice accommodation. The trouble is, however, that it erodes the political question doctrine.

First, imagine, if you will, an order by a district court judge enforcing a subpoena, and imagine the order being appealed. Perhaps it will finally reach the Supreme Court. Remember that if we do have an impeachment trial, the Chief Justice of the Supreme Court sits over the Senate. This troubles me.

Second, I don't know how a court writes an opinion. What does it say about why it is or is not enforcing a subpoena that doesn't very seriously intrude on what I would take the Constitution to empower the House to decide, namely, what is an impeachable offense?

I think it is a very hard problem. I don't like saying that the court shouldn't be involved in it—it's such a nice-seeming accommodation—but it seems to me that judicial enforcement of a House subpoena in an impeachment proceeding is the paradigmatic example of the political question.

Mr. Bickel. Well, it's political enough. The Constitution says the House has the sole power to vote a bill of impeachment. And it says the Senate tries. It doesn't say anything about how you get information. The real problem is that these two things overlap, and that you can't decide the information question without having something to say about the nature of the impeachment power. You only say that in connection with your subpoena. Whatever you say makes no inroads at all upon the House's ultimate power to impeach and the Senate's ultimate power to try, which stand as nonjusticiable.

Mr. Wellington. But doesn't it substantially influence what the House then will do—

Mr. Bickel. It may.

Mr. Wellington. —and doesn't the court then play a very important role in deciding what constitutes an impeachable offense? If so, it is contrary to the spirit of the Constitution.

Mr. Bickel. It may, but it is an accommodation, I think, to which one is led by an absolute horror of the opposite result. Because the opposite result would be that you could probably turn almost anything into an impeachable offense, by asking for information, issuing your subpoena and, when the President denied it, you'd have an impeachable offense. . . .

Mr. Wilson. Why do we assume that the courts, whom we've previously described as 500 district court judges running around changing the zoning laws and appointing prosecutors to investigate the NAACP, are or should be a reasonable check on the impeachment process?

We've only had one impeachment, and that did not lead to a conviction. We have had no other serious efforts to impeach the President.

It seems to me that the principal check on the impeachment process is the political position of Congress vis-a-vis the public and the presidency. Congress, far from having rushed headlong into premature impeachment, has moved—to put it mildly—with majestic stateliness, accompanied by a good deal of frivolous bickering on the side.

What we really object to are some of the more dubious, but altogether to be expected, staff reports, public speeches, and gallery-pleasing declamations of those who would like to get Richard Nixon for everything from Tricia's wedding to the Cambodian incursion, from ITT to Watergate. But I see no support for those sentiments in the Congress as a whole. And I think that Congress, which is composed of practical men and women with substantial political experience, is aware of the enormous respect the American people have for the office of the presidency, the enormous respect they have for established procedures.

It has taken severe jolts to get public opinion to even consider that we may be in a desperate position, and there is still no general public support for the notion of impeachment. There is a support, perhaps, for a change of some sort if it could be arrived at by a process to which the word impeachment did not apply. I think that that is going to be a continuing feature of the American political system, because these attitudes to which Congress is responding—shares these attitudes—are not attitudes of the moment.

I think Dick Scammon would say that opinion polls and surveys, going back as far as we have them, indicate this enormous reservoir of deference, almost amounting—if I may shift the metaphor—to an inertial force that supports the institutions of government. It is best illustrated in the field of foreign policy. The American public never wants to go to war. All opinion polls show we should stay out of Vietnam, stay out of Israel, stay out of Europe, stay out of the Far East. The same polls always show that the public will support the President in whatever he does, including taking us to war in any of those places. And the support will last for a long period of time—not indefinitely, but for a long period of time.

That it seems to me, is the crucial political reality around which these constitutional issues are revolving.

Mr. SCAMMON: I think it is basically correct that when you talk about impeachment what you are talking about is a political action with respect to the presidency that many people view with revulsion. It is not easy to bring off. It has been tried, and the public hasn't given the idea very high marks. It really is the reverential awe in which people hold the presidency as a general institution that is the best check of all.

I do think also, Alex, that your point in response to Mr. Wellington is a sound one. If you do carry through a successful impeachment, you're never going to be a virgin again. In other words, the third attempt would be a lot easier, and maybe then we would be approaching something of a parliamentary government. But one must also remember that in a parliamentary government the head of state also has the right to dissolve the legislature.

Mr. BICKEL. Well, I was going to say that I agree that the play of public opinion, that what the people are ready for, is decisive. It is decisive, I think, for the whole operation.

I don't think public opinion has the same weight on a specific request for information and the procedures by which the process goes forward or doesn't go forward. I don't think that public opinion—one way or the other, if ready for impeachment, or not ready for impeachment—is going to help you with that.

So, when it comes to a request of information in a subpoena, you've got a deadlock in the government, a deadlock which can be broken only by what I consider a rash and overreactive kind of thing. And the Congress might feel that it wants to break the deadlock that way because it's become a matter of institutional pride—you know, institutional machismo. One can see the beginning of that in the House today. . . . Maybe impeachment for not giving information. It is for that reason that I think one wants judges in there, inserted not to make policy and run school boards, but to perform what is quite properly a judicial function.

Mr. SCAMMON. But I think the basis for impeachment would have to be in the minds of the majority of the members in the Congress, the men who are going to manage the trial of the President before the Senate, and those who seek his conviction and removal from office. I don't think there is a member who is going to vote frivolously on this question.

Mr. BICKEL. No, but they are put up to this choice: Either they may vote an impeachment, simply because of a denial of a request for information, and they may feel hot enough about that and be supported by the country in a general way, but perhaps not in the issue itself—which would be bad. Or they may withdraw and desist—which also would be bad. It is an impasse which I think is insoluble. . . .

. . . We're talking about a judge sitting in the performance of a judicial function as a neutral agent, not self-starting, not investigating, not appointing anybody, but rather deciding what is a proper and customary judicial question: whether a subpoena is based on a sufficient claim of authority. Judges, of course, decide this question in every contempt-of-Congress case.

Mr. WELLINGTON. Excuse me, but isn't there a difference in that the judge is not just deciding whether the subpoena is appropriate. He is also deciding what an impeachable offense is. He cannot decide whether it is appropriate to enforce a subpoena until he answers the second question of what is a constitutional ground for impeachment. I would maintain that that second question is none of his business.

Mr. BICKEL. But, Harry, he doesn't conclude the second question. When he decides what is an impeachable offense, or that something is not an impeachable offense, that is not a decision that binds Congress so that Congress may not impeach for that offense.

Mr. WELLINGTON. I would prefer to leave the question to Congress, and I would prefer to allow the President's attorney to respond to that committee and explain why the White House would not produce the information. Let the committee then reach its conclusion about it, and put it to the House.

Mr. BICKEL. Which does what?

Mr. WELLINGTON. Does exactly what I would suppose a judge would do, but the House is empowered to do what a judge is not empowered to do.

Mr. BICKEL. You've taken the House from a consideration of an impeachable offense which is obstruction of justice, and you've shifted the issue to an impeachable offense which is a failure to respond to a subpoena. And that becomes the impeachable offense, and that's what the House impeaches on. I think that is a very undesirable result.

Mr. WILSON. . . . We are speaking as if we are confronting the first case in history in which a President of the United States may refuse information to a committee of Congress. Presidents of the United States refuse information to committees of Congress every year. That's what executive privilege is. That's what the refusal to allow presidential appointees under certain circumstances to testify amounts to.

And in all of these cases, Congress gets very mad. Its machismo is offended—or whatever the female equivalent of machismo is for Mrs. Abzug. (Laughter.) The members get indignant. They denounce, and they study the records of the Federal Convention. But they don't impeach. Why don't they impeach? Because they say, "Well, look, he has turned us down. He is a rascal. But it is not an impeachable matter."

Now we're assuming that in this case, because they are asking for information in connection with a potential impeachment inquiry—we're assuming that in this case, and this case only, they will get their dander up so that, without adequate grounds and in a frivolous way, they make an impeachment turn on the obstruction of justice. I'm not yet persuaded they will flip from their normal posture of frenzied impotence—and much of their frenzy is calculated because they know they are impotent—to one in which they will become malicious, that is, to try to impeach a President on weak grounds (which I believe would be a disaster) rather than on sound grounds.

If the President is going to be impeached and convicted, let us not repeat the history of the Warren Commission in which forever after we argue about whether it was the right thing to do or not. If we're going to do it, by God, let us do it, and on the most solid ground possible.

Mr. BICKEL. Well, they may not turn that way. They may turn the other way and desist, which with their tendency to frenzied impotence is more likely. But that is bad, too.

What I am saying is that this issue, if allowed to be resolved by Congress, cannot be resolved well. It will be resolved in undesirable ways.

SENATOR FULBRIGHT—WISDOM, COURAGE, THE NATION'S LOSS

Mr. SYMINGTON. Mr. President, I ask unanimous consent that an article by one of the Nation's great newspaper publishers, John S. Knight, of the Knight Newspapers, entitled "Fulbright Has Served U.S. With Wisdom and Courage," be printed in the RECORD. I also ask unanimous consent that an editorial from the Columbia, Mo., Tribune, entitled "The Nation's Loss," may also be printed in the RECORD.

Needless to say, along with so many of our colleagues, I agree with the thinking expressed in these two editorials:

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the Detroit Free Press, June 2, 1974]

JOHN S. KNIGHT'S NOTEBOOK—FULBRIGHT HAS SERVED UNITED STATES WITH WISDOM AND COURAGE

(NOTE.—"This year just ended saw a rising chorus of dissent over our involvement in Vietnam. The Fulbright hearings provided a clearer insight into the scope and size of our so-called commitments. Sen. Fulbright deserves the gratitude of his countrymen for a magnificent public service." Notebook, Jan. 1, 1967.)

The middle '60s were the great years for James William Fulbright, United States senator and chairman of the famed Foreign Relations Committee. They were likewise helpful years for our nation in that Fulbright—together with a few other courageous members of the Senate—was sharply questioning both our goals in Vietnam and the administration's optimistic misrepresentations on the progress of the war itself.

Prior to that time, the nation and the Congress preferred to believe the ludicrous claims of "success" and "early victory" by men such as Defense Secretary McNamara, General Paul Harkins and President Kennedy's personal emissary, General Maxwell Taylor.

The wise and patient counsel of Senate majority leader Mike Mansfield was ignored by the administration he served.

The warnings of Sens. Fulbright, Morse, Gruening, McGovern, Eugene McCarthy, Stephen Young and Church were interpreted as the mouthings of appeasers.

How shameful it was that the Republican leadership, wrapped in Old Glory while sniping from its folds, avoided debate on the Senate floor.

Had the Vietnam involvement been fully debated in the early days of the Johnson administration—or even before—the course of American history might well have been changed.

Yes, I have long thought that J. William Fulbright, Rhodes scholar, former president of the University of Arkansas, member of the House and then the Senate for some 30 years, more nearly established a valid claim to statesmanship than any other elected public official in the last 50 years.

Yet in last Tuesday's Arkansas primary, his fellow Democrats of the self-proclaimed "Land of Opportunity" turned "Bill" Fulbright out to pasture in favor of Gov. Dale Bumpers, whose opponents said he had only "a smile, a shoeshine and one speech."

The contest was between an intellectual with a sense of his role in history and a local boy exuding what the Associated Press has called "giant-killing charisma." Bumpers maintained that Congress has grown insensitive to the needs of working people. Naturally, he promised that he would "listen to the people of Arkansas."

So "the people" voted for Bumpers, and perhaps in the belief that he would provide a bigger and better ride on the federal gravy train. But it is fair to say Dale Bumpers has been a competent governor with the aid of a program fathered by the late Winthrop Rockefeller which the legislature refused to approve for a Republican governor.

Arkansas has long enjoyed the prestige of being represented in Washington by three of the most powerful men in Congress with Fulbright, Sen. John L. McClellan, chairman of the Appropriations Committee, and Rep. Wilbur D. Mills, chairman of the House Ways and Means Committee.

Yet we are told in Proverbs that "pride goeth before destruction, and a haughty spirit before a fall." In essence, that is what happened to "Bill" Fulbright on Tuesday last.

Fulbright had lost touch with the people of his state. He was at times an acerbic and somewhat haughty individual possessing what James McCartney of the Knight Washington bureau calls "one of Washington's authentic intellects."

These are not traits which are universally admired in razorback country, nor do they endear the possessor to "the people" in an election year. Sen. Fulbright did only a modicum of campaigning in off-election years, and looked rather uncomfortable while engaging in such plebian pursuits.

The senator had his detractors elsewhere, too. Some of his less literate critics adverted to Fulbright as "Half Bright." And testy Harry Truman once described Fulbright as "over-educated and under-informed."

Nevertheless, J. William Fulbright was at times both a devastating critic of U.S. foreign policy and a far-seeing architect of change in that policy during the 15 years he held sway over the Foreign Relations Committee.

Fulbright not only revealed the sham, the myths and hypocrisy of our Vietnam involvement, but proved to be farsighted and constructive in pioneering a new China policy which President Nixon subsequently adopted. Even in those days, Sen. Fulbright favored a more "even-handed" policy in the Mideast, and has since watched Henry Kissinger trying to implement such a policy.

Correspondent McCartney has also mentioned Fulbright's fear that America had become obsessed by military power, and gone astray by seeking to run the world. It was Fulbright who advocated a withdrawal of power long before President Nixon expounded what came to be called the "Nixon Plan" to reduce the American presence abroad.

Fulbright's defeat will leave a large vacuum in the Senate where the choice of successors is limited to lesser men.

For how many members of the U.S. Senate can today meet "the Fulbright test," as enunciated to a meeting of 2,000 college educators in 1966:

"The most valuable public servant, like the true patriot, is one who gives a higher loyalty to his country's ideals than to its current policy and who, therefore, is willing to criticize as well as to comply."

No, the political trends favor the big smile, lots of palaver, the warm handshake, a good crop of hair, and never mind what's under it.

For the idea behind the "great reform" movement of today is to make us all equalitarians together, isn't it?

Our salute goes to "Bill" Fulbright, patriot and statesman who served his country perhaps better than it deserved.

The Nation's Loss—Nobody Will Replace Fulbright

Dale Bumpers, the attractive Governor of Arkansas, ended the illustrious Senatorial career of J. William Fulbright on May 28 by soundly winning the Democratic primary election.

By any standard Fulbright was one of the giants of Washington. Referred to by astute observers as one of that city's authentic intellectuals, Fulbright presided for years over the powerful Senate Foreign Relations Committee. From that forum he unhesitatingly challenged the role of the United States in Vietnam and criticized the claims of success which the administrations were making during the early and mid-1960's. His voice coming as it did from such a responsible position, could not be ignored. Even though he was unable to bring on a full fledged debate over the U.S. role in the earliest days of his questioning, his courage and insight hurried the process. Had he been able to bring other policymakers to a level of open questioning during the early years of the Johnson administration this country might well have avoided years and years of extended suffering over its Vietnam involvement.

Fulbright stood out at other times as well. He espoused a more even handed foreign policy relationship with antagnoistic eastern oriented countries long before Henry Kissinger began to implement one. It was Fulbright who, way back, worried aloud about an America obsessed with building an ever larger arsenal and multiplying armies overseas. He recognized before the rest of us the fallacy of the lingering post World War II idea that America can run the world. He told us before we were ready to listen, and for that he probably lost more friends than he gained.

Particularly in Arkansas, perhaps. It has always seemed an anomaly that this land would spawn such a remote mentally oriented public represenative. Fulbright was not given to much fence mending at home. Those who watched him closely say he was visibly ill at ease during his campaigns for re-election. Such plebian pursuits did not hold high interest for him. He was literally trying to save the world and this outer-directed interest no doubt seemed like disdain or haughtiness to the people at home.

So Fulbright's innate quality notwithstanding, his failure to appeal to "the people" brought him down. He was more the statesman than the politician, and it is characteristic of our system that it favors the big smile, a ready handshake, good verbal skills and, as one observer put it, ". . . a good crop of hair, and never mind what's under it."

Neither of the men who aspire to succeed Fulbright can replace him. But the giant among Washington thinkers and policymakers was out of touch with his constituency, and the nation is the loser. History will reward William Fulbright more roundly than his voters did last week.

INTERNATIONAL UNDERSTANDING AND CONCERN FOR THE HANDICAPPED

Mr. DOLE. Mr. President, a speech was recently made by an extremely knowledgeable individual concerning the international situation for the handicapped. This speech was given by Mr. Alan A. Reich, Deputy Assistant Secretary of State for Educational and Cultural Affairs, at the Partners of the Americas Conference on International Rehabilitation in Washington, D.C. Mr. Reich has made previous addresses on this topic and I feel they have provided a meaningful contribution to the situation of the handicapped. Mr. Reich's interest in handicapped people coincides with my own concern about disabled people and I believe that everyone involved in the affairs of the handicapped should be attentive to his remarks. I request unanimous consent that the text of Mr. Reich's speech be printed in the Record.

There being no objection, the speech was ordered to be printed in the Record, as follows:

International Understanding and Concern for the Handicapped

Remarks of Deputy Assistant Secretary of State for Educational and Cultural Affairs Alan A. Reich

Washington, D.C.,
May 1, 1974.

It is a privilege to address this distinguished gathering on the subject of furthering international mutual understanding through the shared concern for the handicapped. We all are grateful to the Partners of the Americas for providing such fine leadership in this effort to help build the human foundations of the structure of peace. What could be more human than your compassion and your work on behalf of the handicapped? This people-to-people undertaking is making a significant contribution both to our international relations and to the individuals involved. Referring to the Partners Rehabilitation Education Program, Dr. *Gallo* Plaza, Secretary General of the Organization of American States, said here a year ago, "No other volunteer program is having a greater impact on the lives of so many people in so many countries at so small a cost." My remarks today will concern people-to-people communication generally in furthering international mutual understanding and the interest of the Department of State in the activity. I shall mention several opportunities for further action.

PEOPLE-TO-PEOPLE DIPLOMACY

Diplomacy has gone public. Many foreign offices no longer confine themselves to speaking with other foreign offices for peoples; they help and encourage peoples to speak for themselves across national boundaries. People-to-people communication has become a dominant force in international relations throughout the world.

Technological advances have made nuclear war a threat to mankind's existence. Fortunately, new initiatives and agreements in the disarmament field offer hope that the deadly cycle of weapons build-up will be broken. Prospects for increased government-to-government cooperation look better today than at any time since World War II. The great powers are focusing on areas of common concern and not only on their differences. The results appear promising.

In the past few years, scholars increasingly have studied the relevance of informal, nongovernmental communications activities to matters of war and peace. As you know, social scientists are developing a more scientific rationale for these transnational cross-cultural communications activities. Their research suggests that the existence of informal communications tends to reduce the level of tension when conflicts of interest occur and contributes to a climate of opinion in which conflicts may be negotiated more effectively. Second, informal relationships create a greater openness in individual attitudes toward other nations, peoples, and cultures. These predispositions also lead to greater readiness to communicate and to resolve differences peaceably. Third, social scientists tell us that international cooperation and two-way exchange contribute to world-mindedness and to an internationalist perspective on what otherwise might be viewed as purely national problems. Finally, international people-to-people relationships help develop enduring networks of communication which cut across boundaries and reduce the likelihood of polarization along political or nationalist lines.

WHY GET INVOLVED INTERNATIONALLY

Many Americans ask why we should be concerned with international problems when we have so many serious domestic concerns demanding attention. There are several good reasons for getting "involved with mankind"—as you are doing in your international rehabilitation work. Modern transportation and communications, not to speak of modern weapons, have brought our neighbors' problems to our doorstep. We have no choice but to become involved, because if the problems next door are ignored, they soon become our problems.

Poverty, illiteracy, hunger, resource shortages, and disease recognize no nation's borders and travel under no country's passport. It is not a matter of the world's poor getting poorer while the rich get richer. The poor are getting richer too. But their lot is improving so slowly that the difference—the gap—between rich and poor is widening, not closing. Unless some way can be found to reverse this trend, those who are better off also must one day suffer the horrible consequences.

Whether we cooperate with our international neighbors because it is good, or right, or necessary, we must get on with it *while* we are improving the quality of life at home. We can take some solace in knowing that, as you so well appreciate, many other nations share with us the desire and the capacity to help close this gap between the have and have-not peoples of the world. The facts of international life today are that common sense and common survival dictate common action to solve common problems. Interdependence is a fact of life.

People-to-people relationships contribute by enhancing the understanding of these human problems and increase the likelihood of meaningful cooperation toward their solution. Neither we nor our children will have the luxury of working on our domestic problems if we do not succeed in bringing about a climate of peaceful cooperation throughout the world during the next few years.

THE STATE DEPARTMENT'S INTEREST IN PEOPLE-TO-PEOPLE RELATIONS

When you think of the State Department's conduct of our international affairs, the exchange-of-persons program and people-to-people diplomacy do not come immediately to mind. It is, however, a significant activity of the Bureau of Educational and Cultural Affairs which works constantly to improve the climate for diplomacy and international cooperation. The exciting, challenging job of our Bureau is to utilize our modest funds and manpower to reinforce the work of American individuals and organizations who want to help construct, a little at a time, the foundation of better relationships with the rest of the world. The Bureau also pro- the foundation of better relationships with government agencies with international exchange programs in substantive fields such as health, education, social welfare, transportation, agriculture, military training, and urban planning. We frequently are asked about our purposes. The Bureau of Educational and Cultural Affairs seeks to increase mutual understanding, cooperation and community between the people of the United States and other peoples by direct and indirect efforts to:

1. *Enlarge the circle of those able to serve as influential interpreters between this and other nations.*

We enable current and potential opinion leaders and decision makers to gain through first-hand experience more accurate perceptions and a deeper understanding of those realities in each others' societies which ultimately tend to affect international relations.

2. *Stimulate institutional development in directions which favorably affect mutual comprehension and confidence.*

We encourage a wide variety of key institutions, such as education systems and the mass and specialized media, to strengthen their capacity to increase understanding of cultural, social, economic and ideological differences, similarities and interdependences.

3. *Reduce structural and technical impediments to the exchange of ideas and information.*

We promote responsible leadership dialogue, relevant interest group interaction, and significant institutional linkages; in this context, we encourage further extension of English as an international language.

I shall describe briefly the major elements of this program since it will illustrate the commitment of the Department of State to two-way communication and people-to-people diplomacy. This funded program includes the Fulbright-Hays academic exchange to and from the United States; bringing some 1,500 international visitors annually to this country for orientation visits of several weeks duration (a number of them have been in the rehabilitation field); sending performing arts and athletics groups abroad; and sponsoring lecture tours abroad of outstanding American professionals and scholars. The Bureau also seeks to stimulate and encourage nongovernmental activities which further constructive people-to-people dialogue as a means of improving the climate for international understanding.

Of the 1,700 international exchange programs currently designated by the Department of State, only 70 are U.S. Government-financed; the remainder are privately led, organized and sponsored. We realize the success of our own sponsored exchange-of-persons programs, as well as the fulfillment of the purposes I described earlier, depend primarily on the energies of private organizations and individuals. It is the policy of the State Department with respect to people-to-people organizations to encourage and assist while at the same time seeking to preserve the private sector initiative, vigor, diversity, and dynamism which are America's strengths. These programs are best handled and managed by the private sector—not by the Government. Therefore, our facilitative role in assisting U.S. organizations carry out their own programs effectively is our most important one.

PEOPLE-TO-PEOPLE RELATIONS AND INTERNATIONAL REHABILITATION

Private oragnizations in many fields do seek our counsel on how they can become involved and do more to enhance international mutual understanding. When I am asked by Americans about specific opportunities, I suggest the following 12-point program:

1. Participate in the Partners Rehabilitation and Education Program (PREP) with your counterpart state or region in Latin America.
2. In cooperation with national organizations, such as the National Rehabilitation Society and the Association of Rehabilitation Centers, develop institution-to-institution linkages between American and foreign rehabilitation centers to provide a framework for ongoing two-way interchange of professionals, the handicapped themselves and information.
3. Enlist the support of community service organizations at the national and local levels. Most of them (Rotary, Kiwanis, Lions, Jaycees) have a commitment to both international and handicapped activities.
4. In cooperation with Rehabilitation International-USA, assist with orientation and programming of international visitors in the rehabilitation field.
5. Urge the national and local Sister Cities organizations (linking 485 U.S. cities with international counterparts) to develop cooperative rehabilitation exchange programs.
6. Encourage appropriate professional societies and handicapped organizations to develop international committees and carry out programs of exchange with their counterparts of other nations. The People-to-People Committee for the Handicapped publishes directories to assist in this effort:
7. Enlist the cooperation of the state administrators of vocational rehabilitation and the directors of special education (and their national councils) in ensuring official state and local planning for international programs.
8. Develop relevant exchange activities in cooperation with the President's and governors' committees on employment of the handicapped and Goodwill Industries which have international programs of increasing interest to other nations.
9. Encourage and publicize appropriate international participation and events to dramatize the universality of concern for the handicapped and to encourage others to participate.
10. Provide home hospitality and community orientation in cooperation with local groups to ensure the best possible exposure and experience for international visitors.
11. Help ensure U.S. participants in international programs gain advance understanding, as may be useful, of important cultural differences and political realities.
12. Enlist the facilitative and financial assistance of U.S. companies operating internationally, since they have an interest in carrying out public service activities abroad in their own enlightened self-interest as they do in the United States.

The work and concern of private and governmental organizations helping the handicapped in the United States during the past quarter century is a source of pride to Americans. The Social and Rehabilitation Service at the national and state levels has provided outstanding leadership. Certainly, there are many remaining problems, but in no other field of human endeavor has American commitment to the dignity and worth of the individual been so well demonstrated. Many people here today have contributed mightily in this work which has brought meaning and fulfillment to the lives of many Americans.

As you are well aware, in this field we have benefited greatly from the advances and progress made on behalf of the handicapped in other countries. The learning experience is very much a two-way process. As Secretary Kissinger stated recently at the foreign ministers' meeting of the Organization of American States, we are pursuing a "policy of the good partners." The sharing of skills, resources, and experience thus characterizes our relationships in general; this is well illustrated by the work of the Partners of the Americas. As the United States seeks to move from confrontation to negotiation in our foreign relations, these kinds of two-way programs are increasingly important. There are many other organizations represented here (and some not) who already are carrying out meaningful international programs on behalf of the handicapped in the United States and around the world. The contribution of the Agency for International Development has been monumental.

International organizations, including PAHO, OAS, WHO, UNESCO, and ILO are conducting and promoting programs on behalf of the handicapped. Former director general of ILO, Mr. David Morse, pointed out recently that although there has been progress in assisting the world's 300 million handicapped, resources being applied are far from adequate. He used the phrase, "the world's conscience for the handicapped," in connection with the World Rehabilitation Fund and its commitment; it is just as applicable to you and your organizations. I suggest you also are that conscience and that your work will have a radiating impact. To the extent you arouse and stimulate governments and peoples to international action on behalf of the handicapped, you are also helping a very real way to build the human foundations of the structure of peace. I would only urge that you continue this work and engage more fully, if possible, the capacity for commitment of people who want to help but need to be shown the way.

I shall close by relating your work to the basic ideal of UNESCO. "Since it is in the minds of men that wars begin, it is in the minds of men that the defenses of peace must be constructed." Your work to further world understanding through this human concern shared internationally in the minds—and hearts—of men moves us closer to this ideal.

Speaking both for the Department of State and myself, I applaud your efforts and wish you well in "constructing the defenses of peace."

WHY NOT BUILD SOLAR BREEDERS FOR AMERICA

Mr. GRAVEL. Mr. President, while the Atomic Energy Commission continues touting the inherently dangerous plutonium breeder because it might produce more fuel than it uses up, Dr. Joseph Lindmayer of the Solarex Corp. in Rockville, Md., is asking: "why not build clean, safe solar breeders for America?"

His concept is to use the electric power from solar cells to manufacture more solar cells, and thus to breed clean solar power for this country. If the cost of solar cells can be reduced to 50 cents a watt by 1980 which most experts agree can be done, then the cost would be a bargain compared with the costs of the nuclear breeder in 1985.

Dr. Lindmayer's concept, which he presented January 28 at our hearings on S. 2806, the energy trust fund bill, is discussed near the end of an article in the Washington Star-News June 17. The article, entitled "Solar Energy's Big Push Into the Marketplace," was written by John Fialka, who has done a first-rate job on the subject. Mr. Fialka has also written two excellent articles on nuclear energy, which Representative DAVID OBEY of Wisconsin placed in the CONGRESSIONAL RECORD on May 8.

Mr. President, I ask unanimous consent that an article on solar energy from the June 17th Washington Star-News be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD as follows:

[From the Washington Star-News, June 17, 1974]

SOLAR ENERGY'S BIG PUSH INTO THE MARKETPLACE

(By John Fialka)

The job of harnessing the energy in sunlight has been like pushing a cumbersome object up near the top of a steep, difficult hill.

Much of the heavy, basic scientific work has been done, some of it completed years ago. But getting the notion of a solar power industry over the top and rolling under its own momentum was still a dream until last winter when the Arab oil embargo came along.

Now, if you took a journey through the world of solar ideas, the broad spectrum of devices and concepts that have long been in the realm of a few scientists and many magazines feature writers, you would see considerable movement.

Solar-heated radiators, solar power from trees and garbage, solar power from wind, solar power from the ocean and from strange wafers of silicon are no longer Buck Rogers dreams. The revolution in fuel prices means that some, perhaps all of these things, are about to become practical.

Almost anywhere you look, you will see evidence that the Arabs may have given solar power the final, crucial push into the marketplace.

For example, the Washington office of Alfred J. Eggers Jr. is packed with reports that conclude that solar power may be the cheapest, cleanest new source of energy. If you could catch and use one out of every 700 units of solar energy falling on the United States, asserts one, the energy crisis would be over forever.

Yet Eggers, along with nearly every other government official concerned with energy needs, found himself sitting in his office last winter, wondering how to replace the oil that suddenly was not there.

Then one day someone gave Eggers a picture of some school children in Paola, Kan. What attracted his attention was that the children were freezing. They were wearing heavy coats because their school's oil tanks had run dry.

"I said to myself, the Arabs have really given us an opportunity," recalls Eggers, who is assistant director for research applications at the National Science Foundation. What Eggers had hit upon was the chance to use solar power in the simplest way, to use the sun's heat to fill radiators in buildings and homes.

The word went out from NSF, the lead agency promoting solar energy, that there was over $1 million in grants available for companies who could design solar heating systems for the schools and have them running before the 1973–74 heating season was over.

What Eggers was trying to prove is that the technology is not complicated. "And the school is the perfect place to do that," he explained, "it's kind of a focal point for the whole community."

The potential market is enormous, for space heating is estimated to consume one-quarter of all the fuel used in the United States.

Some of the giants of the U.S. heating industry responded, including General Electric and Honeywell, Inc. So did Intertechnology Corp., in Warrenton, Va., a relatively tiny company headed by Dr. George C. Szego, a chemical engineer.

Using a crew of 30 people and working nights and weekends, Szego's company put together in 57 days what may be the world's largest single array of solar collector plates on the grounds of a nearby school.

Since March 19, the sun has been the sole source of heat for five drafty temporary classroom buildings at Fauquier County Public High School in Warrenton.

The system saves roughly 24 gallons of fuel oil every day and it can store heated water in insulated tanks for up to 12 days when the sun is not shining. Everything that went into Szego's system can be found on the shelves of building supply stores.

The basic solar heating device, the solar collector, has been experimented with since 1909. It is simply a thin, rectangular box, covered with glass and bottomed with a black-painted metal sheet that has thin water pipes running through it.

When the sunlight hits the metal it is absorbed, turning into heat. The glass traps the heat, creating temperatures inside the box that can reach as high as 200 degrees. The water in the pipes carries the heat away to radiators, or to underground, insulated tanks for storage when the heat is not needed.

While there are only about 30 solar-heated buildings in the United States today, there are indications that soaring fuel bills and examples like Szego's school and three other schools that suddenly received solar heating systems last winter are beginning to give industry dreams of mass production.

For instance Peter E. Glaser, a vice president of Arthur D. Little Inc., one of the nation's leading management consulting firms, has been signing up companies in a group that sponsors market research that will be needed to form a solar heating industry.

Membership costs $1,500. Last November Glaser's group had 44 members. Now it has 78.

Within the last few months, according to Glaser, who is one of a handful of people who have followed solar development over the years, plans for at least 50 new solar-heated buildings have been announced.

"It's happening in so many places it's hard to keep track of," he said.

But solar collector panel systems are really just the tip of an iceberg of ideas and designs that scientists have developed.

"If all the plans for solar power were simply put in one place and ignited," quipped one scientist, "you wouldn't need a new energy source."

In fact, solar power has really become, in recent months, a generic term, covering almost any way you can get energy from something that has been touched or produced by sunlight in recent months.

For example, a growing plant is really a creature of sunlight and schemes of creating large power-producing facilities from plants or other forms of vegetable matter are now under serious consideration in several parts of the nation.

Szego's company is currently negotiating with a North Carolina pulp and paper company over the contract that may bring the first of these plants into being.

Imagine a field of trees, densely planted like hybrid corn and harvested every three to five years. The trees would be slender whips, gathered by sugar cane cutting equipment and fed into wood chipping machines.

The resulting mountain of chips would be fed into a wood-burning steam boiler system, part of a conventional electric power plant.

Strange? Maybe so. But high-priced low-sulphur fuel oil, much in demand by electric power plants, may bring it into being.

According to Szego, the wood chips are a low-sulphur fuel that soon may be highly competitive with fuel oil in terms of cost and heat produced.

The wood would be harvested on land near the plant, creating a perpetual supply of fuel and ending fuel transportation costs and supply worries forever. Ash from the burning would be dumped back on the land as the major fertilizer for more trees.

While other solar scientists have been working with storage batteries and other devices that would store solar energy for use at night and on cloudy days, Szego believes he has hit on the simplest solar storage system of all: "It's the pile of chips."

The idea, called an "energy plantation" has been criticized by the Atomic Energy Commission, among others, because it would require as much as 200 square miles of land to support a 400 megawatt plant that could power a city of 200,000.

That might seem like a lot of land, but Szego points out that there are at least 26 pulp mills operating in the South, each of which needs 350 square miles of pulp wood to stay in production.

Once you accept a tree as the embodiment of solar power it is not too big a step to include metropolitan sewage sludge and animal wastes in the same category. After all, solar scientists reason, aren't these wastes simply the digested remains of vegetable and organic matter that was recently grown by the sun?

The idea here is not to recover the energy by burning the waste, but by letting it ferment in the absence of oxygen and in the presence of anaerobic bacteria. The result is methane, the substance most people know as "natural gas."

The process is not a new one. Sewage plants have been making methane gas for years as a biproduct of waste treatment. Often, however, the methane produced has been considered a nuisance and has been piped outside the plant to be burned, or flared off.

Now, as part of its solar program, the National Science Foundation, is studying the feasibility of a large-scale methane production plant from sewage sludge.

If the process works, acording to a study by a panel of NSF and National Aeronautics and Space Administration (NASA) solar experts, it will yield a gas at the same price as the market rate being considered for synthetic gas from coal and imported liquified natural gas.

Moreover, it would begin to reduce the mountain of sludge now accumulating in metropolitan areas.

Animal wastes represent another problem that could be converted into "solar power." According to a recent report by the House Government Operations Committee, 2 billion tons of animal wastes are produced annually in the United States. Much of it is produced in animal feedlots and often it is simply discharged into lakes and streams where it quickly fouls the water.

Mass fermentation of wastes into methane could ultimately supply 2 to 3 per cent of U.S. gas needs, according to the NSF-NASA study.

Then, if you extended the process and began cultivating such fast-growing plants as algae, the water hyacinth or kelp for fermentation into methane the potential would be enough gas to "supply all our gas needs," the study asserts.

The next step beyond using growing things for solar energy would be to eliminate the growing cycle and apply solar heat directly to the task of boiling water to make steam. That would take a device to magnify solar heat up to 500 degrees or so to get sufficient pressure to run a turbine.

There are at least a dozen major scientific efforts in this area. A husband and wife, Aden and Marjorie Meinel of the University of Arizona, have plans to develop "solar power farms" in western deserts.

According to the Meinels' theory, the sunlight would be collected in special gas tubes that would concentrate the heat and pass it on at very high temperatures to a liquid metal coolant, such as liquid sodium, that could be stored for use during the night and on cloudy days.

A square mile of desert, covered with collectors, according to the Meinels, would generate 100 megawatts of electric power, enough for a city of 76,000 people.

The atomic Energy Commission has been working on a much smaller, but similar system and recently announced the invention of a trough-shaped light collector that can concentrate up to 10 times the sunlight falling on a flat surface.

The AEC has stated that systems of collectors could be arranged to deliver up to 60 per cent of all the power, heat and hot water needed by a community of more than 100 homes.

Taking the process still another step further, there is a relatively simple way to make rotary power from the sun without going through the fuss of boiling water to make steam. The wind is produced by temperature differences caused by the sun.

Again, inventors have been at work for some time. The Danes built a 100 megawatt windmill in 1915 and an American power company built one at Grandpa's Knob, Vt., in 1940.

The National Aeronautics and Space Administration, NASA, is currently building a windmill with a 125-foot rotor blade to be installed next year in Sandusky, Ohio. It will have variable pitch blades and a complicated gearing and wind sensing system that will allow it to deliver a constant rate of spin.

The problem with all of these devices, however, is the same. They involve huge amounts of expensive machinery that just sits around at night when the sun goes down and the wind drops. If only there was a river of solar heat that ran 24 hours a day.

Such a river has been found and some scientists believe it could be harnessed to provide all of the nation's energy demands by the year 2000.

It consists of the Gulfstream and the tropic seas in the Gulf of Mexico. A French scientist proved that you could harness this nearly infinite heat reservoir of 82 to 85 degree water in 1929.

Now the NSF is making up to $1.8 million in grants available to see what sort of hardware would be needed.

The idea is to use a liquid such as propane or ammonia that would boil at such temperatures and run turbines to make electricity. The vapor or "steam" that came out of the turbines would then be cooled with water and pumped 2,000 feet below the surface. There, another almost infinite supply of cold water at between 35 and 28 degrees would condense it and turn it back into a liquid to begin the process again.

The system would need large pumps and huge pipes because huge volumes of seawater would have to be moved through it to take advantage of the temperature differences.

Last fall, a panel of solar experts assembled by the NSF reported that such generating units could be positioned 1 mile apart, across the lengths and breadth of the Gulfstream.

The energy from these and a few more units positioned in the Gulf of Mexico, the panel stated, would provide more than 26 trillion kilowatt years of electrical power—enough to totally satisfy the nation's energy demands.

The use of temperature differences or thermal gradients in the Gulfstream has raised a number of questions. Can the U.S. make the hardware, for instance, strong enough to withstand the corrosion of seawater?

Since the Gulfstream terminates by delivering its heat to England and Northern Europe, would tampering with its heat content turn that area into a new Siberia?

These are just a few of the pesky questions that bother solar scientists. Some of them feel it would be a lot simpler to manufacture something that has no moving parts that would just sit there in the sunlight and make electricity.

Such a device, called a solar cell, was invented in the early 1950s when scientists discovered that if you take certain types of crystals, say a wafer of silicon, and put it into the sunlight, a small charge of electricity is created for a fraction of a second before it degenerates into heat.

The sunlight causes rapid movement among the electrons, charged particles within the silicon atoms. By using special coatings and silver wires to tap the momentary movement of the electrons, scientists found they could "catch" a supply of usable power from the process.

Simple as all this might sound, there was one big drawback. Making the silicon wafers and coating them and installing the tiny silver wires took up to 65 hand processes. The labor costs drive the price of the resultant electricity up to around $6 a kilowatt hour. That is enough electricity to light ten 100-watt bulbs for one hour.

Who would pay such a fantastic price for solar electricity when the same amount of power coming out of the socket in the average living room wall costs about 3.5 cents?

NASA would and did. It appeared to be the simplest way to power space crafts. As a result of its space program, the U.S. has probably spent far more on solar cell development than on anything else in the entire solar field.

Bringing the solar cell down to earthly prices has been the big problem, but there are now four or five companies who believe they can do it.

One of them is Solarex, an eight-month-old venture in Rockville, Md., headed by Joseph Lindmayer, who has invented several types of solar cells.

"There has been a tremendous change in this in just a year. This was science fiction a year ago, now things are beginning to happen," he told a reporter recently.

Lindmayer believes he can get the price down to 60 cents a kilowatt hour. That may still seem steep compared to utility rates, but millions of Americans pay that much for electricity when they buy batteries.

Early last month the NSF announced that a new process of making the silicon wafers in long strips rather than slicing them off of big bologna-sized crystals, might cut production costs by 50 percent.

A problem with developing solar cell technology, as with all other devices to use the heat of the sun, has been money. When Lindmayer started out, he took his scheme to Wall Street, which was not interested.

"All the venture capitalists we talked to in the beginning had this basic hangup. They said, "where is the market?" But Lindmayer gradually found enough financing to begin.

The really big money in the energy research and development business is going into the development of the breeder reactor, a device which the AEC says will create enough additional fuel to power itself as well as other nuclear reactors.

Lindmayer's most ambitious scheme is to build a "solar breeder" to demonstrate that solar energy, too, can develop such profound economic advances.

Soon, he believes, solar cells will be mass produced so cheaply that they will be used to panel the roofs of houses and large buildings. At that point Lindmayer hopes to start a solar cell factory that will begin by paneling its own roof.

Once the sun provides enough power to

heat and light the building and to power its production line, Lindmayer says he will do what every solar scientist secretly dreams of doing.

"We will mark this glorious day with champagne and then we will go outside and cut the wires from Pepco (the Potomac Electric Light and Power Company.)"

INTERMODALISM AND RAILROAD OPERATION

Mr. BROCK. Mr. President, I should like to draw the attention of the Senate to a technical but very informative and important article published recently in the magazine Traffic World. The article deals with the meeting of the National Railroad Piggyback Association and their discussion of intermodalism and railroad operation.

As I have stressed before, the long term economic health of U.S. railroads, and indeed the country's transportation system in general, will only be attained through the adoption of new attitudes and the exploitation of new technologies. One of the most significant for railroads is the container—a standard freight package which can be utilized by virtually all modes of transport, thus offering a means of greatly increasing the efficiency of freight movement. Unfortunately, as the article points out, the railroads have been dragging their feet in realizing the potential of containerization. In the words of one of the conference participants: "Where are the innovators?"

Containerization should be part of a changed system of freight transportation. Many of the problems the railroads face are not of their making—particularly the maze of regulations within which they operate and the barriers to efficient intermodal operation. These must be changed and indeed one measure I have introduced—S. 3470, the Consumer Interests Transportation Act—would go a long way to improving the situation. However, the railroads themselves must also aggressively adopt new ideas and new techniques if they are to fully realize their potential and we as a nation are to get the best and most efficient transport system possible.

As I said, the article is from a specialized journal and some of the terms may be unfamiliar. Thus, perhaps I should say that COFC and TOFC stand for container on flat car and trailer on flat car, respectively. However, I feel all those who are concerned about the Nation's transportation system should be aware of the continuing problems of the railroads—their successes and, I am afraid, their failures—especially when we in Congress may be asked to give them considerable financial support. I ask unanimous consent that a part of the article by Camille B. Thiele in Traffic World be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

RAILROADS ARE ACCUSED OF "DRAGGIN FEET" IN DOMESTIC INTERMODAL CONTAINER MARKET

(By Camille B. Thiele)

Shippers demand containers in domestic intermodal service, railroads have the potential for handling them—and yet their movement represents a very small percentage of current rail freight revenue, practically all from international shipments, members of the National Railroad Piggyback Association, meeting in Atlanta, were told.

"Where are the innovators . . . who will discover that over 90 per cent of transportable commodities move within the U.S.?" asked J. G. McKeefery, manager of the rail and piggyback package transportation for E. I. DuPont de Nemours & Co.

In discussing the challenge of TOFC v. COFC in the association's meeting, held May 15, he said shippers place an economic value on containerization in domestic service.

"A whole new field is right here under our feet and certainly within our present technological capabilities," he added.

An open forum on "Domestic Containerization—Why or Why Not?" was conducted under the chairmanship of D. W. Wicks, manager of intermodal sales for Southern Pacific Transportation Co. The following participated:

Joseph M. Hamby, containerization coordinator, Delta Steamship Lines; Sheldon R. Landy, director of development planning, Trailer Train Co., R. A. Martin, manager of containerization, Missouri Pacific; and A. Buford Smith, director of intermodal pricing and marketing, Penn Central Transportation Co.

Leading off the discussion, Mr. Smith said that handling individual container shipments, private siding to private siding, "is just plan uneconomical".

"Flat cars with these loads must be treated like conventional box cars—with all the inherent slowdowns due to yard and switching movements," said he. "Also, experience has shown that containers will almost certainly be empty for half the total trip (shipper to consignee to shipper), further inhibiting equipment utilization. Also, special tariffs are generally published to cover these movements, as they are categorized in the box car area."

"On the other hand, volume movements of both containers or trailers on flat cars between modern container terminals would provide rapid service and optimum equipment utilization—and that's where the natural advantage of TOFC/COFC traffic lies.

"There is some school of thought that the rail industry should gradually phase out its fleet of all-purpose cars, replacing it with a fleet of containers (trailers) on flat cars. The railroads would specialize as wholesalers of freight transportation, with trucking performing the retail operation in the pickup and delivery of containers to and from the railroad ramps.

"Containerization should be combined with movement toward intermodalism and a program of rail line abandonments. Door-to-door deliveries over a dense rail network using general-purpose freight cars may have been practical in the freight market of the years preceding an extensive highway system and a fully developed trucking industry.

"However, changes in the composite and geographic patterns of this traffic, especially the manufactured goods market, have rendered the traditional technology of general-purpose freight cars moving over dense rail networks increasingly incapable.

"Containerization may not only enable railroads to participate in a greater number of freight markets, it also may help retard the decentralization of manufacturing which is causing the decline of long-haul traffic in manufactures."

Mr. Smith added that containerization of cars capable of carrying containers has gone up.

"Rails do have a tremendous potential for domestic container business," he said, "and if COFC traffic were emphasized, Trailer Train would expand its fleet accordingly."

One of every three cars going in service today is an all-purpose car capable of carrying a container, he said, and by the end of 1974, 15 per cent of Trailer Train's total fleet—about 6,000 cars—will be in service.

FRANCIS J. COLLIGAN

Mr. FULBRIGHT. Mr. President, with much sorrow I want to draw the attention of my colleagues to the death last Sunday of a truly fine civil servant, Francis J. Colligan. We have lost both an extremely valuable citizen and a good friend. While I do not wish to rehearse the many activities in which Dr. Colligan participated, or the many awards he received, I cannot let this occasion pass with only a perfunctory notice.

Frank Colligan was a native Californian who, prior to joining the service of the Federal Government, was chairman of the Department of English and Speech at the City College of San Francisco, the city of his birth. Beginning with his first post in Ecuador as Cultural Relations Attaché in 1942, he spent roughly 30 years with the Department of State. During those years, he devoted himself to the cause of promoting the foreign relations of his country and upholding the cause of academic excellence—which he rightly believed an essential ingredient of our relationships with countries abroad.

At the time the informally named Fulbright Act was passed, Frank Colligan was immediately and intimately involved in its administration. He and a handful of others did more than almost anyone could have expected to implement the legislation successfully, especially in creating the highest feasible standards for the program.

He served in many capacities in the Department of State as well as with the Board of Foreign Scholarships and the American Council on Education. During his service, he twice received the State Department's Superior Honor Award: in 1966 and just a relatively short time ago upon the occasion of his retirement. He also received a Rockefeller Public Service Award in 1955 and was a fellow at Princeton under that program in the following year.

Dr. Colligan's service obviously was of an exemplary character during his most active years. But I should like to add that his usefulness did not diminish in the slightest with age. In his last State Department position, as head of the policy and planning office within the Bureau of Educational and Cultural Affairs, he made the fullest use of his experience and of his wisdom. Rather, I should say, we made the fullest use of his sterling qualities. For we could always go to Frank Colligan for an authoritative assessment of any idea. He had heard of virtually every past initiative and knew what had happened to each one. While he could warn us away from fruitless projects, he never lost his enthusiasm for really new and promising ideas. Even after his retirement and up to the unhappy event of last Sunday, I know that Frank Colligan was giving freely of his knowledge and of himself.

Not least among his accomplishments was the authoring—along with another fine scholar, Walter Johnson—of a book entitled "The Fulbright Program: A History." One could not have wished for a better team to have undertaken that task, and no one could have wished for more impressive results. It is the single volume needed on the shelf of anyone interested in the educational and cultural exchange program in concrete terms of administration and accomplishments.

Mr. President, there are not many members of the Government now active who guided the educational and cultural exchange program through its expanding phases beginning in the period just after World War II. Since my name has been attached to the program, in one way or another, for so many years, I almost feel as if they constituted a small "Fulbright family." Thus, I feel a real sense of personal loss and can sympathize fully with Frank Colligan's widow and son, to whom I extend our deepest condolences.

Most of all, however, the country will miss the services of a truly remarkable and excellent civil servant.

THE BUSING OF SCHOOLCHILDREN

Mr. BROCK. Mr. President, I would like to call to the attention of my colleagues newspaper reports of a recent change in position on the issue of busing by one of our Nation's Governors. Gov. Francis W. Sargent of Massachusetts is leading an effort to replace his State's racial imbalance law with a voluntary metropolitan busing plan. Earlier this year, thousands of persons marched to the capitol proclaiming their objections to the current plan in Massachusetts and apparently Governor Sargent has heard their cries. There are many, many more of them across this Nation. Mr. President, I ask unanimous consent that an article from the Washington Post on Governor Sargent's change in feelings be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

(By William A. Henry III)

Boston.—Liberal Republican Gov. Francis W. Sargent says his top priority this year is to replace the nation's only state law requiring the racial balancing of schools with a freedom-of-choice plan.

Massachusetts' House of Representatives is to begin debate Monday on his pending bills to substitute open enrollment and a voluntary metropolitan busing plan for the compulsory Racial Imbalance Law passed in 1965.

The governor testified on the plan at hearings of the legislature's education committee last month.

The Racial Imbalance Law, deferred through years of litigation and defiiance, is to be implemented this fall by state court-ordered busing in Boston and Springfield. By Sargent's estimate, court busing plans would integrate more than three times as many children as the plan Sargent urges.

Three smaller cities, Cambridge, Worcester and New Bedford, desegregated soon after the law was passed.

Sargent reversed his long-standing support of the law in response to pressure from from conservatives in his party and warnings of civil disobedience and possible violence from anti-busing whites in Boston and Springfield.

Crowds estimated by police from 10,000 to 30,000 marched on the capitol to urge repeal of the imbalance law during hearings April 3 and 4. Later that month, about 100 legislators and citizens staged a round-the-clock vigil at the foot of the state house steps as the legislators voted for repeal. But Sargent vetoed the repealer May 10 and took to statewide television to announce he would propose a substitute voluntary plan.

He described the compulsory busing plans as "unfair" because they left untouched several geographically isolated white enclaves in Boston, and "unworkable" because they would meet with wide resistance and would not demonstrably contribute to educational quality.

Sargent is seeking re-election this year against a Republican primary opponent and two Democrats, all of whom oppose compulsory busing. School integration is termed by the governor's staff as the single most important issue of the campaign.

Sen. Edward W. Brooke (R.-Mass.), presiding officer of the nonbinding pre-primary convention that renominated Sargent Saturday, said the governor's plan "is dead wrong."

"I'm absolutely opposed to it," he added. "I simply cannot support any plan that will not use busing as a tool for school integration. I'm deeply disappointed that the governor, who has long been a stalwart supporter of this human right, decided to back off during an election year."

Boston and Springfield had school populations about 15 per cent black when the law was passed. Nine years later both have almost 40 per cent black enrollment. The Racial Imbalance Law requires that no school be more than half nonwhite.

City officials and legislators claim implementation of the imbalance law would necessitate "massive" busing, would destroy neighborhoods, would spur "white flight" to the suburbs.

Boston voters rejected pupil reassignment on a racial basis without parental consent by 13 to 1 last month in a nonbinding referendum widely interpreted as a poll on busing. Proponents of integration said the vote reflected more intensity than breadth of sentiment. The voter turnout was 12 per cent, lowest in city history.

The state's two top legislators, House Speaker David M. Bartley and Senate President Kevin B. Harrington, have predicted easy passage for Sargent's plan but have refused to endorse it. The legislation would:

Halt forced busing and render the state "neutral" on school integration.

Enforce open enrollment within Boston and Springfield, with lack of space no excuse for denying a seat.

Double from 2,000 to 4,000 the "Metco" voluntary busing program for city blacks. Sargent acknowledges the figures are based on the size of the Metco waiting list.

Recruit minority teachers and administrators, and retrain current personnel in "ethnic and cultural sensitivity."

Expand "magnet schools" offering innovative curriculum to attract a racially integrated urban-suburban enrollment, and develop similar part-time "magnet educational programs" at museums and scientific and cultural institutions.

Pay any white school a $500 bonus for each black transfer pupil it accepts from a majority black school—whether the school participates voluntarily (in the suburbs) or under legal compulsion (in the city).

The bonus plan has generated the most controversy. Sargent says it is "the first integration plan in Massachusetts to do something to ensure the quality of the education at the end of the ride."

The legislature's Black Caucus called the idea "slave bounty—putting black children on the auction block and selling them to the highest bidder." The House chairman of the Joint Education Committee, Boston Rep. Michael J. Daly, who opposes busing, said, "The bounty plan is a disgrace."

Militant anti-busing legislators, most from Irish and Italian neighborhoods in Boston and in Springfield said they were "pleased" to endorse "any plan that eliminates forced busing. The best plan for integration is no plan at all," South Boston Rep. Michael F. Flaherty said at the committee hearings. "But this is a step in the right direction."

Sargent was closely interrogated by the education committee. In contrast to the customary thanks and perfunctory questions—when the governor speaks at a legislative session, Sargent was debated for nearly an hour by members who called his plan "racist," "punitive," "discriminatory," insufficient, unworkable, and unconstitutional.

Sargent was also denounced by unanimous vote of the state Board of Education, which he appoints. The board drafted the pending Boston and Springfield forced busing plans under court guidelines.

The Sargent plan faces potential court problems. Governor's legal counsel, William E. Young acknowledges that open enrollment may not be sufficient if a court finds evidence of de jure segregation in either city.

Boston officials expect a decision this summer on a suit filed in U.S. District Court in Boston in 1972 by the NAACP and a group of black city parents, charging that Boston operates a dual school system with state complicity. The U.S. Department of Health, Education, and Welfare reached a similar finding in an administrative hearing, and the decision was upheld on appeal.

CWA'S JOE BEIRNE TO RETIRE

Mr. WILLIAMS. Mr. President, next Monday, one of this country's great labor unions, the Communications Workers of America, will gather in Kansas City for its annual convention. This meeting will be an historic one for the CWA, because the delegates will be selecting a new president to succeed the man who has led that union virtually since its inception—Joseph A. Beirne.

Joe Beirne, who is 63 and underwent surgery not long ago, announced recently that he would not seek reelection as union president. He has held that position since shortly after the union's founding more than three decades ago, and under his leadership the CWA has grown into one of the most effective and progressive labor organizations in the United States.

Mr. President, Joe Beirne has made a truly outstanding contribution—not only to his union and its members, but also to our entire Nation. I am very proud that he is a native of Jersey City, N.J., and that he got his start in organized labor while living in New Jersey.

The leadership of Joe Beirne as president of the CWA will be missed, and I can only say I hope he will remain active in labor affairs and in our national life. Mr. President, I ask unanimous consent that a biographical sketch of Joe Beirne be printed in the Record at the conclusion of my remarks.

There being no objection, the sketch was ordered to be printed in the Record, as follows:

Biographical Sketch and Background on Joseph A. Beirne, President, Communications Workers of America

Joseph A. Beirne is a family man, a union leader, a statesman, a politician, a Roman Catholic, an Irishman and a diplomat.

Damon Stetson, respected columnist for the New York Times, has described him as "dynamic," "imaginative," "well-ordered," "up-to-date," and a "fireball."

John F. Kennedy in 1961 said he regarded Beirne as "one of the outstanding leaders of the American labor movement."

Lyndon B. Johnson said: "No leader in this country has stood up more forcefully or more successfully for his people than your own President, Joe Beirne."

Beirne has written books and magazine articles, he has travelled widely and he has served on Presidential panels and commissions since Franklin D. Roosevelt was in the White House.

He was bitterly opposed to the career of Richard Nixon and, indeed, served as Secretary-Treasurer of the labor committee formed by 40 Unions—inside and outside the AFL–CIO—in 1972 to support George McGovern's bid to beat Nixon.

Beirne came out of a devout Catholic home in Jersey City with strong union beliefs. His father, a member of the Brotherhood of Locomotive Engineers, had been dropped to oiler because he refused to go through a picket line.

Starting to work at the Western Electric Co. in 1928, he moved from utility boy in the inspection department to the company's New York Distribution House (part of W. E.'s Sales Division).

Roosevelt's New Deal reforms sparked an interest in union affairs and he was elected president of the Western Electric Employes' Assn. of the New York House. He quickly moved to knit similar groups of sales workers together into a national association and by October, 1937, he was elected president of the nationwide unit he had pushed so hard to create.

He occupied this post when Thomas Twigg, president of the Federation of Telephone Workers Inc. of Ohio called a National Assembly of telephone workers at the Hotel Statler in St. Louis on Dec. 16, 1937.

For two days, the 29 delegates representing 17 independent telephone organizations, debated the type of organization they desired. Was it to be a national union? Or a sort of corresponding society for the exchange of statistics?

They adjourned without reaching a decision, but Paul E. Griffith of Chicago was designated as pro tem chairman for a second and now historic National Conference of Bell System Employees' Organizations at the Allerton Hotel in Chicago on June 15, 1938. The delegates of 31 organizations, claiming to speak for more than 140,000 workers, hailed from every region of the nation.

It was here that the young Joe Beirne sent a ripple through the meeting room when he arose and quietly proposed:

"I move that we form a national organization of telephone workers."

The motion was unanimously adopted and the delegates agreed to draft a constitution at a meeting in New Orleans on Nov. 14, 1938.

The idea of a national union gripped telephone workers across the country, yet many anti-labor types and professional observers remained skeptical.

They felt sure that past history and precedence were on their side. After all, the proposal meant pitting the loosely knit group of workers against the giant AT&T, the world's biggest employer.

"You cannot organize telephone workers," the skeptics said. "It has never been done. It will never be done. The Bell System is violently opposed to the whole idea. Therefore, it will fail."

However, they apparently did not figure on the power of the ideas held by these new unionists.

The union that was launched at the founding meeting in New Orleans—the National Federation of Telephone Workers—grew and prospered despite management's bitter opposition. And, in 1947, it took a giant stride forward when it became the Communications Workers of America, largely due to the energetic work of Joe Beirne and his awareness that a stronger, more vibrant union would be needed in the years ahead.

Beirne was named president of the organization in 1943 and has been in that capacity since. He was elected to his current term as president in 1971.

Out of titantic struggles with the industry grew Beirne's desire to strengthen the Union and its place in American life.

No one works harder at it than Beirne himself.

In 1966, for example, he became the first trade union leader in history to be elected president of the United Community Funds and Councils of America—now known as The United Way—the national headquarters and coordinating center for some 2,000 voluntary fund raising organizations across the country.

The St. Louis Globe Democrat greeted his election to this top volunteer post by referring to Beirne as a "labor leader with a sense of responsibility."

Beirne points out that the American labor movement entered community service work on a planned basis in 1945. "We learned that there is a direct connection between the normal, accepted work of a union and the broader needs of the community in which it functions," Beirne explains.

After CWA affiliated with the CIO in 1949, the late Philip Murray appointed Beirne chairman of the CIO Community Services Committee, where he served until the 1955 merger of AFL and CIO. George Meany then tapped him as chairman of the merged committee—a position within AFL–CIO that he held until 1969, when Meany asked him to take over the Federation's International Affairs Committee.

As a member of President Johnson's National Commission on Technology, Automation and Economic Progress—a commission comprised of leaders of business, labor, education and public organizations—he helped to make the nation aware of the "urgent need for speed" in learning how to adjust to the "tremendous impact of technology on the future of our whole society." Nowhere in the corporate structure of the nation is automation more a reality than in the communications complex.

The awards and the honors that have been bestowed upon Beirne also provide an insight into the man's impact upon America and its working people.

One of the first such awards was from the Junior Chamber of Commerce in 1946 when Beirne was named "Man of the Year" and shared his award with another Irish Catholic, John Fitzgerald Kennedy.

He received Marist College's First Great Contemporary Americans Award in 1966, along with His Eminence Francis Cardinal Spellman, and was recipient of the National Urban League's Equal Opportunity Award that same year. He was presented with an honorary degree in law from Merrimack College and an honorary doctorate of law degree from the University of Notre Dame, both in 1968.

Under another Presidential appointment, he was one of the original members of the Board of the Corporation for Public Broadcasting.

Of the numerous programs that he has fought for as steps toward a higher standard of living for all Americans, he is most proud of his efforts in the field of education.

He continues to press hard for legislation that would provide free public education from pre-kindergarten through the graduate school level for every young person who is willing to study and able to absorb the training.

Organizing the unorganized has been a consuming interest for Beirne and CWA in recent years—standing shoulder to shoulder with collective bargaining and legislative-political activities as Union programs of highest priority.

To make certain that CWA is geared to reach those goals in these times of tremendous social change, Beirne in 1971 took the lead in a successful move to restructure and revitalize the Union.

In recent years, under his leadership, CWA has held a series of legislative-political conferences in the nation's capital; the union's political thumb has extended to state capitals across the country, and Beirne's personal intent in building the strength of the national political parties has been demonstrated in strong recommendations to the platform Committees of both major parties.

As a Democrat, he played a key role in development of the new Delegate Selection rules. He has been a member of the Democratic National Committee since 1973.

In the fall of 1973, CWA provided 10,000 operators to work the telephones in the Democratic National Telethon.

He is an American, first and foremost, but his deeds and energies do not stop at the geographical limits of the United States of America.

He was the principal figure in establishing worker-to-worker relations between the U.S. and Latin America—efforts that led to creation of the American Institute for Free Labor Development, a venture co-sponsored by labor, business and government. Beirne serves as Secretary-Treasurer of AIFLD and on the Board of Trustees.

He is president of Postal, Telegraph and Telephone International, a trade secretariat representing over 3,000,000 workers in the free world.

His reputation as author and speaker is widely known and appreciated. He authored "New Horizons for American Labor," an in-depth, perceptive study of organized labor's need to prepare for the challenge of the 1970's and 80's, and has co-authored "Space: Its Impact on Man and Society." Beirne's third book—"Challenge to Labor"—a well-received volume dealing with the role of labor unions in meeting national and international problems—was published in 1969.

THE SHORTAGE OF FERTILIZER

Mr. HART. Mr. President, a serious nationwide shortage of fertilizer now threatens the great role of American farmers in meeting the rapidly expanding world demand for food. The reasons for the current shortage are complex and the outlook for solutions to the fertilizer problem in the near future is uncertain. Recent information has been developed by my staff on this important issue as a result of correspondence with the major fertilizer producers and marketers in Michigan. I ask unanimous consent that a current report by my staff on the fertilizer shortage be printed in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

THE NATIONWIDE FERTILIZER SHORTAGE

The gap in 1974 between the tonnage of fertilizer desired by farmers and the levels that will be supplied by the fertilizer industry is large, though uncertain. The shortfall is reflected in part by the staggering price rises that we have witnessed this year. For nitrogen-based fertilizers, the current shortage is most serious. Recent estimates of the actual supply shortfall range from 500,000 tons (U.S. Department of Agriculture) to

1.5 million tons (the Fertilizer Institute, an industry trade association). This last estimate would reflect an almost 15% shortfall in domestic use. At the same time, prices have been rising rapidly since their decontrol by the Cost of Living Council on October 25, 1973. Even with agreements by fertilizer producers in January to restrain price increases until the end of June, nitrogen-based fertilizer prices are up almost 100% since decontrol, with additional rises of 10–15% predicted for July alone! Phosphate-based fertilizer prices are also up a striking 45%, with supply deficits for this type of fertilizer estimated by the U.S. Department of Agriculture at 835,000 tons, or 12–15% of domestic use.

The fertilizer shortage can be explained by skyrocketing demand for fertilizer, together with a supply side plagued with unwise national economic policies (phases I–III), shortages of primary materials, time lags, and uncertainty. Because of rising world incomes and unfortunate coincident droughts throughout the world, the total demand for U.S. agricultural output has expanded tremendously since 1971. To supply the output, Congress and the Administration properly abandoned the decades-old policy of setting aside croplands from production, and lifted most restrictions on the amount of land that can be cultivated. Congress passed legislation that puts a floor under farm incomes in times of low commodity prices, but not a ceiling on production. The result has been a substantial increase in domestic cultivated acreage, perhaps up as much as 45 million acres since 1971–72. Farm product prices have also risen dramatically, as we well know. Thus more and poorer acreage, needing larger proportional doses of fertilizer, together with crop price rises, making increased intensities of fertilizer use economical, have combined to increase fertilizer demand substantially. Indeed, the total fertilizer bill in 1973–74 may reach $4 billion, up 40% from the proceeding crop year.

The capacity for nitrogen and phosphate-based fertilizer production has grown very slowly in recent years, while increasing exports have siphoned off existing fertilizer supplies. During the late 1960's, just before the explosion in fertilizer demand, overcapacity in the agrichemical industry drove many firms out of the fertilizer market. The 1971–74 expansion in demand unfortunately coincided with the Nixon Administration's Phases I–III in economic policy. Ironically, fertilizer prices were frozen at depressed levels, preventing increases in production and discouraging the entry of new agrichemical firms. The previous overcapacity quickly turned into a shortage in the face of rapid agricultural expansion. The frozen prices were below international levels, in part because of two devaluations, spurring a rise in fertilizer exports of some 30% from 1971–72 to 1972–73. Finally, the energy crisis has played an important part in the current shortage. Natural gas and other hydrocarbons necessary for the production of nitrogen fertilizers, have risen in price and are themselves scarce, making increased output of fertilizers an uncertain prospect.

THE MICHIGAN SHORTAGE

The nationwide shortage just described unfortunately hits Michigan worse than average. And, on the basis of recent correspondence with fertilizer producers and marketers in Michigan, a major reason becomes clear: transportation costs of fertilizer shipped to Michigan. Michigan is located far from the major production plants of nitrogen and phosphate-based fertilizers, which surround the rich natural gas fields of the Southeast. In fact, according to ACSC, Michigan now has only two nitrogen-based fertilizer plants, which are minor units operating off of other industrial by-products. Also, Michigan is a late planting state, meaning that Michigan farmers tend to have last claims on existing fertilizer supplies. *Because of transportation costs and early commitments to Southern farmers, major firms have pulled out of the fertilizer production and distribution businesses in Michigan during this period of rapidly increasing demand.* Companies closing retail outlets include Montsanto, Mobil Oil, Chevron, and Phillips Petroleum. Companies leaving the wholesale market include Allied Chemical and Olin Matheson. Most of these companies have continued to supply customers in the Southeast, closer to production points. This marketing cutback is further aggravated by a current boxcar shortage, limiting nitrogen fertilizer shipments from the South, and major potash shipments from Canada.

The demand conditions for fertilizer in Michigan reflect the impact of increased crop output. Encouraged by the U.S. Department of Agriculture, Michigan farmers will plant 700,000 more acres in 1974 than in 1973. Wheat acreage will rise 46% in this year alone. With supplies of fertilizer limited and perhaps shrinking in Michigan this year, a fertilizer squeeze is definitely in progress. The ASCS of Michigan has estimated, roughly, a 10-15% shortfall in nitrogen-based fertilizer this year, while significant price rises have also resulted from the demand and supply conditions. The ASCS, in monitoring prices since January, reports a 60% rise in the average price of anhydrous ammonia fertilizer, since the beginning of the year, to $220 per ton *after* much of the initial price rise following decontrol. A 30% hike was similarly observed in the average price of nitrogen-solution fertilizers. Thankfully, recent reports indicate that, at higher cost, *crop plans in Michigan will be substantially met this year*, because the farmers of our state have faced the scarcity and high prices of fertilizer with skillful and scientific adjustments downward in fertilizer applications.

THE FUTURE

Nationwide and in Michigan the next few years promise continued tight supplies and high prices of all types of fertilizers. In the next three to four years, supplies of fertilizers will increase and prices will stabilize or perhaps fall as the increases in cultivated acreage slow, and as farmers and the agrichemical industry adjust to the very rapid demand and price increases of fertilizers in the last few years. As Michigan farmers ably demonstrated, with sound fertilizer application methods, compensating adjustments in usage will be made in response to high fertilizer prices. On the supply side, we may be optimistic about the prospects within the next five years. One major engineering firm, for example, now has 40 new ammonia plants under construction. In Florida, a bottleneck in phosphate fertilizer production is unjamming as a number of phosphate mining ventures get underway.

But of course the outlook for the next two years is far less satisfactory. And we must ensure that Michigan farmers do not bear an unfair load of the short-run burden. Because inventories of nitrogen fertilizers have been drawn down by the recent supply shortages, supplies may be tighter in 1975 than in 1974. The lead time in ammonia plant construction is at least two years, slowing current adjustments to demand. Phosphate shortages and high prices will also likely persist through 1976. These short-term problems can be mitigated through appropriate federal action. Senator Hart has joined in efforts in the Congress to ease the difficulties of Michigan farmers in our transition to greater capacity in the fertilizer industry. First, Senator Hart has cosponsored Senate Resolution 289, adopted February 27, 1974, which mandates that the Federal Power Commission afford the second highest priority of natural gas deliveries to the fertilizer industry, following only deliveries for residential use. Natural gas sufficiency is central to hopes for fertilizer industry expansion, and the FPC will issue a formal rule in this area very soon. Second, the Senator has encouraged Secretary of Agriculture Butz to request the special commitment by the Interstate Commerce Commission of boxcars and other rail facilities for the purpose of fertilizer deliveries, which would ease Michigan's special transportation problems. The ICC issued a limited directive for such rail use on March 18th. More requests for transportation relief is under consideration. Finally, Senator Hart is considering proposals to authorize appropriate Federal officials to set up a national allocation policy for the limited domestic supply of fertilizer, so that all regions of the nation share the difficulties and costs of the current shortage.

INDEPENDENCE FOR ANGOLA, MOZAMBIQUE AND GUINEA-BISSAU

Mr. KENNEDY. Mr. President, since the change in government in Portugal on April 25, I have been deeply concerned about U.S. policy regarding this very important event.

For the residents of metropolitan Portugal, April 25 promised the beginning of a new era in Portuguese history. Every aspect of life in Portugal may be reformed if the new government is committed to the development of programs that can reverse the inertia of the past decades. Portugal has been a faithful ally to all members of NATO, and she has loyally contributed to those efforts of our Government that have been designated important for the interests of the United States.

Portugal's loyalty and friendship toward the United States clearly deserve continued attention from our Government. However, Portugal's maintenance of three colonial territories in Africa has been a serious source of dismay both for her friends and for her antagonists. Unrelenting critics of the Portuguese policy in Africa demand immediate independence and self-determination for the millions of African citizens in those territories.

According to that view, nothing short of an immediate pullout by Portuguese forces, and a full surrender of all properties to African control, will satisfactorily address the problem of Portugal's occupation of Guinea-Bissau, Mozambique, and Angola.

The more moderate view held by the United States and many of Portugal's European neighbors, suggests that Portugal must be nudged toward rapprochement with her colonies so that the shift to independence might be managed with a minimum of economic and political disruptions in the African systems.

I believe it is appropriate at this time for the United States to join with those efforts that might encourage Portugal to achieve the goals of self-determination and independence for her African colonies. For many years, the United States had welcomed moves toward self-determination. Our Government sought to encourage Portugal to reform her policies regarding the three African countries. Unfortunately, the years since 1962 in Portugal/African history have been bitterly characterized by bloodshed and armed conflict between Portuguese soldiers and liberation fighters. Gen. Antonio de Spinola is apparently attempting to bring an end to the fighting, because he shares the belief that neither Portugal nor the colonies will emerge victorious from continued fighting.

It would be fitting for President Nixon to discuss with General de Spinola, in his visit today, the matter of independence for these colonies and to express the strong feeling of the American people for majority rule in those lands.

For a power that has occupied African soil during five centuries, General de Spinola's expressed concern for an end to the fighting is exceptionally noteworthy and historic. Because of the long-standing traditions and customs involving these battles and the Portuguese occupation of African soil, many observers are hopeful that cooperative efforts from the world's family of nations will assist Portugal in achieving this humanitarian goal.

Portugal's importance in Europe is appropriately measured by the widespread attempts made by her European neighbors to insure that the Portuguese will benefit from the economic largess of the 20th century. There is so much to be done in the way of improving all the institutions of Portuguese life. Yet, the ancient traditions of that nation have caused tremendous sums of money to be redirected to wage colonial wars in Africa. To his credit, General de Spinola acknowledged that continuation of such wars is not only inhuman, but also the wars failed to offer any hope that the welfare of the citizens in the three colonies would be improved.

It is clear to even casual observers that the staggering economics of supporting wars that consumed 40 percent of Portugal's annual budget weighed heavily in De Spinola's decision to stop the fighting. I am hopeful that the "peace dividend" for Portugal will produce bountiful results both at home and abroad—for those who are dependent upon the Portuguese economy.

Above all, I share the hope of those who have struggled for so many years to achieve self determination and independence for the citizens of Angola, Mozambique, and Guinea-Bissau.

Last week, members of the Organization of African Unity—the OAU—meeting in Somali, demonstrated their strong interest in guaranteeing freedom to the Africans living under Portuguese rule. And this week, the Pan African Congress convenes in Tanzania to focus on the issues of southern Africa.

Tanzania and Zambia have been forthright in offering assistance to the new government in Portugal so that there may be a minimum of problems in making the transition to independence for Angola, Mozambique, and Guinea.

For the United States to look to the leadership provided by Tanzania and Zambia, in this serious matter, would be particularly useful, because these nations are intimately associated with the welfare of their neighbors in Mozambique and in Angola. Thus, I would hope that the independent African governments will be successful in providing guidance for America and for the rest of the world toward the development of effective policies that can achieve self-support for Portugal and self-rule for the citizens of the three African countries.

During their deliberations the Foreign Ministers of the OAU adopted the following six principles to govern decolonization of the Portuguese territories:

First. The OAU must insure that liberation movements adopt a coordinated policy in dealing with Portugal during negotiations. The movement must also institute and maintain close contact among themselves.

Second. The OAU seeks to guarantee a cease-fire agreement, transfer of power and the granting of independence, concurrent and effective in all territories.

Third. The right to self-determination and complete independence must be presumed by the Portuguese Government as nonnegotiable.

Fourth. The granting of independence must be unconditional. The newly independent states should be entirely free to choose whatever form of governments they wish.

Fifth. Liberation movements negotiating from a position of strength acquired through their determined struggle should not abandon their position before independence is gained.

Sixth. The OAU must reaffirm that negotiations are between the Portuguese Government and liberation movements, which alone are legitimate representatives and spokesmen for their respective peoples.

At this point there is no way to know if these principles can serve to ease the burdens of gaining independence, and at the same time preserving a peaceful relationship between Portugal and the African colonies. But if these are successful guidelines, then surely these are principles that would enjoy the support of all nations which want independence for the people of southern Africa.

The United States can only applaud the current moves toward independence for these colonies. Indeed, it would be particularly impressive for America to celebrate its 200th anniversary of independence by welcoming and acknowledging the independence of the three African countries now under Portuguese rule.

PART C GRANTS FOR TITLE I, ESEA UNDER SENATE AMENDMENT TO H.R. 69

Mr. SCHWEIKER. Mr. President, on behalf of Senator WILLIAMS, I ask unanimous consent to have printed in the RECORD revised figures on part C of title I, ESEA under the Senate amendment. These figures have recently become available from the Library of Congress and are based on the most recent data available.

I ask unanimous consent that these figures be printed in the RECORD following my comments.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

SUMMARY OF PROVISIONS REGARDING PART C GRANTS OF H.R. 69 AS PASSED BY THE SENATE AND USED IN MAKING THE ATTACHED ANALYSES

Target population: Determination of county eligibility for Part C grants is based on either 1) the county's target population, as defined below, is at least twice the average target population for all counties in the state or 2) the county's target population totals at least 10,000 *and is* greater than 5% of the county's school-aged population.

Target population for each county used in determining eligibility and it making grants is based on the number of children from families with incomes less than $3000 (1970 Census) plus the number of children from families with AFDC payments in excess of $3000 (January 1973 data) plus the special LEA populations as defined for Title I Part A payments.

Cost per child: state average per pupil expenditure.

Federal share: 50%.

Reduction: Part C entitlements based on eligible counties are ratably reduced to allocations using the $75 million authorization level provided in H.R. 69 as passed by the Senate with no State receiving more than 12% ($9 million) of the total.

Hold harmless: None specified.

TABLE I.—*Allocations: State summary—Estimates of H.R. 69, Senate Pt. C grants*

Target population—Children from families with incomes below $3,000 plus children from families with AFDC payments above $3,000 plus special LEA populations provided that the target population is either (1) twice the average target population of the State or (2) is not less than 10,000 and is at least 5 percent of school-aged population of county. Cost per child—the State average per pupil expenditure. Federal share—50 percent. Reduction—entitlements ratably reduced to allocation using authorization level of $75,000,000 as specified with no State to receive more than 12 percent.

State:	*Allocation*
Alabama	$667,852
Alaska	175,803
Arizona	566,403
Arkansas	422,745
California	8,999,999
Colorado	788,542
Connecticut	1,639,449
District of Columbia	1,189,996
Florida	1,991,170
Georgia	871,099
Hawaii	428,674
Idaho	121,545
Illinois	6,645,990
Indiana	911,145
Iowa	483,734
Kansas	540,867
Kentucky	597,848
Louisiana	1,251,672
Maine	139,848
Maryland	1,579,220
Massachusetts	2,870,894
Michigan	5,246,944
Minnesota	1,163,688
Mississippi	556,473
Missouri	1,055,261
Montana	151,587
Nebraska	298,730
Nevada	118,225
New Hampshire	130,569
New Jersey	4,993,843
New Mexico	300,404
New York	8,999,999
North Carolina	1,005,609
North Dakota	76,003
Ohio	2,675,767
Oklahoma	444,419
Oregon	614,272
Pennsylvania	4,696,230
Rhode Island	435,460

	Allocation
South Carolina	$574, 098
South Dakota	128, 125
Tennessee	779, 120
Texas	3, 159, 564
Utah	328, 041
Vermont	44, 868
Virginia	1, 206, 373
Washington	1, 379, 086
West Virginia	408, 085
Wisconsin	1, 081, 654
Wyoming	63, 059
Federal total	75, 000, 047

TABLE II: *Part C allocations: County summary—Estimates of H.R. 69, Senate part C grants*

	Allocation
ALABAMA	
Dallas	$72, 960
Jefferson	295, 419
Mobile	194, 349
Montgomery	105, 123
State total	667, 852
ALASKA	
Anchorage	86, 543
Bethel	60, 805
Wade Hampton	28, 454
State total	175, 803
ARIZONA	
Maricopa	408, 631
Pima	157, 772
State total	566, 403
ARKANSAS	
Crittenden	62, 130
Jefferson	64, 073
Lee	32, 756
Mississippi	59, 896
Phillips	58, 344
Pulaski	101, 106
St. Francis	44, 440
State total	422, 745
CALIFORNIA	
Alamede	538, 530
Contra Costa	246, 637
Fresno	374, 650
Kern	228, 325
Los Angeles	4, 228, 433
Orange	396, 173
Riverside	281, 972
Sacramento	395, 461
San Bernardino	410, 365
San Diego	589, 374
San Francisco	365, 351
San Joaquin	193, 944
Santa Clara	413, 151
Tulare	176, 950
Ventura	160, 683
State total	8, 899, 999
COLORADO	
Adams	86, 912
Denver	365, 675
El Paso	124, 442
Jefferson	50, 960
Pueblo	88, 628
Weld	71, 924
State total	788, 542
CONNECTICUT	
Fairfield	465, 357
Hartford	590, 457
New Haven	583, 635
State total	1, 639, 449
District of Columbia	1. 189, 996
FLORIDA	
Broward	189, 254
Dade	504, 678
Duval	333, 591
Escambia	141, 073
Hillsborough	251, 547
Orange	153, 750
Palm Beach	147, 147
Pinellas	$141, 469
Polk	128, 660
State total	1, 991, 170
GEORGIA	
Bibb	86, 240
Burke	30, 798
Chatham	105, 112
Cobb	33, 367
DeKalb	65, 577
Dougherty	55, 527
Fulton	271, 537
Laurens	29, 725
Lowndes	33, 395
Muscogee	86, 819
Richmond	73, 001
State total	871, 099
HAWAII	
Honolulu	428, 674
State total	428, 674
IDAHO	
Ada	30, 072
Bannock	16, 593
Bingham	11, 856
Bonneville	13, 143
Canyon	20, 774
Kootenai	12, 309
Twin Falls	16, 798
State total	121, 545
ILLINOIS	
Cook	6, 163, 699
St. Clair	482, 291
State total	6, 645, 990
INDIANA	
Allen	82, 265
Delaware	37, 019
Lake	284, 253
Madison	35, 934
Marion	302, 020
St. Joseph	76, 343
Vanderburgh	53, 796
Vigo	39, 514
State total	911, 145
IOWA	
Black Hawk	68, 310
Dubuque	39, 285
Linn	55, 765
Polk	131, 987
Pottawattamie	45, 864
Scott	71, 885
Wapelo	26, 127
Woodbury	44, 510
State total	483, 734
KANSAS	
Johnson	39, 359
Montgomery	21, 724
Saline	42, 893
Sedgwick	207, 491
Shawnee	61, 398
Wyandotte	168, 002
State total	540, 867
KENTUCKY	
Bell	33, 563
Christian	36, 313
Clay	38, 379
Fayette	47, 903
Floyd	32, 047
Harlan	42, 967
Jefferson	241, 865
Kenton	36, 005
Knox	35, 790
Pike	53, 014
State total	597, 848
LOUISIANA	
Caddo	190, 874
East Baton Rouge	156, 295
Jefferson	118, 935
Orleans	629, 399
St. Landry	156, 168
State total	1, 251, 672
MAINE	
Aroostook	$66, 251
Cumberland	73, 597
State total	139, 848
MARYLAND	
Prince Georges	225, 641
Baltimore City	1, 353, 579
State total	1, 579, 220
MASSACHUSETTS	
Bristol	295, 854
Essex	357, 345
Hampden	322, 990
Middlesex	577, 919
Suffolk	997, 532
Worcester	319, 254
State total	2, 870, 894
MICHIGAN	
Genesee	438, 003
Ingham	214, 967
Kent	335, 134
Macomb	260, 236
Oakland	435, 329
Saginaw	242, 606
Wayne	3, 320, 670
State total	5, 246, 944
MINNESOTA	
Anoka	67, 351
Hennepin	635, 446
Ramsey	288, 445
St. Louis	109, 530
Stearns	62, 917
State total	1, 163, 688
MISSISSIPPI	
Bolivar	75, 298
Coahoma	67, 917
Harrison	53, 428
Hinds	132, 119
Holmes	45, 461
LeFlore	52, 425
Sunflower	59, 376
Washington	70, 449
State total	556, 473
MISSOURI	
Butler	34, 339
Dunklin	37, 596
Greene	39, 697
Jackson	226, 432
New Madrid	36, 226
Pemiscot	46, 266
St. Louis	152, 611
St. Louis City	482, 095
State total	1, 055, 261
MONTANA	
Big Horn	11, 424
Cascade	34, 578
Flathead	15, 608
Glacier	15, 245
Missoula	22, 466
Silver Bow	14, 633
Yellowstone	37, 634
State total	151, 587
NEBRASKA	
Cedar	18, 649
Douglas	181, 605
Hall	13, 494
Knox	14, 575
Lancaster	34, 305
Sarpy	19, 556
Scotts Bluff	16, 545
State total	298, 730
NEVADA	
Clark	92, 635
Washoe	25, 590
State total	118, 225
NEW HAMPSHIRE	
Hillsborough	72, 954
Rockingham	57, 615
State total	130, 569

	Allocation
NEW JERSEY	
Camden	$725, 780
Essex	1, 633, 301
Hudson	785, 559
Mercer	306, 165
Middlesex	338, 058
Monmouth	410, 661
Passaic	501, 366
Union	292, 954
State total	4, 993, 843
NEW MEXICO	
Bernalillo	160, 708
McKinley	72, 494
San Juan	67, 202
State total	300, 404
NEW YORK	
Bronx	2, 128, 163
Erie	432, 238
Kings	3, 175, 361
Monroe	272, 244
Nassau	315, 394
New York	1, 225, 467
Onondaga	145, 046
Queens	634, 839
Suffolk	376, 366
Westchester	294, 880
State total	8, 999, 999
NORTH CAROLINA	
Columbus	55, 453
Cumberland	116, 440
Durham	56, 958
Edgecombe	59, 762
Forsyth	81, 158
Guilford	81, 070
Halifax	68, 350
Mecklenburg	120, 940
Nash	52, 502
Pitt	70, 844
Robeson	100, 607
Wake	78, 591
Wayne	62, 934
State total	1, 005, 609
NORTH DAKOTA	
Burleigh	10, 596
Cass	18, 527
Grand Forks	13, 883
Rolette	15, 811
Ward	17, 186
State total	76, 003
OHIO	
Cuyahoga	1, 034, 612
Franklin	371, 508
Hamilton	418, 372
Lucas	202, 150
Mahoning	121, 485
Montgomery	219, 822
Stark	96, 262
Summit	211, 556
State total	2, 675, 767
OKLAHOMA	
Comanche	56, 983
Muskogee	40, 013
Oklahoma	199, 213
Tulsa	148, 210
State total	444, 419
OREGON	
Clackamas	72, 316
Lane	117, 514
Marion	93, 571
Multnomah	330, 671
State total	614, 272
PENNSYLVANIA	
Allegheny	1, 121, 361
Delaware	297, 006
Philadelphia	3, 277, 863
State total	4, 696, 230
RHODE ISLAND	
Providence	435, 460
State total	435, 460
SOUTH CAROLINA	
Charleston	$165, 696
Florence	75, 109
Greenville	75, 750
Orangeburg	81, 238
Richland	103, 618
Sumter	72, 685
State total	574, 098
SOUTH DAKOTA	
Brown	12, 458
Charles Mix	14, 347
Minnehaha	33, 978
Pennington	31, 493
Shannon	22, 017
Todd	13, 833
State total	128, 125
TENNESSEE	
Davidson	125, 648
Fayette	40, 440
Hamilton	97, 336
Knox	98, 028
Shelby	376, 632
Sullivan	41, 037
State total	779, 120
TEXAS	
Bell	47, 662
Bexar	486, 695
Cameron	203, 162
Dallas	419, 952
El Paso	200, 804
Galveston	72, 083
Harris	639, 067
Hidalgo	290, 216
Jefferson	114, 668
Lubbock	75, 588
McLennan	69, 086
Nueces	147, 950
Tarrant	207, 945
Travis	85, 694
Webb	98, 993
State total	3, 159, 564
UTAH	
Salt Lake	192, 138
San Juan	33, 908
Utah	48, 211
Weber	53, 785
State total	328, 041
VERMONT	
Chittenden	44, 868
State total	44, 868
VIRGINIA	
Fairfax	103, 282
Pittsylvania	47, 587
Chesapeake City	59, 557
Hampton City	77, 721
Newport News City	105, 450
Norfolk City	304, 526
Portsmouth City	129, 280
Richmond City	225, 238
Roanoke City	55, 421
Virginia Beach City	98, 308
State total	1, 206, 373
WASHINGTON	
King	578, 232
Pierce	275, 009
Snohomish	166, 301
Spokane	172, 820
Yakima	186, 726
State total	1, 379, 086
WEST VIRGINIA	
Cabell	42, 723
Fayette	45, 406
Kanawha	106, 390
Logan	42, 837
McDowell	70, 196
Mingo	54, 504
Raleigh	46, 028
State total	408, 085
WISCONSIN	
Brown	$65, 672
Dane	127, 888
Milwaukee	776, 544
Racine	111, 550
State total	1, 081, 654
WYOMING	
Fremont	17, 742
Laramie	24, 704
Natrona	20, 613
State total	63, 059

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

AMENDMENT OF OLDER AMERICANS ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of H.R. 11105, which the clerk will read by title.

The assistant legislative clerk read the bill by title, as follows:

A bill (H.R. 11105) to amend title VII of the Older Americans Act relating to the nutrition program for the elderly to provide authorization of appropriations, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare with an amendment at the top of page 2, insert the following new sections:

SEC. 2. (a) Section 201(a) of the Older Americans Act (42 U.S.C. 3011) is amended by striking out everything in such section that follows the word "Commissioner" the second time it appears in the fourth sentence of such section and inserting in lieu thereof a period.

(b) Any delegation of the functions of the Commissioner on Aging in effect on the date of enactment of this Act, issued pursuant to section 201(a) of such Act, shall be modified by the Commissioner to comply with the provisions of the amendment made by this section.

SEC. 3. Title III of the Older Americans Act of 1965 (42 U.S.C. 3021ff.) is amended by adding the following new section:

"TRANSPORTATION PROJECTS

"SEC. 309. (a) There are authorized to be appropriated $35,000,000 for the fiscal year ending June 30, 1975, to carry out the purposes of this section. From sums appropriated under this section, the Commissioner is authorized to make grants to each State having a State plan approved under section 305 for the purpose of paying up to 75 per centum of the costs of meeting the transportation needs of older persons, with special emphasis on providing supportive transportation in connection with nutrition projects operated pursuant to title VII of this Act. Sums appropriated under this section shall be alloted to the States in accordance with the allotment formula contained in section 303.

"(b) The allotment to a State under this section shall remain available until December 31, 1975, for grants and contracts to area agencies on aging, organized under section 305(b), or to other public or nonprofit private agencies that the State agency determines have the capacity to meet the transportation needs of older persons and to provide supportive transportation services in connection with nutrition projects operated under title VII. In making grants and contracts under this section, State agencies shall give priority to applicants proposing to serve areas in which there is no public transportation or in which existing public transportation is inadequate to meet the special needs of older persons.

"(c) Within ninety days following the enactment of legislation appropriating funds as authorized by this section, the Commissioner shall issue final regulations for implementation of the program herein authorized.

"(d) The Commissioner is authorized and directed to request the technical assistance and cooperation of the Secretary of Transportation and such other departments and agencies of the Federal Government as may be appropriate for the proper and effective administration of this section.".

SEC. 4. Section 201(a) of Public Law 93-113 (87 Stat. 401, October 1, 1973) is amended by inserting at the end thereof the following new sentence after clause (4): "In no event shall the required proportion of the local contribution (including in-kind contributions) for any new grant or contract be more than 10 per centum, nor shall the proportion of such contribution for any renewal of any existing grant or contract be increased by more than 50 per centum over the proportion of such contribution required in the preceding such grant or contract, nor shall any such required contribution in any case be more than 40 per centum of the total cost of any such grant or contract.".

The ACTING PRESIDENT pro tempore. Time for debate on this bill is to be limited to 1 hour, to be equally divided between and controlled by the majority and minority leaders or their designees, with 30 minutes on any amendment and 20 minutes on any debatable motion or appeal.

Who yields time?

Mr. EAGLETON. Mr. President, does the Senator from West Virginia yield me his time on the bill?

Mr. ROBERT C. BYRD. Mr. President, I yield my time to the Senator from Missouri.

The ACTING PRESIDENT pro tempore. The Senator from Missouri controls time on the bill.

Mr. EAGLETON. I thank the Senator from West Virginia.

The ACTING PRESIDENT pro tempore. How much time does the Senator yield himself?

Mr. EAGLETON. Such time as I may consume.

The ACTING PRESIDENT pro tempore. The Senator may proceed.

Mr. EAGLETON. Mr. President, it is my pleasure to recommend to the Senate H.R. 11105, a bill to amend title VII of the Older Americans Act to authorize appropriations for title VII of that act and to provide certain other amendments to the act.

Title VII of the Older Americans Act authorizes the Administration on Aging in the Department of Health, Education, and Welfare to make grants to the States for the purpose of conducting nutrition programs for older persons.

The national nutrition program for older Americans has its roots in a number of pilot programs begun in 1968 under title IV of the Older Americans Act in accordance with a congressional directive. These programs convincingly demonstrated that there was a very real need for such a program, both in improving the nutrition of the participants as well as in engaging them in a process of socialization—drawing them out of the isolation in which so many elderly persons confine themselves—and putting them in touch with ancillary services, such as health, recreational, and social services.

A permanent program, based on the pilot projects, was enacted by Congress and was signed into law by the President on March 22, 1972. This legislation authorized funds to be allotted to the States by the Federal Administration on Aging for the establishment of sites at central, accessible locations at which persons aged 60 or older, and their spouses, could receive one hot, nutritious meal per day, at least 5 days a week. Projects were also authorized to provide necessary transportation for participants and to furnish home-delivered meals to eligible individuals who are homebound.

Funds were authorized to be appropriated for fiscal years 1973 and 1974. Unfortunately, President Nixon's vetoes of bills appropriating funds for the new program prevented its actually getting underway in fiscal year 1973, as anticipated by the legislation. Funds were finally appropriated in the amount of $100 million at the end of fiscal year 1973, to be available until December 31, 1973. For fiscal year 1974, $104.8 million was appropriated.

The funding delay resulting from Presidential vetoes created severe handicaps for the program, which are still manifest. Potential State and local recipients of grants under the nutrition legislation were understandably unwilling to commit themselves and their local resources until they see the Federal Government match glowing promises with hard money. Hence, despite the long leadtime between passage of the authorizing legislation in March 1972, and the allocation of the first funds to the States on June 27, 1973, little preparatory work was done at the State and local level during this period.

The funds thus allocated were available to the States for making grants to local nutrition projects only until December 31, 1973. There began a rather chaotic scramble to prepare and submit plans by the States to the Administration on Aging and by project applicants to the States. Sites had to be found, staff employed, arrangements made for food preparation, outreach begun, and a host of other details attended to.

In view of these growing pains, it is perhaps surprising that very substantial progress has been made. By May 1974, 664 nutrition projects were serving 188,253 meals daily at 4,714 meal sites. Four hundred fifty-one of the nutrition projects were located in urban settings and 213 were in rural settings. Eighty-eight percent of the meals were served in congregate settings; 12 percent were home-delivered.

The Administration on Aging has placed major emphasis on the awarding of grants to projects that will serve low-income individuals and members of minority groups. The States reported in May 1974, that the average number of daily meals being served to persons below the Census Bureau's poverty threshold was 120,715, or approximately 66 percent of the total. The average number of daily meals being served to members of minority groups was 61,311, or approximately 34 percent of the total.

The States have estimated that they will be serving 212,000 meals a day when all projects are fully operational, and it is anticipated that they will reach this goal during June of 1974.

Mr. President, in the brief span of its existence, the title VII nutrition program has quickly become one of the more popular services made available to the aging. I have visited a number of these nutrition sites, as I am sure other Members of the Senate have done. It is evident from conversations with participants as well as from the information provided by our hearings that this program is of real benefit to older people. It is meeting its primary purposes, that is, to provide older people with vitally needed nutrition while at the same time bringing them together—out of the isolation in which they too often tend to seclude themselves—and putting them in touch with other sources available in their communities.

Section 1 of the bill which the committee recommends is the companion bill to the House-passed bill. It authorizes appropriations for an additional 3 years at levels of $150 million for fiscal year 1975, $200 million for fiscal year 1976, and $250 million for fiscal year 1977.

In addition, the committee bill provides a new program of transportation services for older persons, with special emphasis on providing transportation for participants in title VII projects. Thirty-five million dollars is authorized for the coming fiscal year under title III of the act for this program. Since title III expires June 30, 1975, the Senate will then have an opportunity to review this program along with the rest of title III for the next year. I should note that this amendment was offered in committee by the distinguished junior Senator from Pennsylvania (Mr. SCHWEIKER) and was developed by him in conjunction with the very able chairman of the Senate Select Committee on Nutrition and Human Needs, the senior Senator from South Dakota (Mr. MCGOVERN). The staff of the select committee was particularly helpful in working out this amendment.

Another provision of the Senate bill, section 201(a), restricts the authority of the Commissioner on Aging to delegate functions assigned him by the Older Americans Act. I will discuss this further at the time Senator BEALL discusses his amendment.

Finally, the committee bill amends Public Law 93-113, relating to the RSVP program—a volunteer program for senior citizens—operated by the ACTION agency. This program was formerly authorized by the Older Americans Act until the enactment of Public Law 93-113 which enacted into law the prior transfer of the program by executive order to the ACTION agency. The amendment contained in this bill relates to the non-Federal pay requirements for local sponsors of RSVP programs to insure that no unreasonable increases in non-Federal pay requirements will be made.

Mr. President, I strongly urge adoption of the committee bill.

At this time, I am pleased to yield such time as he may need to the distinguished Senator from Massachusetts (Mr. KENNEDY).

Mr. KENNEDY. Mr. President, the passage of this legislation, which extends the Kennedy-Pepper nutrition for the elderly program, for 3 years, will be a reaffirmation of the congressional commitment to the Nation's senior citizens.

This measure, H.R. 11105, the companion legislation to S. 2488, which I introduced with Senator PERCY and which has 27 cosponsors, provides for a 3-year extension and increased authorizations. It was sponsored in the House of Representatives by Congressman PEPPER and Congressman BRADEMAS. Because of the rise in inflation with its disproportionate impact on the limited income of millions of older Americans, authorizations are increased to $150 million in fiscal year 1975, $200 million in fiscal year 1976 and $250 million in fiscal year 1977.

At the same time, the bill reflects the testimony we heard from rural areas which were concerned about the limited funds available in the title VII program for transportation.

These areas particularly, but many urban areas as well, expressed the need for additional transportation assistance to bring eligible elderly to the community sites for their daily meals.

Therefore, the bill provides a separate $35 million authorization for transportation under title III.

The nutrition for the elderly program was signed into law on March 22, 1972, with the enactment of S. 1163, the bill I originally introduced in conjunction with similar action in the House of Representatives by Congressman PEPPER.

Our bill was modeled after the highly successful pilot projects begun in 1968 under the Older Americans Act. It also followed the recommendations of the White House Conference on Nutrition and the White House Conference on Aging for a national program of meals for the elderly in congregate settings.

Although this permanent program was established in the spring of 1973, successive vetoes of appropriations stalled the implementation of the program until the end of fiscal year 1973.

Despite the delay, the enthusiasm of State and local aging groups and organizations for this program is evident in its successful establishment of 664 nutrition projects serving 192,859 meals daily at 4,714 sites as of June 14, 1974.

These projects, as the original legislation intended, serve both urban and rural areas urban programs constituted 451 of the nutrition projects while rural programs were operating in 213 areas.

Once again, the legislative focus on meals in community settings has been carried out. The Administration on Aging statistics show 84 percent of the meals served in community settings while 12 percent were home delivered.

The law provides that programs serve persons aged 60 and older and provide one hot nutritious meal per day at least 5 days a week. Social services were designed into the program so that the isolated elder person has the opportunity not only for a meal but for social contact and advice and counsel on his needs.

The program has succeeded in targeting the low income isolated elderly which was the priority group spelled out in the original legislation. Approximately 70 percent of the meals served are provided to individuals in this category.

At the same time, some 34 percent of the meals are provided to members of minority groups.

It is important to note that the Administration on Aging expects all projects to be operating during this month and the full 212,000 meals a day to be available to the elderly.

The new authorizations, according to the ADA, will permit approximately 320,000 meals to be served daily during the coming fiscal year, to be increased to 425,000 in fiscal year 1976 and 532,000 in fiscal year 1977.

There are two basic reasons why we felt it vital to increase the level or authorization.

The first reason is that inflation has cut deeply into the ability of millions of elderly Americans to afford a decent standard of living.

Statistics show that the elderly, who pay from 27 to 40 percent of their income on food, have been the hardest hit by the rise in food prices.

Similarly, the elderly are the least able to absorb the price rise in rent and utilities stemming from the energy crisis. In Boston, it is estimated that the elderly are faced with a 24 percent jump in the price of their rent and heat because of the increase in the price of fuel oil.

Older Americans in other cities also have had marked increases in the price they must pay for electricity and transportation. And the area where the elderly almost always are forced to cut back their expenditures is in the area of food.

On a national level, the best indication of the impact of inflation comes from the Administration on Aging itself. Initially, it estimated that the $100 million appropriations for this current fiscal year would fund 250,000 meals. As a result of inflation, they were forced to drop that figure to 212,000.

The second major reason justifiying this increase rests on the level of need for this program.

In my own State, some 4,600 meals presently are expected to be made available under Massachusetts current allotment. However, State officials project the need to be approximately 10,000 meals per day, nearly two and a half times greater.

Similar estimates have come from other States in a report on the title VII program conducted under the auspices of the Senate Special Committee on Aging by the Food Research and Action Center of New York.

Mr. President, I believe it also should be noted that the committee, in acting on this measure, has included language approved by a wide majority of the members prohibiting the delegation of authority by the Commissioner on Aging to the regional HEW directors for title III and for title VII. Such action which the Administration was seeking to carry out administratively would effectively dilute the committee's and the Congress' intent to fortify the authority of the Administration on Aging for aging matters within the executive branch.

Our actions in approving a new administrative structure within HEW to strengthen the role of the Commissioner on Aging would be nullified to a considerable degree by the proposed delegation of the Administration.

I think this is particularly critical in the nutrition program for the elderly where we specifically intend for the Commissioner to oversee the program's operation, and direction.

Therefore, I strongly endorse the prohibition of the delegation of authority by the Commissioner to the HEW regional director for the conduct on aging programs.

Mr. EAGLETON. Mr. President, I yield briefly to the Senator from California.

Mr. CRANSTON. Mr. President, I ask unanimous consent that during the consideration of this measure and the GI bill to be considered today, S. 2748, and the voting thereon, Jonathan Steinberg of my staff have the privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. EAGLETON. Mr. President, before yielding to the distinguished Senator from Texas, I thank the distinguished Senator from Massachusetts (Mr. KENNEDY) for his support of this measure. As he mentioned in his remarks, he had earlier introduced a bill on this subject matter with the Senator from Illinois (Mr. PERCY). We drew on some of the provisions in the Kennedy-Percy bill in drafting this measure.

The Senator from Massachusetts has contributed strongly to this worthwhile program, and I thank him for his efforts in that regard.

I yield 3 minutes to the Senator from Texas (Mr. BENTSEN).

Mr. BENTSEN. Mr. President, I join in praise of the distinguished Senator from Massachusetts (Mr. KENNEDY), the distinguished Senator from Missouri (Mr. EAGLETON), and the chairman of the full committee, the Senator from New Jersey (Mr. WILLIAMS), who have long shown their interest in and worked diligently in behalf of the elderly in helping them with their nutrition programs.

I urge my colleagues' support for H.R. 11105, legislation to extend for 3 more years the nutrition program for the elderly under title VII of the Older Americans Act. Senator EAGLETON and his Subcommittee on Aging as well as the entire Labor Committee, under the able leadership of Senator WILLIAMS, should be commended for their prompt action to continue a program that has already appreciably benefited the diets of tens of thousands of our older Americans.

Earlier this year, the House approved similar legislation by a vote of 380 to 6. I am most gratified that the Senate committee has acted in response to that overwhelming vote of confidence in the program.

In late March, I introduced my own bill, S. 3195, which also provided for a 3-year extension of the program. I noted at that time the serious toll inflation has taken on the diets of lower-income Americans. The 22-percent rise in food prices during calendar year 1973 has resulted in a serious decline in per capita consumption of meat, poultry, eggs, and total livestock-related goods, precisely those commodities most essential to maintaining a nutritious diet. The impact has, of course, been most keenly felt by low-income Americans, many of whom are elderly.

Farm prices have fallen substantially in recent months, but their decline has not been fully reflected in prices paid at the grocery store. The Labor Department reports that retail food prices in April were still 16.2 percent above those of April 1973.

In the spring of this year, I was in Watts, in California, meeting with a group of elderly people there, who told me of the benefits of this program and how much it meant to them. We were talking about problems in transportation, in getting the elderly to the procery stores so that they could buy the kind of food they wanted to supplement their diets, and that this nutritional program had helped bring it to them, and had meant a great deal to them.

The nutrition program for the elderly was, however, not initiated solely to counteract high food costs. It was formulated in response to recognition that the diets of older Americans frequently deteriorate for a variety of reasons: inadequate income, absence of skills to choose and prepare well-balanced meals, limited mobility to purchase the necessary foods, or simply an absence of incentive to eat properly because of feelings of loneliness and rejection.

Whatever the cause, malnutrition among older Americans constitutes one of our most serious social problems, one that requires the special attention that this legislation affords it.

Mr. President, this nation has demonstrated growing compassion in realizing and meeting the needs of our older citizens, and H.R. 11105 will enable expanded efforts to improve their diets. I would again urge my colleagues to support the legislation now before them.

I am most gratified that the Senate committee, through the able leadership of the Senator from Missouri, has acted in response to that growing compassion. I was glad to see the overwhelming vote of confidence this piece of legislation received in the House of Representatives. I strongly urge the support of my colleagues to achieve that kind of support on the Senate side as well.

Mr. EAGLETON. Mr. President, I thank the Senator from Texas. From the time of his becoming a member of the Senate, he has interested himself in matters relating to the aging and the elderly, and has from time to time given the benefit of his considerable advice to our Committee on Aging. We are always grateful for his participation in these matters.

Mr. President, I yield at this time to the distinguished ranking member on the minority side of the Subcommittee on Aging (Mr. Beall). This bill, as the President well knows, is not the product of any one Senator or any political party, but is strictly bipartisan in nature. The Senator from Maryland has made a significant input to this measure, and I welcome his support on this occasion.

The ACTING PRESIDENT pro tempore. The Senator from Maryland controls half the time.

Mr. BEALL. Mr. President, I yield myself 5 minutes.

I ask unanimous consent that David Rust, Michael Gordon, and Eleanor Parker be granted the privilege of the floor during the consideration of this measure and votes thereon.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BEALL. Mr. President, it is my pleasure, as the ranking minority member on the Labor and Public Welfare Committee's Subcommittee on Aging to join with our distinguished chairman (Mr. Eagleton) in urging the Senate to give favorable consideration to H.R. 11105, legislation to extend and expand the nutrition program for the elderly. This bill was reported by the Subcommittee on Aging on May 30 and by the full Labor and Public Welfare Committee on June 5, 1974.

I should like to congratulate the Senator from Missouri (Mr. Eagleton) for his diligence and good work in bringing this legislation to the floor. Certainly no one can find fault with the objectives of this legislation. It has proved itself successful in its brief existence and deserves to be continued.

In March of 1972, Congress passed and the President signed into law legislation establishing a 2-year program of nutritional services for our Nation's senior citizens. This legislation was subsequently made a part of the older Americans comprehensive services amendments of 1973 which was signed into law by President Nixon on May 3, 1974. The various titles of the Older Americans Act have a 3-year lifetime with the exception of title VII which was limited to 2 years. Thus the authorization for the nutrition program for senior citizens expires at the end of this fiscal year June 30, 1974, while the remainder of the act expires next year.

The implementation of the nutrition program was further delayed by the failure of Congress to enact an acceptable Labor-HEW Appropriation Act for fiscal year 1973. Even though authorization legislation had been approved, the nutrition program was unable to begin until funds were duly appropriated.

This being the case, most of the money for the nutrition programs across the Nation was not obligated until the fourth quarter of 1973. Preliminary data would indicate that the program is off to a good start but it is probably too soon to tell whether or not the existing legislation is totally adequate to meet the needs intended by Congress. The initial successes of this program are due in large part to the careful planning of former Commissioner on Aging, John B. Martin, and the skillful administration of his successor, Dr. Arthur S. Flemming. Accordingly, on March 4, I introduced S. 3100 which would have extended title VII for 1 additional year, thus making it conform with the rest of Public Law 93–29. S. 3100 was subsequently cosponsored by Senators Domenici, Taft, Young, Dole, Hugh Scott, McClure, Tower, Mathias, Hansen, Roth, and Cook.

On April 26, with the consent of the distinguished chairman of the subcommittee, it was my pleasure to chair subcommittee hearings in Baltimore, Md. I was especially pleased that we were able to hold these hearings in the Waxter Center which is a comprehensive senior citizen center in downtown Baltimore. The Waxter Center represents a decade of effort on the part of the people of Baltimore, and it stands today as a monument to their vision and foresight. The purpose of the Baltimore hearings was to gain for the subcommittee a perspective on how this program is operating at the State and local level. Our opening witness was Ms. Ramona Higgins the region three program coordinator for the title VII nutrition programs. After ascertaining how the title VII programs are handled on the regional level, the subcommittee turned its attention to the State and local officials who are responsible for implementing the program. In addition, a panel of consumers gave us insight into how this program is viewed by its beneficiaries.

I believe that there is a very positive benefit to holding hearings outside of Washington where we could gain an entirely new frame of reference on the workings of this program. In addition, I think it was exceedingly healthy for the subcommittee to "go to the senior citizens" by holding these hearings in a senior citizen center.

After the completion of the subcommittee hearings in Baltimore and Washington, the members reached a consensus that a 3-year Federal commitment was needed to guarantee the success of this program. It was pointed out to us that many State and local officials are reluctant to make long range commitments to a program whose future was left somewhat unclear by the Congress. As the sponsor of S. 3100, I believe that the rationale for a 1-year extension was valid for the following reasons: First of all, a 1-year extension would have made title VII conform with the rest of the Older Americans Act. Thus congressional oversight in 1975 could have been directed at the total HEW aging program rather than just some parts of it. Second, it might have been more prudent for us to extend title VII for 1 additional year because the success and effectiveness of the nutrition projects would be much clearer to us after the second full-year of operation. Thus, from the point of view of congressional responsibility and oversight, we would have been in a somewhat better position to effectively legislate the future direction of this vital program.

The arguments for the longer extension certainly appeared to have been more compelling, however, and the Congress can of course review this program next year when the total older Americans program is reviewed.

H.R. 11105 constitutes a 3-year Federal commitment with increased authorization, $150 million for fiscal year 1975, $200 million for fiscal year 1976, and $250 million for fiscal year 1977. Parenthetically, I might say that I have no doubt that we will need this additional authorization of funds because of the rising cost of food and the increase in the other costs that are needed to meet the desired goals of this program. In addition, H.R. 11105 addresses itself to another pressing problem confronting senior citizens.

The importance of transportation to senior citizens was stressed by the delegates to the 1971 White House Conference on Aging. Throughout our hearings, it became clear to all of the members of the subcommittee that the lack of transportation services was making it difficult for many needy senior citizens to participate in the nutrition program. This legislation authorizes a $35 million transportation program within title III of the Older Americans Act. Special emphasis will be placed on "providing supportive transportation in connection with nutrition projects operated pursuant to title VII." I believe that this approach is a sound one and I would hope that funds can be made available for it early in fiscal year 1975. This would give us an opportunity to observe how effective this program is prior to the congressional oversight which will begin early next year with regard to the remaining programs authorized by the Older Americans Act.

Again, let me say parenthetically, that the nutrition program is proving to be the core of what is a total social experience for our senior citizens. As we provide transportation for them to go to the nutrition program sites, we are also providing them with an opportunity to communicate and interact with people in similar circumstances. This provides the elderly with a truly social experience, which will lead to further involvement in the lives of their fellow senior citizens. In addition, participation in this program will give them a chance to become involved in the lives of their fellow citizens and to play an active role in community life.

Mr. President, in a few minutes I will offer the first of two amendments to this bill. Even though I do have one reservation about section 2 of H.R. 11105 I can assure my colleagues that the basic thrust of this legislation has my full support and I would hope that H.R. 11105 will receive prompt congressional approval and be signed into law by the President prior to the expiration of title VII on June 30, 1974.

Mr. President, I reserve the remainder of my time.

Mr. EAGLETON. Mr. President, I thank the distinguished Senator from Maryland for his excellent and pertinent remarks. I would suggest that we can dispose of the committee amendment first and then get to the other amendments.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

Mr. BEALL. Mr. President, I have an unprinted amendment at the desk which I call up and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The second assistant legislative clerk read as follows:

SEC. Section 707 of the Older Americans Act of 1965 is amended by adding at the end thereof the following new subsections:

"(d) In donating commodities pursuant to this section, the Secretary of Agriculture shall maintain an annually programed level of assistance of not less than ten cents per meal: *Provided,* That this amount shall be adjusted on an annual basis each fiscal year after June 30, 1975, to reflect changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Such adjustment shall be computed to the nearest one-fourth cent. Among the commodities delivered under this section, the Secretary shall give special emphasis to high protein foods, meat, and meat alternates. The Secretary of Agriculture, in consultation with the Commissioner is authorized to prescribe the terms and conditions respecting the use of commodities donated pursuant to this section, and, within ninety days after the date of enactment of this subsection (d), the Secretary of Agriculture shall issue regulations governing the donation of such commodities.".

"(e) The Secretary of Agriculture in consultation with the Commission shall, within 90 days after the date of enactment of this subsection, issue regulations clarifying the use of food stamps under this title."

Mr. BEALL. Mr. President, during the subcommittee hearings in Baltimore it became obvious that virtually no commodities were being made available for use of the title VII programs. In Maryland, for a $1.5 million nutrition program, less than $200 dollars worth of donated commodities were made available during the first 6 months of operation.

My amendment would add two new subsections to section 707 of the Older Americans Act of 1965, as amended. This provision would achieve two basic objectives. First, it would establish a specific level of assistance for programs authorized under title VII. In this case, commodities equal to 10 cents per meal will be provided. This amount will be adjusted to reflect changes in the consumer price index on food. This language parallels that of the existing school lunch program. Second, difficulties have been encountered with USDA regulations and my amendment would specify that the Secretary of Agriculture, in cooperation with the commission on aging, shall issue regulations governing the donations of such commodities within 90 days following the enactment of this subsection. The third aspect of this amendment would require the Secretary in cooperation with the Commissioner on Aging, to issue regulations clarifying the use of food stamps in the title VII programs as previously provided by law. These matters have been unresolved for over a year and they are creating confusion in the administration of these programs.

These three steps should go along way to resolving the existing difficulties in the availability of commodities and the use of food stamps in this vital program.

This amendment results from a sense of frustration on the part of many of us who serve on the Committee on Aging with the lack of cooperation from the USDA. I believe that this amendment will go a long way to resolving these problems, clarify congressional intent, and make additional meals available to our Nation's senior citizens.

Mr. President, I urge the Senate to approve this amendment.

Mr. EAGLETON. Mr. President, this is an excellent amendment. It fills a gap that exists in the program. I think so far as this nutrition program for the elderly is concerned, it should be on a parity with the school lunch program. Therefore, I will accept and support the amendment of the Senator from Maryland.

I ask the Senator from Maryland if he will be willing to make one slight modification in his amendment, on the fourth line from the bottom, striking the word "use" and substituting the word "donating."

The PRESIDING OFFICER. Does the Senator from Maryland accept the modification?

Mr. BEALL. I am sorry, I did not hear the Senator.

Mr. EAGLETON. I inquired whether the Senator from Maryland would be willing to modify his amendment on the fourth line from the bottom, striking the word "use" and substituting in lieu thereof the word "donating."

Mr. BEALL. I have no objection. I ask unanimous consent that the amendment be so modified.

The PRESIDING OFFICER. The Senator has the right to modify his amendment. It will be so modified.

Do Senators yield back their time on this amendment?

Mr. EAGLETON. Mr. President, I find I have one other modest modification to suggest.

On the same line, the word "donated" should be stricken.

Mr. BEALL. I ask unanimous consent that the amendment be modified.

The PRESIDING OFFICER. The amendment is so modified.

The modification will be sent to the desk, so that we will be certain that we have the appropriate corrections in the text.

The modified amendment reads as follows:

SEC.—. Section 707 of the Older Americans Act of 1965 is amended by adding at the end thereof the following new subsections:

"(d) In donating commodities pursuant to this section, the Secretary of Agriculture shall maintain an annually programmed level of assistance of not less than ten cents per meal: *Provided*. That this amount shall be adjusted on an annual basis each fiscal year after June 30, 1975, to reflect changes in the series for food away from home of the Consumer Price Index published by the Bureau of Labor Statistics of the Department of Labor. Such adjustment shall be computed to the nearest one-fourth cent. Among the commodities delivered under this section, the Secretary shall give special emphasis to high protein foods, meat, and meat alternates.

The Secretary of Agriculture, in consultation with the Commissioner, is authorized to prescribe the terms and conditions respecting the donating of commodities pursuant to this section, and, within ninety days after the date of enactment of this subsection (d), the Secretary of Agriculture shall issue regulations governing the donation of such commodities."

"(e) The Secretary of Agriculture in consultation with the Commissioner shall, within 90 days after the date of enactment of this subsection, issue regulations clarifying the use of food stamps under this title."

The ACTING PRESIDENT pro tempore. Do Senators now yield back their time?

Mr. BEALL. I yield back the remainder of my time, Mr. President.

Mr. EAGLETON. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. All time has been yielded back. The question is on agreeing to the amendment as modified.

The amendment, as modified, was agreed to.

The ACTING PRESIDENT pro tempore. The bill is open to further amendment.

AMENDMENT NO. 1474

Mr. BEALL. Mr. President, I call up my amendment No. 1474.

The ACTING PRESIDENT pro tempore. The amendment will be stated.

The legislative clerk read as follows:

On page 2, beginning with line 1, strike all through line 10.

Redesignate "SEC. 3." as "SEC. 2." and "SEC. 4." as "SEC. 3.".

Mr. BEALL. I yield myself such time as I may consume.

The ACTING PRESIDENT pro tempore. Will the Senator suspend for a moment? I think we have a problem. The committee amendment was agreed to, and this is a modification of the committee amendment. Therefore, it is not in order, except by unanimous consent.

Mr. BEALL. Mr. President, I ask unanimous consent that the amendment be in order at this time.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none and it is so ordered.

The Senator may proceed.

Mr. BEALL. Mr. President, this amendment would delete section 2 thus preserving existing law. Section 2 would prohibit the Commissioner on Aging from delegating any of his functions to the HEW regional directors. The background for this provision has its roots in the early history of the Older Americans Act. Shortly after the Administration on Aging was established in the mid-1960's, it was placed in Social and Rehabilitation Services at the Department of Health, Education, and Welfare. This produced a number of problems. First of all the Commissioner on Aging, who is appointed by the President and confirmed by the Senate, answered to the Administrator of SRS who is appointed by the Secretary without congressional confirmation. Second, a number of functions of the Administration on Aging were delegated to SRS and thus effectively removed from the control of the Commissioner on Aging. Congress remedied this situation in 1973 by legislatively removing AOA from SRS and placing it within the Office of the Secretary. Public Law 93-29 went on to state that—

> The Secretary shall not approve any delegation of the functions of the Commissioner to any other officer not directly responsible to the Commissioner unless the Secretary shall first submit a plan for such delegation to Congress. Such delegation is effective at the end of the first period of 60 calendar days of continuous session of Congress after the date on which the plan for such delegation is transmitted to it: Provided, however, that within 30 days of such transmittal, the Secretary shall consult with the Committee on Labor and Public Welfare of the Senate and the Committee on Education and Labor of the House of Representatives respecting such proposed delegation.

On October 31, 1973, Secretary Weinberger submitted a delegation proposal similar to the one we are considering today. The adjournment of the first session of the 93d Congress occurred during the 60-day notification period and the delegation request was withdrawn. On March 26, 1974, Secretary Weinberger, in a letter to the President of the Senate and to the Speaker of the House of Representatives, proposed once again that certain functions of the Commissioner on Aging be delegated to the HEW Regional Directors. Mr. President, I ask unanimous consent that the text of this letter be printed in the RECORD at this point in my statement.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE SECRETARY OF HEALTH,
EDUCATION, AND WELFARE,
Washington, D.C., March 26, 1974.

Hon. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: In accordance with section 201 of the Older Americans Act of 1965, I am submitting to the Congress the following plan for delegation, with my concurrence, of certain authorities to act by the Commissioner on Aging to officers of the Department of Health, Education, and Welfare not directly responsible to him. These authorities will be exercised pursuant to policies, regulations, and guidelines promulgated by the Commissioner and subject to post-audit by him. This plan will not be implemented until the period of time required by the statute has elapsed.

The Commissioner will delegate to the Regional Directors authority to act in connection with the administration in the regions of programs under Title III (Grants for State and Community Programs on Aging), and Title VII (Nutrition Program for the Elderly) of the Act.

The Commissioner on Aging will retain responsibility for and authority over the delegated programs. He will be able to revoke his delegation whenever he decides to do so. He will have the responsibility of considering appeals from actions taken by Regional Directors. As indicated, policies, regulations and guidelines will be issued by the Commissioner, and will govern the manner in which Regional Directors will operate under the delegations of authority to act.

This delegation is designed to strengthen the position of the program for the elderly in the Regional Offices of the Department. Both the Commissioner, Arthur S. Flemming, and I would like to see the Regional Directors play a leading role in working with the States in the field of aging. The strength and authority of the Regional Directors can best be brought to bear in the interests of the elderly of the country if the Regional Directors have specific authorities to act under the newly expanded programs of assistance to States and localities under the Older Americans Act. Further, specific authorities to act in the area of aging will permit them to coordinate the aging program with other Department programs which serve the elderly and other vulnerable groups in our society.

Under this plan the Regional Directors will have authority to redelegate their authority to act to the Assistant Regional Director for Human Development and the Regional Program Director for Aging. The Regional Directors, however, will be held accountable for the manner in which these authorities are exercised.

On October 31, 1973, we submitted a letter to Senator James Eastland, Acting President Pro Tempore, dealing with the subject matter of this letter. We believe that the 60-day period provided for in the law for consideration by the Congress of such a submission began anew on January 21, 1974, when the second session of the 93rd Congress convened. We have no objection, however, in this case to restating our views in this letter and to having a further 60-day period begin to run with the receipt of this letter. In that regard, this letter will confirm recent consultations held with the Select Subcommittee on Education of the House of Representatives Committee on Education and Labor.

Sincerely,

——— ———,
Secretary.

Mr. BEALL. Mr. President, during the subcommittee's hearings on May 23, 1974, the Honorable Stanley Thomas, Assistant Secretary for Human Development, and Commissioner Flemming of the Administration on Aging, testified before the Subcommittee on Aging relative to this delegation proposal. Shortly after the hearing I wrote to Dr. Flemming requesting a clarification of this proposed delegation of authority. Mr. President, I ask unanimous consent that Commissioner Flemming's reply dated June 4, 1974, be printed in the RECORD at this point in my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

DEPARTMENT OF HEALTH,
EDUCATION, AND WELFARE,
ADMINISTRATION ON AGING,
Washington, D.C., June 4, 1974.

Hon. J. GLENN BEALL, Jr.,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BEALL: I am happy to share with you my views on the proposal to delegate authority to act for Titles III and VII of the Older Americans Act to the Regional Directors, as you requested in your recent letter.

After my confirmation by the Senate last June as Commissioner on Aging, one of the first issues I confronted was the proper relationship between the Administration on Aging and the Regional Offices of the Department of Health, Education, and Welfare. I reviewed the past history of the Agency, during which authority had been delegated to the Social and Rehabilitation Service Regional Commissioners, and concluded that one of the best ways to further one of the major objectives of the amendments to the Older Americans Act; namely, to better coordinate services and programs for older persons; would be to delegate certain authorities to act to Regional Directors within policy guidelines established by the Commissioner and subject to post audit by the Commissioner.

Based on my previous experience in the Department, it became clear to me that the Regional Director, as the Secretary's personal representative in each Region, was the only person who possessed the influence and authority to really affect coordination between HEW programs. Moreover, as HEW's top person in the Region, the Regional Director has the status to deal more effectively than any other Regional official with other Federal Departments and Agencies in the Region, and with the Governors and State governments. It seemed to me that if the Regional Directors were held accountable for the conduct

> of the aging programs in the regions it would elevate the status of aging programs in the regions and would strengthen in a significant manner the operations of the Regional Program Directors for Aging and their staffs.
>
> Therefore, in August, I initiated discussions with persons in the Department about the possibility of my delegating authority to act for Titles III and VII to the Regional Directors. As you know, the result of these discussions was the submission by the Secretary on October 31, 1973 of a proposal to delegate authority to act for Titles III and VII to the Regional Directors.
>
> I might add that as I became reacquainted with the Department and its personnel, I became increasingly impressed with the quality of the Regional Directors, and with their interest and involvement in the field of aging. They have been very helpful to me in a number of instances during the past year, and it is my belief that if I am allowed to delegate authority to act to them, they will provide us with effective leadership.
>
> As I stated in my testimony before your Subcommittee recently, however, I do not plan to delegate any of my responsibilities for the conduct of Titles III and VII. It is my firm conviction that when an official in the executive branch delegates authority to act—pursuant to policies, regulations, and guidelines issued by that person, and subject to post audit and revocation—he does not and cannot divest himself of responsibility which has been given him under the law. This philosophy is incorporated in the Secretary's March 26 letter to the Congress proposing delegations of authority to act for Titles III and VII to the Regional Directors.
>
> If I am permitted to make these delegations it would be possible to review the whole matter when the next Congress considers the extension of the Older Americans Act, as amended. At that time I could provide the Congress with testimony based on experience.
>
> Very sincerely and cordially yours,
>
> /s/ ARTHUR S. FLEMMING,
> *Commissioner on Aging.*

Mr. BEALL. Mr. President, I believe that Dr. Flemming is an able and outstanding public servant who has been fully responsive to and cooperative with Congress. As a former Secretary of Health, Education, and Welfare, he is in a good position to perceive both the administrative problems and the administrative opportunities of this program from more than one vantage point. I further believe that Dr. Flemming has sincerely proposed an administrative arrangement which he believes will best serve the interest of our Nation's 20 million senior citizens. This proposed delegation is in complete compliance with title II, section 201 of the Older Americans Act of 1965, which was enacted only 1 year ago. It is worth noting that the 60-day notification period expired on Monday, June 10, and the delegation could have been implemented at that time. It is to Dr. Flemming's credit that he has once again delayed the implementation of this delegation until the congressional deliberations on H.R. 11105 are complete.

I would like to make several additional points as to why I believe Commissioner Flemming's approach to administering the older Americans program should be given a chance to operate before the Congress intervenes:

First. The delegated authority "will be exercised pursuant to policies, regulations, and guidelines, promulgated by the Commissioner and subject to post-audit by him."

Second. The Commissioner retains responsibility for the title III and VII programs.

Third. The Commissioner may revoke the delegation "whenever he decided to do so."

Fourth. The Commissioner is responsible for resolving appeals from decisions made by the regional directors.

Fifth. The regional directors, not the regional program directors for aging, sit on the regional Federal council, which coordinates various Federal programs on the regional level, and deal directly with Governors and other high State officials.

Sixth. The Regional Director can coordinate HEW programs for the elderly with the other office on human development programs for the disadvantaged, and he is the only person at the regional level who can do this.

Seventh. The Older Americans Act of 1965 comes before Congress next year for extension. We were perfectly willing to do battle with the administration over the issue of placing AOA within social and rehabilitation services as well as the establishment of the National Institute on Aging. I would be equally willing to overturn this delegation next year if it does not work.

Dr. Flemming, whose first interest is seeing these programs work, has recommended this delegation, and I think we should provide him with an opportunity to see if it does in fact work.

Eighth. This delegation is unique in the ongoing efforts to decentralize the programs of the Department of Health, Education, and Welfare. Since there is no precedent for a delegation of this nature, the Congress is seeking to prejudge the success or failure of his administrative technique. If the proposed delegation does not improve the effectiveness and quality of the social and nutritional services we deliver to our Nation's senior citizens then it would be appropriate for us to overturn the procedure. As I said a moment ago, we ought to give it a chance to work first, or give it a chance to fail, if that is going to be the case.

Mr. President, the choice is clear, we can enact a noncontroversial extension of the title VII programs thus insuring prompt congressional action and Presidential approval prior to the June 20 expiration of the existing program authority. Or we can "tie the hands" of Dr. Flemming, thus making it more difficult for the Administration on Aging to achieve the objectives mandated in the Older Americans Comprehensive Services Amendments of 1973.

Mr. President, I hope the Senate will look with favor on this amendment, and I reserve the balance of my time on the amendment.

The ACTING PRESIDENT pro tempore. The Senator from Missouri is recognized.

Mr. EAGLETON. Mr. President, I oppose the proposed amendment now pending before the Senate.

Section 201(a) of the Older Americans Act assigns responsibility for carrying out the act to the Administration on Aging, which is headed by the Commissioner on Aging. The Secretary of the Department of Health, Education, and Welfare is authorized to permit the delegation of the Commissioner's functions to officials not directly responsible to the Commissioner so long as the Secretary submits a plan for such delegation to Congress. The delegation becomes effective following 60 days of continuous session after submission of the plan to Congress. The committee amendment to H.R. 11105 repeals the Secretary's authority with respect to such delegation and has the effect of requiring that the functions of the Commissioner be carried out only by him or by officials directly responsible to him.

For some time the Secretary has been seeking to implement a plan for delegating certain responsibilities for aging programs from the Commissioner on Aging—and to whom they are assigned by law—to the HEW Regional Directors in the 10 Federal regions. A plan for such a delegation was submitted to Congress on November 5, 1973, but was subsequently revoked by the Secretary, apparently because Congress adjourned prior to expiration of the statutorily required 60-day notice period. Thereafter, on March 26, 1974, another plan for delegation from the Commissioner to the Regional Directors was submitted to Congress by the Secretary. If this delegation should be in effect when this bill is enacted, the committee amendment would require the Commissioner to modify the delegation so that none of his functions are delegated except to officers directly responsible to him.

The advantages purportedly accruing from the proposed delegation, as perceived by the Secretary, are stated in his letter to Congress setting forth the delegation plan, as follows:

> This delegation is designed to strengthen the position of the program for the elderly in the Regional Offices of the Department. Both the Commissioner, Arthur S. Flemming, and I would like to see the Regional Directors play a leading role in working with the States in the field of aging. The strength and authority of the Regional Directors can best be brought to bear in the interest of the elderly of the country if the Regional Directors have specific authorities to act under the newly expanded programs of assistance to States and localities under the Older Americans Act. Further, specific authorities to act in the area of aging will permit them to coordinate the aging program with other Department programs which serve the elderly and other vulnerable groups in our society.

Even if it were conceded, for purposes of discussion, that the proposed delegation will benefit the Older Americans Act programs as stated by Secretary Weinberger, I am convinced that the disadvantages far outweigh any such gains.

The realinement of the Administration on Aging within HEW that was accomplished by the Older Americans Comprehensive Services Amendments of 1973 was designed to deal with the problem described by an advisory body to the Senate Special Committee on Aging, as follows:

> The AOA falls far short of being the Federal "focal point in aging" sought by Congress. Instead, its concerns are splintered and

scattered; there are limited, if any, policies and few clear-cut goals. Recent reorganizations have not strengthened Federal programs and commitment in aging in any way. Rather, they have fragmented an already flawed and feeble agency still further. This situation has created chaos as well as a lack of direction in Federal and State programs.

By affirming the status of the Commissioner as the official responsible for carrying out programs authorized by the act, and by seeking to enhance the status of the Administration on Aging with HEW, the Congress intended to remedy the fragmentation and lack of centralized purpose that was the case prior to 1973. It was expected that out of this would emerge a national policy for coordinating the delivery of services to the elderly, with responsibility for implementation of this policy to be clearly lodged in an official answerable to Congress.

The proposed delegation to HEW Regional Directors runs directly contrary to these goals of the 1973 legislation. It would again fragment responsibility. Rather than one national policy, we would surely find 10 regional policies. And instead of one official clearly answerable to Congress for administration of programs under the act, there will be a host of officials making decisions who are ultimately not directly responsible to the Commissioner, regardless of all the guidelines and policies he may attempt to impose on them.

This is not to say that the program can only be operated out of Washington. The committee amendment does not affect the Commissioner's authority to delegate the performance of some of his functions to officers in the regions who are, in fact, directly responsible to him, with their actions subject to his review. I want to stress that the official to whom the Commissioner chooses to delegate a portion of his duties must actually be directly responsible to him; any effort to designate some official other than one who is a part of the Administration on Aging, or who is the Commissioner's counterpart on the regional level, would clearly be a subterfuge, not to be countenanced under the committee amendment.

Mr. President, I would like to say at this point that there was a very interesting exchange of testimony earlier this year—I believe it was on February 13, 1974—in the House committee that has jurisdiction over this matter, between Dr. Flemming, the Commissioner on Aging, and Representative QUIE, who is the ranking Republican member of that committee on the House side.

This is the questioning from an exchange, as I say, between Mr. QUIE and Dr. Flemming:

> But now you have the total voice in who is going to be your project officer out there.
>
> Mr. FLEMMING. That is right.
>
> Mr. QUIE. If there is delegation and redelegation, it seems to me you lose that. That is significant to me, that you don't hire the person out there.

Mr. QUIE finally concludes:

> You can tell that both the Chairman and I—

The chairman being Congressman BRADEMAS of Indiana—

> have some very grave reservations about the way decentralization is being planned here. It will be necessary for us to make a decision before those 60 days are up as well.

So the ranking Republican House Member with jurisdiction over this legislation has grave misgivings about the proposal as embodied in the Beall amendment.

Finally, let me point out, referring once again to the same House document entitled "Oversight Hearings on Older Americans," that if we examine the biographical sketches that are contained in the appendix of the RECORD, we find that of the 10 HEW Regional Directors to whom under the Beall amendment basic authority under this program would be delegated, only 1 of the 10 has any experience whatsoever in matters relating to aging; whereas, in this same appendix, if we examine the background and credentials of the various regional Program Directors on Aging in the 10 regions around the country, each one of the 10 of those Directors on Aging in the regional areas has considerable experience on matters relating to aging.

So, really, what this debate all boils down to, Mr. President, is: Do we wish to delegate in the 10 regions to the Regional Directors only one of whom has any experience with respect to aging and have the basic decision made in process effectuated by those gentlemen, or alternatively do we wish to do what the committee has recommended by a vote of, I believe, 12 to 4, that the basic delegation by Dr. Flemming be to those people in the field who have expertise in and knowledge of, and concern for matters directly pertaining to aging, and people to whom Dr. Flemming can turn with direct accountability and on whom he can call for advice and counsel and responsiveness to his directives as the Commissioner on Aging.

Therefore, Mr. President, I hope that the Senate will reject the amendment offered by - the distinguished Senator from Maryland (Mr. BEALL).

The ACTING PRESIDENT pro tempore. The Senator from Maryland is recognized.

Mr. BEALL. Mr. President, I yield myself such time as I may use.

I think it is important to put this issue in proper perspective. First of all, this amendment in no way addresses itself to the subject of the bill—that is, the providing of services to the elderly.

There is no argument as to the necessity of providing this service or of the desirability of seeing it be extended for 3 years or of increasing the authorization.

It is a good program. It deserves to be continued and expanded.

The argument now is over how we can best administer this program. How we can get the benefits into the hands of the intended beneficiaries as efficiently and as inexpensively as possible so that the money is spent for food rather than being used to create additional bureaucracies. We need an administrative structure that will bring these benefits through the various levels of government down to the grass roots where the people reside.

Second, we are not talking about delegating authority for making policy. The policymaking decisions and authority for establishing regulations will always remain with the Commissioner here in Washington. What we are talking about is the flexibility that the Commissioner should have in delegating the administrative responsibility to people at the regional level who are constantly in contact with the Governors of the various States and the mayors of the various cities where these programs are placed. Local officials go to the Regional Directors to get answers to their problems, and not to Washington. All I am suggesting is that, if they have to go to the regional level to get answers to their questions, let us make certain that the Regional Directors are in a position to provide them with the answers regarding the administration of these programs.

I think it may be of interest to read from the testimony received by the subcommittee on May 23 from Dr. Arthur S. Flemming, who is the Commissioner on Aging. Commissioner Flemming has had a great deal of experience in administrative matters, having been Secretary of Health, Education, and Welfare, and he is of course, the Nation's No. 1 official in the executive branch concerned with making the nutrition program work.

Dr. Flemming, in answer to a question pertaining to the delegation, said the following:

> I think at this point the last letter from the Secretary to the President of the Senate and the Speaker of the House is important.
>
> He says:
>
> "I am submitting to the Congress the following plan for delegation with my concurrence of certain authorities to act by the Commissioner on Aging to the officers of the Department of Health, Education, and Welfare not directly responsible to him, namely the Regional Directors. These authorities will be exercised pursuant to policy regulations and guidelines promulgated by the Commissioner and subject to post-audit by him. The Commissioner will delegate to the Regional Directors authority to act in connection with the Administration in the regions of programs under Title III and Title VII. The Commissioner on Aging will retain responsibility and authority over the Title III and Title VII program. He will be able to revoke his delegation of authority to act whenever he decides to do so. He will have the responsibility of considering appeals from actions taken by Regional Directors, as indicated policy regulations and guidelines will be issued by the Commissioner and will govern the matter in which Regional Directors will operate under the delegation of authority to act."
>
> Then it goes on to say that this delegation is designed to strengthen the position of the program for the elderly in the Regional Offices.
>
> Both the Commissioner and I would like to see the Regional Directors play a leading role in working with the states in the field of aging.
>
> The strengths and authority of the Regional Directors can best be brought to bear in the interest of the elderly of the country if the Regional Directors have specific authorities to act under the newly expanded programs of assistance to state and localities under the Older Americans Act.
>
> It says, further, specific authorities to act in the area of aging will permit them to coordinate the aging program with other departmental programs which serve the elderly and other vulnerable groups in our society.
>
> Now, I recognize that when the Congress

> places responsibility with a particular official in the Executive Branch in this connection, or in this instance, the Commissioner on Aging, that no one can divest the Commissioner on Aging of this responsibility.
>
> If things go right, okay, he is responsible. If they go wrong, he is responsible.
>
> But I have always felt that a public official who is being held responsible does have the right to delegate authority to act within guidelines and subject to post-audit.
>
> Now, in this particular instance, the Congress said that the Commissioner on Aging should not delegate authority to act to anyone who was not directly responsible to him. And the Congress said that if there is a desire to do that, then a communication should be addressed to the Congress indicating that this is the desire, and no action should be taken until the communication has been before the Congress for a period of 60 days.
>
> In this instance, it is my judgment that if the Congress decides not to object to a delegation of authority to act on my part to the Regional Director, it will be in the best interest of the older person.
>
> It will make a real contribution to the achievement of the objectives that the Congress has set forth in the Older Americans Act.
>
> Now, I appreciate the fact that reasonable people can differ on an organizational issue of this kind. But I would really like to be in the position where I, in effect, have the Regional Directors of HEW on our team in the field of aging, where I can delegate authority to act to them, and where I can hold them responsible for the way in which they delegate their authority to act.
>
> I think if I am in that position, then I am in the best position in terms of discharging the responsibilities which have been assigned the Commissioner on Aging by the Congress, and which I know I cannot divest myself of in any way, and certainly I do not want to do this.
>
> But it is a judgment on my part that, having those Regional Directors exercise some authority to act, delegated to them by me, that this would strengthen our program in the field of aging.

So says Dr. Flemming.

The ACTING PRESIDENT pro tempore. Does the Senator from Missouri wish to be recognized?

Mr. EAGLETON. Mr. President, I have a few remarks. Then I shall be glad to yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. The Senator from Missouri is recognized.

Mr. EAGLETON. Mr. President, I observe the presence of the distinguished senior Senator from Maryland. I understand that he wishes to address himself to the instant subject.

Mr. MATHIAS. Mr. President, I have an amendment to the amendment.

Mr. BEALL. I would be happy to see the amendment to the amendment which is being proposed by my distinguished colleague from Maryland.

I yield to my colleague from Maryland.

Mr. MATHIAS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER (Mr. Cranston). The amendment is not in order until time on the pending amendment has expired or has been yielded back.

Mr. BEALL. Mr. President, I am perfectly willing to yield back my time on the pending amendment, with the understanding that I am going to ask for a rollcall vote on it. There may have to be some delay, however, in order to get a sufficient number of Senators here so that I may get a sufficient second.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BEALL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BEALL. Mr. President, I ask unanimous consent that the pending amendment be laid aside, temporarily, in order to have a discussion on the amendment to be offered, and that it be in order for my colleague from Maryland to offer his amendment at this time.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will read the amendment offered by the senior Senator from Maryland (Mr. Mathias).

The legislative clerk read the amendment, as follows:

> Insert the following:
>
> Renumber "Sec. 3" on page 2, line 11, to read "Sec. 4" and insert after line 10 the following new section:
>
> "Sec. 3. Notwithstanding the provisions of this or any other Act, the Secretary shall not delegate to any employee in any regional office any function which shall cause the transfer or relocation of employees assigned to the various functions of the Department of Health, Education, and Welfare in the Washington metropolitan area to any regional office without the prior consent of the Congress."

The PRESIDING OFFICER. The senior Senator from Maryland is recognized.

Mr. MATHIAS. Mr. President, this amendment is very simple. It is designed to prevent what could be viewed as the future disruption of one of the most important agencies of Government—the Department of Health, Education, and Welfare.

In recent months, many HEW employees have been in touch with my office concerning plans within HEW designed to decentralize and regionalize the various functions of that Department. I am sure I do not have to describe to the Senate the effect that the discussion of these plans has had on the morale and spirit of the employees at HEW.

It is too bad that hundreds of executive branch workers, because of their concern for their job security, have to come to Congress to find out whether or not they have jobs or whether they will have to give up their homes in the location where the jobs now exist or whether they will have to accept downgrading within their present assignments because plans that have been drawn up were without coordination within the departments or with Congress.

I am concerned that the pending amendment, the amendment which my distinguished colleague from Maryland (Mr. Beall) has offered—and I know this would certainly not be his intention, but I want to be perfectly clear as to his intention, and I think it useful to determine it now, on the floor of the Senate so that there can be no doubt about it—would not be in any way interpreted as a paving of the way for such transfers of HEW employees from their jobs in the centralized National Capital area to various locations all over the country.

Because of my concern about the harmful effects of decentralization and regionalization—there are salutary effects, too, but there are also some harmful effects—last December I offered language in the supplemental appropriations conference report to block such action until the appropriate committees of Congress had had an opportunity to review carefully the decentralization and regionalization proposal.

I ask unanimous consent that that language be printed at this point in the Record.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

> It has come to the conferees' attention that the Department of Health, Education, and Welfare is planning to further decentralize and regionalize vital drug, alcohol and mental health programs administered by the recently organized Alcohol, Drug Abuse and Mental Health Administration. Because of the possibility that further decentralization of program decisions to the ten regional offices involves implementation of a plan for de facto revenue sharing of questionable legality which could retard development of consistent policies and frustrate current efforts to develop a more coherent administration of drug, alcohol, mental health and other health programs, the conferees expect the Secretary to defer any final decision on this matter until the appropriate committees of Congress have had an opportunity to carefully review the decentralization and regionalization proposals.

Mr. MATHIAS. What I think would be useful, if my distinguished colleague from Maryland would do so, would be to describe for the Senate whether his amendment, which the Senate will act on following action on this amendment, will have any impact upon the transfer, relocation of Washington area based HEW employees to the 10 regional offices around the country.

Mr. BEALL. In response to my colleague from Maryland (Mr. Mathias), we have a shared responsibility to protect the well-being of our constituents who work for the Federal Government in the Washington area. I share his concern that we not cause any economic dislocation for those people who are now performing valuable services in the Federal civil service.

I can assure my colleague that this amendment will not cause anybody to be transferred anywhere, for several reasons. First of all, we are merely delegating authority to administer a program. We are not legislating a redistribution of manpower around the country; and, more practically, the nutrition program is in its embryonic stage. It is a program which has just been started, so it is going to grow. Rather than cause people to be unemployed in the Washington area, the implementation of this program—either under the bill as written or under the bill as amended by my amendment—will lead to the hiring of additional personnel. I am sure that this program should and will continue to grow in size because it provides great benefits to a large number of deserving people.

My only concern is that as the program grows, the attendant benefits will get to the desired beneficiaries in the most efficient and expeditious manner possible. Dr. Arthur Flemming, thinks that his delegation proposal is the best way to see that these benefits get out to all the people of the State of Maryland and the other States of the Nation.

Fortunately, as I said initially, this is a new and growing program and regionalization could, in no way, result in a loss of employment in the Washington area.

Mr. MATHIAS. I was confident that that would be the Senator's interpretation and his response. But I think it is important that we make it a matter of record so that the Senate will understand and so that those who are making future plans and policies for HEW will understand that this amendment is not to be taken as a warrant, because the Senator has been tireless in his own efforts to look after the interests of constituents who may be affected by some arbitrary plan. I think it is useful, and I fully support this amendment. I think it is an amendment that is very much needed. With the clear explanation that he has given and with, I know, his own commitment, which is a matter of record, many times of vigorously opposing any arbitrary moves, in effect, to abolish the local area jobs, I would think, Mr. President, that it is unnecessary to pursue this amendment further. I withdraw the amendment.

The PRESIDING OFFICER. The amendment is withdrawn.

Mr. BEALL. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The question recurs on agreeing to the amendment of the Senator from Maryland.

Mr. EAGLETON. Mr. President, will the Senator withhold that request?

Mr. BEALL. I withhold my request.

Mr. EAGLETON. I have a few concluding remarks, after which I will seek the yeas and nays not only on the Beall amendment but on the final passage of the bill on a back-to-back basis.

I may say that we have no intention of imposing decentralization. I think decentralization has some value. The only question is, Who is to make the decision? Is it to be made by the regional director, who has a multitude of duties and a multitude of responsibilities, and, perhaps, little background in matters relating to aging? Or should it be made by the man in the field who is the most cognizant and aware of the problems of aging? We think the latter. That was the thrust and purport of the Senate committee amendment, and that is why I continue my opposition to the amendment as proposed by the Senator from Maryland (Mr. BEALL).

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. In whose time?

Mr. EAGLETON. On my time.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. BEALL. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HOLLINGS). Without objection, it is so ordered.

Mr. BEALL. I ask for the yeas and nays on my amendment.

The yeas and nays were ordered.

Mr. EAGLETON. Mr. President, I ask for the yeas and nays on passage.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, I ask unanimous consent, and I hope that this meets with the approval of the Senate, that the second vote be limited to 10 minutes, because the two votes will be back to back.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana? The Chair hears none, and it is so ordered.

TRANSPORTATION FOR THE ELDERLY

Mr. McGOVERN. Mr. President, I would like to commend the members of the Labor and Public Welfare Committee for their long-standing dedication and commitment to the programs for the elderly.

As chairman of the Senate Nutrition Committee, I have been particularly pleased in following the growth of the nutrition program for the elderly. Not only is this program of extreme importance to the nutritional well-being of our senior citizens, but it provides valuable social and psychological services as well.

In rural States, like my State of South Dakota, these services can be the difference between years of loneliness or years of companionship and enjoyment.

A vital and indispensable component of any program aimed at serving the elderly in rural America, Mr. President, is transportation. Indeed, without this supportive service, I cannot see how any program for the elderly could work effectively.

On March 18, the Nutrition Committee held a field hearing in Mitchell, S. Dak., to investigate the nutrition problems of the elderly. Testifying were representatives of the State office on aging, the South Dakota Advisory Council on Aging, and the title VII nutrition project directors. They were unanimous in their call for supportive transportation for the title VII program.

The most succinct summary was made by Eunice Anderson, a member of the South Dakota Advisory Council on Aging. She stated:

> However, one of the most important supportive services for South Dakota is transportation—not only in a nutrition program, but in other programs as well. It's our greatest handicap in South Dakota toward a really successful nutrition program for a great many people.

As a result of the testimony received at that hearing I introduced with Senators BURDICK, CASE, CLARK, DOLE, HUGHES, SCHWEIKER, and YOUNG, an amendment requesting $35 million for supportive transportation.

I would like to commend the leadership shown by Senators SCHWEIKER, KENNEDY, EAGLETON, and BEALL, which resulted in the favorable reporting of this amendment.

It is my hope that these funds will be used by local senior citizen centers to purchase minibuses, provide gasoline for volunteers, or applied to any other transportation service which is necessary to facilitate access to social services. Paramount is access to the congregate dining centers provided through title VII.

The very thrust of the title VII program was to attract those senior citizens who were the most isolated. Yet, because of a limited amount of funds available for transportation it was precisely those who were the most isolated that were the least able to participate in the program.

This amendment is aimed at alleviating that situation. I strongly urge its passage.

Mr. JAVITS. Mr. President, I am pleased to speak in support of H.R. 11105, which would amend the Older Americans Act relating to the nutrition program for the elderly, which would provide authorization of additional appropriations among other things.

The accomplishments of the nutritional programs previously established under the Older Americans Act are well known. Substantial progress has been made in delivering adequate meals to senior citizens at over 4,000 meal sites and there has been a major emphasis by the Administration on Aging on delivery in these programs.

However, there have been some problems that require a greater emphasis on reaching the goal not only of providing adequate nutrition, but improving the participation of the elderly in the socialization and related services offered.

It is not just enough to maintain a program such as this for the purposes of feeding the elderly; it is also necessary to bring older people into greater participation with a wider range of activities in their communities, and I would add that in order to accomplish this it is necessary to provide more adequate funds to the nutrition program of the Older Americans Act.

The nutrition program is without question one of the most popular programs for senior citizens ever enacted by the Congress and with this bill—which will provide more needed funds to expand the program—it will become more effective for older Americans everywhere.

I wish to compliment the prime movers of this bill, Senators EAGLETON, BEALL, and KENNEDY, for having taken expeditious action to bring this bill to swift enactment.

Mr. CHURCH. Mr. President, I strongly support the enactment of H.R. 11105, which would continue the title VII nutrition program for the elderly for 3 years.

This measure now takes on added

meaning because the staggering increase in food costs have been especially oppressive for older Americans.

In the past year alone, the price of food has jumped by about 20 percent.

All age groups, of course, have felt the impact of this near unprecedented increase. But older Americans have been particularly hard hit, in large part because most elderly persons are struggling on limited, fixed incomes.

The net impact is that large numbers have been forced to seek out substitutes—such as dog food—or to rummage through garbage cans for their next meals.

For many older Americans, hunger and malnutrition are everyday realities. In fact, the elderly are probably victimized by malnutrition to a much greater degree than any other age group in our society.

Hunger also takes its tragic toll in several other ways as well. Quite frequently, inadequate nutrition may intensify other problems confronting the aged.

All too often a poor diet may lead to chronic physical conditions, or even mental illness. For example, a recent study of elderly patients admitted at two psychiatric hospitals in Philadelphia revealed that 60 to 70 percent were reported to have serious nutritional problems.

During its 1 year of existence, the title VII program has proved to be enormously successful in coming to grips with these problems. In May, 664 nutrition projects were serving 188,000 meals daily at 4,714 meal sites. About 88 percent of the meals were served in group settings, such as school cafeterias, churches, senior citizen centers and other nonprofit settings. In addition, 12 percent of the meals were served to the homebound elderly.

Although the program is still in its beginning stages, several valuable lessons have already been learned.

First, the title VII program has clearly shown the wisdom of providing meals in a group setting—particularly for aged single persons who otherwise would have little incentive to cook for ourselves.

Equally important, the opportunity to meet new friends has proved to be of vital therapeutic value for many elderly persons.

Second, the program has provided nutritious meals within the price ranges of the aged's limited budgets. Moreover, many low-income persons have been benefited by the title VII nutrition program. In May, approximately two-thirds of the meals—or 121,000 in all—were served to older Americans living in poverty.

Finally, the program has offered great potential for the delivery of social services to enable the aged to live independently.

Today the price of food is the second most costly item for the elderly, just behind housing. Typically about 27 percent of their budgets is allocated for food, in contrast to approximately 16 percent for our total population.

Mr. President, as a cosponsor of companion legislation—S. 2488—to continue and expand the title VII nutrition program, I urge prompt and favorable action on H.R. 11105, which has already been overwhelmingly approved by the House.

RSVP LOCAL SHARE FUNDING POLICY

Mr. CRANSTON. Mr. President, I am delighted to have the opportunity today to join with my colleague, the Subcommittee on Aging chairman, Mr. Eagleton, and the sponsor of H.R. 11105, Mr. Kennedy as well as the many other supporters of H.R. 11105, an act to amend title VII of the Older Americans Act relating to the nutrition program for the elderly, in urging Senate passage of this most important measure.

Included in the bill as reported from committee is an amendment I offered which would establish reasonable guidelines for the retired senior volunteer program—RSVP—local-share requirements for all grants and contracts entered into after enactment by permitting substantial but not excessive increases in the local share percentage from year to year but not more, ultimately, than a 40-percent share in any one year. Mr. President, I ask unanimous consent that the explanation of this amendment in the committee report No. 93–932 from pages 13 through 15 be set forth in the Record at this point.

There being no objection, the explanation was ordered to be printed in the Record, as follows:

Retired Senior Volunteer Program Local-Share Schedule

In amending Section 201(a) of P.L. 93–113, the Domestic Volunteer Service Act of 1973, it is the intent of the Committee to establish reasonable guidelines for the Retired Senior Volunteer Program (R.S.V.P.) local-share requirements for grants and contracts by permitting substantial but not excessive increases in the local-share percentage from year to year but not more, ultimately, than a 40-percent share in any one year.

In a recent (December 7, 1973) national evaluation of R.S.V.P. prepared at the ACTION Agency's request by E. F. Shelley & Co., it was reported that:

> . . . the Retired Senior Volunteer Program is successfully meeting its basic objectives. Senior Volunteers are provided with a recognized role in the community and a meaningful life in retirement through specific Volunteer Service to fill their own needs and the needs of the community. An indication of this is the growth of the program and the enthusiasm of the participants.

R.S.V.P. is the largest volunteer program under the ACTION Agency with approximately 601 programs and 85,000 volunteers (over age 60). The program is now basically entering its 2nd and 3rd year of operation since the time that substantial funding was provided for it. For FY 1974 $15 million has been appropriated for the program, and $16 million is requested for FY 1975.

The Committee feels that the ACTION Agency has established administrative guidelines for funding R.S.V.P. programs that are excessively stringent and self-defeating. Although the law does not require an annual increase in local funding for R.S.V.P. projects, the basic R.S.V.P. funding policy has been to provide 90-percent Federal funding in the first year, with decreasing proportions of Federal funding in subsequent years. Considerable flexibility was provided for in terms of the amount of the increase from one year to the next. The minimum local share was supposed to be 20 percent for the 2d year with 10 percentage point increase increments thereafter.

On January 1, 1974, the ACTION Agency issued a new policy that requires R.S.V.P. projects to be funded at increasing local levels up to 65 percent in the fifth year and full local funding for the sixth year and thereafter. This policy was adopted without any substantial survey of R.S.V.P. program directors or sponsors or, indeed, of the Agency's own R.S.V.P. programmers. There was no data to support the assumption that local programs could raise as much as 35-percent support in the third year, let alone 50 percent in the fourth year, 65 percent in the fifth year, or 100 percent in the sixth year.

In fact, the one available study (submitted on December 7, 1973—immediately before the new schedule was announced) demonstrated the invalidity of any such assumption. This study by the E.F. Shelly Company, referred to above, gathered data from projects, sponsors, and ACTION Agency State Program Directors/Officers from 40 R.S.V.P. programs throughout the country (chosen from 80 programs nationwide which had been in operation for at least one year by July 1, 1973). The study's data showed that two-thirds of the R.S.V.P. project directors and 10 of the 14 Program Directors/Officers of the ACTION Agency itself said the funding schedule was not realistic; and that, of the 40 sponsors (grantees), only two felt it was definitely a realistic five-year plan, whereas the other 34 which answered felt the policy was unrealistic (12), or had strong reservations (7), or would be realistic only if there were program or project changes or if local governments *could be* sold on providing the increased support (15). (It is understood that the original draft of the Shelly Co. report was very critical of this new schedule but was toned down after the Agency reviewed that draft.)

The Special Subcommittee on Human Resources has been receiving numerous complaints from across the country about the new funding schedule since April 1 or so. Projects have been thrown into a state of confusion under the new funding policy, not knowing whether it is fair to accept new grants when they know they very likely can never meet the steeply escalating new local-share requirements.

The Subcommittee Chairman (Senator Cranston), in an effort to see if a more realistic and flexible policy could be developed, initiated numerous discussions and several meetings with the Agency. On May 17, 1974, the Agency, after having adopted the policy four and one-half months earlier, finally sought out R.S.V.P. project sponsor opinion in a questionnaire, the results of which were due back on May 31, but which have not yet been forthcoming to the Subcommittee.

The new provision which the Committee proposes to add to Section 201(a) of Public Law 93–113 would establish guidelines for the amount by which the local share for R.S.V.P. grants and contracts could be required to be increased from one year to the next. Under the new provision, the first-year local share could be as much as 10 percent, the second year as much as 15 percent, the third year as much as 22.5 percent, the fourth year as much as 33.75 percent, and the fifth year as much as 40 percent (which is the maximum local share contribution permissible under the Committee amendment). In providing for this schedule, the Committee recognizes, in the case of ongoing programs which are already providing a 15, 20, or 30 percent local share, that the provision would *permit* increasing the local share *up to* 22.5 percent, 30 percent, and 40 percent, respectively for the following year for such programs.

The Committee strongly opposes any rigid, inflexible, arbitrary set of local-share regulations. It has designed the schedule in the Committee amendment to provide maximum but not minimum share-increase guidelines, and stresses that the Action Agency has discretion to require lesser local-share contributions than the maximum amounts permitted in the amendment.

The Committee believes the amendment provides a reasonable framework for a revised Agency policy. The Committee favors adoption of Agency guidelines, with percentage parameters to which considered exceptions may be made based on local economic variations and other needs.

Although supporting the goal of increasing local-share funding on a reasonable, phased basis, the Committee expects that firm local-share guidelines will not be established for funding beyond the third year until after experience with third-year grant negotiations and program operation can be analyzed. The Committee is also cognizant that the maximum increases in the amendment may need to be reduced by law hereafter if adequate data indicate that the guidelines are injurious to the program. The R.S.V.P. appropriations authorization runs through FY 1976, so the program (and the amendment) would come up for review again in any case in some 18 months.

The Committee further expects the ACTION Agency to apply a liberal in-kind contribution policy in determining what is an acceptable local-share contribution. Traditionally, the Committee has believed that as part of health, education, and social services program policy, local sponsors should have substantial latitude in meeting their share from either cash or legitimate in-kind contributions.

Furthermore, no arbitrary limit should be imposed on the total *amount* of Federal funding for a project, nor on the increase in total Federal funds from one year to the next. Provision needs to be made in any funding guidelines for the expansion and growth of R.S.V.P. projects that show good results in meeting basic program objectives, and to support such growth both through increasing local contributions and, where indicated, through increasing Federal funds.

Mr. CRANSTON. Mr. President, when the amendment was offered in committee, the amendment sponsors indicated that if the Agency could provide adequate written assurances—regarding a reasonable local-share funding policy—to the committee and the sponsors of the amendment, assuming its adoption by the committee, prior to Senate floor action, the amendment could be modified or dropped on the floor.

The reason for retaining our amendment can best be explained in light of discussions which have taken place with the ACTION Agency since adoption of the committee amendment on June 5 and a subsequent letter which I received from the Agency only this morning. In this letter, the Agency stated that it is reestablishing the maximum local contribution requirements in effect prior to January 1974, namely, 10 percent in the first year, 20 percent in the second year, 30 percent in the third year, and, for those programs entering their fourth year during fiscal year 1975, 40 percent. A final decision as to funding requirements for the fourth and succeeding years, the letter states, will be determined later, but in no event, the Agency stated, would the final formula provide for a maximum local contribution in excess of 50 percent.

Further, the Agency assured in this letter that there would be no arbitrary limit imposed on the total amount of Federal funding for a project, nor on the increase in total Federal funds from one year to the next. Finally, the Agency confirmed the need for flexibility including a more liberal policy for determining acceptable inkind, local-share contributions and the application of necessary mechanisms to permit considered exceptions based on demonstrated need. These latter points are all responsive to the points made at the end of the committee report excerpts set forth earlier.

Mr. President, I ask unanimous consent that the full text of this letter to me setting forth the Agency's new policy as approved by the Agency Director, be set forth in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

ACTION,
Washington, D.C., June 18, 1974.

HON. ALAN CRANSTON,
Chairman, Special Subcommittee on Human Resources, Committee on Labor and Public Welfare, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: It is our belief that the recent concern over the inability to meet future requirements of the formula results more from an anticipated inability to meet future requirements of the formula announced in January 1974 rather than any present inability.

Based on our experience with more than six hundred RSVP programs, we do not feel there is a need to revise our funding formula as applied to the first two years. All of the five hundred seventy-six RSVP programs which have reached their second year have achieved, or are expected to achieve, the 20% funding level.

An analysis now in progress of responses from all RSVP sponsors to Mrs. Lynch's May 17 letter regarding the RSVP funding formula is revealing some interesting data: A substantial majority of the RSVP program officials (166 out of 222 replies received to date) indicated that they believe they can maintain a healthy RSVP program in their communities with a Federal contribution of 50% or less after the fifth year. A minority (56 out of 222) expressed a need for a larger Federal share, generally averaging about 75%.

Six of the original eight RSVP programs which will enter their fourth year on June 30, expect to be able to achieve fifty percent or better local support. The exceptions are Philadelphia and Buffalo, both of which have agreed to meet a 41 percent local share.

Of the 49 programs which have reached their third year, only two have indicated that they cannot meet at least a 35% local contribution. St. Louis and Denver will be at 30 percent.

Many of the local RSVP programs have been able to achieve local contributions greatly in excess of the minimum funding levels required by ACTION. In Steubenville, Ohio, for example, the RSVP program has raised locally 41% of the cost of its second year operations—21% more than was necessary. In Dubuque, Iowa, the RSVP program entering its third year plans to achieve 47% local funding, 12% above that required. The Wilmington, Delaware RSVP program, and also the Charleston, S.C. program, report that they are confident of picking up 100% local funding after the fifth year.

Given the willingness and ability of many RSVP programs to exceed the current minimums, we believe it would be a serious mistake if a limitation on local initiative was fixed either administratively or by legislation. The statistics we are compiling from the majority of our local RSVP programs, responding to the May 17 letter, support our belief that local RSVP units are able and willing to assume a substantial portion of their own costs.

ACTION at this time is discontinuing the use of the five-year funding formula announced in January 1974 in order to consider a revision of the funding requirements for the fourth and fifth years as well as the continuation of Federal support beyond the fifth year. Additionally, ACTION is re-establishing the maximum required local contributions in effect prior to January 1974, namely 10% in the first year, 20% in the second, 30% in the third year, and for those programs entering their fourth year during FY 1975, 40%.

A final decision as to funding requirements for the fourth and succeeding years will be made within a reasonable time to permit local programs to plan their budgets on the basis of our experience with the funding of on-going programs. In no event will the final formula provide for a maximum required local contribution in excess of 50%. No arbitrary limit will be imposed on the total amount of Federal funding for a project, nor on the increase in total Federal funds from one year to the next.

ACTION recognizes the need for flexibility and reasonableness in application, including a more liberal policy for determining acceptable in-kind, local share contributions and the necessary mechanisms to permit considered exceptions based on demonstrated need.

We recognize that there will be RSVP projects particularly in low-income areas, that will be unable to meet the funding criteria established nationwide. Our national office currently reviews applications for exceptions to the funding formula and grants these on the basis of need. This process will continue taking into account local economic conditions and other needs.

In recognizing the need for a flexible funding formula, we in no way lessen our commitment to the goal of maximizing local control and local responsibility. ACTION plans to continue its efforts to encourage and facilitate local RSVP cost-sharing and self-sufficiency. We firmly believe that a formula providing for a reasonable level of local contribution is the best guarantee of a healthy and vigorous Retired Senior Volunteer Program in the future.

Sincerely,

CARLTON KAMMERER,
Assistant Director of ACTION, Congressional Affairs.

Mr. CRANSTON. The ACTION Agency's basis for establishing a maximum local share contribution not to exceed 50 percent was founded on an analysis now in progress of responses to a questionnaire distributed to all RSVP sponsors on May 17 by the Agency regarding the RSVP funding formula. The Agency states in the letter that a substantial majority of the RSVP program officials—166 out of 222 replies received as of June 14—indicated they believed they could maintain a healthy RSVP program in their communities with a Federal contribution of 50 percent or less after the fifth year.

These figures, Mr. President, are considerably different from my own tabulations of opinion regarding the funding formula as expressed in mail received in my office in the last week or so. Of these 161 letters—representing responses from 24 States—127 favor a funding policy supporting a Federal contribution of at least 60 percent or more. Only 10 responses show a willingness on the part of the local program to support a Federal contribution of as much as 50 percent, and 24 responses indicate that they have a problem with the funding formula but do not express support for any particular formula requirement. In no case have I received a response from a program suggesting that a Federal contribution of any less than 50 percent would be acceptable, in clear contrast to the questionnaire data reported on by the Agency.

Let me make clear, Mr. President, that I am not doubting the Agency's tabulations. In fact, I think the disparate results are accounted for by the correspondents' inclinations to communicate their views in a way likely to be most sympathetically received by the recipient—the grant-making Agency, on the one hand; and the Senate sponsors of a supportive amendment, on the other hand.

In view of these conflicting reports, and the revised position of the ACTION Agency in adopting a funding formula that will still permit establishment of a maximum local-share contribution of up to 50 percent, the sponsors of the amendment feel it is necessary to go forward with the amendment.

The provision, in section 4 of the pending bill, which adds a new subsection to Section 201(a) of Public Law 93–113, would establish guidelines for the amount by which the local share for RSVP grants and contracts, made on or after the effective date of the act, could be required to be increased from one year to the next. Under the new provision, the first-year local share could be as much as 10 percent, the second year of any renewal grant or contract as much as 15 percent, the third year as much as 22.5 percent, the fourth year as much as 33.75 percent, and the fifth year as much as 40 percent—which is the maximum local-share contribution permissible under the committee amendment. In providing for this schedule, the committee recognizes, in the case of ongoing programs which are already providing a 20- to 30-percent local share, that the provision would permit increasing the local share up to 30 percent and 40 percent, respectively for the following year for such programs.

Mr. President, in no way does this amendment apply only to new first-year grants and contracts, and their subsequent renewals, negotiated after the Act becomes law. Rather, the amendment is intended to establish local-share funding guidelines for any renewal grant or contract as well as grants and contracts that are negotiated after enactment for programs beginning their first year of operation.

I also want to stress that this amendment does not in any way prohibit the Agency from accepting, as a gift pursuant to section 402(5) of Public Law 93–113, local-share amounts in excess of the maximum percentages which the Agency may required as long as such additional sums are voluntarily offered by a project sponsor.

Mr. President, the sponsors of the amendment and the members of the committee continue their strong opposition to any rigid, inflexible, arbitrary set of local-share regulations. We believe that the amendment in the bill provides a reasonable framework for a revised Agency policy, and we continue to favor adoption of reasonable Agency guidelines with percentage parameters to which considered exceptions may be made based on local economic variations and other needs.

Although supporting the goal of increasing local-share funding on a reasonable, phased basis, the committee continues to expect that firm local-share guidelines will not be established for funding beyond the third year until after experience with third-year grant negotiations and program operation can be fully analyzed and discussed with the Congress. The committee and amendment sponsors are also cognizant that the maximum increases in the amendment may need to be reduced by law hereafter if adequate data indicate that the guidelines are injurious to the program. The RSVP appropriations authorization runs through fiscal year 1976, so the program will come up for review again in any case in some 18 months.

The committee and sponsors further expect the ACTION Agency, as stated in the letter of today to me, to apply a liberal inkind contribution policy in determining what is an acceptable local-share contribution. Traditionally, the committee has believed that as part of health, education, and social services program policy, local sponsors should have substantial latitude in meeting their share from either cash or legitimate inkind contributions.

Furthermore, Mr. President, as the Agency has agreed in its letter to me, no arbitrary limit should be imposed on the total amount of Federal funding for a project, nor on the increase in total Federal funds from one year to the next. The committee and amendment sponsors further believe that provision needs to be made in any funding guidelines for the expansion and growth of RSVP projects that show good results in meeting basic program objectives, and that such growth should be supported both through increasing local contributions and, where indicated, through increasing Federal funds.

Mr. President, in closing I want specially to thank the ranking minority member of the Special Subcommittee on Human Resources and of the Aging Subcommittee, Mr. Beall; the Subcommittee on Aging chairman, Mr. Eagleton; the principal sponsor of this bill, Mr. Kennedy; our committee chairman, Mr. Williams; and the other subcommittee and committee members and sponsors of our amendment, for their great cooperation in this matter. I also thank the many RSVP projects and other informed persons who provided us with such valuable insights and information and responded to our requests for advice.

Mr. CLARK. Mr. President, the Senate has demonstrated its concern for older Americans by passing H.R. 11105—the nutrition program—under title VII of the Older Americans Act. The vote was unanimous, 90–0.

The nutrition program has been one of the most effective programs for senior citizens ever enacted by the Congress. The nutrition program not only has provided at least one nutritious meal a day to people participating in the program, but it also has provided a meaningful opportunity for older people to get together with one another and to participate in community activities.

I was a cosponsor of the Senate bill, S. 2488, introduced by my friends and colleagues, Senators Kennedy and Percy, and I wish to congratulate them and Senator Eagleton, chairman of the Senate Labor and Public Welfare's Subcommittee on the Elderly, for their fine leadership in getting this legislation approved.

H.R. 11105 would provide for higher appropriations than the original Senate bill introduced last September. Considering the rampant inflation of the past year, and the resulting higher food costs, the higher authorization levels provided for in H.R. 11105 are necessary and fundamental to the continuation of the nutrition program.

I am pleased to note that the Senate has included in this bill a special authorization under title III of the Older Americans Act for supportive transportation services with special emphasis on the nutrition program. Hopefully, this money can be used to increase the mobility of senior Americans and help provide them with the necessary means to participate fully in our society.

The importance of this bill cannot be underestimated. And its impact certainly will be apparent in the months and years ahead.

Mr. SCHWEIKER. Mr. President, I commend the Senate leadership for moving quickly to bring up H.R. 11105, which extends title VII of the Older Americans Act for 3 years. This bill contains an amendment which I introduced in the Labor and Public Welfare Committee to provide $35 million for supportive transportation for the elderly participating in title VII programs.

H.R. 11105 increases the authorization for the elderly nutrition program from its current funding level of $100 million to $150 million in fiscal year 1975, $200 million in fiscal year 1976, and $250 million in fiscal year 1977. Such increases are absolutely necessary if this vital program is to continue its current effectiveness and expand to meet increasing demand.

As you are well aware, Mr. President, soaring food costs are becoming a way of life in the United States. While none of us enjoy footing an ever-increasing food bill, it is our Nation's elderly who feel the greatest pressure. They are living on fixed incomes hovering near the poverty level, and in many cases are unable to purchase nutritionally balanced meals at existing market costs. Furthermore, physical ailments often prevent an older person from shopping regularly or even preparing their meals.

It is for these persons the elderly nutrition program was developed. In addition, as this program has developed and grown, it has become increasingly necessary for the local meal programs to provide some form of supportive transportation services for the participants. As the program is currently administered, 20 percent of the funds for each elderly meal center can be used for supportive services, which includes transportation. In other words, for every dollar spent on supportive transportation, one dollar less is spent on the real purpose of title VII programs—meals for the elderly.

My amendment, which provides $35 million for fiscal year 1975, will go a long way toward helping develop much needed transportation services supporting participants in the meal program. No longer will it be necessary to constantly bleed food money from the program to transport older persons to the meal centers. A separate fund will help cover many of these needed costs. Also, the amendment is designed to allow transportation facilities purchased under this bill to be used for other elderly needs, such as taking them to shopping areas and banks.

Mr. President, I am very much pleased with the response I have received from Senators in support of this supportive transportation concept, and I commend Senators McGOVERN, BEALL, BURDICK, CASE, CLARK, DOLE, HUGHES, MANSFIELD, METCALF, MONDALE, and YOUNG for their interest in this amendment.

Furthermore, I am pleased with the interest shown by the Department of Transportation and the Administration on Aging for their recognition of this problem.

Mr. TAFT. Mr. President, this Nation has a high stake in providing a better life for older Americans. Hunger and malnutrition in America result generally from an inadequate income and/or limited knowledge of what foods are best for health and how to prepare them. However, the elderly have a high level of malnutrition relative to other age groups because older persons face other problems due to physical mobility—making it difficult to shop for or prepare food, many are ill or weak, perhaps living alone, and may not have the stamina to prepare nutritious, well-balanced meals for themselves.

I, therefore, am happy to support H.R. 11105, a bill to extend for 3 years title VII of the Older Americans Act relating to the nutrition program for the elderly.

For the physically mobile elderly, not only do they receive daily hot meals under this program, but they also have social contact, thus promoting companionship and recreation to alleviate the social isolation suffered by so many of the elderly.

Hot meals are delivered to the homebound. This can mean the difference between institutionalization and independent living to the older person who does not have the physical stamina to shop for food or to prepare his own meals.

Through legislation such as the pending bill, we can continue to alleviate the problem of malnutrition among the elderly.

Mr. DOLE. Mr. President, I was pleased to have been a cosponsor of the Senate bill extending the nutrition programs for the elderly, and wish now to express my enthusiastic support for the companion House measure presently before us.

SCOPE OF NUTRITION PROJECTS

The federally financed hot meal service—in congregate settings and with delivery to home-bound individuals—has proven highly successful since its inception and is certainly worthy of continuation. As expanded, it will be providing five meals weekly to more than 200,000 older persons—3,179 having been served daily in Kansas alone during full implementation of the program in fiscal year 1974.

Moreover, the new congregate nutrition projects under title VII of the Older Americans Act have a special note of optimism in their concept of dealing with elderly. For in addition to providing hot the "isolation" problem of many of our meals for a vast number of citizens—up to 7,500 in Kansas with adequate funding—they bring persons aged 60 and older together in a community center social atmosphere for that much-needed association with others having their same interests and situations.

FUNDS PROVIDED

Last year, I cosponsored the older Americans bill which authorized more than $2.3 million in support of Kansas elderly programs. And just this past month, I was pleased to announce a $1,176,919 allocation by the Department of Health, Education, and Welfare for the continuation of those operations.

The current bill will authorize $600 million over the next 3 years for title VII plans. And of this amount, the Kansas aging services will receive some $7.2 million for the administration of its older Americans programs.

TRANSPORTATION NEEDS

Perhaps the most laudable aspect of H.R. 11105 is its amendment, reported out by the Labor and Public Welfare Committee's Subcommittee on Aging, establishing a special $35,000,000 authorization for a new transportation program—to be operated under title III of the act, but in conjunction with the title VII nutrition projects. This will mean an additional $420,000 for the State of Kansas, with priority to be given areas having no public transit system.

As a representative of the senior citizens of Kansas, I would like to underscore the need for such supportive transportation services, particularly in our rural areas where it is so badly lacking. For in many such locations, a nutrition project is useless unless transportation can be provided for a substantial number of participants.

The problem, of course, has been that the elderly are often unable to receive full benefits from the hot-meals programs because of their difficulty in covering the long distances to reach a project setting. This situation also prevails in many urban communities, like Kansas City, as well—where adequate mass transportation is not always available. The 20-percent limitation for transportation under previous programs has been totally inadequate to meet the need, so this new authorization is completely justified.

HOME-DELIVERED MEALS

Although certainly the most recurring complaint about the past operation of nutrition programs has been this necessity for more transportation services, I am pleased that the committee also sought to clarify a common misunderstanding about the "10 percent limitation" on home-delivered meals.

Since in many instances such a restriction may reduce the effectiveness of a project, it is important for local directors to know that this "suggestion" to limit deliveries to recipients to 10 percent of the total meals served is not absolute or binding. This will be very helpful, I believe, in providing the flexibility to meet the particular local needs in our State.

NEW FORMULA

Finally, Mr. President, I would like to comment on the formula to be utilized in determining the amount of funds each State shall receive with respect to the transportation authorizations. While the present method of computing allocations—that is, basing it on the percentage of elderly which a State has in comparison with the overall number nationwide—is quite fair for the nutrition programs themselves, I think some future adjustments should be considered for the special supportive services fundings.

I say "future" because I realize that any significant proposal to change the present formula in the act might tie the bill up in controversy and jeopardize its enactment in time for inclusion with the regular fiscal year 1975 appropriations. However, it does seem to me that factors other than population need to be evaluated.

Specifically, transportation problems of the elderly are greater in basically rural States, such as Kansas—where nutrition program participants are widely scattered—than in the more urbanized States with well-established mass transportation and concentrations of qualified citizens. Nevertheless, the current formula would provide more transportation money to the latter, strictly because of the number of persons involved.

The distribution would be much more equitable, I feel, if an investigation of the respective transportation needs of States would be required before the special additional allocations are made. It is my hope, therefore, that this approach will be discussed when the transportation program itself is up for extension next year.

CONCLUSION

In conclusion, let me reemphasize the importance of this bill to the elderly nutrition programs in Kansas and across the Nation. Its strong endorsement by the Senate here today, followed by acceptance by the House conferees of the most critical transportation authorization amendment, will represent a great step forward in giving our senior citizens the recognition and assistance which they so richly deserve.

Mr. EAGLETON. Mr. President, I yield back the remainder of my time on the amendment and on the bill.

Mr. BEALL. I yield back the remainder

of my time on the amendment and on the bill.

The PRESIDING OFFICER (Mr. HOLLINGS). All remaining time has been yielded back. The question is on agreeing to the amendment (No. 1474) of the Senator from Maryland (Mr. BEALL). On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), and the Senator from New Hampshire (Mr. MCINTYRE), are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Nebraska (Mr. CURTIS), the Senator from Idaho (Mr. MCCLURE), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that the Senator from New Hampshire (Mr. COTTON) is absent due to illness.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "yea."

The result was announced—yeas 35, nays 56, as follows:

[No. 258 Leg.]

YEAS—35

Aiken
Baker
Bartlett
Beall
Bellmon
Bennett
Brock
Buckley
Byrd, Harry F., Jr.
Case
Dole
Domenici
Dominick
Fannin
Fong
Goldwater
Griffin
Gurney
Hansen
Hatfield
Helms
Hruska
Javits
Mathias
Packwood
Pearson
Percy
Roth
Scott, Hugh
Scott, William L.
Stevens
Taft
Thurmond
Tower
Young

NAYS—56

Abourezk
Allen
Bentsen
Bible
Brooke
Burdick
Byrd, Robert C.
Cannon
Chiles
Church
Clark
Cranston
Eagleton
Eastland
Ervin
Fulbright
Gravel
Hart
Hartke
Haskell
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Johnston
Kennedy
Long
Magnuson
Mansfield
McClellan
McGee
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Pastore
Pell
Proxmire
Randolph
Ribicoff
Sparkman
Stennis
Stevenson
Symington
Talmadge
Tunney
Weicker
Williams

NOT VOTING—9

Bayh
Biden
Cook
Cotton
Curtis
McClure
McIntyre
Schweiker
Stafford

So Mr. BEALL's amendment (No. 1474) was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from Delaware (Mr. BIDEN), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Arkansas (Mr. FULBRIGHT) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH) and the Senator from New Hampshire (Mr. MCINTYRE) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Nebraska (Mr. CURTIS), the Senator from Idaho (Mr. MCCLURE), and the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that the Senator from New Hampshire (Mr. COTTON) is absent due to illness.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "yea."

The result was announced—yeas 90, nays 0, as follows:

[No. 259 Leg.]

YEAS—90

Abourezk
Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Bible
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—10

Bayh
Biden
Cook
Cotton
Curtis
Fulbright
McClure
McIntyre
Schweiker
Stafford

So the bill (H.R. 11105) was passed.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed a bill (H.R. 15404) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes, in which it requested the concurrence of the Senate.

ENROLLED BILLS SIGNED

The message also announced that the Speaker had affixed his signature to the following enrolled bills:

S. 1585. An act to prevent the unauthorized manufacture and use of the character "Woodsy Owl," and for other purposes;

H.R. 8586. An act to authorize the foreign sale of the passenger vessel steamship *Independence;* and

H.R. 14354. An act to amend the National School Lunch Act, to authorize the use of certain funds to purchase agricultural commodities for distribution to schools, and for other purposes.

The enrolled bills were subsequently signed by the President pro tempore.

HOUSE BILL REFERRED

The bill (H.R. 15404) making appropriations for the Departments of State, Justice, and Commerce, the Judiciary, and related agencies for the fiscal year ending June 30, 1975, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the Senate by Mr. Marks, one of his secretaries.

REPORT ON ADMINISTRATION OF NATURAL GAS PIPELINE SAFETY ACT OF 1968—MESSAGE FROM THE PRESIDENT

The PRESIDING OFFICER (Mr. HASKELL) laid before the Senate a message from the President of the United States, which, with the accompanying report, was referred to the Committee on Commerce. The message is as follows:

To the Congress of the United States:

I herewith transmit the Sixth Annual Report on the administration of the Natural Gas Pipeline Safety Act of 1968. This report has been prepared in accordance with section 14 of the act, and covers the period January 1, 1973, through December 31, 1973.

RICHARD NIXON.

THE WHITE HOUSE, *June 19, 1974.*

VIETNAM-ERA VETERANS READJUSTMENT ASSISTANCE ACT OF 1964

The PRESIDING OFFICER. Under the previous order the Senate will now proceed to the consideration of S. 2784, which the clerk will state.

The assistant legislative clerk read as follows:

A bill (S. 2784) to amend title 38, United States Code, to increase the vocational rehabilitation subsistence allowance, educational assistance allowances, and the special training allowances paid to eligible veterans and persons under chs. 31, 34, and 35 of such title; to improve and expand the special programs for educationally disadvantaged veterans and servicemen under ch. 34 of such title; to improve and expand the veteran-student services program; to establish a veterans' education loan program for veterans eligible for benefits under ch. 34 of such title; to promote the employment of veterans and the wives and widows of certain veterans by improving and expanding the provisions governing the operation of the Veterans Employment Service and by providing for an action plan for the employment of disabled and Vietnam era veterans; to make improvements in the educational assistance program; to recodify and expand veterans' reemployment rights; to make improvements in the administration of educational benefits; and for other purposes.

The Senate proceeded to consider the bill which had been reported from the Committee on Veterans Affairs with an amendment to strike out all after the enacting clause and insert:

That this Act may be cited as the "Vietnam Era Veterans' Readjustment Assistance Act of 1974".

TITLE I—VOCATIONAL REHABILITATION AND EDUCATIONAL ASSISTANCE RATE ADJUSTMENTS

SEC. 101. Chapter 31 of title 38, United States Code, is amended as follows:

(1) by inserting in section 1501(2) a comma and "all appropriate individualized tutorial assistance," after "counseling";

(2) by striking out in section 1502(a) all after "disability" and inserting in lieu thereof "arose out of service during World War II, the Korean conflict, or after January 31, 1955."; and

(3) by amending the table contained in section 1504(b) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of training	No dependents	One dependent	Two dependents	More than two dependents
Institutional:				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	$201	$249	$293	$21
Three-quarter-time	151	188	221	17
Half-time	100	125	147	11
Farm cooperative, apprentice, or other on-job training:				
Full-time	175	212	245	17";

SEC. 102. Chapter 34 of title 38, United States Code, is amended as follows:

(1) by inserting in section 1651 "(consisting of payment of a monthly educational assistance allowance and a partial tuition assistance allowance)" after "program";

(2) by striking out in the last sentence of section 1677(b) "$220" and inserting in lieu thereof "$260";

(3) by inserting in section 1681 (a) and (b) "and partial tuition assistance allowance" after "allowance" in each place it appears;

(4) by inserting in section 1682(a)(1) "and partial tuition assistance allowance as" after "allowance"; and by amending the table contained therein to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
Institutional:				The amount in column IV. plus the following for each dependent in excess of two:
Full-time	[1] $260	[1] $309	$352	$21
Three-quarter-time	195	[2] 232	[2] 265	17
Half-time	[2] 130	[2] 155	[2] 176	11
Cooperative	209	246	279	17

"[1] If the veteran is pursuing a program of institutional training on a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of 80 per centum of the amount of tuition (or established fee in lieu of tuition) up to $1,000 for an ordinary school year paid or to be paid by the veteran after excluding the first $100 of such tuition, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.

"[2] If the veteran is pursuing a program of institutional training on less than a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of the amount specified in footnote 1 to this table reduced on a half-time or three-quarter-time basis on a ratio which half-time or three-quarter-time bears to the full-time tuition payment and exclusion specified in such footnote, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title";

(5) by striking out in section 1682(b) "$220" and inserting in lieu thereof "$260";

(6) by inserting in section 1682(c) (1)(C) and (2) "and partial tuition assistance allowance" after "allowance" in each place it appears; and by amending the table contained therein to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Basis	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	[1] $209	[1] $246	[1] $279	$17
Three-quarter-time	[2] 157	[2] 184	[2] 209	13
Half-time	[2] 105	[2] 123	[2] 139	8

"[1] If the veteran is pursuing a program of institutional training on a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of 80 per centum of the amount of tuition (or established fee in lieu of tuition) up to $1,000 for an ordinary school year paid or to be paid by the veteran after excluding the first $100 of such tuition, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.";

"[2] If the veteran is pursuing a program of institutional training on less than a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of the amount specified in footnote 1 to this table reduced on a half-time or three-quarter-time basis on a ratio which half-time or three-quarter-time bears to the full-time tuition payment and exclusion specified in such footnote, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.";

and

(7) by striking out in section 1696(b) "$220" and inserting in lieu thereof "$260".

SEC. 103. Chapter 35 of title 38, United States Code, is amended as follows:

(1) by inserting in section 1731(a) "and a partial tuition assistance allowance" after "allowance";

(2) by inserting in section 1731(b) "or partial tuition assistance allowance" after "allowance";

(3) by amending section 1732(a)(1) to read as follows:

"(a)(1) The educational assistance allowance and partial tuition assistance allowance on behalf of an eligible person who is pursuing a program of education consisting of institutional courses shall be computed at the rate prescribed for full-time, three-quarter-time, or half-time pursuit, as appropriate, of an institutional program by an eligible veteran with no dependents in section 1682(a)(1) of this title.";

(4) by striking out in section 1732(a)(2) all after and including "of (A)" and inserting in lieu thereof "prescribed for less-than-half-time pursuit of an institutional program by an eligible veteran in section 1682(b)(2) of this title.";

(5) by striking out in section 1732(b) "$177" and inserting in lieu thereof "$209";

(6) by inserting in section 1733(a) a comma and "and, as appropriate, a partial tuition assistance allowance" after "allowance"; and

(7) by amending section 1742(a) to read as follows:

"(a) While the eligible person is enrolled in and pursuing a full-time course of special restorative training, the parent or guardian shall be entitled to receive on his behalf a special training allowance computed at the basic rate of $260 per month. If the charges for tuition and fees applicable to any such course are more than $82 per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed $82 a month, upon election by the parent or guardian of the eligible person to have such person's period of entitlement reduced by one day for each $8.69 that the special training allowance paid exceeds the basic monthly allowance.".

SEC. 104. Chapter 36 of title 38, United States Code, is amended by adding after section 1780 the following new section:

"§ 1780A. Partial tuition assistance allowance

"(a) The Administrator shall pay the partial tuition assistance allowance to be paid, as specified in sections 1682(a)(1) and (c), 1691(a)(2), 1732, and 1733 of this title, in addition to the educational assistance allowance payable to an eligible veteran or eligible person under the provisions of such sections directly to such veteran or person pursuing a program of institutional training on a full-time, three-quarter-time, or half-time basis in such amounts (up to $720 per ordinary school year) as specified in such sections 1682(a)(1) and (c) and 1732.

"(b) In no event shall the payment made to any veteran or person under the authority of subsection (a) of this section be based upon charges that exceed the customary tuition (or established fee in lieu of tuition) charged other similarly circumstanced students in the same institution, and in no case shall a veteran be charged an out-of-State tuition rate if such veteran was resident in such State immediately prior to such veteran's entry into the armed services.

"(c) No partial tuition assistance allowance shall be paid to any veteran or person pursuing a program of correspondence, flight, apprentice, and other on-job, or PREP training.

"(d) Payment of the partial tuition assistance allowance authorized by subsection (a) of this section shall be made upon receipt by the Administrator of such evidence as he deems necessary to determine (1) that the veteran or person has enrolled in and is pursuing a program of education at the educational institution, and (2) the amount of tuition (or established fee in lieu of tuition) paid or to be paid by such veteran or person. Subject to the limitations set forth and referenced in subsection (a) of this section, each payment of partial tuition assistance allowance shall not exceed the amount payable for the term, quarter, or semester for which the veteran or person is enrolled, and shall be in a ratio which the length of such term, quarter, or semester bears to the length of the ordinary school year. In the case of courses not organized on a term, quarter, or semester basis, 36 weeks shall be considered to be an ordinary school year, and payment of the partial tuition assistance allowance shall be made in such increments as the Administrator, by regulation, shall determine.

"(e)(1) Payments of partial tuition assistance allowances shall be drawn in favor of the veteran or person and mailed to the educational institution listed on the application form for temporary care and delivery to the veteran or person as soon as practicable after receipt thereof.

"(2) Upon delivery of any such payment, the institution shall submit a certification of delivery under the same terms as provided for in section 1780(d)(6) of this title.

"(f) In the event that a veteran or person fails to commence a program of education, or terminates enrollment before the end of the enrollment period for which a partial tuition assistance allowance has been paid to such individual, and has been paid a partial tuition assistance allowance, then an overpayment shall be declared and shall be recovered by the Administrator in the same manner as any other debt due the United States from the individual or educational institution in accordance with the following:

"(1) If the veteran or person has failed to commence a program of education within thirty days after the date prescribed for enrollment, the full amount of the partial tuition assistance allowance shall be considered an overpayment and shall be recovered from such individual or from the educational institution in the event that the individual has paid the full tuition to the educational instiution.

"(2) If the veteran or person has failed to commence a program of education, but has paid part of the tuition to the educational institution, the full amount of the partial tuition assistance allowance retained by the individual and not paid to the educational institution shall be recovered from such individual, and that portion of the partial tuition assistance allowed paid to the educational institution shall be recovered from such institution.

"(3) If the veteran or person has commenced a program of education, but has terminated such program before the end of the enrollment period, that portion of the partial tuition assistance allowance retained by the individual shall be recovered from such individual in a ratio which the amount of the partial tuition assistance allowance paid to such individual bears to the uncompleted portion of the program, and the Administrator shall recover from the educational institution so much of the partial tuition assistance allowance paid to such institution by the veteran or person as is provided for in the refund policy which each such institution shall establish in accordance with guidelines prescribed by the Administrator.

"(g) The Administrator shall prescribe such rules and regulations as are necessary or appropriate to implement, and to prevent abuses of, the program for payment of partial tuition assistance allowances.

"(h) The Administrator shall promptly report to the Attorney General of the United States for appropriate action any violation by an individual of section 3502 of this title (relating to fraudulent acceptance of payments) and any violation by an educational institution, or by any officer, employee, or agent of an educational institution, of section 371 of title 18 (relating to conspiracy to commit an offense or to defraud the United States), section 1001 of title 18 (relating to false statements or entries), or of any other Federal criminal statutory provision.".

(b) The table of sections at the beginning of such chapter is amended by inserting

"1780A. Partial tuition assistance allowance."

after

"1780. Payment of educational assistance or subsistence allowances.".

TITLE II—EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

SEC. 201. Section 1652(a)(3) of title 38, United States Code, is amended by inserting "except as provided therein," after "1661(a),".

SEC. 202. Section 1661 of title 38, United States Code, is amended by—

(1) striking out in subsection (a) "36 months" and inserting in lieu thereof "45 months";

(2) adding at the end of subsection (a) the following:

"For purposes of this subsection, in determining the period to which any eligible veteran is entitled to educational assistance under this chapter, the initial period of active duty for training performed by him under section 511(d) of title 10 shall be deemed to be active duty if at any time subsequent to the completion of such period of active duty for training such veteran served on active duty for a consecutive period of one year or more."; and

(3) striking out in subsection (c) "thirty-six" and inserting in lieu thereof "45".

SEC. 203. Section 1662 of title 38, United States Code, is amended as follows:

(1) by striking out "eight" in subsection (a) and inserting in lieu thereof "10";

(2) by striking out "8-year" in subsection (b) and inserting in lieu thereof "10-year";

(3) by striking out "8-year" and "eight-year" in subsection (c) and inserting in lieu thereof "10-year" in each place, respectively; and

(4) by adding at the end thereof the following new subsection:

"(d) In the case of any veteran (1) who served on or after January 31, 1955, (2) who became eligible for educational assistance under the provisions of this chapter or chapter 36 of this title, and (3) who, subsequent to his last discharge or release from active duty, was captured and held as a prisoner of war by a foreign government or power, there shall be excluded, in computing such veteran's 10-year period of eligibility for educational assistance, any period during which such veteran was so detained and any period immediately following his release from such detention during which such veteran was hospitalized at a military, civilian, or Veterans' Administration medical facility.".

SEC. 204. Section 1673 of title 38, United States Code, is amended as follows:

(1) by inserting in subsection (a)(2) "or in any other course with a vocational objective," after "field," where it first appears; and striking out "the sales or sales management field" and inserting in lieu thereof "the specific occupational category for which the course was designed to provide training";

(2) by inserting in subsection (a)(3) "(or the advertising for which he finds contains significant avocational or recreational themes)" after "character"; and

(3) by amending subsection (d) to read as follows:

"(d) The Administrator shall not approve the enrollment of any eligible veteran, not already enrolled, in any course (other than one offered pursuant to subchapter V or subchapter VI of chapter 34 of this title) which does not lead to a standard college degree and which is offered by a proprietary profit or proprietary nonprofit educational institution for any period during which the Administrator finds that more than 85 per centum of the students enrolled in the course are having all or part of their tuition, fees, or other charges paid to or for them by the educational institution or the Veterans' Administration under this title.".

SEC. 205. Section 1682 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding the *prohibition* in section 1671 of this title prohibiting enrollment of an eligible veteran in a program of education in which such veteran has 'already qualified,' a veteran shall be allowed up to six months of educational assistance (or the equivalent thereof in part-time assistance) for the pursuit of refresher training to permit such veteran to update such veteran's knowledge and skills and to be instructed in the technological advances which have occurred in such veteran's field of employment during and since the period of such veteran's active military service.

"(2) A veteran pursuing refresher training under this subsection shall be paid an educational assistance allowance and a partial tuition assistance allowance based upon the rate payable as set forth in the table in subsection (a)(1) or in subsection (c)(2) of this section, whichever is applicable.

"(3) The educational assistance allowance and partial tuition assistance allowance paid under the authority of this subsection shall be charged against the period of entitlement the veteran has earned pursuant to section 1661(a) of this title.".

SEC. 206. Section 1685 of title 38, United States Code, is amended as follows:

(a) Subsection (a) is amended by striking out all of that portion of the second sentence preceding "during a semester" and inserting in lieu thereof "Such work-study allowance shall be paid in the amount of $625 in return for such veteran-student's agreement to perform services, during or between periods of enrollment, aggregating two hundred and fifty hours".

(b) Subsection (a) is further amended by striking out the last sentence and inserting in lieu thereof the following: "An agreement may be entered into for the performance of services for periods of less than two hundred and fifty hours, in which case the amount of the work-study allowance to be paid shall bear the same ratio to the number of hours of work agreed to be performed as $625 bears to two hundred and fifty hours. In the case of any agreement providing for the performance of services for one hundred hours or more, the veteran student shall be paid $250 in advance, and in the case of any agreement for the performance of services for less than one hundred hours, the amount of the advance payment shall bear the same ratio to the number of hours of work agreed to be performed as $625 bears to two hundred and fifty hours.".

(c) Subsection (c) is amended by striking out "(not to exceed eight hundred man-years or their equivalent in man-hours during any fiscal year)".

SEC. 207. Section 1692(b) of title 38, United States Code, is amended as follows:

(1) by striking out "$50" and inserting in lieu thereof "$60";

(2) by striking out "nine months" and inserting in lieu thereof "twelve months"; and

(3) by striking out "$450" and inserting in lieu thereof "$720".

SEC. 208. (a) Section 1712 of title 38, United States Code, is amended as follows:

(1) by striking out "eight" in subsection (b) and inserting in lieu thereof "10"; and

(2) by striking out "eight" in subsection (f) and inserting in lieu thereof "10".

(b) Section 604(a) of Public Law 92–540 (82 Stat. 1333, October 24, 1972) is amended by deleting "eight" and inserting in lieu thereof "10".

SEC. 209. Section 1723 of title 38, United States Code, is amended as follows:

(1) by inserting in subsection (a)(2) "or in any other course with a vocational objective," after "field," where it first appears;

and striking out "the sales or sales management field" and inserting in lieu thereof "the specific occupational category for which the course was designed to provide training";

(2) by inserting in subsection (a)(3) "(or the advertising for which he finds contains significant avocational or recreational themes)" after "character";

(3) by striking out in subsection (c) "any course of institutional on-farm training,"; and

(4) by striking out in subsection (d) "to be pursued below the college level" and inserting in lieu thereof "not leading to a standard college degree".

SEC. 210. Section 1732 of title 38, United States Code, is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c)(1) An eligible person who is enrolled in an educational institution for a 'farm cooperative' program consisting of institutional agricultural courses prescheduled to fall within forty-four weeks of any period of twelve consecutive months and who pursues such program on—

"(A) a full-time basis (a minimum of ten clock hours per week or four hundred and forty clock hours in such year prescheduled to provide not less than eighty clock hours in any three-month period),

"(B) a three-quarter-time basis (a minimum of seven clock hours per week), or

"(C) a half-time basis (a minimum of five clock hours per week),

shall be eligible to receive an educational assistance allowance and a partial tuition assistance allowance at the appropriate rate provided in paragraph (2) of this subsection, if such eligible person is concurrently engaged in agricultural employment which is relevant to such institutional agricultural courses as determined under standards prescribed by the Administrator. In computing the foregoing clock hour requirements there shall be included the time involved in field trips and individual and group instruction sponsored and conducted by the educational institution through a duly authorized instructor of such institution in which the person is enrolled.

"(2) The monthly educational assistance allowance and partial tuition assistance allowance to be paid on behalf of an eligible person pursuing a farm cooperative program under this chapter shall be computed at the rate prescribed for full-time, three-quarter-time, or half-time pursuit, as appropriate, of a farm cooperative program by an eligible veteran with no dependents in section 1682(c)(2) of this title.".

SEC. 211. Section 1780(a)(2) is amended by inserting "(or customary vacation periods connected therewith)" after "holidays".

SEC. 212. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by amending section 1774(b) to read as follows:

"(b) The allowance for administrative expenses incurred pursuant to subsection (a) of this section shall be paid in accordance with the following formula:

"Total salary cost reimbursable under this section	Allowable for administrative expense
$5,000 or less	$550.
Over $5,000 but not exceeding $10,000.	$1,000.
Over $10,000 but not exceeding $35,000.	$1,000 for the first $10,000 plus $925 for each additional $5,000 or fraction thereof.
Over $35,000 but not exceeding $40,000.	$6,050.
Over $40,000 but not exceeding $75,000.	$6,050 for the first $40,000 plus $800 for each additional $5,000 or fraction thereof.
Over $75,000 but not exceeding $80,000.	$12,000.
Over $80,000	$12,000 for the first $80,000 plus $700 for each additional $5,000 or fraction thereof.".

(2) by amending section 1784(b) to read as follows:

"(b) The Administrator may pay to any educational institution, or to any joint apprenticeship training committee acting as a training establishment, furnishing education or training under either chapter 34, 35, or 36 of this title, a reporting fee which will be in lieu of any other compensation or reimbursement for reports or certifications which such educational institution or joint apprenticeship training committee is required to report to him by law or regulation. Such reporting fee shall be computed for each calendar year by multiplying $3 by the number of eligible veterans or eligible persons enrolled under chapter 34, 35, or 36 of this title, or $4 in the case of those eligible veterans and eligible persons whose educational assistance checks are directed in care of each institution for temporary custody and delivery and are delivered at the time of registration as provided under section 1780(d)(5) of this title, on October 31 of that year; except that the Administrator may, where it is established by such educational institution or joint apprenticeship training committee that eligible veteran plus eligible person enrollment on such date varies more than 15 per centum from the peak eligible veteran enrollment plus eligible person enrollment in such educational institution or joint apprenticeship training committee during such calendar year, establish such other date as representative of the peak enrollment as may be justified for such educational institution or joint apprenticeship training committee. The reporting fee shall be paid to such educational institution or joint apprenticeship training committee as soon as feasible after the end of the calendar year for which it is applicable.".

SEC. 213. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by striking out in section 1786(a)(2) "$220" and inserting in lieu thereof "$260";

(2) by amending the table contained in paragraph (1) of section 1787(b) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Periods of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months	$189	$212	$232	$9
Second 6 months	142	164	184	9
Third 6 months	95	117	137	9
Fourth and any succeeding 6-month periods	47	70	90	9";

and

(3) by amending section 1787(b)(2) to read as follows:

"(2) The monthly training assistance allowance of an eligible person pursuing a program decsribed under subsection (a) shall be computed at the rate prescribed for an eligible veteran pursuing such a course in section 1787(b)(1) of this title.".

SEC. 214. Section 1788(a) of title 38, United States Code, is amended as follows:

(1) by striking out in clause (1) "offered on a clock-hour basis below the college level" and inserting in lieu thereof "not leading to a standard college degree offered on a clock-hour basis";

(2) by striking out in clause (2) "offered on a clock-hour basis below the college level" and inserting in lieu thereof "not leading to a standard college degree offered on a clock-hour basis";

(3) by striking out in clause (6) "below the college level" and inserting in lieu thereof "not leading to a standard college degree"; and

(4) by adding at the end of such subsection the following:

"Notwithstanding the provisions of clause (1) or (2) of this subsection, an educational institution offering courses not leading to a standard college degree may measure such courses on a quarter- or semester-hour basis (with full time measured on the same basis as provided by clause (4) of this subsection): *Provided*, That (A) the academic portions of such courses require outside preparation and are measured on not less than one quarter or one semester hour for each fifty minutes net of instruction per week or quarter or semester; (B) the laboratory portions of such courses are measured on not less than one quarter or one semester hour for each two hours of attendance per week per quarter or semester; and (C) the shop portions of such courses are measured on not less than one quarter or one semester hour for each three hours of attendance per week per quarter or semester: *Provided further*, That in no event shall such course be considered a full-time course when less than eighteen hours per week of attendance is required.".

SEC. 215. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by striking out all of section 1795;

(2) by inserting in lieu thereof the following new section:

"§ 1795. Limitation on certain advertising, sales, and enrollment practices

"(a) The Administrator shall not approve the enrollment of an eligible veteran or eligible person in any course offered by an institution which utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation.

"(b) The Administrator shall, pursuant to section 1794 of this title, enter into an agreement with the Federal Trade Commission to utilize, where appropriate, its services and facilities, consistent with its available resources, in carrying out investigations and making his determinations under subsection (a) of this section. Such agreement shall provide that cases arising under subsection (a) of this section or any similar matters with respect to any of the requirements of this chapter or chapters 34 and 35 of this title shall be referred to the Federal Trade Commission which in its discretion will conduct an investigation and make preliminary findings. The findings and results of any such investigations shall be referred to the Administrator who shall take appropriate action in such cases within ninety days after such referral.

"(c) Whenever the Federal Trade Commission in an adjudicative proceeding has entered a final order, excluding consent orders entered into pursuant to part 3.11 of the Federal Trade Commission Rules of Practice, to cease and desist against any institution the courses of which are approved under this chapter or chapters 34 and 35, such order shall be treated by the Administrator as conclusive evidence on the basis of which he shall, pursuant to subsection (a), disapprove the enrollment of any eligible veteran or eligible person in any course offered by such institution.

"(d) Not later than sixty days after the end of each fiscal year, the Administrator shall report to Congress on the nature and disposition of all cases arising under this section."; and

(3) striking out in the table of sections at the beginning of chapter 36 of such title

"1795. Limitation on period of assistance under two or more programs."

and inserting in lieu thereof.

"1795. Limitation on certain advertising, sales, and enrollment practices."

SEC. 216. (a) Subchapter II of chapter 3 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 219. Evaluation and data collection

"(a) The Administrator shall measure and evaluate the impact of all programs authorized under this title, in order to determine their effectiveness in achieving stated goals in general, and in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services. Evaluations shall be conducted by persons not immediately involved in the administration of the program evaluated.

"(b) Not later than ninety days after the date of enactment of this section, the Administrator shall develop and publish general standards for evaluation of program effectiveness in achieving the objectives of this title. The annual report submitted pursuant to section 214 shall describe the actions taken as a result of these evaluations.

"(c) In carrying out evaluations under this title, the Administrator shall, whenever possible, arrange to obtain the specific views of persons participating in and served by programs carried out under this title about such programs.

"(d) The Administrator shall publish the results of evaluative research and summaries of evaluations of program impact and effectiveness not later than ninety days after the completion thereof. The Administrator shall promptly submit to the appropriate committees of the Congress copies of all such completed research studies and evaluation summaries.

"(e) The Administrator shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this title shall become the property of the United States.

"(f) Such information as the Administrator may deem necessary for purposes of the evaluations conducted under this title shall be made available to him, upon request, by all departments, agencies, and instrumentalities of the executive branch.

"(g) In order to carry out this section, the Administrator shall collect, collate, and analyze on a continuing basis, full statistical data regarding participation (including the duration thereof), provision of services, categories of beneficiaries, planning and construction of facilities, acquisition of space, proposed excessing of land, accretion and attrition of personnel, and categorized expenditures attributable thereto, under all programs carried out under this title. The Administrator shall make available to the public and provide to the appropriate committees of the Congress on a regular basis (but not less often than bi-monthly) tabulations and analyses of all such data.".

(b) The table of sections at the beginning of chapter 3 of such title is amended by adding at the end thereof

"§ 219 Evaluation and data collection.".

SEC. 217. Subchapter IV of chapter 3 of title 38, United States Code, is amended as follows:

(a) Section 241 of such title is amended by—

(1) inserting "in carrying out the purposes of this subchapter (including the provision, to the maximum feasible extent, of such services, in areas where a significant number of eligible veterans and eligible dependents speak a language other than English as their principal language, in the principal language of such persons)" after "outreach services".

(2) inserting in paragraph (2) "to eligible veterans and eligible dependents" after "information" the first time it appears.

(b) Section 242(b) of such title is amended by striking out "may implement such special telephone service" and inserting in lieu thereof "shall establish and carry out all possible porgrams and services including special telephone and mobile facilities,".

(c) Resdesignate sections 243 and 244 as 244 and 245, respectively, and add the following new section after section 242:

"§ 243. Veterans' representatives

"(a)(1) Except as otherwise provided in paragraph (4) of this subsection, the Administrator shall assign, with appropriate clerical/secretarial support, to each educational institution (as defined in section 1652(c) except for correspondence schools) where at least five hundred persons are enrolled under chapter 31, 34, 35, or 36 of this title such number of full-time veterans' representatives as will provide at least one such veterans' representative per each five hundred such persons so enrolled at each such institution; and the Administrator shall also assign to other such veterans' representatives responsibility for carrying out the functions set forth in paragraph (3) of this subsection with respect to groups of institutions with less than five hundred such persons so enrolled, on the basis of such proportion of such veterans' representatives' time to such persons so enrolled as he deems appropriate to be adequate to perform such functions at such institutions.

"(2) In selecting and appointing veterans' representatives under this subsection, preference shall be given to veterans of the Vietnam era with experience in veterans affairs' counseling, outreach, and other related veterans' services.

"(3) The functions of such veterans' representatives shall be to —

"(A) answer all inquiries related to Veterans' Administration educational assistance and other benefits, and take all necessary action to resolve such inquiries expeditiously, especially those relating to payments of educational assistance benefits;

"(B) assure correctness and proper handling of applications, completion of certifications of attendance, and submission of all necessary information (including changes in status or program affecting payments) in suppport or benefit claims submitted;

"(C) maintain active liaison and cooperation with the officials of the educational institution to which assigned, in order to alert veterans to changes in law and Veterans' Administration policies or procedures;

"(D) supervise and expeditiously resolve all difficulties relating to the delivery of advance educational assistance payments and of partial tuition assistance allowance payments authorized under this title;

"(E) coordinate Veterans' Administration matters with, and provide appropriate briefings, to, all on-campus veterans' groups, working particularly closely with veterans' coordinators at educational institutions receiving veterans' cost-of-instruction payments under section 420 of the Higher Education Act of 1965, as amended (hereinafter referred to as 'V.C.I. institutions');

"(F) provide necessary guidance and support to veteran-student services personnel assigned to the campus under section 1685 of this title;

"(G) where such functions are not being adequately carried out by existing programs at such institutions, provide appropriate motivational and other counseling to veterans (informing them of all available benefits and services, as provided for under section 241 of this title), and carry out outreach activities under this subchapter; and

"(H) carry out such other activities as may be assigned by the director of the Veterans' Administration regional office, established under section 230 of this title.

"(4) Based on the extent to which the functions set forth in paragraph (3) of this subsection are being adequately carried out at a particular educational institution or in consideration of other factors indicating the inappropriateness of assignment of veterans' representatives to a particular educational institution, the director of the appropriate Veterans' Administration regional office shall, notwithstanding the formula set forth in paragraph (1) of this subsection, either reallocate such veterans' representatives to other educational institutions in such region where he determines that such additional veterans' representatives are necessary, or, with the approval of the chief benefits officer of the Veterans' Administration, assign such veterans' representatives to carry out such functions or related activities at the regional office in question, with special responsibility for one or more particular educational institutions.

"(5) The functions of a veterans' representative assigned under this subsection shall be carried out in such a way as to complement and not interfere with the statutory responsibilities and duties of persons carrying out veterans affairs' functions at V.C.I. institutions.

"(b) The Administrator shall establish rules and procedures to guide veterans' representatives in carrying out their functions under this section. Such rules and procedures shall contain provisions directed especially to assuring that the activities of veterans' representatives carried out under this section complement, and do not interfere with, the established responsibilities of representatives recognized by the Administrator under section 3402 of this title.".

(d) Section 244 (as redesignated by subsection (c) of this section) of such title is amended by—

(1) striking out "may" and inserting in lieu thereof "shall utilize his authority to enter into contracts or agreements under section 213 of this title where he *determines* that a community-based national or local organization or agency has special expertise in facilitating communication with and the provision of services to particular groups of veterans, especially those who do not have a high school education or the equivalent and those who are disadvantaged by virtue of linguistic or other socioeconomic factors, and shall"; and

(2) inserting "and provide for" after "conduct" in paragraph (5).

(e) The table of sections at the beginning of such chapter is amended by striking out

"243. Utilization of other agencies.
"244. Reports to Congress."

and inserting in lieu thereof

"243. Veterans' representatives.
"244. Utilization of other agencies.
"245. Report to Congress."

SEC. 218. (a) Chapter 3 of title 38, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter V—Interagency Advisory Council on Veterans' Services

"§ 250. Establishment of Advisory Council

"There is established within the Veterans' Administration an Interagency Advisory Council on Veterans' Services (hereinafter referred to as the 'Council'), of which the

Administrator shall serve as Chairman and which shall be composed of the heads of the following departments or agencies (or their designees whose positions are executive level IV or higher): Department of Defense; Department of Labor; Department of Health, Education, and Welfare; Department of Housing and Urban Development; Department of the Treasury; Department of Agriculture; United States Postal Service; Civil Service Commission; Small Business Administration; and such other departments and agencies as the President may designate.

"§ 251. Functions of Advisory Council

"(a) The functions of the Council shall be to seek to promote maximum feasible effectiveness, coordination, and interrelationship of services among all programs and activities affecting veterans and their dependents carried out by and under all Federal departments, agencies, and instrumentalities, especially in terms of the plan provided for under subsection (b) of this section.

"(b) The Council shall make recommendations to the President in order to develop in the President's annual budget submitted to the Congress a coordinated plan for the provision of services to veterans and their dependents under all programs and activities carried out by or under all Federal departments, agencies, and instrumentalities.

"(c) The Council shall report annually on its activities to the Congress and the President, and shall from time to time submit such reports and recommendations to the Congress and the President as it deems appropriate for improvements in, and more effective coordination of existing Federal laws, programs, and activities affecting veterans.

"(d) The Council shall meet at the call of the Chairman but not less often than four times annually, and shall provide for the employment of such full-time staff as required for it to carry out its functions under this section.

"§ 252. Cooperation of other Federal departments and agencies

"Each Federal department, agency, and instrumentality shall make available to the Council such personnel, support, and information regarding its activities as the Council shall request.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof

"Subchapter V—Interagency Advisory Council on Veterans' Services

"Sec.
"250. Establishment of Advisory Council.
"251. Functions of Advisory Council.
"252. Cooperation of other Federal departments and agencies.".

TITLE III—VETERANS' EDUCATION LOAN PROGRAM

Sec. 301. (a) Chapter 34 of title 38, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter VII—Loans to Eligible Veterans

"§ 1698. Eligibility for loans; amount and conditions of loans; interest rate on loans

"(a) Each eligible veteran shall be entitled to a loan under this subchapter in an amount determined under, and subject to the conditions specified in, subsection (b)(1) of this section if the veteran satisfies the requirements set forth in subsection (c) of this section.

"(b)(1) Subject to paragraph (3) of this subsection, the amount of the loan to which an eligible veteran shall be entitled under this subchapter for any academic year shall be equal to the amount needed by such veteran to pursue a program of education at the institution at which he is enrolled, as determined under paragraph (2) of this subsection.

"(2)(A) The amount needed by a veteran to pursue a program of education at an institution for any academic year shall be determined by subtracting (i) the total amount of financial resources (as defined in subparagraph (B) of this paragraph) available to the veteran which may be reasonably expected to be expended by him for educational purposes in any year from (ii) the actual cost of attendance (as defined in subparagraph (C) of this paragraph) at the institution in which he is enrolled.

"(B) The term 'total amount of financial resources' of any veteran for any year means the total of the following:

"(i) The annual adjusted effective income of the veteran less Federal income tax paid or payable by such veteran with respect to such income.

"(ii) The amount of cash assets of the veteran.

"(iii) The amount of financial assistance received by the veteran under the provisions of title IV of the Higher Education Act of 1965, as amended.

"(iv) Educational assistance received by the veteran under this chapter other than under this subchapter.

"(v) Financial assistance received by the veteran under any scholarship or grant program other than those specified in clauses (iii) and (iv).

"(C) The term 'actual cost of attendance' means, subject to such regulations as the Administrator may provide, the actual per-student charges for tuition, fees, room and board (or expenses related to reasonable commuting), books, and an allowance for such other expenses as the Administrator determines by regulation to be reasonably related to attendance at the institution at which the veteran is enrolled.

"(3) The aggregate of the amounts any veteran may borrow under this subchapter may not exceed $260 multiplied by the number of months such veteran is entitled to receive educational assistance under section 1661 of this title, but not in excess of $2,000 in any one regular academic year.

"(c) An eligible veteran shall be entitled to a loan under this subchapter if such veteran—

"(1) is in attendance at an approved institution and enrolled in a course leading to a standard college degree on at least a half-time basis;

"(2) has sought and is unable to obtain a loan, in the full amount needed by such veteran, as determined under subsection (b) of this section, under a student loan program insured pursuant to the provisions of part B of title IV of the Higher Education Act of 1965, as amended, or any successor authority; and

"(3) enters into an agreement with the Administrator meeting the requirements of subsection (d) of this section.

"(d) Any agreement between the Administrator and a veteran under this subchapter—

"(1) shall include a note or other written obligation which provides for repayment to the Administrator of the principal amount of, and payment of interest on, the loan in installments over a period beginning nine months after the date on which the borrower ceases to be at least a half-time student and ending ten years and nine months after such date;

"(2) shall include provision for acceleration of repayment of all or any part of the loan, without penalty, at the option of the borrower;

"(3) shall provide that the loan shall bear interest, on the unpaid balance of the loan, at a rate prescribed by the Administrator, with the concurrence of the Secretary of the Treasury, but at a rate not less than the rate paid by such Secretary on Treasury notes and obligations held by the Fund at the time the loan agreement is made, except that no interest shall accrue prior to the beginning date of repayment; and

"(4) shall provide that the loan shall be made without security and without endorsement.

"(e) If a veteran who has received a loan under this section dies or becomes permanently and totally disabled, the Administrator shall discharge the veteran's liability on such loan by repaying the amount owed on such loan.

"§ 1699. Sources of funds; insurance

"(a) Loans made by the Administrator under this subchapter shall be made from funds available under subsection (b) of this section for such purpose, and repayment shall be guaranteed as provided in subsection (c) of this section.

"(b)(1) Any funds in the National Service Life Insurance Fund continued under section 720 (in this subchapter referred to as the 'Fund') shall be available to the Administrator for making loans under section 1698 of this title. The Administrator shall set aside out of such Fund such amounts, not in excess of limitations in appropriations Acts, as may be necessary to enable him to make all the loans to which veterans are entitled under section 1698 of this title.

"(2) Any funds set aside under paragraph (1) of this subsection shall be considered as investments of the Fund and while so set aside shall bear interest at a rate determined by the Secretary of the Treasury but at a rate not less than the rate paid by such Secretary on other Treasury notes and obligations held by the Fund at the time such funds are set aside.

"(c) The Administrator shall guarantee repayment to the Fund of any amounts set aside under subsection (b) of this section for loans under section 1698 of this title and of any interest accrued thereon. In order to discharge his responsibility under any such guarantee, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury but at a rate no less than the rate paid by such Secretary on other Treasury notes and obligations held by the Fund at the time the loan agreement is made. The Secretary of the Treasury is authorized and directed to purchase such notes and other obligations.

"(d) There are authorized to be appropriated to the Administrator such sums as may be necessary to enable him to repay to the Fund any amounts set aside under subsection (b) of this section together with any interest accrued thereon. Any funds paid to the Administrator pursuant to an agreement made under section 1698(d) of this title shall be deemed to have been appropriated pursuant to this subsection.

"(e) A fee shall be collected from each veteran obtaining a loan made under this section for the purpose of insuring against defaults on loans made under this subchapter, and no loan shall be made under this section until the fee payable with respect to such loan has been collected and remitted to the Administrator. The amount of the fee shall be established from time to time by the Administrator, but shall in no event exceed 1 per centum of the total loan amount. The amount of the fee may be included in the loan to the veteran and paid from the proceeds thereof. The Administrator shall deposit all fees collected hereunder in the Fund, and amounts so deposited shall be available to the Administrator to discharge his obligations under subsection (c) of this section.".

(b) the table of sections at the beginning of such chapter is amended by adding at the end thereof

"SUBCHAPTER VII—LOANS TO ELIGIBLE VETERANS

"Sec.
"1698. Eligibility for loans; amount and conditions of loans; interest rate on loans.
"1699. Source of funds; insurance.".

SEC. 302. (a) Subchapter IV of chapter 36 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 1737. Education loans

"Any eligible person shall be entitled to the benefits provided an eligible veteran under subchapter VII of chapter 34 of this title (if the program of education is pursued in a State) and shall be entitled to an education loan in such amount and on such terms and conditions as therein specified.".

(b) The table of sections at the beginning of such chapter is amended by inserting

"1737. Education loans."

after

"1736. Specialized vocational training courses.".

TITLE IV—VETERANS, WIVES, AND WIDOWS EMPLOYMENT ASSISTANCE AND PREFERENCE AND VETERANS' REEMPLOYMENT RIGHTS

SEC. 401. Chapter 41 of title 38, United States Code, is amended as follows:

(a) Section 2001 is amended by redesignating paragraph (2) as paragraph (3) and adding after paragraph (1) a new paragraph (2) as follows:

"(2) The term 'eligible person' means—

"(A) the spouse of any person who died of a service-connected disability,

"(B) the spouse of any member of the Armed Forces serving on active duty who, at the time of application for assistance under this chapter, is listed, pursuant to section 556 of title 37, and regulations issued thereunder, by the Secretary concerned in one or more of the following categories and has been so listed for a total of more than ninety days: (i) missing in action, (ii) captured in line of duty by a hostile force, or (iii) forcibly detained or interned in line of duty by a foreign government or power, or

"(C) the spouse of any person who has a total disability permanent in nature resulting from a service-connected disability or the spouse of a veteran who died while a disability so evaluated was in existence.".

(b) Section 2002 is amended by (1) inserting "and eligible persons" after "eligible veterans" and (2) inserting "and persons" after "such veterans".

(c) Section 2003 is amended by—

(1) striking out in the first sentence "250,000 veterans" and inserting in lieu thereof "250,000 veterans and eligible persons";

(2) striking out in the fourth sentence "veterans and eligible persons' ";

(3) inserting in clauses (1), (2), (4), (5), and (6) of the fifth sentence "and eligible persons" after "eligible veterans each time the latter term appears in such clauses;

(4) inserting in clause (3) of the fifth sentence "or an eligible person's" immediately after "eligible veteran's"; and

(5) inserting in clause (4) of the fifth sentence "and persons" immediately after "such veterans".

(d) Section 2005 is amended by inserting "and eligible persons" immediately after "eligible veterans".

(e) The last sentence of subsection (a) of section 2006 is amended by striking out "veterans" and inserting in lieu thereof "eligible veterans and eligible persons".

(f) Section 2007 is amended by—

(1) inserting in subsection (a)(1) "and each eligible person" immediately after "active duty,";

(2) redesignating subsection (b) as subsection (c) and inserting the following new subsection (b):

"(b) The Secretary of Labor shall establish definitive performance standards for determining compliance by the State public employment service agencies with the provisions of this chapter and chapter 42 of this title. A full report as to the extent and reasons for any noncompliance by any such State agency during any fiscal year, together with the agency's plan for corrective action during the succeeding year, shall be included in the annual report of the Secretary of Labor required by subsection (c) of this section."; and

(3) striking out in the second sentence of subsection (c) (as redesignated by clause (2) of this subsection) "and other eligible veterans" and inserting in lieu thereof "other eligible veterans, and eligible persons".

SEC. 402. Chapter 42 of title 38, United States Code, is amended by striking out in the third sentence of section 2012(a) "The" and inserting in lieu thereof "In addition to requiring that such special emphasis be given to the employment of such veterans under such contracts and subcontracts and in order to promote the implementation of such requirement, the".

SEC. 403. (a) Chapter 42 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 2014. Employment within the Federal Government

"(a) It is the policy of the United States and the purpose of this section to promote the maximum of employment and job advancement opportunities within the Federal Government for qualified disabled veterans and veterans of the Vietnam era.

"(b) To further this policy, veterans of the Vietnam era shall be eligible, in accordance with regulations which the Civil Service Commission shall prescribe, for veterans readjustment appointments up to and including the level GS-5, as specified in subchapter II of chapter 51 of title 5, United States Code, and subsequent career-conditional appointments, under the terms and conditions specified in Executive Order Numbered 11521 (March 26, 1970), except that in applying the one-year period of eligibility specified in section 2(a) of such order to a veteran or disabled veteran who enrolls, within one year following separation from the Armed Forces or following release from hospitalization or treatment immediately following separation from the Armed Forces, in a program of education (as defined in section 1652 of this title) on more than a half-time basis (as defined in section 1788 of this title), the time spent in such program of education (including customary periods of vacation and permissible absences) shall not be counted: *Provided*, That the eligibility of such a veteran shall continue for not less than six months after such veteran first ceases to be enrolled therein on more than a half-time basis. No veterans readjustment appointment may be made under authority of this subsection after June 30, 1978.

"(c) Each department, agency, and instrumentality in the executive branch shall include in its affirmative action plan for the hiring, placement, and advancement of handicapped individuals in such department, agency, or instrumentality as required by section 501(b) of Public Law 93-112 (87 Stat. 391, September 26, 1973), a separate specification of plans (in accordance with regulations which the Civil Service Commission shall prescribe in consultation with the Administrator, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, consistent with the purposes, provisions, and priorities of such Act) to promote and carry out such affirmative action with respect to disabled veterans in order to achieve the purpose of this section.

"(d) The Civil Service Commission shall be responsible for the review and evaluation of the implementation of this section and the activities of each such department, agency, and instrumentality to carry out the purpose and provisions of this section. The Commission shall periodically obtain and publish (on at least a semiannual basis) reports on such implementation and activities from each such department, agency, and instrumentality, including specification of the use and extent of appointments made under subsection (b) of this section and the results of the plans required under subsection (c) thereof.

"(e) The Civil Service Commission shall submit to the Congress annually a report on activities carried out under this section, except that, with respect to subsection (c) thereof, the Commission may include a report of such activities separately in the report required to be submitted by section 501(d) of such Public Law 93-112, regarding the employment of handicapped individuals by each department, agency, and instrumentality.

"(f) Notwithstanding section 2011 of this title, the terms 'veteran' and 'disabled veteran' as used in this section shall have the meaning provided for under generally applicable civil service laws and regulations.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof

"2014. Employment within the Federal Government.".

SEC. 404. (a) Part III of title 38, United States Code, is amended by adding at the end thereof a new chapter as follows:

"Chapter 43—VETERANS' REEMPLOYMENT RIGHTS

"Sec.
"2021. Right to reemployment of inducted persons; benefits protected.
"2022. Enforcement procedures.
"2023. Reemployment by the United States, territory, possession, or the District of Columbia.
"2024. Rights of persons who enlist or are called to active duty; Reserves.
"2025. Assistance in obtaining reemployment.
"2026. Prior rights for reemployment.

"§ 2021. Right to reemployment of inducted persons; benefits protected

"(a) In the case of any person who is inducted into the Armed Forces of the United States under the Military Selective Service Act (or under any prior or subsequent corresponding law) for training and service and who leaves a position (other than a temporary position) in the employ of any employer in order to perform such training and service, and (1) receives a certificate described in section 9(a) of the Military Selective Service Act (relating to the satisfactory completion of military service), and (2) makes application for reemployment within ninety days after such person is relieved from such training and service or from hospitalization continuing after discharge for a period of not more than one year—

"(A) if such position was in the employ of the United States Government, its territories, or possessions, or political subdivisions thereof, or the District of Columbia, such person shall—

"(i) if still qualified to perform the duties of such position, be restored to such position or to a position of like seniority, status, and pay; or

"(ii) if not qualified to perform the duties of such position, by reason of disability sustained during such service, but qualified to perform the duties of any other position in the employ of the employer, be restored to such other position the duties of which such person is qualified to perform as will provide such person like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case;

"(B) if such position was in the employ of a State, or political subdivision thereof, or a private employer, such person shall—

"(i) if still qualified to perform the duties of such position, be restored by such employer or his successor in interest to such position or to a position of like seniority, status, and pay; or

"(ii) if not qualified to perform the duties of such position, by reason of disability sustained during such service, but qualified to perform the duties of any other position in the employ of such employer or his successor in interest, be restored by such employer or his successor in interest to such other position the duties of which such person is qualified to perform as will provide such person like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such person's case, unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so: *Provided,* That nothing in this chapter shall excuse noncompliance with any statute or ordinance of a State or political subdivision thereof establishing greater or additional rights or protections than the rights and protections established pursuant to this chapter.

"(b) (1) Any person who is restored to a position in accordance with the provisions of clause (A) or (B) of subsection (a) of this section shall be considered as having been on furlough or leave of absence during such person's period of training and service in the Armed Forces, shall be so restored without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such person was inducted into such forces, and shall not be discharged from such position without cause within one year after such restoration.

"(2) It is hereby declared to be the sense of the Congress that any person who is restored to a position in accordance with the provisions of clause (A) or (B) of subsection (a) of this section should be so restored in such manner as to give such person such status in his employment as he would have enjoyed if such person had continued in such employment continuously from the time of such person's entering the Armed Forces until the time of such person's restoration to such employment.

"(3) Any person who holds a position described in clause (A) or (B) of subsection (a) of this section shall not be denied retention in employment or any promotion or other incident or advantage of employment because of any obligation as a member of a Reserve component of the Armed Forces.

"(c) The rights granted by subsections (a) and (b) of this section to persons who left the employ of a State or political subdivision thereof and were inducted into the the Armed Forces shall not diminish any rights such persons may have pursuant to any statute or ordinance of such State or political subdivision establishing greater or additional rights or protections.

"§ 2022. Enforcement procedures

"If any employer, who is a private employer or a State or political subdivision thereof, fails or refuses to comply with the provisions of section 2021 (a), (b)(1), (b)(3), or section 2024, the district court of the United States for any district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions, shall have the power, upon the filing of a motion, petition, or other appropriate pleading by the person entitled to the benefits of such provisions, specifically to require such employer to comply with such provisions and to compensate such person for any loss of wages or benefits suffered by reason of such employer's unlawful action. Any such compensation shall be in addition to and shall not be deemed to diminish any of the benefits of such provisions. The court shall order speedy hearing in any such case and shall advance it on the calendar. Upon application to the United States attorney or comparable official for any district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions, by any person claiming to be entitled to the benefits of such provisions, such United States attorney or official, if reasonably satisfied that the person so applying is entitled to such benefits, shall appear and act as attorney for such person in the amicable adjustment of the claim or in the filing of any motion, petition, or other appropriate pleading and the prosecution thereof specifically to require such employer to comply with such provisions. No fees or court costs shall be taxed against any person who may apply for such benefits. In any such action only the employer shall be deemed a necessary party respondent: *Provided,* That no State statute of limitations shall apply to any proceedings under this chapter.

"§ 2023. Reemployment by the United States, territory, possession, or the District of Columbia

"(a) Any person who is entitled to be restored to a position in accordance with the provisions of clause (A) of section 2021(a) and who was employed, immediately before entering the Armed Forces, by any agency in the executive branch of the Government or by any territory or possession, or political subdivision thereof, or by the District of Columbia, shall be so restored by such agency or the successor to its functions, or by such territory, possession, political subdivision, or the District of Columbia. In any case in which, upon appeal of any person who was employed immediately before entering the Armed Forces by any agency in the executive branch of the Government or by the District of Columbia, the United States Civil Service Commission finds that—

"(1) such agency is no longer in existence and its functions have not been transferred to any other agency; or

"(2) for any reason it is not feasible for such person to be restored to employment by such agency or by the District of Columbia, the Commission shall determine whether or not there is a position in any other agency in the executive branch of the Government or in the government of the District of Columbia for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be restored to such position by the agency in which such position exists or by the government of the District of Columbia, as the case may be. The Commission is authorized and directed to issue regulations giving full force and effect to the provisions of this section insofar as they relate to persons entitled to be restored to positions in the executive branch of the Government or in the government of the District of Columbia, including persons entitled to be restored under the last sentence of subsection (b) of this section. The agencies in the executive branch of the Government and the government of the District of Columbia shall comply with such rules and regulations and orders issued by the Commission pursuant to this subsection. The Commission is authorized and directed whenever it finds, upon appeal of the person concerned, that any agency in the executive branch of the Government or the government of the District of Columbia has failed or refuses to comply with the provisions of this section, to issue an order specifically requiring such agency or the government of the District of Columbia to comply with such provisions and to compensate such person for any loss of salary or wages suffered by reason of failure to comply with such provisions, less any amounts received by such person through other employment, unemployment compensation, or readjustment allowances. Any such compensation ordered to be paid by the Commission shall be in addition to and shall not be deemed to diminish any of the benefits of such provisions, and shall be paid by the head of the agency concerned or by the government of the District of Columbia out of appropriations currently available for salary and expenses of such agency or government, and such appropriations shall be available for such purpose. As used in this chapter, the term 'agency in the executive branch of the Government' means any department, independent establishment, agency, or corporation in the executive branch of the United States Government (including the United States Postal Service and the Postal Rate Commission).

"(b) Any person who is entitled to be restored to a position in accordance with the provisions of clause (A) of section *2021(a)*, and who was employed, immediately before entering the Armed Forces, in the legislative branch of the Government, shall be so restored by the officer who appointed such person to the position which such person held immediately before entering the Armed Forces. In any case in which it is not possible for any such person to be restored to a position in the legislative branch of the Government and such person is otherwise eligible to acquire a status for transfer to a position in the competitive service in accordance with section 3304(c) of title 5, the United States Civil Service Commission shall, upon appeal of such person, determine whether or not there is a position in the executive branch of the Government for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be restored to such position by the agency in which such position exists.

"(c) Any person who is entitled to be restored to a position in accordance with the provisions of clause (A) of section 2021(a) and who was employed, immediately before entering the Armed Forces, in the judicial branch of the Government, shall be so restored by the officer who appointed such person to the position which such person held immediately before entering the Armed Forces.

"§ 2024. Rights of persons who enlist or are called to active duty; Reserves

"(a) Any person who, after entering the employment to which such person claims restoration, enlists in the Armed Forces of the United States (other than in a Reserve component) shall be entitled upon release from service under honorable conditions to all of the reemployment rights and other benefits provided for by this section in the case of persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), if the total of such person's service performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any service, additional or otherwise, performed by such person after August 1, 1961, does not exceed five years: *Provided*, That the service in excess of four years after August 1, 1961, is at the request and for the convenience of the Federal Government (plus in each case any period of additional service imposed pursuant to law).

"(b)(1) Any person who, after entering the employment to which such person claims restoration, enters upon active duty (other than for the purpose of determining physical fitness and other than for training), whether or not voluntarily, in the Armed Forces of the United States or the Public Health Service in response to an order or call to active duty shall, upon such person's relief from active duty under honorable conditions, be entitled to all of the reemployment rights and benefits provided for by this section in the case of persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), if the total of such active duty performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any such active duty, additional or otherwise, performed after August 1, 1961, does not exceed four years (plus in each case any additional period in which such person was unable to obtain orders relieving such person from active duty).

"(2) Any member of a Reserve component of the Armed Forces of the United States who voluntarily or involuntarily enters upon active duty (other than for the purpose of determining physical fitness and other than for training) or whose active duty is voluntarily or involuntarily extended during a period when the President is authorized to order units of the Ready Reserve or members of a Reserve component to active duty shall have the service limitation governing eligibility for reemployment rights under subsection (b)(1) of this section extended by such member's period of such active duty, but not to exceed that period of active duty to which the President is authorized to order units of the Ready Reserve or members of a Reserve component. With respect to a member who voluntarily enters upon active duty or whose active duty is voluntarily extended, the provisions of this subsection shall apply only when such additional active duty is at the request and for the convenience of the Federal Government.

"(c) Any member of a Reserve component of the Armed Forces of the United States who is ordered to an initial period of active duty for training of not less than three consecutive months shall, upon application for reemployment within thirty-one days after (1) such member's release from such active duty for training after satisfactory service, or (2) such member's discharge from hospitalization incident to such active duty for training, or one year after such member's scheduled release from such training, whichever is earlier, be entitled to all reemployment rights and benefits provided by this section for persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), except that (A) any person restored to a position in accordance with the provisions of this subsection shall not be discharged from such position without cause within six months after that restoration, and (B) no reemployment rights granted by this subsection shall entitle any person to retention, preference, or displacement rights, over any veteran with a superior claim under those provisions of title 5 relating to veterans and other preference eligibles.

"(d) Any employee not covered by subsection (c) of this section who holds a position described in clause (A) or (B) of section 2021(a) shall upon request be granted a leave of absence by such person's employer for the period required to perform active duty for training or inactive duty training in the Armed Forces of the United States. Upon such employee's release from a period of such active duty for training or inactive duty training, or upon such employee's discharge from hospitalization incident to that training, such employee shall be permitted to return to such employee's position with such seniority, status, pay, and vacation as such employee would have had if such employee had not been absent for such purposes. Such employee shall report for work at the beginning of the next regularly scheduled working period after expiration of the last calendar day necessary to travel from the place of training to the place of employment following such employee's release, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control. Failure to report for work at such next regularly scheduled working period shall make the employee subject to the conduct rules of the employer pertaining to explanations and discipline with respect to absence from scheduled work. If such an employee is hospitalized incident to active duty for training or inactive duty training, such employee shall be required to report for work at the beginning of the next regularly scheduled work period after expiration of the time necessary to travel from the place of discharge from hospitalization to the place of employment, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control, or within one year after such employee's release from active duty for training or inactive duty training, whichever is earlier. If an employee covered by this subsection is not qualified to perform the duties of such employee's position by reason of disability sustained during active duty for training or inactive duty training, but is qualified to perform the duties of any other position in the employ of the employer or his successor in interest, such employee shall be restored by that employer or his successor in interest to such other position the duties of which such employee is qualified to perform as will provide such employee like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such employee's case.

"(e) Any employee not covered by subsection (c) of this section who holds a position described in clause (A) or (B) of section 2021(a) shall be considered as having been on leave of absence during the period required to report for the purpose of being inducted into, entering, or determining by a preinduction or other examination physical fitness to enter the Armed Forces. Upon such employee's rejection, upon completion of such employee's preinduction or other examination, or upon such employee's discharge from hospitalization incident to that rejection or examination, such employee's position in accordance with the provisions of subsection (d) of this section.

"(f) For the purposes of subsections (c) and (d) of this section, full-time training or other full-time duty performed by a member of the National Guard under section 316, 503, 504, or 505 of title 32, is considered active duty for training; and for the purpose of subsection (d) of this section, inactive duty training performed by that member under section 502 of title 32 or sections 206, 301, 309, 402, and 1002 of title 37, is considered inactive duty training.

"§ 2025. Assistance in obtaining reemployment

"The Secretary of Labor, through the Office of Veterans' Reemployment Rights, shall render aid in the replacement in their former positions of persons who have satisfactorily completed any period of active duty in the Armed Forces or the Public Health Service. In rendering such aid, the Secretary shall use existing Federal and State agencies engaged in similar or related activities and shall utilize the assistance of volunteers.

"§ 2026. Prior rights for reemployment

"In any case in which two or more persons who are entitled to be restored to a position under the provisions of this section or of any other law relating to similar reemployment benefits left the same position in order to enter the Armed Forces, the person who left such position first shall have the prior right to be restored thereto, without prejudice to the reemployment rights of the other person or persons to be restored.".

(b) The table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part III of such title are each amended by adding at the end thereof

"43. Veterans' Reemployment Rights. § 2021."

Sec. 405. Section 9 of the Military Selective Service Act is amended by—

(1) repealing subsections (b) through (h); and

(2) redesignating subsections (i) and (j) as subsections (b) and (c), respectively.

TITLE V—EFFECTIVE DATES

Sec. 501. Except as otherwise provided therein, title I of this Act shall become effective on July 1, 1974.

Sec. 502. Title III of this Act shall become effective on September 1, 1974.

Sec. 503. Titles II and IV of this Act shall become effective on the date of their enactment.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. The time for debate on this bill shall be limited to 1 hour, to be equally divided and controlled by the Senator from Indiana (Mr. HARTKE) and the Senator from South Carolina (Mr. THURMOND) with 30 minutes on any amendments and 20 minutes on any debatable motions or appeals.

The Senator from Indiana is recognized.

Mr. HARTKE. Mr. President, it is my privilege as chairman of the Committee on Veterans' Affairs to urge my colleagues to support the provisions of my bill, S. 2784, the Vietnam Era Veterans Readjustment Assistance Act of 1974 as unanimously reported by the committee.

Since the formation of the Committee on Veterans' Affairs just over 3 years ago, the readjustment problems of Vietnam era veterans—our newest generation of veterans—have been of particular concern to me and to each of the members of the committee. I believe the legislation we consider today takes a major step in completing our journey to the goal of providing truly adequate educational opportunities for all Vietnam-era veterans.

As Senators will recall, this committee began its journey to that goal when it reported legislation in 1972 which as unanimously passed by the Senate and would have increased educational assistance rates by 43 percent as well as provide new direct low cost Federal loans to students attending higher cost schools. While because of administration opposition we ultimately had to compromise on that measure, legislation finally enacted as the "Vietnam Era Veterans Readjustment Assistance Act of 1972"—Public Law 92-540—did take significant steps forward by providing for an average increase of 26 percent in the assistance rates. Following enactment of Public Law 92-540, participation in the GI bill program increased 8 percent that fall. This past fall revealed a 14-percent increase in the participation rates over the year before.

As we know, on June 22 the Nation will celebrate the 30th anniversary of the signing of the first GI bill. When he signed that bill, President Roosevelt said:

> This law gives emphatic notice to the men and women of our Armed Forces that the American people do not intend to let them down.

Our obligation to veterans of Vietnam is no different today than it was for the veterans of World War II. We did not let the World War II veteran down and we must not break faith with the Vietnam veteran. Almost 8 million World War II veterans received education and training under the GI bill. The cost was approximately $14.5 billion but the entire cost has been paid back 3 to 6 times in additional tax revenues from those whose earning power increased as a result of the education they received under the bill. Thus, Mr. President, the bill which we consider today, while it involves substantial expenditures of money, should be properly considered as an investment, an investment not only in our young people, but also in the future of our Nation.

Mr. President, the bill before you today would, I believe, open the doors of educational opportunity to even greater numbers of Vietnam era veterans.

Before I briefly summarize the provisions of S. 2784. I want to take this opportunity to express my deep gratitude and appreciation to each member of the committee, which I am privileged to chair, for their hard work, their dedication, and their typically bipartisan approach to this bill which has characterized their efforts with respect to all veterans legislation which has been considered by the Committee. The Senator from Georgia (Mr. TALMADGE), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Iowa (Mr. HUGHES), the Senator from California (Mr. CRANSTON), the Senator from Wyoming (Mr. HANSEN), the Senator from South Carolina (Mr. THURMOND), the Senator from Vermont (Mr. STAFFORD) and the Senator from Idaho, (Mr. McCLURE) have all worked hard on this bill and have contributed to the final product which you see before you.

In particular, I would like to commend Senator THURMOND for his outstanding efforts in helping the committee arrive at the partial tuition assistance allowance formula which it ultimately approved. Particular and special mention should also go to Senator ALAN CRANSTON for his invaluable assistance in the development and drafting of various provisions contained in the bill. The typical thoroughness and expertise of the senior Senator from California has been of real benefit to the committee.

Finally, special mention should go to four of my colleagues who, although not members of the Committee on Veterans' Affairs, have exhibited a continuing and keen interest in the problems of young veterans during this past year. I refer, of course, to the Senator from South Dakota (Mr. McGOVERN), the Senator from Maryland (Mr. MATHIAS), the Senator from Hawaii (Mr. INOUYE) and the Senator from Kansas (Mr. DOLE). Their continued welcomed concern and legislative suggestions have proved valuable to the committee and have aided the committee in fashioning the bill before us today.

GENERAL SUMMARY OF THE PROVISIONS OF S. 2784

Mr. President, there are five titles in S. 2784, containing 28 major provisions which are the product of intensive work and discussion by the members of the Committee on Veterans' Affairs. Briefly summarized they are as follows:

TITLE I

Title I of S. 2784 would amend title 38 as follows:

First, increases the rates for the monthly educational assistance allowance by 18.2 percent for eligible veterans under chapters 31 and 34 and for eligible wives, widows, and children training under chapter 35. The monthly allowance for a single veteran with no dependents is increased from $220 to $260.

Second, establishes a partial tuition assistance allowance of up to $720 a school year for eligible veterans and persons under which the VA will pay according to the following formula: 80 percent of a school's yearly tuition charges up to $1,000 after excluding the first $100 of such tuition.

Third, liberalizes eligibility requirements for disabled Vietnam veterans to train under the vocational rehabilitation provisions of chaper 31 to equalize them with those in effect for veterans of World War II and the post-Korean conflict.

Fourth, clarifies and liberalizes the circumstances under which disabled veterans training under the vocational rehabilitation provisions of chapter 31 may qualify for individualized tutorial assistance.

TITLE II

Title II of S. 2784 would amend title 38 as follows:

First, permits the initial 6 months of active duty training by Reserve and National Guard members to be counted toward entitlement for educational assistance under chapter 34, if the Reserve or Guard members subsequently serves on active duty for a consecutive 12 months or more.

Second, extends the maximum entitlement of educational benefits to veterans from 36 to 45 months.

Third, extends to 10 years the current 8-year delimiting date for veterans and eligible wives and widows to complete their programs of education—and excludes in computing the delimiting date the period of time that those veteran-civilians were held as prisoners of war during the Vietnam conflict.

Fourth, clarifies and strengthens certain administrative provisions of the VA educational assistance program to prevent abuses.

Fifth, authorizes up to 6 months of refresher training for veterans eligible under the current GI bill to update knowledge and skills in light of the technological advances occurring in their fields of employment during and since the period of their active military service.

Sixth, liberalizes the veteran-student programs by raising the maximum work-study allowance from $250 to $625—increasing the maximum number of hours a veteran may work from 100 to 250 hours—and removing any statutory ceiling on the number of veterans who can participate in the program.

Seventh, liberalizes the tutorial assistance program by extending the maximum assistance period from 9 to 12 months and increasing the monthly tutorial allowance from $50 to $60.

Eighth, liberalizes permissible absences for courses not leading to standard college degrees by excluding customary vacation periods established by institutions in connection with Federal or State legal holidays.

Ninth, permits any joint apprenticeship training committee which acts as a training establishment to receive the annual reporting fee of $3 for each eligible veteran or person enrolled in VA educational programs in return for furnishing the VA with the reports or certificates of enrollment, attendance, and terminations of such eligible veterans.

Tenth, increases by 18.2 percent the monthly training assistance allowance payable to eligible veterans or persons pursuing a full-time program of apprenticeship or other on-job training program and provides similar increases for veterans or eligible wives and widows pursuing a program of education by correspondence.

Eleventh, provides that occupational-vocational courses not leading to a standard college degree but offered on a clock-hour basis may in the alternative be measured on a credit-hour basis.

Twelfth, repeals the current 48-month limitation on any person training under more than one VA educational assistance program.

Thirteenth, provides that the Administrator shall not approve the enrollment of any eligible veteran or person in any course offered by an institution which utilizes erroneous, deceptive, or misleading advertising, sales, or enrollment practices of any type.

Fourteenth, directs the Administrator to measure and evaluate all programs authorized by title 38 with respect to their effectiveness, impact, and structure and mechanisms for the delivery of services, and to collect, collate, and analyze, on a continuing basis, full data regarding the operation of all such programs and to publicize the results of his findings.

Fifteenth, increases the allowance payable by the Administrator for administrative expenses incurred by State approving agencies in administering educational benefits under title 38.

Sixteenth, clarifies and strengthens the Administrator's functions and responsibilities under the VA outreach program to include greater use of telephone and mobile facilities and peer-group contact.

Seventeenth, establishes a veterans representative program to station a full-time VA employee at each educational institution where at least 500 veterans are enrolled to serve as a liaison between the VA and the school and to identify and resolve various problems with respect to the educational assistance program.

Eighteenth, establishes an Interagency Advisory Committee on Veterans Services composed of the heads of various Federal departments and agencies, of which the Administrator is chairman, to promote maximum feasible effectiveness, coordination of, and interrelationship among all Federal programs affecting veterans and dependents and to make recommendations to the President and Congress regarding the annual budget and the development, coordination, and improvement of Federal programs and laws affecting veterans and their dependents.

TITLE III

Title III of S. 2784 would amend title 38 as follows:

Authorizes supplementary assistance to veterans or eligible wives, widows, and children by direct loans to such individuals from the Veterans' Administration—utilizing the national service life insurance trust fund—of up to $2,000 a year to cover educational costs not otherwise provided for in title 38 or other Federal loan or grant programs.

TITLE IV

Title IV of S. 2784 would amend title 38 as follows:

First, extends chapter 41 benefits of job counseling, training, and placement services to wives and widows eligible under chapter 35.

Second, expands and strengthens the administrative controls which the Secretary of Labor is directed to establish in order to insure that eligible veterans, wives, and widows are promptly placed in a satisfactory job or job training or receive some other specific form of employment assistance; also requires the Secretary of Labor to establish standards for determining compliance by State public employment service agencies with the provisions of chapters 41 and 42.

Third, clarifies and strengthens existing law requiring that Federal contractors take actions in addition to job listing in order to give "special emphasis" to the employment of qualified disabled and Vietnam era veterans.

Fourth, provides that it is the policy of the United States to promote maximum employment and job advancement opportunities within the Federal Government for qualified disabled and Vietnam era veterans, and provides for special Federal appointment authority and other mechanisms to carry out that policy.

Fifth, provides for the recodification into title 38 of existing law on veterans' reemployment rights, and further extends those rights to veterans who were employed by States or their political subdivisions.

TITLE V

Title V of S. 2784 would amend title 38 as follows:

Except as otherwise provided, the rate increases and other provisions of title I of this act shall become effective on July 1, 1974; the new loan program in title III on September 1, 1974; and the provisions in titles II and IV on the date of their enactment.

SUPPORT FROM VETERANS ORGANIZATIONS FOR S. 2784

Mr. President, I have received a number of letters in support of S. 2784 as reported to the Senate. I ask unanimous consent that a letter received from Robert L. Eaton, National Commander of the American Legion be inserted in the RECORD at this point.

There being no objection, the letter was ordered printed as follows:

THE AMERICAN LEGION,
Washington, D.C., June 19, 1974.

Hon. VANCE HARTKE,
Chairman, Senate Committee on Veterans Affairs, Russell Senate Office Building, Washington, D.C.

DEAR CHAIRMAN HARTKE: The American Legion fully supports S. 2784, the Vietnam Era Veterans' Readjustment Assistance Act of 1974, as reported by your Committee on June 10, and commends you and the Members of the Committee for your comprehensive and constructive legislative approach to the education and training needs of Vietnam veterans and their survivors.

In addition to an 18.2 percent increase in education and training allowances, the Legion views the partial tuition assistance allowance of up to $720 per school year as critically needed and long overdue. The majority of student veterans are currently experiencing difficulty in pursuing their education for lack of sufficient funds. With continuing spiralling inflation and an anticipated nine percent increase this fall in the average cost of tuition in tax supported institutions, many student veterans will be forced to discontinue their education and training unless relief is provided. The partial tuition payment would permit thousands of veterans not now enrolled to do so.

The American Legion also strongly supports the provision that would authorize direct student loans to veterans pursuing a course of education leading to a standard college degree and those attending higher cost institutions. It would provide the means for student veterans to pursue the courses of their choice which may not be offered at the institutions they can presently afford to attend.

S. 2784 also provides safeguards against abuses of the program for payment of tuition assistance allowance. In addition to the existing criminal statutes, the Administrator of Veterans Affairs would be granted wide discretionary authority to prescribe the necessary rules and regulations to closely supervise the program.

Other provisions of the bill such as the two year extension of eligibility, raising the maximum period of training from 36 to 45 months, equalization of eligibility for vocational rehabilitation and improvements in work-study programs are also supported by The American Legion. That portion of the bill dealing with veterans employment assistance, preference and reemployment rights would, if enacted, satisfy six of our current resolutions dealing with this subject.

The American Legion hopes S. 2784 will be passed by the Senate without amendment and that the House will agree to its provisions at the earliest possible moment.

Sincerely yours,

ROBERT E. L. EATON,
National Commander.

Mr. HARTKE. Mr. President, we have also received communications from the Veterans of Foreign Wars and I ask unanimous consent that their letter in support of S. 2784 be included in the RECORD at this point.

There being no objection the letter was printed as follows:

VETERANS OF FOREIGN WARS,
Washington, D.C., June 19, 1974.

Hon. VANCE HARTKE,
Chairman, Commitee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The Veterans of Foreign Wars commends your Committee for developing and reporting the comprehensive Vietnam era Readjustment Assistance Act of 1974, S. 2784, and which is scheduled for consideration and vote by the full Senate this week.

As Ray Soden, Commander-in-Chief of the Veterans of Foreign Wars of the United States, stated to your Committee when he presented the V.F.W. legislative program on March 11, 1974, a Priority Legislative goal of the Veterans of Foreign Wars for this year is enactment into law of comparable readjustment assistance for Vietnam veterans, as was provided veterans of previous wars.

Approval of S. 2784 will carry out the

V.F.W. goal of meaningful, effective, equal GI Bill assistance for the millions of Vietnam veterans who are trying to make a successful readjustment to civil life.

Your bill will help all veterans by its proposing to increase the rates by about 18.2 percent. However, your bill addresses itself to the problem of skyrocketing inflation regarding the costs of education by establishing a partial tuition assistance allowance of up to $720 a school year. Further, your bill meets the problems of Vietnam veterans who are accepted to attend high cost schools by establishing a VA loan program of up to $2000 a year for eligible veterans.

The 18.2 percent increase in rates, together with the tuition assistance allowance, will about double present maximum GI Bill assistance. For those who also avail themselves of the proposed low-cost loan, which, of course, must be repaid in full, the available assistance would be about three times the present authorized amount. These three provisions of S. 2784 should be sufficient to take care of the majority of costs of most veterans including the few who attend most of the higher-cost schools.

About 300,000 veterans will lose their GI Bill benefits, unless the eight year delimiting date is extended. Your bill would take care of this problem by extending the GI Bill from eight to ten years.

Another V.F.W. goal is extending the maximum entitlement, which your bill implements, by its provision to extend entitlement from 36 to 45 months.

S. 2784 also contains a provision which carries out the long-time V.F.W. goal of permitting vocational rehabilitation for service-connected disabled veterans, who have a 10 percent or more disability, rather than the present requirement of 30 percent or more. Reducing the requirement to ten percent will place service-connected veterans on a parity with veterans of World War II and the Korean war in this regard.

S. 2784 reflects the recommendations of the V.F.W. over the years to do everything possible to improve the employment situation regarding veterans, especially the Vietnam veteran. The V.F.W. has been distressed over the continually, scandalously high unemployment rate among veterans and especially the younger Vietnam veterans. Your bill has a number of provisions which propose to involve the Federal Government, especially with Federal contractors, to help veterans obtain employment in the private sector. If the Federal Government had the will and the desire, most of the hundreds of thousands of Vietnam veterans, who are on the unemployment list, would soon be employed. Your bill will help strengthen the hand of the Department of Labor in this regard by giving the Department of Labor more muscle to counsel and find jobs for the Vietnam veteran.

One of the unforeseen developments of the World War II GI Bill was widespread abuses which developed in so-called proprietary schools which were established to train and educate veterans. The V.F.W. commends your Committee for writing into the law, as indicated in the report on S. 2784, necessary controls which will make it clear that no abuses regarding veterans education and training programs will be tolerated by the Congress.

In summary, S. 2784 will, as Commander-in-Chief Ray Soden told your Committee, carry out the V.F.W. goal of comparability of assistance for the Vietnam veteran as was available for the World War II veteran.

Accordingly, the prompt approval of S. 2784 by the full Senate will be deeply appreciated by the more than 1.8 million members of the Veterans of Foreign Wars of the United States.

With kind personal regards, I am

Sincerely,

FRANCIS W. STOVER,
Director, National Legislative Service.

Mr. HARTKE. Mr. President, the Disabled American Veterans have voiced strong support for the amendments made to the vocational rehabilitation training program under chapter 31 for disabled veterans and the provisions contained in chapter 35 for wives, widows, and orphans.

I ask unanimous consent that their letter in support of S. 2784 be placed in the RECORD at this point.

There being no objection it was ordered printed as follows:

DISABLED AMERICAN VETERANS,
June 18, 1974.

Senator VANCE HARTKE,
U.S. Senate,
Washington, D.C.

DEAR SENATOR HARTKE: On behalf of the Disabled American Veterans, I extend heartfelt thanks and appreciation to you and your colleagues on the Veterans' Affairs Committee for approving S. 2784, the "Vietnam-Era Veterans Readjustment Assistance Act of 1974."

We are especially grateful for the provisions of the bill which will improve and expand benefits and services to those veterans who suffered disabilities as a result of service with our armed forces.

The bill, as we see it, will serve to keep the VA Vocational Rehabilitation Program focused on its original and proper purpose, that of training and preparing disabled veterans for meaningful jobs. We see it also as providing a strong impetus for serving those veterans who are most in need and most likely to benefit from vocational rehabilitation services.

In addition to the generous increases in subsistence allowances for disabled veterans, for wives, widows and children, the bill contains many other features strongly supported by the DAV. It will fill a need in the lives of many young, disabled veterans by making tutorial assistance more easily available to them. It rightly and justifiably reduces from 30 percent to 10 percent the service-connected disability requirement for entitlement to training under the VA Vocational Rehabilitation Program.

The DAV is also very pleased to support the many fine provisions intended to improve training and employment opportunities for Vietnam-Era and service-connected disabled veterans, and for the wives and widows training under the War Orphans and Widows Educational Assistance Program.

We know that you will exercise your firm leadership to bring about approval of S. 2784 when it reaches the floor of the Senate for a vote.

Again, many thanks for your efforts to improve the economic and social well-being of our young, deserving war veterans.

Sincerely yours,

CHARLES L. HUBER,
National Director of Legislation.

Mr. HARTKE. Mr. President, the National Association of Concerned Veterans, an organization composed exclusively of Vietnam-era veterans has also written in support of S. 2784 and I ask unanimous consent that their letter be inserted in the RECORD at this point.

There being no objection, the letter was ordered printed as follows:

NATIONAL ASSOCIATION
OF CONCERNED VETERANS,
June 18, 1974.

Hon. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: The National Association of Concerned Veterans (NACV) strongly supports S. 2784, the "Vietnam Era Veterans' Readjustment Assistance Act of 1974."

S. 2784, as reported, contains many important improvements in today's veterans' readjustment programs. Among these provisions are: a partial tuition assistance allowance for GI Bill enrollees; extension of the maximum entitlement of educational benefits to veterans from 36 to 45 months; and 18.2 percent raise in the education and training assistance allowances; increased Federal employment preference and reemployment rights for disabled veterans and Vietnam Era veterans; expansion of chapter 41 benefits of job counseling, training, and placement to include wives and widows; and a liberalization of the VA student services program.

The NACV is also very pleased that section 204 of this bill would require a 50 percent placement rate from all VA approved courses with a vocational objective. Additionally, section 215 adds new curbs on erroneous, misleading, or deceptive advertising, sales, or enrollment practices of such institutions serving veterans. The NACV's experience has led to agreement with the findings of the Boston Globe's series of articles on vocational schools—that many veterans are simply being "ripped-off".

The NACV believes that you and the Members of the Committee have performed excellent service to Vietnam Era veterans in formulating the bill which you have reported to the Senate. We urge Senate passage of all provisions of S. 2784, as amended.

Respectfully yours,

TIMOTHY L. CRAIG,
President.

Mr. HARTKE. Finally, I ask unanimous consent that the letters received from the American Veterans Committee and the Leadership Conference on Civil Rights supporting S. 2784 also be inserted in the RECORD.

There being no objection, the letters were ordered printed as follows:

AMERICAN VETERANS COMMITTEE,
Washington, D.C., June 18, 1974.

Senator VANCE HARTKE,
Chairman, Senate Veterans Affairs Committee, Washington, D.C.

DEAR SENATOR HARTKE: The American Veterans Committee strongly urges the passage of S. 2784, the bill reported out of the Senate Veterans Affairs Committee to increase and improve educational benefits for Vietnam-era veterans. We in AVC have strongly supported enactment of legislation to bring the Vietnam GI Bill to parity with the World War II GI Bill, which has benefitted the nation greatly. Many of the members of AVC went to colleges, graduate schools, and other post-secondary institutions with the benefits of the World War II GI Bill.

AVC is very much in favor of the separate tuition subsidy provided in S. 2784, which would assist those veterans who need educational benefits most—the undereducated and disadvantaged. Furthermore, the separate tuition subsidy would provide a much wider choice of schools and training to the veteran. Increasing the current allowance from which the veteran must pay his school costs and his living expenses is just not enough.

We think that the abuses that occurred with the World War II bill do not form a basis for an argument against enactment of a separate tuition subsidy. S. 2784 has written in clear safeguards against the possible profiteering of irresponsible and unscrupulous schools. For example, Sections 204 and 215 spell out procedures to prevent erroneous advertising that would mislead veterans who were seeking specific training and set forth requirements that certain vocational and technical schools be required to prove that at least half of their graduates find employment in the fields that they are supposed to provide training.

AVC believes that the benefits of this important bill to the Vietnam-era veterans, to education and to society itself, far outweigh possible abuses. The lessons of the World War II bill have been learned—S. 2784 has been carefully written to eliminate either swindling of the veteran or of the federal government.

We hope that with your leadership the Senate will pass S. 2784.

Sincerely yours,

ARTHUR S. FREEMAN,
National Chairman.

LEADERSHIP CONFERENCE
ON CIVIL RIGHTS,
Washington, D.C., June 18, 1974.

Senator VANCE HARTKE,
Chairman, Veterans' Affairs Committee, U.S. Senate, Washington, D.C.

DEAR SENATOR HARTKE: The Task Force of Veterans and Military Affairs of the Leadership Conference on Civil Rights strongly endorses S. 2784 as essential legislation to make veterans' educational benefits meaningful to Vietnam veterans, particularly disadvantaged veterans.

We believe that the separate tuition subsidy provided in S. 2784 to supplement the veteran's monthly allowance will allow more minority veterans (as well as other veterans) to continue their education and training. We have been very concerned that recent studies have conclusively shown that black and other minority veterans are using the GI Bill at a lower rate than white veterans. Enactment of S. 2784 will be an important factor in helping bring disadvantaged veterans into the mainstream of our society.

We commend you and the members of the Senate Veterans' Affairs Committee for reporting out this bill, and hope that the Senate will pass S. 2784.

Sincerely yours,

JUNE A. WILLENZ,
Chairperson, Task Force on Veterans and Military Affairs.

Mr. HARTKE. Mr. President, the provision of S. 2784, which I have previously summarized are described more fully in the committee report. These include a general discussion of the more major provisions of the reported bill and additional background material and expressions of committee views which are set forth in the section-by-section analysis. Such views are important to our consideration of the bill and I ask unanimous consent that appropriate excerpts from that report be placed in the RECORD at this point.

There being no objection, the material is ordered printed in the RECORD as follows:

BACKGROUND AND DISCUSSION

VETERANS' ADMINISTRATION EDUCATIONAL ASSISTANCE PROGRAMS

Educational assistance to facilitate a veterans' readjustment to civilian life will have been part of American law for thirty years on June 22, 1974. Over 19.1 million veterans, almost 10 percent of the entire population of the United States, have received educational assistance under the GI bill since 1944.

The Committee believes the impact of the GI bill on the American society cannot be underestimated. For each dollar spent in educational benefits, the Federal Government has received from $3 to $6 in additional tax revenue from veterans whose education has given them increased earning capacity. As the Bradley Commission noted in 1956:

"By any standard, the readjustment program . . . was one of the greatest efforts in human history to assure the well-being of millions of persons. . . . The Commission believes there is little question that the veterans' education program has been a great benefit to millions of veterans and to the Nation. The veterans' education program was a major contribution to the national welfare, and the country would be weaker educationally, economically, and in terms of national defense, if educators, Veterans' organizations, the President and the Congress has not seen this new and momentous educational enterprise."

The Committee believes it should also be noted that in fiscal year 1973 the Veterans' Administration paid out $1.8 billion for higher education or 29 percent of all such Federal expenditures.

Under the current system of educational benefits which was enacted as Public Law 89–358 on June 1, 1966, over 4.1 million veterans and 225,000 wives, widows and war orphans had taken advantage of their GI bill benefits. The current program provides educational benefits for a myriad of education and training courses for both veterans and wives, widows and war orphans. The following table shows the number of veterans and dependents who have received educational benefits under the current program through fiscal year 1973, by type of program:

TABLE 1.—TRAINEES UNDER THE GI BILL CUMULATIVE THROUGH FISCAL YEAR 1973 BY TYPE OF TRAINING

Training programs	Veterans (ch. 34)	Dependent (ch. 35)
Total all types of training	4, 102, 814	225, 557
COLLEGE LEVEL		
Total	2, 099, 950	181, 021
Academic degrees—field not specified—total	1, 091, 803	85, 398
Associate in arts	332, 362	14, 541
Associated in science	41, 460	1, 840
Associated degree, n.e.c	160, 535	9, 962
Bachelor of arts	122, 417	12, 211
Bachelor of science	87, 874	6, 178
Bachelor's degree, n.e.c	235, 110	36, 911
Master of arts	26, 305	1, 032
Master of science	14, 919	252
Master's degree, n.e.c	50, 384	2, 090
Doctor of philosophy	17, 190	258
Doctor's degree, n.e.c	3, 084	123
Postdoctoral, n.e.c	163	17, 736
Business and commerce	310, 196	21, 101
Education	122, 003	5, 686
Engineering	75, 905	2, 225
English and journalism	11, 054	4, 014
Fine and applied arts	26, 237	501
Foreign languages	3, 056	1, 276
Law	37, 734	1, 559
Liberal arts (major not specified)	50, 125	11, 225
Life sciences—total	83, 731	11, 557
Agricultural sciences	13, 088	1, 249
Biological sciences	15, 915	2, 449
Medical and health sciences	54, 728	7, 859
Mathematics	7, 849	964
Physical sciences	14, 339	1, 698
Social sciences	71, 323	7, 218
Theology	10, 161	563
Technician courses—total	148, 679	5, 914
Business and commerce	28, 766	1, 025
Engineering and related	4, 877	96
Medical and related	8, 397	1, 706
Other technician courses	106, 639	3, 087
All other academic fields	35, 755	2, 386
BELOW COLLEGE		
Total	1, 659, 354	44, 449
Arts	105, 832	2, 016
Business	314, 378	14, 717
Services	109, 132	12, 408
Technical courses—total	192, 980	2, 240
Electronic	135, 179	745
Engineering	33, 284	219
Legal	8, 116	0
Medical and related	7, 123	917
Other technical, n.e.c	9, 278	359
Trade and industrial—total	649, 847	11, 810
Air-conditioning	90, 040	389
Construction	23, 103	4, 124
Electrical and electronic	205, 541	1, 670
Mechanical	182, 755	3, 507
Metal work	50, 236	1, 051
Other trade and industrial	98, 172	1, 069
Other institutional	185, 664	1, 258
Flight training—total	101, 521	0
MAJOR OCCUPATIONAL JOB TRAINING		
Total	343, 510	87
Technical and managerial	36, 510	----------
Clerical and sales	7, 904	----------
Service occupations	53, 327	----------
Farming, fishery, forestry occupations	2, 519	----------
Trade and industrial—total	228, 565	----------
Processing occupations	8, 794	----------
Machine trades occupations	62, 453	----------
Benchwork occupations	11, 829	----------
Structural work occupations	145, 489	----------
Miscellaneous occupations	14, 685	----------

Individuals receiving educational assistance allowances may attend approved courses at colleges, universities, business and technical schools, high schools and, in some cases, even schooling below the high school level. Assistance may also be provided for on-job training, farm training, flight training and correspondence courses.

Some 51.2 percent of the post-Korean and Vietnam era trainees who have used the current GI bill through November 1973, have taken college level courses. About 40 percent were involved in below college level training. On-job training accounted for 8.4 percent of the veteran trainees and farm cooperative training for 0.4 percent. The following table compares the types of training pursued by veterans under the World War II and Korean conflict GI bills with participants under the current bill:

TABLE 2.—GI BILL PARTICIPATION BY PROGRAM

[In percent]

Type	WW II	Korean conflict	Post-Korean and Vietnam era	Vietnam era	
				Veterans	Servicemen
Total	100.0	100.0	100.0	100.0	100.0
College	28.6	50.7	51.5	56.5	23.3
Below college	44.6	36.0	45.8	32.4	76.7
On job	17.9	9.3	8.5	10.8	--------
Farm	8.9	4.0	.4	.3	--------

PARTICIPATION RATES

Although a comparison of the participation rates under the Vietnam era GI era bill for the first ninety months of the program is about identical with that of the World War II program (50.1 percent vs. 50.4 percent) the Committee believes that the Vietnam era participation rates should be much higher given the greater educational attainment of today's veteran and the greater importance society places on postsecondary education today as compared with immediately following World War II. For instance, only 18.9 percent of Vietnam era veterans do not have high school diplomas compared with 54.6 percent of World War II veterans. As such, the Committee believes the participation for the current program should be much higher.

The Educational Testing Service (ETS) in its "Final Report on Educational Assistance to Veterans: A Comparative Study of Three GI Bills", conducted pursuant to section 413 of Public Law 92–540, concluded that:

"At the time of separation from the Armed Forces, the Vietnam era veteran is better educated, younger, and has fewer dependents than veterans of World War II. These factors suggest that the Vietnam era veteran should be better suited to pursue postservice education; however, Vietnam veterans have not participated at a higher rate than World War II veterans. Although enrollment in all types of postsecondary education has increased, the usage of the GI bill over the three periods has remained about the same.

"In view of these factors, equality of participation rates for the three GI bills is not an adequate measure of their relative success in providing readjustment assistance. If 48 percent of the veterans of World War II used their benefits when postsecondary education played a much less important role in career preparation, veterans of the current period should be expected to use their benefits at a higher rate to parallel the corresponding increase in enrollment in postsecondary education."

It is further obvious to the Committee that the level of educational assistance benefits has a strong influence on participation rates.

It should be observed that with each increase in the educational assistance rates, participation in the program has increased, particularly the numbers in training following the enactment of the Veterans Education and Training Act of 1970 (P.L. 91–219) and of the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92–540). During the fall of 1971, when veterans had the full benefit of the increases provided by the 34.6 percent increases in P.L. 91–219, and during the fall of 1972, when veterans first had the benefit of the increases provided in P.L. 92–540, the enrollment of veterans in educational programs increased by 33 percent and 8 percent, respectively, over the previous year; and in the fall of 1973 the numbers participating showed a 14 percent increase over 1972. In numbers, this past fall approximately 300,000 more veterans enerolled than the VA had projected.

NEED FOR INCREASES IN EDUCATIONAL ASSISTANCE BENEFITS

Since the effective date of the last increase in the monthly educational assistance allowance, on September 1, 1972 (from $175 to $220 for a single veteran), the cost of living has increased 14.6 percent. Pertinent data and the changes in the Consumer Price Index are reflected in the following table:

TABLE 3.—U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS—CONSUMER PRICE INDEX

[1967=100]

	1972	1973	1974
January	123.2	127.7	139.7
February	123.8	128.6	141.5
March	124.0	129.8	143.1
April	124.3	130.7	144.0
May	124.7	131.5	---
June	125.0	132.4	---
July	125.5	132.7	---
August	125.7	135.1	---
September	126.2	135.5	---
October	126.6	136.6	---
November	126.9	137.6	---
December	127.3	138.5	---

Given the continuing unchecked inflationary rate which has occurred since the effective date of Public Law 92–540 the cost of living can be expected to approach 18 percent by the beginning of this year's fall school term.

The Committee wishes to emphasize, however, that the Consumer Price Index is a conservative indicator when dealing with educational costs for which the VA educational assistance allowance is in large part intended. The following chart shows increases in tuition and fee charges at public and private institutions of higher learning from 1957 to 1970 as compared with increases in the Consumer Price Index.

In order to measure comparability of educational benefits, it is necessary to take into consideration the significant changes in the economy that have taken place over the 25 years between 1948 and 1973. During this period, the Consumer Price Index rose from a 1948 average of 72.1 (1967=100) to 144.0 as of April 1974. Average monthly earnings rose from $212 in 1948 to some $617 as of May 1973. During the same period, average tuition and fees at 4-year public institutions more than doubled and tuition at 4-year private institutions increased fivefold. Increases of a similar nature occurred in other postsecondary institutions. The most dramatic changes occurred in the decade of the 1960's and continue to the present.

Currently, a single veteran receives an educational assistance allowance of $1,980 per academic year ($220 a month for nine months) to cover all school and subsistence costs. The Office of Education, Department of Health, Education, and Welfare, in its publication "Higher Education, Basic Student Charges," figures an estimated average for tuition, room, and board in the 1973–74 school year at $1,492 for public schools and $3,281 for nonpublic schools. Public two-year school charges average $1,235, while their private counterparts average $2,814, according to the same study. The following table shows estimated average charges in current dollars for full-time independent resident degree students in institutions of higher learning by institution type and control in the United States for the period 1960–61 to 1973–74:

TABLE 4.—ESTIMATED AVERAGE CHARGES (CURRENT DOLLARS) PER FULL-TIME UNDERGRADUATE RESIDENT DEGREE-CREDIT STUDENT IN INSTITUTIONS OF HIGHER EDUCATION, BY INSTITUTIONAL TYPE AND CONTROL: UNITED STATES, 1960–61 TO 1973–74

[Charges are for the academic year and in current unadjusted dollars]

Year and control	Total tuition, board, and room				Tuition and required fees			
	All	University	Other 4-yr	2-yr	All	University	Other 4-yr	2-yr
1960–61:								
Public	$850	$919	$765	$576	$211	$252	$171	$81
Nonpublic	1,602	1,806	1,503	1,124	857	1,001	785	490
1961–62:								
Public	869	947	788	599	218	265	182	88
Nonpublic	1,666	1,882	1,570	1,198	906	1,059	838	537
1962–63:								
Public	901	986	814	615	222	268	192	97
Nonpublic	1,724	2,022	1,608	1,271	944	1,149	869	600
1963–64:								
Public	926	1,026	846	630	234	281	215	97
Nonpublic	1,815	2,105	1,700	1,313	1,012	1,216	935	642
1964–65:								
Public	950	1,051	867	638	243	298	224	99
Nonpublic	1,907	2,202	1,810	1,455	1,088	1,297	1,023	702
1965–66:								
Public	983	1,106	903	671	258	327	240	109
Nonpublic	2,004	2,317	1,898	1,559	1,154	1,369	1,086	769
1966–67:								
Public	1,026	1,171	947	710	275	360	259	121
Nonpublic	2,124	2,456	2,007	1,679	1,233	1,456	1,162	845
1967–68:								
Public	1,063	1,199	997	790	283	366	268	144
Nonpublic	2,204	2,544	2,104	1,763	1,297	1,534	1,238	893
1968–69:								
Public	1,117	1,245	1,063	883	295	377	281	170
Nonpublic	2,321	2,673	2,237	1,876	1,383	1,638	1,135	956
1969–70: [1]								
Public	1,196	1,340	1,144	957	319	412	308	188
Nonpublic	2,518	2,903	2,433	2,063	1,516	1,795	1,470	1,064
1970–71: [1]								
Public	1,274	1,434	1,224	1,029	343	448	337	207
Nonpublic	2,712	3,127	2,625	2,252	1,650	1,950	1,604	1,174
1971–72: [1]								
Public	1,354	1,509	1,289	1,087	363	478	361	222
Nonpublic	2,875	3,318	2,789	2,416	1,765	2,085	1,723	1,272
1972–73: [1]								
Public	1,414	1,603	1,372	1,160	388	515	390	241
Nonpublic	3,075	3,551	2,989	2,611	1,902	2,246	1,862	1,387
1973–74: [1]								
Public	1,492	1,699	1,457	1,235	412	552	420	261
Nonpublic	3,281	3,788	3,197	2,814	2,044	2,412	2,008	1,507

[1] Projected.

Note: Data are for 50 States and the District of Columbia for all years.

Source: U.S. Department of Health, Education, and Welfare, Office of Education, publications: (1) "Higher Education Basic Student Charges," 1961–62 through 1964–65, 1966–67, and 1968–69; and (2) "Opening (fall) Enrollment in Higher Education," 1961 through 1964, 1966, and 1968.

Further, the Committee believes that there is no reason to doubt that the trend of spiraling increases in the cost of education will continue. Information obtained from the College Entrance Examination Board indicates that for the next school year further increases in costs can be anticipated. It is expected that the cost of education in the coming school year will increase 13.6 percent for private two-year colleges. For public four-year colleges, an 8.6-percent increase is expected, and for private four-year colleges a 7.1-percent increase is anticipated. The Committee believes it should be noted that the public two-year institutions have had increases in education cost over the past five years of over 70 percent. The Committee finds this especially critical because of the large number of Vietnam era veterans attending such schools.

Appendix A of this report also contains resident and nonresident undergraduate tuition charges at State colleges and universities for the 1973–74 academic year for each State.

NEED FOR PARTIAL TUITION ASSISTANCE ALLOWANCE

In addition to the obvious need for increases in monthly educational assistance allowances, the Committee also gave close attention to the differences in participation rates by veterans residing in different States. These participation rates vary widely with the highest State having an overall participation rate (60.8 percent) nearly twice that of the lowest State (30.6 percent), as shown in the following table:

TABLE 5.—CH. 34: PARTICIPATION RATE FOR VIETNAM ERA VETERANS, BY STATE AND TYPE OF TRAINING (CUMULATIVE THROUGH NOVEMBER 1973)

State	Veteran population	Trainees[1]					
			Percent of veteran population				
		Number	Total	IHL	Other schools	OJT	Correspondence[2]
Total	6,787,000	3,400,017	50.1	26.3	19.0	4.8	9.9
Alabama	97,000	48,507	50.0	24.5	21.0	4.5	4.8
Alaska	12,000	4,340	36.2	21.1	12.3	2.8	4.4
Arizona	67,000	39,610	59.1	37.4	14.9	6.8	7.8
Arkansas	55,000	25,142	47.5	21.1	19.0	5.6	5.9
California	798,000	431,885	54.1	39.5	11.1	3.5	4.9
Colorado	89,000	46,812	52.6	30.9	17.4	4.3	9.3
Connecticut	100,000	38,402	38.4	20.0	11.0	7.4	5.8
Delaware	21,000	7,524	35.8	20.7	10.8	4.3	6.8
District of Columbia	25,000	15,208	60.8	34.1	20.8	5.9	4.5
Florida	238,000	109,285	45.9	27.6	13.9	4.4	5.4
Georgia	158,000	70,906	44.9	18.7	21.5	4.7	5.3
Hawaii	30,000	15,716	52.4	30.7	13.5	8.2	6.0
Idaho	23,000	11,813	51.4	31.4	15.5	4.5	11.1
Illinois	337,000	139,879	41.5	23.1	13.6	4.8	7.6
Indiana	175,000	62,190	35.5	14.9	16.1	4.5	10.7
Iowa	86,000	36,413	42.3	20.4	17.9	4.0	9.6
Kansas	72,000	33,607	46.7	27.5	16.0	3.2	7.3
Kentucky	90,000	35,138	39.0	18.0	17.4	3.6	10.2
Louisiana	102,000	47,197	46.3	22.4	18.0	5.9	5.9
Maine	31,000	13,277	42.8	19.1	15.8	7.9	8.4
Maryland	147,000	56,905	38.7	22.4	11.9	4.4	5.9
Massachusetts	197,000	69,509	35.3	21.0	10.3	4.0	4.5
Michigan	278,000	121,426	43.7	24.3	14.4	5.0	8.8
Minnesota	140,000	65,036	46.5	22.0	18.1	6.4	6.5
Mississippi	49,000	20,291	41.4	22.4	14.1	4.9	5.0
Missouri	153,000	66,480	43.5	23.4	15.6	4.5	6.9
Montana	24,000	11,931	49.7	28.0	14.5	7.2	6.6
Nebraska	47,000	23,912	50.9	26.1	16.8	8.0	7.4
Nevada	21,000	8,052	38.3	19.6	15.1	3.6	7.9
New Hampshire	29,000	10,474	36.1	18.1	10.7	7.3	6.5
New Jersey	219,000	74,438	34.0	18.0	11.7	4.3	5.7
New Mexico	34,000	19,884	58.5	32.4	21.9	4.2	9.0
New York	501,000	201,737	40.3	22.3	11.4	6.6	5.6
North Carolina	148,000	71,517	48.3	25.6	14.8	7.9	5.5
North Dakota	16,000	10,907	68.2	37.5	22.1	8.6	8.5
Ohio	352,000	128,804	36.6	18.0	14.5	4.1	9.4
Oklahoma	94,000	44,930	47.8	28.6	15.8	3.4	5.6
Oregon	84,000	39,886	47.5	32.4	11.1	4.0	5.8
Pennsylvania	375,000	146,076	39.0	17.2	16.5	5.3	9.4
Rhode Island	35,000	14,249	40.7	23.8	12.6	4.3	5.6
South Carolina	83,000	39,314	47.4	21.4	19.8	6.2	5.8
South Dakota	16,000	9,372	58.6	29.5	22.9	6.2	12.0
Tennessee	124,000	56,692	45.7	22.1	18.8	4.8	7.9
Texas	372,000	169,467	45.6	28.0	14.7	2.9	6.7
Utah	41,000	19,249	46.9	31.5	12.7	2.7	9.4
Vermont	16,000	4,903	30.6	13.5	9.3	7.8	5.9
Virginia	165,000	63,398	38.4	21.4	11.9	5.1	6.9
Washington	149,000	74,896	50.3	30.8	15.9	3.6	8.2
West Virginia	47,000	21,131	45.0	20.0	17.7	7.3	9.5
Wisconsin	137,000	61,816	45.1	23.0	16.8	5.3	9.9
Wyoming	11,000	5,533	50.3	31.3	13.0	6.0	8.8
Outside United States (total)[3]	77,000	27,361	35.5	23.1	10.8	1.6	4.3

[1] Total includes 407,500 servicemen trainees. Since these servicemen are not distributed proportionately by State they are omitted from State comparisons.

[2] Correspondence trainees are already counted in IHL or "Other schools," as appropriate.

[3] Area includes Puerto Rico, U.S., possessions, and outlying areas and foreign countries.

Upon investigation the Committee cannot explain these differences in participation rates other than by the fact that the higher cost of education (in both public and private institutions) in those States where participation rates are low deny a veteran easy access to higher education. The veteran, is in effect, "priced-out" of higher education. Differences in tuition result in disparate amounts of GI bill allowances available for living expenses as shown in the following table:

TABLE 6.—COSTS OF TUITION, OTHER EXPENSES, AND REMAINDER OF BENEFITS AVAILABLE FOR LIVING EXPENSES AT SELECTED 4-YR PUBLIC INSTITUTIONS, 1973-74

	GI bill benefits	Tuition	Other expenses	Remainder for living expenses	Living funds for 1 month[1]
University of California	$1,980	$644	$500	$736	$81.78
Florida State	1,980	570	600	810	90.00
University of Illinois	1,980	[2] 0	600	1,380	153.33
University of Massachusetts	1,980	[2] 0	600	1,380	153.33
University of Michigan	1,980	[3] 800/904	600	580/476	64.44/52.89
University of Missouri	1,980	540	600	840	93.33
State University of New York	1,980	[3] 750/900	600	630/480	70.00/53.33
University of North Carolina	1,980	439	600	941	104.56
Pennsylvania State University	1,980	900	600	480	53.33
Texas Technical University	1,980	292	600	1,088	12.89

Source: Derived from "National Association of State Universities and Land-Grant Colleges 1973-74 Student Charges."

[1] Based on a 9-month academic year.

[2] Illinois and Massachusetts provide free tuition for resident veterans at public institutions.

[3] First figure for freshmen and sophomores and 2d figure for juniors and seniors.

[4] The median figure estimated as the amount needed to cover "other expenses" for the academic year was $600, based on responses from 80 member institutions.

Most significantly, the Committee gave close consideration to the Final Report of the Educational Testing Service which concluded:

"In general, the "real value" of the educational allowance available to veterans of World War II was greater than the current allowance being paid to veterans of the Vietnam conflict when adjustments are made for the payment of tuition, fees, books and supplies.

"When educational allowances for the Vietnam veteran are adjusted for the average tuition, fees, books and supplies at a 4-year public institution, the benefits remaining are insufficient to meet the veteran's estimated living expenses.

"When total resources available to the veteran for an academic year are compared with his estimated living expenses for a similar period, substantial need exists for additional resources to meet educational costs.

"The accessibility of postsecondary education for the Vietnam conflict veteran is a function of not only his military service but also his particular State of residence. The effectiveness of the benefits is directly related to the availability of low-cost readily accessible public institutions. The current veteran seeking to use his educational benefits finds that equal military service does not provide equal readjustment opportunities with respect to attendance at postsecondary schools. This is particularly true of institutions of higher education.

"To restore equity between veterans residing in different States with differing systems of public education, some form of variable payments to institutions to ameliorate the differences in institutional costs would be required."

Testimony before the Subcommittee almost unanimously supported the foregoing conclusions. Witness after witness testified both as to the need for substantial increases in the monthly educational assistance allowance coupled with some form of variable tuition assistance. Particular concern was evidenced by Senators McGovern, Mathias, Inouye, and Dole and other cosponsors of S. 2789 who urged the adoption of some form of "tuition equalizer". While not adopting the particular approach contained in S. 2789, the Committee has concluded that both substantial increases in monthly educational assistance allowances and the creation of a partial tuition assistance allowance are necessary as part of an effort to deal effectively with the GI bill educational assistance comparability problem.

Accordingly, the reported bill would provide for an 18.2-percent across-the-board increase in the monthly educational assistance allowance. The full-time instruction rate for a veteran with no dependents would be increased from $220 to $260 a month. The rate for a veteran with one dependent would be increased to $309 a month from the current rate of $261. The addition of one child would increase the rate from $298 to $352 a month, with an additional $21 a month for each dependent in excess of two.

As an integral part of the package of educational benefits available to veterans under chapter 34 and eligible dependents under chapter 35, the Committee has also authorized a partial tuition assistance allowance which pays 80 percent of tuition after excluding the first $100 up to a maximum tuition charge of $1,000. Under this proposal, a veteran may receive up to $720 a school year as a partial tuition assistance allowance in addition to the increased monthly educational assistance allowance.

The Veterans' Administration estimates that approximately 1,652,000 veterans in the coming year will receive and benefit from the partial tuition assistance allowance authorized under the reported bill.

The Committee believes that the reported bill's 18.2-percent rate increases, coupled with the up to $720 partial tuition assistance allowance and the new education loan (up to $2,000) program, take a great stride forward in providing educational opportunities for today's veterans to those which were equally available to veterans following World War II.

VETERANS' EDUCATIONAL LOAN PROGRAM

A new educational loan program would also be authorized in the reported bill for eligible veterans and dependents. The Committee is aware that for those choosing to pursue a course of education leading to a standard college degree and attending certain higher cost institutions, additional sums, even beyond the 18.2-percent increases in the monthly educational assistance allowance and the partial tuition assistance allowance of up to $720 pėr school year, will be required. To the extent that the additional costs are beyond the resources available to the veteran (including existing Federal loan programs) direct low-interest loans from the Veterans' Administration of up to $2,000 per academic year from the National Service Life Insurance Trust Fund are authorized. The Veterans' Administration estimates that approximately 136,000 veterans will receive loans in the first full year under this new loan program.

CONTROLS TO PREVENT ABUSES

S. 2784, as reported, contains a number of safeguards to prevent abuses of the veterans' educational assistance program. The Committee is aware of and shares the deep concern of certain senior and influential Members of Congress about abuses of the GI bill program in general and the anticipated problems associated with the payment of a partial tuition assistance allowance. In response to these concerns, a number of specific controls with respect to the tuition payment system were adopted to reduce the possibility of abuse. Additionally, ample discretionary authority is granted to the Veterans' Administration to prescribe such rules and regulations as are "necessary to implement and prevent abuses of the program for payment of partial tuition assistance allowances." There are also a number of Federal criminal statutes presently in existence which would be applicable to any person or institution which acted to abuse the program.

At the same time, it should be noted that while it is true that any increase in the amount of Federal funds a veteran has available to purchase services will serve as a strong economic incentive for certain schools to seek out and enroll these veterans, the Committee believes that the basic problem is *not* in the level or manner of payment of Federal funds. Rather, the fundamental problem rests either with the quality of services offered or with deceptive erroneous or misleading advertising, sales, or enrollment practices. In the first instance, lack of effectiveness in the basic approval process to qualify institutions for VA payments can result in Federal expenditures for inferior services. An example would be vocational objective courses which do not qualify the veteran to obtain the job for which he trained. In an extensive investigative reporting series concerning the vocational school industry, the Boston Globe's Spotlight Team concluded, for example, that:

"[T]he career-training field has been cornered by a profit-making school industry which is dominated by a fast-buck mentality that sees students as dollar signs.

"This highly profitable, publicly subsidized market has exploded in the past five years spawning a plethora of unscrupulous correspondence and resident "career" schools that take the money and ignore the student.

". . . [T]he Spotlight Team . . . found the private correspondence and resident trade schools surveyed to be selling expensive, virtually worthless courses."

In the second situation illustrating the basic opportunity for abuse, institutions or their employees which utilize advertising, sales, or enrollment practices making oral or written claims which are erroneous, deceptive, or misleading—either by actual statement, omission, or intimation—deny the veteran accurate, useful information necessary for him to compare and make an informed judgment about possible enrollment in a course.

The Committee believes that the recent proceedings of the National Invitational Conference on Consumer Protection in Post-Secondary Education, the long investigative series on vocational schools conducted by the Boston Globe, the draft report of the Brookings Institution Study for the Office of Education entitled "Private Accreditation and Public Eligibility," and the Federal Trade Commission's File No. 722–3149 covering practices and performance of the proprietary vocational and correspondence school industry to which the Committee was granted access, all chronicle the problems mentioned and confirm the foregoing analysis.

The Brookings study, like the 1972 Newman report on higher education which preceded it, raised important questions concerning the reliance upon "accreditation" as a key to eligibility for public funds. The preliminary draft study quotes an unidentified Federal official as saying:

"Direct and indirect Federal financial support . . . has played a major role in the growth of the private vocational school industry with only the most minimal safeguards. . . . Thus, the Government itself has underwritten the development of school abuses and has a major responsibility to ensure that the abuses of the industry are reformed.

As a consequence, the reported bill clarifies and extends VA authority consistent with the objectives of avoiding abuses. Statutory authority has been tightened and generally made applicable to schools regardless of whether they are "accredited or nonaccredited." In this connection, the Committee concurs with the 1970 testimony of the Veterans' Administration on the Federal Trade Commission's proposed guides for private vocational and home-study schools, which concluded:

"There is a need for guidelines to be established which would control the content and the operation of the courses of education which are offered by the schools, accredited and nonaccredited. *These guidelines should be over and above those established by the National Home Study Council and National Association of Trade and Technical Schools.*"

Additionally, the reported bill clarifies and strengthens the law with respect to the Administrator's authority to disapprove enrollment of veterans in institutions which utilize advertising, sales, or enrollment practices which are erroneous, deceptive, or misleading and provides for greater coordination with the Federal Trade Commission.

EXTENDING THE TIME PERIOD TO UTILIZE GI BILL BENEFITS

Veterans training under the current Vietnam era GI bill have 8 years within which to utilize their educational assistance benefits. Subsection (a) of section 1662 of title 38, United States Code, currently provides that:

> No educational assistance shall be afforded an eligible veteran in this chapter beyond the day 8 years after his last discharge or release from active duty after January 31, 1955.

Post-Korean conflict veterans who served after January 31, 1955, and who were discharged prior to June 1966, were made retroactively eligible for educational assistance benefits when the current GI bill was first authorized by Congress in Public Law 89–358. Thus, for those veterans the 8-year "delimiting period" runs from June 1, 1966, the effective date of the act. With limited exceptions approximately 4 million post-Korean veterans currently eligible for educational assistance benefits would have become ineligible on May 31, 1974, the eighth anniversary of the current GI bill, but for the passage of S. 3398 which was enacted as Public Law 93–293 on May 31, 1974. S. 3398 provided a thirty-day temporary extension of the delimiting date.

Of that number, the Veterans' Administration estimates that approximately 530,000 will have been in training during the current fiscal year. This includes 387,000 post-Korean veterans who served between 1955 and 1964 and an additional 143,000 Vietnam era veterans discharged in fiscal years 1965 and 1966. As of May 31, it is estimated that 285,000 veterans, subject to the immediate cutoff of benefits would have actually been in training at the time. Others had finished their spring college semester prior to that date or had completed short-term vocational training.

Approximately 55.8 percent of veterans in training this year who would have been affected by the May 31 cutoff date were enrolled in college level training. Veterans enrolled in correspondence courses comprised another 25.9 percent of the total with 4.3 percent participating in on-job training and the remaining 14 percent enrolled in other postsecondary vocational education.

The following table shows the number of veterans by type of training, would have been affected by the May 31 date, who are in training or who have trained under the GI bill since eligibility was first authorized in 1966.

TABLE 7.—TRENDS IN PARTICIPATION IN GI BILL EDUCATION PROGRAMS BY VETERANS DISCHARGED, 1955-66

Type of education	Participation by fiscal year								
	1967	1968	1969	1970	1971	1972	1973	[1] 1974	[1] 1975
Institutions of higher learning	305,825	312,503	250,625	242,541	258,164	275,624	294,006	315,000	297,000
Below college level	60,719	70,771	59,682	51,379	58,593	63,674	66,878	70,000	60,000
Correspondence	43,263	93,284	98,498	106,860	116,265	137,026	146,422	145,000	143,000
Total	409,807	467,558	408,805	300,780	433,022	476,324	507,306	530,000	500,000

[1] Estimate.

Probably no one amendment to the current GI bill program has occasioned more mail or comment this year than the proposed extension of the time period within which to utilize GI bill benefits. In establishing GI bill benefits, Congress declared in section 1651 of title 38, United States Code, that:

"The Congress of the United States hereby declares that the education program created by this chapter is for the purpose of (1) enhancing and making more attractive service in the Armed Forces of the United States, (2) extending the benefits of a higher education to qualified and deserving young persons who might not otherwise be able to afford such an education, (3) providing vocational readjustment and restoring lost educational opportunities to those service men and women whose careers have been interrupted or impeded by reason of active duty after January 31, 1955, and (4) aiding such persons in attaining the vocational and educational status which they might normally have aspired to and obtained had they not served their country."

In carrying out the purposes outlined above, Congress established an eight-year period within which a veteran could utilize benefits to accomplish his "readjustment" to civilian life. Though it would appear on first impression that an eight-year period is a sufficient period of time for a veteran to complete his educational training, testimony before the Committee indicated a variety of factors which have prevented many veterans from fully utilizing their benefits before the cutoff date. The Committee believes the primary reason for not using benefits prior to the expiration of eight years has been the inadequate level of benefits. As originally enacted in 1966, a single veteran received $100 a month for full-time training which was $10 a month *less* than a veteran received 14 years prior under the Korean conflict program in 1952. The following table shows the level of benefits available to a veteran since 1966:

TABLE 8.—FULL-TIME EDUCATIONAL ASSISTANCE RATES UNDER THE GI BILL SINCE 1966

Year	Number of dependents			Each dependent above 2
	None	1	2	
1966	$100	$125	$150	
1967[1]	130	155	175	$10
1968	130	155	175	10
1969	130	155	175	10
1970[2]	175	205	230	13
1971	175	205	230	13
1972[3]	220	261	298	18
1973	220	261	298	18
1974	220	261	298	18

[1] Public Law 90-77, effective Aug. 31, 1967.
[2] Public Law 91-219, effective Mar. 26, 1970.
[3] Public Law 95-540, effective Sept. 1, 1972.

Thus, many veterans were financially unable to attend school until just recently when rates have reached a more adequate level.

As a result, the overall GI bill participation rate for eligible veterans discharged prior to 1966 is lower than for those discharged after that date. Further, post-Korean veterans who have enrolled in training reflect a lower college participation rate.

The median age for veterans first entering training is higher for the pre-1966 veteran (25.8 years) than for those discharged after 1966 (24.5 years). And, there is a greater likelihood that this veteran will be enrolled in less than full-time training. All of these factors were considered by the Committee in its decision to extend the period in which to use benefits.

That participation bears a close relationship to the level of benefits as reflected in part by the number of post-Korean veterans in training today. The number of those veterans in training for this fiscal year (530,000), and for the preceding fiscal year (507,306), were greater than the number in training in any other single year since eligibility was first granted in 1966, as reflected in table 1 cited previously.

Indeed, in comparing the number of veterans in training in November 1972 with those in training in November 1973, the most striking change occurred with regard to post-Korean conflict veterans who registered a 17.2-percent increase. By contrast, those post-Korean veterans in training in November 1972 had reflected an increase of only 0.9 percent over the previous November 1971.

The lack of adequate and aggressive outreach programs by the Veterans' Administration and other organizations also has a bearing on participation of veterans discharged prior to 1966 who were often unaware that they were granted benefits retoactively. Many were unable to relate the opportunities available under the GI bill to their present lives. It was only recently that many have been contacted by outreach workers. The Veterans-Cost-of-Instruction Program authored under the Higher Education Act by Committee member Senator Alan Cranston, for example, did not really begin until the fall of 1973. Consequently, veterans prior to that time were not the subject of any organized on-campus college programs (except in isolated instances), and were reached primarily by printed brochures from the Veterans' Administration and scattered outreach programs.

The Veterans of Foreign Wars characterized in their testimony before the Committee as to veterans who were discharged between 1955 and 1966:

"In this group, many of them of course came from economic and social groups that did not have much education or much money. Many of them are attending college for the first time in their lives. This deadline is more important to them."

In this connection it should be noted that an examination of veterans enrolled in training revealed that a higher percentage of those discharged before 1966 do not have a high school education (21 percent) than those discharged after 1966 (18.9 percent).

A veteran affected by the May 31 cutoff date wrote in a letter that:

"I graduated from high school in June of 1960 and June 24 of that same year I entered the United States Air Force. In August of 1962, because of medical reasons I was discharged. Since that time I have been employed as a driver-salesman for a Detroit area beer distributor. I have recently enrolled in a night-time college program.

"Up until this time I have not had the opportunity to use any of my benefits. Now that I have begun I am very enthusiastic about a chance to better myself.

"I would never have believed that after being out of school for so many years I could do the amount of work that I have accomplished so far. I do now believe that an education is something that no one can take away from you. But, in order to obtain my degree, the benefits would need to be extended from eight to ten years.

"The job opportunities awaiting me when I obtain my degree are vast. The chances to better myself and my family are important to me. Your support will be appreciated by all of us."

Another veteran who served during the Berlin crisis noted that he had moved several times since his discharge from the service and that this among other factors had precluded him from entering educational training. He is now enrolled as a part-time evening law student. He wrote the Committee to say:

"Needless to say, financial assistance from my GI bill has substantially underwritten my cost of attendance. As the father of five children maintaining a household, funds for educational programs are hard to come by. I am sure you will recognize that my situation is not unique and is shared by many other veterans who are just recently taking full advantage of the expanded benefits available to them."

A third veteran wrote:

"I entered Morningside College, Sioux City, Iowa, on probation. But, 21 months later I have completed 90 semester hours with a grade average of almost 3.6 on a 4.0 scale. I did this while working 30 to 40 hours a week to support my family. My wife also worked outside the home, and the children helped any way they could. Needless to say, the GI bill was the basis which made this possible. In May of this year, I will have eight months of eligibility left on the GI bill. The time limit will prevent me from using it . . . How many others are in a similar position? In the middle of their education facing the cutoff due to time limit, an ever increasing inflation is eating up all available savings and making it impossible to live on part-time earnings."

In addition to thousands of letters received from individual veterans, the Committee received strong testimony from all major veterans organizations and educational associations. Dr. Charles Palmer, Executive Director of the South Carolina Comprehensive Technical Education Board, testified that:

"As of May 31 there will be substantial numbers of veterans in South Carolina who will no longer be eligible to continue their training program. It will be an awful waste if they cannot complete that which they have started. It will be worse for veterans who have not yet started if they are not given an opportunity to continue without interruption in the program of his or her choice."

The Adult Education Association in a resolution urging the extension for two years of GI bill benefits noted that:

"Veterans of this age group as well as persons of all age groups now have a greater opportunity for basic adult education and post-secondary education than was available during and immediately following the 1955 to 1966 period; and, because of new concepts and implementation in the area of adult and continuing education, many of the veterans of this group can now be served educationally more readily and more effectively than at any previous time; and that period of time from now until June 1974 is not adequate to complete effective educational service."

Thus, men who held off getting an education, hoping either to save enough money to supplement an inadequate GI bill or hoping Congress would recognize the need for more realistic assistance, have found themselves running out of the allotted time period before they were in a position to use up their benefits.

UNEMPLOYMENT AMONG VIETNAM ERA VETERANS

The Committee also recognizes the continued difficulty young veterans are having finding jobs is aggravating readjustment problems. Unemployment among Vietnam era veterans has been a problem, at times more severe than others, since the late 1960's when as many as a million men and women a year were leaving the service. In early 1971, unemployment among young veterans was reaching as high as 12 percent with joblessness among veterans 20 to 24 years old and minority group veterans substantially higher. The Committee responded to this situation with a number of amendments included to strengthen unemployment services provided veterans which were enacted as part of the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92–540). To spur enrollment in apprenticeship and on-job training, rates were increased by 48 percent. In addition, provisions of chapter 41 of title 38, relating to job counseling, training, and placement services for veterans required of the State Employment Security Agencies, were rewritten and strengthened considerably in the 1972 Act. Some 2,400 local offices throughout the country which received Federal funds pursuant to Wagner-Peyser Act were instructed to improve the quantity and quality of their services to young unemployed veterans. The Secretary of Labor was directed by the revised statute to ensure that any veteran seeking work was:

"Promptly placed in a satisfactory job or job-training opportunity to receive some other specific form of assistance designed to enhance his employment prospects substantially, such as individual job development or employment counseling services."

A full-time local employment representative was required to be assigned to each local employment office unless the Secretary determined that he was not needed, based on a demonstrated lack of need for such services. A formula included in the statute mandated that some 68 new Federal employment representatives—Assistant Veterans' Employment Representatives (AVER's) were to be hired to actively monitor the State employment system. Yet over a year later only 1 had been hired and, as of the date of Committee hearings on April 30, 1974, approximately one-third were yet to be on the job and working. Failure to hire these additional AVER Federal monitors and to actively promote job counseling, training and placement services for veterans showed up in Employment Service Automated Reporting systems (ESAR's) data (particularly ESAR's Table 91) obtained by the Committee.

In spite of the statutory mandate for prompt placement for job and job-training opportunities, figures show that in the past fiscal year only 16 percent of the available Vietnam era veteran applicants were placed in a job in excess of three days and less than 2 percent were enrolled in Federal training programs. ESAR's data further revealed that only 7.7 percent of available Vietnam era veterans had been counseled in the last fiscal year despite a study by the Department of Labor showing that counseling of job seekers, particularly veterans, resulted in job placements at nearly twice the rate for those who had not been counseled.

For the first six months of this fiscal year the number of veterans counseled declined to an even lower rate of less than 5 percent. The unemployment statistics for the first quarter of calendar 1974 have also added to the problem. Over 61 percent of the young veterans currently out of work are unemployed because they have lost their jobs. Nearly 10 percent of all younger veterans seeking work are unemployed compared with a 7.6-percent rate for their nonveteran counterparts. Unemployment in the first three months of 1974 for minority group veterans was nearly 10 percent, over twice the rate for the previous quarter.

Perhaps most disturbing was ESAR's data which indicated large numbers of Vietnam veterans whose names were removed from the active employment service files without receiving any service whatsoever. Last year over 1.1 million young veterans had their applications purged from the active files of local employment service offices without any indication that they received any service: no job, no job training, no counseling, no testing. As a consequence additional amendments are provided in the reported bill to strengthen administrative controls to ensure that State employment agencies comply with the provisions of title 38 or take corrective action where their plans of service fall short. Where local employment offices are unable to find satisfactory job openings for unemployed veterans, the Committee believes they should actively seek to place veterans in job training opportunities or in educational programs authorized under title 38 to equip the veteran with skills needed to obtain meaningful employment. The Committee has also added clarifying language with regard to the provisions requiring Federal contractors to give "special emphasis" to unemployed qualified Vietnam era veterans seeking employment. Finally, amendments are added to ensure that the Federal Government's role in the hiring of veterans, and particularly Vietnam era and service-connected disabled veterans, is consistent with those responsibilities we have placed on private employers.

EDUCATIONALLY DISADVANTAGED VETERANS

This Committee continues to be very concerned with the plight of educationally disadvantaged veterans. Every index reveals that these are people who bore a disproportionate share of combat in Vietnam whose level of skill training and education increased little in service, and who, to an alarming degree, do not take advantage of the very educational benefits that could serve them so well.

The term "educationally disadvantaged" veteran generally means one who has less than a high school education or equivalency, and by this standard, during the Vietnam era, from August of 1964 through 1973, 959,000 men and women who had less than high school educations were honorably discharged from the military as shown in the following table:

TABLE 9.—ESTIMATED NUMBER OF VIETNAM ERA VETERANS SEPARATED FROM THE ARMED FORCES WHO HAD COMPLETED LESS THAN A HIGH SCHOOL EDUCATION

[Numbers in thousands]

Fiscal year of separation	Total separations	With honorable discharge and 6 months or more of active duty service		
			Did not complete high school	
		Total	Percent of total separations	Number
August 1964–June 1965	496	455	22.2	110
1966	550	505	16.9	93
1967	576	502	18.2	105
1968	788	698	16.0	126
1969	972	871	14.4	140
1970	1,043	930	13.9	145
1971	995	876	11.3	112
1972	870	753	9.5	83
1973	614	504	7.3	45
Vietnam era	6,904	6,094	13.9	95

Equally disturbing, the President's Committee on the Vietnam Veteran reported that test results revealed that 30 percent of high school graduates scored as poorly or worse than the average score of those who had not completed high school. Using this figure as a minimum, another 1.4 million veterans should properly be categorized as "educationally disadvantaged."

While the educationally disadvantaged veteran population is not synonomous with the minority-group veteran population, there is considerable overlap, and the problems of both groups are similar and similarly severe in contrast to other veterans. In this connection, it is worthwhile to point out that black veterans constituted 20 percent of combat fatalities in Vietnam even though blacks comprised only 12.6 percent of military forces during the course of war.

To insure that the educationally disadvantaged veteran would have access to the GI bill, it became clear to the Congress, even before the formation of this Committee, three years ago, that special help ought to be provided.

Over the past five years, programs have been set up and strengthened that would provide academic and vocational brushup work to servicemen with education and training deficiencies before and after separation.

A Predischarge Education Program (PREP) providing academic assistance was established in Public Law 91–219 by Congress, and the Transition Program providing for vocational training was established by the Defense Department, both programs focusing on servicemen before separation. Monies have been provided in the GI bill for veterans to get high school diplomas, take refresher courses, and to receive individual tutorial assistance where needed, all without charge to their basic entitlement.

To gauge the success of these programs, this Committee requested the Government Accounting Office to survey a sampling of educationally disadvantaged veterans.

Pursuant to our request, the GAO was able to secure about 1,200 completed detailed questionnaires from educationally disadvantaged veterans. All had been discharged between May 1968 and November 1972; most were married, and most were not currently enrolled in school or training. Data was compiled and sent to this Committee in October 1973.

According to the data, 90 percent of the educationally disadvantaged never heard of the PREP program before or during their time in service. About 60 percent never were aware of it.

Only about 30 percent of those questioned knew about the Transition Program before or during their time in service; 40 percent never heard of it.

Yet, among valid responses, 58 percent said they would have used the PREP and Transition Programs had they known about them.

While these figures are distressing, on their face, they cause even further concern in light of the contention in a study by the Educational Testing Service of Princeton, New Jersey, "that preservice exposure to postsecondary education is a major influence of GI bill use." (The study was mandated by the Congress in Public Law 92–540 as a review of the comparability provided under the World War II, Korean conflict, and Vietnam era GI bills.)

Congress hoped that tutorial assistance for those in postsecondary education would have a major impact on encouraging educationally disadvantaged veterans to enroll. The step up from high school to college is a substantial one in terms of ability, work, and discipline required. A veteran could receive immediate, one-to-one help in courses he was finding particularly troublesome. Tutors could shore up academic deficiencies and confidence.

Public Law 91–210 thus provided $50 a month for up to nine months of individually tutorial assistance for veterans having academic difficulties, and Public Law 92–540 liberalized and clarified the guidelines governing this program.

Yet, in fiscal years 1971 through March of 1974, only 40,501 veterans had taken advantage of tutorial assistance, and only for an average of 2.3 months.

While 61 percent of the disadvantaged veterans questioned by GAO never heard about tutorial assistance, 55 percent said they would be encouraged to enter an education or training program if they knew that tutorial assistance was available for any courses they took after completing a high school curriculum.

As well known as the GI bill is, more than 10 percent of those queried never heard of it at all, and more than 50 percent had never used it.

Of the 1,200 respondents, 70 percent didn't participate in PREP, 71 percent did not participate in the Transition Program (the Transition Program has been phased out by the Defense Department as of the end of June 1974), and 75 percent did not take advantage of tutorial assistance. (The reported bill would extend maximum tutorial assistance benefits from 9 to 12 months and increase the assistance rate from $50 to $60 a month.)

The Committee believes all of these are conservative figures because some of the responses were invalid and some questions were not answered.

What is so particularly disturbing to the Committee is the recognition that a major reason educationally disadvantaged do not use their benefits is because they do not know about them.

There are a plethora of programs and plans, spelled out as law and as congressional intent, that make special provision for these veterans to overcome their educational deficiencies. Vigorous informational and outreach efforts are supposed to be underway—in the Defense Department, the Veterans' Administration, the Labor Department, and other Federal agencies—to insure that these veterans know about and are encouraged to use the full range of the benefits to which they are entitled.

Yet, 71 percent of respondents in the GAO study did not receive personal counseling from the Veterans' Administration or a representative of a service organization to explain available benefits; more than 83 percent of the educationally disadvantaged veterans questioned said that a personal interview either would or might have influenced them to seek an education with VA benefits.

Of those who continued their educations under the GI bill, only 14 percent said they were most influenced in that decision by a military advisor, VA, or veterans' service organization representative.

Data in the Educational Testing Service report shows that only 5 percent of educationally disadvantaged veterans in training or education had received counseling at a VA facility and only 2.9 percent received counseling from a VA contact officer.

This last figure is particularly distressing in view of the Committee's belief that outreach (particularly by peer group veterans) is vital in giving information and encouragement to educationally disadvantaged veterans.

With this in mind, a work/study program—called "veteran-student services"—was adopted in 1972 in Public Law 92–540. With the moneys provided, approximately 16,000 young veterans were authorized to be employed by the VA yearly to work on college campuses or at the Veterans' Administration. They could work 100 hours a schoolyear, at $2.50 an hour.

Besides providing extra money to needy veterans, a major purpose of the work/study program was to increase peer group outreach efforts to encourage young veterans to utilize their educational benefits, and the law so provided.

Faced with the continuing problem of the underutilization of the GI bill by the educationally disadvantaged veteran, the reported bill would substantially expand the work/study program to bolster outreach efforts. It would increase the number of hours a veteran could be employed by the VA from 150 to 250 and remove any limit on the number of veterans who could be utilized, thus clearing the way for the Veterans' Administration to enter into work-study agreements as many part-time veteran students as it deemed necessary.

Amendments are also made to strengthen and expand the Veterans' Outreach Service program enacted in 1970 in subchapter IV of chapter 3, including requiring greater personal contact with the veteran and requiring the VA to enter into contracts to utilize community-based national or local organizations which have particular expertise in communicating with and providing services to disadvantaged veterans.

The Committee believes that these amendments together with an expansion of the work/study program offer a rare opportunity to break the cycle of poverty and disillusionment into which so many educationally disadvantaged veterans are locked.

VOCATIONAL REHABILITATION FOR DISABLED VETERANS

The welfare of 398,000 disabled Vietnam era veterans continues to be of great concern to the Committee. These are the disabled veterans who have been and will continue to be most severely affected as a result of their military service.

Since the end of World War II, the Congress has recognized the need for special vocational assistance, beyond compensation, to help disabled veterans find a new career and train for it.

Disabled veterans are entitled to a monthly stipend, and Government payment of tuition, books, supplies, and equipment in pursuing a course of study that furthers the vocational goal decided on by the veteran in consultation with a VA counselor.

World War II and Korean conflict disabled veterans with a compensable rating automatically were entitled to the whole range of benefits.

However, current law provides that this special program (contained in chapter 31) is automatically available to Vietnam era veterans with a disability rating of 30 percent or more. Those Vietnam era veterans with a 10- or 20-percent disability rating can apply to the VA for chapter 31 eligibility if the disability can "clearly be proven to have caused a pronounced employment handicap."

There are 164,000 Vietnam era veterans with a 30 percent or higher disability rating, and 43,200 (26 percent) are in training and receiving chapter 31 benefits. There are 233,900 Vietnam era veterans with a disability rating of less than 30 percent, but only 5,800 (2.5 percent) have received chapter 31 benefits.

The Committee believes that the present law, which was adopted as a peacetime standard in 1955, is inappropriate, inconsistent, and discriminates against some 233,900 disabled Vietnam era veterans. Therefore, the reported bill amends the law to allow these veterans the same wider range of benefits available to World War II and Korean veterans with 10 and 20 percent disabilitity ratings.

Further, the Committee increases the rate of payment of the disabled veteran's monthly subsistence allowance by 18.2 percent, consistent with other rate changes made by this act.

A single disabled veteran, training under chapter 31, in addition to full tuition, will now receive $201 a month. With one dependent, the disabled veteran would receive $249; with two dependents, $293. The monthly check would be increased $21 for each dependent beyond two.

Finally the law is clarified to correct an excessively narrow administrative interpretation which has the effect of denying individualized tutorial assistance to many disabled veterans who need it. Currently, it is more difficult for disabled veterans to obtain tutorial assistance under chapter 31 than is the case with nondisabled veterans training under chapter 34.

BENEFITS FOR WIVES, WIDOWS, AND ORPHANS

In the past two decades, the Congress has recognized the need to provide assistance to the orphans and widows of servicemen killed in action and to the wives of men totally disabled while in the service.

In 1956, the Congress provided such assistance to orphans; in 1968, to wives and widows; and in 1972, under Public Law 92–540, to the wives of prisoners-of-war and those missing in action. This assistance is provided under chapter 35 of title 38.

Generally, the Congress has held that the death, total disability or prolonged absence of the father and husband threatens the economic well-being of families and marriages. Children might not be able to go on to school if the earning power of the father is not available to the family. Wives and widows may be forced to a life of bare subsistence.

In June of 1968, Veterans' Administrator William J. Driver reported to Congress that "it is preferable and necessary to encourage widows to return to the 'mainsteam' both economically and socially. This goal could be furthered through additional education."

Latest VA data indicates that a total of 47,325 wives, widows, and orphans are trainees under chapter 35. Of these, 40,052 are orphans; 7,273 wives and widows.

Ninety-two percent of all those receiving benefits under chapter 35 are enrolled in college.

The purpose of benefits to veterans and to wives, widows, and orphans is largely to increase their economic competitiveness, and so, the Committee strongly believes that chapter 35 beneficiaries should have their level of benefit payments keep pace with veterans receiving benefits under chapter 34.

Accordingly, the reported bill provides that recipients of chapter 35 benefits will be entitled to an 18.2-percent increase in their monthly rates and also be eligible for partial tuition assistance payments of up to $720 as provided for in the reported bill. Wives and widows will also receive an additional two years within which to use their benefits.

Consistent with past congressional efforts to equalize, where appropriate and feasible, chapter 35 benefits with those available to veterans under chapter 34, the reported bill also provides that these wives, widows, and children will now be eligible to participate in institutional farm training programs.

Finally, the reported bill provides that wives and widows shall receive the full range of benefits, including priority referral to jobs, job training and counseling, as that now provided veterans by State Employment Service offices under chapter 41 of title 38.

VETERANS' TRAINING BY CORRESPONDENCE

As part of its continuing legislative oversight activities, the Committee requested the General Accounting Office to examine the implementation and operation of amendments to the title 38 provision governing training programs by correspondence made in 1972 (Public Law 92–540). Those amendments provided for full disclosure of the obligations of both the institution and the veteran as well as a 10-day mandatory cooling-off period following which there must be a written affirmation by the veteran before he becomes financially obligated in any way. Public Law 92–540 also required correspondence schools to refund tuition to veterans who terminate prior to course completion on a lesson-completed basis rather than time-elapsed basis.

At the request of the Committee, the General Accounting Office examined the implementation of these provisions at eight correspondence schools. These schools (all accredited by the National Home Study Council) as of December 31, 1973, had a combined veteran enrollment of 180,000 or 63 percent of the 288,000 veterans enrolled in correspondence training nationwide under the GI bill. In addition to talking with school officials and examining student files, the General Accounting Office also contacted on a random selection basis, 160 veterans or 20 from each school, evenly divided between current enrollees and veterans who had discontinued the training before course completion. In its report to the Committee, the General Accounting Office found that the schools they visited were:

"Generally adhering to the major provisions of Public Law 92-540. For the most part contracts and refund policies have conformed to the requirements of the law."

In summary, we did note the following:

Certain actions by the schools did not appear to fully comply with the spirit and intent of the law.

The VA could take action in some instances to facilitate compliance with the law.

There is confusion as to how to precisely compute the ten day period for reconsideration of enrollment.

The wording on the VA affirmation forms seems to be confusing.

At two of the eight schools, veterans had to notify the schools of their intent to cancel at least twice before refund would be made.

At one school collection letters were sent to the veterans indicating the refund provision would be canceled unless tuition payments were made.

13 percent of the veterans we talked to stated they were not aware the VA would pay for only 90 percent of the cost of the course.

20 percent of the veterans indicated they did not fully understand the school's refund policy.

A good number of the problems just noted are, according to the General Accounting Office, directly connected either with "unclear wording on the affirmation form" or in the "methods of delivery of affirmation forms to the veterans." The official affirmation form developed and distributed by the Veterans' Administration is as follows:

"I have read and I understand the enrollment agreement that I entered into with the above named school and the date indicated in item four. I hereby affirm such enrollment agreement and certify under penalty of law that have not signed this affirmation until after the expiration of 10 days from the date I signed the aforesaid enrollment agreement. (VA form 22-1999 C)

Investigators found two schools used exact copies of the VA form while the other six were using their own forms (apparently in contravention of VA regulations). In its report to the Committee the General Accounting Office observed:

"The wording of both the VA and school designed form may confuse the veteran. Neither form states that the purpose of the affirmation is to allow veterans time to reconsider their decision to enroll. One-third of the veterans contacted who remembered signing affirmation forms told us they did not understand the purpose of the document.

Thus, in order to clearly effectuate the intent of the law the Committee (based upon the information supplied by the General Accounting Office) directs that the Veterans' Administration rewrite the affirmation form and ensure that it is utilized by all correspondence schools enrolling eligible veterans, wives, or widows. The affirmation form should clearly reflect the intent of the law that the veteran has at least 10 calendar days after signing the contract to reconsider his decision to enroll in the correspondence course, and further that the veteran is not financially obligated in any way unless he reaffirms those intentions following the 10-day "cooling-off" period.

The Veterans' Administration should also take appropriate steps to ensure that sales representatives do not distribute or secure the veteran's affirmation when he *initially* signs the enrollment agreement (*or shortly thereafter*). The affirmation form should be executed only following the expiration of the ten-day period.

Additionally, in light of the fact that a significant number of veterans were not aware that the VA paid for only 90 percent of the cost of the course or did not fully understand the schools' refund policy, the Committee also strongly believes that readily understandable information concerning both of these matters should be included on the affirmation form.

The Committee is particularly disturbed by the report of the General Accounting Office which indicates that schools were slow in making refunds to those who terminated the course and in certain circumstances would not make a refund to a nonaffirmed veteran upon the receipt of the first notification to cancel. These schools required at least two notices to cancel and if the veterans did not respond, enrollment was canceled but no refund was made. Thus, the Committee has found that the affirmation notice should clearly indicate the conditions under which refunds are made and that the Veterans' Administration should take necessary administrative steps to ensure that all institutions promptly refund monies within 30 days following receipt of notification of cancellation or nonaffirmation by the veteran.

SECTION-BY-SECTION ANALYSIS AND EXPLANATION ON S. 2784, AS REPORTED

Section 1

This section provides that the Act may be cited as the "Vietnam Era Veterans' Readjustment Act of 1974."

TITLE I—VOCATIONAL REHABILITATION AND EDUCATION ASSISTANCE RATE ADJUSTMENTS

Section 101

This section amends chapter 31 of title 38, United States Code, which provides vocational rehabilitation training for disabled veterans. First, the monthly subsistence allowance payable to disabled veterans in training under this chapter would be increased by 18.2 percent (veterans training under this chapter have their full tuition paid by the Veterans' Administration). Second, eligibility requirements are liberalized so that they are identical with those in effect for disabled veterans of World War II and the Korean conflict.

The Committee has been quite concerned that disabled Vietnam era veterans are utilizing their benefits under chapter 31 for vocational training at a far lower rate than veterans of World War II and the Korean conflict. It believes the lack of participation is due in large part to the fact that benefits are automatically available to those only with disability ratings of 30 percent or more. Veterans of World War II and the Korean conflict with any compensable disability automatically qualify for benefits. Although the statute provides that Vietnam era veterans ratings of under 30 percent may train under chapter 31 if this disability can "be clearly shown to have caused a pronounced employment handicap," the Committee believes that this standard and the strict administrative interpretations thereof, have resulted in denying benefits to deserving disabled veterans. In 1973, only 1,160 veterans with a disability of less than 30 percent were enrolled in chapter 31 programs. In contrast, 39,000 veterans with less than a 30-percent disability rating were enrolled in chapter 34 programs.

The Veterans' Administration statistics reveal that 80 percent of the applications for chapter 31 benefits by Vietnam era veterans with disabilities of under 30 percent were denied. The following table indicates the participation rate in chapter 31 vocational rehabilitation programs for veterans of the three wars:

TABLE 10.—DISABLED VETERANS PARTICPATION IN CHAPTER 31 PROGRAMS

	Total disabled (VA compension)	Trained under ch .31	Participation rate (percent)
World War II:			
Less than 30 percent	1,430,000	321,000	22.4
30 percent or more	793,000	300,400	37.9
Korean conflict:			
Less than 30 percent	175,000	30,900	17.7
30 percent or more	127,000	46,100	36.3
Vietnam era:[2]			
Less than 30 percent	[1]233,900	5,800	2.5
30 percent or more	164,400	43,200	26.3

[1] Eligible only when impairment imposes a significant vocational handicap, as established through vocational counseling.

[2] Through April 1973.

The Committee believes that amendment of the law to provide automatic qualification to chapter 31 benefits for any Vietnam era veteran with a compensable disability rating, which is the standard identical to that of the World War II and Korean conflict programs, will result in a much higher disabled veteran participation rate than the current 26.3 percent participation rate for those with a 30 percent or greater rating and the extremely low 2.5 percent rating for those with less than 30 percent disabilities. The Committee also points out that in its review of chapter 31 it discovered many inconsistencies and much outdated terminology. In addition, regulations issued thereunder are of little assistance in further interpreting the chapter. The Committee thus strongly recommends that the Veterans' Administration thoroughly review chapter 31 for possible legislative and administrative changes, particularly in light of recent legislative action taken by Congress in the Rehabilitation Act of 1973 (Public Law 93-112), which substantially restructured and redefined concepts regarding handicapped individuals, the employment and services opportunities for them. In this connection appropriate officials of the Veterans' Administration should consult with the Commissioner of the Rehabilitation Services Administration. Following such a review, the Committee would anticipate reenacting chapter 31 in order to clarify and update the language which is difficult to understand and often appears to be archaic.

Clause 1 amends section 1501(2) of chapter 31 by providing that the definition of the term "vocational rehabilitation" shall also include and mean all appropriate "individualized tutorial assistance." In its review of the vocational rehabilitation program, the Committee discovered that it is more difficult for a veteran enrolled in a program of training under chapter 31 to obtain tutorial services than for a veteran enrolled in a program of training under chapter 34, under the special tutorial program established in section 1692 in 1972.

Chapter 31 VA regulations presently allow little room for any tutorial services except under very restrictive conditions. Title 38 of the Code of Federal Regulations provides in section 21.278 that "as a general principle, therefore, private tutoring at Government expense should be authorized only in exceptional cases." It would appear by this regulation that only illness or some other unavoidable absence from class will permit chapter 31 veterans to make up specific material without undue delay. Thus, in effect, disabled veterans enrolled in chapter 31 programs are not allowed to take remedial, tutorial services at Government expense (as are nondisabled veterans under chapter 34) should they be doing poorly or failing in a course of instruction. The Committee believes that at a very minimum, chapter 31 veterans should be entitled to tutorial services under qualifying conditions at least as generous as those applied to chapter 34 veterans. Accordingly, the Committee directs that the Veterans' Administration modify its regulations as soon as possible after enactment of this clarification to make tutorial services more available to the disabled veteran.

Clause 2 amends section 1502 of chapter 31, to provide that veterans of the Vietnam era (and veterans discharged prior thereto since January 31, 1955) shall receive the same vocational rehabilitation benefits as those granted veterans of World War II and the Korean conflict. At that time veterans were automatically granted such benefits if they had a compensable disability. Presently, veterans of the Vietnam era must be rated 30 percent or more in order to be automatically entitled to such benefits. The Committee believes that standards of equity require that post-Korean conflict disabled veterans be given the same benefits as those provided to World War II and Korean conflict veterans. Since August 5, 1964, approximately 30,000 less than 30-percent disabled veterans have applied for chapter 31 benefits, of which 24,000 have been denied. Approximately 198,000 Vietnam era veterans rated 10 or 20 percent disabled were receiving disability compensation as of June 30, 1973. Of that number, it is estimated for their training that 12,200 will receive training under this section with a first year cost of $36.6 million.

Clause 3 amends the subsistence allowance table in section 1504(b) to provide an 18.2 percent across-the-board increase in the monthly subsistence allowance rates for chapter 31 trainees. The full-time institutional rate for a veteran with no dependents would be increased from $170 to $201 a month. For a veteran with one dependent, the rate per month would be increased to $249; with two dependents to $293; and $23 would be added for each dependent in excess of two.

The Veterans' Administration estimates that approximately 28,000 veterans will train under this section, with a first year cost of $8.8 million decreasing at the end of five years to 26,000 in training at a cost of $8.2 million.

Section 102

Clause 1 amends section 1651 which sets forth the purpose of chapter 34 to reflect amendments made by the reported bill, by providing that the education program created by that chapter consists of payments of a monthly educational assistance allowance and a partial tuition assistance allowance.

Clause 2 amends section 1677(b) of chapter 34 to provide an 18.2-percent increase in the flight training program assistance. Under existing law, the Veterans' Administration pays 90 percent of the cost of such course. Accordingly, the period of entitlement of any veteran will be reduced one month for each $260 (currently $220) paid to a veteran for such flight course training. According to the Veterans' Administration, an estimated 23,000 veterans plus 6,000 servicemen, totaling 29,350, will train under this section in the current fiscal year. The VA estimates a total number of trainees for fiscal year 1976 of 27,000, decreasing to 22,000 in 1977, 21,000 in 1978, and 19,000 in 1979 for a five-year total of 118,350.

Clause 3 amends section 1681 to reflect the addition of the partial tuition assistance allowance made by the reported bill.

Clause 4 amends section 1682(a)(1) to provide an 18.2-percent increase in the monthly educational assistance allowance and to provide for payment of a partial tuition assistance allowance of up to $720 a school year. The full-time instruction rate for a veteran with no dependents would be increased from $220 to $260 a month. The rate for a veteran with one dependent would be increased to $309 a month from the current rate of $261. The addition of a child would increase the rate from $298 to $352 a month, with an additional $21 a month for each dependent in excess of two. Three-quarter and half-time training rates are also adjusted upward proportionately by an 18.2-percent rate. The partial tuition assistance allowance provision provides that if a veteran is pursuing a program of institutional training on a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of 80 percent of the amount of tuition (or established fee in lieu of tuition) up to $1,000 for an ordinary school year, shall be paid after excluding the first $100 of such tuition. Veterans training on a three-quarter or half-time basis shall be paid on a proportionately reduced basis on the same terms and conditions as a veteran training in a full-time basis, Partial tuition assistance allowance payments are to be made in accordance with the provisions prescribed in new section 1780A (discussed in section 104, *infra*).

Clause 5 amends section 1682, relating to the pursuit of a program of education while on active duty or on less than a half-time basis, by providing for an 18.2-percent increase.

Clause 6 amends section 1682(c) to provide for an 18.2-percent increase in the monthly assistance rates payable to veterans pursuing the farm cooperative program as well as authorizing a partial tuition assistance allowance. The Committee has been and continues to be quite concerned about the extremely low participation levels in farm cooperative programs. Currently, only about 1 percent of the GI bill trainees under the farm cooperative program as compared with the World War II and Korean conflict have respective participation rates of 3.6 and 1.6 percent. Amendments made by the Senate bill in 1972, which as modified were ultimately enacted in Public Law 92-540, reduced in required number of clock hours in a year from 528 to 440 for a farm cooperative program. This reduction in yearly clock hours which is in accord with current educational philosophy, was coupled with changes in the program which gave added flexibility to permit a veteran's curriculum to be prescheduled to provide a minimum of classroom instruction during peak periods of farming activity and conversely a maximum class scheduled during off-season periods. As a result of these amendments, participation in farm cooperative training increased in the first year 64.4 percent and last year increased another 64.9 percent.

Nevertheless, the participation rates remain low, as the overall participation in the farm cooperative program during the Vietnam era is reflected in the following table:

TABLE 11.—*Participation under farm cooperative training programs during Vietnam era through April 1974*

State	*Farm trainees*
Alabama	12
Alaska	3
Arizona	11
Arkansas	3, 073
California	100
Colorado	17
Connecticut	3
Delaware	2
District of Columbia	2
Florida	446
Georgia	13
Hawaii	2
Idaho	6
Illinois	65
Indiana	781
Iowa	2, 412
Kansas	32
Kentucky	5
Louisiana	50
Maine	2
Maryland	5
Massachusetts	5
Michigan	8
Minnesota	2, 045
Mississippi	3
Missouri	972
Montana	19
Nebraska	1, 591
Nevada	1
New Hampshire	3
New Jersey	5
New Mexico	2
New York	17
North Carolina	722
North Dakota	467
Ohio	5
Oklahoma	791
Oregon	4
Pennsylvania	7
Rhode Island	0
South Carolina	9
South Dakota	740
Tennessee	105
Texas	40
Utah	3
Vermont	1
Virginia	59
Washington	16
West Virginia	1
Wisconsin	610
Wyoming	29
Puerto Rico	1
U.S. total	15, 328

In view of the extremely low participation levels in most States of veterans in farm cooperative programs, the Veterans' Administration is instructed to use existing facilities to promote and coordinate the establishment of such programs. The Administrator is directed to work together with officials of State education organizations and institutions, the Secretary of Agriculture, the Commission of Education, and State directors of Agriculture Extension Services to insure close contact between these groups in identifying the need of veterans involved in farming and creating farm cooperative programs to meet those training needs. The Administrator should also work closely with the State Agriculture Extension Services, State school and education officials and veterans' organizations in determining the number and location of veterans who might participate in and benefit from farm cooperative programs so that these programs might be better organized. Coordination and improvement of these efforts should also be sought through the new Inter-Agency Committee on Veterans' Services established by section 218 of the reported bill.

Clause 7 amends section 1696 (b) to provide an 18.2-percent increase in the maximum of educational assistance allowances payable under the Predischarge Education Program (PREP).

The Veterans' Administration estimates that over 1.5 million veterans in the first year will benefit from the rate increase provided in section 102 at a cost of $432.7 million decreasing gradually to participation of 927,000 veterans at a cost of $262.9 million.

Section 103

Clauses 1 and 2 amend section 1731 (a) and (b) to provide that each parent or guardian of an eligible person pursuing a program of education under chapter 35 of title 38, United States Code, shall upon application receive a partial tuition allowance (as provided for in the reported bill) in addition to the educational assistance allowance now authorized by this section.

Clauses 3 and 4 amend section 1732(a) (1) and (2) to provide that the educational assistance allowance paid to an eligible person pursuing a program of education under chapter 35 shall be paid on the same terms and conditions and at the same rates as prescribed for a veteran with no dependents in section 1682 (a)(1) or (b)(2) of this title, as appropriate.

Clause 5 amends section 1732(b) to provide an 18.2-percent increase in the monthly educational assistance allowance rates to eligible persons pursuing a full-time course of training in a business or industrial establishment with the training in the establishment being strictly supplemental to the institution portion. The monthly allowance rate as raised from $177 to $209.

Clause 6 amends section 1733(a) to authorize a partial tuition assistance allowance, where appropriate, for wives and widows receiving special assistance for the educationally disadvantaged.

Clause 7 amends section 1742(a) to increase the special restorative training assistance allowance by 18.2 percent from $220 to $260 a month payable to the parent or guardian of the child in need of such training. In addition, if the tuition and fees applicable for any such course are more than $82 (presently $69) per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed that monthly figure if the parent or guardian elects to have the entitlement reduced by one day for each $8.69 (presently $7.35) that the special training allowance paid exceeds the basic monthly allowance.

The Veterans' Administration estimated that the number of persons affected and the cost for this section is minimal.

Section 104

This section amends chapter 36 of title 38, United States Code, by adding after section 1780 the following new section:

§ 1780A. Partial tuition assistance allowance

Subsection (a). **Provides that the Administrator shall pay the partial tuition assistance allowance directly to the eligible veteran or person as specified in section 1682 (a) or (c), 1691(a)(2), 1732 (a) or (c), or 1733 of title 38, pursuing a program of institutional training on a full-time, three-quarter-time, or half-time basis, in amounts specified in sections 1682 (a)(1) and (c) and 1732 of title 38 up to a maximum of $720 per ordinary school year based on the following formula:**

80 percent of a school's yearly tuition charges up to $1,000 (excluding the first $100).

Subsection (b). **Provides that in no event shall an eligible veteran or person be paid a partial tuition assistance allowance in excess of the customary tuition (or established fees in lieu of tuition) charged other similarly circumstanced students in the same institution. These provisions are aimed at avoiding some of the principle criticisms of the World War II program which concerned** the problems and abuses that arose from improper or discriminatory charges assessed veterans. Charges to veteran students and eligible wives and widows must not differ from those applied to similarly circumstanced nonveteran students. And, unlike the World War II program which permitted this practice, the reported bill clearly states that VA payment for tuition charges to veterans may not be based upon nonresident rates unless the veteran is, in fact, a bona fide nonresident under the applicable laws of that State. If a veteran was a resident of a State immediately prior to the veteran's entry into the armed service, VA payment is authorized only on the basis of the school's in-state resident tuition charges.

The Committee is aware that a number of States do not charge tuition but instead have "fees in lieu of tuition". The Committee amendment would permit payment of those fees if they are in fact charges applicable to all students and relate to the instructional or academic process. Such fees could include, for example, standard laboratory fees charged to all students, library fees, and fees for services such as counseling available to all students. This section does not contemplate the inclusion of such fees as student activity fees, athletic fees, parking fees, or charges for books, equipment, or fees applicable to any particular course.

Subsection (c). Provides that no partial tuition assistance allowance shall be paid to any veteran or person pursuing a program of correspondence, flight, apprenticeship and other on-job, or PREP training.

Subsection (d). Provides that payment of the partial tuition assistance allowance shall be made upon receipt by the Administrator of such evidence as he deems necessary to determine that (1) the eligible veteran or person has enrolled in the educational institution and is pursuing a program of education and (2) the amount of tuition (or established fee in lieu of tuition) paid or to be paid by any eligible veteran or person.

The Committee believes this section grants ample authority to the Administrator to establish such controls as he deems necessary and appropriate at his discretion to ensure against abuses of the program either through improper payment to a veteran or by the establishment of improper tuition or fees by the institution involved. Establishment of a veterans' representative program in the reported bill (see section 217 and discussion thereunder) which will station a VA employee on campus, will further enable the Veterans' Administration to design and to implement effectively such controls as are deemed necessary.

Subject to the limitations in subsection (a), each payment of the partial tuition assistance payment shall not exceed the amount payable for the term, quarter, or semester for which the veteran or person is enrolled and shall be in a ratio which such term, quarter, or semester bears to the ordinary school year.

In the case of courses not organized on a term, quarter, or semester basis, 36 weeks shall be considered to be an ordinary school year. Payment of the partial tuition assistance allowance shall be made in such increments as the Administrator shall determine by regulation. The provision for phased payments is designed to serve as an additional control against improper payments.

Subsection (e). Provides that the payment of partial tuition assistance allowance shall be drawn in favor of the veteran or person and mailed to the educational institution listed on the application for temporary care and delivery to the veteran or person as soon as practicable after receipt thereof. By providing for payment directly to the veteran this procedure follows the traditional practice established since the Korean conflict program. Direct payment to the veteran follows recommendations of the House Select Committee, chaired by the Honorable Olin E. Teague in 1952, which were intended to avoid the abuses of the World War II program. To establish even greater controls however, payments will be mailed to the educational institution in the same manner as advance payment checks currently provided for in section 1780. The Committee believes that the new veteran's representatives who will be stationed on campus (pursuant to new section 243 added by section 217 of the reported bill) will be in a position to oversee payment and delivery and to avoid both abuses as well as the problems which plagued the initial implementation of the Advance Payment program by the Veterans' Administration in 1973.

Subsection (f). Provides that if an eligible veteran or person who has been paid a partial tuition assistance allowance fails to commence a program of education or terminates his enrollment before the end of the enrollment period, then an overpayment shall be declared and recovered by the Administrator in the same manner as any other debt due to the United States. It should be noted that the Veterans' Administration has an impressive record in recovering overpayments. VA officials have informed the Committee that currently it collects at least 97 cents out of each dollar of overpayment. According to figures supplied by the Veterans' Administration, overpayments in the Korean conflict program constituted 0.27 percent of the total expenditures. Even under the World War II program with its attendant abuses, overpayments constituted only 1.73 percent of the $14.5 billion expended under the program. Under this section, overpayment shall be declared and recovered in accordance with the following:

(1) If the veteran or person has failed to commence his program of education within 30 days after the date prescribed for enrollment, the full amount of the allowance shall be considered an overpayment and shall be recovered from the veteran or person or from the educational institution if all the tuition has been paid to the institution;

(2) If the veteran or person has failed to commence his program of education but has paid part of his tuition to the educational institution, the full amount of the allowance retained by the veteran or person and not paid to the institution shall be recovered from the veteran or person and the portion paid to the institution shall be recovered from the institution;

(3) If the veteran or person has commenced his program of education but has terminated his program before the end of the enrollment period, the portion of the allowance retained by the veteran or person shall be recovered from such veteran or person in a ratio which the amount of the partial tuition allowance bears to the uncompleted portion of the program. The Administrator shall recover from the educational institution the allowance paid to such institution based on a refund policy which each institution shall establish in accordance with guidelines prescribed by the Administrator.

Subsection (g). Provides that the Administrator shall prescribe such rules and regulations as are necessary or appropriate to implement, and to prevent abuses of, the program for payment of partial tuition assistance allowance. In this connection, the Committee notes further that the General Accounting Office pursuant to existing statutory authority also has right of access for the purpose of audit and examination to any books, accounts, records, reports, files and other pertinent materials of institutions eligible under title 38. The Committee would expect the Comptroller General to assign such personnel and resources as he deems necessary to monitor the implementation and operation of this program to ensure against abuses.

Subsection (h). Provides that the Administrator shall promptly report to the Attorney General for appropriate action any violation by (1) a veteran, of section 3502 of title 38 (relating to fraudulent acceptance of payments), or (2) an educational institution, or any officer, employee, or agent thereof of section 371 of title 18 (relating to conspiracy to commit an offense or to defraud the United States), section 1001 of title 18 (relating to false statements or entries), or any other Federal criminal statute. The Committee initially considered providing new criminal provisions relating to the partial tuition assistance program but concluded that existing statutes provide ample authority for criminal prosecution for any abuse of the program established by the reported bill.

Subsection (b) of the reported bill amends the table of sections at the beginning of chapter 36 by adding reference to the new section 1780A.

TITLE II—EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

Section 201

This section makes technical amendments to section 1652(a), the "Definition" section of chapter 34, to reflect other amendments made by section 202 of the reported bill (discussed hereinafter) to section 1661(a) to permit the counting for educational benefits entitlement of the initial six months of active duty training by Reserve and National Guard members under certain circumstances. Section 1652 currently defines "active duty" to exclude the initial period of training (usually six months) served by Reserve and National Guard members pursuant to the provisions of section 511(d) of title 10, United States Code.

Section 202

Clauses 1 and 3 amend section 1661 to provide an additional 9 months of entitlement to any veteran who has earned the present maximum of 36 months.

The GI bill was designed, among other things, to allow a veteran to obtain a bachelor's degree for those who made full use of their benefits.

However, the high price of education, the loss of credits involved in transferring from one institution to another, and the lack of adequate benefits in the GI bill heretofore, have all combined to make it very likely that many Vietnam era veterans will not be able to complete baccalaureate degree requirements within four school years.

The relatively low level of benefits has caused many veterans to devote excessive hours to earn money to supplement their monthly benefit checks in order to obtain an education under the GI bill.

The National Association of Concerned Veterans (NACV, formerly National Association of Collegiate Veterans) testified before the Committee that:

"Under the existing GI bill, many veterans are forced to work in order to stay in school. The problem is, specifically, that many veterans find themselves forced to work more hours than they can successfully balance with their academic studies.

VA statistics indicating that 48.8 percent of GI bill trainees have dependents, only underscores the problem. Under current law, veterans can receive full monthly benefits for 12 credit-hours of study. But, as NACV pointed out in its testimony, 12 credit-hours per semester add up to 96 credit-hours after four school years, or 24 credit-hours short of the 120 required for graduation. On a quarter system, four years of the minimum requirement will accumulate 144 or 36 short of the 180 necessary for graduation.

Based on extensive contacts with its affiliated schools, the American Association of Community and Junior Colleges testified before the Committee that "most veterans averaged only 12 hours for an average semester."

A NACV survey of veterans in schools in Montana, New Jersey, Ohio, Wisconsin, Minnesota, Mississippi, Missouri, West Virginia, Michigan, and Nebraska indicates that 49.4 percent "would not be able to obtain an undergraduate degree within the allotted 36 months of entitlement."

High living and education costs have further combined to force young veterans to find and enroll in the least expensive educational institutions available. According to November 1973 Veterans' Administration statistics, junior and community college trainees represented 42.9 percent of all veterans training in colleges in November 1973; up from 37.3 percent in November 1972.

The Committee is also aware that in crowded public institutions, where most veterans turn for education, it is extremely difficult to gain admission to courses required for graduation. According to a recent survey, it took 690 veterans an average of five years to complete their degrees at the California University at Fullerton and the University of California at Irvine.

It seems clear to the Committee that extension of entitlement must be provided to insure that veterans—taking reduced credit loads, forced to work, and facing technical and administrative bottlenecks—will be able to complete their undergraduate degrees.

Since the adoption of the first GI bill, 30 years ago this month, the nature of the American work force has changed radically. Considering the exclusiveness of higher education after the World War II the GI bill was very much of a bonus. Today, it is very much a necessity.

Certainly, a major aspect of readjustment assistance is to make the veteran economically competitive. In 1950, 7.1 percent of those in the 25-to-29 age bracket in the Nation had baccalaureate degrees; in 1973, 19 percent had undergraduate degrees in the same age bracket.

In its testimony before the Committee, NACV said that:

"The employment market today requires, in many instances, the applicant to attain a higher than bachelor's level degree in order to compete with others. It is possible for an individual to graduate from college, enter the employment market, and not even qualify to fill out an employment form, much less compete for a job."

According to the VA, only 8.5 percent of Vietnam era veteran trainees did not have at least a high school education, compared with 45.2 percent for World War II trainees.

A recent report by the Carnegie Institute on Higher Education points out that educational requirements imposed by employers. State licensing agencies, and professional certification boards demand increasing periods of higher education.

It seems clear to the Committee that everything that can be done, including extension of the monthly entitlement period, should be done to assure veterans that they can obtain undergraduate degrees in order to make them minimally competitive in today's job market.

While the Committee looks with favor on the ability of some veterans to go on to a master's degree, it reiterates its strong support for the extension of eligibility from 36 to 45 months as a means to insure that veterans are getting at least an undergraduate degree.

Clause 2 would amend section 1661(a) to permit the initial period of active duty for training performed under section 511(d) of title 10 to be counted as active duty for the purposes of entitlement to educational assistance under chapter 34, if the Reserve or National Guard member subsequently serves on active duty for a consecutive period of one year or more.

At present, educational benefits may be granted to those veterans who served on active duty for a period of more than 180 days (any part of which occurred after January 31, 1955) and who were discharged or released therefrom under conditions other than dishonorable or were discharged or released from active duty after such date for a service-connected disability. Specifically barred from inclusion in the computation of active duty are (1) periods of time an individual was assigned full time to a civilian institution for a course of education which was substantially the same as established courses offered to civilians; (2) time served as a cadet or midshipman at one of the service academies; and (3) active duty under the provisions of section 511(d).

The traditional reason for not counting a Reserve or Guard member's initial period of active duty training for purposes of establishing entitlement to veterans educational benefits, according to the Veterans' Administration, has been that the "short period of orderly planned service" did not constitute a sufficient "interruption" of an individual's civilian activities to warrant the granting of educational assistance benefits. Section 1651 declares that the intent of the educational program created under chapter 34 is, in part, for the purpose of:

"(3) providing the vocational readjustment and restoring lost educational opportunities to those servicemen and women whose careers have been interrupted or impeded by reason of active duty training after January 31, 1955."

Whatever merit concept the argument may have in not counting initial time by a Reserve or Guard member, in normal circumstances, the Committee believes that there has been sufficient "interruption" by subsequent active duty service for a consecutive period of a year or more to warrant full entitlement to benefits for all active duty for training.

The Committee also believes that the assurance that any initial training period will be counted if a unit is called up for a subsequent period of one year or more of active duty should aid in the recruitment of personnel for the Reserves and National Guard which have fallen below maximum strength levels in the past year.

The Veterans' Administration estimates that the cost of this provision should be "insignificant," with approximately 500 veterans training in the first and second year at a cost of about $540,000 a year, thereafter decreasing to 100 veterans training at an annual cost of $100,000 in the succeeding three years. Their cost estimates are based on the following assumptions:

(a) Of those who had active duty for training prior to 1968 only 2 percent were called to active duty in the active Armed Forces and only 1 percent who trained after 1968 have been called; (b) of those called to active duty, 30 percent served more than one year and less than 18 months; (c) because most veterans do not utilize their full entitlements, it is anticipated that of those eligible, only 20 percent would take advantage of the additional months of entitlement; (d) of those using the added entitlement, an average of six months would be used; and (e) of those veterans who were discharged prior to 1967, very few would utilize this benefit.

Of course, should international or other situations subsequently develop which would require the calling to active duty of substantial numbers of Reserve or Guard members for periods of a year or more, costs would increase accordingly.

Section 203

Clauses 1, 2, and 3, of section 203 would amend section 1662 to extend to ten years the current eight-year delimiting date for veterans to complete their programs of education. (Section 208, discussed *infra,* would provide a similar extension of benefits for eligible wives and widows training under chapter 35.) Approximately 4 million eligible veterans who were discharged between January 31, 1955 and June 1, 1966 would be immediately affected by this amendment. The following table shows the number of veterans affected by date of their discharge prior to 1966:

TABLE 12.—*Net separations from military service, 1955–66*

Fiscal year:	*Veterans separations*
1955 [1]	4,000
1956	26,000
1957	156,000
1958	383,000
1959	399,000
1960	434,000
1961	388,000
1962	375,000
1963	465,000
1964	507,000
1965	495,000
1966	507,000
Total	4,139,000

[1] 2d half of fiscal year only.

For the next five fiscal years the following table shows the number of veterans who would be affected if the delimiting date were not extended:

TABLE 13.—*Net separations from military service, 1967–72*

Fiscal year:	*Veterans separations*
1967	533,000
1968	745,000
1969	940,000
1970	1,012,000
1971	975,000
1972	850,000
Total	5,055,000

The Veterans' Administration estimates that approximately 500,000 of these veterans affected by the delimiting date would enter or continue training at a first-year cost of $731 million. The number of men is expected to decline to 396,000 at an annual cost of $578.9 million by the end of the fifth year.

The Committee believes that the cost estimates supplied by the Veterans' Administration are open to considerable question and should be examined in light of a more detailed discussion found in the report under Cost Estimates, *infra*.

Clause 4 would add a new subsection (d) to section 1662 which would exclude in computing the delimiting date for those veteran-civilians held as prisoners of war in the Vietnam theater of operations the period of time during which they were detained plus any period of time during which they were hospitalized immediately subsequent to their release.

Included among the prisoners of war released last year were 24 civilian prisoners of whom 17 were veterans who had military service which would otherwise qualify them for VA educational benefits. These are individuals who, because of circumstances beyond their control, have been unable to utilize their potential entitlement. This provision would, in the case of these 17 individuals, exclude, in computing their delimiting date for utilizing their entitlement, those periods of time during which they were detained and were thus unable to use their benefits, plus any period of hospitalization they were required to undergo immediately subsequent to their release from detention. This provision is, therefore, entirely equitable and fully justified in the case of this limited group of individuals.

The provision is supported by the Veterans' Administration which estimates there would be a minimal cost impact.

Section 204

Clause 1 amends section 1673(a)(2) to expand the provisions of the section to apply to all courses with a vocational objective the existing minimum 50-percent placement requirement. This amendment is consistent with current VA authority and administrative practice which requires, as a condition of initial or continued approval for VA payment, that a substantial number of vocational course graduates obtain employment in the occupation for which the course trained them. A "program of education" is defined in section 1652(b) as a course of study or training "which is generally accepted as necessary to fulfill requirements for the attainment of a predetermined and identified education, professional, or vocational objective." The Veterans' Administration, Department of Veterans' Benefits, Program Guide for the Implementation of Regulations under title 38 states in pertinent part that:

> Any program not leading to a high school diploma, a college degree, or a postdoctoral certificate from an accredited college or university must lead to a vocational or professional objective. A vocational or professional objective is a recognized occupation that is listed in the Dictionary of Occupational Titles or one that is subject to listing therein. . . . A vocational school course may be authorized for an occupational objective if graduates of the course generally qualify for employment in the stated job objective. If there are licensing requirements in the State for the occupation, completion of the course must meet the requirements for taking the licensing examination. If completion of the course will not meet the requirements for taking the licensing examination, the vocational course should not be authorized as a program of education. If there are no licensing requirements, completion of the course must be generally recognized by prospective employers as qualifying for employment in the stated occupation. If graduates of the course can not obtain employment in the community where the course is given because they are not considered qualified, the vocational course should not be authorized as a program of education.

In order to determine whether a school offering a course in fact fulfills the requirement for attainment of an occupational objective, the Veterans' Administration has for a number of years instructed the State approving agencies to require that a school demonstrate that a substantial portion of its students who complete the course has in fact obtained employment in the jobs for which the course trained them. Instructions covering State Approving Agency reimbursement contract for fiscal year 1975 issued by the Veterans' Administration on March 27, 1974 (DVB CIRC 22-74-2) state for example:

> 8. *Program of Education—Vocational:* We continue to receive complaints from veterans concerning some vocational courses. The complaints generally are centered around course content, quality of the course, the instructional materials, and the fact that completion of the course is not generally recognized by industry as meeting the vocational requirements for the occupation for which the course purports to train the veteran. The State Approving Agency, in approving a course or in reviewing a course already approved, should be certain (a) that the curriculum is adequate to accomplish the training objective for which the course is designed, (b) that the quality of the instructors assure competent and complete training for the vocational objective, and (c) that the course completion by itself is generally being accepted by the industry for employment purposes. For example, courses may have as their stated vocational objectives, insurance adjuster, motel-hotel manager, or computer programmer. A course leading to any one of these objectives, or any other vocational objective, should not be approved, or the approval continued unless the school can demonstrate that a substantial number of its graduates are thereby able to obtain employment in the occupations for which trained by the course.

The foregoing has been a longstanding concern of the Veterans' Administration, and, in an appearance before the Federal Trade Commission on proposed guides for proprietary vocational home study schools in 1970, VA officials testified that:

"A common complaint of the veterans is that of not obtaining a job upon completion of the course. They claim that it has been part of the salesman's routine to promise the veteran that the school would find him employment after he had successfully completed the course. . . .

"For vocational courses, employment opportunities play an important role in a student's decision to take a particular course. Students upon completion of a course in most instances are under the impression that they would then qualify for a job in their field of training. . . ."

The continued complaints noted by the VA in its instructions issued pursuants to the Fiscal Year 1975 State Approving Agency contracts indicates that the requirement of substantial placement is not in fact being met.

In this connection, a recent outstanding investigative series concerning proprietary vocational institutions conducted by the Boston *Globe* found, for example, that the Massachusetts State Approving Agency was not following VA requirements concerning substantial placement. According to the *Globe*:

"In a bulletin to all its State agents in charge of approving the schools to train veterans, the VA directed the institutions show 'substantial placement' of its graduates in jobs before being cleared.

"In Massachusetts, VA Approval Agent James E. Burke said he 'just never received the bulletin' and approved 130 schools without checking for substantial placement.

"Veterans' complaints persisted and in May 1971, the VA sent State agents a second bulletin, again requiring information from the schools about jobs obtained. Burke got this bulletin and 'immediately implemented it by requiring 50 percent placement.'

"Burke's records show, however, that he misrepresented the VA directive, completely nullifying its effect. Instead of requiring a school to show that half of its entire graduating class were placed in related jobs, Burke only asked the schools to submit the names of half the graduates who had found jobs. This sometimes meant that the names of three placed graduates won approval for a school and, even then, the school's word was taken on faith."

The *Globe* further found that claims of high job placement by school salesmen for many vocational schools were at considerable variance with the actual facts. While the *Globe* found that area public vocational schools consistently had high job placement ranging from 62 percent to 95 percent, many profit-making vocational schools had very poor placement rates. The series cited a proprietary school offering courses which trained dental assistants in which only 22 percent of its students had found jobs. The *Globe* also quoted a knowledgeable former employee of another school as saying that a survey by a proprietary vocational school found that 70 percent of the graduates of the school's medical and dental assistants courses and over 95 percent of its broadcasting graduates had *not* found employment.

This contrasted with Northeastern University's dental assistant course in which 83 percent of its students received employment as dental assistants. Another former employee of a computer school is quoted as saying that only 50 percent of the school's enrolled students graduated and of its graduates only 10 percent had gotten "decent jobs." Again, by contrast, a public regional technical school in the same area revealed that 82 percent of the students who enrolled had completed its data processing course and that, of that number, 95 percent were placed in jobs for which they were trained.

The Committee believes that reputable public and private institutions offering vocational objective programs should not encounter any difficulties with the amendments made by this section. Information obtained from the fiscal year 1972 annual reports of the States to the Office of Education pursuant to the Vocational Education Act of 1963, as amended, reveal that 62.6 percent of the graduates of those public postsecondary vocational schools utilizing Federal funds under that 1963 act secured full-time employment in the field for which they were trained. It should also be noted that the completion rate for all these courses exceeds 70 percent. The following table shows placement percentages for such public postsecondary vocational schools in various specific occupational categories grouped by broader generic classifications:

TABLE 14.—FISCAL YEAR 1972 PLACEMENT OF STUDENTS COMPLETING POSTSECONDARY VOCATIONAL EDUCATION PROGRAMS UNDER THE VOCATIONAL EDUCATION ACT OF 1963, AS AMENDED

Occupations	Completions	Employed full-time	Placement percentage
Agriculture	8, 622	5, 446	63. 2
Distributive education	26, 070	15, 891	60. 9
Health	64, 173	44, 998	70. 1
Home economics	8, 688	4, 752	54. 8
Office	88, 916	53, 625	60. 3
Technical	40, 990	23, 985	58. 5
Trade and industry	89, 641	55, 951	62. 4
Total	327, 100	204, 948	62. 6

Similarly, a 1972 in-depth study of students in the Texas Community College system enrolled in postsecondary vocational education conducted by the Specialty Oriented Student Research System found that 75.3 percent of its graduates were employed in training-related jobs. The following table shows the results of the survey (which was taken 7 months following completion of training) broken down by veterans and nonveterans:

TABLE 15.—PERCENTAGE OF EMPLOYED GRADUATES OF TEXAS PUBLIC VOCATION EDUCATION PROGRAMS IN TRAINING-RELATED JOBS, 1972

Student	Number	Percentage
Veterans	228	69. 5
Nonveterans	1, 019	76. 8
Total	1, 247	75. 3

The new provision in the reported bill would thus require evidence that at least half of the veterans completing the course within the most recent two-year period were in fact employed in a specific occupational category for which the course was designed to provide training. Obviously, a course which purports to train veterans to become operators of large earthmoving equipment with high paying salaries will not fulfill this requirement if a graduate obtains employment at a much lower salary in which the only earthmoving equipment he utilizes is a hand shovel as a manual laborer. To cite other examples, there are large differences in specific occupational categories (as well as in salaries) between "computer programmers" and "key punch operators", between large diesel semitruck operators and local delivery men. As the Veterans' Administration Veterans' Benefits Program Guide currently directs:

"School officials, applicants, and job establishment officials sometime state the occupational objective at a higher level than it is possible for the trainee to reach as a result of completing the program. A certificate of eligibility should not be issued for an objective unless the program outlined will qualify the eligible veteran or person for employment in the occupation without additional training.

"The Veterans' Administration Liaison Representative and the State Approving Agency officials should assist schools and establishments in identifying the appropriate vocational objective for each approved program. When a program does not provide sufficient training to qualify a person for a skilled journeyman job, it may be that a lower level job can be established as the objective. An example would be 'Electrician Helper, DOT Code 829.887' for a lower level course and 'Electrician DOT Code 824.281' for a higher level course."

Thus, it is intended that the amendment in the reported bill provided for in this section should accomplish two results. First, to ensure that the school would be approved only if it could demonstrate that at least one-half of its graduates have in fact obtained employment for the specific vocation for which the course had trained them. Second is to ensure that the institution accurately states to the prospective veteran enrollee what in fact is the actual and reasonably anticipated vocational objective of the course.

The Committee also wishes to emphasize that, as a supplement to the amendments made by this section, the VA should continue to exercise its general authority to ensure that any course offered qualifies as a "program of education" under section 1652(b). To do so, the course must be generally accepted as necessary to fulfill requirements for the attainment of a vocational objective. To be "generally accepted," a course must be recognized by government or industry as providing the quality and quantity of training to furnish the skills needed to perform the job, and the course must be a proven means of acquiring such skills. If, for example, the customary method of training in a geographical area for a particular job is by apprenticeship, a school's course purporting to lead to the same objective may not be considered as "generally accepted" unless there is clear evidence that the course definitely qualifies the trainee for a specific occupation.

If training for a particular job is customarily furnished by the employer and little or no weight is given school training for such job by employers in the industry, such a school course may not be considered as "generally accepted."

If a job requires a license, the course must satisfy all of the educational requirements for licensure before it may be considered "generally accepted." If licensure is by examination, the course must have any approval required for the examination. For example, the only school courses that qualify an individual to take an aircraft mechanic license examination are those certificated by the Federal Aviation Administration. A noncertificated course may not be considered as "generally accepted" under section 1652(b).

Any prerequisite to obtaining the job other than the training itself must be a prerequisite to, or part of taking the course. For example, if employers customarily require a high school diploma for a particular job, any course purporting to train for that job must include a high school diploma as an entrance requirement.

A course must fulfill requirements for the attainment of the objective. This means that it must fulfill all requirements. The course must be complete and must provide all of the training needed, so that a graduate will be qualified to perform the job for which he is trained. On the other hand, if a job requires little or no training, a course leading to that job objective is not "generally accepted" as necessary.

Additionally, the VA should ensure that the State Approving Agency actually do determine that a course is in fact generally accepted as necessary by *prospective employers*. Employers should be asked specifically what weight, if any, they would give the course in considering an application for employment.

Clause 2 would amend paragraph (3) of section 1673(a) to provide that the Administrator shall not approve the enrollment of an eligible veteran in any course if he finds the advertising for the course contains significant avocational or recreational themes. Section 1673(a)(3) currently directs the Administrator not to approve for VA payment the enrollment of veterans in "any type of course which the Administrator finds to be avocational or recreational in character" with certain exceptions if the eligible individual can submit justification that the course will be of "bona fide use in the pursuit of his present or contemplated business or occupation." Among the courses which the Veterans' Administration currently "presumes" to be avocational or recreational in character are any photography or entertainment course, any music course, instrumental or vocal public speaking courses, and courses in dancing or sports or athletics (such as horseback riding, swimming, fishing, skiing, golf, baseball, tennis, bowling, sports officiating or other sport or athletic courses).

Given the foregoing, the Committee has been quite concerned about the recent proliferation of extensive two-page color advertisements in national magazines by institutions seeking to enroll veterans which stress recreational or avocational themes. Certain correspondence schools (accredited by the National Home Study Council) enrolling eligible veterans advertise "home entertainment electronic" systems courses in which veterans are told, among other things, that "you'll be dynamite" and "do it for fun."

In order to gain approval by a State Approving Agency and to avoid the statutory prohibition of section 1673(a)(3), these correspondence courses assert they are designed to equip the veteran with a particular vocational skill in order to earn his livelihood, such as a TV repairman, for example. While the courses offered may, in fact, furnish the skills needed to obtain that vocational objective (although completion rates are distressingly low and there is little available specific information as to the subsequent employment history of its students) the advertising for the courses is often at variance with its stated intent. These advertisements suggest in a variety of subtle and not so subtle ways that enrollment in the course (which typically costs about $1,500), will enable the veteran to obtain valuable merchandise such as a 25-inch color television set which the veteran can assemble in his spare leisure time, and which is principally to be paid for by the Veterans' Administration. In addition, the advertising will often typically note that the veteran can acquire skills that will enable him to repair his personal electronic equipment or will present an "opportunity" to obtain "part-time" (i.e. avocational) income.

Of course, the Committee wishes to emphasize that there is nothing intrinsically wrong with avocational or recreational objectives. But, if that is an intended purpose of the course, then it is clear that payment by the Veterans' Administration to enroll veterans is not authorized under title 38, United States Code. It is further evident to the Committee that even if the course is not avocational or recreational in character the Administrator should not approve enrollment of veterans in the course if the advertising or enrollment practices contain significant avocational or recreational themes. In those cases, either the advertising is misleading, deceptive, or erroneous as to the true nature of the course offered or it accurately reflects the avocational or recreational character and intent of the course. In eitner event, the Committee believes that the expenditure of Federal funds would be at variance with the intent and purpose of this program.

The Veterans' Administration is unable to estimate the prospective savings that would result if this provision is enacted.

Clause 3 would amend section 1673(d) to extend to accredited courses the statutory prohibition in certain circumstances against VA approval of enrollment of eligible veterans in nonaccredited courses not leading to standard college degrees. Currently, subsection (d) directs the Administrator not to approve the enrollment of any veteran (not already enrolled) in any nonaccredited course below college level offered by a proprietary profit or proprietary nonprofit educational institution where more than 85 percent of the eligible students are wholly or partially subsidized by the VA or the institution.

This section, which was first enacted by Congress when it authorized the Korean Conflict GI Educational Assistance Program in 1952 under Public Law 82–550, was an outgrowth of recommendations of the House Select Committee To Investigate Educational Training and Loan Guarantee Programs Under the GI Bill which issued its report in February 1952. The House Select Committee, chaired by the Honorable Olin E. Teague, looked extensively into the abuses and problems which plagued the World War II GI bill program in concluding that "a new act should be written extending educational benefits to veterans who served during the Korean conflict." It recommended in part that:

"4. Enrollment of veterans in institutional training should be limited to courses offered by public schools and colleges, or to courses in private schools which have been in successful operation for at least one year and which maintain an enrollment of at least 25 percent nonveteran students."

The result of this recommendation was the enactment of section 1673(d). Reviewing the legislative history and intent of this section, it is evident to the Committee that Congress was concerned about schools which developed courses specifically designed for veterans with available Federal monies to purchase such courses. At the time that section was enacted, the veterans educational assistance program was, of course, the prime (if not sole) source of Federal funds that could be utilized by students who enrolled in such courses. The ready availability of these funds obviously served as a strong incentive to some schools to enroll eligible veterans. The requirement of a minimum enrollment of students not wholly or partially subsidized by the Veterans' Administration was a way of protecting veterans and allowing the free market mechanism to operate. That is, the price of the course was also required to respond to the general demands of the open market as well as to those with available Federal monies to spend. A minimal number of nonveterans were required to find the course worthwhile and valuable or the payment of VA funds to veterans who enrolled would not be authorized. As originally enacted in 1952, the 85–15 rule applied only to "nonaccredited" courses not leading to a standard college degree.

It should be noted that the use of "nonaccredited" reflected the fact that at that time few, if any, proprietary below-college-level courses were accredited. The subsequent proliferation of accrediting agencies, such as the National Home Study Council (NHSC), the National Association of Trade and Technical Schools (NATTS), and the Association of Independent Colleges and Schools (AICS—formerly the Association of Business Schools), which have granted accreditation to the majority of proprietary below-college-level schools whose courses are approved for the enrollment of veterans, has effectively removed almost all schools from the purview of section 1673(d). For example, it is estimated that the vast majority of all veterans enrolled in courses not leading to a standard college degree offered by proprietary institutions are enrolled in "accredited" courses.

The amendment made by clause (3) of this section to include accredited as well as nonaccredited schools will once again allow the intent of this section—which the Committee approves—to be realized for more than just a small minority of the schools whose courses are approved for veteran enrollment. In this connection, it should also be noted that it has been the experience of the Committee that problems and abuses encountered under the current program are generally as prevalent among accredited as nonaccredited courses not leading to a standard college degree which are offered by proprietary institutions.

Courses offered under subchapter IV for the educationally disadvantaged and under subchapter VI for PREP are exempted from the operation of this revised section since by their very nature they are, pursuant to congressional direction, designed for enrollment of veterans and other eligible persons under this title.

As originally introduced in S. 2784, the amendment would have included in addition to counting veterans and other eligible persons subsidized by the Veterans' Administration in computing the 85-percent total, those students enrolled in the same course whose educational charges are paid by the Department of Health, Education, and Welfare under provisions of the Higher Education Act of 1965, as amended.

While the Committee believes that the inclusion of other students receiving Federal assistance is consistent with the general intent of this section as previously discussed, it believes further study of the full impact of such a revision is called for prior to further action on such an amendment. Accordingly, the Committee expects the Veterans' Administration to explore jointly with the Office of Education in some detail the full impact and ramifications of this proposal or some modification thereof.

The Veterans' Administration has informed the Committee that it is unable to estimate the cost impact of section 204 because it does not currently have any information as to veteran enrollment in accredited courses which may exceed 85 percent of the total course enrollment. Accordingly, the Committee is unable to estimate the prospective savings that would result if this provision is enacted.

Section 205

This section would amend section 1682 by adding a new subsection (d) to provide that eligible veterans with qualifying periods of service under the current GI bill may be allowed up to 6 months of educational assistance to pursue refresher training to update knowledge, and skills in order to cope with the technological advances occurring in the field of employment during the period of their active military service. Section 1671 currently provides that the Administrator may not approve educational assistance programs for courses for which the veteran is "already qualified". New subsection (d) would allow up to 6 months of refresher training to permit veterans to update their skills in an occupation or profession in which they are already qualified.

The rate of allowance shall be the same as that paid to a veteran under section 1682 and shall be charged against a veteran's period of entitlement earned pursuant to section 1661 (presently 36 months; proposed to be 45 months in section 202(1) of the reported bill). The Veterans' Administration, which concurs in the principle of refresher training, estimates that approximately 1,900 veterans will utilize refresher training in the first full fiscal year at a cost of $3.1 million. The following table indicates the number of veterans expected to train under the refresher section and the cost for the first five fiscal years, if the provision is enacted:

TABLE 16.—SEC. 205: REFRESHER TRAINING

	Fiscal year—					
	1975	1976	1977	1978	1979	Total
Trainees	1,900	1,600	1,600	1,600	1,600	
Cost (millions)	$3.1	$2.6	$2.6	$2.6	$2.6	$13.5

Section 206

The veteran-student services program authorized under section 1685 (also known as the veteran's work-study program) would be amended to increase the maximum number of hours an individual student may work and also would remove the statutory ceiling on the number of veterans who can participate in the program. As originally proposed and passed by the Senate in 1972, this program had no statutory limit on the number of veterans who could be hired other than the extent to which they could be effectively utilized by the VA. Currently, a veteran may work up to a hundred hours and receive a work-study allowance based on a rate of $2.50 an hour. Amendments made by this section would increase the maximum number of hours that a veteran may work up to 250 hours and, in addition, it would remove the statutory limits presently in effect which effectively limit the program to 16,000 veterans.

During the three months of fiscal year 1973 in which the program was in operation, applications were received from 4,226 chapter 34 veterans and from 729 chapter 31 disabled veterans. Payments were authorized to 1,256 chapter 34 and 372 chapter 31 veterans to work 100 hours. An additional 1,063 and 178, respectively, were to work less than 100 hours. During both years combined through February 1974, a total of 4,259 veterans who worked a total of 322,778 hours either completed or terminated their agreements.

The Committee has been quite concerned that there has been such little use of work-study students generally and specifically to perform hospital-related work and to perform outreach services under sub-chapter IV of chapter 3, as authorized and directed by the present language in section 1685. In fiscal year 1973, only 4.1 percent of the total work-study hours were devoted to outreach. In fiscal 1974 to date, that figure has decreased to 2.4 percent of the total hours as reflected in the following table:

TABLE 17.—USE OF VETERAN-STUDENT SERVICES UNDER THE WORK-STUDY PROGRAM

Use	Fiscal year 1973		Fiscal year 1974	
	Man-hours	Percent	Man-hours	Percent
VA liaison and compliance surveys	2,450	1.1	6,200	0.6
VA paperwork processing	44,537	20.3	187,129	17.6
Outreach	8,975	4.1	25,535	2.4
Assisting at institutions	161,510	73.5	831,146	78.0
Other	2,300	1.0	15,538	1.4
Total	219,772	100.0	1,065,548	100.0

This low percentage is inconsistent with the emphasis placed by Congress in section 1685 on outreach activities. Accordingly, the Committee expects a much larger percentage of work-study veterans activities to be devoted to outreach activities particularly now that veteran's representatives scheduled to be stationed on campus (provided for by section 217 of the reported bill) will be available to supervise such outreach efforts.

Subsection (a) amends section 1685(a) of chapter 34 to raise the maximum work-study allowance to a veteran from $250 to $625 and to provide a corresponding increase in the number of hours during which a veteran may work under this program from 100 to 250 hours per semester or enrollment period.

Subsection (b) amends section 1685(a) to provide that the work-study allowance in cases where an agreement is entered into for the performance of less than 250 hours of service shall be computed by dividing 250 by the number of hours of work agreed to be performed and applying that ratio to the sum $625. Current law provides that the figures to be used in such instances are 100 hours and $250, respectively.

Also, if such agreement provides for the performance of services for 100 hours or more, the veteran student shall be paid $250 in advance. If the agreement provides for performing less than 100 hours, the amount of the advance payment shall be computed on a pro rata basis as set forth above.

Subsection (c) amends section 1685(c) to remove the limitation on the number of student-veterans the Veterans' Administration may assist under the work-study program. Current law restricts the number of veterans in work-study to maximum of 800 man-years or the equivalent in man-hours during any fiscal year.

The Veterans' Administration estimates that the cost attributable to this amendment would be $8.3 million for fiscal year 1975 and each of the five fiscal years thereafter, which assumes that the current 800 man-year limit will be tripled to approximately 2,400 man-years. (This would allow 50,000 veterans to be utilized averaging 100 hours of employment.) The Committee takes note that, in its 1972 report to the Senate of provisions which contained no statutory limits, the Veterans' Administration estimated that in excess of 100,000 veterans could be effectively utilized under the work-study program at a first-year cost of approximately $35.1 million. Thus the actual cost and the need for veteran-student services may be larger than estimated by the Veterans' Administration in its recent report.

Section 207

This section would increase the benefits available under subchapter V, providing for special assistance for the educationally disadvantaged. Section 1692 of that subchapter provides that a veteran or serviceman pursuing a postsecondary program of education on a halftime or better basis at an educational institution may receive "individualized tutorial assistance" where the veteran "has a deficiency in a subject" required to satisfactorily pursue his program of education. Under current law, he may receive assistance at the rate of $50 a month for a maximum of nine months or until a maximum of $450 is utilized. Approximately 41,000 veterans have received tutorial assistance since the program began in July of 1970, with 7,447 receiving assistance in the third quarter of the current fiscal year as shown in the following table:

TABLE 18.—CHAPTER 34: TUTORIAL ASSISTANCE, FISCAL YEARS 1971–74[1]

Fiscal year	Quarters				Cumulative, end of fiscal year[2]	Cumulative payment months, end of fiscal year
	1st	2d	3d	4th		
1971	8	585	1,301	2,313	3,107	6,266
1972	933	2,208	3,044	3,967	11,626	26,710
1973	1,776	3,517	5,236	6,503	26,574	62,062
1974	3,009	5,242	7,447		[3] 40,501	93,736

[1] Number of persons paid during quarter.

[2] Unduplicated number of persons paid since report began July 1970.

[3] Cumulative through Mar. 31, 1974.

Amendments made by this section would provide a modest cost-of-living increase in the monthly rate from $50 to $60 a month. The cost-of-living increase as measured by changes in the Consumer Price Index, since the inception of the tutorial assistance program in Public Law 91–219 on March 26, 1970, has increased 26 percent and the increase provided by this section would generally cover the cost-of-living change since that time. In addition, the section would also extend the maximum assistance available from 9 to 12 months. The Veterans' Administration is unable to supply information as to the median duration of tutorial assistance rendered to veterans or the number who have exhausted their assistance entitlement. They do estimate, however, that 15,000 veterans will receive tutorial assistance in the coming fiscal year and that enactment of section 207 will result in additional first-year costs of $800,000 decreasing to $500,000 at the end of five years, as shown in the following table:

TABLE 19.—TUTORIAL ASSISTANCE

	Fiscal year—					
	1975	1976	1977	1978	1979	Total
Trainees	15,000	14,000	12,000	10,000	9,000	
Cost	$800,000	$700,000	$600,000	$500,000	$500,000	$3,100,000

Section 208

Subsection (a) would amend subsections (b) and (f) of section 1712 to extend to ten years the current eight-year delimiting date for educational assistance for wives and widows eligible under chapter 35. Those made eligible to receive an additional two years within which to utilize their GI bill benefits are:

"(1) the widow of any veteran who died of a service-connected cause;

"(2) the wife of any veteran with a disability rated total and permanent in nature; and

"(3) the wife of any member of the uniformed services on active duty who at the time of application for benefits under chapter 35 has been listed for more than 90 days as missing in action, captured in the line of duty by hostile forces, or forceably detained or interned in the line of duty by a foreign government or power."

As of March 31, 1974, 8,235 wives and widows were in training receiving benefits under chapter 35. The Committee believes it necessary and equitable that these women whose husbands sacrificed their lives and consequently forfeited the ability to support their families be given the same opportunity and time limits to gain an education and provide for their livelihood.

Subsection (b) amends section 604(a) of the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92–540), to extend to ten years the current eight-year delimiting date for wives and widows eligible under chapter 35 to utilize benefits first granted by the 1972 Act. Public Law 92–540 extended for the first time to chapter 35 trainees free eligibility for educational assistance to the disadvantaged; eligibility for on-job and apprenticeship training as well as training by correspondence. Section 604 (a) granted an eight-year period within which to use the benefits authorized under that act. Consistent with the general two-year delimiting period extension for other chapter 35 programs, the benefits made available by Public Law 92–540 would be similarly extended for two years.

There is no estimate of the cost of this section, but the Committee, based upon information received from the Veterans' Administration, believes the impact would be minimal.

Section 209

Clause 1 would make amendments in section 1723 concerning minimum placement requirements of chapter 35 eligible persons in the specific occupational category for which a course with a vocational objective trained them identical to those amendments made applicable to veterans in section 1673 (a)(2) by section 204 of the reported bill for veterans training under chapter 34. See detailed discussion under section 204, *supra.*

Clause 2 would amend clause (3) of section 1723(a) to provide that the Administrator shall not approve the enrollment of an eligible person under chapter 35 in any course if he finds the advertising for it contains significant avocational or recreational themes. Section 1723(a)(3) currently directs the Administrator not to approve for VA payment the enrollment of eligible wives or widows or children in "any type of course which the Administrator finds to be avocational or recreational in character" with certain specified exceptions. This amendment is intended to deal with certain courses which ostensibly have definite vocational objectives but which are generally advertised in a manner that contains significant avocational or recreational themes. In this connection, see the discussion of section 204 of the reported bill which amends section 1673(a)(3) to apply identical provisions with respect to veterans training under chapter 34. The Veterans' Administration is unable to estimate the prospective savings that would result if this provision were enacted.

Clause 3 would remove the statutory provision currently contained in section 1723(c) which prohibits the enrollment in on-farm training program for wives, widows, and children eligible for benefits under the provisions of chapter 35. This amendment would correct an oversight in the more comprehensive amendments made to chapter 35 in the 92d Congress by the Vietnam-Era Veterans' Readjustment Act of 1972 (Public Law 92–540).

As originally enacted, the War Orphans' Act was designed to provide educational opportunities for those children whose education was impeded or interrupted by reason of the disability or death of the veteran parent thereby permitting the children to obtain the educational level they would have aspired to and obtained but for the disability or death of such parent. That law was expanded in subsequent years to include the wives and widows of such veterans as well, to assist them in preparing to support themselves and their families at a standard-of-living level which the veteran, but for his death, or disability, could have been expected to provide for his family.

Further, the law barred the Administrator from approving the enrollment of eligible children in courses which were avocational or recreational in character, in apprenticeship, on-job, on-farm, flight training programs, or courses to be pursued by correspondence, television or radio, or any course not located in a State. Over the years amendatory legislation by Congress has enlarged the purpose of the chapter 35 benefits and modified some of the provisions of the earlier law to equate, where appropriate and feasible, the educational benefits granted qualifying wives, widows, and children under chapter 35 with those granted veterans under chapter 34.

Under the provisions of Public Law 92–540, additional benefits were extended to wives, widows, and children to pursue on-job and apprentice training programs; and to wives and widows to pursue without charge to entitlement high school and deficiency remedial and refresher courses they need to qualify for admittance to institutions of higher learning as well as authority to train by correspondence. By oversight, however, provisions for the training of rural wives and widows in farm management and operations were omitted from that act. This omission operates to discriminate against families of veterans who were farmers by denying them benefits comparable to those which are available to families of veterans engaged in the operation of business. Given the mechanization of farming there is no reason why any person, man or woman, cannot manage the family business alone, if necessary. The purpose of this section thus is to enable eligible wives of veterans who desire to carry on the operation of a family farm to prepare themselves to do so. Adoption of this amendment will enable farm families to receive the equitable income they deserve and provide equal benefits to families of farm veterans. The Veterans' Administration, which supports this amendment, has testified that it would be "a logical extension of the current legislative trend toward granting to these wives and widows, who must step in and become the breadwinners of the family, those benefits granted to veterans."

The Veterans' Administration estimates that the participation and cost entailed by this program should be minimal, probably less than 100 trainees per year at a cost of less than $200,000 per year. This estimate is based on extrapolation from the rate of one-half of 1 percent cooperative farm training for trainees under chapter 34 and the assumption that because of the age and sex of the proposed new beneficiaries, and even smaller percentage of wives and widows would pursue farm training under chapter 35.

Clause 4 amends chapter 35 (as other amendments in the reported bill do similarly for chapters 34 and 36) by deleting the terms "below college level" in section 1723(d) and substituting the terminology "not leading to a standard college degree" which is believed more appropriate as well as consistent with other statutory language presently contained in title 38.

Section 210

Consistent with the amendments made in section 209, this section amends section 1732 by adding new subsection (c) (after redesignating the current provisions in subsection (c) as subsection (d)) to provide that wives, widows, and children eligible under this chapter who are enrolled in an on-farm cooperative training program shall be eligible for Veterans' Administration educational assistance allowances on the same terms and conditions as are veterans training under section 1682.

The educational assistance allowances provided for training under this section would be the same rates as those provided for farm training for veterans (which are increased by section 102 of the reported bill). The rate for full-time training will be $209. Training pursued on a three-quarter basis will be at rate of $157 while the half-time rate will be $105 per month.

Section 211

This section amends section 1788(2) to liberalize permissible absences for courses not leading to standard college degrees by excluding customary vacation periods established by institutions in connection with Federal or State holidays. The law presently provides that no educational assistance allowance shall be paid to any eligible veteran or eligible person enrolled in a course which does not lead to a standard college degree (excluding programs of apprenticeship or other on-job training authorized by section 1787) for any day of absence in excess of 30 days in a 12-month period not counting as absences weekends, or legal holidays established by Federal or State law, occurring during the period when the institution is regularly in session.

The Veterans' Administration which opposes any changes in the absence requirements notes that a veteran presently may be absent 11½ per cent of the time and that this does not include extra days occasioned by Federal or State holidays. At present, there are nine Federal holidays listed in section 6103 of title 5, United States Code. The VA argues further that to increase the number of absences:

". . . Would dilute the training schedule of these vocational type courses in which shop practice and theory are essential instructions. We feel that to miss more than minimal of either would be detrimental to student success in the program.

"Collegiate degree courses and vocational courses are essentially different, whether given in the same or different schools. The objectives of vocational courses are usually stated in terms of vocational occupational competence. College degree courses, on the other hand, place greater emphasis on achievement beyond the purely vocational. They frequently have objectives requiring courses of considerable breadth. The difference in procedures applicable to the below college level students as opposed to those applicable to students attending institutions of higher learning stem from the nature of training, with the distinction being in the course and not in the school or the student."

While there is some merit in the arguments of the Veterans' Administration, the Committee believes that the current attendance requirements for vocational students are unduly restrictive. Numerous complaints have been received from such students and vocational schools noting that 30 days does not take into consideration the customary vacation periods such as Thanksgiving and Christmas when schools are closed regardless of the possible affect on veteran students. According to one letter from a vocational school, once a typical student subtracted the eleven days he was out of school because of teachers meetings, the 10 days of Christmas vacation and the two days for special events, the veterans enrolled at the school were allowed only seven absences for the entire year.

While it is fully appropriate to require veterans who receive benefits to actually attend classes, it does not seem appropriate to impose upon these veterans an attendance requirement which does not take into account factors totally beyond their control, as the Committee recognized when it reported S. 2794, which was enacted as Public Law 93–208 last December permitting continued payments of VA allowances when schools are temporarily closed because of the energy crisis or other emergency situations.

The Committee thus considers that the present attendance requirements for veterans enrolled in vocational occupational schools have caused hardships which require some remediation. Thus, long established school vacation periods connected with Federal or State legal holidays will be permitted under this section without charge to the 30 days of permissible absence.

Section 212

Clause 1 amends section 1774(b) to increase the allowances payable by the Administrator for administrative expenses incurred by State and local agencies in administering educational benefits under chapters 34 and 35. For some time the Administrator has been authorized under section 1774(a) to pay State and local agencies for reasonable and necessary expenses of salary and travel incurred by employees of such agencies in rendering necessary services for evaluating and supervising educational institutions offering courses of education to veterans and other eligible persons under title 38. In 1968, Congress amended this section to provide an allowance for a fair share of the administrative expenses of a State agency as well. The amount payable, which is found in a formula in subsection (b), is determined by the size of the contract between the Veterans' Administration and the State for the amount of salary authorized in section 1774(a).

In 1972, representatives of the National Association of State Approving Agencies testified that the allowances provided under this subsection covered only 48 percent of the actual cost of administering the program. In response to that the Congress, in Public Law 92–540, doubled the allowance formula. Amendments made by this section would provide modest cost-of-living increases which have occurred since that time.

Clause 2 amends section 1784(b) to provide that a joint apprenticeship training committee which acts as a training establishment would be permitted to receive the annual reporting fee authorized by section 1784 for furnishing the Veterans' Administration with the reports or certifications on enrollments, attendance, and terminations of eligible veterans and persons training under VA educational programs. The fee would be computed at the rate of $3 for each such student enrolled on October 31st of each year unless it is shown that the enrollment on that date varies more than 15 percent from the peak enrollment. In such cases the Administrator would be permitted to establish such other date as will represent the peak enrollment period. The Committee believes that where a joint apprenticeship committee functions as a training establishment and furnishes these various reports to the Veterans' Administration on the same basis as educational institutions, it should be reimbursed for performing this service as is presently authorized in the case of educational institutions.

The Veterans' Administration, which supports this amendment as "equitable", estimates that 5,600 joint apprenticeship committees would be affected in the first full fiscal year at an additional cost of $600,000. These costs can be expected to decrease to $300,000 by the fifth year as reflected in the following table:

TABLE 20.—REPORTING FEE FOR JOINT APPRENTICESHIP TRAINING COMMITTEES, FISCAL YEARS 1975-79

	Fiscal year—					
	1975	1976	1977	1978	1979	Total
Cost	$600,000	$500,000	$400,000	$400,000	$300,000	$2,200,000

Section 213

Clause 1 amends section 1786(a), authorizing the pursuit of an education by correspondence, to provide an increase in the benefits consistent with other increases in educational assistance allowances made by the reported bill. Accordingly, the period of entitlement of any veteran or other eligible person shall be reduced by one month for each $260 (currently $220) paid to the veteran or person for such course.

The Veterans' Administration estimates that 383,900 persons will train by correspondence in the coming fiscal year.

Clause 2 amends section 1787(b) to provide an 18.2 percent across the board increase in the monthly training assistance allowance payable to veterans or other eligible persons pursuing a full-time program of apprenticeship or other on-job training program. For a veteran with no dependents the monthly assistance allowance for the first six months of training is increased from $160 to $189. Married veterans would receive $212, up from current rate of $179. The addition of a child boosts the rates from $196 to $232 with $9 for each additional dependent. The training allowances for the second and third six-month periods would be increased respectively to $142 and $95 from the current allowance of $120 and $80. The assistance rates for the fourth or any succeeding six-month period would be increased from $40 to $47. Proportionate increases for veterans with dependents training after the first 6-month period would also be provided. The Veterans' Administration estimates that 225,000 veterans will train at a first-year additional cost of $38.6 million.

The following table shows the participation of Vietnam era veterans in various types of on-job and apprenticeship training programs from October 1967 through June 1973. The Committee observes that the participation rate of Vietnam era veterans in OJT and apprenticeship programs is only approximately half that of the participation of veterans after World War II and believes greater efforts by the Veterans' Administration, the Department of Labor and State employment agencies should be made to enroll those who would benefit from the program.

TABLE 21.—VIETNAM ERA VETERANS PARTICIPATION IN APPRENTICESHIP AND ON-JOB TRAINING, BY FIELD OF TRAINING (OCTOBER 1967-JUNE 1973, CUMULATIVE)

Field of training	Apprentice training	Other on-job	Total
Technical and managerial	2,489	30,975	33,464
Clerical and sales	879	6,259	7,138
Service	4,481	40,024	44,505
Farming, fishery, forestry, and related	237	1,969	2,206
Trade and industry	136,410	55,755	192,165
Miscellaneous	6,158	5,533	12,051
Total	151,014	140,515	291,529

Clause 3 amends clause (2) of section 1787 (b) to provide for a general cost-of-living increase in the apprenticeship and on-job training allowances for eligible wives, widows and children enrolled in the program. The monthly assistance allowance for the first six months of training is increased from $160 to $189. The training allowance for the second, third, and fourth 6-month periods would be increased, respectively, from the current allowances of $120, $80, and $40 to $142, $95, and $47.

Section 214

Clauses 1, 2, and 3 amend section 1788(a) relating to the measurement of courses by deleting the term "below college level" where ever it appears and substituting the terminology "not leading to a standard college degree" which is believed more appropriate as well as consistent with other statutory language presently contained in title 38.

Clause 4 would amend section 1778(a) further by adding at the end of the section new provisions to provide that occupational-vocational courses not leading to a standard college degree but offered on a clock-hour basis may in the alternative be measured on a credit-hour basis according to the following formula: One credit hour for each 50-minute academic class per week; one credit hour for each two hours of laboratory class per week; and one credit hour for each three hours of shop class per week. To qualify as a full-time course, however, there must be at least 18 hours of attendance per week.

Under the current law, occupational courses leading to a certificate are measured on a contact-hour basis, which consists of one 60-minute class per week. For a veteran enrolled in a trade curriculum to receive full-time benefits, he must have 30 contact-hours per week and attend 30 sixty-minute classes per week.

This 30-hour requirement is at variance with current educational practice. There is probably no State in the Nation where nonveterans in occupational programs sponsored by community colleges or technical institutes are required to be in class as many as 30 hours a week to be considered full time. Ascertained State policies indicate full-time occupational programs generally require between 20 to 27 clock hours or contact hours per week for nonveteran students.

In many States, trade or occupational courses in community colleges and technical institutes are set up on a contact-hour basis; but all such courses have established credit hour ratings. As an example, a 12-contact-hour shop course in automotive mechanics is also rated as a 4-credit-hour course.

Accredited colleges and universities vary as to the length of a standard class session for one unit of college credit. Usually a lecture period is one hour (50 minutes) a week for a semester for one semester hour credit. Laboratory periods vary usually from two to four hours for one hour of credit.

The present clock-hour restriction was originally designed in an era when career-related education and training were almost totally the domain of secondary and proprietary institutions. Today, many of these programs require courses consisting of classroom instruction with as much outside preparation as classes in academic programs and courses.

As Dr. Charles E. Palmer, Executive Director, South Carolina State Board for Technical and Comprehensive Education, pointed out, this section of the law was enacted 25 years ago when there was little or no vocational or technical education above the high school level:

"Such is not the case in 1974. The U.S. Office of Education has published the results of studies which indicate that by 1975, 50 percent of the jobs in the United States will require education beyond the high school diploma but less than the bachelor's degree."

During the past 7 years, the percentage of community college students in career-related programs has grown from 16 percent to 42 percent, now numbering over 800,000 enrolled. Educational institutions are increasingly recognizing the validity of short-term occupational education as a valid goal for many students, without discouraging many other students from maximizing their educational and career potential by pursuing college parallel programs frequently leading to graduate and professional training.

The Committee considers that the current clock-hour requirement imposed upon the veteran pursuing vocational courses creates undue and unwarranted financial and academic pressures upon the veteran student which are not imposed upon the nonveteran student. For example, the normal full-time course load in occupational programs for nonveterans requires 20 to 27 hours of classroom attendance per week. Veterans must be assigned additional hours in order to qualify for full benefits. This overload can in many cases be detrimental to the progress by the veteran student resulting in his failure or his enrollment in certain so-called "Mickey Mouse" courses.

The American Association of Community and Junior Colleges, in testimony on April 11, 1974, urged the abandonment of the present clock-hour provision and, stated:

"The veteran enrolled in courses of education measured in the 30-hour basis often feels:

" 'That he is being discriminated against because of his interest and is being penalized because his abilities are trade-oriented as opposed to technical or college parallel. He is often discouraged and may eventually drop the course prior to completion of course requirements, or he will request transfer to a technical or transfer curriculum which will permit him to draw full-time benefits. The change usually results in a student veteran being enrolled in a course which is either not suited to his goal or abilities. The end result is another drop-out who is no better qualified to take a position in the world of business or industry than he was prior to enrollment.' "

The study of the GI educational assistance program mandated by section 413 of Public Law 92-540 and conducted by the Educational Testing Service of Princeton, New Jersey, noted in its findings and conclusions that "differences in treatment of veterans pursuing college degrees and veterans pursuing nondegree postsecondary educational programs may be inhibiting the use of benefits for below college level training."

The Veterans' Administration, in its analysis of the ETS findings, concluded that there may be a need to modify the requirements concerning below college level programs.

No additional cost is contemplated if this amendment is enacted.

Section 215

Clause 1 would repeal section 1795 which currently limits an individual entitled to VA educational assistance provided under more than one Veterans' Administration program to a combined total of 48 months assistance. By repealing this section, dependents who receive educational assistance under chapter 35, the War Orphans' and Widows' Educational Assistance chapter, and who subsequently serve honorably in the uniformed services would be entitled to a full 36 months of additional educational benefits by virtue of that service. Public Law 90-631 approved on October 22, 1968, had modified the original 36-month restriction to provide that the combined assistance provided under chapters 35 and 34 may not exceed 48 months.

The Committee considers that a veteran entitled to training under the War Orphans' Educational Assistance Act, because of the service-connected death of a parent, should not be discriminated against by a provision nullifying full entitlement under the GI bill in the son or daughter's own right earned for service in the Armed Forces. The law is clear that a child is entitled to certain assistance where the parent died of service-connected causes. The law is also clear that a veteran who served in the Armed Forces during a qualifying period is entitled to training assistance under the GI bill. The exercise of one of these entitlements should not serve to abrogate or reduce the other. Entitlement to benefits under each program is predicated upon entirely different factors and circumstances.

Accordingly, the Committee concurs with the position of the Veterans' Administration in its 1968 report to H.R. 16025 which extended benefits to the current 48-month level. At that time, the VA reported that "it would be more advantageous and practical not to limit the veteran to a total of 48 months, but to permit him to use the entire current earned educational entitlement." The VA further testified:

"[T]he numbers who would take advantage of this change in the law would be small and the additional cost would not be susceptible to measurement but for those needing additional training and privileges of pursuing the program of education would be most worthwhile."

The VA now estimates that the cost of this section would be $6.2 million for fiscal year 1975, increasing to $6.6 at the end of five years as shown in the following table:

TABLE 22.—*Repeal of two-program limitations*

[Cost in millions]

Fiscal year:	*Cost*
1975	$6.0
1976	7.9
1977	6.6
1978	6.6
1979	6.6
Total	33.7

Section 215

Clause 2 adds a new section 1795 entitled "Limitations on certain advertising, sales, and enrollment practices" which clarifies and expands current VA authority. Existing law contained in section 1776(c)(10) provides that a nonaccredited course offered by an institution may be approved for the enrollment of veterans only if the appropriate State Approving Agency has "found upon investigation" that:

"(10) The institution does not utilize advertising of any type which is erroneous or misleading, either by actual statement, omission, or intimation. The institution shall not be deemed to have met this requirement until the State Approving Agency (A) has ascertained from the Federal Trade Commission whether the Commission has issued an order to the institution to cease and desist from any act or practice, and (B) has, if such an order has been issued, given due weight to that fact."

The amendment made by clause (2) would direct the Administrator not to approve for VA payment, the enrollment of any veterans under chapter 34 or eligible persons under chapter 35 in a course offered by *any* institution (accredited or nonaccredited) if it utilizes erroneous, misleading, or deceptive advertising, sales, or enrollment practices.

The concern over advertising, sales, and enrollment practices of various institutions where courses are approved for the enrollment of veterans has been a continuing one and has grown more widespread in recent years. The Veterans' Administration in testimony before the Federal Trade Commission in 1970 noted that it was "particularly pertinent to the problems encountered by the Veterans' Administration" to "assure that the prospective student will not be deceived or otherwise deprived of vital information when choosing a course. . . ." The Committee received testimony in 1972 from the Veterans' Administration outlining a number of "various questionable sales tactics or false claims." Amendments subsequently adopted by the Committee and enacted into Public Law 92-540 provided for a mandatory 10-day "cooling-off" period for prospective veteran enrollees in correspondence courses to enable the veteran a period of time absent any "high pressure" sales tactics to decide, after adequate reflection and with full knowledge of the provisions of the agreement, whether he in fact still desired to pursue that course of study. In addition, amendments in the 1972 act provided that the enrollment agreement shall "fully disclose" the obligations of the school and the veteran and that it shall "prominently display the provisions for affirmance termination, refunds, and the conditions under which payment of the allowance is made. . . ."

In hearings this year, consideration of a partial tuition assistance allowance (adopted in the reported bill) focused Committee attention on ways to avoid or reduce possible abuses. In this connection, Chairman Hartke directed a lengthy 11-page letter on March 25, 1974, to the Administrator requesting detailed information on the administration of VA benefits and on the course approval/disapproval process. The voluminous answer which was prepared by all VA Regional offices has proved helpful to the Committee in consideration of, and adoption of, various amendments. The Committee was also granted access by the FTC to information and material contained in the Federal Trade Commission File No. 722-3149 which bears on the practices and performance of the proprietary vocational correspondence school industry. Finally, the investigative series on vocational schools which appeared in the Boston *Globe* has also proved helpful in documenting problems which are confronted by veterans utilizing their GI bill benefits.

As a result, the Committee has concluded that amendments to clarify and expand the law concerning the limitations on certain advertising, sales, and enrollments practices are necessary and appropriate. The Committee wishes to make clear that these provisions apply to all schools, private or public, accredited or nonaccredited. Reputable institutions should welcome the amendments made by this section, since these amendments are designed to protect veterans against enrollment in just those schools engaging in improper practices. The business standards of the National Homes Study Council for example, provide in pertinent part:

"An advertisement or piece of promotional literature used by an accredited school must be completely truthful and must be prepared and presented with dignity and in such a manner to avoid leaving any false, misleading, or exaggerated impressions with respect to the school, its personnel, its courses and services, or the occupational opportunities for its graduates."

In a paper submitted to the National Invitational Conference on Consumer Protection and Postsecondary Education in Denver, Colorado, on March 18, 1972, entitled "Suggested Advertising and Guidelines for Educational Institutions", William H. Goddard, the Executive Director of the National Association of Trade and Technical Schools (NATTS), suggested the following as a basic advertising policy for educational institutions:

"In the solicitation of students, a school should not directly or by implication, misrepresent the services it renders. All advertisements and promotional literature used should be truthful, informative and constructive and avoid conveying any false, misleading or exaggerated impressions with respect to the school, its personnel, its courses and services or the occupational opportunities for its garduates. The true purpose and nature of a school's offerings should be evident in all advertising. Every advertisement should constitute to the reader a clear statement of a bona fide offer or announcement made in good faith. It should be written to its anticipated readership, normally persons unsophisticated in the traditional word usage of the education industry. Therefore, words and emphases must be truthful and selected with extreme care.

"All advertising should forthrightly disclose the purpose of the advertising—that education or training, not a job, is offered, and that the advertiser is a school. If training for employment is advertised, the name and nature of the occupation for which the training is offered, as well as current and anticipated conditions and opportunities at the school and in occupational areas, may not be obscured or exaggerated."

Goddard also noted that:

"Clarity is an important element of school advertising. Advertising should be directly relevant to student solicitation and is to be written to its anticipated readership, normal persons, unsophisticated in the traditional language used in education. Therefore words must be selected with extreme care. Advertising claims that might be construed as literally true, must be literally true. If there is doubt, the burden will be on the advertiser to document the claim and prove the point. Schools should avoid the use of sensitive words that might mislead, confuse, offend, or which might be subject to easy misunderstanding or considered to have a double meaning."

The Committee believes that the amendments adopted in the reported bill are thoroughly consistent with the foregoing. A more detailed discussion of new section 1795, as added by clause (2) of section 215, follows:

§ 1795. Limitations on certain advertising, sales, and enrollment practices

Subsection (a). This subsection provides that advertisers shall not approve the enrollment of any eligible veteran or eligible wife, widow, or child in any course offered by an institution if that institution utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading, either by actual statement, omission, or intimation. It would not be productive, nor possible to catalogue all the possible violations that could occur under the section and the deceptive practices that have occurred in the past.

The Committee is particularly concerned, however, about a number of matters which bear further discussion. One involves the misrepresentation of the nature and quality of the training or facility or of the qualifications of the instructors. In this category fall claims about the size or experience of the school, its affiliation with well-known companies or training programs, the availability of expert instructors or guest lecturers, the size of its reaching faculty, and the source and quality of its instructional materials. Deceptive practices may occur when a school indicates that the objectives of its course are one thing when in fact those graduates of the school who get jobs may get jobs that are less prestigious with less salary and with less chance for ultimate advancement than the job for which they thought they were training. Such problems are not uncommon. In response to Chairman Hartke's March 25 letter on the administration of GI bill benefits, one VA regional office reported disapproving—until the terminology was dropped—a course which was inadvertently advertised as a "Journeyman Electrician" course. In fact such objective could not be obtained without on-the-job experience after completion of the course. The Committee agrees with the executive director of the National Association of Trade and Technical Schools who has suggested that:

"Impressions and objectives as read in advertising must be consistent with the schools stated objectives as based on the reasonably expected attainment of typical graduates. . . . Catalogues and other brochures published by the school should clearly disclose, in advance of enrollment, normal and traditional limitations and restrictions, if any, on admissions and employment opportunities, such as medical requirements, licensing, internship, apprenticeship, union age, education, examination and experience requirements."

A second Committee concern is about misrepresentation of the availability of placement services and employment opportunities. As part of its analysis of a comprehensive vocational school questionnaire, the Chicago regional office of the Federal Trade Commission found that earnings and "opportunity" advertisements were present in all 74 types of vocations surveyed. In this connection, a recent internal staff memorandum to the Federal Trade Commission, concerning trade regulation rules for the proprietary and home-study school industry, made the following observations:

"Vulnerability caused by the lack of a definitive career goal is compounded by the fact that the consumer is often unemployed or unable to find acceptable employment and not sufficiently knowledgeable to assess the present and future job market for a particular skill. As a result, he often relies solely on the statements of the proprietary school itself; statements that tell him that the particular vocational field is an "expanding industry" or has a "big job demand". However, these statements are either misrepresentations or gross inflations of the school's ability to place its students.

* * * * *

"With few exceptions, the proprietary schools' advertising campaigns create the impression that: (1) employment demand or particular earnings levels exist for trained or skilled persons; (2) consumers who enroll will be qualified for the indicated job or salary upon completion of the course; and (3) completion of the course will enable the typical consumer to get the job or earn the salary. These advertisements are particularly troublesome because they surround their claims with an aura of authority. Consumers are confronted with trade names which erroneously imply employment connections with large employers. Testimonials from former students are used to convey the impression that typical students obtain jobs or high earnings.

"This form of advertising is not only deceptive in many cases but is unfair as well. Under the *Pfizer* doctrine [*Pfizer, Inc.*, 81 FTC 23 (July 11, 1972)], an advertising claim is "unfair" if the advertiser has no reasonable basis for his claims at the time of their publication. An unfair ad, whether or not it proves to be false, can be enjoined because the injury to consumers would be great if the ad were false." [see *H. W. Kirchner*, 63 FTC 1282 (1963); *National Dynamics Corporation*, Docket No. 8803, aff'd 2nd Cir., Docket No. 73-1754 (March 6, 1974)].

As the executive director of the National Association of Trade and Technical Schools has also noted:

"An affirmative claim should not be used unless there is a reasonable basis for making such a claim. Advertising claims are to be used only when they are supported by previously documented factual data or research that are available on the school premises for review by interested persons. A relatively insignificant number of cases should not be used as a basis for advertising claims. The incidental achievements of a few persons, while perhaps providing an aura of great promise, are not sufficient grounds for embellishments in advertising."

Finally, the Committee wishes to emphasize that advertisements, sales, or enrollment practices can be erroneous, deceptive, or misleading by omission as well as by the actual statement or intimation. Such omissions might well include the failure to disclose to the veteran any other material facts concerning the school and program of instruction or course which are reasonably likely to affect the decision of the veteran to enroll therein. Again, as William Goddard has noted:

"A prospective student is entitled to sufficient data to make an informed decision on training opportunities in institutions. A school is therefore obligated to provide sufficiently detailed data in advance of enrollment to enable prospective students to clearly understand their opportunities, limitations and obligations. . . . Although it is recognized that advertising space limitations might restrict desirable explanations, the text should avoid abbreviated claims that might tend to be easily misunderstood. If an item is considered important enough to be included in advertising, it should be presented in a manner clearly understandable to anticipated readers. A school may not claim space limitations as a reasonable excuse for limited disclosure that could tend to obscure, conceal, mislead, omit, deceive, confuse, distract or otherwise contrive to create substantial misunderstanding or criticism."

Subsection (b). This subsection provides that the Administrator, in carrying out investigations and making determinations under subsection (a), shall utilize, where appropriate, the services and facilities of the Federal Trade Commission (consistent with its available resources) pursuant to an agreement entered into under authority of present section 1794. The preliminary findings and results of any investigation of any case which the Federal Trade Commission in its discretion accepts is to be referred back to the Administrator for appropriate action by him within 90 days after such referral. This subsection is not intended to supplant but only to supplement the authority and responsibility of the Administrator under title 38. It is intended to provide a more formal structure and framework to existing authority in order, hopefully, to promote a greater coordination of activities and exchange of information between the VA and the Federal Trade Commission than currently exists. In this connection, the Committee is at a loss to understand the continued reluctance of the Veterans' Administration to include in its packet of materials on educational benefits, which it mails to recently discharged veterans, the FTC Buyers Guide No. 11, entitled "The Pocket Guide to Choosing a Vocational School", as suggested by Chairman Hartke in a letter to the Administrator dated September 26, 1973. The Committee strongly urges the Veterans' Administration to reassess its position on this matter.

The Committee further believes that greater coordination and information interchange should occur at both the central office and regional office levels between the VA and the Federal Trade Commission.

It is not contemplated that comparatively minor problems, such as improper use of the term "VA Approved," would be referred to or accepted by the Federal Trade Commission. Such cases are routinely resolved expeditiously at the VA regional office level. On the other hand, cases involving situations with large, or potentially large, VA enrollments (with resulting large expenditures of Federal tax dollars) would be appropriate cases for referral. Similarly, unique questions concerning specific advertising sales or enrollment practices which may or may not be widely utilized by other institutions where courses are approved for VA payment could also be properly referred.

The Committee wishes to emphasize that nothing in this subsection is intended to diminish or relieve the Administrator of any authority or responsibilities he may otherwise have under this section or elsewhere under title 38.

Subsection (c). Provides that the Administrator shall treat as "conclusive evidence" for the purposes of subsection (a) whenever the Federal Trade Commission has entered any final order (excluding consent orders) entered by the Federal Trade Commission in an adjudicative proceeding pursuant to part 3.11 of the Federal Trade Commission's Rules of Practice. Such final orders are both quite rare and serious, and for this reason the Committee believes that discretion should be limited in such situations.

In addition to the foregoing however, the Veterans' Administration should continue to exercise its present discretionary authority with respect to enrollments of eligible veterans in institutions against the procedures followed once so informed. Some of the regional offices surveys this past April (pursuant to the Chairman's March 25 letter) revealed variations in both the awareness of FTC proceedings and in the procedures followed once so informed. Some of the regional offices which were aware of cease and desist orders issued by the Federal Trade Commission often simply referred this information to the State Approving Agency (SAA) and apparently attempted little if any followup thereafter. Other regional offices entered into "negotiations" with the institution in question in attempt to resolve the matter giving rise to the "cease and desist" order. Other regional offices utilized what the Committee believes to be the better practice, by taking immediate action to withhold the issuance of further certificates of eligibility and the award of educational benefits. Following this action the regional offices then proceeded to attempt to resolve the problems which gave rise to the order. If the school was not brought into compliance, the regional office then took steps to have approval withdrawn.

When a cease and desist order is issued, the Committee believes that the above-described latter procedure should be the normal practice of the Veterans' Administration. The Committee believes there should be close liaison and coordination of policies between the Veterans' Administration and the Federal Trade Commission, both as cease and desist orders and as to consent decrees entered into.

Subsection (d). Provides that, not later than 60 days after the end of each fiscal year, the Administrator shall report to Congress on the nature and disposition of all cases arising under this section. The report to be submitted should be sufficiently detailed and organized to permit Congress an opportunity for thorough oversight and review of the operation and administration of this section. In this connection, the Committee also understands that most questions concerning abuses are currently handled at the regional level. While the Committee does not undertake to question this procedure, it does believe there must be a more adequate and informative reporting system to the VA central office, so that such problems may be examined in an overall perspective and so that more uniformity of interpretation and enforcement may be achieved. Many institutions where courses are approved for payment of VA benefits do business in several States throughout the country. As a consequence, regional office directors in one State faced with certain questionable practices are often unaware of similar problems in other States either by the same or different institutions. Accurate and detailed reporting to the central office, and dissemination of appropriate information by central office to regional offices, should enable these trends and problems to be spotted more readily and dealt with in an evenhanded fashion nationally.

Clause 3 amends the table of sections at the beginning of chapter 36 to reflect the repeal of the current section 1795 and the creation of a new section under the same number concerning certain advertising, sales, and enrollment practices.

Section 216

Subsection (a) amends subchapter II of chapter 3 of title 38, United States Code, by adding at the end a new section 219, which directs the Administrator to measure and evaluate the impact of all programs authorized by this title with respect to their effectiveness and impact of their structure and mechanisms for the delivery of services.

The Committee since its formation in 1971 has been frustrated on a number of occasions in its attempts to secure meaningful data from the Veteran's Administration in connection with its oversight of VA programs and in considering various legislative alternatives.

The Committee considers the addition of this section to be consistent with the recommendations made by several studies conducted since World War II and, most recently, by the Educational Testing Service (ETS) in its *Comparative Study of the Three GI Bills* conducted pursuant to section 413 of the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92–540). In its findings and conclusions, the ETS found that:

"The VA has currently no means of measuring the quality of the performance of the State Approving Agencies and therefore cannot be assured that the money used to reimburse these agencies was wisely spent . . .

There is no way to determine whether this money was wisely spent . . . little has been done to compile information that would allow an accurate evaluation of the performance of their agencies."

The ETS report listed some of the data that the VA does *not* collect: the completion rates of veterans in the various programs, veterans' complaints in a systematic way, the socioeconomic status of veterans as they enter and complete programs of training, or the actual employment obtained as it relates to training received.

In addition, two major reports done since World War II were also critical of the VA's failure to compile such information for a systematic assessment of program effectiveness. The Booz-Allen-Hamilton report in 1952 stated for example:

"An important and basic part of the vocational rehabilitation and education program has been neglected. There is no real measure of the programs' effectiveness . . . No one has any real idea of how much and in what way the education programs have actually benefited veterans."

Second, the Bradley Commission concluded that:

". . . the data gathered relate largely to administrative operations and do not give a basis for gauging needs or for analyzing the effectiveness of the program."

The Veterans' Administration apparently believes that it does not have a "mission" to gather such data and that priority must be given to "serving veterans" rather than "purifying statistics." While the Committee has no quarrel with the VA's emphasis on serving veterans, the dichotomy implied by that argument is too sharply drawn and somewhat disingenous. Service to veterans can be improved only if there exists adequate data from which to evaluate the programs and make needed changes. The Committee believes that such collection and evaluation is vital to the mission of serving veterans and sees no dichotomy, but rather a definite need to make such evaluations to assure that the VA's mission of serving veterans is being carried out in the most efficient and effective manner. The Committee wants whatever recommendations and analysis the VA may be able to provide in order to more intelligently interpret the programs in a thoroughly uniformed manner for future legislation. The dearth of statistics, for example, on completion rates of those who enroll in a course of training but do not finish such course has led to much controversy over GI bill participation rates during recent months and the need for increases in the assistance allowances. A more detailed analysis of subsection (a), section 219 follows:

§ 219. Evaluation and data collection

Subsection (a). Directs the Administrator to measure and evaluate the impact of all programs authorized by this title to determine their effectiveness in achieving stated goals, their impact, and their structure and mechanisms for delivery of services. The evaluation shall be conducted by persons not involved in this administration of the programs evaluated.

Subsection (b). Directs the Administrator to develop and publish general standards for the evaluation of the programs not later than 90 days after the enactment of this section.

Subsection (c). Directs the Administrator to obtain the specific views of persons participating in and served by programs under this title in carrying out the evaluations.

Subsection (d). Directs the Administrator to publish the results of such evaluations not later than 90 days after their completion and promptly submit copies of all completed research studies and evaluations to the appropriate congressional committees.

Subsection (e). Directs the Administrator to take necessary action to assure that all studies, evaluations, proposals, and data developed under this title shall become the property of the United States.

Subsection (f). Directs all Federal agencies, departments, and instrumentalities to make available to the Administrator all information deemed necessary by the Administrator for such evaluations.

Subsection (g). Directs the Administrator to collect, collate, and analyze on a continuing basis full data regarding the operation of all programs under this title and shall make available such tabulations and analyses available to the public and the appropriate committees of Congress.

Subsection (b) provides that the table of sections at the beginning of chapter 3 of title 38, United States Code, be amended by adding the new section 219.

SECTION 217

This section makes several amendments to subchapter IV of chapter 3, the "Veterans' Outreach Services Program" to further strengthen and clarify the Veterans' Administration's authority and responsibilities. Additionally, a new section is added to the subchapter clarifying the functions and duties of the new veterans representative program recently announced by the President.

Subsection (a) adds clarifying language to section 241 together with the requirement that the Administrator shall, to the maximum extent feasible, carry out outreach services in areas where significant numbers of eligible veterans and eligible dependents speak a language other than English as their principal language in the principal language of such persons. As noted approximately two years ago in the Committee's report on the Vietnam-Era Veterans' Readjustment Assistance Act of 1972, there was at that time, according to the testimony of the National Congress of Puerto Rican Veterans, approximately 500,000 Puerto Rican veterans in the New York City area but only one VA counselor in the regional office who was himself Puerto Rican. While there has been some progress in the intervening period (including the publishing of a number of VA pamphlets in Spanish), the Committee believes more needs to be done, particularly on a personal peer-group contact basis, to aid veterans in areas where significant numbers speak a language other than English as a principal language, such as the Southwestern United States. The use of Spanish-speaking VA counselors in areas with large concentrations of Puerto Rican or Spanish-surnamed veterans would thus be quite appropriate.

Subsection (b) amends and strengthens subsection (b) of section 242 to provide that, in carrying out the outreach service program, the Administrator shall establish and carry out all possible programs and services including special telephone and mobile facilities. The Committee takes note of the use by the Veterans' Administration of mobile vans to do VA outreach work during the past two years. The Committee believes there should be a greater use of such vans, particularly in the inner city areas where significant numbers of educationally disadvantaged or unemployed veterans reside and particularly in concert with the new mandate for bilingual services added to subsection (a). The Committee takes note of the final report of the Educational Testing Service (conducted pursuant to section 413 of Public Law 92–540) which found that: the disadvantaged receive a series of three letters from the VA, apprising them of their benefits and encouraging them to make use of their entitlements. The letter, which is of an impersonal nature, does not take into account the fact that the disadvantaged are less likely to respond to printed material. Further, the disadvantaged veteran in particular is more mobile than veterans in general thereby producing a chance that attempts to reach him by mail will succeed. The percentage of disadvantaged who stated that they received *no* help or advice from any source is relatively high, 45.6 percent, as reported by the Readjustment Profile.

Subsection (c) redesignates sections 243 and 244 as 244 and 245, respectively, and adds a new section 243 authorizing a veterans representative program.

As part of a planned program to improve service relationships with veterans, their dependents and veterans' service organizations, the President announced on May 31, 1974, the establishment of a Veterans' Administration Man-on-the-Campus program. This plan involved the placing of VA counselors on college and university campuses when and where they are needed. These veterans' representatives, according to the Administration will be there to identify and resolve VA educational assistance allowance problems, and provide a counseling service for the full range of VA benefits, and "will be carefully selected from the best available manpower and will be given intensive training on all benefits as well as specialized training in the VA educational assistance program."

According to the President's statement, "In cooperation with colleges and universities, the Veterans' Administration this fall will place full-time representatives on those campuses where more than 500 Vietnam era veterans are enrolled. In addition, the VA will employ other representatives to visit those campuses where less than 500 such veterans are enrolled. Altogether, we expect to have more than 1,300 representatives of the Veterans' Administration participating in this new program."

The following table shows the distribution by area of GI bill enrollment in institutions of higher learning which according to the Veterans' Administration would receive either a part-time or full-time veterans' representative (based on one day on campus per 100 veterans):

TABLE 23.—GI BILL ENROLLMENT DISTINCTION, BY AREA

Location	Under 100 (A)		Over 100 (B)	
	Number of schools	Number of students	Number of schools	Number of students
Connecticut: Hartford	20	747	26	3,736
Delaware: Wilmington	4	185	5	1,836
District of Columbia: Veterans' Pension Office	5	73	9	7,245
Maine: Togus	18	562	6	1,758
Maryland: Baltimore	21	612	25	14,984
Massachusetts: Boston	57	1,308	42	22,267
New Hampshire: Manchester	19	616	5	1,620
New Jersey: Newark	20	415	34	15,816
New York:				
Buffalo	33	876	33	13,518
New York	77	2,991	65	33,431
Pennsylvania: Pittsburgh	31	985	18	7,207
Puerto Rico: San Juan	8	238	11	3,550
Rhode Island: Providence	3	144	8	5,359
Vermont: White River Junction	16	424	3	617
Total, area 1	332	10,176	290	132,944
Alabama: Montgomery	26	1,028	28	11,910
Arkansas: Little Rock	13	545	11	3,663
Florida: St. Petersburg	25	984	41	16,169
Georgia: Atlanta	30	823	31	12,173
Kentucky: Louisville	21	441	14	6,506
Louisiana: New Orleans	12	550	16	10,494
Mississippi: Jackson	33	939	12	4,294
North Carolina: Winston-Salem	50	2,197	58	19,060
South Carolina: Columbia	29	1,215	24	9,891
Tennessee: Nashville	42	1,343	33	12,884
Texas:				
Houston	16	745	36	25,377
Waco	38	1,390	50	34,990
Virginia: Roanoke	37	1,090	29	13,061
West Virginia: Huntington	12	310	15	4,511
Total, area 2	384	13,600	398	184,983
Illinois: Chicago	71	1,765	67	39,964
Indiana: Indianapolis	31	496	24	11,430
Iowa: Des Moines	44	1,301	17	5,787
Kansas: Wichita	40	1,289	11	7,488
Michigan: Detroit	36	1,119	52	30,920
Minnesota: St. Paul	45	1,241	19	7,343
Missouri: St. Louis	40	1,266	29	18,177
Nebraska: Lincoln	19	571	10	5,548
North Dakota: Fargo	8	309	6	2,000
Ohio: Cleveland	80	2,786	38	26,399
Oklahoma: Muskogee	16	723	25	13,884
Pennsylvania: Philadelphia	72	2,127	38	16,580
South Dakota: Sioux Falls	11	391	6	1,521
Wisconsin: Milwaukee	31	752	28	16,150
Total, area 3	544	16,136	370	200,191
Alaska: Juneau	6	120	2	1,083
Arizona: Phoenix	7	257	14	12,857
California:				
Los Angeles	31	743	58	69,995
San Diego	8	444	19	21,960
San Francisco	39	1,097	67	72,383
Colorado: Denver	18	579	20	15,136
Hawaii: Honolulu	3	120	10	4,697
Idaho: Boise	5	280	4	2,533
Montana: Fort Harrison	6	247	6	2,260
Nevada: Reno	2	46	4	2,393
New Mexico: Albuquerque	8	258	10	5,198
Oregon: Portland	21	693	21	12,733
Philippine Islands: Manila				
Utah: Salt Lake City	5	246	9	3,092
Washington: Seattle	9	392	36	21,344
Wyoming: Cheyenne	5	254	3	1,102
Total, area 4	173	5,776	283	252,766
Total	1,433	45,263	1,341	768,299

The next table indicates the Veterans' Administration's preliminary plans for placing veterans' representatives at institutions of higher learning:

TABLE 24.—VETERANS' ADMINISTRATION PLAN FOR PLACING VETERANS' REPRESENTATIVES ON IHL CAMPUSES

Veterans enrollments	Number of schools	Counselors needed (1 day per 100 students)	Remarks
0 to 100	1,429	100	Itinerant.
100 to 500	828	330	1 day per 100 GI trainees.
500 to 1,000	277	363	Do.
1,000 to 2,000	166	332	2 per school.
2,000 to 3,000	50	150	3 per school.
3,000 and over	13	52	4 per school.
Total		1,327	

Note: In addition to the 1,327 counselors needed on campus, 204 clerical support personnel will be needed in VA regional offices. Total personnel needed will be 1,531.

The Administration projects that this program will be initiated for summer school 1974, and become fully operational for fall term 1974. About 900,000 veterans are expected to enroll in 2,763 colleges under the GI bill in fall 1974 and will be benefited by the plan.

In order to grant explicit statutory authority for the establishment of the veterans' representative program, and to clarify in some respects the representative's functions and duties, the Committee has included a new section 243 of chapter 3, as follows:

§ 243. Veterans' representatives

Subsection (a)

Clause (1). Provides for the assignment by the Administrator, with appropriate clerical/secretarial support, to each residential educational institution a full-time veterans' representative where at least 500 persons are enrolled under chapters 31, 34, 35, or 36 of this title. Veterans' representatives shall be assigned on a less than full-time basis (proportionately) where there are less than 500 veterans as the Administrator deems adequate to perform the duties prescribed.

Clause (2). Provides that preference in selecting and appointing veterans' shall be given to Vietnam era veterans with experience in veterans' affairs, counseling, outreach, and other related veterans' services.

Clause (3). Provides that the functions of such veterans' representatives shall be as follows:

(A) Answer all inquires related to VA educational assistance and other benefits, and take all necessary action to resolve such inquiries expeditiously, especially those relating to payments of educational assistance benefits;

(B) Assure correctness and proper handling of applications, completion of certifications of attendance, and submission of all necessary information (including changes in status or program affecting payments) in support of benefit claims submitted;

(C) Maintain active liaison and cooperation with the officials of the educational institution to which assigned (including all institution news media) in order to alert veterans to changes in law and VA policies and procedures;

(D) Supervise and expeditiously resolve all difficulties relating to the delivery of advance educational assistance payments under section 1780(d) of this title and of partial tuition assistance payments authorized by the reported bill;

(E) Coordinate VA matters with, and provide appropriate briefings to, all on-campus veterans' groups, working particularly closely with veterans' coordinators at educational institutions receiving Veterans' Cost-of-Instruction payments under section 420 of the Higher Education Act of 1965;

(F) Provide necessary guidance and support to veteran work-study personnel in carrying out their assigned tasks (including outreach activities);

(G) Provide appropriate motivational and other counseling to veterans and carry out outreach activities, as to both functions only when such functions are not being adequately carried out by existing programs at such institutions; and

(H) Carry out such other activities as may be assigned by the director of the appropriate VA regional office—the VA supervisor responsible for these new personnel.

Clause (4). Authorizes the director of the appropriate VA regional office, based on a demonstrated lack of need, or in consideration of other factors indicating the inappropriateness of assignment of veterans' representatives at a particular educational institution, to either reallocate veterans' representatives to other educational institutions in his region when he determines that such additional veterans' representatives are necessary, or, with the approval of the Chief Benefits Director of the VA, to assign such veterans' representatives to the regional office, with special responsibility for one or more particular educational institutions.

Clause (5). Provides that the functions of a veterans' representative shall be carried out in such a way as to complement and not interfere with the statutory responsibilities and duties of persons carrying out veterans' affairs functions at institutions in receipt of Veterans' Cost-of-Instruction funds under the Higher Education Act.

Subsection (b), Provides that the Administrator shall establish rules and procedures to guide veterans' representatives in carrying out their functions to include provisions to ensure that the activities of veterans' representatives complement, and do not interfere with, the established responsibilities of representatives of organizations recognized by the Administrator under section 3402 of this title.

Subsection (*d*) amends section 244 (present section 243 as redesignated by subsection of this section) concerning the utilization of other agencies in carrying out veterans outreach services programs.

Clause 1 strengthens section 243 by providing that the Administrator shall utilize his contract authority under section 213 of title 38, to enter into agreements or contracts to utilize community-based national or local organizations which have special expertise in facilitating communication with, and the provision of services to the veterans disadvantaged by lack of education or by virtue of linguistic or other socioeconomic factors. The foregoing amendments were prompted in part by the general nonresponsiveness of the Veterans' Administration to the Committee's report on legislation utilmately enacted as the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92–540) calling for greated utilization and coordination with activities of community-based naional or local organizations or agencies. Quoted below are excerpts from the 1972 Senate report which the Committee believes continues to express congressional intent in this matter:

> . . . the Veterans' Administration should also make use of its general authority under section 213 to contract for outreach services from outside agencies and groups. The Committee notes that the Federal Government has spent millions of dollars developing the capacity of local agencies to service their community, particularly community action and model cities agencies and believes these agencies can be far more effectively utilized.
>
> In addition, private nonprofit organizations as well as city, county, and State offices have major service abilities which have yet to be focused fully on the needs of Vietnam era veterans. Contracting for these services would help achieve the objective of peer group community-based outreach efforts. In addition, to ensure that the veterans, employers and educational institutions are contacted in a systematic and nonduplicative fashion the Veterans' Administration should require those contractors engaged in outreach efforts to participate in coordinating councils. In this connection, the Committee notes that the President in calling for additional governmental efforts to achieve increased veteran participation in GI bill training this past May stated that he was "particularly hopeful that participation in GI bill programs can be increased through specific outreach into urban and rural areas, fully informing veterans of available education and other benefits." He noted that these efforts for increased participation "lend themselves well to both State and local participation, and to plans for coalition among VA, Labor, OEO, HEW, HUD, and other public and private agencies and institutions."
>
> In addition, the Educational Testing Service, in discussing low program participation by black veterans noted that tradition organizations often do not reach them and that as a consequence:
>
> A number of organizations have been formed or supported which *do* speak to the needs of black veterans. By virtue of their location, personnel and constituency, these organizations are more accessible to black veterans. Among the organizations which are concerned with their problems are Model Cities and the Community Action Program (CAP) . . . and the National Urban League.

Clause (2) amends paragraph (5) of section 243 to provide that the Administrator shall conduct and provide for studies to determine the most effective programs to carry out the purposes of the veterans outreach services program.

Subsection (e) amends the table of sections at the beginning of chapter 3 to reflect the addition of new section 243 providing for the veterans' representative program.

Section 218

Subsection (*a*) amends chapter 3 by adding a new subchapter which establishes within the Veterans' Administration an Interagency Advisory Council on Veterans' Services. The Council will seek ways to promote the effectiveness, coordination and interrelationship of services among all Federal programs affecting veterans and their dependents. Creation of this Advisory Council is in keeping with the intent of Congress and the express concern of the President to deliver all benefits and services as quickly and efficiently as possible to the veteran. The Council, which will be chaired by the Administrator of Veterans' Affairs, will consist of the head of ten Federal agencies who in various ways are responsible for assisting veterans as well as the heads of any other agencies which the President may consider relevant. Since 1955 seven similar veterans' advisory bodies have been established either by the President or by Congress. These include the President's Commission on Veterans' Pensions, better known as the Bradley Commission which published its famous report in 1955. Congress has established three advisory committees dealing with particular subjects. These include a special medical advisory group (38 U.S.C. § 4112) in 1958, the Advisory Council on Servicemen's Group Life Insurance (38 U.S.C. § 744) in 1965, and the Advisory Committee on Education Programs (38 U.S.C. § 1795) established in 1966.

Other advisory committees created by the executive branch include the U.S. Veterans' Advisory Commission which functioned from 1967 to 1968, and the President's Committee on the Vietnam Veteran, which issued its report in 1969. Such advisory bodies can and have produced insight and valuable recommendations on the coordination and interrelationship of various veterans' programs. Their limitations, however, have been either their specialized concern or their temporary nature. What the Committee intends by this amendment is to establish by statute an ongoing advisory body of some breadth of concern which shall meet on a regular basis and seek ways to improve the effectiveness and the interrelationship of services to veterans.

This subchapter is more fully described as follows:

Subchapter V—Interagency Advisory Council on Veterans' Services

§ 250. Establishment of Advisory Council

This section provides for the establishment within the Veterans' Administration of an Interagency Advisory Council on Veterans' Services. This Council shall be chaired by the Administrator and shall be composed of the heads (or their designees who hold at least executive level IV positions) of the Departments of Defense, Labor, HEW, Housing and Urban Development, Treasury, and Agriculture as well as the U.S. Postal Service, Civil Service Commission and the Small Business Administration.

§ 251. Functions of Advisory Council

Subsection (a). Provides that the Council shall promote maximum feasible effectiveness, coordination, and interrelationship of services among all Federal laws, programs, and activities affecting veterans and their dependents.

Subsection (b). Provides that the Council shall make recommendations to the President to develop in his annual budget a coordinated plan for the provision of services to veterans and their dependents under all Federal programs and activities.

Subsection (c). Provides that the Council shall report annually on its activities to the President and the Congress and shall submit to the President and Congress appropriate reports and recommendations for improvements in existing Federal laws, programs, and activities affecting veterans.

Subsection (d). Provides that the Council shall meet at the call of its chairman (the Administrator) but at least four times annually, and shall employ such staff as necessary to carry out its functions.

§ 252. Cooperation of Other Federal Departments and Agencies

This section provides that each Federal agency of the Council shall make available to the Council such personnel, support, and information regarding its activities as the Council shall request.

Subsection (*b*) amends the table of sections at the beginning of chapter 3 to reflect the addition of new subchapter V in chapter 3.

TITLE III—VETERANS' EDUCATION LOAN PROGRAM

Section 301

This section amends chapter 3, by adding a new subchapter VII, which establishes an education loan program of up to $2,000 per year to eligible veterans.

For those veterans choosing to pursue a course of education leading to a standard college degree and attending certain higher cost institutions additional sums, even beyond the rate increases (including the new partial tuition assistance payments) provided for in title I of the reported bill, will be required. To the extent that the additional costs are beyond the financial resources available to the veteran (including existing Federal loan programs), direct loans from the Veterans' Administration up to $2,000 an academic year are provided for. These direct insured loans which are to be from funds made available from the National Service Life Insurance Trust Fund are to be repaid within 10 years following a starting date nine months following the period when the student ceases to be an active student. The Administrator shall pay the Fund any interest accruing on the loan prior to the veteran-student's repayment date. The Veterans' Administration estimates that about 10 percent of all eligible veterans in college-level institutions would receive loans under this title. These estimates take into consideration the fact that veterans must first seek to obtain a loan under the Higher Education Act. This act was amended in 1972 to create a Student Loan Marketing Association to provide a secondary loan market in student loans in order to release additional private capital for such loans. In recommending a special loan program for veteran students, the Committe has taken into account the current situation of the Federally Insured Student Loan Program (FISL) and the particular situation of veterans in regard to that program. The Education Amendments of 1972 created a new needs test for the FISL program, which resulted in a reduction in activity in the program of up to 40 percent in 1973. Recent amendments in Public Law 93–269 which became effective in May will provide a liberalization of the needs test. However, the Committee believes that the impact of these liberalizations will not be known for some time.

Regardless of the unusual reduction in FISL participation, the Committee believes that for several reasons veterans have never been able to take full advantage of the FISL or other federally funded student aid programs. Information gathered by the California State Scholarship and Loan Commission in 1972, prior to the adoption of restrictive amendments to the FISL program, show a low participation of veterans in all federally funded student aid programs, as shown in the table below.

TABLE 25.—*Veteran participation in other federally funded student aid programs; California Veterans; 1971–72 academic year*

Program:	*Percentage of veterans participating*
Educational opportunity grants	1.5
Health professions grants	2.4
Law enforcement grants	2.1
National direct student loans	5.6
Health professions loans	1.2
Law enforcement loans	1.9
Guaranteed student loans	10.1
College work-study employment	6.4

Source: Educational Testing Service, Educational Assistance to Veterans: A Comparative Study of Three GI Bills, Princeton, New Jersey.

It has also come to the attention of the Committee that institutional financial aid officers often give priority in the allocation of student aid resources to nonveterans, primarily because of a veterans' source of funds through his GI bill benefits. The Committee also recognizes that a veteran in receipt of his GI bill educational assistance is automatically excluded from receiving aid from virtually all existing State or private nonprofit aid programs by financial needs tests.

The Committee has designed the Veterans' Education Loan Program to provide a resource beyond the high cost, limited, commercial credit sources to which the veteran is often forced to turn to by the circumstances mentioned above.

A very similar provision, with broader applicability, was included in the 1972 Senate-passed bill (S. 2161), but not agreed to by the House as part of Public Law 92-540.

During the first year, it is estimated that 135,900 veterans will receive loans in the amount of $168.4 million. First year interest and administrative costs chargeable to the Veterans' Administration are estimated at $13.6 million.

Subsection (a) amends chapter 3, title 38, United States Code, by adding a new Subchapter VIII, Loans to Eligible Veterans, which is described as follows:

§ 1698. Eligibility for loans; amount and conditions of loans; interest rate on loans

Subsection (a). Provides for educational loans to eligible veterans (as defined in sections 1652(a)(1) and (2) of chapter 34) in such amounts and under such conditions as are specified in subsections (b) and (c) of new section 1698. It shall be noted that subsection (b) of section 301 of the reported bill amends chapter 35 to make wives, widows, and children eligible for the new loan program on the same terms as veterans enrolled under chapter 34.

Subsection (b). Establishes an entitlement to a loan in the amount of $260 multiplied by the total number of months during which the needy veteran is entitled to receive educational assistance under section 1661. No loan shall be made in excess of $2,000 in any one regular academic year. The precise amount of the educational loan would be determined by subtracting the total amount of financial resources available to the veteran in any one year from the actual cost of attendance at school. A veterans' "financial resources" is defined as the total amount of his: (1) annual adjustment effective income less Federal income tax paid or payable; (2) cash assets; (3) financial assistance received under title IV of the Higher Education Act of 1965, as amended; (4) regular chapter 34 VA educational payments; and (5) any other financial assistance received under a scholarship or grant program. "Actual cost of attendance," is defined (subject to regulations prescribed by the Administrator) to include actual per-student charges for tuition, fees, room and board, plus expenses related to reasonable commuting, books and such other expenses as the Administrator determines are reasonably related to the attendance at the institution.

Subsection (c). Provides that an eligible veteran is entitled to a loan subject to the requirements of subsection (d) of the new section if he is attending school on a half-time or greater basis (in a course leading to a standard college degree) and has sought unsuccessfully to obtain a loan under the student loan program authorized by title IV of the Higher Education Act of 1965, as amended, in the full amount he needs, as measured under subsection (b). If he had received less than such full amount under the Higher Education Act or other loans, he would be entitled to a loan under this section in the amount of the difference, up to $2,000 per academic year based on his remaining GI bill entitlement.

Subsection (d). Provides that the principal amount of the loan and interest thereon shall be repaid in installments within ten years beginning nine months after the veteran ceases to be a student on a half-time or greater basis. No interest shall accrue prior to the beginning date of repayment. The interest rate on the loan shall be prescribed jointly by the Administrator and the Secretary of the Treasury. In this connection, the Committee notes that current interest rates on loans made under title IV of the Higher Education Act of 1965 as amended (which any recipient under this subchapter must have first sought to obtain) is seven percent. That rate is an appropriate benchmark in the determination of the interest rate to be charged under this subchapter. In no event, however, shall the rate be less than that paid by the Secretary of the Treasury on Treasury notes and other obligations held by the National Service Life Insurance (NSLI) Fund which currently ranges between 3 and 7.5 percent.

Subsection (e). Directs the Administrator to dischage the loan obligation of any veteran who does or becomes permanently and totally disabled by repaying the amount of his loan together with interest to the NSLI Fund.

§ 1699. Sources of funds; insurance

Subsection (a). Provides that the loan made under this subchapter shall be made from funds available under subsection (b) of new section 1699 and that the Administrator shall guarantee repayment as provided for in subsection (c) of this new section.

Subsection (b). Authorizes the Administrator to set aside from the NSLI Fund (called the "Fund") such sums (but not in excess of limitations in Appropriations acts) as are necessary to make loans under this subchapter. Any funds which are set aside shall be considered as investments of the Fund and shall bear interest at a rate not less than is paid by the Secretary of the Treasury on the Treasury notes and other obligations held by the Fund at each point in time in which the funds are set aside for loans. Currently, there is in excess of $7.7 billion in the Fund returning a current interest yield of 4.6 percent. In view of current interest rates prevailing on education loans, the Committee anticipates that funds made available under this subchapter will return a higher rate than is presently being earned by the Fund. Thus, the amount paid back to the Administrator and treated as appropriations by virtue of subsection (c) of this section will eventually replenish and indeed exceed the amounts the Administrator pays to the Fund on the amounts he sets aside.

Subsection (c). Provides that the Administrator shall guarantee repayment of principal and interest to the Fund of any amount set aside for loans. Pursuant to this section the Administrator may issue notes or other obligations to the Secretary of the Treasury, subject to such terms and conditions as the latter may specify, to bear a rate of interest no less than other Treasury investments of the Fund, and the Secretary is directed to purchase such notes and obligations issued by the Administrator.

Subsection (d). Authorizes the appropriation of such necessary sums as are required by the Administrator to repay accrued interest or to discharge responsibilities occasioned by death or disability under section 1698(e), and treats any amounts paid back to the Administrator under loan agreements as such appropriations. Thus, after several years' operation, it is anticipated that no further appropriations at all will be necessary to continue the program at a sizable level.

Subsection (e). Provides for the collection of a fee for insurance against loan default by the Administrator (not to exceed 1 per cent of the face amount of the loan) from each veteran obtaining a loan under this subchapter. This provision is similar in purpose to a provision in the Higher Education Act and is modeled on a provision, repealed in P.L. 91-506, former section 1818(d), formerly in the Veterans' Guaranteed Loan Program in chapter 37.

Subsection (*b*) amends the table of sections at the beginning of chapter 3 to reflect the addition of new subchapter VII.

Section 302

Subsection (*a*) creates a new section 1737 to make chapter 35 wives, widows and children eligible for the education loan program created in section 301. This new section provides that eligible persons under chapter 35 may qualify for loans up to $2,000 a school year on the same terms and conditions as eligible veterans. This amendment is consistent with the Committee's belief of providing equal benefits for appropriate and feasible persons training under chapter 35 with those accorded veterans training under chapter 34. There are no estimates of how many eligible wives, widows and children will utilize the loans as authorized under the subsection, but assuming the same utilization rate as that projected for veterans, probably no more than 7,600 would receive loans in the first year which would entail minimal costs.

Subsection (*b*) amends the table of sections at the beginning of chapter 35 to reflect new section 1737 added by the previous subsection authorizing the loans to eligible persons.

TITLE IV—VETERANS, WIVES, AND WIDOWS EMPLOYMENT ASSISTANCE AND PREFERENCE AND VETERANS' REEMPLOYMENT RIGHTS

Section 401

Subsection (*a*) amends section 2001 of chapter 41, regarding the Veterans Employment Service, to extend eligibility for benefits under chapter 41 to the spouse of: (1) any veteran who died of a service-connected disability; (2) any member of the armed services on active duty who at the time of application for benefits under chapter 41 has been listed for more than 90 days as missing in action, captured in the line of duty by hostile forces, or forcibly detained or interned in the line of duty by a foreign government or power; and (3) any veteran with a service-connected disability rated total and permanent in nature.

Subsection (*b*) amends section 2002 to provide that the congressional purpose and intent of chapter 41 that maximum employment and training opportunities be offered to veterans is to be extended to chapter 35 wives and widows made eligible by this section.

Subsection (*c*) amends section 2003 to provide that eligible wives and widows be included in calculating the minimum number of assistant veterans' employment representatives (AVER's) required under the formula contained in that section. All other provisions of section 2003 are also extended to eligible wives and widows.

The Committee considers that the extension of what is now veterans' job counseling, training, and placement services to eligible wives and widows will aid these persons in easing the special economic difficulties directly attributable to the military service of their spouses. For this reason, the Committee believes they should be included in the provisions of chapter 41.

Subsection (*d*) amends section 2005 to provide that the services and cooperation of all Federal agencies be extended to the Secretary of Labor in providing employment and training opportunities to wives and widows made eligible by this section.

Subsection (*e*) amends section 2006 to provide that the Secretary of Labor, in estimating the costs of the administration of chapter 41, shall also consider the costs of extending these benefits to the wives and widows made eligible by this section.

Subsection (f) amends the law to strengthen and expand section 2007 concerning administrative controls which the Secretary of Labor is directed to establish to ensure that eligible veterans are promptly placed in a satisfactory job or job training opportunity or receive some other specific form of assistance designed to substantially enhance a veteran's employment prospects, such as individual job development or employment counseling services.

Clauses 1 and 3 would amend the section to include chapter 35 wives and widows made eligible by the reported bill for services under chapter 41.

Clause 2 redesignates current subsection (b) as subsection (c) and adds a new subsection requiring the Secretary of Labor to establish definitive performance standards for determining compliance with the provisions of chapters 41 and 42 by State Public Employment Service Agencies. A full report as to the extent and reasons for any noncompliance by such State agency during any fiscal year together with the agency's plan for corrective action in the succeeding year is to be included in the annual report of the Secretary required under section 2007. As noted earlier in thic report, available data including Employment Service Automated Reporting System (particularly ESAR's, Table 91) indicate considerable noncompliance with the provisions of chapters 41 and 42.

Based on data from the Veterans' Administration, the Committee notes that this provision could result in the appointment of two additional AVER's. It may also increase the workload on local veterans' employment representatives (LVER's) appointed by State officials, and thus possibly result in the assignment of additional LVER's.

The Veterans' Administration deferred to the Department of Labor in its report on this section of the bill. The Department of Labor in its report generally favors the enactment of section 401 of the reported bill.

Section 402

This section amends subsection (a) of section 2012 of chapter 42 to clarify congressional intent with respect to the provisions requiring Federal contractors and subcontractors to give "special emphasis" to the employment of qualified disabled and Vietnam era veterans. In explaining the compromise version of section 2012 reached by the House and the Senate immediately prior to sending it to the President for signature, Chairman Hartke noted on the floor of the Senate on October 13, 1972, that the term "special emphasis" had been substituted for mandatory preference provisions in the Senate bill to "avoid any 'unnecessary litigation' which the Department of Labor feared would result. . . ." The Chairman noted further that:

> [I]n carrying out the provisions of this section the compromise agreement *also* requires a mandatory listing of job openings with the employment service by Federal contractors. (Italic supplied.)

Senator Cranston, the coauthor of the provision with Chairman Hartke, indicated on the floor that same day that "certain clarifications have been made . . . after consultation with the Department of Labor, *but the essential thrust of the Senate amendment is retained*." (Italic supplied.)

Despite the foregoing statements, the Solicitor of Labor adopted a narrow interpretation which concluded that "special emphasis" required nothing other than job listing under the provisions for such listing included in section 2012(a). Thus, the amendment made by this section would correct that misinterpretation by clarifying the language so as to make clear that the provision to provide the job listings is *in addition to* the requirement that Federal contractors and subcontractors provide "special emphasis" in hiring service-connected and disabled Vietnam era veterans.

On May 14, 1974, the Assistant Secretary of Labor for Manpower, in a letter in response to questions posed by Senataor Cranston at the May hearing acknowledged that the "special emphasis" requirement is currently under "intensive review by various components of the Manpower Administration and the Office of the Solicitor." At the same time, the Assistant Secretary indicated that the Department was proceeding to revise its regulations implementing title I of the Comprehensive Employment and Training Act (CETA). The Assistant Secretary acknowledged that the regulations as first published in the Federal Register on March 19, 1974:

> ". . . do not specifically require that (CETA) sponsors promote job and job training opportunities for veterans. To focus attention on certain qualified disabled and Vietnam era veterans in the prime sponsor jurisdictions, the Department of Labor will make the following change in the CETA regulations:
>
> Title I, Section 95.32(e). Prime sponsors will take into consideration special problems and needs of qualified disabled veterans and veterans of the Vietnam era who served in the Armed Forces on or after August 5, 1964, and meet the eligibility requirements of paragraph (a) of this section."

The Committee is encouraged by the forthcoming regulatory change and hopes it will be implemented swiftly and effectively. The Committee also expects similar efforts with respect to the "special emphasis" requirements under section 2012(a). At a minimum, the Committee believes that there must be a good faith listing of job openings and a good faith consideration by Federal contractors and subcontractors of qualifying veterans seeking prospective employment. Given the anticipated lack of expected growth in the Veterans' Administration Apprenticeship and On-Job Training programs during the past two years, the Committee also intends that "special emphasis" should include a requirement to ensure that Federal contractors and subcontractors institute such programs wherever feasible. Finally, the Committee intends that under the "special emphasis" requirement, the Department of Labor should set forth guidelines for Federal contractors and subcontractors as to what it considers an adequate plan of providing special emphasis in hiring and should require Federal contractors and subcontractors to submit a plan showing what they propose to do and periodic reports of progress in implementing that plan.

Section 403

Section 403 adds a new section 2014 to chapter 42 designed to carry out the policy of the United States to promote the maximum employment and job-advancement opportunities within the Federal Government for qualified veterans and disabled veterans of the Vietnam era.

The current employment preference program for veterans and disabled veterans in particular has resulted in a generally positive record by the Federal Government. In its 1973 annual report, the Civil Service Commission stated:

> Disabled veterans already receive top preference in Federal Employment. They get 10 points added to their examination scores (as compared with 5 points for nondisabled veterans), and compensably disabled veterans are put at the very top of most lists of eligibles for appointments to Federal positions. Disabled veterans may also have the added advantage of qualifying for special assistance under the Government's substantial action programs for hiring the handicapped. These strong, positive measures have resulted in some 250,000 disabled veterans now in the employ of the Federal Government—approximately 9 percent of the Government's total work force.

The employment problems of the Vietnam era veteran are, and have been, of special concern to the Federal Government as an employer, and efforts are constantly being made to improve the positive action programs provided to meet their employment needs. The success of these programs is perhaps best demonstrated by the very significant numbers of Vietnam era veterans being placed with Federal agencies. For example, 84,100 were appointed in FY 1973, and during just the first 9 months of FY 1974 an additional 80,450 have received Federal appointments. (This latter figure represents approximately 20.5 percent of all new hires and 56 percent of all veterans hired during the period. If this rate of hiring is sustained for the remainder of the year, Vietnam era veteran appointments for FY 1974 will exceed 100,000).

The Committee is aware that the Civil Service Commission has created a special program of veterans' employment assistance to facilitate Federal Government employment of veterans in all 65 area offices. The Commission's report shows that the efforts by the Federal Government to hire veterans has increased in the last three years; in Fiscal Year 1972, 149,000 veterans were hired by the Federal Government; in FY 1973, this was increased to 153,400; and in the first nine months of FY 1974 an additional 143,000 veterans found employment with the Federal Government, of which 80,450 were Vietnam era veterans.

The Committee believes that the Federal Government must be a model as an employer of veterans in order to provide the utmost encouragement to private employers to follow its example. The Committee finds the gross statistics for veterans employment as presented by the Commission to be generally impressive in regard to the employment of Vietnam era veterans. However, the Committee believes further progress can and should be made. In order to evaluate fully the effects of the program to promote employment of Vietnam era and service-connected disabled veterans within the Federal Government, further data is necessary. In particular, delineation is needed of the grade levels at which Vietnam era veterans have been hired, the duration of their employment, and the age groups of these veterans.

Further, the Commission data does not differentiate among disabled veterans by degree of disability. Title 5 definies a disabled veteran as any veteran with a service-connected disability, whether the disability is compensable or not. Therefore, the Committee believes further emphasis should be placed by the Civil Service Commission on collection of such categorized data in order that the Congress will have the best possible picture of the Federal Government's hiring of Vietnam era veterans and disabled veterans and the severity of their handicaps.

In addition, the Committee intends that the program of employment of service-connected disabled veterans promoted by the new section 2014 should be carried out in full coordination with the Federal program for the employment of handicapped individuals, under the Rehabilitation Act of 1973 (P.L. 93–112), and the new section so provides.

Subsection (a) amends chapter 42 of title 38, United States Code, by adding the following new section:

§ 2014. Employment within the Federal Government

Subsection (a). Provides that it is the policy of the United States and the purpose of this section to promote maximum employment and job advancement opportunities within the Federal Government for qualified disabled and Vietnam era veterans.

Subsection (b). Incorporates into law, with one difference affecting the period of eligibility, a special appointing authority for certain veterans and disabled veterans of the Vietnam era. The authority is now provided by Executive Order No. 11521, which permits a veteran or disabled veteran who meets established eligibility requirements to be given a "veterans readjustment appointment" to any position in the competitive civil service at or below the GS-5 level (or its equivalent) for which qualified and thereafter to receive a career-conditional appointment. The primary purpose of the authority is to assist veterans and disabled veterans to develop skills through a program combining employment with education or training. Thus, a veterans readjustment appointment is authorized only under a training or educational program developed by an agency in accordance with guidelines set by the Civil Service Commission.

There are two basic eligibility requirements which Vietnam era veterans and disabled veterans must meet under the Executive order as codified in the new section: (1) they must have had no more than 14 years of education at the time of appointment, and (2) they must have been separated from the Armed Forces for no longer than one year at the time of appointment. The Executive order makes an exception from the one-year-after-separation rule for veterans and disabled veterans who have a period of hospitalization or treatment immediately following separation from the Armed Forces. For this group, the one-year period of eligibility begins with the date of release from hospitalization or treatment.

Section 2014(b) provides another exception from the one-year-after-separation requirement. It covers veterans and disabled veterans who enroll in a program of education (as defined in section 1652(b)) on more than a half-time basis (as defined in section 1788) within one year after separation from the Armed Forces or release from hospitalization or treatment. For this group, the period of eligibility is extended by the time spent in the qualifying educational program (including vacation periods and incidental absences authorized during the educational program). All time between separation from the Armed Forces (or release from hospitalization or treatment) and enrollment in a qualifying educational program is counted against the one-year limit on eligibility, as is any time after the program has begun—other than absences attributed to the school cycle—when the veteran or disabled veteran first ceases to be enrolled on more than a half-time basis. Nevertheless, subject to the requirement in the last sentence of section 2014(b) that any appointment under the subsection must be made before July 1, 1978, eligibility for this group of veterans will always continue for at least six months after a veteran or disabled veteran first ceases to be enrolled on more than a half-time basis.

A veterans readjustment appointment is an excepted appointment. However, a veteran or disabled veteran who satisfactorily completes two years of substantially continuous service under a veterans readjustment appointment and who completes the educational or training program agreed upon at the time of appointment is converted to career-conditional employment and automatically acquires a competitive status for civil service purposes.

The subsection further provides that the Civil Service Commission will issue appropriate regulations to carry out the provisions of section 2014.

Subsection (c). Provides that each Federal department, agency, and instrumentality shall include in its affirmative action plan for the hiring, placement, and advancement of handicapped persons under the Rehabilitation Act of 1973 (P.L. 93-112), a separate affirmative action plan for disabled veterans, in accordance with regulations prescribed by the Civil Service Commission in consultation with the Administrator and the Secretaries of Labor and Health, Education, and Welfare (in order to ensure that the stresses and priorities in that act are not in any way diminished, especially as to persons with severe handicaps, by this new requirement).

Subsection (d). Provides that the Civil Service Commission shall be responsible for the review and evaluation of the implementation of this section and the activities of each Federal agency, department, and instrumentality (those covered by P.L. 93-112) in carrying out the purposes of this section and shall periodically obtain and publish reports and results on the implementation of the disabled veteran plan by each such agency (including full statistical data on the numbers of covered veterans employed by each such agency and their grade levels and periods of retention in employment as welll as the degree of disability for disabled veterans).

Subsection (e). Provides that the Civil Service Commission shall submit annually a report to Congress on activities carried out under this section. The Commission may include a separate report on activities regarding disabled veterans in its report required to be submitted by section 501(d) of P.L. 93-112.

Subsection (f). Provides that, since the section deals with Federal employment, the terms "veterans" and "disabled veteran" as used in this section (despite the definitions in section 2011) have the meanings given these terms in the civil service laws (5 U.S.C. 2108), as follows:

"Veteran" means an individual who—

(A) served on active duty in the Armed Forces during a war, in a campaign or expedition for which a campaign badge has been authorized, or during the period beginning April 28, 1952, and ending June 1, 1955; or

(B) served on active duty as defined by section 101(21) of title 38 at any time in the Armed Forces for a period of more than 180 consecutive days after January 31, 1955, not including service under section 511(d) of title 10 pursuant to an enlistment in the Army National Guard or the Air National Guard or as a Reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve; and who has been separated from the armed forces under honorable conditions.

"Disabled veteran" means an individual who has served on active duty in the Armed Forces, has been separated therefrom under honorable conditions, and has established the present existence of a service-connected disability or is receiving compensation, disability retirement benefits, or pension because of a public statute administered by the Veterans' Administration or a military department.

Subsection (b). Amends the table of sections at the beginning of chapter 42 of title 38, United States Code, to reflect the addition of new section 2014.

Section 404

Subsection (a) amends part III of title 38, United States Code, by adding a new chapter 43 which recodifies, with some amendments, into title 38, the veterans' benefits title, where it more appropriately belongs, the existing law on reemployment rights for veterans presently found in 50 U.S.C. App. 59.

The reemployment rights program is basically a labor-management relations program, dealing not only with initial reinstatement of the veteran in his former job, but also with such matters as seniority and pension rights. It is administered by the Labor-Management Services Administration of the Department of Labor. Amendments to the law made by this section would extend full coverage to veterans who were employed by States and their political subdivisions. Among these rights are reinstatement by the veteran's preservice employer, accumulated seniority and other benefits, and the right to bring an action in an appropriate Federal court against an employer to enforce these rights (although such actions are seldom necessary since more than 98 percent of reemployment claims are satisfactorily settled informally or by conciliation through the assistance of the Office of Veterans' Reemployment Rights, U.S. Department of Labor).

Also, this section extends the veterans' reemployment rights of Federal employees to employees of the U.S. Postal Service and Postal Rate Commission. The U.S. Civil Service Commission favors this provision.

The Department of Labor generally favors such an amendment to the law. It believes that schoolteachers, policemen, and other public employees returning from military service should not be denied reemployment rights provided for other veterans.

The Military Selective Service Act of 1967 declares it to be the sense of Congress that States and their subdivisions extend to veterans the same reemployment rights as do the Federal Government or private industry under present law. The provision now relating to State and local governments, however, is not binding under the law and, as a consequence, many returning veterans have found that their jobs in State or local government no longer exist. Furthermore, because these stated reemployment rights are not mandatory upon State and local governments, these veterans lose all benefits which would have accrued to them had they not entered military service.

This year it is expected that an estimated half million Vietnam veterans will be separated from military service. More than half of these young men were employed prior to their entering service. Under the Military Selective Service Act of 1967, those who held jobs with the Federal Government or private industry are assured that their job rights are protected. This is not the case with those veterans who previously held jobs as school teachers, policemen, firemen, and other State, county, and city employees.

Although a number of States have enacted legislation providing reemployment rights to veterans, the coverage, the rights provided, and the availability of enforcement machinery all vary considerably from State to State. Also, some State and local jurisdictions have demonstrated a reluctance, and even an unwillingness, to reemploy the veteran. Or if they do, they seem unwilling to grant them seniority or other benefits which would have accrued to them had they not served their country in the military.

In a comparable employment field, in 1972, the Congress extended the powers of the United States Equal Employment Opportunity Commission investigate complaints of discrimination in employment by State and local governments based on reasons of race, ethnic origin, and sex, and authorized action in court to seek corrective measures.

Senator Jennings Randolph, a *senior* member of the Committee on Veterans' Affairs, introduced legislation in the first session of the 93d Congress, to include State and local governments under the provisions of section 9 of the Military Selective Service Act.

The Commitee believes that the provisions of 50 U.S.C. App. 59, subsections (b) through (h), which deal strictly with the reemployment rights of veterans, more logically belong in title 38, which deals with veterans' benefits.

The Committee also believes it to be logical and consistent with congressional intent to extend these same rights to veterans who had been employed by State and local governments as well. For this reason, the bill as reported would amend veterans' reemployment rights law to extend coverage to State governments and their political subdivisions.

This new chapter is more fully described as follows:

§ 2021. Right to Reemployment of Inducted Persons; Benefits Protected

Subsections (a) and (b). Recodify existing law concerning the reemployment of persons inducted into the armed services as well as extend remployment rights to those veterans who were employed by State or local governments or other political subdivisions prior to entering military service. These veterans are not currently protected under existing Federal law and must rely on the vagaries of State law and local ordinances which are not usually as comprehensive as the Federal law and which are infrequently enforced in State courts. The proposed amendment to the recodification would make clear congressional intent that all veterans, regardless of who their preservice employers were, should receive equitable treatment in the matter of reemployment rights.

Subsection (c). Provides that State laws or local ordinances which establish greater or additional rights or protections for State and local employees than those provided by this chapter shall not be abrogated by this chapter. This is in keeping with the Committee's belief that when State and local governments provide returning veterans with greater rights and protections than those provided by existing Federal statute, the veterans should be able to utilize these rights and protections as well.

§ 2022. Enforcement Procedures

In addition to recodifying existing law, this section extends to employees of State and local governments and other political subdivisions enforcement rights in the same manner and to the same extent as are currently provided for employees of private employers, including the specific right to have their legal rights litigated in the Federal courts. The amendments would also provide, among other things, that these public employees could be represented in these proceedings in Federal court by the appropriate United States attorney. These amendments make specific and unequivocal the congressional intent that the Federal courts shall be the forum for the determination of reemployment rights of these public employees.

There is also added a provision at the end of this section which reaffirms and reflects more clearly the congressional intent that legal proceedings under this chapter shall be governed by equity principles of law, specifically by barring the application of State statutes of limitations to any such proceeding. Congress, in 1940, omitted any reference to the application of any time-barred defense in cases arising under this law, in part to insure the application of a policy of keeping enforcement rights available to returned veterans as uniform as possible throughout the country. The equity doctrine of laches accomplishes this purpose as nearly as possible.

Therefore, those court decisions which have either applied a State statute of limitations to completely bar a claim under the prior law (see e.g. *Blair* v. *Page Aircraft Maintenance, Inc.*, 467 F.2d 815 (1972)) (Alabama 1-year statute of limitations); *Bell* v. *Aerodex, Inc.*, 473 F. 2d 869 (5th Cir 1974) (Florida 1 year statute of limitations) or have applied a State statute of limitations to partially bar a claim under the prior law (see e.g. *Gruca* v. *United States Steel Corp.* (No. 73-1803 3d Cir. decided April 17, 1974); *Smith* v. *Continental Airlines, Inc.*, 70 CCH Labor Cases 13,501 (C.D. Calif. 1973)) are not in accord with the intent of Congress as to the application of time-barred defenses.

Furthermore, the holdings in *Blair, supra,* and *Bell, supra,* that the time spent by the governmental agencies charged with the administration and enforcement of this act in investigation, negotiation, and preparation for suit shall be charged against the veteran in any consideration of a time-barred defense, again misconstrue and misapply congressional intent.

§ 2023. Reemployment by the United States, territory, possession, or the District of Columbia

This section is a recodification of section 459(e) of 50 U.S.C. App., with appropriate editorial changes, which provides that any eligible veteran who was employed immediately prior to entering military service by any Federal agency or any Federal territory or possession, the District of Columbia, or the legislative or judicial branches of the Federal Government, shall be restored by such agency to his former position.

This section also provides that veteran employees of the United States Postal Service and the Postal Rate Commission shall have all the rights to reemployment that are granted to any employee of the Federal Government. (The Postal Service and Rate Commission are specifically placed in this section to emphasize the clear intent of the Committee that the veterans who were employees of the Postal Service and Rate Commission shall be afforded every right and protection to reemployment enjoyed by Federal employees.)

The Committee is in agreement with the United States Civil Service Commission's report of May 30, 1974, to S. 2784, which strongly supported this provision, and stated that it was:

> . . . convinced that it is important that Postal Service employees be brought within the scope of section 9 [of the Military Selective Service Act, veterans' reemployment rights] through positive legislation. At the present time, they are subject to the provisions of section 9 only through administrative action of the Postal Service. While they have the restoration rights and other employment benefits guaranteed by section 9—as the Postal Service interprets them—they have neither the right of appeal to the Commission that other Federal employees have nor the entitlement to representation by U.S. attorneys that employees in the private sector enjoy.

The Commission cited several instances when Congress specifically provided that Postal Service employees retained the right to appeal to the Commission when adverse actions were taken against them. The Committee concurs with the Commission's conclusion that "the Congress made the Postal Service subject to the Commission's jurisdiction in recognition of its status as a Federal agency . . ." and thus should be considered a Federal agency in the area of veterans' reemployment rights as well.

§ 2024. Rights of persons who enlist or are called to active duty; Reserves

This section is a recodification of section 459(g) of 50 U.S.C. App., with appropriate editorial changes, which provides that all reemployment rights and benefits shall be provided to certain reemployed veterans who later enlist in or enter the Armed Forces and the Public Health Service and to certain Reserve and National Guard members who enter or are called to active duty or active duty for training.

§ 2025. Assistance in obtaining reemployment

This section is a recodification of section 459(h) of 50 U.S.C. App., which provides that the Department of Labor, through its Office of Veterans' Reemployment Rights (OVRR), shall assist veterans in being restored to their former positions by using Federal and State agencies and volunteers. OVRR, through its field compliance officers, has resolved over 98 percent of the several thousand cases it receives each year. To penalize the veteran for utilizing the OVRR and the United States attorney to assist in the resolution of his case, as specifically provided for in the law—a course which has proved to be eminently successful over the years—is contrary to the intent of Congress. The view that correctly reflects this intent is the one expressed in such decisions as *Kay* v. *General Cable Corp.*, 63 F. Supp. 791, 793–794 (D. N.J., 1946); *Witty* v. *Louisville & Nashville Ry. Co.* 342 F. 2d 614 (7th Cir. 1965); *Stinner* v. *United States Steel Corp.*, 73 CCH Labor Cases 14,352 (W.D. Pa., 1974).

In addition, that portion of the decision in *Gruca, supra,* which holds that the "bumping" of other employees who advanced in seniority or position while the veteran was in military service constitutes prejudice to the employer when applying the doctrine of laches, is contrary to the basic intent of Congress as to the application of the act and is also contrary to the overwhelming majority of court decisions on this issue. (See e.g., *Conner* v. *Pennsylvania Ry. Co.*, 177 F.2d 854 (D.C. Cir. 1949); *Bostick* v. *General Motors Corp.*, 101 F. Supp. 213 (E.D. Mich., 1958); *Whitmore* v. *Norfolk & Western Ry. Co.*, 61 CCH Labor Cases 10,573 (N.D. Ohio, 1969).) It was always recognized by Congress that such "bumping" was inevitable in some situations, and that the act required it in order to provide the veteran with his statutory rights and protections. Anything less would undermine the very purpose of the act.

§ 2026. Prior rights for reemployment

This section contains the text of 50 U.S.C. App. 459(f), that if two or more veterans left the same position of employment to enter military service, the veteran who left the position first shall have a prior right to be restored to that position, with no prejudice to the reemployment rights of the other veterans.

Subsection (*b*) amends the table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part III, to reflect the addition of new chapter 43.

Section 405

This section amends section 9 of the Military Selective Service Act by repealing subsections (b) through (h) and redesignating subsections (i) and (j) as subsections (*b*) and (c) respectively.

TITLE V—EFFECTIVE DATE

Section 501

This section provides that, except as otherwise provided therein, the provisions of title I shall become effective on July 1, 1974.

Section 502

This section provides that the veterans' loan provisions of title III of this Act shall become effective on September 1, 1974.

Section 503

This section provides that the provisions of titles II and IV of this act shall become effective on the date of their enactment.

Cost Estimates

In accordance with section 252(a) of the Legislative Reorganization Act of 1970 (Public Law 91-510, 91st Congress), the Committee has attempted to estimate the fiscal impact of S. 2784 as reported. Information supplied by the Veterans' Administration in regard to several sections of the bill as reported has undergone several revisions (with changing assumptions), and the Committee therefore believes a detailed explanation of the fiscal impact and assumptions made in cost estimates of the major provisions is required as follows:

Monthly Assistance Allowance Increases

An estimated 1,630,000 individuals would be benefited by the 18.2 percent rate increases in the first fiscal year with participation decreasing gradually to 1,036,600 in the fifth fiscal year. The following table shows the number affected and the additional costs for chapters 31, 34, and 35.

TABLE 26.–S. 2784, AS REPORTED, ADDITIONAL COST OF DIRECT BENEFITS DUE TO INCREASED ALLOWANCES—BASIC INSTITUTIONAL RATE $260

[Dollar amounts in millions]

	All chapters		Ch. 31 (vocational rehabilitation)		Ch. 36 (veterans' educational assistance)		Ch. 35 (wives, widows, and children)	
	Individuals	Direct benefits cost	Individuals	Direct benefits cost	Individuals	Direct benefits cost	Individuals	Direct benefits cost
Fiscal year:								
1975	1,630,500	$462.3	28,950	$8.8	1,526,000	$434.7	76,000	$20.8
1976	1,487,300	423.7	27,500	8.7	1,381,000	393.6	78,801	23.4
1977	3,316,050	374.3	27,000	8.5	1,208,000	343.7	83,330	42.3
1978	3,162,100	329.9	26,500	8.4	1,053,033	299.1	82,600	22.4
1979	1,036,300	293.8	26,000	8.4	927,000	262.9	83,603	22.7
5-year total		3,884.0		42.6		1,732.3		309.6

Partial tuition assistance allowance

The Veterans' Administration, on June 4, 1974, submitted to the Committee the five-year fiscal cost of the partial tuition assistance allowance in the bill as reported based on five assumptions.

Based on a partial tuition payment plan under which the veteran is to pay the first $100, the VA is to pay 80 percent of the remainder, up to a maximum payment of $720 on a tuition of $1,000. The Veterans' Administration in estimating costs assumed:

"1. Full-time private school trainees to receive full $720, proportional for part time.

"2. Average public college tuition, FY 1974, was $424 (from Office of Education). We inflated by 6.5 percent (simple) a year, producing a figure of $452 for FY 1975. After subtracting $100, the balance was multiplied by 80 percent. The payment for part-time trainees is obtained by direct proportions.

"3. For public noncollege trainees, we repeated the above procedure using the tuition charge for public junior colleges since no other data are available.

"4. The chapter 34 cost includes all payments to those trainees who would benefit from the extension of the delimiting date. We have no data available for chapter 35.

"5. We assume that since 77 percent of the general student population attends public colleges while 81 percent of the veterans are in public colleges, 4 percent of all trainees would switch from public to private institutions."

While the Committee is aware that estimates of the fiscal impact of this section were made on the best data available, the Committee also believes that the cost of this provision may be inflated particularly where based on the assumptions of the increases in the number of trainees as a result of the extension of the delimiting date and the number expected to switch to private institutions. The following table shows the number of trainees under chapters 34 and 35 who it is estimated will receive tuition assistance for the next five fiscal years and the attendant costs:

TABLE 27.—S. 2784 AS REPORTED, ADDITIONAL COST OF PARTIAL TUITION PAYMENT

[Dollar amounts in millions]

Fiscal year	Ch. 34 (veterans' educational assistance)		Ch. 35 (wives, widows and children)		All chapters	
	Individuals	Cost	Individuals	Cost	Individuals	Cost
1975	1,652,000	$564.0	76,000	$25.9	1,728,000	$589.9
1976	1,532,000	539.5	78,000	27.7	1,610,800	567.2
1977	1,217,000	441.3	81,000	29.4	1,298,000	470.7
1978	1,125,000	420.1	82,600	30.9	1,207,600	451.0
1979	1,038,000	398.7	83,600	32.1	1,121,600	430.8
5-yr total		2,363.6		146.0		2,509.6

Extension of delimiting date

The cost estimates of the VA for the extension of the delimiting dates have varied widely.

On March 28, 1974, the Veterans' Administration reported to the Committee that it estimated the fiscal year 1975 cost of a two-year delimiting date extension would be $179.1 million decreasing to $80.5 million at the end of five years. The following table indicates the number of veterans who, it is anticipated, will train and the cost for the first five fiscal years as estimated by the Veterans' Administration.

TABLE 28.—MAR. 28, 1974, VA ESTIMATES OF 5-YEAR COST OF 2-YEAR EXTENSION OF DELIMITING DATE

[Dollar amounts in millions]

	Trainees	Direct benefits cost
Fiscal year:		
1975	118,000	$179.1
1976	98,000	148.8
1977	44,000	66.8
1978	52,000	78.9
1979	53,000	80.5
Total 5-yr cost		554.1

Officials at the VA explained their assumptions in estimating the cost of the extension of delimiting date in the following statement:

"1. Actual statistics show that between fiscal year 1955 and fiscal year 1966 there were 4,139,000 net separations from service (total separations minus reenlistments equals net separations). In fiscal year 1967 there were 533,000 net separations. Thus, from fiscal year 1955 through fiscal year 1967 there were 4,672,000 net separations.

"2. Using past experience to determine how many will enter training within their 8-year period, we estimate that 1,769,000 of the total will enter training during that time. It is further estimated that of the 1,769,000, 5 percent would train in the ninth year, or about 88,000. It is also estimated that of the remainder of 2,900,000 who did not train in their 8-year period, 1 percent would be induced to enter training with the delimiting date being extended to 9 years. Thus, it is estimated that during the ninth year 117,000 (88,000 plus 29,000) will train.

"3. In fiscal year 1968 there were 745,000 net separations of which it is estimated on the basis of past experience that 381,000 will train in the 8-year period and 364,000 will not enter training.

"4. Assuming a 10-year period, based on our estimate of the 1,769,000 who entered training premised upon the fiscal year 1955–66 period, the rate who would train in the second additional year would drop from 5 to 3 percent, or 52,000 would train in the second additional year. Of the 2,900,000 who did not train in the 8-year period, we further estimate that the 1 percent figure would drop to ¾ of 1 percent, giving a net figure of 23,000. The number of trainees from the fiscal year 1968 separations would amount to 23,000 (5 percent of 381,000 who will have trained and 1 percent of those who did not train). Therefore, the total number of trainees in the 10th year would amount to 98,000 (52,000 plus 23,000 plus 23,000).

"5. Premised on this formula, and assuming either a 9-year or 10-year delimiting date, we arrive at the following number of trainees by fiscal year who would be expected to train:

	9 yr	10 yr
Fiscal year:		
1974	0	0
1975	117,000	117,000
1976	23,000	98,000
1977	29,000	43,000
1978	33,000	52,000
1979	32,000	53,000

Note: There would be no new trainees estimated for fiscal year 1974 since the 8 yr delimiting date on anyone discharged prior to June 1, 1966, does not run out until May 31, 1974. The number of trainees in fiscal year 1978 and fiscal year 1979 rises because of the number of discharges in fiscal year 1970 and fiscal year 1971 exceeded the number of discharges in fiscal year 1969.

On May 6, the Veterans' Administration reported to the Committee on S. 3398 and submitted an additional report to S. 2784 which sharply revised the cost estimates upward for a new first fiscal year cost of $618.5

million over their previous estimate of $175.9 million.

In attempting to explain the discrepancies, the Veterans' Administration reported to the Committee that:

"In developing the original cost estimates of a potential 2-year extension nearly a year ago we assumed that 5 percent of those who would have entered training by the end of the 8-year eligibility period would continue to train in the 9th year and that 3 percent would continue into the 10th year. We also assumed that 1 percent of those who would not have entered within 8 years would train in the 9th year and 0.75 percent would train in the 10th year. The result was an estimated 113,000 trainees during fiscal year 1975. This figure was later updated to 118,000 trainees to parallel the upward revisions in our estimates and to reflect the numbers subsequently shown in our 1975 congressional budget submission. At that time, we were unable, due to time constraints, to review the basic assumptions.

"Upon later reevaluation, we observed that the number of post-Korean peacetime trainees had increased from 367,000 in 1972 to 395,000 in fiscal 1973. Based upon this fact, we concluded that many of these older veterans were making an effort to enter training before the expiration of their 8-year delimiting period. This was also confirmed by other reports showing an increase in entry rates for this group.

"A special study and tabulation was made by a VA research group, the results of which were not available until the end of March 1974. This special study provided our first training count of those Vietnam veterans separated before enactment of the current law (between August 4, 1964, and June 1, 1966). The study estimated that adding these early Vietnam veterans to the post-Korean peacetime veteran total would produce a count of 388,000 in training as of the end of February 1974.

"Having expanded the 388,000 to reflect the entire 1974 fiscal year, we now estimate that between 500,000 and 600,000 persons will have trained during the year whose entitlement will expire on May 31, 1974. Applying our latest data on entry and retention rates, and considering the new data provided by the special study, we now estimate that a revised total of 500,000 trainees will avail themselves of the extended entitlement during fiscal year 1975. This revision necessarily required a revision in the cost estimate promised upon this increased number of individuals who we now anticipate may utilize training under a 2-year delimiting date extension."

Thus, the Veterans' Administration estimates for the five-year cost of a two-year delimiting extension were revised as follows:

TABLE 29.—MAY 6, 1974, VA ESTIMATES OF 5-YR COST OF 2-YR EXTENSION OF DELIMITING DATE

[Dollar amounts in millions]

	Trainees	Direct benefits cost (in millions)
Fiscal year:		
1975	500,000	$759.1
1976	500,000	759.1
1977	311,000	472.1
1978	379,000	575.4
1979	396,000	601.2
Total 5-yr cost		3,166.9

The Committee believes that because of the considerable discrepancy between the various estimates of trainees and costs, there is considerable doubt as to the accuracy of VA cost estimates for the two-year extension of the delimiting date. Although the higher figure has been included in overall cost estimates of the reported bill, the Committee is without sufficient information to make a final determination as to the cost of the enactment of this provision.

Veterans' Education Loan Program

On June 3, 1974, the Veterans' Administration, in providing information of the cost of the Veterans' Education Loan Program, explained to the Committee its assumptions in estimating the number of trainees who would take advantage of the availability of the new loan program, as follows:

Under the student loan proposal, VA would make loans of up to $2,000 per academic year to certain chapter 34 veterans enrolled on at least a half-time basis in courses leading to standard college degrees. Such a loan would not accrue interest until the veteran ceased to be at least a half-time student. These loans would be made from the National Service Life Insurance Fund and guaranteed by the Administrator by issuance of notes or other obligations to the Secretary of the Treasury. Both the loans to the veterans and the notes issued to Treasury would bear interest at a rate not less than that paid by the Treasury on notes and obligations held by the Fund. A veteran would not be entitled to a loan unless he could not obtain the full amount needed in the form of a guaranteed loan as described under part B of title IV of the Higher Education Act of 1965, amended. Since these chapter 34 loans are to be a secondary source of funds and since the VA would be required to consider the veteran's total amount of financial resources before granting a loan, we have assumed that a minimum of 10 percent and a maximum of 50 percent of those veterans training in college each year would avail themselves of loans. Secondly, that those in public schools would have an average loan of $1,227 in 1975 and those in private schools an average loan of $2,000. Thirdly, we have assumed that the VA would bear the interest expense through the first nine months after the veteran ceased to train on at least a half-time basis. The interest rate is assumed to be 7.25 percent, the current rate for new obligations held by the Fund. Finally, we would incur general operating expenses for the operation and administration of this new program.

The Committee believes that the VA's estimate that 50 percent of all veterans receiving GI bill benefits will also receive a loan under the Veterans' Education Loan Program is excessive. No supportive data has been submitted by the Veterans' Administration. The Committee believes that the use of the new loan program will be nearer to the 10-percent level which was the VA's own estimate until this past week since (1) these loans are a secondary source of funds, (2) a veteran must first fail to qualify for a loan under the Higher Education Act before becoming eligible for the new program, and (3) the U.S. Office of Education, Department of Health, Education, and Welfare, estimates that only one-third of those eligible for loans under the federally-insured student loan program actually receive such loans.

Accordingly, the Committee adopts the cost estimates for the loan provision at the 10-percent activity rate. The following table shows the number of veterans receiving loans together with the administrative and interest cost of the program for the next five fiscal years:

TABLE 30.—ESTIMATE OF COST FOR VETERANS EDUCATION LOAN PROGRAM

[Dollar amounts in millions]

	Veterans receiving loans (in thousands)	Total value of loans outstanding	Interest costs	Administrative costs	Total costs
Fiscal year:					
1975	135.9	$168.4	$12.1	$1.4	$13.5
1976	124.7	333.0	24.1	0.9	25.0
1977	99.3	463.5	33.6	1.8	35.4
1978	93.7	577.7	41.9	2.6	44.5
1979	88.1	671.2	48.7	3.2	51.9
Total			160.4	9.9	170.3

Total five-year cost

The following table provides a section-by-section cost projection of S. 2784 as reported for the next five fiscal years. Given the foregoing discussion, the Committee believes that some of the VA prepared cost estimates are in doubt and that the total cost reflected below may be inflated:

TABLE 31.—ESTIMATED COST, S. 2784, AS REPORTED

[In millions of dollars]

	Fiscal year—				
Section and provision	1975	1976	1977	1978	1979
TITLE I					
101. Equalization ch. 31 benefits	36.6	37.2	37.9	38.6	39.0
102. Rate increases 103. Rate increases	423.7	392.6	346.9	305.6	272.0
104. Partial tuition	589.9	567.2	470.7	451.0	430.8
TITLE II					
202. (a) 45 mo. entitlement	55.5	19.8	19.8	19.8	19.8
(b) Active duty for training entitlement	.6	.6	.1	.1	.1
203. Delimiting date extension ch. 34	731.0	731.0	454.7	554.1	578.9
205. Refresher training	3.0	2.5	2.5	2.5	2.5
206. Work-study program	8.3	8.3	8.3	8.3	8.3
207. Tutorial assistance	.8	.7	.6	.5	.5
208. Delimiting date extension ch. 55	(1)	(1)	(1)	(1)	(1)
210. Farm training ch. 35	.4	.4	.4	.4	.4
212. Joint Apprenticeship Committees payment	.6	.5	.4	.4	.3
213. Apprenticeship, on-job training rate increases	38.6	31.1	27.4	24.2	21.7
214. Course measurement	(2)	(2)	(2)	(2)	(2)
215. Repeal 2-program limitation	6.0	7.9	6.6	6.6	6.6
216. Evaluation and data collection	(2)	(2)	(2)	(2)	(2)
217. Administration—Outreach	(1)	(1)	(1)	(1)	(1)
218. Advisory council	(2)	(2)	(2)	(2)	(2)
TITLE III					
Interest cost	12.1	24.1	33.6	41.9	48.7
General operating expenses	1.4	.9	1.8	2.6	3.2
TITLE IV					
Total title IV	(2)	(2)	(2)	(2)	(2)
Total cost	1,908.5	1,824.8	1,411.7	1,456.7	1,432.9

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[1] No estimated cost available.

[2] Provision incurs no significant cost.

TABULATION OF VOTES CAST IN COMMITTEE

Pursuant to section 133(b) of the Legislative Reorganization Act of 1946, as amended, the following is a tabulation of votes cast in person or by proxy of the Members of the Committee on Veterans' Affairs on a motion to report S. 2784, with an amendment, favorably to the Senate:

YEAS—9

Vance Hartke, Herman E. Talmadge, Jennings Randolph, Harold E. Hughes, Alan Cranston, Clifford P. Hansen, Strom Thurmond, Robert T. Stafford and James A. McClure.

NAYS—0

Mr. HARTKE. Mr. President, I believe that the committee report placed in the Record outlines and explains in considerable detail the intent of the provisions before you and the committee's conviction with respect to related matters. However, some additional explanatory remarks as to certain features of the GI bill program are in order.

UNEMPLOYMENT AMONG DISABLED AND VIETNAM ERA VETERANS

As amendments contained in S. 2784 reveal, the committee continues to be quite disturbed over what it believes are inadequate efforts to aid unemployed disabled and Vietnam era veterans. In addition to the amendments in the reported bill, the committee is cognizant that a second Supplemental Appropriations Act of 1974 passed by both Houses of Congress contains funds for the public employment program authorized by the Emergency Employment Act of 1971, as authorized in section 3 (a) of the Comprehensive Employment and Training Act. Such funds should be used to provide additional employment opportunities for disabled and Vietnam era veterans. The Emergency Employment Act provided for special consideration for Vietnam era veterans and the Secretary of Labor effected this requirement by establishing guidelines at a 40 percent quota for hires of veterans under the program. The additional EEA funds contained in the Supplemental Appropriations Act can and should be used to establish a meaningful veterans employment program. Consideration should be given to increasing the 40 percent quota through a change in the Secretary's guidelines. In addition, requirements for hiring disabled veterans should be added by the Secretary.

As amendments to chapter 41 made by S. 2784 indicate, the committee continues to believe that there should be substantial improvement in the Employment Service—ES—services for veterans both in counseling and in improved job development and placement service. The law presently requires the Secretary of Labor in section 2007, of title 38, to establish administrative controls to insure that each eligible veteran who requests assistance "shall promptly be placed in a satisfactory job or job-training opportunity or receive some other specific form of assistance designed to enhance his employment prospects substantially such as individual job development or employment counseling services." Amendments made by S. 2784 would also require the Secretary of Labor to establish standards for determining compliance by State employment service agencies with the provisions of chapters 41 and 42. With respect to improved counseling service for veterans it seems clear that the Secretary should require that each veteran whose job goals are not clear or who requires job adjustment assistance should be considered and served on a case by case basis. In order to accomplish this each such veteran should be aided through the counseling process to develop an employability plan with long-range and short-range goals. The plan should also include a determination of training that may be needed such as is currently available under title 38 or other onjob training, institutional, work experience, subsidized, and so on. In addition the employment services should see that efforts are made to develop training opportunities through CETA sponsors, public and private vocational facilities and so on. The employability plan should include steps for individualized job development and for continuous followup for a year. As to definitive performance standards with regard to counseling, I believe there is consensus that the number of new Vietnam Era veteran applicants counseled should be at least twice the current rate. With respect to disabled veterans I believe the Department of Labor is in agreement that definitive performance standards require that all handicapped veterans could benefit from some counseling and that many will need intensive counseling and arrangements for support services related to employment. Accordingly such steps should be taken by the Secretary.

Obviously, there should also be greatly improved job development and placement services. In the past fiscal year only 16 percent of available Vietnam era veterans were placed in a job in excess of 3 days, and less than 2 percent were enrolled in Federal training programs. An aggressive program to insure that Federal contractors and subcontractors institute VA apprenticeship and onjob training programs should aid in substantially increasing aid rendered to veterans. As to men and women currently in the service, a predischarge placement system should be established by the Department of Labor in collaboration with the Department of Defense which would link military bases with job banks and other employment service job information and matching systems for direct job placement.

Arrangements should be made to station full-time VA staff on military bases as required, to facilitate the transition of service persons from military service to jobs in the public or private sector.

Mr. President, I am also aware that the Department of Labor's Manpower Administration is in the process of developing a package of "worker relocation" demonstration projects which will operate over a period of 3 years. Although project designs are not yet completed it is my understanding that the preliminary plan is to conduct three separate projects in different geographic areas. The first project will consist of three different levels of services:

Level 1—telephone job search and referral;

Level 2—job search grant; and

Level 3—relocation grants.

The second project will provide all three of the above services and other support services such as pre and post-relocation counseling. The third project involves computerized matching of applicants' names and qualifications with employers, jobs, and requirements. Reports will then be sent to the originating offices at which time relocation grants will be given to those applicants who wish to relocate. Mr. President, it seems that such projects could significantly aid in the promotion of veteran employment mobility and I would strongly urge that veterans receive priority consideration and service in each of these projects.

Finally, serious consideration should be given to requiring that the Postal Service be included under the mandatory listing program. When Post Office hiring was under Civil Service Commission, its mail staff composition was an estimated 70 to 80 percent veterans and about 66 percent of the new hires were veterans. In the fiscal year 1973 when the Post Office was no longer under Civil Service, the Post Office hired a total of 77,925 of whom 58 percent were veterans and 32 percent were Vietnam era veterans. In the first 8 months of 1974 there were 100,000 new hires of which 55 percent were veterans and 30 percent were Vietnam era veterans. Mandatory listing along with preferential hiring through the public employment offices would increase the hiring of veterans in the Postal Service. As many of the jobs in the Post Office are not physically demanding and many others have been lightened by automation, it would further appear that there are numerous opportunities for disabled veterans.

REEMPLOYMENT RIGHTS FOR VETERANS

Mr. President, title IV of S. 2784 would also recodify with some amendments into title 38 where it more appropriately belongs, the existing law with regard to reemployment rights for veterans presently found in 50 United States Code App. 59. In addition to recodification, the law would also extend for the first time, reemployment rights of those who were employed by State governments or political subdivisions. Thus, former schoolteachers, policemen, firemen, and other State and county employees would be granted reemployment rights identical to those enjoyed by those veterans employed by private companies. The committee is particularly indebted to Senator Randolph, a most distinguished and valued senior member of the committee for his deep interest in this matter. Through the hard and persistent work of the senior Senator from West Virginia, the provisions which were originally contained in his bill, S. 1635, were incorporated into S. 2784 as reported. As Senator Randolph said in his introductory remarks to S. 1635:

> . . . We should leave no doubt in the minds of the state and local government employers that Congress feels all veterans should receive equitable treatment in the matter of reemployment rights.

Mr. President, these are sentiments that the committee as a whole strongly concur in and for this reason the provisions have been made a part of the reported bill. This coverage for State and local employees is meant to operate prospectively and applies only to veterans who are released from military service on or after the effective date of the enactment of this legislation.

I am also indebted to Senator RANDOLPH for his assistance in enabling the committee to arrive at the decision that reemployment rights should be extended to veterans who were employees of the U.S. Postal Service and the Postal Rate Commission.

Finally, in connection with reemployment rights, it should be noted that currently Government policy to reach every serviceman at the time he is released from military service so that individual servicemen can fill out a form with certain information concerning pre-service employment or military service. These completed forms are then collected at separation centers and sent to the Office of Veterans' Reemployment Rights national office where they are used as self-mailing devices to furnish reemployment rights information to veterans and to preservice employers. This is intended to facilitate prompt reinstatement of returning veterans in their former employment and to prevent unnecessary disputes from arising and further lets parties know where further assistance can be obtained if needed. Unfortunately, it is the committee's understanding that the Department of Labor is currently receiving data on less than 60 percent of the number of persons that are actually separated. The absence of information on 40 percent of those being separated from the service significantly impairs the operation and affect of the reemployment rights program. Regulations should be issued with steps taken to implement them which would assure significant movement towards the goal of 100 percent participation.

CONTROLS TO PREVENT ABUSES

Mr. President, S. 2784, as reported, contains a number of safeguards to prevent abuses of the veterans educational assistance programs. Included is the requirement that institutions offering courses with vocational objectives must show that at least one-half of the persons completing the course over the preceding 2-year period have been employed in the specific occupational category for which the course was designed to provide training. Some questions have been raised concerning this 50 percent placement rule and some have been quick to point out that there are various reasons and situations where veterans might not obtain employment in this specific occupational category for which the course trained them. The committee wishes to emphasize, however, that this ignores the fact that the requirement is that half of those who complete the courses obtain such employment. Second, it should also be pointed out that this provision applies only to those who complete the course and not to those who enroll and fail to complete. As such this should not be unduly burdensome. For example, with respect to correspondence courses, the General Accounting Office testified in 1972 that nearly 75 percent of all veterans discontinued before completing their correspondence training. Thus, the amendment made by S. 2784 would only require that something less than 13 percent of those who enrolled found employment in the specific occupational category for which trained. If there are schools which believe they would have difficulty in meeting this requirement, it is perhaps time that they acknowledge so publicly.

Concerning verification of the 50 percent placement rule, the committee would expect that the existing techniques and procedures currently in effect for sales or sales management courses which come within the purview of section 1673 should serve as an appropriate starting point. Certain questions have been raised about difficulties in contacting certain graduates and in this connection the committee does not expect that every veteran could be contacted by a school. A statistically valid and reliable sample approved and verified by the Veterans' Administration could satisfy the requirements of section 204 without the necessity of having to contact each graduate of the school. In this connection the committee understands that more abundant placement data as to graduates of vocational objective courses exists than has been suggested by some questioning the operation of this provision. For example, the committee understands that placement information is annually forwarded by member schools to the National Association of Trade and Technical Schools and the National Home Study Council.

The committee is further aware that the rules of those accrediting bodies provide that as part of both the initial approval and the periodic reevaluation process the accrediting body takes into account a school's placement of graduates. Presumably this indicates that such information is available. Further, according to A. Harvey Belitsky, in his book "Private Vocational Schools and Their Students":

> More than four-fifths of NATTS schools have some student followup procedures although intervals varied widely.

According to Belitsky about 50 percent of the NATT schools contact the students within 6 months of graduation.

Questions have also been raised about specific occupational categories. As the committee report indicates there are substantial differences in occupational categories between for example, "computer programmer" and "key punch operator". If the majority of students are placed as key punch operators rather than computer programmers the course is more properly designated as one that provides training for operators rather than programers. Some have suggested however that some students initially find employment as key punch operators but subsequently become computer programmers. While the committee continues to believe that the proper vocational objective of such a course would be key punch operator it wishes to emphasize that it is permissible for the school's advertising to indicate the numbers of such students who have moved up to become computer programers provided such disclosure is in no way misleading, deceptive or erroneous as provided for in new section 1795, as created under section 215 of the reported bill.

Finally, Mr. President, I wish to insert in the RECORD a letter from the Director of Bureau of Consumer Protection of the Federal Trade Commission supporting the 50-percent placement rule and new section 1795.

There being no objection the letter was ordered printed as follows:

FEDERAL TRADE COMMISSION,
Washington, D.C., June 14, 1974.

Hon. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Russell Office Building, Washington, D.C.

DEAR SENATOR HARTKE: The Bureau of Consumer Protection has reviewed certain proposed amendments to Title 38 of the United States Code as contained in S. 2784, the Vietnam Era Veterans Readjustment Assistance Act of 1974.

The Bureau has been concerned for some time with the business practices of proprietary vocational and home study schools. We have been particularly troubled by misleading advertising and by other practices which induce vulnerable consumers to enroll in courses of study that do not offer career training leading to actual employment positions. Consequently, the Bureau would favor the proposed amendment to Section 1673(a) of S. 2784 which would require the Veterans Administration to disapprove for veterans' benefits any school that does not place one-half of its graduates in jobs in the field for which they were trained.

The Bureau is most interested in coordinating its efforts in the vocational school field with the Veterans Administration. In this regard we are prepared to endorse the terms of the proposed VA-FTC working agreement as defined in the attached amendment to Section 1795 of S. 2784.

Sincerely,

J. THOMAS ROSCH,
Director.

"§ 1795. *Limitation on certain advertising, sales, and enrollment practices*

"(a) The Administrator shall not approve the enrollment of an eligible veteran or eligible person in any course offered by an institution which utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation.

"(b) The Administrator shall, pursuant to section 1794 of this title, enter into an agreement with the Federal Trade Commission to utilize where appropriate, its services and facilities consistent with its resources in carrying out investigations and making his determinations under subsection (a) of this section. Such agreement shall provide that cases arising under subsection (a) of this section or any similar matters with respect to any of the requirements of this chapter or chapters 34 and 35 shall be referred to the Federal Trade Commission which, in its discretion, will conduct an investigation and present preliminary findings. The findings and results of any such investigations shall be referred to the Administrator who shall take appropriate action in such cases within ninety (90) days after such referral.

"(c) Whenever the Federal Trade Commission in an adjudicative proceeding has entered a final order, excluding consent orders entered into pursuant to Part 3.11 of the Federal Trade Commission Rules of Practice, (16 CFR 3.11 et seq.) to cease and desist against any institution whose courses are approved under this chapter or chapters 34 and 35 such order shall be treated by the Administrator as conclusive evidence on the basis of which he shall, pursuant to Subsection (a), disapprove the enrollment of any eligible veteran or eligible person in any course offered by such institution.

"(d) Not later than sixty days after the end of each fiscal year, the Administrator shall report to Congress on the nature and disposition of all cases arising under this section."; and

"(e) Striking out from the table of sections at the beginning of chapter 36 of such title the following:

"1795. Limitation on period of assistance under two or more programs."

and inserting in lieu thereof:

"1795. Limitation on certain advertising, sales, and enrollment practices."

Mr. HARTKE. I also ask unanimous consent to place in the RECORD a telegram from Joseph A. Clark, commissioner of the Indiana Private School Accrediting Commission and president of the National Association of State Administrators which supports in principle the provisions of sections 204 and 214.

There being no objection the telegram was ordered printed as follows:

[Telegram]

Hon. VANCE HARTKE,
Chairman, Senate Committee on Veterans' Affairs, Washington, D.C.

DEAR MR. CHAIRMAN: Please reference Senate bill S. 2784 and report number 93-907 sections 204 and 215.

I wish to commend your Committee for its efforts in preparing this much needed amendment to title 38, United States Code, and tell you I support in principle sections 204 and 215.

No reputable institution will object to showing that a substantial number of graduates were placed in jobs for which they were trained. It is important that the school show that the number of graduates who took the training for job placement did in fact receive job placement. Further it is important that this apply across the spectrum of post secondary education. As President of the National Association of State Administrators and supervisors of private schools I wish to inform you we are preparing a position paper on this very issue. In a like manner we agree it is most important to differentiate between job employment preparation and a vocational or recreational training.

Section 215 is much needed and targets a severe problem. I chaired the Committee on Advertising and Recruitment Practices at the ECS National Invitational Conference on Consumer Protection In Education in March of this year in Denver. Section 215 complements the recommendations of our committee and strongly points out a needed safeguard of the VA in protecting veterans, their widows and families.

Please extend my compliments to your Committee and staff for the fine work in covering two difficult problems quite adequately with sections 204 and 215.

Sincerely,

JOSEPH A. CLARK,
Commissioner, Indiana Private School Accrediting Commission.

THE GI BILL AND THE SPANISH-SPEAKING VETERAN

Mr. HARTKE. Mr. President, as you know, amendments to sections 241 and 244 of title 38 provide, among other things, for greater outreach efforts to be made particularly on a peer-group basis to veterans in areas where significant numbers speak a language other than English as their principal language particularly the Puerto Rican community in the East and Northeastern United States and the Mexican American community in the Southwest.

While the Veterans' Administration itself needs to hire significantly greater numbers of young Spanish surnamed and Spanish-speaking veterans, it is obvious that the Veterans' Administration is not now presently equipped to adequately provide in either quantity or quality the services intended by the committee.

It is for this reason the committee also amended section 244 to provide that the Veterans' Administration shall, pursuant to authority presently contained in section 213 enter into contracts to utilize the facilities of community based national or local organizations or agencies which have special expertise, in facilitating communication with and the provision of services to veterans, disadvantaged by lack of education or by virtue of linguistic or other socioeconomic factors. With particular reference to the Hispanic veteran, the committee is aware that three veteran outreach programs have existed since 1972 to provide outreach, recruitment and counseling, referral and follow-up to veterans through 35 centers and 31 cities. Three prime contractors for this Department of Labor funded program are: First, the American GI Forum, second, the Puerto Rican Congress of New Jersey, and, third, the Puerto Rican Forum. Funding for these programs apparently is not assured beyond the current fiscal year which ends this month.

It would appear that the discontinuance of financing for these veterans outreach programs is in variance with the intent and scope of the amendments made by this bill. Accordingly, we would urge that decisions with regard to funding should be strongly reevaluated in light of our action today.

Finally, in this connection, Mr. President, I would like to insert in the RECORD at this point letters I have received from the Honorable HERMAN BADILLO and the Honorable JAMIE BENITEZ in strong support of the amendments made in section 241 and 244.

I ask unanimous consent that these letters and a telegram from the National Puerto Rican Forum Inc. be placed in the RECORD at this point.

There being no objection, the material is ordered printed in the RECORD as follows:

CONGRESS OF THE UNITED STATES,
Washington, D.C., June 18, 1974.

Hon. VANCE HARTKE,
Chairman, Committee on Veterans' Affairs, U.S. Senate, Russell Building, Washington, D.C.

DEAR MR. CHAIRMAN: I have reviewed the report accompanying S. 2784, the Vietnam Era Veterans' Readjustment Assistance Act of 1974 and am very encouraged by those provisions which will benefit veterans of limited English speaking ability. I am especially gratified by Sections 241 and 244 which provide for outreach services in the language of the community where the principal language is other than English and which will utilize the experience and facilities of national and local community-based organizations.

Vietnam era veterans, as House and Senate hearings have so vividly revealed, have faced a multitude of varied problems. This situation is greatly exacerbated when, in addition, the veteran experiences language and cultural differences. Tragically, the needs of Spanish-speaking veterans are not being fully met by the Veterans Administration and a great deal more needs to be done in this area. As your report so aptly notes, improvement is needed on "a personal peer-group contact basis to aid veterans in areas where significant numbers speak a language other than English. . . ." The employment of Spanish-speaking VA counselors will be particularly beneficial for the Puerto Rican community in the East and Northeast and the Mexican-American community in the Southwest.

I commend you and your committee for your understanding of and sensitivity to this critical issue and am hopeful the Senate will have the wisdom to adopt the language you have proposed. This language offers hope that the Spanish-speaking veterans will no longer be relegated to second-class status.

Sincerely,

HERMAN BADILLO,
Member of Congress.

CONGRESS OF THE UNITED STATES,
Washington, D.C., June 18, 1974.

Hon. VANCE HARTKE,
Chairman, Veterans' Affairs Committee, Old Senate Office Building, Washington, D.C.

DEAR SENATOR HARTKE: I would like to commend you and your colleagues on the Committee on Veterans' Affairs for making the Veterans' Outreach Services Program more responsive to the needs of the Puerto Rican veteran. Section 217 of S. 2784 addresses itself to these special needs by providing for V.A. information in Spanish, and V.A. bilingual counsellors in areas with large concentrations of Spanish-surnamed veterans.

The aid and assistance which is provided to the veteran with limited English-speaking ability through the outreach services (Section 241, Subchapter IV, "Veterans' Outreach Services Program") is commendable. This section provides information regarding benefits, education, employment, and claims in the language of the veteran with limited English-speaking ability.

In addition, Section 244 allows community-based national or local organizations who possess the knowledge and expertise, to provide special services to veterans, through Federal support, particularly through the Department of Labor.

I trust that the Senate will act favorably upon legislation, and hope that these invaluable provisions dealing with the needs of those veterans with limited command of the English language will be reaffirmed in the final bill.

Cordially,

JAIME BENITEZ.

NEW YORK, N.Y.
June 18, 1974.

Senator VANCE HARTKE,
Chairman, Veterans' Affairs Committee, U.S. Senate, Capitol Hill, Washington, D.C.

DEAR SENATOR HARTKE: We understand that S. 2784, Veteran Era Readjustment Assistance Act of 1974, will soon come up for vote.

We are particularly interested in seeing section 217, 241 and 244 are maintained since they provide for programs that will assist veterans of limited English speaking abilities and will allow community based organizations to continue being involved in providing out reach services for Puerto Ricans and other Spanish speaking veterans who up to now have not been taking advantage of their benefits.

S. 2784 is a well deserved recognition by our government of the sacrifices made by our fighting men. We commend you for your inspired leadership in bringing it so far and we are expecting that the rest of the Senate will approve it quickly.

HECTOR I. VASQUEZ,
National executive director, National Puerto Rican Forum, Inc.

THE GI BILL AND THE ALL VOLUNTEER ARMY

Mr. HARTKE. Mr. President, as we move toward a period in which the last of those drafted for active military duty will be released from service by the end of this year, it is appropriate to briefly consider the function of the GI bill in the context of the all volunteer army. Section 1651, which defines the purpose of the educational assistance program under title 38, clearly states congressional intent. That section provides in pertinent part that:

> The Congress of the United States hereby declares that the education program created by this chapter is for the purpose of (1) enhancing and making more attractive service in the Armed Forces of the United States . . .

Mr. President, it is clear to me that if we are to enhance and make service in the Armed Forces more attractive then the educational benefits authorized under this program will play a significant and major role.

First GI bill benefits are an important component of inservice education programs which help provide needed skills required by today's military forces; 460,000 servicemen have trained under the current GI bill. The use of title 38 benefits for such inservice education and training helps effectuate what is and should continue to be our national policy which is that no one should leave the military service without a marketable skill nor a high school diploma or its equivalent.

As long as that is, in fact, our national policy, I believe Congress will continue to ensure that title 38 benefits are available for inservice use.

Second, the existence of this important and valuable post-service benefit offered under the VA educational assistance program should if properly communicated, serve as a significant inducement for those not presently attracted by various current inservice benefits and bonuses or those who are not otherwise inclined to enlist.

High school graduates desiring to pursue postsecondary education but unable to afford it may find enlistment for a limited period of military service highly attractive in order to obtain eligibility for GI bill benefits.

Hopefully, this will result in a more representative crosssection of young men and women entering training—with a higher level of educational attainment—than has been the experience of the volunteer army to date.

It seems obvious then, Mr. President, that the GI bill we pass today will not only pay a debt to the millions of Vietnam era veterans but will also serve as a strong cornerstone in ensuring a healthy, strong, and representative volunteer Armed Forces.

Mr. President, I ask unanimous consent that the following staff members of the Committee on Veterans' Affairs be permitted on the floor during consideration of this bill: Frank Brizzi, Guy H. McMichael III, Mary L. Whalen, and Larry Charnikoff.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. HARTKE. Mr. President, on behalf of the committee I send to the desk a text of technical and conforming amendments to the bill, S. 2784, as reported and ask for their immediate consideration. These are purely technical and conforming amendments, which are agreeable to all members of the committee and they effectuate the intent of the bill. They make no changes of any substantive nature.

I ask unanimous consent that the amendments be considered and agreed to en bloc.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The technical and conforming amendments, considered and agreed to en bloc, are as follows:

On page 42, line 17, strike out "disability" and insert in lieu thereof "if such disability".

On page 44, at the end of footnote number 2 contained in the table between lines 4 and 5, insert a period immediately after the word "title".

On page 44, in the table between lines 4 and 5, before each of the dollar amounts "209", "246", "279" immediately following the word "Cooperative" insert a footnote designation number "1".

On page 44, line 10, strike out "therein" and insert in lieu thereof "in section 1682 (c) (2)".

On page 45, at the end of footnote number 1 contained in the table at the top of the page, strike out the semicolon.

On page 46, line 4, after "prescribed" insert "in section 1682(a) (1) of this title".

On page 46, line 7, strike out "in section 1682(a) (1) of this title".

On page 46, line 10, after "prescribed" insert "in section 1682(b) (2) of this title".

On page 46, lines 11 and 12, strike out "in section 1682(b) (2) of this title".

On page 47, line 8, after "Sec. 104." insert "(a)".

On page 48, lines 3 and 4, strike out "shall a veteran be charged an out-of-State tuition rate if such veteran" and insert in lieu thereof the following: "may any such veteran or person be paid a partial tuition assistance allowance based upon the out-of-State tuition rate of such veteran or person".

On page 54, line 6, strike out "chapter 34 of this title" and insert "this chapter".

On page 57, line 5, after "Section 604 (a)" insert "and (b)".

On page 59, line 7, after "prescribed" insert "in section 1682(c) (2) of this title".

On page 59, line 10, strike out "in section 1682(c) (2) of this title".

On page 60, at the end of the table between lines 2 and 3, strike out the period and insert in lieu thereof a semicolon and the word "and".

On page 62, line 8, after "prescribed" insert "in paragraph (1) of this subsection".

On page 62, line 9, after "eligible veteran" insert "with no dependents".

On page 62, lines 9 and 10, strike out "in section 1787(b) (1) of this title".

On page 62, beginning with line 13, strike out all down through line 6 on page 63, and insert in lieu thereof the following:

(1) by striking out in clause (1) "below the college level," and inserting in lieu thereof a comma and the following: "not leading to a standard college degree.".

(2) by striking out in clause (2) "below the college level." and inserting in lieu a comma and the following: "not leading to a standard college degree,".

On page 63, line 17, strike out ": Provided, That" and insert "; but".

On page 63, line 18, after "courses" insert "must".

On page 63, line 18, strike out "are" and insert "be".

On page 63, line 21, strike out "are" and insert "must be".

On page 63, line 24, strike out "are" and insert "must be".

On page 64, line 3, strike out ": Provided further, That in" and insert in lieu thereof a period and the word "In".

On page 68, strike out lines 6 and 7, and insert in lieu thereof the following:

(b) The table of sections at the beginning of chapter 3 of such title is amended by adding immediately below

"218. Standards of conduct and arrests for crimes at hospitals, domiciliaries, cemeteries, and other Veterans' Administration reservations."

the following:

"219. Evaluation and data collection".

On page 68, line 17, strike out the period and insert a semicolon and the word "and".

On page 73, line 9, strike out "shall" and insert "shall—".

On page 82, in the matter contained between lines 4 and 5, strike out "Sec.".

On page 82, line 5, strike out "chapter 36" and insert "chapter 35".

On page 86, line 20, strike out "United States Code,".

On page 87, lines 7 and 8, strike out ": Provided, That the eligibility of such a veteran" and insert in lieu thereof a period and the following: "The eligibility of such a veteran for a readjustment appointment".

On page 91, lines 15 and 16, strike out ": Provided, That nothing" and insert in lieu thereof a period and the word "Nothing".

On page 94, line 12, strike out ": Provided, That no" and insert in lieu thereof a period and the word "No".

On page 98, lines 21 and 22, strike out ": Provided, That" and insert in lieu thereof a comma and the following: "and if".

On page 99, line 9, strike out "section" and insert in lieu thereof "chapter".

The **PRESIDING OFFICER.** Who yields time?

Mr. HARTKE. Mr. President, I yield to the Senator from Wyoming.

The **PRESIDING OFFICER.** The Senator from Wyoming is recognized.

Mr. HANSEN. Mr. President, education programs provided for our Nation's veterans constitute one of the finest investments this country has ever made. The bill now being debated, S. 2784, is one to increase and extend benefits to persons who served in the Armed Services subsequent to January 31, 1955. Education benefits provided veterans of the Vietnam era have been used by more individuals than by the veterans of any previous conflict. The significant benefits our country has derived from the education to our citizens, as provided by the GI bill, is indisputable. The evidence is all around us, in terms of the increased ability of those educated under the bill to contribute meaningfully to our society and to serve as vital members. Some Members of Congress have received a "leg up" from the GI bill, as have many other distinguished citizens of our country.

Of the almost seven million veterans who served our country during this Vietnam period, two out of every five served in Southeast Asia; more than 46 thousand gave their lives there, more than 300 thousand sustained service-connected disabilities.

Mr. President, let me briefly describe some of the highlights of S. 2784. This bill will increase the monthly assistance rate by 18 percent. A single veteran would receive $260 per month. The married veteran would receive $309 per month and the married veteran with one child will receive $352.

The measure will again provide vocational rehabilitation to all veterans rated at least 10 percent disabled. Presently, veterans must have a 30 percent service-connected disability to qualify for this benefit. This will provide the same benefits for the Vietnam Era veteran as was provided persons who were discharged after World War II.

Under this measure, a veteran will have 10 years in which to use his education benefits. Currently, he has only 8 years. Many veterans were discharged between January 31, 1955 and June 1, 1966, a period when no education assistance was available. They returned to civilian society and the labor force. With the enactment of Public Law 89-358, they again had to make adjustments and the time limit became an unfair burden for many who had started families and had to have continued steady income from fulltime employment.

A formula system is incorporated to assist the veteran in his tuition payment. It provides that the first $100 will be paid by the veteran. Following that, the government will pay 80 percent of the next $900 with maximum tuition assistance of $720. This will be the first time tuition assistance has been given to veterans training under chapter 34 of title 38, of the United States Code, since World War II.

This legislation will increase the total entitlement from 36 to 45 months, granting the veteran five school years to receive his education assistance. This entitlement is based on a 1½ months educational benefit for each month's service.

A low interest loan program will provide $2,000 per year to the veteran. This would assist those veterans attending schools with higher tuition costs. The term of this loan is 10 years.

This measure as it now stands will require almost $2 billion for the first year cost. It is a cost the Nation must meet—to help provide these veterans who served with honor in Asia and throughout the world during years when international tension with the threat of nuclear war was high—and provides benefits comparable to those accorded to World War II veterans.

I believe that men who have served, men who are serving, and men who will serve, would hope that they could expect equal treatment.

Mr. HARTKE. Mr. President, will the Senator yield for a request for the yeas and nays on final passage.

Mr. HANSEN. I yield.

Mr. HARTKE. Mr. President, I ask for the yeas and nays on passage.

The yeas and nays were ordered.

Mr. HANSEN. Mr. President, I yield the remainder of my time to the Senator from South Carolina (Mr. THURMOND).

The PRESIDING OFFICER. The Senator from South Carolina.

Mr. THURMOND. Mr. President, the GI education program which was initiated at the close of World War II, proved to be one of the most important and worthwhile benefits ever offered to the American veteran, and one of the best investments of Government funds ever made by the American people.

It served as a major vehicle for the World War II veteran to readjust to a changing and complex postwar society. It served as a catalyst for the unprecedented growth and prosperity to which these veterans have contributed during the post World War II era.

After a quarter of a century, the World War II program still serves as a model as we seek to offer comparable benefits to the returning veterans of Vietnam.

In the past year, both in the Congress and in the Nation, the debate over veterans benefits has revolved around one central question: Do we have the resolve to commit ourselves to an equally viable program for the Vietnam era veteran?

Mr. President, I am convinced that the answer is an affirmative one.

The bill which we lay before the Senate today is evidence of our strong commitment to a viable program for these young men and women.

As a coauthor of S. 2784, I strongly urge my colleagues to support its enactment into law.

Service during the Vietnam conflict was no less demanding than service during World War II or Korea. Trying circumstances marked the period of hostilities in Vietnam, but the young veterans rose to the occasion by performing their duties with courage and stamina consistent with that shown by veterans of previous wars.

Official statistics can only partly indicate the sacrifice of the Vietnam era veteran. There are over 6.8 million Vietnam era veterans, of whom over 2 million served in Vietnam. Over 46,000 men lost their lives there. Over 300,000 were wounded or injured there. Over 1,200 military men are still missing there.

The young veterans who served for the ultimate cause of peace deserve benefits equal to those received by veterans of other wars.

I. PROVISIONS OF S. 2784

S. 2784 would include several major provision to aid in their readjustment.

A. SUBSISTANCE RATE

First, an 18.2-percent increase in the subsistence rate is included in the bill. The measure approved by the House would provide for an increase of 13.6 percent, but estimates received by the Senate committee on increases in the Consumer Price Index support the 18-percent increase.

A full time college student with no dependents would receive $260 per month under the bill. With one dependent, he would receive $321; with two dependents, $366; and $23 for each dependent in excess of two.

A comparison of the subsistence allowance which we have legislated for the full time student veteran in recent years is enlightening. In 1966, he drew $100 per month; in 1967, $130 per month; in 1970, $175 per month; in 1972, the law was amended to provide the current $220 per month; and if the proposed legislation is enacted, he will receive $260 per month.

Mr. President, if the proposed rate is enacted into law, it will represent a 160-percent increase in the subsistence allowance over an 8-year period. During the same period, the Consumer Price Index rose from 96.8 percent on June 1, 1966, to 138.5 percent on January 1, 1974.

B. DELIMITING PERIOD

A second provision of the bill would give the veteran 10 years instead of 8 years after date of discharge in which to use his GI bill eligibility.

When the current GI bill was enacted into law in June 1966, each veteran was given 8 years from his date of discharge to use his GI bill eligibility. The GI bill was made retroactive to include post-Korean war veterans who served from 1955 to 1966. For many of them, the 8-year delimiting period, if measured from date of discharge, would have automatically precluded their eligibility. Consequently, the law was written to read: "8 years from date of discharge or 8 years after enactment of the law, whichever is later."

Mr. President, in 1966, such a provision appeared to be more than adequate; but measured against subsequent developments, there is no question that the law must be amended to extend the delimiting date.

When the eligibility was retroactively provided to post-Korean veterans, most of these men were already established in a job. It took a significant time, and in some instances a great sacrifice, for them to move from their jobs into the academic sector. In many instances, they waited until the benefit levels were raised before they decided to go back to school.

As Dr. Charles Palmer, executive director of the South Carolina State Board for Comprehensive and Technical Education, has commented:

> It will be an awful waste if they cannot complete that which they have started. It will be worse for veterans who have not yet started if they are not given an opportunity to continue without interruption in the program of his or her choice.

C. 45 MONTHS MAXIMUM ENTITLEMENT

Third, the maximum entitlement would be increased from 36 to 45 months. This provision would increase the eligibility to 5 school years instead of 4.

Our educational system has changed greatly in the past 8 years. Now advanced degrees are required for many jobs. Some students require longer than 4 years to accomplish their educational objectives. Often, several degrees or some advanced training is required for jobs today, where a baccalaureate degree sufficed after World War II. An additional 9 months, or 1 academic year, in their education benefits will assure these veterans a substantial entitlement which they may use to gain their degrees.

D. LOAN PROGRAM

A low cost loan program is also included in the bill. This program would provide up to $2,000 a year for the cost of tuition, where the veteran is unable to secure a loan from other Government sources. It is designed to supplement the other provisions of the bill for students who attend high cost institutions.

E. TUITION ASSISTANCE

In addition, under a tuition plan adopted by the committee, a veteran would receive 80 percent of his tuition cost up to $1,000 after initial outlay of $100 on his part. This would amount to a maximum payment to the veteran of $720.

At an April 20, 1974 hearing on veterans benefits which I chaired in Columbia, S.C., Mr. Edward B. Sydnor, registrar of Wofford College, Spartanburg, S.C., spoke of the plight of private institutions of higher learning in attracting veterans to their campuses. Mr. Sydnor particularly emphasized the need for a tuition payment program, and I ask unanimous consent that a partial extract of his testimony be inserted at this point in the RECORD.

There being no objection, the extract was ordered to be printed in the RECORD, as follows:

EXTRACT FROM TESTIMONY BY EDWARD B. SYDNOR, REGISTRAR OF WOFFORD COLLEGE, COLUMBIA, S.C., FIELD HEARING ON VETERANS' EDUCATION BENEFITS, APR. 20, 1974

It is essential that those who vote on veterans educational assistance understand at least one major difference between the private college and the state-supported college. That difference is money, or more specifically, the costs of tuition. In the current academic year, it costs the student-veteran at the University of South Carolina, Spartanburg campus, $570 to enroll for 30 semester hours.

However, to enroll for 30 semester hours at Wofford College, it costs the same student-veteran $2050. Although there may be other reasons, I am convinced that this disparity between the cost of public and private higher education accounts for the fact that Wofford College has less than a five percent enrollment of veterans as compared to almost an 11 percent enrollment at USC, Spartanburg.

Nationwide, the figures are even more discouraging. According to Donald E. Johnson, Administrator of the Veterans Administration, four of every five veterans attend public colleges, and the Association of American Colleges reports more recently that only 10 percent of all the veterans enrolled in higher education attend private colleges.

The implications are obvious. The single veteran at the public college in Spartanburg pays $570 to enroll for 30 semester hours, and this represents only 29 percent of his educational assistance allowance. He has approximately $1410 left over for his subsistence.

On the other hand, the veteran at Wofford College pays 104 percent of his assistance for tuition, which means not only that he has nothing left for subsistence, but that he is confronted with a bill for $70. Eighteen of Wofford College's 49 veterans receive financial aid, as reported by the college's Office of Student Financial Aid, in the total amount of $29,000.

Mr. THURMOND. Mr. President, the tuition plan adopted by the committee should correct the problems which Mr. Sydnor outlined. At the same time, the tuition assistance plan is designed to aid the veteran who attends the public institution as well.

The initial outlay of $100 will not penalize the veteran who attends a low-cost school. He can receive 80 percent of the next $900 as a tuition allowance. For example, this provision will aid the student who attends a school where annual tuition is $200. The veteran would pay the first $100 and 20 percent of the remainder, or a total of $120. For a student who attends a school where tuition is $1,000, he would have an initial outlay of $100 and 20 percent of the remainder, or a total of $380.

The initial outlay of $100 and the requirement that he pay 20 percent of his tuition costs up to the $1,000 level, requires the veteran to have an equity in his own education.

It is essential that each veteran be given the same opportunity under any tuition plan, and I believe the formula recommended by the committee will accomplish that purpose.

E. VOCATIONAL REHABILITATION

In many instances our young veterans have been disabled in the service of our country. The vocational rehabilitation benefits, which this bill provides, gives them the special consideration which they deserve if they are to return to the civilian sector as productive members of society.

Under current law, the veteran must have a 30-percent disability rating or demonstrate the relationship between his need for such training and his particular disability. The provisions of S. 2784 will extend vocational rehabilitation benefits to Vietnam veterans who have a compensable service-connected rating—10 percent. This equalizes this portion of the law with the World War II provision.

F. EMPLOYMENT

Provisions in S. 2784 will extend job training, counseling, and placement services to widows of veterans who die of service-connected causes, and wives of totally disabled veterans. Provisions are contained in the bill to help insure the employment and reemployment rights to which the veteran is entitled under the Veterans Preference Act of 1944.

Mr. President, I believe these major provisions constitute the backbone of a good bill, and I am proud to have had a part in making it up.

II. COST

As a fiscal conservative, I would be less than candid if I did not discuss the cost implications of this bill. This is particularly true because of the need to keep down unnecessary Government spending in order to curb inflation.

First-year cost estimates range in the neighborhood of an additional $2 billion Federal outlay, but I am convinced that this is a necessary and wise expenditure.

I believe the American people will reap the ultimate benefits of this bill, because the funds which we authorize today represent an investment in the future.

An analysis of the economic return of the GI bill substantiates this fact.

In 1965, the Department of Labor and the Department of Commerce analyzed the incomes of veterans and nonveterans in the same age groups. Approximately 10 million World War II and Korean conflict veterans enrolled for education or training under the GI bill. The total cost to the Government was $19 billion.

The income of the veteran who received GI bill assistance averaged from $1,000 to $1,500 a year more than those who did not. On this basis, it was estimated that the trained and educated veterans generated additional income taxes in excess of $1 billion per year for over 20 years. This represented a $20 billion return in taxes alone on the $19 billion cost of the program.

Additionally, the skill levels of those who participated in the program were raised significantly. Around 45 percent of the World War II veterans, 29 percent of the Korean conflict veterans, and 8 percent of the Vietnam era veterans had less than a high school education when they entered training under the GI bill.

Since World War II, the GI bill has provided an impressive part of the Nation's professional and skilled manpower. The number of jobs added to the national productive capability is revealing: 523,000 in engineering; 350,000 in education; 365,000 in the life sciences, physical sciences, and health sciences; over 1 million in business, commerce, and law; and almost 4 million in skilled trades, crafts, and industrial pursuits.

In each instance, the veteran has not been the only beneficiary. Society as a whole has benefited from the training and educational pursuits of veterans under the GI bill. It has paid for itself many times over.

Mr. President, while the cost of this program ranges to almost $2 billion during the coming year, I am convinced it is in the best interest of both the Nation and the veteran to recommend its early enactment. I am convinced that the American people will reap the benefits of the authorization of these funds today. These funds represent not merely an outlay, but an investment in the future of our country.

The American people reposed a great trust in the young men who served us on the field of battle. These young men met the demands which were put before them with the courage and stamina consistent with what the American people expect of their soldiers.

Mr. President, it is now time for us to meet the challenge of providing for the young men of the Vietnam era a comparable GI bill to the one which we provided for their fathers after World War II.

Favorable action on S. 2784 will accomplish that end. Mr. President, I urge its favorable consideration.

Mr. President, I want to take this opportunity to express my deep appreciation to the able and distinguished chairman of the committee (Mr. HARTKE), who has been most helpful and cooperative in holding hearings on this bill and who has expedited it. I feel it is a good bill and is going to be of much benefit to the veterans.

I would also express my appreciation to the ranking minority member of the committee, the distinguished and able Senator from Wyoming (Mr. HANSEN), who did a fine job on this bill.

It is my opinion that the veterans are going to be well pleased with the bill.

Mr. HARTKE. Mr. President, I ask unanimous consent that the Senator from Wisconsin (Mr. NELSON) be added as a cosponsor of the original bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I call

up, on behalf of my colleague (Mr. Thurmond) and myself, amendment No. 1477.

The PRESIDING OFFICER. The clerk will state the amendment.

The assistant legislative clerk proceeded to read the amendment.

Mr. HOLLINGS. Mr. President, I ask unanimous consent to dispense with further reading of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Amendment No. 1477 is as follows:

On page 78, strike out lines 8 through 10 and insert in lieu thereof the following:

"(1) is in attendance at an approved educational institution on at least a half-time basis and (A) is enrolled in a course leading to a standard college degree, or (B) is enrolled in a course, the completion of which requires six months or longer, leading to an identifiable professional or vocational objective;".

On page 78, between lines 19 and 20, insert the following: "No loan shall be made under this subchapter to an eligible veteran pursuing a program of correspondence, flight, apprentice, and other on-job, or PREP training.".

Mr. HOLLINGS. Mr. President, this particular amendment, which I hope the distinguished manager of the bill will accept, is being offered on behalf of the technical training participants and graduates in the various vocational schools of South Carolina. We happen to have an unusually successful program there.

In discussing this particular amendment, I was told, in a sense, there would be a need for it because of the tuition provisions provided in the general bill. However, there is some question as to whether those tuition provisions would be sustained in conference, and I want to make it as clear as possible, so that there will be no misunderstanding, that we in the Congress believe that a man should be allowed to participate in the loan benefits for vocational training as well as for college training. We are not trying to say to someone, "if you go to college to get a doctor's degree you will be assisted under this program, but if you go to a training center in order to get a skill or get a job, you do not get a loan."

I am aware of the criticism of many proprietary schools and I would like to make several points with reference to this criticism.

First, critics admit that private vocational schools are an important part of this country's postsecondary educational needs and there is a great need for vocational and professional training. Second, the committee is excluding public as well as private vocational and professional schools. Public vocational schools are not an object of criticism. Third, much of the criticism is directed against correspondence schools and short term vocational courses—both of which are excluded from loans under my amendment. Fourth, critics cite that it is a failure of Government regulation and questionable legal tactics of some schools which lead to abuses. We should not discriminate against those schools which offer legitimate vocational training because of the failure of Government to regulate and enforce the law.

I am as concerned as the committee about ending abuses in all areas of Federal educational assistance, and I would go along with any language or provision that the manager of the bill thought was necessary in conference to provide against abuses. But unwarranted discrimination between below college level and institutes of higher learning schools sets a dangerous precedent and is not an effective way to end abuses.

Mr. HARTKE. Mr. President, I have discussed this amendment with the Senator from South Carolina. I think he makes a valid point. We believe we have covered the needs of such vocational schools with the increased educational assistance allowance and the partial tuition assistance allowance, but we are prepared to go ahead and reinforce that by accepting this amendment.

I have discussed it with the ranking minority member of the committee and with the committee itself. We are prepared to accept the amendment and permit it to go to conference.

Mr. HOLLINGS. I thank the Senator very much.

The PRESIDING OFFICER. Do Senators yield back their time?

Mr. HARTKE. I yield back the remainder of my time on the amendment.

Mr. HOLLINGS. I yield back the remainder of my time on the amendment.

The PRESIDING OFFICER. All time on the amendment having been yielded back, the question is on agreeing to the amendment of the Senator from South Carolina.

The amendment was agreed to.

Mr. HANSEN. Mr. President, the distinguished Senator from Vermont (Mr. Stafford) is the ranking minority member of the Subcommittee on Readjustment, Education, and Employment of the Committee on Veterans' Affairs. He is a delegate to the Interparliamentary Union meeting in Geneva presently and he is absent on official business.

I ask unanimous consent that a statement he has prepared with respect to this bill be included in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement of Senator Stafford

I support S. 2784, the Senate Veterans Affairs Committee's amendments to the G.I. Education Act.

As my colleagues are well aware, Mr. President, the bill before us is the result of action of the Veterans Affairs Committee in its attempts to provide equitable educational benefits for our veterans.

The hearings demonstrated the need for substantial improvement in the benefits so that today's veterans can take advantage of the G.I. Bill.

The bill brought before the Senate would increase the subsistence allowance for a single veteran to $260 a month, which more than adequately covers the cost of living since the last increase. But of more importance to today's veterans is the provision for tuition assistance allowance which is combined with the increase in subsistence allowance.

The committee, after reviewing the testimony and the report supplied by the Educational Testing Service as a result of an amendment that I offered in committee to the last G.I. Education Bill, has devised a partial tuition assistance allowance which will assist our veterans in covering the increased cost of higher education today.

The veteran will be required under this plan to pay the first $100 of tuition costs in any school year and the Veterans Administration will pay 80 percent of the remaining amount, up to a maximum tuition of $1,000.

The Senate bill also includes a number of safeguards to protect both the veteran and the government from abuses which were reported to have existed during the post World War II G.I. Bill era. There are procedures for recovery of any over-payment in the event students do not complete their term, and there are provisions to allow the Veterans Administration to pay the school the tuition on a quarterly or semester basis, as the Administrator might determine to be most feasible.

The bill also makes a number of changes in existing G.I. Education Programs to strengthen and improve them.

It gives statutory authority to the Veterans Representative Program proposed by the President to have a veterans representative or Veterans Administration employee on all college campuses to resolve the difficulties that have become apparent in the delivery system of veterans benefits. This representative will also have the responsibility for overseeing the tuition payment program to insure that veterans get their checks and that any abuses that are detected can be nipped in the bud.

The bill extends the eligibility period of the G.I. Education Law from the present eight years, which expired last May 31st, for an additional two years to give veterans more opportunity to obtain an education.

Mr. President, I think my colleagues, when they examine the bill before us, will agree with me that we have made a substantial adjustment in the G.I. Educational Benefits which will finally establish fairness between the system which we knew after the Second World War and the present needs of our veteran population.

Mr. HANSEN. Mr. President, the distinguished Senator from Idaho (Mr. McClure) is absent because of the death of his father. He, too, has a statement that he would like to have included in the Record with respect to this particular bill, and I ask unanimous consent that it may be included in the Record at this point.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Statement by Senator McClure

I rise in support of S. 2784, the "Vietnam-Era Veterans' Readjustment Act of 1974." This bill will assure the post-Korean and Vietnam era veterans educational benefit opportunities similar to those we received following World War II.

In 1973 a report on the adequacy of the Vietnam era veterans' educational benefits was ordered by the Veterans Administration. Complying with that order the Educational Testing Service of Princeton, N.J. said in part—

"The World War II G.I. Bill was one of the most important and effective pieces of social legislation ever enacted. It profoundly affected the fortunes of our veterans and postwar society and it transformed the Nation's higher education system."

Concerning the present benefits program they stated—

"In general the 'real value' of the educational allowance available to veterans of World War II was greater than the current allowance being paid to veterans of the Vietnam Conflict when adjustments were made for the payment of tuition, fees, books and supplies."

The World War II G.I. Bill paid a monthly subsistence allowance equal to one-third the average national monthly earning—beginning at $75. It paid all tuition, books and fees up to a maximum of $500 yearly, which covered nearly all public and private institutions. Total entitlement available to the veteran was 48 months. While the monthly subsistence went dirctly to the veteran, payments for tuition, books and fees were made to the institutions.

Gross abuses arose, however, out of the direct institutional payments. Thus, following the Korean Conflict, a single direct payment to the veteran was adopted to counter those abuses. The single payment method remains today. From this single educational assistance payment, which begins at $220 for a single veteran, he is expected to help cover his living expenses, tuition, books and fees.

Under the World War II G.I. Bill, more than 7,800,000 veterans received training. It was directly responsible for an increase in collegiate degrees at all levels of from 160,000 in 1946 to over 500,000 in 1950. Due to the G.I. Bill and its use by veterans, public colleges and universities achieved an unprecedented growth, expanding their facilities, curriculums, and faculties. Thus, the upshot of the "G.I. Bill of Rights" was that public collegiate education became available for the average American.

Through use of the G.I. Bill, the skill levels of our country has been greatly enhanced. Under the World War II program our country helped train 450,000 engineers, 360,000 teachers, 380,000 metal workers, 150,000 scientists, 36,000 ministers, and 180,000 doctors, dentists and nurses. Nearly one-fourth of my colleagues here in the Senate received help from these benefits, as did thousands of other leaders at all levels of American life.

More than 14.7 million veterans and eligible dependents have received training under an American veterans' education program. Almost 4.5 million veterans and servicemen have trained under the current G.I. Bill. In the first 90 months of this program, the participation rate for Vietnam era veterans and servicemen reached 50.1 percent. This exceeded the Korean rate of 42.4 percent and nearly equaled the 50.4 percent participation attained under the World War II program. By the end of 1974, the participation rate for Vietnam era veterans is expected to pass 50.5 percent, thus surpassing even the use of the World War II bill.

Under the present G.I. Bill, more veterans have been trained at the college level than were trained under either the World War II or the Korean programs. As of November 1973, more than 2,300,000 post-Korean veterans had received training, as compared to 2,230,000 total collegiate trainees after World War II and 1,213,000 after the Korean Conflict. And the percentage of all Vietnam era veteran trainees undergoing collegiate training is nearly double that of their fathers after World War II. Nearly 57 percent of all Vietnam era veterans using the present G.I. Bill are going to college as compared to 28.6 percent of the World War II trainees.

The primary purpose of the current veteran educational benefits program is to provide vocational readjustment and restore lost educational opportunities to those servicemen and women whose careers have been interrupted or impeded by reason of active duty after January 31, 1955.

The major provisions of S. 2784, the "Vietnam-Era Veterans' Readjustment Assistance Act of 1974" include the following:

1) Veterans will receive an increase of 18 percent in assistance benefits. Thus a single vetaran will receive $260 a month rather than the present $220. A married veteran will receive $309; with one child—$352; for each additional child—$21.

2) A partial tuition payment that could help the veteran with up to $720 a year will be instituted. Under this partial tuition plan, the veteran will pay the first $100 of his tuition. Then the Federal Government will pay 80 percent of his tuition costs between that $100 and $1000. Unlike the World War II bill, these tuition payments will be made directly to the veteran.

3) Benefit entitlement will be increased from 36 to 45 months, thus expanding the educational benefits for 5 school years. The formula for figuring entitlement will remain the same; the eligible veteran will receive 1½ months of educational benefits for each month spent on active duty after January 31, 1955; 18 months of active duty shall automatically entitle one to the maximum educational assistance of 45 months.

4) Veterans will have 10 years instead of the current 8 in which to use their educational entitlement. No other single aspect of veterans' educational benefits has elicited the response like that I have been receiving on extending the use period delimiting date. This action will allow some 285,000 veterans who were training in May to finish their educational aspirations.

5) A low interest loan program will provide up to $2,000 a year in educational loans made directly to veterans attending higher cost schools. Not only would this program allow the veterans to make an investment in his own future, it would also provide him access to most private institutions.

(6) Vocational rehabilitation benefits will be made available to any otherwise eligible veteran who is compensably disabled—10 percent or more. Present regulations require that a veteran be 30 percent compensably disabled to be entitled to Chapter 31 benefits.

The cost of S. 2784 will not be slight, but I think well justified. Since the first G.I. Bill we have spent nearly $30 billion on the education of our veterans. The Internal Revenue Service has estimated that the $14.5 billion invested in the World War II G.I. Bill has been returned to us six times over in increased tax revenues. And they have estimated that if they were to include tax revenue from non-veterans who benefited indirectly from the G.I. Bill's expansion of the educational system, this estimate could top $150 billion. As this program has seemed more of an investment than a cost in the past, so it will continue to be in the future. Present yearly cost of the Vietnam era G.I. Bill is $3.2 billion. Proposed first year costs under S. 2784 will add an additional $2.1 billion.

I believe that service in the Armed Forces in time of war or national emergency is a very special service to our country. We have taken the most important career preparation years in these young men and women's lives. Are we also going to deprive them of education and training that would assure them and their families a better job or a better life? These men and women who gave for our country are entitled to special consideration.

During World War II, speaking about a need for educational benefits for American military men and women following the war, President Franklin D. Roosevelt exclaimed that—

". . .we have taught our youth how to wage war; we must also teach them how to have useful and happy lives in freedom, justice, and decency."

In looking for a way to help Vietnam veterans make the transition back to a complex, indifferent and sometimes hostile civilian life, we would be well advised to heed the words of General Omar Bradley, when, in speaking in 1969 about the 25th Anniversary of the original GI Bill, he stated in part—

"In the G.I. Bill, Congress offered the veterans a valuable stake in themselves. They took heart in the knowledge that the nation stood ready to back their civilian chances in making good. Veterans wanted only the fair chance to become self-supporting, self-sufficient, self-respecting American citizens . . . .

The G.I. Bill . . . provided a uniquely new and different investment in the proven capabilities of our young men and women. It gave them the freedom to find their own security as confidently as they had once sought security for the nation . . ."

I want to see that the Vietnam veteran receives an equal opportunity to prepare himself for an active, productive and rewarding civilian life. The Vietnam veteran does not ask for special favors—he merely asks for an even break, comparable to what his father was granted.

In presenting S. 2784, we have offered hope to our veterans and to the future of our country, with educational benefits comparable to those we received after World War II. I urge you to support the future of our young veterans by voting for S. 2784, the "Vietnam-Era Veterans' Readjustment Act of 1974."

Mr. **HARTKE**. Mr. President, I ask unanimous consent that the Senator from Missouri (Mr. Eagleton) be added as a cosponsor of the original bill.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **HARTKE**. Mr. President, I suggest the absence of a quorum.

The **PRESIDING OFFICER**. The clerk will call the roll.

On whose time?

Mr. **HARTKE**. I am willing to charge it to my side.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

Mr. **HARTKE**. Mr. President, I yield to the Senator from California.

TRUE COMPARABILITY OF GI BILL BENEFITS AT LONG LAST FOR TODAY'S VETERANS

Mr. **CRANSTON**. Mr. President, I rise to urge the Senate to give its full support to the pending measure, the Vietnam-era Veterans Readjustment Assistance Act of 1974, S. 2784, as reported from the Committee on Veterans' Affairs. As with all other actions of our committee, this one was taken unanimously and on a bipartisan basis, the way in which all veterans matters should be considered.

INTRODUCTION

Mr. President, as the principal coauthor of the reported bill with the distinguished chairman of the Committee on Veterans' Affairs, the Senator from Indiana (Mr. Hartke), I believe that finally—after so many years of trying—we have produced a measure which will provide the basis for consultations with the House committee, after which we will have provided a true measure of comparability of GI bill educational assistance for Vietnam-era veterans with the level of benefits provided after World War II and the Korean conflict. Specifically, the 18.2-percent rate increase coupled with the new education loan program, the 9 months of additional monthly GI bill entitlement, the 2-year extension of the eligibility period, and the new partial tuition assistance allowance program provide the most comprehensive extension of benefits of any veterans measure considered in the Congress in the last several years.

Thus, I consider the reported bill to be a fitting companion to the comprehensive GI bill measures we enacted—Public Law 91-219 and Public Law 92-540—in 1970 and 1972, of which I was the principal sponsor in 1970 and the co-author with Senator HARTKE in 1972.

Mr. President, the reported bill is a tribute to the skill, dedication, and perseverance of the distinguished Senator from Indiana. Through his leadership, Chairman HARTKE has brought all members of the Veterans' Committee together behind this very broad, comprehensive measure. It is designed to deal with the widest possible range of education, training, and employment programs and problems for the returning veteran. It has been a great privilege for me to collaborate with him in producing this very broad-based measure, and I want to personally thank him for all his cooperation and congratulate him for having produced such a truly beneficial and important measure.

SUMMARY OF THE REPORTED BILL

Mr. President, I would like to summarize briefly the major provisions of the reported bill and then discuss a number of them in more detail. Among the major features of S. 2784 as reported are:

First. An extension from 8 to 10 years of the eligibility period—the so-called delimiting period within which post-Korean conflict and Vietnam-era veterans must utilize their monthly educational assistance benefits under the present GI bill;

Second. An 18.2-percent, across-the-board rate increase in all GI bill programs, increasing the basic single/no-dependent veteran rate for full-time institutional study from $220 to $260 per month;

Third. A new partial tuition assistance allowance program, under which a veteran or chapter 35 dependent could receive from the VA up to $720 in tuition assistance payments after paying the first $100 of tuition himself. Thereafter the veteran would receive 20 percent of tuition amounts over $100, up to $1,000;

Fourth. An increase in the maximum number of months of entitlement for a veteran to study or receive training under the GI bill from the present 36 months to 45 months;

Fifth. Establishment of a new veterans' and eligible dependents' education loan program under which low-interest education loans of up to $2,000 per academic year would be made to GI bill trainees based on their financial need and living and education costs;

Sixth. Provision of up to 6 months of refresher training—a very important new feature when coupled with the additional 9 months of eligibility—for any post-Korean conflict veteran using GI bill training to update knowledge and skills in light of technological advances since their period of military service:

Seventh. Improvement and expansion of the veterans work-study program and the tutorial assistance program, which I authored in 1972 and 1970, respectively;

Eighth. Addition of substantial new authority for the Administrator to cut down on misleading and deceptive sales promotion of fly-by-night trade or technical courses and other similar abuses occurring in the present GI bill program;

Ninth. Strengthening of the present VA outreach program which I authored in 1970;

Tenth. Substantial improvement of benefits for education, training, and employment assistance for wives and widows of service-connected veterans;

Eleventh. Requiring very significant new information and assurances from the Secretary of Labor in providing job placement assistance through the Veterans Employment Service, provisions which I authored in 1970 originally;

Twelfth. Direction to the Secretary of Labor to get on the ball and start implementing, in a meaningful manner, the program I authored in 1972—which he has been refusing to carry out—requiring Federal contractors and subcontractors to provide special emphasis in their hiring to qualified disabled and Vietnam-era veterans;

Thirteenth. Establishment of a new Federal Government program requiring each Federal agency and department to provide the maximum employment and job advancement opportunities for qualified disabled and Vietnam-era veterans, and beefing up of the existing special appointment authority for Vietnam-era veterans to obtain jobs in the Federal Government.

Fourteenth. Provision of statutory authority for the new Vet Rep program which the administration proposes to initiate at educational institutions around the country in order to facilitate the payment of GI bill education checks, providing, however, the necessary congressional guidance with respect to the flexibility with which the program must be implemented and assurances that the program will not in any way supplant or interfere with the operation of the Veterans Cost-of-Instruction program which I authored in the Education Amendments of 1972, Public Law 92-318;

Fifteenth. Establishment of a new Interagency Advisory Council on Veterans Services within the Veterans' Administration, chaired by the Administrator of Veterans Affairs, with the task of, for the first time, bringing together the capacity of the Federal Government to deal in a coordinated way and a planned way with the numerous Federal programs which provide benefits and services directly for or highly relevant to veterans; and

Sixteenth. A requirement that the VA collect, collate, and analyze all relevant program and benefits data, make such compilations publicly available and submit them to the Congress bi-monthly, and that the VA provide for independent evaluations of the program impact and effectiveness of all its programs.

DISCUSSION EXTENDING THE TIME PERIOD TO UTILIZE GI BILL BENEFITS

With passage of Public Law 93-293 on May 31, 1974, we provided a 30-day temporary extension of the 8-year delimiting period which runs from June 1, 1966, for post-Korean conflict veterans who were discharged prior to that date. Had we not acted, approximately 4 million post-Korean conflict veterans currently eligible for educational assistance benefits would have lost whatever monthly eligibility they had remaining on May 31, as well as approximately 143,000 Vietnam-era veterans discharged in fiscal years 1965 and 1966.

Mr. President, in the reported bill we have now acted to extend for a full 2 years this delimiting period. This will be of immediate assistance to approximately 530,000 post-Korean and Vietnam-era veterans who have received training during the current fiscal year under the GI bill.

The figures that we have from the Veterans' Administration show that approximately 285,000 veterans who were actually in training as of May 31 would actually have lost their remaining monthly benefits had we not acted in Public Law 93-293. Since the House-passed GI bill amendments include a 2-year extension of the delimiting period, veterans across the country should feel assured that this provision will very shortly be enacted into law.

The justification for this 2-year extension is ample indeed. When I came to the Senate in 1969 I found a GI bill rate of only $130 per month which was just $20 more than post-Korean conflict veterans had been receiving under the GI bill program 17 years before in 1952. Indeed, when the original post-Korean conflict GI bill was enacted, the rates were, incredibly, set at a figure of $100 per month, $10 below the $110 Korean conflict rate I have just referred to.

Thus, until we enacted Public Law 91-219 in March of 1970, for which I was the responsible subcommittee chairman and Senate floor manager, the Congress had not really made even the most rudimentary effort to provide an adequate level of benefits for education and training under the GI bill. In that year, we increased rates by approximately 35 percent so that the veteran with no dependents who was studying full time could receive $175 per month. We followed this, as Senators are aware, with a 26-percent increase in the fall of 1972, bringing the rate for such a veteran to the present level of $220.

Thus, Mr. President, this background of the growth in the GI bill rate structure should make very clear that many veterans were just absolutely financially unable to afford to pursue education or training under the GI bill until, at the earliest, 1970, and for many veterans until 1972 in States—unlike my State of California—where there was no adequate low-cost public education available. Thus, there should be no doubt about the justification for an extension of the present 8-year delimiting period in view of the inadequacy of the rate structure for the early years of the post-Korean conflict GI bill.

INCREASE IN RATES

Mr. President, in the committee bill, as introduced, the basic monthly educational assistance allowance rate was set at $270 in order to attempt to restore comparability with World War II GI bill rates. This rate was based on the $250 level which had been adopted unanimously, both in committee and in the Senate, in 1972, which our calculations showed were necessary to achieve GI bill benefit comparability at that time. This $250 figure was then adjusted by the cost-of-living increase —CPI—from fall 1972 to fall 1973, when S. 2784 was introduced—December 6, 1973—which required about an 8-percent increase. In view of the tuition assistance allowance program provision added to the bill in committee, however, this basic GI bill rate was lowered to $260 per month.

Mr. President, although I recognized why some felt the need to modify the allowance rate in consideration of the tuition assistance allowance program contained in the reported bill, I was and still am concerned that we may be taking money out of one veteran's pocket to put it in another veteran's pocket. In California, for example, where almost 17 percent of all college-level GI bill trainees nationwide were studying this past school year, the most recent data show more than 185,000 GI bill trainees studying, of whom 115,834 pay no tuition and another 41,574 pay very low tuition—about $150. Thus, 157,408 GI bill trainees in California, alone, would get no or very little—$40 per year—benefit out of a tuition subsidy program.

In other States, such as North Carolina, were 23,760 veterans are going to school on the GI bill, almost half of them are enrolled in schools with very low rates of tuition, and in Hawaii, almost 3,000 veterans would receive only $40 per year in tuition payments, as a result of very low cost tuition.

Mr. President, in order to correct this potentially serious inequity—particularly if the House does not agree to a tuition assistance allowance program—I attempted to raise the basic monthly educational assistance allowance rate to $280 and then $270, respectively, during committee consideration of the bill. Although I regret that my proposed amendments were not accepted by the committee, I am hopeful that we will eventually succeed in providing the best total package of educational assistance benefits to all student-veterans.

Mr. President, I have a number of questions with respect to the increase in rates of educational assistance and the new partial tuition assistance allowance program which I would like to put to the distinguished floor manager, my colleague from Indiana (Mr. HARTKE), with whom I have been privileged to work so closely in the Committee on Veterans' Affairs and its Subcommittee on Readjustment, Education, and Employment.

First, I would like to ask the distinguished floor manager if it is the case, as I believe it to be, that the members of the committee in reporting this legislation considered that the provisions in the reported bill dealing with educational assistance—providing a combination of an 18.2-percent rate increase and the new partial tuition assistance allowance program—were together a substitute for the original 22.7 percent rate increase included in S. 2784 as introduced last December? In other words, in conferring with the House we consider that our action in this bill with respect to educational assistance proposes this combination of educational assistance as contrasted with the House provision increasing GI bill rates by 13.6 percent. Am I correct in this understanding?

Mr. HARTKE. The Senator is certainly correct. This matter, as the Senator knows, was very much in the minds of the committee members and is made clear in the drafting of sections 102 and 104 of the committee bill and in the report. It was also discussed in great detail during the committee's executive session.

Mr. CRANSTON. I want to thank the distinguished floor manager for his answer and ask him this further question: Again, it is my understanding that, in analyzing the total value of the educational assistance provisions in the reported bill, one has to take into account the adjusted value of the up to $720 partial tuition assistance allowance which the veteran or eligible dependent may be entitled to receive. The VA's cost estimates show that the national average public college tuition for fiscal year 1975 will be $452, of which the first $100 would be excluded under the tuition assistance program in the reported bill. Thus, the average veteran pursuing a public education would receive a partial tuition assistance allowance payment of 80 percent of $352, or approximately $281, under the new program. It seems to me, therefore, Mr. President, that the value, speaking in terms of the traditional GI bill rate figures, of the full Senate bill educational assistance provision will be approximately $291 per month for the single veteran with no dependents pursuing full-time education. This is composed of the $260 rate resulting from the 18.2-percent rate increase—over the present $220 rate for such a veteran—plus a $31 per-month value of the average partial tuition assistance allowance payment derived by dividing the average payment of $281 for an academic year by 9 months.

My question for the distinguished floor manager is this: Does he agree that in working out the differences between the House and the Senate bills, the Senate, viewed in traditional terms, will be negotiating from an educational assistance value of approximately $291 per month and the House will be negotiating from a position of $250?

Mr. HARTKE. The Senate will be negotiating with respect to a total educational assistance package, which consists of increases in the monthly educational assistance allowance and a partial tuition assistance allowance. If viewed in strictly monetary terms using the traditional single monthly assistance allowance, it would be correct to say, as the senior Senator from California has suggested, that we would be negotiating between approximately $291 and $250 per month.

PARTIAL TUITION ASSISTANCE ALLOWANCE PROGRAM

Mr. President, there was very considerable sentiment in the Senate this year, as represented by the numerous cosponsors of S. 2789, the bill jointly and principally sponsored by Senators McGOVERN, MATHIAS, INOUYE, and DOLE, for some kind of variable tuition assisttance program to be added to the basic GI bill monthly educational assistance allowance program. The argument was forcefully presented that the GI bill participation rate, when analyzed on a State-by-State basis, shows that the degree of participation among States varies in some general relationship to the availability of lower cost public higher education in such States. This, of course, has not been a great problem for the veterans training in California where we have the only free public higher education system that I am aware of in the United States—the California Community College system in which about 116,000 veterans were going to school this semester under the GI bill, almost 10 percent of all college GI bill trainees nationally—a truly phenomenal figure.

Although I must confess that I have some doubts about how effectively the VA would be able to administer such a new partial tuition assistance allowance program, given the incredible mess which it made in some places—unfortunately in California—of the new advance educational assistance allowance program which we established in the 1972 Public Law, I supported this provision in committee in view of the very strong sentiment within the committee for such a program. I did, as I indicated earlier, feel very strongly that we should not sacrifice the level of the rate for the basic educational assistance allowance in order to provide for such a program of partial tuition assistance allowance payments, and I continue to believe that our cutting the $275 rate, as it was proposed in S. 2784 as introduced, was a mistake. However, I was unable to convince the committee on this, and I hope that subsequent events will prove me to have been mistaken in my concerns about this.

Mr. President, I recognize in this connection that the availability of lower cost public education in the State of California, not only in the community college system but also in the State college and university system, is the principal reason why such a very high percentage of all GI bill trainees nationally are training or receiving their education in my State, and disproportionately fewer in many other States and the inequity thus may pose for veterans residing in those States seeking to use their GI bill benefits.

NEW EDUCATION LOAN PROGRAM

Mr. President, the reported bill contains, with some modification, the provisions proposing a new education loan program for eligible veterans and chapter 35 eligible dependents, which Senator HARTKE and I had proposed originally in 1972 in S. 2161 and which had been passed by the Senate at that time. Unfortunately, in our consultations with the House on that legislation we were unable to convince them of the necessity for that program. My hope is that we can do so this time.

Mr. President, the new loan program should provide the wherewithall for veterans in high and higher-cost institutions to receive loans to cover their tuition and other expenses at low interest rates and with the principle and interest payments deferred until after they have completed their education. Surely, I believe, the data is overwhelming that, at the very minimum, we must this year enact some program to deal with the variable tuition costs among universities and colleges and particularly the education costs as they vary from State to State depending upon the availability of lower-cost public education.

Mr. President, I think the fact that the VA estimates that approximately 136,000 veterans would receive these loans—permitted up to $2,000 per academic year—in the first full year of operation of the new program is probably the most telling argument showing the need for such a program. This very high rate of projected use for the first year of such a new program clearly demonstrates the difficulty which GI bill trainees are experiencing in obtaining regular education loans even under the program of federally insured loans under the Higher Education Act of 1965.

NINE ADDITIONAL MONTHS OF GI BILL ELIGIBILITY

Mr. President, during committee consideration of S. 2784, I proposed an amendment to increase the total GI bill entitlement period by 9 months, from the present 36-month period to 45 months. I am especially gratified that this amendment was accepted by the committee, as I believe it improves significantly the overall educational assistance program. Many veterans, who must take reduced credit loads in order to work to supplement their incomes, will be insured of the additional months of educational assistance they may need to complete their education, as a result of this provision.

Mr. President, the GI bill educational assistance program was originally designed to assist veterans in their readjustment to civilian life. Particularly, during this period when an undergraduate degree is absolutely necessary to achieve minimum competitiveness in today's job market, the GI bill should at least provide a fair opportunity for all veterans to obtain a bachelor's degree.

However, the high cost of education, the loss of credits involved in transferring from a 2-year college to a 4-year college, and the lack of adequate GI bill benefits until very recently, have combined to make it difficult, if not impossible, for many veterans to complete baccalaureate degree requirements within 4 school years.

Further, Mr. President, VA statistics indicate that 48.8 percent of all GI bill trainees have dependents. Many of these veterans are forced to take reduced work loads in school in order to take jobs to support their families. The American Association of Community and Junior Colleges noted in testimony before the committee that "most veterans averaged only 12 credit-hours for an average semester." Under current law, veterans can receive full monthly benefits for 12 credit-hours of study. But as the National Association of Concerned Veterans—NACV—pointed out, 12 credit-hours per semester adds up to 96 credit-hours after 4 school years, or 24 credit-hours short of the 120 required for graduation. On a quarter system, 4 years of the minimum requirement will accumulate 144 or 36 credits short of the 180 necessary for graduation.

Additionally, many lower cost public institutions, where most veterans turn for their education, are overcrowded. As a result, it is often difficult for veterans to gain admission to required courses. According to a recent survey, it took 690 veterans an average of 5 years to complete their degrees at the California State University at Fullerton and the University of California at Irvine.

Mr. President, a final consideration is reflected in a recent report by the Carnegie Institute on Higher Education, which points out that educational requirements imposed by employers, State licensing agencies, and professional certification boards demand increasing periods of higher education. In plain terms, what a bachelor's degree would qualify a veteran for in 1948 or 1955 in terms of salary and job responsibility may very well require a master's degree in 1974. Although the extension of monthly entitlement from 36 to 45 months is primarily intended as a means to insure that all veterans may obtain at least an undergraduate degree, I believe this provision will do much to enhance the ability of many veterans to be economically and educationally competitive with their nonveteran peers.

Mr. President, it should be pointed out that this additional 9 months of monthly eligibility when coupled with the provision in the committee bill providing for up to 6 months of refresher training in an individual's chosen field provides some very valuable new eligibility for veterans who by virtue of increased technological demands or alterations in the aerospace or defense industries no longer have skills which are marketable in their general occupational fields.

PROVISIONS TO INCREASE SERVICES TO EDUCATIONALLY DISADVANTAGED VETERANS

Mr. President, in 1970 and 1972 I authored and coauthored with Senator Hartke, respectively, major new programs to provide special assistance to high school dropout veterans. These were the predischarge education program—PREP—the special tutorial assistance program, the refresher, deficiency on-campus program, and the veterans outreach services program in 1970 in Public Law 91–219, and expansions and improvements of those programs and the addition of the veterans-student-services program in Public Law 92–540.

Unfortunately, the implementation of these programs by the Veterans' Administration has continued to be less than adequate and less than enthusiastic. The very comprehensive committee report discusses a number of these concerns on pages 44–47, 72–75, and 92–97.

Mr. President, I ask unanimous consent that this discussion from the committee report be set forth in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

EDUCATIONALLY DISADVANTAGED VETERANS

This Committee continues to be very concerned with the plight of educationally disadvantaged veterans. Every index reveals that these are people who bore a disproportionate share of combat in Vietnam whose level of skill training and education increased little in service, and who, to an alarming degree, do not take advantage of the very educational benefits that could serve them so well.

The term "educationally disadvantaged" veteran generally means one who has less than a high school education or equivalency, and by this standard, during the Vietnam era, from August of 1964 through 1973, 959,000 men and women who had less than high school educations were honorably discharged from the military as shown in the following table:

TABLE 9.—ESTIMATED NUMBER OF VIETNAM ERA VETERANS SEPARATED FROM THE ARMED FORCES WHO HAD COMPLETED LESS THAN A HIGH SCHOOL EDUCATION

[Numbers in thousands]

Fiscal year of separation	Total separations	With honorable discharge and 6 months or more of active duty service		
			Did not complete high school	
		Total	Percent of total separations	Number
August 1964–June 1965	496	455	22.2	110
1966	550	505	16.9	93
1967	576	502	18.2	105
1968	788	698	16.0	126
1969	972	871	14.4	140
1970	1,043	930	13.9	145
1971	995	876	11.3	112
1972	870	753	9.5	83
1973	614	504	7.3	45
Vietnam era	6,904	6,094	13.9	95

Equally disturbing, the President's Committee on the Vietnam Veteran reported that test results revealed that 30 percent of high school graduates scored as poorly or worse than the average score of those who had not completed high school. Using this figure as a minimum, another 1.4 million veterans should properly be categorized as "educationally disadvantaged."

While the educationally disadvantaged veteran population is not synonymous with the minority-group veteran population, there is considerable overlap, and the problems of both groups are similar and similarly severe in contrast to other veterans. In this connection, it is worthwhile to point out that black veterans constituted 20 percent of combat fatalities in Vietnam even though blacks comprised only 12.6 percent of military forces during the course of war.

To insure that the educationally disadvantaged veteran would have access to the GI bill, it became clear to the Congress, even before the formation of this Committee, three years ago, that special help ought to be provided.

Over the past five years, programs have been set up and strengthened that would provide academic and vocational brushup work to servicemen with education and training deficiencies before and after separation.

A Predischarge Education Program (PREP) providing academic assistance was established in Public Law 91–219 by Congress, and the Transition Program providing for vocational training was established by the Defense Department, both programs focusing on servicemen before separation. Monies have been provided in the GI bill for veterans to get high school diplomas, take refresher courses, and to receive individual tutorial assistance where needed, all without charge to their basic entitlement.

To gauge the success of these programs, this Committee requested the Government Accounting Office to survey a sampling of educationally disadvantaged veterans.

Pursuant to our request, the GAO was able to secure about 1,200 completed detailed questionnaires from educationally disadvantaged veterans. All had been discharged between May 1968 and November 1972; most were married, and most were not currently enrolled in school or training. Data was compiled and sent to this Committee in October 1973.

According to the data, 90 percent of the educationally disadvantaged never heard of the PREP program before or during their time in service. About 60 percent never were aware of it.

Only about 30 percent of those questioned knew about the Transition Program before or during their time in service; 40 percent never heard of it.

Yet, among valid responses, 58 percent said they would have used the PREP and Transition Programs had they known about them.

While these figures are distressing, on their face, they cause even further concern in light of the contention in a study by the Educational Testing Service of Princeton, New Jersey, "that preservice exposure to postsecondary education is a major influence of GI bill use." (The study was mandated by the Congress in Public Law 92-540 as a review of the comparability provided under the World War II, Korean conflict, and Vietnam era GI bills.)

Congress hoped that tutorial assistance for those in postsecondary education would have a major impact on encouraging educationally disadvantaged veterans to enroll. The step up from high school to college is a substantial one in terms of ability, work, and discipline required. A veteran could receive immediate, one-to-one help in courses he was finding particularly troublesome. Tutors could shore up academic deficiencies and confidence.

Public Law 91-219 thus provided $50 a month for up to nine months of individually tutorial assistance for veterans having academic difficulties, and Public Law 92-540 liberalized and clarified the programs governing this program.

Yet, in fiscal years 1971 through March of 1974, only 40,501 veterans had taken advantage of tutorial assistance, and only for an average of 2.3 months.

While 61 percent of the disadvantaged veterans questioned by GAO never heard about tutorial assistance, 55 percent said they would be encouraged to enter an education or training program if they knew that tutorial assistance was available for any courses they took after completing a high school curriculum.

As well known as the GI bill is, more than 10 percent of those queried never heard of it at all, and more than 50 percent had never used it.

Of the 1,200 respondents, 79 percent didn't participate in PREP, 71 percent did not participate in the Transition Program (the Transition Program has been phased out by the Defense Department as of the end of June 1974), and 75 percent did not take advantage of tutorial assistance. (The reported bill would extend maximum tutorial assistance benefits from 9 to 12 months and increase the assistance rate from $50 to $60 a month.)

The Committee believes all of these are conservative figures because some of the responses were invalid and some questions were not answered.

What is so particularly disturbing to the Committee is the recognition that a major reason educationally disadvantaged do not use their benefits is because they do not know about them.

There are a plethora of programs and plans, spelled out as law and as congressional intent, that make special provision for these veterans to overcome their educational deficiencies. Vigorous informational and outreach efforts are supposed to be underway—in the Defense Department, the Veterans' Administration, the Labor Department, and other Federal agencies—to insure that these veterans know about and are encouraged to use the full range of the benefits to which they are entitled.

Yet, 71 percent of respondents in the GAO study did not receive personal counseling from the Veterans' Administration or a representative of a service organization to explain available benefits; more than 83 percent of the educationally disadvantaged veterans questioned said that a personal interview either would or might have influenced them to seek an education with VA benefits.

Of those who continued their educations under the GI bill, only 14 percent said they were most influenced in that decision by a military advisor, VA, or veterans' service organization representative.

Data in the Educational Testing Service report shows that only 5 percent of educationally disadvantaged veterans in training or education had received counseling at a VA facility and only 2.9 percent received counseling from a VA contact officer.

This last figure is particularly distressing in view of the Committee's belief that outreach (particularly by peer group veterans) is vital in giving information and encouragement to educationally disadvantaged veterans.

With this in mind, a work/study program—called "veteran-student services"—was adopted in 1972 in Public Law 92-540. With the monies provided, approximately 16,000 young veterans were authorized to be employed by the VA yearly to work on college campuses or at the Veterans' Administration. They could work 100 hours a school-year, at $2.50 an hour.

Besides providing extra money to needy veterans, a major purpose of the work/study program was to increase peer group outreach efforts to encourage young veterans to utilize their educational benefits, and the laws so provided.

Faced with the continuing problem of the underutilization of the GI bill by the educationally disadvantaged veteran, the reported bill would substantially expand the work/study program to bolster outreach efforts. It would increase the number of hours a veteran could be employed by the VA from 150 to 250 and remove any limit on the number of veterans who could be utilized, thus clearing the way for the Veterans' Administration to enter into work-study agreements with as many part-time veteran students as it deemed necessary.

Amendments are also made to strengthen and expand the Veterans' Outreach Service program enacted in 1970 in subchapter IV of chapter 3, including requiring greater personal contact with the veteran and requiring the VA to enter into contracts to utilize community-based national or local organizations which have particular expertise in communicating with and providing services to disadvantaged veterans.

The Committee believes that these amendments together with an expansion of the work/study program offer a rare opportunity to break the cycle of poverty and disillusionment into which so many educationally disadvantaged veterans are locked.

SECTION 205

This section would amend section 1682 by adding a new subsection (d) to provide that eligible veterans with qualifying periods of service under the current GI bill may be allowed up to 6 months of educational assistance to pursue refresher training to update knowledge and skills in order to cope with the technological advances occurring in the field of employment during the period of their active military service. Section 1671 currently provides that the Administrator may not approve educational assistance programs for courses for which the veteran is "already qualified". New subsection (d) would allow up to 6 months of refresher training to permit veterans to update their skills in an occupation or profession in which they are already qualified.

The rate of allowance shall be the same as that paid to a veteran under section 1682 and shall be charged against a veteran's period of entitlement earned pursuant to section 1661 (presently 36 months; proposed to be 45 months in section 202(1) of the reported bill). The Veterans' Administration, which concurs in the principle of refresher training, estimates that approximately 1,900 veterans will utilize refresher training in the first full fiscal year at a cost of $3.1 million. The following table indicates the number of veterans expected to train under the refresher section and the cost for the first five fiscal years, if the provision is enacted:

TABLE 16.—SEC. 205: REFRESHER TRAINING

	Fiscal year—					
	1975	1976	1977	1978	1979	Total
Trainees	1,900	1,600	1,600	1,600	1,600	
Cost (millions)	$3.1	$2.6	$2.6	$2.6	$2.6	$13.5

SECTION 206

The veteran-student services program authorized under section 1685 (also known as the veteran's work-study program) would be amended to increase the maximum number of hours an individual student may work and also would remove the statutory ceiling on the number of veterans who can participate in the program. As originally proposed and passed by the Senate in 1972, this program had no statutory limit on the number of veterans who could be hired other than the extent to which they could be effectively utilized by the VA. Currently, a veteran may work up to a hundred hours and receive a work-study allowance based on a rate of $2.50 an hour. Amendments made by this section would increase the maximum number of hours that a veteran may work up to 250 hours and, in addition, it would remove the statutory limits presently in effect which effectively limit the program to 16,000 veterans.

During the three months of fiscal year 1973 in which the program was in operation, applications were received from 4,226 chapter 34 veterans and from 729 chapter 31 disabled veterans. Payments were authorized to 1,256 chapter 34 and 372 chapter 31 veterans to work 100 hours. An additional 1,063 and 178, respectively, were to work less than 100 hours. During both years combined through February 1974, a total of 4,259 veterans who worked a total of 322,778 hours either completed or terminated their agreements.

The Committee has been quite concerned that there has been such little use of work-study students generally and specifically to perform hospital-related work and to perform outreach services under subchapter IV of chapter 3, as authorized and directed by the present language in section 1685. In Fiscal Year 1973, only 4.1 percent of the total work-study hours were devoted to outbreak. In Fiscal 1974 to date, that figure has decreased to 2.4 percent of the total hours as reflected in the following table:

TABLE 17.—USE OF VETERAN-STUDENT SERVICES UNDER THE WORK-STUDY PROGRAM

Use	Fiscal year 1973		Fiscal year 1974	
	Man-hours	Percent	Man-hours	Percent
VA liaison and compliance surveys	2,450	1.1	6,200	0.6
VA paperwork processing	44,537	20.3	187,129	17.6
Outreach	8,975	4.1	25,535	2.4
Assisting at institutions	161,510	73.5	831,146	78.0
Other	2,300	1.0	15,538	1.4
Total	219,772	100.0	1,065,548	100.0

This low percentage is inconsistent with the emphasis placed by Congress in section 1685 on outreach activities. Accordingly, the Committee expects a much larger percentage of work-study veterans activities to be devoted to outreach activities particularly now that veterans' representatives (scheduled to be stationed on campus provided for by section 217 of the reported bill) will be available to supervise such outreach efforts.

Subsection (*a*) amends section 1685(a) of chapter 34 to raise the maximum work-study allowance to a veteran from $250 to $625 and to provide a corresponding increase in the number of hours during which a veteran may work under this program from 100 to 250 hours per semester or enrollment period.

Subsection (*b*) amends section 1685(a) to provide that the work-study allowance in cases where an agreement is entered into for the performance of less than 250 hours of service shall be computed by dividing 250 by the number of hours of work agreed to be performed and applying that ratio to the sum $625. Current law provides that the figures to be used in such instances are 100 hours and $250, respectively.

Also, if such agreement provides for the performing of services for 100 hours or more, the veteran student shall be paid $250 in advance. If the agreement provides for performing less than 100 hours, the amount of the advance payment shall be computed on a pro rata basis as set forth above.

Subsection (*c*) amends section 1685(c) to remove the limitation on the number of student-veterans the Veterans' Administration may assist under the work-study program. Current law restricts the number of veterans in work-study to maximum of 800 man-years or the equivalent in man-hours during any fiscal year.

The Veterans' Administration estimates that the cost attributable to this amendment would be $8.3 million for fiscal year 1975 and each of the five fiscal years thereafter, which assumes that the current 800 man-year limit will be tripled to approximately 2,400 man-years. (This would allow 50,000 veterans to be utilized averaging 100-hours of employment.) The Committee takes note that, in its 1972 report to the Senate of provisions which contained no statutory limits, the Veterans' Administration estimated that in excess of 100,000 veterans could be effectively utilized under the work-study program at a first-year cost of approximately $35.1 million. Thus the actual cost and the need for veteran-student services may be larger than estimated by the Veterans' Administration in its recent report.

SECTION 207

This section would increase the benefits available under subchapter V, providing for special assistance for the educationally disadvantaged. Section 1692 of that subchapter provides that a veteran or serviceman pursuing a postsecondary program of education on a halftime or better basis at an educational institution may receive "individualized tutorial assistance" where the veteran "has a deficiency in a subject" required to satisfactorily pursue his program of education. Under current law he may receive assistance at the rate of $50 a month for a maximum of nine months or until a maximum of $450 is utilized. Approximately 41,000 veterans have received tutorial assistance since the program began in July of 1970, with 7,447 receiving assistance in the third quarter of the current fiscal year as shown in the following table:

TABLE 18.—CHAPTER 34: TUTORIAL ASSISTANCE, FISCAL YEARS 1971-74 [1]

Fiscal year	Quarters				Cumulative, end of fiscal year [2]	Cumulative payment months, end of fiscal year
	1st	2d	3d	4th		
1971	8	585	1,301	2,313	3,107	6,266
1972	933	2,208	3,044	3,967	11,626	26,710
1973	1,776	3,517	5,236	6,503	26,574	62,062
1974	3,009	5,242	7,447		[3] 40,501	93,736

[1] Number of persons paid during quarter.

[2] Unduplicated number of persons paid since report began July 1970.

[3] Cumulative through Mar. 31, 1974.

Amendments made by this section would provide a modest cost of living increase in the monthly rate from $50 to $60 a month. The cost-of-living increase as measured by changes in the Consumer Price Index, since the inception of the tutorial assistance program in Public Law 91-219 on March 26, 1970, has increased 26 percent and the increase provided by this section would generally cover the cost-of-living change since that time. In addition, the section would also extend the maximum assistance available from 9 to 12 months. The Veterans' Administration is unable to supply information as to the median duration of tutorial assistance rendered to veterans or the number who have exhausted their assistance entitlement. They do estimate, however, that 15,000 veterans will receive tutorial assistance in the coming fiscal year and that enactment of section 207 will result in additional first-year costs of $800,000 decreasing to $500,000 at the end of five years, as shown in the following table:

TABLE 19.—TUTORIAL ASSISTANCE

	Fiscal year—					
	1975	1976	1977	1978	1979	Total
Trainees	15,000	14,000	12,000	10,000	9,000	
Cost	$800,000	$700,000	$600,000	$500,000	$500,000	$3,100,000

SECTION 217

This section makes several amendments to subchapter IV of chapter 3, the "Veterans' Outreach Services Program" to further strengthen and clarify the Veterans' Administration's authority and responsibilities. Additionally, a new section is added to the subchapter clarifying the functions and duties of the new veterans representative program recently announced by the President.

Subsection (*a*) adds clarifying language to section 241 together with the requirement that the Administrator shall, to the maximum extent feasible, carry out outreach services in areas where significant numbers of eligible veterans and eligible dependents speak a language other than English as their principal language in the principal language of such persons. As noted approximately two years ago in the Committee's report on the Vietnam-Era Veterans' Readjustment Assistance Act of 1972, there were at that time, according to the testimony of the National Congress of Puerto Rican Veterans, approximately 500,000 Puerto Rican veterans in the New York City area but only one VA counselor in the Regional Office who was himself Puerto Rican. While there has been some progress in the intervening period including the publishing of a number of VA pamphlets in Spanish, the Committee believes more needs to be done, particularly on a personal peer-group contact basis to aid veterans in areas where significant numbers speak a language other than English as a principal language, such as the Southwestern United States. The use of Spanish-speaking VA counselors in areas with large concentrations of Puerto Rican or Spanish-surnamed veterans would thus be quite appropriate.

Subsection (*b*) amends and strengthens subsection (b) of section 242 to provide that, in carrying out the outreach service program, the Administrator shall establish and carry out all possible programs and services including special telephone and mobile facilities. The Committee takes note of the use by the Veterans' Administration of mobile vans to do VA outreach work during the past two years. The Committee believes there should be a greater use of such vans, particularly in the inner city areas where significant numbers of educationally disadvantaged or unemployed veterans reside and particularly in concert with the new mandate for bilingual services added to subsection (a). The Committee takes note of the final report of the Educational Testing Service (conducted pursuant to section 413 of Public Law 92-540) which found that:

The disadvantaged receive a series of three letters from the VA, apprising them of their benefits and encouraging them to make use of their entitlements. The letter, which is of an impersonal nature, does not take into account the fact that the disadvantaged are less likely to respond to printed material. Further, the disadvantaged veteran in particular is more mobile than veterans in general thereby producing a chance that attempts to reach him by mail will not succeed. The percentage of disadvantaged who stated that they received *no* help or advice from any source is relatively high, 45.6 percent, as reported by the Readjustment Profile.

Subsection (*c*) redesignates sections 243 and 244 as 244 and 245, respectively, and adds a new section 243 authorizing a veterans representative program.

As part of a planned program to improve service relationships with veterans, their dependents and veterans' service organizations, the President announced on May 31, 1974, the establishment of a Veterans' Administration Man-on-the-Campus program. This plan involved the placing of VA counselors on college and university campuses when and where they are needed. These veterans' representatives, according to the Administration will be there to identify and resolve VA educational assistance allowance problems, and provide a counseling service for the full range of VA benefits, and "will be carefully selected from the best available manpower and will be given intensive training on all benefits as well as specialized training in the VA educational assistance program."

According to the President's statement, "In cooperation with colleges and universities, the Veterans' Administration this fall will place full-time representatives on those campuses where more than 500 Vietnam era veterans are enrolled. In addition, the VA will employ other representatives to visit those campuses where less than 500 such veterans are enrolled. Altogether, we expect to have more than 1,300 representatives of the Veterans' Administration participating in this new program."

The following table shows the distribution by area of GI bill enrollment in institutions of higher learning which according to the Veterans' Administration would receive either a part-time or full-time veterans' representative (based on one day on campus per 100 veterans):

TABLE 23.—GI BILL ENROLLMENT DISTINCTION, BY AREA

Location	Under 100 (A)		Over 100 (B)	
	Number of schools	Number of students	Number of schools	Number of students
Connecticut: Hartford	20	747	26	3,736
Delaware: Wilmington	4	185	5	1,836
District of Columbia: Veterans' Pension Office	5	73	9	7,245
Maine: Togus	18	562	6	1,758
Maryland: Baltimore	21	612	25	14,984
Massachusetts: Boston	57	1,308	42	22,267
New Hampshire: Manchester	19	616	5	1,620
New Jersey: Newark	20	415	34	15,816
New York:				
Buffalo	33	876	33	13,518
New York	77	2,991	65	33,431
Pennsylvania: Pittsburgh	31	985	18	7,207
Puerto Rico: San Juan	8	238	11	3,550
Rhode Island: Providence	3	144	8	5,359
Vermont: White River Junction	16	424	3	617
Total, area 1	332	10,176	290	132,944
Alabama: Montgomery	26	1,028	28	11,910
Arkansas: Little Rock	13	545	11	3,663
Florida: St. Petersburg	25	984	41	16,169
Georgia: Atlanta	30	823	31	12,173
Kentucky: Louisville	21	441	14	6,506
Louisiana: New Orleans	12	550	16	10,494
Mississippi: Jackson	33	939	12	4,294
North Carolina: Winston-Salem	50	2,197	58	19,060
South Carolina: Columbia	29	1,215	24	9,891
Tennessee: Nashville	42	1,343	33	12,884
Texas:				
Houston	16	745	36	25,377
Waco	38	1,390	50	34,990
Virginia: Roanoke	37	1,090	29	13,061
West Virginia: Huntington	12	310	15	4,511
Total, area 2	384	13,600	398	184,983
Illinois: Chicago	71	1,765	67	39 964
Indiana: Indianapolis	31	496	24	11,430
Iowa: Des Moines	44	1,301	17	5,787
Kansas: Wichita	40	1,289	11	7,488
Michigan: Detroit	36	1,119	52	30,920
Minnesota: St. Paul	45	1,241	19	7,343
Missouri: St. Louis	40	1,266	29	18,177
Nebraska: Lincoln	19	571	10	5,548
North Dakota: Fargo	8	309	6	2,006
Ohio: Cleveland	80	2,786	38	26,359
Oklahoma: Muskogee	16	723	25	13,884
Pennsylvania: Philadelphia	72	2,127	38	16,580
South Dakota: Sioux Falls	11	391	6	1,521
Wisconsin: Milwaukee	31	752	28	16,150
Total, area 3	544	16,136	370	200,191
Alaska: Juneau	6	120	2	1,083
Arizona: Phoenix	7	257	14	12,857
California:				
Los Angeles	31	743	58	69,995
San Diego	8	444	19	21,960
San Francisco	39	1,097	67	72,383
Colorado: Denver	18	579	20	15,136
Hawaii: Honolulu	3	120	10	4,697
Idaho: Boise	5	280	4	2,533
Montana: Fort Harrison	6	247	6	2,260
Nevada: Reno	2	46	4	2,393
New Mexico: Albuquerque	8	258	10	5,198
Oregon: Portland	21	693	21	12,733
Philippine Islands: Manila				
Utah: Salt Lake City	5	246	9	3,092
Washington: Seattle	9	392	36	21,344
Wyoming: Cheyenne	5	254	3	1,102
Total, area 4	173	5,776	283	252,766
Total	1,433	45,263	1,341	768,299

The next table indicates the Veterans' Administration's preliminary plans for placing veterans' representatives at institutions of higher learning:

TABLE 24.—VETERANS' ADMINISTRATION PLAN FOR PLACING VETERANS' REPRESENTATIVES ON IHL CAMPUSES

Veteran enrollments	Number of schools	Counselors needed (1 day per 100 students)	Remarks
0 to 100	1,429	100	Itinerant.
100 to 500	828	330	1 day per 100 GI trainees.
500 to 1,000	277	363	Do.
1,000 to 2,000	166	332	2 per school.
2,000 to 3,000	50	150	3 per school.
3,000 and over	13	52	4 per school.
Total		1,327	

Note: In addition to the 1,327 counsel : needed on campus, 204 clerical support personnel will be needed in VA regional offices. Total personnel needed will be 1,531.

The Administration projects that this program will be initiated for summer school 1974, and become fully operational for fall term 1974. About 900,000 veterans are expected to enroll in 2,763 colleges under the GI bill in fall 1974 and will be benefited by the plan.

In order to grant explicit statutory authority for the establishment of the veterans' representative program, and to clarify in some respects the representative's functions and duties, the Committee has included a new section 243 of chapter 3, as follows:

Section 243. VETERANS' REPRESENTATIVES

Subsection (a)

Clause (1). Provides for the assignment by the Administrator, with appropriate clerical/secretarial support, to each residential educational institution a full-time veterans' representative where at least 500 persons are enrolled under chapters 31, 34, 35, or 36 of this title. Veterans' representatives shall be assigned on a less than full-time basis (proportionately) where there are less than 500 veterans as the Administrator deems adequate to perform the duties prescribed.

Clause (2). Provides that preference in selecting and appointing veterans shall be given to Vietnam era veterans with experience in veterans' affairs, counseling, outreach, and other related veterans' services.

Clause (3). Provides that the functions of such veterans' representatives shall be as follows:

(A) Answer all inquiries related to VA educational assistance and other benefits, and take all necessary action to resolve such inquiries expeditiously, especially those relating to payments of educational assistance benefits;

(B) Assure correctness and proper handling of applications, completion of certifications of attendance, and submission of all necessary information (including changes in status or program affecting payments) in support of benefit claims submitted;

(C) Maintain active liaison and cooperation with the officials of the educational institution to which assigned (including all institution news media) in order to alert veterans to changes in law and VA policies and procedures;

(D) Supervise and expeditiously resolve all difficulties relating to the delivery of advance educational assistance payments under section 1780(d) of this title and of partial tuition assistance payments authorized by the reported bill;

(E) Coordinate VA matters with, and provide appropriate briefings to, all on-campus veterans' groups, working particularly closely with veterans' coordinators at educational institutions receiving Veterans' Cost-of-Instruction payments under section 420 of the Higher Education Act of 1965;

(F) Provide necessary guidance and support to veteran work-study personnel in carrying out their assigned tasks (including outreach activities);

(G) Provide appropriate motivational and other counseling to veterans and carry out outreach activities, as to both functions, only when such functions are not being adequately carried out by existing programs at such institutions; and

(H) Carry out such other activities as may be assigned by the director of the appropriate VA regional office—the VA supervisor responsible for these new personnel.

Clause (4). Authorizes the director of the appropriate VA regional office, based on a demonstrated lack of need, or in consideration of other factors indicating the inappropriateness of assignment of veterans' representatives at a particular educational institution, to either reallocate veterans' representatives to other educational institutions in his region when he determines that such additional veterans' representatives are necessary, or, with the approval of the Chief Benefits Director of the VA, to assign such veterans' representatives to the regional office, with special responsibility for one or more particular educational institutions.

Clause (5). Provides that the functions of a veterans' representative shall be carried out in such a way as to complement and not interfere with the statutory responsibilities and duties of persons carrying out veterans' affairs functions at institutions in receipt of Veterans' Cost-of-Instruction funds under the Higher Education Act.

Subsection (b). Provides that the Administrator shall establish rules and procedures to guide veterans' representatives in carrying out their functions to include provisions to ensure that the activities of veterans' representatives complement, and do not interfere with, the established responsibilities of representatives of organizations recognized by the Administrator under section 3402 of this title.

Subsection (*d*) amends section 244 (present section 243 as redesignated by subsection of this section) concerning the utilization of other agencies in carrying out veterans outreach services programs.

Clause 1 strengthens section 243 by providing that the Administrator shall utilize his contract authority under section 213 of title 38, to enter into agreements or contracts to utilize community-based national or local organizations which have special expertise in facilitating communication with, and the provision of services to the veterans disadvantaged by lack of education or by virtue of linguistic or other socioeconomic factors. The foregoing amendments were prompted in part by the general nonresponsiveness of the Veterans' Administration to the Committee's report on legislation ultimately enacted as the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92–540) calling for greater utilization and coordination with activities of community-based national or local organizations or agencies. Quoted below are excerpts from the 1972 Senate Report which the Committee believes continues to express congressional intent in this matter:

The Veterans' Administration should also make use of its general authority under section 213 to contract for outreach services from outside agencies and groups. The Committee notes that the Federal Government has spent millions of dollars developing the capacity of local agencies to service their community, particularly community action and model cities agencies and believes these agencies can be far more effectively utilized.

In addition, private non-profit organizations as well as city, county, and state offices have major service abilities which have yet to be focused fully on the needs of Vietnam era veterans. Contracting for these services would help achieve the objective of peer group community-based outreach efforts. In addition, to ensure that the veterans, employers and educational institutions are contacted in a systematic and nonduplicative fashion the Veterans' Administration should require those contractors engaged in outreach efforts to participate in coordinating councils. In this connection, the Committee notes that the President in calling for additional governmental efforts to achieve increased veteran participation in GI bill training this past May stated that he was "particularly hopeful that participation in GI bill programs can be increased through specific outreach into urban and rural areas, fully informing veterans of available education and other benefits." He noted that these efforts for increased participation "lend themselves well to both state and local participation, and to plans for coalition among VA, Labor, OEO, HEW, HUD, and other public and private agencies and institutions.

In addition, the Educational Testing Service, in discussing low program participation by black veterans noted that traditional organizations often do not reach them and that as a consequence:

A number of organizations have been formed or supported which *do* speak to the needs of black veterans. By virtue of their location, personnel and constituency, these organizations are more accessible to black veterans. Among the organizations which are concerned with their problems are Model Cities and the Community Action Program (CAP) . . . and the National Urban League.

Clause (*2*) amends paragraph (5) of section 243 to provide that the Administrator shall conduct and provide for studies to determine the most effective programs to carry out the purposes of the Veterans Outreach Services program.

Subsection (*e*) amends the table of sections at the beginning of chapter 3 to reflect the addition of new section 243 providing for the Veterans' Representative program.

Mr. CRANSTON. Mr. President, as the report points out very clearly, there is a substantial need for improvement in the scope of the VA's outreach program and the methods which it employs to reach out to returning veterans, particularly educationally disadvantaged veterans, to attempt to encourage them to use their GI bill eligibility to receive education and training. I find the figures in the study by the General Accounting Office, discussed in the committee report, in terms of the lack of actual knowledge on the part of returning veterans about their benefits to be very discouraging and to be evidence of a very haphazard implementation by the Veterans' Administration since we inaugurated the program in 1970.

It is our belief that the amendments in the committee bill should provide more focus to the outreach program, a broader mandate with respect to the types of activities to be undertaken, and more sensitivity toward individual veterans' needs, particularly those who have limited English-speaking ability, as do so many in my State of California.

In addition, we have increased the tutorial assistance allowance from $50 to $60 a month and the number of months of tutorial assistance entitlement during which such allowance may be paid from 9 to 12 months. As I indicated above, I originally authored this provision, in the 1970 GI bill amendments, Public Law 91–219, to provide tutorial assistance to veterans in academic difficulty.

In addition, the veteran-student services program which we placed into law in Public Law 92–540, and which I originally proposed in 1970 in the Senate-passed S. 3657, and again in 1971 in S. 740 with Senator HARTKE, would also be improved and expanded by amendments included in the reported bill. When we originally passed this program in the Senate in 1972 —as well as in 1970—there was no limitation on the number of veterans who could participate in this work-study program. However, in 1972, in working out the provisions which became Public Law 92–540, we agreed with the House to try this program out on the basis of about 16,000 so-called work/study agreements, executed through the limitation to 800 man-years of work contained in section 1685 of the present law. We also agreed to limit the number of hours that any veteran could work to 100 hours per academic year.

Given the experience with this new program and comments we have received from various VA regional offices and others, we have proposed to expand the program so as to permit up to 250 hours of work for each individual veteran over an academic year and to remove the limit on the number of veterans who can participate during any one fiscal year.

We see this program as a major way for the VA to improve and expand outreach efforts, pursuant to the new directions and authorities made by other amendments in the committee bill, especially on college campuses under the supervision of the new veteran representatives, provided for in section 217 of the reported bill, and also strongly believe that the program, as indicated in the provisions of the present law itself, should be directed far more to providing work/study veterans to carry out certain functions in connection with the VA medical program—a statutory function which has been virtually totally overlooked by the Veterans' Administration in its implementation of the present program.

PROVIDING EMPLOYMENT ASSISTANCE TO VIETNAM-ERA AND SERVICE-CONNECTED DISABLED VETERANS

Mr. President, in 1972 in title V of Public Law 92–540, we enacted the Veterans Employment and Readjustment Act of 1972, which was derived directly from the provisions of S. 2091 which Senator HARTKE and I had introduced in June of 1971. Given our experience with the implementation of the various provisions added to title 38 in 1972 in chapters 41 and 42, Senator HARTKE and I proposed a series of strengthening amendments. With respect to the operations of the Veterans Employment Service, we have expanded this program in the committee bill, to serve wives and widows who are eligible for chapter 35 GI bill assistance, and we have provided a new mandate to the Secretary of Labor in connection with the annual report which he is directed to submit on the operation of the chapter 41 job counseling, training, and placement service for veterans carried out through the Veterans Employment Service. The need for such mandatory specificity regarding this annual report was made very clear to us by the ridiculous three-page annual report submitted—4 months after it was due—by the Secretary of Labor with respect to implementation of the existing chapter 41 provisions, and by the failure of the Secretary to carry out the chapter 42 "special emphasis" program which I will discuss shortly.

Finally, the reported bill codifies into law the compliance procedures and performance requirements established by the Secretary of Labor under the Wagner-Peyser Act with respect to the performance by local public employment offices in carrying out the veterans preferences and priorities mandated by the existing chapter 41, and requires that the results of these performance standards and compliance surveys on a State-by-State basis be included in the Secretary's annual report as well as any corrective action taken by the Secretary in cases of noncompliance.

Mr. President, it is obvious that unemployment continues to be a substantial problem among young veterans, of whom almost 10 percent are presently unemployed, an unemployment rate about 33 percent higher than the rate for their nonveteran counterparts. Even more distressing, over 61 percent of 20- to 24-year-old veterans currently are out of work, because they lost jobs which they had found; that is, they are the last hired and the first fired. The unemployment rate percentage for minority group veterans was 18.9 percent in April—almost twice as high as that of other young nonminority group veterans, and on the west coast, 42,000 veterans in the 20- to 24-age bracket were out of work, with an unemployment rate of almost 16 percent.

Thus, we felt it necessary, not only to try to provide greater focus to the efforts of the Veterans Employment Service, but also to provide the Department of Labor with some new direction with respect to its efforts to promote employment of Vietnam-era veterans and service-connected disabled veterans in the private sector. Toward this end, we included language in the reported bill to clarify section 2012 of existing law which provides for the program of special emphasis in the employment of these veterans under Federal contracts and subcontracts.

Here is the background on this, Mr. President. In a November 3, 1972, opinion, the Solicitor of Labor had advised the Under Secretary of Labor that, in his opinion, a misguided one in my opinion, the provisions of section 2012 did not require, or even permit, I might add, the Secretary of Labor to do anything more in providing this special emphasis than to proceed with the job listing which had been carried out prior to enactment of this law under Executive order and which was somewhat expanded after enactment of Publc Law 92–540.

We have been in disagreement with this interpretation since we first became aware of it, Mr. President, but have been unable to convince the Department of Labor that it is an erroneous interpretation.

The committee report on pages 104 and 105 sets forth our interpretation of the law and the legislative history supporting it, but in order to make clear the scope of the original authority we have added clarifying language in section 2012 (a) of title 38 so as to make clear beyond any possibility of unsympathetic interpretation that the provision requiring job listings is in addition, and I stress in addition, to the requirement that Federal contractors and subcontractors provide "special emphasis" in hiring service-connected disabled and Vietnam-era veterans.

At our hearings this past May on veterans' unemployment. I discussed this matter with the Assistant Secretary of Labor for Manpower, William Kolberg, and stressed to him at that time a number of possible ways in which the Department might go about enforcing the "special emphasis" requirement in connection with Federal contracts and subcontracts. These methods are set forth specifically on page 105 of the committee report, and I ask unanimous consent, Mr. President, that this discussion of section 402 in the reported bill be printed in the Record at this point.

There being no objection, the item was ordered to be printed in the Record, as follows:

Section 402

This section amends subsection (a) of section 2012 of chapter 42 to clarify Congressional intent with respect to the provisions requiring Federal contractors and subcontractors to give "special emphasis" to the employment of qualified disabled and Vietnam veterans. In explaining the compromise version of section 2012 reached by the House and the Senate immediately prior to sending it to the President for signature, Chairman Hartke noted on the floor of the Senate on October 13, 1972, that the term "special emphasis" had been substituted for mandatory preference provisions in the Senate bill to "avoid any 'unnecessary litigation' which the Department of Labor feared would result. . . ." The Chairman noted further that:

"[I]n carrying out the provisions of this section the compromise agreement *also* requires a mandatory listing of job openings with the employment service by Federal contractors." (Italic supplied.)

Senator Cranston, the co-author of the provision with Chairman Hartke, indicated on the floor that same day that "certain clarifications have been made . . . after consultation with the Department of Labor, *but the essential thrust of the Senate amendment is retained.*" (Italic supplied.)

Despite the foregoing statements, the Solicitor of Labor adopted a narrow interpretation which concluded that "special emphasis" required nothing other than job listing under the provisions for such listing included in section 2012(a). Thus, the amendment made by this section would correct that misinterpretation by clarifying the language so as to make clear that the provision to provide the job listings is *in addition to* the requirement that Federal contractors and subcontractors provide "special emphasis" in hiring service-connected and disabled Vietnam era veterans.

On May 14, 1974, the Assistant Secretary of Labor for Manpower, in a letter in response to questions posed by Senator Cranston at the May hearing acknowledged that the "special emphasis" requirement is currently under "intensive review by various components of the Manpower Administration and the Office of the Solicitor." At the same time, the Assistant Secretary indicated that the Department was proceeding to revise its regulations implementing title I of the Comprehensive Employment and Training Act (CETA). The Assistant Secretary acknowledged that the regulations as first published in the Federal Register on March 19, 1974:

"Do not specifically require that (CETA) sponsors promote job and job training opportunities for veterans. To focus attention on certain qualified disabled and Vietnam era veterans in the prime sponsor jurisdictions, the Department of Labor will make the following change in the CETA regulations:

"Title I Section 95.32(e). Prime sponsors will take into consideration special problems and needs of qualified disabled veterans and veterans of the Vietnam era who served in the Armed Forces on or after August 5, 1964 and meet the eligibility requirements of paragraph (a) of this section."

The Committee is encouraged by the forthcoming regulatory change and hopes it will be implemented swiftly and effectively. The Committee also expects similar efforts with respect to the "special emphasis" requirements under section 2012(a). At a minimum, the Committee believes that there must be a good faith listing of job openings and a good faith consideration by Federal contractors and subcontractors of qualifying veterans seeking prospective employment. Given the anticipated lack of expected growth in the Veterans' Administration Apprenticeship and On-Job Training programs during the past two years, the Committee also intends that "special emphasis" should include a requirement to ensure that Federal contractors and subcontractors institute such programs wherever feasible. Finally, the Committee intends that under the "special emphasis" requirement, the Department of Labor should set forth guidelines for Federal contractors and subcontractors as to what it considers an adequate plan of providing special emphasis in hiring and should require Federal contractors and subcontractors to submit a plan showing what they propose to do and periodic reports of progress in implementing that plan.

Mr. CRANSTON. Mr. President, the committee report referred to and just printed in the Record, makes reference to the Assistant Secretary's May 14, 1974, letter to me. In addition to acknowledging that the "special emphasis" requirement is under "intensive review," the Secretary's letter also indicated that the Department was proceeding to revise its regulations implementing title I of the Comprehensive Employment and Training Act—CETA—in order to focus attention on qualified disabled and Vietnam era veterans, as required by section 2002 of title 38 regarding "implementation of new programs."

Mr. President, I ask unanimous consent that the full text of Secretary Kolberg's May 14, 1974, letter to me be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

U.S. Department of Labor,
Washington, D.C., May 14, 1974.

Hon. Alan Cranston,
U.S. Senate,
Washington, D.C.

Dear Senator Cranston: Your statement and direct questions to me at the hearing of the Veterans Affairs Subcommittee on Readjustment, Education, and Employment, April 30, 1974, concerned two specific items for response to be made within two weeks; (1) revision of CETA Title I regulations to carry out the statutory mandates in the most effective, integrated, and coordinated way possible, and (2) specific steps the Department of Labor will take to implement Section 2012 of P.L. 92–540, with particular reference to the "special emphasis" requirement.

Regulations implementing Title I of the Comprehensive Employment and Training Act (CETA) were published in the Federal Register on March 19, 1974. The published regulations do not specifically require that CETA prime sponsors promote job and job training opportunities for veterans. To focus attention on serving qualified disabled and Vietnam-era veterans in prime sponsor jurisdictions, the Department of Labor will make the following change in the CETA regulations:

"Title I, Section 95.32(e) Prime Sponsors will take into consideration the special problems and needs of qualified disabled veterans and veterans of the Vietnam-era who served in the armed forces on or after August 5, 1964, and meet the eligibility requirements of paragraph (a) of this section."

With reference to your request relating to the Department's implementation of the mandatory listing requirements of P.L. 92–540, this matter, including a revision of the "special emphasis" requirement, is under intensive review by the various components of the Manpower Administration and the Office of the Solicitor. I can assure you that prompt and appropriate action will be taken, and that the Veterans Affairs Subcommittee be informed of our progress.

Sincerely,

William H. Kolberg,
Assistant Secretary for Manpower.

[Memorandum for the Under Secretary]

Implementing the "Special Emphasis" Program for Employment of Disabled and Vietnam Era Veterans by Federal Contractors Which Is Required by the Vietnam-Era Veterans' Readjustment Assistance Act

Section 503(a) of the "Vietnam Era Veterans' Readjustment Assistance Act of 1972" adds, *inter alia*, a new section 2012 to title 38 of the U.S. Code, entitled "Veterans' Employment Emphasis Under Federal Contracts."

Section 2012(a) requires Federal contractors and subcontractors to give "special emphasis" to the employment of disabled and Vietnam era veterans. To implement this program, the President is to promulgate regulations within 60 days after enactment which shall require that:

(1) contractors "immediately" list all "suitable" job openings with their local Employment Service office, and

(2) local Employment Service offices shall give "priority" to these veterans in job referrals.

Section 2012(b) further provides that aggrieved veterans may complain to the Veterans' Employment Service (in the Manpower Administration) which shall refer the matter to the Secretary who is to investigate the complaint and act accordingly. This enforcement procedure raises the following two interrelated questions:

(1) does this Act require more than mandatory listing by contractors with ES and priority of referrals therefrom?; and

(2) who in this Department is to carry out the investigatory function after a complaint is referred from the Veterans' Employment Service (VES)?

In interpreting this provision, it should be noted that it is derived from the original Senate version of this legislation, which called for a "Veterans' preference" in employment by Federal contractors. In that version, VES was to refer complaints to OFCC. Because it was felt that such a "preference" could weaken other OFCC-administered Equal Opportunity programs—especially those involving sex discrimination, since veterans are a predominantly male group—that provision was changed to the "special emphasis" program outlined above. In addition, the Secretary was given the enforcement authority rather than OFCC. Thus, it is apparent that although nondiscrimination is implied, there is no desire for an "affirmative action" type program like those administered by OFCC for women and members of minority groups, which require that contractors take steps to meet stated goals and timetables at the risk of contract debarment or termination.

Although the Act requires contractors to give "special emphasis" to the employment of eligible veterans, yet, in stating how the program is to be implemented by the President, only mandatory listing and priority of referrals are required. Both of these actions have already been taken. Executive Order 11398 provides for mandatory job listing by Federal contractors, and the ES administratively gives a preference to veterans in referrals. Both of these activities involve functions of the Manpower Administration. Thus, it would appear logical that the investigatory and enforcement functions should also be handled by it. That agency already possesses the necessary records involved. In addition, this would prevent the awkward situation which could result from having ESA, OFCC, or IMSA investigating Manpower programs, including MA supervision of Federal-State ES agencies.

It could be argued that a positive duty to hire veterans referred by ES may exist, bottomed on the requirement of "special emphasis" on hiring veterans. Investigating veterans' complaints that such a duty had been breached would involve functions similar to those now performed by OFCC in relation to Executive Order 11246 or IMSA in relation to Veterans' Reemployment cases. Executive Order 11598, which requires Federal contractors to list job openings with the ES, does not call for any other form of hiring preference, not to mention "affirmative action." We do not read the implementing provisions of this Act to confer any responsibility, or indeed, power, on the Secretary to investigate and proceed against contractors for failure to make what may be considered sufficient efforts to hire veterans, so long as such contractors comply in good faith with the listing requirements. This interpretation reflects the views of the bill's floor manager in the Senate (Senator Hartke), who referred to this provision as "a strengthened version of Executive Order 11598."

Under Executive Order 11598, enforcement of the present mandatory listing program rests primarily with the contracting agencies. The effect of this legislation may well be to concentrate such efforts in this Department. If the view of the impact of this Act spelled out above is correct, its enforcement provisions would require the Secretary to investigate and determine whether jobs have been suitably listed with ES, and whether ES has been carrying out its responsibilities to give eligible veterans a priority in referrals. For the reasons detailed above, such activities could appropriately be performed within the Manpower Administration at either the national or regional level.

Mr. CRANSTON. However, Mr. President, the major new employment program contained in the reported bill is set forth in section 403 with respect to employment within the Federal Government of Vietnam-era and service-connected disabled veterans. This provision is a modification of the new section 2014 which was proposed in S. 2784, as introduced, and which was identical to the provision included in S. 2161 in 1972 and as proposed in the bill Senator Hartke and I introduced, S. 2091, in 1971. In our negotiations with the House committee on the 1972 bill which became Public Law 92-540, we were unable to obtain enactment of this Federal Government employment provision, because of objections from the Civil Service Commission and the House Committee on Post Office and Civil Service.

Thus, I undertook with Senator Hartke to work with the Civil Service Commission this time, in order to try to arrive at a mutually agreeable provision. I believe that we have produced a provision which the Civil Service Commission can now live with regarding Federal Government employment.

Although, by and large, the figures of the Civil Service Commission with respect to employment of Vietnam-era veterans are quite impressive—showing that almost 100,000 Vietnam-era veterans will be hired during fiscal year 1974, approximately 20 percent of all new Federal hires—the committee felt that, because most of this employment was concentrated in the very low grades, further impetus needed to be given to provide for greater advancement, as well as initial employment opportunities.

Moreover, the committee was not satisfied with statistical completeness of the data which the Commission was able to provide in terms of this employment record, nor were we satisfied at all with respect to the gross statistics available in terms of the employment of service-connected disabled Vietnam veterans.

Mr. President, this provision is discussed in very complete form on pages 105–109 of the committee report, and I ask unanimous consent that this excerpt from the report be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

Section 403

Section 403 adds a new section 2014 to chapter 42 designed to carry out the policy of the United States to promote the maximum employment and job-advancement opportunities within the Federal Government for qualified veterans and disabled veterans of the Vietnam era.

The current employment preference program for veterans and disabled veterans in particular has resulted in a generally positive record by the Federal Government. In its 1973 annual report, the Civil Service Commission stated:

"Disabled veterans already receive top preference in Federal employment. They get 10 points added to their passing examination scores (as compared with 5 points for non-disabled veterans), and compensably disabled veterans are put at the very top of most lists of eligibles for appointments to Federal positions. Disabled veterans may also have the added advantage of qualifying for special assistance under the Government's substantial action programs for hiring the handicapped. These strong, positive measures have resulted in some 250,000 disabled veterans now in the employ of the Federal Government—approximately 9% of the Government's total work force.

"The employment problems of the Vietnam era veteran are, and have been, of special concern to the Federal Government as an employer, and efforts are constantly being made to improve the positive action programs provided to meet their employment needs. The success of these programs is perhaps best demonstrated by the very significant numbers of Vietnam era veterans being placed with Federal agencies. For example, 84,100 were appointed in FY 1973, and during just the first 9 months of FY 1974 an additional 80,450 have received Federal appointments. (This latter figure represents approximately 20.5 percent of all new hires and 56 percent of all veterans hired during the period. If this rate of hiring is sustained for the remainder of the year, Vietnam era veteran appointments for FY 1974 will exceed 100,000.)"

The Committee is aware that the Civil Service Commission has created a special program of veterans' employment assistance to facilitate Federal Government employment of veterans in all 65 area offices. The Commission's report shows that the effort by the Federal Government to hire veterans has increased in the last three years; in Fiscal Year 1972, 149,000 veterans were hired by the Federal Government; in FY 1973, this was increased to 153,400; and in the first nine months of FY 1974 an additional 143,000 veterans found employment with the Federal Government, of which 80,450 were Vietnam era veterans.

The Committee believes that the Federal Government must be a model as an employer of veterans in order to provide the utmost encouragement to private employers to follow its example. The Committee finds the gross statistics for veterans employment as presented by the Commission to be generally impressive in regard to the employment of Vietnam-era veterans. However, the

Committee believes further progress can and should be made. In order to evaluate fully the effects of the program to promote employment of Vietnam era and service-connected disabled veterans within the Federal Government, further data is necessary. In particular, delineation is needed of the grade levels at which Vietnam era veterans have been hired, the duration of their employment, and the age groups of these veterans.

Further, the Commission data does not differentiate among disabled veterans by degree of disability. Title 5 defines a disabled veteran as any veteran with a service-connected disability, whether the disability is compensable or not. Therefore, the Committee believes further emphasis should be placed by the Civil Service Commission on collection of such categorized data in order that the Congress will have the best possible picture of the Federal Government's hiring of Vietnam era veterans and disabled veterans and the severity of their handicaps.

In addition, the Committee intends that the program of employment of service-connected disabled veterans promoted by the new section 2014 should be carried out in full coordination with the Federal program for the employment of handicapped individuals, under the Rehabilitation Act of 1973 (P.L. 93-112), and the new section so provides.

Subsection (a) amends chapter 42 of title 38, United States Code, by adding the following new section:

§ 2014. Employment within the Federal Government

Subsection (a). Provides that it is the policy of the United States and the purpose of this section to promote maximum employment and job advancement opportunities within the Federal Government for qualified disabled and Vietnam-era veterans.

Subsection (b). Incorporates into law, with one difference affecting the period of eligibility, a special appointing authority for certain veterans and disabled veterans of the Vietnam era. The authority is now provided by Executive Order No. 11521, which permits a veteran or disabled veteran who meets established eligibility requirements to be given a "veterans readjustment appointment" to any position in the competitive civil service at or below the GS-5 level (or its equivalent) for which qualified and thereafter to receive a career-conditional appointment. The primary purpose of the authority is to assist veterans and disabled veterans to develop skills through a program combining employment with education or training. Thus, a veterans readjustment appointment is authorized only under a training or educational program developed by an agency in accordance with guidelines set by the Civil Service Commission.

There are two basic eligibility requirements which Vietnam era veterans and disabled veterans must meet under the Executive Order as codified in the new section: (1) they must have had no more than 14 years of education at the time of appointment, and (2) they must have been separated from the armed forces for no longer than one year at the time of appointment. The Executive order makes an exception from the one-year-after-separation rule for veterans and disabled veterans who have a period of hospitalization or treatment immediately following separation from the armed forces. For this group, the one-year period of eligibility begins with the date of release from hospitalization or treatment.

Section 2014(b) provides another exception from the one-year-after-separation requirement. It covers veterans and disabled veterans who enroll in a program of education (as defined in section 1652(b)) on more than a half-time basis (as defined in section 1788) within one year after separation from the armed forces or release from hospitalization or treatment. For this group, the period of eligibility is extended by the time spent in the qualifying educational program (including vacation periods and incidental absences authorized during the educational program). All time between separation from the armed forces (or release from hospitalization or treatment) and enrollment in a qualifying educational program is counted against the one-year limit on eligibility, as is any time after the program has begun—other than absences attributed to the school cycle—when the veteran or disabled veteran first ceases to be enrolled on more than a half-time basis. Nevertheless, subject to the requirement in the last sentence of section 2014(b) that any appointment under the subsection must be made before July 1, 1978, eligibility for this group of veterans will always continue for at least six months after a veteran or disabled veteran first ceases to be enrolled on more than a half-time basis.

A veterans readjustment appointment is an excepted appointment. However, a veteran or disabled veteran who satisfactorily completes two years of substantially continuous service under a veterans readjustment appointment and who completes the educational or training program agreed upon at the time of appointment is converted to career-conditional employment and automatically acquires a competitive status for civil service purposes.

The subsection further provides that the Civil Service Commission will issue appropriate regulations to carry out the provisions of section 2014.

Subsection (c). Provides that each Federal department, agency, and instrumentality shall include in its affirmative action plan for the hiring, placement, and advancement of handicapped persons under the Rehabilitation Act of 1973 (P.L. 93-112), a separate affirmative action plan for disabled veterans, in accordance with regulations prescribed by the Civil Service Commission in consultation with the Administrator and the Secretaries of Labor and Health, Education, and Welfare (in order to ensure that the stresses and priorities in that Act are not in any way diminished, especially as to persons with severe handicaps, by this new requirement).

Subsection (d). Provides that the Civil Service Commission shall be responsible for the review and evaluation of the implementation of this section and the activities of each Federal agency, department, and instrumentality (those covered by P.L. 93-112) in carrying out the purposes of this section and shall periodically obtain and publish reports and results on the implementation of the disabled veterans plan by each such agency (including full statistical data on the numbers of covered veterans employed by each such agency and their grade levels and periods of retention in employment as well as the degree of disability for disabled veterans).

Subsection (e). Provides that the Civil Service Commission shall submit annually a report to Congress on activities carried out under this section. The Commission may include a separate report on activities regarding disabled veterans in its report required to be submitted by section 501(d) of P.L. 93-112.

Subsection (f). Provides that, since the section deals with Federal employment, the terms "veteran" and "disabled veteran" as used in this section (despite the definitions in section 2011) have the meanings given these terms in the civil service laws (5 U.S.C. 2108), as follows:

"'Veteran' means an individual who—

"(A) served on active duty in the armed forces during a war, in a campaign or expedition for which a campaign badge has been authorized, or during the period beginning April 28, 1952, and ending July 1, 1955; or

"(B) served on active duty as defined by section 101(21) of title 38 at any time in the armed forces for a period of more than 180 consecutive days after January 31, 1955, not including service under section 511(d) of title 10 pursuant to an enlistment in the Army National Guard or the Air National Guard or as a Reserve for service in the Army Reserve, Naval Reserve, Air Force Reserve, Marine Corps Reserve, or Coast Guard Reserve;

and who has been separated from the armed forces under honorable conditions.

"'Disabled veteran' means an individual who has served on active duty in the armed forces, has been separated therefrom under honorable conditions, and has established the present existence of a service-connected disability or is receiving compensation, disability retirement benefits, or pension because of a public statute administered by the Veterans' Administration or a military department."

Subsection (b). Amends the table of sections at the beginning of chapter 42 of title 38, United States Code, to reflect the addition of new section 2014.

Mr. CRANSTON. Mr. President, in addition to the new reporting requirements and the new explicit statement of U.S. policy to promote maximum employment and job advancement opportunities within the Federal Government for these veterans, the reported bill makes one significant improvement in the existing veterans readjustment appointment authority implemented by the President under Executive Order No. 11521. Presently, such a VRA appointment is open to a veteran only within 1 year after discharge or medical disability retirement. If the veteran enters into training or education under the GI bill, that VRA eligibility is lost at the end of 1 year after discharge. This treatment is significantly different than that afforded to VISTA volunteers under section 415 (d) of the Domestic Volunteer Service Act of 1973, Public Law 93-113, which I authored to provide the same sorts of eligibility for appointments in the competitive service as provided for Peace Corps volunteers by Executive Order No. 11103.

Under these provisions, both Peace Corps and VISTA volunteers are given 1 year following their service to use their special eligibility for these special appointments, but if they enter school they are permitted to complete their education and still retain their eligibility for the special appointment by virtue of a provision which provides that the time spent in school does not count as part of the 1-year period.

We have thus provided in the committee bill in a the new section 2014(b) that a veteran would remain eligible for a veterans readjustment appointment for up to 1 year after separation but that, if the veteran enters school or training at an educational institution on more than a half-time basis, he will then have no less than 6 months of eligibility in which to use this appointment after he ceases this employment or training or, at least, ceases to be at least a one-half-time student or trainee. Since the VRA appointments up to grade GS-5 level include persons with educational experience through the AA degree—that is, the second year of college—we felt this was a logical extension of the original concept underlying the Executive order which first established the VRA appointments.

Mr. President, I want to acknowledge my appreciation for the good faith and flexibility with which the Civil Service Commission, and especially Chairman Robert Hampton, were willing to discuss this provision and to suggest modifications in it in order to make it more acceptable to the Commission. I am sure that we can count on them to do an effective job in implementing the authority of new section 2014.

RELATIONSHIP BETWEEN NEW VET REP PROGRAM AND VCI PROGRAM

Mr. President, on May 31, 1974, the White House released a formal announcement concerning the Veterans' Administration's new man-on-the-campus program. Earlier in May, the Veterans' Administration had briefed the Congress on its plans to implement this program designed to improve service relationships with veterans, their dependents, and veterans' service organizations. The man-on-the-campus, or Vet-Rep program involves placing VA counselors on college and university campuses to identify and resolve VA educational assistance allowance problems.

Mr. President, in the weeks that followed the original VA announcement of these plans, there was considerable confusion, and much concern expressed by those persons already involved in campus veterans' programs. Specifically, Veterans cost-of-instruction—VCI—program campus coordinators, who are responsible for planning, implementing, and directing the full time offices of veterans affairs established under a provision I authored in the Education Amendments of 1972, Public Law 92–318, feared their programs were about to be taken over by the VA. The VCI program was designed to provide incentives and supporting funds for colleges and universities to recruit veterans and to establish the kinds of special programs and services necessary to assist many veterans in readjusting to an academic setting.

VCI programs achieved a high level of success in their first year of operation despite the fact that in many cases VCI coordinators were unable to plan and develop special programs because they were forced to devote far too much of their time to the task of assisting veterans with VA-related problems, especially late arrival of GI bill checks. VCI coordinators were, in many cases, simply acting as a liaison between the veteran and the VA in the veteran's frustrating battle to receive VA educational benefits.

Unfortunately, Mr. President, the VA's early plans and job descriptions for the Vet-Reps appeared suspiciously duplicative of the responsibilities already being met by VCI coordinators. VA memos concerning the Vet-Rep program contained terms such as "outreach" and "peer counseling"—activities specifically required by law of VCI programs. Worse yet, the VA, in the weeks just after announcing the program, made no attempt to consult VCI coordinators or to include them in any of the initial planning and implementation of this program, a program which directly would affect these already existing programs.

This understandably led to much hostility on the part of VCI coordinators and other campus veterans representatives across the Nation. My staff worked closely, during this period, with the Veterans' Administration, the Civil Service Commission, the Office of Management and Budget, and the White House to work out details of the program, and to insure that the concerns of VCI coordinators would be taken fully into consideration before plans for the program were finalized.

Additionally, on June 14, 1974, I wrote to the Director of the Office of Management and Budget, Mr. Roy L. Ash, with respect to the assurances, I believed were necessary, regarding the manner in which it is proposed that this new program is implemented.

Mr. President, I ask unanimous consent that the full text of my June 14, 1974, letter to Mr. Ash be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection, the letter was ordered to be printed in the RECORD, as follows:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., June 14, 1974.
Hon. ROY L. ASH,
Director, Office of Management and Budget, Executive Office Building, Washington, D.C.

DEAR MR. DIRECTOR: The Senate Appropriations Subcommittee on HUD, Space, Science, and Veterans has received the Veterans Administration's amended supplemental budget request for FY 1974, which contains $2.5 million for the VA's new Vet-Rep program, announced by the President on May 31. This new program was designed to improve VA service relationships with G.I. Bill trainees, colleges and universities, and veterans' service organizations by placing VA representatives on college and university campuses to identify and resolve VA educational assistance allowance problems.

I am generally supportive of this attempt to deal constructively with payment problems which have plagued the G.I. Bill educational assistance program, and thus authored a provision in S. 2784 (section 217, copy enclosed), as reported by the Committee on Veterans' Affairs, to provide statutory authority, as well as Congressional guidance, for this new program.

Given the considerable confusion surrounding preparation of the specifications for this program, and the great concern expressed by those persons already involved in campus veterans' programs, especially campus coordinators under the Veterans Cost-of-Instruction (VCI) program, which I authored in the Education Amendments of 1972 (P.L. 92–318), it would be most useful for those of us working on resolving differences between S. 2784 and the House-passed bill, H.R. 12628, as well as for the Chairman (Senator Proxmire) and members of the Appropriations Subcommittee, to receive, in writing, certain assurances regarding the manner in which it is proposed that this new program be implemented. Due to and because O.M.B. was so instrumental in developing the concept of the new program, I am addressing these concerns to you.

Specifically, I believe assurances are needed with respect to the following points to set forth the understanding expressed to my staff over the last several weeks by O.M.B. Assistant Director, Paul O'Neill:

1. Clarification is badly needed as to the scope and purpose of the new program in relationship to the VCI program. VCI coordinators are responsible for planning, implementing, and directing the full-time offices of veterans' affairs required to be established under the VCI program. The VCI program was designed to provide incentives and supporting funds for colleges and universities to recruit returning veterans and to establish the kinds of special programs and services necessary to assist veterans in readjusting to and succeeding academically in an educational setting. VCI coordinators are required by law to fulfill numerous substantive, programmatic responsibilities, although in this past year, as a result of the repeated problems in the VA's implementation of the educational benefits program, they were obliged to spend much of their time trying to facilitate routine paperwork in connection with G.I. Bill benefits.

It is my understanding that the responsibilities of Vet Reps will include facilitating all routine VA paperwork, the handling of all VA educational benefits program problems, and the provision of information concerning particular laws and VA regulations; Vet-Reps are to cooperate closely, but in no way overlap, or interfere with, the duties and responsibilities of VCI coordinators.

In order to assuage the very strong concerns which continue among many VCI coordinators that Vet Reps will duplicate, rather than complement VCI programs, I think it would be extremely important for you to indicate very emphatically that the Vet-Rep program is not designed to replace the VCI program, nor focused on carrying out the specific statutory functions assigned to VCI coordinators under section 420 of the Higher Education Act of 1965, as amended.

2. I believe assurances are also needed that Vietnam-era veterans will, in fact, be given priority in filling Vet-Rep positions.

3. Additionally, assurances are needed that VA Regional Directors will be provided flexibility in allocating and reallocating Vet Reps among schools in the most practicable manner, taking into account the need for these services at particular schools in light of on-going programs (especially VCI programs) and the desires of the school to have a Vet Rep on campus.

4. Further, assurances are needed that VA Regional Directors will have the discretion—with the approval of the VA's Chief Benefit Director—to assign Vet Reps to work in a VA Regional Office, with special responsibility for one or more than one particular educational institution. Such flexibility will be essential, especially after the onslaught of advance payment problems has subsided in November or December.

5. Finally, I would urge that a commitment be made to provide for a full, expedited evaluation of the Vet-Rep program not later than December, 1974, and, in order to facilitate this, to build-in to the program necessary data-gathering procedures at the outset. Such an evaluation should give special attention to the longer range assignments of Vet Reps, as well as the most efficient use of their services.

I will appreciate your earliest response to the concerns above, and I ask that you send copies of your repy directly to Mr. Odell Vaughn, Chief Benefits Director of the VA, and to those to whom I am sending copies of this letter, as shown below.

Sincerely,

ALAN CRANSTON.

Mr. CRANSTON. Mr. President, considering this rather unfortunate beginning, I am encouraged by what appears to be a willingness on the part of the administration to consider the specific problems and concerns that were expressed. The White House factsheet, and the President's statement, when they were finally forthcoming, announcing the man-on-the-campus program, clarify, I believe, the VA's originally expressed intention of close cooperation, not usurpation of the already existing campus veterans programs.

Mr. President, I ask unanimous consent that the full text of the White House factsheet on the VA man-on-the-campus program and the President's May 31, 1974, statement be printed in the RECORD at this point.

The PRESIDING OFFICER. Without objection the White House factsheet was ordered to be printed in the RECORD, as follows:

[The White House Factsheet, May 31, 1974]

VA MAN-ON-THE-CAMPUS PROGRAM

BACKGROUND

There are 7,000,000 Vietnam-era veterans and more than half of them have taken some training under the GI Bill.

The WW II GI Bill was considered highly successful with 2.23 million veterans enrolled in college level training.

The current GI Bill has already exceeded that figure with college enrollees exceeding 2.4 million.

While 96% of all veterans going to school got their checks on time, nearly 4% suffered delays and in a program of the GI Bill's magnitude this represented an unacceptable number of late checks.

On March 31 the President directed the formation of a crack task force from VA and OMB to study GI Bill check delivery problems and recommend solutions.

PROPOSAL

The major task force proposal is to assure veterans timely and effective help on the campus. At least one VA man will be assigned to every college campus with large enrollments of veterans. Itinerant VA service will be provided campuses with smaller enrollments.

OBJECTIVES OF MAN-ON-THE-CAMPUS PROGRAM

Reverse the current complaint oriented system to "front-end" affirmative controls.

Help colleges process veterans documents on time.

Insure that every enrolled GI gets his advance pay check through personal delivery.

Help veterans secure their full benefit entitlements now.

On every college campus with GI Bill students.

FUNCTIONS OF MAN-ON-THE-CAMPUS

VA presence; fills all gaps in local veterans services. Wherever there are existing veterans assistance elements, performs a complementing and supporting role.

Trouble-shooter to help Regional Offices in paper processing.

Paymaster to help distribute advance pay checks.

Man on the spot to correct errors early.

Liaison for campus veteran groups.

Information specialist on new laws and rules.

Consultant on VA to university officials and faculties.

ACTIONS NOW INITIATED

Instructions were issued to all VA Regional Offices May 6, 1974, launching the Man-On-The-Campus program as well as related procedural streamlining.

1,327 Men-On-The-Campus will be hired by VA during May and June. These will be Vietnam-era veterans who have experienced campus life and can counsel their peers.

Training will be accomplished during June and July 1974 in Regional Offices. There will also be a two week centralized training program on four geographically distributed college campuses.

All Men-On-The-Campus will be hired, trained, and ready to perform by August 1.

TARGET DATES

The program will be initiated for summer school 1974.

The program will be fully operational for fall term (September) 1974.

About 900,000 veterans are expected to enroll in colleges under the GI Bill in fall 1974 and benefit by the plan.

GOALS

On time checks.

Prompt, trouble-free service to Vietnam veterans going to school under the GI Bill.

Pertinent statistics

Total living veterans (April 30, 1974)	29,233,000
Post Korean conflict (peacetime) eligible under the GI bill (April 30, 1974)	3,100,000
Vietnam era (including Korean conflict service 454,000) (April 30, 1974)	7,002,000
Entered training under GI bill to date	4,791,000
Entered college level training to date	2,455,000
Now in training	1,537,000
Now in college	938,000
Number of Colleges where veterans enrolled	2,763

STATEMENT BY THE PRESIDENT

In trying to solve the problems faced by veterans of the Vietnam era, one of the first goals of the Administration has been to ensure that all beneficiaries of the GI bill receive prompt and efficient service.

In a radio address to the Nation on March 31, I stated that "veterans need to know if we can find a better way of delivering checks on time." I also directed the Administrator of Veterans Affairs to work with the Director of the Office of Management and Budget to come up with sound, workable solutions to the problem.

Today I am happy to announce an important result of this mandate for action: the establishment of a VA Man-on-the-Campus program. In Cooperation with colleges and universities, the Veterans Administration this fall will place full-time representatives on those campuses where more than 500 Vietnam era veterans are enrolled. In addition, the VA will employ other representatives to visit those campuses where less than 500 such veterans are enrolled. Altogether, we expect to have more than 1,300 representatives of the Veterans Administration participating in this new program.

Considerable progress has already been made in expediting the delivery of benefit checks. Now, with the inauguration of the Man-on-the-Campus program, the veteran student population will have the services of a network of concerned, knowledgeable aides, fellow veterans, and contemporaries, to help iron out problems and correct clerical errors or oversights right on the campus. The VA representatives will work closely with campus officials and organizations already involved in helping veterans. In effect, this new program provides veterans utilizing the educational benefits of the GI bill with an accessible, concerned individual available to help when problems or complications arise.

This welcome addition to existing Veterans Administration educational services should prove invaluable to the nearly one million veterans currently in college under the GI bill, and to those other eligible veterans who will take advantage of the GI bill education benefits in the years ahead.

Mr. CRANSTON. Mr. President, I must point out that while I am very pleased with this initiative to help veterans, the VA's past record of reluctance or inability to implement the GI bill educational assistance program in an imaginative and timely fashion, particularly in California, leads me to be cautions about expecting too much, too soon. For too long, too many veterans have been forced to suffer unnecessary hardships because of checks being delayed, misdirected, or never sent out in the first place.

For the sake of the veterans going to school on the GI bill, I hope this program works. And, for the sake of the VCI coordinators, who have been shackled by routine VA paperwork, I hope the VA can succeed in relieving them of those responsibilities.

Mr. President, I intend to monitor closely the results of this program later this summer by surveying the 222 colleges where veterans are enrolled in California.

Mr. President, I have already inserted into the RECORD the very complete—committee report, pages 93–96—discussion of the section 217 in the reported bill in which the committee provided specific statutory authority for the Vet-Rep program and congressional guidance on how it should be implemented.

FEDERAL ADVISORY COMMITTEE ON VETERANS SERVICES

Mr. President, section 218 of the reported bill includes a provision, which I suggested with Senator HARTKE, to establish a new Interagency Advisory Council on Veterans' Services in the Veterans' Administration. This new Advisory Council would be chaired by the Administrator of Veterans' Affairs and would be assigned the function of promoting the maximum feasible effectiveness, coordination, and interrelationship of services among all Federal laws, programs, and activities affecting veterans and their dependents. The principal intention here is to provide the Administrator of Veterans' Affairs, who, as I indicated would be the chairman of this new council, with a new program input to the activities affecting veterans carried out by the Departments of Defense, Labor, HEW, HUD, Treasury, and Agriculture, as well as those of the U.S. Postal Service, Civil Service Commission, the Small Business Administration, and other Federal departments and agencies with such programs. Presently, the Administrator has no such role and the degree of input he can make is very variable, the degree of influence he has is relatively insignificant, and the degree of coordination among these programs which his influence could bring about, is sadly lacking.

Mr. President, this provision is described in detail on pages 98 and 99 of the committee report, and I ask unanimous consent that this excerpt from the committee report be set forth in the RECORD at this point.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

Section 218

Subsection (*a*) amends chapter 3 by adding a new subchapter which establishes within the Veterans' Administration an Interagency Advisory Council on Veterans' Services. The Council will seek ways to promote the effectiveness, coordination and interrelationship of services among all Federal programs affecting veterans and their dependents. Creation of this Advisory Council is in keeping with the intent of Congress and the express concern of the President to deliver all benefits and services as quickly and efficiently as possible to the veteran. The Council, which will be chaired by the Administrator of Veterans' Affairs, will consist of the heads of ten Federal agencies who in various ways are responsible for assisting veterans as well as the heads of any other agencies which the President may consider relevant. Since 1955 seven similar veterans' advisory bodies have been established either by the President or by Congress. These include the President's Commission on Veterans' Pensions, better known as the Bradley Commission, which published its famous report in 1955. Congress has established three advisory committees dealing with particular subjects. These include, a special medical advisory group (38 U.S.C. § 4112) in 1958, the Advisory Council on Servicemen's Group Life Insurance (38 U.S.C. § 744) in 1965, and the Advisory Committee on Education Programs (38 U.S.C. § 1795) established in 1966.

Other advisory committees created by the Executive Branch include the U.S. Veterans' Advisory Commission which functioned from 1967 to 1968, and the President's Committee on the Vietnam Veteran, which issued its report in 1969. Such advisory bodies can and have produced insight and valuable recommendations on the coordination and interrelationship of various veterans' programs. Their limitations, however, have been either their specialized concern or their temporary nature. What the Committee intends by this amendment is to establish by statute an ongoing advisory body of some breadth of concern which shall meet on a regular basis and seek ways to improve the effectiveness and the interrelationship of services to veterans.

This subchapter is more fully described as follows:

SUBCHAPTER V—INTERAGENCY ADVISORY COUNCIL ON VETERANS' SERVICES

§ 250. Establishment of Advisory Council

This section provides for the establishment within the Veterans' Administration of an Interagency Advisory Council on Veterans' Services. This Council shall be chaired by the Administrator and shall be composed of the heads (or their designees who hold at least executive level IV positions) of the Departments of Defense, Labor, HEW, Housing and Urban Development, Treasury, and Agriculture as well as the U.S. Postal Service, Civil Service Commission and the Small Business Administration.

§ 251. Functions of Advisory Council

Subsection (a). Provides that the Council shall promote maximum feasible effectiveness, coordination, and interrelationship of services among all Federal laws, programs, and activities affecting veterans and their dependents.

Subsection (b). Provides that the Council shall make recommendations to the President to develop in his annual budget a coordinated plan for the provision of services to veterans and their dependents under all Federal programs and activities.

Subsection (c). Provides that the Council shall report annually on its activities to the President and the Congress and shall submit to the President and Congress appropriate reports and recommendations for improvements in existing Federal laws, programs, and activities affecting veterans.

Subsection (d). Provides that the Council shall meet at the call of its chairman (the Administrator) but at least four times annually, and shall employ such staff as necessary to carry out its functions.

§ 252. Cooperation of Other Federal Departments and Agencies

This section provides that each Federal agency of the Council shall make available to the Council such personnel, support, and information regarding its activities as the Council shall request.

Subsection (*b*) amends the table of sections at the beginning of chapter 3 to reflect the addition of new subchapter V in chapter 3.

Mr. CRANSTON. Mr. President, as indicated in the provision itself, this new interagency advisory council will also have the role of helping to develop, in connection with the annual budget, a coordinated plan for the provision of services to veterans and their dependents under all Federal laws, programs, and activities, so that the ensuing coordinated implementation of these laws, programs, and activities by the various agencies can be evaluated against some standard.

PROGRAM EVALUATION AND COLLECTION OF STATISTICAL DATA

Mr. President, the last feature of the reported bill which I would like to highlight is section 216, which would add a new section 219 to title 38. The new section would, for the first time, require the Administrator of Veterans Affairs to provide for independent measurement and evaluation of the impact and effectiveness of all programs authorized under title 38 and of their mechanisms for service delivery. Presently, the VA's evaluation activities are sporadic and limited. The evaluation provisions in the new section 219—in subsections (a) through (f)—are based directly on the evaluation provisions in section 401 of the Rehabilitation Act of 1973—Public Law 93–112, of which I was the principal author with Senators RANDOLPH and STAFFORD, who are also members of the Veterans' Affairs Committee and who collaborated, along with Senator HARTKE and me, on this provision in the reported bill.

Mr. President, subsection (g) of the new section adds an additional mandate and mission for the VA to collect all possible types of program and benefits statistical data and to do so on a continuing basis, and to make available to the public and submit to the Congress on a regular basis, but not less often than every other month, tabulations and analyses of the data collected. The provision specifies that the data collected would include the rates of participation in all VA benefits programs, including the duration of such participation and the participation for veterans of various service periods, and the costs associated with each; breakdowns of the various categories of all VA program beneficiaries and patients; details regarding planning and construction of all VA facilities and proposed space acquisition and land excessing; reports on accretion and attrition of personnel; and the categorized cost attributable to each of these categories.

Mr. President, these provisions are discussed on pages 90–92 of the Committee report, and I ask unanimous consent that these excerpts be printed in the RECORD at this point.

There being no objection, the excerpts were ordered to be printed in the RECORD, as follows:

Section 216

Subsection (*a*) amends subchapter II of chapter 3 of title 38, United States Code, by adding at the end a new section 219, which directs the Administrator to measure and evaluate the impact of all programs authorized by this title with respect to their effectiveness and impact of their structure and mechanisms for the delivery of services.

The Committee since its formation in 1971 has been frustrated on a number of occasions in its attempt to secure meaningful data from the Veterans' Administration in connection with its oversight of VA programs and in considering various legislative alternatives.

The Committee considers the addition of this section to be consistent with the recommendations made by several studies conducted since World War II and, most recently, by the Educational Testing Service (ETS) in its *Comparative Study of the Three GI Bills* conducted pursuant to section 413 of the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92–540). In its findings and conclusions, the ETS found that:

"The VA has currently no means of measuring the quality of the performance of the State Approving Agencies and therefore cannot be assured that the money used to reimburse these agencies was wisely spent . . .

"There is no way to determine whether this money was wisely spent . . . little has been done to compile information that would allow an accurate evaluation of the performance of their agencies."

The ETS Report listed some of the data that the VA does *not* collect: the completion rates of veterans in the various programs, veterans' complaints in a systematic way, the socioeconomic status of veterans as they enter and complete programs of training, or the actual employment obtained as it relates to training received.

In addition, two major reports done since World War II were also critical of the VA's failure to compile such information for a systematic assessment of program effectiveness. The Booz-Allen-Hamilton report in 1952 stated for example:

"An important and basic part of the vocational rehabilitation and education program has been neglected. There is no real measure of the programs' effectiveness . . . No one has any real idea of how much and in what way the education programs have actually benefitted veterans."

Second, the Bradley Commission concluded that:

". . . the data gathered relate largely to administrative operations and do not give a basis for gauging needs or for analyzing the effectiveness of the program."

The Veterans' Administration apparently believes that it does not have a "mission" to gather such data and that priority must be given to "serving veterans" rather than "purifying statistics." While the Committee has no quarrel with the VA's emphasis on serving veterans, the dichotomy implied by that argument is too sharply drawn and somewhat disingenuous. Service to veterans can be improved only if there exists adequate data from which to evaluate the programs and make needed changes. The Committee believes that such collection and evaluation is vital to the mission of serving veterans and sees no dichotomy, but rather a definite need to make such evaluations to assure that the VA's mission of serving veterans is being carried out in the most efficient and effective manner. The Committee wants whatever recommendations and analysis the VA may be able to provide in order to more intelligently interpret the programs in a thoroughly uniform manner for future legislation. The dearth of statistics, for example, on completion rates of those who enroll in a course of training but do not finish such course has led to much controversy over GI bill participation rates during recent months and the need for increases in the assistance allowances. A more detailed analysis of subsection (a), section 219 follows:

§ 219. Evaluation and data collection

Subsection (a). Directs the Administrator to measure and evaluate the impact of all programs authorized by this title to determine their effectiveness in achieving stated goals, their impact, and their structure and mechanisms for delivery of services. The evaluation shall be conducted by persons not involved in this administration of the programs evaluated.

Subsection (b). Directs the Administrator to develop and publish general standards for the evaluation of the programs not later than 90 days after the enactment of this section.

Subsection (c). Directs the Administrator to obtain the specific views of persons participating in and served by programs under this title in carrying out the evaluations.

Subsection (d). Directs the Administrator to publish the results of such evaluations not later than 90 days after their completion and promptly submit copies of all completed research studies and evaluations to the appropriate congressional committees.

Subsection (e). Directs the Administrator to take necessary action to assure that all studies, evaluations, proposals, and data developed under this title shall become the property of the United States.

Subsection (f). Directs all Federal agencies, departments, and instrumentalities to make available to the Administrator all information deemed necessary by the Administrator for such evaluations.

Subsection (g). Directs the Administrator to collect, collate, and analyze on a continuing basis full data regarding the operation of all programs under this title and shall make available such tabulations and analyses available to the public and the appropriate committees of Congress.

Subsection (*b*) provides that the table of sections at the beginning of chapter 3 of title 38, United States Code, be amended by adding the new section 219.

CONCLUSION

Mr. CRANSTON. Mr. President, this bill, as I indicated at the outset, has been a totally bipartisan effort. Extremely effective work has been done by many members of the committee, including the distinguished Senator from West Virginia, long a champion of veterans rights and benefits and one of my predecessors as chairman of the former Subcommittee on Veterans' Affairs on the Labor and Public Welfare Committee (Mr. RANDOLPH) and by the ranking minority members, the Senators from Wyoming (Mr. HANSEN) and South Carolina (Mr. THURMOND). Their work was made possible and most ably supported by many employees of the committee staff, principally the chief counsel, Guy McMichael, assisted by Larry Chernikoff, Michael Burns, Mary Whalen, John Szabo, Harold Carter and Rita Bass.

Mr. President, before closing I want publically to express my appreciation for the very effective work which has been done in support of this measure by veterans organizations and particularly express my appreciation to the Veterans of Foreign Wars for having presented me this past Sunday in their California State Department convention their highest State award, the Silver Medal of Merit. I was greatly honored by this tribute, and ask unanimous consent, Mr. President, that the text of my remarks to that VFW State convention be set forth in the RECORD at the conclusion of my remarks.

Mr. President, in closing, I again want to express my congratulations to Senator HARTKE and the other members of the Veterans' Affairs Committee for having worked so hard to produce what I consider to be such a significant and far-reaching measure. This bill when enacted will help literally millions of veterans, particularly Vietnam-era veterans, and dependents in our Nation. As I have said many times in the past, what these veterans really are asking for is no more than they deserve and they are entitled to—that is, simple justice and equity, and comparability in benefits with what their fathers and brothers received after their service in prior wars.

Mr. President, I believe that the reported bill meets this test, and I strongly urge a unanimous vote of approval by my colleagues.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

ADDRESS BY SENATOR ALAN CRANSTON (D., CALIF.) BEFORE THE ANNUAL CONVENTION OF THE DEPARTMENT OF CALIFORNIA VETERANS OF FOREIGN WARS, BAKERSFIELD, CALIF., JUNE 16, 1974

Commander Andrew Skinner, Senior Vice Commander Jack Melban, other distinguished incoming and outgoing officers of the State Department of California Veterans of Foreign Wars, and members of the VFW and the Women's Auxiliary, I am very humbled by the high honor you have given me today. Working to improve programs and services and benefits for veterans and having some degree of success is reward in itself.

But, nevertheless, I am delighted with this high honor and will do everything I possibly can to continue to merit it.

In addition, coming from the VFW—which has worked so long and hard with me over the last five years back in Washington, especially in the area of bringing about important improvements in the VA medical and hospital program—makes this very generous tribute even more meaningful to me. So I thank you all for the Silver Medal of Merit.

This afternoon, I thought I would give you a brief report on legislative developments in Washington and then talk about several matters which I know are of very genuine concern to all of you: In the last two weeks, we have enacted two major pieces of legislation: first, a major disability compensation and DIC bill increasing benefits across the board by about 15% on the average. Second, a veterans life insurance bill providing for increasing the maximum amount of SGLI insurance from $15,000 to $20,000, expanding coverage under that program, and providing for automatic conversion of SGLI policies to a non-renewable, five-year term policy called "Veterans Group Life Insurance."

We also were successful last week in providing for a temporary extension of the eight-year period of G.I. Bill entitlement which for many veterans was due to expire on May 31.

Right now, we are preparing to take up on the Senate Floor this coming Wednesday a most major piece of legislation revising and improving and updating G.I. Bill benefits, including a permanent two-year extension—from eight to ten years —of the entitlement period. I am very proud of this measure and have been its principal architect along with Chairman Hartke of the Committee on Veterans' Affairs.

Among the other important provisions of this bill, S. 2784, as we reported it to the Senate floor last week—and which, as I said, we will take up and, I believe, overwhelmingly adopt, on the Senate floor on this Wednesday—are numerous features, which are responsive to many important VFW mandates. Among these are:

1. An 18.2 percent, across-the-board rate increase in all G.I. Bill programs, increasing the basic single/no-dependent veteran rate for full-time study from $220 to $260 per month;

2. A new partial tuition assistance allowance program, under which a veteran or chapter 35 dependent could receive from the VA up to $720 tuition assistance payments after paying the first $100 of tuition himself. Thereafter, the veteran would receive 20% of amounts over $100, up to $1,000;

3. An increase in the maximum number of months during which a veteran can study or receive training under the G.I. Bill from the present 36 months to 45 months;

4. Establishment of new veterans' and eligible dependents' education loan program under which low interest education loans of up to $2,000 per academic year would be made to G.I. Bill trainees based on their financial need and living and education costs;

5. Provision for up to six months of refresher training—a very important new feature when coupled with the additional nine months of eligibility—for any post-Korean conflict veteran using G.I. Bill training to update knowledge and skills in light of technological advances since their period of military service;

6. Improvement and expansion of the veterans work-study program and the tutorial assistance program, which I authored in 1972 and 1970, respectively;

7. Addition of substantial new authority for the Administrator to cut down on misleading and deceptive sales promotion of fly-by-night trade or technical courses and other similar abuses occurring in the present G.I. Bill program;

8. Strengthening of the present VA outreach program which I authored in 1970;

9. Substantial improvement of benefits for education, training and employment assistance for wives and widows of service-connected veterans;

10. Requiring very significant new information and assurances from the Secretary of Labor in providing job placement assistance through the Veterans Employment Service, provisions which I authored in 1970 originally;

11. Direction to the Secretary of Labor to get on the ball and start implementing, in a meaningful manner, the program I authored in 1972—which he has been refusing to carry out—requiring Federal contractors and subcontractors to provide special emphasis in their hiring to qualified disabled and Vietnam-era veterans.

12. Establishment of a new Federal government program requiring each Federal agency and department to provide the maximum employment and job advancement opportunities for qualified disabled and Vietnam-era veterans, and beefing up of the existing special appointment authority for Vietnam-era veterans to obtain jobs in the Federal government.

I hope you will agree that this is a terrific bill. I am confident it will be overwhelmingly accepted on the Senate floor, and I expect that in our negotiations with the House Committee we will be able to obtain the vast bulk of these many new strengthening provisions so that today's G.I. Bill assistance will be made virtually comparable to that provided after World War II and the Korean conflict. This has long been a major goal of the Veterans of Foreign Wars, I know.

Now, I want to turn to the veterans medical and hospital system. I think many of you know that I have devoted an enormous amount of my time and energy since coming to the Senate in 1969 to trying to resolve the deficiencies in this program. I have been Chairman of the Subcommittee responsible for VA health and hospital matters since coming to the Senate in 1969, and during this period we have been able to increase VA medical appropriations above amounts requested by the Administration—over the staunch opposition of the Administration—by over one-half billion dollars.

This money has enabled us to add 26,000 new medical and hospital workers in the VA around the country.

It has enabled us to improve physical facilities and replace outmoded equipment.

It has enabled us to initiate a substantial construction program to replace ancient hospital facilities, including replacement hospitals now underway at Wadsworth in Los Angeles and at Ft. Miley in San Francisco. We in California have also been most fortunate in securing two new VA hospitals: the new San Diego VA hospital opened last year in La Jolla and the Loma Linda Hospital, for which I am leaving here immediately after this speech to attend the groundbreaking.

We also will be getting, beginning approximately July 1, a major new outpatient clinic in Sacramento affiliated with the University of California at Davis Medical School, something I have fought for very long and hard.

Thus, I think it's fair to say that we have made progress in improving VA medical care in California and around the Nation. But we still have a long way to go, and I intend to continue my work until we have achieved high quality care for every eligible disabled veteran seeking care from the VA.

I know that is your goal. Your organization has been of the greatest assistance to my efforts in the Congress to enact new laws—and we enacted two major ones in 1972 and 1973—to improve the VA medical system and to expand medical care eligibility for veterans and their dependents, and to secure major additional appropriations to provide other improvements in this system.

I ask you today to continue your great efforts, and together I truly believe we can continue to move forward, making significant progress and bringing about real change.

Many of you also know, I think, that the new Chief Medical Director of the Veterans Administration, Jack Chase—a distinguished career professional—has just completed an extensive survey of the VA hospital system and has submitted his report to the President. I am watching and monitoring this situation very carefully and expect to have access to Dr. Chase's complete report.

I believe we will require additional appropriations of over $100 million for medical care for the next fiscal year. I will seek to carry out all justifiable recommendations made by Dr. Chase's study. I will do this regardless of whether or not the President goes along with these recommendations or rather, I should say, whether the O.M.B. tells him to or not.

I expect to receive the White House recommendations and Dr. Chase's study in the next several weeks.

I think you know that there are a number of people in high positions in Washington in the Executive Branch who would like to see the VA medical program folded into some kind of national health insurance proposal. Indeed, under the President's national health insurance proposal, it is not at all clear what the role of the VA would be and what future integrity and independence the VA medical program would have.

I pledge to you today that those enemies of the VA in Washington will lose this battle, just like they have lost all the others they have started. They will lose because they are wrong.

They will lose because we will not let them win.

They will lose because the VA medical program is absolutely necessary to assure quality medical care for the disabled veterans who are entitled to it from their country. They will lose because the VA medical program is an enormously valuable national resource necessary to provide the training to meet the health personnel needs of the entire Nation.

I have long believed that the VA medical system can serve as a model for the kind of medical care that must be provided to all citizens of our country.

I will not stand by and see anything done to weaken or dilute that system.

I would like to acknowledge publicly at this time the great support which the Veterans of Foreign Wars lent to the joint efforts I made with my dear friend, "Tiger" Teague of Texas, to bring about new leadership for the Veterans Administration.

I can report to you today that friends of the present Administrator, Mr. Johnson, are now planning his farewell party to be held in the next week or so. I can also reveal to you today that when Mr. Teague and I met with General Alexander Haig at the White House last April 29, we received a commitment that Mr. Johnson would no longer be the Administrator of Veterans Affairs by the end of this month. I have every expectation that the President will honor that commitment and that we will have a nominee for the position of Administrator of Veterans Affairs before the 4th of July Congressional recess.

In that connection, I have one more pledge to make to you today: The Committee on Veterans' Affairs will have to report to the Senate on any nomination of a new Administrator. And the Senate will have to advise and consent to any nomination in order for any new Administrator to take office.

The hearings on the new nominee for Administrator will be extremely important. I expect to ask the most detailed and searching questions about the qualifications and intentions of the new nominee—whoever it is. I intend to find out whether or not that nominee intends to be his own man, or whether he will be a handmaiden and puppet of the Office of Management and Budget.

I intend to press for assurances from the White House, in connection with any such nomination, that the Administrator of Veterans Affairs will indeed be the person running the Veterans' Administration on a day-to-day basis without improper interference by the Office of Management and Budget.

At the same time, I also intend to get assurances from the nominee for Administrator that he will give to VA Chief Medical Director Chase the latitude and responsibility he needs to run the VA Department of Medicine and Surgery in a professional manner.

If I am not convinced that we will be getting an individual who can act in good conscience and free conscience as an advocate of the needs and rights and interests of veterans and their dependents, I will not vote for that nominee for Administrator, no matter who it is. And if we do not receive adequate assurances, I will make every effort to block the nomination.

I hope I will have your support in this important business and that my work in the Senate will continue to earn the type of tribute you have so generously given me today.

Mr. HARTKE. Mr. President, I suggest the absence of a quorum. I understand there are some other amendments to be offered.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HARTKE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 1140

Mr. BELLMON. Mr. President, I call up an amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

TITLE VI

SEC. 601. Chapter 36 of title 38, United States Code, is amended by adding at the end thereof a new section as follows:

"§ 1796. Cost-of-living increase in educational assistance and subsistence allowances

"(a) As soon as possible after the beginning of each calendar quarter, the Administrator shall determine the extent by *which* the price index in the preceding calendar quarter was different than the price index in the applicable base period (as those terms defined in subsection (e)). If he determines that the price index has changed by a percentage (of its level in the base period) equal to 3 per centum or more, the amount of the educational assistance or subsistence allowance payable to eligible veterans or eligible persons pursuing a program of education or training, other than a program by correspondence or a program of flight training, in an educational institution under chapter 31, 34, or 35 of this title shall be changed by the same percentage (adjusted to the nearest one-tenth of 1 per centum), effective with respect to such allowances for months after the quarter in which the determination is made.

"(b) In the case of any individual who first becomes entitled to an educational assistance or subsistence allowance in or after the month in which a change becomes effective under subsection (a), the amount of such allowances payable to or with respect to him on the basis of such entitlement shall be determined by applying such change (or, if more than one change has become effective under subsection (a), by applying all such changes successively) to the amount of such allowances which would be payable under the provisions of chapter 31, 34, or 35, as the case may be, without regard to this section.

"(c) Any change under subsection (a) shall apply with respect to all educational assistance or subsistence allowances payable under chapters 31, 34, and 35 of this title during the period in which such change is effective regardless of the provisions under which such allowances are payable or the manner in which the amounts payable are determined, but shall be applied with respect to the allowances payable to or with respect to any particular individual only after all of the other applicable provisions of this title which relate to eligibility for and the amount of such allowances and all prior changes made in such allowances under this section, have been applied.

"(d) If the amount of the change in any educational assistance or subsistence allowance under subsection (a) is not a multiple of $0.10 it shall be raised to the next higher multiple of $0.10 in the case of a multiple of $0.05 or adjusted to the nearest multiple of $0.10 in any other case,

"(e) For purposes of this section—

"(1) the term 'price index' means the Consumer Price Index (all items, United States city average) published monthly by the Bureau of Labor Statistics; and the average level of the price index for the three months in any calendar quarter shall be deemed to be the level of the price index in such quarter; and

"(2) the term 'base period' means—

"(A) the calendar quarter commencing July 1, 1974, with respect to the first change under subsection (a), and

"(B) the calendar quarter immediately preceding the quarter in which the determination constituting the basis of the most recent change under subsection (a) was made, with respect to any change under subsection (a) after the first such change.".

(b) The table of sections at the beginning of chapter 36 of title 38, United States Code, is amended by adding at the end thereof the following:

"1796. Cost-of-living changes in educational assistance and subsistence allowances."

(c) The amendment made by subsection (a) of the section shall apply only with respect to changes in educational assistance and subsistence allowances under chapters 31, 34, and 35 of title 38, United States Code, for months in and after the second calendar quarter beginning after the date of the enactment of this section on the basis of determinations made (under section 1796 of such title, as added by subsection (a) of this section) in and after the first calendar quarter beginning after the date of the enactment of this section.

Mr. BELLMON. Mr. President, this amendment is cosponsored by Senators GURNEY, BUCKLEY, and DOMINICK, and I ask unanimous consent that they be added as cosponsors.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BELLMON. Mr. President, during the past few weeks I have followed with great interest the activities of the Veterans' Affairs Committee. Through the good work of the committee the problems of the Vietnam veteran have been well defined and generally excellent solutions developed. I congratulate the distinguished chairman and members of the Veterans' Committee for quick action in reporting this measure to the floor.

Mr. President, the bill proposed by the committee is both well conceived and timely. The citizens of this country have witnessed unprecedented inflation. Every American has felt the squeeze of higher prices. However, those veterans who are trying to obtain an education for a better future have been especially hard hit. Most of them have no financial reserves. The cost of living has risen 43.8 percent in the past 8 years. Veterans in school have no way of coping with these ever-rising costs. Given the high costs of food, clothing, housing, and other necessities, it is no wonder that the Vietnam veteran has a difficult time making ends meet.

Mr. President, over the years Congress has periodically reassessed the sufficiency of the veterans' benefits. Significant adjustments were considered and passed in 1967, 1970, and 1972. However, in making these adjustments we are always trying to make up for lost ground. It seems that Congress makes significant adjustments only after inflation and rising costs have already deteriorated the purchasing power of the veterans' dollar. It seems that we always wait until after inflation has taken its toll before we act. It is almost as if we knew there was going to be a flood and yet we refuse to build a wall to protect ourselves or failed to take preventive action. Since 1972, the cost of living has risen almost 14 percent. During that time, veterans' benefits have been frozen. The value of his benefit has constantly gone down. Now, some may argue, Mr. President, that benefits granted are too high for today and are therefore sufficient for tomorrow's needs. I contest that view. Every Member has doubtless received quantities of mail that substantiate the fact the veteran has suffered heavily from spiraling inflation since 1972. It is only now that we act to make up for the loss that the veteran has suffered since 1972.

Mr. President, I ask for the yeas and nays.

The yeas and nays were not ordered.

Mr. BELLMON. The committee cites at page 30 of its report that given the unchecked inflation rate, the cost of living can be expected to approach 18 percent by the beginning of the fall term. Therefore, by the committee's own admission the veteran faces great rises in the cost of living in the very near future. It seems reasonable to conclude that within a very short period of time the benefit proposed by the committee will once again be eaten up by inflation and once more the veteran will be faced with yet another crisis of the inadequacy of funds.

Mr. President, I ask for the yeas and nays on this amendment.

The yeas and nays were ordered.

Mr. BELLMON. Mr. President, our commitment to the veteran is irreversible, and rightfully so. Accordingly, I rise today to offer an amendment to the provisions of S. 2784 which would protect the purchasing power of the veterans' dollar on a more equitable basis by attaching a cost of living escalator clause to the educational and subsistence allowances provided to veterans. At the end of each calendar quarter, the Administrator of the Veterans' Administration would determine the extent by which the price index in the preceding calendar quarter was higher than the price index in the applicable base period—July 1, 1974. If the price index has risen by 3 percent or more of its level in the same base period, then the amount of the educational assistance allowance payable to the eligible veteran would rise by the same percentage. Accordingly, as the cost of living rises so will the veterans' benefits. With adoption of my amendment what happens to the veterans' dollar since 1972 will not happen again.

Mr. President, there are many Senators here today who benefited from the benefits offered by the GI bill.

Mr. President, when education is even more important, as it is now, we should be even more concerned to make certain that veterans who are entitled to these benefits receive the full value of the benefits which Congress intends to provide. We need to be concerned that the young veteran attending a university has the funds he needs to pay his monthly electric, water, gasoline, clothing, food, and other necessary expenses.

Mr. President, under my proposal, the veteran would be in a better position to satisfy those monthly obligations. By adjusting benefits quarterly and tying these benefits to the Consumers Price Index, the veteran will not have to face the difficult struggle he has had to face in the past years in his battle against inflation.

Mr. President, adjusting benefits through the method I suggest will provide a more equitable basis upon which to address the needs of the student-veteran.

Mr. President, my proposal is not without precedent. Similar measures have been proposed in the House and several bills now lie before the Senate Veterans' Affairs Committee suggesting that cost of living escalator clauses be attached to other types of veterans' benefits. Congress has long recognized the needs for automatic cost-of-living clauses for social security recipients. It is rather ironic that while we protect the social security recipient from the rising cost of living through the passage of escalator clauses, we have failed to sufficiently protect those individuals who have so courageously served in our Armed Forces from the ever-rising cost of living.

Mr. President, in my mind, commonsense dictates adoption of this amendment. If the Senate is to faithfully discharge its obligation to Vietnam era veterans, I ask that we act with wisdom and foresight by confirming here today through passage of my amendment our commitment to the future of the Vietnam era veteran.

The PRESIDING OFFICER. Who yields time?

Mr. HARTKE. Mr. President, I yield myself 5 minutes.

I appreciate the intent behind this amendment, but I believe that the Senator is attempting to direct himself at something we have already done in this committee bill. There is no question that today's veteran is not receiving an adequate amount to live on and go to school. But what we are dealing with here are increases in educational assistance allowances. We are not dealing solely with an income maintenance program; we are dealing with an education program, and the reason we have increased the amount in the reported bill is because that is the necessary amount required to go to school.

The $260 rate for example, for a single veteran is not just a subsistence allowance but is intended in part for educational costs; to pay for the 20 percent deductible and the first $100 on the tuition allowance which we have included in this bill.

We have taken a major step forward by increasing the monthly educational assistance rate by 18.2 percent. We have taken a major step forward by making sure that the individual has part of his tuition paid under a variable tuition assistance allowance. We have taken a major step forward by providing for direct low interest Federal loans for these individuals who want to go ahead to schools where the monthly educational allowance and the tuition allowance will not cover it.

As to tying to assistance rates to the cost of living, if we had followed that theory in the past, the veteran would be in worse shape today than he is under current law. That is to say the cost of living has gone up some 48 percent since 1966, but we in Congress have increased the veterans' educational benefits by some 150 percent. Thus, I believe the operation of this amendment would be a disservice to the veteran rather than a service to him. It would tie him to the wrong index, the cost-of-living index, which does not cover increases in the cost of education which progress at a faster rate than the general increases in the cost of living.

I should also say that the committee has considered and rejected automatic increases in other veterans programs and has rejected that approach because among other things it reduces the incentive for review by the committee and action by Congress, which is necessary to insure programs of the highest quality for our Nation's veterans. I refer my colleagues to the committee report on S. 3072 concerning service-connected compensation in which we have reviewed this concept in some depth.

I hope that the distinguished Senator from Oklahoma will reconsider his approach. To add to the bill another complicating factor which has little relevance to the cost of education would, in effect, be of no real service to the veteran. That is one of the reasons why the VFW has so consistently opposed this type of approach. It is one reason why the committee has opposed this type of approach because it does not properly address itself to the need of the veterans seeking an education.

Mr. President, I yield to the Senator from Wyoming.

Mr. HANSEN. Mr. President, it is with reluctance that I oppose my good friend and admired colleague from Oklahoma. I am well aware of the great contributions he made during World War II in the defense of his country, of his continuing concern for veterans everywhere, and of the respect in which he is held by veterans and veterans' organizations nationally. I say those things because I cannot support the amendment of the Senator from Oklahoma.

I am compelled to oppose the principle of an escalator clause, because I believe the current method which we use to review the GI bill education program serves the best interests of the veteran. Where the escalator principle would provide for automatic cost-of-living increases, the current method involves detailed review and oversight of the entire program by the Congress when an increase is called for.

Periodic review of the various entitlement provisions serves as a catalyst for the Congress to examine all aspects of the education program. The adequacy and responsiveness to the needs of the veteran are dealt with in detail.

Mr. President, I fear the net result of enacting an automatic escalator provision will be to downgrade the urgency for periodic review and oversight of the entitlement programs.

Periodic congressional review has resulted in the following increases in subsistence rates for the single full-time student since 1966. In 1966, the student veteran drew $100 per month; in 1967, $130 per month; in 1970, $175 per month; in 1972, $220 per month; and if the current bill is enacted into law, he will receive $260 per month. During the period of time from June 1, 1966, to June 1, 1974, the corresponding increase in the Consumer Price Index was 48.76 percent.

Mr. President, it is my sincere view that the veteran has fared better under the present method than he would under an escalator provision.

In the event the rate of inflation continues, Congress can easily adjust the rates to reflect the necessary changes in the Consumer Price Index.

Mr. President, I would like to point out that the administration is also opposed to the enactment of this amendment.

Mr. President, I hope that the Senator can see fit to withdraw his amendment. Otherwise, I am compelled to support the committee bill and oppose the amendment.

ADMINISTRATION POSITION

In a November 19, 1973 letter from Administrator Donald Johnson to the chairman of the House Veterans' Affairs Committee, the Administrator set out the administration's views on automatic Consumer Price Index adjustments.

The letter reads, in part, as follows:

> We also question the desirability of legislating at this time a rigid requirement for annual automatic adjustments in the future level of educational benefits based on increases and decreases in the Consumer Price Index. Unlike other programs in which automatic cost adjustments are provided, the veterans education program is not intended to be an income maintenance program. It is not a program based on the income of a veteran, nor was it designed to provide the sole source of support for those receiving benefits.
>
> Accordingly, while the administration favors automatic CPI adjustments as part of a reform of the veterans pension system—because such adjustments can reflect changed income needs and be related to comparable changes occurring in social security benefit levels—we do not believe such an approach is appropriate for the educational benefit structure.

I thank the Senator from Indiana.

Mr. HARTKE. Mr. President, I yield to the Senator from California.

Mr. CRANSTON. Mr. President, I join the distinguished chairman of the committee, the Senator from Indiana (Mr. HARTKE) and the ranking Republican member, the Senator from Wyoming (Mr. HANSEN), in opposing this amendment.

I agree that it sounds appealing, but it would not help the bill in conference, and it really would not help the veterans it is intended to help, because it would probably result in a freeze on increases that will become necessary to provide educational assistance to veterans in excess of cost of living index increases. The fact is that the cost of education goes up more rapidly than the cost of living.

Mr. BELLMON. Mr. President, will the Senator yield?

Mr. CRANSTON. I am delighted to yield to the Senator from Oklahoma.

Mr. BELLMON. The Senator has just used the words that this amendment would freeze veterans' benefits. I wonder if he would point out how the amendment would have that effect.

Mr. CRANSTON. The procedure under the Senator's amendment ties the increases to the cost of living. That would make far more difficult the burden of Congress to persuade its Members that increases were needed despite this new procedure that would have been adopted. Increases in GI bill educational aid beyond those provided by the Senator's amendment would thus be needed.

Mr. BELLMON. I agree with the Senator that other adjustments will be needed from time to time to take care of the rising costs of education other than the cost of living, but there is nothing in the bill that would keep the committee or Congress from acting to improve other benefits, just as we do now.

The purpose of the amendment is to make certain that the veterans *do not* fall behind in the cost of living benefits they are entitled to receive. There is nothing to prevent increases in other benefits. This is only to make certain that the cost of living benefits does not fall behind while we delay action.

Mr. CRANSTON. In my judgment, it would have the effect of indicating a freeze, and perhaps bringing about a freeze, because the political realities are, in my judgment, that it would be more difficult to bring about those increases that would really be necessary for veterans if this amendment were adopted, and that is why the VFW, for example, is opposed to the amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. THURMOND. Mr. President, I rise in support of my distinguished colleagues on the committee.

The proposal for an automatic cost-of-living increase measured by changes in the Consumer Price Index, omits the important element of legislative oversight in determining the need for adjustments in education benefits.

This year the hearings on the education program were initiated because of the need to adjust the subsistence rates with increases in the cost of living. The hearings and discussions which followed, accentuated the need for other changes in the program. As a result, the bill before us today contains other major provisions—that is, a tuition assistance plan, an increase in the maximum entitlement, an extension of the delimiting period, and necessary vocational rehabilitation and reemployment amendments.

Any automatic increase in rates, without hearings, and the accompanying legislative oversight investigations, may well lead to our overlooking other factors which determine the need for adjustments.

Mr. President, it is my understanding that the basic thrust of the amendment is to provide automatic increases in the subsistence rate and protect the veteran's subsistence benefits as other costs rise.

Historically the veteran has fared better under Congressionally approved adjustments than he would have under an automatic increase measured by changes in the Consumer Price Index. I believe Congress will continue to be sympathetic to the needs of the veteran in an inflationary economy.

Mr. President, I ask unanimous consent that this table be printed at this point in the RECORD.

A table prepared by the Library of Congress, Congressional Reference Service, substantiates this fact.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

COMPARATIVE INCREASES IN CONSUMER PRICE INDEX[1] AND EDUCATIONAL ASSISTANCE RATES

		1st increase			2d increase			3d increase			Proposed in S. 2784			Total increase from June 1, 1966 [3]	
	June 1, 1966	Oct. 1, 1967	Dollar Increase	Percent change	Feb. 1, 1970	Dollar increase	Percent change	Sept. 1, 1972	Dollar increase	Percent change	May 1, 1974	Dollar increase	Percent change	Amount	Percent
Consumer Price Index (percent)	96.8	100.7		4.03	113.3		12.51	125.7		10.94	144.0		14.56		48.76
Readjustment assistance: (veterans, no service-connected disability ch. 34):															
Institutional	$100	$130	$30	30.00	$175	$45	34.62	$220	$45	25.71	$260	$40	18.18	160	160.0
Cooperative	80	105	25	31.25	141	36	34.29	177	36	25.53	209	32	18.08	129	161.25
Cooperative farm	NA	[2] 105	NA	NA	141	36	34.29	177	36	25.53	209	32	18.08	104	99.05
On-job training	NA	[2] 80	NA	NA	108	28	35.00	160	52	48.15	189	29	18.13	109	136.25
War orphan assistance: (wives, widows, and children, 100 percent disabled service-connected or deceased service-connected veterans: ch. 35):															
Institutional	130	NC	NA	NA	175	45	34.62	220	45	25.71	260	40	18.18	130	100.00
On-job training	NA	NA	NA	NA	NA	NA	NA	[2] 160	NA	NA	189	29	18.13	29	18.13
Cooperative	105	NC	NA	NA	141	36	34.29	177	36	25.53	209	32	18.08	104	99.05
On-farm training	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	209	NA	NA	NA	NA
Vocational rehabilitation: (service-connected disabled veterans: ch. 31):															
Institutional	110	NC	NA	NA	135	25	22.73	170	35	25.93	201	31	18.24	91	82.73
Farm cooperative or OJT	95	NC	NA	NA	118	23	24.21	148	30	25.42	175	27	18.24	80	84.21

[1] CPI cited for first day of stated month is index for the preceding month.

[2] Benefit provided for the first time for this group of beneficiaries.

[3] Dollar or percentage increase since benefit was first provided.

NA—means Not Applicable.

NC—means No Change in Benefit.

Mr. BELLMON. Mr. President, for all practical purposes, I am ready to vote on the amendment. I would like to make a comment or two concerning the statements by the chairman of the committee and the distinguished ranking minority member of the committee. I do not intend in any way to criticize what the committee has done. I think the committee has done an extraordinarily good job in understanding the needs of veterans at the present time and acting to meet those needs, and I am confident that Congress will approve this legislation.

My concern is that with inflation running, as it now is, at the rate of some 13 or 14 percent a year, if we approve the bill with no provision for meeting these unprecedented increases in the cost of living, a year from now or 2 years from now, when we again take up veterans' benefit legislation, by that time the veteran's income will be running roughly 25 percent or perhaps even 30 percent behind his needs.

It seems to me that we can act now to make certain that at least that part of meeting the cost of education to a veteran will have been taken care of. To me, it seems extremely unkind to consign a veteran to the absolute certainty that the purchasing power of his educational support check is going to go down month after month, without making some provision to adjust it as a cost-of-living increase.

The committee can go ahead and act a month, 2 months, or 6 months from now, or a year or 2 years from now, to take care of increases in the cost of other educational requirements, but we ought to take action to make sure that the veteran does not pay the penalty for constantly spiraling inflation in his cost of living.

The veteran receives the appearance here that we are taking care of his needs. I say we ought to go further and make certain that his needs will be taken care of, not only today but for the future. There is nothing, as I say, to keep the appropriate committee of Congress from acting. This amendment only makes certain that the benefits will be increased as the cost of living rises.

Mr. President, I am ready to vote.

Mr. HARTKE. Mr. President, just one word with regard to the amendment now before us. I think the Senator from California and the Senator from Wyoming have expressed it exactly right when they said the amendment would freeze in an operation which would not be of real benefit to the veteran. The question that we should ask the veteran is simply "Would you rather have a cost-of-living increase over the past few years, or would you rather have what Congress has done?" The difference is substantial. Congress has done better by the veteran than under this concept. If this amendment goes into the bill, we would eliminate some of the incentive to review the program for improvements, and we would strengthen the hand of those who want to hold veterans' benefits down. I do not want to do that. Congress has a responsibility to review and improve veterans' programs. It should not abdicate that responsibility and say, "We automatically adjust veterans' benefits by changes in the Consumer Price Index," which has little relevance to the actual cost of going to school.

Thus, Mr. President, I urge that the amendment be rejected.

Mr. DOLE. Mr. President, I am pleased to join the distinguished Senator from Oklahoma (Mr. BELLMON) in offering an amendment to S. 2784, the Vietnam veterans assistance bill, to put veterans educational benefits on a cost-of-living escalator.

In recent years, we have seen the cost of living soar to tremendous heights due to high rates of inflation. Under the current law, educational assistance levels for veterans cannot be improved except by action of Congress. We have seen that the actions of Congress have been too slow to keep up with the rapidly rising expenses veterans must meet.

Rather than have this constant lag between the rising cost of living and congressional increases in the level of veterans educational assistance, we can resolve this problem very simply by adding a cost-of-living escalator to GI bill benefits. This provision would increase educational assistance rates automatically according to increases in the living expenses of veterans.

From my meetings with veterans in Kansas, I know that this measure is greatly needed. The veterans in my State and in many others have had great difficulty in obtaining adequate educational training because of the inadequacy of educational assistance rates.

Considering that GI bill educational programs after World War II and Korea have greatly improved our national strength and productivity, I believe that every step we can take to improve the GI bill is appropriate. As indicated in the numerous improvements included in S. 2784, the level of educational assistance in the past has been inadequate.

I believe that this amendment to add a cost-of-living escalator to the GI bill will be greatly beneficial in meeting the needs of veterans attending school. I urge every Senator to give his full support to this measure.

Mr. HARTKE. Mr. President, I yield back the remained of my time.

Mr. BELLMON. Mr President, I yield back the remainder of my time.

The PRESIDING OFFICER (Mr. Hathaway). All time on this amendment has now been yielded back.

The question is on agreeing to amendment No. 1440 of the Senator from Oklahoma (Mr. Bellmon).

On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. Bayh), the Senator from Delaware (Mr. Biden), the Senator from Arkansas (Mr. Fulbright), the Senator from Minnesota (Mr. Humphrey), and the Senator from New Hampshire (Mr. McIntyre) are necessarily absent.

I further announce that, if present and voting, the Senator from Minnesota (Mr. Humphrey) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. Cook), the Senator from Nebraska (Mr. Curtis), the Senator from Idaho (Mr. McClure), and the Senator from Pennsylvania (Mr. Schweiker) are necessarily absent.

I also announce that the Senator from Vermont (Mr. Stafford) is absent on official business.

I further announce that the Senator from New Hampshire (Mr. Cotton) is absent due to illness.

I further announce that, if present and voting, the Senator from Kentucky (Mr. Cook) would vote "nay."

The result was announced—yeas 35, nays 54, as follows:

[No. 260 Leg.]

YEAS—35

Abourezk
Aiken
Baker
Bartlett
Bellmon
Bentsen
Brock
Buckley
Chiles
Clark
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Gurney
Helms
Hruska
Jackson
Mansfield
McGovern
Metcalf
Mondale
Montoya
Nelson
Pastore
Pearson
Ribicoff
Roth
Scott, Hugh
Stevens
Taft
Tower
Young

NAYS—54

Allen
Beall
Bennett
Bible
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Church
Cranston
Fannin
Fong
Goldwater
Gravel
Griffin
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Inouye
Javits
Johnston
Kennedy
Long
Magnuson
Mathias
McClellan
McGee
Metzenbaum
Moss
Muskie
Nunn
Packwood
Pell
Percy
Proxmire
Randolph
Scott, William L.
Sparkman
Stennis
Stevenson
Symington
Talmadge
Thurmond
Tunney
Weicker
Williams

NOT VOTING—11

Bayh
Biden
Cook
Cotton
Curtis
Fulbright
Humphrey
McClure
McIntyre
Schweiker
Stafford

So Mr. Bellmon's amendment (No. 1440) was rejected.

Mr. HARTKE. Mr. President, I ask unanimous consent that the vote by which the amendment was rejected be reconsidered.

Mr. HANSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. STEVENS. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. STEVENS. Mr. President, does any time remain on the bill?

The PRESIDING OFFICER. Some time remains on the bill.

Mr. HARTKE. How much time remains on the bill, Mr. President?

The PRESIDING OFFICER. The Senator from Indiana has 15 minutes; the Senator from South Carolina has 35 minutes.

Mr. HARTKE. Mr. President, I yield 5 minutes on the bill to the Senator from Alaska.

Mr. STEVENS. Mr. President, I had an amendment which was similar in some sense to the amendment which was just rejected. Being able to count, I will not offer the amendment. It would have provided for the extension of the cost-of-living allowance paid to Government employees under title 5, United States Code. to veterans who are attending schools in the areas where those allowances are paid to Federal employees in the offshore areas.

I do want to ask the chairman of the committee concerning another matter we have discussed off the floor, I wanted to make certain of this, if a State determines to pay its veterans who are attending a university, pursuing an educational course, funds out of its own treasury to assist them in their educational activities, will any of the funds provided under this bill be reduced, will any of the Federal support, educational benefits for veterans, be reduced because of payments from States or other sources to assist veterans in their activities?

Mr. HARTKE. I assure the Senator from Alaska that this bill which provides a direct payment of educational assistance allowances to the veteran will not be reduced by a veteran's income. It provides for a direct payment to the veteran as an obligation of the U.S. Treasury. In no way can it be reduced by any other payment made to the veteran.

Of course under certain need tested programs such as the veterans' pension program, the amount of pension is reduced by other available countable income. But the educational assistance program is different from the pension program.

Mr. STEVENS. Well, I thank the Senator from Indiana on that.

I would have hoped the committee might have considered the other problem. We have now, for instance, the cost of living in Anchorage of 141.9 percent of that here in Washington, D.C., and in Fairbanks it is even worse, and most of our students are going to school in the Fairbanks area.

I have seen the vote on this ceiling, the cost-of-living escalation, and I think we face the same problem with regard to our cost-of-living payments to the people in the offshore areas.

I do believe, though, it is going to have to be adjusted by our State legislature and that is why I am glad to have the Senator's comment that if the States do increase any pay, any kind of veterans' benefits, it will not decrease the Federal payment in any way.

Mr. HARTKE. The Senator is exactly right.

The distinguished Senator from Alaska (Mr. Gravel) has also talked to me about this same matter and the tremendous increase in the cost of living in the Alaska area. I want to assure my colleagues that we are going to ask the Veterans' Administration to do a complete review of this matter and see if they have any recommendations.

We are well aware of your concern and feel it should be reviewed, examined, and reported back to the committee.

Mr. STEVENS. I appreciate that very much. Thank you.

AMENDMENT NO. 1444

Mr. DOLE. Mr. President. I call up my amendment No. 1444.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

The amendment is as follows:

On page 45, strike out the table at the top of the page, not including the footnotes thereunder, and insert in lieu thereof the following:

"Column I	Column II	Column III	Column IV	Column V
Basis	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	[1] $235	[1] $278	[1] $316	$19
Three-quarter-time	[2] 177	[2] 208	[2] 344	15
Half-time	[2] 118	[2] 139	[2] 158	10."

On page 64, line 6, immediately after "Sec. 215." insert "(a)".

On page 66, between lines 3 and 4, insert the following:

"(b)(1) Chapter 36 of title 38, United States Code, is amended by adding at the end thereof a new section as follows:

§1796. Farm cooperative program; State coordinator

"'(a) The Administrator is authorized to pay to any State which employs an individual (hereinafter in this section referred to as a "State coordinator") to carry out the duties described in subsection (b) of this section an amount equal to 75 per centum of the annual salary paid to such individual by the State, but the amount paid by the Administrator may not exceed $20,000 per annum in the case of any State coordinator. No payment may be made in the case of the State coordinator of any State unless such State coordinator is an employee of the State department of education or a corresponding agency of the State.

"'(b) The Administrator is authorized to make payments authorized by subsection (a) in the case of any State which employs a

State coordinator and requires such State coordinator to perform the following duties:

"'(1) locate veterans eligible for and identify their educational needs under farm cooperative program;

"'(2) work with the appropriate officials of educational institutions within the State to organize and carry out farm cooperative programs within the existing educational system in order to meet the needs of eligible veterans;

"'(3) determine whether farm cooperative programs offered by educational institutions within the State are organized and administered in accordance wtih regulations prescribed by the Administrator and, if not, to assist such institutions to comply with such regulations;

"'(4) encourage educational institutions within the State to use veterans' cost-of-instruction payments received under section 420 of the Higher Education Act of 1965, as amended, to develop and carry out farm cooperative programs;

"'(5) encourage the publicizing through Veterans Assistance Centers of farm cooperative programs available within the State to eligible veterans, and encourage participation in such programs by eligible veterans; and

"'(6) carry out such other duties related to the foregoing as the State may prescribe.

"'(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section.'.

"(2) The table of sections at the beginning of chapter 36 of such title is amended by adding at the end thereof the following:

"'1796. Farm cooperative program; State coordinators.'."

Mr. DOLE. Mr. President, I ask unanimous consent that I may make a correction in the amendment. On page 2, there is a typographical error for veterans attending "three-quarter time," with two dependents, the figure $344 should be changed to $237.

Mr. President, I have discussed this amendment with the distinguished chairman and the ranking Republican member of the Veterans' Affairs Committee.

The PRESIDING OFFICER. The amendment is so modified.

The modification is as follows:

On page 2, in the table following line 3, under "two dependents" change the figure $344 to $237.

FARM COOPERATIVE PROGRAM

Mr. DOLE. Mr. President, I offer this amendment to S. 2784, the Comprehensive Veterans Education program, for the purpose of developing the farm cooperative program into a meaningful and beneficial training institution for veterans involved in farming.

PRESENT PROGRAM IN SHAMBLES

In the State of Kansas, a mere 32 of more than 72,000 Vietnam era veterans have participated in farm cooperative programs, according to statistics compiled by the Veterans' Administration. This essentially nonexistent enrollment compares to a farm training participation rate of 12.7 percent of the 185,000 World War II veterans in Kansas. Participation in the farm cooperative program nationwide is a bare 0.3 percent compared to 8.9 percent in the post-World War II era.

Mr. President, I feel this comparison is shocking evidence of our failure to provide a meaningful farm cooperative program to Vietnam veterans. Kansas is the Nation's and the world's primary wheat producing area. We are also major producers of livestock, corn, and grain sorghum. It is simply incomprehensible to me that one of the country's leading agricultural States does not have a viable farm training program for veterans.

Unfortunately, the rest of the States follow much the same example as Kansas, as indicated by the table prepared from VA figures. I ask unanimous consent that the table be printed in the RECORD at this point.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Participation under farm cooperative training programs during Vietnam era through April 1974

Alabama	12
Alaska	3
Arizona	11
Arkansas	3,073
California	100
Colorado	17
Connecticut	3
Delaware	2
District of Columbia	2
Florida	446
Georgia	13
Hawaii	2
Idaho	6
Illinois	65
Indiana	781
Iowa	2,412
Kansas	32
Kentucky	5
Louisiana	50
Maine	2
Maryland	5
Massachusetts	5
Michigan	8
Minnesota	2,045
Mississippi	3
Missouri	972
Montana	19
Nebraska	1,591
Nevada	1
New Hampshire	3
New Jersey	5
New Mexico	2
New York	17
North Carolina	722
North Dakota	467
Ohio	5
Oklahoma	791
Oregon	4
Pennsylvania	7
Rhode Island	0
South Carolina	9
South Dakota	740
Tennessee	105
Texas	40
Utah	3
Vermont	1
Virginia	59
Washington	16
West Virginia	1
Wisconsin	610
Wyoming	29
Puerto Rico	1
U.S. total	15,328

Figures compiled by Veterans' Administration.

Mr. DOLE. Mr. President, the table also shows a wide discrepancy among the States. Since nearly all States have agricultural areas, it is clear that changes need to be made in the program to promote greater uniformity among the States. These changes, as provided by my amendment, are only fair in the interest of providing equal opportunity to farm veterans in all States.

It is also clear from the wide differences in enrollment levels among States that some States are better organized than others. In drafting this amendment, I have received information from some of those States which have more successful programs.

TREMENDOUS NEED

Mr. President, the need for a viable farm training program for veterans is obvious. Farming is becoming an ever-more technical and complicated industry. Farming techniques are becoming progressively more sophisticated with the application of fertilizer and chemicals and the use of larger and more complicated machinery. In order to be competitive, young farmers must be proficient in a large number of administrative skills in such areas as marketing, recordkeeping, tax laws, labor management, and numerous other items.

With the complicated requirements placed on farmers these days, there is clearly a great need for a good training program. As Senators from predominantly consumer areas know, the price of food is one of the most critical items in holding down inflation. In order to have reasonably priced food, we need competent, efficient farmers. The money we spend in developing a good farm cooperative training program would undoubtedly be returned many times over in abundant, high quality, and more efficiently produced food.

And the number of veterans who could benefit from farm training is substantial. In Kansas alone, over 20,000 Vietnam era veterans have not participated in training under the GI bill. Undoubtedly, many of these veterans live on farms and could benefit greatly from a farm training program. Similarly, many thousands of the 2.3 million Vietnam veterans across the Nation who have not used the GI bill could benefit from training under a good farm cooperative program.

ASSISTANCE RATE INCREASED

Mr. President, my amendment would change the farm cooperative program in two ways, by increasing the monthly educational assistance allowance and by creating a State coordinator for farm cooperative programs.

Veterans involved in farming frequently have to travel long distances to reach facilities where farm training programs can be held. In Kansas, these distances are frequently in excess of 50 miles, and this is not unusual for many Western and Midwestern States. An increase in the monthly assistance will help veterans on farms to overcome these travel expenses.

Because of the dispersion of veterans in rural areas, it is more expensive to organize and operate meaningful farm training programs. The lower number of students per instructor may drive the cost of instruction up and instructors may have higher travel and miscellaneous expenses involved in training farm veterans. To help cover the additional expense of these programs, a larger assistance rate is needed. The tuition payment provision is also helpful in this regard, and I approve of it.

As veterans representatives in Kansas have pointed out, the requirement of 10 hours per week for the farm cooperative program is very nearly as much as the 12 hours per week required for university training. I believe that an increase in the monthly allowance rate is necessary to provide a level of assistance adequate to encourage participation.

In accordance with this, I have raised the level of monthly educational assistance allowance by one-half the difference between the existing farm cooperative rates and those for institutions of higher learning. In view of the efforts veterans in farm programs must make and the importance of participation in these programs to the Nation as a whole, I believe these increases are necessary to provide more equitable assistance to farm veterans.

STATE COORDINATOR

The second part of this amendment to establish a State coordinator for farm cooperative programs was drawn up after consulting with education and agricultural training officials and veterans representatives in Kansas, and VA officials. Information about successful programs in other States was also taken into consideration.

The dispersed nature of the veteran population in rural areas has made it extremely difficult for schools to identify the type and magnitude of veterans' farm training needs. The consequence is that farm cooperative programs simply have not been organized, although an adequate number of junior colleges, vocational-technical schools, and universities exists to allow excellent training.

It has been pointed out that several organizations exist, which collectively could set up meaningful programs. The Extension Service of the U.S. Department of Agriculture and veterans organizations have the facilities to determine the number and location of farm veterans and their training needs. State education and school officials, with this type of information, could better organize farm training programs to meet these needs.

Although these groups exist in every State, the difference between States with successful programs and those with unsuccessful programs appears to be the amount of coordination and cooperation between these groups. In at least some areas with successful programs, a coordinator has been established to promote cooperation and joint efforts among these groups.

For this reason, the creation of a State coordinator has been identified as one of the steps necessary to develop meaningful agricultural training. The State coordinator would be responsible for working with the organizations mentioned before to identify the number of veterans and their training needs, and then organizing programs to meet those needs. The coordinator would be employed under each State department of education and up to 75 percent of his salary would be paid by the Federal Government to give States an incentive to establish this office.

Although the Extension Service, State education facilities, and other essential organizations already exist, there is presently no individual responsible for getting these groups together to produce a meaningful farm training program. I believe that this measure is essential to achieving a useful farm training program to obtain uniformity among the States.

Mr. President, the States of every Member of the Senate stand to gain from the improvements this amendment would make in the farm cooperative program. I urge every Senator to support this measure.

Mr. President, I have discussed this amendment with the distinguished chairman and the ranking Republican member of the Committee on Veterans' Affairs. I believe that since calling this to the attention of the committee, the matter which I sought to correct with the amendment has been fairly well taken care of in the report.

I ask the distinguished chairman if that is not correct.

Mr. HARTKE. Yes. I would like to say to the Senator from Kansas, if he will look on pages 54, 55, and 56 of the report, that the report does cover this matter quite extensively and was done at the specific request of the Senator from Kansas. In fact, some language in the report is identical to the language in the letter which he submitted to the committee and which has been made part of the hearing record on the GI bill.

We are quite concerned about low participating levels in and want to see greater participation in these farm cooperative programs.

We believe that the low participation is one which should be reviewed not only by the Veterans' Administration, but also by the Secretary of Agriculture and the Commissioner of Education and the State directors of Agriculture Extension Services.

In my judgment, the committee's directions contained in the report to S. 2784 provide a needed first step remedy to improving the program. At the same time I want to assure the Senator from Kansas that if this does not correct the situation then the committee will be more than willing to review it once again.

Mr. DOLE. I thank the distinguished chairman, the Senator from Indiana (Mr. HARTKE) because in my State, for example, there are only about 32 veterans out of more than 72,000 eligible who participated in farm cooperative programs. There are just too many out there who are not participating who could have some benefit. That is the reason for my suggestion.

I appreciate the fact that the committee saw fit to include in the report a strong statement and also emphasized that there should be more done in this area.

I am happy to yield to the Senator from Wyoming.

Mr. HANSEN. Mr. President, I would like to compliment my distinguished colleague from Kansas for his continuing interest in this GI education bill.

Without any doubt at all, his interest and concern, his involvement in the program, have resulted in language in the committee report that focuses on the attention that has been of such concern to him.

There is no question but that one of the ways of measuring the success of a program is to see how much involvement results from it.

As the distinguished Senator from Kansas has pointed out there is not the participation in these agricultural farm cooperative programs that we might have hoped would be the case.

I think they do need to be looked at. I compliment him on his leadership in seeing that we examine closely how successful are our well-intentioned efforts to bring about the kind of perfection of schools, whatever they may be, that will make a typical veteran more productive, able to live a more satisfying and fruitful life, and able to contribute to his country.

Few people have done a better job in this area than has the distinguished Senator from Kansas. I thank him for his interest.

Mr. DOLE. I thank the distinguished Senator from Wyoming.

This seems to me a view shared by both those Senators who have just spoken, that farming is becoming more technical, there are a great many areas where we can have training to benefit not just the farmers, but the consumer.

Based on the statement made by my distinguished colleague, I am prepared to withdraw the amendment.

I ask unanimous consent that the Senator from North Dakota (Mr. YOUNG) be added as a cosponsor of the amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. I am prepared to withdraw the amendment and yield back the balance of my time.

The PRESIDING OFFICER. Does the Senator withdraw the amendment?

Mr. DOLE. Yes.

The amendment was withdrawn.

Mr. HARTKE. Mr. President, I know of no other amendments.

I am ready to ask for a third reading of the bill.

Mr. CRANSTON. Mr. President, before we have third reading, I wish to thank the Senator from Indiana for his very, very effective leadership and for management on this bill. There were all sorts of problems and varying viewpoints on it. It was all brought together under the leadership of the Senator from Indiana, and I thank him again.

Mr. HARTKE. I thank the Senator from California for being so gracious.

Without the cooperation of what I think is the best working committee in the whole Senate, we would never have been able to come forward with this bill.

The committee members are dedicated and hard working. The staff members who are working on it have done equally long, arduous work in dealing with so many complicated issues.

I feel we have come forward with what, in my opinion, is one of the most comprehensive modifications of the education program for veterans that has been done since World War II.

In many ways this bill exceeds the measure under which many of us in Congress went to school after World War II.

Mr. President, I am glad to yield to the Senator from Wyoming.

Mr. LONG. Mr. President, will the Senator yield for a question?

Mr. HARTKE. I yield.

Mr. LONG. What is the estimated cost of this bill when it is in full operation?

Mr. HARTKE. The estimated first year's cost from the Veterans' Administration is $1.9 billion. The committee seriously questions whether it will cost nearly that much. However, the difficulty in making estimates with the program is that frequently when we increase the educational assistance rate, the number of people who go to school is also increased. If participation is increased, that ought to be a good sign rather than a bad sign. We have the obligation to educate these veterans who have honorably served their country.

Mr. LONG. Will the Senator repeat that figure?

Mr. HARTKE. $1.9 billion.

Mr. LONG. $1.9 billion. I thank the Senator.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. HANSEN. Mr. President, let me add my word of commendation to the distinguished chairman of the committee for his diligence and his willingness to hold hearings and to listen to those who sought to counsel and advise the Veterans' Affairs Committee. I want to pay my respects and express my appreciation, as well, to those Senators who have presented amendments here on the floor today. I speak with particular reference to the Senator from Maryland (Mr. BEALL) and his cosponsors, the Senator from Oklahoma (Mr. BELLMON) and his cosponsors, and the Senator from Alaska (Mr. STEVENS) and his cosponsors. While those amendments were either withdrawn or voted down, I think without question their interest has helped focus attention upon the problems that the veterans face, and for that not only the veterans but all Americans can be grateful.

There are few programs that I know of that have returned in as great a measure the moneys that have been invested by the people of the United States as the GI education bill. I have every confidence that we will have the same experience with this bill as we have had with earlier bills.

The question was asked by the distinguished chairman of the Finance Committee as to what it is estimated this bill will cost. The distinguished chairman of the committee observed that for the year 1975 it has been estimated by the administration to cost $1.9 billion. The chairman of the commttee expressed the opinion that there are those who feel it will not cost that much.

For 1976, the estimate is $1.8 billion plus; for 1977, $1.4 billion plus; for 1978, $1.4 billion plus; and for 1979, a smaller amount—$1.4 billion.

Mr. MATHIAS. Mr. President, will the Senator yield?

Mr. HANSEN. I am happy to yield to the distinguished Senator from Maryland.

Mr. MATHIAS. I just want to express my thanks both to the distinguished chairman and the ranking Republican Member, the distinguished Senators from Indiana and Wyoming, respectively, for the real job they have done here. As has been suggested by him, it has not been an easy job reconciling all the various suggestions, all the demands, and all the ideas, but they have done an excellent job.

I hope the Senate will accept the bill so overwhelmingly that there is no doubt as to the Senate's position. I am sure it will be passed by a very strong vote.

I have no inside information, but I am very much heartened by some information that indicated the President would also accept the principle of returning to a tuition policy.

I hope the conferees, I hope the Senator from Indiana and the Senator from Wyoming, will feel just as strongly when they get to conference as they have all along on this bill—that the tuition principle is an enormously important one, and that if they have any problems about it, they will bring it back and we will send it back to the conference with a new vote of confidence.

Mr. HARTKE. I thank the Senator. His enthusiasm and his help have been contributing factors to the tuition principle that is in the bill.

Mr. HANSEN. Mr. President, if I may say an additional word, I happen to be the ranking Republican member of the committee because the distinguished Senator from South Carolina chose, rather than to choose the assignment which I now occupy, to be ranking Republican member of the Armed Services Committee.

I know of no one who has been more interested, more diligent, and more effective in sponsoring programs that look to the needs and the aspirations of the veterans than has been demonstrated by the distinguished Senator from South Carolina, and I just wanted to take this occasion to pay my respects to him for the tremendous job he has done not only for veterans but for all Americans.

Mr. THURMOND. Mr. President, I wish to thank the able and distinguished Senator for his kind words.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment, in the nature of a substitute, as amended.

The amendment was agreed to.

Mr. BIDEN. Mr. President, having reserved time with the distinguished manager to speak on behalf of S. 2784, the Comprehensive Vietnam Era Veterans Readjustment Act, whose progress I have watched very closely during the past months, my foremost impression has been the able and determined leadership of its sponsor and author as he shepherded it through the legislative process. As has been the case with all veterans legislation since the creation of the Senate Committee on Veterans' Affairs by the 92d Congress, this effort to extend to veterans educational opportunities commensurate with their sacrifice by providing financial benefits equal to the high cost of education, bears the stamp of its chairman, Indiana's exemplary senior Senator, VANCE HARTKE. The committee's deliberate and open consideration of three major proposals for improving the GI bill has produced a landmark piece of legislation and given the Senate a shining example of how the committee process ought to function.

I reject the contention put forth by the House in an effort to force the Senate to accept the least expensive proposal, H.R. 12628, that the Senate was to blame for the expiration of benefits for post-Korean GI's because of foot-dragging in marking up this bill. The RECORD will show that the committee reported out and the Senate passed bills to prevent the cutoff twice before the House passed a similar measure.

Now the Senate Committee on Veterans' Affairs has unanimously reported this comprehensive bill, which represents months of effort on their part on behalf of the greater number of my colleagues who have taken an interest in shaping a GI bill that addresses itself to the particular needs of the Vietnam veteran. The unflinching determination of the staff and the chairman to stand up to the Veterans' Administration, which claims that the present system is sufficient response to the promise made to the veterans of America's longest war; to stand up to the President, who has threatened to veto any rate increase in benefits in excess of 8 percent; and to stand up to the House, whose 13.6 percent addition to the status quo is insufficient before the bill was even passed, must not be forsaken now as we enact this bill and send it to conference with the House. The veterans and the Nation have been well served by the committee in forging this bill. I have every confidence in the persuasive genius of the chairman, and am confident that he and the other Senate conferees will meet with great success in insisting upon the excellent Senate bill, and in resisting House attempts to whittle away the Vietnam veterans' due.

Mr. President, two dates loom large on the calendar in these closing days of June. The first occurs this Saturday, June 22, which marks 30 years to the day that President Franklin Roosevelt, less than a month after the invasion of Normandy, made ready to welcome America's World War II troops home by signing into law the very first GI Bill of Rights. The GI bill has been, through the decades since that day, one of the most effective pieces of social legislation ever enacted by Congress. The return on the $14 billion in benefits paid under the first GI bill of 1944 has approached a ratio of 6 to 1. But these investments can only have their full impact for the Vietnam veteran if they can be used by all of the nearly 12 million veterans covered by the 1966 bill. At the present rates of assistance, many former GI's find themselves "priced out" of a higher education, or taking classes at a retarded pace because of the need to work to supplement the monthly VA checks. Furthermore, 285,000 cold war veterans who were retroactively covered by the present GI bill will find themselves ineligible even for their present meager benefits on June 30 unless this legislation is passed. This is the second date to which the conferees must address themselves, as my esteemed colleague is well aware. Having borne the vituperation of the other body and of uniformed public opinion in order to buy the Senate time to consider its options and draft this desperately needed bill, I am confident that Senator HARTKE and the Senate language will prevail, in the interests of the Vietnam veterans. At this point, on behalf of Delaware's 20,000 eligible veterans, I would once again applaud the continuing efforts of the Senate Veterans' Affairs Committee to do right by our struggling young veterans, who so richly deserve the chance for a better future, and to insert in the RECORD a letter from the Adjutant of the Department of Delaware American Legion memorializing the Senate of the critical nature of the legislation, and supporting the Hartke bill. I ask unanimous consent that this letter be printed following my remarks.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE AMERICAN LEGION,
Wilmington, Del., June 14, 1974.

Hon. JOSEPH R. BIDEN,
U.S. Senator,
Dirksen Building,
Washington, D.C.

DEAR SENATOR BIDEN: I refer to H.R. 12628 as amended. We have reason to believe that the Senate version of this bill will be brought before a conference committee composed of members of the Senate Committee on Veterans Affairs and the senior Members of the House Veterans Affairs Committee. It is indicated that this action will take place within the next few days and I respectfully invite your attention to the fact that The American Legion in Delaware strongly supports the Senate version of H.R. 12628.

This matter is critical and we need your help. On June 30 time will run out for hundreds of thousands of deserving student veterans unless the Senate and House Committees on Veterans Affairs act quickly to resolve their differences.

We respectfully urge you to support this measure.

Sincerely,
GARLAND D. BLOODSWORTH,
Department Adjutant.

Mr. HUMPHREY. Mr. President, just a year ago, our Nation, encouraged over the cease-fire in Southeast Asia, was indeed joyful over the repatriation of 596 prisoners of war, some of whom had been held by North Vietnam and the Vietcong for years. The enthusiastic welcome given them when they returned to their homeland was a fitting manifestation of gratitude and appreciation for service rendered as members of the Armed Forces of the United States during time of war.

But we must not forget the almost 7 million other Vietnam-era veterans. For many of these veterans, 2½ million of whom served in the Indochina theater, readjustment to peace has proven no less traumatic then adjustment to war. While returning POW's have been received with ringing accolades there is growing evidence and concern that other veterans have been ignored and even neglected.

Despite claims our veterans are being provided easy transition to civilian life, it is significant to note that a smaller slice of the Federal budget is going to help veterans now than went to them 10 years ago.

We cannot replace the time these men lost in Vietnam. But we can do much to improve their health, their jobs, and their hopes. The Vietnam veteran of today faces grave difficulties in returning to civilian life. For, in addition to the dislocation which accompanies any such change in one's life, he also faces a contracting job market and accelerating costs of education and training which pose enormous obstacles to his reintegration into the mainstream of the life of the Nation. We would do grave injustice to these young men and women who risked life and limb in service to their Nation if we were to forget their sacrifices, now that our involvement in the war we asked them to fight has come to an end.

I would like to commend the Committee on Veterans' Affairs for reporting S. 2784, a bill which goes a long way toward helping our young veterans returning to civilian society after Vietnam. The Vietnam-Era Veterans' Readjustment Assistance Act of 1974, gives our veterans the needed rate adjustments for vocational rehabilitation and educational assistance. The bill also helps veterans with a new education loan program and it improves employment assistance to veterans, and wives and widows of veterans.

Mr. President, thousands of young men from all of the States have served this country valiantly. I would like to specifically point out the debt that has been paid by young men from the State of Minnesota. I take pride in announcing that over 541,000 veterans have served from the State of Minnesota, including 135,000 during the Vietnam war.

We need to help our veterans and this bill is quantum leap in that direction. The least this Nation can do is to further insure that the needs of our veterans are met whether they are Vietnam veterans or our older veterans who need increased attention in their later years. Let us make certain that the security and well-being of all veterans are taken care of with the same wholehearted support our veterans have displayed for the cause of this country—our peace and free way of life.

Mr. President, I urge my colleagues to support S. 2784.

Mr. McGOVERN. Mr. President, today is a proud day for the U.S. Senate. We have before us landmark legislation designed to improve the benefits available to Vietnam veterans.

It is a full and comprehensive approach that speaks to the real problems encountered by veterans in States with higher than average public tuition costs, by married veterans attempting to complete their educations while supporting a family, and, finally, by disadvantaged and minority veterans who simply do not have the means to pay for the skyrocketing costs of an education or training program.

The Senate Veterans' Affairs Committee, led by Chairman HARTKE, has done a remarkable job in bringing together a number of excellent proposals under one comprehensive approach. The combination of increased subsistence allowances with a vital variable tuition payment program and a low-cost loan provision should lay to rest the major problems confronting young veterans attempting to find a decent place in society.

I cannot overstate the importance of the variable tuition payment plan of the legislation before the Senate. It stands as the most important provision of this Vietnam Veterans' Act, and for a most sound and fundamental reason. It will open the door for literally thousands of young veterans who, until now, have been unable to afford the high cost of a college education or training program.

The monthly subsistence payment in its present form discriminates against three major groups of Vietnam veterans. The most obvious discrimination is evident in States where the tuition costs of a 4-year public institution exceed the average of $400. Veterans living in the States of New York, Ohio, and Pennsylvania, to name only three, pay an average tuition of well over $800. Without the benefit of a tuition payment, these men and women have very little chance to make ends meet without a sizable source of income other than the GI bill.

It is easy to see the results by consulting the State-by-State list of veteran participation in the GI program. California heads the list with the highest percentage of veterans enrolled under the GI bill. California also heads the list of States with low cost public tuition, averaging less than $200 per year for the school year 1973–74. In nearly every case a direct correlation can be drawn between the cost of tuition in a State and the percentage of veterans who are enrolled under the GI bill. This point was vividly made in the study conducted by the Educational Testing Service, which concluded with a very specific recommendation for some form of variable tuition plan to make up the obvious difference in tuition costs from State to State. Veterans deserve an equal opportunity for a quality education regardless of where they live. They sacrificed the same for the country, and not one of them should be penalized by their residency.

The second group of veterans that are experiencing particular difficulty under the present system are those who are married. Again, a very brief investigation uncovers the heart of the problem. Presently, well over half of the Vietnam veterans in the country are married. Single veterans enrolled under the GI bill outnumber enrolled married veterans by close to 3 to 1. It is obvious that a married veteran with a family to support is in greater need of the benefits than a single veteran. Without the tuition equalizer, married veterans have much less than an even chance to make it through 4 years of college. Their problems are only compounded if they happen to live in a State where the tuition costs in the 4-year State schools exceed the national average. Thus, the tuition payment plan is doubly important for over half of the Vietnam veterans.

Finally, the tuition payment plan will aid the financially disadvantaged veterans and most particularly, minority veterans. The unemployment rate among minority veterans is alarmingly high, running three to four times as high as the national average for the same group and well above the rest of the veteran population. Again, we find that where the need is greatest, the present program falls far short. The ETS Survey showed that when all costs are figured in for a normal school year, at the average 4-year institution, the veteran would still have to make up a difference of anywhere from $600 to $2,000 depending on marital status. For the minority and financially disadvantaged vet, this virtually rules out the possibility of enrolling in the GI education program.

If we wish to take the argument to the end of the line, Mr. President, we can consider the thousands of veterans who fall into all three of the discriminated categories. A nonwhite married veteran living in New York or Pennsylvania has absolutely no chance to better his own position in the society he fought for without some form of generous tuition payment.

Mr. President, it is apparent that existing commitments to the Vietnam veteran have been inadequate. We know from a study conducted by the Veterans' Administration that one out of five Vietnam veterans who participated in the war zone are experiencing "serious and prolonged readjustment difficulties." Out of a total of 2.5 million men who did see action in Vietnam that means that half a million men are severely depressed and looking for a way up. The simple increase in subsistence allowance that barely keeps pace with the rate of inflation will not do the job. Nor are any number of time extensions in the delimiting period and the entitlement going to make up for the obvious glaring insufficiencies in our GI program.

Let me repeat the conviction that I share with so many of my colleagues and fellow veterans. The tuition provision is the single most compelling feature of this much-needed legislation. It provides the fundamental platform upon which Vietnam veterans can readjust to civilian life and begin to fashion their own careers.

Friday marks the 30th anniversary of the original GI bill. I am confident that 30 years hence, when today's young veteran looks back upon his career, he will recall the tuition assistance we provided in 1974 as one of the most important actions ever taken by the Government on his behalf. With that in mind, I am most heartened that we can rely on the firm leadership of Senator HARTKE as the bill goes to conference with the House. He is a solid ally of the veterans and I am confident that he will defend the Senate position on tuition against any attacks by the administration.

This bill is particularly gratifying for me. In May of 1973, I introduced the first tuition payment proposal in the 93d Congress. At that time, I felt very strongly, as I still do, that we have a special obligation to the veterans of the Vietnam era. They fought an unpopular war. They returned to a country still torn over that effort. And, through no fault of their own, the stigma of that war became attached to them. They had truly become prisoners of peace.

Since that initial legislation was introduced, I have been gratified to see a growing awareness of the problem both in the Senate and throughout the country. In December of last year, three of my very able colleagues, Senators MATHIAS, INOUYE, and DOLE, joined me in offering a comprehensive approach to the problem of inadequate benefits. Together, we gathered the support of 35 of our colleagues including the distinguished majority and minority leaders.

In the House, our legislation was passed with great enthusiasm by five members of the Veterans' Affairs Committee. The idea of a variable tuition payment as contained in our bill was endorsed by virtually every major veterans' organization. That entire effort has culminated after months of hard work on the part of our bipartisan coalition and the tireless efforts of the Senate committee in the bill we have before us today.

Before going any further I want to pay special tribute to the people who really made the effort a success. The people I refer to are Vietnam veterans all over the country. They came home to a less than hearty welcome and a less than generous GI bill. They organized on the campuses and in the towns and cities throughout the country. And they made their voices heard. No amount of speechmaking or arm-twisting on the part of any Member of the Senate has meant so much.

Particular tribute should be paid to the unselfish efforts of Jim Mayer, president of the National Association of Concerned Veterans. For the past 2 years, Jim has sacrificed his own personal ambitions to organize and lead what has become a strong and vital nationwide network of young Vietnam veterans. It is especially good to know that we can stand up in the Senate today with this bill before us and know that we are coming through for Jim Mayer and the thousands of young, dedicated veterans like him all across the country.

This is one note of caution that should be sounded here today, Mr. President. The administration is squarely on record as being opposed to the kind of programs we are going to pass in the Senate today. While the Senate can be justifiably proud of our work up to now, we must also realize that House agreement and Presidential approval are still necessary to make these reforms a reality to millions of young GI's who have looked to the leadership in the Senate where others have failed.

So the commitment and responsiveness of the Senate Veterans' Affairs Committee will continue to be a critical factor. Rather than bending to the will of the Office of Management and Budget or pressure from the administration, the committee has stood firm in its resolve to do right by Vietnam veterans. I am confident that their resolve will be carried through the negotiations with the House so that we can anticipate final enactment of a GI bill of rights very similar to the one we pass in the Senate today.

Mr. INOUYE. Mr. President, on February 19, 1974, the House of Representatives passed H.R. 12628 to improve the education benefits that veterans receive under the GI bill. The House in consideration of that measure acknowledged the inadequacy of present provisions of the GI bill. Unfortunately, the House-passed measure would do little to solve the major deficiencies in the structure and substance of our veterans educational benefits programs.

During the 5 months since the House acted, the leadership of the Senate Veterans' Affairs Committee has worked diligently and creatively to design a new GI bill which, in the words of the honorable committee chairman, Senator HARTKE, will "open the doors of education to thousands more Vietnam-era veterans."

The members of the Senate Veterans' Affairs Committee and Chairman HARTKE withstood innumerable unjustified attacks during the months which they set aside to consideration of the legislation which is now before us. They were accused of dragging their heels and jeopardizing the well-being of the student veteran. They were attacked because they refused to rush through the Senate a bill which might face little opposition from the House or the administration, but which would also continue the faults of the present GI bill.

The Senate committee decided, instead, to "hang tough" and in the process they have produced a bill which restructures our veterans educational programs in such a way that thousands of Vietnam-era veterans who had previously been denied benefits or received inadequate assistance will now have the opportunity to be trained and educated to their fullest capabilities. I am proud to join as a cosponsor to S. 2784, the Vietnam Era Veterans' Readjustment Assistance Act of 1974. The committee members and especially Chairman HARTKE deserve congratulations for this excellent bill.

What sets this bill apart from previous veterans legislation that has passed the Congress since the post-World War II GI bill was created in 1966, is the inclusion of a tuition grant provision. It is obvious that the Senate committee has taken the time necessary to draft a tuition grant provision, including safeguards against abuses in its implementation, so that the need for the veterans is addressed, while the objections of opponents to a tuition payment are met.

The sentiment of the Senate on both sides of the aisle is clear today. A new GI bill without tuition grants will not serve the veterans who risked their lives on our behalf 10,000 miles away from home. The sentiment of the Veterans' Committee and its chairman is also evident. The 5 months of hard work, the withstanding of insults and accusations, and the willingness to risk cutting off 285,000 veterans whose benefit entitlements were to expire on May 31—these extraordinary steps would not have been taken if the commitment to all the provisions in this bill—especially the tuition grants—were not there. The steel in the Senate's spine has been there for all to see during the past 5 months. It must and will prevail when Senator HARTKE takes this legislation—including tuition—to the conference. His inspired leadership on this legislation has overcome many roadblocks placed in the way of a new and adequate GI bill by a recalcitrant House and a hypocritical administration.

Last December, when I joined with Senators McGOVERN, MATHIAS, and DOLE to author the Comprehensive Vietnam-Era Veterans' Educational Benefits Act, S. 2789, the issue of Vietnam veterans' benefits was not on the national agenda. Yet, we had little difficulty getting 39 cosponsors on that bill. The Senate recognized the need for an overhaul of the provisions of our veterans' educational legislation. This awareness of the shortcomings of the GI bill was heartening. The increased national concern for the plight of the Vietnam-era veteran is equally encouraging.

The low participation rates of veterans in the Vietnam-era GI bill—in light of the Vietnam veterans' educational attainment levels and the importance of education in today's society—spotlights the inadequacies of the present educational programs. The inadequacies are primarily financial as demonstrated by the extremely low participation rates by veterans living in States with high education costs; poor, minority, and educationally disadvantaged veterans; and married veterans with children. Numerous studies have shown that veterans in these categories cannot afford to go to school using their GI benefits alone. They must have outside sources of income to supplement their benefits or else they are denied the opportunity that more fortunate veterans receive.

When Senators McGOVERN, MATHIAS, DOLE, and I were considering how best to solve the problems of veterans using or desirous of using the GI bill to further their education, we examined each of the provisions in the legislation before us.

There is no question that an increase in supplemental benefits is desirable. The rise in the cost of living—irrespective of the rising cost of education—necessitates raising the level of supplemental benefits above the 8-percent level proposed by the Nixon administration. The 18.2-percent increase in S. 2784 will make up for past increases in the cost of living and anticipates the inevitability of continuing inflation in future months. But increased supplemental benefits, even at a 23-percent level as previously recommended in an earlier version of S. 2784, will not serve to solve the inadequate structural deficiencies in today's educational benefits program. It would result in veterans attending low cost public schools receiving an overly generous supplement, while veterans enrolled in high cost schools would still fall short of their needs. The Senate Veterans' Affairs Committee has wisely rejected this approach, as the authors and cosponsors of S. 2789 had previously done.

The low interest loan provision which was authorized by the chairman has considerable merit and deserves strong support. This measure will assist thousands of veterans pursuing advanced degrees and attending high tuition private colleges. Many of these student veterans will be seeking professional degrees which will prepare them for jobs that will pay salaries high enough to permit repayment of the loan without undue hardship. The loan provision will not, however, give assistance to those veterans who are already financially burdened and who will be unwilling to incur substantial debts that they fear they will be unable to bear if their future earnings outlook is not overly bright, even with a better education.

A combination of the loan program and substantially increased supplemental benefits package will not address the needs of those veterans who are poor, educationally disadvantaged, minority or married with dependents. For example, a married veteran with one child would receive supplemental benefits of $2,889 per school year with a 23-percent increase; with a $2,000 loan he would have a total of $4,889. After paying average monthly living costs of $534—as estimated in the Educational Testing Service report and adjusted to the January 1974 Consumer Price Index—for a yearly average of $4,806, the veteran would have only $83 for tuition, fees, and books. By using an average this means that half the veterans will have far less than $83 left. The committee in recognizing this situation reached the same conclusion that Senators McGOVERN, MATHIAS, DOLE, and I realized—a tuition grant program is the only mechanism to provide an equal opportunity for utilization of GI benefits to all veterans—without regard to income, marital status, and place of residence. I am confident that the Senate conferees will convince the House Members of the truth of this situation. I am equally confident that the President who has exploited the veterans and the POW's for his own political purposes and who has given eloquent lipservice to the need for improved veterans' programs will shrink from any threat of a veto.

There are numerous other provisions in the legislation before us that merit support and acclaim. The extension to 10 years of the period for utilization of benefits is especially needed for those veterans who were unable to take advantage of previously inadequate benefits or whose personal and academic histories have precluded their finishing their schooling in the previous 8-year period. The strengthening of work-study, outreach, tutorial, and other programs will improve the effectiveness and utility of this new GI bill.

The committee's work in the area of developing safeguards against abuses in the current and proposed benefits programs deserves high praise. I have been disappointed that certain Members of the other body have concentrated their concern over abuses on the tuition grant system in existence after World War II, rather than analyzing the tuition grant system proposed in S. 2789, and revised in this bill. Also, those Members could have better spent the past few months investigating abuses in present educational programs uncovered by members of the press, rather than criticizing the Senate for doing its job too well in writing an equitable bill.

One final comment, I am sure that the chairman and members of the committee will readily admit that if this legislation becomes law, all of the problems inherent in this kind of educational benefits program will not go away overnight. I am hopeful that the accelerated payment provision that was a part of the Comprehensive Vietnam-Era Veterans' Educational Benefits Act will receive continuing consideration as a potential palliative for special educational problems facing married veterans with sepecial financial burdens and individual educational needs.

To reiterate, the committee—its chairman, members, and staff—have fashioned a new GI bill which I believe deserves high commendation. It provides a fair deal for Vietnam veterans. It will bring educational, job, and monetary benefits for Vietnam veterans to a level more equal to the benefits enjoyed by veterans of previous wars. I am proud to cast my vote for this bill. I urge the chairman to take this legislation to the conference and to bring it back for final passage in its present form. The casualties of the Vietnam war and its aftermath must not include this worthy bill.

Mr. DOLE. Mr. President, I believe the Vietnam-era veterans education bill we are considering today will be beneficial to all the veterans eligible for assistance under it. I give my wholehearted support to this measure and am pleased to be a cosponsor of it.

This bill has been of particular interest to me, because of my concern about the difficulties Kansas veterans have had in obtaining adequate education and training. Through my contacts with them, I have gained an awareness of the problems they face and it is particularly gratifying to see many of my efforts to assist them reflected in this bill.

I note that this bill contains nearly all of the concepts embodied in the comprehensive Vietnam-era Veterans Educational Benefits Act which I helped introduce with my distinguished colleagues from South Dakota (Mr. McGOVERN), Maryland (Mr. MATHIAS), and Hawaii (Mr. INOUYE). These provisions include tuition payments, increased monthly assistance rates, an extended eligibility period from 8 to 10 years, a longer entitlement period from 36 to 45 months and reduced restrictions on the work-study program. My understanding of the needs of veterans in Kansas would indicate that these measures are necessary and completely justified.

EARLY PASSAGE NEEDED

Extension of the eligibility period from 8 to 10 years is one of the most pressing issues for veterans. It is my hope that we can achieve an early final passage of this bill since the expiration of educational assistance eligibility for many thousands of veterans will occur on July 1. It is my understanding that as many as 4,000 of the 12,000 veterans attending school in Kansas will lose eligibility on July 1 unless this measure is signed into law before that time.

It is only fair that these veterans receive an extension of eligibility since the present GI bill, when first enacted in 1966, did not provide enough assistance to make it possible for very many veterans to get further education. The subsistence allowance under the GI bill in 1966 was only $100 per month for single veterans. And this was less than the $110 per month than Korean veterans were able to receive in 1954.

HIGHER ASSISTANCE RATES

The low assistance rates in the early stages of the Vietnam-era GI bill provide an important reason to increase the tuition and subsistence payments along the lines proposed in this bill. Many of these men and women who could not afford further schooling earlier now have families and financial commitments. Increasing financial assistance will provide these and also those with marginal jobs the means to get advanced training to improve their career potential.

The figures from Kansas show that Vietnam veterans need a higher level of financial assistance. Tuition and fees at public universities in Kansas range from $390 to $544. With an assistance rate of $1,980 for single veterans in a 9-month academic year, each veteran must make up a difference of $600 to $1,500 each year, according to the individual's curriculum and living expenses. The situation is even more difficult for veterans with dependents. VA assistance falls short by $1,300 to $3,000 or more every year. The differences between VA assistance and school expenses are difficult or impossible to make up in part-time or summer jobs for many veterans.

TUITION PAYMENTS

A particular note should be made on tuition payments. Nonpublic colleges in Kansas require annual tuitions ranging from $1,150 to $2,100 for an average of $1,500. This is about $1,000 higher than for public schools. The veteran who desires to attend private colleges obviously has a much more difficult financial problem. The only way to be fair to him is to provide tuition payments. I think the support this bill has received in the Senate is indicative of widespread agreement on this.

While there has been much concern about possible abuses of tuition payments, I believe the solution is a matter of adequate statutory safeguards and guidelines and proper administration, and I feel the provisions in this bill are sufficient to prevent abuses. There will probably always be concern about abuses when a question of money is involved, but the question of equal educational opportunities for all veterans is too important to be sacrificed to this concern. The expertise of a large number of people has gone into the drafting of this bill and the safeguards it contains against abuses.

I believe we in the Congress would be remiss in not including tuition payments in this veterans education bill, particularly since a large number of us had the benefit of tuition payments under the GI bill after World War II.

ENTITLEMENT AND WORK-STUDY PROGRAM

Two other provisions similar to the bill I helped introduce are extension of entitlement from 36 to 45 months and reduction of limitations on the work-study program. The first measure will be of great benefit to veterans in obtaining the more sophisticated and longer education programs being offered today. With all professions becoming more technical, the length of training necessary to be proficient is constantly growing. I believe the extension of entitlement from 36 to 45 months will be beneficial to the country as a whole.

Reduced limitations on the work-study program should be of benefit in allowing veteran-students to help themselves. The wages they earn there will help defray the school expenses they must meet. In addition, the manpower veteran-students contribute to the VA should help improve the services provided by that organization.

The bill we are considering now contains several other provisions which should be helpful to Vietnam-era and other veterans. Of particular significance are the provisions to provide for education loans to veterans and to improve reemployment benefits.

I believe this bill will be beneficial to veterans and to the country and the economy as a whole. I support this measure and urge all Senators to give their support. I hope that final passage of this bill will be accomplished as quickly as possible.

Mr. CLARK. Mr. President, this important legislation (S. 2784) will go a long way toward providing Vietnam-era veterans with educational benefits equal to those provided their World War II counterparts.

Veterans across the Nation have been anxiously awaiting this Vietnam-Era Veterans' Readjustment Assistance Act of 1974, and with good reason. The current educational allowances under the GI bill simply are insufficient to cover the cost of continually rising tuition rates and today's inflated living expenses.

When he introduced S. 2784 last December, the chairman of the Senate Committee on Veterans' Affairs, Senator HARTKE, said that educational opportunities available for Vietnam-era veterans "should be no less than those available to me and my fellow veterans who served during the Second World War." But a recent study by the Educational Testing Service concluded that the "real value" of the educational allowance available to veterans of World War II was greater than the current allowance—$220 for a 9-month school year—being paid to veterans of the Vietnam conflict when adjustments are made for the payment of tuition, fees, books, and supplies.

While every veteran of World War II could command a 4-year public education, today's veteran can do the same and still have enough money to live on—however marginally—only if he or she attends a public college with a tuition charge equal to or below the national average of $419.

On the $220 a month provided by the GI bill for the 9-month school year, today's veteran cannot even consider attending a private school, where tuition, books, and fees average about $4,300 a year. By contrast, World War II veterans attended private colleges in great numbers.

Veterans in many States, including Iowa, have problems financing their education even if they attend State schools. At the University of Iowa, for example, where the 1973–74 tuition rate for State residents was $620 and the average cost for books was $216, the veterans would have only $127 a month left for living expenses. This adds up to $31.75 a week—hardly a significant sum at a time of double-digit inflation.

Today's GI bill is adequate only in States like California where public education is virtually free. As a result, 38 percent of that State's Vietnam-era veterans are attending college today while, by comparison, only about one of every five of Iowa's Vietnam-era veterans are enrolled in school.

S. 2784 would restore equity among veterans residing in different States with differing systems of public education by providing partial tuition assistance of up to $720 a year. I fully realize that some Members of the House of Representatives are reluctant to approve a tuition program, because of abuses that occurred during the post-World War II tuition program. But the committee has included specific controls to offset the possibility of abuse, and these safeguards are adequate.

The 18-percent increase in benefits included in S. 2784—from $220 to $260 a month—is desperately needed. Since the last increase in the monthly educational assistance allowance—September 1, 1972—the cost of living has increased by 14.6 percent, and the cost of living can be expected to approach 18 percent by the beginning of the 1974–75 school term.

So this 18-percent increase in educational assistance is the minimum amount needed if veterans are just to keep up with this country's record inflation.

The other major provisions of the legislation—extending the maximum entitlement of educational benefits from 36 to 45 months, extending to 10 years the current 8-year time period for veterans and eligible wives and widows to complete their educational programs, and a low-interest loan program of up to $2,000 a year—are no less important to veterans attempting to use the GI bill to complete their schooling.

The blistering rate of inflation today has greatly accelerated living expenses, placing heavy financing burdens on the average veteran going to school. Many of them are living at or near poverty levels. At a time when so much emphasis is placed on the quality of life, we cannot continue to let veterans live under such severe financial pressure. The passage of S. 2784 would be a giant step in the direction of easing this pressure by providing the Vietnam veteran with the same amount of educational assistance provided to his counterpart after World War II.

Mr. President, this country's veterans have not had much to cheer about during these past months of incredible inflation, but hopefully the Congress will help by approving S. 2784. Vietnam was an unpopular war, but these veterans served their country well, and their sacrifices and the sacrifices of their families were no less great than those of veterans of other wars. They must not be forgotten.

Mr. MATHIAS. Mr. President, I consider that it is a moral obligation to support the bill before us for consideration today, S. 2784, the Vietnam-Era Veterans' Readjustment Assistance Act of 1974. As one who has watched with pain the frustrations and obstacles which seem continually to confront the millions of veterans now seeking to readjust to civilian life after a long and controvesial war, I believe this bill represents an important step forward in fulfilling our most basic commitment to the modern veteran.

The Committee on Veterans' Affairs, under the able guidance of the distinguished Senator from Indiana (Mr. HARTKE), is to be commended for its work in producing this thoughtful and truly comprehensive response to the education and training needs of veterans of the Vietnam era. I also want to take this opportunity to thank Chairman HARTKE for his kind words on behalf of my own efforts, among others, in developing the kind of support necessary to assure passage of one of the most crucial new provisions of this legislation—a program of direct tuition grants for veterans, to cover a substantial portion of the skyrocketing tuition costs which are rapidly pricing more and more veterans out of the market of higher education.

When I first introduced legislation—3 years ago this month—to provide a direct tuition grant of up to $1,000 per academic year for each veteran, prospects for enactment appeared remote; this, in spite of the strong support of concerned veterans groups such as the American Legion, whose longtime backing of this proposal dramatizes its genuine commitment to today's youngest generation of veterans. There were simply too many others who accepted an almost ritualistic opposition to tuition grants based on abuses that occurred under the World War II tuition program a quarter of a century ago.

One year after I first introduced the proposal, during consideration in this Chamber of the Vietnam-Era Veterans' Readjustment Assistance Act of 1972 (Public Law 92-540), I considered offering that tuition proposal as a floor amendment; but again, there appeared to be insufficient support to secure enactment. Instead, we enacted a provision of Public Law 92-540 which required the VA to provide for an independent study to assess the adequacy of education benefits for Vietnam-era veterans as compared to those which were available to veterans of World War II and the Korean war.

The results of that study were finally released last fall, and they confirmed what I and many of my colleagues had long believed—that the educational benefits available to Vietnam-era veterans were grossly inadequate in comparison to previous generations of veterans, and that the soaring cost of tuition was the chief obstacle preventing veterans in many States from fully utilizing their GI bill benefits.

In December of last year, therefore, when I joined Senator McGOVERN, Senator DOLE, and Senator INOUYE in authoring and introducing S. 2789—a primary feature of which was a program of direct grants to a portion of tuition costs up to $1,000—we were most gratified to see the support which was generated for this approach. Indeed within 3 months, 35 of our colleagues joined us in cosponsoring this proposal.

In reviewing the bill we have before us today, Mr. President, I must commend the committee and its distinguished chairman for recognizing and implementing an idea whose time has come. Section 104, which provides direct grants covering 80 percent of all tuition costs above $100 up to a maxmum of $1,000, represents an improvement on the tuition grant provision in S. 2789, because it provides more tuition assistance to a larger number of veterans. Indeed, the bill we have before us today comes closer to the full $1,000 tuition grant program I introduced 3 years ago.

We have come a long way, Mr. President, to the point where we stand today—as we prepare to vote on legislation including this major tuition proposal which now commands such wide support in the Senate and throughout the Nation. The battle for a tuition grant program for veterans will not be over, of course, merely with passage of this bill by the Senate today. The agreement of the House of Representatives will also be necessary, and apparently may not be easily gained. In this regard, I would like to call to the attention of my colleagues an excellent article which appeared in the June issue of Legion magazine, written by the national commander of the American Legion, Bob Eaton—a Marylander whom I have known for many years and am proud to call my friend. General Eaton's article eloquently sets forth the urgent need for the tuition grant assistance for today's veteran as well as observing some of the obstacles the proposal may face as we seek agreement on it from the other body.

If there is no objection, Mr. President, I request that General Eaton's article be printed at this point in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

THE SORRY STATE OF VIETNAM VETS' EDUCATION—AND WHAT TO DO ABOUT IT

(By Robert E. L. Eaton)

In recent months, newspapers and TV stations have begun to make the public more aware of the plight of thousands of Vietnam veterans in attempting to go to college under their GI Bill.

Many of them (typically those most in need of help) cannot go to school at all.

Their GI Bill benefits, which are far short of the WW2 benefits in the education they can buy, are too meagre for them to make out.

Each Vietnam vet who wants to go to school on his GI benefits but can't represents a failure of the program, but a windfall for the government.

Last year, the Vietnam GI Bill benefits for a full-time, single, college student came to $220 a month or about $55 a week—known as a subsistence allowance. For a normal nine-month college program, this came to $1,980. For each Vietnam veteran who could see no way to pay for his tuition, books, college fees, room, board and transportation on $55 a week for nine months, Uncle Sam simply saved himself the whole $1,980, while the Vietnam vet got no allowance and no education.

The chief difference between the WW2 GI Bill education program and the Vietnam benefits is that in addition to a subsistence allowance, the WW2 veteran got up to $500 toward his tuition, books, etc. In those days, this covered the entire cost of tuition and books at most colleges.

The American Legion estimates that a similar allowance, not to exceed the actual cost of tuition, fees, books, etc., and with a ceiling of $1,000, would serve fairly well under today's soaring education costs.

But Vietnam veterans get no such allowance at all. Their subsistence allowance is their entire GI benefit. If they can't pay for their tuition, books, fees, etc. out of their $55 a week "subsistence" they can forget about school unless they have ample means from other sources.

The average cost for books and miscellaneous fees at most colleges today is put at about $216, or just about one month's Vietnam GI "subsistence." Tuition fees range all up and down the scale, and are going up. In some state universities, tuition is free for veterans of that state, which is a real break for as many resident veterans as they'll accept. In others, it is as high as $890 for residents and $1,000 or more for non-residents. Private colleges and universities may charge up to $5,000 or more with no break for state residents. Some purely technical schools below college level charge over $2,000 in tuition. Tuition in the neighborhood of $700, which is quite common and due for a further raise next fall, would take every cent of 13 weeks subsistence allowance.

Small wonder that TV stations have had little trouble finding Vietnam veterans to put on the air to make cynical remarks in the order of: "Yeah, I could make it to college if I didn't eat, and slept in the gutter."

Nevertheless, the program has worked "well" enough to permit a large number of rosy statements from government sources citing its "success." Large numbers of Vietnam veterans have been able to use their GI benefits. But citing the raw numbers hides the discrimination against the neediest veterans that is built into the meagreness of the Vietnam education program to date.

The $55 a week has been of great value to those veterans who have enough money of their own to make up for its inadequacy, or whose parents can afford them substantial help, or who have been able to qualify for substantial scholarships or loans, or who are lucky enough to live in those states with the most progressive state university programs for their young citizens.

State aid seems to account for a large percentage of college attendance by Vietnam veterans for which the federal government has tended to credit the Vietnam veteran's GI benefits. California, with an excellent state university program, seems to have a veteran enrollment of about 37%. Vermont, whose state program is no match for California's, shows about 14.2% veteran enrollment. West Virginia, Indiana and quite a few others don't show a great deal more. This situation has been continuous since the first substantial number of Vietnam veterans began to be discharged nearly ten years ago.

Many borderline Vietnam veterans (financially) are going to college but can hardly be considered a success for the GI program. They have made it by shopping around for the cheapest course in the cheapest college, often abandoning the course of study they preferred because it wasn't offered in the schools they could afford to attend. Any WW2 vet who was accepted for admisison could have made it to Harvard Business School financially, in 1946, granted he would take the usual student job if he was personally on his uppers. His GI Bill was sufficient to scratch through somehow. This is impossible for a Vietnam veteran if his chief asset is his GI benefits.

The worst situation by far, however, is the plight of the Vietnam veteran without other resources, who simply cannot go to school at all.

It is remarkable that a nation which expresses a great concern for the needy has for years gone along with a GI education program whose workings favor those veterans with the most means and deny any benefits at all for those with the least.

I am hopeful that the sudden interest of the news media will help push forward a speedy reform. The Legion has been seeking improvement for some years but without much support from other segments of the public. Two years ago the Harris poll took an interest. It reported, after a survey, that 59% of Vietnam veterans didn't apply for GI school benefits, and as many as 83% of these indicated that there was no point in applying because there was no way they could afford college even with their GI benefits.

The media have as yet largely failed to pinpoint where the trouble has been or what the remedy is. Some TV programs have done an excellent job of portraying the plight of the veterans, but have then explained that it was the fault of the public, of the viewers, of you and me, because we just had too little sympathy for Vietnam veterans and were "turned off" on their war.

The nub of the problem is quite simple. Vietnam veterans need a tuition and book allowance on top of their subsistence payments. The TV viewers never did anything to prevent it. Only the Congress and the President can provide it. Neither President Johnson nor President Nixon ever gave Administration support for GI tuition and book allowances. News programs sometimes blame the Veterans Administration. The VA has consistently opposed tuition payments while issuing statistics about the success of the present benefits. It does this as an arm of an Administration which is opposed to tuition aid. But the VA cannot grant tuition allowances until the Congress enacts authorization, and if it does, the VA then must pay the allowances. The Congress has never approved tuition allowances and has rejected the appeals of Vietnam students and the Legion, working together.

Not until the 7th of April of this year have I seen any of the media indicate where the center of resistance has been in Congress. On that day, William Grieder reported in the Washington Post that Rep. Olin E. Teague of Texas, has opposed veterans' tuition allowances since 1950 when, as a young member of the House Veterans Affairs Committee, he led an investigation of the rackets which colleages, universities and their faculties made of the tuition and book allowances granted WW2 veterans.

This is an old story to the Legion. Rep. Teague rose to be Chairman of the House Veterans Affairs Committee, and held the chairmanship until quite recently, when he voluntarily left it to head a different committee. During his years he did a great deal for veterans, but he became a stone wall of opposition to tuition allowances for Vietnam veterans. In his powerful position he refused to report out any bill authorizing them.

In 1971, Gil Moody, the state Legion Commander in Rep. Teague's own state of Texas, wrote him beseeching him to report out some kind of tuition payment to Vietnam veterans. The answer was a flat no, because the colleges had cheated the government after WW2 by abusing the tuition allowance as it was then administered.

In 1972, when Legion National Commander John Geiger was trying desperately to get tuition payments authorized, the Legion's Director of Rehabilitation and Veterans Affairs, Edward Golembieski, advised in a letter of Jan. 2, that there was almost no point of the Legion even putting in a tuition bill "in view of the Chairman's adamant opposition." We did put it in, and, as predicted, it was never reported out.

What we were able to get was a gradual increase in the subsistence allowance to the $55 a week in effect last year. The House of Representatives has recently approved a 13% increase for next year, bringing the weekly allowance for a single, full-time student to about $62. Though any increase would help, this would hardly solve the problem. In fact, its chief effect would be to keep the present situation from getting worse in the face of mounting educational costs, every aspect of which is rising faster than the cost of living.

It is ironical to think that it was the sins of the colleges and universities a generation ago which have been invoked to deny an education to the Vietnam veterans who need help the most—and not the nature of the Vietnam war, as many have said.

It is entirely possible for Congress to devise a program granting tuition which the colleges could not so easily abuse, and I am happy to report that the Senate Veterans Affairs Committee is now considering several bills to provide a tuition allowance to Vietnam vets. I had the pleasure on April 9 of discussing it in person with the Chairman, Sen. Vance Hartke of Indiana, and the next day our representatives testified before a Senate sub-committee, offering our recommendation that a tuition allowance of up to $1,000, but not to exceed the actual cost, should be authorized.

Since there is no such provision in the House bill—while the President and the Veterans Administration actively oppose tuition—I hope that the public will now get in the act and write vigorous letters to their Representatives and Senators to support such a measure. I hope the media will keep it up, too, and will do more to spell out what their audiences can do to help. It isn't very hard to do. Demand reasonable tuition and book allowances for Vietnam veterans, so that the neediest veterans can benefit as much as those with more ample resources.

Mr. MATHIAS. In addition to the direct tuition grant provision of S. 2784, Mr. President, the bill we are considering here today includes a great many other crucial provisions to assure Vietnam-era veterans adequate educational opportunity.

The low-cost loans authorized by title III, for example, represent a most important program for today's veterans. The tuition grants authorized in section 104, of course, will provide the lion's share of tuition up to $1,000 per academic year—which is sufficient to cover tuition at virtually all publicly supported colleges and universities in the Nation. But for those who prefer to pursue higher cost private education, the loan program of title III will allow them to borrow up to an additional $2,000 per year at reasonable interest rates.

It should be noted, however—as I pointed out in my joint testimony on this matter before the Veterans' Affairs Committee in April—that such a loan program without a tuition grant—such as embodied in section 104—would do a serious disservice to poorer and working-class veterans. For these are the veterans who would be most reluctant and most ill-advised to go heavily into debt to pay for an education without the ultimate promise of a high-paying job at the other end with which to pay off their loans. But as a supplement to the tuition grant provision of section 104, this loan program will go a long way toward opening up private education opportunities to Vietnam-era veterans.

I offer these words of caution largely with an eye toward the conference with the other body which necessarily must follow the passage of this bill by the Senate today. For as was pointed out in Commander Eaton's excellent article which I have asked to be reprinted in the RECORD, it is no secret that some high-ranking members of the House Committee on Veterans' Affairs—who are likely to be conferees from the other body—do have a history of opposition to the idea of direct tuition grants.

My point is, Mr. President, that in view of the strong and deep support that has been demonstrated for tuition grants in this Chamber, I sincerely hope and trust that our Senate conferees will hold firm on section 104, and resist any temptation to trade tuition grants for the loan provision of title III in an effort to reach a compromise with the other body.

Other sections of the bill we have before us today are also worthy of special note, including provisions which are identical or similar to four of the five other major provisions of the comprehensive bill we introduced last December, besides the tuition grant program.

These are:

A substantial increase in monthly subsistence payments to keep pace with the soaring cost of living and even more rapidly accelerating cost of education generally;

A 2-year extension of eligibility to allow more than 300,000 veterans to pursue their education beyond this June;

An additional 9 months of entitlement to allow veterans up to 5 academic years of education instead of the present 4-year limit; and

An expanded work-study program to provide added opportunities for part-time work while the veteran is in school.

In addition, Mr. President, the committee is to be highly commended for other much-needed provisions which have been included in this bill. I refer particularly to sections 204 and 215, which seek to regulate the abuses which are beginning to appear with respect to the bilking of veterans by less-than-reputable "get rich quick" courses of instruction.

I am also struck by the importance of the provisions of title IV, which are designed to step up the Federal effort to deal with an employment rate among Vietnam-era veterans which is nothing less than a national disgrace. Title IV will provide much-needed clarity and strength to existing law requiring Federal contractors to give special emphasis to the employment of qualified Vietnam-era veterans, and will expand the mandate of the Department of Labor to take other steps necessary to provide an adequate opportunity for a decent job to every Vietnam-era veteran.

On balance, Mr. President, the bill we have before us today, S. 2784, represents an excellent and truly comprehensive effort to fulfill our commitment to today's veterans seeking to integrate themselves back into civilian life. I am gratified to have been able to play a role in shaping some of its components, and I urge my colleagues to join me in supporting its swift passage and in standing firm behind its most important provisions in the upcoming conference with Members of the House of Representatives.

Mr. BEALL. Mr. President, earlier this year I joined several of my colleagues in the sponsorship of S. 2789, the Vietnam veterans GI bill. This, along with the other proposals in this area was the subject of comprehensive and far-reaching hearings held by the Senate Veterans' Affairs Committee and I am certainly pleased that the final bill contained many of the provisions, of S. 2789. Thus, I am pleased to rise in support of the measure before us today, S. 2784, the Vietnam-Era Veterans' Readjustment Assistance Act of 1974.

A report conducted by the Education Testing Service concluded that the GI bill is not doing today for veterans as it did in the past and the testimony presented to the Veterans' Affairs Committee confirmed this premise. An analysis of the participation rate shows that both full- and part-time enrollments are below those for the GI's who fought during World War II. In fact, in my own State of Maryland, with an estimated veterans population of 147,000, only 38.7 percent have utilized benefits under the GI bill.

According to the ETS study, when all factors such as books, tuition, and supplies at a 4-year public institution are considered, the remaining is not sufficient to meet the veterans' living expenses. The study further indicates that "the single veterans would require $728 in additional resources, a married veteran with no children would require over $2,000 in resources over and above current allowances. In addition, the committee report on S. 2784 points out that since the effective date of the last increase the cost of living has increased 14.6 percent and can be expected to approach 18 percent by the beginning of the school year.

Comments from my own constituents throughout Maryland indicate that marriage, children, and additional responsibilities entailed have necessitated "choosing" employment over education.

Although it is pointed out that there are other federally funded programs available to veterans, none of them have given a priority to veterans and the data which has been compiled indicates that the veterans' participation in these programs has been substantially low.

Of particular significance also is the increasing educational levels of veterans, which of course reflects the increasing educational levels of the population in general. Today only 1 in 5 veterans lacks a high school education, compared with over one-half of the World War II and demands for the veterans will ining emphasis on education, the needs, veterans. Thus, as there has been a growculties that our young veterans are havcrease accordingly. The continued diffiing finding jobs without the necessary education further increases this demand.

Likewise, the age of the veterans reveals much about his or her needs. At the end of World War II, 61.2 percent of the veterans were under 30 years of age, while 78.3 percent of the Vietnamese veterans are under 30. This indicates that an increasing percentage of veterans went into the service during the years when most of their peers were obtaining their education and it is more likely that their time in the service disrupted their educational plans. Certainly those who gave of their time in the service of our country deserve an adequate opportunity to continue the pursuit of their goals.

Since it is necessary to take into account the cost of living since the last increase, as well as increases in tuition at public and private schools, the proposal before us today provides for an 18.2-percent increase in the monthly educational assistance allowance. In addition, since there appears to be a higher cost of education in private and public institutions in those States where the participation rate is low, S. 2784 provides for a partial tuition assistance allowance of up to $720 a school year on a formula basis.

Of particular importance to many of our veterans whose benefits were temporarily extended for 30 days by the interim legislation, is the provision which increases from 8 to 10 years the time during which a veteran may complete his educational program. The other major provision of S. 2784 includes an extension of the maximum entitlement of educational benefits to veterans from 36 to 45 months, a liberalization of the work-study program, the establishment of an Interagency Advisory Committee on Veterans Services, and low-cost loans of up to $2,000 a year for those attending high-cost schools.

Mr. President, it is evident that more time and more money is needed if our veterans are to meet their objectives. I believe Senate bill S. 2784 is a major effort in correcting current deficiencies and inequities in present law and I hope it will receive prompt and favorable consideration.

Mr. JAVITS. Mr. President, it is apparent today that many of our close to 7 million veterans from the Vietnam conflict are beset with problems that demand our urgent attention.

I am concerned about the fact that the educational benefits given to the Vietnam veteran under the GI bill are not only low, but that under the present system of distribution, many veterans are precluded from going to college. Thus, underutilization of their educational opportunities has resulted, particularly in New York State, where the rate of use is only 36 percent.

I wholeheartedly support S. 2784, which I feel will, if enacted, go a long way toward aiding the veteran in his pursuit of higher education.

Of particular importance is the fact that this bill would enable veterans in States with high-cost public education, such as New York, to use effectively the GI benefits. Not only would this be accomplished by an 18.2-percent increase in the monthly educational assistance allowance, but also by providing partial tuition assistance. This tuition assistance will be in the form of the Veterans' Administration paying 80 percent of the school's yearly tuition charges up to $1,000, excluding the first $100 paid by the veteran.

Not only does S. 2784 provide for an increase in educational benefits to all veterans, but acknowledges the problems that exist for certain groups of our Nation's veterans. An example of this, that will be of particular importance in cities like New York, are provisions using community organizations with special expertise to communicate with and provide services to those who may be disadvantaged due to linguistic factors. This will greatly aid the large number of Spanish-speaking veterans, enabling them fully to benefit from the GI bill provisions.

In New York City alone there are 350,000 Vietnam veterans who, like other veterans, deserve and need the increased education benefits, which will in some way help them in the lonely and difficult task of readjusting to civilian life after having participated in a tragic war. When they were called upon, these men answered the call and performed admirably. We must not let them down when they need our aid.

Mr. WILLIAMS. Mr. President, with the passage today of the Vietnam Era Veterans' Readjustment Assistance Act, the Senate has demonstrated a profound understanding of the serious burdens befalling a substantial proportion of our population—our veterans.

This far-reaching measure will provide deserving benefits to thousands of men and women who unselfishly served our country in the military. It will give these citizens an opportunity to meet the financial hardships they are now confronting in the course of pursuing higher education or professional training, and will also greatly benefit the wives, widows, and children of our veterans.

The act particularly emphasizes assisting the veteran who is anxious to enrich his life through education or training by means of a monthly allowance. The Veterans' Affairs Committee made great strides in substantially increasing the stipend on educational assistance. Especially important, though, is the new provision in this act which, for the first time since the World War II GI bill, offers the veteran a formula-based monthly tuition allowance. With the skyrocketing cost of tuition today, this tuition allowance will be a substantial assistance to veterans in meeting financial needs.

Because of the controversy surrounding the war in Vietnam, our veterans have returned from a conflict only to face additional, and in some cases, most severe hardships. We, in this Nation, must not turn our backs on these dedicated citizens. Therefore, I believe that the adoption of the Vietnam-Era Veterans' Readjustment Act is a vitally important step toward alleviating a significant share of these hardships.

Mr. President, I am pleased to have been a cosponsor of this major piece of legislation. The members of the Senate Veterans' Affairs Committee deserve special praise for their foresight and dedicated efforts. Senator HARTKE and Senator CRANSTON have particularly demonstrated a serious and personal concern for the welfare of every veteran, and a deep understanding of their needs. I am hopeful that this important legislation will receive rapid Presidential approval so that our veterans may receive the benefits they greatly deserve.

Mr. EAGLETON. Mr. President, I strongly support the passage of S. 2784, the Vietnam-Era Veterans' Readjustment Assistance Act of 1974.

Despite increases in monthly assistance allowances voted by Congress in 1970 and 1972, Vietnam-era veterans are still receiving inadequate assistance measured either by objective standards or in comparison with that given veterans of World War II. The most glaring inconsistency between the two GI bills has been the lack of any assistance with tuition costs.

The bill before us would for the first time make the educational assistance available to today's veteran comparable to that received by his father's generation.

First, monthly educational allowances would be increased by 18.2 percent in order to compensate for the increased cost of living since September 1972, the effective date of the last increase. To date, the cost of living has increased by 14.6 percent, and all the evidence suggests that it will have increased by about 18 percent by the beginning of the next school year.

The monthly allowance for a full-time student with no dependents would be increased from $220 to $260. The rate for a veteran with one dependent would be increased from $261 to $309. A veteran with two dependents would receive $352 instead of the $298 monthly payment he now receives.

Second, I am particularly pleased that the bill reported by the committee provides a partial tuition assistance allowance. Under this provision, a veteran would receive an allowance equal to 80 percent of his annual tuition costs above the first $100 and up to a maximum annual allowance of $720.

The combination of an increased monthly allowance and a partial tuition allowance should be of significant benefit to all student veterans. For example, a single veteran attending the University of Missouri during the past school year received a 9-month subsistence allowance of $1,980 from which he was required to meet an annual tuition cost of $540.

Under the provisions of S. 2784, that veteran would receive a subsistence allowance of $2,340. In addition, he would receive a tuition allowance equal to 80 percent of $440, or $352. Thus, his total assistance under the GI bill would total $2,692 as compared to $1,980 last year.

Third, for those veterans who have extraordinarily high educational costs not covered by the GI bill or other Federal grant and loan programs, S. 2784 would establish a new program of direct, low-interest educational loans of up to a maximum of $2,000 per year.

Fourth, the maximum entitlement to educational benefits would be increased from 36 to 45 months. The high price of education, the lack of adequate assistance, and the loss of credits in transferring from one program to another have all combined to make it impossible for many veterans to complete requirements for an undergraduate degree within 4 school years.

A survey of veterans in schools in Missouri and nine other States indicated that 49.4 percent would be unable to obtain an undergraduate degree within the allotted 36 months of entitlement. The provision of an additional 9 months of entitlement, together with the increased assistance provided by S. 2784, should enable all veterans to complete their degree work before the expiration of their entitlement.

One of the more important provisions of this bill is, of course, that which extends from 8 to 10 years the period of time during which a veteran may use his educational benefits. Without this provision, approximately 4 million post-Korean veterans who are currently eligible for educational assistance would become ineligible on June 30. Over a half million of those veterans, including 143,000 Vietnam-era veterans who were discharged in 1965 and 1966, have been using their educational benefits during the past school year. It is estimated that about 285,000 of this number were in school as of May 31. Primarily because of the inadequate level of assistance available to them, many of these veterans have been unable to utilize all of their entitlement during the last 8 years. The extension of this period by 2 years will permit more veterans to complete their educational programs under the GI bill.

S. 2784 contains a number of other important provisions, including those relating to the eligibility of disabled Vietnam veterans for vocational rehabilitation, the work-study program, and the tutorial assistance program. Title IV of the bill would strengthen existing provisions of law with respect to job training and employment assistance for veterans, employment of veterans by Federal contractors and by the Federal Government, and reemployment rights.

Approximately 3 months ago we observed Vietnam Veterans Day. As I said on that occasion, we can honor the veterans of Vietnam more fully by determining to do what is necessary to see to it that these men who served their country now receive in return the educational assistance, job opportunities, and medical care they need and deserve.

Mr. President, we can take a major step toward meeting that commitment today by the passage of S. 2784.

The PRESIDING OFFICER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question now is, Shall it pass?

Do Senators yield back their time?

Mr. HANSEN. Mr. President, I yield back my time.

The PRESIDING OFFICER. All time has been yielded back. The yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), the Senator from New Hampshire (Mr. MCINTYRE), and the Senator from Arkansas (Mr. FULBRIGHT) are necessarily absent.

I further announce that, if present and voting, the Senator from Indiana (Mr. BAYH), and the Senator from New Hampshire (Mr. MCINTYRE) would each vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Nebraska (Mr. CURTIS), the Senator from Idaho (Mr. MCCLURE), the Senator from Pennsylvania (Mr. SCHWEIKER) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that the Senator from New Hampshire (Mr. COTTON) is absent due to illness.

I further announce that, if present and voting, the Senator from Vermont (Mr. STAFFORD), and the Senator from Kentucky (Mr. COOK) would each vote "yea."

The result was announced—yeas 91, nays 0, as follows:

[No. 261 Leg.]

YEAS—91

Abourezk
Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

NAYS—0

NOT VOTING—9

Bayh
Cook
Cotton
Curtis
Fulbright
McClure
McIntyre
Schweiker
Stafford

So the bill (S. 2784) was passed, as follows:

S. 2784

Strike out all after the enacting clause and insert:

That the Act may be cited as the "Vietnam Era Veterans' Readjustment Assistance Act of 1974".

TITLE I—VOCATIONAL REHABILITATION AND EDUCATIONAL ASSISTANCE RATE ADJUSTMENTS

SEC. 101. Chapter 31 of title 38, United States Code, is amended as follows:

(1) by inserting in section 1501(2) a comma and "all appropriate individualized tutorial assistance," after "counseling";

(2) by striking out in section 1502(a) all after "if such disability" and inserting in lieu thereof "arose out of service during World War II, the Korean conflict, or after January 31, 1955."; and

(3) by amending the table contained in section 1504(b) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$201	$249	$293	$21
Three-quarter-time	151	188	221	17
Half-time	100	125	147	11
Farm cooperative, apprentice, or other on-job training:				
Full-time	175	212	245	17".

SEC. 102. Chapter 34 of title 38, United States Code, is amended as follows:

(1) by inserting in section 1651 "(consisting of payment of a monthly educational assistance allowance and a partial tuition assistance allowance)" after "program";

(2) by striking out in the last sentence of section 1677(b) "$220" and inserting in lieu thereof "$260";

(3) by inserting in section 1681 (a) (b) "and partial tuition assistance allowance" after "allowance" in each place it appears;

(4) by inserting in section 1682(a)(1) "and partial tuition assistance allowance as" after "allowance"; and by amending the table contained therein to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	[1] $260	[1] $309	$352	$21
Three-quarter-time	[2] 195	[2] 232	[2] 265	17
Half-time	[2] 130	[2] 155	[2] 176	11
Cooperative	[1] 209	[1] 246	[1] 279	17

"[1] If the veteran is pursuing a program of institutional training on a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance consisting of 80 per centum of the amount of tuition (or established fee in lieu of tuition) up to $1,000 for an ordinary school year paid or to be paid by the veteran after excluding the first $100 of such tuition, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.

"[2] If the veteran is pursuing a program of institutional training on less than a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of the amount specified in footnote 1 to this table reduced on a half-time or three-quarter-time basis on a ratio which half-time or three-quarter-time bears to the full-time tuition payment and exclusion specified in such footnote, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.";

(5) by striking out in section 1682(b) "$220" and inserting in lieu thereof "$260";

(6) by inserting in section 1682(c) (1)(C) and (2) "and partial tuition assistance allowance" after "allowance" in each place it appears; and by amending the table contained in section 1682(c)(2) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Basis	No dependents	One dependent	Two dependents	More than two dependents The amount in column IV plus the following for each dependent in excess of two:
Full-time	[1] $209	[1] $246	$279	$17
Three-quarter-time	[2] 157	[2] 184	[2] 209	13
Half-time	[2] 105	[2] 123	[2] 139	8

"[1] If the veteran is pursuing a program of institutional training on a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of 80 per centum of the amount of tuition (or established fee in lieu of tuition) up to $1,000 for an ordinary school year paid or to be paid by the veteran after excluding the first $100 of such tuition, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.

"[2] If the veteran is pursuing a program of institutional training on less than a full-time basis on September 1, 1974, or thereafter, a partial tuition assistance allowance, consisting of the amount specified in footnote 1 to this table reduced on a half-time or three-quarter-time basis on a ratio which half-time or three-quarter-time bears to the full-time tuition payment and exclusion specified in such footnote, shall be paid to such veteran in accordance with the terms and conditions prescribed for such payments in section 1780A of this title.";

and

(7) by striking out in section 1696(b) "$220" and inserting in lieu thereof "$260".

SEC. 103. Chapter 35 of title 38, United States Code, is amended as follows:

(1) by inserting in section 1731(a) "and a partial tuition assistance allowance" after "allowance";

(2) by inserting in section 1731(b) "or partial tuition asistance allowance" after "allowance";

(3) by amending section 1732(a)(1) to read as follows:

"(a)(1) The educational assistance allowance and partial tuition assistance allowance on behalf of an eligible person who is pursuing a program of education consisting of institutional courses shall be computed at the rate prescribed in section 1682(a)(1) of this title for full-time, three-quarter-time, or half-time pursuit, as appropriate, of an institutional program by an eligible veteran with no dependents.";

(4) by striking out in section 1732(a)(2) all after and including "of (A)" and inserting in lieu thereof "prescribed in section 1682(b)(2) of this title for less-than-half-time pursuit of an institutional program by an eligible veteran.";

(5) by striking out in section 1732(b) "$177" and inserting in lieu thereof "$209";

(6) by inserting in section 1733(a) a comma and "and, as appropriate, a partial tuition assistance allowance" after "allowance"; and

(7) by amending section 1742(a) to read as follows:

"(a) While the eligible person is enrolled in and pursuing a full-time course of special restorative training, the parent or guardian shall be entitled to receive on his behalf a special training allowance computed at the basic rate of $260 per month. If the charges for tuition and fees applicable to any such course are more than $82 per calendar month, the basic monthly allowance may be increased by the amount that such charges exceed $82 a month, upon election by the parent or guardian of the eligible person to have such person's period of entitlement reduced by one day for each $8.69 that the special training allowance paid exceeds the basic monthly allowance.".

SEC. 104. (a) Chapter 36 of title 38, United States Code, is amended by adding after section 1780 the following new section:

"§ 1780A. Partial tuition assistance allowance

"(a) The Administrator shall pay the partial tuition assistance allowance to be paid, as specified in sections 1682(a)(1) and (c), 1691(a)(2), 1732, and 1733 of this title, in addition to the educational assistance allowance payable to an eligible veteran or eligible person under the provisions of such sections directly to such veteran or person pursuing a program of institutional training on a full-time, three-quarter-time, or half-time basis in such amounts (up to $720 per ordinary school year) as specified in such sections 1682(a)(1) and (c) and 1732.

"(b) In no event shall the payment made to any veteran or person under the authority of subsection (a) of this section be based upon charges that exceed the customary tuition (or established fee in lieu of tuition) charged other similarly circumstanced students in the same institution, and in no case may any such veteran or person be paid a partial tuition assistance allowance based upon the out-of-State tuition rate if such veteran or person was resident in such State immediately prior to such veteran's entry into the Armed Services.

"(c) No partial tuition assistance allowance shall be paid to any veteran or person pursuing a program of correspondence, flight, apprentice and other on-job, or PREP training.

"(d) Payment of the partial tuition assistance allowance authorized by subsection (a) of this section shall be made upon receipt by the Administrator of such evidence as he deems necessary to determine (1) that the veteran or person has enrolled in and is pursuing a program of education at the educational institution, and (2) the amount of tuition (or established fee in lieu of tuition) paid or to be paid by such veteran or person. Subject to the limitations set forth and referenced in subsection (a) of this section, each payment of partial tuition assistance allowance shall not exceed the amount payable for the term, quarter, or semester for which the veteran or person is enrolled, and shall be in a ratio which the length of such term, quarter, or semester bears to the length of the ordinary school year. In the case of courses not organized on a term, quarter, or semester basis, 36 weeks shall be considered to be an ordinary school year and payment of the partial tuition assistance allowance shall be made in such increments as the Administrator, by regulation, shall determine.

"(e)(1) Payments of partial tuition assistance allowances shall be drawn in favor of the veteran or person and mailed to the educational institution listed on the application form for temporary care and delivery to the veteran or person as soon as practicable after receipt thereof.

"(2) Upon delivery of any such payment, the institution shall submit a certification of delivery under the same terms as provided for in section 1780(d)(6) of this title.

"(f) In the event that a veteran or person fails to commence a program of education, or terminates enrollment before the end of the enrollment period for which a partial tuition assistance allowance has been paid to such individual, and has been paid a partial tuition assistance allowance, then an overpayment shall be declared and shall be recovered by the Administrator in the same manner as any other debt due the United States from the individual or educational institution in accordance with the following:

"(1) If the veteran or person has failed to commence a program of education within thirty days after the date prescribed for enrollment, the full amount of the partial tuition assistance allowance shall be considered an overpayment and shall be recovered from such individual or from the educational institution in the event that the individual has paid the full tuition to the educational institution.

"(2) If the veteran or person has failed to commence a program of education, but has paid part of the tuition to the educational institution, the full amount of the partial tuition assistance allowance retained by the individual and not paid to the educational institution shall be recovered from such individual, and that portion of the partial tuition assistance allowance paid to the educational institution shall be recovered from such institution.

"(3) If the veteran or person has commenced a program of education, but has terminated such program before the end of the enrollment period, that portion of the partial tuition assistance allowance retained by the individual shall be recovered from such individual in a ratio which the amount of the partial tuition assistance allowance paid to such individual bears to the uncompleted portion of the program, and the Administrator shall recover from the educational institution so much of the partial tuition assistance allowance paid to such institution by the veteran or person as is provided for in the refund policy which each such institution shall establish in accordance with guidelines prescribed by the Administrator.

"(g) The Administrator shall prescribe such rules and regulations as are necessary or appropriate to implement, and to prevent abuses of, the program for payment of partial tuition assistance allowances.

"(h) The Administrator shall promptly report to the Attorney General of the United States for appropriate action any violation by an individual of section 3502 of this title (relating to fraudulent acceptance of payments) and any violation by an educational institution, or by any officer, employee, or agent of an educational institution, of section 371 of title 18 (relating to conspiracy to commit an offense or to defraud the United States), section 1001 of title 18 (relating to false statements or entries), or of any other Federal criminal statutory provision.".

(b) The table of sections at the beginning of such chapter is amended by inserting

"1780A. Partial tuition assistance allowance."

after

"1780. Payment of educational assistance or subsistence allowances.".

TITLE II—EDUCATIONAL ASSISTANCE PROGRAM ADJUSTMENTS

SEC. 201. Section 1652(a)(3) of title 38, United States Code, is amended by inserting "except as provided therein," after "1661(a),".

SEC. 202. Section 1661 of title 38, United States Code, is amended by—

(1) striking out in subsection (a) "36 months" and inserting in lieu thereof "45 months";

(2) adding at the end of subsection (a) the following: "For purposes of this subsection, in determining the period to which any eligible veteran is entitled to educational assistance under this chapter, the initial period of active duty for training performed by him under section 511(d) of title 10 shall be deemed to be active duty if at any time subsequent to the completion of such period of active duty for training such veteran served on active duty for a consecutive period of one year or more."; and

(3) striking out in subsection (c) "thirty-six" and inserting in lieu thereof "45".

SEC. 203. Section 1662 of title 38, United States Code, is amended as follows:

(1) by striking out "eight" in subsection (a) and inserting in lieu thereof "10";

(2) by striking out "8-year" in subsection (b) and inserting in lieu thereof "10-year";

(3) by striking out "8-year" and "eight-year" in subsection (c) and inserting in lieu thereof "10-year" in each place, respectively; and

(4) by adding at the end thereof the following new subsection:

"(d) In the case of any veteran (1) who served on or after January 31, 1955, (2) who became eligible for educational assistance under the provisions of this chapter or chapter 36 of this title, and (3) who, subsequent to his last discharge or release from active duty, was captured and held as a prisoner of war by a foreign government or power, there shall be excluded, in computing such veteran's 10-year period of eligibility for educational assistance, any period during which such veteran was so detained and any period immediately following his release from such detention during which such veteran was hospitalized at a military, civilian, or Veterans' Administration medical facility.".

SEC. 204. Section 1673 of title 38, United States Code, is amended as follows:

(1) by inserting in subsection (a)(2) "or in any other course with a vocational objective," after "field," where it first appears; and striking out "the sales or sales management field" and inserting in lieu thereof "the specific occupational category for which the course was designed to provide training";

(2) by inserting in subsection (a)(3) "(or the advertising for which he finds contains significant avocational or recreational themes)" after "character"; and

(3) by amending subsection (d) to read as follows:

"(d) The Administrator shall not approve the enrollment of any eligible veteran, not already enrolled, in any course (other than one offered pursuant to subchapter V or subchapter VI of this chapter) which does not lead to a standard college degree and which is offered by a proprietary profit or proprietary nonprofit educational institution for any period during which the Administrator finds that more than 55 per centum of the students enrolled in the course are having all or part of their tuition, fees, or other charges paid to or for them by the educational institution or the Veterans' Administration under this title.".

SEC. 205. Section 1682 of title 38, United States Code, is amended by adding at the end thereof the following new subsection:

"(d)(1) Notwithstanding the prohibition in section 1671 of this title prohibiting enrollment of an eligible veteran in a program of education in which such veteran has 'already qualified,' a veteran shall be allowed up to six months of educational assistance (or the equivalent thereof in part-time assistance) for the pursuit of refresher training to permit such veteran to update such veteran's knowledge and skills and to be instructed in the technological advances which have occurred in such veteran's field of employment during and since the period of such veteran's active military service.

"(2) A veteran pursuing refresher training under this subsection shall be paid an educational assistance allowance and a partial tuition assistance allowance based upon the rate payable as set forth in the table in subsection (a)(1) or in subsection (c)(2) of this section, whichever is applicable.

"(3) The educational assistance allowance and partial tuition assistance allowance paid under the authority of this subsection shall be charged against the period of entitlement the veteran has earned pursuant to section 1661(a) of this title.".

SEC. 206. Section 1685 of title 38, United States Code, is amended as follows:

(a) Subsection (a) is amended by striking out all of that portion of the second sentence preceding "during a semester" and inserting in lieu thereof "Such work-study allowance shall be paid in the amount of $625 in return for such veteran-student's agreement to perform services, during or between periods of enrollment, aggregating two hundred and fifty hours".

(b) Subsection (a) is further amended by striking out the last sentence and inserting in lieu thereof the following: "An agreement may be entered into for the performance of services for periods of less than two hundred and fifty hours, in which case the amount of the work-study allowance to be paid shall bear the same ratio to the number of hours of work agreed to be performed as $625 bears to two hundred and fifty hours. In the case of any agreement providing for the performance of services for one hundred hours or more, the veteran student shall be paid $250 in advance, and in the case of any agreement for the performance of services for less than one hundred hours, the amount of the advance payment shall bear the same ratio to the number of hours of work agreed to be performed as $625 bears to two hundred and fifty hours.".

(c) Subsection (c) is amended by striking out "(not to exceed eight hundred man-years or their equivalent in man-hours during any fiscal year)".

SEC. 207. Section 1692(b) of title 38, United States Code, is amended as follows:

(1) by striking out "$50" and inserting in lieu thereof "$60";

(2) by striking out "nine months" and inserting in lieu thereof "twelve months"; and

(3) by striking out "$450" and inserting in lieu thereof "$720".

SEC. 208. (a) Section 1712 of title 38, United States Code, is amended as follows:

(1) by striking out "eight" in subsection (b) and inserting in lieu thereof "10"; and

(2) by striking out "eight" in subsection (f) and inserting in lieu thereof "10".

(b) Section 604 (a) and (b) of Public Law 92-540 (82 Stat. 1333, October 24, 1972) is amended by deleting "eight" and inserting in lieu thereof "10".

SEC. 209. Section 1723 of title 38, United States Code, is amended as follows:

(1) by inserting in subsection (a)(2) "or in any other course with a vocational objective," after "field," where it first appears; and striking out "the sales or sales management field" and inserting in lieu thereof "the specific occupational category for which the course was designed to provide training";

(2) by inserting in subsection (a)(3) "(or the advertising for which he finds contains significant avocational or recreational themes)" after "character";

(3) by striking out in subsection (c) "any course of institutional on-farm training,"; and

(4) by striking out in subsection (d) "to be pursued below the college level" and inserting in lieu thereof "not leading to a standard college degree".

SEC. 210. Section 1732 of title 38, United States Code, is amended by redesignating subsection (c) as subsection (d) and by inserting after subsection (b) the following new subsection:

"(c)(1) An eligible person who is enrolled in an educational institution for a 'farm cooperative' program consisting of institutional agricultural courses prescheduled to fall within forty-four weeks of any period of twelve consecutive months and who pursues such program on—

"(A) a full-time basis (a minimum of ten clock hours per week or four hundred and forty clock hours in such year prescheduled to provide not less than eighty clock hours in any three-month period),

"(B) a three-quarter-time basis (a minimum of seven clock hours per week), or

"(C) a halftime basis (a minimum of five clock hours per week),

shall be eligible to receive an educational assistance allowance and a partial tuition assistance allowance at the appropriate rate provided in paragraph (2) of this subsection, if such eligible person is concurrently engaged in agricultural employment which is relevant to such institutional agricultural courses as determined under standards prescribed by the Administrator. In computing the foregoing clock hour requirements there shall be included the time involved in field trips and individual and group instruction sponsored and conducted by the educational institution through a duly authorized instructor of such institution in which the person is enrolled.

"(2) The monthly educational assistance allowance and partial tuition assistance allowance to be paid on behalf of an eligible person pursuing a farm cooperative program under this chapter shall be computed at the rate prescribed in section 1682(c)(2) of this title for full-time, three-quarter-time, or half-time pursuit, as appropriate, of a farm cooperative program by an eligible veteran with no dependents.".

SEC. 211. Section 1780 (a)(2) is amended by inserting "(or customary vacation periods connected therewith)" after "holidays".

SEC. 212. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by amending section 1774(b) to read as follows:

"(b) The allowance for administrative expenses incurred pursuant to subsection (a) of this section shall be paid in accordance with the following formula:

"Total salary cost reimbursable under this section	Allowable for administrative expense
$5,000 or less	$550.
Over $5,000 but not exceeding $10,000	$1,000.
Over $10,000 but not exceeding $35,000	$1,000 for the first $10,000 plus $925 for each additional $5,000 or fraction thereof.
Over $35,000 but not exceeding $40,000	$6,050.
Over $40,000 but not exceeding $75,000	$6,050 for the first $40,000 plus $800 for each additional $5,000 or fraction thereof.
Over $75,000 but not exceeding $80,000	$12,000.
Over $80,000	$12,000 for the first $80,000 plus $700 for each additional $5,000 or fraction thereof."; and

(2) by amending section 1784(b) to read as follows:

"(b) The Administrator may pay to any educational institution, or to any joint apprenticeship training committee acting as a training establishment, furnishing education or training under either chapter 34, 35, or 36 of this title, a reporting fee which will be in lieu of any other compensation or reimbursement for reports or certifications which such educational institution or joint apprenticeship training committee is required to report to him by law or regulation. Such reporting fee shall be computed for each calendar year by multiplying $3 by the number of eligible veterans or eligible persons enrolled under chapter 34, 35, or 36 of this title, or $4 in the case of those eligible veterans and eligible persons whose educational assistance checks are directed in care of each institution for temporary custody and delivery and are delivered at the time of registration as provided under section 1780(d)(5) of this title, on October 31 of that year; except that the Administrator may, where it is established by such educational institution or joint apprenticeship training committee that eligible veteran plus eligible person enrollment on such date varies more than 15 per centum from the peak eligible veteran enrollment plus eligible person enrollment in such educational institution or joint apprenticeship training committee during such calendar year, establish such other date as representative of the peak enrollment as may be justified for such educational institution or joint apprenticeship training committee. The reporting fee shall be paid to such educational institution or joint apprenticeship training committee as soon as feasible after the end of the calendar year for which it is applicable.".

SEC. 213. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by striking out in section 1786(a)(2) "$220" and inserting in lieu thereof "$260";

(2) by amending the table contained in paragraph (1) of section 1787(b) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Periods of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months	$189	$212	$232	$9
Second 6 months	142	164	184	9
Third 6 months	95	117	137	9
Fourth and any succeeding 6-month periods	47	70	90	9";

and

(3) by amending section 1787(b)(2) to reads as follows:

"(2) The monthly training assistance allowance of an eligible person pursuing a program described under subsection (a) shall be computed at the rate prescribed in paragraph (2) of this subsection for an eligible veteran with no dependents pursuing such a course.".

SEC. 214. Section 1788(a) of title 38, United States Code, is amended as follows:

(1) by striking out in clause (1) "below the college level" and inserting in lieu thereof a comma and the following: "not leading to a standard college degree,";

(2) by striking out in clause (2) "below the college level" and inserting in lieu thereof a comma and the following: "not leading to a standard college degree,";

(3) by striking out in clause (6) "below the college level" and inserting in lieu thereof "not leading to a standard college degree"; and

(4) by adding at the end of such subsection the following:

"Notwithstanding the provisions of clause (1) or (2) of this subsection, an educational institution offering courses not leading to a standard college degree may measure such courses on a quarter- or semester-hour basis (with full time measured on the same basis as provided by clause (4) of this subsection); but (A) the academic portions of such courses must require outside preparation and be measured on not less than one quarter or one semester hour for each fifty minutes net of instruction per week or quarter or semester; (B) the laboratory portions of such courses must be measured on not less than one quarter or one semester for each two hours of attendance per week per quarter or semester; and (C) the shop portions of such courses must be measured on not less than one quarter or one semester hour for each three hours of attendance per week per quarter or semester. In no event shall such course be considered a full-time course when less than eighteen hours per week of attendance is required.".

SEC. 215. Chapter 36 of title 38, United States Code, is amended as follows:

(1) by striking out all of section 1795;

(2) by inserting in lieu thereof the following new section:

"§ 1795. Limitation on certain advertising, sales, and enrollment practices

"(a) The Administrator shall not approve the enrollment of an eligible veteran or eligible person in any course offered by an institution which utilizes advertising, sales, or enrollment practices of any type which are erroneous, deceptive, or misleading either by actual statement, omission, or intimation.

"(b) The Administrator shall, pursuant to section 1794 of this title, enter into an agreement with the Federal Trade Commission to utilize, where appropriate, its services and facilities, consistent with its available resources, in carrying out investigations and making his determinations under subsection (a) of this section. Such agreement shall provide that cases arising under subsection (a) of this section or any similar matters with respect to any of the requirements of this chapter or chapters 34 and 35 of this title shall be referred to the Federal Trade Commission which in its discretion will conduct an investigation and make preliminary findings. The findings and results of any such investigations shall be referred to the Administrator who shall take appropriate action in such cases within ninety days after such referral.

"(c) Whenever the Federal Trade Commission in an adjudicative proceeding has entered a final order, excluding consent orders entered into pursuant to part 3.11 of the Federal Trade Commission Rules of Practice, to cease and desist against any institution the courses of which are approved under this chapter or chapters 34 and 35, such order shall be treated by the Administrator as conclusive evidence on the basis of which he shall, pursuant to subsection (a) disapprove the enrollment of any eligible veteran or eligible person in any course offered by such institution.

"(d) Not later than sixty days after the end of each fiscal year, the Administrator shall report to Congress on the nature and disposition of all cases arising under this section."; and

(3) striking out in the table of sections at the beginning of chapter 36 of such title

"1795. Limitation on period of assistance under two or more programs."

and inserting in lieu thereof

"1795. Limitation on certain advertising, sales, and enrollment practices.".

SEC. 216. (a) Subchapter II of chapter 3 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 219. Evaluation and data collection

"(a) The Administrator shall measure and evaluate the impact of all programs authorized under this title, in order to determine their effectiveness in achieving stated goals in general, and in relation to their cost, their impact on related programs, and their structure and mechanisms for delivery of services. Evaluations shall be conducted by persons not immediately involved in the administration of the program evaluated.

"(b) Not later than ninety days after the date of enactment of this section, the Administrator shall develop and publish general standards for evaluation of program effectiveness in achieving the objectives of this title. The annual report submitted pursuant to section 214 shall describe the actions taken as a result of these evaluations.

"(c) In carrying out evaluations under this title, the Administrator shall, whenever possible, arrange to obtain the specific views of persons participating in and served by programs carried out under this title about such programs.

"(d) The Administrator shall publish the results of evaluative research and summaries of evaluations of program impact and effectiveness not later than ninety days after the completion thereof. The Administrator shall promptly submit to the appropriate committees of the Congress copies of all such completed research studies and evaluation summaries.

"(e) The Administrator shall take the necessary action to assure that all studies, evaluations, proposals, and data produced or developed with assistance under this title shall become the property of the United States.

"(f) Such information as the Administrator may deem necessary for purposes of the evaluations conducted under this title shall be made available to him, upon request, by all departments, agencies, and instrumentalities of the executive branch.

"(g) In order to carry out this section, the Administrator shall collect, collate, and analyze on a continuing basis, full statistical data regarding participation (including the duration thereof), provision of services, categories of beneficiaries, planning and construction of facilities, acquisition of space, proposed excessing of land, accretion and attrition of personnel, and categorized expenditures attributable thereto, under all programs carried out under this title. The Administrator shall make available to the public and provide to the appropriate committees of the Congress on a regular basis (but not less than bi-monthly) tabulations and analyses of all such data.".

(b) The table of sections at the beginning of chapter 3 of such title is amended by adding immediately below

"218. Standards of conduct and arrests for crimes at hospitals, domiciliaries, cemeteries, and other Veterans' Administration reservations."

the following:

"219. Evaluation and data collection.".

SEC. 217. Subchapter IV of chapter 3 of title 38, United States Code, is amended as follows:

(a) Section 241 of such title is amended by—

(1) inserting "in carrying out the purposes of this subchapter (including the provision, to the maximum feasible extent, of such services, in areas where a significant number of eligible veterans and eligible dependents speak a language other than English as their principal language, in the principal language of such persons)" after "outreach services"; and

(2) inserting in paragraph (2) "to eligible veterans and eligible dependents" after "information" the first time it appears.

(b) Section 242(b) of such title is amended by striking out "may implement such special telephone service" and inserting in lieu thereof "shall establish and carry out all possible programs and services, including special telephone and mobile facilities.".

(c) Redesignate sections 243 and 244 as 244 and 245, respectively, and add the following new section after section 242:

"§ 243. Veterans' representatives

"(a)(1) Except as otherwise provided in paragraph (4) of this subsection, the Administrator shall assign, with appropriate clerical/secretarial support, to each educational institution (as defined in section 1652(c) except for correspondence schools) where at least five hundred persons are enrolled under chapter 31, 34, 35, or 36 of this title such number of full-time veterans' representatives as will provide at least one such veterans' representative per each five hundred such persons so enrolled at each such institution; and the Administrator shall also assign to other such veterans' representatives responsibility for carrying out the functions set forth in paragraph (3) of this subsection with respect to groups of institutions with less than five hundred such persons so enrolled, on the basis of such proportion of such veterans' representatives' time to such persons so enrolled as he deems appropriate to be adequate to perform such functions at such institutions.

"(2) In selecting and appointing veterans' representatives under this subsection, preference shall be given to veterans of the Vietnam era with experience in veterans affairs' counseling, outreach, and other related veterans' services.

"(3) The functions of such veterans' representatives shall be to—

"(A) answer all inquiries related to Veterans' Administration educational assistance and other benefits, and take all necessary action to resolve such inquiries expeditiously, especially those relating to payments of educational assistance benefits;

"(B) assure correctness and proper handling of applications, completion of certifications of attendance, and submission of all necessary information (including changes in status or program affecting payments) in support of benefit claims submitted;

"(C) maintain active liaison and cooperation with the officials of the educational institution to which assigned, in order to alert veterans to changes in law and Veterans' Administration policies or procedures;

"(D) supervise and expeditiously resolve all difficulties relating to the delivery of advance educational assistance payments and of partial tuition assistance allowance payments authorized under this title;

"(E) coordinate Veterans' Administration matters with, and provide appropriate briefings to, all on-campus veterans' groups, working particularly closely with veterans' coordinators at educational institutions receiving veterans' cost-of-instruction payments under section 420 of the Higher Education Act of 1965, as amended (hereinafter referred to as 'V.C.I. institutions');

"(F) provide necessary guidance and support to veteran-student services personnel assigned to the campus under section 1685 of this title;

"(G) where such functions are not being adequately carried out by existing programs at such institutions, provide appropriate motivational and other counseling to veterans (informing them of all available benefits and services, as provided for under section 241 of this title), and carry out outreach activities under this subchapter; and

"(H) carry out such other activities as may be assigned by the director of the Veterans' Administration regional office, established under section 230 of this title.

"(4) Based on the extent to which the functions set forth in paragraph (3) of this subsection are being adequately carried out at a particular educational institution or in consideration of other factors indicating the inappropriateness of assignment of veterans' representatives to a particular educational institution, the director of the appropriate Veterans' Administration regional office shall, notwithstanding the formula set forth in paragraph (1) of this subsection, either reallocate such veterans' representatives to other educational institutions in such region where he determines that such additional veterans' representatives are necessary, or, with the approval of the chief benefits officer of the Veterans' Administration, assign such veterans' representatives to carry out such functions or related activities at the regional office in question, with special responsibility for one or more particular educational institutions.

"(5) The functions of a veterans' representative assigned under this subsection shall be carried out in such a way as to complement and not interfere with the statutory responsibilities and duties of persons carrying out veterans affairs' functions at V.C.I. institutions.

"(b) The Administrator shall establish rules and procedures to guide veterans' representatives in carrying out their functions under this section. Such rules and procedures shall contain provisions directed especially to assuring that the activities of veterans' representatives carried out under this section complement, and do not interfere with, the established responsibilities of representatives recognized by the Administrator under section 3402 of this title.".

(d) Section 244 (as redesignated by subsection (c) of this section) of such title is amended by—

(1) striking out "may" and inserting in lieu thereof "shall utilize his authority to enter into contracts or agreements under section 213 of this title where he determines that a community-based national or local organization or agency has special expertise in facilitating communication with and the provision of services to particular groups of veterans, especially those who do not have a high school education or the equivalent and those who are disadvantaged by virtue of linguistic or other socioeconomic factors, and shall"; and

(2) inserting "and provide for" after "conduct" in paragraph (5).

(e) The table of sections at the beginning of such chapter is amended by striking out

"243. Utilization of other agencies.
"244. Report to Congress."

and inserting in lieu thereof

"243. Veterans' representatives.
"244. Utilization of other agencies.
"245. Report to Congress.".

SEC. 218. (a) Chapter 3 of title 38, United States Code, is amended by adding at the end thereof the following new subchapter:

"SUBCHAPTER V—INTERAGENCY ADVISORY COUNCIL ON VETERANS' SERVICES

"§ 250. Establishment of Advisory Council

"There is established within the Veterans' Administration an Interagency Advisory Council on Veterans' Services (hereinafter referred to as the 'Council'), of which the Administrator shall serve as Chairman and which shall be composed of the heads of the following departments or agencies (or their designees whose positions are executive level IV or higher): Department of Defense; Department of Labor; Department of Health, Education, and Welfare; Department of Housing and Urban Development; Department of the Treasury; Department of Agriculture; United States Postal Service; Civil Service Commission; Small Business Administration; and such other departments and agencies as the President may designate.

"§ 25. Functions of Advisory Council

"(a) The functions of the Council shall be to seek to promote maximum feasible effectiveness, coordination, and interrelationship of services among all programs and activities affecting veterans and their dependents carried out by and under all Federal departments, agencies, and instrumentalities, especially in terms of the plan provided for under subsection (b) of this section.

"(b) The Council shall make recommendations to the President in order to develop in the President's annual budget submitted to the Congress a coordinated plan for the provision of services to veterans and their dependents under all programs and activities carried out by or under all Federal departments, agencies, and instrumentalities.

"(c) The Council shall report annually on its activities to the Congress and the President, and shall from time to time submit such reports and recommendations to the Congress and the President as it deems appropriate for improvements in, and more effective coordination of existing Federal laws, programs, and activities affecting veterans.

"(d) The Council shall meet at the call of the Chairman but not less often than four times annually, and shall provide for the employment of such full-time staff as required for it to carry out its functions under this section.

"§ 252. Cooperation of other Federal departments and agencies

"Each Federal department, agency, and instrumentality shall make available to the Council such personnel, support, and information regarding its activities as the Council shall request.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof

"Subchapter V—Interagency Advisory Council on Veterans' Services

"Sec.
"250. Establishment of Advisory Council.
"251. Functions of Advisory Council.
"252. Cooperation of other Federal departments and agencies.".

TITLE III—VETERANS' EDUCATION LOAN PROGRAM

Sec. 301. (a) Chapter 34 of title 38, United States Code, is amended by adding at the end thereof the following new subchapter:

"Subchapter VII—Loans to Eligible Veterans

"§ 1698. Eligibility for loans; amount and conditions of loans; interest rate on loans

"(a) Each eligible veteran shall be entitled to a loan under this subchapter in an amount determined under, and subject to the conditions specified in, subsection (b) (1) of this section if the veteran satisfies the requirements set forth in subsection (c) of this section.

"(b) (1) Subject to paragraph (3) of this subsection, the amount of the loan to which an eligible veteran shall be entitled under this subchapter for any academic year shall be equal to the amount needed by such veteran to pursue a program of education at the institution at which he is enrolled, as determined under paragraph (2) of this subsection.

"(2) (A) The amount needed by a veteran to pursue a program of education at an institution for any academic year shall be determined by subtracting (i) the total amount of financial resources (as defined in subparagraph (B) of this paragraph) available to the veteran which may be reasonably expected to be expended by him for educational purposes in any year from (ii) the actual cost of attendance (as defined in subparagraph (C) of this paragraph) at the institution in which he is enrolled.

"(B) The term 'total amount of financial resources' of any veteran for any year means the total of the following:

"(i) The annual adjusted effective income of the veteran less Federal income tax paid or payable by such veteran with respect to such income.

"(ii) The amount of cash assets of the veteran.

"(iii) The amount of financial assistance received by the veteran under the provisions of title IV of the Higher Education Act of 1965, as amended.

"(iv) Educational assistance received by the veteran under this chapter other than under this subchapter.

"(v) Financial assistance received by the veteran under any scholarship or grant program other than those specified in clauses (iii) and (iv).

"(C) The term 'actual cost of attendance' means, subject to such regulations as the Administrator may provide, the actual per-student charges for tuition, fees, room and board (or expenses related to reasonable commuting), books, and an allowance for such other expenses as the Administrator determines by regulation to be reasonably related to attendance at the institution at which the veteran is enrolled.

"(3) The aggregate of the amounts any veteran may borrow under this subchapter may not exceed $260 multiplied by the number of months such veteran is entitled to receive educational assistance under section 1661 of this title, but not in excess of $2,000 in any one regular academic year.

"(c) An eligible veteran shall be entitled to a loan under this subchapter if such veteran—

"(1) is in attendance at an approved educational institution on at least a half-time basis and (A) is enrolled in a course leading to a standard college degree, or (B) is enrolled in a course, the completion of which requires six months or longer, leading to an identifiable professional or vocational objective;

"(2) has sought and is unable to obtain a loan, in the full amount needed by such veteran, as determined under subsection (b) of this section, under a student loan program insured pursuant to the provisions of part B of title IV of the Higher Education Act of 1965, as amended, or any successor authority; and

"(3) enters into an agreement with the Administrator meeting the requirements of subsection (d) of this section.

No loan shall be made under this subchapter to an eligible veteran pursuing a program of correspondence, flight, apprentice, and other on-job, or PREP training.

"(d) Any agreement between the Administrator and a veteran under this subchapter—

"(1) shall include a note or other written obligation which provides for repayment to the Administrator of the principal amount of, and payment of interest on, the loan in installments over a period beginning nine months after the date on which the borrower ceases to be at least a half-time student and ending ten years and nine months after such date;

"(2) shall include provision for acceleration of repayment of all or any part of the loan, without penalty, at the option of the borrower;

"(3) shall provide that the loan shall bear interest, on the unpaid balance of the loan, at a rate prescribed by the Administrator, with the concurrence of the Secretary of the Treasury, but at a rate not less than the rate paid by such Secretary on Treasury notes and obligations held by the Fund at the time the loan agreement is made, except that no interest shall accrue prior to the beginning date of repayment; and

"(4) shall provide that the loan shall be made without security and without endorsement.

"(e) If a veteran who has received a loan under this section dies or becomes permanently and totally disabled, then the Administrator shall discharge the veteran's liability on such loan by repaying the amount owed on such loan.

§ 1699. Sources of funds; insurance

"(a) Loans made by the Administrator under this subchapter shall be made from funds available under subsection (b) of this section for such purpose, and repayment shall be guaranteed as provided in subsection (c) of this section.

"(b) (1) Any funds in the National Service Life Insurance Fund continued under section 720 (in this subchapter referred to as the 'Fund') shall be available to the Administrator for making loans under section 1698 of this title. The Administrator shall set aside out of such Fund such amounts, not in excess of limitations in appropriations Acts, as may be necessary to enable him to make all the loans to which veterans are entitled under section 1698 of this title.

"(2) Any funds set aside under paragraph (1) of this subsection shall be considered as investments of the Fund and while so set aside shall bear interest at a rate determined by the Secretary of the Treasury but at a rate not less than the rate paid by such Secretary on other Treasury notes and obligations held by the Fund at the time such funds are set aside.

"(c) The Administrator shall guarantee repayment to the Fund of any amounts set aside under subsection (b) of this section for loans under section 1698 of this title and of any interest accrued thereon. In order to discharge his responsibility under any such guarantee, he is authorized to issue to the Secretary of the Treasury notes or other obligations in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury but at a rate not less than the rate paid by such Secretary on other Treasury notes and obligations held by the Fund at the time the loan agreement is made. The Secretary of the Treasury is authorized and directed to purchase such notes and other obligations.

"(d) There are authorized to be appropriated to the Administrator such sums as may be necessary to enable him to repay to the Fund any amounts set aside under subsection (b) of this section together with any interest accrued thereon. Any funds paid to the Administrator pursuant to an agreement made under section 1698(d) of this title shall be deemed to have been appropriated pursuant to this subsection.

"(e) A fee shall be collected from each veteran obtaining a loan made under this section for the purpose of insuring against defaults on loans made under this subchapter, and no loan shall be made under this section until the fee payable with respect to such loan has been collected and remitted to the Administrator. The amount of the fee shall be established from time to time by the Administrator, but shall in no event exceed 1 per centum of the total loan amount. The amount of the fee may be included in the loan to the veteran and paid from the proceeds thereof. The Administrator shall deposit all fees collected hereunder in the Fund, and amounts so deposited shall be available to the administrator to discharge his obligations under subsection (c) of this section.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof.

"SUBCHAPTER VII—LOANS TO ELIGIBLE VETERANS

"1698. Eligibility for loans; amount and conditions of loans; interest rate on loans.
"1699. Source of funds; insurance.".

SEC. 302. (a) Subchapter IV of chapter 35 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 1737. Education loans

"Any eligible person shall be enttiled to the benefits provided an eligible veteran under subchapter VII of chapter 34 of this title (if the program of education is pursued in a State) and shall be entitled to an education loan in such amount and on such terms and conditions as therein specified.".

(b) The table of sections at the beginning of such chapter is amended by inserting

"1737. Education loans."

after

"1736. Specialized vocational training courses.".

TITLE IV—VETERANS, WIVES, AND WIDOWS EMPLOYMENT ASSISTANCE AND PREFERENCE AND VETERANS' REEMPLOYMENT RIGHTS

SEC. 401. Chapter 41 of title 38, United States Code, is amended as follows:

(a) Section 2001 is amended by redesignating paragraph (2) as paragraph (3) and adding after paragraph (1) a new paragraph (2) as follows:

"(2) The term 'eligible person' means—

"(A) the spouse of any person who died of a service-connected disability,

"(B) the spouse of any member of the Armed Forces serving on active duty who, at the time of application for assistance under this chapter, is listed, pursuant to section 556 of title 37, and regulations issued thereunder, by the Secretary concerned in one or more of the following categories and has been so listed for a total of more than ninety days: (i) missing in action, (ii) captured in line of duty by a hostile force, or (iii) forcibly detained or interned in line of duty by a foreign government or power, or

"(C) the spouse of any person who has a total disability permanent in nature resulting from a service-connected disability or the spouse of a veteran who died while a disability so evaluated was in existence.".

(b) Section 2002 is amended by (1) inserting "and eligible persons" after "eligible veterans" and (2) inserting "and persons" after "such veterans".

(c) Section 2003 is amended by—

(1) striking out in the first sentence "250,000 veterans" and inserting in lieu thereof "250,000 veterans and eligible persons";

(2) striking out in the fourth sentence "veterans" and inserting in lieu thereof "veterans and eligible persons";

(3) inserting in clauses (1), (2), (4), (5), and (6) of the fifth sentence "and eligible persons" after "eligible veterans" each time the latter term appears in such clauses;

(4) inserting in clause (3) of the fifth sentence "or an eligible person's" immediately after "eligible veteran's"; and

(5) inserting in clause (4) of the fifth sentence "and persons" immediately after "such veterans".

(d) Section 2005 is amended by inserting "and eligible persons" immediately after "eligible veterans".

(e) The last sentence of subsection (a) of section 2006 is amended by striking out "veterans" and inserting in lieu thereof "eligible veterans and eligible persons".

(f) Section 2007 is amended by—

(1) inserting in subsection (a)(1) "and each eligible person" immediately after "active duty,";

(2) redesignating subsection (b) as subsection (c) and inserting the following new subsection (b):

"(b) The Secretary of Labor shall establish definitive performance standards for determining compliance by the State public employment service agencies with the provisions of this chapter and chapter 42 of this title. A full report as to the extent and reasons for any noncompliance by any such State agency during any fiscal year, together with the agency's plan for corrective action during the succeeding year, shall be included in the annual report of the Secretary of Labor required by subsection (c) of this section."; and

(3) striking out in the second sentence of subsection (c) (as redesignated by clause (2) of this subsection) "and other eligible veterans" and inserting in lieu thereof "other eligible veterans, and eligible persons".

SEC. 402. Chapter 42 of title 38, United States Code, is amended by striking out in the third sentence of section 2012(a) "The" and inserting in lieu thereof "In addition to requiring that such special emphasis be given to the employment of such veterans under such contracts and subcontracts and in order to promote the implementation of such requirement, the".

SEC. 403. (a) Chapter 42 of title 38, United States Code, is amended by adding at the end thereof the following new section:

"§ 2014. Employment within the Federal Government

"(a) It is the policy of the United States and the purpose of this section to promote the maximum of employment and job advancement opportunities within the Federal Government for qualified disabled veterans and veterans of the Vietnam era.

"(b) To further this policy, veterans of the Vietnam era shall be eligible, in accordance with regulations which the Civil Service Commission shall prescribe, for veterans readjustment appointments up to and including the level GS–5, as specified in subchapter II of chapter 51 of title 5, and subsequent career-conditional appointments, under the terms and conditions specified in Executive Order Numbered 11521 (March 26, 1970), except that in applying the one-year period of eligibility specified in section 2(a) of such order to a veteran or disabled veteran who enrolls, within one year following separation from the Armed Forces or following release from hospitalization or treatment immediately following separation from the Armed Forces, in a program of education (as defined in section 1652 of this title) on more than a half-time basis (as defined in section 1788 of this title), the time spent in such program of education (including customary periods of vacation and permissible absences) shall not be counted. The eligibility of such a veteran for a readjustment appointment shall continue for not less than six months after such veteran first ceases to be enrolled therein on more than a half-time basis. No veterans readjustment appointment may be made under authority of this subsection after June 30, 1978.

"(c) Each department, agency, and instrumentality in the executive branch shall include in its affirmative action plan for the hiring, placement, and advancement of handicapped individuals in such department, agency, or instrumentality as required by section 501(b) of Public Law 93–112 (87 Stat. 391, September 26, 1973), a separate specification of plans (in accordance with regulations which the Civil Service Commission shall prescribe in consultation with the Administrator, the Secretary of Labor, and the Secretary of Health, Education, and Welfare, consistent with the purposes, provisions, and priorities of such Act) to promote and carry out such affirmative action with respect to disabled veterans in order to achieve the purpose of this section.

"(d) The Civil Service Commission shall be responsible for the review and evaluation of the implementation of this section and the activities of each such department, agency, and instrumentality to carry out the purpose and provisions of this section. The Commission shall periodically obtain and publish (on at least a semiannual basis) reports on such implementation and activities from each such department, agency, and instrumentality, including specification of the use and extent of appointments made under subsection (b) of this section and the results of the plans required under subsection (c) thereof.

"(e) The Civil Service Commission shall submit to the Congress annually a report on activities carried out under this section except that, with respect to subsection (c) thereof, the Commission may include a report of such activities separately in the report required to be submitted by section 501 (d) of such Public Law 93–112, regarding the employment of handicapped individuals by each department, agency, and instrumentality.

"(f) Notwithstanding section 2011 of this title, the terms 'veteran' and 'disabled veteran' as used in this section shall have the meaning provided for under generally applicable civil service law and regulations.".

(b) The table of sections at the beginning of such chapter is amended by adding at the end thereof

"2014. Employment within the Federal Government.".

SEC. 404. (a) Part III of title 38, United States Code, is amended by adding at the end thereof a new chapter as follows:

"Chapter 43—VETERANS' REEMPLOYMENT RIGHTS

"Sec.
"2021. Right to reemployment of inducted persons; benefits protected.
"2022. Enforcement procedures.
"2023. Reemployment by the United States, territory, possession, or the District of Columbia.
"2024. Rights of persons who enlist or are called to active duty; Reserves.
"2025. Assistance in obtaining reemployment.
"2026. Prior rights for reemployment.

"§ 2021. Rights to reemployment of inducted persons; benefits protected

"(a) In the case of any person who is inducted into the Armed Forces of the United States under the Military Selecive Service Act (or under any prior or subsequent corresponding law) for training and service and who leaves a position (other than a temporary position) in the employ of any employer in order to perform such training and service, and (1) receives a certificate described in section 9(a) of the Military Selective Service Act (relating to the satisfactory completion of military service), and (2) makes application for reemployment within ninety days after such person is relieved from such training and service or from hospitalization continuing after discharge for a period of not more than one year—

"(A) if such position was in the employ of the United States Government, its territories, or possessions, or political subdivisions thereof, or the District of Columbia, such person shall—

"(i) if still qualified to perform the duties of such position, be restored to such position or to a position of like seniority, status, and pay; or

"(ii) if not qualified to perform the duties of such position, by reason of disability sustained during such service, but qualified to perform the duties of any other position in the employ of the employer, be restored to such other position the duties of which such person is qualified to perform as will provide such person like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in his case;

"(B) if such position was in the employ of a State, or political subdivision thereof, or a private employer, such person shall—

"(i) if still qualified to perform the duties of such position, be restored by such employer or his successor in interest to such position or to a position of like seniority, status, and pay; or

"(ii) if not qualified to perform the duties of such position, by reason of disability sustained during such service, but qualified to perform the duties of any other position in the employ of such employer or his successor in interest, be restored by such employer or his successor in interest to such other position the duties of which such person is qualified to perform as will provide such person like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such person's case,

unless the employer's circumstances have so changed as to make it impossible or unreasonable to do so. Nothing in this chapter shall excuse noncompliance with any statute or ordinance of a State or political subdivision thereof establishing greater or additional rights or protections than the rights and protections established pursuant to this chapter.

"(b)(1) Any person who is restored to a position in accordance with the provisions of clause (A) or (B) of subsection (a) of this section shall be considered as having been on furlough or leave of absence during such person's period of training and service in the Armed Forces, shall be so restored without loss of seniority, shall be entitled to participate in insurance or other benefits offered by the employer pursuant to established rules and practices relating to employees on furlough or leave of absence in effect with the employer at the time such person was inducted into such forces, and shall not be discharged from such position without cause within one year after such restoration.

"(2) It is hereby declared to be the sense of the Congress that any person who is restored to a position in accordance with the provisions of clause (A) or (B) of subsection (a) of this section should be so restored in such manner as to give such person such status in his employment as he would have enjoyed if such person had continued in such employment continuously from the time of such person's entering the Armed Forces until the time of such person's restoration to such employment.

"(3) Any person who holds a position described in clause (A) or (B) of subsection (a) of this section shall not be denied retention in employment or any promotion or other incident or advantage of employment because of any obligation as a member of a Reserve component of the Armed Forces.

"(c) The rights granted by subsections (a) and (b) of this section to persons who left the employ of a State or political subdivision thereof and were inducted into the Armed Forces shall not diminish any rights such persons may have pursuant to any statute or ordinance of such State or political subdivision establishing greater or additional rights or protections.

"§ 2022. Enforcement procedures

"If any employer, who is a private employer or a State or political subdivision thereof, fails or refuses to comply with the provisions of section 2021 (a), (b)(1), (b)(3), or section 2024, the district court of the United States for any district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions, shall have the power, upon the filing of a motion, petition, or other appropriate pleading by the person entitled to the benefits of such provisions, specifically to require such employer to comply with such provisions and to compensate such person for any loss of wages or benefits suffered by reason of such employer's unlawful action. Any such compensation shall be in addition to and shall not be deemed to diminish any of the benefits of such provisions. The court shall order speedy hearing in any such case and shall advance it on the calendar. Upon application to the United States attorney or comparable official for any district in which such private employer maintains a place of business, or in which such State or political subdivision thereof exercises authority or carries out its functions, by any person claiming to be entitled to the benefits of such provisions, such United States attorney or official, if reasonably satified that the person so applying is entitled to such benefits, shall appear and act as attorney for such person in the amicable adjustment of the claim or in the filing of any motion, petition, or other appropriate pleading and the prosecution thereof specifically to require such employer to comply with such provisions. No fees or court costs shall be taxed against any person who may apply for such benefits. In any such action only the employer shall be deemed a necessary party respondent. No State statute of limitations shall apply to any proceedings under this chapter.

"§ 2023. Reemployment by the United States, territory, possession, or the District of Columbia

"(a) Any person who is entitled to be restored to a position in accordance with the provisions of clause (A) of section 2021(a) and who was employed, immediately before entering the Armed Forces, by any agency in the executive branch of the Government or by any territory or possession, or political subdivision thereof, or by the District of Columbia, shall be so restored by such agency or the successor to its functions, or by such territory, possession, political subdivision, or the District of Columbia. In any case in which, upon appeal of any person who was employed immediately before entering the Armed Forces by any agency in the executive branch of the Government or by the District of Columbia, the United States Civil Service Commission finds that—

"(1) such agency is no longer in existence and its functions have not been transferred to any other agency; or

"(2) for any reason it is not feasible for such person to be restored to employment by such agency or by the District of Columbia,

the Commission shall determine whether or not there is a position in any other agency in the executive branch of the Government or in the government of the District of Columbia for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be restored to such position by the agency in which such position exists or by the government of the District of Columbia, as the case may be. The Commission is authorized and directed to issue regulations giving full force and effect to the provisions of this section insofar as they relate to persons entitled to be restored to positions in the executive branch of the Government or in the government of the District of Columbia, including persons entitled to be restored under the last sentence of subsection (b) of this section. The agencies in the executive branch of the Government and the government of the District of Columbia shall comply with such rules and regulations and orders issued by the Commission pursuant to this subsection. The Commission is authorized and directed whenever it finds, upon appeal of the person concerned, that any agency in the executive branch of the Government or the government of the District of Columbia has failed or refuses to comply with the provisions of this section, to issue an order specifically requiring such agency or the government of the District of Columbia to comply with such provisions and to compensate such person for any loss of salary or wages suffered by reason of failure to comply with such provisions, less any amounts received by such person through other employment, unemployment compensation, or readjustment allowances. Any such compensation ordered to be paid by the Commission shall be in addition to and shall not be deemed to diminish any of the benefits of such provisions, and shall be paid by the head of the agency concerned or by the government of the District of Columbia out of appropriations currently available for salary and expenses of such agency or government, and such appropriations shall be available for such purpose. As used in this chapter, the term 'agency in the executive branch of the Government' means any department, independent establishment, agency, or corporation in the executive branch of the United States Government (including the United States Postal Service and the Postal Rate Commission).

"(b) Any person who is entitled to be restored to a position in accordance with the provisions of clause (A) of section 2021(a), and who was employed, immediately before entering the Armed Forces, in the legislative branch of the Government, shall be so restored by the officer who appointed such person to the position which such person held immediately before entering the Armed Forces. In any case in which it is not possible for any such person to be restored to a position in the legislative branch of the Government and such person is otherwise eligible to acquire a status for transfer to a position in the competitive service in accordance with section 3304(c) of title 5, the United States Civil Service Commission shall, upon appeal of such person, determine whether or not there is a position in the executive branch of the Government for which such person is qualified and which is either vacant or held by a person having a temporary appointment thereto. In any case in which the Commission determines that there is such a position, such person shall be restored to such position by the agency in which such position exists.

"(c) Any person who is entitled to be restored to a position in accordance with the provisions of clause (A) of section 2021(a) and who was employed, immediately before entering the Armed Forces, in the judicial branch of the Government, shall be so restored by the officer who appointed such person to the position which such person held immediately before entering the Armed Forces.

"§ 2024. Rights of persons who enlist or are called to active duty; Reserves

"(a) Any person who, after entering the employment to which such person claims restoration, enlists in the Armed Forces of the United States (other than in a Reserve component) shall be entitled upon release from service under honorable conditions to all of the reemployment rights and other benefits provided for by this section in the case of persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), if the total of such person's service performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any service, additional or otherwise, performed by such person after August 1, 1961, does not exceed five years, and if the service in excess of four years after August 1, 1961, is at the request and for the convenience of the Federal Government (plus in each case any period of additional service imposed pursuant to law).

"(b)(1) Any person who, after entering the employment to which such person claims restoration, enters upon active duty (other than for the purpose of determining physical fitness and other than for training), whether or not voluntarily, in the Armed Forces of the United States or the Public Health Service in response to an order or call to active duty shall, upon such person's relief from active duty under honorable conditions, be entitled to all of the reemployment rights and benefits provided for by this chapter in the case of persons inducted under the provisions of the Military Selective Service Act (or prior to subsequent legislation providing for the involuntary induction of persons into the Armed Forces), if the total of such active duty performed between June 24, 1948, and August 1, 1961, did not exceed four years, and the total of any such active duty, additional or otherwise, performed after August 1, 1961, does not exceed four years (plus in each case any additional period in which such person was unable to obtain orders relieving such person from active duty).

"(2) Any member of a Reserve component of the Armed Forces of the United States who voluntarily or involuntarily enters upon active duty (other than for the purpose of determining physical fitness and other than for training) or whose active duty is voluntarily or involuntarily extended during a period when the President is authorized to order units of the Ready Reserve or members of a Reserve component to active duty shall have the service limitation governing eligibility for reemployment rights under subsection (b)(1) of this section extended by such member's period of such active duty, but not to exceed that period of active duty to which the President is authorized to order units of the Ready Reserve or members of a Reserve component. With respect to a member who voluntarily enters upon active duty or whose active duty is voluntarily extended, the provisions of this subsection shall apply only when such additional active duty is at the request and for the convenience of the Federal Government.

"(c) Any member of a Reserve component of the Armed Forces of the United States who is ordered to an initial period of active duty for training of not less than three consecutive months shall, upon application for reemployment within thirty-one days after (1) such member's release from such active duty for training after satisfactory service, or (2) such member's discharge from hospitalization incident to such active duty for training, or one year after such member's scheduled release from such training, whichever is earlier, be entitled to all reemployment rights and benefits provided by this section for persons inducted under the provisions of the Military Selective Service Act (or prior or subsequent legislation providing for the involuntary induction of persons into the Armed Forces), except that (A) any person restored to a position in accordance with the provisions of this subsection shall not be discharged from such position without cause within six months after that restoration, and (B) no reemployment rights granted by this subsection shall entitle any person to retention, preference, or displacement rights over any veteran with a superior claim under those provisions of title 5 relating to veterans and other preference eligibles.

"(d) Any employee not covered by subsection (c) of this section who holds a position described in clause (A) or (B) of section 2021(a) shall upon request be granted a leave of absence by such person's employer for the period required to perform active duty for training or inactive duty training in the Armed Forces of the United States. Upon such employee's release from a period of such active duty for training or inactive duty training, or upon such employee's discharge from hospitalization incident to that training, such employee shall be permitted to return to such employee's position with such seniority, status, pay, and vacation as such employee would have had if such employee had not been absent for such purposes. Such employee shall report for work at the beginning of the next regularly scheduled working period after expiration of the last calendar day necessary to travel from the place of training to the place of employment following such employee's release, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control. Failure to report for work at such next regularly scheduled working period shall make the employee subject to the conduct rules of the employer pertaining to explanations and discipline with respect to absence from scheduled work. If such an employee is hospitalized incident to active duty for training or inactive duty training, such employee shall be required to report for work at the beginning of the next regularly scheduled work period after expiration of the time necessary to travel from the place of discharge from hospitalization to the place of employment, or within a reasonable time thereafter if delayed return is due to factors beyond the employee's control, or within one year after such employee's release from active duty for training or inactive duty training, whichever is earlier. If an employee covered by this subsection is not qualified to perform the duties of such employee's position by reason of disability sustained during active duty for training or inactive duty training, but is qualified to perform the duties of any other position in the employ of the employer or his successor in interest, such employee shall be restored by that employer or his successor in interest to such other position the duties of which such employee is qualified to perform as will provide such employee like seniority, status, and pay, or the nearest approximation thereof consistent with the circumstances in such employee's case.

"(e) Any employer not covered by subsection (c) of this section who holds a position described in clause (A) or (B) of section 2021(a) shall be considered as having been on leave of absence during the period required to report for the purpose of being inducted into, entering, or determining by a preinduction or other examination physical fitness to enter the Armed Forces. Upon such employee's rejection, upon completion of such employee's preinduction or other examination, or upon such employee's discharge from hospitalization incident to that rejection or examination, such employee shall be permitted to return to such employee's position in accordance with the provisions of subsection (d) of this section.

"(f) For the purposes of subsections (c) and (d) of this section, full-time training or other full-time duty performed by a member of the National Guard under section 316, 503, 504, or 505 of title 32, is considered active duty for training; and for the purpose of subsection (d) of this section, inactive duty training performed by that member under section 502 of title 32 or sections 206, 301, 309, 402, and 1002 of title 37, is considered inactive duty training.

"§ 2025. Assistance in obtaining reemployment

"The Secretary of Labor, through the Office of Veterans' Reemployment Rights, shall render aid in the replacement in their former positions of persons who have satisfactorily completed any period of active duty in the Armed Forces or the Public Health Service. In rendering such aid, the Secretary shall use existing Federal and State agencies engaged in similar or related activities and shall utilize the assistance of volunteers.

"§ 2026. Prior rights for reemployment

"In any case in which two or more persons who are entitled to be restored to a position under the provisions of this section or of any other law relating to similar reemployment benefits left the same position in order to enter the Armed Forces, the person who left such position first shall have the prior right to be restored thereto, without prejudice to the reemployment rights of the other person or persons to be restored.".

(b) The table of chapters at the beginning of title 38, United States Code, and the table of chapters at the beginning of part III of such title are each amended by adding at the end thereof

"43. Veterans' Reemployment Rights. § 2021".

Sec. 405. Section 9 of the Military Selective Service Act is amended by—

(1) repealing subsections (b) through (h); and

(2) redesignating subsections (i) and (j) as subsections (b) and (c), respectively.

TITLE V—EFFECTIVE DATES

Sec. 501. Except as otherwise provided therein, title I of this Act shall become effective on July 1, 1974.

Sec. 502. Title III of this Act shall become effective on September 1, 1974.

Sec. 503. Titles II and IV of this Act shall become effective on the date of their enactment.

Amend the title so as to read: "An Act to amend title 38, United States Code, to increase the vocational rehabilitation subsistence allowance, educational assistance allowances, and the special training allowances paid to eligible veterans and persons under chapters 31, 34, and 35 of such title; to improve and expand the special programs for educationally disadvantaged veterans and servicemen under chapter 34 of such title; to improve and expand the veteran-student services program; to establish a veterans education loan program for veterans eligible for benefits under chapter 34 of such title; to promote the employment of veterans and the wives and widows of certain veterans by improving and expanding the provisions governing the operation of the Veterans Employment Service and by providing for an action plan for the employment of disabled and Vietnam era veterans; to make improvements in the educational assistance program; to recodify and expand veterans' reemployment rights; to make improvements in the administration of educational benefits; and for other purposes."

Mr. HARTKE. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. THURMOND. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARTKE. Mr. President, I ask unanimous consent that the Committee on Veterans' Affairs be discharged from further consideration of H.R. 12618, that H.R. 12628 be made the pending business, and that the text of S. 2784, as amended, be substituted for the text of H.R. 12628.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

An act (H.R. 12628) to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes.

The PRESIDING OFFICER. The first question is on agreeing to the request of the Senator from Indiana to discharge the committee. Is there objection? The Chair bears none and it is so ordered.

The question is on agreeing to the amendment in the nature of a substitute for the bill.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on the engrossment of the amendment and third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill (H.R. 12628) was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 12628) was passed.

Mr. HARTKE. Mr. President, I ask unanimous consent that passage of S. 2784 be vacated and that the bill be indefinitely postponed.

The PRESIDING OFFICER. Without objection, it is so ordered.

The title was amended, so as to read:

A bill to amend title 38, United States Code, to increase the vocational rehabilitation subsistence allowance, educational assistance allowances, and the special training allowances paid to eligible veterans and persons under chapters 31, 34, and 35 of such title; to improve and expand the special programs for educationally disadvantaged veterans and servicemen under chapter 34 of such title; to improve and expand the veteran-student services program; to establish a veterans education loan program for veterans eligible for benefits under chapter 34 of such title; to promote the employment of veterans and the wives and widows of certain veterans by improving and expanding the provisions governing the operation of the Veterans Employment Service and by providing for an action plan for the employment of disabled and Vietnam era veterans; to make improvements in the educational assistance program; to recodify and expand veterans' reemployment rights; to make improvements in the administration of educational benefits; and for other purposes.

Mr. HARTKE. Mr. President, I ask unanimous consent that the text of H.R. 12628 be printed as passed.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session briefly.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I request that the President be notified of the confirmation of the two nominations confirmed by the Senate this morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PROCEED TO CONSIDERATION OF S. 2581 TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders or their designees have been recognized under the standing order, that the Senate proceed to the consideration of S. 2581, a bill to amend the Randolph-Sheppard Act; that there be a time limitation of 15 minutes to be equally divided between the majority and minority leaders; and that while I do not anticipate any amendments thereto, but if there be amendments, there be 15 minutes on any amendment, debatable motion or appeal and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS FOR 45 MINUTES

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess now for a period of 45 minutes.

There being no objection, at 2:08 p.m., the Senate took a recess for 45 minutes; whereupon, at 2:53 p.m., the Senate reassembled when called to order by the Presiding Officer (Mr. ALLEN).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will please call the roll.

The third assistant legislative clerk proceeded to call the roll.

Mr. GRIFFIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BARTLETT). Without objection, it is so ordered.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

Mr. GRIFFIN. Mr. President, in behalf of the minority leader, I yield the time allotted to him for this debate—is that correct, that half the time is under the control of the minority leader?

The PRESIDING OFFICER. First, the Chair lays before the Senate the unfinished business, which the clerk will state.

The second assistant legislative clerk read as follows:

A bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. GRIFFIN. Now, Mr. President, I yield the time under the control of the minority leader to the distinguished Senator from Alabama (Mr. ALLEN).

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield 6 minutes to the distinguished Senator from Mississippi (Mr. STENNIS).

Mr. STENNIS. I thank the Senator from Alabama.

Mr. President, this bill, the major bill before the Senate, is a bill to increase the national debt limit, to a figure that none of us are proud of, but we are responsible for it nevertheless.

As a protest against increasing the debt limit from year to year, I have a few times voted against such bills, but I said at the time it was a protest, but if my vote was necessary to pass the bill, I would put off my protest and vote for it.

We continue to be proud of the fact that we have never had a default in payment of all the obligations of the Federal Government when properly presented. I understand that has been true from the very beginning, with the first operation under our present Constitution down until today—this very minute. That is something that I hope we will always continue to protect.

But the major point now, Mr. President, which I wish to make, is that the debt limit bill is more of a formality because it must be passed between now and the end of June, and we should not be cluttering it up with a great number of tax amendments. I say that with all deference to all the amendments, whoever the authors may be. We are making good headway in passing legislation, but we still have a long way to go.

As I say, I have all the respect in the world for the authors of these amendments. But I think it is a mistake—I hold some 20 of them in my hand—and unsound, legislative-wise, to be taking up these amendments without the benefit of consideration first by the committee who are experts themselves and its staff with understanding and expertise concerning our present fiscal affairs. We are entitled to the printed testimony that would go with the hearings that these experts and members of the committee and members of the staff would hold, and the questions and answers that would be in the hearings. We are entitled to the benefit of a written report from the committee with recommendations that we could study and our staffs could study and give us a chance, at least a better chance—it is difficult enough as it is—to pass sound judgments on the merits of an amendment.

Many of these amendments involve highly technical terms. They involve highly complex tax laws. Each amendment will affect every taxpayer in America whether it applies directly to every one or not. Reading and digesting all the highly complex amendments and, after full debate, to vote on them properly on their merits, is almost impossible without committee hearings and committee reports.

I emphasize my deference to the authors of the amendments, but I do not think the membership should be called on to vote yea or nay on a great many of these amendments, although after study many of us would likely support some of them if they stood alone and would not adversely affect the Treasury. The deficit we are running with and have been running almost without exception since World War II, is undoubtedly a substantial cause of our present runaway inflation—and it has almost run away already. I am serious about that. There is a chance it will actually become runaway inflation which will destroy—greatly impair at least—and could destroy the values that we have been building on for decades and decades.

I understand that we already are experiencing 10 percent to 12 percent of added inflation for each 12-month perod. Of course we already know that that is in the face of the interest rates which are already unbeliveable and almost at an unlivable level—11 percent interest. A young couple trying to get ahead, wanting to buy a home of their own, have to finance that home now on 15-, 18-, 20-, or a 25-year basis at the current rates of interest which are unconscionable. These rates of interest, left that way, will stagnate the country and its economy. Of course, they are artifically made in order to try to stem the tide of inflation. But, if we are going to pass tax bill reductions here, we will be consciously and actively stimulating further inflation ourselves.

Thus, my counsel is that we have to "tough" it out here and postpone the tax reductions until our fiscal affairs are in better shape. By all means we must not vote the reductions now without the benefit of the information, the reports, and all, to which I have already referred.

I know that it is always good politics, as we say, to vote for a tax reduction. Of course, it is also popular to vote for appropriations. I think that is one of the things we have been guilty of here for several years. All we are doing is fanning the fires of more inflation.

Some of the amendments might reduce the taxes a person has to pay for a few dollars. He may have some extra take-home dollars but the real question is: How much will those dollars buy? How far will they go toward enabling him to buy the necessities of life?

Everyone knows, who has to work for a living, that the dollars he does finally get home with are buying less and less and less and less.

So, Mr. President, I believe that we could better help the American taxpayer if we would exercise more fiscal responsibility and try harder to balance our annual budget.

Some of the proponents of some of these tax reduction amendments say they are going to close the so-called loopholes in the tax laws to offset the loss of revenues. We want to reach the right result on these matters but the present flaws in the system of trying to do it now are the same as those which apply to the reductions.

We have to know what we are doing, after we have been advised by people who understand the problems, the techniques, and have the expertise and the know-how.

Mr. President, let me say in conclusion that I had not intended to speak on the so-called debt-ceiling bill, but having seen how many tax amendments have been proposed—over 20 so far—I feel I must make my position clear.

There is no doubt, Mr. President, that we must pass this legislation temporarily increasing the debt limit. While I am distressed that the debt is so large, I support the legislation because I realize that the Government must be able to legally meet its financial obligations. We should reduce this debt by regaining control of the budgetary process.

But right now, Mr. President, I am very concerned about all these proposed tax amendments. As I said, over 20 have been proposed to this bill on temporarily increasing the debt ceiling. Mr. President, the Senators who have prepared these tax amendments are doubtless sincere and believe in the relief they are seeking. But, the amendments involve highly technical and highly complex tax laws—important laws that pertain to every taxpayer in America. Senators do not have a chance to read and digest the substance of these highly complex amendments and properly vote without full debate on each of them, and without the benefit of full committee hearings and a committee report.

Without sound and deliberate consideration of these matters, we could be doing a great disservice to the American taxpayer. We cannot only think of the short-range effect of this. We have to consider the long-range effect also.

Many of these amendments, I am sure, have merit and some are no doubt needed. But the tax laws are laws which should not be considered lightly. Amending the tax laws often starts a chain reaction resulting in changes which were not thought of originally.

We have a fine committee, Mr. President, to handle these tax matters. When they come over from the House, Chairman LONG, his committee and staff always do an excellent job in considering these matters and bringing them to the floor of the Senate. The Finance Committee's expertise in tax matters is very important to the rest of us here in the Senate. When a tax bill comes out of the Finance Committee, it has been debated and thought through and extensive hearings have been held. Some of the best tax minds in the country have worked on the bill. Then a full debate on the floor is had where all the ramifications of the bill are explained. All of this is extremely important to us, Mr. President, in helping us to cast an intelligent vote. I would therefore hope Mr. President that we could postpone these tax matters at the present time and pass the debt-ceiling bill.

Now, Mr. President, I want the record to show that I oppose a tax reduction at the present time and I underscore "at the present time." I think it highly unwise to reduce the revenue of the Government. It can only fuel the fires of inflation.

It is always good politics to reduce taxes. It puts money in our pockets temporarily. We get a short-range benefit. But, Mr. President, we are not being candid with the American taxpayer when we do this. Very shortly these "extra dollars" will not be buying more for the people. The question is, "How much will these dollars buy," not "How many dollars do I have?"

We could better help the American taxpayer, Mr. President, if we would exercise a little fiscal responsibility by balancing our annual budget.

We now have double-digit inflation, a rate greater than we have experienced in over 20 years and yet here we are talking about, in effect, increasing our deficit.

Some of the proponents argue that closing some of the so-called loopholes in our tax laws will replace the revenue lost through tax deductions or credits. But I wonder how much consideration has been given to those proposals? What is the long-range effect? Will business slow down? Will workers be laid off? Will business expansion cease? All of these matters should be considered carefully

I want very much to reduce taxes and give the taxpayer a chance to put more money in his pocket. Most of the time he spends it more wisely than his Government does. But, Mr. President, now is not the time. We must be responsible.

Mr. President, let us pass this debt ceiling bill without all these tax amendments and get it to the President before June 30. The bill is too important to be loaded down with unwise tax legislation.

Mr. President, I thank the Senator very much for yielding to me.

Mr. ROBERT C. BYRD. Mr. President, on behalf of the distinguished majority leader, I yield such time as may be required to the distinguished Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts is recognized for 10 minutes.

Mr. KENNEDY. Mr. President, in the virtually unprecedented parliamentary situation the Senate faces of two separate cloture votes on the same day, we have a unique opportunity to break the present impasse and proceed to a vote on the real issue waiting for Senate action—tax reform and tax relief.

Not since February 26, 1927, has the Senate voted twice on cloture on the same day. That day, the Senate voted once on cloture on the historic Boulder Dam bill, and once again on cloture on the World War emergency officers bill Both cloture votes failed that day, but I hope the result will be different this afternoon.

Although for nearly 50 years, the Senate has managed to avoid the dubious distinction of double cloture votes on the same day, we face it now, and our action will have far-reaching consequences for 80 million ordinary taxpayers and their families awaiting our decision.

I hope, therefore, that Senators will give their full support to the Mansfield cloture motion, and that they will strongly oppose the Bennett cloture motion.

There should be no real doubt about supporting cloture on the Mansfield motion. That motion seeks to invoke cloture only on the Allen amendment to the Debt Ceiling Act, thereby untying the Senate from its present knot and freeing the Senate for action on other amendments and eventual final passage of the Debt Ceiling Act.

On the merits, there is no issue at all meriting further delay in action on the Allen amendment, which would cut $5 billion from the debt ceiling. My guess is that it might pass overwhelmingly on the merits, since every Senator is in favor of keeping the debt ceiling as low as possible. The only real consequence of the Senator's amendment would be to require the administration to come back to Congress a few weeks earlier than planned next year, in order to seek the next increase in the debt ceiling.

Let there be no doubt about the real nature of the Allen amendment—it is a technical device being used purely for the purpose of delay, to keep the Senate from proceeding to its real business on the Debt Ceiling Act.

The Senate was ready last Monday to

vote on the merits of the Allen amendment. It was ready to vote yesterday. It is ready to vote today, and it will be ready to vote at any time the rules permit a vote.

That is why we support the Mansfield cloture motion, as a way to secure a final vote on the Allen amendment.

In my view, the filibuster on the Allen amendment points up one of the most serious defects in the Senate rules. A Senator should not be entitled to the privilege of the floor to submit an amendment and then conduct a filibuster against his own amendment. That defies all reason and logic for orderly Senate procedure.

My hope is that as early as possible, and certainly at the beginning of the next session, the Senate will at least act to eliminate the parliamentry monstrosity that the rules now permit.

Obviously, even if cloture is invoked on the Allen amendment, it may be necessary to invoke cloture again, in order to bring the tax relief and tax reform package to a final Senate vote. So, the Senator from Alabama's rights are fully protected when the major legislative business is before the Senate.

Why, then, should the Senate have to go through this double delay of what I would call an anticipatory or "warm-up" filibuster? It is as if the baseball game were stopped at the beginning of the first inning, while the man in the on-deck circle demanded that the ball be pitched to him for some extra batting practice.

I would also note that in recent years, until now, the Senate seems to have been able to move away voluntarily from such anticipatory filibusters. Even in the civil rights area, for example, Senators have refrained from the former practice of filibustering against efforts by the leadership to call up the civil rights bill itself, being content to filibuster only once, on the merits of the bill.

In sum, the current parliamentary rule is making a travesty of orderly Senate procedure. I hope the Senate will vote accordingly, and approve the Mansfield cloture motion, and put comprehensive reform of rule XXII, the filibuster rule, on our agenda for next January.

But the Bennett cloture motion, to close off debate on whole Debt Ceiling Act and all amendments, is another matter. That should be defeated. Were it to pass, the Senate rules require that all amendments voted on thereafter must be germane. Within the technical requirements of germaneness under the rules, tax reform and tax relief amendments will fall, and cannot be brought to a vote except by unanimous consent. Thus, plain and simple, Senator BENNETT's cloture motion is an effort to kill tax reform and tax relief, perhaps for the rest of this session of Congress, and I hope it will be defeated.

There is no need for cloture at this time on the whole Debt Ceiling Act. All the sponsors of tax reform and tax relief are anxious for a vote. We will accept brief time agreements to guarantee a vote as soon as possible.

Perhaps we shall have to file a future cloture motion of our own, to get that final vote. But for now, cloture should be defeated on the act, and the Bennett motion should be defeated.

Mr. President, I withhold the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield such time as the distinguished Senator from Illinois (Mr. PERCY) shall require.

Mr. PERCY. Mr. President, I thank the distinguished Senator from Alabama, and I yield to the Senator from Wyoming for a unanimous-consent request.

Mr. HANSEN. Mr. President, I ask unanimous consent that Sonny Nixon and Nolan McKean, of my staff, be permitted the privilege of the floor during the debate and any votes on this bill.

Mr. President, I also ask unanimous consent that Richard Gentry, of Senator ALLEN's staff, may be accorded the same privilege.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PERCY. Mr. President, I take the floor to point out my sharp differences with the distinguished Senator from Massachusetts. We have agreed on a number of issues. In fact, the most recent was this morning, when the Older Americans Act was passed. It incorporated a provision that the Senator from Massachusetts and I have long deeply believed in, that we should use the food resources of this country to feed malnourished people.

The Congress overwhelmingly approved this program after the successful completion of an experimental program for feeding older Americans surplus food some time ago.

We now have moved from an experimental program that costs only $1,600,000 a year to a program that was approved today by the Senate that will provide some $600 million over a period of 3 years for the nutritional needs of malnourished Americans. We know that there are some 40 million Americans in this country, about 1 out of 5, who actually would be eligible. Some 20 million Americans are now being helped.

The fact that their increasing needs must somehow be met has been demonstrated, because of the problem of inflation—rising food costs, rising fuel costs, therefore rising fertilizer costs, thereby increasing food costs—which begins a vicious cycle that is destroying values in America.

This is the No. 1 enemy that we face at home. Inflation is our No. 1 domestic problem. It is probably the cause for more discontent among middle-income working Americans than anything else, because they know that their increase in income this year, from whatever wage increase they are able to obtain, will not be adequate to meet the increased cost of living they are going to experience this year, which is now running at about 15 percent.

I think that when an enemy of that kind is eating at the very vitals of America, destroying confidence in the dollar, removing incentive, and certainly discouraging the American family that is attempting to live within its means, we have to see what responsibility we in Congress have for facing up to this problem.

I would hope that at some point we would reach the maturity in Congress where we eliminate the charade of just increasing the debt limit twice a year. We go through this not only as an exercise in futility, but we also use this as an occasion to propose all sorts of amendments that offer all sorts of things—some meritorious and some not—that come under the cloak of revenue measures. I would hope that we would end that practice once and for all. I will comment in just a moment on how I think we can do so.

To focus on the issue at hand, I strongly urge my colleagues to vote "No" on the motion to invoke cloture on the Allen amendment, and to vote "Aye" on the motion to invoke cloture on the bill itself. This is probably the first time in the history of the Senate that a vote against cloture—that is, on the Allen amendment—is actually a vote to expedite the work of the Senate.

Approximately 25 amendments have been offered to the debt limit bill at this time. Undoubtedly, several of the 30 to 40 amendments that originally were offered to the vessel repair bill will also be offered here.

If the Senate gives each amendment the time for debate that most of these far-reaching proposals deserve, we will not finish prior to the stautory expiration of the temporary debt ceiling, and once again we will be at the crisis stage that Government constantly seems to be in these days.

I strongly support equitable, comprehensive tax reform. I will eventually support the adoption of several of the amendments that have been offered to this bill. However, if we begin action at this time on the amendments that have been introduced, we will be under the gun of the June 30 debt ceiling deadline and will end up with a package of tax cuts and tax increases which have no relationship whatsoever to the proper fiscal policy for our Government in the year and years ahead.

The fact that Congress had no rational budget control process led me, the distinguished Senator from Alabama, and other members of the Committee on Government Operations, and subsequently the Committee on Rules and Administration, and many other Members of both the Senate and the House to work hard for the passage of budget reform legislation. That legislation passed the Senate by a vote of 80 to 0.

Many articles appeared forecasting that it would never, possibly, ever pass Congress because it simply cut into the directives of too many committees and too many Members of the House and Senate. Yet yesterday the House adopted the conference report. Tomorrow, the conference report will be on the floor of the Senate, and there is not any question in our minds that on that rollcall vote it will be, once again, overwhelmingly, if not unanimously, approved.

But now many of the same Senators

who supported the principle and actuality of budget reform are urging the Senate to return to its old ways.

I simply feel that once we have taken this action and said that we should reform the procedures under which we operate, we ought to start disciplining ourselves in that direction now.

Actually, I am hopeful that once the new budget reform process is implemented we will give up the illusion that Congress controls the Federal deficit through biyearly action on debt limit bills. I was pleased to note that the report of the Committee on Finance on this debt limit bill states that: "a debt limitation is not a satisfactory way of controlling budgetary expenditures and revenues," but that "until the congressional budget control process can become operational, it is desirable to use the debt limitation to the extent possible as a means of budgetary control."

I hope that this is the last year that we will have to go through this process. I think it would be good riddance once and for all to say we are going to handle this matter in the proper manner, the manner that has now been approved by the Senate overwhelmingly.

I share the view of the Committee on Finance that budget reform will give Congress a far more effective means of controlling Government expenditures. It does seem ironic at this time, however, that the very legislation that is intended to control the budget is being used by some as a vehicle to bust it.

I repeat: We cannot and will not write a conceptually and fiscally sound tax reform package on the Senate floor. It simply is impossible. That has to go through and deserves to go through the process of deliberation and debate that has proven itself through the years to be the best means of bringing out a measure involving revenue and finance.

The responsible course is to allow the Committee on Finance an opportunity to act on the comprehensive tax reform bill now being completed by the House Ways and Means Committee and report its recommendations to the full Senate. Senators who then have differing views from those in the committee bill—and I may well be among them—will be able to offer amendments in the context of the committee package. The Senate as a whole will have the time to give thorough consideration to both the committee recommendations and all amendments offered in terms of both their social and economic impact on the Nation. The bill we are debating today is simply, in the judgment of the Senator from Illinois, and I trust an overwhelming number of other Senators, not the place to do it.

Let us face up to the No. 1 enemy we have, the enemy of every single family budget, which is certainly the enemy of the Federal budget, and that is a 14.5-percent inflation rate.

We must do something about that. When we face the prospect in fiscal 1975, of a deficit of $11.5 billion, or more we should not be trying to reduce taxes by $6.5 billion. That will add inflationary pressures on the very-low-income people. The lower they are in income the higher the effect of that inflationary pressure because a disproportionate amount of the family budget goes for food, shelter, clothing, and other necessities. There is no way we can legislate to remove the inequity of inflation on 210 million people.

Let us not add fuel to the fires of inflation today by that package of adding another $6.5 billion in debt and getting into a protracted debate on how to reform our taxes, which certainly should have careful deliberation and which I expect the Committee on Finance to offer as a package before long.

Mr. LONG. Mr. President, will the Senator yield?

Mr. PERCY. I am happy to yield to the Senator from Louisiana.

Mr. LONG. Mr. President, I agree with the Senator's argument with regard to the idea of an overall tax reform proposal. I agree that it should be studied by a smaller, more workable group, and the Committee on Finance would be the logical committee.

However, with regard to the issue of the major tax cut that is contained in the amendment sought to be offered by a number of sponsors—the so-called $6 billion tax cut—it is fairly clear to me that a majority of the Senate has indicated a likelihood to vote for that type measure, even though a majority of the committee agrees with the Senator that we should not be voting a $6 billion tax cut at this time.

I happen to agree with the sponsors of the amendment and the economists—Mr. Keyserling, Mr. Heller, and others—who argue for a big tax cut at this time. Of course, many economists are against it, too, and I realize that. But I really do not think the committee can make much contribution in regard to that particular amendment because that is one area where having had a considerable amount of advice, the majority of the Senate feels one way, and the majority of the Committe on Finance feels the other way. I am in the minority on that. So with regard to that aspect of it, I think it is just a matter for the Senate to decide and we might as well decide that part of it on one bill as the other.

I thank the Senator from Illinois.

Mr. PERCY. I would certainly be happy to respond to the Senator from Louisiana if I have time. It will take about a minute.

I tend to think that what we are faced with is this situation. If someone said to the Senator from Louisiana, "Would you like a gift of a thousand dollars?" he would say, "Of course I would." "The only condition, then, is that the thousand dollars be paid back tomorrow with 40 percent interest." "Oh, turn it down then."

I think this is what some are saying to the country "Would you like a $6.5 billion tax cut?" And the country might very quickly and impulsively say, "Why, of course we would." And then we have to follow up and state the price the country is going to pay for that gift of over a $6.5 billion tax cut.

The Senator from Louisiana knows the Senator from Illinois began talking with him about increasing the personal exemption 5, 6, 7 years ago. We knew at that time that a child could not be raised on $600 a year.

So, working together, we began to find ways to increase it, and I am in principle, in favor of that. But the Senator from Illinois is absolutely convinced, and I think most of the people that he has talked to—constituents in Illinois—are convinced that that would be the kind of gift to which on a quick impulse, you might say, "Yes, let us increase it to $825."

But when they carefully study the consequences of that, what it would actually do, the confidence that it would destroy, and that here, the very week we are voting and approving the bill to bring income and expenses back in line with income we are adding to the Federal debt, we are not really helping those people.

As the distinguished Senator from Utah pointed out, the gift for a family in low income areas might be $5 or $10, but for the distinguished Senator from Utah and his wife it would be $150 a year, and it is a gift that he turns back and says, "I do not want it at the price we have to pay for it."

So the distinguished Senator from Alabama, joined by some of his colleagues, feels that until such time as we have been adequately able to articulate and put across the whole underlying cause of this so-called gift, it ought not be brought to a vote. In our impetuousness we might be misleading the country by not having fully understood the impact or the nature of what I think will be an unwise action by Congress in the face of existing inflation and deficit spending.

Mr. KENNEDY. Mr. President, I yield myself 4 minutes.

The PRESIDING OFFICER. The Senator from Massachusetts.

Mr. KENNEDY. I disagree with the contention of the Senator from Illinois that this is an unwise strategy. I think the Senate is fully capable of sending responsible economic legislation to the Senate, if we have the chance to vote.

As a matter of economic policy. The proposal I am offering with other sponsors of tax reform and tax relief has the support of two former Chairman of the Council of Economic Advisers, Walter W. Heller and Arthur M. Okun, as well as the support of Paul A. Samuelson, who won the Nobel Prize for Economics in 1970.

I daresay it would have the support of a majority of Senators if they were permitted to vote on this measure.

But we will not get that vote if we follow the position of the Senator from Illinois. He opposes the amendment on the merits, and now he is prepared to support tactics which would prohibit Senators from even voting on this amendment.

This is not an ill-conceived idea. If it is, let us hear from Senators who will vote on it. Why should the Senator from Illinois or the Senator from Alabama prevent us from even voting on these measures? That is the position we are hearing this afternoon on the floor of the Senate.

Then we hear the gratuitous comment that we should not use the Debt Ceiling Act to put on tax measures for the relief of low- and middle-income people and to provide tax reform. The Senators from Illinois and Alabama understand why. It is because the Debt Ceiling Act is virtually a veto-proof measure. They understand that when tax reform measures are considered here, special interest groups are strong enough and powerful enough, either in the Senate or the House, or in conference to undercut any kind of substantial tax reform measure. And their principal weapon is delay. Many decent bills never get to final passage. But the Debt Ceiling Act cannot be derailed.

The Senator from Illinois was not so horrified just 2 years ago, when he supported an increase in social security for the elderly as an amendment to a Debt Ceiling Act. Nor did he object to supporting an end-the-war amendment with respect to Cambodia on the Debt Limit Act in 1973. He thought it was sufficiently important to end the war in Cambodia and Southeast Asia to vote for an amendment to the Debt Ceiling Act. He thought it was sufficiently important to provide some relief for the elderly people of this country to vote for an amendment to the Debt Ceiling Act. But when it comes to tax reform and tax relief, he says, "No, that is not as important. We ought to give it a little more consideration." I do not buy that logic, and I do not think the American people will buy that logic, and they should not.

The current impasse is purely a delaying tactic by the Senator from Alabama and those who support him, to prohibit Senators from debating and presenting their views and to prevent the majority from working its will.

I thought that was what this country is all about in terms of a free society—to let the majority rule. It amazes me that the Senator from Illinois would ally himself with those forces opposed to majority rule, and join those who want to prevent Senators from voting on tax reform and tax relief.

Then we hear about the problems of inflation and how it is running rampant. Certainly, inflation affects the people of my State of Massachusetts. I speak for those people who are affected by inflation. It also affects the people of Alabama and Illinois. They want to get some action on these matters.

But inflation is only half of the Nation's economic problem. We also have a recession on our hands. We have rising unemployment. We have a serious drop in the gross national product. We have a massive decline in consumer's purchasing power. Is the Senator concerned about those problems?

Thirty billion dollars will be taken out of consumers' pockets as a result of increased fuel and food costs in 1974 alone. I do not hear any argument that we ought to have a tax increase. But that is the effect of what we have had over the past 2 years, with the increase in the cost of food and fuel. Why should we let the oil companies enact an indirect tax in the higher cost of fuel when Congress would not enact a tax increase of its own at this time?

What we are trying to do by this amendment is provide some tax relief for people who have been the hardest hit by food and fuel costs—the middle-income and low-income working people. We want to provide relief for people who have been hardest hit in terms of the costs of food and fuel.

And dollar for dollar, we are going to recover that relief by dollars saved through tax reform. How can that be inflationary?

In fact, in our amendment, we will gain more in the long run in terms of revenues gained by tax reforms than will be lost through tax relief. That makes sense to me. The American people want tax reform. And they also want tax relief.

We are prepared to go ahead and debate and discuss the issue. We hear it said that these are new ideas and new suggestions. But we have been talking about ADR and DISC for the past 3 years. We have been talking about the minimum tax on the floor of the Senate for the past 5 years. We have been talking about oil depletion for a generation. How long do you have to study proposals like that?

The junior Senator from Minnesota (Mr. HUMPHREY) has been fighting for tax reform. The Senator from Wisconsin (Mr. NELSON) has been fighting for tax reform. The senior Senator from Minnesota (Mr. MONDALE) has been fighting for tax reform. The Senator from Washington (Mr. MAGNUSON) has been fighting for tax reform. Many good friends on the other side have been fighting for tax reform.

All we are asking for is that we go ahead and be permitted to vote on these particular measures. Let us try to get a time agreement. We are willing to have a time agreement. But let the representatives of the people vote on these measures. I think the American people expect a vote. They think their representatives should vote.

I deplore parliamentary tactics which, while certainly within the rules of the Senate, are in the interest of the American people. Let us get to a vote.

I yield 10 minutes or such time as the Senator from Minnesota may desire.

Mr. MONDALE. I thank the Senator.

Mr. President, once again an attempt is being made to deny the Senate the right to vote on a measure, apparently because of a feeling that a majority of the Senate is persuaded that what we seek to do is in the Nation's interest; a feeling that the Senate ought to be denied the opportunity to work its will on what I regard to be basic and fundamental questions of equity in American life.

The one claim we hear time and time again is that our amendment is inflationary, even though the amendment raises more money in the years to come through reducing preferences and loopholes than will be returned to working and low-income Americans in the form of tax relief.

The idea underlying this amendment is to couple reform with relief, to close some of the inexcusable loopholes which recent reports of the Internal Revenue Service show permit hundreds of Americans to make hundreds of thousands of dollars—some of them over a million dollars—and pay no taxes at all or such a small percentage in taxes as to be a national scandal.

All we are suggesting is that some of those preferences and loopholes should be closed or reduced, and, the money saved thereby returned in the form of tax relief to American families making average or low incomes. These are the very families that are being tortured the most by inflation.

We have just had hearings this morning that show that families of low income who are working are so short of money because of inflation, because of the rising taxes that are being imposed upon them, that they cannot even afford decent, nutritious meals for their families. Their very health is being threatend by the twisted set of priorities in this country.

All this amendment says is, Let us bring them a little relief so that they might do a better job of caring for themselves and their families while they work.

The administration and others who oppose this amendment say it is inflationary, even though most of the top economists say it is not, and even though we have modified our amendment so that, in terms of its impact on total spending in this country, it would be neutral and could not possibly be inflationary. The real question is establishing equity in American life.

Let us look at the present economic policies as they affect the average family. The first thing that has happened is that we have the highest interest rates since the Civil War. At the end of World War II the average American family was spending 10 percent of their income on interest and on repaying borrowed money. Today the average family is spending nearly 25 percent of its income for the same purpose. So that is one big factor in the average family's budget. The bankers are happy with that. The lenders are happy with that. This administration is happy with that. But why should the average American family have to suffer from it?

Second, let us consider the tax system. We have a tax system today so riddled with loopholes and preferences that thousands and thousands of Americans and corporations are able to avoid taxes altogether or to pay virtually nothing.

Just yesterday the Mobil Oil Co. announced it intended to buy Marcor, the parent company of Montgomery Ward, a $500 million purchase. Where is that money coming from? It is coming from the fantastic profits that the major multinational oil companies are making, together with the fact that they pay practically nothing in taxes.

The recent returns from the major oil companies showed that, I believe, 6 percent is the average that the 19 major oil companies are paying in taxes. That is less than the maid pays who cleans the office of the president of Mobil Oil Co. They are making so much money, and so much of it is tax free, that they are thinking of buying up the rest of the economy.

What we are saying is: Let us close some of those loopholes, pick up some of that money, and help the average American who is working and trying to take care of the needs of his family.

Let us look at unemployment: Because of high interest, because of tight credit, because of a restricted budget, unemployment is rising. It is now at 5.2 percent. Most economists think it will be at 6 percent or higher.

The average work week is dropping, and we are asking those at the lowest level of the American work force to pay the whole price, to make the whole sacrifice to deal with inflation.

Finally, look at the budget. This budget is loaded against the needs of the average American. According to a study that just came out the other day by the Brookings Institution, the social grant programs—that is, health, education, job training, community development, and other things that affect the average American—that budget will be effectively reduced by 30 percent just between the years of 1972 and 1975. In just 3 years we will have reduced the effective amount of money going to help the average American under these programs by 30 percent.

What is going on? We tell the average American he should pay the highest interest rates in American history; we tell him through the higher tax brackets that he gets to because of inflated dollars that he has to pay inflated taxes.

We tell him, through the payroll tax that is rising, that his taxes should go up. We tell him we have to stand neutral in the face of extortionate oil prices, and then we tell him we are going to cut the budget in the area that affects him most.

If we want a credible government, if we want a government that can call for reasonable sacrifices from all Americans, the burden of dealing with inflation ought to be fairly shared.

But what we say is that if one is a banker, if one is an oil company executive, he is going to do very well. But if one is the average American it is blood, sweat, and tears.

All we are proposing to do is to provide a modest amount of relief, and we are paying for it by standing up and closing some of these inexcusable loopholes. But we have a few Senators who say, "No, we will not let you vote. We will not let you vote because we have decided that people like Samuelson, Heller, and Okun do not know what they are talking about."

Let us have a chance. Give us a chance to vote and see what the Senate believes. Let us give the American people a chance to work their way and their will through their elected representatives in the Senate.

Mr. KENNEDY. Mr. President, will the Senator yield for a question?

Mr. MONDALE. I am glad to yield.

Mr. KENNEDY. The Senator mentioned Mobil Oil and Montgomery Ward. I remember reading only a few months ago, that Gulf Oil Co. was considering buying Ringling Brothers Circus. Is that where the money saved by the oil depletion allowance is going? Is that how the oil industry is using its tax break from the intangible drilling costs, and the foreign tax credit, the tax breaks that the oil companies say they need in order to meet the energy crisis? Look at what is going on. Instead of exploring for more oil, they are taking hard-earned tax dollars from the pockets of ordinary American citizens, and they are going to the circus; they are buying up department stores. How is that going to give energy independence to America?

They enjoy these enormous profits and enormous tax advantages, and then we find out they are using their dollars to purchase Montgomery Ward or Ringling Brothers Circus. The question is: How does that help us meet our energy needs?

Mr. MONDALE. We had a chance to show some restraint a few months ago when we tried to roll back oil prices modestly, and we were told that that would take money away from the oil companies, money which they desperately needed to invest in domestic oil exploration.

Since that time, Gulf Oil tried to buy the Barnum and Bailey Circus because of its tremendous contribution to meeting the oil crisis, and yesterday Mobil Oil Co. announced they intended to buy $500 million worth of Marcor stock, which is Montgomery Ward, and one other company, which has nothing to do with energy.

They are just like the Arabs. They are trying to find a place to put their money. I say that one place to start is to let them start paying their fair share in taxes.

What kind of taxes are they paying? Exxon paid 5.4 percent of its income in taxes in 1973; Gulf paid 1.1 percent in taxes; Mobil, 2.2 percent; Texaco, 1.6 percent; Standard of California, 4.1 percent.

Mr. KENNEDY. Mr. President, if the Senator will yield at that point, perhaps he can tell us what has been happening to their profits as well.

Mr. MONDALE. Interestingly enough, the profits have risen 200 to 300 percent in the last 2 years. But we cannot even be sure of that with respect to some companies because they have been setting aside untold reserves which they say they need to pay off unexpected bills should they arise.

But the profits are at an all-time high. I do not think there has ever been a time in American history when corporations have made profits like the multinational oil companies have made.

All we are proposing to do is to remove the oil depletion allowance which, incidentally, some of the top oil executives now support. They say, "We are making enough money now; let us get rid of it." It is too bad that some Senators will try to block us from this chance to have a straight vote on it.

The PRESIDING OFFICER. The 10 minutes of the Senator have expired.

Mr. KENNEDY. I yield myself 2 more minutes.

It seems to me that what we are talking about is the way America shares the tax burden. The average tax payment of an oil company is about 5 percent. The average worker's family pays about 20 percent in taxes. That is not fair.

If we are able to get a discussion and a debate on the merits of the proposal which the Senator from Minnesota and I are cosponsoring, we shall have an opportunity at least to permit the Senate to work its will on whether it wants a continuation of this distorted tax policy. We ought to do the same for many other kinds of loopholes which exist in the Internal Revenue Code.

Mr. MONDALE. What I am saying is, and I think it is a very important point, that if Americans are going to be asked to sacrifice to restrain inflation—and I think we all agree we must sacrifice to do so—it must begin with a sense of equity; with a sense that everyone is contributing fairly and sacrificing equally to restrain inflation.

Instead of that we have a two-track system which permits people of great wealth and influence to go tax-free, to go without any restraint on their profits, without any restraint on their prices, with the burden of the Federal budget being placed so as to help those same people, and we are asking the average American to sacrifice in every possible way, with no assistance whatsoever, and they are the ones who are being tortured the most by inflation.

If we want Americans to feel good about their Government, if we want them to contribute, along with everyone else, to the sacrifice necessary to end inflation, it seems to me it has to be fair. That is what this amendment is all about.

Mr. KENNEDY. Mr. President, for every loophole that exists, and for every special interest that is being accommodated, the ordinary taxpayer is making up the difference. He is the one who is paying for these loopholes.

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. KENNEDY. The working people of this country are paying billions of dollars in higher taxes every year because of tax loopholes. Let there be no mistake about it. Now is the time to close these loopholes, and the Debt Ceiling Act is the place to start.

I thank the Senator.

Mr. MONDALE. I thank the Senator.

Mr. KENNEDY. I yield back the remainder of my time.

Mr. ALLEN. How much time of the Senator from Alabama remains?

The PRESIDING OFFICER. Three minutes.

Mr. ALLEN. I yield to the Senator from Wyoming.

Mr. HANSEN. I thank my distinguished colleague from Alabama for yielding.

Mr. President, there are so many things I would like to say and so little time in which to say it that I am somewhat frustrated.

First of all, let me say to the distinguished Senators on the other side of the aisle who, along with some on my side of the aisle, have inveighed about the rules of the Senate failing to let the Senate work its will, that it just depends on which side of the argument one is on whether he wants to use that argument or not.

I can remember having heard that argument a number of times since I became a Member of the Senate. Normally it has been the liberals—I am not saying who may be a liberal and who may be conservative—who have inveighed when failure to achieve cloture has resulted in continuing debate. But there is a kind of turning around these days. It turned around when the busing issue was brought up, when it was without any question a position that was supported by a majority of the Senators; that they would have chosen to say, 'You can not order busing in order to achieve racial balance."

Who then, I ask, raised this long-winded argument? Who refused to let the Senate work its will? Some of the very Senators who say today, "Is it not too bad that the Senate cannot be permitted to work its will?"

As I say, Mr. President, it just depends on what one's position is whether he wants to use that argument or not.

The Senator from Illinois put it very well when he said, "Let us understand what is being talked about this afternoon. Are we trying to deceive the people in this election year?"

It is an election year, we all know that; and I guess there are as many of us running for the Presidency in the Senate as there are running for reelection as Senators. Maybe not quite as many, but we are not short of candidates at all. There are many Senators who think it makes great good sense to tell the American people, "We are going to lower your taxes." It is a popular platform to be on, as the distinguished Senator from Illinois has said.

But the American people are not all quite that gullible. I know for a fact that in the State of Wyoming inflation is listed as the No. 1 problem.

Why do they do that? Because they know, despite the fact that wages have increased, despite the fact that nearly every product that America makes and sells these days—excepting livestock, and that happens to be my business; I am in the cow business and it is not a good business today—has gone up in price. But what has happened in terms of real income? That is what the Senator from Illinois was talking about. He was talking about how many loaves of bread you can buy, or how much bacon you can buy.

The PRESIDING OFFICER. The Senator's 3 minutes have expired.

Mr. HANSEN. We all know that the kind of proposition we have before us this afternoon would very effectively make fewer loaves of bread and bacon available in the homes of America.

I thank the Senator for yielding.

The PRESIDING OFFICER. Who yields time?

Mr. ALLEN. Mr. President, I yield 1 minute to the distinguished Senator from Illinois.

Mr. PERCY. Mr. President, I thank the distinguished Senator for his comments.

I would also point out that what is good for the goose is good for the gander. I can remember when the distinguished Senator from Massachusetts (Mr. KENNEDY), who just a few moments ago rose up in righteous indignation about the Senator from Illinois wishing to engage in a fairly extensive debate on an issue, joined forces when the Senator from Massachusetts, the Senator from Illinois, and the Senator from Wisconsin were fighting what we then called the flying Edsel, the SST, a favorite subject of the distinguished Senator from Washington. But we both then voted against invoking cloture. I recall very vividly that it was a vote that was held just before Christmas, at a very difficult time.

The PRESIDING OFFICER. The time of the Senator from Illinois has expired. Who yields time?

Mr. PERCY. And we voted exactly the same way.

The PRESIDING OFFICER. Who yields time?

Mr. KENNEDY. Mr. President, I yield my remaining time to the Senator from Minnesota.

Mr. HUMPHREY. Mr. President, it is not unusual in the Senate to have an occasion when we have sharp controversies here. There is always one Senator, a Senator of ability and good conscience, who will use what we call extended debate, or what is frequently called, perhaps more accurately, a filibuster, on a matter of great concern. This is thoroughly within the Senate rules, but I say that what the country wants today is something more than the Senate rules.

We spend a lot of time here in Congress on procedure. I suggest that what the Nation needs is substance. What the Nation needs today is some action out of Congress.

We have before us the debt ceiling bill. We have what we call the Allen amendment. The distinguished Senator from Alabama has said quite honestly that if the rest of us would withdraw our amendments, he would withdraw his.

I am not asking the Senator from Alabama to withdraw his amendment. I want to vote on it—just vote yes or no—and I want to vote on the other amendments yes or no. We cannot vote "maybe" here; we have to vote yes or no.

What we are going through is a charade on procedure, when what the country wants to find out is what we ought to be doing as a matter of policy.

There are some who believe we ought to haxe a tax cut. I am one of those. There are others who say we should not. There are those who say a tax cut would be inflationary. There are others who say it is one way we can help those who have been victimized by inflation, particularly the elderly and people of low income .

There are some people who say if we have a tax cut it will just add to the problems of the Nation, and unemployment will grow. Others say it will do away with unemployment. There are some who say we ought not to have any change in our tax laws—what we call structural reform. There are others who feel there ought to be changes in the tax law.

We are not going to agree on these matters, but we ought to have honest, legitimate debate. Some feel there ought to be changes in the proposed amendments.

What I am asking for, Mr. President, is the right of the Senate to act and quit spinning its wheels. We are acting like we are running a circus rather than trying to run a government. We spend our time criticizing the executive branch of the Government because of its failure to lead. What are we leading? We are going around and around about what we call rule XXII.

Who gives a hoot about rule XXII? What people care about is how much in taxes they are going to have to pay, what is going to be the price of beef steaks, how they are going to buy a home, and whether they are going to have a job. They have about as much interest in rule XXII as they might have in a dinosaur, except over here in the museum.

I suggest we are making ourselves look ridiculous before the country by getting involved in all these procedural matters, when the public wants to know what Congress is going to do about a host of issues. There is health legislation and tax legislation. What are we going to be doing about education? What are we going to be doing about the environment? What are we going to be doing about shortages of supplies? There are a host of things we are working on. Some of them, fortunately, we have acted on.

But the most critical issue facing this country is the issue of our economy. This debate ought to be on that matter, not on the rules of the Senate.

So, Mr. President, to summarize, I ask Senators to envoke cloture of debate on the Allen amendment 1460 to the debt ceiling bill. Although one is always reluctant to restrict the right of a Senator to talk, there are several reasons why I believe this action is appropriate at this time.

First, the Senate has already had extended discussion on the amendment offered by the distinguished Senator from Alabama—a day and a half of such discussion in fact—and it is time for us to move to a vote on it. Perhaps we should adopt the amendment, perhaps not, but let us put it to a vote.

The second reason I support cloture on the Allen amendment at this time is because it is being used to obstruct the Senate's business. The distinguished Senator from Alabama has himself said he would withdraw his amendment if all the rest of us who have amendments to the bill would withdraw our proposals.

In other words, the distinguished Senator from Alabama is using his amendment to block debate on important tax reform and tax relief amendments to this bill that I and many other Senators wish to offer.

Mr. President, the merits of these other amendments should be heard and the Senate allowed to make up its collective mind about whether they should be enacted at this time.

Each of these amendments should be offered, debated, and we should have an up or down vote on them.

The issue facing the Senate with respect to these tax cut and tax reform amendments is much broader than many of my colleagues appreciate. There are those who say the legislation will stimulate the economy and improve our economic growth. Others say we should not have the legislation because it will have an inflationary effect. Still others say that the tax legislation is essential to reducing unemployment. Finally, there are those who say the legislation is essential to establishing equity within our tax structure.

All of these questions are relevant parts of the debate and I am sure will be discussed if we are given an opportunity to bring them to the floor of the Senate. But these questions are not the main issue. The fundamental issue facing the Senate is, will it act to restore confidence in the American economy or will it join with the administration and sit on its hands as the economic situation deteriorates further?

I believe the job of establishing policies to improve the Nation's economic performance, as well as renewing the people's confidence in our policies and in our economy, falls to the Congress. This is a difficult job, and I do not pretend to have all the answers.

But I do know that the answer is not for the Senate to sit here for days spinning its wheels and accomplishing nothing. I would remind Senators that the people have not only lost confidence in the administration's economic policies, but the people are losing their confidence in Congress ability to deal with these problems. The Senate therefore cannot afford to sit on its hands while the economic situation worsens.

One thing the Senate can do is take tax action to improve the performance of the economy and restore some degree of confidence in the economy. Such tax action should close some of the tax loopholes that have no social payoff, and give that money to consumers in the form of of a tax cut.

I therefore urge Senators to invoke cloture on the Allen amendment and, following that vote, to reject cloture on the debt ceiling bill itself.

The PRESIDING OFFICER. The Senator's time has expired. The Senator from Alabama has 2 minutes remaining.

Mr. ALLEN. I yield them to the distinguished Senator from New York (Mr. BUCKLEY).

The PRESIDING OFFICER. The Senator from New York is recognized.

Mr. MAGNUSON. Mr. President, will the Senator yield me 30 seconds?

Mr. ALLEN. Mr. President, I withdraw that and first, yield, 30 seconds to the distinguished Senator from Washington.

Mr. MAGNUSON. The Senator from Minnesota constantly used the word "we." I am sure he does not mean all of us feel that way. Does he not think he ought to say that some of the Members of the Senate want to do what the Senator says?

Mr. HUMPHREY. Mr. President, I thought I had explained that. There are those who are for this and those who are for that. There are some who believe in tax reform, and some who do not. So when I use the word "we," I mean it is we on this side.

Mr. MAGNUSON. Because there are a lot of people who want to get going.

Mr. HUMPHREY. That is the whole idea; and I am a get-going man.

The PRESIDING OFFICER. The Senator's 30 seconds have expired. The Senator from New York is recognized.

Mr. BUCKLEY. Mr. President, I join the Senator from Alabama in protesting the practice of trying to attach wholly unrelated matters to debt ceiling legislation on which the full faith and credit of the United States literally depends. Thus, recent debates on this so-called veto-proof legislation have been transformed into debates on social security, campaign financing, and—now—tax reform.

I do not know whether this kind of abuse can be stopped, but I think it should be. Whenever legislation on this question comes before us, we are faced with an attempt to join to it proposals of far reaching consequences. Whatever the merits of the individual nongermane amendments, they ought not be tacked on to legislation extending the debt limit. The attempt to do so constitutes a clear attempt to circumvent the President's constitutional right of veto.

The proposals some are seeking to tack on are important. Some of them may be worthy of our support. But we should refuse to be stampeded into supporting them before we have had an opportunity to examine them in the normal manner.

Therefore, Mr. President, I intend on this basis alone to vote against all nongermane amendments irrespective of merit.

Furthermore, I urge Senators to do the same. I intend to vote against the bill if any nongermane amendments to it are adopted. If there are, I hope that the President will veto the bill.

Mr. BARTLETT. Mr. President, the American taxpayer is being soaked with taxes. By current estimates, the average American contributes one-third of his annual income to some form of government.

My credentials in behalf of holding down taxes go back a long way.

I ran for Governor of Oklahoma in 1966 on a pledge of no general statewide tax increase. I fulfilled this pledge.

Again in 1972, in running for the U.S. Senate I pledged to oppose tax increases and suggested we should reduce Government, in order to balance the budget—and then start paying off the debt and reduce taxes.

At a time when our national debt is exceeding one-half trillion dollars and our annual rate of inflation is in excess of 10 percent, it strikes me as incredible to reduce Government receipts, without at least a corresponding reduction in expenditures.

In the last decade our national debt has increased by $200 billion. With a few notable exceptions our Government has spent more than it received in each of the last 43 years.

Mr. President, my amendment would delay the effective date of Senator KENNEDY's proposed tax cuts until the calendar year following the first fiscal year in which the Federal budget is in balance.

If Senator KENNEDY will join me in a concerted effort to cut Federal spending, we can achieve a tax reduction as well as a balanced budget.

There is no doubt that our citizens deserve a tax reduction. However, I am convinced the people are far more concerned, and with good reason, about spiraling inflation—first wanting control of inflation, then a tax reduction and a reduction of our debt.

In a recent article inserted in the RECORD by Senator BUCKLEY, Mr. Dennis Dunn pointed out that if our current rate of 14-percent annual inflation continues, a 35-year-old man in 1974 earning $20,000 annually will need $2½ million annually just to stay even by the time he retires. This is, assuming inflation does not get worse.

But, Mr. President, if we do not do something about the spending policy of the United States, things are going to get worse. People are going to see savings wiped out by inflation. Our children are going to be saddled by a staggering national debt.

It is time for remedial and drastic action on the part of Congress and the administration. Not only should we stop increasing our spending levels, we must actually reduce them. Our belts must be tightened and we must learn to say "no."

It is time for Congress to assume its fiscal responsibilities requiring a strong measured self-discipline in order to stop double-digit inflation and bring about a balanced budget.

Government spending has gotten out of hand and unless we do something now we may be too late.

Mr. MUSKIE. Mr. President, it is no secret that the real issue to be decided in the cloture votes in the Senate this afternoon concerns more than the level of the Federal debt ceiling. The real issue we will vote on is whether or not the Senate will be allowed to consider legislation to make a beginning at reforming our tax system, and to grant moderate relief to the American taxpayer.

The record of the 93d Congress, despite whatever other accomplishments it might contain, will be incomplete unless it includes serious reform of the Federal income tax system. But during the first session of this Congress in 1973, and so far this year, we have been stymied in our efforts to make even a beginning toward comprehensive tax reform.

Last spring, the chances for tax reform looked encouraging—but those expectations have turned into frustration. I am sure that the distinguished chairman of the Finance Committee, my good friend from Louisiana (Mr. LONG), has been as disappointed as I have that the Senate has not yet been sent comprehensive tax reform by the House, so that we could give it Senate evaluation and speed it toward enactment into law.

But despite the absence so far of tax reform action by the House, we in the Senate this month do have the opportunity to approve a modest, reasonable, and balanced tax reform and relief package.

Senator HUMPHREY and others, including myself, have proposed such a package in the form of amendment 1443. We do not pretend that this amendment is a substitute for the comprehensive tax reform we still hope can be enacted this year. But it will be a beginning.

Our amendment contains five parts. They would: Repeal the percentage depletion allowance for oil and gas wells; terminate DISC provisions; repeal the 20 percent leeway rule under ADR; strengthen the minimum tax; and provide tax relief for the bulk of Americans.

Repealing percentage depletion for oil and gas wells as of January 1, 1974, would raise $2 billion this calendar year, and excise from the tax code one of the most persistent, expensive, and unjustified loopholes it contains.

The termination of DISC benefits, beginning this year, would raise $815 billion by discontinuing tax subsidies which have been proven ineffective in attaining their purpose of increasing exports, but have in the meantime served for the most part to fatten the profits of our largest corporations.

Modifying the asset depreciation range by repealing the 20 percent leeway rule would raise $250 million in revenue this year, and an eventual $2 billion per year after 5 years, which now unnecessarily and illogically gives large corporations an extra tax break in computing their depreciation deductions.

The reform of minimum tax contained in our amendment, which we have presented to the Senate three times in the past year, and which the Senate finally approved last January, would raise $860 million in lost revenue by eliminating the deduction for "other Federal taxes paid" and lowering from $30,000 to $10,000 the exemption for tax preference income subject to the minimum tax.

Finally, our amendment would grant $6.5 billion in tax relief by raising the personal exemption from $750 to $825, allowing tax payers to take an optional $190 credit in lieu of the personal exemption, and providing a new "work bonus" tax credit or low-income workers with children to alleviate the burden of regressive social security payroll taxes.

By raising $4 billion through tightening and eliminating some existing tax preferences, and reducing taxes by $6.5 billion in the form of tax relief for Americans in general, the net effect of our amendment would not be inflationary, but would instead give a modest, immediate stimulus to the economy. The 6.3 percent annual rate of inflation in the gross national product in the first quarter demonstrates the recessionary dangers we face.

Unemployment is continuing at high rates, with an increase to 5.2 percent last May, and predictions of a 6 percent rate before the end of the year. And high interest rates at levels unprecedented in recent history are imposing significant restraints on economic expansion. A modest tax cut such as we propose, by priming demand across the economy this year, will help protect against recession and economic stagnation which we cannot afford.

Given the modest size of this tax cut, and the offsetting revenue gains contained in our tax reform package, our amendment would result neither in extra inflationary pressures nor in an erosion of the revenue raising capacity of the Federal income tax system.

In the opinion of our most respected economic experts, including Walter Heller and Art Okun, the cost-push causes of our inflation, notably the soaring increases in food and fuel prices, will not be aggravated by this tax relief. And in the long run, the revenue raised by the reforms in our amendment would reach $7 billion, almost entirely offsetting the cost of the tax relief it contains.

The most significant long term result of our amendment, in fact, would be to heed the demands of the average American taxpayer for economic equity. The resources of the average American have been eroded by inflation. In real dollars, the per capita disposable income of Americans declined 7.3 percent in the first quarter of this year. Real average weekly earnings declined by 3 percent in April, to the lowest level since 1970.

The average American wage earner has been the most serious victim of inflation. The modest tax cut we propose would ease that heavy and unfair burden.

Mr. President, the proposals in our tax cut and tax reform amendment are not novel or unevaluated. I believe that they make good economic sense. I hope they will meet with Senate approval.

But a predicate to Senate consideration of this measure is a decision to invoke cloture on the amendment of the distinguished Senator from Alabama (Mr. ALLEN), and reject the proposal to prohibit further debate on the debt ceiling bill itself. I hope the Senate's decision today allows the consideration of tax reform and tax relief to go forward.

CLOTURE MOTION

The PRESIDING OFFICER (Mr. BARTLETT). The hour of 4 p.m. having arrived, under the unanimous-consent agreement the Chair, pursuant to rule XXII, lays before the Senate the pending cloture motion, which the clerk will state.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon the pending amendment of the Junior Senator from Alabama (Mr. ALLEN) to the bill H.R. 14332, an act to provide for a temporary increase in the public debt limit.

Walter R. Mondale, James Abourezk, Mike Mansfield, Claiborne Pell, Frank E. Moss, Abraham Ribicoff, Henry M. Jackson, Harrison A. Williams, Jr., Floyd K. Haskell, George McGovern, Thomas F. Eagleton, Dick Clark, Hubert H. Humphrey, Edmund S. Muskie, Joseph M. Montoya, Lee Metcalf, Jennings Randolph.

CALL OF THE ROLL

The PRESIDING OFFICER. Under rule XXII, the Chair directs the clerk to call the roll to ascertain the presence of a quorum.

The second assistant legislative clerk called the roll and the following Senators answered to their names:

[No. 262 Leg.]

Abourezk
Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Bible
Biden
Brock
Brooke
Buckley
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Dole
Domenici
Dominick
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gravel
Griffin
Gurney
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Weicker
Williams
Young

The PRESIDING OFFICER. A quorum is present.

The question before the Senate is, Is it the sense of the Senate that the debate on the pending amendment by the Senator from Alabama (Mr. ALLEN) to H.R. 14332, an act to provide for a temporary increase in the public debt limit, shall be brought to a close?

The yeas and nays are mandatory under the rule, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), and the Senator from New Hampshire (Mr. MCINTYRE) are necessarily absent.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. MCINTYRE) would vote "yea."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Nebraska (Mr. CURTIS) and the Senator from Idaho (Mr. MCCLURE) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that the Senator from New Hampshire (Mr. COTTON) is absent due to illness.

The yeas and nays resulted—yeas 50, nays 43, as follows:

[No. 263 Leg.]

YEAS—50

Abourezk
Aiken
Bentsen
Biden
Brooke
Burdick
Case
Chiles
Church
Clark
Cranston
Eagleton
Fulbright
Hart
Hartke
Haskell
Hatfield
Hathaway
Hollings
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Johnston
Kennedy
Long
Magnuson
Mansfield
Mathias
McGovern
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stevenson
Symington
Tunney
Williams

NAYS—43

Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bible
Brock
Buckley
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Dole
Domenici

Dominick
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Griffin
Gurney
Hansen
Helms
Hruska
McClellan
McGee
Moss

Nunn
Percy
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—7

Bayh
Cook
Cotton

Curtis
McClure

McIntyre
Stafford

The PRESIDING OFFICER (Mr. BARTLETT). On this vote the yeas are 50, and the nays are 43. Fewer than two-thirds of the Senators present and voting having voted in the affirmative, the motion is rejected.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the requirement for a quorum call in connection with the second cloture vote be vitiated.

The PRESIDING OFFICER (Mr. HELMS). Without objection, it is so ordered.

Mr. GRIFFIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Michigan will state his parliamentary inquiry.

Mr. GRIFFIN. Whereas the motion for cloture just voted on would have brought limited debate with respect to the Allen amendment, is it correct to say that the cloture motion now to be voted on would limit debate with respect to the whole bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. GRIFFIN. And if it were adopted, amendments not germane to the bill would not be in order under the rules of the Senate. Is that correct?

The PRESIDING OFFICER. That is correct.

Mr. GRIFFIN. I thank the Chair.

The PRESIDING OFFICER. Under the previous order the Senate will now proceed to a vote on the next cloture motion, which the clerk will read.

The assistant legislative clerk read the cloture motion as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate upon H.R. 14832, an act to provide for a temporary increase in the public debt limit.

Wallace F. Bennett, James B. Allen, Charles H. Percy, Paul Fannin, Clifford P. Hansen, J. Glenn Beall, Jr., Robert Dole, Jesse Helms, Edward W. Brooke, Robert P. Griffin, Hugh Scott, Edward J. Gurney, John Tower, Strom Thurmond, Pete V. Domenici, William L. Scott, Hiram L. Fong, Jennings Randolph.

The PRESIDING OFFICER. The question is, Is it the sense of the Senate that debate on H.R. 14832, an act to provide for a temporary increase in the public debt limit, shall be brought to a close? The yeas and nays are mandatory under the rule, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH), and the Senator from New Hampshire (Mr. MCINTYRE) are necessarily absent.

I further announce that, if present and voting, the Senator from New Hampshire (Mr. MCINTYRE) would vote "nay."

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Nebraska (Mr. CURTIS), and the Senator from Idaho (Mr. MCCLURE) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that the Senator from New Hampshire (Mr. COTTON) is absent due to illness.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "nay."

The yeas and nays resulted—yeas 45, nays 48, as follows :

[No. 264 Leg.]

YEAS—45

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Bentsen
Brock
Buckley
Dole
Domenici
Dominick
Eastland
Fannin
Fong

Goldwater
Gravel
Griffin
Gurney
Hansen
Helms
Hollings
Hruska
Javits
Johnston
McGee
Nunn
Packwood
Pearson
Pell
Percy

Proxmire
Randolph
Roth
Scott, Hugh
Scott, William L.
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—48

Abourezk
Bible
Biden
Brooke
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Eagleton
Ervin
Fulbright

Hart
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Hughes
Humphrey
Inouye
Jackson
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGovern

Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Ribicoff
Schweiker
Sparkman
Stevenson
Symington
Tunney
Williams

NOT VOTING—7

Bayh
Cook
Cotton

Curtis
McClure
McIntyre

Stafford

The PRESIDING OFFICER (Mr. BARTLETT). On this vote, the yeas are 45, the nays are 48. Two-thirds of the Senators present and voting not having voted in the affirmative, the motion is not agreed to.

Mr. MANSFIELD. Mr. President, I move to lay the Allen amendment on the table.

Mr. ALLEN. Mr. President, I call for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana (Mr. MANSFIELD) to lay the amendment of the Senator from Alabama (Mr. ALLEN) on the table. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Indiana (Mr. BAYH) and the Senator from New Hampshire (Mr. MCINTYRE) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Kentucky (Mr. COOK), the Senator from Nebraska (Mr. CURTIS), and the Senator from Idaho (Mr. MCCLURE) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that the Senator from New Hampshire (Mr. COTTON) is absent due to illness.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "yea."

The result was announced—yeas 45, nays 48, as follows:

[No 265 Leg.]

YEAS—45

Abourezk
Bentsen
Bible
Brooke
Burdick
Byrd, Robert C.
Case
Chiles
Church
Clark
Cranston
Eagleton
Fulbright
Hart
Hartke

Haskell
Hathaway
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Kennedy
Long
Magnuson
Mansfield
McGovern
Metcalf
Metzenbaum

Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stevenson
Symington
Tunney
Williams

NAYS—48

Aiken
Allen
Baker
Bartlett
Beall
Bellmon
Bennett
Biden
Brock
Buckley
Byrd, Harry F., Jr.
Cannon
Dole
Domenici
Dominick
Eastland

Ervin
Fannin
Fong
Goldwater
Gravel
Griffin
Gurney
Hansen
Hatfield
Helms
Hollings
Hruska
Johnston
Mathias
McClellan
McGee
Nunn

Packwood
Pearson
Percy
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—7

Bayh
Cook
Cotton

Curtis
McClure
McIntyre

Stafford

So the motion to lay on the table was rejected.

Mr. ALLEN and Mr. MANSFIELD addressed the Chair.

The PRESIDING OFFICER (Mr. HUDDLESTON). The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, I send to the desk an amendment to the Allen amendment and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment, as follows:

At the end of the bill insert the following new sections:

SEC. 3. REPEAL OF PERCENTAGE DEPLETION FOR OIL AND GAS PRODUCTION.

(a) REPEAL OF OIL AND GAS DEPLETION.—(1) Section 613(b)(1)(A) of the Internal Revenue Code of 1954 is amended by deleting the words "oil and gas wells" and by inserting in lieu thereof the words "gas wells described in subsection (e)."

(2) Section 613(b)(7) of such Code is amended by—

(A) deleting "or" at the end of subparagraph (A) thereof;

(B) by deleting the period at the end of subparagraph (B) thereof and by inserting in lieu thereof "; or"; and

Mr. KENNEDY. Mr. President, I ask unanimous consent that the further reading of the amendment be dispensed with.

Mr. ALLEN and Mr. HANSEN objected.

The PRESIDING OFFICER. Objection is heard. The clerk will continue to read the amendment.

The assistant legislative clerk continued to read the amendment as follows:

(C) by inserting the following new subparagraph after such subparagraph (B): "(C) oil and gas wells."

(b) Certain Gas Wells.—Section 613 of the Internal Revenue Code of 1954 is amended by adding at the end thereof the following new subsection:

"(e) Special Rule for Certain Gas Wells.—

"(1) The gas wells referred to in subsection (b)(1)(A) are—

"(A) wells producing regulated natural gas, to the extent of such gas production, and

"(B) wells producing natural gas sold under a fixed contract to the extent of such gas production.

"(2)(A) The term 'natural gas sold under a fixed contract' means domestic natural gas sold by the producer under a contract, in effect on April 10, 1974, and all times thereafter before such sale, under which the price for such gas cannot be adjusted to reflect to any extent the increase in liabilities of the seller for tax under this section by reason of the repeal of percentage depletion. Price increases subsequent to April 10, 1974, shall be presumed to take increases in tax liabilities into account unless the taxpayer demonstrates the contrary by clear and convincing evidence.

"(B) The term 'natural gas' means any product (other than crude oil) of an oil or gas well if a deduction for depletion is allowable under section 611 with respect to such product.

"(C) The term 'domestic' refers to petroleum from an oil or gas well located in the United States or in a possession of the United States.

"(D) The term 'crude oil' includes a natural gas liquid recovered from a gas well in lease separators or field facilities.

"(E) The term 'regulated natural gas' means domestic natural gas produced and sold by the producer, prior to January 1, 1976, subject to the jurisdiction of the Federal Power Commission, the price for which has not been adjusted to reflect to any extent the increase in liability of the seller for tax by reason of the repeal of percentage depletion. Price increases subsequent to April 10, 1974, shall be presumed to take increases in tax liabilities into account unless the taxpayer demonstrates the contrary by clear and convincing evidence.".

(c) Effective Dates.—The amendment made by subsections (a) and (b) of this section shall apply to oil and gas produced on or after January 1, 1974.

Sec. 4. Termination of Special Tax Treatment for Domestic International Sales Corporations.

(a) Termination of Exemption Provisions.—Section 991 of the Internal Revenue Code of 1954 (relating to tax exemption of a DISC) is amended by adding at the end thereof the following: "This section shall not apply to any taxable year beginning after December 31, 1973.".

(b) Termination of DISC's.—Section 992 (a) of the Internal Revenue Code of 1954 (relating to definition of a DISC) is amended by adding at the end thereof the following new paragraph:

"(4) Termination.—Notwithstanding any other provision of this part, no corporation shall be treated as a DISC or former DISC for any taxable year beginning after December 31, 1973.".

(c) Distribution by DISC's Terminated.—Section 995(b) of the Internal Revenue Code of 1954 (relating to deemed distributions of DISC income) is amended by adding at the end thereof the following new paragraph:

"(3) Distributions upon termination.—

"(A) In the case of a corporation which was a DISC, or former DISC, for a taxable year ending after December 31, 1972, and before January 1, 1974, and to which the provisions of paragraph (2) do not apply for the succeeding taxable year, a shareholder of the corporation shall be deemed to have received (at the time specified in subparagraph (B)) a distribution taxable as a dividend equal to his pro rata share of the DISC income of such corporation accumulated during the immediately preceding consecutive taxable years for which the corporation was a DISC.

"(B) Distributions described in subparagraph (A) shall be deemed to be received in equal installments on the last day of each of the 10 taxable years of the corporation following the taxable year ending before January 1, 1974.".

Sec. 5. Termination of Permitted Class Life Variance.

(a) In General.—Section 167(m)(1) of the Internal Revenue Code of 1954 (relating to class life in general) is amended by striking out the last sentence.

(b) Effective Date.—The amendment made by this section applies with respect to property placed in service after the date of enactment of this Act.

Sec. 6. Minimum Tax.

(a) In General.—Section 56 of the Internal Revenue Code of 1954 (relating to imposition of minimum tax for tax preferences) is amended—

(1) by striking out subsection (c);

(2) by striking out subsection (a) and inserting in lieu thereof the following:

"(a) In General.—In addition to the other taxes imposed by this chapter, there is hereby imposed for each taxable year, with respect to income of every person, a tax equal to 10 percent of the amount (if any) by which the sum of the items of tax preference exceeds the excludable amount.";.

Mr. ROBERT C. BYRD. Mr. President, Senators cannot hear, for their own edification, the reading of the amendment.

Mr. HUGH SCOTT. And could not understand if they did. (Laughter.)

The PRESIDING OFFICER. The Senate will be in order.

Mr. ROBERT C. BYRD. I think that, inasmuch as there were objections to dispensing with the further reading of the amendment, we Senators ought at least to listen.

The PRESIDING OFFICER. The Senate will be in order.

The assistant legislative clerk continued to read, as follows:

(3) By striking out "$30,000" in subsection (b)(1)(B) and inserting in lieu thereof $10,000"; and

(4) by inserting a new subsection (c) as follows:

"(c) For the purpose of subsection (a) of this subsection, the excludable amount shall be $10,000.".

(b) Effective Date.—The amendments made by this section shall apply to taxable years beginning after December 31, 1973.

Sec. 7. Increase in Amount of Personal Exemptions.

(a) Section 151 of the Internal Revenue Code of 1954 (relating to personal exemptions) is amended by striking out "$750" wherever it appears and inserting in lieu thereof "$825".

(b) Section 6012(a)(1) of such Code (relating to persons required to make returns of income) is amended by striking out "$750" wherever it appears and inserting in lieu thereof "$825", by striking out "$2,050" wherever it appears and inserting in lieu thereof "$2,125", and by striking out "$2,800" wherever it appears and inserting in lieu thereof "$2,950".

(c) Section 6013(b)(3)(A) of such Code (relating to assessment and collection in the case of certain returns of husband and wife) is amended by striking out "$750" wherever it appears and inserting in lieu thereof "$825" and by striking out "$1,500" wherever it appears and inserting in lieu thereof "$1,650".

(d) The table contained in section 3402 (b)(1) of such Code (relating to percentage method of withholding) is amended to read as follows:

"Percentage Method Withholding Table

"Payroll period	Amount of one withholding exemption:
Weekly	$15.90
Biweekly	31.80
Semimonthly	34.40
Monthly	68.80
Quarterly	206.30
Semiannual	412.50
Annual	825.00
Daily or miscellaneous (per day of such period)	2.30".

(e) The amendments made by this sections (other than by subsection (d)) shall apply to taxable years beginning after December 31, 1973. The amendment made by subsection (d) shall apply with respect to wages paid on or after the 30th day after the date of enactment of this Act.

Sec. 8. Optional Credit Against Tax for Personal Exemptions; Tax Credit for Low-Income Workers With Families.

(a) Subpart A of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by renumbering section 42 as section 44 and by inserting after section 41 the following new sections:

"Sec. 42. Personal Exemptions.

"(a) General Rule.—At the election of the taxpayer, there shall be allowed, as a credit against the tax imposed by this chapter for the taxable year, an amount equal to $190 multiplied by the number of exemptions to which the taxpayer is entitled under section 151. Such credit shall not exceed the tax imposed by this chapter for the taxable year.

"(b) Election.—An election under subsection (a) for a taxable year may be made at any time before the expiration of the period for filing a claim for a refund or credit of an overpayment of tax for such taxable year and shall be made in such form and manner as the Secretary or his delegate prescribes by regulations.

"(c) Denial of Deduction.—If a taxpayer elects the credit provided by subsection (a) for a taxable year, no deduction shall be allowed under section 151 for any exemption to which he is entitled under such section.

Mr. ROBERT C. BYRD. Mr. President, will the Chair maintain order in the Senate?

The PRESIDING OFFICER. The Chair suggests that Senators refrain from discussing this issue or others while the clerk is reading. If it is necessary to carry on a conversation, the Chair suggests that Senators remove themselves to the cloakrooms.

Mr. McGEE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McGEE. For those Senators who think they have understood it, is it in order to ask unanimous consent to dispense with the reading of the remainder of the amendment?

The PRESIDING OFFICER. It is in order. Is there objection?

Mr. McGEE. I so ask unanimous consent, out of consideration for the Members of the Senate.

The PRESIDING OFFICER. Is there objection?

Mr. HANSEN. I must object, Mr. President.

The PRESIDING OFFICER. Objection is heard.

The Senate will be in order.

The clerk will proceed.

Mr. HUGH SCOTT. It is cruel and unusual punishment.

The assistant legislative clerk continued to read, as follows:

"Sec. 43. Tax Credit for Low-Income Workers With Families.

"(a) In General.—

"(1) Allowance of credit.—There shall be allowed to a taxpayer who is an eligible individual as a credit against the tax imposed by this chapter for the taxable year an amount equal to the applicable percentage (as determined under paragraph (2)) of the social security taxes imposed on him and his employer with respect to wages received by the taxpayer during that year. In the case of a taxpayer who is married (as determined under section 143) and who files a joint return of tax with his spouse under section 6013 for the taxable year, the amount of the credit allowable by this subsection shall be an amount equal to the applicable percentage (as determined under paragraph (2)) of the social security taxes imposed on him and his spouse, and their employers, with respect to wages received by the taxpayer and his spouse during that year.

"(2) Applicable percentage.—The percentage under paragraph (1) applicable to the social security taxes is—

"(A) 86 percent for calendar years 1974 through 1977,

"(B) 83 percent for calendar years 1978 through 1980,

"(C) 80 percent for calendar years 1981 through 1985,

"(D) 78 percent for calendar years 1986 through 2010, and

"(E) 68 percent for calendar years beginning after December 31, 2010.

"(b) Limitations.—

"(1) Maximum credit.—The amount of the credit allowable to a taxpayer (or to a taxpayer and his spouse in the case of a joint return of tax under section 6013) for any taxable year under subsection (a) shall not exceed an amount equal to 10 percent of so much of the wages (as defined in section 3121(a)) as does not exceed $4,000 received by that individual (or by that individual and his spouse in the case of a joint return of tax) during that year with respect to employment (as defined in section 3121(b) without regard to the exclusion set forth in paragraph (9) of that section).

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Senator from Wyoming and myself, I ask unanimous consent that the further reading of the amendment be dispensed with.

Mr. WILLIAM L. SCOTT. Mr. President, I object.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue.

Mr. McGEE. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. McGEE. Is it permissible for a Senator to leave the Chamber at this time? This is an insult to the intelligence of Senators. We have all read this. Is there any penalty for leaving the Chamber? There is a penalty for remaining; that is the reason why I wanted to inquire. [Laughter.]

The PRESIDING OFFICER. The Senate and the galleries will be in order.

There will be no penalty if the Senator desires to leave. [Laughter.]

The clerk will continue to read.

The assistant legislative clerk continued to read the amendment, as follows:

"(2) Reduction for additional income.—The amount of the credit allowable under subsection (a) for any taxable year (after the application of paragraph (1)) shall be reduced by one-fourth of the amount by which a taxpayer's income, or, if he is married (as determined under section 143), the total of his income and his spouse's income, for the taxable year exceeds $4,000. For purposes of this paragraph, the term 'income' means adjusted gross income (as defined in section 62 but without regard to paragraph (3) (relating to long-term capital gains)) plus—

"(A) any amount described in section 71 (b) (relating to payments to support minor children), 71(c) (relating to alimony and separate maintenance payments paid as a principal sum paid in installments), or 74(b) (relating to certain prizes and awards),

"(B) any amount excluded from income under section 101 (relating to certain death benefits), 102 (relating to gifts and inheritances), 103 (relating to interest on certain governmental obligations), 105(d) (relating to amounts received under wage continuation accident and health plans), 107 (relating to rental value of parsonages), 112 (relating to certain combat pay of members of the Armed Forces), 113 (relating to mustering-out payments for members of the Armed Forces), 116 (relating to partial exclusion of dividends received by individuals), 117 (relating to scholarships and fellowship grants), 119 (relating to meals or lodging furnished for the convenience of the employer), 121 (relating to gain from sale or exchange of residence by individual who has attained age 65), 911 (relating to earned income from sources without the United States), or 931 (relating to income from sources within possessions of the United States),

Mr. PASTORE. Mr. President, a point of order. If we are going to have this read, we should listen to it. I think Senators should take their seats and let us listen to it.

The PRESIDING OFFICER. The Senate will be in order; the Senators will take their seats. The clerk will continue.

The assistant legislative clerk continued to read, as follows:

"(C) any amount received as a payment from a public agency based upon need, age, blindness, or disability, or as a payment from a public agency for the general support of the taxpayer and his family (as determined by the Secretary or his delegate), other than any payment for the purchase of prosthetic devices or medical services, and

Mr. PASTORE. Mr. President, Senators are still out of their seats. I think they should take their seats.

The PRESIDING OFFICER. The clerk will continue.

The assistant legislative clerk continued to read, as follows:

"(D) any amount received as an annuity, pension, retirement, or disability benefit (including veterans' compensation and pensions, workmen's compensation payments, monthly insurance payments under title II of the Social Security Act, railroad retirement annuities and pensions, and benefits under any Federal or State unemployment compensation law).

"(3) Application with section 6428.—The amount allowable to a taxpayer, or to a taxpayer and his spouse, as a credit under subsection (a) for any taxable year (after the application of paragraphs (1) and (2)) shall be reduced by the sum of any amounts received under section 6428 during that year.

"(c) Definitions.—For purposes of this section—

"(1) Eligible individual.—The term 'eligible individual' means an individual who maintains a household (within the meaning of section 214(b)(3)) in the United States which is the principal place of abode of the individual and a child of that individual with respect to whom he is entitled to a deduction under section 151(e)(1)(B) (relating to additional exemption for dependents).

"(2) Social security taxes.—The term 'social security taxes' means the aggregate amount of taxes imposed by sections 3101 (relating to rate of tax on employees under the Federal Insurance Contributions Act) and 3111 (relating to rate of tax on employers under such Act) with respect to the wages (as defined in section 3121(a)) received by or which would be imposed with respect to employment (as defined in section 3121 (b)), or which would be imposed with respect to such wages by such sections if the definition of the term 'employment' (as defined in section 3121(b)) did not contain the exclusion set forth in paragraph (9) of such section."

(b) The table of sections for such subpart is amended by striking out the last item and inserting in lieu thereof the following:

"Sec. 42. Personal exemptions.
"Sec. 43. Tax credit for low-income workers with families.
"Sec. 44. Overpayments of tax.".

(c) Section 41(b)(2) of such Code (relating to contributions to candidates for public office) is amended by striking out "and" before "section 38" and by inserting before the period at the end thereof ", and section 42 (relating to personal exemptions)".

(d) Section 46(a)(3) of such Code (relating to the investment credit) is amended—

(1) by striking out "and" at the end of subparagraph (B),

(2) by striking out the period at the end of subparagraph (C) and inserting in lieu thereof ", and", and

(3) by inserting after subparagraph (C) the following new subparagraph:

"(D) section 42 (relating to personal exemptions)."

(e) Section 50A(a)(3) of such Code (relating to credit for expenses of work incentive programs) is amended—

(1) by striking out "and" at the end of subparagraph (D),

(2) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof ", and", and

(3) by inserting after subparagraph (E) the following new subparagraph:

"(F) section 42 (relating to personal exemptions).".

(f) Section 3402 of such Code (relating to income tax collected at source) is amended by adding at the end thereof the following new subsection:

"(q) Withholding Based on Credits in Lieu of Exemptions.—

"(1) Election.—At the election of an employee, made in such form and manner as the Secretary or his delegate prescribes by regulations, the amount of tax deducted and withheld under subsection (a) or (c) with respect to wages paid to him by his employer shall be determined by applying the provisions of this subsection. An election made by an employee under this paragraph shall be effective with respect to wages paid to him, after the date of such election, during the calendar year in which such election is made. An election may be made by an employee under this paragraph with respect to wages paid to him only if, for his taxable year which ends in such calendar year, he expects to elect the credit allowed by section 42 (relating to personal exemptions).

"(2) Determination of tax.—During the period during which an election made by an employee under paragraph (1) is in effect, the amount of tax deducted and withheld from the wages of such employee under subsection (a) shall be determined in accordance with the tables set forth in such subsection, except that—

"(A) for purposes of applying such tables, the amount of wages shall not be reduced on account of any withholding exemptions claimed, and

"(B) the amount of income tax to be withheld shall be reduced by the number of withholding credits of the employee, multiplied by the amount of one such credit as shown in the table in paragraph (3).

For purposes of this paragraph, an employee shall have a number of withholding credits equal to the number of withholding exemptions claimed.

"(3) Amount of withholding credit.—The table referred to in paragraph (2) is as follows:

"Percentage Method Withholding Credit Table

"Payroll period:	*Amount of one withholding exemption*
Weekly	$3.70
Biweekly	7.40
Semimonthly	7.90
Monthly	15.80
Quarterly	47.50
Semiannual	95.00
Annual	190.00
Daily or miscellaneous (per day of such period)	.50

"(4) Wage bracket withholding.—In the case of an employer who elects to deduct and withhold tax under subsection (c) (in lieu of the tax required to be deducted and withheld under subsection (a)) with respect to an employee who has made an election under paragraph (1), the amount of tax to be deducted and withheld shall be determined in accordance with tables prescribed by the Secretary or his delegate which shall apply the provisions of paragraphs (2) and (3)."

(g) Section 6401(b) of such Code (relating to excessive credits) is amended by—

(1) inserting after "lubricating oil)" the following: ", 43 (relating to tax credit for low-income workers with families),"; and

(2) striking out "sections 31 and 39" and inserting in lieu thereof "sections 31, 39, and 43".

(h) Section 6201(a)(4) of such Code (relating to assessment authority) is amended by—

(1) inserting "or 43" after "section 39" in the caption of such section; and

(2) striking out "oil)," and inserting in lieu thereof "oil) or section 43 (relating to tax credit for low-income workers with families),".

(i) (1) Subchapter B of chapter 65 of such Code (relating to rules of special application) is amended by adding at the end thereof the following new section:

"Sec. 6428. Advance Refund of Section 43 Credit.

"(a) In General.—A taxpayer may receive an advance refund of the credit allowable to him under section 43 (relating to tax credit for low-income workers with families) not more frequently than quarterly by filing an election for such refund with the Secretary or his delegate at such time and in such form as the Secretary or his delegate may prescribe. If the taxpayer elects to base his claim for refund on social security taxes imposed on him, his spouse, and their employers, the election shall be a joint election signed by the taxpayer and his spouse. An election may not be made under this subsection with respect to the last quarter of the calendar year, and any other election shall specify the quarter or quarters to which it relates and shall be made not later than the fifteenth day of the eleventh month of the taxable year to which it relates. The Secretary or his delegate shall pay any advance refund for which a proper election is made without regard to any liability, or potential liability, for tax under chapter 1 which has accrued, or may be expected to accrue, to the taxpayer for the taxable year to which the election relates.

"(b) Limitations.—

"(1) Amount of refund.—The amount of any refund for which a taxpayer files an election under subsection (a) shall be an amount equal to the amount of the credit allowable under section 43 with respect to social security taxes payable with respect to that taxpayer (or, in the case of a joint election, social security taxes payable with respect to that taxpayer and his spouse) for the quarter or quarters to which the election relates.

"(2) Ineligible for credit.—No advance refund may be made under this section for any quarter to a taxpayer who, on the basis of the income the taxpayer and his spouse reasonably may expect to receive during the taxable year, will not be entitled to claim any amount as a credit under section 43 for that year.

"(3) Minimum payment.—No payment may be made under this section in an amount less than $30.

"(c) Collection of Excess Payments.—In addition to any other method of collection available to him, if the Secretary or his delegate determines that any part of any amount paid to a taxpayer for any quarter under this section was in excess of the amount to which that taxpayer was entitled for that quarter, the Secretary or his delegate shall notify that taxpayer of the excess payment and may wihthold from any amounts which that taxpayer elects to receive under this section in any subsequent quarter, amounts totaling not more than the amount of that excess.".

(2) The table of sections for such subchapter is amended by adding at the end thereof the following new item:

"Sec. 6428. Advance refund of section 43 credit.".

(j) Section 6011(d) of such Code (relating to interest equalization returns, etc.) is amended by adding at the end thereof the following new paragraph:

"(4) Returns of taxpayers receiving advance refund of section 43 credit.—Every taxpayer who elects to receive an advance refund of the credit allowed by section 43 (relating to tax credit for low-income workers with families) during the taxable year shall file a return for that year, together with such additional information as the Secretary or his delegate may require.".

(k) (1) The Secretary of the Treasury shall develop simple and expedient application forms and procedures for use by taxpayers who wish to receive an advance refund under section 6428 of the Internal Revenue Code of 1954 (relating to advance refund of section 43 credit), arrange for distributing such forms and making them easily available to taxpayers, and prescribe such regulations as may be necessary to carry out the provisions of sections 43 and 6428 of such Code. Each such application form shall contain a warning that the making of a false or fraudulent statement thereon is a Federal crime.

(2) The Secretary of the Treasury is authorized to obtain from any agency or department of the United States Government or of any State or political subdivision thereof such information with respect to any taxpayer applying for or receiving benefits under section 6428 of the Internal Revenue Code of 1954 (relating to advance refund of section 43 credit), or his spouse, as may be necessary for the proper administration of section 43 of the Internal Revenue Code of 1954 (relating to tax credit for low-income workers with families) and of section 6428 of such Code (relating to advance refund of section 43 credit). Notwithstanding any other provision of law, each agency and department of the United States Government is authorized and directed to furnish to the Secretary such information upon request.

(l) Section 402(a)(7) of the Social Security Act is amended by inserting after "other income" the following: "(including any amounts derived from application of the tax credit established by section 43 of the Internal Revenue Code of 1954)".

(m) The amendments made by this section (other than by subsection (f)) shall apply with respect to taxable years beginning after December 31, 1973. The amendment made by subsection (f) shall apply with respect to wages paid on or after the 30th day after the date of the enactment of this Act. No advance refund payment under section 6428 of the Internal Revenue Code of 1954 shall be made before October 1, 1974.

Mr. MANSFIELD. Mr. President——

The PRESIDING OFFICER. The Senator from Montana.

Mr. MANSFIELD. I yield to the distinguished Senator from West Virginia without losing my right to the floor.

A UNANIMOUS-CONSENT AGREEMENT—LEGISLATIVE APPROPRIATION BILL

Mr. ROBERT C. BYRD. Mr. President, these requests have been cleared with the leadership on the other side of the aisle, with the chairman of the Subcommittee on Legislative Appropriations, with the distinguished Senator who is chairman of the Appropriations Committees (Mr. McClellan), with the ranking Republican member of that committee (Mr. Young), with the ranking Republican member of the Subcommittee on Appropriations (Mr. Cotton), and with Senators Ervin, Muskie, Percy, and other Senators.

I ask unanimous consent that at such time as the legislative appropriation bill is called up and made the pending business before the Senate, there be a time limitation thereon of 2 hours, to be equally divided between Mr. Cotton and Mr. Hollings, and that there be a time limitation on any amendment of 30 minutes, and a time limitation on any debatable motion or appeal of 20 minutes, the agreement to be in the usual form.

The PRESIDING OFFICER. Is there

objection? Without objection, it is so ordered.

The text of the unanimous-consent agreement is as follows:

June 19, 1974.

Ordered, That during the consideration of H.R. 14012, the legislative appropriations bill, debate on any amendment shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the bill, and that debate on any debatable motion or appeal shall be limited to 20 minutes, to be equally divided and controlled by the mover of such and the manager of the bill: *Provided,* That in the event the manager of the bill is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the minority leader or his designee.

Ordered further, That on the question of the final passage of the said bill, debate shall be limited to 2 hours, to be equally divided and controlled, respectively, by the Senator from New Hampshire (Mr. Cotton) and the Senator from South Carolina (Mr. Hollings): *Provided,* That the said Senators, or either of them, may, from the time under their control on the passage of the said bill, allot additional time to any Senator during the consideration of any amendment, debatable motion or appeal.

UNANIMOUS-CONSENT AGREEMENT—CONFERENCE REPORT ON BUDGET REFORM

Mr. ROBERT C. BYRD. Mr. President, having already stated the names of the Senators with whom this request has been cleared, I ask unanimous consent that at such time as the conference report on budget reform is called up and made the pending business before the Senate, there be a time limitation thereon of 2 hours, the time to be equally divided between Mr. Percy and Mr. Ervin.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I thank the Senator.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. MANSFIELD. Briefly, because it is my intention to adjourn very quickly, and I served notice on the Senate to that effect.

First, I ask unanimous consent that a staff assistant attached to the office of the distinguished Senator from Wisconsin (Mr. Nelson) be allowed the privileges of the floor during the course of the debate on the debt ceiling legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. KENNEDY. As I understand the parliamentary situation, the Senator from Montana, the majority leader, has called up an amendment which was to be offered by the junior Senator from Minnesota (Mr. Humphrey), and cosponsored by a number of us, and has made that an amendment to the Allen amendment.

As I understand it, we are in a dilemma because, under the rules of the Senate, we are not able to get separate votes on many of the different issues which are included in this particular amendment. Those of us who developed that amendment have given various assurances to various Members of this body. Although the amendment represents the combined views of those who sponsored the measure, we recognize there were other provisions that also had the support of Members of the Senate, and that the Senate would be able to work its will in the usual way of voting up or down on the various proposals. But we find ourselves, this Wednesday evening, after debating 3 days, in the dilemma that no amendments are in order to the tax reform and tax relief amendment.

I would hope that we could have a vote on our package amendment as soon as possible, and also on the Allen amendment.

So I want to give assurances to the majority leader that, so far as I am concerned, I am prepared to move ahead to vote at any time. I think it is a regrettable situation that we find ourselves in, and I hope that an accommodation may be found to allow the amendment to be considered and disposed of in a reasonable way.

ORDER FOR ADJOURNMENT TO 11 A.M.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that when the Senate adjourns tonight, it stand in adjournment until the hour of 11 a.m., instead of 10 a.m., as previously agreed to.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. LONG. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield to the distinguished chairman of the committee.

Mr. LONG. I have thought with the leadership every step of the way, but, in my judgment, it would be very irresponsible to vote on this amendment without a considerable amount of debate.

Just in an effort to give the Senate some modest amount of information on this subject, the Senate Committee on Finance held hearings which amount to 363 pages, just to give us some general idea of what these amendments are about.

For example, an amendment to repeal the ADR, the asset depreciation range, is a far-reaching amendment. It is a tax increase of several billion dollars. As a matter of fact, I do not have the figure on the tip of my tonque right now. I have one of the best experts on the subject sitting beside me looking that up right now. That is $400 million the first year. It is a $1 billion a year tax increase on business when in full operation the second year, and that would cause a great number of businesses to cancel their orders.

That tends, in my judgment, to be recessionary. That, in my judgment, would tend to defeat the purpose of the amendment, which is to try to provide more employment and more opportunities for people.

This amendment, as well as all the others—this is one amendment that encompasses about five major amendments; and I am trying to tell the Senate I cannot vote for cloture even on this amendment because there is so much to it, that it would still remain subject to amendment, and I do not think the Senate ought to legislate on this kind of amendment under cloture where each Senator can speak only for an hour.

I would be the first to insist that Senators have a right to be heard, and that they have a chance to discuss this amendment before we vote on it.

With respect to the Allen amendment, so far as I am concerned, I was ready to vote the minute it was laid down. I have been here 3 days listening to that discussion, and as far as I am concerned, I was ready to make a 5-minute statement and vote the moment it was laid down.

But on this motion I think it is——

Mr. MANSFIELD. Before I make the motion to adjourn, I would yield to the Senator from Washington.

Mr. MAGNUSON. I have been listening to this discussion, but I do have an amendment at the desk, an amendment of the Senator from Connecticut, myself, and my colleague, Senator Jackson, which deals only with the repeal of the depletion allowance on oil and gas, and I would like to have some discussion on it to be able to vote on it, up or down, I think, as the Senator from Louisiana points out.

I wanted to ask, first, is that subject included in the larger amendment that was just read, of the repeal of the oil and gas depletion allowance?

Mr. KENNEDY. Mr. President, would the Senator yield?

Mr. MAGNUSON. Yes.

Mr. KENNEDY. I can tell the Senator from Washington that it is included.

Mr. MAGNUSON. It is part of this amendment.

Mr. KENNEDY. The Senator is correct.

Mr. MAGNUSON. It cannot be brought up separately until we dispose of this; is that correct?

Mr. KENNEDY. The Senator is correct.

Mr. MANSFIELD. But it can be brought up.

Mr. MAGNUSON. Supposing this does not prevail, we can bring up our separate amendment. I am going to vote for many of the other amendments, too. But I did have this one, and the Senator from Connecticut, my colleague, Senator Jackson, and I understood we would be able to parliamentarywise and, if it would be agreeable, bring that up separately at the proper time. That is all I wanted to know.

Mr. MANSFIELD. That is right.

Mr. HUMPHREY. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. HUMPHREY. May I say even if we should have the good fortune to vote on the amendment that was added by the Senator from Montana, which is the same as amendment No. 1443 that he introduced here on June 12, this would not preclude the Senator from Washington from bringing up other amendments that relate to the purpose of this bill.

Mr. MAGNUSON. I might say to the Senator from Minnesota that there are some who have already talked to me about the fact that they want to discuss the exemption of what they call dependents.

Mr. HUMPHREY. That is correct.

Mr. MAGNUSON. That will be part of the discussion on my amendment for the depletion allowance.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Alabama (Mr. ALLEN), without losing my right to the floor.

Mr. ALLEN. I thank the distinguished Senator from Montana for yielding to me.

Mr. President, the Senator from Alabama has discussed at some length the issue presented here, and he is glad to see this whole package come in and be the pending business before the Senate, and the Senator from Alabama wants to serve notice that he is not going to have one single thing to say with respect to this amendment. There is enough division among the proponents of the amendment to suffice, so it will not be necessary for the Senator from Alabama to discuss it.

The Senator from Alabama is ready to vote at any time on this substitute motion. He will have nothing further to say on the motion.

Mr. MANSFIELD. I yield to the distinguished Senator from West Virginia.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, at the conclusion of routine morning business, the Senate proceed to the consideration of the legislative appropriation bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished majority leader yield to me further?

Mr. HUMPHREY. Following the legislative appropriation bill will we return to the amendment—the Allen amendment—as amended by the amendment of the Senator from Montana?

Mr. ROBERT C. BYRD. Yes, the debt limit bill will be the unfinished business.

Mr. President, the Senate will convene at the hour of 11 o'clock tomorrow morning, and after the two leaders or their designees have been recognized——

Mr. HANSEN. Will the majority whip yield?

Mr. ROBERT C. BYRD. Yes; I yield.

Mr. HANSEN. I am not certain I understand him. Did he say the Kennedy amendment was the unfinished business?

Mr. ROBERT C. BYRD. No, I am sorry.

Mr. HANSEN. I beg the Senator's pardon.

Mr. ROBERT C. BYRD. I did not make myself clear.

Mr. President, the Senate will convene at 11 a.m. tomorrow. After the two leaders or their designees have been recognized under the standing order, the Senate will proceed to the consideration of S. 2581, a bill to amend the Randolph-Sheppard Act, with a limitation of 20 minutes on that bill.

The yeas and nays are not expected to be ordered.

There will then be a period for the transaction of routine morning business of not to exceed 20 minutes, with statements limited therein to 5 minutes each; I ask unanimous consent, Mr. President, to that effect.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LONG. Mr. President, reserving the right to object, I ask for the yeas and nays on the pending amendment.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, I will start over again.

The Senate will convene tomorrow at 11 a.m. After the two leaders or their designees have been recognized under the standing order, the Senate will proceed to the consideration of S. 2581, a bill to amend the Randolph-Sheppard Act.

The yeas and nays are not expected to be ordered on that bill, with a limitation of 20 minutes thereon.

At the conclusion of action on that bill, there will be a period for the transaction of routine morning business not to exceed 20 minutes, with statements limited to 5 minutes thereon.

At the conclusion of the routine morning business, the Senate will proceed to the consideration of the legislative appropriation bill, and, undoubtedly, there will be at least one rollcall and possibly more thereon.

At the conclusion of the action on the legislative appropriation bill, the Senate will resume the consideration of the unfinished business, which is the debt limit bill, H.R. 14832.

The pending question at that time will be on the adoption of the amendment by Mr. KENNEDY and others, on the amendment of Mr. ALLEN.

Mr. ALLEN. Mr. President, I am ready to vote.

Mr. HUMPHREY. Mr. President, let me get it clear. I thought it was the amendment of the Senator from Montana.

Mr. MANSFIELD. No; I called up the amendment offered by the Senator from Minnesota (Mr. HUMPHREY) and the Senator from Massachusetts (Mr. KENNEDY).

Mr. HUMPHREY. That is the point I wanted to be sure of—which amendment we were on.

Mr. JAVITS. Mr. President, will the Senator yield to me on the legislative appropriation bill?

Mr. MANSFIELD. Mr. President, I hope that this discussion can end quickly because I promised a long time ago that I was going to move to adjourn. If it lasts too long I am going to cut in and move to adjourn.

Mr. JAVITS. Mr. President, if the Senator will yield to me, does this appropriation bill carry an appropriation for the Joint Economic Committee? I think there may be some contest about that.

Mr. ROBERT C. BYRD. Mr. President, I yield to the Senator from South Carolina (Mr. HOLLINGS).

Mr. JAVITS. Mr. President, I think it does, does it not?

Mr. HOLLINGS. Yes.

Mr. JAVITS. Was there not quite a diminution of their cut in that request relating to staffing?

Mr. HOLLINGS. I can tell the Senator now that the report has been filed and there was no diminution, but, on the contrary, we allowed some $375 for Representative MARTHA GRIFFITHS to file her reports. The request made by the distinguished Senator from New York and a request made by the Senator from Texas for another $14,000 were not granted.

Mr. JAVITS. My request was not granted?

Mr. HOLLINGS. No.

Mr. JAVITS. And neither was his?

Mr. HOLLINGS. Neither was his.

Mr. JAVITS. The patron request—of the Senator from Texas (Mr. BENTSEN).

Mr. HOLLINGS. That is right. He was asking for a special Subcommittee on Economic Progress.

Mr. JAVITS. So those would be contested matters, if they are contested?

Mr. HOLLINGS. Yes, sir.

Mr. JAVITS. Is there a unanimous consent—were those amendments or were those original text or what?

Mr. HOLLINGS. Those were presented as amendments, but not accepted. They are not in the bill, amendments have to be filed.

Mr. JAVITS. I do not want to be shut out on the unanimous consent, so I should like to ask a question of the Chair, if I may, on the question of yielding. That is, is an amendment to the bill relating to increasing the amount allocated to the committee, which was named in the bill and has the amount named in the bill germane?

The PRESIDING OFFICER (Mr. HUDDLESTON). The Chair rules that if it does relate to subject matter in the bill, it would be germane. However, the Chair would reserve ruling until it saw the amendment presented.

Mr. JAVITS. I thank the Chair.

ADJOURNMENT UNTIL 11 A.M.

Mr. MANSFIELD. Mr. President, I move that the Senate stand in adjournment until the hour of 11 o'clock tomorrow morning.

The motion was agreed to; and at 5:50 p.m. the Senate adjourned until tomorrow, Thursday, June 20, 1974, at 11 a.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate, June 19, 1974:

DEPARTMENT OF STATE

James D. Hodgson, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Japan.

David E. Mark, of Maryland, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Republic of Burundi.

(The above nominations were approved subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

SENATE—*Thursday, June 20, 1974*

The Senate met at 11 a.m. and was called to order by Hon. J. BENNETT JOHNSTON, JR., a Senator from the State of Louisiana.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Lord, who hast promised that wherever two or three or a thousand are gathered in Thy name, Thou art in the midst, be with us here and with all beyond this Chamber who daily join us in prayer. Raise up a host of praying people whose love of Thee and dedication to the Nation give promise of a new birth of pure religion and lofty patriotism. In the knowledge that "the effectual fervent prayer of a righteous man availeth much" help us to pray without ceasing that we may have wisdom to discern Thy will and power to do it.

In Thy holy name, we pray. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The second assistant legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, D.C., June 20, 1974.*
>
> *To the Senate:*
>
> Being temporarily absent from the Senate on official duties, I appoint Hon. J. BENNETT JOHNSTON, JR., a Senator from the State of Louisiana, to perform the duties of the Chair during my absence.
>
> JAMES O. EASTLAND,
> *President pro tempore.*

Mr. JOHNSTON thereupon took the chair as Acting President pro tempore.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed without amendment the bill (S. 411) to amend title 39, United States Code, with respect to certain rates of postage, and for other purposes.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Wednesday, June 19, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 909 and 912.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EGMONT KEY NATIONAL WILDLIFE REFUGE, FLA.

The Senate proceeded to consider the bill (H.R. 8977) to establish in the State of Florida the Egmont Key National Wildlife Refuge, which had been reported from the Committee on Commerce with an amendment. At the top of page 3 strike out:

> SEC. 4. There are authorized to be appropriated such sums as may be necessary to carry out the purposes of this Act.

The amendment was agreed to.

The bill was ordered to a third reading, read the third time, and passed.

J. B. RIDDLE

The bill (H.R. 1376) for the relief of J. B. Riddle, was considered, ordered to a third reading, read the third time, and passed.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider the nomination on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nomination on the Executive Calendar will be stated.

DEPARTMENT OF STATE

The second assistant legislative clerk read the nomination of Thomas O. Enders, of Connecticut, to be an Assistant Secretary of State.

The ACTING PRESIDENT pro tempore. Without objection, the nomination is considered and confirmed.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate resume the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

LEAKS FROM THE HOUSE JUDICIARY COMMITTEE

Mr. HUGH SCOTT. Mr. President, an editorial in today's New York Times is of such extraordinary interest that I am going to read it in full into the RECORD. It is entitled "Judiciary's Leaks," and reads as follows:

> The House Judiciary Committee, after making an appropriately measured start on its impeachment inquiry, now seems to have sprung not just a leak, but a gusher. Over the past week, the public has been treated to the contents of a series of confidential memoranda analyzing portions of the evidence that has been presented by the staff in closed sessions to the committee.
>
> Even before those memoranda were leaked to the press, various members of the committee were providing fragmentary recollections of bits and pieces of the evidence to which they had been exposed. And then, of course, there was that moderate-sized geyser of information about Secretary Kissinger's wiretap role, which apparently came from the Judiciary Committee and from other sources in Washington as well.
>
> The basic question posed by the leaks is one of fairness. The Judiciary Committee, after all, is conducting an inquiry into whether there are grounds for the House to charge the President with an impeachable offense. It is not trying Mr. Nixon. If the House decides to impeach him, the President is entitled to a fair trial before the Senate. The leakers, apparently impatient with the rules of secrecy adopted by the committee and presumably anxious to "get the President," are subjecting him to trial by the court of public opinion based upon fragmentary and unrebutted evidence and analysis.
>
> Impeachment, as we have said in the past, is the nation's most solemn constitutional process. As such, it should be, as at least one member of the committee has remarked, constitutionally pure. Those who are doing the leaking—whether members or staff—are not only undercutting their own purposes by providing their opponents with the means to discredit the committee, but are also violating a profound obligation to move the impeachment process forward with the fairness and the solemnity that its importance to the country requires.

Mr. President, I am advised that at least 14 reports have been prepared by a partisan staff member for partisan purposes, which he himself admits in the beginning of the reports, in that he says they are his views and are presented to the members of one political party. They are all prepared by a gentleman who was himself the chairman or the top officer of a political organization for the President's opponent in Wisconsin in the 1972 election. So his own origins are not, perhaps, entirely, let us say "constitutionally pure."

He should not be blamed entirely for the leaks, but the fact is, there are 14 leaks coming out at 1 a day until finally, time being of the essence, there appeared, I think, No. 6 and No. 7 in 1 day. I believe No. 8 is due today, so there are 6 to come—all in spite of the admonition of the chairman of that committee who has conducted himself responsibly, in my view.

This staff member who is passing out this material is abusing the constitutional process and, in spite of the partisan politics involved, says that he intends to continue to ignore the chairman and the members of the committee. I believe that is most regrettable.

ON BEHALF OF SPEAKING BETTER ENGLISH

Mr. HUGH SCOTT. Mr. President, as we listen to the prayer of our Chaplain every morning, I am often very much impressed by his masterly use of the

Great Book and the Book of Common Prayer.

There was a lady once who said, "Shakespeare must have read a lot because his writings are so full of trite sayings."

Actually, in those days, in the late 1500's and early 1600's, people had a real love for language. They articulated themselves better than people have done ever since, in my opinion. Their words were strong and resounding and what they put together traveled well down the ages, sonorously and beautifully. When one listens to the works of such as Shakespeare, or to the impressive, rolling cadences of the Book of Common Prayer, he wishes for better conversation, he wishes that people would turn the television off from time to time and simply talk. They would not know what to talk about at first, but practice would help. Perhaps, after sufficient practice, we could regain at least some of the control over that riderless animal, the English language.

I would like to see it happen. I would like to see us with more respect, even reverence, for the better usages of English. I hope that we will gain more facility in the mastery of the great gift which has been handed down to us by those who were themselves the eternal masters of the art.

AMENDMENT OF THE RANDOLPH-SHEPPARD ACT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to the consideration of S. 2581, which the clerk will report.

The second assistant legislative clerk read as follows:

> A bill S. 2581 to amend the Randolph-Sheppard Act for the blind to provide for a strengthening of the program authorized thereunder, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Labor and Public Welfare with amendments on page 1, line 4, after the word "of", strike out "1973"." and insert "1974".''; on page 3, at the beginning of line 11, strike out "programs,' and insert "program,"; on page 4, in line 11, after the word "the", insert "Administrator of"; on the same line after the word "Services", strike out "Administrator"; in line 13, after the word "the", strike out "Federal Government" and insert "United States"; in line 16 after the word "this" strike out "paragraph" and insert "subsection"; in line 21, after the word "property" insert "including, to the maximum extent feasible, vending facilities in the areas where employees work,"; on page 5, in line 2 after the word "placement" insert "or operation"; in line 5 after the word "justified." insert "A determination made by the Secretary pursuant to this provision shall be binding on any department, agency, or instrumentality of the United States affected by such determination."; in line 19 after the word "Randolph-Sheppard" insert "Act"; in line 20 after the word "of" strike out "1973," and insert "1974,"; on page 6, in line 10 after the word "the" insert "General Services Administration, the"; in the same line after the word "of" strike out "Defense" and insert "Defense,"; in line 16 after the word "out" insert " "and"; on page 7, in line 2 after the word "other" strike out "such"; in line 10, after the word "thereof" strike out "a semicolon" and insert " "; and" "; after line 11, insert:

> (4) Section 2(a)(6) of such Act, as redesignated by paragraph (1) of this subsection, is amended to read as follows:
>
> "(6) Through the Commissioner, (A) conduct periodic evaluations of the program authorized by this Act, including upward mobility and other training required by section 8, and annually submit to the appropriate committees of Congress a report based on such evaluations, and (B) take such other steps, including the issuance of such rules and regulations, as may be necessary or desirable in carrying out the provisions of this Act."

On page 8, in line 14, after the word "shall" strike out "own," and insert "Undertake to acquire by ownership,"; in line 15, after the word "or" insert "to"; in line 21, after the word "renovated," insert "or in the case of a building that is already occupied on such date by such department, agency, or instrumentality, is to be substantially altered or renovated"; on page 9, line 1, after the word "or" strike out "renovation," and insert "renovation"; in line 3, after the word "person." insert "Each such department agency, or instrumentality shall provide notice to the appropriate State licensing agency of its plans for occupation, acquisition, renovation, or relocation of a building adequate to permit such State agency to determine whether such building includes a satisfactory site or sites for a vending facility."; in line 21, at the beginning of the line, strike out "facility." and insert "facility, except that each such department, agency, and instrumentality shall make every effort to lease property in privately owned buildings capable of accommodating a vending facility."; on page 10, in line 21, after the word "respectively;" insert "and"; in line 22, after "(3)" insert "by striking out in paragraph (6) the word "stand" and inserting in lieu thereof "facility", and ,"; in line 24, after the word "inserting" strike out "in paragraph (6)"; on page 11, line 2, after the word "to" strike out "binding"; in line 10, after the word "of" strike out "operators" and insert "blind licensees"; in line 11, after the word "State" strike out "agency" and insert "agency, after such agency provides to each such licensee full information on all matters relevant to such proposed program,"; after line 14, insert:

> (c) Section 3(3) of such Act is further amended by inserting before the word "proceeds" in both places it appears, the word "net".

On page 12, in line 5, after the word "program" insert "may submit to a State licensing agency a request for a full evidentiary hearing, which shall be provided by such agency in accordance with section 3(6) of this Act. If such blind licensee is dissatisfied with any action taken or decision rendered as a result of such hearing, he"; in line 15, after the word "licensing" strike out "agency designated as such by the Secretary under this Act," and insert "agency"; in line 21 after the word "thereunder" insert "(including a limitation on the placement or operation of a vending facility as described in section 1(b) of this Act and the Secretary's determination thereon)"; on page 13, in line 13, after the word "of" strike out "licensed"; in the same line, after the word "blind" strike out "persons" and insert "licensees"; in line 17, after the word "the" strike out "licensed"; in line 18, after the word "blind" strike out "operator" and insert "licensee"; in line 19, after the word "individual," insert "not employed by the State licensing agency or, where appropriate, its parent agency,"; in line 23, after the word "subparagraph" insert "(1)"; on page 14, after the word "individual," insert "not employed by the Federal department, agency, or instrumentality controlling the Federal property over which the dispute arose,"; on page 14, after line 2, insert:

> "(d) The Secretary shall pay all reasonable costs of arbitration under this section in accordance with a schedule of fees and expenses he shall publish in the Federal Register.

On page 15, line 6, strike out:

> "SEC. 7. (a) Except as otherwise provided in this section, all vending machine income obtained from the operation of vending machines on Federal property shall accrue (1) to the blind licensee operating a vending facility on such property, or (2) in the event there is no blind licensee operating such facility on such property, to the State agency in whose State the Federal property is located, for use, in accordance with regulations the Commissioner shall prescribe, in the training required under section 9 of this Act, and for the purposes specified in section 3(3) of this Act: *Provided, however,* That with respect to income which accrues under clause (1) of this subsection, the Commissioner may prescribe regulations imposing a ceiling on income from such vending machines for an individual blind licensee, and any surplus shall accrue pursuant to clause (2) of this subsection. This proviso shall not apply to income from vending machines which are maintained, serviced, or operated by a blind licensee.
>
> "(b) Subsection (a) shall not apply, with respect to income from vending machines on Federal property, which machines were leased, or such income was provided, under contract to any person, group, or association on September 1, 1973, for a period of three years following the date of enactment of the Randolph Sheppard Act Amendments of 1973, or the date of expiration of such contract, whichever period is shorter.
>
> "(c) Subsection (a) shall not apply, with respect to income from vending machines on Federal property, which machines were owned by any person, group, or association on September 1, 1973, for a period equal to the remaining depreciable life of such machines, or for a period of three years following the date of enactment of the Randolph Sheppard Act Amendments of 1973, whichever period is shorter.
>
> "(d) In the case of vending machines the depreciable life of which, or the contract with respect to the leasing or furnishing of income of which, expires after the three year period set forth in subsections (b) and (c), the Secretary of the Treasury shall compensate the person, group, or association owning or contracting for such machines in an amount which reasonably represents the fair value of such depreciable life or contract; except that any such compensation shall be reduced by an amount, if any, equal to the proceeds from the sale, or premature termination of the contract, of such machines.
>
> "(e) This section shall apply only with respect to vending machines on Federal property which is an office or workplace used to conduct Federal Government business.

And insert in lieu thereof:

"SEC. 7. (a) In accordance with the provisions of subsection (b) of this section, vending machine income obtained from the operation of vending machines on Federal property shall accrue (1) to the blind licensee operating a vending facility on such property, or (2) in the event there is no blind licensee operating such facility on such property, to the State agency in whose State the Federal property is located, for the uses designated in subsection (c) of this section, except that with respect to income which accrues under clause (1) of this subsection, the Commissioner may prescribe regulations imposing a ceiling on income from such vending machines for an individual blind licensee. In the event such a ceiling is imposed, no blind licensee shall receive less vending machine income under such ceiling than he was receiving on January 1, 1974. No limitation shall be imposed on income from vending machines, combined to create a vending facility, which are maintained, serviced, or operated by a bilnd licensee. Any amounts received by a blind licensee that are in excess of the amount permitted to accrue to him under any ceiling imposed by the Commissioner shall be disbursed to the appropriate State agency under clause (2) of this subsection and shall be used by such agency in accordance with subsection (c) of this section.

"(b)(1) After June 30, 1974, 100 per centum of all vending machine income from vending machines on Federal property which are in direct competition with a blind vending facility shall accrue as specified in subsection (a) of this section. 'Direct competition' as used in this section means the existence of any vending machines or facilities operated on the same premises as a blind vending facility except that vending machines or facilities operated in areas serving employees the majority of whom do not have access to the blind vending facility shall not be considered in direct competition with the blind vending facility. After June 30, 1974, 50 per centum of all vending machine income from vending machines on Federal property which are not in direct competition with a blind vending facility shall accrue as specified in subsection (a) of this section, except that with respect to Federal property at which at least 50 per centum of the total hours worked on the premises occurs during periods other than normal working hours, 25 per centum of such income shall so accrue.

"(2) Any vending machine income remaining after assignment pursuant to subsections (a) and (b)(1) of this section shall be used for such purposes as determined by regulations of the Secretary, who shall consider the views of the head of the department, agency, or instrumentality upon whose premises the machines are located, as well as those of any groups or organizations which may be affected by such regulations. No new vending machines or replacements for existing vending machines may be installed on Federal property unless all income from such machines shall accrue as specified in subsection (a) of this section. The head of each department, agency, and instrumentality of the United States shall insure compliance with this section with respect to buildings, installations, and facilities under his control, and shall be responsible for collection of, and accounting for, such vending machine income.

"(c) All vending machine income which accrues to a State licensing agency pursuant to subsection (a) of this section shall be used to establish retirement or pension plans, for health insurance contributions, and for provision of paid sick leave and vacation time for blind licensees in such State, subject to a vote of blind licensees as provided under section 3(3)(E) of this Act. Any vending machine income remaining after application of the first sentence of this subsection shall be used for the purposes specified in sections 3(3) (A), (B), (C), and (D) of this Act, and any assessment charged to blind licensees by a State licensing agency shall be reduced pro rata in an amount equal to the total of such remaining vending machine income.

"(d) Subsections (a) and (b)(1) of this section shall not apply to income from vending machines within retail sales outlets under the control of exchange or ships' stores systems authorized by title 10, United States Code, or to income from vending machines operated by the Veterans Canteen Service, or to income from vending machines not in direct competition with a blind vending facility at individual locations, installations, or facilities on Federal property the total of which at such individual locations, installations or facilities does not exceed $3,000 annually.

"(e) In the event that a blind vending facility includes the operation of a cafeteria, the contract for the operation of such cafeteria shall specify that it shall be operated at a reasonable cost consistent with a fair return, high quality food, and reasonable prices.

"(f) This section shall not operate to preclude preexisting or future arrangements, or regulations of departments, agencies, or instrumentalities of the United States, under which blind licensees (1) receive a greater percentage or amount of vending machine income than that specified in subsection (b)(1) of this section, or (2) receive vending machine income from individual locations, installations, or facilities on Federal property the total of which at such individual locations, installations, or facilities does not exceed $3,000 annually.

"(g) The Secretary shall take such action and promulgate such regulations as he deems necessary to assure compliance with this section.

On page 21, line 7, after the word "Law" strike out "93–112) or under this Act." and insert "93–112)."; in line 18, after the word ""Sec." strike out "10." and insert "9."; on page 22, in line 21, after the word "means" strike out "(A)"; in line 22, after the word "machines," insert "cafeterias,"; in line 24, after the word "may" strike out "be" and insert "by"; on page 23, in line 2, after the word "blind" strike out "licensees, and (B) a cafeteria if, upon a demonstration by the State licensing agency, the Secretary determines that the inclusion of such a facility is feasible and that there is a program of training and supervision of blind licensees that will assure that development of the skills needed to operate such a facility" and insert "licensees;"; after line 8, insert:

"(8) 'vending machine income' means receipts (other than those of a blind licensee) from vending machine operations on Federal property, after cost of goods sold, where the machines are operated, serviced, or maintained by, or with the approval of, a department, agency, or instrumentality of the United States, or commissions paid (other than to a blind licensee) by a commercial vending concern which operates, services, and maintains vending machines on Federal property for, or with the approval of, a department, agency, or instrumentality of the United States.".

On page 23, in line 21, after the word "the" strike out "Division of" and insert "Office for"; on page 24, in line 14, after the word "the" strike out "Division of" and insert "Office for"; in line 19, after the word "give" strike out "special consideration" and insert "preference"; after line 19, insert:

(d) Section 4(b) of the Randolph-Sheppard Act, as redesignated by section 7 of this Act, is amended by striking out ", and at least 50 per centum of such additional personnel shall be blind persons".

ADDITIONAL STATE RESPONSIBILITIES

SEC. 10. In addition to other requirements imposed in this Act and in the Randolph-Sheppard Act upon State licensing agencies, such agencies shall—

(1) provide to each blind licensee access to all relevant financial data, including quarterly and annual financial reports, on the operation of the State vending facility program;

(2) conduct the biennial election of a Committee of Blind Vendors who shall be fully representative of all blind licensees in the State program, and

(3) insure that such committee's responsibilities include (A) participation, with the State agency, in major administrative decisions and policy and program development, (B) receiving grievances of blind licensees and serving as advocates for such licensees, (C) participation, with the State agency, in the development and administration of a transfer and promotion system for blind licensees, (D) participation, with the State agency, in developing training and retraining programs, and (E) sponsorship, with the assistance of the State agency, of meetings and instructional conferences for blind licensees.

STANDARDS, STUDIES, AND REPORTS

SEC. 11. (a) The Secretary, through the Commissioner after a period of study not to exceed six months following the date of enactment of this Act, and after full consultation with, and full consideration of this views of, blind vendors and State licensing agencies, shall promulgate national standards for funds set aside pursuant to section 3(3) of the Randolph-Sheppard Act which include maximum and minimum amounts for such funds, and appropriate contributions, if any, to such funds by blind vendors.

(b)(1) The Secretary shall study the feasibility and desirability of establishing a nationally administered retirement, pension, and health insurance system for blind licensees, and such study shall include, but not be limited to, consideration of eligibility standards, amounts and sources of contributions, number of potential participants, total costs, and alternative forms of administration, including trust funds and revolving funds.

(2) The Secretary shall, within one year following the date of enactment of this Act, complete the study required by paragraph (1) of this subsection and report his findings, together with any recommendations, to the President and the Congress.

(c) The Secretary shall, not later than September 30, 1975, complete an evaluation of the method of assigning vending machine income under section 7(b)(1) of the Randolph-Sheppard Act, including its effect on the growth of the program authorized by the Act, and on the operation of nonappropriated fund activities, and within thirty days thereafter he shall report his findings, together with any recommendations, to the appropriate committees of the Congress.

(d) Each State licensing agency shall, within one year following the date of enactment of this Act, submit to the Secretary a report, with appropriate supporting documentation, which shows the actions taken by such agency to meet the requirements of section 2(a)(1) of the Randolph-Sheppard Act.

AUDIT

SEC. 12. The Comptroller General is authorized to conduct regular and periodic audit of all nonappropriated fund activities which receive income from vending machines on Federal property, under such rules and regulations as he may prescribe. In the conduct of such audits he and his duly authorized representatives shall have access to any relevant books, documents, papers, accounts, and records of such activities as he deems necessary.

So as to make the bill read:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Randolph-Sheppard Act Amendments of 1974".

FINDINGS

SEC. 2. The Congress finds—

(1) after review of the operation of the blind vending stand program authorized under the Randolph-Sheppard Act of June 20, 1936, that the program has not developed, and has not been sustained, in the manner and spirit in which the Congress intended at the time of its enactment, and that, in fact, the growth of the program has been inhibited by a number of external forces;

(2) that the potential exists for doubling the number of blind operators on Federal and other property under the Randolph-Sheppard program within the next five years, provided the obstacles to growth are removed, that legislative and administrative means exist to remove such obstacles, and that Congress should adopt legislation to that end; and

(3) that at a minimum the following actions must be taken to insure the continued vitality and expansion of the Randolph-Sheppard program—

(A) establish uniformity of treatment of blind vendors by all Federal departments, agencies, and instrumentalities,

(B) establish guidelines for the operation of the program by State licensing agencies,

(C) require coordination among the several entities with responsibility for the program,

(D) establish a priority for vending facilities operated by blind vendors on Federal property,

(E) establish administrative and judicial procedures under which fair treatment of blind vendors, State licensing agencies, and the Federal Government is assured,

(F) require stronger administration and oversight functions in the Federal office carrying out the program, and

(G) accomplish other legislative and administrative objectives which will permit the Randolph-Sheppard program to flourish.

OPERATION OF VENDING FACILITIES ON FEDERAL PROPERTY

SEC. 3. The first section of the Act entitled "An Act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes" (hereafter referred to in this Act as the "Randolph-Sheppard Act"), approved June 20, 1936, as amended (20 U.S.C. 107), is amended by striking out all after the enacting clause and inserting in lieu thereof the following:

"That (a) for the purpose of providing blind persons with remunerative employment, enlarging the economic opportunities of the blind, and stimulating the blind to greater efforts in striving to make themselves self-supporting, blind persons licensed under the provision of this Act shall be authorized to operate vending facilities on any Federal property.

"(b) In authorizing the operation of vending facilities on Federal property, priority shall be given to blind persons licensed by a State agency as provided in this Act; and the Secretary, through the Commissioner, shall after consultation with the Administrator of General Services and other heads of departments, agencies, or instrumentalities of the United States in control of the maintenance, operation, and protection of Federal property, prescribe regulations designed to assure that—

"(1) the priority under this subsection is given to such licensed blind persons (including assignment of vending machine income pursuant to section 7 of this Act to achieve and protect such priority), and

"(2) wherever feasible, one or more vending facilities are established on all Federal property, including, to the maximum extent feasible, vending facilities in the areas where employees work, to the extent that any such facility or facilities would not adversely affect the interests of the United States.

Any limitation on the placement or operation of a vending facility based on a finding that such placement or operation would adversely affect the interests of the United States shall be fully justified in writing to the Secretary, who shall determine whether such limitation is justified. A determination made by the Secretary pursuant to this provision shall be binding on any department, agency, or instrumentality of the United States affected by such determination. The Secretary shall publish such determination, along with supporting documentation, in the Federal Register.".

FEDERAL AND STATE RESPONSIBILITIES

SEC. 4. (a)(1) Section 2(a) of the Randolph-Sheppard Act is amended by redesignating paragraphs (1) through (5) as paragraphs (2) through (6), respectively, and by inserting the following new paragraph (1):

"(1) Insure that the Rehabilitation Services Administration is the principal agency for carrying out this Act; and the Commissioner shall, within one hundred and eighty days after enactment of the Randolph-Sheppard Act Amendments of 1974, establish requirements for the uniform application of this Act by each State agency designated under paragraph (5) of this subsection, including appropriate accounting procedures, policies on the selection and establishment of new vending facilities, distribution of income to blind vendors, and the use and control of set-aside funds under section 3(3) of this Act;"

(2) Section 2(a)(2) of such Act, as redesignated by paragraph (1) of this subsection, is amended to read as follows:

"(2) Through the Commissioner, make annual surveys of concession vending opportunities for blind persons on Federal and other property in the United States, particularly with respect to Federal property under the control of the General Services Administration, the Department of Defense, and the United States Postal Service;".

(3) Section 2(a)(5) of such Act, as redesignated by paragraph (1) of this subsection, is amended—

(A) by striking out "commission" each place it appears and inserting in lieu thereof "agency",

(B) by striking out "and at least twenty-one years of age",

(C) by striking out "articles dispensed automatically or in containers or wrapping in which they are placed before receipt by the vending stand, and such other articles as may be approved for each property by the department or agency in control of the maintenance, operation, and protection thereof and the State licensing agency in accordance with the regulations prescribed pursuant to the first section" and inserting in lieu thereof the following: "foods, beverages, and other articles or services dispensed automatically or manually and prepared on or off the premises in accordance with all applicable health laws, as determined by the State licensing agency",

(D) by striking out "stands" and "stand" and inserting in lieu thereof "facilities" and "facility", respectively, and

(E) by striking out the colon and all matter following the colon, and inserting in lieu thereof; and"

(4) Section 2(a)(6) of such Act, as redesignated by paragraph (1) of this subsection, is amended to read as follows:

"(6) Through the Commissioner, (A) conduct periodic evaluations of the program authorized by this Act, including upward mobility and other training required by section 8, and annually submit to the appropriate committees of Congress a report based on such evaluations, and (B) take such other steps, including the issuance of such rules and regulations, as may be necessary or desirable in carrying out the provisions of this Act."

(b) Section 2(b) of such Act is amended—

(1) by striking out "stand" where it appears in the first and second sentences and inserting in lieu thereof "facility";

(2) by striking out "and have resided for at least one year in the State in which such stand is located"; and

(3) by striking out "but are able, in spite of such infirmity, to operate such stands".

(c) Section 2(c) of such Act is amended by striking out "stand" in both places in which it appears and inserting in lieu thereof "facility".

(d) Section 2 of such Act is further amended by adding at the end thereof the following new subsections:

"(d)(1) After June 30, 1974, no department, agency, or instrumentality of the United States shall undertake to acquire by ownership, rent, lease, or to otherwise occupy, in whole or in part, any building unless, after consultation with the Secretary and the State licensing agency, it is determined by the Secretary that (A) such building includes a satisfactory site or sites for the location and operation of a vending facility by a blind person, or (B) if a building is to be constructed, substantially altered, or renovated, or in the case of a building that is already occupied on such date by such department, agency, or instrumentality, is to be substantially altered or renovated for use by such department, agency, or instrumentality, the design for such construction, substantial alteration, or renovation includes a satisfactory site or sites for the location and operation of a vending facility by a blind person. Each such department, agency, or instrumentality shall provide notice to the appropriate State licensing agency of its plans for occupation, acquisition, renovation, or relocation of a building adequate to permit such State agency to determine whether such building includes a satisfactory site or sites for a vending facility.

"(2) The provisions of paragraph (1) shall not apply (A) when the Secretary and the State licensing agency determine that the number of people using the property is or will be insufficient to support a vending facility, or (B) to any privately owned building, any part of which is leased by any department, agency, or instrumentality of the United States and in which, (i) prior to the execution of such lease, the lessor or any of his tenants had in operation a restaurant or other food facility in a part of the building not included in such lease, and (ii) the operation of such a vending facility by a blind person would be in proximate and substantial direct competition with such restaurant or other food facility, except that each such department, agency, and instrumentality shall make every effort to lease property in privately owned buildings capable of accommodating a vending facility.

"(3) For the purposes of this subsection, the term 'satisfactory site' means an area determined by the Secretary to have sufficient space, electrical and plumbing outlets, and such other facilities as the Secretary may by regulation prescribe, for the location and operation of a vending facility by a blind person.

"(e) In any State having an approved plan for vocational rehabilitation pursuant to the Vocational Rehabilitation Act or the Rehabilitation Act of 1973 (Public Law 93-112), the State licensing agency designated under paragraph (5) of subsection (a) of this section shall be the State agency designated under section 101(a)(1)(A) of such Rehabilitation Act of 1973.".

DUTIES OF STATE LICENSING AGENCIES AND ARBITRATION

Sec. 5. (a) Section 3 of the Randolph-Sheppard Act is amended—

(1) by strtking out "commission" and inserting in lieu thereof "agency";

(2) by striking out in paragraphs (2) and (3) "stand" and "stands" and inserting in lieu thereof "facility" and "facilities", respectively; and

(3) by striking out in paragraph (6) the word "stand" and inserting in lieu thereof "facility", and by inserting immediately before the period the following: ", and to agree to submit the grievances of any blind licensee not otherwise resolved by such hearing to arbitration as provided in section 5 of this Act".

(b) Section 3(3) of such Act is further amended by striking out "and" immediately before subparagraph (D) and by inserting immediately before the colon at the end of such subparagraph the following"; and (E) retirement or pension funds, health insurance contributions, and provision for paid sick leave and vacation time, if it is determined by a majority vote of blind licensees licensed by such State agency, after such agency provides to each such licensee full information on all matters relevant to such proposed program, that funds under this paragraph shall be set aside for such purposes".

(c) Section 3(3) of such Act is further amended by inserting before the word "proceeds" in both places it appears the word "net".

REPEALS

Sec. 6. Sections 4 and 7 of the Randolph-Sheppard Act are repealed.

ARBITRATION; VENDING MACHINE INCOME; PERSONNEL; TRAINING

Sec. 7. The Randolph-Sheppard Act is further amended by redesignating sections 5, 6, and 8, as sections 4, 9, and 10, respectively, and by inserting immediately after section 4, as redesignated, the following new sections:

"Sec. 5. (a) Any blind licensee who is dissatisfied with any action arising from the operation or administration of the vending facility program *may submit to a State licensing agency a request for a full evidentiary hearing, which shall be provided by such agency in accordance with section 3(6) of this Act. If such blind licensee is dissatisfied with any action taken or decision rendered as a result of such hearing, he* may file a complaint with the Secretary who shall convene a panel to arbitrate the dispute pursuant to section 6 of this Act, and the decision of such panel shall be final and binding on the parties except as otherwise provided in this Act.

"(b) Whenever any State licensing *agency* determines that any department, agency, or instrumentality of the United States that has control of the maintenance, operation, and protection of Federal property is failing to comply with the provisions of this Act or any regulations issued thereunder (*including a limitation on the placement or operation of a vending facility as described in section 1(b) of this Act and the Secretary's determination thereon*) such licensing agency may file a complaint with the Secretary who shall convene a panel to arbitrate the dispute pursuant to section 6 of this Act, and the decision of such panel shall be final and binding on the parties except as otherwise provided in this Act.

"Sec. 6. (a) Upon receipt of a complaint filed under section 5 of this Act, the Secretary shall convene an ad hoc arbitration panel as provided in subsection (b). Such panel shall, in accordance with the provisions of subchapter II of chapter 5 of title 5, United States Code, give notice, conduct a hearing, and render its decision which shall be subject to appeal and review as a final agency action for purposes of chapter 7 of such title 5.

"(b)(1) The arbitration panel convened by the Secretary to hear grievances of blind *licensees* shall be composed of three members appointed as follows:

"(A) one individual designated by the State licensing agency;

"(B) one individual designated by the blind *licensee;* and

"(C) one individual, *not employed by the State licensing agency or, where appropriate, its parent agency,* who shall serve as chairman, jointly designated by the members appointed under subparagraphs (A) and (B). If any party fails to designate a member under subparagraph (*1*) (A), (B), or (C), the Secretary shall designate such member on behalf of such party.

"(2) The arbitration panel convened by the Secretary to hear complaints filed by a State licensing agency shall be composed of three members appointed as follows:

"(A) one individual, designated by the State licensing agency;

"(B) one individual, designated by the head of the Federal department, agency, or instrumentality controlling the Federal property over which the dispute arose; and

"(C) one individual, not employed by the Federal department, agency, or instrumentality controlling the Federal property over which the dispute arose, who shall serve as chairman, jointly designated by the members appointed under subparagraphs (A) and (B). If any party fails to designate a member under paragraph (2) (A), (B), or (C), the Secretary shall designate such member on behalf of such party. If the panel appointed pursuant to paragraph (2) finds that the acts or practices of any such department, agency, or instrumentality are in violation of this Act, or any regulation issued thereunder, the head of any such department, agency, or instrumentality shall cause such acts or practices to be terminated promptly and shall take such other action as may be necessary to carry out the decision of the panel.

"(c) The decisions of a panel convened by the Secretary pursuant to this section shall be matters of public record and shall be published in the Federal Register.

"(d) The Secretary shall pay all reasonable costs of arbitration under this section in accordance with a schedule of fees and expenses he shall publish in the Federal Register.

"Sec. 7. (a) In accordance with the provisions of subsection (b) of this section, vending machine income obtained from the operation of vending machines on Federal property shall accrue (1) to the blind licensee operating a vending facility on such property, or (2) in the event there is no blind licensee operating such facility on such property, to the State agency in whose State the Federal property is located, for the uses designated in subsection (c) of this section, except that with respect to income which accrues under clause (1) of this subsection, the Commissioner may prescribe regulations imposing a ceiling on income from such vending machines for an individual blind licensee. In the event such a ceiling is imposed, no blind licensee shall receive less vending machine income under such ceiling than he was receiving on January 1, 1974. No limitation shall be imposed on income from vending machines, combined to create a vending facility, which are maintained, serviced, or operated by a blind licensee. Any amounts received by a blind licensee that are in excess of the amount permitted to accrue to him under any ceiling imposed by the Commissioner shall be disbursed to the appropriate State agency under clause (2) of this subsection and shall be used by such agency in accordance with subsection (c) of this section.

"(b)(1) After June 30, 1974, 100 per centum of all vending machine income from vending machines on Federal property which are in direct competition with a blind vending facility shall accrue as specified in subsection (a) of this section. 'Direct competition' as used in this section means the existence of any vending machines or facilities operated on the same premises as a blind vending facility except that vending machines or facilities operated in areas serving employees the majority of whom do not have access to the blind vending facility shall not be considered in direct competition with the blind vending facility. After June 30, 1974, 50 per centum of all vending machine income from vending machines on Federal property which are not in direct competition with a blind vending facility shall accrue as specified in subsection (a) of this section, except that with respect to Federal property at which at least 50 per centum of the total hours worked on the premises occurs during periods other than normal working hours, 25 per centum of such income shall so accrue.

"(2) Any vending machine income remaining after assignment pursuant to subsection (a) and (b)(1) of this section shall be used for such purposes as determined by regulations of the Secretary, who shall consider the views of the head of the department, agency, or instrumentality upon whose premises the machines are located, as well as those of any groups or organizations which may be affected by such regulations. No new vending machines or replacements for existing vending machines may be installed on Federal property unless all income from such machines shall accrue as specified in subsection (a) of this section. The head of each department, agency, and instrumentality of the United States shall insure compliance with this section with respect to buildings, installations, and facilities under his control, and shall be responsible for collection of, and accounting for, such vending machine income.

"(c) All vending machine income which accrues to a State licensing agency pursuant to subsection (a) of this section shall be used to establish retirement or pension plans, for health insurance contributions, and for provision of paid sick leave and vacation time for blind licenses in such State, subject to a vote of blind licensees as provided under section 3(3)(E) of this Act. Any vending machine income remaining after application of the first sentence of this subsection shall be used for the purposes specified in sections 3(3) (A), (B), (C), and (D) of this Act, and any assessment charged to blind licensees by a State licensing agency shall be reduced pro rata in an amount equal to the total of such remaining vending machine income.

"(d) Subsections (a) and (b)(1) of this section shall not apply to income from vending machines within retail sales outlets under the control of exchange or ships' stores systems authorized by title 10, United States Code, or to income from vending machines operated by the Veterans Canteen Service, or to income from vending machines not in direct competition with a blind vending facility at individual locations, installations, or facilities on Federal property the total of which at such individual locations, installations, or facilities does not exceed $3,000 annually.

"(e) In the event that a blind vending facility includes the operation of a cafeteria, the contract for the operation of such cafeteria shall specify that it shall be operated at a reasonable cost consistent with a fair return, high quality food, and reasonable prices.

"(f) This section shall not operate to preclude preexisting or future arrangements, or regulations of departments, agencies, or instrumentalities of the United States, under which blind licensees (1) receive a greater percentage or amount of vending machine income than that specified in subsection (b) (1) of this section, or (2) receive vending machine income from individual locations, installations, or facilities on Federal property the total of which at such individual locations, installations, or facilities does not exceed $3,000 annually.

"(g) The Secretary shall take such action and promulgate such regulations as he deems necessary to assure compliance with this section.

"SEC. 8. The Commissioner shall insure, through promulgation of appropriate regulations, that uniform and effective training programs, including on-the-job training, are provided for blind individuals, through services under the Rehabilitation Act of 1973 (Public Law 93–112). He shall further insure that State agencies provide programs for upward mobility (including further education and additional training or retraining for improved work opportunities) for all trainees under this Act, and that follow-along services are provided to such trainees to assure that their maximum vocational potential is achieved.".

DEFINITIONS

SEC. 8. Section 9 of the Randolph-Sheppard Act, as redesignated by section 7 of this Act, is amended to read as follows:

"SEC. 9. As used in this Act—

"(1) 'blind person' means a person whose central visual acuity does not exceed 20/200, in the better eye with correcting lenses or whose visual acuity, if better than 20/200, is accompanied by a limit to the field of vision in the better eye to such a degree that its widest diameter subtends an angle of no greater than twenty degrees. In determining whether an individual is blind, there shall be an examination by a physician skilled in diseases of the eye, or by an optometrist, whichever the individual shall select;

"(2) 'Commissioner' means the Commissioner of the Rehabilitation Services Administration;

"(3) 'Federal property' means any building, land, or other real property owned, leased, or occupied by any department, agency, or instrumentality of the United States (including the Department of Defense and the United States Postal Service), or any other instrumentality wholly owned by the United States, or by any department or agency of the District of Columbia or any territory or possession of the United States;

"(4) 'Secretary' means the Secretary of Health, Education, and Welfare;

"(5) 'State' means a State, territory, possession, Puerto Rico, or the District of Columbia;

"(6) 'United States' includes the several States, territories, and possessions of the United States, and the District of Columbia;

"(7) 'vending facility' means automatic vending machines, cafeterias, snack bars, cart service, shelters, counters, and such other appropriate auxiliary equipment as the Secretary may by regulation prescribe as being necessary for the sale of the articles or services described in section 2(a)(5) of this Act and which may be operated by blind licensees; and

"(8) 'vending machine income' means receipts (other than those of a blind licensee) from vending machine operations on Federal property, after cost of goods sold, where the machines are operated, serviced, or maintained by, or with the approval of, a department, agency, or instrumentality of the United States, or commissions paid (other than to a blind licensee) by a commercial vending concern which operates, services, and maintains vending machines on Federal property for, or with the approval of, a department, agency, or instrumentality of the United States.".

PERSONNEL

SEC. 9. (a) The Secretary of Health, Education, and Welfare is directed to assign to the Office for the Blind and Visually Handicapped of the Rehabilitation Services Administration of the Department of Health, Education, and Welfare ten additional full-time personnel (or their equivalent), five of whom shall be supportive personnel, to carry out duties related to the administration of the Randolph-Sheppard Act.

(b) Section 5108(c) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (10);

(2) by striking out the period at the end of paragraph (11) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (11) the following new paragraph:

"(12) the Secretary of Health, Education, and Welfare, subject to the standards and procedures prescribed by this chapter, may place one additional position in the Office for the Blind and Visually Handicapped of the Rehabilitation Services Administration in GS–16, GS–17, or GS–18.".

(c) In selecting personnel to fill any position under this section, the Secretary of Health, Education, and Welfare shall give preference to blind individuals.

(d) Section 4(b) of the Randolph-Sheppard Act, as redesignated by section 7 of this Act, is amended by striking out ", and at least 50 per centum of such additional personnel shall be blind persons".

ADDITIONAL STATE RESPONSIBILITIES

SEC. 10. In addition to other requirements imposed in this Act and in the Randolph-Sheppard Act upon State licensing agencies, such agencies shall—

(1) provide to each blind licensee access to all relevant financial data, including quarterly and annual financial reports, on the operation of the State vending facility program;

(2) conduct the biennial election of a Committee of Blind Vendors who shall be fully representative of all blind licensees in the State program, and

(3) insure that such committee's responsibilities include (A) participation, with the State agency, in major administrative decisions and policy and program development, (B) receiving grievances of blind licensees and serving as advocates for such licensees, (C) participation, with the State agency, in the development and administration of a transfer and promotion system for blind licensees, (D) participation, with the State agency, in developing training and retraining programs, and (E) sponsorship with the assistance of the State agency, of meetings and instructional conferences for blind licensees.

STANDARDS, STUDIES, AND REPORTS

SEC. 11. (a) The Secretary, through the Commissioner after a period of study not to exceed six months following the date of enactment of this Act, and after full consultation with, and full consideration of the views of, blind vendors and State licensing agencies, shall promulgate national standards for funds set aside pursuant to section 3(3) of the Randolph-Sheppard Act which include maximum and minimum amounts for such funds, and appropriate contributions, if any, to such funds by blind vendors.

(b) (1) The Secretary shall study the feasibility and desirability of establishing a nationally administered retirement, pension, and health insurance system for blind licensees, and such study shall include, but not be limited to, consideration of eligibility standards, amounts and sources of contributions, number of potential participants, total costs, and alternative forms of administration, including trust funds and revolving funds.

(2) The Secretary shall, within one year following the date of enactment of this Act, complete the study required by paragraph (1) of this subsection and report his findings, together with any recommendations, to the President and the Congress.

(c) The Secretary shall, not later than September 30, 1975, complete an evaluation of the method of assigning vending machine income under section 7(b)(1) of the Randolph-Sheppard Act, including its effect on the growth of the program authorized by the Act, and on the operation of nonappropriated fund activities, and within thirty days thereafter he shall report his findings, together with any recommendations, to the appropriate committees of the Congress.

(d) Each State licensing agency shall, within one year following the date of enactment of this Act, submit to the Secretary a report, with appropriate supporting documentation, which shows the actions taken by such agency to meet the requirements of section 2(a)(1) of the Randolph-Sheppard Act.

AUDIT

SEC. 12. The Comptroller General is authorized to conduct regular and periodic audits of all nonappropriated fund activities which receive income from vending machines on Federal property, under such rules and regulations as he may prescribe. In the conduct of such audits he and his duly authorized representatives shall have access to any relevant books, documents, papers, accounts, and records of such activities as he deems necessary.

The ACTING PRESIDENT pro tempore. The time for debate on this bill is limited to 15 minutes, to be equally divided between and controlled by the majority and minority leaders, with 15 minutes on any amendments, debatable motion, or appeals.

Who yields time?

Mr. RANDOLPH. I yield myself 5 minutes.

Mr. President, I ask unanimous consent that the following members of the staff of the Committee on Labor and Public Welfare be granted the privilege of the floor during the consideration and the vote on S. 2581: Robert Humphreys, Michael Francis, Lisa Walker, Traer Sunley, Roy Millenson, and Eleanor Parker.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. RANDOLPH. Mr. President, this is a very special day for me. With the Senate's consideration of S. 2581, the Randolph-Sheppard Act Amendments of 1974, an expansion of the blind vendor program is one step closer to realization. More than that, however, this day has more than ordinary sentimental significance, for it was on this day, 38 years ago, that the original Blind Vendor's Act, which I had the great honor and privilege to sponsor, became law.

It was exactly 5 years ago to the day that I introduced in the 91st Congress my first bill to amend the Blind Vendor Act, S. 2461. I believe that S. 2581, the third in a series of my bills to modernize and improve that act, can and will become law substantially in its present form.

This measure would amend the Randolph-Sheppard Act, which was signed into law on June 20, 1936, by the then President of the United States, Franklin D. Roosevelt. I was a Member of the House at that time. I was joined in the sponsorship of this legislation by the former Member of the U.S. Senate from Texas, Morris Sheppard.

We believed then—and Congress approved that measure—that we had not only the opportunity but also, in a sense, a very real responsibility to help the blind persons who formed a splendid segment of our society, to help them not by handouts, per se, but to help them to help themselves. And so the blind vendor program came into being.

Today, we are hopeful that we will accelerate that program. There are approximately 3,600 blind persons in the United States of America who are self-supporting participants in this program. They are not on relief or charity.

I am not attempting to speak against welfare programs. There are those who are elderly, and those who cannot work, who need this assistance for which I and other Members of the Congress have voted repeatedly. In a sense, as I look back 38 years, I recall that the President of the United States was a man for humanity. Congress had acted in giving these blind persons the opportunity not to retire into the shadows of life, but to come out, Mr. President, into the mainstream of the marketplace, as they have been doing through the years.

As I have indicated, it was 5 years ago to the day that I introduced in the 91st Congress my first bill to amend the Blind Vendor Act, S. 2461.

It is our belief, Mr. President, that in the pending measure, the third in a series of the bills on this subject to which I have attached my interest, which now comes before the Senate of the United States, this subject has received the most careful attention in our Subcommittee on the Handicapped of the Labor and Public Welfare Committee, and I hope it will be passed as reported from the full committee to the Senate.

Mr. President, this is a good bill, a bill that has not only compassion in it, for that is not enough: for when legislation is passed, it must have a validity, and there is a validity which has been written into this measure.

The ACTING PRESIDENT pro tempore. The Senator's 5 minutes have expired.

Mr. RANDOLPH. Mr. President, I yield myself the remainder of my time.

There are 40 sponsors of this measure. These sponsors come from both sides of the Chamber, both political parties. Their personal philosophies, interests, and ideologies are, in microcosm, as varied as those of America itself.

I think that it is important to indicate that those who joined in this effort are interested in continuing the program, but, more important, to expand the program so that thousands of blind persons can operate the vending facilities not only in the Federal buildings and other property of the United States, but can also continue in the other political subdivisions, in the States, the counties, and the local communities to have these facilities in operation.

When I introduced S. 2581 on October 13 of last year, I made this observation:

> [I]t was my belief in 1969 that amendments were needed to protect blind vendors and improve the Randolph-Sheppard program. Today . . . I am more convinced that action is urgently needed. We must prevent erosion of the program and erosion of blind vendors' income, and improve and expand opportunities for meaningful employment of blind individuals.

This statement provides the reasoning behind each and every provision in the pending measure—prevention of the erosion of the program, prevention of the erosion of blind vendors' income, and expansion and improvement of employment for blind people.

Today I am more convinced that action is presently needed. We must prevent erosion of the program and improve and expand opportunities for meaningful employment of blind individuals.

That reasoning, which I believe is sound, is written into each and every provision of the measure before us. We need to prevent the erosion of this effort, and to prevent the erosion of the blind vendors' income. We need, of course, to provide an opportunity for improvement, and not only improvement in the program and the facilities, but also improvement in the level of employment of our blind.

The ACTING PRESIDENT pro tempore. The Senator's time on the bill has expired.

Mr. GRIFFIN. Mr. President, if I may be recognized, I wish to yield whatever time is available on this side to the distinguished Senator from West Virginia, who has provided such outstanding leadership with regard to this particular legislation.

The ACTING PRESIDENT pro tempore. The Senator will, therefore, have another 7½ minutes.

Mr. RANDOLPH. Mr. President, I am appreciative of the generosity of my colleague, the minority whip. I know that he has supported this program. I want to mention that he is a cosponsor of S. 2581.

The measure comes from our Labor and Public Welfare Committee with the stamp, as I indicated, of the membership of both parties.

The fact is that the Randolph-Sheppard program, in the Federal sector, is being eroded. Between 1971 and 1973 the number of blind vending stands on Federal property declined by seven—from 881 to 874. During the same 3-year period, the number of blind vending stands on State, local, and private property increased by 172—from 2,261 to 2,433. It is ironic that the Randolph-Sheppard program, which was conceived to be a Federal program in federally controlled buildings, and was so created by act of Congress, has turned out to be considerably more successful as a non-Federal program, on property that is not federally controlled.

It is also a fact that blind vendors' incomes are being eroded. It is true that average annual incomes have increased over the years. At the end of fiscal year 1973 the average blind vendor was earning $7,428, a 6.2-percent improvement over the previous year. But this statistic does not tell the whole story. Blind vendors are competed against by automatic vending machines and minority business enterprises and federally controlled cafeteria operations. They pay income taxes and are assessed as much as 10 percent of their gross income by State licensing agencies which run the vendor programs. They attempt, through judicial process, to diminish the competition that goes against the grain of the Randolph-Sheppard Act, or they seek to redress other grievances, and are told they have no standing to sue.

It is appropriate to quote again from the statement on the introduction of S. 2581, now before us. I think these words are applicable today, as they were 8 months ago.

How much time, Mr. President, do I have?

The ACTING PRESIDENT pro tempore. The Senator has 3 minutes remaining.

Mr. RANDOLPH (continuing):

> The blind vendors have met with obstacles each torturous step of the way. They find a General Services Administration which proposes regulations to reduce the kinds of articles they can sell in Government buildings. They find competition from Federal employee welfare and recreation associations which operate their own vending machines. They find military post commanders who are unwilling to consider blind vendor sites at their installations. They find the implementation of an Executive Order which results in the placement of a minority business enterprise in competition with a blind vendor on the same Federal property. They even find, Mr. Presdient, if reports are true—and this is difficult to conceive—that an employee association at a major Federal space installation demanded that blind vendors give 10 percent of their profits to the employee association.

The need for the blind vendor program is too great to permit these obstacles to continue. It was said in 1962 that there were at least 40,000 blind persons who could be trained to operate vending facilities. There is no current estimate available, but there is no reason to believe that this level has diminished. Some 2,000 blind young people are graduating from high school each year. There are at least 500 Vietnam veterans who were blinded in the service. Administration officials have testified that the number of blind vendors in the program could be doubled from their present level of 3,636 within a 5-year period.

I want my colleagues to consider these statistics not as cold numbers, but in terms of their human impact. Forty thousand trainable blind people, without jobs, without independence, living a day-to-day existence, probably on welfare. Five hundred veterans who have sacrificed their eyes in their country's service. Two thousand youngsters, bright with hope, seeking against odds to "make it" in today's world.

A Federal program, proven in its success over 38 years, which can help uplift thousands from situations of dependence and drains on the tax rolls to lives of fulfillment, success, dignity, and contribution.

Let us review some examples of existing conditions which give more than ample justification to the provisions of S. 2581, the pending measure. The data related to these conditions are derived from a report to the Subcommittee on the Handicapped, which I chair, by the Comptroller General of the United States. That report, the information from which formed the basis for a number of the provisions of S. 2581, shows, for example, that on 7 military installations examined by the General Accounting Office, 4 vending stands were controlled by blind persons, while 52 such stands were operated by those other than the blind. Perhaps more alarming, the blind controlled no vending machines, but nonblind persons controlled 5,984 such machines. These few statistics give eloquent testimony to some of the massive problems faced by the blind vendor program, as well as the institutional resistance of Federal agencies to fully accepting the Randolph-Sheppard program.

The Department of Health, Education, and Welfare has been disappointing in its lack of emphasis on the program. As the Comptroller General's report states:

> Officials estimated that less than 2 man-years of professional staff time was spent on administering the program in the headquarters office during fiscal year 1972 at a cost of $45,000 to $50,000. No significant increases in money or staff are expected any time soon. Officials could not estimate regional office efforts but believed they were minimal.

Although I do not favor an unnecessarily large bureaucratic establishment in the Federal Government, I do believe the blind vendor program deserves considerably more consideration than has been given it by the Department of HEW. It is no wonder that little guidance to the States in the administration of their programs has been provided by the Federal Government.

Blind vendors operate 228 stands on Postal Service property. The survey of the Comptroller General found that employee associations are controlling nearly all the vending machines at each postal facility that were not part of a vending stand. In the Postal Service facilities reviewed, about $87,000 derived from vending machines was assigned to blind vendors, while the postal employee associations retained about $1,592,000 for recreation, trophies, parties, gifts, public address systems, and other remembrances for employees and their relatives.

The limited survey of other Federal agency operations shows a better performance than has been exhibited by the Defense Department and the Postal Service. Of the General Services Administration, National Institutes of Health, and District of Columbia buildings reviewed, blind vendors controlled 35 stands and 279 vending machines, while others controlled 18 stands and 393 machines.

The Atomic Energy Commission awarded a $4 million contract to a minority business for the supply and operation of vending concessions at plants under the Commission's jurisdiction. The Commission's regulations give clear preference to blind vendors. Notwithstanding these regulations, Commission officials did not deem these concession operations by blind persons to be feasible.

I wanted to give my colleagues some flavor of the problems encountered by blind vendors and their program. To revitalize and expand this program, we have in S. 2581 provided these major changes to the law:

A priority for the operation of vending facilities by blind vendors on Federal property, and the establishment of such facilities on all such property to the extent feasible;

Satisfactory sites to be provided for such blind-operated facilities in all buildings owned, renovated, leased, or otherwise occupied by Federal agencies, to the extent feasible;

A requirement that overall authority over, evaluation of, and standards for, the program be placed in the Secretary of HEW and the Commissioner of the Rehabilitation Services Administration;

Arbitration and judicial review of blind vendor and State agency grievances;

Assignment to blind vendors and State licensing agencies of a portion of all vending machine income derived from machines on Federal property; and

Improved training and retraining programs for blind individuals and increased administrative personnel in the Federal Government to strengthen the program.

To conclude, Mr. President, I would like to quote a paragraph from Senate Report No. 93–937, the report of the Committee on Labor and Public Welfare on S. 2581:

> The Committee regards the Randolph-Sheppard Act as one of the most practical and effective employment opportunity programs ever enacted by Congress. Blind vendors return in taxes and economic activity far in excess of the initial small investment required to establish their business operations. The ramifications of this program for the blind vendor, his family, his community, and the nation go far beyond the payment of taxes, however. The dignity and pride engendered by the development of skills and entrepreneurial ability represent the finest example of a healthy, vigorous, compassionate society combined with the true expression of an American ideal—self-respect, independence, and meaningful contribution to that society. The alternative faced by many blind people would also, without the existence of this program, be the fate of those who are vendors under the Randolph-Sheppard Act—a marginal existence on welfare, a life without hope or joy, a burdensome, stultifying dependence.

I urge my colleagues to join with me in supporting this most desirable and necessary legislation—desirable because it provides new opportunities for blind people in an expanded Randolph-Sheppard program, and necessary because it stops the erosion of the program which so deeply concerns me and the other members of the Committee on Labor and Public Welfare.

Discussion of S. 2581 would not be complete without mentioning the diligent efforts of the able ranking minority member of the Subcommittee on the Handicapped, Senator STAFFORD, in helping me to bring this important measure to the Senate. His knowledge and dedication to the principles of the blind vendor program have been most valuable. The views of, and assistance provided by, the able chairman of the full committee, Mr. WILLIAMS, and the valued counsel of the able ranking minority member of the full committee, Mr. JAVITS, are also worthy of mention.

Mr. HARTKE. Mr. President, I am hopeful that the intentions of the Randolph-Sheppard Act amendments of 1974 will pass through the Congress and be signed by the President into law. The benefits that will accrue to the blind people of our country are necessary and proper and will increase the productivity of a forgotten segment of our society.

On March 2, 1974, I introduced amendment No. 1045 to S. 3581 which would have provided for the retention of moneys received from vending machines by employees in areas exclusively away from use by the public. My amendment would not have significantly changed the character of the bill.

The moneys which the various departments in the Federal Government receive from the vending machines used exclusively by employees are not sizable; and are used for the purchase of flowers in times of sorrow, for scholarships for a deserving student, and to brighten the day of the employees with other charitable contributions.

The few moneys received by the employees from the vending machines are not used for personal enrichment of any of the employees, but for the common good and morale of the employees.

We should not be too eager to take away the few resources from a worthwhile purpose. We should make more facilities and moneys available to the blind people of our country, but not at the expense of other worthwhile charitable endeavors.

I have consistently supported the blind people of this country in their struggle for individuality and self-determination. They do not ask for very much from their Government or other people. They only want to determine the direction of their existence without constant outside interference. I believe the blind people of America now have a chance for self-determination and independence. The bill reported by the committee, and being considered by the Senate, has attempted to weigh the interests of the blind with the interests of the employees. However, the employees will still be prohibited from their determination of charitable contributions. We in the Government should not rob Peter to pay Paul.

Mr. RANDOLPH. I want to assure the Senator from Indiana that I am aware of past efforts he has made on behalf of blind individuals. I know that he shares with me a deep interest in improving living and working conditions for this important segment of our handicapped population.

The Senator from Indiana is correct in his understanding that the pending measure goes a long way toward meeting the objections of the postal employees, while at the same time permitting a major improvement and expansion in opportunities for the employment of blind vendors.

RANDOLPH-SHEPPARD ACT AMENDMENTS

Mr. DOLE. Mr. President, I rise to express my support for S. 2581 which strengthens and improves the Randolph-Sheppard Act, one of the most successful and important Federal programs for the blind in America.

As a cosponsor of S. 2581 and one who believes very strongly in the act's philosophy and goals, I urge that the Senate give this legislation the firm vote of support and approval which it so richly deserves.

The blind have always been a group with unique potential in our society. Time and again, they have demonstrated the fact that their handicap can be overcome. They have shown themselves capable of almost any success which human energy can achieve—in the professions, the arts and in the business world.

Some do so on the basis of sheer individual willpower and determination. And in any group there will always be those who can go it alone, without a helping hand, to make their mark in society.

ASSISTANCE CAN BE CRUCIAL

But, millions of others who are blind have found that a helping hand makes all the difference in the world. It may be the hand of a teacher, a counselor, or a vocational therapist. It may be the opportunity to have a guide dog or to have access to a Braille Library. These hands reach out from many sources and help in many ways.

Many years ago, it was recognized that Government could extend a very strong and effective hand of assistance to the blind. And over the years a large number of special Government efforts have been made. One of these, which originated in 1936, was the law which sought to provide expanded business opportunities to the blind in the operation of vending facilities on Federal property.

FEDERAL PROGRAM IN 1936

This law, known as the Randolph-Shephard Act, was designed to open an especially attractive field of small business opportunities for the blind. Preference was established for blind persons—wherever feasible—for operating vending facilities in the thousands of Federal installations—both military and civilian—throughout the country.

When enacted back in 1936, this was a meaningful assistance to the blind. It provided opportunities, not handouts, and this is the most effective approach from any point of view.

Over the years the program functioned rather effectively and without a great deal of publicity.

MEASURE OF ACHIEVEMENT

A measure of the program's impact over the last 20 years can be seen in the following figures:

The number of blind-vendor operations has grown from some 1,500 to more than 3,200.

Annual sales have grown 500 percent to nearly $110 million.

Average yearly net earnings have risen from $2,200 to almost $7,000 for each stand.

These are good figures, and they represent more than 3,500 blind men and women who as the operators of small businesses are providing valuable services earning a livelihood, paying taxes, and otherwise participating in the mainstream of our country's economic structure.

RECENT STUDY SHOWS PROBLEMS

But as the Federal Government has grown since 1936 the vending operations in Federal buildings and on Federal facilities have grown significantly.

Inevitably, competition has arisen for the vending business. And as this competition has developed the blind have faced an erosion of their opportunities.

Recently, the General Accounting Office conducted a survey of the act's effectiveness. The disclosures were disturbing.

Basically, I think the findings could be characterized as showing that the program's administration has become lax and inconsistent. Enforcement has not been vigorous. And consequently, the blind have not received the full benefits of the program.

NEED TO STRENGTHEN PROGRAM

I believe the report discloses a need to strengthen this national policy as assisting the blind and providing them with well-deserved opportunities to succeed.

Therefore, I have joined with the distinguished Senator from West Virginia (Mr. RANDOLPH) in sponsoring this legislation in the Senate to make the program more effective and to strengthen the policy behind it.

PRIORITY FOR BLIND ESTABLISHED

Basically, the bill establishes a clear-cut and specific priority—not merely a preference—for blind vendors. It backs up that priority with regulations to insure that the priority is given full force and effect.

A number of additional changes are made to tighten up the program, eliminate inconsistencies, and place clear responsibility for Federal supervision within the Rehabilitation Services Administration.

CONSTRUCTIVE APPROACH

I believe this bill represents a constructive and positive approach to improving an important Federal policy. It meets a clear need to improve upon a well-established program. It expands opportunities, not expenditures. And it could not be directed toward any more productive or worthwhile end.

And there is clearly the potential for expanding the program's effectiveness.

MANY COULD BENEFIT

More than a decade ago it was estimated that there were at least 40,000 blind persons who could successfully participate in the vending program. Today, some 6,000 blind students are in high school throughout the country—more than 500 Vietnam veterans were blinded during the war.

These people do not need handouts. They do not want to become welfare cases. All they need is the chance to make a go of it on their own and to earn their own way.

Hopefully, the legislation before us today—by strengthening this Federal policy and program for the blind—will make the realization of those ambitions possible.

Mr. JAVITS. Mr. President, on page 27 of the conference report, it is noted that SX–2581, the Randolph-Sheppard Act Amendments of 1974, require "no new authorization of appropriations." The fact that this is a no cost bill does not mean, however, that it is a no value bill. Since the enactment of the Randolph-Sheppard Act in 1936, thousands of blind persons have been enabled to own and conduct their own small businesses—vending stands in Government buildings—and be self-supporting. Even more important, the Randolph-Sheppard Act has enabled them to retain their dignity and pride.

By extending and expanding the Randolph-Sheppard Act we are continuing and strengthening the effort commenced almost 40 years ago by the distinguished chairman of the subcommittee on the handicapped, JENNINGS RANDOLPH, who in 1936 as a Member of the House joined with Senator Sheppard of Texas in the first Randolph-Sheppard Act. It is heartening that Senator RANDOLPH has maintained over the years his lively interest in the problems of the blind and the legislation before us is evidence of the verve and vigor with which he has pursued this battle.

Mr. President, I urge passage of S. 2581.

Mr. METCALF. Mr. President, in connection with the Senate's consideration today of S. 2581, a bill to amend the Randolph-Sheppard Act to more effectively promote the welfare of blind vendors, I would like to call to the attention of the Senate the testimony of Vincent L. Connery, president of the National Treasury Employees Union, before the Senate Committee on Labor and Public Welfare, Subcommittee on the Handicapped, supporting this measure.

I strongly support this bill and wish to make a special note of this professional and expert testimony for the benefit of the Senate.

There being no objection, I ask unanimous consent that this testimony be included in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

My name is Vincent L. Connery. I am President of the National Treasury Employees Union, formerly known as the National Association of Internal Revenue Employees. NTEU is the exclusive representative of more than 80 percent of those Treasury Department employees who are eligible to be represented by a union.

We represent more General Schedule employees in a single Department than does any other Federal employee union. NTEU is also a member of the Coalition of American Public Employees, an organization composed of the National Education Association, the American Federation of State, County, and Municipal Employees, the International Association of Fire Fighters, and ourselves. Together, the member unions of the Coalition represent over 175,000 Federal employees and four million public employees.

Two years ago, we sat before this Subcommittee and expressed our unequivocal support for legislation which would prevent the erosion of one of the most meaningful programs that Congress has ever enacted for enabling blind persons to become self-supporting citizens. Our firm belief in the necessity for legislation to strengthen the Randolph-Sheppard Act has, if anything, heightened with the passage of time. Today, we are more convinced than ever of the need for enactment of a bill which would markedly improve employment opportunities for the visually handicapped.

In 1936, with the passage of the Randolph-Sheppard Act, Congress determined that the blind should be given preference in the establishment of vending stands and created a program for achieving this goal. Since the inception of the Randolph-Sheppard program, the number of blind employed as operators has risen to 3,583 men and women working in more than 3,000 vending stands throughout the country. Because of the Randolph-Sheppard program people who otherwise would have been confined to permanent unemployment are able to earn a living for themselves and their families. Literally thousands of blind persons have been able to gain dignity and self-satisfaction in a life which could have been filled with emptiness and frustration.

Yet, despite the laudatory purpose of the Randolph-Sheppard program and its proven effectiveness as a source of gainful employment for the blind, the record of the Federal government has been woefully remiss. At the end of fiscal year 1972 there were only 878 vending stands operated by blind vendors on Federal property—three fewer than at the beginning of that same year. As Senator Randolph pointed out in a background statement accompanying the introduction of S. 2581 on October 13, 1973, "Increases in the total number of vendors and stands has resulted from active State, local, and private industry placement of blind vendors, not from action from the Federal government."

Our Federal government, which should provide the leadership in such a noble effort, has, all too often, spurned the visually handicapped and deprived them of even the opportunity to become self-sufficient. For all the concern expressed over increasing welfare rolls and the urgency of finding jobs for the handicapped, the Federal government has done little to promote employment for the blind under the Randolph-Sheppard program. In many instances, blind vendors have been excluded from Federal buildings. In others, the areas in which they are permitted to locate stands have been greatly restricted and they have been forbidden from selling many items.

In its "Review of Vending Operations on Federally Controlled Property," the General Accounting Office vividly underscored the problem. Without belaboring this Subcommittee with a statistical repetition of the GAO report, we think it important to note a few of its salient facts and observations. In the portion of its review dealing with the Department of Defense, the GAO observed that while vending operations on property controlled by the Defense Department are extensive, "blind vendors are limited at some locations, and other locations have none at all. This has occurred because DOD implements regulations in a way which supports and encourages vending operations that benefit the recreation and welfare of military and civilian personnel and gives little consideration for the blind."

To further dramatize the extent to which blind vendors have been excluded from Defense Department installations, the GAO reported that the annual gross sales from vending operations at the seven locations it visited were over $12.8 million. Of this amount, blind vendors' gross receipts were about $230,600, while various nonappropriated fund organizations, including employee welfare associations, had gross sales of $9.3 million. In addition, these organizations earned $900,000 in commissions from vending machines to bring their total gross receipts to $10.2 million. Commercial vending concerns had gross sales of $9.3 million. In effect, at the installations surveyed by the GAO, blind vendors received less than 2 percent of the gross receipts from vending operations.

Turning to postal service facilities, the GAO explained that "although blind vendors operate stands in some post office lobbies, most vending operations at postal facilities are located in or near work areas, and are controlled by employee welfare organizations. . . . In addition, postal officials have interpreted Postal Service regulations in a manner that has not been advantageous to the blind, and regulations on assigning vending machine income to blind vendors have not been applied consistently."

In its survey of 291 major postal facilities, the GAO found that employee associations, which are sponsored in large part by AFL-CIO unions, were "controlling one vending stand and 2,873 vending machines." Blind vendors were operating 68 vending stands at these locations. Although blind persons were operating many more vending stands than the employee welfare associations, the associations were controlling nearly all the vending machines at each postal facility that were not part of a vending stand.

Employee welfare associations at these facilities had annual gross receipts of $2.8 million, of which approximately $1.6 million represented net income. The largest single use of this income, the GAO noted, is $646,904 for "recreation and trophy costs." Most of the remainder was spent for "parties, gifts, rememberances, coffee, and turkeys." A mere $86,801, only five percent of the total income, was assigned to blind vendors.

With regard to other non-postal Federal installations, the GAO stated that "although the blind-vendor program operated under generally favorable circumstances . . . some activities compete with the blind for vending machine income as an inducement to "maintain good cafeteria service" and minority business enterprises have been permitted, under Executive Order 11625, to operate vending facilities which divert revenue from the blind-operated stands. To a lesser degree, employee welfare organizations are also competing with the blind for vending stand income.

Of course, as a Federal employee union, NTEU supports all responsible efforts to insure the best possible food service at the lowest available price for Federal workers. We also believe that the Federal government should foster and promote minority business enterprises to a much larger extent than it has in the past. But we do not approve of a government policy which can only be interpreted as "robbing Peter to pay Paul." We are convinced that better cafeteria service can be attained and that minority businesses can be established on Federal property without depriving the blind of job opportunities that Congress sought to provide them more than 37 years ago.

What we cannot countenance, however, are the activities of the Federal and postal employee welfare organizations which, because of their greed, have seriously hampered the blind in their efforts to secure gainful employment. We never have nor will we ever seek to limit the employment opportunities or the income of the visually handicapped. We find it unconscionable that any union or group of Federal or postal employees would deny the blind the opportunity to earn a decent living simply to provide themselves with such frivolities as turkeys, gifts, and trophies.

NTEU is a union, and very decidely so. We provide those we represent with meaningful benefits obtained through the collective bargaining process after long and grueling hours of negotiations. We have made remarkable strides considering the present restrictions on collective bargaining in the Federal sector. NTEU has negotiated the most comprehensive and far-sighted agreements in the Federal government; but we have never sought to prey upon the blind. Unlike the postal unions, which have far greater collective bargaining rights than we do, not once have we ever attempted to secure improved benefits for our members by foreclosing the blind. Such tactics are too repugnant to our membership and officers to even be considered.

For us, there is no balancing of interests between the needs of the blind and those of the welfare organizations; the scales are unalterably weighted in favor of those without sight. Whether a million dollars or a single dollar is denied the blind because of the activities of employee welfare organizations is of little consequence in judging the wrongfulness of their actions; if one cent is taken from the visually handicapped that is one cent too much.

We are, after all, talking about a matter of principle as well as money. Either one agrees that every opportunity should be afforded those without sight or one does not. Either one recognizes that the Randolph-Sheppard program must be strengthened in order to provide additional employment for the blind or one does not. Our union believes it is imperative that new employment opportunities be created for the sightless and that swift and decisive action be taken to improve the Randolph-Sheppard Act. Such is the singular goal and effect of the legislation which is pending before this Subcommittee.

S. 2581 would simply make certain that the Federal government comply with the objectives that Congress first enunciated in 1936 when it adopted the Randolph-Sheppard Act. By requiring that "one or more vending facilities" be established on Federal property "where feasible" and that all vending machine income obtained on Federal property be assigned to the blind or the program. Congress will be assuring that the Federal government abides by the intent of the original Act: to provide employment opportunities for the blind.

Not only is the proposed legislation soundly drafted, it is, in our opinion, more than fair. Even though we would prefer that all income from vending machines be immediately assigned to those who have suffered such grave injustices over the years, S. 2581 provides a maximum three-year grace period for groups who presently own or lease vending machines. It also permits owners or lessors of any machine for which contracts expire or depreciable life remains after the three-year period to be compensated for the fair market value of the equipment by the Secretary of the Treasury. In effect, S. 2581 is much more considerate of the employee welfare organizations than they have been of the blind.

Much has been said in prior years of the alleged devastating effect on the morale of the Federal workforce of requiring the exclusive assignment of vending machine income to the visually handicapped. I, for one, place absolutely no credence in these assertions. At our last appearance before this Subcommittee, we were challenged by a representative of a postal service union who insisted that their members demanded the continuation of welfare association concessions. Since that time, I have traveled extensively throughout the country and not one of the thousands of postal and Federal employees I have spoken with has ever expressed the desire to deny the blind of a source of earned income.

Taken all in all, the welfare organizations are not of such importance to Federal and postal employees that they should be permitted to hamper the blind in their efforts to earn a living. To continue to allow such groups access to income which should be used to promote jobs for the sightless cannot be tolerated under any circumstances. For far too long, postal and Federal management, with the encouragement of some Federal and most postal employee unions, have been financing benefits for themselves and some employees by precluding the blind from vending machine income.

We provide our members with the same benefits and more through their union dues: not by usurping what rightfully should be accruing to the blind. There is no reason why other Federal and postal employee unions cannot follow our example. In point of fact, because of their more comprehensive collective bargaining rights, the postal unions could negotiate many of the benefits which are currently being funded by vending machine income in their contracts with postal management.

In sum, we can find absolutely no justification for the present system which allows welfare organizations to even further handicap the handicapped. We cannot over-emphasize our support for S. 2581 and our hopes for its early enactment. On behalf of the union I represent, please accept our thanks for this opportunity to present our views on the proposed amendments to the Randolph-Sheppard Act. If there are any questions, I will be glad to answer them at this time.

Mr. WILLIAMS. Mr. President, I am very pleased to join with the distinguished chairman of the Subcommittee on the Handicapped, Senator Randolph, and other members of the subcommittee in bringing S. 2581, the Randolph-Sheppard Act Amendments of 1974 before the Senate. I especially want to commend the chairman for his commitment throughout the years to the employment of blind individuals, and to the improvement of working conditions which they face. It goes without saying, I believe, that without the strong and unswerving commitment of the Senator from West Virginia, certainly this program and others which have assisted blind and other handicapped individuals would not have become the law of the land.

We bring to the Senate floor today, Mr. President, amendments to the Randolph-Sheppard Act which will take substantial steps toward the improvement and strengthening of this program, and which will encourage the establishment of additional work opportunities for blind vendors, both as vendors and in other employment. These changes have been a long time in coming: The Senator from West Virginia introduced legislation for these purposes in 1969. Since then, the committee has made a very thorough review of the program, with the assistance of the General Accounting Office, and has taken testimony from many agencies and individuals. The committee has listened to all parties in developing the bill before us today, and I believe that this legislation is a strong step forward, one with flexibility and protections to insure that the original Federal mandate of the Randolph-Sheppard Act will be carried out.

In summary, the bill provides:

Priority for blind vendors in operation of vending facilities.

Increased responsibilities to the Secretary of HEW and the Commissioner of RSA for reporting, oversight and evaluation, including uniform regulations for accounting, new facilities, and income distribution.

Arbitration and judicial review of blind vendors and State agency grievances.

Requires the Commissioner of RSA to insure that effective training programs are established at the State level, including programs of training for blind vendors, and programs to provide training in additional areas to assure the upward mobility of blind individuals.

I commend my colleagues on the Subcommittee on the Handicapped for their continuing efforts to assure the strength and continuing effectiveness of the Randolph-Sheppard program, and urge the passage of this bill and its speedy enactment into law.

Mr. RANDOLPH. Mr. President, on behalf of the Senator from Vermont (Mr. Stafford), I submit a statement prepared by him on this bill and I ask uanimous consent that it be printed at this point in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

STATEMENT BY SENATOR STAFFORD

I support the committee bill, S. 2581, which was reported by the distinguished Senator from West Virginia (Mr. Randolph) and bears his name, the Randolph-Sheppard Act.

The amendments proposed and adopted by the committee bill presents an opportunity for the Senate to enact legislation which will increase the opportunity for blind individuals to earn a living as vending facility operators in federal buildings.

The distinguished Senator from West Virginia, Mr. Randolph, has labored long and hard on this piece of legislation to help blind individuals, and I think it is very appropriate that the Senate consider this legislation on the 28th anniversary of the enactment of his original Act.

S. 2581, as reported, seeks to establish a balance between the request of the blind for additional opportunities to earn a living so that they may become independent citizens, and the interest expressed by bargaining representatives of the postal employees' unions.

In my mind S. 2581 represents a fair balance and should be adopted by the Congress so that the Randolph-Sheppard program can make continued progress in its next 28 years of existence.

The bill will expand the opportunities for blind individuals by allowing them access to vending machine income in federal installations to which they have been denied. It will also allow a blind individual to participate in the running of cafeterias in federal installations.

By expanding the opportunities for the blind to provide services, this bill will help raise the income of blind individuals and allow for the employment of more blind vendors in federal establishments.

As my colleagues are aware, this bill applies to all federal property which means any building owned or leased by any department, agency, or instrumentality of the United States, including the Department of Defense and Postal Service. However, one aspect that concerns me is that the Congress of the United States, which is responsible for enacting this legislation, does not have such a facility.

I have been concerned about this for some time and have worked with the distinguished Senator from West Virginia, Mr. Randolph, in trying to bring to the attention of the Senate the need for this institution to provide for a blind vending facility as a demonstration of our faith in the acceptance of this program.

Mr. President, the bill before us deserves the unanimous support of the Senate, and it is my hope that the House of Representatives will follow the action of this body and undertake speedy deliberation and passage of this bill.

Mr. RANDOLPH. Mr. President, I ask unânimous consent that the committee amendments be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the amendments are considered and agreed to en bloc.

The bill is open to further amendment. If there is no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading, was read the third time, and passed, as follows:

S. 2581

An act to amend the Randolph-Sheppard Act for the blind to provide for a strengthening of the program authorized thereunder, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Randolph-Sheppard Act Amendments of 1974".

FINDINGS

Sec. 2. The Congress finds—

(1) after review of the operation of the blind vending stand program authorized under the Randolph-Sheppard Act of June 20, 1936, that the program has not developed, and has not been sustained, in the manner and spirit in which the Congress intended at the time of its enactment, and that, in fact, the growth of the program has been inhibited by a number of external forces;

(2) that the potential exists for doubling the number of blind operators on Federal and other property under the Randolph-Sheppard program within the next five years, provided the obstacles to growth are removed, that legislative and administrative means exist to remove such obstacles, and that Congress should adopt legislation to that end; and

(3) that at a minimum the following actions must be taken to insure the continued vitality and expansion of the Randolph-Sheppard program—

(A) establish uniformity of treatment of blind vendors by all Federal departments, agencies, and instrumentalities,

(B) establish guidelines for the operation of the program by State licensing agencies,

(C) require coordination among the several entities with responsibility for the program,

(D) establish a priority for vending facilities operated by blind vendors on Federal property,

(E) establish administrative and judicial procedures under which fair treatment of blind vendors, State licensing agencies, and the Federal Government is assured,

(F) require stronger administration and oversight functions in the Federal office carrying out the program, and

(G) accomplish other legislative and administrative objectives which will permit the Randolph-Sheppard program to flourish.

OPERATION OF VENDING FACILITIES ON FEDERAL PROPERTY

Sec. 3. The first section of the Act entitled "An Act to authorize the operation of stands in Federal buildings by blind persons, to enlarge the economic opportunities of the blind, and for other purposes" (hereafter referred to in this Act as the "Randolph-Sheppard Act"), approved June 20, 1936, as amended (20 U.S.C. 107), is amended by striking out all after the enacting clause and inserting in lieu thereof the following:

"That (a) for the purposes of providing blind persons with remunerative employment, enlarging the economic opportunities of the blind, and stimulating the blind to greater efforts in striving to make themselves self-supporting, blind persons licensed under the provisions of this Act shall be authorized to operate vending facilities on any Federal property.

"(b) In authorizing the operation of vending facilities on Federal property, priority shall be given to blind persons licensed by a State agency as provided in this Act; and the Secretary, through the Commissioner, shall, after consultation with the Administrator of General Services and other heads of departments, agencies, or instrumentalities of the United States in control of the maintenance, operation, and protection of Federal property, prescribe regulations designed to assure that—

"(1) the priority under this subsection is given to such licensed blind persons (including assignment of vending machine income pursuant to section 7 of this Act to achieve and protect such priority), and

"(2) wherever feasible, one or more vending facilities are established on all Federal property, including, to the maximum extent feasible, vending facilities in the areas where employees work, to the extent that any such facility or facilities would not adversely affect the interests of the United States.

Any limitation on the placement or operation of a vending facility based on a finding that such placement or operation would adversely affect the interests of the United States shall be fully justified in writing to the Secretary, who shall determine whether such limitation is justified. A determination made by the Secretary pursuant to this provision shall be binding on any department, agency, or instrumentality of the United States affected by such determination. The Secretary shall publish such determination, along with supporting documentation, in the Federal Register."

FEDERAL AND STATE RESPONSIBILITIES

Sec. 4. (a)(1) Section 2(a) of the Randolph-Sheppard Act is amended by redesignating paragraphs (1) through (5) as paragraphs (2) through (6), respectively, and by inserting the following new paragraph (1):

"(1) Insure that the Rehabilitation Services Administration is the principal agency for carrying out this Act; and the Commissioner shall, within one hundred and eighty days after enactment of the Randolph-Sheppard Act Amendments of 1974, establish requirements for the uniform application of this Act by each State agency designated under paragraph (5) of this subsection, including appropriate accounting procedures, policies on the selection and establishment of new vending facilities, distribution of income to blind vendors, and the use and control of set-aside funds under section 3(3) of this Act;'.

(2) Section 2(a)(2) of such Act, as redesignated by paragraph (1) of this subsection, is amended to read as follows:

"(2) Through the Commissioner, make annual surveys of concession vending opportunities for blind persons on Federal and other property in the United States, particularly with respect to Federal property under the control of the General Services Adminstation, the Department of Defense, and the United States Postal Service;".

(3) Section 2(a)(5) of such Act, as redesignated by paragraph (1) of this subsection, is amended—

(A) by striking out "commission" each place it appears and inserting in lieu thereof "agency",

(B) by striking out "and at least twenty-one years of age",

(C) by striking out "articles dispensed automatically or in containers or wrapping in which they are placed before receipt by the vending stand, and such other articles as may be approved for each property by the department or agency in control of the maintenance, operation, and protection thereof and the State licensing agency in accordance with the regulations prescribed pursuant to the first section" and inserting in lieu thereof the following: "foods, beverages, and other articles or services dispensed automatically or manually and prepared on or off the premises in accordance wtih all applicable health laws, as determined by the State licensing agency",

(D) by striking out "stands" and "stand" and inserting in lieu thereof "facilities" and "facility", respectively, and

(E) by striking out the colon and all matter following the colon, and inserting in lieu thereof "; and".

(4) Section 2(a)(6) of such Act, as redesignated by paragraph (1) of this subsection, is amended to read as follows:

"(6) Through the Commissioner, (A) conduct periodic evaluations of the program authorized by this Act, including upward mobility and other training required by section 8, and annually submit to the appropriate committees of Congress a report based on such evaluations, and (B) take such other steps, including the issuance of such rules and regulations, as may be necessary or desirable in carrying out the provisions of this Act".

(b) Section 2(b) of such Act is amended—

(1) by striking out "stand" where it appears in the first and second sentences and inserting in lieu thereof "facility";

(2) by striking out "and have resided for at least one year in the State in which such stand is located"; and

(3) by striking out "but are able, in spite of such infirmity, to operate such stands".

(c) Section 2(c) of such Act is amended by striking out "stand" in both places in which it appears and inserting in lieu thereof "facility".

(d) Section 2 of such Act is further amended by adding at the end thereof the following new subsections:

"(d)(1) After June 30, 1974, no department, agency, or instrumentality of the United States shall undertake to acquire by ownership, rent, lease, or to otherwise occupy, in whole or in part, any building unless, after consultation with the Secretary and the State licensing agency, it is determined by the Secretary that (A) such building includes a satisfactory site or sites for the location and operation of a vending facility by a blind person, or (B) if a building is to be constructed, substantially altered, or renovated, or in the case of a building that is already occupied on such date by such department, agency, or instrumentality, is to be substantially altered or renovated for use by such department, agency, or instrumentality, the design for such construction, substantial alteration, or renovation includes a satisfactory site or sites for the location and operation of a vending facility by a blind person. Each such department, agency, or instrumentality shall provide notice to the appropriate State licensing agency of its plans for occupation, acquisition, renovation, or relocation of a building adequate to permit such State agency to determine whether such building includes a satisfactory site or sites for a vending facility.

"(2) The provisions of paragraph (1) shall not apply (A) when the Secretary and the State licensing agency determine that the number of people using the property is or will be insufficient to support a vending facility, or (B) to any privately owned building, any part of which is leased by any department, agency, or instrumentality of the United States and in which, (i) prior to the execution of such lease, the lessor or any of his tenants had in operation a restaurant or other food facility in a part of the building not included in such lease, and (ii) the operation of such a vending facility by a blind person would be in proximate and substantial direct competition with such restaurant or other food facility, except that each such department, agency, and instrumentality shall make every effort to lease property in privately owned buildings capable of accommodating a vending facility.

"(3) For the purposes of this subsection, the term 'satisfactory site' means an area determined by the Secretary to have sufficient space, electrical and plumbing outlets, and such other facilities as the Secretary may by regulation prescribe, for the location and operation of a vending facility by a blind person.

"(e) In any State having an approved plan for vocational rehabilitation pursuant to the Vocational Rehabilitation Act or the Rehabilitation Act of 1973 (Public Law 93–112), the State licensing agency designated under paragraph (5) of subsection (a) of this section shall be the State agency designated under section 101(a)(1)(A) of such Rehabilitation Act of 1973.".

DUTIES OF STATE LICENSING AGENCIES AND ARBITRATION

Sec. 5. (a) Section 3 of the Randolph-Sheppard Act is amended—

(1) by striking out "commission" and inserting in lieu thereof "agency";

(2) by striking out in paragraphs (2) and (3) "stand" and "stands" and inserting in lieu thereof "facility" and "facilities", respectively; and

(3) by striking out in paragraph (6) the word "stand" and inserting in lieu thereof "facility", and, by inserting immediately before the period the following: ", and to agree to submit the grievances of any blind licensee not otherwise resolved by such hearing to arbitration as provided in section 5 of this Act".

(b) Section 3(3) of such Act is further amended by striking out "and" immediately before subparagraph (D) and by inserting immediately before the colon at the end of such subparagraph the following "; and (E) retirement or pension funds, health insurance contributions, and provision for paid sick leave and vacation time, if it is determined by a majority vote of blind licensees licensed by such State agency, after such agency provides to each such licensee full information on all matters relevant to such proposed program, that funds under this paragraph shall be set aside for such purposes".

(c) Section 3(3) of such Act is further amended by inserting before the word "proceeds" in both places it appears, the word "net".

REPEALS

Sec. 6. Sections 4 and 7 of the Randolph-Sheppard Act are repealed.

ARBITRATION; VENDING MACHINE INCOME; PERSONNEL; TRAINING

Sec. 7. The Randolph-Sheppard Act is further amended by redesignating sections 5, 6, and 8, as sections 4, 9, and 10, respectively, and by inserting immediately after section 4, as redesignated, the following new sections:

"Sec. 5. (a) Any blind licensee who is dissatisfied with any action arising from the operation or administration of the vending facility program may submit to a State licensing agency a request for a full evidentiary hearing, which shall be provided by such agency in accordance with section 3(6) of this Act. If such blind licensee is dissatisfied with any action taken or decision rendered as a result of such hearing, he may file a complaint with the Secretary who shall convene a panel to arbitrate the dispute pursuant to section 6 of this Act, and the decision of such panel shall be final and binding on the parties except as otherwise provided in this Act.

"(b) Whenever any State licensing agency determines that any department, agency, or instrumentality of the United States that has control of the maintenance, operation, and protection of Federal property is failing to comply with the provisions of this Act or any regulations issued thereunder (including a limitation on the placement or operation of a vending facility as described in section 1 (b) of this Act and the Secretary's determination thereon) such licensing agency may file a complaint with the Secretary who shall convene a panel to arbitrate the dispute pursuant to section 6 of this Act, and the decision of such panel shall be final and binding on the parties except as otherwise provided in this Act.

"SEC. 6. (a) Upon receipt of a complaint filed under section 5 of this Act, the Secretary shall convene an ad hoc arbitration panel as provided in subsection (b). Such panel shall, in accordance with the provisions of subchapter II of chapter 5 of title 5, United States Code, give notice, conduct a hearing, and render its decision which shall be subject to appeal and review as a final agency action for purposes of chapter 7 of such title 5.

"(b) (1) The arbitration panel convened by the Secretary to hear grievances of blind licensees shall be composed of three members appointed as follows:

"(A) one individual designated by the State licensing agency;

"(B) one individual designated by the blind licensee; and

"(C) one individual, not employed by the State licensing agency or, where appropriate, its parent agency, who shall serve as chairman, jointly designated by the members appointed under subparagraphs (A) and (B).

If any party fails to designate a member under subparagraph (1) (A), (B), or (C), the Secretary shall designate such member on behalf of such party.

"(2) The arbitration panel convened by the Secretary to hear complaints filed by a State licensing agency shall be composed of three members appointed as follows:

"(A) one individual, designated by the State licensing agency;

"(B) one individual, designated by the head of the Federal department, agency, or instrumentality controlling the Federal property over which the dispute arose; and

"(C) one individual, not employed by the Federal department, agency, or instrumentality controlling the Federal property over which the dispute arose, who shall serve as chairman, jointly designated by the members appointed under subparagraphs (A) and (B).

If any party fails to designate a member under paragraph (2) (A), (B), or (C), the Secretary shall designate such member on behalf of such party. If the panel appointed pursuant to paragraph (2) finds that the acts or practices of any such department, agency, or instrumentality are in violation of this Act, or any regulation issued thereunder, the head of any such department, agency, or instrumentality shall cause such acts or practices to be terminated promptly and shall take such other action as may be necessary to carry out the decision of the panel.

"(c) The decisions of a panel convened by the Secretary pursuant to this section shall be matters of public record and shall be published in the Federal Register.

"(d) The Secretary shall pay all reasonable costs of arbitration under this section in accordance with a schedule of fees and expenses he shall publish in the Federal Register.

"SEC. 7. (a) In accordance with the provisions of subsection (b) of this section, vending machine income obtained from the operation of vending machines on Federal property shall accrue (1) to the blind licensee operating a vending facility on such property, or (2) in the event there is no blind licensee operating such facility on such property, to the State agency in whose State the Federal property is located, for the uses designated in subsection (c) of this section, except that with respect to income which accrues under clause (1) of this subsection, the Commissioner may prescribe regulations imposing a ceiling on income from such vending machines for an individual blind license. In the event such a ceiling is imposed, no blind licensee shall receive less vending machine income under such ceiling than he was receiving on January 1, 1974. No limitation shall be imposed on income from vending machines, combined to create a vending facility, which are maintained, serviced, or operated by a blind licensee. Any amounts received by a blind licensee that are in excess of the amount permitted to accrue to him under any ceiling imposed by the Commissioner shall be disbursed to the appropriate State agency under clause (2) of this subsection and shall be used by such agency in accordance with subsection (c) of this section.

"(b) (1) After June 30, 1974, 100 per centum of all vending machine income from vending machines on Federal property which are in direct competition with a blind vending facility shall accrue as specified in subsection (a) of this section. 'Direct competition' as used in this section means the existence of any vending machines or facilities operated on the same premises as a blind vending facility except that vending machines or facilities operated in areas serving employees the majority of whom do not have access to the blind vending facility shall not be considered in direct competition with the blind vending facility. After June 30, 1974, 50 per centum of all vending machine income from vending machines on Federal property which are not in direct competition with a blind vending facility shall accrue as specified in subsection (a) of this section, except that with respect to Federal property at which 50 per centum of the total hours worked on the premises occurs during periods other than normal working hours, 25 per centum of such income shall so accrue.

"(2) Any vending machine income remaining after assignment pursuant to subsection (a) and (b) (1) of this section shall be used for such purposes as determined by regulations of the Secretary, who shall consider the views of the head of the department, agency, or instrumentality upon whose premises the machines are located, as well as those of any groups or organizations which may be affected by such regulations. No new vending machines or replacements for existing vending machines may be installed on Federal property unless all income from such machines shall accrue as specified in subsection (a) of this section. The head of each department, agency, and instrumentality of the United States shall insure compliance with this section with respect to buildings, installations, and facilities under his control, and shall be responsible for collection of, and accounting for, such vending machine income.

"(c) All vending machine income which accrues to a State licensing agency pursuant to subsection (a) of this section shall be used to establish retirement or pension plans, for health insurance contributions, and for provision of paid sick leave and vacation time for blind licensees in such State, subject to a vote of blind licensees as provided under section 3(3) (E) of this Act. Any vending machine income remaining after application of the first sentence of this subsection shall be used for the purposes specified in sections 3(3) (A), (B), (C), and (D) of this Act, and any assessment charged to blind licensees by a State licensing agency shall be reduced pro rata in an amount equal to the total of such remaining vending machine income.

"(d) Subsections (a) and (b) (1) of this section shall not apply to income from vending machines within retail sales outlets under the control of exchange or ships' stores systems authorized by title 10, United States Code, or to income from vending machines operated by the Veterans Canteen Service, or to income from vending machines not in direct competition with a blind vending facility at individual locations, installations, or facilities on Federal property the total of which at such individual locations, installations, or facilities does not exceed $3,000 annually.

"(e) In the event that a blind vending facility includes the operation of a cafeteria, the contract for the operation of such cafeteria shall specify that it shall be operated at a reasonable cost consistent with a fair return, high quality food and reasonable prices.

"(f) This section shall not operate to preclude preexisting or future arrangements, or regulations of departments, agencies, or instrumentalities of the United States, under which blind licensees (1) receive a greater percentage or amount of vending machine income than that specified in subsection (b) (1) of this section, or (2) receive vending machine income from individual locations, installations, or facilities on Federal property the total of which at such individual locations, installations, or facilities does not exceed $3,000 annually.

"(g) The Secretary shall take such action and promulgate such regulations as he deems necessary to assure compliance with this section.

"SEC. 8. The Commissioner shall insure, through promulgation of appropriate regulations, that uniform and effective training programs, including on-the-job training, are provided for blind individuals, through services under the Rehabilitation Act of 1973 (Public Law 93–112). He shall further insure that State agencies provide programs for upward mobility (including further education and additional training or retraining for improved work opportunities) for all trainees under this Act, and that follow-along services are provided to such trainees to assure that their maximum vocational potential is achieved.".

DEFINITIONS

SEC. 8. Section 9 of the Randolph-Sheppard Act, as redesignated by section 7 of this Act, is amended to read as follows:

"SEC. 9. As used in this Act—

"(1) 'blind person' means a person whose central visual acuity does not exceed 20/200 in the better eye with correcting lenses or whose visual acuity, if better than 20/200, is accompanied by a limit to the field of vision in the better eye to such a degree that its widest diameter subtends an angle of no greater than twenty degrees. In determining whether an individual is blind, there shall be an examination by a physician skilled in diseases of the eye, or by an optometrist, whichever the individual shall select;

"(2) 'Commissioner' means the Commissioner of the Rehabilitation Services Administration;

"(3) 'Federal property' means any building, land, or other real property owned, leased, or occupied by any department, agency, or instrumentality of the United States (including the Department of Defense and the United States Postal Service), or any other instrumentality wholly owned by the United States, or by any department or agency of the District of Columbia or any territory or possession of the United States;

"(4) 'Secretary' means the Secretary of Health, Education, and Welfare;

"(5) 'State' means a State, territory, possession, Puerto Rico, or the District of Columbia;

"(6) 'United States' includes the several States, territories, and possessions of the United States, and the District of Columbia;

"(7) 'vending facility' means automatic vending machines, cafeterias, snack bars, cart services, shelters, counters, and such other appropriate auxiliary equipment as the Secretary may by regulation prescribe as being necessary for the sake of the articles or services described in section 2(a) (5) of this Act and which may be operated by blind licensees; and

"(8) 'vending machine income' means receipts (other than those of a blind licensee) from vending machine operations on Federal property, after cost of goods sold, where the machines are operated, serviced, or maintained by, or with the approval of, a department, agency, or instrumentality of the United States, or commissions paid (other than to a blind licensee) by a commercial vending concern which operates, services, and maintains vending machines on Federal property for, or with the approval of, a department, agency, or instrumentality of the United States.".

PERSONNEL

SEC. 9. (a) The Secretary of Health, Education, and Welfare is directed to assign to the Office for the Blind and Visually Handicapped of the Rehabilitation Services Administration of the Department of Health, Education, and Welfare ten additional full-time personnel (or their equivalent), five of whom shall be supportive personnel, to carry out duties related to the administration of the Randolph-Sheppard Act.

(b) Section 5108 (c) of title 5, United States Code, is amended—

(1) by striking out "and" at the end of paragraph (10);

(2) by striking out the period at the end of paragraph (11) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (11) the following new paragraph:

"(12) the Secretary of Health, Education, and Welfare, subject to the standards and procedures prescribed by this chapter, may place one additional position in the Office for the Blind and Visually Handicapped of the Rehabilitation Services Administration in GS–16, GS–17, or GS–18.".

(c) In selecting personnel to fill any position under this section, the Secretary of Health, Education, and Welfare shall give preference to blind individuals.

(d) Section 4(b) of the Randolph-Sheppard Act, as redesignated by section 7 of this Act, is amended by striking out ", and at least 50 per centum of such additional personnel shall be blind persons".

ADDITIONAL STATE RESPONSIBILITIES

SEC. 10. In addition to other requirements imposed in this Act and in the Randolph-Sheppard Act upon State licensing agencies, such agencies shall—

(1) provide to each blind licensee access to all relevant financial data, including quarterly and annual financial reports, on the operation of the State vending facility program;

(2) conduct the biennial election of a Committee of Blind Vendors who shall be fully representative of all blind licensees in the State program, and

(3) insure that such committee's responsibilities include (A) participation, with the State agency, in major administrative decisions and policy and program development, (B) receiving grievances of blind licensees and serving as advocates for such licensees, (C) participation, with the State agency, in the development and administration of a transfer and promotion system for blind licensees, (D) participation, with the State agency, in developing training and retraining programs, and (E) sponsorship, with the assistance of the State agency, of meetings and instructional conferences for blind licensees.

STANDARDS, STUDIES, AND REPORTS

SEC. 11. (a) The Secretary, through the Commissioner after a period of study not to exceed six months following the date of enactment of this Act, and after full consultation with, and full consideration of the views of, blind vendors and State licensing agencies, shall promulgate national standards for funds set aside pursuant to section 3(3) of the Randolph-Sheppard Act which include maximum and minimum amounts for such funds, and appropriate contributions, if any, to such funds by blind vendors.

(b)(1) The Secretary shall study the feasibility and desirability of establishing a nationally administered retirement, pension, and health insurance system for blind licensees, and such study shall include, but not be limited to, consideration of eligibility standards, amounts and sources of contributions, number of potential participants, total costs, and alternative forms of administration, including trust funds and revolving funds.

(2) The Secretary shall, within one year following the date of enactment of this Act, complete the study required by paragraph (1) of this subsection and report his findings, together with any recommendations, to the President and the Congress.

(c) The Secretary shall, not later than September 30, 1975, complete an evaluation of the method of assigning vending machine income under section 7(b)(1) of the Randolph-Sheppard Act, including its effect on the growth of the program authorized by the Act, and on the operation of non-appropriated funds activities, and within thirty days thereafter he shall report his findings, together with any recommendations, to the appropriate committees of the Congress.

(d) Each State licensing agency shall, within one year following the date of enactment of this Act, submit to the Secretary a report, with appropriate supporting documentation, which shows the actions taken by such agency to meet the requirements of section 2(a)(1) of the Randolph-Sheppard Act.

AUDIT

SEC. 12. The Comptroller General is authorized to conduct regular and periodic audits of all nonappropriated fund activities which receive income from vending machines on Federal property, under such rules and regulations as he may prescribe. In the conduct of such audits he and his duly authorized representatives shall have access to any relevant books, documents, papers, accounts, and records of such activities as he deems necessary.

Mr. RANDOLPH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GRIFFIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. RANDOLPH. Mr. President, I ask unanimous consent that the Secretary be authorized to make technical corrections in the engrossed bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TRANSACTION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Under the previous order there will now be a period for the transaction of routine morning business for not to exceed 20 minutes, with statements limited therein to 5 minutes.

ORDER FOR LEGISLATIVE APPROPRIATION BILL TO BE CALLED UP AFTER 3:30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, under the order of yesterday the bill H.R. 14012, an act making appropriations for the legislative branch, was to be called up immediately upon the conclusion of routine morning business today.

I ask unanimous consent that that order be vacated and that the leadership be authorized to call up that bill at any time after 3:30 p.m. today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RESUMPTION OF UNFINISHED BUSINESS (H.R. 14832) TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business today, the Senate resume its consideration of the unfinished business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the leadership calls up the legislative appropriation bill today, that the bill remain the business before the Senate until disposed of or until the close of business today, whichever is the earlier, and that the unfinished business be laid aside temporarily until such time.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR CONSIDERATION OF CONFERENCE REPORT ON BUDGET REFORM TOMORROW, FRIDAY, JUNE 21, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, after conclusion of routine morning business, the Senate proceed to the consideration of the conference report on budget reform.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR RESUMPTION OF UNFINISHED BUSINESS (H.R. 14832) TOMORROW, FRIDAY, JUNE 21, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that upon the disposition of the conference report on budget reform tomorrow, the Senate resume consideration of the unfinished business.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

REVERSE MIGRATION TO THE SOUTH

Mr. ALLEN. Mr. President, for many years the Southern States and southern people have been criticized by sociological experimenters who seemingly took delight in saying how bad social conditions were in those States geographically south of the Mason-Dixon line. Partly, as a result of such tactics literally thousands upon thousands of southerners, white and black alike, pulled up their roots and left their homes for what they were led to believe was the promised land in the North. The tragedy is that so many people and so many families moved into a squalor, a poverty, a lawlessness, a human degredation that few ever experienced at home.

Southerners who did remain at home directed their attention and their efforts to making improvements in educational opportunities, in job opportunities, in better homes and in a better way of life for residents of the cities and of the rural areas alike.

For many years the cry "The South Will Rise Again" has been uttered in jest, but now it can be stated seriously and realistically. Today the South represents the fastest growing section of the United States and southerners are proud of the progress that we are making. But we are not resting on our laurels because we know there still is a long way to go.

Mr. President, a strange phenomenon has been taking place recently in the liberal press of the country—the very press that has been so critical of the South for so long. National periodicals and northern newspapers recently have been reporting the changing South and even saying some nice things about it. Just this morning the New York Times featured an article entitled "Blacks Return to South in a Reverse Migration," written by B. Drummond Ayres from Montgomery, Ala., that describes in human terms what so many of us have known and tried to express: the South and southern people share qualities of life rarely found elsewhere. I commend the New York Times for printing the article on the front page of the Tuesday, June 18, issue, and I ask unanimous consent that the article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, June 18, 1974]

BLACKS RETURN TO SOUTH IN A REVERSE MIGRATION

(By B. Drummond Ayres)

MONTGOMERY, ALA., June 17.—Nobody knows how many blacks have left the South over the years.

Driven out by racism and lack of economic opportunity, they have been migrating North in Biblical numbers for more than a century, riding the Illinois Central, the Greyhound and the old family Ford toward the promise of Chicago's South Side and New York's Harlem.

But now, with the promise unfulfilled in many cases, significant numbers of blacks are returning to the South, coming "back down home" to a region that seems, at last, to offer as many economic opportunities and as much brotherhood as any other section of the United States.

"I didn't see any reason to stay up there in that madhouse when all I found was just as much discrimination and poverty, and even more crime, than there is down here," said Freddie Lee Reese, a 32-year-old Montgomery native who recently returned to his home town to work as a building supervisor after several years of disenchantment in Chicago.

Significant numbers of Northern-born blacks have gone South these days, too—many of them young, ambitious, well-educated professionals who are fed up with the hassle and danger found in some Yankee cities.

John Redmond, a 33-year-old native of Philadelphia who now represents the Connecticut General Life Insurance Company in Atlanta says:

"My company had these ideas about shipping me off to New York. I told them that Atlanta was where it's at, that no place in America offers blacks more advantages in this day and time."

MIGRATION NORTH CONTINUES

Of course, the South-to-North exodus of blacks continues. Especially during June, Dixie highways, bus depots and train stations are crowded with newly graduated blacks, most following paths cut earlier by aunts, uncles, cousins and older brothers and sisters.

When the youngsters arrive in the North, they usually plug into the kinfolk network. Typically, they might put up with a cousin for a week or two, perhaps find a job in a factory where an uncle works, then move into their own place.

In fact, some Federal surveys indicate that more blacks are moving South now than are moving North. Other surveys indicate that when Southern blacks leave the farm these days—one of three Southern blacks still lives in a rural area—increasing numbers of them head for Southern cities like Montgomery, Atlanta and Birmingham.

Because most of the surveys cover only a limited area, demographers and social scientists cannot agree on what they mean overall.

CENSUS BUREAU CAUTIOUS

Larry H. Long, a Census Bureau expert on migration, urges caution:

We don't have a definitive answer yet as to whether more blacks are moving South than North. You can't say that on the basis of samplings that cover only a few thousand families.

There has always been a considerable movement back to the South. That is typical of all great migration. The data are inconclusive on whether that movement has quickened.

Above all we can say flatly is that the South is not losing blacks the way it was."

The evidence for that comes from census information covering the nineteen forties, the nineteen fifties and the nineteen sixties.

For example, during the nineteen forties about 1.6-million blacks left the South. During the nineteen fifties, the loss was about 1.5-million. And during the nineteen sixties the loss was 1.4-million.

Percentages give an even clearer picture of how the exodus is slowing.

During the nineteen forties the proportion of the nation's blacks living in the South fell from 69 per cent to 60 per cent, a drop of nine points. During the nineteen fifties, the proportions fell to 52 per cent, a drop of eight points. And during the nineteen sixties the proportions fell to 45 per cent, a drop of seven points.

The most frequently discussed Government survey that indicates the South is now gaining more blacks than it is losing was made in March, 1973, and covered 55,000 households throughout the United States.

By projecting the findings of this limited sampling, it is possible to conclude that from 1970 to early 1973, some 166,000 blacks moved out of the South, while 247,000 moved in, for a net gain of 88,000.

The Census Bureau warns that the survey is subject to error because of its narrowness. But a number of demographers, social scientists and Southern specialists feel, nevertheless, that at the very least, the survey confirms a trend that has been apparent to anyone traveling or working in the South in recent years, a period in which Supreme Court decisions and Federal laws have greatly changed the region.

Rex R. Campbell, a professor of sociology at the University of Missouri, is so convinced that the trend exists that he is writing a book about what he calls "the black demographic revolution."

HUNDREDS OF INTERVIEWS

With the help of student researchers, he has interviewed hundreds of returned migrants from Virginia to Louisiana.

"At the least—the very least," he reports, "the inflow and outflow now cancel each other. And I personally think things are on the plus side, just the way the survey of those 55,000 households shows."

Noting that slightly more than half of the nation's 23 million blacks now live outside the South, Professor Campbell adds:

"Maybe one of every three of those living beyond the South actually comes from the South. That's a lot of expatriates.

"Up until the civil rights movement started, only about one of every three blacks who went North came back home. Now it looks like at least one of every two is returning.

"As for Northern-born blacks, we think they make up 15 to 20 per cent of the overall Southland stream, which is three to four times what the rate was in Jim Crow days."

Another sociologist, Prof. Everett Lee of the University of Georgia, has also studied return migration.

EDUCATION CITED

He says that blacks coming South these days tend to be slightly better educated than blacks as a whole, that they usually are in their 30's, that most do not have large families and that most settle in cities.

"Obviously," he adds, "such people have great potential to help the South, particularly the black South, which traditionally has lost many of its promising, productive youths to the North. There will have to be new plans, new policies."

Wondering about the long-range implications of return migration, the Southern Growth Policies Board, a research and planning agency, supported by states in the region, asked the Census Bureau for an analysis of all available statistics. Again the bureau urged caution, with Cynthia Taeuber, a social scientist, replying:

"Current data are not sufficient to substantiate the claim of a reversal in trends of any magnitude."

And yet, the case builds, bit by bit.

John Lewis, director of the Voter Education Project, a nonpartisan effort to register black voters, has traveled the South endlessly and reports:

"IT IS HOME"

"Everywhere I go I find folks who have come back home. There's absolutely no doubt that the return flow is increasing all the time and that the flow North is decreasing.

"Why should that be so surprising now that the South has an open society? This is, after all, the place of our birth. It is home."

In the South, the word "home" has special meaning.

Southerners, black and white, have a strong, almost chauvinistic sense of being "from" somewhere, of being "kin" to somebody, of being "at" some point in time.

'Home" is the one word that covers all this, and the concept is a force to be reckoned with when it comes to Southern-born blacks living outside the South, a force every bit as powerful perhaps as burgeoning economic opportunity, new-found civil freedom and big-city discomfort.

A CASE IN POINT

Consider the case of 26-year-old Mary Louise Jones, whose mother took her North from Montgomery when she was 3 months old. She is now back in Montgomery, working as a typist for The Alabama Journal.

"I grew up in Detroit," she says. "But my mother used to send me back down home to visit kinfolk during the summer.

"Long before I got out of school and tried Detroit on my own, I knew I didn't have any business up there, and not just because crime was everywhere. You couldn't save any money and people were rude.

"The South is better than that."

Or listen to the simple explanation of another person who has returned, Willie Joseph Woods, born 35 years ago on a farm in central Georgia. A college graduate and a savvy veteran of expatriate life in New York and Los Angeles, he is now "back home" in Atlanta, where he works at the Southern Center for Studies in Public Policy.

He says, "I tried it all up there. It just wasn't home."

AGAINST TAXPAYER FINANCING OF ELECTIONS

Mr. ALLEN. Mr. President, last November and December, and again during the past April, the Senate engaged in lengthy debate over taxpayer financing of political campaigns. During those debates I said time and again that advocates of public financing were doing a great disservice to the American people by camouflaging their approach, which I oppose, under the cover of election reform, which I favor.

On the editorial page of the Wednesday, June 19, 1974, issue of the Christian Science Monitor, appears an article, "Public Funding Isn't Political Reform," authored by Dr. Allan E. Goodman, chairman of the department of government and international relations at Clark University, Worcester, Mass. Dr. Goodman cites the political problems of 13 parliamentary democracies in the world having public financing, and he makes the point that current proposals before Congress for such a system in the United States overlook these experiences in foreign countries.

Mr. President, I recommend Dr. Goodman's article as must reading, and I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Public Funding Isn't Political Reform

(By Allan E. Goodman)

The problem with public campaign financing is that it does not necessarily reform either the electoral process or the parties that organize it. Of the 13 parliamentary democracies whose troubles were recently discussed in this newspaper, France, Britain, Denmark, Sweden, Australia, and Israel have some form of public financing. So do about 20 other nations. In every case, unless public-financing legislation accompanies party reform or runoff elections, governments have been burdened with unstable coalitions during times of inflation or dominated by rigid centrist parties during booms and recessions. Advocates of public financing in the United States—first proposed by Theodore Roosevelt in 1907 and again in 1949 by Henry Cabot Lodge—overlook the experience elsewhere.

The major argument in favor of public financing is, as Senator Kennedy recently put it, the "guarantee that the political influence of any citizen is measured only by his voice and vote, not by the thickness of his pocketbook." Where it has been adopted, however, public financing has tended to substitute oligarchy for plutocracy.

The special-interest groups represented by money are replaced with those based on occupational, regional, or religious exclusiveness. Rural parliamentary districts usually come to be dominated by regional or religious interests while urban constituencies tend to be dominated by the long-term residents, usually creating an occupational bias. This is true for most of Europe, South Vietnam, India, and Japan.

Public financing has also resulted in a proliferation of candidates. More candidates mean that fewer votes are required to win, and this encourages consolidation—rather than expansion—of the bases of political organizations, as has happened in most of Europe, Turkey, India, and Vietnam. The net effect has been to deny electors an effective choice. As a British colleague of mine observed: My MP [Member of Parliament] is a union man and he is always opposed by several candidates. He keeps to his cronies because he always has enough votes to win. The only way I could have a choice is to vote with my feet and move to another district."

Except where there are comprehensive political party laws, as in Finland and South Vietnam, public financing has also led to the proliferation of splinter and temporary parties. The problem is acute in France where, as the saying goes, two Frenchmen are a political party; three, a constitutional crisis. De Gaulle often complained: "How can you govern a country that has 247 kinds of cheese?" The current French answer is a runoff system. Where there is no such provision the proliferation of parties means that national elections are won by coalitions that prove difficult to sustain as governments—as is proving true now for Israel and Britain.

Proponents of public financing argue that, as the president of the Center for Public Financing of Elections put it, the present system "stifles the emergence of new faces and new leaders." But, in the European and Asian countries where public financing exists, candidates still tend to come up through the ranks of established parties, and, except in West Germany, their social backgrounds have changed little.

Public financing's most direct consequence has been to make campaigning less lavish, though, as is the case in France, no less professionally run than in the U.S. now. The receptions and the tons of frivolous literature tend to disappear and candidates do tend to speak more often to the issues. But in Europe and Asia, public-opinion surveys find that 70–90 percent of the voters tend to have their minds made up before the campaign begins. For the 1960, 1964, and 1968 U.S. presidential elections, on the other hand, estimates are that 36 percent, 33 percent, and 38 percent of the voters, respectively, decided during the campaigns. So, even where public financing's potential impact seems greatest, it may be significant to only a third of the electorate.

All of the current U.S. proposals—the Senate Rules Committee bill, the Anderson-Udall bill, the House Administration Committee bill, and President Nixon's proposal—overlook such aspects of experience elsewhere. The current bills concentrate on candidate spending rather than party or election reform. Without the latter, public financing may do little to change the status quo.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Hackney, one of its reading clerks, announced that the House had passed the bill (H.R. 15405) making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1975, and for other purposes, in which it requests the concurrence of the Senate.

ENROLLED BILL SIGNED

The message also announced that the speaker had affixed his signature to the enrolled bill (S. 411) to amend title 39, United States Code, with respect to certain rates of postage, and for other purposes.

The PRESIDENT pro tempore subsequently signed the enrolled bill.

HOUSE BILL REFERRED

The bill (H.R. 15405) making appropriations for the Department of Transportation and related agencies for the fiscal year ending June 30, 1975, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

PRESENTATION OF A PETITION

Mr. PELL. Mr. President, on behalf of myself and my colleague from Rhode Island (Mr. Pastore), I submit a resolution passed by the General Assembly of the State of Rhode Island and Providence Plantations. I ask that it be appropriately referred.

The PRESIDING OFFICER. Without objection, it is so ordered.

The resolution, which was referred to the Committee on Commerce, is as follows:

Resolution

Memorializing the Congress of the United States to enact legislation to regulate the interstate shipment of animals to provide and insure safe and humane conditions

Whereas, Recent newspaper articles have revealed inhumane conditions in the shipment of animals; and

Whereas, In one reported case all 70 animals shipped from Kansas were found dead, and in another shipment of animals 3 out of 14 were found dead by airport employees; now, therefore, be it

Resolved, That this general assembly respectfully memorializes the Congress of the United States to enact legislation to regulate the interstate shipment of animals to provide and insure safe and humane conditions; and be it further

Resolved, That the secretary of state be and he hereby is authorized and directed to transmit duly certified copies of this resolution to the members in the Congress of the United States from Rhode Island.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McGOVERN, from the Committee on Agriculture and Forestry:

S. 3679. An original bill to provide emergency financing for livestock producers (Rept. No. 93–949).

EXECUTIVE REPORTS OF COMMITTEES

As in executive session, the following favorable reports of nominations were submitted:

By Mr. EASTLAND, from the Committee on the Judiciary:

William H. Orrick, Jr., of California, to be U.S. district judge for the northern district of California; and

Henry F. Werker, of New York, to be U.S. district judge for the southern district of New York.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED

The Secretary of the Senate reported that on June 19, 1974, he presented to the President of the United States the following enrolled bill and joint resolution:

S. 1585. An act to prevent the unauthorized manufacture and use of the character "Woodsy Owl," and for other purposes; and

S.J. Res. 206. A joint resolution authorizing the Secretary of the Army to receive for instruction at the U.S. Military Academy one citizen of the Kingdom of Laos.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. HUMPHREY:

S. 3678. A bill to provide authority for the District of Columbia to place two statues in Statuary Hall of the Capitol. Referred to the Committee on Rules and Administration.

By Mr. McGOVERN:

S. 3679. A bill to provide emergency financing for livestock producers. Ordered placed on the calendar.

By Mr. TUNNEY (for himself, Mr. Ervin, and Mr. Helms):

S. 3680. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs. Referred to the Committee on Finance.

By Mr. GRAVEL:

S. 3681. A bill to authorize civilian employees of military installations to use the recreational facilities of such installations. Referred to the Committee on Armed Services.

S. 3682. A bill to amend the Social Security Act to provide for the coverage of certain drugs under part A of the health insurance program established by title XVIII of such act. Referred to the Committee on Finance.

By Mr. HATFIELD (for himself and Mr. Packwood):

S. 3683. A bill to provide for addition to the Fort Clatsop National Memorial of the site of the salt cairn utilized by the Lewis and Clark Expedition, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

By Mr. ERVIN (for himself, Mr. McClellan, and Mr. Hruska):

S. 3684. A bill to secure to the Congress additional time in which to consider the proposed amendments to the Federal Rules of Criminal Procedure which the Chief Justice of the U.S. Supreme Court transmitted to the Congress on April 22, 1974. Referred to the Committee on the Judiciary.

By Mr. MATHIAS:

S. 3685. A bill for the relief of Edith Jones. Referred to the Committee on the Judiciary.

By Mr. BEALL (for himself, Mr. Dole, Mr. Mathias, and Mr. Dominick):

S. 3686. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs. Referred to the Committee on Finance.

By Mr. TAFT:

S. 3687. A bill for the relief of Miguel Angel Rivadeneira, his wife, Ana Marie Rivadeneira, and their children, Monica Silvia Rivadeneira, Ana Susana Rivadeneira, and Roxana M. Rivadeneira. Referred to the Committee on the Judiciary.

By Mr. SCHWEIKER:

S. 3688. A bill to amend the Wild and Scenic Rivers Act of 1968 by designating a portion of the Allegheny River, Pennsylvania, for potential addition to the National Wild and Scenic Rivers System. Referring to the Committee on Interior and Insular Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HUMPHREY:

S. 3678. A bill to provide authority for the District of Columbia to place two statues in Statuary Hall of the Capitol. Referred to the Committee on Rules and Administration.

TO HONOR DISTINGUISHED RESIDENTS OF THE DISTRICT OF COLUMBIA

Mr. HUMPHREY. Mr. President, I am today introducing a bill to provide authority for the District of Columbia to place two statues of distinguished residents. in the Capitol. Under the current practice, established by House Concurrent Resolution No. 47 in 1933, one of these would be placed in Statuary Hall and a second at an appropriate place elsewhere in the Capitol.

The District of Columbia truly is a national city. Since 1800, it has housed the Federal Government. Now that the Congress has recognized this unique city as a political entity by granting home rule for its citizens, it seems to me altogether fitting to acknowledge the fine contributions which have been made to the city and the Nation by distinguished citizens of the District of Columbia.

We are nearing the Bicentennial anniversary of our Nation's birth. This city, which has served as an adopted home for the great leaders of our Nation throughout our history, also is the legal residence of some 753,000 full-time citizens.

When Statuary Hall was created in the old Hall of the House of Representatives in 1864, the States were each invited to place two statues there.

The statues which are placed by the States represent Americans who have contributed significantly to our national history. Certainly this category of "distinguished Americans" should include many citizens of this city who have distinguished themselves in the aid and betterment of the District and of the entire Nation.

Let me cite just a few examples:

Frederick Douglass, a great leader and spokesman of the black freedom movement during the Civil War;

Gen. Oliver O. Howard, a union officer during the Civil War, and later head of the Freedman's Bureau;

Harriet Tubman, active in the abolition movement and in assisting former slaves to reach freedom;

Alexander G. Bell, the inventor of the telephone; and

Francis Preston Blair, a great journalist and statesman.

All of these people, and many more, made vital contributions in the development of the United States. Having helped to achieve the ideals and hopes on which our Nation was founded, they have earned commemoration in Statuary Hall.

By Mr. TUNNEY (for himself, Mr. Ervin, and Mr. Helms):

S. 3680. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs. Referred to the Committee on Finance.

Mr. TUNNEY. Mr. President, I rise to introduce legislation which will prevent a massive tax injustice to thousands of recent college graduates.

In a little-noticed action last June, the Internal Revenue Service decided that the canceled portion of educational loans would henceforth and retroactively be considered taxable income. Abruptly and without warning, the IRS has begun dispatching tax-due notices that have ranged as high as $1,000 per year for up to a maximum of 3 years, payable within 30 days.

Of course, the thousands of students who contracted for national defense student loans, national direct student loans, Armed Forces health professions loans, State teaching and medical education loans, and law enforcement educational loans with forgiveness provisions had no idea they might be hit with retroactive tax-due notices dating back 3 years.

Mr. President, I believe this IRS ruling is contrary to congressional intent and subversive of the purpose of these loan programs. In no other instance does the Federal Government give with one hand and take away with the other. Even worse than the ruling itself is the application of the ruling retroactively and without advance notice.

To this very day, students and loan officials at thousands of colleges and universities are unaware of the tax liability the IRS has decided will be associated with the forgiven portion of educational loans. Since the IRS has made no effort to inform colleges and universities of the tax time bomb contained in these loans, the first a recent college graduate learns of this situation is the day the postman arrives with a bill for several years' back taxes. Adding insult to injury is the fact that the graduate is charged interest on the back taxes he or she did not even know was owned.

This is an example of Government at its absolute worst.

Thus far, the IRS has decided to enforce Revenue Ruling 73-256 in only a handful of jurisdictions. I sincerely hope

Congress will soon act to forestall any additional enforcement of this arbitrary and unfair ruling. Congressman Ike Andrews has introduced legislation in the House to deny retroactivity to this ruling. As of today, Congressman Andrew's bill has 73 cosponsors.

The legislation I am offering today makes it clear that Congress does not intend that the forgiven portion of educational loans be treated as taxable income. It provides that Revenue Ruling 73–256 cannot be enforced for any taxable year, current past, or future.

Mr. President, I hope that the Finance Committee will give this legislation all possible consideration and I welcome the cosponsorships of all other Members of the Senate. At this point I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3680

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 117 of the Internal Revenue Code of 1954 (relating to scholarship and fellowship grants) is amended by adding at the end thereof the following new subsection:

"(c) Cancellations of Student Loans.—

"(1) In general.—In the case of an individual, no amount shall be included in gross income by reason of the discharge of all or part of the indebtedness of the individual under a student loan if such discharge was pursuant to a provision of such loan under which all or part of the indebtedness of the individual would be discharged if the individual worked for a certain period of time in certain professions or certain geographical areas or for certain classes of employers.

"(2) Student loan.—For purposes of this subsection, the term 'student loan' means any loan to an individual to assist the individual in attending an educational institution (as defined in section 151(e)(4))—

"(A) by the United States, or an instrumentality or agency thereof, or a State, a territory, or a possession of the United States, or any political subdivision thereof, or the District of Columbia, or

"(B) by any educational institution (as defined in section 151(e)(4)) pursuant to an agreement with the United States, or an instrumentality or agency thereof, or a State, a territory, or a possession of the United States, or any political subdivision thereof, or the District of Columbia under which the funds from which the loan was made were provided to such educational institution.".

Sec. 2. The amendment made by the first section shall apply with respect to all taxable years.

By Mr. GRAVEL:

S. 3681. A bill to authorize civilian employees of military installations to use the recreational facilities of such installations. Referred to the Committee on Armed Services.

Mr. GRAVEL. Mr. President, I am today introducing a bill to permit civilian employees of military installations to use the recreational facilities of such installations.

The base commanders of military installations now have the prerogative of designating those civilians they wish to use the facilities, whether they be actual employees of such installations or persons from the public sector. It seems only fair to me that the recreational facilities at any military installation which are paid for or maintained with Federal funds should be made available for use by all civilian employees at such installations.

For the American taxpayer to provide the funds for establishment and maintenance of many such facilities and yet be denied access is, Mr. President, rank discrimination. To at least partially rectify this, I feel that we should grant access to at least those civilian employees who work on the bases.

On today's modern military base, especially those located within the United States, the number of civilian employees is high in proportion to the entire base population. The use of recreational facilities should not remain a tool for the military brass to reward only selected employees. More important, high ranking officers should not be permitted to allow their civilian friends who have no connection with the installation to use the facilities while such use is denied to base employees.

This legislation is intended to restore a sense of balance and equity to our treatment of dedicated Government employees employed on military installations. They deserve basic privileges as a reward for their service to the Nation.

By Mr. GRAVEL:

S. 3682. A bill to amend the Social Security Act to provide for the coverage of certain drugs under part A of the health insurance program established by title XVIII of such act. Referred to the Committee on Finance.

Mr. GRAVEL. Mr. President, today I am introducing legislation which would provide for medicare coverage for certain drugs purchased outside the hospital.

As you know, this proposal was introduced as an amendment to the social security bill, H.R. 3153, but was deleted in conference. The legislation I am submitting today is a further attempt to insure that the burden of high medical costs for the elderly is recognized and alleviated.

Statistics forewarn us that by 1985 there will be approximately 25 million senior citizens in this country. We, as legislators, must begin to deal with the reality of aging in our proposals and subsequent action. We can and must insist that present laws are changed to adequately meet the needs of the elderly.

Though opposition to this proposal in the past has stemmed largely from the fear that economic self-interest would be lost due to cost and quality control, I am confident that support of this measure will be viewed as a definite desire to seek what is best for the American people.

Many of our senior citizens do not vote. Their voice is seldom heard in Washington, and their needs continue to go unheeded. Leading lives of quiet desperation, they are forced to endure inadequate housing and crowded nursing homes throughout America.

Inflicted with a fixed income that must cope with the rising cost of living, an unexpected illness can turn the present financial burden of an older person into a state of financial and medical despair. It is too high a price for our elderly, and too high a risk for this country's obligations to its citizens.

It is not enough to say we are concerned. It is not enough to say we are aware. The task before Congress and the country today is whether we will grasp the opportunity to match our promises with deeds to reform this country's aid to its elderly.

Having evaluated the responses made by constituents on a recent senior citizens questionnaire, the need for drug coverage is painfully apparent in their fear of monetary loss as well as unobtainable medicine.

In trying to reach a solution to this monumental issue, I am proposing this legislation today as a further attempt to provide not only adequate coverage, but the necessary protection our senior citizens have a right to.

I ask unanimous consent that the text of this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3682

A bill to amend the Social Security Act to provide for the coverage of certain drugs under part A of the health insurance program established by title XVIII of such Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 226(c)(1) of the Social Security Act is amended by striking out "and post-hospital home health services" and inserting in lieu thereof "post-hospital home health services, and eligible drugs".

(b) Section 1811 of the Social Security Act is amended by inserting "and eligible drugs" after "related post-hospital services".

(c) Section 1812(a) of the Social Security Act is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (3) the following new paragraph:

"(4) eligible drugs.".

(d) Section 1813(a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(4) The reasonable allowance, as defined in section 1813, for eligible drugs furnished an individual pursuant to anyone prescription (or each renewal thereof) and purchased by such individual at any one time shall be reduced by an amount equal to the applicable prescription copayment obligation which shall be $1."

(e)(1) Section 1814(a) of the Social Security Act is amended—

(A) by striking out "and" at the end of pargaraph (6);

(B) by striking out the period at the end of paragraph (7) and inserting in lieu thereof "; and"; and

(C) by inserting after paragraph (7) the following new paragraph:

"(8) with respect to drugs or biologicals furnished pursuant to and requiring (except for insulin) a physician's prescription, such drugs or biologicals are eligible drugs as defined in section 1861(t) and the participating pharmacy (as defined in section 1861(aa)) has such prescription in its possession, or some other record (in the case of insulin) that is satisfactory to the Secretary."

(2) Section 1814(b) of such Act is amended—

(A) by inserting "(1)" after "(b)",

(B) by inserting "(other than a pharmacy)" immediately after "provider of services",

(C) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively,

(D) by redesignating clauses (A) and (B) of paragraph (1) as clauses (i) and (ii), respectively, and

(E) by adding at the end thereof the following new paragraph:

"(2) The amount paid to any participating pharmacy which is a provider of services with respect to eligible drugs for which payment may be made under this part shall, subject to the provisions of section 1813, be the reasonable allowance (as defined in section 1822) with respect to such drugs."

(f) Section 1814 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"Limitation on Payment for Eligible Drugs

"(j) Payment may be made under this part for eligible drugs only when such drugs are dispensed by a participating pharmacy; except that payment under this part may be made for eligible drugs dispensed by a physician where the Secretary determines, in accordance with regulations, that such eligible drugs were required in an emergency or that there was no participating pharmacy available in the community, in which case the physician (under regulations prescribed by the Secretary) shall be regarded as a participating pharmacy for purposes of this part with respect to the dispensing of such eligible drugs."

(g) Part A of title XVIII of the Social Security Act is further amended by adding after section 1818 the following new sections:

"MEDICARE FORMULARY COMMITTEE

"SEC. 1819. (a) (1) There is hereby established, within the Department of Health, Education, and Welfare, a Medicare Formulary Committee (hereinafter referred to as the 'Committee'), a majority of whose members shall be physicians and which shall consist of the Commissioner of Food and Drugs and of four individuals (not otherwise in the employ of the Federal Government) who do not have a direct or indirect financial interest in the composition of the Formulary established under this section and who are of recognized professional standing and distinction in the fields of medicine, pharmacology, or pharmacy, to be appointed by the Secretary without regard to the provisions of title 5, United States Code, governing appointments in the competitive service. The Chairman of the Committee shall be elected annually from the appointed members thereof, by majority vote of the members of the Committee.

"(2) Each appointed member of the Committee shall hold office for a term of five years, except that any member appointed to fill a vacancy occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term, and except that the terms of office of the members first taking office shall expire, as designated by the Secretary at the time of appointment, one at the end of each of the first five years. A member shall not be eligible to serve continuously for more than two terms.

"(b) Appointed members of the Committee, while attending meetings or conferences thereof or otherwise serving on business of the Committee, shall be entitled to receive compensation at rates fixed by the Secretary (but not in excess of the daily rate paid under GS–18 of the General Schedule under section 5332 of title 5, United States Code), including traveltime, and while so serving away from their homes or regular places of business they may be allowed travel expenses, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

"(c) (1) The Committee is authorized, with the approval of the Secretary, to engage or contract for such technical assistance as may be required to carry out its functions, and the Secretary shall, in addition, make available to the Committee such secretarial, clerical, and other assistance as the Formulary Committee may require to carry out its functions.

"(2) The Secretary shall furnish to the Committee such office space, materials, and equipment as may be necessary for the Formulary Committee to carry out its functions.

"MEDICARE FORMULARY

"SEC. 1820. (a) (1) The Committee shall compile, publish, and make available a Medicare Formulary (hereinafter in this title referred to as the 'Formulary').

"(2) The Committee shall periodically revise the Formulary and the listing of drugs so as to maintain currency in the contents thereof.

"(b) (1) The Formulary shall contain an alphabetically arranged listing, by established name, of those drug entities within the following therapeutic categories:

"Adrenocorticoids,
"Anti-anginals,
"Anti-arrhythmics,
"Anti-coagulants,
"Anti-convulsants (excluding phenobarbital),
"Anti-hypertensives,
"Anti-neoplastics,
"Anti-Parkinsonism agents,
"Anti-rheumatics,
"Bronchodilators,
"Cardiotonics,
"Cholinesterase inhibitors,
"Diuretics,
"Gout suppressants,
"Hypoglycemics,
"Miotics,
"Thyroid hormones,
"Tuberculostatics,

which the Committee decides are necessary for individuals using such drugs. The Committee shall exclude from the Formulary any drug entities (or dosage forms and strengths thereof) which the Committee decides are not necessary for proper patient care, taking into account other drug entities (or dosage forms and strengths thereof) which are included in the Formulary.

"(2) Such listing shall include the specific dosage forms and strengths of each drug entity (included in the Formulary in accordance with paragraph (1)) which the Committee decides are necessary for individuals using such drugs.

"(3) Such listing shall include the prices at which the products (in the same dosage form and strength) of such drug entities are generally sold by the suppliers thereof and the limit applicable to such prices under section 1822(b) (1) for purposes of determining the reasonable allowance.

"(4) The Committee may also include in the Formulary, either as a separate part (or parts) thereof or as a supplement (or supplements) thereto, any or all of the following information:

"(A) A supplemental list or lists, arranged by diagnostic, prophylactic, therapeutic, or other classifications, of the drug entities (and dosage forms and strengths thereof) included in the listing referred to in paragraph (1).

"(B) The proprietary names under which products of a drug entity listed in the Formulary by established names (and dosage form and strength) are sold and the names of each supplier thereof.

"(C) Any other information with respect to eligible drug entities which in the judgment of the Committee would be useful in carrying out the purposes of this part.

"(c) In considering whether a particular drug entity (or strength or dosage form thereof) shall be included in or excluded from the Formulary, the Committee is authorized to obtain (upon request therefor) any record pertaining to the characteristics of such drug entity which is available to any other department, agency, or instrumentality of the Federal Government, and to request suppliers or manufacturers of drugs and other knowledgeable persons or organizations to make available to the Committee information relating to such drug. If any such record or information (or any information contained in such record) is of a confidential nature, the Committee shall respect the confidentiality of such record or information and shall limit its usage thereof to the proper exercise of its authority.

"(d) (1) The Committee shall establish such procedures as it determines to be necessary in its evaluation of the appropriateness of the inclusion in or exclusion from the Formulary, of any drug entity (or dosage form or strength thereof). For purposes of inclusion in or exclusion from the Formulary the principal factors in the determination of the Committee shall be—

"(A) the factor of clinical equivalence in the case of the same dosage forms in the same strengths of the same drug entity, and

"(B) the factor of relative therapeutic value in the case of similar or dissimilar drug entities in the same therapeutic category.

"(2) The Committee, prior to making a final decision to remove from listing in the Formulary any drug entity (or dosage forms or strengths thereof) which is included therein, shall afford a reasonable opportunity for a formal or informal hearing on the matter to any person engaged in manufacturing, preparing, compounding, or processing such drug entity who shows reasonable ground for such a hearing.

"(3) Any person engaged in the manufacture, preparation, compounding, or processing of any drug entity (or dosage forms or strengths thereof) not included in the Formulary which such person believes to possess the requisite qualities to entitle such drug to be included in the Formulary pursuant to subsection (b) may petition for inclusion of such drug entity and, if such petition is denied by the Formulary Committee, shall, upon request therefor, showing reasonable grounds for a hearing, be afforded a formal or informal hearing on the matter in accordance with rules and procedures established by such Committee.

"LIMITATIONS ON MEDICARE PAYMENT FOR CHARGES OF PROVIDERS OF SERVICES

"SEC. 1821. (a) Any provider of services as defined in section 1861(u), whose services are otherwise reimbursable, under any program under this Act in which there is Federal financial participation on the basis of 'reasonable cost', shall not be entitled to a professional fee or dispensing charge or reasonable billing allowance as determined pursuant to this part.

"(b) A fee, charge, or billing allowance shall not be payable under this section with respect to any drug entity that (as determined in accordance with regulations) is furnished as an incident to a physician's professional service, and is of a kind commonly furnished in physicians' offices and commonly either rendered without charge or included in the physicians' bills.

"REASONABLE ALLOWANCE FOR ELIGIBLE DRUGS

"SEC. 1822. (a) For purposes of this part, the term 'reasonable allowance' when used in reference to an eligible drug (as defined in section 1861(t)) means the following:

"(1) When used with respect to a prescription legend drug entity, in a given dosage form and strength, such term means the lesser of—

"(A) an amount equal to the customary charge at which the participating pharmacy sells or offers such drug entity, in a given dosage form and strength, to the general public, or

"(B) the price determined by the Secretary, in accordance with subsection (b) of this section, plus the professional fee or dispensing charges determined in accordance with subsection (c) of this section.

"(2) When used with respect to insulin such term means the charge not in excess of the reasonable customary price at which the participating pharmacy offers or sells the product to the general public, plus a reasonable billing allowance.

"(b)(1) For purposes of establishing the reasonable allowance in accordance with subsection (a) the price shall be (A) in the case of a drug entity (in any given dosage form and strength) available form and sold by only one supplier, the price at which such drug entity is generally sold (to establishments dispensing drugs), and (B) in any case in which a drug entity (in any given dosage form and strength) is available and sold by more than one supplier, only each of the lower prices at which the products of such drug entity are generally sold (and such lower prices shall consist of only those prices of different suppliers sufficient to assure actual and adequate availability of the drug entity, in a given dosage form and strength, at such prices in a region).

"(2) If a particular drug entity (in a given dosage form and strength) in the Formulary is available from more than one supplier, and the product of such drug entity as available from one supplier possesses demonstrated distinct thereapeutic advantages over other products of such drug entity as determined by the Committee on the basis of its scientific and professional appraisal of information available to it, including information and other evidence furnished to it by the supplier of such drug entity, then the reasonable allowance for such supplier's drug product shall be based upon the price at which it is generally sold to establishments dispensing drugs.

"(3) If the prescriber, in his handwritten order, has specifically designated a particular product of a drug entity (and dosage form and strength) included in the Formulary by its established name together with the name of the supplier of the final dosage form thereof, the reasonable allowance for such drug product shall be based upon the price at which it is generally sold to establishments dispensing drugs.

"(c)(1) For the purpose of establishing the reasonable allowance (in accordance with subsection (a)), a participating pharmacy, shall, in the form and manner prescribed by the Secretary, file with the Secretary, at such times as he shall specify, a statement of its professional fee or other dispensing charges.

"(2) A participating pharmacy, which has agreed with the Secretary to serve as a provider of services under this part, shall, except for subsection (a)(1)(A), be reimbursed, in addition to any price provided for in subsection (b), the amount of the fee or charges filed in pargraph (1), except that no fee or charges shall exceed the highest fee or charges filed by 75 per centum of participating pharmacies (with such pharmacies classified on the basis of (A) lesser dollar volume of prescriptions and (B) all others) in a census region which were customarily charged to the general public as of June 1, 1973. Such prevailing professional fees or dispensing charges may be modified by the Secretary in accordance with criteria and types of data comparable to those applicable to recognition of increases in reasonable charges for services under section 1842.

"(3) A participating pharmacy shall agree to certify that, whenever such pharmacy is required to submit its usual professional fee or dispensing charge for a prescription, such charge does not exceed its customary charge."

(h) Section 1861(t) of the Social Security Act is amended—

(1) by inserting ", or as are approved by the Formulary Committee" after "for use in such hospital"; and

(2) by adding at the end thereof the following new sentence: "The term 'eligible drug' means a drug or biological which (A) can be self-administered, (B) requires a physician's prescription (except for insulin), (C) is prescribed when the individual requiring such drug is not an inpatient in a hospital or extended care facility, during a period of covered care, (D) is included by strength and dosage forms among the drugs and biologicals approved by the Formulary Committee, (E) is dispensed (except as provided by section 1814(j)), by a pharmacist from a participating pharmacy, and (F) is dispensed in quantities consistent with proper medical practice and reasonable professional discretion."

(i) Section 1861(u) of the Social Security Act is amended by striking out "home health agency," and inserting in lieu thereof "home health agency, pharmacy,".

(j) Section 1861 of the Social Security Act is further amended by adding at the end thereof the following new subsection:

"Participating Pharmacy

"(aa) The term 'participating pharmacy' means a pharmacy, or other establishment (including the outpatient department of a hospital) providing pharmaceutical services (1) which is licensed as such under the laws of the State (where such State requires such licensure) or which is otherwise lawfully providing pharmaceutical services in which such drug is provided or otherwise dispensed in accordance with this title, (2) which has agreed with the Secretary to act as a provider of services in accordance with the requirements of this section, and which complies with such other requirements as may be established by the Secretary in regulations to assure the proper, economical, and efficient administration of this title, (3) which has agreed to submit, at such frequency and in such form as may be prescribed in regulations, bills for amounts payable under this title for eligible drugs furnished under part A of this title, and (4) which has agreed not to charge beneficiaries under this title any amounts in excess of those allowable under this title with respect to eligible drugs except as is provided under section 1813(a)(4), and except for so much of the charge for a prescription (in the case of a drug product prescribed by a physician, of a drug entity in a strength and dosage form included in the Formulary where the price at which such product is sold by the supplier thereof exceeds the reasonable allowance) as is in excess of the reasonable allowance established for such drug entity in accordance with section 1822."

(k)(1) The first sentence of section 1866(a)(2)(A) of the Social Security Act is amended by striking out "and (ii)" and inserting in lieu thereof the following: "(ii) the amount of any copayment obligation and excess above the reasonable allowance consistent with section 1861(aa)(4) and (iii)".

(2) The second sentence of section 1866(a)(2)(A) of such Act is amended by striking out "clause (ii)" and inserting in lieu thereof "clause (iii)".

(l) The amendments made by this section shall apply with respect to eligible drugs furnished on and after the first day of January 1975.

By Mr. HATFIELD (for himself and Mr. PACKWOOD):

S. 3683. A bill to provide for addition to the Fort Clatsop National Memorial of the site of the salt cairn utilized by the Lewis and Clark Expedition, and for other purposes. Referred to the Committee on Interior and Insular Affairs.

Mr. HATFIELD. Mr. President, today I send to the desk legislation to add the site of the salt cairn utilized by the Lewis and Clark Expedition to the Fort Clatsop National Memorial in Oregon.

The availability of salt was of the utmost importance to the Lewis and Clark Expedition. Their journals tell us that during the preparations for the journey and on the trip itself the leaders were greatly concerned about having enough salt for their men. It was necessary because the strenuous physical activity involved in such an endeavor resulted in the loss of body salt, as well as to make their food more palatable.

When the expedition arrived at Fort Clatsop in December of 1805, it was imperative that their salt supply be replenished. Capt. William Clark wrote:

> We haveing fixed on this Situation as the one best Calculated for our Winter quarters I deturmin'd to go as direct a Course as I could to the Sea Coast which we could here roar and appeared to be at no great distance from us, my principle object is to look out a place to make Salt.

The place was found and a group of men spent 2 months to produce 20 gallons of salt by a continuous process of boiling sea water in five "kittles." The site of that salt cairn is located in what is now Seaside, Oreg. The land is presently owned by the Oregon Historical Society which is willing to give it to the National Park Service as a satellite of the Fort Clatsop National Memorial, some 25 miles away.

I believe this action would be highly appropriate. The two areas are joined historically, and the designation of the salt cairn as a part of the Fort Clatsop National Memorial will result in better maintenance and identification of the area.

Mr. President, the driving force behind this effort in Oregon is Dr. E. G. Chuinard, who serves as chairman of the Oregon Lewis & Clark Trail Heritage Foundation Committee. Dr. Chuinard has worked tirelessly on this proposal with local government and interested citizens. I ask unanimous consent that a letter to Dr. Chuinard from Mr. Thomas Vaughan, director of the Oregon Historical Society, be included in the RECORD at this point because it includes useful background information and states clearly the society's willingness to give the property to the National Park Service.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OREGON HISTORICAL SOCIETY,
Portland, Oreg., December 31, 1973.
E. G. CHUINARD, M.D.
Portland, Oreg.

DEAR DOCTOR CHUINARD: As you know, the Oregon Historical Society worked very hard in 1900–01 to truly authenticate and establish the site of the Lewis and Clark salt works. Some of the very best scholars ever associated with this century-old learned society worked very hard on this problem (including T. C. Elliot, Ralph Budd, Judge Charles Carey, and George Himes, himself). They were as certain of that site as they were of the now well-established Fort Clatsop site, which bright jewel in the National Park holdings was also once owned by this society, and also once questioned as to accurate location.

As you know, we have resisted many private inroads into the historic Cairn property as our minutes frequently attest. We have safeguarded the site as originally instructed, secure in the fact that it would continually be recognized as the site in the Tillamook Head area, one which should increase in size and general recognition, with open access to the beach and the ocean.

As earlier stated I again declare the interest of the Board of Directors is that this unique and historically authenticated site, as established and successfully used by the Lewis and Clark expedition as a salt works, be given over by title to the National Park Service, the Department of Interior, United States Government to become an extension and satellite of the Fort Clatsop National Memorial. It is only logical to join these two important properties. Our Society Board unanimously supports this long established intention and has for many years.

As you may remember, I was Director of this Society when, in 1954, we all first began to work on the establishment of the Clatsop site. Many persons then said it was an impossible conception. What a wonderful park it is today; how much better it will be with the true salt operation formally associated with it. When it is available for proper development, any thought of a simulated salt making operation is in my personal estimation anathema.

Please inform our president, David Abram, or me of any way in which this Society can support the splendid work being undertaken, under your direction, by the Lewis and Clark Trail Heritage Foundation Committee. Following the expressions of our Board we wish to join however we can in assuring the success of this important national preservation project.

Sincerely yours,
THOMAS VAUGHAN, *Director.*

Mr. HATFIELD. Mr. President, I am pleased to have my colleague from Oregon, Senator BOB PACKWOOD, join me in introducing this bill today. Congressman WENDALL WYATT, who represents Oregon's First Congressional District, is introducing a companion bill in the House.

I ask unanimous consent that resolutions adopted by the cities of Cannon Beach, Oreg., and Seaside, Oreg., be included in the RECORD, as well as two editorials from the Oregon Journal and the Oregonian in support of this proposal.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

RESOLUTION No. 74–13

Whereas, a replica of the Lewis and Clark Salt Cairn is established on a site which has been authenticated, in the City of Seaside, Oregon, and

Whereas, the site and replica are owned by different parties, and funds are not always available for development and maintenance, and

Whereas, the Salt Cairn was an important part of the Lewis and Clark Expedition and Fort Clatsop, and

Whereas, the present Salt Cairn should be an important adjunct to the present Fort Clatsop National Memorial which is maintained and operated by the National Park Department.

Therefore, be it resolved, That Common Council of the City of Cannon Beach, meeting in regular session, joins with the Governor's Oregon Lewis and Clark Trail Heritage Foundation, the City Council of Seaside, Oregon, and other interested parties, to petition the Congress of the United States, to direct the National Park Service to accept title to, develop and maintain this important part of the Lewis and Clark Expedition and the nation's historical heritage, the Lewis and Clark Salt Cairn in Seaside, Oregon.

Passed by the Common Council of the City of Cannon Beach, this 4th day of March, 1974.

RESOLUTION

Whereas, the Lewis and Clark Expedition, in conjunction with 'Fort Clatsop, constructed, at Seaside, Oregon, a location for exptracting salt from the seawater, and

Whereas, the salt cairn at Seaside was an integral part of the operation of Fort Clatsop, even though it was located several miles from the Fort proper, and

Whereas, the salt cairn at Seaside, Oregon is of historic interest and should be included in the Fort Clatsop National Memorial, even though located several miles away.

Now, therefore, be it resolved, That Clatsop County Historical Advisory Committee, undertake to urge the Department of the Interior of the National Parks Service and the Government of the United States to include the salt cairn at Seaside, Oregon as a satellite or appendage of Fort Clatsop National Memorial.

[From the Oregon Journal, Jan. 18, 1974]

A GREAT STORY ABOUT SALT

The importance of salt in the affairs of humankind has been recognized throughout recorded history.

The meaning of the biblical quotation, "Ye are the salt of the earth," is based on this recognition.

In the period of the Roman Empire, each soldier was given a regular "salarium," or salt allowance for money to buy salt, and from this came the word "salary."

It is in this context that the site in the city of Seaside, where members of the Lewis and Clark Expedition made salt in the winter of 1805–06, earns the right to be accepted as "nationally significant" in history.

When the party reached the end of the long trek from St. Louis in December, 1805, and built its winter quarters on the site of the present Fort Clatsop National Memorial near Astoria, the men were desperately in need of salt.

Next to building a shelter, a top priority was finding a spot where salt could be extracted from sea water not only to meet immediate requirements but to last the expedition on the return journey as far as the Great Falls in Montana, where the nearest cache was located.

The place, where in a period of two months 20 gallons of salt was obtained by a laborious process of boiling sea-water, was acquired by the Oregon Historical Society in 1910 through donation from Mrs. Charlotte Cartwright.

While the Salt Cairn is marked and preserved in perpetuity, and has received care from the Seaside Lions Club, it deserves to be upgraded and maintained on a level which it has never enjoyed before.

The Governor's Lewis and Clark Heritage Foundation Committee, headed by Dr. E. G. Chuinard, one of this nation's most dedicated Lewis and Clark buffs, is spearheading a drive for National Park Service acquisition of the Salt Cairn as a satellite of Fort Clatsop. The project has the support of the Historical Society. It seems to be winning general approval in Clatsop County.

The approaching Bicentennial makes this an appropriate time to put renewed focus on all aspects of the Lewis and Clark journey. It is this region's major link with the nation's early history, since it was President Thomas Jefferson who commissioned the expedition, which in turn helped to pin down the nation's claim to this part of the continent.

Other things can be done further to identify and exploit the rich legacy of Lewis and Clark history in Clatsop County. One idea now being explored is construction of a bicycle trail by the Oregon Highway Division between Fort Clatsop and the Salt Cairn.

The National Lewis and Clark Heritage Foundation, headed by Robert Lange of Portland, will hold its annual meeting in Astoria next August. This organization hopefully will give its backing to the project of making the Salt Cairn a satellite of Fort Clatsop.

Federal legislation will be required. Sen. Mark Hatfield and Rep. Wendell Wyatt are interested. Fort Clatsop became a national memorial only because influential Oregon people and organizations put their weight behind the project. That is what it will take for the Salt Cairn project to be realized.

[From the Oregonian, Feb. 13, 1974]

MEMORIAL PART MISSING

Salt was a vital commodity to the members of the Lewis and Clark expedition. Consequently, the site of the salt cairn in which they evaporated sea water to get salt to sustain them through the winter of 1805–6 is of historical importance. But its current condition does not reflect that fact.

The location of the cairn has long been known. It is on a small lot among residences near the promenade at Seaside and about 100 feet from high tide. The site was authenticated by authorities; and, in May, 1910, the private owner of the property deeded it to the Oregon Historical Society, "in trust for the people of the State of Oregon for historical purposes only."

A modest marker designates the site and its significance, and many have visited it over the years. But neither the site nor those who might want to visit it have received proper attention, for lack of suitable custodianship.

The Governor's Lewis and Clark Heritage Foundation Committee of Oregon and the Oregon Historical Society have studied the matter and prepared a reasonable recommendation: That the cairn be made a part of the Fort Clatsop National Memorial, a reproduction of the Lewis and Clark winter encampment just a few miles north of the cairn site.

This small but important expansion of the memorial to the historic expedition requires federal legislation. Senator Mark Hatfield has informed the sponsors that he is introducing a bill to that end. It deserves support. The cost would be infinitesimal, the dividends in awareness of the significance of the history of the Oregon Country considerable.

Mr. PACKWOOD. Mr. President, true history is a fragile possession, not easily discovered. When we are blessed, however, with tangible evidence of an historic and courageous endeavor then we, through the visible trace of efforts left by our forebears, grow stronger.

The Lewis and Clark Expedition, 1803–07, was one such endeavor that will forever mark American annals as a courageous enterprise. Spurred by fabulous reports of the unexplored Oregon Country and lead by Capts. Meriwether Lewis and William Clark, an intrepid band of explorers wound its way through the western half of the North American Continent for more than 3 years, reporting back to President Jefferson in February, 1807.

Surely, the evidence of this bold journey should be preserved to remind us of our strong foundations in the past and to prod us to maintain this frontier spirit in facing the future. This is why I am very pleased to join Senator Hatfield in sponsoring legislation which seeks to expand the Fort Clatsop National Memorial to include the salt cairn built by the expedition a mere 100 feet from the Pacific Ocean.

Lewis and Clark arrived at their Pacific destination, at Fort Clatsop, during the winter of 1805–06. The value of salt to the expedition is made apparent by the many references to this commodity in the Lewis and Clark Journals; its importance was particularly made vivid by Captain Clark's insistence that immediately following the selection of where winter quarters were to be established—

> I deturmin'd to go as direct a Course as I could to the Sea Coast which we could here roar and appeared to be at no great distance from us, my principal object is to look out a place to make Salt, blaze the road or rout that they men out hunting might find the direction to the fort if they Should get lost in cloudy weather—and See the probability of game in that direction, for the Support of the Men, we Shall Send to make Salt.

Back and forth, again and again, Lewis and Clark and their men trekked the same 7 miles from Fort Clatsop to the salt cairn during their winter stay. Twenty gallons of precious salt was the fruit of their difficult labor for the arduous journey of return to the eastern seaboard.

Today, the remains of this salt cairn, the evidence of a great era of American exploration, are maintained by the Oregon Historical Society. I think it entirely appropriate that this site of national historic significance be integrated into the Fort Clatsop National Memorial.

In sum, the value of the salt cairn is best expressed by the words of the Governor's Lewis and Clark Heritage Foundation Committee of Oregon; they are to be congratulated on their work and words:

> The story of the western end of the Lewis and Clark Trail cannot be complete without proper recognition of the Salt Cairn, and this can best be done with it becoming a satellite component of the Fort Clatsop National Memorial.

In conclusion the committee noted—

> Woodrow Wilson said: "A spot of local history is like an inn upon a highway: it is a stage upon a far journey: it is a place that national history has passed through. There mankind has stopped and lodged by the way."
>
> The Salt Cairn is a spot of local history; it was a stage upon a far journey; it is a place that national history has passed through. We must see to it that national history shall not pass it by.

By Mr. BEALL (for himself, Mr. Dole, Mr. Mathias, and Mr. Dominick):

S. 3686. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income the amount of certain cancellations of indebtedness under student loan programs. Referred to the Committee on Finance.

Mr. BEALL. Mr. President, on behalf of Senators Dole, Dominick, Mathias, and myself, I send to the desk a bill to reverse a recent Internal Revenue ruling that the portion of student loans, which was canceled as a result of service in certain professions, such as teaching, or the service in certain areas, such as physician shortage areas, is taxable income.

Students from around the country are beginning to be hit with this Internal Revenue ruling and according to a recent Washington Star article story, these tax bills are running from $200 to $1,000. Of course, this is an unexpected blow to the recipients of these loans at a time when they are probably just getting started. The Internal Revenue ruling, in my judgment, is clearly contrary to the intent of Congress and certainly will frustrate congressional policy with respect to encouraging individuals to serve in certain professions or in certain geographical areas.

It is interesting to note the anomalous situation that will result if the Internal Revenue ruling is allowed to stand. For example, if a student accepts a loan to attend medical school and subsequently agrees to practice in a shortage area, and thus receives the benefits of the loan cancellation provision, that portion of the loan which is canceled would be taxable to that student.

On the other hand, under the physician shortage scholarship program, which I authored, a student would not be taxed on this income since in general scholarships and fellowships under the Internal Revenue Code are not taxable. This does not make sense and I think further underscores the ridiculousness of the Internal Revenue ruling.

The bill I introduce would reverse that ruling. I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3686

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 117 of the Internal Revenue Code of 1954 (relating to scholarship and fellowship grants) is amended by adding at the end thereof the following new subsection:

"(c) Cancellations of Student Loans.—

"(1) In general.—In the case of an individual, no amount shall be included in gross income by reason of the discharge of all or part of the indebtedness of the individual under a student loan if such discharge was pursuant to a provision of such loan under which all or part of the indebtedness of the individual would be discharged if the individual worked for a certain period of time in certain professions or certain geographical areas or for certain classes of employers.

"(2) Student loan.—For purposes of this subsection, the term 'student loan' means any loan made to an individual to assist the individual in attending an educational institution (as defined in section 151(e)(4))—

"(A) by the United States, or an instrumentality or agency thereof, or a State, a territory, or a possession of the United States or any political subdivision thereof, or the District of Columbia, or

"(B) by any educational institution (as defined in section 151(e)(4)) pursuant to an agreement with the United States, or an instrumentality or agency thereof, or a State, a territory, or a possession of the United States, or any political subdivision thereof, or the District of Columbia under which the funds from which the loan was made were provided to such educational institution.".

Sec. 2. The amendment made by the first section shall apply to loans made with respect to all taxable years without regard to whether they begin before, on, or after the date of the enactment of this act.

ADDITIONAL COSPONSORS OF BILLS AND JOINT RESOLUTIONS

S. 2711

At the request of Mr. Inouye, the Senator from New Jersey (Mr. Williams) was added as a cosponsor of S. 2711 to provide an additional income exemption for a taxpayer or his spouse who is deaf or deaf-blind.

S. 3097

At the request of Mr. Taft, the Senator from Utah (Mr. Moss) was added as a cosponsor of S. 3097, to amend the Rail Passenger Service Act of 1970 in order to provide for a demonstration project providing certain rail transportation for highway recreational vehicles.

S. 3154

At the request of Mr. Ribicoff, the Senator from Hawaii (Mr. Inouye) was added as a cosponsor to S. 3154, the Comprehensive Medicare Reform Act.

S. 3445

At the request of Mr. Montoya, the Senator from Florida (Mr. Chiles) was added as a cosponsor to S. 3445, a bill to amend the Internal Revenue Code of 1954 to provide for a credit, in lieu of a deduction, for interest paid on a mortgage on a taxpayer's principal residence and for real property taxes paid on such principal residence.

S. 3499

At the request of Mr. Taft, the Senator from Kansas (Mr. Dole) was added as a cosponsor of S. 3499, to provide for the continued monitoring of the economy, to provide authority to enforce decontrol commitments, and for other purposes.

S. 3626

At the request of Mr. HUGH SCOTT, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 3626, to insure that an individual or family whose income is increased in monthly social security benefits will not, because of such general increases, suffer a loss of or reduction in the benefits under certain Federal or federally assisted programs.

SENATE CONCURRENT RESOLUTION 92—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO CERTAIN RESPONSIBILITIES OF THE U.S. CUSTOMS SERVICE

(Referred to the Committee on Finance.)

OMB MUST OBEY THE LAW

Mr. HUMPHREY. Mr. President, I am introducing a concurrent resolution which declares it to be the sense of Congress that there must be a halt to the latest example of flagrant disregard by the administration for due process.

On June 5, the Director of the Office of Management and Budget directed that steps be taken to transfer certain functions from the U.S. Customs Service in the Department of the Treasury to the Immigration and Naturalization Service in the Justice Department. These functions lie by statute within the domain of responsibility of the Customs Service. They do not lie within the legal authority of the Immigration and Naturalization Service.

No transfer of this kind may take place without review by Congress, which has the ultimate authority to determine the statutory domains of Federal agencies.

The specific order to the Customs Service from the Office of Management and Budget requires the Customs Service to initiate steps to transfer its capabilities for interdiction of contraband between principal points of entry along the Mexican border, to the Immigration and Naturalization Service. I am advised that this illegal order was reaffirmed last week.

No effort was made to contact the Congress beforehand on this issue. Nor was any effort made to follow the legal processes required for the transfer of statutorily vested responsibilities.

The critical issue here is one of legality.

It is the issue of the legal power of Congress to determine the statutory arrangements of the Federal Government. Only Congress has that power.

The transfer ordered by the Office of Management and Budget is an attempted usurpation of this congressional power.

We can set aside for the moment the practical question of whether such a transfer of responsibilities from the Customs Service to the Immigration and Naturalization Service is desirable—or even whether there is the remotest particle of good sense in such a proposal.

Let us get clear on the legal issues involved here.

First, Customs officials have been authorized since 1789 "to stop and examine any vehicle, person, or baggage arriving in the United States, on the suspicion that merchandise is concealed which is subject to duty or which cannot legally be imported into the United States."

Second, these interdiction powers of the Customs Service were confirmed by the Second Reorganization Plan of 1973, which transferred "intelligence, investigative and law enforcement functions" involving narcotics to the new Drug Enforcement Administration in the Justice Department. But the language approved by Congress specifically retains those powers for the Secretary of the Treasury:

> To the extent that they relate to searches and seizures of illicit narcotics, dangerous drugs, or marihuana or to the apprehension or detention of persons in connection therewith, at regular inspection locations at ports of entry or anywhere along the land or water borders of the United States.

The plan states further that:

> Nothing in this section shall be construed as limiting in any way any authority vested by law in the Secretary of the Treasury, the Department of the Treasury, or any other officer or agency of that Department . . . with respect to contraband other than illicit narcotics, dangerous drugs, and marihuana.

The third legal point to be made is that the Immigration and Naturalization Service does not have the legal authority to search for and interdict contraband. Their authority is restricted to problems bearing on the legal or illegal entry of aliens into the United States.

Now we all agree that there may be times when functions need to be transferred from one agency to another for reasons of efficiency or cost. I do not believe this is a time when there is any good reason for such a transfer—but there are mechanisms which the administration can use if it wishes to try to gain the consent of Congress to this transfer.

Under the ninth chapter of title V of the U.S. Code, the President may submit reorganization plans to Congress, which then become law unless Congress dissents. It was by means of this mechanism that the Drug Enforcement Administration was created.

That authority has now expired, according to section 905–b of title V. It expired April 1, 1973. And I might mention that the administration had quite a horserace to get the reorganization plan creating the Drug Enforcement Administration submitted under the wire of this time deadline. They submitted it to Congress on March 28, 1973.

But if the President wants additional power for submitting such plans, he can request an extension of that power from Congress.

Alternatively, the President can request legislative enactment of the transfer of powers from one Federal department to another.

But the administration is not doing either of these things. Instead, the Office of Management and Budget is trying to sneak this change through as an administrative directive. Maybe they thought no one in Congress would notice. Or maybe they just do not care about abiding by legal process.

I want to emphasize that the issue here is not a matter of bureaucratic rivalries. It is a fundamental issue of due process.

What actually appears to be going on here is an attempt to consolidate—by fair means or foul—all law enforcement functions in the Justice Department. I have learned that further studies are about to be undertaken which seem to confirm this intention. First, additional studies are planned on the transfer of responsibilities from the Customs Service to the Immigration and Naturalization Service regarding interdiction of contraband between principal points of entry along the Canadian border. Second, a review is planned of all remaining law enforcement capabilities within the Department of the Treasury—which would include the IRS, the Bureau of Alcohol, Tobacco and Firearms, and the Secret Service. What this would seem to indicate is a consistent effort to turn the Justice Department into a super law enforcement and police agency—which I believe is a dangerous trend.

In any case, such action must be subject to congressional review.

Though the focus of the problem we face today is on its illegality, I would like to note that there are also good pragmatic reasons for not making this transfer. At present, the whole contraband interdiction effort is consolidated under the Customs Service. The Customs Service has an integrated surveillance and communications network along the whole length of the southern border and coastline of the United States. It has good relations with the Mexican Customs Service—which is extremely important for effective enforcement along the border.

The Immigration and Naturalization Service has more difficulties with such relations, because of rather obvious ethnic issues of alien interdiction along the border. In addition, there will be considerable costs involved in transferring personnel once again, and in duplicating the equipment of the Customs Service for the Immigration and Naturalization Service. I personally do not think this move could be justified even if they did come down to us and make the request in a legal way.

But that is not the issue now. The issue is a legal one.

I expressed serious concern about this issue in a letter last week to the Assistant Director of the Office of Management and Budget responsible for implementing this directive, Mr. Walter Scott, and my office contacted him by phone.

I was told that I would receive a letter by last Friday, explaining the reasons of the Office of Management and Budget for its decision. Then someone from OMB called my office last Friday and said the letter would arrive the early part of this week. It still has not arrived. Apparently OMB is having difficulty in finding any legitimate reasons for their action.

Maybe we need something stronger than a concurrent resolution on this issue in the long run. In fact, I think we need hearings on this issue, and I think the hearings should be under oath so that the scripts cannot be written at OMB. But I am submitting this resolution as a means of getting it on the RECORD that we know what is going on, we know it is illegal, and we want the action brought to a stop.

I hope my colleagues will join me in sending a clear message on this issue to the President.

Mr. President, I ask unanimous consent that the text of the concurrent resolution, and my letter to Mr. Walter Scott of OMB, be included at this point in the RECORD.

There being no objection, the concurrent resolution and letter were ordered to be printed in the RECORD, as follows:

S. CON. RES. 92

Whereas it lies within the authority of Congress to determine the statutory responsibilities of federal government agencies; and

Whereas the Congress designated a procedure whereby the President had authority to submit reorganization plans for the approval of Congress, such authority having expired on April 1, 1973; and

Whereas in lieu of renewal of such authority, reassignment of the statutory responsibilities of federal government agencies can take place only through legislative enactment by the Congress; and

Whereas the Office of Management and Budget has directed that the responsibility of the United States Customs Service for interdiction of contraband along the Mexican border be transferred to the Immigration and Naturalization Service; and

Whereas the responsibility for interdiction and seizure of contraband is vested by law in the United States Customs Service, and the Immigration and Naturalization Service lacks such legal authority; and

Whereas in addition to the compelling legal reason, there are sound reasons of effectiveness and cost for vesting in the United States Customs Service responsibility for such interdiction: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of Congress that the President, the Director of the Office of Management and Budget, the Secretary of the Treasury, and the Commissioner of the United States Customs Service should desist immediately from any actions furthering the transfer of any responsibilities legally vested in the United States Customs Service to any other agency, and, specifically, should desist from actions furthering the transfer of responsibility for interdiction of contraband along the Mexican border from the United States Customs Service to the Immigration and Naturalization Service.

SEC. 2. The Secretary of the Senate shall transmit a copy of this resolution to the President, the Director of the Office of Management and Budget, the Secretary of the Treasury, and the Commissioner of the United States Customs Service.

Mr. WALTER D. SCOTT,
Associate Director for Economics and General Government, Office of Management and Budget, Executive Office Building, Washington, D.C.

DEAR MR. SCOTT: I wish to confirm the request, made to you by a member of my staff this afternoon by telephone, for information relating to the transfer of responsibilities from the Customs Bureau to the Immigration and Naturalization Service without the prior authorization of Congress.

The legal authority for interdiction of contraband into this country is vested by statute in the Customs Bureau. The Immigration and Naturalization Service has the separate authority of restricting the illegal entry of aliens into the country. If these two organizations have co-operated in their efforts along the Mexican border in the past, that is as it should be. But it is a far different matter to transfer to the INS total responsibility for activities which are *legally* the responsibility of the Customs Bureau—specifically, the interdiction of contraband between principal places of entry on the Mexican border. To be legal, such a reorganization plan must be submitted to Congress.

Please send me immediately an explanation of what legal authority you believe exists for ordering the Customs Bureau to relinquish activities which are designated as its responsibilities by law, and for ordering the Immigration and Naturalization Service to take responsibility for activities which it has no legal authority to carry out. In addition, I wish to know the procedure by which you arrived at this decision, and would like to have copies of any evidence which you believe justifies this usurpation of legal authority.

Sincerely,

HUBERT H. HUMPHREY.

SENATE CONCURRENT RESOLUTION 93—SUBMISSION OF A CONCURRENT RESOLUTION DIRECTING EMERGENCY STUDY ON INFLATION AND THE ECONOMY

(Referred to the Committee on Rules and Administration, by unanimous consent.)

Mr. PROXMIRE. Mr. President, on behalf of myself and the Senator from Montana (Mr. MANSFIELD) and the Senator from New York (Mr. JAVITS) I am introducing legislation calling for a crash 1-year study of the causes of the Nation's current runaway inflation and of ways to stop it by the Joint Economic Committee. I send the resolution to the desk and ask that it be appropriately referred.

This bipartisan resolution can be a milestone in economic policymaking. This country needs a new and effective way to stop runaway inflation. We, therefore, propose to examine in detail such inflation related problems as Government spending policies; food, fuel, and other shortages; export programs; credit policies; tight money and high interest; international exchange rates; the question of indexing; and other specific problems and remedies.

This concurrent resolution, which will not require the signature of the President to become effective, appropriates $200,000 to beef up the JEC staff and to hire consultants and experts to get this important task done in a timely fashion.

Among the top priorities of the crash study will be to determine the causes for the shortages of basic resources needed to run our industrially based economy.

As the resolution says:

> It is incumbent upon the Congress to develop more effective economic policies for the nation and to provide more effective means for coordinating public policy decision to the end that the national economic welfare be better served.

The resolution directs the JEC to make specific recommendations for legislation to attack our present problems and to improve the economy in the future.

That is a large order. But it needs to be done. The Congress has to take the lead. We must be able to show the way in a world staggering under food, shelter, and money problems.

The core of these problems is the interrelation of a large number of policy questions. These questions not only need answers, they need answers that must be fitted together.

It is too late to answer them separately and independently.

Mr. MANSFIELD subsequently said: Mr. President, I ask unanimous consent that Senate Concurrent Resolution 93, submitted earlier today, dealing with a study to be conducted by the Joint Economic Committee, be referred to the Committee on Rules and Administration for its consideration.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS OF A CONCURRENT RESOLUTION

SENATE CONCURRENT RESOLUTION 80

At the request of Mr. CURTIS, the Senator from Colorado (Mr. DOMINICK) was added as a cosponsor of Senate Concurrent Resolution 80, expressing the sense of Congress regarding the annexation of the Baltic nation.

ADDITIONAL COSPONSOR OF A RESOLUTION

SENATE RESOLUTION 339

At the request of Mr. ALLEN, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of Senate Resolution 339, commending Secretary of State Henry Kissinger.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT—AMENDMENTS

AMENDMENT NO. 1501

(Ordered to be printed, and to lie on the table)

Mr. JOHNSTON submitted an amendment, intended to be proposed by him, to the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

AMENDMENT NO. 1502

(Ordered to be printed, and to lie on the table)

Mr. JOHNSTON (for himself and Mr. LONG, Mr. TUNNEY, Mr. HOLLINGS, Mr. EASTLAND, Mr. JAVITS, Mr. MCGOVERN, Mr. METCALF, Mr. HUDDLESTON, Mr. CHURCH, and Mr. CANNON) submitted an amendment intended to be proposed by them, jointly, to the bill (H.R. 14832), supra.

AMENDMENT NO. 1503

(Ordered to be printed, and to lie on the table.)

Mr. CHURCH submitted an amendment, intended to be proposed by him, to the bill (H.R. 14832), supra.

AMENDMENT NO. 1505

(Ordered to be printed, and to lie on the table)

Mr. EAGLETON submitted an amendment, intended to be proposed by him, to the bill (H.R. 14832), supra.

Mr. EAGLETON. Mr. President, I send to the desk an amendment to H.R. 14832, an amendment that will insure that the purpose of the Senate is carried out with respect to any tax reforms relating to the petroleum industry. I ask that it be printed and held at the desk, and that the text of the amendment be printed in the RECORD at the conclusion of my remarks.

Mr. President, we have before us the opportunity to enact meaningful tax reform, combining relief for the inflation-squeezed consumer with long-overdue changes in the methods of assessing taxes on oil producers. But should the Senate decide to eliminate or modify either the percentage depletion allowance or the foreign tax credit, as I believe it should, we are faced with the very real prospect of those increased corporate taxes being passed on directly to the consumer and increasing inflation. This, I believe, would be contrary to the purposes expressed by the sponsors of the many amendments dealing with this important topic.

Thus, I offer my amendments as a means of insuring that these additional taxes on the petroleum industry will in fact be borne by the petroleum industry—to be paid out of their tremendous profits—and are not merely passed through to consumers.

Under the authority of the Mandatory Petroleum Allocation Act of 1973, the Federal Energy Administration will retain authority over the prices of petroleum products through February 1975. Since natural gas prices and profits are already tightly controlled by the FPC, my amendment would not affect natural gas producers. My amendment would make clear that, unlike other increases in basic costs, increased taxes as a result of this act would not be accepted as justification for a price rise. My amendment directs this regulatory authority to disallow any increase in the price of crude oil, residual fuel oil, or refined petroleum products that would serve to compensate for any increase in income tax liability resulting from amendments to this act. There is a provision to permit some offset to those few small independent companies which would suffer acute financial hardship.

Should any legislator doubt the need for such an amendment, he need only consult the public record. The President of the United States said on May 25 of this year:

> The tax which is transferred to industry simply comes back to the taxpayer in some hidden form, such as higher prices or lower pay.

He used this as sufficient justification to deny needed tax reform legislation. We can today insure that that does not happen in this case.

Oil company profits were up 55 percent last year over 1972, according to Business Week. In the first quarter of this year, similar gains were reported: Texaco, up 123 percent; SoCal, Standard of Indiana, and Gulf, up more than 75 percent. At the same time, we note that gasoline and motor oil purchased by consumers increased in price at a rate of 77 percent over the last 6 months, contributing substantially to the general inflation. Now Congress can, by accepting my amendment, do something positive to control one of the major sources of the inflation which is draining our economy.

There are those who say very high profit levels are necessary to encourage investment in new petroleum resources. I would have no objection to an oil production tax incentive which was tied to actual costs of exploring and developing new wells, but I cannot accept the argument that only unlimited profits can induce new production.

I saw an article in the Wall Street Journal earlier this week reporting that Mobil, whose profits are up 70 percent over a year ago, is considering investing a considerable portion of those gains in the purchase of a controlling interest in Marcor, the holding company for Montgomery Ward. In view of this half-billion dollar department store deal, how are we to conclude that all those profits are necessary for oil exploration?

The plain fact is, today's oil companies profits are one of the principal forces behind the double-figure inflation we are experiencing. The consumer pays for it not only at the gasoline pumps but to one degree or another in every product he buys. Without an amendment of this kind, legislation to end the oil depletion allowance would probably do very little to control fuel price increases or oil company profits.

AMENDMENTS NOS. 1506, 1507, AND 1508

(Ordered to be printed, and to lie on the table.)

Mr. HARTKE submitted three amendments, intended to be proposed by him, to the bill (H.R. 14832), supra.

AMENDMENT NO. 1509

(Ordered to be printed, and to lie on the table.)

Mr. TUNNEY. Mr. President, I am today offering, for myself and the Senator from Ohio (Mr. TAFT) an amendment to H.R. 14832, the debt ceiling bill. This amendment will accomplish several important objectives.

First, it will help provide the average saver with an inflation offset in the form of a substantial increase in the effective interest rate on savings deposits and the lower interest certificates of deposit.

Second, it will encourage increased savings. These savings will help to offset the massive disintermediation which is today seriously disrupting mortgage and commercial credit markets. The results will be lower borrowing costs, a more adequate rate of growth in the Nation's housing stock and thus reduced inflationary pressure.

The approach proposed by this amendment is counterinflationary in several other ways. By inducing the public to voluntarily increase its savings, the amendment would simultaneously reduce some of the present very heavy pressure of immediate consumption spending, provide needed capital to finance expansion of productive capacity in shortage-plagued industries and make unnecessary an imprudent rate of money supply expansion.

The latter point is especially important. I am extremely pleased with the determination of Federal Reserve Chairman Arthur Burns to hold down growth in monetary aggregates for as long as needed to stop today's runaway inflation. I believe it is the responsibility of Congress to assist the Federal Reserve in this effort. The amendment I am proposing would help relieve today's heavy pressure on financial markets. It thus goes a considerable distance toward dissipating the growing political pressures on the Fed to abandon its difficult but necessary course of monetary austerity.

The amendment itself is quite simple. It provides for a 3-year period, a tax credit of up to $100 to taxpayers who increase their savings. The tax credit would equal the increase in interest income earned in the current tax year over the amount of such income in the previous tax year, up to $100. All savings accounts and certificates of deposit which pay no more than 7½ percent would qualify as sources of interest income for the purposes of this amendment.

A short example illustrates the mechanism proposed in my amendment.

Assume that in 1973 a taxpayer has $1,000 in a savings account. If the account pays 5 percent, the taxpayer will earn $50 interest in 1973. Next, assume that in 1974 the taxpayer increases his or her savings to $2,000 and earns $100 in interest.

Under my proposal, the taxpayer could claim a tax credit of $50—the amount of the increase in taxable interest income.

The principle of this policy is very simple. For each dollar of increased interest income, up to $100, a saver gets $1 of tax credit.

Dollar-for-dollar matching, up to the $100 limit, makes saving much more attractive. In the example I used before, the total return on increased savings of $1,000 is $100. The effective rate of interest is 10 percent—a rate sufficient to fully offset the rate of inflation expected in 1974.

I would like to stress that, unlike previous proposals in this area, the proposed tax credits rewards only increases in savings. It provides no windfalls for existing savings. And, by limiting the credit to $100 and to savings instruments which pay no more than 7½ percent, this amendment would insure that the bulk of the benefit accrues to the middle and moderate income citizens who so badly need to protect their savings from the ravages of today's inflation.

Mr. President, I intend to offer this amendment to the debt ceiling bill. In the event it is not adopted, I will offer it again at a later date. I welcome the interest and cosponsorship of all other Members of the Senate.

At this point, I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1509

At the end of the bill insert the following new sections:

SEC. . TAX CREDIT FOR INTEREST ON SAVINGS.

(a) IN GENERAL.—Subpart A of part IV of subchapter A of Chapter 1 of the Internal Revenue Code of 1954 (relating to credits against tax) is amended by redesignating section 42 as 43, and by inserting after section 41 the following new section:

SEC. 42. CREDIT FOR INTEREST ON SAVINGS.

"(a) IN GENERAL.—In the case of an individual there is allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to the amount by which the interest on savings received by the taxpayer during the taxable year exceeds the amount of the interest on savings received by the taxpayer during the preceding taxable year.

"(b) LIMITATION.—The amount of credit allowed under this section for any taxable year shall not exceed $100 ($50 in the case of a married individual making a separate return of tax).

"(c) DEFINITIONS.—For purposes of this section—

"(1) INTEREST ON SAVINGS.—The term 'interest on savings' means interest or dividends received on money deposited in a savings account or a time deposit with a financial institution.

"(2) SAVINGS ACCOUNT.—The term 'savings account' means an interest-bearing deposit or account which is not payable on a specified date or at the expiration of a specified time after the date of deposit (although the individual who maintains the deposit or account may be required by the financial institution with which the deposit or account is maintained may require that individual to give notice in writing of an intended withdrawal not less than 30 days before withdrawal is made).

"(3) TIME DEPOSIT.—The term 'time deposit' means a deposit of less than $10,000 which is payable on a specified date or at the expiration of a specified time after the date of deposit and which bears a rate of interest no greater than the maximum rate which may be paid by financial institutions under regulations prescribed under the amendments made by the Act entitled "An Act to provide for the more flexible regulation of maximum rates of interest or dividends payable by banks and certain other financial institutions on deposits or share accounts, to authorize higher reserve requirements on time deposits at member banks, to authorize open market operations in agency issues by the Federal Reserve banks, and for other purposes", approved September 21, 1966 (Public Law 89-597).

"(4) FINANCIAL INSTITUTION.—The term 'financial institution' means—

"(A) a commercial or mutual savings bank whose deposits and accounts are insured by the Federal Deposit Insurance Corporation or otherwise insured under State law;

"(B) a savings and loan, building and loan, or similar association the deposits and accounts of which are insured by the Federal Savings and Loan Insurance Corporation or otherwise insured under State law; or

"(C) a credit union the deposits and accounts of which are insured by the National Credit Union Administration Share Insurance Fund or otherwise insured under State law.".

(b) The table of sections for such subpart is amended by striking out the last item therein and inserting in lieu thereof the following:

"Sec. 42. Credit for interest on savings.
"Sec. 43. Overpayment of tax.".

(c) The amendments made by this section apply to taxable years beginning after December 31, 1974, and ending before January 1, 1978.

AMENDMENT TO THE FOREIGN ASSISTANCE ACT OF 1961—AMENDMENT

AMENDMENT NO. 1504

(Ordered to be printed, and referred to the Committee on Foreign Relations.)

Mr. CHURCH submitted an amendment, intended to be proposed by him, to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

PROHIBITING NUCLEAR ASSISTANCE

Mr. CHURCH. Mr. President, I introduce today an amendment to the foreign assistance bill, S. 3394, which would prohibit U.S. nuclear assistance—equipment, materials, scientific information, and technology—being furnished to any country in the world not a party to the Treaty on the Nonproliferation of Nuclear Weapons.

During the last few weeks, the world has witnessed a spurt of nuclear developments in several countries. These events do not bode well for the future. On May 18, India, neither a signer nor a party to the Treaty on Nonproliferation of Nuclear Weapons, set off a nuclear detonation in the Great Rajastan Desert. Its purpose was proclaimed by the New Delhi government as "peaceful." Last week, President Nixon promised nuclear assistance to Egypt, not a party to the NPT, and to Israel, neither a signer nor a ratifier. The President proclaimed these gifts as being for "peaceful purposes." France, one of the 30 nonsigners and nonratifiers of the NPT, has again conducted atmospheric nuclear tests over an atoll in the Pacific Ocean. Just this Monday, China, also not a signer nor a party to the treaty, conducted its 16th nuclear test—15 in the atmosphere and one underground. This latest explosion in the Lop Nor area was a thermonuclear device which is later to be incorporated in a warhead for the intermediate range and intercontinental ballistic missiles that the Peking government is known to be developing. Reports are currently coming in that Pakistan, Iran, Romania, and perhaps others, are knocking at the nuclear door.

I am particularly disturbed that President Nixon has committed the United States, on a grand scale, to furnish nuclear capability to Egypt and Israel, two countries which have fought four hot wars over the last quarter century. Helping Egypt develop nuclear reactors, ostensibly for "peaceful purposes" only masks the political-military potentiality that accrues to any country acquiring the technology to produce its own plutonium for nuclear devices. The temptation easily becomes irresistible, as India demonstrated when it chose to become the world's sixth nuclear power. India received Canadian and American assistance and utilized its own physicists and engineers, who were trained for the most part in the United States, to use the plutonium generated to build a bomb. A similar result might well be anticipated in Egypt, considering the historic animosity it exudes toward its Jewish neighbor, and considering the fact that Israel has pursued, since 1956, an ongoing sophisticated nuclear program of its own, initiated by the French.

In my judgment, the United States should not be the agent for the spreading of nuclear technology outside the framework of the Treaty on Nonproliferation of Nuclear Weapons, which has long been the lodestone of our global policy. In departing from that policy, without the benefit of deliberation or debate, President Nixon may well have sown the dragons' teeth of nuclear destruction throughout the Middle East.

The amendment I offer today is an attempt to prevent the United States from becoming a stimulant to, and supplier of, nuclear equipment, nuclear materials, nuclear scientific information and technology, to any country not a party to the Treaty on the Nonproliferation of Nuclear Weapons.

The American-initiated Treaty on the Nonproliferation of Nuclear Weapons was signed on July 1, 1968. Its purpose was to avert the devastation that mankind would suffer as a result of nuclear war. In the belief that the proliferation of nuclear capability would seriously exacerbate the danger of nuclear war, the treaty was drawn up to prevent wider dissemination of nuclear weaponry. I believe that until a country becomes a party to this treaty, and agrees to abide by its terms, the United States should not bestow it with nuclear capability. In doing so, we only undermine the treaty, itself, by removing the incentive to join.

According to the U.S. Arms Control and Disarmament Agency, the following 30 countries have not signed the Nonproliferation Treaty:

Algeria, Argentina, Brazil, Burma, Chile, China (Peking), Cuba, Equatorial Guinea, France, Guinea, Guyana, India, Israel, Malawi, and Mauritania.

Monaco, Niger, Pakistan, Portugal, Qatar, Rwanda, Saudi Arabia, Sierra Leone, South Africa, Spain, Tanzania, Uganda, United Arab Emirates, Western Samoa, and Zambia.

The following 23 countries have signed, but not yet ratified the NPT:

Barbados, Belgium, Colombia, Egypt, Gambia, Germany (Bonn), Indonesia, Italy, Japan, Korea (Seoul), Kuwait, and Libya.

Luxembourg, Netherlands, Panama, Singapore, Sri Lanka, Switzerland, Trinidad and Tobago, Turkey, Venezuela, Yemen (Aden), and Yemen (San's).

My amendment reads:

None of the funds authorized of appropriated under this or any other law may be used (1) to transfer United States nuclear equipment or nuclear materials, or to furnish scientific information and technology related to nuclear energy, to any country not a party to the Treaty on the Non-Proliferation of Nuclear Weapons, or (2) to transfer such equipment or material or furnish such information or technology to a party to the Treaty unless that party agrees not to transfer such equipment or materials or furnish such information or technology to any country not a party to the Treaty.

I ask unanimous consent that a copy of the Treaty on the Nonproliferation of Nuclear Weapons as signed and ratified by the United States and 83 other countries be printed at this point in the Record.

There being no objection, the treaty was ordered to be printed in the Record, as follows:

Treaty on the Nonproliferation of Nuclear Weapons

(Signed at Washington, London, Moscow July 1, 1968. U.S. ratification deposited March 5, 1970. Entered into force March 5, 1970.)

The States concluding this Treaty, hereinafter referred to as the "Parties to the Treaty",

Considering the devastation that would be visited upon all mankind by a nuclear war and the consequent need to make every effort to avert the danger of such a war and to take measures to safeguard the security of peoples,

Believing that the proliferation of nuclear weapons would seriously enhance the danger of nuclear war,

In conformity with resolutions of the United Nations General Assembly calling for the conclusion of an agreement on the prevention of wider dissemination of nuclear weapons,

Undertaking to cooperate in facilitating the application of International Atomic Energy safeguards on peaceful nuclear activities,

Expressing their support for research, development and other efforts to further the application, within the framework of the International Atomic Energy Agency safeguards system, of the principle of safeguarding effectively the flow of source and special fissionable materials by use of instruments and other techniques at certain strategic points,

Affirming the principle that the benefits of peaceful applications of nuclear technology, including any technological by-products which may be derived by nuclear-weapon States from the development of nuclear explosive devices, should be available for peaceful purposes to all Parties to the Treaty, whether nuclear-weapon or non-nuclear-weapon States,

Convinced that, in furtherance of this principle, all Parties to the Treaty are entitled to participate in the fullest possible exchange of scientific information for, and to contribute alone whatsoever of nuclear weapons or other nuclear explosive devices or of control over such weapons or explosive devices directly, or indirectly; not to manufacture or otherwise acquire nuclear weapons or other nuclear explosive devices; and not to seek or receive any assistance in the manufacture of nuclear weapons or other nuclear explosive devices.

ARTICLE III

1. Each non-nuclear-weapon State Party to the Treaty undertakes to accept safeguards, as set forth in an agreement to be negotiated and concluded with the International Atomic Energy Agency in accordance with the Statute of the International Atomic Energy Agency and the Agency's safeguards system, for the exclusive purpose of verification of the fulfillment of its obligations assumed under this Treaty with a view to preventing diversion of nuclear energy from peaceful uses to nuclear weapons or other nuclear explosive devices. Procedures for the safeguards required by this article shall be followed with respect to source or special fissionable material whether it is being produced, processed or used in any principal nuclear facility or is outside any such facility. The safeguards required by this article shall be applied on all source or special fissionable material in all peaceful nuclear activities within the territory of such State, under its jurisdiction, or carried out under its control anywhere.

2. Each State Party to the Treaty undertakes not to provide: (a) source or special fissionable material, or (b) equipment or material especially designed or prepared for the processing, use or production of special fissionable material, to any non-nuclear-weapon State for peaceful purposes, unless the source or special fissionable material shall be subject to the safeguards required by this article.

3. The safeguards required by this article shall be implemented in a manner designed to comply with article IV of this Treaty, and to avoid hampering the economic or technological development of the Parties or international cooperation in the field of peaceful nuclear activities, including the international exchange of nuclear material and equipment for the processing, use or production of nuclear material for peaceful purposes in accordance with the provisions of this article and the principle of safeguarding set forth in the Preamble of the Treaty.

4. Non-nuclear-weapon States Party to the Treaty shall conclude agreements with the International Atomic Energy Agency to meet the requirements of this article either individually or together with other States in accordance with the Statute of the International Atomic Energy Agency. Negotiation of such agreements shall commence within 180 days from the original entry into force of this Treaty. For States depositing their instruments of ratification or accession after the 180-day period, negotiation of such agreements shall commence not later than the date of such deposit. Such agreements shall enter into force not later than eighteen months after the date of initiation of negotiations.

ARTICLE IV

1. Nothing in this Treaty shall be interpreted as affecting the inalienable right of all the Parties to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with articles I and II of this Treaty.

2. All the Parties to the Treaty undertake to facilitate, and have the right to participate in, the fullest possible exchange of equipment, materials and scientific and technological information for the peaceful uses of nuclear energy. Parties to the Treaty in a position to do so shall also cooperate in contributing alone or together with other States or international organizations to the further development of the applications of nuclear energy for peaceful purposes, especially in the territories of non-nuclear-weapon States Party to the Treaty, with due consideration for the needs of the developing areas of the world.

ARTICLE V

Each Party to the Treaty undertakes to take appropriate measures to ensure that, in accordance with this Treaty, under appropriate international observation and through appropriate international procedures, potential benefits from any peaceful applications of nuclear explosions will be made available to non-nuclear-weapon States Party to the Treaty on a non-discriminatory basis and that the charge to such Parties for the explosive devices used will be as low as possible and exclude any charge for research and development. Non-nuclear-weapon States Party to the Treaty shall be able to obtain such benefits, pursuant to a special international agreement or agreements, through an appropriate international body with adequate representation of non-nuclear-weapon States. Negotiations on this subject shall commence as soon as possible after the Treaty enters into force. Non-nuclear-weapon States Party to the Treaty so desiring may also obtain such benefits pursuant to bilateral agreements.

ARTICLE VI

Each of the Parties to the Treaty undertakes to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament, and on a treaty on general and complete disarmament under strict and effective international control.

ARTICLE VII

Nothing in this Treaty affects the right of any group of States to conclude regional treaties in order to assure the total absence of nuclear weapons in their respective territories.

ARTICLE VIII

1. Any Party to the Treaty may propose amendments to this Treaty. The text of any proposed amendment shall be submitted to the Depositary Governments which shall circulate it to all Parties to the Treaty. Thereupon, if requested to do so by one-third or more of the Parties to the Treaty, the Depositary Governments shall convene a conference, to which they shall invite all the Parties to the Treaty, to consider such an amendment.

2. Any amendment to this Treaty must be approved by a majority of the votes of all the Parties to the Treaty, including the votes of all nuclear-weapon States Party to the Treaty and all other Parties which, on the date the amendment is circulated, are members of the Board of Governors of the International Atomic Energy Agency. The amendment shall enter into force for each Party that deposits its instrument of ratification of the amendment upon the deposit of such instruments of ratification by a majority of all the Parties, including the instruments of ratification of all nuclear-weapon States Party to the Treaty and all other Parties which, on the date the amendment is circulated, are members of the Board of Governors of the International Atomic Energy Agency. Thereafter, it shall enter into force for any other Party upon the deposit of its instrument of ratification of the amendment.

3. Five years after the entry into force of this Treaty, a conference of Parties to the Treaty shall be held in Geneva, Switzerland, in order to review the operation of this Treaty with a view to assuring that the purposes of the Preamble and the provisions of the Treaty are being realized. At intervals of five years thereafter, a majority of the Parties to the Treaty may obtain, by submitting a proposal to this effect to the Depositary Governments, the convening of further conferences with the same objective of reviewing the operation of the Treaty.

ARTICLE IX

1. This Treaty shall be open to all States for signature. Any State which does not sign the Treaty before its entry into force in accordance with paragraph 3 of this article may accede to it at any time.

2. This Treaty shall be subject to ratification by signatory States. Instruments of ratification and instruments of accession shall be deposited with the Governments of the United States of America, the United Kingdom of Great Britain and Northern Ireland and the Union of Soviet Socialist Republics, which are hereby designated the Depositary Governments.

3. This Treaty shall enter into force after its ratification by the States, the Governments of which are designated Depositaries

of the Treaty, and forty other States signatory to this Treaty and the deposit of their instruments of ratification. For the purposes of this Treaty, a nuclear-weapon State is one which has manufactured and exploded a nuclear weapon or other nuclear explosive device prior to January 1, 1967.

4. For States whose instruments of ratification or accession are deposited subsequent to the entry into force of this Treaty, it shall enter into force on the date of deposit of their instruments of ratification or accession.

5. The Depositary Governments shall promptly inform all signatory and acceding States of the date of each signature, the date of deposit of each instrument of ratification or of accession, the date of the entry into force of this Treaty, and the date of receipt of any requests for convening a conference or other notices.

6. This treaty shall be registered by the Depositary Governments pursuant to article 102 of the Charter of the United Nations.

ARTICLE X

1. Each Party shall in exercising its national sovereignty have the right to withdraw from the Treaty if it decides that extraordinary events, related to the subject matter of this Treaty, have jeopardized the supreme interests of its country. It shall give notice of such withdrawal to all other Parties to the Treaty and to the United Nations Security Council three months in advance. Such notice shall include a statement of the extraordinary events it regards as having jeopardized its supreme interests.

2. Twenty-five years after the entry into force of the Treaty, a conference shall be convened to decide whether the Treaty shall continue in force indefinitely, or shall be extended for an additional fixed period or periods. This decision shall be taken by a majority of the Parties to the Treaty.

ARTICLE XI

This Treaty, the English, Russian, French, Spanish and Chinese texts of which are equally authentic, shall be deposited in the archives of the Depository Governments. Duly certified copies of this Treaty shall be transmitted by the Depository Government to the Governments of the signatory and acceding States.

AMENDMENT NO. 1510

(Ordered to be printed and referred to the Committee on Foreign Relations.)

CONGRESSIONAL CONSULTATION ON NUCLEAR AGREEMENTS

Mr. CHILES. Mr. President, the United States is in the process of receiving its relationship with the Middle East in the wake of the energy crisis and the latest Arab-Israeli war. There is no doubt but what the change in our relationship to the Middle East in recent months is the most dramatic in many years, if not in decades. This change affects our other major foreign policy relationships with the Soviet Union and with Europe.

The importance of this to our foreign policy is clear. It is highlighted by the announcement of agreements with Egypt and Israel to provide them with nuclear power for the generation of electricity. These are not every day sorts of agreements. While we have agreements of this kind with other countries, the exporting of fissionable materials is obviously of greater danger and significance than the average commercial relationship we have with most countries.

For both these reasons—because of the important changes in our foreign policy and because of the complexity and danger involved in providing nuclear power to other nations—I feel it is essential that the Congress play a role in the enactment of these agreements.

I am introducing today an amendment to the foreign assistance bill submitted by the administration authorizing aid to the Middle East. My amendment will require that agreements made with governments in the Middle East for the provision of fissionable materials be submitted to the Senate as treaties for Senate ratification. It will also require consultation with specified Members of both Houses of Congress before final decisions and announcements are made regarding the use of the $100 million "special requirement fund" for the Middle East.

Mr. President, in my view there can be no doubt but what the Congress must play more than a passive role in the determination of the advisability of providing nuclear power to other nations. There is increasing concern now about the ability to control the whereabouts and usage of nuclear materials and in an area as volatile as the Middle East this can not help but be a major concern. Such an issue bears more public discussion and scrutiny than has been the case with the agreements with Egypt and Israel.

The "Principles of Relations and Cooperation between Egypt and the United States" were signed by President Nixon and President Sadat last Friday, June 14. The agreement on the provision of nuclear material to Egypt, we are told, must be signed by the Sunday after next, June 30, to meet the Egyptians production requirements. The agreement on safeguards is to be worked out afterward. Even though the agreement on the provision of the material is subject to the agreement on safeguards, there is reason to be concerned about the details of both agreements and their foreign policy implications. The only way we are going to get a full public debate, discussion, and decision on these issues is for agreements of this sort to be submitted to the Senate as treaties for ratification.

In the President's aid request for the Middle East he also asked the Congress to authorize a $100 million "special requirements fund" which would be at his discretion and decision to determine to whom and for what this money would be used. As written, it would allow the money to be at the President's disposal until expended, which could be years from now. This kind of blank check is precisely the kind of request the Congress should not comply with. Unless it is fully consulted with in advance, the Congress is giving up power of the purse and is dealing itself out of the decision-making process on the use of taxpayers funds which is the primary responsibility of the Congress.

As the United States reshapes its relations with the Middle East, the Congress must play a key role. These amendments would assure that the authority and responsibility of the Congress would be exercised.

I ask unanimous consent to have the amendment printed in the Record following my remarks.

I am pleased to be able to say that the distinguished chairman of the Foreign Operations Subcommittee of Appropriations, the Senator from Hawaii (Mr. Inouye) and the Senator from Maryland (Mr. Mathias) are joining me in cosponsoring this legislation.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

AMENDMENT No. 1510

On page 2, line 24, insert the following:

No funds shall be authorized and no authority shall be exercised under this or any other Act for the purpose of providing fissionable material to nations in the Middle East until the agreements drafting the terms of such provision have been submitted to the Senate as treaties and have been ratified by the Senate.

Sec. 904(a) page 3, line 17 strike remainder of paragraph after the word "purposes" and insert the following:

No funds authorized to be appropriated by this section shall be available for use by the President unless the Congress is consulted on the possible uses of these funds prior to any agreement or final decision being reached and announced. Such consultation shall include the majority and minority leadership of both houses of Congress, the Chairman of the Joint Committee on Atomic Energy, and the Chairman of the Foreign Affairs and Appropriations Committees of both houses of Congress, including the Chairmen of the Foreign Operations Subcommittees of Appropriations.

ADDITIONAL COSPONSOR OF AN AMENDMENT

AMENDMENT NO. 1108

At the request of Mr. Inouye, the Senator from Massachusetts (Mr. Kennedy) was added as a cosponsor of amendment No. 1108 intended to be proposed to S. 2923, to amend chapter 55 of title 10, United States Code, to require the Armed Forces to continue to provide certain special educational services to handicapped dependents of members serving on active duty.

ANNOUNCEMENT OF ADDITIONAL HEARINGS ON SENATE JOINT RESOLUTION 119 AND SENATE JOINT RESOLUTION 130

Mr. BAYH. Mr. President, the Senate Subcommittee on Constitutional Amendments is scheduling further hearings on two proposed amendments to the Constitution: Senate Joint Resolution 119, for the protection of unborn children and other persons, and Senate Joint Resolution 130, to guarantee the right of life to the unborn, the ill, the aged, or the incapacitated.

The next day of hearings will be held on Wednesday, June 26 in room 1318, Dirksen Senate Office Building, beginning at 2 p.m.

Any persons wishing to submit written statements for the hearing record should contact the Subcommittee on Constitutional Amendments, room 300, Russell Senate Office Building, Washington, D.C. 20510.

ANNOUNCEMENT OF HEARINGS ON BARRIERS TO HEALTH CARE FOR OLDER AMERICANS

Mr. MUSKIE. Mr. President, I would like to announce hearings to be conducted by my Subcommittee on Health of the Elderly, U.S. Senate Special Committee on Aging in continuation of our current series "Barriers to Health Care for Older Americans."

The hearings will be held on June 25 and 26 beginning at 10 a.m., and on June 28 at 9:30 a.m. The hearings will be held in the caucus room, 308 Russell Building on June 25; in 212 Russell Building on June 26; and in 1318 Dirksen Building on the 28th of June.

The June 28 hearing will concern the long-term care components of the Kennedy-Mills bill, S. 3286 and other related bills. Accordingly, this hearing will be conducted by both my Subcommittee on Health of the Elderly and Senator Moss' Subcommittee on Long-Term Care.

Witnesses on June 25 will be representatives from the Minneapolis Age and Opportunity Center, Abbott Northwestern Hospital in Minneapolis. Officials from Blue Cross of Minnesota and the Bureau of Health Insurance have been invited to appear on June 26.

Witnesses on June 28 will be Esther Peterson, president of the National Consumer League; Wiley Crittendon, president, American Nursing Home Association; Msgr. Charles Fahey, president-elect, American Association of Homes for the Aged; and Jules Berman, professor of social work, University of Maryland.

NOTICE OF HEARING RELATING TO THE INTERNAL REVENUE SERVICE

Mr. MONTOYA. Mr. President, the Appropriations Subcommittee on the Treasury, Postal Service, and General Government will soon begin one final day of oversight hearings on the Internal Revenue Service. Commissioner Donald C. Alexander will appear before the committee again at 10 a.m., June 25, in room 1223 of the Dirksen Senate Office Building. At that time he will respond to further questioning about IRS practices.

Earlier this month, Commissioner Alexander appeared before the committee to offer the Service's opinion on and ideas about various matters relating to tax administration which are before the committee. Later this year I shall report to the Senate on the outcome of our hearings. At that time I shall make clear the committee's conclusions and our recommendations for administrative changes and possible legislation.

As I have in the past, I urge the public to attend these informative hearings about the way our tax system is administered.

NOTICE OF HEARINGS ON THE PUBLIC SAFETY OFFICERS MEMORIAL SCHOLARSHIP ACT

Mr. PELL. Mr. President, on Wednesday, June 26, 1974, the Subcommittee on Education, will hold hearings on S. 2567, the Public Safety Officers Memorial Scholarship Act, introduced by Senator Frank E. Moss of Utah, in room 4232, at 10 a.m. This legislation would provide Federal education scholarships for the children of policemen and firemen killed in the line of duty.

The hearing will open with a statement by Senator Moss. Those individuals who wish to testify should contact Stephen J. Wexler, Counsel, Subcommittee on Education of the Senate Committee on Labor and Public Welfare, room 4230, U.S. Senate, Washington, D.C., 20510, 201-225-7666.

HEARING ANNOUNCEMENT ON FEDERAL GRANTS AND COOPERATIVE AGREEMENTS ACT OF 1974

Mr. CHILES. Mr. President, I announce that the Ad Hoc Subcommittee on Federal Procurement and the Intergovernmental Relations Subcommittee will begin joint hearings on S. 3514, a bill to distinguish Federal grant and cooperative agreement relationships from Federal procurement relationships, and for other purposes.

The hearings are scheduled to begin on June 25 and will continue on June 27, July 10, and other dates as necessary. At the present time, witnesses scheduled to appear include representatives of the General Services Administration, the Department of Defense, National Aeronautics and Space Administration, Department of Transportation, National Science Foundation, Department of Health, Education, and Welfare, the General Accounting Office, and private and public experts. Anyone wishing to submit statements or appear to present testimony should contact Mr. Les Fettig, staff director, Procurement Subcommittee, on 225-0211.

I ask unanimous consent that S. 3514 be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 3514

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Grant and Cooperative Agreement Act of 1974".

FINDINGS AND PURPOSE

Sec. 2. (a) The Congress finds that—

(1) there is a need to distinguish Federal assistance relationships from Federal procurement relationships and thereby to standardize usage and clarify the meaning of the legal instruments which reflect such relationships;

(2) uncertainty as to the meaning of such terms as "contract", "grant", and "cooperative agreement" causes operational inconsistencies, confusion, inefficiency, and waste for recipients of awards as well as for executive agencies; and

(3) the Commission on Government Procurement has documented these findings and concluded that a reduction of the existing confusions, inconsistencies, and inefficiencies is feasible and necessary.

(b) The purposes of this Act are—

(1) to characterize Federal/non-Federal relationships in the acquisition of property and services and in the furnishing of assistance by the Federal Government;

(2) to establish Government-wide standards for selection of appropriate legal instruments to achieve uniformity in the use by the executive agencies of such instruments, a clear definition of the relationships they reflect, and a better understanding of the responsibilities of the parties; and

(3) to require a study of Federal/non-Federal relationships in Federal assistance programs and the feasibility of developing a comprehensive system of guidance for the use of grant and cooperative agreements in carrying out such programs.

DEFINITIONS

Sec. 3. As used in this Act, the term—

(1) "State government" means any of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, any territory or possession of the United States, any agency or instrumentality of a State, and any multi-State, regional, or other interstate entity;

(2) "local government" means any unit of government within a State, a county, municipality, city, town, township, local public authority, special district, intrastate district, council of governments, sponsor group representative organization, other intrastate government entities, and any other instrumentality of a local government;

(3) "other recipient" means any person other than a State or local government who is an authorized recipient of Federal funds and includes any charitable or educational institution;

(4) "executive agency" means any executive department as defined in section 101 of title 5, United States Code, a military department as defined in section 102 of title 5, United States Code, an independent establishment as defined in section 104 of title 5, United States Code (except that it shall not include the General Accounting Office), a wholly owned Government corporation, the United States Postal Service, and the Postal Rate Commission; and

(5) "grant or cooperative agreement" excludes direct payments, subsidies, loans, loan guarantees, or insurance.

USE OF CONTRACTS

Sec. 4 Each executive agency shall use a procurement contract as the legal instrument reflecting a relationship between the Federal Government and a State or local government or other recipient—

(1) whenever the principal purpose of the agreement is the acquisition, by purchase, lease, or barter, of property or services for the direct benefit or use of the Federal Government; or

(2) whenever an executive agency determines in a specific instance that the use of a contract is appropriate to acquire property or services intended for ultimate public use.

USE OF GRANT AGREEMENTS

Sec. 5. Each executive agency shall use a grant agreement as the legal instrument reflecting a relationship between the Federal Government and a State or local government or other recipient—

(1) whenever the principal purpose of the relationship is the transfer of money, property, services, or anything of value to the State or local government or other recipient in order to accomplish a public purpose authorized by Federal statute, rather than acquisition, by purchase, lease or barter, of property or services for the direct benefit or use of the Federal Government; and

(2) whenever no substantial involvement is anticipated between the executive agency, acting for the Federal Government, and the State or local government or other recipient during performance of the contemplated activity.

USE OF COOPERATIVE AGREEMENTS

Sec. 6. Each executive agency shall use a cooperative agreement as the legal instrument reflecting a relationship between the Federal Government and a State or local government or other recipient—

(1) whenever the principal purpose of the relationship is the transfer of money, property, services, or anything of value to the State or local government or other recipient to accomplish a public purpose authorized by Federal statute, and not the acquisition, by purchase, lease or barter, of property or serv-

ices for the direct benefit or use of the Federal Government; and

(2) whenever substantial involvement is anticipated between the executive agency, acting for the Federal Government, and the State or local government or other recipient during performance of the contemplated activity.

AUTHORIZATIONS

Sec. 7. (a) Notwithstanding any other provision of law, each executive agency authorized by law to enter into contracts, grant or cooperative agreements, or similar arrangements shall use contracts, grant agreements, or cooperative agreements as required by this Act.

(b) The authority to enter into grant or cooperative agreements shall include the discretionary authority, when it is deemed by the head of an executive agency to be in furtherance of the objectives of such agency, to vest in State or local governments or other recipients, without further obligation to the Federal Government or on such other terms and conditions as the agency deems appropriate, title to equipment or other tangible personal property purchased with such grant or cooperative agreement funds.

STUDY OF FEDERAL ASSISTANCE PROGRAMS

Sec. 8. The Director of the Office of Management and Budget, in cooperation with the executive agencies, shall undertake a study to develop a better understanding of alternative means of implementing Federal assistance programs, and to determine the feasibility of developing a comprehensive system of guidance for Federal assistance programs. Such study shall include a thorough consideration of the findings and recommendations of the Commission on Government Procurement relating to the feasibility of developing such a system. The Director shall consult with representatives of the executive agencies, the Congress, the General Accounting Office, State and local governments, other recipients and other interested members of the public. The results of the study, together with recommendations for administrative or statutory changes, shall be reported to the Committees on Government Operations of the Senate and House of Representatives at the earliest practicable date but in no event later than two years after the date of enactment of this Act.

REPEALS

Sec. 9. (a) The Act entitled "An Act to authorize the expenditure of funds through grants for support of scientific research, and for other purposes", approved September 6, 1958 (72 Stat. 1793; 42 U.S.C. 1891, 1892, and 1893), is repealed, effective one year after the date of enactment of this Act.

(b) Nothing in this Act shall be construed to render void or voidable any contract, grant, cooperative agreement, or other arrangement entered into up to one year after the date of enactment of this Act.

HEARINGS ANNOUNCEMENT ON WILDERNESS AREA BILLS

Mr. JACKSON. Mr. President, I wish to announce that the hearing scheduled by the Public Lands Subcommittee of the Interior and Insular Affairs Committee on S. 1943, a bill to establish the Cascade Head Scenic-Research Area in the State of Oregon; S. 601, a bill to designate certain areas in the United States as wilderness areas, section 6, the area classified as Mission Mountains Primitive Area in Montana; and H.R. 6395, an act to designate certain lands in the Okefenokee National Wildlife Refuge, Georgia, as wilderness, will commence at 11 a.m., instead of 10 a.m. as previously announced, in room 3110, Dirksen Senate Office Building, June 24, 1974.

NOTICE OF HEARING ON MORTGAGE CREDIT

Mr. SPARKMAN. Mr. President, I should like to announce that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Affairs, will hold 2 days of hearings, on July 10 and 11, 1974, on S. 3436, a bill introduced by Senator Brooke to increase the availability of mortgage credit for residential housing, and S. 3456, a bill introduced by Senator Cranston to provide emergency mortgage relief for middle-income families.

The hearings will begin at 10 a.m. each morning and will be held in room 5302, Dirksen Senate Office Building.

The subcommittee would welcome statements for inclusion in the record of hearings.

ADDITIONAL STATEMENTS

THE NUTRITION HEARINGS

Mr. HUMPHREY. Mr. President, on June 19 the Senate Select Committee on Nutrition and Human Needs began nutrition hearings which will run through June 21.

The Washington Post on June 19 included an article on the hearings entitled, "Nation's Needy Seen Hungrier and Poorer," which confirms many fears concerning the nutritional levels of the poor and the impact of inflation on the diet of the lower income groups.

The nutrition hearings also have been focusing on basic questions such as the tradeoffs low-income people are forced to make between medical care, food, and rent.

The New York Times on June 20 carried an article on the hearings, "U.S. Needy Found Poorer, Hungrier Than 4 Years Ago."

We have received various reports of how the poor have been hurt by rising food costs. Low income groups reportedly have begun to use pet foods to stay alive.

Mr. President, this is a sad commentary in this land of plenty, and I request that these two information articles be printed in the Record.

There being no objection, the articles were ordered to be printed in the Record, as follows:

Nation's Needy Seen Hungrier and Poorer

(By Austin Scott)

A Senate committee today is to begin the most comprehensive re-evaluation of the nation's hungry problem since the 1969 White House hunger conference, and its opening message is sobering. The main preliminary conclusion:

Despite increasing billions of dollars poured into ever-expanded food programs, "Five years after President Nixon's promise to end hunger in America . . . the nation's needy are hungrier and poorer."

That conclusion is voiced in a 189-page report packed with statistics and written by a panel of 26 experts, including nutritionists, government officials, economists—and poor people.

The report claims that even though total spending for federal food programs jumped from $1.6 billion in fiscal 1970 to $5.1 billion in fiscal 1974, and participation rates in most programs increased, inflation more than offset the help those programs were able to give.

From December, 1970, to March, 1974, the report said, food stamp allotments for a family of four rose 34 per cent, welfare allotments rose 14.7 per cent, but the cost of food in the government's lowest priced "economy food plan" jumped 41.7 per cent.

(That food plan was drawn up by the Department of Agriculture to keep track of what it costs the poor to eat. USDA says it does not provide adequate nutrition over an extended time.)

"Consequently, for those poor people who were participating in the food stamp program throughout this period of time, their food expenses increased 22.6 per cent more rapidly than did the size of their food stamp coupon allotments," the report concluded.

It adds that USDA's own figures show only 35.6 per cent of the 37 million people eligible for food stamp relief were actually getting it as of February.

The message promises to be difficult for the Senate Select Committee on Nutrition and Human Needs to cope with, partly because its documentation challenges a number of old and familiar assumptions about poverty in the United States.

It comes at a time when there is a worldwide shortage of food, real threats of famine in India and Africa, when once huge domestic food stockpiles are reduced nearly to zero, and when such basic agricultural aids as fertilizer have grown enormously expensive—when obtainable.

One of the major arguments being made to the committee, however, is that America's hunger problem is not a lack of food at all, but a lack of income.

Food lines the shelves of every corner market, the argument goes, but the poor don't have enough money to buy an adequate diet and still pay for other necessities like shelter, heat, medical care and transportation to and from work.

If the committee agrees with that conclusion at the end of its three days of hearings, doing something about it promises to be even more politically ticklish than pumping additional money into programs such as welfare and food stamps.

The point is that poverty persists, one working paper notes. "In a nation in which the wealthiest 1 per cent possess more than eight times the wealth of the bottom 50 per cent, in which the percentage of national income going to the lowest fifth of the population has remained the same for 45 years, and in which 40 million people remain poor or near poor, more than a food stamp . . . or child-feeding program is at issue.

". . . The food programs cannot end their poverty, and fundamentally, people are hungry because they are poor."

Another working paper argues that the government is not even asking the right questions about domestic hunger.

"We have not asked, for instance, whether people buy some kinds of foods at the beginning of the month and other kinds, or no food at all, at the end of the month when resources run out . . .

"There is no difficulty in finding people who cannot feed themselves or their children adequately during the last few days or week of each month . . .

"We have not collected enough information on the kinds of tradeoffs low income people are forced to make in their family budgets between medical care and food, or food and rent . . .

"We have observed hunger in school children who do not eat breakfast and who do not have an available school lunch program. These children may meet their nutrient requirements with an after-school snack and a large evening meal, but sit in school hungry every day."

The panel of experts concluded that America's poor have been hit much harder by inflation than anyone else.

It gives three basic reasons: prices for such basic foods as rice and beans increased twice as fast as the prices on "middle-class foods"; the poor cannot "spend down" because they're already eating as cheaply as possible, and poor people spend a much larger share of their income—up to 60 per cent—for food.

According to the panel, from December, 1970, to March, 1974, the price of dried beans rose 256.3 per cent, rice 124.3 per cent, flour 79.7 per cent, margarine 63.08 per cent and bologna 50.3 per cent.

Sirloin steak, on the other hand, rose only 38.9 per cent during the same period, lamb chops 31.3 per cent, whole wheat bread 36.9 per cent, butter 8.9 per cent and canned tomatoes 20.5 per cent.

". . . The current inflationary food spiral has been most destructive to poor people's already vulnerable economic and nutritional status," the panel said. ". . . One of the consequences . . . is that families will often be forced to liquidate their assets to maintain an adequate level of consumption of the basic necessities of life."

The panel prepared a table showing that families earning up to $7,500 a year in August, 1973, suffered from "negative asset movement," meaning they were either going further into debt or selling whatever they could to supplement their incomes.

And it concluded, ". . . The inflationary food price spiral that has drastically affected the poor is likely to continue during the foreseeable future."

The panel said the "most basic fact" about government food assistance programs "is that they are failing to reach enormous numbers of impoverished persons . . ."

They reach "slightly over 15 million" of the 37 million to 50 million estimated eligible, the panel said, and participation tends not to increase even when eligibility levels are raised.

The panel said the food stamp program is basically flawed for several reasons:

The requirement that households pay sizable sums in cash to participate in the program each month.

The time-consuming and frequently degrading process entailed in applying and being periodically recertified.

Being publicly identifiable as a food stamp user in grocery stores.

Failure . . . to provide low income families with a sufficient amount of food stamps to purchase an adequate diet.

Ten years of experience indicates that food stamps have "performed so badly that no amount of program revision can ever enable it to solve this problem," the panel concluded.

"The only solution is a just, dignified, guaranteed income-maintenance program that ensures that no person lives without adequate income . . .

"There is no other country which would entertain a serious discussion on the idea that helping working parents to feed their children constitutes a 'disincentive to work'."

U.S. NEEDY FOUND POORER, HUNGRIER THAN 4 YEARS AGO

(By William Robbins)

WASHINGTON, June 19.—The needy in this country are hungrier and poorer than they were four years ago, despite great increases in spending on food programs, and rising world agricultural output has brought little benefit to the hungry abroad, a wide range of experts told the Senate today.

Furthermore, the outlook for improvement is grim without massive changes in production and distribution systems, population patterns, income levels and aid programs, the experts told the Senate Select Committee on Nutrition and Human Needs.

These were among the conclusions of a four-month study by about 100 specialists from universities, business and the professions, who had been commissioned by the committee to explore world food and nutrition problems.

The committee was divided into two panels to conduct hearings on the experts' reports in two large conference rooms crowded with listeners. The hearings will continue through Friday.

"PLOWSHARES FOR PEACE"

In opening one of the hearings, Senator George McGovern, Democrat of South Dakota, who is chairman of the committee, proposed a "great American initiative" that he called "plowshares for peace."

"I believe this conference should be an opportunity for a new, bolder initiative," Senator McGovern said. "If food for peace was the great American international agricultural initiative of the nineteen-sixties, then I believe that another kind of program—one that might be called plowshares for peace—might be the great American initiative for the nineteen-seventies and beyond."

His proposal, especially, was a program that would help developing countries become more productive and incorporate some of the recommendations from the study group.

In the United States, inflation has exacted a heavy toll on the poor and the aged, the head of one panel of the experts reported.

"Over the past three to four years, our nation's needy have become hungrier and poorer," said Ronald Pollack, director of the Food Research and Action Center of New York, who headed a 26-member study panel on "nutrition and special groups."

THREEFOLD INCREASE

Mr. Pollack noted that Federal spending on food programs had increased three-fold between the fiscal year 1970 and the fiscal year 1974. But he said:

"I would be pleased to tell you that we have made substantial progress in the effort to eradicate hunger. However, to do so would be untruthful. For the sad and tragic truth is that, over the past several years, we have moved backwards in our struggle to end hunger, poverty and malnutrition."

Mr. Pollack's testimony was based on a 185-page report by his group, which illustrated the slide of the needy into deeper poverty.

Between March, 1973, and March, 1974, the study showed, the retail cost of the Agriculture Department's Economy Food Plan—that on which food stamp allocations are based—increased 21 per cent, while the retail cost of the department's Liberal Food Plan—designed for higher-income families—increased 16.9 per cent.

"The poor have been victimized far more by the vast food price increases over the past several years than have any and all of the other economic classes in our country," Mr. Pollack said.

AN UNAVAILABLE OPTION

One reason, his report showed, is that the low-income family spends a larger proportion of its income for food. Another is that higher income families have been "spending down," that is, buying cheaper types of food, an option that is not available to the poor.

"There simply were no cheaper food items to which they could 'spend down,'" Mr. Pollack said.

And because of the increased pressures on the cheaper types of food, their costs have increased disproportionately. He cited these examples:

While pork sausages increased in price by 68.8 per cent between December, 1970, and March, 1974, rib roasts increased 43.3 per cent; while hamburgers increased 60.3 per cent, porterhouse steaks increased 38.2 per cent, and while dried beans increased 256 per cent, canned tomatoes increased 20.5 per cent.

The report brought the effects to life on the basis of interviews among a small sample of low-income families around the country. It cited families that had switched to buying dog food for protein, and others with little or no food in their homes and little or no money to buy any, such as the following:

"Several Indian families were found surviving on chocolate bars and stale coffee.

"In Walton Country, north Georgia, we visited a family who had been illegally denied food stamps. There was nothing to eat in the house but Wonder bread and hog jowls.

BREAD AND CEREAL

"In the same county a pregnant woman who earns less than the minimum wage and her unemployed husband had been denied food stamps. They were living on a diet of mostly bread and cereal, having milk only with coffee and meat only once or twice a week."

One reason for the backward slide of poor families, the report showed, was that food costs have risen faster than food stamp allowances and other forms of food assistance and faster than welfare payments.

"We must not be fooled: Food programs are no solution to low wages, to discrimination, to poverty," the report said.

But in the absence of improved incomes or an income-maintenance system, it recommended a number of improvements in food programs.

The report said the aid provided needs to be increased to supply adequate nutritional balance, but—noting that only 35.7 per cent of the 37 million people eligible now receive food stamps—administration of aid programs needs to be improved and greater efforts made to reach those eligible but unaware of the help available.

TAX REFORM AND INFLATION

Mr. ROTH. Mr. President, in the very near future, the Senate will be faced with numerous tax cut and tax reform amendments. Supporters of these amendments all claim that their amendments will provide relief from the soaring rate of inflation. I have very serious reservations about many of these proposals for a number of reasons.

The supporters of these amendments claim that their proposals will help people cope with inflation, but none of the amendments will do anything to solve inflation. In my opinion, these amendments will only cover up inflation if not add to the problem.

I also object to changing the tax laws on the Senate floor through amendments and without the benefit of full, public hearings. The Federal tax laws are too complex and interrelated to make quickie changes to achieve instant results. Any changes that are made should take into account the full effects on the Federal budget and inflation.

Tax reform is a continuous process. Throughout the past 20 years, the Congress has found it necessary to repeatedly revise the tax laws to take into account changing economic and social conditions. Although I am opposed to many of these tax amendments, I believe that there is room for significant improvement in our present tax laws.

I believe that tax reform should simplify the tax laws, produce greater equity in taxation, and promote economic growth to reduce inflation.

Many of the tax reform amendments have been proposed in conjunction with proposals to reduce the personal income taxes of the lower income groups.

But inflation has affected not only the low income groups but the middle income groups as well. Since 1962, taxes have been consistently cut for the lower income groups at the expense of the middle income groups, who have been pushed into higher and higher tax brackets.

If changes in the tax laws are to be made because of inflation, the entire tax rate structure should be examined carefully by the tax committees to benefit the middle income groups as well as the lower income groups.

I would hope that the tax committees would also examine my proposal to reduce future tax rates by the rate of inflation. My legislation, S. 3457, would insure that a person will no longer be forced to pay more taxes simply because inflation has pushed him or her into a higher tax bracket.

A careful committee examination will also insure that tax reform does not retard our economic growth by reducing the amount of private investment that has fueled our economic expansion.

We have to realize that inflation will not go down if we do not encourage an increase in the supply of goods to help combat shortages and capacity problems that have led to higher prices.

Part of the inflation we are now experiencing is caused by a scarcity of food, fuel, and industrial products. When these items are in short supply, people are willing to pay more and more money for them, forcing the prices to rise. If we can encourage an abundant supply of goods, their prices will fall to a reasonable level. Therefore, I believe it is essential that our tax laws encourage the production of these scarce goods to fight inflation.

Our tax laws should also insure that an adequate amount of capital is available. More and more capital is needed by our private economy to expand productivity, build pollution control equipment, and create new and better jobs.

If the Federal Government taxes the capital away, more Federal money will be demanded to create the jobs or to expand the production.

While many of our present tax laws are necessary, I believe that it is no longer necessary to help everyone with a Government handout. For example, with the price of oil as high as it is, I do not think the oil industry needs many incentives to drill for it.

I believe that the percentage depletion allowance should be phased out, if not eliminated outright. The repeal of the depletion allowance will reduce the windfall profits of the oil industry and will produce large revenues which can be used to either reduce Federal deficits or provide overall tax relief.

The free market system should be used to resolve the energy problem we are now facing. The petroleum industry is experiencing the highest prices in history, and it should be able to get along without the crutch of a Government tax subsidy.

In conclusion, we should work for meaningful and beneficial tax reform, not haphazard, election year changes.

The Treasury Department is currently preparing a balanced package of individual tax cuts combined with measures to increase industrial expansion. The Senate Finance Committee, of which I am a member, and the House Ways and Means Committee are now holding hearings on tax reform. Inflation is a cruel burden on every American, and we should take a long, hard look at our tax laws to formulate changes to reduce that inflation burden.

WITHDRAWAL OF PUBLIC LANDS FROM MINERAL ENTRY BY VARIOUS FEDERAL AGENCIES

Mr. BIBLE. Mr. President, early in May I submitted for the RECORD a copy of a letter from Dr. Vernon E. Scheid, dean emeritus of the Mackay School of Mines in Reno, Nev., having to do with the continual withdrawal of public lands from mineral entry by various Federal agencies.

Dr. Scheid pointed out that the Bureau of Land Management was in the process of considering applications for withdrawing nearly 1,600,000 acres of land in southern Nevada from mining location under existing mining law. At the same time he called attention to the proposed regulations of the U.S. Forest Service to place such restrictions on mining within the national forest so as to practically eliminate the entire western forest areas from exploration and development of mineral resources. This despite the fact that the Department of the Interior had called for a new national mining and minerals policy which would reduce U.S. dependence and thwart a possible cutoff of supplies by an international minerals cartel.

The thrust of the new policy was indicated to be discovery of new domestic deposits of minerals and better recovery from known deposits. I would point out again that you cannot discover new deposits on the one hand while locking up tremendous acres of potentially valuable mineral resources on the other.

I would like to hope that the message of Dr. Scheid had some bearing on the decision of the President of the United States in his June 13 announcement concerning the inclusion of additions to the National Wilderness Preservation System. Although the President recommends 15 areas for inclusion, he proposed that 3 other areas including the desert national wildlife range in Nevada not be included. Because two of these areas are open to mining and all 3 may contain minerals vital to the national interest and have not been subjected to adequate mineral surveys, he recommends that these proposals be deferred pending the completion of such surveys.

Mr. President, I trust that the position of the White House will filter down through the administrative agencies so that the pending proposals to withdraw from mineral entry the existing desert national wildlife range of some 1,500,000 acres plus a proposed addition of 70,000 acres will be withdrawn by the Bureau of Sport Fisheries and Wildlife, or failing that the application be rejected by the Bureau of Land Management.

I would also point out that the proposed addition of 70,000 acres to the existing wildlife range include an area of considerable economic importance to the future of Clark and Lincoln Counties in Nevada.

Mr. President, I ask unanimous consent that an additional letter from Dr. Scheid as well as copies of correspondence to the Bureau of Sport Fisheries and Wildlife, from the Nevada Power Co., the city of Las Vegas, and Clark County, Nev., on this subject be printed in the RECORD.

There being no objection, the correspondence was ordered to be printed in the RECORD, as follows:

MACKAY SCHOOL OF MINES,
Reno, Nev., June 11, 1974.

An open letter to Senators Alan Bible, Howard W. Cannon, James A. McClure, Robert Taft, Jr., and Herman E. Talmadge, and Congressmen Craig Hosmer, Harold T. Johnson, and David Towell, U.S. Congress, Washington, D.C.

GENTLEMEN: Each of you kindly replied to my Open Letter of March 27 to the Nevada Congressional Delegation; wherein I pointed out the impending mineral crisis, and the growing danger to the safety of the United States, because of the never ending withdrawals and restrictions to mining on public lands. Senator Bible, seeking to advance the thoughts expressed in the letter, had it published in the Congressional Record, vol. 120, no. 60, pp. 12687–12688, May 1, 1974; with some pertinent observations of his own. Congressman Harold Johnson, in his reply, kindly enclosed a copy of his Statement before the Subcommittee on Public Lands; in which he, also, objected to some of the issues discussed in my letter. I have read and studied his Statement, and it is obvious that he is sincerely concerned about the danger to the United States, and that he possesses a great knowledge of mineral resources and the part they play in the economic life of our nation. Equally deep concern was expressed in the other letters I received.

It is because of this interest that I present to you some even more fundamental problems, which can best be introduced by quoting a portion of Congressman Hosmer's letter, as follows: "The withdrawal of large blocks of our public domain from mineral location with little or no knowledge of what minerals exist, and the increasingly impossible regulations and restrictions on exploring what lands remain open to mineral exploration will certainly hasten the (mineral) crisis. One avenue to solving the problem of land withdrawals of BLM lands for wilderness-type uses without adequate mineral surveys would be to bring BLM lands under the Wilderness Act and make such mineral data mandatory prior to this type of dominant use." Congressman Hosmer's concept has much merit. Such an arrangement probably would be better than our present system, but would it supply what is truly needed to deal with our Mineral resources?

The Multiple-Use Act of 1960 and the Wilderness Act of 1964 were, with major mineral resources exceptions, good and helpful legislation. However, both laws were written by renewable resources people; who knew little or nothing about non-renewable (mineral) resources and, therefore, did not realize they were producing legislation harmful to the conservation and wise use of our mineral resources, as well as to the safety and well-being of America. Mining is, in effect, excluded from wilderness areas; although it is claimed that this is not so; until 1984 prospecting is not allowed. The 20 years written into Wilderness Act is not long enough to prospect for and develop many types of ore deposits. Even the most thorough present day prospecting and exploration may not discover an ore deposit that improved science and technology could reveal in future years.

Foresters and others, who work with renewable resources, have the concept of "sustained yield." In order to supply the nation with its necessary minerals, the mineral industry must, also, operate on a "sustained yield" basis. But the mineral industry's sustained yield does not result from replanting ore (as with trees and corn) where it has harvested minerals—instead it must find and mine new ore deposits! The renewable resources can be produced at a thousand different places, but the mining of a strategic or critical mineral can be done only at the one place where nature put it! Obviously, wilderness, primitive, and similar areas must be kept open for mining and for exploration for our vital mineral needs. These concepts are stated in somewhat different context in paragraph 3, page 2, of my March 27 letter.

Today humanity faces many serious problems: environment, ecology, metals and minerals, energy sources, food supply, population growth, timber, etc. All of these, except the mineral resources (fossil fuels, metals, minerals), can be solved by renewable resources practices. The environment can be corrected, the ecology can be maintained or reestablished, additional food can be produced (Provided the necessary minerals and metals are available!), population can be controlled or even reduced, and timber can be regrown. Only over the creation of non-renewable mineral resources does man have no control; when they are gone, they are gone forever! However, when our mineral fuels are exhausted, man may obtain energy from the sun, tides, wind, hydroelectric, and the nuclear fusion of hydrogen. Thus, in the final analysis, the most critical problem of today, and possibly of all future time, that faces America and mankind is the supply and management of mineral resources. The earth contains only so much of any given metal and no more! Can any of you, with all the power of the United States and the finest of modern technology, add a pound of zinc, or titanium, or lead to the earth's potential supply? There is but one answer—No!. Yet, at the accelerating rate that man is now using up metals, he will have consumed all the metal available to him in the earth's crust in less than one hundred years. Knowing these facts, I think you will agree that mineral resources must be carefully controlled and managed for the best and longest possible use.

The U.S. Geological Survey is involved in mapping the geology of our country and gathering data on our mineral resources, the U.S. Bureau of Mines is involved in research on the utilization of our mineral resources and the safety of our mines. Neither of these agencies manage our mineral resources; although the Conservation Division of the U.S. Geological Survey is involved in the supervision of petroleum, geothermal power, and certain non-metallic mineral leases; however, such activity is not management in the full meaning of the word. Our government does have many resources management agencies: The Bureau of Sports Fisheries and Wildlife manages the animal life of our land, the Forest Service manages our forests, the Bureau of Land Management administers the Taylor Grazing Act and other land activities. These agencies have control over most of our non-renewable mineral resources, but they are administered by persons who are not aware of, nor sympathetic to, the problems and management of these resources!

The two types of resources—the renewable and the non-renewable—are different; they require different methods of thinking, of conservation, and of management. We can no longer allow the discovery, production, and management of our non-renewable resources to remain under the control of people concerned dominantly with renewable resources. Congress should immediately concern itself with some way of properly managing our non-renewable mineral resources—if we do not, we can only expect disaster in the relatively near future. Congress is now concerned with the 1872 mining law and, very likely, there are some portions of it that need updating.

But the mineral resources problems that confront us are not merely a matter of updating the 1872 mining law. It is now time that our non-renewable mineral resources are administered and managed by either an existing agency, or a new agency, that is staffed by competent mineral (non-renewable) resources people.

Congress has authorized many studies and reports on mineral materials; including the National Materials Policy Act of 1970. Most of these have not produced the necessary legislation to help our non-renewable resources. It is time for Congress to employ an individual who has knowledge of mineral resources and the mineral industry. Have him and a few helpers start writing some comprehensive legislation that will implement the excellent concepts stated in the Minerals Policy Act of 1970.

The issues discussed in this letter are vital to the future safety and well-being of our country. They are definitely non-partisan; as is demonstrated by reply to my March 27 letter from Members of Congress on both sides of the political fence. It is my hope that you, the Distinguished Members of Congress to whom this letter is addressed, will form a non-partisan group to tackle this difficult problem of dealing with our non-renewable mineral resources. These are the natural resources to which we cannot add, which we cannot re-grow, of which there is a finite amount in the earth's crust, and without which civilization and our standard of living decline and we will be in want of the materials to produce the food necessary for the increasing population of our country and the world.

Sincerely yours,

VERNON E. SCHEID.

(Former Director, Nevada Bureau of Mines and Geology.)

(Former Chairman and Director, Nevada Oil and Gas Conservation Commission.)

(Dean Emeritus, Mackay School of Mines, University of Nevada.)

LAS VEGAS, NEV.,
April 16, 1974.

Mr. RALPH S. DUNN,
Acting Chief, Division of Technical Services, Nevada State Office, Bureau of Sport Fisheries and Wildlife, Reno, Nev.

DEAR MR. DUNN: This is in reference to the action proposed in the Federal Register, Vol. 39, No. 60—Wednesday, March 27, 1974, "Bureau of Land Management [N-219] Nevada, Notice of Proposed Withdrawal and Reservation of Lands."

Our comments are directed specifically to the proposal to extend the east boundary of the existing Desert National Wildlife Range to the westerly line of the right-of-way of U.S. Highway 93. This addition to the Wildlife Range will incorporate lands with existing and potential demand for utility and industrial development.

The lands in the proposed addition now contain a utility transmission power line and access road and in the area immediately adjacent to the extended boundary are U.S. Highway 93 and 80 major thoroughfares in Nevada; the Arrowline Limestone Plant, a major industry; the Union Pacific Railroad, a major railroad artery; beacon, microwave and communication stations; and two major high voltage transmission lines.

In the near future, in the area adjacent to the extended boundary, the County of Clark has planned to dispose of water from its proposed waste water treatment facility required for water pollution abatement. This Company has proposed building a 2,000 Megawatt steam electric generating plant in this same area to beneficially utilize large quantities of the County's treated waste water which will reduce the taxpayers cost of this required water pollution abatement. It is highly probable that either the County or the Company or both will need to place facilities on or near the land proposed for withdrawal.

The land within the proposed addition to the Wildlife Range with its existing development does not qualify as an undeveloped area and the future plans of local government and private industry show probable need for utilization of such land.

This Company recommends that the Desert National Wildlife Range boundary not be extended in Township 16, 17 and 18 South, Range 63 East.

Very truly yours,

HARRY ALLEN, *President.*

CITY OF LAS VEGAS,
April 18, 1974.

Mr. RALPH S. DUNN,
Acting Chief, Division of Technical Services, Nevada State Office, Bureau of Sport Fisheries and Wildlife, Reno, Nev.

Subject: Notice of Proposed Withdrawal and Reservation of Lands as Published in the Federal Register, March 27, 1974.

DEAR MR. DUNN: This correspondence is in reference to the action proposed in the Federal Register, Volume 39, No. 60—Wednesday, March 27, 1974, "Bureau of Land Management N-219 Nevada, Notice of Proposed Withdrawal and Reservation of Lands;" land specifically designated as Township 16, 17, 18 South, Range 63 East. Nevada Power Company, a major utility in the Las Vegas Valley has proposed building a 2000 megawatt steam electric generating plant in the above stated area. This steam plant will utilize large quantities of treated wastewater from the Las Vegas Valley.

The City of Las Vegas has a vital interest in the construction of the steam electric generating plant since the utilization of the Valley's treated wastewater would act to reduce local taxpayer's costs associated with required Water Pollution Abatement in the Valley. This potential savings of the taxpayer's money should be made possible by all reasonable means.

I, therefore, strongly recommend that the interest of the City of Las Vegas and the local taxpayers, in this matter, be given consideration and that the Eastern boundaries of the Desert National Wildlife Range not be extended into the above stated Township 16, 17, 18 South, Range 63 East area.

Very truly yours,

ORAN K. GRAGSON, *Mayor.*

CLARK COUNTY DISTRICT ATTORNEY,
Las Vegas, Nev., April 24, 1974.

RALPH S. DUNN,
Acting Director, Bureau of Land Management, Department of the Interior, Reno, Nev.

Re Bureau of Land Management [N-219] Nevada, notice of proposed withdrawal and reservation of lands.

DEAR MR. DUNN: The purpose of this letter is to set forth the comments of Clark County, Nevada, with respect to the above referenced application of the Bureau of Sport Fisheries and Wildlife for the withdrawal and reservation of lands pursuant to notice thereof published in the *Federal Register*, Vol. 39, No. 60, on Wednesday, the 27th day of March, 1974, and is written at the direction of Board of County Commissioners Clark County. Clark County hereby respectfully requests that there be excluded from the proposed withdrawal and reservation that portion thereof consisting of Townships 16, 17 and 18 South, Range 63 East, M.D.M.

Clark County is under a mandate from the Nevada Legislature to abate the water pollution problem in the Las Vegas Wash-Las Vegas Bay Arm of Lake Mead. In response to such mandate, the County's Wastewater Management Agency has developed plans for a project calling for an appropriate total expenditure of $110,000,000, of which approximately $60,000,000 has been allocated to the construction of an advanced wastewater treatment plant. Concurrently with the development of these plans, Clark County has been negotiating with the Nevada Power Company on the terms of an agreement for the purchase and sale of reclaimed wastewater from such advanced wastewater treatment plant for use in the Power Company's proposed 2,000 megawatt steam generating plant which may best be located in or near the proposed withdrawal area. This agreement, if executed, will substantially reduce that portion of the costs of the proposed wastewater treatment plant which would otherwise be borne by the taxpayers of Clark County. These negotiations have recently culminated in a draft of the proposed agreement upon which the respective staffs of the County and the Power Company are in complete accord.

However, that portion of the area covered by the proposed withdrawal and reservation contained within said Townships 16, 17 and 18 either includes or is adjacent to the right-of-way which Clark County must utilize for the pipeline to transport the reclaimed wastewater to the proposed generating plant and includes or is adjacent to the site for the proposed generating plant itself. Accordingly, the inclusion of said Townships within the boundaries of the Desert National Wildlife Range will pose a serious threat, not only to Clark County's present water pollution abatement plans, but also to the many benefits, including, without limitation, increased employment, increased tax base and assurance of a power supply adequate to meet the future needs of our area, which the community would derive from the construction and operation of the proposed generating plant.

Clark County therefore respectfully urges that, should the subject application be approved, the approval thereof exclude from the withdrawal and reservation all lands lying within Townships 16, 17 and 18 South, Range 63 East, M.D.B.

Very truly yours,

George F. Ogilvie, Jr.,
County Counsel.

SENATE JURISDICTION OVER ERDA

Mr. GOLDWATER. Mr. President, the Committee on Government Operations has concluded the markup of S. 2744, the Energy Reorganization Act of 1973. The Committee on Government Operations is to be commended for the careful and intelligent way it has handled this legislation.

Moreover, I believe the distinguished senior Senator from Connecticut deserves special mention for his leadership in bringing the ERDA concept to reality—a concept that is absolutely vital to the Nation.

Among other provisions, S. 2744 creates an Energy Research and Development Administration. Within the next few weeks it is likely that the Senate will have to decide which of its committees is to have jurisdiction over ERDA.

As matters now stand, a number of Senate committees have jurisdiction over energy matters. For example, H.R. 11864, the Solar Heating and Cooling Demonstration Act of 1973, had to be considered by the following committees: Aeronautical and Space Sciences, Commerce, Banking, Housing and Urban Affairs, Labor and Public Welfare, and Interior and Insular Affairs. I believe, if this procedure is going to be followed when ERDA comes into being, we are inviting delay if not disaster.

The main reason why ERDA is being created is to launch a unified approach within the executive branch in solving the energy crisis. Up to now, the energy research in the Federal Government has been fragmented and dispersed. The ERDA concept correctly recognizes, in my opinion, that a new approach is needed.

I submit the Senate should parallel this unity of purpose by conferring jurisdiction over ERDA to one legislative committee and only one.

The circumstances surrounding the creation of ERDA are manifestly similar to those existing after the Russians launched Sputnik on October 4, 1957. A challenge had arisen to confront the Nation and a response was needed.

That response was embodied in the National Aeronautics and Space Administration, which not only met the challenge, but exceeded it when the first man stepped on the Moon.

I believe the energy crisis is another such challenge requiring a strong national response.

What shall be the nature of the response?

ERDA should have as its mission, not just to achieve energy self-sufficiency for the United States, but to develop the technology whereby the entire productive world can enjoy the benefits of new and abundant sources of energy.

ERDA should be molded along the lines of NASA.

In view of the foregoing, I submit a good case can be made for conferring jurisdiction over ERDA to the Aeronautical and Space Sciences Committee. This committee, with the possible exception of the Armed Services, best understands the problems involved in advancing high technology through research and development. Since 1958, the committee has exercised oversight on an agency that had to involve itself with multidisciplinary approaches to technological problems.

To make matters perfectly clear, I believe the Aeronautical and Space Sciences Committee should have jurisdiction over energy research and development not the regulatory problems involved with energy. Regulation should be handled by those committees of the Senate having the necessary experience and expertise.

In the near future, I shall join with the distinguished chairman of the Aeronautical and Space Sciences Committee in sponsoring a resolution to amend Senate rule XXV for the purposes cited above.

SENATE JURISDICTION OVER THE ENERGY RESEARCH AND DEVELOPMENT ADMINISTRATION

Mr. MOSS. Mr. President, I want to commend the Committee on Government Operations and its Subcommittee on Reorganization for a tough job splendidly done on the "Energy Reorganization Act of 1974." The subcommittee and the committee worked diligently and expeditiously on this major legislation, and have produced an outstanding bill.

The ERDA bill wisely requires annual authorization of energy research and development programs and Senate advice and consent on the President's nominations to key agency positions. Thus, in the relatively near future, the Senate will need to resolve the question of committee jurisdiction over ERDA.

Just as it is essential to establish in the executive branch a central point of authority and responsibility for energy research and development, it is important that in the Senate we avoid fragmentation of responsibility for authorization and oversight of the activities of this important new agency.

The issues, and there will be many, over the direction and pace of energy development projects should not be submerged in a committee or committees having jurisdiction over energy and fuels policy and regulation. Rather, they should be surfaced and dealt with by a Senate committee experienced in dealing with large-scale, multidisciplined research and development.

I believe that jurisdiction over ERDA logically should reside in the Committee on Aeronautical and Space Sciences. At an appropriate time, Senator Goldwater and I intend to introduce a resolution amending the standing *rules* of the Senate for this purpose.

GENOCIDE CONVENTION AND FREE SPEECH

Mr. PROXMIRE. Mr. President, the question is often raised as to whether article III(c) of the Genocide Convention is violative of individuals' first amendment rights of free speech. This is clearly not the case for two reasons.

First, those types of activities sufficient to support a conviction under the convention accords would fall outside the protection of the first amendment. In Brandenburg v. Ohio (1969), the U.S. Supreme Court defined the appropriate limits on the exercise of State power limiting free speech by noting that:

> The constitutional guarantees of free speech and free press do not permit a State to forbid or prescribe advocacy of the use of force or of law violation except where such advocacy is directed to inciting or producing imminent lawless action and is likely to incite or produce such action.

The Genocide Convention's proscription of "direct and public incitement to commit genocide" would clearly fall within the State's power in this regard.

Secondly, even if the Genocide Convention did proscribe speech which fell within the first amendment's protection under the Brandenburg test, the treaty and/or convictions obtained under the treaty would be invalid since the U.S. Supreme Court and other Federal courts have consistently maintained that acts of Congress and treaties must conform to the Constitution, and where they do not they are null and void. That is, acts of Congress and treaties are the supreme law of the land only when they conform to the Constitution (Article IV).

Thus, the Genocide Convention cannot in any way abridge the freedom of speech guaranteed under the Constitution and I call upon the Senate to ratify the Genocide Convention as soon as possible.

HIGH INTEREST RATES AND THE HOUSING CRISIS

Mr. CRANSTON. Mr. President, the housing crisis gets worse daily in California.

Far too few homes are being built. And those that are constructed are priced way out of reach of the average family. Even when the price is right, the would-be buyer gets clobbered by the inflated mortgage interest rate—now 9¼ percent in California.

New housing starts in California during the first quarter of this year were about half what they were a year ago.

Many builders are going out of business. In April, another 70,000 construction workers were laid off bringing the total unemployed in that industry to more than 400,000. And this is supposed to be the peak building season!

In May, I introduced legislation to lower the Federal mortgage rate to 7 percent. The bill is called the Middle Income Credit Relief Act, and it would be triggered whenever the Secretary of Housing and Urban Development determines that a substantial number of middle income families are unable to obtain mortgage credit at reasonable rates and the national economy is adversely affected as a result. That describes the present situation exactly.

My bill would authorize the Government National Mortgage Association—GNMA—to buy mortgages at 7 percent from lenders up to a total of $6 billion in any 1 year that a high interest emergency is declared.

Two days after I introduced my bill, President Nixon announced measures to free up new mortgage money. Though the President will make more credit available, the interest rates will still be too high for most middle-income families. He proposes to lower the rates only one-quarter of 1 percent on conventional loans. At the same time he will raise the rates on VA and FHA loans by the same amount.

The Senate Banking Subcommittee on Housing plans hearings on my bill July 10–11.

We need to get the interest rates down. Both the depressed home construction industry and the inadequately housed home-buying public have been unfairly harmed by this administration's tight money policy. They deserve legitimate help from the injury being done to them by ill-advised Government policies.

LITHUANIAN INDEPENDENCE

Mr. GOLDWATER. Mr. President, on the occasion of the anniversary of the forcible annexation of Lithuania by the Soviet Union, I would like to commemorate the spirit of freedom which still lives among the proud people of Lithuania by bringing to the attention of my colleagues an eloquent plea on behalf of Lithuanian self-determination by the Lithuanian-American Community of Phoenix, Ariz. I hope this petition will remind my friends in Congress that the struggle in the world between the forces of freedom and slavery, under the various hues of communism, is not over.

To me, Mr. President, there is no greater priority that we should have than freedom; and I ask unanimous consent, on behalf of all those persons and groups who seek to keep alive the quest for independence by Lithuania, that the petition by the Phoenix Chapter of the Lithuanian-American Community be printed in the RECORD.

There being no objection, the petition was ordered to be printed in the RECORD, as follows:

STATEMENT BY EMILY JOSEN

On June 15, Lithuanian-Americans will join with Lithuanians throughout the free world in the commemoration of the forcible annexation of Lithuania by the Soviet Union in 1940 and the subsequent mass deportations of thousands of Lithuanians to Siberian concentration camps.

Today, the people of Lithuania are denied the right of national self-determination, suffer continual religious and political persecution, and are denied their basic human rights.

The Soviet Union is now seeking detente as well as a Most Favored Nation Status with the United States. This desire on the part of the Soviet Union presents the United States with a unique opportunity to ease the plight of the peoples of Lithuania and the other Captive Nations.

The United States should adopt an official policy for the current European Security Conference in accordance with House Concurrent Resolution 394 of the first session of the 93rd Congress submitted by Mr. Derwinski to the Committee on Foreign Affairs. "Now, therefore, be it RESOLVED by the House of Representatives (the Senate Concurring), that it is the sense of the Congress that the United States delegation to the European Security Conference should not agree to the recognition by the European Security Conference of the Soviet Union's annexation of Estonia, Latvia, and Lithuania and it should remain the policy of the United States not to recognize in any way the annexation of the Baltic nations by the Soviet Union."

While steadfastly maintaining the United States policy of nonrecognition of the forcible incorporation of the Baltic States into the Soviet Union, the United States should insist that the following policy changes are made by the Soviet Union:

1. Lowering of excessive tariffs imposed on gifts to relatives and friends residing in the Baltic States.

2. Increase of the current five-day tourist visa to Lithuania to a more reasonable limit.

3. Elimination of unreasonable travel restrictions on tourists in Lithuania.

4. Provision for Lithuanians to emigrate to other countries as provided by the Charter of the United Nations signed by the Soviet Union.

PROBLEMS IN THE MOVIE INDUSTRY

Mr. TUNNEY. Mr. President, we are all aware of and concerned with the troubles that for years have befallen this country's movie industry—especially in California. It has been apparent that recent Supreme Court rulings have added to these troubles. However, few of us outside of the movie industry have considered the far-reaching ramifications of these rulings. I would like to share with you some thoughts on this matter by Mr. Donald Schain, vice president of Derio Productions, Los Angeles.

Testifying before the Judiciary Subcommittee on Criminal Law and Procedures on May 9, Mr. Schain noted that the Supreme Court's rulings are most seriously affecting the respectable independent film producer—not the fly-by-night "hard core" filmmaker who is the real object of the obscenity laws. By industry statistics the independent producer accounts for better than 50 percent of the playable theatrical product produced in America in any given year. Putting him out of business affects not only the movie industry but its large supporters as well—the banking industry, equipment suppliers and technical facilities, and the advertising media.

Mr. President, I ask unanimous consent to have Mr. Schain's statement printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

TESTIMONY OF DONALD SCHAIN

I thank you for the invitation to appear before you this morning. I realize full well that over the past months many prominent individuals from various elements of the motion picture industry have come before this committee to express their opinions on the obscenity provisions of S–1 and S–1400. I felt it important that my own views on this subject be added to theirs for three basic reasons. First, from all press accounts of the testimony of these witnesses the main thrust of their arguments against the obscenity provisions of S–1 and S–1400 have been either that they will rob the filmmaker of his creative integrity or that they will in some way infringe upon first amendment freedoms. While I fervently agree with what these witnesses have said on this issue, I think that they have not taken it far enough. I think there is one important element which has been almost entirely omitted. Namely, that you are seeking to regulate a large national industry with far-reaching economic ramifications. And an industry which has over the past 25 years suffered an inordinate share of major problems and is now in the grip of a severe depression.

Second, there are basically three types of motion picture producers. There are those who produce under the banner of the major studio complexes such as Paramount, Warner Bros., 20th Century Fox. These producers are represented by the Motion Picture Association of America. Then, there are those producers who produce so-called hard core pornographic films. These people are given voice by the Adult Film Association. Third, there are producers such as my own company, Derio Productions, who are truly independent producers, and as such have no effective trade association to give them a unified spokesman.

I felt it important that someone from our number come to Washington and be heard.

Third, I have travelled extensively throughout the United States either in connection with the publicizing of the motion pictures which I have written and directed or in connection with speeches, seminars and symposiums before various groups and organizations. I have found two things most evident. First, a misunderstanding of the terminology of our industries code and rating administration particularly as it relates to the alphabetical symbol of X. Second, I believe the true grass roots reaction to obscenity to be somewhat concealed by the overwhelming publicity generated by those who favor repressive legislation. Without being presumptuous, I would hope to set the record straight on these matters today.

I think the most succinct way to discuss the motion picture as a business is to dispel some of the myths which surround it. To begin with, the Hollywood producer is not a fat cigar smoking gentleman who spends his afternoons chasing scantily clad starlets around Beverly Hills swimming pools. He is a man who devotes a minimum of a year of his life to an individual project and invests anywhere from a quarter of a million to 20 million dollars to take that project from script to screen. Nor does he do this alone. The making of a film is a concerted effort involving the time and talents of hundreds of performers, craft unions, laboratory technicians and the like. The risks are enormous in two senses. The first, you as politicians will understand only too well, for the entire project is based on a calculated sniffing of the winds of public tastes with little opportunity for a major revision of the project once principal photography has begun, thus the second risk. For, if a year later, when the motion picture has reached theatres in almost every community in America the temper of the times has changed, the producer is left with thousands of feet of celluloid. Whereas the manufacturer of, shall we say a comparable amount of canned goods could at least eat his merchandise, ad infinitum.

The second myth which bears exposure, centers around the concept that the film industry is a small, closely knit community whose front lawn is watered by the Pacific Ocean and whose back door is slammed somewhere atop the hills of Burbank. This, gentlemen, is simply not the case. The motion picture industry has other principal components—production, distribution and exhibition. The production component has always been considered the most centralized. Yet, today more pictures are shot on location than in Hollywood and numerous states including Oregon, New Mexico, Texas and Florida have established film commissions to lure and assist production at considerable benefit to the economies of those states. Then there is the distribution component, for like most other businesses we who produce film must have a middleman aptly known as a distributor and distribution offices, major studios and independents alike, have operations in major cities and in all regions of the country. The third major component of our industry is theatrical exhibition known to many of you through theatres in your home communities.

There are 14,500 such theatres at this point in time. They are located in every state and they employ upwards of a quarter of a million people annually, still the scope of our industry far exceeds the sum of its three principal components for there are a myriad of other industries which have a substantial stake in the success or failure of ours. Nor are they localized. A few examples, the banking industry has established credit in excess of a billion dollars to major studios and independent production alike. Major non-Hollywood institutions are involved including First National Bank of Boston and virtually every community bank in which there is a theatre which still owes a mortgage or is still depreciating equipment.

Obviously equipment suppliers and technical facilities such as Delux, Movielab and Cinemobile have a stake in film. The advertising media derive a probable 100 million dollars a year in the marketing of two to three hundred films. There are other examples too numerous to recount here but I would trust that I have dispelled the second myth and that it is truly a large national industry with far reaching economic ramifications that you seek to regulate.

The third and final myth is that we are an industry of "Godfathers" and "Exorcists" when for each of those films there are hundreds you nor anyone else has ever seen or heard of because they have never been released or have never approached recovering their negative investments. Even on a successful film with high box office grosses profits can be small given the complicated sharing of revenues, which I have detailed in my longer text, between producers, distributors and exhibitor coupled with high print and advertising costs. Further, for every star who commands $500,000 a picture and a percentage of receipts there are on any given day 85% of the total membership of Screen Actors Guild, or 22,000 people, unemployed.

This is Hollywood as a business not a playtoy and all has not been well for the past 25 years. I will list rather than detail the problems we have faced. I believe you are familiar with them. They include the advent of television, crime in the streets, spiralling production costs coupled with dwindling attendance, the runaway production and most recently the June 21st decision of the United States Supreme Court. This most recent blow is of critical significance because it strikes at the very heart of a re-structured film industry—the independent producer who by industry statistics accounts for better than 50% of the playable theatrical product produced in America in any given year.

This brings me to my second major point—the producers of independent films. His problems and the rationals behind the kinds of product he produces are closely interwoven. His numbers, by and large, are young. For there can be little argument that the youth of our country has adopted film as its medium of communication. Denied access for years to the mainstream of film making by the studios he broke virgin ground. Ill equipped financially to afford a star of the caliber of a Paul Newman or to produce a film with the scope of an "Airport," he turned instead to themes and subject matter not previously attempted. The results are important to note because the business of film operates on the theory of supply and demand like any other. We do not make films for which there is no audience, although in the main obscenity legislation would have us do that very thing. The independent film maker found a large, receptive and continuing audience. Statistics indicate that 78% of the movie going public is between the ages of 18–30 and they found films with sexual themes or contents now different and to their liking.

The success of the independent film maker has had a number of positive effects on a depressed film industry and it is to these effects that we should next address ourselves. First, as with all pioneers, they paved the way for those more established in the film community to produce such artistic works as "Midnight Cowboy" and "A Clockwork Orange." Second, with major studio production on the decline and geared to key holiday playing time independents have become a major source of supply for America's 14,500 theatres. Third, successful independents have progressed to larger projects with union crews taking up the employment slack created by the cut-backs in studio production. My own company's first film was produced for $75,000 our most recent for $900,000. Fourth, the area of independent production has proved a valuable training ground for young talent much as did the B movies in years gone by. Francis Ford Coppola, director of "Godfather," Peter Bogdanovitch, director of "The Last Picture Show" to mention two, cut their spurs in independent production and later proved a valuable infusion of new blood into the sagging studio stream. Fifth, the boom in independent production has caused a reversal to some degree of the "runaway" trend by proving that films could indeed be produced economically domestically.

Much of the dilemma in which independent producers find themselves created by confusion in terminology and lack of first hand knowledge with regard to grass roots reaction. Thus, my third major point, when I say X rated adult film, much of the country and probably many of you think hard core pornography.

In fact, within the singular classification of X there are three distinctly different types of films. There are, to be sure, films whose entire content is sexual and explicit. These films, however, are in the minority and their effect on film as a business is minimal. They are the pronounced target of court decisions and legislation, but ironically they are affected the least. Their negative costs average less than $50,000 and if they continue to play a handful of large cities they will survive.

The second type of films falling within the X classification are the "Clockwork Oranges," and the "Last Tangos In Paris." These are obviously serious films with some sequences or content mandating the X. The Supreme Court Decision and the rash of proposed legislation endangers the production of such films because studios are reluctant to commit 4 or 5 million dollars with no guarantee of the broad national payoff necessary to insure a return on their investments.

The third type of film falling within the X classification are so-called softcore films. They need national pay-offs to recoup their investment and there is a large and willing national audience waiting to see them. They represent entertainment in the style of the 70's. Your legislation enumerates "artistic, scientific, or literary purpose." Nowhere does it mention entertainment which is the primary purpose of film as we know it.

I spoke of grass roots reaction and I will give you two examples though I know of many. The Irving Theatre in Baltimore had a successful policy of X rated product. Local pressure groups forced them to switch to G and PG rated films. Within three months the Irving closed for lack of patrons. The members of those pressure groups, many of whom had never seen an X, did not support the pictures they professed to want once they had them. Another example comes from a small town in Ohio where the citizens sought to keep open their only downtown theatre even though they had not supported its G and PG policy while they sought to close the only drive-in which was operating successfully with R and X materials. A legitimate compromise was hammered out and is functioning effectively. The downtown theater remains open offering family films with the cooperation of merchants and others. The drive-in continues to operate with R's and X's and is carefully supervised by the theater owner.

Having presented the three major areas in which I wished to share my views I think we have a suitable base from which to analyze the effects on the motion picture industry were you to pass the obscenity provisions of S. 1 and S. 1400 in their present form.

The first very predictable effect would be the virtual destruction of the independent film industry as we know it today. The domino theory would become a practical application. Job loss would be tremendous, theatres would be without product, a valuable training ground would be lost and foreign made films would gain a tremendous competitive advantage.

Another effect would be to stunt the process of natural evolution that was already beginning to take place. What can evolve is a situation wherein pornographic films ultimately become yesterdays news leaving as their legacy to the serious American film maker the right to use certain content when the script warrants it.

Finally, you cannot legislate morality. Prohibition is a sterling example of this and I am suggesting that sex in the 70's forms a perfect parallel. Further, attempts at legislating out of existence that which millions of theatre goers have proven they want can only drive certain segments of the industry underground where they will fall profitable prey to criminal elements. I seriously question the moral fabric of our country when violence is condoned in so many forms while natural relationships between two people are held to be obscene.

Like many other industries, most recently the oil concerns, I would prefer no regulations. But if there must be legislation then let its general tone be constructive for *all* concerned and not destructive for a particular national industry. Specifically, allow each individual to see or hear or read whatever he or she so chooses with adequate protections for those who do not so that they are not inadvertently exposed to it. How do we do this? A. By the establishment of a publicly administered rating code. One which is not controlled by a handful of companies and which rates on the basis of content not budget. Allow three classifications—children, teenagers and adult. The last is the most vital and I believe if we can vote at 18, fight at 18 we should also be able to choose our own movies at 18.

B. Educate the public as to the various kinds of films which may be grouped in one classification, particularly the adult, so that they may differentiate between them. C. Strictly enforce admission ages at the theatre level, but adequately protect theatre owners from undue harassment and pressure. D. Make those of us who produce, distribute and exhibit responsible for our advertising both on theatre fronts and in the media, but prohibit the media from arbitrarily rejecting the advertisements of films strictly on the basis of their rating classification.

Our law enforcement agencies today have more important items on their agendas than the prosecution of people for what they see or read. The presidents own commission on obscenity and pornography concluded that such things have no ill effects on those who are exposed to them. Must we destroy a national industry to prove in the end that conclusion was correct?

THE SSI MESS IN CALIFORNIA

Mr. CRANSTON. Mr. President, I would like to share with my colleagues a letter I have received from the owner/manager of a Sacramento home for the aged, a man familiar with the redtape mess being experienced by thousands of Californians during the switch to Federal supplemental security income:

> DEAR SENATOR CRANSTON: Most the people in our residential care home for the aged are not getting their correct monthly assistance checks since the switch to Federal Supplemental Security Income. Things are so confused that some aren't getting any checks at all. I went to the local Social Security office and waited seven hours without seeing anyone who could help. They don't answer our letters. And you can't phone in because the lines are always busy. I tried for 45 minutes one day until I got a recording saying the number was no longer in use and no new number was available.
>
> EDWARD WOLF,
> *Sacramento.*

Mr. President, things were supposed to get better for the aged, blind, and disabled when the Federal Government took over State assistance programs and initiated supplemental security income—SSI.

But it did not happen that way. In California the 500,000 SSI recipients were loaded onto already over-burdened social security local offices which now are supposed to handle a combined SSI and social security caseload of over 3 million persons.

It has been chaotic. Mr. Wolf's letter is typical of many I have received reporting processing delays, snarled payments, and generally poor service. My office has been swamped with reports of elderly people threatened with eviction for nonpayment of rent, unable to buy food, and suffering extreme mental anguish waiting for checks that do not arrive.

I showed Mr. Wolf's letter to Caspar Weinberger, Secretary of Health, Education, and Welfare. And I told him of the other hardships that have been brought to my attention. Later I followed up with a telegram asking what steps were being taken at HEW to correct the situation.

Secretary Weinberger has now reported to me that 180 additional claims representatives have been added to California's Social Security offices to help untangle the SSI mess and speed monthly checks to their recipients.

I also have been assured that telephone lines at social security offices will be increased, overtime will be used more extensively and employees will be shifted from area to area if problems become particularly acute in one district office.

This may not be enough. There is a hidden workload still to come when the 500,000 SSI recipients come up for annual reevaluation to determine their continuing eligibility for assistance.

The hardship that older Americans have had to bear because of this bureaucratic snafu is intolerable. I will continue to watch this situation closely and ask HEW for still more staff if I believe it is warranted.

FOREIGN AID IN AN ERA OF SCARCITY

Mr. BROOKE. Mr. President, in recent remarks given at Michigan State University, I discussed the increasing importance of our foreign aid as we become more aware that the well-being of the United States is increasingly linked with with what has been termed an "Era of Scarcity."

In the hope that my remarks will be of some interest to my colleagues, I ask unanimous consent that my speech entitled "Foreign Aid in an Era of Scarcity" be printed in the RECORD.

There being no objection, the speech was ordered to be printed in the RECORD, as follows:

FOREIGN AID IN AN ERA OF SCARCITY

I purposely choose not to speak on the most obvious topic of interest to most Americans. Our internal political crisis has so occupied our attention during this past year that insufficient consideration has been given to the growing seriousness of the world's inability to cope adequately with what has been termed an "Era of Scarcity." Growing food shortages, the energy crisis, and the effects of worldwide inflation are immediate and powerful reminders of a dramatic alteration of conditions on our planet.

No one can accurately predict the ultimate consequences of the various world crises that are coalescing at this point in time. However, it can confidently be stated that their negative impact will fall most heavily on the world's poor. Whereas we may be inconvenienced by gas lines or pressures to cut down on our conspicuous consumption, millions in the world will and do literally face the danger of death by starvation and disease. Others are experiencing a dramatic decrease in a standard of living already near the margin of existence.

These bleak prospects of millions of our fellow human beings accentuate the importance of an effective effort by the more fortunate countries to provide both immediate and long-term assistance to the poor nations of the world.

The American people are being asked to continue to assume a significant foreign aid burden. The fiscal year 1975 Administration request for foreign assistance totals approximately $5.2 billion. $3.1 billion of this total is for either bilateral or multilateral economic assistance; $1.9 billion is classified as military and security supporting assistance. The remaining $200 million is for other programs such as the Peace Corps and refugee assistance. If the American people are going to support the commitments represented by these sums, they must feel confident that our interests and our ideals justify such outlays.

Foreign aid has increased in importance as we have become more aware that the well-being of the United States is increasingly linked with events throughout the world. Our historical interdependence with the nations of Europe is well known. Interdependence now is encompassing a growing number of the 100 or more states comprising the so-called Third World. The energy crisis is a cogent manifestation of this phenomenon.

The way in which nations manage this interdependence will determine the extent to which stability will prevail in the world. Hence, the need for an effective foreign aid program is greater than ever. For it can be a key tool in structuring a stable international environment.

Yet, many have grown disenchanted with our aid program, especially its bilateral aspects. With certain justification they contend that foreign aid has failed in its purpose and that it should be abandoned, or at the very least substantially restructured.

Their criticism has taken several forms. One of the frequent charges is that it is too often given to foreign governments whose policies and practices run counter to American ideals and practices. This view presupposes that our aid should be offered only to countries whose governments abide by principles that we ourselves have difficulty in fully implementing even with all of our unique advantages. It also entails what I believe to be a misconception as to our ability to determine the political acceptability of other governments to the majority of their own citizens. The attitude of people in the less developed countries toward their leaders frequently fluctuates unpredictably, compounding the difficulties of obtaining reliable political assessments and making the determination of the "popularity" of a given regime a highly subjective exercise.

In challenging this criticism I do not condone the barbaric practices of certain governments. But I do recognize that we are often faced with choices between the lesser of the two evils in our relations with other countries. I believe that our decision to help the poor should transcend our dislike for a particular government but I understand there are situations where the nature of the governmental apparatus precludes us from accomplishing our humanitarian purposes. Therefore we must judge the merits of aid on a case-by-case basis rather than by some general principle that precludes doing something decent and right because other governments do not measure up to our ideals—as ironic as it is to hear an American politician talk about American ideals in this year of 1974.

It is also charged that our aid has not brought us friends or even Third World neutrality, that despite giving billions of dollars in aid, in foreign countries our embassies are burned, our representatives murdered and recipient countries oppose many of our interests in such bodies as the United Nations.

Foreign aid was never designed solely to buy friends or to win votes. But it would be a mistake not to recognize that self-interest always has been and will continue to be an integral part of any foreign aid program. It is foolhardy to believe we can or should use foreign aid to buy friends. No country, not even the poorest, is prepared to sacrifice its independence, or what it perceives as its basic sovereign interests, for the amount of foreign aid it receives. The fierce struggle by the developing countries to throw off colonialism proves that they will protect their sovereign independence at all costs.

More cogent criticisms than these have been leveled at our aid program in recent years. Several strike close to home such as the argument that until we conquer poverty at home, we can ill afford to spend American money to reduce poverty abroad.

The problems of our domestic poverty are indissolubly linked to worldwide conditions. In our country the energy crisis has had its greatest impact on the poor. Moreover, jobs, pay scales and the cost of living are increasingly influenced by the nature of our involvement with other countries—for example, by the cost to the United States of essential imports for our economy, and by the marketability of U.S. exports.

And the problems of the poor countries are increasingly our own because a stable world structure—and thus our economic and political security—is dependent on the effective management of many interacting relationships involving rich and poor countries alike; relationships touching on such critical matters as trade and monetary flows, resource utilization and protection of the environment. Domestic or world poverty will not be mitigated if these relationships break down.

Our foreign aid is insignificant when we consider the resources we take from the rest of the world. It is small too in terms of our national wealth. We devote less than 1/3 of one percent of our Gross National Product to foreign aid. In 1973 we ranked approximately 14th among nations in the amount of our annual national income when we give or loan to the developing nations.

And foreign aid is not conducted at any significant expense to our domestic programs. The $3.1 billion projected in fiscal year 1975 for U.S. bilateral and multilateral economic assistance for developing countries is only about 2% of the amount for social and human resource programs in the United States.

With our national wealth now exceeding a one trillion dollar gross national product, it is difficult to believe that we cannot afford this modest investment in helping other less fortunate countries lessen the abject poverty of their peoples. Yet, even with our relative affluence, foreign aid decisions now will entail more difficult choices than they did in the past. Previously foreign aid did not require great personal sacrifice on our part. But in the "era of scarcity," what we provide other countries in terms of aid could well necessitate a change in our standard of living. The food we provide for the starving millions around the world no longer comes from vast surplus stocks. These stocks no longer exist. Thus food given or sold to the world now will have to come from food heretofore available for domestic consumption.

Fertilizer supplies are another example of the changing implications of our aid program. For years we have assumed an unlimited supply of fertilizer. We have spread it on our lawns and our golf courses with little thought as to its real value. To the developing countries fertilizer represents one of the key bulwarks against mass famine for its effect in those countries is to double or even triple the yield per acre of land. We shall have to decide whether our priority will be the golf course or food for starving people. Thus foreign aid is now a personal as well as governmental concern.

Another criticism touching on domestic concerns is the charge that foreign aid subsidizes foreign economic competition and eliminates jobs for Americans. There is a kernel of truth in this charge. No one can deny that there is a degree of economic dislocation in our society caused by inexpensive imports from developing countries. This is the inevitable result of the striving of other nations to fulfill their potential as we have fulfilled ours. This is a process we cannot reverse nor should we want to reverse. We must adjust to it and operate within the constraints it imposes upon us.

However, these negative effects are more than offset by the beneficial impact of our foreign aid on our own economy. To the extent our aid helps promote the economic development of recipient countries, it increases their ability to buy our exports. In 1972, the developing countries purchased some $16.3 billion worth of American goods—or nearly as much as we sold to Japan and the European Common Market combined!

As the poor countries are dependent on others for development aid and relief assistance, so too is the United States dependent on them for needed raw materials. What was true of oil may soon be true of other vital resources. The United States imports between 50 and 100 percent of eight metals vital to our industries—zinc, platinum, asbestos, manganese, nickel, tin, bauxite and cobalt. And up to forty-five percent of four other metals—lead, tungsten, potassium and iron ore.

The major reservoir for replenishment of these reserves is the developing world. And as the U.S. requirement for raw materials grows and our internal supplies diminish, we will have to rely increasingly upon the resources of that developing world.

It has further been said that our aid program aids mainly the privileged few in the developing countries, with little benefit extending down to the poor majority. This is an over-simplification. The underprivileged majorities in the developing countries do benefit from our aid to the extent that education systems are expanded, food production is increased, health clinics are established and roads are built connecting rural and urban areas.

However, it is quite true that the fruits of economic growth stimulated by our aid have been unevenly distributed in many countries. There is clearly a need for a more equitable and immediate distribution of the benefits. But this will only occur through a patient effort on our part to work with recipient countries in evolving the proper mechanisms and incentives to effect this change.

And yet, this task will be an exceedingly difficult development, even at the macro-level of erecting an economic infrastructure is a complex undertaking. The euphoric optimism of the 1950's and 1960's regarding immediate development progress, arising from our aid program has disappeared. We know now that development is an exceedingly slow process subject to numerous setbacks. As we move to give greater emphasis to specific human problems the complexity of the task will increase. For there is no either-or choice between developing an economic infrastructure and directly helping the poor. Without concurrent efforts in both areas our aid program will be little more than an open-ended relief effort.

With a growing need to carefully manage the resources of our country we could ill-afford to do this. Development, not relief, must occur.

Another factor inhibiting development progress, according to many, is the amount of our aid which emphasizes military and political considerations over those of development. In addition to the $1.9 billion requested in FY 1975 for military and security supporting assistance, it can be argued that a large portion of the $939 million requested for Postwar Indochina Reconstruction is directly or indirectly related to military or political considerations.

The large amounts requested for Indochina, moreover, illustrate the manner in which military and political preoccupations tend to dominate our thinking regarding aid. Aside from such preoccupations, it would be difficult to justify spending some 18% of the total FY 1975 request of $5.2 billion in the three countries of Laos, Cambodia and South Vietnam. Indeed, it is becoming increasingly questionable whether such a high level of expenditure in Indochina can or should be tolerated much longer. Every year we are confronted with requests for large expenditures, with no indication of how long or how much we will be expected to spend in Indochina. The American people have a right to know what national interests prompt our *still* overwhelming preoccupation with Indochina.

These criticisms of foreign aid identify many of the constraints which limit the effectiveness of our development assistance. Yet the need for foreign aid has never been greater.

The developing countries occupy two-thirds of the earth's land area and contain three-fourths of the world's total population—roughly two billion people. Over 800 million of these people live on thirty cents a day—barely on the margin of life.

Unemployment and underemployment rates in these countries range up to more than thirty percent—considerably higher than the United States experienced in the worse years of the depression.

Mass poverty pervades the developing nations, perpetuating malnutrition, ill-health, illiteracy and a whole other catalogue of human miseries.

One-half of the deaths in the less developed countries are children under the age of six—deaths caused primarily from intestinal infection and malnutrition.

But the most intractable problem facing developing countries today is overpopulation. All too often, economic gains are wiped out by population growth, leaving little or no improvement in the lives of the poor.

The impoverished nations account for about ninety percent of the annual world population growth. In India alone, some fifteen million are added each year to an estimated 600 million population.

World population will climb from 3.7 billion today to 6.3 billion by the end of this century. It will reach a staggering ten billion people in the next fifty years unless the developing countries as well as the developed countries can lower their birth rates to an average of two children per family within the next twenty-five years.

And to add to this, the impoverished nations are experiencing natural disasters which exacerbate the existing distress and wretchedness of their people.

A major international relief effort saved millions from dying from starvation because of the drought in the six countries of Sahelian, Africa and Ethiopia. Yet there is still a progressive deterioration of the land from years of neglect and inadequate development in these countries which are among the world's least developed. And because of crop failures there must be a continuing large international relief effort if millions are not to die.

At long last the Congress has refocused the U.S. bilateral economic assistance which is the first step in an overall evaluation of our entire foreign aid program.

The Agency for International Development will now emphasize greater use of the U.S. private sector, coordination with other donors, and a collaborative style which recognizes the responsibility of recipient countries for their own development.

In concentrating on these aspects of the program, the Agency will move beyond the traditional concept of technology and resource transfers from rich to poor countries. It will seek the linkage of relevant individuals and institutions in the less-developed world with their counterparts in developed countries in a partnership effort to foster meaningful progress.

But, most importantly, the Agency is beginning to redesign its program to focus a greater percentage of aid funds on the central human problems of population, health, education and nutrition rather than on expanding the Gross National Product of the developing countries.

Up to forty percent of the total population in all the developing countries are trapped in conditions of poverty beyond the reach of market forces and without minimal living standards. Rapid aggregate economic growth is still a requisite of development, but our aid program is fortunately abandoning the "trickle down" approach that assumes that if GNP is expanding, the benefits of development will eventually extend to all sectors of a society. The emphasis is now on direct aid for the poor as it always should have been.

It was in the early 17th century that John Donne wrote:

"No man is an island, entire of itself; every man is a piece of the continent, a part of the main . . . any man's death diminishes me, because I am involved in mankind; and therefore," he went on, "never seem to know for whom the bell tolls; it tolls for thee."

"No man is an island. . . ." Recognizing this the American people have generously shared the burdens of the world's poor.

And we must persist in doing so.

Our self-interest requires it.

Our ideals compel it.

SHEPAUG RIVER

Mr. RIBICOFF. Mr. President, this morning I testified before the Subcommittee on Public Lands of the Senate Interior Committee in an effort to save a beautiful river. The Shepaug River, which flows through Litchfield County, is an untouched preserve in a magnificent setting. Inclusion of the Shepaug on the study list of the Wild and Scenic Rivers Act would protect the river against the commercial development that has scarred so many of our scenic landmarks.

I ask unanimous consent that my testimony be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT BY SENATOR ABE RIBICOFF

The Shepaug River is something of an anomaly. Located in the heart of the populous Northeast, the river has remained almost untouched by the spread of roads and industry and power lines.

I have crossed over the Shepaug River many times over the years, but it was not until last month that I actually floated down its stretch by canoe. It doesn't take an avid outdoorsman to be awed by the beauty and tranquility of a sometimes meandering, sometimes rushing river within an hour's drive of 10 Connecticut cities.

As most of the access roads to the river's edge are unpaved, we set out in four-wheel drive vehicles. The number of local canoeists who joined us for the float trip was just a small showing of the local awareness and popular sentiment for the Shepaug.

If the river is not one of the nation's wildest rivers, it doubtlessly remains as one of the most scenic. With the occasional exception of pasture land, the river's bank and the wooded hills above haven't changed since the Indians roamed the valley centuries ago. Running through a series of gorges which rise up more than 700 feet, the river becomes a torrent of white water and rapids. Yet, in some spots, you can throw a stone from one bank to the other.

In the spring, scores of canoes and kayaks enter the fast stretches for the annual Shepaug white water race. As the season grows warmer, picnickers stretch out along the Shepaug's banks with the children. In the fall, the river is a quiet setting to watch the changing Connecticut foliage—or cast bucktails for brown trout.

The Shepaug River valley remains if not the only, at least one of the very last largely undeveloped major watersheds in southern New England. Over twenty-five miles of forested hills are scarcely broken by three small, essentially rural communities.

Thus, the valley—because it has been bypassed by the major urban development pushing through the area—remains one of the richest trails into our state's past.

The American Indian has lived in this region for at least 9,000 years—at times in vast numbers and with a highly evolved culture. One five-mile stretch of the river now being explored by local archaeologists contains eight Indian sites, most of which have been occupied for 5,000 years or longer. The mysteries of how and why a unique Indian culture which did not grow its own food disappeared is just being studied.

The valley's pre-revolutionary history follows the river's path from the Wynantenock Forest down to Roxbury Falls. Mine shafts still stand, silent reminders of the flourishing metal and logging industries that have now been reclaimed by the valley's natural beauty.

To ignore this legacy dotting the Shepaug's banks would be a tragedy of great proportions.

But time, as we all know too well, does not stand still. Nor do draftsmen, bulldozers and power linesmen.

Four sites for damming the Shepaug River are already sketched on topographical maps—along with 345 kv transmission lines cutting a path parallel to the river.

I am making a personal appeal to add the Shepaug River to the study list of Wild and Scenic Rivers as an expression of one of the most moving environmental sentiments that I have ever felt first-hand.

And I am sure I speak for my colleague, Senator Lowell Weickler, who strongly supports efforts to preserve the Shepaug.

The Shepaug is more than a scenic river. It is a small flowing sanctuary for a way of life that is fast disappearing in the Northeast.

TRUTH IN SAVINGS

Mr. HARTKE. Mr. President, during the past 3 years, I have spoken on several occasions of the need to provide for full disclosure on consumer savings deposits. The fact is that earnings can vary by as much as 171 percent on accounts in different savings institutions which use the same annual earnings rate.

It is just this sort of confusion that my truth in savings bill, S. 1052, addresses. It provides consumers with the information they need to shop among various savings institutions so they can decide the best place to put their savings; and it enables depositers to check up on the earnings calculations of savings institutions.

Mr. President, I ask unanimous consent that a table comparing truth in savings to truth in lending—which has already been enacted into law—and a table which describes the differences between my truth in savings bill and a proposal made by the administration be printed in the RECORD.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TRUTH-IN-SAVINGS IS ANALOGOUS TO TRUTH-IN-LENDING

EARNINGS/FINANCE CHARGE

Truth-in-savings

6(b)(1) The amount of earnings paid;

3(a)(4) "earnings" means any amount accruing to or for the account of any individual as compensation for the use of funds constituting an individual savings deposit. Such terms include dividends and interest on any individual savings deposit.

Truth-in-lending

226. 7(b)(4) The amount of any finance charge, using the term "finance charge," debited to the account during the billing

cycle, itemized and identified to show the amounts, if any, due to the application of periodic rates and the amount of any other charge included in the finance charge, such as a minimum, fixed, check service, transaction, activity, or similar charge, using appropriate descriptive terminology.

ANNUAL PERCENTAGE RATE

Truth-in-savings

6(a)(1) and 6(b)(2) The annual percentage rate:

4(b) Annual percentage rate is the periodic percentage rate multiplied by the number of periods in a calendar year of 365 days for all years including leap year, and may be referred to as the APR.

Truth-in-lending

226. 7(b)(6) The annual percentage rate or rates determined under 226.5(a), ... (1) by multiplying each periodic rate by the number of periods in a year;

TIME ALLOWANCE

Truth-in-savings

6(a)(2) The minimum length of time a deposit must remain on deposit so that earnings are payable at that percentage rate;

Truth-in-lending

226. 7(b)(9) The closing rate of the billing cycle and the outstanding balance in the amount on that date, using the term "new balance," accompanied by the statement of the date by which, or the period, if any, within which, payment must be made to avoid additional finance charges.

NUMBER OF TIMES EACH YEAR EARNINGS ARE COMPOUNDED

Truth-in-savings

6(a)(5) The number of times each year earnings are compounded;

Truth-in-lending

Not applicable.

ANNUAL PERCENTAGE YIELD

Truth-in-savings

6(a)(3) The annual percentage yield:

4(c) Annual percentage yield is the amount of earnings which accrue in one year to a principal amount of $100 as the result of the successive applications of the periodic percentage rate at the end of each period to the sum of the principal amount plus any earnings theretofore credited and not withdrawn during that year, and may be referred to as the APY.

Truth-in-lending

Not applicable.

PERIODIC PERCENTAGE RATE

Truth-in-savings

6(b)(3) The periodic percentage rate:

4(a) Sec. 4 (a) Periodic percentage rate is the rate applied each period to the principal amount for that period to determine the amount of earnings for that period and may be referred to as the PPR.

(6(a)(4) The periodic percentage rate and the method used to determine the balance to which this rate will be applied.

Truth-in-lending

226.7(b)(5) Each periodic rate, using the term "periodic rate" (or "rates"), that may be used to compute the finance charge (whether or not applied during the billing cycle), and the range of balances to which it is applicable.

METHOD USED TO DETERMINE BALANCE TO WHICH RATE IS APPLIED

Truth-in-savings

6(a)(4) The periodic percentage rate and the method used to determine the balance to which this rate will be applied.

6(b)(4) The principal balance to which the periodic percentage rate was applied, and the method by which that balance was determined;

Truth-in-lending

226.7(b)(8) The balance on which the finance charge was computed, and a statement of how that balance was determined. If the balance is determined without first deducting all credits during the billing cycle, that fact and the amount of such credits shall also be disclosed.

DATES EARNINGS PAYABLE OR FINANCE CHARGE ASSESSED

Truth-in-savings

6(a)(6) The dates on which earnings are payable:

Truth-in-lending

226.7(b)(9) The closing date of the billing cycle and the outstanding balance in the account on that date, using the term "new balance," accompanied by the statement of the date by which, or the period, if any, within which, payment must be made to avoid additional finance charges.

OTHER CHARGES

Truth-in-savings

6(a)(7) Any charges initially or periodic made against any deposits;

6(b)(5) Any charges made against the account during the period covered for purposes of computing the payment of earnings and making the report;

Truth-in-lending

226.7(b)(4) The amount of any finance charge, using the term "finance charge," debited to the account during the billing cycle, itemized and identified to show the amounts, if any, due to the application of periodic rates and the amount of any other charge included in the finance charge, such as a minimum, fixed, check service, transaction, activity, or similar charge, using appropriate descriptive terminology.

OTHER FACTORS AFFECTING YIELD

Truth-in-savings

6(b)(6) Any other terms or conditions which increased or reduced the earnings payable under conditions as disclosed under item (1) or (3) of subsection (a).

Truth-in-lending

Not applicable.

Source: *Truth-in-Savings* (Section S. 1052 or H.R. 4985) and *Truth-in-Lending* (Section of Regulation Z).

TRUTH IN SAVINGS—COMPARATIVE ANALYSIS

	Hartke (S. 1052) and Roy-Sullivan (H. 4985)	*Sec. 106 of Financial Institutions Act of 1973 (S. 2591)*
COVERAGE		
Scope	*Broad.* Includes all who in the regular course of business receive and hold or issue individual savings deposits and pay earnings. (3)(6)	*Limited* to insured and member banks and savings and loans. Not applicable to credit unions nor to all of those savings institutions not now regulated. (e)(2)
Exclusions	Listed 3(b)(1)(2) & (3)	Same list
DEFINITIONS		
Earnings	All-inclusive definition 3(4)	Not defined, but term is used (a)(1)(2) & (3)
Periodic Percentage Rate	Defined 4(a)	Not defined yet used to define annual percentage rate and yield (a)(3)(A) & (B)
Annual Percentage Rate	Defined 4(b)	Same definition (a)(3)(A)
Annual Percentage Yield	Defined 4(c)	Same definition (a)(3)(B)
Regulations	Issued by Federal Reserve Board 5	Same, after consultation with others (e)(1)
DISCLOSURES		
Disclosure upon request of only any individual	Full disclosure in writing of all information required at the time initial deposit is made (6)(a)	No provision
Disclosure—at the time funds are initially placed	All the information with respect to the individual savings deposit being opened (6)(a) (1) annual percentage rate (2) minimum length of time (3) annual percentage yield	Information with respect to *all of the types of* interest-bearing deposit accounts offered at that time *by such institution.* (A) same (B) same No provision for APY

(4) Periodic percentage rate and the method used to determine the balance to which this rate will be applied	No provision for PPR No provision for disclosure of method of determining the balance eligible for earnings.
(5) the number of times each year earnings are compounded	(C) same
(6) the dates on which earnings are payable	(D) same
(7) any charges initially or periodicaly made against any deposits	(E) same
(8) any terms or conditions which increase or reduce the rate of earnings payable as disclosed under items (1) and (3); and	(F) same, with elimination of reference to (1) and (3), comparable, but incomplete: "Any terms or conditions which increase or reduce the rate of earnings payable; and
(9) any restrictions . . . penalities . . .	(G) same

Disclosure . . . Annually and at the time any earnings report is made in person or by mailing to the depositor's last known address

6(b) same as above	(a) (2) same as above
(1) the amount of earnings paid	(A) same
(2) the annual percentage rate	(B) same
(3) the periodic percentage rate	no provision
(4) the principal balance to which the periodic percentage rate was applied, and the method by which the balance was determined	no provision no provision
(5) any changes . . .	(C) same
(6) any other terms or conditions which increased or reduced the earnings payable under conditions as disclosed under (1) or (3) of subsection (a)	(D) same, with elimination of all words beginning with "under conditions . . ."

10-day notice of change

6(d) no notice required if change is directed by a regulatory authority	(b) no exemption

Disclosures in Advertising

Sec. 7 (Note: Since the yield must be disclosed for every type of account, the advertised yield for account should be no different from the manner in which it is calculated.)	(c) (1) differs only in its treatment of the annual percentage yield—The yield *need not* be disclosed. But the yield may be disclosed provided that it be "calculated in the same manner in which interest is credited to the account for one year".

Administrative Enforcement

Sec. 8. Consistent with the broad scope and utilizes language comparable to Truth in Lending	(e) (2) consistent with the limited scope

Civil Liability

Sec. 9	(f) same with the addition of assessing the liability as "(A) twice the amount of interest in connection with the transaction, that the liability under this paragraph . . ." The limits are the same as under S. 1052 and H. 4985.

Other Provisions

Sec. 10 Criminal liability for willful and knowing violation
Sec. 11 Views of other agencies
Sec. 12 Effect on other laws
Sec. 13 Report to Congress

SUMMARY

In summary, the two measures are quite similar. They differ significantly, however, in their concepts of the needs of consumers:

(1) The consumers' need for full information about available types of savings in order to make a knowledgable decision about where to save, and whether to shift savings with changing conditions.

(2) The consumers' need to have access to the accounting mechanics so they can verify their records.

Specifically, Sec. 106—

Fails to give the consumer information *until* the initial deposit is made.—And then it strangely requires information about *all* the other types of savings offered by that institution. Thus information is disclosed *after* the consumer has made the savings decision, and not *before;*

Fails to give the consumer full information:

—the yield, which portrays the effect of compounding, is not required.

—the periodic percentage rate and the balance to which it is applied are not mentioned. Both are useful because they alert the consumer to ways of getting maximum benefit from the account and whether the account type is *incomprehensibly* complex. The periodic percentage rate is the "unit price" for time-money.

Fails to cover *all* savings plans. Credit unions are not covered. Finance companies and other offering debentures, certificates and countless other forms to attract savings will be free of comparable regulation. As a result, the consumer will continue to be confused by the myriad of terms and unable to weigh the merits of competing options.

Richard L. D. Morse, Department of Family Economics, Kansas State University, Manhattan, Kansas 66506, January, 1974.

THE POLITICAL ROLE OF THE MEDIA

Mr. GOLDWATER. Mr. President, I am certain Members of this body know that I cannot possibly be classed as a full-time advocate or a supporter of the opinions published by Columnist Joseph Alsop. In fact, down through the years I suspect that I have opposed more of his opinions than I have supported. Be that as it may, I want to go on record right now as endorsing Mr. Alsop's column of June 14 which was published in the Washington Post under the headline "The Political Role of the Media."

In effect, what Columnist Alsop had to say was that if the U.S. Government loses the valuable services of Secretary of State Henry A. Kissinger, it will have only the American press to blame. He added:

> The plain fact of the matter is that we now have in Washington, not just a double-standard, but a triple standard. You have to begin right there to understand the resulting orgies of hypocrisy. And the first part of this triple-standard for public judgment of public men concerns the political role of the press or media.

Mr. President, I believe that at a time when the American people should have been giving Henry Kissinger a ticker tape parade down Fifth Avenue in New York, the insensitive members of the Washington press corps were busily engaged in an operation of nitpicking and asking the Secretary of State whether he had hired an attorney to defend him against possible charges of perjury. It was a thoroughly disgraceful performance. Mr. President, I ask unanimous consent to have this column printed in the RECORD at this point in my remarks.

There being no objection, the column was ordered to be printed in the RECORD, as follows:

THE POLITICAL ROLE OF THE MEDIA

(By Joseph Alsop)

It is a time to stop being mealy-mouthed. If the U.S. government loses the invaluable services of Secretary of State Henry A. Kissinger, the enormous, Watergate-induced self importance of the American press will be to blame.

If the U.S. dollar—your dollar and my dollar—loses a lot of its value on the world markets; and if American foreign policy also joins American economic policy on the dung-heap of disorder, you can thank your friendly media.

The plain fact of the matter is that we now have in Washington, not just a double standard, but a triple standard. You have to begin right there to understand the resulting orgies of hypocrisy. And the first part of this triple standard for public judgment of public men concerns the political role of the press, or media.

It is the smarmiest kind of hypocrisy to pretend that the press was not directly responsible for Dr. Kissinger's decision to resign his office unless his name could be promptly and decisively cleared.

On last Thursday, he had just returned from one of the greatest and most totally exhausting diplomatic feats in rather more than a century. The secretary was being very modest if he merely thought he had "deserved well of the Republic"—in the phrase of old Rome.

His reception was a savage and disgusting press conference, during which he was treated like a common criminal. At one point, one of his interrogators even suggested that he might well be indicted for perjury, and bellowingly inquired whether he had already retained counsel to represent him in case of a perjury indictment. To be sure, only a minority thus disgraced the formerly honorable reporter's trade.

Yet in the subsequent commentaries, the members of this minority were never rebuked by their colleagues. Instead, Dr. Kissinger was rebuked. The climax came on the evening of Monday, when The New York Times hit the streets with an editorial accusing Dr. Kissinger of "dissembling" in tones majestically combining self-righteousness and pecksniffery. Telegraphed to Salzburg, the editorial promptly triggered Dr. Kissinger's press conference and resignation statement on Tuesday.

Those are the plain facts. What has happened cannot be comprehended without those facts. Yet this reporter has seen no account of Dr. Kissinger's threat to resign that has set forth the facts either fully or forthrightly. Over all, it seems a mite odd for the major political role of the press to be left out of the accounting, when we have taken to holding our public men so strictly accountable.

This is the first part of the prevailing triple standard in Washington. As to the other part that justifies the word, "triple," it is simple enough. Dr. Kissinger has in fact been accused of "dissembling," and has even heard the word "perjury" hurled at him, because of a crucial national security matter involving less than a score of wiretaps. Under the law, such wiretaps are entirely permissible for national security purposes.

One wonders, then, why it was so shocking for a servant of the Nixon administration to worry about national security to the extent of knowingly approving under a score of wiretaps. After all, national security wiretaps were very much more numerous in the Truman administration, and they were vastly more numerous in the administration of President Kennedy.

This reporter, with a known three wiretaps to his credit, all pre-Nixon, has long held the doctrine that if you have not been tapped, you have been slacking on your job. As to the Johnson administration, President Johnson sensibly did not trust the late J. Edgar Hoover—so he had the Secret Service do the tapping for him, again on a major scale. In short, the servants of the Nixon administration are plainly being judged by different tests than those that prevailed in happier times.

So we come back to the Watergate induced self-importance of the American press that was noted at the outset, noting this is not meant to detract for one moment from the great achievement of exposing the crimes and squalors that now go by the name of Watergate.

Yet it seems this success has now led to a new and dangerous situation. Some people have now openly begun to follow the rule: "I'll be judge, I'll be jury," said Cunning Old Fury; "I'll try the whole cause, and condemn you to death."

Meanwhile Sen. J. William Fulbright, who has seen more than mere leaked bits of the total data, is reportedly confident that Dr. Kissinger did *not* dissemble when he appeared before the Foreign Relations Committee. Furthermore, even with Cunning Old Fury, one supposes that some vague notions of national interest usually prevailed.

1974 CROP OUTLOOK NOT ENCOURAGING

Mr. CLARK. Mr. President, about 2 months ago, the prospects this season for a record grain crop in Iowa and other States were good. Then, farmers were concerned about the shortage of fertilizer and the high prices caused by the shortage. But they were still optimistic—Government reports of unprecedented demand for their product throughout the world made them feel secure in any investment.

Two months ago, much of the land already had been prepared by fall plowing, and farmers had begun to plant corn.

Then, the rains came. And the effect has been devastating. The rains washed fertilizer, seed and topsoil into and onto the bottom lands. Miniature gullies formed between corn rows on the hills, and up to 24 inches of silt covered seeds planted in the lowlands. Not only was a large portion of the planted crop destroyed, but future crop production has been threatened by the loss of valuable topsoil.

By last week, 60 days after corn planting started—30 days after soybean planting started, farmers in Iowa were faced with a very wet and depressing picture.

To get a better idea of the effect of the heavy rain, I met with about 20 people earlier at the Federal Building in Des Moines last weekend to discuss the magnitude of the problem and what was being done to provide relief. Everyone there—farmers, bankers, businessmen—expressed very real and very justifiable concern. A primary reason for that concern is that there is virtually no Federal assistance to farmers who have been hit hardest by the weather. The farmer who carries Federal Crop Insurance for protection against such heavy rains now finds that corn must be planted by June 5 and soybeans by June 25 before that acreage will qualify under the insurance program. And because of the rain, more than 10 percent of the Iowa corn crop had not been planted by June 5.

Almost all of the potential benefits of the highly publicized disaster clause written into the feed grain title of the Agricultural Act of 1973 was eliminated by the Department of Agriculture's interpretation of the act. USDA has encouraged farmers to plant a maximum corn acreage. In Iowa, farmers responded by planting 13.2 million acres; but, at the same time, USDA set the allotment on which the disaster guarantee attaches at 68 percent of the 1973 base—about 10 million acres. As a result, more than 3 million acres of corn are not covered by the disaster clause. A similar subversion of the harvested guarantee for corn growers practically eliminates any possibility of measureable relief for corn producers. The act contains no provision at all for helping the soybean producer.

At that meeting, we also considered the long-term effect of the torrential rains and flooding. About half of the counties in Iowa have lost an average of 50 tons an acre of topsoil—with losses of up to 200 tons an acre in the most severely hit areas.

Sod waterways, dams, terraces, and other erosion control structures have been damaged or destroyed. The State ASCS office has received cost sharing requests amounting to $660,000 for debris and silt removal from six county disaster committees. ASCS anticipates requests from another 14 or 15 counties totaling $1,800,000 in cost sharing authority.

Once cost sharing is authorized, the work still must be done and conservation contractors face the same problems as farmers when it comes to getting into the fields. Not much repair work or new construction has been accomplished this year. Given the fact that so much conservation work needs to be done to maintain the productive capability of the land, I will introduce legislation next week to extend by 1 year the time for farm owners and tenants to earn cost sharing under the 1973 program.

The Governor of Iowa has requested a Federal disaster designation for 42 counties in Iowa to prepare the way for emergency assistance. Hopefully, there will be an affirmative answer to his request soon.

Many, many farmers in Iowa are discouraged and disgusted. Economic disasters in the livestock and poultry industries have many of them on their knees. Many more must spend the profits from last year—and then some—just recovering from 6 weeks of rain and flood. Grain prices are reasonably good but the crop is late and spotty.

In the meantime, it seems the Federal Government has turned its back on the agricultural community.

Administration officials have testified in the last few days against emergency operating loans for the livestock industry.

The target price on corn is 60 cents a bushel below the cost of production.

The price support loan rate on corn is at 43 percent of parity.

The administration has encouraged planting "fence to fence" with vague promises of lucrative "free" markets but so far has failed to demonstrate that those markets really exist.

And now that the topsoil of Iowa has been ravaged by nature and years of conservation work have been destroyed, the Federal Government is slow to produce the necessary assistance.

An article in the Wall Street Journal of June 18 accurately describes the 1974 corn crop situation. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Wall Street Journal, June 18, 1974]

CORN HARVEST COULD BE MUCH SMALLER THAN EXPECTED BECAUSE OF HEAVY RAINS

(By Norman Fischer and Gene Meyer)

CHICAGO.—That 6.7 billion-bushel corn crop you've heard Agriculture Secretary Earl L. Butz talking about has been canceled because of rain.

In fact, at a time when corn should be just about knee-high, many of the nation's cornfields are still unplanted. "My field's under water," says an Effingham, Ill., farmer, echoing the laments of corn growers in his state as well as in Iowa and Indiana, which together provide nearly half of the country's corn.

Wet and cold weather in those states and only moderately better conditions in some other parts of the Corn Belt have produced a universal gloom among farmers, crop analysts, agronomists, and others surveyed by The Wall Street Journal. "We've got a snowball's chance in hell of getting a 6.7 billion-bushel corn crop," one disgusted grower says.

The consensus emerging from the survey is that only good growing conditions from now through harvest time will produce a crop of even six billion bushels. That would still top last year's record crop of 5.6 billion bushels but would be well under the government's public projections and, many observers think, less than the amount of corn needed to brighten the profitability of producing meat, poultry, eggs and milk. Corn is the most important feed ingredient in producing these foods, and feed accounts for 60% to 75% of total production costs.

CURTAILING OUTPUT

At worst, analysts say, the present abundant supplies and lower prices of meat, eggs and cheese could vanish next year. High costs and slack demand have already caused producers to curtail output. Just last week the government reported that as of June 1 there were 16% fewer cattle being fattened than a year earlier, and that the number of animals placed on feed during May plummeted 40% from May 1973. (More cattle are being grass-fed until they are shipped to market, by-passing the feedlots.)

Government inflation fighters are banking on a bin-busting crop to reduce feed costs. No one wants to say it for publication, but a few analysts believe there is an outside chance that this year's corn crop won't even match last year's. At least, observers in Iowa, Illinois and Indiana say production in their states could be down this year. A lower total crop this year would deal a severe blow to hopes for increased meat, milk and egg production and thus to prospects for lower or at least only moderately rising food prices next year.

To be sure, some observers, buoyed by good weather and above-normal planting progress in Ohio, Nebraska and parts of Minnesota and South Dakota, say the corn crop could be as high as 6.2 billion bushels. These same people say that even a six billion-bushel crop might mean lower corn prices, at least for a while, because there will be fewer animals around to eat the corn. A hog consumes about 15 bushels of corn before reaching maturity, for example, and some livestock analysts figure that for the rest of the year there will be 10% fewer pigs chomping corn than in the same period last year.

Even so, the present outlook is in marked contrast to the mood in early May, when good weather both then and last fall (allowing a lot of advance plowing to be completed) got corn planting off to a fast start. Planting on May 12 was 52% completed, compared with 30% a year earlier and a normal completion rate on that date of 40%.

WATER, WATER EVERYWHERE

Then the rains came.

In Effingham, Ill., for example, about 15 inches of rain fell between May 14 and last Thursday. In roughly the same period in Iowa, up to seven inches fell in a 75-mile wide band extending through the heart of the state. "You get a half-day of sunshine and spend the rest of the week looking at the calendar," one farmer grumps.

Though some growers simply planted around the water holes, much planting was delayed. In addition, rain washed away a lot of seed that was already in the ground, necessitating replanting. Some farmers have planted the same fields three times.

Robert Lounsberry, Iowa secretary of agriculture, estimates that about 93% of the state's corn was in the ground before the rains hit. But as much as 15% of that was lost, he says, putting planting progress in the state behind last year, when wet weather also was a problem. Similarly, Indiana and Illinois plantings are now behind last year's rate.

In all, about 1.8 million acres were lost for corn planting this year, the National Corn Growers Association estimates. That's because many corn growers have decided it is too late to plant corn and are switching to soybeans and to sorghum, another feed grain. As a result, this year's corn acreage is likely to increase by perhaps 6% over last year, compared to the 10% the government has been hoping for.

DELAYS LOWER YIELDS

But the acreage loss isn't as worrisome as the loss of yield that results when corn is planted too late. Corn growers traditionally estimate that yield in many areas is reduced a bushel an acre for each day after May 15 that a field is planted. An Illinois agronomist says yields in the state are reduced 15%-20% if plantings are made in late May and another 15%-20% if planting is delayed until June.

"So corn that would have yielded 130 bushels an acre if planted in early May will yield about 80 bushels if it's not planted until June," the agronomist says.

Missing much of the prime early-growing season isn't the only reason yields will be down, however. A good deal of the additional acreage planted this year is marginal land that can't yield as much under the best of conditions. Fertilizer shortages have occurred in some areas and even where fertilizer has been available, the oxygen in water standing on fields has reacted with the fertilizer's nitrogen, neutralizing the effectiveness of the nutrient. An increasing number of farmers reportedly are discovering yellowish plants in their fields, one of the symptoms of nitrogen deficiency. In addition, a lot of the late plantings will consist of early-maturing corn that simply yields less.

All this means that "there's just no way we can come up with that bumper corn crop," says Mr. Lounsberry, the Iowa secretary of agriculture.

PROBLEMS OF EROSION

Government analysts based their projections of a 6.7 billion-bushel crop on expected average yields of 97 bushels an acre, nearly matching the record 97.1 bushels yielded in 1972, and up from 91.5 bushels last year. But the National Corn Growers Association says the yield will be closer to 89 bushels an acre. (That would result in a total crop of just 5.95 billion bushels, the association says.)

Some corn-growing areas have rain-caused problems that extend beyond this year's crop: erosion that threatens the soil's longer-term productivity. "Erosion in Iowa fields during May was the worst in 25 years," says Wilson T. Moon, the state's conservationist. In some cases, as much as 200 tons of soil an acre may have washed away, he says. Erosion of 10 tons of soil an acre generally is considered severe.

The changing prospects for the corn crop have been reflected in corn prices. The excellent early-planting weather caused prices for "old-crop" corn to retreat to \$2.53½ a bushel in early May from February's near-record high of \$3.34 a bushel. Since May, prices have rebounded to about \$2.90 a bushel and could reach \$3 a bushel before long, analysts say. That's a far cry from the \$1.75 to \$2 a bushel some people were predicting when crop hopes were high.

Looking ahead, farmers agree that the worst thing that can happen is for the heavy spring rains and cool temperatures to be followed by very hot and dry weather in July and August. The abundant moisture presently in the soil would enable the crop to withstand moderately dry weather, but drought conditions "would cause the corn market to explode," one analyst says.

The growing concern about the new crop comes when the amount of corn left over from last year's crop is expected to be the smallest in 26 years. That's based on the government's estimate of a 463-million-bushel carryover; private forecasters say the carryover could be as low as 350 million bushels—about a three-week supply.

Faced with all the obvious negative factors, "a lot of farmers and government people are seeking reassurance in the old adage that you never have short crops because of rain," one crop analyst says. "I hope they're right, but this year might be the exception."

VETERANS' LEGISLATION

Mr. HOLLINGS. Mr. President, today there are 309,000 veterans living in South Carolina, nearly 80,000 of them Vietnam-era veterans. Historically, America has recognized the debt she owes to veterans by providing benefits and services which have allowed them to readjust to civilian life and contribute effectively to their community. However, in recent years inflation has eroded the effectiveness of most of our veterans programs. I believe it is high time we renewed our commitments to all veterans by providing benefits and services equal to those received by veterans of 25 years ago.

As a result of the readjustment problems that are being encountered by veterans returning from Southeast Asia, Congress is becoming more responsive to the plight of all veterans. This has led to the enactment of several important pieces of veterans' legislation and offers the promise of further improvements. I would like to highlight some congressional efforts and accomplishments in areas of major concern to veterans—education benefits, medical services, pensions, and compensation.

EDUCATION BENEFITS

Educational assistance programs under the VA have been a tremendous success for veterans and a boon to the country. More than 5 million veterans, including myself, have been educated with VA assistance. Last year alone, 30,000 South Carolina veterans participated in the program. However, spiraling inflation has undercut education benefits, causing many veterans to drop out of school before earning their degree.

Therefore, I was extremely pleased to see the Senate approve overwhelmingly,

S. 2784, the Vietnam-era education bill. This legislation goes a long way toward updating education benefits for veterans and puts them on a par with veterans of earlier wars. The Senate-passed bill which I cosponsored calls for an 18-percent increase in benefits, direct tuition assistance to veterans, extension of the delimiting period from 8 to 10 years, extension of benefits eligibility from 36 to 45 months, and low-interest loans for veterans attending high-cost schools. I firmly believe enactment of this legislation will represent a prudent investment in our veterans and in the future well-being of our country.

MEDICAL SERVICE

The Veterans' Administration operates the largest medical care system in the country. Last year 1,118,000 veterans received VA medical care. In spite of its size, VA facilities are still faced with a severe shortage of beds. In South Carolina we hope to alleviate these shortages with the construction of a new bed building and a modernization program at the Columbia VA hospital complex. As a member of the Senate Appropriations Committee I will be fighting for a $21 million funding of this project which could mean over 400 new beds before the end of fiscal year 1975.

The Veterans Health Care Expansion Act became law last August. This legislation expands coverage for medical care and treatment by a cost-sharing contract to spouses and dependent children of the veterans with total service-connected disability, and to widows and dependent children of veterans who died from service-connected disability. It also extends eligibility for VA outpatient care and medicines, and provides a program for sickle cell anemia screening. A final provision authorizes an independent in-depth study aimed at improving staff-to-patient ratios in VA medical facilities and directs the Administrator to maintain the bed and treatment capacities of all VA facilities so as to insure the accessibility and availability of such beds and treatment capacities to eligible veterans and to minimize delays in admissions and in the provision of medical care and services.

I believe the legislative authority and funding exists to allow the VA medical organization to become a highly efficient system of health care. But for this to become a reality we must have quality leadership by the Veterans' Administration in Washington. I hope this leadership will evolve as upcoming changes in the VA are made.

PENSIONS AND COMPENSATION

Last year, the veterans pension system provided $2.5 billion in benefits to veterans and their survivors. In spite of these large outlays the pension system has not kept pace with the cost of living. In fact, recent increases in social security have resulted in some veterans having their pension reduced and others losing it all together. Last year, we in the Senate passed a bill to raise the income limitation for pensions, thereby allowing veterans to benefit from the social security increase without paying for it from their pension. This measure was opposed by the administration and the House and therefore was dropped in favor of a simple 10-percent pension increase. The VA and the House of Representatives and the Senate Veterans Affairs Committees are presently working on a comprehensive pension reform measure, but in the meantime I have again cosponsored legislation to raise the income limit.

On May 31 of this year the Congress completed action on legislation increasing disability compensation and survivor benefits. This law provides a 15- to 18-percent cost-of-living increase to all service-connected disabled veterans and widows and children receiving dependency and indemnity compensation. I was a consponsor of this bill, because I know of no one more deserving of support than a veteran who has suffered a permanent disability in defense of his country.

I believe the results I have reviewed represent the beginning of a firm commitment by Congress on behalf of our veterans. I expect to see a continuation of this trend until our commitment is fulfilled.

DR. WILLIAM H. CORNOG

Mr. PERCY. Mr. President, I should like to pay tribute to Dr. William H. Cornog, retiring superintendent of New Trier Township High Schools, for his distinguished 19 years of service to New Trier students, faculty, parents, and alumni.

No one could attend New Trier, as I proudly did, without wanting to continue close ties with the school. Even though Dr. Cornog was not superintendent when I attended, I appreciated his gracious and cordial invitations to return time and again for various events, to participate in student assemblies, to view the progress of such new developments as educational television and to participate in the dedication of New Trier West. But most importantly was an opportunity to observe firsthand that the standards of quality and excellence that have always distinguished New Trier as one of the best, if not the best, public high schools in the United States were being maintained. Its outstanding student body, effective administration, gifted faculty, and loyal alumni have helped establish new standards of excellence for other secondary schools to emulate. To Dr. and Mrs. Cornog, we all extend our deep appreciation and best wishes for their retirement in Santa Fe, N. Mex.

I ask unanimous consent that an article about Dr. Cornog from my hometown newspaper, Wilmette Life be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

RETIRING SUPERINTENDENT DR. CORNOG LOOKS BACK ON 19 YEARS

(By Leslie Ator)

On his paneled office wall hangs a modest wooden plaque that Dr. William H. Cornog, 65, retiring superintendent of New Trier Township High Schools, may be as proud of as his Phi Beta Kappa key.

Nineteen years of New Trier's students, faculty and parents should be grateful to the source of that plaque—Central High School of Philadelphia—Cornog's alma mater and the school he guided as president before he came to New Trier in 1955.

The tall, wavy-haired admirer of Charles Dickens, and eight other distinguished graduates were honored by other Central alumni in a "Hall of Fame" ceremony last September.

"My four years at Central gave me intellectual stimulation and directed me," Cornog said in an interview recently. "I learned my limits—pretty well off in languages, not bad in math . . . and I knew I'd never be an architect or an artist.

"I believe it is important to learn not only what your talents might be, but what your limits are," he added. "There is a kind of educational philosophy that says, "Everybody wins; nobody loses."

"This is not any more true of education than it is of life. You have abilities in one direction, you don't in another. You cultivate the abilities you have and you cut your losses in the other respect.

"Some people believe that failure is inevitably damaging. I believe that it can be instructive."

Thus stands part of the philosophy of the complex man who has guided New Trier through the late '50s, all of the '60s, and the early '70s—years of dramatic growth and academic and cultural excellence.

Another Cornog belief is that one key to motivating young persons is "being there" when needed. Certainly Cornog practiced such availability to his students, faculty, school board, and other district residents.

"You could see him; he was around, not like some school officials or administrators who never let themselves be seen by the students," said Marian McQuiddy of Wilmette, a 1970 New Trier graduate and 1974 graduate in journalism, radio-television, film, and history from Purdue University.

"You could see him at plays and basketball games, and he listened to the school FM radio station, WNTH; he would stop people in the hall and comment on their programs."

Stephen Peyton of Evanston, a New Trier student in the mid-1960s and now a doctoral candidate at the University of Chicago studying philosophy and the history of culture, remembers discussing books with Dr. Cornog in the administrator's office.

"I found there was something in these casual meetings that was lacking in many other 'educational experiences,'" Peyton said in a letter he sent to New Trier East recently. "Perhaps it was more real life in books than most other classes could disclose, or that reflection about one's reading could be so articulate—perhaps simply that there was reflection. These were cherished occasions."

"In the 19 years I've been here, my problem has been growth: in the numbers of courses, the varieties of services, the faculty, the students (from 2,865 in 1955 to the current 6,500-plus), the salaries and the fringe benefits," said Dr. Cornog.

"And now my successor, Dr. (Roderick N. Bickert, faces a quite different situation. It will be a scenario of retrenchment: diminishing resources and a gradually reduced student body and staff." In seven years, he added, enrollment is expected to be down to about 5,600.

"If we have to face a few more years of this ghastly inflation, our personal lifestyles will go on changing; if our personal lifestyles are going to change, certainly our institutional lifetstyles are going to change. We won't be able to supply the New Trier education we have supplied in the past.

"The basic problem before the (school) board and the community is: How shall we preserve and advance the 'unique excellence' of the New Trier High School at the costs of our available resources?" wrote Dr. Cornog in a newsletter sent to New Trier parents this week.

Looking back at achievements at New Trier under his leadership, Dr. Cornog listed the special education program, started in 1958 "long before the state mandated it," educational television, "which leads the field throughout the country," and the advanced placement program, begun at the school in 1955. "But 'innovations' here is the wrong word," he said. "One has to realize that the school is constantly renewing itself."

One of the developments during his years that he is proudest of is the seven-year-old New Trier West campus. "It was a struggle to get the site," he recalled. "People didn't believe that we would grow as quickly as we did or that we could create a second New Trier with the excellence of the first.

"We had a referendum for the site; it failed. We could have had these 45 or 46 acres for $800,000-$900,000. The next year, the proposal passed and we had to pay $1.8 million." A citizens committee had helped promote the proposal.

"And the standards didn't have to be lowered at West," Cornog said. "Some of the East faculty was allowed to come out here."

To achieve what Cornog likes to call New Trier's "uniquely excellent education," you have to make sure you have a creative faculty," he said.

"New Trier has attracted men and women not only with a high degree of competence, but with a kind of imaginative drive. The climate here hasn't allowed anyone to relax, to do the same things year after year."

"Dr. Cornog is one of the quick ones to throw back the credit," said Miss Blanche Veach, adviser chairman for freshmen girls, who is retiring also this spring. "Yes, I think he's right—it is an outstanding faculty . . . but he's been an outstanding superintendent who is nationally known . . . and we as a school and a faculty have been nationally recognized because of him."

With its great diversity of programs and services, New Trier has "not bought packaged innovations in general from the educational industry," Dr. Cornog said. "This means we don't innovate unless we can do it. There has been pressure to adopt the new thing; I guess some people think we're arrogant, because we say, 'We'll do it; we'll shape our own destiny.' "

The school has "many gifted students gifted in many different ways and not just intellectually, but in art, music, drama, the technical arts, and in serving their fellow man. The privileged backgrounds of these kids allows them to have music, books, art, and considerable travel outside school. And the elementary districts feeding into New Trier do a first-rate job."

There is a drop in the number of New Trier graduates who go directly to college; 80 to 85 percent today versus 90 to 92 percent a few years ago, Cornog said. But this is seen throughout the country, he added, and is caused by inflation and the wish to have job experience or to travel before college.

After retiring June 30, Dr. Cornog and his wife, Ruth, a graduate in music whom he met when he taught her composition class at Northwestern University, will move to Santa Fe, N.M. There, he plans to have a long rest, fish, take color photographs, write in the field of educational philosophy and someday perhaps teach English at the college level.

The Cornogs are the parents of Michael, 33, headmaster of Dublin (N.H.) School; Gary, 31, associate director of admissions at Columbia University, New York, and Evan, 21, who will be graduated this month from Harvard University, Cambridge, Mass., and the grandparents of Sarah, 1½.

TAX REFORM

Mr. HUDDLESTON. Mr. President, at the time I was elected to the Senate in 1972, I said that one of the greatest needs facing this country was to bring about true tax reform that would do at least two things: provide some relief for the victims of recordbreaking inflation, and restore as much equity as possible to our tax system.

And as I said during a recent colloquy on tax reform with the Senator from Maine (Mr. MUSKIE), one of my greatest disappointments since taking office has been that we have done so little in the way of meaningful tax reform. It seems that every candidate and every party promises tax reform, but somehow those promises never get delivered.

Mr. President, this frustration is illustrated by a letter I received a couple of weeks ago from a rather irate taxpayer. It was short and to the point: "You have talked a lot about tax reform, and so has every other politician, but what have you done about it?"

There are literally millions of American taxpayers who feel the same way. They have heard everything possible about tax reform except that it has occurred.

I realize that our undertaking here this week could turn out to be a largely symbolic exercise—especially if the House remains unreceptive to true tax reform. But even if that is the case, the effort needs to be made. We need to demonstrate to the House Ways and Means Committee and the Nixon administration that the American people do indeed support and desire a genuine reform of our tax system.

Taken together, the tax reform proposals which have been made would—if adopted—constitute the most meaningful and comprehensive tax reform package approved by the Congress in decades. And it would be a package that the American people would applaud.

Let me cite a few provisions which I think are especially important to any overall tax reform package.

I support the modest Kennedy-Mondale tax cut proposal. This amendment would increase the personal tax exemption from $750 to $825, or give the taxpayer an optional $190 tax credit. Like everyone else in this body, I have heard the administration's argument against a tax cut; namely, that it will cause inflation.

My response to that is: Inflation is already here—and at record levels. The double digit inflation which now hits the American taxpayer is canceling out any wage increases he might receive, it is devastating to the retired persons who live on a fixed income, and the middle-income taxpayer must struggle harder to make ends meet at the end of the month.

Besides, I would cite a recent study by three economists of the Brookings Institution which concluded that a modest tax cut along the lines of Kennedy-Mondale would have a negligible effect on inflation, while at the same time preventing a further increase in unemployment. I would also cite a Treasury Department study last year which reached pretty much the same conclusion, but which the administration now disowns. I would also point out that the revenue loss from such a tax cut would be offset by tax reform proposals which are part of the reform package now under consideration.

So I think a modest tax cut is not only desirable, I think it is essential.

Repeal of the Domestic International Sale Corporation—DISC—provision which gives special tax treatment to corporations doing export related business. This provision costs the Treasury about $740 million annually.

Repeal of the Asset Depreciation Range—ADR—enacted in 1971 to encourage economic growth, that allows corporations to depreciate real property up to 20 percent faster than normal. Cost to the Treasury: $1.4 billion.

Strengthen the minimum income tax on tax-sheltered income by reducing the $30,000 exclusion to $10,000 and by eliminating the deduction for other Federal taxes paid before applying the minimum tax. The result of the latter provision has been to reduce the effective rate of the minimum tax from 10 percent to about 3 to 4 percent. Revenue gain: $860 million.

Repeal or at least modification of the oil depletion allowance, effective January 1, 1974. Revenue gain: $2.6 billion.

A substantial increase in the retirement income credit for retirees who receive little or no social security. This will provide more comparable tax treatment for the almost 1 million affected Americans with those on social security. This provision is already part of H.R. 8217, which will come up following the debt ceiling bill.

An amendment which I plan to offer to H.R. 8217 to provide an automatic cost-of-living adjustment in this retirement income credit for retired teachers, policemen, firemen, and others who do not receive tax-exempt social security. Without such an escalator, the retirement credit will once again be outdated—as is the case today.

The so-called single taxpayer equity amendment, which will equalize the tax treatment of 35 million unmarried Americans with married people by giving them the same benefits married people receive through income splitting.

An amendment to expand and extend deductions for child care and household care to working mothers and students.

An amendment to provide tuition tax credits for the expense of higher education.

The net effect of the aforementioned amendments as far as revenue is concerned—if all of them were adopted—would be a relatively modest loss of revenue. Most of the revenue loss, however, would be offset by increased revenue derived from closing tax loopholes and shelters.

Most importantly, however, the impact of these reforms would be to shift tax benefits away from the wealthy and huge multimillion dollar corporations and give them to individual taxpayers in the low- and middle-income brackets.

Thus, we would be restoring equity and giving tax relief to those who need it most.

Mr. President, these are the kinds of tax reform measures that must be enacted if we are to deliver on the long-standing promises that are made every year to the American people.

And I believe the enactment of such a tax reform package would help restore confidence in the institutions of government, public officials, and the Congress.

Mr. President, I sincerely hope that the Senate will have an opportunity to vote individually on all of these tax reform proposals. It would be tragic if we even failed to go on record on matters so vital to the American people.

SOUTHERN CALIFORNIA OFFSHORE OIL DRILLING

Mr. CRANSTON. Mr. President, last Friday in Los Angeles I held an informal meeting with Federal officials in charge of the proposed Outer Continental Shelf oil production program for the southern California area, and with representatives of cities and communities and environmental groups from this coastal area.

As part of his Project Independence, President Nixon has proposed that more than 1 million acres of Outer Continental Shelf lands off the coast of Los Angeles, Orange and San Diego Counties be opened up for exploratory oil drilling and, eventually, oil production.

There is no question that large quantities of oil lie off the coast of southern California. Some of the most prolific oil-bearing strata in the United States extend from the coastal plain out into the ocean. Oil is being produced onshore from these strata.

However, the entire coastal area from the northern reach of Santa Monica Bay to the Mexican border also is one of the most beautiful beach and ocean recreation areas in the United States. Millions of Californians and hundreds of thousands of tourists enjoy the swimming, surfing, skin diving, fishing, and boating every year.

Now this marvelous environment is being threatened by the proposed oil drilling in Federal waters.

Mr. President, I believe the Federal action is ill-conceived, hasty, and a serious environmental threat to the southern California coastal region. In addition, it could be a tragic economic mistake—an exploitation of one of the last of our remaining oil reserves which should be protected for future use.

At my meeting with public officials, residents, and environmentalists, there was unanimous opposition to oil drilling in this region. Only a representative of the oil industry spoke in favor of the project.

Mr. President, in the furor of news about Wategate, inflation, and world problems which flood us daily, it is easy to overlook or to forget the pressing importance of our energy and environmental problems. This oil drilling project is one of those problems that could be overlooked in the rush of other events.

I hope it is not, because what happens off the coast of southern California affects every American. The oil there belongs to every American. The beautiful ocean environment and beaches are available to every American.

So I have been trying through the meeting I held last Friday in Santa Monica and in other ways to call attention to the urgency of dealing cautiously with our energy-environment problems. Let us not rush in wildly and start tearing down our mountains and digging for oil on our beaches in a mad scramble to develop our dwindling resources. The watch word should be: Proceed with caution.

For that reason I have asked Secretary of the Interior Rogers Morton to delay further development of the southern California oil production project. The Bureau of Land Management already has made its recommendation for selection of tracts for oil company bidding. The machinery that is now in motion should be stopped until we have developed a national energy and resources policy that takes into account our short- and long-range needs, the development of new sources of energy, and the serious questions of use of our oil resources for conversion to electricity, for example, when other energy sources could be used.

Mr. President, I ask unanimous consent that three items dealing with this problem—an editorial from the Los Angeles Times of June 18, the text of my letter to Secretary Morton, and a press release and statement which I issued at my meeting in Santa Monica last Friday—be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Los Angeles Times, June 18, 1974]

A BETTER APPROACH TO OFFSHORE OIL

The Federal government is toughening its standards as it prepares for the possibility of new oil drilling off the Southern California shore. That is reassuring.

"We realize mistakes were made in the past," a senior official of the Bureau of Land Management told a Times reporter. "We're trying to do better."

Two things have happened that we like:

—There has been a slowdown in what had seemed precipitate action by the Department of the Interior to speed the offshore exploration.

—Tougher standards and a more objective search for facts seem to be going into preparation of the environmental impact report that will be the subject of autumn public hearings before any leases are signed.

There remains, nevertheless, a large unanswered question: Is this oil needed now?

The oil companies separately and the Western Oil and Gas Assn. collectively have failed to clarify the long-term implications for the West Coast of both the Alaska oil and the Southern California offshore oil. Is all this oil going to be consumed on the West Coast? If so, is the refining capacity adequate? If not, where is it going?

A long-range projection of supply and demand is required. Such a projection may well show that the nation cannot at this time absorb the vast resources believed to be under the ocean off Los Angeles. But it is evident from what is known of the world energy picture that there will be a need for this oil in the future. That justifies the present study of the potential of this supply and the safest way to tap the undersea fields. It is not too early to develop the environmental protections.

One of the most heartening aspects of the environmental study now under way is the consideration being given to making the operation invisible from shore. This would foresee the use of underwater facilities once the drilling had been completed, an advance that goes beyond existing technology but is regarded as within the capability of producers. Certainly if underwater facilities are not possible, then the near-shore development should be left to last and the initial development done beyond the horizon.

The hysteria caused in some circles by the supply crisis of last winter has passed. The problem of developing a reliable energy supply for long-term needs of the nation remains unsolved, however. It is encouraging that the search for solutions at least is proceeding with appropriate caution, at a pace more likely to take into account long-term requirements, and with an approach placing greater emphasis on environmental protection.

U.S. Senate,
Washington, D.C., June 12, 1974.

Hon. Rogers C. B. Morton,
Secretary of the Interior,
Washington, D.C.

Dear Mr. Secretary: I am writing to express my very deep concern about the proposed new oil drilling off the coast of Southern California and to request that you meet with local government officials and citizens groups to discuss federal plans for the oil development.

A number of organizations and public officials have contacted my office to request a meeting with you to provide them with an opportunity to express their concern about the oil drilling plans and what effect oil development could have on the coastal environment of Southern California. The State of California has banned oil drilling from most of the offshore and beach areas now designated for development in the federal waters beyond the state's three-mile tidelands boundaries. In addition, the state, under the 1972 Coastal Zone Conservation Act, now has a number of regional coastline commissions at work drawing up long-range plans for orderly development and preservation of the California coastline. It may be two or more years before those plans are finally adopted. Any move by the federal government to increase oil development along the coast could seriously compromise state planning efforts.

In view of the Administration's often-stated principle that states and local communities should be primarily responsible for land use planning, the proposed federal oil development off our coast presents your department with a fine opportunity to work with the state and local communities to accomplish the objective of an orderly, coordinated planning effort.

There is a special concern about the timing of this development because of repeated news accounts about an imminent announcement from your office on selection of tracts which will be put up for bid.

It is the feeling of many in this area, and I share this feeling, that the government has an obligation to discuss this proposal with local citizens and officials before further official actions are taken to effectuate it.

Oil drilling off our coast could have a devastating effect on the coastal environment, especially the beaches, as the Santa Barbara oil blowout demonstrated five years ago.

The prospect of another oil spill disaster affecting beaches that are used by millions of Southern Californians is not one which is taken lightly by officials and citizens who live here and use the beaches and the offshore waters for sailing, fishing, surfing and other activities.

I understand, of course, that there are detailed procedures established for official public hearings and time for preparation of impact statements and comment on those statements.

But what many Southern Californians want to express at this point is that there are strong objections to proceeding with oil development in these waters until certain conditions are met, and it is necessary for the government to know of these objections and concerns *before* the leasing program proceeds further.

There are many other serious questions beyond the environmental which I and other public officials and private citizens would like answered. For example:

1. There have been reports that the Alaskan oil development on the North Slope will actually create an oil surplus on the West Coast.

If that is true why is the Department of Interior rushing new oil development in Southern California? Where will this oil be processed or shipped to? Will it be exported to Japan or other foreign countries?

2. In addition to the Alaskan oil, the Administration proposed additional production from the Santa Barbara Channel fields where it is suggested that new units be opened up. In a separate letter, I have expressed my objections to further development in the Santa Barbara Channel. Are there refineries available for processing this oil? Where? How will it be shipped and stored?

3. If the Administration proceeds with its plans to lease 10 million offshore acres a year for oil development, how soon will U.S. oil reserves be exhausted?

4. Given the fact that oil is a finite, irreplaceable resource, should not this diminishing resource be reserved to the maximum degree possible for future use, pending development of alternate sources of energy which will relieve pressure on scarce oil supplies?

These are only four of many questions in the minds of many Californians who are concerned about preserving the very special environment with which this state has been blessed in the face of great population and developmental pressures.

Because of the Santa Barbara disaster and all of the questions raised since the recent energy crisis, I feel the federal government has a special obligation to explain fully all of its plans for developing new energy sources, including offshore oil, before plunging full-scale into a huge new operation in the waters of Los Angeles and Orange counties.

For all of those reasons I respectfully request that you order a halt to further processing of applications for tracts to be put up for bid until you come to Southern California and have met with me and other public officials and concerned organizations and individuals to discuss the problem.

Sincerely,

ALAN CRANSTON.

OPENING REMARKS OF SENATOR CRANSTON, JUNE 14, 1974

I want to thank each of you for coming here today.

I know you are all busy but I believe it is important to get some discussion going on the important question of the proposed federal oil drilling off Southern California. And I hope this meeting will be as useful to you as I'm sure it will be for me.

I will make just a few brief comments and then I would like to call on some specific individuals to make some explanatory statements and answer questions.

Please feel free to volunteer your ideas and questions.

This is an informal meeting and I want to hear your views.

In my letter inviting you to attend this meeting I mentioned my concern that we use this as an opporunity for beginning public discussion of a key isue which could affect millions of Californians.

I find that the single greatest fault of the federal government is its failure to communicate properly with the public.

The President can get his views across all right. And Secretary Kissinger does pretty well too. But when it comes to a department head or some action by a government bureau too often all we have is an official statement in the Federal Register or a press release issued from Washington.

I believe the federal government has a greater responsibility than that and in this new proposal to open up a million or seven million acres of tidelands for oil drilling we are faced with an enormously complex and serious project which requires long and full public discussion.

On Monday this week we got a reminder once again about the problems of oil development along the coast.

A two-mile long oil slick north of Ventura washed ashore between Sealcliff and Pitas Point.

Fortunately, it was a small spill and did little damage but it demonstrated again a fundamental fact of life in the oil business on our coast; blowouts, spills and seepage will happen. And they will happen with more frequency when man and his works are involved.

I believe that the proposed oil development off Southern California should be postponed until the government completes studies of the environmental, economic and social risks involved and establishes a reasonable and orderly resources development policy for the area.

I communicated that view last month to the Senate in testimony before an Interior subcommittee.

And I have also written to Secretary of Interior Rogers Morton asking him to take no further action on the oil drilling until all parties involved have had a chance to publicly discuss the issues.

A copy of my letter to Mr. Morton is available here and should be in your hands.

In my letter to Mr. Morton I also requested that he personally come to Southern California to meet with our public officials and representatives of citizen groups.

A number of communities already have expressed themselves on this issue.

The city councils of Santa Monica, Manhattan Beach, Torrance, Redondo Beach and Hermosa Beach are among those cities which have gone on record as opposing the oil drilling plan.

I would appreciate hearing from other cities represented here your views whether opposed or in favor of the oil drilling.

We will also hear from the newly-formed Seashore Environmental Alliance which is a coalition organization representing a number of different organizations.

For the benefit of the news media here I would like to say that I have a prepared statement and press release which has been released for publication and broadcast. I won't read that full statement but I stand by the quotes.

And now, to get our meeting started I would like to call on Mr. Fred Schambeck, of the U.S. Geological Survey, and Mr. William Grant of the Bureau of Land Management.

Mr. Schambeck and Mr. Grant will bring us up to date on the federal plans for oil drilling and will be happy to answer your questions.

PRESS RELEASE FROM THE OFFICE OF U.S. SENATOR ALAN CRANSTON, JUNE 14, 1974

SANTA MONICA.—U.S. Senator Alan Cranston (D., Calif.) told a meeting of Los Angeles area mayors, city officials and environmentalists here today he has asked Secretary of Interior Rogers Morton to delay a proposed massive federal offshore oil development for Southern California.

He also asked Morton to come to Southern California to meet with representatives of coastal cities, property associations and environmental groups to hear objections to the plan to open up to 7 million acres of the outer continental shelf from the Santa Barbara Channel Islands south to the Mexican border for oil drilling.

The area is known as the Southern California Borderlands and has been classified by the U.S. Geological Survey as a "frontier area" for drilling.

Cranston met at the City Council chambers of the Santa Monica City Hall with a group of city officials from the Los Angeles and South Bay area, federal officials in charge of the proposed Department of Interior drilling project and citizen groups to discuss steps for a full public airing of the issue before the area is opened for bidding.

An announcement of selection of tracts for bidding by oil companies is expected shortly. Actual bidding will take place next spring after environmental impact statements have been prepared and filed. The Department of Interior also has announced it will hold public hearings on the oil development plan.

But Cranston in his letter to Secretary Morton said that public discussions should be held before tract selection takes place.

"Oil drilling off our coast could have a devastating effect on the coastal environment, especially the beaches, as the Santa Barbara oil blowout demonstrated five years ago," Cranston wrote Morton.

"The prospect of another oil spill disaster affecting beaches that are used by millions of Southern Californians is not one which is taken lightly by officials and citizens who live here and use the beaches and offshore waters for sailing, fishing, surfing and other activities."

Cranston told the meeting here that he favors legislation to create a federal energy reserve of the Borderlands area.

Oil and gas production would be prohibited until public hearings are held and a number of environmental safety conditions are met. These include proper oil spill containment and recovery technology, pollution prevention, underwater completion of wells, demonstrably reliable drilling and production techniques, environmental impact recommendations and studies on the stability of the ocean floor where drilling is to be done.

These are similar to protections incorporated in Cranston's Santa Barbara Channel Federal Energy Reserve bill (S. 2339).

"I believe new legislation is needed that can strike a reasonable balance between our desire to develop new energy resources and our continuing need to insure maximum environmental protection," Cranston said.

"Our recent experience with serious fuel shortages has made clear that we must become more self-sufficient in meeting our energy needs. An obvious domestic energy resource is the oil and gas on the Outer Continental Shelf.

"But I suggest that we cannot afford to rush head-long into massive OCS development without careful planning, consideration of the environmental risks, and comparison of this resource with competing energy sources. We must proceed, but we must do so with the utmost caution.

"We must also review the resources of the OCS within the general context of a national energy policy which encourages stringent energy conservation measures until we have developed and made available abundant and environmentally sound energy sources.

"I am the author of legislation now moving through the Senate to authorize a major government-sponsored demonstration of technology for utilizing the energy of the sun for the heating and cooling of buildings. The goal of the bill is to stimulate widespread commercial application of this technology in the shortest possible time. If successful, solar energy could supply by the year 2000, 10 to 30 percent of the Nation's required BTU's and as much as 50 percent by the year 2020.

"I raise this point to illustrate how new energy sources are now being developed which may well reduce our reliance on petroleum in the same general time period that will be required to obtain reasonable quantities of OCS oil and gas. We cannot assume that our present demand for petroleum will be maintained indefinitely.

"The resources of the OCS cannot be viewed in isolation. Although the need for improved regulation exists, development should be weighed against the development of improved recovery methods of other energy resources such as coal, the many uses of the coastal zone, and the effects of energy conservation. The energy crisis will be with us for many years, and we cannot afford to sacrifice our environment to temporary solutions."

MEDIPHONE

Mr. PERCY. Mr. President, despite the best efforts of the medical community and the expenditure of more than $93 billion in fiscal 1973 alone for health care, our Nation is greatly in need of creative programs to help improve our health care delivery system. Recently my attention was drawn to an innovative program, located in Chicago, which is contributing greatly to the improvement of health care for Americans and, at the same time, helping to reduce health care costs. This important program is the nationwide Mediphone service of the American Society of Contemporary Medicine, Surgery, and Ophthalmology.

Mediphone, sponsored by the American Society of Contemporary Medicine, Surgery, and Ophthalmology and accredited by the American Medical Association, is the first and only nationwide physicians' telephone consultation service. With more than 600 consultants located in some 60 university medical centers throughout the country, Mediphone is on call 24 hours a day, 7 days a week. Established in 1972 by its director, Dr. John G. Bellows, a Chicago eye specialist, Mediphone helps doctors practicing in areas where they have difficulty keeping pace with the most advanced medical technology to overcome barriers of distance and to consult quickly with experts on medical problems that may be unusual or baffling.

Mediphone demonstrates its lifesaving potential daily. Recently a doctor in a small northern Illinois community was called to treat a patient who had been bitten by a deadly brown recluse spider. This species has only recently migrated from the South to the Northern States and few, if any, medical practitioners are familiar with the proper treatment for its bite. Time was critical. The attending physician immediately dialed the Mediphone consultation number. Moments later he was in consultation with an expert toxicologist at a Texas university medical school. The expert advised the physician about the proper treatment, and the prompt application of these life-saving measures saved the patient from a great deal of pain and possible death. As a professional consulting service, Mediphone service is available only to licensed physicians. Doctors who use Mediphone not only obtain critical medical information and consultation, but they also can accumulate credits for continuing medical education. By helping doctors provide better care, which is always less costly in the long run and by providing expert consultations at a fraction of their usual cost, Mediphone has the capability of benefiting the doctor, the patient, and taxpayers in general who pay the Nation's staggering health bills.

CONGRESSIONAL BUDGET REFORM

Mr. MUSKIE. Mr. President, tomorrow the Senate will consider the conference report on H.R. 7130, the Congressional Budget and Impoundment Control Act of 1974.

That legislation, upon which we have been working for more than a year, may be the most important bill Congress will consider in this session.

This morning's edition of the Washington Post carried an editorial analyzing the impact of that bill.

Calling the budget reform bill a "remarkable accomplishment," the Post editorial pointed out that it should, particularly in the anti-impoundment title, "bring about substantial changes in legislative-executive relationships."

And, the editorial states, that:

> While this bill will not automatically insure sound economic policies, "it ought to reduce the likelihood of inflation by inattention, and should curb the confusion and delays which have been so damaging to the economy, to the image of Congress, and to the agencies and individuals dependent on the timely, orderly flow of federal funds.

The Post editorial has well stated what the sponsors of the budget reform bill hope that legislation will accomplish. I ask unanimous consent that the Washington Post editorial entitled, "Managing the Budget on Capitol Hill," be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MANAGING THE BUDGET ON CAPITOL HILL

> The congresional budget control legislation now on the verge of enactment is a remarkable accomplishment. The aim—recapturing effective legislative power over the federal purse—is easy to state and endorse. But working out the mechanisms and accommodating all of the congressional committees, interests and personalities involved is something else. So there is reason for the self-congratulations now being heard on Capitol Hill. President Nixon also deserves substantial credit, though of a backhand sort, for without his vetoes of appropriations bills and his imperious impoundment policies the Congress might never have been spurred to cause such vast and systematic changes in the way its fiscal work is done.
>
> Under its ambitious reform, new House and Senate budget committees will be created to review each year's budget proposals as a whole and to recommend overalls levels of spending revenues and public debt, and the amount of budgetary surplus or deficit which seems appropriate. Congress would be required to adopt these tentative targets by May 15, before taking up any individual appropriation bills. In September, after all money bills had been passed, Congress would review its budgetary goals, make adjustments reflecting economic changes since the spring, and bring outlays into accord if necessary, through a final reconciliation bill before the start of each new fiscal year Oct. 1.
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> The system demands a great deal of congressional self-discipline. The timetables are tight. Appropriations panels will be subject to some new constraints. Authorizing committees, too, will be called on to work more expeditiously and to propose their spending programs further in advance. Nor will the legislative panels keep their current option of avoiding appropriations fights by resorting to backdoor spending, such as contract authority, or by providing automatic entitlements for benefits. All such devices are to undergo appropriations review. Finally, dallying will be discouraged. If the reforms really take hold, there should be no more of those tedious Christmas Eve snarls over foreign aid or education assistance for the fiscal year already under way.
>
> The new system should bring substantial changes in legislative-executive relationships. For one thing, the reform act would deny Presidents the broad impoundment power which President Nixon has claimed. Under the act, the Congress would have final say on whether appropriated funds could be withheld. Either house of Congress could override an executive decision to defer spending for a particular program, while programs could be terminated or overall spending level reduced only with the consent of both House and the Senate. Thus the chief executive would have far less leeway to ignore the legislative will—but he should also have less reason or excuse for doing so, as Congress becomes more capable of making tough budget choices itself.
>
> In economic terms, the impact of budget reform should not be overstated. The new procedures could produce either expansionary or restrictive congressional policies—and Congress could carry out all of the prescribed studies and reviews, on time, and come up with a carefully crafted budget which turned out to be very wrong. The new act won't prevent mistakes. But it ought to produce the likelihood of inflation by inattention, and should curb the confusion and delays which have been so damaging to the economy, to the image of Congress, and to the agencies and individuals dependent on the timely, orderly flow of federal funds.

THE POLITICS OF BUSING

Mr. HARTKE. Mr. President, the education of our children has always been the basic concern of interested citizens and parents. Yet, the issue of education has been caught up in emotional seeds of political busing.

During the consideration of the Elementary and Secondary Education Act amendments on the Senate floor several weeks ago, I voted to support the antibusing measures in order to focus our attention on the real issues of education.

An article by my friend, Clayton Fritchey, appearing in the Washington Post of June 1, sums up the emotional challenges of the issue, stating:

> The Gallup Poll finds that a majority of Americans still favor public school integration, but few—black or white—believe that busing pupils from one school district to another is the best way to do it.

That article goes on to mention that:

> When the National Black Political Convention was held in Garry, (Gary) Ind., it passed a resolution condemning busing that is based on the "false notion that black children are unable to learn unless they are in the same setting as white children."

I believe we must heal the increasing divisions and chasms in our society when polarization of emotional issues clouds the real issue of quality education for our children.

Mr. President, I ask unanimous consent that the article by Mr. Fritchey be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

The Politics of Busing

(By Clayton Fritchey)

If there is one issue nearly all Democratic politicians—including many liberals and blacks—long to get rid of, it is school busing for racial balance, and nobody knows this better than Mr. Nixon, who is a master at keeping it alive.

The President is sending up signals that he will veto the $24 billion Senate education bill if it emerges from conference as it stands. The Senate bill is not as adamant against busing as the House bill, which he favors. A veto would send the legislation back to Capitol Hill for another round of inflammatory debate and further agitation of this divisive issue.

Except for "forced" busing, the Democrats are pretty well rid of the emotional issues that Mr. Nixon exploited so effectively in 1972—especially amnesty, marijuana and abortion. Time is eroding the first two, and the Supreme Court has to a large degree taken the heat off the politicians by outlawing state antiabortion laws.

The Democratic and Republican liberals can hardly be blamed for hoping that the Supreme Court in the next week or two will also defuse the busing issue when it rules on the now famous Detroit school case, which involves a lower court order compelling the busing of suburban white children to black schools in the core of the city as part of a metropolitan desegregation plan.

A growing number of civil rights supporters would not be too disappointed if the high court found a compromise formula that would ameliorate the passions that have been aroused by the issue. Part of their concern is that a continuing all-out fight over the uncertain benefits of extreme busing may provoke a backlash that would seriously endanger racial progress on other major fronts, such as employment, housing and politics.

The black community itself seems to have little enthusiasm for the kind of solution typified by the Detroit case. The Gallup Poll finds that a majority of Americans still favor public school integration, but few—black or white—believe that busing pupils from one school district to another is the best way to do it. Only 9 per cent of blacks and 4 per cent of whites favor such busing.

When the National Black Political Convention was held in Gary, Ind., it passed a resolution condemning busing that is based on the "false notion that black children are unable to learn unless they are in the same setting as white children." Instead, it said, "blacks should be given control of schools in Negro areas, and more money should be spent there to achieve quality education."

Suiting action to the words, the Atlanta branch of National Association for the Advancement of Colored People (NAACP) supported a minimal classroom integration plan in return for a pledge giving blacks substantial control over school administration in Georgia's largest city. The national office of NAACP disapproved of the action, but later its general counsel reported there was a movement under way in other cities to adopt the Atlanta formula.

Rep. Shirley Chisholm (D–N.Y.), a prominent member of the Congressional Black Caucus, says parents of children in community-controlled schools tell her that their offspring are learning to read better, are developing a better attitude toward school and have teachers—mostly black and Puerto Rican—who are "concerned and committed to educating their children."

She says she finds it difficult "to argue with parents who for the first time have some faith in the educational process." Also, she added, some of her fellow members in the Black Caucus are having second thoughts about fighting further for forced busing. In the recent Senate vote on busing, significantly, several outstanding liberals in both parties wavered for the first time.

Another leading member of the Black Caucus, Rep. Louis Stokes (D–Ohio) said only a few days ago that "busing is not a real issue." At most, he declared, "it is one of the tools of desegregation. Politicians have brought the issue to the front because it is an emotional issue."

One of the nation's most liberal mayors, Boston's Kevin White, has been a civil rights leader for years, but he is now saying, "I am for integration, and I am against forced busing. And they are not mutually exclusive."

The Democrats feel that if the busing issue can be put on a back burner, their electoral chances this fall and in the 1976 presidential race will be greatly enhanced. Their aim, of course, is to concentrate attention on Watergate and the need for restoring morality in government.

WGN CONTINENTAL BROADCASTING CO. CELEBRATES ITS 50TH ANNIVERSARY

Mr. PERCY. Mr. President, for the last 50 years WGN Continental Broadcasting Co. has provided its radio and television audiences with the finest in entertainment and balanced programing. The station's outstanding career has been marked by innovative approaches toward broadcasting.

In 1925, WGN was the first station to broadcast the controversial Scopes Trial from Dayton, Tenn., bringing the debates between Clarence Darrow and William Jennings Bryant live to Chicago radio listeners.

Then in 1929, WGN helped speed the nationwide adoption of the police radio system when it undertook relaying police messages to detectives in squad cars.

The station also led the field in providing excellent entertainment. Amos and Andy began their radio careers on WGN in 1926 as a comedy team known as Sam n' Henry. "Little Orphan Annie," which became one of the Nation's most popular radio serials, was first dramatized on WGN in 1930 with Shirley Bell "Cole" in the title role.

During the 1930's much of the Nation's radio programing originated in Chicago and WGN continued to initiate unprecedented broadcasting techniques. Through live remotes, not recorded programs, WGN brought the music of the big name bands into the homes of listeners.

In April of 1948, WGN television began daily broadcasting. The station quickly won a reputation for outstanding programing. Its selection to be one of the few participants and originators of the first satellite telecast allowed Telstar to beam across the world a portion of a Chicago Cubs baseball game.

Sports broadcasting is one field in which WGN remains unsurpassed. Today the station originates more live sports programs than any other station in the Nation.

WGN's accomplishments in educational and children's programs are also well known. The Peabody Award, the most prestigious of all broadcast awards, has been given to the station four times during its career in television.

WGN Continental Broadcasting Co. has maintained a high standard of excellence over the past 50 years and it continues to provide programs which serve the interests of Chicago, the Middle West and the Nation.

I congratulate WGN Continental Broadcasting Co. on its 50th anniversary.

ARE THERE ANY AMERICAN POETS?

Mr. PELL. Mr. President, we are taught that poetry can be the highest form of man's verbal expression, but in the course of our own busy activities we often settle for the dross of prose, rather than seeking the enrichment of poetry.

A lady who has long raised our sights in this regard is Mrs. Hugh "Marie" Bullock. She has contributed immensely to the development of poetry by emphasizing its qualities and by bringing it closer to the mainstream of our lives.

President of the American Academy of Poets, she deserves special thanks and special praise for all she has done to enhance our cultural well-being.

I well remember that when the National Endowment for the Arts began its excellent program of stressing the importance of poets and poetry in our Nation's schools, the Academy of American Poets was a partner in this initiative.

This is but one example of the leadership role Mrs. Bullock has played.

Mr. President, I am happy to bring to the attention of my colleagues a recent article by the late Pulitzer Prize-winning poet, Mark Van Doren, summarizing some of the accomplishments of Mrs. Bullock.

The article was published in Saturday Review/World, and I ask unanimous consent that it be printed in the RECORD following my remarks.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

Are There Any American Poets?

(By Mark Van Doren)

(NOTE.—Shortly before his death in 1972, Mark Van Doren, Pulitzer Prize poet, wrote this tribute to Marie G. Bullock, guiding spirit of The Academy of American Poets.

This article was among his unpublished papers.)

When The Academy of American Poets was founded in 1934, someone wrote to Bernard Shaw, asking him to say a good word for the new group. Shaw promptly replied in his fine, spidery handwriting. "Are there any American poets?"

Today, just forty years later, the list of poets given the academy's yearly grant stands as eloquent answer to Shaw's question: The grantees have included E. E. Cummings, Robert Frost, William Carlos Williams, Marianne Moore, Archibald MacLeish, and Howard Nemerov.

In addition to giving the $10,000 annual poet's grant, the academy sponsors poetry contests in dozens of colleges; holds poetry readings in schools, libraries, and public parks; and within the past few years has helped to get the names and faces of American poets on millions of postage stamps. Quietly but effectively, the academy has helped to make poetry a living force in our national life.

The main personality behind this accomplishment is Marie Graves Bullock, a modest New York City resident whose aim and dream is simply to bring poetry more into the American mainstream. In saying that Mrs. Bullock is modest, I am not being conventionally polite: She is so genuinely modest that I have not asked her permission to write this account of her work, for I am sure she would say no.

Nonetheless, hers is a story that deserves telling. She was born just before World War I in Paris, to American parents, and she spent her youth abroad. Her life in the United States following her marriage in 1933 might easily have been nothing but the life of a society leader, for she was and is brilliant, vivacious, and beautiful. But she had a consuming interest in poetry that carried her almost at once into the company of poets and into a study of their art.

Remembering the honor paid to poets in Europe, she was distressed by what seemed to her the indifference, even the contempt, with which they were treated in the United States. What especially struck her was the hard time they had financially. None of them—literally none—made a living from writing poems. She also knew how few writers of any kind are kept alive by royalties alone—the percentage is pitifully small—but it was enough for her that her favorite kind of writer was notoriously ill rewarded, and she determined to do something about it.

I don't remember just what year it was when Marie Bullock and I had our first conversation, but I'm pretty sure it was after The Academy of American Poets had been incorporated, in 1934. She had moved quickly, within the year following her marriage, to realize her dream of enabling at least one American poet a year to write as he pleased and when he pleased.

The academy's original incorporators were Charles Hanson Towne, Ridgely Torrence, Joseph Auslander and his wife, Audrey Wurdemann, and, of course, Marie Bullock. And the original Board of Chancellors included J. Donald Adams, William Rose Benét, Henry S. Canby, Max Eastman, Robert M. Hutchins, Robinson Jeffers, Archibald MacLeish, and F. O. Matthiessen.

From the outset, Mrs. Bullock's energy, confidence, and resourcefulness were limitless. Nothing, naturally, was more important than raising the money with which Fellows—as the poets honored by the academy were called—were paid their stipends. That was the big job and in many ways the least attractive, for we all hate to beg. Meetings, however, were held everywhere—for instance, in Wall Street offices during lunch hours.

Since then the academy has been active indeed. More and more money has been raised, and more and more functions have been added, though the selection and appointment of Fellows remains central and fundamental.

One of the most admirable and useful of these secondary academy functions is the Lamont Poetry Selection. Starting from the premise that it is not easy for poets to find publishers, the academy began asking publishers whether they had on hand a good poetry manuscript that they were hesitant to accept because they doubted it would sell. If the answer was yes, they were asked to submit the manuscript to a committee of the academy that would compare it with others sent in by competing publishers. The volume judged best would then be given by the academy a guaranteed sale before publication of a thousand copies. The Lamont Poetry Selection judges assumed that this would persuade the winning publisher to print the volume.

The idea worked, and an impressive series of volumes has resulted; none of them would have appeared otherwise. The poet chosen, it was stipulated, would be previously unpublished. Nothing about the Lamont Poetry Selection was more telling, probably, than this proviso.

The academy promotes annual poetry contests at sixty colleges, with prizes of $100. Regional poetry circuits provide reading tours for poets; on the average, there are ten colleges to a region. And since 1963 the academy has presented poetry readings in New York City's Guggenheim Museum and in the Donnell branch of the New York Public Library. It has also presented readings and discussions on contemporary poetry to elementary, junior, and senior high school students and their teachers in the New York public school system—a program so successful that it has become the model for similar programs in many other American cities.

All the while, it has been the glowing presence of Marie Bullock that has brought all these things to pass and has made them so fabulously successful. American poets, and American letters generally, owe her and the academy a debt whose extent is still insufficiently recognized.

CHANCELLOR DEAN E. McHENRY

Mr. PERCY. Mr. President, an outstanding educator, Chancellor Dean E. McHenry, has decided to take early retirement after 35 years at the University of California, 13 of which he has served as chancellor of its campus at Santa Cruz. Chancellor McHenry has been an outstanding administrator as well as educator.

Anyone who has visited Santa Cruz knows that a bold experiment in planning and design has developed into one of the most spectacular campuses in America. In the past 13 years in constructing this campus, Chancellor McHenry has gone through many cycles and experiences, some of them frustrating and many rewarding. An article that appeared in the Sunday, April 7, 1974, edition of the Los Angeles Times by William Trombley, describes some of his experiences common to educators. I pay tribute to Chancellor McHenry for his outstanding accomplishments and the great contribution he has made to the field of higher education.

I ask unanimous consent that the article already mentioned about Chancellor McHenry be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Santa Cruz Chancellor Saying Farewell, With Pride and Hope

(By William Trombley)

For 13 years, Chancellor Dean E. McHenry has been the guiding spirit behind the University of California's remarkable campus at Santa Cruz.

McHenry was there before the first ground was turned on the beautiful 2,000-acre campus overlooking Monterey Bay. He was there before the first faculty member was hired, before the first students arrived in the fall of 1965.

He has watched part of the original dream come true—the emergence of a series of small, residential colleges (eight so far), nestled among oak and redwood trees. As McHenry hopes, each college is small enough to retain a sense of community, yet the total campus is large enough to support excellent library and laboratory facilities and cultural events.

The chancellor has survived student disturbances, the development of a student life-style he finds personally dismaying and budget cuts that have made some of the original plans for Santa Cruz unattainable.

Now, at 63, McHenry has chosen early retirement, and he will leave the chancellorship at the end of June. Why?

"You'll think this is bogus," he said over a bowl of clam chowder in a student-run coffee shop recently, "but I think an old duck ought to get out of the way and make some room for the next generation."

"I can afford it," McHenry said. "I have some money. I'm at the maximum in the UC retirement system (after 35 years with the university) and I'm going to do some interesting things while I still can."

McHenry and his wife Jane own a 40-acre farm at Bonny Doon, about 10 miles north of the campus, where they plan to raise wine grapes and Christmas trees and enjoy some of the bucolic life McHenry recalls from his youth on a small farm near Lompoc.

They also plan to travel, and McHenry wants to write a book, either about UC Santa Cruz or, more generally, about experimentation in higher education.

And there is one more pleasure of retirement the chancellor expects to savor to the full.

"I'm going to spend a full day a week in the library," he said. "In all these years I've never been able to get into the library for more than a half hour and I'm about 13 years behind in my reading."

Looking back, McHenry believes there have been more successes than failures in the Santa Cruz experiment.

"This is a magnificent setting for an educational institution and I think we've developed it with great sensitivity," he said. "I'm very proud of the architectural awards we've won . . . we have fewer monstrosities than most campuses.

"The faculty is remarkable. If I leave a legacy, I suppose I ought to talk about the faculty. We got, by and large, people off the top of the deck, the cream of the country's graduate schools.

"I think we've done pretty well in finding people who are not just researchers or not just teachers but who genuinely combine the two. They represent a group you don't mind being stuck with over the long plateau we are facing."

McHenry was referring to cutbacks in the planned size of UC Santa Cruz.

When the campus opened, it was thought the eventual enrollment would be about 27,500 divided among 20 or 25 separate residential colleges.

However, higher educational enrollments have leveled off in California as in the rest of the nation and budgets have become tighter.

As a result, last spring the UC Board of Regents set an enrollment ceiling of 7,500 by the year 1980–81 (there are about 5,000 students on campus this year).

This is the "plateau" the chancellor talked about.

The combination of a youthful faculty and slower enrollment growth means there will be few new faculty appointments in the 1980s and 1990s, a situation that worries McHenry.

"We've just got to have people retiring in those years," he said, "so we can get new people, new ideas, new talent percolating into the campus. Otherwise we'll ossify."

To ease this problem, McHenry has asked statewide officials for permission to fill half of his allotment of 16 new faculty positions next year with tenured professors in their 50s, professors who can be expected to retire in the 1980s.

McHenry also hopes for some relief from the present requirement that the campus attain a student-faculty ratio of 18-to-1 next year.

Originally it was planned that UC Santa Cruz, which tries to provide small-group instruction for undergraduates, would be given a decade or more to reach the university-wide student-faculty ratio.

However, the budget demands of recent years have robbed Santa Cruz of that precious growth time. Now the campus is being asked to achieve a teacher-student ratio that is higher than those of UC Berkeley or UCLA, a situation McHenry regards as unjust and unwise.

"The greatest deficit we have in terms of becoming a well rounded, small university is our lack of professional schools," he said.

The early plans for UC Santa Cruz included professional schools in engineering, business administration and other fields, but none of these have come into being, again because of the combined effects of lower enrollments and tighter budgets throughout the UC system.

Now McHenry hopes that a school of environmental design, including landscape design and regional planning, will be included in the 1975–76 budget.

He has started a study to see what might be done in the health sciences.

"We're not thinking of a medical school," the chancellor said, "but we think there are some peripheral areas in which we might be able to train some advanced technicians in health sciences."

There are a dozen Ph.D. programs and about 300 graduate students on campus, but UC Santa Cruz remains predominantly an undergraduate institution.

Demand for admission is heavy, although it slackened somewhat this year in the wake of a series of grisly murders in the Santa Cruz area.

"Our students are still extraordinary," the chancellor said, "partly through self-selection. Only the best seem to apply."

If competition to enter UC Santa Cruz is still keen it becomes less so once a student has enrolled. The campus is the only one in the UC system where traditional letter grades have been largely replaced by a "Passed" or "No Report" system.

Although a student never fails a course, he must maintain satisfactory progress toward a degree or be subject to disqualification.

McHenry opposed nontraditional grading in the early years but now is a strong supporter.

"Of all the experiments we've attempted here, perhaps one of the clearest successes is the grading system," the chancellor said, although he conceded there was a "chronic problem" of persuading the best graduate and professional schools to accept the written evaluations Santa Cruz faculty members provide in lieu of grades.

McHenry is proud of the academic achievements of Santa Cruz students but their personal behavior sometimes has caused him anguish.

A low point came in October, 1968, when protesting students disrupted a regents' meeting on campus and one or two regents were pushed around in the process.

(That incident, and another at UCLA the following spring, caused the regents to cancel campus meetings, a practice they are only now cautiously resuming.)

The increasing popularity of long hair, strange dress, marijuana smoking and casual sexual behavior have been upsetting to McHenry.

"I have to confess I don't like beards and an unkempt appearance," he said. "I wonder, 'what's he protesting behind the beard and the long hair? What's he trying to convey?' "

"But I've had to reconcile. I have one son who wears a beard. I wish he didn't, but it doesn't mean I don't love him and I certainly respect him."

Then McHenry flashed a characteristic ear-to-ear grin, an expression that somehow manages to contain both joy and sadness, and added:

"I guess I've never gotten over it. It's one of the very minor reasons I'm retiring now. The most blatant period of the student revolt is over, but it would be worrisome for me to have to continue to accept responsibility for the way young people behave."

McHenry often is called upon to defend this way of life and the apparent lack of ambition of many Santa Cruz students before hostile audiences.

He recalled a recent service club meeting. A businessman said he knew of a UC Santa Cruz graduate who was working as a janitor and another who was a lineman for a utility company. The businessman thought taxpayers' money had been wasted on these students. But McHenry disagreed:

"I told him I thought their goals would change and they might both become vice presidents some day and they would be better vice presidents because they worked at those jobs and came up through the ranks."

McHenry described a "downward escalation" process that sometimes takes place on this mellow campus.

"Many a youngster comes in here from a family earning $100,000 or more a year and goes out having learned to live on $100 or $200 a month," he said.

"Students find a certain tranquility here. It's not all bad. People find a way of life that is not entirely attached to money grubbing.

"At least, these are the best arguments I can muster and I believe them. All in all, the product here is pretty good."

If that is so, it is in part due to McHenry, who has placed his personal imprint on the educational institution he is about to leave.

CONSERVATION SERVICE AWARD

Mr. McGee. Mr. President, it was with great pride for all Wyomingites that we learned yesterday two of our citizens, Mr. Tom Bell of Lander, Wyo., and Mrs. Margaret E. Murie of Moose, Wyo., will be recipients of the Conservation Service Award, to be presented by Secretary Rogers Morton at the 42nd Annual Interior Department Awards Convocation.

No two more deserving individuals could have been chosen by the Department of Interior to receive the esteemed Conservation Service Award. Both Tom Bell and Mardy Murie have committed their lives to service in the cause of conservation. And it is no overstatement on their respective accomplishments to suggest that we live in a better world for their efforts.

Trained as a biologist, Tom Bell has been a teacher, worked for the Wyoming Game and Fish Commission, served as executive director of the Wyoming Outdoor Coordinating Council, and is now editor of the High Country News, the biweekly voice of environmental concern throughout the Intermountain West. When Tom took over the paper 5 years ago, it was an obscure little publication known as Camping News Weekly. To keep the paper alive, he has sacrificed his personal fortune as well as 5 years of hard labor in pursuit of excellence in the field of environmental journalism. Today the High Country News is recognized as among the major, and certainly most effective, newspapers dedicated to the conservation movement. Readers can be found in nearly every State of the Union and several more in foreign countries, and I think Tom Bell's selection as a recipient of the Conservation Service Award attests to the fact that the clarion call of the High Country News is heard within the halls of the Interior Department itself.

There can be no justice by even my best efforts to describe Mardy Murie when those efforts are matched against the actual experience of having known this truly remarkable person. Among the few true veterans of the American environmental movement, Mardy's spirit and conviction burn ever brighter with each passing year. Her perpetual enthusiasm and love for the wildlands of America have become an inspiration for thousands of young conservationists.

With her late husband Olaus, the noted American naturalist and definitive authority on the wapiti or elk, Mardy authored books which to this day are treasures in environmental literature. In her own right, she has written "Two in the Far North," recounting her life and experiences with Olaus Murie, and numerous articles for such noted publications as The Living Wilderness and Natural History. It would be an almost impossible task to account for the many honors and positions which have been bestowed upon Mardy Murie in recognition of her work in behalf of the conservation movement. That she should now be selected by the Department of Interior to receive the Conservation Service Award seems to me the obvious progression in the course course of these honors. Yet I know I am not alone in the conviction that we can never give to Mardy Murie the honors which could match the things she has given to us. If we are strong enough to the task, we wil honor her best by our personal efforts made in the spirit of the philosophy which Mardy shared with Olaus that ". . . if mankind is worth saving at all, he needs some of his natural earth left for occasional retreat."

Mr. President, I am but one of many who feels a little fortunate in knowing that Wyoming has two fine citizens deserving of the Conservation Service Award. I feel especially fortunate because the selection of Tom Bell and Mardy Murie for this honor is demonstrative of the fact that they care for us and the world we live in. And I am happy that the Department of Interior provided an occasion by which we could show how much we care for them.

LOS ANGELES DEPUTY CHIEF OF POLICE ROGER MURDOCK

Mr. TUNNEY. Mr. President, I would like to call to the attention of my colleagues the retirement of Los Angeles Deputy Chief of Police Roger E. Murdock on June 30, 1974 by asking unanimous consent to print in the Record excerpts from the chronicle of a most distinguished career.

There being no objection, the excerpts were ordered to be printed in the Record as follows:

Throughout the United States, if not the world, no municipal law enforcement agency is more highly regarded than the Los Angeles Police Department. The reputation it holds today was sought after and attained during the career of Roger E. Murdock—a career that spans more than 42 years of exemplary service to the Department and the people of Los Angeles. Thus, any attempt to catalog his accomplishments tends to become less a biography than testimony to the attainments of the Department he has served so long and well.

Roger Murdock has lived in Los Angeles for all but the first six months of his life. Two years before his birth in St. Johns, Michigan, in 1909, the Department established its first Detective Bureau which he would one day command. As an infant newcomer to Los Angeles, his eyes doubtlessly widened in wonder at the sight of the Department's first "gas" automobile—a two-cylinder conveyance capable of reaching the speed of 25 miles an hour. Some four decades later, Roger Murdock would find himself in charge of 430 officers coping with the specific problem of automobile traffic.

At the age of 22, Roger Murdock became a Los Angeles Poilceman assigned to what is now Harbor Division. He was wearing a Sergeant's stripes nine years later when he was graduated with high honors from the University of Southern California with a Bachelor of Science degree in Public Administration, earned during off-duty hours.

As an undergraduate, he was elected to Phi Sigma Alpha (Honorary Political Science Fraternity) and Phi Kappa Phi (Honorary Scholastic Fraternity), University of Southern California.

His competence as a field officer, supervisor and Police Academy Instructor brought him ever-increasing recognition. By 1950—just ten years after his first promotion—Roger Murdock had advanced to Lieutenant, Captain, Inspector and Deputy Chief. He had never failed to be among the top three candidates in every promotional examination.

During almost all of the 17 ensuing years (1950-1967) Deputy Chief Murdock headed the Patrol Bureau, responsible for all uniformed operations of the Department's 17 geographic divisions. In this capacity, he was Field Commander during such trying occurrences as the Bel Air fire, Baldwin Hills dam disaster and the Watts riots.

Twenty-four years ago, he placed in the top three in the examination for Chief of Police. Although he was never to seek that office again, it was his to occupy five years ago when the Board of Police Commissioners elevated him to Chief of Police following the retirement of Chief Thomas Reddin and preceding the appointment of Chief Edward M. Davis.

Selected by Chief Davis in 1971 as Chief of Staff, Roger Murdock has continued to administer many of the more complex operations assigned to the Office of the Chief of Police. They include Inspection and Control Section, Press Relations Section, review of internal discipline, and liaison between the Department and the City Council, the California State Legislature, Municipal and Superior Courts, City and County prosecuting agencies and the Consular Corps, second largest in the United States.

Professional, civic and fraternal organizations have long held his intense interest. Deputy Chief Murdock is a life member and past president of the Peace Officers Association of Los Angeles County. He holds additional life memberships in the International Association of Chiefs of Police, the California Peace Officers Association, and is an honorary member of the Chief Special Agents Association.

Past Potentate of the Al Malaikah Temple of the Shrine and Knight Commander of the Court of Honor of the Scottish Rite, he is on the Board of Governors of the Shriners Hospital for Crippled Children. Deputy Chief Roger Murdock is also a member of the Board of Governors of the California Community Colleges, Board of Directors of the Midnight Mission and Board of Trustees of the Los Angeles Philanthropic Foundation.

Deputy Chief Murdock and his wife, Muriel, have two sons—Stephen, a Deputy City Attorney, and Tom, an executive of the Computer Science Corporation.

I know that my colleagues join with me in fitting tribute to this distinguished career peace officer and humanitarian and convey to him our appreciation and best wishes for a long and happy retirement.

YOUNG GRAD SOUNDS TRUMPET OF HOPE

Mr. HUGH SCOTT. Mr. President, a recent article in the Philadelphia Bulletin indicates that our young people have not given up hope in our country, rather they view the future optimistically and as a challenge.

I want to share with my colleagues the eloquent and optimistic comments made by Jeffrey Marriott, a recent graduate of Philadelphia's University City High as he addressed the guests assembled during graduation exercises. I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Young Grad Sounds Trumpet of Hope

(By Jeffrey Marriott)

More than in any other period in history, the peoples of the world are threatened not only by the forces of nature, but by man himself. Presently, man is drowning in a sea of poverty; he is tossed about by the winds of despair and apathy; he is sinking in the quicksand of confusion; he is overwhelmed by fear. Man is unable to distinguish right from wrong. Brotherhood is a word that has become alien to him; he has suffered a spiritual death; and his very fiber has been corrupted and stained by war, envy, and hate. If there is anyone who believes that this is merely a phase in the course of human events, he is gravely mistaken.

We are here to convey a new hope to you, a hope that shines above the dark clouds of misery. We are here to tell you that no matter how badly man is entangled in the mire and clay of his failures, he can exonerate himself. We are here to reassure you that this desert sweltering with racial bigotry and discrimination can be transformed into an oasis of justice and equality. If we can put a man on the moon, we can put a man on his feet. If we can put a man on welfare, we can take a man off of welfare. If we can create war, we can create peace. We can turn juvenile delinquency into juvenile decency. We can feed our poor, clothe our naked, comfort our downhearted, and cure our sick. I see no reason why we can't turn our boys into strong men, and our girls into diligent women.

I believe a spark of justice anywhere can become a threat to injustice everywhere. I feel man can restore unto himself those human elements of love, kindness, respect, faith, and hope. I believe we can live as brothers ought; we can spread the message of brotherhood; our living does not have to be in vain.

At University City, we have been taught the standards of integrity. I think it has been the furthermost aim of our teachers to build in us a strong character, giving us the desire to venture on in the services of one another. The trumpet has been sounded calling us into battle. Our future, as well as our present, depends on how we react and respond to this call. Some of us may be ignorant of the fact that we are needed as individuals. Some of us fail to see the seriousness and the complexities of our problems. Some of us will go down that road of apathy without caring. Others will concern themselves only with their own selfish desires. They will hold up that sign, I've got mine, now you get yours.

But thankfully, at University City, I feel a majority of us are aware of the troubles that confront us, and we will not be afraid to roll up our sleeves and get to work. We have come to know the true heroes of our time. They bore the burden in the heat of the day, and did not retreat while under fire. They were not afraid to sit in at segregated lunch counters; they were not afraid to shout, "Bring the boys home, this country is in the wrong." They marched, walked, sat in, and prayed from the depths of their souls. Hopefully, we can be the same type of heroes, not ashamed to keep the faith in, and stand up for, what we believe is right.

We are the first graduating class of the University City High School, and we have something to prove. There are some who say that the young people of today do not have the potential or even the will to meet the challenges of tomorrow. We must prove them wrong. We cannot afford to be a people of promise, we must be a people of progress. We can't be afraid to be called rebels. Martin L. King, Malcolm X, John Kennedy, Mahatma Gandhi, and Jesus Christ were all rebels. Change for the better has always been produced by people who stood up, who sacrificed their own reputations and comforts, and who did not adhere to the standards and norms mandated by society.

And when we've finally overcome, we shall see that tomorrow when we've begun to reap from the labors initiated today, that day when we will rejoice in peace, be glad in brotherhood, and dwell in freedom. This is a dream that can become a reality, if we endeavor to be our brother's keeper.

AMENDMENT TO EXPORT ADMINISTRATION ACT DEALING WITH NUCLEAR TECHNOLOGY

Mr. PROXMIRE. Mr. President, in response to inquiries from my colleagues, I ask unanimous consent that the text of my amendment to the Export Administration Act dealing with nuclear technology be printed in the Record.

This amendment addresses the transfer of nuclear technology for both civilian and military purposes.

Under present law embodied in the 1954 Atomic Energy Act, civilian technology can be transferred once the President has proposed an agreement and it is sent to the Joint Committee on Atomic Energy. After 30 days it goes in effect.

There often is no vote in the full Congress.

With respect to military technology, the proposed agreement must rest 60 days in Congress during which time both Houses of Congress must pass a concurrent resolution denying the action for the proposal to be killed.

This allows several serious situations to occur. First, Congress often does not have an opportunity to vote on these critical issues. Only the Joint Committee has any authority during the 30-day civilian technology period and even then the committee can waive this requirement.

Military technology can be sent abroad even if one House of Congress opposes the move. Or even if one Member of the Senate decides to not allow the issue to come to a vote, then the proposed agreement would go into effect.

My amendment would make mandatory that every time the President proposes such an agreement involving civilian or military technology, Congress must respond with an affirmative vote or else the agreement cannot be put into effect.

I would welcome the cosponsorship of my colleagues.

There being no objection, the amendment was ordered to be printed in the Record, as follows:

Amendment No. 1489

At the appropriate place in the bill, insert a new section as follows:

Sec. ——. Notwithstanding any other provision of law, no cooperation with any nation or regional defense organization shall be undertaken pursuant to section 54, 57, 64, 82, 91 (c), 103, 104 (d), 123 or 144 of the Atomic Energy Act of 1954 (42 U.S.C. 2074, 2077, 2094, 2112, 2121 (c), 2133, 2134(d), 2153 and 2164) on or after 1 June 1974 until the proposed agreement for cooperation has been submitted to Congress by the President and the Congress has adopted a concurrent resolution stating in substance that it favors the proposed agreement for cooperation.

RHODE ISLAND OPTOMETRIST OF THE YEAR

Mr. PELL. Mr. President, during the next 2 weeks, the American Optometric Association will be holding its annual congress here in Washington. It is timely, therefore, to take note of the achievements of Dr. Morton Silverman of Warwick, R.I., who received the Rhode Island Optometrist of the year award recently from the Rhode Island Optometric Association.

I am pleased to learn of Dr. Silverman's selection for this award, the highest honor given by the State association.

Dr. Silverman has been a member of the American Optometric Association since 1950, and has served with distinction on a number of committees and councils of that organization. Many of his areas of interest parallel the concerns of the Congress. He has been active as a member of the committee on international affairs, which is working now to assist other nations in the establishment of optometric educational programs, and of the committee on social and health care trends, which is regarded as one of the most productive units of the American Optometric Association under the name of the community health division.

Dr. Silverman's professional contributions have covered optometric education, comprehensive health planning, traffic safety, group practice, and military affairs.

Besides his many professional activities, Dr. Silverman served as a member of the Rhode Island department of social welfare and as a member of a Group Health Association ad hoc committee on insurance. He is highly regarded among his optometric colleagues across the Nation.

I extend to Dr. Silverman my hearty congratulations.

HEALTH PROFESSIONALS EDUCATIONAL ASSISTANCE ACT OF 1974

Mr. JAVITS. Mr. President, the urgent need for the "Health Professionals Educational Assistance Act of 1974" (S. 3585)—which I recently developed and introduced with Senator Kennedy—was dramatically portrayed in a timely front page article in today's New York Times by Lawrence K. Altman. The article entitled "Many Foreign Physicians in U.S. Found Unlicensed" describes, and I quote:

> A growing medical underground of thousands of foreign-trained doctors in practicing medicine without licenses and often without supervision in many American hospitals.

The Altman story is based on a report published today in the New England Journal of Medicine.

Our bill, S. 3585, addresses the growing foreign medical graduate—FMG—problem by one, providing for the number of training slots; and, two, by the establishment of minimal medical licensure requirements, including proficiency in the English language—both verbal and written. The activities would be achieved by the Secretary of the Department of Health, Education, and Welfare working in consultation with appropriate medical organizations.

When I introduced this measure with Senator Kennedy, I documented the FMG problem—in slightly more than a decade the number of FMG's in the United States has increased four times more rapidly than has the total physician supply. In 1972, almost as many FMG's—46 percent of the total—as graduates of U.S. medical schools were added to the licensure registries for physicians in our separate States—with particular emphasis with respect to the problem in New York, where about one-fourth of all foreign-trained physicians—10,000 of 45,816—in the United States are in New York City. Taking the State of New York as a whole, foreign medical graduates represented about 19 percent of all physicians in 1959; the proportion has risen steadily, until now about 36 percent of physicians in the State are graduates of foreign schools.

I am deeply concerned that FMG's, taken as a whole, should sustain not dilute the quality care provided to the American people. I ask unanimous consent that this article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Many Foreign Physicians in United States Found Unlicensed

(By Lawrence K. Altman)

A growing "medical underground" of thousands of foreign-trained doctors is practicing medicine without licenses and often without supervision in many American hospitals, according to a report published today in the New England Journal of Medicine.

These uncertified doctors, most of whom have either failed to pass or have not yet taken the examinations necessary for American licensure, are making crucial diagnostic and therapeutic decisions affecting the outcomes of patients' illnesses, the report said.

Although many of the doctors were officially hired as laboratory technicians or assistants in various low-level job categories, the report said that they often assumed responsibility for patient care, without consulting licensed physicians.

The authors of the report did not deal with the question of legality, but the findings are likely to arouse debate on whether the doctors or the hospital officials who accede to the practice as a way of coping with a doctor shortage are legally liable.

One state, Georgia, has already passed a law offering temporary licensure to such doctors provided they practice in parts of the state with too few doctors.

The study, carried out by five American doctors, who surveyed 4,035 foreign medical graduates now working in the United States, was undertaken at the request of the body that examines foreign graduates for their competence to seek licensure in the United States. That body, the Educational Council for Foreign Medical Graduates, of Philadelphia, is not a part of the American Medical Association.

The study raises basic questions about how well the quality of medical care in this country is regulated, particularly since the number of graduates of Asian medical schools practicing in the United States has soared after a change in immigration laws in 1966. Many American medical experts have long questioned the adequacy of training given in some foreign medical schools.

The report also rekindles the controversy about this country's growing reliance on graduates of foreign schools to treat patients. Last year the number of foreign medical graduates licensed in the United States almost equaled the number of doctors who graduated from American medical schools.

FEW AMERICANS FOUND

The report comes at a time when a record number of Americans—about 6,000—are studying medicine in foreign medical schools. There are 50,716 students enrolled in American medical schools. Few Americans were found in the medical underground study because the bulk of Americans who are getting their M.D.'s abroad have yet to graduate.

Foreign medical graduates must pass the examination given by the Educational Council for Foreign Medical Graduates to qualify to take another set of examinations to get a state medical license. The precise number of foreign-trained doctors practicing without license or examination certification is unknown.

American Medical Association records cited by the study's authors show at least 10,000 unlicensed physicians working in the health field in 1971. Dr. Henry Mason of the A.M.A., characterizing these people as "not quite physicians," has attributed the problem to "loopholes in our immigration laws" and to the practice whereby some states grant temporary licenses to uncertified doctors who work in state hospitals.

Because they hold M.D. degrees they are

appropriately called "doctor." But their patients might not know that the doctor is unlicensed and practicing medicine without direct supervision from a licensed colleague.

The senior author of the new study, Dr. Robert J. Weiss of Harvard, said in an interview that the medical underground consisted of M.D.'s lacking American credentials who, though they are called X-ray technicians, laboratory assistants, or by some other title in job descriptions, act independently as physicians.

Some do surgery in the operating room or in the emergency ward. Others give anesthesia. Many practice psychiatry. Some read X-rays. A few look under a microscope at biopsy specimens in pathology laboratories to distinguish between cancers and benign tumors, for example, and thereby determine what course the surgeon must take while the patient is anesthetized on the operating table.

These doctors generally are Asians, usually from the Philippines or India. They work for less pay than American doctors in a city of more than 100,000 population in one of eight states—New York, Illinois, California, Florida, Ohio, Massachusetts, Michigan and New Jersey.

According to the latest statistics reported by the National Science Foundation, three-quarters of the 7,119 foreign doctors admitted to the United States as immigrants in the year ended June 30, 1973, were from Asian countries. India contributed the largest share with 1,921, followed by 753 from the Philippines and 610 from South Korea.

EXAM IS FIRST STEP

The crux of the medical underground problem is the examination given by the Educational Council for Foreign Medical Graduates. The examination serves as the first step to a permanent place in the American health care system.

It was originally created in 1958 by the American Medical Association, the Association of American Medical Colleges, the American Hospital Association and the Federation of State Medical Boards as a means of determining which foreign doctors were considered best qualified to serve as interns and residents in specialty training programs in American hospitals.

The six and one-half hour examination is not a license to practice medicine. A physician can pass this examination yet not obtain a medical license. In any year, about two out of five foreign doctors pass the examination. Ultimately, two out of three pass, but often only after several tries and with the aid of cram courses.

"Passing the E.C.F.M.G. examination does not make you a competent doctor," Dr. Weiss said.

Dr. Weiss said he had become interested in studying the problem after other health experts had detected a gap in the American Medical Association's listing of physicians. He said that the A.M.A. did not record doctors with partial licenses in a systematic way and that the Chicago-based organization had no way of learning the names of immigrant doctors unless they entered formal training programs.

Documentation of the medical underground is based on the study that Dr. Weiss and his colleagues, Dr. Joel C. Kleinman, Dr. Ursula C. Brandt, Dr. Jacob J. Feldman and Dr. Aims C. McGuinness undertook at the request of the Educational Council for Foreign Medical Graduates. The team received responses from 3,935 of the 4,035 foreign doctors who were given questionnaires when they took the examination in January 1973. The overwhelming majority were permanent residents of the United States.

Surprisingly, the 48 per cent of the respondents who were actively working in the health field had a lower pass rate (15 per cent) than foreign medical graduates who were not practicing (26 per cent).

The team headed by Dr. Weiss completed interviews with 850 of the 1,069 respondents randomly selected for such interviews, and they learned that 75 per cent were involved in direct patient care and 64 percent were employed by hospitals.

To underscore his point, Dr. Weiss said that when he called one noncertified doctor in North Carolina, the person answering his phone replied that the doctor was busy caring for patients in his office.

ASSURANCES RECEIVED FROM OFFICE OF MANAGEMENT AND BUDGET WITH RESPECT TO VA'S VET REP PROGRAM AND VCI PROGRAM

Mr. CRANSTON. Mr. President, yesterday, the Senate unanimously passed, by a vote of 91 to 0, S. 2784, the Vietnam-era Veterans Readjustment Assistance Act of 1974. As the principal coauthor of this measure with the distinguished chairman of the Committee on Veterans' Affairs (Mr. Hartke), I am delighted by the overwhelming support shown by my colleagues in the Senate for this very broad, comprehensive measure.

Mr. President, section 217 of S. 2784 adds a new section 243 to title 38 to provide specific statutory authority and congressional guidance with respect to the implementation of the Vet Rep program. This program was designed by the Veterans' Administration to improve service relationships with veterans, colleges and universities, and veterans' service organizations, by placing VA representatives on college and university campuses to identify and resolve VA educational assistance allowance problems.

My remarks on the floor yesterday during Senate consideration of S. 2784—S11044, June 19, 1974—devote considerable attention to my concerns regarding the relationship that would develop between VA Vets Reps and those persons already involved in campus veterans' programs, particularly, the veterans' cost-of-instruction — VCI — program campus coordinators. VCI coordinators, who are responsible for planning, implementing, and directing the full-time offices of veterans' affairs established under a provision I authored in the Education Amendments of 1972, Public Law 92–318, have expressed substantial concern that their programs were about to be taken over by the VA, and, considering the seemingly duplicative nature of the VA's early plans and job descriptions for the Vet Reps, their fears appeared to be well founded.

Mr. President, in order to work out details of the Vet Rep program, and to insure that the concerns of VCI coordinators would be taken fully into consideration before plans for the program were finalized, my staff worked closely with the Veterans' Administration, the Civil Service Commission, the Office of Management and Budget, and the White House to work out details of the program.

Additionally, on June 14, 1974, I wrote to the Director of the Office of Management and Budget, Mr. Roy L. Ash, with respect to the assurances I believed were necessary regarding the manner in which it is proposed that this new program be implemented. This morning, I received Mr. Ash's most definitive and responsive reply to my letter, and I ask unanimous consent that both the full text of my June 14, 1974, letter to Mr. Ash, and his June 19, 1974, response to me be printed in the Record at the conclusion of my remarks.

Mr. President, in addition to the assurances spelled out in Director Ash's letter to me, it is my understanding that this entire matter was discussed very thoroughly this morning at the Appropriations Subcommittee on HUD, Space, Science, and Veterans hearing on the Veterans' Administration's urgent supplemental budget request. The VA had included $2 million in this request to begin implementing the Vet Rep program. I want to express my appreciation to the able chairman of the subcommittee, the Senator from Wisconsin (Mr. Proxmire), for the very detailed and very probing questions he put to the Veterans' Administration's Chief Benefits Director, Mr. Odell Vaughn, concerning the VA's general plans for implementing the Vet Rep program, and specifically, its understanding of the separate and distinct responsibilities of Vet Reps and VCI coordinators.

Chairman Proxmire's thorough efforts today are one more example of the probing and comprehensive overview which the Appropriations Subcommittee applies to VA funding requests under his excellent leadership. I believe that my correspondence with the Office of Management and Budget, and the assurances Chairman Proxmire received from the VA at today's hearing, evidence clearly the administration's willingness to consider and meet effectively the specific problems and concerns that have been expressed on this proposed program. I am hopeful that the Appropriation Committee and the Senate will approve this $2 million supplemental request and that the Vet Rep program, indeed, will improve the VA's ability to implement the GI bill educational assistance program in a timely and efficient manner.

There being no objection, the letter was ordered to be printed in the Record, as follows:

EXECUTIVE OFFICE OF THE PRESIDENT,
Washington, D.C., June 19, 1974.

Hon. ALAN CRANSTON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CRANSTON: Thank you for your letter of June 14 concerning the Veterans Administration's new Vet Rep program. As you know, members of my staff worked closely with VA staff in developing the concept of the new program.

Responses to the points you raised in your letter follow in the order in which you presented them:

1. The Vet Rep program is not designed to replace nor will it infringe in any way on the statutory responsibilities of the VCI coordinators. The primary responsibility of the Vet Reps will be to make advance Educational Assistance payments, to act as focal points to assure that the veteran's pay status will continue, to facilitate VA paper work

handling, and to resolve VA educational benefit problems.

2. Vietnam era veterans are being given priority in filling Vet Rep positions. Of the over 1,100 positions already recruited, 90 percent plus are Vietnam era veterans.

3. VA Regional Office Directors have been provided flexibility in the assignment of Vet Reps to campuses. Assignments will take into account the need for service in particular schools, the availability of ongoing programs such as the VCI program, and the desires of the institutions.

4. After the advance payment problems associated with fall enrollment have been resolved, Regional Office Directors will have discretion, with the approval of the Chief Benefits Director, to assign Vet Repts to work wherever the need is greatest.

5. An initial evaluation of the Vet Rep program will be undertaken by the end of December 1974.

I trust the above alleviates the concerns expressed in your letter and that we can look forward to your support for the program.

Sincerely,

ROY L. ASH,
Director.

U.S. SENATE,
COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., June 14, 1974.

Hon. ROY L. ASH,
Director, Office of Management and Budget, Executive Office Building, Washington, D.C.

DEAR MR. DIRECTOR: The Senate Appropriations Subcommittee on HUD, Space, Science, and Veterans has received the Veterans Administration's amended supplemental budget request for FY 1974, which contains $2.5 million for the VA's new Vet-Rep program, announced by the President on May 31. This new program was designed to improve VA service relationships with G.I. Bill trainees, colleges and universities, and veterans' service organizations by placing VA representatives on college and university campuses to identify and resolve VA educational assistance allowance problems.

I am generally supportive of this attempt to deal constructively with payment problems which have plagued the G.I. Bill educational assistance program, and thus authored a provision in S. 2784 (section 217, copy enclosed), as reported by the Committee on Veterans' Affairs, to provide statutory authority, as well as Congressional guidance, for this new program.

Given the considerable confusion surrounding preparation of the specifications for this program, and the great concern expressed by those persons already involved in campus veterans' programs, especially campus coordinators under the Veterans Cost-of-Instruction (VCI) program, which I authored in the Education Amendments of 1972 (P.L. 92–318), it would be most useful for those of us working on resolving differences between S. 2784 and the House-passed bill, H.R. 12628, as well as for the Chairman (Senator Proxmire) and members of the Appropriations Subcommittee, to receive, in writing, certain assurances regarding the manner in which it is proposed that this new program be implemented. Due to the uncertain leadership situation at the VA at this time and because O.M.B. was so instrumental in developing the concept of the new program, I am addressing these concerns to you.

Specifically, I believe assurances are needed with respect to the following points to set forth the understanding expressed to my staff over the last several weeks by O.M.B. Assistant Director, Paul O'Neill:

1. Clarification is badly needed as to the scope and purpose of the new program in relationship to the VCI program. VCI coordinators are responsible for planning, implementing, and directing the full-time offices of veterans' affairs required to be established under the VCI program. The VCI program was designed to provide incentives and supporting funds for colleges and universities to recruit returning veterans and to establish the kinds of special programs and services necessary to assist veterans in readjusting to and succeeding academically in an educational setting. VCI coordinators are required by law to fulfill numerous substantive, programmatic responsibilities, although in this past year, as a result of the repeated problems in the VA's implementation of the educational benefits program, they were obliged to spend much of their time trying to facilitate routine paperwork in connection with G.I. Bill benefits.

It is my understanding that the responsibilities of Vet Reps will include facilitating all routine VA paperwork, the handling of all VA educational benefits program problems, and the provision of information concerning particular laws and VA regulations; Vet-Reps are to cooperate closely, *but in no way* overlap, or interfere with, the duties and responsibilities of VCI coordinators.

In order to assuage the very strong concerns which continue among many VCI coordinators that Vet Reps will duplicate, rather than complement VCI programs, I think it would be extremely important for you to indicate very emphatically that the Vet-Rep program is not designed to replace the VCI program, nor focused on carrying out the specific statutory functions assigned to VCI coordinators under section 420 of the Higher Education Act of 1965, as amended.

2. I believe assurances are also needed that Vietnam-era veterans will, in fact, be given priority in filling Vet-Rep positions.

3. Additionaly, assurances are needed that VA Regional Directors will be provided flexibility in allocating and reallocating Vet Reps among schools in the most practicable manner, taking into account the need for these services at particular schools in light of ongoing programs (especially VCI programs) and the desires of the school to have a Vet Rep on campus.

4. Further, assurances are needed that VA Regional Directors will have the discretion—with the approval of the VA's Chief Benefits Director—to assign Vet Reps to work in a VA Regional Office, with special responsibility for one or more than one particular educational institution. Such flexibility will be essential, especially after the onslaught of advance payment problems has subsided in November or December.

5. Finally, I would urge that a commitment be made to provide for a full, expedited evaluation of the Vet-Rep program not later than December, 1974, and, in order to facilitate this, to build-in to the program necessary data-gathering procedures at the outset. Such an evaluation should give special attention to the longer range assignments of Vet Reps, as well as the most efficient use of their services.

I will appreciate your earliest response to the concerns above, and I ask that you send copies of your reply directly to Mr. Odell Vaughn, Chief Benefits Director of the VA, and others.

Sincerely,

ALAN CRANSTON.

THREE HUNDRED AND NINETY ADVISORY COMMITTEES ABOLISHED LAST YEAR

Mr. METCALF. Mr. President, one purpose of the Federal Advisory Committee Act (P.L. 92–463) is to terminate automatically those advisory committees no longer necessary or justifiable. Progress is being made toward significantly reducing the proliferation of Federal advisory committees.

Last year, as required by law, the President submitted the first annual report on advisory committees. He reported 1,439 advisory committees in existence at the end of 1972.

The President has just submitted his second annual report. It shows that 1,250 Federal advisory committees existed at the close of calendar year 1973. Although 216 committees have been established, 390 were terminated—a net decrease of 174 advisory committees—in addition, 15 other committees are no longer listed because of changes in the reporting requirement regarding subcommittees.

The President's second annual report is available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, stock No. 2202–00042. The price is $1.55. However, this report does not list the advisory committees abolished. That information should be conveniently available. Therefore, I ask unanimous consent to print the list of terminated committees in the RECORD, preceded by summary data excerpted from the second annual report.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

ADVISORY COMMITTEE SUMMARY DATA FOR CALENDAR YEAR 1973

Agency	Numbers current[1] Dec. 31, 1973	Numbers statutory Dec. 31, 1973	Numbers terminated calendar year 1973	New committees calendar year 1973		Changes in numbers, calendar year 1973	Total cost	Average cost
				Total numbers	Numbers statutory			
Presidential advisory committees [2]	[3] (32)	(15)	(5)	(5)	(3)	(0)	($4, 372, 121)	($118, 165)
Executive Office of the President:								
Office of Management and Budget	4	0	0	1	0	1	82, 000	20, 500
Council of Economic Advisers	1	0	1	0	0	−1	240, 000	120, 000
Council on Environmental Quality	3	0	2	1	0	−1	56, 000	11, 200
Federal Energy Office	5	0	0	5	0	5	5, 000	1, 000
Office of Telecommunications Policy	2	0	0	0	0	0	6, 087	3, 044
Special Action Office for Drug Abuse Prevention	1	1	0	0	0	0	125, 000	125, 000
DEPARTMENTS								
Agriculture	136	62	52	5	1	−47	229, 909	1, 223
Commerce	41	11	52	17	9	−35	1, 549, 118	16, 657

Footnotes at end of table.

ADVISORY COMMITTEE SUMMARY DATA FOR CALENDAR YEAR 1973—Continued

Agency	Numbers current[1] Dec. 31, 1973	Numbers statutory Dec. 31, 1973	Numbers terminated calendar year 1973	New committees calendar year 1973		Changes in numbers, calendar year 1973	Total cost	Average cost
				Total numbers	Numbers statutory			
Defense	[4]81	5	22	10	0	−12	$2,299,714	$22,327
Health, Education, and Welfare	286	39	183	101	5	−82	14,625,963	31,185
Housing and Urban Development	2	2	2	0	0	−2	19,458	4,865
Interior	129	73	7	6	1	−1	1,196,130	8,795
Justice	4	1	3	0	0	−3	870,492	124,356
Labor	44	7	4	3	1	−1	871,775	18,162
State	44	3	6	8	3	2	379,062	7,581
Agency for International Development	3	0	2	0	0	−2	225,000	45,000
Transportation	41	3	16	2	0	−14	485,237	8,513
Treasury	25	0	5	3	0	−2	146,000	4,867
AGENCIES								
ACTION	1	1	0	1	1	1	0	0
Administrative Conference of the United States	1	1	0	0	0	0	600,000	600,000
American Revolution Bicentennial Administration	12	0	0	0	0	0	44,900	3,742
Atomic Energy Commission	11	2	2	0	0	−2	1,113,495	85,653
Civil Aeronautics Board	2	0	0	0	0	0	2,635	1,183
Consumer Product Safety Commission	4	3	0	2	1	2	60,000	15,000
Cost of Living Council	7	0	3	7	0	4	163,858	16,386
Environmental Protection Agency	16	3	6	2	0	−4	606,426	27,565
Export-Import Bank of the United States	1	1	0	0	0	0	9,600	9,600
Federal Communications Commission	6	0	1	0	0	−1	231,581	33,083
Federal Home Loan Bank Board	1	1	0	0	0	0	(5)	
Federal Mediation and Conciliation Service	1	1	0	0	0	0	0	0
Federal Power Commission	47	0	0	0	0	0	393,609	8,375
General Services Administration	37	1	4	2	0	−2	159,752	3,896
Interstate Commerce Commission	1	0	3	1	0	−2	12,000	3,000
National Aeronautics and Space Administration	23	1	5	11	0	6	452,400	16,157
National Credit Union Administration	1	1	0	0	0	0	9,900	9,900
National Endowment for the Arts	13	1	0	0	0	0	388,625	29,894
National Endowment for the Humanities	7	1	0	1	0	1	374,148	53,450
National Science Foundation	43	1	5	5	0	0	341,183	7,108
Railroad Retirement Board	1	1	0	0	0	0	2,600	2,600
Securities and Exchange Commission	1	0	1	0	0	−1	1,500	750
Small Business Administration	66	0	0	0	0	0	126,631	1,919
U.S. Arms Control and Disarmament Agency	1	0	1	0	0	−1	0	0
U.S. Civil Service Commission	7	4	1	0	0	−1	373,350	46,669
U.S. Commission on Civil Rights	51	0	0	0	0	0	963,618	18,894
U.S. Information Agency	2	1	0	0	0	0	58,500	29,250
Veterans' Administration	26	3	1	21	2	20	263,964	9,776
SELECTED COMMITTEES, COMMISSIONS, AND COUNCILS								
Ad Hoc Advisory Group on Puerto Rico	1	0	0	1	0	1	30,000	30,000
Advisory Committee on Federal Pay	1	1	0	0	0	0	130,000	130,000
Advisory Council on Historic Preservation	1	1	0	0	0	0	479,000	479,000
Cabinet Committee on Opportunities for Spanish Speakng People	1	1	0	0	0	0	2,360	2,360
Commission on the Organization of the Government for the Conduct of Foreign Policy	[7]1	1	0	0	0	0	282,000	282,000
Commission on the Review of the National Policy Toward Gambling	1	1	0	0	0	0	20,000	20,000
National Commission for the Review of Federal and State Laws Relating to Wiretapping and Electronic Surveillance	1	1	0	0	0	0	0	0
U.S. Water Resources Council	1	0	0	0	0	0	1,500	1,500
Total	1,250	241	390	216	24	−174	31,110,810	18,970

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[1] Where they occur, differences between 1972 and 1973 current numbers result from changes in reporting.

[2] These Presidential advisory committees are included in the numbers below for those agencies having jurisdiction.

[3] This number may be affected by some legal decisions on whether certain committees are Presidential advisory committees.

[4] Includes 29 committees under Secretary of Defense, Joint Chiefs of Staff and Defense agencies; 12 committees under Air Force; 25 committees under Army; and 15 committees under Navy.

[5] No cost to the United States. Cost of $74,487 funded by the self-supporting Federal Home Loan Bank System.

[6] Includes Federal Employee Pay Council.

[7] Status under review.

FEDERAL ADVISORY COMMITTEES TERMINATED DURING CALENDAR YEAR 1973

EXECUTIVE OFFICE OF THE PRESIDENT

Council of Economic Advisers (1)

President's Advisory Panel on Timber and Environment.

Council on Environmental Quality (2)

CEQ–FCST Committee on Ecological Research Stream Channel Modification Study Advisory Group.

DEPARTMENTS

Agriculture (52)

See attached list.

Commerce (52)

See attached list.

Defense (22)

See attached list.

Health, Education and Welfare (183)

See attached list.

Housing and Urban Development (2)

Urban Studies Fellowship Advisory Board.

New Community Advisory Board.

Interior (7)

Colorado Grazing District No. 2 Advisory Board.

Fire Island National Seashore Advisory Commission.

National Advisory Board for Sport Fisheries and Wildlife.

National Commission on Materials Policy.

National Fisheries Center and Aquarium Advisory Board.

National Indian Education Advisory Committee.

Theodore Roosevelt Birthplace and Sagamore Hill NHS Advisory Committee.

Justice (3)

Advisory Committee for Law Enforcement Technology.

National Advisory Commission on Criminal Justice Standards and Goals.

National Commission on Marihuana and Drug Abuse.

Labor (4)

Advisory Committee on Testing and Selection.

Standards Advisory Committee on Asbestos Dust.

Standards Advisory Committee on Carcinogens.

Standards Advisory Committee on Noise.

State (6)

Advisory Committee on Art in the Embassies Program.

Advisory Council on Inter-American Affairs.

African Affairs Advisory Council.

European Advisory Council.

Panel of Experts on International Athletic Programs.

U.S. Advisory Committee on the Arts.

Agency for International Development (2)

Advisory Committee on AID—University Relations.

Labor Advisory Committee on Foreign Assistance.

Transportation (16)

See attached list.

Treasury (5)

American Life Insurance Association, the Economic Policy Committee.

Independent Bankers Association Government Fiscal Policy Committee.

National Association of Mutual Savings Banks Committee on Government Securities and the Public Debt.

Treasury Liaison Committee of the Business Council.

U.S. Savings and Loan League, National League of Insured Savings Associations, the Advisory Committee on Government Securities of the Savings and Loan Business.

AGENCIES

Atomic Energy Commission (2)

Advisory Committee for Biology and Medicine.

Standing Committee on Controlled Thermonuclear Research.

Cost of Living Council (3)

Committee on the Health Services Industry.

Committee on State and Local Cooperation.

Rent Advisory Board.

Environmental Protection Agency (6)

Coal Desulfurization Advisory Committee.

Coal Preparation Industrial Advisory Committee.

Grain and Feed Industrial Advisory Committee.

Pax Company Arsenic Advisory Committee.

Phosphate Industry Liaison Advisory Committee.

Soap and Detergent Industrial Advisory Committee.

Federal Communications Commission (1)

Dialer and Answering Devices Advisory Committee.

General Services Administration (4)

Authentication Subcommittee of Americana Committee for the National Archives.

Economic Stabilization Committee.

Federal Records Council.

Nominating Subcommittee of the Americana Committee for the National Archives.

Interstate Commerce Commission (3)

Pipeline Advisory Committee on Valuation and Accounting.

Railroad Advisory Committee on Equipment and Roadway Property.

Tariff Users Advisory Committee.

National Aeronautics and Space Administration (5)

Ad Hoc Subcommittee of the Space Science and Applications Steering Committee for the Evaluation of the Large Space Telescope (LST) Experiment Proposals.

Ad Hoc Subcommittee of the Space Science and Applications Steering Committee for the Evaluation of Pioneer Venus Flight Experiment Proposals.

Ad Hoc Subcommittee for the review of the Second and Third High Energy Astronomy Observatory (HEAO) Missions.

Infrared Telescope Site Evaluation Advisory Committee.

Science Advisory Committee on Comets and Asteroids.

National Science Foundation (5)

Advisory Committee for Computing Activities.

Advisory Panel for Polar Programs.

Ship Construction Review Panel.

Ship Material Condition Review Panel.

Ship Operations Review Panel.

Securities and Exchange Commission (1)

Advisory Committee on a Central Market System.

U.S. Arms Control and Disarmament Agency (1)

Social Science Advisory Board.

U.S. Civil Service Commission (1)

National Advisory Board of the Federal Executive Institute.

Veterans' Administration (1)

Advisory Committee on Vocational Counseling, Training and Adjustment.

Total Committees Terminated: 390.

U.S. DEPARTMENT OF AGRICULTURE

ADVISORY COMMITTEES TERMINATED DURING CALENDAR YEAR 1973

Agricultural Facilities Review Task Force.[1]

Broiler Advisory Committee.

Cache National Forest Grazing Advisory Board.

Caribou National Forest Woolgrowers' Advisory Board.

Caribou National Forest Cattlemen's Advisory Board.

Central Advisory Board, Ashland Division, Custer National Forest.

Colville National Forest Advisory Committee.

Colville National Forest Grazing Advisory Board.

Eldorado National Forest Advisory Board.

Flathead National Forest Advisory Committee.

Forest Products Marketing and Utilization Research Advisory Committee.

General Conference Committee of the National Poultry Improvement Plan.[2]

Intermountain Region Timber Roads Advisory Committee.

Kaibab National Forest Multiple Use Advisory Committee.

Kaniksu National Forest Advisory Committee.

Kootenai National Forest Advisory Committee.

Lewis and Clark National Forest Advisory Committee.

Lincoln National Forest Advisory Committee.

Medicine Bow National Forest Multiple Use Advisory Committee.

Missouri National Forest Advisory Committee.

Mt. Hood National Forest Advisory Committee.

Multiple Use Advisory Committee for Nebraska and McKelvie National Forests and Ft. Pierre, Buffalo Gap and Oglala National Grasslands.

National Advisory Committee on Safety in Agriculture.[2]

National Agricultural Research Advisory Committee.

Nemo District Grazing Advisory Board, Black Hills National Forest.

Nezperce National Forest Advisory Board.

Pacific Northwest Regional Advisory Committee.

Payette National Forest Cattlemen's Advisory Board.

Payette National Forest Woolgrowers' Advisory Board.

Prescott National Forest Multiple Use Management Advisory Committee.

Regional Farmer Advisory Committee.

Regional Road Committee (Region 2).

Regional Timber Roads Committee (Region 3).

Region 6 Road Committee.

Rogue River National Forest Advisory Committee.

Salmon National Forest Livestock Advisory Board.

Salmon National Forest Multiple Use Advisory Committee.

Salmon River Breaks Primitive Area Public Advisory Committee.

Salmon River Study Advisory Committee.

Sequoia National Forest Advisory Board.

Sierra National Forest Advisory Board.

Siskiyou National Forest Advisory Committee.

Southeastern Forestry Research Advisory Committee.

Targhee National Forset Cattle Advisory Board.

Tobacco Marketing Study Committee.[1]

Tobacco Valley Grazing Advisory Board, Kootenai National Forest.

Toiyabe National Forest Advisory Committee—Charleston Division.

Umatilla National Forest Advisory Committee.

Wallowa-Whitman National Forest Advisory Committee.

Water Bank Advisory Board.

White River National Forest Grazing Advisory Board (Cattle).

White River National Forest Sheep Advisory Board.

U.S. DEPARTMENT OF COMMERCE

1973 ANNUAL REPORT OF ADVISORY COMMITTEES

Advisory committees terminated during the year: (52)

Advisory Panel for Project Stormfury.

Commission on American Shipbuilding.[1]

International Business Advisory Committee.

National Advisory Committee for the Flammable Fabrics Act.[2]

NBCCA (National Business Council for Consumer Affairs) Sub-Council on Advertising and Promotion.

NBCCA Sub-Council on Complaints and Remedies.

NBCCA Sub-Council on Credit and Related Terms of Sale.

NBCCA Sub-Council on Packaging and Labeling.

NBCCA Sub-Council on Performance and Service.

NBCCA Sub-Council on Product Safety.

NBCCA Sub-Council on Warranties and Guarantees.

National Export Expansion Council (NEEC).

NEEC Action Committee on Export Financing.

NEEC Action Committee on Taxation in Relation to Exports.

NEEC Action Committee on Trade and Investment in Developing Countries.

NEEC Industry Advisory Committee on Chemicals.

NEEC Industry Advisory Committee on Food Processing and Packaging Equipment.

NEEC Industry Advisory Committee on Office Machines and Computers.

NEEC Industry Advisory Committee on Telecommunications.

NEEC Small Business Advisory Committee.

NIPCC (National Industrial Pollution Control Council) Airlines and Aircraft Sub-Council.

NIPCC Automotive Sub-Council.

NIPCC Beverages Sub-Council.

NIPCC Building Materials Sub-Council.

NIPCC Chemicals Sub-Council.

NIPCC Coal Sub-Council.

NIPCC Construction Sub-Council.

NIPCC Containers (Can) Sub-Council.

NIPCC Containers (Glass and Plastic) Sub-Council.

NIPCC Containers (Paper) Sub-Council.

NIPCC Detergents Sub-Council.

NIPCC Electric and Nuclear Sub-Council.

NIPCC Fertilizers and Agricultural Chemicals Sub-Council.

NIPCC Food (Dairy, Fish, and Other) Sub-Council.

NIPCC Food (Grain-Based Products) Sub-Council.

NIPCC Food (Poultry and Animal-Based Products) Sub-Council.

NIPCC General Manufacturing Sub-Council.

NIPCC Heavy Equipment Sub-Council.

NIPCC Leisure Sub-Council.

NIPCC Mining and Non-Ferrous Metals Sub-Council.

NIPCC Paper Sub-Council.

NIPCC Petroleum and Gas Sub-Council.

NIPCC Process and Systems Engineering Sub-Council.

NIPCC Railroads and Rail Equipment Sub-Council.

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[1] Ad hoc committee. Established and terminated in CY 1973.

[2] Expired. In process of being renewed.

[1] A Presidential advisory committee, the responsibility for which was delegated to Commerce by the Office of Management and Budget on 6/25/73.

[2] A "termination" of reporting accountability only, for this committee was *transferred* to the Consumer Products Safety Commission (on 5/14/73) pursuant to P.L. 92–573.

NIPCC Rubber Sub-Council.

NIPCC Shipping Sub-Council.

NIPCC Steel Sub-Council.

NIPCC Utilities Sub-Council.

NIPCC Wood Products Sub-Council.

NIPCC International Environmental Committee.

OFDI Advisory Committee on Accounting.

Patent Advisory Committee.

DOD ADVISORY COMMITTEE TERMINATED DURING CALENDAR YEAR 1973—22

OFFICE OF THE SECRETARY OF DEFENSE

1. Defense Advisory Committee for the Domestic Action Program.

DEFENSE CIVIL PREPAREDNESS AGENCY

2. Civil Defense Advisory Committee.

DEPARTMENT OF THE ARMY

3. Advisory Committee, U.S. Army Command & General Staff College.

4. Advisory Committee to the U.S. Army Institute for Military Assistance.

5. Advisory Committee, U.S. Army Combat Developments Command.

6. *Munitions Advisory Group.

7. Scientific Advisory Committee, U.S. Army Engineer Topographic Laboratories.

8. Scientific & Management Advisory Committee, U.S. Army Computer Systems Command.

9. Test & Evaluation Advisory Group.

10. Board of Visitors, U.S. Army Military Police School.

11. Board of Visitors, U.S. Army Transportation School.

12. *Weapons Advisory Group, U.S. Army Weapons Command.

DEPARTMENT OF THE NAVY

13. Joint Materials Handling Equipment Industry Advisory Committee.

14. Navy Industry Shipboard Cable Advisory Committee.

15. Shipbuilding Industry Advisory Committee.

16. Naval Ordnance Systems Command Hydroballistics Advisory Committee.

17. Commandant of the Marine Corps Advisory Committee for Minority Affairs.

18. Naval Weapons Center Advisory Committee.

DEPARTMENT OF THE AIR FORCE

19. Air Force Systems Command Board of Visitors.

20. School of Military Sciences, Officer, Advisory Committee.

21. USAF Academy Public Affairs Advisory Committee.

22. USAF Academy Advisory Council.

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE, ANNUAL REPORT OF ADVISORY COMMITTEES, REPORT PERIOD: CALENDAR YEAR 1973, LIST (5)

ADVISORY COMMITTEES TERMINATED DURING THE CALENDAR YEAR

Ad Hoc Advisory Committee for the Frederick Cancer Research Center (NIH).

Ad Hoc Committee to Review Cancer Center Support (NIH).

Ad Hoc Committee for Review of the Special Virus Cancer Program (NIH).

Ad Hoc Committee on Smoking and Health (NIH).

Ad Hoc Committee on Testing for Environmental Chemical Carcinogens (NIH).

Ad Hoc Large Bowell Cancer Committee (NIH).

Ad Hoc NCI-VA Collaborative Program Review Committee (NIH).

Ad Hoc Pancreas Working Group (NIH).

Ad Hoc Patient Care Costs Committee (NIH).

Ad Hoc Toxicology Committee (NIH).

Advisory Committee on Education of Spanish and Mexican Americans (OE).

Advisory Committee on Older Americans (OS).

Advisory Council on Environmental Education (OE).

Advisory Council on Graduate Education (OE).

Advisory Council on Library Research, Training and Resources (OE).

Advisory Council on Research and Development (OE).

Allergy and Infectious Diseases Training Grant Committee (NIH).

Allied Health Professions Institutional Improvement and Training Review Committee Section A (NIH).

Allied Health Professions Institutional Improvement and Training Review Committee Section B (NIH).

Allied Health Professions Institutional Improvement and Training Review Committee Section C(NIH).

Allied Health Professions Review Committee (NIH).

Anatomical Sciences Training Committee (NIH).

Anesthesiology Training Committee (NIH).

Anthropology ad hoc Proposal Review Panel (NIE).

Arthritis and Metabolic Diseases Program—Project Committee (NIH).

Arthritis and Metabolic Diseases Research Career Program Committee (NIH).

Arthritis Training Grants Committee (NIH).

Artificial Heart Assessment Panel (NIH).

Behavioral Sciences Training Committee (NIH).

Bioassay Operations Segment Advisory Group (NIH).

Biochemistry Training Committee (NIH).

Biohazards Control and Containment Working Group (NIH).

Biological Models Segment Advisory Group (NIH).

Biological Sciences Training Review Committee (ADAMHA).

Biology and Immunology Segment Advisory Group (NIH).

Biophysical Sciences Training Committee (NIH).

Board of Scientific Counselors, DBS (FDA).

Breast Cancer Task Force (NIH).

Breast Cancer Virus Working Group (NIH).

Cancer Cause and Prevention Advisory Committee (NIH).

Cancer Control Cause and Prevention Review Committee (NIH).

Cancer Control Detection and Diagnosis Review Committee (NIH).

Cancer Control Rehabilitation Review Committee (NIH).

Cancer Control Treatment Review Committee (NIH).

Cancer Research Training Committee (NIH).

Carcinogen Metabolism and Toxicology Segment Advisory Group (NIH).

Carcinogenesis Advisory Panel (NIH).

Cardiovascular Training Committee (NIH).

Chemistry and Molecular Carcinogenesis Segment Advisory Group (NIH).

Child Development National Advisory Committee (OS).

Child and Family Development Research Review Committee (OS).

Cholera Advisory Committee (NIH).

Clinical Cancer Training Committee (dental) (NIH).

Clinical Cancer Training Committee (general) (NIH).

Clinical and Personality Sciences Fellowship Review Committee (ADAMHA).

Colon Cancer Segment Advisory Group (NIH).

Committee for Young Scientists in Cancer (NIH).

Community Environmental Management National Advisory Council (HRA).

Comprehensive Health Planning Training and Studies Review Committee (HRA).

Construction of Nurse Training Facilities Review Committee (NIH).

Construction of Schools of Public Health Review Committee (NIH).

Cultural Anthropology Fellowship Review Committee (ADAMHA).

Current Medical Procedure Terminology Technical Advisory Committee (HRA).

Dental Education Review Committee (NIH).

Dental Health Research and Education Advisory Committee (HRA).

Dental Research Institutes and Special Programs Advisory Committee (NIH).

Dental Training Committee (NIH).

Dermatology Training Grants Committee (NIH).

Developmental Research Working Group (NIH).

Diabetes and Metabolism Training Grants (NIH).

Disease Control Study Section (CDC).

Economics ad hoc Proposal Review Panel (NIE).

Emergency Health Preparedness Advisory Committee (HRA).

Engineering in Biology and Medicine Training Committee (NIH).

Environmental Sciences Training Committee (NIH).

Epidemiology Advisory Committee (NIH).

Epidemiology and Biometry Training Committee (NIH).

Erythropietin Committee (NIH).

Fogarty International Center Board of Advisors (NIH).

Gastroenterology and Nutrition Training Grants Committee (NIH).

General Research Study Section (SRS).

Genetics Training Committee (NIH).

Gerontology Research Center Resources Advisory Committee (NIH).

Grants Administration Advisory Committee (OS).

Growth and Development Research and Training Committee (NIH).

Head Start National Advisory Committee (OS).

Health Manpower Opportunity Advisory Committee (NIH).

Health Research Facilities Scientific Review Committee (NIH).

Hematology Training Grants Committee (NIH).

History of Life Sciences Study Section (NIH).

Human Development ad hoc Proposal Review Panel (NIE).

Immunology-Epidemiology Working Group (NIH).

Information and Resources Segment Advisory Group (NIH).

International Centers Committee (NIH).

International Fellowship Review Committee (NIH).

Learning and Instruction ad hoc Proposal Review Panel (NIE).

Loan Guarantee Programs in Health Advisory Committee (HRA).

Lung Cancer Segment Advisory Group (NIH).

Medical Assistance Advisory Council (SRS).

Medical Care and Medical Economics Advisory Committee (NIH).

Medical Education Review Committee (NIH).

Medical Research Study Section (SRS).

Medical Scientist Training Committee (NIH).

Mental Health New Careers Training Review Committee (ADAMHA).

Microbiology Training Committee (NIH).

Multiple Sclerosis ad hoc Scientific Advisory Committee (NIH).

Myocardial Infarction Committee (NIH).

National Advisory Allied Health Professions Council (NIH).

National Advisory Committee on Consumer Product Safety (FDA).

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*Merged into the Armaments Command Scientific Advisory Group.

National Advisory Committee on Education of the Deaf (OE).

National Advisory Committee on Handicapped Children (OE).

National Advisory Committee on Services for the Blind and Visually Handicapped (SRS).

National Advisory Council for Disease Control (CDC).

National Advisory Council on Vocational Rehabilitation (SRS).

National Head and Neck Cancer Cadre (NIH).

National Heart, Blood Vessel, Lung and Blood Program Committee (NIH).

National Policy and Peformance Council (SRS).

Neurological Science Research Training A Committee (NIH).

Neurological Science Research Training B Committee (NIH).

NIMH Communications Advisory Committee (ADAMHA).

Nurse-Scientist Graduate Training Committee (NIH).

Nurse Training Act Project Grants Review Committee (HRA).

Nursing Training Review Committee (ADAMHA).

Nutritional Sciences Training Committee (NIH).

Objectives, Measurement, Evaluation and Research Methodology ad hoc Proposal Review Panel (NIE).

Optometry, Pharmacy, Podiarty and Veterinary Medical Education Review Committee (NIH).

Organization and Administration ad hoc Proposal Review Panel (NIE).

Orthopedics Training Committee (NIH).

Pathology Training Committee (NIH).

Perinatal Biology and Infant Morality Research and Training Committee (NIH).

Pharmacologic and Clinical Approaches in Smoking Working Group (NIH).

Physiology Training Committee (NIH).

Political Science and Legal Research ad hoc Proposal Review Panel (NIE).

Preventive Medicine and Dentistry Review Committee (NIH).

Psychiatry Training Review Committee (ADAMHA).

Psychological Sciences Fellowship Review Committee (ADAMHA).

Psychology Training Review Committee (ADAMHA).

Psycho-Social Study Section (SRS).

Public Health Review Committee (NIH).

Pulmonary Training Committee (NIH).

Radiological Health Research and Training Grants Review Committee (FDA).

Radiology Training Committee (NIH).

Regional Health Advisory Committee, Region I (HRA).

Regional Health Advisory Committee, Region II (HRA).

Regional Health Advisory Committee, Region III (HRA).

Regional Health Advisory Committee, Region IV (HRA).

Regional Health Advisory Committee, Region V (HRA).

Regional Health Advisory Committee, Region VI (HRA).

Regional Health Advisory Committee, Region VII (HRA).

Regional Health Advisory Committee, Region VIII (HRA).

Regional Health Advisory Committee, Region IX (HRA).

Regional Medical Programs Review Committee (HRA).

Renal Disease and Urology Training Grants Committee (NIH).

Research Resources Committee (NIH).

Research Scientist Development Review Committee (ADAMHA).

Secretary's Advisory Committee on Automated Personal Data System (OS).

Secretary's Advisory Committee, Region I (OS).

Secretary's Advisory Committee, Region II (OS).

Secretary's Advisory Committee, Region III (OS).

Secretary's Advisory Committee, Region IV (OS).

Secretary's Advisory Committee, Region V (OS).

Secretary's Advisory Committee, Region VI (OS).

Secretary's Advisory Committee, Region VII (OS).

Secretary's Advisory Committee, Region VIII (OS).

Secretary's Advisory Committee, Region IX (OS).

Secretary's Advisory Committee, Region X (OS).

Sensory Study Section (SRS).

Small Grants ad hoc Proposal Review Panel (NIE).

Social Sciences Training Review Committeo (ADAMHA).

Social Thought and Processes ad hoc Proposal Review Panel (NIE).

Social Work Training Review Committee (ADAMHA).

SRS Manpower Development National Advisory Committee (SRS).

Surgery Training Committee (NIH).

Technical Advisory Committee on Aging Research (OS).

Tumor Virus Detection Working Group (NIH).

Tuskegee Syphilis Study ad hoc Advisory Panel (OS).

Ultraviolet Radiation and Skin Cancer Working Group (NIH).

U.S. National Committee on Vital and Health Statistics, Financial Data Year Planning Subcommittee (HRA).

U.S. National Committee on Vital and Health Statistics, International Classification of Diseases Subcommittee (HRA).

U.S. National Committee on Vital and Health Statistics, Uniform Hospital Abstract Form Subcommittee (HRA).

U.S. National Committee on Vital and Health Statistics, Working Party on Classification of Mental Disorders of the International Classification of Diseases Subcommittee (HRA).

U.S. National Committee on Vital and Health Statistics, Working Party on Classification of Neoplasms of the International Classification of Diseases Subcommittee (HRA).

Working Committee for the International Registry of Tumor Immunotherapy (NIH).

DEPARTMENT OF TRANSPORTATION, ADVISORY COMMITTEES TERMINATED DURING CALENDAR YEAR 1973

Committee	Annual cost to operate	Man-years of staff support
Air Traffic Control Advisory Committees (9):		
Anchorage		
Chicago	$3,000	0.17
Cleveland		
Fairbanks		
Indianapolis		
Los Angeles	400	.25
Minneapolis		
San Francisco	600	.25
Seattle	35	.01
Alaskan General Aviation Industry Advisory Committee		
Civil Reserve Air Fleet Advisory Committee		
Collision Prevention Advisory Group		
Department of Transportation Technical Advisory Board		
Dulles International Airport Design Advisory Committee		
Interagency Aircraft Noise Abatement Program Coordination Committee		
Senior Advisory Committee (Transpo) and the Committee to Appraise Transpo '72		
Total	4,035	.68

MISSING IN ACTION IN SOUTHEAST ASIA

Mr. THURMOND. Mr. President, a great many of our courageous men who were listed as POW's and MIA's during the Vietnam war were expected to be alive after the war, according to some previous reports, but they have not been accounted for by the Communists in accordance with the Paris Peace Agreement. Consequently, our military departments have implemented a procedure to change the status of the missing in action to "killed in action," or "presumed killed-in-action," even though very little if any new evidence of death has not been reported.

In my judgment, this procedure could result in relieving the Communists of any responsibility to comply with the agreement to help account for the MIA's and POW's. I believe this procedure needs to be reviewed and legislation may be required which has been recommended by many wives of MIA's.

Mr. President, the United States probably should not take such action, so long as there is any ray of hope based in reports and when it is apparent that the Communists are withholding information. However, the military departments are using a recent U.S. District Court ruling whereby an MIA/POW status can be changed, if certain reviews and procedures are followed. Most families, and especially wives of the MIA's and faithful Americans, are opposed to this procedure.

Mr. President, I question our Government taking precipitous and unilateral action to conclude voluntarily that all MIA's/POW's are dead when evidence is available that there is a good chance some are alive or can be accounted for by the Communists. However, the military departments are proceeding rapidly to review over 1,200 MIA cases for status changes. Since March 1974, the departments have changed the status of 65 MIA cases. These reviews have not resulted in retaining an MIA status for any of the 65 cases. In some cases, next of kin have requested or agreed to these reviews and additional evidence was available to support the conclusion.

I believe the Congress may have to take action to accept more of its share of the trust and responsibility to our servicemen and their families before a change in status to "killed-in-action" or "presumed killed-in-action" is pronounced by the U.S. Government. Our Government has ample evidence that the Communists are not cooperating.

It is obvious to the world that Hanoi is flagrantly violating the Paris Agreement with continued full scale war against South Vietnam. The Communists have prevented MIA search team operations provided for by the Paris Agreement. I urge my colleagues to give serious attention to this grave issue with a view toward appropriate legislation. I plan to further examine this defense policy with a view of determining whether legislation is needed.

Mr. President, I am contemplating a bill which would require the military departments to obtain congressional approval before changing the status in most cases by this review procedure. It appears to me that this policy should not be followed until the Democratic Republic of Vietnam—North Vietnam, the Provisional Revolutionary Government—Vietcong, and the Laotian Government comply with the provisions made in the Geneva Convention and article 8(b) of the Paris Peace Agreement.

Further, consideration should be given to legislation which will provide for the President of the United States to report to the Congress after no further accounting can possibly be achieved from the Communists. At that time, the Congress will have an opportunity to further evaluate this tragic issue and determine if the U.S. Government should accept the procedural policy to change the status of MIA's and POW's.

Mr. President, there are many cases where our Government has good reason to believe certain MIA's or POW's are still alive, or were alive when captured, but no accounting has been received from the Communists. One of the most convincing articles about an MIA case which also reflects the feelings of many MIA wives throughout the country was published June 19, 1974, in the magazine of Army-Navy-Air Force Times. This article, which concerns MIA Air Force Lt. Col. Robert L. Standerwick and his wife, convincingly illustrates the need for a review of our Government's current procedures. This case is representative of this tragic issue.

Mr. President, I ask unanimous consent for this article by Marianne Lester to be printed in the Record at the conclusion of my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

An MIA Wife: Twisting Slowly, Slowly in the Breeze

(By Marianne Lester)

Carolyn Standerwick is angry. It is spring in Omaha, and the winds that whip around her split-level house are getting warmer. It will be Carolyn's fourth spring without her husband, AF Col. Robert L. Standerwick, Missing In Action in Laos.

Carolyn has waited for her husband before in the 20 years since she married her newly-commissioned lieutenant. Waited for him to return from TDYs in Europe. Waited while he went off for F-4 training. Waited while he worked all night at the command post at Offutt AFB, Neb. But this time she has waited too long. She is tired of waiting, tired of being told how brave she is, tired of the quick flashes of hope that turn into disappointment, tired of Air Force officers who tell her her husband must be dead, tired of fruitless meetings with friendly bureaucrats who assure her everything possible is being done, tired of hearing that "some of the men just can't ever be accounted for."

Someone knows where Bob Standerwick is. His papers were seen in Hanoi. His navigator, who was yards away from him in the steamy jungle where they crashed, returned last year with 565 other POWs. And, Carolyn has discovered, a Defense Intelligence Agency report lists her husband as "POW, last known location Hao Lo prison"—the Hanoi Hilton. Whether he was shot by his captors or remains in a prison somewhere in Asia, Carolyn knows one thing—Bob *can* be accounted for. He did not just vanish into thin air.

The Vietnam ceasefire was signed over a year ago. Five hundred and sixty-six POWs are home, reunited with their families, back on the job. But the families of 1200 MIAs didn't make the jubilant trips to the airport, didn't see their men saluting at Clark or making speeches at Travis. For them, a year and a half later, the waiting is not over. And some of them, like Carolyn Standerwick, are getting angrier every day.

"*Angry* is the word," Carolyn says flatly. "All along we were told to wait. Wait until the POWs are home—and we did. Wait until Kissinger gets back—and we did. Wait, there are delicate negotiations going on—and we did. Now the war's been over more than a year—and I'm *tired* of waiting."

All around her as she talks are reminders of her husband. On the dresser in their bedroom is a color photo of the grinning pilot, blond and blue-eyed, clad in his flight suit, leaning jauntily on his plane. Lined up over the ping pong table are the mementoes of his AF career: Framed citations granting the Air Force Commendation Medal, the Combat Readiness Medal. The papers commissioning Robert L. Standerwick as a second lieutenant. A diploma from George Washington University. A framed collection of his wings, insignia and medals on a blue background. And one small color photograph of Carolyn and Bob, younger, smiling, standing close together on a windy beach.

On the bumpers of the Standerwicks' old station wagon are the bumper stickers: "MIA: Only Hanoi Knows." And on the rear window the familiar proud decal: "We are an Air Force family." Carolyn still thinks she's part of the Air Force family. But sometimes she wonders bitterly if the *Air Force* still thinks she is.

Carolyn tells her story quietly, calmly, hands folded in her lap. She's learned to recite the facts of her husband's disappearance without flinching, running quickly through the painful details, like a familiar saga memorized over many re-tellings. She seems almost embarrassed to spend so much time talking about herself.

If she speaks critically about the government or the Air Force or its officials, she hesitates, tries to be fair, as if silently adding, *of course, that's only my point of view, and perhaps they have their reasons. . . .* Perhaps it's a combination of her Southern hospitality and 20 years as an officer's wife that prompts her to remember to ask, "Are you sure you won't have more Pepsi?"—even in the middle of her upsetting tale. She seems so innately restrained and tactful that it's almost surprising to hear a faint venomous tone creep occasionally into her soft North Carolina drawl.

"Bob was stationed here at Offutt at the command post," Carolyn Standerwick begins. "He received orders for F-4 training at George AFB and left in February of 1970. And then he actually left for overseas the day after Thanksgiving 1970. He was shot down the third of February 1971. So actually he had been there just a very short time. . . ."

Carolyn sees the blue staff car pull up in the driveway. *They're coming to tell me Bob is dead!* But no, it's not that. Lieutenant Colonel Standerwick is missing, the men tell her. His F-4D left Ubon Airfield, Thailand this morning. He has gone down in a mountainous area "somewhere in Southeast Asia." He and his backseater have parachuted to the ground in hostile territory. They are still in radio contact with him. He is uninjured. Rescue planes are trying to get in to pick him up, but their efforts are being hampered by bad weather. They will keep her informed.

For the next three days, Carolyn receives intermittent telegrams. Rescue planes are still trying to reach Bob and his WSO (Weapons System Operator), Maj. Norbert Gotner. They are still in radio contact. . . . Another telegram. Bob has relayed one last radio message. He reports he is surrounded by hostile forces and has been injured. Gotner is still in radio contact. All efforts are being made . . . Another telegram. There has been no further word from Lieutenant Colonel Standerwick. The search for your husband has been called off due to bad weather. Your husband remains Missing In Action.

Not until April 19th, two months after Bob is lost, does Carolyn receive a letter giving her more details. The letter is from Col. J. G. Luther, Chief of Casualty Services at Randolph AFB, Tex. Carolyn learns for the first time that Bob's plane went down in Laos, not just "somewhere in Southeast Asia." "Colonel Standerwick reported he was on high ground, was in good condition, and there were no hostile forces in his immediate vicinity. . . ," the letter says. "At 11:35 a.m., your husband stated that hostile forces were firing at him and he had been hit. . . ."

And then the clincher, the ray of hope. "The possibility exists that your husband may have been taken captive. This conclusion is supported by the fact that, although he reported he was injured, there is no way to determine the extent of those injuries . . . It is known that he was in an area populated with hostile forces, and evasion for an extended period would have been unlikely."

Why MIA Families Do Not Give Up: Rumors, Theories—And Facts

The stories filter around the country in feverish phone calls and exciting conversations, traveling like a chain letter, sometimes taking on a life of their own. Someone says Roger Shields says he cannot deny reports of sightings of living American prisoners in South Vietnam. . . . An MIA wife says her own source in Pentagon intelligence circles has discovered that her husband and 37 other men have been moved from North Vietnam to a prison in China. . . . A Montagnard tribesman has told a reporter that he knows of several Americans who are being held in caves in Laos. . . . A returned POW says he is certain his co-pilot still listed as Missing In Action, was the prisoner he heard being interrogated in the room next to his in a North Vietnamese prison.

Families of the Missing In Action live in a netherworld of rumor, a world of "protected sources," "unconfirmed reports," "documented sightings." It is a world not entirely of their own making, a world prompted by official silence and quick denial, a world made possible by the fact that their government has not been able to demand that North Vietnam and its allies provide an accounting of more than 1000 men still listed as POW/MIA.

Ask an MIA family member why she thinks there may still be American prisoners alive in Asia, and she'll cite the cases of 57 men still listed as POWs but unaccounted for by the North Vietnamese, men whose photos and other evidence of capture we have seen, but whom the North Vietnamese now say they never heard of.

She'll tell you about Navy Lt. (now Lt. Cmdr.) Ron Dodge, shot down over North Vietnam in 1967. His photograph, taken by a Dutch freelance photographer, appeared in *Paris Match* months after his capture, but now the North Vietnamese say it's an example of "trick photography" produced by the American government.

She'll mention AF Maj. (now Lt. Col.) David Hrdlicka, still listed as a POW in Laos. Hrdlicka was shot down in Laos in 1965; a photo of his capture was released by *Pravda* months later and the Chinese confirmed his capture in a propaganda broadcast. In May 1966—a year after his capture—the Pathet Lao released a tape of a letter Hrdlicka wrote in April 1966. But Hrdlicka didn't come back with the other POWs, his name does not appear with others who died in captivity, and Laos acknowledges no American POWs.

She'll recite "the story of Estes and Teague," a tale as familiar in MIA circles as any Bible story, the story of two Navy Phantom crewmen downed near Haiphong in November 1967. Their co-pilots were acknowledged POWs and later released. After their capture, the North Vietnamese news agency put out a wire photo clearly showing the ID cards of Lt. (jg) Walter O. Estes II and Lt. (jg) James E. Teague. The caption stated they were "captured in Haiphong." Radio Hanoi later listed Estes and Teague as captured and gave their dates of capture and birthdays. Both men were subsequently reclassified as POWs—Estes in April 1968, Teague in January 1972. But Hanoi has never disclosed their fates. They were neither released nor identified as having died in captivity. MIA family members note there is no evidence they are dead, but plenty of evidence they were captured. Could they be alive?

These are only a few of the men believed to have landed alive in enemy territory. MIA families pass around other stories with even more poignant touches. Like that of Michael Estocin, a Navy commander shot down over Haiphong in 1967. Intelligence sources reported seeing him alive and held in North Vietnam, and returned POWs heard his name in several POW camps. His sister sent him a package. It was returned with all its contents intact. But added to the package was a crudely hand-sewn felt bootie with two "M"s and three felt hearts tucked inside. Mike's hobby was sewing. He is still carried by DoD as one of the 57 POWs not accounted for.

A few MIA wives hear these case histories and become convinced that North Vietnam could still be holding these men alive. Even more are sure Americans may be held by insurgents in other countries. Their suspicions are intensified by hearing of several former POWs who agree with them. FAMILY asked Michael Benge—a civilian AID employee who was a prisoner for over five years, held in South Vietnam, Cambodia, Laos and North Vietnam—if he now believes there are Americans still being held.

"I believe there are," Benge replied. "The North Vietnamese, I believe, have nothing to lose, they know they aren't going to get any aid from us. They've promised their people since 1965 they are going to try and execute American POWs as criminals. They also said they had won the war, that our government would collapse. I think their credibility with their own people has gone down, people wonder why they just released our POWs. I think they are holding a certain number behind, and they'll just drop the Bamboo Curtain, hold public trials and public executions."

FAMILY talked with other returned POWs who agree with Benge. Retired AF Col. James L. Hughes, another former POW released in 1973, said, "I'm convinced there are Americans who were still there when I left, though I think a lot of them are probably dead now. I know I couldn't have lived another year."

There continue to be reports of prisoners sighted alive in South Vietnam, Laos and Cambodia. MIA families are reluctant to talk to outsiders about the sightings, and insist on maintaining anonymity for their sources. But they do say that much of their information is based on inside tips from within military intelligence circles.

For example, one MIA family member told FAMILY about a report she received informally from a friend in the intelligence community in Southeast Asia. It was a series of sightings of approximately 20 prisoners, both black and white Americans, seen by several agents in Cambodia in the fall of 1973. According to the intelligence source, the reports were detailed in their descriptions of the prisoners' ages, races, heights and weights.

Other reports of American POWs—both servicemen and civilian journalists—now being moved around in the jungles travel quickly to family members. DoD officials say such reports are carefully analyzed by the Joint Casualty Resolution Center, and that so far no information can be related to specific men still listed as MIA or POW. Usually, the reports are quickly and publicly debunked by DoD—"almost too quickly," says one MIA wife.

More than rumor and blind faith keeps the hopes alive. MIA families wonder as well about official statements from government leaders on both sides. On Sept. 13, 1968, Pathet Lao leader Soth Petrasi named several American airmen (listed as MIA even today) as part of "several tens of American airmen we have captured." He went on to say, "They are treated correctly. They are still in Laos and our fighters are feeding them with the means available: glutinous rice and, when possible, fish and chicken." But in 1973 and 1974 Soth Petrasi denied that any Americans were being held in Laos. "Then what happened to them?" asks the mother of one MIA in Laos. "Which Soth Petrasi are we to believe?"

Apparently the U.S. government wants the families to believe the latter version. In 1973, after only seven Americans captured in Laos were released (out of more than 300 missing there), Pentagon spokesmen insisted that "we don't believe the list from Laos is complete." Now the official U.S. position is that all POWs from Laos were released. "If the list wasn't complete then, how come we consider it complete now?" asks an MIA wife.

Officially, DoD and the State Department deny that any living American POWs remain in captivity anywhere in Southeast Asia. But until there is an accounting of men like Dodge, Hrdlicka, Estes and Teague, stories of living POWs will continue to circulate. And MIA families who believe them are frantic at the thought their men could be in prison camps somewhere, forgotten by the American people and abandoned by their government like TV-series spies whose actions must be disavowed.

Right now some MIA family members have lost confidence in their own government. They believe that only a very low-keyed, low-priority diplomatic approach has been taken in requesting information about the missing. They hear about men like Steve Kiba (see main story), who was hidden in a Chinese prison camp long after all Korean War POWs were supposedly home. And they wonder if the same pattern is repeating itself.

Whether there are prisoners alive or not, nothing short of a full accounting will satisfy the families. The stories and rumors keep magnifying along with their own frustrations. If the government is ready to forget their men, they ask, what implications does it have for military men in future wars? These men went to war prepared to die for their country, knowing they were expendable for military purposes. But did they know they were expendable for reasons of political expediency or diplomatic maneuvering? When each of them joined the armed forces, they took an oath of allegiance to their country. Perhaps it is significant that their country did not take an oath of allegiance to them.

Twisting Slowly, Slowly

("With the last known POW home and no further action about the missing, for the first time in her long ordeal Carolyn Standerwick feels betrayed, angry.")

For the next two years Carolyn remembers those words, clings to them like a life jacket. Maybe, maybe, her husband is a POW. Although both he and Major Gotner are officially listed as MIA, every AF official she talks to thinks he must be a prisoner—he was surrounded, he was wounded, the enemy must have him. "All along they told me that comparatively, his chances were so good that he was a prisoner," says Carolyn.

She sends him packages through the Red Cross. Months later, they are returned, and she stacks them in the hall closet, where they sit today. She sends letters, "*Dearest Bob, We are all fine. . . .*" They are returned, stamped with a red arrow and some writing which she thinks must mean "return to sender." She files them in the growing stack of letters and papers which become an MIA wife's record of her husband's status . . . and her own. In May, she joins other POW/MIA families on a pilgrimage to European capitals, asking other governments to pressure the North Vietnamese for better treatment and an accounting of American POWs.

Then come the first emotional bombshells. Bob's mother gets a call from a relative in California. Through a friend at the Central Intelligence Agency, the relative says, she has heard that Bob and Major Gotner were definitely captured, that they are alive and well, held in a camp in northern Laos. The CIA source says he knows about the two men by name. After months of hearing nothing, it's Carolyn's first fleeting glimpse, perhaps, of her husband, the first of many tiny swatches of news and rumors to keep her awake at night, sorting them out, wondering what to believe.

There is another coincidence. "They had these briefings a couple years ago for POW/MIA families around the country," Carolyn remembers. "Bob's folks went to Wichita and it turned out Gotner's father was there, and they met. And Gotner's father said to Bob's folks that he knew the men had been captured, and that one had a broken leg, but he knew they were prisoners. I can't give the details because I wasn't there. And he didn't say how he knew.

"So Bob's mother went up to one of the officers from the Casualty Center at Randolph and asked about it He said he'd check. Well, a month later we got this intelligence report." The letter is Carolyn's first inkling that there is further information about her husband—and that this information is *not* being routinely passed on to her. "I don't think we ever would have found out about it if Bob's mother hadn't asked about it."

The letter summarizing the intelligence report, dated 28 July, 1971, is from the Casualty Center at Randolph AFB. It informs Carolyn of "unverified information we have received through intelligence sources which, although no names are mentioned, may pertain to your husband . . . In the latter part of February two American prisoners of war were paraded through the streets of Malaxey, Laos. One of the prisoners apparently suffered a broken leg and was riding in a cart. The other prisoner appeared to be in good physical condition and was walking with his hands tied behind his back. The approximate time and the area mentioned in the report coincides sufficiently with the incident involving Colonel Standerwick to show the possibility that he might have been one of the prisoners seen. . . ." They will keep her informed.

Later the Casualty Center sends Carolyn a small Xeroxed map, with a tiny red "X" to indicate where Bob's plane went down, and another mark showing the nearby village where the two prisoners were seen two weeks later.

"I was completely shaken from it," Carolyn says. "And of course that gave me far more hope than I had ever had. You just cling to that . . . you think any day maybe you'll hear something else."

But Carolyn hears nothing else. Her own life goes on, and she struggles to maintain an air of normality for the children. There is always laundry to do, a PTA meeting to attend, a child to be driven to a Cub Scout meeting or a dentist appointment. For herself, there's Gray Lady work at the Offutt AFB hospital two days a week, OWC luncheons, choir practice with the Protestant Women of the Chapel.

By 1972, she begins to hear talk of dissent from other POW/MIA wives. A few wives insist they are not being told everything about their husbands' fates, that the government should be doing more to get their men back. "I guess I'm naive" Carolyn says now. "All along I believed the government was doing all it could, telling us all it knew." Soon a vocal minority emerges among the POW families, demanding an end to the war at any price, picketing the White House, supporting anti-war political candidates. Carolyn disagrees with the militants. She's an AF wife, and her husband was lost in the service of his government.

" 'I guess I'm naive. All along I believed the government was doing all it could, telling us all it knew.' "

Then . . . "peace is at hand." The POWs will be coming home. Bob must be among them, Carolyn thinks. He and Gotner are still carried as MIA, but everyone has assured her his chances are excellent. And if he has died, at least she will know, will be taken out of the terrible limbo of uncertainty.

But there is one possibility that never occurs to her—that Gotner's name will be on the POW list, and Bob's will not.

On Jan. 27, 1973, the North Vietnamese delegation in Paris hands over a list of American POWs. But it lists only those held in North and South Vietnam, not those captured in Laos. Carolyn waits. Days later, the North Vietnamese release the names of American military men they say were captured in Laos.

DoD carries 311 men as MIA in Laos; the list contains only seven names. Maj. Norbert A. Gotner is among them. Lt. Col. Robert L. Standerwick is not.

"Do you know how I found out?" Carolyn recalls in exasperation. "I saw it on TV! I saw Rose Gotner being interviewed in the beauty shop in Sacramento about the fact that her husband's name was on the list—before I was ever notified that his name was on the list and Bob's was not. I called Randolph about this because I was so upset, not for myself so much as for Bob's folks. I saw this on the early evening news and I wasn't called until eight o'clock that night, and Bob's folks were not called until about one the next morning, which I simply don't understand. When I asked about it at Randolph, they said it had just leaked out in Paris."

Carolyn is frantic. She has waited two years for word about her husband. The list has been released, and still she knows nothing more than she ever has. How can Bob's navigator's name appear, and not Bob? How can the North Vietnamese claim there were only seven men captured in Laos, when hundreds are missing there? Why is there no word about men who might have died in captivity in Laos? All the men listed from Laos have been detained in North Vietnam—but what if Bob is being held in Laos by the Pathet Lao?

Carolyn watches the returning POWs landing at Clark. The press and the public are ecstatic, the POWs are everywhere. In the back pages of the newspapers she sees small items about the missing. Pentagon spokesman Jerry Friedheim is quoted as saying, "We have reason to believe there are more U.S. POWs in Laos." What does that mean? Roger Shields, the Deputy Assistant Secretary of Defense who handled Operation Homecoming, admits, "We don't consider the list from Laos complete." Then what are you doing about it? Again, Carolyn waits. In the midst of public jubilation about the returned men, there begin to be fewer references to the MIAs. And among her own acquaintances, Carolyn begins to see subtle signs that they think her husband is dead.

"I had my own hopes up that the government was doing everything possible," Carolyn says bitterly now. "I thought President Nixon would come out with a statement about the fact that not one single man was returned from Laos! But President Nixon never made a statement. So then I based my hopes on Dr. Kissinger making some statement about the MIAs. But he returned from his first trip abroad after the ceasefire and when he returned and nothing was forthcoming. . . ." Carolyn's voice rises angrily for the first time in our conversation. "And then just total silence, nothing from anybody in the Administration, nothing said about the fact that 300 men just disappeared into thin air over Laos. . . ."

With the last known POW home and no further action about the missing, for the first time in her long ordeal Carolyn Standerwick feels betrayed, angry. She has only one hope—maybe Gotner knows what has happened to Bob.

"After [Gotner] was debriefed in the Philippines, I was called from Randolph and told, supposedly, the information he had given. I was told in no uncertain terms that he believed that Bob was dead, because one of his North Vietnamese captors had told him that they had shot Bob, shot him in the heart, killed him and buried him in Laos. So [Gotner] believed him, because he thought he was very sincere. I was told in the phone call from Randolph that Gotner had heard Bob screaming."

But Gotner's story as repeated to Carolyn in the spring of 1973 is not the final version. And for the first time, she is aware that the Air Force may not be telling her everything. "He contacted me from the hospital at Travis. And I'd like to mention here that I really appreciated that, because it's amazing the number of crewmen who have not ever contacted the families, which has really hurt these wives and parents. I have talked to many who have not ever been in touch with the men who were on the same crew."

Carolyn and her children are flying out to Sacramento to visit relatives for Easter. While she's in California, she meets Gotner for the first time. "We spent an evening with him, and one thing we cleared up. He said no, he never at any time said the screams came from Bob, that he didn't know where the screams came from. That the three days he was trying to evade capture, he had heard screams through the jungle, but it was an attempt on the part of the North Vietnamese to disorient him and so he couldn't say where they came from."

Gotner repeats that he was told by a North Vietnamese that Bob had been shot. But he tells Carolyn one other thing. Shortly after his capture in Laos, when he was marched to Hanoi, he was shown papers that he knew Bob was carrying on him at the time of the crash. When he asked what had happened to Bob, the North Vietnamese mysteriously told him that Bob had been "rescued."

"It's like a jigsaw puzzle, and has been the whole time," Carolyn says sadly. "You get these different pieces, find these different pieces, and you try to fit them together. But there's that big question mark."

Carolyn does not know what to believe. But now she is sure of one thing—somewhere in North Vietnam or Laos, there is a trace of what happened to her husband. The North Vietnamese have his papers. If Bob has been shot, someone knows he is dead. If he is alive, someone knows where. He is *not* just a tree which fell silently and unnoticed in the forest.

By July 1973, Carolyn has had it. Already the services are making status changes on missing men, changing their official status from Missing In Action to a "presumptive finding of death." Military officials admit that sometimes the status changes are made not because of any new evidence, but because of the *lack* of new evidence. [By the end of 1973, there will be 206 such status changes among the 1363 missing.] Among MIA families, there is talk that the government wants to reclassify all the men within another year, to write them off as unpopular reminders of an unpopular war. The story circulates that one MIA wife has been told by an AF general that the AF hopes to have all the men "wiped out" in nine months. The Pentagon denies all such reports, but as the status changes continue, the rumors gain more credence.

Like many MIA wives, Carolyn is determined to resist any change in her husband's status without some definite proof. As the weeks go by and there is still no word about MIAs from the Administration, her frustration grows. She can't just sit around watching Walter Cronkite, hoping to hear something. She flies down to Randolph to look at her husband's records at the Casualty Center. The records don't tell her anything new about her husband. But they do tell her something about the recordkeepers.

In Bob's file, Carolyn finds references to herself. Apparently someone is keeping a file on *her* as well as her husband. Unknown to her, every time she has talked to someone at the Casualty Center, her tone, her inflection, her state of mind has been analyzed by the person at the other end of the line. She finds notations: "Mrs. Standerwick seemed depressed today . . .," Mrs. Standerwick seemed willing to accept a status change . . . ," "Mrs. Standerwick seemed cheerful today . . ." And one false statement which really shocks her, a report that she and other MIA wives have held a press conference in which they made "anti-government statements."

"I've *never* held a press conference! And I've certainly never made 'anti-government statements!' I told them this and they said they couldn't destroy the record, but they would insert a statement of mine denying it."

The officers at the Casualty Center try to persuade Carolyn that her husband must be dead, that there is no evidence of additional POWs being held in Southeast Asia. "We believe the North Vietnamese," they say. Carolyn is shocked.

"People think we're just a bunch of neurotic women, that we can't face reality and the fact that our husbands are dead," she complains heatedly. "Well, I'm *not* just a wishful thinker. I know Bob may be dead, and if they have evidence that he is I would certainly accept it. But we know he was alive on the ground, that he was surrounded. I can accept reality—but just to 'presume' death, to just *write off* all these men with no evidence whatsoever . . . I can't accept that!"

Over the years, there are enough stories and rumors to keep alive the idea that there may be more Americans being held in Southeast Asia. Most Americans dismiss them—they are bored with the war and its aftermath. But Carolyn hears the stories and can't dismiss them. They prickle her mind with questions like nagging insect bites that can't be scratched.

She remembers Maj. Nick Rowe, the Army officer who escaped from the Vietcong in 1971—after being carried as MIA for five years. She remembers Ron Dodge, the Navy lieutenant whose photograph appeared in *Paris Match* in 1967, surrounded by his North Vietnamese captors; Dodge wasn't released as a POW, and his name is not included on the list of prisoners who died during captivity. She remembers the 57 other men, still listed as POWs because the U.S. government saw pictures and other evidence of them in captivity, but who were never accounted for. She sees the photos of Eugene DeBruin, a confirmed POW of the Pathet Lao since 1963, seen as recently as 1968—and never acknowledged by the Laotians.

Most of all, Carolyn remembers hearing the story of Steve Kiba, a Korean War POW. Kiba is a frequent speaker at POW/MIA gatherings, and his story is repeated often among MIA families. It is a story which haunts them because of its implications for their own men.

Airman 1st Class Steve Kiba was a radio operator on a B–29 crew shot down by MIGs over North Korea on Jan. 12, 1953—just six months before the Korean War armistice was signed. Like the Vietnam ceasefire agreement, the Korean armistice called for a cessation of hostilities and a 60-day period during which POWs would be returned to their countries and a full accounting of the missing would be made.

Like thousands of other American servicemen, Kiba was still listed as MIA at the war's end. His family was told he was probably dead. Thousands of U.S. POWs were released. But hundreds more, believed to have been captured during the war, were never accounted for. During the next few years there were continuing reports of American prisoners being transferred to prison camps in Manchuria and Russia. The U.S. government made some inquiries about the reports through diplomatic channels; Soviet authorities labelled them "farfetched."

Then in July 1954, as Kiba tells it, a Chinese diplomat in Washington let slip the fact that China was still holding at least 15 American airmen captured during the Korean War. After a year of diplomatic maneuvering—including a trip to Peking by U.N. Secretary-General Dag Hammarskjold—Kiba and the other fliers were released in August 1955—two years after the armistice. China maintained that three other crewmen on Kiba's flight had been killed when the plane was shot down.

Kiba, however, says he knows otherwise. He insists he saw one of the "dead" crewmen often in a Peking prison seven months after his capture. He also says he saw other Americans at various times during his imprisonment, but was never able to get close enough for accurate identification. "I figure I saw at least 15 altogether," Kiba told FAMILY, "not counting Downey, Fecteau and my other crewmen."

Kiba says that after his release he told DoD officials about the Americans he had seen, but they warned him not to mention it. "The told me to forget it," Kiba says. "They told me they figured there were close to 450 MIAs possibly alive."

There are still 389 Americans listed as Missing In Action from the Korean War. As in the Vietnam War, photos of some of them in captivity have been seen by U.S. authorities, but the men were never accounted for or admitted by the Communists to have been captured. Kiba and others maintain they may still be alive, held in China or Russia. "All the time I was there, they told me 'Nobody knows you're here—we can hold you here the rest of your life,' " Kiba recalls.

"I know for a fact that the enemy does not return all its live prisoners. I was one of them!" he told one Vietnam POW/MIA group. "Our government knows this and has known this for years. What did they do for them? Nothing. Our government also knows that all of the men MIA [from the Vietnam War] are not dead. What are they doing for them? Nothing."

Whether Kiba is right or wrong, his story makes Carolyn shudder. What if Bob is alive somewhere, unacknowledged by the Laotians or the North Vietnamese, forgotten by the Americans? "This is the frightening thing to me," she says sadly. "I'm afraid that people will just forget these men, that what happened in the past could be happening today."

Carolyn cannot forget. In the fall of 1973 she flies to Laos with a group of MIA wives. She visits the North Vietnamese embassy, is politely told that nothing further can be done to account for the missing until the U.S. ceases its support of the Saigon government. She travels by Jeep to a village near the site of Bob's crash, a tiny American woman bouncing over dirt roads near enemy-held territory, carrying on the search herself. It is the closest she can get to her husband. But no one can help her, no one has seen the tanned blond American who was lost in the jungle three years ago.

"If the government has hidden this information from her, are they hiding more?"

But at the Joint Casualty Resolution Center in Nakhon Phanom, Thailand, Carolyn sees something which makes her stop cold. Allowed to look at her husband's official record, she opens it and finds an odd notation on the first page. "Robert L. Standerwick. Listed as captured by DIA, but still carried as MIA by the Air Force. Last known location Hoa Lo Prison, North Vietnam."

Captured? DIA? Hoa Lo Prison? What does this mean? Why was I never told about this?

No one knows. Or at least they're not telling Carolyn Standerwick. It must be a mistake, they tell her. We don't know anything about it, they say. Go ask the DIA itself, they urge.

"I was so upset by this I decided to drop by PACAF headquarters in Hawaii on the way back home," Carolyn says. There, she meets with Lt. Gen. Carlos M. Talbott, acting commander of PACAF, Adm. Noel A. M. Gayler, CINCPAC, and their staffs. It's a mistake, they all tell her. It must be just a "computer error." No, she can't see Bob's files at PACAF. Besides, they're just duplicates of what she saw at Randolph. Then why can't I see them? Sorry, lady, you just can't.

Carolyn is not satisfied. Why, she wonders, would the Defense Intelligence Agency, the nation's top military intelligence organization, list her husband as a prisoner, if he were not? More important, why was she never told about the report? What was it based on? Is there some evidence she's never been told about which indicates that Bob was captured? If the government had hidden *this* information from her, are they hiding more?

Frustrated, angry, Carolyn calls her congressman and asks him to arrange a meeting with Pentagon officials. In December, she flies to Washington and meets AF Secretary John L. McLucas, Jack Stempler, AF's General Counsel, Lt. Gen. J. W. Roberts, Deputy Chief of Staff for Personnel, Maj. Gen. M. L. Boswell, AF's Director of Legislative Liaison, and a representative of Dr. Roger Shields, the Pentagon's chief POW/MIA authority. Carolyn's congressman tells her it's the first time any service wife has ever gone directly to a service secretary for a face-to-face confrontation.

If the group of officials is expecting an easily-placated military wife, they must be surprised. Carolyn strides into the Pentagon office with a handwritten list of specific questions. *Why was I never told about this DIA report? Since when and why has it been invalidated? Why has there been a withholding of information from the families?*

Hours of polite doubletalk and evasion later, Carolyn emerges from the meeting. She still feels her questions have gone unanswered. She submits them again in a written list. A month later she receives, through her congressman, a rambling 14-page answer from DoD's Office of Legislative Liaison. The DIA report, it explains, was based on the sighting of the two prisoners which she was informed of in 1971. It is routine, the officials insists, for such sightings to prompt listing men as POWs, "for internal purposes only." Why Hoa Lo Prison? All suspected POWs were routinely listed as incarcerated there, the report maintains. Of course, that information has since proved false, since Col. Standerwick was not released with the other POWs, and the entry in his records has been scratched out.

Once again, Carolyn does not know what to believe. But by now she has dealt with enough government bureaucracy and heard from other MIA families about too many discrepancies to accept unquestioningly anything the military tells her. She hears from other MIA wives whose husbands are listed as POWs in DIA reports. She sees Rep. Benjamin A. Gilman (D., N.Y.) return from a trip to Laos and hears him report that Laotian general Vang Pao told him the North Vietnamese are still holding at least nine U.S. pilots—and she hears the Defense Department deny the story, cautioning against "false hopes" among MIA families. She hears AF generals tell MIA wives that their husbands are "certainly" dead. She hears about a CBS news report that "there's new evidence that as many as 10 of the 21 newsmen reported missing while covering the war in Southeast Asia may be held by insurgent forces in eastern Cambodia." And she hears the President continue to remind crowds that he brought all the POWs home.

Her disillusionment is painful. She stands alone in her kitchen in Omaha, this quiet woman whose soft accent and friendly manner remind you of Dinah Shore, and her voice trembles a little as she tells about her ordeal. "I love the Air Force," she says. "The Air Force has been my whole life. That's why it has really hurt me to come to the conclusions that I have finally come to—that the Air Force is not leveling with me, is not being honest."

In January 1974—a year and a day after the Vietnam ceasefire—Carolyn Standerwick and 200 other men, women and children jam into a hearing room to hear testimony on the MIA situation before the Senate Foreign Relations Committee in Washington, D.C. Carolyn sits wearily in the back of the room, quietly reading along with the testimony. She is dressed in a dignified beige dress, the kind of thing you would expect her to wear to an OWC tea. On her arm is a back armband.

Nothing is being done to force the North Vietnamese to account for our missing, the families testify heatedly. Mrs. Joseph P. Dunn, whose husband was shot down in 1968, leans energetically into her microphone and tells the committee, "Our problem has been Watergated, Agnewed, Richardsoned, energy-crisised and Mideasted practically out of existence . . ." Carolyn and the other tense families in the crowd applaud vigorously. Maureen Dunn is one of them, looking Charles Percy and William Fulbright in the eye and letting them know she wants some action.

At the end of the morning, the senators thank the families for appearing, promise to do what they can, accept their MIA bracelets and hurry out of the room for lunch. The next day the Washington Post carries a story about the hearing, and includes a statement that, "Privately, U.S. officials say they believe almost all the missing are dead."

Once again, the families have had publicity. Once again, they have taken their plight to the public. And once again, nothing happens.

The families want action. Carolyn herself says she will support anything that will do any good. Some of the MIA wives and parents call for an embargo on trade with the Soviet Union until it forces its ally North Vietnam to account for the men. Others urge President Nixon to deal directly with Russian, Chinese and other Asian leaders, to demand an accounting of the men believed to have been POWs, to demand access to the Communist-controlled areas where most of the missing went down. Some families propose that Secretary Kissinger and General Alexander Haig be sent on a personal fact-finding mission to Southeast Asia. The North Vietnamese have said repeatedly that they can account for a "surprising number" of our MIAs. Why can't we force them to do it? the families ask. They will wait no longer. They don't believe every possible effort is being made.

Just a few weeks after the well-publicized hearing through the underground of MIA families, Carolyn hears about a memo which the senators had in front of them while they listened to the testimony. The memo has been written by Dick Moose, a civilian employee of the Senate Foreign Relations Committee and an authority on Southeast Asia. The memo represents Moose's analysis of government policy and action on MIAs and was written as background information for the committee.

Somehow, the militant MIA families have gotten hold of the memo, and it appears to justify their suspicion of the American government's commitment to accounting for their men. Copies of the memo marked "for committee use only. Not for publication" begin to circulate among the families of the missing.

"'. . . if it's the militants who are demanding a full accounting you can count me among them!'"

"Officials with whom the families meet are equally reluctant to speak frankly with them," the memo says. "Instead, the families are continuously reassured—out of compassion and probably political caution as well—that every effort will continue to be made to obtain an accounting for the missing. Such assurances serve to keep the families' hopes alive and to fuel their efforts at obtaining additional action from the Government. . . .

"Objective observers are not surprised that the DRV [Democratic Republic of Vietnam (North Vietnam)] and PRG [Provisional Revolutionary Government (Viet Cong)] have not allowed [JCRC search teams] to operate. Apparently no advance provision was made with the DRV and PRG for their operations. . . .

"There may be some prisoners in Laos but even this is doubtful. Knowing this, the Administration must ask itself what price it should be willing to pay for such limited returns. . . .

"At this point U.S. policy seems to be to live with the imperfections of the agreement, rather than to seek full implementation. This is where the MIA families are caught. No one wants to say to the families that we have done as much as is politically feasible or that the possibility of obtaining additional information must be weighed against other policy considerations. . . ." The memo seems to confirm the families' worst fears.

Now, Carolyn and other MIA families ask themselves what more they can do. It is beginning to seem that their men, dead or alive, are prisoners not just of the nations with whom the U.S. was at war, but of the American government itself, which does nothing to enforce the ceasefire agreement providing for an accounting of their fates. There have been low-keyed diplomatic attempts to inquire about the missing, but stronger action seems to be politically inexpedient.

And Carolyn Standerwick doesn't know where to turn. She seems an unlikely candidate for the role of a militant, but she's beginning to use the word about herself. "I really thought all along the government was doing all it could. Now I don't know if I think it is. Now, if it's the militants who are demanding a full accounting, you can count me among them!" she heatedly tells Family.

But Carolyn is not a militant. She's not a demonstrator or a political radical. She's just a military wife and a mother of four whose husband went off to war and didn't come back. She's waited three years for her government to find out what happened to him. It hasn't, and she's traveled halfway around the world searching for him because her own government can't, or won't.

EFFECT OF SOCIAL SECURITY INCREASE ON OTHER GOVERNMENT PROGRAMS

Mr. HARTKE. Mr. President, I ask unanimous consent to have printed at the conclusion of my remarks a study done at my request by the Congressional Research Service on the effect which the recently approved 11-percent increase in social security benefits will have on other Government programs.

I would like to point out, however, that, as chairman of the Senate Veterans Affairs, we will be holding hearings later this year on pension legislation which is designed to assure that the recent social security increase will not adversely affect veterans by 1975. I am also advised by the committee staff that its studies indicate that no widow of a veteran has suffered a reduction in total income as a result of the social security increase.

There being no objection, the study was ordered to be printed in the Record, as follows:

The Library of Congress,
Congressional Research Service,
Washington, D.C., March 20, 1974.

To: Hon. Vance Hartke.
Attention: Howard Marlowe.
From: Education and Public Welfare Division.
Subject: The Effect of Social Security Benefit Increases on Benefits From Other Programs.

The attached material is in response to your question on the number of persons adversely affected with respect to various social welfare programs because of social security cash benefit increases. In most cases the information available is quite limited. For most of the social programs it is not even known how many of the participants are receiving social security benefits. However, the income restrictions for these programs are usually more flexible than for cash, medical assistance, food stamps or housing benefits.

For further information on this subject you may want to read Studies in Public Welfare, Paper No. 1, "Public Income Transfer Programs: The Incidence of Multiple Benefits and the Issues Raised by Their Receipt," prepared for the use of the Subcommittee on Fiscal Policy of the Joint Economic Committee, dated April 10, 1972.

Sharon House.

Veterans' Pensions

Approximately 15,000 veterans will be ineligible for pensions in 1975 as a result of the 1974 social security increases. The effect of the social security increases would normally be to reduce the average pension benefit. However, because of P.L. 93–177 which provided a 10-percent rate increase effective January 1, 1974, the average annual payment per case will increase approximately $55 in 1975 over 1974.

Effective January 1, 1974 thousands of widows lost their pensions entirely or received a cut in veterans' benefits because the Social Security Amendments of 1972 raised widows' benefits to the same basic payments to which their husbands had been (or would have been) entitled. However, there are no estimates available as to the number of persons who suffered a reduction in total income as a result of this provision.

Widows' pension benefits will increase an average of $8 per case per year in 1975 over 1974.

Iona Nemesnyik.

Supplemental Security Income (SSI)

It is estimated that when all SSI eligibles are on the rolls, 71 percent of the aged, and 29 percent of the disabled and blind will also be social security recipients. Presently, these percentages are somewhat lower since the SSI caseload is primarily made up of ex-public assistance recipients—approximately 65 percent of these persons were also receiving social security benefits in 1973.

Since SSI benefits (Federal and mandatory State supplements) are reduced as a result of any increase in outside income, all individuals in receipt of SSI and social security would see a drop in SSI as a result of an increase in social security.

Many states have chosen to supplement the SSI payments made by the Federal government. They may wish to "pass-along" an increase in social security benefits by increasing the amount of the state supplement by an equal amount. However, they are not required to do so.

Martha Proskauer.

Aid To Families With Dependent Children (AFDC)

It is difficult to assess the actual effect of the recently enacted increase in Social Security benefits on recipients of AFDC. It seems likely, however, that the effect will be a rather small one.

At the time of the 1971 AFDC study conducted by the Department of Health, Education, and Welfare it was found that only 6.1 percent of all AFDC families—representing some 153 thousand out of a total of 2.6 million families—were receiving social security benefits.

Ellen Yaffa.

Medicaid

As discussed above and in the multilith 74–2 ED, the social security increase which will go into effect on July 1, 1974 will have the effect of discontinuing certain dividuals' eligibility for a Federal SSI payment or a mandatory State supplementary payment. Such individuals could also potentially lose their automatic eligibility for Medicaid. States are, however, permitted a number of options in establishing their Medicaid eligibility levels; they could therefore design their programs so such individuals would not lose coverage. In addition, in the 27 States which have "medically needy programs" (Medicaid coverage for those not receiving cash assistance payments), individuals who lose automatic coverage could regain eligibility after they incurred medical expenses equal to the differences between their incomes and the State's medically needy level (which in a number of States is below the cash payment level). Due to the fact that all of the States have not made final decisions with regard to SSI and Medicaid coverage. an estimate of the potential number of people who might lose Medicaid coverage is not available at this time.

Jennifer O'Sullivan.

Food Stamps

Since there are no available statistics on the "overlap" between Social Security payments and the Food Stamp Program, it is not possible to estimate the number of persons who will have their food stamp benefits affected by the recently mandated increase in social security payments.

However, it is possible to make a number of generalized observations on the relationship between the recent social security benefit increase and benefits under the Food Stamp Program—

(a) For social security beneficiaries whose income (after the recently mandated 11 percent increase) remains low enough to keep them eligible for food stamps, the effect of the social security increase on their food stamp benefits will be minimal. Due to the built-in semi-annual "escalator" in food stamp allotments, monthly food stamp benefits went up 10 percent and 18 percent ($4 per month and $12 per month) for 1 and 2-person households in the Food Stamp Program—effective January 1, 1974. These benefits will be going up again in July. As a result, most social security beneficiaries whose income remains low enough to keep them eligible for food stamps will not lose current benefits because of the 11 percent security increase mandated for April and July of 1974. However, they will probably lose out on most of the increased food stamp benefits that would have accrued to them if there were no social security increase. These losses are likely to be in the $5 to $10 per person per month range.

(b) An unknown but limited number of those receiving both social security and food stamp benefits will become ineligible for food stamps due to the 11 percent increase in social security payments. In general, these persons can be characterized as those few social security beneficiaries who receive above average social security payments and yet still have incomes and assets low enough to qualify them for the Food Stamp Program. Most of these people will be losing between $10 and $20 per person per month in food stamp benefits when they become ineligible. However, the following points should be noted when considering the extent of these losses of food stamp eligibility—(i) many of the social security beneficiaries who receive above average social security payments are not now eligible for food stamps due to their income and assets; (ii) according to the best "rough" estimates available, less than 50 percent of the elderly eligible for food stamps actually participate in the program; and (iii) the number of social security recipients who will lose food stamp benefits completely (when they become ineligible) will be somewhat reduced by the fact that, in July 1974, the income eligibility "cut off" points in the Food Stamp Program will probably be increased substantially and may be increased enough to keep a significant number of them in the program.

Joe Richardson.

Housing Programs

While recent Social Security increases can have a possible adverse effect on the eligibility of participants in some of the major housing programs—Public Housing, Rent Supplement and Section 236—it is not yet possible to obtain precise figures, or even estimates, as to the extent of any resulting ineligibility. Since Local Housing Authorities are responsible for portions of the management procedures for local programs—establishing income eligibility requirements for low-rent public housing, setting income limits for continued occupancy—local data collection is often not sufficiently uniform for evaluation on a national level. It is apparently not possible, for example, to determine what portion of family income is attributable to what family member.

Further complicating evaluation is the fact that schedules for reviewing tenants' income to determine continued eligibility vary with locality and program, so that current overall figures on the status of tenant eligibility, with respect to income, are available only in half-yearly cycles. The next available data from HUD that would take into account the most recent Social Security increase would be due in September 1974.

The following table obtained from HUD, with figures reexamined as of 9/30/73, presents basic information on the number of families and elderly families in housing programs receiving Social Security benefits:

	Number of families receiving social security	Number of elderly families	Number of elderly receiving social security
Public Housing	104,765	152,516	91,554
Sec. 236	9,725	10,925	9,210
Rent supplement	1,968	2,963	1,335

HENRY STEELE COMMAGER ON GROUNDS FOR IMPEACHMENT

Mr. PELL. Mr. President, the Watergate affair, in all of its ramifications, has precipitated a national debate, among lawyers, historians and scholars, on the legitimate grounds for the impeachment of a President of the United States.

It is a provocative, stimulating and highly important debate which I follow with interest.

Recently, Dr. Henry Steele Commager, the distinguished historian and Simpson Lecturer at Amherst College, presented a forceful and persuasive essay on this subject. Because I believe Dr. Commager's presentation will be of interest to my colleagues, I ask unanimous consent that the essay, "High Crimes," which appeared in the May 12 edition of Newsday, be printed in the Record at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. PELL. Mr. President, I would add that I have studiously avoided premature judgment on any articles of impeachment that the House of Representatives may vote. Accordingly, I would emphasize that while I find much merit in Dr. Commager's discussion of the historical grounds for impeachment and trial under our Constitution, I will continue to refrain from judgments on whether evidence, when and if presented to the Senate, will be sufficient to sustain conviction on articles of impeachment.

Exhibit 1 follows:

Exhibit 1

High Crimes

(By Henry Steele Commager)

From the very beginning of the Watergate revelations, President Nixon has sought to paralyze or abort the operation of the constitutional provisions for impeachment through delay, evasion, confusion and deception, and by persuading the Congress and the people that they should concentrate on narrow issues of legal crimes or technicalities.

Now there is serious danger that the House Judiciary Committee will endorse, not Nixon's philosophy, but his tactics. It has allowed itself to be distracted from the contemplation of those "high crimes" which threaten the integrity of our constitutional system to crimes that are technical, low, and vulgar. This is playing into Mr. Nixon's hands. If it is allowed to continue, the President may score not only a strategic and political victory, but a legal one.

The constitutional bases for impeachment are, or should be, clear enough, and so, too, the nature of those "high crimes" for which Mr. Nixon so richly deserves impeachment. These are crimes against the commonwealth—the betrayal of trust; failure to preserve, protect and defend the Constitution; failure to take care that the laws are faithfully executed.

That impeachment and trial by the Senate are not directed to crimes in the ordinary sense of the term is clear from three elementary considerations in the process itself: first, that a verdict of guilty brings no kind of punishment, merely removal from office and disqualification for further public office; second, that the Founding Fathers, who wrote a prohibition of double jeopardy into the Bill of Rights, nevertheless provided that a President who was impeached and convicted might nevertheless be tried for crimes after his removal; third, that by providing for trial by the Senate, they distinguished impeachable crimes from all others where, in every case, "the accused shall enjoy the right of a speedy and public trial by an impartial jury. . ."

On the positive side, all the evidence we have from the authors of the Constitution makes clear that what they had in mind when they drafted and voted on the provisions for impeachment was what had been long familiar in English law and history, and what was even then being illustrated in the great trial of Warren Hastings in London. It was put well by Edmund Burke.

"It is by this process," he said, "that statesmen who abuse their power are accused by statesmen and tried by statesmen, not upon the niceties of a narrow jurisprudence but upon the enlarged and solid principles of state morality. It is here [in the House of Commons] that those who by the abuse of power have violated the spirit of the law, can never hope for protection from any of its forms. It is here that those who have refused to conform themselves to its perfections, can never hope to escape through any of its defects."

What the framers had in mind, in short, was precisely those "political crimes" that Mr. Nixon is so anxious to rule out of consideration and that James St. Clair, in an argument which would disgrace any schoolboy, has declared to be outside the scope of impeachment.

So said the three men who contributed most of the making and the explanation and elucidation of the Constitution: James Madison, the "Father of the Constitution"; Alexander Hamilton, who wrote the essays on the presidency in the Federalist Papers; and James Wilson, who steered ratification of the Constitution through the Pennsylvania ratifying convention, served on the U.S. Supreme Court, and delivered the first formal lectures on the Constitution at the University of Pennsylvania.

Listen to Madison: In the federal convention, he said that it was "indispensable that some provision should be made for defending the community against the *incapacity, negligence or perfidy* of the Chief Magistrate." In the first Congress, arguing the necessity to give the President power to remove his subordinates, he observed that this "would make him in a peculiar manner, responsible for their conduct, and subject him to impeachment himself if he suffers them to perpetuate with impunity high crimes or misdemeanors against the United States or neglects to superintend their conduct or to check their excesses. . . ." And in the debate on the creation of a department of foreign affairs, he added that "if the President acted so as to displace from office a man whose merits require that he should continue in it [Mr. Cox, perhaps?] he will be impeachable by the House before the Senate against such an act of maladministration, for I contend that the wanton removal of meritorious officers would subject him to impeachment and removal."

Listen to Hamilton, in No. 65 of the Federalist Papers, discussing the duties of the Congress when constituted a court for impeachment: "The subjects of its jurisdiction are those offenses which proceed from the misconduct of public men, or in other words from the abuse or violation of some public trust. They are of a nature which may, with peculiar propriety, be denominated *political* as they relate chiefly to injuries done immediately to society itself. . . ."

Or listen to James Wilson, discoursing on the Constitution at the University of Pennsylvania: "In the United States . . . impeachments are confined to political characters, to political crimes and misdemeanors, and to political punishments. . . ."

Nor did subsequent commentators differ from these great authorities. It was Joseph Story, who had sat with John Marshall upon the Supreme Court and whose commentaries on the Constitution have been cited by the Supreme Court as authoritative in many areas for almost a century and a half, whose judgment was most respected; here he is discussing the grounds for impeachment in English law, and in American. It will be found, he says, "that many offenses, not easily definable by law, and many of a purely political character, have been deemed high crimes and misdemeanors worthy of this extraordinary remedy. Thus . . . where a lord chancellor has been thought to have put the great seal to an ignominious treaty; a lord admiral to have neglected the safeguard of the sea; an ambassador to have betrayed a trust; a privy counselor to have propounded or supported pernicious doctrines and dishonorable measures; or a confidential adviser of his sovereign to have obtained exorbitant grants. . . . These have all been deemed impeachable offenses."

Such impeachments, Story added, might well be considered harsh, but perhaps necessary. "But others again were founded on the most salutary public justice, such as impeachment for malversions and neglects of office; . . . for official oppression, extortions and deceits; and especially for putting good magistrates out of office and advancing bad. . . . One cannot [he added] but be struck with the utter unfitness of the common tribunals of justice to take cognizance of such offenses; and with the entire propriety of confiding the jurisdiction over them to a tribunal capable of understanding and reforming and scrutinizing the policy of the state; and of sufficient dignity to maintain the independence and reputation of worthy public officers."

Even more relevant to the current situation is Story's conclusion that "an impeachment is a proceeding purely of a political nature. It is not so much designed to punish an offender, as to secure the state against gross official misdemeanors. It touches neither his person nor his property, but simply divests him of his official capacity."

Let us return then to what Edmund Burke called the Grand Inquest of the Nation: an exercise of sovereignty at once dignified, elevated, and solemn, and one that takes on deep significance when we contemplate how most peoples and nations, throughout the whole of history, have rid themselves of rulers in whom they had lost confidence. The process of constitutional impeachment is, we should remember, one of the many ways in which Americans have legalized and institutionalized revolution. It is an essential part of the very American system of checks and balances; it is an essential device for limiting and rebuking the pretentions of power and the abuse of power; it is an essential ingredient in constitutionalism.

It would be a pity to impeach Mr. Nixon on grounds that are technical (such as excessive public expenditures at San Clemente and Key Biscayne) or vulgar (such as the secret recordings of conversations in his own office). If such offenses are all that is involved, the nation could afford to wait three more years for the moment when Mr. Nixon would be automatically retired to that private life which he so richly merits. Trivial or technical crimes do not threaten the integrity of the Constitution, the sanctity of the Bill of Rights, the safety of the Republic. But "high crimes" do threaten all three.

It is important then, that Mr. Nixon be impeached and tried for high crimes. What are the high crimes with which he may justly be charged and on which he should be tried?

First, the illegal and secret war against Cambodia. The Constitution is clear on the war powers: It is the Congress that is authorized to declare war, not the President, and no arguments of "national security" can change that elementary fact. Its illegality in the eyes of international law is as clear as its illegality in American law: If China—which was supporting the North Vietnamese as we the South—had chosen to fly 3,500 bombing missions over Southern California on the ground that that area was supplying the South Vietnamese with weapons (which it assuredly was), we would not be very patient with the argument that this was merely a diversionary gesture to slow up supplies and should not be considered an act of war.

Second, to compound the crime of the Cambodian war, Mr. Nixon lied not only to the American people but to the Congress. But the Constitution confers the war power on the Congress, as it confers on Congress the power to appropriate money for war. To deceive the American people about a matter of such prodigious importance was clearly immoral. To deceive a coordinate branch of the government—one with a constitutional obligation to participate in the conduct of foreign affairs and of war—was just as clearly unconstitutional.

Third: Mr. Nixon has chosen to "impound" some $15 billion constitutionally appropriated by the Congress for specific programs. Centuries of history look down on us when we contemplate this particular "high crime"—a history of long and arduous struggle of the Commons against Tudor and Stuart monarchs for the control of the purse—and of the struggle, too, of American colonial legislatures against royal governors for the same objective.

The Founding Fathers were determined that the hard-won power over the purse should never be frittered away, and they wrote it into the Constitution. Now, confronted by congressional votes overriding his vetoes of appropriation bills, Mr. Nixon has resorted to what he calls "impoundment": that is, he refuses to spend money which Congress has appropriated as the Congress wants it spent. What he presents to us here is a two-fold violation of the Constitution; first, a nullification of the constitutional provisions giving to the Congress power to appropriate money, and second, a nullification of the constitutional provisions governing the exercise of the presidential veto and providing the method whereby the Congress can override the veto. If Mr. Nixon can substitute "impoundment" for a veto in the matter of appropriations, he can, presumably, do so in any other matter, and he has therefore amended the Constitution itself.

Fourth, Mr. Nixon has repeatedly and contumaciously flouted, ignored, circumvented, and nullified the guarantees of the Bill of Rights. A large subject this, and it must suffice to list some of the more spectacular examples of Mr. Nixon's impeachable offenses here:

The attempt to apply—for the first time in all of our history—prior censorship to newspapers to prevent them from printing the Pentagon papers.

The mass round-up and arrest of some 12,000 Americans exercising their constitutional right of peaceable assembly and petition in their capital city on May Day of 1971. The arrests were made without warrants; those arrested were denied the right to consult lawyers or to know the charges against them, and were illegally detained. Within a day, to be sure, all but some 30 or 40 were released—again without charges against them. There was no declaration of a national emergency; there was no suspension of the writ of habeas corpus; there was, in short, no legal justification for the arrests. This was the naked face of the police state.

The widespread and continuous use of that most hated device of the police state—the provocative agent, whose business it is to instigate others to commit crimes and then to expose them. This was what we know happened to the Gainesville Eight, to the Camden Nine, to the Rev. Philip Berrigan, and to many others; how widespread was the practice we do not yet know, but we may well believe that we have seen only the tip of the iceberg.

The use of electronic surveillance—wiretaps—in literally scores of instances, contrary to the constitutional prohibition of unreasonable search and seizure as interpreted by the Supreme Court. It is Mr. Nixon's unenviable distinction that his administration may be remembered chiefly as the "wiretap" presidency; everyone in it—and outside it—was apparently "bugged," including even members of the National Security Council. Wiretapping itself is only one manifestation of wholesale invasions of the privacy of the citizen. Add to it—with presidential approval—eavesdropping, military spying, burglary, intimidation of the press and the media, all designed to curb the exercise of those great freedoms guaranteed in the Constitution—freedom of speech of the press and of petition—and to impair that right which now has constitutional recognition, the right of privacy. Nor is the nature of these violations of the laws left to conjecture: The federal criminal code (Section 241) provides that any one who "conspires to injure, oppress, or intimidate any citizen in the free exercise or enjoyment of any right or privilege secured to him by the Constitution or laws of the United States, or because of his having exercised the same" is guilty of a crime.

Finally, by resort to "dirty tricks"—fabricating scandalous stories about political opponents, systematic espionage against political rivals, compiling "enemies lists," punishing civil servants who asked embarrassing questions about official malpractices, raising money corruptly from corporations and spending it corruptly to influence elections, Mr. Nixon has attempted the corruption not only of the constitutional system but of those political processes which have come to be an integral part of that constitutional system, essential to its effective working. To instill in the American people a contempt for parties and politics is to encourage contempt for democracy itself, and that is certainly a dereliction of duty and a betrayal of faith.

What this record discloses is precisely those high crimes and misdemeanors which, as far as we know, the Founding Fathers had in mind when they put the impeachment clause into the Constitution: the violation of the principle of the separation of powers, the undermining of the legislative and even the judicial power in many areas, the usurpation of the great power to make war and the historic power of congressional control of the purse; the claim of "inherent" power to do anything and everything necessary to what he deems "the national security"; the subversion of many of the guarantees of the Bill of Rights; the use of money, trickery and chicanery to corrupt elections and the deliberate degradation of the political processes essential to the effective working of our democracy. It is for those crimes that the House should impeach and the Senate try Richard Nixon.

A RESPONSIBLE BUSINESS VOICE, MARCOR, SUPPORTS THE CONSUMER PROTECTION AGENCY

Mr. PERCY. Mr. President, in previous remarks on the Senate floor, I have commended Marcor Corp.'s forthright support for the Consumer Protection Agency. Marcor is the parent company for Montgomery Ward and Container Corp. of America. In recent letters to me, both Edward Donnell, chairman of the board of Montgomery Ward, and Patrick Head, vice president, have reaffirmed their company's support on the eve of Senate debate on the bill.

As the bill evolved, Marcor was not without criticism of certain provisions. But, rather than assume hard-core, blanket opposition as certain businesses did, Marcor chose to offer constructive input at key junctures of the CPA's development. The result is an agency with powers adequate for, but limited to, effective consumer protection.

Opponents of the bill have charged with exaggeration that CPA's proposed powers are dazzling and that the bill is the "consumer's Gulf of Tonkin resolution." But I believe that those who read the bill objectively must inevitably conclude that adequate safeguards exist to prevent CPA from unduly burdening business.

Both Mr. Head and Mr. Donnell recognize this. Mr. Head writes:

> [P]rovisions of the bill . . . are designed to assure that the authority of the Consumer Protection Administrator is tempored by requirements of due process and by the *bona fide* concerns of business with whom he will deal.

And Mr. Donnell asserts:

> The CPA is now clearly intended to be an advocate, not a regulator. Affected businesses will have an opportunity to contest demands for information which in their judgment are unduly burdensome or which seek material that has been supplied to other agencies under a promise of confidentiality.

Mr. President, I ask unanimous consent that Mr. Donnell's June 3, 1974, letter and Mr. Head's May 28, 1974, letter, both of which I have referred to in my remarks, be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Montgomery Ward,
Washington, D.C., June 3, 1974.

Senator Charles H. Percy,
U.S. Senate,
Washington, D.C.

Dear Senator Percy: Within a short time, the Senate will consider legislation to create a Consumer Protection Agency within the Federal Government. Many well-motivated representatives of business have expressed their opposition to that legislation. I write today to re-affirm Montgomery Ward's support of this bill communicated on previous occasions by Leo Schoenhofen, Chairman of the Board of our parent company, Marcor and Robert E. Brooker, Chairman of the Executive Committee.

A year ago, speaking before the American Retail Federation, I suggested that for business to always oppose whatever consumers or their representatives propose, strains the credibility of our public statements that for us the consumer always comes first . . . We are providing the American public with the most efficient, responsible and protective marketing system in the world. Yet we believe it can be further improved. Because of this belief we have supported such consumer legislation as the Consumer Protection Agency bill, truth-in-lending, the warranty-guaranty bill, and the Uniform Consumer Credit Code.

Montgomery Ward did not take an affirmative position on the Consumer Protection Agency bill for publicity purposes—nor solely because Aaron Montgomery Ward promised his customers a century ago, "Satisfaction Guaranteed or Your Money Back". We did it because we believe that the consumer's trust is an invaluable business asset.

In our opinion, consumers who don't feel suspicious of business and government—who don't feel shut out and unrepresented in government proceedings that affect their pocketbooks, their well-being, and the quality of their lives—will be better customers of ours and of other businesses which are in fact trying to serve them well. We believe that the creation of a new Consumer Protection Agency, as an advocate for consumer interests in government, will contribute to consumer trust and ultimately to better economic results for business.

Since mid-1972, our representatives have worked with Members of Congress and committee staffs in an effort to perfect key sections of the bill. We believe substantial progress has been made in each area that originally concerned us. The CPA is now clearly intended to be an advocate, not a regulator. Affected businesses will have an opportunity to contest demands for information which in their judgment are unduly burdensome, or which seek material that has been supplied to other agencies under a promise of confidentiality.

The bill is not perfect; few bills can be said to be. Much will depend on its administration. If the new agency is to be effective, the Administrator should avoid placing the CPA solely in the role of an adversary against business and the existing Federal agencies. Without sacrificing any part of his role as an advocate, he should seek the cooperation of those with whom he deals on the consumer's behalf. For our part, Montgomery Ward is prepared to offer such cooperation. It is in keeping with the tradition of Aaron Montgomery Ward and we consider it good business.

With best wishes.

Sincerely,

Edward Donnell,
Chairman of the Board.

Montgomery Ward,
Washington, D.C., May 28, 1974.

Hon. Charles Percy,
U.S. Senate,
Washington, D.C.

Dear Chuck: Several Senators have asked representatives of Montgomery Ward about our company's position with respect to the Consumer Protection Agency bill. I am writing to provide a specific answer to those inquiries on the eve of the Senate debate on the bill.

Beginning in early 1972, Mr. Leo Schoenhofen, chairman of Ward's parent company, Marcor, and Mr. Robert Brooker, chairman of Marcor's executive committee, corresponded with interested Members of Congress about the legislation. While generally sympathetic toward its purposes, they expressed concern about several of its features—principally those involving the CPA's status in informal government proceedings, its use of the interrogatory power, and the availability to it of trade secrets and other sensitive information which had been supplied in confidence to Federal agencies.

Since mid-1972, we have worked with Members and committee staffs on these and other provisions of the bill.

We thought the agency should be given authority equal to its responsibilities, that it should be a vigorous advocate, with the right to participate as a full party in formal agency proceedings. For that reason, we opposed the suggestion that the CPA be given only "friend-of-the-court" status, in those proceedings, with the opportunity to present the consumer's case on sufferance.

At the same time, we vigorously opposed any provisions that would have converted the CPA into a regulatory agency or a "second prosecutor," or that would have given the Consumer Protection Administrator substantially greater powers than other parties possessed. We are pleased that the current Senate version of the bill now provides that in *informal* proceedings, the CPA is entitled to present written or oral submissions for the consideration of the agency. The original language of the bill would have authorized him to participate equally as one more "party" in such proceedings, a concept both confusing and potentially harmful to the orderly processes of government.

The CPA is given power to issue interrogatories to business under both House and Senate versions of the bill. This authority has occasioned grave misgivings on the part of many business observers; and indeed, it creates the possibility of harassment. Nevertheless, as now amended in committee, the bill places the burden of proof on the CPA, where an interrogatory is resisted in Federal court, to show that the information sought substantially affects the health or safety of consumers, or is necessary to discover fraud or other unconscionable conduct. For his part, the recipient must show that answering the interrogatory would be unnecessarily or excessively burdensome. The House bill, by having one of the existing agencies issue the interrogatories on request of the CPA, would render it practically impossible for the recipient successfully to resist an interrogatory which does not meet the criteria set out in the bill. In our opinion, the present Senate version is much to be preferred.

Finally, both bills now contain what we believe to be adequate protection for trade secrets, commercial or financial information which businesses have supplied in confidence to Federal agencies, and which the CPA may request in pursuance of his investigations. We participated actively in the effort to draft appropriate safeguards for such information. It is vitally important to us, and to all businesses who supply confidential information to government, that these safeguards be retained.

There are other provisions of the bill which are designed to assure that the authority of the Consumer Protection Administrator is tempered by requirements of due process, and by the *bona fide* concerns of the businesses with whom he will deal.

But none of these provisions, important as they are, will enable the Agency to succeed in its task unless it understands that the cooperation of business is also necessary. An adversary relationship may sometimes be required. Some government agencies may not have been fully and consistently attended to the special needs of consumers. But if the Consumer Protection Administrator approaches his job with the view that business as a whole is oblivious to consumer interests, or that government agencies are pliable tools in the hands of those whom they supposedly regulate, he will miss a great opportunity to serve those consumer interests by encouraging the cooperation of responsible businessmen and public servants. More will be achieved, we believe, by persuasion than by frontal attack.

Believing that the safeguards that have now been included in the bill will be sustained and enacted we are pleased to advise you of our continuing support of the bill, and to urge its adoption by the Senate.

Sincerely,

Patrick J. Head,
Vice President.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The ACTING PRESIDENT pro tempore. Is there further morning business?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. HART. Mr. President, for the moment I shall have to object.

The ACTING PRESIDENT pro tempore. Objection is heard.

The second assistant legislative clerk resumed the call of the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ALLEN. Mr. President, yesterday a substitute to my amendment to H.R. 14832 was filed by the majority leader on behalf, as I understand it, of the distinguished Senator from Massachusetts (Mr. KENNEDY) and the two distinguished Senators from Minnesota (Mr. HUMPHREY and Mr. MONDALE) which sought to add the Kennedy tax package to the pending amendment.

I stated at that time I would have nothing to say on the package because I felt there would be enough said by the various proponents of the measure, as well as the various opponents, both for and against the package.

Therefore I am utilizing some time in the morning hour to state for the RECORD that I am ready to vote any time, and I feel sure that those who have supported the effort against this inflationary measure would agree that we are ready to vote at any time on the Kennedy package.

I hope the majority leader will make a request later in the day for setting the time for a vote. I am ready to vote, and I feel that the Senate is ready to vote. I want to make that statement for the RECORD.

Mr. GRIFFIN. Mr. President, would the Senator from Alabama yield?

Mr. ALLEN. Yes, I would be delighted to yield.

Mr. GRIFFIN. As I understand the pending Kennedy amendment, whatever the merits or demerits about the methods, it does at least have the virtue of providing offsetting revenue for the tax cuts that are proposed; is that correct?

Mr. ALLEN. That is correct; yes.

Mr. GRIFFIN. Since we are in the difficult situation of having to extend the debt ceiling in order to keep the U.S. Government in business fiscally able to operate, would the Senator from Alabama consider it to be responsible for Congress to reduce taxes and make it impossible to live within the debt ceiling that we are providing for if there were no offsetting revenue?

Mr. ALLEN. No, I think not. That is the reason why I am willing to vote on this package and see what the Senate thinks about it.

Mr. GRIFFIN. I certainly agree with that observation. I personally will not vote for the package. I think that the whole measure of, the whole question of, tax-reduction and possible tax-reform measures to offset it should be the subject of extensive hearings by the appropriate committee which has been established by the Senate for that purpose and should not be handled on the floor.

But certainly if the Senate were to reject the package that has been offered I cannot imagine Senators then coming forward with other amendments which would do nothing but cut taxes and increase the national debt beyond the ceiling that the bill provides.

Mr. ALLEN. I would not put that beyond our imagination, I will say to the Senator from Michigan. But I am ready to vote on the package and I believe the Senate is ready, and I hope the proponents of the package will allow it to come to a vote at an early time. If there is any discussion of the package it will be by advocates not by opponents.

Mr. ROBERT C. BYRD. Mr. President, would the distinguished Senator yield?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. Just so that I may be in position to work toward a possible agreement.

Would the Senator also be willing to immediately follow that vote with a vote on his own amendment as amended, if amended?

Mr. ALLEN. As soon as action is taken he would determine that.

I would like to have an expression by the Senate on the pending amendment and the pending substitute.

Mr. ROBERT C. BYRD. As I understand the Senator, then he would not be willing—and it is immaterial to me, but inasmuch as I have to labor in the vineyard trying to get agreements, I would like to know just how far I can go.

May I be specific: Would the Senator enter into an agreement whereby immediately following the vote on the Kennedy and others amendment, a vote would occur on the Allen amendment, as amended, if amended, or if the Senator would not be willing to do that, would he be willing to vote within a certain time period, say, 2 hours, following the vote on the Kennedy amendment with a vote on the Allen amendment?

Mr. ALLEN. The Senator from Alabama can speak only for himself.

Mr. ROBERT C. BYRD. That is all I wish to know.

Mr. GRIFFIN. Mr. President, I might say there would be objection from this side to any agreement.

Mr. ALLEN. I would like to see it brought to a head, and one additional reason why I would like to see it brought to a head, I feel that many who have talked about being for this package in fact are not for the package. I think that has been demonstrated by statements made here on the floor, and I would like to see a vote here in the Senate up or down on the package.

Mr. ROBERT C. BYRD. Do I understand that there would be objection to an agreement for voting on the Kennedy amendment and then immediately voting on the Allen amendment?

Mr. GRIFFIN. Well, I believe——

Mr. ROBERT C. BYRD. As amended, if amended?

Mr. GRIFFIN. I think we would like to take a look at the situation.

Mr. ROBERT C. BYRD. The answer therefore is there would be objection?

Mr. GRIFFIN. Yes, at this point.

Mr. ROBERT C. BYRD. Would there be objection to a vote on the Allen amendment at a given time period, say, 1 or 2 hours after the Kennedy amendment, as of this point?

Mr. GRIFFIN. I am in a difficult position of trying to represent not only myself but the interests of others whose views I do not know, and I would have to do some checking.

Mr. ALLEN. I might say the Senate has already pretty well expressed itself on the Allen amendment, without the Kennedy amendment, by not voting for the tabling motion.

Mr. ROBERT C. BYRD. Some have expressed themselves on the motion to table.

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. I thank both Senators for their frankness because this gives me an opportunity to know how far I can go and where we would have to stop.

Mr. ALLEN. I think it would be well to have an expression by the Senate on this amendment, and I am ready to have that.

Mr. ROBERT C. BYRD. Of course, then the Allen amendment would remain before the Senate.

Mr. ALLEN. It would remain before the Senate, and I am personally willing to vote——

Mr. ROBERT C. BYRD. On the Allen amendment?

Mr. ALLEN. Yes.

Mr. ROBERT C. BYRD. At a certain time?

Mr. ALLEN. Immediately as far as I am personally concerned.

Mr. ROBERT C. BYRD. Immediately following the vote on the Kennedy amendment?

Mr. ALLEN. As far as I am personally concerned.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The ACTING PRESIDENT pro tempore. The time for morning business having expired, under the previous order the Senate will resume consideration of the unfinished business, which is H.R. 14832, to temporarily increase the public debt limit.

Mr. KENNEDY. Mr. President, as I understand it, there has been a change in the legislative schedule. We are now considering the public debt limit?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. KENNEDY. Mr. President, I listened with some interest to the dialog and discussion. We came around to a situation where the Senator from Alabama is ready to vote on our amendment but he still is not ready and prepared to vote on his amendment.

Mr. ROBERT C. BYRD. Would the distinguished Senator yield?

Mr. KENNEDY. Yes.

Mr. ROBERT C. BYRD. It is probably not my business to explain what the position of the Senator from Alabama is, but inasmuch as I asked him a question, it was my understanding—and I ask that the Senator from Massachusetts not lose his right to the floor——

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. It was my understanding that the Senator from Alabama did finally indicate that he would be willing to enter into an agreement to vote on his amendment following the disposition of the Kennedy amendment, but that the distinguished minority whip indicated that there would be an objection from that side.

I hope I am correct in that understanding.

Mr. KENNEDY. Do I correctly understand, then, that the Senator from Alabama is prepared now to accept an immediate vote on his amendment after the disposition of our amendment, or agree to a time limitation?

We have been jockeying around here on various procedures for 4 days. We have been playing ineffective parliamentary games; one person will not object, but another person will; one person is ready to vote, but another will not vote. As a result I think we have made a sham of the procedures in the Senate, not being able to debate or discuss the merits of the amendments.

I would like to hear the Senator from Alabama propose or at least urge the leadership that we get a time limitation on his amendment. I hear he has no objection. It is extremely unusual around here to have the proponent of an amendment call it up and then use it as a delaying tactic. The overwhelming majority of the Members of the Senate—and I believe I speak for all of the cosponsors of the amendment to the Allen amendment—are prepared to vote on the Allen amendment right now. We were prepared to vote on it Monday, Tuesday, and Wednesday, and we are prepared to vote on it today. Yet we have been prevented from voting by parliamentary tactics that I believe should have no place in the Senate rules. That is why, as I indicated yesterday, our charade this week ought to give new impetus to a massive effort to change the Senate rules in January.

I know that the good Senator from Alabama and the Senator from Michigan would at least like to create the impression that they are not the ones who are delaying action by the Senate; so we have every intention, when we have an opportunity to gain the floor, of making another motion to table the Allen amendment.

When we make the tabling motion, as I understand it, if it is successful, it will take our amendment down with it. I shall vote to table the Allen amendment. And then, if we succeed, the parliamentary situation will be that, for the first time, we shall have an opportunity to talk in detail about particular tax measures, and we can address ourselves to that question.

So I, for one, who have been here off and on for the period of the last 4 days, want to assure our good friends from Alabama and Michigan that it is our intention to make such a tabling motion, and I hope we will obtain a yea-and-nay vote, and then we can be about the business of the Senate.

What I would like to do is suggest the absence of a quorum, with the understanding that I will not lose my right to the floor.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Yes, I object to a quorum call under those conditions. I am ready to vote at this time. The Senator has the floor, and he is welcome to it.

Mr. KENNEDY. Mr. President, I shall be glad to discuss this amendment.

Mr. ALLEN. I might say to——

Mr. KENNEDY. I do not yield for any purpose at this time.

What we are seeing right now is clear evidence of the tactics of those who have prohibited us from having a responsible discussion and debate on tax reform and tax equity. We are prepared to examine those in detail. We gave assurances to the Members of the Senate that we try to structure a reasonable debate. In a very limited sense, at least, our amendment is now the pending business, so that, at least, important proposals for tax reform and tax relief are before the Senate.

Although riders on Debt Ceiling Acts are not the usual method of Senate legislation, the periodic bills extending the debt ceiling have established a precedent in recent years as vehicles for vigorous debate and action on some of the most important contemporary issues before the Nation.

To name but three examples, the Debt Ceiling Act in the Senate in June 1972 was the vehicle for major action by Congress to provide a 20-percent increase in social security benefits for the elderly, and to write a cost-of-living escalator in the social security laws. In June 1973, the Debt Ceiling Act was the vehicle for amendments to end the Vietnam war and the bombing of Cambodia. In November 1973, it was the vehicle to establish public financing of elections.

In the case of the social security proposal, the effort to amend the Debt Ceiling Act was successful by the overwhelming vote of 82 to 4, and increased benefits and cost-of-living escalators were signed into law by President Nixon.

In the debt ceiling debate on Cambodia in June 1973, the Senate, by another overwhelming vote, 67 to 29, demanded an end to the bombing of Cambodia. Subsequently, the end the war amendment was shifted to another bill to end the war, and was signed into law by the President.

And, in the debate on the Debt Ceiling Act last November, the Senate by a vote of 53 to 42, adopted a far-reaching election reform amendment calling for public financing of elections. Although final Senate action was stymied by a filibuster, the effort laid the groundwork for the even more far-reaching public financing legislation passed by the Senate in April of this year.

So there are ample precedents in recent years of using the Debt Ceiling Act for progressive legislation in the areas of both foreign and domestic policy on matters of vital importance to the people of this Nation.

Today, we have another such opportunity to use the Debt Ceiling Act, this time to advance the cause of tax relief and tax reform.

We can bring immediate tax relief to millions of families now suffering under the heavy burden of some of the worst inflation America has ever seen. At the same time, we can make a down payment on tax reform, bring greater equity to the Internal Revenue Code, and help insure that all citizens pay their fair share of taxes.

I am pleased, therefore, to be a sponsor of the joint tax reform and tax relief amendment that is being offered as a substitute by Senator MANSFIELD to the Allen amendment and that is sponsored by Senators HUMPHREY, BAYH, CANNON, CLARK, HART, MONDALE, MUSKIE, NELSON, and myself. We are also pleased to have the strong support of Senators MAGNUSON and RIBICOFF on the oil depletion portion of the amendment, and the strong support of Senator LONG on the tax relief portion.

TAX REFORM

The first half of our joint amendment deals with tax reform. It proposes reforms to close four of the most serious loopholes in the Internal Revenue Code—oil depletion, tax subsidies for exports, accelerated repreciation, and the minimum tax.

In essence, the amendment would enact the following four reforms:

First. Repeal the oil depletion allowance, effective January 1, 1974—$2 billion revenue gain in the first year, $2.6 billion in the third year; $3.3 billion in the fifth year.

Second. Repeal the asset depreciation range—ADR—system of accelerated depreciation, effective for plant and equipment placed in service as of May 8, 1974, the date our amendment was originally proposed—$250 million revenue gain in the first year; $1.5 billion in the third year; $2 billion in the fifth year.

Third. Repeal the Domestic International Sales Corporation—DISC—system of tax incentives for exports, effective January 1, 1974—$815 million revenue gain.

Fourth. Strengthen the minimum tax, by reducing the current exclusion from $30,000 to $10,000, and by eliminating the current deduction for taxes paid, effective January 1, 1974. An identical reform in the minimum tax was passed 47 to 32 by the Senate last January, but the underlying bill was later recommitted—$860 million revenue gain.

Taken together, these four tax reforms will generate new revenues of approximately $4 billion in the current year and $7 billion by 1978. Thus, these reforms are sufficient by themselves to offset the major part of the revenue loss produced in the first year by the $6.5 billion in tax relief that we are proposing in the second half of our amendment; they will offset entirely the long run revenue loss of the tax relief.

Each of these four tax reforms has been debated vigorously and extensively in the Senate in the past, both in committee hearings and in floor debate. They have also received thorough consideration by the House. Therefore, these reforms are appropriate for Senate consideration now, as riders to the Debt Ceiling Act.

The oil depletion allowance, for example, has been the most notorious tax loophole for many years; the soaring price of oil in America and the soaring profits of American oil companies make immediate repeal of the depletion allowance our number one tax priority.

DISC and ADR entered the Revenue Code in 1971, and have been controversial ever since, providing windfall tax benefits for some of the Nation's largest corporations.

And the minimum tax, which entered the code in 1969 as a loophole-closing measure, is now best known for the loopholes of its own that have rendered it so ineffective.

My hope is that the Senate will approve these four tax reforms as part of the Debt Ceiling Act, as a down payment or more comprehensive tax reform to come, later in the year.

Over the years, we have allowed a situation to develop in which the Internal Revenue Code has become America's biggest welfare bill of all—but it is the sort of welfare that only Alice in Wonderland can understand, because the greatest benefits of tax welfare go entirely to the Nation's richest individuals and largest corporations.

In distributing these vast amounts of unjust tax welfare, the Federal Government is treating the average taxpayer unfairly.

Billions of dollars in Federal tax revenues are lost each year through countless loopholes and other preferences in the tax laws. Those losses have to be made up somehow—and they are made up out of the hard-earned tax dollars of millions of ordinary citizens, who pay too much because others pay too little.

In effect, the Government is acting like Robin Hood in reverse. By allowing these tax inequities to continue, Congress and the administration are robbing the poor to pay the rich.

The year 1974 is the year to end all that. The 93d Congress has the opportunity to enact far-reaching tax reforms, and the Debt Ceiling Act is the place to start.

One thing is clear—if we fail to act, then 80 million ordinary taxpayers and their families will have every right to hold Congress accountable at the polls on election day this fall.

TAX RELIEF

The second half of our joint amendment contains proposals for tax relief. It has three principal provisions which, taken together, will provide $6.5 billion in tax relief for hard-pressed American taxpayers:

First. It will raise the personal exemption for individuals in the Federal income tax from its current level of $750 to a new level of $825.

Second. It will provide an option for every taxpayer, to take a $190 tax credit in lieu of the $825 personal exemption.

Third. It will provide a refund of a portion of the social security payroll tax to low-income workers with children, through a tax credit—Senator RUSSELL LONG's work bonus—equal to 10 percent of wages up to $4,000 in income. For incomes over $4,000, the credit is phased out at the rate of 25 cents per dollar, so that the credit disappears when income reaches $5,600. The credit is refundable—that is, it is paid as an income tax refund, even if the recipient has no income tax liability.

The purpose of these tax relief provisions is twofold: to provide an urgently needed fiscal stimulus to keep the economy from sinking deeper into the current recession; and to provide significant across-the-board relief to millions of taxpayers suffering under the sustained severe inflation that has now reached the double-digit level and that has sharply contracted consumer purchasing power in every section of the country.

The economic figures are increasingly pessimistic. At the end of May, we learned that GNP has declined precipitously by a revised 6.3 percent annual rate for the first quarter of 1974—an even steeper decline than the original estimate of a 5.8 percent plunge a month ago, and more than twice as steep as the rosecolored 2.3 percent decline forecast by administration economists earlier this year.

The new figure represents the steepest slide since the serious recession of 1968. The slide makes clear that the economy has slipped badly in recent months and that, in fact, the Nation has now entered a period of recession, America's sixth recession since World War II.

Clearly, the efforts of the administration are inadequate to stop the slide. The question is not whether we are already in the valley of a recession, but how long and how deep the valley is going to be.

Prompt action is required by Congress to keep the economy from sinking deeper into the current recession, and immediate tax relief is our most effective possible response.

By channeling the proposed tax relief through the income tax withholding system, the relief can take effect at once. It will begin to be felt in the weekly paychecks of millions of working men and women, within 30 days after the measure is signed into law.

In the face of these depressing figures, the somewhat optimistic current levels of plant and equipment spending do not present a significant counterargument. The history of the recession of 1957–58, our worst and sharpest postwar recession, teaches the disastrous consequences that can result when consumer spending is flat and a boom in plant and equipment spending collapses as business awakens to the reality that there are no customers to buy the products piling up on the shelves.

Once before, in the early 1960's, Congress successfully used a tax cut to pull the economy out of a period of recession and stagnation, thereby launching the longest uninterrupted period of genuine economic growth and sustained price stability in our history.

If we do not learn this obvious lesson from our recent economic history, then we are doomed to repeat the recessions of the past, instead of enjoying the prosperity the future ought to bring.

The proposed tax cut would not be inflationary in itself. The rampant inflation of today is caused primarily by the spurt in prices when controls were ended last April and by the exorbitant recent increases in the cost of food and fuel, which are now working their way through the rest of the economy. Apart from these inflationary elements, which tax relief will not significantly affect, the central economic problems today are slack capacity, falling output, the weak demand—the very factors that are causing the current recession. In sum, although tax relief will not impede the fight against inflation, it can keep the recession from growing worse.

In addition, the antirecession tax relief proposal has the strong support of four of the most influential and respected economists in the Nation—Walter Heller, Arthur Okun, and Leon Keyserling, all past chairmen of the Council of Economic Advisers, and Paul Samuelson, Nobel prize winner in economics in 1970. That is a grand slam of economic support for tax relief by any standard.

Moreover, in a separate but important way, tax relief can actually help to fight inflation, by leading to a moderation in demands for higher wages this year. Thus, tax relief can make up part of the loss in real income that millions of workers have suffered because of inflation; it can thereby help prevent large wage demands that would lead to another drastic upward round in the spiral of inflation.

We hold in our hands the key to the present health of the economy. If we do nothing now, if we allow ourselves to be lured yet again into following the administration's Pied Pipers of Prosperity, then we have only ourselves to blame. Five years of mismanaged policy and shattered credibility on the economy are enough. It is time for Congress to assert its power, and to exercise its own independent judgment on economic policy.

My hope is that the Senate and House will act quickly to adopt the tax relief and tax reform proposals we are offering. The health of the American economy for the remainder of 1974 and well into 1975 may hang on the outcome of our action.

As I have indicated, all of our tax reform proposals have been widely debated before. In the area of oil depletion, let us recognize that the extraordinary increase in the cost of fuel has made the energy crises enormously lucrative for the oil companies. All we have to do is examine the profit statements of the oil companies during the period of the past year and the first quarter of this year, and we see a most extraordinary increase in their profits. Obviously, these enormous profits are due in major part to the oil depletion allowance.

Our first tax reform will close this gaping loophole in the tax laws. It will bring in revenues of approximately $2 billion the first year, and will ultimately go up to approximately $4 billion.

Our total revenue gains, if we are able to enact all of the tax reforms, will easily offset the reductions that we are providing for middle- and low-middle-income people in the tax relief portion of our package. That includes not only the repeal of depletion allowance, but also the inequities that are created by DISC, accelerated depreciation and the minimum tax on the current revenue code.

We hear on the floor that we have not given adequate consideration to these various proposals. Actually, as everyone knows, the oil depletion allowance has been controversial for a generation. Now in the face of the profits 1974 is spawning, it has become intolerable.

On the minimum tax, it was originally proposed by the Committee on Finance, as a part of the Tax Reform Act of 1969. It was only a 5-percent minimum tax at that time. That was modified on the floor by the former Senator from Iowa (Mr. Miller), who increased the percentage to 10 percent, but who also introduced the notorious "deduction for taxes paid" loophole. That loophole allows a taxpayer to reduce his tax loophole income by the amount of regular taxes he pays, before the 10-percent minimum tax is applied to his net loophole income. This is nothing more nor less than an "executive suite" loophole. It is there for the benefit of executives with high salaries, executives, who receive, in some instances, anywhere from $200,000 to $900,000 a year, and who may pay $100,000 to $250,000 in taxes. They use those taxes to shelter large amounts of income from tax loopholes, and thereby escape the minimum tax altogether.

This has meant that the minimum tax, rather than working at the statutory rate of 10 percent, is actually working at an effective rate of only 2.7 percent.

By closing this services loophole, our reform will strengthen the minimum tax and bring in $900 million a year.

The Senate has voted on the minimum tax several times since 1969. We have had extensive discussions and floor debate on the measure. Extensive hearings have been held. Last January, the Senate actually voted in favor of this exact same reform we are proposing now, so I see no reason why the Senate should not vote again.

We have also debated the issue of the asset depreciation range many times. We had voted on that. This was an amendment which has been strongly supported by the Senator from Indiana (Mr. BAYH).

The same is true of DISC, the special tax windfall for exporters. We have debated it many times on the Senate floor, thanks to the leadership of Senator MUSKIE and others who have called continual attention to its flaws.

So these are four very specific tax reforms directed toward very specific tax abuses. Those of us who have developed this particular package, developed it not as a total and comprehensive tax reform program, but in recognition that there are certain parts of the current tax system which are full of flagrant loopholes. We think the Debt Ceiling Act is the place to make a stand, and to insist that those loopholes be voted on by the Senate.

Now there were a number of Members of the Senate who had differing views about this proposal on the questions of the depletion. I talked with some Members of the Senate who felt on the question of depletion that we should not end the oil depletion allowance completely, but that we should eliminate depletion only on foreign production, retaining it for domestic production. That is what this debate is for. I hope that we will have the opportunity to discuss and debate that proposal and resolve it on the merits.

There are other proposals on oil. Some wish to eliminate the oil depletion allowance for the major companies and to permit it for smaller companies, so that we would provide incentives to the small companies that have been so ambitious in the industry in exploration and development. We have debated that particular approach for a number of years, and it has special urgency today, when many feel that even the independents no longer need depletion as an incentive, because the price of oil is so high that it provides all the incentive any producer, large or small, will need.

Mr. HART. Mr. President, will the Senator from Massachusetts yield for a question?

Mr. KENNEDY. I yield.

Mr. HART. Do I correctly understand that the amendment offered by the Senator from Massachusetts and several of our colleagues reaches four areas; the repeal of the oil depletion allowance, with reference to which the Senator has just made some comments. The remaining three areas, as I understand them, and I would ask the Senator from Massachusetts if I understand correctly, would repeal the depreciation range system of accelerated depreciation, would repeal the Domestic International Sales Corporation—DISC, and would strengthen the minimum tax.

The reason for my inquiry, I should explain, is that I have been required for the past several days to attend forenoon and afternoon hearings of the Committee on the Judiciary involving executive nominations. So, may I inquire of the Senator from Massachusetts whether these four points are the basic elements in his amendment.

Mr. KENNEDY. Yes, the Senator is correct.

Mr. HART. Now further, Mr. President, may I ask the Senator from Massachusetts how much new revenues will be generated by these four reforms?

Mr. KENNEDY. There will be a revenue gain of $4 billion in the first year, and $7 billion for the fifth year. It will completely offset any revenue lost by the tax relief part of our package.

The Senator is quite correct. There will be a revenue gain from tax reform that will completely offset any revenue loss from tax relief. The benefits would go to the middle, low-income, and the working poor. The burden would be on the higher-income individuals as well as on the most profitable corporations.

Mr. HART. May I ask what I suggest will be a final question, if the Senator will continue to yield?

Is it the intention of the Senator from Massachusetts, in the event the Senate approves these four reforms, to leave the tax reform issue at this point, awaiting another and conceivably happier year, or is it his thought or intention, if he is free to indicate, that later this year an additional effort to add further equity to the tax code might be undertaken?

Mr. KENNEDY. It would certainly be my hope that those reforms would be only a downpayment on future tax reform by Congress. We have identified what I think are the most notorious loopholes in the Internal Revenue Code. It would be my hope that the Ways and Means Committee and the Finance Committee will consider additional tax reform, as well, this year, and allow us to bring it to a vote.

Mr. HART. If the Senator will yield for one last question, Mr. President, as I understand it, the amendment has two basic thrusts: to reform the code in at least four respects, in an effort to increase revenue, and, second, in at least three areas to provide tax reduction, to bring greater equity to the tax code.

These are the two thrusts of the amendment which the Senator, I hope successfully, seeks to persuade his colleagues to adopt. Is that correct?

Mr. KENNEDY. The Senator is correct. Many outstanding economists, Walter Heller, Arthur Okun, Paul Samuelson, and Leon Keyserling, believe that in addition to the tax equity which will be achieved by the adoption of the amendment, there will also be a significant antirecessionary economic impact of the amendment. So it is sound economic policy and sound tax policy.

Mr. HART. I do thank the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. MONDALE. I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk continued to call the roll.

Mr. ALLEN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

Mr. MONDALE. I object.

The PRESIDING OFFICER. Objection is heard.

The assistant legislative clerk resumed the call of the roll.

Mr. MONDALE. Mr. President, I ask unanimous consent that the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MONDALE. Mr. President, I yield to the Senator from West Virginia.

ORDER FOR LIMITATION OF TIME ON CONSIDERATION OF PROTOCOLS FOR THE EXTENSION OF THE INTERNATIONAL WHEAT AGREEMENT, 1971

Mr. ROBERT C. BYRD. As in executive session, I ask unanimous consent that at such time as calendar No. 2 on the executive calendar for treaties, Executive C (93d Cong. 2d sess.), Protocols for the Extension of the International Wheat Agreement, 1971, is called up and made the pending business before the Senate, there be a time limitation thereon of 30 minutes, to be equally divided between Mr. AIKEN and Mr. FULBRIGHT; that there be a time limitation on any amendments thereto, any understanding or any reservation in relation thereto, of 30 minutes; that there be a time limitation of 20 minutes on any debatable motion or appeal, and that the agreement be in the usual form with respect to the division and control of time.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the Senator from Minnesota.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. MONDALE. Mr. President, the pending amendment offered by Senator KENNEDY, myself and others is designed to couple tax reform with tax relief. It is not designed to add additional burdens to the budget. We seek to pick up as much from tax reform as we deliver to working Americans of average and low income in the form of tax relief.

The reform package includes a proposal to eliminate and repeal the oil and gas depletion allowance, to repeal the so-called DISC tax preference for exporting corporations, known as Domestic International Sales Corporations; to tighten up the so-called minimum tax so that wealthy Americans who are now able through a series of deductions, preferences, and exemptions to avoid all or most of the tax burden which others pay, are required to pay at least some portion of their income toward the support of the American Government. We seek to increase Federal revenues and then swing those revenues, approximately $6 billion, into relief for taxpayers of average and low income.

The relief provisions would increase the present personal tax exemption from $750 to $825 per dependent, or, in the alternative, permit families to take a tax credit of $190 per dependent. The tax credit alternative approach, I believe, is new, and I believe it has a great deal of merit. The tax exemption has the disadvantage of delivering more real tax relief the wealthier you are and less relief per dependent the poorer you are. Thus a wealthy taxpayer in the top tax bracket may save up to $525 in real taxes under the present tax exemption per dependent, whereas the low-income worker might save only $105 to $125 per dependent. This is a strange upside-down form of relief for American families, which says "To the extent that you do not need it, you will receive relief, and to the extent that you do need it, you will not receive relief."

The exemption, however, is a long-standing provision in the tax laws. It is well recognized. So the main thrust of this amendment is a new provision for an alternative form of relief called the tax credit for dependents. It would provide a credit of $190 for each dependent in the family, and this would be a credit against one's final tax bill. Under this provision, more than 80 percent of the relief would go to Americans earning about $15,000 a year or less, and it would provide special relief to families with many dependents.

There is no question but that poverty varies very dramatically with the size of the family, but the present tax exemption does not help large families with average incomes very much.

The tax credit would. For example, a married couple with four dependents earning, say, $8,000 a year would receive a tax saving of $322 under this tax credit. A married couple with four dependents earning $10,000 a year would receive a tax savings of $270, and so on. The idea is to provide some relief to Americans who are now being tortured by inflation.

The other element of tax relief is a new proposal which had earlier passed the Senate, but is now stalled in conference for a low-income work bonus, which would give low-income workers with one or more children a refundable tax credit equal to 10 percent of their income up to $4,000, and a gradually smaller percentage of their income up to $5,600.

The idea behind this provision is that these are working Americans with children, but their income is so low that not only are they being tortured by inflation and the high cost of living, but we seem to double the insult by having what is, in effect, a 10-percent payroll tax imposed upon them because they are working.

These are almost identically the people who could well be considering whether work is worth it, and whether it might be better just to quit, go on welfare, and let Uncle Sam and the State taxpayers pick up the whole burden.

I think anyone who is interested in welfare reform has to begin with the notion that it ought to be more beneficial for a person who can work to do so than to remain on welfare. In order to make that the case, the economics of working have to lead to that result.

The trouble with the payroll tax, particularly as it applies to these low-income workers, is that it is a 10-percent bite out of their income for working, and in many cases, if one looked just at economics they might well be better off to go on welfare.

That is one of the reasons why I strongly support Senator Long's proposal for this work bonus, to try to obtain some relief and a further incentive to work for low-income workers with children. This is a proposal that I think has tremendous merit and I believe deserves the support of the Senate. It is a measure which we have adopted before. We adopted it last November by a vote of 57 to 21.

Returning to the exemption tax credit proposal, I refer my colleagues to page 15814 of the CONGRESSIONAL RECORD of May 21, 1974, on which there is a table which demonstrates how this money would be directed to moderate and low income workers with the credit and exemption proposals of the Kennedy-Mondale bill. It clearly demonstrates that this proposal will bring relief where it is needed most: to those who are having the hardest time making it under our present inflationary system.

These are the Americans whose taxes are going up now. They are going up because as their wages increase with dollars that are worth less, they also get into higher tax brackets, and their taxes are thereby increased under the income tax laws.

In other words, not only are their dollars worth less, but their tax is more. We propose to bring some relief to them for that reason.

Secondly, the payroll tax has been rising all the time. This is something which I think the workers of America are just beginning to realize. The payroll tax is a flat tax. It has no marital share split. It has no deductions for dependents. It does not vary with family size. There is no deduction for medical costs. There are none of the equities built into the payroll tax which we have built into the income tax over the years.

The result is that Americans of average and low income are finding that payroll tax soaring, and I believe shortly most Americans will pay more in payroll taxes than they pay in income taxes. It is a harsh tax; it is a regressive tax; it is one that strikes particularly cruelly at Americans in the low- and moderate-income brackets.

So what we are proposing to do here is try to provide some relief, modest though it might be, to the Americans who need it the most, who are working, trying to care for their families, pay taxes, be good citizens, and who above all others are being adversely affected by the combination of rising interest rates—now the highest since the Civil War—rising taxes, one of the worst inflationary periods in American history, together with rising unemployment. It seems to me that if we are going to have a system in which we fight inflation with some sense of equity, this modest proposal on tax relief is well in order. As I said earlier, we are going to fund this relief through tax reform, through closing loopholes and reducing preferences which now permit many Americans to avoid all or most of the taxes they would otherwise pay.

A good example is the oil industry. The multinational oil corporations are a classic study in tax preferences. On overseas operations they are able to take the oil depletion allowance, intangible drilling costs and, in addition, we give them the right to credit against all earnings from foreign sources, for U.S. tax purposes, all taxes paid to foreign sources. In addition, some years back, in what Paul Douglas used to call the "golden gimmick" we let them treat royalty payments as "taxes" for the purpose of credit earnings brought in from overseas against U.S. taxes and that made overseas oil operations virtually tax free.

As a result, instead of leading toward a policy of more national oil independence, we created a tax policy which made it almost imperative that the major oil companies go overseas, because that is where the tax haven was; and more than that, they could take such operations as shipping, insurance, and anything else in the way of management costs, refining capacities, particularly, and put them overseas, because it was tax free for all practical purposes. So now it has resulted in great dependence of this country on foreign oil and foreign refineries and it has made the major multinational oil companies during this period of the highest profits of any corporations in the history of the United States, a virtually tax free industry.

Let us look at the taxes that are reported in U.S. Oil Week on June 10, 1974.

Exxon paid 5.4 percent in Federal income taxes on their income.

Gulf Oil paid 1.1 percent.

Mobil Oil paid 2.2 percent. I should like to digress for a moment to say that one of the arguments used against us when we try to rollback oil prices so that the consumer could have a break, or when we try to increase their taxes by closing some of the loopholes, the argument we have always heard is, "Well, this money is needed by us in order to develop domestic oil resources and domestic refineries." They make the argument that every dollar that goes to them is automatically invested in the form of increased domestic oil exploration development, refining, and all the rest.

Well, 2 days ago, Mobil Oil Co. announced that it was buying the Marcor Corp., one of the largest corporations in the country. Marcor owns Montgomery Ward and another large corporation, Container Corp. of America. The cost of this corporation, I think, is something like $500 million.

These major oil companies are getting just like the major Arab exporting countries, they have so much money they do not know how to handle it. Finally, in order to invest it, they had to go public.

A few months ago, Gulf Oil Co. offered to buy the Barnum & Bailey Circus in the midst of debate over whether they needed as many profits as they now enjoy. In my opinion, Mobil Oil Corp.'s proposed acquisition of Marcor is the best sign yet that the oil industry is engaged in a desperate search for ways to get rid of embarrassingly high profits and lends substantial weight to the wisdom of repeal of the oil depletion allowance.

Mobil paid 2.2 percent in Federal income taxes. The maid who cleans the office of the president of Mobil must pay at least 10 percent in taxes. The figures show that on the average, approximately 10 percent in taxes are paid at the lowest income levels.

Texaco paid 1.6 percent in Federal income taxes.

Standard of California paid 4.1 percent in Federal income taxes.

Arco paid 8.1 percent in taxes, and so on.

This pattern of major multinational corporations bringing in billions of dollars collectively and being treated virtually tax-free is nothing short of a national scandal. I do not know how we can go to the average American and ask him to sacrifice, to restrain inflation, to pay the cost of Government, when we have this policy of unlimited preferences for the corporation and only higher taxes, inflation, higher interest rates, and unemployment for the rest.

Mr. President, I ask unanimous consent to have printed in the RECORD a statement on the proposed Marcor acquisition by Mobil Oil Corp., and another survey which shows that in 1971, 45 percent of all foreign tax credits were taken by U.S. oil corporations overseas; I also ask unanimous consent to have printed in the RECORD a table which was published in U.S. Oil Week on June 10, 1974, showing what the major oil companies paid in taxes from 1969–73.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

CONNECTION SEEN BETWEEN MOBIL'S PROPOSED ACQUISITION OF MARCOR CORP. AND NEED FOR REPEALING OIL DEPLETION ALLOWANCE

WASHINGTON, D.C., June 18.—Senator Walter F. Mondale (D-Minn.) said today that Mobil Oil Corporation's proposed acquisition of Marcor Corporation is the "best sign yet that the oil industry is engaged in a desperate search for ways in which to get rid of embarrassingly high profits" and "lends substantial weight to the wisdom of repealing the oil depletion allowance immediately."

Mondale made the statement in connection with Senate debate on the Debt Limit Bill, H.R. 14832. He has joined with a group of Senators in proposing an amendment to this legislation which eliminates the oil depletion allowance retroactive to January 1, 1974.

The Minnesota Senator pointed to the Mobil Oil Corporation's proposed acquisition of Marcor Corporation as "the latest in a series of oil company moves that clearly indicate they do not know what to do with the excessive profits which they have realized over the past year.

"These companies are desperately searching for ways to spend their excess cash, since they apparently cannot spend much of it in expanding domestic oil and gas exploration," Mondale said. "The acquisition of Marcor—which owns Montgomery Ward and the Container Corporation of America—will cost up to $500 million, and is some indication of the size of excess profits that only one oil corporation has amassed."

Referring to Gulf Oil Corporation's proposed purchase of both the Ringling Brothers and Barnum and Bailey Circuses and the "giant" CNA Financial Corporation, Mondale noted that "these proposed mergers were called off, apparently after embarrassment caused by the outcry that met these announcements."

"Apparently Mobil now thinks, however, that the American people's attention is no longer on the energy crisis, and that they can therefore move with impunity," the Senator added.

In addition, he stated, "a host of major oil companies have recently given large bonuses to their non-union employees, apparently in another attempt to divert profits which they cannot invest in expanding domestic oil and gas operations."

"Mobil recently gave 37,000 non-union employees a one-month bonus estimated to cost $32 million; and Exxon, Standard of California, Continental, Standard of Indiana, Shell, Atlantic Richfield and Union are all raising the pay of their non-union employees, most by an average of six per cent," Mondale added.

"This pattern of a desperate search for ways in which to get rid of embarrassingly high profits should indicate that the vast recent increases in oil industry profits are not all being reinvested in oil and gas exploratory and producing operations, as the companies would like the American public to believe," Mondale said. "It lends substantial weight to the wisdom of repealing the oil depletion allowance immediately, and should help end speculation that ending this unnecessary tax break would result in increases in the price of oil products to the consumer.

"The Congress should help the oil industry out of its current embarrassment of riches by removing the source of that embarrassment—profits so large that the companies cannot possibly invest most of them in the domestic oil and gas business. And the best and most sensible way of accomplishing this is the immediate repeal of the oil industry's percentage depletion allowance."

FEDERAL FOREIGN TAXES OF MAJOR OIL COMPANIES (FROM SECURITIES AND EXCHANGE COMMISSION 10-K FORM REPORTS)

[In thousands]

	Net income before tax	Federal income taxes	Federal tax as percent of net	Foreign, state income taxes	Foreign, state as percent of net	Net income after tax
Exxon:						
1973	6,195,000	333,000	5.4	3,419,000	55.2	2,443,000
1972	3,878,000	240,000	6.2	2,106,000	54.3	1,532,000
1971	3,346,916	251,398	7.5	1,663,396	49.7	1,432,122
1970	2,474,748	268,273	10.8	896,938	36.2	1,309,537
1969	2,069,697	265,789	12.8	756,269	36.5	1,047,939
Gulf:						
1973	2,164,000	23,000	1.1	1,341,000	62.0	800,000
1972	1,009,000	12,000	1.2	800,000	79.3	197,000
1971	1,316,463	31,062	2.3	724,000	55.0	561,401
1970	985,258	11,892	1.2	423,000	42.9	550,366
1969	986,822	4,264	.4	372,000	37.7	610,558
Mobil:						
1973	1,995,478	43,500	2.2	1,102,666	55.3	849,312
1972	1,343,610	17,300	1.3	752,111	56.0	574,199
1971	1,321,959	85,700	6.5	695,464	52.6	540,795
1970	873,951	95,600	10.9	295,644	33.8	482,707
1969	736,403	41,800	5.7	260,088	35.3	434,515
Texaco:						
1973	1,891,203	30,000	1.6	568,800	30.1	1,292,403
1972	1,375,840	23,600	1.7	463,200	33.7	889,040
1971	1,319,468	30,000	2.3	385,600	29.2	903,868
1970	1,137,666	73,250	6.4	242,400	21.3	822,016
1969	952,854	7,250	.7	175,800	18.4	769,804
Standard (California):						
1973	1,324,677	53,900	4.1	427,200	32.2	843,577
1972	937,970	19,400	2.1	371,500	39.6	547,070
1971	855,692	14,000	1.6	330,600	38.6	511,092
1970	658,517	29,700	4.7	174,000	26.4	454,817
1969	590,386	10,900	1.8	125,700	21.2	453,786
Standard (Indiana):						
1973	767,773	165,642	21.6	90,882	11.8	511,249
1972	470,130	48,060	10.2	47,330	10.1	374,740
1971	435,954	63,462	14.5	31,859	7.3	340,633
1970	391,951	56,018	14.3	24,502	6.25	311,431
1969	406,670	64,524	15.9	22,991	5.65	319,155
Shell:						
1973	455,818	112,680	24.7	10,444	2.3	332,694
1972	342,246	73,989	21.6	7,777	2.3	260,480
1971	292,075	43,738	14.97	3,833	1.3	244,504
1970	274,681	34,285	12.4	3,191	1.1	237,205
1969	308,451	5,464	1.7	11,836	3.8	291,151
Arco:						
1973	450,611	36,276	8.05	144,150	32.0	270,185
1972	303,995	11,141	3.7	97,293	32.0	195,561
1971	295,245	11,115	3.8	85,428	28.9	198,702

FEDERAL FOREIGN TAXES OF MAJOR OIL COMPANIES (FROM SECURITIES AND EXCHANGE COMMISSION 10-K FORM REPORTS)—Continued

	Net income before tax	Federal income taxes	Federal tax as percent of net	Foreign, state income taxes	Foreign, state as percent of net	Net income after tax
1970......	263,406	10,622	4.0	43,280	16.4	209,504
1969......	279,932	3,963	4.0	47,282	16.9	228,687
Amerada Hess:						
1973......	385,642	31,317	8.1	108,560	28.15	245,765
1972......	123,164	9,262	7.5	87,901	71.4	26,001
1971......	240,003	22,552	9.3	84,202	35.1	133,249
1970......	183,208	6,648	3.6	62,550	34.1	114,010
1969......	133,447	2,406	1.8	46,385	34.8	84,656
Sun:						
1973......	380,306	62,561	16.45	88,014	23.1	229,731
1972......	234,299	30,999	13.2	48,591	20.7	154,709
1971......	236,070	41,081	17.4	43,373	18.4	151,616
1970......	223,086	56,957	25.5	27,054	12.1	139,075
1969......	228,787	49,651	21.7	25,585	11.2	153,551
Marathon:						
1973......	369,406	36,675	9.9	189,384	51.27	143,347
1972......	255,999	19,202	9.5	157,012	61.3	79,785
1971......	229,390	14,000	6.1	147,176	64.2	68,214
1970......	196,412	8,200	4.2	101,680	51.8	86,532
1969......	170,657	3,250	1.9	77,929	45.6	89,478
Phillips:						
1973......	322,044	42,830	13.3	48,803	15.15	230,411
1972......	214,097	40,928	19.1	24,741	11.56	148,428
1971......	179,391	28,230	15.7	18,845	10.5	132,316
1970......	165,626	38,821	23.4	15,625	9.4	111,180
1969......	184,981	35,366	19.1	19,505	10.5	130,110
Conoco:						
1973......	257,632	12,557	4.9	2,411	.1	242,664
1972......	175,354	3,149	1.8	2,024	1.15	170,181
1971......	290,528	4,653	1.6	176,447	60.7	109,428
1970......	301,447	20,010	6.6	121,190	40.2	160,247
1969......	255,075	11,553	4.5	88,647	34.75	154,875
Union California):						
1973......	256,470	32,100	12.5	44,200	17.2	180,170
1972......	152,743	9,800	6.4	21,000	13.75	121,943
1971......	148,307	11,750	7.9	21,850	14.7	114,707
1970......	137,211	7,540	4.6	15,210	9.4	114,461
1969......	171,430	8,800	5.1	9,400	5.4	153,230
Getty:						
1973......	211,616	20,930	9.9	48,449	22.9	142,237
1972......	154,722	31,965	20.7	41,583	26.9	81,174
1971......	200,619	23,665	11.8	46,011	22.9	130,943
1970......	151,844	26,863	17.7	12,585	8.3	112,396
1969......	146,774	18,168	12.4	9,338	6.4	119,268
Cities Service:						
1973......	194,727	41,600	21.4	6,200	3.2	146,927
1972......	119,492	3,629	3.0	3,756	3.1	112,107
1971......	117,574	9,934	8.4	3,173	2.7	104,467
1970......	151,562	27,169	17.9	5,816	3.8	118,577
1969......	165,418	27,254	16.7	4,766	2.9	133,398
Ashland:						
1973......	149,199	53,135	35.61	10,845	7.3	85,219
1972......	106,715	32,282	30.3	6,376	6.0	68,057
1971......	53,488	24,635	46.06	4,111	7.7	24,742
1970......	70,942	28,978	40.8	3,605	5.1	38,359
1969......	88,482	28,331	32.0	3,719	4.2	56,432
Standard (Ohio):						
1973......	108,408	3,937	3.6	15,086	13.9	89,385
1972......	70,165	706	1.0	11,992	17.1	57,467
1971......	60,462	1,245	2.0	7,508	12.4	54,199
1970......	65,848	6,918	10.5	4,252	6.5	68,514
1969......	99,193	42,601	42.9	5,183	5.2	51,409
Kerr-McGee:						
1973......	95,694	28,638	29.9	4,229	4.4	62,827
1972......	69,463	16,222	23.3	2,642	3.8	50,599
1971......	54,741	11,089	20.2	2,963	5.4	40,689
1970......	47,322	9,169	19.4	2,236	4.7	35,917
1969......	42,747	7,130	16.7	1,977	4.6	33,640
Totals—19 companies:						
1973......	17,975,704	1,164,278	6.47	7,670,323	42.67	9,187,860
1972......	11,337,004	643,634	5.68	5,052,829	44.56	5,640,541
1971......	10,994,345	723,309	6.58	4,475,839	40.71	5,797,687
1970......	8,754,686	816,913	9.3	2,474,758	28.26	5,476,851
1969......	8,018,206	638,464	7.96	2,064,400	25.74	5,315,642

What about deferred?—Refiners may object to our omitting "deferred" taxes from the table. While accountants differ widely on how to show deferred taxes the current taxes shown above are the only ones clearly paid Uncle Sam. Companies may defer taxes to future years under many provisions of tax law. Some may be paid the following year or several years later or not at all in the case of provisions for capital gains on property that's never sold. Dr. Gerard Brannon, a former Treasury Department official, now at Georgetown University, said ignoring deferred taxes gives a more accurate picture. To properly treat deferred taxes would take a good accountant weeks to analyze what each deferment is for . . . if refiners would reveal their tax returns.

Older figures changed?—Yes in many cases the figures for earlier years have been changed from those in earlier U.S. Oil Week tables. We assume IRS auditors of refiners tax returns have caused refiners to change figures for earlier years in their 10K reports at SEC.

MONDALE SAYS OIL COMPANIES USED FOREIGN TAX CREDIT TO LOP 75% OFF 1971 U.S. TAX BILL

WASHINGTON, D.C., January 27.—Senator Walter F. Mondale (D-Minn.) said today that a just-released Treasury Department report shows that U.S. oil companies used foreign tax credits to cut their 1971 U.S. tax bill by more than 75%.

According to the Treasury report, the oil companies reduced their 1971 U.S. tax bill from $3.2 billion to $788 million by subtracting from their U.S. taxes the amount they paid in taxes to foreign governments.

"This extraordinary use of the foreign tax credit reinforces the long-standing suspicion that the big multi-national oil companies have worked out special deals with the Arab sheiks to jack up their foreign tax credits," Mondale said. "Instead of having their payments to the Arab countries treated as royalties—which can only be deducted from income—the oil companies have succeeded in getting them treated as income taxes, which can be subtracted dollar for dollar from their final U.S. tax bill.

"No other U.S. industry uses the foreign tax credit to this massive scale," Mondale noted. "The U.S. oil companies take more than 45% of all foreign tax credits claimed by U.S. industry. And for U.S. industry as a whole, foreign tax credits reduced their U.S. tax bill by less than 15% in 1971, compared to more than 75% for the oil companies."

Mondale said the new Treasury report on 1971 corporation income tax returns showed all U.S. industries claimed $5.486 billion in foreign tax credits against total 1971 income taxes of $36.865 billion. But the oil companies (listed in the Treasury report as "crude petroleum and natural gas" and "petroleum refining and related industries") claimed $2.444 billion in foreign tax credits against total 1971 taxes of $3.232 billion, thereby reducing their U.S. taxes to $788 million.

"With the recent huge increases in Arab oil prices and taxes," Mondale said, "the companies will now have even more foreign tax credits to charge against their U.S. taxes. Some of the companies may be hard pressed to pay any U.S. taxes at all on their current income.

"The effect of the foreign tax credit on the tax bill of individual companies is even more striking than the aggregate figures," Mondale added.

Mondale pointed to data from *U.S. Oil Week* showing that Gulf paid only 2.3% of its 1971 income in U.S. taxes, Standard of Ohio 2.0%, Texaco 2.3%, Mobil 6.5%, Standard of California 1.6% and Exxon 7.5%.

The average tax payment for the 19 largest oil companies in 1971 was 6.5% of their total income, according to the *U.S. Oil Week* study.

"By far the greatest factor in this grand scale oil company tax avoidance was the foreign tax credit," Mondale said. "While the foreign tax credit is generally a legitimate devise to recognize the worldwide tax burdens of U.S. corporations, there is strong evidence that it has been abused by the big multi-national oil companies.

"The whole package of tax breaks the big oil companies have enjoyed for decades—the oil depletion allowance and the deduction for intangible drilling expenses, as well as the foreign tax credit—must be totally re-examined," Mondale stated.

"These tax breaks have become so enormous that they are now overlapping each other, especially in the oil companies' foreign operations. The big multi-national oil companies hardly make any use at all of the oil depletion allowance in their foreign drilling, for example, since their foreign tax credits alone are more than enough to relieve them of almost all U.S. taxes.

"That is why the Nixon foreign tax proposals are so feeble," Mondale continued. "His proposal to take away the oil depletion allowance for foreign drilling will have little effect on the major oil companies, since they don't use it anyway. His own Treasury Department admitted repeal was only 'symbolic'.

"And his proposal to turn 'excess' oil company foreign tax credits into deductible royalties may well turn out to be a windfall boon to the big multi-nationals. They now have so many foreign tax credits they can't use them all. Now Nixon comes along and proposes to turn some of the credits into royalties, so they can be deducted from income instead of going to waste. It is too clever by half.

"It does little good to cut back on one or two oil company subsidies while leaving the others untouched. We must deal with all of them together, with perhaps a form of minimum tax as a back-up to make sure that the multi-nationals pay their fair share in U.S. taxes," Mondale observed.

He concluded, "I will be looking at a number of possible approaches during Finance Committee hearings on the trade bill and on proposals for excess and 'windfall' profits taxes. With oil company profits and prices soaring to unprecedented heights, the last thing we need to do is line their corporate coffers even more magnificently with excessive tax subsidies."

Mr. MONDALE. Mr. President, what we have sought to do is to vote on these proposals, to have an opportunity to permit the Senate to debate and vote. We are not interested in delaying these proceedings. We are interested in coming to a vote. We are interested in agreeing to a time limitation on all amendments. We are interested in having these matters worked out and decided and sending the measure over to the House in time to extend the debt ceiling before its expiration on June 30.

Mr. President, I see my colleague and cosponsor of this measure, the Senator from Massachusetts (Mr. KENNEDY), in the Chamber and I know he shares with me our desire to bring this matter to a head, have the debate take place, and then have the vote take place, and let the American people see that the Senate is concerned about the present desperate situation in which the average American family finds itself today.

Mr. KENNEDY. Mr. President, will the Senator from Minnesota yield?

Mr. MONDALE. I am pleased to yield to the Senator from Massachusetts.

Mr. KENNEDY. Mr. President, those of us who developed this proposal, to provide a degree of tax equity and tax reform, have worked over a period of months to develop this package of tax relief and tax reforms.

We have worked with the leadership to try to schedule this debate at the most appropriate time in the Senate calendar, recognizing that there is much unfinished business before the Senate, recognizing the particular exigencies which may arise on other matters. We have worked with the majority leader, and the majority leader has worked with the minority leader, to afford an opportunity for us to bring these matters up with sufficient time for debate and discussion. We all recognize the importance of these measures and the comprehensiveness of these measures, and their significance in terms of tax equity and tax reform. The leadership has complied with our request in every way, and I commend them for the extraordinary role they have played.

Now we find ourselves in the early part of Thursday afternoon, after a desultory discussion and debate which started on Monday on a delaying amendment, the substance of which the Senate addressed last week. I daresay it would be overwhelmingly accepted now by the Senate, were we to have an opportunity to vote on the particular measure offered by the Senator from Alabama.

No new idea was suggested by the amendment of the Senator from Alabama. No new presentation of new material was made. There were no new studies; no new information that has not generally been available to the Senate or to Senators in the course of 4 days of discussion by those who have supported the amendment of the Senator from Alabama.

I am satisfied that we could dispose of that amendment in a few short moments. I am inclined to vote for it myself.

So what is happening here should be extremely clear to the American people. We have the submission of an amendment, by a Senator, followed by the same Senator filibustering on his own amendment, to prevent the Members of the Senate from voting on other amendments.

I join the Senator from Minnesota in expressing the great sense of frustration that many of us feel over these parliamentary tactics and devices. We understand that tactics and devices exist under the rules of the Senate, but it is exceedingly difficult to explain why the Senate cannot act to the hundreds of thousands and millions of Americans who have only recently paid their taxes and who see other thousands of Americans who are able to take advantage of all the tax loopholes to avoid this fair share of taxes.

They wonder why Congress does not act. They wonder why Congress does not do something about this situation.

If we have to go back and say that we got wrangled up in a parliamentary situation, that we were unable to bring it to a vote, I wonder what sense of confidence the American people are going to have in their particular institution of their government.

We are already aware of their general view about Congress and the Senate of the United States. I dare say there will be a further drop in confidence after the exercise of the past few days, if we are prohibited from getting a chance to vote on tax relief and tax reform.

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. KENNEDY. Yes, I yield.

Mr. MONDALE. I find it remarkable that the administration opposes this amendment. They do so, first of all, because they say it is inflationary. But they are not against tax cuts. The President announced the other day that he was setting up a high level commission to see if they could develop new ways of bringing tax relief to big business. That is a tax cut. What he is opposed to is any tax relief to the average American living on an average income, trying to make his way in these difficult times.

Some of the great economists in the country—Walter Heller, Art Okun, and Paul Samuelson—have said that this is not inflationary. More than that, a study that leaked out the other day from the Office of Management and Budget pointed out that their own governmental economists do not think that this tax cut is inflationary.

I suppose that, having released that information, it is now inoperative. In any event, we coupled this tax relief with tax reform.

As the Senator pointed out, there are many wealthy Americans who escape all or most of their taxes. The IRS reports that 402 Americans, who earned $100,000 or more in 1972, paid nothing in Federal income taxes. Four of them reported $1 million each and did not pay a dime in taxes.

We passed a minimum tax a few years ago, and then it was amended to permit an offset of other taxes paid. As a result, we drove a big loophole through the minimum tax. I believe the IRS figures show that 33,000 Americans reported an average of $152,000 each in this preferential income and paid only 4 percent of it in tax.

So you have billions of dollars slipping out of the tax net, but not from working Americans, because you can hire the best tax lawyer in town and he cannot find any loopholes for them; there are none. You have to be rich enough to be able to structure your income to come within one of these preferences in order to avoid taxes in that way.

So the evidence is absolutely clear. We have now had these figures on the multinational oil companies which show that they are virtually tax free—1 percent, 2 percent, or in a bad year they might pay 3 percent in Federal taxes—even though they are in the period of the highest profits of any corporations in the history of the United States. They are now threatening to buy everybody else up—Montgomery Ward, and so forth.

All we are saying is, let us have some modest tax reform and swing that money, picked up in the form of tax relief, to Americans who are now being asked to assume all the burdens. Their taxes are going up. They are paying the highest interest rates. We have a survey which shows that at the end of World War II, the average family paid only 10 percent of its income for interest and debt and mortgage payments for homes and other credit. Today, because of the tremendous rise in interest rates, the highest since the Civil War, 25 percent of their income has to go just to pay for interest charges, debt repayment, and for the cost of staying in their own home.

That is one of the reasons why home mortgage foreclosures are beginning to soar.

In addition, because of tight credit, unemployment is rising. The average work week is dropping.

In addition, the part of the Federal budget that is being slashed are the programs to help the same people through education, through health, student assistance, and other things.

Under this administration, it is always the average American who is asked to pay everything. It seems to me that in this modest tax reform proposal and tax relief proposal, the embarrassing thing is that it is so small. It is only $6 billion of relief to millions of Americans. Perhaps it would make a $200 or $300 difference to the average family. At least, it is some relief. But they even oppose that.

Mr. KENNEDY. Will the Senator yield for a question?

Mr. MONDALE. I will be glad to yield.

Mr. KENNEDY. We have heard in the course of this debate about how inappropriate it is for the Senate to amend the Debt Ceiling Act with a proposal to provide tax relief or tax reform. Yet, the Senator from Alabama, himself, voted for an amendment to the Debt Ceiling Act 2 years ago, to increase social security benefits for the elderly people of this country.

We listened yesterday to the discussion and the debate of the Senator from Illinois (Mr. PERCY), who deplored adding an amendment to the Debt Ceiling Act. Yet, he voted not only for the increase in social security but also for the amendment to end the war in Cambodia. Both these votes were on amendments to the Debt Ceiling Act.

But when it comes to doing something about tax reform it appears that this body is unwilling to proceed. It is deaf to the pleas and demands of the American people for tax reform. It is willing to yield to the pressures of those special interests when they say, "No, this is going to wait. Save our tax loopholes."

Mr. MONDALE. Mr. President, will the Senator yield?

Mr. KENNEDY. I yield.

Mr. MONDALE. Mr. President, I think it must be recognized that under the Constitution revenue measures must originate in the House of Representatives; that the only way the Senate can work its will in expressing its views about tax policy is to amend revenue measures coming to the Senate from the House. For that reason from the beginning of this body tax measures from the House have been freely amended because that is the only way the Senate can work its will. To say that amendments must remain germane in all cases to House-passed bills is to make this a body of only secondary importance in matters involving tax policy, which is intolerable, and from my standpoint it is unacceptable.

The second point is that we now have a government by veto. The present President vetoes nearly everything that helps the American people. He has vetoed the social security bills, he has vetoed HEW bills, he has vetoed Legal Services Legislation, sewer and water, conservation, and environmental legislation. One can almost bet that when we pass something that will give help to the average American it will be vetoed.

So the President has said, "In spite of all my vetoes, do not pursue a strategy that makes it difficult."

The debt ceiling bill is one of the measures to which we can attach tax reforms and make the President look at them I think the procedure is perfectly valid. We have done it time and time again. Many of the people objecting to the procedure here today have done it time and time again.

I believe if we are given a chance, the Senate will reform taxes and bring relief to the average American.

Mr. KENNEDY. Mr. President, as I understand it, in a few moments a motion will be made to table the Allen amendment and the tax reform-tax relief amendment which is also pending before the Senate. We are extremely hopeful that after that, we will be able to call up Amendment No. 1443, which is the amendment we have been debating, without having had an opportunity to vote on it section by section.

We hope we will be able to get a division on the various sections of the amendments, and that we will be able to have free and open debate on those sections and permit the Senate to exercise its will.

In effect, what we have to do through this tabling motion is to clear the deck, and begin a serious debate and resolution of the issue of tax reform and tax relief.

Mr. HUMPHREY. I thank my colleague. I do appreciate the fact, once again, that the Senator from Massachusetts as well as the senior Senator from Minnesota have explained what the procedural difficulties are here in reference to the amendment No. 1443 laid before the Senate yesterday by the Senator from Montana (Mr. MANSFIELD).

I think it is extremely important that we understand what this is all about because the public surely can misinterpret.

Number one, when this amendment was prepared, which I was privileged to introduce on behalf of a number of Senators, it was then understood that we would put in the total package so that the public might see the total package, so that the Senate might see the total package of both structural reform and tax laws, as well as the proposed tax reductions for low- and middle-income families and individuals.

It was also decided then that when we put this amendment in we would ask for a division, which is the prerogative, even the privilege, of the sponsor of the amendment, and that would have meant that we were to vote on the separate sections of the bill as now before us and as printed on the date June 12, amendment No. 1443.

The present parliamentary situation denies us the opportunity for a division or separation of the respective sections because the rules of the Senate provide that whenever we add in the second degree an amendment and we strike and insert in lieu thereof other language, we lose the opportunity for a division of the particles or parts of the amendment which have been added.

It is for this reason that some of us who are strongly for amendment No. 1443 will be compelled to vote to table it when the motion is made to table. The reason the motion will be made to table is only in the hope that we can clear the decks, so to speak, and come back and be able to take this amendment piece by piece and do it in an intelligent way, making those necessary adjustments as we go along where different colleagues feel they would like to modify a particular section in this bill.

Having explained that, Mr. President, let me say that there are two issues that this Congress has got to face up to, which this administration does not, is unwilling to face up to.

No. 1, what is happening to the incomes of low- and middle-income people in relationship to the purchasing power of that income.

This morning on the "Today Show," there was a special feature on housing, which showed housing starts down 40 percent, pointing out that over half of the American public, more than that, approximately 80 percent of the American public cannot buy a home today because of high interest rates and the high cost of construction and the lack of adequate income, and also a demand on the part of the financial institutions for larger downpayments.

The second thing is, the American people do want tax reform. They watched the wild profiteering of the oil companies, they have seen all kinds of tax loopholes, and what we are attempting to do here is get two things done to help people with low income by giving them some modest amount of tax relief, on the one hand, and trying to structurally reform certain elements of the tax code so that there is a greater degree of fair play in taxation.

These are things that should be done by this Congress, and the public does not like all these shenanigans about our procedure.

Not only are they fed up with the Executive, they are fed up with us. The public wants some action and what we give them is a charade. What we are demonstrating is that we know the rulebook, but we do not seem to know the needs of the American people. What we are demonstrating is that we are experts in parliamentary procedure, but we just have no sensitivity to what is happening to millions of people in this country being ground down by inflation and taxed unfairly, while other people are getting a tax bonanza.

Mr. President, I think it is an outrage that we stand here like a stunned ox, unable to do anything, and I hope and pray that we are going to at least have a chance to work our will on this proposed legislation.

I do not know whether this legislation is as good as it should be, but I know that in debate we can find out, and what we are doing now is merely dancing around the issue in parliamentary procedures, which is just jolly for the Members of the Senate. Oh, what a lovely little group we have here. We all know how to do the minuet of the Senate rules, but what the American people want us to do is to quit doing the minuet and march forward and do something for them, and we have not done very much for them except to confuse them and ourselves.

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. HUMPHREY. I yield.

Mr. MONDALE. Mr. President, I have the floor.

Mr. HANSEN. Very well.

Mr. MONDALE. I would like to respond for a moment to my colleague's remarks. Yesterday we had hearings before the Select Committee on Nutrition and Human Needs, on which both my colleague and I are privileged to serve, on the impact of inflation on the average family's ability to afford nutritious food. Not only has food generally gone up in price, but particularly the items which low-income workers have depended upon the most have skyrocketed. For example, beans have gone up 250 percent in a year. So that a skilled dietitian living on a low income can no longer figure out a way of providing a minimum nutritious diet, according to the Government's own figures.

They further pointed out that even though we have increased food stamps and other forms of Federal Government food assistance by $5 billion in the last 5 years, the bite of inflation has wiped out those advances, so that we have millions of Americans, some on welfare, most of them working on low incomes, who are unable to earn enough money even to feed themselves and their children a minimum nutritious diet. By that diet I mean one which has been prepared by the Department of Agriculture, which they themselves say no one could live on very long; but even by that standard, those people are no longer able to feed their families.

What our amendment does is bring a little relief by targeting into those families a tax credit, which gives immediate relief to families earning $15,000 and under, and more relief to large families, because, after all, they have more mouths to feed, and then a special work bonus for working families with children making $5,600 or less. In other words, we are giving this relief to those tortured people who cannot feed their families properly.

Mr. HUMPHREY. And what does the opposition say? They say it is inflationary. But when the banks charge these very high interest rates, when the oil companies pile up their profits, they call it a free economy. The American people call on us to do something.

Mr. RIBICOFF. Mr. President, the Senate should have an opportunity to vote on each and every tax reform and tax relief measure.

I support tax relief for low- and middle-income families. I support elemination of loopholes which allow many to escape their fair share of tax liability. And I support the immediate elimination of the oil depletion allowance.

The Senate should have an opportunity to vote on these and other tax reform matters now without being thwarted by parliamentary tactics which prevent us from exercising the will of the Senate.

I hope the Senate will table the Allen amendment so that the Senate can proceed to consider tax reform measures which I support, such as my amendments to eliminate the oil depletion allowance, provide tax relief for low- and middle-income families, and provide tax credits for the costs of higher education.

Mr. MONDALE. Mr. President, I yield to the majority leader.

Mr. MANSFIELD. Mr. President, for the information of the Senate, it is my intention to move to lay the Allen amendment on the table. It is my understanding that a motion of that kind includes the Kennedy-Mondale-Humphrey amendment to the Allen amendment.

The PRESIDING OFFICER. The Senator is correct.

Mr. MANSFIELD. I think, though, in all fairness, that there ought to be a brief quorum call so that Senators could be on notice.

I would like at this time to suggest the absence of a quorum with the proviso that at the conclusion of the quorum call, whether it is live or partial, I be recognized. I will make the request now.

The PRESIDING OFFICER. Is there objection?

Mr. ALLEN. Mr. President, I have no objection, but would the distinguished Senator allow the Senator from Alabama to make a further parliamentary inquiry——

Mr. MANSFIELD. Certainly.

Mr. ALLEN. Either at this time or, preferably, when there is a larger group of Senators present. I would like an opportunity to make that inquiry before a vote.

Mr. MANSFIELD. Fine.

Mr. ALLEN. Mr. President, I ask unanimous consent that I may do so.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HANSEN. Mr. President, will the Senator yield for just one question?

Mr. MANSFIELD. I yield.

May I first ask what the Senator from Alabama requested?

Mr. ALLEN. I merely requested that I be given the opportunity to make a parliamentary inquiry prior to the vote.

Mr. KENNEDY. Mr. President, reserving the right to object——

Mr. MANSFIELD. The request has been granted.

Mr. ALLEN. I have no objection to the Senator's interposing an objection. The Senator from Alabama would have that right whether or not he interposed an objection.

Mr. KENNEDY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. KENNEDY. Would the Senator from Alabama have that right without unanimous consent?

Mr. ALLEN. Yes.

Mr. KENNEDY. I would like the Chair to respond.

The PRESIDING OFFICER. The Senator is correct. The Senator from Alabama would have a right, provided it did not go into debate, because a motion to table is not debatable.

Mr. MANSFIELD. Mr. President, I yield to the Senator from Wyoming.

Mr. HANSEN. Mr. President, I regret that I just came in lately and missed part of the debate that preceded the action on the floor now. Has the distinguished majority leader moved to table the amendment that he proposed late yesterday afternoon?

Mr. MANSFIELD. I will move to table, at an appropriate time, the Allen amendment, which includes the Kennedy-Mondale-Humphrey-Nelson amendment, which I called up on yesterday. That is correct.

Mr. HANSEN. Would the Senator submit to one further inquiry?

Mr. MANSFIELD. Surely.

Mr. HANSEN. Is it the feeling of the majority leader that the amendment that he proposed and offered last night, that is cosponsored by a number of Senators, including the Senator from Minnesota (Mr. HUMPHREY), who was speaking when I came on the floor, and other Senators, does not serve the purposes he envisioned by its enactment list night?

Mr. MANSFIELD. Oh, yes; I have told the sponsors of that amendment that I could not vote for any amendment which contained the compensatory clause which would do away with the domestic depletion allowance; overseas, I would not object to. However, I think the domestic oil industry, in this time of crisis, needs help, and I would recall the words of the distinguished Senator from Louisiana on a TV broadcast last Sunday wherein he said the effect would be to increase the price of gasoline to the consumer by 3 to 4 cents.

Furthermore, in my opinion, it would bring about a deterioration in the number of explorations carried on to find new discoveries for the purpose of achieving our own ends and, may I say, in effect help to bring about what the President has referred to as Project Independence, to become self-sufficient in energy by the end of the present decade.

Further, there are lots of other segments of the economy which are subject to the depletion allowance which would not be covered by this amendment. I mention that incidentally.

So I did tell the sponsors of the amendment my position. They are very clear, and have been, as to what my stand would be.

Mr. HANSEN. I thank the distinguished majority leader very much.

If I could be permitted an observation, may I just say that I feel, as does he, that the one provision of this amendment to knock out the depletion allowance will do a great disservice to the United States of America——

Mr. MANSFIELD. Only domestically. I think it would do a great service to the United States of America if it were done away with on the basis of foreign investments of United States and other oil companies.

Mr. HANSEN. May I hasten to say I meant in no manner to put words in the distinguished majority leader's mouth.

Mr. MANSFIELD. I am sure of that.

Mr. HANSEN. I understand what he did say. I was in the process of starting to specify what he did say.

Would the distinguished majority leader agree with me that this is a complicated, involved amendment, as those of us who were on the floor last night when it was being read will recall? A number of issues are raised that do deserve close scrutiny, close examination, and an evaluation so as to enable us better to determine what indeed would be the impact on the United States, whether it would serve the purposes that we hoped to achieve in considering amendments to the debt limitation increase provision in the bill which is now before us.

Would the majority leader agree that there are many things that ought to be looked at in the amendment, or is this the only one?

Mr. MANSFIELD. Well, I would agree that a lot of things should be looked at in any legislation before the Senate. I would agree with the motives of the sponsors of this amendment in seeking to achieve compensation for the reductions which would apply to people in the lower- and middle-income groups, where I think relief is needed.

Mr. HANSEN. So as not to further unbalance the budget.

Mr. MANSFIELD. Exactly.

Mr. HANSEN. All right. I thank the majority leader very much for that.

Mr. MANSFIELD. Mr. President, I would like to suggest the absence of a quorum with the proviso that I retain my right to the floor.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk called the roll and the following Senators answered to their names:

[No. 266 Leg.]

Abourezk
Allen
Bartlett
Bentsen
Bible
Burdick
Byrd, Robert C.
Case
Chiles
Church
Cranston
Eastland
Ervin
Griffin
Hart
Hathaway
Hughes
Kennedy
Long
Mansfield
McGee
McIntyre
Mondale
Moss
Nunn
Schweiker
Talmadge

The PRESIDING OFFICER. A quorum is not present.

Mr. ROBERT C. BYRD. Mr. President, I move that the Sergeant at Arms be directed to request the attendance of absent Senators.

The motion was agreed to.

The PRESIDING OFFICER. The Sergeant at Arms will execute the order of the Senate.

After some delay, the following Senators entered the Chamber and answered to their names:

Aiken
Baker
Bayh
Beall
Bennett
Biden
Brock
Brooke
Buckley
Byrd, Harry F., Jr.
Cannon
Clark
Curtis
Dole
Domenici
Eagleton
Fannin
Fong
Fulbright
Goldwater
Gravel
Hansen
Hartke
Haskell
Hatfield
Helms
Hollings
Hruska
Huddleston
Humphrey
Inouye
Jackson
Johnston
Magnuson
Mathias
McClellan
McGovern
Metzenbaum
Montoya
Muskie
Nelson
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Stevenson
Symington
Taft
Thurmond
Tower
Tunney
Weicker
Williams
Young

Mr. ROBERT C. BYRD. I announce that the Senator from Montana (Mr. Metcalf) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Kentucky, (Mr. Cook), the Senator from Colorado (Mr. Dominick), the Senator from Florida (Mr. Gurney), the Senator from New York (Mr. Javits), and the Senator from Idaho (Mr. McClure) are necessarily absent.

I also announce that the Senator from Vermont (Mr. Stafford) is absent on official business.

I further announce that the Senator from New Hampshire (Mr. Cotton) is absent due to illness.

The PRESIDING OFFICER. A quorum is present.

Mr. MANSFIELD. Mr. President, I yield to the distinguished Senator from Michigan and then to the distinguished Senator from Alabama, without losing my right to the floor.

Mr. HART. Mr. President, I ask unanimous consent that Doris Pitts of my staff be permitted the privilege of the floor during the consideration of the pending business.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ALLEN. I wish the distinguished majority leader would go ahead and make his motion. I want to make an inquiry with respect to the motion.

Mr. MANSFIELD. Mr. President, it is my understanding that the motion to table the Allen amendment also encompasses amendment No. 1443, the amendment proposed by Senators Humphrey, Bayh, Cannon, Clark, Hart, Kennedy, Mondale, Muskie, and Nelson. Is that correct?

Mr. ALLEN. I believe that 1495 actually is the pending amendment.

The PRESIDING OFFICER. The Chair advises the Senator that if the amendment of the Senator from Alabama is tabled, it will, of course, take with it amendment 1495.

Mr. ALLEN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. TALMADGE. Mr. President, may we have order?

The PRESIDING OFFICER. The Chair requests the Members to take their seats. The Senate is still not in order.

The Senator will state his inquiry.

Mr. ALLEN. Mr. President, I believe the distinguished majority leader has elicited at least half of the information the Senator from Alabama is seeking. As the Senator from Alabama understands it, if the motion to table prevails, it will table not only the so-called Allen amendment, but also the Kennedy package substitute as embraced in the amendment filed on yesterday by the distinguished Senator from Montana for the sponsors of the amendment. Is that correct?

The PRESIDING OFFICER. That is correct. The amendment would also fall.

Mr. ALLEN. A further parliamentary inquiry, Mr. President.

The PRESIDING OFFICER. The Senator will state it.

Mr. ALLEN. In the event the motion to table does not prevail, it would still leave as the pending business before the Senate the Kennedy package as embraced in amendment 1495. Is that correct?

The PRESIDING OFFICER. Amendment 1495 would still be the pending question.

Mr. ALLEN. I thank the Chair.

Mr. MANSFIELD. Mr. President, I move to table the Allen amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Montana. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Montana (Mr. Metcalf) is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Kentucky (Mr. Cook), the Senator from Colorado (Mr. Dominick), the Senator from Florida (Mr. Gurney), the Senator from New York (Mr. Javits), and the Senator from Idaho (Mr. McClure), are necessarily absent.

I also announce that the Senator from Vermont (Mr. Stafford), is absent on official business.

I further announce that the Senator from New Hampshire (Mr. Cotton), is absent due to illness.

I further announce that, if present and voting, the Senator from Florida (Mr. Gurney), would vote "nay."

The result was announced—yeas 47, nays 44, as follows:

[No. 267 Leg.]

YEAS—47

Abourezk
Allen
Bayh
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Eagleton
Fulbright
Hart
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Hughes
Humphrey
Inouye
Jackson
Kennedy
Magnuson
Mansfield
Mathias
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stevenson
Symington
Tunney
Williams

NAYS—44

Aiken
Baker
Bartlett
Beall
Bennett
Bentsen
Bible
Brock
Buckley
Byrd, Harry F., Jr.
Curtis
Dole
Domenici
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Griffin
Hansen
Helms
Hollings
Hruska
Johnston
Long
McClellan
McGee
Nunn
Packwood
Pearson
Percy
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—9

Bellmon
Cook
Cotton
Dominick
Gurney
Javits
McClure
Metcalf
Stafford

So the motion to lay Mr. Allen's amendment (No. 1460) on the table was agreed to.

Mr. ALLEN. Mr. President, having voted with the prevailing side, I move to reconsider the vote.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays.

The yeas and nays were ordered.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Alabama to reconsider the vote by which the amendment was laid on the table. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Montana (Mr. Metcalf) and the Senator from Arkansas (Mr. Fulbright) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bellmon), the Senator from Kentucky (Mr. Cook), the Senator from Colorado (Mr. Dominick), the Senator from Florida (Mr. Gurney), the Senator from New York (Mr. Javits), and the Senator from Idaho (Mr. McClure) are necessarily absent.

I also announce that the Senator from Vermont (Mr. Stafford) is absent on official business.

I further announce that, if present and voting, the Senator from Florida (Mr. Gurney) would vote "yea."

The result was announced—yeas 48, nays 43, as follows:

[No. 268 Leg.]

YEAS—48

Aiken
Allen
Baker
Bartlett
Beall
Bennett
Bentsen
Bible
Brock
Buckley
Byrd, Harry F., Jr.
Cotton
Curtis
Dole
Domenici
Eastland
Ervin
Fannin
Fong
Goldwater
Gravel
Griffin
Hansen
Hatfield
Helms
Hollings
Hruska
Johnston
Long
Mathias
McClellan
McGee
Nunn
Packwood
Pearson
Percy
Roth
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NAYS—43

Abourezk
Bayh
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Eagleton
Hart
Hartke
Haskell
Hathaway
Huddleston
Hughes
Humphrey
Inouye

Jackson
Kennedy
Magnuson
Mansfield
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stevenson
Symington
Tunney
Williams

NOT VOTING—9

Bellmon
Cook
Dominick
Fulbright
Gurney
Javits
McClure
Metcalf
Stafford

So the motion to reconsider the vote by which the amendment was laid on the table was agreed to.

The PRESIDING OFFICER. The question now recurs on agreeing to the motion to lay on the table the amendment of the Senator from Alabama (Mr. ALLEN), as amended.

Mr. GRIFFIN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. GRIFFIN. Is the pending vote on a motion to lay on the table the Allen amendment?

The PRESIDING OFFICER. The Senator is correct.

Mr. GRIFFIN. If the motion to lay on the table is not agreed to, is it correct that the Kennedy amendment to the Allen amendment would remain the pending question?

The PRESIDING OFFICER. The Senator is correct.

Mr. GRIFFIN. I thank the Chair.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Montana (Mr. METCALF), is necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. BELLMON), the Senator from Kentucky (Mr. COOK), the Senator from Colorado (Mr. DOMINICK), the Senator from Florida (Mr. GURNEY), the Senator from New York (Mr. JAVITS) and the Senator from Idaho (Mr. MCCLURE), are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD), is absent on official business.

I further announce that, if present and voting, the Senator from Florida (Mr. GURNEY), would vote "nay."

The result was announced—yeas 45, nays 47, as follows:

[No. 269 Leg.]

YEAS—45

Abourezk
Bayh
Biden
Brooke
Burdick
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Eagleton
Fulbright
Hart
Hartke
Haskell
Hatfield
Hathaway
Huddleston
Hughes
Humphrey
Inouye
Jackson
Kennedy
Magnuson
Mansfield
McGovern
McIntyre
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Pastore
Pell
Proxmire
Randolph
Ribicoff
Schweiker
Stevenson
Symington
Tunney
Williams

NAYS—47

Aiken
Allen
Baker
Bartlett
Beall
Bennett
Bentsen
Bible
Brock
Buckley
Byrd,
Harry F., Jr.
Cotton
Curtis
Dole
Domenici
Eastland
Ervin
Fannin
Fong
Goldwater

Gravel
Griffin
Hansen
Helms
Hollings
Hruska
Johnston
Long
Mathias
McClellan
McGee
Nunn
Packwood
Pearson
Percy
Roth
Scott, Hugh
Scott,
William L.
Sparkman
Stennis
Stevens
Taft
Talmadge
Thurmond
Tower
Weicker
Young

NOT VOTING—8

Bellmon
Cook
Dominick
Gurney
Javits
McClure
Metcalf
Stafford

So the motion to lay on the table was rejected.

Mr. MANSFIELD. Mr. President, if I may have the attention of the distinguished Senator from Alabama (Mr. ALLEN); the distinguished Republican leader; the chairman of the committee handling the bill; and the ranking Republican member the distinguished Senator from Utah (Mr. BENNETT), I wonder if it would be possible to reach an agreement to vote on the Kennedy-Mondale-Humphrey-Nelson amendment to the Allen amendment now or in 5 minutes, or in 10 minutes, or any time mutually agreeable.

Mr. PASTORE. How about now?

Mr. MANSFIELD. We have the legislative appropriations bill.

Mr. ALLEN. I am agreeable.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

Mr. TALMADGE. Mr. President, the Senator from Louisiana had to leave the floor briefly. I have to object until the Senator from Louisiana is consulted.

Mr. KENNEDY. Mr. President, I ask for the yeas and nays.

Mr. HUMPHREY. Mr. President, might we not just go ahead and vote?

Mr. MANSFIELD. Mr. President, I think we ought to extend the courtesy to the Senator, who is temporarily absent from the Chamber.

Mr. HUMPHREY. All right.

Mr. MANSFIELD. I ask unanimous consent, with the approval of the Senate, once all the ducks are in order, there be a limitation of 10 minutes, equally divided between the majority and minority leaders, or whomever they may designate, and that at that time there may be a vote.

Mr. GOLDWATER. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. HANSEN. Mr. President, I did not hear the unanimous-consent request of the majority leader.

Mr. PASTORE. Mr. President, if we all took ours seats, we would understand what is going on. I believe all Senators should take their seats.

The PRESIDING OFFICER. The Senate will be in order. This is an important matter.

Mr. MANSFIELD. Mr. President, I withdraw my request at this time.

Mr. HUGH SCOTT. Mr. President, will the distinguished majority leader indicate whether he plans to bring up the legislative appropriation bill this afternoon?

Mr. MANSFIELD. My understanding is that it is not to be brought up before 3:30.

Mr. HUGH SCOTT. Thereafter, is it the majority leader's intention to bring it up?

Mr. MANSFIELD. Yes, sir.

Mr. HUGH SCOTT. And tomorrow the conference report on the budget bill is to be brought up, under a limitation of 2 hours. Is that correct?

Mr. MANSFIELD. Yes; and also the convention having to do with wheat will be taken up following that.

Mr. HUGH SCOTT. At what time does the Senator estimate that the debate will begin on the conference report on the budget?

Mr. MANSFIELD. I would say around 10:30.

Mr. McCLELLAN. Mr. President, may I make this observation——

Mr. HANSEN. Mr. President, may we have order?

The PRESIDING OFFICER. Will the Senators who are not participating in this colloquy take their seats?

Mr. McCLELLAN. Mr. President, we have scheduled for 10:30 in the morning the markup in the Appropriations Committee of the continuing resolution. I do not think it will take long. If we can get a quorum, we would like to proceed with that and let the leadership set this matter over until 11 o'clock or 11:15, when we can be through, I believe. I do think we need to move on the continuing resolution, also.

Mr. MANSFIELD. Yes, I think that can be worked out, I may say to the distinguished Senator.

Mr. President, I would suggest, in order to accommodate all concerned, that the protocols for the extension of the International Wheat Agreement, 1971, be taken up ahead of the conference report on the budget. That would take care of that measure and give the Senator plenty of time.

Mr. HUGH SCOTT. I thank the majority leader.

Mr. KENNEDY. Mr. President——

Mr. ROBERT C. BYRD. Mr. President, was objection heard to the Senator's unanimous-consent request?

Mr. BARTLETT. I object.

The PRESIDING OFFICER. Will the Senator restate the unanimous-consent request?

Mr. ROBERT C. BYRD. Mr. President, the majority leader, I think, wanted to schedule the wheat agreement protocol tomorrow immediately after morning business—there is a time limitation on that matter—and go from that into the budget reform conference report to accommodate the distinguished chairman of the Appropriations Committee.

Mr. McCLELLAN. Mr. President, what is the time limitation?

Mr. MANSFIELD. Thirty minutes.

The PRESIDING OFFICER. Is this the unanimous consent request of the Senator from Montana?

Mr. HUGH SCOTT. Mr. President, I understand that the Senator from Montana is about to propose a unanimous-consent request.

Mr. MANSFIELD. I now make that unanimous-consent request, Mr. President.

The PRESIDING OFFICER. Is there objection?

Mr. BARTLETT. Mr. President, reserving the right to object, does this make the order of business the Humphrey-Kennedy substitute after the other matters are taken care of?

Mr. MANSFIELD. Yes.

The PRESIDING OFFICER. That is the pending question.

Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

The Senator from Massachusetts is recognized.

Mr. KENNEDY. Mr. President, we are prepared to move ahead and go to the consideration of an up-or-down vote on this particular amendment. I think Senators ought to understand quite clearly that those who have supported this amendment have every intention at the earliest opportunity of calling up the different sections of the comprehensive amendment.

We regret very much that, through the various parliamentary devices which have been used since the early part of the week, we have been prohibited from doing so. But we are prepared to vote on this amendment; and after we dispose of this amendment, then it is hoped we can get a vote on the Allen amendment on the basis of the merits.

I intend to vote for the Allen amendment. We have been debating that issue since Monday. It is an issue which is completely familiar to the Senate. It is an issue which was debated—the substance of it, in the amendment of the Senator from Wisconsin (Mr. PROXMIRE)—last week, and I hope it will be agreed to overwhelmingly.

I hope, by indicating the good faith of those who are supporting this amendment and by disposing of it, we can expect good faith from those who have supported the Allen amendment, and permit a vote on that particular measure so that then we could consider amendment No. 1443, examine it in detail, and permit the Senate to exercise its will on each of the measures.

But barring that, and depending on the outcome of this amendment, we have every intention of taking that amendment bit by bit and piece by piece and adding this; and if we are unable to get a vote on the Allen amendment—to vote on it—I would hope that the first provision would be on the depletion allowance.

Mr. President, we have seen, unfortunately, a tragic circus here in barring and prohibiting a consideration on the merits of the matters, which I think are of first importance to the country and on the minds of the people of this Nation. We will leave it to those who voted today to explain themselves to their respective constituencies.

We want to give every warning to the Senate that we will continue to press this issue with all our efforts after the disposal of this matter. We are prepared to vote. I am glad to wait for the Senator from Louisiana, who is the floor manager of the bill and the chairman of the Finance Committee. He has been extremely accommodating to all Senators. I hope that we may wait for him.

Other than that, I think we are all prepared to move to a vote on the merits. I hope that we may be permitted to have a vote on the merits of this particular measure.

Mr. PASTORE. Vote!

Mr. KENNEDY. Mr. President, I ask for the yeas and nays on the amendment.

The yeas and nays were ordered.

Mr. GRIFFIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HUMPHREY. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. A quorum call is in progress.

Mr. PASTORE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HUMPHREY. Mr. President, my inquiry is that following the quorum call, with the yeas and nays having been ordered, we will be voting on the amendment proposed by the Senator from Montana on behalf of the sponsors of amendment No. 1445, is that correct?

The PRESIDING OFFICER. The pending question before the Senate is on agreeing to the amendment in the nature of a substitute by the Senator from Montana.

Mr. HUMPHREY. Mr. President, I might simply add that that particular amendment should be looked upon in terms of both areas of tax reductions, which is long overdue for low- and middle-income groups, and tax reform which the American people have been asking for overwhelmingly. I hope we will keep that in mind.

Mr. MANSFIELD. Mr. President, before I suggest the absence of a quorum again, I think I should say to the Senate that I would have to talk, and other Senators would have to talk, before a vote could be taken at the conclusion of the quorum call because the Senator from Louisiana is absent officially at the present time, and I think his rights should be protected.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had disagreed to the amendments of the Senate to the bill (H.R. 11221) to provide full deposit insurance for public units and to increase deposit insurance from $20,000 to $50,000; agreed to the conference requested by the Senate on the disagreeing votes of the two Houses thereon; and that Mr. PATMAN, Mr. ST GERMAIN, Mr. ANNUNZIO, Mr. BARRETT, Mr. HANLEY, Mr. BRASCO, Mr. COTTER, Mr. MOAKLEY, Mr. ASHLEY, Mr. WIDNALL, Mr. ROUSSELOT, Mr. JOHNSON of Pennsylvania, Mr. WYLIE, Mr. RONCALLO of New York, and Mr. RINALDO were appointed managers of the conference on the part of the House.

LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1975

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the pending business be laid aside temporarily and that the Senate proceed to the consideration of the legislative appropriation bill, H.R. 14012, Calendar No. 916.

The PRESIDING OFFICER. The clerk will state the bill by title.

The second assistant legislative clerk read the bill by title, as follows:

A bill (H.R. 14012) making appropriations for the Legislative Branch for the fiscal year ending June 30, 1975, and for other purposes.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Appropriations with amendments.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. I ask unanimous consent that the time not be charged against either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the clerk state H.R. 14012, the legislative appropriations bill.

The PRESIDING OFFICER. That is the pending business.

Mr. HOLLINGS. Mr. President, before we start with the opening statements, I first yield to the distinguished Senator from Maine.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT—PRIVILEGE OF THE FLOOR

Mr. MUSKIE. Mr. President, I ask unanimous consent that during the subsequent consideration of the debt ceiling legislation and amendments thereto, Reid Feldman of my staff have the privilege of the floor.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1975

The Senate continued with the consideration of the bill (H.R. 14012) making appropriations for the legslative branch for the fiscal year ending June 30, 1975, and for other purposes.

Mr. MUSKIE. Mr. President, I thank the distinguished manager of the legislative appropriations bill for yielding to me. I am delighted to see the distinguished Senator From Illinois (Mr. PERCY) in the Chamber.

I wanted to raise a question, which I discussed with the distinguished floor manager of the bill earlier, which has to do with the conference report on the budget reform legislation, which the Senate will consider tomorrow.

If, as I expect, the Senate approves the report, it will go to the President, presumably he will sign it, and we will face the challenge of implementing it. That bill calls almost immediately for the appointment of a Director of the Congressional Budget Office, which would be created by the bill, the appointment of budget committees, and the beginning of business under that very important legislation.

Normally, we would seek an appropriation in this bill to fund that office.

Mr. HOLLINGS. That is correct.

Mr. MUSKIE. We are not ready at this point for that, but I wanted to have this colloquy with the distinguished Senator from South Carolina so that we may understand what the requirements may be.

I take it that under the authorization contained in the budget reform bill we can draw on the contingent fund of the Senate to carry us in the early weeks after enactment of the legislation. Is that the Senator's understanding?

Mr. HOLLINGS. That is my understanding. The Senator from Maine is correct.

I may add that as we have drawn to the end of the fiscal year, we wanted to expedite the regular legislative appropriations bill. All of us are ready, willing, and able to fund the budget reform bill; but until that is worked out in due course, the funding of that particular measure should be done from the Senate contingency fund, upon approval of the Rules Committee.

Mr. MUSKIE. I understand further that as soon as the budget committees are in position to develop a budget for the Congressional Budget Office, the Senator from South Carolina is willing to conduct hearings and to report a supplemental appropriations bill to fund that office, a bill that contains nothing else, if necessary.

Mr. HOLLINGS. That is right. We expect to report a supplemental bill later this year, as we normally do. But unless something unusual occurs we will make a special supplemental budget for the budget reform bill.

Mr. MUSKIE. I thank the Senator for that understanding.

We anticipate that annual funding for the Congressional Budget Office will be on the order of $900,000 to $1 million the first year. It is anticipated that a staff of 70 to 100 people will be needed. Those estimates will be firmed up and the appropriate committee will develop a budget for later submission to the Appropriations Committee.

I appreciate the interest of the distinguished Senator from South Carolina and the promise of subsequent action.

I should like to yield at this point to the Senator from Illinois.

Mr. HOLLINGS. There is one other caveat, of course, and that is that a supplemental appropriations bill must originate in the House.

Mr. MUSKIE. I understand.

Mr. HOLLINGS. We already know of some items that may lead to supplemental appropriation requests for the normal supplemental appropriations bill for this fiscal year.

Mr. MUSKIE. I appreciate the efforts made by the Senator from South Carolina, and I express my appreciation to the chairman of the Appropriations Committee for his understanding.

I think my distinguished colleague on the Republican side, the Senator from Illinois (Mr. PERCY), would like to indicate his appreciation.

Mr. PERCY. Mr. President, I wish to express my deep appreciation to the distinguished Senator from South Carolina.

When the conference report is brought up tomorrow, some pertinent questions will be raised by the distinguished chairman of the Appropriations Committee, who has been immensely helpful in this process. But as I understand the agreement that has been worked out, we now have a mandate to get underway. We have a period of about 10 months in which to deliver a concurrent resolution and to start the process of budgetary reform which will be among the most important single steps we can take.

So long as we have assurance now that committee members can be appointed, that we can begin the process of selecting a staff and that a formal budget will be presented, I think the agreement and understanding that has been worked out will enable us to expedite the work of the Senate, which we consider so extraordinarily important.

I express appreciation on behalf of the minority for this arrangement.

Mr. JAVITS. Mr. President, will the Senator yield for a unanimous-consent request?

Mr. HOLLINGS. Yes.

Mr. JAVITS. Mr. President, I ask unanimous consent that Leslie Bander be extended the privilege of the floor during the debate on this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that my legislative assistant, Mary Jo Manning, also be extended the privilege of the floor during the debate and votes on H.R. 14012.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, before going into the specifics of the bill, I first want to express my deep regret that the distinguished ranking minority member of the subcommittee (Mr. COTTON) cannot be with us as we take up the legislative branch appropriations for 1975.

The PRESIDING OFFICER. The Senator will suspend. We have groups all around the floor engaging in conversation. The Senator is entitled to be heard. The Senate will be in order.

The Senator may proceed.

Mr. HOLLINGS. I thank the distinguished President. It is a great regret among us all that our distinguished colleague, Senator COTTON, cannot be with us because he is confined at the moment to Bethesda Naval Hospital. Senator COTTON has been a valued member of the subcommittee since 1967, and over the last several years has been a generous source of wisdom and wit that has been of immeasurable assistance to me in the development of these bills.

This is, of course, Senator COTTON's last year of a splendid 28-year career in Congress, and I was reluctant to proceed with the bill while he is hospitalized. However, when I called him yesterday to see how things were going, he urged me, in his usual unassuming manner, to move ahead with the bill in view of the shortness of time before the fiscal year begins.

We are fortunate, however, that we have an able pinch-hitter in the distinguished junior Senator from Pennsylvania (Mr. SCHWEIKER). Senator SCHWEIKER has brought to the subcommittee extensive experience with modern business practices. As we get into the recommendations, his helpfulness in maintaining an up-to-date Senate will quickly be evident.

SUMMARY OF COMMITTEE RECOMMENDATIONS

The committee is recommending appropriations for the 1975 operations of the legislative branch totaling $718,387,105, an increase of $57,054,787 over 1974. This is also $115,165,825 more than allowed by the House of Representatives but, of course, a good portion of this is due to the fact that the House does not consider the estimates for Senate items. The amounts recommended by major category and the increase over the current year are:

Item	Amount	Increase
Senate	$106, 100, 380	$9, 521, 787
House of Representatives	173, 683, 840	10, 972, 445
Joint items	44, 986, 700	8, 644, 820
Office of Technology Assessment	4, 000, 000	2, 000, 000
Architect of the Capitol	51, 897, 000	−477, 300
Botanic Garden	916, 000	31, 900
Library of Congress	96, 998, 585	10, 178, 135
Government Printing Office	117, 000, 000	4, 129, 000
General Accounting Office	121, 376, 000	11, 926, 000
Cost-Accounting Standards Board	1, 628, 000	128, 000
Total	718, 387, 105	57, 054, 787

Several months ago, the committee estimated that we could cut the New Budget Authority by $13.5 million and the outlays by $14.5 million. The committee's recommendations would reduce the New Budget Authority by $4.2 million, but we stand by our estimate for the outlays. Our primary change involves a construction item, little of which will reach the outlay stage in fiscal 1975.

HIGHLIGHTS OF BILL

The committee's recommendations include language and an appropriation of $20,900,000 to authorize the Architect of the Capitol to restore the West Central Front of the Capitol without change of location or change to the present architectural appearance; and prepare studies and develop a master plan for future development within the Capitol grounds. The committee has also made provision for salary increases for the highest officials of the Senate, the top position in each Senator's office, and the two highest levels on all the committees funded by the Senate. The service activities of the Sergeant at Arms have been expanded to enable Senators to be of greater assistance to their constituents. This expansion includes providing a developmental capability for the computer center, and the establishment of a microfilm center for better storage and retrieval of records. Additional Capitol Police for the Senate detail are also recommended. The full amount requested has been provided for Senate Office Buildings and the Senate garage, and within these amounts additional positions have been funded to maintain the recently acquired Senate annex and existing facilities. For the Office of Technology Assessment, the committee recommends $4 million. The committee has restored 62 of the 95 positions that the House disallowed for the Library of Congress, including 24 for the Congressional Research Service. The full number of positions requested by the General Accounting Office has been approved.

SENATE

As I indicated, the recommended level for the Senate is $106,100,380. Nearly every line item had to be adjusted because of the mandatory additional costs of the general pay raises authorized last year, and the higher costs of goods and services in today's inflationary economy. However, there are two major items that I believe are of prime interest to the Senate, namely: a long overdue pay raise for the top level employees of the Senate; and the provision of additional services and facilities to enable each Senator to adequately serve his constituents and the Nation.

Since 1970 the day of the top officials of the Senate has been frozen at $36,000. In the meantime, there have been four general pay raises ranging from 4.77 percent to 6 percent. All of these have been denied to the aforementioned employees. If it were not for the $36,000 ceiling that the Senate imposed on itself, the salaries of the positions covered by this recommendation would now range from $40,755 to $45,885; so the Senate can plainly see we are going only a small part of the way in affording some equity to these employees. Due to the cascading effect of this limitation, these employees, who in practically every case are our most experienced and most valuable employees, have not received the additional salary that they otherwise would be entitled to, while junior members of the staff have been receiving annual adjustments to keep up with the cost of living. This has cost the Senate many valuable employees who have taken jobs in industry or downtown agencies, or have chosen early retirement where the undeniable incentive of automatic cost-of-living increases have, in several cases, raised them above their former Senate salaries.

The committee therefore is proposing a limited one-time adjustment in the salaries of these top level positions while the Post Office and Civil Service Committee develops legislation that, hopefully, will alleviate the Government-wide compressed situation. The adjustments are detailed on page 6 of the report and cover the top 322 positions of the Senate, including the top position in each Senator's office and the highest two staff levels of Senate-funded committees.

I mentioned earlier that the service activities of the Sergeant at Arms was being expanded to assist Senators in serving their constituents. This expansion includes 25 additional positions for the computer center to provide a developmental capability. This additional capability will enable a host of modern programs for more efficient office management that will improve constituent services and issue timely information essential to the legislative process. Similarly the new microfilm center will allow more efficient storage of Senators' correspondence and quick retrieval of information. The committee has also provided a second wide area telephone service line for each Senator's office, so that he may maintain access to his constituents; and has authorized an additional 55 policemen for the Senate detail.

This year there is a radical change in the manner that the Government is financing its office space. In accordance with Public Law 92–313, each agency was required to budget an amount of money to pay to the General Services Administration for rent. The Congress was no exception and the Senate was billed $1,507,066 for the home State offices of Senators in court houses and office buildings maintained by GSA. In order to have an adequate control on these costs, the committee has developed a mechanism, that is on the same population basis as the clerk-hire allowances, and that covers the current situation while leaving room for expansion in view of the trend toward locating case work in the States. This is spelled out in more detail on pages 6 to 8 of the report.

I hasten to add that the committee did not approve the $1.5 million for payment to the GSA. As the Senate will recall our action in the recent energy R. & D. appropriations bill, the Committees on Appropriations of both Houses have adopted a policy of holding these payments to 90 percent of the billings so the GSA will receive no more than the actual projected requirements. The exercising of this policy yielded almost $1.44 million of the amount that the committee cut from the estimates.

JOINT ITEMS

The committee recommends a total of $44,986,700 for the various joint committees and activities under joint items, of which a mandatory increase of $8,256,015 for payment to the Postal Service for official mail costs makes up all but $388,000 of the $8.6 million increase. The requested expansion of the staffs of the Joint Committees on Atomic Energy and Printing has been approved, and the committee inserted $135,000 to allow the Subcommittee on Fiscal Policy of the Joint Economic Committee to complete their welfare studies and issue a final report. The committee has also inserted language to bring the Capitol Guide Service under the longevity pay system that covers other service employees on Capitol Hill.

OFFICE OF TECHNOLOGY ASSESSMENT

There has been provided in the bill $4 million for the Office of Technology Assessment, an increase of $500,000 over the amount allowed by the House, and exactly double the amount allowed for 1974 on a half-year basis. As a member of the Technology Assessment Board that oversees the OTA, I see first-hand the potential for equipping Congress with the facts we need of the effect of technology on the legislation before us. However, the committee is concerned about the hazy relation between OTA's budget to the specific measures facing the Congress and decided on the $4 million level.

ARCHITECT OF THE CAPITOL

As the Nation approaches the 200th anniversary of the American Revolution, the committee is acutely aware of the preparations both in Washington and elsewhere for this historic occasion. Within the Capitol, construction has been completed on the restoration of the Old Supreme Court Chamber and the installation of lighting and furnishings is expected to be finished by the end of this calendar year. On the floor above, restoration of the Old Senate Chamber is underway and the work is now scheduled for completion by the end of calendar year 1975.

More than 40 million Americans and foreign visitors are expected to visit in Washington during 1976; and adjacent to the Capitol, work has finally started to convert the Union Station into a new National Visitor's Center. Along the Mall between the Capitol and the Washington Monument, the Hirshhorn Museum, the addition to the National Gallery of Art, and the National Air and Space Museum are now in various phases of construction.

Funds have been recommended for the Architect of the Capitol to paint the Chambers and adjoining areas of the Senate and House of Representatives and to make other required repairs to the Capitol buildings and grounds. All that is left to be done to prepare the very shrine of America's freedom for the Bicentennial is the restoration of the west central front—the last remaining and exposed wall of the original Capitol—and remove the awful facade of wooden trusses that have been described as theatrical instead of supportive.

Accordingly, within the overall total of the budget estimates, the committee has provided $20,600,000 for restoration of the west central front of the Capitol. This amount is based on an up-to-date revision of the original estimate for restoration of the west central front by Thomas C. Kavanagh of Madigan-Praeger, Inc., a coauthor of the Praeger-Kavanagh-Waterbury report that was filed with the Architect of the Capitol in December 1970. That report, as the Senate will recall, concluded that restoration of the west central front of the Capitol was feasible.

The language added by the committee enables the Architect, under the joint direction of the Senate and House Office

Building Commissions, to enter into cost-plus-fixed-fee contracts to carry out this restoration. The language provides that any cost-plus-fixed-fee general construction contract would be awarded on competitive bidding upon the amount of the fixed fee to accrue from their performance of the contract.

Last year the committee held extensive and comprehensive hearings on the west front, and it was overwhelmingly indicated during those hearings that there is a need to repair the wall and that the wall can be strengthened by internal means.

The committee has also tied in $300,000 to the money for the west front to enable the Architect of the Capitol to prepare studies and to develop a master plan for future development within the Capitol grounds and related areas. These funds would be available for study of the feasibility of the future enlargement of the Capitol grounds and for studies with respect to future expansion, growth, and requirements of the legislative branch. The Architect of the Capitol advised the committee that there is a "dire need of a master plan" and that while a comprehensive plan would require as much as 2 years, a considerable amount could be accomplished within 1 year because a great deal of information has already been compiled or appears readily available.

LIBRARY OF CONGRESS

The committee recommends appropriations totaling $96,998,585 for the Library of Congress in fiscal year 1975. This is an increase of $10,178,135 above the 1974 appropriation for the Library, but is $2,392,515 less than the Library requested in the 1975 budget estimates. Included in the committee's recommendation is an allowance for 193 new positions, an increase of 62 above the number allowed by the House in three areas: For full support of the Congressional Research Service; to support 65 percent of the staff increase requested for basic Library reference, processing, and administrative services; and a modest increase in staffing for the Copyright Office to allow it to keep up with its increasing workload of Copyright registrations.

As you know, Mr. President, the Library of Congress has for over a decade been faced with a serious space shortage. I am happy to report that the structure of the Library of Congress James Madison Memorial Building is rapidly nearing completion. The present schedule is to begin installation of furniture and equipment about October 1976 and move operating units into the building early in 1977. Funds amounting to $2,726,000 are provided in this bill for furniture and furnishings for the Madison Building to give the Library sufficient leadtime to let bids and have the furniture ready in order that there will be no delay in occupancy.

One of the most important features of the Madison Building is that it is being designed to house under strict preservation methods the most valuable materials in the Library of Congress, including historical, musical, and literary manuscripts, original maps and charts, and early photographic and motion picture materials. As we approach the Bicentennial and look back on our history, Congress can take pride that it is their Library which has mainly preserved the records of the past for posterity. The Library of Congress James Madison Memorial Building will in itself be another congressional commemoration of our 200th anniversary.

GOVERNMENT PRINTING OFFICE

For the Government Printing Office, the committee recommends a total of $117,000,000 an increase of $4,129,000 over the current level of appropriations. In making this recommendation the committee is mindful of the fact that the costs of congressional printing and binding are largely out of the hands of the GPO, and stands ready to make a supplemental appropriation if the volume necessitates additional funds.

GENERAL ACCOUNTING OFFICE

Mr. President, in this presentation I have already indicated how the committee in this bill is moving toward meeting three of the major criticisms of Congress; namely, that we are behind the times in our equipment and facilities to meet our legislative responsibilities; second, the academic community in particular, and the general citizen as well, demands adequate service and information from the Library and the GPO; and third, that the maintenance of the Capitol is our sacred trust as the Bicentennial approaches.

The last two activities in this bill cover a fourth criticism, that all Government is to be suspected. With all that is in the news, Americans have a right to be down on their Government, but in the General Accounting Office, and the closely related Cost-Accounting Standards Board, we have two untainted organizations that stand far above all the agencies as true, loyal, and dedicated professionals. It is the GAO that ferrets out the over-runs, boondoggles, and malfeasance in this huge Government of ours, and I apologize to no one for recommending the full 150 new positions requested. Because of GAO's sterling reputation, the Congress is heaping additional responsibilities on the agency, most recently with regard to the budget reform measure that will probably necessitate a supplemental estimate. Within the amount for the GAO is the requested man-years for auditing and investigating campaign funds, which hopefully will put an end to squirreled away hush money, illegal contributions from corporations, and other devious activities that have become a daily feature of our newspapers.

Mr. President, in closing I want to acknowledge the helpful assistance of the budget officers of the various activities in the bill. All Senators know of Mr. William A. Ridgely, the outstanding financial clerk of the Senate who worked closely with the staff on the Senate items. I also want to recognize Mr. Sanford Cornett, who is retiring June 28, as budget officer of the GAO, the Cost-Accounting Standards Board, and the OTA. Mr. Cornett has over 28 years of dedicated service to the GAO and we wish him many happy years of retirement. The veteran of our budget officers is Mr. Charles Henlock, who will complete 50 years of Government the day after Christmas, and has served the Architect of the Capitol and the committee since July 16, 1929. We rely on this wealth of experience, for sage counsel and advice, as we jointly work toward maintaining this beautiful Capitol and its grounds. Last, and by no means least, is Mr. Donald C. Curran of the Library of Congress, a real "can do" man that knows and serves the Library well.

Mr. President, this concludes my overall statement on the bill. Before I yield to the acting comanager of the bill, I make the usual unanimous consent request that the committee amendments be agreed to en bloc, and that the bill as thus amended be regarded as original text, for the purpose of amendment, provided that no point of order shall be considered to have been waived by reason of agreement to this order.

The **PRESIDING OFFICER**. Is there objection? The Chair hears none, and it is so ordered.

The amendments agreed to en bloc are as follows:

Beginning with page 2, insert the following new language:

SENATE

COMPENSATION AND MILEAGE OF THE VICE PRESIDENT AND SENATORS AND EXPENSE ALLOWANCES OF THE VICE PRESIDENT AND LEADERS OF THE SENATE

COMPENSATION AND MILEAGE OF THE VICE PRESIDENT AND SENATORS

For compensation and mileage of the Vice President and Senators of the United States, $4,790,695.

EXPENSE ALLOWANCES OF THE VICE PRESIDENT AND MAJORITY AND MINORITY LEADERS

For expense allowance of the Vice President, $10,000; Majority Leader of the Senate, $3,000; and Minority Leader of the Senate, $3,000; in all, $16,000.

SALARIES, OFFICERS AND EMPLOYEES

For compensation of officers, employees, clerks to Senators, and others as authorized by law, including agency contributions and longevity compensation as authorized, which shall be paid from this appropriation without regard to the below limitations, as follows:

OFFICE OF THE VICE PRESIDENT

For clerical assistance to the Vice President, $552,045.

OFFICES OF THE MAJORITY AND MINORITY LEADERS

For offices of the Majority and Minority Leaders, $215,460.

OFFICES OF THE MAJORITY AND MINORITY WHIPS

For offices of the Majority and Minority Whips, $110,580.

OFFICE OF THE CHAPLAIN

For office of the Chaplain, $28,500: *Provided*, That effective July 1, 1974, the Chaplain may fix the per annum compensation of the secretary to the Chaplain at not to exceed $12,540 per annum in lieu of $9,120 per annum.

OFFICE OF THE SECRETARY

For office of the Secretary, $2,691,345, including $110,010 required for the purpose specified and authorized by section 74b of title 2, United States Code.

COMMITTEE EMPLOYEES

For professional and clerical assistance to standing committees and the Select Committee on Small Business, $8,069,490.

CONFERENCE COMMITTEES

For clerical assistance to the Conference of the Majority, at rates of compensation to be fixed by the chairman of said committee, $174,135.

For clerical assistance to the Conference of the Minority, at rates of compensation to be fixed by the chairman of said committee, $174,135.

ADMINISTRATIVE AND CLERICAL ASSISTANTS TO SENATORS

For administrative and clerical assistants to Senators, $42,477,540: *Provided,* That effective January 1, 1974, the clerk hire allowance of each Senator from the States of Arkansas and Arizona shall be increased to that allowed Senators from States having a population of two million, the population of each said State having exceeded two million inhabitants.

OFFICE OF SERGEANT AT ARMS AND DOORKEEPER

For office of the Sergeant at Arms and Doorkeeper, $11,998,500: *Provided,* That effective July 1, 1974, the Sergeant at Arms may appoint and fix the compensation of the following positions (a) in the computer center: four senior computer specialists at not to exceed $24,225 per annum each; seven senior programmer analysts at not to exceed $22,515 per annum each in lieu of five senior programmer analysts at $22,515 per annum each; three systems analysts at not to exceed $20,805 per annum each; five systems programmers at not to exceed $20,805 per annum each in lieu of three systems programmers at $20,805 per annum each; eight programmer analysts at not to exceed $20,805 per annum each; four computer specialists at not to exceed $18,240 per annum each; a secretary-receptionist at not to exceed $11,115 per annum; a secretary at $10,260 per annum; a systems supervisor at not to exceed $26,790 per annum in lieu of a systems supervisor at $25,080 per annum; (b) in the service department: an equipment supervisor at not to exceed $18,240 per annum; an assistant equipment supervisor at not to exceed $14,820 per annum; a secretary-receptionist at not to exceed $11,115 per annum; a secretary at not to exceed $9,975 per annum; six cameramen at not to exceed $10,260 per annum each; a film processor at not to exceed $11,115 per annum; an assistant film processor at not to exceed $10,545 per annum; ten messengers at not to exceed $8,265 per annum each in lieu of seven messengers at $8,265 per annum each; (c) in the Senate post office: a mail supervisor at not to exceed $11,115 per annum; sixty-three mail carriers at not to exceed $9,975 per annum each in lieu of fifty-seven mail carriers at $9,975 per annum each; (d) in the cabinet shop: a chief cabinetmaker at not to exceed $18,525 per annum in lieu of $15,960 per annum; an assistant chief cabinetmaker at not to exceed $17,670 per annum in lieu of $13,680 per annum; two cabinetmakers at not to exceed $13,395 per annum each in lieu of $12,255 per annum each; a cabinetmaker at not to exceed $12,255 per annum; a finisher at not to exceed $13,395 per annum in lieu of $12,255 per annum; an upholsterer at not to exceed $13,395 per annum in lieu of $12,255 per annum; and (e) twelve lieutenants, police force at not to exceed $17,100 per annum each in lieu of ten lieutenants at $17,100 per annum each; forty-six sergeants, police force at not to exceed $14,250 per annum each in lieu of forty sergeants at $14,250 per annum each; 389 privates, police force at not to exceed $10,830 per annum each in lieu of 342 privates at $10,830 per annum each.

OFFICES OF THE SECRETARIES FOR THE MAJORITY AND MINORITY

For offices of the Secretary for the Majority and the Secretary for the Minority, $265,050.

AGENCY CONTRIBUTIONS AND LONGEVITY COMPENSATION

For agency contributions for employee benefits and longevity compensation, as authorized by law, $4,000,000.

Office of the Legislative Counsel of the Senate

For salaries and expenses of the office of the Legislative Counsel of the Senate, $521,740.

Senate Procedure

For compiling, preparing, and editing "Senate Procedure", 1974 edition, $5,000, to be paid to Floyd M. Riddick, Parliamentarian of the Senate.

Contingent Expenses of the Senate

SENATE POLICY COMMITTEES

For salaries and expenses of the Majority Policy Committee and the Minority Policy Committee, $342,780 for each such committee; in all, $685,560.

AUTOMOBILES AND MAINTENANCE

For purchase, lease, exchange, maintenance, and operation of vehicles, one for the Vice President, one for the President pro tempore, one for the Majority Leader, one for the Minority Leader, one of the Majority Whip, one for the Minority Whip, for carrying the mails, and for official use of the offices of the Secretary and Sergeant at Arms, $40,000

INQUIRIES AND INVESTIGATIONS

For expenses of inquiries and investigations ordered by the Senate, or conducted pursuant to section 134(a) of Public Law 601, Seventy-ninth Congress, including $538,205 for the Committee on Appropriations, to be available also for the purposes mentioned in Senate Resolution Numbered 193, agreed to October 14, 1943, $16,253,175.

FOLDING DOCUMENTS

For the employment of personnel for folding speeches and pamphlets at a gross rate of not exceeding $3.68 per hour per person $82,045.

MISCELLANEOUS ITEMS

For miscellaneous items, $12,921,450.

POSTAGE STAMPS

For postage stamps for the offices of the Secretaries for the Majority and Minority, $320; Chaplain, $100; and for air mail and special delivery stamps for the office of the Secretary, $610; office of the Sergeant at Arms, $240; and the President of the Senate, as authorized by law, $1,215; in all, $2,485.

STATIONERY (REVOLVING FUND)

For stationery for the President of the Senate, $3,600, and for committees and officers of the Senate, $21,850; in all, $25,450.

Administrative Provisions

1. The paragraph under the heading "Administrative Provision" in chaper IV of the Supplemental Appropriations Act, 1972 (2 U.S.C. 64b) is amended by adding at the end thereof the following: "In the event that the Secretary of the Senate is absent or is to be absent for reasons other than disability (as provided in this paragraph), and makes a written designation that he is or will be so absent, the Assistant Secretary shall act during such absence as the Secretary in carrying out the duties and responsibilities of the office in all matters, except those matters relating to the Secretary's duties as such disbursing officer. The designation may be revoked in writing at any time by the Secretary, and is revoked whenever the Secretary making the designation dies, resigns, or is considered disabled in accordance with this paragraph."

2. (a) Whenever—

(1) the law of any State provides for the allocation of an income tax by imposing upon employers generally the duty of withholding sums from the compensation of employees and remitting such sums to the authorities of such State; and

(2) such duty to withhold is imposed generally with respect to compensation of employees who are residents of such State;

then the Secretary of the Senate is authorized, in accordance with the provisions of this section, to enter into an agreement with the appropriate official of that State to provide for the withholding and remittance of sums for individuals—

(A) whose pay is disbursed by the Secretary; and

(B) who request the Secretary to make such withholdings for remittance to that State.

(b) Any agreement entered into under subsection (a) of this section shall not require the Secretary to remit such sums more often than once each calendar quarter.

(c)(1) An individual whose pay is disbursed by the Secretary may request the Secretary to withhold sums from his pay for remittance to the appropriate authorities of the State that he designates. Amounts of withholdings shall be made in accordance with those provisions of the law of that State which apply generally to withholding by employers.

(2) An individual may have in effect at any time only one request for withholdings, and he may not have more than two such requests in effect with respect to different States during any one calendar year. The request for withholdings is effective on the first day of the first month commencing after the day on which the request is received in the Disbursing Office of the Senate, except that—

(A) when the Secretary first enters into an agreement with a State, a request for withholdings shall be effective on such date as the Secretary may determine; and

(B) when an individual first receives an appointment, the request shall be effective on the day of appointment, if the individual makes the request at the time of appointment.

(3) An individual may change the State designated by him for the purposes of having withholdings made and request that the withholdings be remitted in accordance with such change, and he may also revoke his request for withholdings. Any change in the State designated or revocation is effective on the first day of the first month commencing after the day on which the request for change or the revocation is received in the Disbursing Office.

(4) The Secretary is authorized to issue rules and regulations he considers appropriate in carrying out this subsection.

(d) The Secretary may enter into agreements under subsection (a) of this section at such time or times as he considers appropriate.

(e) This section imposes no duty, burden, or requirement upon the United States, the Senate, or any officer or employee of the United States, except as specifically provided in this section. Nothing in this section shall be deemed to consent to the application of any provision of law which has the effect of subjecting the United States, the Senate, or any officer or employee of the United States to any penalty or liability by reason of the provisions of this section. Any paper, form, or document filed with the Secretary under this section is a paper of the Senate within the provisions of rule XXX of the Standing Rules of the Senate.

(f) For purposes of this section, "State" means any of the States of the United States and the District of Columbia.

3. (a) The Sergeant at Arms of the Senate

shall secure for each Senator office space suitable for the Senator's official use in places designated by the Senator in the State he represents. That space shall be secured in post offices or other Federal buildings at such places. In the event suitable office space is not available in post offices or other Federal buildings, the Sergeant at Arms shall secure other office space in those places.

(b) The aggregate square feet of office space secured for a Senator shall not at any time exceed—

(1) 4,800 square feet if the population of his State is less than 2,000,000;

(2) 5,000 square feet if such population is 2,000,000 but less than 3,000,000;

(3) 5,200 square feet if such population is 3,000,000 but less than 4,000,000;

(4) 5,400 square feet if such population is 4,000,000 but less than 5,000,000;

(5) 5,800 square feet if such population is 5,000,000 but less than 7,000,000;

(6) 6,200 square feet if such population is 7,000,000 but less than 9,000,000;

(7) 6,400 square feet if such population is 9,000,000 but less than 10,000,000;

(8) 6,600 square feet if such population is 10,000,000 but less than 11,000,000;

(9) 6,800 square feet if such population is 11,000,000 but less than 12,000,000;

(10) 7,000 square feet if such population is 12,000,000 but less than 13,000,000;

(11) 7,400 square feet if such population is 13,000,000 but less than 15,000,000;

(12) 7,800 square feet if such population is 15,000,000 but less than 17,000,000; or

(13) 8,000 square feet if such population is 17,000,000 or more.

(c) The maximum annual rate that may be paid for the rental of an office secured for a Senator not in a post office or other Federal building shall not at any time exceed the applicable rate per square foot charged Federal agencies by the Administrator of General Services, based upon a 100 percent building quality rating, for office space located in the place in which the Senator's office is located, multiplied by the number of square feet contained in that office used by the Senator and his employees to perform their duties.

(d)(1) Notwithstanding subsection (b), the aggregate square feet of office space secured for a Senator who is a Senator on July 1, 1974, shall not at any time exceed, as long as he continuously serves as a Senator, the greater of—

(A) the applicable square footage limitation of such subsection; or

(B) the total square footage of those offices that the Senator has on such date and which are continuously maintained in the same buildings in which such offices were located on such date.

(2) The provisions of subsection (c) do not apply to any office that a Senator has on July 1, 1974, not in a post office or other Federal building, as long as—

(A) that Senator continuously serves as a Senator; and

(B) that office is maintained in the same building in which it was located on such date and contains not more than the same number of square feet it contained on such date.

(e) Clause (4) of subsection (a), the last sentence of subsection (c), and subsection (d) of section 506 of the Supplemental Appropriations Act, 1973, are repealed.

(f) This section is effective on and after July 1, 1974.

4. The Secretary of the Senate, the Sergeant at Arms and Doorkeeper of the Senate and the Legislative Counsel of the Senate shall each be paid at an annual rate of compensation of $38,760. The Secretary for the Majority (other than the incumbent holding office on June 15, 1974) and the Secretary for the Minority shall each be paid at an annual rate of compensation of $38,190. The Secretary for the Majority (as long as that position is occupied by such incumbent) may be paid at a maximum annual rate of compensation not to exceed $38,190. The four Senior Counsels in the Office of the Legislative Counsel of the Senate shall each be paid at an annual rate of compensation of $37,620. The Assistant Secretary of the Senate, the Parliamentarian, and the Financial Clerk may each be paid at a maximum annual rate of compensation not to exceed $37,620. The Administrative Assistant in the Office of the Majority Leader, the Assistant Secretary for the Majority, the Administrative Assistant in the Office of the Minority Leader, and the Assistant Secretary for the Minority may each be paid at a maximum annual rate of compensation not to exceed $36,765. The Administrative Assistant in the Office of the Majority Whip and the Administrative Assistant in the Office of the Minority Whip may each be paid at a maximum annual rate of compensation not to exceed $35,625. The two committee employees referred to in clause (A), and the three committee employees referred to in clause (B), of section 105(e)(3) of the Legislative Branch Appropriation Act, 1968, as amended and modified, may each be paid at a maximum annual rate of compensation not to exceed $37,050. The four committee employees referred to in such clause (A) and the sixteen committee employees referred to in such clause (B) may each be paid at a maximum annual rate of compensation not to exceed $35,625. The one employee in a Senator's office referred to in section 105(d)(2)(ii) of such Act may be paid at a maximum annual rate of compensation not to exceed $37,050. Any officer or employee whose pay is subject to the maximum limitation referred to in section 105(f) of such Act may be paid at a maximum annual rate of compensation not to exceed $37,050. This paragraph does not supersede (1) any provision of an order of the President pro tempore of the Senate authorizing a higher rate of compensation, and (2) any authority of the President pro tempore to adjust rates of compensation or limitations referred to in this paragraph under section 4 of the Federal Pay Comparability Act of 1970. This paragraph is effective July 1, 1974.

5. Effective July 1, 1974, the last full paragraph under the heading "ADMINISTRATIVE PROVISIONS" in the appropriation for the Senate in the Legislative Branch Appropriation Act, 1972, is amended to read as follows:

Each officer or member of the Capitol Police force whose compensation is disbursed by the Secretary of the Senate, who performs duty in addition to the number of hours of his regularly scheduled tour of duty for any day on or after July 1, 1974, is entitled to be paid compensation (when ordered to perform such duty by proper authority) or receive compensatory time off for each such additional hour of duty, except that an officer shall be entitled to such compensation only upon a determination made by the Capitol Police Board with respect to any additional hours. Compensation of an officer or member for each additional hour of duty shall be paid at a rate equal to his hourly rate of compensation in the case of an officer, and at a rate equal to one and one-half times his hourly rate of compensation for a member of such force. The hourly rate of compensation of such officer or member shall be determined by dividing his annual rate of compensation by 2,080. Any officer or member entitled to be paid compensation for such additional hours shall make a written election, which is irrevocable, whether he desires to be paid that compensation or to receive compensatory time off instead for each such hour. Compensation due officers and members under this paragraph shall be paid by the Secretary, upon certification by the Chief of the Capitol Police at the end of each calendar quarter and approval of the Capitol Police Board, from funds available in the Senate appropriation, "Salaries, Officers and Employees" for the fiscal year in which the additional hours of duty are performed without regard to the limitations specified therein. Any compensatory time off accrued and not used by an officer or member at the time he is separated from service on the Capitol Police force may not be transferred to any other department, agency, or establishment of the United States Government or the government of the District of Columbia, and no lump-sum amount shall be paid for such accrued time. The Capitol Police Board is authorized to prescribe regulations to carry out this paragraph.

6. Effective July 1, 1974, the first sentence of section 105(d)(1)(A) of the Legislative Branch Appropriation Act, 1968, as amended and modified, is amended to read as follows: "The aggregate of gross compensation paid employees in the office of a Senator shall not exceed during each calendar year the following:

"$370,215 if the population of his State is less than 2,000,000;

"$381,330 if such population is 2,000,000 but less than 3,000,000;

"$408,120 if such population is 3,000,000 but less than 4,000,000;

"$442,605 if such population is 4,000,000 but less than 5,000,000;

"$470,820 if such population is 5,000,000 but less than 7,000,000;

"$500,460 if such population is 7,000,000 but less than 9,000,000;

"$532,665 if such population is 9,000,000 but less than 10,000,000;

"$557,460 if such population is 10,000,000 but less than 11,000,000;

"$589,950 if such population is 11,000,000 but less than 12,000,000;

"$614,1745 if such population is 12,000,000 but less than 13,000,000;

"$646,380 if such population is 13,000,000 but less than 15,000,000.

"$678,015 if such population is 15,000,000 but less than 17,000,000;

"$709,650 if such population is 17,000,000 or more."

On page 22, in line 17, strike out "$12,375,000" and insert in lieu thereof "$12,059,700".

On page 24, in line 23, strike out "$80,045" and insert in lieu thereof "$86,100".

On page 25, in line 4, strike out "$939,805" and insert in lieu thereof "$841,770".

On page 25, beginning with line 5, insert the following new language:

> For an amount (to be disbursed by the Secretary of the Senate on vouchers signed by the chairman or vice chairman and the chairman of the subcommittee) for the Subcommittee on Fiscal Policy, $135,000, to be available until December 31, 1974.

On page 25, in line 12, strike out "$609,855" and insert in lieu thereof "$617,045".

On page 25, in line 15, strike out "$348,315" and insert in lieu thereof "$354,800".

On page 27, at the end of line 2, strike out "$474,900" and insert in lieu thereof "$513,360".

On page 29, in line 6, after "(5)", strike out:

> "to pay the lieutenant detailed under the authority of this paragraph the salary of lieutenant plus $1,625 and such increases in basic compensation as may be subsequently provided by law so long as this position is held by the present incumbent."

and insert in lieu thereof:

> to elevate and pay the lieutenant detailed under the authority of this paragraph the rank and salary of captain plus $1,625 and such increases in basic compensation as may be subsequently provided by law so long as this position is held by the present incumbent,

On page 29, at the end of line 15, insert "and uniform sergeant".

On page 29, at the beginning of line 19, strike out "this position is" and insert in lieu thereof "these positions are".

On page 29, at the end of line 19, strike out "incumbent" and insert in lieu thereof "incumbents".

On page 31, at the beginning of line 21, strike out "$347,055" and insert in lieu thereof "$348,760."

On page 32, beginning with line 11, insert the following:

ADMINISTRATIVE PROVISION

> Section 106(a) of the Legislative Branch Appropriation Act, 1963, is amended by adding at the end thereof:
>
> "(8) The Chief Guide, Assistant Chief Guide, and each Guide of the Capitol Guide Service established under section 441 of the Legislative Reorganization Act of 1970."

On page 32, in line 21 strike out "$3,500,000" and insert in lieu thereof "$4,000,000".

On page 32, in line 21, strike out ", to remain available until expended".

On page 34, in line 12, strike out "$4,344,500" and insert in lieu thereof "$4,428,500".

On page 34, begining with line 21, insert the following language:

RESTORATION OF WEST CENTRAL FRONT OF CAPITOL AND MASTER PLAN FOR FUTURE DEVELOPMENT OF THE CAPITOL GROUNDS AND RELATED AREAS

> Notwithstanding any other provision of law, (1) the Architect of the Capitol, under the direction of the Senate and House Office Building Commissions acting jointly, is hereby authorized and directed to restore the West Central Front of the United States Capitol (without change of location or change of the present architectural appearance thereof), and there is herein appropriated $20,600,000 for such purpose: *Provided*, That the Architect of the Capital under the direction of such Commissions acting jointly, is authorized and directed to enter into such contracts, including cost-plus-a-fixed-fee contracts, incur such obligations, and make such expenditures for personal and other services and other expenses as may be necessary to restore said West Central Front: *Provided further*, That any cost-plus-a-fixed-fee general construction contract entered into under this authority to restore said West Central Front shall be awarded on competitive bidding among selected responsible general contractors approved by such Commissions upon the amount of the fixed fee to accrue from the performance of such contract: *Provided further*, That with the exception of any subcontract to be made by the general contractor for underpinning, foundation, and special restoration work and work incidental and appurtenant thereto, which may be a cost-plus-a-fixed-fee contract, all other subcontracts made by the general contractor shall be fixed price contracts awarded on competitive bids received from responsible subcontractors, and (2) the Architect of the Capitol is hereby authorized and directed to prepare studies and develop a master plan for future developments within the United States Capitol Grounds, for the future enlargement of such Grounds through the acquisition and development of areas in the vicinity thereof, and for the future acquisition and development of other areas deemed appropriate by him to include in and incorporate as a part of such plan, in order to provide within such areas for future expansion, growth, and requirements of the legislative branch and such parts of the judiciary branch as deemed appropriate to include in such plan, after consultation with the leaders of the House and the Senate and the Chief Justice of the United States, and in order to project other anticipated growth in and adjacent to such areas, and there is herein appropriated $300,000 for such purpose, to be expended without regard to section 3709 of the Revised Statutes of the United States, as amended: *Provided*, That the Architect of the Capitol is authorized to enter into personal service and other contracts, employ personnel, confer with and accept services and assistance from the National Capital Planning Commission and other Government agencies and other interested parties to insure coordinated planning, and incur obligations and make expenditures for these and other items deemed necessary to develop such plan: *Provided further*, That upon completion of such plan, the Architect of the Capitol shall transmit to the Congress a report describing such a plan, with illustrated drawings and other pertinent material; in all, $20,900,000 to remain available until expended.

On page 37, beginning with line 13, insert the following language:

> The amount of $250,000 of the appropriation under this head for the fiscal year 1974, for modifications to and replacement of existing traffic signals and installation of additional traffic signals and all items appurtenant thereto, is hereby continued available until June 30, 1975.

SENATE OFFICE BUILDINGS

> For maintenance, miscellaneous items and supplies, including furniture, furnishings, and equipment, and for labor and material incident thereto, and repairs thereof, for purchase of waterproof wearing apparel, and for personal and other services; for the care and operation of the Senate Office Buildings; including the subway and subway transportation systems connecting the Senate Office Buildings with the Capital; uniforms or allowances therefor as authorized by law (5 U.S.C. 5901–5902), prevention and eradication of insect and other pests without regard to section 3709 of the Revised Statutes as amended; to be expended under the control and supervision of the Architect of the Capitol in all, $6,620,800.

SENATE GARAGE

> For maintenance, repairs, alterations, personal and other services, and all other necessary expenses, $103,300.

On page 41, at the beginning of line 4, strike out "$48,432,500" and insert in lieu thereof $48,572,500".

On page 41, in line 4, strike out $3,063,000" and insert in lieu thereof "$2,778,000".

On page 41, in line 13, strike out "$5,798,600" and insert in lieu thereof "$5,879,985".

On page 41, in line 4, strike out "$3,063,000" and insert in lieu thereof "$2,778,000".

On page 43, at the beginning of line 21, strike out "$3,312,300" and insert in lieu thereof "$3,325,000".

On page 46, beginning with line 9, insert the following language:

> Funds available to the Library of Congress may be expended to provide additional parking facilities for Library of Congress employees in an area or areas in the District of Columbia outside the limits of the Library of Congress grounds, and to provide for transportation of such employees to and from such area or areas and the Library of Congress grounds without regard to the limitations imposed by 31 U.S.C. 638a(c)(2).

On page 47, at the end of line 2, strike out "$88,136,000" and insert in lieu thereof "$75,000,000".

On page 47, in line 21, strike out "$36,078,000" and insert in lieu thereof "$36,000,000".

On page 47, in line 22, strike out "$300,000" and insert in lieu thereof "$222,000".

On page 48, in line 7, strike out "$12,000,000" and insert in lieu thereof "$6,000,000".

On page 50, in line 1, strike out $121,834,000" and insert in lieu thereof "$121,376,000".

On page 50, in line 23, strike out "$1,650,000" and insert in lieu thereof "$1,628,000".

On page 52, beginning with line 1, insert the following language:

> SEC. 105. No part of any appropriation contained in this Act shall be available for paying to the Administrator of the General Services Administration in excess of 90 per centum of the standard level user charge established pursuant to section 210(j) of the Federal Property and Administrative Services Act of 1949, as amended, for space and services.
>
> SEC. 106. Notwithstanding any other provision of law, the citizenship or nationality of Karin Birgitta Holmen shall not prohibit the Secretary of the Senate from paying compensation to the said Karin Birgitta Holmen while serving as an employee of the Senate.

Mr. HOLLINGS. Mr. President, I yield to my distinguished comanager, who has been of great help to me, the Senator from Pennsylvania (Mr. Schweiker).

Mr. SCHWEIKER. Mr. President, I want to endorse the comments of the distinguished Senator from South Carolina (Mr. Hollings) who is chairman of the subcommittee on the legislative appropriation bill. I also want to comment on the outstanding contribution Senator Cotton has made on this bill, as well as the legislative appropriation bills for the last 8 years. I regret that Senator Cotton cannot be here today to support this bill as he has so ably done in the past. I understand Senator Cotton some years ago originated the newsletter technique that we all use now to keep our constituents informed. The innovative idea is only one of many that he has contributed and supported over the years. I also want to say that the able Senator from South Carolina has provided progressive and farsighted leadership for this committee. I am proud to work with him and look forward to a continued association on this subcommittee.

This bill provides additional features to assist all of us in modernizing our offices and becoming more efficient in our responsibilities by increasing the capabilities of the computer center, the microfilm center, library research services, and the GAO. In addition, it provides a second WATTS line for each Senator which will significantly improve communications with our constituents.

Last year we authorized the General

Services Administration to charge all Government agencies, including the Congress, the fair market value for space occupied. Heretofore, the GSA was provided funds by means of direct appropriations for the lease or rental space, as well as maintenance of space occupied by all Government agencies. This change in the method of funding for offices in each State for each Senator has created a situation which could be misused or possibly create a problem in the future.

In order to hopefully prevent such a situation the committee has recommended in this bill the maximum amount of space each Member would be entitled to relative to the population of his State. In no case does this recommendation reduce the present space occupied by a Senator. In many instances this allocation is greater than that presently utilized. Further, the bill removes the three-office restriction previously imposed.

Needless to say, this bill does not do all things to meet everyone's requirements, but it does provide for significant improvements in helping the Senate to attain more efficiency and better management over itself.

Again, I join the chairman in urging your support for this bill.

Mr. HOLLINGS. Mr. President, I ask unanimous consent to print in the Record the up-to-date cost estimate on restoring the west-central front of the Capitol, as shown in the letter of June 3, 1974, from Thomas C. Kavanagh, transmitting the revised cost estimate be published in the Congressional Record so that the record on this important project will be complete.

There being no objection, the letter was ordered to be printed in the Record, as follows:

June 3, 1974.

Re U.S. Capitol—Restoration of the west-central front.

Hon. Ernest F. Hollings,
U.S. Senator, South Carolina,
U.S. Capitol,
Washington, D.C.

Dear Senator Hollings: In response to your request, an update of our original estimate for restoration of the West Central Front, assuming construction to start one year from now (July 1, 1975) and escalating at 12% per year, compounded, is as follows:

1. Scheme 1—Painted Sandstone Finish $20,600,000 (Our recommended approach).
2. Scheme 2—Exposed Sandstone Finish $21,800,000.

Very truly yours,
Thomas C. Kavanagh.

Mr. MANSFIELD and Mr. JAVITS addressed the Chair.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, I send to the desk an amendment and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

On page 19 between lines 6 and 7, add the following:

Any witness requested to appear before the Majority Policy Committee or the Minority Policy Committee shall be entitled to a witness fee for each full day spent in traveling to and from the place at which he is to appear, and reimbursement of actual and necessary transportation expenses incurred in traveling to and from that place, at rates not to exceed those rates paid witnesses appearing before committees of the Senate.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on passage.

The yeas and nays were ordered.

Mr. McCLELLAN. Mr. President, will the Senator yield?

Mr. MANSFIELD. I yield.

Mr. McCLELLAN. I did not quite understand the amendment. For witnesses who appear where?

Mr. MANSFIELD. Before the respective policy committees. When that happens nowadays, we pay them their transportation, but we have to swear them in as officials of the Senate for the one day they appear before us. This makes it clearcut, it simplifies the whole procedure, and is a lot easier to administer.

Mr. McCLELLAN. This is legislation on an appropriation bill. I do not want to raise a question about that. I had no information about it, and no knowledge that it would be offered. We have had no opportunity to consider it.

Mr. MANSFIELD. I understand. I should have discussed it with the Senator from Arkansas.

Mr. McCLELLAN. That is all right; I just want to understand it. Have the committees heretofore been paying witness fees to witnesses who appear before them?

Mr. MANSFIELD. Yes.

Mr. McCLELLAN. But they did not have the specific authority under the statute?

Mr. MANSFIELD. No; we took them out of the funds appropriated to the policy committees; but in order to do so, the witnesses had to be sworn in, and for the day they were employees of the Senate. This faces up to the issue, and works it out clearly.

Mr. HOLLINGS. This provides the mechanism. I did go over it with the distinguished majority leader, and we agreed. It is my mistake that I did not mention it to the chairman.

Mr. President, we are prepared to accept the amendment, and I yield back the remainder of my time.

Mr. MANSFIELD. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time on the amendment has now been yielded back.

The question is on agreeing to the amendment of the Senator from Montana (Mr. Mansfield).

The amendment was agreed to.

Mr. JAVITS. Mr. President, will the Senator from South Carolina yield me 5 minutes?

Mr. HOLLINGS. Mr. President, I yield 5 minutes to the Senator from New York.

The PRESIDING OFFICER. The Senator from New York is recognized for 5 minutes.

Mr. JAVITS. Mr. President, I should like to present to the Senate a situation which has been festering and which should be brought out and which is, in my judgment, most unfair to the staff of the minority on the Joint Economic Committee. The Joint Economic Committee, it will be noted, is dealt with on page 25 of the bill and on page 18 of the report on the bill.

The real problem, Mr. President, is that the participation of the minority—I am the ranking minority member—members of the staff of the Joint Economic Committee has been suppressed. This matter has suffered from a dearth of knowledge and information. The minority has 3 staff members on the committee and the majority has 22. This is outside the administrative staff, so it is executive staff. So the minority has 3 and the majority has 22.

Mr. President, a ranking member can often pry these things loose if he simply blocks everything the chairman wants to do. I am pretty well known for not desiring to operate in that way, yet I may be thrown into that position because I seem unable to get any relief whatever in any other way.

The amount is miniscule. It is hardly worth talking about—$50,000—to try to do something to help the minority staff. It especially needs it now, and for these reasons:

The Appropriations Committee has denied the item for a new Subcommittee on Economic Growth. The House, however, has allowed that item. My belief is, in looking at the cold realities, that there is certainly a 50-percent chance the subcommittee will come into being in the Joint Economic Committee and that it will be financed. There is a 50-percent chance that the Senate will recede to the House. If it does, it already takes our staff, which is breaking its back, 3 against 22, and which is a tremendously added burden on it without any staffing whatever; because the particular committee that I mention will survey the whole economic future of the United States, which is a very ambitious project. I am for the project—it is a sound thing to do—but it is a very ambitious project, and the minority will be drowned in it. It will take at least one staff member and a secretary, which is all I am pleading for.

What I wish to say to the committee is this: In full recognition of whatever may have occurred or may not occur, when we go to conference, at least I would hope, in all fairness, that we would take our thing to conference too, and then we can assess it, and if we are compelled to yield on this new subcommittee, whether you should do anything for us, if we go out the window in that case, there is nothing I can do about it; but at least I will say that you have all the facts. But this way, we are completely out of court. We get nothing here. The Senate committee gives nothing. It may have to recede. I do not know that it will. Maybe it will not. I do not know. It may have to recede on the major points. If it does, then we still get nothing, because there is nothing in the bill. So I asked the committee.

As I say, the amount is miniscule, but as a matter of fairness I wanted to state the situation and indicate that at the conference, at least, there is a chance when the facts are stated. If we recede, we will at least have considered the problem with the minority and give it some staffing if it is thought that it is deserved.

Mr. HOLLINGS. Mr. President, responding to our distinguished colleague from New York, this brings into consideration several facts.

In the Joint Economic Committee, we had the same request from the distinguished Senator from New York last year at the time the Senate had the chairmanship of the Joint Economic Committee, presided over by the Senator from Wisconsin (Mr. PROXMIRE). At that particular time, Senator PROXMIRE said he always felt that those who serve as staff members of Joint Economic Committee, were serving the whole committee and not serving as minority or majority. I am informed that was the practice for many years until a division of the staff had recently been injected into committee operations.

The fact is, and I am looking at the staff list, and the total of the minority staff is four. I am told that of that four, that is three professional staff and the minority secretary, the distinguished Senator from New York has two. Senator PROXMIRE did not approve this and the Joint Economic Committee did not ask for it when we had the Joint Economic Committee, in a sense, over on the Senate side. Now it is on the House side. We felt, in looking at this particular request, that we did not have a request from the House, namely, the chairman, Representative PATMAN, and that it should not be added on to it for the Joint Economic Committee, because it had not been asked for by the committee.

Second was the consideration of all the functions and the work of each one of the several senatorial committees and a number of joint committees. Each Member serving on the committee thinks that his work is more important. The Joint Economic Committee does not handle any legislation. In fact, in the view of some of the members of the Appropriations Committee, it is already overstaffed. We noted that of some 30 positions, 16 are professional and 14 are clerical; whereas the Joint Atomic Energy Committee has only 23, and our Appropriations Committee has a ratio of 5 professionals to 3 clerical. There was not casual consideration of this but, rather, direct consideration, particularly with the minority members present.

The Senator from North Dakota was present when this was considered. We had three minority members and myself present in the subcommittee. I candidly expressed to them that I did not want to get into a hiatus on minority and majority; that I did not want to treat a colleague unfairly, but to do what was good for all, and how did they feel about it. The vote was, on this particular item, that it be denied. The very reasonable and persuasive arguments made were to go ahead, take the committee, and stand our chances. We also had the amendment of the Senator from Texas for staff for a new subcommittee out of the $114,000. Again, there was a denial to a colleague. There was no question about its coming into being. It is in being. It has conducted the hearings, to my knowledge, for the past few weeks.

Even the suggestion by the chairman of the subcommittee that we take at least the staff man and one secretary was voted down in the subcommittee. There was a third request by the Senator from Minnesota that he have an additional staff member on the Joint Economic Committee. So, in fairness to the Senator from New York, the Appropriations Committee did consider it; that is, the subcommittee did. While it is very reasonable to say that this is a small amount in a multimillion dollar bill—only $50,000—we would be compelled to put those amendments to a vote. As one goes, they would all have to go to a vote. I am not going to get upset. It will not make or break Senate procedures. But it was discussed. I brought it up in detail because I presided when the Senator from New York was diligent enough to come and present his complaint to the subcommittee. Other members of the subcommittee were not present at that time, so I thought it was my duty to present all the facts as fully and as fairly as I could. I have done that, but the vote was in the negative.

Mr. JAVITS. Mr. President, if the Senator will allow me to reply, first as to his argument about last year, here was the situation, as I understand it, last year.

The Joint Economic Committee asked for a $90,000 increase, of which one-third was to be set aside for the minority. The Joint Economic Committee was not given the total amount of the increase; it was given some increase, but not the $90,000. Thereupon, as has happened now for a period of time, nothing was done about the minority. It was simply overlooked. It was simply not dealt with. That is exactly what seems to be the general situation. Somehow or other, in this particular case, where minority staffing is so lamentably out of line—and incidentally, the Senator said "I have"—these happen to be two people who are highly trained professional economists, and the majority is delighted to have them associated with its work. They are strictly professionals.

If we do get another member, it will be at the selection of the aggregate minority. I have always operated that way in all committees on which I have the ranking position.

In this case, it really is basically unfair. It has been suffocated and not dealt with simply because nobody has cared. After all, I may say to the Senator, if the majority wishes simply to be arbitrary it can deny the minority anything. It can deny any staff to the minority. There have been big fights about this on the floor of the Senate.

But as I said when I began, a ranking minority member can make himself very obnoxious, and if I am reduced to that, I will have to be. I do not want to be. It is not my nature. The Senator knows me well.

So I suggested as the only feasible course that inasmuch as the Bentsen proposition is going to conference—it will, because the House put it in the bill—let us at least take this one to conference, if we want to put it on that basis, strictly as a courtesy to a Senator.

I feel that we have been very badly and unfairly used, and I cannot seem to get relief in any other place. I am perfectly willing to put it on that basis. There is nothing personal about it. It is just a matter of doing a big job which will now get bigger because of the new Bentsen subcommittee. That is what I am really submitting to the Senator.

Mr. HOLLINGS. In all fairness to the Appropriations Committee, I respond to the Senator from New York by saying that if he has not been able to persuade his own colleagues on the very committee that we have under discussion—namely, one whose needs and affairs he would be far more intimate with—if he cannot get his own Joint Economic Committee to ask for it, why should he expect the Senate Appropriations Committee—which is trying its level best to cut back expenditures—to approve it?

Mr. JAVITS. I would like to answer that, Mr. President.

Mr. HOLLINGS. Yes.

Mr. JAVITS. I cannot get the majority of the Joint Economic Committee to do that, though really it has been done by just not doing it. As I say, they asked for an increase before. Some of it was granted. They simply did not give any part of it to the minority.

So far as the members of the Appropriations Committee are concerned, none of the minority was there to hear me. The Senator said that himself.

The Senator from Pennsylvania (Mr. SCHWEIKER) is here. I understand he had in mind raising this question, but did not have the opportunity because it was apparently discussed in his absence.

As to Senator Cotton's impressions of the matter, I really do not know.

I will tell the Senator now that if he does take it, at least so that it could be eligible if the other matter of the Bentsen majority is acted upon, I will undertake personally to talk with each of the conferees and endeavor to present the matter to them and to persuade them in the premise.

Mr. HOLLINGS. Mr. President, on this particular matter I yield to the judgment of the minority member, the Senator from Pennsylvania (Mr. SCHWEIKER), as to whether he wishes to accept the proposal of the distinguished Senator, from New York and take it on that contingent basis.

I see that Senator SCHWEIKER is smiling with glee because I have put him on the spot. [Laughter.]

I will ask the Senator from Pennsylvania what we can do.

Mr. SCHWEIKER. I thank the distinguished chairman. I think that, under these circumstanecs, we will take it and see where we can go from there. So long as the Senator from New York proposes it on that basis, I think it is a fair proposal.

Mr. JAVITS. I thank the Senator.

Mr. HOLLINGS. Has the amendment been reported, Mr. President?

Mr. JAVITS. Mr. President, I call up the amendment.

The PRESIDING OFFICER. The amendment will be stated.

The second assistant legislative clerk read as follows:

On page 25, line 4, Strike out "841, 770" and insert "894, 176".

Mr. HOLLINGS. Mr. President, I yield back the remainder of my time.

Mr. JAVITS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time has been yielded back. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. CLARK. Mr. President, will the Senator from South Carolina yield?

Mr. HOLLINGS. I yield.

Mr. MANSFIELD. Mr. President, will the Senator from Iowa yield?

Mr. CLARK. I yield.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the vote on the Kennedy et al., amendment occur at 3:30 p.m. on Monday next, to be followed by a vote on the Allen amendment on that day.

The PRESIDING OFFICER. Is there objection?

Mr. GRIFFIN. Mr. President, reserving the right to object—and I do not intend to object—may it be understood, as a part of that unanimous-consent agreement, that tabling motions as to either amendment will not be in order?

Mr. MANSFIELD. That is correct. It would be a straight up or down vote, with no tabling motions, and there would be a half hour on both amendments together, the time to be equally divided between the sponsors of the bill and the minority leader or whomever he may designate.

The PRESIDING OFFICER. Without objection, that will be a part of the agreement.

Mr. JAVITS. Mr. President, reserving the right to object, may I understand the situation? Will we vote at 3:30?

Mr. MANSFIELD. Yes, on the first amendment, on Monday.

Mr. JAVITS. Mr. President, would it be discommoding the majority leader too much to make it 4 p.m.? I will come in, but my plane will arrive a little later.

Mr. MANSFIELD. Mr. President, we will change the time to 4 o'clock.

Mr. TAFT. Mr. President, as I understand it, the vote on the Kennedy amendment will be one vote; it will not be a divisible vote.

Mr. MANSFIELD. There will be two separate votes, first on the Kennedy amendment and then on the Allen amendment.

The PRESIDING OFFICER. The Chair will state that the vote is not divisible in this instance.

Mr. MANSFIELD. I ask unanimous consent, Mr. President, that it be divisible.

Mr. LONG. I object.

Mr. MANSFIELD. Does not the Senator want it that way?

Mr. ALLEN. What was the question?

Mr. MANSFIELD. The Chair said that the amendment would be indivisible.

Mr. BROCK. That is just the Kennedy amendment.

Mr. MANSFIELD. Yes, just the Kennedy amendment. I withdraw my request. That is correct.

Mr. ALLEN. Reserving the right to object, the majority leader spoke of the first vote on the Kennedy amendment, which is the package amendment about which there has been considerable discussion.

Mr. MANSFIELD. That is right, and which is indivisible.

Mr. ALLEN. Then the second vote would be on the so-called Allen amendment, with or without the Kennedy substitute, depending upon the outcome of the first vote. Is that correct?

Mr. MANSFIELD. That is correct.

Mr. ALLEN. I thank the distinguished Senator.

The PRESIDING OFFICER. Is there objection?

Mr. LONG. Mr. President, may I ask, in the event the Kennedy amendment or the package amendment fails, that we have at least a half hour, equally divided, before we vote on the Allen amendment? That would be in the event that the Kennedy amendment should be rejected. If it is agreed to, we would be voting on the same thing again, which would be all right, so far as I am concerned. If the Kennedy amendment fails and we then vote on the Allen amendment, I would like to have the opportunity for a debate of 15 minutes on each side before we vote on the amendment.

Mr. ALLEN. I have no objection.

Mr. MANSFIELD. On that basis, I will add another half hour.

Mr. LONG. It is only in the event that the Mansfield amendment, or that offered by the Senator in behalf of Mr. KENNEDY and other Senators, is rejected.

Mr. ALLEN. Mr. President, reserving the right to object, if the Kennedy amendment should be adopted to the Allen amendment, and then the Allen amendment, as amended, should be adopted, the language of the Kennedy amendment would be frozen into the bill. It could not thereafter be amended, could it?

Mr. DOLE. Or stricken.

Mr. ALLEN. Or stricken in any way.

The PRESIDING OFFICER. Not directly. All after the enacting clause could be stricken and changes made.

Mr. ALLEN. Mr. President, I do not understand the Chair's ruling.

The PRESIDING OFFICER. It would be proper to strike out all after the enacting clause, or something of that nature.

Mr. ALLEN. I see. But not merely portions of the amendment?

The PRESIDING OFFICER. No, that would not be proper.

Mr. ALLEN. I thank the Senator. I have no objection.

The PRESIDING OFFICER. Is there objection?

Mr. KENNEDY. Reserving the right to object, and I shall not object, I just want to express appreciation and support for the action that is being requested by the majority leader. I think this will move us to a resolution of the particular dilemma in which we find ourselves, and hopefully we will be able to dispose of the amendment.

I have every intention of voting for the Allen amendment myself, and I hope that we will be able to take up amendment No. 1443 and dispose of it part by part, as we initially intended to do.

We will be doing this 1 week later than we intended to do it, but hopefully we will be afforded that opportunity.

I thank the leadership for the cooperation they have given us and the good faith they have shown in meeting their commitment by permitting the Senate to consider the tax reform and the tax equity amendments.

The PRESIDING OFFICER. Is there objection to the several requests of the majority leader?

The Chair hears none, and without objection, it is so ordered.

Mr. MANSFIELD. I thank the distinguished Senator from Iowa and all other Senators who cooperated.

LEGISLATIVE BRANCH APPROPRIATIONS ACT, 1975

The Senate continued with the consideration of the bill (H.R. 14012) making appropriations for the legislative branch for the fiscal year ending June 30, 1975, and for other purposes.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. CLARK. Mr. President, I send to the desk an unprinted amendment on behalf of myself and the Senator from Maine (Mr. HATHAWAY).

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. CLARK. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered; and, without objection, the amendment will be printed in the RECORD.

The amendment, ordered to be printed in the RECORD, is as follows:

At the appropriate place in the bill, insert the following new section:

SEC. . Section 502(b) of the Mutual Security Act of 1954 (22 U.S.C. 1754 (b)), relating to the use of foreign currency, is amended by striking out the last two sentences and inserting in lieu thereof the following: "Each member or employee of any such committee shall make, to the chairman of such committee in accordance with regulations prescribed by such committee, an itemized report showing the amounts and dollar equivalent values of each such foreign currency expended and the amounts of dollar expenditures made from appropriated funds in connection with travel outside the United States, together with the purposes of the expenditure, including lodging, meals, transportation, and other purposes. Within the first sixty days that Congress is in session in each calendar year, the chairman of such committee shall prepare a consolidated report showing the total itemized expenditures during the preceding calendar year of the committee and each subcommittee thereof, and of each member or employee of such committee or subcommittee, and shall forward such consolidated report to the Committee on House Administration of the House of Representatives (if the committee be a committee of the House of Representatives or a joint committee whose funds are disbursed by the Clerk of the House) or to the Committee on Appropriations of the Senate (if the committee be a Senate committee or Joint Committee whose funds are disbursed by the Secretary of the Senate). Each such report submitted by each committee shall be published in the Congressional Record within ten legislative days after receipt by the Committee of House Administration or the Committee on Appropriations of the Senate.".

Mr. CLARK. Mr. President, last month many of us learned for the first time that the requirement for full public disclosure of foreign travel expenses of Members of Congress had been quietly eliminated. This amendment would simply reinstate that requirement.

In 1961, the Congress passed a law requiring an annual accounting in the Congressional Record of appropriated funds or excess foreign currency used as expense money by Congressmen, Senators, and staff members traveling abroad on official business. These annual reports were not perfect—they did not cover all travel costs—but they did provide some measure of accountability. They insured that the public, through the news media, could easily ascertain which Members of Congress were traveling abroad, where they were going, and at what cost to the taxpayer.

The requirement certainly did not inhibit legitimate travel—a report by the Congressional Quarterly showed that foreign travel costs have averaged about $1 million in recent years. Nor, in all likelihood, did the requirement prevent any abuse of the privilege of traveling at Government expense. But at least the reports made it more likely that the public would know of such abuses if they occurred.

Now that requirement has been removed. Now anyone with any interest in these matters must visit each of the standing committees of Congress to dig out such travel information. There, they have access to a State Department report of each committee's travel activity. But there is some question whether those reports are as complete or as accurate as the composite accounting that used to be required in the Record every year.

The opponents of the reporting requirement have argued that printing the travel records cost $8,000 or $9,000.

But with travel expenses running $1 million each year, surely the taxpayers will accept the expenditure of such a small sum so they can find out what's going on.

None of this is meant to imply that most congressional travel is not justified, any more than campaign financing disclosure implies that all politicians are "on the take." Both kinds of disclosure are simply necessary checks on governmental activity, extensions of the people's right to know what their Government is doing.

The amendment before us will simply reinstate a statute that had been on the books for 13 years, until last fall. Its approval would be a small, but very necessary, signal to the American people that they can expect Congress to live up to its responsibilities and to conduct its business as openly as possible.

I urge the adoption of this amendment. I would like to add that I see this amendment as a temporary step—I would hope to introduce a bill soon which would require reporting directly to the Clerk of the House and the Secretary of the Senate.

Mr. President, I ask unanimous consent to have printed in the Record the texts of the Congressional Quarterly Report and a related editorial.

There being no objection, the material was ordered to be printed in the Record, as follows:

[From the Congressional Quarterly Report, May 18, 1974]

FOREIGN TRAVEL: CONGRESS PUTS LID ON PUBLIC DISCLOSURE

Congress has drawn a curtain over many previously public details of foreign travel by its members and their committee staffs, making it impossible to determine the duration and total costs of official trips abroad.

Since 1961, federal law required publication in the *Congressional Record* of reports on both tax dollars and the dollar equivalent of foreign currency spent overseas by each traveling member of Congress. Although these reports did not fully account for all travel costs, Congressional Quarterly studies showed the totals climbing to $1,114,386 in 1971 and $955,820 in 1972.

No such accounting will be available for 1973 because of a change in the law engineered by Rep. Wayne L. Hays (D Ohio), chairman of the subcommittee which originated the action. In October 1973, Congress passed a State Department authorization bill containing a Hays-backed provision eliminating the requirement for disclosure in the *Congressional Record*.

Hays claimed he changed the old law to trim down the Record. "We decided we weren't going to spend eight or nine thousand dollars to let you guys (reporters) do your stories on congressional travel," he said. He told Congressional Quarterly that "there was no desire on anyone's part to cover up anything."

For a long time, Hays said, he has been "trying to cut the size of the Record down" and that "this was just another useless bit of using up space in the Record."

REVERSING REFORM EFFORT

Close scrutiny of the revised law and checks with congressional committee staffs show that the impact of the change will be to substantially reverse two decades of reform efforts aimed at preventing abuses of foreign travel and providing full public disclosure.

Under the revised law, the detailed breakdown by committee and member will no longer be published in the *Congressional Record*. And committees are no longer required to submit to public disclosure a separate accounting of tax dollars spent on travel for members and committee employees.

There will be no way to check the dates of arrival and departures in various countries, making it impossible to tell how long senators and representatives stayed abroad.

While there will be much less information made public, the members and their staffs will be receiving more money for each day of foreign travel. In the same amendment deleting the reporting requirements of the law, Congress voted itself a 50 per cent increase in daily travel allowances—from $50 to $75 per day.

The revised law does say that each committee of Congress shall make available for public inspection a State Department report on the dollar equivalent of foreign currency spent by each member and employee. But even this limited report was not readily available when a Congressional Quarterly reporter checked 10 committees May 6–9.

At several committees, staff employees said the State Department report was not available. At one, an official said he had not heard of the new law. Several committee staff members warned that the State Department reports contained errors.

At the House Banking and Currency Committee, the State Department figures were produced, but the reporter was told, "Go ahead and make a copy if you want. There are errors in it but go ahead and make a copy." The report contained only the dollar value of foreign currency issued a particular member, the month of the transaction and a notation that the type of transaction was an "advance," "local transportation," or "refund." The currency was identified by country but there were not dates of travel or confirmation that the money was actually spent.

ROADBLOCKS TO DISCLOSURE

Several factors weigh against the partial State Department report being useful as public information. The deleted portion of the old reporting law required each committee to prepare a consolidated, itemized expenditure report from all sources—members' and committee records as well as the State Department report on use of foreign currencies—within 60 days of the beginning of each session of Congress. The new law provides only for inspection of the limited State Department report and contains no deadline for its verification.

Furthermore, some committees apparently do not intend to allow photocopying of the reports. A clerk at the House Education and Labor committee said that she would not permit photocopying because "so many people want it, all I would be doing would be making copies."

In the 1973 *Congressional Record*, a total of 12 Senate committees, and three joint committees made what were to be their final detailed reports. With warnings of "errors," the limited information in the State Department report, the necessity to copy documents by hand and an attitude of hostility to disclosure at some of these 31 committees, the prospects for any meaningful disclosure appeared bleak.

Paul Nelson, staff director of the House Banking and Currency Committee, gave the CQ reporter a copy of the State Department report and a brief lecture. "Let me tell you first that the press does a damn poor job of reporting foreign travel," Nelson said. "But I think every member of Congress should be required to get his ——— out of the country every year."

The report handed the reporter showed that Nelson had received the dollar equivalent of $12,174.49 in foreign curency in 1973. This includes $7,562 in Kenyan currency in September 1973 under a transaction labeled "local transportation." The report also showed Nelson receiving another $2,446.56 in Italian currency in the same month under another transaction labeled "local transportation." Nelson later said he was paying transportation expenses for committee members visiting Kenya and Italy, but the report does not break down the figures in this manner.

UNREPORTED SPENDING

Members of Congress have several sources of funds available when they travel abroad. The main categories are "appropriated funds" and "counterpart" funds. The appropriated funds are moneys appropriated by Congress to pay committee expenses, including travel. The counterpart funds are foreign currencies held by American embassies.

Under the new version of the reporting law, the appropriated funds or tax dollars spent on foreign travel need not be publicly disclosed. This will put off the record a large portion of the travel expenditures information previously available on members and their staffs.

For instance, the House Appropriations Committee uses only appropriated funds for travel. In 1972 the committee reported spending $112,431 on foreign travel. This was the largest total expenditure of any committee in Congress for that year.

When a reporter visited the House Appropriations Committee, a clerk pointed out that the committee did not use counterpart funds for travel, only appropriated money. "We don't use those (counterpart) funds so I would be complying with the law if I did not let you see the travel reports," he said.

Keith Mainland, chief clerk of the *House* Appropriations Committee, confirmed this interpretation of the new law. The Committee is not covered by that law," he said. "Why don't you do a story on the executive branch?" Mainland asked. "There is some real money spent there."

Mainland finally agreed to let the reporter look at his committee's travel accounts. But he said he would have to ask someone on his staff to find it first. The report was found and the reporter got a call several days later.

REASONS UNCLEAR

What prompted Congress to end its 13-year practice of printing congressional foreign travel information in the *Congressional Record* is not completely clear.

The decision emanated from the House Foreign Affairs Subcommittee on State Department Organization and Foreign Operations, which originally wrote the legislation in the House.

The subcommittee's chairman is Hays, who also serves as chairman of the House Administration Committee. Until 1974, House Administration served as the conduit through which all reports on foreign travel flowed from the various House committees to publication in the Record.

Rep. Clement J. Zablocki (D. Wis.), the subcommittee's ranking Democrat, also served on the House-Senate conference committee on the bill. "Very honestly, I was not even aware we had deleted" the provision requiring publication in the Record, he said. Zablocki also could not recall working out the new provision in the conference committee. "I'm embarrassed by not remembering it," he said. "It could be that I wasn't present at the time the conferees discussed that provision."

Another subcommittee member, Rep. Donald M. Fraser (D Minn.), said that as he recalled it, "I didn't know it had been done until afterwards." Fraser said he thought it was a "mistake not to continue publishing" the information in the Record.

He added that he thought the increase in the per diem allowance to $75 from $50 was justified, "at least in some of the countries." While much of the congressional travel abroad was not necessary, he said, "many of the trips are worthwhile."

An aide to Rep. Vernon W. Thomson (R Wis.), the ranking Republican on the subcommittee and a member of the conference committee, reported that when he asked his boss what he remembered about the new provision, Thomson responded: "Hays is the one who put it in and made sure it stayed in."

Hays' assertion that the law was changed to save space in the *Congressional Record* is greeted with some skepticism on Capitol Hill. "We all know that's ridiculous," one congressional aide commented.

"It's Wayne's function to take care of the boys," remarked another observer familiar with Hays' subcommittee.

Legislative history

The change in reporting procedures was contained in a little-noticed provision of the fiscal 1974 State Department authorization bill (HR 7645), which cleared Congress Oct. 10, 1973 (PL 93-126). Congressional attention on the bill had been focused on two controversial Senate amendments challenging the President's conduct of foreign affairs. The two amendments were stripped from the bill during a second conference as the price for the House's approval. (*1973 Almanac v. 803*)

HOUSE

The House Foreign Affairs Committee had issued a report on the bill on May 23 (H Rept 93-223). The committee deleted from existing law the requirement that congressional foreign travel information be published in the *Congressional Record*, substituting in its place language requiring that the information be made "available for public inspection." The report stated that the records would be "available in one place in each of the two legislative bodies." It noted that the cost of printing the information in the Record in 1972 had been "in excess of $9,000."

SENATE

On the same day as the House report was released, the Senate Foreign Relations Committee reported its own bill (S 1248—S Rept 93-176). The committee struck the entire subsection of existing law dealing with congressional travel and inserted new language which had the effect of requiring that the money spent in connection with foreign travel by members of Congress or congressional employees would have to come from those funds appropriated to the congressional committees for their annual operating expenses.

But in deleting the old provision from the existing law, the committee also struck out a sentence stating that foreign travel reports "submitted by each committee shall be published in the *Congressional Record* . . ."

In effect, then, the Senate committee bill did not contain any language regarding public disclosure of the money spent for congressional travel.

But a committee aide subsequently explained that the new provision in fact would tighten control on spending for foreign travel by members of Congress since each committee would have to request that it be appropriated funds for travel expenses and since those expenditures would have to be justified. The amount of money spent by each member or staff aide of each committee then would be released to the public twice every year in what is called the "Report of the Secretary of the Senate." The semiannual report lists in detail a statement of the receipts and expenditures of the Senate.

STIPEND INCREASES

Both bills reported by the House and Senate committees increased the daily allowance available to members or employees to $75 from $50.

When the bills came to the floor in the House and Senate, there was little debate on the foreign travel amendments. In the House Rep. H. R. Gross (R Iowa) offered an amendment striking the provision increasing the per diem allowance to $75, arguing that it "would set a pattern for junketeers throughout the federal government."

But Hays, the floor manager of the bill, argued against the amendment on grounds that inflation and the devaluation of the U.S. dollar had made the increase unavoidable.

Hays said he agreed with Gross that officials in the executive branch had taken advantage of travel benefits. "Last year, when we published the travel expenses of Congress in the *Congressional Record*, I made available to the press the amount of travel of the AID Agency (Agency for International Development). The press did not use it. One paper said I put it in in an effort to obscure the amount of money Congress used," Hays said.

The Gross amendment failed by voice vote.

CONFERENCE REPORT

After both bills passed their respective chambers, they were sent to a House-Senate conference committee to iron out differences. On July 10, the committee filed its report (H Rept 93-367).

The conferees agreed to an amendment requiring the State Department to submit a report to the chairman of each congressional committee showing the amount of American-owned foreign currency which was provided during the preceding year to members of Congress or congressional employees traveling outside the United States. The report stated that the records "are required to be available for public inspection in the office of each such committee."

On Sept. 11, the House rejected the first conference report on grounds that two Senate amendments in the bill aimed at giving Congress greater access to executive documents and veto power over overseas military base agreements were nongermane. A second conference committee was convened and filed a new report (H Rept 93-563) on Oct. 9 that did not contain the two controversial amendments. The section regarding foreign travel was not changed. Both the House and Senate adopted the second conference report on Oct. 10.

PAST REFORM EFFORTS

Congress first initiated some control over members' foreign travel with the passage of the Mutual Security Act of 1954 (PL 83-665), which allowed congressional committees to use counterpart funds in their travels overseas, but required them to make a full report to an appropriate oversight committee (House Administration, and Senate Rules and Administration), indicating the total amount of currency used and the purposes for which it was spent.

Public reporting in the Record was first required by amendments passed in the Mutual Security Act of 1958 (PL 85-477). The reports for 1958 were published in 1959. Members had to make itemized statements to their committee chairmen, showing the amount and dollar equivalent of counterpart funds they spent, plus the purposes for which the money was used, including lodging, meals, transportation and other reasons. Each committee was required to report this information to the proper oversight committee within the first 60 days of each session. The 1958 bill changed the Senate committee to Appropriations. Within 10 days of receipt, the two committees had to publish the reports in the Record.

In 1961, Congress required mandatory publication in the Record of individual itemized expenditures (Legislative Branch Appropriations Act (PL 86-628). It also stipulated that appropriated dollar funds be reported along with counterpart funds (Mutual Security Act of 1960 (PL 86-472).

In 1963, the House took further steps to curb junketing, allowing only five House committees to use committee and counterpart funds for foreign travel. Ten other committees were restricted to travel within the U.S., but could ask the Rules Committee for permission to travel abroad. Such requests would receive "respectful consideration," the Rules Committee chairman said.

In 1967, the Committee on House Administration banned the use of credit cards for transportation and accommodations and required uniform accounting and reporting from all House committees on a monthly basis.

In 1967, Rep. H. R. Gross (R Iowa) revealed that on 12 occasions during a single trip in 1966, five members collected their per diem twice by traveling to two countries in the same day. The House Committee on Standards of Official Conduct issued an ethics report March 14, 1968, calling for "clearer guidelines" regulating use and reporting of expenditures. One response of the House was to amend several committee travel authorizations to specifically limit collection of per diem rates to one period of time, regardless of number of countries visited.

[From the Davenport (Iowa) Times-Democrat, May 17, 1974]

CHECK ON JUNKETS JUNKED

These chaps in Washington have done it again.

There had been a law on the books requiring each congressional committee to provide a rather detailed report on the foreign travels of both members and staffers.

This enabled everyone who had an interest, including the public, to know what congressmen were traveling abroad and where.

The reports were required to be published in the Congressional Record, which is the daily chronicle of the business and debate conducted by Congress.

But when the deadline rolled around this year for the publishing of the reports, none appeared. A subsequent inquiry disclosed an amendment had been slipped into a bill last October repealing the disclosure requirement.

The records on foreign travel can still be dug out by inquiring reporters and citizens, but it will be no easy task. A safe prediction is that these taxpayer-financed vacations for junketing congressmen will hit an all-time high.

We wonder what reaction all this tomfoolery would have brought from Will Rogers.

Mr. HOLLINGS. Mr. President, the Senator from Iowa has spoken eloquently and accurately. We are willing to accept the amendment to make public disclosures of our activities. It should be done, and we did not change that on the Senate side.

We are glad to accept the amendment of the Senator from Iowa. Unless the other side has something to add, we are ready to yield back our time.

Mr. President, we yield back our time.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Iowa.

The amendment was agreed to.

Mr. TAFT. Mr. President, I wish to ask a question in regard to the provision in the bill relating to office space. As I understand it, the language of the bill at present does not limit the number of offices at all. It really goes to the question of space.

Mr. HOLLINGS. That is right; it is a question of the space involved.

There was a three-office restriction in the original bill. We are doublechecking again with legislative counsel, but I am informed that on page 14 that provision of three offices is repealed, in lines 12, 13, and 14, on the three-office provision, with reference to the substance of the matter to which the Senator is addressing himself.

Of course, two or three are arbitrary. Some Senators only select one office.

If a Senator were to have three offices in a State like Rhode Island, it would really be ridiculous, whereas in California, Texas, and other extensive States, and working within the amount of square footage allowed, the Senators from those States could have several small offices and keep in better touch with their constituents.

So we accepted the population accounting on the matter of square footage so none would be denied, and we pared it down as close as we could, looking at each State and each office requirements as of the present time. We propose putting the home State offices on the square-footage basis, since we will now be reimbursing the GSA for these offices on a rental basis. We thought it was the appropriate way to handle the problem and leave it to the discretion of the particular Senator involved.

Mr. TAFT. I thank the Senator very much. I strongly concur with the position of the committee in this regard.

I have thought it necessary, in order to give proper service to my constituents in my State, to set up a fourth office in the city of Toledo, Ohio, which is more than 100 miles from other major metropolitan centers, and it is in the center of almost a million people when we count the surrounding areas. I have been bearing the expense for that rental space myself.

I am a little concerned and the reason I raised the question is that I understand there is another statutory provision which relates directly to this question. Title II, United States Code, provides that there shall be no more than three home offices for any Senator. Would this provision, as proposed, repeal that provision?

Mr. HOLLINGS. That is correct. By striking clause (4) of subsection (a) of Public Law 92–607, that is, section 506 (a)(4), we have removed the language "rental charges for office space of not more than three places designated by the Senator in the State he represents."

Mr. TAFT. That is the provision to which I was referring.

I thank the Senator for his explanation. I appreciate the answer to the question.

Mr. HOLLINGS. I thank the Senator. I yield to the Senator from Vermont.

Mr. AIKEN. Mr. President, do I understand this correctly, that the small States are entitled to 4,800 square feet?

Mr. HOLLINGS. The Senator is correct.

Mr. AIKEN. Then, a Member of Congress could have offices 20 by 24 feet, which are pretty good size for some small counties in the smaller States. He could have 10 State offices?

Mr. HOLLINGS. He could, if he wanted to break it down that way.

We tried to put in a very reasonable restriction. For instance, we provided that when suitable space is not available in a Federal building, the cost per square foot of commercial space could not exceed the GSA rate. We did not want a Senator renting a penthouse on top of a hotel.

Mr. AIKEN. Four thousand and eight hundred square feet? An office 20 by 24 would be plenty large enough for a single office and a Senator could have 10 offices in the State.

What appropriation is made for paying personnel employed in those 10 offices?

Mr. HOLLINGS. There is no increase there. He has to take from his telephone allowance, which is now an adjustable thing, completely up to his discretion. The personnel he has to take from his own staff allowance, which as the Senator knows is similarly tied to population.

I am looking at the particular record for the Senator from Vermont. The Senator does not desire a home office at all, so zero square footage is being used in Vermont. Some Senators have said, I do not want to be bothered with a State office.

Mr. AIKEN. My impression is that a home office will get you in more trouble than it will help particularly if the manager gets the idea that he or she wants to run against you.

Mr. HOLLINGS. But, on the other hand, several Senators now do a good bit of their case work there.

Mr. AIKEN. I agree. Some Senators have 300 miles between one office and the other.

Mr. HOLLINGS. I thank the distinguished Senator.

The PRESIDING OFFICER. The bill is open to further amendment.

If there be no further amendment to be proposed, the question is on the engrossment of the amendments and the third reading of the bill.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time.

Mr. HOLLINGS. Mr. President, I yield back my time.

Mr. SCHWEIKER. Mr. President, I yield back my time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen) and the Senator from Louisiana (Mr. Johnston) are necessarily absent.

Mr. GRIFFIN. I announce that the Senator from Oklahoma (Mr. Bartlett), the Senator from Oklahoma (Mr. Bellmon), the Senator from Utah (Mr. Bennett), the Senator from Massachusetts (Mr. Brooke), the Senator from New York (Mr. Buckley), the Senator from Kentucky (Mr. Cook), the Senator from Colorado (Mr. Dominick), the Senator from Florida (Mr. Gurney), the Senator from Maryland (Mr. Mathias), the Senator from Idaho (Mr. McClure), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I also announce that the Senator from Vermont (Mr. Stafford) is absent on official business.

I further announce that the Senator from New Hampshire (Mr. Cotton) is absent due to illness.

I further announce that, if present and voting, the Senator from Kentucky (Mr. Cook), would vote "yea."

The result was announced—yeas 85, nays 0, as follows:

[No. 270 Leg.]

YEAS—85

Abourezk
Aiken
Allen
Baker
Bayh
Beall
Bible
Biden
Brock
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Curtis
Dole
Domenici
Eagleton
Eastland
Ervin
Fannin
Fong
Fulbright
Goldwater
Gravel
Griffin
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Huddleston
Hughes
Humphrey
Inouye
Jackson
Javits
Kennedy
Long
Magnuson
Mansfield
McClellan
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Moss
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Sparkman
Stennis
Stevens
Stevenson
Symington
Taft
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NAYS—0

NOT VOTING—15

Bartlett
Bellmon
Bennett
Bentsen
Brooke
Buckley
Cook
Cotton
Dominick
Gurney
Johnston
Mathias
McClure
Stafford
Weicker

So the bill (H.R. 14012) was passed.

Mr. HOLLINGS. Mr. President, I ask unanimous consent that the Secretary of the Senate be authorized to make technical corrections in the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HOLLINGS. Mr. President, I move that the Senate insist upon its amendments and request a conference with the House of Representatives on the disagreeing votes thereon, and that the Chair be authorized to appoint the conferees on the part of the Senate.

The motion was agreed to; and the Presiding Officer appointed Mr. HOLLINGS, Mr. BAYH, Mr. EAGLETON, Mr. MCCLELLAN, Mr. COTTON, Mr. SCHWEIKER, and Mr. YOUNG conferees on the part of the Senate.

Mr. MANSFIELD. Mr. President, I yield to the distinguished Senator from Louisiana.

EXTENSION OF ELIGIBILITY OF RECIPIENTS FOR FOOD STAMPS

Mr. LONG. Mr. President, there is at the desk H.R. 15124. I ask unanimous consent that the Chair lay that bill before the Senate, and I ask for its immediate consideration.

The Chair laid before the Senate a bill (H.R. 15124) to amend Public Law 93–233 to extend for an additional 12 months—until July 1, 1975—the eligibility of supplemental security income recipients for food stamps, which, by unanimous consent, was read twice by title.

Mr. LONG. Mr. President, late last year the Senate passed a provision designed to assure that recipients of supplemental security income—that is, needy aged, blind and disabled persons—would continue to be eligible for food stamps.

The Senate amendment, to H.R. 3153, would have made a permanent change in the law. The House was not willing to accept the Senate amendment, but instead took only a 6-month suspension as an amendment to another bill.

Unfortunately, the House has not yet met with us in conference on H.R. 3153 this year. I am hopeful that they soon will, because there are important Senate amendments to that bill providing for drug coverage under medicare, a tax credit for low-income working families with children—the work bonus—a new and needed legislative approach to social services under the Social Security Act, an increase in the social security earnings limit, and many other worthwhile provisions.

Until we do go to conference, however, we want to be sure that aged, blind, and disabled persons do not lose their eligibility for food stamps. H.R. 15124 would continue their eligibility for 1 year, through the end of June 1975.

When the Finance Committee held hearings on the debt limit bill last week, I asked OMB Director Roy Ash what the administration's position is on this food stamp bill. He later assured me that if the House bill were sent on to the President, he would recommend that the President sign the bill.

Mr. President, I know of no opposition to this bill.

I would hope we could resolve this matter immediately; otherwise, any kind of delay might mean that these needy people would lose their food stamps, and I do not think anyone would want that to happen.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the third reading of the bill.

The bill (H.R. 15124) was ordered to a third reading, read the third time, and passed.

Mr. LONG. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. MANSFIELD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I move that the Senate go into executive session to consider Executive C, 93d Congress, 2d session, Protocols for the Extension of the International Wheat Agreement, 1971.

The motion was agreed to; and the Senate proceeded to the consideration of executive business.

EXECUTIVE C, 93D CONGRESS, 2D SESSION—PROTOCOLS FOR THE EXTENSION OF THE INTERNATIONAL WHEAT AGREEMENT, 1971

Mr. MANSFIELD. Mr. President, I ask that the Chair lay before the Senate Executive C, 93d Congress, 2d session.

The PRESIDING OFFICER laid before the Senate Executive C, 93d Congress, 2d session, the Protocols for the Extension of the International Wheat Agreement, 1971.

Mr. MANSFIELD. Mr. President, this treaty was reported unanimously by the Committee on Foreign Relations. I ask unanimous consent that the treaty, an excerpt from the committee report (Executive No. 93–29), explaining the protocols, and Senate Resolution 340 and an excerpt from the report (No. 93–944) thereon be printed in the RECORD at an appropriate point, and that the protocols be considered as having passed through their various parliamentary stages up to and including the presentation of the resolution of ratification.

The PRESIDING OFFICER. If there be no objection, Executive C will be considered as having passed through its various parliamentary stages, up to and including the presentation of the resolution of ratification, which the clerk will state.

The second assistant legislative clerk read the resolution of ratification, as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to ratification of the Protocols for the Extension of the Wheat Trade Convention and the Food Aid Convention constituting the International Wheat Agreement, 1971, which was open for signature in Washington from April 2 through April 22, 1974.

There being no objection, the requested items were ordered to be printed in the RECORD as follows:

PURPOSE OF THE PROTOCOLS

The United States has been a party to various international wheat agreements since 1949. The agreement currently in effect is the International Wheat Agreement, 1971, which consists of two parts: the Wheat Trade Convention and the Food Aid Convention. The Agreement expires on June 30, 1974.

In April, parties to the Agreement signed Protocols for a one-year extension of both of the Conventions which constitute the Agreement. The Protocol for extending the Wheat Trade Convention was signed by 38 governments and by the European Community; the Protocols for extending the Food Aid Convention was signed by eight governments and, after expiration of the signature period, the European Community indicated its intention to continue as a party. Both Protocols provide that instruments of ratification shall be deposited no later than June 18, 1974; though both provide also for the grant of an extension to any signatory government that has not deposited an instrument of ratification by that date.

PROVISIONS OF THE INTERNATIONAL WHEAT AGREEMENT

The Wheat Trade Convention provides for the continuing operation of the International Wheat Council, an administrative body established in 1949 to provide a mechanism for international cooperation in matters relating to the production and sale of wheat. At present, the Council's role is generally limited to conducting an annual review of the world wheat situation so as to provide participating governments with information relevant to their respective agricultural and price policies. Unlike previous agreements, the Wheat Trade Convention does not contain any provisions on maximum and minimum prices or purchase and supply obligations. The Convention does provide that, if the Wheat Council determines that such matters are capable of successful negotiation, the Council shall promptly request the Secretary-General of the UN Conference on Trade and Development to convene a negotiating conference. During the three-year life of the Agreement, however, this has not happened.

The Food Aid Convention commits its nine parties to provide minimum annual quantities of food aid to developing countries, as follows:

	Metric tons
Argentina	23,000
Australia	225,000
Canada	495,000
European Community	1,035,000
Finland	14,000
Japan	225,000
Sweden	35,000
Switzerland	32,000
United States	1,890,000

U.S. contributions under the Convention are made up of commodities sold or donated under Public Law 480 or through other bilateral aid programs and, according to the Administration, are within the range of what the United States would be providing even without the Convention.

COMMITTEE ACTION

In 1971, when the original three-year Agreement was submitted to the Senate for advice and consent to ratification, the Foreign Relations Committee constituted an Ad Hoc Subcommittee on the International Wheat Agreement. During the Subcommittee's hearings, which included testimony from Administration officials and representatives of various farm groups and grain trading organizations, the principal focus of interest was the absence from the Agreement of provisions on maximum and minimum prices or purchase and supply obligations. Administration witnesses testified that the effort to negotiate such provisions had reached an impasse on the fundamental questions of reference wheats, basing points, and prices. Several farm groups testified as to the importance nevertheless of achieving such provisions. Pointing out that the Agreement provided for the negotiation of price and purchase/supply provisions at any time, Senator McGee introduced Senate Resolution 136, calling upon the Administration to undertake without delay new efforts to achieve such provisions. Both the Agreement and S.

Res. 136 were reported favorably by the Committee and approved by the Senate.

On May 14, 1974, the President transmitted to the Senate Protocols for the extension of both Conventions constituting the Agreement. On May 30, the Foreign Relations Committee held public hearings on the Protocols, at which time testimony was heard from Julius Katz, Acting Assistant Secretary of State for Economic and Business Affairs; Richard Bell, Deputy Assistant Secretary of Agriculture for International Affairs and Commodity Programs; and Reuben Johnson, Legislative Director of the National Farmers Union. Their statements are included in the appendix to this report, along with other material from the hearing. On June 11, the Committee met in executive session and voted, by voice vote without dissent, to report the Protocols favorably.

COMMITTEE COMMENTS

Recognizing the interest of wheat exporting nations in equitable and stable prices and the interest of importing nations in assured supplies of wheat and wheat flour, the Committee continues to support the successful international negotiation of provisions concerning price and related rights and obligations. The Committee notes that S. Res. 136 (92nd Congress), urging the Administration to seek such negotiations, remains in effect.

S. Res. 340

Resolved, That it is the sense of the Senate that the President should request the International Wheat Council, at the earliest possible date, to request the Secretary-General of UNCTAD to convene a negotiating conference as provided in article 21 of the International Wheat Agreement, concluded at Geneva on February 20, 1971, with a view toward the negotiation of provisions relating to the prices of wheat and to the rights and obligations of members in respect of international trade in wheat.

Purpose of the Resolution

Senate Resolution 340 was introduced with the intention that it be acted upon in connection with the Senate's consideration of the protocols for the extension of the International Wheat Agreement, 1971 (Ex. C, 93–2). The agreement expires on June 30, 1974, and the protocols now before the Senate provide for a 1-year extension.

The International Wheat Agreement, 1971, provides for the continuing operation of the International Wheat Council, but unlike previous international agreements concerning wheat, does not contain any provisions on maximum and minimum prices or purchase and supply obligations. The agreement does provide, however, that if the Wheat Council determines that such matters are capable of successful negotiation, the Council shall promptly request the Secretary General of the U.N. Conference on Trade and Development to convene a negotiating conference. Senate Resolution 340 expresses the sense of the Senate that the President should call upon the Council to make such a request, so that active negotiations may begin.

This resolution is similar to Senate Resolution 136 (93d Cong.), which was passed by the Senate 3 years ago on the same day it gave advice and consent to ratification of the agreement.

COMMITTEE ACTION

On June 11, 1974, having held hearings on the protocols for the extension of the International Wheat Agreement (Ex. C, 93–2), the committees voted to report the protocols favorably. On June 13, Senator Humphrey, for himself and Senator McGee, introduced Senate Resolution 340, which was then referred to the committee. On June 18, the committee met in executive session and voted, by voice vote without dissent, to report the resolution favorably.

COMMITTEE COMMENTS

In its report on the protocols for the extension of the International Wheat Agreement, 1971 (Ex. C, 93–2), dated June 13, 1974, the committee noted the continuing relevance and effect of Senate Resolution 136 (92d Cong.), urging the administration to seek, within the framework of the agreement, the successful negotiation of provisions concerning price and related rights and obligations of members. Senate Resolution 340, though essentially the same as that previous resolution, is intended to reiterate this sense of the Senate on the occasion of the Senate's approval of continuing U.S. participation in the agreement.

Mr. MANSFIELD. Mr. President, this treaty will be voted on tomorrow. The first thing tomorrow morning, there will be a rollcall vote on it, and the rollcall vote is mandatory; is that correct?

Mr. ROBERT C. BYRD. No.

Mr. MANSFIELD. Then I ask for the yeas and nays on the vote on the treaty tomorrow.

The yeas and nays were ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR YEAS AND NAYS ON BUDGET REFORM CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, I ask unanimous consent that it be in order at this time to ask for the yeas and nays on passage of the conference report on budget reform.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. I ask for the yeas and nays.

The yeas and nays were ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as S. 3679, the emergency livestock credit bill, is called up and made the pending business before the Senate, there be a limitation of 2 hours thereon, to be equally divided between the majority and minority leaders or their designees, and that there be a limitation of 30 minutes on any amendment thereto; a limitation of 10 minutes on any debatable motion or appeal; and that the agreement be in the usual form.

The PRESIDING OFFICER. Is there objection?

Mr. CURTIS. Mr. President, reserving the right to object, can the distinguished assistant majority leader tell us when he had in mind that this matter would be considered; and if a rollcall vote is requested, when that rollcall might be?

Mr. ROBERT C. BYRD. Mr. President, in response to the inquiry of the distinguished Senator from Nebraska, it is the intention of the leadership to ask unanimous consent that on the disposition of the budget reform conference report tomorrow, the Senate proceed to the consideration of S. 3679, and that, if it can be passed by a voice vote, it be passed tomorrow, but if a yea and nay vote is ordered on passage, the yea and nay vote be put over until Monday at 3:20 p.m.

It is my understanding that a yea-and-nay vote will be requested, so the final vote would go over until Monday at 3:20 p.m.

Mr. CURTIS. I have no objection.

Mr. ROBERT C. BYRD. Mr. President, I include in the request that any rollcall vote that is ordered on final passage occur on Monday at 3:20 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. MANSFIELD. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. MANSFIELD. To keep the record straight, I ask unanimous consent that on the order of one-half hour heretofore granted, the time be reduced to 25 minutes, the time to be equally divided between the majority and minority leaders or their designees.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. MANSFIELD. Second, the vote will occur on the Kennedy-Humphrey-et. al. amendment at the hour of 4 o'clock on Monday afternoon. When that vote is disposed of, and if the occasion calls for it, there will then be a 30-minute period, to be equally divided, as previously agreed to, and following that, the vote will occur on the Allen amendment.

ORDER FOR YEA-AND-NAY VOTES TOMORROW TO BEGIN AT 1:30 P.M.

Mr. HUMPHREY. Mr. President, will the distinguished majority leader yield?

Mr. MANSFIELD. I yield.

Mr. HUMPHREY. When is the vote scheduled on the beef bill?

Mr. MANSFIELD: At 3:20 p.m. Monday.

Mr. ROBERT C. BYRD. Mr. President, so that Senators will know, there will be rollcall votes tomorrow. There will be at least two, one on the adoption of the budget reform conference report and one on the wheat protocol. Would it be agreeable that they begin at 1:30 p.m.? I make that unanimous-consent request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I ask unanimous consent that paragraph 3 of rule XII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CURTIS. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

HASTINGS, NEBR., LEADS THE WAY IN EFFORTS TO RAISE CATTLE PRICES

Mr. CURTIS. Mr. President, a great deal has been said in the Senate concerning the very serious situation facing the cattle industry. The low prices being paid for cattle have indeed reached a crisis. Today I am taking the floor of the Senate to report what one community is doing about it.

This community is Hastings, Nebr., population 23,580. I believe that what the businessmen of Hastings are doing will be helpful and effective; and I believe that they are the first in the Nation to undertake such a project. In this endeavor, Hastings, Nebr., is No. 1.

The businessmen of Hastings have launched an all-out effort to increase the sale and consumption of beef. They are going to buy beef and give it away. They expect to give away beef of a value of $13,000 to $14,000. Individuals will register for prizes. There will be drawings and some winners will get an entire side of beef. This is going to move a lot of very fine beef. It will be a reminder to the general public what a good food beef really is. It will be a reminder that beef at the present time is a real buy. It will give impetus to a program of buying and eating of more beef. It will encourage people to buy beef and put it in their freezers.

Mr. President, Hastings, Nebr., has led the way. I hope that hundreds and hundreds of other communities will follow the example set by Hastings, Nebr., and join with all other forces in the country in a program that will make a very major contribution in bringing back decent cattle prices.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. ROBERT C. BYRD. Mr. President, what is the pending question?

The PRESIDING OFFICER. The pending question is on agreeing to the Mansfield amendment.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER OF BUSINESS

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

UNANIMOUS-CONSENT AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as S. 424, a bill to provide for the management, protection, and development of the natural resource lands, and for other purposes, is called up and made the pending business before the Senate, there be a limitation of 2 hours thereon, to be equally divided between the minority and majority leaders or their designees; that there be a limitation of 2 hours on one amendment by the Senator from Idaho (Mr. McClure); that there be a limitation of 10 minutes on any other amendment, debatable motion, or appeal, with the agreement to be in the usual form.

The PRESIDING OFFICER (Mr. Nunn). Without objection, it is so ordered.

ORDER FOR ADJOURNMENT FROM CLOSE OF BUSINESS TOMORROW UNTIL MONDAY NEXT AT 12 O'CLOCK NOON

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in adjournment until 12 o'clock noon on Monday next.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, that is about it.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the Senate will convene at the hour of 10 a.m.

Are there any special orders, may I ask the Chair?

The PRESIDING OFFICER. There are no speakers scheduled.

Mr. ROBERT C. BYRD. I have had a request for one, Mr. President, so if the Chair will allow me, I would suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECOGNITION OF SENATOR BIDEN TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, that after the two leaders or their designees have been recognized under the standing order, the distinguished Senator from Delaware (Mr. Biden) be recognized for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR TRANSACTION OF ROUTINE MORNING BUSINESS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that tomorrow, following the remarks of the Senator from Delaware (Mr. Biden), there be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, the Senate will convene tomorrow at 10 a.m. After the two leaders or their designees have been recognized under the standing order, the distinguished Senator from Delaware (Mr. Biden) will be recognized for not to exceed 15 minutes; after which there will be a period for the transaction of routine morning business for not to exceed 15 minutes, with statements therein limited to 5 minutes.

At the conclusion of routine morning business tomorrow, the Senate will go into executive session and proceed to the consideration of Calendar Order No. 2, under Treaties, Executive C, 93d Congress, 2d session, the protocols for the extension of the International Wheat Agreement, 1971.

There is a time limitation on those protocols and on amendments, reservations, and understandings, in relation thereto.

A rollcall vote will occur on the adoption of the protocols but that rollcall vote will not occur prior to the hour of 1:30 p.m.

Upon the expiration of the time and action on the protocols, with the exception of the rollcall vote, the Senate will then return to legislative session and will take up the conference report on budget reform. There is a time limitation on that conference report. A rollcall vote has been ordered on the adoption thereof. That vote will follow the vote on the adoption of the protocols.

The Senate will then proceed to take up the emergency livestock credit bill, S. 3679, on which there is a time limitation. Amendments may be offered thereto. Votes could occur on amendments to that bill tomorrow, but the vote on final passage will go over until Monday next at 3:20 p.m.

The Senate will resume the consideration of the debt limit bill tomorrow. I doubt that any amendments will be voted on, but I am not going to say that there will not be any tomorrow.

Conference reports are in order, of course, at any time.

Other matters prepared for action could be taken up tomorrow.

Mr. LONG. Mr. President, will the Senator from West Virginia yield?

Mr. ROBERT C. BYRD. I yield.

Mr. LONG. If there are to be some votes tomorrow, I suppose we should alert Senators who have amendments. If we are to take up any tax cut amendments, I can think of some nice things I can add to the bill that might make some people very happy, provided we were to have unanimous consent to proceed on them; but I would not want to take advantage of any Senator, because it seems to me the Senator from Massachusetts, for example, being interested in his amendment, would not want us to agree to something that would give a tax cut without voting on his tax cut amendment. I wonder what the Senator's thoughts are on that.

Mr. ROBERT C. BYRD. The Kennedy amendment could be laid aside only by unanimous consent. I do not want to presume to say that that would not be done. That is why I said it is possible that amendments could be called up.

Mr. LONG. If the Senate is in a tax-cutting mood, I can think of some attractive tax cuts that I could offer, just as there are other Senators who might want to offer some.

Mr. ROBERT C. BYRD. But, as the Senator has pointed out, that amendment could be laid aside only by unanimous consent.

Mr. LONG. Of course. I have no thought, at this point, of doing otherwise.

Mr. HANSEN. Mr. President, I appreciate the interrogatory posed by the distinguished Senator from Louisiana (Mr. LONG) because I think a number of Senators may have left early this afternoon firmly persuaded there would be no further votes taken on the debt ceiling limitation bill until Monday next.

I would therefore hope very much that there would be opposition raised to any unanimous consent that might possibly be posed tomorrow to take up an amendment.

Mr. ROBERT C. BYRD. That amendment could be laid aside only by unanimous consent. But I do not want to presume that there would not be, as I have already said. It is possible that a Senator would have an amendement that the chairman would agree to, that could be adopted by a voice vote, and which would not be controversial. So I did not want to say that it would not be possible.

Mr. HANSEN. If there are not too many Senators in the Chamber, the likelihood of its being noncontroversial would be enhanced, I would suspect.

I thank the Senator.

Mr. ROBERT C. BYRD. I would doubt whether there would be any action taken on controversial amendments to that bill tomorrow.

So, Mr. President, in summation, it would appear that there would be at least two rollcall votes tomorrow.

ADJOURNMENT TO 10 A.M.

Mr. ROBERT C. BYRD. Mr. President, if no Senator seeks recognition at this time, I move, in accordance with the previous order, that the Senate stand in adjournment until 10 a.m. tomorrow.

The motion was agreed to, and, at 5:07 p.m., the Senate adjourned until tomorrow, Friday, June 21, 1974, at 10 a.m.

CONFIRMATION

Executive nominations received by the Senate June 20, 1974:

DEPARTMENT OF STATE

Thomas O. Enders, of Connecticut, a Foreign Service officer of class 1, to be an Assistant Secretary of State.

(The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

HOUSE OF REPRESENTATIVES—*Thursday, June 20, 1974*

The House met at 12 o'clock noon.

Rev. John R. Taylor, Lutheran Church of the Good Shepherd, Pearl River, N.Y., offered the following prayer:

Eternal Father, we thank You for the privilege of prayer, this moment not of casual custom, but of courageous commitment.

On this summer eve remind us that we are not biological blobs, but rather Your spiritual sons and daughters.

May we use these hours as an opportunity for constructive compromise rather than for cynical self-interest. Help us to be truly humane in our interpersonal relations, so that people rather than programs will be served.

Grant to these men and women, servants of these United States, that they may work honestly and energetically in our pluralistic society, to bring order out of chaos, reconciliation out of alienation, and community out of crowd. O Father, these Representatives are critically important for the welfare of this Republic. Use them to Your glory. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 13839. An act to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 7682. An act to confer citizenship posthumously upon L. Cpl. Federico Silva;

H.R. 11105. An act to amend title VII of the Older Americans Act relating to the nutrition program for the elderly to provide authorization of appropriations, and for other purposes; and

H.R. 12628. An act to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes.

The message also announced that the Senate had passed bills of the following titles in which the concurrence of the House is requested:

S. 3188. An act to establish the Sewall-Belmont House National Historic Site, and for other purposes;

S. 3474. An act to amend the District of Columbia Unemployment Compensation Act; and

S. 3476. An act to amend section 1291 of the act of March 3, 1901, relating to marriage licenses in the District of Columbia.

REV. JOHN TAYLOR DELIVERS INVOCATION

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, the invocation was delivered today by the Reverend John R. Taylor, pastor of the Good Shepherd Lutheran Church in Pearl River, N.Y., located in my congressional district. Reverend Taylor personifies the highest ideals of service to church and state.

A graduate of Muhlenberg College and Philadelphia Theological Seminary, Pastor Taylor has served three congregations, from Florida to New York. He has served with distinction, always leaving behind a legacy of wisdom and leadership.

These same stellar qualities were demonstrated in Pastor Taylor's service to his country as a Navy line officer in World War II and as the chaplain of the 45th Infantry Division during the Korean conflict. He proudly reminds us that one of his five children is a graduate of the U.S. Naval Academy at Annapolis.

He has fostered extensive expansion for his congregation at a time in which many congregations are having difficulty maintaining their status quo. His wisdom and leadership have earned him the rank of dean of the Tappan Zee Synod.

Perhaps his greatest contribution has been to the many individuals whose lives he has touched. In these times of uncertainty, Pastor Taylor has brought peace of mind to many, continually striving to make the world a little better for all of us.

Mr. Speaker, I know my colleagues join with me in extending our greetings and thanks to this exemplary man, Rev. John Taylor.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A PRIVILEGED REPORT ON TREASURY, POSTAL SERVICE, EXECUTIVE OFFICE OF THE PRESIDENT, AND RELATED AGENCIES APPROPRIATIONS, 1975

Mr. STEED. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a privileged report on the bill making appropriations for the Department of Treasury, the U.S Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1975, and for other purposes.

Mr. **ROBISON** of New York reserved all points of order on the bill.

The **SPEAKER**. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

APPOINTMENT OF CONFEREES ON H.R. 11221, TO PROVIDE FULL DEPOSIT INSURANCE FOR PUBLIC UNITS AND TO INCREASE DEPOSIT INSURANCE FROM $20,000 TO $50,000

Mr. **PATMAN**. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H.R. 11221, to amend the laws relating to Federal regulation of depository institutions, and to raise the ceiling on Federal deposit insurance to $50,000, with Senate amendments thereto, disagree to the Senate amendments, and agree to the conference asked by the Senate.

The **SPEAKER**. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. Patman, St Germain, Annunzio, Barrett, Hanley, Brasco, Cotter, Moakley, Ashley, Widnall, Rousselot, Johnson of Pennsylvania, Wylie, Roncallo of New York, and Rinaldo.

CONTINUING APPROPRIATIONS, 1975

Mr. **MAHON**. Mr. Speaker, pursuant to the order of the House of Tuesday, June 18, 1974, I call up the joint resolution (H.J. Res. 1062) making continuing appropriations for the fiscal year 1975, and for other purposes, and I ask unanimous consent that the joint resolution be considered in the House as in the Committee of the Whole.

The Clerk read the title of the joint resolution.

The **SPEAKER**. Is there objection to the request of the gentleman from Texas?

There was no objection.

The Clerk read the joint resolution as follows:

H.J. Res. 1062

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sums are appropriated out of any money in the Treasury not otherwise appropriated, and out of applicable corporate or other revenues, receipts, and funds, for the several departments, agencies, corporations, and other organizational units of the Government for the fiscal year 1975, namely:

Sec. 101. (a) (1) Such amounts as may be necessary for continuing projects or activities (not otherwise specifically provided for in this joint resolution or other enacted Appropriation Acts for the fiscal year 1975) which were conducted in the fiscal year 1974 and for which appropriations, funds, or other authority would be available in the following Appropriation Acts for the fiscal year 1975:

Agriculture-Environmental and Consumer Protection Appropriation Act;

District of Columbia Appropriation Act;

Department of Housing and Urban Development; Space, Science, Veterans, and Certain Other Independent Agencies Appropriation Act;

Departments of Labor, and Health, Education, and Welfare, and Related Agencies Appropriation Act;

Legislative Branch Appropriation Act;

Public Works for Water and Power Development and Atomic Energy Commission Appropriation Act;

Departments of State, Justice, and Commerce, the Judiciary, and Related Agencies Appropriation Act, notwithstanding section 701 of the United States Information and Educational Exchange Act of 1948, as amended;

Department of Transportation and Related Agencies Appropriation Act; and

Treasury, Postal Service, and General Government Appropriation Act including not to exceed one-quarter of the "Payment to the Postal Service Fund".

(2) Appropriations made by this subsection shall be available to the extent and in the manner which would be provided by the pertinent Appropriation Act.

(3) Whenever the amount which would be made available or the authority which would be granted under an Act listed in this subsection as passed by the House as of July 1, 1974, is different from that which would be available or granted under such Act as passed by the Senate as of July 1, 1974, the pertinent project or activity shall be continued under the lesser amount or the more restrictive authority: *Provided,* That no provision in any Appropriation Act for the fiscal year 1975, which makes the availability of any appropriation provided therein dependent upon the enactment of additional authorizing or other legislation, shall be effective before the date set forth in section 102(c) of this joint resolution.

(4) Whenever an Act listed in this subsection has been passed by only one House as of July 1, 1974, or where an item is included in only one version of an Act as passed by both Houses as of July 1, 1974, the pertinent project or activity shall be continued under the appropriation, fund, or authority granted by the one House, but at a rate for operations not exceeding the current rate or the rate permitted by the action of the House, whichever is lower: *Provided,* That no provision which is included in an Appropriation Act enumerated in this subsection but which was not included in the applicable Appropriation Act for 1974, and which by its terms is applicable to more than one appropriation, fund, or authority shall be applicable to any appropriation, fund, or authority provided in this joint resolution unless such provision shall have been included in identical form in such bill as enacted by both the House and the Senate.

(b) Such amounts as may be necessary for continuing projects or activities (not otherwise provided for in this joint resolution or other enacted Appropriation Acts for the fiscal year 1975) which were conducted in the fiscal year 1974 and are listed in this subsection at a rate for operations not in excess of the current rate or the rate provided for in the budget estimate, whichever is lower, and under the more restrictive authority—

activities for which provision was made in the Department of Interior and Related Agencies Appropriation Act, 1974;

activities for which provision was made in the Military Construction Appropriation Act, 1974;

activities for which provision was made in the Department of Defense Appropriation Act, 1974: *Provided,* That the continuation of support for South Vietnamese military forces shall be administered and accounted for from one fund, at the current rate, to be obligated only by the issuance of orders by the Secretary of Defense for such support: *Provided further,* That the fund for support of Vietnamese military forces shall be deemed obligated at the time the Secretary of Defense issues orders authorizing support of any kind, which obligations shall in the case of non-excess materials and supplies to be furnished from the inventory of Department of Defense be equal to the replacement costs thereof at the time such obligation is incurred and in the case of excess materials and supplies be equal to the actual value thereof at the time such obligation is incurred: *Provided further,* That none of the activities for support of South Vietnamese military forces contained in this paragraph should be funded at a rate exceeding one quarter of the annual rate as provided by this joint resolution;

activities for which provision was made in the Foreign Assistance and Related Programs Appropriation Act, 1974, notwithstanding section 10 of Public Law 91–672, and section 655(c) of the Foreign Assistance Act of 1961, as amended: *Provided,* That in computing the current rate of operations of military assistance there shall be included: (1) the amount of contract authority used during the fiscal year 1974 pursuant to section 506(a) of the Foreign Assistance Act of 1961, as amended, for military assistance to Cambodia, and (2) the amount of obligations incurred in Department of Defense appropriations during the fiscal year 1974 for military assistance to Laos;

The following activities for which provision was made in the Departments of Labor and Health, Education, and Welfare Appropriation Act, 1974, the Supplemental Appropriations Act, 1974, or the Second Supplemental Appropriations Act, 1974:

activities under sections 301(h), 304, 305, 310, 314 (d) and (e) and 329 of the Public Health Service Act, as amended;

activities under title III, part J, and title X of the Public Health Service Act, as amended;

activities under title VII of the Elementary and Secondary Education Act of 1965, as amended;

activities under the Education of the Handicapped Act;

activities under the Economic Opportunity Act of 1964, as amended;

activities under section 1113 of the Social Security Act, as amended;

activities under the Developmental Disabilities Services and Facilities Construction Act;

activities under the Youth Development and Delinquency Prevention Act;

activities under title VII of the Older Americans Act; and

activities for "Health resources" and set forth in the 1975 budget;

activities of the American Revolution Bicentennial Administration;

activities of the Cabinet Committee on Opportunities for Spanish-Speaking People;

activities under the Natural Gas Pipeline Safety Act of 1968, as amended;

activities of the Federal Railroad Administration for Grants to National Railroad Passenger Corporation;

activities of the Committee for Purchase of Products and Services of the Blind and Other Severely Handicapped; and

activities of the Council on International Economic Policy.

(c) Such amounts as may be necessary for continuing the following activities, but at a rate for operations not in excess of the budget estimate—

activities under title XVI of the Social Security Act, as amended; and

activities related to terminating the economic stabilization program; and

activities of the Veterans' Administration's program to provide representatives on college campuses.

(d) Such amounts as may be necessary for continuing the following activities, but at a rate for operations not in excess of the current rate—

The following activities for which provision was made in the Departments of Labor and Health, Education, and Welfare Appropriations Act, 1974, the Supplemental Appropriations Act, 1974, or the Second Supplemental Appropriations Act, 1974:

health planning activities under section 314 of the Public Health Service Act, as amended;

activities under titles VI and IX, and sections 306, 309, 792–794, 801, 805(b), 806, 810 (d), and 821(a) of the Public Health Service Act;

construction under section 201 of the Community Mental Health Centers Act;

activities under the Drug Abuse Education Act;

training under section 707 of the Social Security Act;

activities under part B of the Education of the Handicapped Act;

activities under the Adult Education Act;

activities under titles I, II, III, V, VIII, and IX of the Elementary and Secondary Education Act of 1965, as amended: *Provided*, That distribution of funds under title I shall be based upon the provisions contained in title I of H.R. 69 as passed by the House of Representatives;

activities under title III of the National Defense Education Act of 1958;

activities under the Emergency School Aid Act;

school assistance in federally affected areas authorized by Public Law 81–815 and Public Law 81–874;

all remaining activities except titles I and III(B) under the Economic Opportunity Act of 1964, as amended;

activities of the National Council on Indian Opportunity; and

activities under Part A of the Indian Education Act.

(e) Applicable appropriations made by this joint resolution shall be available in such amounts as may be necessary for departments, agencies, corporations, and other organizational units of the Government to pay not in excess of 90 per centum of the amount contained in the budget estimates for fiscal year 1975 of the first quarter standard level user charges pursuant to section 210(j), of the Federal Property and Administrative Services Act of 1949, as amended (40 U.S.C. 490(j)).

(f) Such amounts as may be necessary for continuing projects or activities for which disbursements are made by the Secretary of the Senate, and the Senate items under the Architect of the Capitol, to the extent and in the manner which would be provided for in the budget estimates for fiscal year 1975;

(g) Such amount as may be necessary for continuing activities of the Parliamentarian of the House of Representatives for compiling the precedents of the House of Representatives to the extent and in the manner which would be provided for in the budget estimates for the fiscal year 1975.

SEC. 102. Appropriations and funds made available and authority granted pursuant to this joint resolution shall be available from July 1, 1974, and shall remain available until (a) enactment into law of an appropriation for any project or activity provided for in this joint resolution, or (b) enactment of the applicable appropriation Act by both Houses without any provision for such project or activity, or (c) September 30, 1974, whichever first occurs.

SEC. 103. Appropriations and funds made available or authority granted pursuant to this joint resolution may be used without regard to the time limitations for submission and approval of apportionments set forth in subsection (d)(2) of section 3679 of the Revised Statutes, as amended, but nothing herein shall be construed to waive any other provision of law governing the apportionment of funds.

SEC. 104. Appropriations made and authority granted pursuant to this joint resolution shall cover all obligations or expenditures incurred for any project or activity during the period for which funds or authority for such project or activity are available under this joint resolution.

SEC. 105. Expenditures made pursuant to this joint resolution shall be charged to the applicable appropriation, fund, or authorization whenever a bill in which such applicable appropriation, fund, or authorization is contained is enacted into law.

SEC. 106. Except as provided in section 101(e) no appropriation or fund made available or authority granted pursuant to this joint resolution shall be used to initiate or resume any project or activity for which appropriations, funds, or other authority were not available during the fiscal year 1974.

SEC. 107. Any appropriation for the fiscal year 1975 required to be apportioned pursuant to section 2679 of the Revised Statutes, as amended, may be apportioned on a basis indicating the need (to the extent any such increases cannot be absorbed within available appropriations) for a supplemental or deficiency estimate of appropriation to the extent necessary to permit payments of such pay increases as may be granted pursuant to law to civilian officers and employees and to active and retired military personnel. Each such appropriation shall otherwise be subject to the requirements of section 3679 of the Revised Statutes, as amended.

SEC. 108. All obligations incurred in anticipation of the appropriations and authority provided in this joint resolution are hereby ratified and confirmed if otherwise in accordance with the provisions of this joint resolution.

SEC. 109. None of the funds herein made available shall be expended to aid or assist in the reconstruction of the Democratic Republic of Vietnam (North Vietnam).

SEC. 110. None of the funds herein made available shall be obligated or expended to finance directly or indirectly combat activities by United States military forces in or over or from off the shores of North Vietnam, South Vietnam, Laos, or Cambodia.

SEC. 111. Any provision of law which requires unexpended funds to return to the general fund of the Treasury at the end of the fiscal year shall not be held to affect the status of any lawsuit or right of action involving the right to those funds.

Mr. MAHON. Mr. Speaker, I move to strike the last word.

Mr. Speaker, this is the standard continuing resolution. For many years it has been necessary to bring to the floor a continuing resolution just prior to the beginning of the new fiscal year. There are 13 major appropriation bills which have to be passed each year. By the end of next week we hope we will have passed all but four. We expect to have reported to the House in mid-July the Interior bill. We will have the military construction bill available when the authorization is provided. We hope that will be in July. Also we hope to have the defense bill near the end of July. The foreign aid bill still requires authorization.

In other words by July 1 we hope that we will have passed nine. That does not mean, of course, that they will have been enacted into law, because none of them at this time have passed the other body.

It is true that many weeks ago we passed the legislative appropriation bill, one of our regular annual bills, but that bill has not been acted on by the other body although it is scheduled for Senate floor action today.

So, if it were not for the continuing resolution, the Government would cease to function as of the 1st of July. Therefore it is necessary for us to have a continuing resolution in order to enable the Government to continue to operate.

As I have said, this continuing resolution is a standard procedure. There are no hidden clauses that might concern the Members. I am hopeful there will be no serious objection to the continuing resolution.

This was the best proposal that could be presented under the circumstances. On Tuesday, the Committee on Appropriations of the House of Representatives met and approved the continuing resolution which is presented in the House today. We would like to see the continuing resolution approved as presented. We must make our legislative system work, and this resolution is a technique which we must adopt in order to meet our responsibilities.

The resolution simply represents a stopgap mechanism to provide interim financing authority for essential operation of the Government. It is not the optimum solution to efficient fiscal procedure but it is the best approach that has been devised over a period of years and it has served the Government well under the circumstances. It is essential that we preserve its integrity as a viable interim financing mechanism and again Mr. Speaker, I urge that the measure be adopted as presented.

DATE OF OPERATION UNDER THE RESOLUTION

Mr. Speaker, I think it necessary to outline briefly the rates of operation which obtain under this resolution.

As has been the practice over a period of years, the continuing resolution establishes an appropriate rate of funding for the departments and agencies that will apply until the regular appropriation bills, can be enacted into law.

The rate of operation under the resolution is based on the status of each particular bill as of the date of the passage of the resolution as follows:

Where the applicable bill has passed only one House—and nine of them will have passed the House—then the operating rate shall be not to exceed the current rate or that rate permitted by the action of the House, whichever is lower.

Where the applicable bill has passed both Houses—and that does not apply at this time—but has not been enacted into law and the amount passed by the House is different from that of the Senate, then the activity shall be continued under the lesser amount and the more restrictive authority.

Where the applicable bill—and this does apply to several bills—has not passed either the House or the Senate, then the rate between July 1 and September 30 for continuing projects and activities shall not exceed the current rate or the rate provided for in the budget estimates, whichever is lower, and under the more restrictive authority.

Also carried at the current rate or the budget estimate are certain programs for which there are budget estimates but which were:

First. Deferred in the regular bill due to lack of legislative authorization, or

Second. Financed in 1974 in a supplemental if the regular bill will not have passed the House by June 30.

Several projects are provided for at the rate of the budget estimate due to special cricumstances. For instance, a statutory change in the supplemental security income program makes the current rate inadequate and the program could not operate without a special provision.

A large number of programs, mostly HEW items, are continued at the current rate, generally because they were deferred due to lack of authorization and because there is no budget estimate.

This bill also provides the current rate of $1,018,000,000 for continuation of support for South Vietnamese military forces.

Mr. Speaker, let me again emphasize that this is the standard continuing resolution. It is regrettable that it is necessary but it is if government is to continue past June 30. Hopefully with the implementation of the procedures which are contained in the new budget control bill, this practice can be eliminated or severely restricted. This objective demands our best efforts.

Mr. Speaker, I will ask unanimous consent to revise and extend my remarks at this point in the Record and include tables and extraneous material.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield to me?

Mr. MAHON. I am glad to yield to the distinguished gentleman from Michigan.

Mr. CEDERBERG. I concur with the statement of the distinguished gentleman from Texas, the chairman of the committee.

We really have no option in this matter of continuing resolutions. I would prefer that we did not have them, but the facts of life are that it is necessary.

This resolution extends to September 30. I am hopeful this year this will be our last continuing resolution, but frankly I am not even that optimistic. I fear it may be required in certain instances to come in with a further continuing resolution.

I hope in the light of this necessity we can dispose of this matter as promptly as possible, and complete action by the 30th of June.

Mr. MAHON. Mr. Speaker, I might say that, of course, when final enactment takes place with respect to any of the appropriation bills the continuing resolution will cease to be significant with respect to that legislation.

Mr. MICHEL. Will the gentleman yield?

Mr. MAHON. I yield to the gentleman.

Mr. MICHEL. Mr. Speaker, of course I support the resolution and very much so in line with what the gentleman from Michigan just made mention of with respect to our hope that we would not have to have another continuing resolution. We have finalized the conference report on the budget reform legislation which, if all goes well, would provide for the beginning of our fiscal year in 1976 on October 1.

With this September 30 continuing resolution deadline I would hope we would try to treat that as if we were under the new budget reform legislation, and we will have a good test run this year.

I would say to the gentleman from Iowa (Mr. Gross) particularly, as the gentleman from Michigan (Mr. Cederberg) has said, we really have no other alternative than to do what we are doing today.

Mr. GROSS. Mr. Speaker, I move to strike the requisite number of words.

Mr. Speaker, I would like to ask the distinguished chaiman of the Committee on Appropriations, the gentleman from Texas (Mr. Mahon) the meaning of the September 30, 1974, expiration date of the continuing resolution.

What is the meaning of September 30? Why was September 30 selected?

Mr. MAHON. Mr. Speaker, if the gentleman will yield, it was thought that this would give us time to enact into law all of our major appropriation bills.

I do not know what will happen this year with respect to the August recess, but last year we found by fixing the date of September 30 it worked very well. We had much of the business out of the way by that date last year, but even then it was necessary to have a further continuing resolution. We established the September 30 date after some consultation with the leadership on both sides of the aisle.

Mr. GROSS. Would this September 30 date reflect in any way the sine die adjournment of the second session of the 93d Congress?

Mr. MAHON. I would like to hope that it would, but we do not contend that it will lead to a sine die adjournment by that date.

Mr. GROSS. Then I guess we would have to say that the September 30 date was picked out of the air.

I thought that we were going to get these appropriation bills out of the way. That was the story that we were told by the Democrat leadership, and this was supposed to mean that we would meet 5 days this week and 5 days next week in order to expedite passage of the appropriation bills. We were to get them out and get this situation behind us but evidently that is not to be the case.

Mr. MAHON. I share the concern of the gentleman from Iowa about this matter. Our main problem that causes delay in final enactment of the appropriations bills is waiting for legislative authorization.

Of course, we sometimes have to bring these appropriation bills under a rule waiving points of order because the authorization bills have not been finally enacted. In most cases, however, we do this only when the authorization has at least passed the House. Of the four appropriation bills which will still await passage after next week, all of them require some authorization and three of them—defense, military construction, and foreign operations—lack nearly total authorization. Thus even if they were ready for House consideration today, it would be impossible to consider these bills without a rule waiving certain points of order with respect to authorizations.

Mr. GROSS. Let me say that it seems as though waiving points of order has become fashionable. It is not always the fact that the authorizing legislation has not yet been passed, because in terms of other legislation it seems to have become fashionable to provide rules waiving points of order. That is not confined merely to the appropriation bills.

Let me ask the gentleman from Texas a question concerning the language found on page 2 of the committee report, the fifth paragraph, wherein it says:

> Where there is *no budget estimate or if the budget request has been deferred* for later consideration, the rate for operations for continuing projects or activities shall not exceed the current rate.

What precisely is meant by the "current rate"?

Mr. MAHON. Those are mostly Health, Education, and Welfare items that are involved here. That would be the fiscal 1974 rate that would apply. As the gentleman knows, we do not have authorization for some HEW items, so we were not able to include a number of programs in the HEW appropriation bill which we expect to pass through the House next week.

Mr. CEDERBERG. Mr. Speaker, will the gentleman yield?

Mr. GROSS. I yield to the gentleman from Michigan.

Mr. CEDERBERG. I thank the gentleman for yielding.

As the gentleman knows, regarding the September 30 date, I do not believe that this was a date that was just picked out of the air. I think it was a realistic date. The gentleman is well aware that sometimes in the past we have extended it for just 30 days, only to find ourselves in the position of having to come back and extend it for another 30 days. We hope this is a realistic date, and we will work to try to make it a realistic date.

The SPEAKER. The time of the gentleman has expired.

(By unanimous consent, Mr. Gross was allowed to proceed for 1 additional minute.)

Mr. GROSS. The fact of the matter is that we are continuing to ignore the law, flouting the law which provides that Congress shall have its work done and its appropriation bills passed by July 31. Is that not correct?

Mr. MAHON. The law to which I think the gentleman refers is contained in the Legislative Reorganization Act of 1970 and provides that Congress shall adjourn sine die not later than July 31 unless Congress otherwise provides. This law does not mention appropriations bills.

We are not flouting the law, as Congress can provide, as it does, for a later sine die adjournment.

However, I am in full agreement with the gentleman from Iowa that it would be far better to be able to operate without a continuing resolution. Under the present circumstances that is just not possible.

Mr. GROSS. That is right. And the Democrats have been in control of the House for all but 2 of the 26 years I have been here; and we have to go through this year after year and year after year. I do not like it, I will say to the gentleman.

Mr. MAHON. We do not like the imperfections in our system, but in a legislative body we are compelled to work the will of the majority, and we are doing the best we can under all of the circumstances.

I thank the gentleman for his comments.

Mr. Speaker, I move the previous question on the joint resolution.

The previous question was ordered.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The question was taken, and the Speaker announced that the ayes appeared to have it.

Mr. WYDLER. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 393, nays 6, not voting 34, as follows:

[Roll No. 308]

YEAS—393

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Archer
Arends
Armstrong
Ashbrook
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biester
Bingham
Blackburn
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dennis
Dent
Derwinski
Devine
Dickinson
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Ala.
Edwards, Calif.
Eilberg
Erlenborn
Esch
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Gibbons
Gilman
Ginn
Gonzalez
Goodling
Grasso
Green, Oreg.
Green, Pa.
Griffiths
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Hansen, Wash.
Harrington
Harsha
Hastings
Hays
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Huber
Hudnut
Hungate
Hunt
Hutchinson
Ichord
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
Kluczynski
Koch
Kuykendall
Lagomarsino
Landrum
Latta
Leggett
Lehman
Lent
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKay
McKinney
McSpadden
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathias, Calif.
Mathis, Ga.
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Milford
Miller
Minish
Mink
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Randall
Rangel
Rarick
Rees
Regula
Reuss
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruth
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Wyman
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NAYS—6

Collins, Tex.
Gross
Landgrebe
Rousselot
Shuster
Symms

NOT VOTING—34

Biaggi
Blatnik
Brasco
Burgener
Carey, N.Y.
Conlan
Daniels, Dominick V.
Davis, Ga.
Diggs
Dorn
Goldwater
Gray
Hawkins
Holifield
Hosmer
Howard
King
Kyros
Litton
Macdonald
Matsunaga
Mills
Peyser
Quillen
Railsback
Reid
Rhodes
Riegle
Rooney, N.Y.
Rose
Ruppe
Sullivan
Teague
Thompson, N.J.

So the joint resolution was passed.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mr. Blatnik.

Mr. Hawkins with Mr. Dominick V. Daniels.

Mr. Rooney of New York with Mr. Dorn.

Mr. Riegle with Mr. Litton.

Mr. Howard with Mr. Mills.

Mr. Brasco with Mr. Rose.

Mr. Holifield with Mr. Quillen.

Mr. Matsunaga with Mr. Burgener.

Mr. Carey of New York with Mr. Railsback.

Mr. Macdonald with Mr. Goldwater.

Mr. Reid with Mr. Hosmer.

Mr. Diggs with Mr. Gray.

Mr. Biaggi with Mr. Kyros.

Mr. Davis of Georgia with Mr. Conlan.

Mrs. Sullivan with Mr. King.

Mr. Teague with Mr. Peyser.

Mr. Rhodes with Mr. Ruppe.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAHON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

CONFERENCE REPORT ON H.R. 12799, ARMS CONTROL AND DISARMAMENT ACT AMENDMENTS

Mr. MORGAN submitted the following conference report and statement on the bill (H.R. 12799), an act to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, and for other purposes:

Conference Report (H. Rept. No. 93–1125)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12799) to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 8 and 9.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 5, 6, and 7 and agree to the same.

Thomas E. Morgan,
Clement J. Zablocki,
Wayne L. Hays,
Peter H. B. Frelinghuysen,
William S. Broomfield,
Managers on the Part of the House.

J. W. Fulbright,
John Sparkman,
Edmund S. Muskie,
Hubert H. Humphrey,
George D. Aiken,
Clifford P. Case,
Jacob K. Javits,
Managers on the Part of the Senate.

Joint Explanatory Statement of the Committee of Conference

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12799) to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The following Senate amendments made technical, clarifying or conforming changes: 1, 2, 3, 4, 5, 6, and 7. With respect to these amendments, the House recedes.

ONE-YEAR AUTHORIZATION

Amendment No. 9: The House bill authorized $10.1 million for fiscal year 1975. The Senate amendment numbered 9 authorized $10.1 million for fiscal year 1975 and $10.9

million for fiscal year 1976. The Senate recedes with the understanding that the single-year authorization does not imply diminished support by the Congress of the Arms Control and Disarmament Agency. The conferees affirmed continued interest in strengthening the Agency and its effectiveness.

Amendment No. 8: The Senate amendment numbered 8 was a conforming amendment to the Senate amendment numbered 9. The Senate recedes with respect to amendment numbered 8.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WAYNE L. HAYS,
PETER H. B. FRELINGHUYSEN,
WILLIAM S. BROOMFIELD,
Managers on the Part of the House.

J. W. FULBRIGHT,
JOHN SPARKMAN,
EDMUND S. MUSKIE,
HUBERT H. HUMPHREY,
GEORGE D. AIKEN,
CLIFFORD P. CASE,
JACOB K. JAVITS,
Managers on the Part of the Senate.

CONFERENCE REPORT ON H.R. 12412, FOREIGN DISASTER ASSISTANCE ACT OF 1974

Mr. MORGAN submitted the following conference report and statement on the bill (H.R. 12412) to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa:

CONFERENCE REPORT (H. REPT. NO. 93–1126)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12412) to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Foreign Disaster Assistance Act of 1974".

SEC. 2. Chapter 5 of part I of the Foreign Assistance Act of 1961 is amended—

(1) by striking out of the chapter heading "Contingency Fund" and inserting in lieu thereof "Disaster Relief"; and

(2) by inserting immediately after section 451 the following new section:

"SEC. 452. **Disaster Relief Assistance.**—There are authorized to be appropriated, in addition to other sums available for such purposes, $65,000,000 for use by the President for disaster relief and emergency recovery needs in Pakistan and Nicaragua, under such terms and conditions as he may determine, such sums to remain available until expended."

SEC. 3. Section 639A of the Foreign Assistance Act of 1961 is amended—

(1) by striking out "the African Sahel" in the section caption and inserting "Drought-stricken African Nations" in lieu thereof;

(2) by striking out of subsection (a) "Sahelian";

(3) by striking out "$25,000,000" in subsection (b) and inserting "$110,000,000" in lieu thereof;

(4) by striking out "Sahelian" in subsection (b); and

(5) by adding at the end of subsection (b) the following new sentence: "Of the amount authorized to be appropriated under this subsection, not more than $10,000,000 shall be made available for Ethiopia."

SEC. 4. The Secretary of State shall keep the appropriate committees of Congress fully and currently informed of the ongoing status of any negotiations with any foreign government regarding the cancellation, renegotiation, rescheduling, or settlement of any debt owed to the United States by any such foreign government under the Foreign Assistance Act of 1961. The Secretary of State shall transmit to the Speaker of the House of Representatives, and to the chairman of the appropriate Senate committee, the text of any international agreement proposing a modification in the terms of such debt no less than thirty days prior to its entry into force, together with a detailed explanation of the interest of the United States in such modification.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill, and agree to the same with an amendment as follows:

In lieu of the amendment of the Senate, amend the title so as to read: "An Act to amend the Foreign Assistance Act of 1961 to authorize appropriations to provide disaster and other relief to Pakistan, Nicaragua, and the drought-stricken nations of Africa, and for other purposes."

And the Senate agree to the same.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WAYNE L. HAYS,
DANTE B. FASCELL,
PETER H. B. FRELINGHUYSEN,
WM. BROOMFIELD,
EDWARD J. DERWINSKI,
Managers on the Part of the House.

JOHN SPARKMAN,
GALE W. MCGEE,
HUBERT H. HUMPHREY,
GEORGE AIKEN,
CLIFFORD P. CASE,
J. JAVITS,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12412) to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

STATEMENT OF FINDINGS

The Senate amendment contained a congressional finding of a need for relief, rehabilitation, and reconstruction assistance because of natural disasters in Pakistan, Nicaragua, and the drought stricken nations of Africa. The House bill contained no corresponding provision. The conference substitute omits the Senate provision.

TOTAL AMOUNTS AUTHORIZED

The House bill authorized a total amount of $115,000,000. The Senate amendment authorized a total amount of $150,000,000. The amount authorized by the conference substitute is the same as the Senate amendment.

AMOUNTS AUTHORIZED FOR NICARAGUA AND PAKISTAN

The House bill authorized $65,000,000 for Pakistan and Nicaragua. The Senate amendment authorized $50,000,000 for Pakistan and $15,000,000 for Nicaragua. The conference substitute is the same as the House bill.

ASSISTANCE TO AREAS IN AFRICA

The House bill authorized $50,000,000 for assistance to the Sahelian nations of Africa. The Senate amendment authorized $85,000,000 for assistance to the drought stricken nations of Africa, of which not less than $10,000,000 was for Ethiopia. The conference substitute is the same as the Senate amendment, except that the amount for Ethiopia may not exceed $10,000,000.

NOTWITHSTANDING PROVISION

The House bill provided, by amending section 639A of the Foreign Assistance Act of 1961, that the additional $50,000,000 authorized for the Sahelian nations of Africa could be furnished notwithstanding the restrictions of any law. The Senate amendment provided that the entire $150,000,000 authorized by the amendment could be so furnished. The conference substitute, in amending such section, provides that an additional $85,000,000 may be furnished without regard to any restriction of law.

REPORT TO CONGRESS ON MODIFICATION OF FOREIGN DEBT

The House bill contained a provision directing the Secretary of State to inform Congress concerning negotiations and agreements with foreign countries concerning modifications of debts authorized under the Foreign Assistance Act of 1961. This provision of the House bill also provided that such debts could be modified only pursuant to legislative authorization applicable to the original debt. The Senate amendment contained no corresponding provision. The conference substitute is the same as the House bill except that the provision relating to debt modification only pursuant to legislative authorization applicable to the original debt is omitted. The conferees recognize that, in certain instances, such notification may necessarily be transmitted on a classified basis; and note that, in such cases, appropriate safeguards will be exercised by the appropriate Congressional committees.

THOMAS E. MORGAN,
CLEMENT J. ZABLOCKI,
WAYNE L. HAYS,
DANTE B. FASCELL,
PETER H. B. FRELINGHUYSEN,
WM. BROOMFIELD,
EDWARD J. DERWINSKI,
Managers on the Part of the House.

JOHN SPARKMAN,
GALE W. MCGEE,
HUBERT H. HUMPHREY,
GEORGE AIKEN,
CLIFFORD P. CASE,
J. JAVITS,
Managers of the Part of the Senate.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. PEPPER. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER. Is there objection to

the request of the gentleman from Florida?

There was no objection.

THE HOUSING AND URBAN DEVELOPMENT ACT OF 1974

Mr. PEPPER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 1182 and ask for its immediate consideration.

The Clerk read the resolution as follows:

H. RES. 1182

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 27(d)(4) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15361) to establish a program of community development block grants, to amend and extend laws relating to housing and urban development, and for other purposes, and all points of order against sections 108(f), 115, 411, 414, 415(a), and 505 of said bill for failure to comply with the provisions of clause 4, rule XXI are hereby waived. After general debate, which shall be confined to the bill and shall continue not to exceed three hours, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Currency, the bill shall be read for amendment under the five-minute rule by titles instead of by sections. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit. After the passage of H.R. 15361, the Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 3066, and it shall then be in order in the House to move to strike out all after the enacting clause of the said Senate bill and insert in lieu thereof the provisions contained in H.R. 15361 as passed by the House.

The SPEAKER. The gentleman from Florida is recognized for 1 hour.

Mr. PEPPER. Mr. Speaker, I yield 30 minutes to the able gentleman from Nebraska (Mr. MARTIN), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 1182 provides for an open rule with 3 hours of general debate on H.R. 15361, the Housing and Urban Development Act of 1974.

House Resolution 1182 provides that all points of order against sections 108 (f), 115, 411, 414, 415(a) and 505 of the bill for failure to comply with the provisions of clause 4, rule XXI of the rules of the House of Representatives—prohibiting appropriations in a legislative bill—are waived.

House Resolution 1182 also provides that the bill shall be read for amendment by titles instead of by sections.

House Resolution 1182 provides that after the passage of H.R. 15361, the Committee on Banking and Currency shall be discharged from the further consideration of the bill S. 3066 and it shall be in order in the House to move to strike out all after the enacting clause of S. 3066 and insert in lieu thereof the provisions contained in H.R. 15361 as passed by the House.

H.R. 15361 authorizes $8.05 billion in contract authority for a new block grant program over a 3-year period. Eighty percent of the funds available each year would be allocated for use in metropolitan areas and 20 percent for use in nonmetropolitan areas. The block grant funds may be used to finance the full cost of carrying on all activities currently assisted by the following programs: the urban renewal program; the model cities program; the section 312 rehabilitation loan program; the open space urban beautification-historic preservation program; the neighborhood facilities program; the advance acquisition of land program; and the water and sewer program. Funds may also be used to finance the local share required under other Federal grant programs which are part of the community development program.

H.R. 15361 also authorizes a new program, section 23(h), of housing assistance for lower-income persons through the construction or substantial rehabilitation of housing or the leasing of existing housing.

Mr. Speaker, decent housing is extremely important both to individuals and to our society. I urge the adoption of House Resolution 1182 in order that we may discuss, debate, and pass H.R. 15361.

Mr. Speaker, decent housing is extremely important to individuals and to our society. I have heard in the Committee on Rules the presentation of the contents of this bill, and I am very much impressed, as I am sure my colleagues on the committee were, with the fact that this bill is a very commendable one. It makes a great contribution to meeting the housing needs of our country, which have been too long delayed, and makes available by the Congress to the people the sort of housing assistance so much needed.

Therefore I am pleased to urge adoption of this rule in order that the House may consider and pass the bill H.R. 15361.

Mr. MARTIN of Nebraska. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as previously noted, House Resolution 1182 provides for the consideration of H.R. 15361—the Housing and Urban Development Act of 1974. This rule is an open rule with 3 hours of general debate. The rule also has several other provisions. It waives the 3-day rule in order that the bill may be considered today, and waives points of order against sections 108(f), 115, 411, 414, 415(a), and 505 for failure to comply with clause 4, rule XXI, which deals with appropriations on a legislative bill. It also provides that the bill be read by titles instead of by sections for the purpose of amendment and, makes it in order to insert the House-passed language in the Senate bill.

The purpose of H.R. 15361 is to authorize funds for and amend the Nation's housing programs. The bill consists of six titles.

Title I authorizes a new community development block grant program, under which seven HUD categorical grant programs would be consolidated into a single block grant program. The new program will begin on January 1, 1975; $8,050,000,000 is authorized for the first 3 years of the program. In addition $100,000,000 would be authorized annually for fiscal years 1975, 1976, and 1977 for assistance to communities with urgent community development needs which cannot be met through the entitlements received pursuant to the Act. Eighty percent of the funds in this bill are to be allocated to metropolitan areas, and 20 percent are for nonmetropolitan areas.

In general, block grant funds may be used to finance activities currently carried on under the following programs. First, urban renewal; second, model cities—subject to a limitation; third, section 312 rehabilitation loan program; fourth, open space-urban beautification-historic preservation program; fifth, neighborhood facilities program; sixth, advance acquisition of land program; and seventh, water and sewer facilities program. In addition, funds may be used to finance the local share required under other Federal grant programs which are part of the community development program, to carry on special projects to remove architectural barriers which restrict the mobility and accessibility of the elderly and handicapped, and to carry on comprehensive planning and executive-management activities.

Title II authorizes a new program of housing assistance for lower income persons through the construction or substantial rehabilitation of housing or the leasing of existing housing. This title also extends the section 235 homeownership and 236 rental assistance programs for 1 additional year to June 30, 1975, in order to meet program commitments established by HUD at the time of suspension of the programs.

Title III contains provisions designed to increase the availability of and liberalize ortgage credit for housing and to abolish discrimination in mortgage lending on account of sex.

Title IV extends to June 30, 1977, the authority of the Secretary of Agriculture to administer various rural housing programs. This title increases funds for these programs and enables certain changes in the programs.

Title V establishes a new HUD program to encourage the formation of State development corporations, amends the "new communities" program and authorizes additional funds for the comprehensive urban planning program.

Title VI amends various laws relating to the lending and investment powers of Federal savings and loan associations, national banks, and Federal credit unions.

The total cost of all the titles in this bill is $9,662,250,000.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. MARTIN of Nebraska. I am happy to yield to the gentleman.

Mr. ROUSSELOT. I thank the Gentleman for yielding. I wonder if the gentleman or the people from the Committee on Banking and Currency and the chairman of the subcommittee can explain why we have to waive points of order in here when normally this bill comes to us with an open rule. I wonder if there is an explanation as to why we have to waive all points of order as indicated.

Mr. MARTIN of Nebraska. I will be

glad to answer the gentleman. I just covered it in my explanation of the rule, but evidently the gentleman was not listening.

Mr. ROUSSELOT. Yes, I was. I just wish to reemphasize certain points.

Mr. MARTIN of Nebraska. The first waiver was in regard to clause 27, rule XI, which is the 3-day rule, because although the committee report itself was available last Monday, it was not complete as of that time in that it did not include the supplemental and additional views which are now in the report. Therefore that 3-day rule has to be waived because the complete report was not available 3 days before it was to be considered by the House.

In regard to the waiving of all points of order on various sections of the bill, this legislation provides for the transfer of funds currently in the department.

It also provides for setting up revolving funds which have to be waived under the rules of the House, and that is the reason for waivers in this legislation.

Mr. ROUSSELOT. In other words, if this provision was not contained in the rule, points of order could be made relating to the transfer of some of these funds; is that correct?

Mr. MARTIN of Nebraska. That is correct.

This practice has been going on for many years where we have new authorizing legislation, and it requires transferring money, and you have this currently in some of the operations of the department, and the authorizing legislation provides for the transfer of those funds, and we must waive points of order on that.

Mr. ROUSSELOT. Also because this is in the nature of an appropriation in an authorizing bill, is that not true?

Mr. MARTIN of Nebraska. I would question that statement. That is not my interpretation.

Mr. ROUSSELOT. That is my understanding of the basis of what I have been told, that it does effect, or that in the transfer of funds we are, in effect, acting to appropriate dollars in an authorizing bill.

Mr. MARTIN of Nebraska. That is the interpretation of the gentleman from California.

Mr. ROUSSELOT. How much is the total dollars that are involved in this particular transfer?

Mr. MARTIN of Nebraska. The gentleman from California is on the committee, and I presume the gentleman can answer that question better than I can because I am not on the Committee on Banking and Currency.

Mr. ROUSSELOT. On the basis of the discussion in the Committee on Banking and Currency, I was not absolutely sure, but maybe the gentlemen from the subcommittee could tell us how many dollars are involved in the transfer of funds that are protected by the waiver under this rule.

Mr. BARRETT. The gentleman is talking about the transfer of funds?

Mr. ROUSSELOT. Yes.

Mr. BARRETT. It will probably be less than a few million dollars.

Mr. ROUSSELOT. The items protected by the waiver in the rule?

Mr. BARRETT. Just a few million dollars.

Mr. ROUSSELOT. $2 million for the transfer of funds?

Mr. BARRETT. A few million.

Mr. ROUSSELOT. I understood it was more than that when we discussed it in the committee—approximately $4 million.

Mr. BARRETT. It may be a little above it; I am not sure.

Mr. ROUSSELOT. The only point that I wish to make to my colleague from Nebraska is that he has explained the rule, and I did understand it, and I was just trying to reemphasize it; that by voting for this rule we are providing for a transfer of substantial amounts of funds, under a waiver in the rule, to protect what funds would be in the appropriation. I am not saying that the whole House may not want to do that, but I think that my colleagues should understand that by waiving these points of order we are providing for appropriations in this bill.

Mr. PEPPER. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Speaker, I thank the gentleman for yielding me some time. I want to support the rule and to thank the Committee on Rules for the generous 3 hours for debate. I think we need that much time to deal with a bill that was tailored by the administration, and which was designed to be veto-proof. I think it is terribly wrong to legislate in that fashion.

What we have created is a bill that is going to satisfy the administration. It does not address itself to the need of providing decent housing for those who need it the most.

I want to thank the Committee on Rules for giving us 3 hours to debate this bill because it enables full and frank discussion of some of the very, very real injustices in the bill, and I will be speaking about these later.

For example, an injustice is clear when the rural poor are treated in a fashion different from the urban poor. An injustice is very, very clear when these people who are of the same socioeconomic bracket living in public housing, if they should move into the least-assisted housing, would not get the same benefits they receive while living in public housing.

So I am glad the Committee on Rules gave us 3 hours in which to debate this bill, because it will also give us an opportunity to discuss whether or not this House should move in a radical fashion, vis-a-vis housing in this country. We are moving from all of the regular conventional programs in housing to a new and relatively untried concept, and that is the 23(H) assisted housing program.

Unfortunately, there is nothing in this bill that provides for a transition period between the two extreme positions.

Mr. Speaker, I just wanted to thank the Committee on Rules for allowing us sufficient time so that we can debate fully and effectively these points in the bill.

Mr. PEPPER. Mr. Speaker, I have no further requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. PATMAN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15361) to establish a program of community development block grants, to amend and extend laws relating to housing and urban development, and for other purposes.

The SPEAKER. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 15361, with Mr. NATCHER in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the rule, the gentleman from Texas (Mr. PATMAN) will be recognized for 1½ hours and the gentleman from New Jersey (Mr. WIDNALL) will be recognized for 1½ hours.

The Chair now recognizes the distinguished gentleman from Texas (Mr. PATMAN).

Mr. PATMAN. Mr. Chairman, I yield myself such time as I may use.

Mr. Chairman, H.R. 15361, the Housing and Urban Development Act of 1974, represents nearly 2 years of work by the Committee on Banking and Currency in an attempt to draw up a housing and urban development bill that can be acceptable to the Members of this House and a bill that would not meet with a Presidential veto. The Subcommittee on Housing and the full committee considered this bill in some 4 months of markup sessions and reported the bill to the House by a vote of 23 ayes, 3 nays.

Title I of the bill authorizes a new program of community development block grants to replace seven HUD categorical programs. This new block grant program would begin on January 1, 1975.

Title II authorizes a new housing assistance program for lower-income families building on the best of our past housing subsidy programs and recognizing the problems and failures of some of our existing subsidized housing programs.

Title III would extend the various insuring authorities of the Federal Housing Administration increasing the FHA loan and mortgage limits liberalizing FHA downpayments and making various improvements in the programs administered by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

Title IV would extend various program authorizations of the Farmers' Home Administration and would make important changes to improve the operation of these programs.

Title V would authorize a new program to encourage the formation of State development corporations and makes various amendments to miscellaneous HUD programs.

Title VI would amend various laws relating to the lending and investigative power of Federal savings and loan associations and national banks which will encourage these institutions to continue to make real estate related loans.

Mr. Chairman, I want to commend the Housing Subcommittee of the House Banking and Currency Committee for working so hard and long on the housing legislation we have before us. The chairman of the subcommittee, the Honorable WILLIAM A. BARRETT; the ranking minority member, the Honorable WILLIAM B. WIDNALL; Mr. ASHLEY, and Mr. BROWN of Michigan, and all of the members of the subcommittee deserve the applause of the House. Certainly no one would argue that this is a perfect bill, but, as we know, there is no such thing as perfection in the legislative process.

Mr. Chairman, members of the Housing Subcommittee of our House Banking and Currency Committee, will be discussing the bill in detail during general debate. I would hope that all members will listen to the debate and that during the amendatory process we may move as expeditiously as possible.

Mr. Chairman, I reserve the balance of my time.

Mr. Chairman, I yield now to the gentleman from Pennsylvania (Mr. BARRETT) such time as he may consume.

Mr. BARRETT. Mr. Chairman, I would like to compliment the chairman of the full committee (Mr. PATMAN) for his cooperation in expediting the proceedings on this bill in full committee. I would also like to commend my distinguished colleagues on the subcommittee, especially Mrs. SULLIVAN, Mr. REUSS, Mr. STEPHENS, and Mr. HANNA, for their attendance and attention to the matters that the subcommittee considered.

It is always a pleasure to work with the ranking minority members of the full committee and the Housing Subcommittee, the distinguished gentleman from New Jersey (Mr. WIDNALL) without whose splendid cooperation we would not have this bill before us today. I would also like to thank the distinguished gentleman from Ohio (Mr. STANTON) and the other members of the minority who proved most cooperative in reporting this bill.

Finally, Mr. Chairman, I would like to give special praise to my colleague from Ohio (Mr. ASHLEY) and my Republican colleague from Michigan (Mr. BROWN) without whose hard work, cooperation, and bipartisan support we would not be considering this bill today.

Mr. Chairman, there is no need to dwell on the urgent need of our cities and citizens for this bill. Since January 8, 1973, when the administration imposed a moratorium on HUD assistance programs hundreds of existing local renewal projects have been delayed, if not actually stopped; and our progress toward achievement of the national housing goal has suffered a severe setback. This bill is vitally needed if we are to get both housing and community development activities started again.

This bill promises to do just that. It is the successful result of a sincerely bipartisan effort to break the deadlock over HUD's housing and community development programs so that the Nation can resume its activities in these areas this year on a large scale and with broad political support. Its provisions are based on proposals advanced in three major bills: H.R. 10036, introduced by Mr. BARRETT and Mr. ASHLEY, which recommended programs of housing and community development block grants; H.R. 7277, introduced by Mr. WIDNALL, the administration's Better Communities Act; and H.R. 10688, also introduced by Mr. WIDNALL, which contained the administration's housing recommendations.

Mr. Chairman, I want to commend two members of the Housing Subcommittee for their outstanding efforts in developing this legislation: First, Mr. ASHLEY, who can rightly be called the architect of the bill; and second, Mr. BROWN, who worked long hours with Mr. ASHLEY and the administration in developing the accommodations that made this bill possible. In addition, I want to thank the distinguished ranking minority member of the subcommittee, Mr. WIDNALL, for his usual patience and cooperation and important contributions.

I cannot praise too highly the bipartisan spirit in which leading members of the committee went about the task of molding this bill. All subcommittee members deserve congratulations for the care with which they considered all aspects of this bill and for the restraint they exercised in withholding desirable but not absolutely essential amendments when the decision was made to move forward with a bob-tailed bill.

Mr. Chairman, I would now like to proceed with a description of the major features of the bill.

Title I of the bill authorizes a new program of community development block grants. Under this program, to be initiated during fiscal year 1975, HUD's categorical community development programs would be consolidated into a single block grant. The new program would authorize $8.05 billion in contract authority—subject to approval in appropriation acts—for its first 3 years, with limits on obligations of $2.45 billion in fiscal year 1975, $2.65 billion in fiscal year 1976, and $2.95 billion in fiscal year 1977. In addition, $100 million would be authorized annually for fiscal years 1975, 1976, and 1977, for assistance to communities with urgent community development needs which cannot be met through the entitlements received pursuant to the act.

Under the provisions of the title 80 percent of the funds available each year would be allocated for use in metropolitan areas, 20 percent for use in nonmetropolitan areas. In metropolitan areas, funds would be distributed first, to metropolitan cities and urban counties pursuant to a 3-part formula—based on population, housing overcrowding, and poverty counted twice; and second, to meet the "hold harmless" needs of metropolitan cities and urban counties—where those needs exceeded their formula entitlements—and other units of general local government which qualify for "hold harmless" treatment. Funds remaining in the metropolitan area allocation would be distributed among the metropolitan areas pursuant to the 3-part formula for use by States and units of local government in those areas.

In nonmetropolitan areas, funds would be used to meet the "hold harmless" needs of units of general local government which qualify for "hold harmless" "treatment", with the remaining funds to be allocated among the States pursuant to the 3-part formula for use by States and units of general local government in each State.

A HUD discretionary fund would also be established. Two percent of the funds available each year would be reserved by HUD for certain special community development needs, for incentive grants to communities carrying on areawide programs, and for carrying on innovative community development activities.

In general, block grant funds may be used to finance the full cost of carrying on all activities currently assisted under the following programs: the urban renewal program including NDP, code enforcement, and rehabilitation grants; the model cities program; the section 312 rehabilitation loan program; the open space—urban beautification—historic preservation program; the neighborhood facilities program; the advance acquisition of land program; and the water and sewer facilities program. Funds may also be used to finance the local share required under other Federal grant programs which are part of the community development program, to carry on special projects to remove architectural barriers which restrict the mobility and accessibility of the elderly and handicapped, and to carry on comprehensive planning and executive-management activities.

Applicants for block grants would be required to: First, identify community development and housing needs, including the submission of a housing assistance plan; second, describe planned activities to meet those needs; and third, provide assurances of compliance with civil rights and citizen participation requirements. Metropolitan cities and urban counties would also be required to submit 3-year programs designed to eliminate slum, blight, and deterioration where they exist, and to provide improved community facilities and services where necessary.

HUD would be required to approve applications of metropolitan cities and urban counties unless the Secretary found that the applicant's description of needs were clearly inconsistent with generally available data, or that its proposed activities were clearly inappropriate to meet those needs. HUD would also be required to conduct annual post-audits to determine whether the applicant had carried out its program in a satisfactory manner.

This new block grant program is expected to begin midway through fiscal year 1975—approximately January 1, 1975. To enable communities to continue existing urban renewal, NDP, and Model Cities programs through the first half of fiscal year 1975, such additional amounts, as may be necessary, would be authorized to be appropriated for the urban renewal and Model Cities programs. Amounts received by cities pursuant to these transition authorizations would be deducted from their first year entitlements under the new block grant program.

Title II of the bill authorizes a new program of housing assistance for lower income persons through the construction or substantial rehabilitation of housing or the leasing of existing housing. This new program, which would be carried on under a new section 23(h) of the Housing Act of 1937, would have the following major elements with respect to newly constructed or substantially rehabilitated units.

HUD would enter into contracts to make housing assistance payments with housing "owners" who construct or substantially rehabilitate housing to be occupied in whole or in part by lower-income families. Private profit and nonprofit entities and State and local public housing agencies would be eligible owners or developers of such housing.

The type of housing eligible for assistance could include congregate housing, and housing especially designed for elderly and handicapped families. Conventional or FHA-insured loans, loans from State housing finance agencies, and bonds issued by State or local public housing agencies could be used to finance the housing and HUD housing assistance contracts may be pledged to lenders to facilitate the provision of long-term financing.

The amount of assistance per unit would be the difference between the market rental established for the unit and from 20 to 25 percent of the tenant's gross income, as determined by HUD; market rentals would be established by HUD at levels determined to be reasonable for modest newly constructed rental or cooperative housing in the area, except that HUD would be permitted to set slightly higher market rentals when necessary because of special circumstances.

The term of an assistance contract may not exceed 20 years for privately owned housing or 40 years for publicly owned or financed housing; assistance payments may be made only: First, while a unit is occupied; second, for up to 60 days while vacant due to a breach by the tenant; or third, for up to 60 days while the owner is making a good faith effort to secure an eligible occupant.

The number of units assisted in a project could be 100 percent except that HUD is authorized to give preference to applicants requesting assistance for 20 percent or fewer units in projects. The assistance payments made by HUD with respect to these units may be increased as necessary to meet changes in reasonable and necessary operating expenses in projects.

Generally, those categories of families and individuals eligible for assistance under the public housing program whose incomes do not exceed 80 percent of the media income in the area—as determined by HUD for various sized families—would be eligible for assistance under this new program. At least 30 percent of families and individuals under the program must be of very low income—that is, having incomes less than 50 percent of median income in the area.

With respect to existing housing, units may be leased by local housing authorities under the same terms and conditions applicable to newly constructed or substantially rehabilitated units; and in communities without local housing authorities, HUD would lease units directly from housing owners.

Applications for housing assistance—under the new section 23(h) program or any comparable HUD program—in communities participating in the title I community development block grant program must be consistent with housing assistance plans submitted by them under the block grant program. These plans must: First, survey the condition of the community's housing stock and assess the housing needs of low- and moderate-income families living or expected to live in the community; second, specify the number and types of units to be assisted and the mix between new and existing units; third, formulate procedures to promote greater choice of housing opportunities and to avoid undue concentrations of assisted persons in areas containing a high proportion of low-income persons; and fourth, assure the availability of public facilities and services adequate to serve proposed housing projects.

In communities not participating in the community development block grant program, HUD may not approve an application for housing assistance unless it found that: First, the assistance to be provided is consistent with a housing assistance plan meeting the above requirements; or second, where no such plan exists, there is an urgent need for the housing, that housing opportunities would be expanded and undue concentrations of lower-income persons avoided, and that public facilities and services adequate to serve the proposed housing would be available.

HUD would allocate units available under the new section 23(h) program to States and units of general local government, taking into consideration assistance needed to fulfill local housing assistance plans and its own determination of housing need—which would be based on such objective measurements as population, poverty, housing overcrowding, housing vacancies, and substandard housing. Twenty percent of the units available would be allocated to rural areas.

This title also amends the low-rent public housing law to: First, authorize HUD to prescribe requirements as to sound management practices to be met by local public authorities; second, establish a minimum rent for occupants of public housing which would be equal to the greater of 10 percent of the gross income of the family or that portion of welfare assistance attributable to shelter—Brooke III, which prohibits the reduction of welfare assistance where public housing rentals are reduced, would be repealed, and rent increases resulting from the minimum rent provisions would be phased in to alleviate undue hardships; and third, increase by $1.225 billion the authority of HUD to enter into annual contributions contracts in fiscal years 1974 and 1975 to finance housing to be assisted under the new section 23 (h) program, conventionally built public housing pursuant to bona fide commitments, modernization of projects and adjustments to existing leases, and operating subsidies.

Finally, title II extends the sections 235 homeownership and 236 rental assistance programs for 1 additional year to June 30, 1975—with an increase in contract authority for the latter program—in order to meet bona fide program commitments established by HUD at the time of the suspension of the programs.

Title III of the bill contains provisions designed to increase the availability of and liberalize mortgage credit for housing and to abolish discrimination in mortgage lending on account of sex.

FHA's authority to insure mortgages and loans would be extended from October 1, 1974, to June 30, 1977, with the following important changes in existing law: First, maximum mortgage and loan amounts would be increased substantially, with single-family home mortgage limits increased from $33,000 to $45,000 and home improvement loan limits increased from $5,000 to $10,000; second, the downpayment required on FHA-financed homes would be reduced to 3 percent of the first $25,000 of the home's value, 10 percent of value between $25,000 and $35,000, and 20 percent of value in excess of $35,000; a $1,750 downpayment would be required on a $35,000 home, approximately half the downpayment required under existing law; and third, FHA would be permitted, on a demonstration basis until June 30, 1977, to insure mortgages on a coinsurance basis, under which lenders would bear at least 10 percent of any loss on mortgages in return for carrying out certain functions now performed by the FHA.

The Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation would be permitted to purchase conventional mortgages of up to $55,000—$35,000 under existing law.

Finally, the denial of any federally related mortgage loan, insurance guarantee, or other aid on account of sex would be prohibited, and lenders would be required to consider without prejudice the combined incomes of both husband and wife in extending mortgage credit on federally related loans.

Title IV of the bill extends from October 1, 1974, to June 30, 1977, the authority of the Secretary of Agriculture to administer various rural housing programs. Cumulative authorizations for section 504 repair loans and grants would be increased from $50 to $75 million; for farm labor housing grants from $50 to $75 million; for self-help housing programs from $5 to $10 million; and for annual research grants from $250,000 to $1 million. The maximum amount of repair loans and grants would be increased from $3,500 to $5,000.

Another important provision in the title would permit the Farmers' Home Administration rural housing programs to serve residents of communities of up to 15,000 population where the Secretaries of Agriculture and HUD jointly determine that there exists a serious lack of mortgage credit.

Under another provision, the Secretary of Agriculture would be authorized to establish a system of escrow accounts to enable rural borrowers to budget for the payment of taxes, insurance, and such other necessary expenses as the Secretary may deem appropriate.

Finally, new authority is provided the Secretary of Agriculture to make supplemental rental assistance payments on behalf of tenants in multifamily housing assisted under the FmHA section 514 and section 515 programs. This authority makes it possible to make housing available to rural low-income families at rentals which do not exceed 25 percent of their income.

Title V of the bill establishes a new HUD program to encourage the formation of State development corporations, makes various amendments to the law governing the "new communities" program, and authorizes additional funds for the section 701 comprehensive urban planning program.

HUD would be authorized to guarantee taxable bonds of State development agencies carrying out development activities which promote the sound growth and development of neighborhoods through the revitalization of slum and blighted areas—including the provision of housing and related facilities for families of low and moderate income. In addition to the guarantees, HUD is also authorized to make interest subsidy grants to cover 30 percent of the interest due on the taxable bonds. The amount of obligations guaranteed may not exceed $500 million.

With respect to new communities, the name of the Community Development Corporation—established by title VII of the 1970 HUD Act to administer the new communities program would be changed to the "New Community Development Corporation"; the size of the Board of Directors of the Corporation would be increased from five to seven members; and interest subsidy grants in connection with taxable bonds issued by public developers would be permitted to cover 30 percent of interest payable on the bonds—rather than the difference between the taxable and tax-exempt interest rate plus one-half of 1 percent, as under existing law.

Finally, an additional $130 million would be authorized for the section 701 program for fiscal year 1975.

Under title VI of the bill, the real estate lending authority of savings and loan associations and national banks would be liberalized. Savings and loan associations would be granted additional authority to make residential construction loans and the present $45,000 limitation of the amount of loan a Federal savings and loan association may make on a single-family dwelling would be increased to $55,000. Also, the home improvement loan limits applicable to savings and loan associations would be increased from $5,000 to $10,000.

With respect to national banks, section 24 of the Federal Reserve Act would be revised to authorize broader lending and investment powers for national banks relative to real estate.

Finally, this title would liberalize credit union lending authority and would provide for State insurance for credit unions.

Mr. THOMSON of Wisconsin. Mr. Chairman, I am concerned today that we not repeat past failures and enact housing legislation today which discriminates against residents of rural America. In nearly every major Federal program of social legislation the needs of rural communities and residents are systematically overlooked. In virtually every case, incentive subsidy programs shortchange rural needs and bestow a disproportionate share of our tax dollars on the cities.

I would like to remind the Members that while only about 30 percent of our Nation's population reside in rural areas, about 60 percent of the occupied substandard housing is outside our metropolitan areas—60 percent of the need for housing. Only 4 percent of metropolitan housing is substandard compared to 13 percent in nonmetropolitan areas and 15 percent in rural nonmetropolitan areas.

Compounding this vast need, is the stark fact that rural America cannot, by itself, provide the resources necessary to do the job. The median income of those living outside metropolitan areas is only 77 percent of metropolitan dwellers. Forty-four percent of our Nation's poverty families reside in rural communities.

What, then, has been the Federal response to this rural housing need? Has the Federal Government been part of the solution—or part of the problem?

The most recent HUD statistics I have seen, for a 30-month period ending in mid-1972, show that less than one-fourth of the 838,000 units covered by HUD assistance were in nonmetropolitan areas. Even if you add in the units assisted by the Farmers Home Administration, rural and small town America received, at most, only two-thirds of its legitimate entitlement.

The reasons are not hard to find. Our housing programs have regularly favored urban homeowners. For example, HUD has granted over $100 million to urban homeowners for rehabilitation of their properties. In rural communities, homeowners can get only loans from the Farmers Home Administration—and relatively expensive loans at that. HUD also has a rent subsidy program while the Farmers Home Administration has no such program.

The systematic neglect of rural housing has had its inevitable effect as evidenced in the statistics cited above showing the disproportionate housing need in rural communities. Lack of adequate housing has also contributed to the migration of millions of our citizens to our urban areas seeking the amenities of modern living. Unfortunately, they do not find it in the overcrowded cities and, in fact, contribute even more to the urban problems that this legislation purports to address.

In 1972, the Congress enacted the Rural Development Act and called for a national policy of balanced development. That law has been starved for financing, calling into question the sincerity of urban Members who piously supported its aims to reduce pressure on their cities. That pressure will not be removed by printing a new law. It must be followed through with action, with purpose, with money. It must be followed through by enacting other community development programs to harmonize with its objectives, ending the discrimination in favor of the cities which contributed to the pressure in the first place. It must be followed through by a housing bill which is fair to rural interests.

The legislation we consider today allots 80 percent of the total funding to metropolitan areas and only 20 percent to nonmetropolitan areas. Given the fact that 60 percent of the need is in the nonmetropolitan areas, I would like to ask the gentleman from Pennsylvania (Mr. BARRETT) how the committee can possibly justify this continued neglect and shortchanging of the legitimate needs of rural America?

Mr. WIDNALL. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, the House is considering today H.R. 15361, the Housing and Urban Development Act of 1974. This is urgently needed legislation which has received careful consideration from the Housing Subcommittee and full Banking and Currency Committee and a good bill resulted. The bill has 31 sponsors an unusual amount of support from the committee.

I do not believe a committee could work more diligently in striving for rational, practical, and responsive legislation which will have a tremendous impact on communities and people across the country.

I want to keep this short so as to allow time for others who may wish to be heard, but I would like to make one point. We should not look solely at the total dollar figure for this bill and say that it is too high. We must realize that the major portion of this legislation is a 3-year program authorization relating to community development which, admittedly, carries an $8.35 billion price tag.

The administration originally requested a $2.3 billion funding level for the first year of this consolidated program and is now seeking a $2.4 billion appropriation. On that basis, I think the current authorization level, which is $2.45 billion in the first year, is certainly reasonable and responsible.

I believe the allocation provisions are fair and that the needs of urban, suburban, and rural America are treated in equitable fashion. Both metropolitan cities and urban counties would qualify for direct formula shares of the funds based on objective factors. Other communities would be eligible for discretionary grants available for their particular State or metropolitan area.

We have also provided safeguards to prevent any drastic dropoff in community development funding for past recipients. Basically they will get their average level of past funding for the first 3 years under the program, and then be phased down to their formula level, if any. Those larger communities, which have not been heavy users of the community development programs but which have great needs as evidenced by the objective formula, would be phased in to their formula level over the first 3 years. As for model cities, the basic commitment to 5 years of funding is honored except that the money would go to the elected local officials rather than the semiautonomous model cities agency. It would then be up to the local government to determine how to spend the funds.

I would also like to point out the committee's work in developing a definition of "urban county" to permit these urbanized areas to be funded by formula. Establishing this dependable funding mechanism for urban counties allows for a coordinated community development effort rather than the patchwork quilt resulting from each small community going its own way.

With respect to housing, the Administration recommended a modified and expanded section 23 leased housing program. The committee approved a similar program and I feel that we have developed a flexible form of housing assistance to benefit a broad range of needy people, especially the elderly and handicapped. Since I originated the section 23 program in 1965, it is quite gratifying to see its merit acknowledged in this manner.

As I indicated, this bill contains many special considerations for the elderly and handicapped. For instance, title I requires that the housing plan specifically survey the needs of the elderly and handicapped; authorizes construction of senior centers; and for the first time, specifically authorizes use of community development funds for removal of architectural barriers and thereby encourages a barrier-free environment.

Title II provides for projects to be specially designed for the elderly and handicapped; and, where exclusively operated for such special groups, they will be coordinated with the appropriate State and local plans designed to assist them through other agencies. The developmentally disabled person is recognized within the definition of "handicapped" and unrelated individuals are allowed to qualify as a family where one is necessary for the care and personal support of another who is elderly or handicapped.

We have also provided that at least 20 percent of the contract authority would go to house the elderly. I am sure the level will actually be higher when the true needs are surveyed. There is still more to be done, but I believe these provisions illustrate that the committee realizes that the problems of the elderly and handicapped are of major importance and require a total Federal commitment.

Difficulties in today's mortgage market are addressed in title III where the FHA mortgage ceiling is raised from $33,000 to $45,000. Downpayment requirements were lowered and other changes related to the secondary market—FNMA and FHLMC—have been made to encourage an increased flow of capital into housing. Title IV contains a number of provisions designed to improve rural housing opportunities, which when coupled with a set aside of at least 20 percent of the housing assistance funds for nonmetropolitan areas, provides a substantial Federal boost to the efforts to adequately house rural America.

There are numerous other meritorious provisions in this legislation. I hope the Members will review it carefully and ask any questions they might concerning the bill.

In closing, Mr. Chairman, I would just like to pay my own personal compliments to the chairman of our subcommittee, the gentleman from Pennsylvania (Mr. BARRETT) to the gentleman from Ohio, (Mr. ASHLEY) and to those members on our side, the gentleman from Michigan (Mr. BROWN) and the other members on our committee, for the very fine efforts they made and their contributions toward producing the final result.

I urge the adoption of the bill. It will materially help toward improving the economy, especially in the housing field, which is foundering at the present time.

I urge passage of this bill.

Mr. PATMAN. Mr. Chairman, I yield 14 minutes to the gentleman from Ohio (Mr. ASHLEY).

Mr. ASHLEY. Mr. Chairman, I want to acknowledge with thanks the very generous comments of my subcommittee chairman, the gentleman from Pennsylvania (Mr. BARRETT) and I wish to join in his commendation of the members of the subcommittee in particular on both sides of the aisle who are responsible for the legislation which is before us at this time.

I would be remiss, Mr. Chairman, if I did not also say, as was alluded to by my very good friend from New Jersey (Mr. WIDNALL) that there has been a most unusual and successful effort among the members of the subcommittee to deal with each other in the formulation of this bill on a basis of trust and confidence and give and take.

However, more than that, there has been this same successful effort as between the subcommittee and the members of the administration, specifically representatives of the Department of Housing and Urban Development, which, of course, is headed by Secretary James Lynn.

Mr. Chairman, H.R. 15361 is a most important piece of legislation: Not only for the beneficiaries of community development and housing funds, but for the administration and the Congress as well.

First, let me comment on its importance to our communities and their people.

The desirability of consolidating HUD's physical development programs—urban renewal, water, and sewer facilities, open space, 312 rehabilitation loans, and so forth—into a broad and flexible block grant is by now widely accepted. Under the new program, communities will be able to use these block grant funds for a wide variety of physical development activities without regard to the various restrictions and limitations of the existing categorical programs.

I want to emphasize, however, that communities must use their funds to achieve generally accepted national objectives: Eliminating and preventing slum, blight, and deterioration, providing lower-income housing, and improving community facilities and services. In fact, metropolitan cities and urban counties must undertake programs to meet all of these important needs.

And most important, all communities, large and small alike, will receive assured sources of funding:

Metropolitan cities and urban counties on a formula entitlement basis;

Suburban communities in metropolitan areas from special discretionary funds available in each metropolitan area; and

Rural communities from discretionary funds available to them in each State.

These funding provisions are extremely important, and each of us should study them carefully.

During the past several years, when the urban renewal application backlog reached aproximately $3 billion, and renewal appropriations ranged from $1 to $1.4 billion, it was highly unlikely that any community would receive what it needed, on the one hand, and highly likely that many would receive nothing at all, on the other. In a more limited way, the same was true of other HUD programs, particularly the water and sewer facilities program and the 312 rehabilitation loan program. By and large, a few cities received a lion's share of available funds.

The bill would change this present funding system—one based on competition rather than need—drastically.

First, metropolitan cities—central cities and other cities of 50,000 or over in metropolitan areas—and a limited number of urban counties would receive assured annual formula grants, based on population and need. There are approximately 500 such metropolitan cities and, potentially, up to 85 urban counties.

Second, suburban communities would apply for discretionary grants out of an assured amount available to them each year in every metropolitan area.

And third, rural communities would apply for grants out of an assured amount available to them each year in every State.

Of course, not every community would receive a grant annually. That is patently impossible unless we multiply the program's $8.50 billion authorization level by a factor of 3 or 4 or even more. But every nonformula community will be assured access to a definite amount of HUD funds every year; and that amount will grow annually. By the sixth year of the program—when the bill's "hold harmless" provisions have been phased out—even at the third-year authorization level of $3 billion, suburban communities will have access to nearly $1 billion in discretionary funds and rural communities to nearly $600 million.

The phaseout of hold-harmless over a 6-year period is, of course, unpopular with some cities. I believe, however, that the bill's provision of 3 full years of hold harmless, followed by a phasing down by thirds during the fourth, fifth, and sixth program years, is an eminently reasonable one. Without this new system, many of these cities wil receve substantially less than the bill provides, or nothing at all.

Some have also questioned the bill's allocation of only 20 percent of the block grant funds to rural areas HUD data indicate, however, that in past years considerably less than 20 percent of HUD's categorical program funds have gone into these areas. And furthermore, these funds are in addition to funds available to rural communities under programs carried on by the Secretary of Agriculture.

All in all, I believe these distribution provisions—on which the Housing Subcommittee spent a great deal of time—treat all communities fairly, providing reasonable amounts to all, based primarily on a population and need basis. And, the hold-harmless provisions, coupled with the special $300 million transition fund, assure that no community need suffer drastic cutbacks in the interests of the new funding system.

While the new community development program is extremely important, the new housing program authorized by the bill is, in a sense, even more crucial. We have built very few new units for lower-income families during the past year and a half. Coupled with the concurrent slowdown in conventionally constructed housing, hundreds of thousands of lower- and middle-income families have been unable to improve their housing conditions. If anything, the deadlock over the future of Federally assisted housing has been even more disastrous than the delay in enacting a new community development program.

The new section 23(H) program builds on our experience with past subsidy programs—particularly the rent supplement and public housing programs—in order to provide a single new and very flexible tool for housing assistance. Under this one program:

New, substantially rehabilitated, and existing rental or cooperative housing would be assisted;

Private and public developers—such as State and local housing authorities—could sponsor, develop, and own housing;

Any form of financing—conventional, FHA mortgage insurance, or public financing—would be available to sponsors;

A broad range of income groups—up to 80 percent of median income in the particular area—would be eligible for assistance;

Subsidy would be based on need, with each eligible tenant required to pay between 20 and 25 percent of his income toward the fair market rental for the unit occupied; and

Assistance would be available for legitimate and necessary operating expenses in order to keep housing projects on a sound financial basis.

Most important, the bill would provide local elected officials a major decision-making role in the operation of the program in their communities, a reform that is long overdue. Local officials would exercise these new powers through decisions incorporated in their housing assistance plans.

These plans must: First, provide accurate surveys of the community's housing needs; second, specify the numbers and types of units to be assisted, particularly the mix between new and existing units; third, specify the general locations for assisted housing construction; and, fourth, assure the availability of public facilities and services to support that housing.

Every application for housing assistance must be submitted to the local government for its certification as to the application's consistency with its local plan. This local plan would thus govern the type of housing to be assisted and its general location in all communities participating in the community development block grant program. In other communities, HUD would be required, in approving applications for housing, to find that there was an urgent need for the housing, and that it would be served by adequate supporting facilities.

We expect this flexible new program to be the principal vehicle for providing housing assistance. However, I want to stress that the bill does not repeal any of the existing housing subsidy programs—the sections 235, 236, rent supplement, and public housing programs. We expect these programs to be used by HUD if the new 23(h) program does not prove effective.

Frankly, I do not expect that to happen. Since the new program contains the best features of our past programs, I believe it will work well. If it does not, I will be the first to propose changes in the program.

At the outset of my remarks, I said that enactment of this bill was important not only to our cities and their people, and to our metro and rural areas, but to the administration and the Congress as well. Let me explain why.

Both the administration and the Congress bear heavy responsibility for the current deadlock over Federal aid for housing and community development.

It was the administration which in January 1973 unilaterally stopped HUD programs, regardless of its statements that the programs, despite abuses, had helped hundreds of cities and hundreds of thousands of low- and moderate-income families. But, it was the House of Representatives which, only a few months earlier, in October of 1972 had refused even to consider a bill to continue the programs and to correct some of the abuses that had been detected. And, it was the same House which in the summer of 1973 failed to order the administration to carry out the programs until new ones were ready to take their place.

Thus, neither the administration nor the Congress lived up to its responsibilities to the American people. We know better than anyone that the spectacle of inaction for nearly a year and a half in this area can hardly have helped the image of Government in the eyes of our citizens.

This bill must be passed in this session of the Congress. All of us—cities, lower income people, the administration, and the Congress—stand to benefit from its enactment.

Mr. MINISH. Mr. Chairman, I rise in support of the bill H.R. 15361, the Housing and Urban Development Act of 1974. This bill was approved by the Committee on Banking and Currency on June 13 by an overwhelming vote of 26 to 3 after some 4 months of Housing Subcommittee and full committee markup.

This bill provides for a new program of community development block grants to replace 7 HUD categorical grant programs to begin on January 1, 1975. The bill would also authorize a new housing assistance program for low-income families and would make a number of changes in our existing public housing program. H.R. 15361 would extend the various insuring authorities of the Federal Housing Administration and would increase the FHA loan and mortgage amounts, as well as liberalizing the downpayment requirements. Finally, the bill makes a number of important changes to improve the operations of the Farmers Home Administration's rural housing programs, would encourage the formation of State housing development corporations, and would liberalize the real estate lending powers of Federal savings and loan associations and national banks.

Mr. Chairman, I would like to direct my remarks to two amendments offered by me during the committee's consideration of this bill.

The first amendment which was adopted overwhelmingly by the Committee would assure that a minimum 20 percent of the amounts of public housing contract authority entered into with the new authorization contained in this bill would be available solely for low-income housing and for the elderly. Since we do not have a separate elderly housing program as such and since this new assisted housing program will be the sole Federal subsidized housing program, I believe it is important that the Congress commit a certain amount of these funds so that elderly housing will be continued to be built.

My second amendment which was also overwhelmingly approved would retain the 10 percent of an elderly family's gross income to be deducted when calculating family incomes for eligibility and rent purposes. In an attempt to improve the operation of the public housing program, the Committee revised the method of calculating a person's income for purposes of rent and eligibility. In many public housing projects around the country there were families who were paying no rent since so many deductions were permitted that their income for eligibility purposes was zero, thereby permitting them to pay no rent. In an attempt to stop this practice, the Housing Subcommittee decided to end the practice of calculating rent income after these money deductions. Unfortunately, the elderly lost their 10 percent deduction in the process. Since the elderly families living in public housing were not among those who were benefiting from these money deductions, I felt that they should continue to be able to have this 10 percent deduction from their gross income for purposes of eligibility and payment of rent. I believe the Full Committee agreed with this justification, and I am pleased that this provision is contained in this housing and urban development bill before us today.

Mr. Chairman, I urge the prompt adoption of H.R. 15361.

The CHAIRMAN. The Chair recognizes the gentleman from New Jersey (Mr. WIDNALL).

Mr. WIDNALL. Mr. Chairman, I yield 3 minutes to the gentleman from Kansas (Mr. WINN).

Mr. WINN. Mr. Chairman, as a graduate of the homebuilding profession, I want to congratulate the Committee on Banking and Currency and the Housing Subcommittee on a fine piece of housing legislation. Mr. Chairman, we are all aware of the depressed state of the housing industry, and those who have tried to buy a house recently are more aware of it than those who have not.

There is doubtless general agreement that this degree of paralysis is an unavoidable byproduct of the battle against inflation, which has much to do with tight money and high interest rates.

That cause aside, private housing operations have been slowed considerably by rules and practices subject to more expeditious cure.

I have in mind several matters corrected by provisions of the legislation before us, H.R. 15361, the Housing and Urban Development Act of 1974.

For example, the $33,000 maximum FHA loan figure has been quite obviously unrealistic for some time. This legislation will increase the maximum to $45,000. Additionally, the limit for home improvements will be doubled, from $5,000 to $10,000.

In a further move toward the unfortunate reality of today's costs, the maximum mortgage loan that a savings and loan association may offer for a single family house will be raised from $45,000 to $55,000.

The act will increase the amount of money available for home construction and purchase by being less restrictive on national banks.

At present, a federally chartered national bank may not put more than 70 percent of its savings deposits into real estate loans. That rule is repealed by this legislation.

It is needless for me to point out, Mr. Chairman, that H.R. 15361 is addressed primarily to the vital areas of housing for the lower and middle incomes, and to the broad area of community development.

I do not feel, however, that the importance of the act's provisions to the private housing market should not be overlooked any more than the importance of the private housing market to the national well-being should be underestimated.

I enthusiastically support the enactment of the bill.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I was one of the few in the committee who voted against this housing bill. I fully recognize the need, the urgent, pressing need for housing in this country. If anyone in this House knows about this need, I do, because in my district I have many people who are suffering because of a lack of decent housing.

I voted "No" because of three primary considerations. The first is that the subcommittee, the full Banking and Currency Committee, and perhaps this House will consider this bill under the threat of a Presidential veto. If this House is to be considered as a coequal in Government, we just should not legislate in that fashion. It does not matter whether we have a Republican President in or a Democratic President in office, legislation should not be done in this fashion. We should not yield and create legislation under the threat of a Presidential veto. That was one of my considerations.

A second consideration for voting "No" on the bill is the fact that there are some real injustices in this bill. By way of illustration, if we read the bill carefully, we will see that the urban poor are treated in a different fashion insofar as minimum rents are concerned than are the rural poor. If one is poor, he is poor. If one needs help, he needs help. It does not matter whether he is urban poor or rural poor. I think that is an injustice and I do not think the House should act favorably on a bill that contains that kind of injustice.

Let me speak about another very blatant injustice in the bill which is under the new section 23(h), the assisted housing program. Persons who are living in that kind of assisted housing program would not be entitled to certain benefits that presently accrue to the poor who are living in public housing. All this means, if I can describe it in a little more detail, is that if a poor family is living in conventional public housing and presently receiving certain benefits and exemptions, that family if it should move out of public housing into the lease assistance housing, that same family, whose economic circumstances would not have changed, would lose all its benefits and exemptions.

That is a gross injustice, it seems to me.

Another reason for my voting no on the bill, is the fact that 80 urban centers in this country will be penalized for exercising good judgment. They will be penalized for trying to provide housing under the existing housing law. We will hear a lot of talk about a hold-harmless provision, but that hold-harmless provision is going to end after the end of 3 years, and 80 urban centers in America are going to suffer.

One of my colleagues put it very, very well. He said, "I interpret this bill to mean that the urban centers will be punished for trying to do a good job under the old housing laws."

Let me deal with another consideration which entered into my "no" vote. You and I know the story of housing in our districts. We can walk through our urban districts and see where there is homeownership. We can note even in the very depths of a ghetto, that the family-owned properties are kept up. We can notice it on one side of a block, where homeownership is evidenced by the good looking appearance of the housing on that side, and then we look at the other side where we have rental kind of program, and we see the evidence of nonhomeownership—the deteriorated housing.

This bill totally abandons the concept of fostering homeownership for the poor. Believe me, my colleagues, maximum homeownership for citizens is the ultimate solution to many of our housing problems in this country.

One of the major difficulties with this bill is that all of us who have had some concerns about it have had to undergo a kind of semantic game as to any explanation of the bill. We will ask, as I did in the subcommittee and in the full committee, "What does this precise language mean?"

The person who is a proponent of the bill would respond by saying, "Oh, no, you can do very well what you want to do under this section of the bill or under this language of the bill." Then that same person will turn around—and I have overheard their conversations—and tell someone else, "No, that action is prohibited under that language." We cannot pass legislation that is open to that kind of loose interpretation.

Mr. Chairman, my colleagues, I have not been here very long, but I know the rules of the game in this House. I know full well that it is awfully difficult to get a bad bill amended into a good bill on the floor. I recognize what we are going to confront when we get into the amendment process. However, I can only hope that when we get into the amendment process, a sufficient number of good amendments will be passed so that I can change my vote from the way I voted in committee to an "aye" on the floor.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I rise in support of H.R. 15361, the Housing and Urban Development Act of 1974.

This bill is, I think, a good bill and is a product of the legislative process at its best. This bill, in my opinion, represents a compromise between various competing forces and in the final analysis is in the public interest.

Probably, like a number of other Members, I am a bit troubled by the fact that the bill has a price tag of $10 billion of which almost $8½ billion is earmarked for community development. It should be understood, however, that the $10 billion is a total figure and it would cover a multiyear period.

We have inflationary problems and it is necessary to keep spending within reasonable bounds. We must nevertheless address ourselves to the problems of community development and to the problems of assisting in housing those people who quite simply are unable to provide for their own housing without some kind of financial help from the Federal Government. I think the budget increases are modest enough that they can be defended.

Title I authorizes a new program of community development block grants to replace 7 HUD categorical grant programs. The $8.35 billion 3-year authorization averages out at about $2.8 billion per year compared with about $2 billion a year over the last few years for the various programs being replaced. I want to emphasize that if there are any cuts in the $8.35 billion earmarked for community development over a 3-year period any such reduction will only serve to reduce the discretionary allocation of funds that will otherwise be available for smaller communities.

Perhaps stated another way, the community development title of this bill in terms of both its coverage and its authorizations is, in the final analysis, a delicate balance that has been carefully struck by the committee. The committee's work should not be undone.

Now, what I have said does not mean that the community development title cannot be improved. For example, I and some of my committee colleagues object to requiring that a smaller community—those under 25,000—in seeking assistance for a single project activity like a vitally needed water and sewer grant must meet a whole litany of conditions precedent. I am very strongly inclined to the view that the HUD Secretary should be authorized to develop a reduced application process that would in such instances eliminate unnecessary redtape and the expense in filing a full blown application.

Title II of the bill would authorize a new housing assistance program for lower income families and amends in various ways some of the existing housing programs. I think the proposals which have been hammered out in the committee and in the Housing Subcommittee with aid and discussion from senior officials within the Department of Housing and Urban Development deserve a chance and may offer a realistic solution to help meeting the housing needs of the lower income families. We know that we simply cannot go on as we have been doing with the tremendously escalating costs of the existing programs. The new section 23 leased housing program offers a feasible approach to this problem.

I am particularly encouraged by the special considerations that are shown in Title II for the elderly and handicapped, and I would add that the same considerations are also reflected in the community development title.

Title III of the bill relates to mortgage credit and contains a number of vitally needed and tremendously important amendments. Unfortunately, because of the escalating costs of housing, the statutory dollar limitations now in the law and applicable to the FHA unsubsidized housing programs have rendered these programs all but inoperative. The increased limitations for the two secondary market corporations, FNMA and FHLMC, are also important and reflect again realistically the needs of the private mortgage market.

Title IV of the bill relating generally to the programs of the Farmers Home Administration makes a number of important changes which hopefully will substantially improve the operations of these programs.

Finally, Mr. Chairman, I want to say a couple of words about title VI of the bill which would amend various provisions relating to Federal savings and loan associations, national banks and federal credit unions. Without getting into specific details, it is important that we in the Congress to the fullest extent possible do what we can to facilitate housing production and financing but at the same time keep in mind the problems of inflation.

Some may and probably will differ with me, but it is my view, Mr. Chairman, that in toto H.R. 15361 is a good bill and I was pleased to cosponsor it and I am pleased to support it. I would hope that the House will concur and that it will pass the bill.

Mr. J. WILLIAM STANTON. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. J. WILLIAM STANTON. Mr. Chairman, I appreciate the gentleman yielding to me. I wish to join him in his remarks. I had the privilege of serving on the subcommittee, and through the subcommittee to the full Committee on Banking and Currency.

At this time, Mr. Chairman, I wish to congratulate all those who have been involved.

Mr. Chairman, I heard the remarks of our good colleague; the gentleman from Maryland, a minute ago with deep regret because a few weeks ago there was a doubt that we would have a bill.

The majority certainly has worked its will. We are very conscious of the amount of money in this bill, $10 billion. To me, it is a foundation that certainly can be built upon in this country, to tackle the major problems that we do have in the field of community development and housing.

Therefore, Mr. Chairman, it is with a certain element of pride that I back this bill. I would say to those who do not, what is the alternative, so that we can consider the alternative? Where would we be without this legislation that many of us worked hard to bring here to this House today?

Mr. Chairman, I certainly hope that the overwhelming majority of our colleagues will join with us in passing this legislation.

Mr. WYLIE. Mr. Chairman, I appreciate the comments of the gentleman from Ohio. I want to compliment him for his very significant contribution to the work of the Subcommittee on Housing and likewise to the full committee.

Also, I do want to take this opportunity to commend the distinguished chairman of the full committee the gentleman from Texas (Mr. Patman), the chairman of the Subcommittee on Housing (Mr. Barrett), my friend, the gentleman from Ohio (Mr. Ashley), the gentleman from New Jersey (Mr. Widnall), the gentleman from Michigan (Mr. Brown), and others, who have done tremendous work in bringing this bill to the House floor today.

Many members of the subcommittee have mentioned the particularly outstanding and tireless efforts made by Secretary James Lynn and his Under Secretary, Mr. James Mitchell, in resolving problems associated with putting together a housing bill. We are fortunate to have these able gentlemen in their vital public service positions.

Mr. PATMAN. Mr. Chairman, I yield such time as he may consume to the gentleman from Florida (Mr. Sikes).

Mr. SIKES. Mr. Chairman, I am glad to associate myself with the remarks of those who have spoken in support of this legislation. I think it is a very good bill. I know that it has been carefully drafted after much work on the part of the committee.

The distinguished chairman of the full committee, the distinguished chairman of the subcommittee, and their counterparts on the minority certainly are to be commended for the leadership they have shown in the development of this bill.

Mr. Chairman, this bill will serve an important need. We must have new and effective legislation in the field of housing. The industry is hard pressed by tight money, high-interest rates, and scarcities. New legislation can be helpful. I feel that this bill provides a definite forward step, and I support it.

Mr. PATMAN. Mr. Chairman, I yield 8 minutes to the gentleman from Pennsylvania (Mr. Moorhead).

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I rise in support of H.R. 15361, the Housing and Community Development Act of 1974.

This is a bill on which I have worked, as a member of the Housing Subcommittee and the Banking and Currency Committee, for the past 6 months. It is a bill which authorizes an innovative community development block grant program that grew out of recommendations of a housing panel convened 3 years ago, when our subcommittee decided to totally revamp the manner in which we forged housing and community development legislation.

H.R. 15361 also calls for the expansion of the section 23 leased housing program and almost total reliance on section 23 as the primary Federal subsidized housing vehicle.

The bill envisions the construction or rehabilitation of approximately 400,000 units of leased housing in fiscal year 1975. We drafted this new program as a complement to the new community development block grants, so that for the first time in history, governments receiving community development funds will know in advance just how much housing assistance they can count on.

By allocating available Federal housing and community development funds on the basis of need, as identified through census data, we have discarded the somewhat questionable practice of grantsmanship and introduced an element of mathematical equity which never before has existed in the dispensing of funds under HUD categorical programs.

TITLE I IS GOOD FOR BIG CITIES

The bill, and particularly title I, is supported by the League of Cities Conference of Mayors because the bill will not so much mean money for metropolitan cities but a certainty of money to the cities.

My local officials have told me that they would rather know that they were assured of $9 rather than have a hope of $10 because the assurance allows them to plan ahead.

Furthermore they can have their cake and eat it, too.

The committee has carefully considered the legitimate community development funding problems of large cities.

In those cases when a city's community development formula grant is less than its hold harmless amount, the committee has provided for a sustained weaning process so that a city will receive the lesser figure only at the end of 6 years.

In the meantime, under the hold harmless device, a metropolitan city is guaranteed for the first 3 years of the program, an amount equal the average amount of money it has been getting from HUD for fiscal years 1968 through 1972.

After those 3 years are up, a metropolitan city is then phased into its formula share by thirds until year six of the program when it finally receives the amount it is entitled to under the formula.

In addition, metropolitan cities can apply to the Secretary, in each of the first 3 years of the program, for a special $100 million pot reserved for cities whose ongoing community development programs demand more than their hold harmless share.

Furthermore, if a city still needs additional funds, it may apply to the Secretary for the discretionary money remaining in its SMSA after all other community development demands have been met.

Thus large cities are given three cracks at the annual appropriations.

TITLE I IS GOOD FOR SMALL CITIES AND OTHER SMAS COMMUNITIES

In establishing the block grant the committee was cognizant of the fact that metropolitan cities hold no exclusivity on the problems of blight, overcrowding and poor community facilities.

For this reason the committee has authorized more money for small cities and other governments within SMSA's than has ever been available in the past.

The triple crack at community development block grants is also extended to cities whose population is no more than 50,000 people.

In those cities with a population below 50,000 and other nonmetropolitan governments within SMSA, will be given 2 basic sources of funding, the hold-harmless section and the remaining SMSA balances which will be distributed on a discretionary basis.

In fiscal year 1975, hold harmless for small cities and other governments will be approximately $220 million, with an additional $125 million in the discretionary pot for a total of $345 million. In fiscal year 1976, this total grows to $540 million, $185 million in hold harmless and $355 million in discretionary funds. And in fiscal year 1977 the total funding available for nonmetropolitan cities in SMSA's is $600 million, with $180 million in hold harmless and a whopping $420 million in discretionary funds.

TITLE I IS GOOD FOR RURAL AREAS

And for the first time in history, the committee has earmarked 20 percent of all funds appropriated under this act for rural areas.

What this means is that in fiscal years 1975 through 1977, nonmetropolitan rural areas are guaranteed $490 million, $530 million, and $590 million in each of those three fiscal years, respectively, based on the authorization set by the committee.

TITLE I IS GOOD FOR ALL AMERICANS

I submit to those who say the community development funding is deficient that more money to serve more of the people of this Nation, in large cities, smaller towns and cities, and rural areas, is available in this bill than has ever been authorized in the past.

THE TITLE II HOUSING PROGRAM IS BENEFICIAL TO ALL AMERICANS

Mr. Chairman, I am less than totally and wildly enthusiastic about title II.

Like Samuel Gompers—"I want more." But like Samuel Gompers I recognize that there are practical, pragmatic limits to how much more you can get in any one labor negotiation or any one piece of legislation in any 1 year.

There are those who have attacked the committee's decisions to authorize $1.225 billion to maintain existing public housing and to build or rehabilitate 400,000 units of section 23 leased housing as inadequate.

While there is some truth to the claim that this decision by the committee is partly in reaction to a threatened veto, a solid argument can be made that the number of units authorized compares very favorably with the 433,000 subsidized units built in 1971, the greatest production year under the federally subsidized housing programs.

Section 23 leased housing, as designed by the committee, is flexible enough to serve both those with very low incomes as well as those with moderate incomes.

In fact the bill stipulates that at least 30 percent of all subsidized units must be allocated to the very poor—those whose income is below 50 percent of the median income for the area.

We have established even more flexible guidelines for the development of section 23 units for the elderly.

By wedding the receipt of housing assistance to the community's needs and willingness to build housing, as reflected in their community development applications, the committee has constructed an inseparable link between housing and community development.

This linkage has never existed before and is a factor in the failure of certain housing projects which relied on the Federal Government for assistance.

If there is one thing our committee has learned in the years it has drafted housing legislation it is that we cannot have effective housing programs without local government providing adequate facilities and services and a healthy community environment for housing.

My father once told me of a certain kind of beatitude which he described as the calm confidence of a Presbyterian holding four aces.

You have got that in this bill.

No. 1 Ace—A good community development program for big cities.

No. 2 Ace—A good development program for small cities and other SMSA communities.

No. 3 Ace—An excellent community development program for rural areas.

No. 4 Ace—A good housing program for all Americans.

I urge prompt passage of the bill.

I would like to ask the gentleman from Pennsylvania, the distinguished chairman of the Housing Subcommittee, if I am correct in assuming that nothing in H.R. 15361 will alter the will of Congress, as reflected in Public Law 89-665, to protect our historic resources of National, State, and local significance?

Mr. BARRETT. The gentleman is entirely correct. Let me assure him that H.R. 15361, specifically in section 104, provides that applicants for community development block grants, when carrying out their activities, must take into account appropriate environmental factors which clearly includes historic resources. Further, the applicant, in assuming the responsibilities of the Secretary under the National Environmental Policy Act, also assumes full responsibility for complying with applicable laws which includes the National Historic Preservation Act, and that the Secretary shall not approve any application that does not meet these requirements. Finally, not only does H.R. 15361 continue the protective provisions of the 1966 act, but it also provides in section 105 that preservation or restoration of historic sites is an eligible project.

Mr. MOORHEAD of Pennsylvania. I ask the gentleman another question. Title I of the bill providing funds for community development includes among the eligible activities to be assisted are those for neighboring facilities. Among the neighborhood facilities, is it not the intent of the committee that this would include recreation and cultural facilities?

Mr. BARRETT. I most heartily agree with the gentleman. As set forth in the purposes of title I, is to further the achievement of a decent home and suitable living environment for every American family. In furtherance of that purpose, neighborhood facilities most definitely may contain recreational and cultural facilities.

Mr. KARTH. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from Minnesota.

Mr. KARTH. Mr. Chairman, I congratulate the gentleman on his statement, but let me ask the gentleman a very simple question.

The gentleman's first reason for supporting this bill, as I understood him to indicate, was that it is better to be assured of $9 million, for example, than to be promised $10 million and probably not get it.

However, my city, for example, St. Paul, Minn., which has had an enviable record, I am proud to say, in this housing program, will be cut from $16 million to $2 million. Now, it is true that they may be guaranteed the $2 million, but I would like to suggest to the gentleman that there really is not much housing one can provide with $2 million, whether we get it or not.

Mr. Chairman, this is the question I would like to raise: In areas where enviable jobs have been done indeed and where the record is one that might be termed immaculate, if that is the proper description, why should they suffer as a result of having done a good job?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I will say to the gentleman that my own city of Pittsburgh will have a declining share, because we have had the benefit of the "Pittsburgh Renaissance."

This does not please me at all, I can assure the gentleman. However, if we are going to have a formula based on the needs of the city rather than past performance, then the gentleman's city and my city may suffer.

Let me assure the gentleman of one other thing, and that is this: In addition to the hold-harmless, which will keep the gentleman's city and my city at the same level for 3 years, there is also a discretionary fund of $100 million per year for the next 3 years to tide the cities such as the gentleman's city and my city over any particularly distressing situations. And then I will say that in an SMSA, such as the gentleman's or mine, where other communities do not apply or do not qualify for aid, that money is available for the gentleman's city and to mine.

So our cities have three funds from which they can draw money. What the formula gives them is the minimum amount a floor, not a ceiling.

Mr. KARTH. Mr. Chairman, would the gentleman be kind enough to yield just for one observation?

Mr. MOORHEAD of Pennsylvania. Yes, surely.

Mr. KARTH. Mr. Chairman, I am delighted to hear the further explanation which has been made by the gentleman from Pennsylvania. It assures me to some degree at least that greater equity is going to be given than I originally understood was contained in this bill.

I would also like to suggest to the gentleman that—and I hope the gentleman is a conferee—when the conferees get to the point of conferring with the other body, they might find it acceptable to agree with some of the increases that the other body, as I understand it, has provided in its legislation.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I hope the gentleman will not insist upon that as a firm commitment.

Mr. RONCALIO of Wyoming. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. Mr. Chairman, I appreciate the observations made by the gentleman from Minnesota. I have the same concern that has just been expressed by the gentleman as it relates to the cities, for instance, of Cheyenne and Casper. These cities in my State will suffer losses in the same ratio as those suffered by Pittsburgh or St. Paul, Minn.

I would like to say to my good friend, the gentleman in the well, that I hope he will be a conferee, and I would suggest he give consideration to the Senate version of this bill, which will at least preserve in the law the participation of these cities and these smaller areas as they are embodied in present law. I am thinking of an amendment which may be offered by me and the gentleman from Vermont (Mr. MALLARY) which may save hold-harmless at least a few of these places like Wyoming, Alaska, and others.

Mr. MOORHEAD of Pennsylvania. And Pittsburgh.

Mr. RONCALIO of Wyoming. And including Pittsburgh, yes.

In any event, we do not even have one qualifying metropolitan area or one qualifying urban area, according to these definitions. An amendment as follows would cure this defect but I have no allusions regarding it's success:

On page 29, after line 19, add a new Subsection (L):

"(1) Notwithstanding any other provision in this section, the Secretary shall not deny applications and shall grant participation at a level at least equal to that of fiscal year 1974 to States which do not contain metropolitan cities or urban counties and to the political subdivisions thereof which meet the criteria for assistance under Section 105."

For these reasons, I will probably vote against this legislation because I believe it unreasonably punishes the remotely populated areas of America to provide the needed help for its poorly housed populations of the inner cities.

Under the definitions we are being cut out. I think it is grossly unfair, so we will be heard later on this afternoon on that.

Mr. MOORHEAD of Pennsylvania. I hope the gentleman listened to my explanation of the additional funds. What we are talking about in the formula is the minimum.

Mr. RONCALIO of Wyoming. Yes.

Mr. MOORHEAD of Pennsylvania. It is not a ceiling but a floor.

Mr. RONCALIO of Wyoming. Perhaps we can get some legislative history made in this debate today that will insure participation by the little communities.

I appreciate the gentleman yielding me this time very much.

Mr. SEIBERLING. Will the gentleman yield a little more of his time?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman.

Mr. SEIBERLING. The city of Akron, which I represent, for the last 12 years spent an average of $6.25 million a year on urban renewal, and yet under this bill they would be cut back from $10 million in year 1 to $4 million in year 6. Yet with the $6.25 million they have only covered 10 percent of the area in need of renewal in the city. I wonder how we can go back to our people and face them with this kind of a bill.

Mr. MOORHEAD of Pennsylvania. I will say to the gentleman the area I represent is in a similar situation. I reiterate that the formula shared in the 6th year is the floor and not the ceiling. The advantage is that the mayor and the city council and the county commissioners know absolutely—as long as they live up to the same general provisions in the bill—they will have this minimum to work with.

The CHAIRMAN. The time of the gentleman has expired.

Mr. PATMAN. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. SEIBERLING. May I ask the gentleman have we any assurances that the discretionary fund is going to be used on the basis of need rather than politics?

Mr. MOORHEAD of Pennsylvania. I would say that the Secretary of HUD comes from Ohio. I think he is a very fine gentleman. I think he is an able Secretary. I think he will decide on the basis of need.

Mr. WIDNALL. Mr. Chairman, I yield 3 minutes to the gentleman from Virginia (Mr. ROBERT W. DANIEL, Jr.).

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, I support the community development-block grant approach for assisting our cities in solving their urban redevelopment and housing problems. The legislation being considered today, H.R. 15361, has many good features which deserve everyone's support. However, there are some significant features contained in the other body's community development bill, S. 3066, which I would like to go on record as supporting in order that our conferees will be aware of these important concerns when they meet to resolve the differences in these two pieces of legislation.

First, H.R. 15361 does not deal adequately with the problem of providing housing which persons of moderate and low income can realistically afford. I am not satisfied with the legislation's reliance on a single new unproved leased housing program for providing housing for persons whose income range from minimum social security benefits to $10,000 or $11,000.

Second, I am particularly concerned for our elderly citizens living on very low-fixed incomes who badly need housing they cannot afford, which we know can be provided through more tested and proven means. I am not willing to experiment with these people who are suffering enough at this time. I specifically want to see public housing for the elderly continued and the section 202 direct loan program reinstated. These programs have been proven successfully. If the experimental leasing program lives up to the Department of Housing and Urban Development's expectations, the option of replacing these programs is readily available.

Third, this bill contains no allocation of funds to complete existing redevelopment projects as does S. 3066. I do not want to mislead local officials with regard to the availability of the authorization contained in this legislation or undertaking totally new programs in our cities. At the same time, I feel this legislation should more adequately protect those cities who took the initiative for renewal with programs previously available, which were much more difficult to obtain and utilize than this legislation contemplates.

I would like to reiterate my support of community development-block grant legislation, but I caution the members to be mindful of these very important areas of concern for our citizens.

Mr. WHITEHURST. Will the gentleman yield?

Mr. ROBERT W. DANIEL, JR. I yield to the gentleman.

Mr. WHITEHURST. I thank the gentleman for yielding.

Mr. Chairman, I want to express my reservations about the wisdom of certain aspects of H.R. 15361, particularly with respect to the "hold harmless" provision of title 1. Generally, I applaud the committee's initiative in devising a system of block grants for community development. This approach will mean fewer Federal restrictions and will allow greater flexibility in program development on the part of local officials. However, the title 1 allocation formula adopted by the committee will result in a sharp decrease in funding for more than 100 cities now actively involved in urban renewal and model cities programs.

In my district, the city of Norfolk, Va., received $33.4 million in Federal assistance for these community development programs in fiscal year 1972. Since that time, its funding level has been cut to $17.7 million. Under the allocation formula established by the committee bill, Norfolk will receive only $6.1 million in fiscal year 1980. Obviously, this dramatic decrease in Federal support will severely restrict Norfolk's efforts to maintain a healthy urban environment for its residents.

The committee's desire to include cities in the community development program which have received little or no Federal assistance in the past for community development activities is laudable. However, in so doing, the committee has unnecessarily penalized those cities which have traditionally been most active in the urban renewal and model cities programs. This deprives the cities which are most experienced and which have been most aggressive in implementing innovative community development programs from undertaking new initiatives. I would have preferred a much stronger "hold harmless" protection in title 1 so that the funds for Norfolk and many other cities would not be cut so drastically. The Senate bill contains a "hold harmless" provision which, in my judgment, is much more equitable. It is my hope that when the House-Senate Conference meets on this issue, it will adopt a "hold harmless" provision similar to the one passed by the Senate.

Another troubling aspect of the House bill is the doubt which has been raised over the future of conventional public housing for the elderly under the section 23 program. Although the bill itself does not appear to terminate this program, there is language in the legislative history which indicates the commttee's desire to phase it out. I believe that the tested and proven conventional public housing for the elderly should continue to be utilized under the section 23 housing program and I hope that the House-Senate Conference clarifies the intent of the section 23 program in this regard.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I rise in support of H.R. 15361, the Housing and Urban Development Act of 1974. This bill is the product of many months of difficult and dedicated work by the Banking and Currency Committee, and especially by the Subcommittee on Housing. The members of that subcommittee deserve a tremendous amount of the credit for the fact that there is a bill before us today for a vote. Their success at the hard task of mediating divergent views, and then translating them into meaningful legislation, deserves our recognition and our support.

Perhaps the bill's strongest point is the fact that it is a good compromise between administration and congressional views. The "hawks" and supporters of generous Federal housing and community development programs might argue that this bill does not go far enough and does not spend enough money to meet the needs. The "doves" and fiscal conservatives feel that our programs are inefficient and inflationary and that this bill is more than we can afford at a time when Congress should be curbing inflation through less spending.

Whenever one hears views such as those, it is usually a pretty good indication that a decent compromise has been struck. There are portions of this bill where I would have preferred to see larger authorizations of funds. Under the new block grant formula, there are some cities in my area which face funding reductions. These cities have been successful in the past competition for categorical grants, and a larger authorization might help them. But because they have a fair "hold harmless" provision, I am willing to accept this trade-off because it will free up and expand the amount of funds which smaller, uninitiated cities can begin to compete for. I think the committee did its best to balance past performance of active community development cities and the needs of smaller, but equally needy new cities.

The new community development block grant program is especially attractive because it is a great deal simpler than the old categorical programs, especially regarding applications for funds. Cities will still have to provide a basic blueprint for their plans, but the requirements are simplified and do not present the same hardships that the existing workable program requirements do.

The housing sections of the bill are possibly the most controversial. But they are also the heart of the bill's compromise. If our experience in dealing with housing programs since the freeze a year and a half ago proves anything, it is that we need to continue our review of housing needs. The problems are great, and a single bill cannot solve them all. Opinions on our housing programs and possible solutions differed greatly, and if the committee had attempted to revitalize all our housing programs in this bill, it would never have been able to agree on a bill. I think the bill offers a wise middle ground with the section 23(h) leased housing program. It gives us at least an interim program, without the risk of a hopeless deadlock with the administration.

The mortgage provisions of the bill are equally crucial and probably will contribute the most to greater housing production. Increasing the maximum FHA ceiling for insured loans to $45,000 is a must for my district. It is nearly impossible to find a home there anymore for less than the present ceiling of $33,000.

Finally, Mr. Chairman, I would like to indicate my support for the specific attempts in this bill to single out the problems and needs of the elderly and the handicapped. Along with several of my colleagues, including the distinguished ranking minority Member (Mr. WIDNALL) I signed supplemental views to the committee report which properly emphasized the efforts to provide additional recognition and support for elderly and handicapped programs. Included in the bill are requirements for elderly and handicapped needs to be addressed in community housing plans, the inclusion of senior centers as allowable projects under title I block grants, funds for removal of architectural barriers for elderly and handicapped, and other specific provisions aimed at distinguishing elderly and handicapped needs in housing programs. I think the bill makes good sense in this regard, and I hope that other Members will recognize the efforts of the Committee in providing for this group's interests.

In summary, Mr. Chairman, I would just add that this bill is the best compromise we could have produced. It may be too much for some and too little for others, but it is just about right for all of us. It has been nearly 4 years since the Congress passed a housing and urban development act. The changes made in this bill will make a difference, especially in community development programs. In housing, we can only resolve to keep working on better ways to help the poor and disadvantaged. But we must have some sort of interim program. This bill will do that. And I urge its passage.

Mr. FRASER. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I am delighted to yield to my distinguished colleague and friend, the gentleman from Minnesota (Mr. FRASER).

Mr. FRASER. Mr. Chairman, I thank the gentleman for yielding. I hope the gentleman will yield to me so that I might inquire of the gentleman from Ohio (Mr. ASHLEY) upon a matter concerning certain provisions in the bill now before us.

Mr. FRENZEL. I do so yield to the gentleman.

Mr. FRASER. The question that I

would like to pose to the gentleman from Ohio is this:

Section 107 of the bill authorizes the Secretary of HUD to make community development grants to States and units of local government which join in carrying out areawide housing and community development programs.

In the Minneapolis-St. Paul area we have a rather unique areawide governmental agency known as the Metropolitan Council. The Minnesota State legislature has authorized the Council to serve as housing and redevelopment authority for local communities in the seven-county metropolitan area that lack housing authorities of their own, and request that the Council undertake housing and urban development activities for them.

It is my understanding that the Metropolitan Council would be eligible to receive discretionary funding under section 107, as well as the housing assistance funds authorized under title II.

Would the gentleman from Ohio tell me if that is correct?

Mr. ASHLEY. Mr. Chairman, if the gentleman will yield, I would say yes, that we are, of course, familiar with the Metropolitan Council type situation, and the answer to the first question posed by the gentleman from Minnesota is in the affirmative, providing that the Metropolitan Council acts on behalf of the community in which the activity should be carried on.

Mr. FRASER. Mr. Chairman, I would like to ask the gentleman another question, if I may. The Metropolitan Council has pioneered in the development of an areawide housing plan which allocates subsidized housing units throughout the metropolitan region, in accord with the Council's comprehensive development guide.

In developing and implementing its housing plan, the Council has made effective use of the A-95 review process.

Could the gentleman tell me if the community development and housing assistance plans authorized in this bill will be subject to A-95 review? Will this review also continue to be required for newly constructed and substantially rehabilitated housing where Federal assistance is involved?

Mr. ASHLEY. Let me say to the gentleman that the A-95 review processes are specifically provided for and required in title I with respect to community development activities.

With regard to title II, assisted housing, there is no specific provision made. Under the A-95 circular the review and comment process review is necessary if the number of units to be constructed is 25 or over, so that would continue to apply with regard to title II.

Mr. FRASER. I thank the gentleman very much.

I thank the gentleman from Minnesota.

Mr. FRENZEL. I thank the gentleman from Minnesota and the gentleman from Ohio for their contribution.

I will say that it was my understanding in our hearings that under section 107 the Metropolitan Council would definitely be allowed to apply. If it is the designated agency of a local community applying for housing funds, it may apply for units under section 202 as well. We wanted the Council to be able to exercise the powers it is granted under Minnesota law, but we did not want to grant it new powers.

Would the gentleman from Ohio confirm that?

Mr. ASHLEY. Yes, indeed. There should not be any problem with semantics. What we are saying is that the community involved and the Metropolitan Council designate in reasonable form that this is their choice, that they want the application to be submitted by the Metropolitan Council. That would certainly be sufficient, as far as the Secretary is concerned.

Mr. FRENZEL I thank the gentleman for his help.

Mr. Chairman, I yield back the balance of my time.

Mr. PATMAN. Mr. Chairman, I yield 12 minutes to the gentleman from Louisiana (Mr. Long).

Mr. LONG of Louisiana. Mr. Chairman, I rise in support of the Housing and Urban Development Act of 1974. I believe it will literally and figuratively open new doors for rural America. I believe it will open doors that can lead us to decent and adequate housing for all in a land of plenty.

The legislation reported today by the Committee on Banking and Currency is a landmark in the effort to foster community development and to provide low- and moderate-income housing. I commend the chairman and the members of the committee for their untiring work over the past several months, particularly Mr. Patman, Mr. Barrett, Mr. Ashley, Mr. Hanley, and Mr. Stephens and members of the minority. The bill they have produced is a vastly improved urban and rural development program for the Nation, and I intend to support it fully.

Mr. Chairman, I have been disturbed over the impact of the administration's suspension of housing and community development programs during this past year. Undoubtedly, this callous and insensitive attitude has greatly exacerbated deteriorating conditions in our cities, our towns, and our countrysides.

The problems have not subsided.

In the sixties, our cities exploded with the problems that only poverty can bring, and they still smolder with the explosiveness of uncured ills.

Meanwhile, our countryside withers in quiet despair. Our rural citizens often cannot find a decent place to live. They too must find a way to raise a family amidst rats and roaches and disease. They too must cram half a dozen people into a single one or two room shack that only barely wards off the heat and cold and rain. And what is more, I submit that the problems of our urban poor and of our rural poor may be different in their causes, but the effects of that poverty are no different in the countryside than they are in the city.

Now, more than ever, we need new directions in providing for the orderly development of communities and to meet the Nation's housing needs. The legislation the committee brings to the floor makes it possible for us to consider the necessary initiatives for a rational and responsive approach to structuring Federal housing and community development programs.

Title I of the bill would authorize over $8 billion for community development. For the first time, a specific portion of HUD program funds are being allocated to rural areas. Eighty percent of this $8 billion would go to metropolitan areas and 20 percent would go to rural areas. After that division, the moneys would be allocated according to a formula that considers overcrowding, population, and poverty counted twice. I am somewhat concerned over the amounts of money to be allocated between the urban metropolitan areas and the rural areas. I believe that a strong case can be made that rural areas have a disproportionately high incidence of poverty and inadequate housing and a disproportionately low allocation of Federal funds to meet these needs.

Mr. BERGLAND. Mr. Chairman, will the gentleman yield?

Mr. LONG of Louisiana. I yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Chairman, I could not agree more with the comments of the gentleman from Louisiana. The fact is the nonmetro areas contain 31 percent of the population, 48 percent of all persons with incomes below the poverty level, 35 percent of overcrowded housing and 60 percent of the physically inadequate housing.

Everybody knows that no small part of the plight of the central cities results from the forced outmigration of rural people, and that much of that outmigration was a result of Federal neglect. It is generally argued that our Nation is going to have to accommodate an additional 50 million people by the year 2000 and our rural communities will be able to provide some relief for the central cities if Federal legislation does not discriminate against the people in small towns and rural areas.

With this in mind, that guarantee of 20 percent is a good start in giving our rural communities a better chance to remedy these problems and plan for the future. Is it correct that title II, authorizing a new housing assistance program for lower income families has a similar provision?

Mr. LONG of Louisiana. The gentleman from Minnesota as I understand it is absolutely correct. The bill does take a substantial step forward, but much more can and should be done in this regard, in my opinion.

Title II deals with assisted housing. The bill would allocate HUD housing assistance funds in much the same way as community development funds would be allocated—with one exception. That is, while community development funds are to be allocated on an 80-20 basis, the specific language of section 202(D)(1) of the bill states that:

> The amount of assistance allocated to nonmetropolitan areas pursuant to this section in any fiscal year shall not be less than 20 per centum of the total amount of such assistance.

Mr. BERGLAND. Mr. Chairman, will the gentleman yield again?

Mr. LONG of Louisiana. I yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Chairman, I notice that this language is different than title I. In title II the language "shall not be less than 20 percent" gives us greater flexibility than the language used in title I. You and I are fully aware that the need is greater than 20 percent. The flexibility of the language should enable the rural areas to obtain more than 20 percent if need be.

Mr. LONG of Louisiana. Mr. Chairman, once again, I agree with the gentleman from Minnesota. I might also add that the incidence of inadequate housing in rural areas is 3.5 times higher than the incidence of inadequate housing in metropolitan areas. And while this title takes an important step forward to remedy this problem, much more remains to be done.

I am particularly pleased that the bill includes title IV—a substantive program of rural housing assistance which would extend Farmers Home Administration programs to all cities under 15,000 in population; increase the maximum amount available for people rehabilitating their homes, and establish a rent supplement program in rural areas which would be particularly helpful to lower income residents and the elderly.

I might point out at this time that one important feature of this rural program is that by solving the plight of our rural poor we also may ease the plight of our urban poor. Part of urban America's problem, I believe, is that those who found little hope in the countrysides moved to the cities to improve their lot. In so doing, they simply transferred their problems from the countryside to our major cities. We cannot begin to put that urban chaos in order until we begin to meet the needs of the small towns and communities that dot rural America.

Mr. BERGLAND. Mr. Chairman, will the gentleman yield further?

Mr. LONG of Louisiana. I yield to the gentleman from Minnesota.

Mr. BERGLAND. Mr. Chairman, let me comment a little more on the provisions of title IV. Title IV authorizes important improvements over policies of the past. Some of its provisions are long overdue.

Several provisions contain measures to give FmHA the same or similar authority that has existed in HUD previously. Title IV makes the opportunities previously available through HUD to our urban areas available through the Farmers Home Administration to our rural areas.

First. It permits the FmHA to offer the same escrow services which are required in connection with loans insured by the Federal Housing Administration.

Second. Section 415 would authorize a rent supplement program for FmHA comparable to HUD's rent supplement program making rental housing available to low-income families at a rate not to exceed 25 percent of income. Supplemental assistance payments may be made up to 100 percent of the units in housing for the elderly and farm labor housing. The committee in its report concurs that enactment of this important authority is long overdue.

Third. The committee felt it essential that nonprofit sponsors operating in rural areas under FmHA programs be given the same consideration—once again—as HUD nonprofit sponsors. In many cases, nonprofits are the only available sponsors of low-income housing in rural areas. Section 406 should provide substantial assistance to nonprofit sponsors in rural areas by providing for financing of initial operating expenses of up to 2 percent of development costs on rental projects.

Fourth. In addition, under title IV technical assistance will now be available to nonprofit sponsors with respect to the construction, rehabilitation, and operation of low- and moderate-income rural housing.

With broader authority given to FmHA through title IV and with the added incentive given to nonprofit organizations to participate in housing for the rural poor, I would hope that the FmHA would take a fresh look at and a more realistic approach to its programs. The President and Budget Director must reconsider their priorities as reflected in their fiscal 1975 housing budget request and assign the highest priority to low income rural families. H.R. 15361—together with existing FmHA programs—provides valuable tools. But the cooperation of the administration is imperative.

In addition Farmers Home Administration must be assured adequate personnel. Title IV calls for more personnel and additional talents—particularly the provisions calling for technical assistance. The Farmers Home Administration's duties have expanded with the added responsibility of major provisions of the Rural Development Act. I am committed to seeing that FmHA does not fail in either implementation of title IV or the rural development provisions, because of a limited staff.

Mr. LONG of Louisiana. Mr. Chairman, I certainly agree with the remarks of the gentleman from Minnesota.

Inadequate housing really is a fundamental problem of rural America. One-third of our Nation's population—not 20 percent—lives in rural areas. Yet, half of the Nation's poverty, 35 percent of our Nation's overcrowding, and 60 percent of our Nation's substandard housing exists in rural areas. Per capita income is consistently lower, Federal resources are fewer, and there is less professional guidance to lead rural America to the few resources that are available. Hopefully, this legislation will begin to alleviate these problems. I think that there can be little doubt that Mr. BERGLAND and I are of the same accord. This legislation takes a great step forward for rural America, but many more steps remain to be taken, whether it be Louisiana or Minnesota.

In closing, Mr. Chairman, I believe that the committee has realized the value of putting solutions where the problems are rather than simply where the people are. Again, I would like to commend the committee on its fine work, and I heartily urge my colleagues to support this badly needed legislation.

Mr. BERGLAND. Mr. Chairman, I thank the gentleman from Louisiana for yielding to me.

Mr. WIDNALL. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Chairman, many of us in this body have viewed with suspicion the growth of those programs that would be consolidated under aegis of the community development block grant program. Title I, of the Housing and Urban Development Act of 1974. In particular the model cities and urban renewal programs have seemed to accomplish little more than "to throw Federal dollars" wastefully at tough domestic problems.

You may recall in fact that in 1971 the Banking and Currency Committee commissioned an evaluation of the model cities program which concluded the following:

> Too little Federal money was spread among too many cities and funds in almost every city were spread sparingly among too many programs. The effect has been a failure to reach massive impact in any functional program area.

By 1971, however, to finance what the commission saw fit to term a "failure" the Federal treasury had expended a total of $434 million in outlays, a total which at this date has reached more than $1.5 billion.

Despite widespread evidence that model cities and its other programs that would be consolidated by this bill have failed to live up to our expectations, there are those in Congress who wonder if the alternative approach advocated today would represent little more than wastefully "throwing Federal dollars" at local governments with the same likelihood of success. To the contrary it is my belief that on the basis of past performance of the consolidated programs, of the incentives established by the community development block grants and on the basis of our experience thus far with general revenue sharing there is solid ground on which to look forward optimistically.

We need not linger over the fact that the Department of Housing and Urban Development in January, 1973, stopped funding all Federal community development programs—model cities, urban renewal, sewer and water facility construction, open space and public facility construction. But it is significant that the administration took this highly controversial action in the belief that the categorical aid programs had failed to improve urban conditions, and did so armed with a wealth of supportive independent analysis.

Writing in the public interest this past winter, the chairman of the board of the Real Estate Research Corp., Anthony Downs, concluded that collectively the community development programs had been "moderately ineffective" in improving inner-city conditions or encouraging homeownership and had been "highly ineffective" in providing housing assistance to low and moderate income households.

These general conclusions merely summarized the body of specific evidence that had been accumulating for years that the categorical programs created their own inadequacies. In 1968 the National Commission on Urban Problems concluded that,

> The first great weakness in carrying out urban renewal has been the unconscionably amount of time consumed in the process.

Specifically, survey and planning took an average of 544 days, loan and grant approval took an average of 706 days and final loan and grant approval took an average of 377 days. The Commission found that the average time required to plan and approve projects, an astounding 4½ years, was then followed by a project execution period that often stretched for 10 years.

Further, the Commission scored Federal administration of urban renewal for failing to live up to the goal set by Congress in the 1949 Housing Act of providing "a decent home and a suitable living environment for every American family." The Commission reported,

> We must conclude that the principal reason for the failure of this program over its first 18 years to fulfill the clear intentions of the Housing Act of 1949 is that too many local and Federal officials in it and too many of their allies and supporters either did not understand its major purposes or did not take them seriously.

The Commission concluded that if blame were to be assessed it would fall closer to Washington than to localities, in part, for the Federal failure to have ever conducted a comprehensive evaluation of the program.

Had such an evaluation been undertaken a major conclusion would have been that the program was undermined by the fact that local chief executives had been by-passed and their authority weakened by the creation of special purpose, semiautonomous units charged with implementing the program. By funneling funds directly from the Federal Government to local, special purpose administrative units—instead of elected city officials—the process worked to exclude local elected government from decisionmaking.

It must be in the light of the generally disappointing performance of these programs to implement the laudable purposes set forth by Congress, that the likelihood of success or failure of the proposed consolidated block grant program must be assessed. Unless any of us attributes to himself the powers of a seer, conclusions in this regard must be stated tentatively. One major touchstone, however, may serve the purpose of guiding our deliberations—the success of general revenue sharing for the States.

I recall many Members of this body expressing the misgiving during debate of that program that to provide the States with funds for which they assumed no responsibility in raising would prove an irresistible temptation for the most profligate spending schemes. In fact for the most part the opposite has occurred. With the help of revenue sharing all but two States were able to close their 1973 fiscal years with a balanced budget or a surplus. Despite the Federal windfall the number of States which have taken the politically difficult step of broadening their revenue systems to include State income taxes continues to grow. Moreover, the percentage of State budgets allocated for health, education, and welfare services, now well over 60 percent of State budgets, continues to grow faster than any other category.

Far from justifying the fears of those who foresaw the likelihood of major abuses in the administration and allocation of general revenue sharing funds, the record has been overwhelmingly the opposite with the States performing far more admirably than most of us expected. I know of no reason to assume in advance that the performance of the localities will be any less praiseworthy than that of the States. It may be, in fact, that the approach of the consolidated grant program—an integral part of what has become known as the new federalism—may provide the vehicle for providing what we all desire: "a decent home and a suitable living environment for every American family."

Mr. Chairman, I wish to raise but one point of concern expressed to me by the officials of Rockford, Ill., the largest municipality in my district. It regards the "hold harmless" provision which is intended to phase in the community development program in a smooth transition period allowing localities a 6-year planning horizon without precipitous fall off in Federal support. The concern I express today is that the formula, as now written, may indeed result in such a drastic drop in Federal support as to disrupt the goals of the program.

In the case of Rockford, for example, the present bill would provide funding for fiscal 1975, 1976, and 1977 at the past average level of $2.6 million annually. Following that 3-year period and assuming renewal of appropriations at the same levels as the present bill, funding would taper off at levels of $2.4 million in 1978, $2.2 million in 1979, and $2 million in 1980. That is a drop of nearly 8 percent in 6 years which at first glance may not seem significant. But making the highly charitable assumption that inflation in those 6 years continues at the rate of the past 6 years the inflationary bite would be more than 23 percent. In other words, the city of Rockford and many more like it face the possibility of a 30-percent funding reduction—not the simple 8-percent absolute reduction—in the coming 6 years. I am aware, of course, that the tendency will be to provide for higher appropriations in the future. But I would urge the conferees on this legislation to take a hard look at ways to amend the present formula to give the cities a more certain planning horizan without the threat of such precipitous cuts in funding.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Rhode Island (Mr. St Germain).

Mr. ST GERMAIN. Mr. Chairman, members of the committee, I want to take this opportunity to commend the chairman, the gentleman from Pennsylvania (Mr. Barrett) and the ranking minority member, the gentleman from New Jersey (Mr. Widnall) for their work on this bill. I also wish to commend two other members of the subcommittee who worked diligently on this legislation, the gentleman from Ohio (Mr. Ashley) and the gentleman from Michigan (Mr. Brown).

Mr. Chairman, I rise in support of title VI of H.R. 15361. The purpose of title VI is to provide legislative authority to increase significantly urgently needed mortgage credit by the removal of artificial constraints on the lending authority of financial institutions permitting private enterprise the maximum opportunity to deal with the realities of today's home mortgage finance and rehabilitation market. In addition, title VI will permit greater economy and efficiency in credit union operations, benefiting credit union members directly. The credit union recommendations, while having no appreciable effect on the operations of other financial institutions, will equip credit union managers with the flexibility required to minimize the effect of disintermediation.

The Congress last enacted legislation dealing with the real estate lending authorities of mortgage lending institutions in 1970. Since that time, as we are all too painfully aware, interest rates have soared to all-time highs as a result of skyrocketing inflation. The disintermediation crisis which began last July, critically affecting mortgage lending institutions, must be addressed immediately. On January 30, I introduced H.R. 12421, the Consumer Home Mortgage Assistance Act of 1974, stating on that occasion the following:

> It is time we thought of the young couple just entering the housing market unable to afford a new starter home and unable to face soaring rental charges for either apartments or homes as demand continues to exceed supply at an alarming rate. Or how about the elderly couple retiring who, having looked forward to being relieved of the responsibility of maintaining a home, are unable to move to apartments with special health conveniences due to a lack of qualified purchasers?

The Subcommittee on Bank Supervision and Insurance, which I have the honor of serving as chairman, held hearings on H.R. 12421 on February 28 and March 5.

Witnesses appeared on behalf of the Federal Home Loan Bank Board, the Comptroller of the Currency, the National Credit Union Administration, and each of the trade associations affected by the provisions of H.R. 12421. A statement reiterating support for title II of the bill, real estate loans by national banks, was received from Dr. Arthur F. Burns, Chairman of the Board of Governors of the Federal Reserve System. The record of hearings was held open for almost a 3-month period enabling those desiring to submit statements to do so and enabling witnesses appearing before the subcommittee to respond to questions and supply information requested by the members during the course of such hearings. A number of constructive suggestions were made and accepted by the subcommittee, particularly relating to title III of the bill, improving the operations of Federal credit unions. As a consequence a clean bill, H.R. 14903, was introduced on May 20 and reported out by the subcommittee on May 22 by voice vote. H.R. 14903, as amended, was reported by the full committee both as a separate bill—House Report 93-1113—and was adopted upon my motion as title VI to the Housing bill, H.R. 15361. My interest throughout has been to insure the earliest possible action on what can truly be described as an emergency situation affecting the home mortgage finance and rehabilitation market. The adoption of title VI will accomplish that goal.

Due to the relatively noncontroversial nature of title VI, Mr. Chairman, I will summarize the principal provisions of the title and then respond to such questions as my colleagues may have.

Title VI is a three part title captioned as follows:

Part A—Lending and Investment Powers, Federal Savings and Loan Associations.

Part B—Real Estate Loans by National Banks.

Part C—Federal Credit Unions.

Part A—Savings and loan lending and investment powers are further summarized as follows:

Section 601 will authorize line of credit financing up to 5 percent of the lender's assets or up to an amount equal to its surplus, undivided profits and reserves, whichever is larger. This new authority will provide the flexibility needed to create a more competitive construction loan market and will assist in reducing costs.

Section 602 will increase the present $45,000 limitation on amount of a loan a Federal institution may make on a single family dwelling to $55,000. In 1933, the average cost of a new home was $5,000 with a limitation of $20,000. In 1974, the average cost of a new home is $35,000, approaching $50,000 to $60,000 in high cost areas, with a limitation of $45,000. The Housing Act of 1964 increased section 5(c), 20 percent, for single family homes from $35,000 to $40,000. The Emergency Home Finance Act of 1970 increases that same category from $40,000 to $45,000. Section 602 will also permit Federal savings and loan associations to allocate only the excess over the limit to be counted against the 20 percent of assets requirements. The 20 percent of assets category—which contains loans on certain apartment buildings, college dormitories, hospital loans, and other investments—fills up quickly inasmuch as these loans do not conform with the specific criteria of section 5(c) of the Home Owners Loan Act loan provisions. This portion of the amendment would operate only with respect to loans on single family dwellings. In areas of high-cost homes, the 20 percent is filled quickly with home loans exceeding $45,000, whereas an area of low-cost homes of $30,000 or less may never exceed the 20 percent. The only choice for the lender in order to lend on homes in his high cost area is to increase the downpayment to bring the amount under the $45,000 and out of the 20-percent category. This in itself disqualifies many borrowers, especially moderate income borrowers. If the Federal savings and loan association goes outside its area to lend on $30,000 homes, it is again penalized, for all such loans go into its 20-percent allowance. Of equal significance is the fact that the 20 percent of assets limitation does not apply to State chartered associations, unless otherwise prescribed by State law, placing Federal associations at a distinct competitive disadvantage in today's market.

As a consequence, the ability of the Federal association to attract savings is impaired by the association's inability to assist the savings customer in the purchase of a new home due to the 20 percent of assets limitation. The provision would also authorize the Federal Home Loan Bank Board to increase the maximum mortgage amount with respect to dwellings in Alaska, Guam, and Hawaii.

Section 603 will permit savings and loan associations to make nonconforming loans otherwise restricted by section 5(c) of the Home Owners Loan Act requirements under conditions prescribed by the Federal Home Loan Bank Board. Loans made under this provision would be limited to a maximum amount equal to 10 percent of the association's assets. Examples of this increased flexibility, closely regulated by the Board, presently governed by the multiple restrictions presently found in section 5(c) of the Home Owners Loan Act are:

First, FHA loans originated out-of-State;

Second, conventional out-of-State home loans;

Third, loans on combinations of residential and business properties;

Fourth, multifamily prejects that do not specifically meet the dollar per room limits of section 207(c)(3) of the National Housing Act;

Fifth, nonconforming real estate tradein loans where the loan-to-value ratio is above 80 percent, or where repayment would be in more than 18 months; and

Sixth, loans on housing for the aging.

Section 604 would increase statutory limits on property improvement loans from $5,000 to $10,000 for the repair, equipping, alteration, or improvement of real property. The existing $5,000 limitation has been in effect since 1964. The recommended increase is consistent with section 308 of the bill which provides for an increase from $5,000 to $10,000 for title I FHA home improvement loans.

Section 605 would increase from 20 to 30 years the time allotted savings and loan associations to build up their reserves to 5 percent of their savings deposits as required by the Federal Savings and Loan Insurance Corporation.

The present 20-year limitation written into the law more than 35 years ago, presents a special problem to younger savings and loan associations which during the past several years have faced unprecedented inflows of savings and now an unprecedented demand for housing funds. The greater the savings inflows the greater these younger associations must contribute to the FSLIC-insurance reserve, which means a slow down in the availability of funds needed for the housing market. This amendment will not sacrifice the safety of the insurance reserve in any way, but rather it will mandate 10 additional years for each association, if necessary, to meet the required ratio.

PART B—REAL ESTATE LOAN BY NATIONAL BANKS

This part would amend section 24 of the Federal Reserve Act to authorize wider real estate lending and investment powers for national banks. The primary purpose of this provision is to improve and update the mortgage investment tools of national banks to assist them in their efforts to respond to the demands of the real estate industry. The addition of these provisions would place national banks on a par with State chartered commercial banks and other financial institutions.

All witnesses before the subcommittee supported provisions of part B. It should be noted that the language of this national bank section is identical to title I of the Housing Act of 1972, which failed to receive a rule, with one exception. The full committee, by accepting the amendment offered by the distinguished gentleman from Georgia (Mr. STEPHENS) strengthened the bill by removing the restriction that such real estate loans shall not be in excess of 70 percent of the time and savings deposits of national banks. This amendment will foster increased housing loans on the part of small banks located out of the major money centers, particularly where there are no thrift institution competitors. The Federal Reserve Board in its letter of support stated:

> It is desirable to provide national banks with sufficient flexibility in making real estate loans to meet the changing needs of consumers for both residential and nonresidential mortgage credit. . .

The Comptroller of the Currency, through its Chief Counsel, stated:

> I would like to remind the members of the subcommittee that, since its enactment, in 1913, section 24 has been frequently amended in the spirit of permitting greater reliance on the business judgment of bankers and less on governmental fiat. We agree wholeheartedly with . . . the sponsors of this legislation that the time has now come to get rid of the anachronistic limitation on mortgage lending contained in section 24.

SECTION 611—REAL ESTATE LOANS BY NATIONAL BANKS

This section would extensively review section 24 of the Federal Reserve Act to authorize broader lending and investment powers for national banks relative to real estate. Under this revision banks would be authorized to make real estate related loans as follows:

First, make real estate loans secured by other than first liens provided said lien when added to prior liens does not exceed the applicable ratio of loan to value. Loans of this type would be limited to 20 percent of unimpaired capital and surplus.

Second, make loans against unimproved real estate up to 66⅔ percent of appraised value and if improved with off-site improvements up to 75 percent of appraised value.

Third, continue to make loans against improved real estate up to 90 percent of appraised value for a maximum term of 30 years, but with no required amortization on any type of real estate loan except when it exceeds 75 percent of appraised value or is improved with a dwelling for one to four families. Amortization, where required, would be based on a maximum of a 30-year payout, with no requirement that the loan be fully amortized by maturity if the term is less than 30 years.

Fourth, classify all loans, insured under the National Housing Act or by the Secretary of Agriculture, or where guaranteed by HUD when the guarantee is backed by the full faith and credit of the United States, or fully guaranteed by a State agency or instrumentality thereof or by a State authority for the payment of which the faith and credit of the State is pledged, or at least 20 percent of which is guaranteed by the Veterans' Administration as non-real estate loans and not subject to any of the limitations of conventional loans or included in the aggregate amount of real estate loans that may be made or in the aggregate of subordinate liens that may be made.

Fifth, continue the practice, where loans are secured by real estate and other collateral, to subtract the value of the non-real estate collateral from the loan and consider the balance only as a loan against real estate.

Sixth, consider a loan secured by a lien on real property, where there is a firm take-out from a financially responsible party to advance the full amount of the loan within 60 months, as a non-real-estate loan.

Seventh, continue to consider loans, with a maturity of not more than 60 months made against a building under construction secured by a firm takeout to advance the full amount of the loan and loans to finance the construction of residential and farm buildings for a term not in excess of 60 months, as commercial loans and limit such loans to 100 percent of unimpaired capital and surplus.

Eighth, make construction loans up to 75 percent of appraised value without the necessity of a firm takeout.

Ninth, continue to classify loans, where the lender looks to the borrower's general credit standing, or an assignment of rent where a mortgage is taken as a precaution against contingency or where the bank agrees to participate with the Small Business Administration, as commercial loans.

Tenth, permit up to 10 percent of the maximum amount that may be invested in real estate loans to be placed in loans secured by real estate without the necessity that said loans conform to any of the individual loan limitations of the revised section.

The Comptroller of the Currency would be authorized to prescribe by rule or regulation such additional conditions and limitations on real estate loans as he deems necessary.

PART C—FEDERAL CREDIT UNIONS

Part C of title VI pertains to the operations of credit unions. Their principal purpose is to increase the operating efficiency of credit unions and to equip credit union managers with the flexibility required to minimize the effect of disintermediation. These amendments generally reflect agreement of the two principal credit union trade associations and the National Credit Union Administration.

A brief summary of part C—credit union amendments—follows:

PART C—FEDERAL CREDIT UNION

SECTION 621. LENDING AUTHORITY AND DEPOSITORY AUTHORITY

Subsection (a) of this section would amend paragraph 107(6) of the Federal Credit Union Act to permit a Federal credit union to make loans to its own directors and members of its supervisory credit committee, subject only to approval of its board of directors where the loan or aggregate of loans to the director or member exceeds $2,500 plus pledged shares. Directors or committee members would also be permitted to act as guarantors or endorsors of loans to other members, except that approval of the board would be required where the loan in itself or when added to the outstanding loans of the guarantor exceeds $2,500.

Subsection (b) of this section would amend paragraph 107(9) of that Act to permit Federal credit unions operating suboffices in foreign or trust territories to maintain demand deposit accounts in foreign banks which are correspondents of U.S. mutual savings banks, subject to regulations issued by the Administrator of the National Credit Union Administration.

SECTION 622. FEES

This section would amend section 109 of that Act to remove the mandatory entrance free requirement and provide for a uniform entrance fee at the discretion of the board of directors.

SECTION 623. DIRECTORS

Subsection (a) of this section would amend section 113 of that Act to permit a board of directors to appoint an investment committee of not less than two to have charge of investments under rules and procedures established by the board.

Subsection (b) of this section would amend section 113 to permit an executive committee to exercise any authority delegated to it by the board.

Subsection (c) of this section would amend section 113 to authorize appointment of more than one membership officer to approve applications for membership.

Subsection (d) of this section would amend section 113 to require that a person whose application for membership is denied be furnished, upon written request, with reasons for the denial.

SECTION 624. CREDIT COMMITTEE

This section would amend section 114 of the Act to permit a Federal credit union to offer loan plans which would be replenished as the loan is repaid, subject to the same limitations and requirements of section 114 now applicable to the making of loans. It would also remove the $2,500 maximum limitation on the aggregate mount of unsecured loans which may be made to any member.

SECTION 625. SUPERVISORY COMMITTEES

This section would amend section 15 of the Act to change the semiannual audit requirement to an annual audit requirement.

SECTION 626. DIVIDENDS

Subsection (a) of this section would amend section 117 of the Act to permit a board of directors to declare dividends intervals authorized by the board rather than on an annual semiannual or quarterly basis.

Subsection (b) of this section would amend section 17 to permit dividend credit to be accrued on shares as authorized by a board of directors.

SECTION 627. APPLICABILITY

This section would amend section 26 of the Act to make the Act applicable to trust territories.

SECTION 628. DEFINITION OF MEMBERS ACCOUNTS

This section would amend section 202(h) of the Act to exempt Federally insured credit union funds invested in a Federally insured credit union from a premium charge for Federal share insurance.

SECTION 629. TERMINATION

Subsection (a) of this section would amend section 206(a) of the Act to provide an alternative method for an insured credit union other than a Federal credit union to terminate Federal insurance coverage. It would permit termination after 90 days written notice to the Administrator if the credit union has obtained a certificate of insurance from a corporation authorized and licensed to insure its accounts.

Subsection (b) of this section would amend section 206(c) of the Act to reflect the inclusion of the new paragraph (2) under section 206(a).

Subsection (c) of this section would amend section 206(d) to add two new paragraphs (1) requiring a credit union utilizing the new termination procedure provided under section 206(a)(2) to obtain the approval of a majority of all directors and of a majority of its members voting on the proposition for conversion, and (2) providing for a proportionate reduction of premium charges for the period for which a credit union will no longer be insured under the Act in the case of conversion under section 206(a)(2). It would further provide that a credit union so converting shall remain subject to the provisions of Chapter II (Share Insurance) of the Act as long as it remains insured under the Act.

SECTION 630. LIQUIDATION

This section would amend section 208(a)(1) of the Act to authorize the Administrator to assist in the voluntary liquidation of a solvent credit union by loans, purchase of assets or establishment of accounts in the credit union. It would also remove the existing provision that loans and accounts made or established under section 208(a) may be in subordination to the rights of members and creditors.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, I do not think I will need to speak for 5 minutes.

I think the only thing necessary is to point out that I have written my reasons for having voted "no" on the final passage at the committee level on this legislation. They are printed in the committee report as dissenting views.

Mr. Chairman, this bill that we are talking about this afternoon has been described almost uniformly by everybody who has spoken as a compromise. In my opinion, it is no such thing. It is a capitulation, it is a retreat, it is a surrender. It is a surrender of the commitment that America has made since 1948 to provide the opportunity to the average American family to obtain a safe, decent, and sanitary home.

This is a rather shameful capitulation at a time when not only the average American family, but even the affluent American family, cannot find it possible to purchase a home for his family. I feel that it is tragic that under these circumstances this is the best that the House can offer America at this time.

Mr. PATMAN. Mr. Chairman, I yield 10 minutes to the gentleman from Indiana (Mr. MADDEN).

Mr. MADDEN. Mr. Chairman, I commend Chairman PATMAN and the Banking and Currency Committee for their months of difficult hearings on this long delayed and highly necessary legislation for solving the Nation's housing problems.

The pending bill should be passed

without any major changes or amendments.

It has been separated into six titles with different phases of this complex problem of dealing with all segments of the homebuilding industry.

Title I authorizes a new program of community development block grants to replace seven HUD categorical grant programs. The new program will begin on January 1, 1975.

Title II authorizes a new housing assistance program for lower income families and makes various amendments to Federal housing assistance programs.

Title III extends various insuring authorities of the Federal Housing Administration, increases FHA loan and mortgage amounts, and makes various improvements in the programs administered by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation.

Title IV extends various program authorities of the Farmers Home Administration, and makes important changes to improve the operation of those programs.

Title V authorizes a new program to encourage the formation of State development corporations and makes various amendments to miscellaneous HUD programs.

Title VI amends various laws relating to the lending and investment powers of Federal savings and loan associations, national banks, and Federal credit unions.

Title I authorizes $8.05 billion in contract authority for the new bloc grant program over a 3-year period, with annual limitations of $2.45 billion in fiscal year 1975, $2.65 billion in fiscal year 1976, and $2.95 billion in fiscal year 1977. In addition, $100 million would be authorized to be appropriated annually for these fiscal years for assistance to communities with urgent development needs which cannot be met through these entitlements.

Title I provides that 80 percent of the funds available each year would be allocated for use in metropolitan areas and 20 percent for use in nonmetropolitan areas. In metropolitan areas, funds would be distributed first, to cities and urban counties pursuant to a 3-part formula—based on population, housing overcrowding, and poverty; and second, to meet the "hold harmless" needs of metropolitan cities and urban counties where those needs exceeded their formula entitlements.

The bill provides that 2 percent of the funds available each year would be reserved by HUD for certain special community development needs.

Bloc grant funds may be used to finance the full cost of carrying on all activities currently assisted by the following programs: the urban renewal program; the model cities program; the section 312 rehabilitation loan program; the open space urban beautification-historic preservation program; the neighborhood facilities program; the advance acquisition of land program; and the water and sewer program.

Applicants for bloc grants would be required to: First, identify community development and housing needs, including the submission of a housing assistance plan; second, describe planned activities to meet those needs; and third, provide assurances of compliance with civil rights and citizen participation requirements. Metropolitan cities and urban counties would also be required to submit 3-year programs designed to eliminate slum, blight, and deterioration where they exist and to provide improved community facilities and services where necessary.

Title II would authorize $1.225 billion in additional annual contribution authority for use under the existing public housing program as well as the new 23(h) program contained in section 201 of the bill.

The bill retains the existing housing assistance programs—the low-rent public housing program, including the section 23 leasing program, the sections 235 homeownership and 236 rental assistance programs and the rent supplement program. Title II also authorizes a new program of housing assistance for lower income persons through the construction or substantial rehabilitation of housing or the leasing of existing housing.

Title II provides that conventional or FHA-insured loans, loans from State housing finance agencies and bonds issued by State or local public housing agencies may be used to finance housing.

Title III contains provisions designed to increase the availability of and liberalize mortgage credit for housing and to abolish discrimination in mortgage lending on account of sex. FHA's authority to insure mortgages and loans would be extended from October 1, 1974 to June 30, 1977. Maximum mortgage and loan amounts would be increased with single-family home mortgage limits increased from $33,000 to $45,000 and home-improvement loan limits increased from $5,000 to $10,000.

Title IV extends from October 1, 1974, to June 30, 1977, the authority of the Secretary of Agriculture to administer various rural housing programs and increases the maximum amount of repair loans and grants from $3,500 to $5,000. The FmHA would be authorized to make advances to nonprofit organizations carrying out self-help housing programs to enable them to establish revolving accounts for the purchase of land options.

Title VI liberalizes the real estate lending authority of savings and loan associations and national banks. It increases the present $45,000 limitation on the amount of loan a Federal savings and loan association may make on a single family dwelling to $55,000 and allows for only the excess over $55,000 to be counted against the 20 percent of asset requirements.

Mr. Chairman, I hope that the Congress can enact this legislation and the President signs the same so millions of our needy families enjoy proper housing.

Mr. PATMAN. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. BADILLO).

Mr. BADILLO. Mr. Chairman, in view of the fact that this bill became available only this week and the conference report was only published yesterday, I would like to ask one of the members of the committee, the gentleman from Pennsylvania (Mr. MOORHEAD) a few questions about the intent of the bill as expressed in the committee report.

First of all, in my district, Mr. Chairman, we have a very large area which was declared a model cities area in 1967, and the area has now been totally cleared. In 1967, 1968, and 1969 the tenants were relocated. In 1970, 1971, and 1972 the buildings were demolished and new redevelopment plans proposed. In 1973 the President declared a moratorium on all housing construction.

Under title I, is it true that there is no provision to build any new housing in that model cities area?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, if the gentleman will yield, does the gentleman mean starting from the ground up?

Mr. BADILLO. Starting from the ground up.

Mr. MOORHEAD of Pennsylvania. Not for rehabilitation?

Mr. BADILLO. No, for new housing.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, if the gentleman will yield further, I will say to the gentleman that there is money in title I to prepare sites for new housing, to get the sites ready to put the bricks and mortar up.

For new housing, we have to turn to title II which is the section 23(h) housing program, where a Public Housing Authority or a private sponsor can construct new buildings for the people in the gentleman's area.

Mr. BADILLO. Mr. Chairman, let us then turn to title II. Under title II, is it true that the New York City Housing Authority would be able to build a low-rent housing project by taking advantage of the provisions of the new section 23(h) that permit a housing project to be owned and financed by the New York City Housing Authority?

Mr. MOORHEAD of Pennsylvania. The gentleman is entirely correct.

Mr. BADILLO. In other words, under the bill as it stands now, it would be possible to continue building low-rent housing 100 percent for poor people?

Mr. MOORHEAD of Pennsylvania. Yes. As the gentleman and I discussed, the new section 23 housing may look different from conventional public housing to a banker, but as far as the tenant is concerned, it ends up as just about the same thing.

Mr. BADILLO. That is right. From the point of view of the tenant, the housing would be owned by the New York City Housing Authority, it would be operated by the New York City Housing Authority, and it would be rented by the New York City Housing Authority to the tenants at the same low-income rental that is being charged now

Mr. MOORHEAD of Pennsylvania. The gentleman is correct, with the Federal Government subsidizing the rent so that it is financially feasible for the New York City Housing Authority.

Mr. BADILLO. Mr. Chairman, aside

from low-income housing owned, operated, and financed by the New York City Housing Authority, I am concerned about the statement on page 19 of the committee report, in which the committee says that the subsidy to private owners is only provided for a 20-year term, because the committee "considers a 20-year term for new units to be sufficiently long to enable the owner to obtain 30 to 40 year mortgage financing."

It happens in New York City that it will not be possible for a private owner to get 40-year mortgage financing. Therefore, that consideration of the committee does not help us.

How would a private owner be able to build in the model cities area which I have described in my district in New York City?

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, if the gentleman will yield further, the private owner would go to a lender and say that under title III of this bill the FHA authorizations is being extended. There we provide 100 percent FHA insurance for mortgages, and, for 40 years. Therefore, he should be able to get that financing because the lender has nothing to lose.

Mr. BADILLO. In other words, under title III of this bill there is a 40-year financing available to private builders?

Mr. MOORHEAD of Pennsylvania. That is correct.

I want to commend the gentleman for his zeal in trying to do the best he can for the people he represents.

Mr. BADILLO. I have to be very precise, because we have a lot of vacant land not only in New York City but in the urban areas. A great deal of this land is vacant for two reasons. One, it is being vacated because of the city's effort in the model cities area and, two, because of abandonment. Wherever we have vacant land available private funds are not available to be used. So, unless we can get some relief here, we are in a problem area. Unless this bill provides relief, the land will be vacant for a long time.

Let me ask a related question. On page 19 of the committee report it says where the project is owned or financed by a State or local agency it will be possible to get a 40-year subsidy. In New York State we have the Urban Development Corp., and in New York City we have a housing development corporation. Those are State and local agencies. Assuming that those agencies were to enter into an agreement with a private builder where he, the private builder, would build the housing project in the model cities area in my district but the project was financed by the State and local agencies, would the private builder then be able to get a 40-year subsidy?

Mr. MOORHEAD of Pennsylvania. The answer is yes. If the project is either owned or financed by a State or local agency, the 40-year term is applicable.

Mr. BADILLO. I thank the gentleman.

Mr. PATMAN. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. Koch).

Mr. KOCH. Mr. Chairman, I thank the distinguished chairman for yielding to me.

The first thing I would like to do is state that the housing committee—and I am not a member of that committee although I serve on the Banking and Currency Committee—has done a very distinguished job. I know how difficult it has been for them to sit on the hot seat and to have many of us proposing amendments which they had to resist, not because they opposed the substance of the amendments, but because they felt the bill had to be protected in order to make certain that that bill would finally be signed by the President.

Housing is the great need today. Notwithstanding the fact that I disagree with parts of the bill, I want to take this floor to commend each and every member of that committee. They have done a splendid job.

I will be offering what I consider to be a reasonable amendment. I will discuss the amendment at that time, but I believe it is based on legitimate need and therefore it will be one that should receive the support of the committee. I hope so.

Again I say housing is the No. 1 need for the poor people in this country. Obviously we need this bill and hopefully we will get it somewhat amended. But in any event we need housing legislation now.

Mr. PATMAN. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from New York (Mr. Rosenthal).

Mr. ROSENTHAL. Mr. Chairman, at the appropriate time, Mrs. Collins, Mr. Koch, Mr. Biaggi, and I will offer an amendment to the Housing and Urban Development Act, which mandates a 1-year study by the Secretary of HUD into the phenomenon known as the condominium and cooperative boom. I want to make it clear that the amendment requires a study only—it does not add to or change in any way laws affecting landlord-tenant relations or condominium and cooperative construction, sales, or ownership.

Mr. Chairman, problems associated with condominium purchases and conversions are among the most pressing consumer problems in the Nation. It is almost impossible to pick up a daily newspaper without reading a dramatic account of how individuals have been misled or defrauded in their purchase of a condominium; or, in the case of a conversion from rental units to condominium ownership, of how persons—many of them elderly or poor—have been dispossessed and unable to find decent substitute housing.

It is also almost impossible, unfortunately, to get any reliable information about the condominium and cooperative situation from the Department of Housing and Urban Development—supposedly the Nation's leading authority on housing matters. HUD does predict that within the next 20 years, half the population may be living in condominiums. And yet fewer than 10 States have meaningful laws protecting condominium and cooperative purchasers and not more than 2 or 3 have laws protecting those who would be displaced by the conversion of rental units to condominiums.

The problem is particularly acute in New York City and other urban and suburban areas where new condominium building and conversions of rental units are rapidly displacing multifamily rental apartments. According to the National Association of Home Builders and the U.S. Census Bureau, more new condominium units will be built in 1973 and 1974—461,000—than were built in the 20-year period from 1950 to 1970—415,000. In the New York City area between 1950 and mid-1970, 116,000 new condominium units were constructed. The median family income of those owning condominiums and co-ops in New York in 1970 was $14,000—a figure that is much higher today due to the rapid increase in expensive luxury units.

In addition to new construction, there has been an enormous increase recently in the number of conversions of rental units to condominium use—unfortunately, there are no reliable statistics and hardly any reliable estimates on the number of condominium conversions taking place across the Nation.

Mr. Chairman, while there are endless reports of deceptive and fraudulent practices associated with condominium purchases, such as lack of disclosure, nonexistent engineering reports, understated upkeep fees, misleading advertising, lack of ownership of key recreational and maintenance facilities; it is in the area of condominium conversions and the dislocation of existing renters where the greatest and most personally tragic abuses take place. Although no statistical information exists concerning this new breed of "displaced persons," an excellent description of "What Happens to the Tenants" is contained in a study by the Washington Center for Metropolitan Studies, as follows:

> Perhaps the most unwieldy problem of condominium conversion is that of tenant relocation—a problem which, at this time, rests solely with the tenant himself. For the tenant who has been content in his apartment, thinking himself "protected" by his 1 to 2 year lease, the demand that he move is at best a shock and an inconvenience, and at worst a dislocation of his entire living pattern. This is especially difficult for elderly tenants who may have spent years in a single unit. Their problems are two-fold. Either they purchase a unit, (*if* they can obtain a loan) and thereby reduce their savings reserve for further contingencies, perhaps to nothing—or else they pack up and move. For those who cannot afford to buy, the problems of finding a new residence and the physical strain of moving are often overwhelming. While usually most traumatic for the elderly, the relocation problem affects anyone who needs to move—especially those of moderate income. Rehabilitation and conversion turn the moderate-priced unit into luxury housing. Up to 75 percent of the tenants, and sometimes even more, may be looking for another home.

Apart from the psychological stress caused by a forced move—often on 30 days notice—from an apartment home one may have rented and maintained for many years, the financial burden can be staggering even to middle-income families. According to the American Movers Conference a typical intracity move in New York and Philadelphia is $240 and $300 in Chicago.

Most importantly, it is becoming increasingly clear that with each passing year decent rental housing is becoming less and less available. The continuing and accelerating trend toward condominium sales and conversions has enormous long-range implications for U.S. housing policy.

Notwithstanding all these factors, HUD has done virtually nothing to come to grips with the human and public-policy implications posed by the condominium boom. So far as I have been able to discover, those HUD "consumer" information publications that do deal with the subject, merely describe the nature of condominium ownership, or promote its alleged advantages. Nowhere are questions addressed relating to the shortcomings of such ownership or its negative impact on renters.

It is for these reasons that Mrs. Collins, Mr. Koch, and I are offering the condominium and cooperative study amendment. We believe it will provide the Congress with important information necessary to deal with an issue of growing national concern.

The amendments calls for a 1-year study of the numbers and general locations of condominium and cooperative housing and rental housing and projections of the ratio of available condominium and cooperative units to rental units through 1980; of the legal and economic factors surrounding condominium and cooperative construction and conversion; of the effect on prices and availability of rental and single-family homes caused by the condominium and cooperative boom; of the social and housing-policy implications of condominiums and cooperatives; and of the alleged consumer problems associated with the construction and sale of new condominiums and cooperatives and conversions. The amendment also calls for recommendations to the Congress for assuring an adequate continuing supply of decent rental housing, protection of the legitimate interests of apartment dwellers and protection of consumers who purchase condominiums and cooperatives.

I am inserting at this point some statistical information and newspaper articles on condominiums:

PER HOUR COST OF LOCAL MOVES WITHIN METROPOLITAN AREA COMMERCIAL ZONES (AS OF JULY 1973) [1]

City	Cost per hour for van and 3 men	Cost for average move [2]
New York	$40.25	$241.50
Chicago	50.75	304.45
Cincinnati	42.00	252.00
Cleveland	40.75	244.50
Dallas	27.00	162.00
Des Moines	34.00	204.00
Washington, D.C	38.00	228.00
Los Angeles	$40.00	$240.00
Boston	41.00	246.00
Philadelphia	40.10	240.60
Detroit	41.80	250.80

[1] Data supplied by the Household Goods Carrier Bureau, a private entity.

[2] Average number of hours for moves estimated to be 6 hours

Newly constructed condominium units in the United States:	
1974	[1] 243,200
1973	[1] 218,100
1972	[1] 190,300
1971	([3])
1969 to March 1970	[2] 37,810
1965 to 1968	[2] 111,167
1960 to 1964	[2] 92,481
1950 to 1959	[2] 67,883
Before 1949	[2] 106,753
Newly constructed condominium units in the New York metropolitan area:	
1969 to March 1970	[2] 3,912
1965 to 1968	19,133
1960 to 1964	[2] 35,829
1950 to 1959	33,852
Before 1949	[2] 23,841
Total number of condominium units in the United States in 1970	[2] 416,094
Total number of rental units in the United States in 1970	[2] 23,564,567

[1] National Association of Home Builders.

[2] United Statess Census, 1970.

[3] Not available.

TABLE A-2.—PERSONS IN OWNER OCCUPIED COOPERATIVE AND CONDOMINIUM HOUSING UNITS: 1970, UNITED STATES

[Data based on sample, see text. For minimum base for derived figures (percent, median, etc.) and meaning of symbols, see text]

	Total	1 person	2 persons	3 and 4 persons	5 persons	6 persons or more	Median
All occupied cooperative and condominium housing units	416,094	98,330	170,241	108,070	20,687	18,766	2.1
Rooms:							
1 and 2 rooms	20,514	13,840	5,373	904	145	252	1.2
3 rooms	83,203	35,313	41,480	5,264	562	584	1.7
4 rooms	140,919	30,207	67,356	37,910	3,538	1,908	2.1
5 rooms	94,063	12,299	35,829	33,367	7,093	5,475	2.5
6 rooms or more	77,395	6,671	20,203	30,625	9,349	10,547	3.3
Median	(4.2)	(3.5)	(4.1)	(4.8)	(5.4)	(5.5+)	
Bedrooms:							
None	8,091	6,224	1,509	152	99	107	1.1
1	102,936	45,653	50,784	5,255	658	586	1.6
2	198,848	38,553	95,404	56,314	5,699	2,878	2.1
3 or more	105,755	6,851	22,440	46,187	15,303	14,974	3.5
Year structure built:							
1969 to March 1970	37,810	7,214	19,547	9,001	1,279	769	2.1
1965 to 1968	111,167	25,485	54,290	25,288	3,907	2,197	2.1
1960 to 1964	92,481	25,611	38,627	21,599	3,859	2,785	2.0
1950 to 1959	67,883	14,290	24,310	21,934	4,095	3,254	2.3
1949 or earlier	106,753	25,730	33,467	30,248	7,547	9,761	2.3
Year head moved into unit:							
1969 to March 1970	87,858	18,526	39,257	23,039	3,695	3,341	2.1
1968	54,961	12,485	24,287	14,081	2,224	1,884	2.1
1967	41,778	9,358	17,480	11,289	2,159	1,492	2.2
1965 and 1966	66,812	16,611	27,879	15,761	3,521	3,040	2.1
1960 to 1964	81,891	21,722	30,947	20,218	4,712	4,292	2.1
1950 to 1959	56,029	12,087	20,172	17,074	3,330	3,366	2.3
1949 or earlier	26,765	7,541	10,219	6,608	1,046	1,351	2.1
Complete bathrooms:							
1 and 1½	310,663	79,527	117,599	83,958	15,742	13,837	2.1
2 and 2½	82,178	14,285	44,891	17,284	3,100	2,618	2.1
3 or more	13,260	1,706	4,857	4,626	1,211	860	2.5
None or also used by another household	9,993	2,812	2,894	2,202	634	1,451	2.3
Selected characteristics:							
Owned 2 home	32,432	5,108	17,671	7,090	1,596	967	3.1
With air conditioning	259,798	61,443	119,793	63,133	9,654	5,775	2.1
Room unit(s)	149,378	35,242	61,170	42,067	6,614	4,285	2.1
Central system	110,420	26,201	58,623	21,066	3,040	1,490	2.0
Automobiles available:							
1	228,962	50,903	101,797	56,636	10,670	8,956	2.1
2	81,959	2,123	35,912	31,889	6,413	5,622	2.7
3 or more	10,956	444	1,572	6,000	1,403	1,537	3.7
Residence of head in 1970:							
Inside SMSA's	381,759	90,889	156,455	100,151	18,688	15,596	2.1
In central cities	227,361	54,860	84,911	66,699	11,676	9,215	2.2
Not in central cities	154,398	36,029	71,544	33,452	6,992	6,381	2.1
Outside SMSA's	34,335	7,441	13,786	7,919	2,019	3,170	2.2
Race of head:							
White	372,800	90,742	158,931	93,561	16,771	12,795	2.1
Negro	38,549	6,703	9,816	12,979	3,589	5,462	2.9
Other races	4,745	885	1,494	1,530	327	509	2.5

TABLE A-3.—INCOME IN 1969 OF FAMILIES AND PRIMARY INDIVIDUALS IN OWNER OCCUPIED COOPERATIVE AND CONDOMINIUM HOUSING UNITS: 1970—UNITED STATES

[Data based on sample, see text. For minimum base for derived figures (percent, median, etc.) and meaning of symbols, see text]

	Total	Less than $2,000	$2,000 to $2,999	$3,000 to $3,999	$4,000 to $4,999	$5,000 to $5,999	$6,000 to $6,999	$7,000 to $9,999	$10,000 to $14,999	$15,000 to $24,999	$25,000 or more	Median (dollars)
All occupied cooperative and condominium housing units	416,094	36,124	20,457	20,377	21,516	22,182	23,742	72,081	90,360	70,233	38,923	9,600
Rooms:												
1 and 2 rooms	20,514	4,251	2,566	1,979	1,646	1,366	1,325	3,040	2,365	1,436	540	4,900
3 rooms	83,203	11,862	7,352	6,840	6,674	6,318	5,866	14,366	13,127	7,696	3,102	6,400
4 rooms	140,919	10,006	5,895	6,486	7,373	7,968	8,652	27,065	33,303	24,365	9,806	9,700
5 rooms	94,063	5,573	3,007	3,068	3,563	4,138	4,668	16,133	23,874	19,749	10,290	11,400
6 rooms or more	77,395	4,432	1,637	2,004	2,260	2,491	3,231	11,477	17,691	16,987	15,185	13,200
Median	(4.2)	(3.7)	(3.6)	(3.7)	(3.8)	(3.9)	(4.0)	(4.2)	(4.4)	(4.6)	(5.1)	

TABLE A-3.—INCOME IN 1969 OF FAMILIES AND PRIMARY INDIVIDUALS IN OWNER OCCUPIED COOPERATIVE AND CONDOMINIUM HOUSING UNITS: 1970—UNITED STATES—Continued

	Total	Less than $2,000	$2,000 to $2,999	$3,000 to $3,999	$4,000 to $4,999	$5,000 to $5,999	$6,000 to $6,999	$7,000 to $9,999	$10,000 to $14,999	$15,000 to $24,999	$25,000 or more	Median (dollars)
Bedrooms:												
None	8,091	1,829	1,141	864	518	641	584	1,217	813	332	152	4,400
1	102,936	14,505	9,075	8,517	8,273	6,763	7,110	17,688	15,461	10,188	5,356	6,600
2	198,848	12,856	7,049	8,946	9,074	10,726	12,118	36,658	46,785	35,718	18,918	10,200
3 or more	105,755	6,011	2,849	2,948	2,930	3,984	4,179	16,933	27,013	23,291	15,617	12,400
Persons:												
1 person	98,330	22,608	10,332	8,170	7,276	6,930	6,715	15,068	11,409	5,956	3,866	5,100
2 persons	170,241	8,503	7,788	8,856	9,985	10,096	10,113	28,393	36,418	30,354	19,735	10,200
3 and 4 persons	108,070	3,332	1,658	2,300	2,923	3,594	4,880	20,283	31,019	26,143	11,938	12,400
5 persons	20,687	818	256	340	502	765	855	4,255	6,175	4,573	2,148	12,100
6 persons or more	18,766	863	423	711	830	896	1,179	4,082	5,339	3,207	1,236	10,400
Median	(2.1)	(1.3)	(1.5)	1.7)	(1.8)	(.9)	(2.0)	(2.2)	(2.4)	(2.5)	(2.3)	
Persons per room:												
0.50 or less	235,955	27,609	14,287	13,228	13,489	13,434	13,879	36,956	42,662	34,458	25,953	8,800
0.51 to 1.00	161,335	7,208	5,635	6,253	7,019	7,808	8,738	30,913	42,436	32,897	12,428	10,800
1.01 to 1.50	13,993	798	263	552	544	695	772	3,348	4,256	2,337	428	10,000
1.51 or more	4,811	509	272	344	464	344	353	864	1,006	541	114	7,400
Own children under 18:												
None	302,061	31,695	18,515	17,438	18,080	17,671	17,607	46,969	56,714	47,573	29,799	8,900
1	46,969	1,569	839	1,093	1,384	1,902	2,567	9,617	13,396	10,443	4,159	11,700
2	38,269	1,282	510	841	929	1,307	1,785	8,496	11,776	8,106	3,237	11,700
3 or more	28,795	1,578	593	1,035	1,123	1,401	1,783	6,999	8,474	4,111	1,728	10,000
Persons 60 to 64 yr:												
None	34,515	31,126	17,592	16,959	18,038	18,313	19,831	60,710	75,694	58,132	30,120	9,500
1	58,467	4,556	2,642	3,063	3,171	3,413	3,350	9,596	11,925	9,845	6,897	9,800
2 or more	11,112	442	223	355	307	555	561	1,775	2,741	2,247	1,906	12,400
Persons 65 yr and over:												
None	262,495	13,635	6,082	7,851	9,150	11,907	14,064	50,205	68,712	54,157	26,732	11,300
1	97,518	18,972	9,734	7,380	6,569	5,510	5,571	13,319	13,266	10,045	7,152	6,100
2 or more	56,081	3,517	4,641	5,146	5,797	4,864	4,107	8,557	8,382	6,031	5,039	7,000
Stories in structure and elevator:												
1 to 3 stories	265,386	25,045	14,290	15,469	15,107	16,346	17,198	50,651	58,404	38,928	13,948	8,700
4 to 6 stories	42,156	2,946	1,959	1,975	2,139	1,846	1,977	6,516	9,156	9,588	4,054	10,900
With elevator	38,517	2,365	1,665	1,744	1,863	1,649	1,811	5,941	8,627	9,052	3,800	11,300
Walkup	3,639	581	294	231	276	197	166	575	529	536	254	7,400
7 to 12 stories	26,995	2,202	1,306	953	1,009	1,259	967	3,494	5,588	5,066	5,151	12,100
13 stories or more	81,093	5,008	2,559	2,878	2,540	2,663	3,849	11,835	16,924	15,947	16,890	12,700
Units in structure:												
1	104,626	9,497	4,453	4,965	5,289	5,536	6,841	21,588	24,720	16,263	5,474	9,200
2 to 4	60,151	5,539	2,908	2,948	3,411	3,300	3,525	11,401	14,531	9,677	2,911	9,200
5 to 19	71,830	6,867	4,365	4,496	4,856	4,834	4,747	12,869	14,175	9,799	4,822	8,300
20 to 49	49,558	4,946	3,089	2,930	2,844	2,818	2,556	6,883	8,598	8,245	6,649	9,400
50 or more	129,929	9,275	5,642	5,038	5,116	5,793	6,073	19,340	28,336	26,249	19,067	11,500
Year structure built:												
1969 to March 1970	37,810	2,595	1,494	1,586	2,096	2,211	2,667	6,971	7,924	6,803	3,463	9,700
1965 to 1968	111,167	7,261	5,001	5,253	5,820	5,943	6,513	19,123	24,810	21,112	10,321	10,100
1960 to 1964	92,481	7,819	5,045	5,032	5,010	5,916	5,246	15,606	20,379	15,821	7,327	9,500
1950 to 1959	67,883	5,441	2,910	2,978	2,778	3,118	3,500	11,234	16,532	13,277	6,106	10,600
1949 or earlier	106,753	13,008	5,997	5,528	5,812	5,813	5,816	19,138	20,715	13,220	11,706	8,800

TABLE A-5.—UNITS IN STRUCTURE FOR OWNER OCCUPIED COOPERATIVE AND CONDOMINIUM HOUSING UNITS: 1970, UNITED STATES

[Data based on sample, see text. For minimum base for derived figures (percent, median, etc.) and meaning of symbols, see text]

	Total	1 unit	2 to 4 units	5 to 9 units	10 to 19 units	20 to 49 units	50 units or more
All occupied cooperative and condominium housing units	416,094	104,626	60,151	33,544	38,286	49,558	129,929
Rooms:							
1 and 2 rooms	20,514	1,857	1,122	896	3,026	3,272	10,341
3 rooms	83,203	6,389	7,081	5,255	10,025	14,786	39,667
4 rooms	140,919	24,628	22,499	14,358	13,840	17,926	47,668
5 rooms	94,063	32,544	18,180	8,292	7,249	7,497	20,301
6 rooms or more	77,395	39,208	11,269	4,743	4,146	6,077	11,952
Median	(4.2)	(5.1)	(4.5)	(4.2)	(3.9)	(3.9)	(3.8)
Bedrooms:							
None	8,091	536	451	392	897	1,017	4,798
1	102,936	8,618	10,603	6,676	11,759	17,761	47,519
2	198,848	43,506	34,082	19,565	20,127	23,521	58,047
3 or more	105,755	52,891	15,977	6,139	5,074	6,660	19,014
Persons:							
1 person	98,330	14,589	12,705	8,970	13,984	14,845	33,237
2 persons	170,241	32,489	23,164	14,261	17,393	25,861	57,073
3 and 4 persons	108,070	35,694	17,647	8,096	5,681	7,276	33,676
5 persons	20,687	9,439	3,653	1,367	705	1,145	4,377
6 persons or more	18,766	12,415	2,982	850	522	431	1,566
Median	(2.1)	(2.8)	(2.2)	(2.0)	(1.8)	(1.9)	(2.1)
Persons per room:							
0.50 or less	235,955	52,958	34,382	21,937	26,879	33,020	66,779
0.51 to 1.00	161,335	41,753	22,567	10,560	10,678	15,788	59,899
1.01 to 1.50	13,993	7,159	2,553	808	460	471	2,542
1.51 or more	4,811	2,756	649	239	269	279	619
Stories in structure and elevator:							
1 to 3 stories	265,386	105,551	61,113	31,744	32,197	24,444	10,337
4 to 6 stories	42,156	-	-	1,028	3,691	14,998	22,439
With elevator	38,517	-	-	270	2,330	13,969	21,948
Walkup	3,639	-	-	758	1,361	1,029	491
7 to 12 stories	26,995	-	-	-	918	5,060	21,017
13 stories or more	81,093	-	-	-	1,051	4,457	75,585
Year structure built:							
1969 to March 1970	37,810	9,199	5,632	4,507	2,808	5,158	10,506
1965 to 1968	111,167	26,641	11,131	13,513	10,053	15,696	34,133
1960 to 1964	92,481	14,852	5,737	5,432	13,366	9,812	43,282
1950 to 1959	67,883	16,386	11,233	2,087	4,268	7,717	26,192
1949 or earlier	106,753	37,548	26,418	8,005	7,791	11,175	15,816
Household composition:							
2-or-more-person households	317,764	90,037	47,446	24,574	24,302	34,713	96,692
Male head, wife present, no nonrelatives	266,201	74,062	39,849	20,203	20,113	29,103	82,871
Under 25 years	10,712	4,756	2,024	1,621	779	391	1,141
25 to 34 years	35,628	15,544	5,729	3,835	2,041	1,473	7,006
35 to 44 years	35,995	14,534	5,675	2,026	1,406	1,916	10,438
45 to 64 years	109,548	29,199	16,727	6,207	6,606	12,071	38,738
65 years and over	74,318	10,029	9,694	6,514	9,281	13,252	25,548
Other male head	15,835	5,126	2,094	730	1,095	1,999	4,791
Under 65 years	12,161	4,184	1,640	529	772	1,454	3,582
65 years and over	3,674	942	454	201	323	545	1,209
Female head	35,728	10,849	5,503	3,641	3,094	3,611	9,030
Under 65 years	27,356	9,000	4,285	3,002	1,887	2,254	6,928
65 years and over	8,372	1,849	1,218	639	1,207	1,357	2,102
1-person households	98,330	14,589	12,705	8,970	13,984	14,845	33,237
Under 65 years	46,978	8,844	6,282	4,085	4,811	6,676	16,280
65 years and over	51,352	5,745	6,423	4,885	9,173	8,169	16,957
Residence of head in 1970:							
Inside SMSA's	381,759	85,720	52,193	31,474	36,489	46,990	128,893
In central cities	227,361	35,509	28,419	12,619	15,359	27,505	107,950
Not in central cities	154,398	50,211	23,774	18,855	21,130	19,485	20,943
Outside SMSA's	34,335	18,906	7,958	2,070	1,797	2,568	1,036
Race of head:							
White	372,800	87,871	54,340	30,302	36,359	47,626	116,302
Negro	38,549	15,533	5,373	2,981	1,635	1,461	11,566
Other races	4,745	1,222	438	261	292	471	2,061

TABLE A-6.– UNITS IN STRUCTURE BY YEAR STRUCTURE BUILT FOR OWNER OCCUPIED COOPERATIVE AND CONDOMINIUM HOUSING UNITS: 1970, UNITED STATES

[Data based on sample, see text. For minimum base for derived figures (percent, median, etc.) and meaning of symbols, see text]

			2 to 49 units				50 units or more			
United States	Total	1 unit	Total	1960 to March 1970	1950 to 1959	1949 or earlier	Total	1960 to March 1970	1950 to 1959	1949 or earlier
All occupied cooperative and condominium housing units	416, 094	104, 626	181, 539	102, 845	25, 305	53, 389	129, 929	87, 921	26, 192	15, 816
Rooms:										
1 and 2 rooms	20, 514	1, 857	8, 316	4, 923	1, 106	2, 287	10, 341	6, 677	1, 968	1, 696
3 rooms	83, 203	6, 389	37, 147	24, 000	5, 522	7, 625	39, 667	27, 969	8, 507	3, 191
4 rooms	140, 919	24, 628	68, 623	43, 439	9, 664	15, 520	47, 668	32, 950	10, 800	3, 918
5 rooms	94, 063	32, 544	41, 218	20, 670	6, 948	13, 600	20, 301	14, 180	3, 944	2, 177
6 rooms or more	77, 395	39, 208	26, 235	9, 813	2, 065	14, 357	11, 952	6, 145	973	4, 834
Median	(4. 2)	(5. 1)	(4. 2)	(4. 0)	(4. 1)	(4. 6)	(3. 8)	(3. 8)	(3. 7)	(4. 3)
Persons per room:										
0.50 or less	235, 955	52, 958	116, 218	70, 704	12, 476	33, 038	66, 779	43, 061	12, 604	11, 114
0.51 to 1.00	161, 335	41, 753	59, 593	30, 605	11, 787	17, 201	59, 989	42, 792	12, 764	4, 433
1.01 to 1.50	13, 993	7, 159	4, 292	1, 083	847	2, 362	2, 542	1, 706	679	157
1.51 or more	4, 811	2, 756	1, 436	453	195	788	619	362	145	112
Own children under 18:										
None	302, 061	56, 921	142, 721	86, 578	17, 868	38, 275	102, 419	69, 136	20, 470	12, 813
1	46, 969	16, 744	17, 201	7, 744	3, 550	5, 907	13, 024	8, 904	2, 831	1, 289
2	38, 269	14, 361	13, 233	5, 475	2, 719	5, 039	10, 675	7, 353	2, 194	1, 128
3 or more	28, 795	16, 600	8, 384	3, 048	1, 168	4, 168	3, 811	2, 528	697	586
Persons 60 to 64 years:										
None	346, 515	91, 560	149, 959	84, 043	21, 038	44, 878	104, 996	70, 783	21, 121	13, 092
1	58, 467	11, 022	26, 594	15, 610	3, 630	7, 354	20, 851	14, 298	4, 226	2, 327
2 or more	11, 112	2, 044	4, 986	3, 192	637	1, 157	4, 082	2, 840	845	397
Persons 65 years and over:										
None	262, 495	81, 486	101, 954	50, 812	16, 704	34, 438	79, 055	54, 439	16, 324	8, 292
1	97, 518	15, 560	49, 123	29, 924	5, 833	13, 366	32, 835	20, 749	6, 769	5, 317
2 or more	56, 081	7, 580	30, 462	22, 109	2, 768	5, 585	18, 039	12, 733	3, 099	2, 207
Elevator in structure (in structures with 4 stories or more):										
Yes	146, 605	-----------	28, 055	12, 081	6, 554	9, 420	118, 550	80, 470	24, 734	13, 346
No	3, 639	-----------	3, 148	330	199	2, 619	491	-----------	68	423
Household composition:										
2-or-more-person households	317, 764	90, 037	131, 035	73, 204	19, 354	38, 477	96, 692	66, 773	19, 575	10, 344
Male head, wife present, no nonrelatives	266, 201	74, 062	109, 268	63, 292	16, 623	29, 353	82, 871	57, 863	17, 222	7, 786
Under 25 years	10, 712	4, 756	4, 815	3, 181	412	1, 222	1, 141	814	247	80
25 to 34 years	35, 628	15, 544	13, 078	7, 059	1, 790	4, 229	7, 006	5, 203	1, 205	598
35 to 44 years	35, 995	14, 534	11, 023	4, 296	2, 149	4, 578	10, 348	7, 455	1, 868	1, 115
45 to 64 years	109, 548	29, 199	41, 611	20, 166	8, 634	12, 811	38, 738	26, 194	9, 312	3, 232
65 years and over	74, 318	10, 029	38, 741	28, 590	3, 638	6, 513	25, 548	18, 197	4, 590	2, 761
Other male head	15, 835	5, 126	5, 918	1, 881	796	3, 241	4, 791	2, 809	666	1, 316
Under 65 years	12, 161	4, 184	4, 395	1, 288	636	2, 471	3, 582	2, 176	512	894
65 years and over	3, 674	942	1, 523	593	160	770	1, 209	633	154	422
Female head	35, 728	10, 849	15, 849	8, 031	1, 935	5, 883	9, 030	6, 101	1, 687	1, 242
Under 65 years	27, 356	9, 000	11, 428	5, 882	1, 482	4, 064	6, 928	4, 974	1, 214	740
65 years and over	8, 372	1, 849	4, 421	2, 149	453	1, 819	2, 102	1, 127	473	502
1-person households	98, 330	14, 589	50, 504	29, 641	5, 951	14, 912	33, 237	21, 148	6, 617	5, 472
Under 65 years	46, 978	8, 844	21, 854	11, 959	2, 597	7, 298	16, 280	11, 253	2, 962	2, 065
65 years and over	51, 352	5, 745	28, 650	17, 682	3, 354	7, 614	16, 957	9, 895	3, 655	3, 407
Years of school completed by head:										
Total, 25 years old and over	401, 965	98, 786	174, 998	98, 690	24, 733	51, 575	128, 181	86, 743	25, 820	15, 618
Elementary: 8 years of less	94, 375	28, 589	39, 332	18, 378	5, 114	14, 840	26, 454	18, 865	5, 410	2, 179
High school:										
1 to 3 years	67, 681	19, 557	29, 193	15, 804	4, 220	9, 169	18, 931	13, 370	4, 038	1, 523
4 years	106, 695	25, 460	47, 538	27, 475	7, 658	12, 405	33, 697	23, 258	7, 010	3, 429
College:										
1 to 3 years	57, 343	11, 467	26, 779	17, 458	3, 781	5, 540	19, 097	12, 934	3, 779	2, 384
4 years or more	75, 871	13, 713	32, 156	19, 575	3, 960	8, 621	30, 002	18, 316	5, 583	6, 103
Median school years completed	(12. 4)	(12. 0)	(12. 4)	(12. 6)	(12. 4)	(12. 1)	(12. 6)	(12. 5)	(12. 5)	(13. 9)
Employment status of head:										
Total, 16 years old and over	415, 929	104, 575	181, 439	102, 778	25, 298	53, 363	129, 915	87, 915	26, 184	15, 816
Labor force	269, 213	79, 722	102, 876	49, 288	17, 663	35, 925	86, 615	58, 422	18, 439	9, 754
Armed Forces	1, 337	613	531	388	67	76	193	158	28	7
Civilian labor force	267, 876	79, 109	102, 345	48, 900	17, 596	35, 849	86, 422	58, 264	18, 411	9, 747
Employed	260, 820	76, 774	99, 616	47, 568	17, 193	34, 855	84, 430	56, 798	18, 105	9, 527
Unemployed	7, 056	2, 335	2, 729	1, 332	403	994	1, 992	1, 466	306	220
Not in labor force	146, 716	24, 853	78, 563	53, 490	7, 635	17, 438	43, 300	29, 493	7, 745	6, 062
Enrolled in school	2, 467	642	1, 163	731	89	343	662	345	94	223
Other	144, 249	24, 211	77, 400	52, 759	7, 546	17, 095	42, 638	29, 148	7, 651	5, 839
Residence of head in 1970:										
Inside SMSA's	381, 759	85, 720	167, 146	93, 534	24, 392	49, 220	128, 893	87, 062	26, 109	15, 772
In central cities	227, 361	35, 509	83, 902	29, 427	17, 951	36, 524	107, 950	69, 200	23, 735	15, 015
Not in central cities	154, 398	50, 211	83, 244	64, 107	6, 441	12, 696	20, 943	17, 862	2, 374	707
Outside SMSA's	34, 335	18, 906	14, 393	9, 311	913.	4, 169	1, 036	859	83	94
Race of head:										
White	372, 800	87, 871	168, 627	98, 837	23, 729	46, 061	116, 302	76, 253	24, 916	15, 113
Negro	38, 549	15, 533	11, 450	3, 135	1, 399	6, 916	11, 566	9, 952	1, 060	554
Other races	4, 745	1, 222	1, 462	873	177	412	2, 061	1, 716	216	129

TABLE C-2.—PERSONS IN OWNER OCCUPIED COOPERATIVE AND CONDOMINIUM HOUSING UNITS: 1970, SMSA'S–IN CENTRAL CITIES

[Data based on sample, see text. For minimum base for derived figures (percent, median, etc.) and meaning of symbols, see text]

	Total	1 person	2 persons	3 and 4 persons	5 persons	6 persons or more	Median
All occupied cooperative and condominium housing units	227, 361	54, 860	84, 911	66, 699	11, 676	9, 215	2. 2
Rooms:							
1 and 2 rooms	12, 547	9, 195	2, 668	511	76	97	1. 2
3 rooms	49, 329	21, 561	23, 458	3, 699	348	263	1. 6
4 rooms	74, 536	13, 871	31, 023	26, 488	2, 249	905	2. 3
5 rooms	49, 600	6, 254	17, 077	19, 605	4, 088	2, 576	2. 6
6 rooms or more	41, 349	3, 979	10, 685	16, 396	4, 915	5, 374	3. 2
Median	(4. 2)	(3. 3)	(4. 0)	(4. 6)	(5. 3)	(+5. 5)	
Bedrooms:							
None	5, 421	4, 536	767	35	62	21	1. 1
1	62, 978	28, 729	29, 937	3, 589	415	308	1. 6
2	102, 051	16, 635	43, 440	36, 854	3, 687	1, 435	2. 3
3 or more	56, 112	3, 635	11, 233	25, 347	8, 461	7, 436	3. 5
Year structure built:							
1969 to March 1970	14, 017	2, 528	5, 949	4, 534	651	355	2. 3
1965 to 1968	44, 597	10, 295	18, 706	12, 969	1, 750	877	2. 1
1960 to 1964	54, 186	13, 864	20, 890	15, 724	2, 463	1, 245	2. 1
1950 to 1959	47, 783	10, 234	17, 637	15, 899	2, 504	1, 509	2. 3
1949 or earlier	66, 778	17, 939	21, 729	17, 573	4, 308	5, 229	2. 2
Year head moved into unit:							
1969 to March 1970	38, 731	8, 442	14, 763	11, 938	1, 835	1, 753	2. 2
1968	25, 867	6, 153	9, 973	7, 850	1, 011	880	2. 2
1967	20, 745	4, 528	7, 656	6, 638	1, 207	716	2. 3
1965 and 1966	33, 350	8, 192	12, 150	9, 533	2, 038	1, 437	2. 2
1960 to 1964	52, 712	13, 501	19, 083	14, 947	3, 036	2, 145	2. 2
1950 to 1959	40, 545	9, 068	15, 331	12, 417	2, 027	1, 702	2. 2
1949 or earlier	15, 411	4, 976	5, 955	3, 376	522	582	2. 0
Complete bathrooms:							
1 and 1½	178, 515	46, 153	62, 970	53, 348	9, 040	7, 004	2. 2
2 and 2½	35, 256	6, 281	17, 223	8, 921	1, 486	1, 345	2. 2
3 or more	10, 751	1, 373	3, 801	3, 887	1, 018	672	2. 6
None or also used by another household	2, 839	1, 053	917	543	132	194	1. 9
Selected characteristics:							
Owned 2d home	18, 127	2, 828	8, 593	4, 879	1, 118	709	2. 2
With air conditioning	143, 239	33, 290	57, 807	42, 451	6, 241	3, 450	2. 2
Room unit(s)	97, 198	21, 812	37, 158	31, 043	4, 530	2, 655	2. 2
Central system	46, 041	11, 478	20, 649	11, 408	1, 711	795	2. 1
Automobiles available:							
1	117, 125	22, 463	46, 317	37, 314	6, 487	4, 544	2. 3
2	35, 442	953	14, 022	15, 303	2, 885	2, 279	2. 9
3 or more	4, 166	213	710	2, 222	489	532	3. 5
Residence of head in 1970:							
Inside SMSA's	227, 361	54, 860	84, 911	66, 699	11, 676	9, 215	2. 2
In central cities	227, 361	54, 860	84, 911	66, 699	11, 676	9, 215	2. 2
Not in central cities							
Outside SMSA's							
Race of head:							
White	192, 392	48, 255	75, 388	54, 848	8, 663	5, 238	2. 1
Negro	31, 425	5, 907	8, 338	10, 631	2, 788	3, 761	2. 8
Other races	3, 544	698	1, 185	1, 220	225	216	2. 4

TABLE C-3.—INCOME IN 1969 OF FAMILIES AND PRIMARY INDIVIDUALS IN OWNER OCCUPIED COOPERATIVE AND CONDOMINIUM HOUSING UNITS: 1970—SMSA's IN CENTRAL CITIES

[Data based on sample, see text. For minimum base for derived figures (percent, median, etc.) and meaning of symbols, see text]

	Total	Less than $2, 000	$2, 000 to $2, 999	$3, 000 to $3, 999	$4, 000 to $4, 999	$5, 000 to $5, 999	$6, 000 to $6, 999	$7, 000 to $9, 999	$10, 000 to $14, 999	$15, 000 to $24, 999	$25, 000 or more	Median (dollars)
All occupied cooperative and condominium housing units	227, 361	18, 842	10, 279	9, 369	9, 810	10, 908	11, 824	37, 935	50, 086	41, 389	26, 919	10, 500
Rooms:												
1 and 2 rooms	12, 547	2, 383	1, 336	1, 042	908	808	764	2, 023	1, 850	1, 041	392	5, 700
3 rooms	49, 329	6, 683	3, 876	3, 228	3, 206	3, 349	3, 511	9, 033	8, 803	5, 363	2, 277	7, 300
4 rooms	74, 536	4, 811	2, 753	2, 739	3, 029	3, 429	3, 917	13, 632	19, 035	15, 210	5, 981	10, 800
5 rooms	49, 600	2, 768	1, 484	1, 367	1, 613	2, 073	2, 147	7, 774	12, 332	11, 203	6, 839	12, 300
6 rooms or more	41, 349	2, 197	830	993	1, 054	1, 249	1, 485	5, 473	8, 066	8, 572	11, 430	14, 600
Median	(4. 2)	(3. 6)	(3. 5)	(3. 7)	(3. 8)	(3. 9)	(3. 9)	(4. 1)	(4. 3)	(4. 4)	(5. 2)	
Bedrooms:												
None	5, 421	1, 135	696	453	397	504	486	857	561	230	102	5, 100
1	62, 978	8, 225	5, 188	4, 535	4, 167	3, 723	4, 168	11, 764	10, 277	7, 045	3, 886	7, 400
2	102, 051	6, 209	3, 258	3, 718	3, 849	4, 348	5, 364	16, 955	25, 556	21, 127	11, 667	11, 400
3 or more	56, 112	2, 857	1, 093	1, 174	1, 283	1, 769	2, 166	7, 671	13, 469	13, 091	11, 539	13, 700
Persons:												
1 person	54, 860	12, 289	5, 547	3, 881	3, 717	3, 616	3, 683	8, 748	6, 770	3, 788	2, 821	5, 600
2 persons	84, 911	4, 099	3, 556	3, 765	4, 140	4, 403	4, 649	13, 605	18, 405	15, 880	12, 409	11, 200
3 and 4 persons	66, 699	1, 695	849	1, 266	1, 379	2, 026	2, 502	11, 636	18, 990	17, 297	9, 059	13, 200
5 persons	11, 676	404	124	174	228	428	444	2, 063	3, 406	26, 667	1, 738	12, 900
6 persons or more	9, 215	355	203	283	346	435	546	1, 883	2, 515	1, 757	892	11, 100
Median	(2. 2)	(1. 3)	(1. 4)	(1. 7)	(1. 8)	(1. 9)	(2. 0)	(2. 3)	(2. 5)	(2. 6)	(2. 4)	
Persons per room:												
0. 50 or less	121, 106	14, 543	7, 121	5, 901	6, 190	6, 270	6, 642	18, 289	20, 963	17, 815	17, 372	9, 300
0.51 to 1.00	96, 254	3, 727	2, 928	3, 088	3, 193	4, 118	4, 630	17, 428	26, 150	21, 765	9, 227	11, 700
1.01 to 1.50	7, 764	354	140	238	256	400	381	1, 818	2, 456	1, 474	247	10, 600
1.51 or more	2, 237	218	90	142	171	120	171	400	517	335	73	8, 500
Own children under 18:												
None	161, 845	16, 721	9, 312	7, 789	8, 191	8, 392	8, 764	24, 579	30, 947	27, 261	19, 889	9, 700
1	28, 010	699	420	638	724	1, 049	1, 306	5, 242	8, 066	6, 774	3, 092	12, 400
2	23, 160	686	251	489	420	748	892	4, 897	6, 978	5, 187	2, 612	12, 300
3 or more	14, 346	736	296	453	475	719	862	3, 217	4, 095	2, 167	1, 326	10, 500
Persons 60 to 64 yr:												
None	190, 575	16, 572	8, 940	7, 895	8, 277	9, 100	9, 845	32, 123	42, 241	34, 432	21, 150	10, 300
1	31, 082	2, 075	1, 248	1, 312	1, 391	1, 545	1, 716	4, 904	6, 496	5, 806	4, 589	11, 000
2 or more	5, 704	195	91	162	142	263	263	908	1, 349	1, 151	1, 180	13, 100
Persons 65 yrs and over:												
None	153, 505	6, 976	3, 196	4, 084	4, 676	6, 588	7, 780	28, 301	39, 934	33, 131	18, 839	11, 900
1	50, 124	10, 123	4, 942	3, 217	2, 871	2, 351	2, 577	6, 468	6, 962	5, 713	4, 900	6, 600
2 or more	23, 732	1, 743	2, 141	2, 068	2, 263	1, 969	1, 467	3, 166	3, 190	2, 545	3, 180	7, 200
Stories in structure and elevator:												
1 to 3 stories	98, 803	9, 943	5, 541	5, 290	5, 219	5, 769	6, 646	18, 855	22, 267	14, 604	4, 669	8, 700
4 to 6 stories	28, 251	1, 933	1, 324	1, 037	1, 378	1, 272	1, 170	4, 223	6, 608	6, 976	2, 330	11, 400
With elevator	25, 074	1, 352	1, 045	851	1, 121	1, 114	1, 046	3, 739	6, 159	6, 548	2, 099	11, 800
Walkup	3, 177	581	279	186	257	158	124	484	449	428	231	7, 000
7 to 12 stories	20, 728	1, 621	896	802	698	830	624	2, 653	4, 535	4, 220	3, 849	12, 500
13 stories or more	78, 780	4, 929	2, 474	2, 751	2, 401	2, 473	3, 744	11, 516	16, 453	15, 693	16, 346	12, 800
Units in structure:												
1	35, 509	3, 142	1, 394	1, 669	1, 651	2, 001	2, 449	7, 816	8, 073	5, 167	2, 147	9, 100
2 to 4	28, 419	2, 780	1, 361	1, 188	1, 359	1, 529	1, 539	5, 198	7, 143	4, 866	1, 456	9, 600
5 to 19	27, 978	3, 150	1, 832	1, 536	1, 730	1, 684	1, 853	5, 104	5, 546	3, 323	2, 220	8, 300
20 to 49	27, 505	2, 525	1, 453	1, 183	1, 314	1, 322	1, 192	3, 709	5, 047	5, 201	4, 559	11, 000
50 or more	107, 950	7, 245	4, 239	3, 793	3, 756	4, 372	4, 791	16, 108	24, 277	22, 832	16, 537	12, 000
Year structure built:												
1969 to March 1970	14, 017	910	399	486	669	814	917	2, 744	3, 209	2, 478	1, 391	10, 100
1965 to 1968	44, 597	2, 749	1, 701	1, 595	1, 838	2, 051	2, 44	8, 052	10, 331	9, 068	4, 771	10, 900
1960 to 1964	54, 186	4, 026	2, 516	2, 192	2, 57	2, 5 4	2, 791	8, 975	13, 353	10, 476	5, 186	10, 700
1950 to 1959	47, 783	3, 458	2, 124	1, 865	1, 742	1, 964	2, 358	7, 551	11, 542	10, 321	4, 858	11, 200
1949 or earlier	66, 778	7, 699	3, 539	3, 231	3, 404	3, 565	3, 317	10, 613	11, 651	9, 046	30, 713	9, 400

TABLE K-3.—INCOME IN 1969 OF FAMILIES AND PRIMARY INDIVIDUALS IN OWNER OCCUPIED COOPERATIVE AND CONDOMINIUM HOUSING UNITS: 1970—SMSA'S WITH 10,000 OR MORE CO-OPS AND CONDOMINIUMS, NEW YORK, N.Y.

[Data based on sample, see text. For minimum base for derived figures (percent, median, etc.) and meaning of symbols, see text]

	Total	Less than $2,000	$2,000 to $2,999	$3,000 to $3,999	$4,000 to $4,999	$5,000 to $5,999	$6,000 to $6,999	$7,000 to $9,999	$10,000 to $14,999	$15,000 to $24,999	$25,000 or more	Median (dollars)
Year head moved into unit:												
1969 to March 1970	12, 567	758	341	367	477	465	602	2, 207	3, 332	2, 617	1, 401	11, 600
1968	11, 970	593	427	303	391	414	555	1, 912	3, 212	2, 555	1, 608	12, 200
1967	10, 412	439	269	289	279	384	520	1, 629	2, 814	2, 307	1, 482	12, 500
1965 and 1966	16, 811	1, 031	499	600	526	615	708	2, 540	4, 261	3, 785	2, 246	12, 200
1960 to 1964	34, 405	2, 379	1, 428	1, 113	1, 095	1, 425	1, 421	5, 192	8, 254	7, 266	4, 832	11, 900
1950 to 1959	24, 519	1, 393	900	745	636	829	809	3, 117	5, 332	6, 261	4, 497	13, 600
1949 or earlier	5, 883	679	314	238	212	212	218	592	732	1, 055	1, 631	13, 300
Complete bathrooms:												
1 and 1½	96, 111	6, 470	3, 936	3, 360	3, 402	3, 996	4, 619	16, 301	25, 725	21, 816	6, 486	11, 200
2 and 2½	12, 428	403	148	122	117	204	110	620	1, 712	3, 090	5, 902	24, 000
3 or more	7, 216	290	48	123	74	97	49	152	327	841	5, 215	25, 000+
None or also used by another household	182	109	46	50	23	47	55	116	173	99	94	9, 000
Selected characteristics:												
Owned 2d home	11, 239	362	190	223	170	78	178	539	1, 647	2, 090	5, 762	25, 000+
With airconditioning	83, 576	3, 900	2, 387	1, 966	2, 064	2, 714	2, 797	11, 294	19, 919	20, 500	16, 035	13, 700
Room unit(s)	64, 203	2, 409	1, 545	1, 202	1, 303	1, 970	2, 019	8, 515	15, 629	16, 612	12, 999	14, 200
Central system	19, 373	1, 491	842	764	761	744	778	2, 779	4, 290	3, 888	3, 036	11, 800
Automobiles available:												
1	57, 114	1, 392	912	943	1, 074	1, 365	1, 912	8, 154	6, 867	15, 413	9, 082	13, 800
2	12, 025	146	65	77	41	165	202	797	2, 696	4, 549	3, 287	19, 000
3 or more	1, 067	15	6	13	-	19	-	40	140	312	522	24, 600
Household composition:												
2-or-more-person households	93, 707	2, 502	2, 037	2, 237	2, 361	2, 966	3, 342	13, 247	24, 911	24, 124	15, 980	13, 600
Male head, wife present, no nonrelatives	78, 594	1, 538	1, 612	1, 635	1, 864	2, 230	2, 521	10, 692	21, 545	21, 746	13, 211	1 , 000
Under 25 yr	1, 191	57	22	46	50	59	88	249	485	120	15	10, 300
25 to 34 yr	8, 859	135	54	38	76	174	218	1, 630	3, 272	2, 447	815	13, 200
35 to 44 yr	12, 976	159	51	83	73	145	246	1, 716	4, 277	4, 142	2, 084	14, 700
45 to 64 yr	39, 625	379	184	327	330	730	1, 001	4, 854	11, 262	12, 957	7, 601	15, 600
65 yr and over	15, 943	808	1, 301	1, 141	1, 335	1, 122	968	2, 243	2, 249	2, 080	2, 696	8, 700
Other male head	5, 707	179	96	154	100	162	168	843	1, 084	971	1, 950	15, 700
Under 65 yr	4, 400	99	23	56	66	122	133	647	951	837	1, 466	16, 200
65 yr and over	1, 307	80	73	98	34	40	35	196	133	134	484	13, 700
Female head	9, 406	785	329	448	397	574	653	1, 712	2, 282	1, 407	819	9, 700
Under 65 yr	7, 326	493	174	319	290	471	553	1, 470	2, 005	1, 115	436	9, 800
65 yr and over	2, 080	292	155	129	107	103	100	242	277	292	383	8, 900
1-person households	22, 860	4, 770	2, 141	1, 418	1, 255	1, 378	1, 491	3, 942	3, 026	1, 722	1, 717	6, 300
Under 65 yr	12, 385	1, 101	546	510	682	932	1, 119	3, 173	2, 235	1, 072	1, 015	8, 200
65 yr and over	10, 475	3, 669	1, 595	908	573	446	372	769	791	650	702	3, 000
Veteran status of head:												
Civilian male, 16 yr old and over	89, 923	2, 381	1, 989	2, 066	2, 252	2, 637	2, 961	12, 631	23, 616	23, 332	16, 058	13, 800
Veteran	44, 590	638	494	548	655	823	1, 163	5, 594	12, 470	13, 307	8, 898	15, 000
Percent of total	(49. 6)	(26. 8)	(24. 8)	(26. 5)	(29. 1)	(31. 2)	(39. 3)	(44. 3)	(52. 8)	(57. 0)	(55. 4)	-
Vietnam conflict	1, 626	27	-	30	19	50	79	315	701	278	127	12, 100
Korean conflict	5, 958	45	19	64	40	77	138	774	2, 016	1, 788	997	14, 500
Korean conflict and World War II	798	18	8	8	19	6	21	83	228	212	195	15, 400
World War II	28, 176	329	164	203	272	424	618	3, 265	7, 596	9, 374	5, 931	16, 300
World War I	3, 250	177	233	229	236	183	156	404	323	431	878	10, 100
Other service	4, 782	42	70	14	69	83	151	753	1, 606	1, 224	770	13, 800
Nonveteran	45, 333	1, 743	1, 495	1, 518	1, 597	1, 814	1, 798	7, 037	11, 146	10, 025	7, 160	12, 500
Years of school completed by head:												
Total, 25 yr old and over	114, 848	7, 086	4, 121	3, 588	3, 550	4, 266	4, 684	16, 767	27, 403	25, 714	17, 669	12, 400
Elementary: 8 yr or less	24, 878	3, 861	2, 566	1, 861	1, 681	1, 564	1, 464	3, 805	4, 594	2, 577	905	6, 600
High school:												
1 to 3 yr	16, 965	804	452	528	603	779	1, 058	3, 353	4, 662	3, 682	1, 044	11, 000
4 yr	30, 311	1, 387	639	738	727	1, 148	1, 345	5, 611	8, 698	7, 195	2, 823	12, 000
College:												
1 to 3 yr	15, 968	495	243	215	285	426	499	2, 318	4, 382	4, 441	2, 664	14, 000
4 yr or more	26, 726	539	221	246	254	349	318	1, 680	5, 067	7, 819	10, 233	21, 000
Median school years completed	(12. 5)	(9. 0−)	(9. 0−)	(9. 0−)	(9. 5)	(11. 2)	(11. 5)	(12. 2)	(12. 5)	(12. 9)	(16. 0+)	-
Employment status of head:												
Total, 16 yr old and over	116, 455	7, 272	4, 170	3, 655	3, 616	4, 344	4, 833	17, 189	27, 929	25, 846	17, 691	12, 400
Labor force	90, 288	1, 236	886	1, 436	1, 692	2, 612	3, 676	14, 578	25, 288	23, 543	15, 341	13, 800
Armed Forces	94	-	-	-	-	-	22	11	11	36	14	-
Civilian labor force	90, 194	1, 236	886	1, 436	1, 692	2, 612	3, 654	14, 567	25, 277	23, 507	15, 327	13, 800
Employed	88, 306	1, 156	812	1, 289	1, 572	2, 479	3, 564	14, 200	24, 774	23, 226	15, 234	13, 900
Unemployed	1, 888	80	74	147	120	133	90	367	503	281	93	9, 500
Not in labor force	26, 257	6, 036	3, 284	2, 219	1, 924	1, 732	1, 157	2, 611	2, 641	2, 303	2, 350	4, 800
Enrolled in school	601	102	31	19	44	61	20	104	91	90	39	7, 700
Other	25, 656	5, 934	3, 253	2, 200	1, 880	1, 671	1, 137	2, 507	2, 550	2, 213	2, 311	4, 800
Occupation of employed head:												
Total employed, 16 yr old and over	88, 306	1, 156	812	1, 289	1, 572	2, 479	3, 564	14, 200	24, 774	23, 226	15, 234	13, 900
Professional, technical, and kindred workers	19, 923	244	130	148	182	237	366	1, 942	4, 820	6, 117	5, 737	18, 100
Managers and administrators, except farm	15, 785	98	66	96	95	127	151	1, 473	3, 123	4, 826	5, 730	20, 500
Salesworkers	10, 726	170	85	144	178	272	360	1, 329	2, 902	3, 038	2, 248	14, 900
Clerical and kindred workers	16, 162	188	213	284	446	879	1, 233	4, 249	4, 868	3, 221	581	10, 600
Craftsmen and kindred workers	9, 981	89	83	131	116	190	339	1, 590	3, 904	3, 013	526	13, 100
Operatives, except transport	5, 010	112	83	149	228	317	392	1, 158	1, 490	885	196	10, 200
Transport equipment operatives	3, 850	45	12	78	97	107	233	1, 022	1, 309	878	69	11, 300
Laborers, except farm	1, 417	49	6	38	13	43	58	437	478	259	36	10, 700
Farmworkers	53	-	-	6	-	9	6	12	13	7	-	-
Service workers, except private household	5, 198	133	116	178	207	285	410	968	1, 816	974	111	10, 800
Private household workers	201	28	18	37	10	13	16	20	51	8	-	5, 600
Industry of employed head:												
Total employed, 16 yrs old and over	88, 306	1, 156	812	1, 289	1, 572	2, 479	3, 564	14, 200	24, 774	23, 226	15, 234	13, 900
Construction	3, 092	41	11	30	26	36	102	451	1, 099	995	301	13, 900
Manufacturing	18, 245	175	157	300	374	487	612	2, 569	5, 210	5, 299	3, 062	14, 300
Durable goods	5, 351	40	34	53	93	76	176	673	1, 732	1, 638	836	14, 400
Nondurable goods	12, 894	135	123	247	281	411	436	1, 896	3, 478	3, 661	2, 226	14, 200
Transportation, communications, and other public utilities	7, 489	107	57	100	102	189	307	1, 605	2, 564	1, 791	667	12, 500
Wholesale and retail trade	16, 992	274	216	298	387	570	796	3, 065	4, 926	4, 330	2, 130	12, 900
Wholesale trade	6, 012	58	44	42	62	124	211	946	1, 640	1, 626	1, 259	14, 600
Retail trade	10, 980	216	172	256	325	446	585	2, 119	3, 286	2, 704	871	12, 100
Finance, insurance, and real estate	8, 837	70	26	95	118	263	380	1, 282	2, 066	1, 979	2, 558	15, 600
Business and repair services	4, 154	47	52	37	117	130	226	647	1, 090	968	840	13, 800
Personal services	1, 988	91	68	136	74	119	139	366	560	342	93	10, 000
Professional and related services	17, 989	234	191	218	298	472	720	2, 531	4, 090	4, 490	4, 745	15, 500
Public administration	8, 000	77	27	37	53	160	200	1, 534	2, 810	2, 585	517	13, 400
Other industry	1, 520	40	7	38	23	53	82	150	359	447	321	15, 200

TABLE K-3.—INCOME IN 1969 OF FAMILIES AND PRIMARY INDIVIDUALS IN OWNER OCCUPIED COOPERATIVE AND CONDOMINIUM HOUSING UNITS: 1970—SMSA'S WITH 10,000 OR MORE CO-OPS AND CONDOMINIUMS, NEW YORK, N.Y.—Continued

	Total	less than $2, 000	$2, 000 to $2, 999	$3, 000 to $3, 999	$4, 000 to $4, 999	$5, 000 to $5, 999	$6, 000 to $6, 999	$7, 000 to $9, 999	$10, 000 to $14, 999	$15, 000 to $24, 999	$25, 000 or more	Median (dollars)
Class of worker of employed head:												
Total employed, 16 yr old and over	88, 306	1, 156	812	1, 289	1, 572	2, 479	3, 564	14, 200	24, 774	23, 226	15, 234	13, 900
Private wage and salary workers	55, 778	755	645	921	1, 256	1, 780	2, 510	9, 281	15, 832	14, 667	8, 131	13, 400
Government workers	17, 683	231	79	145	156	397	633	3, 159	6, 006	5, 392	1, 485	13, 400
Self-employed workers	14, 805	170	88	223	160	295	421	1, 754	2, 936	3, 167	5, 591	19, 300
Unpaid family workers	40	----	----	----	----	7	----	6	----	----	27	----
Means of transportation to work of head:												
Total, working heads	86, 109	1, 093	777	1, 246	1, 432	2, 364	3, 507	13, 760	24, 281	22, 804	14, 845	13, 900
Private automobile, driver	27, 277	231	153	295	264	541	846	3, 562	8, 434	8, 572	4, 379	14, 600
Private automobile, passenger	3, 845	46	28	36	27	66	143	556	1, 062	1, 020	861	14, 800
Bus or streetcar	10, 207	203	195	241	340	468	586	2, 028	2, 529	1, 995	1, 622	12, 100
Subway or elevated train	32, 814	401	243	451	642	1, 060	1, 479	6, 217	10, 005	8, 574	3, 742	13, 000
Railroad	1, 828	18	12	20	7	13	43	180	424	706	405	17, 800
Walked only	5, 703	94	118	155	106	155	280	743	1, 192	1, 164	1, 696	15, 100
Other means	3, 192	47	10	6	21	33	76	342	494	490	1, 673	25, 000+
Worked at home	1, 243	53	18	42	25	28	54	132	141	283	467	19, 500
Residence of head in 1970:												
Inside SMSA's	116, 567	7, 272	4, 178	3, 655	3, 616	4, 344	4, 833	17, 189	27, 937	25, 846	17, 697	12, 400
In central cities	109, 526	6, 865	3, 965	3, 481	3, 466	4, 201	4, 579	16, 488	26, 096	23, 740	16, 645	12, 200
Not in central cities	7, 041	407	213	174	150	143	254	701	1, 841	2, 106	1, 052	14, 000
Outside SMSA's	----	----	----	----	----	----	----	----	----	----	----	----
Race of head:												
White	102, 984	6, 593	3, 801	3, 235	3, 157	3, 605	3, 828	14, 250	24, 041	23, 284	17, 190	12, 700
Negro	12, 441	615	335	338	421	681	946	2, 693	3, 566	2, 378	468	10, 300
Other races	1, 142	64	42	82	38	58	59	246	330	184	39	9, 800

TABLE K-5.—UNITS IN STRUCTURE FOR OWNER OCCUPIED COOPERATIVE AND CONDOMINIUM HOUSING UNITS: 1970 SMSA'S WITH 10,000 OR MORE CO-OPS AND CONDOMINIUMS

[Data based on sample, see text. For minimum base for derived figures (percent, median, etc.) and meaning of symbols, see text]

New York, N.Y.	Total	1 unit	2 to 4 units	5 to 9 units	10 to 19 units	20 to 49 units	50 units or more
All occupied cooperative and condominium housing units	116, 567	3, 010	8, 422	1, 180	4, 323	12, 853	86, 779
Rooms:							
1 and 2 rooms	4, 953	38	76	81	206	496	4, 056
3 rooms	31, 734	174	1, 456	235	613	2, 669	26, 587
4 rooms	41, 735	445	2, 310	352	1, 037	4, 106	33, 485
5 rooms	21, 164	923	3, 476	266	1, 026	1, 893	13, 580
6 rooms or more	16, 981	1, 430	1, 104	246	1, 441	3, 689	9, 071
Median	(4. 0)	(5. 4)	(4. 6)	(4. 3)	(4. 8)	(4. 3)	(3. 9)
Bedrooms:							
None	2, 130	----	62	39	166	102	1, 761
1	36, 784	375	2, 293	281	1, 029	3, 245	29, 561
2	50, 096	924	3, 433	432	1, 534	5, 073	38, 700
3 or more	26, 622	1, 711	2, 886	339	1, 454	4, 071	16, 161
Persons:							
1 person	22, 860	261	659	227	1, 016	2, 776	17, 921
2 persons	43, 331	652	2, 079	495	1, 436	4, 809	33, 860
3 and 4 persons	41, 529	1, 440	4, 626	356	1, 464	4, 127	29, 516
5 persons	6, 392	441	723	82	233	816	4, 097
6 persons or more	2, 455	216	335	20	174	325	1, 385
Median	(2. 3)	(3. 3)	(3. 1)	(2. 2)	(2. 3)	(2. 3)	(2. 3)
Persons per room:							
0.50 or less	52, 056	1, 926	2, 205	617	2, 520	7, 253	38, 335
0.51 to 1.0	60, 546	1, 766	5, 683	492	1, 645	5, 200	45, 760
1.01 to 1.50	3, 399	94	466	48	130	328	2, 333
1.51 or more	566	24	68	23	28	72	351
Stories in structure and elevator:							
1 to 3 stories	14, 898	3, 010	8, 674	645	1, 256	463	850
4 to 6 stories	23, 605	----	----	446	1, 678	6, 307	15, 174
With elevator	21, 404	----	----	147	754	5, 668	14, 835
Walkup	2, 201	----	----	299	924	639	339
7 to 12 stories	13, 352	----	----	----	417	2, 418	10, 517
13 stories or more	63, 777	----	----	----	832	3, 303	59, 642

New York, N.Y.	Total	1 unit	2 to 4 units	5 to 9 units	10 to 19 units	20 to 49 units	50 units or more
Year structure built:							
1969 to March 1970	3, 912	133	55	103	19	127	3, 475
1965 to 1968	19, 133	969	164	174	470	453	16, 903
1960 to 1964	35, 829	322	410	23	357	1, 048	33, 669
1950 to 1959	33, 852	652	5, 641	178	704	4, 762	21, 915
1949 or earlier	23, 841	934	2, 152	702	2, 773	6, 463	10, 817
Household composition:							
2-or-more-person households	93, 707	2, 749	7, 763	953	3, 307	10, 077	68, 858
Male head, wife present, no nonrelatives	78, 594	2, 353	7, 011	691	2, 494	7, 818	58, 227
Under 25 years	1, 191	25	88	----	59	130	889
25 to 34 years	8, 859	531	898	128	385	748	6, 171
35 to 44 years	12, 976	505	1, 470	143	407	1, 076	9, 375
45 to 64 years	39, 625	1, 079	3, 926	288	1, 085	4, 206	29, 041
65 years and over	15, 943	213	629	132	560	1, 658	12, 751
Other male head	5, 707	143	222	89	354	1, 063	3, 836
Under 65 years	4, 400	119	185	89	261	818	2, 928
65 years and over	1, 307	24	37	----	93	245	908
Female head	9, 406	253	530	173	459	1, 196	6, 795
Under 65 years	7, 326	226	452	122	259	788	5, 479
65 years and over	2, 080	27	78	51	200	408	1, 316
1-person households	22, 860	261	659	227	1, 016	2, 776	17, 921
Under 65 years	12, 385	188	360	139	493	1, 365	9, 840
65 years and over	10, 475	73	299	88	523	1, 411	8, 081
Residence of head in 1970:							
Inside SMSA's	116, 567	3, 010	8, 422	1, 180	4, 323	12, 853	86, 779
In central cities	109, 526	1, 859	7, 470	693	3, 447	12, 042	84, 015
Not in central cities	7, 041	1, 151	952	487	876	811	2, 764
Outside SMSA's	----	----	----	----	----	----	----
Race of head:							
White	102, 984	2, 792	7, 981	974	3, 971	12, 078	75, 188
Negro	12, 441	207	410	206	313	689	10, 616
Other races	1, 142	11	31	----	39	86	975

[From the Washington Post, Sept. 8, 1973]

BACKGROUND INFORMATION ON CONDOMINIUMS

CONDOMINIUM PLAN DESERVES DELIBERATION

(By Dorothea M. Brooks)

NEW YORK.—Condominium. Not so long ago it was something you looked up in the dictionary: "Individual ownership of a unit in a multi-unit structure; a unit so owned."

Today, it's a household word. What's more, an increasing number of households are condominiums.

New condominium units offered for sale this year are expected to account for more than 50 per cent of the total number of new dwellings—perhaps as high as 58 per cent. As recently as 1970, condominiums accounted for only 11 per cent of new home sales.

The condominium boom mirrors important changes in the composition of American society. The groups most attracted to condominiums—younger buyers and senior citizens—now comprise 55 per cent of our population.

Unlike some housing trends of the past, condominiums did not emerge quietly—slowly gaining popularity. "Instead," says Robert W. Gaber, president of Conco Mortgage Co., San Francisco, "an explosion of demand reached, almost overnight, boom proportions."

Would-be owners are rushing to buy condominiums in all forms: townhouses and cluster homes; apartments—both the garden-type low-rise and high-rises.

There is a growing trend of converting rental apartments to condominiums. This involves rehabilitation of older, run-down buildings, helping to renew many deteriorating neighborhoods and to meet the demand for inner-city housing in some areas. Many of the conversions also involve newer, more modern apartment buildings that require little or no renovation.

Price and geographical location, of course, are important considerations for all buyers, and often a deciding factor is the minimum of time-consuming maintenance required by the condominium.

On principle, the concept has much to commend it. In many ways it gives the condominium owner the equivalent of single family home ownership. He can tailor the financing, to a degree, to his own needs; has an equity interest which figures to give him a measure of inflation protection and gets the tax advantages of private home ownership—tax and interest deductions, deferment of tax on gain on sale within code limits, and long-term capital gain treatment if tax deferment is not available. Normally, he is the absolute owner. And, if he wants, he can rent and take depreciation deductions like any other landlord.

As with most things, however, the condominium form of ownership is not without drawbacks and pitfalls. As with any home purchase, it requires an alert buyer, aware of the cons as well as the pros.

From the Institute for Business Planning, a New York City publisher of financial and real estate planning information, comes a checklist of some of the key items the potential buyer of a condominium should be aware of:

Lease of land. In many cases, the developer will retain ownership of the land and recreational facilities. He may thus collect rent for both from the condominium owners for longer periods—such as 99 years or possibly more. The rent may be way out of line.

For example, recreational facilities which cost $500,000 to build may be leased for $150,000 a year. Because of this, the condominium owner may be paying $50 or more per month over his normal maintenance expenses. Some developers write the lease into the deed as a mechanic's lien with the idea of getting priority for themselves over the lien of the mortgage.

Maintenance costs. The estimate given prospective purchasers may be very low. The developer may be able to defer costs while he's around. When he leaves, the actual costs show up.

Renting. Possibility of renting unit often is used as an inducement to purchase. Glowing rent estimates are made. They neglect to take account of the actual market, rental commission, screening fees, the IRS limitations on tax deductions, the fix-up expenses and other factors. Taken into account, all these things might require a rent far larger than the market would support.

Construction. The heating and cooling systems may be inadequate. The plumbing may not live up to expectations. Sound-proofing may be thin. Room sizes may be smaller than the sale floor plans showed. The same may be true of parking spaces.

Voting control. The developer often will keep voting control of the management board of the project until all units are sold. This control serves the legitimate purpose of assuring proper operation and maintenance while the units are being sold. The danger is if there's no time limit on the developer's control and he finds it difficult to sell the units, he may be able to lower prices or start renting. That, of course, is not good for the unit owners. To guard against this, the developer's control should be limited, especially the time element, which should be no more than two years at the outside.

Control of Utilities. In some projects, the developer will continue to control gas and electricity, water and sewers, and other utilities. This is to be avoided as unit owners are exposed to the risk of uncontrolled rates and poor performance without effective remedy.

Growth of project. Sometimes the developer plans to add more to the project in some undefined way. He might build so many additional units that planned recreational facilities may prove inadequate. Also, the comfort and value of the original units may be adversely affected by the sheer increase in size and number of units available.

The whole character of a community may change. What starts out as a townhouse community may later have high-rise apartments added, creating all sorts of problems for the original owners—transportation, schools, shopping, traffic, pollution, view obstruction . . .

Management contract. Special attention should be paid to any management contract a developer may retain. Such a contract, for example, may give him an exclusive on the sale or lease of units by the condominium owners at standard commission rates or permit insurance deals and the placing of repair and maintenance contracts and orders for work with affiliated or related outfits. These management contracts usually are put together before any units have been sold. There's no bargaining or negotiation. And they could tie down the unit owners for years.

Condominium is a good way of life for increasing numbers of families, but, as with any other major purchase, it's "Caveat Emptor," let the buyer beware—and be informed!

[From the Washington Post, May 26, 1974]

THE CONDOMINIUM BOOM: NEW HOUSING TREND UPSETS OLD LIFE STYLES

(By Thomas W. Lippman)

For hundreds of thousands of people, finding a place to live in the Washington metropolitan area is a radically different process from what it was two or three years ago.

A new kind of housing, the condominium, has come from out of nowhere to take a big and growing share of the housing market. A change that is sure to be striking, but is still only dimly perceived and little understood, is coming to this community.

About 40,000 condominium dwellings will go on sale in the area this year. About half are newly built. The other half used to be rental apartments, but are being taken out of the rental market and sold.

Not only are existing rental apartments being converted to condominiums at a rapid rate, but the number of new apartments being built for rent to an expanding population is dwindling. Throughout the late 1960s and until about two years ago, new apartments for rent were coming onto the Washington market at a rate of about 18,000 a year. This year the figure is expected to be 5,000 at the most.

Aside from rental apartments, the smallest category of housing now in production in the Washington area is the single family home. In the 1960's, these represented more than half of all housing units, sale or rental, that were built here. Now they represent perhaps 25 percent of housing production, and the figure is declining, as sewer-hookup moratoriums, gasoline shortages, high construction costs and tight money take their toll. Housing production itself, of all types, is declining, except in Alexandria, as developers encounter zoning restrictions, and vast stretches of open land are put off limits to construction because of sewage problems—but the area's population continues to increase.

These numbers, obtained from a variety of sources in the housing industry and local governments, only begin to tell the story of the change in Washington's traditional way of housing its people. Most persons who will buy a newly built residence in the Washington area this year and next will buy condominiums, and a steadily increasing percentage of the resale market will also be condominiums.

The longstanding system in which transient residents, single people, young couples and the elderly lived in rental apartments while families lived in single-family homes, appears to be changing beyond recall. The condominium is a symptom, not a cause, of the change.

"In the next five years," said William Regardie, an analyst of housing data who operates his own statistical service for the industry, "you will see more profound changes in the way people live than in the previous 150 years."

Other sources interviewed in the preparation of these articles—lawyers, politicians, builders, home buyers, realtors—said the same thing in less apocalyptic terms. In general they agreed that for a variety of reasons ranging from zoning policy to high lumber prices, the condominium is going to take a large, perhaps dominant, share of a tightening market.

More and more the "starter home," the first house purchased by a young family, is not a house at all but a condominium apartment, because that little three-bedroom rambler is priced out of reach.

And the last home for many of the elderly is now a condominium too, because the rental units where they live are being converted. Ever larger numbers of the people who now live in the area's 450,000 apartments will have to buy or move, with fewer rental units to move to, industry analysts say.

No one seems to know what this will mean for the Washington area five or 10 years from now. Dire predictions and off-the-cuff speculation abound, but no governmental, volunteer or industry planning staff appears to have made any long-range analysis of how these changes are going to affect the life of the community, or whether they are good or bad.

Because it is so new and still represents less than 10 per cent of the area's total housing stock, the condominium is unfamilar to most Washingtonians, though it is common in Europe and South America and originated in ancient Rome. The word itself is Latin, used to describe the concept of joint property ownership in Roman law.

A U.S. Department of Housing and Urban Development pamphlet gives this definition:

"In a condominium, an individual owns separately one or more dwelling units in a multi-unit project. He and the owners of the other units have an undivided interest in the common area and facilities that serve the project. The common areas include such elements as land, roofs, floors, main walls, stairways, lobbies, halls, parking space, and community and commercial facilities."

In summary the buyer owns his apartment. He and the other owners jointly own the rest of the development and have joint responsibility for maintaining it.

There are also condominium town house developments, in which each unit is owned individually and the grounds and recreation areas are owned jointly. These differ from traditional town houses only in small ways. The real impact of the condominium phenomenon is being felt among apartment dwellers.

Well over 10 per cent of all apartments in the Washington area may be condominiums by the end of this year, with the trend accelerating. Almost all new apartments are condominiums, rather than rentals. One of the few new rental projects, a high-rise in Prince George's County, advertises itself as "the apartment you don't have to buy.'

What this means is that ever-increasing numbers of people who want apartments to rent are being forced either to buy apartments instead or find some other form of housing—nobody seems quite sure what that might be. The simultaneous decline in production of single-family homes, added to the skyrocketing prices of both new and existing houses, means that ever-increasing numbers of people who want to buy are buying condominiums instead of traditional houses.

People interviewed for these articles about their housing situation sounded as if they had all memorized the same line—"we wanted a house, but there was no way we could buy one." They bought condominiums instead.

A whole new group of condominum specialists has sprung up in the legal, financial and real estate professions as demands for their advice come in from developers and buyers to whom the whole idea is still a novelty. These experts themselves are still learning, trying to keep pace with a burst of condominium control laws from state and county legislatures, landmark rulings from the Internal Revenue Service, and the first trickle of court cases that will shape condominium law.

"If I'm an expert," said Devin J. Doolan, a Montgomery County legislator who as a lawyer has represented both developers and buyers of condominiums, "it's because in the country of the blind, the one-eyed man is king."

The 1961 National Housing Act authorized the Federal Housing Administration to insure mortgages on condominiums, but only in states where condominium developments were specifically recognized and authorized by law. At the time, only Puerto Rico had such legislation, although a few condominiums existed elsewhere, but by 1968 all 50 states and the District of Columbia had adopted similar measures.

This year, according to the National Association of Home Builders, they will account for nearly a quarter of all housing units sold in the country. In the cities, the impact is even greater—a HUD survey estimated that in 25 major metropolitan areas, about half of all new units being built for sale in 1973 were condominiums. The impact is being felt especially strongly in Washington because condominiums are being built instead of, rather than in addition to, the traditional kinds of housing.

There are dozens of reasons for the condominium boom here, but the principal ones seem to be these, according to persons knowledgeable about the industry:

The single family home remains the most desired form of dwelling but it is also the most expensive and the least efficient in terms of land use and energy. It costs so much to build one that the minimum selling price is beyond the reach of all but a small segment of the population, and the decline of subdivision building in the suburbs can only increase the prices of the houses that do get built.

The prices of existing houses are also increasing by as much as 25 per cent a year as demand outstrips supply and inflation continues. As a result, many people who want to buy homes, such as young families, are turning to condominiums, which may not provide spacious yards or seclusion but do generally provide the same tax benefits and protection against inflation that home ownership does.

A two-bedroom condominium in an attractive neighborhood, complete with community pool and other facilities, may be available for $20,000 less than a traditional three-bedroom home nearby.

As for the apartment market, owners of existing rental buildings say they cannot continue to make a profit because of skyrocketing utility and maintenance costs, coupled with rent control. The builders of new apartments say that it costs so much to build them, and the interest rates on their long-term financing are so high, that the rents would be prohibitive. So they too turn to condominiums, which are thus gobbling up a large share of the residential market.

As with single-family homes, the condominium concept covers a wide variety of housing and a wide range of prices. In the District of Columbia, former rental projects that have been or are being converted into condominiums range from Fairfax Village, a prewar garden development in Anacostia, to stately luxury buildings along upper Massachusetts and Connecticut Avenues where some apartments cost more than $100,000.

Jurisdiction	Efficiency		1 bedroom		2 bedroom		3 bedroom	
	Units	Price	Units	Price	Units	Price	Units	Price
District of Columbia	0	------------	46	$92,043	107	$138,600	11	$183,636
Alexandria	45	$25,078	993	34,595	1,055	43,207	193	50,548
Arlington County	0	------------	120	41,917	162	57,530	18	72,760
Fairfax County	56	25,950	450	32,415	845	38,234	418	35,786
Montgomery County	0	------------	445	35,254	760	42,585	253	45,440
Prince Georges County	0	------------	454	29,585	488	34,394	128	35,318

Note: Average prices based on a sample of 7,047 units in 31 projects.

Source: District of Columbia Department of Human Resources, Metropolitan Washington Council of Governments.

In the suburbs, they range from Tyler Gardens, a blue-collar garden apartment development in Falls Church to high rises in Bethesda with swimming pools, tennis courts and doormen.

There is a similar range among new developments, some apartments are available for as little as about $17,000 in Prince George's County while there is a project in Foggy Bottom where prices start at more than $135,000. Nor are they limited to the District and the close-in suburbs—there are condominiums in Gaithersburg, in Columbia, in Manassas.

They have the same kinds of gimmicky names that developers everywhere love, like "Cherrywood" or "The Representative," and generally are advertised in the same way as traditional subdivisions, with emphasis on ownership, on tax deductions, on the communal recreation facilities—in some of the promotional material, the word "apartment" never appears at all. As with any other kind of housing, some are well-built, others are not; some projects are selling briskly, others are not.

Yet the buying public is only beginning to understand the potential pitfalls of condominium ownership, and the community at large is only beginning to think about what the trend to condominium development is going to mean for the future of the Washington area.

"There is a normal life cycle of housing," said John T. O'Neill, executive vice president of the Apartment and Office Association of Metropolitan Washington.

"Housing of four kinds—single family, town houses, rental apartments and condominiums—comes on stream, lives 40 to 50 years, becomes physically or economically obsolete, and is replaced. That cycle is all screwed up here. You've essentially topped the front end, except for condos."

But, O'Neill said, "The demand for rental housing has not changed. We have a 39 or 40 per cent turnover in the units of this association's members every year. The other 60 per cent are your permanent renters. They are going to be forced to buy. Those who are going to be hurt are the new family formations, the young couples who need an apartment, the pure tenants who want two- or three-year rentals," O'Neill said. "You take that man who gets assigned to a two-year tour at the Pentagon, he'll be up the creek in a couple of years."

O'Neill, who speaks for most area landlords, said that if restrictive zoning laws and "no-growth" policies in the suburbs continue to reduce housing construction, "A few years from now we'll be sitting around and asking, my god what have we done? We'll be offering incentives to developers to build rental housing."

G. V. (Mike) Brenneman, president of Brenneman Associates, a realty firm that deals in the resale of condominiums, said there is "no end in sight to the pressures on the landlords, or to the desire to own, or to inflation. The trend to condominiums can only accelerate," with still-unknown consequences for the long-range future of the community.

"What other choice is there?" asked Bruce Steele, a housing analyst for the Metropolitan Washington Council of Governments. "No single-family homes will be built for less than $60,000 next year, unless you're really out in the fringe areas. Even town houses are over $40,000, and there is still a high demand for home ownership, so what is the choice?

"This is the only metropolitan area in the top 10 with a real positive growth rate over the past three years. There is an extremely high rate of household formation, partly due to the maturing of postwar babies and partly due to marriage among people who came here as singles. This area has a large percentage of middle-class people and is less prone to recession because the government is the principal employer. Add this pressure for housing to development restrictions and sewer hookup moratoriums and the prices respond to economic forces."

Charles Jay Pilzer, a lawyer who has specialized in condominium work, said, it's a concept whose time has arrived. We're running out of resources and land. The individual home has been the ideal, and the zoning laws based on that are very conservative, but they don't really provide for development. The city is growing and a lot of people will just have to buy."

The implication of these remarks is that condominiums which come closer than other forms of housing to combining the efficiency and economy of multifamily living with the economic benefits of home ownership, will continue to take a larger share of the market. The idea that the bubble will burst, the old ways return when the bottom drops out, is mentioned, but not taken seriously.

Condominium promoters argue that because down payments are low, part of the monthly costs are tax-deductible and appreciation is rapid, it doesn't really cost much more to buy a condominium than it does to rent the equivalent apartment—and therefore there is little real hardship even for transients or the elderly who would prefer to rent.

Condominium resale values are, however, largely untested. Ownership reduces mobility in ways that many people don't want. And persons in the lower income brackets are still "effectively frozen out" of the market for ownership, as Stelle put it. "It's the lower and moderate income persons like the military are being hurt" as lower priced apartments, as well as luxury units, are turned into condominiums.

It is perhaps the elderly who are being hit the hardest by the conversion of existing apartments to ownership units, especially in upper Northwest Washington where dozens of buildings with high percentages of elderly residents are being changed over.

On the Connecticut Avenue bus or at the supermarkets, wherever the elderly congregate, the conversation is of condominiums and the fear that it will happen to them.

Because many of them have fixed, limited incomes and are living at the limits of their budgets already, any sudden increase in their monthly costs is a severe hardship, if not out of the question. Because no new rental housing that they can afford is being built, they are competing with each other for a shrinking supply of apartments. Many planners and economic analysts believe they will be forced into apartment-sharing as the only way to make ends meet—a practice common among young single people, but less palatable to elderly persons living with years of memories and accumulations of possessions.

As a matter of economics, many of the elderly and low-income persons displaced by conversions were living in places that would have been beyond their means if the rents had not been unrealistically low for some reason—perhaps the landlord had owned the building so long that he had no mortgage so he could keep the rents down.

Reality is catching up with those tenants. There comes a point where the building must be renovated or it starts to fall apart; whether it is kept as rental units after renovation, or sold as condominiums, the costs of the work are going to be paid by the residents, and that means rising prices.

The best publicized recent example of this was the building at 3100 Connecticut Avenue NW, across from the zoo, where there was a large concentration of low-income people, many of them Spanish-speaking. They were living in one of the city's most desirable neighborhoods, and no amount of resolutions passed by the Cleveland Park Citizens Association could prevent their being forced out when the building was renovated and converted.

Whatever the reasons, the hardship for those who do lose their apartments can be severe, but it is unmeasured. No one has done a comprehensive study of what happens to people displaced by conversions—they just seem to fade into the community somewhere.

Paul D. Comanduras, vice president for sales of Wills & Plank Inc., which is handling the conversion of Tyler Gardens in Falls Church, and they did their best to mitigate the displacement problem by keeping 100 of the 480 apartments available for rental after renovation, although of course the rents will be raised.

Even so, he said, most of the current residents will have to leave.

"Nobody," he said, "is meeting his obligation to the elderly. A lot more of these people would have been able to stay and buy if the interest rate were 8 per cent instead of 9—just that much difference in the monthly payment forced them out. It's the blue collar workers who don't have money in the bank for down payments who are being hit the hardest, along with the old people, but this is the way it's going to go."

He said his firm had "gone the extra mile" to cooperate with public agencies and community groups in easing the transition at Tyler Gardens, but had found no solutions for some of the displaced residents.

"What is going to happen to our old people if we go to a condominium community?" Ira Lechner asked rhetorically. Lechner, a member of the Virginia House of Delegates from Arlington, said it "became clear when Fairlington South went that all of Arlington was going to go. The tenants are out, we already have a low vacancy rate, rents are going up, there's no way * * * Where will our transients live?"

Lechner is an exception to the general rule, as stated by O'Neill, that "politicians love condos." That is shorthand for the argument that over the long run, a municipality or county may actually benefit from having a high number of condominiums, as opposed to rental units.

They bring in more tax revenues because they are assessed at a higher rate; they generally attract, or are thought to attract, the stable, home-buying persons who make pillars of the community; and those persons in turn, having higher incomes than apartment dwellers, pay more income taxes. If an ownership community is the public goal, then condominiums help to achieve it.

"Condominiums provide a third alternative in housing—the missing link between home ownership and rental apartments. They served an unfilled market need," said a recent study prepared by the Washington Center for Metropolitan Studies.

In Fairfax and Montgomery counties, for example, the most expensive jurisdictions in the area, it is possible to buy a two-bedroom condominium for as little as $22,000, which is about half the price of the average single-family home.

That may make it possible for the teachers, policemen and other middle-income persons in those counties to achieve the home ownership that would have been beyond them if the condominiums had not been created.

Balanced against those positive factors are the impact on the elderly and the transients and the poor, and on neighborhoods throughout the area that are beginning to feel the effect of the changes.

Two months ago, Elizabeth Shannon, president of the Home and School Association at Ben W. Murch Elementary School, 36th and Davenport Streets NW, wrote to Mayor Walter E. Washington about the conversion of a nearby building on Connecticut Avenue.

She wrote of people being "summarily ejected" from the community, of the blue collar people who lived there and of the elderly. And she added:

"The eviction of the tenants will also cause a school problem. Some 40 children (who live in the building) go to Murch Elementary School. If they are forced to move, we shall probably lose these children. They are a part of our school community. They are of all races, of many different nationalities. Some are foreign born. They bring cultural diversity to the school and add to all the children's educational experience."

Like many others, she warned that the city "is on its way toward becoming a community of the affluent and the very poor," and asked the mayor to "deal with the problem of sharply increased speculation in housing in the District of Columbia and the resultant pitiful human difficulties and dangerous sociological changes."

Citizens' groups and tenants' right activists who oppose condiminium conversions tend to use words like "speculation" and "greed" when talking about the developers. And the developers respond that short-sighted, no-growth policies, imposed by people who already own homes, made the crunch inevitable.

The Virginia legislature has enacted a major new condominium law that provises extensive consumer protection for buyers, attempts to control and slow down conversions, and at the same time allows the builders of new condominiums more flexibility in their planning than they had before.

The Maryland legislature has passed a similar but less sweeping measure, and both the Montgomery and Prince George's County Councils are working on local bills.

In the District, the corporation counsel's office prepared a draft of a proposed condominium control law early this spring and circulated it among builders, lawyers and financial institutions for their comments. A revised proposal is scheduled to go before the City Council for hearings in the near future.

These measures, however, address themselves mostly to holding back conversions and to providing fuller information to prospective buyers. They do not address the long-range implications of the biggest change in this community's way of life since desegregation of the schools two decades ago.

[From the Washington Post, May 27, 1974]

CONDOMINIUMS BRING BIGGER PROFITS

(By Thomas W. Lippmann)

The reason developers in the Washington area are building more and more condominiums and fewer single family homes or rental apartments can be summed up in one word: money.

That also explains why the owners of an ever-increasing number of existing rental apartments are converting them into condominiums for sale.

There are some social considerations underlying the revolutionary change that is taking place in the Washington area's housing market. But what it really comes down to is that developers can get better returns on their capital, with fewer headaches, by going into condominiums than by building the other kinds of housing that have been the traditional mainstays of residential building in this community.

These reasons involve land-use policy in the suburbs, the energy shortage, the high cost of borrowing money, skyrocketing costs of labor and materials, rent control, and the continuing moratorium on sewer line hook-ups that has reduced construction in the Maryland suburban counties to a fraction of what it otherwise would have been.

Housing industry sources and analysts of housing matters interviewed for these articles agreed that even if any one or a number of those conditions would change, the trend toward condominiums is probably irreversible.

From the point of view of the landlords and builders, the situation in general is this:

At existing apartment buildings where the units are for rent, operating and maintenance costs are going up 20 per cent a year or more, the tenants are organizing to demand better service, housing inspectors are cracking down, and rents either are or soon will be frozen by rent controls. At a return of only 3 or 4 per cent on the investment dollar, it just is not worth it.

For the developer of new housing, construction costs are so high, financing so expensive and land available for building so scarce that any apartments he built would have to have such high rents that few people could afford them.

In addition, the prospects of making the apartment building a satisfactory long-term investment are slim because of the expensive loan to be paid off and the rising costs of operation and maintenance. So why not sell the units at a profit, invest the money in something that pays a higher return, and let the individual owners worry about running the building?

The suspension of most federal housing subsidiaries last year cut off the chief source of funds and guarantees that made it feasible to build rental housing for persons of low and moderate income.

Even such relatively expensive developments as the apartments in Southwest Washington were made economically feasible because the cost of the land was underwritten through the urban renewal process.

Building industry records show that the last multi-family housing development for rental that was built entirely with private capital in the District, aside from a few luxury buildings, was completed in 1968. There are about 2,000 moderately priced rental apartments now in various stages of planning in the city because the federal government made a special exception to the subsidy freeze in an effort to get something built for the 1976 bicentennial celebration, but even that commitment expires June 30.

As for single-family homes, they are still the most desired form of dwelling, but builders say it is almost impossible to put one on the market for less than $45,000 and difficult to persuade lending institutions to make mortgage commitments to prospective buyers. Thus the demand is outstripping the supply, further boosting the upward price spiral.

"Inflation has made the cost of single-family housing prohibitive," said Joseph Horning, president of Horning Bros. Construction Co. and of the Metropolitan Washington Builders' Association. "And on rental units you just can't make the numbers come out. Nobody is building rental housing—if you do, you have an economic lemon on your hands. The potential renter just isn't there at prices you would have to charge."

If little rental housing is being built in a metropolitan area where demand is steady and the vacancy rate in existing units 2 per cent or less, said a recent report in the trade journal House and Home, "it is obvious that something is drastically wrong with the Washington rental market. The problem is threefold: financing, rent control and moratoriums."

More than 20,000 apartments in the Washington metropolitan area, out of a stock of some 450,000, have been converted to condominiums since the trend began about two years ago. Another 20,000 to 25,000 are expected to go this year, and it is taken for granted in the trade that the owners of tens of thousands more are thinking about it very seriously. Feelers are even being put out for the possible conversion of some small, low-income buildings in parts of the District that builders generally avoid.

"Essentially, it's because of a decision by the landlord that he can't function in this marketplace any more," said John T. O'Neill, who as executive vice president of the Apartment and Office Association is the chief spokesman for the landlords.

"In 1968 we were making 12.5 cents on every rental dollar we collected, on the average. It was down to 5 cents at the end of 1973, and it will probably go down to 3 cents at the end of this year, because all operating costs are going up faster than rents are going up. The investment is no longer attractive. There are any number of other places to put your money that will give you better return with less trouble, if you can get your capital out."

By "less trouble," O'Neill was referring to an escape from tenant activism, tenants' rights cases in the courts and tenant-oriented legislation that has cut down on the landlords' traditional freedom to run their properties the way they want to.

With the cost of fuel and utilities up 50 per cent or more in the past two years, and everything else from light bulbs to janitorial supplies subject to inflation as well, the landlords say they simply cannot make enough profit to justify holding on to their buildings, especially since rent controls—federally or locally imposed—make it impossible to pass on all the increased costs to their tenants.

Rent controls, or the anticipation of rent controls, "have done more to create the condo conversion phenomenon than all the supposed greed of the developers," said William Regardie, a housing analyst who compiles data for the industry. "The majority of people in this business don't want to go into condominiums. Everything you have worked for for years can be wiped out in a project that doesn't go. But you have to do something."

Even when allowable deductions for the depreciation of the building are taken off their tax liabilities, some landlords say, the projects still are more trouble than they are worth.

Tenants' rights groups and public officials sometimes dispute the gloomy financial tale told by the landlords. Whether the situation really is as bad for them as the landlords say is difficult to determine. But the owners themselves seem to believe it.

So they decide to sell. Nobody else, generally, wants to be in the rental business anymore than they do, so the project is unlikely to find a buyer who will keep it as a rental building. For tax reasons, it is not advantageous for the owner to do the conversion himself; he sells to a converter, a developer or syndicate who will come in and buy the building, do the necessary renovations—ranging from mere cosmetics to complete overhauls—and resell the individual units.

"The converter buys wholesale and sells retail," as one lawyer put it.

"Let's say he pays $10,000 to $20,000 a unit depending on age and condition of the building," O'Neill said. "He puts in $3,000 to $5,000 per unit in amenities and improvements. Then he can sell for $5,000 to $15,000 a unit more than he paid.

"When you deduct the salesmen's commissions, the administrative expenses, taxes and everything else, he makes a profit of maybe $2,000 to $5,000 per unit, and he still comes onto the market with a product for sale that is priced maybe $15,000 lower than what it would have cost to build it from scratch. It's cheaper than new construction, and probably better quality too."

After the conversion, of course, the developer is soon out of the picture, except for whatever warranty he may have given the buyers. Unlike the owner of a rental building, he does not have a long-term loan to pay off—the owners of the individual units have the long-term debt—and neither rising maintenance costs nor rent strikes can bother him.

"A typical developer," according to a recent study by the Washington Center for Metropolitan Studies, "expects a 10 to 12 percent return before taxes. To achieve this, he markets his units for at least 100 times" what the monthly rent was before conversion.

That is, an apartment that rented for $200 a month would, by this rule of thumb, be sold for at least $20,000.

"More often," the report said, "the ratio is more than 100: e.g., 153 for smaller units at Montrose Walk; 144 at Grosvenor Park in Montgomery County. The Montrose Walk units rented at $300 to $400 a month prior to conversion and the smaller two-bedroom units are now selling for $46,000."

The other, parallel, condominium boom is in new construction. More than three quarters of all multi-family units now being built in the metropolitan area, and perhaps half of the total of all units of every type, are condominiums.

A decade ago, and through most of the 1960's, industry sources say, more than half of all housing units built in the metropolitan area were single-family homes. Now there is little land left in the District or the close-in suburbs for that kind of development. And in the outer reaches of Montgomery, Prince George's and Fairfax, where there is still plenty of land zoned for single-family home construction, a combination of high land prices, sewer hookup moratoriums, restrictive government policies and shortage of long-term money for prospective buyers has sharply curtailed subdivision building.

The construction of single family homes does go on, though it is decreasing. But the prices of the houses have risen to the point where this kind of development can only serve the housing needs of a small proportion of the population. "The day of the house with the white picket fence is gone," says O'Neill.

When it comes to the construction of apartments, which now dominate the new-home supply line, the choice for the developer is that between building for rent and building for sale.

At the moment almost all of them are building for sale, through condominiums.

One of the reasons is the cost of the construction.

"We used to build good rental housing for $20 a square foot," O'Neill said. "That was five years ago. Today, it's $35 a square foot. It's just not feasible—the population can't afford what you would have to charge. It now costs, all things added in, about $38,000 on the average to build a 1,000 square foot apartment. That means you'd have to rent it for $380 a month."

House and Home, the builders' trade journal, recently ran a long chart showing the current costs of building materials and how they compare to a year ago: five-eighths-inch particleboard subflooring, up to 15.4 per cent; 10 inch-by-16 inch framing girders, up 17.5 per cent; plastic countertops, up 18 per cent; white cedar shingles, up 13.6 per cent, and so on for hundreds of items.

Added to this is the high cost of money. A builder of apartments who is planning to rent them out must take out a long-term loan, which he will pay back over the years from rental income.

The higher the interest rate on that loan, the more rent he will have to charge—assuming he can get that long-term loan in the first place. At the moment, money is scarce and interest rates run at 14 per cent or more for some loans.

But if the builder goes the condominium route, he can get back his construction and land costs through the sale price, and avoid that long-term loan. Before he ever starts work, he obtains a commitment from a lending institution to make mortgages for purchasers when the building is ready. When the buyers take on those mortgages, they assume the long-term debt burden and the developer is free of it.

"By going condominium," said Charles Jay Pilzer, a lawyer who has worked on condominium developments, "you avoid that constant monthly payout that you must exceed in revenues to make a profit over the years. You use the revenue from sales to pay off your construction loan, the developer walks away with his profit. He loses the long-term depreciation tax break, but there's nothing he can do about that."

NEW CONDOMINIUM PROJECTS—DISTRICT OF COLUMBIA METROPOLITAN AREA

Jurisdiction	Low rise/Garden		Medium rise		High rise		Total	
	Projects	Units	Projects	Units	Projects	Units	Projects	Units
District of Columbia	2	166	0	0	3	287	5	453
Alexandria	5	732	2	276	19	5,919	26	6,927
Arlington County	0	0	1	35	4	746	5	7,781
Fairfax County	11	2,474	0	0	1	622	12	3,096
Montgomery County	14	3,047	2	226	3	1,342	19	4,615
Prince Georges County	5	1,687	0	0	1	200	6	1,887
Total	37	8,106	5	537	31	9,116	73	17,759

D.C. Department of Human Resources, MWCOG.

CONDOMINIUM CONVERSION PROJECTS—DISTRICT OF COLUMBIA METROPOLITAN AREA

Jurisdiction	Low rise/garden[1]		Medium rise[2]		High rise[3]		Townhouse		Total	
	Projects	Units	Projects	Units	Projects	Units	Projects	Units	Projects	Units
District of Columbia	11	708	8	807	5	1,030	2	326	24	2,871
Alexandria	2	226			3	739	1	25	6	990
Arlington County	5	2,252	2	250	2	159			9	2,661
Fairfax City	2	168					1	72	2	240
Falls Church	2	647							2	647
Fairfax County	6	1,019			2	353	4	673	12	2,045
Prince William County							1	64	1	64
Montgomery County	9	1,143	3	315	7	1,285	24	1,721	41	4,464
Prince George's County	13	3,174	2	306			7	657	22	4,137
Total	50	9,337	15	1,678	19	3,566	41	3,538	122	18,195

[1] Low-rise structures are those having 3 or less floors.

[2] Medium-rise are those having 4 to 7 floors.

[3] High-rise are those having 3 or more floors. For Fairfax City, Montgomery and Prince George's counties, total number of projects enumerated by structure type exceeds total projects for jurisdiction. This resulted from double-counting of projects composed of both garden and townhouse units where differentiation was known.

Source: Washington Post, May 27, 1974 article.

LANDLORD CITES SHIFT REASONS

Bill Asher was talking about the reasons why landlords are converting their rental apartments into condominiums. Asher is working on the conversion of one of three huge buildings that comprise Grosvenor Park on Rockville Pike above the Beltway.

Montgomery County, he said, requires a landlord to obtain a license for each apartment unit he operates. Last year the fee was $7 per unit, but this year it is $12. "When you have close to 1,000 units like we have here," he said, "that's $12,000 right off the top that you have to spend."

Worse, he said, the county "uses the money to hire more building inspectors who come around to see if you're complying with the code. They came in here and said we need one-inch throw bolts on the locks, instead of the five-eighths of an inch that was put in when this place was built, before the building code was changed."

Because many of Grosvenor Park's apartments have two doors, he said, it would cost perhaps $20,000 to make the change—and because of rent controls the cost could not be passed on to the tenants. This is just one example, he said, of the kinds of pressure that are causing landlords to "get out from under" if they can—by converting to condominiums and putting their capital in some more lucrative, less restricted investment.

[From the N.Y. Times, June 16, 1974]

FEW STATES PROTECT CONDOMINIUM BUYERS

(By Walter Rugaber)

WASHINGTON, June 15.—In all but a handful of states, consumers caught up in the booming condominium market can expect little protection against deception or fraud under the real estate laws.

They must instead depend—despite the special complexities of buying a condominium—on such uncertain factors as constraints of the marketplace or slow-moving individual lawsuits.

New York is one of the exceptions. Under what many consider the strongest law in the country, developers there must make detailed disclosure statements approved in advance by the state Attorney General.

There is some disagreement over the number of states ranking close to New York, but experts in the field generally name fewer than 10. Those most often cited as strict are California, Michigan, Virginia and Hawaii.

In most other places, an authority in New York observed, protection for the buyer is "minimal." It is up to the consumer, a knowledgeable Washington lawyer added, "to know what he's getting into."

The state laws are important because they have been relied upon traditionally in real estate transactions and because the Federal agencies with some jurisdiction have as yet taken almost no regulatory action.

The Department of Housing and Urban Development, which expects half the population to live in condominiums within the next 20 years, hopes the states will beef up the consumer protection provisions of their statutes.

The situation now, according to reports from a dozen randomnly selected states and interviews with national experts on condominium development, is highly uneven and is influenced by a number of special factors.

All 50 states have laws, passed in the early nineteen-sixties when the condominium was still unheard of in the United States, that at least permit the special arrangements needed to set up that kind of dwelling.

The statutes enable people to hold title to a specific cube of space within a larger complex, to be taxed directly on their unit, and to join with others in the ownership of common areas such as swimming pools and elevators.

Condominiums—once primarily vacation or retirement homes but now, after several years of explosive growth, the primary residence for millions of Americans—are popular for several major reasons.

They are usually cheaper than detached homes, and they offer tax advantages over ordinary apartments. Typically they include recreational facilities beyond the reach of ordinary homeowners and mean an end to many maintenance chores.

A LOT OF CO-OWNERS'

But, as one Washington lawyer warned, "Don't forget that when you go into a condominium you pick up a lot of co-owners" in the common areas and that, in effect, "you're joining a sort of mini-government."

For the buyer or even the buyer's attorney to understand the rules he has to understand the state law, and several authorities said this was complicated by the differences that exist from place to place.

A widely known authority in the field, Patrick J. Rohan, suggested in a telephone interview this week that the nation's legislatures need "to get working on a uniform state statute."

"You've got 50 states going off in 50 different directions," said Mr. Rohan, who is a professor of law in Queens. He and others voiced apprehension at direct Federal intervention.

"The Federal Government isn't equipped to handle such a matter as housing," he argued. The market is fragile and prices are climbing "out of sight," he said, adding that Washington would only make matters worse.

"It may well be they'll have to have the threat of Federal regulation to force the states to act," Mr. Rohan remarked. But the Federal Government should at most set standards for state regulations, he added.

Several factors appear to work against tighter controls. Numerous sources mentioned real estate lobbies, which are powerful in most states and are said to oppose regulatory changes almost instinctively.

PRESSURES OF THE MARKET

Marketplace pressures cut both ways. The developers commonly argue that shady operators find it difficult to borrow money for their projects, get their work approved by local inspectors, or attract many customers.

At the same time, consumers complain that when the market goes soft important elements such as pools may not be built and units may be turned over to renters who drive down the value of the entire complex.

Some consumers appear willing to rely on traditional remedies such as civil litigation even in states that have added strong protection machinery to their laws. A notable example occurred earlier this year in Michigan.

Robert E. DeMascio, judge of the United States District Court in Detroit, filed suit to break his contract to buy a $52,000 condominium on the 16th floor of an east side building.

The judge charged in a still pending county court action that the developer had so grossly understated the maintenance costs and other expenses of his unit that it amount to a false inducement to buy.

When he made the purchase in February, 1973, Judge DeMascio alleged, he was informed that $155 a month would cover parking, maintenance, and building personnel costs. The charges have hit $234, he complained.

In some states, consumers are said not to complain. An observer in Ohio reported, for example, that while the law there is "not particularly strong" no one had been "raising any significant hell about it."

NO COMPLAINTS IN ARIZONA

William P. Dixon, an assistant Attorney General in charge of consumer protection in Arizona, said he could not remember receiving single complaint involving condominiums in that state.

Herbert N. Goodwin, Assistant Attorney General in Massachusetts, said he knew of no major problems there. But State Senator Jack H. Backman, a Brookline Democrat, sounded an apprehensive note found elsewhere in the nation.

"Condominiums built in Massachusetts so far may have been built by the most ethical real estate people," he said, "but now that condos are becoming a way of life others might step into the field who are not so ethical."

Consumer objections have prompted widespread activity in one area: state and even local legislators have moved to control the conversion of regular apartment buildings into condominiums.

Some measures would require long advance notice before tenants could be required either to purchase their units or to move out, and others would prohibit conversions without the approval of a certain number of occupants.

Proposals to convert the huge Parkmerced apartment complex in San Francisco are covered by general state legislation that would allow local government to bar such changes entirely a Republican sponsor, State Senator Milton Marks, explained:

WEST COAST PROBLEM

"San Francisco has a real housing shortage, and if the Parkmerced owners go ahead on their conversion plans many families unable to afford the purchase price will be tossed out on the street."

Some California officials believe their condominium law is already stronger than New York's. While most experts seem to disagree, the two states regulate sales in much the same way.

David Clurman, an Assistant Attorney General in charge of condominium regulations in New York who is also a recognized authority in the field, said developments within the state must meet various standards.

For example, Mr. Clurman said in a telephone interview, New York rejects long-term lease arrangements under which the builder retains ownership of recreational facilities and charges substantial rent for their use.

Out-of-state projects that are to be sold to New Yorkers through newspaper advertisements, direct mail, or similar means must register with the Attorney General and make full disclosure of their plans, Mr. Clurman said.

But New York does not reject provisions legal under the other state's law, Mr. Clurman added. Thus, long-term leases, popular in Florida may be imposed on condominiums sold in New York so long as they are disclosed.

The prospectuses are highly detailed. Mr. Clurman cited one covering a Westchester County project, Edgemont at Tarrytown condominium. Buyers are presented with a 243-page document containing elaborate maps and diagrams.

In addition to legal documents and financial data, the prospectus explains that each unit will contain a "built-in automatic dishwasher, Westinghouse Model SU 400 P," and that lights outside front doors will have 60-watt bulbs.

Builders who depart from the state-approved plan, Mr. Clurman said, can be charged with a misdemeanor under the law. More often, he added, the state "negotiates" for full compliance.

The situation is substantially different in Florida, where condominiums first became popular and in which an estimated 600,000 people now live. Consumer complaints have been persistent there.

The state Legislature, in an extensive revision of the law, recently provided for more disclosure but left out of the statute, as one observer put it, "the most important thing—an agency to enforce it."

"It was no great revolution," said Rod Tennyson, the Assistant Attorney General for consumer affairs in Florida. "You're going to get a big book of documents, but I don't know if you're going to know much more."

While builders insist heatedly that the new law is uncommonly strict, Mr. Tennyson said, he may report to the state's "Little F.T.C. Act," which prohibits unfair trade practices, to move against unethical operations.

The law is certainly more stringent in Florida than in most states. In Connecticut, for example, there is no consumer protection machinery, and efforts to provide some have failed regularly over the last four years.

James F. Carey, executive director of the state Real Estate Commission, said he has pressed unsuccessfully for legislation requiring full disclosure and severe penalties for misrepresentation.

Most builders contend the present statute is adequate, and there are complaints of unfulfilled promises, he said, but the state can do nothing.

[From the Washington Star-News, Oct. 7, 1973]

Why Further Legislation Related to Condominiums Is Needed on the National Level

(By Miriam Ottenberg)

An 82-year-old widow thought she had been assured that she could live out her days in her apartment at 2500 Q St. NW. Now she's not going to be able to.

Three elderly sisters had begun making their home at The Dresden, 2126 Connecticut Ave. NW, some 42 years ago. With no advance warning, they were given a month to get out.

A retired government employe, aged 75, was confident his pension and savings would be enough for him and his wife to keep their apartment at The Greenbriar, 4301 Massachusetts Ave. NW. But he's been notified that his gross monthly income has to be four times the monthly payments for his apartment and he can't make that.

These and hundreds of other older people have been victims of the conversion of their apartment homes into condominiums.

Real estate developers and their sales organizations tell you they're sorry about it. They didn't realize, they say, how many older people lived in these buildings until they bought them and some are genuinely trying to help the residents who have to get out of their homes.

But this is business. Just since the first of the year, close to a dozen venerable but luxurious apartment houses and developments of more recent vintage in the District have either gone condominium or are in the process. More are contemplated as soon as mortgage money becomes available again so buyers of condominium units can get financing.

Perhaps not so venerable but equally substantial apartments in nearby Maryland and Virginia also are being sold condominium as long-time owners sell out, new developers move in for a hoped-for swift profit and old tenants either become owners—however reluctantly—or try to find a new place to live.

Most of the developers have some ties with the communities where they're converting older apartments into condominiums but it was learned the investors behind one coversion are in West Germany.

The Star-News surveyed tenants of five older apartments now converting to condominiums. They included residents of the Carlyn (better known as 2500 Q St. NW), The Greenbriar, The Marlyn at 100 39th St. NW, the Dresden and the Woodley Park Towers, 2737 Devonshire Place NW.

Also made available were the results of a questionnaire put out by the Retired Professional Action Group, a Nader operation, at two locations.

Both surveys indicated that even tenants buying their old homes as condominium units are a lot less enthusiastic than the developers who sell them. Here are some of the findings:

Although developers deny it, tenants feel they are being rushed to make a decision—buy or get out. Even people who are allowed to stay on for months after they decide against buying know they must find another place as soon as possible. As one woman tenant explained: "I don't want to get a notice on Christmas Eve."

Some tenants contemplating purchase of a condominium unit say they don't have enough information to make an intelligent decisions before they have to decide one way or the other.

And when they start asking questions, they sometimes find themselves confronted by salespersons so inexperienced that tenants comparing notes discover they all got different—and conflicting—information.

When they try to find out how much they'll have to pay toward principal and interest, toward maintenance and toward taxes, they find their monthly payments often twice as much as the rent they're paying now. Typical examples:

An apartment renting for $237 a month will require monthly payments of $523. One renting for $335 is going for $650 but one renting for $453 has a bargain tag of $784 a month.

What older people are not told until they go through the painful business of filling out all the forms to get a mortgage on their apartment home is that many lenders have some hard and fast rules about age and income.

Earlier, they're just told they have to "qualify" for a loan but since the developer has made much of the fact he's offering a "loan package" they're inclined to assume they'll get the loan.

They don't know until their loan is rejected that their gross monthly income must be at least four times the monthly payments.

Age is almost always a factor. The Star-News survey found some lenders use 80 as their key figure. If a man is 50, he can get a 30 years loan; if he's 60, he can get a 20 year loan; and over 70, forget it.

A local bank said it had made some loans to condominium buyers in their 70s but the developer of that condominium said he had to guarantee the loans. He suggested that other developers should help other older and financially fit people get financing to buy their condominiums but so far none has shown much interest in the helping older tenants get mortgages.

Some oldsters are being helped by sons and daughters who figure to move in when their parents die.

Actually, most of the older people interviewed weren't interested in buying. They said they'd gone into apartments to escape the legal complications and encumberances of homes. Why should they start that business all over again.

Others, thought a lot of others knew they couldn't afford to get involved—not with their fixed retirement income. Typical of them was a veteran of two wars who said all he had was his pension and Social Security, not enough to buy a luxury apartment, although he had lived there for years paying rent.

Developers and their salesmen stress the equity tenants can get if they buy rather than rent, but the older and wiser retort that the bulk of what they'll be paying for the first dozen years is interest and it's only later that the equity builds.

And when the developers point out the tax shelter awaiting the condominium buyer, the older tenants retort they just want shelter. The size of their income doesn't prompt them to go out looking for ways to reduce their taxes.

A number of the tenants feared they would be buying a pig in a poke, as they put it. They were afraid of future assessments when the aging furnace broke down or the roof sprung a leak.

At more than one site of apartment conversion, tenants said the maintenance had been so bad in recent years that they were sure the developers would have to spend a lot of money replacing worn out equipment and if the repairs were "cosmetic" rather than basic, they could visualize the new tenant-owners with large future bills to share.

Tenants facing what amounts to eviction (although a landlord can ask anybody to leave on a month's notice where he has no lease) tend to focus their bitterness on the owner who sold to the developer. They feel betrayed.

Added to their feeling of betrayal is bewilderment as they discover the rents they'll have to pay when they move. Several of them told The Star-News, however, that they would have been willing to pay more rent if they had only been able to stay in their old home.

But rent is one thing and monthly mortgage, maintenance and tax charges something far different. Now some developers are beginning to say their colleagues are "getting a little greedy" and charging too much per square foot of apartment space.

Young people are caught in the condominium squeeze, too, because their gross income doesn't meet mortgage requirements but it's the old people crying for the protection they're not getting.

In the wake of each conversion come stories of old people dying from the strain of trying to change their way of life at a late date.

One husband and wife both wound up in the hospital two days after they moved. A man had a heart attack and a woman was so worn out from the strain of packing and storing and looking for a place that she fell down and broke her hip.

So many tenants cast off from their longtime moorings at the Woodley Park Towers moved to the Highland House in nearby Maryland that a whole floor has been called the Woodley Park Towers floor.

A Highland House employe said the prospective tenants were so distraught when they first went apartment hunting there that they didn't know what kind of apartment they wanted nor what questions to ask about facilities.

They were luckier than some oldsters now having much trouble trying to find apartments they can afford. Their move is not only from spacious, high-ceilinged apartments, complete with dining rooms, balconies and patios into lower-ceilinged apartments with smaller living rooms and no dining rooms or outdoor space. Often it's also a move from two bedrooms to one bedroom or from one bedroom to an efficiency at more than their previous rent.

Added to the agony of leaving memory-filled homes and to the cost of moving which they hadn't figured in their carefully structured budgets is the fear of having to move again.

That's the fear stalking older people on fixed incomes in the Massachusetts and Connecticut Avenue corridors—even though letters from managements assure them no sale of their building is contemplated—"unless times, conditions or circumstances dictate differently," as one letter said.

Tenants are beginning to become aware of what is known as the "condominimum clause" in some of their leases. That clause says if a building goes condominium the lease can be terminated after tenants are given 30 days to decide if they want to buy their apartment home.

And if they don't want to buy, they join the ranks of Washington's other displaced elders.

[From the Washington Post, March 28, 1974]

Planned Condominiums Too Expensive—Evictions From Apartments Protested

(By Thomas W. Lippman)

The same abrupt message that is changing the lives of tens of thousands of residents of the Washington area was delivered last week to the tenants of Cathedral Mansions North: buy your apartment or leave.

A group of young investors has bought the 51-year-old apartment building across Connecticut Avenue from the National Zoo and joined the accelerating trend to condominium conversion. After extensive modernization and renovation, the 182 apartments will be taken out of the rental market and offered for sale.

About 18,000 former rental units in the Washington area have already been converted into condominiums, according to recent studies, and the total may go as high as 100,000, reducing the already limited supply of rental housing at the same time as it increases the demand for it.

Efficiencies at Cathedral Mansions North will sell for about $20,000, two-bedroom units for about $40,000. That is not expensive, in comparison with other Washington condominiums, where prices range up to $125,000, but for many of the building's current occupants, it is out of the question.

As the Washington area's supply of moderately priced rental housing continues to dwindle, Cathedral Mansions North has been a haven for some 350 tenants, many from Latin America, despite its outdated plumbing and wiring and its balky heating system.

Something of a bargain with its large rooms, moderate rents and choice location, it attracted low-income working families, pensioners and aspiring immigrants. The homelands of tenants range from Ceylon to Ecuador.

All have been told by the new owner, Park-Cleveland, Inc., that they will "have an opportunity to share in the ownership of this valuable location." Unlike other buildings along Connecticut and Massachusetts Avenues, where the condominium trend is well advanced, Cathedral Mansions North is filled with tenants who are already at the limit of their financial means.

They are about to be put into the already tight market for that rare commodity in Washington, modestly priced rental housing.

About 20 tenants went to the District Building yesterday to seek the help of Sterling Tucker, chairman of the D.C. City Council's housing committee.

Among them were Ernesto Herrera, a warehouse worker who has been on strike for a month, who said he supports his family of three on a take-home pay of about $85 a week; his wife, who just took a job in the neighborhood; Carmen Dilone, a widow from the Dominican Republic who makes $88 a week at the Shoreham Hotel and only four months ago saved enough to bring her four children to join her; a man in a wheelchair; a retired engineer on a fixed income; and a young woman with a child who said she is supporting herself and going to college on $209 a month.

"Listen to us, help us prevent this from happening," Carmen Carrera asked Tucker. She said it was "difficult to move" because of the "general housing shortage."

Tucker asked assistant corporation counsel Louis P. Robbins whether anything could be done "under existing regulations." Robbins replied that "we are working on regulations to soften or minimize the impact" of condominium conversions, but "we don't believe the city government has the power to stop it."

Tucker dispatched a member of his staff to meet with the building's new owners "to see if we can't slow down the whole process" of eviction, and said he hoped to have a new law that would give tenants some protection by late spring. He said the legislation "will probably be inadequate," and that "this problem is going to spread across the whole city."

Housing experts have predicted that perhaps 20 per cent of the half million apartments in the Washington area will be converted into condominiums, and condominiums predominate among apartments now being built.

A recent report by the metropolitan area Council of Governments said that 17,811 former rental units are already in the conversion process, of which more than half were moderately priced garden type apartments.

He said he could not give the purchase price of the building because it was part of a package of properties included in a single sale, but gave a renovation cost estimate of "at least $1 million."

The property was valued by city assessors two years ago at about $2 milllion. If the apartments are sold at an average price of $30,000 each, the return would be about $5.5 million.

No figures are available on how many former renters have decided to buy their apartments or had the means to do so.

One of Cathedral Mansions North's new owners, John Fitzgerald, 26, a native of Cuba, said in an interview yesterday that "the conditions in this building are deplorable. What we're going to do is not redecorating but a complete engineering job, new kitchens and bathrooms, air conditioning, complete plumbing and rewiring."

He said those renters were essential if the building was to remain habitable, and would "double the rents even if we kept it as a rental property so many of these people would have to move anyway."

He said the building was "not going to be outrageous, not luxury," and that many tenants who had talked to him said they were planning to buy their apartments. He said the owners would do everything they could to help the others move, and would grant extra time to persons with special problems, but "that's all we can do."

He said an efficiency apartment that now rents for $127 a month could be purchased for a $1,000 down payment and a monthly charge of about $200, including 8 per cent interest. "Nobody denies you're going to pay more, but you're paying yourself, not the landlord," he said.

Eviction Notices Add New Burden to Troubled Lives

(By Joseph D. Whitaker)

For five years, Carmen Dilone, 47, worked eight hours a day, five days a week as a domestic and dishwasher to save the money to bring her four children from Santo Domingo to a higher standard of living and a new home—a crowded two-bedroom apartment in Northwest Washington.

The family, which had lived in abject poverty in the Caribbean, for the first time was able to eat regular meals, buy essential clothing, and purchase a color television set, an inexpensive model with hazy, unfocused images.

By frugally spending the $320 a month she takes home as a dishwasher and $360 a month two of her children receive for enrollment in a government-sponsored English course, Mrs. Dilone is able to stay one jump ahead of such things as welfare, Medicaid and the pity of the middle-class.

The family budget, which Mrs. Dilone said is gradually being eroded by the rising costs of food and clothing, is quickly whittled away by monthly expenses, leaving little for recreation and none for savings.

Mrs. Dilone, now must move out of her apartment by June 1 so that the building can be converted to condominiums. She said she is afraid that the probable higher rent of her next apartment will throw the family budget out of kilter and push the family on to the welfare rolls.

Beginning with approximately $680 each month in family income, money is spent as follows: the $165 for rent; $200 for groceries; $120 for transportation by city bus; $19 a month for family life insurance; $30 a month payment on a television and portable air conditioner; $40 for laundry and dry cleaning.

In addition, about $30 a month is spent for medicine and toiletries. That leave $76, which is divided between unexpected household expenses and Mrs. Dilone's mother, who still lives in Santo Domingo.

Mrs. Dilone, her two daughters, Xiomara, 13, and Hilda, 22, and two sons Carlos, 18, and Antonio, 15, live on a diet consisting largely of combinations of chicken, beans and rice, served with soft drinks.

The two small bedrooms are furnished with several cot-style beds, dressers and not much else. The tiny living room, also sparsely furnished, is where the family crowds at night to watch television or listen to a small record player.

Mrs. Dilone said the family used to go out to Spanish-language movies until such outings became too expensive. Now she says the television is the family's main source of entertainment.

On the floor above Mrs. Dilone, Ernest Herrera, his wife and their 10-year-old son are down to $1.05 in food stamps, some breaded shrimp, a sandwich steak and a half jar of peanut butter and a few other groceries.

Herrera, a warehouseman on strike against the Peoples drug stores, doesn't know where his food will come from after that. Until the strike, Herrera was earning $114 a week at the warehouse. After paying $160 a month for rent, he was left with $296 to buy food and pay the family bills.

Herrera said he has had no success in finding another apartment for $160 a month. He also has had no success in locating a new job. He said that because he is a Mexican-American and because he is overweight at 320 pounds, employers so far have rejected him.

"I really don't know what they (the landlord) expects us to do. They know we can't afford to live anywhere else," Herrera said, "If they were to put us out today where could we go live—under the Calvert Street bridge? Or maybe they expect us to go live on a reservation like the Indians."

[From the Washington Post, May 28, 1974]

PITFALLS FACE THE CONDOMINIUM BUYER

(By Thomas W. Lippman)

The purchase and operation of a condominimum dwelling can be a confusing, dismaying process that brings unpleasant surprises, disillusionment and financial setbacks.

From the time the prospective buyer is confronted by the salesman's glossy brochures or the bulky book of "condominium documents" filled with legal language, he is treading a hazardous path.

He may find after purchase that his monthly payment is greater than he was told it would be, or that a recreational facility promised by the developer was never built, or that the bylaws of his project won't permit him to play his trombone, or that the cosmetic renovation of an old building failed to deal with a balky boiler, to the repair of which he must now contribute. And if he doesn't like what he bought, he cannot just move out—he is the owner.

In the Washington area, the condominium industry has avoided the outright scandals that have beset it in other communities. Many buyers interviewed at random in the preparation of these articles said they were satisfied with their homes and had gotten pretty much what they expected.

But even those who have the most to gain from the condominium boom, the people who build and sell them for a living, acknowledge freely that consumer ignorance and developer inexperience with a new form of housing have created a wide variety of problems.

Builders, realtors, lawyers and independent housing experts stressed the need for consumer caution, for the prospective buyer to know whom he is dealing with and what he is getting himself into. They also said that the average buyer may need his own professional assistance in evaluating the condominium where he is contemplating a purchase, because the whole procedure is vastly more complex than buying a single-family home.

A condominium study committee that reported on the issue to the Virginia General Assembly found a consensus that "a higher degree of consumer protection will be of great benefit, not only to the buyers of condominium units but also to developers, realtors and lending institutions. Without adequate purchaser protection, the unscrupulous practices of a few can create a negative image affecting the whole condominium concept. That has been the unfortunate experience of a few of our sister states."

"When you buy one," said John Donovan, a condominium salesman for a Chevy Chase realty firm, "you're putting in a lot of money and you need to know what you're doing."

"I don't know of any one case where the sales force made large-scale misrepresentations or there was any large-scale fraud," said Devin J. Doolan, a Montgomery County legislator who as a lawyer has represented both developers and purchasers of condominiums. "If you added up all the problems I've had, they wouldn't make a hell of a story." But for any one individual, he said, to whom the purchase of a home represents his biggest single expenditure, the small problems he encounters can affect his entire investment.

Doolan represented a group of buyers of condominiums at a development called Sumner Court in Bethesda. Unwilling to accept the developer's assurances that a promised swimming pool would be built, they persuaded him to create a $30,000 escrow account as a guarantee. The pool still has not been built, but the buyers' investment is at least protected by the existence of that fund.

This episode shows why there was general agreement among all those interviewed on their advice to a condominium buyer:

Check the reputation of the developer and the credentials of his partners before signing anything, and then take none of his assurances at face value. There are pitfalls built into the whole concept of condominiums as they never were in single-family houses or rental apartments.

The ownership of a single apartment in a high-rise building and of a share of the parking lot and recreation facilities around it, for example, creates a kind of interdependence with one's neighbors and reliance on the judgments of others that can be troublesome.

The basic advantages of condominium living are generally undisputed ownership of property, tax deductions, relative freedom from maintenance, buildup of equity, and access to communal facilities that would be too expensive for the individual home owner, like swimming pools or tennis courts.

Making sure any particular project will deliver on these promises is another matter. Realtors, industry spokesmen, lawyers and consumer advisers agreed on a long list of points a buyer should examine especially if he is buying an apartment in a multifamily building rather than a townhouse.

A condominium buyer acquires title to his own apartment and to a share of whatever adjacent ground and facilities the developer chooses to include in the deal. These may or may not include the recreational areas, laundry rooms and parking garage—it is not unusual for the developer to retain title to these and lease them out to the owners of the apartments, and the buyer should find out beforehand what he is getting. At one expensive building in Washington, it costs an extra $3,000 to buy a parking space.

The buyer also gets a complex set of papers that determine how the project is going to be run—papers that are drawn up by the developer, his financing agent and his lawyer, and which can contain dozens of surprises couched in the impenetrable legal language of deeds and contracts.

At the Coronado apartments in Adelphi, for example, the sales contract contained a provision that the buyer give back to the developer an irrevocable proxy to cast his vote in the condominium's governing body for three years. That means the developer not the owners, decides who gets the management contract and what the bylaws will be.

The bylaws in turn control—sometimes in very restrictive ways—what the owner of an individual apartment can do with it and what he cannot. At Sumner Court in Bethesda, for example, they forbid the operation of a washing machine or dryer. At Town Square Towers in Southwest Washington, they prohibit putting melon rinds or onion skin into the garbage disposals. The bylaws also determine the condominium's policy on such issues as pets, noise, and trash disposal, and on more important matters such as whom an owner can rent his unit to and under what circumstances, or what happens if some units are damaged by fire.

"Some of these regimes are down right dictatorial. You can't even sneeze without permission," said Richard Arkin, president of the owners' association at Autumn Walk condominium near Olney.

In theory, the bylaws can be amended by a vote of the owners, but in fact the developer usually retains control of his project for at least the first several years, either by the proxy system or some other provision of the sales contract. Either way, the individual buyer is bound by the bylaws and needs to understand them beforehand to make sure he can live with them after he buys.

Although condominium ownership is promoted as the equivalent of home ownership, there are other ways in which the freedom of living in a single-family home is curtailed in a condominium. Some are obvious: an apartment cannot be expanded by adding a room; loud music late at night would disturb the neighbors. But some are less obvious and could affect the buyer's finances.

For example, if a commonly held area of a project, such as the roof, needs repairs, the individual owner of an apartment cannot save money by doing it himself, or by calling in his brother-in-law to do the job cheaply, as the owner of a single-family house might.

Nor can he simply postpone the job—it is the owner's association, or the developer, who makes these decisions, and if they cost more money than the association has on hand they can result in assessments against the owners. Furthermore, the very process by which these decisions are made—the meetings and decision—involves the * * * and energy that may be in short supply for an owner with a busy schedule.

Repair problems are potentially the most troublesome, experts say, in an old building that is being converted from rental to ownership. Many old buildings, especially in the District, have the advantages of old-fashioned hardwood floors, high ceilings and big rooms. But they also have old pipes, old roofs, old heating systems and old elevators—conditions that may or may not be rectified during the renovation work that precedes the sale of the units.

"You can't go around and kick the tires on a highrise building," says Del. Ira Lechner of Arlington, who steered Virginia's new condominium control law to passage in the General Assembly. "You can't do the kind of inspection you do on an individual house to know what repairs to anticipate."

Some conversions seem to work better than others. At 4100 Cathedral Ave. NW in Washington, a luxury building with some apartments costing more than $100,000, the thorniest problem confronting the owners at a recent meeting was whether to turn off the outside fountain as an energy conservation measure, according to an owner who said the building is "beautifully run."

At the giant Fairlington South project in Arlington, residents say they are struggling with chronically flooded basements that apparently resulted from the conversion work. At the Coronado in Adelphi, the owners commissioned their own engineer's report after they had bought and learned of defects in many of the buildings' vital systems.

A recent study by Nancy Jane Cohen of the Washington Center for Metropolitan Studies said that "some inspectors hired by prospective buyers have insisted that most rehabilitation is cosmetic, and that costly maintenance will be inevitable on many buildings in the near future. They cite plumbing, bad roofs, and crumbling bricks as the main problem with older condominiums."

The report also referred to what it described as "elusive engineering and structural reports. While developers claim that adequate information on the condition of the buildings is always made available, some buyers dispute that contention. Many may not know enough to ask for the information, or to understand the technical data if offered."

Legislation already enacted in Virginia and pending in the Maryland suburbs would require that prospective condominum purchasers be provided with full engineering reports and estimates of the useful life of appliances and equipment.

The financing arrangements are usually considered one of the most persuasive selling points for condominiums.

Instead of rent, which an occupant can pay indefinitely at ever-rising rates and have nothing at the end, the condominium dweller buys his apartment, often at modest prices and low down payment. Like any other home buyer, he deducts his real estate taxes and his mortgage interest payments from his taxable income. He protects himself against inflation by stabilizing his monthly mortgage payment, and he builds equity in his property by paying off his loan as the value increases.

In addition to his mortgage and interest the buyer of a condominium pays a monthly fee, ranging from about $15 to more than $100, that covers the maintenance of commonly held property, security services, cleaning the swimming pool and other expenses of the building. This is not tax deductible and will increase if the costs of these services go up over the years. The resident may give up swimming, but he still has to pay his share of keeping the pool ready.

Condominium experts warn that sales personnel sometimes underestimate this monthly fee, or the figure for anticipated real estate taxes.

Frank Morris, a young lawyer who is on the board of directors of a converted project in Arlington, said that "if you had done any shopping around you would have known that the estimate here was a bit low. For my two-bedroom unit it just went up $19 a month. I would generally say as a caveat that the fee is 20 per cent higher than stated."

The report of the Washington Center for Metropolitan Studies said that "inaccurate maintenance estimates at the time of purchase, known as 'low balling' in the trade, mean an unrealistic beginning. One town house complex in Montgomery County began with a $16 maintenance fee, now tripled. This usually means no reserve for contingencies has been included."

For the buyer who has budgeted his purchase to the last dollar, an unexpected rise in the monthly fee could cause family hardship. "We raised our fee $3 a month," said Arkin of Autumn Walk, "and you would have thought it was $300 to hear the squawking."

Analysts familiar with condominium financing warn that other aspects of the financing arrangements must also be questioned before purchase.

Persons whose income is high enough to afford a low-priced condominium but not high enough to warrant itemized deductions on their income tax returns, for example, may not gain the tax advantages they are promised. Syndicated money-management columnist Sylvia Porter recently warned condominium shoppers to make an independent inquiry into the estimated real estate taxes as well as the monthly maintenance fee.

Here are sample financing plans for one-bedroom apartments as given in the promotional materials for two condominium developments:

At Grosvenor Park, a high-rise conversion on Rockville Pike near the Beltway: purchase price, $37,100; down payment of 5 per cent, $1,900; mortgage of $35,200 at 8 per cent interest for 30 years; monthly payment $258.29; real estate taxes, $64 a month; condominium costs including utilities, $114.50 a month. Added to that is the premium that the buyer pays to an insurance company for insuring that part of the mortgage over 80 per cent of the purchase price.

The total required monthly outlay, including the insurance premium, comes to about $450, but sales literature gives an estimated "net monthly cost" after tax deductions, for a person in the 30 per cent tax bracket, of $347.78. Financial experts caution against calculating a family's monthly budget on the basis of the lower figure, because it is actually the higher amount that must be paid out each month and the tax savings come back only once a year.

At Watergate at Landmark, a lavish project of four high-rise buildings and extensive recreation facilities under construction near the Landmark Shopping Center in Alexandria: purchase price, $34,400; down payment, 10 per cent, $3,440; mortgage of $30,960 at 8½ per cent for 30 years, monthly payment $238; estimated real estate taxes $57 a month; condominimum fee including utilities and all recreational facilities except indoor tennis, $70, for a total monthly payment of $365. The interest rate on the mortgage is a guess—it will be at the prevailing rate at time of settlement, more than a year from now.

The sales brochure estimates tax savings from this package for a person in the 30 per cent income tax bracket at $102 a month and "appreciation" at a 5 per cent annual rate, or $143 a month, to arrive at a "net real cost of ownership" of $120 a month.

Whether condominimum apartments do in fact appreciate in value, and if so at what rate, is a matter of disagreement in the industry. Bruce Steele, a housing analyst for the Metropolitan Council of Governments, calls it the "great unknown" of the condominium business.

In the first place, the developer who sells the apartments originally can offer his buyers assurances of mortgages at the prevailing rate, because before he puts his development on the market he obtains a commitment from a lender to make those mortgages available.

Officials in the savings and loan business, the chief source of home mortgages, say that in periods of tight money, as at present, it may be very difficult for the would-be buyer of an individual resale unit to obtain financing. Whatever the paper value of the seller's unit, he cannot turn it into cash if his prospective buyer cannot obtain a mortgage.

Another potential problem is the resale of a unit in a project that has not been a big success, where the original developer still has units on the market with lower prices and assured financing. This has happened at Wilson Bridge, a well-kept, nicely landscaped but slow-selling project in Oxon Hill. "We want to sell, but it doesn't look like we're going to make any money because the developer still has plenty of units for sale at his price," a young woman there said.

G. V. (Mike) Brenneman, president of Brenneman Associates, a real estate firm that deals in resales of condominiums, said that the seller of a condominium is in a "slightly less advantageous position" than the seller of a single-family home because it is more difficult for his prospective buyers to obtain financing.

Other than that, he said, "we feel there is no reason, assuming that the condominium is a good one, to doubt that appreciation should be pretty much the same as in single family units. We have figures to show that some have been astounding—generally the higher priced units and those that are close in are the most successful. I tend to draw a line of demarcation at the Beltway."

Two other potential sources of financial difficulty for the prospective buyer are a delay by the developer in going to settlement and a recent ruling by the Internal Revenue Service that the condominium owners' associations are not tax-exempt.

Housing industry sources say that most lending institutions will not actually put up the money for the buyers in a project to take title to their units until a fixed percentage of the units—usually half or more—have been contracted for sale.

This can mean a lapse between the time the first purchasers put up their deposits, and perhaps even move in on a rental basis, and the time they can begin building up equity and claiming tax deductions. Until a purchaser obtains his mortgage and goes to settlement with the developer, he is not the owner of the unit.

As for the IRS ruling, its potential impact was described by the Community Associations Institute in a recent statement as "a severe blow to the future growth and development of such organizations."

IRS ruled, in effect, that if the owners' association takes in more money than it spends, perhaps in an attempt to build up a contingency fund for unexpected repairs, surplus of income over expenditures is subject to income taxes. According to a recent article in the housing industry trade journal "House and Home," this "could cost residents of condominiums and planned unit developments millions of dollars in extra assessments for maintenance of their common areas."

The new Virginia condominium control law, which takes effect July 1, and similar but less comprehensive measures now being considered by the county councils in Prince Georges and Montgomery, put emphasis on full disclosure to buyers of a condominium's real economic picture, and limit the time during which developers can continue to run their projects. Except in Prince Georges, the bills also require builders' warranties on structures and appliances. But none of the condominiums now on the market is covered by these laws.

[From the Washington Post, May 5, 1974]

Four Groups of Buyers Seek Condominium Homes

(By Thomas W. Lippman)

John Donovan sells condominiums for a living, and believes in them. But he also says that they aren't for everybody.

Like many other experts in the development and marketing of condominiums, Donovan, a condominium sales specialist with the Chevy Chase realty firm of Burr, Mooris & Pardoe, says that four "classes of buyers" provide the strongest demand for condominium housing and are most likely to be satisfied with it:

Young married couples, with incomes in the $15,000 to $22,000 range. "They need a little tax write-off, but they can't buy that starter home in American University Park that would have cost them $32,000 a few years ago. That house costs $65,000 now," Donovan said. "These young people don't have a big down payment, they know the condo comes with a pool or tennis court, and they're looking for a little appreciation of their investment."

Single people. "They're leaping in, buying one-bedrooms or efficiencies; they get something that belongs to them and some protection against taxes and inflation. "They're being taxed even worse than the young marrieds."

Middle-aged and older couples whose children have grown up and moved away. These people are known in the trade as "emptynesters." For them, Donovan says, "that big house is an albatross, they want a secure safe existence with people around them, and the knowledge that they'll never get eviction notices or rents that will go beyond their budgets."

Busy professional people, the "movers and shakers," who want luxury, prestige addresses and no time-consuming maintenance problems.

Legislative Alternatives

[From the Washington Star-News, Oct. 9, 1973]

Condominium Victims Ask Legal Curbs

(By Miriam Ottenberg)

The District has had a law on the books for 10 years permitting condominium development, but no rules were ever written to protect consumers who get involved—often reluctantly—with this kind of housing.

Older people being forced from their homes by conversion of their apartments into condominiums keep saying there ought to be a law. District officials admit the law they've got doesn't help displaced apartment dwellers at all.

In fact, it doesn't help the would-be buyers of condominium units much either.

The city's present law doesn't set up or assign any agency to oversee the operation of condominiums, beyond the District surveyor's office measuring apartment units for tax purposes.

It doesn't require condominium developers to disclose key facts about their developments such as how long the developer expects to keep control. In the case of older buildings being converted to condominiums, it has no requirement that professional engineers state the life expectancy of the heating system or the elevators or the roof.

In fact, the 10-year-old law doesn't go into conversions at all—the type of condominiums now threatening the older people.

And the 1963 law doesn't require developers to give ousted tenants adequate notice their home is going condominium or adequate time to find other rental housing in a shrinking rental market.

The District, it was learned, is belatedly trying to write some regulations—at the express request of District Surveyor W. R. Compton, who was surprised to find no regulations to carry out the condominium law when he became a surveyor.

So far, the proposed District regulations being drafted by the Corporation Counsel's office have nothing in them to help consumers, particularly older tenants being forced out.

All District departments—from General Services to Economic Development—were asked for comment. So were the District bar and the Washington Board of Realtors, but no consumer organizations were asked to say what they think of the proposed regulations or where they fall short.

The spurt of condominiums here—particularly conversion of older apartment houses—has prompted one positive move in behalf of consumers. James G. Banks, assistant to the mayor for housing programs, has asked the Washington Center for Metropolitan Studies to investigate the report on the impact of conversions on older people who have to get out as well as new purchasers who move in.

"We're going to find out if it's possible to control evictions under present law or under new legislation," Banks said. "We're also concerned about the danger that new purchasers of these converted apartments will be left holding the bag."

Although nobody around the District Building is talking about it with any enthusiasm, there's always the possibility of adopting the New York law that gives some protection to apartment dwellers who want to keep their homes.

Under this law, 35 percent of the tenants must agree to go condominium before the developer can start selling apartments and forcing out those who don't want to buy. The New York Attorney General's Office is talking about raising tenant approval to 51 percent of the tenants.

There are some obstacles, however, to importing the New York law and making it work here, according to New York officials. The District doesn't have rent control as New York does, so an apartment owner who wants out could simply raise the rents until tenants who didn't want to go condominium couldn't afford to pay the rent and would have to leave.

Unscrupulous landlords, it was learned, also have cut off elevator service, trash collection and hot water to get rid of tenants who didn't want to go condominium.

A good enforcement staff, however, could get rid of shenanigans like that, it was argued.

A member of the Baltimore City Council—aware of older people caught in the condominium squeeze—wants the council to pass legislation requiring 35 percent of the tenants to agree before a developer could go condominium.

Baltimore Councilman Allen B. Spector said that under his bill a lot of older people would not be forced to buy or move out.

Unlike the District, Maryland has rent control, which makes this type of law more operable.

Maryland Atty. Gen. Francis Burch has taken one step to protect condominium buyers by requiring that condominium sales can only be made by licensed real estate men, but his assistants are trying to draft a law to assure some protection for people who don't want to buy condominium units.

Meanwhile, Prince Georges County Executive William Gullet wants action now by the county council. He said the surge of conversions of old apartments into condominiums has brought a "pressing need to protect not only apartment tenants caught in the middle but also prospective purchasers."

He has asked John H. McAllister, executive director of the county's Landlord-Tenant Commission, to review the regulations he proposed and come up with amendments. The commission is empowered to adopt whatever regulations are necessary to carry out its basic landlord-tenant legislation.

Under the proposals, the key one for older tenants is a 90-day option to purchase before being forced to move out. Gullet said he had heard of people forced out in 30 days.

For potential condominium buyers, the most important regulation would be one requiring that they be given a certificate from a licensed engineer detailing the present condition and expected useful life of all "common elements" of the building before they buy.

Developers also would have to provide purchasers with a projected budget analysis showing a full maintenance cycle for the property.

Most of those provisions were drawn from the condominium proposal of Arlington County's Tenant-Landlord Commission, whose chairman, Ira M. Lechner, said the commission wanted to give prospective purchasers a real idea of what they're buying when buildings are converted to condominiums.

Asked what he thinks of the New York law requiring a percentage of tenants to agree before a building can go condominium, Lechner said it wouldn't work without rent control but he added:

"I suspect if we develop a condominium crisis, we will have to look into and try to adopt this. If they triple the number of condominiums in the next three years, we are going to see a rental squeeze like we've never seen before."

As for the proposals he wants adopted now, he said the local planning commission could enact any rules which are not inconsistent with state laws.

Up to now, Virginia has done more than either the District or Maryland to protect consumers during the condominium craze but it's now preparing to do more.

Already on the books is a disclosure law where condominium buyers get a prospectus, similar to a stock prospectus, identifying the people involved in the project, where data is recorded, seller's obligation, bylaws, how officers are elected, mortgages and other vital facts.

A task force of the Virginia Real Estate Commission wants to make the prospectus more specific. Albert Highsmith, commission chairman and head of the task force preparing revisions of Virginia's condominium law, said the group is considering the problems of conversions and consumer protection.

"We're going to be looking at whether the developer had any difficulty on other condominiums, even in other states," Highsmith said. "We're going much further and it's all directed to the consumer."

Highsmith had only one new suggestion to help older people fearful of moving into a building on the way to becoming a condominium.

"If they want to be sure it's not going condominium," he said, "they should ask to have a clause put into their lease that it won't go condominium. And if the landlord won't agree to such a lease, they should look elsewhere."

A condominium promoter had another solution, this one for District apartment dwellers.

He proposed that they urge the city to give incentives to apartment owners who would continue to rent rather than sell out to the developers.

The incentives he had in mind were various tax credits, improved depreciation schedules and free use of such city services as trash and garbage collection.

An official who has been dealing with developers commented that so much money could be made by going condominium that the proposed incentives would have to be mighty tempting to keep a landlord renting when what he wanted was big money in a hurry.

Nobody has yet come up with a real solution to the problem of people who just want to live out their lives as renters rather than owners—and they don't have to be elderly either.

An increasing number of people are trying for a solution. Among them is the House Republican Task Force on Aging, chaired by Rep. Robert H. Steele, R-Conn.

James M. Broder, director of the task force said the staff is studying the impact of condominiums and conversions on the elderly.

Although nothing has been approved yet, he said, it looks like a national law is needed with some protection against high-pressure sales tactics and summary eviction of the elderly.

Such a law, he said, should also have strong requirements that tenant-turned-owners should be given full information about their rights and obligations, that owners' down payments should be held in escrow rather than mingled with the developer's other funds, that the number of years a developer could manage a project should be limited and that tenants should have up to 90 days notice of conversion.

Whenever people start talking about condominiums and consumer protection, it appears, their thought immediately strays to protecting prospective buyers from sharp practices.

It's only belatedly that they remember the older people who could be drowned in what's been called the wave of the future—condominiums.

[From the Washington Post, Feb. 22, 1974]

Condominiums and the Law: The Arlington Example

The Washington Post's editorial on Jan. 21, "Condominiums and Their Costs," succinctly described the squeeze facing tenants of rental apartments as the condominium conversion trend accelerates. But in mentioning that Prince Georges and Montgomery Counties and the Virginia General Assembly were considering proposals to ease the hardships resulting from such conversions, the Post failed to mention that the model for those proposals is Arlington County's newly enacted ordinance, which became effective on February 12.

The new Arlington law, which was formulated as a result of a year-long study by the County's Tenant-Landlord and Planning Commissions, provides that

The developer must furnish an engineer's certificate of present condition and estimated cost of replacement of heating and air conditioning equipment, plumbing, roof, elevator, electrical system and swimming pool to unit purchasers;

The developer must provide a one-year warranty on these elements;

The purchaser has a five day grace period in which to rescind without penalty a contract to purchase a condominium unit.

All condominiums, including conversions, must comply with Arlington's off-street parking zoning ordinance;

Tenants of an existing rental building will receive 60 days' notice of a conversion.

Although the bill now pending in the Virginia Legislature has a number of excellent features, such as a 60-day option for existing tenants to purchase their apartments, it also is seriously deficient in protecting tenants and purchasers from fraudulent and unfair practices. The lengthy and complex bill was drafted by a state study commission dominated by real estate attorneys, developers and mortgage bankers. Del. Ira M. Lechner (D-Arl., Alex.), a former chairman of the Arlington Tenant-Landlord Commission, is a member of the legislative subcommittee that will review the Commission bill. His experience should place him in a strategic position to fight for a bill that provides effective protection to tenants and condominium purchasers from unfair and deceptive tactics, while assuring to developers a fair opportunity in the marketplace.

William R. Weissman,
Commissioner member, Arlington County
Tenant-Landlord Commission.
Arlington.

[From the Long Island Press, Apr. 4, 1974]

Tenant Shield: Bill Protects Condo Conversion

A measure to protect rights of tenants whose apartment complex is converted to a cooperative or condominium has, in a greatly amended form, passed the Senate and been sent to the Assembly.

The original bill would have required 51 per cent of the residents of an apartment complex to vote for conversion before this could in fact take place as compared with the 35 per cent vote now required. The amended bill would allow such conversion with a 35 per cent vote, which would seem to render the bill meaningless.

The sponsor of the bill, Sen. Roy Goodman of Manhattan, says that is not the case, for the following reasons:

The "tenants tell us" they are not so concerned about the 51 per cent provision now, because they feel confident they can stop landlords from getting a 35 (or even a 5 or 10) per cent vote.

In exchange for dropping the 51 per cent conversion provision, the landlords' lobbyists have agreed to a number of concessions, including a statewide extension of the 35 per cent provision (which does not exist outside New York City at present) and protection against eviction and harassment of those who do not choose to buy after the conversion.

Besides appeasing landlords and inducing them to lower their opposition, the dropping of the 51 per cent provision has political implications related to the recent charges of election violations pressed, and later dropped, against Assembly Speaker Perry B. Duryea, Jr. There is a lingering Assembly bitterness at Atty. Gen. Louis Lefkowitz on the part of those legislators who feel he pursued the "vote siphoning" investigation with a little bit more enthusiasm than some thought he should have.

The cooperative and condominium bill has been pushed by Lefkowitz, and—as one Republican legislator said—"nothing with his name on it is going to pass this house." Lefkowitz had pushed hard for the 51 per cent rule and the dropping of that provision might cause it to seem less of a "Lefkowitz" bill.

At any rate, the present bill which is before the Assembly, requires that: (1) Tenants occupying 35 per cent of the apartments in the building or development to be converted must agree to purchase their apartments before the conversion can become effective, (2) The plan will lapse if it is not accepted by at least 35 per cent of the tenants within six months after it is offered (3) If the plan is offered, but is not accepted by the tenants, no new plan may be submitted for at least 18 months, (4) When a plan for conversion has been approved by the tenants, those tenants who have declined to purchase apartments will be protected from eviction and from excessive rent increases for three years, and (5) No plan may be approved for a building when an excessive number of apartments have been kept vacant by the owner.

"The existing law is weighted heavily in favor of the owner," Sen. Goodman said, "and the prices of apartments in a conversion are almost invariably greatly in excess of the price that the owner could get for the building in an open market."

The Conversion Game: The Newest Housing Crisis

(By Assemblyman John Dearie)

So you thought the domino theory of successively collapsing communities applied only to Southeast Asia? Forget it.

Right here in New York City, in 1974, the single largest real estate giant in the country, Harry B. Helmsley—and his companions—are diligently at work calculating to knock over one established neighborhood after another while reaping incredible financial profit. His "game plan" is called "Condominium and Cooperative Conversion."

The list of stable neighborhoods in the New York City area involved in or reported to face condominium conversion reads like a "Who's Who of Model Neighborhoods." Parkchester in the Bronx; Tudor City, Peter Cooper, Stuyvesant Town in Manhattan; Fresh Meadows, Windsor Park in Queens; Interlaken in Westchester. In addition, landlords are now stalking Suffolk, Rockland, and Nassau Counties. By recent survey, more than 52,000 dwelling units affecting more than 150,000 tenants in New York City alone have or shortly will be facing this conversion crisis.

Let me say at the outset that no one in the forefront of tenant opposition to the present conversion laws has ever spoken against the concept of apartment ownership, whether condominium or cooperative. All of us believe there can be several positive features of owning an apartment. But these relate, almost exclusively, to new buildings with new units into which new tenants move, understanding their rights and responsibilities.

What we do strenuously oppose is the conversion of buildings and communities under rent control and rent stabilization into condominiums or cooperatives without the requirement of even a single tenant's approval.

A litany of the current abuses may best be made in interrogatory form.

In a democracy, why shouldn't 51 per cent of the tenants in a building decide whether or not to change from renter to owner status?

Why should a sponsor be able to convert entire communities without the requirement to get approval from even a single tenant in occupancy at the time the offer is made?

Why should some classes of tenants be faced with a decision to "purchase your unit or face immediate eviction"?

Why should landlords, in a tight middle-income housing market, be permitted to let large blocks of apartment units sit idle and unused only awaiting the conversion process to begin?

The Helmsley "game plan" is boringly repetitive but dangerously destructive to every community he says would be greatly improved by conversion to condominium or cooperative status. Oh, yes, nowhere does he say he stands to make a virtually unconscionable amount of money in the process. His rare public utterances are always directed at deceptive and self-selving cliches, like "it's good for the community."

Consider the financial dimensions of Parkchester's conversion. In 1969 Helmsley purchased the largest rent-controlled development in the country from Metropolitan Life Insurance Company for $90 million, of which he paid only $9 million cash. Now he is gratuitously prepared to sell it back to the tenants, standing to make over $250 million profit for himself.

Benevolent? Community-concerned? Isn't he?

Multiply that lucrative profit incentive proportionately to all his conversion targets.

The game plan "conversion process" inevitably takes place against a backdrop of overwhelming tenant opposition. But regrettably, under existing laws there is no guaranteed and legal tenant voice in this conversion process.

How then does it work? First, he purchases either a single apartment building, or, more commonly, an entire housing development—either rent-controlled or rent-stabilized. Then, usually within a year thereafter, he files papers with the State Attorney General's Office for the conversion process to begin.

The offering plan, much like any sales document, is placed before the tenants to evaluate and make a direct "yes" or "no" decision as to whether they wish to purchase on the terms a sponsor has established.

Over the past 18 months, though, a major change has been employed by sponsors—primarily Helmsley—to avoid the requirements of having to get tenant approval for a plan. In the past, offerings contained the requirement that 35 per cent of the tenants affected by the plan sign up for it within a six-month period. If the sponsor got over 35 per cent of tenants to sign, in effect showing their approval to a reasonably attractive plan for both sponsor and tenant, then the balance of tenants would have to sign up or face eviction. This procedure at least assured a tenant voice in the conversion process. Conversely, if the sponsor failed to attract 35 per cent of the tenants, the offering was considered unsuccessful, withdrawn, and no new one could be re-offered for another 18 months.

It is this element of tenant voice that is now missing from *most all* tenant conversion offerings. Presently sponsors are getting around the need for even a single tenant to approve the plan. This is accomplished by granting what they like to hold up as a "quid pro quo," namely, that in exchange for a guarantee that no tenant will be evicted, the sponsor need attain no minimum tenant approval—not five percent . . . not 10 per cent . . . not 25 per cent . . . not zero per cent!

In Parkchester, for example, the plan has been before tenants since December 14, 1972. Of the approximately 4,000 apartments under the plan, no more than about 80, or two per cent, have been purchased by tenants who were in occupancy at the offering date.

But Helmsley continues to sit there with his plan before tenants, with 98 per cent tenant rejection of his offering, and with no time period required to get approval. And over time, the apartment vacancies generated by confused and frightened tenants who see the only "out" as moving plays right into his hands as he picks up apartments to sell.

Where, then, is there hope for the beleaguered and abandoned tenant? I believe, in great measure, it rests in a bill that I have jointly sponsored in the state legislature with Senator Roy M. Goodman called the Condominium and Cooperative Fair Practices Code.

The bill's fundamental purpose is to mandate that a majority of 51 per cent of the tenants in occupancy must, as a required step in any conversion, approve the plan before it can become effective and before even a single apartment can be sold. In other words, it eliminates the present end-run around the tenant approval concept.

Another provision would place a three-year "moratorium" on the eviction of any non-purchasing tenant. This would grant protection to all tenants, whether rent-controlled, rent-stabilized, or decontrolled for a 36-month period from the date the offering plan was presented to tenants for sale.

In an effort to stop the practice of hanging a conversion plan over the heads of tenants for an unlimited time, the bill would mandate a six-month period during which the plan's sponsor would have to gain the 51 per cent tenant approval. Six months is sufficiently long for tenants to study, analyze, and decide upon the merits of the plan. It is also adequately long for sponsors to generate the 51 per cent they seek.

Of recent vintage is the situation where Helmsley will decide to deliberately leave large blocks of available apartments off-the-market, sitting idle, unoccupied. His purpose is clear. In anticipation of filing for conversion (perhaps in a year or so) he will leave apartments unused when they are vacated. The idea is that when he places the offering plan before tenants there will be vacant units which he will immediately begin to sell.

Helmsley has retreated a bit on this issue of "warehousing." Last week, he announced the release for rental of 300 Parkchester apartments that had been held off the market. A significant—but small—tenant victory. Warehousing is still standard policy in Fresh Meadows and Tudor City. In an effort to remedy this condition, the bill contains a specific formula whereby if "excessive vacancies" exist at the time the sponsor files with the Attorney General's office, the plan cannot be released for offer to the tenants.

The bill addresses another area crying for legislative reform, namely, the establishment of a procedure for tenants to have input into the offering plan before it becomes public.

For example, if a sponsor wishes to convert "X" development, he files the plan with the Attorney General's office on March 1. Under the new bill, tenant leaders would have until March 20 to study it. Then the Attorney General would have another 40 days to review it before deciding whether or not to approve it for sale. This period for tenant review and input contrasts with the current regulations which provide for no tenant study prior to release. Also, it extends the time from 15 days to 60 days for the Attorney General to digest and pass on the plan.

The beauty of the "Omnibus" legislative package is that its origin, concepts, and drafting emanated at the grass-roots level from a new breed of tenant leaders who have rallied their respective tenant associations around legislative reforms in the conversion field: John McKean of Tudor City; Michael Ehrmann of the West Side Tenants Union; Roslyn Phillips of the Fresh Meadows Tenants Association; Ela Hathaway of Interlaken; Mark Weiss of Windsor Park, to name some.

As president of the Parkchester Tenants Association, I have spent seemingly countless hours with them discussing, planning, and drafting the reform package. Three weeks ago, in the park at Tudor City, we publicly announced the bill's provisions and signated the next step in our efforts to gain legislative enactment.

I do not under-estimate the magnitude of the task before us. The real estate lobby in this state is well funded, well organized, and well experienced in opposing any measures that threaten to bring a sense of balance to this conversion law.

But, there are reasons to be more optimistic this year than in the past. The list of the bill's co-sponsors in both the Assembly and Senate reflects the broadening scope of the conversion impact. A few isolated legislators from New York City are not the only ones concerned. And the newly emerging, well-coordinated, state-wide tenants lobby—the New York Tenants Legislative Coalition—not only has fully endorsed the package but has designated it one of the top priority goals this session.

This is not a story or chapter whose end is far away. We shall know the final outcome of our struggle within two months when the dust settles and the legislative session concludes and reform is attained or not.

But one thing is certain already. The conversion issue is now emerging as the single most critical housing issue requiring attentive legislative action. Look out, Harry Helmsley and Company, we're coming on strong!

[From the Long Island Press, May 14, 1974]

GOVERNOR GIVEN BILL ON CO-OP CONVERSION

(By Irving Long)

The Assembly passed and sent to the governor yesterday a bill to protect tenants whose apartment complex is converted to a cooperative or condominium.

Co-sponsor Saul Weprin, Jamaica Estates Democrat, noted that Gov. Wilson had sent up a "message of necessity" to get the bill on the action calendar without its being subjected to the normal aging process of three days. "The sending up of a message of necessity carries with it the presumption that he will sign the bill," Weprin said.

He also predicted the bill may stop planned conversions in the Helmsley developments of Fresh Meadows in Flushing, and Windsor Park in Bayside, and possibly the Bellerose. Failing in that, he said, the bill will give the tenants two years protection against eviction—regardless of whether the landlord is capable of getting the 35 per cent tenant vote required to convert.

Since the tenant groups were originally pushing for a 51 per cent vote as a prerequisite to conversion, there was some question as to whether the bill carrying the 35 per cent vote was a victory for the tenants or landlords.

The present rent control law provides that, in rent controlled and rent stabilized buildings, a landlord who wants to convert can take one of two routes: (1) He can, if he chooses to do it within the rent control, get a 35 per cent vote—in which the vacant apartments are voted in favor of conversion—and then evict the tenants who don't or can't buy their apartments. (2) He can opt to go outside the rent control law, in which case he can convert without the approval of even 1 per cent of the tenants, but in exchange must agree—in theory—that he will not evict those tenants who choose not to buy.

While that is the theory, tenant groups contend that—in actual practice—the landlords can and do harass those who do not buy so they are, for all practical purposes, evicted from their apartments.

Thus, Weprin says, the end result of this bill is that it increases from zero to 35 percent the tenants who must give approval before conversion can be consummated. One important feature of the bill, he said relates to "warehousing," which is holding some apartments off the market so the vacancies can be voted in favor of conversion.

A landlord who does choose to convert under the present law can—if he has 15 per cent of the units in the building vacant—accomplish the conversion with a vote of only 20 per cent of the tenants in the building. The bill passed by the Assembly yesterday provides that the landlord must get the approval of 35 per *cent of the* tenants, and is thus not able to count empty apartments.

The bill passed by the Assembly yeterday would apply to all apartments—rather than just controlled and stabilized ones—in New York City and across the state.

CONSUMER'S ROLE

[From the Long Island Press, Apr. 4, 1974]

INCENSED TENANTS TO SPEAK OUT ON CONDOMINIUM CONVERSION

(By Seymour Marks)

Rotating shifts of incensed tenants of some of the largest apartment developments in the city, including Fresh Meadows and Windsor Park, will pound home their demands for protection from condominum conversion at a legislative hearing in Manhattan April 20.

The Assembly Committee on Housing, chaired by Assemblywoman Rosemary R. Gunning, Ridgewood Republican, will hold the hearing at the City University Graduate Center, 33 West 42nd St., from 10:30 a.m. to 4 p.m.

Mrs. Roslyn Phillips, president of the Fresh Meadows Tenants Association, said that the development groups, including those from Parkchester in the Bronx and Tudor City in Manhattan, will send hundreds of representatives to the hearing.

They will attend in shifts, on a rotating basis, so that there will be a tenant spokesman at the session to plug for their cause for the entire period of the hearing, she said.

The hearing will discuss the Condominium and Cooperative Fair Practices Act, Bill No. A-11196, which is sponsored by Attorney Gen. Louis Lefkowitz and backed by a number of Queens legislators, including Assemblyman Saul Weprin, Hollis Democrat, and Sen. Jack Bronston, Jamaica Democrat.

The bill's major change would increase the number of tenants necessary to permit changing a rental development to a co-op or a condominium. Under present law, 35 per cent is required. The amendment would change this to 51 per cent.

The new act would also provide for tenant input before the attorney general approves a proposal for conversion. At present, there is no such provision.

The protest action grew out of the disclosure in The Press last November that

Harry B. Helmsley, one of the nation's biggest landlords, planned to convert Fresh Meadows, and possibly Windsor Park, into a condominium.

He told The Press he would do this while retaining ownership of the commercial areas and the central power plant, thus depriving the proposed condominium of much possible income.

Senior Citizens Group Joins Fight Versus Condominium

(By Herb Goldstone)

The chief tenant spokesman for the 1,800-apartment Windsor Park development in Bayside enlisted a senior citizen group yesterday in the fight against conversion of the development to a condominium.

Mark Weiss, president of the Windsor Park Tenants Association, called on the Young-at-Heart Senior Citizens Association of Bayside for a major letter-writing effort in support of tenants rights legislation pending in Albany.

Weiss was guest speaker at a Young-at-Heart meeting at the Hollis Hills Jewish Center. Most of the group's members are Windsor Park apartment renters.

The letter drive will be aimed at Gov. Wilson and Mayor Beame, along with such legislative leaders as Assembly Speaker Perry B. Duryea of Montauk and Assemblywoman Rosemary Gunning of Ridgewood, chairman of the Assembly Housing Committee.

On the city level, letters were urged to Councilman Matthew Troy Jr., Queens Democratic leader, and Council Majority Leader Thomas Cuite of Brooklyn.

Weiss urged support for the omnibus tenants rights bill drawn up by Atty. Gen. Louis J. Lefkowitz and representatives of several major apartment developments whose owners want to convert them into condominiums. In addition to Windsor Park, they include Fresh Meadows and Glen Oaks Village in Queens, Tudor City in Manhattan and Parkchester in the Bronx. Windsor Park is a Helmsley-Spear project.

The proposed legislation would (1) increase from 35 to 51 the percent of tenants who would have to agree to buy their apartments if the owners seek to convert within rent control laws, (2) impose a three-year moratorium on eviction action against tenants who refuse to buy, and (3) cut down deliberately created vacancies which make it easier to get the required consent percentage.

Under condominium ownership, tenants purchase their own living space similar to buying a private home and share the cost of maintaining common services and facilities.

The Young-at-Heart group hopes to charter buses to send delegations to Albany and to City Hall to back the anti-condominium bills. Weiss urged them to help form a city-wide senior citizens lobby to fight for the legislation.

Apartment project owners can get around the 35 per cent requirement by converting outside rent control laws. In that case, tenants who refuse to buy stay on as renters with whoever buys the apartment.

Mr. BIAGGI. Will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman.

Mr. BIAGGI. Mr. Chairman, I rise to speak in support of H.R. 15361, the Housing and Urban Development Act of 1974, and to urge my colleagues to approve it quickly and send it to conference so that we may soon have a law.

Since January 1973 we have had, for practical purposes, no housing assistance from the Federal Government at all, and certainly no comprehensive and well thought out programs. This administration saw fit to cancel them before developing a new approach and a ready alternative. As a result, our efforts in the housing area in the last year and a half have been shockingly inadequate to the problem. We need a bill, and we need it now. This is why a bill considered by many to be somewhat less than perfect has come out of the Housing Subcommittee and the Banking Committee with such strong backing. But whatever its defects, it is better than nothing and has a good chance of being signed by the President.

In fact, this bill has many positive features which should not be overlooked. The most important element of the bill is the revolutionary step of moving from categorical grant programs controlled at the Federal level to block grant programs in which the major decisions are made at the local level by local officials.

This has been the theme of recent years, and I believe it has been right. America is becoming too big, too complex, too bureaucratic to run everything from Washington. We in Congress have recognized this and are turning power back to the people at home, in our own communities.

Title I of this legislation takes seven categorical grant programs and sends them to the cities and towns with the authority to spend among them as they wish in conformity with their own local plans. Urban Renewal, Model Cities, the rehabilitation program, the open space program, the neighborhood facilities program, the water and sewer program, and the land acquisition program are all turned over to the cities.

A second major development of this bill is title II, the housing assistance section. We are finally terminating our misguided commitment to the huge public housing project approach, which has not worked, which no one has liked, and which has chewed up endless amounts of money for nothing. There are no new moneys for the building of any more of these projects anywhere in the country.

We are moving to a more sensible approach—the funding of leased housing. This means that low-income people who need a break will get the financial assistance they need to live in small buildings distributed around the city. This both removes the stigma of receiving such assistance—something we ought not to have put on them in the first place—and removes the burden on the neighborhood of absorbing the huge numbers of people involved in a large housing project. This is a burden we never should have placed on the neighborhoods, and one which we had no right to place on them. Neighborhoods have a right to live. They are the life blood of the city and must not be destroyed. This bill goes a long way toward removing that threat.

However, I do not think the threat is completely wiped out. There is still no citizen participation requirement in the development and approval of a proposal for construction of a project, however limited, in a given neighborhood. It is true, the bill provides citizen participation requirements in the development of the cities' general housing plan, but that is not enough, because the plan calls for the specification of only general locations for future housing. It does not protect the neighborhoods against specific invasions. To remedy this I plan to introduce an amendment today to require citizen participation at the planning level for individual projects. I believe this would represent a more thorough application of the principle of local control and would more certainly preserve the neighborhoods involved.

The rent subsidies for poor families are, I think, sensible and equitable in light of the existing resources of the Government and in light of the need. The requirements of a minimum rent in public housing of 10 percent of income is, I think, fair in terms of what is being received, as well as financially necessary.

The special consideration given to the problem of the elderly and the handicapped both in terms of their housing needs, the rents they should be charged, and in the attention mandated in housing planning to the problems of special facilities that need to be constructed for them in new housing are commendable and long overdue. I support them strongly.

Title III sensibly raises the limits on FHA insured mortgages so that more people may now have the opportunity to own their own homes. Title VI moves in the same direction by making it easier for institutional lenders to underwrite construction and mortgage costs in a time when the mortgage market has been very depressed and many working people have suffered accordingly.

There is, however, another problem which this bill does not cover, and which I shall be offering an amendment with my colleagues from New York (Mr. ROSENTHAL) and others in the hope of correcting.

With home ownership costs skyrocketing, many Americans are turning to condominiums as an alternative. For big cities this offers the advantages of apartment living with the benefits of home ownership. Unfortunately, many problems have developed in this area. But we have little knowledge concerning some of the details of the problems of condominiums and so are having difficulty correcting them.

The amendment I offer will authorize the Secretary of Housing and Urban Development to make a complete study of the consumer problems related to condominiums and so give us the tools to protect the consumer.

Make no mistake, the problems are there. In my own district in New York City, a large apartment complex called Parkchester is being converted to condominiums. This is working an incredible hardship on the people who currently live there, because they cannot afford to buy into the condominiums and they cannot afford to move. Many of them are retired people or are civil servants who simply do not have the money. They are being forced out by management without any protection for their welfare. This is something we have to do something about, and this amendment is the beginning of that process.

Overall, I think the bill is a reasonable one which goes a long way toward meeting important human needs. I think it deserves the support of my colleagues and I urge them to vote for it.

Mr. PATMAN. Mr. Chairman, I yield 3 minutes to the gentlewoman from New York (Ms. ABZUG).

Ms. ABZUG. Mr. Chairman, I am of two minds. I would like to compliment the committee and its members for their hard work, but I am not sure I agree with the results, if they will pardon me if I say so. I am somewhat alarmed because I in no way oppose housing subsidies or housing allowances which, as I see it, is the main theme throughout this bill. But I do find some difficulty with the bill and perhaps the gentleman from Ohio (Mr. ASHLEY) can assist me with some answers, in that we do have serious low- and moderate-income housing needs in the country requiring construction of federally assisted housing. I still regard this bill as one that is phasing out this kind of a program, and I disagree with this.

In the great city of New York we have 150,000 families that depend upon public housing for shelter, and we have another 150,000 that want to get into it. Public housing leasing would do very little good, since we have a 1.5 percent vacancy rate. I do not know what we will do with all these people who may be eligible for allowances for leasing without building housing to which the housing allowances can be applied.

I would appreciate it if the gentleman from Ohio (Mr. ASHLEY) could explain this. I might say that I feel a little strange since the people who preceded me in the well of the House seem to feel quite differently about this bill, they are perhaps a little more gentle than I am at 23 minutes to 3 in the afternoon.

Mr. ASHLEY. Mr. Chairman, if the gentlewom-n will yield, let me say that in the section 23(h) program, the so-called leasing program, the fact of the matter is that it is contemplated in the bill and provided for in the bill that these units of housing which will be leased will be from a stock of existing housing, will be units that are substantially rehabilitated, or will be units that are newly constructed. The program, therefore, makes very broad provision for increasing the stock of housing units which will be available for the program.

Ms. ABZUG. That is a very interesting point.

Let me ask the gentleman this question: Is there in this bill anywhere any provision for direct loans for rehabilitation of multifamily dwellings?

Mr. ASHLEY. Yes, under title I, what we have done is to pull in the section 312 rehabilitation program into the Community Development Grants which New York and other metropolitan central cities will of course be participating in on a formula basis.

Ms. ABZUG. I would like to interrupt for one moment.

As I read page 43, which covers this section 312, it seems to me that this is part of a phasing-out program, is it not?

Mr. ASHLEY. No. We can say that we are phasing out the section 312 program, the urban renewal program, the sewer and water program, as separate categorical programs, but the fact of the matter is when you look at the different sections of the bill that describe the eligible activities that can be undertaken with community development funds, then it becomes clear, I am sure, that we are not phasing out the activities which could be done under the categorical programs; we are simply providing a different means of funding these activities.

Ms. ABZUG. Let me ask the gentleman this question. Have I not heard the gentleman in particular comment that there is little provision in this bill for direct loans for rehabilitation of multifamily units, and that this issue would have to be resolved in conference because there is a better provision in the bill of the other body? I hope the gentleman is right. We cannot continue to talk about giving assistance to new construction if we do not have provision for loans for new public construction, and we cannot talk about getting assistance to rehabilitate existing housing stock, which is an important program, when we do not really have a direct loan program to rehabilitate that existing housing stock.

The Banking and Currency Committee report which accompanies this bill, H.R. 15361, clearly states that the committee regards action by the administration in January of last year—

> To abruptly and unilaterally stop all major housing programs as unlawful and a perversion of the constitutional role of the executive and legislative branches of government.

I commend the committee in its forthrightness regarding the Nixon housing moratorium, but am deeply concerned that the bill we have under consideration today would offer only a hollow shell of a new "housing policy."

We long ago established our national goal to provide a "decent home in a suitable living environment for every American family." And, quite simply, this bill just does not do it. This bill creates a housing assistance payment system but I fear in no small part for housing that just simply does not exist.

The proposed section 23(h) housing assistance payment is just a distilled version of the President's old housing allowance program. The Nixon housing allowance was premised on two beliefs: First, that America's housing problem is primarily an income support problem—thus supplementing directly the incomes of the poor. Second, that the existing housing stock could be used to a greater extent and only augmented by a "residual" subsidized new construction program. I believe we should rehabilitate existing housing stock, but that is not enough.

The bill before us today is only an extension of this ill-founded hypothesis. Rather than giving direct cash payments to perspective tenants, H.R. 15361 relies almost exclusively on direct cash payments—in the form of subsidies—to the owners of housing developments. The purpose of these subsidies is to make up the difference between the revenues generated from rents based on 20 to 25 percent of renter's gross income and the construction/operating costs of the housing.

A real housing policy must take the offensive in constructing and rehabilitating housing. Former Economic Council Chairman Leon H. Keyserling estimates that we need an additional 2.3-million housing starts per year. These would include 1½ million units just to provide housing for our increasing population; 700,000 units to replace those destroyed by fire, flood, and demolition; 100,000 units to replace units taken over as second homes by the wealthy; 100,000 units to accommodate housing need due to an increasingly mobile population; and 50,000 units to replace those which are abandoned each year.

In 1969, the Commission on Housing recommended that we needed 600,000 units of federally assisted housing per year over the following 10 years. By 1979, they estimated that we need 1 million rehab units and 5 million newly constructed units. These estimates were made 5 years ago and there has been no subsequent housing act passed to meet these needs. Today we are faced with a bill that is described by its authors to provide only two-thirds of this need—400,000 units.

Mr. Chairman, I am in no way opposed to housing subsidies or even housing allowances. The single biggest cause of housing problems in our society is poverty. Crucial weapons in combating poverty are giving money to those who cannot earn their way out of poverty independently, and creating jobs for those who are not now employed. But this is not the exclusive remedy—we have two basic needs in a housing policy: first, we have to fill the gap between cost and the tenants ability to pay; and second, we have to create decent living units. I fear that H.R. 15361 will not provide for the creation of these new units because there is no substantial increase in the production/rehabilitation oriented programs.

There are of course many severe problems with the Housing Assistance Payment provisions including an unrealistic cutoff of the definition of low incomes—80 percent of the median SMSA income should be increased to at least 90 percent if not 100 percent. The very low-income determination should be at 30 percent of the median SMSA income rather than 50 percent. Otherwise there will be thousands of people who although unable to get housing elsewhere will be ineligible for Federal assistance.

I opposed the administration's attempt to end the public housing program. It is just as unconscionable for this bill to be drafted with the intent of phasing out the public housing program; 150,000 families in New York City depend upon public housing programs for their shelter and another 150,000 want to get in. Public housing leasing will do us little good since we have a 1½ percent vacancy rate.

The worth of the Federally assisted housing program is indicated by the numbers of people using public housing in New York City. The desperate need for new construction is evident by the 150,000 families waiting for apartments in structures built under the program. We must not abandon these people to a vacancy rate which could barely tolerate them.

We are attempting to stretch Mr. Nixon's restricted budget limitations to the point of callousness.

I look forward to the new 23(h) program working, but even if it does it is hardly enough.

The CHAIRMAN. The time of the gentlewoman has expired.

Mr. PATMAN. Mr. Chairman, I yield 3 minutes to the distinguished gentleman from Florida (Mr. PEPPER).

Mr. PEPPER. I thank the distinguished Chairman for yielding.

Mr. Chairman, I commend this distinguished committee for bringing this bill to the floor, as I would place the housing needs of this country subordinate only to two other more pressing demands: the need to curb inflation and the need to reduce interest rates in this country.

I wish to make two brief observations. I hope we shall be assured by representatives of the minority or otherwise during this debate that the President is going to carry out this bill if Congress enacts it, because I think the President has done the country a great disservice in suspending the operation of legislation we now have providing low-cost housing for the poor people of this country.

Second, I hope this bill is going to make a substantial contribution to meeting the needs of the poor people of the land particularly the elderly poor for decent housing.

In my county of Dade, over 14,000 people are waiting to get into the Public Housing Projects of our county, and some of them have been waiting over 5 years to get in. Surely this rich America can provide decent housing for its people, particularly those who need it the most.

Mr. Chairman, I believe, from what I have heard about this bill, that we are making a substantial contribution to meeting this need. I hope it proves to be so.

Mr. Chairman, I yield back the remainder of my time.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Connecticut (Mr. STEELE).

Mr. STEELE. Mr. Chairman, until recently, the role of State governments had been declining in our Federal system. The States became increasingly dependent on and subservient to the Federal Government. The administration of social programs became more and more removed and out of touch with the local problems which they were designed to solve. However, in the past several years, the States have reasserted themselves, and the Congress has cooperated in passing some valuable legislation to strengthen the States' role in confronting State and local problems.

The National Governors' Conference's conclusion to its 1974 State of the States report catches the essence of this change:

> Greater state fiscal strength, greater structural solidarity, greater involvement in traditional and new programs, and greater sensitivity to immediate issues of prime concern to the electorate—these are the dominant themes suggested by these findings and by this State of the States report. When viewed as a whole, they add up to a dramatic chronicle of change. They provide a story that needs to be told. And they clearly highlight the re-emergence of the state as resourceful, resilient, and responsive middle tier governments.

I am, therefore, pleased to note the major emphasis which the committee's bill places on State housing activities. However, I should note that on other aspects of the bill, I will be either offering amendments or supporting amendments which will improve those areas of the bill which need improvement.

Specifically, I intend to offer an amendment to title II of H.R. 15361, the Housing and Urban Development Act of 1974. This amendment would provide for the construction of some 75,000 vitally needed and specially designed housing units for the elderly and the handicapped.

It is a tragic fact that in this land of great affluence, millions of older Americans lack adequate housing. Sadly, the bill which we are considering today does not meet this significant and legitimate need. My amendment will fill that gap.

First, it will reestablish the successful "202" program which was initially established to provide low-interest direct loans to nonprofit sponsors to build housing for the elderly. Despite the outstanding success of this program, it was phased out in 1969, because of its potential budget impact. My reenactment of "202" avoids this budget pitfall, because loans will be made at the Treasury borrowing rate and, therefore, will have negligible budget impact. This unsubsidized revolving fund approach will provide $1.5 billion to build an estimated 75,000 units of desperately needed housing for the elderly.

The second part of my amendment will effectively marry the "202" construction program with the "section 23" rent subsidy program to needy elderly families by making technical changes that guarantee the availability of these subsidies to units of elderly housing constructed under "202."

There are now some 30 States which have made a positive step toward assisting in meeting the housing needs of the low- and moderate-income citizens of their States. The Council of State Governments' Book of the States has reported that—

> Bureaucratic red tape has been significantly reduced by the State agencies, enabling them to process and deliver a project application in from 12–16 months compared with an average of 34 months for a similar project which must go through the federal administrative machinery.

It also points out that—

> The State agencies have been able to achieve a foreclosure and default record far below that of the conventional federal programs.

Connecticut, I am pleased to say, has been a leader in this movement. From 1969, when the Connecticut Housing Finance Authority was created, through the end of last year, the authority was responsible for financing over 2,500 units of housing at a total cost in excess of $50 million.

I wish to commend the work of the Housing Subcommittee and the full Banking and Currency Committee for their efforts to further stimulate this encouraging new phenomenon. I am particularly pleased that the new section 23(h) contained in title II will provide an opportunity for States to participate directly in the construction and rehabilitation of assisted housing. In particular, the provision which allows the HUD Secretary to set aside housing funds for State agencies is to be commended.

In addition, our distinguished colleague from Wisconsin (Mr. REUSS) deserves credit for his innovative section on State housing finance and development agencies. This new part found in title V of the bill will provide on a trial basis a partial interest subsidy and optional Federal guarantee for taxable obligations issued by State agencies such as the Connecticut Housing Finance Authority. Although the program is new and experimental I expect that it will provide an important new tool to all of the States.

Once again, I congratulate the Banking and Currency Committee for its recognition of the need for a strong State role in the provision of housing for our lower-income families.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. WHALEN).

Mr. WHALEN. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise on this occasion to register my disappointment over certain aspects of H.R. 15361, the Housing and Urban Development Act of 1974, now before this body.

I shall not attempt to comment on each and every one of these perceived deficiencies. They have been ably identified by members of the committee in their dissenting and supplemental views. Rather, I will address myself solely to that section of H.R. 15361 which deals with the model cities program.

Specifically, I am very concerned about the absence of a meaningful "hold harmless" provision for model cities. Inclusion of such a clause would have permitted a more equitable transition for those communities which were among the first to undertake model cities efforts.

Page 14 of the committee report states:

> The congressional commitment to the 147 model cities was for funding for a 5-year period. It would be wholly unjustified to permit communities with model cities programs to receive higher grant amounts beyond that period.

The simple truth is that model cities legislation was not conceived to create needed, worthwhile neighborhood programs only to terminate them abruptly after 5 years. Neither the program nor the activities were initiated with the intention that they be phased out. Instead they were intended to be phased in, in the sense that permanent funding sources were to be sought for the worthwhile activities begun with model cities funds.

Had the administration not pursued a policy of making wholesale reductions in domestic programs for State and local governments, there is every reason to believe that this strategy would have succeeded in most communities.

Instead, most model cities programs have been short-funded during the past 2 years. Worse yet, the administration's massive cuts in domestic program support have made the phase in strategy nearly impossible to accomplish.

It is for this reason that I am keenly disappointed that the committee eliminated a provision contained in the original version of the Housing and Urban Development Act of 1974. This proposal would have extended the "hold harmless" calculations for an additional 3 years to model cities participants. This would have permitted a reasonable transition period from the "hold harmless" level to the formula entitlement.

The $100 million transitional fund created by H.R. 15361 is inadequate to meet the inequities caused by the shift from categorical programs, such as model cities.

For example, I am advised by the U.S. Conference of Mayors, the National League of Cities, the Model Cities Directors Association, and other public interest groups that an estimated minimum of $300 million will be required to "lessen the inequities" caused by the shifts in urban renewal programs alone.

Additionally, it would take an estimated $300 million to maintain the model cities program at the "hold harmless" level for the first year.

These considerations, along with others, made it impossible for me to support H.R. 15361. Assuming this measure is approved this afternoon, I trust that the conference committee will support this model cities "hold harmless" provision approved by the other body. Failure by the conferees to endorse the Senate version will create serious economic and morale problems for urban communities which have been involved in the model cities program from its inception.

Mr. COLLIER. Mr. Chairman, will the gentleman yield?

Mr. WHALEN. Mr. Chairman, I yield to the gentleman from Illinois.

Mr. COLLIER. Mr. Chairman, I am a little puzzled at the gentleman assuming—and I underline the word "assume"—that the model cities program was to extend beyond 5 years. Where in the original legislation, may I ask, does this appear.

Mr. WHALEN. Mr. Chairman, in my remarks I did not assume it would go beyond 5 years. What I did state, simply, is that those cities such as the one I represent, Dayton, Ohio, which began their programs very early, will be penalized because they have not in the last 2 years been able to take advantage of other sources of funds. Indeed, their own funds have been reduced.

What I am simply suggesting is that they be given an additional period of time so that there can be a meaningful transition from categorical programs to the one that is spelled out in this bill.

Mr. COLLIER. The bill does provide additional transition funds.

Mr. WHALEN. As I also pointed out, $100 million is provided in this measure. It would not begin to meet the needs of those communities which began their model cities programs early on in the history of this legislation.

Mr. COLLIER. I am sure that what is proposed in this bill will, in essence, provide a filling in of the other gaps, and probably be a far more orderly and effective program than the model cities program has provided in many instances.

Mr. WHALEN. I would say to the gentleman from Illinois that this bill will not, and there will be many communities, such as the one I represent, which will be greatly hampered.

Mr. WIDNALL. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. HANNA).

Mr. HANNA. Mr. Chairman, I thank the gentleman from New Jersey for yielding time to me.

Mr. Chairman, I take this opportunity because, having been in the House for 12 years and on the Banking and Currency Committee all of that time, this is the first term that I ever sat with the Housing Subcommittee.

I have been interested in housing ever since I came to this body, and I was very pleased to have the opportunity in my last term of service to sit with the subcommittee I had aspired to ever since I first came to this House. It was a particular pleasure for me, because I came under circumstances which I think were quite salutory. I found the committee in a situation in which there had been a very partisan approach in a housing bill in 1972, which ended in a very large bill and in which there were some very strong feelings. This bill never got to the floor at all. It represented a very considerable amount of work on the part of the subcommittee, but in putting it together, it had managed to offend enough people that the chances for it coming to the floor were shattered and endless hours of work were frustrated.

The administration had sought to devise themselves an alternative to the work of the subcommittee, and during the time we sat on this subcommittee, we worked out the accommodations between the work that had been done by the subcommittee for almost 2½ years and the suggestions that had been made by the administration. I must say that I have not, in all of my term of service in the House, sat with a committee that was more committed to working out sensibly and equitably the accommodations in these two views.

Mr. Chairman, there is no way in which we can approach a complicated and very deeply involved subject matter such as this and come out with something that will please everyone. There are going to be disappointments, but let us see what we set out to do and what we have accomplished.

There had been existing in the housing field programs which were based upon specific program grants that had to do with defined programs. These were available only if one made his application in the appropriate way and had all the expertise essential, and then one got his grant after he had come to terms with accommodating the local decisions to the decisions that were in the minds of the national controlling agency, HUD.

Mr. Chairman, the decision was made that it would be more equitable to take whatever money the Congress made available and put it into the country as the needs were equal in the country, and that we should not spread the money on the basis of grantsmanship but on the basis of a showing of comparable need.

Therefore, Mr. Chairman, we have come here with a program that takes over all of these special programs and gives us one approach to community development throughout the Nation. It is a very simple process, but is based upon a formula that is equal for everybody. There is no special consideration for a particular metropolitan city as against another urban city. It is based upon population, upon crowding, upon poverty. Of course, there will be those who say that that formula does an injustice, but whatever injustice it does, if all of the people are treated in equal quantities, it is as the rain from heaven.

Mr. Chairman, this bill at least gives us an opportunity to go to the people and that what we have here is for everybody on the same basis. It also places faith in the local decisionmaking policy. It is not a law giving sway to the national decisionmaking body over the local decisionmaking body. In fact, acknowledgement is made that the local bodies are competent to do what they say they are going to do, and we placed this faith in the country.

Mr. Chairman, the third thing that we do, as the gentleman from Pennsylvania pointed out, is that we place emphasis or assurance on the basic money rather than on a scramble for the maximum dollar that there is going to be for everybody who is willing to go ahead and try to meet their own needs. There is going to be an assurance of a basic sum every year. There may be some money above that, but at least we place our emphasis on that basis, that there is going to be that assurance.

Mr. Chairman, I think that by and large this committee has done a good job under very difficult circumstances, and I hope the bill will be passed.

Mr. WIDNALL. Mr. Chairman, I now yield 8 minutes to the gentleman from Michigan (Mr. BROWN).

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for yielding.

The bill before us today has been variously described as a bill developed out of a threat of a veto; it has been referred to as a capitulation, and although there are not very many Members on the floor, I would like to point out that both of these descriptions are entirely wrong.

Anyone familiar with the early development of this bill knows that from the start, whether the person was a Republican, a Democrat, a liberal, a conservative, an urbanite, or a ruralite, or whatever he might be, we have had but one goal and objective. That was to do the fair thing for all of the people in this country with respect to both housing and community development.

Mr. Chairman, many times during the course of our deliberations in the subcommittee on this bill we reached what appeared to be an impasse. On each of those occasions we did not take it to a vote so that he who happened to have the votes on that occasion would prevail and on another occasion someone else would prevail. We did not do that, but instead, we decided that reasonable men having the same goal and objective can come to reasonable compromises and solutions.

Mr. Chairman, I think the primary thrust during those negotiations so that we have the bill we have before us today was a desire to mitigate our differences while we emphasized our agreements. We did that not because we were concerned about a threat of veto, not because it was a capitulation, but rather because we knew that all Members of this House of Representatives would vote on this piece of legislation.

It is clear by the examination of even a slight amount of history on housing and community development bills that there are serious differences within the membership of the House as to what we should do and how much we should do, shall I say, in housing and community development legislation.

It was not a threat of veto in 1972 or a capitulation in 1972 that caused this House to refuse to even consider a housing and community development bill; rather, at that point in time the House was so opposed to the legislation that even the Committee on Rules would not give the bill a rule for consideration by the House.

We did not want a repeat of that performance. We did not want the repeat of a performance where we might bring a bill to the floor of the House and have it so emasculated that it did not mean what we had attempted to do when we developed it in the subcommittee and in the full committee or to have it defeated in its entirety.

Mr. Chairman, I think that this bill is certainly a high point in this legislative session, at a time when I believe the electorate and the public view the progress of the Congress with some disenchantment, at a time when the public feels that political decisions and partisan bickering are prevailing as the rule rather than the exception.

In the Subcommittee on Housing and in the full committee, with all of the work which has been done by all members on this bill, I think we have seen constructive activity and constructive progress made. I think that this probably stands out as the high point in the legislative session thus far, if we are talking about bipartisan activity, working together, and cooperation between the administration and the committees of the Congress.

In speaking about the administration, I, of course, have primary reference to the Secretaries at HUD, Secretary Lynn, Under Secretary Mitchell, and their associates, who, I think this year, above all others, from the standpoint of the administration's participating in and attempting to work out things with the Congress, considering their activities this year, stand out above all others in the 8 years I have been in the Congress.

I am pleased to stand in the well and commend them for that record.

To those who have suggested that this might be a capitulation or something of that nature, I would point out that the members of the subcommittee especially know that very frequently when the subcommittee was right with respect to an issue, it was Jim Lynn and Jim Mitchell and the others who took the cudgel up for the committee with the administration and carried the committee's position through, rather than any foot-in-concrete position that might have been adopted before by the administration.

It was that kind of activity that made this bill possible.

Mr. Chairman, I think that the members of the committee will likewise agree that in the work of the subcommittee, when we found out that Mr. Lynn and Mr. Mitchell and some of the others had a valid point to raise or a valid objection to what we were doing, the committee gave it a second look and oftentimes accepted the changes that were recommended.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I wish to say that I, of course, associate myself with the remarks of my very good friend, the gentleman from Michigan (Mr. BROWN).

I would have to say in all candor that in the 10 terms I have been in this Congress, and referring specifically to our subcommittee which has the responsibility of providing housing legislation and housing for the country, I have never before seen such fine cooperation between our subcommittee and the Department of Housing and Urban Development as I have seen this year.

It has been a revelation to me, and I must in all honesty say to the gentleman that I agree 100 percent with the comments which he has made.

Mr. STARK. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman from California.

Mr. STARK. Mr. Chairman, I, too would like to associate myself with the remarks of the gentleman in the well and to comment as a new member of the committee about how great a privilege it has been to work with the members of the subcommittee and the full committee on both sides of the aisle and seeing them accommodate the concerns of the various members of the committee representing the diverse group of interests and constituencies during the markup of this bill.

I intend to support the bill in spite of whatever reservations I may have about the success of our housing policy in the past, because it is an important first step in insuring every citizen a decent place to live.

Mr. Chairman, I intend to support this bill today, but I have many reservations that I would like to state here about our national housing policy.

Since the Nixon administration's moratorium over a year ago, we have been awaiting a new national housing policy. This bill to create a new system of community development block grants represents a compromise between the administration and the Housing Subcommittee. It is much less than I would have liked—in fact, it is only just acceptable.

If we view this legislation in the perspective of our national housing record of the last few years, we see better the need confronting us today.

In 1968, Lyndon Johnson and the Congress made a strong commitment to an effective housing program. They set a target of an average 600,000 units per year of new construction over the coming decade. By 1972, only 4 years later, 80 percent of these had been started. That was as many assisted units as had been built in the 35 years before the Housing Act of 1968. For the first time, we were beginning to produce enough housing to meet the need of the country.

The Nixon administration wants out of the business of building and owning housing. That is why the backbone of this bill is the section 23 leased housing program. The subsidized housing programs, 235 and 236, are virtually dead. Public housing is discontinued. In their places, the new section 23(h) will be the source of all assisted housing for the low and moderate income.

But keep in mind the administration's long-hoped-for goal for housing: HUD wants to hand out "cash assistance" to low- and moderate-income families to go out and rent existing housing units. In other words, HUD wants to halt all new Government-sponsored construction eventually. With that as their stated goal, this bill takes on a more important function—it is the finger in the dyke to keep HUD subsidizing new housing. Without this bill, or with just a continuing resolution for housing, there will be no new construction. In this sense, the bill is a great deal better than no bill.

We in California have lived with the old section 23 program for many years, and it works. We are quite willing to live with the new 23(H) program, given certain conditions. Secretary Lynn must choose to work with the local housing agencies that have done such a good job in the past. He must let them continue to perform management services for the owner from whom he leases. And, as provided in this bill, he must use his authority to delegate to the LHA the responsibility for selecting a developer in the case of new construction. California's LHA has been absolutely devoid of scandal or corruption and they deserve a chance to prove themselves under the new construction option of the leasing program.

In short, I think we ought to get this bill on the books and give Secretary Lynn the chance to make it work. I support the bill because I believe that block grants and the leasing program are basically workable approaches. And I think passage of the bill will forestall HUD actions that will otherwise be inevitable—stopping the construction of housing for the needy, the elderly, and the handicapped. I urge my colleagues to join me in this view and vote for the bill. The funding is too little, and many of our cities stand to lose many millions of dollars over the 6-year term envisaged in the bill. But I believe that before many of those years pass we will be back here amending this bill and getting more money to the communities that need it. As long as the mechanism is good, funding levels can be improved. This is the important first step in assuring that every American citizen has a decent place to live.

Mr. BROWN of Michigan. I thank the gentleman.

I would like to add that I am sure amendments will be offered despite the many chances they have had to be offered previously. Most of the amendments with which I am familiar which will be offered today are amendments that were considered by the committee and the subcommittee. I trust we will not have to deal with them all for the third time.

This is not to say that I do not sympathize with the concern being expressed by the many authors of these amendments, but once again this has to be a piece of legislation which is acceptable to the broad spectrum of political, financial, and fiscal thought represented in this body. Therefore, development of acceptable legislation to this House does not permit the accommodation of everyone with all of their particular desires.

Mr. Chairman, before concluding I would like to say I wish to commend the chairman of the subcommittee and all of the members of the subcommittee, especially Mr. ASHLEY, who has been so active on this legislation as well as the members of the minority on the subcommittee and, of course, all the members of the full committee and the chairman of the full committee for expeditiously bringing this matter to the full committee and to the floor.

Thank you very much.

Mr. REUSS. Mr. Chairman, two important new authorities are found in title V, part A of this bill. By improving the ability of State agencies to obtain capital financing, these authorities would encourage and strengthen the work of such agencies in helping to provide housing for low- and moderate-income families and in the revitalization of slums and blighted areas.

One new authority would provide an alternative to the present State practice of issuing tax-exempt obligations to obtain capital investment funds. It would authorize for the first time in the housing and community development field the much-discussed alternative of providing a Federal payment of the approximate differential between the interest rate on taxable obligations and on tax-exempt obligations, where a State development agency chooses to issue taxable obligations to raise capital funds for its purposes. Among the development activities of such agencies would be: First, providing housing and related facilities for families of low and moderate income; second, promoting the sound growth and development of neighborhoods through the revitalization of slum and blighted areas; third, increasing employment opportunities for the unemployed and underemployed through the development and redevelopment of industrial, manufacturing and commercial facilities; and fourth, implementing the development aspects of State land use and preservation policies. The Federal interest differential payment would be calculated at 30 percent of the interest rate carried by the taxable State obligations.

This provision represents one of the relatively rare occasions where a significant step can be taken in strengthening an important social program at a potential saving to the Federal Government. A conservative estimate would place holders of tax-exempt bonds in marginal income tax brackets of 35 to 40 percent. The taxes collected on taxable interest income of the new State issuances would therefore exceed the 30 percent Federal interest differential payment made to State agencies to reduce the effective interest rate on the obligations to the appropriate tax-exempt rate. Substituting, at the option of the State agency, a direct Treasury payment for the hidden subsidy inherent in tax-exempt financing is good policy both for the State agency and for the Federal pocketbook.

In order to encourage the voluntary use of this alternative financing mechanism, it is important that the option be available on an expeditious and nearly automatic basis without extensive Federal reviews of the obligations to be issued, and with due regard to the short-term interval in which financing decisions are normally made.

There is no intent to provide, in connection with this assistance, for Federal review of State agency decisions on the content of their programs, their method of operations, or the terms or uses of their financing. No such Federal review occurs when a tax-exempt issue is sold and thus none is appropriate when this alternative mechanism is used, unless a Federal guarantee is also provided. It is with this understanding that this new authority has been advanced.

This second new aid to State agency financing extended by title V, part A is a Federal guarantee of obligations issued by an agency to finance development activities designed to revitalize slum and blighted areas. The Federal guarantee is limited to those higher risk activities which have proven to be beyond the reach of State agencies without a Federal backup guarantee. It is important for State agencies to expand their financing and development activities in central cities throughout the country in conjunction with local redevelopment and neighborhood conservation activities. This is especially important at a time when, as this bill would provide, the Federal Government is relinquishing its direct role in guaranteeing public housing obligations and in providing loan and grant assistance for the urban renewal program. The guarantee program should be administered so as to effect this purpose.

The Secretary should review, for any obligation, the acceptability of the risk of the general development program, consistent with achieving the revitalization and redevelopment objectives of the bill. Consistent with the basic "block grant" approach of the bill, however, it should not be necessary for him to review the details of the general development program and its individual project components.

The bill authorizes guarantees in whole or on a coinsurance basis. The Secretary could, thus, for example, guarantee: First, the first 25 percent of each interest or principal payment due on an issue; or, second, 90 percent of the amount of any default in payments on an issue. The Secretary should use this authority, when possible, to develop effective coinsurance methods that leave some portion of the financial responsibility for a project with the State development agency. At the same time, he should be prepared to provide full guarantees, if necessary.

To provide an initial test of the effectiveness of these two aids, a total limitation of $500 million has been placed upon the amounts of taxable State obligations which can be assisted by either interest differential payments or such payments and guarantees. This limitation will allow the Congress to assess the experience gained in financing projects with these authorities before expanding them.

Title V, part A would give recognition for the first time in Federal housing and community development law to the growing role of the States in addressing the housing problems of the Nation's low- and moderate-income families. Housing finance or development agencies have to date been established in 30 States, 22 of them since 1968, and several other States are actively considering the creation of such agencies. These agencies have already come to play a large part in governmental efforts to meet housing and other development needs, and have generally proven to be effective instruments for carrying out such activities. They have been responsible for the financing and development of approximately 150,000 units of low- and moderate-income housing, and have accounted for approximately 20 percent of all the housing developed with the assistance of Federal interest reduction subsidies under the section 236 program. They are expected to play a major role in the financing and development of housing for lower-income families that will be assisted under the new section 23(h) leased housing assistance program provided for in section 201(a) of this bill.

The Senate has enacted a provision similar to title V, part A on the initiative of Senator LOWELL WEICKER, as title VI of S. 3066. The Senate bill differs from the provision before the House primarily by: First, providing a broader Federal guarantee authority and by making interest differential payments available only with regard to State obligations that receive a Federal guarantee; second, pegging the interest differential payment at 33⅓ percent of the taxable interest rate as compared with 30 percent in this provision before the House; and third, limiting the agencies eligible for financial assistance to State housing finance agencies, while the provision under consideration here would also extend this assistance to agencies with authorities to develop other economic and community development facilities as well as housing—State development agencies.

While it is expected that most agencies initially using the assistance provided in the title V, part A will be State housing finance agencies, it is an important feature of this bill to encourage the expansion of the role of these State housing instrumentalities in undertaking and directly assisting large-scale development in line with the highly successful, proven model of the Urban Development Corporation in New York State. This feature of the bill dovetails with its community development block grant provisions. For it is important to recognize that community development block grants will be of assistance primarily in the provision of infrastructure facilities, necessary community services, and cleared land at prices which make development feasible.

Experience under the urban renewal program has shown that, in many areas of the country, large-scale developers are needed to provide both the subsidized and unsubsidized housing and related private and public facilities necessary for the creation of viable, well-planned neighborhoods. In addition, in many instances the development of large-scale manufacturing, commercial and public facilities, in conjunction with housing, is often needed to promote the economic stability and growth of particular neighborhoods in urban areas. It is these activities that can be undertaken by state development agencies.

Mr. GIBBONS. Mr. Chairman, I regret that H.R. 15361 was not changed before it was reported out by the Banking and Currency Committee. My own area will be penalized as the bill is now written. I am speaking about the community development funding formula.

I do not think that the funding system is equitable. It will be a boon to those cities that are not currently using Federal community development assistance, but it will mean a sharp decrease in funding for more than 100 cities now actively engaged in urban renewal and/or model cities programs. Preliminary figures indicate that Tampa will experience a cut in annual funding from its present level of $8.9 million to $4.8 million in fiscal year 1976. In this regard, I would like to make a part of the RECORD today a letter I have received from the city of Tampa urging that a "hold harmless" provision be made a part of the bill to insure that a community would not get less money than it was getting before.

I joined with a number of other Congressmen in urging the Banking and Currency Committee to take steps necessary to prevent this major loss in community development program, by strengthening the "hold harmless" protection provided in title I. An amendment was offered in committee to provide 6 years of full "hold harmless" protection in title I, but was rejected.

The result of not adopting this provision is to tell cities, particularly those actively involved in urban renewal and/or model cities programs, that they must start cutting back local rebuilding efforts. Many cities are working to maintain a healthy urban environment for their residents, and it does not seem justifiable to penalize those cities who have been actively engaged for so long in rebuilding their communities.

The letter follows:

CITY OF TAMPA,
Tampa, Fla., June 6, 1974.

Hon. SAM M. GIBBONS,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN GIBBONS: I recently received copies of your letters supporting changes in the Housing and Community Development Bill H.R. 14490 which is presently undergoing markup in the House Banking and Currency Committee. Both personally and on behalf of the City of Tampa, I would like to express my appreciation for your efforts to again strengthen the hold harmless provision in this legislation.

Tampa maintains the stance that past performance in the area of housing and community development must be considered in calculating formula distribution. Unless this factor is included in the bill when presented to the full House, Tampa's urban renewal and model cities activities will decrease sharply from approximately $8.9 million to $4.8 million in fiscal 1976.

I would like to take this opportunity to urge your continued interest and support on these issues. Thank you.

Sincerely,

RONALD T. ROTELLA,
Acting Executive Director.

Mrs. GRIFFITHS. Mr. Chairman, I applaud the Banking and Currency Committee, and its distinguished chairman, for its diligent work in trying to get a housing bill this year. But I wish to speak to the question of the purpose of federally assisted housing for low-income persons. In my judgment, there is a lumping together of two problems that can be and should be dealt with separately: low income per se, and the supply of housing at moderate rents. Most directly the question with respect to assisted housing is: Are we trying to subsidize the low incomes of the poor or to increase the supply of decent housing?

Much of the rationale for assisted housing is that poor people cannot afford housing, so we have to subsidize their rent. Thus, assisted housing is used to subsidize low incomes. But this route is one of the most unfair and capricious methods of doing so. According to an official HUD report, "Housing in the Seventies," only 3 percent of persons eligible on the basis of their incomes for any of the major housing subsidy programs actually receive subsidies. For every 3 persons who receive housing subsidies, 97 others very much like them in terms of income receive nothing. HUD also reports that of eligible persons with incomes below $3,000, only 6.5 percent receive housing subsidies. The lucky few receive substantial subsidies; the many receive nothing. Is this fair? Can we justify it? I personally cannot justify it, especially when I read that housing authorities in some locations are installing wall-to-wall carpeting and buying swimming pool memberships for their tenants while other people in the communities do without these luxuries. The only excuse is that there are not enough funds to go around. But this, I have found, is not a satisfactory answer to people who write me and wonder why someone just like them—or maybe even better off—gets help and they do not.

I do not deny that low-income persons have a tough time paying the rent. They also have a tough time clothing the children, paying the utilities bill, buying the food, and paying the doctor. Housing is just one of many needs that low income must be stretched to cover, and for many persons housing is not the most pressing need. We all know that it will be decades before enough assisted units could be made available to all who might need them. But we also know that there is another route to subsidize directly these low incomes. And that is with cash. We could directly, efficiently, and humanely offer cash supplements to persons and families with low and moderate incomes. We could tailor benefits to income in such a way that work is rewarded. We could do this in the near future, rather than wait several decades to build or rehabilitate or process several million units.

As my colleagues know, my Subcommittee on Fiscal Policy of the Joint Economic Committee has spent 3 years reviewing the incredibly wide range of programs which provide people benefits in cash or in the form of subsidized goods and services. We have found that Government income security expenditures are the fastest growing budget item. They are projected to total $142 billion in 1975, surpassing defense expenditures by $54 billion. The money will be disbursed under more than 70 programs, under the jurisdiction of 21 committees of Congress. And no one is in charge of assuring that what is done overall is fair, is not too adequate for some relative to what we could reasonably provide to everyone in equal need, and is work-encouraging rather than work-discouraging. Nearly every committee gets into the welfare business, even though other purposes are put forward. Subsidized housing is no exception.

I urge my colleagues to examine the purpose of this and other bills and to ask whether the aid to the poor is being dispensed fairly and in the proper form. We all want to see Americans decently housed, but in good conscience can we justify the haphazard distribution of benefits that we know will result when so few will benefit? Ask yourselves whether the public would tolerate a similar situation if benefits were distributed in the form of cash. Could we pass a social security increase, but vote enough funds for only one-twentieth of the eligible beneficiaries and lock the doors when the others come for their increases? We could not.

I believe there is a legitimate Government purpose in trying to expand the supply of low-rent housing. But, when pursuing this goal, we should emphasize rent savings for all low-income families rather than large subsidies for the lucky few. I claim no special expertise in suggesting what are the best measures, but they clearly involve a larger focus on existing housing, and a more even distribution of benefits than takes place under current programs. Let us deal with the income problems of the poor directly and fairly with cash. And let us deal with the housing supply problem through broad measures to improve the functioning of the low-rent housing market.

Mr. DIGGS. Mr. Chairman, if time permitted, I would express in great detail my concerns with this legislation. In many respects I find it a most disappointing product. The housing portions show little hope for meeting the ever-increasing needs of our Nation's low- and moderate-income families.

Furthermore, the bill falls drastically short of adequately protecting and advancing the civil rights cause to which we must be highly committed. Opinions from my colleagues, who have indicated their dissatisfaction with these provisions will more than sufficiently cover these concerns and I endorse their statements at this time.

I must, as the Representative of that portion of the city of Detroit in which the bulk of HUD's renewal, neighborhood development, and model cities exist, speak directly to the hold-harmless provision of the community development title. The design of this bill's hold harmless provision has serious, profound, and, in some instances, disastrous consequences for a large number of the Nation's central cities, particularly those with active urban renewal and model cities programs.

The city of Detroit, in the most recent calculations, is due to receive a hold harmless total of $34.1 million for fiscal year 1975. Because of the committee's decision to delete the model cities portion of the calculation after a city's fifth action year, Detroit realizes a drop of over $11 million to a total of $23.8 million in the second year. A level comparable to ongoing activities is unforeseen in the projected life of this legislation without a massive annual increase in the national appropriation. To subject the city of Detroit to such funding levels is appalling.

An analysis this week prepared by the city of Detroit reveals a minimal Federal funding requirement of $36.2 million for fiscal year 1975 urban renewal, NDP, rehabilitation, and model neighborhood activities.

This represents the minimum amounts necessary for business as usual. To continue to allow Detroit to meet its existing basic commitments Federal funds should begin at the calculated hold harmless level and increase at a minimum 10 percent annually to meet the ever increasing burden of inflation. By cutting back Detroit's level, we are reneging on meeting basic minimal commitments and providing a major obstacle to implementing any wide reaching, innovative community development strategies presently being prepared by Mayor Young and his administration. This problem is not singular to the city of Detroit; its impact is felt in cities across the country. Furthermore, the design to phase out the remainder of a minimum guarantee provision the fourth year of the new program to a formula level by year six penalizes all communities that have enjoyed any success in the past. As a result of these two provisions, some 40 cities in Michigan realize a decrease in funds over the life of the program. Those cities which gain assistance represent the affluent, minimal problem communities of our States.

This condition is appalling. The Senate language provides an acceptable minimum funding hold harmless level for cities with prior experience in the consolidated HUD programs. This includes adequate protection for recent renewal and model cities program levels in individual cities. As a result, I strongly urge the House conferees to move substantially in the direction of the Senate hold harmless provisions.

Mr. METCALFE. Mr. Chairman, I rise in opposition to H.R. 15361, the Housing and Urban Development Act of 1974 as it now stands. The provisions contained in title I, which provide for community development block grants, and in title II, which restructure the major housing subsidy programs, are grossly inadequate in meeting the housing crisis presently plaguing our urban areas. In fact, these two titles, which form the heart of this bill, are a major step backward in the efforts to achieve Congress stated goal of a decent house for every American family.

Briefly, I have three major objections to this bill. First, under title I, which consolidates a number of categorical grant programs into a single block grant program similar to revenue sharing, the model cities program would be effectively eliminated. This program has been of tremendous benefit to Chicago and to other major cities in this country. To terminate this program would be a callous blow to the thousands of underemployed and undereducated persons across the country who have been served by this program. As presently constituted, this bill does not adequately provide a replacement for model cities.

Second, title II consolidates all existing housing subsidy programs into a single program. In the process, the section 235 homeownership program, which has been one of the most successful of the Federal housing programs, would be completely eliminated. The Federal housing programs, first established in 1937, were created because local governments and private developers were unable to meet our serious housing needs, especially the needs of low-income families. It is a certainty that these needs still exist today. Why, then, does the administration insist on returning responsibilty for meeting these needs to local governments and private developers? This is exactly what H.R. 15361 does. It is patently absurd to think that a number of separate housing programs, which proved unwieldy to administer as presently constituted, could be better administered by putting them in one large program. It is also patently absurd to think that large numbers of private developers will forgo the much higher profits of higher income housing construction in order to build adequate numbers of lower profit, higher risk, low-income housing. If we are to seriously address the housing crisis facing low-income families and if we are to seriously address the deterioration of our cities, it is imperative that the Federal Government reman in the housing business. This bill would effectively take the Federal Government out of the housing business.

Third, *title II* includes a minimum rent provision for tenants of public housing, making them pay at least 10 percent of their gross income for rent. This provision was included in response to some critics of public housing who maintain that there are large numbers of tenants who pay no rent. Such an assertion is simply untrue. Department of Housing and Urban Development statistics show that less than one-half of 1 percent of public housing tenants pay no rent. Thus, such a provision can only be construed as a punishment on low-income families. Title II also eliminates the vital Brooke amendment concerning rent/income ratios for public housing tenants who receive welfare assistance.

The three objections I have raised to H.R. 15361 would have a severe negative impact not only on many of my constituents, but also on low-income families in every major city of this country. The housing bill which passed the Senate in February of this year, S. 3066, does not contain any of the provisions of H.R. 15361 which I find objectionable. Therefore, I strongly urge my colleagues to accept the provisions of the Senate bill offered in the form of amendments to this bill.

Mrs. BURKE of California. Mr. Chairman, I would like to voice my strong support for the housing bill we have before us today. While I am concerned about provisions in this bill, it is important to remember that since January 1973 the poor and the dispossessed in this country have been subjected to a cruel housing moratorium imposed by the administration.

This moratorium has magnified the failure of this country to come to grips with its housing problem and to formulate a responsible and comprehensive housing policy to assure every American the right to a decent living environment. Today the need for Federal housing assistance is critical. The improvements made in the Nation's housing stock as a result of past Federal programs have not kept pace with the increase in the number of deteriorating units, particularly in our central cities.

Despite all of our efforts, it is estimated that more than one-fourth of our people are currently living in substandard, overcrowded, or overpriced housing. Surprisingly, while the number of housing units with substandard plumbing—a main standard by which modern housing is judged—has steadily decreased over the years, the number of dilapidated and deteriorating units has steadily increased. According to figures released by the National Association of Housing and Redevelopment Officials (NAHRO), the total number of substandard or deteriorating units in the country has increased from 4.7 million in 1960 to more than 7 million in 1970. The statistics for Los Angeles suggest that our urban areas are the most severely affected: While the number of units with substandard plumbing decreased by half between 1960 and 1970, the total number of substandard or deteriorating housing units almost tripled during the same period.

Thus the problem is clear. Congress is once again called upon to develop national policies to reverse this trend. We must begin to act with comprehensive solutions to our national problems rather than to continue to react with piecemeal programs which merely postpone the inevitable crisis.

The bill before us is a step forward in that direction. Consolidating current categorical programs, the block grant approach of this bill will give local governments the opportunity to help plan and implement community development programs on a comprehensive and integrated basis. Thus the problems of housing, unemployment, transportation, community services, and facilities can be treated together in a related fashion, rather than separately without regard to one another.

The bill also creates a new housing assistance program to replace conventional subsidy programs now serving low-income persons. This new program would be in the nature of a housing allowance, providing rent subsidies for newly constructed, rehabilitated, and existing dwelling units. Hopefully this program will lead to the end of the typically squalid public housing project and allow the poor more choice in the type and location of their homes.

While the concepts embodied in this bill hold great promise, we must make sure that its provisions are designed to help those who need help the most. It is important that assurances be written into this bill that this new approach will actually lead to more construction and better housing for the poor and those in genuine need, rather than merely become a boondoggle for landlords and real estate speculators.

The tremendous problems this bill must address are exemplified by those currently afflicting Los Angeles. There is presently a waiting list of over 10,000 families for the limited number of public housing units in the area; there are no vacancies available and, with no new construction planned, there are none projected in the near future. While there is an oversupply of unsubsidized housing in Los Angeles, there is a shortage of 104,399 low- and moderate-income units. Present indications are that, without major changes, these problems will only become worse.

Thus, I strongly support amendments to this bill which are addressed to the housing needs of those most in need—particularly the elderly, the handicapped, and the single heads of households. We must answer the needs of those who, under present conditions, cannot hope to keep pace with skyrocketing inflation. We must pass a bill which provides more than just a token response to their problems. We must pass a bill which provides meaningful change and not simply more rhetoric. Each day that we delay, the decay increases and with it the costs of rehabilitation and construction.

The Housing and Urban Development Act of 1974, while progressive in intent, is only part of the total effort we must make toward assuring a suitable living environment for all of our people. We must also work in the direction of providing increased opportunities for homeownership for the poor through urban homesteading and mortgage guarantees. The relationship of the quality and types of housing to the stability of any given community is critically important: Ownership provides a degree of permanence necessary for full community participation and pride that simple tenancy cannot.

Fair and equal housing opportunity is an empty phrase unless there is an adequate supply of decent housing that all groups can afford.

While there are limitations and shortcomings in this bill, its passage with appropriate amendments will serve as a valid demonstration of our commitment as a nation to the goal of achieving lasting solutions to our housing problems. The passage of this bill is necessary if we are indeed to become a nation of neighbors.

Mr. FISH. Mr. Chairman, H.R. 15361, the legislation before us today, authorizes a community development block grant program which consolidates existing HUD categorical grants. Local communities would have the prime responsibility for assessing community priorities, and are also required to devise a comprehensive plan for the coordination of the housing and public services programs.

While I shall support this measure because it contains a workable structure for a housing and community development program, I am greatly disturbed by several aspects of the bill. Last month, along with other concerned Members of this House, I sent a letter to the Banking and Currency Committee, which was considering this measure, voicing my concern over the community development funding formula authorized in title I. The formula for the distribution of funds, by relying on inadequate census data, will not treat large cities equitably. Small cities with a population of under 50,000, which have no ongoing programs at the present time, will have to request discretionary funds from HUD or from the State government. There is no guarantee that sufficient funds will be forthcoming for these cities from these two sources.

A major flaw in this legislation is the limited hold harmless phaseout provision, which will result in many cities receiving a steady decrease in Federal community development support. As a result, cities that have been actively progressing in improving their urban environment will have to cut back substantially or cease their activity in this area. The cities of Beacon, Kingston, and Peekskill, N.Y., all with a population of less than 50,000, under the hold harmless provisions of this bill will have their entitlement terminated by the sixth year under H.R. 15631.

The only reason Poughkeepsie, N.Y., which also has a population of under 50,000, will continue to get some funds in the sixth year, is that it qualifies for continued entitlement funding because it is deemed a "center city" under the guidelines of the standard metropolitan statistical area. However, that city's funding will also be drastically reduced resulting in a cutback in such areas as urban renewal and model cities programs.

The consolidation of the section 312 rehabilitation loan program within the block grant fails to consider that program's unique role in maintaining the upgrading urban housing, without radically changing the nature of the neighborhood. There has been a question raised whether cities, under the block grant program can perform the lending function for rehabilitation without violating the State constitution.

Congress has not passed an omnibus housing bill since 1970. The need for this legislation is clear. I have seen the tremendous progress the cities in my district have made in eliminating urban blight. It is my hope that this measure receives the support in the House, and that the flaws I have discussed receive remedial attention during our deliberations over amendments and before the conference committee.

Mr. CULVER. Mr. Chairman, like other Members of Congress, I represent many small communities. I know personally of the problems rural America has encountered as a result of the continuing crisis of outmigration. In my own State of Iowa, 74 of 99 counties lost population between 1960 and 1970; 24 lost over 10 percent. There are 3,138 counties in the United States, and I am sure that this history of outmigration has been the same in almost all of the 2,666 counties which have no town over 25,000 in population.

During the last 20 years, our Nation has experienced an unprecedented growth which has occurred largely in metropolitan areas. We now have 150 million people—about 74 percent of our population—crowded onto less than 2 percent of our land. At the same time, our rural areas have experienced a steady drain in their population. Millions of rural residents—some 20 million since World War II—have moved from farms and small towns to our larger cities. They have left behind, in far too many cases, small communities which have lost their economic vitality and which have a reduced capacity to produce and support needed social, cultural, educational and recreational facilities and services.

Each year over half a million more Americans migrate from nonmetropolitan areas to the cities. The social pressures this migration creates on our urban areas are intense. The migration of small town and farm residents to large urban centers only intensifies the stresses these areas are experiencing in solving their many problems and meeting the needs of their growing population.

There is clear evidence, however, that this trend can be reversed. Some experts believe the migration rate has begun to slow in recent years. Surveys show that a fairly high number of Americans would prefer to live in a small town, and even more want to preserve the small town way of life in America. Increasing attention is being given to small town and rural development.

One solution, in my judgment, lies in the implementation of a more balanced national growth policy. Until now there have been few Federal programs providing aid, directly or indirectly, to small towns in rural areas. There has been no clear and consistent national growth policy with definite goals to encourage the revitalization and development of small communities. With such a policy, small towns will continue to grow, or at least maintain their vitality, and people will want to live there—and, even more importantly, it will be economically feasible for them to do so.

We are all aware that any community which wishes to retain its economic vitality must be able to provide its citizens with housing and basic services; police and fire protection, library, town meeting hall, health facilities, and recreational facilities for use by both the elderly and younger members of the community. In many cases, however, small towns lack proper housing or lack the financial resources to provide an adequate building for needed activities.

H.R. 15361, the Housing and Urban Development Act of 1974, breaks new and important ground by earmarking a specific portion of HUD program funds to rural areas. This specific allocation to rural areas, which is in addition to funds available to rural areas under other programs, is urgenty needed to provide the necessary support for development and redevelopment of small towns in rural areas, an essential element of a balanced national growth policy. Congressman WILLIAM ALEXANDER and I have presented considerable testimony over the past two Congresses, concerning these development needs and the means by which the rural way of life may be maintained. The bloc grant program with its great flexibility for carrying on comprehensive development programs, should provide significant assistance to these small communities. Further, this bloc grant approach allows local communities to use funds based upon priorities that they themselves establish.

The Housing and Urban Development Act of 1974 is a clear step forward for rural America. Each year under the bill 20 percent of the funds for community development would be earmarked to rural areas. Title IV of the bill extends for 3 years various rural housing programs. The bill increases the authorized appropriations for section 504 rehabilitation loans and grants by 50 percent; increases section 516 grants for farm labor housing programs from $50 million to $75 million; and authorizes up to $1 million annually for section 506 research grants in fiscal years 1975, 1976, and 1977.

It is significant that H.R. 15361 initiates an adequately balanced national growth policy which takes into consideration the needs of both metropolitan and rural areas. We live in an interdependent society where there can be no national progress if one section of the country or one segment of the population is left behind.

Mr. MOAKLEY. Mr. Chairman, although I rise in support of H.R. 15361, the Housing and Development Act of 1974, I must express some very serious reservations about the measure as it now stands.

Let me remind my distinguished colleagues that our involvement in subsidized housing evolved from a recognition that adequate housing is not available to all families in this Nation. We have also recognized the need for using Federal programs to supplement the incomes of low-income households living in standard housing who have had to pay an excessive share of their income for rent. It has been stated that even if we were to achieve the housing goals set forth in 1969, which called for creating 6 million housing units, there would still be almost 9 million households in this country that would have to pay more than 25 percent of their income to obtain decent shelter.

According to the U.S. Department of Housing and Urban Developments' own estimates there are 14 million households with incomes below $5,000 who are eligible for housing subsidies, but for whom there is no subsidized housing available. We can assume these families and elderly individuals are occupying housing which is either unsafe, substandard, or which is so costly that they cannot meet other basic needs.

In view of these needs, it is understandable that I am greatly disturbed with the bill's failure to include any authorization for continuing and expanding the one housing program that has provided more than 1 million families with decent shelter. Low rent public housing is the only Federal subsidy program that was designed to meet the housing needs of families with incomes below $5,000.

Admittedly, the public housing program has not advanced smoothly. Criticism of massive high-rise structures and operating costs that rose at a greater rate than the tenant's rent paying ability was justified and did characterize public housing projects. But with legislation passed in 1969 and 1970, which prohibited the construction of high-rise projects—except for the elderly—and authorized subsidized operating costs, Congress gave new potential to public housing as a means of providing decent shelter for this Nation's low income citizens. And finally, in 1970, public housing was improved upon and expanded into flexible programs that permitted turnkey, leasing, the purchase of existing housing and homeownership possibilities.

The effectiveness of such program flexibility was evident in the turnkey program which was used to provide housing for our elderly citizens. Construction under turnkey-elderly was so substantial when the administration impounded housing funds, that we could have solved the elderly housing needs in the next decade if funds had remained unavailable. Perhaps turnkey's best feature, was a utilization of private market forces to fulfill a public need; such a balance, between the private and public sector works well to achieve our housing goals.

While I sincerely hope the new housing assistance program, section 23(h) will prove to be an effective tool for meeting our national housing goals, I cannot concur with the intent of the bill—to rely upon it as the primary mechanism for providing housing assistance.

Although the committee stated its intent that existing programs be utilized to the fullest possible extent should the new program prove to be inadequate, I must reiterate my support for a flexible proved program that is one of many diverse tools available to meet the housing needs of low-income persons.

I must also raise strong objections to the provision in the bill that establishes minimum rents for public housing tenants. Since the Secretary of HUD advises us that less than one-half of 1 percent of public housing tenants pay zero rent, the income to be derived from these families will be insignificant. The fact that we have tenants paying no rent should point out a crisis of income, rather than an opportunity to attach meager incomes. The fiscal problems experienced by local housing authorities will not be greatly affected by this new income. It seems to make more sense to look to the subsidy system already mandated by Congress, rather than to residents of public housing, and to the poorest residents at that, for the additional revenue needed.

Thus, in spite of these serious reservations, my reluctant support for the bill stands.

Mrs. SCHROEDER. Mr. Chairman, although I am voting for passage of H.R. 15361, the Housing and Urban Development Act of 1974, I do so with great reluctance. My dissatisfaction with the bill stems primarily from two causes: the community development funding formula which penalizes cities such as Denver which in the past have been active in seeking Federal assistance, and the bill's failure to provide adequately for the housing needs of low-income families.

Under the new community development block grant funding formula, Denver, in the next 6 years, will lose almost one-half of its community development funds. Although the bill does contain a hold-harmless provision for the community development block grants, which replace existing HUD categorical programs such as urban renewal, model cities, open space, and water and sewer grants, the hold harmless does not include model cities beyond their scheduled termination and it is good for only 3 years. In fiscal year 1975, the first year of the new formula program, Denver will receive $16.1 million. In fiscal year 1976 the grant will drop precipitously to $10.9 million, and by the end of the 6-year phasedown to the committee formula, Denver will be receiving only $8.4 million. More than 100 other cities now actively involved in urban renewal and/or model cities programs will face the same sharp decrease in funding. Although the bill does provide a $100 million discretionary fund to ease transition for these cities, I am concerned that this amount is totally inadequate to meet the transitional needs.

I ask my colleagues why we must penalize those cities which have most energetically tried to improve their neighborhoods by aggressively seeking out HUD assistance grants. In the past 18 months, most cities' federally supported community development programs already have been seriously crippled by underfunding and late funding. In addition, cutbacks in other Federal programs such as housing, health, and education have put severe strains on the State and local resources which might have been used to absorb the various model cities and urban renewal projects. The elimination of the model cities program from the hold-harmless provision, and the failure to continue the hold harmless beyond the 3-year period, will cause a serious setback to these cities already hard pressed in their efforts to maintain a viable urban living environment. We must also remember that these cities were so active in seeking Federal grants, and successful in obtaining them, because of their greater needs. I hope that more adequate safeguards for these affected cities will be provided by the actions of the conference with the Senate.

Mr. Chairman, I am also concerned about the failure of this bill to address the housing needs of low-income families.

The committee bill makes public housing through a revised section 23 leased housing program the only operating housing subsidy program. We should not put our sole reliance on this single untested program, at the expense of existing programs such as construction of low-income public housing and subsidized privately built housing. The conventional public housing programs, though in need of improvements to correct mismanagement and abuse, are workable and should be continued.

Moreover, the new section 23 program would not serve the needs of low-income persons. The average income of tenants in public housing in 1973 was $3,000. The new program would serve families with incomes below 80 percent of the median in each metropolitan area. In the Denver-Boulder metropolitan area, this would mean families with incomes below $9,000, $8,619, based on a 1969 median family income of $10,744. The provision that 30 percent of the units subsidized under the program be set aside for "very low-income families" is deceptive, since "very low income" is defined as half the median income: well above the poverty level and almost double the average income of present public housing tenants.

The new program also uses gross income for determining the amount of rent a family must pay, rather than allowing deductions to reflect the real circumstances of the family, such as the number of minor children and elderly persons to be supported. I feel that the traditional concept of adjusted income should be part of any public housing program.

Finally, the committee's bill does not provide adequate operating subsidies for existing public housing. In 1968 Congress, for the first time, set a rent ceiling of 25 percent of adjusted income, and endeavored to subsidize operating costs. I say endeavored because appropriations for this purpose were systematically impounded by OMB. Public housing officials, attempting in good faith to meet their responsibilities in providing housing for the poor, have been caught in the unenviable position of not being able to charge very low income tenants enough to cover operating costs, and at the same time not receiving enough in operating subsidies from HUD to meet their day-to-day expenses. The results of this impossible situation are apparent in public housing projects throughout the country.

HUD has now, to its credit, recognized the need for operating subsidies, and has requested $400 million for fiscal year 1975, the amount authorized in the committee bill. This amount is clearly inadequate to meet current rising operating costs, to say nothing of accumulated expenses for maintenance which had to be deferred because of past inadequacies in operating assistance.

Mr. Chairman, the veto threat which led the House Rules Committee to reject the omnibus housing bill in 1972, and the President's subsequent suspension of housing subsidy programs in January of 1973 have brought Federal housing efforts over the past 18 months to a virtual halt. I am voting for the bill before us because it does create some new housing. However, the deficiencies I have outlined above are serious, and I can only hope that they will be resolved in conference with the Senate.

Mr. MITCHELL of Maryland. Mr. Chairman, I have listened with a great deal of interest as the proponents of this legislation have expounded its so-called virtues. I have listened as they have suggested that all that cities have to do if they have utilized their categoricals in an efficient way and are therefore forced to take reductions in funding, all that these cities have to do is explain to their unhoused citizens that this legislation gives other cities, that have not shown previous concern about the unhoused, the opportunity to take advantage of Federal funds.

Mr. Chairman, my colleagues, these cities that have not used Federal moneys before are not going to jump at the chance to use them now. Let's be frank. Cities that have used their categoricals efficiently are a long way from doing an adequate job. They have had to cajole and fight and use every imaginable sort of pressure to get the funds that they are now utilizing. And yet, the proponents of this bill are telling us that we should have them cut back just when they are beginning to make headway on their respective housing problems.

The proponents of this bill are telling us that it is a bill that is the best possible bill of our Nation's housing needs. I suggest to you that it most certainly is not. We have some 12.2 million families in this country who are eligible for subsidized housing whose incomes are less than $4,000, but for whom no subsidized housing is available. Does a bill that forces cities that are beginning to make headway on this housing problem to take a reduction in funds begin to address this need? Let's be frank; no it does not.

Legislation that would begin to address these needs would not force reductions in cities that have utilized their categoricals; such legislation would make it incumbent upon cities that have not used their funds to use them.

No, this is not a bill to meet our present housing needs; it is an exclusionary bill, and it is punitive toward those cities that have made progress in the past.

Proponents of this legislation claim as well that it is a bipartisan bill that typifies the best workings of the legislative process. If this is so, I have been completely misled about our legislative system.

From the time the Housing Subcommittee began considerations of this legislation, those of us who have questioned its direction have been told, "Look, we do not like the bill either. We think there is a lot more than we can do. But we have word from the White House that they will veto anything more than what we have here." I challenge my colleagues to tell this House that that attitude was not fostered during the subcommittee and committee deliberations.

What kind of legislating is this. I will tell you. It is legislating of the worst kind. It makes a mockery of the checks and balances foundation of this Government. And more serious than anything else, it is legislating not to the needs of this country, but to the wishes of the executive branch.

My colleagues, we decided in 1968 that we had a serious housing problem in this country. We decided that the Federal Government had a responsibility to provide its citizens with decent and sanitary housing. Are we now being dictated to by the executive branch to forget those decisions? One of the proponents of the bill asked earlier, "If not this legislation, what else?" I will tell you of an alternative. First, we can begin to make this bill a much better bill by changing it to provide more construction and deeper operating subsidies. But if that is too much for this body, we can just defeat the bill.

If you do not like the Senate bill, then we can pass emergency legislation to continue the current program. If you have problems with the current programs, then we can direct the President to stop illegally holding money that we have appropriated and that the courts have held to be unconstitutional.

If this august body does not feel that these are reasonable alternatives, and that this bill is the easiest way to convince the public that we are doing some responsible legislating, then I have a question to ask.

If this bill is enacted and millions who are unhoused continue to be unhoused, and if even more become unhoused because of its exclusionary provisions, knowing of the inflation and unemployment problems that we also face, what are we going to do with the increasing numbers of unhoused, unemployed urban poor? It seems to me that we are making the problem worse.

In spite of all of these concerns and misgivings, I am going to vote for this bill in the hope that something meaningful and decent will be brought back to the House from conference.

Mr. HANRAHAN. Mr. Chairman, while supporting amendments of great benefits to our senior citizens, I was compelled to vote against the Housing and Urban Development Act of 1974 on the final vote Thursday, June 20, 1974. Although the bill has numerous good features, I have in the past voted against federally subsidized housing and felt I had to vote against this bill because it contains just such a provision. I cannot condone the spending of $1.225 billion of taxpayers' money annually to subsidize rent and housing payments. I feel vehemently that such a tremendous Federal expenditure on subsidized housing should not be allowed, especially in these inflationary times.

I am, however, happy to have been able to support an amendment calling for 75,000 additional units of housing for the elderly and the handicapped. Similarly, I was happy to support an amendment which will prevent rents from being raised when social security payments go up.

Mr. PATTEN. Mr. Chairman, I wish to briefly comment on the legislation presently before the House. The Housing and Urban Development Act of 1974 has been 4 years in the making and I wish to commend my colleagues on the Banking and Currency Committee and the Housing Subcommittee for the exhaustive work which went into this legislation.

Although I will support this bill, it does lack a number of provisions contained in the Senate version, such as direct loans for the elderly, and hold-harmless language in title I. In the case of title I, the committee chose a formula which will act to cut by roughly 50 percent the amount of money which programs such as model cities would receive in the next years. Such a formula runs counter to the original design of the model cities program and leaves many of the programs in financial lurch for their future needs. The Perth Amboy, N.J., administration is currently in its third action year of five, and has already had to search elsewhere for funds to continue its worthwhile programs. The search has been anything but successful. The city of New Brunswick will experience a drop in funds from $1.4 milion to $0.7 million, and other communities such as Edison, Woodbridge and Carteret may find themselves in similar situations.

The Senate version of the HUD bill does contain the hold harmless and other sections ignored by the House counterpart, and it is my hope that they shall prevail in conference.

Mr. Chairman, the following is a letter which I directed to the editor of the Homes News in my district regarding this problem, and which I submit for the Record:

Congress of the United States,
Washington, D.C., May 31, 1974.
The Editor,
The Home News,
New Brunswick, N.J.

Dear Editor: During my tenure as Congressman of the Fifteenth District to the House of Representatives, one of my principle interests in the realm of domestic affairs has been that of aiding local governments in the improvement of their services to the community. This includes water and sewer facilities, urban renewal, Model Cities programs and other opportunities open to urban localities for the betterment of the communities.

Major legislation has been developing in Congress, among which is the Housing and Urban Development Act which will replace current funding programs, resulting in potential losses of federal funds of nearly 50% for areas such as Perth Amboy and New Brunswick. My concern over this legislation and its projected deleterious effect on existing programs in the Fifteenth District led me to contact Chairman Patman of the Banking and Currency Committee and Chairman Barrett of the Housing Subcommittee, objecting to those provisions of the bill which would be harmful to Middlesex County communities.

My interests have also been made known to the leaders of those municipalities which would be subject to the greatest disadvantages with the passage of this and other related legislation. Too often has it occurred that the federal government will help finance community development projects and then, at a time when the funds are most needed, announce a discontinuation or "phase-out" of federal support. The rationale is almost always faulty and even constituting a blatant disregard for and abandonment of important local programs.

I have worked on the Appropriations Committee for years, promoting sound spending for community development programs, and I shall continue to do so. However, the primary consideration at this time is the Urban Development Act, which, with considerable effort made by my colleagues and myself, will hopefully be revised so as to not abandon our urban areas.

Sincerely,
Edward J. Patten.

Mr. YOUNG of Georgia. Mr. Chairman, each of you has received a letter from the National League of Cities and the U.S. Conference of Mayors dated June 20. They recommend support for H.R. 15361. The letter damns the bill with such faint praise that I must agree with its statement but differ with the conclusion I would not want my vote to be construed as endorsing the premise that we must retreat in our commitment to house our poor.

National League of Cities,
U.S. Conference of Mayors,
June 20, 1974.

Dear Congressman: On Thursday, June 20, the House of Representatives is scheduled to take up H.R. 15361, the "Housing and Urban Development Act of 1974." On behalf of the National League of Cities and the United States Conference of Mayors, we wish to urge you to support final passage of this important legislation.

As a result of the long period of Congressional deliberation over the future of our nation's community development and housing efforts, and of the limited commitment of the Administration during this period to the continuation of the present programs, local development and housing activities have been drastically reduced with the corresponding disappearance of vitally needed local capacity to respond to these problems in the future. Congress must act now to enable cities to move ahead again.

The community development and housing legislation reaches the House floor after nearly four years of extensive study and much compromise. Regarding the Community Development section of the bill, passage of a workable block grant program in this area has been the number one legislative priority for the nation's cities for several years. While specific criticism can be made of particular sections—for example, of the funding allocation system—we feel the proposed block grant program is worthy of all support on Thursday. We will continue to work toward improving the program, both with the House-Senate Conferees and in the future with the appropriate Congressional Committees.

In the area of housing, the provisions of the bill dealing with our nation's housing assistance programs are not fully adequate to meet the wide ranging needs of our urban areas. However, we are satisfied that the broader approach taken by the Senate bill in this regard will result in a satisfactory resoluion on the future direction of our housing assistance programs in Conference.

The National League of Cities and the United States Conference of Mayors hope you will approve H.R. 15361 and send it to Conference so that final action by Congress on a compromise bill can occur as soon as possible.

Sincerely,
Allen E. Pritchard, Jr.,
Executive Vice President, National League of Cities.
John J. Gunther,
Executive Director, U.S. Conference of Mayors.

The bill condones the Nixon administration moratorium of section 235 and 236 programs by neglecting to provide any additional contract authority. H.R. 15361 is an administration bill. It broadens and lengthens the duration of the policy of benign neglect. Low-income housing needs under this bill will have to be met by the section 23(h) leasing program. My understanding is that this is a workable program only in selected areas and only given a strong State housing financing agency. Few States presently have such an agency. My own State of Georgia is not one and southern States in general will be hurt by this change.

The philosophy of the administration seems to be to raise the income threshold to exclude persons presently in public housing programs and drive up rents so that those excluded and those remaining will have to pay a greater share of their income—an income that is diminishing by 10 percent per annum via President Nixon's stagflation policy.

I oppose the passage of H.R. 15361 on the basis that the block grant approach in title I is a continuation of the "New Federalist" approach advocated by the Nixon administration and exemplified by the general revenue sharing program. Grants of Federal funds made to State and local governments have gone to operating budgets, property tax cuts, public works construction, but not, in the main, to help the poor. If the experience with general revenue sharing has been disappointing in terms of social programs, the administration's community development scheme will be disastrous.

Community development block grants—Title I—has a hold harmless provision but it does not apply to Model Cities. As a result the city of Atlanta will go from $18,967,000 in fiscal year 1975 to $11,393,000 in fiscal year 1980. Doubtless, our problems will be as great if not greater. Federal funds under this program will be directed to local political units to be used for local purposes with a minimum of Federal guidelines. There is no guarantee that the seven existing categorical grant programs will be funded at previous levels.

If the bill before us fails, I would prefer to see the House adopt the Senate's much more equitable omnibus housing bill S. 13066. Should the House in its wisdom not see fit to take such action, I would respectfullly recommend to my colleagues that a 1-year extension of existing programs including all Model Cities projects would be preferrable to the pending bill.

Mr. BINGHAM. Mr. Chairman, the bill before us today has been more than 6 years in the making. The last comprehensive treatment by the Congress of housing and urban development legislation was in 1968, and since then reform and improvement of the complex Federal laws in this area have been stalled by intense controversy. Highly publicized scandals and corruption in some Federal housing programs, failures in some public housing projects, and the Nixon administration's attempts to scuttle many of the existing Federal housing aid programs have prevented the development of a consensus on the future directions of national housing policy.

While this controversy has raged, the Nation's cities have been struggling for survival. Decent, affordable housing is a necessity for that survival, yet increasing numbers of urban dwellers find it impossible to find such shelter. In the cities of the Northeast, the inadequate supply of housing has driven costs to such a level that many families and individuals must pay 40 to 50 percent of their incomes for housing, and thousands of others live in crumbling, overcrowded buildings. The poor and the elderly are often in desperate conditions, paying more than they can afford for miserable quarters. Public housing for these groups is in inadequate supply and city public housing agencies are in steadily deepening financial crises.

Congressional attempts to step up Federal efforts to correct these massive problems have been stymied by the Nixon administration's determination to abolish many of the most important Federal housing programs and to consolidate others, radically altering the Federal responsibility to provide a decent home and suitable living environment for every American family. It has resisted through the threat of vetoes any reforms or initiatives except its own. More than 10 years of Federal subsidy programs were suddenly terminated and an alternative of direct cash allowances to the poor promised, but not yet provided.

This is the climate in which the bill before us today is being considered. The prime consideration in the Committee on Banking and Currency's drafting of this legislation has been the extent to which existing Federal programs can be retained and improved without inviting a Presidential veto. This is hardly an approach conducive to the major initiatives which the present crisis calls for.

H.R. 15361 consolidates a number of categorical aid programs into a new block-grant community development program which will begin next year. Urban renewal, model cities, neighborhood facilities, open space, water and sewer, and section 312 rehabilitation loan programs are lumped together to make one fund to be used by State and local governments and developers of new towns. Eighty percent of the $8.05 billion authorized for the next 3 years will go to urban areas. This new program is a form of revenue sharing and should allow State and local governments to use these funds guided by their own assessments of local needs and not Federal redtape.

Title II of the bill is a compromise attempt to replace existing housing subsidy programs with a new form of Federal assistance. It is to this section of the bill alone that those concerned with housing the Nation's poor must look for help. I doubt that they will like what they see. It contains a revision of section 23 of the Housing Act of 1937 to add a subsection (a) to subsidize rents and cooperative occupancy charges in newly constructed, substantially rehabilitated, or existing dwelling units. The new section 23 will replace a series of assistance programs established over the last 35 years which the Nixon administration abruptly and unilaterally terminated in January 1973. That action began a decline in the construction of housing for low and moderate income families which continues today, and which this new program is aimed, hopefully not in vain, at reversing.

The subsidy paid to the owner of these dwellings under the section 23 program would be determined by taking the difference between the rent charged and 20 to 25 percent of the tenant's adjusted income. The Secretary of HUD would establish fair market rentals for each housing market area. The maximum rent for a dwelling could not exceed the Secretary's established rentals by more than 10 percent.

Only persons with incomes below 80 percent of the family median income for this area would be eligible for the program. At least 30 percent of the tenants assisted under the program each year must have very low incomes, that is, families whose incomes are less than one-half of the median income for the area.

This is a virtually untested program, and how much new housing it will produce is an open question. And without some changes in the method for determining the subsidy, hundreds of thousands of low-income families will be denied any assistance at all. My colleague from New York (Mr. KOCH) will offer an amendment to provide that the subsidy be determined by taking the difference between the rent charged and 15 percent to 20 percent of the gross income of tenants. This change must be adopted.

Dozens of other amendments to this bill will be offered on the floor today. I will support several of them which are designed to increase subsidies for housing and rents, provide additional funds for public housing, increase the bill's emphasis on rehabilitation of existing dwelling units, and the like. I can only hope that when this bill goes to conference with the Senate, a more progressive measure which will provide more help for hard-pressed low- and middle-income families will be fashioned

Mr. HANSEN of Idaho. Mr. Chairman, I want to commend the Banking and Currency Committee for its diligent and responsible work in developing this legislation. It is a good bill in many respects and addresses some of the problems that exist in our present housing programs.

However, I want to call attention to one aspect of this legislation that causes me concern. Title I establishes a new program of community development block grants starting in 1975 to replace existing HUD categorical programs. Communities that have been funded for community development at a higher rate than the new program's formula allocation are protected from a reduction in Federal aid during the first 3 years of the new program through a hold-harmless provision. However, during the following 3 years, a community's funding level would be phased down to its formula allocation. If enacted into law, this provision would mean a sharp decrease in funding for more than 100 cities now actively involved in urban renewal and model cities programs. For example, it is projected that Boise, Idaho, will have its present funding level cut by more than 75 percent in fiscal year 1980. At the same time, this allocation formula will be a boon for those cities that are not now utilizing Federal community development assistance.

It seems to me that this proposed cutback in Federal support is unwise, especially at a time when so many cities are battling to maintain a healthy urban environment for their residents. I believe that a strengthening of the hold-harmless provision is very much needed, and will make this important legislation more equitable.

Mr. FRASER. Mr. Chairman, I rise to support this bill, but I do so reluctantly.

I know the Banking Committee has worked long and hard at producing a bill which it hopes will gain the widest possible acceptance. In the process, however, I am afraid that too many compromises have been made. The new title I community development block grant program, while providing much needed administrative flexibility for local governments, will result in sharp funding cuts for those cities most actively involved in the current categorical programs. The title II housing assistance provisions fall far short of meeting the needs of those people who are now priced out of the private housing market.

The community development funding formula has been an issue of particular concern to me. Last month, 44 of us in the House urged the Banking Committee to provide additional hold-harmless protection in title I. In a letter to Chairman PATMAN, we said that, in effect, "the committee bill is telling many cities, particularly those actively involved in urban renewal and/or model cities programs that they must start cutting back local rebuilding efforts when the new title I program is implemented." Unfortunately, the committee did not see fit to revise the formula funding system.

In its report, the committee expresses the hope that major funding cutbacks under the new formula system may be avoided if authorizations increase significantly during the latter years of the new program. But even if the committee's hopes are realized, many communities, at best, will be locked into a static funding level during a period when costs are certain to keep rising.

In the case of my own district, Minneapolis would see its annual community development funding nearly cut in half by fiscal year 1980, even if authorizations rose by 10 percent a year throughout the 6-year life of the program. By 1980, under this bill, Minneapolis in all likelihood would be left with little more than a modest rehabilitation program. Virtually all land acquisition and redevelopment would have come to a halt. Our model cities program, which now directly serves 12,000 inner city residents, would be a thing of the past. Development of new neighborhood facilities, similar to the $2.5 million Urban American Indian Center now under construction in South Minneapolis, would no longer be possible.

Almost immediately after passage of this bill, city officials would have to start concerning themselves with ways of cutting back ongoing programs. The uncertainty about funding levels under the current categorical system would be eliminated, it is true, but this uncertainty would be replaced with the certainty that our funding was moving in only one direction—down.

I realize that the committee has tried to develop an automatic entitlement system which it believes will objectively measure the need for community development support. I am not sure that a complex phenomenon like urban blight can be measured on a statistical basis, however. But if a formula must be included in this bill, then supplementary support can and should be provided for those cities whose entitlement does not adequately meet their needs.

With regard to the housing assistance title of the bill, I am relieved to see that the full committee has modified the minimum rent provisions originally included in the subcommittee bill, and had reinstated the 10-percent deduction from gross income used when computing rents for tenants in elderly public housing. If the committee had not reinstated the 10-percent deduction, older people in public housing would have faced a 10-percent increase in rent during a period when they are already struggling under the burden of a rampant inflation.

I would like to have seen this bill include a provision similar to that in the Senate bill which provides incentive grants to communities that participate in the so-called fair share plans. These regional housing allocation plans provide a way of increasing housing opportunities for low-income people in communities which have excluded them in the past for economic, cultural or social reasons. In the Minneapolis-St. Paul area, our regional government agency, the metropolitan council, has pioneered in the development and implementation of a fair share plan for our seven-county region. When this bill goes to conference, I hope the House conferees will accept section 807 of the Senate bill which encourages the development of regional housing allocation plans.

Mr. Chairman, as I indicated at the outset, I feel that this bill does much less than it should. But in the hope that it can be substantially improved in conference, I intend to vote for H.R. 15361.

Mr. HARRINGTON. Mr. Chairman, today the House will have its first chance in 4 years to consider on the floor, new housing and community development legislation. Two years ago a major housing bill died in the House Rules Committee. Since the last bill, our Nation has suffered from the administration-ordered freeze on housing funds. In my State of Massachusetts, the construction and real estate industries have suffered serious setbacks, as the cutback in Federal housing activity has taken the bottom out of the construction industry.

Partly as a result, Massachusetts has one of the highest statewide unemployment rates in the Nation, and sorely needs the stimulus of renewed Federal funding for housing and community development. And, of course, funds are necessary to relieve the tight housing supply, and to help rebuild our urban areas. A reinstitution of Federal housing and community development efforts can reduce the severe overcrowding in Massachusetts, ease the pressure for rent increases caused by the tight market, and reduce the incidence of substandard housing units. Twenty-five years later, we are still far short from fulfilling the 1949 promise of "a decent home for every American." The importance of getting housing programs moving again cannot be overemphasized.

H.R. 15361 is far from a perfect bill. But, despite my many reservations, I suspect it is the best we can get from the Banking and Currency Committee, as presently constituted, and the best possible in view of the administration's apparent reluctance to support broader, more far-reaching housing and community development legislation.

While H.R. 15361 breathes some new life into our housing programs, I have serious objections and reservations to parts of titles I and II of the bill. By contrast, the Senate-passed bill, S. 3066, is stronger in many respects. It continues some worthwhile HUD public housing and housing support programs—such as the 235 and 236 programs—that would be terminated by this bill. It makes more money available to localities for community development. And, perhaps most important, the guidelines of the Senate bill would insure that assistance would go to those needing the help most—the poor.

The House bill falls short of the Senate version in a comparison of the actual authorization and allocation of community development funds. Although the Senate bill allocates only $6.1 billion, it is over a 2-year period. Hence, the yearly allocation is actually higher than that of the House bill, which authorizes $8.05 billion over 3 years. Since the Senate bill provides almost half a billion dollars more a year, it will better assist in overcoming the delays in community development programs caused by the administration's freeze on most existing HUD programs.

I am greatly concerned by the omission, in the House bill, of community development goals and guidelines. While local program autonomy is very important, it seems to me that without some guidelines we run the risk of wasting part of the community development funds and failing to meet the most pressing needs in our urban areas. Most important, we must insure that these funds go to programs that benefit low- and moderate-income families, and that the funds go into housing and community development programs, not other types of tangential activities—public services like crime prevention, education, and health. While all of these public services are important, they should not be financed out of this housing and community development bill. The Senate bill assures that 80 percent of the funds allocated will "be of direct and significant benefit to families of low and moderate income." I think we need these kinds of limited controls so that the final legislation, while allowing for greater local autonomy, will provide overall program direction and coordination.

Like the Senate bill, H.R. 15361 provides for the consolidation of most existing, categorical-type community development programs into block grants. The programs consolidated include: urban renewal, Model Cities, code enforcement, rehabilitation grants, 312 rehabilitation loans, open space, urban beautification, historic preservation, neighborhood facilities, water and sewer facilities, and NDP—neighborhood development plan.

The advantage of consolidation is that it will increase the flexibility local communities and housing agencies have in dealing with the particulars of local needs. The disadvantage is that there are fewer guarantees than under existing law that the community development funds will be used in the manner most broadly beneficial from the point of view of social welfare.

Perhaps the most complicated issue raised in the bill is that of the allocation formula for community development. The House version bases allocations on certain "objective" criteria—population, overcrowding, and poverty—counted twice. On the other hand, the Senate bill bases allocations totally on the basis of past community development efforts on the part of the individual municipality or locality. Hence, the entire Senate bill is based on a "hold harmless" principle.

There are advantages to both approaches. On the one hand, it seems worthwhile to at least partly base allocations upon objective needs. At the same time, however, we should not effectively "penalize" communities with a history of commitment to community development, as would happen under the

House formula, as the hold-harmless provisions are to phase out beginning 3 years after enactment. Some communities with a history of community development programs would, after 3 years, begin to lose funds, despite their good record.

The House formula is also objectionable in that the allocation criteria fail to include other important measures of community need, such as the condition of existing housing, and the in-migration and out-migration of population.

A further serious weakness of the House bill is the failure to continue the model cities program. Apparently, the Banking and Currency Committee views Model Cities as merely a 5-year program, and H.R. 15361 extends its hold-harmless provisions to Model Cities to cover only the fifth year of any model cities program. Consequently, many highly successful model cities programs will die when their 5-year limits have expired.

The fact of the matter is that Model Cities has been a demonstrated success, and deserves to be continued as a strong, independent program. The original legislation authorizing the program, enacted in 1965, envisaged a 5-year demonstration program. Now that the 5-year period is drawing to a close, it seems to me we ought to be expanding upon model cities, not terminating its independent existence.

As to the housing assistance provisions of the bill, it does seem appropriate to expand the section 23 leased housing program. I am concerned that overreliance on this type of public housing program may be unsuitable for some areas, and may, in some situations, not do enough to encourage the construction of new units. Still, my observations on the failures of existing public housing projects in Massachusetts and in other States suggests that we should try an approach relying more on the private market, and private incentive. Too many existing public housing projects have become unbelievable eyesores, and have fallen apart from abuse. There seems to be little incentive under existing programs for public housing authorities to keep up their developments; what is more, builders are hardly encouraged to quality. If builders and managers have a financial stake in the projects, perhaps more will be successful.

A highly objectionable feature of the public housing features of the House bill, however, is the lack of orientation toward low-income people. Rent increases for many poor people will result from basing rent on "gross" rather than "adjusted" income. What is more, use of gross income disregards such important factors as the size of the family, medical expenses, and other criteria more accurately depicting the relative financial resources of a family.

I support the provision of the Senate bill—often referred to as the Brooks amendment after the distinguished Senator from my State—which sets a ceiling of 25 percent on the amount of adjusted income that a public housing tenant can pay in rent. This is only fair—given that upper middle-income families pay approximately 15 percent of their income for housing. I also object to the House provision that welfare families who receive a specific housing subsidy must put that entire subsidy toward rent. This will cause further rent increases for those families least able to afford them, and exacerbate the existing discrimination between the housing burdens levied the poor as opposed to the rich. In some cases, this particular provision could require families to pay as much as 50 percent of their income for rent.

Another undesirable provision is that section which gives preference to public housing projects in which not more than 20 percent of the dwelling units are involved in assistance payments. This is a clear indication that the bill lacks what I consider to be a desirable emphasis on constructing new housing for the poor. Experience has shown the importance of having developments for more than the poor exclusively; but if we encourage the participation of the poor to only 20 percent, we will fall far short of meeting the acute needs of the poor. I would hope these various provisions discriminating against the poor would be improved upon in the conference committee.

While at this point, after years of frustration, some money is better than no money, let me make it clear that I do not find in this bill the kind of adequate financial commitment to housing and community development which is absolutely necessary for the betterment of society. It is an undeniable fact that no improved housing program strategy will really satisfy the great housing needs of this Nation unless they are adequately funded. The construction of 418,000 units in a 1-year period, which estimates suggest would result from enactment of H.R. 15361, are but a drop in the bucket of what the real needs are. There is not enough money for community development. There is not enough money for public housing. Specifically, there is not enough money for operating subsidies to local housing authorities; $400 million is nowhere near the amount needed to maintain and rehabilitate existing public housing projects, in view of the rising costs of maintenance and the amount of work that has been deferred as a result of the moratorium imposed by the administration.

Enactment of H.R. 15361 would be improvement over the paralysis we see now in Federal housing programs. I will vote for it, despite my serious and numerous reservations, in the hopes of ending the present standstill of community development and public housing. I hope that the eventual House conferees will accept the more desirable provisions of the Senate-passed legislation.

Mr. STOKES. Mr. Chairman, the Housing and Urban Development Act of 1974, H.R. 15361, is an unfortunate victim of legislation overly contaminated by the fear of a veto—"If we do what is needed, it will be vetoed, if we make it too good it will be vetoed." But the housing problems of this Nation cannot be vetoed. And when we are convinced that good legislation is urgently needed, we ought not produce a bill which is only an emasculated version of what is needed.

H.R. 15361 purports to provide a housing program and subsidized housing for the entire income range needing subsidy, a "balanced" program. But however measured, the needs of the poorest families, those who need help the most, are least adequately met. For example, in title I, the community development block grants are determined in large measure by the number of poor people in a locality, and the official definition of poverty is used as a guideline. Grants are set according to a formula based upon population, overcrowded housing, and extent of poverty, with poverty counted twice. The Federal Register of May 24 contained the revised income poverty guidelines, setting $4,550 as the guideline for a nonfarm family of four.

However, HUD's figures show that as of 1972, there were 12.2 million households with incomes below $4,000 presumably eligible for housing subsidies, and only 857,000 or about 7 percent, occupied subsidized housing.

Also, title II of the bill sets aside "at least 30 percent" of the units under the 23(h) program for "very low income families." One would think that "very low income families" would be defined as those with incomes even lower than the poverty definition—say 50 percent of the poverty guideline, or $2,275 for a family of four. Such a definition would make sense in housing terms, as HUD figures show 4.9 million households with incomes below $2,000 of whom only 340,000 live in subsidized units.

Perversely, according to the definition in the bill, very low-income families can have incomes above the poverty level, because very low income is defined as "below 50 percent of the median income for the area." In 1972, median family income for the United States as a whole was $11,116. Half the national median would, therefore, be $5,558 or $1,008 higher than the poverty level. The set-aside for very low-income families under the bill means that roughly half of the eligible families—those with incomes below half of the median—would get only 30 percent of the subsidized units. Yet it is the families at the lowest end of the income scale, however defined, who need help the most. Not only then are the bill's requirements for meeting the needs of the poor inadequate, but they are internally inconsistent as well.

The bill's provisions for operating subsidies are totally inadequate. It should be apparent by now that the implementation of efficient and effective management techniques will not be induced by holding housing projects in a precarious financial state. In far too many of these projects, the price of "economy" has been paid in human terms by the children, families, and older Americans who can least afford the committee bill's inadequate authorization.

The harsh provisions of the Housing Subcommittee bill were softened somewhat as the minimum rent required was changed to 10 percent of gross income—instead of 30 percent of a unit's operating costs—or the amount of a welfare payment earmarked for shelter. But subsequently, the committee showed its true bias toward the urban poor by agreeing to a minimum rent in rural housing "commensurate to income and not exceeding 25 percent of income." Not only is there the question of equal consideration, but when coupled with the inadequate operating subsidies, one is hard-pressed to determine a commitment to housing the urban poor in the committee legislation. Maybe this superficial concern about the poor reflects a largely held opinion in this country that poor people do not care about housing, and that they are unwilling to pay for it. But the facts, as many in the committee know, are just the opposite. HUD's own figures, as contained in "Housing for the Seventies," show that it is the lowest income families who make the greatest effort to obtain decent housing. A perusal of the median percent of income paid for rent in 1970 by households within the range served by the proposed 23(h) program shows:

Annual income:	*Median percent paid for rent*
Under $2,000	64.0
$2,000–$2,999	51.8
$3,000–$3,999	31.8
$4,000–$4,999	26.7
$5,000–$5,999	22.4
$6,000–$6,999	20.2
$7,000–$7,999	16.8

It becomes clear then, that the peripheral concern for the poor in the committee legislation is not based upon a consideration of the housing needs for low-income families or upon a factual determination that this income group deserves to bear more of a burden for their housing than they do currently. If it is just a matter of getting any bill through that the President will not veto, then the committee has done much less than the American people expect from their legislative branch of Government. Because the "balanced" program that this bill purports to create is weighted heavily against the poor, it makes a mockery of our national housing goals of a decent home for every American family.

Mr. REID. Mr. Chairman, I rise to support this bill, although with grave reservations, because I believe we need a housing bill this year and because I do not want to block that possibility.

Twenty-five years ago, Congress passed the Housing Act of 1949, and made a commitment to "a decent home and suitable living environment for every American family."

This bill, unfortunately, does little to carry out that commitment. Hopefully the conference with the Senate version will significantly improve it.

I have grave reservations over much of this bill. I simply cannot believe that abolishing model cities and urban renewal programs, refusing any new contract authority for sections 235 and 236 programs, or setting a regressive new minimum rent requirement while the presently existing maximum rent ceiling is repealed, can really help the poor or near-poor tenant in search of a roof over his head.

I do not endorse the concept of special revenue sharing, and make no mistake about it, that is what this bill is all about. I supported general revenue sharing. I believe that State and local governments are in a tight financial squeeze. But block grants for housing, to be allocated on a local whim subject to the vehement pressures of communities which often do not want new residents, will do little to solve the critical housing shortage or to provide "a decent home and suitable living environment for every American family."

Finally, I am disappointed that the replacement of the block grant approach is not even fully protected by a strong, hold-harmless provision. Cities in the district I represent, in Westchester County, N.Y., will be sharply and often destructively affected.

Yonkers, for instance, will experience a cut in its annual funding from $5.6 million to $2.6 million in fiscal year 1980.

White Plains will be cut from its present level of $3.7 million to a mere half a million dollars in fiscal year 1980.

Mount Vernon will be cut from its present $2.5 million to $1.1 million in fiscal year 1980.

I am hopeful that the conference will improve the hold-harmless and save cities such as these.

I vote for this bill because I am hopeful that our conferees will negotiate with those of the Senate to write a fair and forward looking bill which truly deals with the housing crisis we face.

Mr. DRINAN. Mr. Chairman, since 1937, when the Federal Government first recognized its responsibility to help provide all Americans with adequate housing, Congress has struggled at length to devise a viable solution to this distressing problem. Few would claim that the United States has achieved the laudable objective embodied in the 1949 Housing Act to provide a decent home and suitable living environment for every American family. Many of America's poor remain trapped in crowded, unclean, and unsafe tenements in our cities. The less visible rural poor often live in primitive housing, or drift from job to job with no permanent residence at all. While low-income families suffer most from inadequate housing, the American middle class is not immune to the burdens of rising rent bills and skyrocketing mortgage interest rates.

In 1968, Congress took a giant step toward alleviating the housing crisis by passing an Omnibus Housing and Urban Development Act which provided substantial assistance to both poor- and middle-income American families. The newly enacted sections 235 and 236 of the National Housing Act provided funding to subsidize contractors for building or rehabilitating housing for the middle-income brackets. These programs provided assistance to a large number of persons who had not been eligible for aid under provisions of the 1937 Housing Act still in effect.

Federally assisted housing construction and rehabilitation went on for 5 years after the passage of the landmark 1968 act. America appeared on the way to overcoming its chronic housing deficiency. As we all know too well, this positive trend ended abruptly in January 1973, when the Nixon administration declared a moratorium on funding new public housing construction, rent supplements, housing rehabilitation, and other vital programs administered by HUD. This arbitrary and illegal action impounding funds appropriated by Congress brought progress in this field to a standstill. Even as we consider the bill before us, thousands of applications for Federal assistance in housing construction or rehabilitation submitted by my constituents and yours languish in HUD files awaiting the release of funds frozen by the President. The longer Congress waits before acting on comprehensive housing legislation, the longer the poor, the elderly, the handicapped, the middle-class homeowner, and all Americans in need of Federal assistance must wait to obtain adequate housing.

The HUD bill reported out by the Banking and Currency Committee is deficient in several important respects. First, H.R. 15361 virtually extinguishes sections 235 and 236 which subsidize the construction of single- and multiple-family dwellings for low- and middle-income families. Although the bill allows these programs to continue on an interim basis, it provides them with no additional funding. During the 12 to 18 months while the new assistance programs provided for in section 23(h) are being set up and put into operation, federally subsidized construction and rehabilitation programs will remain at a standstill as they have been since the Nixon moratorium was imposed in January 1973.

Second, section 23(h) establishes a tenant's gross income as the criterion for determining his maximum Federal rent subsidy. This provision is inconsistent with the bill's regulations for existing public housing which set maximum rents of 20 to 25 percent of the tenant's adjusted income. I believe that it is unfair to expect families at the lower end of the income spectrum to spend a much larger portion of their income on housing than well-to-do Americans who live in more comfortable accommodations costing only 10 to 15 percent of their gross incomes. A far more equitable formula would rely upon adjusted income, taking into account such factors as number of dependents, health expenses, and limited earning capacity due to physical disability.

Third, the bill does away with categorical funding of community development programs and substitutes a system of block grants. Under this mechanism, there is no assurance that a community will utilize funds to help those citizens who are in the greatest need of assistance. This provides an opportunity for communities to waste the taxpayers' money on unnecessary projects while neglecting essential programs if they so choose. I do not believe that the Federal Government should relinquish its role in determining how community assistance funds should be expended.

Despite these and several less significant flaws, H.R. 15361 does provide for a resumption of Federal housing assistance programs with substantial funding. That, in itself, recommends this legislation over the status quo where housing programs have lain dormant for 18 months. The bill also contains important provisions which expand the authority of the FHA to insure mortgages and increase the ceiling on mortgage loans issued by national banks and savings and loan associations. These provisions will provide necessary relief to the middle-class families which have been discouraged from home construction and improvement due to a tight mortgage market and high interest rates.

Finally, the bill contains a prohibition against discrimination on the basis of sex in awarding mortgage loans. This is a small but meaningful step toward the realization of equal rights for women.

I am hopeful that various amendments proposed on the floor today to eliminate the flaws I have discussed and strengthen the HUD Act will succeed. The adoption of such amendments will greatly enhance the quality of this legislation. S. 3066, passed by the Senate on March 11, 1974, would provide greater assistance to low-income families than the bill before us today. The Senate bill contains fewer deficiencies than the House version. I am hopeful that when this legislation emerges from conference, it will be greatly improved over the bill which we vote upon today.

The disparity between the House and Senate housing bills does not justify rejection of H.R. 15361; it merely indicates that we should not accept the bill before us as the final solution to the housing problem. We must act quickly to renew our commitment to provide decent housing for all. That process of renewal can begin only with the passage of H.R. 15361.

Mr. TAYLOR of Missouri. Mr. Chairman, it is my understanding that H.R. 15361 represents many hours of dedicated and painstaking deliberation among housing experts of the legislative and executive branches.

Over a period of many weeks, representatives of the Department of Housing and Urban Development worked closely with the Housing Subcommittee of the Banking and Currency Committee.

It would appear to me that what has emerged is housing and community development legislation of unusual import and opportunity.

I believe one of the most important features of the act to be its approach to distribution of community development funds.

Allocations under the old categorical programs never amounted to sharing according to need. Cities that became expert in the application process walked away with a disproportionate slice of the pie.

The Housing and Urban Development Act of 1974 takes two important steps to remedy that inequitable situation.

First, it simplifies the application process, even while retaining safeguards over the expenditure of allocated funds. The need for grantsmen is considerably reduced, if not eliminated.

And second, the legislation establishes a formula under which need is equitably calculated, taking into account the level of population and the degree of poverty and overcrowded housing.

The Department of Housing and Urban Development estimates that in my own district, the cities of Springfield and Joplin will receive $20,584,000 over a period of 6 years under terms of this vitally important legislation. Similar benefits could accrue to other communities in southwest Missouri eligible to compete for discretionary funding in the nonmetropolitan areas of Missouri.

I believe the time has come to put America's development program on a wiser and more expeditious course, and I therefore strongly recommend enactment of H.R. 15361.

Mr. BLACKBURN. Mr. Chairman, the Housing and Urban Development Act of 1974 was passed by this body on June 20, 1974. It included an authorization of $400 million for operating subsidies for public housing agencies. Supposedly this substantial sum of money will be allocated to pay the difference between rental income and operating expenses.

In other words, after the Federal Government pays for the amortized costs of construction and modernization of public housing units—now in excess of $1 billion per year—it will then pay the sum of $400 million, so that the housing agencies can operate the projects for the year.

In short, the agencies operate the projects according to their own standards, employing personnel in number of their own choosing and expending funds in excess of income with the realization that the Federal Government will pay the deficits.

Let me illustrate the meaning of this:

In the table I am attaching, you will find that the cost of operating subsidies in the year 1971 was $108 million; in 1972, it was $185 million; in 1973, $280 million. Not shown, are the 1974 and 1975 estimates of $350 and $430 million, respectively.

From $108 million per year in 1971 to $430 million per year in 1975 is a 400-percent increase. The Secretary of HUD has stated that the 1975 estimate will probably be too low. The National Association of Housing and Redevelopment Officials places the need in 1975 at $550 million.

Please note from the table:

First, in 1960, with 425,000 units, surplus rental income of $16 million was available to reduce annual Federal debt service payments to 88.9 percent of the total and no operating subsidy was required, but

Second. In 1973 estimates with 1,150,000 units, surplus rental income remains at $16 million and 98.3 percent of the debt service and $280 million in operating subsidy were federally supported.

This breaks down to $14.35 per unit net rental income in 1973, compared to $40.95 in 1963, $93.70 in 1953, and $35.55 in 1943. If one were to adjust these figures in terms of constant dollars, the differences would be even more staggering. It would appear from the figures available that rent makes up only 1.7 percent of the debt service contributions—Uncle Sam makes up the rest.

It must be clear at this point that there will be no limit to this subsidy. The housing agencies have a blank check against the Federal Government and they appear to be making heavy use of it.

Now, we learn that there is another special subsidy for public housing—the Target Projects program was recently announced by HUD as a $100 million effort—not a research project—to improve living conditions in selected projects. The money is being set aside for selected agencies "to improve the physical condition and livability of individual housing projects that are facing serious operational and environmental problems."

So, we are now going to extend a carrot—more money—to encourage improved efficiency in public housing operations.

I am appalled at what I see in the administration of taxpayer supported operations in public housing.

Data supplied by HUD comparing the operations of the 20 largest housing agencies reveals glaring differences in numbers of employees and operating expense per dwelling unit. By any standard, one must doubt the existence of administrative discipline in the open ended taxpayer funding of operating subsidies for public housing.

Before we proceed with more carrot-type approaches, I would like to see efficiency in the administration of these programs demanded by HUD with some effective discipline applied.

I have asked the Secretary of HUD to provide me with additional information concerning the administration of operating subsidies. I want to go on record that there must be an accounting in this matter.

I want to make my point very clear: There must be a limit to this subsidy; there must be an immediate action to invoke administrative discipline, standards of efficiency and sanctions which will turn this tide of ever-increasing costs to the taxpayer. The table referred to follows:

SUMMARY OF LOW RENT PUBLIC HOUSING ANNUAL CONTRIBUTIONS FROM INCEPTION THROUGH JUNE 30, 1973[1]

Fiscal year	Number of units	Debt service annual contributions[2]	Funds available to reduce annual contributions	Net debt service annual contributions	Percent of debt service annual contributions	Additional subsidies	Grand total net accrued contributions	Average net annual contributions per unit
1941	23,783	$4,747,176		$4,747,176	100.0		$4,747,176	$199.60
1942	68,459	11,258,951	$1,333,060	9,925,891	88.2		9,925,891	144.99
1943	89,240	13,049,252	3,166,370	9,882,882	75.7		9,882,882	110.74
1944	101,951	14,436,885	4,306,888	10,129,997	70.2		10,129,997	99.36
1945	141,596	21,132,572	12,410,272	8,722,300	41.3		8,722,300	61.60
1946	144,095	21,115,314	13,978,579	7,136,735	33.8		7,136,735	49.53
1947	144,095	21,044,261	15,377,631	5,666,630	26.9		5,666,630	39.33
1948	144,603	21,044,003	17,103,597	3,940,405	18.7		3,940,405	27.25
1949	145,785	21,325,747	17,082,754	4,242,993	19.9		4,242,993	29.10
1950	146,549	21,321,123	15,105,911	6,215,212	29.2		6,215,212	42.41
1951	145,703	21,407,882	14,221,701	7,186,121	33.6		7,186,121	49.32
1952	156,084	26,215,103	13,649,116	12,565,987	47.9		12,565,987	80.51
1953	204,815	45,091,505	19,212,357	25,879,148	57.4		25,879,148	126.35
1954	259,116	67,844,328	23,376,836	44,467,492	65.5		44,467,492	171.61
1955	304,383	91,133,962	24,548,099	66,585,863	73.1		66,585,863	218.76
1956	343,907	107,933,030	26,202,984	81,730,046	75.7		81,730,046	237.65
1957	365,896	116,685,509	26,050,696	90,634,813	77.7		90,634,813	247.71
1958	374,172	121,210,830	22,429,416	98,784,414	81.5		98,784,414	264.01
1959	401,467	133,106,635	17,739,971	115,366,664	86.7		115,366,664	287.36
1960	425,850	147,523,103	16,338,787	131,184,316	88.9		131,184,316	308.05
1961	465,481	166,360,866	21,038,913	145,321,953	87.4		145,321,953	312.20
1962	482,714	177,688,594	20,710,651	156,977,943	88.3	$2,329,640	159,307,583	330.02
1963	511,047	192,858,982	20,925,771	171,933,211	89.1	4,548,949	176,482,160	345.33
1964	539,841	211,479,468	25,024,891	186,454,577	88.2	4,441,532	190,896,109	358.62
1965	577,347	238,260,239	25,586,405	212,673,834	89.3	5,242,325	217,916,159	377.44
1966	608,554	256,672,714	29,589,402	227,083,312	88.5	4,917,522	232,000,834	381.23
1967	643,245	282,159,512	28,756,853	253,402,659	89.8	7,638,871	261,041,530	405.82
1968	692,199	323,805,194	27,732,987	296,072,207	91.4	6,094,947	302,167,154	436.53
1969	767,723	391,610,980	26,865,055	364,745,925	93.1	14,869,657	379,615,582	494.47
1970	830,454	464,802,576	23,375,714	441,426,862	95.0	31,463,984	472,890,846	569.44
1971	892,651	540,548,303	22,194,394	518,353,909	95.9	107,999,999	626,353,908	701.68
Subtotal		4,294,877,508	575,436,061	3,719,441,477		189,547,426	3,908,988,903	
1972[3]	1,013,000	719,000,000	18,000,000	701,000,000	97.5	185,000,000	886,000,000	874.63
1973[3]	1,150,000	951,500,000	16,500,000	935,000,000	98.3	280,000,000	1,105,000,000	960.87
Total		5,965,377,538	609,936,061	5,355,441,477		754,547,426	5,899,938,903	

[1] Reflects obligations reported at end of each fiscal year.

[2] Includes modernization starting in fiscal year 1970.

[3] Estimated.

Mr. WIDNALL. Mr. Chairman, I have no further requests for time.

Mr. PATMAN. Mr. Chairman, we yield back the balance of our time.

The CHAIRMAN. Pursuant to the rule, the Clerk will now read the bill by title.

The Clerk read as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Housing and Urban Development Act of 1974".

TITLE I—COMMUNITY DEVELOPMENT BLOCK GRANTS

PURPOSE

SEC. 101. It is the purpose of this title to further the development of a national urban growth policy by consolidating a number of complex and overlapping programs of financial assistance to communities of varying sizes and needs into a consistent system of Federal aid which—

(1) provides assistance on an annual basis, with maximum certainty and minimum delay, upon which communities can rely in their planning;

(2) encourages community development activities which are consistent with comprehensive local and area-wide development planning;

(3) furthers achievement of the national housing goal of a decent home and a suitable living environment for every American family; and

(4) fosters the undertaking of housing and community development activities in a coordinated and mutually supportive manner.

DEFINITIONS

SEC. 102. (a) As used in this title—

(1) The term "unit of general local government" means any city, county, town, township, parish, village, or other general purpose political subdivision of a State or of Guam, the Virgin Islands, or American Samoa; a combination of such political subdivisions recognized by the Secretary; the District of Columbia; the Trust Territory of the Pacific Islands; and Indian tribes, bands, groups, and nation, including Alaska Indians, Aleuts, and Eskimos, of the United States. Such term also includes a State or a local public body or agency as defined in section 711 of the Housing and Urban Development Act of 1970, a community association, or other entity which is approved by the Secretary for the purpose of providing public facilities or services to a new community as part of a program meeting the eligibility standards of section 712 of the Housing and Urban Development Act of 1970 or title IV of the Housing and Urban Development Act of 1968.

(2) The term "State" means any State of the United States, or instrumentality thereof approved by the Governor; and the Commonwealth of Puerto Rico.

(3) The term "metropolitan area" means a standard metropolitan statistical area, as established by the Office of Management and Budget.

(4) The term "metropolitan city" means (A) a city within a metropolitan area which is the central city of such area, as defined and used by the Office of Management and Budget, or (B) any other city, within a metropolitan area, which has a population of fifty thousand or more.

(5) The term "city" means (A) any unit of general local government which is classified as a municipality by the United States Bureau of the Census or (B) any other unit of general local government which is a town or township and which, in the determination of the Secretary, (i) possesses powers and performs functions comparable to those associated with municipalities, (ii) is closely settled, and (iii) contains within its boundaries no incorporated places as defined by the United States Bureau of the Census.

(6) The term "urban county" means any county within a metropolitan area which (A) is authorized under State law to undertake essential community development and housing assistance activities in its unincorporated areas, if any, which are not units of general local government, and (B) has a combined population of two hundred thousand or more (excluding the population of metropolitan cities therein) in such unincorporated areas and in its included units of general local government (i) in which it has authority to undertake essential community development and housing assistance activities and which do not elect to have their population excluded or (ii) with which it has entered into cooperation agreements to undertake or to assist in the undertaking of essential community development and housing assistance activities.

(7) The term "population" means total resident population based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(8) The term "extent of poverty" means the number of persons whose incomes are below the poverty level. Poverty levels shall be determined by the Secretary pursuant to criteria provided by the Office of Management and Budget, taking into account and making adjustments, if feasible and appropriate and in the sole discretion of the Secretary, for regional or area variations in income and cost of living, and shall be based on data referable to the same point or period in time.

(9) The term "extent of housing overcrowding" means the number of housing units with 1.01 or more persons per room based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(10) The term "Federal grant-in-aid program" means a program of Federal financial assistance other than loans and other than the assistance provided by this title.

(11) The term "program period" means the period beginning January 1, 1975, and ending June 30, 1975, and the period covering each fiscal year thereafter.

(12) The term "Secretary" means the Secretary of Housing and Urban Development.

(b) Where appropriate, the definitions in subsection (a) shall be based on the most recent data compiled by the United States Bureau of the Census and the latest published reports of the Office of Management and Budget available ninety days prior to the beginning of each fiscal year. The Secretary may by regulation change or otherwise modify the meaning of the terms defined in subsection (a) in order to reflect any technical change or modification thereof made subsequent to such date by the United States Bureau of the Census or the Office of Management and Budget.

AUTHORIZATION TO MAKE GRANTS

SEC. 103. (a) The Secretary is authorized to make grants to States and units of general local government to help finance Community Development Programs approved in accordance with the provisions of this title. The Secretary is authorized to incur obligations on behalf of the United States in the form of grant agreements or otherwise in amounts aggregating such sum, not to exceed $8,050,000,000, as may be approved in an appropriation Act. The amount so approved shall become available for obligation on January 1, 1975, and shall remain available until obligated. There are authorized to be appropriated for liquidation of the obligations incurred under this subsection not to exceed $2,450,000,000 prior to July 1, 1975, which amount may be increased to not to exceed an aggregate of $5,100,000,000 prior to July 1, 1976, and to not to exceed an aggregate of $8,050,000,000 prior to July 1, 1977.

(b) In addition to the amounts made available under subsection (a), and for the purpose of facilitating an orderly transition to the program authorized for this title, there is authorized to be appropriated not to exceed $100,000,000 for each of the fiscal years 1975, 1976, and 1977 for grants under this title to units of general local government having urgent community development needs which cannot be met through the operation of the allocation provisions of section 106.

(c) Sums appropriated pursuant to this section shall remain available until expended.

(d) To assure program continuity and orderly planning, the Secretary shall submit to the Congress authorization requests for the fiscal years 1978 through 1980 not later than February 1, 1976.

APPLICATION AND REVIEW REQUIREMENTS

SEC. 104. (a) No grant may be made pursuant to section 106 unless an application shall have been submitted to the Secretary in which the applicant—

(1) identifies community development needs and specifies both short- and long-term community development objectives which have been developed in accordance with areawide development planning and national urban growth policies;

(2) formulates a program which (A) includes the activities to be undertaken to meet its community development needs and objectives, together with the estimated costs and general location of such activities, and (B) takes into account appropriate environmental factors;

(3) submits a housing assistance plan which—

(A) accurately surveys the condition of the housing stock in the community and assesses the housing assistance needs of lower income persons (including elderly and handicapped persons and persons displaced or to be displaced) residing in or expected to reside in the community.

(B) specifies a realistic annual goal for the number of dwelling units or persons to be assisted, including (i) the relative proportion of new, rehabilitated, and existing dwelling units, and (ii) the size and types of housing projects and assistance best suited to the needs of lower income persons in the community, and

(C) indicates the general locations of proposed housing for lower income persons, with the objective of (i) furthering the revitalization of the community, including the restoration and rehabilitation of stable neighborhoods to the maximum extent possible, (ii) promoting greater choice of housing opportunities and avoiding undue concentrations of assisted persons in areas containing a high proportion of low-income persons and (iii) assuring the availability of public facilities and services adequate to serve proposed housing projects;

(4) provide satisfactory assurances that the program will be conducted and administered in conformity with Public Law 88-352 and Public Law 90-284;

(5) provides satisfactory assurances that, prior to submission of its application, it has (A) provided citizens likely to be affected by proposed community development and housing activities with adequate information concerning the amount of funds available for such activities, the range of activities that may be undertaken, and other important program requirements, (B) held public hearings to obtain the views of such citizens on community development and housing needs, and (C) provided such citizens an adequate opportunity to participate in the development of the application; but no part of this paragraph shall be construed to restrict the responsibility and authority of the applicant for the development of the application and the execution of the Community Development Program; and

(6) in the case of an applicant which is a metropolitan city or urban county—

(A) outlines a three-year schedule of anticipated program activities and indicates resources other than those provided under this title which are expected to be made available toward meeting its identified needs and objectives;

(B) provides for the periodic reexamination of program methods and objectives as information becomes available on the social, economic, and environmental consequences of program activities; and

(C) describes a program designed to—

(i) eliminate or prevent slums, blight, and deterioration where such conditions or needs exist; and

(ii) provide improved community facilities and public improvements, including the provision of supporting health, social, and similar services where necessary and appropriate.

(b) The Secretary shall approve an application for an amount which does not exceed the amount determined in accordance with section 106(a) unless—

(1) on the basis of significant facts and data, generally available and pertaining to community and housing needs and objectives, the Secretary determines that the applicant's description of such needs and objectives is plainly inconsistent with such facts or data; or

(2) on the basis of the application, the Secretary determines that the activities to be undertaken are plainly inappropriate to meeting the needs and objectives identified by the applicant pursuant to subsection (a); or

(3) the Secretary determines that the application does not comply with the requirements of this Act or other applicable law or proposes activities which are ineligible under this Act;

except that the Secretary may accept a certification from the applicant that it has complied with the requirements of paragraphs (4), (5), and (6)(B) of subsection (a).

(c) Prior to the beginning of fiscal year 1976 and each fiscal year thereafter, each grantee shall submit to the Secretary a performance report concerning the activities carried out pursuant to this title, together with an assessment by the grantee of the relationship of those activities to the objectives of this title and the needs and objectives identified in the grantee's statement submitted pursuant to subsection (a). The Secretary shall at least on an annual basis make such reviews and audits as may be necessary or appropriate to determine whether the grantee has carried out a program substantially as described in its application, whether that program conformed to the requirements of this title and other applicable laws, and whether the applicant has a continuing capacity to carry out in a timely manner the approved Community Development Program. The Secretary may make appropriate adjustments in the amount of the annual grants in accordance with his findings pursuant to this subsection.

(d) No grant may be made under this title unless the application therefor has been submitted for review and comment to an areawide agency under procedures established by the President pursuant to title II of the Demonstration Cities and Metropolitan Development Act of 1966 and title IV of the Intergovernmental Cooperation Act of 1968.

(e) An application subject to section 104 (b), if submitted after any date established by the Secretary for consideration of applications, shall be deemed approved within sixty days after receipt unless the Secretary informs the applicant of the specific reasons of disapproval. Subsequent to approval of the application, the amount of the grant may be adjusted in accordance with the provisions of this title.

(f) Insofar as they relate to funds provided under this title, the financial transactions of recipients of such funds may be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by such recipients pertaining to such financial transactions and necessary to facilitate the audit.

(g)(1) In order to assure that the policies of the National Environmental Policy Act of 1969 are most effectively implemented in connection with the expenditure of funds under this title, and to assure to the public undiminished protection of the environment, the Secretary, in lieu of the environmental protection procedures otherwise applicable, may under regulations provide for the release of funds for particular projects to applicants who assume all of the responsibilities for environmental review, decisionmaking, and action pursuant to such Act that would apply to the Secretary were he to undertake such projects as Federal projects. The Secretary shall issue regulations to carry out this subsection only after consultation with the Council on Environmental Quality.

(2) The Secretary shall approve the release of funds for projects subject to the procedures authorized by this subsection only if, at least fifteen days prior to such approval and prior to any commitment of funds to such projects other than for purposes authorized by section 105(a)(11) or for environmental studies, the applicant has submitted to the Secretary a request for such release accompanied by a certification which meets the rquirements of paragraph (3). The Secretary's approval of any such certification shall be deemed to satisfy his responsibilities under the National Environmental Policy Act insofar as those responsibilities relate to the applications and releases of funds for projects to be carried out pursuant thereto which are covered by such certification.

(3) A certification under the procedures authorized by this subsection shall—

(A) be in a form acceptable to the Secretary,

(B) be executed by the chief executive officer or other officer of the applicant qualified under regulations of the Secretary,

(C) specify that the applicant has fully carried out its responsibilities as described under paragraph (1) of this subsection, and

(D) specify that the certifying officer (i) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 insofar as the provisions of such Act apply pursuant to paragraph (1) of this subsection, and (ii) is authorized and consents on behalf of the applicant and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.

COMMUNITY DEVELOPMENT PROGRAM ACTIVITIES ELIGIBLE FOR ASSISTANCE

SEC. 105. (a) A community development program assisted under this title may include—

(1) the acquisition of real property (including air rights, water rights, and other interests therein) which is (A) blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth; (B) appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development; (C) to be used for the provision of public works, facilities, and improvements eligible for assistance under this title; or (D) to be used for other public purposes;

(2) the acquisition, construction, reconstruction, or installation of public works, facilities, and site or other improvements—including neighborhood facilities, senior centers, historic properties, utilities, streets, street lights, parking facilities, water and sewer facilities, solid waste disposal facilities, flood and drainage facilities, foundations and platforms for air right sites, pedestrian malls, and walkways, parks, and playgrounds;

(3) code enforcement in deteriorated or deteriorating areas in which such enforcement, together with public improvements and services to be provided, may be expected to arrest the decline of the area;

(4) clearance, demolition, removal, and rehabilitation of buildings and improvements (including financing rehabilitation of privately owned properties when incidental to other activities);

(5) special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons;

(6) payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for the relocation of individuals and families displaced by program activities under this title;

(7) disposition (through sale, lease, donation, or otherwise) of any real property acquired pursuant to this title or its retention for public purposes;

(8) provision of health, social, counseling, training, economic development, and similar services necessary to support other approved activities assisted under this title;

(9) payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of the Community Development Program;

(10) relocation payments and assistance for individuals, families, businesses, organizations, and farm operations displaced by activities assisted under this title,

(11) activities necessary (A) to develop a comprehensive plan, and (B) to develop a policy-planning-management capacity so that the recipient of assistance under this title may more rationally and effectively (i) determine its needs, (ii) set long-term goals and short-term objectives, (iii) devise programs and activities to meet these goals and objectives, (iv) evaluate the progress of such programs in accomplishing these goals and objectives, and (v) carry out management, coordination, and monitoring of activities necessary for effective planning implementation; and

(12) payment of reasonable administrative costs related to the planning and execution of community development and housing activities.

(b) In the case of a grant to finance the rehabilitation of privately owned property, the State or unit of general local government shall take appropriate steps to assure that, if the property is sold or transferred by the owner within one year of the date on which the grant was made, the entire amount of the grant shall be repayable to the State or unit of general local government; if it is sold or transferred more than one but not more than two years after such date, at least three-fourths of the amount of the grant shall be repayable; if it is sold or transferred more than two but not more than three years after such date, at least one-half of the amount of the grant shall be repayable; and if it is sold or transferred more than three but not more than four years after such date, at least one-fourth of the amount of the grant shall be repayable. The requirements of this subsection may be waived by the State or unit of general local government where it determines that such waiver is necessary for the execution of the Community Development Program or to avoid hardship to the owner of the rehabilitated property.

(c) Upon the request of the recipient of a grant under this title, the Secretary may agree to perform administrative services on a reimbursable basis on behalf of such recipient in connection with the rehabilitation of properties as authorized under paragraph (4) of subsection (a).

ALLOCATION AND DISTRIBUTION OF FUNDS

SEC. 106. (a) Of the amount approved in an appropriation Act under section 103(a) for grants in any year (excluding the amount provided for use in accordance with section 107), 80 per centum shall be allocated by the Secretary to metropolitan areas. Except as provided in subsections (c) and (e), each metropolitan city and urban county shall, subject to the provisions of section 104 and except as otherwise specifically authorized, be entitled to annual grants from such allocation in an aggregate amount not exceeding the greater of its basic amount computed pursuant to subsection (b) (2) (3) or its hold-harmless amount computed pursuant to subsection (g).

(b)(1) The Secretary shall determine the amount to be allocated to all metropolitan cities which shall be an amount that bears the same ratio to the allocation for all metropolitan areas as the average of the ratios between—

(A) the population of all metropolitan cities and the population of all metropolitan areas;

(B) the extent of poverty in all metropolitan cities and the extent of poverty in all metropolitan areas; and

(C) the extent of housing overcrowding in all metropolitan cities and the extent of housing overcrowding in all metropolitan areas.

(2) From the amount allocated to all metropolitan cities the Secretary shall determine for each metropolitan city a basic grant amount which shall equal an amount that bears the same ratio to the allocation for all metropolitan cities as the average of the ratios between—

(A) the population of that city and the population of all metropolitan cities;

(B) the extent of poverty in that city and the extent of poverty in all metropolitan cities; and

(C) the extent of housing overcrowding in that city and the extent of housing overcrowding in all metropolitan cities.

(3) The Secretary shall determine the basic grant amount of each urban county by—

(A) calculating the total amount that would have been allocated to metropolitan cities and urban counties together under paragraph (1) of this subsection if data pertaining to the population, extent of poverty, and extent of housing overcrowding in all urban counties were included in the numerator of each of the fractions described in such paragraph; and

(B) determining for each county the amount which bears the same ratio to the total amount calculated under subparagraph (A) of this paragraph as the average of the ratios between—

(i) the population in that urban county and the population in all metropolitan cities and urban counties;

(ii) the extent of poverty in that urban county and the extent of poverty in all metropolitan cities and urban counties; and

(iii) the extent of housing overcrowding in that urban county and the extent of housing overcrowding in all metropolitan cities and urban counties.

(4) In determining the average of ratios under paragraphs (1), (2), and (3), the ratio involving the extent of poverty shall be counted twice.

(5) In computing amounts or exclusions under this section with respect to any urban county there shall be excluded units of general local government located in the county (A) which receive hold-harmless grants pursuant to subsection (h), or (B), the populations of which are not counted in determining the eligibility of the urban county to receive a grant under this subsection.

(c) During the first three years for which funds are approved for distribution to a metropolitan city or urban county under this section, the basic grant amount of such city or county as computed under subsection (b) shall be adjusted as provided in this subsection if the amount so computed for the first such year exceeds the city's or county's hold-harmless amount as determined under subsection (g). Such adjustment shall be made so that—

(1) the amount for the first year does not exceed one-third of the full basic grant amount computed under subsection (b), or the hold-harmless amount, whichever is the greater,

(2) the amount for the second year does not exceed two-thirds of the full basic grant amount computed under subsection (b), or the hold-harmless amount, or the amount allowed under paragraph (1) of this subsection, whichever is the greatest, and

(3) the amount for the third year does not exceed the full basic grant amount computed under subsection (b).

(d) Any portion of the amount allocated to metropolitan areas under the first sentence of subsection (a) which remains after the allocation of grants to metropolitan cities and urban counties in accordance with subsections (b) and (c) shall be allocated by the Secretary—

(1) first, for grants to metropolitan cities, urban counties, and other units of general local government within metropolitan areas to meet their hold-harmless needs as determined under subsections (g) and (h); and

(2) second, for grants to units of general local government and States for use in metropolitan areas, allocating for each such metropolitan area an amount which bears the same ratio to the allocation for all metropolitan areas available under this paragraph as the average of the ratios between—

(A) the population of that metropolitan area and the population of all metropolitan areas,

(B) the extent of poverty in that metropolitan area and the extent of poverty in all metropolitan areas, and

(C) the extent of housing overcrowding in that metropolitan area and the extent of housing overcrowding in all metropolitan areas.

In determining the average of ratios under this paragraph, the ratio involving the extent of poverty shall be counted twice; and in computing amounts under this paragraph there shall be excluded any metropolitan cities, urban counties, and units of general local government which receive hold-harmless grants pursuant to subsection (h).

(e) Any amounts allocated to a metropolitan city or urban county pursuant to the preceding provisions of this section, and any portions of the remainder of the allocation for a metropolitan area available for distribution pursuant to subsection (d), which are not approved by the Secretary for distribution to such city or county or in such metropolitan area shall be distributed in a timely manner, within the same or the succeeding program period, to State, metropolitan cities, urban counties, and other units of general local government for use, first, in any metropolitan area in the same State, and second, in any other metropolitan area.

(f)(1) Of the amount approved in an appropriation Act under section 103(a) for grants in any year (excluding the amount provided for use in accordance with section 107), 20 per centum shall be allocated by the Secretary—

(A) first, for grants to units of general local government outside of metropolitan areas to meet their hold-harmless needs as determined under subsection (h); and

(B) second, for grants to units of general local government outside of metropolitan areas and States for use outside of metropolitan areas, allocating for the nonmetropolitan areas of each State an amount which bears the same ratio to the allocation available under this paragraph for the nonmetropolitan areas of all States as the average of the ratios between—

(i) the population of the nonmetropolitan areas of that State and the population of the nonmetropolitan areas of all the States,

(ii) the extent of poverty in the nonmetropolitan areas of that State and the extent of poverty in the nonmetropolitan areas of all the States, and

(iii) the extent of housing overcrowding in the nonmetropolitan areas of that State and the extent of housing overcrowding in the nonmetropolitan areas of all the States.

In determining the average of ratios under this paragraph, the ratio involving the extent of poverty shall be counted twice; and in computing amounts under this paragraph there shall be excluded units of general local government which receive hold harmless grants pursuant to subsection (h).

(2) Any amounts allocated to a unit of general local government under paragraph (1)(A) or to a State under paragraph (1)(B) which are not approved by the Secretary for distribution to such unit of general local government or in such State shall be distributed, in a timely manner, within the same or the succeeding program period, to States or units of general local government for use in any nonmetropolitan area.

(g)(1) The full hold-harmless amount of each metropolitan city or urban county shall be the sum of (i) the sum of the average during the five fiscal years ending prior to July 1, 1972, of (1) commitments for grants (as determined by the Secretary) pursuant to part A of title 1 of the Housing Act of 1949; (2) loans pursuant to section 312 of the Housing Act of 1964; (3) grants pursuant to sections 702 and 703 of the Housing and Urban Development Act of 1965; (4) loans pursuant to title II of the Housing Amendments of 1955; and (5) grants pursuant to title VII of the Housing Act of 1961; and (ii) the average annual grant, as determined by the Secretary, made in accordance with part B of title I of the Housing Act of 1949 during the fiscal years ending prior to July 1, 1972, or during the fiscal year 1973 in the case of a metropolitan city or urban county which first received a grant under part B of such title in such fiscal year. In the case of a metropolitan city or urban county program under section 105 of the Demonstration Cities and Metropolitan Development Act of 1966 which has been funded or extended in the fiscal year 1973 for a period ending after June 30, 1973, determinations of the hold-harmless amount of such metropolitan city or urban county shall be made so as to include, in addition to the amounts specified in clauses (i) and (ii) of the preceding sentence, an amount equal to the average annual grant, as determined by the Secretary, made during fiscal years ending prior to July 1, 1972, in accordance with such section; except that such amount shall be added annually only for a number of years which, when added to the number of funding years for which the city or county received grants under section 105 of the Demonstration Cities and Metropolitan Development Act of 1966, equals five. For the purposes of this paragraph the average annual grant under part B of title I of the Housing Act of 1949 or under section 105 of the Demonstration Cities and Metropolitan Development Act of 1966 shall be established by dividing the total amount of grants made to a participant under the program by the number of months of program activity for which funds were authorized and multiplying the result by twelve.

(2) During the fiscal years 1975, 1976, and 1977, the hold-harmless amount of any metropolitan city or urban county shall be the full amount computed for the city or county in accordance with paragraph (1). In fiscal years 1978, 1979, and 1980, if such amount is greater than the basic grant amount of the metropolitan city or urban county for that year, as computed under paragraph (2) of subsection (b), it shall be reduced so that—

(i) in the fiscal year 1978, the excess of the hold-harmless amount over the basic grant amount shall equal two-thirds of the difference between the amount computed under paragraph (1) and the basic grant amount for such year.

(ii) in the fiscal year 1979, the excess of the hold-harmless amount over the basic grant amount shall equal one-third of the difference between the amount computed under paragraph (1) and the basic grant amount for such year, and

(iii) in the fiscal year 1980, there shall be no excess of the hold-harmless amount over the basic grant amount.

(h)(1) Any unit of general local government which is not a metropolitan city or urban county shall, subject to the provisions of section 104 and except as otherwise specifically authorized, be entitled to grants under this title for any year in an aggregate amount at least equal to its hold-harmless amount as computed under the provisions of subsection (g)(1), if, during the five fiscal years ending prior to July 1, 1974, one or more urban renewal projects, neighborhood development programs, or model cities programs were being carried out by such unit of general local government pursuant to commitments for assistance entered into during such five-year period under title I of the Housing Act of 1949 or title I of the Demonstration Cities and Metropolitan Development Act of 1966.

(2) In the fiscal years 1978, 1979, and 1980, in determining the hold-harmless amount of units of general local government qualifying under this subsection, the second sentence of subsection (g)(2) shall be applied as though such units were metropolitan cities or urban counties with basic grant amount of zero.

(i) In excluding the population, poverty, and housing overcrowding data of units of general local government which receive a hold-harmless grant pursuant to subsection (h) from the computations described in subsections (b)(5), (d), and (f) of this section, the Secretary shall exclude two-thirds of such data for fiscal year 1978 and one-third of such data for fiscal year 1979.

(j) Any unit of general local government eligible for a hold-harmless grant pursuant to subsection (h) may, not later than thirty days prior to the beginning of any program period, irrevocably waive its eligibility under such subsection. In the case of such a waiver the unit of general local government shall not be excluded from the computations described in subsections (b)(5), and (f) of this section.

(k) The Secretary may fix such qualifications or submission dates as he determines are necessary to permit the computations and determinations required by this section to be made in a timely manner, and all such computations and determinations shall be final and conclusive.

DISCRETIONARY FUND

SEC. 107. (a) Of the total amount appropriated for liquidation of obligations under the fourth sentence of section 103(a) for each of the fiscal years 1975, 1976, and 1977, an amount equal to 2 per centum thereof shall be reserved and set aside in a special discretionary fund for use by the Secretary in making grants (in addition to any other grants which may be made under this title to the same entities or for the same purposes)—

(1) in behalf of new communities assisted under title VII of the Housing and Urban Development Act of 1970 or title IV of the Housing and Urban Development Act of 1968;

(2) to States and units of general local government which join in carrying out housing and community development programs that are areawide in scope;

(3) in Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands;

(4) to States and units of general local government for the purpose of demonstrating innovative community development projects;

(5) to States and units of general local government for the purpose of meeting emergency community development needs caused by federally recognized disasters; and

(6) to States and units of general local government where the Secretary deems it necessary to correct inequities resulting from the allocation provisions of section 106.

(b) Not more than one-fourth of the total amount reserved and set aside in the special discretionary fund under subsection (a) for each year may be used for grants to meet emergency disaster needs under subsection (a)(5).

(c) Amounts reserved and set aside in the special discretionary fund under subsection (a) in any fiscal year but not used in such year shall remain available for use in accordance with subsections (a) and (b) in subsequent fiscal years.

GUARANTEE OF LOANS FOR ACQUISITION OF PROPERTY

SEC. 108. (a) The Secretary is authorized, upon such terms and conditions as he may prescribe, to guarantee and make commitments to guarantee the notes or other obligations issued by units of general local government, or by public agencies designated by such units of general local government, for the purpose of financing the acquisition of real property (including such expenses related thereto as the Secretary may permit by regulation) to serve or be used in carrying out activities which are eligible for assistance under section 105 and are identified in the application under section 104, and with respect to which grants have been or are to be made under section 103, but no such guarantee shall be issued in behalf of any agency designed to benefit, in or by the flotation of any issue, a private individual or corporation.

(b) No guarantee or commitment to guarantee shall be made with respect to any unit of general local government or public agency designated by any such unit of general local government unless—

(1) the Secretary, from sums approved in appropriation Acts and allocated for obligation to the unit of general local government pursuant to sections 106 and 107, shall have reserved and withheld, for the purpose of paying the guaranteed obligations (including interest), an amount which is at least equal to 110 per centum of the difference between the cost of acquiring the land and related expenses and the estimated proceeds to be

derived from the sale or other disposition of the land, as determined or approved by the Secretary, which amount may subsequently be increased by the Secretary to the extent he determines such increase is necessary or appropriate because of any unanticipated, major reduction in such estimated disposition proceeds;

(2) the unit of general local government shall have given to the Secretary, in a form acceptable to him, a pledge of its full faith and credit for the repayment of so much of any amount required to be paid by the United States pursuant to any guarantee under this section as is equal to the difference between the principal amount of the guaranteed obligations and interest thereon and the amount which is to be reserved and withheld under paragraph (1); and

(3) the unit of general local government has pledged to the repayment of any amounts which are required to be paid by the United States pursuant to its guarantee under this section, and which are not otherwise fully repaid when due pursuant to paragraphs (1) and (2), the proceeds of any grants to which such unit of general local government may become eligible for under this title.

(c) The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligations for such guarantee with respect to principal and interest, and the validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligations.

(d) The Secretary may issue obligations to the Secretary of the Treasury in an amount outstanding at any one time sufficient to enable the Secretary to carry out his obligations under guarantees authorized by this section. The obligations issued under this subsection shall have such maturities and bear such rate or rates of interest as shall be determined by the Secretary of the Treasury. The Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which such securities may be issued under such Act are extended to include the purchases of the Secretary's obligations hereunder.

(e) Obligations guaranteed under this section may, at the option of the issuing unit of general local government or designated agency, be subject to Federal taxation as provided in subsection (g). In the event that taxable obligations are issued and guaranteed, the Secretary is authorized to make, and to contract to make, grants to or on behalf of the issuing unit of general local government or public agency to cover not to exceed 30 per centum of the net interest cost (including such servicing, underwriting, or other costs as may be specified in regulations of the Secretary) to the borrowing unit or agency of such obligations.

(f) Section 3689 of the Revised Statutes, as amended (31 U.S.C. 711), is amended by adding at the end thereof a new paragraph as follows:

"(22) For payments required from time to time under contracts entered into pursuant to section 108 of the Housing and Urban Development Act of 1974 for payment of interest costs on obligations guaranteed by the Secretary of Housing and Urban Development under that section."

(g) With respect to any obligation issued by a unit of general local government or designated agency which such unit or agency has elected to issue as a taxable obligation pursuant to subsection (e) of this section, the interest paid on such obligation shall be included in gross income for the purpose of chapter 1 of the Internal Revenue Code of 1954.

NONDISCRIMINATION

SEC. 109. (a) No person in the United States shall on the ground of race, color, national origin, or sex can be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

(b) Whenever the Secretary determines that a State or unit of general local government which is a recipient of assistance under this title has failed to comply with subsection (a) or an applicable regulation, he shall notify the Governor of such State or the chief executive officer of such unit of local government of the noncompliance and shall request the Governor or the chief executive officer to secure compliance. If within a reasonable period of time, not to exceed sixty days, the Governor or the chief executive officer fails or refuses to secure compliance, the Secretary is authorized to (1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; (2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d); (3) exercise the powers and functions provided for in section 111 of this Act; or (4) take such other action as may be provided by law.

(c) When a matter is referred to the Attorney General pursuant to subsection (b), or whenever he has reason to believe that a State government or unit of local government is engaged in a pattern or practice in vioation of the provisions of this section, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

LABOR STANDARDS

SEC. 110. All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with grants received under this title shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5): *Provided*, That this section shall apply to the construction of residential property only if such residential property is designed for residential use for eight or more families. The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276(c)).

REMEDIES FOR NONCOMPLIANCE

SEC. 111. (a) If the Secretary finds after reasonable notice and opportunity for hearing that a recipient of assistance under this title has failed to comply substantially with any provision of this title, the Secretary, until he is satisfied that there is no longer any such failure to comply, shall—

(1) terminate payments to the recipient under this title, or

(2) reduce payments to the recipient under this title by an amount equal to the amount of such payments which were not expended in accordance with this title, or

(3) limit the availability of payments under this title to programs, projects, or activities not affected by such failure to comply.

(b)(1) In lieu of, or in addition to, any action authorized by subsection (a), the Secretary may, if he has reason to believe that a recipient has failed to comply substantially with any provision of this title, refer the matter to the Attorney General of the United States with a recommendation that an appropriate civil action be instituted.

(2) Upon such a referral the Attorney General may bring a civil action in any United States district court having venue thereof for such relief as may be appropriate, including an action to recover the amount of the assistance furnished under this title which was not expended in accordance with it, or for mandatory or injunctive relief.

(c)(1) Any recipient which receives notice under subsection (a) of the termination, reduction, or limitation of payments under this title may, within sixty days after receiving such notice, file with the United States Court of Appeals for the circuit in which such State is located, or in the United States Court of Appeals for the District of Columbia, a petition for review of the Secretary's action. The petitioner shall forthwith transmit copies of the petition to the Secretary and the Attorney General of the United States, who shall represent the Secretary in the litigation.

(2) The Secretary shall file in the court the record of the proceeding on which he based his action, as provided in section 2112 of title 28, United States Code. No objection to the action of the Secretary shall be considered by the court unless such objection has been urged before the Secretary.

(3) The court shall have jurisdiction to affirm or modify the action of the Secretary or to set it aside in whole or in part. The findings of fact by the Secretary, if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may order additional evidence to be taken by the Secretary, and to be made part of the record. The Secretary may modify his findings of fact, or make new findings, by reason of the new evidence so taken and filed with the court, and he shall also file such modified or new findings, which findings with respect to questions of fact shall be conclusive if supported by substantial evidence on the record considered as a whole, and shall also file his recommendations, if any, for the modification or setting aside of his original action.

(4) Upon the filing of the record with the court, the jurisdiction of the court shall be exclusive and its judgment shall be final, except that such judgment shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification as provided in section 1254 of title 28, United States Code.

USE OF GRANTS TO SETTLE OUTSTANDING URBAN RENEWAL LOANS

SEC. 112. (a) The Secretary is authorized, notwithstanding any other provision of this title, to apply a portion of the grants, not to exceed 20 per centum thereof without the request of the recipient, made or to be made under section 103(a) in any fiscal year pursuant to an allocation under section 106 to any unit of general local government toward payment of the principal of, and accrued interest on, any temporary loans made in connection with urban renewal projects under title I of the Housing Act of 1949 being carried out within the jurisdiction of such unit of general local government if—

(1) the Secretary determines, after consultation with the local public agency carrying out the project and the chief executive of such unit of general local government, that the project cannot be completed without additional capital grants, or

(2) the local public agency carrying out the project submits to the Secretary an appropriate request which is concurred in by the governing body of such unit of general local government.

In determining the amounts to be applied to payment of temporary loans, the Secretary shall make an accounting for each project taking into consideration the costs incurred or to be incurred, the estimated proceeds upon any sale or disposition of property and the capital grants approved for the project.

(b) Upon application by any local public agency carrying out an urban renewal project under title I of the Housing Act of 1949, which application is approved by the governing body of the unit of general local government in which the project is located, the Secretary may approve a financial settlement of such project if he finds that a surplus of capital grant funds after full repayment of temporary loan indebtedness will result and may authorize the unit of general local government to use such surplus funds, without deduction or offset, in accordance with the provisions of this title.

CODE STANDARDS

SEC. 113. Nothing contained in or prescribed under this title, section 101(c) of the Housing Act of 1949, or any other provision of Federal law shall prevent a locality from having and continuing in effect a building, plumbing, electrical, fire prevention, or related code (or provision thereof) embodying standards which, in terms of protecting the public health and safety, are determined by the National Bureau of Standards to be as high as or higher than the corresponding minimum code standards specified by the Secretary of Housing and Urban Development as required to be met in order for such locality to qualify for assistance, certification, or recertification under this title or such section or other provision of Federal law; and any such local standard shall be deemed to satisfy all of the applicable requirements relating to acceptable code standards under this title or such section or other provision.

TRANSITION PROVISIONS

SEC. 114. (a) Except with respect to projects and programs for which funds have been previously committed, no new grants or loans shall be made—

(1) after June 30, 1974, under (A) section 702 or section 703 of the Housing and Urban Development Act of 1965, (B) title II of the Housing Amendments of 1955, or (C) title VII of the Housing Act of 1961; and

(2) after January 1, 1975, under (A) title I of the Demonstration Cities and Metropolitan Development Act of 1966, or (B) title I of the Housing Act of 1949.

(b) To the extent that grants under title I of the Housing Act of 1949 or title I of the Demonstration Cities and Metropolitan Development Act of 1966 are payable from appropriations made for fiscal year 1975, and are made with respect to a project or program being carried on in any unit of general local government which is eligible to receive a grant for such fiscal year under section 106 (a) or (h) of this title, the amount of such grants made under title I of the Housing Act of 1949 or title I of the Demonstration Cities and Metropolitan Development Act of 1966 shall be deducted from the amount of grants which such unit of general local government is eligible to receive for fiscal year 1975 under such section 106(a) or (h). The deduction required by the preceding sentence shall be disregarded in determining the amount of grants made to any unit of general local government that may be applied pursuant to section 112 of this title, to payment of temporary loans in connection with urban renewal projects under title I of the Housing Act of 1949.

(c) The first sentence of section 103(b) of the Housing Act of 1949 is amended by inserting before the period at the end thereof the following: ", and by such sums as may be necessary thereafter".

(d)(1) Section 111(b) of the Demonstration Cities and Metropolitan Development Act of 1966 is amended by inserting immediately after the first sentence the following new sentence: "In addition, there is authorized to be appropriated for such purpose such sums as may be necessary for the fiscal year ending June 30, 1975".

(2) Section 111(c) of such Act is amended by striking out "July 1, 1974" and inserting in lieu thereof "July 1, 1975".

(e) Section 312(h) of the Housing Act of 1964 is amended by striking out "October 1, 1974" and inserting in lieu thereof "January 1, 1975".

(f) With respect to the program period beginning January 1, 1975, the Secretary may, without regard to the requirements of section 104, advance to any metropolitan city or urban county, out of the amount allocated to such city or county pursuant to section 106(a), an amount not to exceed 10 per centum of the amount so allocated which shall be available only for use (A) to contine projects or programs referred to in section 114(a)(2) or (B) to plan and prepare for the implementation in such city or county of activities to be assisted under this title.

(g) In the case of funds available for fiscal year 1975, the Secretary shall not consider any application from a metropolitan city or urban county for a basic grant pursuant to section 106(a) or from a unit of general local government for a grant pursuant to section 106(h) unless such application is submitted on or prior to April 1, 1975, in the case of funds available for fiscal years 1976 and 1977, the Secretary shall not consider any application from a metropolitan city or urban county for a basic grant pursuant to section 106(a) or from a unit of general local government for a grant pursuant to section 106 (h) unless such application is submitted on or prior to November 1 of those fiscal years.

LIQUIDATION OF SUPERSEDED PROGRAMS

SEC. 115. (a) Section 3689 of the Revised Statutes, as amended (31 U.S.C. 711), is amended by adding after paragraph (22) (as added by section 108(f) of this Act) the following new paragraph:

"(23) For payments required from time to time under contracts entered into pursuant to section 103(b) of the Housing Act of 1949, as amended, with respect to projects or programs for which funds have been committed on or before December 31, 1974, and for which funds have not previously been appropriated."

(b) The Secretary is authorized to transfer the assets and liabilities of any program which is superseded or inactive by reason of this title to the revolving fund for liquidating programs established pursuant to title II of the Independent Offices Appropriation Act of 1955 (Public Law 81–428; 68 Stat. 272, 295).

EMPLOYMENT OPPORTUNITIES FOR LOWER INCOME PERSONS

SEC. 116. Section 3 of the Housing and Urban Development Act of 1968 is amended by inserting ", including community development block grants under title I of the Housing and Urban Development Act of 1974," immediately after "direct financial assistance".

Mr. PATMAN (during the reading). Mr. Chairman, I ask unanimous consent that further reading of title I be dispensed with, that it be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any amendments to title I? If not, the Clerk will read.

The Clerk read as follows:

TITLE II—ASSISTED HOUSING

HOUSING ASSISTANCE PROGRAM

SEC. 201. (a) Section 23 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(h)(1)(A) In addition to the assistance authorized by subsection (d) of this section, the Secretary may provide assistance on behalf of lower income families in accordance with the provisions of this subsection.

"(B) To the extent of contracts for annual contributions entered into by the Secretary with a public housing agency under section 10 of this Act, such public housing agency may enter into contracts to make assistance payments for the use of existing dwelling units in accordance with subsections (a) through (h) of this section except as modified by this subsection. In areas where no public housing agency has been organized, the Secretary is authorized to enter into such contracts and to perform the other functions assigned to a public housing agency by this subsection.

"(C) To the extent of annual contributions authorizations under section 10 of this Act, the Secretary is authorized to make assistance payments pursuant to contracts with owners or prospective owners who agree to construct or substantially rehabilitate housing in which some or all of the units shall be available for occupancy by lower income families pursuant to the provisions of this subsection. Subject to the provisions of this subsection, the Secretary may also enter into contracts with public housing agencies pursuant to which such agencies may make assistance payments under contracts with owners or prospective owners of units with respect to which such public housing agencies have asssumed or agreed to assume management responsibilities.

"(2)(A) An assistance contract entered into pursuant to this subsection shall establish the maximum monthly rent (including utilities and all maintenance and management charges) which the owner is entitled to receive for each dwelling unit with respect to which such assistance payments are to be made. The maximum monthly rent shall not exceed by more than 10 per centum the fair market rental established by the Secretary periodically but not less than annually for existing or newly constructed rental dwelling units of various sizes and types in the market area suitable for occupancy by persons assisted under this subsection, except that the maximum monthly rent may exceed 10 per centum but not more than 20 per centum of the fair market rental where the Secretary determines that special circumstances warrant such higher maximum rent or that such higher rent is necessary to the implementation of a State or local housing assistance plan approved pursuant to section 202 of the Housing and Urban Development Act of 1974. Proposed fair market rentals for any area shall be published in the Federal Register with reasonable time for public comment, and shall become effective upon the date of publication in final form in the Federal Register.

"(B)(i) The assistance contract shall provide for adjustment annually or more frequently in the maximum monthly rents for units covered by the contract to reflect changes in the fair market rentals established for the housing area for similar types and sizes of dwelling units or, if the Secretary determines, on the basis of a reasonable formula.

"(ii) The contract shall further provide for the Secretary to make additional adjustments in the maximum monthly rent for units under contract to the extent he determines such adjustments are necessary to reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates or similar costs which are not adequately compensated for by the annual adjustment in the maximum monthly rent for such comparable units in the locality in which the units are situated.

"(iii) Adjustments in the maximum rents as hereinbefore provided shall not result in material differences between the rents charged for assisted and comparable unassisted units.

"(C) The amount of the monthly assistance payment with respect to any dwelling unit shall be the difference between not less than 20 per centum nor more than 25 per centum of one-twelfth of the annual income of the family occupying the dwelling unit and the maximum monthly rent which the contract provides that the owner is to receive for the unit. Reviews of family income shall be made no less frequently than annually (except that such reviews may be made at intervals no longer than two years in the case of families who are elderly or handicapped).

"(D) The assistance contract shall provide that assistance payments may be made only with respect to a dwelling unit under lease for occupancy by a family determined to be lower income family at the time it entered into a dwelling unit, except that such payments may be made with respect to unoccupied units for a period not exceeding sixty days (i) in the event that a family vacates a dwelling unit before the expiration date of the lease for occupancy or (ii) where a good faith effort is being made to fill an unoccupied unit.

"(E) Assistance payments may be made with respect to up to 100 per centum of the dwelling units in any structure upon the application of the owner or prospective owner. Within the category of projects containing more than fifty units and designed for use primarily by nonelderly or nonhandicapped persons, the Secretary may give preference to applications for assistance involving not more than 20 per centum of the dwelling units in a project. In according any such preference, the Secretary shall compare applications received during distinct time periods not exceeding sixty days in duration.

"(F) The Secretary shall take such steps as may be necessary, including the making of contracts for assistance payments in amounts in excess of the amounts required at the time of the initial renting of dwelling units, the reservation of annual contributions authority for the purpose of amending housing assistance contracts, or the allocation of a portion of new authorizations for the purpose of amending housing assistance contracts, to assure that assistance payments are increased on a timely basis to cover increases in maximum monthly rents or decreases in family incomes.

"(G) The Secretary shall prescribe such requirements and procedures as may be necessary or appropriate best to assure that at least 30 per centum of the families assisted under this subsection with annual allocation of contract authority are very low-income families at the time of the initial renting of dwelling units.

"(3) (A) The Secretary shall not contract to make assistance payments with respect to a newly constructed or substantially rehabilitated dwelling unit for a term of less than one month or more than two hundred and forty months. In the case of a project owned by, or financed by a loan or loan guarantee from, a State or local agency, the term may not exceed four hundred and eighty months.

"(B) The contract between the Secretary and the owner with respect to newly constructed or substantially rehabilitated dwelling units shall provide that all ownership, management, and maintenance responsibilities, including the selection of tenants and the termination of tenancy, shall be assumed by the owner (or such entity approved by the Secretary with which the owner may contract for the performance of such responsibilities).

"(C) Assistance provided pursuant to this subsection with respect to the construction or substantial rehabilitation of dwelling units shall not be withheld or made subject to preferences by reason of the availability of mortgage insurance pursuant to section 244 of the National Housing Act or by reason of the tax-exempt status of the bonds or other obligations to be used to finance such construction or rehabilitation or, if such unit is designed to comply with applicable local and State building codes, by reason of the unit's failure to comply with any minimum property standard or other structural code promulgated by the Secretary.

"(D) Nothing in this Act shall be deemed to prohibit an owner from pledging, or offering as security for any loan or obligation, a contract for assistance payments entered into pursuant to this subsection: *Provided*, That such security is in connection with a project constructed or rehabilitated pursuant to authority granted in this subsection, and the terms of the financing or any refinancing have been approved by the Secretary.

"(4) As used in this subsection—

"(A) the term 'lower income families' means those families whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of his findings that such variations are necessary because of prevailing levels of construction costs, unusually high or low family incomes, or other factors;

"(B) the term 'very low-income families' means those families whose incomes do not exceed 50 per centum of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families;

"(C) the term 'income' means income from all sources of each member of the household, as determined in accordance with criteria prescribed by the Secretary;

"(D) the term 'owner' means any private person or entity, including a cooperative, or a public housing agency, having the legal right to lease or sublease newly constructed or substantially rehabilitated dwelling units as described in this subsection;

"(E) the terms 'rent' or 'rental' mean, with respect to members of a cooperative, the charges under the occupancy agreements between such members and the cooperative.

"(F) The term 'project designed for the elderly or handicapped' means a multifamily housing facility specifically designed and equipped with 'related facilities' (as defined in section 202(d) (8) of the Housing Act of 1959) to accommodate the special environmental needs of the intended occupant, which is in support of and supported by the applicable State plan for comprehensive services pursuant to section 134 of title I of the Mental Retardation Facilities and Community Mental Health Center Construction Act of 1963 or State and area plans pursuant to title III of the Older Americans Comprehensive Services Amendments of 1973.

"(5) The provisions of sections 2(1) and 15, the provisions of subsection (a) (2) of this section, and any other provisions of this Act which are inconsistent with the provisions of this subsection shall not apply to contracts for assistance entered into under this subsection."

(b) Section 2(2) of such Act is amended by inserting in the third sentence thereof immediately after "section 223 of that Act" the following: "or as defined in section 102 (5) of the Developmental Disabilities Services and Facilities Construction Amendments of 1970".

(c) Section 16(2) of such Act is amended—

(1) by striking out "section 23" and inserting in lieu thereof "section 23(d)"; and

(2) by inserting "or the Secretary" immediately after "public housing agency".

(d) Notwithstanding the provisions of section 2(2) of such Act, the term 'elderly or handicapped families' includes two or more elderly or handicapped individuals of the same sex living together, or one or more such individuals living with another person who is determined under regulations of the Authority to be a person essential to their care or well being.

(e) The Secretary shall consult with the Secretary of Health, Education, and Welfare to insure that special projects for the elderly or the handicapped authorized pursuant to United States Housing Act of 1937 shall meet acceptable standards of design and shall provide quality services and management consistent with the needs of the occupant.

LOCAL HOUSING ASSISTANCE PLANS; ALLOCATION OF HOUSING FUNDS

SEC. 202. (a) The Secretary of Housing and Urban Development shall not approve an application or proposal for housing assistance under the United States Housing Act of 1937, sections 235 or 236 of the National Housing Act, or section 101 of the Housing and Urban Development Act of 1965 unless the unit of general local government in which the proposed assistance is to be provided and which has a housing assistance plan approved by the Secretary has had a reasonable opportunity to consider the proposed assistance prior to submission of the application or proposal and to certify to the Secretary that such assistance is consistent with a housing assistance plan (approved by the Secretary pursuant to title I of this Act or, in the case of a unit of general local government not participating under such title I approved pursuant to regulations established by the Secretary) or that the assistance, while not consistent with the plan, should be approved for reasons set forth with the certification. If the unit of general local government objects to approval of the application or proposal, and no resolution thereof is effected, the Secretary shall not give that approval unless he determines that the application or proposal is plainly consistent with the housing assistance plan and that such objection, viewed in the context of such plan, is without merit. The Secretary shall advise the unit of general local government in writing of his rejection of such objection and shall provide such unit of government with his reasons at least thirty days prior to such approval and allow an opportunity for response.

(b) The Secretary may, after consultation with appropriate officials representative of units of general local government, approve in regulations exceptions to the requirements of subsection (a) of this section for applications which would involve small amounts of housing assistance. In such cases, the Secretary shall determine whether the applications are consistent with any approved local housing assistance plan.

(c) For areas in which an approved local housing assistance plan is not applicable, the Secretary shall not approve an application for housing assistance unless he determines that there is a need for such assistance and that there is or will be available in the area public facilities and services adequate to serve the housing proposed to be assisted.

(d) (1) In allocating financial assistance under the provisions of law specified in subsection (a) of this section, the Secretary, so far as practicable, shall consider the relative needs of different areas and communities as reflected in data as to population, poverty, housing overcrowding, housing vacancies, amount of substandard housing or other objectively measurable conditions, subject to such adjustments as may be necessary to assist in carrying out activities designed to meet lower income housing needs as described in approved housing assistance plans submitted by units of general local government or combinations of such units assisted under section 107(a) (2) of this Act. The amount of assistance allocated to nonmetropolitan areas pursuant to this section in any fiscal year shall not be less than 20 per centum of the total amount of such assistance.

(2) In order to facilitate the provision of, and long-range planning for, housing for persons of low- and moderate-income in new community developments approved under title IV of the Housing and Urban Development Act of 1968, or of title VII of the Housing and Urban Development Act of 1970, the Secretary shall reserve such housing assistance funds as he deems necessary for use in

connection with such new community developments.

(3) The Secretary may reserve such housing assistance funds as he deems appropriate for use by a State or agency thereof.

AMENDMENT TO MAKE PUBLIC HOUSING AGENCIES ELIGIBLE AS MORTGAGORS UNDER SECTION 221(D)(3) OF THE NATIONAL HOUSING ACT

SEC. 203. (a) Section 221(d)(3) of the National Housing Act is amended by striking out the parenthetical phrase "(and which certifies that it is not receiving financial assistance from the United States exclusively pursuant to the United States Housing Act of 1937)" and inserting in lieu thereof "(and, except with respect to a project assisted or to be assisted pursuant to section 23(h) of the United States Housing Act of 1937, which certifies that it is not receiving financial assistance from the United States exclusively pursuant to such Act)".

(b) With respect to any obligation which is secured by a mortgage insured under section 221(d)(3) of the National Housing Act and which is issued by a public agency in connection with the financing of a project assisted under section 23(h) of the United States Housing Act of 1937, the interest paid on such obligation shall be included in gross income for purposes of chapter 1 of the Internal Revenue Code of 1954.

MINIMUM RENTALS FOR DWELLING UNITS IN LOW-RENT HOUSING

SEC. 204. (a) (1) Section 2(1) of the United States Housing Act of 1937 is amended by inserting immediately after the second paragraph the following new paragraph:

"Notwithstanding the preceding paragraph, the rental for any dwelling unit in low-rent housing shall not be less than the higher of (A) 10 per centum of the gross income of the family occupying the dwelling unit, and (B) if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated. In addition, in any case where the dwelling units in a project are administered by a public housing agency receiving operating subsidy payments pursuant to the second proviso in section 10(a), the aggregate rentals required to be paid in any year by families residing in such units shall not be less than an amount equal to one-fifth of the sum of the incomes of all such families."

(b) Clause (B) in the second sentence of the second paragraph in section 2(1) of such Act is amended by striking out clause (iii) and inserting in lieu thereof the following: "(iii) 10 per centum of the family's gross income in the case of an elderly family; and".

(c) Section 2(1) of such Act is further amended by striking out the last paragraph.

(d) Section 213(b) of the Housing and Urban Development Act of 1969 is repealed.

(e) To the extent that the amendments to the United States Housing Act of 1937 made by this section require the establishment of an increased monthly rental charge for any family which occupies a low-income housing unit as of the effective date of this section (other than by reason of the amendments relating to welfare assistance payments), the required adjustment shall be made, in accordance with regulations of the Secretary, as follows: (A) the first adjustment shall not exceed $5 and shall become effective as of the month following the month of the first review of the family's income pursuant to section 10(g)(3) of such Act which occurs at least six months after the enactment of this section, and (B) subsequent adjustments, each of which shall not exceed $5, shall be made at six-month intervals over whatever period is necessary to effect the full required increase in the family's rental charge.

MANAGEMENT PRACTICES IN PROJECT OPERATION

SEC. 205. Section 10(g) of the United States Housing Act of 1937 is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(5) the public housing agency shall comply with such procedures and requirements as the Secretary may prescribe to assure that sound management practices will be followed in the operation of the project, including requirements pertaining to—

"(A) the establishment of tenant selection criteria designed to assure that, within a reasonable period of time, the project will include families with a broad range of incomes and will avoid concentrations of low-income and deprived families with serious social problems, but this shall not permit maintenance of vacancies to await higher-income tenants where lower-income tenants are available;

"(B) the establishment of satisfactory procedures designed to assure the prompt payment and collection of rents and the prompt processing of evictions in the case of nonpayment of rent;

"(C) the establishment of effective tenant-management relationships designed to assure that satisfactory standards of tenant security and project maintenance are formulated and that the public housing agency (together with tenant councils where they exist) enforces those standards fully and effectively; and

"(D) the development by local housing authority managements of viable homeownership opportunity programs for low-income families capable of assuming the responsibilities of homeownership."

INCREASE IN PUBLIC HOUSING ANNUAL CONTRIBUTIONS CONTRACT AUTHORITY

SEC. 206. Section 10(e) of the United States Housing Act of 1937 is amended by striking out "and $140,000,000 on July 1, 1973" and inserting in lieu thereof "$400,000,000 on July 1, 1973, and $965,000,000 on July 1, 1974".

INTERIM EXTENSION OF SECTION 235 AND SECTION 236 PROGRAMS

SEC. 207. (a) (1) Section 235(m) of the National Housing Act is amended by striking out "October 1, 1974" and inserting in lieu thereof "June 30, 1975".

(2) Section 236(n) of such Act is amended by striking out "October 1, 1974" and inserting in lieu thereof "June 30, 1975".

(b) Section 236(i)(1) of such Act is amended by inserting before the period at the end thereof the following: ", and, in addition, by such sums as may be necessary thereafter".

(c) Section 235(a) of such Act is amended by inserting after "this section" at the end of the second sentence the following: "or which mortgages are assisted under a State or local program providing assistance through loans, loan insurance or tax abatement".

PROVISION OF LOW RENT PUBLIC HOUSING FOR AMERICAN INDIANS

SEC. 208. The first sentence of section 10(e) of the United States Housing Act of 1937 is amended by inserting immediately before the period the following: "*: And provided further*, That at least $20,000,000 of the total amount of contracts for annual contributions authorized under section 206 of the Housing and Urban Development Act of 1974 shall be available solely for low-rent housing for persons who are members of any Indian tribe, band, pueblo, group, or community of Indians who are recognized by the Federal Government, or Alaska Natives, or Indians who are wards of any State government, except that none of the funds made available under this proviso shall be available for housing in private accommodations under section 23 and, notwithstanding any other provision of this Act, the annual contributions for a project assisted pursuant to this proviso shall be equal to not more than the difference between the sum of the total debt service payment plus approved operating costs and the rental payments that tenants are required to make under section 2(1) of this Act".

PROVISION OF HOUSING ASSISTANCE IN CERTAIN AREAS WHERE ASSISTANCE IS OTHERWISE UNAVAILABLE

SEC. 209. If, after two years from the effective date of this Act, the Secretary of Housing and Urban Development determines that there are any areas of the country where a substantial number of families require housing assistance and no agency or sponsor is providing such assistance, he may act as sponsor, or designate a sponsor, to develop housing to meet this need. No sponsor shall be designated by the Secretary pursuant to this section without the prior approval of the Governor or of the State Housing Agency of the State in which the proposed assisted housing is to be located.

PROVISION OF LOW-RENT PUBLIC HOUSING FOR THE ELDERLY OR HANDICAPPED

SEC. 210. The first sentence of section 10(e) of the United States Housing Act of 1937 is amended by inserting immediately before the period the following: ": *And provided further*, That at least 20 per centum of the total amount of contracts for annual contributions authorized under section 206 of the Housing and Urban Development Act of 1974 shall be available solely for low-income housing for elderly or handicapped persons or families".

Mr. ST GERMAIN (during the reading). Mr. Chairman, I ask unanimous consent that title II be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Rhode Island?

There was no objection.

AMENDMENT OFFERED BY MR. ST GERMAIN

Mr. ST GERMAIN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ST GERMAIN: Page 64, immediately after line 10, add the following new sections:

REVISION OF SECTION 202 PROGRAM FOR ELDERLY AND HANDICAPPED

SEC. 211. (a) Section 202 of title II of the Housing Act of 1959 is amended—

(1) by deleting, in subsection (a)(1), ", consumer cooperatives, limited profit sponsors, or public bodies or agencies" and inserting in lieu thereof "or consumer cooperatives";

(2) by deleting, in subsection (a)(2), ", to any limited profit sponsor approved by the Secretary, to any consumer cooperative, or to any public body or agency" and inserting in lieu thereof "or to any consumer cooperative";

(3) by inserting, after clause (A) of subsection (a)(2), the word "and", by changing the comma which appears at the end of clause (B) of subsection (a)(2) to a period, and by striking the remainder of the subsection;

(4) by deleting, in subsection (a)(3), ", consumer cooperative, or public body or agency" and inserting in lieu thereof "or consumer cooperative"; and

(5) by deleting, in subsection (c)(3), ", cooperative, or public body or agency" and inserting in lieu thereof "or cooperative".

(b) Subsection (a)(3) of section 202 of title II of the Housing Act of 1959 is amended by deleting all that part of the subsection which follows the words "and shall bear interest at a rate" and inserting in lieu thereof "which is not more than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, plus an allowance adequate in the judgment of the Secretary to cover administrative costs and probable losses under the program."

(c) Paragraph (4) of subsection (d) of section 202 of the Housing Act of 1959 is amended—

(1) by striking the words "a physical" in the second sentence and inserting in lieu thereof "an"; and

(2) by inserting, following the second sentence, a new sentence reading as follows: "A person shall also be considered handicapped if such person is a developmentally disabled individual having a disability attributable to mental retardation, cerebral palsy, epilepsy, or another neurological condition which (i) originates before the individual affected attains age eighteen, (ii) has continued or can be expected to continue indefinitely, and (iii) constitutes a substantial handicap to such individual."

(d) Section 202 of title II of the Housing Act of 1959 is amended by adding at the end thereof a new subsection (f) reading as follows:

"(f) In carrying out the provisions of this section, the Secretary shall seek to assure, pursuant to applicable regulations, that housing and related facilities assisted under this Act will be in appropriate support of, and supported by, applicable plans of a State, the District of Columbia, Puerto Rico and possessions of the United States, or of a subdivision thereof, which respond to Federal program requirements as providing an assured range of necessary services for such individuals (which services may include, among others, health, continuing education, welfare, informational, recreational, homemaker, or counseling or referral services, transportation where necessary to facilitate access to social services, and services designed to encourage and assist recipients to use the services and facilities available to them), including plans approved by the Secretary of Health, Education, and Welfare pursuant to section 134 of title I of the Mental Retardation Facilities and Community Mental Health Center Construction Act of 1963 or pursuant to title III of the Older Americans Act of 1965."

(e) (1) There is established in the Treasury of the United States a trust fund to be known as the National Housing Loan Fund for the Elderly and the Handicapped (hereinafter in this subsection referred to as the "fund"). The fund shall consist of—

(A) amounts repaid by borrowers as principal and interest on loans from the fund;

(B) proceeds credited to the fund under paragraph (3) of this subsection;

(C) all amounts repaid by borrowers as principal and interest on loans from the revolving fund established under section 202 (a) (4) of the Housing Act of 1959;

(D) any amounts contained in the revolving fund established under section 202(a) (4) of the Housing Act of 1959 which are not committed on the date of enactment of this subsection; and

(E) receipts from any other source.

All receipts, funds, or other assets and all liabilities of the revolving fund established under section 202(a) (4) of the Housing Act of 1959 (including liabilities arising under loans made under such section) shall become and be assets and liabilities of the fund established pursuant to this subsection, as if such assets and liabilities had been received or incurred pursuant to this subsection, and shall be paid over, held, and accounted for accordingly.

(2) Amounts in the fund shall be available to the Secretary for the purpose of making loans under section 202 of the Housing Act of 1959 and for paying interest on obligations issued under paragraph (3) of this subsection.

(3) To carry out the purposes of this subsection, the Secretary is authorized to issue to the Secretary of the Treasury notes or other obligations in an aggregate amount not to exceed $1,500,000,000, in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued thereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this subsection. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as debt transactions of the United States.

(4) The receipts and disbursements of the fund shall not be included in the total of the budget of the United States Government and shall be exempt from any limitation on annual expenditure or net lending.

SECTION 202 PROJECTS ELIGIBLE FOR ASSISTANCE PAYMENTS UNDER PUBLIC HOUSING LAW

Sec. 212. (a) In determining the feasibility and marketability of a project under section 202 of the Housing Act of 1959, the Secretary shall consider the availability of monthly assistance payments pursuant to section 23 of the United States Housing Act of 1937 with respect to such a project.

(b) The Secretary shall insure that with the original approval of a project authorized pursuant to section 202 of the Housing Act of 1959, and thereafter at each annual revision of the assistance contract under section 23 of the United States Housing Act of 1937 with respect to units in such project, the project will serve both low- and moderate-income families in a mix which he determines to be appropriate for the area and for viable operation of the project; except that the Secretary shall not permit maintenance of vacancies to await tenants of one income level where tenants of another income level are available.

Mr. BARRETT (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

POINT OF ORDER

Mr. ASHLEY. Mr. Chairman, I rise to make a point of order against the amendment offered by the gentleman from Rhode Island (Mr. St Germain).

The CHAIRMAN. The gentleman will state his point of order.

Mr. ASHLEY. Mr. Chairman, the gentleman's amendment would create a new national housing loan fund for the elderly and handicapped as a new trust fund in the Treasury. This new trust fund would consist of: First, amounts repaid by borrowers as principal and interest on loans from the fund; second, proceeds credited to the fund under paragraph 3 of this subsection; third, all amounts repaid by borrowers as principal and interest on loans from the revolving fund established under section 202(a)(4) of the Housing Act of 1959, and fourth, any amounts contained in the revolving fund established under section 202(a)(4) of the Housing Act of 1959 which have not been committed at the date of enactment of this provision.

Mr. Chairman, clause 4 of rule XXI of the House of Representatives prohibits the carrying of an appropriation in an authorization bill. Two of the four sources of the new trust fund—items 3 and 4—involve the transfer of assets from the revolving fund established in the Housing Act of 1959 to the new national housing loan fund for the elderly proposed in the gentleman's amendment. The rules of the House clearly prohibit the reappropriation, making available, or diverting of an appropriation or portion of an appropriation already made for one purpose to another.

Therefore, I believe a point of order lies against the amendment.

The CHAIRMAN. Does the gentleman from Rhode Island desire to be heard on the point of order?

Mr. ST GERMAIN. I do, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman.

Mr. ST GERMAIN. Mr. Chairman, we are all aware of the fact that there is a dire need for this type of housing in the country. When I look at my own congressional district, in a city of 48,000 people, we have a waiting list of 600 dating back to 1969. In a city of 98,000 we have a waiting list of 1,100, who are qualified for this housing and who have been waiting on this list, the admission date of which goes back to 1968.

This amendment was proposed to be offered as an amendment to the housing bill in the subcommittee, and was withdrawn. I feel that it is certainly in order because we have the social and moral obligation to these people to provide them with decent, safe, and sanitary housing that they are not able to obtain at this point in time.

I would ask that the point of order raised by the gentleman from Ohio be overruled.

Mr. BROWN of Michigan. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. BROWN of Michigan. Mr. Chairman, I can quite concur with what the gentleman from Rhode Island has said regarding the need for elderly housing in this country, and I think that all of the remarks the gentleman has made with regard to the point of order went to the need, and not to the justification of the rules of the House for the amendment to be offered.

I do not think that any of us want in any way to jeopardize housing for the elderly, rather we want to do everything we can to provide adequate housing for the elderly. But I think the section 23(h) program does that. Certainly the gentleman's amendment is not necessary for the reasons stated by the gentleman from Ohio. The amendment should be ruled out of order.

The CHAIRMAN. Does the gentleman from Rhode Island desire to be heard further on the point of order?

Mr. ST GERMAIN. Mr. Chairman, I just want to state that I was speaking as I did about the need, because I was looking for the Rules of the House to be sprinkled with the milk of human kindness because the need is so dire. And I am very serious.

The CHAIRMAN (Mr. NATCHER). The Chair is ready to rule.

The amendment offered by the distinguished gentleman from Rhode Island (Mr. ST GERMAIN) establishes a trust fund, and into the trust fund would go interest and principal from other revolving funds already established in law. These provisions appear on page 4 of the amendment. This would constitute an appropriation in a legislative bill and would thereby violate clause 4 of rule XXI.

Therefore, the Chair sustains the point of order.

AMENDMENT OFFERED BY MR. KOCH

Mr. KOCH. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KOCH: Page 48, lines 22 and 23, strike out "not less than 20 per centum nor more than 25 per centum" and insert in lieu thereof "not less than 15 per centum nor more than 20 per centum".

Mr. KOCH. Mr. Chairman, this amendment offered by myself and on behalf of my colleagues, Messrs. FAUNTROY, HANLEY, MCKINNEY, MITCHELL of Maryland, MOAKLEY, REES, STARK, and YOUNG of Georgia, attempts to deal with the following situation. As the members of the committee know, we have changed the nature of housing so that instead of emphasizing low-income public housing, we are moving into a new leasing program known as section 23. Unfortunately, somewhere along the line we changed the criteria with respect to what we would charge an individual who goes into a public housing apartment as opposed to one who goes into leased housing, although the same economic class of people are involved.

With respect to public housing, what we have done is to provide for an adjusted gross income to determine what shall be paid by the tenant, and the tenant is not required to pay more than 25 percent of the adjusted gross income, which computation allows a certain sum for each child and for medical bills to be deducted from the gross annual salary. We also provide that the minimum to be paid in low-income housing is not less than 10 percent of the actual gross income of the family.

However, when we got into the leasing program, because administration criticisms were made that it is difficult to have an accounting procedure of that kind, we provided that instead there be some flat figures which would apply to the gross income without any adjustments, and the scale ranges from 20 to 25 percent of gross annual income.

The fact is, Mr. Chairman, that that range starts too high. What we should do, if we are to give the same family placed in a rental apartment as opposed to public housing—and it is the same kind of family, and it depends upon that which is available—we should give them some rent comparability. So rather than go into the issue of the accounting problems that the administration has said are too difficult, what I have done in my amendment is to change the range so it would run from 15 to 20 percent of gross income.

I would hope that if we are to deal in a fair way with all the people who are involved that we would accept this amendment.

AMENDMENT IN THE NATURE OF A SUBSTITUTE OFFERED BY MR. ASHLEY FOR THE AMENDMENT OFFERED BY MR. KOCH

Mr. ASHLEY. Mr. Chairman, I offer an amendment in the nature of a substitute for the amendment offered by the gentleman from New York (Mr. KOCH).

The Clerk read as follows:

Amendment in the nature of a substitute offered by Mr. ASHLEY for the amendment offered by Mr. KOCH: On page 48, line 22, strike out "20 per centum" and insert in lieu thereof "15 per centum".

Mr. ASHLEY. Mr. Chairman, although the gentleman from New York makes the right approach to reducing rent payments by reducing the percentage rather than mandating deductions and exclusions from income, I must oppose his amendment.

The amendment actually provides greater deductions for higher income families and lower deductions for the lowest income groups. Under the amendment, an $8,000 income family would receive a $400 reduction in rent annually; a $3,000 income family only $150.

My substitute provides that tenants in 23(h) projects would pay between 15 and 25 percent of their incomes toward rent, rather than 20 to 25 percent. This would give the Secretary discretion to set payments at between 15 and 20 percent of income for those who truly need the extra assistance—very large families, families with exceptionally low incomes or extraordinary expenses of one kind or another.

It would, however, make it possible in the interest of a feasible program to require up to 25 percent of income, particularly where the family size and the income of the tenants permit it.

I would urge the gentleman to support my amendment.

Mr. KOCH. Mr. Chairman, if the gentleman will yield, I want to say this, that in the interest of compromise and accepting the validity of some of the comments made by the gentleman from Ohio with respect to the way this amendment would fall, I would urge support of the amendment offered by the gentleman from Ohio.

Mr. ASHLEY. I appreciate that, and I would like to say to the Members that there has been nobody, but nobody, on the committee or off who has been a greater champion for the interest of the very poor people in this country than the gentleman in the well at this time, the gentleman from New York (Mr. KOCH).

I am very pleased to be able to work out this compromise on a basis that both of us can fully support.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I want to commend both of the gentlemen for having reached this compromise, because I think we recognize the deeper the subsidy the fewer the units that can be helped, but there are situations where the subsidy should be very deep, and the substitute offered by the gentleman from Ohio accomplishes that objective.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. Mr. Chairman, our side has no objection to the substitute amendment, if it would be agreeable to the other side.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I think the colloquy on the floor and the substitute amendment shows the kind of effort at bipartisanship we have had before, and so I can support the gentleman's substitute.

I want to make it clear though for the legislative history that the lower level, the 15 to 20 percent that is discretionary with the Secretary can be used in the cases mentioned by the gentleman from Ohio, where there are those who truly need the extra assistance, the very large families or those with exceptionally low incomes or those having extraordinary expenses of one kind or another.

Mr. ASHLEY. Yes.

Mr. BROWN of Michigan. That being the case, I accept the substitute.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I enthusiastically accept the substitute amendment because this compromise arrangement addresses itself to the very serious problem I spoke about before. I think it is a fair compromise. I wholeheartedly support the substitute amendment.

Mr. ASHLEY. I appreciate very much indeed the gentleman saying that.

The CHAIRMAN. The question is on the amendment in the nature of a substitute offered by the gentleman from Ohio (Mr. ASHLEY) for the amendment offered by the gentleman from New York (Mr. KOCH).

The amendment in the nature of a substitute was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. KOCH), as amended.

The amendment, as amended, was agreed to.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT: Section 202 Page 56 line 13 after the "." insert the following: "*Provided*, That the unit of general local government in which the project is to be located has been notified by the Secretary of his intent to approve the project and has failed to object within 60 days of such notification."

Mr. ROUSSELOT. Mr. Chairman, the committee adopted an amendment to section 202(a) which would limit the ability of the Secretary of Housing and Urban Development to override local objection to a housing project. This limitation would apply in instances where a "housing assistance" plan is established, and would provide that there would be no Secretarial override unless the project is "plainly consistent" with the plan and the objection was "without merit."

However, the amendment did not cover subsection (c) which relates to areas where a housing assistance plan is not applicable. In those instances, the Secretary could approve a project if he finds there is a "need" and that there are adequate public facilities and services. The amendment offered here would add a proviso to subsection (c) which would limit the Secretary's right to locate a project in any locality to instances where the unit of general local government has not objected within 60 days of notification by the Secretary.

I believe that this provides adequate time for local government to respond, and I encourage the adoption of this amendment.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Mr. Chairman, I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, in the version we have, it refers to 30 days.

Mr. ROUSSELOT. It is 60 days. I am sorry that I did not have a chance to correct all the copies. The actual amendment says 60 days.

Mr. MOORHEAD of Pennsylvania. What if the community does object? What can the Secretary do then?

Mr. ROUSSELOT. The point is, the Secretary then has the benefit of learning what those objections are. It provides time for the local community to respond within a 60-day time and I believe that is an appropriate time for the local community to respond.

Mr. MOORHEAD of Pennsylvania. Then, after the Secretary studies the problem and tries to adjust his program, then he can proceed?

Mr. ROUSSELOT. That is correct.

Mr. MOORHEAD of Pennsylvania. So the Secretary retains the power?

Mr. ROUSSELOT. The Secretary still retains basic control which the rest of the law gives him. This at least gives the local unit of government an opportunity to make its objections known, and then all other aspects of the law apply.

Mr. MOORHEAD of Pennsylvania. I think the gentleman's explanation helps me.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, this is strictly a procedural mechanism which does not affect the ultimate authority of the secretary.

Mr. ROUSSELOT. No, but I think it is important to make sure that we give the local community time to respond and this makes it clear in the law, in this subsection, that the Secretary must be subject to at least that much input.

Mr. ASHLEY. Mr. Chairman, I think the gentleman's amendment is a constructive one, and I certainly would support it.

Mr. ROUSSELOT. I appreciate the gentleman's comment.

Mr. BROWN of Michigan. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I know that there seems to be general agreement on this amendment, but the amendment that has been discussed on the floor is not consistent with the language of the amendment, in my opinion.

If the Members will look at the bill where the amendment occurs, it speaks of approval by the Secretary of applications for housing assistance in areas in which there is not an approved housing plan, and grants to the Secretary the authority to approve.

Then the amendment would add a proviso which says:

> Provided that the unit of local government in which the project is to be located has been notified by the Secretary of his intent to approve the project and has failed to object within sixty days of such notification.

That has been changed to "30 days," as I understand. In any case, the language would appear to say that the Secretary shall not approve such application if objection is heard by the local community within a certain number of days.

Mr. ROUSSELOT. Mr. Chairman, if the gentleman will yield, the period is 60 days, so that we are talking about the same thing.

Mr. BROWN of Michigan. Sixty days is it now?

Mr. ROUSSELOT. It says "60 days" in the amendment I have offered. I do not know what amendment at which you are looking.

Mr. BROWN of Michigan. All right, but the gentleman, by his language, as I understand it, does not intend to give a community veto power over the secretarial determination; isn't that correct?

Mr. ROUSSELOT. That has already been established in our colloquy. I think I did establish that the purpose is to make sure that there is local input and that they have at least 60 days to submit those objections. Again, this is an amendment for the protection of local government. That is what we are trying to do. I believe the language is pretty carefully drawn.

Mr. BROWN of Michigan. Mr. Chairman, what the gentleman means is that the Secretary shall give the community 60 days in which to comment, is that correct, or in which to raise objections?

Mr. ROUSSELOT. Yes—to submit objections.

Mr. BROWN of Michigan. Or in which to raise objections?

Mr. ROUSSELOT. Yes.

Mr. BROWN of Michigan. However, the Secretary is not required in any way to honor that objection?

Mr. ROUSSELOT. That is correct.

Mr. BROWN of Michigan. Under that explanation, I cannot oppose the amendment, but I do object to its drafting.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. KETCHUM

Mr. KETCHUM. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. KETCHUM: On page 64, after line 10, insert the following new section;

CERTAIN AMOUNTS TO BE DISREGARDED IN DETERMINING ELIGIBILITY

SEC. 211(a) That section 15 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new paragraph:

"(13) Notwithstanding any other provision of law, social security benefit increases occurring after June 1974 shall not be considered as income or resources or otherwise taken into account for purposes of determining the eligibility of any individual or family for admission to or occupancy of low-rent housing, or for purposes of determining the amount of the rental which any individual or family is required to pay for his or its accommodations in such housing. For purposes of this paragraph, the term 'social security benefit increases occurring after June 1974' means any part of a monthly benefit payable to an individual under the insurance program established under title II of the Social Security Act which results from (and would not be payable but for) a cost-of-living increase in benefits under such program occurring after June 1974 pursuant to section 215(i) of such Act, or any other increase in benefits under such program, enacted after June 1974, which constitutes a general benefit increase within the meaning of section 215(i)(3) of such Act."

SEC. 211(b). Title V of the National Housing Act is amended by adding at the end thereof the following new section:

"CERTAIN BENEFIT INCREASES TO BE DISREGARDED IN DETERMINING FEDERAL HOUSING SUBSIDIES

"SEC. 525. Notwithstanding any other provision of law, social security benefit increases occurring after June 1974 shall not be considered as income or resources or otherwise taken into account for purposes of determining—

"(1) the eligibility of any individual or family for mortgage insurance or assistance payments under section 235, or the amount of any such payments;

"(2) the eligibility of any individual or family for admission to or occupancy of housing with respect to which assistance payments are being made under section 236, or the amount of the rental to be charged such individual or family for his or its accommodations in such housing;

"(3) whether or not any individual or family is a 'qualified tenant' for purposes of rent supplement payments under section 101 of the Housing and Urban Development Act of 1965, or the amount of such payments; or

"(4) the eligibility of any individual or family for housing assistance under any other Federal law or program which conditions such eligibility to any extent upon income or resources, or the amount or extent of such assistance.

For purposes of this section, the term 'social security benefit increases occurring after June 1974' means any part of a monthly benefit payable to an individual under the insurance program established under title II of the Social Security Act which results from (and would not be payable but for) a cost-of-living increase in benefits under such program occurring after June 1974 pursuant to section 215(i) of such Act, or any other increase in benefits under such program, enacted after June 1974, which constitutes a general benefit increase within the meaning of section 215(i)(3) of such Act."

SEC. 211(c). The amendments made by this Section shall apply with respect to determinations made on or after the date of the enactment of this Act.

Mr. KETCHUM (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. KETCHUM. Mr. Chairman, I rise today to offer an amendment to H.R. 15361, the Housing and Urban Development Act. I believe that this amendment will correct a serious flaw in the current housing laws that causes great hardships for our senior citizens.

In nearly all HUD subsidized housing programs the amount of rent to be paid is calculated as a fraction of income. The minimum rent is strictly fixed by statute. Under section 236, for example, eligible families pay either 25 percent of income for rent or a basic rent based on the costs of operating the project. The legislation which controls low-rent public housing programs, the Brooke amendment to the Housing Act of 1937, limits rent to 25 percent of income, and rigidly defines "income" as the total income a family receives, regardless of its source. Of course, such a definition includes social security benefits as a component of income, as well as the cost of living increases in benefits which may be voted periodically by the Congress.

At the present time 6.2 million persons over the age of 60 live alone. Senior citizens occupy fully 37 percent of all public housing units. Over 348,000 units of low rent public housing are specifically designed for the use of the elderly. Over 50,000 units of section 235 mortgage assistance housing are approved for senior citizens, and 20,000 units of section 236 housing are so designated. The total units of federally subsidized housing of one form or another, occupied by senior citizens is over 550,000. I include a breakdown of these programs in the CONGRESSIONAL RECORD for my colleagues to consider, for which I ask unanimous consent to be placed in the RECORD at this point.

I think that it should be obvious that a great many older Americans depend upon public housing for a roof over their heads. These same citizens also depend upon their social security payments for the lion's share of their income.

Last year this Congress realized that the current rampant inflation takes a terrible toll on our elderly who live on a fixed income. Therefore, we quite rightly granted an 11 percent increase in social security payments. This was for the express purpose of helping to offset the unprecedented rise in food and other costs that occurred in the last year. Because of the archaic laws governing housing, this additional income has caused rents in public housing to be raised, thus actually adding to the senior citizens' cost of living.

I have here a letter, which I will include, from the Assistant Secretary of Housing and Urban Development, in which he states that for every $4 of additional income, rent goes up $1. This translates into a 25 percent raise in rent for an 11 percent raise in social security benefits. This is an outlandish thing to do to our senior citizens. It amounts to government giving with one hand and taking away with another. It must be stopped.

We can do so by adopting my amendment to this bill. It simply states that future cost of living increases in social security will not be used in determining income for rent in public housing or federally subsidized mortgages, or for eligibility in these programs. Its adoption will keep us from hypocritically making money on increases meant to help the elderly. I am sure none of us voted for social security increases only to have them gobbled up by HUD. We can put a stop to it by voting for this amendment.

The material referred to is as follows:

PUBLIC HOUSING UNITS OCCUPIED BY SENIOR CITIZENS

I. STATISTICS

A. Senior citizens occupy 37% of all public housing units.

B. Approved units specifically designed for the elderly:

Public Housing	348, 730
Section 202 suspended in 1959	45, 494
Section 236 (fiscal year '72)	21, 832
Section 202-236 conversions	27, 488
Section 221(d)(3) (fiscal year '72)	8, 900
Section 231	49, 053
Section 235 (approx.)	50, 000
Total	551, 467

II. DESCRIPTION OF PROGRAMS

A. Sec. 202—Direct 3% loan over a 50-year period for non-profit sponsors to construct units for moderate income elderly and handicapped persons. Suspended in 1969.

B. Sec. 235—FHA insured mortgage and subsidy program for home ownership.

C. Sec. 236—Loan subsidy made to mortgage of rental and cooperative housing projects owned by non-profit, limited dividend, or cooperative entities.

D. Sec. 221(d)(3)—Direct loans at below market interest rates. Suspended in 1969.

E. Sec. 231—Mortgage insurance.

F. Public Housing—Through assistance to local housing authorities.

G. Rent Supplements—Paid by federal government to landlord and represents the difference between rent charged and 25% of the tenant's income. Used for units in 236 projects.

H. Sec. 115—Housing Rehabilitation grants and loans.

HUD PROGRAMS FOR THE ELDERLY, DECEMBER 1972

Program	Housing units under subsidy payment, all categories (elderly and family)	Occupied housing units elderly (head of family or spouse age 62 or over)	Elderly family residents (most recent data): Mean rent (monthly): Single	Mean rent (monthly): Family [1]	Mean income (annual): Single	Mean income (annual): Family [1]	Occupancy (by race, percent): White	Occupancy (by race, percent): Black	Estimated Federal subsidy outlay in millions: Fiscal year 1973	Estimated Federal subsidy outlay in millions: Fiscal year 1974
236	134, 000	[2] 25, 460	$83. 18	$105. 33	$2, 857	$4, 465	74	20	$19. 95	$35. 72
Low rent public housing	1, 015, 000	[2] 355, 250	36. 02	49. 40	1, 676	2, 710	42	46	388. 50	437. 50
Rent supps. 221(d)(3)	104, 000	[2] 32, 240	48. 16	59. 91	1, 727	2, 708	50	42	36. 27	48. 67
Total	1, 253, 000	412, 950							444. 82	521. 89

[1] 2 or more.

[2] Based upon sampling which indicates that 19 percent of 236 units, 35 percent of LRPH units, and 31 percent of rent supplement units are occupied by elderly.

Note: For comparison—Sec. 202:—335 projects provide 45,494 units, occupied by elderly, displaced, and handicapped, income limits (at time of occupancy) now same as 236. Racial mix: 93.5 percent white, 4.2 percent black. In assessing HUD performance in support of housing for the elderly, the data reveals that 30 percent of the subsidized housing units (412,950 out of 1,253,000) now under payment (management) are occupied by elderly persons with head of family or spouse age 62 or over. Using sample data verifying the average elderly family size at 1.64 persons, it can be estimated that 650,000 elderly persons are now being served. Annual Federal outlays for housing for the elderly have increased 250 percent since 1968, from $187,500,000 in 1968 to $444,820,000 estimated for 1973. An additional increase of $77,070,000 is anticipated for 1974.

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT,
Washington, D.C.

Hon. WILLIAM KETCHUM,
House of Representatives,
Washington, D.C.

DEAR MR. KETCHUM: Secretary Lynn has asked me to respond further to your February 19 letter, concerning rent increases as a function of increases in Social Security benefits.

In most HUD subsidized programs, the amount of rent paid by assisted tenants is expressed as a fraction of income, subject to statutory minimum and market rate maximum levels. Under Section 236, for example, eligible families pay either 25% of income for rent or a basic rent (a minimum rent based on the costs of operating the project with payments to principal and interest in a hypothetical 1% mortgage), whichever is greater.

Incomes are recertified annually in most cases to assure that as incomes rise—or fall—the rental payment can be adjusted to reflect any changes while holding the rent as close as possible to 25% of income. In calculating rent as a function of income, all income must be considered regardless of source. Therefore, cost-of-living increases—whether attributable to salary increases based on longevity, increases in Social Security benefits, or renogotiated wage pacts—are included in the formula under which rent (a cost of living) is determined.

Under the Low Rent Public Housing program, a federally subsidized program administered almost totally by local housing authorities, some projects may include in their lease provisions for "interim reexaminations," recertifications of income on other than an annual rotation, in order to relate rents even more closely to short-term variations in income. Under the so-called Brooke Amendments to the U.S. Housing Act of 1937, the legislation controlling operation of the low-rent public housing program, rents are limited to a maximum of 25% of income, and "income for rent" is very rigidly defined in the statute.

To summarize, then, it is very probable that increases in income—including increases in Social Security benefits voted by the Congress—will result in increases in rent to tenants in HUD subsidized apartments. These rent increases may take effect almost immediately when some local housing authorities require interim recertifications in their leases, but the more usual case is that the adjustment will occur on the anniversary date of the initial lease, when all income is reexamined for changes (up or down) during the past year. In no event, though, would such a rent increase cancel out an increase in income; rent adjustments as a function of income changes would never exceed the rate of a one-dollar increase in rent for every four dollars of incremental income.

Thank you for the opportunity to comment on this matter. I hope that this information will be helpful to you in responding to constituents' inquiries.

Sincerely,

ROBERT C. ODLE, Jr.,
(For H. R. Crawford, Assistant Secretary).

Mr. RINALDO. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman from New Jersey.

Mr. RINALDO. Mr. Chairman, as a member of the House Banking and Currency Committee, I am pleased to join my colleague from California in sponsoring this amendment.

It would prevent future increases in social security payments from triggering rent increases in public housing projects.

It would correct a serious flaw in the current housing law that causes great hardship for senior citizens. In nearly all subsidized public housing programs, the amount of rent to be paid is calculated as a fraction of income. Under existing law, social security benefits are counted as income. As a result, the 11-percent increase in social security benefits caused many older Americans to pay more rent.

This amendment to the Housing bill would prevent future social security increases from being counted as income for the purpose of determining rent payments.

Basically, this amendment would stop the Government from giving more money to senior citizens in the form of higher benefits and then taking their precious dollars away in the form of higher rents.

I have become very concerned about the way we seem to penalize the elderly. Whether it is the failure of the Congress to approve adequate passthrough provisions to social security increases or the unfair earnings test on social security that we demand of older Americans, all have the effect of giving with one hand and taking away with the other.

Since coming to Congress, I have made the improvement of conditions for the elderly one of my highest priorities. I have introduced legislation to remove the $2,400 earnings limitation on salary for social security recipients and a bill to exempt from FICA withholding taxes income earned by social security recipients.

It is the retired people living on a fixed income who are most seriously hurt by inflation, and we in Congress must see to it that they have a chance to live a decent life in this age of ever-increasing costs.

The amendment that is currently before the House gives us a chance to help those elderly who are at the lower end of the economic scale—the older citizens who need help the most. More than 35 percent of all individuals living in public housing are senior citizens. Each time they receive an increase in social security benefits, they find to their dismay that the money causes their rents to be increased—rather than provide them with the help they need in keeping up with the high cost of food, clothes and other necessities.

I was astounded to read the letter which the gentleman from California has inserted into the RECORD from the Assistant Secretary of Housing and Urban Development. The letter showed that the 11-percent increase in social security benefits caused a 25-percent increase for older people living in public housing. This is simply inexcusable.

I am a sponsor of the housing bill we are discussing here today, and I feel that the chairman and ranking minority member of the Housing Subcommittee deserve a great deal of praise for the spirit of compromise they have exhibited. The bill should go a long way in helping to improve our Nation's housing situation. I am convinced, however, that this amendment will make the housing bill an even better piece of legislation—one that will provide meaningful assistance to the older Americans who have been hurt so cruelly by the high inflation we are currently experiencing.

For these reasons, I seek your support for this amendment to remove future social security increases from the gross income provision of this bill, and I urge the House to approve this amendment.

Mr. STEPHENS. Mr. Chairman, will the gentleman yield?

Mr. KETCHUM. I yield to the gentleman.

Mr. STEPHENS. I have been very interested, as the gentleman realizes, in rural housing. I am not sure, but I do not believe the gentleman's amendment would cover rural housing. Would it?

Mr. KETCHUM. No, it would not.

Mr. BROWN of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I will not take the 5 minutes, but I would merely like to point out to the gentleman in the well, the sponsor of the amendment, that there are many other increases in benefits, such as railroad retirement benefits and others, that this amendment would discriminate against in permitting increases in social security benefits to be exempted from the gross income upon which the rental floor is placed but not others.

I remind the gentleman that insofar as conventional public housing is concerned the minimum rent provision in the bill is 10 percent, which is a very significant compromise, I think, toward that which many have advocated. The floor for section 23(h) units has now been lowered by the amendment that was adopted earlier today, the amendment offered by the gentleman from New York (Mr. KOCH) down to 15 percent in exceptional cases.

It seems to me we should treat everyone equally and fairly. To exempt one particular area of ability to pay from a determination as to what the minimum rent should be is unfair and discriminatory.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, it should be understood that at the present time some one-third of the people who live in public housing are elderly, many of whom are indeed on social security. If this amendment is adopted—and I trust it will not be—it would mean that these inhabitants of public housing and future residents of public housing who are on social security would be able to exclude from their income any increase in social security benefits after June of 1974 for purposes of public housing eligibility and the amount of rent that they pay. What this means is that there would be a partial rent freeze for this particular segment of social security recipients who happen to live in public housing.

This amendment is offered at the very time when operating subsidies have risen in public housing to the figure of $400 million a year. We are saying, despite that fact and despite the effort to keep the total subsidy for public housing within some kind of manageable proportions, we are going to set up a system whereby some recipients of social security, those who happen to be in public housing, are given a superior position over other recipients of social security who do not happen to be in public housing.

Mr. KETCHUM. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. Not yet. Let me complete my statement.

Mr. Chairman, this amendment is patently discriminatory, and the amendment is patently inequitable because it does favor some social security recipients as against others, and that is the least of the objections that I have against the amendment.

Mr. HANNA. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from California.

Mr. HANNA. Mr. Chairman, I would like to associate myself with the comments made by the gentleman from Ohio, and I would like to ask the gentleman this question: Do we not increase the social security payments to meet the increased costs of living?

Mr. ASHLEY. That is correct; that is one of the elements in the cost-of-living increases. Why in heaven should not the recipient pay a modest amount more when the benefits are increased?

Mr. HANNA. We cannot possibly go in two directions in this country. If we go in one direction to increase these benefits to pay the increased costs in living, we cannot say at the same time that they do not have to meet the increased costs in rent.

Mr. ASHLEY. I might further point

out that there is a minimum rent charge as well as a maximum rent charge, so that the parameters are established. There is no need for this amendment. I would urge this amendment be rejected.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I am happy to yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Is the gentleman familiar with the supplemental views of Congressmen Widnall, Johnson of Pennsylvania, and others which reveal that in the subcommittee they were concerned with the elderly, and where they said in those supplemental views:

> We are pleased to acknowledge and highlight many special considerations for the elderly and the handicapped which are extended throughout the bill, but not emphasized in the report.

I thank the gentleman for yielding.

Mr. ASHLEY. I appreciate the contribution of the gentleman from Pennsylvania.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. Ketchum).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. KETCHUM. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 285, noes 114, not voting 34, as follows:

[Roll No. 309]

AYES—285

Abdnor
Abzug
Addabbo
Alexander
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Ashbrook
Aspin
Badillo
Bafalis
Baker
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Boland
Brademas
Bray
Breaux
Breckinridge
Brinkley
Broomfield
Brotzman
Brown, Calif.
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton
Butler
Byron
Camp
Carney, Ohio
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conlan
Conte
Conyers
Corman
Cotter
Coughlin
Crane
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Davis, S.C.
de la Garza
Delaney
Dellums
Denholm
Dennis
Derwinski
Devine
Dickinson
Diggs
Donohue
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Fascell
Findley
Fish
Flood
Flowers
Forsythe
Fraser
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gilman
Goldwater
Gonzalez
Goodling
Grasso
Gray
Green, Oreg.
Green, Pa.
Gross
Grover
Gubser
Gude
Gunter
Guyer
Hamilton
Hammerschmidt
Hanley
Hanrahan
Harrington
Harsha
Hébert
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hillis
Hinshaw
Hogan
Holt
Holtzman
Horton
Huber
Hudnut
Hungate
Hunt
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Koch
Kuykendall
Lagomarsino
Latta
Leggett
Lehman
Lent
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McKinney
Madigan
Maraziti
Martin, N.C.
Mathis, Ga.
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Miller
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Moorhead, Calif.
Morgan
Mosher
Moss
Murphy, N.Y.
Murtha
Myers
Nedzi
Nelsen
Nichols
Nix
Obey
O'Brien
Owens
Parris
Passman
Patten
Pepper
Pettis
Peyser
Pickle
Pike
Podell
Powell, Ohio
Preyer
Price, Ill.
Price, Tex.
Pritchard
Railsback
Randall
Rangel
Rarick
Rees
Regula
Reid
Reuss
Rinaldo
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Roush
Rousselot
Roy
Roybal
Runnels
Ryan
St Germain
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schroeder
Sebelius
Seiberling
Shoup
Shriver
Shuster
Skubitz
Snyder
Spence
Staggers
Stanton, James V.
Stark
Steele
Steelman
Steiger, Ariz.
Stokes
Stubblefield
Studds
Symington
Talcott
Taylor, Mo.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Van Deerlin
Vanik
Veysey
Vigorito
Waldie
Walsh
Wampler
Whalen
Whitehurst
Williams
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wydler
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Ga.
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NOES—114

Adams
Anderson, Ill.
Annunzio
Archer
Arends
Armstrong
Ashley
Barrett
Blackburn
Boggs
Bolling
Bowen
Brooks
Brown, Mich.
Brown, Ohio
Burleson, Tex.
Burlison, Mo.
Carter
Casey, Tex.
Cederberg
Chamberlain
Collier
Collins, Tex.
Conable
Danielson
Dellenback
Dent
Dingell
Downing
Edwards, Ala.
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fisher
Flynt
Foley
Ford
Fountain
Frelinghuysen
Frenzel
Gettys
Giaimo
Gibbons
Ginn
Griffiths
Haley
Hanna
Hansen, Idaho
Hansen, Wash.
Hays
Henderson
Hicks
Hutchinson
Jarman
Jones, Ala.
Jones, N.C.
Kluczynski
Landrum
Litton
Long, La.
Long, Md.
Lott
McFall
McKay
Madden
Mahon
Mallary
Mann
Martin, Nebr.
Mayne
Mazzoli
Milford
Minshall, Ohio
Mollohan
Montgomery
Moorhead, Pa.
Murphy, Ill.
Natcher
O'Hara
O'Neill
Patman
Perkins
Poage
Quie
Roberts
Rostenkowski
Ruth
Schneebeli
Shipley
Sikes
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Stanton, J. William
Steed
Steiger, Wis.
Stephens
Stratton
Sullivan
Taylor, N.C.
Thomson, Wis.
Udall
Ullman
Vander Veen
Waggonner
Ware
White
Whitten
Widnall
Wiggins
Wyatt
Wylie

NOT VOTING—34

Blatnik
Brasco
Burgener
Carey, N.Y.
Daniels, Dominick V.
Davis, Ga.
Davis, Wis.
Dorn
Esch
Hastings
Hawkins
Holifield
Hosmer
Howard
Ichord
Kyros
Landgrebe
McSpadden
Macdonald
Mathias, Calif.
Matsunaga
Mills
Quillen
Rhodes
Riegle
Rooney, N.Y.
Rose
Ruppe
Stuckey
Symms
Teague
Thompson, N.J.
Vander Jagt
Wyman

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. YOUNG OF ALASKA

Mr. YOUNG of Alaska. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Young of Alaska: Page 63, line 10, strike out "not more than".

Mr. YOUNG of Alaska. Mr. Chairman, I would like to offer the following amendment to H.R. 15361, "The Housing and Urban Development Act of 1974." In section 208, page 63, line 10, strike out "not more than".

There is no question that Indians need thousands of units of new housing, and that their ability to pay is limited, thus forcing them to rely on public housing programs.

According to the 1970 census, there are 180,000 Indian households, two-thirds of which are in rural areas. Nearly one-third of all Indian households have incomes of $3,000 a year. The BIA estimates that one-third of the existing housing can be upgraded by rehabilitation.

The remainder will require new construction.

In my own State of Alaska, it is estimated at the BIA offices that more than 90 percent of the units should be replaced.

The majority of Alaska's natives live in nonmetropolitan areas and many live at a subsistence level, thus requiring assistance in the form of Government subsidies.

Under the current bill, the subsidy from HUD for a project under section 208 would amount to not more than the difference between the sum of the total debt service plus approved operating and maintenance costs and the rental payments that the tenants are required to make.

Under section 2(1) these low-income tenants may not pay more than 25 percent of their income for rent. As it stands now, inclusion of the phrase "not more than" means that it is up to the discretion of the Secretary of Housing and Urban Development whether to pay 5 percent or 10 percent or any amount of the difference.

As many of my colleagues may be aware, operating and maintenance costs are exorbitant in Alaska.

It is necessary to assure that these people who are living on low incomes are guaranteed that their housing payments will be met and that they will not lose their houses because of inability to pay.

Mr. BARRETT. Mr. Chaiman, we have looked at the gentleman's amendment, and we have no objection to it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alaska (Mr. Young).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. FAUNTROY

Mr. FAUNTROY. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Fauntroy: On page 62, strike lines 3 through 12 and insert in lieu thereof the following:

SEC. 207(a)(1) Section 235 of the National Housing Act is amended by adding the following new subsection (n):

Notwithstanding any other provision of this section, no mortgage shall be insured under this section unless the property involved is located in an area referred to in Section 220(d)(1) or in an area designated as an urban renewal area in an approved housing assistance plan submitted by a unit of general local government or combinations of such units assisted pursuant to sections 106 and 107 of the Housing and Urban Development Act of 1974.

(2) Section 235(m) of such Act is amended by striking out "October 1, 1974" and inserting in lieu thereof "June 30, 1977."

(3) Section 236 of such Act is amended by adding the following new subsection (p):

Notwithstanding any other provision of this section, no mortgage shall be insured under this section unless the property involved is located in an area referred to in Section 220(d)(1) or in an area designated as an urban renewal area in an approved housing assistance plan submitted by a unit of general local government on combinations of such units assisted pursuant to sections 106 and 107 of the Housing and Urban Development Act of 1974.

(4) Section 236(n) of such Act is amended by striking out "October 1, 1974" and inserting in lieu thereof "June 30, 1977."

(b)(1) The second sentence of section 235 (h)(1) of such Act is amended by striking out all that follows "1970," and inserting in lieu thereof the following: "by $200,000,000 on July 1, 1971, by "$115,000,000 on July 1, 1972, and by "$120,000,000 on July 1, 1975, $120,000,000 on July 1, 1976, and $120,000,000 on July 1, 1977."

(2) The second sentence of section 236(i) (1) of such Act is amended by striking out all that follows "1970," and inserting in lieu thereof the following: "by $200,000,000 on July 1, 1971, by $225,000,000 on July 1, 1972, by $180,000,000 on July 1, 1974, and by $200,000,000 on July 1, 1975, $200,000,000 on July 1, 1976, and $200,000,000 on July 1, 1977."

Mr. FAUNTROY (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from the District of Columbia?

There was no objection.

Mr. FAUNTROY. Mr. Chairman, I rise to offer an amendment to extend proven housing programs that have been over 95 percent effective in providing new and rehabilitated housing for millions of low- and moderate-income Americans. I speak of the section 235 low- and moderate-income homeownership program which produced more than 200,000 housing units per year in its peak year of 1972 for American families during its 5 years of operation. It maintained a fantastic 96.5 percent success rate. The section 236 program which also constructed more than 200,000 housing units per year in its peak and during its 5 years maintained an even more fantastic 99.5 percent success rate. Except for Presidential moratoriums, this rate would be higher today.

Obviously, programs like this which would address our most serious range of housing needs should be continued as a compliment to the new and unproven section 23(h) rather than replaced by it. My amendment continues section 235 and 236 through fiscal year 1977 and limits them to urban renewal and community development areas, thereby assuring that these assisted properties will be located in environments where a variety of public improvement actions will enhance their chances of success and where a variety of community controls will be available to thwart the few well publicized abuses of the program.

Our 235 and 236 programs have been very successful. The families aided by 235 are coming off subsidy as their incomes increase. They have been given a lift upward; they have been helped; and, in many cases this was all the help they needed. H.R. 15361 provides no assistance for home ownership at a period in our economic history when families with annual incomes as high as $15,000 are struggling to survive the fires of inflation. For lower income families, the struggle borders on the impossible and the hopes which our society offers are beyond any kind of reach.

While much is often made of the foreclosure rates of section 235 housing, it is only 3.5 percent or in other terms, it is 96.5 percent successful, as I have indicated. If other governmental programs were as successful as this, we would have few problems indeed. With proposed administrative improvements which HUD is implementing, even this rate should decrease.

Under 235, we know that we can generate new homes in large volumes to aid those who qualify. It is foolish to replace it with an as yet unproven public housing program as is the revised section 23 public housing program which provides no additional single family homes to the diminishing housing stock.

Our 236 programs have provided fine rental housing. It is operating, as I have indicated, with the fantastic success rate of 99.5 percent success or a foreclosure rate of only one-half of 1 percent which is equal to that of the basic 203(b) FHA program. Families without the downpayment or sufficient income to purchase a home can live in good decent 236 accommodations until they are able to afford or to want to take on the ownership of a part of this great Nation. It is the only viable program for the elderly who with their low incomes have no other place to live and who have no desire to own a home. It has aided them immeasurably.

The machinery is in place for the 236 programs. It is understood by the developers, the lenders, and the bureaucrats. Many units have been produced through this program, and it ought to be continued at least until 1977. By then, we will know whether the 23(h) programs work or whether we must do something else.

Let me again note that while this amendment requires that 235 and 236 programs be undertaken in basically 220(d)(1) areas, if a community elects to seek community development funds pursuant to sections 106 and 107 of the bill, they could also get funds here. The result is that 235 and 236 housing can be constructed in a nontraditional renewal area. This makes it possible to achieve a broader spread than would be possible under a strict 220(d)(1) program, but it does not permit unrestrained and unmonitored development.

Where you have a concentrated outlook by the locality in which this type of development is placed, will have an increase in the level of success. It simply stands to reason that where the locality has a plan, they will assure that the dwellers, and the plan will take place in a successful manner.

Let me point out a few facts. Housing starts are down 11 percent in May from April's upward-revised figures of 1,631,000 units and last May's 2,330,000 units or 38 percent. There can be no housing recovery this year unless the Federal Government provides the kind of assistance that is possible under 235 and 236. With more than one-fourth of our housing stock at least half a century old, and most of these in our central metropolitan areas, it is not possible to have too much housing programs. The 50- and 60-year-old housing is not adequate for today's lifestyles. They are not habitable or adequate and we ought not continue to fool ourselves with the figures which we use. Of the 70 million housing units, only 30 million were constructed since World War II. The average age of these units is 20 years.

It is estimated that habitable housing should be no older than 15 years. Indeed, one Eastern country has determined that this ought to be the standard and has elected to remodel or reconstruct every house that fails to meet the standards which were enacted at that time.

I simply cannot imagine that this Nation would permit another to outdo it in an area as important as this to our people. We have more resources, more skills, and more potential, than any European country to build housing on a mass scale in which we can all live comfortably, than is necessary to allow the squalor that we have in so many places.

We are faced with the fact that in 1968, this Congress determined that the Nation needed 600,000 low- and moderate-income housing units to be added to the housing stock per year. We have never achieved that goal. The closest we have come was with 400,000 units in 1972. Under my amendment, there are enough funds to develop one-half of that need. I would expect the remainder to be made up by section 23 and the private unsubsidized housing market.

I am asking for a total expenditure of approximately $300,000,000 per year in both programs. This is not too much money for 300,000 units each year.

Mr. SNYDER. We have a lot of complaints about 235 back home in our area because of the situation that the taxpayers were picking up the difference in the interest over and above 1 percent and the actual interest paid on the mortgage. In other words, there was a subsidy to the homeowner for this interest that they were not really paying but which the Government was paying for them, and yet while the homeowner was not paying the interest, he was permitted to take it off his income tax Does your amendment correct that deficiency?

Mr. FAUNTROY. My amendment takes into account the fact that the administration has been taking steps at least to eliminate many of the abuses. There are not that many.

Mr. SNYDER. I am asking about this specific one, if the gentleman does not mind.

Mr. FAUNTROY. I am not aware of any specific measures of this sort.

Mr. SNYDER. So under your amendment the taxpayers are still going to pay this interest for these homeowners, and even though the homeowners did not pay the interest, they would still take it off their taxes?

Mr. FAUNTROY. As far as I know, that is correct.

Mr. SNYDER. My goodness.

Mr. O'BRIEN. Will the gentleman yield?

Mr. FAUNTROY. I yield to the gentleman.

Mr. O'BRIEN. I would like to make an observation about the amendment and the bill itself relative to 235 housing.

In my district we have several attractive communities that have suffered the loss of about 46 families, families who left because a variety of reasons, and whose boarded-up housing has become a grave problem to the families remaining behind in the neighborhood, while it is unfortunate for those who fled. The tragedy does not stop with them. With 12 to 15 months involved in foreclosure, the abandoned houses deteriorate, seriously damaging the community, reducing home values, and tending to make others wish to move away.

Meanwhile the abandoned houses themselves become health hazards with nothing done but the barest of maintenance during the foreclosure period. His unhappy condition could be corrected if deeds were not handed over to purchasers until a certain amount of equity had been paid in—let us say 15 percent of value. With no equity, there is no incentive to fight to stay. With a 15-percent equity payment required before delivery of the deed, the numbers of abandoned homes would be dramatically reduced.

This amendment and the bill itself fail to address themselves to this problem, a weakness that this bill can ill afford to tolerate.

Mr. BROWN of Michigan. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I think we ought to start at the end and work backward on this amendment. I would like to point out that the gentleman's amendment would add $1 billion to the bill, approximately, on 235 and 236 programs—$1 billion.

Furthermore, it is a restricted use of the 235 and 236 programs but, most importantly, the subcommittee and the full committee, and even, I believe, the Members on the Senate side, have recognized that the 235 and 236 programs are not programs that we ought to perpetuate.

The whole theory of the bill before us today is to do something about housing in a better way than we have been doing it in the past.

We do extend the 235 and 236 programs in the bill for an additional fiscal year to take care of the bona fide commitments and other valid projects under those programs. I think it would be totally wrong to extend by this amendment the 235 and 236 programs at a time when we think they should be phased out. Furthermore, I do not think we should include an extra $1 billion in the bill for this purpose.

Mr. ASHLEY. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, the gentleman from Michigan (Mr. BROWN) is exactly right in pointing out that the bill before us does not eliminate the 235 and 236 programs. It does call for their continuation, and the continued authorization for a year's period of time.

What the gentleman's amendment would do, however, would be to continue the programs for a 3-year period, and authorize an additional $360 million for the section 235 home ownership program, and $780 million for the section 236 program over the next 4 years.

The gentleman from Michigan has indicated there are funds available for the 235 and 236 programs for the next year under the circumstances that are described in the report.

I would like to comment, finally, on what the gentleman said with regard to home ownership, and that is that it has not been found in all cases to be a very satisfactory program, and the reason for this is quite simple, and it has nothing to do with the moral character of the people involved; it has to do with the fact that families who tried to take advantage of the home ownership program under the section 235 program are very low-income families. What has happened is that the cost of maintaining the home, the taxes, the cost of the utilities and everything else, have gone up faster than has the income of that particular family, so their ability to maintain the home has dissipated, and in many instances this has resulted in foreclosure on the homes and the abandonment that we have seen. That is why this program has not proven to be a successful program.

We would rather continue the program on the basis that it has been extended in the past, and we do not have quite the confidence in the program that would lead the committee to extend the authorization for an additional 3-year period at a cost, including the 236 program, of upwards of an additional $1 billion.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I thank the gentleman for yielding to me.

I think one point that should be made is that in the housing studies on the subject of 235, 236 it has shown that many of the dwellings that have come back to the Secretary under the program—and this has been a substantial number—about 20 percent—that the people who have lost these homes have been very extremely disappointed. These displaced families have had to abandon these homes because they could not keep them up. They did not have the capability of maintaining the level of other expenses.

So there is an even greater disappointment to those people once they find they have to leave their homes. They come into the program with high expectations, cannot make a go of it on their low income and, then have to give it up. Is that correct?

Mr. ASHLEY. The gentleman is right.

How many times have we heard it, every single Member of this body has heard it, as a matter of fact, from a family that is paying their own way, making their own monthly payments without any assistance from the Government on a modest two-bedroom home, and they write to you and to me, and to all of us, and they say why is this family next door, with a house that is about the same as to payments and everything else, getting this kind of assistance when we are getting nothing, through the homeownership program, where all of the ownership requirements, equity, and everything else, is absorbed and paid for by the Federal Government?

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from California.

Mr. SISK. Mr. Chairman, I appreciate my colleague, the gentleman from Ohio, yielding to me. I appreciate the comments the gentleman has made as well as the comments that others have made with reference to the 235 and 236 programs.

But I am concerned about what the committee is proposing to do to take the place of 235 and 236. Frankly, the program has not worked all that bad in the area from which I come. It is about the only thing I know of that we have to encourage any homeownership or anything for the low- and moderate-income people.

I recognize there have been problems with it, but what does the committee propose to take the place of it at the end of this year? What are they going to propose?

Mr. ASHLEY. To answer the gentleman, approximately 400,000 units in fiscal 1975 of section 23(h) housing. I have got to say, as I have indicated to the gentleman, that this does not include homeownership. This is a leasing program. The committee on both sides, with rare exceptions, said that this was the approach to take.

To directly respond to the gentleman, 400,000 units of housing in the next fiscal year is what we have a commitment for. That is what we will have at the end of this year under the section 23 leasing program.

Mr. SISK. There is nothing in that, though, that provides for any means of homeownership under any kind or set of circumstances, as I understand it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment. I will certainly not take the 5 minutes.

I think it is important to point out some of the fallacies in thinking of those who are opposed to the amendment.

No. 1, some are suggesting that the cost of upkeep was so high on 235 and 236 that the families left because their income did not keep up with the increased costs. That was really not the problem. The problem was that the Federal Government through FHA let these houses go with no real rigid inspection. People were sold a bill of goods and, therefore, had to pay a great deal more than they had anticipated.

That problem has been brought to our attention, and now we find a much tighter process of inspection of these houses. That is one thing I think we need to clear up.

No. 2, I was delighted that the gentleman from California raised the question as to what this bill really does in terms of homeownership. This bill does not do anything to homeownership. The 235 program included in my colleague's amendment, will at least continue the effort of creating homeownership for the very-low-income families.

Again, I would suggest to the Members that any kind of housing policy, any kind of national housing program that does not have as its focal point the spurring of homeownership is due to fall.

Mr. Chairman, I urge my colleagues to give a favorable vote for the amendment.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from California.

Mr. REES. I thank the gentleman for yielding.

I appreciate the remarks of the gentleman because in Los Angeles we have a very comprehensive 235 program. It was very successful. We had counseling before a family moved into a house and counseling after a family moved into a house to help them through that first 6 months. It was very successful. It is terrible, because of the critical situation in some of the cities, that the program had to be retired, because in many parts of this country it was very successful, and people are owning their homes now who could never have owned their homes before.

Mr. MITCHELL of Maryland. I thank the gentleman for his comments.

May I say that that same situation applies to my home city of Baltimore. The program has been overwhelmingly successful without one scintilla of corruption being associated with it.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment, not because I am opposed to sections 235 and 236. I think they are programs that could have been and should have been managed and administered effectively but were not. I oppose the amendment because of the legislative practicalities today. The congressional or the Democratic housing proposal included housing block grants that could have been used for sections 235 and 236 purposes. The administration came up with a housing proposal that really had zero housing. It had a housing allowance that could not be put into effect before 1976. We started poles apart and finally worked out a compromise, this section 23 program which does have broad support.

It does have an element of home ownership under cooperative programs, so it is not such a bad program.

Finally, I say to the Members I think we can only get a housing and community development bill if we have broad bipartisan support. In the committee's report it is said:

> The committee bill is a bipartisan effort to break the deadlock over HUD's housing and community development programs so that the Nation can resume its activities in these areas with broad political support.

I think for that reason I believe that the amendment should be defeated.

Mr. SISK. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from California.

Mr. SISK. Mr. Chairman, I am again intrigued. The gentleman mentioned that there are some provisions under this section 423, for a form of ownership through a cooperative housing program. I would like the gentleman to explain. I do not interpret that in that way. What I think of as homeownership is the kind of ownership that frankly has not done all that bad a job out in California.

I understand there have been abuses, and we are going to have abuses in any program. But I am clearly concerned to see us totally give up any kind of program.

Mr. MOORHEAD of Pennsylvania. Let me say to the gentleman from California, if I had my druthers, if I could say to the gentleman that we could pass a bill that would become law with homeownership in it, I would support it. I do not think we can do that. I am looking for the practical way out. I hope in the future we can support it.

Mr. SISK. Is the gentleman saying to me, and I have always considered myself to be a realist and I do not believe in spinning my wheels to no purpose, that if we put this in basically it is going to be vetoed?

Mr. MOORHEAD of Pennsylvania. From my reading of the committee and the House of Representatives I would say adding $1 billion or more, which this amendment would involve, might defeat the bill right here without a veto. What we have done is to go ahead and try to get the best passable bill.

Mr. SISK. I have opposed some things and I have been beaten over the head because I have opposed the Land Use Act because it had about a billion dollar authorization in it. I said I am going to support some legislation here and I think we need some additional money and I think housing is an area where we need additional money. There are other areas. Some of us are trying to be responsible and use some priorities.

We need to come out with a housing bill that will meet the needs of the people and we can let the chips fall where they will. I really hesitate to be shortsighted and cut this bill back just merely because we are not going to have a bill. Maybe we are better off not to have a bill than to have one that does not meet the needs of the people.

Mr. MOORHEAD of Pennsylvania. In a 3-year program, which this bill has, we have $8.3 billion for housing. It is $1.122 billion for a 1-year program in housing, so this is not cutting back. This is as big a housing bill as we have ever had. I hate to jeopardize that good element by an amendment which in other times I would certainly support.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I think it should be pointed out that under the amendment offered by the gentleman, the conditions under which the 235 and 236 programs could be used do not exist in too many areas, and probably not in the areas discussed by the two gentlemen from California.

Ms. ABZUG. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from the District of Columbia.

I think it is fine to try to be practical, as some of the members of the committee here have suggested. I think it is also important for the Members of this House to know that the bill in the other body does extend sections 235 and 236, as does this amendment and, therefore, all would not be lost if we should do the same here. We would at least have half a chance. That is No. 1.

No. 2, I would like to say that it is very interesting to hear repeatedly stated on the floor of this House that we are enacting a program which will provide assurance of subsidies when the housing does exist.

The fact is, however, that the housing units do not exist. Therefore, it is hardly meaningful to provide, as the proposed bill does, for housing allowances and for housing assistance unless we recognize and meet, at the same time, the equally urgent need for new additional housing units.

No matter how many negative statements are made by the administration or how many statements are made here today about the weaknesses or inefficiencies or mismanagement of our present housing program—some of which, by the way, have already been rectified by the administration in the section 235 and section 236 programs; no matter how much we want to address irrelevant issues, the only relevant issue is that we have had virtually no new construction starts in this country as a result of the administration's housing moratorium and its failure to provide a housing program during the past 2 or 3 years. That is the problem to which we must now address ourselves.

The figures on housing starts in this country are really startling. Total housing starts for May 1974 were 38 percent lower than those for May 1973. For HUD federally assisted housing, construction has dwindled to a few thousand a month. Yet we know that the fulfillment of this country's housing needs would require at least 1.5 million housing starts this year. Past experience has shown us that these goals cannot be realized without adequate Federal assistance.

I do not believe we can rely entirely on section 23(h) to provide the necessary new housing, as H.R. 15361 does, although that section does offer a worthwhile program. We must recognize that, in many areas, there is a severe shortage of adequate low-rent housing; in New York City for example, there are 150,000 families dependent upon public housing programs for their shelter, and another 150,000 people who have no shelter whatsoever.

How are we going to secure this needed housing under section 23(h)? We have a 1½-percent vacancy rate in New York City, and this same situation exists in other places. Unless and until we have sufficient numbers of housing units, it serves little purpose to talk about housing allowances.

Nor does it make sense to talk about rehabilitating existing housing without providing some guarantees that sufficient funds will actually be expended for that purpose.

I believe it is really unfair to the people of this country who desperately need housing, to the thousands of unemployed construction trades workers, and to the construction industry to suggest that title II of this bill is the be all and end all of our housing problems. It would be a cruel hoax on the part of the Members of this House to vote down this amendment on the ground that it is not necessary. We should insist that the will of the people of this country, which arises from their needs, be reflected in this House. We should assert the will of this House and of the other body, and make it clear to the administration that we will support these needs.

To provide housing allowances without providing housing is like telling the people to go out and find their own bricks, use their own hands, and build their own houses. This is indeed a cruel hoax. I urge the Members of this House to stand up for the people and for the needs of the people instead of buckling under to an administration which in itself has a limited will.

The CHAIRMAN. The question is on the amendment offered by the gentleman from the District of Columbia (Mr. Fauntroy).

The question was taken; and on a division (demanded by Mr. Fauntroy) there were—ayes 32; noes 74.

So the amendment was rejected.

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Mr. Chairman, I offer an amendment.

Mr. Chairman, I ask unanimous consent to go out of order, back to title I.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ASHLEY. Mr. Chairman, reserving the right to object, I would like to know what the amendment is.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. Biaggi: Page 35, line 16, insert "age" after "color".

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. MARTIN of Nebraska. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. VANIK. Mr. Chairman, I move to strike the requisite number of words.

The CHAIRMAN. The gentleman from Ohio is recognized for 5 minutes.

Mr. VANIK. Mr. Chairman, under the community development block grant program—can a city use its entitlement to buy and prepare an area for a land bank—an industrial park site in a downtown depressed area—a site where some businesses and plants could be located which would provide employment in a central city area?

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. VANIK. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. Yes, certainly block grant funds could be used to acquire deteriorated land in a downtown area and to prepare sites for reuse as industrial park sites.

Mr. VANIK. Mr. Chairman, it would seem to me that under the provisions of section 105 of H.R. 15361—which describes the type of community development activities which are eligible for assistance—that a job-creating industrial park and land bank developed by a city would be eligible for assistance. For example, section 105(a)(1) provides for the acquisition of real property which is "blighted, deteriorated, deteriorating, undeveloped, or inappropriately developed from the standpoint of sound community development and growth." Paragraph 2 of section 105 provides for the acquisition and construction of public works, foundations, and platforms for air rights sites, and pedestrian malls. Paragraph 4 provides for clearance demolition, removal, and rehabilitation of buildings and improvements." Paragraph 8 would make assistance available for "provision of health, social, counseling, training, economic development, and similar services necessary to support other approved activities."

Mr. Chairman, the return of jobs to our downtown, central cities is vital if these cities are ever to be restored and improved. Without jobs, central cities become ghost towns—empty, lifeless stretches of broken down buildings. Central city job loss is particularly serious in many of our Nation's older cities. In my area, Cleveland, Ohio, has been combating the loss of downtown employment. Still, in 1973, the city planning commission reported that between 1966 and 1971 the city lost 12,058 jobs and 258 firms. This has contributed to an unemployment rate in areas of the city that is at least double the national average. Yet it is difficult for new firms to locate in portions of the central city. Land costs are high. Old buildings may have to be demolished, and city services are often antiquated. To combat this type of problem, a number of Cleveland community and business groups are planning minibus systems, ways to alleviate congested parking, street repavement, the installation of high intensity lighting, and the acquisition of vacant and deteriorated land for plant expansion purposes.

Mr. Chairman, I would hope that the new community development bill would have enough flexibility to permit the use of formula allocations for land bank and industrial park purposes. I have received assurances from the chairman of the committee in the other body that, as long as such a land bank project was designed to assist low- and moderate-income individuals and fit into a city's overall development plan, such expenditures would be permissible under the bill passed by the other Chamber. I hope that this committee will also support this type of program.

Mr. BARRETT. Mr. Chairman, I would like to ask how many amendments are yet to be offered to title II?

The CHAIRMAN. There appear to be two amendments.

AMENDMENTS OFFERED BY MR. STEELE

Mr. STEELE. Mr. Chairman, I offer two amendments, and I ask unanimous consent that they be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The Clerk read as follows:

Amendments offered by Mr. Steele: Page 53, strike out the quotation marks in line 21, and insert after line 21 the following new paragraph:

"(6) Notwithstanding any other provision of this Act, assistance payments under this subsection shall be provided, in accordance with regulations prescribed by the Secretary, with respect to some or all of the units in any project approved pursuant to section 202 of the Housing Act of 1959. For purposes of such payments, the term 'lower income families' as used in this subsection includes elderly or handicapped families with annual incomes less than five times the annual market rent of the units in such projects which they occupy."

Page 64, immediately after line 10, add the following new sections:

Revision of Section 202 Program for
Elderly and Handicapped

Sec. 211. (a) Section 202 of title II of the Housing Act of 1959 is amended—

(1) by deleting, in subsection (a)(1), ", consumer cooperatives, limited profit sponsors, or public bodies or agencies" and inserting in lieu thereof "or consumer cooperatives";

(2) by deleting, in subsection (a)(2), ", to any limited profit sponsor approved by the Secretary, to any consumer cooperative, or to any public body or agency" and inserting in lieu thereof "or to any consumer cooperative";

(3) by inserting, after clause (A) of subsection (a)(2), the word "and", by changing the comma which appears at the end of clause (B) of subsection (a)(2) to a period, and by striking the remainder of the subsection;

(4) by deleting, in subsection (a)(3), ", consumer cooperative, or public body or agency" and inserting in lieu thereof "or consumer cooperative"; and

(5) by deleting, in subsection (c)(3), ", cooperative, or public body or agency" and inserting in lieu thereof "or cooperative".

(b) Subsection (a)(3) of section 202 of title II of the Housing Act of 1959 is amended by deleting all that part of the subsection which follows the words "and shall bear interest at a rate" and inserting in lieu thereof "which is not more than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, plus an allowance adequate in the judgment of the Secretary to cover administrative costs and probable losses under the program."

(c) Paragraph (4) of subsection (d) of section 202 of the Housing Act of 1959 is amended—

(1) by striking the words "a physical" in the second sentence and inserting in lieu thereof "an"; and

(2) by inserting, following the second sentence, a new sentence reading as follows: "A person shall also be considered handicapped if such person is a developmentally disabled individual having a disability attributable to mental retardation, cerebral palsy, epilepsy, or another neurological condition which (i) originates before the individual affected attains age eighteen, (ii) has continued or can be expected to continue indefinitely, and (iii) constitutes a substantial handicap to such individual."

(d) Section 202 of title II of the Housing Act of 1959 is amended by adding at the end thereof a new subsection (f) reading as follows:

"(f) In carrying out the provisions of this section, the Secretary shall seek to assure, pursuant to applicable regulations, that housing and related facilities assisted under this Act will be in appropriate support of, and supported by, applicable plans of a State, the District of Columbia, Puerto Rico and possessions of the United States, or of a subdivision thereof, which respond to Federal program requirements as providing an assured range of necessary services for such individuals (which services may include, among others, health, continuing education, welfare, informational, recreational, homemaker, or counseling or referral services, transportation where necessary to facilitate access to social services, and services designed to encourage and assist recipients to use the services and facilities available to them), including plans approved by the Secretary of Health, Education, and Welfare pursuant to section 134 of title I of the Mental Retardation Facilities and Community Mental Health Center Construction Act of 1963 or pursuant to title III of the Older Americans Act of 1965."

(e) Section 202(a)(4) of such Act is amended—

(1) by inserting "(A)" immediately after "(4)";

(2) by inserting ", and the proceeds from notes or other obligations issued under subparagraph (B)," after "Amounts so appropriated"; and

(3) by adding at the end thereof the following new subparagraph:

"(B)(i) To carry out the purposes of this section, the Secretary is authorized to issue to the Secretary of the Treasury notes or other obligations in an aggregate amount not to exceed $1,500,000,000, in such forms and denominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued thereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as debt transactions of the United States.

"(ii) The receipts and disbursements of the fund shall not be included in the total of the Budget of the United States Government and shall be exempt from any limitation on annual expenditure or net lending."

Section 202 Projects Eligible for Assistance Payments Under Public Housing Law

SEC. 212. (a) In determining the feasibility and marketability of a project under section 202 of the Housing Act of 1959, the Secretary shall consider the availability of monthly assistance payments pursuant to section 23 of the United States Housing Act of 1937 with respect to such a project.

(b) The Secretary shall insure that with the original approval of a project authorized pursuant to section 202 of the Housing Act of 1959, and thereafter at each annual revision of the assistance contract under section 23 of the United States Housing Act of 1937 with respect to units in such project, the project will serve both low- and moderate-income families in a mix which he determines to be appropriate for the area and for viable operation of the project; except that the Secretary shall not permit maintenance of vacancies to await tenants of one income level where tenants of another income level are available.

Mr. STEELE (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. WIDNALL. Mr. Chairman, reserving the right to object, I would like to ask the gentleman from Connecticut this question:

Is this not the same amendment that was offered before which was objected to? The objection was sustained, and the amendment now has been changed so as to meet the objection; is that not so?

Mr. STEELE. Mr. Chairman, if the gentleman will yield, the gentleman from New Jersey is absolutely correct.

In this amendment we now use our existing section 202 mortgage loan funds, which totally circumvents the problem which was expressed earlier.

Mr. WIDNALL. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. REES. Mr. Chairman, reserving the right to object, I yield to the gentleman from Pennsylvania (Mr. BARRETT).

Mr. BARRETT. Mr. Chairman, I just want to ask the gentleman this: This amendment is almost verbatim, it is almost the same amendment that was offered by the gentleman this afternoon, and that amendment was stricken out on the basis of a point of order.

We, of course, are trying to hold this bill on a dollar level, that which will be accepted when we send it to the executive branch. We are beginning now to see that the agreement is not going to be workable, and we are going to start piling up amendments and doing very destructive damage to what we though we might bring out of the House as a bill which would be acceptable on the other side as well as by the Executive side.

I hope, Mr. Chairman, that my colleague, the gentleman from New Jersey, will go along and vote this amendment down.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. REES. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk continued to read the amendments.

Mr. BARRETT (during the reading). Mr. Chairman, I ask unanimous consent that the amendments may be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

The CHAIRMAN. The gentleman from Connecticut (Mr. STEELE) is recognized for 5 minutes in support of his amendments.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. STEELE. I yield to the gentleman.

Mr. BARRETT. I want to ask one question. Is not the gentleman now trying to add another $1.5 billion to this bill?

Mr. STEELE. Very briefly, no.

Mr. SKUBITZ. Will the gentleman yield?

Mr. STEELE. I yield to the gentleman.

Mr. SKUBITZ. I would like to ask the gentleman this question: Is the gentleman really trying to carry out a commitment we made to the elderly people at the White House Conference for the Elderly in 1971 by reactivating the section 202 program? Is that correct?

Mr. STEELE. The gentleman is absolutely correct.

Mr. SKUBITZ. Mr. Chairman, I want to support the gentleman's position on this.

Mr. Chairman, I rise in support of the Steele amendment to reactivate the section 202 program for the elderly. I would like to commend my colleague's efforts and those of the task force on aging which he chairs for its leadership in issues concerning older Americans.

This amendment reaffirms our commitment to the elderly that was made at the 1971 White House Conference on Aging and represents an important first step in meeting the construction goals set by that conference.

It also makes use of one of this Nation's best resources—the nonprofit organization which is usually affiliated with a church or other charitable group. This adds a significant dimension to housing for the elderly—the concern and warmth of people who care.

In my view, support of the Steele amendment is the single most important action that any of us will take this session in meeting the housing needs of the elderly. I strongly support it and urge my fellow colleagues to do the same.

Mr. STEELE. Mr. Chairman, I thank the gentleman.

I rise to offer an amendment to title II of H.R. 15361, the Housing and Urban Development Act of 1974. This amendment will provide for the construction of some 75,000 vitally needed and specially designed housing units for the elderly and the handicapped.

It is a tragic fact that in this land of great affluence, millions of older Americans lack adequate housing. Sadly, the bill which we are considering today does not meet this significant and legitimate need. My amendment will fill that gap.

Before I explain this amendment, I would like to commend the distinguished gentleman from New Jersey and ranking minority member of the Banking and Currency Committee (Mr. WIDNALL) and the very able gentlewoman from Massachusetts (Mrs. HECKLER) for their tireless efforts on behalf of housing for our Nation's aged. Regrettably, their program for elderly housing was deleted from the subcommittee bill in markup. However, I feel that it is important to recognize the deep concern and hard work which BILL WIDNALL and PEGGY HECKLER put into serving the needs of the elderly.

Let me, in the interest of clarity, summarize the provisions of my amendment.

First, it will reestablish the successful "202" program which was initially established to provide low interest direct loans to nonprofit sponsors to build housing for the elderly. Despite the outstanding success of this program, it was phased out in 1969 because of its potential budget impact. My reenactment of "202" avoids this budget pitfall because loans will be made at the Treasury borrowing rate and, therefore, will have little budget impact. This unsubsidized revolving fund approach will provide $1.5 billion to build an estimated 75,000 units of desperately needed housing for the elderly.

The second part of my amendment will effectively marry the "202" construction program with the "section 23" rent subsidy program to needy elderly families by making technical changes that guarantee the availability of these subsidies to units of elderly housing constructed under "202."

Mr. Chairman, decent housing for the elderly and the handicapped means more than just providing a roof over one's head. It means providing a living environment that accomodates the physical disabilities of age and disease, and provides for the very real social problems faced by this special group. Thus, site selection near transportation and medical facilities, building design to provide a barrier-free environment, public spaces for social contact, and the availability of other necessary services become integral parts of the "housing" that must be provided for our country's elderly.

Accordingly, a recent report by the Gerontological Society stated that housing for the elderly should be at least as good as—or perhaps because of the very special needs of the aged—even better than housing for other age groups.

However, housing for America's elderly is not better than other housing—in fact, it is worse.

The sad fact is that we do not even have an operational Federal program to build these desperately needed units today. The incredibly long waiting lists for the elderly housing that does not exist speak for the tremendous and urgent need for new construction. The Senate Special Committee on Aging has estimated that there is at least one elderly person on a waiting list for every occupied unit. For many individuals, these waiting lists are so long that they do not even bother to apply. And for those who do apply, they find that the lists are so long in some places that the wait would be seventy years. My distinguished colleague from Massachusetts, PEGGY HECKLER, summed it up this way:

> For older Americans, the waiting list can be a state of cruel limbo ending in frustration and even death.

My amendment would be a major step in rectifying this tragic situation.

I believe it is important to note that this amendment has the support of virtually every elderly advocacy group. To give you a few examples of the support this amendment has received, the American Association of Retired Persons—AARP—with over 6½ million members has written to every Member of Congress urging support for the amendment. The National Council of Senior Citizens with over 3½ million members has sent telegrams to every congressional office urging its adoption.

The list of supporters also includes the National Caucus of the Back Aged, B'nai B'rith, the American Baptist Service Corporation, National Council on Aging, the National Tenants Organization, and the United Presbyterian Church.

This amendment is also the product of many weeks of consideration by the House Republican Task Force on Aging, which I chair. We collected data and testimony from many experts on elderly housing and the judgment was unanimous—the section 202 is the best vehicle approach for providing specialized housing for the elderly. The Republican Policy Committee has twice endorsed this proposal, both last April and again this week. The wide bipartisan support given this amendment demonstrates the growing concern that our Government take immediate action to meet the housing needs of the elderly. The one thing that the aged do not have is more time to wait—wait for further consideration, a better time, a different bill. The need is there now and this amendment will provide the vehicle to meet that need effectively and at a reasonable cost.

In light of the length of this amendment, I think it would be helpful to go through it briefly at this point.

Section 211 amends the section 202 program of housing for the elderly as established by the Housing Act of 1959;

By deleting eligibility for participation by limited dividend and public bodies. Eligibility is retained for private nonprofit and cooperative sponsors,

By deleting provisions for direct loans at 3 percent interest,

By establishing a Treasury borrowing rate—plus administrative costs—as interest on direct loans,

By expanding the definition of handicapped to include developmentally disabled persons,

By adding a new subsection which requires that projects approved under section 202 will be supportive of and fully supported by State and local comprehensive services for the elderly and the handicapped,

By establishing a revolving National Housing Loan Fund for the Elderly and the Handicapped, which will administer the accounts of the direct loan operations; and

By authorizing Treasury borrowing for section 202 mortgage loans to a limit of $1.5 billion.

Section 212 would authorize the leasing of section 202 units under the section 23 subsidy program and require the Secretary to consider the availability of such assistance in determining feasibility of proposed section 202 projects and annually thereafter, so as to assure viability and an economic mix among occupants.

Amendment No. 2 would amend the new section 23(h) so as to define eligibility of low-income elderly or handicapped families at a level of monthly income up to the level established as fair market rent for the unit in question, using a rent payment of 20 percent of gross income.

The CHAIRMAN. The time of the gentleman has expired.

(On request of Mr. YOUNG of Florida, and by unanimous consent, Mr. STEELE was allowed to proceed for 2 additional minutes).

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. STEELE. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Chairman, it has been said that the amendment offered by the gentleman from Connecticut (Mr. STEELE) would not be necessary, and in fact that the FHA program could provide the same type of housing. Would the gentleman care to comment on that?

Mr. STEELE. The facts are that with the money market the way it is, it is virtually impossible to find the necessary money on the open market for a nonprofit sponsor, so that that is a totally false argument.

Mr. YOUNG of Florida. Will the gentleman yield further?

Mr. STEELE. I yield further to the gentleman from Florida.

Mr. YOUNG of Florida, Mr. Chairman, I rise in support of the "Housing for Older Americans Amendments" offered by my distinguished colleague from Connecticut (Mr. STEELE). As one who has had the privilege of working with Representative STEELE on the Republican Task Force on Aging, I am aware of his longstanding efforts on behalf of our older Americans, and especially his concern for making the Federal Government more responsive to their needs.

As reported by the Banking and Currency Committee, the Housing and Urban Development Act of 1974 does not contain provisions designed specifically to meet the challenge of providing adequate housing for senior citizens. Congressman STEELE's amendments would not only work for increased housing for the elderly, but would also write into law new emphases on architectural design and coordination of services so as to make federally assisted housing more adapted to the needs of older Americans.

Legislation which does not speak to the needs of almost one-quarter of the Nation's population is legislation which should be amended as Congressman STEELE suggests. I urge my colleagues to vote for the Housing for Older Americans amendments, so that we can help stimulate realistic and responsible programs to house our Nation's senior citizens.

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield?

Mr. STEELE. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. Mr. Chairman, the gentleman answered the question posed by the gentleman from Pennsylvania (Mr. BARRETT) by responding that he was not trying to add an additional $1.5 billion to the cost of the program.

Will the gentleman from Connecticut kindly tell us what the cost of his amendment would be?

Mr. STEELE. This would be fully paid for by the operators of the projects through the revolving fund.

The argument has been made that if we utilize the whole $1.5 billion today, it would have a significant impact. Let me say that there is no likelihood of utilizing this all at once, it would be utilized over a period of 5 or 6 years.

The CHAIRMAN. The time of the gentleman has again expired.

(On request of Mr. WAGGONNER, and by unanimous consent, Mr. STEELE, was allowed to proceed for 1 additional minute).

Mr. WAGGONNER. Mr. Chairman, will the gentleman yield further for one comment?

Mr. STEELE. I yield to the gentleman from Louisiana.

Mr. WAGGONNER. I asked the gentleman from Connecticut what the program would cost, and the gentleman politely declined to tell me. But the gentleman did tell the House that if we adopt this amendment, that this would be adopting a back-door spending proposal. I think that the Congress needs to understand that this is back-door spending, as set forth in the gentleman's amendment.

If the gentleman from Connecticut does not know the costs, then God knows who would know. The present bill provides for better and cheaper housing for the elderly than does this amendment. Do not make the elderly pay excessively high interest rates.

Mr. STEELE. I think that the best reply would be to point out again that this is a revolving fund, and would be totally paid for by the operators of the projects.

This is an amount of money that will be used over a period of 5 or 6 years. I cannot think of a program that has come before this House in the last 4 years that I have been here that would do more good, would create more housing and would accomplish more for less money than this program will.

(At the request of Mr. ROGERS of Florida and by unanimous consent, Mr. STEELE was allowed to proceed for 2 additional minutes.)

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. STEELE. I yield to the gentleman from Florida.

Mr. ROGERS. I thank the gentleman for yielding.

I commend the gentleman for offering this amendment. This House has just made a judgment yesterday to subsidize some rather large publications for about $850 million, and here is an amendment to provide housing for the elderly. Half of the families who have elderly people in them have an income of $3,000, and to take 35 percent to pay for their housing is just out of the question.

We know this program will work. It is a revolving fund. They pay it back, and this keeps the program going. It does not contain additional funds. This is a program that will help the elderly in America. It ought to be voted. Something ought to be done to get some housing. I know the elderly people in my State need some help. We can do it, and I would rather be doing this than subsidizing a billion dollars somewhere else to organizations to pay for them.

I think we ought to make an intelligent judgment and reinstate a working program that has previously proved itself. I commend the gentleman and I hope this House—and I believe it will on a record vote—will sustain the gentleman's amendment.

(At the request of Mr. BARRETT, and by unanimous consent Mr. STEELE was allowed to proceed for 1 additional minute.)

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. STEELE. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. I thank the gentleman for yielding.

Mr. Chairman, I can agree with the gentleman from Florida in his making a heart-rending plea for housing for the elderly, but we have not neglected housing for the elderly in this bill, nor have we neglected the handouts. Out of this bill will come about 80,000 units for the elderly. What we are objecting to here is loading it down, going back to the 1972 bill, and now they come here and say, Load it up. We worked here for several months putting this bill together to ultimately send it to the executive branch only to get a veto.

Mr. ROGERS. If the gentleman would yield to permit me to respond, I thank the gentleman for his comments. I simply do not agree that this is loading the bill up unreasonably. It is a reasonable approach. It is a revolving fund.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ASHLEY. Mr. Chairman, I move to strike the requisite number of words.

(Mr. ASHLEY asked and was given permission to revise and extend his remarks, and to proceed for 3 additional minutes.)

Mr. ASHLEY. Mr. Chairman, contrary to the statements of the author of this amendment, the use of Treasury rate—rather than 3 percent—loans does not eliminate the budget impact problem. The program involves real outlays and use of Treasury borrowing authority. This would show up in the budget except for a provision in the amendment which states by legislative fiat that the program will be considered outside the budget. That is a neat way of handling it; is it not? This exclusion does not change the economic impacts of additional Treasury borrowing and will not eliminate the administration's objections to the 202 program.

The administration's problems, I might say, will be further magnified and compounded if, as seems entirely possible, this additional $1½ billion in budget authority is subject to the impoundment restrictions of the Congressional Budget and Impoundment Control Act of 1974.

The amendment offered by the gentleman provides for a program supported by back-door financing outside of appropriations control with outlays and borrowings specifically excluded from the budget. This means that at a time when inflation is the major problem affecting the country as a whole—and the elderly more so than anyone—the Congress is being asked to enact legislation freed from appropriation and budgetary restraints that are among our principal weapons for dealing with inflation.

This is not only objectionable in itself but is an open invitation for further efforts to exempt other special interests and groups from budget restraints.

Mr. Chairman, we all love the elderly. In an election year we love them loudly. But this is an open invitation, if we are to pursue this kind of legislative tack, to do it for schoolteachers and for widows of police killed in action and for all the rest.

Mr. Chairman, the amendment, even though it contemplates loans based on Treasury borrowing rates, is far from costless to the Government. The additional borrowing will have the effect of increasing interest costs on the Federal debt as a whole. Even though this increase is very small—7.5 basis points, if the full $1.5 billion were used in the first year—the impact is substantial because the total debt affected is very large, with $120 billion being refinanced each year. This is what we are talking about right now. Accordingly, it is estimated that $171 million in interest costs on the debt as a whole could be added over the first 2 years if the entire $1.5 billion authorized were used at the beginning of the program.

The gentleman says this is not to be done. I say there is no assurance of that, but in any event this is bound to be costly and budget impacting on the basis of what I said today.

There is no need for the use of section 202 in order to provide capital financing for projects specially designed for the elderly to be assisted under the section 23 program. Financing can be obtained through fully insured FHA loans, including loans insured under the section 231 program which is specifically designed for the elderly. Mortgage limits for the section 231 program, like those of other major FHA programs would be increased by the bill. Section 203 rents can also be determined in such a way as to allow for special amenities for the elderly and use of 202 is wholly unnecessary for this purpose.

The amendment is accompanied by modifications in the proposed section 23 program which would raise the income limits for subsidized occupancy in projects financed under 202. These revised limits would allow subsidies to be paid to elderly individuals or families having incomes of $10,000 to $15,000 or more.

On what basis, on what possible justification is this being done?

Moreover, it may be contemplated that such families would only have to pay 20 percent of their incomes for rent, even though they obviously could afford to pay more. It is difficult to justify subsidies for individuals and couples at this level when there are so many other poor families paying much more in substandard housing.

Finally, Mr. Chairman, the use of Treasury borrowing rates for fixing loan interest rates under the amendment means that the program proposed will be of little help to lower income elderly without a section 23 subsidy. In fact, at present, the amendment may result in interest rates that are not significantly different from those available under FHA programs. If and when there is an appreciable subsidy, the use of the direct loan approach means that the subsidy will be fixed for all units and—unlike section 23—cannot be varied for families of different income. Thus, to the extent that the amendment does result in projects financed with interest rates below those on private loans, the benefit will be passed on to upper- and lower-income families alike.

Since the number of units contemplated—75,000—is nearly 10 times the number of units produced in any single year under the 202 program and almost 70 percent greater than the total number of units produced under the program during its entire lifetime, the claim that past experience demonstrates the program is relatively easy to administer would be suspect because such an enormous expansion will far outrun the small, skilled staff with which it was possible to run the program in the past.

Since the chief effect of the proposal is to provide financing by the Federal Government on top of subsidy by the Federal Government, which is already authorized under the bill, the chief result is to substitute the Government as a lender rather than private enterprise with no justification showing the inadequacy of private enterprise to handle the job.

Mr. STEELE. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. Mr. Chairman, I yield to the gentleman from Connecticut.

Mr. STEELE. Mr. Chairman, I would like to address myself to some of the points the gentleman raised. First of all, he emphasized what the economic impact would be if the full $1.5 billion were used in the first year——

Mr. ASHLEY. I covered that in my remarks. All I can say is that the Treasury is appalled over this amendment. I checked this out with the Treasury.

Mr. STEELE. We have also attempted to check it out, but the Treasury has declined to give Mr. WIDNALL an answer. It is clear it would be minimal over 5 to 6 years.

Mr. ASHLEY. What did they say to the gentleman?

Mr. STEELE. There is another area also in which the gentleman's information is just not accurate.

Mr. ASHLEY. I would ask the gentleman with whom he checked it out and what they said.

Mr. STEELE. The gentleman stated that under section 203——

Mr. ASHLEY. Will the gentleman answer that question?

Mr. Chairman, I decline to yield any further.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. Mr. Chairman, I want to tell the gentleman, for the benefit of those on the other side, that the HUD Secretary sent word over to me that he did not want the Steele amendment, and these gentlemen over here know that.

Mr. ASHLEY. That was based on discussions with the Treasury, the gentleman says he discussed this with the Treasury but will not tell the Members of the committee what the Treasury stated.

Mr. GILMAN. Mr. Chairman, I move to strike the last word.

Mr. STEELE. Mr. Chairman, will the gentleman yield?

Mr. GILMAN. Mr. Chairman, I yield to the gentleman from Connecticut.

Mr. STEELE. Mr. Chairman, I would just like to have an opportunity to address myself to the points raised because I think there was an inadequate opportunity to do so. Let me again say that the opponents of this measure have put great emphasis on the budget impact of the measure and have used the phrase:

> If the full $1.5 billion were used in the first year.

I think the proponents of this measure know very well that there is no way it can be used in the first year. Rather, it would be used over a period of 5 or 6 years.

The second statement made is that:

> There is no need for the use of 202 in order to provide capital financing for projects specially designed for the elderly.

I think it is clear that finding mortgage money on the open market today for nonprofit sponsors is virtually impossible.

The next statement is:

> Section 203 rents can also be determined in such a way as to allow for special amenities for the elderly and use of 202 is wholly unnecessary for this purpose.

This is simply wrong. The homework has not been done on that question because the fact is that there are no community services tied to FHA.

The statement is made that:

> These revised limits would allow subsidies to be paid to elderly individuals or families having incomes of $10,000 to $15,000 or more.

The opponents further state that:

> It may be contemplated that such families would have to pay 20 percent of their incomes for rent.

That is precisely what section 23 does.

Finally, it is stated that:

> The use of Treasury borrowing rates for fixing loan interest rates under the amendment means that the program proposed will be of little help to lower income elderly without a section 23 subsidy.

That simply is not true. The fact is that HUD itself estimates $40 less per month in rent for an individual unit under Treasury rates.

Mr. GILMAN. Mr. Chairman, I join in commending the gentleman from Connecticut and rise in support of the gentleman from Connecticut's (Mr. STEELE) amendments to the Housing and Urban Development Act of 1974, which is before us today. In considering these elderly housing amendments, we should bear several thoughts in mind.

While world peace is now at hand, after a generation of conflict, peace is still not at hand for our Nation's disadvantaged, whose troubles multiply daily. Especially hard hit by inflation are our Nation's elderly, most of whom are living on fixed incomes, with their purchasing power being constantly eroded. The security of our elderly—millions of Americans—is gravely threatened by the remorseless inflationary spiral.

These elderly housing amendments, now before us will help ease the pace of this erosion, for it provides relief where it is most needed—in making housing available for our elderly. Of those elderly Americans who receive less than $3,000 per year in income, approximately 14 percent have incomplete plumbing, as compared to 5.9 percent of the overall population. While their standard of housing is oftentimes low, even the retention of their existing housing is difficult for our elderly, many of whom spend upwards of 35 percent of their income for shelter. Adding on the increased cost of other necessities of life and the probability of a prolonged sickness, we have a financial picture which is bleak, indeed. One of the noblest things we as Representatives can do is to assure that those who have spent their lives in labor can in their golden years rest comfortably, in peace and with dignity.

Much of the housing for our elderly is a national disgrace—a shameful condition which these amendments seek to eradicate; for under the terms of these amendments, two things will be done: first, low interest, direct nonsubsidized loans will be made available to nonprofit sponsors for building housing for our elderly; second, rent subsidies will be guaranteed and available for such housing.

Accordingly, Mr. Chairman, I urge my colleagues to support these worthy amendments to the Housing and Urban Development Act of 1974.

Mr. PATMAN. Mr. Chairman, I wonder if we can agree on the time and then vote on this bill. Let us see how many are standing up. I ask unanimous consent that we vote in 20 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. BLACKBURN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that discussion and voting on all amendments to title II end at 5:35.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

Mr. BLACKBURN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

PARLIAMENTARY INQUIRY

Mr. BLACKBURN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BLACKBURN. Mr. Chairman, is the gentleman making his request relative to these amendments or is it to the title?

The CHAIRMAN. The gentleman from Texas will please restate his request.

MOTION OFFERED BY MR. PATMAN

Mr. PATMAN. Mr. Chairman, I move that debate on this amendment and all amendments thereto close at 5:40 instead of 5:35.

The CHAIRMAN. The question is on the motion offered by the gentleman from Texas.

The motion was agreed to.

The CHAIRMAN. Members standing at the time the motion was agreed to will be recognized for 1 minute each.

Mrs. HECKLER of Massachusetts. Mr. Chairman, as has been previously stated, the amendment before us is the fulfillment of the goal set by the 1971 White House Conference on Aging, which recommended that at least 120,000 units of housing be constructed each year specifically for the elderly, as the minimum necessary to provide decent, safe housing at a cost they can afford.

More recently, the Republican Task Force on Aging, on which I have been proud to serve, has endorsed the program set forth in these amendments as the most efficient, effective mechanism to meet our national needs for elderly housing.

As the original proponent of this type of revolving fund mechanism, I am particularly interested in seeing a reactivation of section 202 program.

The advantages of this proposal are manifold. Perhaps the most significant is that it assures a continued source of funds for mortgage loans at rates that will attract nonprofit sponsors to the construction and management of elderly housing developments. These sponsors, such as churches, civic associations, and labor unions, have proved to be good managers of housing projects, and I feel that we will be taking a great step forward by bringing their good managerial skills together with an adequate source of mortgage funds.

No one can deny that the need for new elderly housing has been clearly established. In many areas of the country, elderly citizens are waiting for years before housing becomes available. Even when a senior citizen is accepted in a project, the cost remains high. They pay an average of 34 percent of their income for housing, while younger householders pay only about 23 percent. Rents have increased as much as 50 and 60 percent in some areas, and with the cost of food rising at record rates, many of our elderly poor are in desperate straits.

Mr. Chairman, this proposal builds on the success of the past. The section 202 program never had a default, and was run effectively by a small staff here in Washington.

The passage of this amendment, and its subsequent enactment into law, would end the desperate struggle which our older citizens now face to live in the decent, affordable housing they deserve. I urge my colleagues to respond to this need by voting for this amendment.

Mr. BAUMAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Connecticut (Mr. STEELE) which would provide for the construction of urgently needed housing for the elderly. It is apparent that H.R. 15361 as reported to the floor does not meet the challenge of providing adequate housing for the increasing elderly population of our Nation. The bill does not provide the necessary incentive for individuals to enter into the housing market to build specially designed and equipped housing for the elderly. As all of us know, the recent rise in interest rates including the rates for home mortgages has drastically reduced the construction of housing in this country, and it is vital that the Government assist the private sector in providing the needed new housing for this segment of our population.

It is my understanding that the program which the gentleman from Connecticut wishes to reestablish, the so-called "202 program," was phased out in 1969. This was done evidently as a result of increasing pressure on the Federal budget, and while the budget defict in this coming fiscal year is estimated to be approximately $10 billion the new approach offered by this amendment will not increase the budget deficit. Under this amendment the moneys authorized for this program, approximately $1.5 billion, will be borrowed at the Treasury borrowing rate and be administered through the establishment of a national housing loan fund for the elderly and the handicapped.

This amendment will also further help the needs of the elderly by making housing built under the 202 program eligible for the lease-back program under section 23 of the Housing Act. This program enables local housing authorities to lease apartments from private owners and in turn sublet them at much lower rates to low-income elderly persons.

I wish to commend the gentleman from Connecticut, who is the chairman of the Republican Task Force on the Aging, for the dedicated work he has done on the many serious problems affecting the aged in this country. His amendment is a good example of the serious legislation that is the product of weeks of consideration by his fine task force. In summary, this amendment would:

First, sets forth the need for housing programs for the elderly, not adequately set forth in the housing measure which is before us;

Second, reinstitute a constructive housing development program which would provide for the construction of the needed housing for the elderly by providing direct loans at the prevailing Treasury rate to certain sponsors who will construct such housing;

Third, make such housing eligible for lease-back to elderly low-income residents by local public housing authorities; and

Fourth, provide that projects approved under this new housing development program will be fully supported by State and local comprehensive services for the elderly and the handicapped.

Indeed, this amendment has the full support of most of the groups organized to aid the elderly, including such leading groups as the American Association of Retired People (AARP).

Once again, I commend my colleague from Connecticut (Mr. STEELE), for offering this vitally needed amendment and would hope that the House will approve this amendment.

(By unanimous consent, Mr. BAUMAN yielded his time to Mr. BLACKBURN.)

The CHAIRMAN. The Chair recognizes the gentleman from Georgia (Mr. BLACKBURN).

Mr. BLACKBURN. Mr. Chairman, I appreciate the gentleman from Maryland (Mr. BAUMAN) yielding his 1 minute to me.

Mr. Chairman, I support the amendments offered by the gentleman from Connecticut. One of the areas in which I have spent a great deal of time investigating is that of housing for the elderly. I have found that the only program which has truly been effective in delivering the specialized services, the specialized needs, the recreational facilities, the community facilites, and all of the things that are necessary for effective housing for the elderly has only been forthcoming in section 202 programs.

I do not apologize to any Member in this House about voting to maintain the economy or voting to balance the budget. My record on votes to balance the budget is unequaled by any other Member of this House, and I would challenge any Member who votes against these amendments on the ground of budgetary impact to match his voting record in this field against my own.

At the present time the 202 program fund is receiving payments against approximately $650,000,000 in outstanding loans.

When we consider this, I suspect that actually the amount of money that will have to be borrowed by the Treasury Department to make this a sustaining and a continuing program will be miniscule as far as total budgetary impact on this country is concerned.

But I do know one thing: If we are

really sincere, if we really mean it when we say we want to do something for the elderly in this country, we will vote for the Steele amendments, and I can assure the Members that the budgetary impact will be minor in comparison to the benefits that will be derived, and in relation to the total budget of the United States.

Mr. HUNT. Mr. Chairman, will the gentleman yield?

Mr. BLACKBURN. I will be happy to yield to the gentleman from New Jersey.

Mr. HUNT. Mr. Chairman, I want to add my support to the Steele amendments and to what the gentleman in the well has just said.

I come from an area where the 202 program has been a very distinct success. We have some fine housing there for the elderly, and we need more. This is one of the very few good projects that has ever come out of this bill. It will help stimulate participation in the program.

Many of our unions, the IEW and others, have put their money in projects such as this. We have found that we have been able to get help through other organizations to put up housing for the elderly.

We talk about helping those people who cannot help themselves. We should be willing to help elderly people, those people who are too sick or too old and feeble to help themselves.

The elderly can be helped through this section 202, and we should adopt the amendments offered by the gentleman from Connecticut (Mr. STEELE).

I wish to commend the gentleman from Connecticut (Mr. STEELE) and the gentleman in the well, the gentleman from Georgia (Mr. BLACKBURN).

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I rise reluctantly to oppose these amendments.

There is a modest increase in spending for housing in the bill as we now find it before us. And there is money for housing for the elderly. Personally, I would prefer no increase above present spending limits which amount to about $2 billion per year. In my judgment we can help the elderly more by reducing inflation. Now we have recognized the need to reduce inflation and the need for budget control by passing the Budget Control Act just this week.

Are our memories so short that we are now going to pass an amendment providing for back door spending not contemplated by the budget? We have acted on budget control just 48 hours ago and now we are about to say we did not really mean it.

Mr. Chairman, I introduced a bill modeled after one introduced by the gentleman from Iowa (Mr. GROSS) H.R. 144, which provides that there will be no Federal spending above income. Much of the support I have received for my bill has come from persons on fixed income. I could not in good conscience support this inflationary amendment.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, I support these amendments, and I do so primarily because of my direct contact with elderly citizens in my district who cannot find housing. I simply have not been able to find in the legislation that the committee brought before us the kind of special attention to the problems of the elderly that I think they deserve.

The main arguments I have heard against these amendments are that they are likely to produce a veto. I think we should do what we think is right and not simply try to gear our propositions in this House to what we anticipate may lead to a possible veto.

I may add that, with all the support expressed for this amendment from members of the minority, I should think a veto could be prevented.

These amendments would rectify a serious omission in the bill before us today by providing for a direct loan program to nonprofit sponsors to construct specialized housing for the elderly, and would guarantee special rent subsidies to the elderly.

Behind these amendments is the recognition that the problems of senior citizens are especially acute and that their needs require special measures in order to meet them. The living conditions of too many of our Nation's elderly are a tragic disgrace. Of the 20 million Amercans who are 60 and older, over 23 percent live in poverty. Of the 12.4 million households with heads aged 65 and older, 47 percent have incomes under $3,000.

The implications of these figures for housing are grim. The elderly must spend an exceptionally high proportion of their income on housing. In many cases this forces the depletion of valuable savings and the interest earned on them. With housing costs so excessive, the elderly must manage with less of other essential goods and services, such as food, clothing, medical supplies, and transportation. Illness, taxes, and unexpected financial problems are far more serious matters for the elderly than for any other group.

Furthermore, meeting the housing needs of older Americans is complicated by the special requirements of adequate senior citizen housing. This housing must include more than four walls and a roof. It must minimize distances of walking and climbing, and be placed in neighborhoods which are safe, friendly, and concerned for the welfare of their older residents. Essential goods and services must be readily and closely available.

The elderly are, therefore, the least adaptable of all our citizens in their requirements for housing. It is not that senior citizens are helpless, but that economic, social, and cultural conditions put them at a severe disadvantage. The elderly are plagued by low and fixed incomes, social isolation, crime, and recurrent health problems.

In urban areas these conditions are most critical. The median income of New York City's over-60 population is $2,700, $300 below the poverty level. In New York the number of poor and near-poor—those hovering at or just above the poverty level—among the elderly is estimated to be 600,000. Waiting lists for public housing there include over 45,000 citizens aged 62 and older. The New York City Housing Authority estimates that the real level of need of the elderly for low-income housing is 75,000 units, as much as the total these amendments are expected to provide.

The $1.5 billion in loans at below-market interest rates which would be made to nonprofit sponsors for housing construction under these amendments hopefully would represent some response to these pressing needs in New York City and throughout the country. Housing built under the provisions of these amendments would be specially constructed with the needs of the elderly in mind, and accompanied by plans to insure the presence of needed social services.

It is worthwhile to remember that these amendments are not an untried experiment but a modified reinstatement of section 202. This program existed for 10 years, terminating in 1969, and was very successful, building 45,000 housing units without failure or scandal. While under these amendments, Government would borrow at Treasury rates and at 3 percent. Estimates are that resulting rents would be $50 under market rates without incurring draining costs to taxpayers.

Some Members have suggested that housing for senior citizens be taken up as separate legislation. However, neither the Congress nor our Nation's elderly can afford the luxury of the time which would enable this route to be taken. The desperate need for housing for the elderly which is exemplified in my district compels the Congress not to delay any longer than it already has, particularly in light of the administration's "moratorium" on Federal funds for public housing construction. Furthermore, we should keep in mind that events later in the summer may well force the Congress to postpone consideration of these and many other important issues.

Mr. Chairman, a nation as affluent as ours can surely afford to care for its most respected citizens.

My main concern with the Steele amendments is whether the program envisioned will actually produce housing for the elderly in cities such as New York where land costs and construction costs are so terribly high. However, in view of the widespread support for the Steele amendments from well informed organizations such as the National Council for Senior Citizens, I urge my colleagues to vote for them.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. REES).

Mr. REES. Mr. Chairman, as usual, I find myself a rather confused member of the Committee on Banking and Currency.

In the subcommittee and in the full committee this was a compromise bill.

Every time some of us who believed in 235 or 236 or in the expansion of section 23 asked for something the minority said, no, "we are going to veto the bill" if anything is added. So all the Democrats, the members of the majority party, were threatened with the fact that we could not expand the bill because the President would veto it.

Now I see every new amendment that adds more money, billions of dollars, has been offered by the minority. Are they going to guarantee that if all of their amendments going into this bill that they will guarantee us a veto-proof bill? If they do, then I think we should come up with some of the amendments we lost in the subcommittee and in the full committee, because we were told that if we broke the line the bill was going to be vetoed. I would just like that question answered.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. Biaggi was allowed to yield his time to Mr. Rees.)

Mr. REES. I would like to ask the minority, the gentleman from Michigan (Mr. Brown), who is the floor manager of the bill for the minority, this question: Here is something that is adding about $1.5 billion for senior citizens' housing. Have you changed your mind now? Are you supporting this?

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. REES. I yield to the gentleman.

Mr. BROWN of Michigan. I do not support the amendment. I do not think the Republican Party on this side is any more monolithic than the Democratic Party on the other side.

Mr. REES. I think it is pretty monolithic. But are you supporting it or not?

Mr. BROWN of Michigan. No, I am not supporting it, and if the gentleman will give me his time, I will be happy to speak in opposition to the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Indiana (Mr. Myers).

Mr. MYERS. Mr. Chairman, I rise in strong support of this amendment.

I realize the argument that has been made now that this will be inflationary. However, you are going to ask the senior citizens of this country, who have contributed so much to the country, many of whom have no other way to provide the needed housing, to make the extreme sacrifice and go all the way in order to stop inflation here.

This is a matter of priorities. When you add another $700,000 or $800,000 for things that are not needed in various places and then you come along here with $1.5 billion to provide needed homes for folks who have no other way of providing these facilities. I just do not see how you can justify it.

I know you will say next week that this is another half a billion dollars that is added here, but there is a lot of difference in priorities. Most of the speakers on this side are just as concerned and have voting records just as good to prove that they are just as concerned about inflation. The question is where do we make the cuts. That is where too many speakers have failed to distinguish between the differences.

I rise in strong support of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. Moorhead).

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, before the Members vote on this proposed amendment they should recognize that the old section 202 program which had a 3-percent interest rate in the period up to 1969, built only 30,000 units, and that was at a 3-percent interest rate. Today the interest rate would be in excess of 8 percent, so I do not think the program will be half as successful as was the old program.

I think the Members should know that under the bill that the committee brings to the floor we expect in 1 year 400,000 units in section 23 to be built, and the bill provides that "at least 20 percent of the total amount of contracts shall be available solely to low-income housing, and elderly and handicapped persons. That means in 1 year 80,000 units for the elderly.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. Anderson).

Mr. ANDERSON of Illinois. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from Connecticut (Mr. Steele) and I wish to assure the gentleman from California (Mr. Rees) and others, that there are some of us on this side of the aisle that do want a housing bill, and one that will withstand a Presidential veto. We are committed to support the Committee on Banking and Currency on what we think in overall is a very fine product.

Some very firm speeches were made, and I made one of them a couple of days ago on this floor in behalf of budget reform, and in which I reminded the Members of this body that it was going to take some very strong discipline to resist the temptations that constantly develop, in connection with something which is very appealing like this, to finance programs outside of the Federal budget. This amendment clearly involves backdoor spending that would not be subject to the budgetary process.

I hope the amendment will be rejected.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Moss).

Mr. MOSS. Mr. Chairman, I think this program is an excellent one, and the amendment is one that should be adopted. Whether or not it would face a veto is not a matter of great concern to me at this moment.

I know that the program in my district has been successful. I know that the people of my district want the program. So I intend to give it my vote and discharge my responsibility to them, and deal with whatever threats of veto might arise at a later time.

The CHAIRMAN. The Chair recognizes the gentleman from Minnesota (Mr. Frenzel).

(By unanimous consent, Mr. Frenzel yielded his time to Mr. Brown of Michigan.)

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. Brown) for 2 minutes.

Mr. BROWN of Michigan. Mr. Chairman, the discussion that has been taking place here on the floor of the House is about a program which has been very successful, but the amendment offered by the gentleman from Connecticut (Mr. Steele) is not that program.

The reason that program has been successful is because it had a 3-percent interest rate. The Steele amendment goes to Treasury market rates. And, there is little difference between the rate on Treasury borrowings and FHA insured mortgages which are to be used in the section 23 program.

Do we get more units under the Steele amendment? The answer is "no".

Is the amendment inflationary? The answer is "yes," with the direct Treasury borrowings provided for in the amendment.

Is the amendment discriminatory? The answer is "Yes", because everyone else can come along and say "give us the same right to go directly to Treasury for our funds and help us outside of the budget."

In short, what the Conference on Aging supported was a continuation of the old 202 program as it existed, and there was no section 23 program, not a modified section 23 program, available as an alternative to be considered at that time.

If the Members will look at the committee report they will see all of the things we have done for the elderly, and it describes and earmarks portions of the funds for the elderly and the handicapped.

I suggest that what the Conference on the Aging supported was some way of special treatment in the way of housing for the elderly and the handicapped. The section 23 program, as we have proposed it, does it. It treats everybody the same, since private developers, local housing agencies, all of them, can become sponsors of housing for the elderly.

The housing for the elderly in the 23 program is not even subject to the preference which the Secretary must give to nonelderly projects that only have 20 percent assisted units.

Mr. Chairman, I am saying the arguments made in support of this amendment are fine arguments. The trouble is they are just not applicable in support of this amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Florida (Mr. Pepper).

Mr. PEPPER. Mr. Chairman, as I said earlier today, over 14,000 people in my county of Dade are trying to get into low-cost housing and are not able to do so. Some of them have been waiting for 5 years. Now, when we have up on this floor the first housing bill we have had for some time and we try to make it somewhat adequate to the needs of the elderly poor, we are told it might be vetoed if we do that. We do not have the money to do that.

Mr. Chairman, we have the money to fight a war in Vietnam. We have the money to give to the Arabs, apparently, according to recent events. We have the money for other things we want to do. I think we ought to adopt an amendment that will do more for the elderly poor of this country. Therefore, I am proud to associate myself with this amendment that is offered by the gentleman from Connecticut.

The CHAIRMAN. The Chair recognizes the gentleman from Pennsylvania (Mr. BARRETT).

Mr. BARRETT. Mr. Chairman, I want to point out here that in the last year all of the Members of this House—most of them with considerable seniority—kept asking me, "Are you going to bring in one of those big, cumbersome housing bills over here? We want to tell you that if you bring anything here on the basis of back-door spending, we are going to be absolutely against it."

Mr. Chairman, this amendment is back-door spending. It adds another $1½ billion to this bill. I do not think, Mr. Chairman, there is anybody in this House who wants to do more for the elderly than I do. I fought hard to get section 202 in the Housing Act of 1959 and I am saying at this time I want to get housing, and I do not want to send a bill down there which will be vetoed.

Mr. Chairman, I hope we vote this amendment down.

The CHAIRMAN. The Chair recognizes the gentleman from Ohio (Mr. J. WILLIAM STANTON).

Mr. J. WILLIAM STANTON. Mr. Chairman, I rise in opposition to this amendment.

There are several false assumptions, I think, that the House is under. First of all, in the 10 years that I have been on this Housing Subcommittee, we do more in this bill today, I think, for housing the elderly than ever has been done, to my knowledge, in any bill that has ever come before this committee before.

Second, Mr. BROWN was right. The old 202 program was the type that made it popular due to the 3-percent-interest rates.

Third—and I think the Members should clearly understand this—I say to my friends on this side of the aisle, do not, I hope sincerely, follow the lead that was brought up awhile ago on the other side of the aisle. I have been rather proud that we have had a consistent vote against the back-door spending. So I hope sincerely that my colleagues will remember this day, because, clearly, this is what the administration is so strongly and staunchly against. I hope the Members clearly understand this amendment before they do vote.

I will agree, like the amendment that passed before, it sounds so much like motherhood, but it is the wrong thing to do.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. PATMAN).

Mr. PATMAN. Mr. Chairman, a vote for this amendment would be a vote for excessive and exorbitant interest rates for elderly housing. It would be a vote for an elderly family buying a $20,000 home, requiring that they buy the home and pay $40,000 interest and $20,000 for the home, or $60,000 in all.

In other words, the Members would be voting to require elderly people to pay for three homes in order to get a fee simple title to one home.

Mr. Chairman, it should be voted down.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Connecticut (Mr. STEELE).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BLACKBURN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 274, noes 112, not voting 47, as follows:

[Roll No. 310]

AYES—274

Abdnor
Abzug
Adams
Addabbo
Alexander
Andrews, N. Dak.
Aspin
Badillo
Bafalis
Baker
Bauman
Beard
Bell
Bergland
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Broomfield
Brotzman
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burton
Butler
Carney, Ohio
Carter
Chappell
Chisholm
Clark
Clausen, Don H.
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conable
Conlan
Conte
Conyers
Cotter
Coughlin
Cronin
Culver
Daniel, Robert W., Jr.
Danielson
de la Garza
Delaney
Dellums
Denholm
Dent
Derwinski
Diggs
Dingell
Donohue
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Fascell
Findley
Fish
Flood
Foley
Ford
Forsythe
Fraser
Frey
Froehlich
Fulton
Fuqua
Gaydos
Giaimo
Gibbons
Gilman
Ginn
Goldwater
Gonzalez
Grasso
Gray
Green, Pa.
Grover
Gubser
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanrahan
Harsha
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Henderson
Hicks
Hillis
Hinshaw
Hogan
Holt
Holtzman
Hudnut
Hungate
Hunt
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Lott
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McKinney
Madden
Madigan
Maraziti
Mathis, Ga.
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Miller
Minish
Mink
Mitchell, Md.
Moakley
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Obey
O'Hara
O'Neill
Owens
Parris
Pepper
Perkins
Pettis
Peyser
Pike
Podell
Powell, Ohio
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Randall
Rangel
Regula
Reid
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roy
Roybal
St Germain
Sandman
Sarasin
Sarbanes
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sisk
Skubitz
Slack
Smith, Iowa
Staggers
Stark
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stubblefield
Studds
Symington
Talcott
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Udall
Vander Veen
Vanik
Veysey
Vigorito
Waldie
Walsh
Wampler
Whalen
White
Whitehurst
Whitten
Widnall
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wydler
Yates
Yatron
Young, Fla.
Young, Ga.
Young, S.C.
Zablocki
Zion
Zwach

NOES—112

Anderson, Ill.
Andrews, N.C.
Annunzio
Archer
Arends
Armstrong
Ashley
Barrett
Bennett
Bevill
Boland
Bolling
Brooks
Brown, Calif.
Brown, Mich.
Brown, Ohio
Burleson, Tex.
Burlison, Mo.
Byron
Camp
Casey, Tex.
Cederberg
Chamberlain
Clancy
Collier
Collins, Tex.
Corman
Daniel, Dan
Davis, Wis.
Dellenback
Dennis
Dickinson
Downing
Eshleman
Evans, Colo.
Evins, Tenn.
Fisher
Flowers
Flynt
Fountain
Frelinghuysen
Frenzel
Gettys
Goodling
Green, Oreg.
Gross
Hanna
Hansen, Idaho
Harrington
Huber
Hutchinson
Jarman
Jones, N.C.
Jones, Okla.
Landrum
Long, Md.
Lujan
McFall
McKay
Mahon
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Michel
Milford
Minshall, Ohio
Mizell
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Nix
O'Brien
Passman
Patman
Patten
Pickle
Poage
Preyer
Rarick
Rees
Reuss
Rousselot
Runnels
Ruth
Satterfield
Scherle
Schneebeli
Shuster
Sikes
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Stanton, James V.
Steed
Stratton
Sullivan
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Treen
Ullman
Van Deerlin
Vander Jagt
Waggonner
Ware
Wiggins
Williams
Wyatt
Wylie
Young, Tex.

NOT VOTING—47

Anderson, Calif.
Ashbrook
Brasco
Burgener
Carey, N.Y.
Clawson, Del
Crane
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
Devine
Dorn
Edwards, Ala.
Esch
Griffiths
Hansen, Wash.
Hastings
Hawkins
Hébert
Holifield
Horton
Hosmer
Howard
Ichord
Landgrebe
McSpadden
Macdonald
Mathias, Calif.
Matsunaga
Mills
Mitchell, N.Y.
Mollohan
Nichols
Quillen
Rhodes
Riegle
Rooney, N.Y.
Rose
Ruppe
Ryan
Stuckey
Symms
Teague
Thompson, N.J.
Wyman
Young, Alaska
Young, Ill.

So the amendments were agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. BIAGGI

Mr. BIAGGI. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BIAGGI: On page 55, line 13, after the close of the parentheses bracketing the end of the word 'Secretary' insert the following: "and provided citizens likely to be affected by the proposal or application with full information concerning the proposal, held public hearings to obtain the views of such citizens on the proposal or application, and provided such citizens an adequate opportunity to participate in the development of the proposal or application."

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. BIAGGI. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. Mr. Chairman, I just wish to point out that the next four titles are not controversial. I think if we can get cooperation from the Members here, we probably could clean this up within the next hour.

Mr. BIAGGI. Mr. Chairman, I rise to speak in support of my amendment to H.R. 15361, the Housing and Urban Development Act of 1974, and to urge its passage.

One of the most commendable developments in the legislation before us is the abandonment of categorical grant programs and the adoption of the block grant approach. This step signals the commitment of Congress to the principle of local control in the housing field. It is one of a number of actions the Congress has taken in a whole range of legislation to enforce that principle.

We have recognized, at long last, that we cannot and should not try to run everything from Washington, that local officials know local needs better than we do. It is our job to provide the funds and the general guidelines. It is their job to draw up the programs and make them work.

I am urging we take a further—and I believe very necessary—step in this direction. My amendment says that no project should be built in any neighborhood without full citizen participation in planning the location, character, and construction of that project.

It is true that in the legislation before us we already have citizen participation requirements in the formation of the general housing and development plan before its submission to HUD by the local government. This is admirable and as it should be. But it does not fully cover the problem. For the general housing plan need only specify the general location of new housing to be built.

We know from cities around the country—and I know from the Forest Hills situation in my own city of New York—that unless citizens have input at the final stage when the project is about to be built, they are quite likely to have something foisted on them by an unresponsive city hall, as was the case with Forest Hills. That result makes a mockery of the principle of local control we are developing in this bill.

We must not commit such fraud. Local citizens should have the right to control their own destiny, and local neighborhoods, while they have an obligation to the overall environment of the city, should be able to preserve their character.

I urge my amendment be adopted.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment.

I point out that on page 7 of the bill to start with we find the language:

> No grant may be made pursuant to section 106 unless an application shall have been submitted to the Secretary in which the applicant—

And then we go over to page 9, where there is a number of requirements, and on line 14 thereof it says:

> No grant may be made pursuant to this section 106 unless an application shall have been submitted to the Secretary in which the applicant
>
> (5) provides satisfactory assures that, prior to submission of its application, it has (A) provided citizens likely to be affected by proposed community development and housing activities with aedquate information concerning the amount of funds available for such activities, the range of activities that may be undertaken, and other important program requirements, (B) held public hearings to obtain the views of such citizens on community development and housing needs, and (C) provided such citizens an adequate opportunity to participate in the development of the application;

This language is enough to provide for citizen participation both with respect to community development activities and with regard to assisted housing. I cannot imagine what additional language would do for us.

This is a matter on which the subcommittee worked very diligently and on which I submit there was a unanimity of agreement from both the Republicans and the Democrats.

Originally there were a number of questions raised with respect to the adequacy of citizen participation both with respect to community development and housing.

After considerable work we refined the language to the satisfaction, as I recall, of everybody present. So I would most earnestly suggest that the requirement of citizen participation has been satisfied in a thoroughly complete manner.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for yielding. I would just like to associate myself with the remarks of the gentleman from Ohio (Mr. ASHLEY). I quite concur with the gentleman. I think the subject is adequately taken care of in the bill without this amendment, and feel that the amendment would simply further clutter and confuse the present system of citizen participation.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. BIAGGI).

The amendment was rejected.

Mr. PATMAN. Mr. Chairman, I ask unanimous consent that we vote at 8:05 p.m. tonight on this bill and all amendments thereto.

The CHAIRMAN. The gentleman from Texas asks unanimous consent that all debate on the bill and all amendments thereto close at 8:05 p.m. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there additional amendments to title II? If not, the Clerk will read.

The Clerk read as follows:

TITLE III—MORTGAGE CREDIT PROGRAMS

EXTENSION OF REGULAR FHA INSURANCE PROGRAMS

SEC. 301. (a) Section 2(a) of the National Housing Act is amended by striking out "October 1, 1974" in the first sentence and inserting in lieu thereof "June 30, 1977".

(b) Section 217 of such Act is amended by striking out "October 1, 1974" and inserting in lieu thereof "June 30, 1977".

(c) Section 221(f) of such Act is amended by striking out "October 1, 1974" in the fifth sentence and inserting in lieu thereof "June 30, 1977".

(d) Section 809(f) of such Act is amended by striking out "October 1, 1974" in the second sentence and inserting in lieu thereof "June 30, 1977".

(e) Section 810(k) of such Act is amended by striking out "October 1, 1974" in the second sentence and inserting in lieu thereof "June 30, 1977".

(f) Section 1002(a) of such Act is amended by striking out "October 1, 1974" in the second sentence and inserting in lieu thereof "June 30, 1977".

(g) Section 1101(a) of such Act is amended by striking out "October 1, 1974" in the second sentence and inserting in lieu thereof "June 30, 1977".

FLEXIBLE INTEREST RATE AUTHORITY

SEC. 302. Section 3(a) of the Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes", approved May 7, 1968, as amended (12 U.S.C. 1709-1), is amended by striking out "October 1, 1974" and inserting in lieu thereof "June 30, 1977".

INCREASE IN MAXIMUM MORTGAGE AMOUNTS UNDER FHA ONE- TO FOUR-FAMILY MORTGAGE INSURANCE PROGRAMS

SEC. 303. (a) Section 203(b) (2) of the National Housing Act is amended by striking out "$33,000", "$35,750", and "$41,250" wherever they appear and inserting in lieu thereof "45,000", "$48,750", and "$56.000", respectively.

(b) Section 220(d)(3)(A) of such Act is amended by striking out "$33,000", "$35,750", and "$41,250" wherever they appear and inserting in lieu thereof "$45,000", "$48,750", and "$56,000", respectively.

(c) Section 222(b)(2) of such Act is amended by striking out "$33,000" and inserting in lieu thereof "$45,000".

(d) Section 221(d)(2)(A) of such Act is amended—

(1) by striking out "$18,000", "$21,000", "$24,000", "$32,400", and "$39,600" in the matter preceding the first proviso and inserting in lieu thereof "$21,600", "$25,000", "$28,000", "$38,880", and "$47,520", respectively; and

(2) by striking out "$21,000", "$24,000", "$30,000", "$38,400", and "$45,600" in the second proviso and inserting in lieu thereof "$25,200", "$28,800", "$36,000", "$46,080", and "$54,720", respectively.

(e) Section 234(c) of such Act is amended by striking out "$33,000" and inserting in lieu thereof "$45,000".

(f) (1) The last proviso in section 235(b) (2) of such Act is amended by striking out "$18,000", "$21,000", "$21,000", and "$24,000" and inserting in lieu thereof "$21,600", "$25,200", "$25,200", and "$28,800", respectively.

(2) Section 235(i) (3) (B) of such Act is amended by striking out "$18,000", "$21,000", "$21,000", and "$24,000" and inserting in lieu thereof "$21,600", "$25,200", "$25,200", and "$28,800", respectively.

INCREASE IN MAXIMUM MORTGAGE AMOUNTS UNDER FHA MULTIFAMILY MORTGAGE INSURANCE PROGRAMS

SEC. 304. (a) (1) Section 207(c) (3) of the National Housing Act is amended by striking out "$9,900", "$13,750", "$16,500", "$20,350", "$23,100", and "$2,500" in the matter preceding the first semicolon and inserting in lieu thereof "$31,000", "$18,000", "$21,500", "$26,500", "$30,000", and "$3,250", respectively.

(2) Section 207(c) (3) of such Act is further amended by striking out "$11,550", "$16,500", "$19,800", "$24,750", and "$28,050" in the matter following the first semicolon and inserting in lieu "$15,000", "$21,000", "$25,750", "$32,250", and "$36,465", respectively.

(b) (1) Section 213(b) (2) of such Act is amended by striking out "$9,900", "$13,750", "$16,500", "$20,350", and "$23,100" in the matter preceding the first proviso and inserting in lieu thereof "$13,000", "$18,000", "$21,500", "$26,500", and "$30,000", respectively.

(2) Section 213(b) (2) of such Act is further amended by striking out "$11,550", "$16,500", "$19,800", "$24,750", and "$28,050" in the first proviso and inserting in lieu thereof "$15,000", "$21,000", "$25,750", "$32,250", and "$36,465", respectively.

(c) (1) Section 220(d) (3) (B) (iii) of such Act is amended by striking out "$9,900", "$13,750", "$16,500", "$20,350", and "$23,100" in the matter preceding "except" where it first appears and inserting in lieu thereof "$13,000", "$18,000", "$21,500", "$26,500", and "$30,000", respectively.

(2) Section 220(d) (3) (B) (iii) of such Act is further amended by striking out "$11,550", "$16,500", "$19,800", "$24,750", and "$28,050" in the matter following "except" where it first appears and inserting in lieu thereof "$15,000", "$21,000", "$25,750", "$32,250", and "$36,465", respectively.

(d) Section 221(d) (3) (ii) of such Act is amended—

(A) by striking out "$9,200", "$12,937.50", "$15,525", "$19,550", and "$22,137.50" and inserting in lieu thereof "$11,240", "$15,540", "$18,630", "$23,460", and "$26,570", respectively; and

(B) by striking out "$10,925", "$13,500", "$18,400", "$23,000", and "$26,162.50" and inserting in lieu thereof "$13,120", "$16,200", "$22,080", "$27,600", and "$32,000", respectively.

(e) (1) Section 221(d) (4) (ii) of such Act is amended by striking out "$9,200", "$12,937.50"; "$15,525", "$19,550", and "$22,137.50" in the matter preceding the first semicolon and inserting in lieu thereof "$12,300", "$17,188", "$20,525", "$24,700", and "$29,038", respectively.

(2) Section 221(d) (4) (ii) of such Act is further amended by striking out "$10,525", "$15,525", "$18,400", "$23,000", and "$26,162.50" in the matter following the first semicolon and inserting in lieu thereof "$13,975", "$20,025", "$24,350", "$31,500", and "$34,578", respectively.

(f) (1) Section 231(c) (2) of such Act is amended by striking out "$8,800", "$12,375", "$14,850", "$18,700", and "$21,175" in the matter preceding the first semicolon and inserting in lieu thereof "$12,300", "$17,188", "$20,525", "$24,700", and "$29,038", respectively.

(2) Section 231(c) (2) of such Act is further amended by striking out "$10,450", "$14,850", "$17,600", "$22,000", and $25,025" in the matter following the first semicolon and inserting in lieu thereof "$13,975", "$20,025", "$24,350", "$31,500", and "$34,578", respectively.

DOWNPAYMENT REQUIREMENTS FOR REGULAR FHA ONE- TO FOUR-FAMILY MORTGAGES

SEC. 305. (a) The first and second sentences of section 203(b) (2) of the National Housing Act are each amended—

(1) by striking out "$15,000" in clause (i) and inserting in lieu thereof $25,000";

(2) by striking out "$15,000" and "$25,000" in clause (ii) and inserting in lieu thereof "$25,000" and "$35,000", respectively; and

(3) by striking out "$25,000" in clause (iii) and inserting in lieu thereof "$35,000".

(b) Section 220(d) (3) (A) (i) such Act is amended by—

(1) by striking out "$15,000" in clause (1) and inserting in lieu thereof "$25,000";

(2) by striking out "$15,000" and "$25,000" in clause (2) and inserting in lieu thereof "$25,000" and "$35,000", respectively; and

(3) by striking out "$25,000" in clause (3) and inserting in lieu thereof "$35,000".

(c) Section 222(b) (3) of such Act is amended to read as follows:

"(3) have a principal obligation not in excess of the sum of (i) 97 per centum of $25,000 of the appraised value of the property as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of $25,000 but not in excess of $35,000, and (iii) 80 per centum of such value in excess of $35,000; and".

(d) That part of clause (A) of the third sentence of section 234(c) of such Act which begins "and not to exceed" is amended to read as follows: "and not to exceed the sum of (i) 97 per centum of $25,000 of the appraised value of the property as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of $25,000 but not in excess of $35,000 (iii) 80 per centum of such value in excess of $35,000".

AMENDMENT TO PROVIDE FHA INSURED FINANCING ON RESALE OF COOPERATIVE DWELLINGS

SEC. 306. Section 203 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(n) (1) The Secretary is authorized to insure under this section any mortgage meeting the requirements of subsection (b) of this section, except as modified by this subsection. To be eligible, the mortgage shall involve a dwelling unit in a cooperative housing project which is covered by a blanket mortgage insured under this Act. The mortgage amount as determined under the other provisions of subsection (b) of this section shall be reduced by an amount equal to the portion of the unpaid balance of the blanket mortgage covering the project which is attributable (as of the date the mortgage is accepted for insurance) to such unit.

"(2) For the purpose of this subsection—

"(A) The terms 'home mortgage' and 'mortgage' include a first lien given (in accordance with the laws of the State where the property is located and accompanied by such security and other undertakings as may be required under regulations of the Secretary) to secure a loan made to finance the purchase of stock or membership in a nonprofit cooperative ownership housing corporation the permanent occupancy of the dwelling units of which is restricted to members of such corporation, where the purchase of such stock or membership will entitle the purchaser to the permanent occupancy of one of such units.

"(B) The terms 'appraised value of the property', 'value of the property', and 'value' include the appraised value of a dwelling unit in a cooperative housing project of the type described in subparagraph (A) where the purchase of the stock or membership involved will entitle the purchaser to the permanent occupancy of that unit; and the term 'property' includes a dwelling unit in such a cooperative project.

"(C) The term 'mortgagor' includes a person or persons giving a first lien (of the type described in subparagraph (A)) to secure a loan to finance the purchase of stock or membership in a cooperative housing corporation."

LIMITATION ON DOLLAR AMOUNT OF GNMA-PURCHASED MORTGAGES

SEC. 307. Clause (3) of the proviso to the first sentence of section 302(b) (1) of the National Housing Act is amended by striking out "$22,000" and inserting in lieu thereof "$33,000".

TITLE I HOME IMPROVEMENT LOANS

SEC. 308. (a) Section 2(b) of the National Housing Act is amended—

(1) by striking out "$5,000" in clause (1) and inserting in lieu thereof "$10,000";

(2) by striking out "if such obligation" in clause (2) and all that follows down through "the general economy, and" inserting in lieu thereof the following: "if such obligation has a maturity in excess of twelve years and thirty-two days, except that";

(3) by striking out "twelve years and thirty-two days (fifteen years and thirty-two days in the case of a mobile home composed of two more modules)" and inserting in lieu thereof "fifteen years and thirty-two days"; and

(4) by striking out "$15,000", "$2,500", and "seven years" in the third proviso in clause (3) and inserting in lieu thereof "$17,500", "$5,000", and "twelve years", respectively.

(b) (1) Section 2(a) of such Act is amended by adding at the end thereof the following new paragraph:

"Alterations, repairs, and improvements upon or in connection with existing structures may include the provision of fire safety equipment. As used in this section, the term 'fire safety equipment' means any device or facility which is designed to reduce the risk of personal injury or property damage resulting from fire and is in conformity with such criteria and standards as shall be prescribed by the Secretary."

(2) Section 2(b) of such Act is amended by adding at the end thereof the following new sentence: "Notwithstanding the foregoing limitations, any loan to finance fire safety equipment for a nursing home or other comparable health care facility may involve an amount not exceeding $50,000 and have a maturity not exceeding twenty-five years and thirty-two days."

(c) Clause (i) in the first paragraph of section 2(a) of such Act is amended by inserting "or mobile homes" immediately after "in connection with existing structures".

(d) The last sentence of section 3(a) of the Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes," approved May 7, 1968, as amended (12 U.S.C. 1709-1), is amended by striking out ", and which represent loans and advances of credit made for the purpose of financing purchases of mobile homes,".

CO-INSURANCE DEMONSTRATION PROGRAM

SEC. 309. Title II of the National Housing Act is amended by adding at the end thereof of the following new section:

"CO-INSURANCE

"SEC. 244. (a) In addition to providing insurance as otherwise authorized under this Act, and notwithstanding any other provision of this Act inconsistent with this section, the Secretary, upon request of any mortgagee and for such mortgage insurance premium as he may prescribe (which premium, or other charges to be paid by the mortgagor, shall not exceed the premium, or other charges, that would otherwise be applicable), may insure and make a commitment to insure under any provision of this title any mortgage, advance, or loan otherwise eligible under such provision, pursuant to a contract providing that the mortgagee will—

"(1) assume the per centum of any loss in direct proportion to the amount of the co-insurance, which co-insurance shall not be less than 10 per centum, subject to any reasonable limit or limits on the liability of the mortgagee that may be specified in the event of unusual or catastrophic losses that may be incurred by any one mortgagee; and

"(2) carry out (under a delegation or otherwise and with or without compensation but subject to audit, exception or review requirements) such credit approval, appraisal, inspection, commitment, property disposition, or other functions as the Secretary, pursuant to regulations, shall approve as consistent with the purposes of this Act.

Any contract of insurance under this section shall contain such provisions relating to the sharing of premiums on a sound actuarial basis, establishment of mortgage reserves, manner of calculating insurance benefits, conditions with respect to foreclosure, handling and disposition of property prior to claim or settlement, rights of assignees (which may elect not to be subject to the loss sharing provisions), and other similar matters as the Secretary may prescribe pursuant to regulations.

"(b) No insurance shall be granted pursuant to this section with respect to dwellings or projects approved for mortgage insurance prior to the beginning of construction unless the inspection of such construction is conducted in accordance with at least the minimum standards and criteria used with respect to such dwellings or projects approved for mortgage insurance pursuant to other provisions of this title.

"(c) No insurance shall be granted pursuant to this section unless the Secretary has, after due consultation with the mortgage lending industry, determined that the demonstration program of coinsurance authorized by this section will not disrupt the mortgage market or reduce the availability of mortgage credit to borrowers who depend upon mortgage insurance provided under this Act.

"(d) No mortgage, advance, or loan shall be insured pursuant to this section after June 30, 1977, except pursuant to a commitment to insure made before that date. The aggregate principal amount of mortgages and loans insured pursuant to this section in any fiscal year beginning on or after July 1, 1974, and ending prior to July 1, 1977, shall not exceed 20 per centum of the aggregate principal amount of all mortgages and loans insured under this title during such fiscal year. The percentage limitation specified in the preceding sentence shall also be applicable within the following categories—

"(1) mortgages and loans covering one- to four-family dwellings; and

"(2) mortgages and loans covering projects with five or more dwelling units.

"(e) The Secretary shall not withdraw, deny, or delay insurance otherwise authorized under any other provisions of this Act by reason of the availability of insurance pursuant to this section.

"(f) The Secretary shall submit to the Congress a report, not later than March 1, 1975, and annually thereafter, describing operations under this section, including the extent of mortgagee participation and any special problems encountered, and setting forth any recommendations he may deem appropriate with respect to the continuation or modification of the authority contained in this section. If the Secretary shall fail to submit any such report by the date due, his authority under this section shall terminate."

FEDERAL NATIONAL MORTGAGE ASSOCIATION AMENDMENTS

SEC. 310. (a) Section 302(a)(2) of the National Housing Act is amended—

(1) by striking out "the effective date established pursuant to section 808 of the Housing and Urban Development Act of 1968" in the matter preceding subparagraph (A) and inserting in lieu thereof "September 1, 1968"; and

(2) by striking out "effective" in subparagraphs (A) and (B).

(b) The third sentence of section 302(a)(2)(B) of such Act is amended—

(1) by inserting "or the metropolitan area thereof" immediately after "District of Columbia";

(2) by inserting "jurisdiction and" immediately before "venue"; and

(3) by striking out "resident thereof" and inserting in lieu thereof "District of Columbia corporation".

(c) Section 302(b)(2) of such Act is amended by striking out "75 per centum" each place it appears and inserting in lieu thereof "80 per centum".

(d) Clause (C) of the second sentence of section 302(b)(2) of such Act is amended by striking out "private".

(e) The last sentence of section 302(b)(2) of such Act is amended by striking out "which are comparable to the limitations which would be applicable if the mortgage were insured by the Secretary of Housing and Urban Development under section 203(b) or 207 of the National Housing Act" and inserting in lieu thereof the following: ", but such limitations shall not exceed the limitations contained in the first proviso of the first sentence of section 5(c) of the Home Owners' Loan Act of 1933".

SEC. 311. (a) Section 303(a) of the National Housing Act is amended—

(1) by striking out all of the first sentence which follows "directors" and inserting in lieu thereof a period; and

(2) by striking out everything after the second sentence.

(b) Section 303(c) of such Act is amended—

(1) by striking out "the effective date established pursuant to section 808 of the Housing and Urban Development Act of 1968" in the fourth sentence and inserting in lieu thereof "September 1, 1968"; and

(2) by striking out the proviso in the last sentence.

(c) Subsections (d) and (e) of section 303 of such Act are repealed.

SEC. 312. The last sentence of section 304(a)(1) of the National Housing Act is amended by striking out "section 502 of the Emergency Home Finance Act of 1970" and inserting in lieu thereof "section 243 of the National Housing Act".

SEC. 313. Except with respect to any person receiving an annuity on the date of the enactment of this Act, section 309(d)(2) of the National Housing Act is amended—

(1) by striking out "the termination of the transitional period referred to in section 810(b) of the Housing and Urban Development Act of 1968" and inserting in lieu thereof "January 31, 1972,";

(2) by inserting "positions listed" immediately before "in section 5312"; and

(3) by inserting before the period at the end of the next to last sentence the following: ": *Provided*, That with respect to any person whose employment is made subject to the civil service retirement law by section 312 of the Housing and Urban Development Act of 1974, there shall not be considered for the purposes of such law that portion of his basic pay in any one year which exceeds the basic pay provided for positions listed in section 5316 of such title 5 on the last day of such year".

SEC. 314. Subsections (b) and (c) of section 810 of the Housing and Urban Development Act of 1968 are repealed.

FEDERAL HOME LOAN MORTGAGE CORPORATION AMENDMENTS

SEC. 315. (a) Section 305(a)(1) of the Federal Home Loan Mortgage Corporation Act is amended—

(1) by striking out ", and to hold" and inserting in lieu thereof the following: ". The Corporation may hold"; and

(2) by striking out the period after "therein" and inserting in lieu thereof the following: ", and the servicing on any such mortgage may be performed by the seller or by a financial institution qualified as a seller under provisions of the preceding sentence or by a mortgagee approved by the Secretary of Housing and Urban Development for participation in any mortgage insurance program under the National Housing Act, with which institution or mortgagee the seller may contract."

(b) Section 305(a)(2) of such Act is amended—

(1) by striking out "75 per centum" each place it appears in the first sentence and inserting in lieu thereof "80 per centum";

(2) by striking out "private" in clause (C) of the first sentence; and

(3) by striking out "which are comparable to the limitations which would be applicable if the mortgage were insured by the Secretary of Housing and Urban Development under section 203(b) or 207 of the National Housing Act" and inserting in lieu thereof the following: ", but such limitations shall not exceed the limitations contained in the first proviso to the first sentence of section 5(c) of the Home Owners' Loan Act of 1933".

PROHIBITION AGAINST DISCRIMINATION IN EXTENSION OF MORTGAGE ASSISTANCE

SEC. 316. Title V of the National Housing Act is amended by adding at the end thereof the following new section:

"PROHIBITION AGAINST DISCRIMINATION ON ACCOUNT OF SEX IN EXTENSION OF MORTGAGE ASSISTANCE

"SEC. 525. No federally related mortgage loan, or Federal insurance, guaranty or other assistance in connection therewith (under this or any other Act), shall be denied to any person on account of sex; and every person engaged in making mortgage loans secured by residential real property shall consider without prejudice the combined incomes of both husband and wife for the purpose of extending mortgage credit in the form of a federally related mortgage loan to a married couple or either member thereof.

"(b) For purposes of subsection (a), the term 'federally related mortgage loan' means any loan which—

"(1) is secured by residential real property designed principally for the occupancy of from one to four families; and

"(2)(A) is made in whole or in part by

any lender the deposits or accounts of which are insured by any agency of the Federal Government, or is made in whole or in part by any lender which is itself regulated by any agency of the Federal Government; or

"(B) is made in whole or in part, or insured, guaranteed, supplemented, or assisted in any way, by the Secretary of Housing and Urban Development or any other officer or agency of the Federal Government or under or in connection with a housing or urban development program administered by the Secretary of Housing and Urban Development or a housing or related program administered by any other such officer or agency; or

"(C) is eligible for purchase by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, or from any financial institution from which it could be purchased by the Federal Home Loan Mortgage Corporation; or

"(D) is made in whole or in part by any 'creditor', as defined in section 103(f) of the Consumer Credit Protection Act of 1968 (15 U.S.C. 1602(f)), who makes or invests in residential real estate loans aggregating more than $1,000,000 per year."

MORTGAGE INSURANCE FOR GROUP PRACTICE FACILITIES

SEC. 317. Section 1106 of the National Housing Act is amended as follows:

(1) Paragraph (1) is amended by inserting "or osteopathy" after "practice medicine", and by inserting after "State" where it last appears the following: ", or, in the case of podiatric care or treatment, is under the professional supervision of persons licensed to practice podiatry in the State".

(2) Paragraph (2) is amended by inserting ", osteopathy," after "practice medicine", and by inserting after "dentistry in the State," the following: "or of persons licensed to practice podiatry in the State,".

(3) Paragraph (3)(A) is amended by inserting "osteopathic care," after "comprehensive medical care,", by striking out "or" after "optometric care,", and by inserting after "dental care," the following: "or podiatric care,".

(4) Paragraph (3)(B) is amended by inserting "osteopathic,", after "medical,", by striking out "or" after "optometric,", and by inserting after "dental" the following: "or podiatric".

Mr. PATMAN (during the reading). Mr. Chairman, I ask unanimous consent that title III be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

AMENDMENT OFFERED BY MR. STEPHENS

Mr. STEPHENS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STEPHENS: On page 69, line 24, strike all through line 10 on page 71 and insert in lieu thereof the following:

"SEC. 305. (a) The first sentence of section 203(b)(2) of the National Housing Act is amended by—

"(1) striking out '97 per centum (but,' in clause (i) and inserting in lieu thereof '97 per centum (or 100 per centum if the mortgagor shall have paid on account of the property in cash or its equivalent an amount at least equal to the closing costs less prepaid expenses, but,';

"(2) striking out '90 per centum' in clause (ii) and inserting in lieu thereof '97 per centum';

"(3) striking out 'and' at the end of clause (ii) and inserting in lieu thereof a comma;

"(4) striking out '80 per centum' in clause (iii) and inserting in lieu thereof '90 per centum';

"(5) inserting a new clause (iv) before the period to read as follows: 'and (iv) 80 per centum of such value in excess of $35,000'.

"(b) The second sentence of section 203(b)(2) of such Act is amended—

"(1) by striking out '$15,000' in clause (i) and inserting in lieu thereof '$25,000';

"(2) by striking out '$15,000' and '$25,000' in clause (ii) and inserting in lieu thereof '$25,000' and '$35,000', respectively; and

"(3) by striking out '$25,000' in clause (iii) and inserting in lieu thereof '$35,000'.

"(c) Section 220(d)(3)(A)(i) of such Act is amended by—

"(1) striking out '97 per centum (but,' in clause (1) and inserting in lieu thereof '97 per centum (or 100 per centum if the mortgagor shall have paid on account of the property in cash or its equivalent an amount at least equal to the closing costs less prepaid expenses, but,';

"(2) striking out '90 per centum' in clause (2) and inserting in lieu thereof '97 per centum';

"(3) striking out '80 per centum' in clause (3) and inserting in lieu thereof '90 per centum';

"(4) inserting a new clause (4) before the period to read as follows:

"'(4) 80 per centum of such value in excess of $35,000'.

"(d) Section 222(b)(3) of such Act is amended to read as follows:

"'(3) have a principal obligation not in excess of the sum of (i) 97 per centum (or 100 per centum if the mortgagor shall have paid on account of the property in cash or its equivalent an amount equal to at least the closing costs less prepaid expenses) of $15,000 of the appraised value of the property as of the date the mortgage is accepted for insurance, (ii) 97 per centum of such value in excess of $15,000 but not in excess of $25,000, (iii) 90 per centum of such value in excess of $25,000 but not in excess of $35,000, (iv) 80 per centum of such value in excess of $35,000; and'

"(e) That part of clause (A) of the third sentence of Section 234(c) of such Act which begins 'not to exceed' is amended to read as follows:

'and not to exceed the sum of (i) 97 per centum (or 100 per centum if the mortgagor shall have paid on account of the property in cash or its equivalent an amount at least equal to the closing costs less prepaid expenses) of $15,000 of the appraised value of the property as of the date the mortgage is accepted for insurance, (ii) 97 per centum of such value in excess of $15,000 but not in excess of $25,000, (iii) 90 per centum of such value in excess of $25,000 but not in excess of $35,000 and, (iv) 80 per centum of such value in excess of $35,000.'"

Mr. STEPHENS (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with, and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

(Mr. STEPHENS asked and was given permission to revise and extend his remarks.)

Mr. STEPHENS. Mr. Chairman and members of the committee, my amendment to title III would rewrite section 305 of the bill dealing with down payments under the FHA single-family programs.

As we all know, the terrible inflation which has hit the country in the past couple of years has made it increasingly difficult for the average wage-earning American to buy a home. Fortunately, this bill has several provisions to help this situation.

One of the provisions is the one in section 305 which would adjust the FHA downpayments to make them more compatible with experience and higher costs. I strongly supported these adjustments as long overdue.

However, I believe strongly that one further adjustment is needed. This my amendment would accomplish by permitting no downpayment on the first $15,000 of value; between $15,000 and $25,000, a 3-percent down payment would be required instead of on the first $25,000 as now required in the bill. As the bill now requires, there would be required a 10-percent downpayment on the value between $25,000 and $35,000, and 20 percent on the amount above $35,000.

If this no downpayment is permitted by FHA on the first $15,000 of value, the amendment requires that the purchaser have paid on account of the property an amount at least equal to closing costs less prepaid expenses such as escrows.

This assures that the purchaser has paid out of his own pocket enough money to have a reasonable stake in the property. It is not a complete no downpayment, but it is a very reduced downpayment on the first $15,000. Additionally, in a vast majority of cases the house will cost more than $20,000 and has a required downpayment on all of the value of the house over $15,000.

Mr. Chairman, my amendment would help those families who have been the traditional home purchasers, the middle income, at a time when inflation has so seriously eroded these families' ability to buy homes. It will also be helpful in spurring lagging sales in both new and existing homes.

Mr. Chairman, I urge its endorsement and its passage.

Let me point this out. The VA has been doing this for a number of years, and its experience has shown that it has worked.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman from Pennsylvania.

Mr. BARRETT. I thank the gentleman for yielding.

Has the gentleman taken this up with HUD?

Mr. STEPHENS. Yes; I have taken it up with HUD, and I have been assured that with that basic payment requirement, in the first part of the amendment that there will be some money paid down, that it will be all right.

Mr. BARRETT. Some money paid down?

Mr. STEPHENS. That would be paid down, yes.

The amendment reads—

Striking out "97 per centum" and inserting in lieu thereof "97 per centum (or 100 per centum if the mortgagor shall have paid on account of the principal in cash or its equivalent an amount at least equal to the closing costs less prepaid expenses) . . ."

That could amount to as much as $1,000 or $2,000, and the purchaser has some money involved and invested in it.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman from Ohio.

Mr. ASHLEY. I thank the gentleman for yielding.

The gentleman knows, as he has been one of the hardest working members on the subcommittee, that what we have done in the bill already is to reduce the downpayment requirement on the mortgage of $35,000, from about $3,500 to $1,750. That is what we have done in the bill already.

Mr. STEPHENS. I agree. We have done a lot already. I want to do just a little bit more.

Mr. ASHLEY. If the gentleman will yield further, we have got to bear in mind that every time we lower the limit, that is, the down payment requirement, what we are doing is increasing the exposure of the Federal Government in its insurance program. Is that not so?

Mr. STEPHENS. Yes, that is probably true.

Mr. ASHLEY. So that what the gentleman is saying is that on a home of, let us say, $25,000 or $30,000, whichever one wants to take, the first $15,000 there is no down payment on at all; is that not correct?

Mr. STEPHENS. That is correct.

Mr. ASHLEY. Then the gentleman reduces the amount between $15,000 and $25,000, as I understand it?

Mr. STEPHENS. That is right.

Mr. ASHLEY. By how much?

Mr. STEPHENS. Three percent between $15,000 and $25,000; 10 percent between $25,000 and $35,000; 20 percent above $35,000.

Mr. ASHLEY. I wonder if the gentleman could give us some comparative figures on what the application of his amendment would be? We must have some idea of what the down payment requirements are today?

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ASHLEY, and by unanimous consent, Mr. STEPHENS was allowed to proceed for 2 additional minutes.)

Mr. ASHLEY. If the gentleman will yield further, I am serious about this. I do not like to object to an amendment, particularly when offered by my good friend, the gentleman from Georgia. But the fact of the matter is that there was ample opportunity for the homebuilders to come in and testify before our subcommittee and our full committee. They did so. This is an 11th-hour attempt on the part of the homebuilders to get something that they were not able to get in the subcommittee and the full committee. Would not the gentleman agree with that?

Mr. STEPHENS. If the gentleman says so, they must have done that, but they did not talk to me about it during the time that we were discussing it.

Mr. ASHLEY. If the gentleman will yield further, when this amendment comes to us at this particular time, and we have gone in the direction we have, which is liberalizing of the downpayment requirements to facilitate homeownership by the average American citizen participating in the private mortgage, this would go the additional step.

This would go the additional step and, as I say, I have no idea where this came from. It certainly did not come from the administration.

Mr. STEPHENS. It is not objected to by them.

Mr. ASHLEY. That still does not answer the question as to where the amendment came from and why it came at the time it did and why none of us where provided any information as to what the amendment will actually result in. We do not have any of that information.

Mr. STEPHENS. I can tell you where I hope it ends up. I hope it ends up by making it easier for people to buy homes. We have had all the programs we have sponsored just cut off and people are seeking ways to have a home. I am trying to get back into that field where we got cut.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, let me be sure I understand this amendment. On a 203 program this will mean a zero downpayment?

Mr. STEPHENS. On the principal.

Mr. ROUSSELOT. That is all we pay off on a mortgage, basically pay off the principal. But let me take the gentleman's word. On the principal. So what the gentleman would do is make it really easy for somebody to get into a house and put up nothing but the settlement costs. I am terribly disappointed in my good friend, the gentleman from Georgia, for offering this zero downpayment amendment.

Mr. STEPHENS. I am trying to make it easier for the people on low incomes.

Mr. BROWN of Michigan. Mr. Chairman, I rise in opposition to the amendment.

The gentleman from Ohio has pointed out the salient points in, and objections to the amendment and I hope the amendment will be defeated.

The subcommittee and the full committee both have had ample opportunity to discuss these changes. Neither committee felt, even though there was a whole spectrum of political thought on those committees, that this much change should be made. We did modify the down payment requirement, cut it in half, reducing it substantially. I think it would be very irresponsible and unwise for us to adopt this amendment.

I would point out one of the big problems today in obtaining homes is to find the mortgage money, and to the extent we have a greater portion of the loan balance to be financed, the more interest we are going to have to pay. This is hardly making it simpler for people to buy and pay for and maintain homes. It seems to me the 3-percent down payment requirement we have is certainly low enough for anyone who has a potential for home ownership and home buying and home maintaining.

Mr. Chairman, I urge a "No" vote on the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. STEPHENS).

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. STEPHENS. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the amendment was rejected.

The CHAIRMAN. Are there additional amendments to title III?

AMENDMENT OFFERED BY MR. SIKES

Mr. SIKES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SIKES. On page 85 after line 24, add a new section 318; entitled "Mortgage Insurance *for* Military Impact Areas":

SEC. 318. Title II of the National Housing Act, as amended, is further amended by adding the following new subsection to section 238:

"(c) The Special Risk Insurance Fund may be used by the Secretary for carrying out the mortgage insurance obligations of sections 203 and 207 to provide housing for military personnel, Federal civilian employees, and Federal contractor employees assigned to duty or employed at or in connection with any installation of the Armed Forces of the United States in federally-impacted areas where in the judgment of the Secretary (1) the residual housing requirements for persons not associated with such installations are insufficient to sustain the housing market in the event of substantial curtailment of employment of personnel assigned to such installations, and (2) the benefits to be derived from such use outweigh the risk of possible cost to the Government."

Mr. SIKES. Mr. Chairman, it will be recalled that, through the cooperation and help of this committee, language was adopted a few years ago to insure a set-aside of some of the section 236 housing for lower grade enlisted personnel and their families. They were not at that time eligible for onbase family housing. Many of them were having a very difficult time meeting the costs of living and paying high rent for offbase quarters. The section 236 program was a great boon to them until new starts were dropped by the administration.

I propose today to establish a new eligibility which will make it possible to provide housing under the special risk insurance fund near military installations in federally impacted areas. These areas at present are, in general, precluded from receiving mortgage insurance assistance from HUD under sections 203 and 207 of the act. The housing would be available for military families, for families of civilians working on base, for the families of contract personnel, and even for others who live in the general area. The point is it would provide a measure of relief wherever housing is needed, and where it is justified.

The language which I propose was suggested by the Department of Defense. It was developed in their search for additional ways to properly meet the need for housing for military families. It has been improved through conferences with this committee. We have assurances from the Department of Defense that there would be no requests for housing under this authority in those areas where it can be foreseen that there will be reductions in scope of the defense mission or substantial reductions in personnel.

The military now estimates there would be a requirement for 10,000 to 15,000 housing units under this program. There is an immediate demand for the housing to be provided. One of the best examples is that of Bangor, in the State of Washington, where the Trident program presents an immediate requirement for about 1,500 units for military housing and possibly 3,000 to 5,000 units for civilian and contractor personnel who would be employed in the Trident program. This housing cannot now be built in the vicinity of the Trident site under Federal programs. Other well-known examples of similar need are Fort Polk, La., and Fort Hood, Tex.

The significant point is that the cost of this program to the Government would be minimal. FHA would provide mortgage insurance to the builders; the housing units would be sold or rented to the occupants, presumably the program would be self-supporting. Present experience is that such programs sustain a loss to the Government of about 1 percent. It would be infinitely less costly than the construction of 10,000 to 15,000 units on military bases at a cost to the Government of roughly $30,000 per unit.

In other words, the proposed language could make it possible to avoid costly additional sizable housing construction programs on military reservations. We would also be achieving a better mix of military families in the local communities, which is desirable from many standpoints. It means we would be building more housing in areas where there would be an opportunity for use of the housing by other than military families.

My amendment simply says that needed housing can be built near military installations where it has previously been precluded. It can serve a very useful purpose all along the line.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to the distinguished gentleman from Pennsylvania who has given such able service in the preparation of the bill before us.

Mr. BARRETT. Mr. Chairman, I observe that there is no additional money involved at all in this amendment.

Mr. SIKES. That is correct.

Mr. BARRETT. It is just an addition to the special risk insurance fund which would, in effect, allow the Secretary to carry out the mortgage insurance obligation according to sections 203 and 207.

Mr. SIKES. At no additional cost to the Government. As a matter of fact, it may avoid the building of 10,000 to 15,000 housing units on bases at a cost of $30,000 each, which the Government would have to pay for.

Mr. BARRETT. This also, as I understand it, would give housing to those who work at military bases and also give housing to the military enlistees?

Mr. SIKES. Or others in the area who need housing. They also are eligible. But it is primarily for military personnel, civilians, and contractor personnel.

Mr. Chairman, I trust that the amendment will receive the approval of the committee. I believe the need for its adoption is clearly evidenced. It supports the defense program of our Nation and it will be of great help to many deserving families.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. SIKES. I yield to my good friend, the gentleman from Alabama.

Mr. DICKINSON. Mr. Chairman, I would like to commend the gentleman from Florida for suggesting this amendment. I think it meets a need that it is obvious cannot be met elsewhere by other means, and the cost is nothing to the Government.

I think it is only fair that we afford military personnel and those who work on military contracts the same opportunities which others have. I rise in support of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. SIKES).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. HANNA

Mr. HANNA. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. HANNA: Page 73, line 9, strike "$33,000" and insert in lieu thereof "$38,000."

Mr. HANNA. Mr. Chairman and Members of the House, the purpose of this amendment is to provide for an increase in the limits for VA as well as FHA mortgages to $38,000 for three-bedroom and smaller units and $40,500 for four-bedroom and larger units.

This is simply to cover those higher-cost areas such as Alaska, Hawaii, southern California, and certain fast-building areas in Florida, Texas, and other places.

About one-third of the homes that will be built for the average American are going to need to have some expansion, and this is in keeping with the rising cost of labor and materials, of land and financing.

Mr. Chairman, I have talked this over on both sides of the aisle, and I believe this is acceptable.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. HANNA. Yes, I yield to the gentleman from Ohio.

Mr. ASHLEY. Do I understand that the $33,000 would remain the usable limitation, but that the $38,000 and $40,000 are specifically for the purpose of covering high-cost areas?

Mr. HANNA. It is my understanding that this amendment will help cover such costs.

Mr. ASHLEY. I do not happen to remember the formula, but the gentleman gives his assurance that it is limited to the high-cost areas. I therefore think that I would support the gentleman's amendment.

Mr. HANNA. Mr. Chairman, I thank the gentleman. That is our opinion.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. HANNA. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for yielding. I, too, support the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. HANNA).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. RONCALIO OF WYOMING

Mr. RONCALIO of Wyoming. Mr. Chairman, I offer an amendment:

The Clerk read as follows:

Amendment offered by Mr. RONCALIO of Wyoming: Page 82, after line 2, strike out all of lines 3 through 11, and renumber subsequent sections accordingly.

Mr. RONCALIO of Wyoming. Mr. Chairman, this amendment would forbid mortgage bankers from doing business with and servicing loans sold to the Federal Home Loan Mortgage Corporation—FHLMC—which was established under well-founded regulations by Congress many years ago, whose capital has been solely provided for by savings and loan associations, and any change such as this contemplated by the language which I strike could have an eroding effect upon the original intent of Congress by forcing the Federal Home Loan Mortgage Corporation to participate with others than insured banks and savings associations, which are all federally supervised lenders.

If mortgage bankers were to be authorized to do business with the mortgage corporations, then it would be appropriate that they be audited and examined by the mortgage corporations as well as subjected to the rules and regulations that are appropriate to supervised lenders.

It has also been proved by the experience of many years in the secondary mortgage market that the seller and the servicer of these mortgages should be one and the same party. If the seller must service a loan sold, this responsibility in itself upgrades the quality of home loans being made.

Mr. Chairman, I believe that the language, if allowed to remain in the bill, does erode well-founded home mortgage systems as now engaged in by the savings and loan associations of this Nation. I think the language should be stricken.

I yield to the minority floor manager.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO of Wyoming. I am

happy to yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I thank the gentleman for yielding. As the gentleman knows, this amendment was adopted by the full committee. I hasten to add that I was the only one, at least one of the very few, who supported the gentleman's position.

This is partially because this is an issue and it was not fully discussed and decided and deliberated upon in the subcommittee. I think that before we take this step we should have a better determination regarding the concern that has been expressed by the Federal Home Loan Bank Board and others as to the impact on the servicing of these mortgages by these mortgage bankers so that the S. and L.'s might become basically passive agents in this mortgage business. We did not have the kind of good colloquy and discussion on it which we should have had.

Mr. Chairman, I, therefore, intend to support the gentleman's amendment.

Mr. RONCALIO of Wyoming. Mr. Chairman, I appreciate the gentleman's support.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. RONCALIO of Wyoming. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I have difficulty in understanding why it is that a mortgage banking institution should be prohibited from servicing a mortgage that has been sold to a Federal instrumentality, the Federal Home Loan Mortgage Corporation. Why should a mortgage banker be prohibited from servicing that mortgage, particularly in view of the fact that perhaps the savings and loan in question, rather than servicing the mortgage itself, would prefer to have the mortgage company service the instrument?

Mr. RONCALIO of Wyoming. Mr. Chairman, my position in response to that is that the evidence that we had in hearings which I have been exposed to does not justify the mortgage banker being permitted in this situation, and if there is sufficient regulation, and the savings and loans of the various areas have been adequately chartered and sufficient healthy competition exists among them, then the traditional purposes of home financing can be carried out.

It would open the door to those who are not subjected to the same regulations and requirements in the public interest which the S. & L.'s have.

This is the reason I think my amendment should be adopted and this is why I think my colleagues should vote for the amendment which I have offered. In closing, Mr. Chairman, I would like to ask my colleagues, in voting on this proposition, not to vote against these well-established, sensitive arrangements between the savings and loans and the lending corporations. I urge the adoption of the amendment.

Mr. ASHLEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

I will be very brief, Mr. Chairman. Under the bill we do not mandate that mortgage bankers shall be given a certain number of mortgages to service. All we say is that they should not be precluded from servicing mortgages.

It occurs to us, it seems to me, that it may be cheaper, it may be less expensive for the purchaser and for everybody concerned to have a mortgage financed, not by a savings and loan in a given situation, but by a mortgage banking concern.

Why, for heaven's sake, should we prohibit that in the law? There is only one reason, and that is because the savings and loans have taken a position against it. They somehow feel it is contrary to their interests.

There are many small communities with which I am familiar where it would be preferable to have the servicing done, where the loan is sold to the Federal Home Loan Bank, through a mortgage banking concern.

Mr. BLACKBURN. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from Georgia.

Mr. BLACKBURN. Mr. Chairman, I think the gentleman's position is a perfectly valid one. It is true that the committee agreed to this by an overwhelming vote.

I personally suspect that some of my savings and loan people may not be particularly happy about my taking the floor and taking this position. However, I am convinced that it is in the best interests of the housing industry at a time when the housing industry needs all the help it can get.

Mr. ASHLEY. Mr. Chairman, I appreciate the gentleman's remarks.

Mr. HANNA. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from California.

Mr. HANNA. Mr. Chairman, I would point out to the gentleman and to every Member of the House that the real crux of this issue is this: The operation of FHLBMC is strictly for the savings and loans, and the FNMA are fairly open.

The real problem is, since the mortgage bankers turn their loans over real fast, since they are in to get the deal and then get out, they generate more business, and, therefore, they would be tied to much more of the servicing.

Now, the FHLBMC does not want to see all of that servicing doubled up and its operations gobbled up by the mortgage bankers. So I think what needs to be done is to make it clear that even though FHLBMC may be forced to give some of this servicing to the mortgage bankers, it should not give them so much that there is not the servicing and the arrangement within the FHLBMC as we thought that does the job intended for the savings and loan when we created FHLBMC.

That is really the crunch. It is the question as to what is FHLBMC to do. Service the savings and loans or service the mortgage bankers? We should not shut the door for the mortgage bankers, but neither should we allow them to take so much of the work that they are not able to service the savings and loans.

Mr. ASHLEY. What the gentleman says is implicit in the legislation as it now is, and that is what is contained in the bill. So I appreciate the gentleman's opposition to the amendment.

I yield to my friend, Mr. STARK.

Mr. STARK. Mr. Chairman, I would point out in regard to this amendment that the mortgage bankers, if they were allowed to service the industry, as the bill now stands, would have to meet the rigid requirements set by FHLBMC and be examined by FHLBMC just as they are now examined by FNMA before they are allowed to service them. It is a matter of free and open competition which can only help to bring more money into the housing market, and this is what free enterprise is. It does not include somebody creating a monopoly, which is what this amendment will do.

I urge my colleagues to vote against the amendment.

Mr. ASHLEY. I yield to the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment.

As far as possible I think we should let the market and competition guide us as to how housing mortgages are serviced. It would be a violation of that policy to prohibit one segment of the industry from participating. It could cause much less mortgage availability to homeowners.

Therefore I oppose the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Wyoming (Mr. RONCALIO).

The amendment was rejected.

The CHAIRMAN. Are there any further amendments to title III? If not, the Clerk will read.

The Clerk read as follows:

TITLE IV—RURAL HOUSING

REFINANCING OF INDEBTEDNESS FOR CERTAIN ELIGIBLE APPLICANTS

SEC. 401. Section 501(a) (4) of the Housing Act of 1949 is amended—

(1) by adding after the comma at the end of clause (B) the following: "or, if combined with a loan for improvement, rehabilitation, or repairs and not refinanced, is likely to cause a hardship for the applicant."

(2) by striking out subparagraph (C) and (D) and inserting in lieu thereof the following:

"(C) was incurred by the applicant at least five years prior to his applying for assistance under this title.".

LOANS TO LEASEHOLD OWNERS UNDER ALL RURAL HOUSING PROGRAMS

SEC. 402. Section 501(b) (2) of the Housing Act of 1949 is amended by striking out "sections 502 and 504" and inserting in lieu thereof "this title".

REHABILITATION LOANS AND GRANTS

SEC. 403. Section 504(a) of the Housing Act of 1949 is amended to read as follows:

"(a) In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 502 and 503 and that repairs or improvements should be made to a rural dwelling occupied by him, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe the Secretary may make a grant or a combined loan and grant to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making similar repairs, additions, or improvements, including all preliminary and installation costs in obtaining central water and sewer service. No assistance shall be extended to any one individual under this subsection in the form of a loan, grant, or combined loan and grant in excess of $5,000. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable within twenty years in accordance with the principles and conditions set forth in this title, except that a loan for less than $2,500 need be evidenced only by a promissory note. Sums made available by grant may be made subject to the conditions set forth in this title for the protection of the Government with respect to contributions made on loans made by the Secretary.".

VETERANS PREFERENCE

SEC. 404. Section 507 of the Housing Act of 1949 is amended—

(1) by inserting after "concurrent resolution of Congress" each place it appears the following: "or during the period beginning after January 31, 1955, and ending on August 4, 1964, or during the Vietnam era (as defined in section 101(29) of title 38, United States Code),"; and

(2) by inserting "or era" before the period at the end of the third sentence.

ASSISTANCE AUTHORIZATION

SEC. 405. (a) Clauses (b), (c), and (d) of section 513 of the Housing Act of 1949 are amended to read as follows: "(b) not to exceed $75,000,000 for loans and grants pursuant to section 504 during the period beginning July 1, 1956, and ending June 30, 1977; (c) not to exceed $75,000,000 for financial assistance pursuant to section 516 for the period ending June 30, 1977; (d) not to exceed $1,000,000 per year for research and study programs pursuant to subsections (b), (c), and (d) of section 506 during the period beginning July 1, 1961 and ending June 30, 1977;".

(b) Sections 515(b)(5) and 517(a)(1) of such Act are amended by striking out "October 1, 1974" each place it appears and inserting in lieu thereof "June 30, 1977".

DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND RELATED FACILITIES FOR ELDERLY PERSONS AND FAMILIES IN RURAL AREAS

SEC. 406. (a) Section 515 of the Housing Act of 1949 is amended as follows:

(1) subsection (a) is amended by inserting "public or" before the word "private" and by inserting ", and to States or political subdivisions thereof," after the word "cooperatives"; and

(2) subsection (b) is amended by (A) inserting immediately before "corporation" the words "public or private", (B) striking out "or" immediately before "partnership", (C) adding immediately after "partnership" the phrase ", any State or political subdivision thereof", and (D) adding the words "low or" immediately before "moderate".

(b) Section 515(b)(1) of such Act is amended by striking "$750,000 or" where it appears, and striking the word "least" and substituting therefor the word "less".

(c) Section 515(d)(4) of such Act is amended to read as follows:

"(4) the term 'development cost' means the costs of constructing, purchasing, improving, altering, or repairing new or existing housing and related facilities and purchasing and improving the necessary land, including necessary and appropriate fees and charges, including initial operating expenses up to 2 per centum of the aforementioned costs, approved by the Secretary. Such fees and charges may include payments of qualified consulting organizations or foundations which operate on a nonprofit basis and which render services or assistance to nonprofit corporations or consumer cooperatives who provide housing and related facilities for low or moderate income families".

DEFINITION OF RURAL AREA

SEC. 407. Section 520 of the Housing Act of 1949 is amended by inserting immediately before the period at the end thereof the following: ", or (3) has a population in excess of 10,000 but not in excess of 15,000 and has a serious lack of mortgage credit, as determined by the Secretary and the Secretary of Housing and Urban Development".

MUTUAL AND SELF-HELP HOUSING

SEC. 408. (a) Section 523(b)(1) of the Housing Act of 1949 is amended by inserting immediately before ", and" at the end thereof the following: ", *Provided*, That the Secretary may advance funds under this paragraph to organizations receiving assistance under clause (A) to enable them to establish revolving accounts for the purchase of lands options and any such advances may bear interest at a rate determined by the Secretary and shall be repaid to the Secretary at the expiration of the period for which the grant to the organization involved was made".

(b) Section 523(f) of such Act is amended—

(1) by striking out "1974" each place it appears and inserting in lieu thereof "1977"; and

(2) by striking out "$5,000,000" and inserting in lieu thereof "$10,000,000".

(c) Section 523 of such Act is amended by adding immediately after subsection (g) thereof the following new subsection (h):

"(h) The Secretary shall cause to be issued rules and regulations for the orderly processing and review of applications under this section and rules and regulations protecting the rights of grantees under this section in the event he determines to end grant assistance prior to the termination date of any grant agreement.".

DIRECT AND INSURED LOANS TO PROVIDE CONDOMINIUM HOUSING FOR LOW- AND MODERATE-INCOME FAMILIES IN RURAL AREAS

SEC. 409. (a) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"DIRECT AND INSURING LOANS TO PROVIDE CONDOMINIUM HOUSING FOR LOW- AND MODERATE-INCOME FAMILIES IN RURAL AREAS

"SEC. 525. (a) The Secretary is authorized, in his discretion and upon such terms and conditions (substantially indentical insofar as may be feasible with those specified in section 502) as he may prescribe, to make loans to persons and families of low or moderate income, and to insure and make commitments to insure loans made to persons and families of low or moderate income, to assist them in purchasing dwelling units in condominiums located in rural areas.

"(b) Any loan made or insured under subsection (a) shall cover a one-family dwelling unit in a condominium, and shall be subject to such provisions as the Secretary determines to be necessary for the maintenance of the common areas and facilities of the condominium project and to such additional requirements as the Secretary deems appropriate for the protection of the consumer.

"(c) In addition to individual loans made or insured under subsection (a) the Secretary is authorized, in his discretion and upon such terms and conditions (substantially identical insofar as may be feasible with those specified in section 515) as he may prescribe, to make or insure blanket loans to a borrower who shall certify to the Secretary, as a condition of obtaining such loan or insurance under this subsection, that upon completion of the multifamily project the ownership of the project will be committed to a plan of family unit ownership under which (1) each family unit will be eligible for a loan or insurance under subsection (a), and (2) the individual dwelling units in the project will be sold only on a condominium basis and only to purchasers eligible for a loan or insurance under subsection (a). The principal obligation of any blanket loan made or insured under this subsection shall in no case exceed the sum of the individual amounts of the loans which could be made or insured with respect to the individual dwelling units in the project under subsection (a).

"(d) As used in this section, the term 'condominium' means a multiunit housing project which is subject to a plan of family unit ownership acceptable to the Secretary under which each dwelling unit is individually owned and each such owner holds an undivided interest in the common areas and facilities which serve the project.".

(b) Section 517 of such Act is amended by striking out "and 524" and inserting in lieu thereof "524, and 525".

(c)(1) Section 521(a) of such Act is amended—

(A) by striking out "and loans under section 515" and inserting in lieu thereof "loans under section 515";

(B) by inserting after "elderly families," the following: "and loans under section 525 to provide condominium housing for persons and families of low or moderate income,".

(2) Section 521(b) of such Act is amended—

(A) by striking out "or 517(a)(1)" and inserting in lieu thereof ", 517(a)(1), or 525 (a)"; and

(B) by inserting "or 525(c)" after "under section 515".

(3) Section 521(c) of such Act is amended by inserting immediately after "517(b)" the following: "and section 525".

CONTRACT SERVICES AND FEES

SEC. 410. (a) Section 506(a) of the Housing Act of 1949 is amended by striking out ", as may be required by the Secretary, by competent employees of the Secretary" and inserting in lieu thereof "as required by the Secretary".

(b) Section 517(j)(3) of such Act is amended by inserting after "borrowers," the following: "and other services customary in the industry, construction inspections, commercial appraisals, servicing of loans, and other related program services and expenses,".

TRANSFER OF PRE-1965 INSURED HOUSING LOANS TO THE RURAL HOUSING INSURANCE FUND

SEC. 411. Section 517(b) of the Housing Act of 1949 is amended by adding at the end thereof the following new sentences: "The notes held in the Agricultural Credit Insurance Fund (7 U.S.C. 1929) which evidence loans made or insured by the Secretary under section 514 or 515(b), the rights and liabilities of that Fund under insurance contracts relating to such loans held by insured investors, the mortgages securing the obligations of the borrowers under such loans held in that Fund or by insured investors, and all rights to subsequent collections on and proceeds of such notes, contracts, and mortgages, are hereby transferred to the Rural Housing Insurance Fund and for the purposes of this title and any other Act shall be subject to the provisions of this section as if created pursuant thereto. The Rural Housing Insurance Fund shall compensate the Agricultural Credit Insurance Fund for the aggregate unpaid principal balance plus accrued interest of the notes so transferred.".

SITE LOANS

SEC. 412. The first sentence of section 524 (a) of the Housing Act of 1949 is amended to read as follows: "The Secretary may make loans, on such terms and conditions and in such amounts he deems necessary, to public or private nonprofit organizations for the acquisition and development of land as building sites to be subdivided and sold to families, nonprofit organizations, public agencies, and cooperatives eligible for assistance under any section of this title, the United States Housing Act of 1937, the National Housing Act, or any other law which provides financial assistance for housing low- and moderate-income families."

ESCROW ACCOUNTS FOR TAXES, INSURANCE, AND OTHER EXPENSES

SEC. 413. (a) Section 501 of the Housing Act of 1949 is amended by adding at the end thereof the following new subsection:

"(e) The Secretary may establish procedures whereby borrowers under this title may make periodic payments for the purposes of taxes, insurance, and such other necessary expenses as the Secretary may deem appropriate. Such payments shall be held in escrow by the Secretary and paid out by him at the appropriate time or times for the purposes for which such payments are made. The Secretary shall notify a borrower in writing when his loan payments are delinquent.".

(b) The second sentence of section 502(a) of such Act is amended by inserting before the period at the end thereof the following: "and on the borrower prepaying to the Secretary as escrow agent, on terms and conditions prescribed by him, such taxes, insurance, and other expenses as the Secretary may require in accordance with section 501(e)".

(c) Section 517 of such Act is amended—

(1) by striking out "as it becomes due" in the first sentence of subsection (d);

(2) by striking out "prepayment" and "prepayments" each place they appear in subsection (j)(1) and inserting in lieu thereof "payment" and "payments" respectively; and

(3) by inserting before the semicolon at the end of subsection (j)(1) the following: "or until the next agreed annual or semi-annual remittance date".

ASSISTANCE TO NONPROFIT SPONSORS

SEC. 414. Title V of the Housing Act of 1949 is amended by adding at the end thereof (after the new section added by section 409 of this Act) the following new section:

"ASSISTANCE TO NONPROFIT SPONSORS OF LOW- AND MODERATE-INCOME RURAL HOUSING

"SEC. 526. The Secretary is authorized to provide, or contract with public or private nonprofit organizations to provide, information, advice, and technical assistance, except that a private nonprofit organization shall be required to be sponsored by a State, county, municipality, or other governmental entity or public body, such sponsorship to include assisting the applicant in the processing of the application, implementing the technical assistance program, and carrying out all obligations of the grant. The information, and technical assistance provided pursuant to this section may include but not be limited to—

"(1) the assembly, correlation, publication, and dissemination of information with respect to the construction, rehabilitation, and operation of low- and moderate-income housing;

"(2) the provision of advice and technical assistance to public bodies or to nonprofit or cooperative organizations with respect to the construction, rehabilitation, and operation of low- and moderate-income housing, including assistance with respect to self-help and mutual self-help programs; and

"(3) counseling on household management, self-help, budgeting, money management, child care, and related counseling services which would assist low- and moderate-income families receiving assistance under the United States Housing Act of 1937 or this Act in improving their living conditions and housing opportunities, and in meeting the responsibilities of home-ownership.

"(b) The Secretary is authorized to make loans to public or private nonprofit corporations, agencies, institutions, organizations, and other associations approved by him for the necessary expenses, prior to construction, of planning, and obtaining financing for, the rehabilitation or construction of housing for low-income individuals or families under any Federal, State, or local housing program which is or could be used in rural areas. Such loans shall be made without interest and shall be for the reasonable costs expected to be incurred in planning, and in obtaining financing for, such housing prior to the availability of financing, including but not limited to preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site acquisition, and construction loan fees and discounts. The Secretary shall require repayment of loans made under this subsection, under such terms and conditions as he may require, upon completion of the housing or sooner, and may cancel any part or all of such a loan if he determines that it cannot be recovered from the proceeds of any permanent loan made to finance the rehabilitation or construction of the housing.

"(c) There are authorized to be appropriated for the fiscal years ending June 30, 1975, and June 30, 1976, not to exceed $5,000,000 for purposes of subsection (a) and not to exceed $5,000,000 for the purposes of subsection (b). Any amounts so appropriated shall remain available until expended, and any amounts authorized for any fiscal year under this subsection but not appropriated may be appropriated for any succeeding fiscal year.

"(d) All funds appropriate for the purpose of subsection (b) shall be deposited in a fund which shall be known as the low-income sponsor fund, and which shall be available without fiscal year limitation and be administered by the Secretary as a revolving fund for carrying out the purposes of that subsection. Sums reecived in repayment of loans made under subsection (b) shall be deposited in such fund."

RENTAL ASSISTANCE

SEC. 415. (a) Section 521(a) of the Housing Act of 1949 is amended by inserting "(1)" after "SEC. 521. (a)", and by adding at the end thereof the following new paragraph:

"(2)(A) The Secretary may make and insure loans under this section and sections 514, 515, and 517 to provide rental or cooperative housing and related facilities for persons and families of low income in multi-family housing projects, and may make, and contract to make, assistance payments to the owners of such rental housing in order to make available to low-income occupants of such housing rentals at rates commensurate to income and not exceeding 25 per centum of income. Such supplemental assistance payments shall be made on a unit basis and shall not be made for more than 20 per centum of the units in any one project, except (i) when the project is financed by a loan under section 515 for elderly housing or by a loan under section 514 and a grant under section 516, such assistance may be made for up to 100 per centum of the units, and (ii) when the Secretary determines such action is necessary to the economic feasibility of the project he may make such payments with respect to more than 20 per centum of the units.

"(B) The owner of any project assisted under this paragraph shall be required to provide at least annually a budget of operating expenses and record of tenants' income which shall be used to determine the amount of assistance for each project.

"(C) The project owner shall accumulate, safeguard, and periodically pay to the Secretary any rental charges collected in excess of basic rental charges. These funds may be credited to the appropriation and used by the Secretary for making such assistance payments through the end of the next fiscal year."

(b) Section 521(c) of such Act is amended to read as follows:

"(c) There shall be reimbursed to the Rural Housing Insurance Fund by annual appropriations (1) the amounts by which nonprincipal payments made from the fund during each fiscal year to the holders of insured loans described in subsection (a)(1) exceed interest due from the borrowers during each year, and (2) the amount of assistance payments described in subsection (a)(2). The Secretary may from time to time issue notes to the Secretary of the Treasury under section 517(h) to obtain amounts equal to such unreimbursed payments, pending the annual reimburseemnt by appropriation."

(c) Section 517(j) of such Act is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(4) to make assistance payments authorized by section 521(a)(2)."

Mr. PATMAN (during the reading). Mr. Chairman, I ask unanimous consent that title IV may be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there any amendments to title IV?

AMENDMENT OFFERED BY MR. STEPHENS

Mr. STEPHENS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STEPHENS: Insert on page 86 after line 1 the following section:

INCLUSION OF U.S. TERRITORIES AND TRUST TERRITORY OF THE PACIFIC ISLANDS

SEC. 401. Section 501(a)(1) of the Housing Act of 1949 is amended by striking the words "Puerto Rico and the Virigin Islands" and inserting in lieu thereof the following language: "The Commonwealth of Puerto Rico, the Virgin Islands, the territories and possessions of the United States, and the Trust Territory of the Pacific Islands".

and renumber the subsequent sections.

Mr. STEPHENS. Mr. Chairman, this amendment was brought to my attention by the chairman of the subcommittee (Mr. Burton).

The amendment would add Guam, American Samoa, and the Trust Territory of the Pacific Islands to the list of U.S. offshore areas eligible for benefits under rural housing legislation. It is not mandatory but just an authorization.

Mr. BARRETT. Will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman.

Mr. BARRETT. I do not see any opposition on this side of the aisle. If the other side does not have any opposition, we can move on.

Mr. BROWN of Michigan. Will the gentleman yield?

Mr. STEPHENS. I am happy to yield to the gentleman.

Mr. BROWN of Michigan. We are happy to support the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. Stephens).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. STEPHENS

Mr. STEPHENS. Mr. Chairman, I offer an amendment.

The clerk read as follows:

Amendment offered by Mr. Stephens: On page 102, after line 11, insert the following new section:

CERTAIN AMOUNTS TO BE DISREGARDED IN DETERMINING ELIGIBILITY OF LOW AND MODERATE INCOME PERSONS FOR ASSISTANCE UNDER RURAL HOUSING PROGRAM

Sec. 416. Title V of the Housing Act of 1949 is amended by adding at the end thereof (after the new section added by section 414 of this Act) the following new section:

"CERTAIN AMOUNTS TO BE DISREGARDED IN DETERMINING ELIGIBILITY OF LOW AND MODERATE INCOME PERSONS FOR ASSISTANCE UNDER RURAL HOUSING PROGRAM

"Sec. 527. Notwithstanding any other provision of law, social security benefit increases occurring after June 1974 shall not be considered as income or resources or otherwise taken into account for purposes of determining the eligibility of any individual or family for assistance pursuant to section 521 of this Act, or the amount of such assistance. For purposes of this section, the term 'social security benefit increases occurring after June 1974' has the meaning given it by section 525 of the National Housing Act."

Mr. STEPHENS (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with, and that it be printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from Georgia?

There was no objection.

Mr. STEPHENS. Mr. Chairman, when the amendment offered by the gentleman from California (Mr. Ketchum) was was voted on and agreed to by an overwhelming vote of 285 to 114, it made social security benefits adjustable for the rents in public housing. All I am asking is that we do the same for the rural public housing program as we did for the others, to make it equal.

As the Members will recall, I asked the gentleman from California (Mr. Ketchum) at that time a question: I said that I was interested, as I was sure the gentleman from California knew, in rural housing, and did the gentleman's amendment cover rural public housing? He said it did not.

All I am asking here is to have the same thing done for rural housing that was done by the Ketchum amendment for urban public housing.

If we are going to do it for them, we should do it for the rural people, too.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I do not blame the gentleman from Georgia at all. I do not blame the gentleman one bit. This is exactly what we might expect when we start down the road of irresponsibility, as we did 45 minutes ago, and we are to be haunted by it, and it will track us as long as we go.

Who is going to be able to vote "no" on this? Forty-five minutes ago we said that anybody in public housing, any increases they get in social security is frozen, you cannot touch any part of it for an increase in rent. So now, how can we say that a person in rural housing should not get the same benefits?

I am going to watch very closely the vote on this amendment.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, I might say to the gentleman from Georgia that it irks me a little bit that the gentleman from Georgia did not also bring in the railroad retirement benefits, because we should not discriminate against those who are basically retiring upon the railroad annuity program, federally aided and supervised, and so forth. If we took social security benefits into consideration then we ought to take care of railroad retirement benefits. There must be at least a dozen others.

Mr. STEPHENS. Is the gentleman offering those as amendments to my amendment?

Mr. BROWN of Michigan. As the gentleman from Ohio said, this shows the fallacy in the Ketchum amendment.

Mr. HANNA. Mr Chairman, will the gentleman yield?

Mr. STEPHENS. I yield to the gentleman from California.

Mr. HANNA. Mr. Chairman, there are now, in addition to public housing, people who have social security benefits, above 500,000 there are 19 million people who received social security benefits. What are we going to do for the other 18.5 million?

Mr. STEPHENS. Mr. Chairman, all I say is that if we are going to do it for one, and we have already done it for one, then we should do it for the others.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Georgia (Mr. Stephens).

The amendment was agreed to.

Mr. BIAGGI. Mr. Chairman, I ask unanimous consent to proceed out of order, and that we return to title I of the bill for the purpose of amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ROBERTS. Objection, Mr. Chairman.

The CHAIRMAN. Objection is heard.

Are there additional amendments to title IV? If not, the Clerk will read.

The Clerk read as follows:

TITLE V—MISCELLANEOUS

Part A—State Development Agencies

DECLARATION OF PURPOSE

Sec. 501. It is the purpose of this part to encourage the formation and effective operation of State development agencies which have broad and flexible authority to carry out or assist development activities designed to (1) provide housing and related facilities for persons and families of low and moderate income, (2) promote the sound growth and development of neighborhoods through the revitalization of slum and blighted areas, (3) increase and improve employment opportunities for the unemployed and underemployed through the development and redevelopment of industrial, manufacturing, and commercial facilities, or (4) implement the development aspects of State land use and preservation policies, including the advance acquisition of land where it is consistent with such policies.

ELIGIBLE DEVELOPMENT AGENCIES

Sec. 502. (a) A State development agency is eligible for assistance under this part only if the Secretary determines that it is fully empowered and has adequate authority to at least carry out or assist in carrying out the purposes specified in clause (1) of section 501.

(b) For the purposes of this part, a "State development agency" is any public body or agency, publicly sponsored corporation, or instrumentality of one or more States which is designated by the Governor (or Governors in the case of an interstate development agency) for purposes of this part.

(c) As used in this part, the term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

GUARANTEES OF OBLIGATIONS

Sec. 503. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") is authorized to guarantee, and enter into commitments to guarantee, in whole or in part, the bonds, debentures, notes, and other obligations issued by State development agencies to finance, in whole or in part, development activities as determined by him to be in furtherance of the purpose of clause (2) of section 501, including the provision for such purpose of housing and related facilities for persons and families of low and moderate income. The Secretary is also authorized to make, and to contract to make, grants to any State development agency for payments in an amount equal to 30 per centum of the interest payable on obligations issued by such agency to finance development activities in furtherance of the purpose of this part. The Secretary may make such guarantees and enter into such commitments, and may make such grants or contract to make such grants, upon such terms and conditions as he may prescribe, except that no obligation shall be guaranteed or otherwise assisted under this part unless the income from such obligation is subject to Federal taxation pursuant to section 508(b), and except that use of guarantees or other assistance provided for in this part shall not be made a condition to nor preclude receipt of any other Federal assistance.

(b) The full faith and credit of the United States is pledged to the payment of all guarantees made under this part with respect to principal, interest, and any redemption premiums. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligations involved for such guarantee, and the validity of any guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligation.

(c) The Secretary is authorized to establish and collect such fees and charges for and in connection with guarantees made under this part as he considers reasonable.

(d) There are authorized to be appropriated such sums as may be necessary to make payments as provided for in contracts entered into by the Secretary under this section. The aggregate principal amount of the obligations which may be guaranteed or otherwise assisted under this part and outstanding at any one time shall not exceed $500,000,000.

LIMITATION OF GUARANTEES

Sec. 504. The Secretary shall take such steps as he considers reasonable to assure that bonds, debentures, notes, and other obligations which are guaranteed under section 503 will—

(1) be issued only to investors approved by, or meeting requirements prescribed by, the Secretary, or, if an offering to the public is contemplated, be underwritten upon terms and conditions approved by the Secretary;

(2) bear interest at a rate satisfactory to the Secretary;

(3) contain or be subject to repayment, maturity, and other provisions satisfactory to the Secretary; and

(4) contain or be subject to provisions with respect to the protection of the security interests of the United States, including any provisions deemed appropriate by the Secretary relating to subrogation, liens, and releases of liens, payment of taxes, cost certification procedures, escrow or trusteeship requirements, or other matters.

REVOLVING FUND

Sec. 505. (a) The Secretary is authorized to establish a revolving fund to provide for the timely payment of any liabilities incurred as a result of guarantees or grants under section 503 and for the payment of obligations issued to the Secretary of the Treasury under subsection (b) of this section. Such revolving fund shall be comprised of (1) receipts from fees and charges; (2) recoveries under security, subrogation, and other rights; (3) repayments, interest income, and any other receipts obtained in connection with guarantees made under section 503; (4) proceeds of the obligations issued to the Secretary of the Treasury pursuant to subsection (b) of this section; and (5) such sums, which are hereby authorized to be appropriated, as may be required for such purposes. Money in the revolving fund not currently needed for the purpose of this part shall be kept in cash on hand or on deposit, or invested in obligations of the United States or guaranteed thereby, or in obligations, participations, or other instruments which are lawful investments for fiduciary, trust, or public funds.

(b) The Secretary may issue obligations to the Secretary of the Treasury in an amount sufficient to enable the Secretary to carry out his functions with respect to the guarantees authorized by section 503. The obligations issued under this subsection shall have such maturities and bear such rate or rates of interest as shall be determined by the Secretary of the Treasury. The Secretary of the Treasury is authorized and directed to purchase any obligations so issued, and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include purchases of the obligations hereunder.

(c) Notwithstanding any other provision of law relating to the acquisition, handling, improvement, or disposal of real and other property by the United States, the Secretary shall have power, for the protection of the interests of the fund authorized under this section, to pay out of such fund all expenses or charges in connection with the acquisition, handling, improvement, or disposal of any property, real or personal, acquired by him as a result of recoveries under security, subrogation, or other rights.

TECHNICAL ASSISTANCE

Sec. 506. The Secretary is authorized to provide, either directly or by contract or other arrangements, technical assistance to State development agencies to assist them in connection with planning and carrying out development activities in furtherance of the purpose of this part.

LABOR STANDARDS

Sec. 507. All laborers and mechanics employed by contractors or subcontractors in development activities assisted under this part shall be paid wages at rates not less than those prevailing on similar work in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a—276a-5): *Provided*, That this section shall apply to the construction of residential property only if such residential property is designed for residential use for eight or more families. No assistance shall be extended under this part with respect to any development activities without first obtaining adequate assurance that these labor standards will be maintained upon the work involved in such activities. The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267), and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

GENERAL PROVISIONS

Sec. 508. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this part, the Secretary, in addition to any authority otherwise vested to him, shall—

(1) have the power, notwithstanding any other provision of law, in connection with any guarantee under this part, whether before or after default, to provide by contract for the extinguishment upon default of any redemption, equitable, legal, or other right, title, or interest of a State development agency in any mortgage, deed, trust, or other instrument held by or on behalf of the Secretary for the protection of the security interests of the United States; and

(2) have the power to foreclose on any property or commence any action to protect or enforce any right conferred upon him by law, contract, or other agreement, and bid for and purchase at any foreclosure or other sale any property in connection with which he has provided a guarantee pursuant to this part. In the event of any such acquisition, the Secretary may, notwithstanding any other provision of law relating to the acquisition, handling, or disposal of real property by the United States, complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property. Notwithstanding any other provision of law, the Secretary shall also have power to pursue to final collection by way of compromise or otherwise all claims acquired by him in connection with any security, subrogation, or other rights obtained by him in administering this part.

(b) With respect to any obligation issued by a State development agency for which the issuer has elected to receive the benefits of the assistance provided under this part, the interest paid on such obligation and received by the purchaser thereof (or his successor in interest) shall be included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954.

Part B—Community Program Amendments

CHANGE IN NAME OF COMMUNITY DEVELOPMENT CORPORATION

Sec. 511. (a) Part B of title VII of the Housing and Urban Development Act of 1970 is amended by striking out "Community Development Corporation" wherever it appears and inserting in lieu thereof "New Community Development Corporation".

(b) The heading of section 729 of such Act is amended by inserting "NEW" before "COMMUNITY".

MEMBERSHIP OF BOARD OF DIRECTORS OF NEW COMMUNITY DEVELOPMENT CORPORATION

Sec. 512. Section 729(b) of the Housing and Urban Development Act of 1970 is amended—

(1) by striking out "five members" in the matter preceding paragraph (1) and inserting in lieu thereof "seven members"; and

(2) by striking out "three persons" in paragraph (3) and inserting in lieu thereof "five persons".

INCREASE IN INTEREST DIFFERENTIAL GRANTS TO STATE LAND DEVELOPMENT AGENCIES

Sec. 513. The last sentence of section 713(a) of the Housing and Urban Development Act of 1970 is amended by striking out "in amounts" and all that follows and inserting in lieu thereof "in amounts equal to 30 per centum of the interest paid on such obligations."

SUPPLEMENTARY GRANTS FOR PROJECTS ASSISTED BY NATIONAL FOUNDATION ON ARTS AND HUMANITIES

Sec. 514. Section 718(c) of the Housing and Urban Development Act of 1970 is amended by inserting before the period at the end thereof the following: ", or a project or portion of a project consisting of the purchase, renovation, or construction of facilities, the purchase of land, or the acquisition of equipment or works of art assisted by contracts or grants under section 5 of the National Foundation on the Arts and the Humanities Act of 1965".

INCLUSION OF WASTE DISPOSAL FACILITIES AND COMMUNITY OR NEIGHBORHOOD HEATING OR AIR-CONDITIONING SYSTEMS AMONG ELIGIBLE LAND IMPROVEMENTS

Sec. 515. Section 711(f) of the Housing and Urban Development Act of 1970 is amended—

(1) by striking out "sewage disposal" in the first and second sentences and inserting in lieu thereof "sewage or waste disposal";

(2) by inserting "community or neighborhood central heating or air-conditioning systems," after "storm drainage facilities," in the first sentence; and

(3) by inserting ", a community or neighborhood central heating or air-conditioning system," after "disposal installation" in the second sentence.

Part C—Miscellaneous Provisions

INCREASE IN AUTHORIZATION FOR COMPREHENSIVE URBAN PLANNING; PARTICIPATION OF THE TRUST TERRITORY OF THE PACIFIC

Sec. 521. (a) Section 701(b) of the Housing Act of 1954 is amended by inserting immediately after the fifth sentence the following new sentence: "In addition, there is authorized to be appropriated for the purpose of this section not to exceed $130,000,000 for the fiscal year beginning on June 1, 1974.".

(b) Section 703 of the Housing Act of 1954 is amended by striking out the word "and" in clause (1) and by inserting ", and the Trust Territory of the Pacific Islands" immediately before the semicolon at the end of such clause.

COUNSELING AND TECHNICAL ASSISTANCE

SEC. 522. (a) Section 106 of the Housing and Urban Development Act of 1968 is amended by rewriting the heading to read as follows: "TECHNICAL ASSISTANCE, COUNSELING TO TENANTS AND HOMEOWNERS, AND LOANS TO SPONSORS OF LOW- AND MODERATE-INCOME HOUSING".

(b) Section 106(a)(1)(iii) of such Act is amended to read as follows:

"(iii) the provision of training and counseling programs (including preoccupancy programs) for low- and moderate-income tenants and homeowners, including but not limited to, housing selection and purchase procedures, family budgeting, property use and maintenance, household management, and utilization of community resources; and".

(c) Section 106(a)(1) of such Act is amended by adding at the end thereof the following new subparagraph:

"(iv) the provision of technical assistance to communities, particularly smaller communities, to assist such communities in planning, developing, and administering Community Development Programs pursuant to title I of the Housing and Urban Development Act of 1974."

(d) Section 106(a)(2) of such Act is amended by striking out "not to exceed $5,000,000" and inserting in lieu thereof "such sums as may be necessary".

(e) Section 106(b)(1) of such Act is amended by inserting "or public housing agencies" immediately after "nonprofit organizations".

(f) Section 106(b)(2) of such Act is amended by inserting "or public housing agency" immediately after "nonprofit organization".

LIMITATION ON WITHHOLDING OR CONDITIONING OF ASSISTANCE

SEC. 523. Assistance provided for in this Act, the National Housing Act, the United States Housing Act of 1937, the Housing Act of 1949, the Demonstration Cities and Metropolitan Development Act of 1966, and the Housing and Urban Development Acts of 1965, 1968, 1969, and 1970 shall not be withheld or made subject to conditions or preference by reason of the tax-exempt status of bonds or other obligations issued or to be issued to provide financing for use in connection with such assistance, except where otherwise expressly provided or authorized by law.

ADDITIONAL RESEARCH AUTHORITY

SEC. 524. Title V of the Housing and Urban Development Act of 1970 is amended by adding at the end thereof the following new section:

"ADDITIONAL RESEARCH AUTHORITY

"SEC. 509. (a) In carrying out activities under section 501, the Secretary may undertake special demonstrations to determine the housing design, the housing structure, and the housing-related facilities, services, and amenities most effective or appropriate to meet the needs of groups with special housing needs including the elderly, the handicapped, the displaced, single individuals, broken families, and large households. For this purpose, the Secretary is authorized to enter into contracts with, to make grants to, and to provide other types of assistance to individuals and entities with special competence and knowledge to contribute to the planning, development, design, and management of such housing.

"(b) In carrying out his functions under this section, the Secretary shall give preferential attention to demonstrations which in his judgment involve areas of housing user needs most neglected in past and current research and demonstration efforts.

"(c) The Secretary is authorized to undertake demonstrations involving the actual planning, development, and occupancy of housing utilizing the contract and loan authority of any federally assisted housing program. He is also authorized to set aside any development, construction, design, and occupancy requirements, for purposes of these demonstrations, if in his judgment they inhibit the testing of housing designed to meet the special housing needs.

"(d) In carrying out this section, the Secretary shall include, as part of any demonstration, an evaluation of the demonstration to cover the full experience involved in planning, development, and occupancy.

"(e) In addition to any other contract or loan authority which the Secretary may utilize under subsection (c), not more than $10,000,000 from amounts approved in appropriation Acts shall be available for research under this section."

ADDITIONAL ASSISTANT SECRETARIES OF HOUSING AND URBAN DEVELOPMENT

SEC. 525. (a) Section 4 of the Department of Housing and Urban Development Act (Public Law 89-174, 79 Stat. 667) is amended—

(1) by striking out "six" in the first sentence of subsection (a) and inserting in lieu thereof "eight";

(2) by striking out subsection (b); and

(3) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(b) Section 5316 of title 5, United States Code, is amended by striking out paragraph (122).

(c) Paragraph (87) of section 5315 of title 5, United States Code, is amended by striking out "(6)" and inserting in lieu thereof "(8)".

SEC. 526. Notwithstanding the provisions of section 133(b) of the Housing Act of 1949 or of any other law, local expenditures made in connection with the Broad and Front Street Garage in Trenton, New Jersey, shall, to the extent otherwise eligible, be counted as a local grant-in-aid to the first two action years of the Trenton Neighborhood Development Program (N.J. A-1) in accordance with the provisions of title I of the Housing Act of 1949.

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT: On page 111, line 17, strike everything through line 2 on page 112, and renumber the succeeding section.

Mr. ROUSSELOT. Mr. Chairman, what this amendment does is to strike from the bill a section which adds potential assistance for the National Foundation on the Arts and Humanities.

The present language of the bill would amend section 718(c) of the Housing and Urban Development Act of 1970 to add a "project or portion of a project assisted by contracts or grants under section 5 of the National Foundation on the Arts and Humanities Act of 1965" to the list of projects on which new communities may spend HUD assistance funds.

The money could be applied to the acquisition of buildings, equipment, and art objects which meet the vague standards of the Arts and Humanities Act. This provision is completely contrary to the spirit of an effort to provide necessary improvements in housing, and it is unfair to tax our citizens to provide localities with cultural frills. Cultural inspiration and entertainment can properly be an important part of the development of new communities, but the availability of such facilities as a "free good" invites abuse and inevitably results in the sacrifice of more important needs.

The Department of Interior appropriation for this fiscal year contained $54,300,000 for assistance under section 5 of the Arts and Humanities Act. The Arts and Humanities Amendments of 1973 provided $268 million of authority for this purpose for fiscal years 1974 through 1976. If supporters of the Foundation feel it needs more money to conduct projects of this type, they should go through the regular authorization and appropriation process and not try to use the housing bill as a vehicle for this purpose.

I hope the Members will help me remove this from the bill. I do not believe it belongs in a housing bill.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this was debated by the committee when it was offered by the gentleman from California. It was overwhelmingly defeated, as I trust it will be now.

The fact of the matter is that this provision provides no additional funds. They already exist. They have been provided for in other statutes.

I would say this, that what we are really talking about here is the new community program, title VII of the 1970 act. This program has thus far produced successful applicants numbering some 12 or 14, as I recall, in all parts of the country.

What we have are new communities that are springing up as a result of the new cities springing up, as a result of the adoption of title VII in the 1970 Housing Act. All this would do is to say that among the uses of supplementary grants that are provided for in the 1970 act, we will add one, namely, the use of supplementary grants to assist grants from the Commission on Arts and Humanities. As I say, Mr. Chairman, this was discussed at some length. There was overwhelming consensus that this was a most legitimate avenue of expenditure and that it should be included.

What we are trying to do, of course, in our new community program is to develop far more viable, far more attractive places for people to live with differences of income, differences of race, all the rest that we have at the present time. This really is an amendment which would make more difficult the addition of the kinds of amenities which are necessary to a full environment that is sought to be achieved in our community.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. Of course, I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

Of course, the gentleman realizes that if any funds are utilized under this section of the bill, they will come out of allowance for other needed housing programs. They will have to be taken from those programs. The point I am trying to make is there are already adequate places in the Department of Interior legislation to cover these proposals. We have an arts and humanities bill which my colleague, the gentleman from Iowa, has discussed many times. This does not prevent a new community from applying for these very funds that I have previously described.

Mr. ASHLEY. That is right.

Mr. ROUSSELOT. But it does detract from this housing bill to keep this in here.

Mr. ASHLEY. No. The gentleman is mistaken when he says if the funds are used for this purpose, they will not be available for housing. Under no circumstances are they available for housing. What they are available for is——

Mr. ROUSSELOT. Community development.

Mr. ASHLEY. No. If the gentleman will hear me out, the supplemental funds are used for the development of the infrastructure of the new community, which are roads, sewers, water, power, green spaces, all of the entire area of the new community.

Mr. ROUSSELOT. The gentleman is not trying to tell us sewers are going to be built because we do or do not have this arts and humanity section in the bill? The arts and humanities section is not going to take care of sewers. I want to be sure everyone understands that. There will be no more sewers because we do or do not have this section in the bill.

Mr. ASHLEY. I do not believe the gentleman really means that.

Mr. ROUSSELOT. That is what the gentleman said. He said there will be no more sewers or somehow sewer grants will be diminished.

Mr. HANNA. Mr. Chairman, will the gentleman yield?

Mr. ASHLEY. I yield to the gentleman from California.

Mr. HANNA. The gentleman is saying first of all this section applies only to the funding that is in the New Communities Act and for no other purpose whatsoever. Number two, the money this would draw from are those monies set up in that Act that go for the kinds of amenities the gentleman discusses, and in accordance with our experience it has been a very small impact on those funds for these particular uses. But where they have been used, the people in those programs thought they were very important and needed.

Mr. ASHLEY. That is correct.

Mr. Chairman, I urge objection to the amendment.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, may I ask the gentleman from Ohio if this section of the bill will provide for one dollar more of housing?

Mr. ASHLEY. No, it will not.

Mr. GROSS. And it will not provide one nickel's worth of bacon and beans for those we are supposed to be trying to help, the elderly and all the rest?

Mr. ASHLEY. No, this title of the bill does not do that.

Mr. GROSS. Then why is this section in the bill?

Mr. ASHLEY. It is in the bill because the bill before us has six titles, as the gentleman knows, which have to do with various things.

Mr. GROSS. The number of titles has nothing to do with it. Why did the committee drag the arts and humanities into this bill? Why did it drag them in by the ears since they make no contribution to the purpose of this bill? It is to provide homes, is it not?

Mr. ASHLEY. The activities of the Commission on the Arts and Humanities relate to cities and to places where people are. That is where the activities take place. The gentleman was not in favor of that program. He voted against it. But the fact of the matter is that the program is on the books and it is meant to help people where they live.

Mr. GROSS. But the gentleman is not going to get money out of that fund.

Mr. ASHLEY. Now we get to it. All this says is that supplementary grants made available in 1970 to communities, a small portion of those grants can be used in addition to the funds available from the Commission on the Arts and the Humanities.

Mr. GROSS. What is the purpose of it? Will the arts and humanities payrollers teach the aged and the poor sculpturing, belly dancing or what?

Mr. ASHLEY. That might be. It might be included in the activity or there might be an amphitheater or workshop or other types of activities in the arts and crafts centers, types of activities that the people really should have in their leisure time activity, and any kind of community that calls itself a fully rounded type of community should have it.

Mr. GROSS. Why not just take this section out of the bill and go on and build homes?

Mr. ASHLEY. I begin to wish that I could.

Mr. GROSS. I hope the House will adopt the gentleman's amendment and strike this section. It has absolutely no place in a housing bill.

Mr. ASHLEY. Mr. Chairman, I ask for a rejection of the amendment.

The **CHAIRMAN.** The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and the Chairman being in doubt, the committee divided, and there were—ayes 39, noes 58.

RECORDED VOTE

Mr. GROSS. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 111, noes 260, answered "present" 1, not voting 61, as follows:

[Roll No. 311]

AYES—111

Archer
Armstrong
Bafalis
Bauman
Beard
Bell
Bennett
Biaggi
Blackburn
Boland
Bray
Brinkley
Brown, Ohio
Broyhill, N.C.
Burleson, Tex.
Butler
Byron
Camp
Clancy
Clausen, Don H.
Clawson, Del
Collier
Collins, Tex.
Conable
Conlan
Conte
Daniel, Dan
Daniel, Robert W., Jr.
Davis, Wis.
Delaney
Dennis
Derwinski
Dickinson
Downing
Duncan
Eshleman
Fish
Fisher
Flynt
Forsythe
Froehlich
Gibbons
Gilman
Goldwater
Goodling
Gross
Harsha
Hinshaw
Hogan
Huber
Hunt
Hutchinson
Jarman
Kemp
Ketchum
Kuykendall
Lagomarsino
Latta
Leggett
Long, Md.
Lott
McCollister
McKinney
Mahon
Maraziti
Martin, Nebr.
Martin, N.C.
Michel
Milford
Miller
Mizell
Montgomery
Moorhead, Calif.
O'Brien
Parris
Passman
Pettis
Poage
Powell, Ohio
Price, Tex.
Randall
Rarick
Roberts
Robinson, Va.
Rousselot
Satterfield
Scherle
Shoup
Shuster
Snyder
Spence
Steed
Steelman
Steiger, Ariz.
Stubblefield
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Treen
Veysey
Waggonner
Walsh
White
Widnall
Wiggins
Wolff
Wydler
Wylie
Young, S.C.
Zion

NOES—260

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Baker
Barrett
Bergland
Bevill
Biester
Bingham
Blatnik
Boggs
Bolling
Bowen
Brademas
Breaux
Breckinridge
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Chappell
Chisholm
Clark
Clay
Cleveland
Cochran
Cohen
Collins, Ill.
Conyers
Corman
Cotter
Cronin
Culver
Danielson
de la Garza
Dellenback
Dellums
Denholm
Dent
Diggs
Dingell
Donohue
Drinan
Dulski
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Flood
Flowers
Ford
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Fulton
Fuqua
Gaydos
Gettys
Giaimo
Ginn
Grasso
Green, Oreg.
Green, Pa.
Grover
Gude
Gunter
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hanrahan
Hansen, Idaho
Harrington
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Holifield
Holt
Holtzman
Horton
Hudnut
Hungate
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
King
Kluczynski
Koch
Kyros
Landrum
Lehman
Lent
Litton
Long, La.
Lujan
Luken
McClory
McCloskey
McCormack
McDade
McEwen
McFall
McKay
Madden
Madigan
Mallary
Mann
Mathis, Ga.
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Minish
Mink
Mitchell, Md.
Moakley
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nelsen
Nix
O'Hara
O'Neill
Owens
Patman
Patten
Pepper
Perkins
Peyser
Pickle

Pike
Preyer
Price, Ill.
Pritchard
Quie
Railsback
Rangel
Rees
Regula
Reuss
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncalio, Wyo.
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruth
St Germain
Sarasin
Sarbanes
Schroeder
Sebelius
Seiberling
Shipley
Shriver
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steele
Steiger, Wis.
Stephens
Stokes
Stratton
Studds
Sullivan
Symington
Talcott
Thornton
Tiernan
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Vigorito
Waldie
Wampler
Ware
Whalen
Whitehurst
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wright
Wyatt
Yates
Yatron
Young, Fla.
Young, Ga.
Young, Tex.
Zablocki
Zwach

ANSWERED "PRESENT"—1

Gonzalez

NOT VOTING—61

Anderson, Calif.
Arends
Ashbrook
Brasco
Broyhill, Va.
Burgener
Carey, N.Y.
Coughlin
Crane
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
Devine
Dorn
Edwards, Ala.
Esch
Foley
Gray
Griffiths
Gubser
Hansen, Wash.
Hastings
Hawkins
Hébert
Henderson
Hosmer
Howard
Ichord
Landgrebe
McSpadden
Macdonald
Mathias, Calif.
Matsunaga
Mills
Minshall, Ohio
Mitchell, N.Y.
Mollohan
Nichols
Obey
Podell
Quillen
Reid
Rhodes
Riegle
Rooney, N.Y.
Rose
Ruppe
Ryan
Sandman
Schneebeli
Sikes
Stuckey
Symms
Teague
Thompson, N.J.
Towell, Nev.
Whitten
Williams
Wyman
Young, Alaska
Young, Ill.

So the amendment was rejected.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MRS. HOLT

Mrs. HOLT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mrs. Holt: Page 112, after line 16, insert the following new part (and redesignate the succeeding part and sections accordingly):

PART C—NATIONAL HOMESTEAD PROGRAM

Sec. 521. It is the purpose of this part to assist in alleviating the present shortage of decent housing for low- and moderate-income individuals and families through the more constructive use of federally owned residential property, while at the same time assisting in the elimination of deterioration and blight in urban and other areas and in the effective rehabilitation of those areas.

Sec. 522. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") shall—

(1) compile, maintain, and keep current a catalog of all unoccupied single-family dwellings in urban and other areas within the United States which are owned by him or his Department, and which would be suitable for occupancy and rehabilitation by qualified low- and moderate-income individuals and families under the national homestead program established by this part; and

(2) take such steps as may be necessary or appropriate (by publication, advertisement, or otherwise) to assure that the residents of each community or area in which any of such dwellings is located will be fully and currently informed of (A) the existence, nature and location of such dwellings, (B) the qualifications required for participation in the program under this part and (C) the terms and conditions on which such dwellings may be conveyed to qualified persons.

(b) The dwellings included in the catalog compiled under subsection (a) shall be offered to qualified low- and moderate-income applicants in accordance with this part without regard to their race, color, religion, sex, or national origin but with due consideration in each case of the suitability of the dwellings involved for the applicant's family (taking into account its size and composition and other relevant factors).

Sec. 523. An applicant is qualified, for purposes of participation in the program under this part with respect to any dwelling, only if he or she—

(1) is eighteen years of age or older;

(2) is the head of his or her household;

(3) is a citizen of the United States;

(4) has not previously participated in the program;

(5) is not the owner of any other real property; and

(6) possesses the financial, technical, and other resources which are necessary (as determined under regulations prescribed by the Secretary) to rehabilitate such dwelling in accordance with his or her agreement entered into under section 524.

Sec. 524. (a) The conveyance of any dwelling to an applicant under the program shall be made on a conditional basis, in return for the payment by such applicant of $1 and the execution by such applicant of an agreement as described in subsection (b).

(b) Each applicant for a dwelling under the program shall enter into an agreement, in such manner and form as the Secretary may require, that he or she—

(1) will reside in the dwelling (and maintain it as his or her principal residence) for a period of at least five years;

(2) will during such period rehabilitate and maintain the dwelling so that it satisfies all of the requirements of applicable State and local law, including building, plumbing, electrical, fire prevention, and related codes;

(3) will carry adequate fire and liability insurance on the dwelling at all times;

(4) will permit inspections of the dwelling to be made at reasonable times by agents or employees of the Secretary for the purpose of determining the progress of the rehabilitation; and

(5) will comply with such additional terms, conditions, and requirements as the Secretary may impose in order to assure that the purpose of this part is carried out.

(c) Upon any material failure by the applicant to carry out his or her agreement entered into under subsection (b) with respect to the dwelling, the conditional conveyance of title to such applicant under subsection (a) shall be revoked, and all right, title, and interest in and to the dwelling shall revert to the Secretary; except that the Secretary may in his discretion grant the applicant, on the basis of need or otherwise, a specified period or extension of time not exceeding two years in which to come into compliance with the terms of the agreement and thereby avoid such revocation and reversion.

(d) After the applicant has resided in the dwelling for the required five-year period and has rehabilitated and maintained it and otherwise complied with the terms of his or her agreement throughout such period, the Secretary shall convey to the applicant fee simple title to the dwelling (including the land on which it is situated).

Sec. 525. The Secretary shall prescribe such rules and regulations, including rules and regulations establishing standards and methods for the inspection of dwellings and the measurement of rehabilitation progress, as may be necessary or appropriate to carry out this part.

Sec. 526. (a) The legal title to and ownership of any dwelling conditionally conveyed to an applicant under section 524(a) shall remain in the Secretary for purposes of all Federal, State, and local laws until fee simple title to such dwelling is conveyed to such applicant under section 524(d); and the conditional conveyance of such dwelling shall specifically so provide. During the period prior to fee simple conveyance such dwelling shall be subject to State and local property taxes only to the extent that other federally owned real property is or would be subject to such taxes under similar conditions.

(b) To the extent he finds it feasible and desirable and consistent with the purpose of this part, the Secretary may enter into agreements with State and local governments and agencies under which single-family dwellings owned by them may be included in the catalog compiled under section 522. Under regulations prescribed by the Secretary, modifying the provisions of this part to the extent necessary or appropriate to take account of differences resulting from State or local ownership, any dwellings so included shall be offered and conveyed to qualified applicants in the same manner and on the same terms and conditions as dwellings owned by the Secretary.

(c) Section 312(a)(1) of the Housing Act of 1964 is amended by adding "or" after the semicolon at the end of subparagraph (C), and by adding at the end thereof the following new paragraph:

"(D)(i) the property is being occupied pursuant to an agreement entered into under part C of title V of the Housing and Urban Development Act of 1974, and (ii) the loan is made to assist the occupant in carrying out his or her responsibilities under that agreement;".

Sec. 527. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this part.

Mrs. HOLT (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentlewoman from Maryland?

There was no objection.

Mrs. HOLT. Mr. Chairman, the purpose of my amendment is to include a provision in the Housing and Urban Development Act of 1974 which will establish a national homestead program under which single family dwellings owned by the Secretary of Housing and Urban Development may be conveyed to individuals and families who will occupy and rehabilitate them. A homesteading amendment was considered in full committee and received a 16 to 16 vote. The other body has included a homesteading section in its bill. When I introduced this legislation in September, 40 members joined me in cosponsoring. This is intended to assist in alleviating the present shortage of housing for low and moderate income individuals through the more constructive use of federally owned residential property, while at the same time assisting in the elimination of deterioration and blight in urban and other areas and in the effective rehabilitation of those areas.

The major provisions of this amendment are that it directs the Secretary of Housing and Urban Development to convey to individuals and families conditional title to unoccupied HUD owned single family dwellings. Conditional title is conveyed in return for a token payment and the execution of an agreement which requires the applicant to reside in the dwelling for at least 5 years and to rehabilitate and maintain the dwelling so that it satisfies all of the requirements of State and local law including building, fire, electrical, and related codes.

Upon the successful completion of the terms of this agreement, fee simple title to the dwelling and the land is conveyed to the "homesteader." To assist in the rehabilitation of these dwellings, homesteaders are made eligible for the section 312 rehabilitation loan program of HUD. The material failure of the applicant to carry out his agreement results in all title and interest in the property reverting to the Secretary of HUD.

I have always maintained that the vital ingredient of a successful housing program is the encouragement of private ownership. Community pride and community improvement only occur when the residents have a stake in its future. Home ownership provides an incentive which is completely absent from rental projects.

The benefits of a national homesteading program are many including the restoration of severely needed living quarters and a simple means of homeownership for people dedicated to the future of the community. In addition, I believe a homesteading program will prove to be cost effective—a quality which is unfortunately lacking in many Federal programs. Currently, the Department of Housing and Urban Development is holding or has foreclosed on approximately 70,000 single housing units. Even when foreclosure is not necessary, operating and financing a housing subsidy program requires long term Federal involvement and substantial amounts of money.

The Washington Post, in an editorial on July 10, 1973, stated that:

> According to the Detroit News, since January 1970 HUD has incurred costs of over 180 million dollars on homes repossessed and not sold in that region alone. Nationwide, the failures are still mounting so rapidly that HUD officials figure that by July 1974 the Agency will hold at least 254,000 (both single family and multi-family units)—enough to house the entire population of whole states.

It is unfortunate but true that the Federal Government is the largest slum landlord in our country today. I believe that the time has come to get the Government out of that business and back to the business of meeting our housing commitments to the American people. I urge you to support this small scale homesteading program.

Mr. STEPHENS. Mr. Chairman, would the gentlewoman yield?

Mrs. HOLT. I yield to the gentleman from Georgia.

Mr. STEPHENS. Mr. Chairman, I would like to commend the gentlewoman on offering this amendment. I supported this amendment when it was offered in the subcommittee and in the full committee, and I will be glad to have the amendment adopted.

Mrs. HOLT. I thank the gentleman from Georgia.

Mrs. SULLIVAN. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I yield to the gentlewoman from Missouri.

Mrs. SULLIVAN. Mr. Chairman, I would like to say that I cosponsored this bill with the gentlewoman from Maryland (Mrs. Holt) and I think it is a good idea. But I think it is wrong to try to include this in the housing bill today. We have had no hearings on it. We do not know what it costs. I think it would be much better to consider the bill by itself so that we can correctly estimate the significance of the program.

Mr. ADAMS. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I will be glad to yield to the gentleman from Washington.

Mr. ADAMS. Mr. Chairman, I want to commend the gentlewoman from Maryland (Mrs. Holt) for offering this amendment. I support her amendment, because it is one of the things that was done in the West very effectively from 1962 on. I am sure that this would work out in the same fashion by putting single families into homes in the urban part of our States.

I am glad the gentlewoman from Maryland has offered the amendment, and I commend her for doing so. I support the amendment and hope the House will adopt it.

Mrs. HOLT. Mr. Chairman, in response to the gentlewoman from Missouri (Mrs. Sullivan) I feel that this can only save money, when we are spending so much just to hold on to the housing. I feel the only cost involved will be the administration of the program. If we have a 50-percent success in this, we still will be way ahead of what we are doing now.

Mr. BARRETT. Mr. Chairman, I rise in opposition to the amendment offered by the gentlewoman from Maryland (Mrs. Holt).

Mr. Chairman, I would like to ask the gentlewoman from Maryland a question, if I may:

I am quite sure, as the gentlewoman from Missouri (Mrs. Sullivan) pointed out, the gentlewoman from Maryland knows that we have held no hearings on this matter. I am also quite sure that the gentlewoman from Maryland cannot tell us exactly how much this would cost.

I certainly do not want to ask the gentlewoman from Maryland any questions that might be considered embarrassing, but I was wondering if the gentlewoman could tell us how a family that does not have an adequate income could take one of these houses and rehabilitate it with an adequate heating system, kitchen, utilities, and bathroom facilities? How can we get lenders, or any bankers, to give money to a family of this type?

Then, may I ask one other question:

We had this bill offered as an amendment in the committee. It seemed to me without holding extensive hearings on this that we cannot put these poor people in these gutted properties and perpetuate them in poverty.

These are the things I think the Members here tonight ought to look over and evaluate very carefully, and maybe the gentlewoman's amendment would be worthwhile after we have adequate hearings. I am hopeful that the Members here tonight will consider that on this basis, and 1 day we can hold hearings on it and come out with a bill that might be acceptable to this body.

Mrs. HOLT. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield to the gentlewoman from Maryland.

Mrs. HOLT. I thank the gentleman for yielding.

Mr. Chairman, I feel that it is urgent that we do something at this point. The amount of money that we are spending in hanging onto this housing and trying to maintain it is astronomical. It has been tried for 2 years. We have been trying to get the Secretary to take some action to get rid of it, and they have been adopting pilot programs. They have tested it all over the country after we did introduce the bill here, so I think it has been thoroughly tested.

Mr. REES. Mr. Chairman, will the gentleman yield?

Mr. BARRETT. I yield to the gentleman from California.

Mr. REES. I thank the gentleman for yielding.

I might say that this was Mr. Gonzalez's amendment in the Committee on Banking and Currency. Mr. Gonzalez is a member of the majority. He is a Democrat. He offered this, and the minority said if this goes in, the President is going to veto the bill. What kind of game are we playing around here? The threat was made, and now the minority comes up with it on every bill on the floor.

Mr. BARRETT. Mr. Chairman, in the interest of saving time, I ask for a vote on the gentlewoman's amendment.

Mr. BROWN of Michigan. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I concur with the gentleman from California (Mr. Rees) when he said that this amendment was pretty much originally authored by the gentleman from Texas (Mr. Gonzalez) in the committee. At that time it was defeated, which I hope the House will do now, since we should not enact this program, especially as a mandatory program. That is, if I understand the amendment correctly. Homes would be conveyed directly from the Secretary to individuals rather than under the experimental program which HUD is conducting where conveyances are made to public bodies and they assume the responsibility for making sure that the homes are rehabilitated and made livable and comply with codes and so on.

Since everyone seems to think this homestead idea is such a good political thing, let me just read from articles that have been written regarding urban homesteading, which point out the need for further study, even of the experimental program, which is presently being conducted by HUD.

> The Detroit News: "Financing is a problem in 2 other cities—Detroit homestead plan faces hurdles."

Chicago Sun-Times: "Views on urban homesteading":

"It is a false notion that urban homesteading, even at $1 a home, benefits the poor, the head of Baltimore's fledgling homestead efforts said here."

Wilmington, Delaware Evening Journal: "Legal Mortgage Tangle Snarls Homesteading Even for Affluent."

The Cincinnati Post: "Council warned of pitfalls in urban homesteading."

The Detroit Free Press: "Urban Homesteading Off to a Slow Start."

The Cleveland Post: "Is Homesteading A Myth?"

The Chicago Tribune: "Urban homesteading programs have good points and drawbacks."

Quoting from the Morning News of Wilmington, Del., there is an article entitled "Homesteaders Find Out How Much 'Giveaway' Costs." In the Chicago Tribune we find this title, "Few Rushing For Urban Homesteads."

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. BROWN of Michigan. I yield to the gentleman.

Mr. ASHLEY. Mr. Chairman, I would like to associate myself with the articles mentioned by the gentleman.

Mr. BROWN of Michigan. Mr. Chairman, all I want to say is that I certainly am sympathetic with the arguments of the gentlewoman from Maryland, that there is some benefit possibly to be gained, and it would be a desirable means of disposing of homes in the HUD inventory. But we are already doing that on an experimental or pilot basis. There have been problems and drawbacks and that is why it is not being used more extensively and pushed faster. I do not think we want to mandate the Secretary of HUD to dispose of homes in a way and method which even on an experimental basis we have not been able to get the defects out of.

Mr. MITCHELL of Maryland. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I certainly want to support the amendment proposed by the gentlewoman from Maryland.

All the newspapers in the world and all the critics of any new innovative program can find 100,000 reasons why to criticize it or delay it. One of the things we do most often in this country is to delay meeting the real needs of the people by using the words, "Let us commit it for some further study."

I heard the gentleman from Michigan refer to some statement that my Housing Authority in Baltimore had made. I am not aware of those statements. I am aware of what is happening with homesteading in my city. Let me give the Members some illustrations. For the first time we are beginning to achieve a racial mix within some of the worst areas of Baltimore City because of the Homestead Act. For the first time we have achieved in Sterling Street, a tiny street, a situation in which 60 integrated families are moving in and buying those homes for $1 and rehabilitating them.

But above and beyond that aspect, let me speak about the little man who gets this house for $1. We have found various cooperative groups have helped in the rehabilitation of those homes to make them livable. Come to my house at 1805 Madison Avenue in the heart of a ghetto in Baltimore City and look at the home across the street which was sold for $1 under the Homestead Act. If you do you will see a beautiful and decent residence for a family.

Mr. STARK. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from California.

Mr. STARK. Mr. Chairman, I associate myself with the remarks made by the gentleman from Maryland (Mr. MITCHELL).

I want to point out that in Oakland where HUD now owns 400 homes, they tell us they cannot dispose of them because they cannot give them away. I suggest they have a try. What they are doing with the 400 homes which are boarded up, when we have people who would like to live in them and reconstruct them, is to let the rats and the elements tear down the homes and dispose of them in that way.

I suggest we support the amendment offered by the gentlewoman from Maryland because it is something we could all benefit from.

Mr. MITCHELL of Maryland. I do not care about the partisan efforts on this issue. I do not care whether Republicans or Democrats get credit. What I care about is finding some way of putting homes in the hands of people.

I urge support of the amendment offered by the gentlewoman from Maryland.

Mr. PRITCHARD. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I will try to be brief because I know the hour is late, but I feel very strong about this subject, because in our town we have over 7,000 of these units and we have had them ever since the Boeing slump. If the Members want to know about something that tears down a neighborhood, I suggest they have one of these houses sitting along the street, with the windows broken out, and the grass growing, and they are a threat to the security and the property values all up and down that neighborhood. It does not do anybody any good.

On top of that in my own community the whole country paid over $2 million in taxes just to maintain those things sitting in the neighborhoods.

All over the country there are some 71,000 of these individual units at a cost, which I have from HUD, of $145 million which this country spent last year on these units sitting there.

I just called our county, where there is an experimental program of 100 units. The county housing man was enthusiastic about the progress and the movement that is taking place with these units, which have been absolute drugs on the market. It has been terrible what they have been doing to our neighborhoods.

Mr. BARRETT. Mr. Chairman, will the gentleman yield?

Mr. PRITCHARD. Mr. Chairman, I yield to the gentleman from Pennsylvania.

Mr. BARRETT. Mr. Chairman, I would like the gentleman to take a look at the bill. In the application, the general local authorities can indicate what number of new houses they want, what number of substantially rehabilitated houses they want, and what number of existing housing they want for the poor. We are trying to get that money in circulation and do the very same thing the gentleman is talking about.

In Philadelphia, in Boston, we all have had these problems and have them now. We want to try to cure them. We cannot cure them in this manner.

The gentleman from Maryland (Mr. MITCHELL) told me the other day that the middle-income and high-income people are coming into Baltimore City and paying $1 for these houses, and making mansions out of them.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield so that I can give the full statement I made to my distinguished Chairman of the subcommittee?

Mr. PRITCHARD. Mr. Chairman, I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I indicated that we had some middle-income families coming in and buying them for $1, and that is good. I also added that we have some people at the bottom of the barrel buying them for $1 and making them into residences.

I want the whole statement laid out.

Mr. PRITCHARD. They did have hearings in the Senate and did put this in the bill. I hope this House will go on record for this concept so that it will go into conference, so that when it comes back here it is a part of the bill.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. PRITCHARD. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, we have had this under consideration. We did not think an urban homestead act or title was necessary, because there is the authority in the bill before us right now to accomplish everything which the gentlewoman from Maryland has proposed. That is the reason we do not have a separate title.

Mr. PRITCHARD. Mr. Chairman, I thank the gentleman. If that is the case, this will not do any harm, but just reinforce it.

Mr. Chairman, I urge support of the gentlewoman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from Maryland (Mrs. HOLT).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. STOKES

Mr. STOKES. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STOKES: Page 116, after line 14, insert the following new section (and redesignate the succeeding sections accordingly):

MATERIALS, DESIGN, AND CONSTRUCTION REQUIREMENTS FOR LOW- AND MODERATE-INCOME HOUSING

SEC. 525. The Secretary of Housing and Urban Development shall take such steps as may be necessary (including the insertion of appropriate requirements, specifications, and enforcement provisions in assistance contracts) to make certain that all housing which is constructed for use by low- or moderate-income families with assistance under any law or program administered by the Secretary or under his jurisdiction is designed and constructed in such manner, and utilizes materials of such quality and durability, as to assure to the maximum extent feasible that such housing will have a long economic life, resist deterioration, and provide ease of maintenance, regardless of any savings in cost which might otherwise be realized through the use or application of inferior design, construction, or materials.

Mr. STOKES (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

Mr. BROWN of Michigan. Mr. Chairman, I must reserve the right to object until we get a copy of the amendment.

The CHAIRMAN. The Clerk will read.

The Clerk proceeded to read the amendment.

Mr. STOKES (during the reading). Mr. Chairman, I renew my request and ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the RECORD.

Mr. BROWN of Michigan. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Ohio?

There was no objection.

Mr. STOKES. Mr. Chairman, I rise to offer an amendment to deal with a problem which affects the essence of our efforts to meet our great housing problems. We are not ending slums, we are simply building different ones. The current law has fostered a situation whereby construction decisions take almost no account of quality or of durability. They only view such construction factors as things which affect current costs. For all the millions of taxpayers' dollars used to help build housing, the result is the creation of very cheap housing which is guaranteed to self destruct.

The extremely cheap materials and shoddy construction methods guarantee that within a very short period of time deterioration will set in and continue at an astounding rate. Inadequate plumbing, electrical wiring, wall and floor materials, and generally poor construction means that within months the respect one might have for a home begins to be eaten away. If prompt and complete repairs were made when requested, the situation might be tolerable. However, in practice, the cost of repairs of poorly constructed housing is so continually high that maintenance costs become prohibitive and result in either bankrupt housing authorities or grossly inadequate or nonexistent repairs, or both. The inevitable result is more deterioration, and less inclination or ability to repair it by tenants and landlords.

To add to our problem in trying to create durable, lasting housing is the uncontestable fact that families living in public housing tend to wear out housing faster. The reasons range from their lack of mobility to get away from their homes, to the fact that there is almost always someone home, to the fact that often large families are cramped together. When these factors and poor construction are combined with that percentage of people who have grown accustomed to decaying housing which they cannot rapidly get repaired and with that percentage who react with maliciousness to what surrounds them, you have the perfect "catch 22" of our housing policy. We tear down one slum and build another.

The only logical answer is to break this circle by building quality housing which is durable, and to provide the type of services which enables tenants to minimize the wear and destruction caused by them. Therefore, we must make a fundamental policy commitment that when the Government undertakes to build housing, it require high quality, and durability standards. My amendment requires the Secretary of HUD to take the necessary steps to insure that all housing constructed for use by low- and moderate-income families with Federal funds be constructed in such manner and utilize materials of such quality and durability as to insure that such housing will not only have a long economic life but will also resist deterioration and will provide ease of maintenance notwithstanding any savings in cost which might be realized through the use or application of inferior design, construction, or materials.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. STOKES).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. JONES OF OKLAHOMA

Mr. JONES of Oklahoma. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JONES of Oklahoma: Page 116, after line 114, insert the following new section (and redesignate the succeeding sections accordingly):

FLOOD INSURANCE PROGRAM

SEC. 525. Chapter III of Title XIII of the Housing and Urban Development Act of 1968 is amended by adding at the end thereof the following new section:

"NOTICE OF FLOOD HAZARDS

"SEC. 1364. Each Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions shall by regulation require such institution, as a condition of making, increasing, extending, or renewing (after the expiration of 30 days following the date of the enactment of this section) any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Secretary under this title or Public Law 93-233 as an area having special flood hazards, to notify the purchaser or lessee (or obtain satisfactory assurances that the seller or lessor has notified the purchaser or lessee) of such special flood hazards, in writing, a reasonable period in advance of the signing of the purchase agreement, lease, or other documents involved in the transaction."

Mr. JONES of Oklahoma (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.

Mr. JONES of Oklahoma. Mr. Chairman, this amendment arose as a result of a special problem in my district, which I later found to be a problem in many urban areas across the country.

This has to do with the development of commercial and private housing developments in flood plain areas, and these developments often add to the flood hazards in these areas. Many times it is a commercial development or a private housing development that is financed through the Federal Government, through FHA or SBA or some other program.

Then when the flood happens and damage results, the Federal Government is called upon again to help those who were the victims.

What this amendment does in essence is to say to a purchaser of property in a flood hazard area, as defined under the Flood Insurance Act which we passed this year, that before he can receive his loan the lender has to notify him in writing within a reasonable period of time before closing that the purchaser is in fact in a flood plain area, and it requires that satisfactory assurances be given by the seller or lessor that they have notified the purchaser or lessee.

Mr. Chairman, it just seems to make sense. We are extending the truth in lending concept in this special area in order to make sure that before development occurs in a flood plain area notification be given.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. I yield to the distinguished Chairman of the Committee.

Mr. PATMAN. Mr. Chairman, we know something about the gentleman's amendment on this side. We have examined it, our people have looked it over, and we are willing to accept the amendment, if it is all right with the other side.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. JONES of Oklahoma. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, surely we on this side have no argument with the concept of the amendment. The time period that is involved should give the regulatory authorities an opportunity to require of institutions that they give notice in turn to the people they deal with, and perhaps that timeframe might be a little tight.

However, I think we can agree that there should be notification to an unknowing purchaser that he is in a flood-prone area, if that be the case.

Mr. Chairman, we are willing to accept the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma (Mr. JONES).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BROOKS

Mr. BROOKS. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BROOKS: On page 117, beginning on line 12, insert the following new section 527:

Section 1307 of the National Flood Insurance Act of 1968 is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding any other provision of law, any community that has made adequate progress, acceptable to the Secretary, on the construction of a flood protection system which will afford flood protection for the one-hundred year frequency flood as determined by the Secretary, shall be eligible for flood insurance under this title (if and to the extent it is eligible for such insurance under the other provisions of this title) at premium rates not exceeding those which would be applicable under this section if such flood protection system had been completed. Provided, however, that the Secretary shall find that adequate progress as required herein, has been made if: (a) 100 percent of the project cost of the system has been authorized, and; (b) at least 60 percent of the project cost of the system has been appropriated, and; (c) at least 50 percent of the project cost of the system has been expended, and; (d) the system is at least 50 percent completed."

Mr. BROOKS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. BROOKS. Mr. Chairman, I rise to offer an amendment to the Housing and Urban Development Act.

This amendment will allow an area where a flood control project which is substantially completed and which has not been delayed through any fault of the local sponsors to continue to receive flood insurance coverage at the subsidized rate.

This problem arises in a unique case in my district in Texas. It is my understanding that this will not have any material effect on the proposed legislation or on the overall flood insurance program other than to prevent undue hardship to a small area of Texas.

Mr. PATMAN. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Texas.

Mr. PATMAN. Mr. Chairman, the gentleman from Texas kindly furnished us a copy of the amendment. We have looked it over, and our side is willing to accept it, with the approval of the other side.

Mr. BROWN of Michigan. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I yield to the gentleman from Michigan.

Mr. BROWN of Michigan. Mr. Chairman, we have also had an opportunity to examine the amendment, and we accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. BROOKS).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. ROSENTHAL

Mr. ROSENTHAL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROSENTHAL: On page 117, after line 11, insert the following new section:

"CONDOMINIUM AND COOPERATIVE STUDY

"SEC. 527. (a) The Secretary of Housing and Urban Development is authorized and directed to conduct a full and complete investigation and study, and report to Congress not later than one year after the date of enactment of this Act, with respect to condominiums and cooperatives, the problems, difficulties, abuses or potential abuses applicable to such housing.

Mr. ROSENTHAL. Mr. Chairman, I will take only a moment. I offer this amendment on behalf of the gentlewoman from Illinois (Mrs. COLLINS), the gentleman from New York (Mr. KOCH), and the gentleman from Maryland (Mr. GUDE).

The amendment speaks for itself. It calls for a study and a report to be made back to the Congress after 1 year on the questions concerning condominium projects and the abuses thereon.

Mr. ASHLEY. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Ohio.

Mr. ASHLEY. Mr. Chairman, I will say to my friend, the gentleman from New York, that if I had thought of this amendment, I would have offered it myself. It is a good amendment.

This is certainly a weighty problem, and the gentleman addresses himself to it in a thoughtful way. This is simply to provide that a study be made, and this is a step toward legislating on the basis of facts, which would be a refreshing thing to do.

Mr. PATMAN. Will the gentleman yield?

Mr. ROSENTHAL. I yield to the chairman.

Mr. PATMAN. I do not know of a single Member of Congress who would not want this in the bill. I congratulate the gentleman on the idea, and I hope it is adopted.

Mr. GUDE. Will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman.

Mr. GUDE. Mr. Chairman, I support this amendment. It is much needed.

Mr. BIAGGI. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from New York.

Mr. BIAGGI. Mr. Chairman, as a cosponsor of this amendment, I rise in support of it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. ROSENTHAL).

The amendment was agreed to.

AMENDMENT OFFERED BY MR. BADILLO

Mr. BADILLO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. BADILLO: Page 112, after line 16, insert the following new part (and redesignate the succeeding part and sections accordingly):

PART C—NATIONAL HOMESTEAD PROGRAM

SEC. 521. It is the purpose of this part to assist in alleviating the present shortage of decent housing for low- and moderate-income individuals and families through the more constructive use of federally owned residential property, while at the same time assisting in the elimination of deterioration and blight in urban and other areas and in the effective rehabilitation of those areas.

SEC. 522. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") shall—

(1) compile, maintain, and keep current a catalog of all unoccupied single-family and multiple-family dwellings in urban and other areas within the United States which are owned by him or his Department, and which would be suitable for occupancy and rehabilitation by qualified low- and moderate-income individuals and families under the national homestead program established by this part; and

(2) take such steps as may be necessary or appropriate (by publication, advertisement, or otherwise) to assure that the residents of each community or area in which any of such dwellings is located will be fully and currently informed of (A) the existence, nature and location of such dwellings, (B) the qualifications required for participation in the program under this part and (C) the terms and conditions on which such dwellings may be conveyed to qualified persons.

(b) The dwellings included in the catalog compiled under subsection (a) shall be offered to qualified low- and moderate-income applicants (including tenant cooperatives) in accordance with this part without regard to their race, color, religion, sex, or national origin but with due consideration in each case of the suitability of the dwelling involved for the applicant's family (taking into account its size and composition and other relevant factors).

SEC. 523. An applicant is qualified, for purposes of participation in the program under this part with respect to any dwelling, only if he or she—

(1) is eighteen years of age or older;

(2) is the head of his or her household;

(3) is a citizen of the United States;

(4) has not previously participated in the program;

(5) is not the owner of any other real property; and

(6) possesses the financial, technical, and other resources which are necessary (as determined under regulations prescribed by the Secretary) to rehabilitate such dwelling in accordance with his or her agreement entered into under section 524.

SEC. 524. (a) The conveyance of any dwelling to an applicant under the program shall be made on a conditional basis, in return for the payment by such applicant of $1 and the execution by such applicant of an agreement as described in subsection (b).

(b) Each applicant for a dwelling under the program shall enter into an agreement, in such manner and form as the Secretary may require, that he or she (or each member of the tenant cooperative)—

(1) will reside in the dwelling (and maintain it as his or her principal residence) for a period of at least five years;

(2) will during such period rehabilitate and maintain the dwelling so that it satisfies all of the requirements of applicable State and local law, including building, plumbing, electrical, fire prevention, and related codes;

(3) will carry adequate fire and liability insurance on the dwelling at all times;

(4) will permit inspections of the dwelling to be made at reasonable times by agents or

employees of the Secretary for the purpose of determining the progress of the rehabilitation; and

(5) will comply with such additional terms, conditions, and requirements as the Secretary may impose in order to assure that the purpose of this part is carried out.

(c) Upon any material failure by the applicant to carry out his or her agreement entered into under subsection (b) with respect to the dwelling, the conditional conveyance of title to such applicant under subsection (a) shall be revoked, and all right, title, and interest in and to the dwelling shall revert to the Secretary; except that the Secretary may in his discretion grant the applicant, on the basis of need or otherwise, a specified period or extension of time not exceeding two years in which to come into compliance with the terms of the agreement and thereby avoid such revocation and reversion.

(d) After the applicant has resided in the dwelling for the required five-year period and has rehabilitated and maintained it and otherwise complied with the terms of his or her agreement throughout such period, the Secretary shall convey to the applicant fee simple title to the dwelling (including the land on which it is situated).

Sec. 525. The Secretary shall prescribe such rules and regulations, including rules and regulations establishing standards and methods for the inspection of dwellings and the measurement of rehabilitation progress, as may be necessary or appropriate to carry out this part.

Sec. 526. (a) The legal title to and ownership of any dwelling conditionally conveyed to an applicant under section 524(a) shall remain in the Secretary for purposes of all Federal, State, and local laws until fee simple title to such dwelling is conveyed to such applicant under section 524(d); and the conditional conveyance of such dwelling shall specifically so provide. During the period prior to fee simple conveyance such dwelling shall be subject to State and local property taxes only to the extent that other federally owned real property is or would be subject to such taxes under similar conditions.

(b) To the extent he finds it feasible and desirable and consistent with the purpose of this part, the Secretary may enter into agreements with State and local governments and agencies under which single-family dwellings owned by them may be included in the catalog compiled under section 522. Under regulations prescribed by the Secretary, modifying the provisions of this part to the extent necessary or appropriate to take account of differences resulting from State or local ownership, any dwellings so included shall be offered and conveyed to qualified applicants in the same manner and on the same terms and conditions as dwellings owned by the Secretary.

(c) Section 312(a)(1) of the Housing Act of 1964 is amended by adding "or" after the semicolon at the end of subparagraph (C), and by adding at the end thereof the following new subparagraph:

"(D)(i) the property is being occupied pursuant to an agreement entered into under part C of title V of the Housing and Urban Development Act of 1974, and (ii) the loan is made to assist the occupant in carrying out his or her responsibilities under that agreement;".

Sec. 527. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this part.

Mr. BADILLO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BADILLO. Mr. Chairman, this is the same amendment that Mrs. Holt introduced except that it includes multifamily dwellings. Her amendment included only single-family dwellings. This includes multifamily dwellings in order to cover the situation in the central cities.

Mr. BROWN of Michigan. Mr. Chairman, I move to strike the requisite number of words.

I only point out that whereas it was a little problem earlier, now it has become a big problem. We are talking about several times the number of units, and once again I suggest to you this is not a voluntary and permissible thing. Under the original amendment it is a mandate to the Secretary to turn these over.

I certainly trust that you will not compound the errors already made.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. Badillo).

The amendment was rejected.

Mr. HORTON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, it is distressing that after 4 years of debate over the role of the Federal Government in meeting the Nation's housing needs, we have a bill before us which is not only inadequate but punitive.

Some 18 months ago, the administration imposed its housing moratorium. With a few exceptions, that moratorium continues and federally subsidized housing efforts have virtually ceased. The suspension was accompanied by sharp cutbacks in Federal community development efforts as well. While Congress deplored the impoundment of housing funds prior to the development of reasonable alternative programs, it never forced the resumption of subsidy programs.

As a result, housing programs in our urban areas are in chaos. Cities, with their backs to the wall, view any housing bill as better than no bill. Some direction is better than more impoundment, program termination, and uncertainty.

Mr. Chairman, it is appalling that a bill of this magnitude should reach the House floor in such haste. While many of us tried to follow months of committee deliberations, the 216-page report on the final bill was not available until yesterday afternoon. Though we have not been given time to assess the full impact of H.R. 15361, its glaring deficiencies are abundantly obvious. A look at what this bill will mean to the city of Rochester, N.Y., will demonstrate its devastating effects.

The city of Rochester will suffer great financial losses under the bill because of the unfair "hold-harmless" formula and Rochester's past record in successfully competing for Federal funds for community development and housing programs.

For example, the city of Rochester is the 50th largest city in the Nation and has the 13th largest urban renewal program. The Rochester urban renewal program is now in what should be the most active years in terms of construction, having completed a major part of the relocation and demolition phases of most of the projects. At this point in time, there are literally hundreds of acres of land in the central city which are virtual wastelands because of the lack of adequate community development or housing programs.

According to figures which I have obtained, under the formula contained in H.R. 15361, the city of Rochester will receive during the first year of entitlement, $14.6 million to be phased down to $4.5 million in the sixth year of entitlement. This amount is totally inadequate to complete the job which has been started.

The House bill offers very little hope for housing programs because of the minimum funding levels which will further cripple already suffering local housing authorities such as the Rochester Housing Authority which finds itself in dire financial straits because of increasing operation and maintenance costs and decreasing operating subsidy payments.

The penalizing effect this bill will have on cities such as Rochester is one which I cannot live with, however, I will cast a favorable vote on this legislation only because it is headed to conference with an excellent Senate bill. I would take this opportunity to urge those members of the House Committee on Banking and Currency who might be appointed as conferees to enter into this conference in a spirit of compromise even in the face of a threatened Presidential *veto*.

AMENDMENT OFFERED BY MR. BADILLO

Mr. BADILLO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Badillo: Page 112, after line 16, insert the following new part (and redesignate the succeeding part and sections accordingly).

Part C—Encouragement of Low and Moderate Income Housing

DISCRIMINATION AGAINST LOW OR MODERATE INCOME HOUSING PROHIBITED

Sec. 521. (a) No State or general or special purpose unit of local government (or other agency having official jurisdiction over one or more regions or subareas within a State or States) shall, in the exercise of powers with respect to planning, zoning, subdivision controls, building codes or permits, or other matters affecting land use, prevent the reasonable provision of low and moderate income housing in undeveloped or predominantly undeveloped parts of any community within a metropolitan area as defined in subsection (b), or discriminate in any other way (on the basis of amount, type, location, or otherwise) against low or moderate income housing in any such community.

(b) For purposes of this section, the term "metropolitan area" means any city or municipality having a population of one-hundred thousand or more (as determined on the basis of the most recent decennial census), together with all general or special purpose units of local government located within a fifty-mile radius of such city or municipality (whether or not located within the same State).

(c)(1) If the Attorney General of the

United States, after consultation with the Secretary of Housing and Urban Development, believes that the provisions of subsection (a) have been or are being violated, he may bring a civil action in any appropriate United States district court to enforce compliance with such provisions.

(2) Any person who would be assisted (financially or otherwise) in obtaining suitable housing, or would derive any other benefit, direct or indirect, by or from the provision of low or moderate income housing (or additional low or moderate income housing) in any community within a metropolitan area as defined in subsection (b), and who believes that the provisions of subsection (a) have been or are being violated with respect to such community in a way which effectively deprives him of such assistance or benefit, may bring a civil action in any appropriate United States district court without regard to the amount in controversy, or in any appropriate State or local court of general jurisdiction, to enforce compliance with such provisions or obtain other equitable or preventive relief under this section, and may request such relief in any court whenever relevant in connection with a defense to any suit or action brought against such person in that court.

PRIORITY IN FEDERAL ASSISTANCE FOR COMMUNITIES WHICH INCLUDE LOW AND MODERATE INCOME HOUSING IN THEIR DEVELOPMENT PLANS

SEC. 522. In the administration of or the planning of projects or facilities to which Section 204 of the Demonstration Cities and Metropolitan Development Act of 1966 applies, and in the administration of the Federal programs of mortgage insurance and loan guarantees under the National Housing Act and under chapter 37 of title 38, United States Code, a priority shall be given (as provided in subsection (b)) to applications made with respect to property located within the jurisdiction or boundaries of any general or special purpose unit of local government in a metropolitan area as defined in subsection (d) (or other agency having official jurisdiction over one or more regions or subareas, including at least one metropolitan area as so defined, within a State or States) which has drawn up, submitted, and had approved by the Secretary of Housing and Urban Development, or which is subject to the jurisdiction of an areawide agency that exercises powers with respect to planning, zoning, subdivision controls, building codes or permits, or other matters affecting land use in the area which such unit or agency represents and has drawn up, submitted, and had approved by the Secretary of Housing and Urban Development, a plan or plans—

(1) specifically providing for the inclusion of low and moderate income housing in the areas within the jurisdiction of such unit or agency that are undeveloped or predominantly undeveloped but that are in the path of development, in a manner consistent with any local comprehensive or master planning for such areas; and

(2) providing, with respect to the areas within the jurisdiction of such unit or agency in which little or no vacant land is available for low and moderate income housing because of existing density and land use, for compensatory arrangements with other localities within the same metropolitan area still having available vacant land for the construction of low and moderate income housing in those localities, so that no metropolitan area (as defined in subsection (d)) will be left without a proportionate and well-distributed number of units of low and moderate income housing.

Any plan or compensatory arrangement described in the preceding sentence shall be designed to avoid the concentration of low and moderate income housing within any fixed geographical boundaries in any metropolitan area; and any unit or agency which enters into a compensatory arrangement with another locality or localities for the provision of low and moderate income housing because its current density and land use precludes the construction of additional low and moderate income housing within its boundaries shall, when currently used sites become vacant, make every effort to include such housing within its boundaries.

(b) Each unit or agency which draws up a plan or enters into an arrangement under subsection (a) shall submit such plan or ararngement to the Secretary of Housing and Urban Development for his approval. Upon such approval, all officers and agencies of the United States shall give priority, including all possible special consideration and preference, to any applications submitted by such unit or agency for assistance under any Federal law or program in connection with the construction or development of housing, the carrying out of open-space or urban development projects, the planning or construction of hospitals, airports, libraries, water supply or distribution facilities, sewerage facilities or waste treatment works, highways, transportation facilities, law enforcement facilities, or water development or land conservation projects, or the planning or carrying out of any other urban or areawide development programs or projects, with emphasis upon the development of a sufficiently stable neighborhood possessing an adequate level of amenities for all residents of the area or areas involved.

(e) (1) No plan described in subsection (a) shall be approved by the Secretary unless it is accompanied by satisfactory assurances that all low and moderate income housing constructed in accordance therewith, other than housing which (under applicable State or local law) is specifically exempt from tax or subject to tax only in reduced amounts or at reduced rates, will pay its full share of any local real estate taxes which are generally applicable to housing of the type involved.

(2) Where any of the housing involved is low-rent public housing which is exempt from real and personal property taxes levied or imposed by the State, city, county, or other political subdivision in which the project is located, the plan may be approved only if the public housing agency having jurisdiction over the project is required to make payments in lieu of taxes with respect to the project and the amount of such payments is increased by not less than 10 per centum each year until such time (not later than ten years after the first such increased payment) as the amount of such payments equals the full amount of such taxes which would be paid with respect to the project except for the exemption. Notwithstanding any other provision of law, the Secretary may cause or permit any contract for annual contributions which may be outstanding with respect to the project to be amended in order to conform with the provisions of this paragraph, and, if conformity with such provisions would require an increase in the annual contributions payable with respect to the project, may provide for such increase in the amendment.

(d) For purposes of this section, the term "metropolitan area" means any city or municipality having a population of one hundred thousand or more (as determined on the basis of the most recent decennial census), together with all general or special purpose units of local government located within a fifty-mile radius of such city or municipality (whether or not located within the same State).

(e) The Secretary shall upon request provide appropriate technical assistance to any unit or agency developing a plan or entering into an arrangement as described in subsection (a).

(f) (1) For purposes of this part, income levels and the definition of low and moderate income housing shall be determined by the Secretary on the basis of low and moderate income budgets published for the respective areas involved by the Bureau of Labor Statistics in the Department of Labor, with such adjustments as the Secretary may consider necessary in order to allow for variations and special circumstances within such areas.

(2) The determination of what may constitute a proportionate number of units of low and moderate income housing for any area shall be made by the Secretary on the basis of figures developed by the Bureau of the Census showing the number of low and moderate income families within such area, and shall take into consideration the housing presently available within such area for such families.

Mr. BADILLO (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. BADILLO. Mr. Chairman, during the general debate the gentleman from Louisiana said that the value of this housing bill was that it provided for housing in the urban areas of this country and in the rural areas of this country.

The purpose of this amendment is to see to it that this housing bill also provides for housing in the suburban areas of the country, because we are deluding ourselves if we think that the suburban areas are going to be affected so long as it is possible for local executives and local zoning boards to prevent the building of low- and moderate-income housing in those areas.

Therefore this amendment provides that no suburban area within 50 miles of an urban center should be allowed to zone in such a way as to prevent the building of low- or moderate-income housing. This is because many areas need to have additional facilities as well as housing and they need to have schools and hospitals and sewers and parks.

This amendment provides, also, the suburban area which undertakes to provide for the building of low- and moderate-income housing will be able to get priority in its applications for the needed community improvements.

This amendment is necessary if we are going to insure that this housing bill will indeed affect every section of the country.

Mr. ASHLEY. Mr. Chairman, I rise in opposition to the amendment. First, this amendment, which is lengthy and complex, was introduced by the gentleman only 3 days ago. It was printed in the CONGRESSIONAL RECORD of June 17 without explanation. I must object to considering such a far-reaching amendment—which prohibits a whole range of local actions and grants priorities in many Federal programs—without more extensive consideration.

Second, I think it is very unwise for the Federal Government to try to enact a blanket prohibition against discriminatory zoning laws and building codes. Many of these laws have been successfully challenged in recent years and courts are developing a body of law to deal with these laws in a manner which balances the rights of localities with the constitutional protection of the 14th amendment.

Finally, I much prefer the approach to this subject taken by title I of this bill, which requires all applications for community development funds to submit housing assistance plans. If the gentleman wishes to move forward in this area, I believe he will find the bill's provisions in this area most significant.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from New York (Mr. BADILLO).

The amendment was rejected.

The **CHAIRMAN**. Are there additional amendments to title V?

AMENDMENT OFFERED BY MR. O'HARA

Mr. **O'HARA**. Mr. Chairman, I have an amendment which I offer at the end of title V.

The Clerk read as follows:

Amendment offered by Mr. O'HARA: After the period at the end of title V, insert: Participation by a unit of local government in any program authorized by this act shall not be affected in any way by such unit's membership or nonmembership in a regional planning organization or council of governments.

Mr. **O'HARA**. Mr. Chairman, my amendment does not change any requirement of the act that local projects be consistent with a comprehensive regional plan. However, we have had a problem in some of the metropolitan areas of this country where, if a local unit of the government applied to participate in a program, even if that program was consistent with the regional plan, the local unit of government was denied the opportunity to participate because they were not members of their local regional planning organization.

Mr. **BARRETT**. Mr. Chairman, will the gentleman yield?

Mr. **O'HARA**. I yield to the gentleman from Pennsylvania.

Mr. **BARRETT**. Mr. Chairman, I would ask the gentleman from Michigan what effect does this have on the comprehensive area-wide plan?

Mr. **O'HARA**. It would have no effect whatsoever, units of local government would still have to comply with the comprehensive areawide plan, but they would not necessarily have to be members of the Regional Planning Organization or the local Council of Governments.

Mr. **ASHLEY**. Mr. Chairman, will the gentleman yield?

Mr. **O'HARA**. I yield to the gentleman from Ohio.

Mr. **ASHLEY**. This is not an effort, then, to obviate the A 95 review process?

Mr. **O'HARA**. No, it is not an effort to get rid of the review process. Nonmember units of local government might have to pay some kind of a fee to the regional planning organization for review of their proposal to make sure that it was consistent with the regional plan, but they would not be required to be members, as the department has required in several instances.

Mr. **ASHLEY**. I must say that I am not familiar with any provision of the act which requires membership.

Mr. **O'HARA**. Neither am I, and I have insisted to the department that there is no such requirement in the law, but they have nevertheless persisted in this policy, even though they have been unable to show me the statutory provisions justifying their action.

All I want to do is to establish that there is no such statutory requirement. I do not believe there has ever been any such requirement in the law, but, nevertheless, HUD has imposed such a requirement on several communities in my part of the country.

Mr. **ASHLEY**. I am really sorry that this had not been brought to the attention of the subcommittee during its deliberations, because, clearly, at that time, we could have addressed ourselves to it. Frankly—and it is not strange—we are operating a little in the dark on this.

While the gentleman is a very good friend of mine, and I would like to accept his amendment, I really in good conscience cannot do so because I do not know enough about it.

Mr. **O'HARA**. Let me simply say, to my friend from Ohio, that the amendment, in the words of a beloved former Member, "speaks for itself."

Mr. **ASHLEY**. Maybe I am not listening, because it did not get through to me.

Mr. **O'HARA**. All it says is that membership or nonmembership in the Regional Planning Organization or the Local Council of Governments shall not affect the right of a local unit of government to participate in a program authorized by this act. They still have to comply with all of the requirements of the act with respect to being consistent with the regional plan, but they need not be members of the Local Council of Governments if they choose not to be.

Mr. Chairman, I ask that the amendment be adopted.

The **CHAIRMAN**. The question is on the amendment offered by the gentleman from Michigan (Mr. O'HARA).

The amendment was agreed to.

The **CHAIRMAN**. Are there additional amendments to title V? If not, the Clerk will read.

The Clerk read as follows:

TITLE VI—CONSUMER HOME MORTGAGE ASSISTANCE

SHORT TITLE

SEC. 600. This title may be cited as the "Consumer Home Mortgage Assistance Act of 1974".

PART A—LENDING AND INVESTMENT POWERS, FEDERAL SAVINGS AND LOAN ASSOCIATIONS

CONSTRUCTION LOANS

SEC. 601. Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended by adding at the end thereof the following new paragraph:

"Without regard to any other provision of this subsection, any such association is authorized to invest an amount, not exceeding the greater of (i) the sum of its surplus, undivided profits, and reserves or (ii) 5 per centum of its assets, in loans or in interests therein the principal purpose of which is to provide financing with respect to what is or is expected to become primarily residential real estate within one hundred miles of their home office or within the State in which such office is located where (i) the association relies substantially for repayment on the borrower's general credit standing and forecast of income, with or without other security, or (ii) the association relies on other security as collateral for the loans, including but not limited to a guaranty or similar obligation of a third party, and in either case described in clause (i) or (ii) immediately preceding, regardless of whether or not the assocation takes a security interest in real estate (whether or not constituting a first lien) as additional protection."

SINGLE FAMILY DWELLING LIMITATIONS

SEC. 602. Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended by striking out "$45,000" immediately before "for each single family dwelling" and inserting in lieu thereof "$55,000 (except that with respect to dwellings in Alaska, Guam, and Hawaii the foregoing limitation may, by regulation of the Board, be increased by not to exceed 50 per centum)"; and by inserting immediately after "upon improved real estate without regard to the foregoing limitations" the following:

"but (of said last mentioned 20 per centum) the amount deemed to be loaned in transactions which, except for excess in amount, would be eligible for such association under provisions of this sentence (other than this exception) or under the next following sentence shall be only the outstanding amount of such excess.".

LENDING AUTHORITY UNDER THE HOME OWNERS' LOAN ACT

SEC. 603. Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)), as amended by section 601 of this Act, is amended by adding at the end thereof the following new paragraph:

"Subject to such prohibitions, limitations, and conditions as the Board may prescribe, any such association may invest in loans and advances of credit and interests therein upon the security of or respecting real property or interests therein used for primarily residential purposes (all of which may be defined by the Board) that do not comply with the limitations and restrictions in this subsection, but no investment shall be made by an association under this sentence if its aggregate outstanding investment under this sentence determined as prescribed by the Board, exclusive of any investment which is or at the time of its making was otherwise authorized, would thereupon exceed 10 per centum of its assets.".

AMENDMENT TO THE HOME OWNERS' LOAN ACT OF 1933 CONCERNING PROPERTY IMPROVEMENT LOANS

SEC. 604. The second and third undesignated paragraphs of section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) are amended by striking out "$5,000" and inserting in lieu thereof "$10,000".

AMENDMENT TO TITLE IV OF THE NATIONAL HOUSING ACT CONCERNING ASSET REQUIREMENTS OF INSURED INSTITUTIONS

SEC. 605. The third sentence of section 403(b) of the National Housing Act (12 U.S.C. 1726(b)) is amended by striking out "twenty years" in the first proviso and inserting in lieu thereof "thirty years", and by striking out the second proviso.

PART B—NATIONAL BANKS

REAL ESTATE LOANS BY NATIONAL BANKS

SEC. 611. Section 24 of the Federal Reserve Act (12 U.S.C. 371) is amended to read as follows:

"REAL ESTATE LOANS BY NATIONAL BANKS

"SEC. 24. (a) (1) Any national banking association may make real estate loans secured by liens upon unimproved real estate, upon improved real estate, including improved farmland and improved business and residential properties, and upon real estate to be improved by a building or buildings to be constructed or in the process of construction, in an amount which when added to the amount unpaid upon prior mortgages, liens, encumbrances, if any, upon such real estate does not exceed the respective proportions of appraised value as provided in this section. A loan secured by real estate within the meaning of this section shall be in the form of an obligation or obligations secured by a mortgage, trust deed, or other instrument, which shall constitute a lien on real estate in fee or, under such rules and regulations as may be prescribed by the Comptroller of the Currency, on a leasehold under a lease which does not expire for at least ten years beyond the maturity date of the loan, and any national banking association may purchase or sell any obligations so secured in whole or in part. The amount of any such per centum of the appraised value if such loan hereafter made shall not exceed 66⅔ per centum of the appraised value if such real estate is unimproved, 75 per centum of the appraised value if such real estate is improved by offsite improvements such as streets, water, sewers, or other utilities, 75 per centum of the appraised value if such real estate is in the process of being improved by a building or building to be constructed or in the process of construction, or 90 per centum of the appraised value if such real estate is improved by a building or buildings. If any such loan exceeds 75 per centum of the appraised value of the real estate or if the real estate is improved with a one- to four-family dwelling, installment payments shall be required which are sufficient to amortize the entire principal of the loan within a period of not more than thirty years.

"(2) The limitations and regulations set forth in paragraph (1) shall not prevent the renewal or extension of loans heretofore made and shall not apply to real estate loans (A) which are insured under the provisions of the National Housing Act, (B) which are insured by the Secretary of Agriculture pursuant to title I of the Bankhead-Jones Farm Tenant Act, or the Act of August 28, 1937, as amended, or title V of the Housing Act of 1949, as amended, or (C) which are guaranteed by the Secretary of Housing and Urban Development for the payment of the obligations of which the full faith and credit of the United States is pledged, and such limitations and restrictions shall not apply to real estate loans which are fully guaranteed or insured by a State, or any agency or instrumentality thereof, or by a State authority for the payment of the obligations of which the faith and credit of the State is pledged, if under the terms of the guaranty or insurance agreement the association will be assured of repayment in accordance with the terms of the loan, or to any loan at least 20 per centum of which is guaranteed under chapter 37 of title 38, United States Code.

"(3) Loans which are guaranteed or insured as described in paragraph (2) shall not be taken into account in determining the amount of real estate loans which a national banking association may make in relation to its capital and surplus or its time and savings deposits or in determining the amount of real estate loans secured by other than first liens. Where the collateral for any loan consists partly of real estate security and partly of other security, including a guaranty or endorsement by or an obligation or commitment of a person other than the borrower, only the amount by which the loan exceeds the value as collateral of such other security shall be considered a loan upon the security of real estate, and in no event shall a loan be considered as a real estate loan where there is a valid and binding agreement entered into by a financially responsible lender or other party either directly with the association or which is for the benefit of or has been assigned to the association and pursuant to which agreement the lender or other party is required to advance to the association within sixty months from the date of the making of said loan the full amount of the loan to be made by the association upon the security of real estate. Except as otherwise provided, no such association shall make real estate loans in an aggregate sum in excess of the amount of the capital stock of such association paid in and unimpaired plus the amount of its unimpaired surplus fund, or in excess of the amount of its time and savings deposits, whichever is greater: *Provided*, That the amount unpaid upon real estate loans secured by other than first liens when added to the amount unpaid upon prior mortgages, liens, and encumbrances shall not exceed in an aggregate sum 20 per centum of the amount of the capital stock of such association paid in and unimpaired plus 20 per centum of the amount of its unimpaired surplus fund.

"(b) Any national banking association may make real estate loans secured by liens upon forest tracts which are properly managed in all respects. Such loans shall be in the form of an obligation or obligations secured by mortgage, trust deed, or other such instrument; and any national banking association may purchase or sell any obligations so secured in whole or in part. The amount of any such loan, when added to the amount unpaid upon prior mortgages, liens, and encumbrances, if any, shall not exceed 66⅔ per centum of the appraised fair market value of the growing timber, lands, and improvements thereon offered as security and the loan shall be made upon such terms and conditions as to assure that at no time shall the loan balance, when added to the amount unpaid upon prior mortgages, liens, and encumbrances, if any, exceed 66⅔ per centum of the original appraised total value of the property then remaining. No such loan shall be made for a longer term than three years; except that any such loan may be made for a term not longer than fifteen years if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize the principal of the loan within a period of not more than fifteen years and at a rate of at least 6⅔ per centum per annum. All such loans secured by liens upon forest tracts shall be included in the permissible aggregate of all real estate loans and, when secured by other than first liens, in the permissible aggregate of all real estate loans secured by other than first liens, prescribed in subsection (a), but no national banking association shall make forest tract loans in an aggregate sum in excess of 50 per centum of its capital stock paid in and unimpaired plus 50 per centum of its unimpaired surplus fund.

"(c) Loans made to finance the construction of a building or buildings and having maturities of not to exceed sixty months where there is a valid and binding agreement entered into by a financially responsible lender or other party to advance the full amount of the bank's loan upon completion of the building or buildings, and loans made to finance the construction of residential or farm buildings and having maturities of not to exceed sixty months, may be considered as real estate loans if the loans qualify under this section, or such loans may be classed as commercial loans whether or not secured by a mortgage or similar lien on the real estate upon which the building or buildings are being constructed at the option of each national banking association that may have an interest in such loans: *Provided*, That no national banking association shall invest in, or be liable on, any such loans classed as commercial loans under this subsection in an aggregate amount in excess of 100 per centum of its actually paid-in and unimpaired capital plus 100 per centum of its unimpaired surplus fund.

"(d) Notes representing loans made under this section to finance the construction of residential or farm buildings and having maturities of not to exceed nine months shall be eligible for discount as commercial paper within the terms of the second paragraph of section 13 of this Act if accompanied by a valid and binding agreement to advance the full amount of the loan upon the completion of the building entered into by an individual, partnership, association, or corporation acceptable to the discounting bank.

"(e) Loans made to any borrower (i) where the association looks for repayment by relying primarily on the borrower's general credit standing and forecast of income, with or without other security, or (ii) secured by an assignment of rents under a lease, and where, in either case described in clause (i) or (ii) above, the association wishes to take a mortgage, deed of trust, or other instrument upon real estate (whether or not constituting a first lien) as a precaution against contingencies, and loans in which the Small Business Administration cooperates through agreements to participate on an immediate or deferred or guaranteed basis under the Small Business Act shall not be considered as real estate loans within the meaning of this section but shall be classed as commercial loans.

"(f) Any national banking association may make loans upon the security of real estate that do not comply with the limitations and restrictions in this section, if the total unpaid amount loaned, exclusive of loans which subsequently comply with such limitations and restrictions, does not exceed 10 per centum of the amount that a national banking association may invest in real estate loans. The total unpaid amount so loaned shall be included in the aggregate sum that such association may invest in real estate loans.

"(g) Loans made pursuant to this section shall be subject to such conditions and limitations as the Comptroller of the Currency may prescribe by rule or regulation.".

PART C—FEDERAL CREDIT UNIONS

LENDING AUTHORITY AND DEPOSITORY AUTHORITY

SEC. 621. (a) Paragraph (6) of section 107 of the Federal Credit Union Act (12 U.S.C. 1757(6)) is amended to read as follows:

"(6) to make loans to its own directors and to members of its own supervisory credit committee provided that any such loan or aggregate of loans to one director or committee member which exceeds $2,500 plus pledged shares, must be approved by the board of directors and to permit directors and members of its own supervisory or credit committee to act as guarantor or endorser of loans to other members, except when such a loan standing alone or when added to any outstanding loan or loans of the guarantor exceeds $2,500, approval by the board of directors is required;".

(b) Paragraph (9) of such section is amended by inserting immediately before the semicolon at the end thereof the following: ", and for Federal credit unions or credit unions authorized by the Department of Defense operating suboffices on American military installations in foreign countries or trust territories of the United States to maintain demand deposit accounts in banks located in those countries or trust territories subject to such regulations as may be issued by the Administrator and provided such banks are correspondents of banks described in this paragraph".

FEES

SEC. 622. The first sentence of section 109 of the Federal Credit Union Act (12 U.S.C. 1759) is amended by striking out "the entrance fee" and inserting in lieu thereof "a uniform entrance fee if required by the board of directors".

DIRECTORS

SEC. 623. (a) The third sentence of section 113 of the Federal Credit Union Act (12 U.S.C. 1761b) is amended by inserting ", except that the board may designate a committee of not less than two to act as an investment committee, such investment committee to have charge of making investments under rules and procedures established by the board of directors" immediately after "have charge of investments other than loans to members".

(b) The fourth sentence of such section is amended by striking out "act for it in the purchase and sale of securities, the borrowing of funds, and making of loans to other credit unions" and inserting in lieu thereof "exercise such authority as may be delegated to it subject to such conditions and limitations as may be prescribed by the board".

(c) The fifth sentence of such section is amended by striking out "a membership officer" and inserting in lieu thereof "one or more membership officers".

(d) Such section is amended by adding at the end thereof the following new sentence: "If a membership application is denied, the reasons therefor shall be furnished in writing to the person whose application is denied, upon written request.".

CREDIT COMMITTEE

SEC. 624. Section 114 of the Federal Credit Union Act (12 U.S.C. 1761c) is amended to read as follows:

"CREDIT COMMITTEE

"SEC. 114. The credit committee shall hold such meetings as the business of the Federal credit union may require and not less frequently than once a month to consider applications for loans and loan plans offered in accordance with regulations promulgated by the Administrator. Reasonable notice of such meetings shall be given to all members of the committee. No loan or loan plan shall be made unless it is approved by a majority of the committee who are present at the meeting at which the application is considered; except that the credit committee may appoint one or more loan officers, and delegate to him or them the power to approve loans and loan plans. Each loan officer shall furnish to the credit committee a record of each loan and loan plan approved or not approved by him within seven days of the date of the filing of the application therefor. All loans and loan plans not approved by a loan officer shall be acted upon by the credit committee. No individual shall have the authority to disburse funds of the Federal credit union for any loan or loan plan which has been approved by him in his capacity as a loan officer. Not more than one member of the credit committee may be appointed as a loan officer. Applications for loans and loan plans shall be made on forms prepared by such committee, which shall set forth the purpose for which the loan or plan is desired, the security, if any, and such other data as may be required. No loan or loan plan which is not adequately secured may be made to any member, if, upon the making of that loan or loan plan, the member would be indebted to the Federal credit union upon loans or loan plans made to him in an aggregate amount which, in the case of a credit union whose unimpaired capital and surplus is less than $8,000, would exceed $200, or which, in the case of any other credit union, would exceed 2½ per centum of its unimpaired capital and surplus. No loan or loan plan may be made to any member if, upon the making of that loan or loan plan, the member would be indebted to the Federal credit union upon loans or loan plans made to him in an aggregate amount which would exceed $200 or 10 per centum of the credit union's unimpaired capital and surplus, whichever is greater. For the purposes of this section an assignment of shares or the endorsement of a note shall be deemed security and subject to such regulations as the Administrator may prescribe, insurance obtained under title I of the National Housing Act shall be deemed adequate security.".

SUPERVISORY COMMITTEES

SEC. 625. Section 115 of the Federal Credit Union Act (12 U.S.C. 1761d) is amended by striking out "a semi-annual" and inserting in lieu thereof "an annual".

DIVIDENDS

SEC. 626. (a) The first sentence of section 117 of the Federal Credit Union Act (12 U.S.C. 1763) is amended by striking out "Annually, semiannually, or quarterly, as lieu thereof "At such intervals as the board of directors may authorize".

(b) The last sentence of such section is amended by striking out "for a monthly" and by striking out "which are or become fully paid up during the first ten days of that month" and inserting in lieu thereof "as authorized by the board of directors".

APPLICABILITY

SEC. 627. Section 126 of the Federal Credit Union Act (12 U.S.C. 1772) is amended by inserting immediately after "the several territories" the following: ", including the trust territories,".

DEFINITION OF MEMBERS ACCOUNTS

SEC. 628. Section 202(h) of the Federal Credit Union Act (12 U.S.C. 1782(h)) is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (2) the following new paragraph:

"(3) the term 'members accounts' when applied to the premium charge for insurance of the accounts of federally insured credit unions shall not include amounts in excess of the insured account limit set forth in section 207(c)."

TERMINATION

SEC. 629. (a) Section 206(a) of the Federal Credit Union Act (12 U.S.C. 1786(a)) is amended to read as follows:

"(a)(1) Any insured credit union other than a Federal credit union may, upon not less than ninety days' written notice to the Administrator and upon the affirmative vote of a majority of its members within one year prior to the giving of such notice, terminate its status as an insured credit union.

"(2) Any insured credit union, other than a Federal credit union, which has obtained a new certificate of insurance from a corporation authorized and duly licensed to insure member accounts may upon not less than ninety days' written notice to the Administrator convert from status as an insured credit union under this Act: *Provided*, That at the time of giving notice to the Administrator the provisions of paragraph (b)(1) of this section are not being invoked against the credit union.".

(b) The first sentence of section 206(c) of such Act is amended by inserting "(1)" immediately after "(a)".

(c) Section 206(d) of such Act is amended by inserting "(1)" immediately after "(d)", and by adding at the end thereof the following new paragraphs:

"(2) No credit union shall convert from status as an insured credit union under this Act as provided under subsection (a)(2) of this section until the proposition for such conversion has been approved by a majority of all the directors of the credit union, and by affirmative vote of a majority of the members of the credit union who vote on the proposition. Following approval by the directors, written notice of the proposition and of the date set for the membership vote shall be delivered in person to each members, or mailed to each member at the address for such member appearing on the records of the credit union, not more than thirty nor less than seven days prior to such date. The membership shall be given the opportunity to vote by mail ballot. If the proposition is approved by the membership, prompt and reasonable notice of insurance conversion shall be given to all members.

"(3) In the event of a conversion of a credit union from status as an insured credit union under this Act as provided under subsection (a)(2) of this section, premium charges payable under section 202(c) of this Act shall be reduced by an amount proportionate to the number of calendar months for which the converting credit union will no longer be insured under this Act. As long as a converting credit union remains insured under this Act, it shall remain subject to all of the provisions of chapter II of this Act.".

LIQUIDATION

SEC. 630. Section 208(a)(1) of the Federal Credit Union Act (12 U.S.C. 1788(a)(1)) is amended to read as follows:

"(1) In order to reopen a closed insured credit union or in order to prevent the closing of an insured credit union which the Administrator has determined is in danger of closing or in order to assist in the voluntary liquidation of a solvent credit union, the Administrator, in his discretion, is authorized to make loans to, or purchase the assets of, or establish accounts in such insured credit union upon such terms and conditions as he may prescribe. Except with respect to the voluntary liquidation of a solvent credit union, such loans shall be made and such accounts shall be established only when, in the opinion of the Administrator, such action is necessary to protect the fund or the interests of the members of the credit union."

Mr. PATMAN (during the reading). Mr. Chairman, I ask unanimous consent that title VI be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The CHAIRMAN. Are there amendments to title VI? If not, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker having resumed the chair, Mr. NATCHER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15361) to establish a program of community development block grants, to amend and extend laws relating to housing and urban development, and for other purposes, pursuant to House Resolution 1182, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the bill.

The question was taken; and the Speaker announced that the ayes appeared to have it.

RECORDED VOTE

Mr. PATMAN. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 351, noes 25, answered "present" 1, not voting 56, as follows:

[Roll No. 312]

AYES—351

Abdnor
Abzug
Adams
Addabbo
Alexander
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Ashley
Aspin
Badillo
Bafalis
Baker
Barrett
Bauman
Beard
Bell
Bennett
Bergland
Bevill
Biaggi
Biester
Bingham
Blackburn
Blatnik
Boggs
Boland
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brooks
Broomfield
Brotzman
Brown, Calif.
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Buchanan
Burke, Calif.
Burke, Fla.
Burke, Mass.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Cederberg
Chamberlain
Chappell
Chisholm
Clancy
Clark
Clausen, Don H.
Clawson, Del
Clay
Cleveland
Cochran
Cohen
Collier
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Cronin
Culver
Daniel, Dan
Daniel, Robert W., Jr.
Danielson
Davis, Wis.
de la Garza
Delaney
Dellenback
Dellums
Denholm
Dent
Derwinski
Dickinson
Diggs
Dingell
Donohue
Downing
Drinan
Dulski
Duncan
du Pont
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fish
Fisher
Flood
Flowers
Foley
Ford
Forsythe
Fountain
Fraser
Frelinghuysen
Frenzel
Frey
Froehlich
Fulton
Fuqua
Gaydos
Gettys
Gibbons
Gilman
Ginn
Goldwater
Grasso
Gray
Green, Oreg.
Green, Pa.
Gubser
Gude
Guyer
Haley
Hamilton
Hammerschmidt
Hanley
Hanna
Hansen, Idaho
Harrington
Harsha
Hays
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hillis
Hinshaw
Hogan
Holifield
Holt
Holtzman
Horton
Huber
Hudnut
Hungate
Hunt
Hutchinson
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
Kemp
Ketchum
King
Kluczynski
Koch
Kuykendall
Kyros
Lagomarsino
Latta
Leggett
Lehman
Lent
Litton
Long, La.
Long, Md.
Lott
Lujan
Luken
McClory
McCloskey
McCollister
McCormack
McDade
McEwen
McFall
McKinney
Madden
Madigan
Mallary
Mann
Maraziti
Martin, N.C.
Mathis, Ga.
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Milford
Minish
Mink
Mitchell, Md.
Mizell
Moakley
Moorhead, Calif.
Moorhead, Pa.
Morgan
Mosher
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nix
Obey
O'Brien
O'Hara
O'Neill
Owens
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Preyer
Price, Ill.
Price, Tex.
Pritchard
Quie
Railsback
Randall
Rangel
Rees
Regula
Reid
Reuss
Rinaldo
Roberts
Robinson, Va.
Robison, N.Y.
Rodino
Roe
Rogers
Roncallo, N.Y.
Rooney, Pa.
Rosenthal
Rostenkowski
Roush
Roy
Roybal
Runnels
Ruth
St Germain
Sarasin
Sarbanes
Satterfield
Scherle
Schneebeli
Schroeder
Sebelius
Seiberling
Shipley
Shoup
Shriver
Sikes
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Thomson, Wis.
Thone
Thornton
Tiernan
Towell, Nev.
Traxler
Treen
Udall
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Waldie
Walsh
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Fla.
Young, Ga.
Young, S.C.
Young, Tex.
Zablocki
Zion
Zwach

NOES—25

Archer
Armstrong
Burleson, Tex.
Casey, Tex.
Conlan
Dennis
Flynt
Giaimo
Gonzalez
Goodling
Gross
Hanrahan
Landrum
McKay
Mahon
Martin, Nebr.
Miller
Montgomery
Powell, Ohio
Rarick
Roncalio, Wyo.
Rousselot
Shuster
Steiger, Ariz.
Whalen

ANSWERED "PRESENT"—1

Grover

NOT VOTING—56

Anderson, Calif.
Arends
Ashbrook
Brasco
Broyhill, Va.
Burgener
Carey, N.Y.
Crane
Daniels, Dominick V.
Davis, Ga.
Davis, S.C.
Devine
Dorn
Edwards, Ala.
Esch
Griffiths
Gunter
Hansen, Wash.
Hastings
Hawkins
Hébert
Henderson
Hosmer
Howard
Ichord
Landgrebe
McSpadden
Macdonald
Mathias, Calif.
Matsunaga
Michel
Mills
Minshall, Ohio
Mitchell, N.Y.
Mollohan
Nelsen
Nichols
Podell
Quillen
Rhodes
Riegle
Rooney, N.Y.
Rose
Ruppe
Ryan
Sandman
Stuckey
Symms
Teague
Thompson, N.J.
Wiggins
Williams
Wilson, Charles H., Calif.
Wyman
Young, Alaska
Young, Ill.

So the bill was passed.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mrs. Hansen of Washington.

Mr. Hébert with Mr. McSpadden.

Mr. Rooney of New York with Mr. Mills.

Mr. Dominick V. Daniels with Mr. Young of Alaska.

Mr. Riegle with Mr. Young of Illinois.

Mr. Brasco with Mr. Wyman.

Mr. Howard with Mr. Arends.

Mr. Carey of New York with Mr. Wiggins.

Mr. Mollohan with Mr. Quillen.

Mr. Teague with Mr. Ashbrook.

Mr. Macdonald with Mr. Landgrebe.

Mr. Nichols with Mr. Esch.

Mr. Davis of Georgia with Mr. Hosmer.

Mr. Rose with Mr. Minshall of Ohio.

Mr. Matsunaga with Mr. Broyhill of Virginia.

Mr. Anderson of California with Mr. Michel.

Mr. Davis of South Carolina with Mr. Ruppe.

Mr. Ryan with Mr. Crane.

Mr. Gunter with Mr. Mathias of California.

Mr. Hawkins with Mr. Mitchell of Maryland.

Mr. Ichord with Mr. Devine.

Mr. Rodell with Mr. Nelsen.

Mr. Stuckey with Mr. Edwards of Alabama.

Mr. Charles H. Wilson of California with Mr. Sandman.

Mr. Dorn with Mr. Symms.

Mrs. Griffiths with Mr. Hastings.

Mr. Henderson with Mr. Williams.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

The SPEAKER. Pursuant to the provisions of House Resolution 1182, the Committee on Banking and Currency is discharged from further consideration of the bill S. 3066 to consolidate, simplify, and improve laws relative to housing and housing assistance, to provide Federal assistance in support of community development activities, and for other purposes.

The Clerk read the title of the Senate bill.

MOTION OFFERED BY MR. PATMAN

Mr. PATMAN. Mr. Speaker, I offer a motion.

The Clerk read as follows:

Mr. PATMAN moves to strike out all after the enacting clause of the bill (S. 3066) and insert in lieu thereof the provisions of H.R. 15361, as passed, as follows:

That this Act may be cited as the "Housing and Urban Development Act of 1974".

TITLE I—COMMUNITY DEVELOPMENT BLOCK GRANTS

PURPOSE

SEC. 101. It is the purpose of this title to further the development of a national urban growth policy by consolidating a number of complex and overlapping programs of financial assistance to communities of varying sizes and needs into a consistent system of Federal aid which—

(1) provides assistance on an annual basis, with maximum certainty and minimum delay, upon which communities can rely in their planning;

(2) encourages community development activities which are consistent with com-

prehensive local and areawide development planning;

(3) furthers achievement of the national housing goal of a decent home and a suitable living environment for every American family; and

(4) fosters the undertaking of housing and community development activities in a coordinated and mutually supportive manner.

DEFINITIONS

SEC. 102. (a) As used in this title—

(1) The term "unit of general local government" means any city, county, town, township, parish, village, or other general purpose political subdivision of a State or of Guam, the Virgin Islands, or American Samoa; a combination of such political subdivisions recognized by the Secretary; the District of Columbia; the Trust Territory of the Pacific Islands; and Indian tribes, bands, groups, and nations, including Alaska Indians, Aleuts, and Eskimos, of the United States. Such term also includes a State or a local public body or agency as defined in section 711 of the Housing and Urban Development Act of 1970, a community association, or other entity which is approved by the Secretary for the purpose of providing public facilities or services to a new community as part of a program meeting the eligibility standards of section 712 of the Housing and Urban Development Act of 1970 or title IV of the Housing and Urban Development Act of 1968.

(2) The term "State" means any State of the United States, or instrumentality thereof approved by the Governor; and the Commonwealth of Puerto Rico.

(3) The term "metropolitan area" means a standard metropolitan statistical area, as established by the Office of Management and Budget.

(4) The term "metropolitan city" means (A) a city within a metropolitan area which is the central city of such area, as defined and used by the Office of Management and Budget, or (B) any other city, within a metropolitan area, which has a population of fifty thousand or more.

(5) The term "city" means (A) any unit of general local government which is classified as a municipality by the United States Bureau of the Census or (B) any other unit of general local government which is a town or township and which, in the determination of the Secretary, (i) possesses powers and performs functions comparable to those associated with municipalities, (ii) is closely settled, and (iii) contains within its boundaries no incorporated places as defined by the United States Bureau of the Census.

(6) The term "urban county" means any county within a metropolitan area which (A) is authorized under State law to undertake essential community development and housing assistance activities in its unincorporated areas, if any, which are not units of general local government, and (B) has a combined population of two hundred thousand or more (excluding the population of metropolitan cities therein) in such unincorporated areas and in its included units of general local government (i) in which it has authority to undertake essential community development and housing assistance activities and which do not elect to have their population excluded or (ii) with which it has entered into cooperation agreements to undertake or to assist in the undertaking of essential community development and housing assistance activities.

(7) The term "population" means total resident population based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(8) The term "extent of poverty" means the number of persons whose incomes are below the poverty level. Poverty levels shall be determined by the Secretary pursuant to criteria provided by the Office of Management and Budget, taking into account and making adjustments, if feasible and appropriate and in the sole discretion of the Secretary, for regional or area variations in income and cost of living, and shall be based on data referable to the same point or period in time.

(9) The term "extent of housing overcrowding" means the number of housing units with 1.01 or more persons per room based on data compiled by the United States Bureau of the Census and referable to the same point or period in time.

(10) The term "Federal grant-in-aid program" means a program of Federal financial assistance other than loans and other than the assistance provided by this title.

(11) The term "program period" means the period beginning January 1, 1975, and ending June 30, 1975, and the period covering each fiscal year thereafter.

(12) The term "Secretary" means the Secretary of Housing and Urban Development.

(b) Where appropriate, the definitions in subsection (a) shall be based on the most recent data compiled by the United States Bureau of the Census and the latest published reports of the Office of Management and Budget available ninety days prior to the beginning of each fiscal year. The Secretary may by regulation change or otherwise modify the meaning of the terms defined in subsection (a) in order to reflect any technical change or modification thereof made subsequent to such date by the United States Bureau of the Census or the Office of Management and Budget.

AUTHORIZATION TO MAKE GRANTS

SEC. 103. (a) The Secretary is authorized to make grants to States and units of general local government to help finance Community Development Programs approved in accordance with the provisions of this title. The Secretary is authorized to incur obligations on behalf of the United States in the form of grant agreements or otherwise in amounts aggregating such sum, not to exceed $8,050,000,000, as may be approved in an appropriation Act. The amount so approved shall become available for obligation on January 1, 1975, and shall remain available until obligated. There are authorized to be appropriated for liquidation of the obligations incurred under this subsection not to exceed $2,450,000,000 prior to July 1, 1975, which amount may be increased to not to exceed an aggregate of $5,100,000,000 prior to July 1, 1976, and to not to exceed an aggregate of $8,050,000,000 prior to July 1, 1977.

(b) In addition to the amounts made available under subsection (a), and for the purpose of facilitating an orderly transition to the program authorized for this title, there is authorized to be appropriated not to exceed $100,000,000 for each of the fiscal years 1975, 1976, and 1977 for grants under this title to units of general local government having urgent community development needs which cannot be met through the operation of the allocation provisions of section 106.

(c) Sums appropriated pursuant to this section shall remain available until expended.

(d) To assure program continuity and orderly planning, the Secretary shall submit to the Congress authorization requests for the fiscal years 1978 through 1980 not later than February 1, 1976.

APPLICATION AND REVIEW REQUIREMENTS

SEC. 104. (a) No grant may be made pursuant to section 106 unless an application shall have been submitted to the Secretary in which the applicant—

(1) identifies community development needs and specifies both short- and long-term community development objectives which have been developed in accordance with areawide development planning and national urban growth policies;

(2) formulates a program which (A) includes the activities to be undertaken to meet its community development needs and objectives, together with the estimated costs and general location of such activities, and (B) takes into account appropriate environmental factors;

(3) submits a housing assistance plan which—

(A) accurately surveys the condition of the housing stock in the community and assesses the housing assistance needs of lower income persons (including elderly and handicapped persons and persons displaced or to be displaced) residing in or expected to reside in the community.

(B) specifies a realistic annual goal for the number of dwelling units or persons to be assisted, including (i) the relative proportion of new, rehabilitated, and existing dwelling units, and (ii) the size and types of housing projects and assistance best suited to the needs of lower income persons in the community, and

(C) indicates the general locations of proposed housing for lower income persons, with the objective of (i) furthering the revitalization of the community, including the restoration and rehabilitation of stable neighborhoods to the maximum extent possible, (ii) promoting greater choice of housing opportunities and avoiding undue concentrations of assisted persons in areas containing a high proportion of low-income persons and (iii) assuring the availability of public facilities and services adequate to serve proposed housing projects;

(4) provides satisfactory assurances that the program will be conducted and administered in conformity with Public Law 88-352 and Public Law 90-284;

(5) provides satisfactory assurances that, prior to submission of its application, it has (A) provided citizens likely to be affected by proposed community development and housing activities with adequate information concerning the amount of funds available for such activities, the range of activities that may be undertaken, and other important program requirements, (B) held public hearings to obtain the views of such citizens on community development and housing needs, and (C) provided such citizens an adequate opportunity to participate in the development of the application; but no part of this paragraph shall be construed to restrict the responsibility and authority of the applicant for the development of the application and the execution of the Community Development Program; and

(6) in the case of an applicant which is a metropolitan city or urban county—

(A) outlines a three-year schedule of anticipated program activities and indicates resources other than those provided under this title which are expected to be made available toward meeting its identified needs and objectives;

(B) provides for the periodic reexamination of program methods and objectives as information becomes available on the social, economic, and environmental consequences of program activities; and

(C) describes a program designed to—

(i) eliminate or prevent slums, blight, and deterioration where such conditions or needs exist; and

(ii) provide improved community facilities and public improvements, including the provision of supporting health, social, and similar services where necessary and appropriate.

(b) The Secretary shall approve an application for an amount which does not exceed the amount determined in accordance with section 106(a) unless—

(1) on the basis of significant facts and

data, generally available and pertaining to community and housing needs and objectives, the Secretary determines that the applicant's description of such needs and objectives is plainly inconsistent with such facts or data; or

(2) on the basis of the application, the Secretary determines that the activities to be undertaken are plainly inappropriate to meeting the needs and objectives identified by the applicant pursuant to subsection (a); or

(3) the Secretary determines that the application does not comply with the requirements of this Act or other applicable law or proposes activities which are ineligible under this Act;

except that the Secretary may accept a certification from the applicant that it has complied with the requirements of paragraphs (4), (5), and (6)(B) of subsection (a).

(c) Prior to the beginning of fiscal year 1976 and each fiscal year thereafter, each grantee shall submit to the Secretary a performance report concerning the activities carried out pursuant to this title, together with an assessment by the grantee of the relationship of those activities to the objectives of this title and the needs and objectives identified in the grantee's statement submitted pursuant to subsection (a). The Secretary shall at least on an annual basis make such reviews and audits as may be necessary or appropriate to determine whether the grantee has carried out a program substantially as described in its application, whether that program conformed to the requirements of this title and other applicable laws, and whether the applicant has a continuing capacity to carry out in a timely manner the approved Community Development Program. The Secretary may make appropriate adjustments in the amount of the annual grants in accordance with his findings pursuant to this subsection.

(d) No grant may be made under this title unless the application therefor has been submitted for review and comment to an areawide agency under procedures established by the President pursuant to title II of the Demonstration Cities and Metropolitan Development Act of 1966 and title IV of the Intergovernmental Cooperation Act of 1968.

(e) An application subject to section 104 (b), if submitted after any date established by the Secretary for consideration of applications, shall be deemed approved within sixty days after receipt unless the Secretary informs the applicant of the specific reasons of disapproval. Subsequent to approval of the application, the amount of the grant may be adjusted in accordance with the provisions of this title.

(f) Insofar as they relate to funds provided under this title, the financial transactions of recipients of such funds may be audited by the General Accounting Office under such rules and regulations as may be prescribed by the Comptroller General of the United States. The representatives of the General Accounting Office shall have access to all books, accounts, records, reports, files, and other papers, things, or property belonging to or in use by such recipients pertaining to such financial transactions and necessary to facilitate the audit.

(g)(1) In order to assure that the policies of the National Environmental Policy Act of 1969 are most effectively implemented in connection with the expenditure of funds under this title, and to assure to the public undiminished protection of the enviroment, the Secretary, in lieu of the environmental protection procedures otherwise applicable, may under regulations provide for the release of funds for particular projects to applicants who assume all of the responsibilities for environmental review, decisionmaking, and action pursuant to such Act that would apply to the Secretary were he to undertake such projects as Federal projects. The Secretary shall issue regulations to carry out this subsection only after consultation with the Council on Environmental Quality.

(2) The Secretary shall approve the release of funds for projects subject to the procedures authorized by this subsection only if, at least fifteen days prior to such approval and prior to any commitment of funds to such projects other than for purposes authorized by section 105(a)(11) or for environmental studies, the applicant has submitted to the Secretary a request for such release accompanied by a certification which meets the requirements of paragraph (3). The Secretary's approval of any such certification shall be deemed to satisfy his responsibilities under the National Environmental Policy Act insofar as those responsibilities relate to the applications and releases of funds for projects to be carried out pursuant thereto which are covered by such certification.

(3) A certification under the procedures authorized by this subsection shall—

(A) be in a form acceptable to the Secretary,

(B) be executed by the chief executive officer or other officer of the applicant qualified under regulations of the Secretary,

(C) specify that the applicant has fully carried out its responsibilities as described under paragraph (1) of this subsection, and

(D) specify that the certifying officer (i) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 insofar as the provisions of such Act apply pursuant to paragraph (1) of this subsection, and (ii) is authorized and consents on behalf of the applicant and himself to accept the jurisdiction of the Federal courts for the purpose of enforcement of his responsibilities as such an official.

COMMUNITY DEVELOPMENT PROGRAM ACTIVITIES ELIGIBLE FOR ASSISTANCE

SEC. 105. (a) A community development program assisted under this title may include—

(1) the acquisition of real property (including air rights, water rights, and other interests therein) which is (A) blighted, deteriorated, deteriorating, underdeveloped, or inappropriately developed from the standpoint of sound community development and growth; (B) appropriate for the preservation or restoration of historic sites, the beautification of urban land, the conservation of open spaces, natural resources, and scenic areas, the provision of recreational opportunities, or the guidance of urban development; (C) to be used for the provision of public works, facilities, and improvements eligible for assistance under this title; or (D) to be used for other public purposes;

(2) the acquisition, construction, reconstruction, or installation of public works, facilities, and site or other improvements—including neighborhood facilities, senior centers, historic properties, utilities, streets, street lights, parking facilities, water and sewer facilities, solid waste disposal facilities, flood and drainage facilities, foundations and platforms for air rights sites, pedestrian malls, and walkways, parks, and playgrounds;

(3) code enforcement in deteriorated or deteriorating areas in which such enforcement, together with public improvements and services to be provided, may be expected to arrest the decline of the area;

(4) clearance, demolition, removal, and rehabilitation of buildings and improvements (including financing rehabilitation of privately owned properties when incidental to other activities);

(5) special projects directed to the removal of material and architectural barriers which restrict the mobility and accessibility of elderly and handicapped persons;

(6) payments to housing owners for losses of rental income incurred in holding for temporary periods housing units to be utilized for the relocation of individuals and families displaced by program activities under this title;

(7) disposition (through sale, lease, donation, or otherwise) of any real property acquired pursuant to this title or its retention for public purposes;

(8) provision of health, social, counseling, training, economic development, and similar services necessary to support other approved activities assisted under this title;

(9) payment of the non-Federal share required in connection with a Federal grant-in-aid program undertaken as part of the Community Development Program;

(10) relocation payments and assistance for individuals, families, businesses, organizations, and farm operations displaced by activities assisted under this title;

(11) activities necessary (A) to develop a comprehensive plan, and (B) to develop a policy-planning-management capacity so that the recipient of assistance under this title may more rationally and effectively (i) determine its needs, (ii) set long-term goals and short-term objectives, (iii) devise programs and activities to meet these goals and objectives, (iv) evaluate the progress of such programs in accomplishing these goals and objectives, and (v) carry out management, coordination, and monitoring of activities necessary for effective planning implementation; and

(12) payment of reasonable administrative costs related to the planning and execution of community development and housing activities.

(b) In the case of a grant to finance the rehabilitation of privately owned property, the State or unit of general local government shall take appropriate steps to assure that, if the property is sold or transferred by the owner within one year of the date on which the grant was made, the entire amount of the grant shall be repayable to the State or unit of general local government; if it is sold or transferred more than one but not more than two years after such date, at least three-fourths of the amount of the grant shall be repayable; if it is sold or transferred more than two but not more than three years after such date, at least one-half of the amount of the grant shall be repayable; and if it is sold or transferred more than three but not more than four years after such date, at least one-fourth of the amount of the grant shall be repayable. The requirements of this subsection may be waived by the State or unit of general local government where it determines that such waiver is necessary for the execution of the Community Development Program or to avoid hardship to the owner of the rehabilitated property.

(c) Upon the request of the recipient of a grant under this title, the Secretary may agree to perform administrative services on a reimbursable basis on behalf of such recipient in connection with the rehabilitation of properties as authorized under paragraph (4) of subsection (a).

ALLOCATION AND DISTRIBUTION OF FUNDS

SEC. 106. (a) Of the amount approved in an appropriation Act under section 103(a) for grants in any year (excluding the amount provided for use in accordance with section 107), 80 per centum shall be allocated by the Secretary to metropolitan areas. Except as provided in subsections (c) and (e), each metropolitan city and urban county shall, subject to the provisions of section 104 and except as otherwise specifically authorized, be entitled to annual grants from such allocation in an aggregate amount not exceeding the greater of its basic amount computed pursuant to subsection (b) (2) or (3) or its hold-harmless amount computed pursuant to subsection (g).

(b)(1) The Secretary shall determine the amount to be allocated to all metropolitan cities which shall be an amount that bears the same ratio to the allocation for all metropolitan areas as the average of the ratios between—

(A) the population of all metropolitan cities and the population of all metropolitan areas;

(B) the extent of poverty in all metropolitan cities and the extent of poverty in all metropolitan areas; and

(C) the extent of housing overcrowding in all metropolitan cities and the extent of housing overcrowding in all metropolitan areas.

(2) From the amount allocated to all metropolitan cities the Secretary shall determine for each metropolitan city a basic grant amount which shall equal an amount that bears the same ratio to the allocation for all metropolitan cities as the average of the ratios between—

(A) the population of that city and the population of all metropolitan cities;

(B) the extent of poverty in that city and the extent of poverty in all metropolitan cities; and

(C) the extent of housing overcrowding in that city and the extent of housing overcrowding in all metropolitan cities.

(3) The Secretary shall determine the basic grant amount of each urban county by—

(A) calculating the total amount that would have been allocated to metropolitan cities and urban counties together under paragraph (1) of this subsection if data pertaining to the population, extent of poverty, and extent of housing overcrowding in all urban counties were included in the numerator of each of the fractions described in such paragraph; and

(B) determining for each county the amount which bears the same ratio to the total amount calculated under subparagraph (A) of this paragraph as the average of the ratios between—

(i) the population in that urban county and the population in all metropolitan cities and urban counties;

(ii) the extent of poverty in that urban county and the extent of poverty in all metropolitan ctiies and urban counties; and

(iii) the extent of housing overcrowding in that urban county and the extent of housing overcrowding in all metropolitan cities and urban counties.

(4) In determining the average of ratios under paragraphs (1), (2), and (3), the ratio involving the extent of poverty shall be counted twice.

(5) In computing amounts or exclusions under this section with respect to any urban county there shall be excluded units of general local government located in the county (A) which receive hold-harmless grants pursuant to subsection (h), or (B), the populations of which are not counted in determining the eligibility of the urban county to receive a grant under this subsection.

(c) During the first three years for which funds are approved for distribution to a metropolitan city or urban county under this section, the basic grant amount of such city or county as computed under subsection (b) shall be adjusted as provided in this subsection if the amount so computed for the first such year exceeds the city's or county's hold-harmless amount as determined under subsection (g). Such adjustment shall be made so that—

(1) the amount for the first year does not exceed one-third of the full basic grant amount computed under subsection (b), or the hold-harmless amount, whichever is the greater.

(2) the amount for the second year does not exceed two-thirds of the full basic grant amount computed under subsection (b), or the hold-harmless amount, or the amount allowed under paragraph (1) of this subsection, whichever is the greatest, and

(3) the amount for the third year does not exceed the full basic grant amount computed under subsection (b).

(d) Any portion of the amount allocated to metropolitan areas under the first sentence of subsection (a) which remains after the allocation of grants to metropolitan cities and urban counties in accordance with subsections (b) and (c) shall be allocated by the Secretary—

(1) first, for grants to metropolitan cities, urban counties, and other units of general local government within metropolitan areas to meet their hold-harmless needs as determined under subsections (g) and (h); and

(2) second, for grants to units of general local government and States for use in metropolitan areas, allocating for each such metropolitan area an amount which bears the same ratio to the allocation for all metropolitan areas avilable under this paragraph as the average of the ratios between—

(A) the population of that metropolitan area and the population of all metropolitan areas,

(B) the extent of poverty in that metropolitan area and the extent of poverty in all metropolitan areas, and

(C) the extent of housing overcrowding in that metropolitan area and the extent of housing overcowding in all metropolitan areas.

In determining the average of ratios under this paragraph, the ratio involving the extent of poverty shall be counted twice; and in computing amounts under this paragraph there shall be excluded any metropolitan cities, urban counties, and units of general local government which receive hold-harmless grants pursuant to subsection (h).

(e) Any amounts allocated to a metropolitan city or urban county pursuant to the preceding provisions of this section, and any portions of the remainder of the allocation for a metropolitan area available for distribution pursuant to subsection (d), which are not approved by the Secretary for distribution to such city or county or in such metropolitan area shall be distributed in a timely manner, within the same or the succeeding program period, to State, metropolitan cities, urban counties, and other units of general local government for use, first, in any metropolitan area in the same State, and second, in any other metropolitan area.

(f)(1) Of the amount approved in an appropriation Act under section 103(a) for grants in any year (excluding the amount provided for use in accordance with section 107), 20 per centum shall be allocated by the Secretary—

(A) first, for grants to units of general local government outside of metropolitan areas to meet their hold-harmless needs as determined under subsection (h); and

(B) second, for grants to units of general local government outside of metropolitan areas and States for use outside of metropolitan areas, allocating for the nonmetropolitan areas of each State an amount which bears the same ratio to the allocation available under this paragraph for the nonmetropolitan areas of all States as the average of the ratios between—

(i) the population of the nonmetropolitan areas of that State and the population of the nonmetropolitan areas of all the States,

(ii) the extent of poverty in the nonmetropolitan areas of that State and the extent of poverty in the nonmetropolitan areas of all the States, and

(iii) the extent of housing overcrowding in the nonmetropolitan areas of that State and the extent of housing overcrowding in the nonmetropolitan areas of all the States.

In determining the average of ratios under this paragraph, the ratio involving the extent of poverty shall be counted twice; and in computing amounts under this paragraph there shall be excluded units of general local government which receive hold harmless grants pursuant to subsection (h).

(2) Any amounts allocated to a unit of general local government under paragraph (1)(A) or to a State under paragraph (1)(B) which are not approved by the Secretary for distribution to such unit of general local government or in such State shall be distributed, in a timely manner, within the same or the succeeding program period, to States or units of general local government for use in any nonmetropolitan area.

(g)(1) The full hold-harmless amount of each metropolitan city or urban county shall be the sum of (i) the sum of the average during the five fiscal years ending prior to July 1, 1972, of (1) commitments for grants (as determined by the Secretary) pursuant to part A of title 1 of the Housing Act of 1949; (2) loans pursuant to section 312 of the Housing Act of 1964; (3) grants pursuant to sections 702 and 703 of the Housing and Urban Development Act of 1965; (4) loans pursuant to title II of the Housing Amendments of 1955; and (5) grants pursuant to title VII of the Housing Act of 1961; and (ii) the average annual grant, as determined by the Secretary, made in accordance with part B of title I of the Housing Act of 1949 during the fiscal years ending prior to July 1, 1972, or during the fiscal year 1973 in the case of a metropolitan city or urban county which first received a grant under part B of such title in such fiscal year. In the case of a metropolitan city or urban county program under section 105 of the Demonstration Cities and Metropolitan Development Act of 1966 which has been funded or extended in the fiscal year 1973 for a period ending after June 30, 1973, determinations of the hold-harmless amount of such metropolitan city or urban county shall be made so as to include, in addition to the amounts specified in clauses (i) and (ii) of the preceding sentence, an amount equal to the average annual grant, as determined by the Secretary, made during fiscal years ending prior to July 1, 1972, in accordance with such section; except that such amount shall be added annually only for a number of years which, when added to the number of funding years for which the city or county received grants under section 105 of the Demonstration Cities and Metropolitan Development Act of 1966, equals five. For the purposes of this paragraph the average annual grant under part B of title I of the Housing Act of 1949 or under section 105 of the Demonstration Cities and Metropolitan Development Act of 1966 shall be established by dividing the total amount of grants made to a participant under the program by the number of months of program activity for which funds were authorized and multiplying the result by twelve.

(2) During the fiscal years 1975, 1976, and 1977, the hold-harmless amount of any metropolitan city or urban county shall be the full amount computed for the city or county in accordance with paragraph (1). In fiscal years 1978, 1979, and 1980, if such amount is greater than the basic grant amount of the metropolitan city or urban county for that year, as computed under paragraph (2) of subsection (b), it shall be reduced so that—

(i) in the fiscal year 1978, the excess of the hold-harmless amount over the basic grant amount shall equal two-thirds of the difference between the amount computed under paragraph (1) and the basic grant amount for such year.

(ii) in the fiscal year 1979, the excess of the hold-harmless amount over the basic grant amount shall equal one-third of the difference between the amount computed under paragraph (1) and the basic grant amount for such year, and

(iii) in the fiscal year 1980, there shall be no excess of the hold-harmless amount over the basic grant amount.

(h) (1) Any unit of general local government which is not a metropolitan city or urban county shall, subject to the provisions of section 104 and except as otherwise specifically authorized, be entitled to grants under this title for any year in an aggregate amount at least equal to its hold-harmless amount as computed under the provisions of subsection (g) (1), if, during the five fiscal years ending prior to July 1, 1974, one or more urban renewal projects, neighborhood development programs, or model cities programs were being carried out by such unit of general local government pursuant to commitments for assistance entered into during such five-year period under title I of the Housing Act of 1949 or title I of the Demonstration Cities and Metropolitan Development Act of 1966.

(2) In the fiscal years 1978, 1979, and 1980, in determining the hold-harmless amount of units of general local government qualifying under this subsection, the second sentence of subsection (g) (2) shall be applied as though such units were metropolitan cities or urban counties with basic grant amount of zero.

(i) In excluding the population, poverty, and housing overcrowding data of units of general local government which receive a hold-harmless grant pursuant to subsection (h) from the computations described in subsections (b) (5), (d), and (f) of this section, the Secretary shall exclude two-thirds of such data for fiscal year 1978 and one-third of such data for fiscal year 1979.

(j) Any unit of general local government eligible for a hold-harmless grant pursuant to subsection (h) may, not later than thirty days prior to the beginning of any program period, irrevocably waive its eligibility under such subsection. In the case of such a waiver the unit of general local government shall not be excluded from the computations described in subsections (b) (5), (d), and (f) of this section.

(k) The Secretary may fix such qualification or submission dates as he determines are necessary to permit the computations and determinations required by this section to be made in a timely manner, and all such computations and determinations shall be final and conclusive.

DISCRETIONARY FUND

SEC. 107. (a) Of the total amount appropriated for liquidation of obligations under the fourth sentence of section 103(a) for each of the fiscal years 1975, 1976, and 1977, an amount equal to 2 per centum thereof shall be reserved and set aside in a special discretionary fund for use by the Secretary in making grants (in addition to any other grants which may be made under this title to the same entities or for the same purposes) —

(1) in behalf of new communities assisted under title VII of the Housing and Urban Development Act of 1970 or title IV of the Housing and Urban Development Act of 1968;

(2) to States and units of general local government which join in carying out housing and community development programs that are areawide in scope;

(3) in Guam, the Virgin Islands, American Samoa, and the Trust Territory of the Pacific Islands;

(4) to States and units of general local government for the purposes of demonstrating innovative community development projects;

(5) to States and units of general local government for the purpose of meeting emergency community development needs caused by federally recognized disasters; and

(6) to States and units of general local government where the Secretary deems it necessary to correct inequities resulting from the allocation provisions of section 106.

(b) Not more than one-fourth of the total amount reserved and set aside in the special discretionary fund under subsection (a) for each year may be used for grants to meet emergency disaster needs under subsection (a) (5).

(c) Amounts reserved and set aside in the special discretionary fund under subsection (a) in any fiscal year but not used in such year shall remain available for use in accordance with subsections (a) and (b) in subsequent fiscal years.

GUARANTEE OF LOANS FOR ACQUISITION OF PROPERTY

SEC. 108. (a) The Secretary is authorized, upon such terms and conditions as he may prescribe, to guarantee and make commitments to guarantee the notes or other obligations issued by units of general local government, or by public agencies designated by such units of general local government, for the purpose of financing the acquisition of real property (including such expenses related thereto as the Secretary may permit by regulation) to serve or be used in carrying out activities which are eligible for assistance under section 105 and are identified in the application under section 104, and with respect to which grants have been or are to be made under section 103, but no such guarantee shall be issued in behalf of any agency designed to benefit, in or by the flotation of any issue, a private individual or corporation.

(b) No guarantee or commitment to guarantee shall be made with respect to any unit of general local government or public agency designated by any such unit of general local government unless—

(1) the Secretary, from sums approved in appropriation Acts and allocated for obligation to the unit of general local government pursuant to sections 106 and 107, shall have reserved and withheld, for the purpose of paying the guartanteed obligations (including interest), an amount which is at least equal to 110 per centum of the difference between the cost of acquiring the land and related expenses and the estimated proceeds to be derived from the sale or other disposition of the land, as determined or approved by the Secretary, which amount may subsequently be increased by the Secretary to the extent he determines such increase is necessary or appropriate because of any unanticipated, major reduction in such estimated disposition proceeds;

(2) the unit of general local government shall have given to the Secretary, in a form acceptable to him, a pledge of its full faith and credit for the repayment of so much of any amount required to be paid by the United States pursuant to any guarantee under this section as is equal to the difference between the principal amount of the guaranteed obligations and interest thereon and the amount which is to be reserved and withheld under paragraph (1); and

(3) the unit of general local government has pledged to the repayment of any amounts which are required to be paid by the United States pursuant to its guarantee under this section, and which are not otherwise fully repaid when due pursuant to paragraphs (1) and (2), the proceeds of any grants to which such unit of general local government may become eligible for under this title.

(c) The full faith and credit of the United States is pledged to the payment of all guarantees made under this section. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligations for such guarantee with respect to principal and interest, and the validity of any such guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligations.

(d) The Secretary may issue obligations to the Secretary of the Treasury in an amount outstanding at any one time sufficient to enable the Secretary to carry out his obligations under guarantees authorized by this section. The obligations issued under this subsection shall have such maturities and bear such rate or rates of interest as shall be determined by the Secretary of the Treasury. The Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, as now or hereafter in force, and the purposes for which such securities may be issued under such Act are extended to include the purchases of the Secretary's obligations hereunder.

(e) Obligations guaranteed under this section may, at the option of the issuing unit of general local government or designated agency, be subject to Federal taxation as provided in subsection (g). In the event that taxable obligations are issued and guaranteed, the Secretary is authorized to make, and to contract to make, grants to or on behalf of the issuing unit of general local government or public agency to cover not to exceed 30 per centum of the net interest cost (including such servicing, underwriting, or other costs as may be specified in regulations of the Secretary) to the borrowing unit or agency of such obligations.

(f) Section 3689 of the Revised Statutes, as amended (31 U.S.C. 711), is amended by adding at the end thereof a new paragraph as follows:

"(22) For payments required from time to time under contracts entered into pursuant to section 108 of the Housing and Urban Development Act of 1974 for payment of interest costs on obligations guaranteed by the Secretary of Housing and Urban Development under that section."

(g) With respect to any obligation issued by a unit of general local government or designated agency which such unit or agency has elected to issue as a taxable obligation pursuant to subsection (e) of this section, the interest paid on such obligation shall be included in gross income for the purpose of chapter 1 of the Internal Revenue Code of 1954.

NONDISCRIMINATION

SEC. 109. (a) No person in the United States shall on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with funds made available under this title.

(b) Whenever the Secretary determines that a State or unit of general local government which is a recipient of assistance under this title has failed to comply with subsection (a) or an applicable regulation, he shall notify the Governor of such State or the chief executive officer of such unit of local government of the noncompliance and shall request the Governor or the chief executive officer to secure compliance. If within a reasonable period of time, not to exceed sixty days, the Governor or chief executive officer fails or refuses to secure compliance, the Secretary is authorized to (1) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted; (2) exercise the powers and functions provided by title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d); (3) exercise the powers and functions provided for in section 111 of this Act; or (4) take such other action as may be provided by law.

(c) When a matter is referred to the Attorney General pursuant to subsection (b), or whenever he has reason to believe that a State government or unit of local government is engaged in a pattern or practice in violation of the provisions of this section, the Attorney General may bring a civil action in any appropriate United States district court for such relief as may be appropriate, including injunctive relief.

LABOR STANDARDS

SEC. 110. All laborers and mechanics employed by contractors or subcontractors in the performance of construction work financed in whole or in part with grants received under this title shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5): *Provided*, That this section shall apply to the construction of residential property only if such residential property is designed for residential use for eight or more families. The Secretary of Labor shall have, with respect to such labor standards, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267) and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276(c)).

REMEDIES FOR NONCOMPLIANCE

SEC. 111. (a) If the Secretary finds after reasonable notice and opportunity for hearing that a recipient of assistance under this title has failed to comply substantially with any provision of this title, the Secretary, until he is satisfied that there is no longer any such failure to comply, shall—

(1) terminate payments to the recipient under this title, or

(2) reduce payments to the recipient under this title by an amount equal to the amount of such payments which were not expended in accordance with this title, or

(3) limit the availability of payments under this title to programs, projects, or activities not affected by such failure to comply.

(b)(1) In lieu, or in addition to, any action authorized by subsection (a), the Secretary may, if he has reason to believe that a recipient has failed to comply substantially with any provision of this title, refer the matter to the Attorney General of the United States with a recommendation that an appropriate civil action be instituted.

(2) Upon such a referral the Attorney General may bring a civil action in any United States district court having venue thereof for such relief as may be appropriate, including an action to recover the amount of the assistance furnished under this title which was not expended in accordance with it, or for mandatory or injunctive relief.

(c)(1) Any recipient which receives notice under subsection (a) of the termination, reduction, or limitation of payments under this title may, within sixty days after receiving such notice, file with the United States Court of Appeals for the circuit in which such State is located, or in the United States Court of Appeals for the District of Columbia, a petition for review of the Secretary's action. The petitioner shall forthwith transmit copies of the petition to the Secretary and the Attorney General of the United States, who shall represent the Secretary in the litigation.

(2) The Secretary shall file in the court the record of the proceeding on which he based his action, as provided in section 2112 of title 28, United States Code. No objection to the action of the Secretary shall be considered by the court unless such objection has been urged before the Secretary.

(3) The court shall have jurisdiction to affirm or modify the action of the Secretary or to set it aside in whole or in part. The findings of fact by the Secretary, if supported by substantial evidence on the record considered as a whole, shall be conclusive. The court may order additional evidence to be taken by the Secretary, and to be made part of the record. The Secretary may modify his findings of fact, or make new findings, by reason of the new evidence so taken and filed with the court, and he shall also file such modified or new findings, which findings with respect to questions of fact shall be conclusive if supported by substantial evidence on the record considered as a whole, and shall also file his recommendations, if any, for the modification or setting aside of his original action.

(4) Upon the filing of the record with the court, the jurisdiction of the court shall be exclusive and its judgment shall be final, except that such judgment shall be subject to review by the Supreme Court of the United States upon writ of certiorari or certification as provided in section 1254 of title 28, United States Code.

USE OF GRANTS TO SETTLE OUTSTANDING URBAN RENEWAL LOANS

SEC. 112. (a) The Secretary is authorized, notwithstanding any other provision of this title, to apply a portion of the grants, not to exceed 20 per centum thereof without the request of the recipient, made or to be made under section 103(a) in any fiscal year pursuant to an allocation under section 106 to any unit of general local government toward payment of the principal of, and accrued interest on, any temporary loans made in connection with urban renewal projects under title I of the Housing Act of 1949 being carried out within the jurisdiction of such unit of general local government if—

(1) the Secretary determines, after consultation with the local public agency carrying out the project and the chief executive of such unit of general local government, that the project cannot be completed without additional capital grants, or

(2) the local public agency carrying out the project submits to the Secretary an appropriate request which is concurred in by the governing body of such unit of general local government.

In determining the amounts to be applied to the payment of temporary loans, the Secretary shall make an accounting for each project taking into consideration the costs incurred or to be incurred, the estimated proceeds upon any sale or disposition of property, and the capital grants approved for the project.

(b) Upon application by any local public agency carrying out an urban renewal project under title I of the Housing Act of 1949, which application is approved by the governing body of the unit of general local government in which the project is located, the Secretary may approve a financial settlement of such project if he finds that a surplus of capital grant funds after full repayment of temporary loan indebtedness will result and may authorize the unit of general local government to use such surplus funds, without deduction or offset, in accordance with the provisions of this title.

CODE STANDARDS

SEC. 113. Nothing contained in or prescribed under this title, section 101(c) of the Housing Act of 1949, or any other provision of Federal law shall prevent a locality from having and continuing in effect a building, plumbing, electrical, fire prevention, or related code (or provision thereof) embodying standards which, in terms of protecting the public health and safety, are determined by the National Bureau of Standards to be as high as or higher than the corresponding minimum code standards specified by the Secretary of Housing and Urban Development as required to be met in order for such locality to qualify for assistance, certification, or recertification under this title or such section or other provision of Federal law; and any such local standard shall be deemed to satisfy all of the applicable requirements relating to acceptable code standards under this title or such section or other provision.

TRANSITION PROVISIONS

SEC. 114. (a) Except with respect to projects and programs for which funds have been previously committed, no new grants or loans shall be made—

(1) after June 30, 1974, under (A) section 702 or section 703 of the Housing and Urban Development Act of 1965, (B) title II of the Housing Amendments of 1955, or (C) title VII of the Housing Act of 1961; and

(2) after January 1, 1975, under (A) title I of the Demonstration Cities and Metropolitan Development Act of 1966, or (B) title I of the Housing Act of 1949.

(b) To the extent that grants under title I of the Housing Act of 1949 or title I of the Demonstration Cities and Metropolitan Development Act of 1966 are payable from appropriations made for fiscal year 1975, and are made with respect to a project or program being carried on in any unit of general local government which is eligible to receive a grant for such fiscal year under section 106(a) or (h) of this title, the amount of such grants made under title I of the Housing Act of 1949 or title I of the Demonstration Cities and Metropolitan Development Act of 1966 shall be deducted from the amount of grants which such unit of general local government is eligible to receive for fiscal year 1975 under such section 106(a) or (h). The deduction required by the preceding sentence shall be disregarded in determining the amount of grants made to any unit of general local government that may be applied, pursuant to section 112 of this title, to payment of temporary loans in connection with urban renewal projects under title I of the Housing Act of 1949.

(c) The first sentence of section 103(b) of the Housing Act of 1949 is amended by inserting before the period at the end thereof the following: ", and by such sums as may be necessary thereafter".

(d)(1) Section 111(b) of the Demonstration Cities and Metropolitan Development Act of 1966 is amended by inserting immediately after the first sentence the following new sentence: "In addition, there is authorized to be appropriated for such purpose such sums as may be necessary for the fiscal year ending June 30, 1975".

(2) Section 111(c) of such Act is amended by striking out "July 1, 1974" and inserting in lieu thereof "July 1, 1975".

(e) Section 312(h) of the Housing Act of 1964 is amended by striking out "October 1, 1974" and inserting in lieu thereof "January 1, 1975".

(f) With respect to the program period beginning January 1, 1975, the Secretary may, without regard to the requirements of section 104, advance to any metropolitan city or urban county, out of the amount allocated to such city or county pursuant to section 106(a), an amount not to exceed 10 per centum of the amount so allocated which shall be available only for use (A) to continue projects or programs referred to in section 114(a)(2) or (B) to plan and prepare for the implementation in such city or county of activities to be assisted under this title.

(g) In the case of funds available for fiscal year 1975, the Secretary shall not consider any application from a metropolitan city or urban county for a basic grant pursuant to section 106(a) or from a unit of general local government for a grant pursuant to section 106(h) unless such application is submitted on or prior to April 1, 1975, in the case of funds available for fiscal years 1976 and 1977, the Secretary shall not consider any application from a metropolitan city or urban county for a basic grant pursuant to section 106(a) or from a unit of general local government for a grant pursuant to section 106 (h) unless such application is submitted on or prior to November 1 of those fiscal years.

LIQUIDATION OF SUPERSEDED PROGRAMS

SEC. 115. (a) Section 3689 of the Revised Statutes, as amended (31 U.S.C. 711), is amended by adding after paragraph (22) (as added by section 108(f) of this Act) the following new paragraph:

"(23) For payments required from time to time under contracts entered into pursuant to section 103(b) of the Housing Act of 1949, as amended, with respect to projects or programs for which funds have been committed on or before December 31, 1974, and for which funds have not previously been appropriated."

(b) The Secretary is authorized to transfer the assets and liabilities of any program which is superseded or inactive by reason of this title to the revolving fund for liquidating programs established pursuant to title II of the Independent Offices Appropriation Act of 1955 (Public Law 81–428; 68 Stat. 272, 295).

EMPLOYMENT OPPORTUNITIES FOR LOWER INCOME PERSONS

SEC. 116. Section 3 of the Housing and Urban Development Act of 1968 is amended by inserting ", including community development block grants under title I of the Housing and Urban Development Act of 1974," immediately after "direct financial assistance".

TITLE II—ASSISTED HOUSING

HOUSING ASSISTANCE PROGRAM

SEC. 201. (a) Section 23 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new subsection:

"(h)(1)(A) In addition to the assistance authorized by subsection (d) of this section, the Secretary may provide assistance on behalf of lower income families in accordance with the provisions of this subsection.

"(B) To the extent of contracts for annual contributions entered into by the Secretary with a public housing agency under section 10 of this Act, such public housing agency may enter into contracts to make assistance payments for the use of existing dwelling units in accordance with subsections (a) through (g) of this section except as modified by this subsection. In areas where no public housing agency has been organized, the Secretary is authorized to enter into such contracts and to perform the other functions assigned to a public housing agency by this subsection.

"(C) To the extent of annual contributions authorizations under section 10 of this Act, the Secretary is authorized to make assistance payments pursuant to contracts with owners or prospective owners who agree to construct or substantially rehabilitate housing in which some or all of the units shall be available for occupancy by lower income families pursuant to the provisions of this subsection. Subject to the provisions of this subsection, the Secretary may also enter into contracts with public housing agencies pursuant to which such agencies may make assistance payments under contracts with owners or prospective owners of units with respect to which such public housing agencies have assumed or agreed to assume management responsibilities.

"(2)(A) An assistance contract entered into pursuant to this subsection shall establish the maximum monthly rent (including utilities and all maintenance and management charges) which the owner is entitled to receive for each dwelling unit with respect to which such assistance payments are to be made. The maximum monthly rent shall not exceed by more than 10 per centum the fair market rental established by the Secretary periodically but not less than annually for existing or newly constructed rental dwelling units of various sizes and types in the market area suitable for occupancy by persons assisted under this subsection, except that the maximum monthly rent may exceed 10 per centum but not more than 20 per centum of the fair market rental where the Secretary determines that special circumstances warrant such higher maximum rent or that such higher rent is necessary to the implementation of a State or local housing assistance plan approved pursuant to section 202 of the Housing and Urban Development Act of 1974. Proposed fair market rentals for any area shall be published in the Federal Register with reasonable time for public comment, and shall become effective upon the date of publication in final form in the Federal Register.

"(B)(i) The assistance contract shall provide for adjustment annually or more frequently in the maximum monthly rents for units covered by the contract to reflect changes in the fair market rentals established for the housing area for similar types and sizes of dwelling units or, if the Secretary determines, on the basis of a reasonable formula.

"(ii) The contract shall further provide for the Secretary to make additional adjustments in the maximum monthly rent for units under contract to the extent he determines such adjustments are necessary to reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates or similar costs which are not adequately compensated for by the annual adjustment in the maximum monthly rent for such comparable units in the locality in which the units are situated.

"(iii) Adjustments in the maximum rents as hereinbefore provided shall not result in material differences between the rents charged for assisted and comparable unassisted units.

"(C) The amount of the monthly assistance payment with respect to any dwelling unit shall be the difference between not less than 15 per centum nor more than 25 per centum of one-twelfth of the annual income of the family occupying the dwelling unit and the maximum monthly rent which the contract provides that the owner is to receive for the unit. Reviews of family income shall be made no less frequently than annually (except that such reviews may be made at intervals no longer than two years in the case of families who are elderly or handicapped).

"(D) The assistance contract shall provide that assistance payments may be made only with respect to a dwelling unit under lease for occupancy by a family determined to be a lower income family at the time it entered into a dwelling unit, except that such payments may be made with respect to unoccupied units for a period not exceeding sixty days (i) in the event that a family vacates a dwelling unit before the expiration date of the lease for occupancy or (ii) where a good faith effort is being made to fill an unoccupied unit.

"(E) Assistance payments may be made with respect to up to 100 per centum of the dwelling units in any structure upon the application of the owner or prospective owner. Within the category of projects containing more than fifty units and designated for use primarily by nonelderly or nonhandicapped persons, the Secretary may give preference to applications for assistance involving not more than 20 per centum of the dwelling units in a project. In according any such preference, the Secretary shall compare applications received during distinct time periods not exceeding sixty days in duration.

"(F) The Secretary shall take such steps as may be necessary, including the making of contracts for assistance payments in amounts in excess of the amounts required at the time of the initial renting of dwelling units, the reservation of annual contributions authority for the purpose of amending housing assistance contracts, or the allocation of a portion of new authorizations for the purpose of amending housing assistance contracts, to assure that assistance payments are increased on a timely basis to cover increases in maximum monthly rents or decreases in family incomes.

"(G) The Secretary shall prescribe such requirements and procedures as may be necessary or appropriate best to assure that at least 30 per centum of the families assisted under this subsection with annual allocations of contract authority are very low-income families at the time of the initial renting of dwelling units.

"(3) (A) The Secretary shall not contract to make assistance payments with respect to a newly constructed or substantially rehabilitated dwelling unit for a term of less than one month or more than two hundred and forty months. In the case of a project owned by, or financed by a loan or loan guarantee from, a State or local agency, the term may not exceed four hundred and eighty months.

"(B) The contract between the Secretary and the owner with respect to newly constructed or substantially rehabilitated dwelling units shall provide that all ownership, management, and maintenance responsibilities, including the selection of tenants and the termination of tenancy, shall be assumed by the owner (or such entity approved by the Secretary with which the owner may contract for the performance of such responsibilities).

"(C) Assistance provided pursuant to this subsection with respect to the construction or substantial rehabilitation of dwelling units shall not be withheld or made subject to preferences by reason of the availability of mortgage insurance pursuant to section 244 of the National Housing Act or by reason of the tax-exempt status of the bonds or other obligations to be used to finance such construction or rehabilitation or, if such unit is designed to comply with applicable local and State building codes, by reason of the unit's failure to comply with any minimum property standard or other structural code promulgated by the Secretary.

"(D) Nothing in this Act shall be deemed to prohibit an owner from pledging, or offering as security for any loan or obligation, a contract for assistance payments entered into pursuant to this subsection: *Provided*, That such security is in connection with a project constructed or rehabilitated pursuant to authority granted in this subsection, and the terms of the financing or any refinancing have been approved by the Secretary.

"(4) As used in this subsection—

"(A) the term 'lower income families' means those families whose incomes do not exceed 80 per centum of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than 80 per centum of the median for the area on the basis of his findings that such variations are necessary because of prevailing levels of construction costs, unusually high or low family incomes, or other factors;

"(B) the term 'very low-income families' means those families whose incomes do not exceed 50 per centum of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families;

"(C) the term 'income' means income from all sources of each member of the household, as determined in accordance with criteria prescribed by the Secretary;

"(D) the term 'owner' means any private person or entity, including a cooperative, or a public housing agency, having the legal right to lease or sublease newly constructed or substantially rehabilitated dwelling units as described in this subsection;

"(E) the terms 'rent' or 'rental' mean, with respect to members of a cooperative, the charges under the occupancy agreements between such members and the cooperative.

"(F) The term 'project designed for the elderly or handicapped' means a multifamily housing facility specifically designed and equipped with 'related facilities' (as defined in section 202(d)(8) of the Housing Act of 1959) to accommodate the special environmental needs of the intended occupant, which is in support of and supported by the applicable State plan for comprehensive services pursuant to section 134 of title I of the Mental Retardation Facilities and Community Mental Health Center Construction Act of 1963 or State and area plans pursuant to title III of the Older Americans Comprehensive Services Amendments of 1973.

"(5) The provisions of sections 2(1) and 15, the provisions of subsection (a)(2) of this section, and any other provisions of this Act which are inconsistent with the provisions of this subsection shall not apply to contracts for assistance entered into under this subsection.

"(6) Notwithstanding any other provision of this Act, assistance payments under this subsection shall be provided, in accordance with regulations prescribed by the Secretary, with respect to some or all of the units in any project approved pursuant to section 202 of the Housing Act of 1959. For purposes of such payments, the term 'lower income families' as used in this subsection includes elderly or handicapped families with annual incomes less than five times the annual market rent of the units in such projects which they occupy."

(b) Section 2(2) of such Act is amended by inserting in the third sentence thereof immediately after "section 223 of that Act" the following: "or as defined in section 102 (5) of the Developmental Disabilities Services and Facilities Construction Amendments of 1970".

(c) Section 16(2) of such Act is amended—

(1) by striking out "section 23" and inserting in lieu thereof "section 23(d)"; and

(2) by inserting "or the Secretary" immediately after "public housing agency".

(d) Notwithstanding the provisions of section 2(2) of such Act, the term 'elderly or handicapped families' includes two or more elderly or handicapped individuals of the same sex living together, or one or more such individuals living with another person who is determined under regulations of the Authority to be a person essential to their care or well being.

(e) The Secretary shall consult with the Secretary of Health, Education, and Welfare to insure that special projects for the elderly or the handicapped authorized pursuant to United States Housing Act of 1937 shall meet acceptable standards of design and shall provide quality services and management consistent with the needs of the occupant.

LOCAL HOUSING ASSISTANCE PLANS; ALLOCATION OF HOUSING NEEDS

SEC. 202. (a) The Secretary of Housing and Urban Development shall not approve an application or proposal for housing assistance under the United States Housing Act of 1937, sections 235 or 236 of the National Housing Act, or section 101 of the Housing and Urban Development Act of 1965 unless the unit of general local government in which the proposed assistance is to be provided and which has a housing assistance plan approved by the Secretary has had a reasonable opportunity to consider the proposed assistance prior to submission of the application or proposal and to certify to the Secretary that such assistance is consistent with a housing assistance plan (approved by the Secretary pursuant to title I of this Act or, in the case of a unit of general local government not participating under such title I approved pursuant to regulations established by the Secretary) or that the assistance, while not consistent with the plan, should be approved for reasons set forth with the certification. If the unit of general local government objects to approval of the application or proposal, and no resolution thereof is effected, the Secretary shall not give that approval unless he determines that the application or proposal is plainly consistent with the housing assistance plan and that such objection, viewed in the context of such plan, is without merit. The Secretary shall advise the unit of general local government in writing of his rejection of such objection and shall provide such unit of government with his reasons at least thirty days prior to such approval and allow an opportunity for response.

(b) The Secretary may, after consultation with appropriate officials representative of units of general local government, approve in regulations exceptions to the requirements of subsection (a) of this section for applications which would involve small amounts of housing assistance. In such cases, the Secretary shall determine whether the applications are consistent with any approved local housing assistance plan.

(c) For areas in which an approved local housing assistance plan is not applicable, the Secretary shall not approve an application for housing assistance unless he determines that there is a need for such assistance and that there is or will be available in the area public facilities and services adequate to serve the housing proposed to be assisted: *Provided*, That the unit of general local government in which the project is to be located has been notified by the Secretary of his intent to approve the project and has failed to object within 60 days of such notification.

(d)(1) In allocating financial assistance under the provisions of law specified in subsection (a) of this section, the Secretary, so far as practicable, shall consider the relative needs of different areas and communities as reflected in data as to population, poverty, housing overcrowding, housing vacancies, amount of substandard housing or other objectively measurable conditions, subject to such adjustments as may be necessary to assist in carrying out activities designed to meet lower income housing needs as described in approved housing assistance plans submitted by units of general local government or combinations of such units assisted under section 107(a)(2) of this Act. The amount of assistance allocated to nonmetropolitan areas pursuant to this section in any fiscal year shall not be less than 20 per centum of the total amount of such assistance.

(2) In order to facilitate the provision of, and long-range planning for, housing for persons of low- and moderate-income in new community developments approved under title IV of the Housing and Urban Development Act of 1968, or of title VII of the Housing and Urban Development Act of 1970, the Secretary shall reserve such housing assistance funds as he deems necessary for use in connection with such new community developments.

(3) The Secretary may reserve such housing assistance funds as he deems appropriate for use by a State or agency thereof.

AMENDMENT TO MAKE PUBLIC HOUSING AGENCIES ELIGIBLE AS MORTGAGORS UNDER SECTION 221(d)(3) OF THE NATIONAL HOUSING ACT

SEC. 203. (a) Section 221(d)(3) of the National Housing Act is amended by striking out the parenthetical phrase "and which certifies that it is not receiving financial assistance from the United States exclusively pursuant to the United States Housing Act of 1937)" and inserting in lieu thereof "(and, except with respect to a project assisted or to be assisted pursuant to section 23(h) of the United States Housing Act of 1937, which certifies that it is not receiving financial assistance from the United States exclusively pursuant to such Act)".

(b) With respect to any obligation which is secured by a mortgage insured under section 221(d)(3) of the National Housing Act and which is issued by a public agency in connection with the financing of a project assisted under section 23(h) of the United States Housing Act of 1937, the interest paid on such obligation shall be included in gross income for purposes of chapter 1 of the Internal Revenue Code of 1954.

MINIMUM RENTALS FOR DWELLING UNITS IN LOW-RENT HOUSING

SEC. 204. (a)(1) Section 2(1) of the United States Housing Act of 1937 is amended by inserting immediately after the second paragraph the following new paragraph:

"Notwithstanding the preceding paragraph, the rental for any dwelling unit in low-rent housing shall not be less than the higher of (A) 10 per centum of the gross income of the family occupying the dwelling unit, and (B) if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the family's actual housing costs, is specifically designated by such agency to meet the family's housing costs, the portion of such payments which is so designated. In addition, in any case where the dwelling units in a project are administered by a public housing agency receiving operating subsidy payments pursuant to the second proviso in section 10(a), the aggregate rentals required to be paid in any year by families residing in such units shall not be less than an amount equal to one-fifth of the sum of the incomes of all such families."

(b) Clause (B) in the second sentence of the second paragraph in section 2(1) of such Act is amended by striking out clause (iii) and inserting in lieu thereof the following: "(iii) 10 per centum of the family's gross income in the case of an elderly family; and".

(c) Section 2(1) of such Act is further amended by striking out the last paragraph.

(d) Section 213(b) of the Housing and Urban Development Act of 1969 is repealed.

(e) To the extent that the amendments to the United States Housing Act of 1937 made by this section require the establishment of an increased monthly rental charge for any family which occupies a low-income housing unit as of the effective date of this section (other than by reason of the amendments relating to welfare assistance payments), the required adjustment shall be made, in accordance with regulations of the Secretary, as follows: (A) the first adjustment shall not exceed $5 and shall become effective as of the month following the month of the first review of the family's income pursuant to section 10(g)(3) of such Act which occurs at least six months after the enactment of this section, and (B) subsequent adjustments, each of which shall not exceed $5, shall be made at six-month intervals over whatever period is necessary to effect the full required increase in the family's rental charge.

MANAGEMENT PRACTICES IN PROJECT OPERATION

SEC. 205. Section 10(g) of the United States Housing Act of 1937 is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof "; and", and by adding at the end thereof the following new paragraph:

"(5) the public housing agency shall comply with such procedures and requirements as the Secretary may prescribe to assure that sound management practices will be followed in the operation of the project, including requirements pertaining to—

"(A) the establishment of tenant selection criteria designed to assure that, within a reasonable period of time, the project will include families with a broad range of incomes and will avoid concentrations of low-income and deprived families with serious social problems, but this shall not permit maintenance of vacancies to await higher-income tenants where lower-income tenants are available;

"(B) the establishment of satisfactory procedures designed to assure the prompt payment and collection of rents and the prompt processing of evictions in the case of nonpayment of rent;

"(C) the establishment of effective tenant-management relationships designed to assure that satisfactory standards of tenant security and project maintenance are formulated and that the public housing agency (together with tenant councils where they exist) enforces those standards fully and effectively; and

"(D) the development by local housing authority managements of viable homeownership opportunity programs for low-income families capable of assuming the responsibilities of homeownership."

INCREASE IN PUBLIC HOUSING ANNUAL CONTRIBUTIONS CONTRACT AUTHORITY

SEC. 206. Section 10(e) of the United States Housing Act of 1937 is amended by striking out "and $140,000,000 on July 1, 1973" and inserting in lieu thereof "$400,000,000 on July 1, 1973, and $965,000,00 on July 1, 1974".

INTERIM EXTENSION OF SECTION 235 AND SECTION 236 PROGRAMS

SEC. 207. (a) (1) Section 235(m) of the National Housing Act is amended by striking out "October 1, 1974" and inserting in lieu thereof "June 30, 1975".

(2) Section 236(n) of such Act is amended by striking out "October 1, 1974" and inserting in lieu thereof "June 30, 1975".

(b) Section 236(i) (1) of such Act is amended by inserting before the period at the end thereof the following: ", and, in addition, by such sums as may be necessary thereafter".

(c) Section 235(a) of such Act is amended by inserting after "this section" at the end of the second sentence the following: "or which mortgages are assisted under a State or local program providing assistance through loans, loan insurance or tax abatement".

PROVISION OF LOW RENT PUBLIC HOUSING FOR AMERICAN INDIANS

SEC. 208. The first sentence of section 10(e) of the United States Housing Act of 1937 is amended by inserting immediately before the period the following: ": *And provided further,* That at least $20,000,000 of the total amount of contracts for annual contributions authorized under section 206 of the Housing and Urban Development Act of 1974 shall be available solely for low-rent housing for persons who are members of any Indian tribe, band, pueblo, group, or community of Indians who are recognized by the Federal Government, or Alaska Natives, or Indians who are wards of any State government, except that none of the funds made available under this proviso shall be available for housing in private accommodations under section 23 and, notwithstanding any other provision of this Act, the annual contributions for a project assisted pursuant to this proviso shall be equal to the difference between the sum of the total debt service payment plus approved operating costs and the rental payments that tenants are required to make under section 2(1) of this Act".

PROVISION OF HOUSING ASSISTANCE IN CERTAIN AREAS WHERE ASSISTANCE IS OTHERWISE UNAVAILABLE

SEC. 209. If, after two years from the effective date of this Act, the Secretary of Housing and Urban Development determines that there are any areas of the country where a substantial number of families require housing assistance and no agency or sponsor is providing such assistance, he may act as sponsor, or designate a sponsor, to develop housing to meet this need. No sponsor shall be designated by the Secretary pursuant to this section without the prior approval of the Governor or of the State Housing Agency of the State in which the proposed assisted housing is to be located.

PROVISION OF LOW-RENT PUBLIC HOUSING FOR THE ELDERLY OR HANDICAPPED

SEC. 210. The first sentence of section 10(e) of the United States Housing Act of 1937 is amended by inserting immediately before the period the following: ": *And provided further,* That at least 20 per centum of the total amount of contracts for annual contributions authorized under section 206 of the Housing and Urban Development Act of 1974 shall be available solely for low-income housing for elderly or handicapped persons or families".

CERTAIN AMOUNTS TO BE DISREGARDED IN DETERMINING ELIGIBILITY

SEC. 211. (a) That section 15 of the United States Housing Act of 1937 is amended by adding at the end thereof the following new paragraph:

"(13) Notwithstanding any other provision of law, social security benefit increases occurring after June 1974 shall not be considered as income or resources or otherwise taken into account for purposes of determining the eligibility of any individual or family for admission to or occupancy of low-rent housing, or for purposes of determining the amount of the rental which any individual or family is required to pay for his or its accommodations in such housing. For purposes of this paragraph, the term 'social security benefit increases occurring after June 1974' means any part of a monthly benefit payable to an individual under the insurance program established under title II of the Social Security Act which results from (and would not be payable but for) a cost-of-living increase in benefits under such program occurring after June 1974 pursuant to section 215(i) of such Act, or any other increase in benefits under such program, enacted after June 1974, which constitutes a general benefit increase within the meaning of section 215(i) (3) of such Act."

SEC. 211. (b) Title V of the National Housing Act is amended by adding at the end thereof the following new section:

"CERTAIN BENEFIT INCREASES TO BE DISREGARDED IN DETERMINING FEDERAL HOUSING SUBSIDIES

"SEC. 525. Notwithstanding any other provision of law, social security benefit increases occurring after June 1974 shall not be considered as income or resources or otherwise taken into account for purposes of determining—

"(1) the eligibility of any individual or family for mortgage insurance or assistance payments under section 235, or the amount of any such payments;

"(2) the eligibility of any individual or family for admission to or occupancy of housing with respect to which assistance payments are being made under section 236, or the amount of the rental to be charged such individual or family for his or its accommodations in such housing;

"(3) whether or not any individual or family is a 'qualified tenant' for purposes of rent supplement payments under section 101 of the Housing and Urban Development Act of 1965, or the amount of such payments; or

"(4) the eligibility of any individual or family for housing assistance under any other Federal law or program which conditions such eligibility to any extent upon income or resources, or the amount or extent of such assistance.

For purposes of this section, the term 'social security benefit increases occurring after June 1974' means any part of a monthly benefit payable to an individual under the insurance program established under title II of the Social Security Act which results from (and would not be payable but for) a cost-of-living increase in benefits under such program occurring after June 1974 pursuant to section 215(i) of such Act, or any other increase in benefits under such program, enacted after June 1974, which constitutes a general benefit increase within the meaning of section 215(i) (3) of such Act."

SEC. 211(c). The amendments made by this section shall apply with respect to determinations made on or after the date of the enactment of this Act.

REVISION OF SECTION 202 PROGRAM FOR ELDERLY AND HANDICAPPED

SEC. 212. (a) Section 202 of title II of the Housing Act of 1959 is amended—

(1) by deleting, in subsection (a) (1), ", consumer cooperatives, limited profit sponsors, or public bodies or agencies" and inserting in lieu thereof "or consumer cooperatives";

(2) by deleting, in subsection (a) (2), ", to any limited profit sponsor approved by the Secretary, to any consumer cooperative, or to any public body or agency" and inserting in lieu thereof "or to any consumer cooperative";

(3) by inserting, after clause (A) of subsection (a) (2), the word "and", by changing the comma which appears at the end of clause (B) of subsection (a) (2) to a period, and by striking the remainder of the subsection;

(4) by deleting, in subsection (a) (3), ", consumer cooperative, or public body or agency" and inserting in lieu thereof "or consumer cooperative"; and

(5) by deleting, in subsection (c) (3), ", cooperative, or public body or agency" and inserting in lieu thereof "or cooperative".

(b) Subsection (a) (3) of section 202 of title II of the Housing Act of 1959 is amended by deleting all that part of the subsection which follows the words "and shall bear interest at a rate" and inserting in lieu thereof "which is not more than a rate determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of 1 per centum, plus an allowance adequate in the judgment of the Secretary to cover administrative costs and probable losses under the program."

(c) Paragraph (4) of subsection (d) of section 202 of the Housing Act of 1959 is amended—

(1) by striking the words "a physical" in the second sentence and inserting in lieu thereof "an"; and

(2) by inserting, following the second sentence, a new sentence reading as follows: "A person shall also be considered handicapped if such person is a developmentally disabled individual having a disability attributable to mental retardation, cerebral palsy, epilepsy, or another neurological condition which (i) originates before the individual affected attains age eighteen, (ii) has continued or can be expected to continue indefinitely, and (iii) constitutes a substantial handicap to such individual."

(d) Section 202 of title II of the Housing Act of 1959 is amended by adding at the end thereof a new subsection (f) reading as follows:

"(f) In carrying out the provisions of this section, the Secretary shall seek to assure, pursuant to applicable regulations, that housing and related facilities assisted under this Act will be in appropriate support of, and supported by, applicable plans of a State, the District of Columbia, Puerto Rico, and possessions of the United States, or of a subdivision thereof, which respond to Federal program requirements as providing an assured range of necessary services for such individuals (which services may include, among others, health, continuing education, welfare, informational, recreational, homemaker, or counseling or referral services, transportation where necessary to facilitate access to social services, and services designed to encourage and assist recipients to use the services and facilities available to them), including plans approved by the Secretary of Health, Education, and Welfare pursuant to section 134 of title I of the Mental Retardation Facilities and Community Mental Health Center Construction Act of 1963 or pursuant to title III of the Older Americans Act of 1965."

(e) Section 202(a)(4) of such Act is amended—

(1) by inserting "(A)" immediately after "(4)";

(2) by inserting ", and the proceeds from notes or other obligations issued under subparagraph (B) ," after "Amounts so appropriated"; and

(3) by adding at the end thereof the following new subparagraph:

"(B)(i) To carry out the purposes of this section, the Secretary is authorized to issue to the Secretary of the Treasury notes or other obligations in an aggregate amount not to exceed $1,500,000,000, in such forms and donominations, bearing such maturities, and subject to such terms and conditions as may be prescribed by the Secretary of the Treasury. Such notes or other obligations shall bear interest at a rate determined by the Secretary of the Treasury, taking into consideration the current average market yield on outstanding marketable obligations of the United States of comparable maturities during the month preceding the issuance of the notes or other obligations. The Secretary of the Treasury is authorized and directed to purchase any notes and other obligations issued thereunder and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include any purchase of such notes and obligations. The Secretary of the Treasury may at any time sell any of the notes or other obligations acquired by him under this section. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes or other obligations shall be treated as debt transactions of the United States.

"(ii) The receipts and disbursements of the fund shall not included in the total of the Budget of the United States Government and shall be exempt from any limitation on annual expenditure or net lending."

SECTION 202 PROJECTS ELIGIBLE FOR ASSISTANCE PAYMENTS UNDER PUBLIC HOUSING LAW

SEC. 213. (a) In determining the feasibility and marketability of a project under section 202 of the Housing Act of 1959, the Secretary shall consider the availability of monthly assistance payments pursuant to section 23 of the United States Housing Act of 1937 with respect to such a project.

(b) The Secretary shall insure that with the original approval of a project authorized pursuant to section 202 of the Housing Act of 1959, and thereafter at each annual revision of the assistance contract under section 23 of the United States Housing Act of 1937 with respect to units in such project, the project will serve both low- and moderate-income families in a mix which he determines to be appropriate for the area and for viable operation of the project; except that the Secretary shall not permit maintenance of vacancies to await tenants of one income level where tenants of another income level are available.

TITLE III—MORTGAGE CREDIT PROGRAMS

EXTENSION OF REGULAR FHA INSURANCE PROGRAMS

SEC. 301. (a) Section 2(a) of the National Housing Act is amended by striking out "October 1, 1974" in the first sentence and inserting in lieu thereof "June 30, 1977".

(b) Section 217 of such Act is amended by striking out "October 1, 1974" and inserting in lieu thereof "June 30, 1977".

(c) Section 221(f) of such Act is amended by striking out "October 1, 1974" in the fifth sentence and inserting in lieu thereof "June 30, 1977".

(d) Section 809(f) of such Act is amended by striking out "October 1, 1974" in the second sentence and inserting in lieu thereof "June 30, 1977".

(e) Section 810(k) of such Act is amended by striking out "October 1, 1974" in the second sentence and inserting in lieu thereof "June 30, 1977".

(f) Section 1002(a) of such Act is amended by striking out "October 1, 1974" in the second sentence and inserting in lieu thereof "June 30, 1977".

(g) Section 1101(a) of such Act is amended by striking out "October 1, 1974" in the second sentence and inserting in lieu thereof "June 30, 1977".

FLEXIBLE INTEREST RATE AUTHORITY

SEC. 302. Section 3(a) of the Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes", approved May 7, 1968, as amended (12 U.S.C. 1709–1), is amended by striking out "October 1, 1974" and inserting in lieu thereof "June 30, 1977".

INCREASE IN MAXIMUM MORTGAGE AMOUNTS UNDER FHA ONE- TO FOUR-FAMILY MORTGAGE INSURANCE PROGRAMS

SEC. 303. (a) Section 203(b)(2) of the National Housing Act is amended by striking out "$33,000", "$35,750", and "$41,250" wherever they appear and inserting in lieu thereof "$45,000", "$48,750", and "$56,000", respectively.

(b) Section 220(d)(3)(A) of such Act is amended by striking out "$33,000", "$35,750", and "$41,250" wherever they appear and inserting in lieu thereof "$45,000", "$48,750", and "$56,000", respectively.

(c) Section 222(b)(2) of such Act is amended by striking out "$33,000" and inserting in lieu thereof "$45,000".

(d) Section 221(d)(2)(A) of such Act is amended—

(1) by striking out "$18,000", "$21,000", "$24,000", "$32,400", and "$39,600" in the matter preceding the first proviso and inserting in lieu thereof "$21,600", "$25,200", "$28,000", "$38,880", and "$47,520", respectively; and

(2) by striking out '$21,000", "$24,000", "$30,000", "$38,400", and "$45,600" in the second proviso and inserting in lieu thereof "$25,200", "$28,800", "$36,000", "$46,080", and "$54,720", respectively.

(e) Section 234(c) of such Act is amended by striking out "$33,000" and inserting in lieu thereof "$45,000".

(f)(1) The last proviso in section 2935(b)(2) of such Act is amended by striking out "$18,000", "$21,000", "$21,000", and "$24,000" and inserting in lieu thereof "$21,600", "$25,200", and "$28,800", respectively.

(2) Section 235(i)(3)(B) of such Act is amended by striking out "$18,000", "$21,000", "$21,000", and "$24,000" and inserting in lieu thereof "$21,600", "$25,200", "$25,200", and "$28,000", respectively.

INCREASE IN MAXIMUM MORTGAGE AMOUNTS UNDER FHA MULTIFAMILY MORTGAGE INSURANCE PROGRAMS

SEC. 304 (a)(1) Section 207(c)(3) of the National Housing Act is amended by striking out "$9,900", "$13,750", "$16,500", "$20,350", "$23,100", and "$2,500" in the matter preceding the first semicolon and inserting in lieu thereof "$13,000", "$18,000", "$21,500", "$26,500", "$30,000", and "$3,250", respectively.

(2) Section 207(c)(3) of such Act is further amended by striking out "$11,550", "$16,500", "$19,800", "$24,750", and "$28,050" in the matter following the first semicolon and inserting in lieu thereof "$15,000", "$21,000", $25,750", "$32,250", and $34,465", respectively.

(b)(1) Section 213(b) (2) of such Act is amended by striking out "$9,900", "$13,750", "$16,500", "$20,350", and "$23,100" in the matter preceding the first proviso and inserting in lieu thereof "$13,000", "$18,000", "$21,500", "$26,500", and "$30,000", respectively.

(2) Section 213(b)(2) of such Act is further amended by striking out "$11,550", "$16,500", "$19,800", "$24,750", and "$28,050" in the first proviso and inserting in lieu thereof "$15,000", "$21,000", "$25,750", "$32,250", and "$36,465", respectively.

(c)(1) Section 220(d)(3)(B) (iii) of such Act is amended by striking out "$9,900", "$13,750", "$16,500", "$20,350", and "$23,100" in the matter preceding "except" where it first appears and inserting in lieu thereof "$13,000", "$18,000", "$21,500", "$26,500", and "$30,000", respectively.

(2) Section 220(d)(3)(B)(iii) of such Act is further amended by striking out "$11,550", "$16,500", "$19,800", "$25,750", and "$28,050" in the matter following "except" where it first appears and inserting in lieu thereof "$15,000", "$21,000", "$25,759", "$32,250", and "$36,465", respectively.

(d) Section 221(d)(3)(ii) of such Act is amended—

(A) by striking out "$9,200", "$12,937.50", "$15,525", "$19,550", and "$22,137.50" and inserting in lieu thereof "$11,240", "$15,540", "$18,630", "$23,460", and "$26,570", respectively; and

(B) by striking out "$10,925", "$13,500", "$18,400", "$23,000", and "$26,162.50" and inserting in lieu thereof "$13,120", "$16,200", "$22,080", "$27,600", and "$32,000", respectively.

(e)(1) Section 221(d)(4)(ii) of such Act is amended by striking out "$9,200", "$12,937.50", "$15,525", "$19,550", and "$22.137.50" in the matter preceding the first semicolon and inserting in lieu thereof "$12,300", "$17,188", "$20,525", "$24,700", and "$29,038", respectively.

(2) Section 221(d)(4)(ii) of such Act is further amended by striking out "$10,525", "$15,525", "$18,400", "$23,000", and "$26,162, 50" in the matter following the first semicolon and insert in lieu thereof "$13,975", "$20,025", "$24,350", "$31,500", and "$34,578", respectively.

(f)(1) Section 23(c)(2) of such Act is amended by striking out "$8,800", "$12,375", "$14,850", "$17,600", "$22,000", and "$25,025" matter preceding the first semicolon and inserting in lieu thereof "$12,300", "$17,188", "20,525", "$24,700", and "$29,038", respectively.

(2) Section 231(c)(2) of such Act is further amended by striking out "$10,450", "$14,850", "17,600", "$22,000", and "$25,025" in the matter following the first semicolon and inserting in lieu thereof "$13,975", "$20,025", "$24,350", "$31,500", and "$34,578", respectively.

DOWNPAYMENT REQUIREMENTS FOR REGULAR FHA ONE- TO FOUR-FAMILY MORTGAGES

SEC. 305. (a) The first and second sentences of section 203(b)(2) of the National Housing Act are each amended—

(1) by striking out "$15,000" in clause (i) and inserting in lieu thereof "$25,000";

(2) by strikng out "$15,000" and "$25,000" in clause (ii) and inserting in lieu thereof "$25,000" and "$35,000", respectively; and

(3) by striking out "$25,000" in clause (iii) and inserting in lieu thereof "$35,000".

(b) Section 220(d)(3)(A)(i) of such Act is amended by—

(1) by striking out "$15,000" in clause (1) and inserting in lieu thereof "$25,000";

(2) by striking out "$15,000" and "$25,000" in clause (2) and inserting in lieu thereof "$25,000" and "$35,000", respectively; and

(3) by striking out "$25,000" in clause (3) and inserting in lieu thereof "$35,000".

(c) Section 222(b)(3) of such Act is amended to read as follows:

"(3) have a principal obligation not in excess of the sum of (i) 97 per centum of $25,000 of the appraised value of the property as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such vaue in excess of $25,000 but not in excess of $35,000, and (iii) 80 per centum of such value in excess of $35,000; and".

(d) That part of clause (A) of the third sentence of section 234(c) of such Act which begins "and not to exceed" is amended to read as follows: "and not to exceed the sum of (i) 97 per centum of $25,000 of the appraised value of the property as of the date the mortgage is accepted for insurance, (ii) 90 per centum of such value in excess of $25,000 but not in excess of $35,000, (iii) 80 per centum of such value in excess of $35,000".

AMENDMENT TO PROVIDE FHA INSURED FINANCING ON RESALE OF COOPERATIVE DWELLINGS

SEC. 306. Section 203 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(n)(1) The Secretary is authorized to insure under this section any mortgage meeting the requirements of subsection (b) of this section, except as modified by this subsection. To be eligible, the mortgage shall involve a dwelling unit in a cooperative housing project which is covered by a blanket mortgage insured under this Act. The mortgage amount as determined under the other provisions of subsection (b) of this section shall be reduced by an amount equal to the portion of the unpaid balance of the blanket mortgage covering the project which is attributable (as of the date the mortgage is accepted for insurance) to such unit.

"(2) For the purpose of this subsection—

"(A) The terms 'home mortgage' and 'mortgage' include a first lien given (in accordance with the laws of the State where the property is located and accompanied by such security and other undertakings as may be required under regulations of the Secretary) to secure a loan made to finance the purchase of stock or membership in a nonprofit cooperative ownership housing corporation the permanent occupancy of the dwelling units of which is restricted to members of such corporation, where the purchase of such stock or membership will entitle the purchaser to the permanent occupancy of one of such units.

"(B) The terms 'appraised value of the property', 'value of the property', and 'value' include the appraised value of a dwelling unit in a cooperative housing project of the type described in subparagraph (A) where the purchase of the stock or membership involved will entitle the purchaser to the permanent occupancy of that unit; and the term 'property' include a dwelling unit in such a cooperative project.

"(C) The term 'mortgagor' includes a person or persons giving a first lien (of the type described in subpargaraph (A)) to secure a loan to finance the purchase of stock or membership in a cooperative housing corporation."

LIMITATION ON DOLLAR AMOUNT OF GNMA-PURCHASED MORTGAGES

SEC. 307. Clause (3) of the proviso to the first sentence of section 302(b)(1) of the National Housing Act is amended by striking out "$22,000" and inserting in lieu thereof "$38,000".

TITLE I HOME IMPROVEMENT LOANS

SEC. 308. (a) Section 2(b) of the National Housing Act is amended—

(1) by striking out "$5,000" in clause (1) and inserting in lieu thereof "$10,000";

(2) by striking out "if such obligation" in clause (2) and all that follows down through "the general economy, and" and inserting in lieu thereof the following: "if such obligation has a maturity in excess of twelve years and thirty-two days, except that";

(3) by striking out "twelve years and thirty-two days (fifteen years and thirty-two days in the case of a mobile home composed of two or more modules)" and inserting in lieu thereof "fifteen years and thirty-two days"; and

(4) by striking out "$15,000", "$2,500", and "seven years" in the third proviso in clause (3) and inserting in lieu thereof "$17,500", "$5,000", and "twelve years", respectively.

(b)(1) Section 2(a) of such Act is amended by adding at the end thereof the following new paragraph:

"Alterations, repairs, and improvements upon or in connection with existing structures may include the provision of fire safety equipment. As used in this section, the term 'fire safety equipment' means any device or facility which is designed to reduce the risk of personal injury or property damage resulting from fire and is in conformity with such criteria and standards as shall be prescribed by the Secretary."

(2) Section 2(b) of such Act is amended by adding at the end thereof the following new sentence: "Notwithstanding the foregoing limitations, any loan to finance fire safety equipment for a nursing home or other comparable health care facility may involve an amount not exceeding $50,000 and have a maturity not exceeding twenty-five years and thirty-two days."

(c) Clause (i) in the first paragraph of section 2(a) of such Act is amended by inserting "or mobile homes" immediately after "in connection with existing structures."

(d) The last sentence of section 3(a) of the Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes," approved May 7, 1968, as amended (12 U.S.C. 1709–1), is amended by striking out ", and which represent loans and advances of credit made for the purpose of financing purchases of mobile homes,".

CO-INSURANCE DEMONSTRATION PROGRAM

SEC. 309. Title II of the National Housing Act is amended by adding at the end thereof the following new section:

"CO-INSURANCE

"SEC. 244. (a) In addition to providing insurance as otherwise authorized under this Act, and notwithstanding any other provision of this Act inconsistent with this section, the Secretary, upon request of any mortgagee and for such mortgage insurance premium as he may prescribe (which premium, or other charges to be paid by the mortgagor, shall not exceed the premium, or other charges, that would otherwise be applicable), may insure and make a commitment to insure under any provision of this title any mortgage, advance, or loan otherwise eligible under such provision, pursuant to a contract providing that the mortgagee will—

"(1) assume the per centum of any loss in direct proportion to the amount of the co-insurance, which co-insurance shall not be less than 10 per centum, subject to any reasonable limit or limits on the liability of the mortgagee that may be specified in the event of unusual or catastrophic losses that may be incurred by any one mortgagee; and

"(2) carry out (under a delegation or otherwise and with or without compensation but subject to audit, exception or review requirements) such credit approval, appraisal, inspection, commitment, property disposition, or other functions as the Secretary, pursuant to regulations, shall approve as consistent with the purposes of this Act.

Any contract of insurance under this section shall contain such provisions relating to the sharing of premiums on a sound actuarial basis, establishment of mortgage reserves, manner of calculating insurance benefits, conditions with respect to foreclosure, handling and disposition of property prior to claim or settlement, rights of assignees (which may elect not to be subject to the loss sharing provisions), and other similar matters as the Secretary may prescribe pursuant to regulations.

"(b) No insurance shall be granted pursuant to this section with respect to dwellings or projects approved for mortgage insurance prior to the beginning of construction unless the inspection of such construction is conducted in accordance with at least the minimum standards and criteria used with respect to such dwellings or projects approved for mortgage insurance pursuant to other provisions of this title.

"(c) No insurance shall be granted pursuant to this section unless the Secretary has, after due consultation with the mortgage lending industry, determined that the demonstration program of coinsurance authorized by this section will not disrupt the mortgage market or reduce the availability of mortgage credit to borrowers who depend upon mortgage insurance provided under this Act.

"(d) No mortgage, advance, or loan shall be insured pursuant to this section after June 30, 1977, except pursuant to a commitment to insure made before that date. The aggregate principal amount of mortgages and loans insured pursuant to this section in any fiscal year beginning on or after July 1, 1974, and ending prior to July 1, 1977, shall not exceed 20 per centum of the aggregate principal amount of all mortgages and loans insured under this title during such fiscal year. The percentage limitation specified in the preceding sentence shall also be applicable within the following categories—

"(1) mortgages and loans covering one- to four-family dwellings; and

"(2) mortgages and loans covering projects with five or more dwelling units.

"(e) The Secretary shall not withdraw, deny, or delay insurance otherwise authorized under any other provisions of this Act by reason of the availability of insurance pursuant to this section.

"(f) The Secretary shall submit to the Congress a report, not later than March 1, 1975, and annually thereafter, describing operations under this section, including the extent of mortgagee participation and any special problems encountered, and setting forth any recommendations he may deem appropriate with respect to the continuation or modification of the authority contained in this section. If the Secretary shall fail to submit any such report by the date due, his authority under this section shall terminate."

FEDERAL NATIONAL MORTGAGE ASSOCIATION AMENDMENTS

SEC. 310. (a) Section 302(a)(2) of the National Housing Act is amended—

(1) by striking out "the effective date established pursuant to section 808 of the Housing and Urban Development Act of 1968" in the matter preceding subparagraph

(A) and inserting in lieu thereof "September 1, 1968"; and

(2) by striking out "effective" in subparagraphs (A) and (B).

(b) The third sentence of section 302(a)(2)(B) of such Act is amended—

(1) by inserting "or the metropolitan area thereof" immediately after "District of Columbia";

(2) by inserting "jurisdiction and" immediately before "venue"; and

(3) by striking out "resident thereof" and inserting in lieu thereof "District of Columbia corporation".

(c) Section 302(b)(2) of such Act is amended by striking out "75 per centum" each place it appears and inserting in lieu thereof "80 per centum".

(d) Clause (C) of the second sentence of section 302(b)(2) of such Act is amended by striking out "private".

(e) The last sentence of section 302(b)(2) of such Act is amended by striking out "which are comparable to the limitations which would be applicable if the mortgage were insured by the Secretary of Housing and Urban Development under section 203(b) or 207 of the National Housing Act" and inserting in lieu thereof the following: ", but such limitations shall not exceed the limitations contained in the first proviso of the first sentence of section 5(c) of the Home Owners' Loan Act of 1933".

SEC. 311. (a) Section 303(a) of the National Housing Act is amended—

(1) by striking out all of the first sentence which follows "directors" and inserting in lieu thereof a period; and

(2) by striking out everything after the second sentence.

(b) Section 303(c) of such Act is amended—

(1) by striking out "the effective date established pursuant to section 808 of the Housing and Urban Development Act of 1968" in the fourth sentence and inserting in lieu thereof "September 1, 1968,"; and

(2) by striking out the proviso in the last sentence.

(c) Subsections (d) and (e) of section 303 of such Act are repealed.

SEC. 312. The last sentence of section 304(a)(1) of the National Housing Act is amended by striking out "section 502 of the Emergency Home Finance Act of 1970" and inserting in lieu thereof "section 243 of the National Housing Act".

SEC. 313. Except with respect to any person receiving an annuity on the date of the enactment of this Act, section 309(d)(2) of the National Housing Act is amended—

(1) by striking out "the termination of the transitional period referred to in section 810(b) of the Housing and Urban Development Act of 1968" and inserting in lieu thereof "January 31, 1972,";

(2) by inserting "positions listed" immediately before "in section 5312"; and

(3) by inserting before the period at the end of the next to last sentence the following: ": *Provided*, That with respect to any person whose employment is made subject to the civil service retirement law by section 312 of the Housing and Urban Development Act of 1974, there shall not be considered for the purposes of such law that portion of his basic pay in any one year which exceeds the basic pay provided for positions listed in section 5316 of such title 5 on the last day of such year".

SEC. 314. Subsections (b) and (c) of section 810 of the Housing and Urban Development Act of 1968 are repealed.

FEDERAL HOME LOAN MORTGAGE CORPORATION AMENDMENTS

SEC. 315. (a) Section 305(a)(1) of the Federal Home Loan Mortgage Corporation Act is amended—

(1) by striking out ", and to hold" and inserting in lieu thereof the following: ". The Corporation may hold"; and

(2) by striking out the period after "therein" and inserting in lieu thereof the following: ", and the servicing on any such mortgage may be performed by the seller or by a financial institution qualified as a seller under provisions of the preceding sentence or by a mortgagee approved by the Secretary of Housing and Urban Development for participation in any mortgage insurance program under the National Housing Act, with which institution or mortgagee the seller may contract."

(b) Section 305(a)(2) of such Act is amended—

(1) by striking out "75 per centum" each place it appears in the first sentence and inserting in lieu thereof "80 per centum";

(2) by striking out "private" in clause (C) of the first sentence; and

(3) by striking out "which are comparable to the limitations which would be applicable if the mortgage were insured by the Secretary of Housing and Urban Development under section 203(b) or 207 of the National Housing Act" and inserting in lieu thereof the following: ", but such limitations shall not exceed the limitations contained in the first proviso to the first sentence of section 5(c) of the Home Owners' Loan Act of 1933".

PROHIBITION AGAINST DISCRIMINATION IN EXTENSION OF MORTGAGE ASSISTANCE

SEC. 316. Title V of the National Housing Act is amended by adding at the end thereof the following new section.

"PROHIBITION AGAINST DISCRIMINATION ON ACCOUNT OF SEX IN EXTENSION OF MORTGAGE ASSISTANCE

"SEC. 525. No federally related mortgage loan, or Federal insurance, guaranty, or other assistance in connection therewith (under this or any other Act), shall be denied to any person on account of sex; and every person engaged in making mortgage loans secured by residential real property shall consider without prejudice the combined incomes of both husband and wife for the purpose of extending mortgage credit in the form of a federally related mortgage loan to a married couple or either member thereof.

"(b) For purposes of subsection (a), the term 'federally related mortgage loan' means any loan which—

"(1) is secured by residential real property designed principally for the occupancy of from one to four families; and

"(2)(A) is made in whole or in part by any lender the deposits or accounts of which are insured by any agency of the Federal Government, or is made in whole or in part by any lender which is itself regulated by any agency of the Federal Government; or

"(B) is made in whole or in part, or insured, guaranteed, supplemented, or assisted in any way, by the Secretary of Housing and Urban Development or any other officer of the Federal Government or under or in connection with a housing or urban development program administered by the Secretary of Housing and Urban Development or a housing or related program administered by any other such officer or agency; or

"(C) is eligible for purchase by the Federal National Mortgage Association, the Government National Mortgage Association, or the Federal Home Loan Mortgage Corporation, or from any financial institution from which it could be purchased by the Federal Home Loan Mortgage Corporation; or

"(D) is made in whole or in part by any 'creditor', as defined in section 103(f) of the Consumer Credit Protection Act of 1968 (15 U.S.C. 1602(f)), who makes or invests in residential real estate loans aggregating more than $1,000,000 per year."

MORTGAGE INSURANCE FOR GROUP PRACTICE FACILITIES

SEC. 317. Section 1106 of the National Housing Act is amended as follows:

(1) Paragraph (1) is amended by inserting "or osteopathy" after "practice medicine", and by inserting after "State" where it last appears the following: ", or, in the case of podiatric care or treatment, is under the professional supervision of persons licensed to practice podiatry in the State".

(2) Paragraph (2) is amended by inserting ", osteopathy," after "practice medicine", and by inserting after "dentistry in the State," the following: "or of persons licensed to practice podiatry in the State,".

(3) Paragraph (3)(A) is amended by inserting "osteopathic care," after "comprehensive medical care,", by striking out "or" after "optometric care,", and by inserting after "dental care," the following: "or podiatric care,".

(4) Paragraph (3)(B) is amended by inserting "osteopathic,", after "medical,", by striking out "or" after "optometric,", and by inserting after "dental" the following: "or podiatric".

MORTGAGE INSURANCE FOR MILITARY IMPACTED AREAS

SEC. 318. Title II of the National Housing Act, as amended, is further amended by adding the following new subsection to section 238:

"(c) The Special Risk Insurance Fund may be used by the Secretary for carrying out the mortgage insurance obligations of sections 203 and 207 to provide housing for military personnel, Federal civilian employees, and Federal contractor employees assigned to duty or employed at or in connection with any installation of the Armed Forces of the United States in federally impacted areas where in the judgment of the Secretary (1) the residual housing requirements for persons not associated with such installations are insufficient to sustain the housing market in the event of substantial curtailment of employment of personnel assigned to such installations, and (2) the benefits to be derived from such use outweigh the risk of possible cost to the Government."

TITLE IV—RURAL HOUSING

INCLUSION OF U.S. TERRITORIES AND TRUST TERRITORY OF THE PACIFIC ISLANDS

SEC. 401. Section 501(a)(1) of the Housing Act of 1949 is amended by striking the words "Puerto Rico and the Virgin Islands" and inserting in lieu thereof the following language: "the Commonwealth of Puerto Rico, the Virgin Islands, the territories and possessions of the United States, and the Trust Territory of the Pacific Islands".

REFINANCING OF INDEBTEDNESS FOR CERTAIN ELIGIBLE APPLICANTS

SEC. 402. Section 501(a)(4) of the Housing Act of 1949 is amended—

(1) by adding after the comma at the end of clause (B) the following: "or, if combined with a loan for improvement, rehabilitation, or repairs and not refinanced, is likely to cause a hardship for the applicant."

(2) by striking out subparagraph (C) and (D) and inserting in lieu thereof the following:

"(C) was incurred by the applicant at least five years prior to his applying for assistance under this title.".

LOANS TO LEASEHOLD OWNERS UNDER ALL RURAL HOUSING PROGRAMS

SEC. 403. Section 501(b)(2) of the Housing Act of 1949 is amended by striking out "sections 502 and 504" and inserting in lieu thereof "this title".

REHABILITATION LOANS AND GRANTS

SEC. 404. Section 504(a) of the Housing Act of 1949 is amended to read as follows:

"(a) In the event the Secretary determines that an eligible applicant cannot qualify for a loan under the provisions of sections 502 and 503 and that repairs or improvements should be made to a rural dwelling occupied by him, in order to make such dwelling safe and sanitary and remove hazards to the health of the occupant, his family, or the community, and that repairs should be made to farm buildings in order to remove hazards and make such buildings safe the Secretary may make a grant or a combined loan and grant to the applicant to cover the cost of improvements or additions, such as repairing roofs, providing toilet facilities, providing a convenient and sanitary water supply, supplying screens, repairing or providing structural supports, or making similar repairs, additions, or improvements, including all preliminary and installation costs in obtaining central water and sewer service. No assistance shall be extended to any one individual under this subsection in the form of a loan, grant, or combined loan and grant in excess of $5,000. Any portion of the sums advanced to the borrower treated as a loan shall be secured and be repayable within twenty years in accordance with the principles and conditions set forth in this title, except that a loan for less than $2,500 need be evidenced only by a promissory note. Sums made available by grant may be made subject to the conditions set forth in this title for the protection of the Government with respect to contributions made on loans made by the Secretary.".

VETERANS PREFERENCE

SEC. 405. Section 507 of the Housing Act of 1949 is amended—

(1) by inserting after "concurrent resolution of Congress" each place it appears the following: "or during the period beginning after January 31, 1955, and ending on August 4, 1964, or during the Vietnam era (as defined in section 101(29) of title 38, United States Code),"; and

(2) by inserting "or era" before the period at the end of the third sentence.

ASSISTANCE AUTHORIZATION

SEC. 406. (a) Clauses (b), (c), and (d) of section 513 of the Housing Act of 1949 are amended to read as follows: "(b) not to exceed $75,000,000 for loans and grants pursuant to section 504 during the period beginning July 1, 1956, and ending June 30, 1977; (c) not to exceed $75,000,000 for financial assistance pursuant to section 516 for the period ending June 30, 1977; (d) not to exceed $1,000,000 per year for research and study programs pursuant to subsections (b), (c), and (d) of section 506 during the period beginning July 1, 1961 and ending June 30, 1977;".

(b) Sections 515(b)(5) and 517(a)(1) of such Act are amended by striking out "October 1, 1974" each place it appears and inserting in lieu thereof "June 30, 1977".

DIRECT AND INSURED LOANS TO PROVIDE HOUSING AND RELATED FACILITIES FOR ELDERLY PERSONS AND FAMILIES IN RURAL AREAS

SEC. 407. (a) Section 515 of the Housing Act of 1949 is amended as follows:

(1) subsection (a) is amended by inserting "public or" before the word "private" and by inserting ", and to States or political subdivisions thereof," after the word "cooperatives"; and

(2) subsection (b) is amended by (A) inserting immediately before "corporation" the words "public or private", (B) striking out "or" immediately before "partnership", (C) adding immediately after "partnership" the phrase ", or any State or political subdivision thereof", and (D) adding the words "low or" immediately before "moderate".

(b) Section 515(b)(1) of such Act is amended by striking "$750,000 or" where it appears, and striking the word "least" and substituting therefor the word "less".

(c) Section 515(d)(4) of such Act is amended to read as follows:

"(4) the term 'development cost' means the cost of constructing, purchasing, improving, altering, or repairing new or existing housing and related facilities and purchasing and improving the necessary land, including necessary and appropriate fees and charges, including initial operating expenses up to 2 per centum of the aforementioned costs, approved by the Secretary. Such fees and charges may include payments of qualified consulting organizations or foundations which operate on a nonprofit basis and which render services or assistance to nonprofit corporations or consumer cooperatives who provide housing and related facilities for low or moderate income families".

DEFINITION OF RURAL AREA

SEC. 408. Section 520 of the Housing Act of 1949 is amended by inserting immediately before the period at the end thereof the following: ", or (3) has a population in excess of 10,000 but not in excess of 15,000 and has a serious lack of mortgage credit, as determined by the Secretary and the Secretary of Housing and Urban Development".

MUTUAL AND SELF-HELP HOUSING

SEC. 409. (a) Section 523(b) (1) of the Housing Act of 1949 is amended by inserting immediately before "; and" at the end thereof the following: ": *Provided*, That the Secretary may advance funds under this paragraph to organizations receiving assistance under clause (A) to enable them to establish revolving accounts for the purchase of land options and any such advances may bear interest at a rate determined by the Secretary and shall be repaid to the Secretary at the expiration of the period for which the grant to the organization involved was made".

(b) Section 523(f) of such Act is amended—

(1) by striking out "1974" each place it appears and inserting in lieu thereof "1977"; and

(2) by striking out "$5,000,000" and inserting in lieu thereof "$10,000,000".

(c) Section 523 of such Act is amended by adding immediately after subsection (g) thereof the following new subsection (h):

"(h) The Secretary shall cause to be issued rules and regulations for the orderly processing and review of applications under this section and rules and regulations protecting the rights of grantees under this section in the event he determines to end grant assistance prior to the termination date of any grant agreement.".

DIRECT AND INSURED LOANS TO PROVIDE CONDOMINIUM HOUSING FOR LOW- AND MODERATE-INCOME FAMILIES IN RURAL AREAS

SEC. 410. (a) Title V of the Housing Act of 1949 is amended by adding at the end thereof the following new section:

"DIRECT AND INSURED LOANS TO PROVIDE CONDOMINIUM HOUSING FOR LOW- AND MODERATE-INCOME FAMILIES IN RURAL AREAS

"SEC. 525. (a) The Secretary is authorized, in his discretion and upon such terms and conditions (substantially identical insofar as may be feasible with those specified in section 502) as he may prescribe, to make loans to persons and families of low or moderate income, and to insure and make commitments to insure loans made to persons and families of low or moderate income, to assist them in purchasing dwelling units in condominiums located in rural areas.

"(b) Any loan made or insured under subsection (a) shall cover a one-family dwelling unit in a condominium, and shall be subject to such provisions as the Secretary determines to be necessary for the maintenance of the common areas and facilities of the condominium project and to such additional requirements as the Secretary deems appropriate for the protection of the consumer.

"(c) In addition to individual loans made or insured under subsection (a) the Secretary is authorized, in his discretion and upon such terms and conditions (substantially identical insofar as may be feasible with those specified in section 515) as he may prescribe, to make or insure blanket loans to a borrower who shall certify to the Secretary, as a condition of obtaining such loan or insurance under this subsection, that upon completion of the multifamily project the ownership of the project will be committed to a plan of family unit ownership under which (1) each family unit will be eligible for a loan or insurance under subsection (a), and (2) the individual dwelling units in the project will be sold only on a condominium basis and only to purchasers eligible for a loan or insurance under subsection (a). The principal obligation of any blanket loan made or insured under this subsection shall in no case exceed the sum of the individual amounts of the loans which could be made or insured with respect to the individual dwelling units in the project under subsection (a).

"(d) As used in this section, the term 'condominium' means a multiunit housing project which is subject to a plan of family unit ownership acceptable to the Secretary under which each dwelling unit is individually owned and each such owner holds an undivided interest in the common areas and facilities which serve the project.".

(b) Section 517(b) of such Act is amended by striking out "and 524" and inserting in lieu thereof "524, and 525".

(c)(1) Section 521(a) of such Act is amended—

(A) by striking out "and loans under section 515" and inserting in lieu thereof "loans under section 515";

(B) by inserting after "elderly families," the following: "and loans under section 525 to provide condominium housing for persons and families of low or moderate income,".

(2) Section 521(b) of such Act is amended—

(A) by striking out "or 517(a)(1)" and inserting in lieu thereof ", 517(a)(1), or 525(a)"; and

(B) by inserting "or 525(c)" after "under section 515".

(3) Section 521(c) of such Act is amended by inserting immediately after "517 (b)" the following: "and section 525".

CONTRACT SERVICES AND FEES

SEC. 411. (a) Section 506(a) of the Housing Act of 1949 is amended by striking out ", as may be required by the Secretary, by competent employees of the Secretary" and inserting in lieu thereof "as required by the Secretary".

(b) Section 517(j)(3) of such Act is amended by inserting after "borrowers," the following: "and other services customary in the industry, construction inspections, commercial appraisals, servicing of loans, and other related program services and expenses,".

TRANSFER OF PRE-1965 INSURED HOUSING LOANS TO THE RURAL HOUSING INSURANCE FUND

SEC. 412. Section 517(b) of the Housing Act of 1949 is amended by adding at the end thereof the following new sentences: "The notes held in the Agricultural Credit Insurance Fund (7 U.S.C. 1929) which evidence loans made or insured by the Secretary under section 514 or 515(b), the rights and liabilities of that Fund under insurance contracts relating to such loans held by insured investors, the mortgages securing the obligations of the borrowers under such loans held in that Fund or by insured investors, and all rights to subsequent collections on and proceeds of such notes, contracts, and mortgages, are hereby transferred to the Rural Housing Insurance Fund and for the purposes of this title and any other Act shall be subject to the provisions of this section as if created pursuant thereto. The Rural Housing Insurance Fund shall compensate the Agricultural Credit Insurance Fund for the aggregate unpaid principal balance plus accrued interest of the notes so transferred."

SITE LOANS

SEC. 413. The first sentence of section 524(a) of the Housing Act of 1949 is amended to read as follows: "The Secretary may make loans, on such terms and conditions and in such amounts he deems necessary, to public or private nonprofit organizations for the acquisition and development of land as building sites to be subdivided and sold to families, nonprofit organizations, public agencies, and cooperatives eligible for assistance under any section of this title, the United States Housing Act of 1937, the National Housing Act, or any other law which provides financial assistance for housing low- and moderate-income families."

ESCROW ACCOUNTS FOR TAXES, INSURANCE, AND OTHER EXPENSES

SEC. 414. (a) Section 501 of the Housing Act of 1949 is amended by adding at the end thereof the following new subsection:

"(e) The Secretary may establish procedures whereby borrowers under this title may make periodic payments for the purposes of taxes, insurance, and such other necessary expenses as the Secretary may deem appropriate. Such payments shall be held in escrow by the Secretary and paid out by him at the appropriate time or times for the purposes for which such payments are made. The Secretary shall notify a borrower in writing when his loan payments are delinquent.".

(b) The second sentence of section 502 (a) of such Act is amended by inserting before the period at the end thereof the following: "and on the borrower prepaying to the Secretary as escrow agent, on terms and conditions prescribed by him, such taxes, insurance, and other expenses as the Secretary may require in accordance with section 501(e)".

(c) Section 517 of such Act is amended—

(1) by striking out "as it becomes due" in the first sentence of subsection (d);

(2) by striking out "prepayment" and "prepayments" each place they appear in subsection (j) (1) and inserting in lieu thereof "payment" and "payments" respectively; and

(3) by inserting before the semicolon at the end of subsection (j) (1) the following: "or until the next agreed annual or semiannual remittance date".

ASSISTANCE TO NONPROFIT SPONSORS

SEC. 415. Title V of the Housing Act of 1949 is amended by adding at the end thereof (after the new section added by section 409 of this Act) the following new section:

"ASSISTANCE TO NONPROFIT SPONSORS OF LOW- AND MODERATE-INCOME RURAL HOUSING

"SEC. 526. The Secretary is authorized to provide, or contract with public or private nonprofit organizations to provide, information, advice, and technical assistance, except that a private nonprofit organization shall be required to be sponsored by a State, county, municipality, or other government entity or public body, such sponsorship to include assisting the applicant in the processing of the application, implementing the technical assistance program, and carrying out all obligations of the grant. The information, and technical assistance provided pursuant to this section may include but not be limited to—

"(1) the assembly, correlation, publication, and dissemination of information with respect to the construction, rehabilitation, and operation of low- and moderate-income housing;

"(2) the provision of advice and technical assistance to public bodies or to nonprofit or cooperative organizations with respect to the construction, rehabilitation, and operation of low- and moderate-income housing, including assistance with respect to self-help and mutual self-help programs; and

"(3) counseling on household management, self-help, budgeting, money management, child care, and related counseling services which would assist low- and moderate-income families, receiving assistance under the United States Housing Act of 1937 or this Act in improving their living conditions and housing opportunities, and in meeting the responsibilities of homeownership.

"(b) The Secretary is authorized to make loans to public or private nonprofit corporations, agencies, institutions, organizations, and other associations approved by him for the necessary expenses, prior to construction, of planning, and obtaining financing for, the rehabilitation or construction of housing for low-income individuals or families under any Federal, State, or local housing program which is or could be used in rural areas. Such loans shall be made without interest and shall be for the reasonable costs expected to be incurred in planning, and in obtaining financing for, such housing prior to the availability of financing, including but not limited to preliminary surveys and analyses of market needs, preliminary site engineering and architectural fees, site acquisition, and construction loan fees and discounts. The Secretary shall require repayment of loans made under this subsection, under such terms and conditions as he may require, upon completion of the housing or sooner, and may cancel any part or all of such a loan if he determines that it cannot be recovered from the proceeds of any permanent loan made to finance the rehabilitation or construction of the housing.

"(c) There are authorized to be appropriated for the fiscal years ending June 30, 1975, and June 30, 1976, not to exceed $5,000,000 for purposes of subsection (a) and not to exceed $5,000,000 for the purposes of subsection (b). Any amounts so appropriated shall remain available until expended, and any amounts authorized for any fiscal year under this subsection but not appropriated may be appropriated for any succeeding fiscal year.

"(d) All funds appropriated for the purpose of subsection (b) shall be deposited in a fund which shall be known as the low-income sponsor fund, and which shall be available without fiscal year limitation and be administered by the Secretary as a revolving fund carrying out the purposes of that subsection. Sums received in repayment of loans made under subsection (b) shall be deposited in such fund."

RENTAL ASSISTANCE

SEC. 416. (a) Section 521(a) of the Housing Act of 1949 is amended by inserting "(1)" after "SEC. 521. (a)", and by adding at the end thereof the following new paragraph:

"(2) (A) The Secretary may make and insure loans under this section and sections 514, 515, and 517 to provide rental or cooperative housing and related facilities for persons and families of low income in multifamily housing projects, and may make, and contract to make, assistance payments to the owners of such rental housing in order to make available to low-income occupants of such housing rentals at rates commensurate to income and not exceeding 25 per centum of income. Such supplemental assistance payments shall be made on a unit basis and shall not be made for more than 20 per centum of the units in any one project, except (i) when the project is financed by a loan under section 515 for elderly housing or by a loan under section 514 and a grant under section 516, such assistance may be made for up to 100 per centum of the units, and (ii) when the Secretary determines such action is necessary to the economic feasibility of the project, he may make such payments with respect to more than 20 per centum of the units.

"(B) The owner of any project assisted under this paragraph shall be required to provide at least annually a budget of operating expenses and record of tenants' income which shall be used to determine the amount of assistance for each project.

"(C) The project owner shall accumulate safeguard, and periodically pay to the Secretary any rental charges collected in excess of basic rental charges. These funds may be credited to the appropriation and used by the Secretary for making such assistance payments through the end of the next fiscal year."

(b) Section 521(c) of such Act is amended to read as follows:

"(c) There shall be reimbursed to the Rural Housing Insurance Fund by annual appropriations (1) the amounts by which nonprincipal payments made from the fund during each fiscal year to the holders of insured loans described in subsection (a) (1) exceed interest due from the borrowers during each year, and (2) the amount of assistance payments described in subsection (a) (2). The Secretary may from time to time issue notes to the Secretary of the Treasury under section 517(h) to obtain amounts equal to such unreimbursed payments, pending the annual reimbursement by appropriation."

(c) Section 517(j) of such Act is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(4) to make assistance payments authorized by section 521(a) (2)."

CERTAIN AMOUNTS TO BE DISREGARDED IN DETERMINING ELIGIBILITY OF LOW AND MODERATE INCOME PERSONS FOR ASSISTANCE UNDER RURAL HOUSING PROGRAM

SEC. 417. Title V of the Housing Act of 1949 is amended by adding at the end thereof (after the new section added by section 414 of this Act) the following new section:

"CERTAIN AMOUNTS TO BE DISREGARDED IN DETERMINING ELIGIBILITY OF LOW AND MODERATE INCOME PERSONS FOR ASSISTANCE UNDER RURAL HOUSING PROGRAM

"SEC. 527. Notwithstanding any other provision of law, social security benefit increases occurring after June 1974 shall not be considered as income or resources or otherwise taken into account for purposes of determining the eligibility of any individual or family for assistance pursuant to section 521 of this Act, or the amount of such assistance. For purposes of this section, the term 'social security benefit increases occurring after June 1974's has the meaning given it by section 525 of the National Housing Act."

TITLE V—MISCELLANEOUS

PART A—STATE DEVELOPMENT AGENCIES

DECLARATION OF PURPOSE

SEC. 501. It is the purpose of this part to encourage the formation and effective operation of State development agencies which have broad and flexible authority to carry out or assist development activities designed to (1) provide housing and related facilities to persons and families of low and moderate income, (2) promote the sound growth and development of neighborhoods through the revitalization of slum and blighted areas, (3) increase and improve employment opportunities for the unemployed and underemployed through the development and redevelopment of industrial, manufacturing, and commercial facilities, or (4) implement the development aspects of State land use and preservation policies, including the advance acquisition of land where it is consistent with such policies.

ELIGIBLE DEVELOPMENT AGENCIES

SEC. 502. (a) A State development agency is eligible for assistance under this part only if the Secretary determines that it is fully empowered and has adequate authority to at least carry out or assist in carrying out the purposes specified in clause (1) of section 501.

(b) For the purposes of this part, a "State development agency" is any public body or agency, publicly sponsored corporation, or instrumentality of one or more States which is designated by the Governor (or Governors in the case of an interstate development agency) for purposes of this part.

(c) As used in this part, the term "State" means any State of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

GUARANTEES OF OBLIGATIONS

SEC. 503. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") is authorized to guarantee, and enter into commitments to guarantee, in whole or in part, the bonds, debentures, notes, and other obligations issued by State development agencies to finance, in whole or in part, development activities as determined by him to be in furtherance of the purpose of clause (2) of section 501, including the provisions for such purpose of housing and related facilities for persons and families of low and moderate income. The Secretary is also authorized to make, and to contract to make, grants to any State development agency for payments in an amount equal to 30 per centum of the interest payable on obligations issued by such agency to finance development activities in furtherance of the purpose of this part. The Secretary may make such guarantees and enter into such commitments, and may make such grants or contract to make such grants, upon such terms and conditions as he may prescribe, except that no obligation shall be guaranteed or otherwise assisted under this part unless the income from such obligation is subject to Federal taxation pursuant to section 508(b), and except that use of guarantees or other assistance provided for in this part shall not be made a condition to nor preclude receipt of any other Federal assistance.

(b) The full faith and credit of the United States is pledged to the payment of all guarantees made under this part with respect to principal, interest, and any redemption premiums. Any such guarantee made by the Secretary shall be conclusive evidence of the eligibility of the obligations involved for such guarantee, and the validity of any guarantee so made shall be incontestable in the hands of a holder of the guaranteed obligation.

(c) The Secretary is authorized to establish and collect such fees and charges for and in connection with guarantees made under this part as he considers reasonable.

(d) There are authorized to be appropriated such sums as may be necessary to make payments as provided for in contracts entered into by the Secretary under this section. The aggregate principal amount of the obligations which may be guaranteed or otherwise assisted under this part and outstanding at any one time shall not exceed $500,000,000.

LIMITATION OF GUARANTEES

SEC. 504. The Secretary shall take such steps as he considers reasonable to assure that bonds, debentures, notes, and other obligations which are guaranteed under section 503 will—

(1) be issued only to investors approved by, or meeting requirements prescribed by, the Secretary, or, if an offering to the public is contemplated, be underwritten upon terms and conditions approved by the Secretary;

(2) bear interest at a rate satisfactory to the Secretary;

(3) contain or be subject to repayment, maturity, and other provisions satisfactory to the Secretary; and

(4) contain or be subject to provisions with respect to the protection of the security interests of the United States, including any provisions deemed appropriate by the Secretary relating to subrogation, liens, and releases of liens, payment of taxes, cost certification procedures, escrow or trusteeship requirements, or other matters.

SEC. 505. (a) The Secretary is authorized to establish a revolving fund to provide for the timely payment of any liabilities incurred as a result of guarantees or grants under section 503 and for the payment of obligations issued to the Secretary of the Treasury under subsection (b) of this section. Such revolving fund shall be comprised of (1) receipts for fees and charges; (2) recoveries under security, subrogation, and other rights; (3) repayments, interest income, and any other receipts obtained in connection with guarantees made under section 503; (4) proceeds of the obligations issued to the Secretary of the Treasury pursuant to subsection (b) of this section; and (5) such sums, which are hereby authorized to be appropriated, as may be required for such purposes. Money in the revolving fund not currently needed for the purpose of this part shall be kept in cash on hand or on deposit, or invested in obligations of the United States or guaranteed thereby, or in obligations, participations, or other instruments which are lawful investments for fiduciary, trust, or public funds.

(b) The Secretary may issue obligations to the Secretary of the Treasury in an amount sufficient to enable the Secretary to carry out his functions with respect to the guarantees authorized by section 503. The obligations issued under this subsection shall have such maturities and bear such rate or rates of interest as shall be determined by the Secretary of the Treasury. The Secretary of the Treasury is authorized and directed to purchase any obligations so issued, and for that purpose he is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act, and the purposes for which securities may be issued under that Act are extended to include purchases of the obligations hereunder.

(c) Notwithstanding any other provision of law relating to the acquisition, handling, improvement, or disposal of real and other property by the United States, the Secretary shall have power, for the protection of the interests of the fund authorized under this section, to pay out of such fund all expenses or charges in connection with the acquisition, handling, improvement, or disposal of any property, real or personal, acquired by him as a result of recoveries under security, subrogation, or other rights.

TECHNICAL ASSISTANCE

SEC. 506. The Secretary is authorized to provide, either directly or by contract or other arrangements, technical assistance to State development agencies to assist them in connection with planning and carrying out development activities in furtherance of the purpose of this part.

LABOR STANDARDS

SEC. 507. All laborers and mechanics employed by contractors or subcontractors in development activities assisted under this part shall be paid wages at rates not less than those prevailing on similar work in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a–276a–5): *Provided*, That this section shall apply to the construction of residential property only if such residential property is designed for residential use for eight or more families. No assistance shall be extended under this part with respect to any development activities without first obtaining adequate assurance that these labor standards will be maintained upon the work involved in such activities. The Secretary of Labor shall have, with respect to the labor standards specified in this section, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267), and section 2 of the Act of June 13, 1934 (40 U.S.C. 276c).

GENERAL PROVISIONS

SEC. 508. (a) In the performance of, and with respect to, the functions, powers, and duties vested in him by this part, the Secretary, in addition to any authority otherwise vested to him, shall—

(1) have the power, notwithstanding any other provision of law, in connection with any guarantee under this part, whether before or after default, to provide by contract for the extinguishment upon default of any redemption, equitable, legal, or other right, title, or interest of a State development agency in any mortgage, deed, trust, or other instrument held by or on behalf of the Secretary for the protection of the security interests of the United States; and

(2) have the power to foreclose on any property or commence any action to protect or enforce any right conferred upon him by law, contract, or other agreement, and bid for and purchase at any foreclosure or other sale any property in connection with which he has provided a guarantee pursuant to this part. In the event of any such acquisition, the Secretary may, notwithstanding any other provision of law relating to acquisition, handling, or disposal of real property by the United States, complete, administer, remodel and convert, dispose of, lease, and otherwise deal with, such property. Notwithstanding any other provision of law, the Secretary shall also have power to pursue to final collection by way of compromise or otherwise all claims acquired by him in connection with any security, subrogation, or other rights obtained by him in administering this part.

(b) With respect to any obligation issued by a State development agency for which the issuer has elected to receive the benefits of the assistance provided under this part, the interest paid on such obligation and received by the purchaser thereof (or his successor in interest) shall be included in gross income for the purposes of chapter 1 of the Internal Revenue Code of 1954.

PART B—NEW COMMUNITY PROGRAM AMENDMENTS

CHANGE IN NAME OF COMMUNITY DEVELOPMENT CORPORATION

SEC. 511. (a) Part B of title VII of the Housing and Urban Development Act of 1970 is amended by striking out "Community Development Corporation" wherever it appears and inserting in lieu thereof "New Community Development Corporation".

(b) The heading of section 729 of such Act is amended by inserting "NEW" before "COMMUNITY".

MEMBERSHIP OF BOARD OF DIRECTORS OF NEW COMMUNITY DEVELOPMENT CORPORATION

SEC. 512. Section 729(b) of the Housing and Urban Development Act of 1970 is amended—

(1) by striking out "five members" in the matter preceding paragraph (1) and inserting in lieu thereof "seven members"; and

(2) by striking out "three persons" in paragraph (3) and inserting in lieu thereof "five persons".

INCREASE IN INTEREST DIFFERENTIAL GRANTS TO STATE LAND DEVELOPMENT AGENCIES

SEC. 513. The last sentence of section 713 (a) of the Housing and Urban Development Act of 1970 is amended by striking out "in amounts" and all that follows and inserting in lieu thereof "in amounts equal to 30 per centum of the interest paid on such obligations."

SUPPLEMENTARY GRANTS FOR PROJECTS ASSISTED BY NATIONAL FOUNDATION ON ARTS AND HUMANITIES

SEC. 514. Section 718(c) of the Housing and Urban Development Act of 1970 is amended by inserting before the period at the end thereof the following: ", or a project or portion of a project consisting of the purchase, renovation, or construction of facilities, the purchase of land, or the acquisition of equipment or works of art assisted by contracts or grants under section 5 of the National Foundation on the Arts and the Humanities Act of 1965".

INCLUSION OF WASTE DISPOSAL FACILITIES AND COMMUNITY OR NEIGHBORHOOD HEATING OR AIR-CONDITIONING SYSTEMS AMONG ELIGIBLE LAND IMPROVEMENTS

SEC. 515. Section 711(f) of the Housing and Urban Development Act of 1970 is amended—

(1) by striking out "sewage disposal" in the first and second sentences and inserting in lieu thereof "sewage or waste disposal";

(2) by inserting "community or neighborhood central heating or air-conditioning systems," after "storm drainage facilities," in the first sentence; and

(3) by inserting ", a community or neighborhood central heating or air-conditioning system," after "disposal installation" in the second sentence.

Part C—National Homestead Program

SEC. 521. It is the purpose of this part to assist in alleviating the present shortage of decent housing for low- and moderate-income individuals and families through the more constructive use of federally owned residential property, while at the same time assisting in the elimination of deterioration and blight in urban and other areas and in the effective rehabilitation of those areas.

SEC. 522. (a) The Secretary of Housing and Urban Development (hereinafter referred to as the "Secretary") shall—

(1) compile, maintain, and keep current a catalog of all unoccupied single-family dwellings in urban and other areas within the United States which are owned by him or his Department, and which would be suitable for occupancy and rehabilitation by qualified low- and moderate-income individuals and families under the national homestead program established by this part; and

(2) take such steps as may be necessary or appropriate (by publication, advertisement, or otherwise) to assure that the residents of each community or area in which any of such dwellings is located will be fully and currently informed of (A) the existence, nature and location of such dwellings, (B) the qualifications required for participation in the program under this part and (C) the terms and conditions on which such dwellings may be conveyed to qualified persons.

(b) The dwellings included in the catalog compiled under subsection (a) shall be offered to qualified low- and moderate-income applicants in accordance with this part without regard to their race, color, religion, sex, or national origin but with due consideration in each case of the suitability of the dwelling involved for the applicant's family (taking into account its size and composition and other relevant factors).

SEC. 523. An applicant is qualified, for purposes of participation in the program under this part with respect to any dwelling, only if he or she—

(1) is eighteen years of age or older;

(2) is the head of his or her household;

(3) is a citizen of the United States;

(4) has not previously participated in the program;

(6) is not the owner of any other real property; and

(6) possesses the financial, technical, and other resources which are necessary (as determined under regulations prescribed by the Secretary) to rehabilitate such dwelling in accordance with his or her agreement entered into under section 524.

SEC. 524. (a) The conveyance of any dwelling to an applicant under the program shall be made on a conditional basis, in return for the payment by such applicant of $1 and the execution by such applicant of an agreement as described in subsection (b).

(b) Each applicant for a dwelling under the program shall enter into an agreement, in such manner and form as the Secretary may require, that he or she—

(1) will reside in the dwelling (and maintain it as his or her principal residence) for a period of at least five years;

(2) will during such period rehabilitate and maintain the dwelling so that it satisfies all of the requirements of applicable State and local law, including building, plumbing, electrical, fire prevention, and related codes;

(3) will carry adequate fire and liability insurance on the dwelling at all times;

(4) will permit inspections of the dwelling to be made at reasonable times by agents or employees of the Secretary for the purpose of determining the progress of the rehabilitation; and

(5) will comply with such additional terms, conditions, and requirements as the Secretary may impose in order to assure that the purpose of this part is carried out.

(c) Upon any material failure by the applicant to carry out his or her agreement entered into under subsection (b) with respect to the dwelling, the conditional conveyance of title to such applicant under subsection (a) shall be revoked, and all right, title, and interest in and to the dwelling shall revert to the Secretary; except that the Secretary may in his discretion grant the applicant, on the basis of need or otherwise, a specified period or extension of time not exceeding two years in which to come into compliance with the terms of the agreement and thereby avoid such revocation and reversion.

(d) After the applicant has resided in the dwelling for the required five.year period and has rehabilitated and maintained it and otherwise complied with the terms of his or her agreement throughout such period, the Secretary shall convey to the applicant fee simple title to the dwelling (including the land on which it is situated).

SEC. 525. The Secretary shall prescribe such rules and regulations, including rules and regulations establishing standards and methods for the inspection of dwellings and the measurement of rehabilitation progress, as may be necessary or appropriate to carry out this part.

SEC. 526. (a) The legal title to and ownership of any dwelling conditionally conveyed to an applicant under section 524(a) shall remain in the Secretary for purposes of all Federal, State, and local laws until fee simple title to such dwelling is conveyed to such applicant under section 524(d); and the conditional conveyance of such dwelling shall specifically so provide. During the period prior to fee simple conveyance such dwelling shall be subject to State and local property taxes only to the extent that other federally owned real property is or would be subject to such taxes under similar conditions.

(b) To the extent he finds its feasible and desirable and consistent with the purpose of this part, the Secretary may enter into agreements with State and local governments and agencies under which single-family dwellings owned by them may be included in the catalog compiled under section 522. Under regulations prescribed by the Secretary, modifying the provisions of this part to the extent necessary or appropriate to take account of differences resulting from State or local ownership, any dwellings so included shall be offered and conveyed to qualified applicants in the same manner and on the same terms and conditions as dwellings owned by the Secretary.

(c) Section 312(a)(1) of the Housing Act of 1964 is amended by adding "or" after the semicolon at the end of subparagraph (C), and by adding at the end thereof the following new subparagraph:

"(D) (i) the property is being occupied pursuant to an agreement entered into under part C of title V of the Housing and Urban Development Act of 1974, and (ii) the loan is made to assist the occupant in carrying out his or her responsibilities under that agreement;".

SEC. 527. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this part.

Part D—Miscellaneous Provisions

INCREASE IN AUTHORIZATION FOR COMPREHENSIVE URBAN PLANNING; PARTICIPATION OF THE TRUST TERRITORY OF THE PACIFIC

SEC. 528. (a) Section 701(b) of the Housing Act of 1954 is amended by inserting immediately after the fifth sentence the following new sentence: "In addition, there is authorized to be appropriated for the purpose of this section not to exceed $130,000,000 for the fiscal year beginning on July 1, 1974.".

(b) Section 703 of the Housing Act of 1954 is amended by striking out the word "and" in clause (1) and by inserting ", and the Trust Territory of the Pacific Islands" immediately before the semicolon at the end of such clause.

COUNSELING AND TECHNICAL ASSISTANCE

SEC. 529. (a) Section 106 of the Housing and Urban Development Act of 1968 is amended by rewriting the heading to read as follows: "TECHNICAL ASSISTANCE, COUNSELING TO TENANTS AND HOMEOWNERS, AND LOANS TO SPONSORS OF LOW- AND MODERATE-INCOME HOUSING".

(b) Section 106(a)(1)(iii) of such Act is amended to read as follows:

"(iii) the provision of training and counseling programs (including preoccupancy programs) for low- and moderate-income tenants and homeowners, including but not limited to, housing selection and purchase procedures, family budgeting, property use and maintenance, household management, and utilization of community resources; and".

(c) Section 106(a)(1) of such Act is amended by adding at the end thereof the following new subparagraph:

"(iv) the provision of technical assistance to communities, particularly smaller communities, to assist such communities in planning, developing, and administering Community Development Programs pursuant to title I of the Housing and Urban Development Act of 1974."

(d) Section 106(a)(2) of such Act is amended by striking out "not to exceed $5,000,000" and inserting in lieu thereof "such sums as may be necessary".

(e) Section 106(b)(1) of such Act is amended by inserting "or public housing agencies" immediately after "nonprofit organizations".

(f) Section 108(b)(2) of such Act is amended by inserting "or public housing agency" immediately after "nonprofit organization".

LIMITATION ON WITHHOLDING OR CONDITIONING OF ASSISTANCE

SEC. 530. Assistance provided for in this Act, the National Housing Act, the United States Housing Act of 1937, the Housing Act of 1949, the Demonstration *Cities* and Metropolitan Development Act of 1966, and the Housing and Urban Development Acts of 1965, 1968, 1969, and 1970 shall not be withheld or made subject to conditions or preference by reason of the tax-exempt status of bonds or other obligations issued or to be issued to provide financing for use in connection with such assistance, except where otherwise expressly provided or authorized by law.

ADDITIONAL RESEARCH AUTHORITY

SEC. 531. Title V of the Housing and Urban Development Act of 1970 is amended by adding at the end thereof the following new section:

"ADDITIONAL RESEARCH AUTHORITY

"SEC. 509. (a) In carrying out activities under section 501, the Secretary may undertake special demonstrations to determine the housing design, the housing structure, and the housing-related facilities, services, and amenities most effective or appropriate to meet the needs of groups with special housing needs including the elderly, the handicapped, the displaced, single individuals, broken families, and large households. For this purpose, the Secretary is authorized to enter into contracts with, to make grants to, and to provide other types of assistance to individuals and entities with special competence and knowledge to contribute to the planning, development, design, and management of such housing.

"(b) In carrying out his functions under this section, the Secretary shall give perferential attention to demonstrations which in his judgment involve areas of housing user needs most neglected in past and current research and demonstration efforts.

"(c) The Secretary is authorized to undertake demonstrations involving the actual planning, development, and occupancy of housing utilizing the contract and loan authority of any federally assisted housing program. He is also authorized to set aside any development, construction, design, and occupancy requirements, for purposes of these demonstrations, if in his judgment they inhibit the testing of housing designed to meet the special housing needs.

"(d) In carrying out this section, the Secretary shall include, as part of any demonstration, an evaluation of the demonstration to cover the full experience involved in planning, development, and occupancy.

"(e) In addition to any other contract or loan authority which the Secretary may utilize under subsection (c), not more than $10,000,000 from amounts approved in appropriation Acts shall be available for research under this section."

MATERIALS, DESIGN, AND CONSTRUCTION REQUIREMENTS FOR LOW- AND MODERATE-INCOME HOUSING

SEC. 532. The Secretary of Housing and Urban Development shall take such steps as may be necessary (including the insertion of appropriate requirements, specifications, and enforcement provisions in assistance contracts) to make certain that all housing which is constructed for use by low- or moderate-income families with assistance under any law or program administered by the Secretary or under his jurisdiction is designed and constructed in such manner, and utilizes materials of such quality and durability, as to assure to the maximum extent feasible that such housing will have a long economic life, resist deterioration, and provide ease of maintenance, regardless of any savings in cost which might otherwise be realized through the use or application of inferior design, construction, or materials.

FLOOD INSURANCE PROGRAM

SEC. 533. Chapter III of title XIII of the Housing and Urban Development Act of 1968 is amended by adding at the end thereof the following new section:

"NOTICE OF FLOOD HAZARDS

"SEC. 1364. Each Federal instrumentality responsible for the supervision, approval, regulation, or insuring of banks, savings and loan associations, or similar institutions shall by regulation require such institutions, as a condition of making, increasing, extending, or renewing (after the expiration of 30 days following the date of the enactment of this section) any loan secured by improved real estate or a mobile home located or to be located in an area that has been identified by the Secretary under this title or Public Law 93-233 as an area having special flood hazards, to notify the purchaser or lessee (or obtain satisfactory assurances that the seller or lessor has notified the purchaser or lessee) of such special flood hazards, in writing, a reasonable period in advance of the signing of the purchase agreement, lease, or other documents involved in the transaction."

ADDITIONAL ASSISTANT SECRETARIES OF HOUSING AND URBAN DEVELOPMENT

SEC. 534. (a) Section 4 of the Department of Housing and Urban Development Act (Public Law 89-174, 79 Stat. 667) is amended—

(1) by striking out "six" in the first sentence of subsection (a) and inserting in lieu thereof "eight";

(2) by striking out subsection (b); and

(3) by redesignating subsections (c) and (d) as subsections (b) and (c), respectively.

(b) Section 5316 of title 5, United States Code, is amended by striking out paragraph (122).

(c) Paragraph (87) of section 5315 of title 5, United States Code, is amended by striking out "(6)" and inserting in lieu thereof "(8)".

SEC. 535. Notwithstanding the provisions of section 133(b) of the Housing Act of 1949 or of any other law, local expenditures made in connection with the Broad and Front Street Garage in Trenton, New Jersey, shall, to the extent otherwise eligible, be counted as a local grant-in-aid to the first two action years of the Trenton Neighborhood Development Program (N.J. A-1) in accordance with the provisions of title I of the Housing Act of 1949.

SEC. 536. Section 1307 of the National Flood Insurance Act of 1968 is amended by adding at the end thereof the following new subsection:

"(e) Notwithstanding any other provision of law, any community that has made adequate progress, acceptable to the Secretary on the construction of a flood protection system which will afford flood protection for the one-hundred year frequency flood as determined by the Secretary, shall be eligible for flood insurance under this title (if and to the extent it is eligible for such insurance under the other provisions of this title) at premium rates not exceeding those which would be applicable under this section if such flood protection system had been completed. *Provided, however*, that the Secretary shall find that adequate progress as required herein, has been made if: a) 100 percent of the project cost of the system has been authorized, and; b) at least 60 percent of the project cost of the system has been appropriated, and; c) at least 50 percent of the project cost of the system has been expended, and; d) the system is at least 50 percent completed."

CONDOMINIUM AND COOPERATIVE STUDY

SEC. 537. (a) The Secretary of Housing and Urban Development is authorized and directed to conduct a full and complete investigation and study, and report to Congress not later than one year after the date of enactment of this Act, with respect to condominums and cooperatives, the problems, difficulties, abuses or potential abuses applicable to such housing.

SEC. 538. Participation by a unit of local government in any program authorized by this Act shall not be affected in any way by such units membership as non-membership in a regional planning organization or council of governments.

TITLE VI—CONSUMER HOME MORTGAGE ASSISTANCE

SHORT TITLE

SEC. 600. This title may be cited as the "Consumer Home Mortgage Assistance Act of 1974".

PART A—LENDING AND INVESTMENT POWERS, FEDERAL SAVINGS AND LOAN ASSOCIATIONS

CONSTRUCTION LOANS

SEC. 601. Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended by adding at the end thereof the following new paragraph:

"Without regard to any other provision of this subsection, any such association is authorized to invest an amount, not exceeding the greater of (i) the sum of its surplus, undivided profits, and reserves or (ii) 5 per centum of its assets, in loans or in interests therein the principal purpose of which is to provide financing with respect to what is or is expected to become primarily residential real estate within one hundred miles of their home office or within the State in which such office is located where (i) the association relies substantially for repayment on the borrower's general credit standing and forecast of income, with or without other security, or (ii) the association relies on other security as collateral for the loans, including but not limited to a guaranty or similar obligation of a third party, and in either case described in clause (i) or (ii) immediately preceding, regardless of whether or not the association takes a security interest in real estate (whether or not constituting a first lien) as additional protection.".

SINGLE FAMILY DWELLING LIMITATIONS

SEC. 602. Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)) is amended by striking out "$450,000" immediately before "for each single family dwelling" and inserting in lieu theerof "$55,000 (except that with respect to dwellings in Alaska, Guam, and Hawaii the foregoing limitation may, by regulation of the Board, be increased by not to exceed 50 per centum)"; and by inserting immediately after "upon improved real estate without regard to the foregoing limitations" the following: "but (of said last mentioned 20 per centum) the amount deemed to be loaned in transactions which, except for excess in amount, would be eligible for such association under provisions of this sentence (other than this exception) or under the next following sentence shall be only the outstanding amount of such excess.".

LENDING AUTHORITY UNDER THE HOME OWNERS' LOAN ACT

SEC. 603. Section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464(c)), as amended by section 601 of this Act, is amended by adding at the end thereof the following new paragraph:

"Subject to such prohibitions, limitations, and conditions as the Board may prescribe, any such association may invest in loans and advances of credit and interests therein upon the security of or respecting real property or interests therein used for primarily residential purposes (all of which may be defined by the Board) that do not comply with the limitations and restrictions in this subsection, but no investment shall be made by an association under this sentence if its aggregate outstanding investment under this sentence determined as prescribed by the Board, exclusive of any investment which is or at the time of its making was otherwise authorized, would thereupon exceed 10 per centum of its assets.".

AMENDMENTS TO THE HOME OWNERS' LOAN ACT OF 1933 CONCERNING PROPERTY IMPROVEMENT LOANS

SEC. 604. The second and third undesignated paragraphs of section 5(c) of the Home Owners' Loan Act of 1933 (12 U.S.C.

1464(c)) are amended by striking out "$5,000" and inserting in lieu thereof "$10,000".

AMENDMENT TO TITLE IV OF THE NATIONAL HOUSING ACT CONCERNING ASSET REQUIREMENTS OF INSURED INSTITUTIONS

SEC. 605. The third sentence of section 403 (b) of the National Housing Act (12 U.S.C. 1726(b)) is amended by striking out "twenty years" in the first proviso and inserting in lieu thereof "thirty years", and by striking out the second proviso.

PART B—NATIONAL BANKS

REAL ESTATE LOANS BY NATIONAL BANKS

SEC. 611. Section 24 of the Federal Reserve Act (12 U.S.C. 371) is amended to read as follows:

"REAL ESTATE LOANS BY NATIONAL BANKS

"SEC. 24. (a) (1) Any national banking association may make real estate loans secured by liens upon unimproved real estate, upon improved real estate, including improved farmland and improved business and residential properties, and upon real estate to be improved by a building or buildings to be constructed or in the process of construction, in an amount which when added to the amount unpaid upon prior mortgages, liens, encumbrances, if any, upon such real estate does not exceed the respective proportions of appraised value as provided in this section. A loan secured by real estate within the meaning of this section shall be in the form of an obligation or obligations secured by a mortgage, trust deed, or other instrument, which shall constitute a lien on real estate in fee or, under such rules and regulations as may be prescribed by the Comptroller of the Currency, on a leasehold under a lease which does not expire for at least ten years beyond the maturity date of the loan, and any national banking association may purchase or sell any obligations so secured in whole or in part. The amount of any such loan hereafter made shall not exceed 66⅔ per centum of the appraised value if such real estate is unimproved, 75 per centum of the appraised value if such real estate is improved by offsite improvements such as streets, water, sewers, or other utilities, 75 per centum of the appraised value if such real estate is in the process of being improved by a building or building to be constructed or in the process of construction, or 90 per centum of the appraised value if such real estate is improved by a building or buildings. If any such loan exceeds 75 per centum of the appraised value of the real estate or if the real estate is improved with a one- to four-family dwelling, installment payments shall be required which are sufficient to amortize the entire principal of the loan within a period of not more than thirty years.

"(2) The limitations and restrictions set forth in paragraph (1) shall not prevent the renewal or extension of loans heretofore made and shall not apply to real estate loans (A) which are insured under the provisions of the National Housing Act, (B) which are insured by the Secretary of Agriculture pursuant to title I of the Bankhead-Jones Farm Tenant Act, or the Act of August 28, 1937, as amended, or title V of the Housing Act of 1949, as amended, or (C) which are guaranteed by the Secretary of Housing and Urban Development for the payment of the obligations of which the full faith and credit of the United States is pledged, and such limitations and restrictions shall not apply to real estate loans which are fully guaranteed or insured by a State, or any agency or instrumentality thereof, or by a State authority for the payment of the obligations of which the faith and credit of the State is pledged, if under the terms of the guaranty or insurance agreement the association will be assured of repayment in accordance with the terms of the loan, or to any loan at least 20 per centum of which is guaranteed under chapter 37 of title 38, United States Code.

"(3) Loans which are guaranteed or insured as described in paragraph (2) shall not be taken into account in determining the amount of real estate loans which a national banking association may make in relation to its capital and surplus or its time and savings deposits or in determining the amount of real estate loans secured by other than first liens. Where the collateral for any loan consists partly of real estate security and partly of other security, including a guaranty or endorsement by or an obligation or commitment of a person other than the borrower, only the amount by which the loan exceeds the value as collateral of such other security shall be considered a loan upon the security of real estate, and in no event shall a loan be considered as a real estate loan where there is a valid and binding agreement entered into by a financially responsible lender or other party either directly with the association or which is for the benefit of or has been assigned to the association and pursuant to which agreement the lender or other party is required to advance to the association within sixty months from the date of the making of said loan the full amount of the loan to be made by the association upon the security of real estate. Except as otherwise provided, no such association shall make real estate loans in an aggregate sum in excess of the amount of the capital stock of such association paid in and unimpaired plus the amount of its unimpaired surplus fund, or in excess of the amount of its time and savings deposits, whichever is greater: *Provided*, That the amount unpaid upon real estate loans secured by other than first liens when added to the amount unpaid upon prior mortgages, liens, and encumbrances shall not exceed in an aggregate sum 20 per centum of the amount of the capital stock of such association paid in and unimpaired plus 20 per centum of the amount of its unimpaired surplus fund.

"(b) Any national banking association may make real estate loans secured by liens upon forest tracts which are properly managed in all respects. Such loans shall be in the form of an obligation or obligations secured by mortgage, trust deed, or other such instrument; and any national banking association may purchase or sell any obligations so secured in whole or in part. The amount of any such loan, when added to the amount unpaid upon prior mortgages, liens, and encumbrances, if any, shall not exceed 66⅔ per centum of the appraised fair market value of the growing timber, lands, and improvements thereon offered as security and the loan shall be made upon such terms and conditions as to assure that at no time shall the loan balance, when added to the amount unpaid upon prior mortgages, liens, and encumbrances, if any, exceed 66⅔ per centum of the original appraised total value of the property then remaining. No such loan shall be made for a longer term than three years; except that any such loan may be made for a term not longer than fifteen years if the loan is secured by an amortized mortgage, deed of trust, or other such instrument under the terms of which the installment payments are sufficient to amortize the principal of the loan within a period of not more than fifteen years and at a rate of at least 6⅔ per centum per annum. All such loans secured by liens upon forest tracts shall be included in the permissible aggregate of all real estate loans and, when secured by other than first liens, in the permissible aggregate of all real estate loans secured by other than first liens, prescribed in subsection (a), but no national banking association shall make forest tract loans in an aggregate sum in excess of 50 per centum of its capital stock paid in and unimpaired plus 50 per centum of its unimpaired surplus fund.

"(c) Loans made to finance the construction of a building or buildings and having maturities of not to exceed sixty months where there is a valid and binding agreement entered into by a financially responsible lender or other party to advance the full amount of the bank's loan upon completion of the building or buildings, and loans made to finance the construction of residential or farm buildings and having maturities of not to exceed sixty months, may be considered as real estate loans if the loans qualify under this section, or such loans may be classed as commercial loans whether or not secured by a mortgage or similar lien on the real estate upon which the building or buildings are being constructed at the option of each national banking association that may have an interest in such loans: *Provided*, That no national banking association shall invest in, or be liable on, any such loans classed as commercial loans under this subsection in an aggregate amount in excess of 100 per centum of its actually paidin and unimpaired capital plus 100 per centum of its unimpaired surplus fund.

"(d) Notes representing loans made under this section to finance the construction of residential or farm buildings and having maturities of not to exceed nine months shall be eligible for discount as commercial paper within the terms of the second paragraph of section 13 of this Act if accompanied by a valid and binding agreement to advance the full amount of the loan upon the completion of the building entered into by an individual, partnership, association, or corporation acceptable to the discounting bank.

"(e) Loans made to any borrower (i) where the association looks for repayment by relying primarily on the borrower's general credit standing and forecast of income, with or without other security, or (ii) secured by an assignment of rents under a lease, and where, in either case described in clause (i) or (ii) above, the association wishes to take a mortgage, deed of trust, or other instrument upon real estate (whether or not constituting a first lien) as a precaution against contingencies, and loans in which the Small Business Administration cooperates through agreements to participate on an immediate or deferred or guaranteed basis under the Small Business Act shall not be considered as real estate loans within the meaning of this section but shall be classed as commercial loans.

"(f) Any national banking association may make loans upon the security of real estate that do not comply with the limitations and restrictions in this section, if the total unpaid amount loaned, exclusive of loans which subsequently comply with such limitations and restrictions, does not exceed 10 per centum of the amount that a national banking association may invest in real estate loans. The total unpaid amount so loaned shall be included in the aggregate sum that such association may invest in real estate loans.

"(g) Loans made pursuant to this section shall be subject to such conditions and limitations as the Comptroller of the Currency may prescribe by rule or regulation.".

PART C—FEDERAL CREDIT UNIONS

LENDING AUTHORITY AND DEPOSITORY AUTHORITY

SEC. 621. (a) Paragraph (6) of section 107 of the Federal Credit Union Act (12 U.S.C. 1757(6)) is amended to read as follows:

"(6) to make loans to its own directors and to members of its own supervisory credit committee provided that any such loan or aggregate of loans to one director or committee member which exceeds $2,500 plus pledged shares, must be approved by the board of directors and to permit directors and members of its own supervisory or credit committee to act as guarantor or endorser of loans to other members, except when such a loan standing alone or when added to any outstanding loan or loans of the guarantor exceeds $2,500, approval by the board of directors is required;".

(b) Paragraph (9) of such section is amended by inserting immediately before the semicolon at the end thereof the following: ", and for Federal credit unions or credit unions authorized by the Department of Defense operating suboffices on American military installations in foreign countries or trust territories of the United States to maintain demand deposit accounts in banks located in those countries or trust territories subject to such regulations as may be issued by the Administrator and provided such banks are correspondents of banks described in this parargaph".

FEES

SEC. 622. The first sentence of section 109 of the Federal Credit Union Act (12 U.S.C. 1759) is amended by striking out "the entrance fee" and inserting in lieu thereof "a uniform entrance fee if required by the board of directors".

DIRECTORS

SEC. 623. (a) The third sentence of section 113 of the Federal Credit Union Act (12 U.S.C. 1761b) is amended by inserting ", except that the board may designate a committee of not less than two to act as an investment committee, such investment committee to have charge of making investments under rules and procedures established by the board of directors" immediately after "have charge of investments other than loans to members".

(b) The fourth sentence of such section is amended by striking out "act for it in the purchase and sale of securities, the borrowing of funds, and making of loans to other credit unions" and inserting in lieu thereof "exercise such authority as may be delegated to it subject to such conditions and limitations as may be prescribed by the board".

(c) The fifth sentence of such section is amended by striking out "a membership officer" and inserting in lieu thereof "one or more membership officers".

(d) Such section is amended by adding at the end thereof the following new sentence: "If a membership application is denied, the reasons therefor shall be furnished in writing to the person whose application is denied, upon written request.".

CREDIT COMMITTEE

SEC. 624. Section 114 of the Federal Credit Union Act (12 U.S.C. 1761c) is amended to read as follows:

"CREDIT COMMITTEE

"SEC. 114. The credit committee shall hold such meetings as the business of the Federal credit union may require and not less frequently than once a month to consider applications for loans and loan plans offered in accordance with regulations promulgated by the Administrator. Reasonable notice of such meetings shall be given to all members of the committee. No loan or loan plan shall be made unless it is approved by a majority of the committee who are present at the meeting at which the application is considered; except that the credit committee may appoint one or more loan officers, and delegate to him or them the power to approve loans and loan plans. Each loan officer shall furnish to the credit committee a record of each loan and loan plan approved or not approved by him within seven days of the date of the filing of the application therefor. All loans and loan plans not approved by a loan officer shall be acted upon by the credit committee. No individual shall have the authority to disburse funds of the Federal credit union for any loan or loan plan which has been approved by him in his capacity as a loan officer. Not more than one member of the credit committee may be appointed as a loan officer. Applications for loans and loan plans shall be made on forms prepared by such committee, which shall set forth the purpose for which the loan or loan plan is desired, the security, if any, and such other data as may be required. No loan or loan plan which is not adequately secured may be made to any member, if, upon the making of that loan or loan plan, the member would be indebted to the Federal credit union upon loans or loan plans made to him in the aggregate amount which, in the case of a credit union whose unimpaired capital and surplus is less than $8,000, would exceed $200, or which, in the case of any other credit union, would exceed 2½ per centum of its unimpaired capital and surplus. No loan or loan plan may be made to any member if, upon the making of that loan or loan plan, the member would be indebted to the Federal credit union upon loans or loan plans made to him in an aggregate amount which would exceed $200 or 10 per centum of the credit union's unimpaired capital and surplus, whichever is greater. For the purposes of this section an assignment of shares or the endorsement of a note shall be deemed security and subject to such regulations as the Administrator may prescribe, insurance obtained under title I of the National Housing Act shall be deemed adequate security.".

SUPERVISORY COMMITTEES

SEC. 625. Section 115 of the Federal Credit Union Act (12 U.S.C. 1761d) is amended by striking out " a semiannual" and inserting in lieu thereof "an annual".

DIVIDENDS

SEC. 626. (a) The first sentence of section 117 of the Federal Credit Union Act (12 U.S.C. 1763) is amended by striking out "Annually, semiannually, or quarterly, as the bylaws may provide" and inserting in lieu thereof "At such intervals as the board of directors may authorize".

(b) The last sentence of such section is amended by striking out "for a month", and by striking out "which are or become fully paid up during the first ten days of that month" and inserting in lieu thereof "as authorized by the board of directors".

APPLICABILITY

SEC. 627. Section 126 of the Federal Credit Union Act (12 U.S.C. 1772) is amended by inserting immediately after "the several territories" the following: ", including the trust territories,".

DEFINITION OF MEMBERS ACCOUNTS

SEC. 628. Section 202(h) of the Federal Credit Union Act (12 U.S.C. 1782(h)) is amended—

(1) by striking out "and" at the end of paragraph (1);

(2) by striking out the period at the end of paragraph (2) and inserting in lieu thereof "; and"; and

(3) by adding after paragraph (2) the following new paragraph:

"(3) the term 'members accounts' when applied to the premium charge for insurance of the accounts of federally insured credit unions shall not include amounts in excess of the insured account limit set forth in section 207(c)."

TERMINATION

SEC. 629. (a) Section 206(a) of the Federal Credit Union Act (12 U.S.C. 1786(a)) is amended to read as follows:

"(a)(1) Any insured credit union other than a Federal credit union may, upon not less than ninety days' written notice to the Administrator and upon the affirmative vote of a majority of its members within one year prior to the giving of such notice, terminate its status as an insured credit union.

"(2) Any insured credit union, other than a Federal credit union, which has obtained a new certificate of insurance from a corporation authorized and duly licensed to insure member accounts may upon not less than ninety days' written notice to the Administrator convert from status as an insured credit union under this Act: *Provided*, That at the time of giving notice to the Administrator the provisions of paragraph (b)(1) of this section are not being invoked against the credit union.".

(b) The first sentence of section 206(c) of such Act is amended by inserting "(1)" immediately after "(a)".

(c) Section 206(d) of such Act is amended by inserting "(1)" immediately after "(d)", and by adding at the end thereof the following new paragraphs:

"(2) No credit union shall convert from status as an insured credit union under this Act as provided under subsection (a)(2) of this section until the proposition for such conversion has been approved by a majority of all the directors of the credit union, and by affirmative vote of a majority of the members of the credit union who vote on the proposition. Following approval by the directors, written notice of the proposition and of the date set for the membership vote shall be delivered in person to each member, or mailed to each member at the address for such member appearing on the records of the credit union, not more than thirty nor less than seven days prior to such date. The membership shall be given the opportunity to vote by mail ballot. If the proposition is approved by the membership, prompt and reasonable notice of insurance conversion shall be given to all members.

"(3) In the event of a conversion of a credit union from status as an insured credit union under this Act as provided under subsection (a)(2) of this section, premium charges payable under section 202(c) of this Act shall be reduced by an amount proportionate to the number of calendar months for which the converting credit union will no longer be insured under this Act. As long as a converting credit union remains insured under this Act, it shall remain subject to all of the provisions of chapter II of this Act.".

LIQUIDATION

SEC. 630. Section 208(a)(1) of the Federal Credit Union Act (12 U.S.C. 1788(a)(1)) is amended to read as follows:

"(1) In order to reopen a closed insured credit union or in order to prevent the closing of an insured credit union which the Administrator has determined is in danger of closing or in order to assist in the voluntary liquidation of a solvent credit union, the Administrator, in his discretion, is authorized to make loans to, or purchase the assets of, or establish accounts in such insured credit union upon such terms and conditions as he may prescribe. Except with respect to the voluntary liquidation of a solvent credit union, such loans shall be made and such accounts shall be established only when, in the opinion of the Administrator, such action is necessary to protect the fund or the interests of the members of the credit union."

Amend the title so as to read: "An Act to establish a program of community development block grants, to amend and extend laws relating to housing and urban deevlopment, and for other purposes."

The motion was agreed to.

The Senate bill was ordered to be read a third time, was read the third time, and passed.

The title was amended so as to read: "to establish a program of community development block grants, to amend and extend laws relating to housing and urban development, and for other purposes."

A motion to reconsider was laid on the table.

A similar House bill (H.R. 15361) was laid on the table.

APPOINTMENT OF CONFEREES

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the House insist on its amendments to the Senate bill (S. 3066) to establish a program of community development bloc grants to amend and extend laws relating to housing and urban development and for other purposes, and request a conference with the Senate thereon.

The SPEAKER. Is there objection to the request of the gentleman from Texas? The Chair hears none, and appoints the following conferees: Messrs. PATMAN, BARRETT, Mrs. SULLIVAN, Messrs. ASHLEY, MOORHEAD of Pennsylvania, STEPHENS, ST GERMAIN, REUSS, HANNA, WIDNALL, BROWN of Michigan, J. WILLIAM STANTON, BLACKBURN, Mrs. HECKLER of Massachusetts, and Mr. ROUSSELOT.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF AMENDMENT TO S. 3066

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that the Clerk may be authorized to make any necessary corrections in punctuation, section numbers, and corrections referred to in the engrossment of the amendment of the House to the bill, S. 3066.

The SPEAKER. Is there objection to the request of the gentleman from Texas.

There was no objection.

GENERAL LEAVE

Mr. PATMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter on the bill just passed.

The SPEAKER. Is there objection to the request of the gentleman from Texas.

There was no objection.

HOUR OF MEETING, FRIDAY, JUNE 21, 1974

Mr. McFALL. Mr. Speaker, I ask unanimous consent that when the House adjourn today, it adjourn to meet at 11 o'clock a.m., tomorrow.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

AMENDMENTS TO THE POSTAL REORGANIZATION ACT

(Mr. HANLEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HANLEY. Mr. Speaker, today, I am introducing a bill containing a series of amendments to the Postal Reorganization Act of 1970. This bill, I hope, will become a focal point for broad scale public discussion of various problem areas which the Postal Service Subcommittee has uncovered during its extensive hearings and studies.

I want to emphasize at the outset that this bill does not represent a final position on my part on any of these issues. In many cases, I have placed language in the bill primarily for the purpose of engendering meaningful debate. I expect that after we conclude hearings, much of the language, and perhaps some of the concepts, will undergo redrafting in order to attempt to achieve a broad consensus necessary for effective congressional action in the critical area of the quality of mail service which could and should be available to the American public.

Also, this initial effort should not be considered all-inclusive. On July 9, the Postal Service Subcommittee will begin a series of hearings on this bill and any other serious recommendations for changes in the Postal Reorganization Act.

I would therefore like to encourage my colleagues and any others interested in making recommendations to contact the subcommittee to be scheduled as a witness.

The major thrust of my bill is to provide for a substantially increased subsidy to the Postal Service in recognition of its broad public service function. This subsidy would be authorized annually by Congress.

While alternate means of communication have partially replaced the social and economic functions of the mail, the Postal Service is still the most extensive communication network in the country today.

Throughout the history of our Nation, both the general public and the business community have come to rely on the mail as the means of communication that is most accessible physically and financially, and one that provides efficient service at reasonable costs. Our commerce and industry, our intellectual life and much of our social life would obviously be adversely affected without the mail.

It is unwise to assume that we can continue to believe in the "break-even" concept that we mandated in the Postal Reorganization Act of 1970. If we continue to follow a hard line on the break-even concept, postage rates will continue to skyrocket and "noneconomic" but important postal services could become a thing of the past.

Spiraling postal rates have indicated to us that we cannot have efficient postal service at reasonable cost to the user unless we provide funds to the Postal Service to defray its public service costs. I am therefore proposing that as reimbursement to the Postal Service for costs incurred by it in providing a maximum degree of effective and consistent postal service nationwide we provide the means for substantial continuing subsidies. This authorization for each fiscal year would be for an amount up to 20 percent of the total operating expenses of the Postal Service for the immediately preceeding fiscal year.

The vehicle for this subsidy would be a provision for annual authorizations of public service appropriations to the Postal Service.

Under the Postal Reorganization Act of 1970, Congress provided for a permanent authorization for public service costs. Presently, the Postal Reorganization Act provides that public service subsidies be reduced annually until 1984, when the Postal Service is scheduled to become essentially self-sufficient, though the act would authorize appropriations for public service amounting to about $450,000,000 a year after 1984 if the Postal Service chooses to ask for it. This figure will, by that time, be woefully inadequate.

My bill provides for annual authorizations for public service appropriations, and is similar in concept to H.R. 2990 which passed the House of Representatives on July 12, 1973, by a record vote of 328 yeas to 65 nays.

The legislation is simple, but highly significant because it requires the Postal Service to be accountable for its expenditures, and will enable the Congress to keep a closer check on Postal Service functions.

Although Congress mandated the separation of the Postal Service from politics, we did not abdicate our responsibility to the American people to oversee the functions of the Postal Service in order to assure that all the people receive the best possible service.

This authorization legislation would give Congress an important vehicle by which it could tell the Postal Service what it feels necessary to provide this service and protect the mail user from subsidizing unjustifiable Postal Service expenditures.

If this section is passed, Congress will have a stronger voice in the operations of the Postal Service without returning to the discredited patronage politics of the past.

With the major transition now being undertaken by the Postal Service, certainly the Postal Service falls in the category of a program requiring more than casual attention by the Congress and the appropriate congressional committees.

Another area of concern lies in the operation of the Postal Rate Commission and its relation to the Postal Service. Many criticisms have been leveled against the current situation including the length of time it takes the Commission to reach a recommended decision, the qualifications of the Commissioners, and the fact that the Commission's decisions are not final but subject to acceptance, rejection, or modification by the Postal Service's Board of Governors.

There are many directions we could go in this area. One approach could be to abolish the Commission and bring postal ratemaking back to Congress. Feeling that this would not be acceptable at this time, I have drafted language which would move in the other direction—toward complete independence of the Postal Rate Commission. Again, I must emphasize that I am making this proposal as a focal point for discussion rather than as a final position on my point.

In section 3601 through 3641 of the Postal Reorganization Act of 1970, Congress provided for the formation of the Postal Rate Commission. This group was created to insure that there would be an independent and professional group with decisionmaking power. The Commission was established as a bipartisan regulatory body and was delegated the duty of establishing reasonable and equitable classes of mail and rates of postage.

My bill would make the decisions of the Postal Rate Commission final to assure that their decisions with regard to postal rates and mail classification can be made expeditiously and without review or change by the Board of Governors of the Postal Service.

I am also proposing several changes in the structure of the Postal Rate Commission. The Commission members would still be appointed by the President; however, the members would now be confirmed by the Senate. The governing statutes of most regulatory agencies provide that their members be appointed by the President with the advice and consent of the Senate. A provision calling for Senate approval would enable the Senate to review the professional qualifications of the members. Confirmation would assure that the most qualified people be approved and enable the Commissioners to be on a par with other regulatory bodies.

I am also proposing that the Commission yearly designate a Vice Chairman who would act as Chairman in case of the Chairman's absence or the vacancy of the position. In 1973, the Chairmanship of the Commission was vacant for a total of five and a half months. As a result, the Commission was without substantial guidance and leadership for much of the year.

The designation of a Vice Chairman should prevent a similar situation from occuring in the future.

In connection with the Commission's budget, the budget is now part of the overall Postal Service budget. The Postal Service can alter the Commission's total budget, but does not have an item veto.

If we view the Postal Rate Commission as an independent body protecting the interest of the public, good argument can be made that its budget should not be subject to approval by the body whose policy it reviews. Therefore, I feel that the Commission should not be funded from postal revenues, but rather that it should be funded from general tax revenues, and that its budget should not be charged to mail users under current law as an allocable institutional cost.

This bill would require the Postal Rate Commission to annually prepare and submit their budget to the President. Their budget would include, but not be limited to expenses for facilities, supplies, compensation and employee benefits. The President could then make recommendations but could not revise this budget and must then include it as a separate item in the annual budget.

The bill also broaches the problem of temporary rate increases. The Postal Reorganization Act provides that if the Postal Rate Commission fails to act on a request for an adjustment in postal rates within 90 days, the Postal Service may unilaterally place temporary rates into effect. These temporary rates may not exceed the old rate by more than one-third.

In retrospect, a good argument can be made that these provisions give the Postal Service too much latitude. Under the Administrative Procedures Act, it is virtually impossible for the Commission to finish its proceedings within 90 days. The last rate case took 16 months to decide, and the currently pending case will take almost the same length of time. If postal costs continue to rise at their present pace, we may in the next year or two be facing a situation where temporary rates are in effect longer than permanent rates.

Also, the current situation tends to take the pressure off the Postal Rate Commission and the Postal Service to act expeditiously in pending rate cases since the Postal Service will be receiving most of the benefit of rate increases anyway. And it is also possible that the imposition of temporary rates which remain in effect throughout the bulk of the time the Commission is hearing a case may place subtle pressure on the Commission to approve the rate request without substantial change.

Therefore, I am proposing in this legislation that the Postal Service be required to wait 180 days after filing a request for a decision before imposing temporary rates and that such rates could not be more than 10 percent greater than the rate is effect at the time.

Another area which received substantial consideration by the subcommittee last year was the private express statutes which govern the postal monopoly on letter mail.

The private express statutes have a long tradition dating back to colonial times. While there have been many different interpretations and varying enforcement of the statutes, the principle has been well established both here and in other countries that some form of monopoly on the carriage of letters is necessary if any postal system hopes to maintain an adequate level of service at economical rates for all the people it serves.

Under the Postal Reorganization Act, the Postal Service was mandated to conduct an extensive review of the statutes and issue a report with its recommendations for changes in the regulations and laws. The Postal Service issued its report, recommending no new legislation, but did propose several new regulations which clarified the definition of a letter and outlined specific exclusions and suspensions.

The regulations have not yet been placed into effect, but the law grants the Postal Service the power to place them into effect at any time, since the Postal Service is presently not under the Administrative Procedures Act. After holding an extensive series of hearings on the private express statutes, I feel that it is necessary to include in this bill a provision relating to the Postal Service's new definition of a letter and to write specific exemptions into the law—thus removing these exemptions from the whims of the Postal Service regulatory process.

I also feel that it is necessary to bring the Postal Service under the control of the Administrative Procedures Act from which the Postal Service was exempted by the Postal Reorganization Act. If this change is adopted, any changes in rules or regulations of the Postal Service would have to be published in the Federal Register 30 days prior to such change.

The Postal Service has not acted precipitously in the past and has in many cases followed the intent of the Administrative Procedures Act. However, I feel that both the private citizen and the business community should not have to operate knowing that at any time a rule or regulation could be changed which could have some deleterious effect upon them.

The bill also contains a provision granting the Postal Service the right to represent itself in litigation without prior consent of the Attorney General, and a series of other relatively minor amendments.

Again, Mr. Speaker, I would like to emphasize that this is an open ended piece of legislation designed to engender a searching examination of some of the concepts underlying the Postal Reorganization Act. I welcome comments and testimony from my colleagues and any other interested citizens.

REFLECTIONS ON ISRAEL—II

(Mr. PODELL asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and include extraneous matter.)

Mr. PODELL. Mr. Speaker, during my recent trip to Israel, I visited two small towns which made international headlines only a few short weeks ago, Kiryat Shmona and Ma'alot. Both of these towns were the locations of terrorist attacks on innocent civilians.

Both towns are located near the Lebanese border. Lebanon, Mr. Speaker, has achieved world notoriety as a safe haven for Palestinian terrorists. Towns and kibbutzim located along the border are under constant threat of terrorist attack. The terrain is conducive to terrorist infiltration—it is rugged, filled with wadis, hills and caves, and impossible to patrol completely.

In Kiryat Shmona, 5 miles from the Lebanese border, I met with the mayor, Avraham Aloni. He governs 18,000 people. Nearby are a number of kibbutzim and an Arab village. Mayor Aloni took me to the apartment house in which 16 people were killed by the terrorists more than 2 months ago.

When the news of this massacre first reached the world, there was a temporary outrage that such acts could happen in civilized society. But we were unable to sustain this sense of outrage and anger, and when Israel did the natural thing and struck back at those who were jeopardizing her existence, we turned our backs and condemned her.

Mayor Aloni told me that his people are afraid; they still fear terrorist attacks because of the terrain and the proximity of the town to the Lebanese border. Seeing the apartment house, and looking at the bullet holes and bloodstains which still remain, made me understand as nothing else could the threat that these people must live with each day of their lives.

Thirty families have left Kiryat Shmona since the massacre. When I asked Mayor Aloni how his people felt, he answered me with a question, "Well, how should they feel?" He wants people to come to Kiryat Shmona, he wants to see the town continue to develop and grow. But fear of renewed terrorist attacks has prevented people from coming there to live and work.

Mayor Aloni has a resigned look about him. There was little I could say that would have been of comfort. After all, it was my government which turned its backs on those killed in Kiryat Shmona by its vote in the Security Council, after we had promised to veto the resolution.

After visiting Kiryat Shmona, I drove to Ma'alot. Ma'alot is a sleepy village, just 5 miles from the Lebanese border. It is unique in Israel, because it is governed jointly with an Arab village called Tarsheika. Most of the residents of Ma'alot are immigrants from North Africa. Until the Yom Kippur War, they enjoyed a good relationship with the Arab neighbors, and also with the Lebanese farmers just across the border. Since then, they have experienced constant trouble from terrorists, culminating in the infamous massacre of schoolchildren on May 16.

Ma'alot seems like an unlikely spot for a terrorist attack, when there are numerous larger towns, centers of industry and productive kibbutzim available. But Ma'alot was picked precisely because of the dual nature of the town, the combined government of Jews and Arabs. The terrorists wanted to cause trouble. They were taking advantage of the fact that the residents of Ma'alot were new immigrants who had not put down firm roots yet and were still vulnerable and easily frightened. They picked it because the surrounding land made attack easy and inviting.

And they did accomplish their purpose. Arab-Jewish relations in Ma'alot were disrupted severely, and recovery of the former cooperative spirit is in serious doubt.

The story of the Ma'alot attack has been retold many times. The people there, and people of compassion the world over, still grieve for the children who were slaughtered by the crazed Palestinians. With the Mayor of the town, Eli Ben Yaacov, and Mr. Weber of the Jewish Daily Forward, I walked through the town, and visited the school and classroom where the massacre took place. It was an incredibly moving experience.

I spoke to some of the people in the town. They are still frightened, even though the government has provided them with ample security. Because of the terrain, it is impossible to adequately patrol the area, and terrorists can sneak through and attack again at any time. An investigation is still going on to determine how the terrorists knew there would be children at the school at that time, but it is not going to restore the confidence of the residents of Ma'alot, or bring the dead children back to their parents.

There was a lesson from Ma'alot that was underscored by those I spoke to at Kiryat Shmona. Virtually everyone felt that this attack would not have occurred had the United States vetoed the Security Council resolution condemning Israel, as we had promised. But by voting for this resolution, the United States as much as said to the Palestinian terrorists that they could attack Israeli towns and farms unhindered.

And this in fact has been the case. Ma'alot was not the last act of terrorist depravity. About 2 weeks ago, Israeli soldiers killed three terrorists infiltrating from Lebanon. Only 4 days ago, a group of four terrorists got far enough to kill three women working at the kibbutz of Shamir on the Lebanese border, before being killed themselves in a battle with the kibbutzniks.

The residents of Ma'alot and Kiryat Shmona feel somewhat removed from the current efforts to bring peace to the Middle East, because the issue that concerns them most, resolution of the Palestinian question and ending terrorist activities, is one that the diplomats are avoiding and which seems to beggar solution. But until there is a solution which is acceptable to both Israel and the Arabs, and until the Arabs are willing to assume responsibility for the lot of the Palestinians and the activities of terrorists groups, we may expect more Ma'alots and Kiryat Shmonas. Unfortunately, the world learns slowly. Even though this time there was no mad rush at the U.N. to condemn Israel, neither was there an outcry to condemn the terrorist murderers. In fact, the silence was deafening. Until the world joins in condemning terrorism, these senseless attacks will continue and more women and children will fall victims to these fanatics.

My visit to Ma'alot and Kiryat Shmona was a profoundly moving experience. It made clear the fact that peace in the Middle East is impossible, at least for Israel, until there is a complete resolution of the Palestinian problem. It is difficult to say what form such a solution may take, for it must be acceptable to all parties concerned, and at present no one solution meets this criterion. But unless there is a program worked out, particularly a program in which the Arab States shoulder their fair share of the burden of caring for the Palestinians, Israel will be the prey of terrorists. And Israel can afford no more Ma'alots.

RECRUITING RESULTS

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. DAN DANIEL. Mr. Speaker, today I offer for the RECORD the total military strength assessment and recruiting results for each of the services for May 1974. The Army, Navy, and Air Force have exceeded their May objectives; the Marine Corps has again fallen short in meeting its goals, which indicates a need for some close study.

The preliminary figures show that the four armed services obtained 28,920 enlistments during May. This total was 101 percent of their total objective for the month.

In the first 5 months of the calendar year the Army has obtained 70,730 new enlistments, or 43 percent more than the 49,850 enlistments obtained during the corresponding period a year ago.

The Marine Corps was unable to accept all of its high school nongraduate applicants because of the law which requires that at least 55 percent of all non-prior-service enlistees in fiscal year 1974 in each service be high school graduates.

RECRUITING RESULTS—ALL SOURCES

	May			April percent objective
	Program objective	Actual	Percent objective	
Army	14, 300	14, 820	104	91
Navy	4, 650	5, 990	131	127
Marine Corps	4, 150	2, 540	61	45
Air Force	5, 500	5, 570	101	101
Total DOD	28, 600	28, 920	101	92

It is emphasized that recruiting input is only one element of the manpower program, and that total strength on hand is also influenced by reenlistment rates as well as unprogramed losses such as early discharges. Total DOD military strength was about 1 percent below the strength level planned at the end of April, as shown in the following table:

STATUS OF MILITARY STRENGTH BY SERVICE

	End of April (thousands)				June 1974 (thousands) current objective
	Objective	Actual	Shortfall	Percent	
Army	786	782	5	1	782
Navy [1]	557	548	9	2	551
Marine Corps	193	190	3	2	196
Air Force	659	655	4	1	645
Total DOD	2, 195	2, 175	21	1	2, 174

[1] The Navy shortfall reflects an earlier problem in strength accounting rather than a failure to meet recruiting objectives. The Navy is striving to make up the difference before year-end through over-delivery against its recruiting goals, as evidenced by their recruiting achievements in May (134 percent) and April (127 percent).

The Department of Defense expects the total military strength to be within 10,000–15,000 of the target of 2,174,000 planned for the end of the current fiscal year, indicating a shortfall of well under 1 percent.

YEAR-TO-DATE RECRUITING RESULTS BY SERVICE

During the first 11 months of the fiscal year the four military services had achieved 94 percent of their cumulative recruiting objectives. The following table shows year-to-date performance by service:

RECRUITING RESULTS—ALL SOURCES, YEAR-TO-DATE FISCAL YEAR 1974

	Program objective July–May	Actual	Percent of objective
Army	189	171	91
Navy	76	77	102
Marine Corps	50	43	86
Air Force	68	68	100
Total DOD	383	360	94

ENLISTMENTS BY SOURCE

The number of nonprior servicemen enlisted was 23,560 or 97 percent of the services' May objective; the number of nonprior servicewomen was 2,660 or 122 percent of the objective; and the number of prior service personnel was 2,700 or about 125 percent of the objective. The following table shows the distribution of May enlistments by source:

RECRUITING RESULTS BY SOURCE

	May			April
	Program objective	Actual	Percent objective	Percent objective
Nonprior service:				
Men	24,250	23,560	97	90
Women	2,180	2,660	122	102
Prior service	2,170	2,700	125	117
Total DOD	28,600	28,920	101	92

NON-PRIOR-SERVICE ENLISTMENTS, MEN AND WOMEN, BY SERVICE

During May the services achieved the following results against their non-prior-service objectives for men and women:

	May			April percent objective	Year to date percent objective
	Program objective	Actual	Percent objective		
Non-prior-service recruiting results, men:					
Army	12,100	11,660	96	87	87
Navy	3,600	4,790	133	136	101
Marine Corps	3,800	2,310	61	41	86
Air Force	4,750	4,810	101	101	100
Total DOD	24,250	23,560	97	90	92

	May			April percent objective	Year to date percent objective
	Program objective	Actual	Percent objective		
Non-prior-service recruiting results, women:					
Army	1,000	1,340	134	104	106
Navy	450	590	131	99	108
Marine Corps	110	100	94	105	99
Air Force	630	630	100	101	100
Total DOD	2,190	2,660	122	102	10

MENTAL GROUPINGS: HIGH SCHOOL GRADUATES

In May about 90 percent of all nonprior service enlistees were mental categories I–III, which are the average and above-average mental groups; only 10 percent were in mental category IV, the below-average group. High school graduates amounted to 62 percent of enlistments, compared to 66 percent for April; the decrease is due primarily to seasonal factors. The data for the fiscal year to date is shown in the following table along with May results:

HIGH SCHOOL GRADUATES AND MENTAL GROUPINGS (NON-PRIOR-SERVICE MEN AND WOMEN)

	High school graduates			Mental groups I, II, III[1]		
	May		Year to date percent	May		Year to date percent
	Number	Percent		Number	Percent	
Army	6,910	53	54	10,690	82	82
Navy	3,150	62	69	4,870	96	97
Marine Corps	1,660	69	51	2,260	94	93
Air Force	4,420	81	93	5,410	99	99
Total DOD	16,140	62	65	23,230	90	90

[1] Above average and average categories.

JUNE OBJECTIVES

The services' manpower programs for June call for the following enlistment objectives from all sources:

June program objectives:

Army	22,600
Navy	9,650
Marine Corps	5,550
Air Force	6,720
Total Department of Defense	44,520

In addition to these program objectives, the Navy is seeking 747 extended active duty reserve enlistments and 4,550 additional regular force enlistments because of revised loss estimates. The Marine Corps is seeking 2,360 additional enlistments to offset previous recruiting shortfalls.

RESERVE COMPONENTS

The total selected Reserve strength increased in April for the seventh consecutive month with the Army National Guard and Reserve Components and the Air Force Guard and Reserve Components showing net gains. Although nonprior service enlistments for all Reserve components are lower than the objectives for the year to date, the shortfalls have been partially offset by successes in recruiting prior service enlisted personnel:

FISCAL YEAR 1974 SELECTED RESERVE STRENGTHS[1]

[In thousands]

	ARNG	USAR	USNR	USMCR	ANG	USAFR	DOD total
Authorized end strength	412.0	260.6	116.9	39.5	92.5	51.5	972.9
Actual:							
June 30, 1973	385.6	236.5	126.2	37.5	90.4	43.8	919.0
Sept. 30, 1973	384.9	231.5	119.1	35.3	90.5	43.3	904.6
Dec. 31, 1973	392.5	227.2	119.1	33.1	92.5	43.5	908.2
Mar. 31, 1974	404.9	226.2	115.4	31.8	93.6	44.4	916.2
Apr. 30, 1974	406.1	227.3	115.1	31.2	94.2	45.2	919.1
Change from previous month	+1.2	+1.1	−.3	−.6	+.6	+.8	+2.8
Net short/over authorized end strength	−5.9	−33.3	−1.7	−8.3	+1.7	−6.3	−53.8
Percent short/over	−1.4	−12.8	−1.5	−21.0	+1.9	−12.3	−5.5

[1] Unaudited preliminary reports from services.

PROPOSED CHANGES IN RULES OF EVIDENCE FOR CRIMINAL PROCEDURE

(Mr. HUNGATE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUNGATE. Mr. Speaker, I take this time to give the Members some information concerning legislation pending in the House Judiciary Committee. The Members will recall about a year ago or so proposed changes in the rules of evidence were submitted to the Congress, and we did extend the time for consideration of these changes so that they would not automatically become effective and so that the House of Representatives could work its will on this issue. This has been done, and the matter is being considered by the other body.

We now face a similar problem. The proposed changes in the Federal rules for criminal procedure were on April 22, 1974, referred to the Committee on the Judiciary. The Subcommittee on Criminal Justice has met and unanimously recommended that rather than permitting these changes to become automatically effective on August 1 of this year, without adequate time to hold hearings and affording judges, prosecutors, and others the chance to be heard on this matter, we would request a 1-year delay in the effective date, so that we could have time to let the House work its will. The Department of Justice, through a letter from Attorney General Saxbe, has also recommended postponing the effective date of these proposed Rules of Criminal Procedure until August 1, 1975, so those who desire to be heard on this question can be accommodated.

Mr. Speaker, that procedure has been recommended unanimously by the subcommittee, and we do hope to get this matter to the House before August 1 of this year.

The amendments, which touch upon some controversial areas in criminal law, were the product of several years work by the judicial conference. Preliminary drafts of the amendments were published in January 1970 and April 1971. The initial work was done by the Advisory Committee on Criminal Rules under the chairmanship of Judge Alfonso J. Zirpoli of San Francisco. The advisory committee sent its recommendations to the Standing Committee on Federal Practice and Procedure, which presently is chaired by Judge Rozell C. Thomson. During most of the time that the amendments were under consideration, the standing committee was chaired by Judge Albert B. Maris. These committees and their distinguished members worked long and hard at their task.

The Subcommittee on Criminal Justice circulated House Document 93-292 to a wide cross-section of the legal profession in order to obtain comments on the amendments. We contacted, among others, the chief judge of every Federal district court, the chief judge of every circuit court of appeals, the president of every State bar association, and various law professors. We have received a substantial number of replies, most of them critical of the proposed amendments. Several people and organizations have asked to testify. The statistical breakdown reveals correspondence from four Members of Congress and letters of comment and criticism concerning the rules from 19 Federal judges, 2 private practitioners, and 4 organizations.

It became apparent to the members of the subcommittee that the amendments raised issues requiring careful study. The amendments deal with such topics as plea bargaining, discovery of evidence and witness' identities by prosecution and defense, the use of the arrest warrant and summons, and the utilization of presentence reports. The subcommittee unanimously agreed that it was impossible to tackle such important and technical issues and complete the job before the rules automatically take effect August 1. We therefore recommend legislation which would postpone the effective date of these proposed Federal rules of criminal procedure until August 1, 1975. The vehicle to accomplish this is H.R. 15461 which we hope can soon be approved by the full Judiciary Committee and brought before the House for its consideration in the next few weeks.

THE IMPORTANCE OF A STRONG STRIP MINING RECLAMATION BILL

The SPEAKER pro tempore (Mr. McFall). Under a previous order of the House, the gentleman from Montana (Mr. Melcher) is recognized for 60 minutes.

Mr. MELCHER. Mr. Speaker, H.R. 11500, the strip mining reclamation bill that the House Interior Committee has worked on for 16 months will be ready for floor debate early in July.

It is not satisfactory in all aspects but it is a workable bill. It has some flaws that I would like to see strengthened, particularly regarding interim standards. These are the minimum requirements to be enforced for a period ranging from 30 to 36 months while the program is implemented by the individual States, or on Indian reservations, which desire to take over strip mining reclamation regulation in their jurisdiction. Their failure to meet the minimum Federal requirements would, of course, mean that the Federal Government, through the Department of the Interior, will regulate coal strip mining in such States or reservations.

But all in all, H.R. 11500 will provide what this country desperately needs if we are going to continue to develop and expand coal strip mining. That need is basic minimum reclamation requirements set by the Federal Government that will apply to any and all coal strip mining operations in any of the 50 States. It has the obvious advantage of setting reclamation standards uniformly for all of the States so that mining companies cannot play one State against the other seeking to get lower standards by threatening to move their operations to a State with weaker requirements. We have waited long for this and the bill must be passed by the House this summer if we are to meet our responsibility for protection of our land and water.

Some areas of the country have already experienced devastating impact from coal strip mining. Our area of the West with the world's largest strippable coal deposit, the Fort Union coal field in Montana, Wyoming, and the Dakotas, is in the beginning stages of coal development. Much of the coal is on Federal land or land where the Federal Government owns the mineral rights but not the surface, or in Indian reservations. State law does not adequately address itself to regulation procedures for reclamation on Federal or Indian reservation lands. Indeed, while there are some coal leases already outstanding on federally owned lands and on Indian reservations, none should be implemented by an approved mining permit until enactment of this national bill.

The very essence of prudent development of the Fort Union coal land deposits is the protection of the land and the water. Without that protection cemented in a national bill such as H.R. 11500, coal development could render permanent damage to one of the magnificent areas of America.

Because of the gravity and need for the bill. I find it appalling that a coalition led by the National Coal Association, American Association of Electrical Companies, and the administration are pooling their efforts to win the enactment of weakening amendments which would very much damage, perhaps gut, H.R. 11500.

I submit a letter I have received dated June 13, 1974, from Mr. David R. Toll, managing director and general counsel for the National Association of Electric Companies, located here in Washington. They concur with Secretary Morton's eight points criticizing H.R. 11500 and add six more objections to the bill.

Joining with the administration, they question these eight points in the bill:

The beginning standards for the interim programs which are already bobtailed and weak;

They object to a prohibition against mining in areas where reclamation would not succeed;

They question the section to prevent damage from subsidence from underground mining;

They want to strip mine the national forests;

They believe that the performance criteria necessary for adequate reclamation should be watered down;

They favor large open pit mines to mine other metals even when a State and locality has determined that it is extremely damaging;

They insist on only a bond to pay off the rights of the surface owner to his private property—which would give the coal companies what amounts to the right of eminent domain;

They oppose the provisions of the bill to authorize funds for mining and mineral research centers.

The National Association of Electric Companies goes beyond those eight points and throws in six more, objecting to the following:

First judicial review procedure in sections 222 and 223;

Second, abandoned mine reclamation, including the funds that go for impact help to current mining areas where schools and roads and health care needs must be provided for greatly expanding population in rural areas;

Third, the entire title V, which delegates the responsibility for administration of the reclamation program;

Fourth, the Indian program, which recognizes tribal authority over their own reservation lands;

Fifth, confidentiality of information;

Sixth, the procedure for citizen suits outlined in section 222.

I find it depressing that these utility companies join with the National Coal Association representatives, the White House staff and Federal Energy Administration officials, who are not too familiar with the bill, to attempt to revise, delete, and tamper with requirements that are necessary to enact into law to make certain the land is reclaimed and water is protected, and that private property owners are not deprived of their rights.

Using some tables that indicate how much coal is available by means of strip mining and attempting to apply these rather lenient regulations to the bill to say that production will be held back, this coalition would attempt to stampede an energy-conscious House into adopting their misguided and misconceived beliefs about land and water protection.

The fact is that many States where coal strip mining has long been practiced, such as Ohio and Pennsylvania, already have provisions that, in some instances, are stronger than this bill contains. These States will undoubtedly continue as they are doing now, conducting their own program and allowing mining of coal under regulations which are stronger than what this coalition seems to deplore. But the focus of coal mining activities is turning toward the West and the Fort Union deposit that I previously mentioned. Producing more coal from that region must hinge on passage of a strong measure. H.R. 11500 as it will reach the floor is none too strong; to weaken it might jeopardize any possibility of western coal development.

I would be most apprehensive and I believe the rest of the citizens in our region of the West would be most apprehensive if we pass a bill which would allow Federal coal underlying so many millions of acres of the State to be mined to the detriment of our land and water. Without an adequate bill at least as strong as this one as approved in committee the threat to our area is very real. If a weak bill results, we would seek every remedy available to citizens to protect our rights, our homes, and the land and the countryside.

Indian tribes, I believe, feel the same way and would resist being run over by mining practices that would leave their lands or their water resources in poorer shape than they are now.

I urge all Members of the House to show concern for the national need of a strip mining reclamation bill, H.R. 11500, as it is without being weakened. I can assure my colleagues of the House that, in my judgment, this is the proper step to take in order to meet our dual responsibility to protect our land and water and to provide an opportunity for prudent and wise development of our coal resources, particularly in the West.

The letter follows:

NATIONAL ASSOCIATION
OF ELECTRIC COMPANIES,
Washington, D.C., June 13, 1974.

Hon. JOHN MELCHER,
U.S. House of Representatives,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN MELCHER: As you requested, this letter will summarize our position with respect to H.R. 11500, the proposed coal surface mining bill. We have reluctantly concluded that numerous provisions in the bill, if enacted, would cause a decrease in current production, and would delay commencement of needed new coal surface mining operations.

The specific provisions in the bill which would cause a decrease in coal production are well summarized in the letter dated May 29, 1974, from Secretary of Interior Rogers C. B. Morton to the Hon. James A. Haley, Chairman of the Committee on Interior and Insular Affairs (reprinted at pp. 234–240 of House Report 93–1072, the Committee Report on H.R. 11500).

Secretary Morton's letter lists the objectionable provisions in H.R. 11500, as reported, as follows:

(1) Interim Program (Sec. 201)

(2) Designating Lands Unsuitable for Mining (Sec. 206)

(3) Surface Subsidence from Underground Mining (Sec. 212)

(4) Exclusion of Surface Mining in National Forests (Sec. 209)

(5) Performance Criteria (Sec. 211)

(6) Non-Coal Mine Environmental Impact Control (Title VI)

(7) Surface Owner Protection (Sec. 709)

(8) Mining and Mineral Research Centers (Title VIII)

In addition the addendum to Secretary Morton's letter lists additional defects in the bill as follows: (a) judicial review; procedure (Secs. 222 and 223); (b) abandoned mine reclamation (Title IV); (c) responsibility for administration of program (Title V); (d) Indian program (Title III); (e) confidentiality of information; and (f) citizen suits (Sec. 222).

Secretary Morton's letter also includes a table (reprinted at p. 238 of the Report) which indicates that the provisions of the bill, taken as a whole, could result in coal production losses of up to 187 million tons in 1975 and up to 271 million tons in 1980. If these losses are indeed realized, the electric power industry will face severe fuel shortages, with resulting impacts on systems reliability and forced blackouts and brownouts in many parts of the United States.

We also agree generally with the Dissenting Views of ten members of the Committee as summarized on pages 200–201 of the Committee Report.

I hope you understand that our concern with this legislation is because of the obligation under numerous State and Federal statutes, for electric utilities to meet their customers' needs, and furnish a reliable supply of electric energy at reasonable rates, with due regard to protecting the environment. We fear we would not be able to meet this obligation under H.R. 11500 in its present form, as interpreted by the Department of Interior, which would administer the law, because we would be faced with severe fuel shortages. If more reasonable legislation, which would correct the deficiencies listed above and would not cause a cutback in coal production, can be recommended, we would be happy to support it.

Sincerely yours,

DAVID R. TOLL.

Mr. BURTON. Mr. Speaker, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman.

Mr. BURTON. Mr. Speaker, I would like to give notice that I support the gentleman from Montana in his approach to this matter and associate myself with his remarks.

Mr. MELCHER. I thank the gentleman.

I now yield to the gentleman from Pennsylvania (Mr. DENT).

Mr. DENT. Mr. Speaker, I would like to join the gentleman in the remarks he has made dealing with strip mining legislation.

Many years ago as a young man I sponsored the first strip mining legislation in the history of the United States in my good State of Pennsylvania. Over the years we developed a strip mining law that has been acclaimed by all who participate in it and those who have visited the State of Pennsylvania and seen the wonders we have created there.

I am hopeful that this legislation we will be presented with will follow somewhat along the lines that we have in Pennsylvania, which has been gained through the knowledge we acquired from experience there.

Stripping tears up the land; it can destroy ecology and environment; but properly handled it can bless us with the benefits of energy that we get from coal. It can also leave, after it has passed, a land not deformed, not destroyed, with the values retained.

To the gentleman I say I wish you well in your efforts.

Mr. MELCHER. I thank the gentleman from Pennsylvania.

I can assure him that the House bill tries to match the requirements of the State of Pennsylvania reclamation law with regard to maintaining the integrity of the land and the preservation of water resources.

GENERAL LEAVE

Mr. MELCHER. Mr. Speaker, I ask unanimous consent that I may have permission to revise and extend my remarks and include extraneous matter, and I ask unanimous consent that all Members who desire to do so may have 5 legislative days in which to do so.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. RONCALIO of Wyoming. Mr. Speaker, will the gentleman yield?

Mr. MELCHER. I am happy to yield to the gentleman from Wyoming.

Mr. RONCALIO of Wyoming. Mr. Speaker, the very property rights of Montana and Wyoming people will be at stake when major coal areas of the West are stripped.

Wyoming alone has 18 companies ready to mine on leases through the Powder River Basin. These lands in Wyoming are largely held by ranchers and farmers who originally carved their homes and livelihood out of raw prairie and sage brush. These independent people of today's West are the living legacy of their homesteading fathers and grandfathers who tamed the land and grazed their cattle across the shortgrass prairies. They have chosen to continue the hard rugged ranch life of the high plains. This land is their very livelihood, their past, and their chosen future.

The Powder River Basin rancher, the eastern Montana and North Dakota rancher and farmer, must have something to say about the future of his land. When these lands were homesteaded, the mineral rights were retained by the Federal Government without a great deal of need for concern by the homesteader. Strip mining was not with us in those days. Now the rancher is confronted with the possibility that his land will be mined right out from under him and his entire way of life will be wiped away.

H.R. 11500 contains provisions offered by JOHN MELCHER of Montana in the Interior Committee which will provide the landowner with the opportunity to have some say about what will happen to his land and his future. Without these provisions, we are extending to the coal companies the right of eminent domain and wiping out the private property rights and control of the landowner.

The retention of the Melcher language is essential to ranchers in the West. This is a personal appeal for your support of these provisions and the entire bill, 11500, which must be passed over any substitute in order to give coal resource States adequate protection from the scourge of reckless strip mining, and yet allow the extraction of needed energy supplies under workable and reasonable control.

While we are largely discussing here this evening provisions in H.R. 11500 intended to protect the surface owners and ranchers in the West from having their lands stripped away from beneath them without any say, there are other provisions in the bill of particular importance which are also coming under attack. Section 206 of the House strip mine bill deals with the designation of certain areas unsuitable for surface coal mining.

We would be led to believe by the coal lobbies that section 206 would remove enormous quantities of coal from the reaches of an energy hungry Nation by the passage of this bill. Once again, the charges being levied and circulated are without foundation and are an emotional attempt to ignore the facts and actual sound provisions of section 206.

Lands will not immediately, nor without justification be removed from strip mining plans. As a condition for approval by the Secretary of the Interior, a State program must establish a "planning process" to determine if lands should be designated as unsuitable for strip mining operations.

H.R. 11500 does not designate a single acre as unsuitable for strip mining itself, it merely requires a State to set up a process through which such designation would be possible. When such designations are made. they will not prevent mineral exploration.

The criteria for designation are narrow so that it is unlikely that large coal resource areas would be so designated. Furthermore, decisions to designate areas as unsuitable must be based upon competent and scientifically sound data in an objective manner.

The criteria set forth in the bill briefly is as follows:

First. The only mandatory designation is for areas where reclamation is not "economically or physically feasible," however, an operator can mine an unreclaimable area if he has already made a substantial legal or financial commitment to do so.

Second. The burden of proof for unsuitability is on the petitioner, not the regulatory authority.

Third. Designation does not apply to any existing operations or future mining operations "where substantial legal and financial commitments have been made prior to September 1, 1973."

Fourth. Designation is limited in use to any person adversely affected rather than to any interested party.

Fifth. Prior to designation, the regulator authority must prepare from existing and available information a statement on the potential coal reserves in the area affected, the overall demand for coal, and the impact of the designation on the environment, the area's economy, and the supply of coal.

Sixth. Once designated an area can later be redesignated.

Proper notice, public participation, and hearings prior to making a designation or redesignation are required.

Within the designation process for lands unsuitable for mining, the following criteria are essentially what would qualify an area for withdrawal:

First. If surface coal mining operations are incompatible with essential governmental objectives;

Second. If the lands are fragile or historic;

Third. If they are renewable resource lands; or

Fourth. If they are natural hazard lands.

Again these provisions of section 206 apply only to those coal resource lands on which there is no strip mining on the date of enactment of this legislation or for which there is no substantial legal or financial commitment to strip mine prior to September 1, 1973.

When taken in its context, the language of section 206 and its provisions for designation of certain areas as unsuitable for strip mining are far more reasonable than those working to kill this bill would have the House believe. I hope that Members will take the time and trouble to study section 206, read provisions for protection of the surface owner, and the entire H.R. 11500 and form their own conclusions about the necessity and workability of this legislation rather than relying on the emotional attacks on it from within this body and from the coal industry itself.

In conclusion, Mr. Speaker, let me say that despite almost desperate attempts to obstruct the committee's consideration of H.R. 11500, the House Committee on Interior and Insular Affairs favorably reported by a vote of 26 to 15 this important legislation to regulate coal stripping. The action clears the way for consideration of this vital bill without which the best interests of the United States of America could not be served.

Mr. MELCHER. The distinguished gentleman from Wyoming is an outstanding leader in the fight to assure adequate reclammation law. He serves his State and the entire West meritoriously and with distinction.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I thank the gentleman from Montana for yielding to me, and I certainly commend the gentleman for obtaining this special order in order to discuss what I consider to be, and many others consider to be the most important environmental issue that has faced this House in years—and I mean in years—certainly since I have been a Member of this House.

One of the things that I think is very important for people to realize about this bill is that it does not impose a Federal strip mining law. It simply says to each of the States that they should have the opportunity to regulate strip mining of coal in the State, but that all State strip mining laws should meet certain basic standards so that mining interests cannot whipsaw the States into watering down the essentials for sound strip mining controls and reclamation.

My own State of Ohio in 1972 passed a really tough strip mining and reclamation bill. Everybody thought that, as far as Ohio was concerned, all our problems would be over on the strip mining front.

As a resident of Ohio, I, along with countless other residents, have been heartsick to see what has happened to huge areas of our State where thousands of acres of the most beautiful and most productive land are located, that have been literally turned into something resembling the surface of the Moon by strip mining.

When Governor Jack Gilligan was fighting to get Ohio's strip mining bill passed 2 years ago, the mining companies said, "If you pass this bill we will go out of business in Ohio." Yet the ink was hardly dry before the Hanna Coal Company, which was one of the most vigorous opponents of the bill, was asking the State to allow it to move its Gem of Egypt, a mammoth power shovel, across Interstate Route 70 so that they could start strip mining on the other side. That is how much the bill put them out of business.

One of the other interesting things about the Ohio law is that it would comply right now with the standards that are set forth in this Federal bill. The State of Ohio could live with this Federal bill with hardly a change in its present law. The same is true with the State of Pennsylvania, and probably other States that have advanced strip mining control laws.

But what has happened in the State of Ohio since its law was passed in 1972 illustrates why we have to have a strong Federal bill. What has happened is that enforcement of the law has gotten under the control of the very same lobby, the strip mining lobby, that fought tooth and nail to keep it from being enacted.

Gov. John J. Gilligan, in accordance with the Ohio law, appointed the members of the State reclamation board which hears appeals from the actions of the reclamation chief. One of the people he appointed as a public member had been a leader in the fight to lobby the bill through the legislature. He was hardly nominated before the strip mining operators lobby got the State Senate committee to vote against confirming his nomination. So that eliminated the member most likely to enforce the law.

Next, the Governor nominated a Mrs. Irene Horner, to be a public member of the board. She was on the board for some months, and in the course of that time voted several times sometimes favoring the strip miners' position, sometimes against them. But in May of this year, the chief of reclamation, in accordance with the law, declined to license a proposed strip mine on a very steep hill where there had been deep mines before and where he found a serious danger that stripping could release large quantities of water and mud which could endanger a village located at the foot of the hill.

The Ohio law says that where it would create a serious danger to public health and safety, the reclamation chief had the authority, in fact the duty, to refuse to license strip mining in a particular area. The strip mining firm appealed the reclamation chief ruling and the board of reclamation overruled the chief. Mrs. Horner dissented.

Mr. Speaker, at the close of my remarks, I should like to offer for the RECORD the dissenting opinion of Mrs. Horner and the Cleveland Plain Dealer article about the action of the board. The headline in the Cleveland Plain Dealer article is, "Coal Firm Buries Strip Mine Law."

The article follows:

[From the Cleveland Plain Dealer,
May 1, 1974]

COAL FIRM BURIES STRIP MINE LAW

(By Richard C. Widman)

ST. CLAIRSVILLE, OHIO.—After an epic battle between conservationists and coal companies, the Ohio Division of Reclamation lost a major test of the state's ability to enforce the tough coal strip mining laws enacted in 1972 by the Ohio General Assembly.

A coal company has won the right to stripmine a hill that residents of the tiny Belmont County community of Crescent fear could wipe out their town with landslides and water unleashed from abandoned deep mines.

By a 4-1 vote with one member abstaining, the Strip Mine Reclamation Board of Review has overruled a decision by Raymond B. Lowrie, state reclamation chief, not to grant a strip mine license to Andrew Massimino, owner-operator of the one-man Joyce Coal Co. of St. Clairsville.

Although the review board will not announce its decision for several days, The Plain Dealer learned that the board granted Massimino's appeal and will order Lowrie to grant the Joyce Coal Co. a license to strip 2.9 acres of the slopes of the hill, which was described at public hearings as being "as precipitous as Mt. McKinley."

The unincorporated village of Crescent, population about 75, lies at the foot of the hill four miles northeast of St. Clairsville, about 130 miles southeast of Cleveland.

Belmont County is Ohio's hottest strip mining area.

Lowrie said yesterday he had not been notified of the board's decision and declined comment.

He said his department would have 30 days to appeal the review board's ruling to Franklin County Common Pleas Court in Columbus.

Massimino could not be reached for comment yesterday.

However, his lawyer, Hugo Alexander of Steubenville, said, "There is no danger whatsoever to the people of Crescent; that has been testified to by experts."

Alexander said the community is too far from the site to be damaged "even if the whole hill collapses."

The lawyer said the area would be "beautified" by Massimino's reclamation of the site after the coal is brought out.

The board, in overruling Lowrie, considered testimony by reclamation division experts and soil scientists for the U.S. Soil Conservation Service at public hearings held March 12 and 13 in St. Clairsville.

Coal company witnesses testified that a ditch to be dug around the hill would drain water away from the village.

The also testified that the hill would not slip onto the village and that abandoned deep mines that might be unsealed by stripping probably do not contain water.

The state witnesses testified that the area to be stripped is saturated with water and there is "substantial evidence that much of the water comes from old dead mines in the area."

The state witnesses pointed out that the coal company's map submitted with a reclamation plan indicated that the hill has a slope of 22 degrees, while field inspection by the reclamation department showed the slope to be about 35 degrees, approximately the same as Mt. McKinley in Alaska.

According to the judgment of the state experts, it would be impossible to reclaim such a steep slope to state standards.

State witnesses also testified that "landslides are prevalent" in the area to be stripped and have blocked creeks and flooded county roads in the past.

"In addition to possibly blocked creeks, landslides destroy vegetation, adversely affect virgin ground and contribute to sedimentation in waters of the state," the reclamation department stated.

Mrs. Irene Horner of Cleveland, who cast the only "no" vote on the board, wrote in her dissenting opinion:

"Mr. Massimino has stripped in the area around Crescent previously. An abandoned shovel and red water gushing from the denuded hillside across the road from the area in question offer mute testimony about the area mined and 'reclaimed' by Mr. Massimino under contract with Oliver Coal, without a license, according to the hearing record."

According to the reclamation department, the Oliver Coal Co. was fined for not reclaiming a strip mined site adjacent to the hillside site for which Massimino applied for a license as owner-operator of the Joyce Coal Co.

Massimino, who did the work for Oliver Coal, was not fined, however.

Mrs. Horner mentioned in her dissenting opinion Lowrie's comment that the Crescent site is "one of the worst sites to mine he has seen in Ohio . . ."

She referred to Massimino's remark at an on-site inspection that the slope was so steep he would have difficulty getting equipment up to the mine.

"The people who live daily with the problems created by stripping and who lack the power to protect their rights," Mrs. Horner wrote, "are unlawfully made to assume the true cost of mining, the cost the company doesn't pay: damage to their property, their environment and their peace of mind.

"To let this continue to happen in Ohio would be contrary to the intent of the 1972 strip mine law."

DISSENTING OPINION OF IRENE P. HORNER, PUBLIC MEMBER

I contend that my fellow Board members failed to appreciate the serious potential for environmental and social disruptions resulting from any stripping operation which would be conducted on the area in question. Testimony of expert witnesses, stripmine inspectors, and area residents indicated that there is a real danger of landslides and of possible re-opening of old deep mine workings with release of unknown quantities of water which could endanger the citizens of Crescent, Ohio. These were but two of the many compelling reasons justifying the denial of a license to strip the steep hill above Crescent. Furthermore, the great probability of spoil sliding down the steep slope to places where it couldn't be returned to the license area indicates that the area is not susceptible to reclamation. Partly for this reason, a federal bill to ban stripping on steep slopes of more than 15° is being given serious legislative consideration; the area Joyce Coal proposes to mine has slopes of up to 35°! (At the on-site inspection made by the Board, the operator, Mr. Massimino himself, mentioned the difficulty of getting equipment up the slope to mine.)

Stripping on steep slopes leaves hillsides which continually slip and slide, destroying vegetation, and filling streams with silt and sediment. The people who live daily with the problems created by stripping and who lack the power to protect their rights are unlawfully made to assume the true cost of mining—the cost the company doesn't pay; damage to their property, their environment (streams, roads, etc.), and their peace of mind. To let this continue to happen in Ohio would be contrary to the intent of the 1972 Stripmine law—the law which it is the responsibility of the Ohio Reclamation Board to uphold. The Board is not authorized by statute to substitute its judgement for that of the Division of Reclamation's chief regulatory officer; it is merely required to determine if his orders are "lawful" and "reasonable" in the face of potential threats to the environment of Ohio or to the well-being of its citizens. That a potential for damage existed was clearly shown by the evidence in the case, and the Chief's order was, therefore, reasonable.

I feel that the Board ignored the preponderance of evidence and rested too much of its decision on only one aspect of the case: the question of the adequacy or inadequacy of a proposed drainage ditch to divert some of the water running off the area. Virtually ignored in the deliberations were the following points:

1. Mr. Massimino has stripped in the area around Crescent, Ohio previously. An abandoned shovel and red water gushing from the denuded hillside across the road from the area in question offer mute testimony about the area mined and "reclaimed" by Mr. Massimino under contract with Oliver Coal (without a license, according to the hearing record). Furthermore, the bond on a number of old licenses is not released yet. an indication that the operator may not satisfactorily reclaim his new licenses either.

2. The testimony of Mr. J. D. Feisley, District Conservationist for the Soil Conservation Service, predicted the erosion problems which can be expected if an attempt is made to take water down a 19° slope as planned in Joyce Coal's license application.

3. Mr. T. N. Ruble, S.C.S. soil scientist, testified that clay soil types of the area carried a moderate to severe hazard of land slips (depending on the steepness of the slope), and, on the site, slopes were steep to very steep. With respect to the operator's proposed topsoil storage site, Mr. Ruble warned that an additional load on a clay soil on a steep slope would further decrease

stability, leading to a possible slip of topsoil or downslope movement.

4. The danger of slides and the near-impossibility of controlling run-off was again emphasized by Mr. Ray Lowrie, Chief of Reclamation. His comment that, in his experience in the state, this is one of the worst sites to mine he has seen in Ohio should not have been ignored.

His decision to prohibit mining in such an area was unquestionably a reasonable one, and one that was required of him by Section 1513.07 A (9) of the Ohio Revised Code. The operators complete plan for mining and reclaiming which "the chief shall approve . . . IF . . . the plan does not pose an actual or potential threat of water pollution or detrimental environmental impact" and "The chief shall disapprove any plan . . . which fails to provide reclamation . . . or which would result in pollution of waters of the state, substantial erosion, substantial deposition of sediment, landslides, accumulation or discharge of acid water, or flooding."

[From the Cleveland Plain Dealer,
June 7, 1974]

ENVIRONMENTALIST OUSTED FROM MINE BOARD

(By Brian T. Usher)

COLUMBUS.—The Ohio Senate, in a surprise move yesterday, ousted Mrs. Irene P. Horner of Cleveland from the Ohio Reclamation Board of Review, which regulates strip mining.

It was the second time the Senate has refused to confirm an outspoken environmentalist from Cleveland appointed by Gov. John J. Gilligan to represent the public.

On Dec. 15, 1972, the Senate rejected Theodore J. Voneida, a Case Western Reserve University professor. Voneida suggested yesterday that Gilligan reappoint Mrs. Horner.

Senators backed by strip mining interests rejected Mrs. Horner 22–6 with only three Democrats backing the Gilligan appointment.

Mrs. Horner, an anaytical research chemist for the Standard Oil Co. (Ohio) and chairman of the Northeast Ohio Sierra Club, had served on the board for a year and often was an outspoken dissenter on strip mining decisions.

Senators quietly rejected her appointment yesterday with no floor debate, but several said later they felt she was too "anti-coal industry" to help regulate strip mining.

"If we are going to have public members, we can't have somebody who has already prejudged all the issues," said State. Sen. Harry Meshel, D–33, of Youngstown, a Gilligan loyalist who opposed Mrs. Horner. Meshel has carried legislation for strip mining lobbyists.

Mrs. Horner said she was amazed the coal industry "had so much power to be able to pick and choose the public members" of the board.

She complained she had not been given a chance to present her side to the senators in a public hearing and noted that she had voted for the strip mining industry in certain cases before the board.

Mrs. Horner also said the governor's office must accept some of the blame for the rejection vote.

Gilligan was en route back to Columbus from a governors conference in Seattle, Wash. William A. Chavanne, Gilligan's legislative aide, and other aides learned about the vote from reporters several hours afterwards and were surprised by the number of Democratic senators who voted against Mrs. Horner.

During the same session, the Senate unanimously confirmed James W. Collinson, Ohio State University geology professor, as one of three members representing the public on the seven-member reclamation board.

Sen. Paul R. Matia, R-25, of Westlake, who supported Mrs. Horner, said, "I see no reason an environmentalist can't sit on the board. I see no evidence she is not qualified to represent the public."

William Napier, legislative aide for the Department of Natural Resources, said, "The other side (strip miners) is well represented on the board. We thought she would express a viewpoint not otherwise represented."

Other senators who supported Mrs. Horner were Ronald M. Motti, D–24; M. Morris Jackson, D-21, Clara E. Weisenborn, R-5, of Dayton, Donald E. Lukens, D-4, of Middletown, and Tony P. Hall, D-6, of Dayton.

Mrs. Horner, 31, was the lone dissenter in a controversial ruling by the board last month that allows the Joyce Coal Co. to strip a hill near Crescent in Belmont County.

Crescent is in the district of Sen. Douglas Applegate, D-30, of Steubenville, who was a key figure in the maneuver to oust Mrs. Horner, as was Sen. Harry Armstrong, R-17, of Logan, chairman of the Senate Conservation and Environment Committee.

Both senators have supported mining company bills.

The rejection is likely to produce cries of outrage from Ohio environmental groups, which had protested Voneida's ouster in 1972.

Voneida yesterday blamed "arrogant larger corporations who can't accept any diversity of opinion" for "this most disgusting blatant slap in the face of Ohioans who through their legislators voted for strip mining controls."

But that is not the end of the story. Mrs. Horner's appointment to the Board had still not been confirmed by the Senate. Within days of her dissenting opinion, the Senators in charge of the Senate committee held a meeting regarding Mrs. Horner. They did not notify her. They did not call witnesses. They simply voted not to confirm her.

So the second public member was ousted from that Board, and the Governor is now trying to find a new one.

The lesson in that, Mr. Speaker, is crystal clear. The State passed a strong strip mining control law, one that is in accordance with the standards laid down in H.R. 11500. But when it came to enforcing it, the same lobby that opposed it has succeeded in nullifying effective enforcement.

Ohio has a strong strip mining law. Pennsylvania has a strong strip mining law. Possibly other States do. But I think I have given the Members an example why we must have H.R. 11500, so that we can be sure that the States not only enact laws to end the worst features of strip mining but also enforce the laws they enact.

Mr. MELCHER. I thank the gentleman from Ohio for his very pertinent and knowledgeable remarks. I hope that we are able to aid such States that have already adopted strong strip mining regulation laws on their own, with the overall guidance and support of the Federal strip mining reclamation bill.

Mr. Speaker, I yield to the gentleman from West Virginia (Mr. HECHLER).

Mr. HECHLER of West Virginia. Mr. Speaker, I should like to add my commendation to the gentleman from Montana for his remarks on the strip mining bill, because he and the gentleman from Ohio and several others on the House Committee on Interior and Insular Affairs have fought long and hard against extreme and persistent pressures in an endeavor to bring out a bill which they believe is workable.

The gentleman from Montana knows, of course, that he and I have sincere differences over the strength of H.R. 11500.

Yet I would like to commend the gentleman for the way he stood up against the pressures of these lobbying interests, the coal interests, the utilities, and others who tried to shake him and chain him and change his position.

I would like to ask one or two brief questions of the gentleman from Montana because he mentioned that the interim standards were not as strong as he would like them to be. I certainly share that conviction. It seems to me we are giving a blanket opportunity for 3 years or more for these stripping interests under very, very weak standards to continue to rip up the landscape.

I would like to ask the gentleman from Montana if he has any plans to try to strengthen these standards when the bill comes to the floor for debate?

Mr. MELCHER. I would very much like to join with other Members of the House for a real overhaul of the interim standards. I believe that is due and needed. We attempted to do that when we considered the bill in committee and were not successful in doing so. If the opportunity is provided I would like to join with other Members of the House to do so here on the House floor.

But I would like to assure the gentleman from West Virginia that I believe the interim standards contained in the Senate-passed bill are of stronger and more meritorious quality than those presently in H.R. 11500.

Should we not be able to strengthen the House bill as it passes here on the floor, I would hope the conferees would view with a great deal of support the interim standards that are in the Senate bill. I think there is a real hope that at least in conference, if it is not accomplished here on the floor, we will be able to come up with stronger interim standards.

Mr. HECHLER of West Virginia. I appreciate the remarks the gentleman made, even though I would disagree in terms of trying to take a pig in a poke with the possible hope that in the future it might be strengthened in conference.

Mr. MELCHER. I join with the gentleman from West Virginia in wishing that we would not be forced into the position of taking a "pig in a poke," in this regard but I feel relieved that at least the Senate version of the bill on the interim standards is in better shape than the provisions which presently are in H.R. 11500.

Mr. HECHLER of West Virginia. If the gentleman will yield further, there are a number of loopholes even in the permanent standards in the bill that I hope will be given attention on the floor. And I will cite others when I have my own time—but section 411(b)(14) provides the operator is required to minimize disturbances to the prevailing hydrologic balance and quality and quantity of water. It seems to me that simply to minimize disturbance when we are talking about something as precious as water, especially in the area the gentleman knows, where there is very little rainfall, simply does not seem adequate. Simply to minimize disturbance is not enough to protect the quality of water.

In many other instances this bill contains loopholes similar to the one I mentioned. I would like to get the gentleman's opinion as to what is planned to be done with these loopholes in the bill.

Mr. MELCHER. My friend, the gentleman from West Virginia has hit on one of the weak points in the bill that disturbs me concerning the protection of our water resources throughout the Nation, but the gentleman from West Virginia is entirely correct also in stating that this is of particular significance to us in the West.

I would hope that either on the floor—or in conference strengthening provisions for water protection—we will be adopted.

I find all too often in H.R. 11500 we have permitted ourselves in the Interior Committee to relax on points where we should have been more direct in assuring water and land protection. But nevertheless I do find in H.R. 11500 a workable plan that we can go ahead and use and have confidence it will protect both our land and water resources.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield further?

Mr. MELCHER. I am glad to yield further to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, would the gentleman agree with me in characterizing as "hogwash" those charges that H.R. 11500 is a punitive bill which will destroy the coal industry?

Mr. MELCHER. I would join with the gentleman from West Virginia, and I would brand that as an outright distortion that the requirements of H.R. 11500 would force discontinuance of coal mining operations. It simply is not true. It is a smoke screen. It is an outright deceit to indicate that.

Mr. HECHLER of West Virginia. If the gentleman will yield further, Is it not true that a preponderance of the coal resources of this Nation are mineable by deep mine means rather than strippable means?

Mr. MELCHER. I cannot address myself to that point. My experience in our coal mining operations in the West, where the stripping operations are developing, show that the overburden that is removed in many instances is 30 feet or so. It might be difficult to deep mine a vein of the coal that is 30 or 40 feet deep, where the overburden is 30 to 50 feet on top of it.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Speaker, I thank the gentleman for yielding to me.

One of the things that the bill contains is a series of findings at the start of the bill, and one of the findings I am now reading from, finding No. 4 as set forth in the section analysis, page 127 of the committee report, states: "Known coal reserves are accessible only through deep mining and therefore the existence of that portion of the industry is essential to the national interest."

An awful lot of figures have been bandied about on this subject, but it is generally, I think, conceded that 97 percent of all the Nation's coal reserves are not recoverable by strip mining, which means only 3 percent of the total is recoverable by strip mining. Some coal resources are not recoverable by any mining at the present time with present technology, but even if we eliminate them, the ratio of recoverable deep coal to strippable coal is 8 to 1. In other words, only one-eighth of all the easily recoverable coal reserves can be recovered by strip mining. This emphasizes to me the importance of providing, through this bill, some way to insure that the deep mining industry is not going to be made less competitive by any legislation which we enact.

There is another aspect that I would like to emphasize. Over 2.5 million acres of land in this country have been stripped and not reclaimed, and there are also many thousands of acres that have been covered with dangerous and unsightly "gob" piles from deep mines, and there are many abandoned deep mines pouring acid water into our streams. The bill does provide a small means to start the job of restoring these abandoned lands and ending the pollution and hazard resulting from the surface effects of the deep-mining activities.

I assume that the gentleman is in accord with that objective.

Mr. MELCHER. Mr. Speaker, I am in accord with that objective. I also recognize that while we are attempting to restore the lands that have been devastated and have not been taken care of or reclaimed in other areas where mining has been done, we must also recognize that the impact that mining brings to some rural areas should be recognized too. I am pleased that a portion of that fund, would be retained for those purposes, to meet the needs of schools and roads and health care. Additional needs for these purposes are brought about by the sudden buildup of population in the rural areas that cannot possibly be taken care of without some additional finds being provided.

H.R. 11500 will provide some relief for these purposes where coal strip mining is being done.

Mr. SEIBERLING. When the bill reaches the floor, as the gentleman knows, I plan to offer an amendment to increase that fund, and I will be putting some more material in the Record on that.

If the gentleman will yield further, I wonder, what the gentleman's feelings are as to the really absurd charges that have been made against this bill concerning its effect on the viability of the coal industry?

Mr. MELCHER. I find it very alarming that a series of figures have been advanced from the Bureau of Mines that seem to indicate certain provisions of the bill that would make requirements for reclamation mandatory would also decrease the potential of coal development in this country that is needed. I do not find much validity in the figures they advance. I think they are speculative. I think they are based on facts that are not properly understood about reclamation procedures, and I do not believe that they were told to the committee during the extensive hearings that we held, nor were they developed in the record of the hearings that the committee held over those months.

I think they are now advanced in the form of a smokescreen to confuse the House, an energy-conscious House, and, hopefully, to weaken and water down a bill which, after all, is only a minimal bill as far as requirements are concerned.

Mr. SEIBERLING. Mr. Speaker, will the gentleman yield further on that?

Mr. MELCHER. I will be delighted to yield.

Mr. SEIBERLING. As I mentioned in my remarks earlier, the same type of attack was made on the Ohio law when it was being worked through the State legislature 2 years ago. The president of one of the leading stripmining companies announced that his company would have to shut down and hundreds of people would be out of work. In fact, they have not shut down, but have expanded their operations in Ohio since the law was passed.

If the gentleman will yield me 1 minute, I have some very interesting facts here that were dug up by the staff of the subcommittee when we were working on this bill.

The subcommittee staff study revealed that coal lost markets only when its price closely approached that of fuel oil.

In 1969, when coal was considered to be in a strong competitive position, the average price of coal delivered to utilities was 28 cents per million Btu and oil was 30 cents per million Btu. Since then the price of oil, as we all know, has skyrocketed, and by the first quarter of 1973 the average price had risen to 39 cents for coal and 66 cents for oil. By December 1973 the price had risen to 52 cents for coal and $1.20 for oil.

Now, even if it cost a dollar per ton on the average to carry out the reclamation features of this bill—and I suspect that is high—that would add an average charge per ton of coal of 4 cents per million Btu. So that taking those 1973 figures, which are the latest ones we have from the staff study, we would have the price of coal going up to 56 cents per million Btu for coal as compared to $1.20 per million Btu for oil.

Even if H.R. 11500 added a dollar a ton to the cost of mining coal, which is much higher than anybody expects, that is just insignificant competitively in view of the difference in price between coal and oil.

Some people say, "Well, wouldn't that add a burden to the consumer?" Well, if we added a dollar a ton, we are talking about an increase of about one-tenth of 1 cent per kilowatt hour to the average cost of electricity. Compared to the increases that have already taken place in the last 12 months, this is miniscule.

So, Mr. Speaker, this charge that H.R. 1150 would make coal noncompetitive and would prohibitively raise the price of electricity to the consumer is just, as the gentleman from West Virginia said, "hogwash." It does not hold up when you look at the facts.

Mr. HECHLER of West Virginia. Mr. Speaker, will the gentleman yield?

Mr. MELCHER. I yield to the gentleman from West Virginia.

Mr. HECHLER of West Virginia. Mr. Speaker, in the colloquy which the gentleman from Montana had with the gentleman from Ohio, he referred to the fact that the Bureau of Mines was bringing forth some figures to indicate the coal industry was threatened. It seems to me a little bit more than coincidental that the information seemed to parallel information being produced by the lobbyists for the coal industry.

I think it is about time that we in the Congress demand that these agencies that are paid for by the taxpayers and that are supposed to be representing the public interest really stand up for the public interest and not simply mouth and mirror and echo the statistics and contentions and propaganda of the industry which they are supposed to be overseeing.

Mr. MELCHER. Mr. Speaker, I thank the gentleman for his remarks.

STRIP MINING MUST BE ABOLISHED

The SPEAKER pro tempore. Under a previous order of the House the gentleman from West Virginia (Mr. HECHLER) is recognized for 30 minutes.

Mr. HECHLER of West Virginia. Mr. Speaker, at the time that H.R. 11500, the Surface Mining bill is presented on the floor of the House, I will offer a substitute, H.R. 15000, which will phase out the surface mining of coal in 6 months in mountainous areas—where the slope is more than 20 degrees—and in 18 months in relatively flat areas—where the slope is less than 20 degrees.

Mr. Speaker, this Capitol building is literally crawling with lobbyists for the big coal and utilities interests. This week the National Coal Association meeting has assembled the top executives in the coal industry to help lobby against strip mining regulations.

These lobbyists are running around telling Congressmen that the Interior Committee bill, H.R. 11500, is too tough, that it will put the coal industry out of business, that it will cripple the Nation's energy effort. I never heard such hogwash. The bill which the coal and utility lobbyists are attacking, H.R. 11500, is in fact a milk-and-water, namby-pamby, weak-kneed compromise which will do little to halt the rape of the hills in Appalachia.

If you really want to protect the land and the people, and at the same time meet the energy needs of the Nation, the only sensible course of action is to phase out strip mining as provided in my bill, H.R. 15000, which I will offer as a substitute when we take up strip mining legislation. We have 356 billion tons of deep-minable coal as against 45 billion tons of strippable coal—a ratio of 8 to 1 in coal which is economically recoverable with the use of present technology. To meet the Nation's energy needs, we must concentrate on deep mining, or all the strippable coal will be exhausted at the rate we are rushing to gouge it out.

WEAK INTERIM STANDARDS

I am disappointed in H.R. 11500. It starts out with ridiculously weak "interim standards" for the first 3 years or so. During this period, the strippers are allowed to engage in scalping off the tops of mountains, a favorite form of Appalachian devastation. No standards are even included to require the prevention of erosion and acid drainage, the control of blasting, or the handling of toxic materials and auger holes. Exceptions are even permitted to the requirement to restore to original contour if the operator can show that exceptions would allow him to achieve "an equal or higher post-mining economic or public use" of the land or if the operator can show difficulty in obtaining equipment for reclamation.

After 3 years, the restrictions are supposed to get tougher, but strippers will have a field day streaming through the giant loopholes. The door is left wide open for the kind of lax enforcement we have seen under most State laws.

Come with me some weekend to West Virginia, or if you do not have time, just fly over our pock-marked and scarred mountains. We have had State strip mining reclamation laws on the books in West Virginia since 1937, amended and "strengthened" many times—most recently in 1971—but they have not protected either the land or the people in our beautiful mountain State. And still this bill H.R. 11500, the bill the coal industry tries to tell you is so tough, hands over the primary authority to the States. This is the same, sad story of ineffective action which the coal miners of this Nation suffered under weak State regulation of safety in the coal mines. As long as you have the tremendous pressure for production and profit, along with strong economic competition across State boundaries, strong Federal leadership is vital to protect the land and the people. The history of State legislation and its administration proves that action on the State level on the regulation of strip mining has always proven ineffective.

INTERIOR DEPARTMENT IS PRODUCTION-ORIENTED

What little Federal authority there is in H.R. 11500, in setting general guidelines, is unfortunately vested in the Department of the Interior. This is the same Department of the Interior which has denounced H.R. 11500 as being too strong a bill. In his letter of May 29 to the chairman of the House Interior and Insular Affairs Committee, Secretary of the Interior Morton stated:

> We have made a study of the effects of the bill on coal production and . . . I am led to conclude that the bill will involve unacceptable coal production losses. . . . I cannot emphasize too strongly, however, that there remain serious objectionable features in the bill, which must be changed to strike the right balance between our need for environmental protection and our energy requirements.

This is also the same Department of the Interior whose Bureau of Land Management and Bureau of Indian Affairs was strongly criticized by the General Accounting Office in its report of August 10, 1972 for failing to enforce its own strip mining regulations against the strip mining of coal on Indian and public lands.

My bill, H.R. 15000, would give primary authority for enforcement to the Environmental Protection Agency, which among other things has had long experience in water quality control—so essential to protect against the pollution caused by strip mining.

The hills of Appalachia are bleeding from the ravages of strip mining. On the steep slopes of our mountains, trees are ripped out, topsoil is loosened to slide down the mountains, once-clear streams are filled with silt, sediment and acid, wildlife habitat is destroyed or disturbed, and the people in the hollows are shaken by blasting, boulders, flooding, and moonscapes. There are powerful arguments to support a nationwide ban on strip mining, but since the most obvious and immediate damages are aggravated on steep slopes, the very least that we expect would be to have a strip mine ban in the mountains. H.R. 11500 completely ignores the question of prohibiting strip mining where the angle of slope is more than 20 degrees—where the utter impossibility of any form of so-called reclamation should be crystal clear to any school child.

GIANT LOOPHOLES IN STANDARDS

Instead H.R. 11500 includes the much ballyhooed "restoration to original contour" provision and a limitation on dumping of spoil on the downslope. Unfortunately, even these minimum standards are sadly compromised by possible variances for the construction of airports parking lots and commercial facilities on strip mine sites. Dumping of spoil below the bench, the major cause of landslides throughout Appalachia, is not really prevented. The limitation on dumping in section 211(c)(1) is gutted by the exception that "Where necessary spoil from the initial block or short linear cut . . . may be placed on a limited specified area of the downslope." "Initial block or short linear cut" is left undefined guaranteeing that the same downslope dumping with landslides will continue throughout the mountains. Other loopholes abound:

The operator is required in section 211(b)(14) to "minimize the disturbances to the prevailing hydrologic balance—and to the quality and quantity of water."

No limitations are placed on the mining of aquifers, the key water-carrying strata in the arid West.

Alluvial valley floors are not adequately protected in section 211(b)(14).

Erosion is not to be prevented, but rather "control as effectively as possible."

Instead of requiring that toxic materials be buried, compacted, and isolated to prevent water pollution, section 211(b)(7) merely requires that these materials be "treated or disposed of."

The bill fails to outlaw the use of impoundments for the disposal of coal waste—a coal waste impoundment was responsible for the death of 124 people in the Buffalo Creek disaster in 1972.

No restrictions are placed concerning how close to a stream, lake or river mining can take place—rivers could thus be relocated during mining operations.

Instead of preventing blasting where damages to stream banks, wells, ground water, nearby underground mines, and private property can be expected, 11500 merely "limits the type of explosives, the size, the timing, and frequency" of blasting.

The only really good features of the bill are the strip ban in national forests and fairly strong citizen participation provisions which mandate public hearings and citizen suits. Yet the weak "reclamation" standards mean that Congress is placing all the responsibility on the poor citizen in the hollow to go out and fight his own battles against the well-heeled legal talent of the coal company and its newest parent-in-law, the oil corporation.

SEIBERLING AMENDMENT SCUTTLED

With eight times as much coal which can be deep mined as stripped with present technology, you would think the Interior Committee would act to meet the energy needs by encouraging deep mining. The Seiberling amendment attempted to do precisely that, by equalizing the disparate costs of deep and strip mining through a $2.50 per ton tax on which rebates favored deep mining operations. The western stripping interests teamed up with the profiteering lobbyists everywhere to scuttle the Seiberling amendment in the closing days of the committee debate. The Jones amendment was adopted with a drastically lowered tax tied to Btu content which favored western strip mining at the expense of eastern deep mining, thus spurring the pell-mell coal rush westward.

In addition, the Jones amendment was further amended to allow 40 percent of the moneys generated to remain in the counties where the mining is being done. The moneys would be used for schools, roads, and hospitals rather than reclamation. An additional 50 percent of this fee could be checked off against State severance taxes. In effect, this could mean that up to 90 percent of the moneys generated by the Jones fee would be kept by the States for purposes other than reclamation of abandoned lands. The Seiberling amendment must be restored.

Much attention has focused on the "written consent of the surface owner" provisions in section 709. These provisions which require written consent of the surface owner before strip mining can begin are a good first step. This language prevents the notorious "broad form deed" used in Kentucky to ravage the land of people whose forefathers had mistakenly sold the coal rights. However, instead of merely requiring the written consent of surface owners where the Federal Government owns the coal, H.R. 11500 should prevent strip mining of private lands underlain by Federal coal. The fine Mansfield amendment in the Senate bill does this, and similar protection is needed in H.R. 11500. The Federal Government should not be a party to the destruction of someone's land—if we need the coal let it be deep mined as would be permitted under the Mansfield amendment.

Protection is also needed for the rights of tenants and of persons who hold interests in the land surface but do not own it. In Eureka Hollow in McDowell County in my congressional district, 21 families are being evicted by Consolidation Coal Co. to make way for a strip mine. Many of these families own the houses they live in, but not the land underlying the buildings.

Consol has refused to compensate these people, instead suggesting that they can take their houses with them or leave them to be smashed into rubble by the D–9 dozers. This is not an isolated case. As strip mining accelerates we can expect to see more and more people shoved aside to make way for the strippers. For hundreds of thousands of Americans, it would be a disaster to enact H.R. 11500. The only just answer is to phase out strip mining entirely. I urge you to support my bill for an orderly phase out, H.R. 15000, when I offer it as a substitute for H.R. 11500.

Mr. Speaker, I have listed some additional analysis of the interim standards, particularly in view of the fact that the gentleman from Montana (Mr. MELCHER) has indicated his desire to strengthen these standards:

SECTIONS OF INTERIM PROGRAM WHICH ARE WEAKER THAN PERMANENT STANDARDS

1. SEC. 201(b) (1) includes exception to limitation on dumping spoil on downslope which allows mountain top removal:

"The regulatory authority may permit limited or temporary placement of spoil on a specified area of the downslope on steep slopes in conjunction with mining operations which will create a plateau with no highwalls remaining, if such placement is consistent with the approved post mining land use of the mine site."

2. SEC. 201(b) (2) (B) allows variances from the revegetation requirements: "but not necessarily meeting the revegetation requirements."

3. SEC. 201(b) (4) allows exceptions to the requirement to segregate topsoil—state agricultural agency can certify that segregation of other strata or mix of strata is OK.

4. SEC. 201(b) (6) contains water standards weaker than those in permanent standards—does not require prevention of acid drainage, sealing of shafts and boreholes, limitations on water impoundments (does have same standards for waste dams as permanent however), language referring to aquifers and alluvial valley floors is much weaker: give "particular attention throughout the mining operation to the aquifer recharge capacity of the mining area and to the protection of alluvial valley floors and stream channels."

5. SEC. 201(b) (7) is the Taylor amendment which allows exceptions to limits on dumping of spoil and restoration to original contour:

"If the regulatory authority issues a written finding that one or more such standards cannot reasonably be met and that the permittee has shown by proper documentation that each specific item of equipment which is named in the petition as being essential to the performance of the standard in question, cannot be delivered by the manufacturer or supplier prior to the date on which the operation is required under this Act to be in compliance with said standards."

6. SEC. 201(d) allows exceptions to dumping limits and restoration to original contour if:

"The regulatory authority issues a written finding that one or more variations from these provisions will enable the affected land to have an equal or higher postmining economic or public use."

7. No standards are included for blasting, erosion prevention, handling of auger holes, water impoundments other than waste dams, and handling of toxic materials.

Mr. Speaker, I do not believe that reclamation—thorough and lasting reclamation—is possible except at a prohibitive cost. It is for this reason that I have consistently employed the word "stabilization" in my bill to apply to those steps necessary to prevent further damage. I include below an analysis and summary of the provisions of my bill, H.R. 15000:

SUMMARY OF MAJOR PROVISIONS OF H.R. 15000

SEC. 3. Administration of Act—vests complete authority for enforcement and administration of the Act in the Environmental Protection Agency.

TITLE I—ENVIRONMENTAL PROTECTION COAL MINING LIMITATIONS

SEC. 101. Phaseout Schedule—provides for: no new starts, end to all contour strip mining (20 degree slopes or steeper) in six months (six month interim governed by state laws), end to all small strip mines (under 500,000 tons annual production) and all large strip mines east of the Mississippi in 18 months, and gradual phaseout of all large western strip mines over a 4½ year period. This section also prohibits all coal mining, strip and deep, in any area of the Nat. Wildlife Refuge System, the Nat. Park System, the national forest system including the National Grasslands, the National Wilderness system, the Wild and Scenic Rivers system, areas under study as possible wilderness or wild and scenic rivers and in any State park, forest, or wildlife area.

SEC. 102. Permit Approval or Denial—requires all operators to obtain permit within six months of enactment, places burden of proof on operator to show that stabilization is feasible and that post mining land use is practical and consistent with surrounding uses. No permit can be granted where: the operation would be within 300 feet of any building or within 100 feet of any road, lake, stream, or creek, where the coal seam serves as the aquifer, and where the average annual precipitation is less than 10 inches.

SEC. 104. Effect on State Law—where state laws are more stringent, they are not considered to be inconsistent with this Act.

SEC. 105. General Environmental Protection Performance Standards—this section sets up tough stabilization requirements to govern strip mining during the phase out period. Requires at a minimum: segregation of topsoil, burial and isolation of toxic materials, restoration to original contour, establishment of permanent diverse vegetative cover with extended periods of responsibility, prevention of water pollution and sedimentation, protection of aquifers and alluvial valley floors. It also prohibits construction of permanent impoundments and requires that existing coal waste dams be drained within six months and spoil piles be revegetated and stabilized. Blasting is prohibited where stream channels, ground water, underground mines and private property would be adversely affected or endangered. No dumping of spoil on the downslope is permitted in sloping terrain (between 10 and 20 degrees).

SEC. 106. Specific Performance Standards for Underground Mining Operations—these standards are in addition to standards in 105 which apply to surface impacts of underground mines. Section requires operators to backstow mine wastes, prevent subsidence, seal all portals and entryways, and prevent discharge of water borne pollutants.

SEC. 122. Protection of the Surface Owner—before strip mining can begin, the operator must obtain the written consent of the surface owner and of any tenants or others who hold an interest in the surface. Where the minerals are owned by the federal government and the surface is owned by a private party, no strip mining is permitted (Mansfield amendment). Where aquifers would be affected by mining, the written consent of all owners of water rights and landowners who may be affected is required. Section also requires one year notice and just compensation before a tenant can be evicted for the purpose of strip mining the land.

Title I also contains several sections which insure full citizen participation. Citizen Suits are permitted under Sec. 115; any person may protest permit applications and bond release procedures.

Title II. Abandoned Mine Stabilization—this title sets up a stabilization fee of $2 per ton of strip mined coal and .25 per ton of deep mined coal ticketed to cover the cost of stabilizing abandoned strip mined lands and for other related purposes. Also includes authorization for an initial appropriation of $100 million for this work, to be carried out by the U.S. Army Corps of Engineers.

Title III. Assistance to Workers—this title sets up under the Secretary of Labor a program to assist workers displaced by the phase out of strip mining. It includes readjustment and relocation allowances as well as financing for training for new careers.

Mrs. MINK. Mr. Speaker, the sudden awareness of the finite nature of our natural resources—first in the environmental realm, then in the energy realm, and now in the area of hard minerals—has spawned a variety of crash programs. But I suggest that hasty, ill-considered legislation is not the manner in which this Nation should proceed. If we Americans are to realize our potential, we need a calm, collected formulation of policy. Most of all we must evaluate all aspects of the question as to what kind of America we wish to create in our quest for the good life.

The problems of environment, energy, and materials are all intricately interrelated. They cannot be isolated. And so, when we speak glibly of the trade-off between energy and environment, we really beg the question. What we really mean is—how can we reconcile in social terms our need for material goods and our inevitable dependence on the ecology of this planet?

It is this approach to the energy-environment trade-off which I believe Congress must adopt in considering the regulation of coal surface mining. In the Surface Mining Control and Reclamation Act, H.R. 11500, we see a classic confrontation between the forces of development and those of conservation.

H.R. 11500 is the result of nearly 3 years of effort by the Committee on Interior and Insular Affairs and by the joint Subcommittees on the Environment of Mines and Mining. In the 92d Congress, the House of Representatives passed a bill to regulate coal surface mining, H.R. 6482. When the Senate failed to report a bill, the process was started over again in the 93d Congress. The joint subcommittees generated over 1,600 pages of testimony in April and May of last year on this issue. Beginning in September 1973, 29 markup sessions were held on committee print No. 3, which became H.R. 11500 when it was finally reported favorably on November 12, 1973. Consideration in the full committee began in February, and on May 30 the committee reported the bill.

In the course of all those hearings, debate and consideration and reconsideration of what is now H.R. 11500, there have been numerous changes made in this bill. These changes have had the effect of strengthening the environmental standards of the bill in some areas. The bill has also been made more compatible with the needs of the coal industry in terms of its ability to comply with the legislative requirements.

H.R. 11500 would establish a regulatory regime which will permit the coal operator to continue to extract coal while complying with a basic mandate to return the mine site to its approximate premining condition or better.

This legislation has come under severe attack by representatives of the coal industry and the administration. For example, section 206 which directs the Secretary of the Interior and the States to initiate a program for designation of certain lands as unsuitable for coal strip mining and section 211 which places a ban on placement of spoil on the downslope greater than 20 degrees have been characterized as attempts to ban strip mining of coal. The bill has been called unworkable and impossibly expensive. It has been termed an outrageous harassment of the coal industry which will deprive the Nation of 100 million tons or more of coal per year.

In actual fact, the Surface Mining Control and Reclamation Act is nothing of the kind. This bill is a serious and rational approach to a long standing problem which has cried out for an equitable and humane solution.

In all fairness, I should add that there are cooler heads in the coal industry who have recognized this fact and who have indicated their basic support for the underlying concept of H.R. 11500. In December 1973, the Continental Oil Co., owner of Consolidation Coal Co., the second-ranking coal producer in the Nation, presented a paper entitled "Coal and the Energy Shortage." This paper was specially prepared for a group of security analysts and potential investors. In its discussion of H.R. 11500, Conoco's briefing specifically endorsed the principle behind the environmental protection standards which are the heart of the bill, by stating that:

> We believe the Nation's interests would be served best by legislation that requires the return of surface mined land to its approximate original condition or to a condition that will provide for an equal or higher use.

The Conoco report goes on to estimate that the cost of reclamation, including the cost of returning the land to approximate original contour would range from 2 cents to 20 cents per ton in the West and from $1 to $3 per ton in the East. Furthermore, it points out that:

> Even taking the largest of these costs would add only 2 or 3 percent to the average residential electric bill.

This expression of support for the basic concepts incorporated in H.R. 11500 is in my opinion an accurate reflection of more responsible opinion within the coal industry. There is no question that the Nation's newly discovered dependence on coal as a replacement for scarce oil and gas must carry with it the determination to end the abuses of the past.

The real guts of H.R. 11500 are contained in its provisions for Federal enforcement of environmental protection performance standards. These standards are found in title II of the bill. They are based upon the assumption that the following results are possible and necessary:

First. Return to the approximate original contour;

Second. Restoration of the hydrologic balance;

Third. Elimination of toxic discharges into rivers and streams; and

Fourth. Environmental disruptions which are only temporary and without far-reaching adverse consequences.

The question of Federal enforcement of these standards by the Secretary of the Interior, as debated by the committee, gives rise to several grave issues regarding coal surface mining reclamation. They include:

First. The degree to which successful long-term revegetation in the arid regions of the Western United States is possible. This concern is reflected in the National Academy of Science study entitled "Rehabilitation Potential of Western Coal Lands."

Second. Under what circumstances mountaintop removal is desirable in the Appalachian coal fields.

Third. Weighing the rights of surface land owners versus the rights of mineral estate owners.

Fourth. The feasibility of stabilizing spoil materials on steep slopes.

Fifth. How best to deal with sites where there is too little or too much spoil remaining after the mining operation is completed.

Sixth. How to protect the land from the ravages of mine waste piles, mine waste impoundments and subsidence connected with deep mining.

Seventh. The responsibility which the coal industry as a whole must shoulder for rehabilitating areas which have been devastated by past operations.

Mr. Speaker, we should realize that no matter how good a bill Congress passes, ultimately its value is proportioned to the effectivness of its enforcement. The tragic history of surface mining in Appalachia confirms the thesis that, unless citizens take part in making sure environmental laws are rigorously enforced, regulatory agencies often as not become mere tools of the industry. At all costs, we must avoid repeating this dismal experience on a national scale.

Under provisions of H.R. 11500, the Secretary of the Interior will bear the main burden of seeing to it that Federal standards are strictly enforced. However, the citizen participation sections of H.R. 11500 are of paramount importance if State and Federal authorities are to be kept honest. Procedures for public hearings and appeals, plus the opportunity for inspecting the actual strip mining operation will enable concerned citizens to monitor the effectiveness with which this law is being applied. I have no doubt that the citizenry of areas affected by strip mining will make good use of these tools for their own protection.

The citizen's suit provisions of the bill are also highly important. These provisions permit any individual who has a valid legal interest in the mining operation to go directly to the Federal District Court to sue the Federal or State regulatory agency for lack of enforcement of the regulatory standards. This portion of the bill enables an individual to bypass convoluted administrative procedures which would be excessively time consuming and expensive. Providing citizens such recourse is of prime importance in assuring enforcement of the regulations.

I firmly believe that H.R. 11500 comes to grips with many complex issues in a manner that is fair to the operator as well as the affected citizen. Through careful planning and intelligent use of equipment, the operator should be able to achieve the objectives of environmental protection without excessive costs or delays. As an example, the ban on placement of spoil on slopes in excess of 20 degrees will eliminate one of the widely recognized abuses of the industry. This provision is entirely feasible, because of techniques in West Virginia and Pennsylvania developed by coal mine operators in conjunction with the State regulatory authority. Practical application of this method in the field serves as proof to the coal industry that strip mining can be carried out in concert with good reclamation, even in the most rugged parts of Appalachia, and at an acceptable cost. A recent study of surface mining in eastern Kentucky done by Mathematica, Inc., for the Appalachian Regional Commission and the Commonwealth of Kentucky confirms the committee's finding in this regard.

Like other allegations that enactment of this bill will result in major coal production losses, the specific charge brought by the Federal Energy Office that these slope limitations will cost the Nation 67 million tons of coal, is simply not supportable. It is not supportable because it mistakenly assumes that all coal production from slopes over 20 degrees would be lost, when in fact—as the Mathematica study shows—coal operators should be able to continue surface mining under the bill's restrictions on steep slopes, and still realize a healthy profit. When examined, none of the horrendous coal loss figures presented by the Federal Energy Office are seen to be valid, as I made clear in a statement printed in the June 7 CONGRESSIONAL RECORD.

One portion of the bill which deserves particular mention is title VIII. This title assists the States in establishing State Mining and Mineral Resources Research Institutes at a public college or university in each State.

In light of the current shortage of qualified mining and mineral personnel in the United States, and bearing in mind the problems associated with the energy and minerals development and the concomitant environmental issues, it is important that these institutes be established to help meet the challenges of the coming decades.

Finally, if we Americans are to surmount the variety of material shortages which lie ahead, we must not be panicked into decisions which fail to consider the long-range implications of our action for our environment. We must be ready to decide what is important to the on-going healthfulness and quality of life on our land. We must see to it, through the legislative and executive processes, that in our pursuit of an oft-times illusory higher standard of living, we retain and preserve the essence of our national well-being.

Despite the complaints of businesses who traditionally object to any and all regulations, I believe that H.R. 11500 is a fair bill. It strikes the balance between our need for energy and our dependence on and obligation to protect our natural ecology. I heartily commend it to your study and support.

GENERAL LEAVE

Mr. HECHLER of West Virginia. Mr. Speaker, I ask unanimous consent to include extraneous material in conjunction with my remarks on the abolition of strip mining and further ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Without objection it is so ordered.

There was no objection.

VERTICAL INTEGRATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Idaho (Mr. HANSEN) is recognized for 5 minutes.

Mr. HANSEN of Idaho. Mr. Speaker, a few months ago, the phrase "vertical integration" probably meant very little to the average American citizen. To the retail gasoline dealers of this Nation, however, this innocuous terminology now represents nothing less than an all-out attack on their means of livelihood being made by the major oil companies. The ultimate goal of vertical integration strategy is the full participation of the major oil companies in every phase of petroleum production and distribution—from the oil well to the gas pump. Almost daily, I have received telephone calls and letters from my constituent gasoline dealers representing several major oil companies. To a man, they voice great concern—even fear—about the oil company actions that threaten to deprive them of the businesses they have built up after years of hard work. They have all asked me to call attention in the Congress to this alarming situation, and to help them in their struggle for economic survival.

There have been cases in my district where leases have been revoked with very little notice—less than 2 weeks in advance. There have been threats made of lease revocation unless the dealer complies with stringent new terms and agrees to purchase additional items such as tires and batteries. There have been monthly price increases. There have been allocation cuts—with one company cutting its dealers down to 65 percent of its 1972 gasoline supply level—at the same time the Federal Energy Office here in Washington was announcing plans to bring all the States up to 90-plus percent allocation levels.

There have been billing meters installed on gasoline pumps to prevent dealers from purchasing additional supplies elsewhere after their allocations have been cut—at least, not without paying for the gasoline twice—once to the supplier and once again to the company who installed the pump and meter. And, most disturbing of all, there have been thinly veiled threats to the dealers, warning against seeking the help of their Congressmen or the Federal Energy Office. One FEO source reports that dealers in the Second District are afraid to even talk about their individual problems for fear of retaliatory action by the oil companies.

These actions do not constitute "good business practices." I do not expect any major oil company to underwrite an unprofitable location for their petroleum products. I do expect them, however, to respect the rights of those dealers who have built up good businesses through prudent management and lots of hard work. There is every indication, in my judgment, that in many cases these rights are not being respected. There should be profit enough to be made at all levels of petroleum production and distribution—but I do not believe that only the major companies are entitled to a share of these earnings. I want the oil companies and the independent producers to get a fair chance to make a reasonable profit in petroleum exploration and production. This is why I voted against the price rollback provision attached to recent energy bills. However, my desire to see American oil companies meet the energy challenge and make a fair profit in the process does not constitute a license to manipulate the free enterprise system to exclude small businessmen. If the major oil companies are desirous of fair and equitable treatment by this Congress, they must demonstrate that they are willing to develop a sense of fair play for the gasoline dealers of this Nation.

The legislation I am introducing today provides the gasoline dealer with a mechanism to seek redress in the courts and to challenge the oil companies on lease revocations. This is the minimum tool the dealer has—he, too, must be entitled to his day in court.

If the oil companies' operations in the retail sector continue to demonstrate their lack of responsiveness to the rights of the dealer, I believe this Congress should give further consideration to appropriate legislation to curb these activities.

Additionally, I would urge my colleagues to support the efforts being made by the Federal Energy Office to conduct a full nationwide investigation of this serious matter. We should insure that the FEO is equipped with the legal authority and mechanisms necessary to uncover all the facts in this serious situation and take appropriate action when abuses are substantiated. We must not stand idly by and watch scores of small businessmen lose everything in a fruitless fight with a major company that has an overwhelming advantage in personnel and resources. The gasoline dealers of this Nation need and deserve our help. The bill I am introducing today is a good start in the right direction.

For the information of my colleagues, the text of my bill H.R. 15512 follows:

A bill to provide for protection of franchised dealers in petroleum products

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That as used in this Act:

(1) The term "distributor" means a person engaged in the sale, consignment, or distribution of petroleum products to wholesale or retail outlets whether or not it owns, leases, or in any way controls such outlets.

(2) The term "franchise" means any agreement or contract between a refiner or a distributor and a retailer or between a refiner and a distributor, under which such retailer or distributor is granted authority to use a trademark, trade name, service mark, or other identifying symbol or name owned by such refiner or distributor, or any agreement or contract between such parties under which such retailer or distributor is granted authority to occupy premises owned, leased, or in any way controlled by a party to such agreement or contract, for the purpose of engaging in the distribution or sale of petroleum products for purposes other than resale.

(3) The term "refiner" means person engaged in the refining or importing of petroleum products.

(4) The term "retailer" means a person engaged in the sale of any refined petroleum product for purposes other than resale within any State, either under a franchise or independent of any franchise, or who was so engaged at any time after the start of the base period.

(5) The term "State" includes the District of Columbia, the Commonwealth of Puerto Rico, and the territories and possessions of the United States.

SEC. 2. (a)(1) A refiner or distributor shall not cancel, fail to renew, or otherwise terminate a franchise unless he furnishes prior notification pursuant to this paragraph to each distributor or retailer affected thereby. Such notification shall be in writing and sent to such distributor or retailer by certified mail not less than ninety days prior to the date on which such franchise will be canceled, not renewed, or otherwise terminated. Such notification shall contain a statement of intention to cancel, not renew, or to terminate together with the reasons therefor, the date on which such action shall take effect, and a statement of the remedy or remedies available to such distributor or retailer under this Act together with a summary of the applicable provisions of this Act.

(2) A refiner or distributor shall not cancel, fail to renew, or otherwise terminate a franchise unless the retailer or distributor whose franchise is terminated failed to comply substantially with any essential and reasonable requirement of such franchise or failed to act in good faith in carrying out the terms of such franchise, or unless such refiner or distributor withdraws entirely from the sale of refined petroleum products in commerce for sale other than resale in all States.

(b)(1) If a refiner or distributor engages in conduct prohibited under subsection (a) of this section, a retailer or a distributor may maintain a suit against such refiner or distributor. A retailer may maintain such suit against a distributor or a refiner whose actions affect commerce and whose products with respect to conduct prohibited under paragraph (1) or (2) of subsection (a) of this section, he sells or has sold, directly or indirectly, under a franchise. A distributor may maintain such suit against a refiner whose actions affect commerce and whose products he purchases or has purchased or whose products he distributes or has distributed to retailers.

(2) The court shall grant such equitable relief as is necessary to remedy the effects of conduct prohibited under subsection (a) of this section which it finds to exist including declaratory judgment and mandatory or prohibitive injunctive relief. The court may grant interim equitable relief, and actual and punitive damages (except for actions for a failure to renew) where indicated, in suits under this section, and may, unless such suit is frivolous, direct that costs, including reasonable attorney and expert witness fees, be paid by the defendant. In the case of actions for a failure to renew damages shall be limited to actual damages including the value of the dealer's equity.

(3) A suit under this section may be brought in the district court of the United States for any judicial district in which the distributor or the refiner against whom such suit is maintained resides, is found, or is doing business, without regard to the amount in controversy.

UNIQUE SYSTEM OF GOVERNMENT IN ALASKA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alaska (Mr. YOUNG) is recognized for 5 minutes.

Mr. YOUNG of Alaska. Mr. Speaker, during our debate of the Community Development Act, I would like to address my colleagues on a matter of importance to the State of Alaska.

This bill, while fitting the needs of most of the States in our Nation, fails to take into account our unique system of local government. Due to our population distribtuion, the territory of Alaska created in its State constitution a unique division of power between the borough government and the city government. The U.S. Census Bureau treats our boroughs as minor civil divisions for census purposes, along the lines of a township in other more conventional States. The borough in most cases is solely responsible for taxation, education, and planning and zoning. Most boroughs have also assumed powers in health protection and libraries. Alaska's only major city, populationwise, is the city of Anchorage, which is also part of the Greater Anchorage Area Borough.

H.R. 15361, as written designates the city of Anchorage as the recipient of Federal community development funds. However, this responsibility is in actuality shared, with the primary responsibility given to the borough under the Alaska Constitution.

I would urge the Secretary to take note of this situation, and upon the implementation of the Community Development Act, reserve great flexibility in determining the proper recipient of the funds.

IT IS TIME TO OPEN UP THE HEARINGS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. EDWARDS) is recognized for 5 minutes.

Mr. EDWARDS of Alabama. Mr. Speaker, President Nixon and Secretary of State Henry Kissinger deserve considerable credit for contributing toward a better atmosphere in the Mideast.

The region's great problems are not permanently resolved, but even President Nixon's most ardent critics must admit that his recent efforts are worthy of praise.

The United States, for the first time in a generation, has been placed in a position to pursue good relations with the Arabs as well as the Israelis and to promote accommodation between them.

Some can argue whether the United States had and missed earlier chances to follow this policy. Much more certain though, is the proposition that this is a responsible policy, consistent with broad American interests and consistent with American values.

Even though many hazards still remain and even though agreements made in pursuing this new policy must be reviewed with great caution, President Nixon deserves general credit for making the change.

He and Secretary Kissinger perceived that the Arabs had gone a long way to liberate themselves from old myths and were now prepared to consider a new approach through the United States.

If it was Secretary Kissinger's diplomatic skill which led us to this American opening, it was on President Nixon's political authority that he did so, and the President's trip to the Mideast has added an extra and useful level of commitment to this new American policy.

For many years, it appeared that Washington had to choose between Israeli and Arab friendship.

To the extent that the region moves toward settlement, that choice now appears a thing of the past. President Nixon said he could reaffirm the United States' traditional friendship with Israel while, at the same time, promise and move toward an era of close cooperation with the Arabs.

With the Mideast peace apparently going so well, it was unfortunate that critics here at home found it necessary to increase their attacks on Secretary Kissinger. By attempting to discredit the Secretary of State, many critics were aiming to undermine the man who has given the Nixon presidency its greatest strength.

The Secretary's statement on the recent attacks and his threat to resign might have been a case of overreaction. However, I can certainly understand his frustration.

The leaks are deplorable. First, we saw the Senate Watergate Committee spring leaks right and left. Then we were subjected to leaks from the Watergate grand jury.

Somehow, I thought the House Judiciary Committee would be different. But it sure seems that it, too, has joined the crowd.

It is high time that all those in Government or those investigating Government action recognize the damage they are doing this Nation in indiscriminately leaking information which tells only one side of a story.

If the House Judiciary Committee, which is meeting every day in closed session, is going to leak like a sieve, it is time to open up the hearings and let everyone know the whole story.

BUSINESSMAN LENDS A HAND

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. DANIEL) is recognized for 5 minutes.

Mr. ROBERT W. DANIEL, JR. Mr. Speaker, I would like to speak for just a few moments today on a little known and rarely recognized organization which serves in relative anonymity to render valuable practical assistance to emerging nations, and by so doing, creating good will between the United States and the so-called third world.

I am referring to the International Executives Service Corp., which sends retired American executives abroad to share with others the priceless business and scientific expertise that these unselfish Americans have gained through years of hard work in their various fields of endeavor. This organization is not another lavishly funded vestige of a theory of international relations whose validity has become less and less plausible during the last decade or so and whose tangible results have fallen far short of ethereal and well-intentioned goals. Rather than attempting to remake foreign cultures into predetermined images, the International Executives Service Corp. lends a helping hand to people abroad in their effort to strengthen their own economies, and to improve the quality of life for their peoples under their own definitions.

I would request that you include for the CONGRESSIONAL RECORD as part of my remarks an article which appeared in the Ledger-Star of Norfolk, Va., on the experiences of one IESC agent, Mr. Rudolf F. Lotz of Portsmouth, Va. Mr. Lotz has kept me informed of his activities with IESC, and his reports are filled with enthusiasm for the good work he and his colleagues are doing to help others help themselves in the name of this great country of ours.

BUSINESSMAN LENDS A HAND

PORTSMOUTH.—Rudolf F. Lotz has returned from an assignment in Taiwan with the International Executives Service Corps and he is so impressed with the program that he is ready to go again—this time, he hopes, to Greece.

Lotz is retired vice president-treasurer of Virginia Chemicals Inc. and is a director of the company. IESC is an organization which sends retired executives to emerging countries to assist local companies with their problems and to suggest ways of improving their operations and products.

The expenses of the executives are paid by IESC but they receive no other compensation.

Lotz was assigned to the Namchow Chemical Industrial Co. Ltd. at Taipei. The company produces laundry soap, toilet soap, stearic acid, glycerine, margarine, lard and vegetable oil.

"The company is a profitable one," said Lotz. "It is a progressive one with the management pondering what new products to add to its line."

But it still felt the need for new western knowhow in its operation and there is where Lotz fitted in.

"I made suggestions to improve the company's cost accounting, standardizing costs, budgetary control and ways to better its information to aid in making decisions," Lotz explained.

What impressed Lotz most about the Taiwan company?

"Quick decisions," was the reply.

"You make a recommendation to improve something and it's put into effect immediately," said Lotz. "It's working in less time than it would take in this country to call a committee meeting to talk about it."

Lotz was not alone on Taiwan in the program. He said he met other participants who represented the Sunshine Biscuit Co., Dan River Mills, Western Electric, among others.

Some of the participants had retired from their own companies and one was only 44 years old. Most had retired at 65.

Lotz found three Americans each of whom was on his second assignment with the corps. Earlier they had been in Iran, Turkey and Ethiopia, respectively.

Lotz found something of "it's a small world" in Taipei. One of the officials of the Chinese company had attended the same university as Lotz—the University of Illinois. (Lotz studied general engineering at Illinois and did graduate business work at the University of Chicago.)

Both wives had attended the University of Minnesota.

Also in a hotel he encountered Tom Burns of the Portsmouth General Electric plant, who, according to Lotz, is a fellow participant in the Health Club at the Portsmouth YMCA.

Lotz said he is completely sold on the program—not only for assisting business in emerging countries but also as an asset abroad for the United States.

"Everybody in the program is a solid citizen with a practical message from U.S. business," he said. "There are no long hairs. Everybody is square as he can be. They reflect credit on the United States. It's a great program."

The expenses of the participants are paid from federal and private money. The United States government puts up half the expenses, participating United States corporations a third and the remainder comes from the clients abroad.

The corps dates from 1964 and, according to Charles Brown, its vice president for public relations, its formation represented the combined efforts of business and government. The idea was to send mature businessmen into the emerging countries, thereby aiding the countries and the image of the United States. David Rockefeller, chairman of the Chase Manhattan Bank, was one of the group instrumental in forming IAES and its first chairman. The group had the support of President Johnson.

The present chairman is George W. Woods, formerly of the World Bank. He is to be succeeded shortly by C. Peter McCullough, chairman of Xerox Corp.

Frank Pace Jr., former Secretary of the Army, is the chief executive officer of IESC.

So far 2,200 retired executives have participated in the program.

JUDICIARY'S LEAKS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. YOUNG) is recognized for 10 minutes.

Mr. YOUNG of Florida. Mr. Speaker, the following editorial which appeared in today's New York Times deserves the thoughtful attention of our colleagues and the responsible members of the Capitol Press Corps.

The situation described by the Times is inexcusable. The Times editorial so accurately reflects what millions of Americans have been saying for months.

The leakers seriously attack our constitutional system. The leakers create false and unfair impressions that might suit their ulterior motives but do no justice to the people of America.

Mr. Speaker, any American accused has a constitutional right to fairplay—including the President of the United States.

How much longer are we going to allow our constitutional institutions and procedures to be subverted by those who are determined to get Richard Nixon at any cost?

WOULD YOU BELIEVE JUDICIARY'S LEAKS?

The House Judiciary Committee, after making an appropriately measured start on its impeachment inquiry, now seems to have sprung not just a leak, but a gusher. Over the past week, the public has been treated to the contents of a series of confidential memoranda analyzing portions of the evidence that has been presented by the staff in closed sessions to the committee.

Even before those memoranda were leaked to the press, various members of the committee were providing fragmentary recollections of bits and pieces of the evidence to which they had been exposed. And then, of course, there was that moderate-sized geyser of information about Secretary Kissinger's wiretap role, which apparently came from the Judiciary Committee and from other sources in Washington as well.

The basic question posed by the leaks is one of fairness. The Judiciary Committee, after all, is conducting an inquiry into whether there are grounds for the House to charge the President with an impeachable offense. It is not trying Mr. Nixon. If the House decides to impeach him, the President is entitled to a fair trial before the Senate. The leakers, apparently impatient with the rules of secrecy adopted by the committee and presumably anxious to "get the President," are subjecting him to trial by the court of public opinion based upon fragmentary and unrebutted evidence and analysis.

Impeachment, as we have said in the past, is the nation's most solemn constitutional process. As such, it should be, as at least one member of the committee has remarked, constitutionally pure. Those who are doing the leaking—whether members or staff—are not only undercutting their own purposes by providing their opponents with the means to discredit the committee, but are also violating a profound obligation to move the impeachment process forward with the fairness and the solemnity that its importance to the country requires.

PERSONAL ANNOUNCEMENT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

Mr. BINGHAM. Mr. Speaker, on June 17, I was away from the floor for Roll No. 297. Had I been present I would have cast my vote "yea."

CONFLICT OF INTEREST AT THE FEO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Vanik) is recognized for 10 minutes.

Mr. VANIK. Mr. Speaker, during the past few months my office—with the excellent assistance of the General Accounting Office—has been investigating specific allegations of conflict of interest within the Federal Energy Office. Thus far, this inquiry has focused on personnel and contracting practices within the FEO. The results of this investigation reveal a persistent pattern of insensitivity at the highest level of FEO to issues of conflict of interest. Despite a public stance of rectitude, top FEO officials have consistently performed poorly when confronted with specific instances of potential conflicts. It is this insensitivity which I find so alarming and disheartening.

The first of a series of reports which the GAO forwarded to me on May 3, 1974, contained the results of their investigation into the case of Mr. Robert C. Bowen. As a participant in the President's executive interchange program, Mr. Bowen, an employee of Phillips Petroleum, entered Government service on June 18, 1973 as a petroleum engineer with the Office of the Energy Advisor in the Department of the Treasury. On December 4, 1973, as part of a larger reorganization, Mr. Bowen was trasferred to the newly created Federal Energy Office. After extensive investigation, the GAO determined that Mr. Bowen's duties and responsibilities in the FEO were in possible violation of 18 United States Code 208—a criminal statute relating to action affecting personal finances. Accordingly, the GAO forwarded a copy of their report to the Department of Justice for further investigation.

At the outset, I would like to indicate that I have no question about the personal integrity of the newly confirmed Administrator of the FEA, Dr. John Sawhill. In my discussions with him, I have found him to be a responsive and intelligent public servant. My apprehension focuses not on Dr. Sawhill, but on the organization he must administer. Simply put, I have serious reservations regarding the extent to which our policymakers have established adequate safeguards to identify possible conflicts of interest as they arise in the formation of our energy policy. It appears, public pronouncements notwithstanding, that our energy administrators have been unable to comprehend an exact definition of a conflict of interest.

Growing out of my investigations with the GAO, I was given the opportunity during the Sawhill confirmation hearings to join the Senate Interior Committee to question Dr. Sawhill about Mr. Bowen and other matters. During the initial questioning concerning Mr. Bowen Dr. Sawhill, in response to a question by the senior Senator from Nevada, Mr. Bible, assured the committee that he saw no problem of conflict of interest in Mr. Bowen's case:

> Senator Bible. We received a letter from Congressman Charlie Vanik regarding possible problems on substantial conflict of interest. . . .
>
> What specific procedures do you follow now to guard against the appearance of conflict of interest or subsequent conflicts that differ from procedures in use before the GAO investigation began on April 1, 1974?
>
> Dr. Sawhill. We have established the procedures where as new employees come into the agency we review potential conflict of interest and our general counsel brings to my attention, any potential conflicts and we will take appropriate action.
>
> We are as anxious, as members of this Committee are, to avoid either the appearance or the actuality of conflict of interest.
>
> Senator Bible. What assurances can you give this Committee and the American people that the integrity of your agency will not be violated by the infiltration of those with special interests?
>
> Dr. Sawhill. We would be glad to supply the members of this committee at any time with the backgrounds of the policymaking people in our agency, so that you could see for yourself whether we have any conflict of interest or not.
>
> I do not believe we do.
>
> In the case you refer to, I personally reviewed this in detail——
>
> Senator Bible. You mean the Robert Bowen case?
>
> Dr. Sawhill. Yes. When I became Administrator of the Federal Energy Administration, I did not feel a conflict existed.
>
> My judgment was it would be in the best interest of Mr. Bowen and the agency for him to be reassigned to the Department of Treasury and this action was taken prior to the issuance of the GAO report.

In subsequent hearings, I had the opportunity to question Mr. Sawhill in more detail concerning a specific allegation investigated by the GAO: That Mr. Bowen of Phillips Petroleum was intimately involved in drafting regulations regarding propane—and Phillips is one of the largest companies marketing propane domestically:

> Representative Vanik. Am I correct in understanding Mr. Bowen's supervisor asked him to get into the propane case? He was completely indifferent to the possibility—
>
> Dr. Sawhill. I don't know. I think Mr. Bowen's supervisor probably did ask him for some technical advice on propane, on what the substitutes were for propane, and who the users of propane were, this kind of technical information you need in order to develop regulations.
>
> Just like the technical information on all of the regulations we developed.
>
> Representative Vanik. But doesn't that appear to be a conflict right on the face? Of making policy?
>
> Dr. Sawhill. It is like asking a doctor when you are sick. You have got to ask someone who understands the business.
>
> Representative Vanik. But of all of the people in America, you were asking a man who works for Phillips, who are the prime producers of propane, to make policy on propane?
>
> Dr. Sawhill. He certainly was the most knowledgeable person in our agency to provide technical advice, not policy.
>
> There is a distinction.
>
> *Policy is the actual drafting of the regulations. Technical advice consists of things like who are the major distributors and what are the market shares, and also who are the major users of propane and which users have higher priority and lower priority.* [Emphasis added by Vanik.]
>
> One of the problems in propane is that the small people are being squeezed out of the market and we had to know who the big users were, like the utilities and other companies that were bidding up this price and taking propane away from agriculture and from the people in rural areas to use it for heating. We had to know that information in order to write these regulations.
>
> *He did not make policy.* He didn't determine what we were going to do. But he did give us an analysis of the market structure. [Emphasis added by Vanik.]
>
> Representative Vanik. Mr. Chairman, I know this is an extraordinary procedure, and I am grateful to have this opportunity to clear this up, but in a letter which was addressed to me by Mr. Sawhill, he said he did not conduct a detailed investigation of his own. Now that appears in the file that is before you.
>
> Dr. Sawhill. That is because I had already ordered him gone from the agency. By the time you wrote me your letter I had earlier made a decision that he should leave the agency.
>
> Representative Vanik. But you also indicate there was no conflict of interest.
>
> Dr. Sawhill. I did not review the conflict of interest question because in reorganization I made an organizational determination that Mr. Bowen's function and that of his supervisor were no longer appropriate for our agency, and therefore I asked him to be redetailed to the Treasury and there was no need to look into the conflict of interest question because I later found out that the GAO had uncovered a possible conflict of interest and had referred his case to the Justice Department, so the Justice Department I felt was in a much better position to make this determination than I was.
>
> Dr. Sawhill, throughout his testimony, insisted that Mr. Bowen could not possibly be in conflict because he was not involved in the development of policy. His contributions were limited solely to "technical" advice. Drawing the line between "technical" advice and "policy" advice is critical to the determination of questions of conflict, and in a colloquy with the junior Senator from South Dakota (Mr. Abourezk), Dr. Sawhill provided his definition of the distinction and applied it to the Bowen case. As can be seen from the colloquy, the distinction between technical and policy advice is often blurred and under present arrangements, the critical determination of where the line should be drawn is often left up to the individual in question.
>
> Senator Abourezk. If I can get back to this conflict thing. What I am concerned about, very frankly, this conflict of interest question, there hasn't been and doesn't seem to be any kind of sense of urgency with regard to resolving conflicts. This seems to be a very casual thing in the Federal Energy Office——
>
> Dr. Sawhill. You have the wrong impression, I am sorry. I am sorry if I have given it to you.
>
> Senator Abourezk. I will finish my question, Dr. Sawhill.
>
> Now, where do you draw the line with regard to the Bowen case? Which, I realize, you are not involved directly in that too much, but where do you draw the line between what is known as providing technical advice and policy advice?
>
> How do you draw the line there?
>
> Dr. Sawhill. *Technical advice consists of providing facts and figures,* analysis of the market structure of the industry, this type of thing, indications of what action would do to particular sectors of the industry in terms of increasing demand or supply. I think it is that kind of thing where we need some technical advice, we need advice about the transportation systems, and the availability of transportation systems to move products in ways that we might direct, we need an understanding of the marketing systems of this industry. [Emphasis added by Vanik.]
>
> Policy advice, the kind of advice I make when I meet with the Assistant Administrators in the office and make determinations

on appeals, for example, that come to my desk, where major oil companies or other oil companies appeal decisions that I have made. Those are policy decisions.

And those are the kind of decisions where people making them clearly have to be in a situation where there is no conflict of interest.

Senator Abourezk. Would it have been possible in the term that Mr. Bowen served in the Federal Energy Office for him to provide technical advice to the extent that his company might have benefited from the advice that he gave?

Dr. Sawhill. *I am not familiar with Mr. Bowen's technical advice because he never directly provided me any technical advice.* He provided it to people who were working for me, and they assured me he was not providing technical advice that would have been of particular benefit to his company and he disqualified himself. [Emphasis added by Vanik.]

It is my understanding from certain decisions that he was concerned about the very problem that you are bringing up.

Senator Abourezk. In other words, the question of disqualification was apparently left to him?

Dr. Sawhill. He had notified his supervisor of those areas, or those subjects that he did not feel would be appropriate for him to even make technical advice.

Senator Abourezk. Is it possible he could have provided technical advice and as you have said, he was the expert on the subject?

Dr. Sawhill. One of the experts, yes.

Senator Abourezk. But nobody in the department he was in would apparently know the difference between an action he took that might benefit his company or might not benefit his company?

Dr. Sawhill. No. I think the situation arose in some cases where there were decisions that came before his department that related to subsidiaries of Phillips Petroleum and his supervisor was not aware of the fact that these were subsidiaries of Phillips Petroleum, and he said, I cannot discuss with you the situation because it relates to a subsidiary, or a company that Phillips Petroleum has a substantial financial interest in and I could not expect his supervisors, I don't think any of us could, to be aware of all of the subsidiaries or other financial relationships of Phillips Petroleum, but I think as far as general subject matter they were conscious and sensitive. At least they so advised me when I asked them about the potential conflict of interest here.

Senator Abourezk. What I am getting at is when a technical advisor, as you have categorized Mr. Bowen, provides technical advice, that technical advice is used as a basis for decision for policy makers?

Dr. Sawhill. Yes, that is true.

Senator Abourezk. Would it be fair to say there might have been cases where Mr. Bowen did not disqualify himself where he probably should have?

Dr. Sawhill I cannot really answer that question, Senator. You can hypothesize anything. *But I was never in a situation where he provided advice that I thought influenced policy decisions.* [Emphasis added by Vanik.]

I really have so little contact with him personally that I had to rely on the guidelines that were set down by the Treasury General Counsel and the assurances that he gave to Mr. Simon that these guidelines were being adhered to.

Senator Abourezk. In other words, what you are saying is what essentially I have been trying to say, is that you don't know whether or not he was in a position of conflict of interest or not?

Dr Sawhill. No As I say, I relied on the integrity of not only his supervisor but Mr. Simon.

Senator Abourezk. If it is true, you don't know, perhaps Mr. Simon did not know, and perhaps his direct supervisors did not know that there might have been times where conflict could have occurred?

Isn't it far safer for the Federal Energy Office, and you have agreed with me on this and I think you are absolutely right, the appearance of conflict has to be avoided?

Dr. Sawhill. Yes.

Senator Abourezk. Isn't it fair then, when you have a conflict on its face such as the Bowen case, that there is really not much discussion about it, it ought to be ruled completely out of order?

Dr. Sawhill. The only thing I can say to you is when I became Administrator this was brought to my attention. It so happened we were reorganizing the department anyway. And we determined that Mr. Bowen should return to the Treasury, and so the issue of conflict and Mr. Bowen never really surfaced when I was Administrator.

Senator Abourezk. I know, but the other day you said you didn't feel there was a conflict at all.

Dr. Sawhill. I had confidence in Mr. Simon who was unanimously approved by the Senate for his position. He did not feel there was any conflict.

Senator Abourezk. But that proves my point, that neither you nor he felt there was a conflict, yet there is a very high potential, and therefore, I think there has to be a very strict procedure, much stricter than you have outlined and a greater sense of urgency than what you have displayed.

Mr. Speaker, the GAO report which I have received outlines the utterly unsatisfactory way in which the FEO handled the Bowen case. I will have more to say on this and related issues during the next few days.

FEO—THE OIL CARTEL—AND JET FUEL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Washington (Mr. Adams) is recognized for 5 minutes.

Mr. ADAMS. Mr· Speaker, day after day, week after week, month after month, the Congress has implored the Federal Energy Office to carry out provisions of law with regard to allocation of fuel at equitable prices designed to control the unconscionable profits being realized by oil companies at the expense of the American public. The consumer is not being afforded the level of protection contemplated by the Emergency Oil Allocation Act.

I want today to call to the attention of my colleagues the shocking fact that oil refineries systematically are defying a directive from FEO to increase jet fuel production—both for military and civilian use and then raising prices in typical cartel operation. Orders without enforcement are meaningless and FEO is not enforcing its orders on jet fuel production.

It is our business to assure the will and intent of Congress is carried out by this agency, and when it comes to jet fuel for public transportation, the FEO is flaunting the Emergency Petroleum Allocation Act.

I had my share of disagreements with William Simon when he was head of the FEO, but I never had any sense that he was unable to have the agency orders carried out. Regrettably, this does not seem to be the case today. The "heat" is off the crisis and, as a result, an insidous lethargy has crept into FEO.

Time and again, we are seeing FEO bowing to the great pressures from profit-hungry oil companies, some of whom are using funds alleged to be going for research and development and fuel exploration, for attempts to purchase controlling interest in organizations such as Montgomery Ward.

The FEO is letting the oil companies "pick and choose" the orders for compliance. An example of the failure by the oil industry to carry out FEO directives is contained in a story in today's issue of the Wall Street Journal. The situation described in the article is absurd and causes one to wonder who is running the FEO—John Sawhill or top level oil company executives. Have we merely institutionalized a systematic cartel price squeeze carried out by the oil companies with Government complicity? Clearly this is not the wish of Congress. We expect more from FEO.

I ask unanimous consent to place in the Record at this point the Wall Street Journal article which details the most recent example of the administrative impotence of FEO.

JET-FUEL OUTPUT RULES ARE NOT BEING ENFORCED, AIRLINE GROUP CHARGES

Washington.—The airline industry charged there has been a massive "apparent breakdown in the integrity" of the Federal Energy Office's mandatory program for jet aviation fuel production. The breakdown is artificially forcing higher prices for jet fuel, an industry spokesman said.

In a letter to FEO Administrator John C. Sawhill, the Air Transport Association also accused the FEO of withholding from public disclosure relevant information concerning jet fuel supplies and prices.

Noting intentions announced by the FEO to increase jet fuel production to between 750,000 and 800,000 barrels a day, Paul R. Ignatius, ATA president, said information available to the ATA indicates an average shortage of 118,000 to 168,000 barrels daily. "There can be, in our view, no explanation for these shortfalls apart from blatant defiance (by oil companies) of the FEO order," he said.

An ATA spokesman said it appears oil companies are deliberately holding down jet fuel supplies to drive up the price of the fuel. He said the shortage isn't severe enough at this time to force flight cancellations during the summer months, however.

"The history of the implementation and enforcement of the present jet fuel refinery yield order has shaken our faith in FEO's willingness or ability to move beyond promises to effective actions in maintaining adequate supplies of jet fuel at reasonable prices," Mr. Ignatius said in the letter from the airline trade group. "There is no public record of any refineries having been excused from compliance with a yield program," he said.

In Washington, a FEO spokesman didn't have any immediate comment on the complaints other than to say they would be reviewed. Previously, Mr. Sawhill has said that jet fuel supplies are adequate and that their allocation by the agency may end in the next few months, but not before public hearings are held.

ON THE NEED FOR COMPREHENSIVE PRIVACY LEGISLATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. Koch) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, Congressman Goldwater and I are today reintroducing the Comprehensive Right to Privacy Act with 93 cosponsors—a bipartisan coalition of 37 Republicans and 56 Democrats.

I have spoken and written, testified and drafted, organized and persisted in bringing the issue of personal privacy to the attention of my colleagues in the House. Because during these years of proselytizing, Americans still have no effective method of preventing the Federal Government's indiscriminate disclosure of personal information concerning them, of ascertaining whether such information is accurate, or even in some cases of knowing whether such information is in the Government's possession.

Though the threat to personal privacy has been a longstanding one, no doubt the source of our optimism this year for the passage of some kind of legislation can be attributed to the public reaction to the excesses and abuses of "Watergate." We have been forcefully reminded that we must counter the mentality in all branches of the Federal Establishment that intentionally or unintentionally makes Government the master rather than the servant of the American people.

Some officials seem to be so taken with the growing importance of Government in our society that we must now remind them that Government is still organized to serve the interests of the people rather than its own institutional aggrandizement. The right to privacy remains threatened as long as there are no effective legal constraints on the understandable but dangerous appetite of public servants who have forgotten whom they serve.

The use of computers to promote the efficiency of Government has not relieved officials of personal accountability for how those computers are used. Let there be no confusion on this point—men and women make the decisions on what information will be collected about private citizens, how such information will be used and to whom it will be disseminated. Computers will not take us to 1984, men and women will.

Personal accountability of a Government official in this problem area must not be solely enforced by citizen access to the courts. Judicial remedies are not enough in the field of personal privacy. Legislative remedies are needed to make clear the source and limitations of bureaucratic authority. For what is most needed is congressional policy and laws that check and deter the run-away discretion that now allows almost any agency of Government to collect and disseminate information on its own citizens. And, ideally such policy and laws should be contained in a comprehensive statute dealing with the problem instead of a piecemeal approach or a "privacy rider" tacked on to a congressional authorization, department by department, and agency by agency.

For example, on March 7 of this year, Congressmen Goldwater, Jr., Kemp, and myself sponsored a privacy amendment to the bill establishing the Federal Energy Administration. The amendment required that the Federal Energy Administrator establish guidelines and procedures for handling data pertaining to individuals and that such individuals be informed of the data, have access to it, and have the right to contest the accuracy, pertinence, and the need of retaining such data. In the April House-Senate conference on the bill, the notification and right to contest provisions were dropped and the Administrator was required to grant access only "to the extent practicable."

Perhaps my own experience as a private citizen years ago planted the seed from which my legislative efforts have grown. I recounted it before a Senate committee 3 years ago but it bears repeating—it involved a life insurance company inquiry but the investigative procedure could have just as well been pursued by a Federal agency.

When I was a younger man, I made an application for life insurance, and it was rejected. I could not understand why because I felt pretty healthy, and the company did not give me the reason why. Because I pressed and pressed, I finally was able to secure an off-the-record statement from the individual who had solicited the account. He said, "Well, we have information in our records that 10 years ago you had cancer." I said, "Well, that is very interesting, but I am not aware of it." I asked what the nature of this cancer was. The records showed it was leukemia. I asked, "Where did you get that information." The company indicated they had obtained it from a neighbor.

The truth is, I did not have cancer and, of course, would have been dead a long time ago had I had it. Had I not pressed on that matter, I would not have known and I would not have been given an insurance policy. I brought this matter to the company's attention, and demanded that they analyze their file again and finally they agreed that the information that had been provided them had been given maliciously.

While a city councilman in New York I introduced legislation in 1968 to give the citizens of New York City the right to inspect and supplement municipal files. At that time I said my bill was "just a first step taken on a local level in what is really a national problem of protecting the citizenry against unjustified governmental prying into private affairs."

Let me outline with some examples what we knew then and what we have learned since about this national problem of governmental prying and recordkeeping.

A few years ago when a group of citizens was organized to investigate the problem of hunger in America, a special unit of the FBI was established within the Department of Agriculture to keep track of the group's activities and maintain files on each participant.

It was reported in Life magazine that "Conas Intel," the Army's surveillance project of domestic civilian activities, involved the assignment of one agent to remain at the gravesite of Martin Luther King, Jr., and listen to what the mourners said. "When Mrs. King made a speech some weeks later, recalling that her husband had 'had a dream' an agent was asked to find out what dream she was referring to."

Every member of a Unitarian Church in San Antonio, Texas was listed in a card file maintained by the 112th Military Intelligence Group.

The FBI established a "subversive" file on a 16-year-old high school girl simply on the basis of a letter she wrote as part of social studies class project to the Socialists Workers Party.

A Civil Service Commission "security file" contained 2,120,000 index cards as of 1970.

A Federal Deposit Insurance Corporation file contained names of individuals characterized as having an unsatisfactory relationship with any insured bank.

An Executive order, later rescinded, granted the Department of Agriculture access to the tax returns of 3 million farmers.

I could go on with innumerable examples of Government investigations, checklists, newspaper clipping files and data storage, covering the broad sweep of governmental interest in the lives of American citizens—an interest that is sometimes essential, but many times nonessential or misguided.

We do not lack for evidence of the need for legislation. So let me just briefly outline in general terms what I think such legislation should contain with respect to privacy safeguards.

First, permit any person to inspect his own file and have copies made at reasonable cost to him;

Second, permit any person to supplement the information contained in his file;

Third, permit the removal of erroneous or irrelevant information and provide that agencies and persons to whom the erroneous or irrelevant material has been previously transferred, be notified of its removal;

Fourth, prohibit the disclosure of information in the file to individuals in the agency other than those who need to examine the file in connection with the performance of their duties;

Fifth, require the maintenance of a record of all persons inspecting such files, and their identity and their purpose;

Sixth, insure that information be maintained completely and competently with adequate security safeguards;

Seventh, require that when information is collected, the individual must be told if the request is mandatory or voluntary and what penalty or loss of benefit will result for noncompliance.

Eighth, require that persons involved in handling personal information act under a code of fair information practices, know the security procedures, and be subject to penalties for any breaches.

Ninth, permit anyone wishing to stop receiving mail because his name is on a mailing list to do so.

Tenth, prohibit agencies or organizations from requiring individuals to give their social security number for any purpose not related to their social security account, or not mandated by Federal statute and prohibit the development of any other universal numerical identifier.

I have no doubt that the bipartisan spirit by which privacy legislation has been initiated, shaped, and refined will continue because no one can honestly dispute that citizen privacy must be everyone's concern—conservative and liberal, policymaker and taxpayer, computer expert and common man.

Like Senator ERVIN, without doubt the leading proponent of privacy legislation, I reject the idea that there are two worlds in America—one inhabited by bureaucrats and technicians, the other where the rest of us live. Let his eloquence be my conclusion:

> I do not believe Americans dwell in two worlds. Regardless of our origins, I believe we share a common heritage and common destiny in that we are all engaged in searching for freedom.

PEANUT PROGRAM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia (Mr. STUCKEY) is recognized for 5 minutes.

Mr. STUCKEY. Mr. Speaker, several of my colleagues feel that the agricultural environmental and consumer protection appropriations bill should not include any funds for the purpose of formulating or carrying out a price-support program for peanuts.

I would like to state my opposition to this idea and to question some of the figures these gentlemen have based their conclusion on.

In their "Dear Colleague Letter," they stated that according to USDA figures, the peanut program will cost American taxpayers $1,188 million between 1975 and 1979. I think these gentlemen are confused about this figure.

In reality, the figure is an estimate by USDA of net outlays—not losses—of the peanut program based on continuation of the present peanut program and a resale price of peanuts by the Commodity Credit Corporation at not less than 115 percent of the loan rate. A resale level that high would be ridiculous and would obviously be considered a punitive measure.

However, the Department is now proposing new peanut legislation and discussions have been underway with peanut grower representatives about it. According to USDA estimates based on a resale price at the loan rate, the new peanut program would cost taxpayers $224 million between 1975 and 1979.

Peanut growers are opposed to certain parts of the proposed new legislation. But compromises have been reached with the Department in the past and I do not think anyone can absolutely say right now that USDA will set the resale of peanuts in the future at 115 percent of the loan rate, thus driving up the cost of the program to the Government.

I would also like to point out that the cost of the peanut program to the Government has been declining over the past few years. The program cost $96.5 million in fiscal year 1972; $55.3 million in fiscal year 1973, and $3.9 million in fiscal year 1974. The world market price for peanuts should remain high for another year or 2 and is expected to decline after that. But USDA does not expect the cost of the peanut program to be anywhere in the range of the fiscal year 1972 or 1973 costs. In other words, I do not think anyone can positively say that the program is going to cost the taxpayer more in the future. Just the opposite will in all probability be true. And it is certainly misleading to say that the program will cost the taxpayers more than $1 billion between 1975 and 1979.

There is a great demand for protein in our world today and peanut butter provides more protein for the money than any other food. I urge my colleagues not to let this important farm program go down the drain.

IMPROVEMENT IN VETERANS' PROGRAMS—A CONTINUING NECESSITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Utah (Mr. OWENS) is recognized for 5 minutes.

Mr. OWENS. Mr. Speaker, Congress has made a worthy attempt to legislate adequate and meaningful legislation to benefit our veterans. We have already acted on several veterans' measures of particular importance, despite the general opposition of the administration and their frequent disinterest and lack of compassion for veteran concerns. These measures include major improvements in health care, a pension increase, a compensation bill, expanded coverage in insurance programs, and supplemental appropriations for the Veterans' Administration.

VETERANS HEALTH CARE EXPANSION ACT

In August, the Veterans' Health Care Expansion Act was signed into law. This act improves the ability of the Veterans' Administration to deliver quality medical care. It provides expanded medical care and treatment coverage through a contract program for certain dependents of veterans with total and permanent service-connected disabilities and for widows and dependent children of veterans who died as a result of such disabilities. It also expands provisions for eligibility for VA outpatient care and medicines.

PENSION INCREASE

A much-needed increase in disability and death pensions for veterans and survivors was passed in November. This measure, Public Law 93–177, provides a cost-of-living increase of 10 percent to approximately 2.3 million veterans and widows. Dependent parents receiving dependency and indemnity compensation also received a 10-percent increase in benefits. In addition, this legislation provides that payment of disability awards be made retroactive to the date total and permanent disability occurred if application is made within 1 year of such a date. Previously, payment was made from the date of claim of submission.

SUPPLEMENTAL APPROPRIATIONS FOR THE VA

The House and the Senate took determined action in March when it became necessary to provide emergency supplemental appropriations for the VA. The Vietnam-Era Veteran's Readjustment Assistance Act of 1972 provided for an outreach program to contact educationally disadvantaged veterans. As a result, more veterans were encouraged to utilize their educational benefits, and the number who enrolled exceeded the anticipated number of participants. The funds provided by this emergency appropriation allowed the VA to meet its April payment of educational benefits to the increased ranks of participants.

VETERANS COMPENSATION BILL

The veterans disability and compensation and survivor benefits received by disabled veterans and survivors will total approximately $567 million during the first year of the bill. An increase of 15 percent will be received by veterans with a disability rating of 50 percent or less; and an 18-percent increase in benefits is provided for those with a 60 percent or more disability rating. In addition, survivors of service-connected disabled veterans and servicemen, and survivors who are in nursing homes, will receive a 17 percent increase in benefits. All benefits increases are retroactive to May 1, 1974.

VETERANS INSURANCE ACT OF 1974

This act increases life insurance benefits to aproximately 7 million servicemen, veterans, Reservists, and National Guardsmen. Included in the provisions is an extention of full-time coverage under the servicemen's group life insurance—SGLI—to members of the Reserves, National Guard, and retired Reservists—as well as the establishment of a new low-cost life insurance, veterans' group life insurance—VGLI. After discharge, a serviceman may convert his SGLI policy to a VGLI policy to provide him with an additional 5 years of coverage while he readjusts to civilian life.

An immediate increase of maximum coverage under SGLI, from $15,000 to $20,000, is offered to some 3,000 participants. A return of excess premiums, now 70 percent in excess of what is required to pay the costs of claims, is authorized for Korean-era veterans. World War I and World War II veterans receive returned excess premiums as a dividend. Korean war-era veterans will now be entitled to receive the same.

We have been successful in seeing through the enactment of some very important veterans legislation. But there remain before us several inequities in veterans' programs that demand immediate action.

Among our priorities is the need to enact a reasonable increase in World War I veterans' pensions. With their low, fixed incomes, these veterans labor under the same soaring inflation rate as other retirees. They need, and deserve, this increase.

In line with this need, we must take action to prevent future increases in social security benefits from adversely affecting veterans pension payments. Under the present system of computation, last year's social security increase had almost no effect for many veterans. Their veterans' pension was reduced by an amount almost equal to the increase in their retirement check. I strongly urge my colleagues to lend their support to consideration of these required adjustments in current veterans' pension programs.

Another area of concern is that of an adequate program of comprehensive drug and alcoholism treatment and rehabilitation. According to statistics compiled by the Veterans' Administration, more than 22,000 veterans will be treated for drug addiction this year. And of the 9 million alcoholics in the country, one-third, or 3 million, are veterans.

The Senate has already deliberated this question and sent to the House a proposal which would provide, among other things, community-based services such as vocational and educational counseling and job placement assistance for addicted veterans. I am hopeful that the House will have the opportunity to consider legislation this year to establish such a beneficial program.

One of the critical veterans' problems is their high unemployment rate, particularly among Vietnam-era veterans. In the last 10 years the unemployment rate for this group of veterans has reached as high as 9 percent. In 1971, it was 8.2 percent, while the national average was 5.9 percent. While it is true that the current rate is 0.4 percent below the national average, we must continue to dedicate ourselves to the principle of "Hire the Vet."

In recognizing the need to combat this high unemployment rate, I introduced in March of 1973 a bill to promote the employment of Vietnam veterans. This measure would provide a credit tax to certain employers who hire the veteran. This is, of course, just one incentive which could be offered. Certainly there are others. The fact remains, however, that we must turn our attention in the very near future to this serious situation and make good our promises to the vet.

Mr. Speaker, action in the areas outlined above is required to give the veteran the fair shake he deserves. I believe that most of my colleagues in both Houses agree with this fact. There is one issue, however, which should have the support of all Members, but which has become the subject of much controversy. It has been hampered by both the Congress and the administration. This measure is the comprehensive educational benefits package for veterans.

In my opening remarks, I mentioned that despite general administration disapproval for one reason or another, most of the veterans legislation passed thus far by the Congress has been successfully enacted. Not surprisingly, the administration's resistance to responsible veterans measures continues. As was the case in 1972 when the Congress attempted to pass a meaningful educational benefits reform bill, the administration continues to oppose the steps taken thus far by the Congress to see a comprehensive GI bill enacted.

Their opposition is founded, in part, on the belief that the veteran pursuing his education needs only an 8-percent adjustment in current benefit rates to cope with the increasing cost-of-living demands.

The administration continues to blindly adhere to this belief despite the fact that its own statistical findings barely show that the increase in the cost of living since the last adjustment in benefits is now better than 14 percent. And, considering the present rate of inflation, the difference may be as great as 17 percent by the start of the fall semester. The administration claims that this 8-percent increase is all that is necessary, while at the same time acknowledging the greater increase in the cost of living. This inconsistency strongly leads us to doubt the administration's claims that it is doing all it can for the Vietnam-era veteran.

While the administration's opposition to this bill can be considered a deterrent to expedient action on the measure, the Congress itself has been reluctant to take final action and, as a result, the veteran who wants to start or complete his education remains in a limbo of uncertainty.

The House last February passed a comprehensive bill which includes a 13.6 percent cost-of-living adjustment for veterans under the GI bill. It also contains an extremely vital provision which increases the period of eligibility to receive training from the present 8 to 10 years. Without this extension, many veterans would be forced to curtail their studies midway, as today's education costs are so high that it would be prohibitive for many of them to continue on their own without GI assistance. A reduction in the disability rating for special education benefits, which includes full tuition payments, is also provided in this bill.

I was very pleased when the House took this early action to insure the continuation and extension of those GI benefits. However, I was disappointed that the House and the Senate were unable to come to a final agreement, and it became necessary to grant a 30-day extension to the present, insufficient program of benefits, rather than provide the veteran with the reform he has been desperately waiting for. This problem should be resolved within the 30-day period.

Mr. Speaker, the Senate just passed their comprehensive educational benefits bill. The Senate bill includes the basic provisions of the House bill, the 2-year extension being among them. But their measure also expands on several provisions and offers several additions.

The Senate bill will provide for an 18 percent increase in the veterans' allowance. A direct tuition payment plan and a low-cost loan program are Senate provisions not found in the House version. A 9-month increase in the present 36-month entitlement period is also included. This increase will allow the veteran who loses credits during tranfer or lacks sufficient preparatory courses to take the additional courses needed to complete his degree.

The House Committee on Veterans' Affairs has pending before it several measures which would provide for benefits similar to those added in the Senate version. For some reason, the committee has chosen to consider them separately.

The House has not had the opportunity to establish a position on the additional provisions found in the Senate bill. Yet the fact that several bills which would provide the same or similar benefits have been introduced in this body lends evidence to the fact that there is a substantial degree of support for their inclusion.

Mr. Speaker, I urge my colleagues to seriously consider and balance carefully the differences in the two bills. And I would urge the Members that will be appointed to met in conference on these two bills to be sensitive to the immediate needs of the veterans this bill will affect. We have already witnessed a long delay in final consideration of this measure. We should delay no longer in providing the veteran with the benefits he requires and has the right to expect.

NEW HELP FOR THE HANDICAPPED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. PODELL), is recognized for 10 minutes.

Mr. PODELL. Mr. Speaker, in the past few years, the Congress has greatly expanded the range of government programs to aid the handicapped. I think this is laudable, but there has always been one key element missing. In all the rehabilitation and welfare programs that have been produced by the members of this body in recent years, there has never been anything that has encouraged the handicapped to continue working once they find jobs. And often, continuing to work can be more difficult than getting vocational training and finding a job.

Recently I received a letter from one of my constituents. This woman is handicapped. She can be self-supporting, but because of her physical condition she cannot use public transportation to get to and from work. Last year, when she filled out her Federal tax return, she learned to her dismay that there was no way she could deduct the $1600 it had cost her in 1973 to commute. She could deduct all her various medical expenses, but she *could not* deduct tolls, parking fees, cab fares and other commuting costs. She told me in her letter that at this rate, she would be better off if she remained at home and collected Government checks, because holding a job was costing her too much money. But she is a proud and determined woman, who enjoys working and who wants to be productive rather than dependent on government largesse.

I am sure that this woman's story is not unique. How many handicapped people are there in this country who want work, and have found jobs, but have then learned that the cost of getting to and from work is prohibitively expensive? What good are vocational training and rehabilitation programs for the handicapped if, once they have jobs, the commuting costs are so high that they would be better off unemployed?

I am today introducing legislation that would help handicapped persons in such situations. My bill would provide for a tax deduction of up to $2,000 per year for certain commuting expenses. For example, in the case of the woman who wrote to me, she would be able to deduct all traveling expenses to and from work which arose directly from her inability to use public transportation. It would mean that she could continue to work. The loss of $1,600 in tax revenue is much less than the amount the Government would pay her if she was unemployed.

Most forms of public transportation are still unusable by the handicapped. Yesterday, we passed an appropriations bill for the Department of Transportation, that requires transit systems funded with Federal money to be designed so that the elderly and handicapped can use them. This is consistent with our national policy, but it will be a long time before systems such as the New York City subways can be fully utilized by the handicapped. Until then, they must rely on private transportation, at a much higher cost. Allowing them to deduct these expenses will make it easier for them to keep on working.

There is an old proverb which says, that the greatest charity you can give is helping another person help himself. The handicapped have overcome so many obstacles in order to be self-supporting. It is not fair to ask them to shoulder these burdens alone. They should not be penalized for seeking gainful employment by making the cost of working too high. Using the income tax laws to help these people is both efficient and sensible. I see such a deduction as a logical part of a national program to rehabilitate the handicapped so that they can live independent and useful lives.

AN ALMOST-FORGOTTEN IMPEACHMENT

(Mr. PODELL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. PODELL. Mr. Speaker, I would like to call your attention to an historic but timely article by Prof. Nelson Seitel which appeared on May 29, 1974 in the New York Law Journal, of which he is an associate publisher.

Mr. Seitel is an adjunct professor at the New York Law School and an outstanding legal scholar. The article entitled: "An Almost-Forgotten Impeachment" recounts the impeachment of William Sulzer who served as Governor of New York from 1912 until his impeachment in 1913 for converting campaign funds to his own use and from withholding subpenaed evidence from State investigative committees.

The article follows:

AN ALMOST-FORGOTTEN IMPEACHMENT

(By Nelson Seitel)

As the investigations concerning the possible impeachment of President Nixon slowly grind toward a conclusion, counsel for the House Judiciary Committee and for the President are searching deeply into historical precedent to base their actions.

From early English history to the impeachment and failure to convict President Andrew Johnson, from the removal of office of various public officials through the recent considerations regarding Supreme Court Justice William O. Douglas, the precedents are being studied to justify procedures and claims.

THE SULZER CASE

One of them is a little-known sixty-four-year-old precedent in New York State where the impeachment of Governor William Sulzer dragged on for weeks in 1913 while the process leading to his ultimate "conviction" drew toward its expected conclusion.

While Governor Sulzer's impeachment and conviction throw light on the impeachment process itself, they also shed considerable insights into the political system of the time.

No one celebrating on the night of Nov. 5, 1912, the election of William Sulzer as Governor of New York could have foreseen that within less than a year he would be impeached and removed from office. Nor could any of the celebrants have foreseen that in January, 1914, instead of delivering his second State of the State Message to the Legislature, that William Sulzer, as a member of the State Assembly, would be listening to Governor Martin H. Glynn, who had been Sulzer's running-mate for Lieutenant Governor, deliver his first and only such message to the Legislature.

PRESIDENTIAL TIMBER

Indeed, it is not unlikely that there were some among those attending the victory festivities who believed that Sulzer, then forty-nine years of age, might some day make it all the way to the White House. On that night, that would not have been an idle dream. His margin of victory exceeded 200,000 votes, and no previous candidate for Governor had won by such a plurality.

Moreover, Sulzer was clearly one of fortune's favorites. A Columbia Law School graduate, he ran at age twenty-six as an independent candidate for the Assembly from Manhattan in a lower East Side district, and was elected. He became a Democrat and four years later, in 1893, he was elected Speaker of the Assembly, the youngest to hold that office. Subsequently, he was elected to the House of Representatives and by 1912, when he was elected Governor, he was chairman of the prestigious House Foreign Affairs Committee.

Half a century before the term New Deal was coined, Sulzer was a New Dealer. As an Assemblyman, he sponsored legislation for factory inspection and for abolition of the sweat shop; to provide free lectures for working people; to abolish imprisonment for nonpayment of debt; to eliminate corrupt election practices; to limit hours of work and to provide for the weekly payment of wages. His bill established the New York Public Library.

SPONSOR OF INCOME TAX

As a Congressman, he was the principal sponsor of the constitutional amendment authorizing levy of a Federal income tax. He initiated the movement for the direct election of U.S. Senators. He was a leader in the efforts to amend the Constitution to give women the right to vote.

He was the author of the bill that established the U.S. Department of Labor. It turned out that approval of this bill was the last official act of President Taft. As chairman of the House Foreign Affairs Committee, Sulzer was active in promoting American recognition of the Republic of China, and he successfully steered through Congress legislation abrogating a treaty with Czarist Russia because of persecution there of the Jewish people. This especially endeared Sulzer to the Jewish community in the State.

By 1912, Sulzer was a star of the first magnitude in the Tammany Hall firmament. Tall, attractive, and excellent public speaker, he carried himself with a patrician bearing that contrasted with his populist instincts.

OPEN-DOOR POLICY

In one of his campaign speeches for Governor, Sulzer said:

"When I am elected Governor, the latch string of the door to the Executive Office in Albany will always be on the outside, and it will not be so high but that the lowest can reach it, and the humblest citizen of the State may come to Albany to see the Governor and be treated with as much consideration as the richest and most powerful."

As Governor, Sulzer kept that promise. The door to his office was never closed, nor the door to the Executive Mansion. During his brief tenure, the Executive Mansion became popularly known as The People's House.

The die was cast at the beginning. What followed had the sense of inevitability of a Greek tragedy. On a cold, blustery January 1, 1913, instead of following the tradition of being driven to the Capitol for the inaugural ceremonies, guarded by State troopers and accompanied by a military parade. Sulzer and his predecessor, Governor John A. Dix, simply walked the distance with the new Governor stopping to greet people on the street as a new neighbor and friend.

HIS OWN MAN

In his inaugural address, Governor Sulzer said: "I enter upon the performance of the duties of the office without a promise, except my pledge to all the people to serve them faithfully and honestly and to the best of my ability. I am free without entanglements and shall remain free. No influence controls me but the dictates of my conscience and my determination to do my duty, day in and day out, as I see the right, regardless of consequences."

In his peroration, Sulzer said that he would "abolish useless offices, and wherever possible consolidate bureaus and commissions to secure greater economy and more efficiency; to uproot official corruption and to raise the standard of official integrity and last but not least to reduce government expenditures to a minimum, and thus lessen as much as possible the heavy burdens of taxation."

The Governor's address was entirely consistent with his repeated campaign declarations of his independence and his assertions that he would take orders from no man and from no organizations. However, campaign speeches and promises are one thing; it is quite another when an elected candidate guides himself accordingly.

Sulzer was keeping his promises, a circumstance that brought him into sharp conflict with Charles Murphy, the leader of Tammany Hall, who is remembered to this day as a brilliant political strategist and tactician. This conflict led to the impeachment of Governor Sulzer, his conviction by the Court of Impeachment, his removal from office, but not to his disqualification from holding further public office.

ROLES OF SMITH, WAGNER

From his back room office at Anawanda Club on Second Avenue and East Twentieth Street, and from his private dining room at Delmonico's, Murphy ruled Tammany with an iron hand and gradually succeeded in extending his influence beyond the borders of Manhattan. By 1912, the Speaker of the Assembly was one of his lieutenants, Alfred E. Smith, who subsequently served brilliantly as Governor.

The Majority Leader of the State Senate was another Murphy lieutenant, Robert F. Wagner, later the principal legislative architect of the New Deal program. Only the office of Governor eluded Murphy's grasp.

Even during his lifetime, Murphy was a legendary figure in political circles. At a time when it was said of the City Board of Aldermen, that if someone shouted, "A saloon is on fire," each Alderman would run to see whether his saloon was in flames. Murphy carried himself with such dignity that even his most intimate associates never addressed him or referred to him other than as Mr. Murphy.

Early in 1912, Sulzer and Murphy had a private meeting at which they discussed the question whether Sulzer would seek the Democratic nomination for Governor against incumbent John A. Dix, an upstate Democrat who had declared himself a candidate for re-election. According to Sulzer's account, Murphy described Dix as a good "organization" man, and Sulzer said he would not be a candidate unless it appeared that Dix could be dumped.

MOVE TO DUMP DIX

Sulzer arrived at the Onondaga Hotel in Syracuse two days before the scheduled start of the Democratic nominating convention on Oct. 1, 1912. It soon became obvious to Sulzer that plans were afoot to dump Dix, and in response to the urging of friends throughout the State, Sulzer declared himself a candidate for the gubernatorial nomination. Two others also declared their candidacy. Dix and Sulzer were clearly the front runners, but for three ballots neither got the majority needed for nomination. Murphy, who was so tight-lipped that it was said of him that he wouldn't open his mouth even to sing The Star Spangled Banner, refused to comment on the stalemate.

However, on the fourth ballot, Senator Wagner, who was chairman of the Tammany delegation to the convention, cast the votes of the entire delegation for Sulzer. This produced the necessary majority for Sulzer's nomination.

Some contemporary political experts were convinced that Sulzer had been from the beginning Murphy's *sub rosa* candidate for the nomination. The suspicions stemmed from the unanimous Tammany vote for him at the critical moment, in the balloting, in view of Murphy's control over his delegation, this could not have happened without Murphy's consent. On the other hand, Sulzer's conduct as Governor makes it unlikely there ever was an understanding between them.

MURPHY'S KISS OF DEATH

While Governor Sulzer dispensed with much of the panoply and many of the perquisites of his office, he jealously guarded the power and responsibility. He launched an economy program that wreaked havoc among Democratic no-show patronage job holders, and a recommendation for a job appointment from Murphy was like a kiss of death.

Sulzer and Murphy had a showdown at a private dinner meeting in February in Murphy's dining room at Delmonico's. According to Sulzer's account of the meeting. Murphy "launched at me and rebuked me, and said that I might be the Governor but he controlled the Legislature; that unless I did what he wanted me to do regarding legislation, state policies and appointments, I could not get my nominations confirmed; and that he would block everything I wanted to do regarding legislative reforms with the forces he controlled in the Legislature. He said he could pass a resolution to impeach me; that he had the votes in the Assembly; and that he had absolute control of both branches of the Legislature."

LETTER TO T. R.

In a letter to former President Theodore Roosevelt, dated Sept. 9, 1913, Sulzer wrote: "The real trouble arose when I discovered the tremendous frauds and overwhelming corruption in various departments of State government, by which a few politicians and contractors were robbing the taxpayers of millions of dollars a year. My life was raked from the time I was born to the present day by detectives, investigators, and various sleuths with the object of finding out something that would injure me. Criminals and perjurors were utilized to defame me."

The instances of defamation referred to by Sulzer were widespread. A former law partner of Sulzer's accused him of defrauding a client and made public documents to prove the fraud. Sulzer denounced the documents as a forgery and tagged their disclosure as the "Vermont lie."

A woman in Philadelphia brought a breach of promise suit against Sulzer, alleging that they cohabited for some years since 1903 and even occasionally after 1908, when Sulzer married Clara Rodelheim, also of Philadelphia. Sulzer called the breach of promise suit a "frame-up." However, on advice of counsel he made an out-of-court settlement.

Charges were made that Sulzer diverted campaign funds to his personal use; that he engaged in substantial stock transactions in cash in excess of $50,000; and that his recommendations for legislation governing the New York Stock Exchange were designed to support his own market manipulations and speculations.

RELATIONS STRAINED

Sulzer exacerbated his relations with Murphy, the State Legislature and Republican political leaders by launching a determined drive to enact a direct primary law for the nomination of candidates for statewide office, who at the time were nominated by party conventions. In Sulzer's view, the "people and not the political bosses" should have the power to nominate those candidates.

Murphy's threat that Sulzer would have problems with the Legislature was borne out by events. Much of his legislative program went down the drain; many of his appointments for State office were denied confirmation by the Senate; his recommendations for a direct primary law were turned down by caucuses of both Democratic and Republican legislators.

The Legislature adjourned on May 3, 1913. However, since the Legislature, in Sulzer's view, left too many things undone, on May 8 he directed the Legislature to convene in a special session on June 16. The Governor placed a number of proposals on the agenda for the special session, but the most significant one was his direct primary proposal.

The Legislature met as directed and remained in session through July 23, when, over the Governor's protests, the Legislature recessed to convene on Aug. 11.

STATE PANEL VOTED

On May 3, the last day of the regular session, the Legislature approved a bill creating a joint legislative committee to examine into the methods and procedures of the financial administrations of all institutions, societies or associations supported in whole or in part by State funds and to examine into their procedures "and policies for fixing salaries, making purchases, and awarding contracts." The chairman of the Joint Legislative Committee was Senator James J. Frawley, of Manhattan.

On June 25, at the special session, by a concurrent resolution which did not require the Governor's signature, the Frawley Committee was further authorized to investigate "the whole subject of any unlawful or improper methods or wrongful or unlawful acts aforesaid and of receipts and expenditures of candidates for elective office to be filled by the votes of the electors of the whole State." The concurrent resolution also gave to the Committee subpoena power with respect to these subjects as it had with the original subjects to investigation. The Committee was further directed to report its findings during the special session, or as soon thereafter as possible.

The Frawley Committee promptly began its investigation, held public hearings, and filed its report on Aug. 11, when the Legislature reconvened. The following day, the Assembly adopted by a vote of 79 to 25 an impeachment resolution drafted by Assemblyman Aaron J. Levy, of Manhattan.

IMPEACHMENT RESOLUTION

The Resolution of Impeachment read as follows:

"Whereas the Joint Legislative Committee has filed a report in the Assembly on the 11th day of August, 1913, showing or tending to show that William Sulzer, Governor of the State of New York, made a false and fraudulent report to the Secretary of State under his oath as required by law, that the total contributions in aid of his campaign as a candidate for Governor were $5,460 and no more, and whereas, in truth and in fact the amount was greatly in excess of said sum to the personal knowledge of said Sulzer; and such report showing or tending to show, that he converted to his own private use contributions given in aid of his said election for the purchase of securities or other private uses; that he engaged in stock market speculations at a time when he was Governor and vigorously pressed legislation against the New York Stock Exchange which would affect the business of and prices on the exchange; that he used the power of his office as Governor to suppress and withhold the truth, to prevent the production of evidence in relation to the investigation of campaign contributions and violations of the law in respect thereto, by ordering and directing witnesses, some of whom were employees of the State, to act in contempt of the joint legislative investigating committee, and that he further used his office as Governor in rewarding or attempting to reward such witness or witnesses by securing or influencing their appointment or promotion in State government; that as Governor, the said William Spulzer has punished legislators who disagreed or differed with him in legislation enacted in the public interest and public welfare, and has traded executive approval of bills for support of his direct primary and other measures in which he was personally interested; that as Governor, he willingly and corruptly made false public statements advising and directing citizens to suppress evidence in reference to his unlawful use of contributions made to him for campaign purposes, and whereas he has otherwise corruptly and unlawfully acted or omitted to act.

"Therefore, be it resolved that William Sulzer, Governor of the State of New York, be and hereby is impeached for wilfull and corrupt conduct in office and for high crimes and misdemeanors."

The following day, Aug. 13, at 5 A.M., a weary, bleary-eyed Assembly, by a vote of 79 to 45, with twenty-six Assemblymen absent, approved the Articles of Impeachment, as drawn by the same Manhattan Assemblyman Levy, who had drafted the impeachment resolution.

MORGENTHAU, SCHIFF GIFTS

The Articles of Impeachment contained eight separate charges against Governor Sulzer. Two of these accused the Governor of perjury and with filing of false statements in that on Nov. 13, 1912, he filed a false statement of campaign receipts and expenditures and that he had converted campaign contributions to his personal use.

According to the Articles, the Governor's filing on Nov. 13, 1912, showed campaign receipts from sixty-eight contributors amounting to $5,460 and expenditures amounting to $7,724.09, but failed to report the following contributors and contributions: Jacob Schiff, 2,500; Henry Morgenthau, $1,000; Abraham Elkins, $1,000; William F. McCombs, $500; Theodore W. Myers, $1,000; John Lynn, $500; Lyman A. Spolding, $100; Edward F. O'Dwyer, $100; John W. Cox, $300; Frank V. Strauss Co., $1,000; John T. Dooling, $1,000. According to these Articles, the filing of such a false statement "caused great scandal and reproach to the Governor of the State of New York."

Three Articles charged the Governor with "mal and corrupt conduct" and of "bribing witnesses" to induce them not to appear and not to testify at the Frawley Committee hearings, nor to produce subpoenaed books, records, and documents.

Two articles charged the Governor with diversion of campaign funds for stock speculation purposes and use of his authority to influence prices of securities listed on the New York Stock Exchange. According to the first of these Articles Sulzer was accused of appropriating campaign contributions for the purpose of "speculating in stocks, through brokers operating on the New York Stock Exchange, and thereby stole such money and was guilty of larceny." The second of these Articles charged that the Governor corruptly used his "authority to influence or affect prices of securities listed on the New York Stock Exchange" in which he was at the time interested and speculating "upon margin or otherwise," by recommending legislation affecting the business of the Exchange and prices of securities, "all the time concealing his identity in said transactions by subterfuges."

One Article charged the Governor with promising and threatening to use the influence and authority of his office for the purpose of affecting the vote or political action of certain public officials. In support of this charge, the Article cited two specific instances:

1. A promise to Assemblyman S. G. Prime, Jr., that if he voted for certain legislation wanted by the Governor, he would sign a bill approved by the Legislature appropriating $800,000 for road construction in Essex County;

2. A threat to Assemblyman Thaddeus C. Sweet, of Oswego County, that he would veto a bill approved by the Legislature for construction of a bridge in Oswego County, unless he voted for certain legislation favored by the Governor.

CHARGES DENIED

In response to the impeachment, Governor Sulzer issued a brief public statement denying all charges. He said that on advice of counsel, he would make no further public statement.

However, Governor Sulzer set forth his definitive position in response to a letter dated Sept. 2, 1913, that he received from President Roosevelt. In his letter to Governor Sulzer, Roosevelt wrote: "I am sure that honest men feel that the assault made upon you by your foes is due to your having stood up for the principles of good government and decent citizenship even when it was necessary to defy the will of the bosses of the two parties, and especially your own, and to stand in the way of the success of the corrupt schemes of the party machine managers. But there is also among honest men a desire for a full and straightforward explanation and answer in reference to the charges made against you, and I very earnestly hope that as soon as possible the explanation and answer will be made."

In his reply, amounting to twenty printed pages, Sulzer ascribed his difficulties to Charles Murphy.

"I am to be removed from office, if Mr. Murphy can succeed," Sulzer told the President, "because I refuse to violate my official oath and carry out the 'orders' of Mr. Murphy. That is the gist of the matter, and the truth about this trial to take away my office. If I had served Mr. Murphy instead of serving the State, if I had obeyed Mr. Murphy instead of the dictates of my conscience, Mr. Murphy would never have instituted this impeachment."

COMMITTEE BLAMED

With respect to the charge that he had filed a false statement of campaign receipts and expenditures, Sulzer explained to the President that originally a campaign committee for him had been formed, but that the chairman and treasurer had neglected to file a notice of organization of the campaign committee with the Secretary of State. This was not brought to his attention until after the election and, Sulzer said, he had been advised by counsel that the best way to overcome this oversight was for him to file such a statement personally instead of the treasurer of his campaign committee. In his letter, the Governor conceded that he had been careless in signing a statement that had been handed to him.

He denied converting campaign contributions to personal use for the purpose of engaging in such stock market transactions. He claimed that funds were given to him by friends who wanted to help him out because they knew he was in financial straits from having made bad investments in certain mining stocks that had been touted to him by friends.

In connection with his proposed measures to regulate New York Stock Exchange transactions, Sulzer said that his recommendations were largely intended to implement the findings and recommendations of the Stock Exchange investigation commission of 1904 headed by Charles Evans Hughes. Of eleven bills he proposed, the regular session of the Legislature adopted two, one of them prohibiting bucket shop operations (Chapter 236 of the Laws of 1913) and the other making it a felony to manipulate stock prices (Chapter 253 of the Laws of 1913).

NEWSPAPER INTERVIEW

According to Sulzer's version of the facts, Murphy accepted as a declaration of war an interview with the Governor published in the *New York World* on May 18, setting forth fully Sulzer's views on the direct primary procedure for the nomination of candidates for state-wide office to replace the practice of nomination of such candidates by political party nominating conventions. As a result of the interview, Sulzer said, Murphy summoned his lieutenants to Delmonico's where a decision was reached to get rid of Sulzer "for their safety and security and salvation."

Despite this ascribed reaction of Murphy to the proposal for the direct primary, Sulzer continued to campaign vigorously for it. In a speech in Buffalo, Sulzer said: "Political conventions must go. Disgraceful secret alliances between special privilege and crooked politics must cease."

To an Elmira audience he said: "No man fears direct primaries, except a man whose character, and whose ability, and whose mentality, cannot bear the searchlight of publicity." Speaking on the issue in the Bronx, Sulzer said: "Every politician in the state, no matter what party he belongs to, who isn't on the level is denouncing me; is abusing me; is holding me up to contempt and scorn and ridicule."

In a message to the Special Session of the Legislature on June 16, Sulzer wrote: "A sense of public obligation made it my duty, in the interest of the common weal, to reconvene the Legislature in extraordinary session to the end that the recommendations I have made to the Legislature for direct primaries can be considered, without further delay, and a bill passed for direct nominations which will fulfill party pledges. In response to the overwhelming sentiment of the State, I am convinced we should do this as a matter of duty to our constituents."

(A little over half a century later, in 1967, New York State adopted a modified direct primary law. See Chapter 716 of the laws of 1967.)

IMPEACHMENT PROCEEDS

Once the Articles of Impeachment were approved by the Assembly the remainder of the impeachment process proceeded in its inexorable way. The Assembly appointed its Managers of impeachment (the prosecutors) consisting of Assemblyman Aaron J. Levy, chairman, and Assemblyman Patrick J. McMahon, Abraham Greenberg, William J. Gillen, Theodore H. Ward, Joseph B. Fitzgerald, Tracy P. Madden, Thomas K. Smith and Herman F. Schnirel.

The Managers, in accordance with the formalities of the procedure, informed the Senate of the Assembly adoption of the impeachment resolution and of the Articles of Impeachment. Senator Robert F. Wagner, as the Senate Majority Leader, thereupon directed the Court of Impeachment to convene on Sept. 18, 1913, in the Senate Chamber.

The Court of Impeachment, under the State Constitution, consisted of a majority of the members of the Court of Appeals and a majority of the members of the State Senate. The Court of Appeals then consisted of Chief Judge Edgar M. Cullen, William E. Werner, of Rochester; Willard Bartlett, of Brooklyn; Frank H. Hiscock, of Syracuse; Emory A. Chase, of Catskill; Frederick Collin, of Elmira; William H. Cuddenback, Buffalo; John W. Hogan, of Syracuse, and Nathan L. Miller, of Syracuse. Under the provisions of the Constitution, Chief Judge Cullen became the Presiding Justice of the Court of Impeachment.

The Assembly Managers and the Governor retained counsel who were preeminent in their profession, or achieved preeminence in their later years. Leading the team of attorneys for the Assembly Managers was retired Chief Judge Alton A. Parker of the Court of Appeals. The other members of the legal group included John B. Stanchfield, Edgar T. Brackett, Eugene L. Richards, Isidore J. Kressel, Hiram C. Todd and Henderson Peck.

The attorneys who represented Governor Sulzer were D-Cady Herrick, Irving G. Vann, Harvey Hinman, Louis Marshall, Austen G. Fox, Roger P. Clark and Charles J. Herrick.

The eminence attained by counsel for the Governor and for the Assembly Managers is reflected in the high quality of their briefs and in their total mastery of the facts. Both the legal issues and the facts were highly complex. Governor Sulzer showed unusual skill in "laundering" money long before the practice and the term became more common place. Funds were transferred through a number of banks and securities transactions were carried out in the names of various brokerage firms. It was not the quality of the presentation of the case, but rather the typical heat and humidity of Albany which put many of the members of the Court to sleep during argument and during the examination and cross-examination of witnesses.

The Court of Impeachment convened on Sept. 18 and completed its work and adjourned on Oct. 17. Senators, who were then paid $1,500 a year, received an additional $10 for each day's attendance as a member of the Court. Judges of the Court of Appeals were not additionally compensated.

JUDGES CHALLENGED

Immediately after calling the Court to order, Presiding Justice Cullen announced that counsel for the Governor had challenged the right of Court of Appeals Judge Hiscock, Chase and Miller to sit as members of the Court of Impeachment because they were Supreme Court Justices sitting on the Court of Appeals only by virtue of designation of the Governor.

After listening to argument of counsel for both sides, Judge Cullen ruled that under the State Constitution, "the gentlemen who have been judges of the Supreme Court and are sitting on the Court of Appeals by virtue of designation are in every respect as fully judges of the Court of Appeals as those that are elected." The ruling was confirmed by the unanimous vote of the Court of Impeachment.

A more serious objection to the organization of the Court of Impeachment was then raised by Mr. Herrick for Governor Sulzer. Herrick said: "This case, the greatest of any that has been heard in this country since the trial of President Andrew Johnson, is arousing the attention of the whole country. What shall be done now and here is precedent for future time. More, while this court is convened for the purpose of trying the Governor of this State, the Court itself, I say with all due respect, is upon trial. It is not sufficient that like Caesar's wife you should be virtuous, but you must be above suspicion in all your membership.

"The time has come when the highest Court in this State should determine, once and for all, that its members should be composed only of those who are free from even a suspicion of bias and partiality, and that a respondent before it is to be tried upon the same principles of justice that would be applied to the meanest criminal, for the smallest offense known to law."

Herrick's comments were directed to two motions he made to the Court. One was to disqualify as members of the Court Senators James J. Frawley, Samuel J. Ramsperger and Felix J. Sauner, all of whom were members of the Joint Legislative Committee whose reports and findings became the basis of the impeachment resolution and of the Articles of Impeachment. The other motion was directed to Seantor Robert F. Wagner, the Senate Majority Leader, who, according to Herrick, had a conflict of interest, since in the event of the Governor's conviction and removal, Wagner would become the Acting Lieutenant Governor.

PARKER'S RESPONSE

In behalf of the Assembly Impeachment Managers, retired Chief Judge Parker responded: "As far back as 1388, it was held that no member of the House of Lords, constituting the Court of Impeachment in England, could be excused." He pointed out that the framers of the State Constitution in 1777 were familiar with this English precedent and were familiar with the rule that no member could or should be excluded. He pointed out that this rule remained unchanged except that the State Constitution "for a greater safeguard, for a greater surety, added to the judicial quality of the tribunal by the inclusion of a body of men without political interest, a body of men trained to the administration of law, without prejudice and without political bias."

Judge Parker pointed out that in a number of Federal impeachment proceedings, members of the House of Representatives who had voted on Articles of Impeachment were nonetheless permitted to sit as members of the Court of Impeachment when they were subsequently elected to the Senate and the official they voted to impeach was then on trial.

With respect to the special position of Senator Wagner and the potential of a conflict of interest, Judge parker pointed out that U.S. Senate Majority Leader Benjamin F. Wade, of Ohio, was permitted to sit as a member of the Court of Impeachment trying President Johnson, even though, in the event of the President's conviction and removal under the then Presidential Succession Act, Senator Wade would have become the President of the United States.

UNANIMOUS RULING

At the conclusion of the argument, Chief Judge Cullen said: "This challenge cannot be sustained as the uniform rule of authority. All the precedents are against it." He pointed out that "even in an ordinary Court of Justice, members of a court could not exclude one of their brethren." The ruling of Judge Cullen was unanimously confirmed by the Court of Impeachment, with Senators Frawley, Ramsperger, Sauner and Wagner excused from voting.

With these preliminary motions out of the way, Louis Marshall, one of the **Governor's** counsel, moved to dismiss on the grounds that the proceedings were null and void and the court without jurisdiction.

In support of the motion, Marshall cited Article IV, Section 4 of the State Constitution which provided that the Governor "shall have power to convene the Legislature, or the Senate only, on extraordinary occasions. At extraordinary sessions, no subject shall be acted upon, except such as the Governor may recommend for consideration." Marshall argued that the impeachment resolution and the Articles of Impeachment adopted by the Assembly were not among the subjects that the Governor recommended for consideration, and that consequently the Assembly was without power or jurisdiction to act upon them.

"The articles of impeachment," Marshall contended, "must have been adopted by the Assembly, on a vote of a majority thereto, when lawfully convened, otherwise there would be an entire absence of jurisdiction and this Court might as well be called upon to act on charges presented by a private citizen, by the managers of a political party, or by the anonymous enemies of the person sought to be impeached.

"It is our contention that the Assembly has no power of impeachment, except when duly convened at a regular session, or, if when convened at an extraordinary session of the Legislature, the Governor shall have recommended for consideration the impeachment of the person sought to be proceeded against."

JUDICIAL FUNCTION

In reply in behalf of the Impeachment Managers Judge Parker contended that "Impeachment is in no sense a legislative function; it is judicial. The power of the Assembly to present articles of impeachment is in no way connected with its powers as one of the bodies of the Legislature. Its powers with respect to impeachment are defined in Article VI of the Constitution which treats of the judiciary. The question as to how the Assembly came into session is not pertinent to the inquiry, and the method by which such convention of the Assembly was had does not affect its jurisdictional powers."

Chief Judge Cullen sustained the validity of the Assembly proceedings without fully endorsing the position propounded by Parker. "It is urged by the learned counsel for the Managers," Judge Cullen said, "that the Assembly has an inherent right to meet at any time and present articles of impeachment. From that doctrine I dissent in toto. It is the Assembly that has the right given to it by the Constitution to impeach, but the Assembly does not consist of individual members of its body, except when they are duly assembled. Thus the Assembly may impeach when in regular session or when regularly convened in response to a call by the Governor.

"The Constitutional provision regarding legislation at an extraordinary session does not apply. The evil, or what was regarded as evil, was the disposition to enter into general legislation. We must give a reasonable construction of it, and so construed the limitation related to what the Legislature as a body can do and not to the power vested in one branch of the Legislature."

RULING SUSTAINED

With but one dissent, the Court of Impeachment sustained the ruling of Judge Cullen. This turned out to be a critical ruling from the Governor's point of view. In another form, the issue was raised again with respect to the impeachment charge that the Governor had influenced certain witnesses not to produce books and records that had been subpoenaed by the Frawley Committee. Counsel for the Governor contended that the concurrent resolution adopted by the Assembly at the special session authorizing the Frawley Committee to investigate campaign expenditures was null and void since such action was not a subject of consideration recommended by the Governor to that session. Again the Court of Impeachment ruled that the power of the Assembly to act on impeachment transcended the Constitutional provision limiting the subject matter to be considered at an extraordinary session. This Article of Impeachment was one of three of which the Governor was found guilty.

The most serious issue before the Court of Impeachment concerned the first two Articles of Impeachment, those charging the Governor with filing a false statement of campaign receipts and expenditures and charging the Governor with perjury in filing such a statement since the statement was sworn to before a notary public. The issue was whether the Governor could be impeached for acts committed by him before he became Governor. On that critical issue, the Court of Impeachment divided thirty-nine to eighteen and the Governor was found guilty under both Articles.

DIVIDED COURT

On this issue, the judges of the Court of Appeals who sat as judges of the Court of Impeachment divided five to four. Judges Collins, Cuddeback, Hiscock, Hogan and Miller finding action taken before Sulzer took his oath of office an impeachable offense and the Governor guilty. Chief Judge Cullen and Judges Bartlett, Chase and Werner found such action not an impeachable offense and the Governor not guilty of those charges.

INNOCENT OF 5 CHARGES

The Governor was found not guilty on the remaining five charges, including the charge that he had diverted campaign contributions for the purpose of stock manipulation. Some of those whose contributions had not been reported, notably Jacob Schiff, of Kuhn, Loeb & Co., and Henry Morgenthau, at that time the Ambassador to Turkey, made a valiant effort as witnesses to assist Sulzer by asserting that their contributions were made out of friendship and regard for Sulzer, that there were no strings attached to their contributions and that they had no objection to Sulzer's use of their contributions to help him out of his financial difficulties. However, on cross-examination by Isidore Kressel, they conceded that no such contribution would have been made had Sulzer not been a candidate for Governor.

The Court of Impeachment thereupon voted to remove Sulzer from his office as Governor. On the question whether the punishment for conviction should include disqualification from holding further public office, Judge Hiscock said: "I believe that this question of the future of the respondent, with reference to holding office, should be left to the people themselves who have the power and have the right to pass on that question." By unanimous vote the Court of Impeachment followed Judge Hiscock's recommendation.

DEMOCRATS SUFFER

The arrogant use of power is a double-edged blade that can wound the wielder as well as the tarket of its exertion. "Mister" Murphy, as Sulzer invariably referred to him in correspondence and in speeches, did indeed succeed in removing Sulzer from his office. But his victory was a Pyrrhic one. Largely as a result of the impeachment. Murphy's candidate for Mayor was soundly defeated in the following month by the fusion candidate for Mayor, John Purroy Mitchell. The Democrats that year lost control of the State Assembly. Alfred E. Smith lost his post as Speaker and became instead the Assembly Minority Leader. There was no election that year for the State Senate so Senator Robert

F. Wagner remained during 1914 the Acting Lieutenant Governor and the Senate Majority Leader. As a further consequence of the impeachment, a vigorous and forceful Republican prosecutor, Charles S. McWhitman, was elected Governor in 1914.

In contrast, there was a sense of triumph about Governor Sulzer's departure from Albany. On Oct. 18, 1913, the day after his conviction and removal, a reception for him at the Ten Eyck Hotel reportedly attracted the attendance of some 10,000 well-wishers. He was presented with a cup bearing the following inscription:

Presented to Hon. William Sulzer, by the citizens of Albany, in loving remembrance of duties well performed, a martyr to the cause of honest government. October 18, 1913.

When Sulzer returned to New York City, he was requested by a delegation of his East Side constituency to run for the Assembly. He agreed, and as a Progressive Democrat, was elected by a two-to-one margin.

Sulzer concluded his letter to President Roosevelt with the following sentence: "The people ought to realize that if Mr. Murphy's conspiracy against the Governor of the State succeeds, it will mean a lasting blot on the fair frame and good name of our Commonwealth."

SUPPORT FOR MUSEUM SERVICES BILL

(Mr. BRADEMAS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BRADEMAS. Mr. Speaker, on June 14 and 15, 1974, the Select Subcommittee on Education, which I have the honor to chair, held hearings in Boston, Mass. on H.R. 332, the museum services bill, a proposal which would provide funds to enable the Federal Government to pay up to 50 percent museum costs for museum renovations, installation of exhibits, training staff and administrative expenses.

During our stay in Boston, Mr. Speaker, we visited the Museum of Fine Arts, the National Center for Afro-American Arts, the Children's Museum, the Society for the Preservation of New England Antiquities, the Museum of Science, as well as the Boston Aquarium and the Peabody Museum at Harvard. In addition, Mr. Speaker, our subcommittee held two public hearings on H.R. 332.

I want today, therefore, to bring to the attention of my colleagues evidence of significant support for their legislation in the Boston area.

I refer, Mr. Speaker, to two editorials, one in the Boston Globe of June 14, the other in the Boston Herald-American of June 13, in support of H.R. 332.

I insert in the Record also, Mr. Speaker, a letter dated June 14, 1974, to me from the mayor of Boston, the Honorable Kevin H. White, advising me of his strong endorsement of the Museum Services Act.

I must mention also, Mr. Speaker, that the Honorable Kevin Harrington, president of the Senate of the Commonwealth of Massachusetts, and the Honorable Joseph Cronin, Massachusetts Secretary of Education, testified before the subcommittee in support of H.R. 332.

Mr. Speaker, the materials to which I have referred follow:

June 14, 1974.

Hon. John Brademas,
Rayburn House Office Building,
Washington, D.C.

Dear Congressman Brademas: On behalf of the city of Boston, I wish to lend my strong endorsement of Museum Services Act H.R. 332.

The cultural life of Boston is well known. Our private cultural institutions are renowned for their educational programs, significant collections and exciting exhibitions. These institutions, museums especially, cannot sustain the spiraling costs evident in these inflationary times and keep reasonable admission policies. We are facing a situation where the people of our city, its 640,000 residents, cannot visit their own museums because of financial hardship.

I therefore urge you to bring the word to Congress, from the city of Boston, that we are greatly concerned with the passage of this bill. Only through federal support can our museums remain accessible to the general public.

Sincerely,

Kevin H. White,
Mayor.

[From the Boston Globe, June 14, 1974]

The Museum Services Bill

Everyone interested in the education of our children ought to attend hearings of a Congressional subcommittee to be held here—at 9:45 a.m. today at the Museum of Fine Arts and at 9:45 a.m. tomorrow at the Science Museum—on proposed legislation to provide Federal support for the nation's museums.

Enactment of such a measure is necessary, in our view, because museums have been almost literally reeling from the cost impact of their skyrocketing popularity. More than 3,000,000 persons annually visit the museums of Boston alone. Attendance at the nation's nearly 6000 museums has jumped since 1944 from some 50 million visits annually to nearly 700 million and is still climbing fast.

These institutions of art, science and history are a vital part of our national cultural life. The legislation—S. 796 and H.R. 332, sponsored respectively by Sen. Claiborne Pell (D-R.I.) and Rep. John Brademas (D-Ind.)—would enable the Federal government to assume up to half the cost of renovations, installations, trained staff and administration and thus lessen a most serious financial crunch. It deserves support.

Among those testifying today will be officials of the National Center of Afro-American Artists (NCAAA), the institution selected as "the national symbol of the arts made meaningful in current history" for the Bicentennial years. This fine organization, led by Elma Lewis, today is also holding its annual fund-raising with events at the Gardner Museum, Boston City Hall and the Music Hall. It offers an outstanding example of contributing to the community as a whole, and we hope the contributions flow copiously in the other direction as well.

[From the Boston Herald American, June 13, 1974]

Victims of Own Popularity

The nation's museums, as Smithsonian Secretary S. Dillon Ripley recently testified, are no longer cabinets of curiosities. In recent years they have become at once a vital tool—and a yardstick—of our educational and cultural progress. We were reminded of this last month, when Science Park reached another milestone by admitting its 10 millionth visitor.

The Museum of Science's amazing growth in popularity is typical of what has happened to museums all over the country. Thirty years ago the 6000 museums of art, science and history attracted 50 million visitors annually; now the total has soared to 700 million—and is still increasing rapidly.

How long they can continue to accommodate ever-larger audiences without heavy financial assistance has become a matter of serious concern. Trustees, directors and other fund raisers appear to be reaching the limits of their ability to coax major donations out of private contributors. The museums, in effect, have become victims of their own success.

That is why a series of public hearings by a congressional subcommittee here during the next two days on a proposal to provide federal support for museums, assumes unusual importance.

The Museum Services Bill (House Rule 332 and Senate 796), sponsored by Rep. John Brademas (D-Ind.), chairman of the House Select Education Subcommittee, and Sen. Claiborne Pell (D-R.I.) has also attracted a co-sponsor in Sen. Edward M. Kennedy.

It would provide $25 million federal funding the first year to underwrite up to 50 percent of the cost of renovating museum facilities, installing exhibitions and expanding trained staff personnel. Such assistance would be a boon to many of our local institutions which are facing financial difficulty meeting the increasing demands upon them by both education and the general public.

Teachers, students and parents who find the idea attractive can make their views known to the subcommittee at the Museum of Fine Arts Friday and at the Museum of Science Saturday.

WILL COAL BE KING AGAIN?

(Mr. PEPPER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. PEPPER. Mr. Speaker, during the first session of this Congress, I introduced legislation, H.R. 12045, known as the Emergency Coal Administration Act of 1974, with some 50 cosponsors, to take the necessary steps to maximize the production, transportation and conversion to gas and gasoline of coal, of which we have by current estimates one-half of the reserves of the world. I do not consider this bill to be in final form: The head of the Environmental Protection Agency, for example, has submitted amendments agreeable to that agency which would more adequately protect the environment, to which I am pleased to accede. I am sure there will be many other detailed changes that will have to be made in the bill before it is enacted. But, when I was in the Senate in World War II, I saw that we were never able to mobilize our productive ability to the maximum until we authorized the War Production Board to exercise enough authority to accomplish that purpose. The great danger now is that, if we become substantially adequate in gasoline and fuel oil with the resumption of imports from the Middle East, both the Congress and the country will tend to relax their efforts to become independent in our fuel resources and thereby lay ourselves open for further blackmail as has been imposed upon us from the Middle East. We must not do that. Therefore, I commend to my colleagues in the House for thoughtful reading an article appearing in the June 10, 1974, issue of Industry Week dealing with this important mat-

ter, entitled "Will Coal Be King Again?" by John J. Mullally.

The article follows:

Will Coal Be King Again?

(By John J. Mullally)

Many alleged energy experts point to this country's vast coal reserves—and the utilization technologies that will result from a $20 billion R&D push—and say they can see the light at the end of the tunnel.

However, until that coal is ripped from the earth it is only so much black dirt and the technology advances mere academic exercises.

The light in the tunnel is visible; it's a coal miner's lamp, and it's just at the entrance. And the forces that will make this miner more productive by 1980 do not involve lasers from the laboratory; they are laws from legislators.

Domestically, we are sitting on an estimated 200 billion tons of coal, about 90% of the nation's fossil fuel reserve. The vastness of this supply dictates that we use it to solve the present—and future—energy crunch.

"We're the Saudi Arabia of coal," says Ernest S. Starkman, vice president, environmental activities staff, General Motors Corp.

"One of the ironies of our energy problem," says Secretary of the Interior Rogers Morton, "is that we use so little of our abundant energy resource."

TWO NECESSARY STEPS

Last year, domestic coal companies produced 600 million tons of coal. Interior's Office of Coal Research has called for tripling this production 1985—an annual rate of almost 2 billion tons—if we are to meet the demand provided by advanced usage technology.

"This is a tall order," understates Secretary Morton, who believes it can be met if two things take place.

"First, we will need to make a market for this much coal, which is mainly a function of its environmental acceptability.

"Second, we will have to find ways of producing enough coal, at acceptable social and economic cost, to satisfy the market we have created. The requirement here is for a coal industry capable of delivering the coal that will be needed," said Secretary Morton in an address to the West Virginia University School of Mines.

These qualifications almost uncannily dovetail with the stance of coal industry spokesmen.

"The No. 1 problem I see," says William V. Hartman, vice president-special projects, Peabody Coal Co., St. Louis, "is the EPA moratorium on so-called high-sulfur coal in 1975, which means that all existing facilities and new facilities cannot use high-sulfur coal beyond that date."

High-sulfur coal, the type that would be banned by the EPA, accounts for almost 90% of all the coal found east of the Mississippi.

"Any potential customer [coal user] . . . has this to reconcile with," adds Mr. Hartman.

"Of course, this directly affect us. Can we put in a mine and spend the money that will be necessary in an operation that would normally last 20 years, with the sword of Damocles hanging over us next year?"

The investment for putting in a medium large mine, one producing about 1 million tons per year, is about $20 million, says a National Coal Assn. spokesman.

Also, before one shovel of dirt is turned to put in a new mine today, "all the coal that that mine is expected to produce is, in effect, sold . . . it's under a long-term contract," says Jack Chisolm, group vice president-coal operations, Pickands Mather & Co., Cleveland.

"There aren't enough coal producers today that see new, long-term contracts for coal coming down the road to warrant their making the investments," says James W. Wilcock, president, Joy Mfg. Co.

Coal mines can be financed only through some sort of assurance that a market will exist long enough to amortize the investment. The uncertainty as to what we will do meantime paralyzes the investment decisions," says Secretary Morton, regarding federal action guaranteeing coal demand.

To assure these long-term contracts, Mr. Wilcock stresses the need for federal legislation to direct that all future boilers, with the exception of nuclear facilities, be coal-fired, and to attempt to have present boilers converted to coal in a reasonable period of time.

He also states that there must be waivers granted for the burning of high-sulfur coal until near the end of the decade, at which time utilities would have to install some type of sulfur emissions control system.

"In the meantime, under these conditions, the utilities would have no choice except to issue contracts," says Mr. Wilcock. These longer-term contracts for coal would then trigger the expansion of old mines and the addition of new mines, he believes.

If this type of legislation comes to fruition to assist coal mining, there are other regulations that still will frustrate the industry's attempt to meet even its present demand.

The coal industry's capability to produce coal as required has been graphically demonstrated; almost each year its productivity increased, based on tons per man per day (T/M/D), until 1969.

The underground mine had reached an industry peak of 15.61 T/M/D. In 1969, the productivity indicator slid to 13.76 T/M/D. Last year, productivity decreased further to 11.91 T/M/D.

Industry spokesmen agree that the major cause of this dramatic drop is the 1969 Mine Health & Safety Act. They note that they are not challenging the law or the value of it. However, they do take serious issue with the enforcement procedures.

"If these laws are not enforced with more logic and less silly harassment, you are going to continue to have a drag on productivity," says one spokesman.

To add definition to "silly harassment," another spokesman points to a mine that was completely shut down because a toilet did not have a sticker stating that it met Bureau of Mine requirements. He also recalled a mine being issued a significant citation because the glass on the main office bulletinboard was cracked.

"Nobody's saying, 'Change the laws or eliminate the requirements.' They are simply saying, 'Exercise some judgment in how they are enforced.' "

TRAINED MANPOWER REQUIRED

Another aspect of the health and safety legislation slowed down productivity and also added to the skilled manpower shortage underground mining faces. Industry sources estimate that about 700 underground mine foremen were taken out of productive mining positions and made safety inspectors.

To counter the manpower shortage, industry, government, and academia already have begun to act in concert. Last June, 260 mining engineers were graduated in the U.S. Although this number is small, it is two and one-half times the number graduated in 1970.

Major coal-producing states, such as Pennsylvania, are planning or have underway state-funded vocational training programs for underground miners.

"However, the majority of the training burden is to fall on the coal companies," stressed Dr. Robert Stefanko, professor of mining, Pennsylvania State University, at "Coal for the '70s: A Pennsylvania Action Conference."

Recognizing this fact, Mr. Hartman of Peabody Coal adds, "We have to find people who recognize the advantages of working underground. We have our own training schools . . . we get applicants who desire a position in an underground mine and have no experience, and we trim them."

Before these people can be trained, they must be attracted to an industry that admits it has "an image problem." One of the most often suggested remedies for this "image problem," voiced by both management and labor, is one of the most basic requirements for meeting the coal demand of the 1980s and '90s; improved mining technology.

Mining technology and extraction methods have not exactly moved at a Space Age rate.

As late as 1947 all of the bituminous coal in the U.S. was mined either by hand or first-generation mining machines, says a coal technology spokesman at the Battelle Memorial Institute, Columbus, Ohio. In the 1950s the advanced continuous-mining method came into prominence and has been the mainstay of the domestic coal industry.

There have been some advances in technology, namely European-developed long and shortwall mining techniques. But in 1971 these methods accounted for only 2.5% of domestic production.

"It's rather ironic that recent criticism has been directed to mining machinery manufacturers for barely being beyond the pick-and-shovel stage when at least two of these companies [out of four] publicly reported unsatisfactory 1973 income, due to low volume sales of coal machinery," says Kent E. McElhatten, president of the Pittsburgh-based National Mine Service Co., and one of the original designers of the continuous-mining machine.

A DOUBLING OF COAL PRODUCTION SHOULD BE POSSIBLE EVEN BY 1980

This lack of revenue has apparently dampened R&D efforts and led to a trimming of research funds. However, money is coming for stepped-up R&D efforts.

"Congress has provided $7.5 million supplemental appropriation for fiscal '74 which is for excavation and mining research," says Dr. Robert Marovelli, division chief for mining research, health, and safety of the U.S. Bureau of Mines. Next year the division is expecting a mining R&D allocation of $46.5 million.

The reason for the massive infusion of funds is not simply the lack of a coordinated R&D effort from the industry. The Office of Coal Research has stated: "Present coal mining technology is inadequate to the task of producing the quantities of coal which are projected to be required by 1985 at acceptable environmental and social cost."

And so the office plans to divide its research efforts and money along two paths: surface or strip mining research and underground research.

Because underground is the more complex and technologically oriented extraction method, most of the funds throughout the entire five-year life span of the program are for underground technology. The proposed five-year budget for all extraction methods is $334 million.

The underground research efforts will involve the following areas:

High-speed mine development systems.

Automated longwall mining machines.

Automated/remote control continuous mining.

Automated continuous roof supports.

Mining systems for western coal.

Environmental protection of surface areas near underground mines.

Advanced mining systems.

Underground coal gasification.

If these efforts are successful, mining experts foresee individual productivity increases of as much as 50% in certain areas and cost savings of 25% for new mine construction.

Guided by the two interrelated considerations of economics and environmental protection, the government R&D effort will address two areas in surface mining:

Improved surface mining systems.

Improved excavation and reclamation equipment.

In addition to government R&D into future technologies, universities, through their mining colleges, and private institutions are funding research efforts to produce the needed technology.

One such private program is being conducted by Battelle Memorial Institute. This $25 million, five-year effort concerns the entire coal technology spectrum, from extraction technology to end-use technology, and will involve such areas as burner technology, methanol production, and chemicals from coal.

A major portion of the research will concentrate on mining operation experiments which include a systems approach to underground mining, machine utilization in surface mining, and reclamation in surface mining.

"The ultimate objective of this program is to get this R&D used," says Jack G. Conner, associate director of the Battelle energy program; "this is not a basic research program." Mr. Conner explains that the Institute hopes to be able to patent and license for commercial use any process it develops.

Although all of the government and private R&D efforts are welcomed by the coal industry, the industry also realizes that these projects are to last for five years.

Before these programs come to an end in 1980, the domestic coal industry still is expected to double its production with present technology.

Today, coal company spokesmen state that their mines are operating at capacity. But they emphatically assert that their capacity is not limited by technology; it is limited by the legislative and economic conditions under which they must operate.

"A doubling of coal production should be possible even by 1980 if the needed incentives were provided," states an expert from the Cornell Workshop on the National Energy Research & Development Program.

If the incentives are provided, an immediate impact will be felt by the mining machinery manufacturers. The impact, they believe, will not take the form of quantum technology jumps in machinery, but simply that of supplying the present machinery to meet the created demand.

"The availability, or lack thereof, of coal face extraction machinery may, in the final analysis, prove to be the lone insurmountable problem in meeting the coal production requirements," says Mr. McElhatten, whose National Mine Service Co. is now estimating leadtimes on new equipment at 14 months.

This leadtime is certainly not unique within the industry. "If we could ship as fast as they order," says a spokesman for Jeffrey Mfg. Co., Columbus, Ohio, "we'd be sitting on top of the world. Right now, it's not next month; it's next year."

Manufacturers of surface-mining equipment face the same leadtime situation. Marion Power Shovel Co. Inc., Marion Ohio, gives a leadtime of "two years, possibly longer."

For the type of massive power shovels and draglines required for surface mining, there is an additional six- to 18-month on-site assembly time.

The reasons for these leadtimes, say industry sources, are individual design requirements and manufacturing space. The Cornell Workshop report also states that the power shovel and dragline manufacturers have been given 18-month leadtimes on large gear cutters, which are vital to production.

A manufacturing spokesman further states that the leadtimes are for those pieces of equipment that start design and construction now. Marion Power Shovel estimates it has a four-year backlog of orders.

Even working with tremendous backlogs and with the government pouring millions into coal technology research, the R&D departments of the manufacturers and the coal companies have certainly not been idle. Nor have the manufacturers and the operators been pursuing their own goals for technology advancement.

"The degree of success of any new mining venture or profitable continuation of an existing operation may well be decided by the relationship between the mine operators and equipment manufacturers," says Mr. McElhatten.

Because of this cooperation and understanding of each other's difficulties, spokesmen say that near-term technological advances will be mainly improvements in existing equipment and better utilization of the equipment—but with few, if any, breakthroughs.

One recent major advance is a technological development by Consolidation Coal Co., which conceivably could boost mine output by 50%.

Basically, it is a hydraulic, in-mine transport system for mined coal. The coal is crushed, slurried, and pumped from the mining machine directly to the surface.

Present operations call for coal to be ripped from the coal face by a continuous-mining machine and dumped into a shuttle car, which then moves to unload at a conveyor belt or another shuttle car for rail transport to the surface.

While the shuttle car is away from the continuous-mining machine, the machine must stop mining. Because of this delay, mining machines are able to produce only about half the time.

The Consolidation system thus is expected to allow the continuous-mining machine to genuinely be continuous.

TOMORROW'S TECHNOLOGY

After the next ten or 20 years, what promises does ultra-advanced technology hold for coal?

Engineers and unrestrained planners at Marion Power Shovel have toyed with the idea of lasers for breaking coal and stripping overburden at surface mines. However, Marion spokesmen caution that this is pure blue-sky design and nowhere near reality.

"I think that if you are talking about Buck Rogers-type technology," says a Bureau of Mines spokesman, "you are looking at fewer men underground, remote control . . . keeping men back from dangers, maybe in air-conditioned cabinets where all they will be doing is monitoring operations. Some foresee such things as surface-controlled underground mining with TV monitors. Now this is really way, way out. No one sees this as being a practical approach."

And people in the coal business are practical people. They realize what is expected of them, and they realize they can do it.

However, the immediate answer is not a well-funded, man-on-the-moon type of technology push from Washington.

A large part of the answer, however, does come from Washington—in the form of new legislation, revised legislation, and logical enforcement of existing legislation.

"We have the capability to become self-sufficient," states E. P. Berg, president and chairman, Bucyrus-Erie Co., South Milwaukee, Wis. "It is vital to our future welfare and urgent that constructive steps be taken as soon as possible. It is up to the government to enact legislation which will allow the energy industries to move forward now."

WRITER OF LEAKED MEMOS

(Mr. WAGGONNER asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, I would like to take a minute to commend Mr. Dan Thomasson for an enlightening article in the June 18 edition of the Washington Star-News.

Upholding his reputation for factual journalism and sense of fair play, he bares some interesting facts pertaining to the leaked memos from the House Judiciary Committee. It is a shame a few others are not equally fair minded and objective.

It follows:

WRITER OF LEAKED MEMOS—DIXON SERVED MCGOVERN

(By Dan Thomasson)

William P. Dixon, the House Judiciary Committee staff member whose damaging memoranda about President Nixon have been leaked to the press, was a coordinator in the 1972 Democratic presidential campaign of Sen. George S. McGovern of South Dakota.

Dixon also was one of those named in a General Accounting Office report on campaign funding violations in McGovern's Wisconsin effort.

Dixon's 14 memos, seven of which have found their way into the hands of reporters, have upset House Democratic leaders who believe the committee's investigation may be discredited. The memos have infuriated Committee Chairman Peter W. Rodino Jr., D-N.J., and John M. Doar, his chief counsel.

No one has accused Dixon of leaking the memos himself. Rodino has ordered that no more such memos be written.

Rep. Charles E. Wiggins, R-Calif., complained that Dixon's memoranda were written from an advocate's view and therefore were not accurate or complete. "Dixon was looking at only the most damaging aspects of the evidence," Wiggins said.

The memos have been extremely harmful to Nixon's case. One of them reports that Nixon told former Atty. Gen. John N. Mitchell to claim the Fifth Amendment privilege, should he be asked to testify about the Watergate break-in or cover-up.

Sources said today Doar was perturbed because he considers preparation of the memos an attempt by some of the committee's ultraliberal members to undercut the methodical, nonpartisan manner in which he has been presenting evidence to the panel.

The members who asked for and received the Dixon memos over Doar's objections, the sources said, are Democratic Reps. Robert W. Kastenmeier of Wisconsin; Robert F. Drinan of Massachusetts, John Conyers Jr., of Michigan, and Jack Brooks of Texas. All have opposed Nixon's policies and have been outspoken in their contentions that he should be impeached.

Dixon's liberal Democratic background and work for Nixon's 1972 presidential opponent were expected to cause further problems for the committee—particularly if the memos continue to be leaked.

Dixon joined the permanent staff of the Judiciary Committee late in 1973, after leaving his post as counsel to Wisconsin Democratic Gov. Patrick J. Lucey. He became a counsel on the Judiciary Committee subcommittee chaired by his fellow Wisconsinite, Kastenmeier.

One of his first tasks was to help conduct the proconfirmation investigation of Vice President Gerald R. Ford.

During the 1972 McGovern campaign, Dixon served from April to August as treasurer of the Wisconsin McGovern for President Committee. He also was state coordinator for the campaign and, after the Wisconsin primary, went to work for McGovern in other states.

On Aug. 13, 1973, the GAO issued a report stating the Wisconsin McGovern committee had violated the Federal Election Campaign Act by failing to maintain complete and accurate records of receipts and expenditures.

The report, which named Dixon and others as officers of the committee, said GAO investigators in a sample of the committee's records, found $8,100 in receipts and $7,600 in expenditures which were either not itemized or were improperly itemized.

"We found that the records maintained by the committee were not adequate to permit us to verify the financial reports submitted or for the committee treasurer to prepare adequate reports of receipts and expenditures," the report said.

"The committee did not maintain a formal accounting system, but instead used its checkbooks, which we found to be inaccurate and unreliable . . .," it stated.

COMPULSORY VOTE?

(Mr. WAGGONNER asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. WAGGONNER. Mr. Speaker, inherent in our political system are certain basic rights belonging to each citizen, and voting by the American people for those who will govern is an extension of these basic rights.

With this in mind, it is difficult to comprehend a proposal such as the one reportedly recommended by Ralph Nader in the June 10 edition of the Washington Star-News. It follows:

[From the Washington Star News, June 10, 1974]

Compulsory Vote?

Consumer advocate Ralph Nader doesn't want the right to vote merely available or safe, he wants it to be unlawful not to vote. Citing a turnout of only 49 percent in key California primary last week, Nader told a San Francisco audience yesterday that something should be done about it.

A compulsory voting law would eliminate the effort of registration drives, prevent politicians from pandering to certain blocs, and prevent government obstruction of the franchise, he said. Voters who didn't like anyone on the ballot could abstain.

The exercise of our rights are, by definition, discretionary. In fact, Congress is prohibited in both the Bill of Rights and in the Constitution in general from making laws which would abridge the basic rights of the American people. Are we to assume Mr. Nader is calling for just such a law?

While the achievement of 100 percent voter participation is in itself desirable, the practical effect of such a proposal would surely result in a deprivation of freedom to exercise the right to vote.

I would remind Mr. Nader that the right not to vote is implicit in the basic freedom just as the right to vote is spelled out. Taken to its logical conclussion, his plan suggests a Communist-like state of affairs where voting is forced on the public by the authorities, and I do not believe that situation is conducive to our brand of democratic free elections.

We certainly do not condone failure to exercise our voting franchise. But let us remember that it is a right, just as religious freedom, for example, and rather urge participation through means other than force. Here again, while church attendance might be in the best interest, forced participation in church worship would destroy the freedom of worship principle.

I wonder what Mr. Nader would suggest as a punishment for offenders. And, if forced voting is here, can forced votes be far behind? I think the alternative to our voting by right concept speaks for itself in its impracticality.

SALT I IN LIGHT OF "COLD DAWN"

(Mr. BLACKBURN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. BLACKBURN. Mr. Speaker, yesterday, I advised this body of my deep concern that President Nixon's forthcoming Moscow visit may result in a Soviet nuclear arms advantage over the United States.

When President Nixon entered into the SALT I agreement with the Soviet Union, he was riding on the crest of a wave of popularity at home. Also, the United States enjoyed clear superiority in ballistic missile warheads over the Soviet Union.

As a consequence of SALT I, however, the United States negotiated away much of that superiority to the Soviet Union. And today, Mr. Nixon prepares for his new mission to Moscow lacking the popularity he enjoyed earlier.

No one is more aware of this change of circumstances than the leaders of the Soviet Union. Few single actions have made this so clear as the action of Mr. Paul Nitze in submitting his resignation as chief U.S. negotiator for strategic arms limitation talks with those Soviet leaders.

If the reading of the language of Mr. Nitze's resignation is not sufficiently alarming; if the SALT I created facts contained in my yesterday's statement are not sufficiently sobering, I respectfully call the attention of my colleagues to the contents of the special book review "Cold Dawn," published in the June-September 1974 issue of the periodical , the Alternative.

This review was written by Prof. James E. Dornan, Jr., chairman, Department of Politics, Catholic University of America. "Cold Dawn": the story of SALT, authored by John Newhouse, is an analysis of the concessions granted the Soviets by the United States in SALT I. As suggested, it does much to underscore and justify my fear that President Nixon's new mission to Moscow could result in an acceleration of the unfavorable trends started in the earlier agreement. I submit the Dornan review for the consideration of my colleagues:

Cold Dawn

In his perceptive analysis of the impact of the 1972 strategic arms agreements upon the global military balance, the British scholar John Erickson observed that "more than one Soviet strategist and military planner these days must be still rubbing his eyes in order to make sure that he is not, after all, dreaming." Ten years ago, in the aftermath of the Cuban missile crisis, the prospect of permanent strategic inferiority must have appeared depressingly real to the Soviets; today, *mirable dictu*, after the lapse of a single decade the USSR is "not only guaranteed parity with the United States but also accorded the possibility of eventual superiority" (Erickson, "Soviet Military Power," *Strategic Review*, I [Spring, 1973, Special Supplement], p. ix).

Nearly all commentators on SALT who do not belong to the assured destruction school of nuclear strategy have rendered similar judgments; indeed, the unremitting Soviet military buildup over the past eighteen months has given rise in some quarters to fears that the Soviets may attain usable military predominance over the West by 1980. Though such views may be considered excessively pessimistic, few would today assert that the United States emerged triumphant from the Helsinski-Vienna bargaining, it is thus imperative that we extract the relevant lessons from SALT I and apply them to current and future negotiations with the Soviet Union. In particular, it is essential that we discover how and why the United States came to concede numerical superiority to the USSR in the principal instruments of modern war.

John Newhouse's *Cold Dawn: The Story of SALT** is clearly the best place to begin an inquiry into the diplomatic process which begat the Moscow accords. (His monograph has been acclaimed, in fact, as the "definitive" account of the SALT negotiations, an assertion which is empirically difficult to challenge inasmuch as it remains up to now the only account.) *Cold Dawn* is several books in one. For the general reader it may serve as an introduction to the revived debate over the proper nuclear strategy for the United States, written by an articulate proponent of one school of thought in that debate. Thus, the uninitiated will discover the logic of deterrence, basic strategic concepts such as counterforce and countervalue, and such superficially arcane acronyms as MIRV, NCA, BMD, ABM, and MAD, all explained with reasonable clarity and occasionally with wit. Beyond that, Newhouse's volume is a history of American strategic thinking over the last decade, tracing U.S.-Soviet military relations—and the origin of the strategic arms negotiations—from the early sixties to the present, with often perceptive insights into the views on American nuclear strategy which were held by principal figures during that period. Of particular interest is his analysis of Robert McNamara, who set the SALT talks in motion, he argues, to head off public pressure for deployment of a broad-coverage ballistic-missile defense system.

Finally, *Cold Dawn* is a highly dramatized account of the SALT negotiations themselves, coupled with an obvious—although seldom directly stated—defense of the results. Serious students have been repelled by the novelized style into which Newhouse frequently lapses, especially when chronicling the progress toward agreement in late 1971 and early 1972; his account is replete with "whodunit" motifs and other conceits more appropriate to a writer of suspense fiction, and suffers as well from tedious overuse of theological metaphors. All of this seems designed to persuade the reader that he is being allowed a brief look into a very secret world, whose mysteries he cannot fathom and whose decisions he must not presume to challenge. To be sure, in one sense the former statement is true: *Cold Dawn* is clearly an "insider's" account, based on leaks from one or more of those now proverbial "sources close to the negotiations"; indeed, there have been reports from other such "sources" that Mr. Kissinger himself released top-secret data to Newhouse, including transcripts of cables relaying instructions from Washington to the American negotiating team. Not surprisingly, these allegations have been denied by the secretary, and other reports suggest that Raymond Garthoff of the State Department, formerly senior advisor to the American delegation, was Newhouse's primary source of "closely held" information. In any event, Newhouse does provide us with an absorbing—if clearly partial and incomplete—glimpse into the development of the American negotiating positions and the manner in which concord with the Soviets was finally achieved.

In the process, he makes several points worth noting. He appears to reject the over-simplified "action-reaction" theory of the arms race, so beloved by Mr. McNamara (and, as Newhouse reminds us, by Napoleon), even if he substitutes for it the equally ingenuous Kissinger view which holds that arms races stem from the "inexorable march of technology." He writes knowledgeably concerning certain aspects of the American negotiating style, calling particular attention to our difficulty in maintaining requisite firmness and consistency when bargaining with the Soviets. Attention is also drawn to the time constraints placed upon the American SALT delegation by the President's insistence that an agreement be ready for signing at the Moscow Summit. Newhouse even concedes—unfortunately without elaboration or adequate analysis—that a condition of "rough parity" is not without its dangers for the West, and that in the wake of the concessions granted to the USSR at SALT I the United States has little leverage or bargaining power to exploit in the follow-on negotiations now under way. Finally, his analysis of the inter- and intra-agency bargaining which accompanies the development of every American negotiating position and invariably damages that position, often quite gravely, deserves serious study.

Newhouse's account is nonetheless most valuable for what it reveals without intending to do so.

The story of SALT is at core a story of retreat—a virtually unbroken retreat by the United States from every proposal offered and evey position taken during the course of the negotiations. Initially the American delegation proposed a "freeze in place" on offensive and defensive land-based missiles, which would have left the United States with a small ICBM margin and a protective force of twelve ABM installations (assuming funding by Congress) compared with one for the USSR. When the Soviets rejected this position, we suggested that both sides be limited to 1710 strategic launchers (then, as now, the American total). This offer too was quickly spurned; and, with what even Newhouse concedes was unseemly haste, our second offer was replaced by the famous "August 4th" proposal, which basically contemplated a freeze at a higher level for both sides, at approximately 1900 launchers. Once again, the Soviets were intransigent, and by now Kissinger had become persuaded that their objective was superiority in numbers of offensive missiles. His reaction, in Newhouse's disarming phraseology, was to accept the fact that any agreement would have to "grant Moscow . . . a sizable edge in strategic missiles," and a series of new initiatives was proffered on that basis; in rapid sequence we then retreated from most of our earlier defined "collateral restraints" designed to assure compliance with the agreement, abandoned our insistence that mobile missiles be outlawed, and dropped our demand for a clear definition of what constitutes a "heavy missile."

The final treaty, of course, limited both sides to the strategic launchers either completed or asserted to be under construction as of mid-1972, thereby affording the Russians a three to two numerical advantage. Additionally, it allowed only two missile defense sites, one protecting the national capital area (NCA) and the other protecting an ICBM field. Even in the ABM provisions the Russians gained the advantage: there was never any possibility that Congress would appropriate funds to construct an American NCA site, and the Soviets' "Galosh" system affords at least limited protection for 300 ICBM silos emplaced near Moscow.

Newhouse recounts in depressing detail this stream of American retreats, unmatched by any counterconcessions from the Soviets, although he never identifies them as such. Neither does he comment on the relationship between the U.S. failure to persuade the Soviets to meet us at least one-quarter of the way, and the American negotiating style itself. As Professor William Van Cleave, formerly an advisor to the U.S. SALT delegation, has emphasized, the United States remains "politically naïve" in its approach to bargaining with the Soviets.

"Our driving assumption," he argues, "has been that arms control negotiations are a uniquely cooperative process, wherein compromise is a mutual objective and negotiation a non-zero-sum game where both sides stand to gain mutually and equally. . . . The Soviet Union, however, seems clearly to have regarded SALT as another competitive endeavor, where the objective is unilateral advantage and where one can gain at the expense of the other" ("International Negotiations," Hearings before the Subcommittee on National Security and International Operations, Part 7, July 25, 1972, p. 200). Thus we assessed proposals not primarily in terms of their ultimate impact upon the military balance, but in terms of what we believed the Soviets might accept: negotiability was the principal criterion which shaped the successive U.S. positions. Since the Russians resolutely stuck to their basic viewpoint—an insistence on a substantial margin of numerical superiority—it was inevitable that the results of the "bargaining" would be unfavorable to American interests.

Newhouse's analysis is marred as well by a persistent effort to interpret Soviet attitudes and behavior in the most favorable way possible, and from an astonishing ignorance of Russia's military doctrine. The Soviet leadership, he believes, agreed to enter arms limitations talks in 1968 in order to curb the rising power of their own military bureaucracy, rather than to avert U.S. deployment of MIRV and ABM. The stalemate in round three of SALT is attributed to disagreements within the Soviet delegation, rather than to a calculated stall allowing further Russian missile deployments. Russian eagerness for an ABM freeze is taken as evidence that they, like the United States, believe that a situation of mutual assured destruction (MAD), in which the populous cities of each side are intentionally left vulnerable to nuclear devastation by the other, is the most stable strategic state; ignored is the possibility that the Soviets may have decided to acquire at least a partial damage-limiting capability (i.e., a capacity to limit the amount of destruction which the United States could wreak upon Soviet society should deterrence fail) based on an ability to destroy a large portion of America's own strategic force in a preemptive blow. (It is even possible that the Soviets are planning a technological leap forward to a defensive system based on such devices as the high-energy laser, not necessarily banned by the ABM Treaty.) As close students of Soviet military thought (for example, John Erickson, Thomas W. Wolfe, and William Schneider) have pointed out, there is in Russian strategic doctrine no equivalent of "assured destruction."

Indeed, mutual assured destruction is precisely the strategic state in which the Soviets found themselves towards the close of the Khrushchev era. The latter's views on the proper military posture for the USSR were found somewhat wanting during the Cuban missile crisis, and were subsequently rejected by Soviet military and political leaders alike; Professor Erickson believes that the massive post-1964 Russian military buildup has in large measure been motivated by a desire to avoid the foreign policy implications implicit in acceptance of a MAD posture (see Erickson, op. cit., pp. xi–xii). In any event, Soviet strategic thinking during the past decade has emphasized the need for *both* counterforce and countervalue options. Newhouses's gratuitous assertion that the Soviet military build up has been accompanied by "no formal strategic doctrine" is thus simply false—as even a cursory review of the available literature demonstrates.

Like the American delegation, Newhouse is unable to accept the probability that the Soviets entered the SALT negotiations deliberately seeking to gain strategic advantage over the United States. This may partially explain his failure to examine critically the various arguments offered by Administration spokesmen and by Mr. Kissinger in particular in defense of the accords. Americans have been repeatedly urged to avoid contemplating the numerical advantages guaranteed the Soviets, and to reflect instead on our likely fate in the absence of the treaty. The Soviets, Mr. Kissinger has said, were constructing 250 ICBMs and 128 sea-launched missiles a year, and by 1977 would have deployed over 2500 of the former and 1340 of the latter (on ninety boats) if not halted by the agreement. The sublimit of 318 placed on Soviet deployment of heavy missile launchers has been singled out for particular praise, on grounds that it rendered impossible or at least substantially delayed Soviet acquisition of a significant first-strike capability. Administration spokesmen have also cited the U.S. lead in warhead technology and the longer range of our sea-launched missiles as further proof that SALT has not endangered America's strategic position.

Careful analysis reveals, however, that these arguments are essentially false, and were known by Mr. Kissinger to be false from the start. Prior to the signing of the accords, Administration sources were predicting both publicly and privately that Soviet ICBM launcher deployment would level off at 1600 or so, enabling the USSR to concentrate its efforts on warhead accuracy, MIRV, and other qualitative improvements; no one either within or outside the government was anticipating further large-scale Russian deployment of land-based missiles.

Furthermore, due to a highly significant Soviet advance in launching technology—which Newhouse suggests Washington was aware of as early as April 1971—the agreement does not prevent the Soviets from adding additional ICBMs to their arsenal in any event, nor does it forestall substantial increases in the throw-weight of their missiles. (The throw-weight of a missile, of course, affects the size and numbers of warheads it can carry.) Contrary to widespread understanding, the SALT accords do not restrict the number of *missiles* each side may deploy, but only the number of *launchers*, i.e., silos or submarine missile tubes. This distinction has usually been thought to possess little significance: ignition of the missile and other effects of the launching process normally result in heavy damage to the inside of the silo, meaning that only one missile could be launched per silo (at least during a reasonably short war). Launcher damage is avoided in the case of sea-launched missiles by use of a compressed gas ejection system, which expels the missile from the tube prior to ignition, but the number of missiles which a submarine can deploy is limited in any event by the size of the boat. Now, however, the Soviets have developed a "cold-launch" technology, similar to that utilized in missile-firing submarines, for use with their ICBMs. This means not only that the USSR will have a rapid reload and refire capability, enabling them to deploy two or more missiles per silo; it will also permit them to increase substantially the size and thus the throw-weight of their missiles by eliminating the need for protective shielding in the launcher.

Both the numerical and the size restrictions contained in SALT are thus dead letters—and, let me repeat, the Administration knew when SALT was signed that they were ineffectual obstacles to further upgrading of the Soviet missile force.

Since SALT, moreover, the Soviets have taken a giant step toward perfecting MIRV technology in a series of tests involving a whole new generation of long-range missiles—a development which the Administration had been predicting for several years prior to February 1972. This new ability to launch missiles with accurate multiple and independently targeted warheads, when combined with the cold-launch technique and the basically larger size (and thus throw-weight) of the new missiles, will within a few years enable the Soviets to deploy even medium-sized counterforce ICBMs with the capacity to hit U.S. Minuteman silos. And this is quite apart from the counterforce capability already extant in their SS–9 force.

Equally disingenuous have been the Administration's arguments in defense of the SALT provisions concerning sea-launched systems. The Soviets had completed only 25 SSBNs by May 1972, with 17 to 23 more under construction, and were adding boats at the rate of 8 or 9 per year; even had they continued to build submarines at that rate (they haven't), they could have deployed no more than 65 by 1977—merely three more than permitted by the SALT agreement. The accords, therefore, "limited" the Soviets to approximately the maximum number of sea-launched missiles which they could have constructed in any event. Finally, the 62 to 44 disparity in SSBNs permitted the USSR by SALT has been justified by the shorter range of the Russian SLBMs and the lack of Soviet access to overseas bases; the USSR, Mr. Kissinger has explained, requires three SSBNs to every two of ours to maintain an equal number on station. That argument too is false, and once again was known by Mr. Kissinger to be false when he first articulated it. The Russians had been developing a 4000-nautical mile range SLBM since early 1971, and they began deploying it on their newly designed "Delta" submarines in mid-1972.

In short, the nonpolitical arguments supporting SALT I, which attempt to explain away the numerical imbalances in the accords by an elaborate analysis of the weapons systems allowed both sides, are for the most part scandalously false. To the extent that the Administration has rested its defense of the accords upon these arguments, it has deliberately deceived the American people. SALT did not in any way avert a further Soviet accumulation of strategic weapons, nor is our security guaranteed by any notable American advantages in warhead or submarine technology. SALT did not halt or even retard the arms race, at least on the Soviet side. Rather, it signaled the abandonment by the United States of its promising ABM system; we are thus unable to protect our missiles and thereby enhance deterrence in the face of a growing Soviet counterforce capability, or to protect our population should deterrence fail. In addition, SALT formally registered acceptance by the United States of a significant Soviet advantage in strategic weapons—an advantage certain to increase substantially in the future. The potential political consequences of the accords in Europe and elsewhere have yet to be carefully analyzed, but the possibility that the Soviets will be able to translate their military gains into political advantage as well cannot be denied.

As I have indicated, there is no reason to doubt that the Administration—Secretary Kissinger in particular—is aware of the above considerations. The question thus remains: what advantages did Nixon and Kissinger perceive for the United States in the SALT agreements? Why, in a word, did SALT happen? To ascertain the answer one must leave Newhouse and scrutinize the more basic Administration views on military and foreign policy.

Available evidence indicates, for example, that Secretary Kissinger himself is a MADman, although the record is not without its ambiguities. In the scholarly writings which first brought him academic fame in the middle and late fifties, he quite directly identified himself with the "finite deterrence" school of nuclear strategy, whose members believed that the maintenance of a stable military balance between the superpowers would be a relatively easy task once each had acquired an invulnerable second-strike force; under such conditions, he argued, disparities in the actual numbers of missiles possessed by each side would normally be unimportant. Although in *The Necessity for Choice* (1960), he expressed concern for the allegedly impending "missile gap," he vigorously attacked those who argued that to achieve stable deterrence the United States should acquire at least a limited counterforce capability; such a posture, he argues, would be "provocative" to the Soviets and might overly stimulate the arms race. For more than a decade he has rejected the view that nuclear weapons are useable for political purposes; his solution to the dilemma implicit in the "assured destruction" strategy in the development of a subsubstantial limited-war capability by the NATO alliance.

Mr. Nixon's views are more ambivalent. In each of his annual State of the World messages (apparently drafted by Mr. Kissinger) he has attacked the "assured destruction" posture for its lack of flexibility, asking whether he ought to be restricted to responding to a nuclear attack—presumably meaning an attack directed primarily at U.S. military targets—by "ordering the mass destruction of enemy civilians, in the face of the certainty that it would be followed by the mass slaughter of Americans" (*1970 Report,* p. 122). But until this year the President had not seriously attempted to persuade Congress to appropriate funds for the kinds of hard-target weapons which would provide other options; in fact, it is well known that on several occasions the Administration decided not to go ahead with a hard-target warhead program as a gratuitous gesture of goodwill to the Soviets. Moreover, the SALT process itself provides a vital clue to the Nixon-Kissinger nuclear strategy: as Professor Van Cleave and Donald G. Brennen both have observed, in formulating American negotiating positions no serious consideration was given to any alternative other than a MAD posture (see Van Cleave *op. cit.,* p. 205, and cf. Brennan's testimony on SALT before the Senate Committee on Foreign Relations, reprinted in *Congressional Record,* vol. 118, pt. 18, p. 23623).

Indeed, while defending the accords during his post-SALT congressional briefing, Kissinger emphasized that the primary strategic result of the agreements was to ensure the mutual vulnerability of each power, and expressed his hope that SALT II would produce an agreement that would make counterforce strategies impossible for both sides.

The Administration could therefore adopt the SALT agreement with enthusiasm—and employ false arguments concerning the present and future military balance in defending it—because Nixon and Kissinger believe, in accordance with the dictates of the MAD strategy, that only at some vague and undefined level do weapons disparities between the two powers assume military or political significance. Newhouse, also a self-confessed MADman, makes no attempt to evaluate this assumption.

Neither does he challenge the final argument for SALT: that whatever their technical deficiencies the accords are worthy of support because they contribute to détente, and that détente, in turn, will in the last analysis ensure their viability. The agreements, Mr. Kissinger stated during the congressional briefing, "must be soon as a political event of some magnitude . . . any country which contemplates a rupture of the agreement or a circumvention of its letter and spirit must now face the fact that it will be placing in jeopardy a broad political relationship."

The viability of MAD ultimately rests on the belief that deterrence will never fail; and for Nixon and Kissinger, this assurance in turn ultimately rests on the unshakeable conviction that détente is a reality. Thus it once again becomes clear, as I have argued at length elsewhere from a different perspective (see "The Nixon Doctrine and the Primacy of Détente," *Intercollegiate Review,* IX (Spring, 1974), forthcoming), that détente is both the wellspring and the ultimate goal of the Nixon Administration's entire foreign and military policy. So far Nixon and Kissinger's trust in the Soviet commitment to détente appears unshaken; other Administration figures such as Secretary of Defense James Schlesinger and Iklé, alarmed at the massive and continuing Soviet military buildup since SALT I, are increasingly doubtful.

Newhouse notes in one of his more analytical moments that an arms control agreement may be either stabilizing or destabilizing, depending on the motives of the parties; a one-time student of history named Henry A. Kissinger has also warned us that "the danger to the equilibrium is never demonstrated until it is already overturned" (*A World Restored* (1964 ed.), p. 163). It remains to be seen whether the damage to the strategic equilibrium wrought by SALT I will be rectified or reinforced by SALT II.

CIGARETTE PLUGOLA

(Mr. VAN DEERLIN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. VAN DEERLIN. Mr. Speaker, at the appropriate time tomorrow, when the House is considering the new agricultural appropriations legislation, I intend to offer an amendment to cut off funding for the overseas promotion of U.S. tobacco products.

Believe it or not, we are still helping underwrite cigarette advertising in Thailand and Austria, to the tune of $130,000 a year.

With smoking officially labeled a health hazard in this country and cigarette ads banned from the air waves, it is nonsensical to continue this particular sales pitch overseas.

The marketing agreements under which we help peddle cigarettes in Austria and Thailand of course predate the Surgeon General's findings about the perils of smoking. Yet they continue to exist and be renewed, as if imbued with lives of their own.

The text of my amendment, which would end these anachronistic agreements, follows:

Amendment to H.R. 15472, appropriations for Agriculture, Environment, and Consumer Protection:

On page 18, immediately after line 15 insert the following: "*Provided further,* That no funds contained in this appropriation shall be available for the promotion or advertising of tobacco or any tobacco products in foreign nations".

STATEMENT ON CARGO SECURITY BILL

(Mr. PICKLE asked and was given permission to extend his remarks at this point in the Record.)

Mr. PICKLE. Mr. Speaker, I am today submitting a bill for House consideration which is designed to attack cargo theft and loss within all modes of transportation—truck, air, rail and water. Senator Bible has introduced the bill in the Senate, and I now submit it to my colleagues.

Cargo loss and theft have so increased that legislative action in mandatory. If we do not take steps to assure cargo security, our national economy will suffer. Senator BIBLE contends that "thievery, pilferage, hijacking, and unexplained loss of cargo" in the transportation industry costs us anywhere from $1.5 billion to $2.8 billion a year. When indirect costs are added, the total figure is an estimated $8 to $10 billion. Today's cargo theft and loss rates benefit no one except organized crime; consumers pay crime-inflated prices and small businesses wage a continual battle to survive in the face of devastating losses.

The Federal Government has a responsibility to promote methods to enhance the safety of cargo transport and storage. The bill that I submit meets that responsibility. According to the provisions of the bill, Federal transportation regulation agencies—specifically the ICC and the CAB—shall establish minimum security performance standards for road, air, and rail carriers. Reports of losses filed with the agencies are to be monitored, and those carriers that fail to meet the performance standards will face fines and the possibility of revocation or suspension of their operating permits.

The Secretary of the Treasury is authorized by the bill to require water carriers to report their losses to the Bureau of Customs. The Secretary may also establish security measures to protect and safeguard cargo at terminals at a port of entry.

In addition to the performance standards and security measures provided for in the bill, an interagency council is authorized. The council is to be established within the executive branch to coordinate all cargo security activities of the ICC, the CAB, and the Treasury, Transportation, and Justice Departments. The Transportation Department is also required to design pilot programs to demonstrate different cargo security systems and to develop advisory security guidelines.

I would like to emphasize that the bill does not establish standardized regulations for all carriers, but rather allows each transportation regulation agency to establish standards tailored to the specific needs of the different carriers. Furthermore, no new or novel Federal power is created. The bill simply broadens the activities of the agencies that already regulate transportation. The development of performance standards is consistent with the activities already performed by the regulatory agencies which set fines and embargoes for the movement of unauthorized goods and for operating in unauthorized areas. And finally, the bill does not seek to control carriers. Air, rail, and truck carriers are still left on their own initiative to adopt security steps where their loss-theft record shows need. The Secretary of the Treasury may develop security measures for water carriers, but these carriers may at any time petition the Secretary for withdrawal of the measures.

I urge the House to respond favorably to the bill. Such legislation is necessary. If we fail to take legislative action, we can only lose while organized crime prospers.

U.S. NEEDY FOUND POORER, HUNGRIER THAN 4 YEARS AGO

(Mr. BURKE of Massachusetts asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BURKE of Massachusetts. Mr. Speaker, I want to take a moment from our proceedings today to reflect upon an article which appeared in this morning's New York Times, relating the testimony before the Senate Select Committee on Nutrition and Human Needs. Consider this fact:

> The needy in this country are hungrier and poorer than they were four years ago, despite great increased spending on food programs, and rising world agricultural output has brought little benefit to the hungry abroad.

The experts surmised that the outlook for improvement is grim. Mr. Pollack, director of the Food Research and Action Center of New York, testifying before the Panel said:

> I would be pleased to tell you that we have made substantial progress in the effort to eradicate hunger. However, to do so would be untruthful. For the sad and tragic truth is that, over the past several years, we have moved backward in our struggle to end hunger, and poverty, and malnutrition.

Mr. Speaker, while the Federal outlay for special food programs has doubled in recent years, it is clear from the testimony given yesterday, that the country has moved backward in its efforts to eradicate hunger and malnutrition. People, and not just the poor, can no longer afford nutritious food. It is time for the Congress to adopt a new approach. We must encourage the American public to grow what they can. This is a sound and reasonable approach, a fisically responsible approach, which can serve as an adjunct to our special food programs.

I have introduced legislation to encourage the American family to begin producing what they can. The Department of Agriculture at a cost of $6 million would distribute free seeds for use in home vegetable gardens to individuals upon request. Second, I have won tentative approval by the House Ways and Means Committee for my proposal to provide a 7-percent investment tax credit for the home gardener for purchase of garden tools and equipment up to $100.

I believe that the testimony given in the Senate yesterday impels this Congress to consider new approaches to this country's food and nutritional needs, and I believe that my proposals offer this opportunity.

The article follows:

U.S. NEEDY FOUND POORER, HUNGRIER THAN 4 YEARS AGO

(By William Robbins)

WASHINGTON, June 19.—The needy in this country are hungrier and poorer than they were four years ago, despite great increases in spending on food programs, and rising world agricultural output has brought little benefit to the hungry abroad, a wide range of experts told the Senate today.

Furthermore, the outlook for improvement is grim without massive changes in production and distribution systems, population patterns, income levels and aid programs, the experts told the Senate Select Committee on Nutrition and Human Needs.

These were among the conclusions of a four-month study by about 100 specialists from universities, business and the professions, who had been commissioned by the committee to explore world food and nutrition problems.

The committee was divided into two panels to conduct hearings on the experts' reports in two large conference rooms crowded with listeners. The hearings will continue through Friday.

"PLOWSHARES FOR PEACE"

In opening one of the hearings, Senator George McGovern, Democrat of South Dakota, who is chairman of the committee, proposed a "great American initiative" that he called "plowshares for peace."

"I believe this conference should be an opportunity for a new, bolder initiative," Senator McGovern said. "If food for peace was the great American international agricultural initiative of the nineteen-sixties, then I believe that another kind of program—one that might be called plowshares for peace—might be the great American initiative for the nineteen-seventies and beyond."

His proposal, especially, was a program that would help developing countries become more productive and incorporate some of the recommendations from the study group.

In the United States, inflation has exacted a heavy toll on the poor and the aged, the head of one panel of the experts reported.

"Over the past three to four years, our nation's needy have become hungrier and poorer," said Ronald Pollack, director of the Food Research and Action Center of New York, who headed a 26-member study panel on "nutrition and special groups."

THREEFOLD INCREASE

Mr. Pollack noted that Federal spending on food programs had increased three-fold between the fiscal year 1970 and the fiscal year 1974. But he said:

"I would be pleased to tell you that we have made substantial progress in the effort to eradicate hunger. However, to do so would be untruthful. For the sad and tragic truth is that, over the past several years, we have moved backwards in our struggle to end hunger, poverty and malnutrition."

Mr. Pollack's testimony was based on a 185-page report by his group, which illustrated the slide of the needy into deeper poverty.

Between March, 1973, and March, 1974, the study showed, the retail cost of the Agriculture Department's Economy Food Plan—that on which food stamp allocations are based—increased 21 per cent, while the retail cost of the department's Liberal Food Plan—designed for higher-income families—increased 16.9 per cent.

"The poor have been victimized far more by the vast food price increases over the past several years than have any and all of the other economic classes in our country," Mr. Pollack said.

AN UNAVAILABLE OPTION

One reason, his report showed, is that the low-income family spends a larger proportion of its income for food. Another is that higher-income families have been "spending down," that is, buying cheaper types of food, an option that is not available to the poor.

"There simply were no cheaper food items to which they could 'spend down,'" Mr. Pollack said.

And because of the increased pressures on the cheaper types of food, their costs have increased disproportionately. He cited these examples:

While pork sausages increased in price by 68.8 per cent between December 1970, and March 1974, rib roasts increased 43.3 percent; while hamburgers increased 60.3 per cent, porterhouse steaks increased 38.2 per cent, and while dried beans increased 256 per cent, canned tomatoes increased 20.5 per cent.

The report brought the effects to life on the basis of an interview among a small sample of low-income families around the country. It cited families that had switched to buying dog food for protein, and others with little or no food in their homes and little or no money to buy any, such as the following:

"Several Indian families were found surviving on chocolate bars and state coffee.

"In Walton County, north Georgia, we visited a family who had been illegally denied food stamps. There was nothing to eat in the house but Wonder Bread and hog jowls.

BREAD AND CEREAL

"In the same county a pregnant woman who earns less than the mimimum wage and her unemployed husband had been denied food stamps. They were living on a diet of mostly bread and cereal, having milk only with coffee and meat only once or twice a week."

One reason for the backward slide of poor families, the report showed, was that food costs have risen faster than food stamp allowances and other forms of food assistance and faster than welfare payments.

"We must not be fooled: Food programs are no solution to low wages, to discrimination, to poverty," the report said.

But in the absence of improved incomes or an income-maintenance system, it recommended a number of improvements in food programs.

The report said the aid provided needs to be increased to supply adequate nutritional balance, but—noting that only 35.7 per cent of the 37 million people eligible now receive food stamps—administration of aid programs needs to be improved and greater efforts made to reach those eligible but unaware of the help available.

RECENT DISCLOSURES AND LEAKS OF COMMITTEE MATERIAL

(Mr. FISH asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. FISH. Mr. Speaker, I deplore recent leaks to the press of classified documents and advocacy, and hence, prejudicial briefs that are in the possession of committee members. To be sure, most classified documents we have are also in the files of the FBI, the CIA, the White House, and other congressional committees.

The source of all leaks is not known, but what is known is that for 4 months while the inquiry staff had sole possession of the evidence it was assembling, there were no leaks. Only after the presentation of the evidence to the full committee have leaks occurred.

Classified documentary evidence which came into the committee's possession from the grand jury or the Special Prosecutor was tendered with the understanding that the committee's own rules of confidentiality would apply. Publication of this material could jeopardize fair trials for indicted Watergate defendants, prejudicing their rights as well as those of the prosecutors.

Mr. Speaker, release of a classified document bearing on Dr. Kissinger's role in wiretapping was improper. One of the reasons the Judiciary Committee is conducting closed sessions is because the rules of the House of Representatives mandate closed hearings when the information sought "might tend to defame, degrade, or incriminate any persion * * *." Clearly, this publicly tends to defame Dr. Kissinger and violates the purpose of having closed hearings.

Leaks, Mr. Speaker, demean the stature and dignity of the Judiciary Committee's inquiry. Our staff is, in my view, presenting evidence in an honorable, fair, and professional manner. The committee has showed restraint in the face of criticism, diligence in carrying out its responsibilities which are of a high constitutional order, and on the whole, a commendable objectivity which was earning favorable public reaction.

All committee members realize we are involved in historic and unprecedented inquiry involving the most radical surgery of our constitutional system. I have often said that the way we conduct ourselves, the manner and thoroughness in which the inquiry is carried out, and the quality of our legal and moral analysis is more important than the ultimate vote. In the final analysis, the House of Representatives will be judged by the American people and by history on how we have responded as an institution to a constitutional process.

Mr. Speaker, we are presented with an opportunity, by our example, to help restore a degree of public confidence in governmental institutions. It must be obvious to those responsible that leaks are having the effect of undermining the credibility of the committee. I pray that leaks will stop and prove to be a temporary aberration that will not further scar our proceedings.

AFRICAN POLICY AND BLACK AMERICANS

(Mr. YOUNG of Georgia asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

Mr. YOUNG of Georgia. Mr. Speaker, certain American ethnic groups have had a decisive voice in shaping U.S. foreign policy toward their homelands. Yet the largest "minority" in the United States—black America—has had little to say about American policy on Africa.

A recent issue of Foreign Policy published an important article on this subject by Martin Weil, a lecturer in political science at UCLA.

As the article suggests, black Americans have an opportunity to organize an effort to make United States-African policy consistent with the rights and aspirations of the peoples of Africa.

I submit Mr. Weil's article for inclusion at this point in the Record:

CAN THE BLACKS DO FOR AFRICA WHAT THE JEWS DID FOR ISRAEL?

(By Martin Weil)

"Our actions in the field of foreign affairs," George Kennan has written, "are the convulsive reactions of politicians to an internal political life dominated by vocal minorities." The activities of the Polish Catholics and the Jews since World War II amply confirm Kennan's statement. The Poles strengthened cold war fever; the Jews, the passion for Israel. American blacks, however, the largest minority of all, constitute an exception. They have had no visible impact on American policy toward Africa. The Poles and the Jews have been active and successful; the blacks, quiescent and ineffective. The reasons for this disparity and the likelihood of change are the subject of this article. This is not a fanciful exercise. Sooner or later, the United States will have to confront the emergence of powerful political pressure hostile to American policy in Africa. Whether the response is even handed or antagonistic (it is unlikely to be sympathetic) will depend greatly on whether or not an effective black lobby for Africa exists.

Ethnic influence over American foreign policy requires (1) an electoral threat, (2) a lobbying apparatus, and (3) a successful appeal to the symbols of American nationhood. An examination of the sources of Polish Catholic and Jewish leverage over postwar American foreign policy will describe the conditions necessary for a comparable African lobby.

ELECTORAL THREAT

The most potent electoral threat is to shift loyalties from one party to the other; the lesser threat is to shift loyalties from one candidate to another within the same party. The Poles used the first, the Jews used the second.

Polish Catholics were first perceived as a potential swing group on foreign policy issues during the 1944 Presidential election campaign. Uneasiness over possible acquiescence by Roosevelt to Russian designs on Polish territory threatened to loosen traditional Polish moorings to the Democratic party. Republican attempts to capitalize on this situation and Democratic efforts to escape responsibility helped to foster an anti-Communist consensus that endured for a generation. The winter-take-all electoral college system made Democratic politicans acutely sensitive to the home country loyalties of urban ethnic groups.

Although Roosevelt won 55 percent of the popular vote to defeat Wilkie in 1940, and had an electoral college margin of 499 to 82, his majorities were deceptive. The President won 191 electoral votes in the hotly contested industrialized states of the Northeast and the Midwest. If these states had all swung to Dewey in 1944, the Republicans would have won the White House. They all had been squeakers. Roosevelt lost Michigan by 6,926 votes (out of a total of 2.1 million) and Indiana by 25,403 votes (out of a total of 1.8 million). His winning margins in Wisconsin, New York, Ohio, and Illinois were slim. In fact, if the Republicans could have picked up a million votes in these key states—only a 2 percent gain in the nationwide popular vote—Roosevelt would have lost in 1944, even though he still would have had 53 percent of the popular vote. By inducing disruptions in the Roosevelt coalition, Democratic power could have been undermined.

The key pressure point in this jujitsu theory of electoral politics was the Catholic vote. Nine million Catholics had cast ballots in the 1940 contest; 7 million of them for Roosevelt. If Dewey could have held Wilkie's vote and gained 20 percent more of the Catholic vote, he could have won in 1944. The Polish Catholics were the main focus of Dewey's Catholic strategy. The Jews and Negroes, after all, were indissolubly bound to Roosevelt; the WASP's were largely Republican already. The Poles, however, were 90 percent for Roosevelt in 1940, longing for the liberation of Poland. If the Grand Alliance could have been made to appear as a conspiracy to subject Poland to Russian tyranny, the Polish vote (about 2 million) might have been open to the Republicans.

The Republican strategy, although centered on the Poles, was aimed at Catholics in general. Wartime polls showed Catholics persistently more pessimistic about the chances for cooperation with Russia after the war than Protestants. A private poll, conducted for Roosevelt in September 1944, projected a 10 percent drop in his Catholic support from 1940 and estimated that fears of Russian intentions accounted for much of the shift. This could be expected to continue if

Italy and Poland became Communist after the war. The Catholic vote was the pivot upon which the Democratic party and Roosevelt's foreign policy turned.

The most influential Republican senator in foreign affairs was Arthur Vandenberg of Michigan, a ranking member of the Senate Foreign Relations Committee. Vandenberg was extremely sensitive to the nationalistic feelings of his many Polish constituents. He was also well aware of the desire of his Republican colleagues to exploit an issue which might break up the Roosevelt coalition by changing the salient issue from labor rights to the fate of the homeland and of Catholic brethren everywhere. Vandenberg urged Dewey to include a veiled promise to restore the prewar status of Poland and the Baltic States in the 1944 Republican platform. "I think," he wrote, "that we are entitled to take advantage of this tremendous political potential." Raymond L. Buell put the matter bluntly in a letter to John Foster Dulles, Dewey's foreign policy adviser: "There are about 5 million Polish-American voters, hitherto for Roosevelt, who will shift if the Republicans view on this question is clarified in the right way. . . ."

Dewey could not resist. He launched an all-out attack, during the 1944 Presidential campaign, on so-called Communist influence in the Democratic party. A Roosevelt re-election, he implied, would mean abandoning the Eastern European homelands to Stalinist tyranny. Warren Moscow of the *New York Times* reported: "That the Dewey camp is interested in the Polish vote and the Italian vote, and is counting on dissatisfaction with what is going on in their homelands among these racial groups is too open to be called even an open secret." Dewey concluded his campaign with a thundering speech against Communism, which he delivered in Boston (the heartland of Catholic orthodoxy). "Dewey," noted Marquis Childs, the day before the election, "has gone a long way in his effort to set bloc against bloc, to frighten the Catholics and alarm the Poles. . . ."

MARGIN OF VICTORY

The margin of Roosevelt's victory upset the Republicans. Particularly disturbing was the wholesale defeat of Republican congressmen in the large industrial centers they had tried so hard to crack. The "sellout" issue was so impotent that the Republicans actually lost seats in the areas in which it was employed—areas that had few remaining Republican congressmen anyway. Vandenberg was dismayed. "I can . . . fully understand," he wrote to one of the few Republicans in our own Michigan area are also in the CIO and that these labor considerations were much too strong to be offset by any doubtful considerations in behalf of the old fatherland." He then asked "in connection with my own decision in respect to 1946 whether it is inevitable that this vote in Michigan will continue to be almost completely Democratic." Fearful that the answer would be yes, Vandenberg considered retiring gracefully from the Senate in 1945 rather than facing the CIO headquarters in 1946. "Vandenberg's majority in 1940 was 85,000," noted one reporter. "The prospect for 1946 discourages him." And he quoted Vandenberg: "I have to remember that there are 700,000 members of the CIO in Michigan and they are out to get me."

The first post-Yalta election in Michigan revived the hope that anti-Communism might still be the Republican's best hope. In the spring of 1945, Wayne County, regularly two-to-one Democratic and overwhelmingly pro-Roosevelt the previous November, went Republican for the first time in 15 years by a 5,000 majority. Other Polish districts registered a similar shift. Some congressmen of Polish descent even considered switching parties to escape the Yalta backlash. In these circumstances, Vandenberg and other leading Republicans could see no alternative but to continue pressing the Communist issue. Only by luring the Catholics away from the solid Democratic-labor coalition could they avoid annihilation. This strategy, as the 1944 election indicated, might not work, but it was better to go down fighting than meekly to await the CIO executioners. The dazzling success of the CIO Political Action Committee in eliminating anti-labor congressmen in the 1944 election convinced the desperate Republicans that unless they could change the terms of interparty debate, a resurgent New Deal allied with a growing labor movement and mushrooming working-class birthrates would relegate the GOP to permanent minority status. Vandenberg continued to care about Communist advances in Eastern Europe because he could no longer ignore the CIO advances in Wayne County.

Fearful that a Vandenberg denunciation of American "appeasement" toward Russia might split the Democratic party and presage a re-enactment of Woodrow Wilson's post-World War I impotence, President Truman and Secretary of State James F. Byrnes protected their flank by a suitably intransigent negotiating position. Byrnes' last genuine effort at playing "peacemaker"—at the Moscow Conference in December 1945—drew such heavy fire from Republicans (and Truman) that he quickly retreated. Electoral impetus for a hard line complemented similar Pentagon and State Department urgings. This conformity of bureaucratic and electoral pressures helps to account for the universal acceptance of cold war thinking by American politicians. White House counsel Clark Clifford's blueprint for the 1948 campaign acknowledged the electoral advantages of an anti-Communist foreign policy. "The Catholic vote," he wrote, "is traditionally Democratic. The controlling element in this group today from a political standpoint is the distrust and fear of Communism. . . . The attitude of the President and the Administration toward Communism should exert a definite appeal to this group. . . . There is considerable political advantage to the Administration in its battle with the Kremlin." Clifford was right. The Poles and other Catholics flooded back to the Democratic standard in 1948, putting Truman in the White House despite the Thurmond and Wallace revolts.

The Republicans, needless to say, were stunned. Dewey's strategy of minimizing Red-baiting in the campaign, so as not to complicate his dealings with foreign governments after his expected victory, clearly proved too optimistic. Truman, by his thunder against Wallace, had stolen the best issue of the campaign away from its original inventors. Oh, but for the Dewey of 1944! The rising crescendo of wails about Communism in the government was a calculated move to rectify Dewey's mistake. Joe McCarthy was the agent, the "liberation" of Eastern Europe was the slogan, in this latest and most desperate effort to win a Republican victory. Ironically enough, had Dewey won in 1948, the United States might well have been spared the worst excesses of the McCarthy period.

The Jews And Israel. The scramble for the Catholic vote rested on the peculiar political complexion of the Catholic electorate—liberal on economic issues, conservative on social issues, anti-Communist in foreign policy. Depending on how these various issues were intertwined in a campaign. Catholics might swing right or left at the polls. Or so it was felt. The Jews, solidly wedded to the Democratic party in all circumstances, did not pose such a threat. No Republican has expected substantial Jewish support since Truman's dramatic recognition of Israel in 1948. The unremitting liberalism of Jews on social and economic issues—at least until the 1972 election—has reinforced Republican inclinations to write off the Jewish vote. Jewish leverage, therefore, has been confined largely to Democratic primaries.

Prior to 1948, however, Democratic politicians feared that the Jews, over 90 percent Democratic, might swing Republican if Truman did not support Zionism, a course that brought him into conflict with his own diplomatic and military advisers as well as with the British. For example, Secretary of State James F. Byrnes, in a tortured conversation with British Ambassador Halifax in October 1945, urged the British to take a more pro-Jewish stand. He admitted that he "had not followed" the problem but added: "Quite frankly, I am thinking about the New York City election . . . the President, . . . has to think about that." And this was only a municipal election! Truman himself was stimulated by his close friend and former haberdashery partner, Eddie Jacobson, a devout Zionist, as well as by a lively sense of his own political welfare. Exasperated at the relentless Jewish pressure, he could exclaim, "Jesus Christ couldn't please them when he was here on earth, so how can anyone expect that I would have any luck?" But is bowed to the pressures. Receiving word a month before the 1946 congressional elections that Dewey planned a full-scale attack on his Palestine policy. Truman demanded, in a Yom Kippur eve statement, that the British throw Palestine open for immediate immigration of 100,000 Jews. Ethnic adviser Dave Niles drafted the release. Democratic National Committee executives, fearful that the Democrats could not beat Dewey without the New York Jewish vote, breathed a sigh of relief. The political angle, noted Henry Wallace, "is the one angle of Palestine which has a really deep interest for Truman."

By identifying so completely with the Democratic party after 1948, however, the Jews reduced their electoral leverage over a Republican President almost to zero. Anthony Eden learned this, to his chagrin, in 1956. Confident that Eisenhower would not risk losing the Jewish vote in New York on the eve of the 1956 election, he assumed that Israeli participation in the attack on Suez would guarantee American silence. But Eisenhower did not have to worry about losing the Jewish vote. He never had it. The Jews, at every income level, voted 75–80 percent Democratic. He could hardly outbid the Democrats in his support of Israel. And, short of that, the Jews had no reason to alter their traditional voting habits. Even if he were eager to garner every loose vote in sight, there were better ways than tacitly supporting British imperialism, hardly a popular motif in American politics. "Eisenhower evidently wanted to win big," writes Richard Neustadt, chronicler of this episode. "By this reckoning, a Jewish vote might serve as well as anybody else's, but no better, and a stance for 'peace' pleased all." Anti-British sentiment proved a more effective vote-catcher than pro-Jewish feeling.

A weakening of electoral sanctions, however, does not necessarily mean a decline in political impact. Jewish leverage is not confined solely to ballot pressure, nor was the Polish leverage. In the diffuse system of American politics, an effective lobbying apparatus acts as a magnifying glass. A narrow electoral beam, properly focused, can ignite a blaze of influence. The Poles and the Jews were both expert political arsonists.

LOBBYING APPARATUS

The Rozmarek Machine. The anti-Communist militancy of many politicians reflected the desire for revenue fostered by Polish-American leaders. Charles Rozmarek, political boss of Chicago Polonia, began the campaign by organizing the Polish-American Congress in 1944 to pressure Roosevelt into reconstituting Poland after the war. Inspired by Paderewski's success with Woodrow Wilson during World War I, he brought together representatives from all Polish religious, fraternal, and welfare organizations for a giant conclave in Buffalo. David Niles predicted that it would "go down in history as the most colossal piece of organizational work" and painted a grim picture of Polish voters, led by a clerical vanguard, marching in ranks to the Republicans. At the urging of Niles, Harry Hopkins, and Chicago Mayor Edward J. Kelley, Roosevelt held a private meeting with Rozmarek in Chicago a few days before the election, to forestall a Dewey endorsement. Rozmarek held his fire, but after Yalta, he recalled, "we went after him hammer and tongs." As a young man, Rozmarek had paid nearly a week's salary to hear Paderewski speak to a Polish group in Scranton, Pennsylvania. He never forgave Roosevelt for thwarting his ambition to be the Paderewski of World War II.

Much of Rozmarek's ideological fervor came from the intelligentsia of the prewar Pilsudski dictatorship; the "motorized emigrés" who had fled Poland in automobiles as Nazi armies closed in on Warsaw. Indeed, the exile campaign to mobilize American Polonia became so pronounced that the Justice Department forced ideologue-in-chief Ignacy Matuszewski to register as a foreign agent. Roosevelt, irate at the government-in-exile's agitation against his policies, nearly expelled Polish Ambassador Ciechanowski for "violation of diplomatic proprieties." Rozmarek worked closely with the Polish Embassy in Washington and, in fact, was chatting with Ciechanowski when word came that allied recognition of his government had been terminated. "He was depressed," Rozmarek recalled. It was hard for us to understand that . . . recognizing an illegal government in place of one that had fought side by side with the Americans at Monte Cassino . . ." The emigrés continued to provide intellectual leadership to the Polish-American community after this July 1945 disaster. Vandenberg himself used them as brokers. In December 1945, he met with two former Polish diplomats to urge them to deliver Polish votes to the Republicans if they desired his continuing support.

While the emigrés wooed the Right, Rozmarek was actively at work on the Democrats. "We had officers throughout the country," he recalled. "When we'd meet in Washington, we'd all drop in to see our representatives . . . keep our contacts up." With Mayor Kelly's help, he brought pressure to bear on Byrnes to grant Russian-hating exile General Bor a visa to the United States for the 1946 Polish Constitution Day celebration in Chicago. Less than enthusiastic about an anti-Russian demonstration in Chicago, Byrnes said, "Ed, I have no objection but what will the Russians say?" Kelly said, "The hell with the Russians! I haven't got any *Russians* here. I have *Poles* in Chicago!" Bor got his visa but with the stipulation that he not travel outside of Chicago. In fact, he stayed three months and toured widely. "I can't help it," Rozmarek explained, "if a committee of five comes here and kidnaps him and takes him out to Detroit." With Rozmarek's encouragement, Polish Democrats in Congress deliberately slandered the postwar regime. Representative Thomas S. Gordon, returning from a trip to Poland in October 1945, wrote an article for the Chicago Polish language newspaper depicting lawlessness, rape, violence, and sacrilege as the norm in the new Poland. He also charged that he had not been permitted to meet with Western-sympathizing Polish leaders. Even the State Department was appalled at Gordon's "misstatements." When asked for a retraction, he refused, though he promised to be more scrupulous in the future. Gordon did not want any favorable information about the new regime, however truthful, to pass through his lips. Rozmarek also had "the boys" introduce a bill in Congress for the investigation of the Katyn massacre as a way of propagating the image of Communist butchery. "They found the Soviet Union guilty," he dryly noted.

The Fight For Israel. The Jews, if anything, exceeded the Poles in their flair for lobbying, making up in organization what they lacked in strict electoral clout. They single-handedly defeated a joint Pentagon and State Department campaign to stifle the new state of Israel with an arms embargo. The breaking of this embargo—the creation of an arms-running and supply underground from the United States to Palestine—played a critical role in sustaining the new Jewish state against British-supplied Arab armies.

At the apex of this illegal organization presided a group of Jewish millionaires called together by David Ben-Gurion in the summer of 1945 to set up a military lifeline from America to Palestine. These individuals had connections in every industry in the country. They supplied money, manpower, and political protection to the young technicians and activists who set up dummy shipping firms, trucking outfits, and warehouses to move the goods east. Irish judges, sympathetic to underdogs fighting the British, looked the other way at infractions in New York City, the heart of the enterprise. When a clandestinely designed machine gun was discovered at the Canadian border, New Deal economist Robert Nathan appealed directly to J. Edgar Hoover to quash the investigation, which threatened to unravel the entire apparatus. "Would any of the weapons be used in the United States?" Hoover asked. "Would any of them be used against the United States?" "Absolutely not," Nathan replied. Hoover cooperated. Perhaps the FBI was still smarting from run-ins with British intelligence during the war, or perhaps Hoover wanted no distractions from Communist-hunting. In any case, Nathan's successful appeal was emblematic of the extent of Jewish connections in American politics. A secret air force created from surplus war planes in Burbank was flown out of the country with the aid of the cousin of the President of Panama, who arranged to set up a national airline to handle the transaction.

General Anastasia Somoza, dictator of Nicaragua, offered—for a price—similar cover for arms shipments. New York attorney Nathum Bernstein, the mastermind of the American underground, ran an espionage school for Palestinian Jews in New York, drawing on his Office of Strategic Services (OSS) experience. Without financing, nothing would have been possible. Golda Meir raised $50 million from the American Jewish community in a single whirlwind speaking tour. In every capillary of the vast American economy were sympathetic Jews willing to help. A half century of immigration, education, and upward mobility had created the potential for a Zionist organization as or more powerful in its sphere than the appointed agencies of the U.S. government. The Jewish community not only influenced American foreign policy but ran its own clandestine foreign aid program from American soil.

After partition was secured by arms, Israeli officials cultivated close ties with their counterparts in the Pentagon, CIA, and even the State Department, blunting and in some cases reversing the hostility that existed before Israel had official status. Any President who thought measured coercion of Israel was essential to a settlement in the Middle East would no longer merely have to consider the small Jewish vote. He would also have to fight powerful elements of the national security bureaucracy.

SYMBOLIC POLITICS

The skill of the Poles and the Jews in exploiting the American system of open politics guaranteed that they would get the maximum mileage out of the votes they represented. But more fundamentally, their success is attributable to an ideological harmony with the American psyche, an intense Americanism that attracted supporters from a broad spectrum of the electorate. The strength of Rozmarek's appeal was his belief in the efficacy of Ameican institutions. "I was an American as well as a Pole," he commented. "I wanted a democratic Poland." Free press, free enterprise, representative government—these were the standards by which he measured the new Poland. Whether the prewar politicians of semi-Fascist Poland with whom he was allied would have created any more of a "democratic" Poland than the Russian-supported regime is a moot point. But Rozmarek's goal of exporting American institutions to his native land won him much support in the United States. Likewise the Zionist movement, rooted in parliamentary European culture and credited with turning the Negev into a "garden spot," had great appeal to a people who had tamed a 3,000-mile wilderness. A nation based on racial exclusiveness was hardly what the Statue of Liberty represented, but the issue was not framed that way. The "democratic" aims of the two minorities were favorably contrasted with the apparent alternative—Communist autocracy in one case, British imperialism-cum-Arab feudalism in the other. What American could resist such an appeal?

Furthermore, the Poles and the Zionists were both celebrators of the American way. They sought a revivified homeland as a refuge for those of their ethnic kin who had not been so fortunate as to enjoy the blessings of life in the United States. Jews did not struggle for Israel out of a desire to leave the United States; nor did Rozmarek wish a restored Poland so that Chicago Polonia might emigrate. Jews and Poles alike loved America and praised the blessings it had provided to those fortunate enough to make their way to the New World. The new Poland and the Zionist homeland were envisioned as an extension of America, not a repudiation of it. In a real sense these ethnic leaders were *American* nationalists with an area specialization, exporters of the American tradition to a familiar overseas market. And from this derived their powerful appeal to a proud and morally supercilious citizenry glorying in the magnificence of the American way of life after a global military triumph. The Jews and the Poles channeled this chauvinistic enthusiasm into their own causes. Anti-Communism (aimed at Russia) and anti-imperialism (aimed at Britain) were two variants of the traditional American missionary zeal to transform the world in its own image. The Poles and the Jews were wise enough to flow with the current of American nationalism, not against *it*.

Charles Rozmarek died in 1973. Interred with him was the Polish Catholic foreign policy lobby. The old passions are fading. The Jewish lobby, of course, is still vigorous. Indeed, its greatest test is at hand. But in the eyes of politicians, ethnic politics today is pre-eminently domestic politics. Nixon's inroads in white ethnic areas in 1972 had little to do with foreign policy issues. Anxiety over threats to cherished communities united ethnic groups of all origins in a distaste for radical chic politics. Nixon's gains in decaying Jewish communities were the same as those in decaying Polish communities. His support of Israel seems to have made little difference. Ambassador Rabin's thinly disguised endorsement of Nixon may have aroused more resentment than approval.

AND WHAT ABOUT AFRICA?

Looming on the horizon, perhaps still a generation away, is a black lobby for Africa. What is required for the blacks to emulate the Poles' and the Jews' success?

First of all, the electoral threat must be made credible to politicians. This requires a sufficient level of concern with African affairs among black leadership groups, to convince politicians that a substantial number of blacks might vote according to their Afro-American loyalties on election day. The feeling of kinship with overseas forebears is undoubtedly less strong in the black community than it was in the Polish and Jewish comunities. Polish-Americans were one generation removed from Poland as were American Jews from their European brethren, Black Americans are centuries removed from their African ancestors, across a cultural and historical divide that dampens the sense of sharing a common heritage. But the romantic attachment to Africa among ethnically proud young blacks may overcome this distance. Black organizations visibly dedicated to African liberation, speaking and fund-raising tours by African leaders to ghetto communities, and a lobbying arm in Washingtin linked to local politicians can bolster the image of an "African vote." Earlier politicians had no hard evidence that the Polish or Jewish voter actually performed as a foreign policy issue machine at the polls. They simply ran scared before a well-organized leadership. Blacks can accomplish the same.

Most effective of all would be the election of a black politician to statewide office who had chastised his unsuccessful opponent for insufficient dedication to African problems. Joseph McCarthy's 1950 "defeat" of Millard Tydings in Maryland and Richard Nixon's victory over Helen Gahagan Douglas did much to convince politicians—correctly or not—that anti-Communism was decisive at the polls. A contest of this sort would rivet the attention of politicians with black constituencies on the power of the "African vote." An African side trip could become a required adjunct to the traditional "three-I's" junket—Israel, Italy, and Ireland.

Since the black community is more solidly Democratic today than the Jewish community, little electoral leverage can be exerted on the Republican party. But within the Democratic party much may be gained by a concerted campaign to dramatize black concern for Africa. White Democrats, accustomed to dealing with brokers for the black vote, will be especially susceptible to a carefully orchestrated effort. The opportunity exists for a respected black community leader to make a career for himself in the Rozmarek tradition by organizing an on-going Afro-American Congress based on black fraternal and religious organizations.

Equally important is an African interest in cultivating the American black community. The timidity of African diplomats in approaching black leaders contrasts sharply with the intimate ties between American Jews and Israeli representatives in the United States, and the former connections between American Polonia and the Polish exiles. Embassies from other parts of the world readily grant requests from their ethnic constituents to use embassy facilities for a benefit, noted one restive Ghanian diplomat, but certain African ambassadors "think that they should either clear such requests with the State Department or reject them outright. Some even refuse to take groups of blacks on a tour of their embassies. This, they fear, would mean involvement in American politics!" This fear is not wholly misplaced. African diplomats shrink from providing excuses for a renewal of the racial incidents that have plagued them since the opening of the first embassies in Washington in the 1950's. In the years ahead, as black advances in American life parallel the growth of political and economic strength in black Africa, these inhibitions will decline. The bonds between black Africa and black America will tighten. When the African nations decide to make a serious issue of American commitments to white minority regimes, an Afro-American apparatus may be at hand to reinforce their efforts. King Faisal is teaching a lesson to African nationalists which may hasten that day.

Currently, the black lobbying apparatus is minimal. Nowhere does it combine electoral threats with skillful organization. Representative Charles Diggs (D.-Michigan), chairman of the House Foreign Affairs Subcommittee on Africa, has the potential of becoming a shadow Assistant Secretary of State for African Affairs if he develops the ability to play the legislative game with the same skill as some of his more experienced colleagues. Indeed, the Afrophile African Bureau of the State Department would welcome a more effective African lobby among black Americans. An astute black lobby would force greater attention to African affairs, a situation greatly desired by State's own Africanists, and provide them with a political counterweight to the skillful lobbying of military and industrial interests working through powerful southern congressmen. (The racially stratified American military establishment would look on racial upheaval in white-ruled Africa with no less distaste than the southern establishment. On the other hand, blacks acount for 18.6 percent of enlisted men, and a third of new recruits.)

Diggs' efforts so far have been isolated and largely rhetorical. His current bill which, in effect, cuts off *all* government contracts to firms which conduct operations in South Africa, is utterly fanciful. It may win the acclaim of exile groups and black militants, but it is a far cry from the political finesse of the southerners as demonstrated by the 1971 passage of the Byrd Amendment, permitting American import of Rhodesian chrome in violation of U.N. sanctions. Spurred on by the Rhodesian Information Office and two American firms with Rhodesian subsidiaries—Union Carbide and Foote Mineral—Byrd introduced a bill prohibiting the United States government from barring the import of any strategic material from a free world country as long as the same item was being imported from a Communist country. Since much high-grade chromium comes from the Soviet Union, the intent was clear. By this wily stratagem, Byrd converted the issue from support of racism to opposition to Communism. After the bill failed in the liberal Senate Foreign Relations Committee, John Stennis of Mississippi attached it to the Military Procurement Bill in the more conservative Armed Forces Committee. A last-minute bit of parliamentary legerdemain garnered the few votes needed to block a striking motion and the amendment passed. The parliamentary skill of the southerners contrasted sharply with the absence of any comparable tactics by the black caucus. Once again ethnic politics triumphed, but this time it was the sympathy of American white supremacists for their African counterparts.

KEEPING THE FAITH

In the area of symbolic politics, black efforts are, if anything, counterproductive. The supporters of white minority rule have attached their cause to the symbols of American nationhood. Rhodesia's Unilateral Declaration of Independence in 1965 has been portrayed as a parallel to the Declaration of Independence (Elizabeth II being the latter-day George III, and Ian Smith being the Rhodesian George Washington). By contrast, arguments for African nationalism have come most vocally from black radicals bent on world revolution. These media wizards have no enduring roots in the black community and judge even black-ruled regimes by ideological dogmas that alienate many African officials. Furthermore, the black African exiles headquartered in London and New York practice the same apocalyptic politics. Some are in the pay of the Soviet Union; most espouse Communist doctrines that guarantee them impotence in the American political arena. Marxist rhetoric, however titillating to the media and hothouse student audiences, is totally counterproductive and ultimately futile in creating public support for African nationalism. To be successful, a black movement for reform of American policy toward Africa must be perceived as a vehicle for exporting American ideals. It must be an affirmation of black faith in the United States and a demonstration of black ability to manipulate the fine structure of American politics with the astuteness and finesse of previous practitioners. Blacks as blacks may identify with Africa, but it is only as Americans that they can change United States policy in Africa. If Afro-Americans ever gain leverage in foreign policy, it will be those black politicians who are most successful *within* the system who will do so—those who can command the respect of their black constituents and reassure white America at the same time. To aid the revolution abroad, blacks must first join the establishment at home.

Until the Africanists learn to play the legislative and publicity games as well as their enemies, they will suffer an unnecessary handicap in moving American policy toward a more liberal position. To some, liberalism may seem a pitifully inadequate answer to the situation in Africa, but it is all that the American political system will allow, and it is certainly an improvement over abandoning the field to racists. More important, a progressive American policy will prepare the public for a passive role should a race war erupt on the African continent. So far the situation has received little attention. The Nigerian civil war and fratricidal tribal bloodbaths in Rwanda and Burundi scarcely created a ripple in American politics. As long as blacks slaughter blacks, the American public yawns. But if blacks start killing whites, attention will pick up. When whites were threatened in the Congo, Lyndon Johnson had the air transports flying within hours and the story was front-page news. The domestic reverberations in the United States of a war aimed at overthrowing the ruling white minorities in Rhodesia and South Africa could have terrifying consequences.

The presence of a respected cadre of black political leaders to guide American opinion in such a crisis and calm the more hysterical elements would have important consequences. If black leaders had not become accepted participants in the executive as well as the legislative politics of African policy, one could expect a less measured response. Unlike the Israeli case, American blacks cannot seek actively to aid revolutionary movements in Africa. The ideology of these movements will be alien to most Americans and the prospect of a black underground shipping arms to Africa will hardly meet with the friendly indifference that shielded Jewish efforts to supply the Haganah. The best that can be hoped for is the gradual withdrawal of American military and business interests from white Africa in the years ahead, and a scrupulous neutrality if war does break out. Such a policy is inadequate to some liberationists, but it is the only one that ultimately can help them. The active sympathy of white America for the plight of black Africa can only be won by a nonintimidating strategy. White America will judge Africa by the American representatives who speak for her. As in other areas of American life, blacks must be twice as careful to achieve half as much.

And this is particularly true of the most liberal of American minorities—the Jews. Militant American blacks and some African leaders, espousing the cause of Arab nationalism and black liberation in Africa, see the Jews as the oppressors in the Middle East and in American cities. The Israelis may come to see themselves as a besiged white community on the rim of Africa facing a new threat of extermination based on color rather than religion. They may have very mixed feelings about the outcome of a war in South Africa or even in the Portuguese colonies. And their brethren in the United States could scarcely feel differently. Liberal Jews—the traditional political allies of ghetto-bound blacks—would quickly unite with other whites in fear of the black community. The liberal buffer between black resentment and white racism would dissolve, exposing the raw edges of race conflict. The fist fights that erupted in Harlem during Mussolini's invasion of Ethiopia in 1935 would be but a faint foretaste of domestic tension that might attend a bloody race war in Africa. Black indulgence of anti-Jewish feeling would only harden American opinion against African liberation.

Since the Jews and the blacks are both in the Democratic party, it will be in the interest of blacks running for office above the local level to reconcile this conflict. State Senator Mervin Dymally of Los Angeles is a harbinger of this theory. He needs the support of both Beverly Hills and Watts in his bid to win the Democratic nomination for Lieutenant Governor in 1974. He is carefully straddling the issue, planning the ritual trip to Israel but also promising to report on Israeli treatment of Arab refugees. On the one hand, he argues to blacks that they should actively back Israel. "The Jewish people were very active in many of our causes, like civil rights, labor, and the farm-workers' cause, and it will be a great mistake to allow Israel to have their independence jeopardized." On the other hand, he acknowledges: "I would like to see better communication between Jews and blacks. The Arab-Israeli situation has definite domestic implications directly related to my constituents." As other black politicians seek state office, similar efforts at reconciliation are liable to occur. And this can only help reassure white America that a black revolution in Africa need not threaten riots in American cities nor support an assault on the state of Israel.

A successful black lobby for Africa must maintain a certain distance from the African liberation movements in order to maintain its own credibility with the American public, demonstrating by its own actions the hands-off posture that is the most forward policy America can support. Certainly, there is vast room for progress when the United States joins Greece, Portugal, South Africa, and Spain on the negative end of an 88 to 7 General Assembly vote on recognition of the black-controlled Republic of Guinea Bissau in Portuguese Guinea. A quarter century after the smaller Jewish community enjoyed instantaneous recognition of Israel, the black community has not even made an issue of Guinea Bissau, let alone mustered public support for defiance of Portuguese colonialism. The British were not so fortunate, nor was the Russian-sponsored government in Warsaw.

LEAVE OF ABSENCE

Leave of absence was granted to the following Member:

Mr. Randall, for Friday June 21, 1974, on account of keynote speaker at State Encampment Veterans of Foreign Wars, St. Louis, Mo., official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Roncalio of Wyoming to address the House today, for 15 minutes.

(The following Members (at the request of Mr. Johnson of Colorado) to revise and extend their remarks and include extraneous material:)

Mr. Hansen of Idaho, for 5 minutes, today.

Mr. Young of Alaska, for 5 minutes, today.

Mr. Edwards of Alabama, for 5 minutes, today.

Mr. Erlenborn, for 30 minutes, Friday, June 21.

Mr. Robert W. Daniel, Jr., for 5 minutes, today.

Mr. Young of Florida, for 10 minutes, today.

(The following Members (at the request of Mr. Moakley) to revise and extend their remarks and include extraneous material:)

Mr. Bingham, for 5 minutes, today.

Mr. Gonzalez, for 5 minutes, today.

Mr. Vanik, for 10 minutes, today.

Mr. Adams, for 5 minutes, today.

Mr. Koch, for 5 minutes, today.

Mr. Stuckey, for 5 minutes, today.

Mr. Owens, for 5 minutes, today.

Mr. Podell, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to extend remarks was granted to:

Mr. Podell and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $783.75.

Mr. Blackburn and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $574.

Mr. Young of Georgia and to include extraneous matter notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $836.

Mr. Mahon to extend his remarks on House Joint Resolution 1062, and to include extraneous matter, tables, and charts.

Mr. Madden to revise and extend his remarks, and include extraneous matter, in the Extensions of Remarks of the Record.

Mr. Minish, to follow the remarks of Mr. Ashley in the Committee of the Whole today on consideration of H.R. 15361.

Mr. Thomson of Wisconsin, immediately after remarks of Mr. Barrett of Pennsylvania.

(The following Members (at the request of Mr. Johnson of Colorado) and to include extraneous matter:)

Mr. Hanrahan in three instances.

Mr. Heinz.

Mr. Bell.

Mr. McCloskey.

Mr. Sarasin.

Mr. Martin of Nebraska in two instances.

Mr. Mayne.

Mr. Wyman in two instances.

Mr. Taylor of Missouri in two instances.

Mr. Rhodes.

Mr. Steiger of Wisconsin.

Mr. Mitchell of New York.

Mr. Frenzel in two instances.

Mr. Kuykendall.

Mr. Archer in two instances.

Mr. Wydler.

Mr. Young of Alaska.

Mr. Bob Wilson.

Mr. Pettis.

Mr. Hunt.

Mr. Shuster.

Mr. Huber in two instances.

Mr. Steiger of Arizona.

(The following Members (at the request of Mr. Moakley) and to include extraneous material:)

Mr. Wolff in five instances.

Mr. Rarick in three instances.

Mr. Gonzalez in three instances.

Mr. Waldie in three instances.

Mr. Anderson of California in three instances.

Mr. Luken.

Mr. Gunter in three instances.

Mr. Wright in two instances.

Mr. Badillo in three instances.

Mr. Murtha in three instances.

Mr. Lehman in 10 instances.

Mr. Hawkins.

Mr. Tiernan.

Mr. Dingell in two instances.

Mr. Stokes in two instances.

Mr. Ford in three instances.

Mr. Dulski in five instances.

Mr. Owens.

Mr. Van Deerlin.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 3188. An act to establish the Sewall-Belmont House National Historic Site, and for other purposes; to the Committee on Interior and Insular Affairs.

S. 3474. An act to amend the District of Columbia Unemployment Compensation Act; to the Committee on the District of Columbia.

S. 3476. An act to amend section 1291 of the act of March 3, 1901, relating to marriage licenses in the District of Columbia; to the Committee on the District of Columbia.

ENROLLED BILL SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 13839. An act to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended.

SENATE ENROLLED BILL SIGNED

The SPEAKER announced his signature to an enrolled bill of the Senate of the following title:

S. 411. An act to amend title 39, United States Code, with respect to certain rates of postage, and for other purposes.

ADJOURNMENT

Mr. MELCHER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 8 o'clock and 56 minutes p.m.), under its previous order, the House adjourned until tomorrow, Friday, June 21, 1974, at 11 o'clock a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2472. A letter from the Assistant Secretary of the Interior and the Deputy Assistant Secretary of Agriculture, transmitting the initial report on the administration of the Wild Free-Roaming Horse and Burro Act, pursuant to section 10 of the act (Public Law 92-195); to the Committee on Interior and Insular Affairs.

2473. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended [8 U.S.C. 1154(d)]; to the Committee on the Judiciary.

2474. A letter from the Secretary of the Army, transmitting a letter from the Chief of Engineers, Department of the Army, dated March 7, 1974, submitting a report on Pottstown and vicinity, Schuylkill River Basin, Pa. (H. Doc. No. 93-321); to the Committee on Public Works and ordered to be printed with illustrations.

2475. A letter from the Administrator of Veterans' Affairs, transmitting a report covering calendar year 1973 on cases in which equitable relief was granted, pursuant to 38 United States Code 210(c)(3)(B); to the Committee on Veterans' Affairs.

RECEIVED FROM THE COMPTROLLER GENERAL

2476. A letter from the Comptroller General of the United States, transmitting a report that better planning and management are needed by the Veterans' Administration to improve the use of specialized medical services; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. DULSKI: Committee on Post Office and Civil Service. Report on Improved Manpower Management in the Federal Government (Rept. No. 93-1124). Referred to the Committee of the Whole House on the State of the Union.

Mr. MORGAN: Committee of conference. Conference report on H.R. 12799. (Rept. No. 93-11225). Ordered to be printed.

Mr. MORGAN: Committee of conference. Conference report on H.R. 12412 (Rept. No. 93-1126). Ordered to be printed.

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 14215. A bill to amend the Development Disabilities Services and Facilities Construction Act to revise and extend the programs authorized by that act; with amendment (Rept. No. 93-1127). Referred to the Committee of the Whole House on the State of the Union.

Mr. CHARLES H. WILSON of California: Committee on Post Office and Civil Service. H.R. 7202. A bill to establish an arbitration board to settle disputes between supervisory organizations and the U.S. Postal Service; with amendment (Rept. No. 93-1128). Referred to the Committee of the Whole House on the State of the Union.

Mr. LANDRUM: Committee on Ways and Means. H.R. 13370. A bill to suspend until June 30, 1976, the duty on catalysts of platinum and carbon used in producing caproclactam. (Rept. No. 93-1129). Referred to the Committee of the Whole House on the State of the Union.

Mr. POAGE: Committee on Agriculture. H.R. 13264. A bill to amend the provisions of the Perishable Agricultural Commodities Act, 1930, relating to practices in the marketing of perishable agricultural commodities. (Rept. No. 93-1130). Referred to the Committee of the Whole House on the State of the Union.

Mr. POAGE: Committee on Agriculture. H.R. 6485. A bill to amend the tobacco marketing quota provisions of the Agricultural Adjustment Act of 1938; with amendment (Rept. No. 93-1131). Referred to the Committee of the Whole House on the State of the Union.

Mr. STEED: Committee on Appropriations. H.R. 15544. A bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President and certain independent agencies, for the fiscal year ending June 30, 1975, and for other purposes. (Rept. No. 93-1132). Referred to the Committee of the Whole House on the State of the Union.

Mr. MADDEN: Committee on Rules. House Resolution 1187. Resolution providing for the consideration of H.R. 15223. A bill to amend the Federal Railroad Safety Act of 1970 and the Hazardous Materials Transportation Control Act of 1970 to authorize additional appropriations, and for other purposes. (Rept. No. 93-1133). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

Mr. Mr. ASPIN:

H.R. 15503. A bill to designate a national network of essential rail lines; to create a nonprofit corporation to acquire and maintain rail lines; to require minimum standards of maintenance for rail lines; to provide financial assistance to such corporation and to the States for rehabilitation of rail lines; and for other purposes; to the Committee on Interstate and Foreign Commerce.

H.R. 15504. A bill to amend the Internal Revenue Code of 1954 to provide for a tax on the transportation of property by rail, motor vehicle, or water; to the Committee on Ways and Means.

By Mr. BELL:

H.R. 15505. A bill to authorize the Secretary of the Treasury to reimburse State and local law enforcement agencies for assistance provided at the request of the United States Secret Service; to the Committee on the Judiciary.

By Mr. BROOMFIELD:

H.R. 15506. A bill to amend the Land and Water Conservation Fund Act of 1965 so as to authorize the development of indoor recreation facilities in certain areas; to the Committee on Interior and Insular Affairs.

H.R. 15507. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

H.R. 15508. A bill to amend the Fishermen's Protective Act of 1967 in order to strengthen the import restrictions which may be imposed to deter foreign countries from conducting fishing operations which adversely affect international fishery conservation programs; to the Committee on Merchant Marine and Fisheries.

By Mr. BURKE of Florida:

H.R. 15509. A bill to prohibit the military departments from using dogs in connection with any research or other activities relating to biological or chemical warfare agents; to the Committee on Armed Services.

By Mrs. GRASSO (for herself, Mr. Cotter, and Mr. Sarasin):

H.R. 15510. A bill, Shepaug River Act; to the Committee on Interior and Insular Affairs.

By Mr. HANLEY:

H.R. 15511. A bill to amend title 39, United States Code, with respect to the organizational and financial matters of the United States Postal Service and Postal Rate Commission, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. HANSEN of Idaho:

H.R. 15512. A bill to provide for protection of franchised dealers in petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. LEHMAN:

H.R. 15513. A bill to provide for a national cemetery in the area of Broward County or Dade County, Fla.; to the Committee on Veterans Affairs.

By Mr. MITCHELL of New York (for himself, Mr. Eilberg, Mrs. Holt, Mr. Hunt, Mr. Leggett, Mr. Melcher, Mr. Montgomery, Mr. Walsh, Mr. Williams, Mr. Bob Wilson, and Mr. Yatron):

H.R. 15514. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay structure relating to health professionals of the uniformed services; to the Committee on Armed Services.

By Mr. PICKLE:

H.R. 15515. A bill to provide a comprehensive program to improve cargo security in commerce; to the Committee on Interstate and Foreign Commerce.

By Mr. ROUSH:

H.R. 15516. A bill to provide for the appointment of two additional district judges in Indiana; to the Committee on the Judiciary.

By Mr. SCHNEEBELI:

H.R. 15517. A bill to extend for 3 years the requirement of increased payments to States under medicaid plans for compensation or training of inspectors of long-term care institutions; to the Committee on Ways and Means.

By Mr. STEIGER of Wisconsin:

H.R. 15518. A bill to amend the Consolidated Farm and Rural Development Act; to the Committee on Agriculture.

By Mr. SYMINGTON (for himself, Mr. Adams, Mrs. Boggs, Mrs. Burke of California, Mr. Conyers, Mr. Davis of Georgia, Mr. Eilberg, Mr. Fraser, Mr. Frenzel, Mr. Gilman, Mr. Hawkins, Mr. Hechler of West Virginia, Mr. Luken, Mr. McCormack, Mr. Mazzoli, Mr. Mitchell of New York, Mr. Murphy of New York, Mr. Podell, Mr. Preyer, Mr. Roybal, Mr. Sarbanes, Mr. Thone, and Mr. Vander Veen):

H.R. 15519. A bill to establish a Health Action Corps; to the Committee on Interstate and Foreign Commerce.

By Mr. THOMSON of Wisconsin:

H.R. 15520. A bill to amend title 38 of the United States Code in order to provide service pension to certain veterans of World War I and pension to the widows of such veterans; to the Committee on Veterans' Affairs.

By Mr. WAGGONNER:

H.R. 15521. A bill to amend chapter 10 of title 37, United States Code, to authorize certain travel and transportation allowances to members of the uniformed services incapacitated by illness; to the Committee on Armed Services.

By Mr. WALDIE:

H.R. 15522. A bill for the general revision of the Copyright Law, title 17 of the United States Code, and for other purposes; to the Committee on the Judiciary.

By Mr. WHITE (for himself and Mr. McKay):

H.R. 15523. A bill to amend title 44, United States Code, to strengthen the authority of the Administrator of General Services with respect to records management by Federal agencies, and for other purposes; to the Committee on Government Operations.

By Mr. GOLDWATER (for himself, Mr. Koch, Ms. Abzug, Mr. Addabbo, Mr. Alexander, Mr. Anderson of Illinois, Mr. Ashley, Mr. Badillo, Mr. Bafalis, Mr. Bell, Mr. Biester, Mrs. Boggs, Mr. Brasco, Mr. Broomfield, Mr. Brown of California, Mr. Broyhill of North Carolina, Mrs. Burke of California, Mr. Carney of Ohio, Mrs. Chisholm, Mr. Clark, Mr. Collins of Texas, Mr. Conlan, Mr.

Conte, Mr. Conyers, and Mr. Coughlin):

H.R. 15524. A bill to protect the constitutional right of privacy of individuals concerning whom identifiable information is recorded by enacting principles of information practices in furtherance of articles I, III, IV, V, IX, X, and XIV of amendments to the U.S. Constitution, to the Committee on the Judiciary.

By Mr. GOLDWATER (for himself, Mr. Koch, Mr. Crane, Mr. Culver, Mr. Dellums, Mr. Drinan, Mr. Duncan, Mr. Eilberg, Mr. Esch, Mr. Eshleman, Mr. Fauntroy, Mr. Fish, Mr. Forsythe, Mr. Fraser, Mr. Frenzel, Mr. Giaimo, Mrs. Grasso, Mr. Hanrahan, Mrs. Hansen of Washington, Mr. Harrington, Mr. Hechler of West Virginia, Mr. Hinshaw, Mrs. Holt, Mr. Horton, and Mr. Huber):

H.R. 15525. A bill to protect the constitutional right of privacy of individuals concerning whom identifiable information is recorded by enacting principles of information practices in furtherance of articles I, III, IV, V, IX, X, and XIV of amendment to the U.S. Constitution; to the Committee on the Judiciary.

By Mr. GOLDWATER (for himself, Mr. Koch, Mr. Hudnut, Mr. Hungate, Mr. Kemp, Mr. Kyros, Mr. Leggett, Mr. Lent, Mr. Litton, Mr. Long of Maryland, Mr. Lujan, Mr. McKinney, Mr. Martin of North Carolina, Mr. Melcher, Mr. Mezvinsky, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Myers, Mr. Nix, Mr. O'Brien, Mr. O'Hara, Mr. Obey, Mr. Owens, Mr. Pepper, and Mr. Podell):

H.R. 15526. A bill to protect the constitutional right of privacy of individuals concerning whom identifiable information is recorded by enacting principles of information practices in furtherance of articles I, III, IV, V, IX, X, and XIV of amendment to the U.S. Constitution; to the Committee on the Judiciary.

By Mr. GOLDWATER (for himself, Mr. Koch, Mr. Rangel, Mr. Rees, Mr. Regula, Mr. Roncallo of New York, Mr. Rosenthal, Mr. Rousselot, Mr. Roybal, Mr. Ryan, Mr. Sarasin, Mr. Sarbanes, Mrs. Schroeder, Mr. Stokes, Mr. Studds, Mr. Symington, Mr. Symms, Mr. Thompson of New Jersey, Mr. Thone, Mr. Tiernan, Mr. Veysey, Mr. Whitehurst, Mr. Charles H. Wilson of California, Mr. Charles Wilson of Texas, and Mr. Won Pat):

H.R. 15527. A bill to protect the constitutional right of privacy of individuals concerning whom identifiable information is recorded by enacting principles of information practices in furtherance of articles I, III, IV, V, IX, X, and XIV of amendment to the U.S. Constitution; to the Committee on the Judiciary.

By Mr. GOLDWATER (for himself, Mr. Koch, Mr. Fascell, and Mr. Lagomarsino):

H.R. 15528. A bill to protect the constitutional right of privacy of individuals concerning whom identifiable information is recorded by enacting principles of information practices in furtherance of articles I, III, IV, V, IX, X, and XIV of amendment to the U.S. Constitution; to the Committee on the Judiciary.

By Mr. HAMMERSCHMIDT (for himself, Mr. Thornton, Mr. Mills, and Mr. Alexander):

H.R. 15529. A bill to amend title 23, United States Code, to authorize demonstration program for the purpose of eliminating highway railroad grade crossings; to the Committee on Public Works.

By Mr. McCLOSKEY:

H.R. 15530. A bill to terminate the Airlines Mutual Aid Agreement; to the Committee on Interstate and Foreign Commerce.

By Mr. MATHIS of Georgia:

H.R. 15531. A bill to adjust target prices established under Agriculture and Consumer Protection Act of 1973, as amended for 1974 through 1977 crops of wheat and feed grains to reflect changes in farm production costs; to the Committee on Agriculture.

H.R. 15532. A bill to amend section 210 of the Federal Property and Administrative Services Act of 1949 by repealing the authority of the Administrator of General Services and of certain executive agencies to charge an accoupant of a Federal building for the use of such building; to the Committee on Government Operations.

H.R. 15533. A bill to amend the Internal Revenue Code of 1954 to provide individuals one additional income tax exemption for each dependent who is handicapped; to the Committee on Ways and Means.

By Mr. MAYNE (for himself, Mr. Abdnor, Mr. Andrews of North Dakota, Mr. Bergland, Mr. Burlison of Missouri, Mr. Culver, Mr. Denholm, Mr. Duncan, Mr. Evans of Colorado, Mr. Froehlich, Mr. Fulton, Mr. Jones of Tennessee, Mr. Guyer, Mr. Hansen of Idaho, Mr. Mathis of Georgia, Mr. McCollister, Mr. Railsback, Mr. Roush, Mr. Sebelius, Mr. Smith of Iowa, Mr. Thone, Mr. Thornton, Mr. Treen, Mr. Charles Wilson of Texas and Mr. Zwach):

H.R. 15534. A bill to amend the Consolidated Farm and Rural Development Act to establish a loan insurance program for livestock producers and feeders; to the Committee on Agriculture.

By Mr. MOAKLEY:

H.R. 15535. A bill to provide for the receipt of testimony and information from executive agencies and bodies; to the Committee on the Judiciary.

By Mr. OBEY:

H.R. 15536. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. PARRIS (for himself, Mr. Collins of Texas, Mr. Bevill, Mrs. Holt, Mr. Shoup, Mr. Kemp, Mr. Ketchum, Mr. Broyhill of Virginia, Mr. Bafalis, Mr. Treen, Mr. Sarasin, Mr. Podell, Mr. Burgener, Mr. Milford, and Mr. Huber):

H.R. 15537. A bill to prohibit foreign assistance to India until India becomes a signatory to the Treaty on the Non-Proliferation of Nuclear Weapons; to the Committee on Foreign Affairs.

By Mr. PODELL:

H.R. 15538. A bill to amend the Internal Revenue Code of 1954 to allow handicapped individuals a deduction for certain commuting expenses; to the Committee on Ways and Means.

By Mr. PRICE of Illinois (for himself, Mr. Annunzio, Mr. Anderson of Illinois, Mr. Harsha, Mr. Hillis, Mr. Bray, Mr. Metcalfe, Mr. Hanrahan, Mr. Derwinski, Mr. Kluczynski, Mrs. Collins of Illinois, Mr. McClory, Mr. Findley, Mr. Gray, Mr. Mosher, and Mr. Minshall):

H.R. 15539. A bill granting the consent of Congress to the Midwest Interstate Nuclear Compact, and for related purposes; to the Committee on the Judiciary.

By Mrs. SULLIVAN (for herself, Mr. Grover, Mr. Dingell, Mr. Downing, Mr. Mosher, Mr. Goodling, Mr. Clark, Mr. Rogers, Mr. McCloskey, Mr. Murphy of New York, Mr. Jones of North Carolina, Mr. Forsythe, Mr. Leggett, Mr. du Pont, Mr. Biaggi, Mr. Anderson of California, Mr. de la Garza, Mr. Kyros, Mr. Treen, Mr. Metcalfe, Mr. Breaux, Mr. Young of Alaska, Mr. Lagomarsino, Mr. Studds, and Mr. Pritchard):

H.R. 15540. A bill to extend for two years the authorization for appropriations to implement title I of the Marine Protection, Research, and Sanctuaries Act of 1972; to the Committee on Merchant Marine and Fisheries.

By Mr. TIERNAN:

H.R. 15541. A bill to prohibit the military departments from using dogs in connection with any research or other activities relating to biological or chemical warfare agents; to the Committee on Armed Services.

By Mr. TIERNAN:

H.R. 15542. A bill to amend title 38 of the United States Code in order to provide financial assistance for the establishment and maintenance of State veterans' cemetries; to the Committee on Veterans' Affairs.

By Mr. RANDALL:

H.R. 15543. A bill to terminate the suspension of quotas on meat imports and for other purposes; to the Committee on Ways and Means.

By Mr. STEED:

H.R. 15544. A bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1975, and for other purposes.

By Mr. ARCHER (for himself, Mr. Abdnor, Mr. Bafalis, Mr. Burgener, Mr. Clancy, Mr. Derwinski, Mr. Devine, Mr. Duncan, Mr. Hastings, Mr. Helstoski, Ms. Holt, Mr. Hosmer, Mr. Murtha, Mr. Powell of Ohio, Mr. Roe, Mr. Runnels, Mr. Ware, Mr. Charles Wilson of Texas, and Mr. Won Pat):

H.J. Res. 1071. Joint resolution proposing an amendment to the Constitution of the United States requiring the submission of balanced Federal funds budget by the President and action by the Congress to provide revenues to offset Federal funds deficits; to the Committee on the Judiciary.

By Mr. MINSHALL of Ohio:

H.J. Res. 1072. Joint resolution to provide for the reappointment of Dr. Caryl P. Haskins as Citizen Regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

H.J. Res. 1073. Joint resolution to provide for the reappointment of Dr. William A. M. Burden as Citizen Regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

H.J. Res. 1074. Joint resolution to provide for the appointment of Dr. Murray Gell-Mann as Citizen Regent of the Board of Regents of the Smithsonian Institution; to the Committee on House Administration.

By Mr. ROYBAL (for himself and Mr. White):

H.J. Res. 1075. Joint resolution relating to the publication of economic and social statistics for Americans of Spanish origin or descent; to the Committee on Post Office and Civil Service.

MEMORIALS

Under clause 4 of rule XXII,

501. The SPEAKER presented a memorial of the Legislature of the Commonwealth of Massachusetts, relative to Federal regulation of the travel agency industry; to the Committee on Interstate and Foreign Commerce.

EXTENSIONS OF REMARKS

GRIT WEEKLY NEWSPAPER COMMENDED BY SENATOR RANDOLPH—KEEP PRESSURE ON ENERGY SEARCH

HON. JENNINGS RANDOLPH

OF WEST VIRGINIA

IN THE SENATE OF THE UNITED STATES

Wednesday, June 19, 1974

Mr. RANDOLPH. Mr. President, a recent national edition of the 91-year-old Grit weekly newspaper, published at and circulated very widely from Williamsport, Pa., has published an editorial: "Keep Pressure on Energy Search." It is an admonition to which I subscribe.

Mr. President, it is a brief editorial—cogent, timely, and powerful in the message it imparts.

The President of the United States has been in the Middle East where he has received welcomes in the Arabic countries. We must remember the events of last fall and winter when the United States was the principal target of the vicious oil embargo fixed on most of the free world. We must so strengthen our energy supply status that our country will not in the future be so distressed as we were by the impact of that embargo. The Grit editorial makes a strong case for domestic self-sufficiency in energy.

Mr. President, I request unanimous consent to have the editorial "Keep Pressure on Energy Search" printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

KEEP PRESSURE ON ENERGY SEARCH

Although the nightmare of last winter's energy shortage is past, there is no sure knowledge that it won't return. Americans who think otherwise are out of touch with reality.

So long as the United States is dependent on Arab oil, it is subject to sudden shortages beyond its control. Both the individual citizen and his elected representatives must work harder to hasten the day when that possibility no longer threatens us.

Motorists, for example, can continue to conserve gasoline and oil. Families can continue to conserve electricity. Drive less than last year and drive within reduced speed limits. Keep the air-conditioner turned off when not needed and not set lower than necessary when it must be on. Less and slower driving means fewer highway deaths. Conservation generally keeps more money in your pocket.

As citizens do their part, the President and the congress also must move forward effectively. It is time to put personal executive-legislative disputes aside and more energetically encourage the search for new energy sources and development of existing ones.

President Nixon's goal of a United States self-sufficient in energy by 1980 is a worthy one. We urge private enterprise at every level to back it with enterprising action. Only by effective initiative by the private sector can the challenge be met without massive federal involvement. Here is an opportunity for free enterprise to show its productive genius.

OVERLOOKING OUR NO. 1 NEIGHBOR

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. GAYDOS. Mr. Speaker, we are indebted to Adolph W. Schmidt, former U.S. Ambassador to Canada, for a very timely and important warning of the need of keeping our relations with our neighbor to the north in "good repair."

Mr. Schmidt retired as Ambassador at his own request on last February 28, after serving since 1969. He is a resident of my part of Pennsylvania, having been brought up in McKeesport, Pa., and later moving to Pittsburgh where he is a community leader.

Mr. Schmidt's career in Canada was a successful one. He did his homework and the result was a full and friendly acceptance of him by Canadians all across that broad land. No one, in my estimation, is better informed on United States-Canadian relationships or, indeed, of the need of having them improved.

On his return to Pittsburgh, Mr. Schmidt wrote a searching article for the Pittsburgh Post-Gazette. It contains much pertinent information on our ties with Canada and also his judgment on what is lacking now between our countries and what must be done to fill the breach.

First of all, Canada, according to the former Ambassador, is by far our best trading partner. He writes:

> Few U.S. citizens realize that U.S. trade with Canada at a level of $35 billion a year is greater than U.S. trade with the entire European Community (including Great Britain), or that this trade is almost as great as our total trade with Asia and Africa combined (and Asia includes Japan).

I agree with Mr. Schmidt that few U.S. citizens have been aware of these trade facts, or, in truth, that many of us in Congress have them firmly in mind. And the fault, I believe, is in a Washington absorption with Asia and Europe and a seeming willingness to take Canada for granted.

The last three decades have seen our national administration involved up to their eyeballs in the troubles of Europe and Asia. Little time diplomatically has been spent on matters here on this continent. The newspapers and airwaves have been filled daily with reports from overseas. Meanwhile, Canada has received minimal attention. And it is this situation which troubles Mr. Schmidt. I quote him further:

> In general, Canadians know much more about the United States than Americans know about Canada. Montreal, Toronto, Vancouver and border communities are bombarded with U.S. television. Canadians read our major newspapers and magazines avidly. Contrariwise, there is little news of Canada in our newspapers and magazines. Because of our preoccupation with many other areas of the world, most of which are liabilities, Canadians continue to be neighbors taken for granted.

And, yet, as Mr. Schmidt points out, our future is wrapped up so completely with Canada that such neglect could be disastrous. Canada supplies us with gas and oil. She is a land filled with minerals. With our own raw materials facing exhaustion, Canadian sources become more and more important to us. Surely, our mutual interests, trade and otherwise, demand a closeness and an understanding of each other which do not exist now.

It is time, in other words, that we bring the focus of our attention back to this continent in the right conclusion that, regardless of circumstances elsewhere, our destiny lies here. Canada must be kept not only a good neighbor, but a fully cooperating one. She must be disabused of any notion that we fail to appreciate her value to us. We have to ask, too, that she accept us as a neighbor who considers her No. 1 on our block.

Mr. Schmidt sums it up this way:

> From our side, it would behoove us to keep our relations in good repair by paying a lot more attention to our neighbor to the North, by improving our image in the world with a return to some of the virtues that built greatness in America, and by treating with tact, justice, and respect one of our best friends and assets in the world.

This is a large order, certainly. But I agree wholeheartedly with former Ambassador Schmidt that it must be filled. We have been world-minded to the point of forgetting our primary interests on this continent and in this hemisphere. We need a change of concern, and I am grateful to Mr. Schmidt for having promoted this idea while representing us in Canada and now for bringing it to public notice here at home. He and other U.S. friends of Canada have a big job to do and I, as a Congressman, pledge them my support.

ACTIONS TO COPE WITH OUR DRINKING DRIVING PROBLEM

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. BROWN of California. Mr. Speaker, I wish to bring to the attention of my fellow Members of this body a very informative discussion of the problem of drinking drivers and highway accidents written by Iowa State Senator William Plymat. It contains some valuable suggestions for steps that might be taken to deal with the continuing carnage on our streets and highways caused by misuse of alcohol. In addition to information from national and foreign sources, Senator Plymat presents some extremely valuable data from the experiences of his home State of Iowa which certainly are pertinent to the rest of our country.

The article follows:

Actions To Cope With Our Drinking Driving Problem

(By Iowa State Senator William N. Plymat, Sr.[1])

In my state in a recent three-year period (1970–1972 inclusive), 826 people lost their lives in alcohol-related fatal traffic accidents. In December 1972 a local newspaper reported that 807 Iowans lost their lives in the entire period of the Vietnam war, with 16 prisoners of war and 23 missing in action.

It seems that while the public was rightfully concerned about our war death toll, it has been, and continues to be, relatively unconcerned about the high death toll from alcohol-related fatal traffic accidents. This contrast indicates the size and importance of our alcohol traffic problem. It is often claimed that 50% of our total death toll in American traffic accidents involves alcohol. In my state, the official statistics, which always underreport the true picture, tell us that in 1971 alcohol-related fatal accidents accounted for about 34% of total fatal accidents and around 35% of total fatalities.

The official report for 1972 included the following statement: "Out of 719 fatal motor vehicle traffic accidents in Iowa in 1972, 210 or 29.2 percent were alcohol related, resulting in the death of 252 persons. This is about one of every 3.4 fatal accidents in the State of Iowa which are alcohol related." The report for the year 1973 shows a similar situation as indicated by a table shown with this article. In 1974 the same general situation continues as shown by another table. Total accidents and fatalities are down due to the energy crisis, reduced speed, reduced travel, because of higher gasoline prices, and other factors. But the alcohol percentage, as you will note from a study of the tables, remains about the same.

The foregoing, which I am sure is very similar to conditions in other states, indicates that we are not justified in dropping our interest in the alcohol traffic problem because of a reduction of total accidents and fatalities on our highways.

ACTIONS IN OTHER COUNTRIES

Constructive actions to cope with alcohol traffic problems are taking place in Europe. Now in Germany, any driver caught with more than 0.08 percent alcohol in his bloodstream is automatically subject to fines up to $1,250 and suspension of his or her driver's license for up to three months. In the Netherlands, the Queen will sign a bill to impose a 0.05 percent limit as soon as the police are technically ready to enforce the alcohol test. The government had proposed a 0.08 percent limit, but Parliament toughened the legislation. France adopted the 0.08 percent test in 1970; Britain in 1967. Austria, Switzerland, Luxembourg, and Denmark also have this limit. Sweden and Norway are even tougher with a 0.05 percent test. The Communist countries tend to be still stricter. For instance, Poland has a 0.02 percent limit; Czechoslovakia, 0.03 percent; and the Soviet Union and East Germany, zero percent—no alcohol allowed for drivers.

U.S. ACTIONS

Efforts are being made in the United States to direct alcoholics involved in traffic arrests and accidents into rehabilitation facilities. These actions are constructive. Yet the emphasis appears to be on the alcoholic, sometimes referred to as the "problem drinker." In some places, those arrested for drinking driving offenses are being sent by judges to special "schools" in place of jail and sometimes in addition to fines and sometimes in place of fines. It is perhaps too early to determine whether these "school" efforts will constitute a sizable deterrent to repeat occurrences of drinking driving offenses and accidents. We will need a year or two at least to determine whether these schools will stop repeated offenses and accidents in any substantial way. In many places these school efforts have only recently begun.

ALCOHOLICS AND SOCIAL DRINKERS AS OFFENDERS

While many who claim to be experts contend that the drinking driving problem involves mostly alcoholics, others, such as Judge Raymond K. Berg, who served as chief traffic judge in Chicago, point out that a detailed study in that city indicated 80% of the offenders were social drinkers. In addition, Judge Berg claims that an intensified enforcement drive with threats of jail sentences and loss of driving privileges resulted in a marked reduction in alcohol accidents in that city while the rest of Illinois without such a program was showing increases.

The Federal Department of Transportation has mounted special intensive action programs in a sizable number of United States cities. Undoubtedly, much of this effort is constructive, especially in getting alcoholics into rehabilitation programs. Stepped-up arrest programs have resulted in some citizen resistance to the programs and undoubtedly has disturbed many an operator of taverns and cocktail lounges.

But the basic problem in enforcement still resides in the inability to convict the guilty due to the state of the law in most jurisdictions. If motorists could come to believe that if arrested while under the influence they would face conviction as a high probability we would have effective deterrence in operation. As long as most can believe that they can beat the charge in most instances unless real drunk at the time we will not have the needed deterrence. Many years ago, the offense in speed in my state was driving at an *"unreasonable speed."* Enforcement was extremely difficult under such a vague standard because a defendant would assert that his speed was reasonable under existing traffic, weather, and other conditions even if he was driving at a relatively high rate of speed. We did not manage to bring the speeding problem under reasonable control until we set a speed limit *in miles per hour*. When we did this, enforcement officials were able to use radar and speedometers to clock speed of offenders, and about all a violator could do in most cases was to plead guilty. We have obtained reasonable deterrence with speed.

LAW CHANGES THAT ARE NEEDED

What we desperately need is to set a "speed limit" on drinking when one drives. Today our law in most places involves a vague standard of law violation—in essence, we are saying one should not drive with an "unreasonable amount" of alcohol. We define this in terms of *presumptions* of alcohol readings in excess of 0.10% in most places, but these can be rebutted by testimony by a driver that he had only "two beers" and was in good control of himself. Under such standards, convictions are often rare, and we do not have real deterrence.

We need to set a positive limit in terms of blood-alcohol readings. The needed action was contained in a bill which I introduced in the Iowa State Senate in 1973 with ten cosponsors. A companion bill was introduced in the Iowa House. The main provisions of the bill would: (Senate File 318)

(1) Give peace officers authority to request a person believed to be operating a motor vehicle while under the influence of an alcoholic beverage to take a breath test (or other chemical test) without placing the person under arrest;

(2) Make it illegal *per se* to operate a motor vehicle with a BAC (blood alcohol concentration) of .10% or more;

(3) Establish a lesser offense (driving while impaired) for operating a motor vehicle with a BAC in the range of .05% to .09%;

(4) Make mandatory a two-day jail sentence for drivers convicted of first offense DWUI (driving while under the influence) or with a BAC of .10% or more.

This proposal met with the approval of Marvin H. Wagner, Legislative and Judicial Coordinator of the Office of Alcohol Countermeasures, Traffic Safety Programs of the U.S. Department of Transportation, who said: (in a letter to the author)

"It (the bill) contains most of the new legislative concepts that the National Highway Traffic Safety Administration is recommending in the alcohol and highway safety area . . . let me congratulate you on a fine bill and one which this Administration would strongly support and endorse."

The Iowa Department of Public Safety made some minor suggestions to improve the bill, and then Michael M. Sellers, the Commissioner of Public Safety in Iowa in 1973, said:

"It is quite apparent that passage of your bill with our recommended changes could have a significant impact on Iowa's alcohol-related fatality toll, and for that reason the Department of Public Safety is in a position to strongly support and endorse your porposal."

In 1974, the new Commissioner of Public Safety, Charles W. Larson, also endorsed the bill, saying: (in a letter to the author)

"This Department believes that this proposed legislation will be a valuable tool in our efforts to curb highway deaths caused by drunken drivers."

Mr. Larson then called attention to an article in the November 1970 issue of Highway User which summarized the European laws concerning operating a motor vehicle while under the influence of alcohol. Mr. Larson then said:

"I concur with the author of the article when he states that, 'The Europeans regard the U.S. as a "Johnny-come-lately" in drunk driving legislation and believe our fantastically high percentage of alcohol-related motor vehicle accidents is the price we are paying for our indifference.'"

THE INACTION OF THE IOWA LEGISLATURE

In the 1973 session, the Iowa Senate Judiciary Committee took no action on the bill. Then a joint Senate-House interim study committee was appointed to study, during the summer of 1973, the problem of traffic fatalities in Iowa and to recommend legislation. And I was appointed vice chairman of that committee. This committee endorsed this bill by a vote of 9 to 0. We were encouraged to believe that the total support for this effective legislation would cause the Senate and House Judiciary Committee to study and report the bill out for action with recommendation to pass. But unfortunately, this did not come to pass in the 1974 session, which is one normally considered the "short session." We are hopeful that this legislation will finally come before the Iowa Legislature in the 1975 session.

This inaction of the Iowa Legislature is another indication of the general unwillingness of legislators to face up to passing bills which will really cope with the alcohol traffic problem. There are many claimed explanations of this. Some feel that it relates to the fact that many legislators are fearful of passing legislation which may meet with strong objection from many members of the social drinking public who do in many cases drive after drinking. And perhaps in some hopefully rare instances legislators may be in that group themselves.

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[1] Chairman of the Board, Preferred Risk Mutual Insurance Company, West Des Moines, Iowa.

TACTICS MAY BE IMPORTANT

It may well be that this writer made a tactical error in presenting what might be considered the "whole package" in a bill, Perhaps the wiser course might be to introduce a short, simple bill simply setting up a per se standard of 0.10% BAC for the general offense of driving under the influence and then if and when the bill reaches the floor offer the rest of the additional provisions by a series of amendments which could be adopted piecemeal. This may well be this legislator's tactic for 1975, and in turn it may be the tactic which other legislators might wish to follow.

ANOTHER POSSIBLE BUT UNLIKELY ATTACK ON THE PROBLEM

A rather famous advertising expert once said it was unwise to ask a man "if," but rather one should ask "which." When confronted with such a choice, many a person will simply choose one of two options. Perhaps following this advice we might well suggest that legislators vote to close bars and cocktail lounges (and in general stop the sale of alcohol) at 10 p.m. rather than the now usual closing hours, which may often be till 2 a.m. or even later. You will note with this article a chart which shows when the alcohol-related fatal accidents occurred in Iowa during the three-year period of 1970–1972 inclusive. During those years there was no sale of alcohol on Sunday in Iowa. You will observe the very low totals of alcohol-related fatal accidents in the period of 9 p.m. to midnight Sunday night and midnight to 3 a.m. Monday morning and the very high totals on Friday and Saturday nights from 9 p.m. to 3 a.m. the following mornings. It appears that 29% of our alcohol-related traffic deaths in Iowa occur on Friday and Saturday nights and the early hours of the following days. And over half occurred during those same hours during the entire week. If we could make the "sacrifice" of closing the bars at 9 p.m. or 10 p.m., we might well shut off a large number of fatal traffic accidents.

Faced with such a choice in legislative proposals, it may well be that some might choose the "hours of sale" approach to the problem with a minimum of change in the drinking driving laws (perhaps only the 0.10% per se provision), and others might want to go the route of leaving the hours of sale as they are now but focusing on the problem by complete and comprehensive legislative action as provided by the Iowa bill, S.F. 318, as described above.

In any event, how can concerned citizens continue to tolerate the heavy and needless toll of injury, death, and property damage now occurring on our streets and highways due to our alcohol traffic problem? Daily we read of the death and injury of innocent people killed by drinking drivers, and we are reminded of the old saying that in taking effective action the life we may save might well be our own or that of a loved one.

IOWA FATAL ACCIDENTS, 1972–73

	Drinking fatal accidents	Fatal accidents
1972:		
January	10	38
February	13	37
March	21	48
April	10	39
May	11	58
June	10	56
July	20	68
August	21	76
September	24	72
October	26	75
November	18	74
December	26	79
Total	210	720
Percent		29.2
1973:		
January	10	43
February	14	59
March	21	47
April	15	54
May	23	66
June	21	75
July	18	55
August	22	94
September	22	52
October	11	65
November	21	52
December	19	39
Total	217	681
Percent		31.9

Note: Drinking fatalities Sunday (12–3 a.m.) 5 mos., August–December 1972—3; August–December 1973–10.

IOWA—1973 AND 1974

	Alcohol-related fatal accidents						Alcohol-related fatalities					
	1973			1974			1973			1974		
Month	Number alcohol-related fatal accidents	Total fatal accidents	Percent of fatal accidents	Number alcohol-related fatal accidents	Total fatal accidents	Percent of fatal accidents	Number alcohol-related fatalities	Total fatalities	Percent of total fatalities	Number alcohol-related fatalities	Total fatalities	Percent of total fatalities
January	10	43	23.2	10	37	27.0	11	50	22.0	12	40	30.0
February	14	40	35.0	14	40	35.0	16	48	33.3	14	46	30.4
March	21	49	42.8	12	35	34.8	25	60	41.7	15	41	36.6
April	15	55	27.3	13	42	31.0	17	67	25.4	15	48	31.2
May	23	66	34.8	11	31	35.5	29	79	36.7	19	40	47.5
Total	83	253	32.8	60	185	32.4	98	304	32.2	75	215	34.9

IOWA ALCOHOL-RELATED FATAL ACCIDENTS BY TIME OF DAY BY DAY OF WEEK—A COMPOSITE FOR THE YEARS 1970, 1971, AND 1972

	Total		Day of week—						
Time of day	Number	Percent	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
12 to 2:59 a.m.	184	27.7	58	2	12	13	21	23	55
3 to 5:59 a.m.	73	11.0	16	2	8	7	8	10	22
6 to 8:59 a.m.	19	2.9	3	1	3	1	2	4	5
9 to 11:59 a.m.	12	1.8	3	1	0	2	1	2	3
12 to 2:59 p.m.	37	5.6	6	2	6	2	3	4	14
3 to 5:59 p.m.	65	9.8	5	6	4	13	7	8	22
6 to 8:59 p.m.	104	15.6	9	18	8	11	11	19	28
9 to 11:59 p.m.	167	25.1	9	19	15	19	22	45	38
Not stated	4		1			1	1		1
Total	665	100	110	51	56	69	76	115	188
Percent distribution			16.5	7.7	8.4	10.4	11.4	17.3	28.3

SOME OBSERVATIONS

(1) 9 P.M. to 3 A.M. of each day of the week total 351 out of 665 fatal alcohol related accidents or 52.8%.

(2) 9 P.M. Friday night to 3 A.M. Saturday morning, plus 9 P.M. Saturday night to 3 A.M. Sunday morning, account for 196 out of 665 fatal alcohol related accidents or 29.5%.

(3) Sunday night from 9 P.M. to midnight accounts for only 9 fatal alcohol related accidents, and every other 9 P.M. to midnight period of the week has at least double that amount, rising during the week to a peak of 45 on Friday nights.

(4) Monday morning from midnight to 3 A.M. in this three year period had only 2 fatal alcohol related accidents, the lowest of the week for that period of time in marked contrast to every other such period during the week, with Saturday and Sunday mornings from midnight to 3 A.M. with totals of 55 and 58 respectively of such alcohol related accidents.

BEEF PRICES, PRODUCTION COSTS, AND PROFITS

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. ZWACH. Mr. Speaker, while cattle prices have dropped 23 percent in the past 6 months and hog prices have fallen even more drastically, 45 percent, this is other bad news our meat producers face. Hurting even more, are the prices the producers must pay for all their inputs.

Using the same years on which parity is figured as a base of 100, feed today is 366, feeder livestock 564, trucks and tractors 734, farm machinery 712, building materials 707, seed 548, interest 974, taxes 1,451, and wage rates 1,467.

While staggering under these overburdening costs of production, the producer still feeds our people at the lowest percentage of income of any country in the world.

And while he is doing that, the meatpackers, the grocery chains, and other middlemen are reaping record profits.

Published reports by the meat companies show that the Missouri Meat Packers had a net income increase per share of 253.7 percent, United Brands, 139.4 percent; Hormel & Co., 107.7 percent; Spencer Foods, 104.3 percent; and Swift & Co., 63.5 percent. These are increases in the past year.

I am tired of having the producer blamed for our high over-the-counter food prices. I am tired of seeing retaliatory measures, such as dropping meat import quotas, aimed against him and millions of dollars of losses, while not a word is said about the high profit barons whose excessive markups are the real villains of high food prices.

GRADUATION—THE END AND THE BEGINNING

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. ROGERS. Mr. Speaker, it is with great pride that I acknowledge the accomplishments of Miss Victoria Peet upon her graduation from Grahm-Eckes High School in Palm Beach, Fla. I congratulate the Peet family on this happy occasion and commend them for their efforts and successes. As a tribute to Victoria and to her family. I believe we can all gain from reading the inspirational message included in Vicki's valedictorian speech, delivered on June 1, 1974, which I insert in the Record at this point:

VALEDICTORY SPEECH

(By Victoria Peet)

Dr. Flynn, Mr. Benjamin, Faculty, Students, and Guests, Good Evening.

Graduation from high school is both a sad and joyous time in one's life. It marks the end of childhood education, and the beginning of a future as an adult. Graduation brings with it tears as one recalls happy times spent in high school and excitement as one looks ahead to what the future may bring. Perhaps, as one thinks about the future, he may feel doubtful that he will be ready to accept new responsibilities and a new way of life. These feelings seize each of us at one time or another, and, as it is said, are a part of growing up. They may be helpful or hazardous, depending on what one feels within himself. If he believes that he can overcome any obstacle that may stand in the way of obtaining his dream, these feelings will help him to realize that the road to success is not always easy. However, if he feels incapable of handling obstacles, he will be defeated in his quest for his dream.

When reaching for your dreams, believe in yourself and your ability. That way, no one can discourage you from obtaining your goals. Have trust in yourself and be your own best friend, for then you can always be certain that what you are doing is right for you. Listen to the opinions of others, but formulate your own ideas. Cherish your friends for they are often a source of strength and encouragement. Always be prepared to learn, for through learning we grow. And, most important, be yourself. Each of us has something to offer, so keep your individuality and appreciate that of others.

STATEMENT OF ALEX BARNO, M.D., BEFORE THE SENATE JUDICIARY SUBCOMMITTEE ON CONSTITUTIONAL AMENDMENTS

HON. BOB BERGLAND

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. BERGLAND. Mr. Speaker, in an expression of our own personal values we often speak only from emotion. Nothing has become more emotional than questions concerning the rights of the unborn and in our debates we have frequently forgotten or ignored the voice of those who speak from knowledge as well as emtion.

My attention has recently been called to the remarks of Dr. Alex Barno before the Senate subcommittee studying possible constitutional amendments to reverse the Supreme Court decision on abortion. Dr. Barno speaks not only from the heart but from the perspective he has gained during 28 years as a practicing obstetrician and gynecologist, a distinguished professor of obstetrics and gynecology and an active member of several professional organizations dealing with his specialty.

He speaks in favor of human life.

Mr. Speaker, I would like to share Dr. Barno's statement with my colleagues for their study and consideration and insert it in the Record.

The article follows:

STATEMENT OF DR. ALEX BARNO

Mr. Chairman and Members: My name is Alex Barno, M.D. I have been a physician for 30 years and an Obstetrician and Gynecologist from Minneapolis, Minnesota, for the past 28 years. I am a Clinical Professor in Obstetrics and Gynecology at the University of Minnesota School of Medicine, a past President of the Minnesota Obstetrical and Gynecological Society, a member of the Central Association of Obstetricians and Gynecologists, Chairman of the Minnesota Maternal Mortality Committee of the State Medical Association, Chairman of the Committee on Obstetrics, Gynecology and Maternal Health of the State Medical Association, and a member of the Minnesota Cervical Cancer Mortality Committee. I am a non-Catholic physician.

I am here today in favor of the Human Life Amendment. These are my comments, and they do not represent in any official capacity any of the aforementioned organizations.

My presentation will be in two parts—some data from the Minnesota Mortality Study, which I believe will be of interest to you, and some general remarks.

Santayana stated that "those who do not remember the past are condemned to repeat it." The pro-abortionists flooded the American public with scare tactics before the Supreme Court decision of January 20, 1973, claiming that 5,000 to 10,000 women were dying annually in the United States as a result of induced abortions. Statistics from the Minnesota Maternal Mortality Study suggest that these figures were grossly exaggerated. This is a Clinical Research Study sponsored by the Minnesota State Medical Association, the Minnesota State Department of Health and the Minnesota Obstetrical and Gynecological Society. It has been continuous since 1950—I have been involved with the study since its beginning. Every maternal death in the State of Minnesota is studied in detail by an OB-Gyn specialist field worker—going to the hospital, doctor's office, etc., and obtaining firsthand all the information. Final decisions are then made at periodic meetings of the Committe as a whole, consisting of 23 physicians. I have presented to you data (Tables I through IX) from this Study for a 24 year period, 1950 through 1973, regarding rates, a breakdown of the causes of death, the out-of-wedlock pregnancy situation, the induced abortions, and the suicides in pregnancy. During this 24 year period under study, 840 maternal deaths occurred in Minnesota among 1,763,702 live births. Only 31 of these deaths were induced abortion deaths or 1.3 per year—28 illegal, or 1.2 per year, two therapeutic (for medical reasons) and one legal in 1973 (Table IX). Automobile accidents (48) are killing more pregnant patients in Minnesota than induced abortions (31), or suicides (22), yet this does not create such a furor as do the other two. The pattern in our state is the same as it has been—even after the latter part of the 1960's when some states began liberalizing their abortion laws and Minnesota residents could go out of state for abortions. If the figures of 5,000 to 10,000 per year were true, Minnesota should have contributed 100 to 200 illegal abortion deaths per year, yet we had only 1.2 per year. That figure of 5,000 to 10,000 I think was picked out of a Houdini hat. Legalizing abortion doesn't have much to do with the decrease in Maternal Mortality rates. The rates were decreasing before liberalization of the abortion laws. While there seems to have been a decrease in the number of legal abortion deaths in some states such as New York, the number of legal abortion deaths has replaced those gains. There are many factors to account for this—decreases in our birth rate, better training of physicians, better hospital organization of obstetrical care, better anesthesia, availability of blood, antibiotics, better nurses, etc., etc. In our State, the Study itself was a factor—quality control, peer review, disseminating the knowledge regarding the problems and their correction—education.

As our modalities of care have improved, the medical indications for therapeutic abortion have dwindled to almost nothing. Before the Supreme Court decision of January 20, 1973, the pro-abortionists kept parroting that if we didn't abort these women, they would kill themselves. About 75-85% of the abortions were done on the basis of psychiatric indication, the principal criterion being the likelihood of suicide. Again, however, data from the Minnesota Study indicates that this fear was unfounded.

There were only 22 suicides, one per 80,168 live births, or less than one per year. Sixteen of these occurred post-partum and *only six* with the child in utero. Pregnant patients commit suicide about six times less frequently than non-pregnant women of the same age group. No one has ever shown that aborting a woman cures psychiatric disease. The first nine tables of data I have presented to you are an updating of a scientific paper of mine which was published in the American Journal of Obstetrics and Gynecology in 1967 (reprint also included for your perusal).

Some pertinent data is presented to you in Tables X, XI and XII. Had we relied on Death Certificate information alone, we would have missed 32% of the total maternal deaths and 18% of the obstetrical deaths (where pregnancy played a causative role) since pregnancy or the postpartum state was not mentioned on the death certificate. These additional deaths were discovered through Committee efforts—setting up the study in a prospective fashion. The mechanics of this is included in the Appendix. Analyzing the maternal death certificates with regard to the cause of death—we found that 19% were incorrect—there was no correlation between the cause of death listed and that determined by the Committee. So Senators, with 19% incorrect to begin with as to the cause of death, and 18% of the obstetrical deaths missed by relying on death certificate information alone, one wonders about the reliability of some of the biometric information we are being fed today. Some of this data is inaccurate because they are making calculations regarding data which is inaccurate to begin with.

Now for the second part of my presentation. The abortion issue is the most divisive issue that has ever faced Medicine. It has produced a dichotomy, a schism, a polarization of a great and honorable profession on the local, state, national and international level, especially within the discipline of Obstetrics and Gynecology—abortionists in one camp and pro-life physicians in another. Our role as physicians is to protect and preserve life. The physician is the guardian of life. We are doing heart transplants, kidney transplants, kidney dialysis, etc., etc., in order to save lives. Only in the discipline of Obstetrics and Gynecology are we asked to destroy a life. This I have done three times in 28 years, and I will do it again when the life of the mother is jeopardized, but this is indicated very, very rarely in modern day medicine. The unborn child is a life, and its rights to be born should be protected. This wanton destruction of human beings by the thousands is a debasement, a prostitution of the art and science of medicine. Dr. Sigmund Freud (the eminent psychiatrist) said, "We may suppose that the final aim of the destructive instinct is to reduce living things to an inorganic state. For this reason, we call it the death instinct." If I had to coin one word to try to express everything regarding this indecent concept, it would be this—it is a phantasmagoria.

You have been bombarded with figures that abortion on demand has decreased the infant death rate. What a paradox—the more that are destroyed, the less there will be available for the live birth status for the statistics for perinatal mortality. This is a schizophrenia. These destroyed babies should rightly be included in the statistics as iatrogenic deaths—doctor produced.

You also have been bombarded with the concept that doctor produced abortions are much safer regarding the possibility of maternal death than the "back alley abortionists." In a recent article from the Bulletin New York Academy Medicine 49: 804, 1973, entitled "Impact of the Liberalized Abortion Law in New York City on Deaths Associated with Pregnancy: A Two-year Experience" by Pakter, O'Hare, Helpern, and Nelson, they reported 29 maternal deaths—16 associated with legal and 13 with illegal abortions. It seems that the doctors killed more women than the so-called "back alley abortionists." 16 to 13. The professional expertise of the "back alley abortionists" seems to have been underestimated. Making abortion available to the individual does not eliminate illegal abortions. This has been shown to be true in Sweden, Norway, Denmark, Czechoslovakia, and Hungary.

It would seem to me, Senators, that the answer to this abortion controversy is pregnancy prevention instead of pregnancy destruction. There is an old saying, "An ounce of prevention is worth a pound of cure." Life is a precious commodity as those of us who have it, realize. Birth control is a reality in today's world—the "pill," the intrauterine device, the diaphragm, the contraception jellies, etc., with vasectomy in the male and tubal ligation in the female, as is desired. In closing I would like to quote Camus. This is from a publication by Greg A. Gehred, M.D., Rochester, New York. Camus said in "Letters to a German Friend": "I continue to believe that the world has no ultimate meaning. But I know that something in it has meaning, and that is man, because he is the only creature to insist on having one. This world has at least the truth of man, and our task is to provide its justification against fate itself.

"And it has no justification but man; hence he must be saved if we want to save the idea we have of life. With your scornful smile, you will ask me What do you mean by saving man? And with all my being, I shout to you that I mean not mutilating him."

If life has any intrinsic value, Senators, then abortion is just such mutilation. Thank you.

APPENDIX

Before the study was begun, it was outlined in our state medical journal, "Minnesota Medicine." Each doctor was notified by letter. Each hospital administrator and chief of staff of every hospital in the state was also notified by letter. The cross-matching technique has been utilized. The death certificates of all women ages 15 through 45 are cross checked against any births or stillbirths . . . additional cases are discovered since pregnancy or the postpartum state was not mentioned on the death certificate. Additional cases were discovered through notification by physicians, nurses, social workers, medical students, hospital record room librarians and newspapers. In addition the State Department of Health issued a ruling to all hospitals that a maternal death should be reported within three days of occurrence.

FEELING OUTRAGED ABOUT HIGH PRICES DOWN ON THE FARM

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. QUIE. Mr. Speaker, the corporate power in the United States' food economy is only now coming to light and it appears there is good reason for further scrutiny.

Writing in the June 16, 1974, Washington Post, Jim Hightower, director of the agribusiness accountability project, points toward the extensive influence major food chains have over the food structure. The article follows:

Feeling Outraged About High Prices Down on the Farm

(By Jim Hightower)

"Farmers never had it so good," declared President Nixon at a press conference in March. But have they? Certainly, farm people do not share the President's cheery outlook on the farm economy. In fact, farmers were shocked and outraged, and one national farm group considered the remark so callous as to warrant impeachment.

With the highest food and farm prices in memory, what caused farmers to bridle at the President's comment? Two things in particular.

First, farmers did not benefit most from the exorbitant food prices of 1973—the U.S. Department of Agriculture (USDA) reports that food middlemen continued to take nearly three-fifths of the consumer's food dollar in 1973.

Second, the President was trying to make political hay out of a temporary farm price boom that already is fizzling out—1974 does not look all that great to farmers.

Consider the first question: who profited? There can be no doubt that 1973 was a good year for farm income, especially for grain and livestock farmers. As it turns out, administration publicists were a bit overzealous in their initial claims for farm income and they had to revise their early figures downward by $2 billion. And there is considerable doubt that all of the $24 billion farmers supposedly earned actually ended up on the farm, since a good many corporate processors and marketers of such commodities as eggs and poultry get counted as "farmers." These quibbles aside, however, 1973 was not a bad year to have been a farmer.

But it was not the kind of year that warrants being singled out in a Presidential press conference. Even with the record income levels of 1973, farmers received only 46 cents of the consumer's food dollar. The rest went to the corporate middlemen that process, market and retail food. Nor does every farmer in America draw 46 cents every time a consumer lays down a dollar; most farmers never see that kind of ratio.

For an example, the chicken for which you pay $1.50 pays the chicken farmer 6 cents. USDA statistics show that a can of peaches cost consumers 41 cents last year, but the peach farmer got only 7 cents of it. You spent 28 cents for a loaf of white bread, but only 4 cents trickled back to the wheat farmer. A head of lettuce cost 43 cents at the supermarket, but paid only 4 cents to the farmer.

PROCESSORS' PROFITS UP

At a time of skyrocketing food prices and consumer disgruntlement, the President pointed to farmers, without bothering to mention that food corporations were enjoying even better times. Far from flattered, farmers felt picked on. Cattle ranchers are said to have done especially well in 1973, but none did anywhere near as well as such corporate cowboys as Iowa Beef Processors, with a 66 per cent profit increase last year, or American Beef Packers, with a 288 per cent profit increase. Food processors grumbled all last year about government price controls, but their 1973 profit figures suggest that they grumbled all the way to the bank. For example, the big canners of fruits and vegetables did much better than the farmers who grow them with such firms as Del Monte taking a 35 per cent profit increase in 1973, Campbell Soup 23 per cent and Castle & Cook (Dole) up 52 per cent.

The May 4 issue of Business Week offered another interesting insight into how the chips actually fell last year. In a listing of salary increases for corporate executives, the food industry was found to be very generous. Food firms and government officials are quick to point to rising labor costs as an inflationary villain and a drain on corporate profit margins, but they do not draw attention to inflationary jumps in executive salaries. In 1973, food industry workers had wage increases of 6 per cent. Up in the executive suites of food corporations, however, there was much less restraint.

Food manufacturing firms ranked ninth out of 32 industries surveyed by Business Week, boosting the pay of their top executives by an average of 17.7 per cent. For example, while consumers were being advised by government and industry to switch from beef to beans, Kraftco increased the salary of its board chairman from $264,000 to $321,000. Consumers ultimately get to pay for Kraftco's internal largesse. Grocery chain executives ranked fourth in Business Week's listing, taking home a 24.3 per cent pay increase. Safeway, which complained all last year that its profit margins were paper thin, scraped up an extra $16,000 to round off its chairman's salary at $200,000 a year. Nothing that these corporate executives now claim to be feeling the "pinch" of inflation. Business Week reports that their pay levels can be expected "to take another big jump with the expiration of controls."

FARM PRICES DOWN

Grocery shoppers undoubtedly are puzzled over the phenomenon of the "disappearing price drop" in our food economy. Since September, 1973, the news media have been reporting each month that the farm value of food has been falling. But that price drop on the farm has not made its way into the supermarkets. Farm prices fizzled 16 per cent from August to December of last year but supermarket prices remained sizzling hot. Even as President Nixon was making his remark about the good fortunes of the American farmers, the price they were being paid was falling for the sixth straight month, while the price charged to consumers actually was rising.

Not only did food firms pass all of the farmers' 1973 increase right through to the beleaguered consumer, but they also attached a sizable markup of their own. The Federal Reserve Bank of Chicago reported on March 8 that food middlemen increased their take from consumers by 6.5 per cent in 1973. That is an increase exceeded only once (in 1970) in the last 20 years. And the Department of Agriculture reports that these firms will increase their share in 1974 at a rate that "may be more than double the 1973 increase." What that means is that consumers will pay much more for food this year and much less of what they pay will go to farmers.

In 1973, the farmer was averaging 46 cents of the food dollar. By May, 1974, that already had fallen to 42 cents, the same level it was prior to the boom of 1973. And the farmer's share is expected to fall even more during this year. The retail price of food is hardly keeping pace. A Department of Agriculture report shows that the price of bread rose from January to April by two cents, while the farm value of bread ingredients fell by two cents. That is four extra pennies picked up by middlmen every time a loaf of bread is bought.

Not only are middlemen failing to pass along cheaper farm prices, but some appear also to be holding back on supplies of farm goods. For example, Reps. Frank Denholm (D-S.D.), Thomas P. O'Neill, Jr. (D-Mass.) and Lester Wolff (D-N.Y.) have suggested that meat packers and processors are widening their profit margins today by manipulating available supplies of meat.

The congressmen took a look at the meat industry's cold storage inventories in May and found an astounding amount of meat being packed away in corporate warehouses. Department of Agriculture figures showed that cold storage of beef by the packers and processors is 33 per cent above last year, pork stocks are 43 per cent greater and poultry storage is up by 87 per cent. Denholm charged that this storage "clearly pirates the prices of consumers and producers alike." By storing meat, the corporations can artificially decrease supplies in supermarkets, thus keeping consumer prices high. Simultaneously, the record inventories decrease industry demand, thus dampening prices paid to meat raisers.

During April, farm prices overall fell another 4 per cent, with the price of cattle falling from 39 to 37 cents a pound, hogs down from 31 to 26 cents a pound, wheat down from $3.98 a bushel to $3.52, cotton down from 58 to 49 cents a pound and eggs down from 50 to 42 cents a dozen.

STEIN'S STATEMENT

A remark in May by Herbert Stein, chairman of the President's Council of Economic Advisors, is depressing to farmers and consumers alike. He said, "The *declines* in farm product prices are likely to be reflected in much smaller *increases* in retail food prices than occurred in the first quarter of 1974" (emphasis supplied). Only the Grocery Manufacturers of America and the National Association of Food Chains can appreciate the logic of that.

In fact, that is the kind of logic that food middlemen can carry to the bank. The Federal Reserve Bank of Chicago said in its May 31 agricultural letter that "the available evidence suggests that higher profits have contributed to the widening farm-to-retail price spreads." That conclusion is supported by Business Week magazine figures showing that in the first three months of this year the largest food retailers had profits that were 59 per cent higher than a year ago, even though their sales were up just 14 per cent.

The Department of Agriculture clouds the issue of high middleman profits by reporting figures that encompass all food firms, the small with the giant. There are 32,000 food manufacturing firms in America, but just a handful of those sell nearly all the food and control the industry. In May testimony before the Joint Economic Committee, the Federal Trade Commission's Dr. Russell Parker noted that "the 50 largest [food manufacturers] controlled 50 per cent of assets of 1964, they accounted for 61 per cent of profits and nearly 90 per cent of television advertising." According to Dr. Parker and other authorities, this level of industry concentration is increasing steadily. These are the brand-name giants, powerfully situated between millions of farmers and millions of consumers, and they are fast becoming the decisive force in the American food economy.

The average profit increase for all 32,000 food firms in 1973 would not be remarkable, but the dominant firms had "a year to remember," as Business Week put it. A special USDA task force on food marketing costs reported this month that the profits of food middlemen in 1973 "probably" will exceed the 1972 total of $3.4 billion. But the task force need have no doubt about the largest firms. Analyzing the 66 largest food processors, Business Week reported in March that their profits averaged 17 per cent higher than in 1972. The profits of those 66 industry leaders were more than $1.8 billion, which is more than half the industry's total for the previous year.

To a significant degree, this level of profit is the result of monopoly power in the food industry.

Dr. William Shepherd, a leading authority on market concentration, reports that the food industry falls well within the category of "tight oligopoly," with the average four-firm concentration within the industry being 55 per cent. In many food lines, shared monoplies exert much greater control. For example, 91 per cent of all breakfast cereal is sold by four firms (Kellogg, General Mills, General Foods and Quaker). Three firms (Dole, Del Monte and United Brands) sell 85 per cent of all bananas in this country. Gerber alone sells 60 per cent of all baby food and Campbell's sells 90 per cent of all soup.

The same high levels of concentration exist in food retailing, with more than half the cities in the country being dominated by four or fewer chains. In the Washington, D.C. area, for example, Safeway, Giant, Grand Union and A & P control 72 per cent of the grocery market. Nationally, one-third of all the convenience grocery stores are owned by Southland Corp., parent of the 7-11 chain.

PRODUCTION COSTS

There is another harsh economic reality that is squeezing farmers and causing them to think anew about the advice of old-time populist leader, Mary E. Lease: "Raise less corn and more hell." That reality is the rise in farm production costs.

Not much of what the farmer gets stays in his pockets, for he has a mess of bills to pay. As farmers move into the summer months, they are massively pessimistic. The cost of their production supplies has increased about as rapidly as the plummeting of farm prices. In March alone, farm prices fell 4.4 per cent, while the cost of farm inputs increased 2.2 per cent. The Department of Agriculture predicts that farmers' expenses in 1974 will be "more than $9 billion above last year."

A corn farmer in Iowa told the Des Moines Register of fertilizer prices this year 40 per cent higher than last, of diesel fuel prices doubling since last year and of corn seed that has gone from $25 a bushel to $37 a bushel. The cost of new machinery has gone out of sight, and repair of old machinery is about as costly—as this corn farmer put it, "You don't need too big a truck to haul away $500 in parts." He is having to shell out this kind of money now, while the price he can expect for his corn already has tumbled this year from $3.25 a bushel to $2.27.

At work here is the other jaw of the corporate vise that is squeezing family farmers and contributing to higher food prices. There may be a profit made on the farm in 1974, but there will be much more profit made off the farmer. Here's a sample of profit increases farm suppliers already have had in the first quarter of this year.

[In percent]

	1st quarter 1974 profit increase	1st quarter 1974 sales increase
International Harvester	113	16
Stauffer Chemical	55	31
Occidental Petroleum	716	96
Firestone Tire & Rubber	19	17
Pfizer	33	26

Source: Business Week, May 11, 1974, "Survey of Corporate Performance: First Quarter 1974." pp. 70–90.

To put these profits into perspective, the average profit increase in all industries in this first quarter was 16 per cent. And again, these profits can be traced to the existence of monopoly power within the industries. For example, Dr. Shepherd reports that the four leading farm machinery firms hold 70 per cent of the relevant market. The Federal Trade Commission staff found in 1972 that farmers were overcharged $251 million because of the existence of monopoly power in the farm machinery industry. The four-firm concentration ratio in the chemical industry is 71 per cent; in petroleum refining, 65 per cent; and in tires, 71 per cent.

The general public, the Congress and the press have paid little attention to the rise of corporate power in the food economy. It is time to notice, for not only has that power become significant, it already has become the single, most dominant factor affecting the food supply.

It is impossible in the long run to lower food prices, to raise farm income and to assure a steady supply of nutritious food without dealing directly with the shifting structure of the food economy. Both as suppliers of inputs to farmers and as buyers of raw commodities from them, corporations have become the determining force in the farmer's business. As manufacturers, advertisers and retailers of food, corporations have become the decisive force in the quality, choice and price of food available to the shopper.

As a minimal first step toward keeping corporate food power in check, the country's antitrust apparatus ought to be focused on food. The Federal Trade Commission shows some hopeful signs that it might be listening to consumer and farmer complaints on food issues. The chairman of the commission, Lewis A. Engman, has announced creation of a special task force of lawyers within FTC's enforcement branch to develop and implement a program of antitrust action directed at the food industry. Whether Chairman Engman's highly-touted "National Food

Plan" will be more than window dressing is questioned by several consumer and farmer organizations, but at this point they are grateful for any official response tossed their way.

Also encouraging are signs that at least a few congressmen are waking up to the corporate presence and beginning to probe for some answers. Within the last six months, the Senate Select Committee on Small Business, the Senate Commerce Committee and the Joint Economic Committee have conducted public hearings on the role of corporate middlemen in the food economy. In addition, the Senate Antitrust and Monopoly Subcommittee and the Senate's Permanent Subcommittee on Investigations have shown an interest in corporate activities that affect farmers and consumers.

These are halting, first steps, but they are important. Old perceptions of food power, based on the idea of independent farmers responding to sovereign consumers, no longer are valid. Increasingly, corporations are the decisive force at both ends of the food chain. That fundamental shift in power is too important a matter to be left to USDA and corporate executives.

The most lasting and significant impact of 1973's skyrocketing food prices may well be the wide public attention that the jolt of those prices attracted to food economics. The food issue will abate somewhat in intensity, but it will not go away, and neither will public attention. The Food industry can expect much more scrutiny in the months ahead.

PEANUT GIVEWAY PROGRAM

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. PEYSER. Mr. Speaker, in April 1973, the General Accounting Office completed a study of the peanut program and concluded that that program was wasteful and ineffective. This Friday when the agriculture appropriation comes to the floor I intend to offer an amendment to end this giveaway program. The peanut has got to be one of the most wasteful of all government programs and I feel very strongly that the House must put an end to it. I insert at this point in the RECORD for the benefit of my colleagues a copy of some of the highlights of the GAC study on peanuts:

[Report to the Congress]

NEED INTENSIFIES TO AMEND LEGISLATION TO REDUCE GOVERNMENT LOSSES ON THE PEANUT PRICE-SUPPORT PROGRAM

(Agricultural Stabilization and Conservation Service, Commodity Credit Corporation, Department of Agriculture)

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C.

TO THE PRESIDENT OF THE SENATE AND THE SPEAKER OF THE HOUSE OF REPRESENTATIVES

This is our report stating that the need intensifies to amend legislation to reduce Government losses on the peanut price-support program administered by the Agricultural Stabilization and Conservation Service, Department of Agriculture, for the Departments Commodity Credit Corporation.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Director, Office of Management and Budget, and to the Secretary of Agriculture.

ELMER B. STATTS.

[Comptroller General's Report to the Congress]

DIGEST

WHY THE REVIEW WAS MADE

About 5 years ago the General Accounting Office (GAO) reported to the Congress that the Commodity Credit Corporation (CCC), Department of Agriculture, had lost about $270 million on the peanut price-support program during the 12 years 1955 through 1966 and that losses over the next 5 years 1967 through 1971 would be at least $248 million.

GAO recommended then that the Department develop for the Congress' consideration a program to control peanut production more effectively and that it study other means to remove excess acreage from production and/or equalize supply and demand.

The program has not been changed, and, as predicted, CCC has incurred greater losses. GAO, therefore, has reassessed the program to determine what should be done to effectively control production and reduce losses.

FINDINGS AND CONCLUSIONS

The Agricultural Adjustment Act of 1938, as amended, requires the Secretary of Agriculture to control peanut production on the basis of demand. However, the act specifies also that he authorize annually not less than 1,610,000 acres for growing peanuts.

The sponsors of the act expressed hope that the 1,610,000 acres—the minimum national acreage allotment—would be sufficient on all occasions to supply the edible trade without any substantial surplus.

Since 1955, however, fewer than 1,610,000 acres have been needed annually to satisfy commercial demand because advances in farm technology have increased yields per acre by an average of 70 pounds a year. An average of 1,015,000 acres annually would have produced the necessary supply during 1967 through 1971.

Under the program CCC has to buy the surplus peanuts and store them until they are sold. The prices at which CCC sells them are significantly less than the costs of buying them.

From 1967 through 1971 CCC recovered through sales 53 percent of its costs of buying surplus peanuts and lost $279 million on the program, a 66-percent increase over the loss of $168 million form 1962 through 1966. The loss for 1972 is estimated at $105.5 million. Unless the program is changed, CCC's losses will continue to mount.

Projections developed in March 1972 by the Department's Agricultural Stabilization and Conservation Service, which administers the program for CCC, show that, if the present program is continued, losses from 1973 through 1977 will total $537 million, a 92-percent increase over the losses for the 5 years ended in 1971.

Anticipated losses could be substantially reduced if the minimum acreage provision of the act were rescinded, so as to allow the Secretary flexibility to adjust the allotment to keep production more in line with commercial demand. The Department and the Congress would decide the rate of reduction and the level to which the allotment would be adjusted.

GAO does not propose any particular rate or level. However, this report contains an example, developed on the basis of information supplied by the Service, which shows the effects on CCC loses and grower income of one acreage reduction program that might be used.

RECOMMENDATIONS OR SUGGESTIONS

This report contains no recommendations or suggestions to the Department.

MATTERS FOR CONSIDERATION BY THE CONGRESS

To give the Secretary of Agriculture more flexibility to adjust production so that it is consistent with commercial demand, GAO recommends that the Congress amend the Agricultural Adjustment Act of 1938 to remove the minimum acreage provision.

AGENCY ACTIONS AND UNRESOLVED ISSUES

The Department agreed with GAO's findings. (See app. II.) It recognized that CCC's annual losses had grown rapidly in recent years and probably would increase unless changed by legislation.

Although agreeing that the legislative change which GAO recommends would help bring peanut production more in line with demand, the Department said that it was not completely satisfied that the change was the most desirable solution when considering the longrun interests of peanut growers, the peanut industry, and the public. The Department said it was studying GAO's recommendation and possible alternatives.

The National Peanut Growers Group and the National Peanut Council outlined several actions that the industry had taken or planned to take to try to build new and expand present markets domestically and abroad. The group requested that the industry be given an opportunity to test its promotion program before the Government modifies the price-support program.

Alternatives exist for bringing production and demand more in line, and the Department's study and the industry's promotional efforts are desirable. However, because CCC losses are expected to exceed $100 million annually, more immediate action is needed.

Removal of the minimum acreage provision would not preclude any actions the Secretary may wish to take as a result of the Department's study. Also it would not affect the industry's ability to meet any increasing demand that may result from its promotion program since the Secretary would be able to adjust the allotment up as well as down.

BURDENED WITH INCOME TAXES

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. HANRAHAN. Mr. Speaker, everyone seems to be burdened with income taxes. However, there are certain areas of the country which pay higher taxes than others. For the benefit of my colleagues, I insert the following article:

[From the Washington Star-News, June 17, 1974]

TAX STUDY SHOWS WIDE DISPARITIES BETWEEN AREAS

NEW YORK.—A survey of 125 metropolitan areas in the U.S. showed that New York City areas residents paid an average federal income tax of $1,388, at the same time that Columbus, Ga., residents paid $620.

Four other metropolitan areas contributed more than $1,300 per resident, based on fiscal 1972 statistics, according to the survey by the Tax Foundations.

They were: San Francisco-Oakland, $1,364 per resident; Paterson-Clifton-Passaic, N.J., $1,322; Newark, N.J., $1,320 and Chicago, $1,310.

Relatively low per-capita tax burdens also were found in Charleston, S.C., $621; El Paso, Tex., $626; Augusta, Ga., $661.

The average tax per resident in all 125 urban areas was 1,085, compared with $795 for non-urban areas.

The metropolitan areas accounted for 61 percent of the nation's population and 68 percent of personal income in 1972, according to the foundation, a nonprofit research organization based in New York.

The new metropolitan estimates are based on an extension of a formula the foundation says it has used for nearly two decades to show how states share the federel tax burden.

The cost of federal grants by state, also shown in the study, ranged from Indiana's $1.55 for each dollar of aid, to Alaska's 38 cents for each aid dollar.

Determination of where the burden of federal taxation actually falls is a first step in answering many questions raised by the growth of federal taxes and spending, the Foundation said.

ANNUAL QUESTIONNAIRE REVEALS SOME INTERESTING VIEWS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. FORD. Mr. Speaker, earlier this year I mailed copies of my annual questionnaire to each of the nearly 154,000 homes in my congressional district, asking my constituents' views on some of the many issues and problems facing our Nation.

Several dozen volunteers worked many hours in my district office to tabulate the returns. Although the questionnaires are still arriving daily, the flow has dwindled and I am pleased at this time to report the percentage results of approximately the first 10,000 replies.

ENERGY CRISIS

The questionnaires were mailed during the height of the energy crisis, and several of the questions dealt with this crucial matter. It is interesting to note that 77 percent of those responding expressed belief that the fuel shortage was artificial.

Of these, 70 percent believed the shortage was deliberately created by the oil industry, while 21 percent declared that it was contrived by the Nixon administration to divert public attention from the Watergate scandals. Among those who believed that the shortage was valid, the blame was equally split between the oil industry, the Federal Government, and the public.

By an overwhelming margin of 70 percent, my constituents preferred rationing over higher prices or increased taxes as a means of dealing with any future shortages.

Although I am not convinced that the crisis was entirely contrived, I do think the big oil corporations should have seen it coming and made their plans accordingly. Certainly, they have profited from the situation, both in terms of financial dividends and the elimination of competing independent firms. The price of gasoline and fuel oil has skyrocketed, and there seems little likelihood that it will return to precrisis levels.

Likewise, although I doubt that the Nixon administration actually planned the shortage, I do think the President's actions—and inaction—contributed to the crisis, and the end result was to take public attention, temporarily, away from the growing cancer of Watergate.

To whatever extent the shortages were valid, I think the blame must be shared by the oil industry and, to a lesser extent, the Federal agencies with oversight responsibilities in this area. I do not think it is fair to blame the general public, who had no warning that a crisis was imminent.

I heartily agree with my constituents that rationing offers the only fair way to deal with future shortages. Increased prices or taxes puts the burden primarily on the low- and middle-income wage earners, and would tend to make driving a rich man's privilege.

THE PRESIDENCY

The questions dealing with President Nixon reflected the continual erosion of public confidence in his ability to govern the Nation effectively. Eighty percent of the respondents felt he had not been honest or candid about the scandals surrounding his administration. This certainly mirrors my own skepticism about the President's role in the entire Watergate mess.

Sixty-one percent of my constituents felt that he should resign, and 66 percent said he should be impeached if he does not resign. Only 34 percent believed he should remain in office. These figures come close to a recent Harris poll, which showed that most Americans, by 52 to 35 percent, think Nixon should be impeached and removed from office.

I have a deep faith in our Federal Constitution, and I would prefer that the President not resign. This would circumvent the constitutional process of impeachment, and would leave the basic issue of guilt or innocence forever undecided. If a majority of the House votes to impeach President Nixon, he would have a full and impartial hearing by the Senate, under the direction of the Chief Justice. Only if two-thirds of the Senate voted to convict him, would the President be removed from office.

POLLUTION STANDARDS

On the question of pollution standards, only one-third of those replying thought these standards should be reduced while the energy crisis lasts. Nearly half believed that the standards should remain at present levels, while 19 percent preferred even higher standards. I agree with the majority of my constituents that we must not permit the energy crisis—real or artificial—to wipe out what gains we have made in the field of pollution control.

INFLATION

More than 50 percent stated that the impact of inflation on their families had been "very serious," while 40 percent reported it had been "fairly serious." Only 6 percent replied that the impact of inflation had not been serious.

These 6 percent must be unusual families, indeed. I consider runaway inflation to be the most serious problem facing our Nation today, and I cannot imagine any family, below millionaire status, not being affected. Most seriously hit, of course, are those on fixed incomes, primarily retirees. Every family of average income, however, has seen its standard of living curtailed by the ever-mounting cost of living.

TROOPS IN EUROPE

Again reflecting a nationwide trend, most of my constituents—57 percent—favored a reduction in our troop levels in Europe. Only 19 percent voted to maintain the present levels, while 24 percent favored eliminating them entirely.

I, too, think the time has come to sharply reduce our troop commitments in Europe, and begin planning for their eventual elimination. The retention of these servicemen, and many of their dependents, in Europe, nearly 30 years after the end of World War II, is a luxury our strained economy cannot afford.

BUDGET CUTS

Asked to list three areas in which they would cut the Federal budget, a near-unanimous 97 percent listed foreign aid in the top three. Defense-military spending was second, with 62 percent. Welfare programs, Government waste, space research and Federal subsidies also received a substantial number of votes.

Here, too, it is difficult to quarrel with my constituents. Government spending must be reduced, and with so many domestic problems, foreign aid is the most obvious place to cut. I have long believed our military budget is overinflated and should be sharply reduced. The national hodge-podge of welfare programs is nothing short of disgraceful, and reform is long overdue. Space research is already being curtailed, and we are slowly winning our long fight to cut down on Federal subsidies, particularly to the rich and powerful who do not really need them.

BUDGET INCREASES

On areas in which they would increase the Federal budget, my constituents ranked education and health care at the top, with 45 percent each, closely followed by pollution control with 42 percent. Senior citizen programs drew 33 percent, while 24 percent voted for crime control. An identical 24 percent said they would not increase the Federal budget for any purpose.

As a member of the Education and Labor Committee, I have been fighting for many years to increase the Federal Government's contribution to local school districts. As a cosponsor of the Kennedy-Griffiths Health Security Act, I am a firm believer in a comprehensive Federal health insurance program.

With my constituents, I would put education and health at the top of my list. The wealthiest nation in the world can no longer continue to shortchange its citizens in these two vital areas.

MAJOR PROBLEMS

Asked what they consider the three most important problems facing the Nation, 30 percent cited inflation, 23 percent listed crime and drugs, and 18 percent voted for the energy crisis. 17 percent declared that the presidency was among our three major problems, and another 15 percent listed Government corruption. Thirteen percent marked unemployment.

Here, again, I feel that my constituents have shown keen insight into our Nation's problems. I, too, would list inflation first, and crime second, although I would include the presidency and Government corruption in a single category.

Mr. Speaker, I believe this annual questionnaire survey is one of the most important and valuable projects that my office carries out each year. I know that many other members conduct similiar surveys, and I know they share my belief that this is an excellent means of keeping in touch with the sentiments and anxieties of those whom we represent here in Congress.

For the benefit of my colleagues, I am herewith printing the questions as they appeared on my questionnaire, together with the percentage responses thus far tabulated:

[In percent]

	Yes	No
1. The energy crisis has become the Nation's primary concern in recent months, there are many who believe the shortage has been artifically created and is not necessary.		
(a) Do you believe the shortage is artificial?	77	23
2. Assuming the shortage is valid, and recognizing that there can be many contributing factors for such a complex problem, what do you think are the primary reasons?		
(a) Poor planning by the oil industry	31	
(b) Poor planning by the Federal Government	36	
(c) Wasteful consumption by the public	21	
(d) Other	12	
3. Assuming the shortage is artificial, why and by whom do you think it was created?		
(a) By the oil industry, to drive prices upward	56	
(b) By the oil industry to combat antipollution regulations	14	
(c) By the administration to divert public attention from Watergate and other scandals	21	
(d) Other	9	
4. If the shortage worsens, and drastic steps appear necessary, which of the following methods would you prefer to help solve the problem?		
(a) Rationing	70	
(b) Higher prices	14	
(c) Increased taxes	6	
(d) A combination of these	10	
5. The energy crisis, and continued inflation, following on the heels of the Watergate scandals and the Agnew resignation, have severely shaken public confidence in President Nixon. Do you think he has been honest and candid about—		
(a) His role in the Watergate case	22	78
(b) His income-tax payments in recent years	24	76
(c) His relationship to the oil corporations	20	80
(d) His campaign contributions in 1972	19	81
6. Many persons believe Nixon has become such a controversial President he has lost his ability to effectively govern our Nation. What is your opinion?		
(a) Should he resign?	61	39
(b) If he does not resign, should he be impeached?	66	34
(c) Should he remain in office?	34	66
7. Because of the energy crisis, there is growing pressure to lower the antipollution standards developed in recent years, particularly in such areas as auto-emission control, strip mining, and the use of coal and high-sulfur petroleum. Do you think pollution standards should be—		
(a) Retained at present levels	47	
(b) Reduced while the energy crisis lasts	34	
(c) Increased to even higher levels	19	
8. Inflation in 1973 climbed to an annual rate of 8.8 percent, the highest for nearly 20 years. In general, do you think the impact of inflation on your family has been—		
(a) Very serious	54	
(b) Fairly serious	40	
(c) Not serious	6	
9. The United States now has 320,000 troops and 140,000 dependents in Europe, nearly 30 years after the end of World War II. Congress this year will consider plans to reduce these figures. Do you think our troops in Europe should be—		
(a) Decreased sharply	25	
(b) Decreased moderately	32	
(c) Retained at present level	19	
(d) Eliminated entirely	24	

10. Both the Congress and the Administration agree that Federal spending should be reduced, but disagree drastically on which programs should be cut and which should be expanded. President Nixon, in fact, has refused to spend funds appropriated by Congress for such items as education, health care, and water pollution measures, while seeking higher allocations for the military and for foreign aid.

a. In what three areas do you think the Federal budget should be cut?

[In percent]

Foreign aid	97
Military/defense	62
Welfare programs	38
Government waste/cost	29
Space program	15
Federal subsidies	13

b. In what three areas should the Federal budget be increased?

[In percent]

Education	45
Health care	45
Pollution control	42
Senior citizen programs	33
Crime control	24
None	24

11. To conclude this questionnaire, please tell me what you consider the three most important problems facing our nation.

[In percent]

Inflation	30
Crime and drugs	23
Energy crisis	18
The presidency	17
Government corruption	15
Unemployment	13

OPERATION YOUTH AT XAVIER UNIVERSITY

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. LUKEN. Mr. Speaker, recently Xavier University, which is located in my district, hosted the 25th annual meeting of "Operation Youth," a program designed to give our young people a better understanding of the American way of life. Much of the success of the program is the result of the efforts of Mr. William Smith, director of "Operation Youth."

This year 53 high school juniors from Ohio, Kentucky, and Indiana, representing 35 high schools, participated in the event. These young people spent an entire week at Xavier listening to talks from leaders in government, business, and education, and participating in workshops. The theme of this year's program was "How To Apply Freedom."

Each year the participants of "Operation Youth" elect officers. I would like to extend my congratulations to this year's officers and recognize them by inserting their names in the CONGRESSIONAL RECORD.

They are as follows: Bryan Adrick, mayor; Suzi Leonard, vice mayor; Bob Collett, city manager; Gary Rogers, clerk of courts; Jeannie Cooper, Jim Waters, Mike Burr, Becky Durfey, Mitch Grueninger, Chris Mihalik, Terry Mittlehauser, counsel members.

LAW AND ORDER—PART II

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mrs. SCHROEDER. Mr. Speaker, I am today inserting in the RECORD for the information of my colleagues the contents of the Justice Department mailing which has been a focus of my attention and was the subject of my remarks yesterday upon introduction of the bill H.R. 15447. Although the cover under which this mailing was made cannot well be reproduced in the RECORD, the mailing was made in penalty mail envelopes, in the upper left hand corner stating: "U.S. Department of Justice, Washington, D.C., Official Business, Penalty for Private Use. $300."

The material follows:

OFFICE OF THE ATTORNEY GENERAL,
Washington, D.C., April 6, 1973.

DEAR SIR: One of President Nixon's most important speeches of recent times was his

March 10th address to the nation on crime and drug abuse in which he called for common sense in law inforcement.

Mr. Nixon's remarks served to remind us very clearly that leadership in the war on crime comes right from the top of the United States Government. And it also indicated once again that law-abiding Americans have a man with the courage to represent their interests.

In the 1960's crime control often foundered on the rocks of permissiveness and on the attitude that society was more to blame for crime than was the criminal. President Nixon has made it clear that the law must hold the individual responsible for his own actions, and that only with this approach can we maintain a society that is both free and secure.

This has been the philosophy which has undergirded the President's crime fighting initiatives since he first came to office. In his recent address, he made unequivocably clear his intention to use every responsible tool to curb crime in America. This means still more effective law enforcement at the Federal level and it means even more assistance for State and local law enforcement agencies.

Enclosed is a copy of the President's March 10th address which I am pleased to commend to you.

Sincerely,

RICHARD G. KLEINDIENST,
Attorney General.

Address by the President on Law Enforcement and Drug Abuse Prevention

Nothing is so precious to Americans as the freedoms provided in our Constitution. In order that these freedoms may be enjoyed to their fullest, there must be another freedom—from the fear of crime.

The senseless shooting of Senator John Stennis in January gave tragic emphasis to the fact that there is still a high risk of crime on our Nation's streets. These acts of violence are the natural residue of an atmosphere in America that for years encouraged potential lawbreakers.

Americans in the last decade were often told that the criminal was not responsible for his crimes against society; but that society was responsible.

I totally disagree with this permissive philosophy. Society is guilty of crime only when we fail to bring the criminal to justice. When we fail to make the criminal pay for his crime, we encourage him to think that crime will pay.

Such an attitude will never be reflected in the laws supported by this Administration, nor in the manner in which we enforce those laws. The jurisdiction of the Federal Government over crime is limited, but where we can act, we will act to make sure that we have the laws, the enforcement agencies, the courts, the judges, the penalties, the correctional institutions and the rehabilitation programs we need to do the job.

Next week I will propose a revision of the entire Federal Criminal Code, modernizing it and strengthening it, to close the loopholes and tailor our laws to present day needs. When I say "modernize", incidentally, I do not mean to be soft on crime; I mean exactly the opposite.

Our new code will give us tougher penalties and stronger weapons in the war against dangerous drugs and organized crime. It will rationalize the present patchwork quilt of punishments for crime. It will substantially raise current limits on monetary fines and it will restrict the present absurd use of the insanity defense.

I am further proposing that the death penalty be restored for certain Federal crimes. At my direction, the Attorney General has drafted a statute consistent with the Supreme Court's recent decision on the death penalty. This statute will provide capital punishment for cases of murder over which the Federal Government has jurisdiction, and for treason and other war-related crimes.

Contrary to the views of some social theorists, I am convinced that the death penalty can be an effective deterrent against specific crimes. The death penalty is not a deterrent so long as there is doubt whether it can be applied. The law I will propose would remove this doubt.

The potential criminal will know that if his intended victims die, he may also die. The hijacker, the kidnapper, the man who throws a fire bomb, the convict who attacks a prison guard, the person who assaults an officer of the law, all will know that they may pay with their own lives for any lives that they take.

This statute will be a part of my proposed reform of the Federal Criminal Code. However, because there is an immediate need for this sanction, I have directed the Attorney General to submit a death penalty statute as a separate proposal so that the Congress can act rapidly on this single provision.

Drug abuse is still Public Enemy No. 1 in America. Let me tell you about some of the tragic letters I have received at the White House from victims of drugs.

One tells about a five-year-old boy hospitalized in Missouri. Someone gave him LSD.

One is from a boy 18 years old who had spent 11 months in a mental hospital trying to get rid of his drug addiction. He started with marijuana. He is asking me for help because his 14-year-old brother has begun to use drugs.

Another is from a mother in California. Her son committed suicide. He could not end his drug habit, so he ended his life.

One of the things that comes through so forcefully in these letters is the sense of despair of people who feel they have no place to turn for help, and so they write to the White House. I intend to help them.

We have already made encouraging progress in the war against drug abuse. Now we must consolidate that progress and strike even harder.

One area in which I am convinced of the need for more immediate action is that of putting heroin pushers in prison and keeping them there. A recent study by the Bureau of Narcotics and Dangerous Drugs revealed that more than 70 percent of those accused of being narcotics violators are freed on bail for a period of three months to one year between the time of arrest and the time of trial. They are thus given the opportunity to go out and create more misery, generate more violence, commit more crimes while they are waiting to be tried for these same activities.

The same study showed that over 25 percent of the federally convicted narcotics violators were not even sentenced to jail. When permissive judges are more considerate of the pusher than they are of his victims, there is little incentive for heroin pushers to obey the law, and great incentive for them to violate it. This is an outrage. It is a danger to every law-abiding citizen, and I am confident that the vast majority of Americans will support immediate passage of the heroin trafficking legislation I will propose to the Congress next week.

This legislation will require Federal judges to consider the danger to the community before freeing on bail a suspect for heroin trafficking. That is something they cannot legally do now. It will require a minimum sentence of five years in prison for anyone convicted of selling heroin. It will require a minimum sentence of 10 years to life imprisonment for major traffickers in drugs. And for offenders with a prior conviction for a drug felony, those who persist in living off the suffering of others, it will require life imprisonment without parole.

This is tough legislation, but we must settle for nothing less. The time has come for soft-headed judges and probation officers to show as much concern for the rights of innocent victims of crime as they do for the rights of convicted criminals.

In recent days, there have been proposals to legalize the possession and use of marijuana. I oppose the legalization of the sale, possession or use of marijuana. The line against the use of dangerous drugs is now drawn on this side of marijuana. If we move the line to the other side and accept the use of this drug, how can we draw the line against other illegal drugs? Or will we slide into an acceptance of their use, as well?

My Administration has carefully weighed this matter. We have examined the statutes. We have taken the lead in making sanctions against the use of marijuana more uniform, more reasonable. Previously, these sanctions were often unrealistically harsh. Today, 35 States have adopted our model statute on drugs, including marijuana. I hope others will.

But there must continue to be criminal sanctions against the possession, sale or use of marijuana.

Law enforcement alone will not eliminate drug abuse. We must also have a strong program to treat and assist the addict. Two-thirds of my proposed anti-narcotics budget goes for treatment, rehabilitation, prevention and research. We are approaching the point where no addict will be able to say that he commits crimes because there is no treatment available for him.

By providing drug offenders with every possible opportunity to get out of the drug culture, we need feel no compunction about applying the most stringent sanctions against those who commit crimes in order to feed their habits.

The crimes which affect most people most often are not those under Federal jurisdiction, but those in which State and local governments have jurisdiction. But while the Federal Government does not have full jurisdiction in the field of criminal law enforcement, it does have a broad, constitutional responsibility to insure domestic tranquility. That is why I am doing everything I can to help strengthen the capacity of State and local governments to fight crime.

Since I took office, Federal assistance for State and local law enforcement authorities has grown from over $100 million to over $1 billion. We are training over 40,000 law enforcement officers in the control and prevention of drug abuse.

This year more than 1,200 State and local police officers will graduate from the new FBI Academy, and I plan to increase assistance next year to local law enforcement to over $1,200,000,000.

Crime costs Americans twice. It costs first in lives lost, in injuries, in property loss, in increased insurance rates, in being fearful for your own safety as you go about your work.

And second, crime costs in the taxes that go to maintain police forces, courts, jails, others means of enforcement.

It is a breach of faith with those who are paying the cost of crime, human as well as financial, to be lenient with the criminal. There are those who say that law and order are just code words for repression and bigotry. That is dangerous nonsense. Law and order are code words for goodness and decency in America.

Crime is color blind. Let those who doubt this talk to the poor, the minorities, the inner-city dwellers, who are the most frequent victims of crime. There is nothing disgraceful, nothing to be ashamed of, about Americans wanting to live in a law-abiding country.

I intend to do everything in my power to see that the American people get all the law and order they are paying for. Our progress in this effort has been encouraging. The latest FBI figures show that for the first nine months of 1972, the growth rate of serious crime in America was reduced to one percent. That is the lowest rate of increase since 1960.

In 83 of our major cities, serious crime has actually been reduced, and in the District of Columbia it has been cut in half since 1969. Convictions for organized crime have more than doubled in the last four years. The rate of new heroin addiction has dramatically decreased.

These are the positive results of refusing to compromise with the forces of crime, refusing to accept the notion that lawlessness is inevitable in America. We have the freedom to choose the kind of nation we want, and we do not choose to live with crime.

The Federal Government can help provide resources. It can help provide leadership. It can act with its own jurisdiction. But in the end, one of the best resources we have, one of the greatest safeguards to public peace, is the active concern of the law-abiding American citizen. The war against crime is not just the job of the FBI and the State and local police; it is your job, everybody's job. It is the very essence of good citizenship to act when and where we see crime being committed.

Citizens in some high crime areas have gathered together to work with the police to protect lives and property, to prevent crime. They have recognized the simple fact that we are going to have a crime problem as long as we are willing to put up with it, and most Americans are not willing to put up with it any longer.

When I saw and heard the remarks of our returning prisoners of war, so strong and confident and proud, I realized that we were seeing men of tough moral fiber, men who reflected, despite their long absence from America, what America is all about.

Just as they are returning home to America, I believe that today we see America returning to the basic truths that have made us and kept us a strong and a free people. I am encouraged by that vision. It points the way toward a better, safer future for all Americans. It points the way toward an America in which men and women and children can truly live free from fear in the full enjoyment of their most basic rights.

To accept anything less than a nation free from crime is to be satisfied with something less than America can be and ought to be for all our people.

TEMPLE VALLEY BETH SHALOM'S ATTEMPTS TO ASSIST SOVIET JEWS

HON. THOMAS M. REES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. REES. Mr. Speaker, while all of us in the Congress are heartened by the recent emigration of Valery and Galina Panov to Israel, we must not permit our concern for other less eminent Soviet Jews to erode. Jews seeking to emigrate are encountering severe difficulties and are harassed and discriminated against for actions which we ourselves incorporate as an inherent part of our traditional liberties—the right to openly practice their religious and cultural heritage, and the freedom to emigrate.

I would like to call attention to the actions of the Sisterhood of Temple Valley Beth Shalom in Encino, Calif. In its continuing attempts to publicize the plight of Soviet Jewry, the sisterhood, on April 18, 1974, placed another of its telephone calls to the family of Boris Rubinstein, its "adopted" Soviet family. Present for the call were Sylvia Bernstein, president of the Sisterhood of Valley Beth Shalom; Phyllis Channing, social action chairman of the sisterhood; Geza Grun, the ritual director of Valley Beth Shalom; Rita Lipshutz, recording secretary of the sisterhood; and Len Smith, executive director of the temple.

The transcript of the telephone conversation follows:

TRANSCRIPT

CHANNING. Hello Boris.

RUBINSTEIN. Hello.

CHANNING. This is Phyllis. Phyllis Channing from Valley Beth Shalom.

RUBINSTEIN. Hello.

CHANNING. Yes. Do you remember me, Boris?

RUBINSTEIN. Excuse me, but give your name.

CHANNING. Phyllis Channing.

RUBINSTEIN. Ah, thank you.

CHANNING. Yes, from Valley Beth Shalom Temple in Encino.

RUBINSTEIN. Yes.

CHANNING. I don't know if you remember, but we spoke to you about two or three months ago.

RUBINSTEIN. I remember. Please speak a little slower.

CHANNING. Yes. How are you?

RUBINSTEIN. Thank you, fine.

CHANNING. Good. It is nice to hear your voice again.

RUBINSTEIN. Thank you.

CHANNING. Did you receive any of my mail?

RUBINSTEIN. Mail what?

CHANNING. Have you received any of our mail?

RUBINSTEIN. No.

CHANNING. Some letters?

RUBINSTEIN. From Valley Beth Shalom? Hello.

CHANNING. Yes. Valley Beth Shalom.

RUBINSTEIN. What do you mean? Letters?

CHANNING. Yes.

RUBINSTEIN. Huh?

CHANNING. Yes, New Year's cards.

RUBINSTEIN. No, no, no. Nothing!

CHANNING. Oh.

RUBINSTEIN. Absolutely nothing!

CHANNING. Oh, I'm sorry about that. We . . .

RUBINSTEIN. But I have not got any cards, any greeting cards from Passover.

CHANNING. Well, we will keep sending you cards anyway.

RUBINSTEIN. (He laughs). Oh, I am sure that you have sent to me something, but I have not got anything.

CHANNING. How is your situation now?

RUBINSTEIN. Pretty badly. You must understand it. Because nothing, nothing. The situation is very quiet. Nobody got their permission and now they have refused families. Only Dreyfus—right—got anywhere. Do you understand me? Hello?

CHANNING. Yes, well I want you, don't give up hope on this because we have heard of many families ah, we have just heard of one from Moscow that got their visa to go to Israel.

RUBINSTEIN. No, no, no. I mean that families and persons who were refused before and in previous times after some time, some not for a long time of waiting, were granted permission to go away now. The situation is completely changed. And nobody of this persons or family got permission to go away. Do you understand me?

CHANNING. Oh, I see. Of the families.

RUBINSTEIN. And now a number of these families who were refused in the families ah number of this family now about 50 in Leningrad.

CHANNING. 50? Have you been to the Ovir Office?

RUBINSTEIN. I don't understand you.

CHANNING. Have you, I see. Tell me, would you like to speak to somebody here who speaks Russian and I would like him to say just a few words to you and then I will talk to you again. Just one moment Boris.

RUBINSTEIN. I will wait.

CHANNING. This is Mr. Grun.

Conversation in Russian.

CHANNING. Hello, Boris.

RUBINSTEIN. Hello.

CHANNING. Yes, you know I wanted to tell you that last time we spoke to you our conversation was recorded in the Congressional Record.

RUBINSTEIN. I see.

CHANNING. Now that is a public daily record of all the happenings in the United States Congress.

RUBINSTEIN. I see.

CHANNING. Even today we have a Congressman represented here and hopefully we will have the same thing. This brings your problem and your plight to the attention of the American people and they are all trying to help you.

RUBINSTEIN. Yes, yes.

CHANNING. So please don't give up hope. Everything will work out.

RUBINSTEIN. I try.

CHANNING. Just beautifully. We have somebody here from Congressman Tom Rees's office.

RUBINSTEIN. Yes.

CHANNING. And last time Barry Goldwater, Jr. from the Congress submitted the conversation to the Congressional Record. So please, things are getting done and just keep up the faith. OK?

RUBINSTEIN. OK.

CHANNING. We have regards for you from Evelyn & Gilbert Dreyfus and from Betty and Ira Winer.

RUBINSTEIN. Thank you very much.

CHANNING. And, in addition, do you think you could be at this telephone number in two weeks at the same time and somebody will be calling you.

RUBINSTEIN. Quite well.

CHANNING. OK. Now don't forget.

RUBINSTEIN. Two weeks later, same time.

CHANNING. Yes, same time.

RUBINSTEIN. Who will call to me, you or Betty Winer?

CHANNING. I don't know. Maybe Betty. We will see. Somebody will.

RUBINSTEIN. Quite well.

CHANNING. It has been wonderful talking to you. You sound good.

RUBINSTEIN. Thank you very much. I am very glad to hear your voice.

CHANNING. Same here and I hope we will see you in Israel very, very soon.

RUBINSTEIN. I hope but I must tell you that it is very hard work to live such a life.

CHANNING. I see. How is your family?

RUBINSTEIN. The whole family are still waiting. Do you understand me?

CHANNING. Yes, please send them our regards.

RUBINSTEIN. Thank you.

CHANNING. OK. Goodbye Boris.

RUBINSTEIN. Goodbye. Shalom.

CHANNING. Shalom.

MANY A SLIP "TWIXT CUP AND LIP" ON DEFENSE SUPPLEMENTAL REQUEST

HON. ROBERT L. LEGGETT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. LEGGETT. Mr. Speaker, Congress is often accused of being a "rubber stamp" for the Department of Defense in dealing with its requests for money. While this charge may be true in particular instances, the action taken by the Congress on the recent supplemental budget request by the Pentagon shows that there is sometimes a slip "twixt cup and lip" when it comes to the Pentagon getting hold of public money.

Below is a chart which shows the progress of this latest request through the legislative process. The chart includes only those items subject to authorization:

COMPARATIVE COMMITTEE ACTION ON FISCAL YEAR 1974 DEFENSE SUPPLEMENTAL REQUEST

	Defense request	House Armed services	Senate Armed services	House appropriation	Senate appropriation	Authorization conference	Appropriation conference
I. Procurement:							
Army aircraft	22.0	22.0	15.0	16.0	16.0	15.0	16.0
Navy, Marine aircraft	219.2	219.2	101.1	153.7	113.0	210.2	95.0
Air Force aircraft	445.0	445.0	154.8	294.0	244.4	187.8	107.7
Army missiles	84.4	76.6	66.3	76.6	76.6	76.6	76.6
Navy missiles	28.6	28.6	17.0	0.0	0.0	17.0	0
Marine Corps missiles	22.3	22.3	22.3	22.3	22.3	22.3	22.3
Air Force missiles	39.0	39.0	22.9	39.0	27.0	39.0	11.4
Navy ship repair	24.8	24.8	0.0	0.0	24.8	24.8	24.8
Army weapons	121.8	121.8	59.1	71.1	58.6	71.6	71.1
Total	1,007.1	999.3	[1] 458.5	658.0	582.7	655.3	424.9
II. R. & D.:							
Raises	108.9	108.9	108.9	54.4	108.9	108.9	81.7
R. & D.	108.9	.975	0	5.8	0	.975	5.8
III. Milcon	29.0	29.0	0	29.0	0	3.866	0
IV. MASF	[2] 474.0	[3] 474.0	[3,4] 266.0	[3] 474.0	[3,4] 266.0	0	0
Total	1,727.9	1,612.175	978.8	1,221.2	947.8	769.041	512.4

[1] $155.8 to be transferred from $2.2 billion for Israel.

[2] Increased spending authority requiring Congressional approval—no appropriation needed.

[3] Deleted by floor action.

[4] Approved bookkeeping switch freeing $266 million.

As the above figures show, some committees are more aggressive in their oversight function than are others; nevertheless, the total effect of the legislative process was to reduce the amount of the request from $1,727.9 million to $512.4 million for a 70.3-percent decrease.

The action taken by the various committees on this proposal is commendable; obviously, there was a lot of fat in the request that simply did not require the urgent type of action that a supplemental appropriation receives. It is distressing to find that the Pentagon would send up an "urgent" request that was found to be less than 30 percent urgent, for this cannot help but reflect back on the credibility of future Defense Department budget submissions. There appears to be no obvious threat to the safety of the Republic from our deletion of $28.6 million for missiles for the Navy, or from our reduction of $124 million in the Air Force aircraft budget.

It is also worthy of note that the Department has made no formal budget amendment proposal to include the $108 million in R. & D. money we deleted from the supplemental in the 1975 budget. Again, we are faced with the question: If these items were so urgent that they required a supplemental appropriation, why are they now of so little importance that they do not warrant inclusion into the fiscal year 1975 budget?

The portion of the supplemental that attracted the most public and congressional attention was the request to raise the ceiling on military aid to Vietnam from $1.126 billion to $1.6 billion, an increase of $474 million. What made this request seem so capricious was that it came less than 2 months after Congress had voted to lower the aid ceiling by precisely the amount of the supplemental request. This proposal appeared to be such an outrageous flaunting of the intent of the fiscal year 1974 ceiling that an enraged Congress summarily refused it, despite several administration attempts to compromise at lower figures. The final blow to this ill-fated request was a Senate vote to deny the use of what was called "legerdemain" in Pentagon bookkeeping to salvage $266 million for Vietnam.

The Pentagon works from a position of strength when they make a budget request. It knows that Congress wants a military force that is strong and able to meet real threats to the country. It knows that Congress and the President entrust this vital mission to our Military Establishment, and that we want to give our military men what they need to do their job. It is important, however, that the Pentagon not waste this reservoir of good will with capricious or ill-considered requests. The example set by the supplemental request is a poor one—it places the Department of Defense in the light of requesting huge sums of money on an urgent basis for poorly justified programs. The fiscal year 1975 budget did not suffer the fate of the supplemental; it will not suffer anything approaching a 70-percent cut. But the nagging question must now be in every Congressman's mind. Suppose that request contains as much fat as the supplemental did? Are we wasting 70 percent of $22 billion, and should we be cutting at that rate?

When the Pentagon makes a poorly conceived budget request, nothing but harm can come of it. If the request is granted, the country is weakened by unnecessary spending for defense. If the request is exposed as frivolous, it damages the credibility of the organization charged with that defense. Either way, America loses.

I hope that valuable lessons were learned from the defense supplemental. I hope that the Congress has learned that we can say no to unnecessary defense spending without exposing the country to needless danger, and I hope that the Pentagon has learned that its proposals must be well-conceived, soberly assessed, and fully justified before we are asked to provide a defense budget that is rapidly exceeding our ability to pay.

A military budget that annually bankrupts the Treasury does not contribute one iota to our defense. We in the Congress must continue to exercise the kind of restraint shown in our treatment of the supplemental request, lest we find ourselves appropriating money for the defense of a bankrupt nation. We must heed this lesson soon, or soon it will be too late.

A SAFER WORKDAY STARTS IN GUAM

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. WON PAT. Mr. Speaker, many of our colleagues know that the island of Guam is "where America's day begins." Our position just across the international dateline allows tomorrow's sun to shine first on the American soil of Guam. But Guam also sees the "light" first in other ways, too, as a recent article in the Department of Labor's Job Safety and Health magazine, published by the Occupational Safety and Health Administration, shows.

Excellently written by Ms. Virginia Reinhart, the article states that on February 14, 1972:

> Guam became the first jurisdiction to pass enabling legislation for occupational safety and health.

Ms. Reinhart continues on to enumerate the many changes which occupational safety legislation has brought to working conditions on the island. Previously, she notes, scaffolding for construction projects were made from bamboo—a common and dangerous practice in much of the East. Today, thanks to the farsighted action of the Guam Legislature and the Department of Labor, construction workers climb scaffolding made of steel, no longer endangering their lives and confident that the supports under them will not collapse.

In recent years, Guam has undergone a tremendous building boom. The new safety regulations have contributed to keeping the accident rate on such projects way down, a fact of which both

Guam and the staff of the Occupational Safety and Health Administration can be justly proud.

Ms. Reinhart's article makes interesting reading for all those who are interested in occupational safety. I commend the article to the attention of my colleagues and congratulate Ms. Reinhart for her outstanding efforts and a job well done. In this connection, I also extend my appreciation to the editorial staff of the magazine, Job Safety and Health, and in particular to an old friend and seasoned journalist, Malcolm Barr, Chief of the Media Relations for OSHA, for including an article about Guam in their publication.

At this time, I include the article in the RECORD:

A SAFER WORKDAY STARTS IN GUAM

(By Virginia Reinhart)

Located 6,500 miles west of San Francisco, on the other side of the International date line, the American island of Guam is the first piece of American soil to see the sun rise every day. So it is appropriate that the Guamanians also were first to "see the light" on the need for job safety and health legislation. On February 14, 1972, Guam became the first jurisdiction to pass enabling legislation for occupational safety and health.

The purpose of such legislation is to enable a state or territory to put its own job safety and health plan into effect—once the plan is approved by the Occupational Safety and Health Administration (OSHA). So, the immediate effect of Guam's enabling legislation was to set in motion the long process by which a state or territory assumes responsibility for job safety and health by writing its own plan. The long-range effect is to assure that once the plan has been approved, there will be funds to implement it and staff to carry it out.

If it seems surprising that the first enabling legislation was passed by a territory that has little industrialization, Guamanians, nevertheless, have their own reasons for supporting job safety and health.

Guam is an island paradise, with clean, sandy beaches, a warm climate, and great natural beauty—and the Guamanians want to keep it that way. Guam has been spared some of the ugliness of modern times—there is little unemployment, for example—and its government is determined to prevent some of the other kinds of ugliness. Job-related deaths, injuries, and diseases are ugly, indeed, and the Guamanians are staunch supporters of any means to cut down on these ills. They look upon OSHA as an ally in the effort to keep their paradise just that.

Because of its size, location, and current economic boom, Guam has unique problems in industrial safety. To understand how these developed, it is helpful to know something of Guam's history.

Guam is a small island, 32 miles long, and 8 miles at its widest point. Discovered by Magellan in 1521, it was a colony of Spain until 1898, when the United States gained control of the island at the end of the Spanish-American War. Because of its strategic position in the Pacific, the United States Navy has had a base there ever since. During World War II, the Japanese occupied the island and forced 22,000 islanders into concentration camps. The people of Guam thought of themselves as Americans, and the Japanese occupation strengthened that feeling. In 1944, after heavy bombing and fierce fighting, the United States regained Guam. The job of rebuilding the island began.

In 1950 the United States government granted self-government to the island and full U.S. citizenship to the Guamanians, except that they can not vote in national elections and their representative to Congress in Washington is a non-voting delegate.

When the war damage had been repaired, disaster struck the island again. In 1962 Typhoon Karen hit the island with such force that 90 percent of the buildings were damaged or destroyed. The Governor declared it a disaster area, and the job of reconstruction began again.

Guam lacked the manpower to do the job. And though the Guamanian did not want large numbers of foreign workers to come to the island and take away jobs, they knew they would need help to rebuild. So the U.S. government granted non-immigrant visas to 1,500 construction workers from the Philippines, Korea, and Formosa.

By the time the typhoon damage was repaired, a happier reason was found for hiring foreign construction workers. Tourists—the Japanese, in particular—had discovered the wonderful climate and great beauty of Guam. In 1965 there were 500 tourists. By 1972 that number had jumped to 118,000, and the government predicts a quarter of a million tourists will visit the island in 1975. But if tourists are to come, there must be places for them to stay. Today Guam has seven luxury hotels, seven more under construction, and another seven on the drawing boards. The labor shortage is more acute than ever, and now there are more than 8,000 foreign construction workers building hotels, homes, banks, and stores all over the island.

With the growth in the workforce, more attention has been focused on working conditions, and job safety and health is high on the list of concerns. William A. Flores, the island's administrator for occupational safety and health, has been given the primary responsibility for writing the Guam plan. The U.S. Department of Labor also has assigned attorney Gennaro Ingenito to assist in preparing the plan for federal approval.

Ingenito, who had done much of the legal wording of the Guam plan, adapted the applicable standards of the Occupational Safety and Health Act. But the plan will be written around Guam's special needs; it will not be a "mirror image" of the federal act, nor will it be modeled after another state plan.

Some of the standards that the Guam plan will probably incorporate reflect problems that are unique to Guam. For example, scaffolding erected for use in construction always needs special care to make it a safe place to work. But in Guam some Korean contractors were erecting scaffolding made of bamboo, and men were working many feet above the ground on narrow, rickety platforms. The practice, of course, has been stopped.

Fatalities also have occurred because of old wiring. As buildings have been remodeled, workers who were unfamiliar with the way electric wiring had been done were liable to severe burns and other injuries. Other accidents resulted from workers' lack of training. Many of the foreign workers are skilled in more than one trade and can move from one construction task to another. But not *all* carpenters are also plumbers, and vice versa; so the new plan will include provisions to prevent a man from working at a trade for which he has not been properly trained.

The Guam plan also must set standards that cover the housing of foreign workers. Many of the contractors bring in temporary workers from other countries to work on construction projects. The housing provided for these workers must now meet standards set by the U.S. Department of Labor. Guam's plan will have to set standards "at least as effective" as the federal standards.

Many of the foreign workers do not read or write English, so Greg Almonte, an inspector, was assigned to translate the OSHA poster. There are now posters in Tagalog, Visayan, and Pampangan. Though there are more than 700 Filipino dialects, these three serve most of the workers. "We need to translate the poster into Korean and Chinese, too," Flores says.

Flores and Ingenito are giving their attention to the immediate problems, but are also determined that the Guam plan will anticipate the needs of the future. Aside from construction, there has been litle heavy industry on the island, but a watch assembly factory, an oil refinery, and a brewery have recently been built. Flores and Ingenito want their standards to cover workers in these new industries as well as the construction workers who make up the bulk of today's labor force.

In writing the Guam safety and health plan, Flores and Ingenito hope to incorporate one major feature that will make it quite different from the federal act. The Guam plan, as they conceive it, would have the local island court judges hear contested safety and health cases rather than an Occupational Safety and Health Review Commission.

"We believe that handling contested cases through our local court system will be cheaper and more efficient and will fulfill all the due process requirements," states Ingenito. "However, we believe that a full educational and information program will result in voluntary compliance by most of the employers on the island, and that actual court cases will be kept to a minimum."

The expense of hiring a judge to review the challenges to the citations seems to Ingenito and Flores to be wasteful. Their position is based on the assumption that there would be only a few cases each year to review. As evidence, Flores cites the goodwill and cooperation that exist between OSHA and the various business associations on the island. "We have wonderful cooperation, particularly from the island's contractors," he says. "They don't want accidents any more than we do."

Recently the Guam Contractors Association held a two-day meeting on OSHA. They sent foremen and workers to the meeting to hear Paul Haygood, the area director from Honolulu, who directed the sessions,

By sending consultants like Ingenito and Haygood and by providing training for inspectors, the Occupational Safety and Health Administration has helped Guam work toward safe and healthful working conditions on the island. But most of the impetus has come from the people and the government of Guam.

DUKE ELLINGTON

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. RANGEL. Mr. Speaker, when Duke Ellington recently passed away, many words were written about his outstanding contribution to American music. In addition to his numerous musical accomplishments, Duke was loved and highly respected by many of those who had the opportunity to know him over the years. Nat Hentoff, a noted music critic who knew Duke personally, wrote a moving tribute to him in the June 13 edition of the Village Voice. Mr. Hentoff's essay follows:

DUKE ELLINGTON, 1899–1974

(By Nat Hentoff)

During more than 30 years of knowing Duke, I hardly ever saw anger in him. That is, overt, visible anger. Once it did come through when we were talking about putting labels on music.

"Riding in the car with Harry the other night," Duke said, "I heard a cat on the radio talking about what he called 'modern jazz.' So he played a record to illustrate his point. And you know, there were devices in that music I heard cats using in the 1920s. Those large words like 'modern' don't *mean* anything. Everybody who has had anything to say in this music—all the way back—has been an individualist. I mean musicians like Sidney Bechet, Louis Armstrong, Coleman Hawkins. Then what happens is that hundreds of other musicians begin to be shaped by that one man. They fall in behind him and you've got what people call a category. But I don't listen in terms like 'modern' jazz. I listen for those individualists. Like Charlie Parker was."

When Duke wanted to praise someone—which he did, I thought, non-discriminately out of chronic kindness—he would often say that the musician or singer being talked about was "beyond category." In all of American music—Ives, Jelly Roll Morton, even Coltrane and George Crumb—there has been no one but Duke to whom that term, "beyond category," can be applied with total accuracy. Of course, he had roots, but what he created over half a century was a microcosm, a musical universe all his own. His own and that of those musicians who were in his orchestra. No other hand could play Duke's charts and sound at all like his orchestra did. Not even Charlie Barnet who idolized him so.

One reason for the utter singularity of that universe was, of course, that Duke wrote for specific musicians. "I know," he once told me, "what each man does best, what his strengths are, what his capacities are, and I write to that." That's why when someone who had been with Duke for a long time left to go out on his own, he always sounded somehow incomplete in the outer world. Some recognized that and came back, having learned that Duke could find qualities in a musician he didn't know he had.

The microcosm could not be copied for another reason. It was part of an extraordinary cohesive continuum. Like Bach, Duke worked in a multitude of forms, transmuting them, interrelating them all to a huge body of work with its own logic of evolution, expansion, continual regeneration. No piece by Duke was ever finished. When I was a kid, going to hear him night after night at dances in Boston, then later being allowed by him to come to rehearsals, I kept hearing songs going through all sorts of changes. Sidemen would make suggestions, some of which Duke would accept. And he would have a new idea and put it in. Then, years might go by before the piece was played, and suddenly—if Tom Whaley, the librarian of Ellingtonia, could find it—it would reappear, changed yet again. By then there were new players in the band who in turn would generate new ideas in Duke. And yet the new and the old were part of that wholly distinctive continuum, that microcosm which this one man, and only he, controlled.

No wonder Duke would get exacerbated by people trying to put labels on music, especially his music. There was the music of Ellington, and there was other music. And because his musicians were so integral a part of how he wanted to express himself, Duke was intensely loyal to them. A good many years ago, he roared—an extreme rarity—at a young man who was then head of Down Beat's Chicago office. In Duke's band at the time was an addict and that night he had nodded off during the whole first set.

"It looks awful, Duke," the young critic said, "that guy zonked out in public. Why don't you get rid of him?"

"Do you realize?" Duke said furiously, "that that man fought for you in the South Pacific where he contracted a rare form of malaria which puts him in this condition from time to time?"

The blood of the musician in question would have instantly stunned any mosquito to death, but Duke was not about to have a citizen of his own principality criticized by an outsider.

Duke could not fire a man. "What he does," Billy Strayhorn once told me, "is wait until it becomes obvious to the man himself that he'd be happier somewhere else. And sooner or later, the man leaves." Duke did fire one man though—Charles Mingus. The story is in Mingus's "Beneath the Underdog" (pp. 324–325). You ought to read it. Mingus has caught Duke exactly. And as Mingus says, the way Duke fired him made Mingus feel honored. It's both a very funny passage and quite revealing of Duke.

Musicians outside the band were never criticized by Duke. "I'm not good at appraisals," he would say. But if he liked someone, he would try to help, in his oblique way. Years back, Marian McPartland had a long run at the Hickory House where Duke usually hung out when he was in New York. (The room's publicity man was Joe Morgen who, for more years than anyone can remember, has been wholly devoted to Duke and acted as Duke's publicity man—without pay, as Woody Herman told me the other night.)

Anyway, Marian came down after a set, and Duke said, with a large smile, "You play so many notes." It took several months for that to sink in. "I was green as grass," Marian remembers. "Then I realized he was telling me to edit myself. And of course, he was right."

There was that Duke, and there was the man who was highly aware and proud of his Blackness. He wrote "Black Beauty" in 1928, in tribute to Florence Mills. And through the years, there were the show, "Jump for Joy"; the long works, ("Black, Brown and Beige," "Deep South Suite," "My People"), and many more explorations and celebrations of the Black heritage.

We were talking once about Black consciousness, and Duke mentioned that in the 1920s, when Paul Whiteman was allegedly bringing "dignity" to jazz, Duke went to Fletcher Henderson and said, "Why don't we drop the word 'jazz?' We ought to call what we're doing 'Negro music.' Then there won't be any confusion." Henderson preferred not to.

Duke also pointed out how, long before the civil rights movement, he never allowed himself or his men to be treated with disrespect. There was a 1934–36 tour of the Deep South. "We did it," said Duke, "without the benefit of Federal judges, and we commanded respect. We didn't travel by bus. Instead we had two Pullman cars, and a 70-foot baggage car. We parked them in each station and lived in them. We had our own water, food, electricity, and sanitary facilities. The natives would come by and say, 'What's that?' 'Well,' we'd say, 'that's the way the President travels.' "

When he was with other Presidents, Duke was never awed, being of higher rank. Toward the end of Lyndon Johnson's Presidency, there was a plane ride so that Lady Bird could say good-bye to America. The plane was full of security personnel; and Duke, at one point, leaned over to a political figure he knew and whispered, "Would you like some grass?"

There's so much more to write about Duke, but to end for the time being, I have to say how underestimated he was as a pianist. Duke, as part of his stage talk, used to deprecate his piano playing. But I remember when I was a kid, I would always get to an Ellington dance early because I knew that invariably, some members of the band would be late. So, while those present were setting up, Duke would play the piano for himself. Talk about an independent left hand! And the improvisations were ingeniously orchestral. He was also, of course, a nonpareil accompanist—for the band as a whole and for soloists. "There's never been a composer as good as Duke," Dizzy Gillespie once said.

And there's never been a more graceful master of the put-on. The last time I saw Duke, I was standing, listening to the band. For some reason, Duke was not on the stand. I felt my shoulder being tapped, and then I heard the voice.

"You don't know who I am," Edward Kennedy Ellington said, "but I know who you are."

Everybody, just about, knew who Duke was. He touched so many lives in ways that he could never have known about. At the funeral, a Black man, no celebrity, a guy who lives in Harlem, said, "I'm just here to bear witness. A man passed through, and he was a giant."

Good-bye, Duke. I never did get to tell you how much I learned from you, how much I wanted to be like you. But there has never been anyone like you, Duke. Well, you knew that. Hundreds, thousands of years from now, people will still be knowing that.

1974 LEGISLATIVE QUESTIONNAIRE

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. HELSTOSKI. Mr. Speaker, recently I mailed my 1974 legislative questionnaire to the residents of New Jersey's Ninth Congressional District, the district which I have had the privilege of representing in Congress for 10 years.

In an effort to gain greater insight into the views of my constituents, I sent questionnaires to 167,000 families in my district. The response I received was extremely gratifying and indicates that the people of the Ninth District are deeply concerned about the many problems now confronting our Nation.

The results of the 19,480 responses I received to my questionnaire have now been tabulated. A copy of the results will be sent to every household in the Ninth District so that my constituents may compare their individual answers with the consensus of opinion, based on this questionnaire, which prevails in the district. I regret that I was unable to send this information to my constituents sooner, but the new franking law prevents the sending of franked postal patron mailings 30 days before an election day, which was June 4.

In submitting answers to my questionnaire, many constituents attached detailed letters explaining positions they took on issues and problems. Others included concise and similarly cogent remarks on their questionnaires. Since receiving these responses, I have had the opportunity to read each questionnaire sent to me and I found that the residents of my district are acutely aware of the many problems which need resolution at all levels of government.

Mr. Speaker, today I would like to insert into the Record the tabulation of the 20 questions asked of my constituents. However, before doing so, I want to take a few moments to reflect on some of the responses received.

One of the gravest concerns now confronting Congress is the issue of impeachment. Though these figures have shifted since the tabulation of the questionnaire, in response to the question "Do you think there is sufficient basis for impeachment proceedings to be brought against the President?", 48.6 percent said yes, 40.1 percent said no, and 11.3 percent were undecided. However many of my constituents, both for and against impeachment, urged the House Judiciary Committee to complete its impeachment inquiry as soon as possible.

While the issue of impeachment is extremely important, certainly it is not the only issue facing Congress today. The residents of northeastern New Jersey, for example, were affected more severely by the gasoline shortage this past winter than any other group of people in the United States. Hence, the energy crisis is an issue that has been of utmost importance to my constituents, and as a result, 7 of the 20 questions I asked dealt in some way with our national energy situation.

Basically, the people of my district reflect a desire for the Federal Government to exercise greater control over the big oil monopolies, and believe Congress should take stronger measures to prevent any future shortage from recurring. For example, in answer to the question, "Would you favor a proposal to create a Department of Energy which would oversee and regulate, in the form of a public utility, exploration, research, and distribution of all our energy resources?", 78.3 percent said yes, 17.3 percent said no, and 4.4 percent were undecided.

In addition, by a margin of more than two to one, the people of the Ninth District also overwhelmingly indicated that they would gladly use mass transportation if a decent system were available to them. One of my priorities in Congress has been to work for a realistic and accessible system of mass transportation. The lack of mass transportation facilities is a problem of critical dimension in our urban and suburban areas.

Mr. Speaker, another important area with which Congress must now deal is the area of national health insurance. A significant percentage of my constituents urged the Federal Government to design and implement such a program. In answer to the question "Should the Federal Government consider a national health insurance program to cover all Americans?", 75.7 percent said yes, 23.9 percent said no, and 0.4 percent were undecided.

There was disagreement on the way in which this type of program should be funded. About 46 percent said that it should be 100 percent federally funded; 36.5 percent felt that the cost should be shared between Government and private enterprise; and 17.2 percent opted for a totally privately funded program, but with Federal regulation.

Mr. Speaker, my constituents also displayed a keen awareness of the harsh economic realities which now confront us. Many letters focused on the problem of runaway inflation and describe in detail the difficulty of "trying to make ends meet" while living in an area of the country which has one of the Nation's most expensive standards of living. We must do everything in our power to combat inflation, and to bring prices back in line and more consistent with the wages people earn.

The people of the Ninth District also expressed a great deal of dissatisfaction with the President's policy of impoundment as a means to stop funding for programs passed by Congress. In response to the question "Do you think that Congress should act to limit Presidential use of impoundment?", 70.1 percent said yes, 28.1 percent said no, and 1.8 percent were undecided.

Mr. Speaker, though my district voiced overwhelming opposition to the President's policies of impoundment, I think it is also important to remember that huge Federal spending is one of the key causes for inflation. Just last week, as you know, the Senate gave recognition to this fact by voting to cut the President's budget by $10 billion.

Furthermore, the decision of the House to pass the Congressional Budget and Impoundment Control Act conference report was a wise one and reflects a positive step forward in budget control. Not only would this measure establish a procedure for providing congressional control over the impoundment of funds by the President, but it would make other changes in the present authorizing and appropriations process, which would help curb inflation.

Mr. Speaker, I also asked my constituents whether they favor a proposal which would make pensions received by policemen and firemen exempt from the Federal income tax. In answer to this question, 45.5 percent said yes, 53.6 percent said no, and 0.9 percent were undecided. However, many of those who expressed opposition did so because they felt that all pensions under $5,000 should be tax exempt. With this concept I fully agree, and enactment of a bill to this effect is one of my legislative priorities.

I also received many comments on the other legislative subjects such as campaign financing, no-fault insurance, crime, the Supreme Court decision on abortion, and the needs of our senior citizens.

Mr. Speaker, above all, the response I received to my 1974 questionnaire once again underscored the fact that it is an honor to represent the people of the Ninth District. I take this opportunity to share the tabulation of my questionnaire with my colleagues in Congress:

1974 LEGISLATIVE QUESTIONNAIRE—CONGRESSMAN HENRY HELSTOSKI, 9TH DISTRICT, NEW JERSEY

[Results in percent]

	Yes	No	Undecided
1. Would you favor a proposal to create a Department of Energy which would oversee and regulate, in the form of a public utility, exploration, research, and distribution of all our energy resources?	78.3	17.3	4.4
2. If fuel shortages do become more severe, would you favor a federally imposed system of national gasoline rationing?	64.7	32.7	2.6
3. Presently, the major oil companies exercise virtual control over all 3 phases of the petroleum process—production, refining, and distribution. Would you favor a proposal which would prohibit the oil companies from continuing to exercise this 3-phased control?	71.5	23.5	5.0
4. Year-round daylight saving time was implemented as a way to conserve energy. Based on your own saving of kilowatt-hours of energy do you favor continuing this time system?	52.9	42.9	4.2
5. In view of the current energy crisis, if mass transportation were readily available would you use it to commute to and from work?	69.2	30.0	.8
6. Do you think environmental laws concerning auto emission standards should be eased temporarily as one means of solving the energy problem?	54.3	38.6	7.1
7. Would you favor oil drilling in the Atlantic Ocean off the New Jersey coast if adequate safeguards against spills were imposed by law?	71.8	24.7	3.5
8. Legislation is presently pending which would repeal the mandatory seatbelt starter interlock system found in 1974 automobiles. Would you favor such a proposal?	57.3	39.2	3.5
9. Would you favor establishing a Consumer Protection Agency within the Federal Government?	77.8	19.5	2.7
10. Legislation is presently pending which would create a national no-fault insurance program. Do you think such a system would be an improvement over our present system of insuring motorists?	73.8	15.8	10.4
11. Do you think there is sufficient basis for impeachment proceedings to be brought against the President?	48.6	40.1	11.3
12. Do you believe that Federal elections should be financed entirely by funds from the Federal treasury on an equitable basis for all candidates?	59.1	36.7	4.2
13. The President has tended to use impoundment as a means to stop funding for programs passed by Congress with which he disagrees. Do you think that Congress should act to limit Presidential use of impoundment?	70.1	28.1	1.8
14. Legislation is presently pending which would make pensions received by policemen and firemen exempt from the Federal income tax. Would you favor such a proposal?	45.5	53.6	.9
15. Health care costs have increased substantially in recent years to the point where paying for adequate health care is often difficult for many people. Should the Federal Government consider a national health insurance program to cover all Americans?	75.7	23.9	.4
If such program is approved by Congress, how should it be funded? (Select 1):			
(a) 100 percent Federal funding	46.3		
(b) 50 percent Federal, 50 percent private funding—or some other sharing formula	36.5		
(c) 100 percent private funding, but with Federal regulation	17.2		
16. Do you favor the Supreme Court decision which states women and their doctors can decide about abortions within the 1st 3 months of pregnancy and further allows the States to regulate abortions after 3 months?	55.6	38.0	6.4
17. Government and private studies indicate there is high unemployment among Vietnam war veterans. Would you support a stepped-up joint drive by government and private enterprise to find suitable jobs for these veterans?	78.7	15.3	6.0
18. The Federal Government currently provides a variety of programs for our senior citizens. Do you think these programs have enabled senior citizens to meet their needs sufficiently?	16.6	70.0	13.4
19. Do you think newsmen should be allowed to refuse to testify in a court of law if such refusal is necessary to protect their news sources and information?	48.2	45.8	6.0
20. During the past few years a number of Federal programs have been instituted to help control crime. Do you think we are beginning to win the war against crime?	15.9	73.7	10.4

WATERGATE ANNIVERSARY—SUMMARY OF DEVELOPMENTS

HON. JOE L. EVINS

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. EVINS of Tennessee. Mr. Speaker, the second anniversary of the Watergate burglary was last Monday—June 17—and the Tennessean of Nashville in an editorial points out that the Teapot Dome Scandal—including trials, investigations, and prison terms—extended over a period of 11 years—from 1921 to 1932.

Certainly we all hope the Watergate matter will be resolved within a shorter period of time.

Because of the interest of my colleagues and the American people in this matter, I place the editorial from the Tennessean in the Record herewith, together with a summary of Watergate developments to date from the Washington press.

The editorial and summary follow:

Watergate Anniversary

Today is the second anniversary of the breakin at Democratic National Headquarters in Washington's Watergate apartment complex.

Many are weary of Watergate and would like to be rid of it. But a government crisis of the magnitude of Watergate takes on a life of its own and is not ended by the waving of a wand or someone's plea to "forget Watergate" and get on with the country's business.

No one knows how long Watergate will go on, but Editorial Research Reports has come up with some data which may not be reassuring to those who want an early end to the business.

Going back to the Teapot Dome scandal of the Harding administration, ERP found this episode began in May, 1921, when President Harding was induced to sign an unconstitutional executive order transferring certain oil reserves from the Navy Department to the Interior Department. Three years later a federal grand jury indicted Interior Secretary Albert B. Fall and two oil men on charges of bribery and conspiracy to defraud the government.

It was not until 1924 that Fall, the central figure in the case, was convicted of bribery. His release from prison in May 1932 marked the formal end of Teapot Dome.

There is no assurance that Watergate will go on 11 years. But the case seems to be more complicated than Teapot Dome and to have more ramifications leading off to side issues. Watergate could go on much longer than Teapot Dome, but in any case, it is likely to be quite a while before the nation hears the end of it.

Watergate Prosecution Status

WATERGATE COVER-UP

Frederick C. LaRue: Pleaded guilty on June 27, 1973, to conspiracy to obstruct justice. Sentencing deferred.

Jeb Stuart Magruder: Pleaded guilty in August, 1973, to conspiracy to obstruct justice and defraud the United States. Sentenced May 21, 1974, to 10 months to four years. Began term June 4, 1974.

John W. Dean III: Pleaded guilty on October 19, 1973, to conspiracy to obstruct justice and defraud the United States. Sentencing deferred.

Charles W. Colson: Indicted March 1, 1974, on one count of conspiracy to obstruct justice and one count of obstruction of justice. Pleaded innocent March 9, 1974. Charge dropped after guilty plea in Ellsberg case.

H. R. Haldeman: Indicted March 1, 1974, on one count of conspiracy to obstruct justice, three counts of perjury and one count of obstruction of justice. Pleaded innocent March 9, 1974. Trial set for Sept. 9.

John D. Ehrlichman: Indicted March 1, 1974, on one count of conspiracy to obstruct justice, one count of making a false statement to FBI agents, two counts of making a false statement to a grand jury and one count of obstruction of justice. Pleaded innocent March 9, 1974. Trial set for Sept. 9.

Gordon C. Strachan: Indicted March 1, 1974, on one count of conspiracy to obstruct justice, one count of obstruction of justice and one count of making false statements to a grand jury. Pleaded innocent March 9, 1974. Trial set for Sept. 9.

Kenneth W. Parkinson: Indicted March 1, 1974, on one count of conspiracy to obstruct justice and one count of obstruction of justice. Pleaded innocent March 9, 1974. Trial set for Sept. 9.

Robert C. Mardian: Indicted March 1, 1974, on one count of conspiracy to obstruct justice. Pleaded innocent March 9, 1974. Trial set for Sept. 9.

John N. Mitchell: Indicted March 1, 1974, on one count of conspiracy to obstruct justice, two counts of making false statement to grand jury, one count of perjury, one count of making false statements to FBI agents, and one count of obstruction of justice. Pleaded innocent March 9, 1974. Trial set for Sept. 9.

Herbert L. Porter: Pleaded guilty on Jan. 28, 1974, to one count of making false statements to FBI agents. Sentenced on April 11, 1974, to serve 30 days of a 5- to 15-month sentence. Released May 20.

"ITT" CASE

Ed Reinecke: Indicted April 3, 1974, on three counts of perjury before the Senate Judiciary Committee investigating the possible connection between an ITT pledge to the 1972 GOP campaign and antitrust settlement. Pleaded innocent April 10, 1974. Trial set for July 15, 1974.

Richard G. Kleindienst: Pleaded guilty May 16, 1974 to one count of refusing to testify, a misdemeanor. Sentenced June 7, 1974, to one month unsupervised probation. Suspended sentences of one month in jail and a $100 fine.

MILK CASE

Jake Jacobsen: Indicted on Feb. 21, 1974, on one count of making a false statement to the grand jury investigating possible violations in connection with the Secretary of Agriculture's milk price support decision of March 25, 1971. Pleaded innocent March 15, 1974. Indictment dismissed on technical grounds, May 3, 1974.

ELLSBERG CASE

Egil Krogh Jr.: Pleaded guilty Nov. 30, 1973, to one count of violating the rights of Dr. Lewis Fielding, Daniel Ellsberg's psychiatrist, in the Sept. 3–4, 1971 break-in at Fielding's office. Sentenced Jan. 24, 1974, to serve 6 months of a 2–6 month term. California charges dropped.

John Ehrlichman: Indicted March 7, 1974, on one count of conspiracy to violate Fielding's rights, one count of making false statements to the FBI and three counts of making false statements to a grand jury. Pleaded innocent March 9, 1974. Trial scheduled June 17, 1974. Must also stand trial on one perjury charge in California.

Charles W. Colson: Indicted March 7, 1974, on one count of conspiracy to violate Fielding's rights. Pleaded innocent March 9, 1974. Pleaded guilty June 3, 1974, to another charge, obstruction of justice, and all other charges were dropped. Sentencing scheduled for June 21, 1974.

G. Gordon Liddy: Indicted March 7, 1974, on one count of conspiracy to violate Fielding's rights. Pleaded innocent March 14, 1974. Also indicted on two counts of refusing to testify before a House committee. Pleaded innocent March 14, 1974; convicted May 10, 1974. Two concurrent six month sentences; suspended. California charges dropped. Trial set for June 17.

Bernard L. Barker: Indicted March 7, 1974, on one count of conspiracy to violate Fielding's rights. Pleaded innocent March 14, 1974. Trial set for June 17.

Eugenio Martinez: Indicted March 7, 1974, on one count of conspiracy to violate Fielding's rights. Pleaded innocent March 14, 1974. Trial set for June 17.

Felipe DeDiego: Indicted March 7, 1974, on one count of conspiracy to violate Fielding's rights. Pleaded innocent March 14, 1974. Charges dismissed May 24, 1974 by U.S. District Judge Gerhard Gesell.

VESCO CASE

John N. Mitchell: Pleaded innocent to one conspiracy to obstruct justice, two counts endeavoring to obstruct justice, and six counts of grand perjury. Trial N.Y. Federal court began Feb. 19, 1974. Acquitted on April 28, 1974.

Maurice H. Stans: Pleaded innocent May 21, 1973, to one count of conspiracy to obstruct justice, and six counts of perjury before a grand jury. Acquitted April 28, 1974.

Robert Vesco: Indicted on May 10, 1973, on one count conspiracy to obstruct justice, and three counts of endeavoring to obstruct justice. Vesco is a fugitive in Costa Rica.

Harry L. Sears: Pleaded innocent May 21, 1973 to one count conspiracy to obstruct justice and three counts endeavoring to obstruct justice. Sears was granted total immunity to testify at the trial.

DIRTY TRICKS

Dwight L. Chapin: Indicted Nov. 29, 1973, on four counts of making false statements before a grand jury. Pleaded innocent Dec. 7, 1973. Convicted April 5, 1974, on two counts. Sentenced May 15, 1974 to 10–30 months in prison. Free pending appeal.

Donald H. Segretti: Pleaded guilty Oct. 1, 1973 to three counts of distributing illegal campaign literature. Sentenced Nov. 5, 1973 to 6 months in prison. Served from Nov. 12, 1973-March 25, 1974, with time off for good behavior.

George A. Hearing: Pleaded guilty May 11, 1973 to two counts of fabricating and distributing illegal campaign literature. Sentenced June 15, 1973 to one year in prison. Released March 22, 1974.

WATERGATE BURGLARY TRIAL

G. Gordon Liddy: Convicted of six counts of burglary, wiretapping and conspiracy. Sentenced March 23, 1973 to 6 years, 8 months to 20 years; fined $40,000. Now in D.C. jail.

E. Howard Hunt: Pleaded guilty Jan. 11, 1973 to six counts; sentenced Nov. 9, 1973 to 2½ to 8 years; fined $10,000. Released Jan. 2, 1974, pending appeal, after serving 10 months, 5 days.

James W. McCord, Jr.: Convicted of eight counts, sentenced Nov. 9, 1973 to 1 to 5 years. Free on $5000 bond pending appeal.

Bernard L. Barker: Sentenced Nov. 9, 1973 to 2½ to 6 years, on his plea of guilty Jan. 15 to seven counts. Released Jan. 1, 1974, pending appeal, after serving 1 year, 19 days.

Virgilio Gonzalez: Pleaded guilty Jan. 15 to seven counts. Sentenced Nov. 9, 1973 to 1 to 4 years. Released on parole, March 7, 1974.

Eugene Martinez: Pleaded guilty Jan. 15 to seven counts. Sentenced Nov. 9, 1973 to 1 to 4 years. Released on parole, March 7, 1974.

Frank A. Sturgis: Pleaded guilty Jan. 15, sentenced Nov. 9 to 1 to 4 years. Freed by court order Jan. 18, 1974, pending appeal.

ILLEGAL CAMPAIGN CONTRIBUTIONS

Herbert W. Kalmbach: Pleaded guilty on Feb. 25, 1974, to one felony count charging violation of the Federal Corrupt Practices Act, and to one misdemeanor count of promising an ambassadorship as a reward for a $100,000 campaign contribution. Received 6–18 month sentence, fined $10,000 on June 18, 1974.

American Airlines: Pleaded guilty on Oct. 17, 1973; fined $5,000.

Minnesota Mining and Manufacturing Co.: Pleaded guilty on Oct. 17, 1973; fined $3,000. Harry Heltzer, chairman of the board, fined $500.

Goodyear Tire and Rubber Co.: Pleaded guilty Oct. 17, 1973; fined $5,000. Russell DeYoung, chairman of the board, fined $1,000.

First Interoceanic Corp.: Pleaded innocent to four-count violation Oct. 19, 1973. Trial set for July 8, 1974. Dwayne Andress, chairman of the board, also pleaded not guilty.

Braniff Airways: Pleaded guilty on Nov. 12, 1973; fined $5000. Harding L. Lawrence, chairman of the board, fined $1000.

Gulf Oil Corp.: Pleaded guilty Nov. 13, 1973; fined $5000. Claude C. Wild Jr., former vice president, fined $1000.

Ashland Petroleum Gabon Inc.: Pleaded guilty Nov. 13, 1974; fined $5000. Orin E. Atkins, chairman of the board, fined $1000.

Phillips Petroleum Co.: Pleaded guilty on Dec. 4, 1973; fined $5000. William W. Keeler, Chairman of the Board fined $1000.

Carnation Co.: Pleaded guilty Dec. 19, 1973; fined $5000. H. Everett Olson, chairman of the board, fined $1000.

Diamond International Corp.: Pleaded guilty on March 7, 1974; fined $5000. Ray Dubrowin, vice president, fined $1000.

American Shipbuilding Co.: Indicted April 5, 1974, on one count conspiracy, one count illegal campaign contributions.

George M. Steinbrenner III, chairman of the board, indicted on one count conspiracy, five counts illegal campaign contributions, two counts aiding an individual to make false statements to the FBI, four counts of obstruction of justice, and two counts of obstruction of a criminal investigation. Pleaded innocent, April 19, 1974.

John H. Melcher, Jr., executive vice president and general counsel, pleaded guilty April 11, 1974, to a charge of being an accessory after the fact in contempt of its legal acts.

Northrop Corp.: Pleaded guilty on May 1, 1974; fined $5,000. Thomas V. Jones, chairman of the board, fined $5,000. James Allen, vice president, fined $1,000.

Lehigh Valley Cooperative Farmers: Pleaded guilty on May 6, 1974; fined $5,000. Richard L. Allison, president, one month unsupervised probation and suspended $1,000 fine.

LITHUANIA

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. HANRAHAN. Mr. Speaker, Saturday, June 15, was the commemoration of the forcible annexation of Lithuania by the Soviet Union in 1940. Lithuanian-Americans joined with Lithuanians throughout the free world in this commemoration.

The people of Lithuania are not being treated properly. They are denied the right of national self-determination and they suffer continual religious and political persecution.

The Lithuanian people are requesting a few policy changes made by the Soviet Union. These changes include lowering tariffs on gifts, increasing the 5-day tourist visa, eliminating travel restrictions, and permitting the immigration of Lithuanians to other countries.

The Lithuanians deserve their basic human rights. The United States will have the opportunity to ease the plight of Lithuania and other captive nations should the Soviet Union receive most favored nation status.

I would like to share in the joy of this commemoration, and send my heartiest greetings to the Lithuanians on this occasion.

COMMUNITY DEVELOPMENT FACES FUNDING CUTS

HON. PETER N. KYROS

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. KYROS. Mr. Speaker, today we are considering the first comprehensive housing legislation to come before the House in 6 years, and I want to commend my colleagues on the Banking and Currency Committee for their efforts toward the goal of a decent home and suitable living environment for every American family.

At the same time, however, I would like to indicate my concern about the "hold harmless" formula agreed to by the committee. Title I of this bill establishes a new program of community development block grants starting in 1975, to replace existing HUD categorical programs, such as urban renewal, model cities, open spaces, and water and sewer facilities. Direct funding is provided on a formula basis to certain urban counties, central cities, and all cities over 50,000.

Communities that have been funded for community development at a rate higher than their formula allocation are protected, in part, against a cut in Federal aid during the first 3 years of the new program, through a "hold harmless" provision. During the second 3 years, however, their funding level is phased down to their formula allocation.

The implications of this move are disastrous for many American cities, including Portland, in my own State of Maine. This city stands to lose a large sum of Federal money if this provision is allowed to stand. Portland now averages $4–6 million in Federal funding for community development and housing programs. Under the committee's formula, their grant level will decrease to only $900,000 by fiscal year 1980.

When so many cities are battling to maintain a healthy urban environment for their residents, I find this reduction in Federal aid difficult to justify.

REV. DR. WILLIAM QUICK LEAVES DURHAM, N.C, FOR DETROIT, MICH.

HON. IKE F. ANDREWS

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. ANDREWS of North Carolina. Mr. Speaker, on June 2, Rev. Dr. William K. "Bill" Quick delivered his last sermon at Trinity United Methodist Church, the oldest church of any denomination in Durham, N.C. He has accepted the pastorate of Metropolitan Methodist, the largest church of his denomination in Detroit, Mich.

Mr. Floyd Eamon, chairman of Trinity's administrative board, has kindly sent me copies of an editorial from The Durham Sun and of a news story from The Durham Morning Herald, and I am pleased to insert these in the RECORD and thereby commend Dr. Quick to my colleagues from Detroit.

As Mr. Eamon said in his letter to me, North Carolina is losing one of its finest citizens, but as the headline of the editorial says, our best wishes go with Dr. Quick as he leaves to answer his calling in Detroit.

[From the Durham (N.C.) Sun, May 7, 1974]

WITH HIM GO DURHAM'S BEST WISHES

Selection of the Rev. William K. Quick to become pastor of the largest Methodist church in Detroit, Mich., is more than just a loss to Durham's Trinity Church, where he has been assigned. It is a loss to the entire religious community, to the city, and to church programs throughout the state in which he has been active.

"Bill" Quick is a good citizen. He is known and his influence has been felt by many people who are members of denominations other than his own. He is a dedicated and persevering worker, no matter what his task may be. But perhaps most of all, he is a friendly, helpful and understanding person who knows how to meet people and build their confidence in him.

A small-town boy, he has risen rapidly in esteem in Methodism; and it is not surprising that he has been called to a larger and more challenging assignment. During his 20 years in the North Carolina Conference of the Methodist Church, he has received not only a national but also an international reputation, being a member of the World Methodist Council and a delegate on two occasions to the World Methodist Conference.

Mr. Quick is a quiet and unobtrusive man. But that does not mean he is not doing things—important things—as his record as a minister has shown. A Michigan bishop of his denomination in commenting on Mr. Quick's impending transfer to a 2,200-member church in Detroit said he is "one of the most talented preachers" he ever has known, a man with unexcelled administrative and pastoral skills.

It is nice to know that the folks in Michigan hold this pastor in the same high regard as do the people in this area. There will be many in Durham, of all denominations, who will agree with the Michigan bishop when he says "Bill" Quick is "a highly talented man with a unique combination of gifts and graces."

[From the Durham (N.C.) Morning Herald, May 6, 1974]

MINISTER GOING TO DETROIT

The Rev. William K. "Bill" Quick, minister of Trinity United Methodist Church, will leave Durham next month to become minister of his denomination's largest church in Detroit, Mich., Metropolitan Methodist.

His transfer was announced Sunday at Trinity's morning service. Quick will deliver his last sermon at Trinity June 2. He has been in Durham for five years.

His successor at the 1,300-member church is expected to be announced at the annual meeting of the North Carolina Methodist Conference which starts June 3 in Fayetteville.

Metropolitan Church has 2,200 names on a membership roll recently purged. Quick will succeed the Rev. Robert H. Bodine, who died of leukemia in December.

Bishop Dwight E. Loder of Michigan described Quick as "a highly talented man with a unique combination of gifts and graces that equip him in a particular way for ministry at Metropolitan."

He said Quick is "one of the most talented preachers of the church with administrative and pastoral skills that are not excelled by any minister I have known in my years in the ministry."

During his 20 years in the North Carolina Conference, which covers the eastern half of the state, Quick gained an international reputation.

He is a member of the World Methodist Council and was a delegate to the World Methodist Conference in 1966 in London and 1971 in Denver, Colo. In 1970–71 he was national chairman of the Francis Asbury Bicentennial Celebration.

For 12 years Quick had been the North Carolina Conference's director of public relations and Methodist information. He is a member of the communications committees on the General Conference and Southeastern Jurisdiction levels.

He is also active in the archives and history commissions of the North Carolina Conference, Southeastern Jurisdiction and General Conference.

He is chairman of the program committee of the Joint committee on Higher Education and Campus Ministry of the North Carolina and Western North Carolina conferences. He is secretary of the North Carolina Conference's Division of Higher Education.

Quick is active in several other conference committees, is the conference historian and is a trustee of Methodist College in Fayetteville.

In Durham Quick was the chairman and one of the founders of the Center City Church Council, the ecumenical ministry in downtown Durham. He has been a member of the City-County Governmental Reorganizational Committee and the Community Services Planning Committee. He is active in the Durham Rotary Club.

Quick, 41, is a small-town boy who has been constantly on the move since he graduated from high school at Gibson, near the South Carolina border, in 1950.

He attended Pfeiffer College for two years, then transferred to Randolph-Macon College in Ashland, Va., where he earned a B. A. degree. Randolph-Macon awarded him an honorary doctorate in 1972. He earned an M. A. degree from the Duke University Divinity School in 1958.

Throughout his school career he polished his public speaking ability. In high school he was a member of the debating team and won several public speaking contests, including the Boy's State Oratorical Contest, and he placed second in the state 4-H speaking contest.

At Randolph-Macon he was a member of a nationally ranked debating team and at the Duke Divinity School he won the Frank S. Hickman Preaching Award.

Quick was minister of the Camp Glenn, N.C., Methodist church in 1954–55 and then moved to Durham County for the first time. He was minister of Mt. Bethel Methodist Church at Bahama from 1955 to 1959 while studying at Duke.

He then served as minister of the Zebulon Methodist Church from 1959 to 1963 and the St. James Methodist Church in Greenville from 1963 to 1969 when he came to Trinity Church.

Robert M. Blackburn of Raleigh, presiding bishop of the North Carolina Methodist Conference, said Trinity has "experienced phenomenal renewal" under Quick.

In 1971 Trinity won the conference's "Church of the Year" award.

Blackburn called Quick's transfer "a great loss to the United Methodist Church in North Carolina."

Quick is married to the former Barbara E. Campbell of Bluefield, W. Va. They have four children, Stephen, 18; Kathryn, 16; David, 10, and Paul, 5.

CONGRESSIONAL ACTION NEEDED NOW TO ESTABLISH A 200-MILE U.S. COASTAL FISHERIES PROTECTIVE ZONE FOR OUR PEOPLE'S VITAL PROTEIN FOOD SUPPLIES

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. ROE. Mr. Speaker, the protection, preservation, and conservation of our Nation's fisheries resources is of vital concern to all of us. It is my firm belief that we can no longer afford the luxury of further debate on traditional vested rights of the water resources off our coast until some international authority is established to allocate the living and mineral resources of the sea while the essential supply of the ocean's protein continue to dwindle and portend another crisis of catastrophic food shortages throughout the world. It is, therefore, most important that we move with dispatch in approving a congressional mandate to extend our Nation's fishing jurisdiction to the 200-mile limit off our coast.

On Saturday, June 22 at 10 a.m. in the Lecture Hall of Ocean County College, Tom's River, N.J., the Subcommittee on Fisheries and Wildlife Conservation and the Environment of the House Committee on Merchant Marine and Fisheries will be conducting a field hearing on pending legislation to extend the exclusive fisheries zone 200 miles off of our coast. The following statement that I have submitted for consideration at this hearing will provide further details of my position in this most crucial matter.

STATEMENT BY CONGRESSMAN ROBERT A. ROE

I, Robert A. Roe, Member of Congress representing the Eighth Congressional District of the State of New Jersey, am pleased to have this opportunity to present testimony at today's field hearing in Toms River, New Jersey to the Subcommittee on Fisheries and Wildlife Conservation and the Environment of our House Committee on Merchant Marine and Fisheries in support of legislation which I have sponsored and vigorously endorsed since coming to Congress in 1969 to extend the exclusive fisheries zone 200 miles off of our United States coast. As many of you in attendance know, I have long been an advocate of the essential need for total environmental resource conservation and the management of our coastal fisheries resources during my tenure as Commissioner of the New Jersey State Department of Conservation and Economic Development having the fundamental responsibility to conserve and protect the natural resources of our State and to promote the effective use and development of these resources for the overall health, welfare and best interest of all of our citizens.

We are talking today about our nation's fisheries resources which all of our people have a stake in—as a sustenance of life—protein food for the survival of mankind.

History and bitter experience have clearly established that we cannot afford to exploit our natural resources in any form. The major environmental problems facing our Nation today are a direct result of destructive use and plunder of our natural resources in disregard of the lasting effect on present and future generations.

Your Committee Chairman, Congresswoman Leonor Sullivan has provided me with a copy of the Department of State's coordinated Executive Branch response to our legislative proposal for the extension of the United States contiguous fisheries zone from its present width of 9 miles beyond our 3-mile territorial sea to a width of 197 miles from the territorial sea or the length of the continental shelf, whichever is greater, with foreign fishing permitted in the zone to the extent determined by the Secretary of State in cooperation with the Secretary of the Interior.

All facts considered, there is agreement among all of us that serious problems do exist, that overfishing in our coastal waters has already caused a depletion of the fish stocks involved and that steps can be and should be taken to halt the destruction of our fisheries resources by foreign fishing fleets which have no regard for sound conservation measures and continue to harvest fish beyond the maximum yield and capability of the fisheries resources in our coastal waters.

The disagreement with the administration lies in their overly cautious reticence in suggesting that the solution which we are all agreed upon should await the multilateral agreement of the Third United Nations Conference on the Law of the Sea to be held in Caracas, Venezuela beginning this week and extending to August 29, 1974.

It is important to note that the 1958 Geneva conference has still to resolve the question of a 12-nautical mile territorial sea. In the Department of State communique they acknowledge that for the past three years they have been actively participating in *preparatory* negotiations for the Law of the Sea Conference and have forcefully put forth our nation's fisheries position in that forum. It is also generally agreed that if the Law of the Sea Conference does place the 200-mile contiguous fishing zone on their agenda, it may take a decade to implement and attain an effective program, if at all. To this date all nations have not voted for a Law of the Sea Conference and some do not feel bound by the 1958 Geneva conference.

There is no question that given the opportunity the Department of State has a comprehensive fisheries proposal which offers, as they stated in their letter, a "rational system of managing the United States fishing industry as well as the diverse interest of the international community," namely—

"Our proposal is based on an approach that reflects our overall view that coastal State control over coastal species and host State control over anadromous fish should be subject to international standards and compulsory dispute settlement so as to protect the interests of all States and the international community in general. The jurisdiction exercised by the coastal State over coastal species would follow each stock as far offshore as the stock ranges. Each coastal State would have a preferential right to that portion of the allowable catch it could harvest. The remaining portion would be open to harvest by fishermen of other nations, subject to nondiscriminatory coastal State conservation measures and reasonable management fees to defray their share of the cost of such regulation. The extent to which the coastal State preference would reduce traditional distant water fishing would be determined through negotiation at the Law of the Sea Conference.

"Under our proposal, anadromous species would be handled in the same manner as that of coastal species with the host State origin exercising jurisdiction. On the other hand, highly migratory stocks, such as tuna, would be managed by international organizations in which all fishing and interested coastal States could participate."

The question before us today, however, is can we afford to delay any longer in putting such a proposal into action. There is no present treaty or understanding among nations that the States may not take unilateral action to conserve natural resources. I firmly believe that the establishment of an inviolate coastal fisheries environmental protective zone is essential and vital to the interests of not only our country but the peoples of all nations who look to America to help them—as we have for these many years—in their time of need. It is time we took the initiative in this international fisheries resources dilemma and show the way for all. We can no longer afford the desecration of our international waters any more than we can afford the desecration of the world's environment—for the sake of people—and for our survival. We must seek to achieve the full communion of our human and natural resources to combat the worldwide environmental problems that knows no boundaries. Fisheries resources is a God-given sustenance belonging to all of the people but there is a balance we have to achieve in our coastal waters on behalf of our own people as well as all human beings throughout the world. Let's make the investment now for the benefit of mankind.

Call it a moratorium, if you like, on our coastal fishing zone to the 200-mile limit until the Law of the Sea Conference can achieve so-called multilateral agreement and an international ocean authority can be established to implement the necessary conservation environmental renewal of the fisheries resources of international waters. If other nations choose to follow us with a similar zone, can it be so wrong?

If we have the tools to accomplish this fisheries resources preservation program, let's not wait for an international law to be enforced and we find ourselves placing a protective umbrella over a barren seabed. History does indeed serve as a bitter lesson—It took the sinking of the Titanic to awaken the national and international conscience into establishing a high seas collision law and provide an international safety code for ocean-going vessels.

In view of all of the facts available, the Congress of the United States should take forthright action immediately and establish a 200-mile protective fisheries resource zone off the United States coast and do it now without any further delay.

THE BEWILDERING DAIRY SITUATION

HON. ALBERT H. QUIE

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. QUIE. Mr. Speaker, a very excellent article appeared in the June issue of Land O' Lakes Mirror on "The Bewildering Dairy Situation."

The whole broad range of Government action, from setting parity levels at the minimum to the administration's refusal to impose the countervailing duty law has greatly irritated American dairy farmers and has thrust them into an unfair competitive situation.

In February I introduced legislation forcing the Secretary of the Treasury to impose the countervailing duty statute on dairy imports subsidized by foreign governments. I have also urged Secretary Butz to boost the parity level to 90 percent.

Government policy affecting dairy producers has shattered the confidence of farmers. Minnesota milk cow population is already at its lowest point in history. If these policies continue, dairy production will continue to fall and we will end up relying on more imports. We have already seen what happened when the United States relied heavily on Mideast petroleum producers.

The following is a condensation of an address by Land O' Lakes executive vice president Harvey Ebert before the American Dry Milk Institute's annual meeting in April. I commend the excellent article for the information of my colleagues:

THE BEWILDERING DAIRY SITUATION

In past years we experienced changes in milk utilization—an orderly conversion from butter and nonfat dry milk production to cheese and whey and an increase in consumption of fluid whole milk, especially low fat products. The law of supply and demand was working well.

Then, during the spring of 1973, when milk production began to decrease, the price support for milk was set at the minimum level and "tilted" so that milk going into cheese would yield 50 cents per hundredweight more than milk going into butter and nonfat dry milk. In my opinion the tilt was an effort to artificially push the pendulum in the direction of cheese.

Coupled with this were the controls and various stages of economic freezes imposed by the Cost of Living Council. The orderly balance of supply and demand began to disappear.

Next came the imports. The government dumped over-quota quanities of highly subsidized foreign butter, cheese and nonfat dry milk on the domestic market. I cannot help but believe that this was done in a further effort to swing the pendulum in favor of cheese and to depress prices generally. We, along with others, made numerous protests against overquota imports—which we believe to be illegal—but to no avail.

We also requested that contervailing duties be placed on the subsidized imports—as required by law—so that the price of domestic products would be more competitive. It is my understanding that butter from Common Market countries sells anywhere from 37 to 60 cents a pound, processed cheese 28 cents a pound and nonfat dry milk 9 cents a pound. That's competition. Countervailing duties would correct the situation. but as yet the government has not responded to our request for enforcement.

While all this was going on, the U.S. found itself in a negative position in the balance of trade in the world market. It soon became obvious that the government was going to use agricultural products to correct the situation. We exported vast quantities of feed grain, and this had a direct effect on the higher prices dairy farmers must pay for feed today.

The now infamous Flanigan Report and Atlantic Council Report bear out the government's policy regarding international trade. In essences, these reports recommend that the U.S. export feed grains and some other products and import manufactured dairy products. This is exactly what the government has been doing, yet, the government denies that the reports are official policy.

Simultaneously, U.S. milk production continued to decrease, as farmers, faced with record-high costs, began excessive culling or complete liquidation of their herds. They lost confidence in dairying and government. In effect, all government actions were counter-productive.

And then another problem came to the front. A differential of return between butter and nonfat dry milk and cheese was as high as $1.83 per hundred weight of milk in the Land O'Lakes area. Dairy processors were faced with terrifying alternatives. They could pay a competitive milk price, much higher than their return, lose money and eventually go broke. They could pay a price in relation to return, lose much of their milk supply and perhaps still go broke. Or they could build a cheese factory, which many of them did, and still run the risk of financial disaster.

Time and again we warned government officials of the foreseeable havoc that would result from artificially pushing the pendulum in favor of cheese. Nothing happened.

To make matters worse, the Grade A blend price in some months, in some orders, was lower than the manufactured milk price. In an effort to correct the situation, we negotiated sizeable Class 1 premiums which resulted in higher Class 1 prices and a decrease in fluid milk consumption. Dairying just can't win.

Now, where are we today? Cheese production is up 20–25 percent over a year ago. Butter is down 18–20 percent. Nonfat dry milk is down the same or a bit more. And, consumption of fluid milk continues to decrease. There seems to be only one bright spot and this is an increase in sales of consumer-pack instant nonfat dry milk. But we don't know how long it will last.

This spring the USDA set price supports for 1974–75—again at the minimum level. There have been times years past when we advocated maintaining the level, but not this time. We strongly urged an increase to 90 percent of parity. To no avail. However, the tilt favoring cheese was removed. Raising supports to 90 percent of parity would have had no effect on consumer prices since present hard product markets are over support price, but let prices drop to the 80 percent support level and farmers are in financial trouble. We informed the government of this eventuality.

Now, about the future. Considering present production and usage trends, there is a question as to the supply of butter and nonfat dry milk this fall. And yet, we are still faced with the possibility of more imports.

Obviously the law of supply and demand has not been allowed to function in the dairy industry of late. Complicating matters further could be the results of the 1973 Trade Act and the upcoming trade negotiations.

It is essential to the survival of the U.S. dairy industry that no trade-offs be made. It is also essential that countervailing duties be enforced.

There will be an agricultural advisory committee and commodity group within the larger trade committee, and dairying will be represented. It is of utmost importance that these people take a united approach and that the entire dairy industry work together, because we could lose all if we do not.

The 1973 Agricultural Act called for a study to be made by the USDA concerning some of the problems of dairying. The study is now in its infancy. We can only hope that findings of the study will set the record straight and that the errors of the Flanigan Report and Atlantic Council Report will be corrected.

Another area that bears watching in the future is health standards and sanitation inspection in foreign countries of foreign dairy products destined for shipment to the U.S. If the government were to certify these inspections, they would do little more than lead credibility to the standard of the products even though the products do not come close to meeting the standards imposed on our dairy farmers and dairy plants. We must never let this happen.

I see in the future vast overproduction of cheese and whey and a continuing decline in fluid milk consumption. Undoubtedly there will continue to be a decrease in domestic milk production. If milk prices start slipping further and if farm expenses do not decrease, we could see another exodus of dairy farmers.

In summation, the dairy industry is in a tough, new ball game with a new set of rules. Unless the government takes positive action and the industry pulls together, the game is going to get tougher.

Editor's note: In its continuing effort to correct the present dairy situation, Land O' Lakes sent, on April 30, the following telegram to U.S. Secretary of Agriculture Earl Butz. The telegram was signed by Melvin Sprecher, chairman of the board.

"We are deeply concerned about the impact market price declines for butter (10½¢) and cheese (6¢) on milk prices to producers. They call for immediate action to prevent milk prices from dropping further below costs of production. Dairymen today are faced with 40 percent higher feed costs and sharply higher costs for fuel, fertilizer, labor, machinery and equipment than a year ago.

"These cost increases have resulted in milk production declining for 17 consecutive months and a milk-feed ratio of 1.48 in March, below the usually low level of last year when milk production declined 4 percent. Declining milk prices today will cause the ratio to fall even further in coming months, resulting in reduced production, tighter milk supplies this fall, and then price increases to consumers. We cannot afford to let this occur at a time when there is an urgent need to increase milk production, restore the confidence of dairymen, and responsible supply established markets with domestic produced products rather than price-depressing, subsidized imports. Therefore, we urge you to immediately increase price supports for milk to 90 percent of parity and check this deteriorating condition.

"Increasing milk price supports at this time would level prices, improve production incentives, and result in a more orderly marketing of milk and milk products. Furthermore, this action would be in the best long term interests of providing an adequate and continuing supply of dairy products to consumers at reasonable prices while providing fair prices to producers."

JAMES A. FARLEY

HON. JAMES J. DELANEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. DELANEY. Mr. Speaker, I am both proud and honored to bring to the attention of my colleagues the awarding of Notre Dame's highest honor, the Laetare Medal, to my good friend and neighbor, James A. Farley. The annual award has historically been reserved for men and women of high principle and integrity. This year is no exception. The following articles recount the moment of this noteworthy occasion:

[From the Catholic News, May 23, 1974]

Jim Farley Receives Laetare Medal

The University of Notre Dame presented its highest award, the Laetare Medal, to the New Deal (Democratic) political leader James A. Farley at a dinner held in the Waldorf-Astoria Hotel here.

"Today, when America's faith in its political institutions and personalities is challenged as never before, you stand as a beacon of integrity," said the citation. "Your public life, as well as your business career, is on record for all to see."

Father Theodore Hesburgh, C.S.C., president of Notre Dame, read the citation and made the presentation.

The dinner was attended by some 200 people, including members of Mr. Farley's family. Notre Dame officials and other distinguished leaders from the fields of religion, business and public affairs.

The Laetare Medal is so-named because its recipient is announced each year on Laetare Sunday, the fourth Sunday of Lent, which is named for the opening word of the Latin Introit of the Mass (Is. 66:10: "Rejoice ye with Jerusalem").

Established in 1883, the award was originally restricted to laymen, but in recent years has been opened to clergy.

Recipients have included John Gilmary Shea, first editor of The Catholic News, the 1923 Democratic Presidential candidate Alfred E. Smith (1929), journalist Anne O'Hare McCormick (1944), AFL–CIO President George Meany (1955), President John F. Kennedy (1961), and Catholic Worker leader Dorothy Day (1972).

Though Watergate was not mentioned during the award dinner for Mr. Farley concern about the current state of public morality was reflected in the medal citation and comments by Father Edmund Joyce, C.S.C., executive vice president of Notre Dame and master of ceremonies for the dinner.

"In politics and in business, where it is often easier to do the expedient thing, you have been a man of principle," the citation said, going on to recall Mr. Farley's break with President Franklin D. Roosevelt over the issue of a third term.

Father Joyce reported that at a 1937 banquet honoring Mr. Farley, Vice President John Nance Garner commented, "He is an honest man. He is honest politically, and that is saying a lot, for if you are honest politically, you are generally honest every other way."

In his response, Mr. Farley who is now 85, reminisced about his long career in state and national politics, as well as his subsequent business career as chairman of the Coca-Cola Export Corporation. He also recalled his associations with Popes Pius XII, John XXIII and Paul VI.

[From the Catholic Standard and Times, May 16, 1974]

"Gentleman Jim Farley" Is Laetare Medalist

Notre Dame, Ind.—James A. Farley, an internationally prominent Catholic layman for more than 40 years, has been chosen to receive the 1974 Laetare Medal, the University of Notre Dame's highest honor.

The choice of Farley, Postmaster General under Roosevelt and currently honorary chairman of the Coca-Cola Export Corporation, to receive the award, given annually since 1883 to outstanding American Catholics, was announced by Father Theodore M. Hesburgh, C.S.C., president of the University.

"In a day when the craft of politics is held in low esteem by the general public," Father Hesburgh said, "it is well for us to honor a man who practiced it with both integrity and affability."

Although Farley never held a high elective political office, he became a major influence in the Democratic Party in the 1930s. Born the son of an Irish brick manufacturer in Grassy Point, N.Y., in 1888, Farley completed high school and worked 15 years for the U.S. Gypsum Company as a bookkeeper, company correspondent and salesman. His first story foray into politics was his election as town clerk for Stony Point, N.Y., in 1911, and he moved up through various state Democratic party positions to state party chairman in 1930, the year Franklin Delano Roosevelt was re-elected governor of New York state by the unprecedented plurality of 725,000 votes.

Farley became Roosevelt's field man as the governor looked toward the 1932 Democratic presidential nomination, and one one was more effective at the traditional approach to party workers—the personal letter, the long distance calls, and the hand shake. The indefatigable Farley was Roosevelt's floor leader at the 1932 Democratic convention which nominated the New York governor for the presidency. After Roosevelt's election, Farley became Postmaster General in his cabinet and also national chairman of the Democratic party. He remained a mentor of the president and a familiar figure at the White House and in August, 1936, took a leave without pay from his cabinet post to run Roosevelt's second campaign, which resulted in a landslide victory.

It was after this victory that Farley revealed himself as good a customer of the mails as an administrator of them. He sat down and dictated more than 36,000 personal letters to Democratic workers from all over the country, exhausting six secretaries in the process. Even today at 85, his trademark green signature goes at the bottom of an average of 120 letters a day, and on his birthdays some 6,000 cards and letters are received—and each is personally acknowledged.

Two other traits biographers never fail to mention are Farley's pleasant nature and his phenomenal memory for names and faces. "The former quality earned him the nicknames "Gentleman Jim" and "Genial Jim," and the latter is surrounded by legends about those whom Farley met on occasions separated by several years and still recognized with an effortless first-name handshake.

Farley split with Roosevelt over the third-term issue, resigned as Postmaster General in August, 1940, and campaigned only perfunctorily for Roosevelt's third term. Just before the Democratic convention in 1944, he resigned as national party chairman to dramatize his opposition to a fourth term.

Several biographers have commented on Farley's honesty while in office. Although his Postmaster General's salary was $15,000, he left the cabinet in debt because he insisted that a building materials firm he had started in 1920, and in which he still had a business interest, should not solicit orders where his influence would count and should reject all public business offered.

The year he left the cabinet was also the year that Farley was elected chairman of the Coca-Cola Export Corporation, and he has worked as hard as ever as the number one salesman for the soft drink company. Only after a heart attack in 1972 did he cut back from a schedule which in 1971 included 131 luncheons and 105 banquets, most of them sponsored by groups interested in foreign trade. In May of last year he was appointed honorary chairman of the Coca-Cola Export Corporation. He continues to arrive at his New York City Coca-Cola office at 9:15 A.M. each morning and walks the three blocks back to his Waldorf-Astoria apartment between 4 and 4:30 P.M. in order to rest before dinner. A widower since the death of his wife, Elizabeth, in 1955, Farley has two married daughters and a son as well as 10 grandchildren. His biography includes a long catalogue of civic, religious and fraternal activities and honors, including some two dozen honorary degrees from colleges and universities.

Farley joins a list of Laetare Medal winners which includes President John F. Kennedy (1961), Clare Boothe Luce (1957), Sargent Shriver (1968), Supreme Court Justice William J. Brennan, Jr. (1969), and Dorothy Day (1972). The medal is normally presented at Notre Dame commencement exercise, scheduled this year for May 19.

[From the National Hibernian Digest, March–April 1974]

JAMES FARLEY TO RECEIVE ND'S LAETARE MEDAL

James A. Farley, an internationally prominent Catholic layman for more than 40 years, has been chosen to receive the 1974 Laetare Medal, Notre Dame's highest honor.

The choice of Farley, Postmaster General under Roosevelt and currently honorary chairman of the Coca-Cola Export Corporation, to receive the award, given annually since 1883 to outstanding American Catholics, was announced Saturday (March 23), on campus by Fr. Hesburgh.

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While Farley has had reservations about some recent directions of his party, he has retained the honorific title of "Mr. Democrat." Last year, fellow Democrats honored him as part of the last hurrah to New York City's National Democratic Club building at 233 Madison Avenue, which the party was leaving after almost a half century. A reporter who was present wrote, "It was a great night for Jim Farley. The honor bestowed on him was reserved in the past for Democratic presidents such as FDR, Truman and Johnson."

Farley joins a list of Laetare Medal winners, which includes President John F. Kennedy (1961), Clare Boothe Luce (1957), Supreme Court Justice William J. Brennan, Jr. (1969), and Dorothy Day (1972). The medal is normally presented at Notre Dame commencement exercises, scheduled this year for May 19.

ATHLETES FOR A BETTER URBAN SOCIETY ALL-STAR SPORTS WEEK

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. RANGEL. Mr. Speaker, young people in New York respect and idolize successful professional athletes. Children announce to their parents and friends plans to be just like their favorite sports figure. Some ambitious youngsters announce that they are going to be some fantastic combination of great athletes; and young people mimic the styles of the great athletes as they compete on city playgrounds.

Professional athletes are, in short, an integral part of the lives of New York youth. On June 10, Mayor Beame, of New York City, announced that the week of June 10–15 would henceforth be designated as "Athletes for a Better Urban Society All-Star Sports Week." Undoubtedly, this plan, which will be initiated by several all-star athletes, will be the source of great enjoyment and education for New York City youth. I, therefore, commend Mayor Beame for this thoughtful project. I have taken the liberty of placing in the CONGRESSIONAL RECORD Mayor Beame's press release announcing his plan for the benefit of my colleagues:

ATHLETES FOR A BETTER URBAN SOCIETY ALL-STAR SPORTS WEEK

Mayor Abraham D. Beame today proclaimed the week of June 10–15 as "Athletes for a Better Urban Society All-Star Sports Week."

In a 10:00 A.M. ceremony on the steps of City Hall, the Mayor praised the all-star athletes of the A.B.U.S. who have formed a "clearing house" through which they donate their time, skills and pretsige to work with youngsters from all over the city.

Mayor Beame said:

"These talented athletes have put their prestige to work to help build a better urban society. In playground workshops, in drug education programs, and in the city's schools, prisons and hospitals, this organization shapes healthy and constructive activities for our city's youth."

Attending the morning ceremony were Dick Barnett, Assistant Coach of the N.Y. Knicks and President of A.B.U.S., Carter Campbell, lineman for the N.Y. Giants, Rick Caster, Jets' end, Matt Snell, retired Jets' fullback, Ralph Baker, linebacker for the Jets, Seth Cartwright of the N.Y. Jets and Carole Graebner of the N.Y. Jets.

Sports Week will begin on June 10, with "Super Ball I," a dinner-dance at the New York State Theater at Lincoln Center honoring famous athletes for their outstanding contributions to sports in America. During the next five days sports workshops will be held by New York's pro stars at the West Side YMCA with a celebration wind-up on June 16 at three locations, Central Park, Tompkins Park in Brooklyn and a Bronx park to be selected later this week.

LAND-USE CONTROL: FROM WHENCE?

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. RARICK. Mr. Speaker, the committee report which accompanied H.R. 10294, Land-Use Planning Act of 1974, in discussing major issues and committee action with respect thereto, at page 37 contains this paragraph:

> These provisions of H.R. 10294 have received consistent support from the National League of Cities, U.S. Conference of Mayors, National Association of Counties, and the National Association of Regional Councils, as well as the Council of State Governments.

Many Members continue to wonder why the above-named organizations are so dedicated to the land-use concept over private property.

Some insight into land-use control and the proponents listed in the legislative report may be found in a recent Metro News column by syndicated author, Jo Hindman, of Powell Butte, Oreg.:

Land-Use Control: From Whence?

(By Jo Hindman)

Alarmed citizens and landowners literally "poured it on" when Congress was presented with the Udall land use bill (HR 10294). The House Rules Committee postponed action on the Land Use Policy and Planning Assistance Act, due in part to the public anger aroused.

But the citizenry cannot stop there. The people who made themselves heard should now rid themselves of the mechanism which pushed land use control to the very boundaries of their private properties.

Public control of private land started to creep faster on Americans in the fifties. Congress launched the revolutionary urban renewal 1954 amendment to the National Housing Act. In the same year, a unit of political syndicate 1313—the National Municipal League (NML) of New York—published its "Model State and Regional Planning Law," the seed bed of all planning and land use laws written from then to now.

One objective of the 1313 sample law was "to prepare . . . a generalized land use pattern."

At first, the inflammatory phrase "land use control" rarely appeared in print, land use being just one of many components that constitute a comprehensive master plan as espoused by governmental jurisdictions. Land control could ride in under wraps. In urban renewal, control was achieved by zoning, the most common land use regulatory device.

NML, author of the first major land use "model" law, is the policy making unit of the 1313 syndicate. Endowed by Rockefeller funds, the 1313 political conglomerate is helping to turn the United States into a regional dictatorship.

Other 1313 groups wrote land use controls. For instance, the Council of State Governments (CSG) in 1957 developed a law authorizing a state office of planning services to examine problems and policies. But only the naive will expect to find 1313 groups handing out full-fledged land use laws. The concept is tailored and written to fit each occasion.

Prodded by the 1313 syndicate. Congress in 1959 created the Advisory Commission on Intergovernmental Relations (ACIR). 1313 completely controls ACIR which started cranking out radical recommendations.

In 1962, ACIR recommended that local governments exercise zoning and subdivision regulations beyond their boundaries. In 1964, ACIR urged regulatory action to preserve "open land" around urban areas. In 1967 windowdressed with anti-pollution trappery, ACIR openly mentioned land use goals. In 1968, ACIR wrote, "Government must be able to plan the future use of land. . . ." (p. 121 *Urban and Rural America*, ACIR's A-32).

A saturated Congress began oozing land use bills. Sen. Henry Jackson requested ACIR's opinion on his land use bill that failed in several tries but passed the Senate in 1973. The Udall land use bill started moving in 1974. It was stopped by the House Rules committee.

The whole gamut has been repeated many times over, at various governmental levels. First, the land use control idea is fed out from 1313 agencies. Picked up by 1313's agents, the measure is introduced in bill form. 1313 units charge out in full force to lobby. In the Congressional debates, many 1313 names pop up as backers of land control bills. Such as ACIR, CSG, the National League of Cities (NLC), National Governors Conference (NGC), Conference of Mayors (USCM) and National Assn. of Counties (NACo) which now is nagging the House to bring the National Land Use bill to the floor for a vote.

Those organizations and more, all belong to troublesome 1313, author of land use control. A petition requesting Congress to investigate 1313 is stalled in both the House and Senate, as this is written.—(Copyright by Jo Hindman 1974.)

A CASE FOR NATIONAL PLANNING

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. BROWN of California. Mr. Speaker, yesterday the House overwhelmingly adopted the conference report on the Congressional Budget and Impoundment Control Act of 1974. One week before, by a near tie vote, the House rejected the rule for a National Land Use Planning Act. And we have yet to even consider a national energy policy.

Some may wonder how these items are connected, but if they have to ask then they do not understand why the vote yesterday will probably not lead to any great change in the status quo. While I strongly supported this progressive legislation, I doubt that any new leadership will be founded by this step, until the Congress, as a body, recognizes the interrelationships of the various actions that are taken both inside and outside of Congress. It is only when we understand the complicated interconnections of the society we live in and take a total systems view of a problem that we will begin to truly solve the problems we are attacking.

It is frequently easier for those who are slightly removed from a process to obtain the clearest picture of the problems that process may have. Perhaps this is the reasaon a recent editorial in Cry California was able to make such a convincing case for national planning that would pull together all of the problems we are now attacking in pieces.

I commend this article to my colleagues.

The editorial follows:

"One Nation, Indivisible . . ." A Case for National Planning

(By John W. Abbott)

Alaska . . . Hawaii . . . California . . . Washington . . . Maine . . . Vermont . . . New Hampshire . . . Massachusetts . . . New York . . . Delaware . . . Florida . . . Wisconsin . . . Connecticut: these and some other states are making an effort to grapple with the "problems of the environment," including the economic effects of protecting a coastline, preserving open land, and achieving a decent quality of air and water. Articles in this issue give an account of the manner in which two western states, other than California, are going about this.

In working for comprehensive state planning, however, perhaps we have for too long overlooked a major point: the lack of federal government leadership. Leadership not alone in "land use" planning, such as proposed in legislation currently before Congress. Something more fundamental: planning *and* budgeting, with recognition that federal land ownership, installations, and funding and planning policies are closely related to state and local concerns in scores of ways.

California is an example. About half the land in our state is owned by the federal government. Transportation, water, employment, agriculture, shipping and many other aspects of our economy depend heavily on what is done in Washington. Yet there is now neither coordinated federal planning and budgeting nor a state, regional and local planning system to complement it.

At first glance, it seems difficult to account for an apparent national reluctance when it comes to planning. We expend billions on education and the dissemination of information. Yet we appear indifferent to or uninformed about the steady depletion of our natural resources and the reckoning which awaits us if we do not soon mend our ways.

As individuals, we are adjured to plan wisely—savings, life insurance, college for our children, home purchase, vacations, retirement—even a final resting place! Yet the application of planning principles to the quality of life for society as a whole continues to encounter stiff resistance.

Perhaps we are prisoners of our long-cherished belief that there are no limits to the planet's resources and no constraints necessary in our galloping consumption of them.

Or we are held, as Russell Train has observed, by our stubborn conviction that ". . . if for a time, we found ourselves in a tight squeeze, then we could—in the nick of time and out of nowhere—count on the *deus ex machina* of our unrivaled scientific and technological capability, not to speak of our unexampled ingenuity, to extricate us from our difficulties and set us off once more on our predestined path to the promised land of progress and prosperity."

The national administration's budget for the coming fiscal year reflects little of Mr. Train's insight. Given the rapid rate at which our resources were being gobbled up even before the recent energy "unpleasantness," what is to be said of the campaign for attaining self-sufficiency in energy and other resources? The budget beginning in July will funnel huge sums into the production of nuclear power, coal, oil and gas, all, of course, involving immense disruptions of the physical environment. If you look hard enough, a little money can be seen for solar and geothermal energy research, and a few windmills.

As Senator Humphrey noted in a speech to the American Institute of Planners a few weeks ago: "I find it incredible that a proposed federal budget of $300 billion in fiscal 1975 offers no decisive new direction whatsoever in the national planning for balanced growth and development that is so critically needed today."

Senator Humphrey might also have noted the absence of emphasis upon the need to conserve resources, including those which produce energy.

The California Tomorrow Plan points out that a major obstacle to comprehensive state planning is the lack of an institutional framework to carry it out. The problem for states is further compounded by the want of a federal planning structure.

The plan also emphasizes the importance of dealing simultaneously with diverse but interconnected problems, whether social, economic, or those of the physical environment. All of our problems, whether associated with land, air, water, education, transportation, jobs, housing or others, are environmental. To make distinctions, including a category of "environmental" problems, is to confuse public understanding.

Whatever the label, we must develop a national system, a national planning process to which state plans can relate. Without a method for spelling out alternatives and a means to establish goals, we will be unable to relate our needs and national resources to those of the rest of the world.

There could be no better occasion than the President's next State of the Union message to present the challenge and hope of a better life by proposing realistic and forward-looking plans together with the means to carry them out.

The primary responsibility for federal planning and budgeting now rests with the executive branch, specifically the Office of Management and Budget—OMB, in Washington jargon. Thus the actual control of agency programming rests largely with OMB, because departmental budgets must pass its scrutiny before submission to Congress.

Without a strong mandate for comprehensive planning from the President and Congress, OMB serves mainly as a money-traffic controller. Its effectiveness is further limited when agencies which feel themselves to be unfairly dealt with begin rearguard actions with friends in Congress to obtain restoration funds, or to hold onto a disproportionate share. So as matters stand now, the chance for both efficient budgeting and good planning is slight. Moreover, how OMB operates at present, how it plans or does not plan, is virtually unknown. This is an all-important agency; the public should keep close track of its work.

The way in which the Congress is organized is another obstacle to good planning at the national level. The committee system, in particular, abets Congress' prevailing piecework approach to legislation. From the standpoint of national planning, the division of House and Senate into specialized committees makes overview and comprehensive action uncertain and slow. Although the time is long past when it was thought that the principal business of Congress was to pass appropriation bills, mail out the free garden seeds and go home, the machinery still bears a startling resemblance to that earlier era.

The need for planning and budgeting of national dimension is impervious to any amount of rhetoric about "states' rights," "home rule," or other slogans which offer no alternatives to the methods now so clearly failing us.

LAND USE FUROR

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. HANRAHAN. Mr. Speaker, many persons were disappointed when the Land Use Planning Act was defeated. I would like to insert the following article which favors the defeat of the legislation. I hope this is of interest to my colleagues:

The Land Use Furor

When the House defeated the Land Use Planning Act of 1974 in a close vote the other day there were enough howls of dismay to suggest that it had just voted 211–204 to repeal motherhood.

The Sierra Club fired off an urgent Telex to editorial page editors accusing the House of "dereliction of duty." The New York Times, as is its wont, blamed it all on Watergate politics. And Senator Jackson, as is his wont, promised to use his considerable parliamentary skills to revive land use in the form of a rider to some must bill.

But those of us who are less impassioned on the issue might conclude that the House acted with considerable wisdom. There is little persuasive evidence that it struck any kind of really damaging blow at environmental interests. And on the positive side, it may have headed off a movement toward overplanning that could, over time, seriously damage economic growth.

Fundamentally, the defeated bill would have authorized $800 million for grants to states to help them set up "comprehensive land use planning." The federal government would have had considerable power, of course, to decide how the money would be put to use.

Assuming that the federal government can afford $800 million, which is not a safe assumption these days, it may well be that the bill would have achieved some positive results. However, it might also have encouraged the kind of forced draft planning that soon would have had every acre of some states tied up in red tape that would create long delays for people looking for a place to live or conduct a business.

There is no persuasive evidence that any such forced draft is necessary. The states already are taking initiatives in land use planning. And other federal laws, most importantly the environmental protection and coastal zone management acts, already put strict limitations on the kind of land uses that cause "quality of life" problems that disturb environmentalists.

Given the cosmic effects that land use regulations can have, it seems to us more sensible to address land use problems on an "as needed" and "where needed" basis, rather than through some grandiose federal initiative. If the Colorado plan works, it might be something other states can emulate. The same for Delaware. But there is no point in everyone getting locked into something that doesn't work just because of pressures to spend federal money.

We already have seen some of the consequences that flow from the difficulties oil companies have in finding sites for new refineries and utilities have in siting power plants. These were not totally responsible for the energy crisis, but they played a role. Some businessmen think a national land use policy that would clearly authorize such sites would be a good thing. But we doubt that the defeated bill was headed quite that way. As things now stand, states individually weigh the drawbacks of attracting industry against its benefits, which probably is a good thing.

At any rate, we don't feel any great sense of loss. And it seems to us that the House deserves some praise for knowing when to say no.

COMMENCEMENT ADDRESS AT TOWSON STATE COLLEGE IN MARYLAND

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. HOGAN. Mr. Speaker, on June 2 of this year, Dr. James L. Fisher, president of Towson State College in Maryland, delivered a stirring and inspiring charge to the 1974 graduates of the college during commencement exercises at the school.

As he points out in his speech, "all the ritual commencement platitudes" are missing from his address, and in their place Dr. Fisher has inserted the practical wisdom that is his surpassing characteristic and that infuses the institution he leads.

Dr. Fisher speaks with simple eloquence and firm conviction of an America we are all striving for, of a faith in ourselves and in each other which can see us through these days of national trial.

I know my colleagues in the Congress will benefit from reading Dr. Fisher's memorable address, and for that purpose I insert it in the Record at this time.

Charge to the Graduates

(By James L. Fisher)

Mr. Ambassador, Mr. Kem, Mr. Frenkil, distinguished guests, members of the faculty and staff, parents, relatives, friends, and most especially members of the class of 1974 of Towson State College.

After four years or more together, I don't believe there is too much need for either a lengthy preamble or an extensive discourse. Custom and convention for this occasion suggest that at this time I make certain relatively predictable remarks. As I promised many of you on Wednesday and Friday nights this week, I will not evoke all the ritual commencement platitudes.

My most immediate personal need is to convey to you and your families and friends my profound sense of pride in your accomplishment, the honor which accompanies your personal effort and sacrifice, and the effort and sacrifice of your families and other loved ones who have made possible your success.

I've spent too many hours in earnest, yet informal, conversation with so many of you present today to feel now any special need to give you advice or personal comfort on this occasion. Most of you know my beliefs and my principles, and many of you have put them to the test—a much truer measure. Whether in seminars or at college dances, for me, these random dialogues and encounters were filled with your wonder and wisdom, the mind-expanding quality of your questions, and frequently although often unspoken, an abundance of goodness and charity and even love. Those conversations, I tell you now with gratitude and thanks, comprise almost all my inspiration for the present and indeed all of my hope for the future.

My second reason for declining to orate according to prescribed formula at this commencement is out of the awareness of experience—I believe that there is little I may say here that will add significantly to your way of life and to what you have learned during your years at this college; and yet, peculiarly, a dilemma remains, for in spite of the probability of my words blowing in the wind (to use the language of the freedom ballad) as your president there are things I feel that I must say to you on this occasion, for we are in the dilemma that has remained more or less constant since the first man-ape lifted a bludgeon and set upon his neighbor for the greater glory of some vagrant truth. Only today that dilemma is more serious, for we have only recently learned how to destroy the entire human species.

As I continue, I ask that you bear in mind the words of Secretary-General U Thant's 1969 prediction:

"That the members of the United Nations have perhaps ten years left in which to subordinate their ancient quarrels and launch a global partnership to curb the arms race, to improve the human environment, to diffuse the population explosion, and to supply the required momentum to develop efforts. If such a global partnership is not forged within the next decade, then I very much fear that the problems I have mentioned will have reached such staggering proportions that they will be beyond our capacity to control."

Why is it that in all our recorded history we have yet to profit from the misdeeds and mistakes of our past? Regardless of our schools, our churches, our families, and most certainly our governments we have yet to stop killing and cheating one another in the name of God, country, vengeance, and other euphemisms for greed. We have yet to stop teaching our children that one race or religion or class or sex is better than another.

And certainly we have yet to design a system of government and power that has not eventually included corruption and exploitation. Each revolution has heralded a new era freed from the selfishness, repression, and licentiousness of its predecessor. Yet each of those governments somehow becomes infected and falls victim to the same conditions, as its early purity and zeal soon turns to exploitation of the many for the excesses of the few.

The passage of time seems to invariably bring persons to power who serve as the instruments of the advantaged or those who freed the passion of the current irrational social philosophy. Why has no revolutionary government, including the United States, ever built into its nature an effective system of regular and frequent checks on those in power? Surely all of recorded history has taught us that we cannot take for granted the integrity of our leaders, for the sad truth is that power has tended to corrupt. I am convinced that our form of government is the best yet conceived or tested by man, but to prosper and survive we must add fuller measures of intelligence, open and regular vigilance, and most importantly, broader participation in public affairs by enlightened citizens. We simply must have a secure and committed check on those who would serve us. That includes all of us. While we must not strap them in a vise of audit, we must inhibit them from any notion of participation and activities that would compromise the public interest.

Although the fourth estate and the judiciary can play a role in this process, neither has proven sufficient. I believe that the key to our good future is the courageous and unselfish involvement of enlightened citizens in the important affairs of our community and government. The result of this condition will be fuller scrutiny of both elected and appointed officials. I am reminded of Sulla's words to an incredulous Cicero as he ascended to the dictatorship of Rome, thus heralding the end of the republic. Sulla said words to this effect, "my friend, Cicero, the people get what they deserve."

Well, in spite of having some uncertainty about the lull of 1974, I believe that your generation stands in the vanguard of a new and more perfect era. This era has its roots with the young and its ultimate creation will be a higher reason and morality freed from the hypocrisy of our past and inspired by the beauty and the purity that is the basic idea of the United States. And, assuming these things, yours will be the generation that deserves the full flower of this idea.

I say to you, as college graduates, that to believe in and support the idea of the United States is nothing for which you need apologize. Often today, for reasons that are understandable, educated men and women tend to vacillate about their country. Unfortunately, patriotism to many today suggests a narrow, pinched phobia and some kind of pride that is no more appealing than any other manifestation of arrogance that binds its victims to their own shortcomings and cruelly denegrates the virtues of others. That kind of patriot builds his love of country on hating others.

A self-governing people is by definition a critical people. Our very involvement in the process of government invites conflict. Our forefathers were so convinced of this that many of them thought that our government could not survive at all.

In the American context, love of country is not judged by loud proclamations of loyalty to any group of rulers, by complacent acceptance of any particular social, economic, or political arrangement, or by withholding objections to established orthodoxies.

Patriotism can be an important and even beautiful word. Patriotism should be defined as the degree to which one is committed to the idea that is the American crede. Our origins are not shrouded in the hazy myths of primitive legends or held together by blood claims or dim memories of God-like figures. We are founded on an idea based on individual freedom and reasonable constraints and we are sustained by that same idea. Our origins were rooted in more prosaic, reported history. Our fathers were not superhuman demagogues, but fallible human beings who left behind their testimony in cool political prose.

Our stronger myths, if the word is not abused this way, are certain rational propositions about the nature of government—the limit of constitutional authority, the equality of all citizens, the rule of law, and the right of the people to govern themselves.

To be faithful to these ideas is to be much more the patriot than any self-proclaimed saviors of the republic who confuse conformity with conviction or uniformity with the union that binds Americans together into one nation.

A patriot is to be judged not by how loudly he proclaims his love of country but by how well he lives up to the ideals of this country. And this is the idea of America that I believe will serve as the center of this new time that you must fashion with your minds and hearts. For in this process the character of our time-honored institutions will be changed and revitalized, and our children will not only survive but they will inherit a better world.

I can say these things now with surety because I have known you these past years.

RECOGNITION OF ARABELLA MARTINEZ: A COMMUNITY LEADER

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. STARK. Mr. Speaker, one of the real benefits of service in this body is the opportunity to meet and work with new friends. Arabella Martinez is one of those whom I feel privileged to have met during my first term in the House.

She is a capable and concerned community leader. Last Saturday Arabella was recognized for her service. The University of California Alumni Association presented her with the Rosalie M. Stern award for "significant voluntary contributions to her community in the first 15 years after graduation."

I commend a recent Oakland Tribune article about Arabella and Oakland's Spanish Speaking Unity Council to my colleagues. Their successes are an inspiration to us all.

The article follows:

A Big Award to a Petite Chicana

(By Marjorie McCabe)

Five-foot-one Arabella Martinez looks a bit dominated by the big executive chair in her office at Spanish Speaking Unity Council headquarters at Fruitvale and 38th Ave.

But that impression doesn't last long, because when the SSUC's director starts telling about the strides the organization has made and her role in making it all work, it is clear she is not easily dominated.

This Chicana is a young woman of quiet determination and and dedication. Her participation in a mind-boggling number of community activities (ranging from the Drug Abuse Council to the Oakland Chamber of Commerce) has brought her the 1974 Rosalie M. Stern Award.

This is given annually to a young alumna from Berkeley who has made "significant voluntary contributions to her community in the first 15 years after graduation." Presentation was made to her Saturday by the University of California Alumni Association during Commencement Luncheon activities.

"I didn't have to say anything at the luncheon, which was nice," she smiles, "and I'll be using the $500 award for a trip to Europe in September."

Despite the fact that her comments at the presentation were limited to a "thank you," Arabella is eloquent on the needs of La Raza in Alameda County and what the SSUC is doing to meet those needs.

Her own awareness of the Chicano community movement came relatively recently, she says. Around the time of her graduation from U.C. in 1959 as a social welfare major, she "sort of did some work in the civil rights movement there, but had no interest or involvement in the Chicano community.

She attributes it to the fact that when she was young, her widowed mother married an Anglo and Arabella was raised Anglo.

"Maybe I wanted to be Anglo. I felt a sense of inferiority about my ethnic background. It doesn't take too much discrimination to make you feel like a small person, and there wasn't much support when I was growing up."

After she was grown up, support did come, surprisingly, from her Anglo husband, from whom she is divorced (she resumed her maiden name).

"He was a nice person. He liked things Mexican—I guess that's why he married me. He knew a great deal about Mexico and spoke about its lovely language, art and culture. He helped me gain pride. I didn't have a hard time after that to develop my own identity and to work for human rights."

At that time, she was working for the Contra Costa County Social Service Department, and "with the foundation set, began inquiring about what was happening in the Chicano community. I was told about a meeting that Saturday; I went, and got so turned on that I wanted to get involved."

It was suggested to Arabella that she get in touch with James Delgadillo, who was president of the Community Service Organization. "The CSO was at the tag end of its viability in Oakland (though it's still strong in other places). Its money was gone, but there was a lot of leadership left."

There was also a proliferation of disorganized Chicano organizations. "At one meeting, there would be 10 people from the 10 different organizations, at another, nobody. Being a brash young lady at that time, I said to Jimmy, 'We ought to form a unity council.'."

It was founded in 1964, and in 1969, Arabella was named executive director.

She is responsible for its $600,000 community development program, which gives priority to youth education, urban development (economic and housing), and manpower (training and employment) projects.

Arabella is particularly proud of the SSUC's assistance to Spanish-surname individuals in getting together data to petition the Small Business Administration for loans, and for the success of these ventures. "We're considered the best minority business packaging organization in the Bay Area."

Their expertise also provided the technical assistance to obtain a charter for City Center Federal Savings and Loan, of which Arabella is a director. She also is on the United Bay

Area Crusade board of trustees, a far cry from the days when she was among those picketing UBAC for its racist attitude.

"Till 1969, no Mexican organization got money from UBAC. Since that time, we have developed such a track record as a credible organization, we don't have to picket anymore. That is not to say we don't continue to advocate for our community, but we don't have to take drastic measures—people are listening. But that doesn't mean we wouldn't if it were important—if the community were ignored or discriminated against. Injustices keep going on."

And how much of Arabella's time does this take? "I think it's my whole life, if you want to know the truth."

SHANKER HITS WITHHOLDING OF FUNDS FROM NEW YORK CITY SCHOOLS BY U.S. OFFICE OF EDUCATION

HON. HERMAN BADILLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. BADILLO. Mr. Speaker, each Sunday, Albert Shanker, president of the United Federation of Teachers in New York, publishes a column in the New York Times on education issues of the day. Mr. Shanker's June 16 editorial dealt with the inexplicable withholding of badly needed Emergency School Assistance Act funds from New York City schools which a year earlier were considered highly qualified for such Federal aid. Because there are many questions still unanswered on this matter and because of the difficulty we are having in getting a satisfactory response from the U.S. Office of Education, I believe that Mr. Shanker's analysis of the situation deserves to be brought to the attention of my colleagues. I include his column in full at this point in the RECORD:

THE ESAA FUND CUT: RAW DEAL FOR NEW YORK CITY

(By Albert Shanker)

In the past few years, the New York City Board of Education and some of the individual community school boards in the city's decentralized system have shown great courage in resisting ill-conceived proposals put forward by U.S. government agencies.

A memorable example of such dauntlessness was the firm stand taken by District 19 against a proposal by the U.S. Office of Education which would have established separate standards for minority group children in reading and mathematics. District 19, as a result, was threatened with the loss of almost a million dollars in federal funds. It took a lawsuit finally to restore the funds to the district.

In another encounter, several districts refused to permit their pupils to respond to a questionnaire which they considered racist. Such questions as: "Which of these are you? . . . I am Black . . . I am White . . . I am Brown . . ." and "How do you think your parents feel about Black and White students going to the same school together?" came under vehement criticism. Again there loomed the threat of a loss of funds—a threat turned back by a defiant Board of Education and an aroused public.

Now it seems that these government agencies have at last found a way of getting back at the recalcitrant New York City school system. The device: a sharp reduction of the funding which New York schools now receive under the Emergency School Assistance Act (ESAA). The original purpose of ESAA was to finance efforts by school districts to promote integration and to offset the harmful effects of racial isolation. Last year the U.S. Office of Education provided New York City with $14.5 million in ESAA funds for such programs as bilingual minischools, remedial reading and mathematics, diagnosis and treatment of reading disabilities, early childhood integration centers, and dropout prevention. Now ESAA funding has suddenly and mysteriously been reduced by 50%. This slashing of aid to the city is not part of a general fund reduction. On the contrary, the allocation of funds to New York State as a whole has actually been increased from $17.8 million to $19.5 million. New York City's school Chancellor Irving Anker quite properly describes the cuts as "shocking." Of the $19.5 million given the state, the city's share will be a mere $7.3 million. Yet the city enrolls 72% of the black pupils in the state and 90% of those with Spanish surnames.

The cuts mean the end of programs in 12 districts and the end of *all* ESAA programs conducted by the central Board of Education. 98,000 children will be deprived of the special instruction which they had last year.

What justification has been offered for these cuts? Robert H. Seitzer, Regional Commissioner, in a letter to Dr. Anker, declares: "The educational quality of your proposed program and the needs described in the application were not sufficient to merit the award of assistance at this time." The letter goes on to say that New York's "need for assistance" and the "effective net reduction in minority group isolation . . . received so low a score that we cannot support your application from limited ESAA allotment grants to districts in New York."

To the uninformed, such judgments may appear to have substance. But they just don't stand up to analysis. The letter questions the "educational quality" of programs which were approved last year and, in all the months they were in operation, received not one word of criticism from the U.S.O.E. How was it possible for programs deemed of "high" educational quality last year to be rated "low" this year? If U.S.O.E. had felt impelled to revise its opinion of the quality of the programs in mid-year, why didn't it inform New York City so that the programs could be altered? The agency's generalities aside, what specifically is wrong with these programs?

Seitzer's letter to Anker asserts that the "needs for assistance" are not sufficient. But these are the same needs which were invoked last year. Just how have the needs of New York's minority group pupils changed? What criteria does U.S.O.E. use? What yardstick of need was used to determine that New York City schools, which enroll 79% of the minority group students in the state, will receive only 37% of the state's funds?

As for the "low score" given the city for proficiency in reducing minority group isolation, the plain fact is that the percentage of white students in the schools has been decreasing and the percentage of black students increasing. But this has been true in almost all other urban school systems which are receiving ESAA funds—and many of these systems have not made the efforts and taken the initiatives which have distinguished New York's endeavor.

The President of our city's Board of Education, Dr. Seymour Lachman, has categorically rejected the U.S.O.E. "explanation." In his words, "Such an explanation is incredible when there has been no substantial change in the circumstances of our children over last year, when similar programs were funded. In addition, we have been unable as yet to obtain any explanation of the criteria and methods by which these programs have been reviewed and found without merit by the U.S. Office of Education . . . It is outrageous that in this post-Watergate era an agency of the federal government, the U.S. Office of Education, makes decisions affecting the lives of children without stating the reasons for those decisions. What standards and what criteria were used by this federal agency in deciding how funds would be allocated to districts? Public disclosure of the standards and criteria used in reviewing proposals, as well as the process by which they are applied, is essential in order to remove any doubt raised as to the rationale and objectivity of the U.S.O.E.'s actions."

Almost a month has gone by since Dr. Lachman's protest, and U.S.O.E. has yet to give reasons for its provocative actions. Unless there is public disclosure by U.S.O.E. we have a right to assume that these actions were purely of a capricious and vindictive nature. Who knows what school district will be the target of U.S.O.E. tomorrow? Meanwhile, 98,000 New York City minority group children are being callously victimized.

HOUSING STARTS DOWN

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. FAUNTROY. Mr. Speaker, in 1968, the Congress determined that the need for housing in the United States by persons of low and moderate incomes could be met over the following 10 years if we built an average of 600,000 additional units per year. This goal is not being met. By way of illustration, I wish to call to the attention of my colleagues two articles on our housing situation: the first appeared in the Washington Post on February 17, 1973, and points out that we have a need for additional housing and a need for replacement housing as more than one-fourth of the Nation's housing stock is in excess of 50 years; the second article which demonstrates what has happened in the past few months, appeared in the Wall Street Journal of May 19, 1974.

We of the Congress have made a commitment to all Americans through the Housing Act of 1949 when we called for the realization of a decent home and suitable living environment for every American family.

These articles demonstrate that we have fallen far short of that goal, and I call them to the attention of my colleagues in the hopes that their contents will rekindle the spirit behind the 1949 act and enable us to pass a 1974 housing act which carries out this commitment:

[From the Wall Street Journal, June 19, 1974]

HOUSING STARTS FELL 11 PERCENT IN MAY FROM APRIL LEVEL

WASHINGTON.—Homebuilding activity dropped sharply in May under a renewed mortgage-credit crunch and continued high interest rates. And building permits, an indicator of future housing construction, tumbled even more steeply.

Housing starts were at a seasonally adjusted anual rate of 1,450,000 units, down 11% from April's upward-revised 1,631,000 units and 38% from May 1973's 2,330,000 units, the Commerce Department said (see chart on page one).

Building permits issued by the 14,000 localities that require them slid 19% to an adjusted anual rate of 1,055,00 last month from April's 1,300,000. The permit figure was a whopping 43% below May 1973's 1,838,000 units, and was the lowest since April 1967, when a previous credit crunch slowed permits to a 1,035,000-unit annual rate.

The May deterioration in housing starts "rules out any housing recovery this year," asserted Michael Sumichrast, chief economist of the National Association of Home Builders. Mr. Sumichrast said he expects a further decline, with starts at the 1.2 million level for several months. He also has lowered, to 1.5 million units from 1.6 million, his prediction of the rate of starts for all of 1974.

"The situation is just plain bad," he said. "The price of money is terribly expensive and there really is no money."

Nixon administration officials were dismayed by the latest barometers of housing activity. James Lynn, Secretary of Housing and Urban Development, termed the figures "disappointing." However, he said the downturn "emphasizes the importance" of the administration program designed to pump up to $10 billion into the housing market. That program, announced in early May, didn't help the housing picture last month and mightn't show up for another month or so.

Earlier this year, home buyers were returning to the marketplace after last fall's credit squeeze. But government efforts to damp soaring inflation through stringent monetary policies has again depressed the housing industry. Mortgage money is in short supply again and, where it's available, the terms often are much more restrictive.

The housing pace last month was the slowest since December, when starts were at a 1,403,000-unit annual rate. The rate of housing starts and building permits declined nationwide last month. Construction was off substantially for single-family dwellings and for buildings of five units or more. Starts for buildings with two to four units were slightly above the April level.

[From the Washington Post, Feb. 17, 1973]

To Replace Older Dwellings—Need Seen for Housing

(By Benjamin Ronis and William B. Rucker)

Most housing production forecasts for 1973 have indicated a downward trend from the 2.38 million level of new starts achieved in 1972. Yet, despite the problems within and without the housing industry, there are some basic reasons why housing production can and should be expected to rise in the 1970s.

Foremost among the problems mentioned by experts are higher costs of construction, rising costs and scarcity of traditional building and lack of skilled labor, shortages of many traditional building materials and withdrawal of government subsidies.

Some of the observers place great reliance upon the forecasting credibility of the historical housing cycle, to be on the ebb, though the results of 1971 and 1972 indicate otherwise.

Most of the experts also commented in varying degree on their fears about overproduction, probably referring to the high volume of unsold houses at year's end in 1971. Many reasoned that continued overproduction would certainly lead to a drop in the housing supply during 1973, and for this reason most anticipated a grade reduction, perhaps as much as 15 per cent, in the 1976 reduction below * * * during 1972.

Under-emphasized in recent forecasts of housing production trends is a market ingredient that has the potential for radically altering all predictions. This is the replacement housing market. There are presently numerous indicators from both the social and economic sectors showing that replacement of millions of obsolete dwelling units by modern residential facilities is likely to be an increasingly significant factor in housing production over the next decade.

Consider that the bulk of the nation's housing stock of around 70 million units is old. While as many as 30 million new dwelling units have been added to the housing inventory since World War II, the average age of this category is almost 20 years.

And an estimated 15 million units were constructed during World War I and the decade following it. Thus, nearly one-fourth of the total has been in service about half-a-century. The rest of the occupied housing stock ranges above 50 years. Many of the older units were most likely built between 1885 and 1905, period during which most U.S. cities were struck by the great wave of immigration inspired by the expansion of the industrial complex. As a consequence, much of the stock of housing falling within this age category still exists today in the central portions of the larger metropolitan areas and most of the nation's medium-sized and smaller cities and towns.

The continued usage of much existing urban type housing can now be classified as substandard and a prime target for recycling is coming more and more under attack because social and economic conditions that once made these dwellings viable are gone or rapidly disappearing. The mass housing market of the 1890s and early 1900s was aimed at social and economic classes that were practically powerless. Many in this market were also immigrants from foreign countries where they had lived under conditions far worse than those they were being offered in U.S. cities and towns of that period. Those urban dwellers had little to say about the design of the dwelling that they and their children after them would occupy for long periods. At that time those urban immigants also possessed little political or economic leverage to effect desirable changes in their environment or living conditions.

Today's urban dwellers, even those in low-income groups, possess infinitely more political resources and leverage to improve their living conditions.

Much of this out-moded housing was built to accommodate life-styles of 50 or 60 years ago. Hence, it creates a false impression as to the adequacy and habitability of the nation's housing stock.

So outmoded housing is likely to disappear in the wake of the proliferation of activity by consumer and public interest law groups driving hard for elimination of substandard conditions.

In past years the traditional analysis of expectations of housing demand placed considerable emphasis on population growth, birth rates and new household formations, particularly through marriages. The 1970 census showed some interesting statistics to illustrate that other factors are emerging. Many areas which showed a population decrease between 1960 and 1970 actually recorded increases in the number of households in those same areas during that period. In times past, many persons (particularly singles) were forced by economic or other considerations to live at home or in group quarters. Today large numbers of houses, condominiums and apartments are being occupied by one-person households. Previously, both lenders and landlords had shunned the single buyer or tenant, especially in the younger generation. Now these singles seem to be more than welcome anywhere, often being favored over families with children.

Until recent times, a large portion of new households entered the housing market via the acquisition of a used home. This type of housing decision was usually prompted by economic necessity, plus a willingness by the new owners to devote a great portion of their leisure time to scraping, patching, painting, papering and other home repair chores.

Now many first-time buyers are capable of acquiring a new house, especially with the current liberal conventional financing, some up to 95 per cent of the sale price.

As this trend increases, the attractiveness of buying or even renting used dwellings is likely to decline.

Recently, the rate of replacement of outmoded residential structures began to be affected by several strong factors. With the rapid increase in scarcity of traditional suburban building sites due to sewer and zoning moratoriums, many in-town areas previously devoted to low-density housing of various older types are being eyed by builders for their redevelopmental potential. Since the use of these properties is generally predicated upon the removal of the older dwellings, more of this removal will likely occur if the suburban sewer and zoning crunch continues.

Further, while suburbia in general is locking out developers with "no-growth" policies, the central-city jurisdictions, which previously had lost population and tax revenue to the suburbs, now are almost often welcoming this regeneration. In-town sites are generally more expensive than the typical suburban site, so the new developments replacing the outmoded dwellings are quite likely to produce a higher number of dwellings per acre than before.

Some examples of this type of activity already are surfacing in the Washington area, with the plans for demolishing and replacing Buckingham in nearby Virginia, Falkland in Silver Spring and McLean Gardens in the District.

With an estimated 20 to 23 million existing residential units having already reached some stage of obsolescence, a replacement rate below 1 million units annually would hardly make a meaningful dent in the backlog. Due largely to normal housing market factors this additional million could boost annual housing production to well over three million starts without any great risk of glutting the market.

Recently, a small East European country with about the population of New York State (but with considerably less wealth) adopted some new housing goals. Under a five-year housing plan, it proposes to replace every dwelling that does not conform to modern standards established within the past 15 years.

Cannot the United States, with infinitely greater resources, at least match those aspirations?

(The authors of this article are consultants in architecture, development and urban planning. Both teach related courses in area colleges.)

FLORIDA CRACKDOWN ON DRUGS

HON. C. W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. YOUNG of Florida. Mr. Speaker, while it is fashionable these days to speak only ill of the Federal Government, there are nevertheless many, many Federal programs which are of substantial benefit to the American people and which do carry out their mandate to combat national problems.

Recently, the director of the Division of Operations of Florida's Department of Law Enforcement, drew my attention to one Federal agency which had engaged in a very fruitful cooperation with the State of Florida to effect a dramatic crackdown on drug trafficking in Florida.

I would like to draw my colleagues' attention to the following letter which details the effective law enforcement activities of the U.S. Department of Customs in conjunction with Florida State and local agencies, and to commend all those involved for their fine law enforcement efforts:

DEPARTMENT OF LAW ENFORCEMENT,
Tallahassee, Fla., May 28, 1974.

Mr. VERNON D. ACREE,
Commissioner, U.S. Customs Service,
Washington, D.C.

DEAR COMMISSIONER ACREE: During the past seven months, the Florida Department of Law Enforcement, the Drug Enforcement Administration, the United States Customs Service, the Internal Revenue Service, the Florida Marine Patrol, and numerous other law enforcement agencies have been involved in an investigation of large-scale marijuana smuggling in Florida. This investigation resulted in the arrests of several individuals and the seizure of approximately 50,000 lbs. of marijuana on December 23 and 24, 1973.

However, those arrested comprise but a small segment of the overall organized smuggling ring responsible for importation of illegal narcotics. This investigation has identified over 200 persons involved in this conspiracy which has been in operation for at least one year within our State.

The arrests, seizures, and subsequent intelligence gathered could not have been achieved without the cooperation of all agencies involved. Due to the success of the initial phase of this investigation and other investigative matters of mutual concern, a Task Force was formed. This Task Force has been successful in identifying and providing intelligence information on a multitude of persons involved in the overall conspiracy. We believe that, with the continuance of the Task Force effort, these persons will be prosecuted and the smuggling ring broken. The scope of this investigation is so broad that no agency could attempt to undertake it alone. To date, due to the Task Force effort, more than 33 indictments have been handed down, 30 tons of marijuana seized and more arrests and seizures expected. As the investigation continues, information obtained by the Task Force and presented to Federal and State Grand Juries should lead to the arrests of the high echelon of the smuggling ring.

As stated previously, without the aid and full cooperation of the United States Customs Service, especially the Miami and New Orleans Regions, this investigation would not have been successful.

Please convey this Department's appreciation to the following United States Customs Service Offices:

Regional Commissioner of Customs, Miami, Florida.

Regional Director of Investigations, Miami, Florida.

Regional Director, Patrol Division, Miami, Florida.

U.S. Customs Air Support Branch, Homestead, Florida.

Regional Commissioner of Customs, New Orleans, Louisiana.

Regional Director of Investigation, New Orleans, Louisiana.

Regional Director of Patrol Division, New Orleans, Louisiana.

In continuing our joint efforts, there is a need for further assistance and close coordination with the United States Customs Service. To facilitate this cooperation, it would be a definite asset to have continuing Customs representation on the Task Force.

Please be assured of our cooperation in all matters of mutual concern.

Sincerely yours,

WILLIAM A. TROELSTRUP,
Commissioner.
EMORY B. WILLIAMS,
Director, Division of Operations.

THE OBJECTS OF KIWANIS INTERNATIONAL

HON. FRANK E. EVANS

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. EVANS of Colorado. Mr. Speaker, from June 23 to June 26 some 18,000 members of Kiwanis International will be in Denver, Colo., for the group's 59th annual convention.

A special function of the convention will be to commemorate the 50th anniversary of the "Objects of Kiwanis," which were adopted at a convention in Denver in 1924. The following series of editorials from the Kiwanis magazine illustrate the way the organization has changed and grown to meet the challenges that have come over the years. I commend them to my colleagues:

THE OBJECTS OF KIWANIS INTERNATIONAL

HUMAN VALUES AND THE GOLDEN RULE

In 1917, two years after he helped build the first Kiwanis club in Detroit, professional organizer Allen S. Browne created a motto and a creed for the new organization. The motto was "Service Brings Its Own Reward." The creed was a wordy document, too long to quote in its entirety here, but it began as follows:

First—To realize that I am a business man, and wish no success that is not procured by giving the highest service at my command.

Second—To do my best to elevate and improve the business in which I am engaged and so to conduct myself that others in the same line may find it profitable and well to do likewise.

And it ended with this statement:

Twelfth—To realize that I live not only for myself but for others.

Taken all in all, Browne's creed wasn't bad; the concepts of fairness and of service were there, and even if tagged on at the end, so was the spirit of altruism. But it did have its faults. For one thing, it focused heavily on business, thus ignoring the possibility that nonbusinessmen might want to join Kiwanis clubs. And it really didn't go very deep; it didn't even mention certain fundamental values that many Kiwanians, having recently endured the most dreadful war in the history of mankind, wanted expressed.

So the creed lasted only until the Providence convention of 1918. There a Constitution was drawn up for the fledgling organization and with it a group of underlying principles called "Objects." The Providence Objects reduced Browne's business emphasis and promoted organizational growth and fellowship. They began with:

1. To standardize and disseminate Kiwanian principles of fair dealing and practices and observance of the Golden Rule.

2. To encourage, promote and supervise the organization of Kiwanis clubs.

And they concluded with:

6. To promote and encourage the living of the Golden Rule in private, civic, social and business life.

These new Objects were a vast improvement on Browne's creed. They were blessedly concise and the golden rule was given prominence. But they still weren't all that some Kiwanians believed they could be. The language remained prosaic and, most important, those fundamental ideas still weren't expressed. Nevertheless, Kiwanians had more urgent matters to attend to over the next six years, and it was not until 1924—after a spurt of growth that changed Kiwanis from a tiny businessman's organization with 10,000 members in 83 clubs to a nationally-respected service club with 90,000 members in 1,249 clubs—that a new Constitution was drafted at the International Convention in Denver. With it, as Article II, came a new—and permanent—set of Objects.

To Give primacy to the human and spiritual rather than to the material values of life.

To Encourage the daily living of the Golden Rule in all human relationships.

To Promote the adoption and the application of higher social, business and professional standards.

To develop by precept and example, a more intelligent, aggressive and serviceable citizenship.

To Provide through Kiwanis clubs a practical means to form enduring friendships, to render altruistic service and to build better communities.

To Cooperate in creating and maintaining that sound public opinion and high idealism which make possible the increase of righteousness, justice, patriotism and good will.

Much better. So much better, in fact, that today, after half a century, the Objects of Kiwanis International remain as fresh, meaningful, and incontrovertible as they were the day they were presented for approval to the delegates at the Denver convention. The second of these new Objects was a direct descendent from both Allen Browne's creed and the original Objects, yet more inclusive and precise than either. But it was the first Object that broke new ground, that said to the world: "We are not simply a businessman's club. We are not a group of happy-go-lucky, once-a-week backslappers. We have a mission in life worthy of any man who joins us. We know why we exist and we know what we seek—a more perfect relationship between men through the application of the highest standards we can conceive of."

Since that time Kiwanians have given tangible meaning over and over again to those first two Objects. In 1936 the International Committee on Support of Churches in their Spiritual Aims (now the Committee on Support of Spiritual Aims) was created, and the countless activities generated by that one committee alone are an eloquent testimony to the upholding of human and spiritual values. The same values have been uppermost in efforts to salvage the young from the potential wreckage of addiction through Operation Drug Alert, in Project Environment's design to improve the quality of life, and in this year's program aimed at enriching the lives of the aging. In fact, these first two Objects underlie all Kiwanis service activities, as well as the aspirations of all Kiwanians in their own daily lives.

In his address to the Denver convention in 1924, International President Edmund F. Arras, a Columbus, Ohio, real estate man, expressed in simple yet visionary terms what he believed to be the meaning of the first Object: "The inventive genius of the age has emphasized the comforts and luxury of the material side of life until man has been lured from the primary human and spiritual values of life to the material values, and each day he searches for new amusements and thrills only to find true happiness unattained. Life's greatest victory belongs to those who have stood for great truths in the ordinary walks of life, those who have faced the strife of daily affairs with hopes born from high ideals and who by example have visualized great principles in their relations with their fellowmen."

Concerning the second Object, President Ed said: "The application of the Golden Rule takes envy's poison out of the tongue and sheathes the sword of hatred. It is the control of passions and the refinement of intelligence."

On that day in Denver he and his fellow Kiwanians set a standard by which they and thousands—indeed millions—of men to follow could gauge how well they were sharing their lives. Standing for truth in the ordinary walks of life, controlling passions, and refining intelligence were healthy ideals then; they remain healthy ideals today.

A CHANGE IN EMPHASIS

One crucial characteristic of Kiwanis is that it has never fundamentally changed. Kiwanis remains in spirit—and many ways in practice—as it was a half century ago. And that fact is important to its success.

Conversely, however, Kiwanis does change. As it has grown it had added some new characteristics, discarded some old ones. And that too is important for its success.

The third Object of Kiwanis International, written in 1924, reads:

To Promote the adoption and the application of higher social, business and professional standards. The men who conceived that Object lived in an age when hucksterism was rife, the age of the Tea Pot Dome scandals. As good businessmen they reacted to the events of their time by pledging to uphold ethical standards in business. Five years earlier Kiwanis had appointed an International Committee on Business Standards and Methods. It was to continue in service for thirty years, and its Code of Ethics is still included in the supplies catalog of Kiwanis International.

But times did change and with them Kiwanis priorities. In 1949 the two long-standing International Committees on Public Affairs for Canada and the United States changed their names, becoming the Committees on Public and Business Affairs. Meanwhile, the old Committee on Business Standards and Methods was discontinued.

In 1971 those two committees gave way to the still more encompassing International Committee on Citizenship Services.

But as the Object on business standards assumed less importance, another Object took on more. The fifth reads:

To Provide through Kiwanis clubs a practical means to form enduring friendships, to render altruistic service and to build better communities. The first of these aims, the quest for enduring friendships, has remained constant from the beginning emphasized by the work of inter-club relations committees, by US/Canada Goodwill Week, and finally by International Extension itself. Meanwhile, however, the goals of altruistic service and building better communities have taken on increasing importance.

It started in the early years with activities on behalf of youth. Supporting Scout groups sponsoring baseball teams, building playgrounds, aiding crippled children were among the first programs of Kiwanis. During the Depression a favorite activity was the donation of milk to school children. After World War II the emphasis turned to education, where it remains today. Key Club, though founded in 1925, had its largest period of growth in the early Fifties. Circle K came into being in 1948. Vocational guidance was introduced as a major emphasis program in the Fifties. Scholarship and loan programs became increasingly important, until in 1972 Kiwanis clubs loaned nearly $2 million to students. And through the years Kiwanis expanded its services to benefit others as well: the elderly, the ill, the mentally retarded, those in prison.

The quest for better communities also gained momentum over the years—a result, in part, of the decline of small towns as people flocked to urban areas. Farm/City Week helped cement fragile relationships. Tree plantings, cleanup drives, and other conservation projects became popular. Safety campaigns of every kind imaginable were sponsored. Parks and recreation areas, hospital wings and clinics were built. And perhaps most important, thousands of Kiwanians accepted the responsibilties of local office and of membership on committes dedicated to civic improvement.

Strangely enough, though International President Edmund F. Arras made the new Kiwanis Objects the subject of his speech to the 1924 Denever convention, he made no reference at all to one of them, the fifth. Perhaps he felt that the references to enduring friendship, altruistic service, and better communities spoke for themselves. If so, he was right. The fifth Object really didn't need anyone to speak for it; in terms of results achieved it has become the most accurate statement of Kiwanis purposes ever made.

A New Role

When after much writing and rewriting, a small group of Kiwanians approved the Objects of Kiwanis International a half century ago, the last thing on their minds was drug abuse and its hazards for the young. Though looked on with horror even then, drugs were simply not regarded as a serious threat to the average North American family. Heroin was unknown to the vast majority of citizens, and the opium dens of China seemed a long way away.

Yet when in the late 1960s the time came for Kiwanis clubs to recognize the virtually epidemic proportions of drug abuse and act to arrest it, a mandate for such action already existed. And it was nearly fifty years old.

The men who wrote the Objects believed that their society was underpinned by certain fundamental moral values. They also believed that it was the duty of all members of that society to uphold those values. They stated both ideas in not one but two of the six Objects presented for ratification to the Denver Convention. Number Four reads:

To develop by precept and example, a more intelligent, aggressive and serviceable citizenship, and Number Six reads:

To cooperate in creating and maintaining that sound public opinion and high idealism which make possible the increase of righteousness, justice, patriotism and good will.

Without mentioning the word, these two Objects suggest a means of achieving the goals they set—namely, education. Nevertheless, it took a while for this concept to sink in. Early Kiwanis clubs dedicated themselves almost exclusively to philanthropic activities. They were great builders and givers, but only gradually during the decades preceding World War II did they begin to attempt projects with an educational format. And those were primarily fellowship activities of the kind that characterized observances such as US/Canada Goodwill Week and, later, Farm/City Week.

But when the dike broke it broke for good. In the late forties, and especially in the fifties a flood of education-oriented programs poured forth from Kiwanis International, and then from its clubs. Kiwanians by the thousands sponsored vocational guidance programs on behalf of boys and girls seeking meaningful careers. Ballot Battalion became a favorite election-year activity as Kiwanians answered the question, "Why vote?" and helped get voters to the polls by distributing lapel buttons and windshield stickers. Safety programs taught young and old the importance of guarding against accidents. Operation Law and Order instructed boys and girls about the laws of their communities. National Public Work Week made people more conscious of the job being done by public servants. And no program was more directly linked to education—and to Objects Four and Six—than the scholarship and loan activities of hundreds of Kiwanis clubs.

So by the time Operation Drug Alert was launched in 1969, a tradition had been established. A service club could deal forthrightly and usefully with contemporary issues; it could continue to build hospital wings or help underprivileged children as it had always done, but it could also step into the forefront when specific social problems arose in the community. In short, it could work to develop better citizens and to create and maintain high idealism.

And indeed, shocked by the wave of drug abuse that left shattered, disturbed, imprisoned young people in its wake, Kiwanians did step forward. Late in 1970, after eighteen months of Operation Drug Alert, 4200 Kiwanis clubs had become involved to some degree in the program. They had distributed millions of copies of anti-drug literature to young people, they had sponsored visual education on drug abuse, they had conducted forums, encouraged news media, and cooperated with education and health officials in providing community-wide programs to combat the drug menace. And they had spent approximately $800,000 as well as countless hours of their own time to do it.

Operation Drug *Alert* continued for two more years as a major emphasis program of Kiwanis International, and even today clubs are rendering important service in the drug field. Fortunately, the epidemic seems to be subsiding as more and more young people recognize that drugs offer no permanent solution but can become a permanent problem.

Kiwanians involved in Operation Drug Alert or any other of the multitude of Kiwanis activities rarely think as they work of the Objects of Kiwanis International. But the Objects nonetheless helped chart the early course of Kiwanis, helping give the organization direction and guidance along the way. Today they remain an inspiration and a beacon for any of us who choose to rediscover them.

MURMURATION ON THE HILL

HON. LESLIE C. ARENDS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. ARENDS. Mr. Speaker, columnist James J. Kilpatrick has written a number of thought-provoking columns on Watergate and the impeachment investigation. Another such column appeared in the June 14 edition of the Washington, D.C., Star News.

Under leave to extend my remarks in the RECORD, I include this column for the benefit of my colleagues who may not have had an opportunity to read it.

MURMURATION ON THE HILL

(By James J. Kilpatrick)

A great deal of murmuration continues in our town on this whole prospect of impeachment—impeachment in theory, and impeachment in fact. For whatever it may be worth, my own impression is that the President's fortunes are looking better on either approach.

Murmuration is the word used by birdwatchers for the noise made by a flock of starlings. The noun is more precisely defined as an act of murmuring, which is to say, the muttering of low complaints; grumbling. That is largely what we are doing now.

For a variety of reasons, the movement to impeach Mr. Nixon and to oust him from office is losing its momentum. A great many members of Congress would like to be shed of the President, but their ambition is now badly tangled in theory, fact, timing, politics, and human inadequacy. Instead of charging toward impeachment, the House is merely drifting toward impeachment. It is entirely possible that the House will never get there.

Part of the trouble lies in leadership. The last time the House undertook to impeach a president, a century or so ago, a strong and implacable voice summoned the House to its duty. No such voice is audible on Capitol Hill today.

Peter Rodino, chairman of the House Judiciary Committee, is not a Thaddeus Stevens nor was he meant to be. Neither is there a zealot in the Senate to match Charles Sumner. If the impeachment movement were going anywhere, we ought to be hearing Catonian cries. Instead, we are hearing—murmuration.

Another difficulty arises from a general confusion on the theory of impeachment. The leading theory, propounded by all the experts, is that when it comes to ousting a president, an "impeachable offense" is something broader than a "criminal offense."

But that theory causes great uneasiness. The situation is different as to the removal of federal judges. Under the Constitution, judges serve "during good behavior." The commonsensical implication of that provision is that judges therefore may be removed on a finding of bad behavior. In every impeachment proceeding of this century, the House has confirmed that view: It has charged judges with "misbehavior."

No such amorphous charge constitutionally can be brought against a president. Here the House is limited to "treason, bribery, or other high crimes and misdemeanors." In the view of some members, it is not enough to demonstrate that a president has behaved badly. Any such notion would fundamentally alter our structure of government: It would give us presidents who serve at the pleasure of the Congress.

In the end, legal theories may count for less than political realities. Questions of theory provide tidbits for law professors to munch on, but the politicians who make up the House have other fish to fry. Putting aside the law and the evidence, the practical question is likely to come down to this: Is impeachment popular? Do the people want to see Mr. Nixon removed from his office?

The polls suggest that the question is close, but the polls reflect a national constituency. Members of the House run by congressional districts. As time trudges by, an impression gains strength that in many congressional districts, more voters are passionately pro-Nixon than passionately anti-Nixon.

The time factor grows increasingly important. It now appears that Rodino's committee will not act before August. This timetable could compel an up-or-down vote on the floor immediately before the campaign adjournment in September. Some members of the House are walking around with the look of batters facing an 0-and-2 count. They don't know whether to swing at the pitch or let it go by.

Granted, the situation could change overnight. Mr. Nixon is entirely capable of provoking the temper of the House or so insulting its dignity that his impeachment could be voted with a whoop and a holler.

The pattern of Watergate has been one explosive bombshell after another. But the longer the House murmurs and fidgets, while the President flies boldly around the world, the more likely it seems that Mr. Nixon will survive this crisis after all.

THE ENERGY CRISIS

HON. TOM BEVILL

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. BEVILL. Mr. Speaker, each year since becoming a Member of Congress, I have been privileged to place in the CONGRESSIONAL RECORD copies of the top winners in the annual Albert Rains Speech Contest, held at Snead State Junior College, in my district.

As in the past, this year's speeches are very good. They express a keen interest in some of the very real problems facing us today. And they show that the young people of our Nation are very much interested in presenting their views and in helping develop ways to meet some of these problems.

The speeches are timely and thought provoking and I am sure my colleagues will find them of interest.

The speeches follow:

THE ENERGY CRISIS

(By Walter Alves)

Contrary to what you've read in the newspapers and what little you hear from the government, the energy crisis means much more than a shortage of gasoline and oil; much more than turning down thermostats and digging deeper in your pockets at the gas station. The energy crisis, as I perceive it, is related to every aspect of our life here on planet earth, from the food we eat and water we drink to the very air we breath.

Energy is the basis of all life. Each day though much of the time we are too busy to notice it—heat and light from the sun keep us alive. Plants, whose growth depends on the sun, fill our bellies and feed our cattle and even give off the oxygen that we breath.

I will discuss the energy crisis with this view in mind; that the crisis encompasses all phases of human life, and unless we begin to recognize the depth and scope of this awesome problem, mankind has a date in the near future with disaster.

For years we citizens of America have taken energy for granted. Our country has been blessed with the largest reserves of coal in the world, and our population, which comprises 6 percent of the world's people, uses over a third of the world's energy. Energy can turn a poor man into a rich man. The reason per capita income in the U.S. is so high, according to the President's Commission on Population Growth, is that the average American worker has at his command more energy than any other worker in the world.

The average American family is used to buying a new car every three or four years. Most of us have never known what it is to be truly hungry or without enough clothes to wear. We waste more paper in a day than many people use in a year. Each day the cities of our country are faced with the disposal of 250 million tons of solid waste. Almost everything we buy comes in packages which we immediately throw away.

But, the richest nation in the world is chocking on its own affluence. Our nation is also the most wasteful in the world. We have labored too long under the assumption that everything must be bigger and better, and now we are beginning to pay for our ignorance. Gas prices have shot up, and will get higher in the future. Food prices, meat in particular, are exorbitant and in some cases prohibitive. And yet we continue to add fuel to the fire.

The world population has doubled in the past 50 years, and is increasing at a rate of some 80 million persons annually. If current growth rates continue for another 50 years, the world's population will jump to 10 billion. The more people there are, the more energy consumed; more oil to drill for, more mouths to be fed, and more houses and cars to build.

Right now, *"Population Growth and The American Future,"* tells us, because of our large population size and high economic productivity, the United States puts more pressure on resources and the environment than any country in the world. Unlimited growth is the philosophy of a cancer cell, and yet the human population continues to climb.

Our cities grow larger and larger. Each day a few more trees are cut, a few more factories planned for, a little more energy used. I don't mean in New York or Los Angeles either; the problem is here, in this area, knocking on our front door.

It is predicted that by the year 2000, the Tennessee Valley will, because of cheap and plentiful hydroelectric power, become the 16th most populated urban region in the U.S., a giant metropolitan area, and this can only intensify the crises we already face.

Our water and air will become polluted with industrial excrement; food prices will soar even higher; and our minds will become polluted with endless noise and endless worries: What woods will our children play in since they built an apartment complex where the forest used to be? Will we be safe to walk the streets at night? and on and on and on.

To add a few more strokes to the bleak picture I've already painted, let me throw in a couple more pieces of information that are especially frightening. World grain supplies, usually sufficient for over two years, have dwindled to the point that there is not even enough left for six months. Ecologists predict mass famines, due to cyclical droughts, by the last 1970's, which will lead to mass starvation.

According to geologist, Mr. King Hubbert, most of the earth's coal will be used up in a couple of hundred years, and 80 percent of all the oil in the U.S. will be used up by 1999.

The Research Director of the British Petroleum Company of France, predicts there will be a protein shortage in the world of 10 million tons by 1980 and a shortage of 22 million tons by the year 2000. And, to top it all off, a report prepared by The National League of Cities, states that by the last 1970's almost half of America's cities will have no place left to dump their garbage. If the ocean and rivers get too polluted, maybe we can go swimming in our own waste.

I've thrown this barrage of statistics at you to try to get you to realize the seriousness of the problems we face and the urgency we must utilize in solving them. There are solutions to these problems—that can work if we dedicate ourselves to them. But, before any practical solution can come, there first must come in each of us a change of heart, a change of values, and a reordering of priorities.

We must learn to love the land again. We must look at earth as not merely a commodity to be manipulated for profit and personal gain, but as the mother of all human life, as our provider and guardian, not as our slave. As was asked in "A Moment In The Sun," "Have we become a nation of people that would sell the sunset if someone put a price on it?" I pray to God, we haven't.

Assuming that a change of heart will come to America, when she sees herself in light of what she is rapidly heading towards, there are several steps that may be taken to alleviate the many energy crises that beset our planet, and our nation: Number 1. The most important and practical step of all is to limit future population growth. More people will only add to our already strained energy requirements. If each of us were to plan a family, for two children, say, instead of three or four, or eigth or nine, we could also plan on more fuel in the future, more food for those two children to eat, less industrialization and hence a cleaner and safer world for our children to grow up in. Number 2. The next most important step to take is to let the government know that we are concerned with these crisis of energy, and that we want something done. Research into new energy sources is being stifled by a lack of adequate funding. The present administration has not allocated even the minimum amount of money for research into new energy sources recommended by expert panels that were appointed by the present administration.

What are some of these new potential energy sources?

Well garbage is one source being studied. Methods to make use of it include burning it, gasifying it, liquifying it, and even fermenting it. Speaking of fermentation, the Coors Brewery, outside of Denver, which has the largest brewing plant in the world, is experimenting with a project that would use all of Denver's municipal waste—to provide all of the brewery's fuel requirements.

Much research is also needed into our nuclear power sources, our nuclear plants, to be sure that they are safe enough to be used. There are already some three dozen such plants in the U.S. which supply about 5 percent of the nation's electrical capacity.

Geothermal Energy, heat from below the earth's surface, is also being studied. It does not have to be converted to electricity to be useful. In Iceland, for example, one city heats its homes and industries with geothermal energy from hot springs.

Even windmills are being considered as alternative sources of energy. New and lighter materials for building improved understanding of aerodynamics, and more efficient methods of storing the wind's power have encouraged the development of this energy source.

Lastly, and perhaps most important, I mention solar energy. It is hoped that someday homes and businesses can be heated through the use of large panels that collect the sun's radiation and store it by transferring the heat to water, rocks, or special salts. Solar power, if we can efficiently tap it, can provide us a limitless source of energy that is safe and doesn't pollute the environment. Solar heating units for the home should be on the commercial market in five years or less.

What can you do everyday to help relieve the energy crisis? Here are a few ideas: When you go to grocery stores, don't take a sack unless you need it. If you can carry something in your hands, carry it. Sacks add up to trees that have to be chopped down to make paper.

Whenever possible, buy food in reusable containers. There is no reason to add to America's monumental garbage problem with throw away containers. Also, when you can get returnable bottles, do so, as one sack or bottle may not seem like much but multiply them times the population of the U.S., roughly 200 million—and you get a lot of paper and glass.

Thank you for listening. When you go out of here into the sun today, have a good look at the earth for me. Better yet, for yourself.

THE NEED FOR ENERGY INDEPENDENCE

(By George Silk)

How do you, as citizens of the United States, feel about our present energy policy? Do you like being dependent upon the Arab nations for oil in which we are exposed to blackmail, extortion, and ridiculous pricing? Certainly not. It seems unbelievable that this great country of ours, with its enormous technological potential, has been unable to develop a means of independence to supply its energy wants.

But the big question is . . . How do we become independent? How do we develop that perpetual energy system.

The National Academy of Science estimated that the large deposits of petroleum and natural gas in the world will be completely exhausted in 50 to 75 years. So why put so much emphasis on a fuel which is limited in supply and time usage?

I suggest that we seek another means of fulfilling our energy demands—a means that would be more economically feasible and potentially everlasting.

Today I would like to reveal my four point plan—a plan that I think would accomplish the objective for energy independence.

First, we must go back to nature. We must utilize the abundant sources of coal in this country. At the present time, we have 16 billion tons of coal in this country and through a process called gasification it is possible to extract this coal from the ground and convert it into high quality pipeline gas.

Now of course, this project will be technologically difficult and extremely expensive—but if we concentrated our revenues into this gasification process, then the project would become a reality. And then there are your environmental limitations to such a project, since controlled strip mining would be necessary to extract the coal. But if the government could provide, as a cost of production, $2000 per acre for the restoration of the damaged land, then we could minimize the environmental dampage. Thus, by 1985, coal could play a 50% role in our energy policy and by the year 2000, coal could play a 75% role in contribution and from that point, coal's existence could last a century and a half. Therefore, we accomplish two objectives through the utilization of coal: (1) we gain energy independence away from petroleum (2) we extend the longevity of our energy.

The next step we must do to become independent is to open up and use the oil in the Alaskan pipeline and tar sands in Canada. In fact, it is being estimated that the tar sands alone could possibly have more oil than all the Arab countries combined. So let's use that oil while we have it.

The third step I would like to illustrate is the need for the expansion of our atomic energy program to provide electricity.

Through the fission of uranium 235 it is possible to release vast sources of energy for utilization. But there have been limitations and disadvantages which have hindered our atomic energy program. People fear that the radioactive emission and the high heating of natural waters by water breeder reactors are damaging to the environment. But at a little more cost. Why couldn't we sink these reactors, say, 500 feet underground therefore eliminating any danger of radioactive emission. Furthermore, let's do as Europe has done and build large water towers for our reactors instead of using local reservoirs.

A further bonus point that we can gain through the expansion of our atomic program is the breakthrough in the fusion process of fusing together Deuterium to provide energy. There are obviously, limits to the uranium 235 which we have, but if we could successfully fuse Deuterium then we would have almost limitless energy supply because Deuterium is readily available in our oceans.

The fifth step we must stress is the development of our solar energy program. Right now solar energy is impractical, because of the movement of the sun and our inability to store ample amounts of solar energy at reasonable cost. But with all our advanced space technology, why couldn't we send up Satellites which could focus the rays of the sun at directed energy reservoirs throughout the United States and thereby utilizing the rays of the sun, therefore, creating a perpetual energy source.

Now I didn't mean to come up here to present a lot of hocus pocus and science fiction to obliterate the recognition of the energy crisis. But I am sick and tired of the pessimism and finger-pointing in this country. We have a problem and there are various justifications to what caused it, but we now must solve it. I say let's be more optimistic and use this dilemma as a golden opportunity to stress world leadership. So let's get off of our rear ends and innovate—and create that independent perpetual energy system.

THE INSECURITY OF SOCIAL SECURITY—PART 3

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. ALEXANDER. Mr. Speaker, over the last 2 days I have been sharing with my colleagues an article discussing the weaknesses and problems with the present Social Security System. This article, written by Mr. Warren Shore on the staff of Chicago Today, has been brought to my attention by several of my constituents who are also concerned about the money they are investing in our current Social Security System.

Today the last segment of his article points out a possible way out of our insecure social security situation.

[From the Memphis Commercial Appeal, June 2, 1974]

THE INSECURITY OF SOCIAL SECURITY—PART 3

(By Warren Shore)

A WAY OUT

The U.S. Social Security system is bankrupt. Like the Penn Central Railroad and other bankrupts, it can only survive through larger and larger acts of public charity or a total reorganization.

Because the American wage earner has been willing to pay the charity (in the form of an 800-percent rise in payroll tax without a matching rise in benefits), Social Security has been able to conceal its bankruptcy for the last 20 years.

But hiding this bankruptcy will get more and more expensive for U.S. workers in the years to come. Up to now the cost has been paid by converting our Social Security system into both the poorest kind of insurance and the worst of welfare.

Judged as insurance:

Social Security pays different benefits to people who have paid the same tax and no benefits to some who have paid thousands.

The system is designed to raise "premiums" (taxes) at a faster rate than it will raise benefits.

The so-called "trust fund" the government says "pays the benefits" doesn't exist.

Judged as welfare:

Social Security offers benefits without regard to family need—only past income.

The system collects 5.5 per cent of the income of a $13,000-a-year worker and 1 per cent of the income of a $50,000-a-year worker.

The over-65 worker is penalized for working regardless of his need.

Those who continue to doubt Social Security's bankruptcy should consider The Great Trust Fund myth.

In the federal pamphlet, "Your Social Security," we are told: "During working years employes and their employers pay Social Security contributions which are pooled in special trust funds. When earnings stop, monthly cash benefits are paid from these funds."

That statement is simply not true. By the government's own insurance regulation standards, a fund of more than $600 billion would be needed to guarantee present Social Security promises.

Yet the Social Security Administration's total retirement and disability trust fund now stands at $36.5 billion—scarcely enough to guarantee benefits for the next 10½ months.

The truth is that, in spite of government claims, the trust fund is not used to paying benefits and hasn't been for 20 years. Today's payroll taxes are used to pay today's benefits—and the difference is critical. Here's why:

In every branch of business making financial promises to the public (insurance companies, banks, stock brokerages, bond sellers, etc.) the government requires a trust or reserve fund be set up to guarantee those promises. The reserves are rigidly monitored by law.

A company whose reserve fund falls even slightly below the promises it's made is considered "impaired" and barred from doing further business.

"An insurance company that sells a policy without adequate reserves," says the Illinois Department of Insurance, "is really saying 'This policy will only pay off if we sell more policies later.' If they don't sell more, the policy holders are out of luck. That's why we keep a tight watch on reserves."

Put simply by a spokesman for the State Insurance Department, "Using present premiums to pay off present claims is an insurance fraud because it conceals a state of bankruptcy."

When first enacted in 1937, Social Security was a small system taking a small tax (1 per cent) and offering a small return or "cushion." During the next 20 years benefits were raised without a matching rate of tax increase.

Thus, because Congress was creating a generation of workers who would get more from Social Security than they put in, there was logic in assuming that these workers would continue to vote for legislators who favored the system.

So the Social Security Administration didn't bother with a true reserve fund. After all wasn't the "selling of future policies" a virtual certainty?

But there was a fatal flaw: Giving more to one generation than it paid for, using the payroll taxes of the next generation without a reserve, means the third generation will get less than it paid for.

That third generation, the generation of victims, is today's young worker. Forty years of promising what didn't exist means today's wage earner must buy a "policy" full of government attempts at maximizing taxes while minimizing benefits.

This has led to:

Offering a benefit package worth less than a third of what it costs to offer;

Pegging benefit increases to the cost of living index and Social Security tax increases to the "average wage" which traditionally rises faster;

Keeping the earnings test (which reduces benefit checks) at below the poverty level; and

Enacting a six-month waiting period for disability payments.

As we have said before, the present promises (even for currently older workers and retirees) can be kept only with future tax increases. Can the Congress continue to be certain that young workers will vote for legislators to keep this system in force?

Obviously the time has come to find a way out.

The following proposals are a synthesis of discussions with Prof. Milton Friedman of the University of Chicago, Prof. Colin Campbell of Dartmouth, Prof. James Buchanan of the University of Virginia, and John Brittain of the Brookings Institution.

While they may seem radical, keep in mind that it is also radical to continue measures which, in private business, would result in bankruptcy.

It is suggested that we:

1. Repeal the present payroll tax for Social Security.

2. Replace the payroll tax with a system of Social Security Bonds.

3. Continue to pay existing beneficiaries, partially out of bond revenues and partially out of general funds, but stop accumulating benefits for those workers who wish to opt out of the present system.

If he has not worked ten years (here he gets no retirement benefit).

If, in the case of a married woman, her widow's or wife's benefit equals or exceeds her own retirement benefit. (Regardless of the fact both she and her husband were taxed.)

If a disabling injury is "not expected to last one year." (More than 90 per cent do not.)

A Social Security bond holder would know exactly what his government (or a private bond issuer) owes him and when payments would begin. Bond-holders cannot be subjected to "earnings tests," waiting periods, marital status tests or the like.

Still to be considered is the present death benefit and disability features of Social Security. Since the present system offers these features only in their cheapest form (term insurance for the death benefit and a six-month waiting period for disability), they could be duplicated in the cheapest way.

The features could be added to the new Social Security bonds for three to five times less than we are now paying.

Those who choose to buy more than the minimum in Social Security bonds would be free to sell the coverage anytime they wish into the open market—like any other bond. The present system, although much more expensive to most than private life insurance, offers no cash value at all.

The present Social Security system has taken 40 years to become what it is—no bond system or any other proposal will solve all the problems overnight.

The only vital reaction is that we recognize the present generation of young workers for what it is: They are a generation of Social Security's victims whose financial condition is getting worse every day.

U.S. APOLOGIA FOR THE CHILEAN JUNTA

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. HARRINGTON. Mr. Speaker, two subcommittees of the House Foreign Affairs Committee last week were treated to a very revealing display of an American foreign policy at odds with itself. The occasion was the testimony of a State Department representative on the status of human rights in Chile, but it was quite easy to imagine that the Chilean junta's information minister had assisted in the presentation. For an administration that has championed in public pronouncements the principles of pluralism has decided to offer excuses for the Chilean junta that has disregarded the fundamental liberties of its citizens by every account.

I commend to every Member's attention the following testimony by Harry Shlaudeman, Deputy Assistant Secretary of State for Inter-American Affairs, for its stark portrayal of a foreign policy that makes righteous assertions of concern for human rights around the world while offering apologia for political repression when it suits some undefined national interest.

The text of Mr. Shlaudeman's statement to the House Subcommittees on Inter-American Affairs and International Organizations and Movements on June 12, 1974, is reprinted below:

STATEMENT BY DEPUTY ASSISTANT SECRETARY SHLAUDEMAN, JUNE 12, 1974

Mr. CHAIRMEN: The Department has been following with attention and interest these hearings on developments in Chile. We have carefully read the testimony and the various reports introduced here. The concern for the protection of human rights in Chile is one we share with you and with Chileans of all walks of life who must have the ultimate responsibility for the course of events in their country. While we recognize where that responsibility lies, we are not indifferent to what happens in Chile. We have not and could not be indifferent in the case of a country with which our ties of history and common endeavor are so strong.

The observance of human rights is an important factor affecting our relations with other countries. However, it is not the only factor. Secretary Kissinger noted last week that these relations must depend on a wide variety of factors in addition to what he called "moral approbation." As he said, we prefer democratic governments and attempt to exercise our influence to that end; but we also know we cannot impose our political and legal structures on others. My remarks on Chile and United States policy toward Chile should be understood in those terms—in light of the commitment strongly affirmed by the Secretary to the hemispheric principle of non-intervention.

CHILE AND THE UNITED STATES

One of the most striking developments in U.S.-Latin American relations over the past decade is that while we continue to share in this hemisphere most of the aspirations that inspired the Alliance for Progress, we have come to recognize that they are not all equally or easily attainable. We have come to understand some of the limits of excessive dependence on externally-inspired programs.

Chile illustrates this process well. Chile's history of democracy has frequently provided special opportunities for cooperation. At the start of the Alliance for Progress, the United States and Chile adopted an ambitious program of cooperation for development. This program was strengthened after the election of Christian Democratic Government in 1964.

As time passed, the level and degree of United States participation in Chilean development began to decline. It was recognized on both sides that our activities should be limited to avoid the appearance of paternalism and interventionism. Higher foreign exchange receipts in the latter years of the Frei government were also a factor. The United States undertook no significant development lending in Chile after 1968.

The election of a Socialist government in 1970 posed many new problems. But our policy was to have the kind of relations with that government it wished to have with us. Previous trends toward lesser involvement continued. But we did maintain those programs that had proved of enduring value under the previous government: the Peace Corps and Food for Peace, technical training, community development, military assistance, narcotics control and various forms of scientific research and collaboration.

When the Allende Government fell last September, much of the continuity of relations was unaffected. We continued the same assistance programs in effect under the Allende regime. The military assistance program for example, has been unaffected. It has historically been of roughly the same magnitude as those carried on with the larger countries of the Andean group. Like the other major South American countries, Chile has received no grant U.S. materiel assistance since 1968. We have no public safety program of police assistance to Chile except for one communications project in the late 60's. I should note that cooperation in military training and modernization goes back more than a quarter of a century now, and constitutes an essentially non-partisan contribution to regional stability.

If I were therefore to characterize the general evolution of our relations with Chile over the past decade, I would have to conclude that they have been remarkably in tune with the general evolution of our policy toward the rest of Latin America. We have passed from a phase of activism often criticized as highly paternalistic for its attempts to encourage development along lines similar to those of the United States, to a period in which we place greater emphasis on policies designed to foster common interests on a basis of mutuality.

HUMAN RIGHTS

One of the major lessons of the past decade is that the United States is not and cannot be responsible for everything that happens in Latin America. It is not and has not been responsible for the course of events in Chile.

As I have said, however, this does not mean indifference. As Americans, we attach great importance to human rights and to their protection everywhere. As Americans also, we are concerned that the advancement of human rights be a practical reality, not an abstraction. We must be concerned with the effectiveness of our support for human rights. That is why this hearing is so important. That is why responsible expressions of concern are so necessary. I might add parenthetically that I say "responsible," not because I arrogate to myself a judgment of the internal Chilean situation, nor because I wish to substitute my moral standards for those of others, but out of a concern that we recognize the limits of our influence so that what we do may be most effective.

For our efforts to be effective, they must be credible. They must show an awareness not only of the abstract principles to whose universal realization we are dedicated, but also of the practical conditions under which they must be promoted.

Chile today is still recovering from the convulsions of an unprecedented situation—what an earlier witness described here as a "trauma." The polarization and political antagonisms generated by events of the past decade and more specifically of the past two years have scarred Chilean society and affected Chilean democracy. But they have not destroyed it. Most Chileans, whether in government or out, whether supporters of current policies or critics, are embued not only with the historic aspirations of Chilean democracy, but with the pride that tradition has engendered.

Like friends of Chile everywhere, we should do what we can to help at this time of need. Tempered by the experiences of the past decade, our assistance programs today are as non-partisan and balanced as they have ever been. They seek to provide material help and security to a nation whose trials have lead it to feel beleaguered. As public order and confidence are restored, it is our hope and belief that the bitterness and conflict of these past few years will dissipate.

Despite pressures to the contrary, the United States Government adhered to a policy of non-intervention in Chile's internal affairs during the Allende period. That policy remains in force today. Yet our concerns, differing according to the needs of the times, have also been well-known.

The remainder of this statement addresses the specific questions posed by the Chairmen in their letter of May 21 to Governor Holton:

First, with respect to the legal situation in Chile, we should note that the governing Junta has declared a state of siege—in accordance with existing provisions of the Chilean Constitution—under which a wide variety of civil liberties can be suspended and by which the government may detain individuals without formal charges for the duration of the condition of "internal unrest." (I would also note here that one of the difficulties in assessing the Chilean situation is our tendency to make comparisons with American or Anglo-Saxon legal practices.)

Recently, however, the Chilean Junta has stated publicly that no one would be held indefinitely without charge and increasingly, formal charges are being formulated against detainees and the pace of trials is accelerating.

Under its emergency powers, the Chilean Government has detained several thousand persons for investigation of suspected illegal activity. Detention pending investigation to determine whether or not charges are sufficient to formulate an indictment is, as I have indicated, common practice in Chile under civil law procedures antedating the coup. Many persons have been released and others, we understand, have been tried and sentenced to relatively short prison terms or internal exile; some have been acquitted; still others have received more severe sentences. In the first months after the coup there were a number of executions. However, the decree permitting summary executions was soon rescinded and so far as we know there have been no executions carried out for some months. Furthermore, the Junta has asked to review all military court sentences of capital punishment, and a number of death sentences have been commuted in recent days. International experts have been permitted to observe trial procedures.

The Chilean authorities have acknowledged instances of mistreatment of detainees; they have declared that such abuses are not sanctioned, and that persons resonpsible for them are being tried and punished.

We are not in a position to judge the degree to which Chileans may have lost jobs for "arbitrary or ideological reasons." We would note that there is an effort in both the public sector and in those private firms which were intervened by the Allende Government to reduce personnel who were added to the payroll by the previous government for allegedly political reasons. These reductions in force are reportedly being made in the interests of more efficient operation. I note that the Chilean Government has recently consented to receive a fact-finding team from the International Labor Orgaization.

A number of university schools and departments were recessed after the change in Government. Activities in some cases were suspended for the remainder of the academic year, but most institutions are now functioning normally. The authorities have forbidden political activities on campus.

Like its two predecessors, the new government has announced a full reform of the educational system at all levels with the object of better meeting Chile's manpower needs. The currently proposed reorganization seems to draw heavily on the reforms instituted by the Frei government.

With the exception of persons in custody, or in asylum in foreign embassies awaiting permission to depart (the latter now number less than 50), there are no unusual impediments to leaving Chile. An exit tax of 50,000 escudos (about $70) is applicable to all departing residents, Chileans and non-Chileans alike.

With respect to U.S. assistance, current projections for FY 1975 call for approximately $0.8 million in grant military assistance (all of it for U.S. and overseas training in various professional areas for the three armed services); $20.5 million has been projected under the Foreign Military Sales credit program for the purchase of equipment. This is the same figure for Peru and is comparable to the amounts programmed for the other larger Andean countries. Allocation within that amount have not been made.

On the economic side, a $20 million loan is being planned for the coming fiscal year to strengthen small farmer cooperatives and increase food production in that sector. A five million dollar loan is contemplated to support Chile's on-going programs in nutrition. Supplementing this would be one million dollars of grant technical assistance funding principally in the agricultural sector. This will continue the people-to-people type activities of recent years. Also being planned is PL 480 Title 1 assistance to help make up the 1973–74 harvest shortfall. Chile's most acute problem is in this area. Continuing heavy food imports will be required. Two million dollars in PL 480 Title II donations is also projected.

The Department has taken into consideration the totality of U.S. policy interests in planning for U.S. assistance to Chile. Congressional interest in human rights, as exemplified in Sections 32 and 35 of the Foreign Assistance Act, has of course been carefully borne in mind. It is to be hoped that our assistance in reestablishing a sound economy will contribute to hastening the return of normal internal conditions to Chile, while improving living standards.

The Department has followed human rights developments closely. We have endorsed and supported the work in Chile of the International Committee of the Red Cross and the UN High Commissioner on Refugees. We have consulted with the Chilean Government regularly on problems in this area and the government is fully aware of our longstanding views on human rights.

We have no special restrictions on the entry of Chileans into the United States. Since the Western Hemisphere quota is greatly oversubscribed, as a practical matter there is little opportunity for a Chilean who recently applies for an immigrant visa to enter the United States without a substantial wait. Although the statistic, as a consequence, has little meaning in the context of our present discussion, between September 11, 1973 and May 29, 1974, 409 Chileans and 62 non-Chileans received immigrant visas from our Embassy in Santiago. During this period 29 immigrant visa applications were disapproved; the reasons for denial were fraud and misrepresentation (4), likelihood of becoming a public charge (5) and inadequate documentation (20).

Under special pre-parole procedures instituted in response to a UN High Commission for Refugees (UNHCR) request for resettlement opportunities for third-country refugees, as of May 29 we had processed 141 applications of which 25 had been approved. The latter figure included 13 Chilean dependents. Of the 91 disapprovals, it was judged that 71 could either return to their countries of origin and/or continue to live in Chile without apparent fear of political persecution; eight were disapproved under the security provisions of the Immigration and Nationality Act; and twelve were dependents who could not be approved because principal family members were disapproved. Eleven applications were not acted upon when the applicants accepted relocation elsewhere. Fourteen applications are still being processed.

The Department has supported the interest and efforts of the Inter-American Human Rights Commission with regard to Chile, and applauds the Chilean Government's decision consenting to an IAHRC visit. The Chileans are aware of our position.

The role of the Bureau of Inter-American Affairs during consideration of the Chilean situation by the UN Human Rights Commission and the UN Economic and Social Council was the normal one in which the affairs of a country in a given bureau are being dealt with by UN organs. In such cases, the geographic bureau and the Bureau of International Organizations share responsibility for formulating the U.S. Government's position.

Mr. Chairman, as always the Department is interested in the views of Members of the Subcommittees. I can assure you that they will be very carefully considered by all of us who work on these matters.

ENDANGERED AND THREATENED SPECIES IN NORTH AMERICA

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. DINGELL. Mr. Speaker, I wish to enter into the RECORD at this time, by permission previously granted, remarks of Secretary of the Interior Rogers C. B. Morton to the Symposium on Endangered and Threatened Species in North America, Washington, D.C., June 11, 1974:

[Department of the Interior news release]

REMARKS OF SECRETARY OF THE INTERIOR ROGERS C. B. MORTON

I have long admired Marlin Perkins' success in cornering so many varieties of the world's wildlife on his *Wild Kingdom* television program. It is obvious—judging from this program and its list of participants that his lovely wife Carol is equally adept at tracking down and cornering individuals who—because of heavy schedules or other reasons—are nearly as elusive as the specimens with which Marlin deals!

I'd like to add my thanks to those the organizers have already received for making this symposium possible.

As I look across this audience I'm impressed by the varied backgrounds and interests represented.

We have among us political leaders, scientists, entertainers (not to be confused with political leaders) professional wildlifers, students, writers and many others.

We have protectionists, sportsmen and consumers—all with a common interest in wildlife albeit from different perspectives.

A scant decade ago it would have been nearly impossible to convene such a diverse group.

Such a gathering is conclusive evidence that the conservation of endangered species is of vital concern to us all.

However those of us concerned with both the conservation of wildlife and the wise use of natural resources have seen a disturbing polarization—in some cases even within our own ranks—over many issues. These divisive attitudes and "family squabbles" divert and waste much time, energy and resources that could be better utilized.

The sportsman expends much effort in trying to defend his sport and explain the harmony with nature he feels while trying to entice a skein of geese into range over his decoys. Too frequently, he singles out the so-called preservationists as those against whom he should concentrate his defensive efforts.

And the preservationist fearing the plight of our environment, vigorously strikes back—presenting the spectacle of two groups who should be allies—busily ripping each other apart!

In another arena we find the business man or the industrialist—squared off against the environmentalist. The one sees his goal of providing goods, services and employment as a national necessity. The other points out that attainment of that goal means nothing if we defile our environment in the process. Both are right but neither appears ready to acknowledge it!

Nowhere is the confrontation more evident than in the various government agencies. Those charged with developing and utilizing our natural resources are often at odds with similar agencies who are responsible for the conservation of those resources.

And, despite the tremendous success of this Administration's foreign policies, differences of opinion exist between nations concerning conservation issues.

Is this growing polarization necessary? Is it inevitable?

I think not!!

The responsibilities of my Department have placed me in the middle on many controversial issues and, from that unenviable position, I've had the opportunity to talk to key figures on both sides of some of these issues.

Invariably I've heard good, sound, logical cases presented for each side by honest, sincere persons. In these cases, unfortunately, those who do most of the talking frequently do little of the listening.

All too frequently it is impossible to find a point of agreement—a piece of common ground—upon which to pause until satisfactory compromises can be reached.

However, events which have transpired over the past several months leave me hopeful that such a common ground may be in sight.

In February 1973 I had the pleasure of being a member of the U.S. delegation which participated in the negotiation of the "Convention on International Trade in Endangered Species of Wild Fauna and Flora."

Over 80 nations spent 3 weeks in drawing up a treaty that is looked upon as the most significant step yet taken in the area of international wildlife conservation. Representatives of nearly 50 nations have signed that treaty.

A multitude of differing viewpoints existed among the negotiators:

Eastern and Western;

Developed nations and non-developed nations.

Despite this, the entire complicated 50-page document—in addition to well over 100 amendments—was negotiated in less than three weeks. The urgent business of putting together a mechanism to make possible the conservation of the world's endangered plants and animals provided a common ground on which all those represented could stand.

I'm not going to describe the details of that treaty—many of you are already familiar with it and the rest of you will become so as it is implemented—but I do think two provisions are of interest.

First, the treaty establishes a Secretariat, to be provided by the United Nations' Environmental Program, to carry out its international responsibilities.

Second, each signatory nation will establish national Management and Scientific Authorities who will carry out their nation's responsibilities under the treaty. Many of these nations presently have *no* organization responsible for wildlife conservation.

Thus, over the next several years, we will see an international network comprised of a central body concerned with the welfare of wildlife, and supplemented by a series of national organizations.

This should provide an effective means of cultivating that common ground discovered at the negotiating table.

In this country, one of the most important wildlife events to take place during the past year was the enactment of the Endangered Species Act of 1973. Passage of this legislation—first proposed in the President's 1972 Environmental Program—was the culmination of several years effort on the part of this Administration as supported by the major conservation groups.

This new law provides the authority and means for establishing an effective, coordinated national program for the conservation of endangered species. It picks up where the Endangered Species Conservation Act of 1969 left off.

The new law contains several important features:

It gives consideration to *all* animal life. The earlier statute did not address the vast majority of the species of animal life with whom we share this planet and who play major roles in the earth's ecosystems.

It provides for recognition of two degrees of threat. The earlier statute spoke only to species that were "Endangered"—i.e., "threatened with extinction."

The new law retains that classification but adds another category of "Threatened" species—i.e., "a species which is threatened with *becoming* Endangered."

This new authority enables the action agencies to recognize species that are heading toward the brink of oblivion and to begin taking preventative action *before* that critical stage is reached.

This ability to use "an ounce of prevention rather than a pound of cure" not only enhances the likelihood of a successful recovery of that species. It enables the use of less drastic-and usually more effective and economical-techniques.

The new law recognizes the need to consider populations as well as species or sub-species. The earlier statutes recognized only described species or sub-species rather than the more ecologically valid concept of population conservation embodied in the new Act.

This authority when coupled with the ability to determine "Threatened" as well as "Endangered" species permits authorities to apply protective regulations where and to the degree needed.

The Act recognizes the importance of the continued existence of wild plant as well as animal species. It provides for the development of a program to conserve Threatened or Endangered plants. It further provides for the Secretary of the Smithsonian Institution to coordinate within one year a review of threatened plants and to develop methods of conserving them—including legislative proposals if necessary.

Two aspects of the new law are especially important:

It implements the International Treaty I spoke of earlier. This enabled the United States to become the first nation to ratify this treaty and to begin setting up the mechanisms for cooperation with other nations as they complete their ratification procedures;

It requires a high degree of concern on the part of Federal agencies in insuring that their activities do not amplify the threat faced by threatened or endangered species.

Last—but by no means least—the Congress recognizes the historical role of the States in managing so-called "resident wildlife" and the need for close Federal/State cooperation if our efforts to conserve these species are to be successful.

The Act provides for an "Establishment Period"—not to exceed 15 months—during which each State is to develop and submit its proposal for an "active and effective" program for the conservation of Endangered or Threatened species. States which submit acceptable proposals retain their authority to regulate the "Taking" of such species and become eligible to participate in the "Grant-in-Aid" provisions of the Act.

We are aware that some States may lack adequate statutory authority to participate fully in our efforts to conserve some species—especially forms such as reptiles, amphibians or invertebrates. To help remedy this, at the Department we have been working with the International Association of Game, Fish and Conservation Commissioners in drafting a model State Endangered, Threatened and Non-Game Species Bill. If enacted by a State, such a bill should provide adequate authority for that State to launch an aggressive program on behalf of such creatures.

I have provided each governor a copy of this model bill and I very much hope that it will be quickly adopted by the legislatures of those States not having a comparable law. You can play a major role by encouraging the enactment of legislation which will enable your State to participate fully in this program.

The fabric we see being woven then, consists of:

An international organization and mechanism which gives concern to the status of all wild plants and animals on a worldwide basis, and which provides for:

The establishment of similar organizations at the national level which, in this country, was accomplished by the 1973 Endangered Species Act which, in turn,

Encourages the rapid establishment of similar, compatible programs at the State level.

I recognize that no governmental program can succeed without the active support and involvement of interested and knowledgeable non-governmental person and organizations.

The new Federal Act provides for scientific, commercial and public participation in all significant actions taken under its authorities. This public participation is formalized by extensive requirements to publish proposed actions in the Federal Register and to solicit and consider public comment.

Moreover, the Act also requires a State to have a system that provides for "... public participation in designating . . . species . . . as endangered or threatened . . ." before its program can be considered acceptable.

This broad array of new and strenghthened authorities are designed to create a truly cooperative effort to conserve endangered and threatened species.

I believe it also contains the deed to a long sought and badly needed piece of common ground where erstwhile adversaries can meet and talk and listen:

The hunter and the protectionist,

The industrialist and the environmentalist,

The resource developer and the resource conserver.

Perhaps, on this common ground, we can find that our views are not as different as we thought and that more can be gained by *talking to* each other than by *shouting at* each other. I am certainly not so naive as to think we can all agree on all points but I do feel that most of us can agree on many points.

Ladies and Gentlemen, I pledge to you the full cooperation of the Department of the Interior in making the Endangered Species Conservation Program an area where we can join hands rather than lock horns as we pursue our goals of rational resource conservation.

It has been said that the health of our planet's flora and fauna is an indication of the quality of our environment.

The swelling number of species that teeter on the brink of extinction is not encouraging. But the emerging awareness of the need to take positive action to prevent further losses is heartening indeed.

As Secretary of the Interior I am thankful for the role I can play to preserve our plant and animal life. The enthusiasm generated by this symposium indicates that we share the same concern. I look forward to working with you for the benefit of all creatures, great and small.

FINANCIAL ASPECTS OF THE ENERGY CRUNCH

HON. LOUIS C. WYMAN

OF NEW HAMPSHIRE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. WYMAN. Mr. Speaker, the Organization of Petroleum Exporting Countries (OPEC) must halve their oil prices or the world will face a financial crisis within the next few months the likes of which has never before been witnessed. At present prices—which are utterly unrealistic and grossly unfair in relation to lifting costs and world need—this small group of small countries will receive in excess of $100 billion each and every year for their oil exports.

This is at the expense of the solvency of nation after nation that must have oil to survive. It is also a crisis situation because substitutes, or oil from coal for example, will not be on the line at commercially feasible prices for years hence, no matter what crash programs are undertaken.

Major developed countries, developing nations, and underdeveloped nations are all in the same boat. It is predictable that their combined response may involve confrontation as the financial drain becomes drastic, including the ripple effect of acute inflation and massive unemployment.

If it be argued on behalf of OPEC that the reserves are depletable, let these oil exporting countries manifest their cooperation and good faith by cutting their price in half, modestly reducing their flow of export, and forming an international financial agency to channel the massive sums they receive for their oil into projects designed to create alternate sources of energy—from which they will derive a long-term payout.

The dimensions of the financial crisis are indicated in alarming proportions by Mr. David Rockefeller, chairman of the board of Chase Manhattan in his recent address to the International Monetary Conference at Williamsburg, Va., on June 6, 1974. I commend a careful reading of Mr. Rockefeller's remarks to the thoughtful consideration of readers of the Record:

Financial Aspects of the Energy Situation

(By David Rockefeller)

When this conference met a year ago, both international monetary reform and the long-range energy problem were discussed. At that time, however, little connection was made between the two.

Certainly none of us foresaw the huge rise in the price of oil which was to come in the final months of the year, or the disruptive impact it was to have on world financial relations. In retrospect, the relevance of Secretary Shultz's speech last year is clearer to most of us now than it was then.

These developments once again illustrate how our best laid plans can often be disrupted by unforeseen external developments—what economists are fond of calling "exogenous variables" and others often call "good excuses!"

Well, what was exogenous yesterday is very much a fact of life today, and it is the subject our panel will discuss with you this afternoon.

For my part, I'll begin by laying out the broad dimensions of the problem, pointing to some of its implications for international financial and political relations, and suggesting what seem to be some promising approaches to solutions. My distinguished associates on the panel will then give us their various perspectives on the situation.

In the final quarter of last year the Organization of Petroleum Exporting Countries (OPEC) increased the price of oil fourfold—a substantially more rapid increase in price than that of other critical commodities. Given these prices and present levels of production, this means they will receive more than $100 billion yearly for their oil exports. Of this $100 billion, the oil-producing nations will spend some $40 billion for goods and services—leaving $60 billion or so as a surplus to be reinvested. This $60 billion surplus, incidentally, compares with a $4 billion surplus by the same countries in 1973.

Taking into consideration existing reserves and interest and dividends on these massive funds, total reserves of the oil-producing nations are likely to exceed $70 billion by the end of 1974, $140 billion by 1975 and $200 billion by the end of 1976. These are staggering amounts—and only over a three-year period.

The principal holders of these reserves will be in the Gulf Area, with Saudi Arabia, Iran and Kuwait accounting for about one half. Other important reserve holders will be Iraq, Libya and Venezuela. And, of course, Nigeria and Indonesia will also benefit.

These huge surpluses of necessity must be offset by corresponding deficits on the part of oil consumers. The balance of payments deficit of the developed countries is projected to increase by $40 billion. The key deficit nations, after adjusting for other balance of payments considerations, will be Italy, the United Kingdom, France, Japan and the Scandinavian countries. My own country will swing from a surplus in its current account, which it had struggled hard to attain, to a deficit this year.

The developing nations, for their part, will face a severe increase in their combined deficit of close to $20 billion a year. Countries such as India, Bangladesh and Sri Lanka will have particularly hard times.

All of this suggests a structural disequilibrium of major proportions in the balance of payments of countries around the world—one that could have serious implications for the world economy and international financial mechanisms. Somehow, in some manner, the huge surpluses of the oil producers must be recycled back to the deficit oil consumers. As it is, higher prices are having damaging inflationary impacts on the domestic economies of oil consumers. On the other hand, if recycling does not occur, the oil consumers will be forced eventually to deflate their economies with severe consequences for the Free World.

In considering this recycling problem it is helpful to distinguish between the short run—say the next year to eighteen months—and the longer period. One must also distinguish between three groups of oil consumers: First, the industrial nations; second, developing nations which are in a fairly strong financial position; and third, those developing nations which are in a decidedly weak position.

We already have gained some experience in the short run. The first sizable payments were made by the oil companies to the producer nations in March, April and May, and thus far they have been recycled back successfully—principally through the international banking system.

The oil-producing nations, for example,

have been placing their money mainly in the Eurodollar market or in sterling. The banks have been the major recycling vehicles, taking this money on deposit, usually at call or on very short maturity, and relending it to oil-consuming nations for periods of five to seven years—a process which obviously creates a very unbalanced and precarious maturity structure.

So far this year, $12 billion or more has been committed to industrial nations to help cover their 1974 balance of payments deficits. To a considerable extent, the borrowing is being carried out by governments or governmental entities, such as the British railways.

While this process can be successful for a limited period of time, there are at least four very serious shortcomings to it, especially in view of the astronomical amounts that loom ahead.

First, the banks cannot continue indefinitely to take very short-term money and lend it out for long periods of time. We hope that this problem will be alleviated to some extent by countries in the Middle East agreeing to place funds at longer maturity as they become more familiar with the recycling process.

Second, and even more serious than the question of maturities, is the likelihood that banks eventually will reach the limits of prudent credit exposure, especially with regard to countries where it is not clear how present balance of payments problems can be solved.

Third, the oil-producing countries cannot be expected to build up their bank deposits indefinitely. They, too, will soon reach prudent limits for individual banks or even for individual nations.

My own view is that the process of recycling through the banking system may already be close to the end for some countries, and in general it is doubtful this technique can bridge the gap for more than a year, or at most 18 months. * * *

Finally, this form of recycling is not even a temporary solution for lesser-developed countries in a weak financial position—countries like India, Bangladesh and Sri Lanka which are not in a position to borrow at all in commercial markets. The World Bank estimates that an additional $2 billion will be needed in 1974 by financially weak lesser-developed countries for balance of payments purposes. This may not seem a huge sum in an absolute sense, but even this relatively small amount places tragic strains on the countries involved—strains that can only be alleviated by new international governmental approaches and a firm sense of global commitment and cooperation. And these are strains that will accelerate dramatically in 1975 and beyond as already limited reserves are exhausted.

Compounding these very pressing shorter-range problems are a host of far thornier questions and obstacles down the road. Structural adjustments, of course, will gradually get underway between the economies of the oil producers and the consuming nations. Prices may be reduced somewhat, and the oil producers will step up their imports and increase the speed of their own internal development.

Countries like Iran, Venezuela, Nigeria and Indonesia have a longer-run capacity to use most of their oil surplus for internal purposes. But these processes will take considerable time. In the interim, these countries will be large accumulators of reserves.

Moreover, countries such as Saudi Arabia, Kuwait and the United Arab Emirates clearly lack internal absorptive capacities commensurate with the incomes they will receive. On the contrary, one of their major aims is eventually to accumulate a body of invested wealth outside their countries which will yield an income great enough to replace their oil revenue as it runs out. Naturally they are concerned about such matters as world inflation, exchange risks, and the possibility of expropriation of their assets.

We are fortunate in having Dr. Awad on our panel, and I am sure he will be able to tell us more about the uses to which the oil-producing countries in the Middle East expect to put their surplus funds for both internal and external purposes.

Looking at the situation realistically, I believe it is clear that both the private sector and governments must play a much more significant role in the long term investment process.

Financial and industrial concerns from Europe, Japan and the United States already are proving of some assistance in speeding up internal development in the Middle East. My own bank, for example, is establishing a merchant bank in Saudi Arabia and a commercial bank in Iran (both jointly owned with local participants) as well as branches in Egypt, the United Arab Emirates and elsewhere. We plan to serve as one of the bridges between the Mid-East and the industrial world—both for internal development and for external investment. Yet ours can only be a small supporting role in a drama of massive proportions.

Though not yet large, long-term investments by Middle Eastern countries in the industrial nations are beginning to build up on a modest scale in real estate, selected securities and some direct investments in industry. Hopefully, in the future they may be persuaded to participate more widely in such investments, as well as to assist in the financing of major international undertakings like the James Bay power project in Canada. Yet the sums requiring investment are so enormous, and the institutional facilities necessary to carry them out so limited, that I question whether such invesments will have much impact on the gap for some time to come.

All of this clearly suggests that both the World Bank and the International Monetary Fund will increasingly be called upon to play key roles in the recycling process. The World Bank will need to concentrate on those lesser-developed countries that are in most serious need, while the Monetary Fund will probably have to deal with both developed and developing countries.

Ideally, funds for this purpose should come from the surpluses generated by the oil producers. Iran, for instance, has already offered to lend funds to the World Bank and IMF, and also to make some direct loans to India and others at concessionary rates to finance oil imports. Similarly, the recently announced willingness of the oil producers to establish a $2.75 billion "oil facility" to help countries with balance of payments problems is a positive move at least in the shorter term.

I fear, however, that this can only be seen as a modest first step when one considers the magnitude of the funds that must be redistributed. Solutions in many cases will demand more concessionary terms than those currently envisioned by the oil-producing nations. Moreover, both the world bank and the IMF may have to adopt more flexible concepts of risk.

We must apply even more in terms of resources and imagination at all levels if we are to arrive at constructive long-range solutions. Critical additional steps are necessary on both the philosophical and administrative fronts to handle the massive needs involved. New techniques, strategies and mechanisms will have to be devised—and devised quickly. Most importantly, a premium will have to be placed on international cooperation.

For some time, for example, the committee of 20 in the IMF has been considering a new central reserve asset—a revised SDR, which would represent a basket of currencies, and hence neutralize the exchange risk between major currencies. Perhaps this asset could play a role in future investment plans of the oil-producing nations, and, indeed, it is assumed that it will be part of the new IMF "oil facility."

It may additionally be possible to work out international guarantee arrangements with regard to expropriation. In this respect, we should remember that the oil producers have one important alternative to accumulating reserves and making investments abroad—they could leave the oil in the ground. From the point of view of the consuming nations, this would create serious shortages, at least for some years to come.

It is also highly desirable that ways be found to channel surplus oil revenues into projects designed to create alternate sources of energy. This would not only help the world at large, but also provide a source of continuing revenues for the oil-producing nations after their reserves have been exhausted. It will have to be done in collaboration with the industrialized nations which have the necessary technology, and it is to be hoped that serious discussions along these lines will not be delayed.

Finally, it is imperative that the developed countries of the world join with the oil producers to assist the less-developed nations. Unless there is a far more concerted effort by all, including my own country, in this direction, I fear that the only result will be economic and political chaos. In this connection, it is imperative that Congress act favorably on the replenishment of the International Development Association as quickly as possible. It has perhaps never been so clear that the true self-interest of any nation depends ultimately on the welfare of others.

Underlying all of these requirements, however, is the fact that we must come up with a means of recycling funds on a far more massive scale than now possible. Some argue that we should simply wait for the forces of supply and demand to bring prices down and create a new structural equilibrium. Others feel that inflation in the oil-consuming nations will help alleviate the problems.

While there is some vaildity to both of these positions, I believe we must also be aware of their limitations. First of all, inflation has little hope of answering the problem since the purchases of even the largest oil producers are so relatively small.

Second, I fear that relying solely on supply and demand can have disastrous results for many of the developed Nations—leading to disruptive domestic unemployment and depression in these countries, and to a general sense of distrust in the world community. One cannot ask nations to call continually on their reserves when they can see no clear light in the future. This is like draining one's swimming pool in the midst of a drought. Moreover, if the position of the developed nations is eroded further, the developing nations can have little hope at all.

On the other hand, of course, some painful structural changes will be required, and it would be imprudent to ignore them. The challenge, it seems to me, is to achieve a delicate balance between necessary concessions to countries with problems and an orderly realization over time of the inevitable impact that the laws of supply and demand will have on shifting world resources.

Creating a mechanism to handle recycling on this scale and to determine acceptable concessions and risks is, of course, exceedingly difficult. Perhaps the mission of the IMF could be expanded in this direction, or perhaps it would be best to create a separate vehicle so as to avoid burdening the IMF with the dual responsibilities of policing monetary affairs and curbing unemployment.

Whatever the means, I believe it is imperative we develop swiftly a new way of looking at world financial needs—a perspective that emphasizes global stability as well as individual national credit worthiness. If we are to progress significantly, we must have a vehicle that allows us time both to act realistically to correct structural disequilibriums and to avoid disharmony. And this vehicle must result from a conscious decision of both the oil-consuming and oil-producing nations. I would hope this question would be high on the agenda of the Committee of 20 when it meets later this month.

Needless to say, all of this may seem somewhat academic if either the price of oil or the demand for oil should suddenly decline. The outlook here is highly uncertain, though hardly cause for unbounded optimism. I'm sure Mr. Morris will be able to enlighten us on these issues.

Let me just say that there are some signs that the present high price is restricting demand for petroleum products in the consuming nations to a limited extent. Our bank estimates that world petroleum consumption this quarter will run slightly behind a year ago, whereas an increase normally would have been expected. Also, we believe that production has been expanded so that it is now running somewhat ahead of consumption. If this is the case, pressure could very well build up on prices, and it will be interesting to see how the OPEC countries react to the problems.

While oil prices may eventually come down somewhat, my own judgment is that plans and policies throughout the world should not be based on the assumption that the decline will be large enough to solve the recycling problem. Modest price reductions may give us more time, but they will not materially alter the basic situation. Indeed, I would guess that we would need a price reduction of some 40% to 50% to produce anything close to a new structural equilibrium. Thus we have no choice but to face up to the recycling challenge and, in cooperation with the oil producers, to devise the institutional arrangements necessary to cope with it.

The successful creation of such mechanisms will be highly dependent on the political climate. Here, one conclusion is certain: The Middle East countries, by reasons of a shift of wealth and resources, are entering a new period—a period during which their political influence, as well as their economic weight, will loom larger on the world scene.

The strenuous efforts in which Henry Kissinger has been engaged provide testimony to that fact, as has the parade of cabinet members from other countries to the Middle East in recent months. At the same time, the new wealth in the Middle East is likely to strengthen the hands of moderate governments in that area and orient them more firmly toward the West.

If sustained, this trend toward moderation may well be a highly desirable and significant political dividend. It will also be essential in assuring the stability that must underlie an orderly approach to the redistribution of international capital.

The situation is still beset with uncertainties, both political and economic, and we are running out of time on many fronts. Given a clear realization of the interdependence of all the nations involved, however, I believe we can find ways to transform the problem of surplus capital in the hands of some nations into many positive opportunities for progress and development worldwide. But this will not happen by itself. It will demand the involvement and dedication of both the public and private sectors on a scale far exceeding that which exists now.

Above all, it must involve a degree of global teamwork which we have not seen up to this point. If the nations of the world approach the energy situation sincerely and resolutely, there is reason to hope that it can be used as a catalyst and a rallying point for a new era of international cooperation.

It is a sad fact that challenge is too often the most effective father of unity. In the past, the fear of Communism has served to lend common purpose to the nations of the Free World, and the threat of nuclear holocaust has awakened all nations to the necessity of meaningful joint solutions. Now, as these threats diminish in the minds of many, some may well be tempted to place immediate, more selfish concern ahead of global imperatives. It would be tragic if the energy situation becomes a force for further divisiveness. Let us hope rather that it is a new spark to rekindle a mutual striving among nations that recognizes the world's inevitable interdependence.

THE NEED FOR FLUE GAS DESULFURIZATION

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. BINGHAM. Mr. Speaker, the increased use of high-sulfur coal is necessary in order to avoid predicted coal shortages and to free valuable but diminishing oil and gas reserves for other purposes.

Air quality regulations of the Clean Air Act require that toxic sulfur oxides in coal be reduced to acceptable levels before emission from powerplant stacks. Flue gas desulfurization is by far the most advanced technique to accomplish this. Stack-gas scrubbers have been installed commercially on 13 American and 10 Japanese plants, and have been demonstrated as feasible and effective. Other processes for using high-sulfur coal without polluting the atmosphere, such as coal liquefaction and gasification, will be unavailable until sometime in the 1980's.

As Clean Air Act deadlines approach and reserves of low-sulfur coal decline, energy and environmental needs indicate that a sensible national coal policy demands a commitment to the perfection and further installation of flue gas desulfurization—FGD—equipment. Research must be continued and directed to the resolution of the remaining technological problems associated with FGD. These include accurate retrofit design and the disposal and utilization of scrubber byproducts.

The present and potential status of FGD technology was examined in a recent article in Science magazine. The authors, members of the Bureau of Mines of the Department of the Interior, have evaluated FGD in the context of the nation's general electric power situation. They conclude that stack scrubbers will be an important component in providing sufficient electric power in the future without adverse environmental effects. I include herewith excerpts from the article in the April 19 issue of Science:

HIGH-SULFUR COAL FOR GENERATING ELECTRICITY

(By James T. Dunham, Cary Rampack, and T. A. Henrie)

The United States has an abundance of coal. Coal reserves economically recoverable by today's mining technology are estimated at 200 billion tons, and total domestic coal resources are of the order of 3 trillion tons, or enough to meet a large part of our energy needs for centuries. We are experiencing an energy shortage in the 1970's, despite such vast amounts of coal, because we have become overdependent on natural gas and oil to supply some of our increasing energy needs, among them that for electrical power.

Electricity provides about 25 percent of our total energy needs. According to a Department of the Interior study, per capita use of electricity increased from slightly more than 2000 kilowatt-hours in 1950 to 7800 kwh in 1971, and is projected to reach about 32,000 kwh by the year 2000.

Cheap, convenient low-sulfur oil and natural gas are competing with coal as the preferred fuel for the electric utility market (Table 1). While annual consumption of coal for power plants in the northeastern and east northcentral regions of the United States stayed approximately constant in the 6 years from 1966 to 1971, oil consumption has increased by factors, of 3 and 25 in these regions, respectively, and gas consumption has increased by up to a factor of 3. Continued use of petroleum and natural gas at the present rate will aggravate the serious supply problems for these fuels.

Programs under way to augment our oil and gas supplies and to diversify our energy base, such as coal gasification, extracting oil from western oil shales, harnessing solar energy, wind, and geothermal steam and brines, will have little impact on electricity generating needs for many years. Similarly, although nuclear reactor power plants are expected to provide up to 25 percent of the demand for electricity by 1985 and up to 50 percent by 2000, these optimistic estimates assume the timely development of the fast breeder reactor program and satisfactory solution of environmental problems in siting and operating nuclear reactors. In the meantime, fossil fuel-fired power plants must supply a large part of our electrical power demands, and only coal is available in the United States in sufficient quantity to provide this energy for the next 25 years.

TABLE 1.—*Sources of energy for generating electricity in 1972*

Source:	*Electricity generated (percent of total)*
Coal	42.2
Natural gas	22.1
Petroleum	16.9
Hydroelectric	15.7
Nuclear	3.1
Geothermal	Negligible

AIR POLLUTION FROM COAL COMBUSTION

An important factor influencing the change in the pattern of energy use in thermal electrical power generation from coal to oil or gas in recent years has been the limitation on the emission of pollutants to the atmosphere. Air pollution regulations affecting power plants are primarily concerned with three pollutants: particulates, nitrogen oxides, and sulfur oxides. Of these three, sulfur oxides are of the most concern from a regulatory standpoint. Ambient air quality standards and emission standards can generally be met only by burning coal containing 1 percent sulfur or less. In coal, sulfur occurs in both the inorganic and organic forms. Substantial amounts of inorganic sulfur, mostly pyrite, can be removed by mechanical cleaning, but the organic sulfur cannot. Because the sulfur in high-sulfur (3 to 6 percent) coal is often about half pyrite and half organic, mechanical cleaning alone does not reduce the sulfur content to the point that the coal can be burned without exceeding the emission standards for sulfur oxides.

Fuel trends in the heavily populated and industrialized regions reflect the impact of air pollution regulations on the use of coal. Burning low-sulfur oil or natural gas has been one method of controlling sulfur oxide emissions, but when switching to oil or gas has not been feasible, utilities have turned to low-sulfur coal, often at great expense because of high transportation costs. Most of the available low-sulfur coal in the United States is in the West, and much of that in the East is captive and used by the metallurgical industry. Accordingly, utilities in Chicago meet air pollution regulations by using low-sulfur coal mined in Montana and Wyoming and pay as much as $8.50 per ton for unit train rail haulage.

In his report to Congress on the energy situation on 23 January 1974, President Nixon urged postponement of the implementation date for air pollution standards to permit conversion of oil- and gas-fired electric generating plants to the use of coal. On 6 February 1974, a report issued by the Federal Energy Office cited ten eastern plants that converted from oil to high-sulfur coal and several other plants that were willing to convert if environmental, technical, transportation, and supply obstacles could be overcome. These actions have freed some oil and gas for other uses. In 1973, use of coal for generating electricity increased slightly at the expense of oil and natural gas. However, widespread conversions by established utilities or construction of new plants designed to burn high-sulfur coal are unlikely unless utilities can be assured that they can ultimately comply with air quality regulations.

CONTROL OF SULFUR OXIDES AT POWERPLANTS

One of the major deterrents to the unlimited and widespread use of coal for generating electricity in the United States, particularly in the Midwest and East, is the quality of the combustion gases released to the atmosphere. If high-sulfur coal is burned, there are three alternatives for producing gaseous emissions meeting air quality standards: (i) Coal can be converted to a sulfur-free fuel; (ii) coal can be burned directly at a rate and under conditions that generate emissions meeting ambient air quality standards; or (iii) coal can be burned and the sulfur oxide gases removed during combustion or before discharge of flue gases to the atmosphere. In the near future, sulfur-free fuels derived from coal by gasification or liquefaction will, at best have limited application in electrical power generation. The other alternatives are more likely for immediate and short-range use.

REMOVING SULFUR DIOXIDE FROM FLUE GASES

Research to develop technology for removing sulfur dioxide from gases generated during coal combustion in electric utility boilers covers a span of 40 years in the United States and abroad. These processes include (i) injecting limestone or lime into the combustion chamber to produce a throwaway product; (ii) high-temperature regenerative systems (that is, those that recycle the absorbent) using solid absorbents to concentrate sulfur dioxide gas for conversion to sulfuric acid or sulfur; (iii) direct catalytic oxidation of the dilute flue gases to sulfur trioxide and then to sulfuric acid; (iv) wet scrubbing of the cooled gases with alkaline solutions or slurries to yield throwaway products; and (v) wet scrubbing with regenerative solutions to produce either liquid sulfur dioxide, sulfuric acid, or elemental sulfur. This technology is still controversial, with opinions varying as to the reliability, operating and capital costs, and acceptability of the end products or byproducts of the various processes.

In a 1970 study of available technology for stack gas cleanup made by the National Academy of Engineering, it was stated that "contrary to widely held belief, commercially proven technology for control of sulfur oxides from combustion processes does not exist." In May 1972, a federal inter-agency committee responsible for evaluating state air implementation plans formed an inter-agency task force to evaluate flue gas desulfurization systems. The task force, designated the Sulfur Oxide Control Technology Assessment Panel (SOCTAP), issued its final report on 15 April 1973. Having examined the status of stack gas cleaning in the United States and Japan, the task force concluded that the removal of sulfur oxides from stack gases is technologically feasible in installations of commercial size, and that a large number of the nation's coal-fired steam electric plants can ultimately be fitted with commercially available stack gas cleaning systems. Of many processes considered, four wet-scrubbing systems were rated as sufficiently developed for full-scale commercial application within the next 5 years; these processes were as follows wet limestone or lime scrubbing, magnesium oxide scrubbing with regeneration, catalytic oxidation, and wet sodium base scrubbing with regeneration.

The EPA supported the SOCTAP conclusions and evaluations in testimony at public hearing, and added double-alkali sodium scrubbing systems to the list of commercially viable processes. The citrate process, also studied by EPA, was later added to the list of promising desulfurization systems.

Utility representatives at the public hearing did not agree with EPA's conclusions and testified about operating difficulties with the scrubbers that are installed. They claimed that reliability of units 100 megawatts or larger has not been demonstrated adequately enough to warrant the conclusion that the control systems are commercially available. Another major concern of the utility representatives was the disposal problem attendant with the throwaway control systems. These systems—lime or limestone wet scrubbing and double-alkali scrubbing—produce calcium sulfate and calcium sulfite, which have no market value and must be disposed of in permanent impoundment areas.

The processes considered most advanced have only been tested in a limited number of large-scale demonstration projects, if any, and the controversy continues as to whether the technology is reliable enough for widespread application to coal-fired utility boilers. Large-scale test programs now under way or being planned may, in the next 2 or 3 years, solve the engineering design and operating problems to assure fully reliable sulfur oxide control systems. In the meantime, promising new processes now being developed should be available for installation before the end of this decade. Concerned parties are appraising cautiously the more thoroughly researched and advanced processes with regard to their merits and deficiencies.

SUMMARY

We must expand the use of coal for electricity generation as rapidly as possible to help alleviate the immediate oil and natural gas shortage, which threatens to become more acute unless the pattern of energy is changed.

It is not likely, nor is it proposed, that coal should completely replace oil or gas in power generation; geographic location of plants and ready availability of high- or low-sulfur coal will to some extent dictate the choice of fuel. However, replacing 50 percent of the oil and gas now used in power generation would release more than 200 million barrels of oil and 1.9 trillion cubic feet of natural gas (1 barrel of oil $=0.16 m^3$; 1 cubic foot$=2.8\times10^{-2}$ m^3) annually for other uses such as home and commercial heating, transportation, chemical feedstock, and selected industrial and manufacturing uses. Even more important, use of coal instead of oil or gas in new fossil fuel-fired electrical generating plants would go far toward conserving natural gas resources and holding the line on increased petroleum imports.

In recent years, U.S. pollution regulations restricting sulfur oxide emissions from power plants have been one of the major deterrents to the use of the high-rank, high-sulfur coals of the Midwest and East. Reliable flue gas desulfurization processes that permit burning of these coals without adverse environmental effects are approaching full development and should encourage wider use of coal in electricity generation for the next 25 years. Estimates indicate that more than 40 sulfur dioxide scrubbing units will be installed on power plants totaling about 20,000-Mw capacity by late 1976. The cost of these units will approach $750 million. Although this is not a significant amount of our coal-fired generating capacity, these installations should give impetus to construction of more and larger ones by 1980 and the next decade; this would refute the tenet that wide use of coal and a clean environment are mutually exclusive. As the choice of proved scrubbing technology broadens, no single process will dominate the market. Individual utilities, in addition to considering the economics, will be faced with making choices on the basis of the type of coal burned; water, land, and air pollution regulations; and the marketability of the end products.

The cost of the flue gas desulfurization will be high, ranging from 1.2 to 3.2 mill/kwh. The average increase in electricity cost to consumers is expected to be about 3 to 6 percent, and in some instances as much as 15 percent. However, the added burden may not be as high as that of dependence on foreign oil, both in terms of price and reliability of supply. Combustion of high-sulfur coal followed by stack gas cleanup appears to be the cheapest alternative for meeting our electricity needs in the next few decades.

WHO IS MAKING THE PROFITS FROM INFLATED FOOD PRICES?

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. RARICK. Mr. Speaker, with the cost of food to the consumer edging ever upward and what appears to be a boom year for farm prices, it may be easy for some people to point to the American farmer as some sort of phantom reaping huge profits at the expense of other citizens.

Such is simply not the case. In spite of high food prices in the market place, the producers—the farmers, the cattlemen, the chicken farmers, etc.—are not the groups realizing the windfall.

Who, then, is making the money from inflated food prices? I think that our colleagues, and their consumer constituents, will be interested in looking into this question further.

I insert the following newspaper story, which deals with the how's and why's of higher food prices:

[From the Washington Post, June 16, 1974]

Feeling Outraged About High Prices Down on the Farm

(By Jim Hightower)

"Farmers never had it so good," declared President Nixon at a press conference in March. But have they? Certainly, farm people do not share the President's cheery outlook on the farm economy. In fact, farmers were shocked and outraged, and one national farm group considered the remark so callous as to warrant impeachment.

With the highest food and farm prices in memory, what caused farmers to bridle at the President's comment? Two things in particular.

First, farmers did not benefit most from the exorbitant food prices of 1973—the U.S. Department of Agriculture (USDA) reports that food middlemen continued to take nearly three-fifths of the consumer's food dollar in 1973.

Second, the President was trying to make political hay out of a temporary farm price boom that already is fizzling out—1974 does not look all that great to farmers.

Consider the first question: who profited? There can be no doubt that 1973 was a good year for farm income, especially for grain and livestock farmers. As it turns out, administration publicists were a bit overzealous in their initial claims for farm income and they had to revise their early figures downward by $2 billion. And there is considerable doubt that all of the $24 billion farmers supposedly earned actually ended up on the farm, since a good many corporate processors and marketers of such commodities as eggs and poultry get counted as "farmers." These quibbles aside, however, 1973 was not a bad year to have been a farmer

But it was not the kind of year that warrants being singled out in a Presidential press conference. Even with the record income levels of 1973, farmers received only 46 cents of the consumer's food dollar. The rest went to the corporate middlemen that process, market and retail food. Nor does every farmer in America draw 46 cents every time a consumer lays down a dollar; most farmers never see that kind of ratio.

For an example, the chicken for which you pay $1.50 pays the chicken farmer 6 cents. USDA statistics show that a can of peaches cost consumers 41 cents last year, but the peach farmer got only 7 cents of it. You spent 28 cents for a loaf of white bread, but only 4 cents trickled back to the wheat farmer. A head of lettuce cost 43 cents at the supermarket, but paid only 4 cents to the farmer.

PROCESSOR'S PROFITS UP

At a time of skyrocketing food prices and consumer disgruntlement, the President pointed to farmers, without bothering to mention that food corporations were enjoying even better times. Far from flattered, farmers felt picked on. Cattle ranchers are said to have done especially well in 1973, but none did anywhere near as well as such corporate cowboys as Iowa Beef Processors, with a 66 per cent profit increase last year, or American Beef Packers, with a 288 per cent profit increase. Food processors grumbled all last year about government price controls, but their 1973 profit figures suggest that they grumbled all the way to the bank. For example, the big canners of fruits and vegetables did much better than the farmers who grow them with such firms as Del Monte taking a 35 per cent profit increase in 1973, Campbell soup 23 per cent and Castle & Cook (Dole) up 52 per cent.

The May 4 issue of Business Week offered another interesting insight into how the chips actually fell last year. In a listing of salary increases for corporate executives, the food industry was found to be very generous. Food firms and government officials are quick to point to rising labor costs as an inflationary villain and a drain on corporate profit margins, but they do not draw attention to inflationary jumps in executive salaries. In 1973, food industry workers had wage increases of 6 per cent. Up in the executive suites of food corporations, however, there was much less restraint.

Food manufacturing firms ranked ninth out of 32 industries surveyed by Business Week, boosting the pay of their top executives by an average of 17.7 per cent. For example, while consumers were being advised by government and industry to switch from beef to beans, Kraftco increased the salary of its board chairman from $264,000 to $321,000. Consumers ultimately get to pay for Kraftco's internal largesse. Grocery chain executives ranked fourth in Business Week's listing, taking home a 24.3 per cent pay increase. Safeway, which complained all last year that its profit margins were paper thin, scraped up an extra $16,000 to round off its chairman's salary at $200,000 a year. Nothing that these corporate executives now claim to be feeling the "pinch" of inflation, Business Week reports that their pay levels can be expected "to take another big jump with the expiration of controls."

FARM PRICES DOWN

Grocery shoppers undoubtedly are puzzled over the phenomenon of the "disappearing price drop" in our food economy. Since September, 1973, the news media have been reporting each month that the farm value of food has been falling. But that price drop on the farm has not made its way into the supermarkets. Farm prices fizzled 16 per cent from August to December of last year but supermarket prices remained sizzling hot. Even as President Nixon was making his remark about the good fortunes of American farmers, the price they were being paid was falling for the sixth straight month, while the price charged to consumers actually was rising.

Not only did food firms pass all of the farmers' 1973 increase right through to the beleaguered consumer, but they also attached a sizeable markup of their own. The Federal Reserve Bank of Chicago reported on March 8 that food middlemen increased their take from consumers by 6.5 per cent in 1973. That is an increase exceeded only once (in 1970) in the last 20 years. And the Department of Agriculture reports that these firms will increase their share in 1974 at a rate that "may be more than double the 1973 increase." What that means is that consumers will pay much more for food this year and much less of what they pay will go to farmers.

In 1973, the farmer was averaging 46 cents of the food dollar. By May, 1974, that already had fallen to 42 cents, the same level it was prior to the boom of 1973. And the farmer's share is expected to fall even more during this year. The retail price of food is hardly keeping pace. A Department of Agriculture report shows that the price of bread rose from January to April by two cents, while the farm value of bread ingredients fell by two cents. That is four extra pennies picked up by middlemen every time a loaf of bread is bought.

Not only are middlemen failing to pass along cheaper farm prices, but some appear also to be holding back on supplies of farm goods. For example, Reps. Frank Denholm (D-S.D.), Thomas P. O'Neill Jr. (D-Mass.) and Lester Wolff (D-N.Y.) have suggested that meat packers and processors are widening their profit margins today by manipulating available supplies of meat.

The congressmen took a look at the meat industry's cold storage inventories in May and found an astounding amount of meat being packed away in corporate warehouses. Department of Agriculture figures showed that cold storage of beef by the packers and processors is 33 per cent above last year, pork stocks are 43 per cent greater and poultry storage is up by 87 per cent. Denholm charged that this storage "clearly pirates the prices of consumers and producers alike." By storing meat, the corporations can artificially decrease supplies in supermarkets, thus keeping consumer prices high. Simultaneously, the record inventories decrease industry demand, thus dampening prices paid to meat raisers.

During April, farm prices overall fell another 4 per cent, with the price of cattle falling from 39 to 37 cents a pound, hogs down from 31 to 26 cents a pound, wheat down from $3.98 a bushel to $3.52, cotton down from 58 to 49 cents a pound and eggs down from 50 to 42 cents a dozen.

STEIN'S STATEMENT

A remark in May by Herbert Stein, chairman of the President's Council of Economic Advisors, is depressing to farmers and consumers alike. He said, "The *declines* in farm product prices are likely to be reflected in much smaller *increases* in retail food prices than occurred in the first quarter of 1974" (emphasis supplied). Only the Grocery Manufacturers of America and the National Association of Food Chains can appreciate the logic of that.

In fact, that is the kind of logic that food middlemen can carry to the bank. The Federal Reserve Bank of Chicago said in its May 31 agricultural letter that "the available evidence suggests that higher profits have contributed to the widening farm-to-retail price spreads." That conclusion is supported by Business Week magazine figures showing that in the first three months of this year the largest food retailers had profits that were 59 per cent higher than a year ago, even though their sales were up just 14 per cent.

The Department of Agriculture clouds the issue of high middleman profits by reporting figures that encompass all food firms, the small with the giant. There are 32,000 food manufacturing firms in America, but just a handful of those sell nearly all the food and control the industry. In May testimony before the Joint Economic Committee, the Federal Trade Commission's Dr. Russell Parker noted that "the 50 largest [food manufacturers] controlled 50 percent of assets of 1964, they accounted for 61 percent of profits and nearly 90 percent of television advertising." According to Dr. Parker and other authorities, this level of industry concentration is increasing steadily. These are the brand-name giants, powerfully situated between millions of farmers and millions of consumers, and they are fast becoming the decisive force in the American food economy.

The average profit increase for all 32,000 food firms in 1973 would not be remarkable, but the dominant firms had "a year to remember," as Business Week put it. A special USDA task force on food marketing costs reported this month that the profits of food middlemen in 1973 "probably" will exceed the the 1972 total of $3.4 billion. But the task force need have no doubt about the largest firms. Analyzing the 66 largest food processors, Business Week reported in March that their profits averaged 17 percent higher than in 1972. The profits of those 66 industry leaders were more than $1.8 billion, which is more than half the industry's total for the previous year.

To a significant degree, this level of profit is the result of monopoly power in the food industry.

Dr. William Shepherd, a leading authority on market concentration, reports that the food industry falls well within the category of "tight oligopoly," with the average four-firm concentration within the industry being 55 percent. In many food lines, shared monopolies exert much greater control. For example, 91 percent of all breakfast cereal is sold by four firms (Kellogg, General Mills, General Foods and Quaker). Three firms (Dole, Del Monte and United Brands) sell 85 percent of all bananas in this country. Gerber alone sells 60 percent of all baby food and Campbell's sells 90 percent of all soup.

The same high levels of concentration exist in food retailing, with more than half the cities in the country being dominated by four or fewer chains. In the Washington, D.C. area, for example, Safeway, Giant, Grand Union and A & P control 72 percent of the grocery market. Nationally, one-third of all the convenience grocery stores are owned by Southland Corp., parent of the 7-11 chain.

PRODUCTION COSTS

There is another harsh economic reality that is squeezing farmers and causing them to think anew about the advice of old-time populist leader, Mary E. Lease: "Raise less corn and more hell." That reality is the rise in farm production costs.

Not much of what the farmer gets stays in his pockets, for he has a mess of bills to pay. As farmers move into the summer months, they are massively pessimistic. The cost of their production supplies has increased about as rapidly as the plummeting of farm prices. In March alone, farm prices fell 4.4 per cent, while the cost of farm inputs increased 2.2 percent. The Department of Agriculture predicts that farmers' expenses in 1974 will be "more than $9 billion above last year."

A corn farmer in Iowa told the Des Moines Register of fertilizer prices this year 40 percent higher than last, of diesel fuel prices doubling since last year and of corn seed that has gone from $25 a bushel to $37 a bushel. The cost of new machinery has gone out of sight, and repair of old machinery is about as costly—as this corn farmer put it, "You don't need too big a truck to haul away $500 in parts." He is having to shell out this kind of money now, while the price he can expect for his corn already has tumbled this year from $3.25 a bushel to $2.27.

At work here is the other jaw of the corporate vise that is squeezing family farmers and contributing to higher food prices. There may be a profit made on the farm in 1974, but there will be much more profit made off the farmer. Here's a sample of profit increases farm suppliers already have had in the first quarter of this year.

First quarter, 1974

[In percent]

	Profit increase	*Sales increase*
International Harvester	113	16
Stauffer Chemical	55	31
Occidental Petroleum	716	96
Firestone Tire & Rubber	19	17
Pfizer	33	26

Source: Business Week. May 11, 1914. "Survey of Corporate Performance: First Quarter 1974." pp. 70–90.

To put these profits into perspective, the average profit increase in all industries in this first quarter was 16 per cent. And again, these profits can be traced to the existence of monopoly power within the industries. For example, Dr. Shepherd reports that the four leading farm machinery firms hold 70 per cent of the relevant market. The Federal Trade Commission staff found in 1972 that farmers were overcharged $251 million because of the existence of monopoly power in the farm machinery industry. The four-firm concentration ratio in the chemical industry is 71 per cent; in petroleum refining, 65 per cent, and in tires, 71 per cent.

The general public, the Congress and the press have paid little attention to the rise of corporate power in the food economy. It is time to notice, for not only has that power become significant, it already has become the single, most dominant factor affecting the food supply.

It is impossible in the long run to lower food prices, to raise farm income and to assure a steady supply of nutritious food without dealing directly with the shifting structure of the food economy. Both as suppliers of inputs to farmers and as buyers of raw commodities from them, corporations have become the determining force in the farmer's business. As manufacturers, advertisers and retailers of food, corporations have become the decisive force in the quality, choice and price of food available to the shopper.

As a minimal first step toward keeping corporate food power in check, the country's antitrust apparatus ought to be focused on food. The Federal Trade Commission shows some hopeful signs that it might be listening to consumer and farmer complaints on food issues. The chairman of the commission, Lewis A. Engman, has announced creation of a special task force of lawyers within FTC's enforcement branch to develop and implement a program of antitrust action directed at the food industry. Whether Chairman Engman's highly-touted "National Food Plan" will be more than window dressing is questioned by several consumer and farmer organizations, but at this point they are grateful for any official response tossed their way.

Also encouraging are signs that at least a few congressmen are waking up to the corporate presence and beginning to probe for some answers. Within the last six months, the Senate Select Committee on Small Business, the Senate Commerce Committee and the Joint Economic Committee have conducted public hearings on the role of corporate middlemen in the food economy. In addition, the Senate Antitrust and Monopoly Subcommittee and the Senate's Permanent Subcommittee on Investigations have shown an interest in corporate activities that affect farmers and consumers.

These are halting, first steps, but they are important. Old perceptions of food power, based on the idea of independent farmers responding to sovereign consumers, no longer are valid. Increasingly, corporations are the decisive force at both ends of the food chain. That fundamental shift in power is too important a matter to be left to USDA and corporate executives.

The most lasting and significant impact of 1973's skyrocketing food prices may well be the wide public attention that the jolt of those prices attracted to food economics. The food issue will abate somewhat in intensity, but it will not go away, and neither will public attention. The food industry can expect much more scrutiny in the months ahead.

COAL AND ENERGY

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. RHODES. Mr. Speaker, I would like to call to the attention of my colleagues remarks made by Mr. R. J. McMullin before a meeting of the Western Energy Supply and Transmission Associates here in Washington on June 18.

I have had the privilege of knowing Mr. McMullin for many years. In addition to being president of WEST, he is a member and ardent booster of the Salt River project. He has been a long-time friend of mine, and is one of the outstanding citizens of our great Southwest.

Mr. McMullin's remarks provide a realistic look at the future of the electric power industry in the West. As head of a group of 22 major public and private utilities, he has a clear grasp of the problems the energy industry will face in the future.

He points out that one of the bright spots in our energy picture is coal. We have enough on hand to last for hundreds of years, if we are intelligent enough to launch a cooperative effort between Government and industry to realize the potential of our coal deposits. We in Congress, especially, must make a wise decision on surface mining so that we can balance off our energy needs with our environmental desires.

I believe that this presentation by Mr. McMullin is a fine synopsis of the future of power production and distribution in the West, and I recommend it to my colleagues in Congress for its pertinent information. Text of the address is as follows:

REMARKS BY R. J. McMULLIN

I'm in somewhat the same predicament this evening as the army private who stumbled into a tent full of generals. He knew he ought to salute, but he didn't know where to begin.

You have honored us with your presence, and your gracious ladies add more brightness to this room than all the electrical capacity represented here could muster.

On behalf of the electric utilities of WEST Associates, it is my privilege to salute you.

These are extraordinary times in Washington. Your days are long, the decisions you make are many, and your evenings at home are few. We appreciate your being with us.

By now you have read, seen, and heard about the energy crisis to the point of saturation. Cries of alarm and doom have been sounded by the general public and by all segments of the energy industry. We feel the alarm is real and that the energy shortage presents an almost unprecedented challenge to our nation.

Our purpose tonight is to give you our assessment, first hand, of the energy situation in the West—what we are doing as individual utilities and together, through Western Energy Supply and Transmission Associates, to meet the challenge of having enough electric power available now and in the years to come to met the needs of the areas we serve and that you represent. And we want to discuss with you the kind of economic and governmental climate we believe is essential to keep the West moving in the next decade and beyond.

First, there are a few things you should know about WEST Associates—what it is, and what it isn't.

Western Energy Supply and Transmission Associates (called WEST for short) is an association of 22 major public and private utilities operating in all or parts of eleven western states. Most of our member utilities are represented here tonight.

WEST Associates was organized in 1964 to foster and encourage coordinated planning of large electrical generating facilities and extra-high-voltage transmission lines, and to sponsor research and development that is of particular interest to the utilities of our western region.

But the origins or philosophy of WEST Associates go back much farther. Since pioneering days, the history of the western region has been marked by cooperative effort. For example, we all know how interdependent our states are regarding water development. Western states are also joined by our economy, our lifestyle, and our social challenges.

And we are interdependent—in fact interconnected—in electric energy development, supply, and transmission.

In describing WEST Associates, it is important to point out that WEST, as an entity, does not generate or supply electric power. WEST does not own or operate any generating plants or transmission lines.

Under our WEST concept, joint planning makes it possible for utilities to build, own and operate generating stations large enough to provide the economic benefits of larger-scale installations. Also, WEST makes it possible to use the region's natural resources more prudently than would be the case if each utility tried to go it alone. There are environmental benefits because a greater degree of environmental control per unit of capacity can be achieved in a larger plant.

There are presently three projects in operation which were developed under the WEST concept—two large units at the Four Corners Generating Station in New Mexico, the Mohave project in Nevada, and the Navajo project in northern Arizona. All use coal as boiler fuel. Mohave and Four Corners are fully operational; only one of the three units at Navajo is operational, the other two are under construction.

And contrary to some statements, particularly in the eastern press, our plants are not clustered in a small area. The distance from Four Corners to Mohave, for example, is greater than the distance from Washington, D.C. to Cleveland.

This sort of eastern misunderstanding of the West aggravates our problems.

We are all aware, sometimes painfully so, that the population of our region has grown enormously, and it continues to grow. In the region served by WEST Associates' members, population growth is some five times the rate of the rest of the contiguous states. Of course, commercial and industrial development has paralleled population growth. And more and more people, occupying more and more jobs, demand an awesome amount of additional electric energy.

Members of WEST Associates had a combined installed generating capacity of about 37 million kilowatts at the end of last year. By 1980 we are going to need 60 million kilowatts to meet our customers' growing demands, and by 1990 generating capacity will have grown to approximately 114 million kilowatts, requiring a 35.3 billion dollar investment in generating plant alone.

In the years ahead, our mix of energy sources in the WEST area will change significantly. By 1990, hydroelectric generating capacity will have dropped from 20 percent today to approximately 10 percent of the total. Coal will be the fuel for 32 percent of our 1990 needs, compared with 22 percent now, assuming we are allowed to mine and burn it. And, depending on their availability, oil and gas will have dropped from 56 percent at present to about 30 percent of the total, or less, by 1990.

The big growth will be in nuclear power. Although only 1.2 percent of our capacity now is nuclear, we expect that some 26 percent of our total capacity will come from the atom by 1990.

Other potential energy sources, such as geothermal energy and solar power, cannot contribute significantly to our resource needs by 1990. And so, as we face these coming 16 years, we will have five principal means of generating electric power: hydro, gas, oil, coal and nuclear. Let's look at each of these separately.

Hydro. The generation of electricity from the energy of falling water will continue to be important. Our 1973 hydro capacity was about 7.5 million kilowatts, and we are expecting it to grow to 11.7 million kilowatts by 1990. However, there are only a few suitable hydro sites in the West, and the development of these few sites probably will be delayed by environmental challenges to governmental approvals.

Oil and gas. There are grave uncertainties associated with use of oil. Domestic supply is far short of demands. Increasing reliance upon foreign imports involves serious national security and balance of payments problems.

In the case of natural gas, the supply is fast dwindling. Its use as a boiler fuel has the lowest priority, and there is general agreement that it should be conserved for higher uses.

Coal. The abundance of coal is one of the brightest spots in our energy picture. A substantial amount of the nation's coal reserves—an estimated 296 billion tons—is in the area of WEST members, enough coal to last hundreds of years.

And we are planning to use it. By 1990, we'll need an estimated 158 million tons per year. Our coal-fired capacity will grow from 8 million kilowatts in 1973 to more than 36 million kilowatts by 1990.

There are problems with coal . . . in mining and burning it in ways that are environmentally acceptable. To solve these problems WEST is actively supporting regional and national broad-scale research and development programs aimed at minimizing the environmental impact of using coal, and in converting it into gas or liquid.

In our opinion, coal is absolutely essential for generating a major part of the electric energy in the West, and in the nation, for the next decade. In fact, we *must* develop our coal reserves if the nation is to reach the stated goal of self-sufficiency in energy supply.

However, both the increased production and use of coal face serious obstacles. As to production, there are two major barriers. One is the moratorium placed by the Interior Department on leasing for surface mining the coal reserves owned by the federal government.

The Interior Department recently published an environmental impact statement on federal coal leasing in which it points out that no alternative is in sight in the next decade to provide the necessary energy without leasing federal coal lands in the West. We believe the public and all interested parties should be heard regarding the impact statement. But we would hope that public dialogue on this issue can be expedited, that provisions for the protection of the environment and the interests of the government are reasonable, that the ban on federal leases can be lifted at the earliest possible date, and that the coal can be mined responsibly.

The other barrier to coal production is the surface mining legislation now before the Congress. It is our earnest hope that this Congress will not enact surface mining legislation which will impose so many unworkable restrictions on surface mining of coal as to impede or halt the development and use of this vital natural resource.

We support firm but fair surface mining legislation. We believe the cost of reclamation should be included as a legitimate part of the price of coal. We do not believe, however, that past mistakes, principally those made in the Appalachian area, should be the foundation for regulations pertinent to the West, where the problems involved in surface mining are entirely different.

Regarding the *use* of coal, a major obstacle is the requirement for fixed emission limitations as the *sole* way to achieve compliance with national ambient air standards. We believe EPA should be persuaded to change, or the Clean Air Act should be amended to permit electric utilities to meet ambient air standards by other technically established means. In other words, utilities should be given an opportunity to demonstrate viable alternatives, so long as appropriate regional requirements are met.

Let me emphasize that we are in complete agreement with the goals and purposes of the Clean Air Act. However, we disagree with the means employed to accomplish those ends.

We are particularly concerned about the philosophy of so-called nondegradation. The *unreasonable* court interpretation that the provision means no significant deterioration of ambient air quality for non-urban electric generating stations could cripple the utilities' ability to provide adequate supplies of electricity to its customers. In fact, a strict interpretation would mean we would be prohibited from building anything anywhere.

Finally we come to nuclear. This resource will have a tremendous impact on the energy situation in the decades ahead. The really dramatic shift in the Southwest's use of fuel for generating electricity will be toward nuclear power. At the end of 1973, only 450,000 kilowatts of WEST members' total capacity was nuclear. But by 1990 we expect to have about 30 million kilowatts of nuclear capacity installed.

Nuclear power is our cleanest thermo-electric energy source. It is the most researched, regulated and thoroughly tested fuel source the world has ever known.

But here again we face problems—problems of public acceptance and problems of siting and licensing.

Perhaps the greatest public acceptance problem we have is to convince the American people that nuclear power is indeed safe.

No discussion of electric power today would be complete without including research and development. Increased emphasis on R&D is vital to the electric industry. It is heartening to know that the federal government is stepping up its energy-related R&D activities, and we welcome the opportunity to cooperate with the government in this all-important endeavor.

You are certainly aware that all segments of the electric utility industry are working with the federal government to build a commercially feasible liquid metal fast breeder reactor demonstration plant. At the same time, research is being stepped up to create energy from controlled nuclear fusion. And both WEST and the entire electric utility industry are studying other new energy sources for generating electricity. However, the whole matter of new and exotic fuel sources and forms of generation raises the question of priorities. Our power problems are today, and we must focus on technological improvements that we need now, rather than on new concepts that may or may not prove feasible over several decades of work.

To this end WEST Associates is actively engaged in such R&D projects as these: suppression of thermal and fuel nitrogen oxides in boilers; control of sulfur dioxide in coal-fired generating units; and disposing of sulfur dioxide and trace elements recovered from stack gases.

At the national level, the utility members of WEST are supporting many other research efforts through the Electric Power Research Institute.

So far this evening we have discussed how WEST area utilities are trying to meet the increasing demand that derives from population and economic growth. But there are other aspects to demand.

For example, we in the utility business recognize that the elimination of waste in energy usage can help solve energy shortages. And we have been actively encouraging our customers to use electricity wisely and efficiently. We are going to have to continue to educate our customers to manage energy use and to use only what they need.

Rising prices will probably encourage people to avoid waste, but at this time we honestly don't know to what extent use will be determined by price. Economically, the demand for electricity has never been very elastic. But we do know that the price of electricity, like the price of almost everything else, is rising. We also know, and the American people should now understand, that low-cost energy is a thing of the past.

Electric utilities have felt deeply the constant pressures of rising costs. There is not a utility member of WEST Associates that hasn't had to raise its rates or isn't contemplating doing so. Fuel costs have risen enormously, as have construction, labor, equipment, materials, and financing costs. Inflation has had a severe impact on our industry, and the sizable expenditures we are making on environmental protection have aggravated our financial problems.

There is no question that our overall costs of providing electric service will continue to rise, and we see no alternative but that rates will have to be further increased in the months and years ahead to cover the rising costs.

While wise use of energy and higher electric rates may help to contain demand, other factors are pushing demand upward. One is that more and more people are turning to electricity as a replacement for the use of other fuels. We see this trend continuing.

Another factor is that electricity is being called upon increasingly to accomplish the essential job of cleaning up the environment—treating sewage, recycling natural resources, and performing a host of other environmentally significant tasks. This means more—not less—electric power.

Now, in this context of rising costs and increasing need for more electric power, we must assess the nation's commitment to a clean environment.

Some people are demanding that electric utilities be forced to install sulfur removal equipment, including utilities in the West which burn extremely low sulfur coal. While such equipment is commercially available at very great expense, its reliability under sustained operating conditions has not been adequately demonstrated. We think that spending billions of dollars on unproven equipment is the wrong approacch, and we will resist it.

We recommend and support accelerated, intensive research to develop the needed SO_2 emission control equipment, by industry and federal funding. And we already are putting millions of our dollars into this research. When proven reliable SO_2 emission control equipment is available, we will install that equipment at power stations that need it to meet clean air standards while burning our region's low sulfur coal. Until reliable equipment is available, we believe that coal-fired power plants should continue to be operated and constructed to meet the industry's responsibilities to customers, with intermediate measures being used to control SO_2 emissions.

The question, in my opinion, is not whether we should work toward a clean environment, but rather "How clean is clean?" Should we try to correct the abuses of the environment that have accumulated over many decades, perhaps over as much as a century, and do all this within a very few years? We should, of course, scrub up our environment, but do we really need to sterilize it?

In summary, we in WEST are concerned about our energy supply, about rising prices and inflation, and certainly about the quality of the physical environment in which we live. All of us have to be.

But it seems obvious to us that something is going to have to give on the American energy situation. I am sure your mail bears this out.

We are hopeful that, amid the clamor and pressures, the congress and federal agencies will not be forced into legislation and regulations that may seem politically popular today, but will prove unsound over the long term. The members of WEST Associates are confident that we can meet the increasing demands for electricity in our service areas in the years ahead, provided we are not constrained by unattainable environmental controls, delayed by moratoriums on nuclear development or coal mining, or blocked by restrictive or ambiguous legislation and regulations which result in time-consuming and costly interpretation by the courts.

Given a reasonable economic, environmental and regulatory climate, we are convinced that we will be able to keep a strong light in the windows of the West when you return to your home states.

You have been very gracious to come and hear our story this evening. We have tried to cover most of the pertinent facts in the time allotted. But if you now have any questions, we'll try to answer them, with the help of your hosts, the representatives of WEST's member utilities who are here.

JUNE WASHINGTON REPORT

HON. WILLIAM E. MINSHALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. MINSHALL of Ohio. Mr. Speaker, following is my Washington Report for the month of June:

WASHINGTON REPORT OF CONGRESSMAN WILLIAM. E. MINSHALL, JUNE 1974

Impeachment hearings go forward in the House Judiciary Committee, with the probability that Articles of Impeachment could be reported by late July for full House debate in August. Should this occur, the House would put aside all other business to decide, by majority vote, whether the Senate should try the case. Predictions of how the House will vote are pure speculation: most House Members take the judicious stand that it is improper to make a judgment until all evidence is presented . . . If the House does vote to impeach it will name Managers to serve as prosecutors during the Senate trial.

The Senate's Role: Several weeks would pass before a Senate trial got underway, to permit the President to respond to the Articles of Impeachment. House Managers would file a "replication" to the President's response, and he would answer that. Should it wish, the Senate could take additional testimony and evidence. With the Chief Justice of the Supreme Court presiding, both sides would present witnesses and evidence. The President would have the benefit of counsel and right of cross-examination. Finally, a vote would be taken on each Article in the Bill of Impeachment. A two-thirds majority vote by the Senate is required by the Constitution for conviction.

Time-Table: No one expects the House proceedings to drag on unduly. But, if impeachment is voted, there is strong consensus on Capitol Hill that the Senate trial would not be over before the November elections . . . even some growing concern that the trial could stretch into the new 94th Congress that convenes in January. This might pose a serious constitutional question: one side surely would contend that a trial begun by the Current Senate membership could not be continued into next year when it will have a number of newly-elected members. Others would point out that both Supreme Court and Senate precedents hold that the Senate is a continuing body, since only one-third of its membership is up for election at a given time.

Capitol Hill expects a flood of visitors who want to be eye-witnesses to history in the making. Because the House Judiciary Committee chamber will be crowded with the working press and television equipment, only 35 spectators can be accommodated during open hearings. If the impeachment proceedings reach the House Floor, Doorkeeper "Fishbait" Miller will use a rotating system, limiting spectators to 10 minutes in the galleries overlooking the House Chamber.

Congress keeps on working—Despite the many frustrations and distractions of Watergate, legislative activity has not diminished on Capitol Hill, and both House and Senate are carrying on the Nation's business. By the end of May, the House had taken 260 rollcalls, compared with 172 in the same period last year, and 175 in 1972 . . . The tempo has picked up in the House Appropriations Committee, of which I am a member. For the first time in many years, all of our money bills will have cleared the House by August, including my Defense and Transportation subcommittees' appropriations.

National flood insurance available to you: All communities and property-owners in the 23rd Congressional District are eligible for low-cost flood and mudslide damage insurance under the improved program enacted by Congress. However, if your community doesn't apply by July 1, 1975, both it and you will be out of luck. The Department of Housing and Urban Development, which administers the program, urges early application by eligible communities. Once the community has been approved, individual property-owners may apply.

Looking ahead . . . Many of you have been kind enough to inquire what my plans are at the conclusion of my 20 years of service in Congress next January. While I have no definite plans, I shall remain in Washington in the practice of law and as a consultant. I will, of course, maintain a close association with my many friends in Cleveland.

ELEANOR HOLMES NORTON CONFRONTS NEW YORK CITY'S RACE PROBLEMS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. RANGEL. Mr. Speaker, New York City contains, in a State of undiluted complexity, most of the difficult race problems currently faced by this Nation. Eleanor Holmes Norton, chairperson of the New York City Commission on Human Rights, has consistently and conscientiously pursued her ideals through this hazardous maze. Ms. Norton is endowed with the attributes most desperately needed by the leadership ranks in the cause of civil rights: foresight, commitment, and clear perception of a goal.

It is easy these days to escalate complex racial issues into an unconquerable mountain which must be tolerated because it cannot be scaled. In New York City, Eleanor Holmes Norton has begun the climb. She has always maintained that we must not tolerate segregation, that we must fight for an integrated, just society.

Her courage and fortitude in fighting to make New York an illustration of her ideals will, I hope, challenge others to join the cause.

I insert in the RECORD Ms. Norton's June 5 reply to a WCBS Channel 2 editorial as a tribute to her efforts and as an indication to my colleagues that commitment to the cause of integration is still very much alive in America:

TWENTY YEARS SINCE BROWN

(Replying to a Channel 2 editorial on the 20th anniversary of the Supreme Court's school desegregation decision, here is Eleanor Holmes Norton, chairperson of the New York City Commission on Human Rights.)

Channel 2 bemoans the fact that racial issues today seem more complicated than race and involve other factors as well, such as class. These complexities are far from new, as Channel 2 should know, but northerners were quick to condemn all manifestations of racism, however complex when the focus was in the South. Now that so many poor blacks have gone north, northerners have begun to see how difficult it is to correct the effects of slavery and official and cultural racism. The fact is that such problems as class, and family structure among blacks are not factors that can be judged independent of racial privation. If so blacks would have followed the pattern of other ethnic groups in this country, all poor at the beginning and all middle-class inside of one or two generations. Apparently generations of slavery and racial segregation have operated to rigidify the poverty most Americans have felt, but without race as an added factor, have been able to escape.

We need to stop wringing our hands about how complex the problem is, something we should have understood long ago, and start looking analytically for ways to make integration work. The City Commission on Human Rights is working on the nuts and bolts of stabilizing neighborhoods and schools on an integrated basis at a time when too many seem to think integrated neighborhoods and schools must go through transition and resegregation.

The fact is that too little has been done to intervene into the processes that have produced white flight, segregated schools and urban decay in the North. Virtually no efforts at prevention and little more at cure have produced what should surprise no one. New York is worth more. It is worth our best efforts to save it in the only way it can survive in health—as an integrated city.

TRENTON TERRACE REPRESENTS BEST OF 235 AND 236 HOUSING PROGRAMS WHICH SHOULD BE CONTINUED

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. FAUNTROY. Mr. Speaker, so much is said about the 235 and 236 housing programs which allude that these provisions are bad that I just felt it would be appropriate to call to the attention of my colleagues the success story of a 236 project here in the District of Columbia. Trenton Terrace is the epitome of how a successfully managed 236 housing program can work to aid the tenants and the community. We must preserve the ability of the local community to sponsor this type of housing. While the 1974 Housing Act extends the 235 and 236 programs until 1975, it is not adequate and must be extended beyond that time if the successes such as Trenton Terrace are to be repeated.

I call this story to the attention of my colleagues because I believe that it would be useful to them in understanding the issues which will surround any attempt to extend 235 and 236 programs in the 1974 Housing Act.

The article follows:

[From the Washington Post, June 17, 1974]

VANDALIZED APARTMENTS BECOME "LUXURY" UNITS

(By Thomas W. Lippman)

An aging garden apartment project in Anacostia that was a ruin of vandalism and deterioration three years ago now is open for rental as "the ultimate in luxury for low and moderate income families."

For a monthly rent of $152 for a two-bedroom apartment, recent newspaper advertisements offered such amenities as a swimming pool, air conditioning, wall-to-wall carpets and "color deluxe kitchens."

Behind that surprising—and genuine—offer is a long story of racial transition, real estate economics and federal housing policy that epitomizes both the housing problems of Washington's low-income residents and the efforts to solve them.

It is too early to tell whether the change that has revitalized the Trenton Terrace apartments will last. Already, even before the completion of their renovation under a federal program known as "Project Rehab," some of the newly installed security systems have been ripped out, and graffiti are reappearing in some hallways.

Some tenants are grumbling, as always, although much of their discontent concerns problems inherent to Anacostia. The new owners of Trenton Terrace can do nothing about these problems, such as poor public transportation and a lack of shopping facilities. Other tenants, interviewed at random, say they are delighted with the new Trenton Terrace and proud of its trash-free grounds.

Trenton Terrace represents a high-stakes gamble by the U.S. Department of Housing and Urban Development, which has insured the project's mortgage of almost $3 million and is providing subsidies of about $146,000 a year.

HUD and the project's new owners are betting that a one-failed apartment project occupied mostly by poor people, in a neighborhood glutted with failed apartment projects and poor people, can be made to work. Variations of the same gamble are being made in several parts of the city, with equally uncertain outcomes.

If the demand for renovated units at Trenton Terrace is any guide, the prospects are good, because the apartments are being snapped up as fast as work is completed, according to resident manager Wesley Taylor.

A lawyer and real estate entrepreneur who redeveloped Trenton Terrace, said in an interview that she thought it could succeed because "there is a great shortage of housing, people need it and the product is infinitely superior to what it was."

Trenton Terrace consists of 216 apartments in about two dozen buildings scattered on a hillside at Mississippi Avenue and 10th Place SE, facing Oxon Run, just off Wheeler road.

It was built with federal financial assistance just after World War II to house returning veterans. For almost two decades, it was just another apartment project housing mostly middle class white residents. But in the mid-1960s it was caught up in the sudden transformation of Anacostia into a dumping ground for low-income blacks.

In 1966, Trenton Terrace was purchased by a syndicate organized by Richard and Arnold Dorfmann, brothers who made several large real estate investments about the same time. They borrowed heavily to finance their purchases and a few years later fell deeply into debt.

Leaders of a tenant's council at Trenton Terrace charged that the Dorfmanns were milking the project and failing to maintain good repair. By the middle of 1970, city inspectors had cited more than 1,800 housing code violations at Trenton Terrace, 63 apartments were vacant, the remaining tenants were withholding much of their rent and the Dorfmanns owed almost $1.1 million on a mortgage to the Perpetual Building Association.

Perpetual did not want to foreclose, fearing it would not be able to sell the project for enough money to recoup its investment. Far Southeast then was full of garden apartment developments in much the same condition, and there was no market for them.

Then in March, 1971, the Federal Housing Administration approved the District of Columbia for participation in Project Rehab, a nationwide program to use federal subsidies and mortgage guarantees to renovate rundown but basically sound housing.

Financed through Section 236 of the National Housing Act of 1968, Project Rehab provided financial assistance to nonprofit or limited-profit sponsors to take over the rundown buildings, fix them and rent them to persons of low and moderate income. At Trenton Terrace, for example, the maximum annual income permitted for tenants is $7,700 for two persons or $9,400 for four.

Under Section 236, the sponsor pays interest of only 1 per cent on his mortgage, with the government paying the difference between that and the actual rate of the loan, so the sponsor can hold down his costs. By doing that and by eliminating or limiting profits, the program was designed to make housing available for far less than it would cost on the open market.

Trenton Terrace is one of 11 projects in the District, with a total of 2,361 units, that are being renovated under Project Rehab, at a total estimated cost of more than $50 million.

The Section 236 subsidy program, which has been tainted by scandals throughout the nation was suspended by the Nixon administration last year, but existing commitments were honored. Project Rehab itself has been heavily criticized because at some buildings being renovated tenants were forced to move out when work began.

It took a year to obtain federal approval of the mortgage insurance and subsidies that would enable the work to proceed. The proposal was turned down once and later resubmitted.

When federal approval was assured, Associated Mortgage Companies, Inc., one of the largest mortgage lending firms in the country, lent Urban Rehabilitation $2,976,600 to pay off Perpetual and carry out the renovation. Perpetual received the FHA-appraised value of the property, $939,600, and "forgave" the rest.

In exchange for insuring the mortgage, which means that if the project goes broke Associated Mortgage will get its money back from HUD and the government will acquire the buildings, the government imposes certain requirements and restrictions on what the owners of Trenton Terrace can do with it.

One is the tenants' income limitation. Another is that as many as 43 apartments must be reserved for tenants whose incomes are too low to enable them to pay even the modest rents at Trenton Terrace and who are eligible for an additional rent supplement under another HUD program. A third is a limitation on the owners' profit to 6 per cent of their "equity investment" per year, a figure estimated at less than $20,000.

The project actually is worth far more than that to the sponsors. The venture already have taken in $457,200 from 13 doctors, lawyers, businessmen and professional athletes who bought an 88 per cent interest in Trenton Terrace as a tax shelter.

These financial arrangements, not only legal but probably necessary to induce sponsors to undertake such projects, have little direct bearing on life at Trenton Terrace. The important considerations there are more basic.

"I try to counsel the tenants," said Taylor, the resident manager, "that 90 per cent of keeping this place up is up to them . . . you can put in people from better neighborhoods, and a certain percentage of people from better neighborhoods who can teach them, and with my personal touch, they can be taught how to keep it up—though they tend to relax."

Part of Taylor's job is to enforce rules such as a ban on children of different sexes occupying the same bedroom or on tenants lounging outside the buildings.

"That resident manager's office is closed by 5 p.m., but then they come around and snoop," one woman said. "They say the children can't play out front, or out back, they have to play in the park. My little girl was hit by a car trying to cross that street."

Other tenants feel differently. "This place is very nice," said a young woman whose husband has just started work as a bank teller. "People are really proud of it, and it has good security."

She and her husband had sought an apartment for seven months, she said, and "for young people just strating out this is very good."

"You start with careful tenant selection," "We are concerned for people, we want to help them. But they have to care about how they live.

"Together we can make it . . . if we can take care of our housing and infuse the tenants with our desire to keep good house for them, I hope they'll keep good house for themselves."

Mrs. Lawson said she regrets the suspension of the federal housing subsidy programs because "the government has a role in providing housing for those who can't do it for themselves. The economic forces being what they are, private investment isn't going to do it without subsidies . . . I don't know where people are going to live."

ORGANIZED SPORTS PROGRAM REDUCES JUVENILE DELINQUENCY IN HONOLULU

HON. SPARK M. MATSUNAGA

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. MATSUNAGA. Mr. Speaker, in our continuing fight against crime and delinquency we should not forget that organized sports activities can attract delinquent youngsters and provide them with a creative outlet for their energies. The initiation of such a program in Hawaii has proved to be extremely successful.

Implementation of an athletic program at the Kuhio Park Terrace Public Housing project in Kalihi, a neighborhood in Honolulu, Hawaii, has dramatically reduced the formerly high rate of vandalism and drug abuse in the area, and has encouraged disenchanted students to continue their education. It has demonstrated that positive efforts directed at youths from low-income families can produce significant changes for the better.

An article in the Honolulu Advertiser of Wednesday, June 12, details the evolution of the program. I am inserting it into the RECORD to emphasize that constructive programs for youngsters can yield benefits to the youngsters themselves, and to their community:

[From the Honolulu Advertiser, June 12, 1974]

DROP IN DELINQUENCY CREDITED TO SPORTS

(By Harold Hostetler)

It isn't the environment that causes kids to get into trouble, in the view of one youth worker. It's idleness. And one of the best remedies for idleness is sports.

The youth worker is Michael T. Amii, 28, a Job Corps counselor who for the past seven years has devoted a considerable part of his spare time heading the Kuhio Park Terrace Athletic Club.

Amii has an enviable record for keeping kids busy and out of trouble. For years the highrise Kuhio Park Terrace public housing project in Kalihi had been a trouble spot. There was vandalism and glue-sniffing, among other kinds of delinquency.

Today Amii has 120 boys and girls from 7 to 17 years of age playing regularly in sports such as basketball, softball and flag football. Delinquency has dropped dramatically at Kuhio Park Terrace. There is little glue-sniffing and significantly less vandalism.

"Sports attracts," Amii said simply. "With nothing to do, kids get into mischief. They cut school, their grades drop, and eventually they drop out.

"But if you play a game, they play a game. You don't have to go chase kids to get them to participate. They come out to play."

"The biggest thing about it is playing and competing," said Richard Kahuli Jr., 15, who has been in the program since its inception. "Before we had the club, I swam a lot, but that's about all."

"I just stayed home all the time watching TV," said Samuel Kawewehi, 14, who joined the program four years ago.

"But Dickie (Kahuli) kept bugging me to join. So I tried it out. It was good, so I stayed.

"I like the running. Sports is much better than TV," he said with a big grin.

Dickie and Sam are two examples of scholastic as well as athletic achievers. Both had been offered scholarships at private schools in Honolulu, but both chose to go to the Kamehameha School for Boys, where they are in junior varsity football.

"We remind the kids they should stay in school,"Amii said. "We don't force them, though. And they have responded. Many have graduated, and some have had outstanding grades."

Parents of a number of the boys and girls also participate in coaching and other activities with the club. Dickie's and Sam's fathers are both coaches.

"At first we tried to get more parents to participate, but that didn't work out," Amii said. "So we just settled on working with the kids. But we have good support from the parents."

On Sunday the club, which is a member of the Police Athletic League, will hold its annual awards banquet at the non-commissioned officers' Top Four Club at Hickam Air Force Base. All 120 kids will receive an award for participating, and many will receive achievement awards.

Three days later 44 of them will leave for Los Angeles to play in a three-day basketball tournament with the Unknown Youth Organization, a club for youth from depressed areas.

So far the Kuhio Park Terrace Athletic Club has raised about $11,000 of the $15,000 it will need to send the team to Los Angeles. It is hoping for more donations this week.

The club is supported totally from donations, fund-raising projects (such as selling cracked seed) and Amii's own contributions from a couple of part-time jobs he has. All the funds go directly to the State Commission on Children and Youth, of which Amii is a member. The commission in turn disburses the funds as needed by the club.

FEDERAL AVIATION ADMINISTRATION FACTSHEET

HON. BARRY M. GOLDWATER, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. GOLDWATER. Mr. Speaker, recently I toured the Federal Aviation Administration offices here in Washington, and met with Administrator Alexander Butterfield. In view of the fact that 1973 was an exceptionally busy and hectic year for the FAA, I thought my colleagues would find the FAA fact sheet of particular interest, and I present it for their consideration:

FAA FACT SHEET

During 1973, in the area of aviation safety and air traffic control, the Federal Aviation Administration—

Achieved the lowest air carrier accident rate since 1949 and the lowest general aviation accident rate since 1956. We did experience, however, a slight increase in fatal accidents in both categories.

Completed the establishment of Terminal Control Areas (TCA's) at nine of the busiest air terminals in the United States. The fact that no air carrier was involved in a mid-air collision during 1973 can be attributed in part to the establishment of these TCA's.

Went through the longest period in six years without a successful hijacking of a U.S. aircraft. This fact can be directly attributed to the civil aviation security measures required by FAA, to the cooperation of airline operators, airport managers, and the American public and to the negotiation of a hijacking agreement with Cuba.

Certificated, prior to the statutory deadline of May 21, 1973, some 500 airports regularly serving large aircraft of CAB-certificated air carriers. Carriers using these airports handle approximately 99 percent of the annual revenue passenger traffic in the United States.

Revised our regulations to require that large and turbine-powered multi-engine general aviation aircraft be subject to a continuous inspection program, rather than a 100-hour, or progressive, inspection.

Entered into an agreement with the Department of Defense providing for FAA inspection of surplus military aircraft to determine, before their sale to the public, the potential of these aircraft for acquiring a standard airworthiness certificate.

Strengthened regulations dealing with the transportation of hazardous materials by air.

Introduced a new operational training concept for pilots that places full responsibility for all phases of required training on the flight instructor.

Assembled a planning group to study the problem of keeping airworthiness rules and regulations current. FAA procedures for promulgating or amending airworthiness regulations involved taking a large number of individual regulatory actions on a piecemeal basis. This procedure was proving increasingly less effective because of the rapid growth experienced by aviation both in the United States and abroad. In October, the planning group recommended that the single-item review be abandoned and that an FAA Airworthiness Review Staff be established to conduct a comprehensive general review of all airworthiness regulations on a two-year cycle. This recommendation was implemented in February 1974 with the establishment of a biennial airworthiness review program.

Commissioned 17 additional ARTS (Automated Radar Terminal System) III systems, bringing the number of such terminal automation systems in use at the end of the year to 61 (58 for air traffic control at terminal facilities; three for training and field and development support). ARTS III is FAA's automation system for high-density terminal areas. A total of 64 such systems have been purchased to date.

Advanced our en route automation system—NAS En Route Stage A—to a point where we had a computerized flight data processing capability at 20 air route traffic control centers.

In carrying out its responsibility to promote and foster the development of civil aeronautics, FAA—

Instituted a series of Consultative Planning

Conferences (informally called mini-conferences) to supplement such regularly scheduled larger conferences as the Overview Planning Conference and the Aviation Review Conference. These mini-conferences give FAA's consultative planning review system the necessary flexibility to focus quickly and sharply on critical problems of immediate concern to FAA and some or all of the aviation community's various segments. These conferences are held quarterly and run for a period of two to three days.

Instituted a continuing series of Listening Sessions. Under this consultative concept, clearly defined segments of the aviation community—private pilots, air taxi operators, airport managers, and others—are invited, each in their turn, to express their views before FAA's top management on any given aviation topic. FAA representatives listen, record, and follow up with action. As a result, aviation interest groups that previously had little or no direct access to me or my key aides now have such access.

Implemented a seven-point fuel conservation program designed to save up to 20,000 barrels (840,000 gallons) of jet fuel per day.

Allocated $284 million under the Airport Development Aid Program for construction grants. Of this amount, $246 million (450 projects) went for improvements at air carrier and general aviation reliever airports; $38 million (182 projects) went for improvements at airports used solely for general aviation.

Vigorously pursued the revision of bilateral airworthiness agreements with major aeronautical manufacturing and user countries to cover the export or import of all aviation products—engines, appliances, propellers, and other components. Since export sales frequently depend on foreign countries producing selected aircraft components, these revised agreements should facilitate the sale of U.S. aircraft abroad. During calendar 1973, we signed revised bilateral airworthiness agreements with Sweden, France, Belgium, and Italy.

Expanded our international technical assistance program. In the past, the bulk of FAA technical assistance to foreign governments was financed by the State Department's Agency for International Development (AID). In recent years, however, AID has redirected its resources into other economic fields, and the level of FAA technical assistance has decreased. At the same time, however, many of the emerging nations have developed a growing purchasing power and are capable of financing the technical assistance they need. FAA has taken advantage of this opportunity and is negotiating reimbursable technical assistance agreements with a number of Asian and African countries. Providing U.S. technical assistance abroad will promote the export of U.S. aeronautical products.

Took a number of actions designed to make flying more compatible with our environment. Among the more notable steps taken were (1) the adoption of rules prohibiting supersonic flights over the United States by civil aircraft; (2) requiring all newly manufactured jet aircraft over 75,000 pounds to meet the noise standards set down by Part 36 of the Federal Air Regulations.

Some of FAA's more notable research and development efforts during 1973 were in the following areas:

Terminal Automation. We evaluated a prototype ARTS II system—designed for terminal areas that do not have the traffic density to qualify for the more capable ARTS III system—at the Wilkes-Barre, Pennsylvania, terminal radar approach control cab. The results of this evaluation enabled us to determine the final specifications for the ARTS II production model.

Microwave Landing System (MLS). This system is a key element in FAA's Upgraded Third Generation ATC System. The system's development and implementation is proceeding in accordance with the five-year schedule set by an interagency Governmental committee. During 1973, the first phase of this program, technique analysis and contract definition, was completed.

Intermittent Positive Control (IPC). When in place, this technique will provide an intermittent form of ground-based air traffic control advisory and separation service to aircraft flying under visual flight rules. A plan for experimenting with and developing this service was generated during 1973.

Discrete Address Beacon System (DABS). This is an improved air traffic control beacon system that will allow ground equipment to interrogate, and discriminate between responses from, specific aircraft of interest.

Aeronautical Satellite (AEROSAT). Last December we reached an agreement with Canada and the European Space Research Organization (ESRO) for launching this international program. The program now awaits Congressional approval.

In the area of administration, FAA strove during 1973 to improve our operational efficiency and overall mission effectiveness, provide equal employment opportunity to minority groups and women, and promote better relations and understanding with our employees. Our more notable actions in this area included—

Establishment of a National Flight Inspection Field Office with centralized responsibility for the flight inspection of air navigation facilities in the contiguous United States and the North Atlantic and Caribbean areas. This facility, once it is fully operational, is expected to achieve savings of $7 million annually.

An extensive reorganization of our Washington Headquarters. Among the functional areas involved were accounting and audit, information services, and certain administrative support services. The governing principle in these organizational moves was improving efficiency and mission effectiveness.

Reassessment of the personnel strengths at both the Alaska and Pacific-Asia Regions headquarters offices. This reassessment resulted in the reduction of positions at these headquarters offices.

Opening negotiations with recognized employee bargaining units. Sitting around the bargaining table has afforded us a new channel of communication with our employees and given us considerable insight into their views and feelings.

During 1974, in the area of safety, FAA expects to give top priority to—

Continuing to increase the effectiveness of its anti-hijacking program. We will particularly focus on strengthening the security requirements of foreign air carriers wishing to enter U.S. airspace.

Prosecuting its new biennial airworthiness review program.

Establishing 11 Group II Terminal Control Areas.

Completing the implementation of the basic ARTS III automation system at 61 high- and medium-density airports.

New rules requiring domestic and foreign flag carriers operating large aircraft to schedule operations into FAA-certificated airports. We also plan to require airports that possess only a provisional certificate to meet the regulatory requirements for full certification.

FAA plans for fostering aviation during 1974 include—

A full schedule of Consultative Planning Conferences and Listening Sessions, as well as holding our older, established conferences. In addition, we intend to increase citizen participation in the consultative and decision-making process, particularly in the area of airport development.

Making aircraft more acceptable environmentally. We intend to propose or promulgate new rules involving (1) the retrofit of all in-use aircraft not covered by FAA noise regulations; (2) civil supersonic aircraft noise standards; (3) noise abatement takeoff and departure procedures for all turbojet-powered aircraft; (4) the reduction of engine-noise levels now employed in the type-certification of new aircraft; (5) noise standards for helicopters; (6) fleet noise requirements; (7) noise standards for small propeller-driven aircraft.

Continuing our role as a catalyst in improving aviation's prospects for adequate fuel supplies.

Increasing our emphasis on international aviation in order to expand U.S. markets and influence abroad and enhance this country's historic leadership role in aviation. This includes negotiating more bilateral airworthiness agreements, and reimbursable technical assistance agreements and increasing our foreign contacts.

Our more important 1974 research and development goals include—

Getting our flight service station modernization program under way.

Reaching the production phase in the ARTS II program.

Beginning development work on an aeronautical satellite system.

Entering the prototype phase in our microwave landing system development program.

Our major goals in the area of administration include—

Improving the FAA acquisition cycle.

Reducing the administrative costs involved in managing the Airport Development Aid Program.

Continuing work toward developing a new, integrated information handling system employing the latest automatic data processing techniques.

Consolidating the responsibility for policy and planning in the Washington Headquarters under an Associate Administrator for Policy Development and Review.

Consolidating the responsibility for safety in the Washington Headquarters under an Associate Administrator for Aviation Safety.

Establishing a system of accountability in the area of civil rights and equal employment opportunity. The new system will give us easy access to all data necessary for reporting and evaluative purposes.

Establishing an agency-wide upward mobility program.

Recruiting young, qualified, and imaginative people to seek careers in FAA, where their aviation and managerial skills can be fully developed and used.

THE CASE FOR CONTINUED U.S. PARTICIPATION IN THE INTERNATIONAL DEVELOPMENT ASSOCIATION

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. BROWN of California. Mr. Speaker, I would like to address myself today to a matter of extreme importance to the United States, the world community, and the spirit of international cooperation. I am speaking of the U.S. contribution to the fourth replenishment of the International Development Association.

Last January, in the wake of the energy crisis, the House of Representatives committed a grievous error in defeating a measure providing for the continuation of U.S. participation in IDA. I, as well as many other Members committed to the principle of multilateral foreign assistance, was distressed by the House vote. Since its inception in 1960, the United States has recognized the truly valuable function of the International Development Association in the world community, and has accordingly contributed to three replenishments of the initial fund—1964, 1969, and 1972.

Since IDA has contributed enormously to the development, health, and education of the least developed countries, the House vote in January represented a major setback in the role the United States plays in providing the best kind of foreign assistance to the least developed countries. Our words of international cooperation and interdependence are indeed empty in light of the House vote on this issue.

The Senate, by a 55 to 27 vote in the end of May, rectified our mistake and authorized the U.S. contribution to IDA's fourth replenishment. Now, the House has an opportunity to rectfiy its own mistake and concur with the Senate, and I strongly urge my colleagues to do so. An excellent analysis of the case for continued U.S. participation in the International Development Association was prepared by Theodore Bornstein, legislative representative for World Federalists, USA, and I commend it to my colleagues:

THE CASE FOR CONTINUED U.S. PARTICIPATION IN THE INTERNATIONAL DEVELOPMENT ASSOCIATION (H.R. 15231 AND S. 2665)

The International Development Association (IDA), designed to aid the world's poorest countries, is the soft loan or concessionary arm of the World Bank. Established in 1960, largely at the initiative of the US Congress, IDA provides loans (officially termed credits to differentiate them from World Bank loans) for self-help development projects to those countries with an average per capita income of less than $375 per year and who cannot afford the loan rates of the World Bank. Recipients do not pay interest on loans; they pay only an annual service charge of 0.75 per cent. The repayment period generally extends over a fifty-year span.

On May 29, 1974, the Senate voted to continue US participation in IDA by the largest percentage margin in the history of the program. Voting 55–27, the Senate passed S. 2665 which authorizes a US contribution of $1.5 billion over a four year period ($375 million per year) to IDA's Fourth Replenishment.

Within the coming weeks the House will have the opportunity to reverse its January 23, 1974 defeat of a similar measure. The IDA Replenishment bill currently pending before the House differs from the earlier version in that it extends the payment period of the US contribution from three years to four years, thus reducing the annual contribution by $125 million.

IDA runs out of funds for future loans on June 30th. Under the terms of the Fourth Replenishment, negotiated by the US and other contributing nations, the International Development Association will die if the House fails to pass the Replenishment bill. World Federalists, USA urges the House to keep IDA alive for the following reasons:

1. *IDA assists the world's poorest countries by providing infrastructure loans for development.* IDA provides credits for specific projects in the following categories: agriculture, education, electric power, industry, population, technical assistance, telecommunications, tourism, transportation, urbanization, water supply and sewage (see appendix). IDA projects are concentrated in rural areas—where the bulk of the world's poor live. The following are examples of the wide range of IDA projects:

Drilling tube wells for irrigation in arid but potentially fertile land;

Construction of roads and improvement of river and port navigation to get crops and other products to lcoal and international markets;

Flood control;

Expansion of hydro-electric generating capacity, thus alleviating world-wide demand for fossil fuel;

Introduction of new crops and agricultural techniques;

Secondary education and training of agricultural, industrial and administrative personnel; and

Redevelopment and improvement of farms and herds in such areas as the drought-stricken African Sahel.

2. *The poorest of the world's poor people benefit from IDA.* Although IDA credits go to governments, their effects directly benefit the poor people of these countries. IDA has been effective in aiding over two billion people in 21 countries during its 14 years of operation. Its agricultural projects have assisted 1.25 million farmers and have placed into cultivation 3.5 billion acres of land—land that had previously been fallow. IDA has brought health care to 21 million people who previously were without it. In addition, its projects have protected the health of 9 million people in five countries by improving water supplies and sewage. It also provides assistance for projects combating epidemics such as river blindness in Africa.

3. *IDA represents the thin margin between survival and disaster for millions of people in the countries it assists.* Economists report that if IDA programs are suspended for lack of funding, the mere survival of its recipient countries will be cast into doubt. Should these countries collapse, the toll in terms of human deaths and misery will cause severe economic and political strain that could have dire consequences for the rest of the world. The resultant political and economic disruption would be extremely damaging to U.S. trade and diplomatic relations.

4. *IDA avoids waste and misuse of funds.* Since its loans go only to specific projects that are carefully formulated and regulated by the World Bank, waste and misuse are avoided. IDA funds are used only for the capital costs of specific development projects. Treasury Secretary George Shultz testified: *IDA lends for specific projects; its funds go, as they always have, to pay the suppliers of the pumps, tractors, cement, industrial machinery, laboratory equipment and engineering services needed to build and carry out sound and urgent development projects.* Functioning within the context of the World Bank, which has lent $18 billion without a loss during its 28 years of operation, the staff carefully scrutinizes projects to assure a high rate of return to the recipient nations.

5. *IDA funds are not used to pay for the increased cost of oil imports or any other such artificial economic condition.* Contrary to a widely held but mistaken belief, IDA credits do not end up in the pockets of oil producers. Since its loans go directly for the capital costs of specific projects, IDA funds will not be siphoned off to pay for increased costs of oil. It should also be noted that the vast majority of oil-producing countries are not eligible for IDA loans. It would be tragic and potentially disastrous to penalize the world's poor, who are much more severely hurt by increased oil prices than the U.S. High oil prices are particularly damaging to underdeveloped countries because of the essential role played by petroleum based fertilizers in their predominantly agricultural economies. As Secretary of the Treasury Shultz noted: *For us, the energy crisis will at worst mean that our growth curve will be flat, but for the developing countries hard hit by the energy crisis, IDA can . . . make the difference between survival and starvation.* In fact, by assisting poor countries in the development of hydroelectric power and fertilizer production, IDA helps alleviate the energy and fertilizer crises.

6. *IDA helps assure U.S. access to raw materials.* The U.S. is becoming increasingly dependent upon developing nations for supply of raw materials. Presently, one-third of our raw materials come from non-industrialized countries. By 1985, we will be dependent upon them for 10 out of 15 minerals critical to our economy. By building power facilities, roads, ports, and improving river transportation, as well as directly aiding mining projects, IDA helps insure continued reliable access to essential raw materials.

7. *The U.S. economy directly benefits from our participation in IDA.* IDA credits frequently go directly for the purchase in the U.S. of supplies used in its projects. The Treasury Department reports that a very significant portion of our contribution to IDA will return to the U.S. economy.

8. *By strengthening the economies of underdeveloped countries, IDA builds markets for US exports.* Last year alone, developing nations provided a $15 billion export market for US goods, representing close to 30% of our total exports. By helping raise the national income of these countries, IDA expands their ability to purchase US goods.

9. *The US share of IDA funding has been reduced to 33% from the 40% of past replenishments.* When the Fourth Replenishment agreement was negotiated in September, 1973 at Nairobi, Kenya, other IDA contributing nations agreed to increase their share of funding. The US contribution of $1.5 billion over four years represents an annual contribution of $375 million as compared to the present $386 million per year previously allocated to the IDA. Additionally, these contributions merely represent funds available for loans and thus may actually not leave the US Treasury for years to come. Also, unlike previous replenishments, the US assessment will not be adversely affected by any changes in the value of the dollar.

10. *US failure to participate in the IDA replenishment would undermine the willingness of oil-producing nations to contribute to development aid.* Among the countries who have agreed to increase their share of development aid are some of the oil-producing nations, such as Kuwait, Venezuela and Iran. In addition, other oil-producing countries, including Libya, are considering donations to the World Bank. It should be noted that despite the dramatic rise in oil prices, most oil producing-nations are still relatively underdeveloped. In fact, only a small handful of tiny oil states have per capita wealth or income approaching or exceeding our own. Presently, the US contributes only one-third of one per cent of its GNP for development assistance and ranks 14th among 16 developed countries in terms of official development assistance. In relation to our national income, US development aid is only one-tenth what it was 25 years ago, when our real income per capita was 45% less than it is today. IDA's annual cost to the US is $1.80 per person—less than an hour's minimum wage—and it represents only one-tenth of one per cent of our budget. The majority of countries receiving IDA loans have per capita incomes of less than $100 per year. At a time when our trade balance, as well as our balance of payments position has significantly improved, it is incumbent upon this country to meet its obligation to aid poorer countries. As Secretary Shultz stated: *If the United States out of its wealth cannot continue its historic level of support for IDA and similar financial institutions, on what basis can we*

ask the rest of the world and the oil-producers to pick up their fair share of the new development finance burden?

11. *IDA contributes to a better world.* Although we have learned that foreign aid cannot buy friendship, economic development assistance helps our trade and diplomatic posture by building stronger economies in the world's poor countries. By alleviating the frustration, anger and violence bred by poverty, and their concurrent political and economic disruptions, IDA promotes peace and stability. In a world that is becoming increasingly interdependent, abandonment of IDA could be very costly to the United States.

IDA LENDING OPERATIONS BY MAJOR PURPOSE AND REGION

CUMULATIVE TOTAL OF CREDITS APPROVED, JUNE 30, 1973

[In millions of U.S. dollars]

Purpose	IDA credits by region: Eastern Africa	Western Africa	Asia	Europe, Middle East, North Africa	Latin America, Caribbean	Total
Agriculture, forestry and fishing:						
Agricultural credit	14.6	17.0	370.5	24.0		426.1
Area development	61.5	34.8	6.5	6.0		108.8
Food and nonfood crops	39.1	25.4	121.8	15.0		201.3
Irrigation, flood control and drainage	109.4	18.8	351.9	157.9	13.0	651.0
Forestry and fishing		1.3	3.5	5.5		10.3
Crop processing and storage	6.3		54.2			60.5
Livestock	46.0	6.4	10.6	29.5	46.9	139.4
Agricultural research						
Other			15.5			15.5
Subtotal	276.9	103.7	934.5	237.9	59.9	1,612.9
Education	104.9	71.0	140.9	46.4	17.1	380.3
Industry:						
Iron and steel						
Pulp and paper						
Fertilizer and other chemicals			123.0			123.0
Mining, other extraction	2.5					2.5
Small industry and industrial states	4.0		9.5			13.5
Development finance companies	29.5		60.0	52.0		141.5
Other				.2		.2
Subtotal	36.0		192.5	52.2		280.7
Nonproject			1,000.0			1,000.0
Population			34.4	4.8		39.2
Power	5.3	17.1	379.0	35.9	44.3	481.6
Technical assistance			14.0			14.0
Telecommunications		8.9	311.5			320.4
Tourism			4.2	10.0		14.2
Transportation:						
Aviation				2.5		2.5
Highways	268.7	131.0	203.6	50.5	83.3	737.1
Pipelines						
Ports, waterways, and shipping	30.2	3.6	154.3			188.1
Railways		34.9	419.2	38.5	8.0	500.6
Other						
Subtotal	298.9	169.5	777.1	91.5	91.3	1,428.3
Urbanization		8.0		2.3	20.0	30.3
Water supply and sewerage	4.1	3.5	111.2	39.7	3.0	161.5
Total	726.1	381.7	3,899.3	520.7	235.6	5,763.4

WRITER OF LEAKED MEMORANDUMS—DIXON SERVED McGOVERN

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. CARTER. Mr. Speaker, as we are all very much aware, the House Judiciary Committee is currently conducting one of the most serious tasks which is assigned to the House of Representatives under our Constitution. I speak, of course, of the impeachment inquiry. Such a sober proceeding, one hopes, would be conducted in as fair and unbiased a manner as possible.

To say the least, I was most distressed to learn from a newsstory in the Washington Star-News that William P. Dixon, who served as an official of Senator George McGovern's Presidential campaign, now holds a sensitive position on the Judiciary Committee staff. Furthermore, Mr. Dixon's own veracity has been placed in serious doubt by a General Accounting Office report on campaign funding violations in McGovern's Wisconsin campaign. In fairness, justice demands that this man be removed immediately from the staff of the Judiciary Committee, because he has shown his lack of regard for his oath of office. Furthermore, he has betrayed his trust.

The newsstory from the Star-News follows:

Writer of Leaked Memorandums—Dixon Served McGovern

(By Dan Thomasson)

William P. Dixon, the House Judiciary Committee staff member whose damaging memoranda about President Nixon have been leaked to the press, was a coordinator in the 1972 Democratic presidential campaign of Sen. George S. McGovern of South Dakota.

Dixon also was one of those named in a General Accounting Office report on campaign funding violations in McGovern's Wisconsin effort.

Dixon's 14 memos, seven of which have found their way into the hands of reporters, have upset House Democratic leaders who believe the committee's investigation may be discredited. The memos have infuriated Committee Chairman Peter W. Rodino Jr., D-N.J., and John M. Doar, his chief counsel.

No one has accused Dixon of leaking the memos himself. Rodino has ordered that no more such memos be written.

Rep. Charles E. Wiggins, R-Calif., complained that Dixon's memoranda were written from an advocate's view and therefore were not accurate or complete. "Dixon was looking at only the most damaging aspects of the evidence," Wiggins said.

The memos have been extremely harmful to Nixon's case. One of them reports that Nixon told former Atty. Gen. John N. Mitchell to claim the Fifth Amendment privilege, should he be asked to testify about the Watergate break-in or cover-up.

Sources said today Doar was perturbed because he considers preparation of the memos an attempt by some of the committee's ultraliberal members to undercut the methodical, nonpartisan manner in which he has been presenting evidence to the panel.

The members who asked for and received the Dixon memos over Doar's objections, the sources said, are Democratic Reps. Robert W. Kastenmeier of Wisconsin; Robert F. Drinan of Massachusetts, John Conyers, Jr., of Michigan, and Jack Brooks of Texas. All have opposed Nixon's policies and have been outspoken in their contentions that he should be impeached.

Dixon's liberal Democratic background and work for Nixon's 1972 presidential opponent were expected to cause further problems for the committee—particularly if the memos continue to be leaked.

Dixon joined the permanent staff of the Judiciary Committee late in 1973, after leaving his post as counsel to Wisconsin Democratic Gov. Patrick J. Lucey. He became a counsel on the Judiciary Committee subcommittee chaired by his fellow Wisconsinite, Kastenmeier.

One of his first tasks was to help conduct the proconfirmation investigation of Vice President Gerald R. Ford.

During the 1972 McGovern campaign, Dixon served from April to August as treasurer of the Wisconsin McGovern for President Committee. He also was state coordinator for the campaign and, after the Wisconsin primary, went to work for McGovern in other states.

On Aug. 13, 1973, the GAO issued a report stating the Wisconsin McGovern committee had violated the Federal Election Campaign Act by failing to maintain complete and accurate records of receipts and expenditures.

The report, which named Dixon and others as officers of the committee, said GAO investigators in a sample of the committee's records found $8,100 in receipts and $7,600 in expenditures which were either not itemized or were improperly itemized.

"We found that the records maintained by the committee were not adequate to permit us to verify the financial reports submitted or for the committee treasurer to prepare adequate reports of receipts and expenditures," the report said.

"The committee did not maintain a formal accounting system, but instead used its checkbooks, which we found to be inaccurate and unreliable . . . ," it stated.

THE RETIREMENT OF HERBERT E. HOFFMAN

HON. DAVID W. DENNIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. DENNIS. Mr. Speaker, I should like to take notice of the retirement of

Mr. Herbert E. Hoffman as counsel to the Subcommittee on Criminal Justice of the House Committee on the Judiciary.

Mr. Hoffman is leaving Government service to become director of the Governmental Relations Office of the American Bar Association in Washington, D.C.

I have had the opportunity to serve on the Criminal Justice Subcommittee while Mr. Hoffman was counsel, and to work closely with him in that capacity in the drafting of the legislation which embodies the new proposed Federal Rules of Evidence, which legislation has passed the House of Representatives and is now pending before the U.S. Senate.

I am very happy to pay my respects to Mr. Hoffman as a very able lawyer and efficient counsel for the committee, and as a very likable individual whom I am glad to call a friend. I wish him every success in his new and responsible assignment with the American Bar Association, and I am confident that his abilities will bring him success there as they did during his distinguished service with the Judiciary Committee.

THE BALTIC STATES HAVE A RIGHT TO SELF-DETERMINATION

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. RARICK. Mr. Speaker, this past Friday, June 15, marked the 34th anniversary of the tragic annexation and incorporation of the Baltic States by the Soviet Union.

It is unfortunate, Mr. Speaker, in this age of détente with the Soviet Union, that our leaders do not pause to reflect on the internal conditions within that country and the tragic plight of the people of the captive nations.

Mr. Speaker, the Baltic nations have a right to self-determination. While we hear a clamor for one-man, one-vote in Rhodesia and South Africa and in the United Nations General Assembly where the smallest of African nations has a vote equal to that of the United States, silence prevails regarding the right of the peoples of the Baltic nations to vote at all. The opinionmakers in this country refuse to advocate self-determination for the captive nations, yet are vociferous in demanding this for emerging underprivileged nations.

While any violation of rights of Jews in the Soviet Union receives front page coverage in newspapers, scant mention is made of the human rights violations against untold numbers of Christians and others which occur daily in all countries dominated by the Soviet Union.

The 86th Congress adopted a resolution which became Public Law 86-90. This resolution assails the imperialistic policies of Communist Russia which have led, through aggression, to the subjugation of the national independence of Poland, Hungary, Lithuania, Ukraine, Czecholslovakia, Latvia, Estonia, Rumania, East Germany, Bulgaria, mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Urel, Tibet, Cossackia, Turkestan, North Vietnam, Cuba, and others. It also resolves that the President is authorized and requested to issue a proclamation each year designating the third week of July as "Captive Nations Week" until such time as freedom and independence shall have been achieved for all the captive nations of the world.

This was 14 years ago. The captive nations are still captive. The Soviets are still aggressors. Only we have changed—why?

In the 89th Congress just 8 years ago, both Houses of Congress adopted without a single negative vote House Concurrent Resolution 416—proclaiming the rights of the Baltic peoples of Estonia, Latvia, and Lithuania as well as all other peoples to self-determination and national independence. Again the Soviet Union was condemned for its subjugation and deprivation of the right to self-determination of the Baltic peoples. The resolution urged the President to bring the force of world opinion to bear on behalf of the restoration of these rights to the Baltic peoples.

Despite these resolutions expressing the sense of the U.S. Congress, the President has made no mention of the Baltic nations nor the captive nations. He does refer to Russia and Red China, though not in this vein of thought.

In view of the many documented violations of human rights against the people of the captive nations by the Soviet Union extending from the time of the Bolshevik Revolution to the present day and in view of two resolutions expressing the sense of Congress regarding the right of self-determination by the captive nations, it would seem to be incumbent upon our President and all freedom-loving peoples to identify the Soviet dictators for what they are—the enemy of free peoples—international gangsters. The time to do this is now, not next week, nor next year.

I call upon our colleagues to speak out for the right to self-determination by Latvians, Lithuanians, and Estonians, and other enslaved peoples.

Mr. Speaker, I insert the text of my bill, House Resolution 27, regarding Communist crimes against humanity, in the RECORD at this point:

H. RES. 27

Whereas the United States of America has an abiding commitment to the principles of freedom, personal liberty, and human dignity, and holds it as a fundamental purpose to recognize and encourage constructive actions which foster the growth and development of national independence and freedom; and

Whereas the international Communist movement toward a world empire has from its beginning adopted the means of terrorism, assassination, and mass murder as official policies to apply their application advances the Communist cause of world domination; and

Whereas there is considerable evidence that Communists in the Soviet Union and in other countries have deliberately caused the death of millions of individuals in Russia, Poland, Hungary, Lithuania, Ukraine, Czechoslovakia, Latvia, Estonia, White Ruthenia, Rumania, East Germany, Bulgaria, Mainland China, Armenia, Azerbaijan, Georgia, North Korea, Albania, Idel-Ural, Tibet, Cossackia, Turkestan, North Vietnam, Serbia, Croatia, Slovenia, Cuba, and others; and

Whereas thousands of survivors and refugees from Communist campaigns of terrorism and mass liquidation have been forced to flee to the United States as refugees to find the freedom and dignity denied to them by Communist regimes and have become productive citizens of the United States; and

Whereas it is fitting that the full facts of Communist terrorism in all of its various forms, including assassination and mass murder, be made manifest to all the peoples of the world so that such policies can be properly understood and condemned by all mankind toward the purpose of eradicating such policies from the body of mankind: Now, therefore, be it

Resolved, That—

(1) The Speaker of the House shall within fourteen days hereafter appoint a special committee of twelve Members of the House, equally divided between the majority and minority parties, and shall designate one Member to serve as chairman, which special committee shall proceed to investigate all crimes against humanity perpetrated under Communist direction. The special committee shall report to the House the results of its investigation, together with its recommendations, not later than one year following the appointment of its full membership by the Speaker.

(2) For the purpose of carrying out this resolution, the committee, or any subcommittee thereof, is authorized to sit and act during the present Congress at such times and such places within the United States, whether the House is sitting, has recessed, or has adjourned, to hold such hearings, and to require by subpena or otherwise, the attendance and testimony of such witnesses and the production of such books, records, correspondence, memorandums, papers, and documents as it deems necessary. Subpenas may be issued under the signature of the chairman of the committee or any member of the committee designated by him, and may be served by any person designated by such chairman or member; and be it further

Resolved, That it is the sense of the Congress that a monument be erected in the city of Washington, District of Columbia, our Nation's Capital, as a suitable memorial to all victims of international Communist crimes against humanity.

NATIONWIDE ENVIRONMENTAL IMPROVEMENT PROGRAM

HON. CHARLES E. WIGGINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. WIGGINS. Mr. Speaker, today I rise to introduce House Joint Resolution 1 to recognize and establish a Johnny Horizon Environmental Improvement Month, September 15, 1974, through October 15, 1974.

Johnny Horizon is the country's continuing nationwide environmental improvement program that seeks to enlist citizen participation in an effort to "Let's clean up America for our 200th birthday." To date the program has been extremely successful in attracting support that has resulted in a wide range of environmental improvement projects, such as a citywide cleanup in Hamilton, Ohio; establishment of a recycling program in Nazareth, Pa.; a tree planting project in Kings Park, Va.; a beautification program in Franklinville, N.J.; and a neighborhood cleanup in Brooklyn.

Many celebrities have given generously of their time and talent to create an awareness of the Johnny Horizon program. Among them are: Burl Ives, Cicely Tyson, Roy Clark, Carol Burnett, Ed McMahon, Sean Connery, Randy Sparks and the Back Porch Majority, Harry Chapin, Karon Blackwell, The New Seekers, Henry Gibson, and Larry McNelly.

Johnny Horizon environmental learning material has been distributed to elementary classrooms in California, Mississippi, Oregon, Montana, Florida, Ohio and many other States.

Just recently the National Governors' Conference endorsed the program and secured the assistance and support of the Governors of the 50 States.

The Johnny Horizon program has been recognized as an official Bicentennial activity by the American Revolution Bicentennial Administration. It has been adopted by such governmental agenices as the Civil Service Commission, General Services Administration, Department of Defense, Department of Transportation, Vista, and TVA. The U.S. Postal Service has been an active supporter of the program, as have many national associations such as the American Association of Nurserymen, American Public Power Association, American Association of University Women, American Society of Association Executives, American Seed Trade Association, National Garden Bureau, American Horticulture Society and many others.

Mr. Speaker, I would commend this program to you and our colleagues in the House and ask that you endorse the principles of the program and encourage full participation by all the people of the United States in this special Johnny Horizon Environmental Improvement Month, September 15 to October 15.

NATIONAL TREE APPRECIATION WEEK

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. DON H. CLAUSEN. Mr. Speaker, I would like to take this time to call attention to the fact that the Men's Garden Clubs of America are sponsoring National Tree Appreciation Week. Observances are being held all during this week throughout the Nation.

I am glad more people are beginning to recognize the importance of trees. This is true both in the sense of utilization and of retention.

We need trees for our basic housing needs, for the dissemination of the written word, and for a variety of other uses. In addition, we have a growing appreciation of the esthetic value of trees in their natural forest setting and in the urban environment.

Trees are great pollution fighters, they provide shade on hot days, and a home for birds, squirrels, and other animals.

Finally, the energy crunch of the past year has focused attention on the fact that, unlike oil, trees are a renewable resource. We can use them and then reforest the area from which they came as well as bring them to areas where they do not exist today.

For the benefit of the Members of Congress, I shall insert in the RECORD a brief summary of Tree Appreciation Week:

[From the Men's Garden Clubs of America]

NATIONAL TREE APPRECIATION WEEK, JUNE 16–22

> Tree Appreciation Week has been set for June 16–22 for the second annual observance of this tribute to trees which was initiated by MGCA and made one of our National projects. The purpose of the week is to dramatize and recognize the worth of trees to the ecosystem, according to F. L. "Steve" O'Rourke, national chairman for the event.
>
> "By June trees throughout the country will be dressed in their summer best for all to admire and appreciate, and we can rededicate our efforts to restore, reforests and replenish," state Chairman O'Rourke.
>
> Some suggested activities include locating and identifying the largest tree in the area, identifying and marking rare and unusual trees, visits to arboretums, and "trees of tomorrow" reports. Outlines of suggested programs and activities are available from the National headquarters for the club chairman in charge of the local tree week observance. Attractive banners have also been printed and will be available to local clubs.
>
> The tree week program has been endorsed by several other national organizations since its introduction by MGCA at the suggestion of Dr. O'Rourke. Last October, the observance was given a tremendous push when the American Horticultural Society, with 23,000 members, endorsed it. Earlier the American Association of Nurserymen approved the project.

HERSEY BAND INVITED TO ROSE PARADE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. CRANE. Mr. Speaker, these are days of anticipation and great expectation at John Hersey High School in Arlington Heights, Ill. An honor of great distinction has been bestowed on the Hersey High School Marching Band by the Pasadena Tournament of Roses Association of Pasadena, Calif. This organization of outstanding young musicians has received a special invitation to participate in the New Year's Day, 1975, parade in Pasadena.

The following is a quote from the letter of invitation from the chairman of the Tournament of Roses Music Committee:

> On rare occasions we have believed a band to be so outstanding that we decide to initiate the selection process ourselves. I would like to extend an official invitation to the John Hersey High School Band to participate in our parade on New Year's Day, 1975. We would be greatly honored to receive your acceptance of this invitation and welcome you to our "Heritage of America" celebration on January 1.

This honor is the first to a high school of School District No. 214 of the northwest suburban area. The director of bands, Don Caneva, the Hersey Administration and the Hersey Instrumental Association are making plans for this big event in Illinois history. A tremendous amount of effort, planning, and financial backing are required for an undertaking of this magnitude.

In the past 25 years a high school band from the State of Illinois has not participated in the Tournament of Roses Parade. It is with great honor that these young people and outstanding musicians look forward to representing the State of Illinois in addition to their local community and the Chicagoland area. In August, the president of the Tournament of Roses Association will be in the Chicago area to meet with the Hersey representatives and the city of Chicago and WGN—Continental Broadcasting Co. These two organizations are planning on having floats in the 1975 Rose Parade. Illinois will certainly be well represented in this prestigious event.

This Rose Parade performance is another in the many outstanding events in the Hersey Band history. In winning many honors in competition, performing before large audiences at major sporting events and on national TV and performing with famous guest conductors and soloists in concert, these young people have dedicated themselves to hard work, giving their best, and bringing acclaim to their school and community. In the months ahead, the parents and friends of the Hersey Instrumental Association will be working toward bringing these plans and objectives to fulfillment in the lives of these young people.

NOW THE "SHORT-COUNTERS"

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. GAYDOS. Mr. Speaker, we are well aware that some unscrupulous people in the business world still operate on the idea that anything goes—that the old rule of caveat emptor—"Let the Buyer Beware"—remains in force even in this regulated and consumer-oriented era.

But I feel, Mr. Speaker, that we have come up against the most venal of all in what Sylvia Porter, the business writer, now terms "the short-counters." They are the firms which cheat customers by furnishing fewer items than are listed on the bottle and package labels.

Miss Porter came across these cheaters when she heard of a program on a Miami radio station in which listeners phone in their complaints. Vitamin bottles, in some cases, contained as much as 10 percent fewer capsules than promised. One cough drop box had only 6 rather than 15 drops. A box of "100" screws contained only 60. A package of paper clips was 30 percent short.

Miss Porter writes:

> Products sold by weight, the food counters found, usually contained the advertised amount of the product, but the short-counting in products sold by number was widespread.

Miss Porter, alerted by the Miami campaign, checked across the country and found the cheating was in no way confined to Florida. There have been many instances of it in New York where consumer organizations are busy combating it. San Francisco has had inspectors checking certain stores. Miss Porter reports:

Throughout the nation, there have been serious variations on this theme.

And what can be done about it. Miss Porter warns:

> Either the manufacturers and packagers clamp much more stringent "quantity controls" on themselves to eliminate the short-counts or state and federal regulators will move in and do it for them.

I agree, of course, and hope Federal regulators have read Miss Porter's nationally syndicated column and have heard of the Miami complaints. The American consumer is suffering enough with rocketing prices and, in some cases, shoddy workmanship without being forced to take a "short-count" too. If he buys a bottle of 100 vitamins, then he should have his 100 capsules, and it is up to the Government these days to see that he gets them and to see also that the "short-counter" is punished for the fraud attempted.

REMARKS OF REPRESENTATIVE SILVIO O. CONTE AT THE ANNUAL MEETING OF THE ARTHRITIS FOUNDATION

HON. PAUL G. ROGERS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. ROGERS. Mr. Speaker, my esteemed colleague from Massachusetts, Mr. CONTE, has long been a leader in the health field, and a champion of the cause of the good health of Americans in his position as a member of the House Appropriations Committee.

Mr. CONTE's experience in and concern for the field of health were evidenced in his recent remarks before the recent meeting of the Arthritis Foundation in New York City. I believe Mr. CONTE's remarks should be most helpful to the Members of the House in putting the Federal health effort into perspective as we act on health authorizations and appropriations during the coming week. I insert Mr. CONTE's remarks in the RECORD at this point:

REMARKS OF REPRESENTATIVE SILVIO O. CONTE AT THE ANNUAL MEETING OF THE ARTHRITIS FOUNDATION

All of us are here tonight because we share a commitment which stated most generally is to the relief of human suffering from illness and disease and to better health and health care for all Americans. And all of us here tonight know that we are in the midst of a period of questioning, reexamining, and rethinking the means by which we have tried and will carry out that commitment.

No one has this brought home to him more forcibly than a member of a Congressional Appropriations Committee. As the House Labor-Health, Education, and Welfare Appropriations Subcommittee, on which I serve, has worked these past weeks on drafting the appropriations bill for fiscal year 1975, we have had to deal with the fact that major pieces of health legislation expire at the end of this month and that their future form is still undefined, that the deepest philosophical differences about the Federal health role exist in both the Executive and Legislative Branches of government, and that there are compelling arguments put forth for diverting our attention and resources in different directions.

While I do intend to talk a little bit later about this year's Federal health budget, and especially about how it affects programs of special interest to you, I want to consider with you first some of the great health issues that both you and I face now and the decisions we will have to make. For every specific piece of health legislation, every line item in a health budget, is going to be considered in the light of these larger issues.

I want to emphasize the joint responsibility we share. While there is a constituency for every kind and piece of legislation, in no other field that I can think of has there evolved the kind and quality of partnership that exists in the field of health among the Federal Government, the committed public, the health professions, and the academic scientific community.

It was that partnership that built for us the world's greatest biomedical research programs. It is that partnership that is now forging new health care delivery systems and seeking new ways of financing health care. It is that partnership that must now determine the future direction of our health programs and decide how we will allocate our resources, both intellectual and financial. I am proud to be joined with you in these efforts.

Legislation in other areas provides more daily drama and so receives more headlines. But there is no field in which this Congress will have worked on so much major legislation or faced so many basic and far-reaching issues as in that of health.

There are a good many reasons for this. One is the sheer size of our total health care expenditures in this country—in 1973 $94.1 billion, or almost eight percent of the gross national product—and of the Federal health budget itself—the request now pending in Congress for the next fiscal year is $26 billion.

Another is that after a quarter of a century of increasing Federal support for basic biomedical research, there are now demands that results of research be incorporated in medical practice and that we find new ways to bring health care to those who are inadequately served or not served at all.

A third is that the very nature of the Federal Government's health role, and of the relative roles of the Executive and Legislative Branches, has been questioned.

The coming together of all of these issues at one time has brought us near to chaos in some of our Federal programs and left great uncertainty in others. It is largely through the efforts of the Arthritis Foundation, and your colleagues in other fields, that the core of our research and research training programs has survived.

In the first session of this Congress, action centered on the health budget itself and on the appropriation process. The Executive and Legislative Branches had their sharpest and most prolonged encounter over the issue of impoundment and Executive attempts to bypass the legislative process and redefine the Federal health role through the mechanism of the Federal budget.

Congress rejected that effort to abbreviate the all-important process of hearings, discussion, questionning, and debate by which the public and its elected representatives mold legislation. Funds were restored for ongoing health programs, public and professional groups brought over 30 court cases to enforce that restoration, and the action of the Congress was upheld by the Courts in every case.

In the present, or second Congressional session, the focus of attention has shifted to the extension, redefinition, and reformulation of many of our major health programs. The legislative authorization for over 20 of them expires at the end of this month. Only legislation to extend our alcoholism prevention and treatment programs has passed the Congress and been enacted into law.

There are several pieces of health legislation well along in the pipeline, including bills to extend the special cancer programs, to continue support for research on health services delivery and health statistics, to provide support for medical libraries, and to provide specific legislative authorization for biomedical research training and fellowships programs.

The next major bill to come before the House of Representatives will probably be the massive Health Revenue Sharing Act which includes bloc grants to states for health services programs and the extensions of our community mental health centers, population research, and family planning programs. Between now and the end of this Session, almost every week will see major health legislation on the floor of either the House or Senate.

For the most part, these bills do not represent simple extensions of present programs. We are at one of those critical turning points where decisions are to be made about the shape of health programs for many years to come. To get some perspective, let's look back very briefly.

In the last 1940's and early 1950's, Federal efforts in the health field went mainly into building the programs of support for basic biomedical research and the training of research personnel. We evolved some basic principles on which those programs have rested: the notion that we should support the very best work by the very best people across the whole spectrum of medical research, the deliberate attraction to medical research of our brightest young people, reliance on research scientists themselves for decisions as to what research merits Federal support.

In the 1960's and the first year or two of the 1970's, the Federal Government's commitment to fund biomedical research was greatly increased. But other health needs began to claim our attention and our resources. Two massive health financing programs—Medicare and Medicaid—were enacted. With the Community Mental Health Centers Act we ventured into the provision of health services at the community level and the attempt to tie research to services. We began to experiment with new ways of delivering health services to more people. And we initiated massive efforts to increase our trained health service personnel.

Now we are confronted with new demands and new and harder questions.

Perhaps the most complex question we face is how we will finance health care, what form national health insurance legislation will take. I do not think that there is any longer much of a question about whether or not there will be some kind of national health insurance program soon. There are very real questions about its coverage, its financing, and its administration—what they should be, and what they can be.

I have not made a bill-by-bill count, but over two dozen pieces of health insurance legislation have been introduced in this Congress. They range from those proposals to cover catastrophic illness only to coverage of a full range of health care benefits for every resident of the United States.

In the House of Representatives, the Ways and Means Committee, which has jurisdiction for health insurance legislation, is holding hearings on the newer major bills. Quite frankly, right now it is hard to foresee what kind of bill that Committee will bring out When Mr. Mills, the Chairman of Ways and Means, and Senator Kennedy, co-author of the most comprehensive plan pending, introduced a new bill with benefits very similar to the Administration's program, hopes were raised that we now had grounds for a constructive compromise and enactment of a basic program this year. The announced opposition to a compromise bill by the groups that helped draft and supported the original, comprehensive Kennedy-Griffiths bill, has raised serious doubts about passage of health insurance legislation this year.

Any bill that comes before the House for a vote is going to be scrutinized on some basic grounds. Cost is one. As a member of the Appropriations Committee, I know only too well how fragile any cost estimates are when we have no way of knowing what increase in use of health services will take place. The availability of health manpower and administrative capability to manage a new system are critical. And for all of us here tonight, the coverage for chronic, long-term illness—the kind of illness that wears away at a family's economic stability and that requires continuous care and medication at ever increasing prices—is critical. One promise I can make to you, is that this is one criterion by which I will judge any bill on which I have to vote.

Along with the issue of financing health care, we have the crucial problem of bringing increasing health care costs under some kind of control. Some of that increase results, no doubt, from the advances in medical technology that have come from our research programs. We have to find ways to incorporate these advances into our health care systems in a fiscally responsible way. The enactment last year, and initial funding this year, of health maintenance organizations is another attempt to control health costs by providing alternative delivery systems that incorporate the sharing of expensive resources and cost control features. And the direct review of service utilization under Federally-financed programs through Professional Service Review Organizations is the newest Federal effort to meet this problem.

The expiration of all of our health manpower programs has raised the twin issues of what our needs are and whether or not we have the responsibility, and the right, to use Federal support to redistribute health manpower into areas that are underserved and to require some return in service from those whose training is financed by public funds. There are four major bills under consideration in the Congress. All require, to some degree, a commitment on the part of the trainee to pay back the public for that training by service in a medically underserved area.

The Federal policy of offering special incentives and support to bring our best young people into medical research has been under strong attack within the Executive Branch. As you know so well, since you had to provide extra resources for research training in areas related to arthritis, attempts have been made for three years now to phase out the research training and fellowships programs of the National Institutes of Health. The court-ordered release of funds impounded from the 1973 appropriation is only now being implemented. Last year, the Congress again restored funds for these programs and directed that they be continued on an active basis.

I can tell you tonight, that the renewed effort in the 1975 budget request to again abolish these programs is being rejected. In less than two weeks, the Appropriations Committee will bring to the floor of the House a bill that will include funds for the NIH research traning programs as well as the new program of post-doctoral research fellowships administratively initiated this past year. We are not demanding that training programs be restored at precisely their former levels or in precisely their former manner. What we are saying is that the Congress remains committed to strong research training programs, that specific legislation will determine the new direction of those programs, and that in the meantime our research training efforts are not to be terminated.

I can also tell you that within the next few days, a Conference of House and Senate members will report out the new biomedical research training bill that the Congress has been working on for almost a year.

As regards research itself, the most serious questions confronting us are whether we should target our resources on one or two of the major killing diseases and support other research at only a minimal level, and who should make decisions about how we allocate our research resources, the Congress in concert with the scientific-medical community or the bureaucratic budget analysts.

Last year, the Congress indicated clearly that making a special effort against some diseases did not preclude a balanced, basic effort to understand and conquer others. While the special legislative commitments in the field of cancer and heart and lung disease were recognized, funds were restored to the other NIH Institutes for what we intended to be actively pursued research programs not only on the other diseases and families of diseases, but on the basic biological processes that we must understand if we are ever to make real progress. We restored the general research support program of the NIH, which has given stability and flexibility to those institutions which are making significant commitments to biomedical research.

Unfortunately, we have found that our intentions were thwarted by a combination of rising costs of research, conflicting administrative policies, and the lack of direction that resulted from the twice-vetoed 1973 health appropriation and the long effort to bring out a 1974 appropriation bill that could be enacted into law.

Once again, the Appropriations Committee has had to move vigorously against the policy of attrition for research other than that on cancer and heart disease. On June 27, the House Appropriations Committee will bring to the floor the largest appropriation in history for the National Institute of Arthritis and Metabolic Disease. It is not ideal, in your terms or mine, but it is substantial and it indicates our commitment to pursue research on the causes and treatment of the ten major diseases of concern to that Institute, diseases afflicting some 76 million persons and costing at least $15 billion a year to the economy. I can also assure you that that appropriations bill carries substantial increases for the other NIH Institutes whose work is of so much importance to the understanding and treatment of arthritis, the National Institute of Allergy and Infectious Diseases, the National Institute of General Medical Sciences, and the National Institute of Neurological Diseases and Stroke. I can further assure you of my continued strong support of those budgets on the floor of the House and when House and Senate conferees meet to resolve any differences they have.

To assure attention to those diseases that cripple rather than kill, to assess where we are and where we must go from here, and to provide for concentrated research-training-treatment efforts, the Congress is also working on special legislation. A very modest bill to give impetus and direction to our work on the Sudden Infant Death Syndrome, or crib death, has been enacted and will receive initial funding in the 1975 appropriation. A bill to survey our needs, map our strategy, and initiate a focused research-training program on diabetes will shortly be sent to the President.

Of most importance to us tonight, is the introduction on May 21 of this year of the Arthritis, Prevention, Treatment, and Rehabilitation Act of 1974. I am very proud to be a cosponsor of that legislation.

The bill has some important features. First, it builds on what we have already at the National Institutes of Health instead of setting up new and competing structures. It requires coordination of the work of the various institutes. It requires the participation in developing a national plan against arthritis of those actually suffering from that disease. It requires a thorough survey of where we are now in our knowledge of the causes, course, extent, and treatment of this disease, and it provides for specific efforts to apply the results of what we know now in prevention, treatment, rehabilitation and education. It requires the prompt transmission to the relevant Committees of the Congress of estimates of budget needs for the Institutes concerned with arthritis and the report to Congress, without clearance by the Office of Management and Budget, of a long-range plan to attack. In the bill's provision for development and support of multi-purpose centers, combining research, training, education, and community consultative services we have the mechanism for bridging the gap between the laboratory and the practitioner and his patient. And in the provision for detection, prevention and control programs we have practical efforts to begin now to bring hope and help to the 20 million men, women, and children who suffer from one of the diseases subsumed under the term "arthritis." I know the Foundation has played a key role in the formulation of this important legislation, and I congratulate you on it.

I cannot promise you immediate action on the bill. What I can promise you are my efforts to move it as quickly as possible, to support it in every way I can, and when it is enacted, as it will and must be, to work in the Appropriations Committee for its quick and adequate funding.

I know that I have raised with you tonight a great many questions, none of them amenable to quick or easy solutions. They are questions that go to the heart of citizen-profession-government relations, and as such they deserve and demand our thoughtful and deliberate attention. I know that that is what they are receiving from you and I pledge you that that is what they will receive from me.

BICENTENNIAL INDEPENDENCE DAYS: A 4-DAY HOLIDAY IN 1976

HON. ANGELO D. RONCALLO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, June 18, 1974

Mr. RONCALLO of New York. Mr. Speaker, I rise to inform my colleagues and the American people that I have today introduced House Concurrent Resolution 548, requesting the President to declare July 2 through 5, 1976, as a legal public holiday in commemoration of the 200th anniversary of the birth of our Nation.

This would provide a 4-day weekend, Friday through Monday, to be known as "Bicentennial Independence Days." Legal holidays, of course, directly apply only to Federal Government workers, but I hope that most private employers will see fit to follow suit.

Our Nation's Bicentennial is an extraordinary event in our history, and its celebration should be special as well—more than the regular Fourth of July. I envision an outpouring of community spirit with parades, fairs, contests, speeches, and the like. But more importantly, I see the Bicentennial Independence Days as an opportunity for all Americans to rededicate themselves to the principles for which the Founding Fathers fought nearly 200 years ago. A time for joy, but also a time for introspection, a time for a return to ethical values, a time to renew our determination to work for the individual liberties of all our citizens, for a cleaner environment, and for elimination of hunger and poverty in a land of plenty.

Bicentennial commissions throughout the country are already beginning to plan for 1976, so it is important that this legislation be enacted by the 93d Congress. I invite the cosponsorship of other Members and will shortly circulate a "Dear Colleague" letter to that effect. It is my sincere hope that the Judiciary Committee will take a few minutes out from its busy schedule to bring this to the floor promptly and allow our communities ample time to plan.

SENATOR KENNEDY IN PHILADELPHIA

HON. WILLIAM J. GREEN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. GREEN of Pennsylvania. Mr. Speaker, I would like to commend to the attention of my colleagues the following address by Senator EDWARD KENNEDY. The Senator spoke yesterday to 2,000 persons at a meeting of the Jewish Community Relations Council of Greater Philadelphia's Soviet Jewish Solidarity Assembly. Representatives of 34 Jewish groups were in attendance.

I join Senator KENNEDY in saluting the moral strength and courage of the Israeli people, and I also join him in urging President Nixon to recognize the plight of the Soviet Jews and to make their freedom a top priority in his upcoming summit talks with the Soviet leaders.

ADDRESS BY SENATOR EDWARD M. KENNEDY TO THE JEWISH COMMUNITY RELATIONS COUNCIL CONFERENCE ON SOVIET JEWRY, PHILADELPHIA, PA.

I appreciate the opportunity to join with you this morning at this conference on Soviet Jewry sponsored by the Jewish Community Relations Council of Greater Philadelphia.

I want to thank Judge Charles Weiner and your current President Benjamin Lowenstein for the invitation to be here with you. And I particularly want to express my appreciation to your President-elect, Esther Polen, for her kind words of introduction.

It is an honor to join together with Stanley Lowell, Chairman of the National Conference on Soviet Jewry. He not only has been one of the leading forces on the national scene in communicating to the country the plight of Soviet Jews, but he also has been a valued advisor to me and to the Senate Refugee Subcommittee which I chair and in my efforts to assist Soviet emigration.

Throughout its 35-year history, JCRC has achieved nationwide recognition as a spokesman not only of the Jewish community of Philadelphia, but of Jews around the world. At the same time, JCRC has been a critical factor in promoting the civil rights and civil liberties of all Americans and of strengthening the Constitutional protections of the First Amendment.

So I am particularly pleased to be here with you this morning.

Even as we meet here today, our eyes are turned to the Middle East. So much has occurred in the past few weeks that it is virtually impossible to predict where new events will lead.

Only a few days ago, the world drew a breath of relief as the persistent and determined efforts of Secretary of State Henry Kissinger produced an agreement to still the guns on the Golan Heights.

The return of prisoners of war and the sight of airport reunions carried a vision of hope and a prayer that the course toward a permanent peace had been charted.

Yet in the short time since those days of optimism and hope, we have witnessed again the senseless and savage violence of terrorism, leaving in its tragic wake new martyrs, new mourners, new sorrow.

There have been too many martyrs already, too many martyrs for a nation so young—at Suez, at Golan, at Maalot. And they are not nameless martyrs. As Israeli writer Moshe Shamir noted: "We have no unknown soldiers. When we pray for the safety . . . of our army, each of us is thinking of some particular soldier. On his lips or in his heart he adds the name of his son, his brother, his father or his friend. . . ."

"We have no unknown soldiers. . . ."

And despite the tumultuous reception and the welcome signs of friendship, many of us now watch with growing concern some of the results of the ceremonial visit of President Nixon to the Middle East. The announcement of plans to aid Egypt in obtaining nuclear reactors and nuclear fuel was both unexpected and disquieting. The lesson of India is a compelling one, and the Congress should demand, and I believe will demand, a full explanation.

For whatever safeguards may be placed on the transfer of nuclear materials, whatever the importance of improved United States-Egyptian relations, the potential for abuse of nuclear energy in the Middle East is all too clear.

At a time when the delicate balance of Middle East diplomacy seems to be stabilizing, I seriously question this latest action. It would sow fresh doubt and misunderstanding and might set in motion an even more frightening spiral of events than those the world already has witnessed.

Yet for all of the uncertainty surrounding the present, of one thing I am confident.

I am confident that Israel will survive.

I am confident that Israel will withstand these new challenges as she has every challenge for the past quarter century.

I am confident that Israel will secure a future of peace and happiness for its people.

For Israel is like the United States in many ways—both won bitter fights for independence; both acknowledge the supremacy of moral law; both believe in individual as well as national liberty—and both will fight to maintain that liberty.

For Israel, the years since 1948 have been a time of fulfilling ancient prophecies, a time of turning dreams into reality. The new flowering of the desert, the network of pipes and pumps that carry the water of the sea of Galilee to the sands of the Negev, the immigrants from a hundred different lands who come together in the Holy Land—these are part of the miracle.

Ben Gurion said: "In Israel, in order to be a realist, you must believe in miracles." And in each of my three visits to Israel, it has been apparent that the people believe in miracles, and it is that belief that stirs the admiration of free peoples everywhere.

It is not only the physical dimensions of the rebirth of Israel that inspires admiration. It is the spiritual power, the faith and conviction of the people themselves, the belief in the prophecy of Isaiah, the prophecy that "a little one shall become a thousand, and a small one a strong nation."

We often remember only what we have given to Israel and forget what Israel has given to the world—evidence of the power of faith, evidence of the preservation of human values, evidence that dreams—even the most distant and difficult dreams—can be realized if we have the courage to do what is necessary to make them come true.

The people of Israel have shown the courage, the commitment and the determination to bring forth miracles and to give substance to dreams.

The strength of their resolve has been tested not once but four times in war in this brief quarter century of independence—and they have not yielded.

I have seen that courage, and I have come to understand the valor and the dedication that is expressed in a poem that Israeli school children recite.

It was written one night in 1944 by Hannah Zenes, hours before she and 32 other young immigrant Jews parachuted back into Nazi-occupied territory to link the allies with the underground.

She wrote:

"Blessed is that match that is consumed in
kindling flame.
Blessed is the flame that burns in the secret
fastness of the heart.
Blessed is the heart with strength to stop
its beating for honor's sake.
Blessed is that match that is consumed in
kindling flame."

Hannah Zenes was caught in Hungry. She was tortured and killed.

Her bravery and the inspiration of her life have immortalized those words. And those simple lines reflect the character of the Sabras and the spirit of the immigrants who have come together to build the nation of Israel.

The streams of peoples that have flowed into the promised land have had their beginnings in every corner of the globe.

Coming together, they have vindicated the faith of centuries. They have justified the religious conviction that has kept the people of Israel alive through a thousand programs, a thousand expulsions and through the holocaust itself.

They have fulfilled the Biblical prophecy, the prophecy that: "I will bring them out from the peoples and gather them from the countries and bring them again into their own land."

Some have come with plans and preparations. And some have come with nothing but the clothes they wore. But all carry with them an uncompromising faith and a yearning to be free.

Less than eight weeks ago, I met with Jews who share that faith and that yearning, Jews whose dreams of becoming part of the redemption of Israel remain cloistered within the Soviet Union.

I went to the apartment of Professor Alexander Lerner after midnight and stayed until nearly 3:00 a.m.

While their names are known to you and they have a well-deserved worldwide reputation for courage, let me say to you that I also found them remarkably gentle, remarkably calm, remarkably dedicated.

They knew that security men would be arriving with me. They said that this was expected and that they assumed that every word we spoke would have been overheard in any case.

They told me their individual stories. They were scientists and mathematicians, physicists and scholars, men of 25 and men of 60, with wives and children—all with visa applications on file for two years and more, all denied—not once but several times.

They told of their telephones being cut off, of their academic posts being withdrawn, of being barred from their work and their studies, of their sons being called to military service.

Government harassment and repression was the answer to their request to emigrate.

Yet, after listening to them, I bring you a message: They remain committed to their ideal. They remain firm in their faith. They remain determined to live in Israel in freedom.

That was their message to me. And that was the message I took to the Soviet leaders, the message that these men and women desire only to be free to live in Israel, the message that this issue of human rights is vitally important to Americans, to Jew and gentile alike. For respect for human rights springs from the Judao-Christian tradition and from our democratic tradition as well.

I believe that I spoke for all Americans when I urged that human rights be respected. I believe that I spoke for the Congress when I urged that human rights be respected. And I believe that I spoke for this Council, when I urged that human rights be respected and that barriers to the emigration of Soviet Jews be brought down once and for all.

The Soviet Jews want something so very simple. They want to end the separation of centuries and to rejoin Eretz Israel.

They want to be a part of the new beginning in that ancient land. They want to be a part of the promise of the Torah, that "The desert shall rejoice, and blossom as the rose . . . that they that wait upon the Lord shall renew their strength. . . ."

For the Jews I met, the Passover Seder benediction—"Next year in Jerusalem"—is more than a ritual, it is a prayer for freedom, a prayer for life. And it is a prayer that they have a right to see fulfilled.

With you here today, I share the hope that Alexander Lerner, Victor Polsky, Alexander Luntz, Benjamen Levich, Vladimir Kozlovsky, Vladamir Slepak, Alexander Vorosnel, Victor Faermark, and Vitaly Rubin—that all of them and their families—and the 120,000 or more Soviet Jews who share their desires—will soon be allowed to follow David Asben and the Panovs to freedom and to Israel.

And in private and in public, I shall continue to work to see that this occurs.

The statement this Council joined in a few weeks ago is one that I share, the statement, that ". . . we welcome and endorse all efforts to secure global détente. However, we strongly believe that cooperation between our two peoples must be extended to include freedom for Soviet Jews, especially the right to leave.

"In the name of humanity and justice, we voice our hope that the government of the USSR will respond to this call."

I join you, as I did in Moscow, in urging Soviet leaders to respond to this call, And that is the message that I hope that President Nixon will carry with him as well when he goes to the Soviet Union.

While we can take comfort in the 33,500 Soviet Jews who emigrated in 1973, we must protest the reduced number of visas extended this year and the added barriers that have been placed in way of other Jews who seek to emigrate.

We must add our voices as well to the world appeal for freedom for those Soviet Jews who have been imprisoned for seeking to emigrate to join their families abroad or for seeking to exercise fully their right to live in the Soviet Union in accord with Jewish culture and Jewish religious heritage.

At the end of the Second World War, a quarter of a million Jewish refugees were packed into displaced persons camps. The newspaper they passed from hand to hand carried these lines: "Dispersed and separated during those terrible years, we learned one thing: Tenacity! . . . Are we the last to drag ourselves out alive, are there others who await our sign? Like the Biblical Noah we are sending out the first dove . . ."

May this be the year when the Jews of the Soviet Union are able to follow the flight of the dove and to take their place with the people of Israel.

And may this 26th year of Israel's independence be "A time to be born . . . a time to plant . . . a time to heal . . . a time to build . . . a time to laugh . . . a time to love . . . and a time of peace."

THE SIXTH PAN-AFRICAN CONGRESS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. RANGEL. Mr. Speaker, today is the opening of the Sixth Pan-African Congress, the first gathering of its kind in almost 30 years. The Congress is described in its official document the Call, as a forum for: First, increasing the political unity between African people in the West and African people on the continent; second, a way of exploring strategies for increasing our support for the liberation wars in southern Africa; third, creating independent mechanisms of intercommunication and exchange of information among African people; fourth, mobilizing and organizing our manpower and skills for the betterment of African people; and fifth, encouraging a need for self-reliance and self-determination among the masses of African people wherever we may find ourselves.

Mr. Speaker, I include at this point in the Record a statement issued by the Congressional Black Caucus at the opening ceremonies of the Congress in Dar Es Salaam University, Tanzania. This statement is followed by an article written by Courtland Cox, recently published in the Black Scholar, a magazine noted for its incisive articles on the African liberation movement:

June 18, 1974.

Mwalimu Nyerere,
The State House,
Dar Es Salaam, Tanzania.

Your Excellency: On this, the occasion of the Sixth Pan-African Congress, I send greetings from the Congressional Black Caucus and extend our sincere hope that this will be the most successful congress ever.

Since the first international meeting in 1919, the Pan-African Congress has been a means of sharing ideas and developing common strategies in the struggle for African liberation. When the fifth congress was held in 1945 only Ethiopia and Liberia were independent African Nations. That congress, set the stage for the movement which liberated Black people from colonial rule on the continent and sowed the seeds which took root in the civil rights movement in the United States. Since that time, many of the goals of the participants have been realized—political independence and self-determination have been won by much of the continent. Yet, as we all know, Africa is far from free. While continuing the struggle for independence, our efforts should also be directed towards attaining complete economic self-sufficiency for Africa, and fully developing her natural and human resources in order to meet the vital needs of our people.

Finally, we in America especially see the congress as a means of encouraging the development of much needed communication and cooperation between Africans on the continent and people of African descent throughout the world. With these goals in mind, my colleagues and I wholeheartedly support the Sixth Pan-African Congress as an effort to obtain independence and self-sufficiency for all Africans wherever they may be.

Charles B. Rangel,
Chairman, Congressional Black Caucus.

Sixth Pan-African Congress

(By Courtland Cox)

The Sixth Pan African Congress will be a political forum which takes an international perspective of problems facing African people. The emphasis will be not only on restating and defining the problems, as has been done through many other vehicles, but also on how we can act cooperatively, to effect long-range change. Delegates to the Congress will come primarily from Africa, and also the Caribbean and South America, North America, Europe, and the Pacific Islands. They will include representatives of political parties, governments (African and Caribbean only), liberation movements, organizations as well as some individuals. The Congress has as its objectives to discuss:

1. Broadening the international African community's understanding of the issues involved in the struggle in southern Africa, and methods of increasing the concrete base of support for the liberation movements.
2. Economic dependency and exploitation, and how to end them; including questions of self-reliance, systems of economic production and distribution, purposes of development, applications of science and technology, and economic cooperation among African states and communities.
3. Fulfillment of the potential of political independence; including the issues of African unity, federation of Caribbean states, broadening mass participation in African political life, and political cooperation between African states and communities.

The last few decades of our struggle have seen a heightening of the total struggle for liberation, including that for political freedom and material well-being. In particular, since the Fifth Congress at Manchester (1945) there began an end to the paralysis of, among other oppressed peoples, the people of Africa and of African descent. We began to de-mystify the workings of racism, imperialism, and capitalism, gradually understanding them as international, total systems which were the immediate cause of our not being liberated. We began to define our own objective reality, seeing that we are all victims of the same global system of oppression, with only a few individuals among us benefiting from the operation of that system.

While the definition and analysis of that system is necessary for our own political growth, it is time all African forums, including the *Sixth Pan African Congress,* discuss *what* we are going to do about our situation, and *how* we are going to do it. In other words, what politics do we develop, what plans and mechanisms can we enact, what infrastructure must we develop, what new mentalities and attitudes must be nurtured?

Several questions come immediately to mind. One has been posed by Mwalimu Julius Nyerere, Chairman of the political party, TANU, which is hosting the Congress. He has asked whether the units of African peoples (existing nation-states) are worth preserving, whether these "pieces inherited from colonialism" are now independent, whether they should not now be used as instruments of a true liberation.

The Call to the *Sixth Pan African Congress* speaks of another critical question. It states in part "We believe that the future of Africans lies in the fullest utilization of our own human resources instead of continued dependency on loans and gifts from abroad . . . if we do not control the means of survival and protection in the context of the 20th century, we will continue to be colonized." In other words, it is not sufficient to denounce imperialism and the effects of its economic and political infrastructure. We must also commit ourselves to building our own system using our physical resources and human energy, to guarantee our future development as free people.

It is apparent that our problems do not exist in isolation. Yet Africans are politically fragmented, by nation-state, linguistic differences, by ideology. We do not have an effective, unified base of power to deal with the problems; we have not even reached the point of accepting a certain operational unity as necessary in order to combat them. But if we take one example of a critical issue, the liberation of southern Africa, we can see how a total answer is required.

The situation in southern Africa is not just a question of apartheid or majority rule. The labor, land and resources of Mozambique, Angola, Namibia, Zimbabwe and South Africa are presently used for the development of the few white settlers there. But these same resources (e.g., oil, gold, uranium) and labor also contribute to the worldwide maintenance of the system of capitalism. World capitalism (in the main, European) in turn helps support the status quo in southern Africa from the military might of NATO, to the investments of American, European and Japanese companies, to the propaganda machines of Europe which churn out their distorted analysis of the situation. In other words, the communications network, military forces, economic structures, technology, and bodies politic of the imperialist world support the maintenance of a racist and capitalist enclave in southern Africa.

Africans cannot combat this infrastructure on a piece-meal, fragmented basis. The brunt of the struggle is borne by our people who live there, many of whom have taken up arms, while at the same time laying the foundations of a new social, economic, and political order in their liberated territories. Meanwhile, recent moves of the British vis-a-vis Zimbabwe and the Portuguese vis-a-vis Angola, Guinea-Bissau and Mozambique point to an electoral politics strategy to be foisted on Africa, to take the place of a defeated military policy. Where do the rest of us stand on these issues, and how do we act?

Are we planning to use technology and resources in the manufacture and supplying of arms and other needed material for the benefit of our people? Are we building our own communications network which could propagate an African analysis of the situation in southern Africa? Are we supporting the liberation forces in all political bodies to which we have access? Are we considering an alternative system of production and distribution of goods and services? Are we creating efficient alternative economic structures and organizations, to replace those of capitalism, and having both a different purpose and material effect?

For Africa, then, total answers are required, and unified action is a necessary step on the long road to victory. The *Sixth Pan African Congress* has been called to look not only at why, but how, we can be the instruments of our own development and liberation. The important questions facing a *Sixth Pan African Congress* are not about personalities or individuals, but about issues and possible concrete solutions. The Congress will necessarily involve representatives from both those who have state power in the African world and those who have energies and commitment without that power, because we are dealing with the realities of the world as it exists for African people in 1974.

If the Congress can help generate a renewal of commitment to a unified struggle on the part of Africa, and African people everywhere, the *Sixth Pan African Congress* will be a success.

(NOTE.—Courtland Cox is International Secretary-General of the Sixth Pan African Congress. Brother Cox has long been active in the black liberation struggle, first with the Student Non-Violent Coordinating Committee (SNCC) and later with the Center for Black Education in Washington, D.C. For many months he has been working on preparations for the Sixth Pan African Congress—the first gathering of its kind in almost 30 years—which will take place June 3-13, 1974, at the University of Dar es Salaam in Tanzania. The Congress is being hosted by the Tanganyika African National Union (TANU).)

FRIENDLESS JUDGE

HON. W. R. POAGE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. POAGE. Mr. Speaker, I thought that Members would enjoy seeing this article on the Hon. James A. Farley, one of the most respected men in government in our history.

[From the San Antonio Light, May 23, 1974]

ON THE LINE WITH CONSIDINE

James A. Farley, 1974 winner of Notre Dame's treasured Laetare Medal, enthralled his audience at the Waldorf with an account of his life in politics and his 35 post-political years with Coca-Cola. It was a feat of total recall, a remarkable summation of the times, lives, triumphs and disasters of a vast tapestry of Americana. It's a pity that his response to the conferring upon him by Fr. Theodore Hesburgh of the award, which dates back to 1883, could not be heard by history scholars across the land.

Big Jim, perhaps the last honest politician, breathed life into the images of presidents, popes, kings, king-makers, dictators, tycoons and common folk he met along the way. He thanked the long-gone constituents (Farley will be 86 "and holding," as he says in this space age, on May 30) who launched him on his political career by electing him town clerk of Stony Point, N.Y. in 1912. And he especially thanked a man who moved him into the big leagues of politics, Jimmy Walker.

PICTURE IN PARIS

He told of a meeting he had with Walker in Paris during the latter's troubles with New York's imperious Judge Samuel Seabury. A New York Times correspondent asked the two to pose. Walker, perhaps the most photographed politician of that time, demurred. He didn't think it would be a good thing for Farley, who was responsible for making Franklin Delano Roosevelt the President of the United States. Farley said nonsense, and the picture was taken. It appeared on the front page of the Times.

Seabury had some harsh things to say about Farley for consorting with a man who had fled the country, and when he returned by ship Farley was questioned about the Seabury blast by reporters who had "gone down the bay." One of them, Jim recalled the other night, was Jimmy Duffy of the N.Y. Telegram.

FRIENDLESS JUDGE

"I knew Jimmy well," Farley reminisced at the Waldorf. "He was the dean of that crowd. So I said to him, "Jimmy, it's apparent that Judge Seabury doesn't know what it means to have a friend."

Farley apologized about the length of his accepting speech.

"I've gone to so many banquets that I've become sensitive about the time the average speaker takes to get over a point. I tried to wrap mine up as quickly as I could, knowing it was getting late. In my confusion I think I left out seven presidents I have known. But I guess the memory of Mussolini helped me shorten it. I was received by him after he came into power and complimented him on the draining of the Pontine marshes at some length. He seemed to be fascinated by what I had to say about the marshes and the political situation. It became a monologue. But then he put his hands on the arms of his office chair and half rose from it.

" 'When are you leaving Rome?', Mussolini said.

"I took the hint."

AUTHORIZATION AND LIMITATION OF EMPLOYMENT OF WHITE HOUSE PERSONNEL

HON. MICHAEL HARRINGTON

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. HARRINGTON. Mr. Speaker, I support passage of H.R. 14715, a bill to authorize and limit employment of White House personnel.

In one sense, I am reluctant to approve any authorization for the White House staff. I cannot help but wonder if I will be paying the salary of yet another Egil Krogh, John Dean, John Erlichman, Bob Haldeman, and even Tony Ulasciwitz, none of whom in my opinion were among the greatest public officials ever to serve this country.

Nevertheless, I am aware that in dealing with the abuses of the Nixon administration, Congress must not place undue restrictions on the office of the Presidency and future Presidents. Clearly, the President needs competent staff to help him perform his duties. However, H.R. 14715 places needed limitations for the first time on the growth of the President's office that began almost from its inception and which has accelerated out of control in the Nixon administration. Under the Nixon administration, the growth of the Executive Office of the President has increased almost 400 percent over the last part of the Johnson administration.

While there is nothing inherently wrong with the concept of growth in itself, when in the wrong place and at the wrong rate, uncontrolled growth must be controlled. For at least two reasons the growth of the Executive Office must be halted. First, because of President Nixon's highly original but constitutionally questionable doctrine of executive privilege extending over the entire executive staff, each new executive position results in one more policymaking individual refusing any accountability to Congress or to the public at large. This extension of secrecy in Government must be stopped today in order that it may be reversed tomorrow. Second, the expansion of the Executive Office staff has led to needless duplication of efforts with the existing Government agencies.

H.R. 14715 is not going to end secrecy in the Nixon administration or eliminate duplication between the Executive Office and the executive agencies. However, it is a step in the right direction. Through the bill, Congress for the first time authorizes employment of White House personnel rather than simply leaving White House staffing questions to the appropriation process. In addition the bill will limit the number of professionals who can work in the White House office. The bill also stops the President from hiring top-level executives in ungraded positions not subject to normal civil service controls. While the President has long had the authority to hire ungraded employees to enable the hiring of specialists, such as groundskeepers and French chefs, not falling within normal civil service classifications, President Nixon has distorted this authority to hire 70 top-level officials in ungraded positions. Finally, the bill will put a limit on the length of time the White House may detail any single individual from another executive agency to work in the White House.

Despite my support for the bill, in many ways I think the bill should go further. While the bill restricts staffing of the White House office, it fails to restrict staffing of the proliferating number of councils and miniature bureaucracies within the Executive Office of the President. From 1970 to 1972 alone, nine new satellite offices, many of whose functions previously had been performed by staff assistants, were created in the Executive Office of the President. Some of these offices—such as the Office of Telecommunications Policy which apparently attempts to influence the Federal Communications Commission—seem to have no legitimate function at all.

The bill also fails to restrict the number of employees who can be detailed from executive agencies to the White House. While the bill does restrict the length of time that such employees may be detailed, it does not restrict the total number of employees who may be so detailed. Given that in 1971 the Nixon administration acknowledged detailing 273 employees from other agencies to the White House, this is a matter of considerable concern. In a related matter, the bill does not deal with the problem of what I call laundered people. The White House must be prevented from placing high-level policymakers at the White House on the payrolls of outside executive agencies when these individuals have never even served a day in the agency from which they are being paid.

Another shortcoming of the bill is its failure to take precautions against the possibility of the spending of White House funds for transitional activities after the resignation or impeachment of a President or Vice President. When Vice President Agnew resigned, he remained on the White House payroll sorting out his papers for 6 months. This situation must be prevented from recurring in the future.

In fact, while the bill does restrict to some extent the number of staff that the White House can hire, the bill places no restrictions on the type of activities that the White House must fund. Serious consideration must be given to restricting the White House from using the taxpayer's funds for anything other than governmental functions. Certainly, it is questionable as to whether Government funds should be used to defend the President from his alleged criminal activities.

In conclusion, H.R. 14715 is a good bill as far as it goes. But the bill must be kept in perspective as only a beginning in controlling the expansion of the White House staff; considerably more must be done in the future.

"DEAR COLLEAGUE" LETTER SENT ON PEANUT PROGRAM

HON. DAWSON MATHIS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. MATHIS of Georgia. Mr. Speaker, a "Dear Colleague" letter was delivered to each office on Wednesday morning headed "It's Time We Said Nuts to The Peanut Lobby."

The cosigners intend to offer an amendment to the agriculture, environmental and consumer protection appropriations bill which would prohibit the use of any funds provided therein for the purpose of carrying out a price support program for peanuts.

Not only is the amendment ill-advised, but the cost figures cited in the letter are sheer exaggeration. To say that the peanut program will cost the American taxpayer $1,188,000,000 between 1975 and 1979 shows a complete lack of knowledge of the program.

To set the record straight, the entire cost of the 1973 peanut crop to the Department of Agriculture was $3.9 million. This is a true figure.

The original GAO estimate on this 1973 crop ranged in the vicinity of $50–$60 million. This alone proves how correct GAO estimates are and this is what the sponsors of this proposed amendment are basing their figures on. It is also felt that in the next few years, the cost of the program could conceivably be zero because the exports of peanuts are being sold at the same price that the Commodity Credit Corp. buys them.

I would also like to remind the Members who are sponsoring this amendment that they know very well that the peanut industry representatives have been diligently negotiating with the Department on ways to legislatively make the program even more effective. They also know that many committee hearings have been held with both the Department of Agriculture and peanut industry personnel participating. Any attempt to destroy this program by attaching an amendment to an appropriations bill would seriously damage any on-going negotiations between the parties involved.

Mr. Speaker, I certainly hope the Members of this House will see through this facade and not destroy a program that has worked so well for so many years.

STATEMENT OF REPRESENTATIVE JOHN E. MOSS REGARDING THE AGRICULTURE, ENVIRONMENTAL AND CONSUMER PROTECTION APPROPRIATIONS BILL—H.R. 15472

HON. JOHN E. MOSS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. MOSS. Mr. Speaker, the House of Representatives will vote on several important amendments to the Agriculture, Environmental and Consumer Protection Appropriations bill on Friday, June 21, 1974. These amendments will deal with the Appropriations Committee's treatment of the funding and programs of the Federal Trade Commission.

The Federal Trade Commission is, in this era of continuing substantial inflation, one of the most important Federal agencies from the point of view of the consumer. Through its power to investigate monopoly and unfair and deceptive practices and through its power to prosecute violations of the Federal Trade Commission Act and the antitrust laws, the FTC is a governmental agency which can have a significant impact on the prices consumers pay for goods and services.

It was therefore surprising to me and many other Members that the Appropriations Committee in H.R. 15472 severely limited the ability of the FTC to protect the consumer.

I have great admiration for the Appropriations Committee and each member on the committee. Unfortunately in this situation, the committee seems to have acted somewhat hastily and without full consideration of the legislative and policy implications of its budgetary decisions.

The Agricuture, Environmental and Consumer Protection Appropriations bill includes the following inadequate or restrictive provisions regarding the Federal Trade Commission:

First, fails to appropriate $650,000 to assist in the preparation for trial of the FTC's antitrust action against the eight major oil companies;

Second, fails to appropriate $364,000 needed by the FTC to complete the energy study of the coal, gas, and nuclear industries mandated by the Congress last year—fiscal year 1974—Special Energy Appropriations.

Third, limits the appropriation for the collection of line of business economic data to 250 firms, to be selected at random, apparently from the 200,000 manufacturing companies in the United States;

Fourth, legislates restrictions regarding the use of data obtained in line of business questionnaires by prohibiting any use other than the "statistical purposes for which it is supplied."; and

Fifth. Unduly restricts the legislative powers vested in the FTC by law by requiring that funds provided in the act "shall be available only for the purposes for which they are appropriated." Apparently this provision of the bill would require each agency subject to its terms to obtain the express approval of the Appropriations Committee before reprograming any funds for which any purpose had been specified in communications with the Appropriations Committee.

Mr. Speaker, yesterday myself and several other Members wrote to all of the Members of the House of Representatives describing the shortcomings of the appropriations bill. The Members signing the letter are: Representative HARLEY O. STAGGERS, chairman of the House Interstate and Foreign Commerce Committee, Representatives JOHN D. DINGELL, PAUL G. ROGERS, BOB ECKHARDT, JOHN MELCHER, BROCK ADAMS, CHARLES A. VANIK, EDWIN B. FORSYTHE, THOMAS A. LUKENS, and SILVIO O. CONTE. The text of that letter is as follows:

RE: FTC 1974 APPROPRIATIONS BILL

We write you concerning a matter of great urgency. Recent changes in the programs and budget of the Federal Trade Commission made by the Appropriations Committee raise the gravest problems. These changes will reach the floor Friday, June 21, 1974 embodied within H.R. 15472, the Agriculture, Environmental and Consumer Protection Appropriations bill. The effect of these changes will be the hobbling of litigation against the eight major oil companies, the halting of a previously mandated study of the gas, coal, nuclear power industries, the effective cancellation of the F.T.C. line of business study of the nation's 500 largest manufacturing companies and the usurpation of oversight juries by the Appropriations Committee. We believe these programs are essential. We will, therefore, be offering the following amendments to H.R. 15472 on Friday.

First, we will ask that the $650,000 request of the F.T.C. for a computer based data retrieval system for use in antimonopoly litigation against the eight major oil companies be honored. The F.T.C. expects to receive 3 million documents, an estimated 25 million pages, during the discovery process. Recent experience in the private sector indicates that a litigant not using such a system functions with a severe and potentially decisive disadvantage. In a year which has seen explosive increases in oil prices, such a hobbling of the consumer's representatives is outrageous.

Second, we will offer an amendment to appropriate $364,000 needed by the F.T.C. to complete the Energy Study mandated by Congress last year. (F.Y. 1974 Special Energy Appropriations) This is a study of the coal, gas, and nuclear industries in America. We are asked daily to legislate in these areas. We feel it is irresponsible to do so without hard data on the industries affected.

Third, amendments will be offered to restore the original purpose of the F.T.C. line of business investigation of the nation's 500 largest manufacturing companies. Presently, companies report in one of 31 different categories in the Quarterly Financial Report. This yields such results as ITT's "Wonder Bread" operations being grouped under the communications category.

The F.T.C. would gain basic data about the most important economic institutions in America, data that the consumer's representative should have and which the F.T.C. has the right to have under § 6(b) of the F.T.C. Act.

The Appropriations Committee has effectively cancelled this program by limiting the study to 250 firms and by requiring that the 250 be chosen *at random* from the same 200,000 manufacturing companies in America. This change will render the study meaningless and will according to statistical estimates yield data primarily on *small* firms, firms which do not possess the requisite information.

Fourth, an amendment will be offered to strike the limits on FTC use of the line of business data. (p. 47 lines 13–24) This is already covered by 18 U.S.C. 1905. Any further limits should come only after full hearings in the appropriate legislative committee.

Fifth, an amendment to strike § 511 of H.R. 14572 (p. 52) will be offered. This section effectively places day to day oversight power in the Appropriations committee. This usurpation of traditional legislative function by the Appropriations committee presents a grave threat to the legislative process.

We urge your support for these important amendments.

One of the most important amendments which the House will consider would eliminate the improper restrictions imposed by the Appropriation Committee on the collection of economic data by the Federal Trade Commission. The elimination of these restrictions is supported by the Consumer Federation of America and many other consumer organizations. On May 22, 1974, Carol Tucker Foreman, Executive Director of CFA, and Elizabeth Langer, Legislative Director of CFA, circulated a comprehensive memorandum discussing some of the arguments against restricting the FTC's collection of economic data and effectively refuting them. For the enlightenment of the Members of the House, I am incorporating a copy of that memorandum in the CONGRESSIONAL RECORD:

FTC'S LINE OF BUSINESS REPORTING PROGRAM: ANSWERS TO SOME FREQUENTLY ASKED QUESTIONS

It has come to the attention of CFA that a prohibition against the use of funds authorized by Congress for FTC's Line of Business reporting system may be introduced during the upcoming Appropriations Committee mark-up. Line of Business reporting would provide numerous benefits for consumers, legislators, small businesses, government and economists, and CFA urges support for full funding of this program.

Question: Does the Line of Business reporting requirement violate the confidentiality of this data?

Line of Business reporting has been compared with the highly objectionable Executive Order (since rescinded) giving the Department of Agriculture access to farmers' income tax returns. There are numerous distinctions between the two. First, income tax returns are essentially private documents, and the USDA was singling out one group, farmers, and invading their privacy. On the other hand, line of business reporting requires conglomerates to report profits on each product separately, which is presently required of all non-conglomerates. Secondly, the reports to FTC involve statistical measures of past economic performance, and do not deal with the details of ongoing business operations. Third, the smallest of the 500 reporting firms will have at least $240 million in annual sales and revenues and the largest over $30 billion, while the typical farm operation has sales of less than $100,000. Lastly, most of the 500 firms covered by the line of business reporting requirement are publicly owned corporations, unlike the family owned farm enterprise.

Question: Why do we need a new FTC reporting program when SEC already collects "line of business" data?

SEC's purpose in collecting so called "line of business" data is primarily for the benefit of shareholders. The FTC program, on the other hand, is designed to stimulate competition, provide Members of Congress with the information vital to legislating in this area, and furnish academicians and economists important facts necessary to studying our economy and spiraling inflation.

At present SEC permits each reporting firm to determine which line of business classification it will use for each product. This method of reporting does not lend itself to comparisons of data among various firms manufacturing a given product. An FTC staff study of 19 firms reporting to the FTC on a line of business basis showed that they had an average of more than 30 operating divisions but only an average of five different lines of business reported on the comparable SEC form, 10k. Some of these lines as reported by individual firms included more than 40 separate product lines as defined in OMB's standard individual classification manual. Such data do not permit economists to get a statistically reliable view of individual product markets.

FTC would collect line of business data from some firms which are privately held and not subject to jurisdiction of SEC. The inclusion of these firms is necessary to get reliable data on an aggregated industry by industry basis.

In 1946 the Quarterly Financial Report program was transferred from SEC to FTC and the FTC has handled the program very successfully within the limits of the program's usefulness.

Question: Why doesn't the Census Bureau collect line of business data, rather than establishing a new program in the FTC?

The Census Bureau has no authority to collect data under compulsory process, and only compulsory process assures the accuracy of the data.

Data needed for FTC purposes, e.g., to measure profitability and the extent of competition, cannot be efficiently ascertained and collected by the Census Bureau, whose existence performs a very different function. Furthermore the experience gained by FTC in gathering and using the information will aid the FTC in future revisions of the reporting forms.

The major purpose for collecting data is to provide this information to the Congress. Since the Census Bureau is a part of the Commerce Department and the Executive Branch it is subject to political pressures from this branch.

Question: Won't compliance with this program constitute an unreasonable financial burden for industry?

The line of business reporting program applies only to the largest 500 firms in the U.S. The smallest of these will have annual revenues of at least $240,000,000. The largest will have revenues of over $35,000,000,000. Such firms already have very large and highly competent accounting departments for meeting the company's accounting needs for tax, SEC and management purposes. During the past two years they have submitted quarterly reports to the Cost of Living Council on a product line basis and although these reports are substantially more limited than the line of business program, they do provide a good basis for estimating actual costs of compliance with line of business reporting requirements. The FTC has estimated the cost of compliance to be approximately $800. Industry has claimed that the cost will be far higher, however no firm raising cost objections has submitted a certified accounting statement showing the costs of their present accounting programs and the incremental costs attributable to the line of business program on an empirical basis. The actual line of business cost projection must be measured as an incremental cost and as a portion of the reporting firm's total accounting department budget, as overhead costs will undoubtedly remain the same.

Even if it is felt that the costs of compliance with the line of business program are significant, it is necessary to measure these costs against the anticipated benefits of increased accounting activity and the availability of this information to the FTC, the Congress and the public. The availability of various performance data to potential market entrants for identifying market items with high profitability can also be expected to have substantial direct and indirect benefits to the economy.

Question: Is the reporting method chosen the best method?

While there are some criticisms that the information sought is not sufficiently specific, the program is extremely well designed for the FTC's purposes. Minor adjustment of product class definitions and the addition of some bookkeeping entries would improve the reporting system.

Question: Why not begin with a scaled down experimental program?

Any experimental approach would necessitate a reduced number of product categories rather than a reduced number of reporting firms, for with fewer firms the picture would not be accurate. Inclusion of only the largest firms in the top 500 would not be likely to produce reliable information with regard to any but a very few product lines. The reasons for collecting information for all manufacturing categories initially are because the Congress and the public may be interested in a great variety of products and the FTC, in utilizing the aggregated data for economic purposes, needs to compare the data for any given product category with the data for all other product categories.

VOTERS TAKE THE INITIATIVE

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. RANGEL. Mr. Speaker, reform of the political process is an issue of universal concern in the age of Watergate. Democracy has been pushed to the limit; internal weaknesses have been revealed. How much influence do the American people actually have in the Halls of Congress, or in the corridors of the White House? Does legislation reflect the will of the people, or the will of organized special interest groups and lobbyists? We must begin to streamline the system, to make it responsive to our constituents, to return the reins of power to those who will promote the public interest. Such a movement has already begun on the local level, and is represented by the instrument of "initiative," which enables voters in 23 States to transform their views into laws without a legislative middleman. I hope WCBS' May 28 editorial, which describes initiative, will be of interest to my colleagues:

TAKING THE INITIATIVE

Democracy, the textbooks say, is that form of government in which the supreme power is vested in the people. But how do the people exercise that power? Well, in America the people elect representatives to various legislative bodies and these representatives are supposed to pass laws that reflect the will of the people who elected them. Only sometimes it doesn't work that way. Sometimes the will of the people and will of their elected representatives aren't the same, sometimes their interests actually conflict.

What happened this year in California is a case in point. The Sacramento legislature had passed campaign reform laws that many Californians believed were too weak. Of course, the unhappy voters could vote against the legislators to show their disapproval. But Californians have another option. They can use their "initiative".

The initiative is a tool of democracy designed to give people a more direct voice in lawmaking. It was first used in the United States in South Dakota in 1898. And now 23 states have it in their constitutions. Essentially it works this way: If a fair proportion of the voters in a state, say 15 per cent, sign a petition they can initiate legislation themselves and have it placed on the ballot for people to vote on in the next election. In California this year 325,000 voters signed petitions to place strong campaign reform legislation on the ballot. That way the people will be able to vote directly for laws their state legislators refuse to pass.

After the inadequate campaign reform legislation that New York State lawmakers passed this year, we can't help wishing that New Yorkers had the initiative to fall back on. As a matter of fact neither New York, New Jersey nor Connecticut has provision for popular initiative in their state constitutions and we think they should.

The cure for the evils of democracy, it has been wisely said, is more democracy.

CREATING EMPLOYMENT IN RURAL AREAS

HON. DAVID W. DENNIS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. DENNIS. Mr. Speaker, I was recently gratified to attend a very special loan closing ceremony in Greens Fork, Ind., in the 10th Congressional District which I have the honor to represent. The ceremony took place on May 24, 1974. The loan, to enlarge the Dynamic Precision Controls Corp. at Greens Fork and to create new employment, was made through the rural development program with a guarantee provided by the Farmers Home Administration.

The occasion was special and unique because this is the first Farmers Home Administration loan of this kind in my district and only the second one in Indiana. Under this program, the Department of Agriculture can provide loan guarantee authority to help arrange private bank financing of rural businesses, thus benefiting the rural community in many ways.

This loan will increase the Dynamic Precision Control Corp.'s production of precision control instruments and other devices, including automobile cruise control units and gasoline mileage testers. The corporation's plant occupies a former school building in Greens Fork, with production lines set up in what was once the gymnasium. With the expansion made possible by the loan, the company expects to increase its working force from about 20 to 70 people, with both women and men employed on the production lines.

As I toured the plant after loan closing, I was impressed with the good cause that has been made of the abandoned school building, in contrast to the many that are being razed or standing idle throughout the country. I congratulate the president of Dynamic Precision Controls, Vern C. Vanderbilt, and the school board for their wise and creative decision.

JUNE 15, 34TH ANNIVERSARY OF SOVIET ANNEXATION OF LITHUANIA

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. BIAGGI. Mr. Speaker, June 15 is a date we should mark, as it represents one of the most tragic events in the annals of world history, the 34th anniversary of the forcible annexation of Lithuania by the Soviet Union. This event led to the subsequent subjugation of these people to a rigid system of political persecution, which when defied only brought the deportation of thousands of Lithuanians to Siberian concentration camps.

Even now more than three decades later, we hear of the continued struggle of the Lithuanian people to regain the religious and political self determination which has eluded them for so long, under the oppressive rule of the Soviet Union.

Yet despite the adversities of the previous 34 years, the freedom loving spirit of the Lithuanian people has remained undaunted and strong, and has served as an inspiration to all those who cherish the fundamental rights of freedom for all men.

The tragic plight of the Lithuanian nation should point up with stark clarity the fact that the Soviet Union even today, while actively pursuing a policy of detente with this Nation, has yet to recognize the fundamental principle of self-determination for the millions of people who live under their rule.

As we enter into substantial agreements with the Soviets, we should keep these facts in mind, and must never forget that it will be impossible for the Soviets to be meaningful partners in international agreements unless they release their stranglehold on the nations of Eastern Europe.

There is more we can learn from commemorating this day. It can be an opportunity for this nation to reaffirm our beliefs in the rights of all oppressed persons in the world. Just as we have championed the cause of the Soviet Jew, and the citizens of Northern Ireland, so must we extend our commitment to the cause of all the peoples of Eastern Europe.

Mr. Speaker, the Lithuanian people have endured 34 years of oppression and ruthless rule. Yet they have far from abandoned their struggle. They look to us, the greatest free nation in the world to support them in their efforts. We must not shrink from the challenge, but rather welcome it and thus strive for the day when we can instead celebrate Lithuanian Independence Day.

FPC DECISION ON THE BLUE RIDGE PROJECT

HON. HARRY F. BYRD, JR.

OF VIRGINIA

IN THE SENATE OF THE UNITED STATES

Thursday, June 20, 1974

Mr. HARRY F. BYRD, JR. Mr. President, on June 14, 1974, the Federal Power Commission rendered a favorable decision on the Blue Ridge project after almost 10 years of intensive study. The Blue Ridge project, a two-dam, combination pumped-storage, and hydroelectric facility on the New River in southwest Virginia, would provide vitally needed additional energy resources to a large portion of the East Central United States.

The FPC found after a thorough review of the 7,400 pages of testimony that the project would be in the public interest. In addition, substantial flood control and recreational benefits will be realized by its completion.

The Roanoke, Va., Times noted editorially on June 18, 1974, that—

> Important decisions are best made by competent people who have spent plenty of time studying the subject.

I ask unanimous consent that the editorial be printed in the Extensions of Remarks.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

[From the Roanoke (Va.) Times, June 18, 1974]

BEST DAM DECISIONS

If important decisions are best made by competent people who have spent plenty of time studying the subject, the Federal Power Commission has reached the best decision on the Appalachian Power Company's proposal for a Blue Ridge Dams project. The commission ruled unanimously; its administrative judge had recommended the project firmly. The question now is whether the House of Representatives will substitute its sudden judgment on yet another slick device by which North Carolina Congressmen have sought to stop the project. The FPC granted the license but made the effective date January 2, which gives Congress time to interpose.

The device used this time is a bill providing that the area involved be studied for possible inclusion in the National Wild and Scenic Rivers system. The Senate has already passed the bill which would halt dam construction for a two-year study; and, if the study recommended inclusion, would enable the Congress to study the question for two more years before acting.

If those sponsoring this plan had organized many years ago to bring it about, and pled with Congress to put federal controls on the use of their wild and scenic land, the effort could be accepted as one made in good faith. It might even be worth applause. But it fits too completely the old pattern of delay by legislative trickery. Advocates of the dam are justified in figuring that if the power company finally gives up and goes away, the "study" provided will find plenty of opposition even from those who wanted the study to use as a tool.

The FPC opinion made these notable points: The project from a power standpoint will benefit not just Virginia but North Carolina and all electric utility customers on the Eastern seaboard. The grid system enables one utility to come to the help of another under great demand. The project will provide great recreational benefits to the areas dammed—something which those who visit a similar project at Smith Mountain Lake can attest to.

The House of Representatives should see through this maneuver; it should not substitute its own judgment, arrived at in a few fleeting weeks, for that of the commission which has spent 12 years on it.

MEAT IMPORTS MUST NOT BE RESTRICTED

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. ROSENTHAL. Mr. Speaker, I have today sent a telegram to the President urging him to resist cattle industry demands that meat imports be ended or restricted.

The plight of the cattlemen is due to their own withholding action during last year's price freeze and the failure of retail prices to reflect the decline of meat prices at the producer and wholesale levels.

A reimposition of the quotas would penalize consumers for the imprudent actions of the cattlemen and the profiteering of some middlemen and supermarket retailers. It would be like jailing the victim of a purse snatching instead of the perpetrator.

Consumers were excluded from recent White House discussions of the cattle price situation and it would be ironic, indeed, if the President acceded to the anticonsumer demands of the cattlemen at a time when his consumer adviser, Mrs. Virginia Knauer, was hosting a meeting in Washington for State and local consumer officials from across the Nation.

What is needed is for the Government to force middlemen and retailers to bring their meat prices into line with producer prices and to end the trend toward increased economic concentration in the food industry.

My telegram to the President follows:

Hon. RICHARD NIXON,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I respectfully urge you not to reinstate quotas under the Meat Import Quota Act. Consumers continue to pay unreasonably high prices for meat even though farm prices have declined in recent months. Lifting the suspension on meat quotas would penalize consumers for the profiteering of certain middlemen and supermarket retailers. Action to force retail food prices into line with farm prices would seem to be indicated.

BENJAMIN S. ROSENTHAL,
Member of Congress.

UNION LETTER IN FAVOR OF JACKSON-VANIK AMENDMENT

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. WOLFF. Mr. Speaker, as the President prepares for his trip to Moscow and the Senate continues consideration of the trade bill, I feel that it is important Members of Congress be aware of the strong and constantly growing support that exists for the Jackson-Vanik amendment to the trade bill.

An excellent statement, covering the economic and moral sides of this question, was written by Thomas W. Gleason, president, International Longshoremen's Association, AFL-CIO, and vice president, AFL-CIO, in a letter to Chairman LONG of the Senate Finance Committee. I would like to share this letter with my colleagues at this point in the RECORD.

INTERNATIONAL LONGSHOREMEN'S ASSOCIATION,
New York, N.Y., June 17, 1974.

Hon. RUSSELL B. LONG,
Chairman, Senate Finance Committee,
Senate Office Building,
Washington, D.C.

DEAR SENATOR LONG: We view with grave concern the drive by the Soviet Union to gain favored nation status under the Trade Bill. Assuredly, this nation, the bulwark of world democracy, can scarce afford to betray our fundamental principals in return for questionable economic considerations. History has provided us with too many poignant experiences at the hands of dictatorial nations, to now again, permit ourselves to be maneuvered into even believing that a truly harmonious relationship can flourish between nations.

In too many instances, the readiness of the United States to salvage the woes of the communist and fascist countries has but enabled those governments to sow and nourish their antagonistic and hostile philosophies.

Labor, in this country, is undergoing a serious crisis; the competition from cheap foreign labor has created critical unemployment problems, and to further promote difficulties for the domestic labor and consumer markets would be intolerable.

If Russia desires, in good faith, to express and demonstrate its friendship for this nation and the free countries of the world, let it first release its populace from political slavery; and provide its people wtih the absolute right of freedom of worship, freedom of expression, freedom of emigration and those other freedoms for which our boys have sacrificed to make this a better world in which to live.

We respectfully submit, that until Russia can sit at the bargaining table with "clean hands" and with good conscience it should not be afforded favorable consideration by the President and Congress.

Accordingly, we fully support, endorse and urge the passage of the Jackson-Vanik Amendment to the Trade Bill.

With every best wish.

Very truly yours,

THOMAS W. GLEASON,
President, International Longshoremen's Association, AFL–CIO, and Vice President, AFL–CIO.

THIRD MEMBER OF FAMILY RECEIVES LIFE SAVING AWARD

HON. ED JONES

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. JONES of Tennessee. Mr. Speaker, I would like to take this opportunity to honor Mr. Herman Zimmerman of Dyersburg, Tenn., who was awarded the Red Cross Certificate of Merit for Lifesaving on June 18, 1974, in ceremonies at Dyersburg State Community College.

Mr. Zimmerman, an engineer with Heckethorn Manufacturing Co., Inc., of Dyersburg received the highest award made by the Red Cross for saving a person's life through the use of first aid. Mr. Zimmerman, 58, is the third member of his family to receive such a citation.

Zimmerman successfully administered mouth-to-mouth resuscitation to W. Marvin Early, a Heckethorn employee, who had collapsed at the Dyersburg plant from a heart attack. Mr. Zimmerman accompanied the heart seizure victim to the hospital and assisted in transferring him to the emergency room. Mr. Early later recovered and has since returned to work.

Mrs. Jan Zimmerman, his wife, was the first to receive the Red Cross Certificate of Merit. In 1963 she and her husband came upon an automobile accident near Lebanon, Ill. Stopping at the crash scene Mrs. Zimmerman identified herself as a first aid instructor and offered to assist. Police at the scene gave her permission and Mrs. Zimmermann crawled through the window of the disabled vehicle and began administering mouth-to-mouth resuscitation to the accident victim, continuing until units from the Lebanon Fire Department arrived.

Their daughter, Mrs. Lynn Mann, was in her kitchen in an east Memphis apartment in 1970, when neighbors came to ask her if she could help with a 7-year-old boy who had been rescued from the complex's pool. She ran to the poolside and immediately applied artificial respiration and revived the child by the time an ambulance arrived. The youngster was taken to a hospital and later was pronounced in good condition.

Mr. and Mrs. Zimmermann are both Red Cross first aid instructors and Mrs. Mann has received Red Cross first aid training and is a Red Cross water safety and swimming instructor volunteer.

SENATE—*Friday, June 21, 1974*

The Senate met at 10 a.m. and was called to order by Hon. HOWARD M. METZENBAUM, a Senator from the State of Ohio.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Eternal Father, we thank Thee that where the spirit of the Lord is there is liberty. May Thy spirit pervade the life of this Nation that we may be kept by Thy grace. Keep us captive only to Thy spirit—that we may be free from bondage—to self, to things, to position, to power. Hold us firmly and guide us clearly that we may pursue only what is good and true and just. Help us all to live the God-centered life we profess, to obey Thy laws, to love Thy ways, to keep Thy covenant.

And to Thee shall be all thanksgiving and praise. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. EASTLAND).

The assistant legislative clerk read the following letter:

U.S. SENATE,
President pro tempore,
Washington, D.C., June 21, 1974.

To the Senate:

Being temporarily absent from the Senate on official duties, I appoint Hon. HOWARD M. METZENBAUM, a Senator from the State of Ohio, to perform the duties of the Chair during my absence.

JAMES O. EASTLAND,
President pro tempore.

Mr. METZENBAUM thereupon took the chair as Acting President pro tempore.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the Speaker had affixed his signature to the enrolled bill (H.R. 13839) to authorize appropriations for carrying out the provisions of the International Economic Policy Act of 1972, as amended.

The ACTING PRESIDENT pro tempore (Mr. METZENBAUM) subsequently signed the enrolled bill.

THE JOURNAL

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the reading of the Journal of the proceedings of Thursday, June 20, 1974, be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMITTEE MEETINGS DURING SENATE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that all committees may be authorized to meet during the session of the Senate today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider nominations on the Executive Calendar.

There being no objection, the Senate proceeded to the consideration of executive business.

The ACTING PRESIDENT pro tempore. The nominations on the Executive Calendar will be stated.

THE JUDICIARY

The assistant legislative clerk read the nominations in the judiciary as follows:

William H. Orrick, Jr., of California, to be U.S. district judge for the northern district of California.

Henry F. Werker, of New York, to be U.S. district judge for the southern district of New York.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the nominations be considered en bloc.

The ACTING PRESIDENT pro tempore. Without objection, the nominations are considered and confirmed en bloc.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of these nominations.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

There being no objection, the Senate resumed the consideration of legislative business.

CONSIDERATION OF CERTAIN ITEMS ON THE CALENDAR

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendars Nos. 913, 914, and 918.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

AMERICAN UNIVERSITY

The bill (S. 3389) to amend the act entitled "An act to incorporate the American University," approved February 24, 1893, was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the first section of the Act entitled "An Act to incorporate the American University", approved February 24, 1893 (27 Stat. 476), as amended, is amended (1) by deleting "three-fifths of whom" and inserting in lieu thereof "at least one-fourth of whose duly elected number"; (2) by deleting "the Methodist Church" and inserting in lieu thereof "The United Methodist Church"; (3) by inserting immediately after "required for" the words "carrying out", and (4) by deleting "eleven of whom" and inserting in lieu thereof "at least eleven or more of whom, as determined by duly adopted bylaws,".

(b) Section 2 of such Act, as amended, is amended to read as follows:

"SEC. 2. After the date of the enactment of this section—

"(1) in order to advance the educational intention and spirit of The United Methodist Church in founding the university, all property, both real and personal, of the corporation shall be held in perpetuity for educational purposes;

"(2) in the event that all of the property, both real and personal, of the corporation shall no longer be held for educational purposes as provided in paragraph (1) of this subsection, all right, title, and interest of the corporation, subject to enforceable liens, reservations, and restrictions, shall vest in the Board of Education of The United Methodist Church, a corporation organized under the laws of the State of Tennessee, or its successor; and

"(3) no amendment to this Act shall be proposed by the board of trustees unless first approved by not less than two-thirds of the total duly elected membership of such board."

COMPULSORY VACCINATION FOR PUBLIC SCHOOL STUDENTS IN DISTRICT OF COLUMBIA

The bill (H.R. 8747) to repeal section 274 of the Revised Statutes of the United States relating to the District of Columbia, requiring compulsory vaccination against smallpox for public school students, was considered, ordered to a third reading, read the third time, and passed.

TO PROVIDE FOR PAYMENTS BY POSTAL SERVICE TO CIVIL SERVICE RETIREMENT FUND

The Senate proceeded to consider the bill (H.R. 29) to provide for payments by the Postal Service to the civil service retirement fund for increases in the unfunded liability of the fund due to increases in benefits for Postal Service employees, and for other purposes, which had been reported from the Committee on Post Office and Civil Service with an amendment to strike out all after the enacting clause and insert:

That section 8348 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

"(h)(1) Notwithstanding any other statute, the United States Postal Service shall be liable for that portion of any estimated increase in the unfunded liability of the Fund which is attributable to any benefits payable from the Fund to active and retired Postal Service officers and employees, and to their survivors, when the increase results from an employee-management agreement under title 39, or any administrative action by the Postal Service taken pursuant to law, which authorizes increases in pay on which benefits are computed.

"(2) The estimated increase in the unfunded liability, referred to in paragraph (1) of this subsection, shall be determined by the Civil Service Commission. The United States Postal Service shall pay the amount so determined to the Commission in thirty equal annual installments with interest computed at the rate used in the most recent valuation of the Civil Service Retirement System, with the first payment thereof due at the end of the fiscal year in which an increase in pay becomes effective.".

SEC. 2. (a) The last sentence of section 1005(d) of title 39, United States Code, is repealed.

(b) Section 1005(d) of title 39, United States Code, is amended by adding at the end thereof the following new sentence: "The Postal Service shall pay into the Civil Service Retirement and Disability Fund the amounts determined by the Civil Service Commission under section 8348(h) of title 5.".

SEC. 3. The effective date of this Act shall be July 1, 1971, except that the Postal Service shall not be required to make (1) the payments due June 30, 1972, June 30, 1973, and June 30, 1974, attributable to pay increases granted by the Postal Service prior to July 1, 1973, until such time as funds are appropriated to the Postal Service for that purpose, and (2) the transfer to the Civil Service Retirement and Disability Fund required by title II of the Treasury, Postal Service, and General Government Appropriation Act, 1974, Public Law 93-143.

The amendment was agreed to.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time, and passed.

COST OF VIETNAM WAR

Mr. MANSFIELD. Mr. President, I have asked the Library of Congress to furnish me with a statement relative to the cost of the Vietnam war and also the total number of casualties, including specifically the number of paraplegics and quadraplegics. I have been using some figures which have been quite exaggerated.

I ask unanimous consent, so that the record can be made clear as to the number of paraplegics and quadraplegics resulting from the war in Vietnam, as well as the cost of the war up to the end of 1973 and the projected cost into the next century, that the complete statement I received from the Library of Congress be printed in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

COST OF VIETNAM WAR

In response to your inquiry of May 23, 1974, concerning the best available estimates of the cost of the Vietnam War, the following information is supplied:

1. U.S. CASUALTIES

According to Department of Defense (DoD) figures, as of May 18, 1974, there were 46,243 combat deaths and 10,326 nonhostile deaths of U.S. military personnel in Southeast Asia during the Vietnam War; 153,311 were wounded and hospitalized and 150,343 were wounded but not hospitalized. DoD has been requested by the Congressional Research Service to supply these casualty data for each of the four countries mentioned in your letter (Vietnam, Laos, Cambodia, and Thailand) and this information will be forwarded when available.

2. VIETNAM VETERANS

According to the most recent Veterans' Administration (VA) figures, in September 1973 there were 1,824 paraplegics—including 1,077 double amputees—538 quadraplegic cases involving loss of use of all four limbs, and 6 quadraplegic amputees among the 6,760,000 U.S. veterans of the Vietnam War period. VA expenditures for Vietnam era veterans through June 30, 1972, totalled $7,271,180,000; these expenditures through June 30, 1973, totalled $10,847,227,000 and included disability compensation and pensions, vocational rehabilitation and training, and education and training. It should be noted that these expenditures pertain to all veterans of military service during the Vietnam War period. Only a part of these total costs are attributable to U.S. participation in that war.

3. VIETNAM WAR COSTS REFLECTED IN DOD APPROPRIATIONS

Total obligation authority through the DoD budget in support of U.S. military operations in Southeast Asia for Fiscal Years 1965–1974 totalled $137.9 billion in full costs and $110.4 billion in incremental costs. Estimated outlays for FY 1965–74 totalled $138.2 billion in full costs and $110.1 billion in incremental costs. According to DoD definitions of "full costs" and "incremental costs," *Full Costs* cover all the forces engaged, plus their support, including the costs of added personnel, aircraft operations, munitions used, equipment lost and supplies consumed in Southeast Asia or elsewhere in support of those forces deployed. *Incremental Costs* cover only the costs for non-baseline forces plus extra costs above the normal peacetime operating level of baseline units engaged. For example, full costs include all costs of aircraft operations in the theater, fuel, parts, maintenance and base operations. In peacetime, the baseline units involved would be flying the aircraft in training and other missions, and would incur costs. By the same token, all ammunition consumed in the theater is reflected under full costs. Since the baseline units involved would consume some ammunition in peacetime training, only the difference is included in the incremental cost.

4. OTHER COSTS RELATED TO VIETNAM

U.S. loans and grants to Vietnam for economic assistance through Agency for International Development (AID) and Food for Peace programs in FY 1953–1973 totalled $6.3 billion; loans and grants for military assistance during this 20-year period totalled $14.6 billion, including $12.5 billion in Military Assistance Service-funded (MASF) grants through the DoD budget beginning in FY 1965. It should be noted that these MASF funds are included in the war cost figures cited above.

5. LONG-RANGE COSTS OF VIETNAM WAR

To date, there has been no official study of the long-range costs of the Vietnam conflict. The figure of $352 billion contained in the 1972 and 1973 editions of the Statistical Abstract of the United States derives from the testimony of Prof. James L. Clayton of the University of Utah before the Joint Economic Committee on June 4, 1969. (U.S. Congress. Joint Economic Committee. Subcommittee on Economy in Government. The Military Budget and National Economic Priorities. Hearings, 91st Congress, 1st session, Part 1, June 3, 4, 5, 6, & 9, 1969. Washington, U.S. Govt. Print. Off., 1969. p. 143–150.) Prof. Clayton's estimate of the "ultimate cost of the Vietnam conflict" included $220 billion in veterans' benefits, and he noted that "the greatest increase in costs of any war in our history comes after the fighting stops in the form of veterans' benefits."

The most comprehensive treatment of the subject appears to be a doctoral dissertation on the economic effects of the Indochina War by Mr. Tom Riddell of American University, Washington, D.C., who is currently teaching economics at Bucknell University in Lewisburg, Pennsylvania. The major conclusions of this research were reported in an article by Mr. Riddell, "The $676 Billion Quagmire," which appeared in The Progressive, August, 1973, p. 33–37, and was entered by Senator Mansfield in the Congressional Record, vol. 119, pt. 24, pp. 31764–31767. At such time when Mr. Riddell's dissertation may be published or otherwise made available for public distribution, it will be possible to evaluate the statistical data and research methodology upon which his conclusions are based; however, in the meantime, the figures cited and the projections and extrapolations from these figures in the article noted above cannot be critically evaluated as to their factual accuracy of predictive capabilities.

Please advise if further assistance is required.

WESTERN COAL

Mr. MANSFIELD. Mr. President, in this morning's Wall Street Journal there is an excellent article written by Edwin

McDowell, who is a member journalist on the editorial staff, entitled "The Shootout Over Western Coal."

Mr. McDowell traveled through Montana and I am sure into North Dakota and Wyoming as well. From Colstrip, Mont., he has created a story which I think gives a pretty fair analysis of the situation which confronts those of us so vitally interested in the agricultural economy of eastern Montana and, I would assume, of North Dakota and Wyoming as well, and the possibilities inherent in unregulated strip coal mining.

Mr. President, I ask unanimous consent to have the article printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

The Shootout Over Western Coal

(By Edwin McDowell)

COLSTRIP, MONT.—Almost a century after the rush to California's gold fields, another Westward migration in search of riches is under way. But this time the prize is coal rather than gold. And the newcomers are not individual prospectors or adventurers but mining engineers and coal companies.

Coal, which at one time supplied 75% of America's energy needs, has slipped to a point where it provides only 20%, but it faces enormous demands. Dwindling domestic oil and gas reserves soon will be unable to supply more than 40% of the nation's growing energy needs and if the U.S. is to achieve anything like self-sufficiency by 1980, it will have to find a replacement for an estimated 12 million barrels of oil daily that otherwise would have to be imported at that time.

Thus the burden is largely on coal as the nation's most abundant and economical energy source. One ton contains the energy equivalent of about four barrels of oil, and the nation's coal reserves are estimated upwards of three trillion tons—enough to satisfy America's energy demands for decades and perhaps even centuries. More than half the known recoverable reserves lie west of the Mississippi, much of it in the Fort Union formation that extends across Montana, Wyoming and North Dakota.

Only about 5% of the 600 million tons of coal produced in the U.S. last year was extracted from Western mines. But that is about to change. Though coal from the East and the Midwest is far more efficient in terms of energy output (BTUs) than Western sub-bituminous and lignite, it is estimated that less than 10% of coal reserves east of the Mississippi can meet the standards of the Clean Air Act, scheduled to go into effect July 1, 1975.

Moreover, the low sulfur Western coal lies just below the surface in seams sometimes as thick as 100 feet. Some 50 surface mines are currently in operation throughout the West and a number of new ones are in various stages of development. Although the existing mines produced only about 41 million tons in 1972, by 1985 their output is expected to increase 15-fold to supply about half the nation's coal needs.

PEABODY'S PLANS

Here in Rosebud County, Peabody Coal Co. and Western Energy Co. are each mining two seams, an upper seam about 25 feet thick and a lower one about nine feet thick. Peabody, the nation's largest coal producer, turned out two million tons last year here at its Big Sky Mine and expects to double that in 1974 and remain at that level for at least another 30 years. Western Energy, a subsidiary of Montana Power Co., mined 4.2 million tons last year and expects to mine more than 13 million tons three years from now. It has more than a billion tons in reserve at Colstrip and has contracts for the next 35 years.

Strip mining on this rolling, rugged prairie looks like simplicity itself. It is far safer than undeground mining and on average requires only a third as many workers to produce the same tonnage mined underground. Two enormous machines sit on the edge of two open pits and steadily scoop out as much as 35 cubic yards of overburden. When the soil is removed, huge power shovels at the bottom of the pit load the coal into trucks that take it to a nearby preparation point. There it is crushed and funneled in 10,000 ton loads into a string of 100 high-capacity coal cars (unit trains) for an 850-mile journey to Minnesota Power & Light Co.'s plant in Cohasset, Minn.

In all, four unit trains leave Big Sky Mine each week for Cohasset; another 10 leave Western Energy's Colstrip mine bound for Billings, Minneapolis and Chicago. Increasingly, utilities in the Midwest and Southeast are looking toward Western coal and urging the government to end its moratorium on Western coal leasing.

But some environmentalists argue that coal companies already are sitting on hundreds of leases to federal land containing billions of tons of coal.

The coal company rejoinder to this is that Western development has been hobbled largely by conflicting and vague federal coal leasing laws. Moreover, because of transportation costs Eastern coal traditionally has been cheaper. And Western development has been slowed because until recently utilities have been unwilling to enter into long term contracts for Western coal as long as there was a chance federal air quality standards would be lowered or postponed, or until they knew for sure whether the Environmental Protection Agency would relax its position on scrubbers—devices to remove sulfur dioxide from the smokestacks of coal-fired power plants.

EPA Administrator Russell Train estimates that almost 600 power plants may need scrubbers—or contract for Western coal. The cost of installation could add 15% to the average utility bill, he calculates.

But surface mining in the West raises important problems beyond cost comparisons with Eastern coal and other economic considerations. Digging out huge chunks of earth creates serious environmental and ecological dislocations. And many Westerners simply don't want their unspoiled land to become the nation's utility backyard at any price.

Most Western states now require that stripped land be graded and reclaimed. But, according to a recent report by the National Academy of Sciences, the state agencies charged with enforcement are generally understaffed and the state laws do not provide for "adequate planning, monitoring, enforcement and financing of rehabilitation."

The House of Representatives is about to begin debate on the merits of a strip mine control bill that would set federal minimum reclamation standards. So far, the bill which recently emerged from the House Interior Committee, seems to have pleased almost nobody. Environmentalists charge it is too weak, while industry officials say it is "punitive." The Nixon administration also is critical, claiming the bill would reduce coal production by up to 187 million tons a year—a charge the chairman and ranking member of the subcommittee on the environment heatedly deny.

But even without federal minimum national standards, and despite weak state enforcement, the coal industry insists it is eager to restore and protect the land. Research dollars are being put into everything from mine safety to converting solid coal into clean-burning synthetic oil or natural gas.

Critics reply that this is small consolation after the industry spent only $9 million in mining research between 1969 and 1973. And they argue that less than one half of U.S. land previously stripped for coal has ever been reclaimed.

Here at Blue Sky Mine, Gene A. Tuma, Peabody's Western director of reclamation, proudly points to 3,000 cottonwood, pine, plum, willow, ash and crab apple trees that have been planted on reclaimed land. Although he says it takes perhaps four years to get a really good cover over restored land, the five or six kinds of grass he has mixed with alfalfa and sweet clover appear to be growing well. Moreover, it's evident from the care with which workers have bulldozed around rather than over trees and shrubbery that others here share his conservationist ethic.

It's agreed by many conservationists that reclamation can be successful as long as industry and consumers are willing to pay for it. Estimates range upward to $4,000 an acre to restore Western land to its original value. But this amounts to only about 20 cents per ton and at most would probably add no more than 3% to the average residential electric bill.

Not everyone, however, is convinced. One of the skeptics is Wallace McRae, 38, who owns a 30,000-acre ranch near here and has emerged as a principal spokesman for the Rosebud Protective Association of some 50 or 60 rancher members. "There are too many unresolved questions about the disruption of surface and ground water," he says. He thinks 50 years, not four, would be a better estimate for the probable time needed to determine strip mining's impact on Western land and watersheds.

"Even where reclamation looks good, it's so artificial," Mr. McRae says. "Western Energy's 10-acre reclamation showcase is a mecca for everyone who's out to prove that it works, and if photography could kill grass it would have been a desert long ago. But that's not reclamation. No lawn in the state gets better care. Reclamation is restoring land when it's treated like our range grass."

SIMILAR SKEPTICISM

Mr. McRae's cousin, Evan (Duke) McRae, 46, owner of Greenland Cattle Co., is similarly skeptical even though several years ago he sold five or six sections (640 acres) of his 34,000-acre cattle ranch to Peabody, which leases it back to him to raise cattle and will eventually resell it to him under terms of a buy-back option. (Under the complex legal framework of Western land, surface rights, mineral rights and water rights on the same property may each have different owners and be regulated by different levels of government.) He used the money to buy 12 additional sections nearby. But he says he wouldn't sell another acre, even though he says he has been offered up to $12 million for his property.

"I just don't think the reclamation is all that good," he says. "It seems like the coal companies have to be forced before they'll make real lasting improvements. Some of my property has been reclaimed three times and it still doesn't look good."

Both McRaes admit it's hard for ranchers to resist the lure of multimillion dollar offers and some have, in fact, welcomed the coal companies with open arms. But they say they wonder about their obligation to family and neighbors and they wonder how long it will be before encroaching men and machines destroy the isolation necessary for successful ranching operations.

Like many Westerners, they worry about what mine-mouth conversion plants and gasification plants will do to the region's water tables. They question the social and economic impact of mining on an area so lacking in houses, stores and provisions that it isn't uncommon for mine workers to commute each day from as far away as Billings, 125 miles to the west. They claim school enrollments have tripled in two years and they shudder at the thought of instant cities going up around land their grandfather settled almost 90 years ago.

It isn't always easy for strangers to understand the concern of ranchers, who require about 40 acres of land for each head of cattle. Even the National Academy of Sciences study says that projections indicate a disturbance of only about 300 square miles of Western lands by the year 2000, a figure less than 1% of the total area of eight Western coal states and only 15% as much as the nearly 2,000 square miles of land already disturbed by surface mining in the East. Moreover, only a fraction of the total acreage to be mined will ever be disturbed at any one time.

But that is small consolation in this state, where close to half the coal lies beneath private rangelands to which the federal government owns mineral rights. If Western coal is absolutely necessary, opponents say, it should be excavated from deep mines even if it means having to leave a good part of it underground.

PROFESSOR WEBER'S CONTENTION

In fact, Professor W. Mark Weber, a geologist at the University of Montana and a member of the Sierra Club's fossil fuel subcommittee, contends that industry should make a greater commitment toward removing the remaining quantities of low-sulfur, high-BTU coal in Eastern underground mines before it even thinks about stripping the West. He insists that the so-called Mansfield amendment in the strip mining bill passed by the Senate last year, banning all surface mining of coal where the government has retained mineral rights, "would buy time for Western states to evaluate more fully the environmental consequences of strip mining, while providing an incentive to improve, expand and perfect deep mining in both West and East."

The effect of this, reply the coal people, would be to keep billions of tons of coal from ever being mined.

However Congress eventually resolves the strip mining dilemma and even if it is unable to agree on a federal law, the essential questions will probably remain. Even out here in the Big Sky country, where man and the land seem so much more closely entwined, the dilemma remains as vexing as when viewed from afar. About the only clear impression that emerges is that even here on the Great Plains nature is unlikely to remain in its relatively undisturbed state for very long.

"Some of my property has been reclaimed three times and it still doesn't look good."—Evan (Duke) McRae.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The distinguished Republican leader is recognized.

Mr. HUGH SCOTT. Mr. President, I yield back my time.

The ACTING PRESIDENT pro tempore. Under the previous order, the distinguished Senator from Delaware (Mr. BIDEN) is now recognized for not to exceed 15 minutes.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order accorded to the distinguished Senator from Delaware (Mr. BIDEN) to speak today be vacated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER FOR EXTENSION OF TIME FOR TRANSACTION OF ROUTINE MORNING BUSINESS TODAY

Mr. MANSFIELD. Mr. President, I ask unanimous consent that instead of the 15 minutes ordered for morning business today, there be a time limitation of not to exceed 30 minutes for the same purpose.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

QUORUM CALL

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The third assistant legislative clerk proceeded to call the roll.

Mr. LONG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

DEATH OF CLEM H. SEHRT

Mr. LONG. Mr. President, last Friday, I lost a lifelong friend and Louisiana lost one of its most outstanding citizens.

Clem H. Sehrt was one of the best men it was ever my privilege to know. His life should be an inspiration to Americans of humble birth everywhere. By dint of hard work, perseverence, loyalty, and love of his fellow man, he arrived at the top of the business, professional, and governmental leadership of Louisiana.

Clem first became involved in politics almost immediately following his graduation in 1932 from Loyola Law School. And his political career spanned the entire period from the days of my father, Huey Long, until his death last week. During that time he managed many political campaigns in New Orleans and achieved numerous victories.

It was my good fortune that Clem was my campaign manager in New Orleans the first time I ran for the U.S. Senate. Had it been otherwise, I would not have had the opportunity to serve this Government in the Nation's Congress.

Throughout the years it has been my privilege to work with this great and dedicated American. I found that he was one of those who demanded little of life and gave much to it.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point an article published in the June 16, 1974, edition of the New Orleans Times Picayune which highlights Clem Sehrt's career.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

SEHRT FORCE IN STATE'S POLITICS

(By James H. Gillis)

The late Clem H. Sehrt's political career spanned the entire period from the Huey Long era until his death Friday.

Sehrt managed many political campaigns and he helped to put together the victories of numerous candidates for office, but he never held elective office.

He was a political power in several state administrations, but from the standpoint of public visibility the most important office he held was that of state banking commissioner in the administration of former Gov. John J. McKeithen.

Yet he maintained strong political ties with members of the Louisiana congressional delegation and with the national Democratic Party. During the years in which many Louisiana politicians flirted with States Rights and Dixiecraft movements, Sehrt never strayed off the party reservation.

Hence, he was in excellent standing in Washington whenever a Democrat was President. This paid off in patronage. Sehrt's own former law partner, Edward J. Boyle, is now a federal judge. So is James A. Comiskey, son of the late Assessor James E. Comiskey, who for many years worked in close political collaboration with Sehrt.

POLITICAL OUTSET

He became involved in political activity almost immediately following his graduation in 1932 from the law school of Loyola University where he was a star football lineman.

The first important political campaign in which he became involved was as an active worker in behalf of the candidacy of the late Francis Williams for mayor in a race against the late Mayor T. Semmes Walmsley who had the support of the Regular Democratic Association and the late John Klorer, who was backed by the late Sen. Huey P. Long.

Wamsley was elected. Williams ran third and the elements in his political organization dispersed into other factions. Sehrt aligned himself with the Long faction, which was then ascendant and was to remain so for some time in state politics.

The bitter 1940 campaign for governor found Sehrt managing the campaign of the late Gov. Earl K. Long, who had succeeded to the state's top executive office following the resignation of the late Gov. Richard W. Leche. Long was defeated by Sam H. Jones, but Sehrt was to have success with Long as a candidate in future campaigns.

The election of the late de Lesseps S. Morrison as mayor of New Orleans in 1946 began a period of over 15 years during which Sehrt and his alignments with the Long and Old Regular factions was to be on the other side.

In 1948, after supporting Earl Long's successful campaign for governor, Sehrt became the governor's chief political representative in New Orleans and in the fall of the year he became chairman of the Louisiana Democratic Association, which had been the Long political organization since Huey's day.

In February of 1951, Gov. Long ordered the LDA merged with the Old Regulars, who also were beneficiaries of his patronage. It was done, and Sehrt became chairman of the new organization, which became known as the Louisiana Regular Democratic Association.

GOVERNOR KENNON

The election of Judge Robert F. Kennon as governor in 1952 over an Earl Long-backed candidate was a political setback for Sehrt. However, in 1956, Sehrt and Comiskey, who was the key political leader among the Regulars, helped put together a first primary victory for Earl Long for another term.

This time Long's chief opponent was the late Mayor Morrison. However, within a few months Sehrt fell out politically with Gov. Long over the governor's attempt to raise taxes and call a state constitutional convention.

In the 1959–60 campaign Sehrt supported the candidacy of former Gov. Jimmie H. Davis who defeated Morrison. In the fall of 1960, Earl Long, a long-time political ally of Sehrt, died. Sehrt, however, remained active in various political campaigns. One of those whose successful campaigns he backed was former Mayor Victor H. Schiro.

In the meantime, Sehrt's activity began to shift from politics to banking. In July of 1963 he became president of the National American Bank. In November of 1966 he was appointed by former Mayor Schiro to the Louisiana Superdome Commission. He held membership on the commission at the time of his death through reappointment by Mayor Moon Landrieu.

In December of 1967, Sehrt was named vice chairman of the board of the National

American Bank. He divested himself of his banking connections in January of 1969 when former Gov. McKeithen appointed him banking commissioner. He continued to hold his position until Gov. Edwin Edwards succeeded McKeithen in 1972.

SENATOR JOHNSTON

Mr. LONG. Mr. President, my junior colleague from Louisiana, Senator J. Bennett Johnston, has been a Member of this body for less than 2 years but already he has gained a reputation for hard work, perserverence, and integrity.

I was pleased to read in last Sunday's Washington Post a profile of my colleague entitled, "A Glimpse Into a Day of a Typical Senator." While I enjoyed reading the article, written by David C. Martin of the Associated Press, I might disagree with the headline that Senator Johnston is "typical."

He goes well beyond the standards expected of all of us in exercising the public trust that is implicit in our election to office. He and I have worked well together as a team to help Louisianians.

While we naturally have disagreed on some issues, this has not affected our ability to get together to help our great State and try to serve our constituents when the public interest was at stake.

Mr. President, I ask unanimous consent that the article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

A Glimpse into a Day of a Typical Senator

(By David C. Martin)

The junior senator from Louisiana hangs up his telephone with a sigh and looks at the ceiling. "Damn," he breathes.

Bennett Johnston has just spent a half hour explaining why a fellow senator's pet provision is being cut from legislation Johnston plans to introduce later in the day.

"Bill, if our chances weren't so dim anyway, I'd say let's go ahead and leave it in . . . But Bill, let us leave it out. I am for you, but I just don't want to kill the whole bill. It could lose us those one or two key votes."

And so it goes—and goes. "Here's the thing, Bill. But Bill, don't you see . . ." Bill apparently doesn't see, for he refuses to accept Johnston's reasoning, although he has no choice but to go along.

Finally, Johnston cuts off the conversation. "Let me think about it, Bill," he tells his colleague, but his tone makes clear that he is not about to change his mind.

As Johnston hangs up, his personal secretary enters to tell him that two Democratic colleagues, Sens. Edmund S. Muskie of Maine and Adlai E. Stevenson III of Illinois, want to discuss legislative strategy over lunch at 12:30. This creates a problem since Johnston is scheduled to preside over the Senate for an hour beginning at 1 o'clock. But the secretary already has taken care of that with a phone call to Sen. Floyd Haskell (D-Colo.), who has agreed to take Johnston's place on the floor.

"All right," Johnston says. "Now I don't want anybody to interrupt me for the next hour." He said the same thing about an hour ago, but this time he looks like he means it.

Between his recalcitrant colleague and a string of unscheduled visitors and callers, Johnston has yet to prepare the statement he will deliver in a few hours on the floor of the Senate when he introduces his bill to establish a system of standby wage and price controls.

Johnston, 41, says this is probably the single most important piece of legislation he has handled in his two-plus years in the Senate. For that reason, he explains, today is not entirely typical.

But still this day does have the basic ingredients of any other day, requiring him to balance his legislative duties, either in committee or on the floor, with enough down-home politicking to keep the folks back in Louisiana happy. "You can spend all your time politicking," Johnston says, but "if you're doing your job right you're either in committee or on the floor."

Many times politics and legislation coincide, such as when Johnston fought to kill an oil price rollback that would have upset a lot of powerful constituents in oil-rich Louisiana.

But today his sponsorship of standby economic controls goes against the grain of most of his constituents, particularly some Louisiana businessmen who happen to be in town. He'll have some explaining to do this evening when he attends a Chamber of Commerce cocktail party.

"One of the most difficult things up here is to try to get the story across back home," he says.

This morning, for instance, an influential constituent called to ask why the senator was advocating an immediate and indefinite freeze on all wages and prices. He wasn't. The biggest frustration in being a senator, Johnston says, is "being almost totally misunderstood and seeming almost powerless to do anything about it."

Another frustration is the unwanted but unavoidable interruptions that occur during even the best-planned days. Each morning when he arrives in his office, Johnston is handed a 5-by-8-inch pink slip and a 3-by-5 green card, both outlining his schedule for the day. He keeps the pink slip on his desk and carries the green card in his coat pocket.

Today his first appointment is not until 4 p.m. But when he arrives in his office a few minutes past 9, a gentleman from Covington, La., is waiting to see him. Johnston says, "All right, for just a minute."

The man, a gasoline dealer whom Johnston has helped in gaining relief from the Federal Energy Office, is ushered in for his allotted minute. Johnston says how glad he is that he could help, manages a reference by name to the visitor's wife, tells him to "make this your headquarters while you're here," and walks him to the door, explaining that "today's a big day."

That done, Johnston sits down at his desk to discuss his controls bill with a legislative assistant who is miffed that Muskie and Stevenson have emerged as the principal names on the measure.

Johnston puts in a call to Stevenson and starts working his way through the "IN" box on his desk when his secretary brings word that a man from the Baton Rouge Chamber of Commerce is outside.

The senator hustles to the outer office. "Today's a big day for us," he says, before lapsing into a moment of pleasantries about how members of the Baton Rouge delegation managed to miss their plane.

Johnston returns to his gold-carpeted inner sanctum where a call from Stevenson is waiting. The two spend a few minutes planning a floor exchange that will explain the effect standby controls would have on the health care industry. This canned debate, officially known as a "colloquy," is necessary to establish the legislative intent of the bill should it become law, Johnston explains.

Hanging up the phone, he turns to a job he says is "worse than anything else in the world"—answering mail. His staff already has drafted the needed replies, "but they just don't quite sound right." So he dictates them again.

Next a phone call from a Louisiana reporter who wants to know what Johnston will be doing on the floor this afternoon.

In mid-explanation, Johnston's private phone rings. He answers and proceeds to cut his first secret deal of the day.

"You're going to owe me a lot of favors, pal," Johnston says. "Like what?" queries the voice on the other end. "Like anything I say," Johnston tells his 14-year-old son, spokesman for a small but powerful special interest group.

Young Bennett taken care of, Johnston is back to the Louisiana reporter and a brief discourse on the consumer price index. As soon as he hangs up, another Louisiana reporter is brought in to ask the same questions and receive the same answers.

It is now 10:45 and Johnston has just issued a ban on further interruptions. No sooner said than the phone rings, carrying the insistent voice of his congressional friend with the deleted provision. By 11:30 the conversation is over and the second order against interruptions has gone out.

He spends the next hour dictating the floor statement now scheduled for 3 p.m., then rushes to keep his lunch date with Stevenson and Muskie. Two steps out the door, he stops, sticks his head back in and asks where the luncheon is.

Back in the office shortly after 2, Johnston reads his floor statement aloud to his legislative assistant—"You like that little allusion to an economic ambush?"—and then, for the first time today, heads for the Senate floor.

Stepping off the elevator at the entrance to the chamber, he runs into a trio of labor lobbyists who make one last effort to convince him of the folly of standby controls.

Passing into the chamber, Johnston, "the distinguished gentleman from Louisiana," as he's now called, takes a seat front row center, and shortly launches into his appeal. Only a few senators are present and the press gallery is almost empty.

But over in the spectator galleries, his wife, Mary, has just brought in a high school group from Shreveport to watch their senator in action.

Thirty minutes later, Johnston is finished and Muskie takes over, elaborating further on the inescapable need for this legislation. Then opponents of the measure rise to describe at length the havoc it would bring.

It's almost 6 o'clock now. The high school group has long since departed, and the galleries are all but deserted. Besides Johnston, three senators are on the floor.

Sen. Hubert H. Humphrey is winding up a lengthy and passionate speech in favor of the Johnston bill. As Humphrey finishes, Johnston rises to compliment the distinguished gentleman from Minnesota on his remarks, adding if "the Senate as a whole heard that speech I think the bill would be passed overwhelmingly."

In fact, two days later it was defeated.

The Senate adjourns for the day and Johnston heads back to his office, trying to explain what has been accomplished by so much debate before so few people.

"It has a certain educational value," he says, noting that other senators will read portions of the debate in the Congressional Record the next day.

But mainly, he concedes, it is a chance for senators to deliver themselves of their rounded phrases and to hear themselves praised as the distinguished gentlemen from here or there who have so eloquently presented the case for this or that.

At 6:30 Johnston is back in his office signing the letters he dictated earlier. It is too late to attend the Japanese embassy reception in honor of the Emperor's birthday, but the Chamber of Commerce cocktails are a must. And his late arrival will make it impossible to turn down a dinner invitation after he gets there.

He says he tries to keep such social events down to a maximum of two nights a week. "You can really run that sort of thing into the ground," he says, "not getting your real work done. But sometimes," like tonight, "you just can't avoid it. They're good friends and supporters."

They are waiting when he arrives, gathering around shaking his hand. Flashbulbs pop as the senator engages in earnest conversation with one constituent after another.

QUORUM CALL

Mr. LONG. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. McGEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

COMMUNICATIONS FROM EXECUTIVE DEPARTMENTS, ETC.

The ACTING PRESIDENT pro tempore (Mr. METZENBAUM) laid before the Senate the following letters, which were referred as indicated:

INCREASE IN BUDGET FOR THE PANAMA CANAL GOVERNMENT AND COMPANY FOR FISCAL YEAR 1975 (S. DOC. 93-87)

A communication from the President of the United States transmitting proposed amendments to requests for appropriations for the fiscal year 1975 providing an increase in the budget for the Panama Canal Government and Company (with an accompanying paper). Referred to the Committee on Appropriations, and ordered to be printed.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on June 20, 1974, he presented to the President of the United States the following enrolled bill:

S. 411. An act to amend title 39, United States Code, with respect to certain rates of postage, and for other purposes.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. McCLELLAN, from the Committee on Appropriations, with amendments:

H.J. Res. 1062. A joint resolution making continuing appropriations for the fiscal year 1975, and for other purposes (Rept. No. 93-951).

By Mr. MAGNUSON, from the Committee on Commerce, without amendment:

S. 3320. A bill to extend the appropriation authorization for reporting of weather modification activities (Rept. No. 93-952).

By Mr. HUGHES, from the Committee on Labor and Public Welfare, with an amendment:

S. 2848. A bill to extend and improve the Drug Abuse Education Act of 1970 (Rept. No. 93-953).

By Mr. HUGHES, from the Committee on Labor and Public Welfare, without amendment, and without recommendation:

H.R. 9456. A bill to extend the Drug Abuse Education Act of 1970 for three years (Rept. No. 93-954).

By Mr. FULBRIGHT, from the Committee on Foreign Relations:

S. Res. 345. An original resolution authorizing supplemental expenditures by the Committee on Foreign Relations for a study of matters pertaining to the foreign policy of the United States. (Referred to the Committee on Rules and Administration) (Rept. No. 93-955).

AUTHORITY TO FILE CONFERENCE REPORT DURING THE ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Labor and Public Welfare be authorized until midnight tonight to file a conference report on H.R. 7724, a bill to amend the Public Health Service Act to establish a national program of biomedical research fellowships, traineeships, and training to assure the continued excellence of biomedical research in the United States, and for other purposes.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first time and, by unanimous consent, the second time, and referred as indicated:

By Mr. FULBRIGHT (by request):

S. 3689. A bill to complement the Vienna Convention on Diplomatic Relations. Referred to the Committee on Foreign Relations.

By Mr. PROXMIRE (for himself and Mr. BROCK):

S. 3690. A bill to amend the Civil Liability Provisions of the Truth in Lending Act, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. FULBRIGHT (by request):

S. 3689. A bill to complement the Vienna Convention on Diplomatic Relations. Referred to the Committee on Foreign Relations.

DIPLOMATIC RELATIONS ACT OF 1974

Mr. FULBRIGHT. Mr. President, by request, I introduce for appropriate reference a bill to complement the Vienna Convention on Diplomatic Relations in order to promote the conduct of the foreign relations of the United States by specifying the privileges and immunities which foreign diplomatic missions and their personnel may be accorded in the United States.

The bill has been requested by the Department of State and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when it is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the RECORD at this point, together with the letter from the Assistant Secretary of State for Congressional Relations to the President of the Senate dated June 14, 1974, as well as a section-by-section analysis and the text of the Vienna Convention.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 3689

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Diplomatic Relations Act of 1974."

STATEMENT OF PURPOSE

SEC. 2. The purpose of this Act is to promote the conduct of the foreign relations of the United States by specifying the privileges and immunities to which foreign diplomatic missions and the personnel thereof are entitled and by authorizing the President to regulate, consistent with treaties and other international agreements of the United States, customary international law and practice, and this Act, the granting of such privileges and immunities.

DEFINITIONS

SEC. 3. As used in this Act, the phrase "foreign diplomatic mission and the personnel thereof" includes

(a) any duly accredited permanent or special diplomatic mission of a sending state to the United States, including special envoys, and the members of the staff of the mission, the members of the families of such members of the staff, the private servants of the members of the mission, and diplomatic couriers.

(b) the head of a foreign state or the head of the government of a foreign state, and, when they are on an official visit to or in transit through the United States the foreign minister of a foreign government, and those members of the official party accompanying such officials.

AUTHORITY OF THE PRESIDENT

SEC. 4. (a) The President is authorized, upon a basis of reciprocity and under such terms and conditions as he may from time to time determine—

(1) to apply the treatment prescribed by the Vienna Convention on Diplomatic Relations, or any part of parts thereof, to those foreign diplomatic missions and the personnel thereof not otherwise entitled to such treatment;

(2) to extend more favorable treatment than is provided in the Vienna Convention on Diplomatic Relations to foreign diplomatic missions and the personnel thereof with respect to—

(A) exemption from Federal taxes; and

(B) immunity from civil and criminal jurisdiction of the United States or of any State, territory, or possession thereof for those persons defined in the Vienna Convention on Diplomatic Relations as the members of the administrative and technical staff and the service staff of the mission.

(b) The determination of the President as to the entitlement of a foreign diplomatic mission and the personnel thereof to diplomatic privileges and immunities under the Vienna Convention on Diplomatic Relations or under this Act, shall be conclusive and binding on all Federal, State, and local authorities.

(c) The President shall from time to time publish in the Federal Register of the United States a list of the permanent foreign diplomatic missions and the personnel thereof entitled to diplomatic privileges and immunities.

JUDICIAL MATTERS

SEC. 5. (a) Whenever any writ or process is sued out or prosecuted in any court, quasi-judicial body, or administrative tribunal of the United States, or of any State, territory, or possession thereof, against a person or the property of any person entitled to immunity from such suit or process under the Vienna Convention on Diplomatic Relations or pursuant to this Act, such writ or process shall be deemed void.

EXERCISE OF FUNCTIONS

SEC. 6. The President may exercise any functions conferred upon him by this Act through such agency or officer of the United States Government as he shall direct. The head of any such agency or such officer may from time to time promulgate such rules and regulations as may be necessary to carry out such functions, and may delegate authority to perform any such functions, including, if he shall so specify, the authority successively to redelegate any of such functions to any of his subordinates.

EFFECTIVE DATE AND REPEALS

SEC. 6. (a) This Act shall be effective immediately.

(b) Sections 4063, 4064, 4065, and 4066 of the Revised Statutes (22 U.S.C. 252–254) are repealed upon the effective date of this Act.

(c) The repeal of the several statutes or parts of statutes accomplished by this Act shall not affect any act done or right accruing or accrued, or any suit or proceeding had or commenced in any civil cause before such repeal, but all rights and liabilities under the statutes or parts thereof so repealed shall continue, and may be enforced in the same manner as if such repeal had not been made, subject only to the applicable immunities heretofore flowing from customary international law and practice.

DEPARTMENT OF STATE,
Washington, D.C., June 14, 1974.
Hon. GERALD R. FORD,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill "to complement the Vienna Convention on Diplomatic Relations" which was ratified by the United States on November 13, 1972. The purpose of the bill is to promote the conduct of the foreign relations of the United States by specifying the privileges and immunities which foreign diplomatic missions and their personnel may be accorded in the United States. This bill is virtually identical to S. 1577 which was passed by the Senate in the 90th Congress except that, upon the recommendation of the Department of Justice, Section 5(b) dealing with criminal penalties for a knowing violation of the statute has been eliminated. Bills identical to S. 1577 have been introduced in subsequent years, the latest such bill in 1970 during the 91st Congress. A sectional analysis of the proposed bill is enclosed.

The primary purpose of reintroducing the bill at this time is to bring about uniformity in United States practice relating to diplomatic privileges and immunities following the entry into force of the Vienna Convention (TIAS 7502). At present, there are two distinct standards, one international and one domestic, for determining the scope of privileges and immunities which may be accorded foreign diplomatic missions and their personnel. The Vienna Convention, which is in force for 112 countries, including the United States, embodies in most material respects customary rules of international law in this area. In addition, Sections 4063–4066 of the Revised Statutes (22 USC §§252–254) provide a separate and, in some respects, broader standard of immunity for various classes of diplomatic mission personnel.

One reason for the bill is that as a matter of domestic law, the Vienna Convention does not repeal or supersede 22 U.S.C. §§252–254 in situations in which both are applicable. This is made clear by the text of the Convention (Arts. 38 and 47) and the legislative history of its consideration (Ex. Rep. No. 6, 89th Cong. 1st Sess., Ex. H, 88th Cong. 1st Sess., p. 11 (1965)). This view has been confirmed by an opinion from the Office of Legal Counsel, Department of Justice, dated May 4, 1973.

In addition to bringing about conformity between the international and domestic legal standards in immunities through repeal of the above-mentioned sections of the Revised Statutes, the bill will serve the following major purposes:

(1) authorize the President, upon a basis of reciprocity and at his direction, to accord the privileges and immunities specified in the Vienna Convention on Diplomatic Relations to diplomatic missions and their personnel of states not parties to the Convention;

(2) authorize the President to extend on the basis of reciprocity more favorable treatment than required by the Vienna Convention to diplomatic missions and their personnel with respect to:

(a) Federal taxes, and

(b) the civil jurisdiction of the United States, or of any State, territory or possession over persons who are members of the administrative and technical staff of the diplomatic mission, as defined in the Vienna Convention, and the civil and criminal jurisdiction over members of the service staff of the diplomatic mission, as also defined in the Vienna Convention;

(3) make binding and conclusive on all Federal, State and local authorities any determination by the President as to the entitlement of a foreign diplomatic mission or its personnel to privileges and immunities under the Vienna Convention or the subject Act;

(4) direct the President to publish from time to time in the Federal Register a list of the foreign diplomatic missions and their personnel entitled to diplomatic privileges and/or immunities; and

(5) make void any writ or process sued out or prosecuted in any court, quasi-judicial body, or administrative tribunal of the United States, or of any State, territory or possession thereof, against a person or the property of any person entitled to immunity from such suit or proceeds.

The Department of Justice concurs in the submission of this proposed legislation and recommends its enactment.

The Office of Management and Budget advises that enactment of the enclosed draft bill would be consistent with the Administration's program.

In view of the continuing potential for undesirable consequences stemming from the existing legal framework, prompt action is urged on this legislation.

Cordially,

LINWOOD HOLTON,
Assistant Secretary
for Congressional Relations.

Enclosures: As stated.

SECTION-BY-SECTION ANALYSIS

SECTION 1. TITLE

This may be cited as the "Diplomatic Relations Act of 1974".

SECTION 2. STATEMENT OF PURPOSE

This states the purpose of the bill, which is is to promote the conduct of the foreign relations of the United States by specifying the privileges and immunities to which foreign diplomatic missions and the personnel thereof are entitled, and by authoriing the President to regulate, consistent with treaties and other international agreements, customary international law and practice, and this proposed legislation, the granting of such privileges and immunities.

SECTION 3. DEFINITIONS

This defines the phrase "foreign diplomatic mission and the personnel thereof" as including not only members of permanent diplomatic missions, their families, and their private servants, but also heads of foreign states and heads of foreign governments, whether in the United States for official or personal reasons, foreign ministers when on an official visit to or in transit through the United States, and persons on special diplomatic mission to the United States, together with the members of the official parties accompanying all such persons. The definition also includes diplomatic couriers. This broad definition is desirable for several reasons. The Vienna Convention on Diplomatic Relations has reference only to permanent diplomatic missions, and, in limited respects, to diplomatic couriers. The privileges and immunities that are everywhere accorded to visiting heads of state and heads of government should have some basis in the statutory law of the United States.

SECTION 4. AUTHORITY OF THE PRESIDENT

Paragraph (a) of this Section authorizes the President, on a basis of reciprocity and under such terms and conditions as he may from time to time determine;

(1) to apply the treatment prescribed by the Vienna Convention on Diplomatic Relations, or any part or parts thereof, to those foreign diplomatic missions and the personnel thereof not otherwise entitled to such treatment.

(2) to extend more favorable treatment than is required by the Vienna Convention on Diplomatic Relations to foreign diplomatic missions and the personnel thereof with respect to (a) exemption from Federal taxes; and (b) immunity from criminal and civil jurisdiction for members of the administrative and technical staff and the service staff of the mission. The taxes to which Section 4 applies will be those imposed by or pursuant to Acts of Congress. This provision will enable the United States to continue to accord, in return for an appropriate *quid pro quo* by the sending state, (1) the exemption from Federal taxes presently enjoyed by duly accredited diplomatic officers and members of the administrative and technical staff who are nationals of the appointing state, (2) complete immunity from criminal jurisdiction to members of the service staff who are not nationals or residents of the United States, and (3) immunity from civil and criminal jurisdiction in respect of official acts to members of the administrative and technical staff who are nationals or residents of the United States.

Paragraph (b) of Section 4 reaffirms the primacy of the Executive Branch's determination with respect to entitlement of a particular foreign diplomatic officer or employee to diplomatic privileges and immunities. The making of a determination of diplomatic immunity, from civil or criminal jurisdiction would presumably be delegated to the Department of State pursuant to Section 6, would be exercised by the Secretary of State or his designee in the light of the purpose set forth in Section 2 and the certificate of the Secretary of State or his designee would be transmitted by the Attorney General to the appropriate court.

Paragraph (c) of Section 4 adopts the notice feature of 22 U.S.C. 254, with these changes: the names of persons in the permanent foreign diplomatic missions entitled to immunity, instead of just those persons presently listed in the so-called "White List," will be required to be made of public record; these names will be published in the "Federal Register' rather than posted in the office of the Marshal for the District of Columbia.

SECTION 5. JUDICAL MATTERS

Paragraph (a) provides that any writ or process sued out or prosecuted against a person or the property of any person entitled to immunity from such process shall be deemed void.

SECTION 6. EXERCISE OF FUNCTIONS

This is a standard delegation of authority provision.

SECTION 7. EFFECTIVE DATE REPEALS

Paragraph (a) provides that the "Diplomatic Relations Act of 1974" will be effective immediately. Paragraph (b) provides for the repeal of Sections 4063, 4064, 4065, and 4066 of the Revised Statutes (22 U.S.C. 252–254), upon the effective date of the Act. Paragraph (c) is a clause regarding legal acts done or rights accrued, or proceedings commenced in any civil cause before the repeal of the several statutes referred to in paragraph (b) above.

June 1974.

(Reprint of English Text Only)

VIENNA CONVENTION ON DIPLOMATIC RELATIONS AND OPTIONAL PROTOCOL ON DISPUTES

MULTILATERAL

Vienna Convention on Diplomatic Relations and Optional Protocol on Disputes

Done at Vienna April 18, 1961;

Ratification advised by the Senate of the United States of America September 14, 1965;

Ratified by the President of the United States of America November 8, 1972;

Ratification of the United States of America deposited with the Secretary-General of the United Nations November 13, 1972;

Proclaimed by the President of the United States of America November 24, 1972;

Entered into force with respect to the United States of America December 13, 1972.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A proclamation

Considering that:

The Vienna Convention on Diplomatic Relations and the Optional Protocol Concerning the Compulsory Settlement of Disputes were opened for signature on April 18, 1961, and were signed on behalf of the United States of America on June 29, 1961, certified copies of which are hereto annexed;

The Senate of the United States of America by its resolution of September 14, 1965, two-thirds of the Senators present concurring therein, gave its advice and consent to ratification of the Convention and the Optional Protocol;

On November 8, 1972, the President of the United States of America ratified the Convention and the Optional Protocol, in pursuance of the advice and consent of the Senate;

The United States of America deposited its instrument of ratification of the Convention and the Optional Protocol on November 13, 1972, in accordance with the provisions of Article 49 of the Convention and Article VI of the Optional Protocol;

Pursuant to the provisions of Article 51 of the Convention and Article VIII of the Optional Protocol, the Convention and the Optional Protocol will enter into force for the United States of America on December 13, 1972, the thirtieth day after deposit of the instrument of ratification;

Now, therefore, I, Richard Nixon, President of the United States of America, proclaim and make public the Convention and the Optional Protocol to the end that they shall be observed and fulfilled with good faith on and after December 13, 1972, by the United States of America and by the citizens of the United States of America and all other persons subject to the jurisdiction thereof.

In testimony whereof, I have signed this proclamation and caused the Seal of the United States of America to be affixed.

Done at the city of Washington this twenty-fourth day of November in the year
of our Lord one thousand nine hun-
[SEAL] dred seventy-two and of the Inde-
pendence of the United States of
America the one hundred ninety-seventh.

RICHARD NIXON.

By the President:
WILLIAM P. ROGERS,
Secretary of State.

[United Nations Conference on Diplomatic Intercourse and Immunities]

VIENNA CONVENTION OF DIPLOMATIC RELATIONS

(*United Nations 1961*)

The States Parties to the present Convention,

Recalling that peoples of all nations from ancient times have recognized the status of diplomatic agents,

Having in mind the purposes and principles of the Charter of United Nations[1] concerning the sovereign equality of States, the maintenance of international peace and security, and the promotion of friendly relations among nations,

Believing that an international convention on diplomatic intercourse, privileges and immunities would contribute to the development of friendly relations among nations, irrespective of their differing constitutional and social systems,

Realizing that the purpose of such privileges and immunities is not to benefit individuals but to ensure the efficient performance of the functions of diplomatic missions as representing States.

Affirming that the rules of customary international law should continue to govern questions not expressly regulated by the provisions of the present Convention,

Have agreed as follows:

ARTICLE 1

For the purpose of the present Convention, the following expressions shall have the meanings hereunder assigned to them:

(*a*) the "head of the mission" is the person charged by the sending State with the duty of acting in that capacity;

(*b*) the "members of the mission" are the head of the mission and the members of the staff on the mission;

(*c*) the "members of the staff of the mission" are members of the diplomatic staff, of the administrative and technical staff and of the service staff of the mission;

(*d*) the "members of the diplomatic staff" are the members of the staff of the mission having diplomatic rank;

(*e*) a "diplomatic agent" is the head of the mission or a member of the diplomatic staff of the mission;

(*f*) the "members of the administrative and technical staff" are the members of the staff of the mission employed in the administrative and technical service of the mission;

(*g*) the "members of the service staff" are the members of the staff of the mission in the domestic service of the mission;

(*h*) a "private servant" is a person who is in the domestic service of a member of the mission and who is not an employee of the sending State;

(*i*) the "premises of the mission" are the buildings or parts of buildings and the land ancillary thereto, irrespective of ownership, used for the purpose of the mission including the residence of the head of the mission.

ARTICLE 2

The establishment of diplomatic relations between States, and of permanent diplomatic missions, takes place by mutual consent.

ARTICLE 3

1. The functions of a diplomatic mission consist *inter alia* in:

(*a*) representing the sending State in the receiving State;

(*b*) protecting in the receiving State the interests of the sending State and of its nationals, within the limits permitted by international law;

(*c*) negotiating with the Government of the receiving State;

(*d*) ascertaining by all lawful means conditions and developments in the receiving State, and reporting thereon to the Government of the sending State;

(*e*) promoting friendly relations between the sending State and the receiving State, and developing their economic, cultural and scientific relations.

2. Nothing in the present Convention shall be construed as preventing the performance of consular functions by a diplomatic mission.

ARTICLE 4

1. The sending State must make certain that the *agrément* of the receiving State has been given for the person it proposes to accredit as head of the mission to that State.

2. The receiving State is not obliged to give reasons to the sending States for a refusal of *agrément*.

ARTICLE 5

1. The sending State may, after it has given due notification to the receiving States concerned, accredit a head of mission or assign any member of the diplomatic staff, as the case may be, to more than one State, unless there is express objection by any of the receiving States.

2. If the sending State accredits a head of mission to one or more other States it may establish a diplomatic mission headed by a *chargé d'affaires ad interim* in each State where the head of mission has not his permanent seat.

3. A head of mission or any member of the diplomatic staff of the mission may act as representative of the sending State to any international organization.

ARTICLE 6

Two or more States may accredit the same person as head of mission to another State, unless objection is offered by the receiving State.

ARTICLE 7

Subject to the provisions of Articles 5, 8, 9 and 11, the sending State may freely appoint the members of the staff of the mission. In the case of military, naval or air attachés, the receiving State may require their names to be submitted beforehand, for its approval.

ARTICLE 8

1. Members of the diplomatic staff of the mission should in principle be of the nationality of the sending State.

2. Members of the diplomatic staff of the mission may not be appointed from among persons having the nationality of the receiving State, except with the consent of that State which may be withdrawn at any time.

3. The receiving State may reserve the same right with regard to nationals of a third State who are not also nationals of the sending State.

ARTICLE 9

1. The receiving State may at any time and without having to explain its decision, notify the sending State that the head of the mission or any member of the diplomatic staff of the mission is *persona non grata* or that any other member of the staff of the mission is not acceptable. In any such case, the sending State shall, as appropriate, either recall the person concerned or terminate his functions with the mission. A person may be declared *non grata* or not acceptable before arriving in the territory of the receiving State.

2. If the sending State refuses or fails within a reasonable period to carry out its obligations under paragraph 1 of this Article, the receiving State may refuse to recognize the person concerned as a member of the mission.

ARTICLE 10

1. The Ministry for Foreign Affairs of the receiving State, or such other ministry as may be agreed, shall be notified of:

(*a*) the appointment of members of the mission, their arrival and their final departure or the termination of their functions with the mission;

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[1] TS 993; 59 Stat. 1031.

(*b*) the arrival and final departure of a person belonging to the family of a member of the mission and, where appropriate, the fact that a person becomes or ceases to be a member of the family of a member of the mission;

(*c*) the arrival and final departure of private servants in the employ of persons referred to in sub-paragraph (*a*) of this paragraph and, where appropriate, the fact that they are leaving the employ of such persons;

(*d*) the engagement and discharge of persons resident in the receiving State as members of the mission or private servants entitled to privileges and immunities.

2. Where possible, prior notification of arrival and final departure shall also be given.

ARTICLE 11

1. In the absence of specific agreement as to the size of the mission, the receiving State may require that the size of a mission be kept within limits considered by it to be reasonable and normal, having regard to circumstances and conditions in the receiving State and to the needs of the particular mission.

2. The receiving State may equally, within similar bounds and on a non-discriminatory basis, refuse to accept officials of a particular category.

ARTICLE 12

The sending State may not, without the prior consent of the receiving State, establish offices forming part of the mission in localities other than those in which the mission itself is established.

ARTICLE 13

1. The head of the mission is considered as having taken up his functions in the receiving State either when he has presented his credentials or when he has notified his arrival and a true copy of his credentials has been presented to the Ministry for Foreign Affairs of the receiving State, or such other ministry as may be agreed, in accordance with the practice prevailing in the receiving State which shall be applied in a uniform manner.

2. The order of presentation of credentials or of a true copy thereof will be determined by the date and time of the arrival of the head of the mission.

ARTICLE 14

1. Heads of mission are divided into three classes, namely:

(*a*) that of ambassadors of nuncios accredited to Heads of State, and other heads of mission of equivalent rank:

(*b*) that of envoys, ministers and internuncios accredited to Heads of State;

(*c*) that of *chargés d'affaires* accredited to Ministers for Foreign Affairs.

2. Except as concerns precedence and etiquette, there shall be no differentiation between heads of mission by reason of their class.

ARTICLE 15

The class to which the heads of their missions are to be assigned shall be agreed between States.

ARTICLE 16

1. Heads of mission shall take precedence in their respective classes in the order of the date and time of taking up their functions in accordance with Article 13.

2. Alterations in the credentials of a head of mission not involving any change of class shall not affect his precedence.

3. This article is without prejudice to any practice accepted by the receiving State regarding the precedence of the representative of the Holy See.

ARTICLE 17

The precedence of the members of the diplomatic staff of the mission shall be notified by the head of the mission to the Ministry for Foreign Affairs or such other ministry as may be agreed.

ARTICLE 18

The procedure to be observed in each State for the reception of heads of mission shall be uniform in respect of each class.

ARTICLE 19

1. If the post of head of the mission is vacant, or if the head of the mission is unable to perform his functions, a *chargé d'affaires ad interim* shall act provisionally as head of the mission. The name of the *chargé d'affaires ad interim* shall be notified, either by the head of the mission, or in case he is unable to do so, by the Ministry for Foreign Affairs of the sending State to the Ministry for Foreign Affairs of the receiving State or such other ministry as may be agreed.

2. In cases where no member of the diplomatic staff of the mission is present in the receiving State, a member of the administrative and technical staff may, with the consent of the receiving State, be designated by the sending State to be in charge of the current administrative affairs of the mission.

ARTICLE 20

The mission and its head shall have the right to use the flag and emblem of the sending State on the premises of the mission, including the residence of the head of the mission, and on his means of transport.

ARTICLE 21

1. The receiving State shall either facilitate the acquisition on its territory, in accordance with its laws, by the sending State of premises necessary for its mission or assist the latter in obtaining accommodation in some other way.

2. It shall also, where necessary, assist missions in obtaining suitable accommodation for their members.

ARTICLE 22

1. The premises of the mission shall be inviolable. The agents of the receiving State may not enter them, except with the consent of the head of the mission.

2. The receiving State is under a special duty to take all appropriate steps to protect the premises of the mission against any intrusion or damage and to prevent any disturbance of the peace of the mission or impairment of its dignity.

3. The premises of the mission, their furnishings and other property thereon and the means of transport of the mission shall be immune from search, requisition, attachment or execution.

ARTICLE 23

1. The sending State and the head of the mission shall be exempt from all national, regional or municipal dues and taxes in respect of the premises of the mission, whether owned or leased, other than such as represent payment for specific services rendered.

2. The exemption from taxation referred to in this Article shall not apply to such dues and taxes payable under the law of the receiving State by persons contracting with the sending State or the head of the mission.

ARTICLE 24

The archives and documents of the mission shall be inviolable at any time and wherever they may be.

ARTICLE 25

The receiving State shall accord full facilities for the performance of the functions of the mission.

ARTICLE 26

Subject to its laws and regulations concerning zones entry into which is prohibited or regulated reasons for reasons of national security, the receiving State shall ensure to all members of the mission freedom of movement and travel in its territory.

ARTICLE 27

1. The receiving State shall permit and protest free communication on the part of the mission for all official purposes. In communicating with the Government and the other missions and consulates of the sending State, wherever situated, the mission may employ all appropriate means, including diplomatic couriers and messages in code or cipher. However, the mission may install and use a wireless transmitter only with the consent of the receiving State.

2. The official correspondence of the mission shall be inviolable. Official correspondence means all correspondence relating to the mission and its functions.

3. The diplomatic bag shall not be opened or detained.

4. The packages constituting the diplomatic bag must bear visible external marks of their character and may contain only diplomatic documents or articles intended for official use.

5. The dipomatic courier, who shall be provided with an official document indicating his status and the number of packages constituting the diplomatic bag, shall be protected by the receiving State in the performance of his functions. He shall enjoy personal inviolability and shall not be liable to any form of arrest or detention.

6. The sending State or the mission may designate diplomatic couriers *ad hoc*. In such cases the provisions of paragraph 5 of this Article shall also apply, except that the immunities therein mentioned shall cease to apply when such a courier has delivered to the consignee the diplomatic bag in his charge.

7. A diplomatic bag may be entrusted to the captain of a commercial aircraft scheduled to land at an authorized port of entry. He shall be provided with an official document indicating the number of packages constituting the bag but he shall not be considered to be a diplomatic courier. The mission may send one of its members to take possession of the diplomatic bag directly and freely from the captain of the aircraft.

ARTICLE 28

The fees and charges levied by the mission in the course of its official duties shall be exempt from all dues and taxes.

ARTICLE 29

The person of a diplomatic agent shall be inviolable. He shall not be liable to any form of arrest or detention. The receiving State shall treat him with due respect and shall take all appropriate steps to prevent any attack on his person, freedom or dignity.

ARTICLE 30

1. The private residence of a diplomatic agent shall enjoy the same inviolability and protection as the premises of the mission.

2. His papers, correspondence and, except as provided in paragraph 3 of Article 31, his property, shall likewise enjoy inviolability.

ARTICLE 31

1. A diplomatic agent shall enjoy immunity from the criminal jurisdiction of the receiving State. He shall also enjoy immunity from its civil and administrative jurisdiction,

(*a*) a real action relating to private immovable property situated in the territory of the receiving State, unless he holds it on behalf of the sending State for the purpose of the mission;

(*b*) an action relating to succession in which the diplomatic agent is involved as executor, administrator, heir or legate as a private person and not on behalf of the sending State;

(*c*) an action relating to any professional or commercial activity exercised by the diplomatic agent in the receiving State outside his official functions.

2. A diplomatic agent is not obliged to give evidence as a witness.

3. No measures of execution may be taken in respect of a diplomatic agent except in the cases coming under sub-paragraphs (*a*),

(*b*) and (*c*) of paragraph 1 of this Article, and provided that the measures concerned can be taken without infringing the inviolability of his person or of his residence.

4. The immunity of a diplomatic agent from the jurisdiction of the receiving State does not exempt him from the jurisdiction of the sending State.

ARTICLE 32

1. The immunity from jurisdiction of diplomatic agents and of persons enjoying immunity under Article 37 may be waived by the sending State.

2. Waiver must always be express.

3. The initiation of proceedings by a diplomatic agent or by a person enjoying immunity from jurisdiction under Article 37 shall preclude him from invoking immunity from jurisdiction in respect of any counterclaim directly connected with the principal claim.

4. Waiver of immunity from jurisdiction in respect of civil or administrative proceedings shall not be held to imply waiver of immunity in respect of the execution of the judgment, for which a separate waiver shall be necessary.

ARTICLE 33

1. Subject to the provisions of paragraph 3 of this Article, a diplomatic agent shall with respect to services rendered for the sending State be exempt from social security provisions which may be in force in the receiving State.

2. The exemption provided for in paragraph 1 of this Article shall also apply to private servants who are in the sole employ of a diplomatic agent, on condition:

(*a*) that they are not nationals of or permanently resident in the receiving State; and

(*b*) that they are covered by the social security provisions which may be in force in the sending State or a third State.

3. A diplomatic agent who employs persons to whom the exemption provided for in paragraph 2 of this Article does not apply shall observe the obligations which the social security provisions of the receiving State impose upon employers.

4. The exemption provided for in paragraphs 1 and 2 of this Article shall not preclude voluntary participation in the social security system of the receiving State provided that such participation is permitted by that State.

5. The provisions of this Article shall not affect bilateral or multilateral agreements concerning social security concluded previously and shall not prevent the conclusion of such agreements in the future.

ARTICLE 34

A diplomatic agent shall be exempt from all dues and taxes, personal or real, national, regional or municipal, except:

(*a*) indirect taxes of a kind which are normally incorporated in the price of goods or services;

(*b*) dues and taxes on private immovable property situated in the territory of the receiving State, unless he holds it on behalf of the sending State for the purposes of the mission;

(*c*) estate, succession or inheritance duties levied by the receiving State, subject to the provisions of paragraph 4 of Article 39;

(*d*) dues and taxes on private income having its source in the receiving State and capital taxes on investment made in commercial undertakings in the receiving State;

(*e*) charges levied for specific services rendered;

(*f*) registration, court or record fees, mortgage dues and stamp duty, with respect to immovable property, subject to the provisions of Article 23.

ARTICLE 35

The receiving State shall exempt diplomatic agents from all personal services, from all public service of any kind whatsoever, and from military obligations such as those connected with requisitioning, military contributions and billeting.

ARTICLE 36

1. The receiving State shall, in accordance with such laws and regulations as it may adopt, permit entry of and grant exemption from all customs duties, taxes, and related charges other than charges for storage, cartage and similar services, on:

(a) articles for the official use of the mission;

(*b*) articles for the personal use of a diplomatic agent or members of hs family forming part of his household, including articles intended for his establishment.

2. The personal baggage of a diplomatic agent shall be exempt from inspection, unless there are serious grounds for presuming that it contains articles not covered by the exemptions mentioned in paragraph 1 of this Article, or articles the import or export of which is prohibited by the law or controlled by the quarantine regulations of the receiving State. Such inspection shall be conducted only in the presence of the diplomatic agent or of his authorized representative.

ARTICLE 37

1. The members of the family of a diplomatic agent forming part of his household shall, if they are not nationals of the receiving State, enjoy the privileges and immunities specified in Articles 29 to 36.

2. Members of the administrative and technical staff of the mission, together with members of their families forming part of their respective households, shall, if they are not nationals of or permanently resident in the receiving State, enjoy the privileges and immunities specified in Articles 29 to 35, except that the immunity from civil and administrative jurisdiction of the receiving State specified in paragraph 1 of Article 31 shall not extend to acts performed outside the course of their duties. They shall also enjoy the privileges specified in Article 36, paragraph 1, in respect of articles imported at the time of first installation.

3. Members of the service staff of the mission who are not nationals of or permanently resident in the receiving State shall enjoy immunity in respect of acts performed in the course of their duties, exemption from dues and taxes on the emoluments they receive by reason of their employment and the exemption contained in Article 33.

4. Private servants of members of the mission shall, if they are not nationals of or permanently resident in the receiving State, be exempt from dues and taxes on the emoluments they receive by reason of their employment. In other respects, they may enjoy privileges and immunities only to the extent admitted by the receiving State. However, the receiving State must exercise its jurisdiction over those persons in such a manner as not to interfere unduly with the performance of the functions of the mission.

ARTICLE 38

1. Except insofar as additional privileges and immunities may be granted by the receiving State, a diplomatic agent who is a national of or permanently resident in that State shall enjoy only immunity from jurisdiction, and inviolability, in respect of official acts performed in the exercise of his functions.

2. Other members of the staff of the mission and private servants who are nationals of or permanently resident in the receiving State shall enjoy privileges and immunities only to the extent admitted by the receiving State. However, the receiving State must exercise its jurisdiction over those persons in such a manner as not to interfere unduly with the performance of the functions of the mission.

ARTICLE 39

1. Every person entitled to privileges and immunities shall enjoy them from the moment he enters the territory of the receiving State on proceeding to take up his post or, if already in its territory, from the moment when his appointment is notified to the Ministry for Foreign Affairs or such other ministry as may be agreed.

2. When the functions of a person enjoying privileges and immunities have come to an end, such privileges and immunities shall normally cease at the moment when he leaves the country, or on expiry of a reasonable period in which to do so, but shall subsist until that time, even in case of armed conflict. However, with respect to acts performed by such a person in the exercise of his functions as a member of the mission, immunity shall continue to subsist.

3. In case of the death of a member of the mission, the members of his family shall continue to enjoy the privileges and immunities to which they are entitled until the expiry of a reasonable period in which to leave the country.

4. In the event of the death of a member of the mission not a national of or permanently resident in the receiving State or a member of his family forming part of his household, the receiving State shall permit the withdrawal of the movable property of the deceased, with the exception of any property acquired in the country the export of which was prohibited at the time of his death. Estate, succession and inheritance duties shall not be levied on movable property the presence of which in the receiving State was due solely to the presence there of the deceased as a member of the mission or as a member of the family of a member of the mission.

ARTICLE 40

1. If a diplomatic agent passes through or is in the territory of a third State, which has granted him a passport visa if such visa was necessary, while proceeding to take up or to return to his post, or when returning to his own country, the third State shall accord him inviolability and such other immunities as may be required to ensure his transit or return. The same shall apply in the case of any members of his family enjoying privileges or immunities who are accompanying the diplomatic agent, or traveling separately to join him or to return to their country.

2. In circumstances similar to those specified in paragraph 1 of this Article, third States shall not hinder the passage of members of the administrative and technical or service staff of a mission, and of members of their families, through their territories.

3. Third States shall accord to official correspondence and other official communications in transit, including messages in code or cipher, the same freedom and protection as is accorded by the receiving State. They shall accord to diplomatic couriers, who have been granted a passport visa if such visa was necessary, and diplomatic bags in transit the same inviolability and protection as the receiving State is bound to accord.

4. The obligations of third States under paragraphs 1, 2 and 3 of this Article shall also apply to the persons mentioned respectively in those paragraphs, and to official communications and diplomatic bags, whose presence in the territory of the third State is due to *force mejeure*.

ARTICLE 41

1. Without prejudice to their privileges and immunities, it is the duty of all persons enjoying such privileges and immunities to respect the laws and regulations of the receiving State. They also have a duty not to interfere in the internal affairs of that State.

2. All official business with the receiving State entrusted to the mission by the sending State shall be conducted with or through the Ministry for Foreign Affairs of the re-

ceiving State or such other ministry as may be agreed.

3. The premises of the mission must not be used in any manner incompatible with the functions of the mission as laid down in the present Convention or by other rules of general international law or by any special agreements in force between the sending and the receiving State.

ARTICLE 42

A diplomatic agent shall not in the receiving State practice for personal profit any professional or commercial activity.

ARTICLE 43

The function of a diplomatic agent comes to an end, *inter alia*:

(*a*) on notification by the sending State to the receiving State that the function of the diplomatic agent has come to an end;

(*b*) on notification by the receiving State to the sending State that, in accordance with paragraph 2 of Article 9, it refuses to recognize the diplomatic agent as a member of the mission.

ARTICLE 44

The receiving State must, even in case of armed conflict, grant facilities in order to enable persons enjoying privileges and immunities, other than nationals of the receiving State, and members of the families of such persons irrespective of their nationality, to leave at the earliest possible moment. It must, in particular, in case of need, place at their disposal the necessary means of transport for themselves and their property.

ARTICLE 45

If diplomatic relations are broken off between two States, or if a mission is permanently or temporarily recalled:

(*a*) the receiving State must, even in case of armed conflict, respect and protect the premises of the mission, together with its property and archives;

(*b*) the sending State may entrust the custody of the premises of the mission, together with its property and archives, to a third State acceptable to the receiving State;

(*c*) the sending State may entrust the protection of its interests and those of its nationals to a third State acceptable to the receiving State.

ARTICLE 46

A sending State may with the prior consent of a receiving State, and at the request of a third State not represented in the receiving State, undertake the temporary protection of the interests of the third State and of its nationals.

ARTICLE 47

1. In the application of the provisions of the present Convention, the receiving State shall not discriminate as between States.

2. However, discrimination shall not be regarded as taking place:

(*a*) where the receiving State applies any of the provisions of the present Convention restrictively because of a restrictive application of that provision to its mission in the sending State;

(*b*) where by custom or agreement States extend to each other more favourable treatment than is required by the provisions of the present Convention.

ARTICLE 48

The present Convention shall be open for signature by all States Members of the United Nations or of any of the specialized agencies or Parties to the Statute of the International Court of Justice,[2] and by any other State invited by the General Assembly of the United Nations to become a Party to the Convention, as follows: until 31 October 1961 at the Federal Ministry for Foreign Affairs of Austria and subsequently, until 31 March 1962, at the United Nations Headquarters in New York.

ARTICLE 49

The present Convention is subject to ratification. The instruments of ratification shall be deposited with the Secretary-General of the United Nations.

ARTICLE 50

The present Convention shall remain open for accession by any State belonging to any of the four categories mentioned in Article 48. The instruments of accession shall be deposited with the Secretary-General of the United Nations.

ARTICLE 51

1. The present Convention shall enter into force on the thirtieth day following the date of deposit of the twenty-second instrument of ratification or accession with the Secretary-General of the United Nations.

2. For each State ratifying or acceding to the Convention after the deposit of the twenty-second instrument of ratification or accession, the Convention shall enter into force on the thirtieth day after deposit by such State of its instrument of ratification or accession.

ARTICLE 52

The Secretary-General of the United Nations shall inform all States belonging to any of the four categories mentioned in Article 48:

(*a*) of signatures to the present Convention and of the deposit of instruments of ratification or accession, in accordance with Articles 48, 49 and 50;

(*b*) of the date on which the present Convention will enter into force, in accordance with Article 51.

ARTICLE 53

The original of the present Convention, of which the Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited with the Secretary-General of the United Nations, who shall send certified copies thereof to all States belonging to any of the four categories mentioned in Article 48.

In witness whereof the undersigned Plenipotentiaries, being duly authorised thereto by their respective Governments, have signed the present Convention.

Done at Vienna, this eighteenth day of April one thousand nine hundred and sixty-one.

OPTIONAL PROTOCOL CONCERNING THE COMPULSORY SETTLEMENT OF DISPUTES

(United Nations, 1961)

The States Parties to the present Protocol and to the Vienna Convention on Diplomatic Relations, hereinafter referred to as "the Convention", adopted by the United Nations Conference held at Vienna from 2 March to 14 April 1961,

Expressing their wish to resort in all matters concerning them in respect of any dispute arising out of the interpretation or application of the Convention to the compulsory jurisdiction of the International Court of Justice, unless some other form of settlement has been agreed upon by the parties within a reasonable period,

Have agreed as follows:

ARTICLE I

Disputes arising out of the interpretation or application of the Convention shall lie within the compulsory jurisdiction of the International Court of Justice and may accordingly be brought before the Court by an application made by any party to the dispute being a Party to the present Protocol.

ARTICLE II

The parties may agree, within a period of two months after one party has notified its opinion to the other that a dispute exists, to resort not to the International Court of Justice but to an arbitral tribunal. After the expiry of the said period, either party may bring the dispute before the Court by an application.

ARTICLE III

1. Within the same period of two months, the parties may agree to adopt a conciliation procedure before resorting to the International Court of Justice.

2. The conciliation commission shall make its recommendations within five months after its appointment. If its recommendations are not accepted by the parties to the dispute within two months after they have been delivered, either party may bring the dispute before the Court by an application.

ARTICLE IV

States Parties to the Convention, to the Optional Protocol concerning Acquisition of Nationality, and to the present Protocol may at any time declare they will extend the provisions of the present Protocol to disputes arising out of the interpretation or application of the Optional Protocol concerning Acquisition of Nationality. Such declarations shall be notified to the Secretary-General of the United Nations.

ARTICLE V

The present Protocol shall be open for signature by all States which may become Parties to the Convention, as follows: until 31 October 1961 at the Federal Ministry for Foreign Affairs of Austria and subsequently, until 31 March 1962, at the United Nations Headquarters in New York.

ARTICLE VI

The present Protocol is subject to ratification. The instruments of ratification shall be deposited with the Secretary-General of the United Nations.

ARTICLE VII

The present Protocol shall remain open for accession by all States which may become Parties to the Convention. The instruments of accession shall be deposited with the Secretary-General of the United Nations.

ARTICLE VIII

1. The present Protocol shall enter into force on the same day as the Convention or on the thirtieth day following the date of deposit of the second instrument of ratification or accession to the Protocol with the Secretary-General of the United Nations, whichever day is the later.

2. For each State ratifying or acceding to the present Protocol after its entry into force in accordance with paragraph 1 of this Article, the Protocol shall enter into force on the thirtieth day after deposit by such State of its instrument of ratification or accession.

ARTICLE IX

The Secretary-General of the United Nations shall inform all States which may become Parties to the Convention:

(*a*) of signatures to the present Protocol and of the deposit of instruments of ratification or accession, in accordance with Articles V, VI and VII;

(*b*) of declarations made in accordance with Article IV of the present Protocol;

(*c*) of the date on which the present Protocol will enter into force, in accordance with Article VIII.

ARTICLE X

The original of the present Protocol, of which the Chinese, English, French, Russian and Spanish texts are equally authentic, shall be deposited with the Secretary-General of the United Nations, who shall send certified copies thereof to all States referred to in Article V.

In witness whereof the undersigned Plenipotentiaries, being duly authorized thereto by their respective Governments, have signed the present Protocol.

Done at Vienna, this eighteenth day of April one thousand nine hundred and sixty-one.

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[2] TS 993; 59 Stat. 1055.

By Mr. PROXMIRE (for himself and Mr. Brock):

S. 3690. A bill to amend the civil liability provisions of the Truth in Lending Act, and for other purposes. Referred to the Committee on Banking, Housing and Urban Affairs.

ALTERNATIVE TO CLASS ACTION SUITS

Mr. PROXMIRE. Mr. President, the bill which Senator Brock and I are jointly introducing today amends section 130 of the Truth in Lending Act to provide a new remedial scheme for violations of that act. The bill would substitute a so-called Qui tam remedy for the present class action remedy under Truth in Lending. This alternative remedy is intended to apply to violations of the disclosure requirements under chapter 2 and to such additional requirements which may be subsequently added to the act including the requirements added by the proposed chapter 4 on credit billing practices.

The proposed bill, which is introduced for purposes of discussion and comparison with existing law and with other reform proposals, was drafted after extensive consultation and discussion with both consumer and industry representatives. This does not imply that those who participated in these discussions necessarily agree with all of the provisions in the proposed bill. I am sure that recommended changes will be forthcoming and both Senator Brock and myself reserve the right to consider further changes in the bill. As I indicated, the primary purpose of introducing the bill is to get a discussion going between industry and consumer groups on an alternative to the class action approach. Neither Senator Brock nor myself have taken a final position on the Qui tam remedy or on the details of the proposed bill.

The bill provides that when a creditor is charged with violating the Truth in Lending Act, a debtor or bona fide consumer protection organization may bring a civil suit in his own name and in the name of the United States, for injunctive relief and for assessment of a civil penalty.

The United States must be notified of the suit, and may step in and take it over; if the United States decides not to participate, the suit may be carried on by the person who originated it. If the court finds that a violation has occurred, the creditor will be required to pay a civil penalty, and a portion of this penalty is awarded to the person who initiated the suit. Costs and reasonable attorney's fees shall also be awarded to a successful plaintiff.

The purpose of providing this civil remedy, of the type long known in the courts as a "qui tam" action, is to encourage creditors to comply with the law by making it more practical for private parties to bring a suit to enforce the law. In this case, the incentive for private parties to bring suit takes the form of a portion of the fine imposed plus reimbursement of costs and attorney's fees. The qui tam remedy thus can increase compliance with the statute without requiring an additional active detection and enforcement effort by already overburdened Government agencies.

The need to establish new remedies for the Truth in Lending Act has been evident for some time. The present remedies are unsatisfactory from the point of view of both creditors and debtors. Under section 130 in its present form, a creditor who fails to make the disclosures required by the act is subject to suit by a debtor for twice the finance charge associated with the transaction, with a minimum liability of $100 and a maximum liability of $1,000. In addition, the successful plaintiff is entitled to court costs and a reasonable attorney's fee.

This relatively small statutory liability does not appear sufficient to encourage diligent compliance with the law on the part of all creditors. The $100 minimum recovery for a single plaintiff is less than a slap on the wrist for many creditors. Moreover, because of the complexity of the law it is unlikely that a large number of individual consumers will realize that a violation has occurred and bring suit against any given creditor.

An alternative which has been attempted by a number of plaintiffs is the class action, in which suit is brought by one consumer on behalf of himself and all other persons affected by the creditor's illegal conduct. If the suit is successful, all members of the class can recover. However, a problem arises in applying the minimum liability provisions of section 130 to a class action involving millions of consumers. If each member of the class were to collect the minimum award of $100, the creditor's liability would be staggering. As a result, courts have generally been unwilling to permit truth-in-lending suits to proceed as class actions. A potentially valuable consumer protection tool has therefore been unavailable. On the other hand, many creditors fear that a future court may still certify a suit for class action and subject the creditor to the risk of a crippling penalty. Thus, both consumers and creditors have reason to be dissatisfied with the present law.

In an attempt to deal with this problem the Senate last year passed section 208 of S. 2101, which is now pending before the House of Representatives. In the case of a class action, this section eliminates the $100 minimum recovery and sets a maximum total recovery for the class of the lesser of $100,000 or 1 percent of the net worth of the creditor.

While this solution eliminates the risk of astronomical crippling liabilities, it creates new problems. The division of the maximum class recovery among a very large class of customers may mean that each member of the class recovers only a few cents, or, at best, a few dollars—often not enough to cover the cost of identifying him and mailing him his share of the award. It seems likely that, under these circumstances, many plaintiffs or many courts will feel that the costs of the class action outweigh the benefits in truth in lending cases. We may thus find ourselves back where we started, with no effective civil remedy. Moreover, the Supreme Court has recently decided that the cost of notifying the members of the class must be borne by the plaintiffs. (*Eisen, et al.* v. *Carlisle & Jacquelin, et al.*, No. 73-203, May 28, 1974).

It is my feeling that the qui tam remedy may overcome many of the difficulties inherent in the class action. In those cases where no consumer suffers actual damages because of the creditor's violation, the central object of a remedial statute is not to distribute a sum of money to each of the creditor's customers. Rather, the purposes are two: First, to establish a monetary liability large enough to motivate the creditor to comply with the statute; and second, to create a sufficient, but not overly large, incentive for private enforcement of the law.

The proposed amendment achieves these purposes by providing that a creditor who violates the law shall be liable for a civil penalty of not less than $15,000 nor more than $200,000. The court, in determining the precise amount of the penalty, is to consider the resources of the creditor, the number of persons adversely affected by the illegality, and the extent of the creditor's attempts to comply with the law. In order to encourage private parties to assist in the enforcement of the statute, the court is to award between $5,000 and $10,000 to the person who initiated the suit. The remainder of the civil penalty, of course, will be paid into the U.S. Treasury. Since this arrangement should provide adequate enforcement of the law, the amendment explicitly abolishes the right to initiate a class action suit in truth in lending cases.

The proposed amendment is novel in some other respects. It recognizes that, because of the complexity of the law, a layman usually cannot detect a violation. In reality, violations are often identified by a concerned organization, which then brings suit in the name of a consumer who has dealt with the creditor. The proposed amendment would simplify and streamline matters by permitting bona fide consumer protection organizations to bring suit in their own names. It also provides that the attorney's fees awarded to the successful plaintiff shall not be decreased by the fact that his attorney is retained or employed by a nonprofit organization. Furthermore, because the counsel fees paid to the defendant's lawyers provide a useful measure of the amount of work involved in carrying on the law suit, the court is instructed to consider such fees in determining the amount of a reasonable attorney's fee to be awarded to the plaintiff.

In summary, it appears to me that the proposed qui tam remedy provides for effective, economical enforcement of the law, without placing an additional burden on our law enforcement agencies and without the complexities and costs inherent in the class action approach. I hope the Senate will give it serious consideration.

Mr. President, I ask unanimous consent to have printed in the Record following my remarks a statement on the bill by Senator Brock together with the text of the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Brock

I am delighted to join the Senator from Wisconsin (Mr. Proxmire) in sponsoring legislation to amend the Truth-in-Lending Act to substitute a qui tam remedy for class actions.

When the Subcommittee on Consumer Credit was working on Truth-in-Lending Act Amendments we found that the Federal courts had experienced problems in certifying class action suits for the enforcement of that Act. Section 130 of the Truth-in-Lending Act permits consumers to bring civil actions in the Federal courts against any creditor who fails to disclose the information required by the Act. A problem has arisen in applying the minimum liability provisions of the Act in class action suits involving millions of consumers. As a result the present civil remedy serves neither the consumers intended to be aided by the Truth-in-Lending Act nor the creditors intended to be subject to its controls. In addition, the ruling of the Supreme Court in the *Eisen* case requiring persons initiating class action suits to notify at their expense all other persons in the class, will make it next to impossible for consumers to utilize the class action remedy.

As a solution to the problem a number of scholars have suggested that the class action device be statutorily limited to the recovery of actual damages and that a new technique—the qui tam action—be utilized to encourage the private attorney general to prominently participate in the enforcement of truth-in-lending.

In an effort to fashion a legislative approach which will improve the effectiveness of the Truth-in-Lending Act, I join with Senator Proxmire in offering this amendment to the Truth-in-Lending Act. This will give the public an opportunity to comment on the provisions in this legislation, on which I retain an open mind.

S. 3690

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

Section 130(a) of the Truth in Lending Act (15 U.S.C. Sec. 1640) is amended to read as follows:

"(a)(1) Except as otherwise provided in this section, any creditor who, with respect to any person, fails to comply with any requirement imposed under this title (other than Chapter 3) is liable to such person for an amount equal to the greater of (1) twice the finance charges imposed but not less than $100 nor more than $1,000, or (2) the actual damages sustained by that person; *Provided, however,* That in the case of a violation involving conduct which was part of a creditor's course of conduct with respect to which a judgment has been entered against that creditor pursuant to Paragraph (3) the creditor is liable under this proviso for any actual damages sustained by a person bringing an action under this Paragraph.

"(2)(A) Except as otherwise provided in this section, any obligor, whether or not actually damaged, may bring a civil action in any United States district court pursuant to Title 28, U.S.C. Sec. 2201 for a declaration that a creditor of such obligor has engaged in a course of conduct in violation of the requirements imposed by chapter 2 of this title (provided that at least one such violation occurred within one year before the initiation of the action), for injunctive relief and for the relief provided by Paragraph (3).

"(B) Except as otherwise provided in this section, any bona fide consumer protection organization, whether or not actually damaged, may bring a civil action in any United States district court pursuant to Title 28, U.S.C. 2201 for a declaration that a creditor has engaged in a course of conduct in violation of the requirements imposed by chapter 2 of this title (provided that at least one such violation occurred within one year before the initiation of the action and regardless of whether such organization is an obligor of such creditor), for injunctive relief and for the relief provided by Paragraph 3. In the case of actions brought under this subparagraph, the court shall determine, as soon as practicable, whether the plaintiff is a bona fide consumer protection organization. In making this determination, the court shall consider, among other factors, the length of time the organization has been in active existence, the nature and level of its activities, the size of its membership, and its experiences in consumer protection litigation. An organization established solely or primarily for the purpose of bringing the particular action in which the determination is being made is not a bona fide consumer protection organization.

"(C) The person bringing an action under this paragraph shall allege all such courses of conduct by the creditor that are claimed to be in violation and known to the person. Such action shall be brought in the name of and for the United States as well as for the private plaintiff. The person bringing the action shall immediately give notice of the pendency thereof to the United States by sending to the Board and to the Attorney General of the United States by certified mail, a copy of the complaint together with a summary statement in writing outlining the evidence and information in the possession of the plaintiff material to the effective prosecution of the action. A copy of the notice, with proof of mailing, shall be filed with the court. If within sixty days after notice, the United States fails to file with the Court a formal notice of its intervention as a co-plaintiff, or if it earlier declines in writing to the court to enter such action, the action may be carried on by the person bringing it, provided that the court finds, on motion made by such person within 60 days after the expiration of such period or the declination of the United States, that such person can and will adequately prosecute the action.

"(3) In the event that more than one civil action shall be instituted pursuant to Paragraph (2) involving the same course of conduct, the court shall determine in which case the plaintiff will best, most effectively represent the position or positions adverse to the defendant, and shall stay further proceedings in the other actions until that case has been adjudicated; between two plaintiffs who represent those positions equally well, the one who filed first shall be preferred. If a person bringing such action, or the United States, prevails in the action, the court may enjoin the course of conduct, and shall impose a civil penalty on the creditor within the limitations specified in Paragraph (4), of which amount not less than $5000 nor more than $10,000 shall be awarded to the person who prevailed and the balance shall be awarded to the United States. No such civil penalty shall be awarded in any other action with respect to the same course of conduct of the creditor occurring prior to the time at which the judgment imposing the penalty or enjoining such conduct becomes final.

"(4) A creditor shall be liable under paragraph (3) for not less than $15,000 nor more than $200,000. In determining the amount of this civil penalty, the court shall consider the resources of the creditor, the number of persons adversely affected by the course of conduct, and any affirmative action taken by the creditor, prior to the filing of the suit, to achieve compliance with chapter 2. The court may permit the defendant to pay the United States share of the judgment in installments.

"(5) In any successful action brought under paragraph (1) or (2), the court shall award to the person who prevailed in the action costs and a reasonable attorney's fee. In determining the amount of a reasonable attorney's fee, the court shall consider, among other relevant factors,

(A) the time required to prosecute the action;

(B) the novelty and difficulty of the issues involved and the skill required to prosecute the cause;

(C) the contingency or certainty of success; and,

(D) the amount of counsel fees that the defendant incurred in connection with its defense of the action.

The fact that a plaintiff is represented by an attorney retained or employed by a nonprofit organization, shall not preclude an award of attorney's fees under this subsection.

"(6) The remedies provided by this subsection may not be enforced in a class action."

Sec. 2. The amendments to section 130(a) of the Truth in Lending Act made by this Act shall apply to actions initiated after the date of enactment of this Act and to any action pending on such date if such action is so amended with the consent of all parties. All other actions pending on the date of enactment of this Act shall be subject to the provisions of section 130(a) in effect prior to the date of enactment of this Act.

ADDITIONAL COSPONSORS OF BILLS

S. 2801

At the request of Mr. Proxmire, the Senator from California (Mr. Cranston) was added as a cosponsor of S. 2801, to prevent the Food and Drug Administration from regulating safe vitamins as dangerous drugs.

S. 3679

At the request of Senator McGovern, the Senator from Georgia (Mr. Talmadge), the Senator from Alabama (Mr. Allen), the Senator from Mississippi (Mr. Eastland), the Senator from Minnesota (Mr. Humphrey), the Senator from Kentucky (Mr. Huddleston), the Senator from Iowa (Mr. Clark), the Senator from Texas (Mr. Bentsen), the Senator from New Mexico (Mr. Montoya), the Senator from Vermont (Mr. Aiken), the Senator from North Dakota (Mr. Young), the Senator from Nebraska (Mr. Curtis), the Senator from Kansas (Mr. Dole), the Senator from Oklahoma (Mr. Bellmon), the Senator from Colorado (Mr. Haskell), and the Senator from South Dakota (Mr. Abourezk) were added as cosponsors of S. 3679, a bill to provide emergency financing for livestock producers.

SENATE RESOLUTION 345—ORIGINAL RESOLUTION REPORTED AUTHORIZING SUPPLEMENTAL EXPENDITURES BY THE COMMITTEE ON FOREIGN RELATIONS

(Referred to the Committee on Rules and Administration.)

Mr. FULBRIGHT, from the Committee on Foreign Relations reported the following resolution:

S. Res. 345

Resolved, That Senate Resolution 241, 93d Congress, agreed to March 1, 1974, is amended as follows:

(a) In section 2, strike out the amount $708,800" and insert in lieu thereof "$851,000".

AMENDMENT OF THE FOREIGN ASSISTANCE ACT—AMENDMENTS

AMENDMENT NO. 1511

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. ABOUREZK submitted an amendment intended to be proposed by him to the bill (S. 3394) to amend the Foreign Assistance Act of 1961, and for other purposes.

Mr. ABOUREZK. Mr. President, the now familiar panacea for domestic ills, law and order, has long been used to describe American objectives in the troubled areas of Africa, Asia, and Latin America. While the Federal Government did not start aiding local U.S. police agencies until 1968, we have been supplying the police of selected underdeveloped nations with equipment, arms, and training since 1954. U.S. funds have been used to construct the National Police Academy of Brazil, to renovate and expand the South Vietnamese prison system, and to install a national police communications network in Colombia. The Agency for International Development estimates that over 1 million foreign policemen have received some training or supplies through the U.S. public safety program—a figure which includes 100,000 Brazilian police and the entire 120,000-man National Police Force in South Vietnam.

U.S. foreign aid programs in the underdeveloped third world call for a modest acceleration of economic growth, to be achieved wherever possible through the normal profitmaking activities of U.S. corporations and lending institutions. It is obvious, however, that an atmosphere of insecurity and rebelliousness does not provide an attractive climate for investment. In the rapidly urbanizing nations of the third world, civil disorders have become a common phenomenon as landless peasants stream to the cities in search of economic and cultural opportunities.

Since most of these countries cannot satisfy the aspirations of these new city-dwellers under present economic and social systems built up tensions are increasingly giving way to attacks on the status quo. After his 1969 tour of Latin America, Nelson Rockefeller noted in his report to the President that while Latin armies:

> Have gradually improved their capabilities for dealing with Castro-type agrarian guerrillas, it appeared that radical revolutionary elements in the hemisphere are increasingly turning toward urban terrorism in their attempts to bring down the existing order.

This prediction has already been borne out in Brazil and Uruguay, where urban guerrillas have in the past staged spectacular bank robberies and kidnappings.

Since the late 1950's a paramount concern of American policymakers has been the preservation of social stability in countries deemed favorable to U.S. trade and investment. U.S. military planning has been shaped by the need to provide, on a moment's notice counterinsurgency forces that can be flown in to the aid of friendly regimes threatened by popular insurrection. The military assistance program has been used to upgrade the capabilities of indigenous forces to overcome the rural guerrilla forces. Finally, on the premise that the police constitute the first line of defense against subversion, the Agency for International Development has funneled American funds and supplies into the hands of third world police forces.

During hearings on the foreign assistance appropriations for 1965, AID Administrator David Bell described the rationale behind U.S. police assistance programs as follows:

> Maintenance of law and order including internal security is one of the fundamental responsibilities of government . . .
>
> Successful discharge of this responsibility is imperative if a nation is to establish and maintain the environment of stability and security so essential to economic, social, and political progress . . .
>
> Plainly, the United States has very great interests in the creation and maintenance of an atmosphere of law and order under humane, civil concepts and control . . . When there is a need, technical assistance to the police of developing nations to meet their responsibilities promotes and protects these U.S. interests.

The public safety program is not large in comparison to the military aid program—but its supporters can muster some impressive arguments in its favor. It is argued, for instance, that the police—being interspersed among the population—are more effective than the military in controlling low-scale insurgency. Supporters of the police assistance program also point out that police forces are cheaper to maintain than military forces, since they do not require expensive "hardware" like planes, tanks, and artillery.

These arguments, advanced by men like Col. Edward Lansdale, formerly of the CIA, received their most favorable response from President John F. Kennedy and his brother Robert, then the Attorney General, in the early 1960's. Presidential backing was responsible for a substantial expansion of the public safety program in 1962, and for the centralization of all U.S. police assistance activities in AID's Office of Public Safety. The State Department memorandum establishing OPS is noteworthy for its strong language—the memo, issued in November 1962, declared that AID—

> Vests the Office of Public Safety with the primary responsibility and authority for public safety programs and gives that Office a series of powers and responsibilities which will enable it to act rapidly, vigorously, and effectively . . . powers greater than any other technical office or division of AID.

The two Kennedys also gave enthusiastic support to the creation of an Inter-American Police Academy in the Panama Canal Zone. Later, in order to open the Academy to police officers from other countries, it was moved to Washington, D.C., and reorganized as the International Police Academy.

The Office of Public Safety is empowered to assist Third World police organizations in three ways: First, by sending "public safety advisers" who provide "in-country" training for rank and file policemen only at the expense of the host country; second, by providing training at the International Police Academy and other U.S. schools for senior police officers and technicians; and, third, by shipping weapons, ammunition, radios, patrol cars, jeeps, chemical munitions, and related equipment.

Last year, after the passage of an amendment to the Foreign Assistance Act of 1974, I directed a letter to USAID requesting information on what the OPS program would encompass in the next 2 years, taking in consideration the new congressional limitations imposed on OPS.

Mr. Matthew Harvey, AID Assistant Administrator for Legislative Affairs, responded only in part to the question by choosing to omit the OPS plans for the continued export of police and paramilitary weaponry. Harvey states:

> During the next two years, the Office of Public Safety projected assistance to a number of countries. Currently Public Safety programs are being implemented in 18 countries.
>
> Commitments include Public Safety advisory assistance mainly in the field of administration and management — training both in-country and at the International Police Academy in Washington, D.C.—commodity assistance which includes items such as vehicles, communcations, police type weapons and training aids.
>
> The International Police Academy is scheduled to provide training for police officers from nations of the free world. Of high priority is training of foreign police officers who are responsible for the maintenance of law enforcement resources which are committed to the international narcotics control efforts. The Public Safety program also includes a training program for the Africa region which will enable police officers from 21 countries to receive U.S. training.
>
> The Office of Public Safety is also scheduled to provide TDY technical assistance to countries in the development of the police institution. The Office of Public Safety has been tasked to provide technical assistance in developing narcotic control programs which include such specialized fields as criminalistics, records and communications.
>
> b. As you are probably aware the Senate/House conferees have reported out the foreign aid bill which under Section 112 requires the ending of all Public Safety overseas programs. If signed into law in this form, the Bill would not affect the activities of the International Police Academy in Washington. The Academy would continue to train police officers in modern police management and techniques as at present.

Using Latin America to measure the scope of these activities, we find that over 150 public safety advisors have been stationed in 15 countries until now, and that some 2,000 Latin police officers have received training at the International Police Academy. In addition, over $42 million has been given to these countries in OPS supporting assistance programs in the last 3 years alone. Until 1972, the leading beneficiary of the public safety program in Latin America was Brazil, which received almost $8 million in OPS funds by the middle of 1972. Since then, the largest recipients of OPS aid have been Colombia and Guatemala.

In providing this kind of assistance, OPS notes that:

> Most countries possess a unified civil security service which "in addition to regular police include para military units within civil police organizations and paramilitary forces such as gendarmeries, constabularies, and civil guards which perform police functions and have as their primary mission maintaining internal security.

The AID program is designed to encompass all of these functions. According to OPS:

> Individual Public Safety programs, while varying from country to country, are focused in general on developing within the civil security forces a balance of (1) a capability for regular police operations, with (2) an investigative capability for detecting and identifying criminal and/or subversive individuals and organizations and neutralizing their activities, and with (3) a capability for controlling militant activities ranging from demonstrations, disorders, or riots through small-scale guerrilla operations.

As noted in the 1962 State Department memo, OPS possesses unique powers not granted to other AID bureaus. These powers enable OPS to "act rapidly, vigorously and effectively" in aiding Latin regimes threatened by popular uprisings When a crisis develops in a Latin capital, OPS officials often stay up "night after night" in their Washington, D.C., office to insure that needed supplies—including radios and tear gas—reach the beleaguered police of the friendly regime.

AID officials insist that public safety assistance is "not given to support dictatorships." But there are apparently exceptions to this rule: Administrator Bell told a Senate Committee in 1965 that:

> It is obviously not our purpose or intent to assist a head of state who is repressive. On the other hand, we are working in a lot of countries where the governments are controlled by people who have shortcomings.

Not wanting to embarass AID or any of the people we support who have "shortcomings," Bell did not mention names.

It is entirely possible that one country Bell was referring to is Brazil—a country which until 1972 enjoyed a substantial OPS contribution despite well-documented reports that political prisoners are regularly being tortured by the police. In justifying continued OPS aid to such regimes, Bell explained that:

> The police are a strongly anti-Communist force right now. For that reason it is a very important force to us.

It is no surprise that these men should consider a small amount of allegedly Communist-led terrorism to be sufficient reason to subsidize the repressive apparatus of a totalitarian regime.

THE "PUBLIC SAFETY PROGRAM" IN SOUTH VIETNAM

According to a letter I received from the State Department dated February 5, 1974, Assistant Administrator Harvey stated that after June 14, 1974, there will be no South Vietnamese police officers admitted to training courses of whatever nature at the International Police Academy.

In another letter, dated January 28, the Department states that:

> No U.S. personnel, either civilian or military, are advising the Vietnamese National Police under any contracts with the Department of Defense or other government agency. Such action would be in violation of the Ceasefire Agreement of January 27, 1973 which has been strictly complied with.

Yet, in an article dated February 16, David K. Shipler, a New York Times correspondent stated that he has found a great deal of evidence to the contrary. Shipler writes:

> **Although the Paris agreements explicitly rule out advisers to the police force, the South Vietnamese National Police continue to receive regular advice from Americans.**
>
> In a recent conversation with this correspondent, two high-ranking officers said they and their staffs met frequently with the Saigon station chief of the C.I.A. and his staff. Sometimes, they said, the C.I.A. chief asks the police to gather intelligence for him, and often they meet to help each other analyze the data collected.
>
> A police official confirmed that in some provinces "American liaison men" who work with the police remain on the job. "There are still some, but not so many," he said.
>
> ### EPISODE IN POLICE STATION
>
> Local policemen still refer to "American police advisers," according to James M. Markham, Saigon bureau chief of The New York Times, who was detained by the police late in January after a visit to a Vietcong-held area.
>
> Mr. Markham said that in both Qui Nhon, where he was held overnight, and Phan Thiet, where he was detained briefly while being transferred to Saigon, policemen, talking among themselves, referred to the "police adviser." In Phan Thiet, he reported, a policeman was overheard saying. "Let's get the American police adviser over here."
>
> In the last six weeks The New York Times has made repeated attempts to interview officials in the United States Agency for International Development who are responsible for American aid to the police. Although the officials appeared ready to discuss the subject, they were ordered by the United States Ambassador, Graham A. Martin, to say nothing.

Contrary to assurances from the State Department, it is doubtful that police assistance to South Vietnam has been terminated. One is compelled to ask, therefore, just what the Congress and the American people have to do to stop the incessant funding of the South Vietnamese police forces. What does it take to tell AID, OPS and others in the administration, no. We have passed a law specifically prohibiting U.S. police assistance or training to South Vietnam and yet, the programs continue to go on, apparently almost unabated.

In 1971, Michael Klare wrote an excellent report on the public safety program in South Vietnam. While the report may not be a description of the public safety program as it exists today in South Vietnam, it does represent the most accurate history and description of the program as it existed until recently. It indicates, I believe, the real focus and intent of the public safety program even as it exists today.

Mr. President, I ask unanimous consent that the report be printed at this point in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

REPORT

The Public Safety program in South Vietnam is the largest and one of the oldest U.S. police assistance programs—half of AID's Public Safety Advisors and more than half of OPS's annual budget are committed to Vietnam operations. The Vietnam program began in 1955, when Michigan State University received a contract from the International Cooperation Administration (AID's predecessor agency) to assemble a team of police experts to advise the government of Ngo Dinh Diem. Ultimately 33 advisors served in the Police Division of the now famous Michigan State University Group (MSUG); of this group, at least a few are known to have been CIA agents. The police division supervised the reorganization of Vietnam's decrepit police system, provided training in a variety of police skills, provided small arms and ammunition, and helped establish a modern records system for filing data on political suspects.

The MSUG effort was superseded in 1959 by a Public Safety Division (PSD) under direct U.S. management. In keeping with President Kennedy's call for increased counterinsurgency initiatives, the program was vastly expanded in 1962. Beginning with a staff of six in 1959, the PSD mission in Vietnam increaed to 47 in 1963, and to 204 by mid-1968. Total support of the PSD program had reached $95,417,000 by the end of fiscal year 1968, and has continued at the rate of about $20 million a year; (some of these funds are supplied by the Department of Defense rather than by AID).

From the very start of the Vietnam conflict, the National Police (NP) of South Vietnam has been regarded by our government as a paramilitary force with certain responsibilities related to the overall counterinsurgency effort. In the Foreward to a manual on *The Police and Resources Control in Counter-Insurgency* (Saigon, 1964), Chief Frank E. Walton wrote that "the methods included in this text are emergency procedures not utilized in a normal peace-time situation. They are stringent, *war-time* measures designed to assist in defeating the enemy . . ." In order to upgrade Vietnamese police capabilities to carry out its wartime responsibilities, PSD supervised the consolidation of all regional, provincial and specialized police agencies under the directorate of National Police in 1962, and subsequently prepared a "National Police Plan" for Vietnam in 1964. Under the plan, the NP's personnel strength grew from 19,000 men in 1963 to 52,000 by the end of 1965, 70,000 in 1967, and 85,000 by the end of 1969. To keep pace with this rapid growth, the plan provided for a vast increase in U.S. technical assistance, training and commodity support. Public Safety Division aid and management have become so extensive, that the National Police might more properly be considered a U.S. mercenary force than an indigenous institution.

SPECIFIC FUNCTIONS

The specific counterinsurgency functions performed by the police—resources control, identification, surveillance and pacification—are spelled out in an OPS brochure on *The Role of the Public Safety In Support of the National Police of Vietnam* (Washington, D.C., 1969), and in AID's *Program and Project Data Presentations to the Congress for Fiscal Year 1971.*

Resources Control is defined by Public Safety Advisor E. H. Adkins Jr. as "an effort to regulate the movement of selected resources, both human and material, in order to restrict the enemy's support or deprive him of it altogether . . ." In order to prevent the flow of supplies and people to and from villages loyal to the National Liberation Front (NFL), 7,700 members of the National Police currently man some 650 checkpoints at key locations on roadways and waterways, and operate mobile checkpoints on remote roads and trails. By 1968, more than 468,456 persons had been arrested in this program, of whom 28,000 were reported as "VC suspects." AID reported that "Resources control efforts in 1969 resulted in nearly 100,000 arrests including more than 10,000 known or suspected Vietcong. Confiscations included 50,000 units of medicine/drugs and 6,000 tons of contraband foodstuffs.

The *National Identity Registration Program* is described by OPS as "an integral part of the population and resources control program." Under a 1957 law, amended in 1967, every Vietnamese 15 years and older is required to register with the Saigon government and carry identification cards; anyone caught without the proper ID cards is considered a "VC suspect" and subject to imprisonment or worse. At the time of registration, a full set of fingerprints is obtained from each applicant, and information on his or her political beliefs is recorded. By 1971, 12,000,000 persons are to have been reached by this identification/registration program. "Once completed," AID explains, "the identification system will provide for a national repository of fingerprints and photographs and biological data. It will be one of the most complete national identification systems in the world, and one of the most badly needed."

Surveillance of persons and organizations suspected of harboring anti-government sentiments is the responsibility of the NP's Special Police Branch (SP). The Special Branch is nothing more or less than Vietnam's secret police; originally the Indo-Chinese branch of the French *Surete*, the SP was known as the Vietnamese Bureau of Investigation during the Diem regime. According to the 1962 decree establishing the National Police, the SP was given the responsibilities of: "Gathering information on political activities," and "carrying out undercover operations throughout the country, searching for, investigating, keeping track of, and prosecuting elements indulged in subversive activities." OPS documents state that "SP agents penetrate subversive organizations," and "use intelligence collection, political data [and] dossiers compiled from census data . . . to separate the bad guys from the good." AID has nothing to say about the criteria used to separate the "bad guys" from the "good guys"; anyone familiar with the Vietnamese scene knows, however, that the SP's major responsibility is surveillance of non-Communist groups that could pose a political challenge to the regime in power. Persons who advocate negotiations with the NLF are routinely picked up by the Special Police and sentenced to stiff prison terms.

Pacification usually brings to mind "good will" projects like school construction and free medical care in Vietnam, however, the paramount task of the U.S. pacification effort is the identification and neutralization of the local NLF administrative apparatus—in Pentagon nomenclature, the "Viet Cong Infrastructure" (VCI). The counter-infrastructure campaign was initiated by the CIA in July 1968 as the "Phung Hoang" program—better known in English as Operation Phoenix. This program, incorporated into the Civil Operations and Revolutionary Development Support (CORDS) effort, is described by American officials as "a systematic effort at intelligence coordination and exploitation." In the *intelligence* phase, all allied intelligence services—including South Vietnam's Special Police Branch and America's CIA and military intelligence organization—are supposed to pool the data they have collected (or forcibly extracted) from informers and prisoners on the identity of NLF cadres. It is for this ultimate purpose that most of the other police functions described above—interdiction, identification, registration and surveillance—are carried on. In the *exploitation* phase of Phoenix, members of the paramilitary National Police Field Forces, sometimes assisted by the Army, make secret, small-scale raids into contested areas to seize or eliminate persons who have been identified by the intelligence services as "VCI agents." In testimony before the Senate Foreign Relations Committee, the head of CORDS, ex-CIA agent William E. Colby stated that in 1969 a total of 19,534 suspected VCI agents had been "neutralized"—of this amount 6,187 had been killed, 8,515 arrested, and 4,832 persuaded to join the Saigon side. Colby insisted that Phoenix did not constitute an "assassination" or "counter-terror" operation.

Each of the counterinsurgency programs described has been accompanied by an expansion of the prison population of South Vietnam. Since prison management is considered a major task of the overall police responsibility, the U.S. Public Safety program includes substantial assistance to the Directorate of Corrections—the Saigon agency ultimately responsible for the operation of South Vietnam's 41 civil prisons. U.S. aid has enabled the Directorate to enlarge the prison system from its 1967 capacity of 20,000 prisoners to the present capacity of 33,435 inmates.

From 1967–1969, OPS expenditures in support of prison maintenance have totaled $1.6 million. Specific project targets in 1969, according to AID's *Program and Project Data Presentations to the Congress*, include: "The renovation and expansion of selected correction centers, the addition of up to 1,000 trained personnel to administer correction centers . . . and the implementation of a plan for relocating prisoners in order to reduce overcrowding and provide greater security from VC attacks." To achieve these targets, "AID will provide technical advisors to help supervise relocations and to train new recruits . . . [and] will provide supplies for prison security . . ." One of the facilities selected for the relocation program was the dread prison of Con Son Island with its now-notorious "tiger cages."

TIGER CAGES GET HIGH RATINGS

Americans who were in Saigon in the late Fifties under the Michigan State-CIA police advisory mission noted at the time that opposition politicians were frequently carted off to Con Son. The U.S. government's own figures state that at least 70 percent of the prisoner population throughout Vietnam is political, and another nine percent is "military"—that is, POW's. It has been said for years that to know the status of the non-communist political opposition, Con Son was the place to go.

U.S. Public Safety Advisor Frank Walton, former Los Angeles Deputy Chief of Police, with a reputation for being hard on minorities, is one of 225 Public Safety Advisors with the Agency for International Development in Vietnam. Walton declared Con Son to be "a correctional institution worthy of higher ratings than some prisons in the U.S." with "enlightened and modern administration."

In order to upgrade the administrative capabilities of the Corrections Directorate, AID regularly provides training to Vietnamese prison officials "outside of Vietnam." Although AID does not divulge any details, the ten officials receiving such training in fiscal year 1969 are probably among the 60 Vietnamese police officers brought to the U.S. to attend special courses. According to the AID manual on *Public Safety Training*, foreign police personnel can attend an 18-week course in "Penology and Corrections at Southern Illinois University in Carbondale. The Southern Illinois program includes instruction in such topics as: "disposition of convicted offenders and juveniles; philosophy and practice of correctional institutional management; methods of correctional staff training and development." The program also includes a course on "Correctional Institute Design and Construction."

One begins to appreciate the breadth of the Vietnam program by reading AID's 1971 budget request—$13 million is being sought to achieve the following "Project Targets":

. . . provision of commodity and advisory support for a police force of 108,000 men by the end of FY 1971 . . . assisting the National Identity Registration Program (NIRP) to register more than 12,000,000 persons 15 years of age and over by the end of 1971; continuing to provide basic and specialized training for approximately 40,000 police annually; providing technical assistance to the police detention system including planning and supervision of the construction of facilities for an additional 2,000 inmates during 1970; and helping to achieve a major increase in the number of police presently working (6,000) at the village level.

This presentation, it must be remembered, only represents programs under AID authority; missing from this prospectus are NP activities financed by the CIA and the Defense Department. Military Assistance funds are used to finance the activities of the parliamentary National Police Field Forces (NPFF), which, by January 1969, constituted a small army of 12,000 men organized into 75 companies (our expansion plans call for a total complement of 22,500 men and 108 companies by the end of 1970). Because of the "military commonality" of their equipment, all commodities support to the NPFF is provided by the Pentagon. The extent of CIA contributions to the National Police is of course impossible to determine; it is known, however, that the CIA has been involved in modernizing Vietnam's secret police files since 1955. One does not have to invoke the sinister image of the CIA, however, to establish beyond a doubt that the United States is intimately involved in every barbarous act committed by the South Vietnamese police on behalf of the Saigon government.

Mr. ABOUREZK. Mr. President, there are other programs in the Office of Public Safety which concern me a great deal. According to reports which I received last year, the U.S. Government has been training foreign policemen in bomb-making at a remote desert camp in Texas. At the U.S. Border Patrol Academy in Los Fresnos, Tex., foreign policemen are taught the design, manufacture and potential uses of homemade bombs and incendiary devices by IPA instructors. At least 165 policemen have taken this "Technical Investigations Course" since it was first offered in 1969.

While I was assured at the time that the course had been terminated, I have recently learned that it has resurfaced—this time in Edgewood, Md. According to E. H. Adkins, Deputy Director of the IPA, in an interview with Carol Clifford of the Los Angeles Times, the course has been "revamped" and renamed prevention and investigation of contemporary violence.

In addition to the bomb school, I have learned that International Police Academy graduates also attend a school for Psychological Operations at Fort Bragg, N.C.

The school, which is held at the U.S. Army Institute for Military Assistance at Fort Bragg, N.C., includes courses with such titles as subversive insurgent methodology, psychological operations in support of internal defense and development, the role of intelligence and internal defense. According to Adkins, the purpose of the school is to "teach police how the military handles psychological warfare problems."

We have also learned that the IPA counts among its graduates security guards employed by Aramco, the Arabian American Oil Co.

I could go on, with other reports of OPS activity which I have found in the last year including letters from foreigners indicating U.S. complicity in the use of torture in countries abroad, but I think that the point is clear:

This country is involved in an activity which is totally divorced from the scope and intention of U.S. foreign aid. The Office of Public Safety and the International Police Academy mocks the purpose of other AID programs and has inflicted an indelible blemish on the past record and accomplishments of USAID programs.

For this reason, I am introducing an amendment to the Foreign Assistance Act of 1975 which would prohibit this insensible activity from continuing.

Last year we were only partially successful in curtailing the activities of the OPS. Presently, only U.S. funds for police training in foreign countries is prohibited. Obviously, a great deal of activity has continued to persist. The International Police Academy has now graduated 4,000 students and they continue to come. Supporting assistance to many of the most repressive governments in the world today continue to go on unabated. And new programs such as the "contemporary violence" course in Maryland continue to spring up.

It is time, I believe that the Congress terminates this program and all related activities in regard to police and prison support. I am hopeful that my colleagues will agree with me, and support this amendment when it comes up for consideration later this summer.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1511

On page 7, between lines 13 and 14, insert the following new section:

PROHIBITING POLICE TRAINING

SEC. 10. (a) Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 659. (a) Prohibiting Police Training.—None of the funds made available to carry out this or any other law, and none of the local currencies accruing under this or any other law, shall be used to provide training or advice, or provide any financial support, for police, prisons, or other internal security forces of any foreign government or any program of internal intelligence of surveillance on behalf of any foreign government within the United States or abroad.

"(b) Subsection (a) of this section shall not apply—

"(1) with respect to assistance rendered under section 515(c) of the Omnibus Crime Control and Safe Streets Act of 1968, or with respect to any authority of the Drug Enforcement Administration or the Federal Bureau of Investigation which relates to crimes of the nature which are unlawful under the laws of the United States; or

"(2) to any contract entered into prior to the date of enactment of this section with any person, organization, or agency of the United States Government to provide personnel to conduct, or assist in conducting, any such program.

Notwithstanding clause (2), subsection (a) shall apply to any renewal or extension of any contract referred to in such paragraph entered into on or after such date of enactment."

(b) Section 112 of such Act is repealed. On page 7, line 16, strike out "Sec. 10" and insert in lieu thereof "Sec. 11".

AMENDMENT NO. 1512

(Ordered to be printed and referred to the Committee on Foreign Relations.)

Mr. ABOUREZK. Mr. President, today I am introducing amendment to S. 3394, the foreign aid bill which provides that no military assistance shall be made available to any foreign government during any period in which that government does not allow such international organizations as the International Committee of the Red Cross, the International Commission of Jurists, Amnesty International, and the Inter-American Commission on Human Rights free access into their prisons for the sole purpose of conducting inspections with respect to alleged violations of human rights.

I join a growing number of Americans who are deeply concerned over the rampant violations of human rights and the need for a more effective response from the U.S. Government. Despite national differences, ideological variances, and numerous reasons, a large and ever-growing number of American citizens find a common cause in coming to the aid of the oppressed in countries throughout the world.

The sad but unfortunate fact is that gross and malicious violations of human rights continue to persist in almost every part of the world. Torture, mass imprisonment, summary executions, and discrimination, and other abhorent violations continue to be used—sometimes quite overtly—in countries whose governments the United States consider to be among its closest friends.

While no one disputes the role of any government in guaranteeing to its citizens the most basic freedoms and rights accorded to every human being, it has become apparent in recent years that many governments not only neglect to guarantee these rights but actually deny them.

Contrary to what many now believe, government repression is not limited to one particular ideology. Governments from every part of the political spectrum have at one time in recent years been accused of violating the fundamental rights of its citizens.

While the protection of human rights remains essentially the responsibility of each government, it becomes the responsibility of the international community when violations occur at the hands of the government. It must be the responsibility of concerned governments and international organizations to help defend the human rights of all people throughout the world.

For this reason, the United Nations and its specialized agencies have developed an extensive body of international law pertaining to human rights. In the latest U.N. compilation of specific human rights instruments of the U.N. 13 declarations and 23 conventions are listed.

Unfortunately, the U.S. record on ratification of human rights treaties has been a dismal failure. According to the report on Human Rights in the World Community submitted to Congress by the House Subcommittee on International Organizations and Movements earlier this year, the United States, through this failure to become a party to all but a few of the human rights treaties, has become increasingly isolated from the development of human rights law. There can be little question that this embarrassing failure has impaired both our participation in international cooperation in human rights as well as any bilateral efforts which this Government may have considered to persuade governments to respect international human rights standards.

One major cause for the embarrassing failure on the part of the United States in this regard is that the people in this country have not been made aware of the inhuman atrocities and the repressive and barbaric tactics which some governments in the world insist on using as their only means of staying in power.

They have not been told that people are thrown in prison in many countries simply because of their beliefs or their disagreement with their own government. They are not told that the most unbelievable forms of torture known to man are used daily by some government officials on their own citizens. Americans are unaware that thousands of innocent people are shot each year without so much as a hearing on the crimes which they are accused of committing. Most important of all, few U.S. taxpayers know that part of their hard-earned wages are going, in taxes, to support these repressive measures—sometimes directly through the export of police and prison equipment and many times indirectly through direct payments to many of the most repressives regimes in the world today.

A large part of the problem lies directly within our own State Department. The Department as well as the entire Nixon administration chooses to pretend that that repression, torture, and the abridgement of human rights simply does not exist. A recent example of this is the response received by Senator KENNEDY from the State Department in reply to the recommendations contained in a study mission report submitted by his Senate Subcommittee on Refugees. In regard to political prisoners in South Vietnam, the Department stated:

> The Department of State cannot agree with the Study Mission's assertion that "the record is clear that political prisoners exist in South Vietnam."
>
> We would add that the extensive evidence available to us simply does not sustain the highly publicized charges that civilian prisoners are subjected to widespread, systematic mistreatment in the jails of the Republic of Vietnam.

Time and again, the administration continues to attempt to solve the problems of blatant and gross violations of human rights simply by denying that they exist. The State Department assertion that there are no political prisoners in South Vietnam defies not only the findings of the Refugee Subcommittee, but also the scores of reports by responsible humanitarian organizations whose documented evidence leaves absolutely no question that these violations exist.

In Chile, while people are arrested, tortured, and summarily killed for any reason or even no reason, our Government is asking $85 million in bilateral aid for the next fiscal year. Unlike other Western countries, we have offered no asylum to Chilean refugees. And we have said nothing, officially, about the murder and savagery.

If the United States only spoke out against the torture, if our Embassy in Santiago was active in watching the trials and other visible manifestations of oppression, if Congress could, just once, attach conditions to aid, those who rule Chile, South Vietnam, and other repressive countries would listen.

But we in the Government of the United States show no official concern for human rights. We have nothing to say about the repression and slavery of the Ache Indians in Paraguay or about the documented brutalities which have occurred in some of Paraguay's neighboring countries. In Korea, in Indonesia, in the Philippines, in Uruguay, in Brazil, and in scores of other countries whose governments are our "friends," the Government of the United States sits idly by as while grave acts of torture and murder continue to be committed.

In a recent article in the New York Times, Anthony Lewis summed up American indifference best:

> Some of the nastiest governments in the world today were born or grew with American aid. That being the case, the most modest view of our responsibility would require us to say a restraining word to them occasionally. But we say nothing, we hear nothing, we see nothing.

Citing the State Department response regarding the nonexistence of South Vietnamese political prisoners which I mentioned earlier, Lewis writes:

> Thus thousands of non-communists in South Vietnamese jails were made to vanish, the twisted creatures in tiger cages waved away. Thus the idealism that once marked America's place in the world has become indifference in the face of inhumanity.

Mr. President, it is appalling that the concern for human rights is not even considered in our country's foreign policy. It has been pushed from a low priority to total invisibility behind the "more important considerations" of political, economic, and military decisionmaking. It has been totally neglected and all but dismissed as a factor in United States foreign policy.

While one would be foolish to suggest that the human rghts factor should be the only consideration, or even the single, major factor in determining our foreign policy, there is little doubt that it ought to be accorded far greater import than what now exists. If the United States cannot play a role in setting some kind of example for other countries to follow, then surely we cannot expect some other country or international organization to do so either.

In this country, respect for human rights is a fundamental tradition set down in the Constitution. The citizens in this country have long cherished this tradition as one of the most fundamental of all and one which is worth fighting for. We have encouraged other countries and their governments to accept the principles of our Bill of Rights to the point where we have even helped write their existing constitutions. The U.S. Government has had ample opportunity to impress upon these governments of the importance of guaranteeing human rights to all of their people—regardless of belief, race, or ideology.

Yet, the State Department has taken the position that questions involving human rights are domestic in nature and not relevant in determining bilateral relations. With almost weekly charges of serious violations of human rights somewhere in the world, the most the Department has done is to make private inquiries and low-keyed appeals to the government concerned.

While the State Department continues to rely on the "nonintervention" rationale in cases involving human rights, it is all but forgotten at other times. In the last 15 years alone, we have seen overt examples of U.S. intervention in the Dominican Republic, in Cuba, and in Southeast Asia, merely to name three. God only knows how many covert operations the United States has been involved in during this same time period.

In addition, the United States has not hestitated to criticize violations of human rights in the Soviet Union—especially in regard to the Solzhenitsyn affair. Even a vast number of Members in the Senate have attempted to threaten to curtail trade with the Soviet Union if its emigration policy for Jews is not modified. Current U.S. policy, however, has made it clear that Soviet violations of human rights will not deter efforts to promote détente with the Soviet Union.

I concur with those who argue that as the importance of ideology in international relations continues to lessen, the United States must begin to consider a certain government's adherence to objective human rights standards as one important criterion in determining our foreign policy. Certainly, protection of human rights is often a better measure of the performance of a government than is ideology.

In the last year, the Senate has had the opportunity on several occasions to emphasize the importance of human rights in the implementation of foreign policy. We have attempted to establish some criteria which could be considered in determining who should receive U.S. foreign aid and just what that aid should consist of.

On each occasion, however, the supporters of this effort have been accused of intervening in the domestic affairs of another country, of using faulty criteria in establishing foreign policy, and of jeopardizing U.S. international political and military positions by offering or supporting such legislation.

Mr. President, I join those who believe that arguments such as these are completely wrong and totally without merit. I believe that the only way in which basic houman rights can be considered in the overall determination of foreign policy is for the Congress to demonstrate its concern. Members of Congress should not hesitate to speak out forthrightly in calling for action by the executive branch in defense of international standards of human rights when they are violated. It simply has got to start here.

It is for this reason that I am now introducing this amendment to the fiscal 1975 foreign aid bill.

The sole purpose of this amendment is to insure that those people who are imprisoned in countries whose governments are receiving U.S. military aid are being accorded the most basic of human rights. If, in the opinion of any one of the four organizations the Government is insuring these rights to its citizens, then there would be no question as to their eligibility for receiving U.S. foreign aid. However, if on the other hand, the organization determines that the rights of its citizens are being violated, the country would not be eligible for U.S. military assistance until those rights are restored.

The international organizations are a vital contributor to the international protection of human rights. Their value arises from their independence from governments which enables them to view objectively human rights situations in various countries without regard to political considerations. These traits of objectivity and political independence make it possible for nongovernmental organizations to speak out against human rights violations when governments are silent. I am therefore convinced that with the assistance of such international organizations, the United States can go a long way in insuring that at least in those countries who receive U.S. military aid, the basic human rights of their citizens are allowed.

In recent years, the world has witnessed an alarming increase in the violations of human rights including the practice of torture. Amnesty International estimates that torture exists in at least 64 countries at last count—many of whose governments are considered friends of ours. Until this country speaks out in defense of these rights, until we use our massive influence with many of these countries to terminate their inhumane treatment of their own citizens the violations will continue to occur and most likely increase.

This amendment is an attempt to use that influence. Members of the Senate will have the opportunity to put the Congress on record as opposing the repugnant treatment of millions of people by their own government. It is an opportunity to begin to put an end to the torture, the unjust imprisonment, and the mass murders of thousands of innocent people. I believe that it is not only an opportunity, but a responsibility.

Mr. President, I ask unanimous consent that the text of the amendment be inserted into the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1512

On page 7, between lines 13 and 14, insert the following:

ACCESS OF INTERNATIONAL ORGANIZATIONS TO PRISON

SEC. 10. Chapter 3 of part III of the Foreign Assistance Act of 1961 is amended by adding at the end thereof the following new section:

"SEC. 659. Access of International Organizations to Prisons.—No funds made available to carry out this or any other law shall be used to provide military assistance or security supporting assistance or to make military sales, credit sales, or guaranties, to or for any foreign government during any period in which that government does not allow the International Committee of the Red Cross, the International Commission of Jurists, Amnesty International, or the Inter-American Commission on Human Rights, free access into the prisons of that country for the sole purpose of conducting inspections with respect to alleged violations of human rights."

On page 7, line 16, strike out "Sec. 10" and insert in lieu thereof "Sec. 11".

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT—AMENDMENTS

AMENDMENT NO. 1513

(Ordered to be printed and to lie on the table.)

Mr. MAGNUSON (for himself and Mr. MANSFIELD) submitted an amendment intended to be proposed by them jointly to the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. MAGNUSON. Mr. President, I submit an amendment authored by the distinguished majority leader (Mr. MANSFIELD) and myself to set a certain date, December 31, 1974, by which time private citizens shall be permitted to own gold for investment purposes. Under our amendment, the President would have discretionary authority to remove the present restrictions on private ownership before December 31. However, and I want to emphasize this point, the amendment would permit private ownership as of December 31 even if the President did not act. It should be noted that our amendment is essentially the same as the gold ownership provision contained in H.R. 15645 which has just recently been reported by the House Banking Committee. Consequently, we are confident our amendment would be acceptable to the House.

Mr. President, this is a matter in which Senator MANSFIELD and I both have long been interested, and we feel strongly that the time has arrived for resolving this issue once and for all. Last year, of course, the Senate passed legislation (S. 929) that would have permitted private ownership of gold beginning on December 31, 1973. The House bill, however, did not permit private ownership until such time as "the President finds and reports to the Congress that international monetary reform shall have proceeded to the point where elimination of regulations on private ownership of gold will not adversely affect the United States international monetary position." As Senators know, the House provision prevailed in conference.

Mr. President, we can see how it might be beneficial to allow the administration some flexibility in bringing the present restrictions on private ownership to an end. However, all of us in this body know from hard experience how matters of this sort have a habit of just dragging on and on without final resolution.

The amendment we are offering today addresses both of those concerns—the need on one hand to give the administration some flexibility and the necessity on the other hand of assuring that this matter will be brought to a final conclusion within a reasonably short period of time.

Mr. President, I urge adoption of the amendment.

AMENDMENT NO. 1514

(Ordered to be printed and to lie on the table.)

Mr. CHILES. Mr. President, I submit an amendment to H.R. 14832, which would prohibit the reduction of certain veterans' benefits as a result of increase in social security or railroad retirement benefits or certain other annuities.

I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1514

At the end of the bill add a new section as follows:

SEC. . (a) Section 415(g) of title 38, United States Code, is amended by adding at the end thereof a new paragraph as follows:

"(4) Notwithstanding the provisions of paragraph (1) of this subsection, in determining the annual income of any person for any year there shall not be included in such income—

"(A) the amount of any increase in monthly insurance benefits payable to such person during such year under section 202 or 223 of the Social Security Act, the amount of any increase in the monthly payment of annuity or pension payable to such person during such year under the Railroad Retirement Act of 1935 or the Railroad Retirement Act of 1937, or the amount of any cost-of-living adjustment of an annuity under section 8340 of title 5, United States Code, if—

"(i) such increase results from provision of law enacted after December 30, 1973, providing increases in the monthly benefits payable to individuals entitled to benefits under such section 202 or 223 of the Social Security Act, such increase results from provisions of law enacted after such date providing increases in railroad retirement benefits, or such adjustment results from a cost-of-living adjustment in a civil service retirement annuity effective after December 30, 1973; and

"(ii) for the month (or any portion thereof) in which the Act containing such provisions of law was enacted or for which such adjustment was effective, such person was entitled to (I) a monthly insurance benefit under section 202 or 223 of the Social Security Act, monthly payment of annuity or pension under the Railroad Retirement Act of 1937 or the Railroad Retirement Act of 1935, or an annuity under subchapter III of chapter 83 of title 5, United States Code, (or other comparable provision of law), as the case may be, and (II) dependency and indemnity compensation under the provisions of this chapter; and

"(B) the amount of any lump-sum payment paid to such person during such year if—

"(i) such payment is attributable to an increase in (I) the monthly insurance benefits to which such person is entitled under section 202 or 223 of the Social Security Act, or (II) the amount of the monthly payment of annuity or pension payable to such person under the Railroad Retirement Act of 1935 or the Railroad Retirement Act of 1937;

"(ii) such increase results from the enactment, after December 30, 1973, of any provision of law increasing (I) the monthly benefits payable to individuals entitled to benefits under section 202 or 223 of the Social Security Act, or (II) the monthly payments of annuity or pension payable to individuals under the Railroad Retirement Act of 1935 or the Railroad Retirement Act of 1937; and

"(iii) such lump-sum payment is paid separately from the rest of any monthly insurance benefit of such person under section 202 or 223 of the Social Security Act or of any monthly payment of annuity or pension payable to such person under the Railroad Retirement Act of 1937."

(b) Section 503 of title 38, United States Code, is amended by adding at the end thereof a new subsection as follows:

"(d) Notwithstanding the provisions of subsection (a) of this section, in determining the annual income of any person for any year for purposes of this chapter or the first sentence of section 9(b) of the Veterans' Pension Act of 1959 or any prior law, there shall not be included in such income—

"(1) the amount of any increase in monthly insurance benefits payable to such person during such year under section 202 or 223 of the Social Security Act, the amount of any increase in the monthly annuity or pension payable to such person during such year under the Railroad Retirement Act of 1935 or the Railroad Retirement Act of 1937, or the amount of any cost-of-living adjustment of annuity under section 8340 of title 5, United States Code, if—

"(A) such increase results from provisions of law enacted after December 30, 1973, providing increases in the monthly benefits payable to individuals entitled to benefits under such section 202 or 223 of the Social Security Act, such increase results from provisions of law enacted after such date providing increases in railroad retirement benefits, or such adjustment results from a cost-of-living adjustment in a civil service retirement annuity effective after December 30, 1973, and

"(B) for the month (or any portion thereof) in which the Act containing such provisions of law was enacted or for which such adjustment was effective, such person was entitled to (i) a monthly insurance benefit under section 202 or 223 of the Social Security Act, a monthly payment of annuity or pension under the Railroad Retirement Act of 1937 or the Railroad Retirement Act of 1935, or an annuity under subchapter III of chapter 83 of title 5, United States Code (or other comparable provision of law), as the case may be, and (ii) pension under the provisions of this chapter or the first sentence of section 9(b) of the Veterans' Pension Act of 1959 or any prior law.

"(2) the amount of any lump-sum payment paid to such person during such year if—

"(A) such payment is attributable to an increase in (i) the monthly insurance benefits to which such person is entitled under section 202 or 223 of the Social Security Act, or (ii) the amount of the monthly payment of annuity or pension payable to such person under the Railroad Retirement Act of 1935 or the Railroad Retirement Act of 1937;

"(B) such increase results from the enactment, after December 30, 1973, of any provision of law increasing (i) the monthly benefits payable to individuals entitled to benefits under section 202 or 223 of the Social Security Act, or (ii) the monthly payments of annuity or pension payable to individuals under the Railroad Retirement Act of 1935 or the Railroad Retirement Act of 1937; and

"(C) such lump-sum payment is paid separately from the rest of any monthly insurance benefit of such person under section 202 or 223 of the Social Security Act or of any monthly payment of annuity or pension payable to such person under the Railroad Retirement Act of 1935 or the Railroad Retirement Act of 1937.".

Amend the title so as to read: "An Act to provide for a temporary increase in the public debt limit, and for other purposes."

AMENDMENT NO. 1515

(Ordered to be printed and to lie on the table.)

Mr. NELSON. Mr. President, today I am introducing an amendment to H.R. 14832, the Debt Ceiling Act, providing for a $205 tax credit in place of the personal exemption in existing law. This $205 tax credit, which would be used by all taxpayers, is a proposed substitute to the amendment offered by some of my colleagues providing for a $190 tax credit or a $825 personal exemption at the option of the taxpayer. Their amendment is tax reduction without tax reform.

A fundamental inequity of our present tax law is that the value of personal exemptions depends on one's tax bracket. The personal exemption is a deduction from adjusted gross income and is of substantially greater value to wealthy families.

For example, today's $750 exemption reduces the income tax of a person in the lowest income tax bracket by $105—14 percent of $750—but saves a high-income person as much as $525—70 percent of $750. Let us consider a man with half a million dollars of income who is in the 70-percent bracket and a man earning $5,000. If each is married with two children, the wealthy man will save $2,100 because of the personal exemption and the man with $5,000 will save about $470. For a man in the 14 percent bracket, the birth of a child provides him with tax relief of $105; for the man in the 50-percent bracket whose income may be over $50,000, the relief is $375, and for the wealthy man in the 70-percent bracket, the relief is $525.

Logic would suggest that tax relief based on family size, should be greater or at least the same for low-income families than for the high-income one. The advantage of a tax credit over the personal exemption has been recognized by tax experts and public leaders for many years. For example, this April 11 Senator KENNEDY, in a Senate speech stated:

> We also need to overhaul the relationship between tax credits and tax deductions in the Internal Revenue Code. In the past, as part of overall tax reform, I have urged Congress to allow credits instead of deductions in a number of major areas, including the personal exemption, . . .
>
> It makes no sense to me that, because of the rate structure of our revenue laws, a child in a wealthy family is worth a tax saving of $525 to his parents while a ghetto child is worth only $105 in tax relief.

Rather than ending this inequity, the optional approach increases it. The optional approach of a tax credit or an increased tax exemption would further reduce the progressivity of our tax system above the cut-off point—in this case, around $20,000—since these high-income taxpayers would still benefit relatively more than the individual who takes the credit.

The across-the-board $205 tax credit would achieve not only tax relief but greater equity in our tax law. A $205 tax credit which would be a deduction from the final tax bill would be of equal value to all families. Providing for a credit instead of an exemption will make the income tax system far more progressive, and provide a substantial new equity for millions of taxpayers.

Furthermore, a tax credit concentrates tax relief among low- and middle-income families where it is most needed. For example, a study by the Joint Economic Committee shows that a family with a budget of $12,614 had to pay an extra $1,168 just to maintain their 1972 living standards. Over the weekend, the Labor Department published a report demonstrating the devastating effect on middle Americans' standard of living and purchasing power. It provided fresh evidence that last year's inflation squeezed lower income and intermediate families harder than those at "higher" levels. This is because food prices rose the most last year and food, in percentage terms, is a bigger budget item for the less-well-off than the well-to-do.

For example, a typical lower income urban family of four needed 10.8 percent more money to sustain itself at the same standard of living in 1973 as they had in 1972. A middle-income family needed 10.3 percent more money to maintain the same standard of income.

It is these very people that would be helped the most by an across-the-board $205 tax credit rather than an optional credit. For example, a couple with one dependent whose adjusted gross income is $12,500 would have a tax savings of $75 from present law under the optional credit, but $120 under the $205 tax credit. If this couple had two dependents, the tax savings would be $111, and $171 respectively.

Mr. President, I ask unanimous consent to insert into the CONGRESSIONAL RECORD at this time, two tables, one showing the Federal individual income tax liability under present law and under the optional tax credit and the $205 tax credit, and the other showing the different tax savings for certain categories of taxpayers.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE I.—FEDERAL INDIVIDUAL INCOME TAX LIABILITY UNDER PRESENT LAW, UNDER A $190 NONREFUNDABLE TAX CREDIT OR AN $825 PERSONAL EXEMPTION DEDUCTION AT THE TAXPAYER'S OPTION (PROPOSAL NO. 1), AND UNDER A $205 NONREFUNDABLE MANDATORY TAX CREDIT (PROPOSAL NO. 2)—SINGLE PERSON AND MARRIED COUPLE WITH NO, 1 2, AND 4 DEPENDENTS

[Assuming deductible personal expenses of 15 percent of income]

	Tax liability														
	Single person			Married couple with no dependents			Married couple with 1 dependent			Married couple with 2 dependents			Married couple with 4 dependents		
Adjusted gross income	Under present law	Under proposal No. 1	Under proposal No. 2	Under present law	Under proposal No. 1	Under proposal No. 2	Under present law	Under proposal No. 1	Under proposal No. 2	Under present law	Under proposal No. 1	Under proposal No. 2	Under present law	Under proposal No. 1	Under proposal No. 2
$3,000	[1] $133	[1] $69	[1] $54	[1] $28											
$5,000	[1] 491	[1] 443	[1] 428	[1] 322	[1] $189	[1] $159	[1] $208			[1] $98					
$6,000	[1] 681	[1] 647	[1] 632	[1] 484	[1] 373	[1] 343	[1] 362	[1] $183	[1] $138	[1] 245			[1] $28		
$8,000	[1] 1,100	[1] 1,084	[1] 1,073	[1] 848	[1] 753	[1] 723	[1] 700	[1] 563	[1] 518	569	[1] $373	[1] $313	[1] 322		
$10,000	1,530	1,512	1,510	1,190	1,110	1,080	1,048	920	875	905	730	607	620	$350	$260
$12,500	2,059	2,040	2,054	1,628	1,578	1,548	1,463	1,388	1,343	1,309	1,198	1,138	1,024	818	728
$15,000	2,630	2,610	2,643	2,095	2,062	2,038	1,930	1,878	1,833	1,765	1,688	1,628	1,435	1,308	1,218
$17,500	3,249	3,226	3,276	2,604	2,566	2,569	2,416	2,360	2,364	2,233	2,167	2,159	1,903	1,804	1,749
$20,000	3,915	3,890	3,965	3,135	3,098	3,130	2,948	2,891	2,925	2,760	2,685	2,720	2,385	2,273	2,310
$25,000	5,420	5,392	5,500	4,310	4,268	4,370	4,100	4,037	4,165	3,890	3,806	3,960	3,470	3,344	3,550

[1] Computed without reference to the tax tables for returns with adjusted gross income under $10,000.

Source: Staff of the Joint Committee on Internal Revenue Taxation, May 30, 1974.

TABLE II.—TAX SAVINGS

	Married couple with 2 dependents	
Adjusted gross income	Under alternative tax credit	Under $205 tax credit
$8,000	$196	$256
$10,000	175	235
$12,500	111	171
$15,000	77	137

Mr. NELSON. Mr. President, there are two other major reasons why the $205 tax credit is to be preferred over the optional tax credit. First, it costs less, second, since it would take effect after December 31, 1974 it would not be financed by retroactive repeals, as of January 1, 1974, of existing laws.

The $205 tax credit would provide $6.786 billion in tax relief to 58,603 million American taxpayers. It would eliminate entirely the tax burden for 7,657 American taxpayers—mostly working families with moderate and low incomes.

The net cost to the Treasury, however, would be $5.274 billion—about 1 billion less than the optional tax credit—because tax relief based on family size would be of equal value to all taxpayers.

Mr. President, I ask unanimous consent to insert into the CONGRESSIONAL RECORD at this time, a table showing the aggregate decrease and increase in Federal individual income liability resulting from the $205 tax credit.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

ESTIMATED AGGREGATE DECREASE IN FEDERAL INDIVIDUAL INCOME TAX LIABILITY RESULTING FROM THE SUBSTITUTION OF A $205 MANDATORY NONREFUNDABLE TAX CREDIT FOR THE $750 PERSONAL EXEMPTION DEDUCTION—BY ADJUSTED GROSS INCOME CLASS, 1974 INCOME LEVELS

Adjusted gross income class	Returns with tax decrease			Returns with tax increase		
	Total number with tax decrease (thousands)	Number made nontaxable (thousands)	Decrease in tax liability (millions)	Number of returns (thousands)	Increase in tax liability (millions)	Net change in tax liability (millions)
0 to $3,000	4,057	2,976	$223	0	0	−$223
$3,000 to $5,000	7,579	1,783	632	0	0	−632
$5,000 to $7,000	8,273	1,400	900	0	0	−900
$7,000 to $10,000	11,428	1,098	1,578	0	0	−1,578
$10,000 to $15,000	15,655	358	2,322	297	$8	−2,314
$15,000 to $20,000	9,023	37	970	833	28	−942
$20,000 to $50,000	2,584	3	161	6,423	884	+723
$50,000 to $100,000	3	1	1	652	446	+446
$100,000 and over	1	(1)	(1)	159	145	+145
Total	58,603	7,657	6,786	8,363	1,511	−5,274

[1] Less than 500 returns or $500,000.

Source: Staff of the Joint Committee on Internal Revenue Taxation, June 3, 1974.

Note: Details will not necessarily add to totals because of rounding.

Mr. NELSON. Mr. President, as I mentioned earlier, this proposal, unlike the $190 alternative credit—will concentrate tax relief among low- and middle-income taxpayers. This proposal would result in less tax liability than under present law for all the following categories of taxpayers—assuming deductible personal expenses of 15 percent of adjusted gross income:

Single person	$14,264.71
Married couple with no dependents	20,196.08
Married couple with one dependent	20,882.35
Married couple with two dependents	21,568.63
Married couple with four dependents	22,941.18

In other words, families of four with adjusted gross incomes of $22,941.18 or less would pay less in tax than under the present law.

Even for many taxpayers above the break-even point, there would only be a minor increase in taxes. For example, a married couple with one dependent with adjusted gross income of $25,000, tax liability would increase by $65. For the same couple with two dependents, their tax liability would increase by $70.

Finally, I have grave reservations about the soundness—except in extraordinary circumstances—about retroactively repealing existing laws. Regardless what is believed to be the faults of a particular tax provision, taxpayers at the beginning of a tax year have the right to expect that laws they relied on will exist for that year. Otherwise, they could be penalized for tax decisions they have no opportunity to change. For these reasons, I have proposed that the repeal of DISC and the strengthening of the minimum tax be effective at the end, rather than the beginning of this year. On the other hand, the oil industry has clearly been on notice that Congress will make major changes in their tax law. Repeal of the percentage depletion as of January 1, 1974 is necessary to reduce windfall profits already enjoyed by the oil industry.

Mr. President, I ask unanimous consent to insert into the CONGRESSIONAL RECORD at this time, a table showing the revenue effects of my bill S. 3437 which I reintroduced as amendments to H.R. 8217 to indicate the kind of tax package possible that:

First, would combine tax relief with tax reform,

Second, would not increase Federal deficits but, in fact, raise Federal revenues, and

Third, would not require unreasonable retroactive repeal of existing tax laws.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

REVENUE EFFECTS OF S. 3437 INTRODUCED BY SENATOR NELSON ON MAY 2, 1974[1]

Provisions	In billions	
	1974	1975
Sec. 2— $205 credit		−5.0
Sec. 3— Repeal of depletion percentage	2.2	2.2
Sec. 4— Strengthening minimum tax[2]		.926
Sec. 6— Limitation on foreign tax credit		.500
Sec. 7— Repeal of foreign intangibles		.100
Sec. 8— Taxation of undistributed profits		.350
Sec. 9— Repeal of DISC		.920
Sec. 10— Repeal of WIHC		.40
Sec. 11— Repeal of ADR	.400	1.0
Revenue gain	2.600	1.0

[1] Revenue estimates provided by the Joint Committee on Internal Revenue Taxation. Some of the figures have been rounded and because of the interaction among the provisions, totals may have to be modified.

[2] Sec. 5, whose revenue impact begins in 1977 has been omitted.

Mr. NELSON. Mr. President, changing the present personal exemption to a $205 tax credit would be a fundamental reform of a tax system, making it more progressive and would concentrate tax relief for those groups who have been hit hardest by inflation.

Mr. President, I ask unanimous consent to insert into the CONGRESSIONAL RECORD at this time, two examples of the effects of the proposed amendment to substitute a $205 credit for the personal exemption.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Example I. A married man with two children with an income of $10,000 assuming the standard deduction

A. Tax under present law:

Adjusted gross income	$10,000
Less standard deduction (15%)	1,500
Equals	8,500
Less four personal exemptions of $750	3,000
Equals taxable income	5,500
Tax from table (schedule Y)	905

B. Tax under the proposed amendment:

Adjusted gross income	$10,000
Less standard deduction (15%)	1,500
Equals taxable income	8,500
Tax from table (schedule Y)	1,490
Less credits (4 times $205)	820
Equals tax liability	670

Example II. A married man with two children with adjusted gross income of $50,000 assuming itemized deductions of 15%

A. Tax under present law:

Adjusted gross income	$50,000
Less itemized deductions	7,500
Equals	42,500
Less four personal exemptions of $750	3,000
Equals taxable income	39,500
Tax from table (schedule Y)	11,915

B. Tax under the proposed amendment:

Adjusted gross income	50,000
Less itemized deductions	7,500
Equals taxable income	42,500
Tax from table (schedule Y)	13,340
Less credits (4 times $205)	820
Equals tax liability	12,520

AMENDMENT OF HEARINGS ON S. 6, EDUCATION FOR ALL HANDICAPPED CHILDREN

Mr. RANDOLPH. Mr. President, as Chairman of the Senate Subcommittee on the Handicapped, I announce that the subcommittee will hold a hearing on S. 6, a bill for the education of all handicapped children, on Monday, June 24, 1974, at 10 a.m. in room 5302, Dirksen Senate Office Building. Persons wishing to present a statement should contact Mrs. Patria Forsythe, professional staff member, or Miss Anne Hocutt, research assistant, Subcommittee on the Handicapped at (202) 225-9075.

ANNOUNCEMENT OF HEARINGS ON REHABILITATION LEGISLATION

Mr. RANDOLPH. Mr. President, at my request, the senior Senator from California (Mr. CRANSTON), an effective advocate and leader in the development and enactment of the Rehabilitation Act of 1973, will chair a hearing of the Subcommittee on the Handicapped on S. 3108, a bill to transfer the administration of the Rehabilitation Act of 1973 from the Social and Rehabilitation Service to the Office for Human Development at the Department of Health, Education, and Welfare; H.R. 14225, a bill to extend and authorize additional appropriations under the Rehabilitation Act of 1973; and related measures.

The hearing will be held at 9:30 a.m., Thursday, June 27, in room 4232, Dirksen Office Building. Administration witnesses will testify. Persons wishing to submit written statements for the hearing record should contact Mrs. Patria Forysthe, professional staff member or Miss Anne Hocutt, research assistant, Subcommittee on the Handicapped, at (202) 225-9075.

NOTICE CONCERNING A NOMINATION BEFORE THE COMMITTEE ON THE JUDICIARY

Mr. ROBERT C. BYRD. Mr. President, the following nomination has been referred to and is now pending before the Committee on the Judiciary: Gordon Krupsaw Milstone, of Maryland, to be Examiner-in-Chief of the U.S. Patent Office, vice John Stevens Lieb, resigned.

On behalf of Committee on the Judiciary, notice is hereby given to all persons interested in this nomination to file with the committee, in writing, on or before Friday, June 28, 1974, any representations or objections they may wish to present concerning the above nomination, with a further statement whether it is their intention to appear at any hearing which may be scheduled.

ADDITIONAL STATEMENTS

RAYMOND NOYES, CONGRESSIONAL RECORD CLERK FOR 39 YEARS, RETIRING

Mr. CANNON. Mr. President, I wish to call attention to my colleagues the retirement this week of Raymond F. Noyes as Congressional Record clerk after 39 years of service with the Government Printing Office.

Mr. Noyes was detailed to the Congressional Record clerk's office in May of 1953 and in less than 5 years he advanced to the top position in that office.

An intensely dedicated man, Raymond Noyes performed the intricate duties of his office with diligence, patience, and untiring energy. As a member of the Joint Congressional Committee on Printing I have had the opportunity of observing Mr. Noyes' unflagging devotion to an arduous and painstaking job.

I wish for him a long and happy retirement, knowing that he carries with him the warmest good wishes from those he served so well.

BILINGUAL PROGRAMS

Mr. TOWER. Mr. President, within recent days, we have had final congressional action on the second supplemental appropriations bill for fiscal year 1974, and on the bill to amend and extend the Elementary and Secondary Education Act. In each instance, Congress has approved certain language that will, in effect, impact in a very positive manner in title VII of the Elementary and Secondary Education Act, or what is commonly known as the Bilingual Education Act.

As my colleagues are aware, the bilingual education program is a discretionary grant program that provides funds to local education agencies for projects that are designed to meet the needs of children who come from environments where the dominant language is other than English, and who come from low-income families. From $8 million in 1969, the program has grown to one for which Congress authorized $53 million in fiscal year 1974.

In approving the second supplemental appropriations bill, Congress recently added an additional $12 million to the bilingual education program for fiscal year 1974. These funds will remain available for use until December 31, 1974.

In approving the elementary and secondary education legislation, I am very pleased to note that the Congress has recognized the concept of bilingual vocational training, which I originally introduced in 1973, by approving the Tower-Dominick Bilingual Vocational Training Act. Although hearings are currently being held in the House on the Vocational Education Act, congressional approval of this extremely important concept as a 1-year program is of great significance to the Spanish-speaking citizens of Texas as well as to the entire country.

Mr. President, the key to the success of the overall bilingual education effort in this Nation rests wholly upon a full understanding of this program by our local education agencies and by our local communities. This understanding is greatly assisted by the public-spirited and conscientious efforts of individuals such as Mr. Jack Roth, president of KONO/KITY Radio in San Antonio, Tex. Since one of his recent editorials has been followed by significant congressional legislative activity relating to the bilingual education concept, I ask unanimous consent that this editorial entitled "Understanding the Bilingual Concept" be printed in the Record.

There being no objection, the editorial was ordered to be printed in the Record as follows:

UNDERSTANDING THE BILINGUAL CONCEPT

About 50 percent of Mexican-American pupils in the Southwest enter school without knowing the English language—even enough to communicate on a primitive basis. In San Antonio, the primary aim of our bi-lingual programs is to change this pitiful situation. Yet, the bi-lingual concept is probably one of the most misunderstood in our community. We want to see thousands of citizens of the Mexican-American community become responsible, productive members of society; therefore, support of our bi-lingual programs is as vital to our community as water is to a well.

The United States is an English-speaking country. Yet thousands of its citizens grow up with little or no knowledge of the English language . . . or even the ability to identify objects! This deficiency drives these people back into the barrio, where they remain shackled and where their potential withers away and dries up. The non-English-speaking first grader is frustrated and eventually quits school, in most cases . . . giving up what seems to him a losing battle. Not only is this a considerable handicap for the individual, but it also deprives the entire community of sharing the rich culture and heritage which the Mexican-American people have to give. So—all segments of society suffer. The current efforts on the part of organizations such as the Adult Learning Center of San Antonio are paramount in reversing the hopelessness of the Mexican-American, non-English-speaking citizen.

Studies prove that the learning processes of a human being begin at birth. During these years, English must be the primary language in the home. The child can grow up to speak both English and Spanish, and, indeed, he should . . . but English must be first for the sake of his future in an English-speaking country. So—the approach of the Adult Learning Center of San Antonio is to work with the adults of the home so that they can teach their pre-school children English. These children deserve a chance to fulfill themselves as individuals and valuable members of our community. The programs of bi-lingual education warrant your understanding and support if the well is not to run dry.

WISCONSIN AIR NATIONAL GUARD 115TH FIGHTER GROUP

Mr. PROXMIRE. Mr. President, it was my pleasure to have recently received from one of my constituents, Mrs. Alice B. Nilsson, a letter in which she expressed her gratitude for the aid several members of the Wisconsin Air National Guard 115th Fighter Group gave her in moving from her apartment this spring. Accompanying this letter was a news report concerning a citation this fighter group was awarded for their superior combat capability.

Mr. President, it is reassuring to observe the unselfish personal conduct and professional achievements of this fighter group, especially during a time when many Americans feel pessimistic and critical about many aspects of their collective lives. I believe that Mrs. Nilsson's letter and the accompanying news report concerning the combat readiness of the Wisconsin Air National Guard 115th Fighter Group speak for themselves in this regard, and I ask unanimous consent that they be printed in full in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Madison, Wis.,
May 23, 1974.

Hon. William Proxmire,
Senate Office Building,
Washington, D.C.

Dear Sir: Recently there was some consideration of closing Truax Field and moving the U.S. Air National Guard away from Madison but I believe that will not now be done.

Mr. and Mrs. Ronald Rueckert, who are both members of the Air National Guard, lived across the hall from me in this apartment building until they recently moved into a home of their own which they had just purchased. I am explaining this because some of the members of the Truax Air National Guard performed a *most welcome* community service for me.

I am 81 years old, tho active, and needed the space this apartment would give, so arranged to rent it when I learned the Rueckerts were leaving. (Until I retired, I was a departmental secretary at the University of Wisconsin.) Members of the Air National Guard stationed here heard I wanted to move and on the date came in for an hour and a half or two hours and moved all my furniture into the new apartment. Mrs.

Rueckert transferred all my dishes and helped with my cooking equipment and miscellaneous items until everything was completed. This experience was a total and delightful surprise to me financially as well as physically. I cannot express my appreciation adequately.

As I didn't write down the names of the participating men, I cannot give their names but I did express my appreciation. A community service is such a rarity in my experience, I felt you would be interested.

Very truly,

Mrs. ALICE B. NILSSON.

[From the Wisconsin State Journal, May 16, 1974]

AIR GUARD AWARDED CAPABILITY CITATION

The Wisconsin Air National Guard 115th Fighter Group, stationed at Truax Field, was recently awarded the United States Air Force A Award, for superior combat capability from 1971 to 1973.

Individual honors were also earned by S Sgt. Leo V. Clark, M Sgt. James R. Breedlove and Capt. Dale L. Ebben.

WESTERN COAL DEVELOPMENT

Mr. FANNIN. Mr. President, the issue of the energy crisis reached a peak several months ago, and since that time it has slipped to minor importance in the minds of some individuals. One of our best informed colleagues, Senator CLIFFORD P. HANSEN of Wyoming, in an address to the National Coal Association during their 57th annual convention, cogently reminds us that this crisis has not passed and that we must make good use of this time to plan and direct our attention toward resolving our energy-related problems. Mr. President, I ask unanimous consent to print in the RECORD Senator HANSEN's remarks, which I know will be of interest to all the Members. I want to pay tribute to Senator HANSEN for his leadership and farsightedness in working to meet our energy needs.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

WESTERN COAL DEVELOPMENT

(By Senator CLIFFORD P. HANSEN)

JUNE 18, 1974.

In front of the National Archives building in Washington there is a statue with the inscription, "What is past is Prologue." A visitor in passing asked a cab driver what the inscription meant.

"It means," said the cabbie, "you ain't seen nothing yet."

Despite the fact that we are no longer inconvenienced by long lines at the gas pumps, we face the very real danger that in terms of the energy crisis "we ain't seen nothing yet."

The title of this 57th Anniversary Convention of the National Coal Association is most appropriate. Coal is an American asset. It is the resource which is the key to achieving energy self-sufficiency.

In days past, we have seen the rise and fall of the use of coal as a source of energy. Whereas coal supplied 40 percent of our nation's energy in 1950, it now only supplies 18 percent.

Considering that coal reserves constitute approximately 88 percent of our nation's known energy reserves, this decline is dramatic. To meet our increasing energy needs, we looked to petroleum and natural gas. We became over-dependent in using these two hydrocarbons. Today these two sources of energy supply 77 percent of our total energy requirements.

In light of the experience that America has had this past winter, we know how crucially important it is to take the necessary steps to minimize our dependence upon foreign sources of energy. While much money will be expended on research and development of new technologies, substantial lead time will be needed before the exotic sources of energy can be utilized. For the time being, we must stick with the traditional sources of energy.

To meet the goal of energy self-sufficiency by 1985, a recent report of the National Academy of Engineering makes the prediction that even if we can hold down 1985 energy demand by 15 percent, the use of coal must be doubled, nuclear generating capacity must be increased by a factor of 15, and oil and gas production must be increased by 20 percent. Coupled with the fact that coal could be substituted for oil and gas this underscores the importance of developing our coal reserves.

We in the Northern Great Plains area have become increasingly aware that the coal reserves of the West will play a significant role in meeting our energy demands and in attaining national self-sufficiency. Most of the Western coal is low in sulfur. It is in great demand by utilities who must comply with pollution abatement requirements of the Clean Air Act. It lies in thick seams and is easy to mine by surface mining methods. The recoverage reserves of coal-bituminous, subbituminous and lignite—in the Northern Great Plains Area constitutes 43.8 percent of the total recoverage reserves of the Nation. These coal reserves are indeed an asset. However, in the eyes of many, they are a liability.

To properly develop this asset of western coal reserves, we must account for all liabilities. Measures must be incorporated into surface mining legislation and federal coal leasing policy which will protect the unique environment of the West, preserve our water supply, and avoid the adverse social and economic impacts of wide-scale coal development. With the cooperative efforts of Congress, the Administration, state and local governments, industry, and general public, the balance sheet will show that development of western coal is a sound investment.

One of the greatest liabilities that the coal industry faces is the uncertainty which has been generated by the pending surface mining legislation and federal coal leasing policy.

There is a need for legislation which will protect our environment and still allow us to recover our natural resources. We owe it to ourselves and our posterity to preserve our environment. Likewise, the social and economic well-being of our Nation is dependent upon the continued recovery of coal by surface mining. The goals are compatible and, in light of our modern technology, can be attained if reasonable legislation is enacted.

I favor the enactment of comprehensive Federal legislation which would place the primary responsibility for implementation and enforcement with the States. If the States' laws do not meet the minimum standard, the Federal Government should have authority to force compliance. However, such legislation should be flexible enough to allow States latitude in adopting legislation that is suited to the diverse climatic and topographic variations of our Nation. For example, requirements that would be appropriate for the Western States might not be appropriate for the Appalachian States.

It would be folly to shut down surface mines in any section of the country for the sake of uniformity in the federal law. I believe the people of the States in Appalachia are competent to set restrictions and reclamation standards that will assure the future usefulness of the surface of these lands in the coming years. The real criterion is whether the land can be reclaimed. I hope that the coal industry will resist pressures that would pit the East against the West.

In the long run our nation cannot afford to "write off" any significant amount of this abundant energy resource.

I joined with the able Senator from Montana (Mr. METCALF) in supporting an amendment, which was adopted in the Senate passed bill, that would allow the States to require reclamation standards more stringent than the minimum required by Federal law. While the purpose of the bill is to assure that no mining of lands occur unless reclamation can be accomplished, I want to assure that the environment in the West is adequately protected. As I have reiterated time and time again before the Senate, while tougher State environmental standards might increase the cost of the energy that the consuming States receive from the producing States, if consuming States want the energy, they should be willing to share in the cost of protecting the environment.

Despite my concern for the environment, I will not support unreasonable reclamation standards. In the deliberation of the bill, I tried to spell out the costs of reclamation. Let no one doubt who will pay for it: the man who flips the light switch. The consumer should realize that the price includes the costs involved in the reclamation of mined land.

The plight of the consumer is fraught with higher prices and inflation. There is no need to add to this burden by imposing controls in the name of environmental protection that do nothing but inflate the cost of energy. We need to get the reclamation job done without enacting excessive controls.

In short, we need balanced legislation which will adequately protect our environment, allow us to utilize coal as a means to increase our domestic energy supplies, and stabilize the economic and social welfare of our Nation.

I am confident that all of you would support such legislation. Needless to say, it is a challenge to enact balanced legislation. Too often many of our legislative proposals involve emotional issues which cloud the otherwise good judgment of all concerned. Surface mining legislation is such an example.

Our legislative experience with surface mining legislation reminds me of the story of the old gentleman in the hospital whose doctors were uncertain of the causes of his illness.

He asked his grandson to follow them from the room and attampt to overhear their prognosis.

The boy returned shortly and reported to his grandfather that the doctors said they did not know what was wrong with him, but they would find out when they did the autopsy.

And that is just what would be accomplished if some of the provisions in the pending surface mining legislation are not changed. Fortunately, there is still some time to practice some preventive medicine in remedying the deficiencies of the legislation. I think that this can be done and I think that this session of Congress is the time to do it.

The Senate passed its surface mining bill, S. 425, on October 9, 1973. As you may know, I voted for final passage of this bill because I wanted to record my approval of the many commendable provisions and features contained in that legislation. Following extensive hearings and debate, the final committee version generally reflected an awareness of the problems associated with surface mining, as well as a determination to improve our techniques in meeting our energy requirements through the use of coal.

As I noted to no avail during consideration of S. 425 on the Senate floor, if the Mansfield amendment, which prohibits surface mining of federal coal where the surface ownership is privately held, were enacted into law, Congress would make a drastic mistake.

I do not mean to imply that I am not sympathetic with the ranchers whom Senator Mansfield meant to protect by offering his amendment. As a rancher myself, I understand why the surface owners of the Northern Great Plains are so concerned about their land.

Generally, the source of conflict between the ranchers and coal mining companies stems from the Stock-Raising Homestead Act of December 29, 1916. This Act requires that all patents issued under its provisions shall contain a reservation to the United States of all coal and other minerals together with the right to prospect for, mine, and remove such minerals. Thus, the rancher owns the surface but the subsurface, in the case of coal, is leaseable.

Present law provides that the person who has acquired the coal lease may enter and occupy so much of the surface as may be required for purposes reasonably incident to the mining or removal of the coal provided that: (1) payment is made for damages to the crops or other tangible improvements to the owner thereof, where agreement may be had as to the amount of damages; or (2) written consent or waiver of the owner of the land is obtained; or (3) in lieu of either of the foregoing the mining company could execute a good and sufficient bond or undertaking to the United States for the use and benefit of the owner of the land to secure the payment of any damages. I have been informed that the general practice is to obtain written consent or waiver of the owner of the land. This consent is usually obtained by paying the surface owner for the use of the land or by buying the land outright.

I understand it is the practice of some mining companies to buy out the rancher, mine the land, and then deed the land back to the rancher after it has been reclaimed.

During the consideration of the Senate surface mining bill, it was advocated that the bond provision of the law should be deleted. This would give the ranchers the final say as to whether their land would be mined. Senator Mansfield originally intended to sponsor such an amendment. However, he recognized that there would be some legislative problems in that it would enable surface owners to demand exorbitant prices from coal mining companies in exchange for acquiring the surface rights. Ironically, the House Interior Committee adopted a surface owner consent amendment.

Most ranchers who contacted me prior to Senate debate on the bill had been led to believe that the Mansfield amendment would give the surface owner the exclusive right to determine whether the minerals could be mined. But the Mansfield amendment incorporated in the Senate bill was quite different in that it gave the surface owner no right of determination and precluded surface mining regardless of the intent of the surface owner. Although the amendment would permit underground mining, most of the coal in the areas affected by the amendment is so close to the surface and the seams are so thick that underground mining methods would be wholly impractical and in most instances impossible. The amendment is in effect a prohibition.

The Department of the Interior estimates that the Mansfield Amendment would have a profound effect on coal development.

Initially, Interior predicted that about 14.2 billion tons of Federal coal could not be mined under the restrictions of the Mansfield Amendment. National Coal estimates that the figure is about 37.5 billion tons. A Staff Analysis of the Office of Energy and Natural Resources in the Department of the Treasury translated these estimates into the daily equivalent crude oil production. Assuming a 30 year deposit life, 5.4 or 14.3 million barrels of crude oil per day, dependent upon the estimate used, is the equivalent of the energy which would be lost if this coal is withdrawn. To put this in the proper perspective, I quote from the report: ". . . using the more conservative Interior figures, the Federal coal that could not be mined . . . is approximately equivalent to current total U.S. crude oil imports. The higher National Coal Association figure is only 2.7 million barrels per day short of current total U.S. oil consumption." (Impact of Coal Surface Mining Legislation on Energy Supplies, Staff Analysis of Office of Energy and Natural Resources, Department of the Treasury, by Douglas L. McCullough, November 9, 1973).

The House Interior Committee's response to the surface owner consent provision is not a solution to the Mansfield amendment. As I indicated previously, the Melcher amendment requires surface owner consent with variations based on how the surface owner obtained his title.

Since I don't often have the privilege to associate myself with the views of my good friend from Arizona, Mo Udall, let me observe that I subscribe to the additional views of Mr. Udall, Mr. Johnson, Mr. Taylor, Mr. Ruppe, and Mr. Martin contained in the House Report on H.R. 11500. These able gentlemen noted that: "If surface owner consent becomes law, the possibilities for unjust enrichment and anti-competitive practices are obvious. . . . [C]onferring a mining veto on the surface owner will not stop mining; it will mean rather that mining will follow an irrational pattern dictated by the willingness of individual surface owners, rather than the systematic development of the coal deposits best suited to mining and reclamation."

As an alternative to the Mansfield and Melcher surface owner protection amendments, it is urged that the surface owner is entitled to more than surface damage payments and proper reclamation. To accomplish this, some have proposed that the surface owner should receive from the mine operator an amount equal to ⅛th of the Federal royalty for each ton of coal mined and sold, which royalty shall always extend to the benefit of the surface owner notwithstanding any change in surface ownership.

Considering the three alternatives and the present law, I have to conclude that both the Mansfield and Melcher amendments are completely unsatisfactory, and the royalty provision and present law are deficient. Hopefully, with the input of all concerned parties, Congress will resolve the issue in a manner which will be fair to both the ranchers and the mining companies.

There are other provisions in the legislation which must be remedied. Paramount among these is the "approximate original contour" provision. There is a need to clarify that all restoration methods may be used. This clarification is essential in regard to the problems associated with the mining of mountain tops and thick seams.

I have no objection to designating an area as unsuitable for mining if it cannot be reclaimed or if the surface mining would be incompatible with existing land use plans. However, I do object to the blanket designation of areas of critical environmental concern as being unsuitable for mining. Part of my fears were eliminated by an amendment in the Senate bill which would guarantee that before such a designation could be made, a detailed study would have to be completed. The comparable provision in the House bill is too sweeping and could result in protracted litigation with attendant loss of the resource.

Before concluding my remarks on the pending legislation, let me make one final observation. I am grateful that our Founding Fathers had the wisdom to establish a bicameral legislature. The recent experience of Congress with land use legislation illustrates my point. The Senate passed a land use bill, but the House recognized that there was a vast difference between the popular concept and the actual legislation. Despite the threats of the proponents of the legislation, the House defeated the Jackson-Udall bill. Hopefully, if the next Congress considers land use planning due consideration will be given rights of property owners which the Jackson-Udall bill ignored.

While I applaud the action of the House in defeating the land use legislation, I hope that this will not be the case with the surface mining legislation. Rather I hope that the House will pass reasonable legislation which will adequately protect the environment and still allow for recovery of the coal. I make this distinction between land use and surface mining because the bill that the Senate passed, S. 425, with the exceptions I previously noted, is sound legislation. It would be an excellent vehicle to use in a Senate-House Conference.

While I know that the mining industry has been accused of conspiring with the Administration to defeat the surface mining legislation, I do not believe that this is the case. It is in the national interest that a good surface mining law be enacted. I believe the Senate passed bill provides a basis on which to work.

Recent hearings on the federal coal leasing policy demonstrate how significant this legislation is in the eyes of the public. At these hearings, your able President, Carl Bagge, expressed the hope that through the resolution of the surface mining legislation, the legitimacy of the coal industry would be recognized by the affected states and local communities, and that the industry would have the opportunity to cooperate fully in a true partnership to plan for the development of this abundant, vital American asset. I hope that this goal will be achieved in the near future.

WELCOMING OLDER AMERICANS AT THE COLLEGE OF SOUTHERN IDAHO

Mr. CHURCH. Mr. President, recently I conducted a hearing for the Senate Committee on Aging in Twin Falls, Idaho. The site for that hearing—which dealt with "future directions in social security"—was the magnificent auditorium in the College of Southern Idaho.

Dr. James L. Taylor, the president of CSI, welcomed the committee and made a brief statement about the efforts made at that college to accommodate the special needs and interest of older Americans.

Dr. Taylor's commentary was significant and welcome, because it expressed a clear realization by Dr. Taylor and his associates that there is a place in higher education for older persons, not only as students but as members of the faculty or staff.

I believe that the efforts being made on behalf of the elderly at CSI are worthy of note elsewhere, and I ask unanimous consent that Dr. Taylor's statement be printed at the end of this statement in the RECORD.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

Statement of the Honorable James L. Taylor, Ph. D., President, College of Southern Idaho

Senator Church, distinguished platform guests, senior citizens, ladies and gentlemen, it is indeed a pleasure for me to welcome all of you to the College of Southern Idaho.

We feel very strongly that this college is a people's college. We have tried to develop the college in such a way that it meets the approval of not only the community college district, but likewise the citizens of this great state.

There are a few things that we have attempted to do at this institution, which I feel has significant value for senior citizens. It is our feeling that we have responsibilities to develop new innovations in curriculum so that learning experiences might be helpful and beneficial to our senior citizens.

In order to do that, we have developed this institution so that it is practically free of physical barriers for the aged, or the infirmed.

We have developed in our curriculum programs that senior citizens can retrieve from our library, where they can study individual studies, where they can make movement in this direction as freely as they would like.

Likewise we have developed physical therapy, and physical activities in our fine gymnasium, with a special room designated for senior citizens to use to the extent that they are capable.

In addition, we are quite proud of our local unit of the Retired Senior Volunteer program. Under this program, we have devised what we call a gold card, which enables the senior citizens to attend the various activities that occur on campus.

These activities are sponsored by our student association, and they are free to our students, and they are free to our senior citizens.

In addition, we have established tuition-free courses for senior citizens. We have provided work opportunities for the retired people that have special skills, we have included in our monitoring and instructional programs these work opportunities.

Older people that have skills, we have employed them in various facets of the college, and, of course, I guess for one thing that most of you have enjoyed in the last few hours is riding in our golf courts, and I am quite sure some of you that have ridden, are not really infirmed, but you are attracted by the wheel, but we wish you well, and we certainly will continue to do all we can for you.

Other things that I think we could and should do for our senior citizens are the things that you as individuals would want this institution to do.

Again, it is my personal privilege and pleasure, Senator Church, to be here, and to welcome your Committee, and most especially to welcome the CSI, the Senior Citizens of this state.

WAGE AND HOUR LAW: ANOTHER VIEW

Mr. HELMS. Mr. President, the 1974 amendments to the so-called Fair Labor Standards Act have been the source of a great deal of distress in my State, and I have no doubt in many other areas of the country.

In addition to providing increases in the minimum wage, this legislation extended the act to include employees not previously covered. One such group is domestic service workers. It is provided that initially these employees are to be compensated at the rate of $1.90 per hour. Provisions are made for subsequent increases to a substantially higher rate. This may seem all very well at first glance, but closer analysis mandates a different conclusion.

I voted against these amendments because it was easy to predict the consequences.

Many working mothers—and with the current rate of spiraling inflation, many mothers must work—need maids and babysitters to maintain their home and care for their children during business hours. Often these mothers earn little more than they are required to pay their domestic worker. The result is a most unfortunate situation. Large numbers of these domestic workers are being discharged, not because their work is unsatisfactory, but because it is simply not economically possible for the working mother to afford them. Then, the mother must either discontinue working or leave her children without proper care and supervision.

If the mother discontinues working in order to care for her children, she no longer has a job that she needs, a business no longer has an employee that it needs, and a domestic worker no longer has a job that she—or he—needs. An overzealous Congress has, again, made a negative contribution to the well-being of the American people. This is one of the problems resulting from this legislation. There are others.

For example, this legislation fosters the view that an employee should appear for work at a stated hour and promptly leave at the conclusion of a given work period. An employer is discouraged from allowing an ambitious young person to remain overtime, because he wishes to gain experience or take advantage of additional opportunities to learn. This is true, because of the accelerated payment provisions for overtime work. I recently came across an editorial that makes this point very clearly. Perhaps others will find it interesting.

Mr. President, I ask unanimous consent that an editorial by Joan Black Bakos which appeared in Restaurant Business be printed in the Record at the conclusion of my remarks.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

The Right To Work Overtime—Not for Money, But for Knowledge

In reading what was available of the new regulations under the Fair Labor Standards Act, I was struck by the overtime provisions of the bill. I can understand the spirit of the law; workers should not be exploited, should not work without being compensated for their labor. Labor is truly "worthy of its hire."

But I could not help remembering how I learned my craft. Not in journalism school—although that obviously helped—but in hanging around the editors' offices long after five to learn from professionals all that the professors never knew or could never teach. I was forunate to work for a small publishing company in New York which published three magazines and one newspaper in the hotel and restaurant field. The company was Ahrens, long since gone from the scene, but the people who were there—the editors and writers—taught me more than I had ever learned before. Not between nine and five—we were all too busy then—but after five, when the phones stopped ringing, and the clerks went home, and the office was quiet. That's when the learning process began.

Sometimes it meant going over an issue that had just been published, or making elaborate—if impossible plans—for issues yet to come. Sometimes it meant re-editing reams of galleys—or facing the realization that a pet story just would not work. Sometimes it meant going to association or professional meetings to meet the leaders in the hotel and restaurant business at that time. Whatever the reason, in hanging around after quitting time, I learned my craft. If that publishing company had to pay me for those hours, they would never have hired me, and would certainly never have kept me.

Tyros learn from professionals. And it doesn't much matter what the field is. A young man or woman will learn the restaurant business by watching the professionals at work. If the law stipulates that he must be paid for that time—or if union regulations demand such payment—the ambitious beginner is at a disadvantage. His growth in his profession will be stunted.

There should be a provision in the law for individual choice. There should be a way for a worker to decide freely that spending some of his extra time and labor to learn his craft would not make his employer a lawbreaker.

The writers of this law wanted to protect the worker from exploitation. An honorable goal. But for some, work is more than so much pay for so many hours. And while I understand the necessity of assuring workers fair and equitable payment for their labor, I wonder how the ambitious worker, the worker with plans for himself, the worker with a dream of having his own restaurant or being manager someday, will ever realize his ambition if under the law he must clock in and out at a certain time.

There is so much to learn that 48 hours just isn't enough time for some people. It wasn't for me. Talented people were willing to teach me all they knew during some late hours in those early years. Fortunately there were no regulations to prevent me from learning.

NASHVILLE INNOVATES TO SOLVE DUAL PROBLEMS OF POWER AND POLLUTION

Mr. HUMPHREY. Mr. President, the energy crisis has made it only too clear that new methods are needed to provide the energy that we so heavily rely upon in our homes and businesses, and at reasonable prices. At the same time, new solutions to our solid waste disposal problems are desperately needed. In regard to both these problems the progressive city of Nashville, led by its mayor, the Honorable Beverly Briley, has again achieved a pioneering milestone in the realm of urban management.

Today the Nashville Thermal Transfer Corp. will be dedicated. This facility is a great fuel-saving, waste-consuming innovation that should serve as an example to the rest of our Nation's cities that alternative means of generating power and disposing of solid waste are available.

Nashville and Mayor Briley should be applauded for their efforts and accomplishments, and their example should be followed by other cities facing these same problems. I, therefore, ask unanimous consent that a background summary of the Nashville Thermal Transfer Corp. project be printed in the Record.

There being no objection, the summary was ordered to be printed in the Record, as follows:

Nashville Thermal Transfer Corp.

BACKGROUND SUMMARY

(a) The project is the first in the nation to provide both heating and cooling for downtown district distribution through the incineration of solid waste.

(b) The $1½ million project includes no federal subsidy or local tax revenue. It is 100% privately financed through the sale of bonds.

(c) The project was developed on the initiative of the Metropolitan Government of Nashville and Davidson County and is a cooperative venture of local government, state government, and private interests.

(d) Twenty-four private and eighteen government buildings have already contracted for Thermal services.

(e) Thermal users will realize at least a 25% savings over their 1973 heating and cooling costs.

(f) The plant ultimately will consume 1,440 tons of solid waste daily—equal to the total volume of county refuse collection.

(g) The local government will save $1½ million annually through the elimination of landfill activity, plus additional income through sale of the process residue.

(h) Pollution emission levels are being reduced by over 50 percent as existing systems are replaced by Thermal.

(i) Thermal also utilizes waste oil (automobile crankcase waste) as stand-by-fuel, thus relieving a secondary waste problem.

(j) Thermal generates electricity to meet its own power needs.

(k) The incinerator receives the solid waste straight from collection without any pre-processing.

(l) Thermal delivered initial steam service in February and began fueling with solid waste on May 8.

AWACS PROGRAM

Mr. MAGNUSON. Mr. President, a recent article in Government Executive magazine clearly discusses the issues involved in the AWACS program. I believe that this article answers many of the questions that have been raised about AWACS. I commend it to the attention of every Senator and ask unanimous consent to have it printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

AWACS

HEAVY FIRE

There is an adage among Air Force crew chiefs that "If it works, don't fix it." AWACS (officially, "E–3A Airborne Warning and Control System") proponents in not only the Air Force, which is developing it, but Army and Navy would be justified, under the circumstances, to wonder why the program has come under such heavy fire lately, particularly on Capitol Hill.

Points out AWACS program director, Air Force Brig. Gen. Larry Skantze, "It has met or is ahead of every schedule milestone laid down for it in July, 1970. Development costs are on target and could come in under target when we're finished."

What, then, is the beef? Usually, Congress, for one, criticizes Defense for cost overruns and delivery slippage on programs—implying that the operational requirement for the criticized system is unquestioned. Uniquely in the AWACS case, the critics' case seems founded on challenging its ability to survive and perform in its operational environment.

Which leaves AWACS proponents even more mystified. If any two pieces of the AWACS picture have received the most attention, they are operational capability and system survivability in combat.

The "out front" sources of the criticism are easy enough to trace. Last year, Senator Thomas Eagleton (D-Mo.) challenged the system's survival chances in combat and called for, in effect, a suspension of funding pending additional study. He was persuaded to let Fiscal '74 funding go through but asked at the same time for a General Accounting Office (GAO) study prior to Fiscal '75 budget hearings.

Their report released in March, 1974, included no prior inputs or discussions with either the Air Force Systems Command's Electronic Systems Division, USAF Tactical Air Command, Aerospace Defense Command, the *AWACS* project office or the major contractors (Boeing, Westinghouse, et al).

The Air Force had only seven calendar days to respond to the finished report which it had not seen prior to the final draft.

Not surprisingly, therefore, their report tends to confirm Sen. Eagleton's worries. Since the report's release, in side-by-side testimony (Skantze and the GAO) before appropriate Congressional committees, GAO's verbal view is much closer to the Air Force's confidence about the program—but the published criticism has not been overruled with an up-dated GAO release.

Here, in brief, are the criticisms and a condensed version of Skantze's answers:

"Our reservations . . . do not pertain so much to the need for the systems but rather to the management approach for its development and procurement."

Few military development programs have been approached with as much attention to reducing the decision-making risk as has *AWACS*. "The initial requirement," points out Skantze, was spelled out "in 1963 and resulted in a six-year Overland Radar Technology program to determine if, technologically, a 'look-down' radar of this size and range could be developed, having a very high target resolution in spite of ground clutter."

In 1969, two final-competition contractors (Hughes Aircraft and Westinghouse) were pitted against each other in a so-called Brassboard competition. The objective was to see which could best meet the operational requirement. Westinghouse got the job though both contenders met the minimal performance specifications.

After that 1972 decision, the Pentagon authorized, with then in-effect Congressional approval, full-scale development in 1973—with proviso for additional studies.

But three years earlier, with then-Defense Secretary Dave Packard chairing the DSARC (Defense Systems Acquisition and Review Committee) meeting, a step-by-step development program had been laid on, designed basically to reduce decision-making risk to a minimum.

That objective, in effect an *AWACS* version of "fly-before-buy," has been and still is being followed. The radar, for instance, is not, as the GAO printed report charges, "brand new and unproven." (On the Antenna Phase Shifter component, for example, Westinghouse, having been working on it since 1963, has today what it considers about a third or fourth generation subsystem.)

"The ultimate design configuration will not be known for several years and the Air Force is uncertain about retrofitting earlier models of *AWACS* as the desired equipment is defined . . ."

That claim, Skantze feels, results from critics' confusion about two things. For one, AWACS is now moving from the Brassboard to a preproduction configuration on, in simplest terms, the avionics package. That means, among other things, microminiaturizing it and similar "polishing of the design" geared to simplifying maintenance and improving reliability.

All that, in turn, means greater capability in a smaller package which means, in turn, the possibility of putting even more capability into a single airframe than is now planned.

Which leads to the second part of what Skatze feels is the confusion. "What (a DSARC meeting) said last November was, 'maybe you need more capability than you are developing now.' The inference to those watching our work is that this is something we suddenly thought of and it involves brand new equipment."

Fact is, "as with any command and control system, we are certain we'll have evolution as we learn more about how to use the system." In the meantime, certain advances Skantze, and others, already see possible "would be desirable to have and we can reach these through a predictable system evolution."

"There has been little or no demonstration of the capability of AWACS to properly manage the tactical air situation in a high density combat environment such as is expected to be encountered in Europe." For instance, "there is a reasonable basis to believe that the AWACS radar can be jammed by the enemy from about 200 miles away."

Far back from the battle line (where AWACS' airborne station would be, as they say, optimal) the AWACS aircraft, says Skantze, will be able to see interceptors before they see it. Moreover it will be living in as reasonably friendly an environment as can be found in a tactical war zone, i.e. in amongst a nest of available, but not dedicated, protective fighter aircraft and surface-to-air missiles—with AWACS capable, itself, for that matter of 400 mile-per-hour maneuver.

As to jamming, "the AWACS radar," says Skantze, "is an order of magnitude more resistant to jamming than any other radar ever built." And in tests against the highest powered airborne electronic jammers that the United States currently has in tactical aircraft, "they haven't been able to degrade the radar performance to any significant degree."

Of course, Skantze adds, " 'Survival' is not the same as 'immortal.' Even AWACS can be jammed, in spite of its pulse doppler radar's ability to override ground clutter, if any enemy wants to put enough resources into the effort.

"And the aircraft can be shot down, if an enemy wants to pour enough fighters and missiles at the target.

"But it will cost him a lot of resources, far more than we think any commander could justify devoting to just one objective, in the real world of tactical combat."

As to AWACS critics' concern that December, this year, is too early to be making a production decision, Skantze disagrees and points to the "minimal risk" base the program has been on since the start. The aircraft, he says, is a Boeing derivative of the long operational 707, will be powered by TF–33 engines like those currently driving the C–141 transport, will have 1300 flying hours with the Brassboard radar system on board and operating by decision time in December.

As to the pre-production radar and all its components being, in effect, repackaged from the Brassboard into the preproduction version, "it will be a relatively easy matter to test the preproduction model (as Air Force is now doing) against test data already derived from the Brassboard version; and extrapolate from that whether we have it (the preproduction) model right or not. We will know that by December as well."

NO ENTHUSIASM

A program costing an estimated $2.5 billion overall could be expected to attract attention. While the critics' concern has been well publicized, most of the developing enthusiasm for the program has not.

Item: "I have been telling (the other members of the Joint Chiefs)," says former Air Force Chief of Staff George Brown, "to think of AWACS as a national asset, not just an Air Force asset." Army and Navy preliminary studies bear him out. Both Services concluded it can perform necessary missions for them which otherwise couldn't be done—at least not with the efficiency and effectiveness of AWACS.

(Brown has been nominated to be the next Chairman of the Joint Chiefs of Staff.)

For example, in a demonstration flight over Europe it showed an ability to provide long range tracking data to Army SAM batteries on the ground, and long range air surveillance data to Navy task forces.

Item: NATO has set up a committee to study possible NATO-wide purchase and use of the system. Iran is interested in buying AWACS, and the Japanese have asked for preliminary cost and schedule information.

Item: All interested parties see merit, not only in the performance capability it is rapidly proving, but in the fact that, even from the U.S., it could be deployed and fully operational in no more than hours where a ground system with more limited range would take days.

(One by-product functional value is AWACS' emergency capability to take over commercial air traffic control—"provided a methodology can be worked out with the FAA"—in case airport ground power is lost as happened in the Northeast U.S. in the mid-Sixties.)

DIRECTED STRETCHOUTS

When it comes to finding other uses and new customers for AMACS, Skantze, by himself, has enough breadth of background to help in the selling. He enlisted in the Navy in 1946, served as a radio operator until 1948 when he received a competitive appointment to the Naval Academy from the Atlantic Fleet.

After graduation in 1952, he was sworn into the Air Force as a second lieutenant, and served in Korea. He has a masters degree in nuclear engineering, has served with the AEC as well as in the Air Force R&D complex (among other places, as SRAM program director).

As to the AWACS production decision due to be made this December, he says, "the necessary testing for performance, capability and capacity . . . will have been accomplished in sufficient depth such that all the information necessary for sound decision-making will be available."

On the cost side, the production funding request before Congress is for the first 12 operational aircraft. If this price seems higher than the Air Force may have indicated a few years ago, the answer, says Skantze, has nothing to do with technological unknowns being uncovered. Rather, it's simply the result of directed stretchouts and/or cut-backs of originally planned production buys on the system.

Specifically, Air Force at first planned to buy 64 aircraft—later dropped that to 42 to be purchased over a two-year period. They are down to 34 to be bought at a rate of one-a-month in yearly bunches of 12–12–7 over a two-and-one-half-year period.

(The difference between 31 and 34 is retrofitting the current three test aircraft into an operational mode.)

With that stretchout, learning curves, i.e. production costs, tend to flatten out rather than drop sharply through experience. A past pattern of pressing inflation will make the last of the aircraft cost more in 2½ years than they would if delivered in two.

In sum, as noted at the outset, AWACS seems like one of the few programs harboring virtually no managerial mysteries. What then, its proponents are lately wondering, is all the fuss about?

PSRO

Mr. HANSEN. Mr. President, we have recently witnessed considerable controversy concerning Professional Standards Review Organizations. I refer to section 249f of Public Law 92-603, the Social Security Amendments of 1972. This law mandates that local physician review boards be created in areas throughout the country that will monitor the necessity and quality of medical care reimbursed by medicare and medicaid. The intent of the program is to be eventually extended to monitor all medical services reimbursed through a national health insurance program.

The serious nature of the controversy is evidenced by the fact that 14 State medical societies have passed resolutions for repeal of the law; 29 other State societies support repeal or amendment to remove the objectionable parts; and the American Medical Association, representing 80 percent of the board certified physicians in the country, has, in accordance with a resolution of its house of delegates, asked for amendment to the law, and, if that fails, repeal of the law.

This concern for the law is reflected also by bills now before the Congress asking for repeal supported by 96 Congressmen; 25 other Congressmen support amendment to the existing law.

These efforts can well be summarized by the statement of AMA President Russell B. Roth, M.D., before the Senate Finance Committee oversight hearings:

> The best efforts of the legislators involved, the staff of the Senate Finance Committee, the staff of the PSRO administrative office in HEW, and physicians from AMA, from assorted state medical societies and specialty medical organizations, have not succeeded in creating in the profession the climate of acceptance and cooperation essential to success. The fault does lie with the sincerity or intensity of the effort to cooperate, it lies with the basic ineptitude of the statute.

I have become increasingly concerned with the PSRO issue. In the past I have hesitated to support repeal of the law, or even to change it in the absence of real evidence indicating how PSRO is working.

On May 8 and 9, the Senate Finance Health Sucommittee, of which I am the ranking minority member, held oversight hearings on PSRO implementation. We heard testimony from the best experts in the country on how PSRO is shaping up. As a result of those hearings, I would like to share several of my preliminary impressions and observations:

First. A review program composed of physicians to accomplish effective peer and quality review of medical services must have the unqualified support of the physicians themselves to be of any real benefit;

Second. PSRO, now a requirement of the law, is being implemented widely. The concept of peer review has proven to be a workable and beneficial one in controlling utilization and improving quality of medical services;

Third. The current qualified physician support, which, as I mentioned, is necessary for the review program, is based on current implementation procedures and regulations that have not been grossly unfair or objectionable;

Fourth. The current alienation against the program seems equally justified, however, in the face of dangerous and discriminatory administrative abuses that are not sufficiently dealt with by the statute; and

Fifth. The current PSRO statute, while being essentially praiseworthy in concept and intent, may contain some basic problems.

In the context of the present discussion of this issue, I suggest that we maturely and objectively analyze all facets of the situation.

PSRO, in my opinion, is one of the most important issues before this Congress, as it may change the very nature of the medical care delivery system. The profound and far-reaching implications of this legislation will undoubtedly extend into many other areas of American life as the philosophy represented by the law will be incorporated into government policy.

It would seem unwise if the Congress was to take the attitude that the present law is above reproach and cannot be changed. I suggest that we remain open to constructive amendment of this important law.

To such efforts, I pledge my wholehearted support.

AN IDAHO VIEW OF "FUTURE DIRECTIONS IN SOCIAL SECURITY"

Mr. CHURCH. Mr. President, the Senate Special Committee on Aging has already conducted 5 days of hearings in Washington, D.C., over the past few months on "Future Directions in Social Security."

Testimony at those hearings has been illuminating and timely, providing very helpful information about the strengths of our social security systems as well as some of its problems. The national perspective provided by the witness has been invaluable.

And yet, a program as vast and vital as social security must also be viewed in terms of its direct impact upon the people it serves.

For that reason, I recently conducted the first field hearing on "Future Directions." It was held in Twin Falls, Idaho, at the College of Southern Idaho in conjunction with the annual State conference on aging, and it provided a very helpful closeup view of social security at work.

Part of that view was reassuring. It showed a system which, despite an increasingly heavy work load, has the resilience and a firm foundation needed to cope with new assignments imposed by the Congress.

Other, lesser parts of the view were disturbing. They indicated that the Social Security Administration will need strong support and understanding from the Congress during an important phase of its development.

Mr. President, I ask unanimous consent that an opening statement I made at the hearing be printed at the close of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. CHURCH. Mr. President, the statement describes the ways in which social security has responded to its many new responsibilities, and it also describes the attempts by the Congress to keep benefits apace with inflation—a task becoming more and more difficult in the face of administration drift and indecision.

My opening remarks also note my concern about reports that some problems have arisen in Idaho and elsewhere in regard to the implementation of the supplemental security income program, enacted by the Congress to provide assistance to aged, blind, and disabled persons whose incomes fall below certain standards.

SSI was certainly on the minds of many of the witnesses at Twin Falls.

Mr. Guy Shambaugh, director of the social security office at Boise, said:

> We get some feeling of frustration in our jobs as we find ourselves with too little time to do as thorough an interview as is really necessary to fully explain the benefits of the (SSI) program and achieve full understanding on the part of the applicants for benefits.

He said that it takes about 30 minutes on the average for an SSI interview and 45 minutes to file a disability benefit application. Despite the increased workload, his office staff has increased only by two regular employees over the last 1½ years. His personnel must work week-ends and at night to keep up with demand.

Another Social Security Director, John Carlton of Twin Falls, said:

> The SSI program could well be a prototype for future actions of a similar nature. If the future of social security includes the administration of other programs aimed at solving the problems of the needy, I have two requests. Give us sufficient staff to handle the work and keep the programs fiscally separate from the present social security system.

Closely related testimony was given about SSI Alert, the program launched last year to locate and sign up persons eligible to receive the SSI benefits.

Mr. Wil Overgaard, Deputy Director of the Idaho State Office on Aging, described the effect of SSI alert in that State:

> There were some 10,000 elderly in the State who were contacted. One out of ten are found to be qualified which means then that there are 9 out of the 10 that for some reason were borderline cases; somehing is wrong; they did not quite make it; and so there is going to be an impact on them particularly in their attitude toward this type of a program.

A research specialist at the Office on Aging, Mr. David Mueller, said that SSI Alert is significant because it sets precedent for actively recruiting participants for an income benefit program. He pointed out, however:

That backlogs of applicants occurred at district social security offices after screening by SSI volunteers;

That there was confusion as to regulations and their interpretation;

That "the means test required for qualifying has become as stigmatic as the system we were trying to avoid"; and

That SSI benefit levels are far too low in the face of rising inflation.

These and other criticisms made of SSI can lead to positive corrective actions at an early date. I will, therefore, devote 3 days of hearings next month to future exploration of SSI issues and I will seek additional suggestions for improvement. SSI is too important to fall by the wayside or to fail in fulfilling its mission satisfactorily.

On the matter of social security levels in general, the Twin Falls testimony provided ample evidence about the great needs of so many older persons totally or primarily dependent upon their monthly social security checks.

Mrs. Ruth Mitchell, chairman of an areawide planning and service Task Force on aging, said:

> I have seen senior citizens and disabled persons not living, but existing on $87 a month. This will not cover the necessities of life, such as clothing, food, shelter, and utilities, let alone medical attention, transportation, or recreation. Therefore, I feel that Social Security, Medicare, and SSI are inadequate. I have assisted senior citizens with applications (for SSI or disability) and in many cases we have had no response for as much as 90 days.

Members of a panel accompanying Mrs. Mitchell—Miss Elsie Lindgren of Twin Falls, Mrs. Edna Belle Oslund of Twin Falls, Mr. Howard Burkhart of Twin Falls, Mr. Earl Long of Murtaugh, Mrs. Hildred Howard of Hansen, and Mr. Juan Trevino—provided other useful insights into social security operations.

As I have said, these operations are vitally important to older Americans. What happens when a mistake is made? An extreme, but very significant, example was discussed at Twin Falls. Mrs. Blenda Jenkins, a 70-year-old widow from Basalt, did not receive her social security check in January. Weeks passed and she received no check despite inquiries. Finally in March she was told that the computer had listed her as dead, a mistake which, as Mrs. Jenkins told the Committee, "was not very nice."

It was not until April 18 that she received a check, and even then she received two overpayments which she had to turn back.

Her daughter, Mrs. Alice Moore of Pocatello, said that such mistakes are generally regarded as rare. But, she added:

> It is more frequent than people believe. A computer error was made on my brother's (disability) check. He waited from November until about March 20, because the computer had made an error on his check.

She provided other examples and I will take special interest—at next month's hearing on SSI—in seeking out facts about SSA computer operations. Expensive, complicated equipment should be at the service of SSA and its beneficiaries; it should not become a bottleneck.

Mr. President, our hearing record was too rich for adequate summarization here. I would, however, like in particular to note that Mr. Kenneth Hill and Mrs. Faye Rebenstorf of the Joint State Legislative Committee of the National Retired Teachers Association-American Association of Retired Persons provided valuable testimony on a number of issues, including the need for further liberalization of the retirement test and an updating of the retirement income tax credit. Larry P. Evans, president of the National Council of Senior Citizens Club in Boise, advocated a strong, independent Social Security Administration as a separate agency outside of the Department of Health, Education, and Welfare.

As the sponsor of legislation which would deal with these and other issues, I was of course pleased to have such support. I was also convinced all the more that our social security system has strong roots, a sturdy trunk, and far-reaching branches. It is worthy of continuing concern and improvement by the Congress, and it will continue to grow and serve even more persons even while we preserve its essential features.

EXHIBIT 1

FUTURE DIRECTIONS IN SOCIAL SECURITY

Once again I am in Idaho to open an official hearing of the Senate Committee on Aging.

We will take a written transcript, which will help the Committee and the Congress to consider legislative proposals for older Americans.

Our subject today is "Future Directions in Social Security." And I can say that some of the best counsel I have received on this subject has been given to me by the citizens of Idaho I meet along the way—sometimes at my courthouse days and sometimes on the street corner when I stop to chat.

Talk turns so often to Social Security during my visits to Idaho simply because so many people are affected by it.

And the first point to be made is that Social Security is more than just a retirement program for the elderly. It is also family security—providing protection against loss of earnings because of death, disability, or retirement.

In one form or another, Social Security affects the lives of almost every family in the United States.

I don't want to overwhelm you with statistical data, but I think a few key facts about Social Security would illustrate its importance for all Americans.

Today 30 million persons receive monthly benefits. For the vast majority of elderly persons, Social Security is the economic mainstay.

It accounts for over half of their income.

It also helps to keep more than 12 million individuals out of poverty.

Without these benefits, most older Americans would not be able to achieve a moderate standard of living.

Social Security is also vitally important right here in Idaho.

In fact, the recently enacted 11 percent increase will provide an additional $9 million this year for 108,000 Idahoans.

Without this raise many would have slipped further behind in their race with inflation.

Our Social Security system, then, is of vital importance not only to older Americans but to other generations as well. Much depends upon how well it does its job, and this is even more true now since the Congress has added so many new responsibilities to the work of the Social Security Administration.

One of the biggest additions, of course, was Medicare. In 1965, when the Congress enacted this legislation, it was thought that just about all of the paper work would be done by fiscal intermediaries—the insurance companies and others responsible for processing claims.

But, of course, the local Social Security offices are constantly receiving requests for help on Medicare. At the district office in Boise, I understand that five staff persons are specialists who spend most of their time answering questions about Medicare.

Clearly, Medicare has added significantly to the work load at Social Security offices.

But other responsibilities have been added in recent years, as well. President Nixon, at the White House Conference on Aging, said that SSA offices should provide information and referral services on aging. In other words, the SSA offices should be able to help older persons in need of a service or facts about services. Congress has made SSA offices responsible for administering black lung benefits to former miners with respiratory problems. Medicare has been broadened to include kidney dialysis, and so on.

The biggest new responsibility, of course, is the new Supplemental Security Income program, or SSI as it is known. I was one of the supporters of SSI. I believed that the time had come to replace the inadequate and inequitable Old Age Assistance program, which offered widely varying payments on a state-by-state basis. Not only that, Old Age Assistance was administered through the local welfare office, causing many people to shun that program because they saw no reason to turn to welfare in their old age after avoiding it during all of their earlier years.

SSI was intended to overcome the welfare stigma. It would be administered by the Social Security Administration; and the monthly check would be enclosed with the regular Social Security check. The idea was to help those older Americans—as well as the blind and disabled—who couldn't make it in any other way. Another purpose was to bring benefit levels up to a more adequate level than was generally true under Old Age Assistance.

One of the reasons I supported SSI is because I saw a clear need to help millions of older persons who stayed near or close to the poverty level, no matter how Congress raised the Social Security levels.

And yet, I did not want to disrupt one of the fundamental and essential values of our Social Security system: the principle that workers in this country contribute to their own retirement security by making payroll contributions during their years in the labor force. In other words, they are helping to pay for their own Social Security benefits.

SSI is intended to preserve that feature while meeting direct need. And it is essential that SSI work, and work well. The Senate Committee on Aging has been keeping watch over the early months of SSI, which began in January. I am concerned by reports that some problems have arisen, and I want to explore those problems here today. I also would like to give credit to those who are working so hard to make SSI work: the Social Security employees who are working after hours and on Saturdays, the volunteers of SSI ALERT, and national and local organizations concerned about aging.

If, however, problems are emerging in SSI, now is the time to face them, while the program is young.

I have another reason for concern about SSI; I believe that it could become the means for ending poverty once and for all among the elderly of this nation. At that time, perhaps five million older persons in the United States are below poverty levels or so close that they might as well be considered so. SSI, if it is improved and made more workable, can be used to help them, while still preserving the essential concepts of our Social Security system.

But only if it is a flexible and compassionate program, and only if people believe in it.

This afternoon's hearing, I want to emphasize, will not be limited to SSI, but will deal with other issues related to Social Security.

Inflation, of course, is very much on our minds. Back in 1972, when I sponsored a 20 percent increase in Social Security, it looked as if we might have at last caught up with rising prices. In that same year, Congress approved a cost-of-living adjustment mechanism to help Social Security benefits continue to stay at least roughly in the race with the cost of living.

But it soon became evident that we couldn't wait until 1975, when the automatic increases were due to begin. We had to enact the two-step, 11 percent increase which is taking effect this year.

Even so, inflation has not been overcome. Unfortunately, some of the steepest increases have been concentrated in areas where the elderly have their greatest expenditures. Food prices, for example, have jumped by almost 28 percent. Certain home fuel oils have increased by an astounding 73 percent. Just think of it: almost double the amount you were paying during the fall of 1972.

This is a major reason why I supported legislation to roll back home fuel prices by as much as 40 percent. But the White House would not go along with this measure. And we were unable to secure the needed two-thirds vote in Congress to override the veto.

This is another reason why I led the successful fight to block the pay raise for Members of Congress, the Federal Judiciary, and top officials of the Administration. If we are going to lick inflation, we must show some self-restraint. And there is no better place to start than right at the top in the Federal Government.

Another concern of mine, one which will be discussed in testimony today, is the rising cost of health care and sometimes the unavailability of such care.

The Senate Committee on Aging recently determined that Medicare pays only about 40 percent of all health care costs of older Americans. I say that not to denounce Medicare, but to argue that it could be extended and improved. And my number one priority is Medicare coverage of certain out-of-pocket prescription drugs. We will hear again today about the severe impact that drug costs have upon the budgets of older persons; it is high time that something be done about them.

I am also hopeful that my legislation to improve home health coverage can soon be enacted into law. Many of the key concepts for that bill were developed at a hearing last year—just like the one we are conducting today—in Coeur d'Alene.

Witnesses at the Coeur d'Alene hearing repeatedly emphasized that many older Americans were placed in hospitals at a much higher public cost, simply because other forms of care were not available.

Yet, if we could just shave one day off the Medicare national hospital average, we could produce a savings approaching $400 million.

Most older Americans also would prefer to remain in their homes, rather than being institutionalized, if appropriate forms of care are available.

I will not at this point give a detailed description of legislation which I have introduced to improve economic security in retirement years. I hope to have that opportunity as the hearing continues.

Let me close by saying that I will make every effort in the next few months to advance a bill of mine to establish the Social Security Administration as an independent agency, outside of the Department of Health, Education, and Welfare. It is essential that SSA, which has been remarkably free of political manipulation, continues to remain so. Those who hold elective office should not be permitted to use the system to promote their candidacy. My bill would prohibit insertion of self-serving statements in the envelope used for Social Security checks.

All in all, Social Security has served us well since its enactment in 1935.

This hearing, and others I have conducted in Washington, will help to assure that it continues its work on behalf of all citizens, young or old, present and future.

THE GENOCIDE CONVENTION

Mr. PROXMIRE. Mr. President, the Genocide Convention has been a target of severe critical attack from both highly responsible and highly irresponsible sources. I have refuted the many uninformed charges against the Genocide Convention in a number of statements. Today I address those critics who have responsibly considered the text of the treaty and still hold reservations.

The report on the Genocide Convention from the Committee on Foreign Relations acknowledged certain difficulties of interpretation which occur in the text of the treaty itself. In four "understandings" the committee recommended specific interpretations of certain paragraphs in order to allay any misconceptions.

The Genocide Convention has as its stated objectives the preservation of man's most precious right, the right to live. When the Genocide Convention was submitted to the Senate 22 years ago only 5 nations had ratified it. Since then another 70 nations have ratified the treaty, but not the United States.

Mr. President, America is conspicuous. We are conspicuous for our remarkable national record in the struggle for human rights. We are just as conspicuous for our international absence in the ratification of the United Nations Convention on Genocide. We should resolve without further hesitation or excuse this hypocritical indifference.

Mr. President, I call upon the Senate of the United States to ratify this document without further delay and so proclaim to all the world our country's united condemnation of the inhuman barbarism by which one group would exterminate another from the face of the Earth.

EILEEN HUNTER

Mr. HANSEN. Mr. President, in a day when increasing numbers of people are looking toward Government for the assumption of more and more responsibilities that were once considered individual or family in character, it is gratifying and reassuring to note that there are still persons willing to do, voluntarily, those good deeds which we most admire.

Eileen Hunter, my friend, friend of Jackson Hole, and benefactor of its good institutions, was given only a fraction of the credit which is her due when St. John's Hospital patrons honored her recently.

I ask unanimous consent that the citation read at the 16th annual Spring Fling at Jackson Lake Lodge in Grand Teton National Park be printed in the Record.

There being no objection, the citation was ordered to be printed in the Record, as follows:

Eileen Hunter

St. John's Hospital in the village of Jackson, in the valley of Jackson Hole, County of Teton, State of Wyoming, is blessed with a guardian angel.

St. John's has been blessed with many guardian angels. From its inception, back in the days when land, lumber, logs, and labor were donated to get the first building started, it has been a community project. Ever since, a host of community angels have pitched in to keep it operating. In these later years of building a new and modern St. John's Hospital, Eileen Hunter has been one of the most active angels in attendance. Hers has been the spark which said, "Let's do it!" when the necessary "doing" seemed impossible.

Back in 1957 when Dr. Peter Ward, of Chicago, inspecting the old St. John's Hospital for accreditment, he stated that it was, "Unsafe, inadequate and uneconomical"—something had to be done. The hospital board found themselves with massive economic problems as well as the need for a larger, but still convenient site. William Hunter Memorial Park, the site of the new hospital, was a gift to the community from Eileen Hunter. Eileen acquired the desirable piece of property and, working through the Episcopal Church, made it available for the building location.

Eileen likes to keep her left hand from knowing the good deeds which her right hand doeth, so she claims innocence or forgetfulness about them, but the hospital board knows that she is always there when a need becomes apparent. St. John's Hospital has just completed an expansion that adds six semi-private rooms, a physical therapy department and a nurses' station. The project, located in the southeastern corner of the hospital, was begun over a year ago as a result of the efforts of Eileen Hunter.

Noting that the nursing home facility might be phased out due to a rapid increase of acute (short term) care patients, during 1973 Mrs. Hunter raised the initial $50,000.00 of the total $150,000.00 for the expansion. She then spearheaded the drive to make up the full amount. The cost to put these additional rooms into operation was approximately $9,400 per bed, compare construction recently done at the Cody Hospital which cost $50,000 per bed. Thanks be to the original planning of the building, which allowed room for expansion within the original walls.

When asked an approximate total of her hospital donations Eileen replies—with typical Eileen Hunter Style—"If I can afford to give a lot and another can afford to give a dollar, then we're even."

William and Eileen Hunter came to Jackson in the early 1930's when they established the Hunter Motors Garage and Ford Automobile Agency. It was located at the corner of Broadway and Cache Avenue, in the building now housing Paul Hansen Gifts. They were no strangers to Jackson, having sold to the natives of the valley. Bill Hunter had established Ford agencies in Kemmerer and also in Ogden, Utah.

In 1946 the Hunters bought the ranch now known as the Hunter Hereford Ranch; the home which Eileen claims has the 'best view in the valley.' Lying north of Kelly, in the foothills of the east side of the valley, her home commands a sweeping view across the sage covered Snake River flats, until it is stopped by the stupendous wall of the Teton range of mountains.

Bill loved the ranch more than any place on earth and is buried on a part of it; a spot where Eileen intends to join him someday. In the meantime she has a tremendous zest for living. Most of all she enjoys people—her hospitality is legend. She has entertained many of the most important people of the land, as well as some who needed sanctuary and the soothing solitude of the open spaces. There is a spaciousness in her friendship.

Tonight the community served by St. John's Hospital salutes this vibrant lady who has done so much to make St. John's Hospital the modern facility which we are proud to have serving our county.

J. WILLIAM FULBRIGHT

Mr. CHURCH. Mr. President, nationally-syndicated columnist Tom Braden recently wrote a perceptive piece on J. WILLIAM FULBRIGHT that I think deserves the Senate's attention. Mr. Braden recounts about Senator FULBRIGHT:

> This was the man who helped Franklin D. Roosevelt found the United Nations . . .
>
> This was also the author of the plan to spend counterpart funds by the massive foreign scholarship program which bears his name. This was the first man in the Senate to recognize the dangers of McCarthyism. This was the man who first pointed out to the nation that Lyndon Johnson and his aides were not telling the truth about the war in Vietnam.
>
> And this was the man who was advocating an approach to China and detente with Russia long before President Nixon put the idea into action.

I share Tom Braden's hope that the statesman—and our distinguished friend—from Arkansas will remain in public service. J. WILLIAM FULBRIGHT has served "the Nation's good" so well and so uniquely for 30 years; a place is needed for him in the future, too, so that his voice will be heard and his counsel will be available.

I ask unanimous consent that Tom Braden's column that appeared in the Washington Post be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

A PLACE FOR THE FULBRIGHTS

(By Tom Braden)

The voters of Arkansas have decided to deprive the nation of the services of a most knowledgeable man, and the fact points to a peculiar weakness in our American system of government.

I used the word "peculiar" because in other democracies—England's, for example—J. William Fulbright, having fallen from power, would nevertheless be used. His party would find a safe seat for him, or he would enter the House of Lords. His voice would be heard, and his counsel would be available.

Not so here. Fulbright can go back to the university life from which he came or he can become a gentleman farmer once again. What a pity to waste those long years of experience and study, the lessons learned in moments of high action and decision—what a pity to waste them on a college classroom or a few friends gathered for a chat near the barn door.

What ought we to do about the waste of human material which comes from political defeat? Granted, we cannot appoint to high office every defeated senator. About many of them there would be disagreement as to whether salvage was worthwhile.

But even his opponents might argue that J. William Fulbright's 30-year record of high-minded intelligence deserves special consideration.

This was the man who helped Franklin D. Roosevelt found the United Nations. It is not his fault that the reality never attained the dream. Somebody once asked him how long it took to write his resolution calling for the creation of "appropriate international machinery with power adequate to prevent future aggression."

His response highlights one aspect of the problem he now presents: "I think," he said, "about 15 years."

This was also the author of the plan to spend counterpart funds by the massive foreign scholarship program which bears his name. This was the first man in the Senate to recognize the dangers of McCarthyism. This was the man who first pointed out to the nation that Lyndon Johnson and his aides were not telling the truth about the war in Vietnam.

And this was the man who was advocating an approach to China and detente with Russia long before President Nixon put the idea into action.

Secretary of State Henry Kissinger is an admirer of Fulbright. It may be that the Secretary of State can find some means to use him for the nation's good. But if so, it will be fortuitous.

This country has no systematic way of sustaining its nationally oriented talent against the onslaught of local popularity.

The voters of Arkansas liked a man named Dale Bumpers. It is their privilege. But for the nation, Bumpers is to Fulbright as somebody in Bristol was to Edmund Burke. The lesson to be learned is not that Fulbright should be younger, more handsome, better on TV. The lesson is that we need to find a way to avoid the waste of our best-educated talent.

"The amount of energy wasted by men and women of first-class quality in arriving at their true degree, before they begin to play upon the world stage, can never be measured," wrote Winston Churchill. "One may say that 60 per cent, perhaps 70 per cent, of all they have to give is expended on fights which have no other object but to get to their battlefield."

It is a wise observation, and a sad one. But how much sadder it is to reflect that some men, having gained the battlefield and won great exploits, are then eliminated by a chance encounter totally irrelevant to the action in which they have been engaged.

CONSERVATION OF ELECTRICAL ENERGY

Mr. CANNON. Mr. President, I would like to share with my colleagues the commendable results of Capitol Hill energy conservation efforts during the past 6 months.

In separate letters of November 14, 1973, to the Members of the Senate and the House, both the Speaker and I described actions which the Architect of the Capitol was undertaking, with our approval, in order that the Congress might effectively participate in the national effort to conserve energy. These measures include: Earlier than usual discontinuance of air conditioning last fall; reduction of Capitol dome lighting by 70 percent and of other public space lighting by about 50 percent; shorter operating hours for escalators; and 68° thermostat settings in spaces other than the Members' office suites and committee rooms. These measures were expected to reduce electrical power consumption by about 15 percent and heating fuel requirements by about 10 percent. In order to further reduce energy requirements, Members and committees were asked to reduce thermostat settings and lighting levels in their offices to the extent practicable.

I am very pleased to report that the results exceeded the aforementioned goals. Our consumption of electrical power has dropped, compared with the same months of the previous year by 14.4 percent in December, 17.8 percent in January, 17 percent in February, and an impressive 23.3 percent in March. At the same time consumption of steam which was produced primarily by coal, also dropped significantly, that is, 14.5 percent in January alone. I wish to commend and congratulate my colleagues in both Houses and all employees of the Congress for this fine effort.

It appears timely now to point out that the forthcoming months of the air cooling season offer the greatest annual opportunity to save significant amounts of electrical energy, primarily because our chilled water compressors are driven electrically. During the unpredictable temperatures of April and May, and later in September and October, attempts to save air cooling energy by higher settings on thermostats can sometimes have the reverse effect on unseasonably cool nights when the switch releases steam into the system. Now that we can expect consistently high summer temperatures, however, the Architect will set thermostats in public spaces at 78 degrees, in accordance with acceptable recommendations. Members and committees and their staffs are requested to do likewise in their offices, to the extent practicable, and to continue their other commendable economies in the use of electrical appliances and lighting.

CONCLUSION OF MORNING BUSINESS

Mr. MANSFIELD. Mr. President, are we still in the morning hour?

The ACTING PRESIDENT pro tempore. Morning business is now closed.

EXECUTIVE SESSION

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider Executive C, 93d Congress, 2d Session.

There being no objection, the Senate proceeded to consider executive business.

PROTOCOLS FOR THE EXTENSION OF THE INTERNATIONAL WHEAT AGREEMENT, 1971

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to consider Executive C, 93d Congress, 2d session.

The ACTING PRESIDENT pro tempore. Is there objection to the request of the Senator from Montana?

Mr. McGEE. Mr. President, I ask unanimous consent that a member of my staff, John Baines, be permitted on the floor during the course of the discussions of the treaty.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. McGEE. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider Executive C, 93d Congress, 2d session, the protocols for the extension of the Wheat Trade Convention and the Food Aid Convention constituting the International Wheat Agreement, 1971, which was read the second time, as follows:

PROTOCOLS FOR THE EXTENSION OF THE WHEAT TRADE CONVENTION AND FOOD AID CONVENTION CONSTITUTING THE INTERNATIONAL WHEAT AGREEMENT, 1971

PREAMBLE

The Governments participating in the Conference to establish the texts of the Protocols for the extension of the Conventions constituting the International Wheat Agreement, 1971,

Considering that the International Wheat Agreement of 1949 was revised, renewed or extended in 1953, 1956, 1959, 1962, 1965, 1966, 1967, 1968 and 1971,

Considering that the International Wheat Agreement, 1971, consisting of two separate legal instruments, the Wheat Trade Convention, 1971 and the Food Aid Convention, 1971, will expire on 30 June 1974,

Have established the texts of Protocols for the Extension of the Wheat Trade Convention, 1971 and for the Extension of the Food Air Convention, 1971.

PROTOCOL FOR THE EXTENSION OF THE WHEAT TRADE CONVENTION, 1971

The Governments party to this Protocol.

Considering that the Wheat Trade Convention, 1971 (hereinafter referred to as "the Convention") of the International Wheat Agreement, 1971 expires on 30 June 1974,

Have agreed as follows:

ARTICLE 1

Extension, expiry and termination of the Convention

Subject to the provisions of Article 2 of this Protocol, the Convention shall continue in force between the parties to this Protocol until 30 June 1975, provided that, if a new international agreement covering wheat enters into force before 30 June 1975, this Protocol shall remain in force only until the date of entry into force of the new agreement.

ARTICLE 2

Inoperative provisions of the Convention

The following provisions of the Convention shall be deemed to be inoperative with effect from 1 July 1974:

(*a*) paragraph (4) of Article 19;
(*b*) Articles 22 to 26 inclusive;
(*c*) paragraph (1) of Article 27;
(*d*) Articles 29 to 31 inclusive.

ARTICLE 3

Definition

Any reference in this Protocol to a "Government" or "Governments" shall be construed as including a reference to the European Economic Community (hereinafter referred to as "the Community"). Accordingly, any reference in this Protocol to "signature" or to the "deposit of instruments of ratification, acceptance, approval or conclusion" or "an instrument of accession" or a "declaration of provisional application" by a Government shall, in the case of the Community, be construed as including signature or declaration of provisional application on behalf of the Community by its competent authority and the deposit of the instrument required by the institutional procedures of the Community to be deposited for the conclusion of an international agreement.

ARTICLE 4

Finance

The initial contribution of any exporting or importing member acceding to this Protocol under paragraph (1)(b) of Article 7 thereof, shall be assessed by the Council on the basis of the votes to be distributed to it and the period remaining in the current crop year, but the assessments made upon other exporting and importing members for the current crop year shall not be altered.

ARTICLE 5

Signature

This Protocol shall be open for signature in Washington from 2 April 1974 until and including 22 April 1974 by Governments of countries party to the Convention, or which are provisionally regarded as party to the Convention, on 2 April 1974, or which are members of the United Nations, of its specialized agencies or of the International Atomic Energy Agency, and are listed in Annex A or Annex B to the Convention.

ARTICLE 6

Ratification, acceptance, approval or conclusion

This Protocol shall be subject to ratification, acceptance, approval or conclusion by each signatory Government in accordance with its respective constitutional or institutional procedures. Instruments of ratification, acceptance, approval or conclusion shall be deposited with the Government of the United States of America not later than 18 June 1974, except that the Council may grant one or more extensions of time to any signatory Government that has not deposited its instrument of ratification, acceptance, approval or conclusion by that date.

ARTICLE 7

Accession

(1) This Protocol shall be open for accession:

(*a*) until 18 June 1974 by the Government of any member listed in Annex A or B to the Convention as of that date, except that the Council may grant one or more extensions of time to any Government that has not deposited its instrument by that date, and

(*b*) after 18 June 1974 by the Government of any member of the United Nations, of its specialized agencies or of the International Atomic Energy Agency upon such conditions as the Council considers appropriate by not less than two-thirds of the votes cast by exporting members and two-thirds of the votes cast by importing members.

(2) Accession shall be effected by the deposit of an instrument of accession with the Government of the United States of America.

(3) Where, for the purposes of the operation of the Convention and this Protocol, reference is made to members listed in Annex A or B to the Convention, any member the Government of which has acceded to the Convention on conditions prescribed by the Council, or to this Protocol in accordance with paragraph (1)(b) of this Article, shall be deemed to be listed in the appropriate Annex.

ARTICLE 8

Provisional application

Any signatory Government may deposit with the Government of the United States of America a declaration of provisional application of this Protocol. Any other Government eligible to sign this Protocol or whose application for accession is approved by the Council may also deposit with the Government of the United States of America a declaration of provisional application. Any Government depositing such a declaration shall provisionally apply this Protocol and be provisionally regarded as a party thereto.

ARTICLE 9

Entry into force

(1) This Protocol shall enter into force among those Governments which have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application, in accordance with Articles 6, 7 and 8 of this Protocol by 18 June 1974, as follows:

(*a*) on 19 June 1974, with respect to all provisions of the Convention, other than Articles 3 to 9 inclusive and Article 21, and

(*b*) on 1 July 1974, with respect to Articles 3 to 9 inclusive, and Article 21 of the Convention,

if such instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application have been deposited not later than 18 June 1974 on behalf of Governments representing exporting members which held at least 60 per cent of the votes set out in Annex A and representing importing members which held at least 50 per cent of the votes set out in Annex B, or would have held such votes respectively if they had been parties to the Convention on that date.

(2) This Protocol shall enter into force for any Government that deposits an instrument of ratification, acceptance, approval, conclusion or accession after 19 June 1974 in accordance with the relevant provisions of this Protocol, on the date of such deposit, except that no part of it shall enter into force for such a Government until that part enters into force for other Governments under paragraph (1) or (3) of this Article.

(3) If this Protocol does not enter into force in accordance with paragraph (1) of this Article, the Governments which have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application, may decide by mutual consent that it shall enter into force among those Governments that have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application.

ARTICLE 10

Notification by depository Government

The Government of the United States of America as the depository Government shall notify all signatory and acceding Governments of each signature, ratification, acceptance, approval, conclusion, provisional application of, and accession to, this Protocol, as well as of each notification and notice received under Article 27 of the Convention and each declaration and notification received under Article 28 of the Convention.

ARTICLE 11

Certified copy of the Protocol

As soon as possible after the definitive entry into force of the Protocol, the depository Government shall send a certified copy of this Protocol in the English, French, Russian and Spanish languages to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations. Any amendments to this Protocol shall likewise be communicated.

ARTICLE 12

Relationship of Preamble to Protocol

This Protocol includes the Preamble to the Protocols to extend the International Wheat Agreement, 1971.

IN WITNESS WHEREOF the undersigned, having been duly authorized to this effect by their respective Governments or authorities, have signed this Protocol on the dates appearing opposite their signatures.

The texts of this Protocol in the English, French, Russian, and Spanish languages shall be equally authentic. The originals shall be deposited with the Government of the United States of America, which shall transmit certified copies thereof to each signatory and acceding party and to the Executive Secretary of the Council.

PROTOCOL FOR THE EXTENSION OF THE FOOD AID CONVENTION, 1971

The parties to this Protocol,

Considering that the Food Aid Convention, 1971 (hereinafter referred to as "the Convention") of the International Wheat Agreement, 1971 expires on 30 June 1974,

Have agreed as follows:

ARTICLE I

Extension, expiry and termination of the Convention

Subject to the provisions of Article II of this Protocol, the Convention shall continue in force between the parties to this Protocol until 30 June 1975, provided that, if a new agreement covering food aid enters into force before 30 June 1975 this Protocol shall remain in force only until the date of entry into force of the new agreement.

ARTICLE II

Inoperative provisions of the Convention

The provisions of paragraphs (1), (2) and (3) of Article II, of paragraph (1) of Article III, and of Articles VI to XIV, inclusive, of the Convention shall be deemed to be inoperative with effect from 1 July 1974.

ARTICLE III

International food aid

(1) The parties to this Protocol agree to contribute as food aid to the developing countries, wheat, coarse grains or products derived therefrom, suitable for human consumption and of an acceptable type and quality, or the cash equivalent thereof, in the minimum annual amounts specified in paragraph (2) below.

(2) The minimum annual contribution of each party to this protocol is fixed as follows:

	Metric tons
Argentina	23, 000
Australia	225, 000
Canada	495, 000
Finland	14, 000
Japan	225, 000
Sweden	35, 000
Switzerland	32, 000
United States of America	1, 890, 000

(3) For the purpose of the operation of this Protocol, any party which has signed this Protocol pursuant to paragraph (2) of Article V thereof, or which has acceded to this Protocol pursuant to the appropriate provisions of Article VII thereof, shall be deemed to be listed in paragraph (2) of Article III of this Protocol together with the minimum contribution of such party as determined in accordance with the relevant provisions of Article V or Article VII of this Protocol.

ARTICLE IV

Food Aid Committee

There shall be established a Food Aid Committee whorse membership shall consist of the parties listed in paragraph (2) of Article III of this Protocol and of those others that become parties to this Protocol. The Committee shall appoint a Chairman and a Vice-Chairman.

ARTICLE V

Signature

(1) This Protocol shall be open for signature in Washington from 2 April 1974 until and including 22 April 1974 by the Governments of Argentina, Australia, Canada, Finland, Japan, Sweden, Switzerland and the United States of America, provided that they sign both this Protocol and the Protocol to extend the Wheat Trade Convention, 1971.

(2) This Protocol shall also be open for signature, on the same conditions, to parties to the Food Aid Convention, 1967 or to the Food Aid Convention, 1971, and to those provisionally regarded as parties to the Food Aid Convention, 1971, which are not enumerated in paragraph (1) of this Article, provided that their contribution is at least equal to that which they agreed to make in the Food Aid Convention, 1967 or, subsequently, in the Food Aid Convention, 1971.

ARTICLE VI

Ratification, acceptance, approval or conclusion

This Protocol shall be subject to ratification, acceptance, approval or conclusion by each signatory in accordance with its constitutional or institutional procedures, provided that it also ratifies, accepts, approves or concludes the Protocol to extend the Wheat Trade Convention, 1971. Instruments of ratification, acceptance, approval or conclusion shall be deposited with the Government of the United States of America not later than 18 June 1974, except that the Food Aid Committee may grant one or more extensions of time to any signatory that has not deposited its instrument of ratification, acceptance, approval or conclusion by that date.

ARTICLE VII

Accession

(1) This Protocol shall be open for accession by any party referred to in Article V of this Protocol, provided it also accedes to the Protocol to extend the Wheat Trade Convention, 1971 and provided further that in the case of parties referred to in paragraph (2) of Article V their contribution is at least equal to that which they agreed to make in the Food Aid Convention, 1967 or, subsequently, in the Food Aid Convention, 1971. Instruments of accession under this paragraph shall be deposited not later than 18 June 1974, except that the Food Aid Committee may grant one or more extensions of time to any party that has not deposited its instrument of accession by that date.

(2) The Food Aid Committee may approve accession to this Protocol, as a donor, by the Government of any member of the United Nations, of its specialized agencies or of the International Atomic Energy Agency, on such conditions as the Food Aid Committee considers appropriate, provided that the Government also accedes at the same time to the Protocol to extend the Wheat Trade Convention, 1971, if not already a party to it.

(3) Accession shall be effected by the deposit of an instrument of accession with the Government of the United States of America.

ARTICLE VIII

Provisional application

Any party referred to in Article V of this Protocol may deposit with the Government of the United States of America a declaration of provisional application of this Protocol, provided it also deposits a declaration of provisional application of the Protocol to extend the Wheat Trade Convention, 1971. Any other party whose application for accession is approved may also deposit with the Government of the United States of America a declaration of provisional application, provided that the party also deposits a declaration of provisional application of the Protocol to extend the Wheat Trade Convention, 1971, unless it is already a party to that Protocol or has already deposited a declaration of provisional application of that Protocol. Any such party depositing such a declaration shall provisionally apply this Protocol and be provisionally regarded as a party thereto.

ARTICLE IX

Entry into force

(1) This Protocol shall enter into force for those parties that have deposited instruments of ratification, acceptance, approval, conclusion or accession.

(*a*) on 19 June 1974 with respect to all provisions other than Article II of the Convention and Article III of the Protocol, and

(*b*) on 1 July 1974 with respect to Article II of the Convention and Article III of the Protocol

provided that all Governments listed in paragraph (1) of Article V of this Protocol have deposited such instruments or a declaration of provisional application by 18 June 1974 and that the Protocol to extend the Wheat Trade Convention, 1971 is in force. For any other party that deposits an instrument of ratification, acceptance, approval, conclusion or accession after the entry into force of the Protocol, this Protocol shall enter into force on the date of such deposit.

(2) If this Protocol does not enter into force in accordance with the provisions of paragraph (1) of this article, the parties which by 19 June 1974 have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of provisional application may decide by mutual consent that it shall enter into force among those parties that have deposited instruments of ratification, acceptance, approval, conclusion or accession, or declarations of pro-

visional application, provided that the Protocol to extend the Wheat Trade Convention, 1971 is in force, or they may take whatever other action they consider the situation requires.

ARTICLE X

Notification by depositary Government

The Government of the United States of America as the depositary Government shall notify all signatory and acceding parties of each signature, ratification, acceptance, approval, conclusion, provisional application of, and accession to this Protocol.

ARTICLE XI

Certified copy of the Protocol

As soon as possible after the definitive entry into force of this Protocol, the depositary Government shall send a certified copy of this protocol in the English, French, Russian and Spanish languages to the Secretary-General of the United Nations for registration in accordance with Article 102 of the Charter of the United Nations. Any amendments to this Protocol shall likewise be communicated.

ARTICLE XII

Relationship of Preamble to Protocol

This Protocol includes the Preamble to the Protocols to extend the International Wheat Agreement, 1971.

IN WITNESS WHEREOF the undersigned, having been duly authorized to this effect by their respective Governments or authorities, have signed this Protocol on the dates appearing opposite their signatures.

The texts of this Protocol in the English, French, Russian and Spanish languages shall all be equally authentic. The originals shall be deposited with the Governments of the United States of America, which shall transmit certified copies thereof to each signatory and acceding party.

The ACTING PRESIDENT pro tempore. Time for debate on this treaty shall be limited to 30 minutes, with 30 minutes on any amendment, reservation, or understanding, and 20 minutes on any debatable motion or appeal. The vote thereon will occur at 1:30 p.m.

The clerk will read the resolution of ratification.

The assistant legislative clerk read the resolution as follows:

Resolved, (two-thirds of the Senators present concurring therein), That the Senate advise and consent to ratification of the Protocols for the Extension of the Wheat Trade Convention and the Food Aid Convention constituting the International Wheat Agreement, 1971, which was open for signature in Washington from April 2, through April 22, 1974.

Mr. CURTIS. Mr. President, I support the treaty now before the Senate. This would extend for 1 year the Food Aid Convention and the Wheat Trade Convention. Both of these conventions are helpful to the wheat farmers in Nebraska and the Nation.

Under the Food Aid Convention all of the developed nations attempt to reach some agreement as to how much wheat and other food grains each country will contribute to the less-developed countries. I believe it is in the national interest to assure such multilateral assistance remains available and that this country is not required to carry the entire burden of feeding a less-developed world.

The Wheat Trade Convention has been successful in collecting factual data as to what is actually happening around the world in wheat trade. Hopefully the Russians and other nonparticipating countries will begin to provide data on production and consumption to the wheat trade secretariat in order that the wheat producing countries of the world can be better prepared for situations that occur, such as the huge Russian wheat purchases of 1972.

Mr. President, I hope that the Senate will overwhelmingly approve this 1-year extension of these two conventions.

Mr. HUGH SCOTT. Mr. President, I yield back my time.

Mr. McGEE. Mr. President, I yield back my time on the treaty.

Mr. MANSFIELD. Mr. President, have the yeas and nays been ordered on the treaty?

The ACTING PRESIDENT pro tempore. They have been ordered on the resolution of ratification. The vote will occur at 1:30 p.m. pursuant to the previous order.

Mr. MANSFIELD. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. MANSFIELD. Did the Senate give its assent that the conference on the budget would follow the consideration of the treaty?

The ACTING PRESIDENT pro tempore. That is correct.

LEGISLATIVE SESSION

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now return to legislative session and proceed to the consideration of the conference report on H.R. 7130. Time for debate on this conference report will be limited to 2 hours, to be equally divided and controlled by the Senator from Illinois (Mr. PERCY) and the Senator from North Carolina (Mr. ERVIN). They will both occur after the vote on the executive proceeding.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, with time not being taken out of either side.

The ACTING PRESIDENT pro tempore. Without objection, the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. McGEE. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTERNATIONAL WHEAT AGREEMENT CONFERENCE

Mr. McGEE. Mr. President, I ask unanimous consent that the pending business be temporarily set aside so that we might call up a resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGEE. Mr. President, I call up Senate Resolution 340.

The PRESIDING OFFICER. Without objection, the clerk will read the resolution.

The assistant legislative clerk read as follows:

Resolved, That it is the sense of the Senate that the President should request the International Wheat Council, at the earliest possible date, to request the Secretary-General of UNCTAD to convene a negotiating conference as provided in article 21 of the International Wheat Agreement, concluded at Geneva on February 20, 1971, with a view toward the negotiation of provisions relating to the prices of wheat and to the rights and obligations of members in respect of international trade in wheat.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

Mr. McGEE. Mr. President, I do not intend to speak at length on this matter. The point is the Senate considered this matter in 1971 when the wheat agreement was last agreed upon, the preceding one, and there was no objection expressed in the final vote. It was accepted unanimously. It is simply a proviso that urges the wheat operation through the international wheat signatories to negotiate price agreement to protect the wheat farmers in any international wheat understanding. It is a sense of the Senate resolution that followed the last time, as it will be associated with this time, the International Wheat Agreement. There is no opposition on either side of the aisle to this.

Mr. President, we have before this body Senate Resolution 340 which I have joined in submitting with Senator HUMPHREY. This resolution reintroduces the language of Senate Resolution 136.

Members of the Senate will recall that Senate Resolution 136 was passed by the Senate in 1971 in conjunction with the International Wheat Agreement. That agreement was ratified by the Senate by a vote of 78 to 0. By a similar vote the Senate passed Senate Resolution 136—a unanimous show of strength for an orderly marketing system for wheat.

I introduced this resolution in 1971 after becoming very concerned that the International Wheat Agreement did not include any provisions relating to the prices at which signatory nations agreed to import and export wheat. Indeed, I am even more convinced now than in 1971 when I sponsored Senate Resolution 136 that some extra effort should be forthcoming from the administration in this direction.

Clearly, the administration's track record in maintaining a stable farm and food situation has not been good. Yet accord on pricing arrangements is essential both for the farmer and the consumer. Such an accord would aid in the development of a stable market situation. Farmers would be assured of fair and equitable prices as would consumers. In addition, fluctuations in supply would be better controlled.

I must point out that the present wheat agreement has a very positive feature—the provision of a Food Aid Convention. Under this convention developed countries have agreed to make contributions of wheat, coarse grains or products deriving from them to the developing countries. This is especially significant in light of the world's dwindling food supply and decline in foreign exchange reserves of these nations as a result of the increase in price for petroleum products. Under this convention the United States has a commitment of 1.9 million metric tons. Yet, despite this very significant feature there is no mechanism provided in the agreement which would stabilize international trade between exporting and importing countries.

Presently, the existing agreement is merely a statement of principle and good intentions on the part of the world's major wheat traders. Unfortunately, it does not deal with the basic problems of international trading in wheat. These shortcomings were recognized by the agreement's drafters when they provided a mechanism through which ongoing negotiations could take place. That mechanism was established in article 21 of the agreement which provided that the International Wheat Council should examine questions of prices and related rights and obligations of the signatories to the agreement when it determined that these matters were capable of successful negotiation. The Wheat Council is specifically authorized under article 21 to request the Secretary-General of the United Nations Conference on Trade and Development—UNCTAD—to convene a negotiating conference.

Reports from a recent conference of the International Federation of Agriculture Producers indicate that broad agreement exists among more than 40 nations for the renewal of efforts to negotiate substantive and viable pricing provisions. These nations recognize that international commodity agreements have little substance unless a range of price movement and the establishment of a minimum price are agreed upon. Such action would clearly aid in stabilizing the world market and offer a measure of protection to those producers involved. In addition, it would tend to insulate the developing countries from severe fluctuations in the world commodity price market for wheat.

The world is becoming increasingly interdependent politically and economically, and producers and consumers realize this. World trade must be expanded. Yet it must be expanded in an orderly fashion. This expansion makes the farmers' problems in the United States an international one. Nations simply cannot ignore the economic concerns of producers in other countries. If trade expansion is to continue and if that expansion is to contribute to a lessening of international tension, it is imperative that accords be reached.

Mr. President, it is my view that international agreements on wheat will avoid disruptive competition between producers and will tend to expand commodity markets in a way that will not disrupt the international system. All nations wish to protect their primary producers, and the United States is no different in this regard. However, I trust that our Government is not unmindful of the views and needs of other nations as well. Senate Resolution 340 will enable us to combine the vital interests of the United States with those of other nations—a rare opportunity in international affairs.

This resolution, which I am cosponsoring today, will serve to express the concern and the sense of the Senate that the President should request, through the International Wheat Council, further negotiations aimed at securing an agreement on pricing provisions which the present wheat agreement totally lacks.

Mr. President, I offered this resolution because I believe that the International Wheat Agreement, as it comes to the Senate, is deficient and requires improvement. The Senate should not proceed to give its advice and consent to it without clearly indicating the urgent need to correct the agreement's obvious deficiency. Without such correction the agreement will be ineffective and unworkable.

I want to call into special notice that associated with this effort was the Senator from Minnesota (Mr. Humphrey), and that the two of us have jointly pressed for the reinstitution of this same sense of the Senate resolution.

Mr. HUMPHREY. Mr. President, I am happy to rise today in support of Senate Resolution 340. I introduced this resolution on June 13 on behalf of Senator McGee and myself.

The Senate passed this same resolution in 1971 by a 78 to 0 vote, and the need for it should be evident to all today.

The International Wheat Agreement recommended to the Senate for its approval does not include any provisions relating to the prices at which the signatory nations to the agreement agree to export and import wheat.

Moreover, the agreement also fails to include the designation of reference wheats, basing points or definition of importers' and exporters' obligations. The agreement as it now stands is a mere statement of the good intentions among the major wheat traders of the world.

Mr. President, I have stated many times that a volatile, fluctuating market does not benefit the farmer, and it also does not benefit the urban consumer.

We are aware that the main beneficiary of fluctuating prices is the speculator. The farmer never receives the very high prices, and the prices paid by the urban consumer tend toward the peak of the price swing.

I think it would be an accurate statement that most farmers would much prefer to receive a fair and adequate return rather than ride a roller coaster which for them goes mainly down.

There is a large group of wheat farmers who are here this week to see their Senators on this very issue. They have been speaking out in favor of this resolution. I believe the great majority of wheatgrowers would support the wheat agreement with the addition of Senate Resolution 340.

I would not want to mislead anyone into believing that negotiating these issues would be anything other than a difficult job. My point is that we should not pass what is basically a toothless agreement without noting its shortcomings.

Resolution 340 attempts to eliminate these defects and it envisages convening an international conference to negotiate provisions on wheat export and import prices, reference wheats and basing points.

The point of this resolution is to help protect the American wheatgrower in the international wheat market. These are matters which have been basic considerations of the American wheatgrower for a great many years.

It is imperative, therefore, that there be the maximum of effort made, through agreement, to protect the American wheatgrower from the uncertainties that tend to dominate the world market. We feel that it would be helpful if we could enter into this new International Wheat Agreement armed with an expression of interest from the Senate that this is important to the American wheatgrower, and this resolution would strengthen the hands of our negotiators when this whole question is reopened.

This resolution provides that we will try again, at the earliest possible moment after ratifying the new International Wheat Agreement, to take up and negotiate these issues. I believe it will be helpful if the Senate endorses the concept of protecting the American wheatgrower through these negotiations.

We think it also would be worthwhile to adopt this resolution indicating our moral support of the efforts of the American members of the International Wheat Council.

Resolution 340 is entirely consistent with article 21 of the International Wheat Agreement which envisions the calling of negotiating sessions when it is judged that these matters are capable of successful negotiation.

I hope that the Senate will approve Senate Resolution 340 and that this will result in a negotiating conference arranged by the International Wheat Council at the earliest possible date in order to reach agreement on provisions relating to the prices of wheat and the rights and obligations of the importing and exporting countries.

The United States has been a partner in international agreements regarding trade in wheat since the first International Wheat Agreement was ratified by the U.S. Senate in 1949. These treaties represented an attempt to establish international amity and equity at the negotiating table rather than the alternative of unrestrained price-cutting competition.

This country should take the lead in continuing this kind of international understanding. Approval of Senate Resolution 340 today will clearly show the intent of the Senate that this be done.

Mr. McGEE. We are ready for the question.

The ACTING PRESIDENT pro tempore. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. McGEE. I move to reconsider the vote by which the resolution was agreed to.

Mr. MANSFIELD. Mr. President, I move to table that motion.

The motion to lay on the table was agreed to.

MESSAGES FROM THE PRESIDENT

Messages in writing from the President of the United States were communicated to the Senate by Mr. Heiting, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer (Mr. Clark) laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are

printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Berry, one of its reading clerks, announced that the House had passed the joint resolution (H.J. Res. 1062) making continuing appropriations for the fiscal year 1975, and for other purposes, in which it requests the concurrence of the Senate.

HOUSE JOINT RESOLUTION REFERRED

The joint resolution (H.J. Res. 1062) making continuing appropriations for the fiscal year 1975, and for other purposes, was read twice by its title and referred to the Committee on Appropriations.

CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974—CONFERENCE REPORT

Mr. MANSFIELD. Mr. President, what is the pending business?

The ACTING PRESIDENT pro tempore. The Senate will resume the consideration of the report of the committee of conference on H.R. 7130 which the clerk will state.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 7130) to improve congressional control over budgetary outlay and receipt totals, to provide for a Legislative Budget Office, to establish a procedure providing congressional control over the impoundment of funds by the executive branch, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will resume its consideration.

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of June 11, 1974, at pp. 18759–18773.)

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the following members of the staff of the Committee on Rules and Administration have the privilege of the floor during the consideration of the budget reform conference report:

William McWhorter Cochrane, Tony Harvey, and Joseph O'Leary.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. METCALF. Mr. President, during the consideration of this conference report, I ask unanimous consent that Mr. Winslow Turner and Mr. Don Tacheron of my staff be permitted the privilege of the floor.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. MUSKIE. Mr. President, I ask unanimous consent that Alvin From of the staff of the Committee on Government Operations and Allen Schick of the Congressional Research Service be accorded the privilege of the floor during the consideration of this conference report.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Who yields time?

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum, and ask unanimous consent that the time not be charged to either side.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. Who yields time?

Mr. ERVIN. Mr. President, I yield myself such time as I may use from the time at my disposal.

I ask unanimous consent that the following staff members be allowed to remain on the floor during consideration of, and votes on, the conference report on H.R. 7130: Robert Bland Smith, Jr., W. P. Goodwin, Jr., Alvin From, Herbert Jasper, J. Robert Vastine, and Allen Schick.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ERVIN. Mr. President, the conferees have reconciled by unanimous vote all differences between the legislation of the two Houses reforming the congressional budget process and instituting controls on the impoundment of appropriated funds—Senate report No. 93–924. I strongly urge the Senate to agree to the conference report.

To my mind, this is the most important piece of legislation that I have worked on during the 20 years that I have served in the Senate. It is the finest example of the legislative process at work that I have ever witnessed.

The Joint Study Committee on Budget Control began work in this area before legislation was even introduced, and to a large extent this act is the outgrowth of the Joint Study Committee's endeavor. By the same token, the Committees on Government Operations and Rules and Administration in the Senate have done outstanding work in the formulation of the bill which passed the Senate unanimously on March 22. Many other committees made significant contributions to the development of this measure during the past year and a half.

The committee of conference owes its gratitude to a staff drafting group which assisted greatly in resolving the differences between the House and Senate versions and in formulating the compromises which the conferees have accepted. The Senate conferees were aided by Robert B. Smith, Jr., chief counsel and staff director of the Government Operations Committee, Herbert N. Jasper, Alvin From, J. Robert Vastine, and W. P. Goodwin, Jr. The conferees also were assisted most magnificently by Harry Littell, the Senate's legislative counsel and his assistant, Larry Monaco, and by W. Thomas Foxwell, staff editor of the Committee on Government Operations.

Special praise must go to Allan Schick of the Congressional Research Service. Dr. Schick's knowledge, advice, and diligent endeavors have contributed greatly to the enactment of this complex legislation within one Congress, a remarkable feat in itself. Also, I should like to express my personal appreciation to Robert A. Wallace, president of the Exchange National Bank of Chicago, who served as chief consultant to the Government Operations Committee during its consideration of the bill.

With the help of all these persons, and more from the House staff, the conferees were able to work out a very good solution to the differences between the Senate and House versions.

The conferees were faced with a host of issues to resolve, the most important of which were the type of congressional budget office to create, the timetable for the congressional budget process, the manner in which authorization bills are to be handled in the future, the nature of the annual budget resolutions and crosswalks by committee functions, and the method by which the congressional budget actions are to be reconciled before the start of each fiscal year. These have been resolved in a fashion which has taken into account to a remarkable degree the interests of all committees involved in the budget process.

The impoundment of appropriated funds by the President—a highly controversial issue that has plagued the Congress for many years—is dealt with by way of an effective compromise.

I have worked on this issue for the past several years, and, I am extremely pleased that the major concerns of each House have been taken care of in title X of the act, which I believe will provide a sound and workable solution to the problem.

The impoundment title is based on the assumption that the President has no power under the Constitution to impound lawfully appropriated funds in the absence of a delegation of such authority by the Congress. However, it recognizes that there are times when the proper exercise of the executive function might make the deferral or rescission of budget authority the best public policy. In order to meet these situations, the title deals with three types of executive actions and places restrictions on each of them.

First, it retains the Senate's modification to the Antideficiency Act which provides for routine reservations of budget authority "solely to provide for contingencies, or to effect savings whenever savings are made possible by or through changes in requirements or greater efficiency of operations." The so-called other developments clause of the Antideficiency Act—which has been used by the Executive to justify many impoundments—is deleted, and reservations are restricted to those made under the provisions of that act or other laws.

Second, it requires the President to request the rescission of all or part of an appropriation which he determines is unnecessary to carry out the full objectives and scope of a program or which should not be obligated for fiscal policy or other reasons, including the termination of programs. In other words, both Houses of Congress must pass a rescission bill in order for the President to terminate or cancel a program or to delay the obligation of 1-year appropriations to the end of the fiscal year in which they are available.

Third, it delegates to the President a limited authority to defer the obligation of budget authority for a period not to exceed the expiration of the fiscal year in which they are deferred. Deferrals by the President include any delay or withholding of budget authority, whether by establishing reserves or otherwise. The President must notify Congress that he proposes to defer budget authority, and the deferral will be subject to the disapproval of either House of Congress by adoption of an "impoundment resolution." If either House passes a resolution of disapproval at any time, the President is thereby required to make the budget authority available for obligation.

Proposed rescissions and deferrals will be submitted to Congress by special message which will be published as a House or Senate document and in the Federal Register. They will be delivered to the Comptroller General and be referred to the appropriate committees. Both rescission bills and impoundment resolutions disapproving proposed deferrals will be referred to the appropriate committees, with provision for their discharge by petition after 25 days.

The Comptroller General will be granted authority to sue in the Federal District Court for the District of Columbia to enforce the provisions of the title, using attorneys of his own choosing, 25 days after he gives notice to Congress. This authority is not intended to infringe upon the right of any other party to initiate litigation. The Comptroller General also will be charged with the responsibility of monitoring the Executive and reporting to Congress on any deferrals, reservations, or impoundments which are not reported by a special message.

A disclaimer section directs that nothing in the impoundment title should be construed as ratifying or approving any past or present impoundment, affecting the claims or defenses of any party to litigation concerning any impoundment, or asserting or conceding the constitutional powers or limitations of either the Congress or the President. The disclaimer also disavows any intention by Congress to supersede any law which requires the mandatory obligation of budget authority, since several such statutes have been enacted in response to the wholesale impoundment of funds appropriated for specific programs.

The President is required to notify Congress by the 10th of each month the amount of budget authority which is being reserved or deferred, including the amounts which he has proposed to be rescinded or deferred. These monthly reports will take the place of the present quarterly reports required by the Federal Impoundment and Information Act of 1972, as amended, which will be repealed.

The delegation to the President of authority to "defer" the obligation of budget authority for definite and limited periods of time is not the same as a wholesale license to "impound" as that term is commonly understood today. This is an important distinction because no authority is granted to terminate or cancel a program, whether by direct or indirect action, or by inaction, nor is the authority to defer granted for indefinite periods of time.

Mr. President, I firmly believe that the impoundment control and congressional budget procedures provided in this act are workable. They constitute the first major reform of the method of authorizing and appropriating funds in more than half a century, and they are necessarily complex. However, men of reason and good faith can make them work efficiently so that Congress can gain effective control over the financial resources of the Federal Government.

This act will not guarantee fiscal responsibility on the part of Congress and the Executive, but it will make that goal attainable by those who serve here in the future so that history will record this act as the most lasting achievement of the 93d Congress.

Mr. President, I ask unanimous consent to have printed in the RECORD a brief statement which summarizes the principal budget control features of the conference report.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974

SUMMARY OF TITLES I THROUGH IX

Titles I through IX of the conference report on H.R. 7130 may be cited as the "Congressional Budget Act of 1974". They provide the procedures and other reforms which are intended to enable the Congress to enact a comprehensive congressional budget each year.

Title X, which may be cited alone as the "Impoundment Control Act of 1974", provides procedures to effectively control the practice of Executive impoundment of appropriated funds. It is not discussed herein.

Title I. House and Senate budget committees

Budget Committees are established in the House and the Senate, with parallel jurisdictions over the congressional budget process. Membership on the Senate Budget Committee is the same as was provided in the Senate bill. The Senate Budget Committee will be a Category A committee, subject to the limit of two memberships on such committees beginning with the 95th Congress in 1977. The 15 members of the Senate Budget Committee are to be appointed in the same manner as members of other standing committees. Proceedings of the Senate Budget Committee are to be open except when closed for cause by majority vote of the Committee.

Title II. Congressional Budget Office

A Congressional Budget Office is to be established, headed by a Director appointed for a 4-year term by the Speaker of the House and President Pro tem of the Senate upon the recommendations of the Budget Committees. The Congressional Budget Office will be responsible for assisting all committees and Members regarding budget matters. Priority is to be given to the Budget Committees (which will have staffs of their own) and to the Appropriations and Tax Committees. Other committees are entitled to obtain available information and other assistance to the extent practicable. Members are to be given available budget information.

The Congressional Budget Office is to coordinate its activities with other congressional agencies—the General Accounting Office, the Library of Congress, and the Office of Technology Assessment. It also is authorized to secure information, facilities, and services from the executive branch. The Budget Office is authorized to hire staff and to obtain computer capability (with approval from the Senate Rules and Administration and House Administration Committees for major equipment). Except for certain excluded categories, information obtained by the Congressional Budget Office is to be available for public copying.

Title III. Congressional budget process

The President is to submit a current services budget by November 10, and the regular budget in January. The timetable of the congressional process provides for all committees to report their views and estimates to the Budget Committees by March 15 and for the Congressional Budget Office to report by April 1. Adoption of the first Budget Resolution is to be by May 15, with the same deadline for the reporting of authorizing legislation. After completing action on all regular appropriation bills, Congress adopts a second Budget Resolution by September 15, followed by any reconciliation action necessary to implement the budget.

The Budget Resolutions are to set forth total level of revenues, new budget authority, outlays, public debt, and budget surplus or deficit. The Budget Resolution also is to allow spending among the major functions in the budget, and these allocations are to be subdivided in committee reports to show new and continuing programs, permanent and regular appropriations, and controllable and other expenses. A crosswalk procedure is established for relating the amounts in the Budget Resolution to committee jurisdictions and the various appropriation bills.

No revenue, spending, entitlement, or debt regulation (other than advance revenues and advance appropriations) may be considered prior to adoption of the first Budget Resolution. The resolution establishes targets to guide subsequent congressional action, but it does not limit the amounts that may be appropriated. Scorekeeping procedures are established to provide reports on congressional budget actions and to protect the 5-year impacts of these actions.

The second Budget Resolution sets firm levels for revenues and expenditures, and these must be adhered to in subsequent legislation. It is permissible to adopt additional resolution revising the amounts in the budget. The second Budget Resolution may direct that changes be made in revenues, expenditures, or debt, and these directions are to be implemented in a reconciliation process before the start of the new fiscal year.

Title IV. Procedures for budget improvement

Special procedures are provided for backdoor spending and entitlement legislation. Contract and borrowing authority is to be effective only to the extent provided by appropriations. Entitlement bills are to be referred to the Appropriations Committee (under a 15-day limit) if they provide new spending authority above the relevant allocations in the Budget Resolution. These procedures would apply ony to new backdoor spending, not to existing contract, borrowing, or entitlement authority. Nor would they apply to exempt programs such as social security funds, 90 percent self-financed trust funds, or government corporations. The deadline for the reporting of authorizing legislation is set at May 15, with provisions for a waiver in the House or the Senate. The May 15 deadline does not apply to entitlement bills or to omnibus social security legislation.

The Congressional Budget Office is to make cost analyses of reported bills (other than those of Appropriations Committees). The jurisdiction of the Appropriations Committees is adjusted in accord with this legislation.

Title V. Change of fiscal year

The fiscal year is to be changed to an October 1–September 30 cycle, beginning with the 1977 fiscal year. The preceding fiscal year will run from July 1, 1975 through June 30, 1976. There will be a 3-month interim period (July 1–September 30, 1976) for which budget estimates will be submitted in accord with arrangements to be made in consultation with the appropriations Commitees.

Title V has provision for the transition to the new fiscal year, for the conversion of authorizations to the new timetable, and for accounting adjustments.

Title VI. Budget and Accounting Act amendments

The President's budget is to contain estimates for each of the items in the Budget Resolution. It also requires reports on variances between estimated and actual revenues and between estimated and actual uncontrollable expenses. The budget is to be updated by April 10 and July 15 and it is to have 5-year cost projections.

By November 10 of each year, the President is to submit a current services budget based on a continuation of current programs without policy change. The President also is to submit proposed authority legislation one year in advance of the year in which it is to take effect.

Title VII. Program review and evaluation

The General Accounting Office is charged with responsibility for assisting committees in the evaluation of government programs, including the development of statements of legislative objectives, methods for review and evaluation of such programs, and the analysis of program results. An Office of Program Review and Evaluation is to be set up in the General Accounting Office.

Title VIII. Fiscal and budgetary information

The Secretary of the Treasury and Director of the Office of Management and Budget are to cooperate with the Comptroller General in developing standardized budget information systems. GAO is to devise standard budget codes, terminology, and classifications for the use of federal agencies in supplying fiscal information to Congress. Particular consideration is to be given to the needs of the Budget, Appropriations, and Tax Committees. GAO is to assist committees in identifying their informational needs. Executive agencies are to furnish budget information and program evaluations to congressional committees. Data inventories with appropriate files and indexes are to be developed, and to the extent practicable, budget information is to be supplied to State and local governments.

Title IX. Implementing provisions

The rules of the House and the Senate are modified as appropriate for the congressional budget process. The various provisions of the bill are enacted as an exercise of the rule-making powers of the House and the Senate and can be change by either. Provisions of Tities III and IV can be waived by majority vote or unanimous consent in the Senate.

A phased implementation schedule is provided for the various components of the congressional budget process and authority is given for a limited application of the budget resolution procedure for fiscal year 1976.

Mr. ALLEN. Mr. President, will the distinguished Senator from North Carolina yield?

Mr. ERVIN. I am happy to yield to the Senator from Alabama.

Mr. ALLEN. Mr. President, I thank the distinguished Senator from North Carolina for yielding to me at this time. I rise to commend him for his leadership on the Congressional Budget and Impoundment Control Act and to commend him also for his outstanding leadership in such a broad range of Government activities and Government policies.

The distinguished Senator from North Carolina is crowning a distinguished career in the U.S. Senate with a 2-year period of activity encompassing some of the greatest achievements ever made by a United States Senator in any comparable period of time.

In my opinion, the Senator's record in the last 2 years, with his wide range of interests—in the field of fiscal integrity for the Government, in the field of ethical conduct by officials of Government, in the field of clean political campaigns, in the field of first amendment rights, in the great breadth of his knowledge, and in the leadership he has displayed in so many other areas of our Government—is without equal in the history of the U.S. Senate. I would be remiss in my duty if I did not commend the distinguished Senator from North Carolina for his outstanding record.

The Senate, which is said to be the greatest deliberative body in the world, is going to lose a great deal of its luster when the distinguished Senator from North Carolina retires from this body. It will be a great loss to the Senate; it will be a great loss to the entire Nation.

I want to add my words of appreciation for the outstanding leadership of the distinguished Senator from North Carolina. It is amazing that he is able to cover such a wide range of governmental interests. Any subject before the Senate is of interest to the Senator from North Carolina, and he has a broad background of information that he is able to add to almost any discussion in the Senate.

I also commend the distinguished Senator from Illinois (Mr. PERCY) for the leadership he has displayed; the Senator from Montana (Mr. METCALF), one of the pioneers in this effort to obtain congressional budgetary control; the distinguished Senator from New York (Mr. JAVITS), one of the leaders in this field; the distinguished Senator from Maine (Mr. MUSKIE); the distinguished Senator from Florida (Mr. CHILES), the distinguished Senator from Georgia (Mr. NUNN), the distinguished Senator from Tennessee (Mr. BROCK) and the distinguished Senator from Kentucky (Mr. HUDDLESTON).

However, marching ahead of the entire group has been the distinguished Senator from North Carolina. We owe him a debt of gratitude, and I commend the Senator.

Mr. ERVIN. Mr. President, I am deeply grateful to the distinguished Senator from Alabama for his most gracious remarks.

I had great assistance in this work from the distinguished Senator from Maine (Mr. MUSKIE); the distinguished Senator from Montana (Mr. METCALF); the distinguished Senator from Kentucky (Mr. HUDDLESTON); the distinguished Senator from Florida (Mr. CHILES); the distinguished Senator from Illinois (Mr. PERCY); the distinguished Senator from New York (Mr. JAVITS); the distinguished Senator from Tennessee (Mr. BROCK); and the distinguished Senator from Georgia (Mr. NUNN).

Mr. President, every member of the committee worked extremely hard on this matter. We had great work from great staffs. Then the Rules Committee did a fine job on reviewing our work and in proposing certain amendments. I think the Nation owes a great debt of gratitude to every member of the Government Operations Committee.

The development of this bill represents, in my opinion, the legislative process working at its very best.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. ERVIN. I had promised to yield to the Senator from Maine.

Mr. JAVITS. Mr. President, will the Senator yield for 1 minute?

Mr. ERVIN. Yes.

Mr. JAVITS. I beg Senator MUSKIE's indulgence.

Mr. President, I do have one question, but I would first like to join Senator ALLEN in hailing this as a real milestone, especially in the fight on inflation, which I am sure Senator ALLEN would have mentioned.

Mr. President, the key to the fight on inflation is a grip on expenditures, which to me is as important as the amount of the budget balance, and so forth. I have had a long struggle here to try and put Congress on a level with the executive, and this is one of the really historic steps in that direction.

I, too, would like to join Senator ERVIN in thanking the members of the committee. If I may be permitted to single out my beloved friend and colleague, Senator PERCY, he did something beyond the call of duty. He actually went out and sold this program to the business leaders of America.

Their friendship or opposition could have been decisive. So I really think we are deeply indebted to him for carrying that part of the load.

I also thank Senator MUSKIE for his collaboration with me on the bill and especially in the area of tax expenditures.

I now ask the Senator a question which relates to tax expenditures, that is, the tax indulgences and what they cost us, which is woven through the bill.

Because of my continuing interest and concern in the matter of indirect spending by way of tax expenditures, I proposed amendments to S. 1541 in the Government Operations Committee that sought to include the concept of tax expenditures in the budget process as specified by that bill. My amendments were accepted by the committee and passed the Senate with only minor changes.

The purpose of the tax expenditure language in the present bill is to provide that tax expenditures shall be considered at each step of the budget process to measure their impact on budget authority and outlays, their effects on revenue and their general operations in the budget process. If this information is placed clearly before the Congress, spending decisions will be made on a more informed basis than they have been in the past.

It is essential that any contemplated changes in revenues through tax expenditures should be brought to the attention of the Congress during the debate on the congressional budget. Therefore, the report accompanying the concurrent resolution shall contain a list of the estimated levels of tax expenditures by major functional categories. Most importantly in the case of legislation proposing new or increased tax expenditures the revenue committees of each House are charged with the duty of maintaining the appropriate levels of revenues and tax expenditures as set forth in the report accompanying the budget resolution or these committees must explain any deviation from those levels.

While new or increased tax expenditures are not prohibited, the revenue committees will have the burden of explaining any changes and this should lead to a closer examination and more thorough debate of tax expenditures. The provisions of the conference report regarding tax expenditures are practically identical with the provisions of the Senate bill.

For purposes clearly of spelling out what is meant by the tax expenditure provisions in the bill, I ask unanimous consent that the appropriate parts of the report of the Committee on Government Operations accompanying S. 1541 be printed in this point in the RECORD.

There being no objection, the excerpts from the report (No. 93-579) were ordered to be printed in the RECORD, as follows:

> The bill provides that tax expenditures shall be considered at each step of the budget process to measure their impact on budget authority and outlays, their effects on revenue and their general operations in the budget process. If this information is placed clearly before the Congress, spending decisions will be made on a much more informed basis in each particular area than they have been in the past.
>
> The committee feels that any contemplated changes in Federal revenues through tax expenditures should be brought to the attention of the Congress when they are debating the Congressional budget. Therefore, the concurrent resolution will reflect any anticipated decreases in Federal revenue attributable to new or expanded tax expenditures contemplated by the tax writing committees for the fiscal year in question. The budget resolution will reflect the considered best judgment of the Congress in regard to appropriate levels of revenues and outlays.
>
> In the case of legislation proposing new or increased tax expenditures, the revenue committees of each House are charged with the duty of maintaining the appropriate levels of revenues and tax expenditures as set forth in each concurrent resolution or of justifying any deviation from those levels.
>
> The Budget Committee shall review and consider existing tax expenditures. This will ensure that any decision or direct spending priorities will be made after consideration of present indirect spending through tax expenditures. The Budget Committee will also determine appropriate changes in the level of revenues including any decrease contemplated from new tax expenditures to be enacted in the fiscal year in question. The Committee shall also determine the existing levels of tax expenditures and consider their effects on Federal revenues and their relationship to other matters within the Committee's jurisdiction. Finally, the Committee shall make continuing studies of tax expenditures and methods of coordinating tax expenditure programs and direct budget outlays.
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> ASSISTANCE TO BUDGET COMMITTEES
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> Section 202(a) provides that it shall be the duty and function of COB to provide the Budget Committees of both Houses with information with respect to the budget, appropriation bills, other bills authorizing or providing budget authority or tax expenditures, revenues, receipts, estimated future revenues and receipts, changing revenue conditions and such other information as the committees may request. It further provides that at the request of the Budget Committees, personnel of COB shall be assigned, on a temporary basis, to assist each such committee.
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> PROJECTION OF REVENUES AND BUDGET OUTLAYS
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> Section 202(e) requires that the Director develop for the Congress information as to the effect of existing revenue laws, including tax expenditures, and existing authorizations and budget authority on expenditures during the current fiscal year and for the ensuing 4 fiscal years. This is in keeping with the emphasis on long-range program evaluation and planning required in other sections of the Act. (See titles VI through VIII.)
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> SEC. 307(d). REPORTS ON LEGISLATION PROVIDING NEW TAX EXPENDITURES
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> Committees reporting legislation containing new or increased tax expenditures shall include details of how the legislation will affect existing levels of tax expenditures as contained in the budget resolution and why such action is necessary. The revenue committees of each House are charged with the responsibility of fully explaining any new or increased tax expenditures and their effect or impact and have the task of justifying any deviation from the level set forth in the most recent Concurrent Resolution. This is to insure that any new or increased tax expenditure will be approved by the Congress only after a thorough consideration of all relevant factors. The report will project resulting tax expenditures for each of the budget year and the four following years, and indicate the impact, if any, on state and local government.

Mr. JAVITS. The report will accurately detail the operation of the tax expenditure concept except for the inclusion of tax expenditures in the concurrent resolution. They are now in the report accompanying the resolution.

It should also be pointed out that in the discussion of estimated revenues and their sources it is also appropriate to discuss tax expenditures as they bear directly on revenues raised through the tax system and any changes therein may have the result of increasing or decreasing estimated revenues.

Finally I would like to reiterate that it is extremely important to consider indirect outlays by way of tax expenditures in the general debate on the budget and also at such times as the Congress is considering tax legislation. If we do this, decisions made in this area will be on a more informed basis than ever before and will be coordinated to a much greater degree with our direct spending through the budget process.

Mr. President, this legislation provides a workable way for Congress to undertake its examination of the needs and program alternatives, and the allocation of revenues to diverse human and national needs. It will establish a means for more responsible and disciplined execution by Congress to its responsibilities in the budget-policymaking fields.

It will allow Congress to acquire the means for the gathering of interpretive and analytical data on spending and related programs. Most importantly, it will facilitate the use of objective expenditures analyses to help it form independent judgments on appropriations matters. There are no simple solutions or panaceas for this problem. I trust that some of the solutions whcih will begin to resolve these problems may be found in this bill.

One other change that should be pointed out is that section 311 which deals with limitations on consideration of new budget authority legislation, entitlement legislation or revenue reducing legislation also includes consideration of tax expenditure measures.

I note that the managers added a statement at page 64 of the report which reads:

> Although there is no specific mention on the consideration of tax expenditure measures, the managers note that after completion of the reconciliation process, Congress may not consider tax expenditures legislation that would have the effect of reducing total revenues below the appropriate level of the most recent concurrent resolution.

I ask the Senator from North Carolina whether, therefore, we are right to assume that, basically, the Senate provisions regarding tax expenditures are incorporated in this conference report.

Mr. ERVIN. Yes, they are.

Mr. President, the Senator from New York made many valuable contributions to the Senate bill and to this report.

I think one of the wisest things ever suggested to any committee of the Senate was the suggestion of the Senator from New York that instead of having controversies in which the President impounds funds when he feels that some program ought to be eliminated or some appropriation for some program should be reduced, we establish the principles incorporated in the conference report—that the President asks Congress to make a rescission of the programs, to revoke the program or to rescind the appropriation, or to reduce the appropriation. This is an orderly way to solve the problem which the executive branch and the legislative branch have been quarreling about, I suppose, almost since George Washington took his first oath of office as President.

Mr. JAVITS. Mr. President, I thank my colleague very much for noting that. I believe the impoundment issue is one of the most important in the relationship between Congress and the Executive and always thought that the rescission method was the most appropriate way to deal with expenditures that the President did not want to undertake. I am very pleased the conference request includes that provision and also tightens use of the antideficiency act in this area.

Mr. ERVIN. Mr. President, I yield to Senator MUSKIE as much time as he may require and then I will yield to the Senator from Illinois.

Mr. PERCY. Mr. President, may I just have 30 seconds?

Mr. MUSKIE. Yes, I yield.

Mr. PERCY. While my esteemed friend and colleague, Senator JAVITS, is present, I would like to pay particular tribute to him for writing in the tax expenditure provisions in the bill.

Mr. President, I will have some more extensive comments on those provisions when I later make my comments on the bill. While the Senator from New York is on the floor, I want to pay tribute to him for this, and much other, extremely valuable assistance that he provided.

The PRESIDING OFFICER. The Senator from Maine is recognized.

Mr. MUSKIE. Mr. President, I join in the commendations that have been expressed on the floor of the Senate this morning, and I especially would like to direct my comments to the distinguished Senator from North Carolina.

The observations made by Senator ALLEN are most appropriate. I have considered it a privilege to serve under Senator ERVIN's leadership during the past 2 years. He should be complimented upon the record of that leadership.

Mr. President, I join the distinguished Senator from North Carolina and the distinguished Senator from Illinois (Mr. PERCY) in urging adoption of the conference report on H.R. 7130, the Congressional Budget and Impoundment Control Act of 1974.

Mr. President, this legislation is the best kind of reform measure—self-reform. It will give Congress the means to deal in an orderly and comprehensive fashion with our most important decisions—those of budget policy and national priorities.

The Congressional Budget and Impoundment Control Act of 1974 is perhaps the most important bill Congress will consider this session.

It is designed to give Congress the information and staff necessary to determine each year how much money the Government has, how much it should take in, and how much it should spend, before determining what to buy with the taxpayers' dollars.

During the past half century, the Congress has witnessed a steady erosion of its control over the budget. In contrast, we have seen a consistent escalation of executive influence over budget and fiscal policies.

The Congressional Budget and Impoundment Control Act of 1974 will give us the means to reverse that erosion. It can reform the most serious shortcomings in the system by which Congress currently considers the budget.

It will provide the Congress with additional resources it needs, both in terms of staff and information, to make independent decisions on budget policies.

It will establish a realistic timetable for congressional consideration of the budget, enabling Congress to complete its work on the budget before the beginning of each new fiscal year.

It will, for the first time, provide Congress with the mechanism for overall, comprehensive consideration of budget policies.

Mr. President, I think it is appropriate to pay tribute to a staff drafting group which was of great assistance to the conferees in the resolution of the differences between the House and Senate versions and in the drafting of the conference report. That group consisted of Robert Bland Smith, Jr.; Herbert N. Jasper; Alvin From; W. P. Goodwin, Jr.; and J. Robert Vastine; with help from Harry Littell and Larry Monaco of the Legislative Counsel's Office and Allen Schick of the Library of Congress.

The distinguished Senator from North Carolina (Mr. ERVIN) has already explained, in some detail, the anti-impoundment provision in the conference report. I would like now to discuss the major elements of the budget reform provisions of the conference report to which Senator ERVIN has alluded.

First, the conference report, as did the Senate bill, calls for the establishment of a Congressional Budget Office—CBO—as an agency of the Congress. In agreeing to a Congressional Budget Office, the conferees anticipate that the Budget Committees in both Houses will have their own staff.

The CBO will meet our need for a highly competent staff to guide us in fiscal policy and budgetary considerations. It will be a full-time, year-round, nonpartisan staff that will compare with the General Accounting Office and will provide Congress with the knd of information and analyses it needs to work on an equal footing with the executive branch.

In my view, the creation of the CBO is an essential element of the budget process established in this bill.

Second, the conference report includes a workable and realistic timetable for congressional consideration of the budget. The cornerstones of this reformed budget process are two budget resolutions. The first enacted by May 15 would, in effect, establish the congressional budget for the fiscal year beginning the next October 1. That resolution would establish appropriate overall spending levels and recommended subtargets by functional categories as well as appropriate levels for revenues and projected and desirable surpluses or debts.

The second budget resolution must be enacted by September 15. This resolution would provide Congress with the opportunity to reassess its initial budget and priority decisions just before the beginning of the new fiscal year—taking into account the most current economic data and the intervening actions of individual spending measures. If the latest revenue estimates and the individual spending measures previously enacted differ from the appropriate levels established in that second budget resolution, the resolution will also direct committees of jurisdiction to recommend the legislative action necessary to reconcile those differences.

Congress will then complete its action on the budget by September 25 by enacting the reconciliation bill mandated by the second concurrent resolution.

While the enactment dates for the two budget resolutions are the keys to the timetable, the conference report includes other deadlines that are important to the success of the reformed budget process. It calls for the President to submit a new "current services" budget to Congress by the previous November 10. It requires the President to submit his final budget 15 days after Congress convenes, the same as in current law. And it calls for all spending legislation to be enacted by the 7th day after Labor Day.

Third, an essential part of the reformed budget process is the completion of consideration of authorization measures, which must be enacted before Congress can act upon appropriations bills.

The conference report, as did the Senate version, calls for a May 15 deadline for committee reports on authorization measures, with no enactment deadline. In addition, the conference report requires the President to submit his authorization request to Congress a year in advance so that the authorization committees can get a head start on meeting their deadlines.

Fourth, the conference report requires that the first budget resolution contain enough detailed data to insure a meaningful debate on budget and program priorities each spring. And it mandates additional backup information necessary for that debate be included in the committee report.

Further, the conference report includes a workable procedure for translating the functional breakdowns in the budget resolutions into congressional committee and appropriations subcommittee allocations. This procedure is necessary to insure effective scorekeeping during consideration of spending and revenue measures.

Fifth, the conference report insures, as did the Senate bill, that all spending measures be sent to the President as they are completed, though they would not become effective until October 1 or later. This insurance is necessary to prevent the President from undercutting the congressional budget process by vetoes of spending bills just before the beginning of the fiscal year. And the conference report provides, as did the Senate bill, that the scope of the reconciliation process be broad enough to generate a comprehensive review of the congressional budget actions each September.

Mr. President, this legislation represents a reaffirmation of the determination of members of both political parties to establish an open, informative and thorough way for Congress to handle the Federal budget.

Those of us who have worked with this legislation for more than a year believe it will work.

However, it will not work unless Senators—and that includes all of us—are willing to change their style of living in this body.

It is going to mean that we are going to have to keep our noses to the grindstone on a year-round basis to meet the deadlines set out in the bill. It is going to require that our entire staffs are attuned to what is happening in the budget process for many weeks in a row.

Mr. President, in drafting this legislation in the Committees on Government Operations and Rules and Administration, as well as on the Senate floor, we have attempted to develop a procedure for congressional consideration of the budget that is both disciplined and flexible.

That is a difficult balance to achieve. But I am hopeful we have accomplished it.

To be sure, particularly in its first years, the implementation of the process may be erratic and deadlines may be missed. But the process in this legislation is flexible enough to survive a trying transition period. And it will not collapse as long as the Members of Congress want it to work.

All told, some 35 or 40 Senators contributed to the development of this bill. And the best guarantee for the sucess of the process established in this bill is for the Members of Congress to exhibit the same kind of determination to implement it that they did to draft it.

Mr. President, this legislation is too important for us to allow it to fail.

Mr. President, in closing I wish to give a special word of personal appreciation to the distinguished Senator from Montana (Mr. METCALF).

Senator METCALF was elected chairman of the Subcommittee on Budgeting, Management, and Expenditures more than a year ago in the Committee on Government Operations. He proceeded with the work that responsibility imposed upon him at a time when there was a great deal of pessimism as to whether or not all of the complex problems this legislation posed could be resolved—and resolved in a meaningful piece of legislation in this Congress.

It is because of his persistence and determined commitment to that objective more than any other single force that we are now acting on this conference report and about to send a bill to the President for his signature.

I compliment the distinguished Senator.

Mr. ERVIN. Mr. President, I will say to the Senator from Arkansas that I promised to yield briefly to the Senator from Montana, but first I want to say that the Senator from Maine has given an excellent analysis of the major provisions of the bill, and it would be impossible for me to overmagnify the great work he displayed in making this bill possible.

Also, I would like to join in his tribute to the Senator from Montana, who conducted the spadework hearings that contributed to the bill, and he also made magnificent contributions to the bill.

I yield to the Senator from Montana such time as he may use.

Mr. METCALF. Mr. President, I am especially grateful to the Senator from Maine for his gracious remarks. I am very appreciative of them. He was on the subcommittee day after day when it met. We heard from every area of government and from the academic community. We had the most superb staff that I have ever seen working together. We had consultants from many areas.

Finally, of course, let me say I feel we have come forth with a bill which, as the Senator from North Carolina (Mr. ERVIN) has said, is probably the most important bill to be passed in this Congress.

As far as I am concerned, it is probably the most important bill I have worked on in the more than 20 years I have been in Congress.

I want to especially commend my colleague on the Budgeting and Management Subcommittee, Senator Saxbe, who was the ranking minority member and worked, along with me, to get hearings and get quorums, and get discussions and work the bill out. I know Senator Saxbe's contributions to this legislation will also be remembered.

I would also like to compliment the Senator from Maine for the description of how the bill is going to work, for summarizing the timetables involved. Of course, I agree with the Senator from North Carolina that the conference committee and the staff and the committees of both Houses and all of us have done a great deal of work and have made a contribution. But we cannot sit back. We cannot say, "All right. Here we have passed this legislation that is so important and so significant, and now let us relax," because, as the Senator from Maine has suggested, some of the most important parts of this legislation are the titles providing for constant input of information to the committees of Congress and the Congressional Office of the Budget and the separate staffs of the committees.

Under the provisions of the bill as reported by the conference, we have to select a director of the Congressional Office of the Budget, who is appointed by the Speaker of the House of Representatives and the President pro tempore of the Senate on recommendation of the Budget Committees in both Houses. So we cannot wait until next year to establish the Budget Committees. We need to do it right away, because the most important and significant part of this bill is the constant flow of information, the constant preparation of information, parallel to that provided by the Office of Management and Budget.

Many and many a time the distinguished Senator from Illinois (Mr. PERCY) has pointed out that this probably is the most significant part of the legislation, the operation of the Congressional Budget Office.

This is vital. It will have a significant impact if all of us will do as the Senator from Maine has suggested—try to make it work, and to start working now. The leadership has to meet and we have to select members of the Budget Committee, so that we can get a Director of the Congressional Budget Office and begin to put this into operation.

Moreover, I want to thank the Senator from West Virginia for seeing to it that, after this bill was written, it went to the Rules Committee, and, I believe with great statesmanship, and with more farsightedness as to what would happen to the various Members of the Congress than we realized on the Government Operations Committee, he provided that Senators could serve on the Budget Committee, initially, without losing their rights on other committees. Later, in the 95th Congress, they could make the important decision as to whether or not they want to serve on the Budget Committee, which will be a major committee, or whether they want to go back to the Committee on Appropriations, the Committee on Finance, the Committee on Armed Services, or whatever other second class A committee they had.

In any event, it is imperative that the Senate Committee on the Budget be created immediately, so that it can make recommendations to the President pro tempore immediately, so that it can start work immediately, and we can have a Director of the Congressional Office of the Budget working in this period, so that we will be prepared to get the necessary information in the next Congress.

I discussed some of these matters with the Comptroller General in a hearing of the Joint Committee on Congressional Operations on the day before yesterday, and he has already appointed Mr. Phillip "Sam" Hughes to head up his staff, and start his staff operations in anticipation of this legislation. But we also have to start our operations to provide them the necessary information requirements.

I think this is a major operation. This is one of the legislative accomplishments that we will be able to look back upon, and I think that we will have a great deal of pride that we participated in it. But we can only justify that pride if we continue to keep the pressure on, and get the Congressional Budget Office Director appointed and get this information flowing into the Congress, so we will be ready, when the President sends up his budget message next year, and the committees will be ready, to act and report.

I have the same praise for the Senator from North Carolina, and especially for the Senator from Illinois who has been just as persistent as any Senator I can remember, in getting this legislation, who made the compromises that permitted us to get legislation to the floor.

But I want to admonish all of my colleagues that we have only begun to fight. Let us get this bill passed today and underway as a part of the machinery of the Senate tomorrow, or as soon thereafter as possible.

Mr. President, now that we have arrived at the final stage of the Budget Control bill, perhaps the most important thing we can do is to express gratitude for the legislative process which has produced it. From its beginning with the Joint Study Committee on Budget Control, the bill has undergone intensive investigation and negotiation by Members and staff in both Houses, on both sides of the aisle. Indeed, thousands of hours have been spent in testing its political feasibility and its parliamentary workability. The basic features and requirements of this bill are the result of sometimes drastic changes, not easily arrived at, or willingly agreed to, but I believe it is the best we could have done—given the scope of the challenge before us.

That challenge—stated plainly—was to find a mechanism by which 535 Members of Congress could determine an appropriate budget for the Nation and conduct their legislative business within it. Since 1921, attempts have been made by Congress to meet this challenge. All have failed for a variety of reasons, not the least of which were political. The result has been increasing control over fiscal policy by the executive branch, not provided in, nor even contemplated by, the Constitution.

The mechanism created by this legislation is more comprehensive, more dynamic, than anything previously considered. It is framed within the traditions and procedures of Congress, but at the same time it provides a new set of rules which, if followed, will work. The very nature of Congress is that it acts by majority vote. It does what it wants to do based on its responsibility to the electorate. The budget bill provides the opportunity for Congress to act in an organized and intelligent manner, to develop a fiscal policy and to provide budgetary control. That is all we can do.

But whatever the future of the budget procedure mechanism, there are some very far-reaching and long-needed institutional reforms in this bill, and I think they should be emphasized.

First, each House will have a Budget Committee which will look at expenditures and revenues in the light of the economy and recommend appropriate budgetary levels—first, in the spring, and then again by September.

These committees will assert a scorekeeping pressure on spending and revenue legislation, and will provide Congress with a continuing picture of budgetary requirements.

Second, there will be established a new Congressional Budget Office with its own director, personnel, and equipment to analyze budgetary information on a year-round basis, and furnish such information as well as personnel assistance on a priority basis to the budget committees; to the appropriations and revenue committees, on request; and, to the extent practicable, to other committees and Members. The CBO would be nonpartisan, and responsible for developing an informational base upon which all Members of the Congress can make their decisions.

Third, the bill provides extensive authority to the Congressional Budget Office to obtain budget and fiscal information, including estimates and statistics from the various agencies and departments in the executive branch, and from congressional agencies. Except for certain necessary constraints as to confidentiality, such information and data shall be made public.

In addition, in title VIII, the bill contains provisions which, properly implemented, will vastly improve the quality of fiscal, budgetary, and program information in the executive and make such information readily available to Congress. Briefly stated, these are designed to establish a procedure for Congress, acting through the Comptroller General, to specify the format and content of the fiscal, budgetary, and program information it needs for the executive mandate data classification on a uniform program basis, so the Congress can more readily identify, and select more sensibly among competing program interests and priorities direct the GAO—and the Congressional Budget Office—to create and maintain files of fiscal, budgetary, and program data, for congressional use, in a form for computer processing; and direct the Comptroller General, in cooperation with the Congressional Budget Office and the appropriate executive agencies, to develop and maintain an up-to-date inventory and directory of sources of such information in the executive branch.

Mr. President, on Wednesday, in hearings of the Joint Committee on Congressional Operations on research support and information services needed by Congress, I had a dialog with Comptroller General Staats and Philip S. Hughes of his staff on GAO's plans for implementation of these vitally important provisions of the bill.

I ask unanimous consent that relevant portions of the hearing transcript be included in the RECORD at the conclusion of my statement today.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(See exhibit 1.)

Mr. METCALF. Mr. President, paranthetically in developing title VIII, I had the fullest support and assistance of the members of the House Appropriations Committee staff. I wish at this time to express my particular appreciation to Keith Mainland, Bruce Meredith and Eugene Wilhelm, all of whom made valuable contributions.

As I have said many times, information is the name of the game in budget control. Expenditure levels and revenue estimates and projections must be developed from hard data, most of which is stored in the executive branch. For the legislative budget control mechanism to work effectively, that data must be made available to the Congress, when and as needed.

Fourth, the legislation provides for a new fiscal year—beginning October 1. This will provide both the authorizing and spending committees with breathing room to complete their legislative workloads. More important, it will give Congress a reasonable time in which to establish budgetary targets early in the year, and make a final judgment as to appropriate expenditures and revenues before the fiscal year begins. The July 1 fiscal year—which grew out of another era when Congresses went home early in the summer—has increasingly provided a problem for appropriations and other spending measures frequently resulting in continuing resolutions. Congressional intent as to this change in the fiscal year is underscored by the fact that both the Senate and the House committees set the October 1 date early in the consideration of their respective bills, and it was sustained.

Fifth, an impoundment control feature has been added, and the impasse between the House and Senate on this important matter has been resolved. Under the bill, the Antideficiency Act has been tightened up to permit reserves solely for contingencies and to effect savings or efficiencies.

Whenever the President seeks to impound by terminating programs or cutting spending for fiscal policy reasons, he would be required to send Congress a message requesting the recission of budget authority. Unless both Houses complete action on the rescission in 45 days, he may not impound and must continue to spend the money for the objectives established by Congress.

For all other impoundments, including reserves under the Antideficiency Act, the President must notify Congress, and if either House passes an "impoundment resolution" disapproving such impoundment, he is required to release the funds.

In themselves, these five features provide Congress with the tools and time by which Congress can educate itself as to the effect of spending and revenue levels on the economy and on national growth. For the first time in its history, Congress and its relevant committees will have their own informational base for assessing alternative budgetary approaches and program priorities. It will be able to look at what it has spent and what it intends to spend as parts of a total picture. It will be able to keep score on itself. It will have its own built-in early warning system on the economy. For the first time, it will have the capability of making fiscal policy without having to rely primarily on Executive expertise. And it will have a check on the President when he seeks to impose his own fiscal policy through the impoundment process.

Mr. President, I am delighted with this "Congressional Budget and Impoundment Control Act of 1974" because it contains many of the features of a substitute amendment which was submitted by the then junior Senator from Ohio (Mr. Saxbe) and me very early on in the subcommittee consideration of S. 1541, the basic Senate bill. It was our feeling then that congressional budget reform was the No. 1 priority of the 93d Congress, but in order to get Congress to support it, there had to be a mechanism devised which would allow Congress sufficient flexibility to arrive at spending and revenue decisions within its own procedural framework, rather than to impose rigid rules of restraint.

This bill, as finally revised and improved, supports that policy of flexibility. I urge adoption of the conference report.

I thank the Senator for yielding.

Exhibit 1.—Excerpts of Testimony by Comptroller General Elmer B. Staats

Mr. Staats. Section 202 of the Legislative Reorganization Act of 1970 provided for a standard classification of budgetary and fiscal data. Responsibility for development of that classification was assigned to OMB and Treasury in cooperation with the GAO.

H.R. 7130, as agreed to by the conference committee, would amend Title II of the Legislative Reorganization Act of 1970 to place primary responsibility for the development of standard data classifications and congressional reporting requirements with the Comptroller General.

I have testified on many occasions and we have worked closely with the many parties involved in the development of H.R. 7130. We firmly support the objectives of this legislation. We recognize the congressional needs for and the problems involved in developing data classifications that will meet these needs. We will devote the resources required to effectively carry out that responsibility.

To carry out our responsibilities under sections 201, 202, and 203 as they exist now, we have a full-time 24 person staff. This group has developed and maintains an informal but close working relationships with various congressional committees' staffs, especially the appropriations committees.

The group's major activities are aimed at improving the accessibility and usefulness of data currently reported to the Congress or available in the executive agencies. For example, they have been conducting a pilot study with the Subcommittee on HUD, Space, Science, and Veterans of the House Committee on Appropriations to identify its needs for budgetary and program information about the Department of Housing and Urban Development (HUD) and to specify the classifications to be used in reporting to the Subcommittee.

We referred to this effort in a May 1973 report to this Committee. We are pleased to report that we have now developed proposed classifications for each of the 49 HUD appropriations accounts and have presented them to the Subcommittee staff.

More recently, we have directed our attention to 14 Department of Agriculture accounts in a similar effort. With the increase in staff and the experience gained in the HUD pilot study we will be moving into other areas in the near future.

We are confident that we have developed the capability and etsablished the working relationship with the Congressional committees and the executive agencies which will enable us to carry out the reporting requirements and classifications work that would be assigned to us under H.R. 7130.

Since our prior report to the Joint Committee, the Office of Management and Budget and Treasury have created a team to develop a plan for addressing the Congressional information needs identified by the survey of committees and members we conducted in 1971 and reported in February and November 1972.

We are continuing to serve as the agent of Congress in working with the Office of Management and Budget and Department of the Treasury team on a day-to-day basis. Their team issued its plan on March 7, 1974.

This plan covers a wide range of the information needs of the Congress. Of particular interest at this time when H.R. 7130 is in focus are the categories which deal with Federal budget and supporting information, budget and fiscal status information, program oriented information and tax expendiure information. The plan also includes categories of information on fiscal policy, foreign currency, Federal employment, grant programs and social and economic conditions.

Several task groups have been created to assess the executive branch capabilities to meet these needs. We are participating in this work, especially in the further identification of congressional information requirements.

The OMB and Treasury March 7th plan does not propose to address needs which deal with social and economic information on the grounds that these types of data are not within the scope of budget and fiscal data included in Title II. We do not agree with their position. However, enactment of Title VIII of H.R. 7130 will settle that issue—the Congressional requirement is made clear that program-related data and information, such as social and economic data, are within the scope of this title.

In addition to efforts directed at improving the classification and reporting to the Congress, we believe it essential that Congress be given assistance in obtaining the information it needs. The OMB/Treasury team recognizes this problem. In their plan they state that "it is apparent that many of the information problems are due to difficulies in identifying information sources and in obtaining and aggregating disparate data, and are not due to a lack of data." An inventory and directory services for the Congress to permit it to obtain data from executive branch sources is needed. We are exploring ways such a service could be established. H.R. 7130 would amend section 203 to require such assistance from us. We agree that it is needed and feasible to develop.

The Chairman of the House Committee on Appropriations has requested us to help them develop procedures for acquiring and using 3- to 5-year projections of Federal outlays and receipts, especially for the major programs that are not subject to annual congressional funding. In addition, the GAO staff is identifying the resources available in the executive branch for providing such forecast or data from which forecasts can be made. We are also cooperating with the Congressional Research Services in its work on budget analysis and estimating procedures.

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Senator Metcalf. I have said on several occasions the most exciting and thrilling thing about the Budget Control Act—which I hope will be finally approved by the Congress this afternoon—is that, among other areas pertaining to our information needs, it provides an opportunity for gathering and assembling information on the budget at the same time as the OMB.

As you know, some of my Senate colleagues felt that you could not, or would not, do the job. Those of us who supported Title VIII, however, felt that GAO was the best agency for this.

I expect to go to the floor at 2 o'clock this afternoon and speak on the conference report. Can you assure me now, so that I can assure members of the Senate that we will see progress in your capacity in making this new budget process, and this new information process, work?

Mr. Staats. I can give you that assurance, and we are already well under way with efforts which will fit in with the responsibilities that we will have under Title VIII. However, we will need some additional resources.

Senator Metcalf. You need some more manpower, and so forth, to do the job.

Mr. Staats. We are currently examining our own internal allocations of our staff, with this in mind, but I think I can give you the assurance you are seeking here that we will not only be able to do it, but we think we can do it in a very satisfactory way.

Senator Metcalf. With the cooperation of the Congress?

Mr. Staats. Yes.

Senator Metcalf. Mr. Hughes may want to add something here.

Mr. Hughes. I am certainly, not surprisingly, supporting the Comptroller General in his statement. We are working very closely with the OMB and the Treasury, particularly OMB, to carry out the provisions of the present law and the anticipated provisions of H.R. 7130.

The job is not going to be easy. We feel—and I think OMB and Treasury agree—that our efforts should be to develop a complex of systems that will meet both Executive Branch and Congressional needs, rather than duplicating systems.

That is not an easy job, as you can imagine, because of inevitable problems on both sides, but in recent months the cooperation between all parties has been very good, and we are hopeful we can do what needs to be done on a unified basis, or for the most part at least on a unified basis.

We have been taking a somewhat more agressive stance with the Executive Branch in this recently, because we think it is necessary, and also it helps to move the work along.

Our work with the subcommittees on appropriations with respect to classifications has been of great help in convincing the executive agencies that it is important they involve themselves in this kind of an effort.

There are some difficult problems, for example, arising out of executive branch responsibility for the President's budget, vis a vis congressional responsibilities and congressional needs for data. We need to work with the Executive agencies in a fashion which is consistent with the Budget and Accounting Act and presidential and OMB responsibilities under that Act, but at the same time gets the Congress the information that it needs for budget and program analysis. My personal feeling, and I think the feeling of those who are working on these problems in GAO, is that we are moving well, and much better than we did for a period of time, and frankly, I think the discussions around H.R. 7130 and its progress through the Congress have been very important in this.

Those were discussions at a staff level. Mr. Tacheron and others participated in them, and organized them. I think they were very helpful.

Senator METCALF. We had a magnificent staff effort, of course, and a magnificent effort on the part of consultants and advisers who came in here and offered their expertise to help us work out a very complex and difficult problem. But you have all read the news reports and the Congressional Record this morning of the discussion of the Conference Report on the floor of the House by Members of Congress, where longtime Members say it will not work. I am taking this opportunity to get your assurance that something that I think is the most exciting part of the new budget bill—this information standardization and gathering process—as set forth in Title VIII can and will work.

Mr. STAATS. I would like to say to you, Mr. Chairman, we supported Title VII and Title VIII in our discussions with the House and with the Conferees. We do think that Title VII and VIII are both very important pieces of this total legislation.

I would like to add one other thing which we have emphasized at the times we have made formal testimony on this budget legislation before the different committees of the Congress. There will be problems in the first year or the second year. Things will have to be worked out, but the important thing is to give the new organization time to work out those problems.

Referring back to my own background in the Budget Bureau, where we attempted many years ago to develop overall targets for the Presidential budget along the same conceptual line as this legislation, we had great difficulty the first two or three years and we had to work out those problems. The agencies did not understand what we were trying to do. I hope that the Congress does not get discouraged if this does not work smoothly the first time around, because I am sure there will be problems, just as there were in the executive branch.

Senator METCALF. I am sure there will be, too. I was pleased that Mr. Hughes assured us that there has been cooperation from the Treasury Department and from the OMB, in trying to work out the initial stages of this, because—even though I like the statement that GAO will take an aggressive attitude—there are executive and administrative problems that are going to be unsurmountable, if there is not mutual understanding and cooperation. I am glad you have that cooperation.

Mr. HUGHES. Cooperation has been good, Mr. Chairman, particularly recently.

As you say the problem has to be solved. The data must come out of the executive agencies. They have it by and large. That is why it must originate there, and we must resolve those problems.

Senator METCALF. We would like to have it a little earlier, that is all. We would like to have it as part of the preparation of the budget, instead of having it thrown at us on the 21st of January.

Mr. HUGHES. I think that is a reasonable goal, and we should be able to achieve it.

The one comment, repeating myself a little bit with respect to the dialogue that I had with Mr. Cleveland, is that these are complicated problems, and by and large, they are human problems, problems of human interrelationships, not solvable by machines.

Machines may help, but there remain fundamental difficulties. We had some rather candid dialogue with the Executive Branch people and I think one of them stated the ultimate problem rather well. He said there may come a point when they would rather take the heat of not providing the information than take the heat involved in providing it. Those dilemmas need somehow to be faced up to.

Senator METCALF. That is inevitable, I think.

Mr. HUGHES. That is the kind of issue we are struggling with. The computers will not help on these human problems.

Senator METCALF. Sometimes you may find that the Congress will pull the rug out from under you, by deciding that some kinds of information you seek should not be provided. But most of the time, I hope, we will be able to give you cooperation in your search for information to make this new congressional budget process work.

Mr. STAATS. The important thing here is that the legislation does provide the charter, and it also provides the mechanism for a continuing dialogue on this with the executive branch. This is very important, because without that, we are not really going to make progress. It may be slow in some areas, but even so, I think the fact that there is a charter and the mechanism now for this dialogue to take place will be a great step forward.

Senator METCALF. I think this will be helpful, and I am going to ask the staff to extract this, and I will put it in the Congressional Record as a part of the discussion so that we will make some legislative history.

Mr. STAATS. Very good.

(This terminated the excerpt.)

Mr. ERVIN. Mr. President, I yield now to the Senator from Arkansas.

Mr. McCLELLAN. Mr. President, I desire to have the distinguished chairman of the Government Operations Committee clairfy some of the intent of that committee, and of the conferees, in drafting the language of title X of the Congressional Budget and Impoundment Control Act of 1974, S. 1541.

Title X of S. 1541 must be correctly understood and interpreted at the outset by members of the executive branch if that statute is to be fully effective. Therefore, I would like the chairman of the Senate Committee to explain some portions of title X of that legislation so as to more fully explain the interrelationships of its provisions, to demonstrate how these various subsections are intended to operate harmoniously so as to remove any possible ambiguity or conflicts between these provisions.

In short, I believe that the answers to the following questions will be helpful to Members in considering this legislation correctly and in properly reconciling the intended overall operation of its various sections.

Can the President propose the deferral of multiyear funds beyond the end of any fiscal year?

Mr. ERVIN. No, he can propose deferral only to the end of the fiscal year in which he proposes the deferral. If the Congress does not disapprove the proposed deferral, he must then make all the funds available for obligation in the next fiscal year—unless he proposes deferral of part of the remaining funds in a new message in that fiscal year.

For example, the President could, under section 1013, propose to defer all or part of a 3-year appropriation for procurement for the first fiscal year of its availability. At the end of that fiscal year, he would be required to make the budget authority available for obligation or submit another proposal covering the second year. This can go on until the last year of availability. At that time, if the President proposed further deferral, section 1012 would apply—since deferral to the end of that year would result in the termination of the procurement program. This would require a rescission bill. Of course, should such a deferral have, at any time, the effect of terminating all or part of a program—even during the first fiscal year—the President would be required to comply with section 1012.

Mr. McCLELLAN. Can the President, under section 1013 of the bill, propose to "defer" any 1-year budget authority for the entire fiscal year for which that budget authority is provided?

Mr. ERVIN. No, that would be a proposed reservation of the budget authority under section 1012. Thus, the exception in section 1013(c) would deny the President the authority to propose a "deferral" for the entire fiscal year. The President would be obliged to proceed under section 1012 if his intent was to defer the obligation of 1-year budget authority for the entire fiscal year.

Mr. McCLELLAN. Then, insofar as 1-year money is concerned, section 1013 merely provides a procedure under which the President can propose the deferral of expenditures to a later point in the fiscal year involved but, in no event, can such proposed deferral extend to the end of that year?

Mr. ERVIN. Yes, that is correct.

Mr. McCLELLAN. Does this mean that where the apportionment process is used so as to cause a deferral of expenditures to a later quarter—other than those apportionments which merely allocate expenditures on a basis so as to avoid deficiency spending—all such apportionments will in the future be required to be reported to the Congress?

Mr. ERVIN. Yes, that was our intent in drafting these sections and we understand that the Appropriations Committee needs to have these reports so as to assure that the apportionment process is not being used for a purpose unintended by the conferees.

Mr. McCLELLAN. What happens if a "deferral" of budget authority is proposed for single-year funds so that the effect of the deferral would be to withhold or delay funds until a point in the fiscal year such that the programs or projects to which those funds would be applied are effectively stymied or changed?

Mr. ERVIN. The situation you describe cannot occur since such action would not be a bona fide proposed "deferral" but in fact a proposed reservation which must be reported under section 1012. The language of section 1012 "to be reserved from obligation for such fiscal year" would apply to that kind of action and thereby require the President to proceed under section 1012.

Mr. McCLELLAN. I take it then that the phrase "is to be reserved from obligation for such fiscal year," as used in section 1012, is not restricted to a situation when a "reserve," as specifically authorized by law, is proposed to be established?

Mr. ERVIN. That is correct. The phrase is not restricted to any proposed establishment of "reserves" but covers all procedures or actions which propose or would result in withholding of obligation of budget authority for the entire fiscal year.

Mr. McCLELLAN. The conference report defines "deferral of budget authority" to include the "withholding or delaying" the obligation of budget authority or any other action which precludes the obligation of budget authority. Could the definition be interpreted to include withholding or other action which permanently prevents the obligation of budget authority? If so, the President might then proceed under section 1013 rather than section 1012, if he wishes. Is that the intention of the conferees or of the language of this legislation?

Mr. ERVIN. Definitely not. Any action or proposal which results in a permanent withholding of budget authority must be proposed under section 1012. Section 1013(c) specifically provides that section 1013 does not apply to cases to which section 1012 applies. Only temporary withholding may be proposed under section 1013—and any such deferrals must be proposed under this section only.

The conferees have included both "withholding" and "delaying" in the definition of "deferral of budget authority" in order to insure that all actions which have the effect of preventing the obligation of budget authority for any length of time shall be subject to the terms of the impoundment control title. Such actions which result in a temporary delay in obligation are included in section 1013; those which result in the termination of a program or the reservation of 1-year funds to the end of the fiscal year in which they are available are included in section 1012 and precluded from action under section 1013.

Mr. ERVIN. Mr. President, the questions the Senator has asked call for answers; and the questions and answers together, I think, clarify completely the essential questions that might arise under the impoundment and deferral provisions of the bill. The Senator has rendered a great service to the Senate in propounding these questions and in giving me an opportunity to answer them.

Mr. McCLELLAN. Mr. President, will the Senator yield now for one or two other quesitons that are not covered in the prepared statements?

Am I correct in understanding that section 1012 means that the President may send to Congress a message requesting a rescission of certain appropriations, either in part or in full, of whatever Congress may have appropriated for any particular item of function of Government?

Mr. ERVIN. That is the purpose of the section. It is to provide an orderly method by which differences of opinion may be reconciled between the President and Congress in respect to the amounts of appropriations sought. It is a sound and sensible method, without going to a confrontation.

Mr. McCLELLAN. But that message has no legal effect. What it amounts to, does it not, is simply the President's recommendation to Congress to enact a bill to rescind those items of appropriations that he desires to have rescinded?

Mr. ERVIN. The Senator is absolutely correct. The recommendation of the President that an appropriation be eliminated or reduced in and of itself would have no legal effect whatsoever. In other words, for it to become effective, both Houses of Congress, by a majority vote, would have to take action either eliminating the appropriation or reducing the appropriation.

Mr. McCLELLAN. In other words, the message has no effect until and unless, within the prescribed period of time—45 days—Congress has completed action on a rescission bill rescinding all or a part of the amount proposed to be rescinded, or is that to be reserved?

Mr. ERVIN. The Senator is correct.

Mr. McCLELLAN. What would be the effect if, by the end of the 45 days, Congress had not completed action on the bill, but within a few days thereafter it did complete action? It would be legislation, the President could sign the bill, and the rescission would then become law.

Mr. ERVIN. Oh, yes, I think so, because under the legislative authority given to the Congress by article I of the Constitution and also by the necessary-and-proper clause, even though Congress does not act in the 45 days it could act thereafter.

Mr. McCLELLAN. It could. There is nothing to keep Congress from acting upon it.

Mr. ERVIN. No.

Mr. McCLELLAN. That does not prevent or preclude Congress from rescinding thereafter.

Mr. ERVIN. I might say that the 45-day provision is placed in the bill for the purpose of spurring speedy congressional action, but with recognition of the fact that Congress cannot deprive itself of any other power it has under the Constitution.

Mr. McCLELLAN. That is right. In a rescission message, rescission requires the enactment of a bill, whereas a deferral does not require the enactment of a bill.

I turn now to section 1013. As I interpret it, this section provides that the President can send a message requesting a deferral, but the deferral shall be made available for obligation if either House of Congress passes an impoundment resolution disapproving such proposed deferral.

Mr. ERVIN. Yes.

Mr. McCLELLAN It takes only one House to act on a deferral, whereas a rescission takes a bill, an action of both Houses.

Mr. ERVIN. That is right. In other words, section 1013 applies to what might be called the multiyear appropriation. It would authorize the President to defer any particular year's appropriation to the end of that year. But either House of Congress could veto his deferral, and in that case it would become necessary for him to carry out the project as authorized and funded by Congress.

Mr. McCLELLAN. This language cannot be corrected if it needs to be. I am not sure whether additional language is needed in section 1013 in order to avoid a possible ambiguity regarding the limitation of the applicability of that section to multiyear appropriations. However, the needed clarifying language may already be implicit in the present text of section 1013(a) which reads:

> Whenever the President, the Director of the Office of Management and Budget, the head of any department or agency of the United States, or any officer or employee of the United States proposes to defer any budget authority provided . . .

It seems to me that this language would be necessary to read: "Provided," and I then necessarily read this to mean that it applies to "appropriation acts with availability of 2 or more years."

Is the omission of the above nine words inadvertent, or does the Senator think these words are not needed since they are necessarily implied in the conferees intent as to the operation of section 1013?

Mr. ERVIN. It is implied. Section 1013 is intended to apply to multiyear appropriations because Congress in effect expresses its intent that single-year funds be obligated during the year of their availability by making them single-year funds in the first place.

The conferees intend that every executive action or inaction which has the effect of preventing the obligation of budget authority for any length of time be reported to Congress by special message, either under section 1012 or 1013.

Mr. McCLELLAN. If the Senator had the bill back on the drafting board, I think maybe that language should have been inserted.

Mr. ERVIN. It might have been better to put it in, but I think it is implied.

Mr. McCLELLAN. It probably is. It just occurred to me, though that while that language is necessarily implied, it is better to make this intent explicit now so that there will be no future misunderstanding of the intended operation of these sections. I therefore thank the Senator.

I did want this observation in concluding my remarks, Mr. President. At the time the bill was before the Senate, I think on the day of final passage, I made some remarks, and I reiterate those remarks today by reference. They appear at page 7932 of the CONGRESSIONAL RECORD of March 22, 1974.

I may say that I today express the same concern regarding this bill—whether it is going to be workable or not—and I also express the same hopes for the ultimate good that will come out of the very strenuous and dedicated efforts that have been made by those who have worked on the bill in an effort to find a solution to a tremendous problem that confronts us in budgetary matters and in trying to handle the fiscal policies of the Nation.

I have sometimes said—and I think with some justification and with factual information to sustain it—that the Government today has simply become so big, its financial obligations are so great and so varied, that it is almost impossible to manage it efficiently under the democratic processes.

In view of that, it is compelling upon us to search for, to grope for, to experiment with, and to make every effort within our capacity and ingenuity to find a way to master this terrific problem; and if we do not, I fear we are in for even greater trouble than the strain we now feel.

I thank the distinguished Senator for yielding to me. I compliment those who have worked so hard on this measure, and I still express the hope and the aspiration that good will come from it, and that this is a step, a definite measure of progress in this field, and in the proper direction.

Mr. ERVIN. The Senator from Arkansas, whose mother came from North Carolina, has always been one of the strongest advocates in Congress of fiscal responsibility on the part of the Federal Government and, of course, fiscal responsibility on the part of the Federal Government requires fiscal responsibility on the part of Congress.

While we do not know how this bill will operate, we do know that it will operate successfully only if an effort is made by the Senate to make it operate successfully; and I think that this bill is the best proposal that has thus far been made to make effective what the Senator from Arkansas and the Senator from North Carolina have been fighting for for the last 20 years, and that is financial responsibility on the part of Congress as well as on the part of the executive.

Mr. McCLELLAN. I thank the distinguished Senator for yielding to me.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ERVIN. I had promised to yield first to the distinguished Senator from Illinois (Mr. PERCY), who is one of the Senators who have done yeomen work in bringing this proposal to its present state.

Mr. PERCY. Mr. President, I thank my distinguished colleague. I know the distinguished Senator from Wisconsin is anxious to clear up some points that may be ambiguous. So, before I begin my own comments, in the interest of the time of the Senator from Wisconsin, I am happy to yield to him for the purpose of clarifying any questions he may have.

Mr. PROXMIRE. Mr. President, I thank the Senator from Illinois. That is most helpful. I shall not take more than a couple of minutes, but I would like some clarification of the intent of the committee of conference with respect to those agencies which are now excluded from the President's budget under provisions of law. There are six such agencies, of which the largest in terms of outlays is the Export-Import Bank. The Senate voted to repeal those exemptions, that is, to put those agencies back under the budget. The conference committee did not adopt the Senate position but rather provided that the budget committees would study these exemptions on a continuing basis and report to their respective Houses any recommendations for changes.

In the Senate Banking Committee the other day, we had considerable debate as to whether or not we should put the Export-Import Bank back in the budget.

I had an amendment to do that. We had a close vote on it, and my amendment lost. The only argument, really, that was made against my amendment was that the conference had agreed that there would be a study made, and that under those circumstances, the authorizing committees would act improperly and in contradiction of what the conference intended.

So I would like to ask the distinguished Senator from Illinois and the distinguished Senator from North Carolina, first, did the conference committee intend by this to preclude any action by the relevant authorizing committees to put exempt agencies like the Export-Import Bank back in the budget?

Mr. PERCY. In answer to the question of the Senator from Wisconsin, absolutely not. There was no intention to preclude any attempt to put exempt agencies like the Export-Import Bank back in the budget by the relevant authorizing committees, in this instance the banking committees.

Mr. PROXMIRE. In the second place, was it the intention of the conference committee to assign to the budget committees definitive responsibility for the resolution of this issue?

Mr. PERCY. Absolutely not. In none of the discussions we have had or in none of the language of the report or the language of the law as I read it, did we attempt in any way to assign to the budget committees exclusive responsibility for decisions on this issue. The budget committees are merely asked to keep the issue under study. They cannot report legislation to change the law, nor was it ever our intention that they do so.

Mr. PROXMIRE. There is a question of timing here that is of considerable significance, and I think is really the heart of the objection to our acting on the Export-Import Bank now. The argument was made that since a study had been authorized, and the study would recommend a change, the Banking and Currency Committee should await the study by the budget committees before taking any action; that that might not be until some time next year or the year after, but whatever time it was, the budget committees should be given the courtesy of an opportunity to make such a study and make recommendations one way or the other. Is it the view of the Senator from Illinois that the authorizing committee, in this case the Banking Committee, should wait on the study by the budget committees before it acts?

Mr. PERCY. I would think—and this is a personal view—that if there is a reasonable expectation that the budget committees will get these studies under way, in this case the budget committee of the Senate, recognizing the fact that this is a controversial matter in which there are arguments on both sides by very responsible Members of this body, and if there is a reasonable expectation that those studies can be completed in time, then it would be well for the authorizing committees, perhaps, to wait.

However, if it does not appear as though, after a reasonable period of time, such study can be quickly accomplished, then I would say the authorizing committees should go right ahead and make their own decisions, based on their own expertise, because after all, they have been involved in these matters for a long time.

The Senator from Illinois is really quite sympathetic with the argument that the Export-Import Bank should be included in the President's budget. But the Senator from Illinois determined that we really did not have enough facts, as of this time. There was a presumption on my part that it would be a good idea, but there was strenuous objection from respected sources, and for that reason the committee of conference decided that a study would be desirable before decisions were made.

Mr. PROXMIRE. That answer gives me some trouble, because my notion was that we could act within the next couple of weeks when the Export-Import Bank bill comes before the Senate. It is scheduled to do that—the time might be extended, but sometime in the next month or so, and I had hoped that at that time we could put an amendment in to have it covered in the budget.

It seems to me that the presumption should be, on the part of those who would exclude anything from the budget, that it should stay out. I would hope we would not have to wait until the budget committees could be organized and staffed, and spend some time making a study. It might be a year before we could get a conclusion under those circumstances. I would hope the Senator would indicate, at least, that the Senate could act without doing any serious violence to the intention of the conferees.

Mr. PERCY. I should not think any authorizing committees would feel that they are duty bound to wait until these studies have been completed. The work of the Senate must go on.

It is the understanding of the Senator from Illinois, however, that there are objections other than the fact that studies are being made. There is deep concern on the part of some Members of the Senate that proper lending activities might be curtailed as a result of the Export-Import Bank being placed in the President's budget process. But I should think the authorizing committees should make their own decisions in this respect, taking into account that a very high priority would be placed by the budget committees, and certainly, if the Senator from Illinois would have anything to say about it—I believe I would do so on behalf of the distinguished Senator from North Carolina. I know that this is a highly controversial matter of great importance and I would urge we use our influence to urge the Budget Committees to undertake the studies at the earliest possible moment.

Mr. PROXMIRE. It was in the budget until 1971. No arguments were made that it inhibited proper lending activities. The Chairman of the Federal Reserve Board, the Comptroller General, and others recommended that it be put in the budget.

I simply ask a couple of other questions briefly. Is it in fact the case that the congressional concurrent resolutions provided for in this act could include outlays for the agencies now exempt from the Federal budget—in other words, it would be proper? I do not say mandatory but it would be proper for the resolutions on the budget to include the Export-Import Bank. My point is, if this is done and the budget that comes from the President does not include the Export-Import Bank, then we would have a discrepancy and it would appear that Congress was asking for a bigger budget than the executive. That would not be fair or accurate. It would be untrue. The only way we could prevent that is by putting the Export-Import Bank into the budget.

Mr. PERCY. I think that would be a very unfortunate occurrence if the congressional budget would appear to be larger than the President's budget as a result of these exclusions. We should have a mutual agreement between the executive and congressional branches as to what is to be included.

Mr. PROXMIRE. I thank the Senator.

Would the Senator from North Carolina indicate whether he would agree with the statements just made by the distinguished Senator from Illinois (Mr. PERCY), for the record?

Mr. ERVIN. I would like to say that the agencies which are exempted from the President's budget number six; namely, the Export-Import Bank, the Rural Electrification Telephone Revolving Fund; the Rural Telephone Bank; the Federal Financing Bank; the Environmental Financing Authority; and the U.S. Railway Association.

My personal conviction is that every item of expenditure which is going to be made by the Federal Government should be dealt with in the President's budget as well as in the congressional budget. Frankly, the provision in this study was a compromise between two contending groups, one felt they should be exempted and the other felt they should not be exempted on these particular items. The Senator from North Carolina would like to see them all included in the budget of the President. I think that they should be there.

I think that the Senator from Wisconsin would be fully within his rights as a Member of the Senate to propose that at any time in a bill or an amendment to a relevant bill, to put the Export-Import Bank in. It would be entirely within the rights of the Senator from Wisconsin.

Frankly, I would tell the Senator, I would vote for such a provision.

Mr. PROXMIRE. I thank the Senator from North Carolina very much. That is a great help.

Mr. ERVIN. The analysis of the Senator from Illinois—his views and mine so far as the matter of powers is concerned—is entirely in accord. We made this agreement as to what it should be in this particular instance, but so far as the authority of the Senator from Wisconsin to take such action with respect to the Export-Import Bank is concerned, we agree that he has it.

Mr. PROXMIRE. I thank the Senator very much.

I would conclude by saying that I agree with what has been said this morning about the very great importance of this legislation. It has been said that this is the most important bill that will be handled by the Senate in this session. Others say it is the most important bill we have had in a very long time.

I should like to point out that I have been making a series of speeches on what is right with the Federal Government. Many people think there are many things wrong with Congress—and, indeed, there are. No one will deny that our actions seem weak sometimes. But in taking this action today, when the House has already passed this conference report and the Senate passed the earlier version by a resounding vote, the Senate is improving in significant and substantial ways, which should give the American people some encouragement and hope that we are progressing in providing better government. With all kinds of problems and weaknesses and difficulties still, this will be a better Congress, a better operating Congress, and a more fiscally responsible Congress. It will mean that Congress has determined its priorities, and that it will have more clout in the future because of the action that the conference has taken and I hope that the Senate is about to take today.

Mr. PERCY. Mr. President, I thank the distinguished Senator from Wisconsin for his comments. He serves as the chairman of the Subcommittee on Economy in Government on the Joint Economic Committee. It is a great pleasure for me to serve as the ranking Republican on that committee.

The Senator from Illinois, when he first came to the Senate, set as one of his objectives that every single day in the year he would try to find a way to reduce Federal expenditures by the amount of his annual salary. The record will show that we have exceeded that amount many times over. I would hope that that objective could be shared with many other colleagues. It certainly has been in the case of the distinguished Senator from Wisconsin who, ever since he came to Congress, has tried to make our dollars go farther, and has tried to work them harder. This is the whole purpose, really, of budget reform. The passage of this conference report is rightly hailed as an historic moment for Congress. I do not know what the vote today will be. We will have a rollcall vote on it but I do feel that it will probably be unanimous. The vote of the House the other day was 401 to 6 which, considering the diverse views and ideologies of House Members, is virtually unanimous. The Senate voted unanimously to pass S. 1541, 80 to 0, even after it had been broadcast that we could not possibly pass such a bill because of the conflicting views of our Members, because of the way it would invade the particular turf or territories of a particular Senator or a particular committee.

This is testimony to the fact that when we set our minds to do something, we really can accomplish something that is in the national interest and that certainly will serve the interests of every taxpayer and citizen in this country. It is probably the achievement of reform, urged on us for many decades, and which represents thousands of hours of dedicated work by Members of Congress and their staffs for all the consideration of the questions of committee jurisdiction entailed, and for all the complexities of the issues which were involved, the bill was passed in an extraordinarily short period of time. For such a bill to be passed within a single Congress is a tribute to the dedication with which Senators and Representatives have approached this very difficult task.

It also demonstrates that the American people demand better performance by Congress. The makeup of the Government Operations Committee on the Republican minority side is diverse, diverse in territorial distribution, diverse in the constituencies they represent, and diverse in their various political philosophies. But certainly the distinguished Senator from New York (Mr. JAVITS) has rendered valuable service. Deep down in his heart he knows, and has known from the outset of this debate, that the best way to keep a sound government, a sound country, a sound people, is with sound fiscal procedures. He has contributed immensely, as has the distinguished Senaotr from Florida (Mr. GURNEY) who has worked so tirelessly with us in this effort, as has the distinguished Senator from Delaware (Mr. ROTH), and the distinguished Senator from Tennessee (Mr. BROCK) both of whom served not only in the conference but presented many ideas, amendments, and suggestions, and who participated with particularly good effect in the months of debate on the bill in the subcommittee and in the committee. To them I am deeply grateful indeed.

Mr. President, I ask unanimous consent that Al Buckberg and Thomas White of the Joint Committee on Internal Revenue and Taxation be given the privilege of the floor during this discussion.

The PRESIDING OFFICER (Mr. CLARK). Without objection, it is so ordered.

Mr. TUNNEY. Mr. President, will the Senator from Illinois yield?

Mr. PERCY. I yield.

Mr. TUNNEY. I should like to congratulate the committee on the very fine work it has done. As one Senator who introduced a bill on the same subject over a year ago, I think that the committee is to be commended for the hard work it has done in making it possible to achieve the results that we are going to have today when this bill passes—probably unanimously—the Senate.

I do not think there is any way in which we can determine our social priorities more clearly than through the mechanism of the Federal budget. For Congress not to have the ability to establish, at the very beginning of each session, a ceiling, and then to relate each appropriation bill to that overall ceiling, does not make any sense at all.

I believe that this represents one of the major systemic reforms that have been desperately needed for a long time. The fact that the committee was able to take so many divergent views and fashion them into a package, a whole, demonstrates that our system can work, and it will work much more effectively in the future.

I thank my distinguished colleague for yielding.

Mr. PERCY. Mr. President, I thank my distinguished colleague not only for his comments, but also for his very active cooperation.

I also point out that another distinguished Senator from California, Senator Cranston, joined the Senator from Illinois and the Senator from Virginia (Mr. Harry F. Byrd, Jr.) in introducing S. 846, at the beginning of this Congress. This was one of the bills on which the Senate budget reform bill, S. 1541, was based, because it embodied many of the concepts that we believed in deeply at the time. We were almost pioneering at that time.

I am deeply grateful for the assistance and encouragement offered to me by the distinguished Senator from California (Mr. Cranston).

Mr. CRANSTON. Mr. President, will the Senator yield?

Mr. PERCY. I yield.

Mr. CRANSTON. I am grateful for the generous remarks of the Senator from Illinois (Mr. Percy) and for the opportunity to join with him and the Senator from Virginia (Mr. Harry F. Byrd, Jr.) to do some of the pioneering work on this legislation.

I believe that this is probably the most important bill that has been passed or considered by Congress during the time I have been in the Senate. Its long-range consequences will be tremendous in terms of easing the pains of taxpayers and enabling Congress to examine the wisdom of spending priorities and the effect of these on the operations of the Government and the whole economy.

I congratulate the Senator from Illinois and all those who have worked on this matter, Senators Ervin, Cannon, and Javits and others, for their tremendous work.

I know that Senator Metcalf and Senator Muskie have done great work, and I congratulate them. The Senate owes their leadership a great debt.

Last winter, when many students of Congress began to express serious doubts that any congressional budget control legislation could ever be reduced to workable practical form, Senator Robert C. Byrd truly distinguished himself and earned a place as one of the masters of the science of the legislative process by the painstaking revisions of S. 1541 undertaken by his Subcommittee on Rules and Procedures. There is no doubt in my mind that this master of procedure deserves the lion's share of the credit for making the substantive proposals of the Congressional Budget and Impoundment Control Act of 1974 workable.

Mr. President, today the Senate will complete final action by Congress on a most important piece of legislation. From the standpoint of the fiscal well-being of the Nation, the Congressional Budget and Impoundment Control Act of 1974 is a most significant achievement of Congress.

The Budget Control Act represents years of very hard work. I commend the members of the Senate Government Operations Committee and the Senate Rules Committee—and the able staffs of both committees—for the months of untiring effort they have put into bringing us to the point where congressional budget control can be realized.

I have long advocated a limit on Government spending. I have thought that this issue never has been one of liberals versus conservatives. The debate, instead, is about what spending is really necessary within predetermined limits.

The Congressional Budget Control Act, I believe separates this traditional debate between different political philosophies into two major debates. One is over the spending limit itself. How much shall we spend? What revenues will be coming in to meet expenditures? Should we aim for a surplus? A deficit? Or a balanced budget? Will we need more revenues to meet anticipated needs?

These questions relate to the larger economic aspects of the budget which Congress in the past pieced together in some 13 separate appropriations bills, and in any number of supplemental appropriations bills.

The other debate will—and should—take place over priorities for spending. Unquestionably, this will promote a new and far healthier form of competition for funds. Some fear this competition will mean the end of programs for those without powerful political voices to speak for them. This need not be the result. Congress in the past has conscientiously exercised its role as Federal guardian of those who lack the numerical and financial strength to prevail by sheer political force. There is no reason why Congress should abandon this obligation and duty. I and others will work to see that it does not.

Competition can produce very beneficial results. It can best take place in the context of the procedures of the Congressional Budget Control Act. Old programs which have accomplished their original goals will be subjected to closer scrutiny as to their current usefulness. Resources still being spent on objectives long ago attained can be shifted to areas of greater need. Competition with leaner and better programs will either improve outmoded programs or eliminate them altogether. I think this is all to the good, and it certainly constitutes an overdue reform.

As important as the budget control features of this legislation are to Congress and the Nation, the impoundment provisions are worthy of special mention. For many years, Presidents have exercised their prerogative under the Anti-Deficiency Act to withhold appropriated funds for contingencies, to effect savings and enhance efficiency, or to respond to other developments which occur subsequent to Congress appropriating the funds. In recent years, this authority has been greatly expanded by President Nixon, far beyond what I believe was the original intent of Congress. The President ignored the legislative will of Congress by selectively withholding billions of dollars from vital programs through the impoundment mechanism.

I cosponsored legislation in the 92d Congress to require congressional approval of impoundments. Later, I was an original cosponsor of Senator Ervin's bill in the 93d Congress. It prohibited impoundments for any reason, without a formal rescission resolution by both Houses of Congress within 60 days after notification by the President of his desire to withhold funds.

I am very pleased that the conferees on budget control have put the anti-impoundment measure in final form. It is an excellent provision. It requires the President to submit to Congress in writing his request to withhold funds from any appropriation. A rescission bill must be passed by both Houses within 45 days to approve the President's request. Without both rescission bills, the budget authority must be released for obligation.

One other feature of this historic legislation which I would like to call to the attention of my colleagues are provisions concerning entitlements—something of particular importance to veterans and others. I introduced the original amendment of this matter, and I am delighted with the final version that has been worked out in conference.

Finally, let me say that I know of the tremendous contribution made by Herb Jaspers of the Labor Committee staff to this legislation. He performed one of the ablest pieces of staff work I have witnessed on Capitol Hill. His work in coordinating the efforts of an unusually large number of staffers was magnificent, and I congratulate him—and them.

Mr. President, after this vital piece of legislation passes the Senate today and is sent to the President, I hope he will sign it and pledge to cooperate with Congress in a new effort to combat inflation by controlling Federal spending.

Mr. PERCY. Mr. President, I thank my distinguished colleague.

Mr. President, looking at the majority side of the Government Operations Committee, I have read any number of editorials recently that this particular piece of legislation or that particular piece of legislation is going to be the crowning jewel in the legislative career of the distinguished chairman of the Government Operations Committee, the Senator from North Carolina (Mr. Ervin).

I have participated with him in certain legislation that we have introduced this year to repeal the no-knock legislation, the rights of privacy legislation now in the process of hearings in the Government Operations Committee, a field in which the distinguished Senator has worked for some 20 years.

The lead editorial in last night's Washington Star indicated that this may be the crowning jewel in the distinguished career of the Senator from North Carolina.

I feel very strongly, indeed, that the budget reform bill and the work done by the distinguished Senator will, for many, many decades to come, be one of the finest achievements of his political and public career. We are very grateful to him, and to Senator McClellan, the chairman of the Appropriations Committee and past chairman of the Government Operations Committee, for his very constructive help, without which we simply could not have made the progress we did make.

The distinguished Senator from Washington (Mr. Jackson) maintained a deep interest throughout the course of our deliberations, and his expertise in many areas was of immense help.

Mr. President, I had the great pleasure of working with the distinguished Senator from Connecticut (Mr. Ribicoff), and particularly with the distinguished Senator from Maine (Mr. Muskie) on many, many aspects of this bill. We had many areas where we agreed; we had certain areas where we disagreed. But always through an exchange of views and an understanding of each other's point of view, we were able to reconcile our differences. This bill is the result.

I have said many times that the unsung hero—and he will not be unsung much longer, because we are all singing his praises—the distinguished Senator from Montana (Mr. Metcalf), provided a tremendous degree of assistance as the chairman of the subcommittee which dealt with this particular piece of legislation.

It was his persistence, his spirit of compromise, his resilience, and his tenacity which made possible the proposed legislation.

I think we should make note of the fact that the present Attorney General of the United States, former Senator Saxbe, served as the ranking minority member of that subcommittee. We are grateful for his participation and his help.

Senator Allen, with his usual expertise and knowledge, has been of great assistance. The Senator from Florida (Mr. Chiles) provided many new insights to us on the legislation. His penetrating questions were always helpful. We immensely enjoyed working with the Senator from Georgia (Mr. Nunn) and the Senator from Kentucky (Mr. Huddleston), who, in spite of their having been on the Government Operations Committee for not quite as long a period as many others, actively participated in the consideration of this legislation. In their own right, they provided a tremendous insight into the nature of some of the problems as we dealt with them.

Our achievement is great, and we are rightly proud of it. But the implementation of this bill will be even more difficult. It will require even more determination than its enactment.

Even though we are feeling extraordinarily good about the work we have accomplished to date, the assistant majority leader, the distinguished Senator from West Virginia (Mr. Robert C. Byrd), who is a realist, always brought us back to the point of realism in the hearings that were held before the Committee on Rules and Administration, which he chaired. The distinguished Senator from Michigan, Senator Griffin, who is ranking minority member of the Subcommittee on Standing Rules of the Senate, deserves great credit for assisting consideration of the bill by the Rules Committee.

I point out, once again, that during the year-end Christmas holidays the Senator from West Virginia was here, busy at work on this legislation, so that we might, when we returned from that recess, immediately implement many of the fine ideas that he elicited.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished Senator.

Mr. PERCY. Mr. President, the implementation of this legislation will be important, for, unlike the vast majority of bills which we pass, we must implement this legislation ourselves. This is nothing that we can pass on to the executive branch and say, "We have passed the laws; you implement them."

This implementation must be done by ourselves. The executive branch cannot be blamed for failure this time. If we fail, only we can be blamed.

There is a skeleton hiding in our collective closet, reminding us that in the late 1940's an effort to reform the budget process gave up the ghost. That skeleton of failure is rattling its bones today, reminding us that we cannot afford to fail again.

Mr. President, certainly the critical period that we are facing today, with two-digit inflation, with a failure of confidence by the American people in the future value of their dollar and of their wages and earnings, is an indication that it would be absolutely a catastrophe if we failed to implement the spirit and intent of this legislation.

This institution cannot survive much more of the "I told you so" cynicism that prevails in public opinion. We must make budget reform work, and we will rightly be blamed if it does not work.

Mr. President, this task will not be easy. We may already be behind schedule. The bill provides that the new congressional budget organization, the Budget Committee and the Congressional Budget Office, be created immediately upon enactment, and that we begin the trial run of some of the key processes next spring. The bill makes these trial run procedures optional, but I believe they are absolutely critical to the success of reform.

If we do not make maximum use of the trial run, we could fatally cripple the implementation of the mandatory processes that come into force in 1976. This is because the bill creates procedures that will make new demands on virtually all the committees. Congress must become accustomed to the new procedures in the course of time. To attempt to implement them without a trial period could result in outright congressional rejection of the entire reform.

By April 15, 1975, less than 10 months from today, the Budget Committee should report the first concurrent resolution—the first truly congressional budget. By April 1, 1975, the CBO should make its major report on fiscal policy. These two key events will require the creation, as soon as possible, of the Budget Committees, the appointment of the Director of the CBO, and the building of very competent staffs. The CBO must be funded, preferably by the Legislative Appropriation Act, though during the interim period until such appropriation can be made the contingent fund of the Senate will be used for this purpose.

At this point, I wish to ask the distinguished chairman of the Committee on Government Operations and the chairman of the Subcommittee on the Budgeting, Management, and Expenditures whether or not it would be well right now to once again establish, as I said in our discussions in subcommittee and committee, and as I believe we have tried to establish in the letter and spirit of the law, as well as the report itself, that the budget committees truly demand, if any committees demand it, expertise on the part of the members of those committees, and that the seniority system certainly should be abandoned in this particular area; that it would be a great disservice to the people of this country, to the taxpayers of this country, and the whole idea of congressional reform if seniority were the only basis for deciding which Republicans and which Democrats were to be assigned by the respective caucuses or Committee on Committees, to the Budget Committee; that there should be a degree of expertise, and a degree of knowledge; and that we want on those committees, the best, broadest representation we can have of expert thought in the Senate.

This is a human judgment, obviously, that will be made, but I think the spirit of what we tried to accomplish should be implemented.

I am very happy to yield to the distinguished Senator from Montana (Mr. Metcalf), the chairman of the subcommittee, for any comments he cares to make.

Mr. METCALF. Mr. President, with permission of the chairman of the committee, may I be permitted to respond first?

Mr. ERVIN. I would be delighted if the Senator world.

Mr. METCALF. The Senator from Illinois will recall that when we organized the subcommittee and started hearings on this matter we had before us the Joint Study Committee on Budget Control's bill and we had the report from that committee providing that the Committee on Appropriations had to have so many members, with so many members from

Finance, and so many members from Ways and Means, and so forth.

Then there were suggestions, and I had one of them, that we have limited terms so that we would have not only experienced senior members, but also we would have some of the new, interested, and involved junior members.

Finally, the Senator from Illinois himself came up with the idea, to appoint this committee in the same way as all the other committees, by the caucuses, but with the understanding that we need some input from the Appropriations Committee, we need some of the expertise from the Finance Committee, and at the same time we need the young and the new ideas that are generated by the junior Members of this Congress.

The Senator from Illinois has mentioned the Senator from Kentucky (Mr. HUDDLESTON) and the Senator from Georgia (Mr. NUNN) who are new members, who made a tremendous input on the Democratic side; the Senator from Tennessee (Mr. BROCK) and the Senator from Delaware (Mr. ROTH), who made a tremendous input on the Republican side. Members such as those Senators should certainly have an opportunity, should certainly be considered in the selection of Senators who are to serve on this important committee.

I hope that in the caucus we will review the recommendation we started with 2 years ago and provide that we are not just going to have senior members; but give an opportunity to all members to demonstrate their interest and their concern in the budget process. Some of the best speeches in the Senate to bring this bill up over the years have been by such members as the Senator from Georgia (Mr. NUNN) and the Senator from New Mexico (Mr. DOMENICI) who made a splendid speech. They should also be considered, along with, of course, the experienced and the knowledgeable members of the Appropriations Committee, the Finance Committee, the Armed Services Committee, and other committees directly involved in budgetary decisions.

As the Senator from Illinois knows, we went over this entire matter, and the Senator from Montana suggested that perhaps we should have limited terms. I believe the way the Senator from Illinois worked it out, and the way it was worked out in the Committee on Rules and Administration, is that we have the prospect of a better committee if our respective caucuses are not confined only to those persons of seniority.

Mr. PERCY. I thank the distinguished Senator from Montana, and I do feel that the Senator from Illinois is going to have some degree of impartiality because his seniority in the Senate as of, I would anticipate, the first of next year, will be under the 50 mark, so I would be about midway. That is not a self-serving comment.

The Senator from Illinois had in mind the outstanding work of the Senator from Delaware (Mr. ROTH) and the Senator from Tennessee (Mr. BROCK), who are lower in seniority, but who are very high in their performance; and certainly the work of the distinguished Senator from Alabama whose seniority is not as great as other Members, but who would take second place to virtually no one in the U.S. Senate for his parliamentary skills and abilities and knowledge, and certainly in the field of budget and budget reform. He has been a tower of strength, as has the Senator from Florida (Mr. CHILES), the Senator from Georgia (Mr. NUNN), the Senator from Kentucky (Mr. HUDDLESTON), who are lower in the seniority ranks, but their contributions have been immense.

I would hope that all of them would have an eligibility for membership on the Budget Committee and would be given consideration by the caucuses even though on a straight seniority basis they would not have that position.

For that reason, we tried in every way we could to indicate that representation of a number of committees including authorizing committees as well as the tax and spending committees, knowledge, and deep interest rather than seniority should be the guiding rule.

Mr. President, we have much to do and we will need full cooperation. The public and private groups that have pressed us for enactment of this reform must keep up their pressure. They must demand a high standard of performance. The congressional agencies—the Library of Congress, the General Accounting Office and the Office of Technology Assessment—must assist their new sister organization in every way. The administration—most notably the Office of Management and Budget—I hope will abandon whatever cynicism it has about the capacities of Congress to implement this reform, and do everything possible to work cooperatively with our new budget processes and our new congressional budget organizations.

But the best way to have cynicism removed is by the performance of the Congress in implementing and carrying out the intent and purpose of budget reform. This is too important a reform to be encumbered by any jealousies or rivalries between the branches. It is, after all, the vitality and balance of our two major constitutional institutions that is at stake. Their cooperation to date has been excellent. We must sustain it.

Mr. President, for purposes of legislative history I would like to discuss the provision of the conference report relating to the content of the first concurrent resolution on the budget.

The bill as passed by the Senate required a somewhat detailed subdivision or breakdown of the 14 major functional categories contained in the first concurrent resolution on the budget.

The division consisted of the following. Within each functional category, the allocation would be divided between total funds for existing programs, and the total for proposed programs. It would thus have enabled Congress to determine explicitly the amounts it anticipated for program initiatives and new priorities. The allocations for existing programs would have been further divided between permanent and current appropriations and, within the latter, between controllable amounts and other amounts. Thus, in summary form, the budget resolution would have indicated the amounts that would become available without any current action of Congress and the amounts estimated to be made available through the appropriations process for that year. The budget resolution would also have disclosed which appropriations were within the effective control of Congress and the amounts not controllable under existing law.

An example of this breakdown is contained on page 15 of the Rules Committee's report on S. 1541 (S. Rept. 93–688). There were two important purposes of this division. First, it was intended to provide a more accurate basis for the crosswalk exercise. This is the procedure in section 302 of the bill which provides that the budget committees (with the Appropriations Committees) shall translate the targets established in the concurrent resolution for the 14 major functional categories into targets for each spending bill to be considered by the Senate and House after the concurrent resolution is adopted. The effective operation of the crosswalk is critical to the success of the budget reform. It will be on the basis of the targets derived from the crosswalk that the scorekeeping process will occur. Each committee and subcommittee reporting budget authority bills must know what its target is, as must the Congress. If, for example, the Senate is about to vote an increase in the funding contained in the bill above the target, it should know that it is about to breach that target. Without the discipline of the targets and the scorekeeping process, the total of the budget authority bills actually voted by Congress may very substantially succeed the spending level in the first concurrent resolution, and jeopardize the effectiveness of the reconciliation process.

The second purpose of the division required by the Senate bill was to force a more realistic debate on spending and priorities. Too few members understand the extent to which spending for a great many programs is uncontrollable. It is easy, but extremely misleading, to propose substantial budget cuts when it is almost literally impossible to cut back spending without taking the cuts entirely out of the ever-smaller portion of the budget which is really controllable. Were the concurrent resolution to contain the divisions required by the Senate bill, the debates on priorities for spending would be better informed.

The committee of conference agreed to delete the requirement that the first concurrent resolution contain the further division. Instead, this division is required in the budget committees' reports on the resolution. However, in section 301(a)(6) the conference report provides that the budget committees may, at their discretion, include in the concurrent resolution—

> Such other matters relating to the budget as may be appropriate to carry out the purposes of this Act.

Under this provision, it is clear that the budget committees may include the further division, or some variation or modification of it, if they determine that it is necessary to make the essential crosswalk and scorekeeping procedures of the bill effective. In short, the deletion of the requirement that the concurrent resolution contain the further division of the 14 major functional categories was not intended to limit the ability of the budget committees to include that breakdown in the first concurrent resolution itself.

III

Mr. President, a variety of funding devices are used in the budget and the status of some of these is to be modified by this legislation. For purposes of clarity and legislative history, therefore, I will review the main types of spending and their treatment in H.R. 7130.

Budget authority: This is authority provided by Congress to enter into obligations. Budget authority usually is furnished in annual appropriations, but it also may be provided in permanent appropriations and through backdoor procedures such as contract or borrowing authority.

It is important to note that budget authority relates to authority to obligate—not to spend—Government funds. Through its enactments, Congress has control over the obligations but not the outlays of Federal agencies. Once the budget authority has been granted, Congress traditionally has had no control over the timing of the expenditure. One of the purposes of the congressional budget process is to give Congress a measure of control over outlays.

Section 3 of the legislation excludes guaranteed and insured loans from the definition of budget authority. These loans are contingent liabilities of the United States and are not direct obligations.

The appropriate level of new budget authority is to be set in the first concurrent resolution on the budget, section 301, to guide Congress in its subsequent consideration of appropriations and other spending bills. The appropriate level of new budget authority in the second required budget resolution, section 310, is a firm ceiling and may not be exceeded in later congressional actions, unless Congress were to revise the ceiling during the fiscal year by means of a new concurrent resolution.

Outlays: This term refers to the amount of expenditures and net lending made during a fiscal year. Net lending is the excess of borrowings over loan repayments. Budget authority is the source of all outlays for under the Constitution money may be drawn from the Treasury only pursuant to an appropriation.

The amount of outlays in a particular fiscal year is determined by the current and past actions of Congress in providing new budget authority. More than $100 billion in fiscal 1975 outlays derives from past enactments and at the end of the fiscal year the unspent budget authority available for outlay in future years will exceed $300 billion. This pipeline is one of the main reasons why 75 percent of the outlays in the 1975 budget are uncontrollable.

The appropriate level of outlays is to be set forth in the first and second, and any additional budget resolution. Although appropriation bills only indicate the amounts of new budget authority that are to be provided, committee reports accompanying such bills are to project the 5-year outlays resulting from them, and the Congressional Budget Office is to furnish various status and scorekeeping reports relating to the effects of congressional actions on budget outlays, section 308.

Functional allocations of budget authority and outlays: The total budget authority and total outlays set forth in a budget resolution are to be allocated among major functional categories. As I discussed above, at the present time there are 14 such major functions in the President's budget and under the bill, these may be changed only after consultation with Congress, section 802. The major functions are: national defense, international affairs and finance, space research and technology, agriculture and rural development, natural resources and environment, commerce and transportation, community development and housing, education, and manpower, health, income security, veterans benefits and services, interest, general government, and general revenue sharing. A special, crosscutting energy category was introduced in the 1975 budget.

The functional categories overlap the appropriations categories used by Congress. Accordingly, the congressional budget reform legislation provides two crosswalk procedures before and after adoption of the budget resolution. The committee report accompanying a budget resolution is to indicate how the amounts were derived and the relationship of the functional allocations to other budget categories, section 301(d)(8). In addition, the joint explanatory statement of the managers accompanying a conference report on a budget resolution is to provide an estimated allocation among various congressional committees. The House and Senate Appropriations Committees, after consulting one another, are to subdivide their allocations among subcommittees, thereby providing a concrete basis for subsequent scorekeeping reports.

Tax expenditures: These are credits, deductions, and exemptions which have the effect of reducing the amount of Federal income tax paid by an individual or corporation. They are named tax expenditures because they have the same subsidy effect for the recipient as a direct expenditure.

In recent years, awareness of the scope and magnitude of tax expenditures has expanded, and are estimated to be in excess of $50 billion per year. The budget reform bill provides for inclusion of tax expenditures estimates in the President's budget, the tax expenditure budget, section 601, committee reports on budget resolutions, section 301(d)(6), committee reports on tax expenditure measures, section 308(a), and Congressional Budget Office scorekeeping reports, section 308(b). In addition, the Budget Committees are charged with the responsibility of requesting and evaluating tax expenditure studies, section 101 and 102. The result of these provisions should be a new congressional awareness and public knowledge of the costs of special tax exclusions, exemptions, deductions, or credits.

No special controls are imposed on tax expenditure legislation. However, after adoption of the second budget resolution, Congress would not be permitted to consider an increase in tax expenditures that would have the effect of reducing revenues below the level specified in the latest resolution.

I wish to call particular attention to the contribution of my distinguished colleague from New York (Mr. JAVITS) in writing these tax expenditure provisions into the bill.

Off-budget agencies: With adoption of the unified budget in 1968, all Govment funds and agencies were included in the budget. However, since 1971 at least six agencies have been granted off-budget status, that is, their financial transactions are not included in the President's budget, though they are annexed to it in the budget Appendix. The six agencies are the Environmental Financing Authority, the Export-Import Bank, the Federal Financing Bank, the Rural Electrification and Telephone Revolving Fund, the Rural Telephone Bank, and the U.S. Railway Association. The off-budget status of some of these agencies also includes exemption from any statutory ceiling on total budget authority and outlays. In fiscal 1975, the outlays of the off-budget agencies will be above $3 billion.

Section 606 of the budget reform bill calls for a study of off-budget agencies by the House and Senate Budget Committees. The statement of managers on the conference report indicates that off-budget funds need not be included in the budget authority and outlay amounts in the congressional budget resolution.

Contract and borrowing authority: The budget reform bill makes a substantial change in the status of contract and borrowing authority. Contract authority is the authority enacted by Congress for an agency to enter into a contract in advance of appropriations. Borrowing authority is the authority given to an agency to borrow from the Treasury, public debt receipts, or directly from the public, agency debt receipts. In the case of contract authority, an appropriation is made after an obligation has occurred when funds are needed to liquidate the obligation. In this circumstance, the appropriation is an uncontrollable act, for Congress has no alternative but to fulfill the obligation. In the case of borrowing authority, the borrowed funds have the same impact on the Treasury and on fiscal policy as a direct expenditure. Often, borrowing authority is used for commercial-type operations and is in the form of a revolving fund. As a loan is repaid to the agency, its borrowing authority is restored by an equivalent amount.

Contract and borrowing authority are two of the main forms of backdoor spending. The term used for them in the bill is spending authority. Backdoor spending does not go through the regular appropriations process, and there is a tendency for Congress to increase backdoor authority above the amounts requested by the President while reducing regular appropriations below the President's budget.

Under the budget reform legislation, new contract and borrowing authority no longer would have the status of budget authority. That is, it no longer would be permitted to enter into obligations or to borrow pursuant to such authority. Rather, the authority would have to be provided in appropriations acts. The net effect, therefore, would be to change new contract and borrowing authority into conventional authorizing legislation, with funds available only to the extent provided in subsequent appropriations (section 401(a)).

This new procedure would not apply to existing contract or borrowing authority. Nor would it apply to certain exempted programs such as social security trusts, 90-percent self-financed trust funds, or Government corporations.

Entitlement authority: This is another type of backdoor spending in which Congress entitles a person or a government to certain benefits and the money must be provided either in subsequent appropriations or in permanent appropriations, that is budget authority which becomes available without current action by Congress. Even when entitlements are funded through the appropriations process, Congress must provide the money required for the entitlement. Thus, the last point at which an entitlement can be effectively controlled is before the entitlement is enacted. Well over $100 billion of uncontrollable spending in the 1975 budget derives from mandatory entitlements.

The budget control bill establishes a variety of procedures for new entitlement legislation. First, such legislation may not be considered prior to adoption of the first budget resolution, section 303. The purpose is to enable Congress to determine entitlements in the light of its overall budget policy. Second, a new entitlement cannot take effect before the start of the next fiscal year, section 401 (b)(1). The objective is to enable Congress to reconsider the level of entitlements in its second budget resolution and in a subsequent reconciliation process, section 310.

Third, entitlement bills as well as omnibus social security legislation may be considered even if they have been reported after the May 15 deadline for the reporting of authorizing legislation, section 402(e). Inasmuch as they may not be considered on the floor prior to May 15, it would be inappropriate to apply the May 15 reporting deadline to them. In the case of social security programs, the deadline is waived to allow consideration in the same omnibus bill of closely related programs.

Fourth, if it exceeds the relevant allocation in the budget resolution, an entitlement bill is to be referred to the Appropriations Committee, with a 15-day limit. The Appropriations Committee can report the entitlement with an amendment limiting the amount of new authority provided by it. Thus, unless it is within the budget resolution figure, an entitlement bill will be subject to Appropriations review. This referral procedure does not apply to social security and 90-percent self-financed trusts or to Government corporations. The status of general revenue sharing is to be determined in subsequent legislation.

VI

The final bill contains important provisions of interest to State and local governments. Most of these provisions were written by the Government Operations Committee, in coordination with organizations representing these governments, and they have been retained intact in conference. In addition, the bill contains the potential exemption for revenue sharing which was included in the bill by the Rules Committee. These provisions are:

First. Section 301(d)(7). This section provides that the report on the first concurrent resolution include "a statement of any significant changes in the proposed levels of Federal assistance to State and local governments." This provision was section 301(c)(5) of the Senate-passed bill.

Second. Section 303(b)(1). This section provides that bills providing "new budget authority which first becomes available in a fiscal year following the fiscal year to which the concurrent resolution applies" may be considered by both Houses before the concurrent resolution is adopted on May 15 each year. Jurisdiction over such bills is retained by the Appropriations Committees. This was section 303(b)(3) of the Senate-passed bill.

Third. Section 308(a)(1)(C). This section provides that whenever a committee of either House reports a bill providing new budget authority, but not continuing appropriations, the committee's report shall contain a statement, prepared after consultation with the CBO Director, detailing "the new budget authority, and budget outlays resulting therefrom, provided by that bill or resolution for financial assistance to State and local governments." This was section 308 (a)(3) of the Senate-passed bill.

Fourth. Section 401(d)(2). This section provides that Congress, when reauthorizing the general revenue sharing program in 1976, may provide that the authorization bill need not be subject to funding through the Appropriations Committees. However, the provision does not exempt the revenue sharing act from coverage under title III: revenue sharing must be included in the first concurrent resolution and it is subject as well to the reconciliation process. Same section as in the Senate-passed bill.

Fifth. Title VIII, amendment to Section 203(d) of the Legislative Reorganization Act of 1970, page 37. This section provides that the OMB, cooperating with the CBO, GAO, and representatives of State and local governments, shall provide to such governments fiscal and program data necessary to help them determine accurately and timely the impact of Federal assistance on their budgets. Same section as in the Senate-passed bill.

V

Finally, Mr. President, I would like to call attention to the bill's provisions for openness. A very important element of this reform is to bring out into full public view congressional budget procedures that, by their complexity, tend to confuse and obscure them from public understanding.

The bill contains at least three explicit provisions that will add measurably to public understanding. I have already alluded to one of them, that is the new visibility given to tax expenditures.

The second openness provision requires open operation of the Budget Committees themselves. Under the bill, the Senate Budget Committee must conduct all of its business in public unless it votes to close its meetings for one or several specific reasons. This is the first committee of the Senate to be under such a requirement. It is a forerunner, I am sure, of the procedures that we will soon apply to all Senate committees. Our own experience in the Government Operations Committee, which adopted an openness rule at the beginning of this Congress, has unquestionably shown that openness works.

The third provision is that the Congressional Budget Office make available to the public budget information that it obtains from the executive branch and other congressional agencies. These latter provisions were included in the bill at the suggestion of common cause.

However, there will be an even greater public information value in the budget bill as a result of the operation of the new procedures. The bill provides a new vote, or series of votes, on budget aggregates. For the first time the public can hold us accountable for our fiscal actions by monitoring out votes on the concurrent resolutions and the reconciliation measures. Will we set targets for ourselves only to exceed them? Or will we act with self-discipline and apply our self-created budgets to our actual spending actions. By creating a congressional budget process we enable the public to relate our spending and revenue-raising actions to their own family budget practices.

In conclusion, Mr. President, I should like to mention also the great contribution that the chairman of the Rules Committee, the Senator from Nevada (Mr. CANNON) has made. Without his help and the help of the ranking minority member on the Rules Committee, the Senator from Kentucky (Mr. COOK), we simply could not possibly have moved this legislation forward.

Although Senator COOK is necessarily absent today, I would like very much for the record to show that he has played an important role in the drafting of this most important legislation. As the ranking minority member of the Senate Rules and Administration Committee, he was a member of the House-Senate conference which drafted the report we are now considering, and he has approved and signed the report.

Although he will be unable to vote today, he has asked to be positioned in favor of the bill. His contribution has been invaluable, and he deserves our thanks.

I want to mention just a few members of our professional staffs for commendation. Allan Shick, senior specialist of the Library of Congress Congressional Research Service has made a crucial contribution to this bill. Our Senate legislative counsel, Harry Littell, also merits special commendation for the skill and acuity with which he has, again and again, prepared the drafts of the bill in all the stages through which it has gone.

Other members of our staff deserve our appreciation. Alvin From, staff director of the Intergovernmental Relations Subcommittee, has played a very important role in fashioning this bill, as has Herbert Jasper, the general counsel of the Committee on Labor and Public Welfare, and Robert Smith, chief counsel of our own Government Operations Committee, and Bill Goodwin of the committee professional staff, with whom we have worked very closely.

The staff of the Committee on Rules and Administration, headed by its distinguished staff director, William McWhorter Cochrane, deserves special thanks. Under his direction and that of Joseph O'Leary, the committee minority counsel, and with the particular assistance of James Medill, Anthony Horney, John Coder, and Jack Sapp, the Rules Committee held hearings, redrafted, and reported S. 1541 in what must surely be considered record time for such an important and complex bill.

I want also to thank Robert Vastine, Minority Counsel of the Government Operations Committee, for his dedication to the objective of passing this extraordinarily important legislation. He has shown, through his tenacity, through his perseverance, through his sacrifice of personal life, really, this past year, a dedication which I think is symbolic of the staff, and many staffs of the U.S. Senate, and to him I am personally indebted, as are all members of the committee.

I also wish to thank Robert Wallace, who has served as consultant to the Government Operations Committee throughout our work on this bill. Mr. Wallace has just been made president of the Exchange National Bank of Chicago, and I know our chairman joins me, as he has commended Mr. Wallace on a number of occasions, in congratulating him on this very important new assignment and extending to him our best wishes. Certainly, no person out of private life could have contributed more substance on a more important piece of legislation of lasting value than in the present budget reform bill that is before the Senate.

I thank my distinguished colleague for yielding.

Mr. ERVIN. Mr. President, in addition to the Senators whom I have heretofore mentioned in connection with their contributions to this legislation, I would like to mention Senators JACKSON, RIBICOFF, and ALLEN, of the Government Operations Committee, and Senators CANNON, ROBERT C. BYRD, and COOK, of the Committee on Rules and Administration.

The Senator from Alabama (Mr. ALLEN) made a great contribution because he happened to have been a member of both the Government Operations Committee and the Committee on Rules and Administration, and he deserves the thanks of us all for his efforts.

CONTROLLING IMPOUNDMENTS

Mr. HUMPHREY. Mr. President, the Senate is indebted to the work performed by the senior Senator from North Carolina and his colleagues. Their efforts on the budget reform bill are to be commended.

I am particularly interested in the provisions of title X dealing with impoundment control. Does the Senator believe that the information submitted by the President, in the form of special messages and monthly reports, will be adequate for congressional review and action?

Mr. ERVIN. The Senator from Minnesota puts his finger on an essential aspect of impoundment control: the quality of reporting by the executive branch. He is author of the Federal Impoundment and Information Act of 1972. Ever since the passage of that act he has been active in monitoring the timeliness and substance of OMB impoundment reports. He has been disappointed with their quality. So have I, and criticism has come from many other quarters. When the Senate Committee on Government Operations reported out S. 373, the impoundment control bill, it raised a number of objections as to the incompleteness and lack of clarity on OMB impoundment reports.

I think I can assure the Senator that the budget reform bill contains incentives for better reporting. If the President wants our support for a proposed rescission or deferral, he will have to document his case and thoroughly set forth the reasons. If his reports are inadequate, he simply will not have the support of Congress.

Mr. HUMPHREY. To the extent that he needs our support, I agree that this bill contains incentives for better reporting. But there are three types of reports: two special messages—one for rescission and one for deferral—and a monthly report. I think the incentives are different for each. The incentive would be highest for a rescission special message, because there he needs the support of both Houses within 45 days. It is probably a little lower for a deferral special message, which allows an impoundment to continue unless disapproved by one House. There the burden is on Congress to overturn a proposal. I think the incentive is at its lowest ebb on the monthly reports. I am particularly concerned that those reports may come to resemble what we now receive on a quarterly basis.

But let me first ask a general question. Does the Senator agree that reporting must be of the highest quality when impoundments are of the policy variety, whether they appear in a rescission special message, a deferral special message, or a monthly report?

Mr. ERVIN. The Senator is correct. If funds are held in reserve for routine purposes—pursuant to the Antideficiency Act or in response to some other specific legislative authority—extensive reporting is not necessary. But the quality of reports for police impoundments must be of the highest order.

Mr. HUMPHREY. Does the Senator agree that while no precise definition exists for policy impoundment, we can agree upon certain general understandings?

Mr. ERVIN. The Senator is absolutely correct. When OMB first supplied us with voluntary impoundments reports, back in 1971 and 1972, they distinguished between routine and nonroutine impoundments. But that distinction was not used in implementing the Federal Impoundment and Information Act. Every action, whether routine or policy, was mixed together in one report.

I think the concept of a policy impoundment is reasonably clear. If the President proposed to terminate a program, that is certainly a policy action. He seeks to undo through impoundment what we have achieved through legislation. Policy is also involved when the President seeks to curtail a program as part of his anti-inflation efforts. Why did he single out that program among all others? That, too, is a policy action.

Mr. HUMPHREY. There is no doubt about either of those categories. I think policy impoundments also include situations where the administration seeks to restrict a program to the level requested in the President's budget. He then impounds any additional amounts provided by Congress. For example, in fiscal 1971 the President impounded all of the add-on money for public works. He proceeded to administer only public works projects that had been included in his budget, completely ignoring all of the extra funds and projects voted on by Congress. Moreover, in fiscal 1973 we had problems with continuing resolutions covering Labor-HEW programs. The President restricted health and education programs to the levels of his budget request, even though higher levels had been voted on by the House or Senate. Many of those impoundment actions reached the Federal courts, and in every single instance the courts held that the President should have administered the programs at the higher congressional levels. So this is another area of policy impoundment.

Mr. ERVIN. Those examples help to illustrate what we mean by policy impoundment. I think we can generalize by saying that a policy impoundment is an instrument used to pursue the administration's goals at the expense of those enacted by Congress.

Mr. HUMPHREY. That is it in a nutshell. A policy impoundment occurs when the administration opposes the scope or design of a program enacted and funded by Congress. Under those types of situations, and the ones we have described, the monthly reports and special messages must delineate with considerable detail the reasons for withholding budget authority.

Mr. ERVIN. The Senator is correct. We expect a full and complete disclosure of the administration's position for proposing a policy impoundment. No generalized codes will do. That is not an unreasonable request. I doubt if there are more than a few dozen policy impoundment actions a year. The reports and special messages should give them special treatment.

Mr. HUMPHREY. It makes no sense to have a Member plow through a report containing hundreds and hundreds of routine impoundments in order to locate a few significant items.

Mr. ERVIN. No; we should not have

to do that. Unless policy actions are highlighted and given individual attention, perhaps by being set aside in a separate section, reporting becomes deceptive and confusing.

Mr. HUMPHREY. A mediocre and incomplete handling of policy impoundments can be disguised or obscured by adding a multitude of detail on routine, insignificant actions. That type of puffed-up report is not useful to us.

Mr. ERVIN. I have found that to be the case. The quarterly impoundment reports now submitted to Congress have not been helpful for congressional action. The body of the report is limited to the technical concept of budgetary reserves, which is not what you requested in the Federal Impoundment and Information Act. The reports appear to be organized and structured for the convenience of executive officials rather than for the convenience of Congress. Commonsense and good-faith efforts would have produced a more useful report for us.

Mr. HUMPHREY. And for the public also. Impoundment reports must be comprehensible to them as well.

Mr. ERVIN. That is right. It is their money. The programs are being enacted and implemented for the public.

Mr. HUMPHREY. I am glad to hear that from the senior Senator from North Carolina. We are setting up a structure of decisionmaking on impoundment, to be shared by both branches. Good-faith efforts and openness are crucial for that kind of structure. If the Executive thinks funds should be rescinded or deferred, let him state the case publicly and openly. Let him argue his case and give reasons. If they are sound and persuasive, I am confident that Congress will support him. We do not want to waste public funds. But a full justification is his responsibility. We should not have to dig around, make calls to agencies, hold hearings, and wade through unfocused and confusing impoundment reports to find out why a program or activity is scheduled to be curtailed or terminated.

Let me ask a final question about the reports required by this budget reform bill. For either special message, the President must report—to the maximum extent practicable—the estimated fiscal, economic, and budgetary effect of the proposed rescission or deferral. The same requirement appears in the Federal Impoundment and Information Act. Is the Senator satisfied with the way that OMB has implemented that portion of the act?

Mr. ERVIN. Do you mean by the use of codes?

Mr. HUMPHREY. That is correct.

Mr. ERVIN. I do not think that the codes are responsive to the act. They are too generalized and obscure. For example, the most frequently used code, which is code I, reads as follows:

> Same effect as set forth in the most recently submitted budget document, of which this item is an integral part.

What is Congress or the public supposed to make of that? It says, in essence: "Go to the budget and try to find it there." None of the other codes used for estimated fiscal, economic, and budgetary effects are sufficiently useful or comprehensive to include in an impoundment report. Particularly when it comes to the policy impoundments, we expect specialized treatment for each action. They should state, with narrative and statistics, the estimated fiscal, economic, and budgetary effects for proposed recessions and deferrals.

Mr. HUMPHREY. I thank the Senator for that clarification.

Mr. ERVIN. Mr. President, I would like to add one further word. I had hoped this bill would contain a provision providing for the salary of the Director of the Congressional Budget Office equally between the Senate and the House. Representative RICHARD BOLLING, who has done yeoman work on this legislation in the House, had agreed on that being done, but, unfortunately, under the House rules, after the conference report had been approved by the conference, it was not possible to get that done.

The provision in this bill would provide that appropriation reports for this new Budget Commission and also for the Congressional Budget Office shall be made in the legislative appropriation. The present bill provides, in section 201, subsection (f), that until an appropriation is made, the operating funds be paid out of the Contingency Fund of the Senate.

The Senator from Maine (Mr. MUSKIE) yesterday engaged in a coloquy with the Senator from South Carolina (Mr. HOLLINGS), who always handles for the Appropriations Committee the Legislative Appropriation bill, in which the Senator from South Carolina promised that this matter would be handled in a supplemental bill.

For that reason, we can look forward to the time when the matter of finances can be satisfactorily adjusted between the Senate and the House, and at that time we can get an appropriation providing for this particular salary as between the two Houses.

One other member of the committee who did a great deal of work on this bill is the Senator from Georgia (Mr. NUNN), and I think he would like to make a few remarks at this time.

Mr. NUNN. Mr. President, I thank the distinguished Senator from North Carolina for allowing me time for a few brief comments on what I think is a very significant development in the presentation of this final conference report in the Senate.

First, I want to compliment the staff of the committees for their excellent work, both of the Government Operations Committee and the Rules Committee, which also considered this legislation after the Government Operations Committee approved this bill. I want to thank a young man who did a lot for me, on my personal staff, as we worked on this bill. He has been a member of the Government Operations Committee for some time, Mr. Nick Bizony, who was one of the most knowledgeable staff members, and certainly rendered considerable service to me on the committee.

Also, I want to commend the director of the staff of the Government Operations Committee, Mr. Bob Smith, who did so much to guide the efforts on the bill. He not only directed the staff generally in the Government Operations Committee, but also made it a top priority item and helped guide it through the Senate and the conference.

Mr. President, I am most gratified that today, after some 15 months or more of major efforts in both Houses, we will be casting the final vote on what I believe is one of the most significant pieces of legislation to come out of Congress in a good many years.

The efforts of the Subcommittee on Budget and Accounting in the Senate really, I do not think, can be overemphasized. The Senator from Montana (Mr. METCALF) did a yeoman's job in coordinating, in pushing, in reconciling the varying views so that the subcommittee could finally present its bill to the full Committee on Government Operations. There were many strong disagreements within the subcommittee, and the Senator from Montana (Mr. METCALF) himself took very strong positions, as did I and other Members. However, after the decision was made, he, as chairman of the subcommittee, was primarily responsible for reconciling the views and getting us back on track, keeping in mind that the overall objective was budget reform.

The Senator from Maine (Mr. MUSKIE) did outstanding work. I do not know of anyone who contributed more of his time, effort, and substance. A great deal of this legislation is the result of those efforts.

Also, I would like to say exactly the same thing regarding the Senator from Illinois (Mr. PERCY). He spent hundreds of long hours—he and his staff—in their efforts, and the overall goal was never lost sight of. So much of the substance of this legislation is directly a result of his input.

Also, the Senator from North Carolina's part in this endeavor cannot be overemphasized. Once the bill reached the full committee, we would never have been able to get it passed here on the floor, without his continuing leadership and effort. Without the lending of his great prestige, and his making it a top priority item for Congress, we would not have this historic legislation before us today. So his role will certainly be remembered.

Senator ERVIN, I contend, will be remembered for years to come not alone for his efforts in the investigation that has taken place in this country for the last 18 months, but I predict that, historically, this bill, which he has guided through the Senate, which he has commanded through conference, will go down as one of his foremost contributions to the United States of America and to this body. I do not think it will be forgotten in the annals of history, nor will his efforts in this regard.

The Senator from Kentucky (Mr. HUDDLESTON) also made great contributions, as did Senators BROCK, ROTH, and CHILES.

We have before us the conference report on H.R. 7130, perhaps better known here as S. 1541, now called the Congressional Budget and Impoundment Control Act of 1974. I feel that the conferees have done an excellent job, combining, in most instances, the best features of the measures passed in each House, and presenting us with a meaningful, practical, and realistic mechanism for responsible exercise of the most basic congressional power: the power of the purse.

I am particularly pleased that the measure recommended by the conferees retains the prohibition which I proposed on the floor against spending, revenue and debt action until after adoption of the first concurrent budget resolution each year. We must have a comprehensive plan before we take action that would affect either the debt, the revenue or the spending of our Nation. Having this overall plan first is absolutely vital to the very concepts of budgetary control.

I am also pleased that the conferees retained the basic structure of the measure as passed by this Chamber with respect to control of what are often loosely called "trust fund" or "self-financing" programs. The report recommends, as the Senate bill provided, that certain safeguards of the budget control system shall be relaxed only with respect to programs that are truly 90 percent or more self-supporting. Some earlier versions of this legislation left a loophole in this area that I, for one, found most dangerous. My Senate colleagues agreed with me and adopted my floor amendment to close this loophole.

I do feel constrained not to leave the subject without pointing out a potential pitfall or two because I do not think that even this bill today which has, I think, the very best efforts of what we are able to put together now as the final product, is going to be enough to really come to grips with fiscal responsibility in this country.

I believe that this is the beginning. I believe that this is the foundation, a very good foundation; but I believe in the future we will have to build on this foundation. In my estimation, we will have to tighten to some degree some of the procedures as we move along to insure that our overall purposes are complied with.

I do think the conferees diluted to some extent several of the requirements that we had here in the Senate relating to the comprehensive nature of the budget resolution. But, I am glad that they did put in a provision which allows the budget committee to make the first concurrent resolution more comprehensive in the sound discretion of the committee. I believe that the committee, perhaps not the first year but as we move along, will use that sound discretion in making that resolution even more comprehensive than is absolutely mandated under the final report.

I also continue to believe, Mr. President, that at some point we are going to have to come to grips with the so-called triggering provision. I do not quarrel with those who feel that it is a step that goes beyond what we should do at this time. I, perhaps, am also of that opinion now, although I have consistently maintained that at some point we are going to have to have a triggering process which is necessary for full control. Hopefully, we will not lose sight of this and, particularly, I hope that the Budget Committee does not lose sight of this, as a possible option as we proceed, as we experiment, and as we try to develop a final process which will indeed be satisfactory in the overall fiscal discipline.

Despite one or two misgivings, however, I am generally optimistic about the product. It embodies a system which will spotlight our fiscal and economic actions and which clearly delineates our priority choices.

One thing that we have done throughout this entire bill and its development, those on the liberal side, those on the conservative side, and those in between have tried to create a neutral mechanism that does not reflect the political preferences toward spending of any particular philosophy, whether it be liberal or conservative. We have sought to develop a neutral mechanism on which this body can work its will each year. I am sure that the reflection and the final product of the spending each year will vary, depending on what the Senate chooses, whether it be a program geared more to domestic spending, to foreign spending or to military spending.

We have the best possible example of a neutral mechanism that we could presently devise here before us today, and I hope, the Senate will give final approval to this measure.

I believe that people of every persuasion who worked on this legislation, all Senators particularly with whom I am familiar, agree that it should be a neutral mechanism. No one here today contends it is going to in any way insure spending in one arena or another, whether it be in the national security area or whether it be in our domestic needs.

The American people who are concerned with continuing deficits, with rampant inflation, and with fiscal irresponsibility will now have a focal point on which they can make their voices be heard and on which their philosophy can be reflected.

I believe the system is workable. That is not to say that I believe it will work automatically. Like any rule or procedure that we impose on ourselves it is we here in the Senate and also in the House who must make it work.

Our task is far from complete, but I am confident that we will carry it through. The measure before us today gives us a long needed tool to help accomplish this budgetary discipline which is so important to our Nation.

Mr. MUSKIE. Mr. President, would the Senator yield?

Mr. NUNN. I will be glad to yield to the Senator from Maine.

Mr. MUSKIE. Mr. President, I would like to take this opportunity to commend the distinguished junior Senator from Georgia for his contribution in the development of the bill that is before us.

He was a member of Senator METCALF's subcommittee. I was privileged to be a member as well. The distinguished Senator and I did not always agree in our votes on this measure as it developed in the subcommittee. But I must say that I was impressed with his ability to grasp the complexities of the problem, to deal with them, to develop viable ideas for resolving them and then, with the qualities of character and personality that enabled him to work amicably with those of us who disagreed with him. I think it was a very interesting exercise.

I was especially pleased on a personal basis with the column that appeared in this morning's Washington Post by Stephen S. Rosenfeld entitled "Senator Nunn's NATO Maneuver."

I think that Mr. Rosenfeld did an excellent job in capturing the essence of the distinguished Senator's abilities that he has demonstrated in the Committee on Armed Services and on the floor of the Senate.

I ask unanimous consent, Mr. President, that this article be included in the RECORD at this point with my comments.

There being no objection, the newspaper article was ordered to be printed in the RECORD, as follows:

SENATOR NUNN'S NATO MANEUVER

(By Stephen S. Rosenfeld)

Sam Nunn (D-Ga.), 35 years old, not 20 months a United States Senator, saved NATO the other day. His was as solid and deft a parliamentary performance in the national security area as the Congress has seen in years, belying the common notion that a legislator must have seniority or "power" to get something important done.

What Nunn did was to block—and rechannel—a campaign led by Senate Majority Leader Mike Mansfield (D-Mont.) to demobilize 125,000 men out of American ground forces overseas. This was the 1974 model of the now-traditional "Mansfield Amendment" to enact unilateral troop cuts in Europe.

Anticipating this campaign, Armed Services Chairman John C. Stennis (D-Miss.) last February sent the member he has called "last but not least" on his committee, on a study mission to Europe. Nunn, a great-nephew and once a staff aide of the late House Armed Services Chairman Carl Vinson (D-Ga.), occupies the Senate seat—and the Armed Services seat—of the late Richard Russell (D-Ga.). "We have military bases in Georgia," Nunn explains. "People in the South are much more tuned to a military and patriotic spirit than some of the other sections."

A lawyer and four-year state legislator, Nunn recalls putting in 100 hours preparing for his European trip—"getting through the first layer of propaganda." His report, "Policy, Troops and the NATO Alliance," though covering an oft-plowed field, nonetheless startled specialists with its freshness and command.

Nunn thinks the Mansfield Amendment approach could produce results—lowering the nuclear threshold, undermining the force-reduction talks—that the country wouldn't like. He concluded his report with a call for the administration and Congress to find together "a long-range NATO stance that we are willing to live with, politically, economically and militarily."

In pursuit of just such a joint long-term stance, Nunn then wrote three amendments to the basic military procurement bill.

Nunn had already, last year, joined with Sen. Henry Jackson (D-Wash.), an acknowledged expert at legislating policy by amendments, to sponsor an amendment requiring the NATO allies to pick up a greater share of the cost of maintaining U.S. troops in Europe or to face a reduction in U.S. troop commitments. That amendment, almost everyone agrees, has been extremely effective, where years of State Department entreaties had not.

The three new amendments were designed to provide a constructive alternative to Mansfield, one answering to the same world-weariness and the same felt need to update

American policy but doing so in a way that would not upset negotiations with the Russians or unduly alarm the Allies.

One amendment makes it the sense of Congress that NATO support units (the Alliance's notoriously long "tail") be cut by 20 per cent in two years, the men to be replaced—if the administration chooses—by combat soldiers ("teeth").

The second requires the Pentagon for the first time to justify the numbers and purposes of the outsized and unplanned U.S. force of 7000 "tactical" nuclear warheads in Europe. Sen. Stuart Symington (D-Mo.) had investigated this matter during the year but it took Nunn with his non-threatening Southern manner to move into it legislatively.

The third amendment compels the Pentagon to report on what it's doing to reduce the costs and the loss of combat effectiveness stemming from failure to standardize NATO equipment.

Politically, these amendments have a broad appeal, promising more military efficiency to defense conservatives and greater civilian control and lower costs to defense liberals. Ideologically, they are neutral. The Armed Services Committee endorsed them unanimously, though House conferees' approval remains uncertain.

In the Senate debate on the Mansfield Amendment the other day, Nunn, who is a pleasant-looking soft-spoken fellow with a drawl, stood right up to the Majority Leader. He was well prepared. He had a folksy Georgia story about a preacher ready for a change of pace. Quite firmly, he managed to steer the whole debate away from the controversial ground of whether in general the United States should be doing more or less, into the smoother area of how specifically we ought to proceed. And, in a word, he won.

When I talked with Nunn about this a few days later he was sure, but self-effacing, pleased with his success while intent on saying nothing that could give umbrage to his Senate brethren. He is not one for debates on great issues. He thinks national security debates can and should be waged on the basis of what is "effective and sensible." You must be armed with a good bit of background to get down to the quick," he added.

What will Nunn be looking into next? His chairman Stennis wants him to get into personnel, he said—it takes 57 per cent, by some counts 67 per cent, of the military budget. I found myself thinking: Go, Sam, we're watching.

Mr. MUSKIE. Mr. President, the Senator has now impressed me with respect to his work on the budget bill and with respect to his work in the Armed Services Committee, and I predict a promising future for him in the Senate.

Mr. NUNN. Mr. President, I thank my colleague and friend from Maine.

I will say many times during the course of this budgetary hearing, which took hundreds and hundreds of hours, and which received very little attention from either the public or the media for a long time, the Senator from Maine and I did disagree on occasion. Many times, however, I was persuaded by the fundamentally sound logic that my colleague from Maine displayed.

I will have to confess that sometimes I kept arguing even after I was convinced he was probably correct.

Mr. MUSKIE. It is a typical senatorial trait, I might say.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. Mr. President, may I say to the distinguished Senator from Maine and the distinguished Senator from Georgia that I had also intended to ask that the commentary which appeared in this morning's Washington Post entitled "Senator Nunn's NATO Maneuver," written by Stephen S. Rosenfeld, be printed in the RECORD, because I think it is a commendatory and worthwhile article, and I wish to join the distinguished Senator from Maine in all the kind words—and well deserved they were—which he had to say about the Senator from Georgia. I ask the Senator from Maine if he will allow me to have the privilege of joining with him in inserting this commentary in the RECORD.

Mr. MUSKIE. I am proud to have the Senator join me in that request.

Mr. NUNN. Mr. President, I thank the majority leader, and I really would like to say in reply that I believe the majority leader has done as much as anyone I know to point out many of the real, legitimate frustrations that we in America have with our NATO allies. I believe the majority leader's work in this regard has contributed significantly to real movement within the alliance to address many of these legitimate grievances. I believe the alliance is moving now, and I believe much of that movement can be attributed to the efforts of the majority leader in pointing these problems out. Although we did not agree on the conclusion, we did agree on many of the frustrations. I look forward to the opportunity to continue to work with the majority leader, the Senator from Maine, and many others to move toward correcting many of these frustrations we do have in dealing with our NATO allies, because I think NATO remains an important part of our national security as well as the security of the NATO countries.

Mr. MANSFIELD. There will be a continuing effort, I assure the Senator.

Mr. President, I ask unanimous consent that the vote on the conference report occur immediately after the vote on the Wheat Convention.

THE PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Have the yeas and nays been ordered?

THE PRESIDING OFFICER. The yeas and nays have been ordered.

Who yields time?

Mr. ROBERT C. BYRD. Mr. President, on behalf of the Senator from South Dakota (Mr. MCGOVERN), I yield 3 minutes to the Senator from Maine.

Mr. MUSKIE. Mr. President, I understand that while I was temporarily off the floor, there was some discussion about the makeup of the budget committees. I would like to endorse the view that the budget committees be as broadly based and representative as possible, and that we do not resort to the rule of seniority automatically to exclude from the committees younger members who have shown an interest in this legislation and who offer the qualities of character and ability to carry that responsibility.

I know that this was the sense of much of the discussion in the Committee on Government Operations as we considered the budget committees, and I simply wanted to make this point on the Senate floor as we come to the closing moments of deliberation on this measure so that the record may be clear.

I thank the distinguished majority whip for yielding to me.

Mr. PACKWOOD. Mr. President, today, by joining in the House of Representatives' overwhelming approval of the conference report on the Congressional Budget and Impoundment Control Act of 1974, the Senate will finally take the long-awaited step to inject congressional discipline into the budget making process. Finally, the Congress of the United States will have shown long-overdue initiative in fiscal responsibility. At last we are not merely reacting to intrusion or presidential encroachment, though lessons of the past have provided a compelling spur; instead we are methodically planning for the future. Congress is not delegating to the executive; we are not frantically parrying off advances from the White House. Rather, the legislative branch of the Government is constructively and positively reorganizing to deal with the hard decisions of fiscal policy that we as a body have shirked and shunted for too long.

Little more than 20 months ago the situation was reversed; then, the Senate was considering an increase in the public debt ceiling and placing a limitation on expenditures. More importantly, the bill also carried a provision which would have in effect granted the President an item veto over any appropriation.

Above and beyond any past vote, had this measure passed with its grant of fiscal discretion to the President it would have crippled Congress and given the Presidency unassailable power. Worse than the Tonkin Gulf Resolution, such a provision would have enabled the President to rule supreme, across-the-board, in foreign and domestic affairs.

Thankfully, this extraordinary power was not granted to the President. The time has come when Congress must seize the reins of leadership and place this Nation back on the path of fiscal responsibility. Congress will never lead the Nation if it casts only a negative, defensive shadow, preventing Executive dictatorship but at the same time avoiding legislative leadership. It is a limbo of avoidance detrimental to this country's best interests. For if the Congress has lost its responsibility and sense of direction, the public will eventually lose, too.

The Congressional Budget and Impoundment Control Act of 1974 reconstitutes Congress proper role in budget formulation By establishing a tight congressional budget timetable, by realining the fiscal year, by creating House and Senate budget committees, and by creating a specialized Congressional Budget Office, we are providing the essential means for an effective legislative budget. Such action removes Congress from the budget policy dark ages, where we have softened from disuse over the years, and quite possibly might edge the budget nearer the black, which we have not witnessed in many a year of hardened deficit spending.

And so, Mr. President, I enthusiastically support the conference report with only one cautionary thought. This legislation provides the necessary tools for reassertion of congressional budget formulation, and as I said earlier the first step is open to us, but the avenue ahead is long and steep. We have bemoaned the abdication of congressional prerogatives to the Executive in the past, and now with the promise of budget reform we must stick to our guns and we must have the resolve to follow through. It is high time we stopped the mere mouthing of outrage at fiscal irresponsibility. We must bite the fiscal bullet and forge ahead.

Mr. TOWER. Mr. President, I want to express my support for the conference report on the budget reform bill. This legislation establishes some rational mechanisms for the consideration of performing our constitutional duty with respect to the appropriations process. By enacting a definite time frame to consider overall spending limitations, the Congress will be achieving the first step on the road back to respectability.

Our greatest fault in the eyes of the American people has been the haphazard way in which we implement and modify the budget requests of the President. I firmly believe that the low standing given to the Congress in the opinion polls is due primarily to this inability to act responsibly on the Federal budget.

The conference report establishes a May 15 deadline for the consideration of authorization legislation. Consideration of authorizing legislation after that date could only occur upon the approval by the Senate of a waiver from the rule, and in the House after the Rules Committee adopted an emergency waiver. On February 5, I introduced Senate Resolution 275 which would have established a May 31 cutoff date for the consideration of authorization legislation. This resolution was a product of strong interest by the Republican Policy Committee in budget reform.

Title X establishes a mechanism to deal with the question of impoundment. While I believe the President was forced to initiate impoundments due to our inability to recognize our responsibility in keeping spending down, the procedure in the conference report is a reasonable one and in light of the questionable legality of the impoundment action up to this time, title X should result in a more balanced and rational resolution of these problems.

Mr. President, I applaud the work of those committees and their members who have worked so diligently on this legislation. The bill will prove to be of immense value to the Appropriations Committees which have been forced to fulfill their responsibilities under the most difficult circumstances. As a cosponsor of the Senate version of this budget reform bill, I want to record my strong endorsement of this legislation. At the same time, we should all note that the legislation only establishes a procedural means to carry out our responsibilities. It will be up to each and every Member to work in a positive fashion to secure a policy of fiscal responsibility in the Congress.

Mr. HATFIELD. Mr. President, this legislation is a cornerstone in efforts to restore public trust and confidence in Congress. It probably is the most important bill we have passed during this Congress.

The low estimation of Congress by the public stems in large part from a recognition by people that Congress is too haphazard in its taxing and spending policies. Meaningful budget reform legislation should instill greater responsibility on Congress as a body to face up to our fiscal duties.

Provisions of the bill controlling the President's ability to impound appropriated funds also should help restore a better balance between the executive and legislative branches of Government.

I also want to pay tribute to the leadership role played by Oregon Congressman Al Ullman in shaping this legislation in the House of Representatives. I recall he was the chairman of the committee that studied this hydra-headed problem, and he really gave a push to the final direction to the bill now before us. As a member of the Senate Rules Committee, I was involved in our committee's deliberations on this bill. I want to pay tribute to the Senators who worked hard at this difficult task of shaping the bill, and whose work helps Congress today take such an important step as we are doing in passing the budget reform bill.

Mr. CANNON. Mr. President, the Senate considers today the conference report on H.R. 7130, the Congressional Budget and Impoundment Control Act of 1974. The conference bill before you represents a compromise between the Senate's Congressional Budget Act of 1974, which passed the Senate unanimously on March 22, 1974, and the House of Representatives Budget and Impoundment Act of 1973, which overwhelmingly passed the House on December 5, 1973. I am pleased to report to you that this compromise conference bill retains the flexible and workable framework for a congressional budget process which was hammered out during the Rules and Administration Committee's deliberations with the other standing committees of the Senate, under the able leadership of Senator Robert C. Byrd, chairman of the Rules Committee's Subcommittee on Standard Rules of the Senate. The conference bill further provides a redrafted anti-impoundment title which is acceptable to both the Senate and House managers of the conference. Senator Sam Ervin, who as chairman of the Senate Committee on Government Operations, has labored long and fruitfully on the whole issue of congressional budget reform, is to be commended again for his eloquent articulation of the sense of the Senate concerning the troublesome issue of Presidential impoundment funds for statutorily authorized Federal, State, and local programs.

Mr. President, I urge support on the part of all Members of the Senate for the passage of this important act. The people of the United States are presently looking to their elected representatives in the Congress for national direction and for more effective control of the Federal budget and the programs funded by that budget—programs that affect every aspect of their, and our, daily lives. Upon passage of this conference bill, and its implementation over the next 2 years, the Congress will have a new opportunity to more effectively assert its vital constitutional role in directing the expenditures of our national resources toward a sound national economy, in providing a healthy and controlled rate of national growth, in curbing the inflation which robs us all of our hard-earned resources, in insuring a restoration of good employment levels, and, of great concern during the past several years, in the formulation of a Federal budget, balanced both to the needs of the people of this country, and to the proper level of Federal revenues. The accomplishment of these tasks will require the sincere commitment of each of us to the budget control report being considered today.

Mr. President, as chairman of the Senate Committee on Rules and Administration, I take great pride in the role played by that committee and its staff in the legislative development of this crucial bill. In addition, the Senators, Representatives, and staffs throughout the committees of both Houses are to be congratulated for the diligent and cooperative efforts which they displayed in bringing this measure to the point of enactment.

This has been a fine example of the Congress working at its best; and to be a successful step forward in the congressional control of the Federal budget process, more cooperative efforts of this magnitude will be required during the working out of the provisions in the congressional Budget and Impoundment Control Act of 1974.

Mr. PERCY. Mr. President, the senior Senator from Ohio (Mr. Taft), who is necessarily absent, has contributed importantly to the budget reform bill now before us. He has requested that I submit a statement for him. Accordingly, I ask unanimous consent to have his statement printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Taft

It gives me great pleasure to have before us for debate the conference report on the Congressional Budget and Impoundment Control Act of 1974. I believe that this legislation conceivably could become the most significant bill to be debated and passed by the 93d Congress. It is potentially one of the most important bills to come before us in years.

At this point I would like to express my appreciation to the conferees for carrying out their promise to reconsider section 606 of the Senate bill, in connection with my amendment to retain the off-budget status of the Federal Financing Bank. I note that this amendment in effect has been accepted. This assures that the Bank will carry out its designated function which will save the taxpayers many millions of dollars of interest expense.

The need for budget control legislation has long been obvious. No properly run business in the Nation considers each proposed expenditure piecemeal, independently of a careful assessment of total expenditure demands and revenues available. No properly run business with varying investment concerns fails to assess whether its investment in each concern relative to the rest reflects the priorities it deems most beneficial for its interests. Yet, Congress has continued to operate our Government, in which our taxpayers have far more money invested than in any corporation, in a manner which allows expenditures to be agreed upon without consideration of either their effect upon the total budget picture or their relationship to Congress sense of national priorities.

The legislation before us would provide a structure for alleviating these problems. For the first time, it would provide a regular congressional framework for debating national priorities, rather than only the merits of individual proposals. It would also provide a procedure for consideration of overall revenue and expenditure levels and to some extent, the relationship of individual proposals to these levels and the priorities agreed upon.

I welcome in particular the bill's new controls on "backdoor spending," such as contract authority and "mandatory entitlement" bills. During the past 5 fiscal years, Congress has cut the administration's appropriations requests by about $30 billion. However, during this same period, Congress approved in bills other than appropriation bills—or "backdoor spending"—amounts in excess of $30 billion more than the administration's budget estimates.

I would be remiss if I did not mention my doubts about the mechanics of this bill. The proposed timetable for considering the budget is strict and I remain concerned about the early deadline for reporting of all legislation continuing authorizations, as well as the expectation that all revenue, entitlement and "controllable" appropriations bills could be enacted in even the lengthened time period agreed upon by the conferees. The time periods between receipt by the Congressional Office on the Budget, of information from all authorizing committees; its report to Congress on the budget; and reporting of a resolution proposing appropriate budget levels by the budget committees, remain very short, while the period allowed near the end of the fiscal year for budget reconciliation measures may prove so short that it is unrealistic.

This bill is nevertheless a major first step toward more responsible congressional action on the budget. We must keep in mind, however, that it is only a first step. The intended effect of any procedures we set up, including these procedures, can be nullified or compromised, on any issue if the will is there to do so. Effective budget reform will follow this procedural reform only to the extent it is accompanied by increased "budget consciousness" by individual Congressmen and Senators, as reflected in the specific actions of future Congresses.

EMERGENCY FINANCING FOR LIVESTOCK PRODUCERS

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 920, S. 3679, that it be made the pending business until the hour of 1:30 p.m. today, and that following the two votes, the Senate return to the consideration of S. 3679 if necessary.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (S. 3679) to provide emergency financing for livestock producers.

The PRESIDING OFFICER. Is there objection to the request of the Senator from Montana?

There being no objection, the Senate proceeded to consider the bill.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time for the quorum call not be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The third assistant legislative clerk proceeded to call the roll.

Mr. CURTIS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. CLARK). Without objection, it is so ordered.

How much time does the Senator yield himself?

Mr. CURTIS. I yield myself 10 minutes.

The PRESIDING OFFICER. The Senator from Nebraska is recognized for 10 minutes.

Mr. CURTIS. Mr. President, I support the bill that will provide some financing for our farmers who have suffered great losses in the cattle industry. As I have said, let me say that I wholeheartedly support the bill now before the Senate.

As the Washington Post stated in a June 19 editorial:

> The fundamental equilibrium of American agriculture has been destroyed and the business of breeding and raising cattle for the market, never a safe enterprise, has suddenly become spectacularly risky.

Mr. President, I have never thought the editorial writers of that newspaper to be particularly perceptive. However, this sentence I have just read expresses very succinctly the plight of livestock producers today.

The editorial points out that the wild swings in prices the past year have turned the cattle business, and, I might add, the entire livestock and poultry industry, "into an intolerably dangerous speculation."

The bill now pending, Mr. President, will allow the most efficient producers of livestock to remain in business until the supply-demand situation comes back into line and prices stabilize.

The loan guarantee program provided in this bill will allow private lenders to make long-term loans to livestock producers in order to allow them to recover from the disastrous losses sustained during recent months. These loans will be made at the market rate of interest and only to individuals who depend primarily upon the receipts from agricultural production for their livelihood.

Mr. President, I understand the concerns of those who fear that adoption of this legislation will set a precedent. I would share their concern were it not for the fact that Government actions precipitated the destruction of fundamental equilibrium of the livestock industry.

The imposition of the 90-day freeze on meat prices last summer was the beginning of the end for many producers and will mean the bankruptcy of many others unless the pending bill is adopted.

The biological cycle has been discussed previously and the effect that any reduction in the number of breeding animals will have on the long-range supply of beef, pork, poultry, milk and eggs. Credit must be available to allow producers to remain in business if we are to prevent shortages and higher prices in coming months.

Mr. President, I have always been an advocate of the free enterprise system and minimum Government interference in our economy. However, the Government did become involved in the economy in the form of price and wage controls. Under this circumstance, I do not believe it unreasonable for the Government to provide loan guarantees to those producers who have been driven to the wall as a result of this Government action.

Anyone who reads the newspapers or listens to radio and television has heard about the $100 to $200 per head losses on beef cattle sold in recent months. Testimony before the Committee on Agriculture and Forestry has revealed losses of more than $600,000 in the past 6 months on one family farming operation in Nebraska.

As one producer has stated:

> To sum it all up, it seems to me that as a result of much adverse publicity and public misunderstanding of the economic problems of the cattle industry, the people who have taken the required risks will end up losing their investments as will the banks that have thus far so generously backed them. In the end the public will be the losers because no one will be willing to risk their monetary and personal effort resources against such high odds. Would you?

Mr. President, S. 3679 is one way that the Government can assist producers and consumers with very little risk that the taxpayer will be required to pay a dime for some assurance that a plentiful supply of beef, pork, dairy products, poultry and eggs will remain available.

Mr. President, let me stress again that the primary factor in creating the disastrous situation in the cattle industry was the placing of price ceilings on beef. It was a mistake to put the ceilings on. It was a greater mistake for the Cost of Living Council to stubbornly hang on and hang on and refuse to remove those ceilings at a time when everyone knowledgeable about agriculture had told them it was a mistake.

That is one of the basic problems. There are other factors which have contributed to the losses sustained by our cattlemen.

The pending bill, as I have stated, is so written that its benefits will go to the people who are primarily engaged in agriculture and who depend upon agriculture for their living. It is not a bill to bail out the Wall Street farmer or any other investor who has invested in a cattle feeding enterprise. It is not a proposal intended to do that. As a matter of fact, there is a twofold limit on the amount of the loan. The amount of the loan is geared to past operations. It cannot exceed that. There is also a dollar limit of $1 million. The bill I originally proposed had a limit of $250,000. I would have no objection if this bill were reduced to $500,000. It is not intended and will not bail out the nonfarmer investor in a feeding operation. And that is right.

A report has come to me that one feeding operation in a State other than mine lost $44 million. That operation was financed by sophisticated and knowledgeable people of, no doubt, great wealth; but it is in the interest of everyone, consumers, cattle feeders, ranchers everywhere, that the ordinarily stable agricultural production of cattle will go on. Is it in the interests of banks and all businesses on Main Street that this bill be passed.

Mr. President, I ask unanimous consent that the following staff members of the Committee on Agriculture and Forestry be permitted the privilege of the floor during debate and any votes on S. 3679: Forest W. Reece, Jr., C. M. Mouser, Henry Casso, and Carl P. Rose.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. YOUNG. Mr. President, will the Senator yield?

Mr. CURTIS. I am happy to yield. How much time does the Senator desire?

Mr. YOUNG. Three minutes or 5 minutes.

Mr. CURTIS. Mr. President, I yield the Senator 5 minutes.

Mr. YOUNG. Mr. President, this is a very important piece of legislation for the cattle producers as well as the consumers. Cattlemen, especially the feeders, are in deep financial trouble, to the extent that many of them will be going out of business unless they can get some financial assistance such as this bill would provide.

Many will cut down their operations, anyway. They will have to, because they have lost so much money. These loans will tend to keep more of them in business and give some assurance to consumers that they will have better supplies available to them in the future than would otherwise be possible without any legislation at all. These loans are at regular commercial rates.

Mr. President, I commend the Senator from Nebraska for a very fine statement. I join him in what he has said about this bill. It is a very important piece of legislation.

The PRESIDING OFFICER. Who yields time?

Mr. MANSFIELD. Mr. President, on behalf of the distinguished Senator from South Dakota (Mr. McGovern), the chairman of the subcommittee which held hearings, I yield 2 minutes to the Senator from South Dakota (Mr. Abourezk).

Mr. ABOUREZK. Mr. President, first, I congratulate my colleague from South Dakota, the senior Senator (Mr. McGovern), for the leadership he has taken on this issue, which is so critical not only to the people of South Dakota but also to all people throughout the country. If we can do anything to preserve the domestic livestock industry by way of providing credit so that they do not go under in this very serious time, we will have done a service not only for the livestock people, not only for the people of South Dakota themselves, but also for all consumers throughout the United States of America.

Mr. President, the reason why that particular statement is applicable, and importantly so, is that if the livestock industry is allowed to go under because of a manipulation of prices, because of the serious defects in the market situation, in a year or two there may be a tremendous shortage of beef. If consumers think the prices of beef are high now, wait until there is a tremendous shortage, when people have culled their herds and have stopped producing beef. There will be a shortage. There will be a near monopoly situation, with just a few large feeders and packers controlling the situation, who will then charge as much as the traffic will bear, to say nothing of the increase in prices because of a shortage created as a result of what is happening in the livestock industry this year.

Mr. President, the majority of these people are small farmers and small ranchers. They do not deserve the economic treatment they are getting.

Therefore, I congratulate my senior colleague from South Dakota, the other members of the committee, and the people from agricultural States who have worked in this regard to try to preserve the livestock industry.

The PRESIDING OFFICER (Mr. Mansfield). The senior Senator from South Dakota is recognized.

(At this point, Mr. Abourezk assumed the Chair.)

Mr. McGOVERN. Mr. President, I yield myself 5 minutes.

For a long time now, those of us who have a deep interest in agriculture have been aware of the fact that the great livestock sector of our agricultural plant was badly hurt economically.

I think that beginning roughly last October the collapse of livestock prices affecting cattle, hogs, poultry, and nondairy products, has been one of the most painful and traumatic experiences that the livetock industry has known in many years.

The normal stability disappeared from this complex production and marketing operation due to a host of reasons.

These have been stated time and time again on the floor of this Senate. Suffice it to say, however, that the series of jolts hitting the livestock sector have prevented a return to normalcy.

As a result, producers of livestock are faced with imminent disaster.

I had the privilege of chairing the hearings on the legislation that is now pending before us.

Hearings were held during January by the comimttee in Iowa. In March, additional hearings were held in Washington. And finally on Monday, June 17, 1974, my subcommittee held an emergency hearing on a loan guarantee program for the hard-hit livestock sector of our agricultural economy.

Four bills were before the committee, all with the same objective. S. 3597 introduced by Senator Curtis and others; S. 3605 introduced by Senator Montoya and others; S. 3606 introduced by myself, Senator Abourezk, and others; and S. 3624 by Senator Dole.

During the course of our subcommittee hearings we listened to the reactions with respect to these four proposals, and to other suggestions that were made by knowledgeable people in the field. Then the committee drafted a composite bill which, I think, represents the best of these four measures to which I have referred.

During the course of the hearings, the committee heard dramatic testimony about the mounting losses experienced by all involved in producing livestock, dairy products, poultry, and eggs.

The subcommittee, therefore, resolved that immediate action be taken on the loan guarantee legislation pending before it. And on Wednesday, June 19, 1974, the full committee approved a bill, S. 3679, which is now before the Senate.

The bill being reported by the committee—

First. Establishes a temporary guaranteed loan program to assist bona fide farmers and ranchers—including operators of feedlots—who are primarily engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing beef cattle, dairy cattle, swine, chickens, turkeys, or the products thereof.

Second. Requires the Secretary of Agriculture to guarantee up to 90 percent of loans made by any Federal or State chartered lending agency or other approved lender. The guarantee would be applicable to new loans and loans made to refinance existing indebtedness where absolutely essential in order for the farmer or rancher to remain in business.

Third. Provides that the borrower must be unable to obtain financing in the absence of the guarantee authorized by the bill.

Fourth. Provides that guaranteed loans must be repayable in not more than 7 years, but may be renewed for not more than 5 additional years.

Fifth. Provides that the interest rate under guaranteed loans shall be a rate to be agreed upon by the lender and borrower.

There is no subsidized interest rate in this legislation. One witness after another who testified said that they were not interested in a subsidy; they were simply interested in a formula being established, under which they could get emergency credit. They are willing to pay the going interest rate to pay off their loans. I think this legislation is absolutely essential toward that end.

The authority to guarantee loans would expire 1 year from the date of enactment of the bill. However, the program could be extended for an additional 6 months if the Secretary determined that continued guarantees were necessary.

It is particularly important to note that this bill contains no subsidies of any kind.

It is a straight guaranteed loan program with interest charges set at competitive open market rates.

Guarantees are up to 90 percent of the total loan and interest charges are at such rates as agreed to by lenders and borrowers.

Loans are to be made to bona fide farmers and ranchers, including the operators of feed lots, who are primarily engaged in the production of livestock, poultry and the products thereof. It is not the intent of the committee to provide emergency credit to those who produce livestock as a hobby or as a tax shelter.

There are a number of young farmers, presently identified as part time, because they, and perhaps even their wives, work in towns whose aim is to build up an equity in farming to the point where it will be a full-time operation. Their present income from farming may be less than off-farm income, but their dream is to the future. And I personally believe that these industrious young farmers do quality as bona fide farmers and are eligible for guaranteed loans under the provisions of the bill.

These young people are part of the entire livestock industry now caught in a cost-price squeeze that threatens the economic viability of that industry.

The purpose of the committee bill is to provide credit to those farmers and ranchers who cannot get credit elsewhere and the committee bill clearly requires that a farmer or rancher who is able to get credit elsewhere does not qualify for assistance. The legislation requires only a certification by the borrowers and the lender with respect to credit elsewhere. It does not require additional proof.

Although the committee recognized the livestock industry has many large producers who have been driven to the wall financially because of the current economic crisis, it felt that there should be some limit on the amount of any loan to be guaranteed by the Federal Government. Therefore, the committee bill limits any loan to be guaranteed under the bill to the amount necessary for the producer to maintain his operation. In no case, however, shall any loan be guaranteed to a single borrower in excess of one million dollars. However, the committee expects that most of the loans to be guaranteed under the bill will be much smaller than this. The credit elsewhere requirement is expected to exclude most of the larger operators.

The central thrust and purpose of this legislation are to save from financial ruin and economic liquidation the family farmer, who is the backbone of this Nation's rural economy. It is the tremendous influx of desperate pleas from these family farmers in the form of calls, letters, and telegrams that has prompted the committee to act so expeditiously.

One of the most dramatic situations is evident for beef, where prices have fallen more than 25 percent since January. The cow-calf operator whose market is dependent upon the feeder has seen parallel or even greater price declines for their calves. And hog prices have fallen 43 percent since January.

Dairy, poultry, including turkeys, and egg producers are facing the same imminent threat of complete financial collapse that cattle and hog producers are facing. Since January, egg prices and broiler prices are down 37 percent and 13 percent respectively. Turkey prices in May were 24 percent below a year earlier and manufacturing milk prices are down by 10 percent just since March.

But, this is only one side of the vise now pressuring livestock producers. The other is increased production costs.

The price of corn, the major grain, is about 20 percent higher than a year ago, farmland prices increased by 21 percent in 1973, and interest rates have skyrocketed. And the total index of product costs is up by more than a fifth.

Testimony before the committee indicated that cattle feeders are now losing from $100 to $200 per head marketed; and hog feeders about $30 per head. Estimates for the poultry industry indicate egg producers are losing about 10 cents per dozen on eggs, broiler producers are suffering a 6-to-8-cent-per-pound loss and turkey producers are now facing losses of 10 to 12 cents per pound.

This devastating situation threatens the well-being of every farmer, every rural bank, every small businessman, and verily, the economy of the entire Nation.

Mr. President, on Monday last, a large part of the day was taken up by Senators outlining the emergency nature of the crisis facing the livestock industry.

Also, on Monday last, a letter to the President, initiated under the auspices of the majority leader, Senator Mike Mansfield, and signed by 43 Senators of both parties, presented the facts of the case.

Mr. President, it is important to understand that this is a bill not simply designed to stabilize and assist the livestock industry, but also to assist the entire economy of the United States. If that important sector of our agricultural industry were to go under—and many of our producers now appear to be so situated—it would have a devastating effect on the whole agribusiness economy and indirectly upon the economy of the entire Nation.

The inevitable result of that is not only the depressing effects on the American economy but also the collapse of these meat producers followed in very short order by the disappearance of meat supplies, with consequent problems for the consumer in the form of much higher prices.

Mr. President, I think it is important particularly for those who are operating cattle ranches to understand that this problem is very close to them as well as to the feeders.

This is an emergency situation and I urge the Senate to approve this bill expeditiously.

Mr. President, I ask unanimous consent to have printed in the Record an excerpt from the committee report on the pending measure, the emergency livestock credit bill.

There being no objection, the excerpt was ordered to be printed in the Record, as follows:

Short Explanation

The bill being reported by the Committee—

(1) Establishes a temporary guaranteed loan program to assist bona fide farmers and ranchers—including operators of feedlots—who are primarily engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing beef cattle, dairy cattle, swine, chickens, turkeys, or the products thereof.

(2) Requires the Secretary of Agriculture to guarantee up to 90 percent of loans made by any Federal or State chartered lending agency or other approved lender. The guarantee would be applicable to (a) new loans and (b) loans made to refinance existing indebtedness where absolutely essential in order for the farmer or rancher to remain in business.

(3) Provides that the borrower must be unable to obtain financing in the absence of the guarantee authorized by the bill.

(4) Provides that guaranteed loans must be repayable in not more than seven years, but may be renewed for not more than five additional years.

(5) Provides that the interest rate under guaranteed loans shall be a rate to be agreed upon by the lender and borrower.

The authority to guarantee loans would expire one year from the date of enactment of the bill. However, the program could be extended for an additional six months if the Secretary determined that continued guarantees were necessary.

NEED FOR LEGISLATION

This bill is not designed to bail the livestock industry out of a loss situation at the expense of the government; nor is it designed to provide livestock, dairy, poultry, and egg producers with low interest loans backed by little or no security.

Rather, it is an attempt to bring back to that industry the financial stability so necessary to its survival.

The guaranteed loans provided by this bill will be at full market interest rates and borrowers will be required to demonstrate a lack of credit availability on the one hand and credit worthiness on the other.

As a matter of fact, the hearings held by the Committee are replete with assertions by livestock producers that they desire neither a handout nor a subsidy. They want only a source of immediate credit at going market interest rates in order to survive.

All segments of the American livestock industry are caught in a cost-price squeeze that threatens the economic viability of the industry. One of the most dramatic situations is evident for beef, where prices have fallen more than 25 percent since January. The cow-calf operator whose market is dependent upon the feeder has seen parallel or even greater price declines for their calves. And hog prices have fallen 43 percent since January.

Dairy, poultry (including turkeys), and egg producers are facing the same imminent threat of complete financial collapse that cattle and hog producers are facing. Since January, egg prices and broiler prices are down 37 percent and 13 percent respectively. Turkey prices in May were 24 percent below a year earlier and manufacturing milk prices are down by 10 percent just since March.

But, this is only one side of the vise now pressuring livestock producers. The other is increased production costs.

The price of corn, the major grain, is about 20 percent higher than a year ago, farmland prices increased by 21 percent in 1973, and interest rates have skyrocketed. And the total index of production costs is up by more than one-fifth.

Testimony before the Committee indicated that cattle feeders are now losing from $100 to $200 per head marketed; and hog feeders about $30 per head. Estimates for the poultry industry indicate egg producers are losing about 10 cents per dozen on eggs, broiler producers are suffering losses of about 6 cents per pound, and turkey producers are now facing losses of 10 to 12 cents per pound.

This situation cannot be easily dismissed as "normal" market adjustment. The factors that have contributed to the current crunch are as diverse as drought and the devaluation of the dollar.

Clear consumer preference for beef has been evident since the mid-50's. This has been demonstrated by expanded per capita beef consumption—86 percent more in 1972 than in 1962. Pork consumption has continued at a fairly constant rate. Poultry meat consumption has expanded as increased efficiency of production brought broilers to the table at lower and lower prices.

The changing consumption patterns seemingly all culminated between 1969 and 1971. At this point, the historic price relationships between beef at retail and other meat broke. The traditional 10 to 20 cents per pound premium for beef over pork surged to a 34-cent-average in 1971 and continued at 30 cents in 1972. This fact alone caused a near depression for the pork industry in 1971. And broiler consumption stabilized. For the period 1970 to 1973, real disposable personal income rose at an increasing rate, expanding demand for all livestock products, especially beef. Concurrent expansion of food stamp programs also gave additional food buying power to the group with the highest marginal propensity of food demand, especially livestock products. The effect of this rising demand, in the face of fixed supplies in the short term, resulted in rising prices.

Beef is the dominant sector and consumers have demonstrated a clear preference for beef. Beginning in 1971 beef producers began accelerating expansion to meet the rising demand. However, efforts to expand livestock production and specifically beef production resulted in an initial decline in supply.

This problem is the result of producers holding heifers back for cow herd expansion rather than marketing them. The biological cycle for cattle—heifer retention to fed calf—is approximately three years. This expansion effort is only now becoming evident in larger supplies of feeder calves and subsequent supplies of slaughter cattle.

This entire effort had the misfortune of coinciding wth an unexpected surge in exports of grain and protein feeds. This surge in shipments along with expanding domestic use pulled grain stocks to critically low levels and precipitated skyrocketing commodity prices.

The unrelenting upward trend of prices in 1973 was partially offset by broad expansion in personal incomes that held real incomes at a fairly constant level. This permitted consumers to continue their bid for beef. And beef producers, in their efforts to expand, were forced to buy high priced feed and feeder cattle and to use increasing amounts of credit at higher and higher interest rates.

The same economic situation is also facing the Nation's dairy farmers. Because of rising production costs, dairymen have been reducing production or going out of business at an alarming rate. Milk production in the United States has fallen steadily since October 1972. In 1972, U.S. milk production totaled 119.9 billion pounds. Last year it was 115.6 billion pounds, and through the first five months of 1974 production is 2.6 percent under last year.

Faced with rising costs, the dairyman has seen his income deteriorate markedly in the last sixty days. The Minnesota-Wisconsin Price Series for milk, a basic measure of the prices paid for manufacturing milk in this major dairy area and the basic determinant of milk price levels in the Federal milk market orders, has dropped $1.22 per hundredweight since March. Prices for basic manufactured dairy products such as Cheddar cheese, butter, and nonfat dry milk has declined by 16 to 20 percent since early April.

Imports of both dry milk and cheese have also contributed materially to the existing problem. At the present time, the government is having to purchase cheese to stabilize this market.

Consumers will benefit in the long run if farmers are now assured that milk prices will not fall precipitously and remain at below cost of production levels for a prolonged period.

The signals of problems started appearing as poultry and dairy producers necessarily cut production as costs outstripped returns.

Hog producers still remembering the price break in 1971 and faced with high costs and an uncertain market, delayed expansion in spite of rising hog prices. Beef producers experienced repeated market disruptions, but the turning point was the downturn of feeding margins in September. Since that time, a loss position has persisted and for many producers has intensified.

The market has been further dampened by a turndown of real per capita personal disposable income in the fourth quarter of 1973 that has also continued. Finally, the world economy hit with the energy crisis has slumped, taking the edge off world demand for meat products. This has turned a world meat deficit into a relative surplus overnight.

The list of factors that have contributed to the U.S. livestock industry's problems is long and this adds to the complexity of the problem. With the advantage of hindsight, many of the problems could have been minimized but probably none could have been completely avoided. Appropriately, the intent of this Act is not to focus blame but rather to minimize consequences.

The current situation the livestock industry is in is somewhat similar to that experienced in 1951 and 1952. The beef experience at that time provides a historic reference of the impending problems.

In April of 1951, beef prices peaked at just over $30 per hundredweight. Prices then began a two and one-half year decline, reaching a low of $14.50 per hundredweight and, in November of 1953, a 52 percent decline. No real strengthening of the market was evident until 1957.

This long period of price declines set off a chain reaction that compounded the problem. First, the build-up of the cow herd that the high prices stimulated was reached just when prices reached their low. The liquidation of cattle in response to falling prices held farm prices down and in fact saw an almost eight percent decline in the cow herd. No increases in cow herd was evident until 1959 and it did not regain its 1954 levels again until 1963—nine years later.

Because of the long time period for beef production response, it is imperative that no inappropriate adjustments be made. The dairy cow cycle is about the same as for beef. The hog cycle is somewhat shorter as are the cycles for poultry. In every case, however, there is a lag between demand and supply response.

Today the situation is even more precarious than in the 1950's because of several structural changes that have developed over the past twenty years.

1. There are significantly fewer producers and feeders today so any loss of livestock enterprises has a larger impact.

2. The average equity position of agriculture is lower. In 1951, it was a little over 90 percent. Today, it is below 80 percent and many producers are in the 50 percent range. This fact, plus the higher cost of credit, puts producers in a much more vulnerable position.

3. Today there is almost no "beef reserve". In the past a large share of all cattle was marketed as lightweight or unfinished cattle. Today nearly all animals are fed-out, which maximizes per animal beef production. A large share of the 100 percent increase in beef production in the last two decades has been achieved in this manner. Therefore, the loss of animal numbers cannot be made up in 1974 as it could be done in the 1950's.

4. Finally, beef is much more important to American consumers today than it was in the past. In the early fifties beef accounted for about 45 percent of all meat consumed, whereas it accounts for 60 percent today.

We are now faced with the question of whether to intervene in the livestock market or to leave the industry to its plight. If the experience of the fifties is germane, the industry, left to its own plight, would undergo a sharp decline and a long period of trying to rebuild. In all likelihood the American consumer would not find beef in the same quantities as 1972 again until nearly the mid-80's. Other livestock products would follow a similar pattern. While immediate price relief might occur, the shortages that would develop would quickly turn this relief into distress.

In addition to the simple supply-demand equation of meat, it is worthy to note that the decline in livestock prices during the fifties caused a parallel decline in grain prices. Corn prices, for instance, fell nearly 40 percent over eight years and only began to rebound when livestock production began to pick up again.

Grain prices are unusually high today because of the low stocks. But if livestock feeding, which consumes about 5.3 billion bushels of grain a year, declines 20 percent and current crop projections are reached, serious surpluses could develop overnight. This would deal a crushing blow to grain farmers and could necessitate government purchases and storage.

The integrated nature of agriculture suggests that failure to maintain viability in one sector can cause collapse in others. This would in turn threaten the many industries directly related to agriculture as either suppliers or processors.

The welfare of rural communities is absolutely tied to agriculture and agribusiness. If these communities that already lag the Nation slip further behind, they may be lost forever. Finally, if this scenario occurs, it is clear that the impact will spread throughout the economy and could signal imminent economic disaster.

Clearly no responsible government would ever permit this to progress to culmination. Intervention would come at some point; but if we wait until the problem spreads, the cost will be greater and the risk of failure will be greater. The current bill is preventive, temporary, and at virtually no cost.

The preventive factors include the timeliness of stopping the problem before it becomes more serious. Also, it avoids the irresponsible action of negating the expansion efforts of livestock producers over the past three years. Producers and consumers would then be forced to again endure the pains of shortages and lags.

The bill is temporary in that it has a one-year life. There is a proviso for a six month extension if the Secretary of Agriculture deems it necessary. Feeder prices are down, and projected crop levels this year should moderate feed costs. But if producers aren't helped through the interim this will be of no importance.

The program will have virtually no costs in that it is not a subsidy, all the guaranteed loans will be secured, and it will use existing agencies to administer it. The benefits in the immediate time frame are continuity of livestock production. In the longer run, they are adequate supplies of quality livestock products at reasonable prices.

COMMITTEE CONSIDERATION

The Committee on Agriculture and Forestry has been concerned about the plight of livestock producers for some time. On January 16 and 17 the Subcommittee on Agricultural Production, Marketing, and Stabilization of Prices held hearings in Sioux City, Iowa, and Maquoketa, Iowa, on livestock feeding problems. At these hearings the Subcommittee heard dramatic testimony about the mounting losses that cattle feeders were beginning to experience. Again the Subcommittee held hearings on the farm and retail prices for beef in Washington on March 13 and 14.

Since January of this year the plight of livestock producers has steadily worsened. The prices of beef, pork, poultry, and eggs have continued to trend downward while feed costs have remained high and other costs of production have dramatically increased.

Livestock producers are basically at the mercy of free market fluctuations and do not have the benefit of a government price support program. Therefore, in spite of the Committee's awareness of problems in the livestock industry, there has been very little that the Committee could do to alleviate their problems. However, several Members of the Committee have forcefully urged the President to reimpose meat import quotas and quotas on dairy imports.

The continued disastrous condition of many segments of the livestock industry and the threat of wholesale bankruptcies in rural areas prompted emergency hearings of the Subcommittee on Agricultural Credit and Rural Electrification on June 17. After hearing the plight of the livestock industry, the Subcommittee resolved that immediate action must be taken on legislation pending before it. Four bills had been introduced to provide for emergency livestock loans. These are S. 3597, S. 3605, S. 3606, and S. 3624. The subcommittee combined the features of these bills in a proposed revised bill and it was considered by the full Committee in the Executive Session on June 19.

The Committee considered this legislation with an overwhelming sense of urgency, for the collapse of an entire industry is possible if immediate credit relief is not provided. However, the Committee considered carefully each point in the legislation and took special care that the new emergency credit program that is to be established would not be subject to misuse, abuse, and scandal.

The Committee felt strongly that emergency credit should be provided only to individuals who are bona fide farmers and ranchers, including operators of feedlots, who are primarily engaged in livestock production. The Committee agreed that the government should *not* provide emergency credit relief to those who invest in or produce livestock as a hobby or as a tax shelter. The Committee felt also that the credit to be provided under the bill should not be available to any individuals not actively engaged in the production of livestock prior to the enactment of the bill.

The purpose of the Committee bill is to provide credit to those farmers and ranchers who cannot get credit elsewhere and the Committee bill clearly requires that a farmer or rancher who is able to get credit elsewhere does not qualify for assistance. Although the Committee recognized the livestock industry has many large producers who have been driven to the wall financially because of the current economic crisis, it felt that there should be some limit on the amount of any loan to be guaranteed by the Federal Government. Therefore, the Committee bill limits any loan to be guaranteed under the bill to the amount necessary for the producer to maintain his operation. In no case, however, shall any loan be guaranteed to a single borrower in excess of one million dollars. However, the Committee expects that most of the loans to be guaranteed under the bill will be much smaller than this. The credit elsewhere requirement is expected to exclude most of the larger operators.

The central thrust and purpose of this legislation are to save from financial ruin and economic liquidation the family farmer, who is the backbone of this Nation's rural economy. It is the tremendous influx of desperate pleas from these family farmers in the form of calls, letters, and telegrams that has prompted the Committee to act so expeditiously.

The Committee hopes that the current financial emergency that exists in the livestock industry will be short-lived. If the causes of the current crisis are not eliminated, certainly a huge part of the productive capacity of this Nation will be eliminated and both producers and consumers will suffer for years to come. The Committee recognizes that this bill deals only with the symptoms of the current problem, and not with the causes. Since the Committee felt that the current emergency situation must and will be worked out within the next few months, it felt that emergency credit relief should not be available indefinitely. Therefore, the bill would limit to one year the period in which the Secretary of Agriculture can guarantee loans. The Secretary would have the power to extend the guarantee authority for an additional six months if he determines that such guarantees are necessary and if he notifies the Committee on Agriculture and Forestry of the Senate and the Committee on Agriculture of the House of Representatives.

Traditionally, livestock producers have been a fiercely independent group of people and they have never wanted to rely on government assistance and government subsidies. Even in their current dire straits, the livestock producers of this Nation do not want a subsidy. They merely want an extension of credit to allow them to remain in business until their prices improve. The Committee agreed with this sentiment, and the Committee bill provides that the interest to be charged on the loans guaranteed under the bill shall be a rate to be agreed upon by the lender and the borrower. However, the Committee expects that the interest rate will be lower than the current rates being charged by banks and other lending institutions. Under normal circumstances, the interest rate on a loan is a function of the supply and demand for funds and the risk involved. Under the Committee bill up to 90 percent of each loan involved would be guaranteed by the government. As a result, the lending institutions' risk will be significantly reduced and this reduction in risk should be reflected in lower interest rates.

The Committee bill would create no new bureaucracy and would involve a minimum of red tape. Under the Committee bill, the Secretary of Agriculture will rely primarily on local lending institutions to handle the paper work and make the proper determinations on credit applications. It is expected that the Secretary will administer this program through the Farmers Home Administration.

While Farmers Home Administration will have some discretion in approving loan applications, it must rely primarily on the judgment of banks, the institutions of the Farm Credit System, and other agricultural lenders that will be making the loans. Because these lenders will not have the benefit of a government guarantee on at least 10 percent of each loan, they may be expected to exercise good judgment. The Committee does not want the Farmers Home Administration to take an inordinate amount of time to issue regulations and it does not feel that an undue amount of paper work should be necessary. If this emergency credit bill is to have any benefit for America's livestock producers, it must be implemented immediately, with a minimum of bureaucratic red-tape. Therefore, the Committee bill requires that the Secretary issue regulations to implement the Act not later than 10 days after its enactment.

The Chairman of the House Committee on Agriculture has indicated his willingness to move very quickly on emergency credit legislation that is passed by the Senate. In fact, the House Committee is currently holding hearings on the livestock situation. Therefore, the Committee believes that the Department of Agriculture should now begin work on regulations and procedures to implement the Committee bill. If the Department of Agriculture will take such steps at the present time, it can be in a position to start guaranteeing loans immediately for livestock producers when the President signs the bill.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title

Section 1 provides that the short title is the "Emergency Livestock Credit Act of 1974".

Section 2. Emergency guaranteed loan program

Section 2 requires the Secretary of Agriculture to provide financial assistance to bona fide farmers and ranchers, including operators of feedlots, who are primarily engaged in agricultural production for the purpose of breeding, raising, fattening, or marketing beef cattle, dairy cattle, swine, chickens, turkeys, or the products thereof.

Subsection (b) provides that the Secretary shall provide such assistance by guaranteeing loans made by any Federal or State chartered bank, savings and loan association, cooperative lending agency, or other approved lender.

Subsection (c) provides that no contract guaranteeing any such loans by an approved lender shall require the Secretary to participate in more than ninety per centum of any loss sustained thereon.

Section 3. Certifications for guaranteed loans

Section 3 requires certifications by the lender and the farmer or rancher applying for a guaranteed loan.

Subsection (a) requires that the lender certify that (1) he will be unable to provide credit to the borrower in the absence of the guarantee authorized by the bill; (2) the borrower is primarily engaged in agricultural production, and the financing to be furnished the farmer or rancher is to be used for purposes related to the breeding, raising, fattening, or marketing of livestock or livestock products; (3) the loan is for the purpose of maintaining the operations of the farmer or rancher; and (4) in the case of any loan to refinance a farmer or rancher, the loan and refinancing are absolutely essential in order for the farmer or rancher to remain in business.

Subsection (b) requires that the farmer or rancher certify that he will be unable to obtain financing in the absence of the guarantee authorized by this Act.

Section 3 also provides that the total loans guaranteed under the bill for any farmer or rancher shall not exceed $1,000,000.

Section 4. Security

Section 4 provides that guaranteed loans shall be secured by the personal obligation and available security of the farmer or rancher, and in the case of loans to corporations or other business organizations, by the personal obligation and available security of each person holding as much as ten per centum of the stock or other interest in the corporation or organization.

The loans shall be payable in not more than seven years, but may be renewed for not more than five additional years.

Guaranteed loans shall bear interest at a rate to be agreed upon by the lender and borrower.

Section 5. Outstanding loan guarantees

Section 5 provides that outstanding loan guarantees shall not exceed $3 billion at one time. Subject to the provisions of section 2(c) of this bill, the Secretary shall use the fund created by Section 309 of the Consolidated Farm and Rural Development Act to pay to the holder of any note in default, upon assignment of the note to the Secretary at the Secretary's request, the balance due on the loan.

Section 6. Limitation on guaranteed loans made by individual lenders

Section 6 prohibits the Secretary from guaranteeing loans made by a single lender in excess of the highest amount of agricultural loans the lender had outstanding in the eighteen-month period prior to enactment of the bill. In the case of lenders who had no agricultural loans outstanding, the Secretary is prohibited from guaranteeing loans in excess of ten times the capital and surplus of such lender.

Section 7. Budget impact

Section 7 provides that guarantees shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

Section 8. Termination of program

Section 8 provides that the Secretary's authority to make guarantees shall expire one year from the date of enactment. However, the Secretary may extend the authority for an additional six months if he determines that adequate credit cannot be obtained without the guarantee and he notifies the Senate Committee on Agriculture and Forestry and the House Committee on Agriculture at least 30 days prior to announcing such extension.

Section 9. Exemption from SEC regulation and assignability of guarantees

Subsection (a) provides that the provisions of the Consolidated Farm and Rural Development Act exempting securities based on or backed by loans guaranteed under such Act from Securities and Exchange Commission regulation are extended to loans guaranteed under the bill.

Subsection (b) provides that contracts of guarantee shall be fully assignable.

Section 10. Regulations

Section 10 authorizes the Secretary of Agriculture to issue such regulations as he deems necessary to carry out the bill. The regulations are to be issued not later than 10 days after the enactment of the bill.

EXECUTIVE COMMUNICATION

Statement of J. Phil Campbell, Under Secretary, U.S. Department of Agriculture—June 17, 1974

I welcome this opportunity to work with the Congress to find a solution to the distressed situation livestock producers are now facing. As this testimony is being presented, there is also a meeting at the White House that includes all segments of the cattle and food industry to discuss the problems of cattlemen. Hopefully, we can make progress today in better understanding and solving these problems which would benefit us all.

The bills now before the Congress would make more money available to the cattle industry through financial assistance from the Department of Agriculture. While the sponsors of these bills are properly concerned and are making a sincere effort to help an ailing industry, we are opposed to S. 3597, S. 3605, S. 3606, and S. 3624 as well as other similar bills which may be introduced. We believe that they offer only a partial short term solution to a very complex set of circumstances and would be more harmful than helpful to the cattle industry in the long run.

While all of the bills have the common purpose of providing financial assistance to livestock producers and feeders, the provisions of the bills contain considerable differences. Some of the similarities and differences are as follows:

(1) All of the bills would authorize the Secretary of Agriculture to guarantee loans to assist livestock producers and feeders to finance normal operation in connection with buying, raising, and selling livestock, at various interest rates, some of which require a Government subsidy. S. 3597 would also appear to authorize a direct loan program.

(2) With the exception of S. 3605, all would establish permanent assistance programs.

(3) Again with the exception of S. 3605, the bills amend the Consolidated Farm and Rural Development Act which is the basic authority of the Farmers Home Administration.

(4) There is no uniform requirement in all of the bills that an applicant be unable to obtain credit elsewhere at reasonable rates and terms.

(5) S. 3597 and S. 3624 limit the guarantee of any loan to 90 percent of any loss. S. 3605 limits any guarantee or commitment to guarantee to 90 percent of the outstanding principal amount of any loan.

(6) S. 3605 authorizes coverage of persons engaged in the "cattle-raising business"; S. 3606 authorizes coverage of livestock producing operations of cattle, hogs and pigs; and S. 3597 and S. 3624 authorize coverage of livestock operations without defining the term "livestock."

(7) All of the bills authorize financial assistance to individuals and S. 3606 would also permit such assistance to partnerships and family corporations.

With this as background, I would like to go into more detail about why we do not recommend enactment of these bills. We must keep in mind as we consider financial assistance to cattlemen that cattle feeders have experienced extreme swings in the economics of cattle feeding since early last year. A number of factors converged during the latter half of 1973 and so far this year to place cattle feeders, particularly those having cattle custom fed, in a financial squeeze. These factors include extended price controls on beef during 1973, prolonged feeding periods which led to the marketing of many over-fat cattle, transportation and labor problems, consumer resistance to higher retail meat prices, sharp rises in feed costs, high costs of feeder cattle until recently, and the general rise of other cost items associated with cattle feeding.

We see little chance of a return to a "normal" profit situation for most cattle feeders until sometime in the fall, but the worst may be over. Prices of feeder cattle have declined sharply and feed costs are expected to moderate some later this year if the crops turn out as large as now indicated. Moreover, the number of cattle currently on feed appears to be coming in line with demand.

Cattlemen are discouraged and some are asking for help in the form of low interest and Government guaranteed loans. But many others are strongly opposed to any such action that would nudge the Government toward a deeper involvement in the cattle business. This has always been the case. Most cattlemen have been very vocal about not wanting any outside help. They have preferred to solve their own problems.

And as many long time observers of the cattle industry know, anything that would artificially stimulate the number of cattle placed on feed, such as low interest loans, would only worsen and prolong the current situation. It is our opinion that the financial assistance offered in these bills would have that effect. The cattle inventory has been building for several years and the breeding herd is now large enough to provide substantially more cattle for the slaughter market during the next 2 or 3 years. The hard facts are that fed cattle weigh more than grass fed cattle. So if we move a larger than normal percentage of cattle through feedlots during the next year or so, we will be adding a large tonnage of beef to a market that will be absorbing large quantities of beef as the inventory adjustment takes place. This we believe is what current bills now before the Congress would do—add more beef to an already swollen market. In other words, what would appear to be a short run solution would actually darken the profit picture for cattlemen in the longer run.

There would also be a tendency for any low interest loan type program to become a permanent fixture in the cattle business and to become a crutch for the less efficient producers. While these bills restrict loans to only cattlemen or livestock producers, enactment would provide a precedent for other groups to request loan assistance.

Some of the low interest loan programs advocated in these bills could cost taxpayers as much as $300 million in interest subsidies. In the administration of such a loan program it would be virtually impossible to monitor the use of funds to prevent their use for capital expansion.

Mr. Chairman, this completes my statement. I will be glad to answer any questions you or the Committee may have.

COST ESTIMATES

All loans are to be guaranteed and therefore no direct costs to the Treasury are anticipated. But in the few cases where loan guarantees are exercised, the security backing the loan would make this cost nominal.

Some administrative costs will be incurred, but the Secretary of Agriculture is expected to hold these to a minimum.

Mr. HUMPHREY. Mr. President, I rise in support of S. 3679, a bill to provide emergency credit guarantees to American producers of beef and dairy cattle, swine, poultry, and turkeys.

The beef industry, which has been in trouble for some time, has seen the situation grow even worse in recent months. Losses for cattle have been running from $100 to $200 per head. Producers of swine have been losing about $30 per head. Losses to the cattle industry are estimated at $1.5 billion since last fall.

I have been meeting with constituents of mine who are solid citizens and good farmers. Some have been in the business for 30 years. For many of these people, bankruptcy is a serious possibility.

They face the threat of having their lifetime savings wiped out as well as, in many cases, the family farm. We also can assume that many of our young people will make a firm decision against going into agriculture.

Many farmers have talked to me or called my office about their complete discouragement over this crisis which is spreading to other areas of agriculture. This is why the bill was designed to include dairy cattle, swine, poultry, and turkeys as well as beef cattle.

The upper limit of this bill is $3 billion, and the purpose is to guarantee up to 90 percent of the value of the livestock loans. The Government would not actually make the loans, but it would provide guarantees with an upper limit of $1 million per borrower.

This act will enable lending agencies to continue to extend credits so that producers can remain in business. The benefits under the act would be limited to bona fide producers. This would mean basically producers who have been in the business for some time and make their livelihood from agriculture.

The length of the guarantee coverage under the bill would be 12 months with a renewal possible for up to 6 additional months.

The alternative of not acting would mean wholesale foreclosures on loans which are now secured by farms and farm property.

I was unhappy that the bill did not

provide for interest rates below the going commercial rates. This is one of the cost escalators which has helped put the industry in its present situation.

However, I reluctantly yielded on the grounds that subsidizing the interest rate would eat into the funds available for the guarantee side of the program.

This bill should not, incidentally, be viewed to be of minor sectional importance, since 30 of our States have a million head of cattle or more. It is a major segment of the agricultural economy, and the national economy will suffer dire consequences if we allow the industry to go under.

The consumer should also beware that, unless the problems of the industry are addressed now, the future is likely to feature fewer cattle and at much higher costs.

The prices in the supermarkets have come down very little, but the prices received by farmers have been coming down sharply in recent months.

The producers have already cut the number of cattle being fed, with feedlots at only 60 percent of capacity. The producers will need to be given some new signals if the American consumers wish to have reliable supplies of good meat in the future.

The livestock industry suffered from the price freeze of the fall of 1973. The increased costs of production, combined with falling cattle prices, have prevented the market from rebounding as had been expected.

This act is a necessary first step to keep the patient alive, but we have also got to remove the problems so that recovery is achieved.

I am encouraged that the administration announced the purchase of $100 million worth of beef and swine for the school lunch program. Additional purchases should be made to get some of the overweight cattle off the market.

The administration has also begun to recognize the problem of rising imports at a time when our exports have been cut off in a number of countries. I introduced a resolution, which the full Agriculture Committee supported, urging the administration to tackle this problem by voluntary agreements and a reimposition of quotas if the voluntary approach fails.

We also must recognize a problem that my constituents have pointed out. And that is the need for the Department of Agriculture to improve its reporting of the livestock market. This would be useful to both consumers and farmers in presenting a more accurate marketing picture than has been available.

Mr. President, we must not forget the need for subsequent action. While this bill is vital, other steps will be needed. I strongly urge that we proceed to pass this bill and without delay. We can do no less.

Mr. HRUSKA. Mr. President, the plight of the livestock industry in this country has grown increasingly critical. On Monday of this week a number of my colleagues in the Senate engaged in an extensive discussion of the seriousness of this problem. Newspaper articles and editorials in recent days have emphasized the proportions of the problem. Immediate action is needed to provide relief for the livestock industry.

This week the Senate Agriculture Committee has moved with commendable dispatch to find a solution. This is an excellent example of the ability of the Congress to respond to a potentially disastrous condition.

On Monday the committee held a hearing on several bills which would provide Government loan guarantees to help keep in business livestock feeders and producers who would otherwise face bankruptcy. After hearing testimony from Senators, Congressmen, bankers, and livestock growers themselves, the committee reported favorably a measure which is scheduled for a vote in this body on Monday.

In the other body of the Congress, prompt action has also been taken. Hearings this week in the House have explored the seriousness of the livestock problem generally, and on Tuesday the House Agriculture Committee will begin hearings on similar loan guarantee legislation. It is my hope that such legislation will be reported by the committee to the House with deliberate speed.

The Senate has also made additional efforts to provide relief for the livestock industry. Legislation to provide congressional authority to reimpose beef imports has been introduced. A resolution cosponsored by 43 Members of the Senate was passed, requesting the President to exercise his authority under the 1964 meat import quota law to reimpose quotas on meat imports. Hopefully, these actions will permit further avenues of relief for the livestock industry.

The expeditious handling of this legislation by the Agriculture Committee is much appreciated by this Senator, and I am sure by many of my colleagues in the Senate. The livestock industry is on the brink of financial ruin and prompt passage of this legislation by the Senate may serve to stave off complete disaster for this important segment of our agricultural economy.

Briefly, the legislation reported by the committee would authorize the Farmers Home Administration of the Department of Agriculture to guarantee 90 percent of loans to "bona fide" livestock raising, fattening, or marketing operations when usual sources of credit are not available. "Bona fide" operations would include beef, dairy, swine, and poultry and would limit the amount of such a loan guarantee to the levels of operation over the last 18 months of the business.

Interest rates on these loans would be established between the borrower and the lender with a limitation of $1 million for each operation which meets the "bona fide" test. This is to give the producer or feeder a quick source of credit to meet immediate financial needs. The loans can be for up to 7 years with an option for extension for another 5. The life of the loan program, however, is for only 1 year, with discretion in the Secretary of Agriculture to extend the program for 6 months if the situation warrants.

Mr. President, this is not a handout. It is not charity. It is simply a Government guarantee of loans to ranchers and feeders who have traditionally rejected direct subsidies and controls by the Federal Government. This legislation can provide the necessary credit to carry the livestock industry through one of its most critical periods of financial difficulty in years.

It is not a cure-all for the livestock industry. It is a positive step by the Congress and the Federal Government to provide to the industry the ability to continue its vital contribution to the economic and social well-being of this Nation. It will allow the livestock industry, and particularly the cattle industry, to carry out its mission: the capacity to produce an assured and ample supply of quality meat at reasonable prices.

Mr. President, this is in reality consumer legislation. Prices that will not assure a return to the farmer and rancher his cost of production plus a reasonable profit will have a disastrous effect; namely, a reduction in livestock supplies. Like other investors, farmers, and ranchers will neither venture nor long remain in a market activity with a built-in loss. A lower supply of cattle and other livestock in due time means a lower supply of meat. This translates into higher meat prices on the retail market, and that is bad news for the consumer. Lower supplies with a high demand means a higher retail price for the housewife to pay.

When the cattleman is unable to compete effectively in the domestic economy, and he is forced to reduce the size of his herds and his production, everyone is hurt. Feed grain suppliers, small businessmen in rural communities who support the agricultural industry, and finally, the consumer will ultimately feel the impact of lower production levels. This legislation can help to prevent such a result.

I recognize that many consumers become concerned by increases in the cost of meat. It is frequently suggested that the American housewife is prepared to cheat the cattle producer by paying less than a fair price for the meat she buys. I reject this notion completely. The American housewife no more wants to profit at the expense of the beef producer than she wants her husband to get less than a fair price for the product of his labor. No one has a right to call upon the cattleman to be forecd to sell his product under the cost of production.

Those who argue for the consumer and the possibility of increased prices ignore a simple fact. Cattlemen do not sell meat, they sell cattle. They deserve to receive a fair market price for their time and investments. Feed prices are up and other costs to the livestock grower and feeder have gone up with other prices. The livestock producer is not asking to be subsidized for his labors. He is simply trying to receive a fair market price and at the same time assure good quality meat in ample supplies for the American consumer.

Mr. President, this legislation, S. 3679, can provide the kind of relief which will enable the livestock industry to get back on its feet and fulfill its mission in the

American economy. I hope that this measure will receive wide approval in the Senate and in the House when it comes before that body.

MINNESOTA GROUP OFFERS RECOMMENDATIONS ON THE LIVESTOCK CRISIS

Mr. HUMPHREY. Mr. President, a group of my constituents recently completed a study on the crisis in our cattle and livestock industry. I have already shared this report with the members of Senate Agriculture and Forestry Committee.

The report makes a number of suggestions to deal with the present crisis. One major point, which has not been widely discussed in the Congress, is that much of the Department of Agriculture's reporting on cattle prices and cattle supplies has not been accurate.

My constituents do not believe the reports or predictions put forth by the USDA. In addition, newspaper reports do not offer the real prices that farmers receive for their cattle. We need to look for ways of improving the statistical reporting services of the USDA.

Mr. President, I request that this informative report be included in the Record.

There being no objection, the report was ordered to be printed in the Record, as follows:

Agriculture and Livestock Analysis, Summary, and Suggestions

(Prepared by a group of farmer-feeders, finance officers, and other concerned citizens, June 10, 1974)

STATEMENT OF POSITION

The purpose of this paper is to further acquaint you with the seriousness of the problems facing the livestock industry today. The problam is not that of the livestock feeder alone. Within a short period of time it will extend to other industries such as packing houses and their labor force, the trucking industry, the grain farmer, and the finance industry to name just a few. Ultimately, it becomes the problem of the consumer, since the reduction in the number of livestock feeders will cause serious food shortages that will greatly increase the cost of food to the consumer. The overall impact on our economy is certainly difficult to predict, but it certainly will be serious.

The purpose of this paper is not to cry over the present low price of livestock, but to point out solutions that will help the livestock feeder to remain in business. The solutions were considered by a group of farmers, finance officers and other concerned citizens who realize the seriousness of the situation, not only for the rural midwestern areas, but for the entire nation.

How serious is the problem? Here are some reports recently published in the newspapers, or seen over the wire services:

A farmer from Nebraska was unable to sell a load of prime beef steers in the Sioux City terminal recently. The beef would normally be used as steaks and other prime cuts at the best restaurants. He was forced to sell the steers to a broker for $.30 a pound to be used for dogfood.

It was reported in the Minneapolis Tribune, through the State Commissioner of Agriculture, that a Luverne, Minnesota attorney was presently processing 12 bankruptcy cases involving livestock feeders.

It has been reported that some financial institutions have required severe culling of cow herds by cow-calf operators in order to reduce their obligation to the banks.

Many examples similar to the above could be cited, these just happen to be the most recent. How many situations similar to the above go unreported?

We have included as exhibits in this report, the dollar loss per head of livestock raised under the present market conditions. As you can see, the losses do not include any amounts for labor or cost of the facilities. As you will note, these are real cash losses and not just paper losses. The figures are based on industry averages published by the USDA or the agriculture oriented universities.

What has caused the farmer-feeder to over produce? Partly it is the fault of the feeder for holding his livestock off the market waiting for higher prices. This was justified, however, by the bullish reports issued by the U.S.D.A. livestock reporting services. These reports were inaccurate by substantial amounts and greatly confused farmer-feeders as to the direction of the markets. A report of the inaccuracies of the reporting systems is included in this report.

Another factor contributing to the over supply was the decrease in per capita consumption by the consumer. This was caused, in a large part, by the unwillingness of the wholesaler-retailer complex to lower the cost of meat in relation to the lower costs paid to farmers. This can be illustrated by the fact that in August the average price for retail choice beef was $1.44 per pound when the farmer was paid $.36 per pound. In May, the average retail price for choice beef was still $1.44 per pound and the farmer was paid $.33 per pound. A normal margin for the wholesaler-retailor would have required an average cost to the consumer of $1.13 per pound. The wholesaler-retailer complex has forced a decrease consumption in meat by failing to decrease the cost to the consumer.

Have the packing houses benefited from the above situations? Congress has begun investigation of excess profits earned by the oil companies during the present shortages. The packing houses' operating statements do not reflect a depression in the food processing industry. Published reports of meat packers indicate the following increases in net income per share for 1974:

	Per cent
Missouri Beef Packers	253.7
United Brands	139.4
Hormel & Co	107.7
Spencer Foods	104.3
Esmark, Inc. (Swift & Co.)	63.5

The packer, in effect, increased his margins by creating an oversupply by not decreasing wholesale-retail prices in the face of lower costs of purchases. The packer forced the decrease in consumption in order to increase his margins. The farmer congratulates the packer on his efficiency in increasing his profits by controlling the food economy. The small farmer in the rural midwest is not able to have the same control.

The farmer-feeder is in need of both short term and long term relief. He needs short term help to keep him in business and prevent a food shortage in a relatively short time. He needs long term help to stabilize the markets to prevent the disruptive fluctuation in markets seen in recent years. The stabilization will decrease the fluctuations in the livestock markets.

While the farmer-feeder needs relief, it is the consumer who would benefit most from this relief. If the present situation continues, cow-calf operators and hog farrowing feeder pig operations will be forced to liquidate the cow and sow herds to meet their obligations. The feeder will no longer be in the market to purchase his product. This would result in a shortage of meat in a short period of time.

In addition, the consumer has been greatly benefited by the large amount of livestock fed through tax shelters funds. (Estimated to be 40% of the cattle in the country.) The shelter funds have, for the most part, gone out of business for 1974 and subsequent years. This will eventually result in greater meat prices through the loss of the equity money to the cattle industry.

Who we are really protecting in trying to find solutions to the present crisis is the consumer. Unless a solution is found a reduction of meat prices will be followed by a substantially disproportionate increase in prices within a short period of time. The balance of this report involves those solutions considered most important by a diverse group of concerned citizens who understand and live with the problems of the farmer-feeder. We welcome any consideration Congress could give with the suggested solutions and similar suggestions other similar groups might suggest.

GOVERNMENT GUARANTEED LOANS

The livestock industry is one of the foundations upon which the American economy is built; if it breaks up, the economy as a whole will collapse. At this time, this breakup is a very real possibility.

Aid to the livestock feeders and the industry in general will do a great deal to revive the industry and avoid a catastrophic collapse. This aid to the industry will guarantee reasonably priced meat for the American consumer through a sufficient supply (see other papers).

This aid, we feel, should be in the form of guaranteed loans at 5½% interest made to farmer-feeders (those whose principle occupation is farming) on the basis of his individual financial need. These loans should be made through the farmers local lending institution, which knows his financial situation best; administered by the Federal Intermediate Credit Board; and guaranteed by the federal government, or in whatever manner is most feasible. All loans should be made on the basis of chattel mortgages or real estate mortgages.

The amount of each loan should be based on the amount the farmer needs to stay in business, and should not be a loan to finance his entire operation. The local lending institution, too, should assume a normal risk, and should only use the program to keep an efficient operation in business. Further, there should be a subsidy to make up the difference between the 5½% interest rate and the prevailing commercial interest rate for the banker. The payback on these loans should be governed by the local lending institution based on the feeder's annual profits, and renewed on an annual basis.

We strongly urge Congress to consider this proposal as a method to prevent wholesale bankruptcies in the livestock industry and to insure an adequate supply of meat at a reasonable price to the consumer.

STATISTICAL REPORTING SERVICE

The statistical reporting service of U.S.D.A. is one of the problem areas facing the meat producer as well as the American farmer today.

A case in point in the March 1, 1974 Hog Report which showed Hogs on Inventory in the weight bracket of 60 lb.-120 lb. to be 102% of a year ago and hogs under 60 lb. to be 98% of a year ago. We are currently slaughtering hogs at the rate of 113% of a year ago. Assuming the hogs in the 0 lb.-60 lb. bracket are now coming to market and that most of those in the 60 lb.-120 lb. bracket have been marketed it would indicate a discrepancy of 15%. Certainly an improvement can be made on a system producing this much error.

In the Cattle Report, according to the projected Government Reports, we should be killing 15-20% less beef than a year ago. Instead for the week of June 3-7 we killed 650,000 head, which would be 65,000 head more than a year ago, or 10% more. Every one of the cattle reports in the last two years has had a bigger deviation than the previous report. With cattle numbers increasing world wide, meat consumption dropping world wide, and these factors not readily available to the cattle producer, it is no wonder he is in trouble.

As an example of the recent deviations in the reporting systems as compared to prior years we site the following conditions:

(1) In the hog report from 1964–72 there was an average error of 1% with maximum error of 3.6% under and 6.9% over. From 1968–72, the reporting was not off by more than 0.5%. In 1972, we were under by 3.8% and it appears that we are now carrying a residual error from 1972.

(2) The U.S.D.A. has released a special report SRS–18 which gives the explanation of error and an explanation of the surveying and estimating procedures. We suggest you obtain and study a copy of this report. We don't feel the reasons given for errors in this report are valid. The U.S.D.A. is simply reacting to consumer pressures.

Much of the blame on meat prices has been put on the producer for carrying overweight cattle and hogs. Government reports indicated an improvement in prices which has not materialized. Instead we have had both increased numbers and heavier weights of livestock going to market which have seriously depressed the market price.

The problem caused to the producer is that, the meat packer and processors, along with the large grain companies through their private surveys have a more accurate reporting system than does U.S.D.A. This information from private sources is not available to the American producer and thus it tends to work against him if there are errors in the government reporting system. The purpose of the reporting system is to aid agriculture and agribusiness in making buying and selling decisions as well as planting intentions, and not to confuse him through incomplete and inaccurate reports.

We find it interesting that, in checking with the county A.S.C. office, the statistics available from the farmers when they certify their corn, wheat and feed grain acres are not used by the statistical reporting system in the county in which I reside. There is a difference of 10% using certified acres on the 73 crops against what U.S.D.A. reports we have produced in acres in 1973.

The net result of these errors has been a confused marketing system, with wide fluctuations in the market, such as has occurred in hogs, cattle, soybeans, and feed grains and which affect the meat producer. From a practical standpoint it is impossible for the farmer-producer to make marketing or buying decision with these statistics.

It appears our reporting service is not understanding enough of the world wide impact of the import-export situation, foreign crop conditions, monetary policies, import-export restrictions, and the realities of inflation in the domestic and foreign economies.

This inflationary spiral here and abroad has compounded the reporting services problem which we think they fail to take into consideration. Instead of an error margin of what might have been 1% 7–8 years ago it is now magnified by 2 or 3 times. As a result of higher land prices and higher overall production costs, (labor, fertilizer, chemicals, machinery, etc.) the margin of error has been magnified.

We believe we should ask for a congressional investigation of the statistical reporting service looking into the possibility of intentional alteration of figures to meet existing conditions. We also ask that the possibility of leaking of information prior to reports being released be investigated. In light of the present scandals in government, the Russian Wheat Deal, the Wild Soybean Market, the Embargo on Soybeans and other government actions, any leakage of this information is entirely possible and could result in substantial profits to insiders.

We support the present investigation of the commodity exchanges. We feel the exchanges should not be self-regulating, because of their effect on the nation and the economy as a whole.

COMMODITY LOANS

We propose that additional aid be given to help both livestock and grain producers in this manner:

A farmer producing corn, wheat, feed grains, and soybeans would be eligible for a loan on the commodity he produces at the current loan rate for that commodity at 4% interest for a period of three years. This commodity would not be subject to recall but would be held by the farmer until he fed it, sold it, or the three year period of time was up. The 3 year time period would begin at the date the loan was taken and expire when the loan was terminated or the commodity fed or sold. Interest would be paid annually.

We feel this proposal would bring a stabilizing effect into the market by not forcing the farmer to sell the grain during periods of price weakness. It would also give the cattle and hog feeder additional borrowing power at a more favorable interest rate.

We would hope that these proposals would bring some short term relief to the livestock feeder and long range stability to our livestock, feed grain and protein market situation.

IMPORT RESTRICTIONS

The catastrophic losses suffered by livestock feeders since September 1973 are being prolonged, endangering the financial underpinning of the entire feeding industry. Bans on beef and high import levies on pork have been major contributors to these serious losses.

Even greater harm will be inflicted if we are subjected to large scale diversion of shipments from origin countries. The most recent import figures available indicate that such diversion is taking place. Imports of beef and veal during March showed an increase of 36 million pounds (product weight) or 27.4% over 1973. Imports of pork increased 11.6 million pounds (product weight) or 40.2% over March, 1973.

The current discriminatory, nonreciprocal treatment being inflicted upon the United States by Japan, the E.C. countries, and Canada is a vivid example of the irreparable injury which results from the failure of the U.S. Government to retaliate against the adverse actions of other nations. The developments in the trade area, following on the heels of the price ceilings fiasco, leave feeders with the feeling of having been completely abandoned by their government.

We suggest that determined efforts be made to remove bans imposed by other importing countries. If these goals cannot be accomplished, we implore the government to reimpose U.S. import restrictions on beef, veal and mutton in consideration of the economic well being of the domestic cattle feeding industry.

CORN BELT CATTLE FEEDING

Example of 600 lb. steer purchased in November, 1973 and sold in June, 1974.

Cost of steer	$318.00
Feed costs:	
Corn	112.50
Silage	34.00
Protein	24.08
Hay	10.00
Total feed costs	180.58
Other costs:	
Veterinary medicine	$2.50
Interest	13.00
Death loss	6.36
Transportation, buying and selling	10.20
Total other costs	32.06
Total costs	530.64
Selling price (contracted June 7, 1974):	
June contract	35.50
Discounts from Chicago	(1.50)
	34.00
Times 1,050-pound steer	357.00
Loss/head	(173.64)

Total loss was based on out of pocket expenses—No return for labor or facilities cost. Based on figures obtained from U.S.D.A. bulletin dated May, 1974.

ECONOMICS OF CATTLE FEEDING

Typical example of 400 pound calf purchased in the fall of 1973 and appraised in June, 1974 at a weight of 700 pounds:

Purchase 400 pounds at 65 cents per pound	$260.00
200 days interest at 8 percent	11.00
	271.00
Appraised value of 750 pound steer in June 1974 at 32 cents per pound	240.00

As you can see, this steer will fall short of paying the note and interest by $31.00 even if only the first cost of the steer is borrowed. Based on the present cost of gains this steer would also have consumed $157.50 worth of feed that is a total loss.

Typical example of 750 pound yearling steer purchased in the fall of 1973 and sold in June, 1974:

Purchased 750 pound at 54 cents per pound	$450.00
180 days interest at 8 percent	16.00
	466.00
1.100 pound steer sold June, 1974 at $37	407.00

As you can see, this steer will fall short of paying the note and interest by $14.00 even if only the first cost of the steer is borrowed. Based on feed costs through this period this steer would have consumed $350.00 worth of feed that the farmer received absolutely nothing for.

If you were to steal a 350 pound calf and feed it until April, 1975 and hedge it on April futures:

350-pound calf	Free
750-pound gain at 50 cents per pound	$350.00
Sold 1,100 pound at $33	363.00

As you can see, you can just hold your money together if you start with a free calf.

FEED PIG FINISHER

Example of 40 LB. pig purchased in March and sold in August, 1974.

Cost	$32.00
Feed costs:	
Feed requirements	27.29
Protein supplement	9.87
Minerals, etc	1.68
Total feed costs	38.84

Operating costs:	
Interest	$0.73
Death loss	1.32
Selling and buying cost	1.80
Other operating costs	3.00
Total operating costs	6.85
Total	77.69
Selling price (Contracted June 7, 1974):	
August contract	24.30
Discount from Chicago price	(3.00)
Total	21.30
Times 225-pound hog	47.25
Loss/head	(30.44)

Complete farrow to finish will cost a farmer $20 to produce a 40 lb. feeder pig:

Costs	$65.69
Selling price	47.25
Loss	(19.44)

FEEDER PIG FINISHER

The following is an example of what would happen if a farmer were given a 40 lb. feeder pig using the costs shown in the previous example:

Cost of feeder pig	0
Feed costs	$38.84
Other operating costs	6.85
Total costs	45.69
Selling price	47.25
Profit/head	1.56

The above example again assumes no labor or facilities costs. As you can see, even if given the feeder pig the farmer will lose money.

Mr. HANSEN. Mr. President, I intend to vote for S. 3679, because I believe it is necessary not only to protect those cattle feeders and producers who face bankruptcy without a reasonable source of credit, but to protect as well the economies of rural communities dependent on this industry for survival, and to protect consumers nationwide who will lack a reasonably priced and abundant supply of meat in the future if more producers leave the business than have already.

It is my understanding this bill would permit loans to qualified hog and poultry producers, as well, and I recall having read in this morning's Washington Post that poultry producers are destroying millions of chickens and fertilized eggs because prices are so low there is no chance for a profit or to even break even by feeding the chicks.

Mr. President, I attended the hearings held last week on this legislation, and I would point out that the purpose and objective of this bill is to help producers and feeders of cattle, hogs and poultry to stay in existence long enough to rescue themselves from one of the most disastrous periods in memory. Credit is the lifeblood of most any business or industry in this country, and this is no less the case with livestock producers. Because producers of cattle, hogs, and poultry have been steadily losing money in recent months—cattlemen have been losing from $150 to $200 per animal sold—their working capital or liquid margin has been destroyed. In many cases, they will be unable to purchase replacement animals, and many are finding it necessary to refinance real estate holdings in an effort to reduce short-term debt. These producers know conditions will improve in the future. The need now is to help insure adequate sources of credit to permit these operators to weather this crisis period.

To demonstrate the seriousness of the present situation as it relates specifically to cattle feeders and producers, Mr. President, I ask that a letter from D. L. Hovendick, president of the Federal Intermediate Credit Bank of Omaha, to Senator Carl Curtis, be printed in the Record at the conclusion of my remarks. This institution serves eight States in which livestock production is a major industry, including Wyoming. The letter explains in some detail the situation now faced by cattle feeders and producers with respect to credit to continue operating.

I ask, as well, Mr. President, that a series of letters from Wyoming constituents which outline in very personal terms the situation faced by the livestock industry be included at the end of my remarks. These represent only a tiny percentage of the letters I have received, but they are representative of what people are saying.

There being no objection, the material was ordered to be printed in the Record, as follows:

Newcastle, Wyo.,
June 5, 1974.

Hon. Clifford Hansen,
U.S. Senate,
New Senate Office Building,
Washington, D.C.

Dear Sir: You being a rancher most of your life, I feel sure you are doing everything in your power to protect the rancher interests. However, I think the time has come that we must impress upon the minds of all our Congressmen that the small rancher and perhaps bigger operators too are in real trouble.

The cattle market taking such a drastic drop and all our expenses going up, we are just not going to be able to meet our obligations.

Example: Our leases on all Public Lands increasing in price every year and our cattle market dropping to nearly half.

Fuel oil for our houses increased from 16 cents a gallon to 38½ cents. I think you should be trying to do something about this as well as propane.

Of course gasoline has raised considerable which is very essential to the ranching business today.

Feed costs are very high, all repairs and materials that we must have to get by on have more than tripled in some cases.

I could mention many more things, but with all the same increase in cost.

How can we, the small operator with 125 cows meet our obligations.

It seems to me, if something isn't done very soon, we are going to be looking for jobs. What kind of a job does a 55 to 60 year old rancher find here in Wyoming.

I am also concerned about bills in the making to do away with grazing on Public Lands in Western States. Nearly all ranchers depend on Public Lands and without them cannot exist.

I am told that beef imports are playing a considerable part on our cattle market. If so, let's do something about it before it is too late.

Pine Bluffs, Wyo.,
June 6, 1974.

Senator C. P. Hansen,
Washington, D.C.

Sir: Farmers and ranchers are not beggars. We can pretty much take the ups and downs of our business without complaining but when we pay 70 cents a pound for a calf and after feeding it for six months have to sell it for 32 cents a pound, none of us can stay in business very long at that rate. Why isn't something being done about this import of beef?

You are a rancher, how do you keep in business?

All we want is a fair profit so we don't lose this land that has been in our family for several generations.

A personal reply would be appreciated.

The Wisroth Ranch Co.,
Rose Wisroth,
Secretary.

June 7, 1974.

Hon. Clifford P. Hansen,
U.S. Senator,
New Senate Office Building,
Washington. D.C.

Dear Senator Hansen: I heard on the news last night that you had sent a telegram to the White House requesting that beef import controls be reinstituted. I want you to know that I fully support your position on this matter.

Without fear of overstating the case, I can tell you that our area of Wyoming has slipped over the brink of economic disaster. Fat cattle prices have, as you know, been depressed for an extended period of time and feeders in Platte County have lost significant sums of money. Now feeder cattle prices are hovering around the 30 cent mark on 600 to 700 pound steers and livestock of that classification have recently sold for as low as 29 cents. This in and of itself would be great cause for concern for all segments of the livestock industry and for those in our trade area who are not in the livestock industry but who depend upon healthy livestock economy for their businesses. However, at the present time, we find not only a depressed cattle market, but also doubling and tripling of the cost of fertilizers, fuel, baling wire and other necessities for livestock production.

In the past, during periods of depressed cattle prices, it has been necessary for ranchers to borrow heavily from local lending institutions for operating capital. This year of course our lending institutions are approaching their maximum lending capacity and those funds that are available are bearing interest at from 10 to 11 percent. With the interest rate so high, I am afraid that many operators will be unable to service the debt they will have to incur in order to stay in business.

As if the combination of these factors were not enough, I am afraid that the most severe drouth in recent memory which we are currently experiencing will simply nail the lid on the coffin of the livestock producer.

I know you are aware of the desperate plight of the livestock industry, but I felt constrained to express myself and to request that your efforts be continued on behalf of our livestock industry.

Debby joins with me in sending our warm best regards to you and Martha.

With kindest wishes, I am,
Very truly yours,
Raymond B. Hunkins.

Veteran, Wyo.,
June 1, 1974.

Senator Cliff Hansen,
U.S. Senate,
Washington, D.C.

Dear Senator Hansen: I am very distressed over cattle prices. The warmed-up feeder cattle I am selling now weigh out at twice the weight that they went into the corral with last fall. After feeding them for 200 days with high priced feed, they are selling at almost the same price per head that they cost last fall.

It is very depressing to work for a year and have nothing to show for your work.

Almost everything I buy is up in price. For example: My baler twine cost me $125.00 last year. This year the same amount of twine cost over $400.00. Repairs for tractors and machinery are the same.

I am not the only feeder that feels this way, nearly everybody I talk to that is in the cattle business is feeling the same gloom as I.

I would like to say that if the price of cattle continues down the feeders in the U.S. will not be in business much longer. Maybe the public and the President would rather buy foreign meat. If that is the case then it is just as well that we do away with the cattle feeding industry in the U.S. One thing is for sure, we can't go on like this. Either there has to be some way to control importing of meat or make imports our basic source of meat for the U.S.

Personally I feel the U.S. has a lot to lose if it loses its meat producing industry in this country.

Sincerely,

GERALD E. STRICKER.

FEDERAL INTERMEDIATE CREDIT
BANK OF OMAHA,
Omaha, Nebr., June 15, 1974.

Hon. CARL T. CURTIS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR CURTIS: In response to your request, we offer the following comments about the impact of this prolonged decline in cattle prices on livestock feeders, and its further impact on the rancher and other related segments of the agricultural industry.

The Federal Intermediate Credit Bank of Omaha supplies loan funds and supervises the lending activities of the 40 Production Credit Associations located in the states of Nebraska, South Dakota, Iowa, and Wyoming. On May 31, 1974, these 40 PCAs had over 19,000 loans, for a total volume of $990 million. Some Associations are very heavily involved in livestock operations, such as cattle growing and feeding, and hog raising. Approximately 80% of this volume involves some type of livestock production.

All cattle feeders have been losing and are continuing to lose large sums, $150 to $200 or more, per head of cattle sold. In desperation, some feeders held cattle too long, making them too heavy, and of course are now having difficulty marketing them. Until recently, the drop in fat cattle prices had not seriously affected the general farmer-feeder who was also producing some hogs, as the profit on the hogs was helping offset the losses on any cattle that were sold. Now that hog prices have dropped well below the break-even point, these general farmer-feeders, who many consider to be the backbone of agriculture, are rapidly losing equity.

Because the cattle feeder has lost tremendous sums of money, his working capital or liquid margin has been depleted. He is unwilling, and in many instances, financially unable to purchase replacements. This affects those who have been backgrounding or growing cattle. Those operators are discovering their cattle are now worth only their cost last fall. They are receiving nothing for the feed and labor put into the cattle.

For example, a 416 pound steer calf purchased last October at a cost of $273 ($65 cwt.), now at 667 pounds is worth $240 ($36 cwt.). This operator's loss on his initial investment is $33 per head. This per-head loss is increased by an estimated feed cost of $90 per head and $19 interest on the purchase price, for a total per-head loss of $142. This operator now must decide whether to sell and take his loss, or speculate that prices will go up and feed out the cattle. If fed out, based upon October futures prices for fat cattle, the per-head loss will increase to $196 per head.

Many cattle feeding operations have suffered losses to the extent that they will be required to make major adjustments in their operations, if indeed it is possible for them to continue in business. For a large number of them, the adjustment will consist of handling a drastically reduced number of cattle. Others will find it necessary to refinance their real estate in an effort to obtain funds to reduce their short-term debts. For many operators, the build-up in short-term debts is such that they cannot be reduced sufficiently by refinancing land. In these instances, they will need to sell all or part of their land. Some operators will find they have no choice but to go out of business. If very many need to sell land, this will have an adverse effect on land values, just as lower grain and livestock prices will also contribute to a reduction in real estate values.

The impact of this severe drop in cattle prices is first being felt in the cattle feeding areas. However, this fall the impact of lower fat cattle prices will be felt by operators in the range areas when their calves or yearlings will sell at prices expected to be about half the price they received in the fall of 1973. With these lower prices the range operator will be in the same financial bind as that presently hurting the cattle feeder.

Also involved in the total program is the uncertainty of fall grain prices. Corn price estimates range from a low of $1.45 to approximately $2.00 per bushel. At current prices of production inputs, corn farmers feel they need at least $1.75 to break even. If corn prices are below this level, the farmer-feeder will be losing money on the grain he produces as well as on the hogs and cattle he is feeding, unless livestock prices improve.

Present prices are creating a very disastrous situation for agriculture in the Midwest. The situation is so serious that some financial institutions will suffer losses. Much more distressing is the fact that when a situation is this serious a large number of farmer-feeders are going out of business.

We surveyed eleven Production Credit Associations located in areas where cattle feeding is the major agricultural enterprise. They estimated 77% of their member-borrowers are livestock operators. One-third of their livestock loans are believed to be in serious trouble. We think the survey results could be representative of all livestock loans.

At least 5% of the livestock operators have suffered such large losses that they have no choice but to quit. They will need to sell all of their assets to repay their debts. Individuals handling the largest number of cattle have suffered the largest losses and some will not be able to continue. Their lack of production will reduce the supply of fat cattle for slaughter. The amount of losses, if any, that might accrue to the Associations was not estimated.

These eleven Associations estimated that 25% of the feeders will need to drastically reduce the number of cattle handled. Generally these cutbacks will be by those who handled a large number of cattle. These cutbacks will also adversely affect the amount of grain-fattened beef available to the consumer.

Approximately 12% will need to refinance their real estate to transfer the carryover of short-term operating debt to a long-term basis. Some short-term lenders have expressed a concern that the livestock men will not have a debt-to-asset ratio which will be acceptable to real estate lenders, so this type of credit may not be available to them.

The survey indicated 9% of the livestock operators will need to sell all or part of their assets, either chattel or real estate, to reduce debts so they can continue to operate.

We feel that every effort needs to be made at all levels of government to initiate whatever action is possible to stop the continued decline in live cattle and hog prices, and get them started on an upward trend and stop the losses. These actions would surely include the curtailment of beef imports into the United States and obtaining necessary clearances to permit the export of cattle to Canada.

We understand there have been several pieces of legislation introduced into both houses of Congress which would establish guaranteed loan programs. We are not familiar with these programs and how they would operate. They could have some merit if they make it possible for agricultural credit institutions to continue with operators who have suffered serious losses and whose financial position has deteriorated to the point where the institution would not be able to extend them credit without some assurance that the credit institution's ability to serve other deserving members of the agricultural community would not be jeopardized.

The basic problem remains. The consumer must learn that meat is a good buy at prices which will permit a fair return to the producer of the animal, the farmer raising the grain which fattens the animal, and the feeder who finishes the animal for slaughter. Based upon our information, the ranchers feel they need a minimum of 40¢ per pound for their calves to break even and the corn grower will need approximately $1.75 to $2.00 per bushel for his corn. The animal will have to bring at least $45 per cwt. when sold for slaughter to just break even. This means that the price level to the consumer will need to be higher than it is at the present time. And, I will emphasize that, compared with the prices of the other things consumers buy, meat is currently underpriced.

As we all know, the situation is very serious. Immediate action is needed to alleviate or minimize the problems.

Yours very truly,

D. L. HOVENDICK,
President.

Mr. HANSEN. Mr. President, I hope the Senate will see fit to approve this legislation, and that the House of Representatives will act as expeditiously as has the Senate on a proposal to insure sources of credit.

Mr. TALMADGE. Mr. President, the legislation before us today is vital for the livestock industry and our economy in general. I have been gravely concerned about the plight of the livestock industry for some time. I conferred with the President about this crisis several weeks ago and with his chief economic advisor, Kenneth Rush, a week ago. In addition, I have been in constant contact with Secretary of Agriculture Butz on this crisis.

On June 12, the chairman of the House Agriculture Committee, Congressman POAGE, and I issued a joint statement to call attention to the disastrous plight of the livestock industry and the danger of wholesale bankruptcies in rural areas. In addition, we promised that the House and Senate Committees on Agriculture would do everything we could to expedite passage of remedial legislation. I am pleased that the Senate Committee on Agriculture and Forestry has kept this pledge and I know that the House Agriculture Committee will do the same.

The Committee on Agriculture and Forestry, which I have the honor to chair, developed this emergency legislation in record time after considering four similar bills that had been referred to it. We received extensive testimony about the problems and needs of the Nation's livestock producers in hearings this past Monday. I am pleased that the bill the Agriculture Committee has so expeditiously adopted combines the best features of other bills and focuses directly upon the problems that exist in the livestock industry today.

Mr. President, in numerous statements over the past few weeks, many Members of Congress have very clearly documented the economic crisis that livestock producers are facing at this time. Of special note is the letter the majority leader and I and 41 other Senators sent to the President that clearly stated the sense of the Senate.

Also, the Committee on Agriculture and Forestry unanimously adopted, on June 19, a resolution calling on the President to exercise his authority under the law to restrain meat and dairy imports, many of which are subsidized, are flooding the market and are a primary cause of the current distressed situation in the livestock and dairy industry. Mr. President, I ask unanimous consent that the resolution of the Committee on Agriculture and Forestry and the joint statement of Congressman POAGE and I be printed at this point in my remarks.

There being no objection, the resolution and statement were ordered to be printed in the RECORD, as follows:

RESOLUTION

Whereas a strong and viable livestock and dairy industry is essential to the well-being of the Nation's economy, and

Whereas skyrocketing production costs and plummeting farm prices have placed producers of dairy products and livestock in a precarious economic position, and

Whereas the livestock and dairy producers of the United States face disrupted domestic markets caused in part by abnormal import competition, and

Whereas the President's suspension of meat and dairy quotas has led to an increase in competing imports injurious to the American agricultural economy, and

Whereas this situation threatens the long run interest and welfare of the producers and consumers of this Nation: Now, therefore, be it

Resolved, that it is the sense of the Committee on Agriculture and Forestry that the President is requested to seek every means possible to provide appropriate relief for the livestock and dairy producers in the United States from import competition, some at subsidy rates, by taking the following actions:

(1) Continue to consult with nations exporting meat products to the United States and seek to achieve, by July 1, 1974, voluntary agreements to restrain exports of meats to the United States, and

(2) If such voluntary agreements are not reached by July 1, 1974, immediately reinstate the level of quantitative restrictions which are equal to the adjusted base quantity estimate for the current calendar year pursuant to Section 2(b)(1) of the Act of August 22, 1964 (19 U.S.C. 1202 note), and

(3) With the concurrence of the Secretary of Agriculture, issue a Proclamation stating that import quotas on butter, butter oil, cheddar cheese, and nonfat dry milk, as authorized under Section 22 of the Agricultural Adjustment Act of 1933 (7 U.S.C. 624), will not be increased above the levels prevailing as of June 1, 1971, and

(4) Report to the Committee on Agriculture and Forestry on the progress achieved in attaining the objectives of this Resolution within 30 days of its adoption.

JOINT STATEMENT OF CHAIRMAN TALMADGE AND CHAIRMAN POAGE

In this time of runaway inflation, exorbitant interest rates, and shortages of some materials, many small businessmen are experiencing hard times. However, the livestock producer in the United States is experiencing an economic squeeze that is without parallel since the great depression.

In the past six months, the price of fed cattle has dropped over 20 percent—falling from $47 a hundredweight in January to around $36 this week. Hog prices have fallen even more—from about $40 a hundredweight to under $22, a drop of 45 percent.

Cattle feeders are losing from $100 to $200 a head. Hog producers are being forced to liquidate their herds.

Livestock producers are caught in the inexorable squeeze between high production costs and lower prices for their product. Clearly the smaller cattle and hog producers cannot continue to sustain such losses.

Already there have been a number of bankruptcies in the livestock industry. If this trend continues, we will see wholesale bankruptcies in the livestock producing areas of this nation. When these bankruptcies occur, the economy of rural communities and entire States will suffer.

Moreover, this damage will not be temporary. It will have a lasting and detrimental impact on the structure of our farm economy. While there are currently many big livestock producers who have the financial resources to withstand such situations, there are thousands and thousands of smaller producers—family farmers—who do not have the capital and resources to withstand the economic crisis which is currently upon them.

When they are forced to the wall, their assets will be sold, at fire sale prices.

We don't believe that the concentration of hog and cattle production in the hands of a few large corporations will mean lower prices for consumers in the long run.

Moreover, the cost-price squeeze currently being experienced by cattle and hog producers has also spread into the poultry and egg industry and into the dairy industry. Turkeys were selling for 24 percent less this May than a year ago, broilers were 13 percent less, and eggs at about 37 percent less than in January of this year.

If price declines for livestock on the farm level were reflected in lower retail meat prices, we might take some comfort from the situation. But it is clear that consumers are not getting the full benefit of the break in livestock prices.

Of course, it is the responsibility and the desire of the Committees in Congress which represent agricultural producers, and which write farm legislation, to do whatever is possible to alleviate the current crisis.

To their credit, livestock producers are a fiercely independent breed. They have never wanted government assistance or government controls. However, we are currently receiving thousands of complaints from livestock producers who can no longer cope with the economic catastrophe which has befallen them.

Several bills have been introduced and referred to the House and Senate Committees which would provide emergency credit relief for livestock producers.

It is the desire of our Committees to do anything within our power to assist our livestock producers. However, if we are to move quickly and if we are to achieve a solution that will be helpful to the livestock producers and to the nation, we will need the support and the solidarity of the national organizations representing these producers.

Therefore, we call on farm organizations and their leaders to unite in a common effort to suggest the legislative relief which might be necessary.

When this is done, we, the Committees responsible for agricultural legislation, will do everything we can to secure prompt passage of emergency legislation.

In addition, we call on the food retailers of the nation to cut meat prices and once again feature meat as weekend specials. We feel that when the consumer is given the full price break that the drop in farm livestock prices justifies, he will purchase more meat.

Further, we call on the Secretary of Agriculture to assert the leadership of his office and to marshall his farm experts to come forward to the Committees on Agriculture with positive solutions which will alleviate the current crisis.

We do not have any pat solutions to the current crisis. We are looking for answers. Therefore, it behooves all of us, the leaders of the livestock industry, food retailers, the Secretary of Agriculture and the Congress to work together toward positive solutions which will prevent the liquidation of the livestock industry as we know it.

Mr. TALMADGE. Mr. President, as my colleagues have done an admirable job in relating the plight of the livestock industry and since Mr. MCGOVERN's opening statement has adequately delineated their needs and the provisions of the bill, I should like to at this time limit my remarks to what the situation means to the broader economy.

First, agriculture is an integrated economic entity, livestock producers are the largest customers for crop producers. Over 5 billion bushels of grain each year are purchased and used by the livestock industry. If the livestock industry falls into decline, this economic fall will be reflected throughout agriculture. Prices for grains would plummet, and with the record crops we expect to harvest this year, we would shortly face grain surpluses that could exceed any past levels.

If agriculture loses its economic viability, the impact would be passed forward and backward to agricultural processors and suppliers. This would include machinery dealers, feed manufacturers, chemical companies, and especially the lending institutions.

The economic viability of rural communities is absolutely dependent upon the economic viability of agriculture. If agriculture slumps, the impact on our rural people will be devastating. A large share of the employment and economic activity of rural America is directly involved in the supply or service activities for agriculture. But even those not directly involved such as retail stores would be affected as economic activity fell.

The impact of a massive agricultural turndown would spread throughout the economy. The loss of business of a local machinery dealer translates into a loss of employment at a machinery manufacturer. Falling rural incomes result in falling demand for all goods and services whether it be TV's or automobiles or baling wire.

Chronic losses for agricultural producers would mean a turndown in production. Already, we are seeing herd and flock liquidations. Although this results in a shortrun increase in supply that would give consumers a quick burst of price relief, in a matter of months shortages of livestock products would develop. In turn, higher prices would result. And livestock products and meat would become luxury items.

Our working people, elderly and poor people would be forced out of the market. This would occur just when supplies are reaching such levels that they could more fully supply the needs of our people. It comes at a time when we are all concerned with the inadequate nutritional levels of a very large share of the American people.

In the past few years, we have made efforts to improve the nutritional well-being of our people. Unfortunately, inflation has destroyed these efforts, but we are now faced with an even more pervasive problem—the loss of production and supply.

As we consider this question, we must also be aware that there is necessarily a long time lag in regaining production levels in livestock production. The cattle declines that occurred after the 1951–52 market break were not recouped until 10 years later.

If we do not respond to the plight of the livestock industry today, we will undo the expansion efforts by the industry over the past 3 or 4 years. In addition, we would make the achievement of adequate nutrition an even more remote goal.

As responsible men, we must look forward and consider all the consequences that could result if we do not act. This program attempts to assure that all American people can expect adequate livestock products at reasonable prices. It insures that wholesale bankruptcies will not occur in the short run. It gives us time to more fully assess all the problems and to find the appropriate measures needed to fully alleviate them.

This bill is in the special interest of the American people.

Mr. MANSFIELD. Mr. President, I ask for the yeas and nays on final passage.

The yeas and nays were ordered.

Mr. MANSFIELD. Mr. President, when does the vote on the pending measure come up?

The **PRESIDING OFFICER.** Under the previous order, at the hour of 3:20 p.m. on Monday.

Mr. McGOVERN. I yield 2 minutes to the Senator from Iowa (Mr. CLARK).

Mr. CLARK. Mr. President, I simply want to join with the other members of the committee and with the distinguished chairman, the Senator from South Dakota, in supporting this legislation.

It is only one step that is needed, but it is the most important step. It is a temporary measure, an emergency temporary measure, as the Senator from Nebraska has said. It is very, very important to all of the States that raise cattle and, indeed, to all the consumers as well.

So I am pleased to join with the Senator from South Dakota and the members of the Committee on Agriculture and Forestry in supporting this legislation.

Mr. CURTIS. Mr. President, I yield 5 minutes to the distinguished Senator from Kansas.

The **PRESIDING OFFICER.** The Senator from Kansas is recognized.

Mr. DOLE. Mr. President, a great deal has been said in the Senate recently about the severe financial conditions in the livestock industry. In addition, there has been a great deal of talk in the administration and the press. I am glad to see that today the Senate is taking prompt action on this situation to protect the livestock industry and consumers.

It is gratifying to me that the bill we are considering today includes several of the provisions included in the Livestock Producer and Consumer Protection Act of 1974, which I introduced on June 11. The most important provision is that the loans guaranteed under this program will be at commercial market rates, as requested in most of the testimony in hearings on this bill on June 17. There is no subsidized rate. Cattlemen and other livestock producers do not want a handout from the Federal Government. They are not looking for subsidies and they do not need some grandiose, expensive Federal relief program.

This bill is intended to protect livestock producers from economic disaster and to protect consumers from exorbitant meat prices in coming months and years due to a potential loss of our meat producing capacity. This bill is not intended to bail the livestock industry out of a loss situation at the expense of the Government. However, livestock producers do need protection from financial disaster. This bill would provide that protection.

At the same time, consumers do not want subsidized meat paid for with tax dollars. They do need protection from exorbitant meat prices and they need a steady and reliable supply of meat. This bill would help achieve those objectives.

DEPRESSION LEVEL PRICES

Mr. President, the livestock producers in Kansas—and this includes cattlemen, hog farmers, poultry men, dairy farmers and all livestock producers—are on the verge of bankruptcy. The cattle industry alone in Kansas is a $2 billion industry, the largest moneymaking industry in Kansas. It has taken fantastic losses, estimated as high as $600 million. Some cattlemen have already been forced out of business.

In my possession, I have a number of closeout sheets from a typical feedlot in Kansas, indicating the expenses, weight, gains and financial losses on a number of pens fed at this feedlot. The losses on these cattle range from $106 per head to $211 per head. I have carefully noted that the lots of cattle, indicated in these closeout sheets, are not unusual cases, but very normal examples of the cattle feeding industry. These cattle were brought into the feedlot at a normal rate level of about 700 pounds and fattened to a weight of approximately 1,100 pounds, at which time they were sold. The total cost of gain ranged from 44 cents to 56 cents per pound, with the average cost of gain ranging in the normal neighborhood of 50–51 cents per pound.

It is obvious that with losses of this magnitude, cattle feedlots cannot be long expected to stay in business. And when feedlots go out of business, stockers, and then cow-calf operators also begin to experience depressed markets. Similar situations exist for the hog, poultry, and dairy industries.

So it is understandable why I and other Senators have met with the President, the Secretary of Agriculture and numerous other administration officials about the plight of the livestock industry. It is also clear that we have a need to restrict meat imports and take other measures to improve the livestock market. It is appropriate that we consider this legislation today to protect the livestock industry, and the future supply of meat for consumers, from economic disaster.

EARLIER EXAMPLE

Mr. President, we saw conditions in the early 1950's somewhat similar to the present situation. I believe that, based on our experience during that period, the action we are considering today is necessary and thoroughly justified.

Between 1951 and 1953, the prices on beef declined 52 percent. The production of beef and other meat declined sharply in that period. Following that decline, we see that there was no appreciable increase in the size of cowherds again until 1959.

In other words, a sharp decline in our meat producing capacity will result in a long recovery period before we can obtain a comparable level of production.

Without the protection of the measure we are considering today, the livestock industry clearly faces a sharp decline in its output. The expectation is that American consumers would not find beef in the same quantities of the peak year of 1972 until nearly the mid-1980's. Other types of meat could be expected to follow a similar pattern.

And the road back to the present level of production could be expected to be even more expensive. Inflation is an ongoing process, as we all know. The prices cattlemen would have to pay to rebulid their cowherds and feeding facilities would be even more costly than what they have paid in the past. The price of beef would then be more expensive than what we can expect if the present production level can be maintained.

OTHER BUSINESSES AFFECTED

The overall agriculture industry is closely integrated in the present day. If the livestock industry is permitted to go into a substantial recession, we can expect a similar situation to occur in the many industries directly related to agriculture. This particularly pertains to the meat processors and retailers who depend directly upon the livestock industry for their livelihood.

In addition, the grain producers would face an extreme profit squeeze. The collapse of the livestock industry would result in a sharp drop in feed grain prices. Farmers who have paid increasingly higher prices for fertilizer, equipment, and other essential materials would be faced with prices which could only provide an economic loss. This development would, in all likelihood, necessitate Government purchases and storage, another obligation on the Federal budget.

NUMEROUS SAFEGUARDS

Mr. President, there have been numerous safeguards written into this bill to prevent abuses or excessive dependence upon it. At my suggestion, the Agriculture Committee included a loan limitation of $1 million. While this sum may sound like a large amount of money to many people, it should be kept in mind that $1 million will only purchase from 2,000 to 2,500 cattle at normal market prices of $400 to $500 per head. It is my opinion, and the feeling of the committee, that this limitation of $1 million will prevent over-dependence upon this act and prevent the Government from being in a potential situation where a loan failure might necessitate large Federal repayment.

This program will be available only to bona fide farmers and ranchers. I wholeheartedly support the concept, as embodied in this bill, that protection should not be available to those who speculate in the livestock market or use it for a tax shelter. As clearly stated in the bill, credit will be available only to those "who are primarily in agricultural production for the purpose of breeding, raising, fattening, or marketing livestock or livestock products."

It is clearly stated in the bill that the borrower must be unable to obtain financing through the normal channels before he will be eligible for a loan guarantee under this program. Guarantees on loans made to refinance existing indebtedness will be made only where absolutely essential for the farmer or rancher to remain in business.

There has been concern that this program could turn into a permanent program which would permit the Government to expand its interference in the livestock industry. To prevent such perpetual extension, a specific limit was provided in the bill that this program would expire in 1 year from the date of enactment, with the possible extension for an additional 6 months under certain conditions.

It has been the committee's stated intention that the program would be carried out under the Farmers Home Administration so that no new bureaucracy would be created. The bill is so designed as to involve a minimum of redtape. A provision requires that the Secretary of Agriculture shall issue regulations to implement the act not later than 10 days after its enactment.

MINIMUM EXPENSE TO GOVERNMENT

This program should cost the Federal Government virtually nothing. The requirement that loans guaranteed under this program must be adequately secure has been clearly spelled out. A repayment period of 7 years with possible renewal of up to 5 years would provide cattlemen a fair period to repay their debts. The tradition of livestock producers being what it is, I would expect that the Government should have extremely low financial obligations because of this program.

Finally, there is a $3 billion limitation on the total amount of loan guarantees outstanding at one time. In a multibillion-dollar industry, I do not believe that this amount is in any way excessive.

Mr. President, I believe that this bill is necessary to protect consumers and livestock producers alike. I urge every Senator to support this bill.

I commend the distinguished Senator from South Dakota, the distinguished Senator from Nebraska, and the members of the committee for bringing this legislation to the floor.

I think Congress can respond when there is great difficulty, and certainly the livestock industry in America, especially in my State of Kansas, is having a great deal of difficulty at this time.

It is my view that with the four bills considered by the subcommittee, the subcommittee and the full committee have passed a very reasonable measure. It touches on the very dire problem facing the industry. It is a very tightly drawn concept. It is drawn for the protection of the bona fide livestock producer, the bona fide feeder, and those other bona fide operators in the industry, and I certainly strongly endorse the bill.

I recognize in my own State that there is some concern about this bill. Some cattlemen do not want anything from the Government.

My answer is that in the first place there is no subsidized interest rate being provided for the livestock producer and in the long run if there is not some relief given, the consumer will be the one who suffers.

Mr. President, I urge passage of the bill.

I yield back the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. McGOVERN. I yield 2 minutes to the Senator from Montana.

Mr. MANSFIELD. Mr. President, all I want to do is echo what my associates from the cattle States, the beef producing States have had to say this afternoon. I want to commend the Committee on Agriculture and Forestry for facing up to this problem—which concerns, primarily, the feed lot operators in our States—holding hearings Monday, reporting out a bill Wednesday, and having it considered today.

Mr. President, I suggest the absence of a quorum so that if anyone is in opposition to this bill they can have a chance to show up.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the call for the quorum be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. McGOVERN. Mr. President, I yield back the remainder of my time.

Mr. CURTIS. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. The bill is open to amendment. If there be no amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MANSFIELD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION—PROTOCOLS FOR THE EXTENSION OF THE INTERNATIONAL WHEAT AGREEMENT—1971

The PRESIDING OFFICER (Mr. ABOUREZK). Mr. President, under the previous order, the Senate will now go into executive session and proceed to vote on executive C, 93d Congress, second Session, the Protocols for the Extension of the International Wheat Agreement, 1971.

The question is, Will the Senate advise and consent to the resolution of ratification on executive C, 93d Congress, Second session, the Protocols for the Extension of the International Wheat Agreement, 1971? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. EASTLAND), the Senator from Alaska (Mr. GRAVEL), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Hawaii (Mr. INOUYE), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Utah (Mr. MOSS), and the Senator from Alabama (Mr. SPARKMAN) are necessarily absent.

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. BAKER), the Senator from Oklahoma (Mr. BARTLETT), the Senator from Oklahoma (Mr. BELLMON), the Senator from Utah (Mr. BENNETT), the Senator from Tennessee (Mr. BROCK), the Senator from Massachusetts (Mr. BROOKE), the Senator from New York (Mr. BUCKLEY), the Senator from Kentucky (Mr. COOK), the Senator from Colorado (Mr. DOMINICK), the Senator from Michigan (Mr. GRIFFIN), the Senator from Florida (Mr. GURNEY), the Senator from Idaho (Mr. McCLURE), the Senator from Alaska (Mr. STEVENS), the Senator from Ohio (Mr. TAFT), and the Senator from Connecticut (Mr. WEICKER) are necessarily absent.

I also announce that the Senator from Vermont (Mr. STAFFORD) is absent on official business.

I further announce that the Senator from New Hampshire (Mr. COTTON) is absent due to illness.

I further announce that, if present and voting, the Senator from Kentucky (Mr. COOK) would vote "yea."

The yeas and nays resulted—yeas 75, nays 0, as follows:

[No. 271 Ex.]

YEAS—75

Abourezk
Aiken
Allen
Bayh
Beall
Bible
Biden
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Curtis
Dole
Domenici
Eagleton
Ervin
Fannin
Fong
Fulbright
Goldwater
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Hughes
Humphrey
Jackson
Javits
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stennis
Stevenson
Symington
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NAYS—0

NOT VOTING—25

Baker
Bartlett
Bellmon
Bennett
Bentsen
Brock
Brooke
Buckley
Cook
Cotton
Dominick
Eastland
Gravel
Griffin
Gurney
Huddleston
Inouye
Johnston
McClure
Moss
Sparkman
Stafford
Stevens
Taft
Weicker

The PRESIDING OFFICER. Two-thirds of the Senators present and voting having voted in the affirmative, the resolution of ratification is agreed to.

LEGISLATIVE SESSION

The Senate resumed consideration of legislative business.

CONGRESSIONAL BUDGET AND IMPOUNDMENT CONTROL ACT OF 1974—CONFERENCE REPORT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to vote on the conference report on H.R. 7130 the budget reform bill.

The yeas and nays have been ordered, and the clerk will call the roll.

The second assistant legislative clerk called the roll.

Mr. ROBERT C. BYRD. I announce that the Senator from Texas (Mr. Bentsen), the Senator from Mississippi (Mr. Eastland), the Senator from Alaska (Mr. Gravel), the Senator from Kentucky (Mr. Huddleston), the Senator from Hawaii (Mr. Inouye), the Senator from Louisiana (Mr. Johnston), the Senator from Utah (Mr. Moss), and the Senator from Alabama (Mr. Sparkman) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. Gravel) would vote "yea."

Mr. HUGH SCOTT. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Oklahoma (Mr. Bartlett), the Senator from Oklahoma (Mr. Bellmon), the Senator from Utah (Mr. Bennett), the Senator from Tennessee (Mr. Brock), the Senator from Massachusetts (Mr. Brooke), the Senator from New York (Mr. Buckley), the Senator from Kentucky (Mr. Cook), the Senator from Colorado (Mr. Dominick), the Senator from Michigan (Mr. Griffin), the Senator from Florida (Mr. Gurney), the Senator from Idaho (Mr. McClure), the Senator from Alaska (Mr. Stevens), the Senator from Ohio (Mr. Taft), and the Senator from Connecticut (Mr. Weicker) are necessarily absent.

I also announce that the Senator from Vermont (Mr. Stafford) is absent on official business.

I further announce that the Senator from New Hampshire (Mr. Cotton) is absent due to illness.

I further announce that, if present and voting, the Senator from Tennessee (Mr. Brock) and the Senator from Kentucky (Mr. Cook) would each vote "yea."

The result was announced—yeas 75, nays 0, as follows:

[No. 272 Leg.]

YEAS—75

Abourezk
Aiken
Allen
Bayh
Beall
Bible
Biden
Burdick
Byrd, Harry F., Jr.
Byrd, Robert C.
Cannon
Case
Chiles
Church
Clark
Cranston
Curtis
Dole
Domenici
Eagleton
Ervin
Fannin
Fong
Fulbright
Goldwater
Hansen
Hart
Hartke
Haskell
Hatfield
Hathaway
Helms
Hollings
Hruska
Hughes
Humphrey
Jackson
Javits
Kennedy
Long
Magnuson
Mansfield
Mathias
McClellan
McGee
McGovern
McIntyre
Metcalf
Metzenbaum
Mondale
Montoya
Muskie
Nelson
Nunn
Packwood
Pastore
Pearson
Pell
Percy
Proxmire
Randolph
Ribicoff
Roth
Schweiker
Scott, Hugh
Scott, William L.
Stennis
Stevenson
Symington
Talmadge
Thurmond
Tower
Tunney
Williams
Young

NAYS—0

NOT VOTING—25

Baker
Bartlett
Bellmon
Bennett
Bentsen
Brock
Brooke
Buckley
Cook
Cotton
Dominick
Eastland
Gravel
Griffin
Gurney
Huddleston
Inouye
Johnston
McClure
Moss
Sparkman
Stafford
Stevens
Taft
Weicker

So the conference report was agreed to.

Mr. MANSFIELD. Mr. President, I move that the vote by which the conference report was agreed to be reconsidered.

Mr. ERVIN and Mr. ROBERT C. BYRD moved to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. Helms). Under the previous order, the Senate will now proceed to the consideration of S. 3679, which the clerk will report.

Mr. MANSFIELD. Mr. President, what has happened is understandable, because we have reached third reading now and it was not anticipated that we would. I seek recognition.

The PRESIDING OFFICER. The Senator from Montana is recognized.

Mr. MANSFIELD. Mr. President, I yield to the distinguished Senator from South Dakota (Mr. Abourezk).

ISRAELI BOMBING RAIDS ON LEBANON

Mr. ABOUREZK. Mr. President, I rise to take note, first of all, of the disengagement agreements negotiated by Secretary of State Kissinger with Syria, Israel, and Egypt.

In spite of the mood resulting from the negotiation, and the feeling of peace that was generated by those disengagement agreements, I am extremely saddened to note that the government of Israel has seen fit to conduct daily bombing raids on civilians in southern Lebanon, in the farming areas and, indeed, in the refugee camps where the military communiques which emanate from Israel say that the bombing raids are designed to kill suspected terrorists.

Mr. President, in my opinion, if that policy is to be accepted as a rational policy by the people of the world, then we could easily justify the bombing of Los Angeles because there are suspected Symbionese Liberation Army members living in Los Angeles. The same could be true of New York City or San Francisco.

My point is this: If we in the United States are to furnish Phantom jets, bombs, napalm, firebombs, and money to fuel the planes when they do the bombing and the killing in southern Lebanon, then we must be held accountable for the deaths that will result from what I consider to be official Israeli Government terrorist activities—no less terrorist in nature than an act of three or four individual Arabs who kill civilians in Israel.

Mr. President, this raises one important question: Where are the doves in the United States today who cried and who agonized over the killing in Vietnam, the killing that was carried out in the very same manner as it is being done now in southern Lebanon? Where are these people today who protested that same kind of killing in Indochina?

The answer is obvious, Mr. President; they are deathly silent and, in some cases, those very same doves are cheering on the Israelis in their bombing raids that result in the slaughter of so many innocent people.

Mr. FULBRIGHT. Mr. President, will the Senator from South Dakota yield?

Mr. ABOUREZK. I yield.

Mr. FULBRIGHT. I join the Senator. I think these tactics are inexcusable. I deeply regret that they are being done with armaments supplied by this country as a result of a vote in this body.

The Senator is well aware—we all are— of the enormous assistance we have given to Israel, in the hope that it would bring about peace. We have all been applauding in recent weeks the activities of Secretary of State Kissinger in trying to bring about peace there. I thought it was almost universally approved. Now this action does, indeed, threaten the maintenance of that peace. Already, of course, the press reports the reaction in Syria where Secretary of State Kissinger and the President were only a short time ago.

One cannot help believing that there may be some ulterior purpose beyond just the announced purpose of attacking the terrorists. One wonders whether they do want to bring peace there, which cannot possibly lead to the stopping of the terrorists on both sides, including the Palestinians. There is no doubt, of course—and I do not approve of the raids by Palestinian terrorists on villages in Israel, but this is certainly not the appropriate time to respond to that, not only not appropriate in a humane sense, but it is not designed to achieve the purpose, which is to retaliate against those who perpetrated the original raids. There is no reason to believe that those same terrorists who made attacks on Maalot are in these particular places. There is nothing to justify that.

Mr. ABOUREZK. If I may interrupt the Senator briefly, it is ridiculous for the Government of Israel to justify the raids on civilian villages and refugee camps by saying that they are bombing terrorists who committed crimes in Maalot, because the terrorists in Maalot died at Maalot.

Mr. FULBRIGHT. Yes, that is true.

Mr. ABOUREZK. They do not live any more. There is no way to kill them twice.

Mr. FULBRIGHT. It is quite an unjustifiable way to react to that kind of terrorism in that case. It endangers the maintenance of the very tentative peace that has been brought about—now only just for a few days, really.

I deeply regret it and I think our Government should protest it in most vigorous terms.

Mr. ABOUREZK. Our Government should not only protest it, but also should shut off any American tax money for military aid to Israel.

I opposed that appropriation last year, as the Senator knows, because it was easy to foresee the terrible potential for abuse of power we were providing with those armaments.

Mr. FULBRIGHT. I agree. I do not think it promotes peace to continue piling arms into the Middle East, or into Southeast Asia, for that matter. As the Senator knows, I contested that in both places and, as the Senator knows, I did not vote for it. I think the Senator remembers that.

Mr. ABOUREZK. I do remember, and I thank the distinguished Senator from Arkansas for his comments.

I want to conclude by saying that 2 days before the terrorist incident in the village of Maalot in northern Israel, the village in southern Lebanon where my parents were born, the Kfeir, was bombed by Israeli Phantom jets, fueled by American bombs and American money. There were four civilians killed in that village. One was a 6-month-old baby, a 5-year-old child, an 8-year-old child, and the mother of one of the children.

Now that was 2 days before the incident at Maalot.

What that was retaliation for, I do not know. I do know this, that at the time of the Maalot incident, the Government of Israel had 24 hours or longer to negotiate for the lives of those people who were in the school building at Maalot.

They chose not to negotiate for their lives. They made the attack rather than negotiate which resulted in the death of so many people. The Government of Lebanon had no chance to negotiate for the lives of the people who were killed 2 days before Maalot, nor for the lives of people who have been killed since then. That number has ranged into the hundreds; 40 civilians were killed yesterday alone in southern Lebanon, in the refugee camps. And there is something to be said for the imbalance of press coverage in the Middle East. Had 40 civilians been killed in Israel, each national network would have been indignant with lead news stories, and justifiably so. But as we have seen, when Arab civilians die at the hands of the Israel Government, the majority of the American press reacts by calmly reading Israeli military communiques as though they were impartial eyewitness accounts of the attacks. What does it take to bring the realization that an Arab life is equal to an Israeli life? When our media representatives realize their responsibility, perhaps the Government of Israel will not feel that it can escape criticism for its inhuman and barbaric actions.

I have been through one or two of those camps in Lebanon. The number of people in the camps ranges from 15,000 to 20,000, the great majority of them women, children, and old men.

The guerrillas generally do not hang around in the refugee camps, though occasionally they do. But those are guerrillas. They are not necessarily terrorists. Who the terrorists are, I do not know. I do not think anybody knows until such time as an act of terrorism is committed.

It is unfortunate and regrettable that they see fit to resort to that kind of terrorism. But it is as unfortunate and as regrettable that a government, the Government of Israel, will sit down to make a cold decision to burn crops of the Lebanese farmers with fire bombs, and to bomb villages where neither guerrillas nor terrorists are living; and to bomb refugee camps where, even if there are terrorists, there is certain knowledge of the death of hundreds of women, children, and old people.

I yield back the remainder of my time.

Mr. HANSEN. Mr. President, will the Senator from South Dakota yield?

Mr. ABOUREZK. I yield the floor.

Mr. HANSEN. Mr. President, I am certain that the distinguished Senator from South Dakota is far more familiar with the situation in the Middle East than I am, but I would just like to say that it does occur to the Senator from Wyoming that, despite our protested evenhandedness, America has not been as fair as I think our country should be.

I think we have ignored the Palestinian refugee problem for all too long. These people have lived in camps over there for more than a generation. My heart goes out to them.

Mr. President, I think that for reasons that are not clear to me, all too little is said about the more than 1 million persons who were uprooted and who have never been permanently settled anyplace but just kept hostage at camps where they have had no chance to aspire to the traditional role of family life, which ought to be afforded every human being.

I am deeply concerned with the seeming indifference that all too many of us display toward the plight of these people. I must say that before we can expect that real peace will come to the Middle East, that is a problem which has to be addressed, which has to be faced realistically, and a solution must be brought about.

Mr. President, I share the deep dismay which has been expressed by the Senator from South Dakota in connection with the action that has been taken. Certainly, there is plenty of blame to go around, whenever terrorism characterizes the activities of any group of people. But to think that the action that was taken is an appropriate response for earlier acts of violence seems to me to fail completely to understand the plight of these poor Palestinian refugees.

I hope we can become aware of their right to aspirations as humans; that we can become more sensitive to the ways in which their problems can be resolved, and that America will take the lead in trying to see that that problem is disposed of in a manner that will square with the conscience of humanity.

I thank my colleague from South Dakota.

Mr. ABOUREZK. Mr. President, will the Senator yield?

Mr. HANSEN. I yield.

Mr. ABOUREZK. Mr. President, I thank the Senator from Wyoming for his comments.

I think it is well past time when the United States of America and its people consider that the way to stop the fighting, to stop the terrorism, and all the other violence in the Middle East, is to deal with the Palestinian people as a refugee people. Until such time as they are allowed to find some home, following their dispersal by Israel in 1948, there will not be peace in the Middle East, nor in the world.

As you know, the United States is in danger of being drawn into that situation with each commitment we make to involve ourselves in the Middle East conflict.

Mr. President, I would like to say one more thing with regard to the refugees, themselves. Last year, at the same time that this body voted $2.2 billion in military aid to Israel, another $50 million was added by way of an amendment to resettle Soviet Jews into Israel. They were not even going to stop off in this country on their way. That was just a direct contribution to resettle Soviet Jews in Israel.

At the same time that that happened, I offered an amendment to increase our contribution to the UNRWA Palestinian refugee fund controlled by the United Nations, which was accepted here in the Senate but which was knocked out in the conference committee. As a result of the shortage of funds for the United Nations Refugee Works Agency, the Palestinian refugees are going to find some of their schools closed down, and some of their food rations cut short.

With the additional daily bombings, the daily pounding of American bombs in the refugee camps themselves, the problems will be multiplied many times over—the problems of food, the problems of health care. Their problems are serious enough now, without the addition of this kind of devastation.

I thank the Senator for his remarks.

Mr. HANSEN. I yield the floor.

FOREIGN ASSISTANCE DISASTER ACT OF 1974—CONFERENCE REPORT

Mr. SPARKMAN. Mr. President, I submit a report of the committee of conference on H.R. 12412, and ask for its immediate consideration.

The PRESIDING OFFICER. The report will be stated by title.

The second assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12412) to amend the Foreign Assistance Act of 1961 to authorize an appropriation to provide disaster relief, rehabilitation, and reconstruction assistance to Pakistan, Nicaragua, and the Sahelian nations of Africa, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by a majority of the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the Congressional Record of June 20, 1974, at p. 20211.)

Mr. SPARKMAN. Mr. President, I can summarize very briefly the House-Senate compromise contained in this conference report. The bill is intended to authorize appropriations for disaster relief in three areas: Pakistan, Nicaragua, and drought-stricken Africa. For this purpose, the House had allowed $115 million and the Senate $150 million. In conference, Mr. President, the House receded, allowing the full $150 million. It will be spent as follows: $50 million for Pakistan, $15 million for Nicaragua, and $85 million for drought-stricken Africa. The only change from the Senate version is that the $10 million earmarked by the Senate for Ethiopia has been changed from not less than $10 million to not more than $10 million.

In addition to the authorization of appropriations, Mr. President, the conference report contains a provision from the House-passed version requiring the Secretary of State to notify Congress 30 days prior to the entry into force of any proposed modification of a debt owed to the United States by any foreign government by way of the Foreign Assistance Act of 1961. The Senate conferees found this a useful requirement, because it will allow Congress to review proposed debt modifications which often involve large sums of money.

Mr. President, I believe that conferees from both Houses found this a very satisfactory conference, and I move the adoption of the conference report.

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The conference report was agreed to.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. ROBERT C. BYRD. Mr. President, what is the pending question?

The PRESIDING OFFICER (Mr. Helms). The pending question is the amendment of the Senator from Montana to the amendment of the Senator from Alabama.

Mr. ROBERT C. BYRD. I thank the Chair.

UNANIMOUS-CONSENT AGREEMENT ON RENEGOTIATION ACT OF 1951, H.R. 14833

Mr. ROBERT C. BYRD. Mr. President, at such time as the bill H.R. 14833, an act to extend the Renegotiation Act of 1951 for 18 months, is called up and made the pending business before the Senate, I ask unanimous consent that there be a limitation thereon of 3 hours, 1 hour to be under the control of Mr. Proxmire, and the remaining time to be equally divided between Mr. Long and Mr. Bennett; that time on any amendment be limited to 30 minutes, with the exception of an amendment by Mr. Taft, on which there be a 1-hour limitation; that time on any debatable motion or appeal be limited to 20 minutes, and that the agreement be in the usual form, with the understanding that the Taft amendment, although not germane, will be in order.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

UNANIMOUS-CONSENT AGREEMENT ON CONTINUING RESOLUTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at such time as the continuing resolution is called up and made the pending business before the Senate, there be a limitation thereon of 1 hour, to be divided between Mr. McClellan and Mr. Young, and that there be a limitation on any amendment, debatable motion, or appeal of 30 minutes, 30 minutes to be divided and controlled in accordance with the usual form, and that the agreement be in the usual form.

The PRESIDING OFFICER. Without objection, it is so ordered.

The text of the unanimous-consent agreement is as follows:

> Ordered, That during the consideration of H.J. Res. 1062, making continuing appropriations for the fiscal year 1975, and for other purposes, debate on any amendment, debatable motion or appeal shall be limited to 30 minutes, to be equally divided and controlled by the mover of such and the manager of the resolution: Provided, That in the event the manager of the resolution is in favor of any such amendment or motion, the time in opposition thereto shall be controlled by the Minority Leader or his designee:
>
> Ordered further, That on the question of the final passage of the said resolution, debate shall be limited to 1 hour, to be equally divided and controlled, respectively, by the Senator from Arkansas (Mr. McClellan) and the Senator from North Dakota (Mr. Young): Provided, That the said Senators, or either of them, may, from the time under their control on the passage of the said resolution, allot additional time to any Senator during the consideration of any amendment, debatable motion or appeal.

ORDER FOR RECOGNITION OF SENATOR ROBERT C. BYRD, PERIOD FOR TRANSACTION OF ROUTINE MORNING BUSINESS AND FOR CONSIDERATION OF CONTINUING RESOLUTION ON MONDAY, JUNE 24, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday, after the two leaders or their designees be recognized under the standing order, the junior Senator from West Virginia (Mr. Robert C. Byrd) be recognized for not to exceed 15 minutes; that there then be a period for the transaction of routine morning business of not to exceed 30 minutes, with statements limited therein to 5 minutes each; and that at the conclusion of such period for the transaction of routine morning business the Senate proceed to the consideration of the continuing resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR ROLLCALL VOTES TO OCCUR AFTER 3:20 P.M. ON MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that if any rollcall votes should be ordered on the continuing resolution on Monday, or on any other matter prior to the hour of 3:20 p.m., that such vote not occur until after the vote on the Allen amendment, which already has been scheduled.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. This would mean no rollcall votes would occur prior to the hour of 3:20 p.m. Monday.

ORDER FOR RECOGNITION OF SENATOR HANSEN AND SENATOR TOWER ON TUESDAY, JUNE 25, 1974

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Tuesday, after the two leaders or their designees have been recognized under the standing order, Mr. Hansen and Mr. Tower be recognized in that order, each for not to exceed 15 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I yield the floor.

Mr. LONG addressed the Chair.

The PRESIDING OFFICER. The Senator from Louisiana is recognized.

TEMPORARY INCREASE IN THE PUBLIC DEBT LIMIT

The Senate continued with the consideration of the bill (H.R. 14832) to provide for a temporary increase in the public debt limit.

Mr. LONG. Mr. President, I wish to say a few words just to make my position clear with regard to the Kennedy amendment on which the Senate will be voting on Monday.

As I said before, and I repeat, I would like to see a tax cut of a nature that would relieve some of the ravages of inflation among the working poor and the lower income people in particular. These people for the most part are not in a position to defend themselves against the rapid increase in the cost of living.

There is one aspect of the Kennedy amendment which was first generated by the Committee on Finance, of which I have the honor to be chairman, the so-called low income tax credit, or work bonus, and that is in my judgment a very meritorious piece of legislation.

That aspect of it has been passed by the Senate twice. It seeks to assure the working poor that some of the taxes being collected on their meager incomes by social security taxes, and other taxes, would be reimbursed to them. It tends to increase the income of the working poor by about 10 percent and it phases out at the earning figure of $5,600 for a worker who has dependent children in his family.

That proposal, Mr. President, is a matter that is not, certainly, my idea; it was the joint thinking of the Committee on Finance when we worked in the welfare reform area, and we felt then that what we should try to do is make work more attractive to the poor than welfare.

Mr. President, I feel this Nation can afford that tax relief, no matter how large the deficit is. That item would cost less than $1 billion. The latest estimate I saw in that respect is around $700 million. In times of rising prices and inflation I think that the simple element of tax and social justice is most appropriate. I am aware of the fact that there are many people in the low income tax brackets who also have major deficits in their finances.

While we are indexing the cost of living for those who are drawing benefits in organized labor, and a great union like the United Automobile Workers has it written into their contract that wages will increase with the cost of living, while we have provided for automatic cost-of-living increases for social security beneficiaries, while we try to keep up with inflation with respect to our Government employees, and generally organized labor and farsighted employers try to do as much for their employees, nevertheless, Mr. President, there are just a lot of people who, because of factors beyond their reach, are not in anywise able to protect themselves from the increase in the cost of living that has been going on.

Mr. President, some people benefit from inflation. Not everybody suffers. There are a lot of people who benefit very greatly—for example, those who use large amounts of borrowed money in the course of their business benefit from the fact that they will repay the borrowed money with cheaper dollars which will be easier to come by. Students of economics know a great number of others who likewise benefit from inflation. But many others suffer, and we should look at those who suffer the most from inflation and we should try to give them some relief.

So, Mr. President, even though the Government has deficits, I think we would be justified in providing tax relief in certain areas where it is particularly needed.

I am not wedded to a particular tax reduction. I am not wedded to a $6 billion tax cut, or any other figure. I just feel it would be appropriate at this time to provide some tax relief for those who are getting the worst of it with the high degree of inflation going on.

That, however, does not mean I am going to vote for the tax decreases in the Kennedy amendment. In fact, to me, it means just the opposite because the amendment provides that we will repeal the depletion allowance for oil and gas.

I cannot help but notice that the amendment would place little, or no, additional tax on the fantastic profits made by major oil companies in foreign lands. We have heard about the windfall profits. Most of them have come from foreign oil. The reason the public has suffered from the greatest increase in the cost of living in a 9-month period has been due to the cost of energy. Why is that? It is because this Nation imprudently, in my judgment, has had policies in effect that made it more profitable for people to find and produce oil overseas than to find and produce it here. It was that economic policy that resulted in our drilling rigs and investment capital being used to drill and produce more oil in foreign countries and in areas bordering along those foreign lands than in producing it here, in the Gulf of Mexico, the Atlantic, and the Pacific.

The logical way to overcome that shortsighted policy is to make it more attractive to search for energy here, and less attractive to try to find and produce energy overseas.

What would the Kennedy amendment do about that? The best I can make out, it would make it even less attractive to find the energy here and, relatively speaking, make it more attractive to find it over there.

Most of us who have some knowledge about this subject believe that if we repealed the depletion allowance completely for some of these major companies doing business in the Near East and elsewhere, it would not raise their tax liability at all, because the foreign tax credits that they are going to accumulate under the laws of those various lands and under the Internal Revenue Code and its regulations exceed any taxes that they would owe, quite apart from the depletion allowance, even if they had no depletion allowance at all.

What does the amendment do about that? Zero. Just absolutely nothing.

So, on the profits being made in the foreign lands, the tax advantages would continue to be such that there would be no additional taxes. There would be a tremendous tax increase on the person who was trying to produce it here.

Mr. President, this Nation is still fabricating drilling platforms and drilling rigs to be placed on the bottom of the North Sea to produce oil for England and European nations generally. They are being fabricated here and sent there to be put in place to find oil over there. In time of need, we cannot rely on one barrel of that oil. It will go to Europe.

We are still fabricating that equipment and even sending highly competent American working people to the Near East and elsewhere to help drill oil wells and find energy for those lands. Why do they do that? Because the economics, including the tax structures, are such that it is more desirable to produce oil over there than it is to produce it here. That is an utterly ridiculous situation, and yet the Kennedy amendment would make it worse.

Furthermore, it will come as a surprise to some Senators, and I presume the sponsors of the Kennedy amendment, to know that in the last 15 years more than half of the 20,000 independent producers of oil in this Nation have been driven to the wall. They have been put out of business. They no longer produce oil.

The testimony before the Senate Finance Committee was that if we adopted this amendment, the 10,000 remaining in that business will be cut in half again in 5 years, so that we will then have less than 5,000 independent producers of oil.

We ought to be striving to bring people back into the oil business, not drive them out. We ought to be striving to bring back into the business some of the 10,000 who got out of the business, because of our tax and other policies, rather than reduce in half the number of people who are left in that business.

So it would be a very unwise thing, and it woud tend to make this Nation more dependent upon foreign oil, rather than less dependent. It would defeat Project Independence. It would upset our desire to become self-sufficient in energy. So did the 1969 Reform Act, which also increased taxes on that industry just as an increase is being sought in this amendment.

That is not all. The proposal would also repeal the ADR, the asset depreciation range, and make it less attractive to buy and install modern equipment in new plants in this country.

The Secretary of the Treasury testified on that subject. He pointed out something that I have felt for a long time—and I have the facts to support it beyond any reasonable doubt—that when Congress passed the Tax Reform

Act of 1969 repealing the investment tax credit and reducing the depletion allowance, among other tax reform provisions and even though that bill also reduced taxes by a net $2½ billion in the long run, thereby actually putting $2½ billion a year extra into circulation, within 1 year after that bill was enacted this Nation was in a recession.

In my judgment, because there were disadvantages in building new plants, in making new investments, in putting people to work, this Nation found itself in a recession by the middle of the following year—1970—so serious a recession that the President called on us in August 1971, to restore the investment tax credit and to provide new incentives that would encourage business to make new investments and put people back to work.

Mr. President, the effect of those tax increases gained the Government no revenue whatever, and the reason they gained the Government no revenue, is that they put people out of work. They reduced Government income because people were not working and not making income; people were becoming tax eaters on the unemployment insurance rolls rather than taxpayers—rather than as self-reliant, proud, hardworking people. That reduced the income of the Government.

So there was a so-called tax increase—up to $3 billion a year from repeal of the investment tax credit—which totally defeated itself. There was a tax increase, one might say. that was supposed to bring us $3 billion in revenue, and instead may have cost us $6 billion or more because it headed this Nation into a recession.

Mr. President, if one wants to move in the direction of tax equity on the theory that on a given amount of income everybody ought to pay the same amount of tax, the most indefensible provision in the whole tax code is the investment tax credit. That is a 7-percent tax credit for an expense that does not exist. In other words, if one buys a piece of equipment, he gets a 7-percent tax credit on what it cost him to buy it; and then he is able to take depreciation on 100 percent of the cost of that piece of machinery, nevertheless.

Why would we do that? We do that because we want to give somebody an incentive to buy new plant and equipment.

I am somewhat amused that the sponsors of the Kennedy amendment, moving to improve tax equity by selective tax increases, did not propose to repeal the investment tax credit. That is the biggest and most unconscionable departure from this principle of equity in taxation that has been put on the tax books in years; and it would increase tax revenue more than any other item in that tax increase package. Why do they not move to repeal that? Perhaps a number of reasons might occur to them. One reason might be that the investment tax credit was proposed by John F. Kennedy, the late President, the brother of the sponsor of the present Kennedy amendment.

While one could argue that the investment credit departs drastically from the principle of tax equity, he cannot question its effectiveness in stimulating economic growth.

So when it was repealed, we found that the repeal of that one item with its incentive to provide more jobs put the Nation into a recession. It was then felt that this provision should be restored to encourage the kind of economic growth that it has stimulated before and, indeed, did stimulate again.

The same thing is true, Mr. President, although perhaps to a lesser degree, with regard to the accelerated depreciation which is implicit in the ADR.

In my judgment, Mr. President, repealing that provision will cause people to delay making new investments; it will retard business growth; it will reduce employment.

Mr. President, let me read what the Secretary of the Treasury, Mr. William Simon, said about this subject when discussing it before the Senate Finance Committee.

Speaking of the recession that occurred after the 1969 tax reform law went into effect, he said:

> In considerable part, this condition of the economy could be attributed to the overall effects of the Tax Reform Act of 1969 which had repealed the 7 percent investment credit and otherwise increased the tax burden on business capital while reducing taxes on personal income. Just as Secretary Kennedy warned this committee, the House-passed bill was imbalanced in its effect on consumption and saving, and we are still suffering the consequences.

In response to the need to stimulate business investment, the administration proposed two steps in 1971: a radically new depreciation procedure designed to reduce uncertainty faced by investors, and reinstitution of the investment credit. The RECORD shows these were successful:

> Unemployment declined steadily to a rate well below 5 percent before the decline was interrupted by the energy crisis last winter.
>
> Investment increased by 9 percent in 1972 and 13 percent in 1973.
>
> Industrial production increased by nearly 19 percent in 2 years, and capacity utilization rose substantially, by 10 percent.

Mr. President, furthermore, the Secretary of the Treasury points out that greater investments are still needed. I would like to quote further from his statement:

> Just to stand still and employ no more workers or produce no more goods and services than presently, U.S. industry will have to invest more in order to achieve the required reduction in air- and water-polluting emissions.
>
> Although currency revaluation has appreciably improved the competitive position of U.S. industry, the fact remains that, as compared with its major foreign competitors, U.S. industry is less modern.

Mr. President, did we ever think that we would hear a U.S. Secretary of Treasury testifying that American industry is less modern than industry of foreign nations?

I always thought this was a nation that led them all; that we were more modern and up to date with our plant and machinery, and more productive than other nations throughout the world.

Yet, Mr. President, today we are falling behind, because we do not provide as much incentive for our industries to stay modern as the other modern industrial nations around the world whom we thought we taught. Apparently they learned their lessons well, and they moved ahead of us.

Mr. President, it is for that reason that I cannot vote for a proposal which would roll back the production of energy in this country; nor can I vote for a proposal that will have the effect of increasing the price of gasoline at the pump by 3½ cents a gallon, as the testimony before the Senate Finance Committee indicates.

The price of gas is high enough already, and everybody knows that if you raise the tax, that increases the cost, just as much higher wages for labor increases the cost, of doing business, and it will have to be passed on to the consumer.

The Secretary of the Treasury so testified, and so did everybody else who appeared on this subject. How can we raise the tax, assuming the industry is making about what we think they ought to make, without raising the price of the product?

The evidence I have indicates that for a gallon of gas retailing at about 60 cents, there is a 2-cent profit in that gallon of gas to the company that produces that gallon of gas. That company is plowing back 4 cents to try to find more oil and gas to produce more energy. Now then, they would not be able to put back twice what they are making if they were not making anything. They would not even be able to borrow the money.

Therefore, if we raise the tax by eliminating the depletion allowance, they will have to raise the price; otherwise they cannot stay in business.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. LONG. Yes, I yield to the Senator.

Mr. KENNEDY. The economics of depletion is a difficult issue, and I think there is probably no one better qualified than the two Senators, the Senator from Louisiana and the Senator from Wyoming, to explain the economic factors of the oil industry.

I heard the argument that if we eliminate the oil depletion allowances, we will have an increase in the cost of gasoline to the consumer. I am sure the Senator from Louisiana gets asked, as I get asked, about the extraordinary increases in the profits of the major oil companies over the past year. Those figures have all been made a part of the RECORD.

But the American people are wondering why it is that the major oil companies are using those profits to buy up companies in other industries. We read earlier this week that Mobil Oil Co. is trying to buy Montgomery Ward. Now, Montgomery Ward is an old familiar store to those of us in New England. But it is not in the oil business. It is a general department store.

Mr. LONG. If the Senator will let me answer the question——

Mr. KENNEDY. Let me just continue for a moment. Mobil proposes to spend $400 million, not for research, not for finding new energy sources, but to buy Montgomery Ward.

Then only a few months ago, we read that Gulf Oil Co. was considering buying the Ringling Bros Circus. It would appear that Gulf is taking tax dollars paid by the American taxpayer through the depletion allowance, and is going to the circus.

I think it is extremely difficult for the American people to understand why the oil companies are using their fantastic profits to purchase other companies, rather than going out and exploring for oil. How is owning a circus or a department store going to give America the energy independence the country needs.

Mr. LONG. I am glad the Senator asked the question. I am glad to educate him on that subject. Because it is more profitable in the real estate business and in the Montgomery Ward business than it is drilling for oil.

The Gulf Oil Co. had an advertisement in the paper a while back—I hope the Senator read it; I saw it and read it—a full page in the Washington Post, where they explained that it is true they made a lot of additional money on their foreign oil, because the value of the oil they had in inventary obviously went up when the price of oil went up, because the Arabs raised their price.

But within this country, within the United States, if you are looking at their oil-producing operations during this year—with all these high profits one hears discussed here—they made less money in producing oil than they made the year before. I am talking about the oil they produced within the United States.

Mr. KENNEDY. Will the Senator yield?

Mr. LONG. They were making less; if you take out their petrochemical operations, which is a big operation for that company, just look at what they are making on oil selling at the controlled price, which is about $5.25 for old oil. Including the $10 they get for such new oil as they can find, they average about $7 a barrel for the crude oil produced here right now, and that price must be averaged with the price for natural gas to find the real price for energy produced from oil and gas. Because natural gas is selling for a much lower price in terms of energy, the average equivalent price is only $4 a barrel for oil and gas produced in this country, compared with $10 a barrel for foreign oil.

On domestic oil and gas, Mr. President, they are making less profit this year, even with all the tremendous increase in foreign profits, than they did the year before, and that was not a particularly good year. They are also plowing back more than twice as much in trying to find more energy in this country than they did the year before. Why are they not investing more than that? Because it is not all that profitable.

The Senator's amendment would not touch all that, the greater profitability of foreign oil, where these companies are making all this money. It costs 15 cents a barrel to produce a lot of that oil; they are selling it for $10 a barrel. Even after the foreign government takes out $7 a barrel, that still leaves an awfully large profit—$3 a barrel for something that cost you 15 cents a barrel to produce.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. KENNEDY. Do they not get a depletion allowance on the foreign oil?

Mr. LONG. Yes, and I would favor eliminating the depletion allowance on that foreign oil. But here in this country, during the last 15 years, half of the 20,000 independent producers have been put out of business, because they could not compete with that foreign oil the way it was. So the 20,000 independents have been reduced to 10,000. I hope the Senator will read these hearings. These people came in and testified that if we take away their depletion allowance, as suggested here, the 10,000 will go down to 5,000 in a hurry.

We need those producers, and I say to the Senator, if he wants to raise revenue from the oil industry, he ought to be raising it on that foreign oil. It is still so much more profitable than oil produced here that we still have our rigs manufactured in Morgan City, La., and hauled over to the North Sea, Nigeria, and Saudi Arabia. They are still sending our best welders and oil rig men over there, because it is more profitable for them to work there than here.

To increase taxes on the oil industry, I would favor taxing this exportation of jobs abroad, rather than putting the independent people out of business here in the United States. I say to the Senator, we have put half of them out of business already; why kill the other half?

Mr. HANSEN. Mr. President, will the Senator yield?

Mr. LONG. I yield to the Senator from Wyoming.

Mr. HANSEN. If I could respond briefly to the question of the Senator from Massachusetts——

Mr. KENNEDY. Mr. President, could I restate the question for the Senator from Wyoming?

Mr. HANSEN. Yes, I am happy to yield for that purpose.

Mr. KENNEDY. It has been sharpened somewhat by the response of the Senator from Louisiana.

I asked him why the oil companies are moving into the department store business and into the circus business. He says, well, that is where the profits are.

The consumers want to know why they ought to be subsidizing these major oil companies to drill for oil, and then find they are using the profits instead to go out and buy Montgomery Ward and the Ringling Bros. Circus. Millions of ordinary taxpayers are subsidizing the oil companies to the tune of billions of dollars a year, through the oil depletion allowance. The justification for the depletion allowance was to give the companies an incentive to go out and find new resources. The people cannot understand what is happening.

I am all for the small independents. I am all for the wildcatters and the independent operators; and if they are at such a competitive disadvantage in finding resources and reserves, because of the practices of the major oil companies, then I am for doing something about that. That may very well be the case. But after listening to the distinguished Senator from Louisiana, I wonder how he justifies giving the depletion allowance to the major oil companies, in view of the fact that they are getting into areas which have absolutely nothing to do with research and exploration. How can he justify the fact that with the highest profits in oil history, the American taxpayer has to subsidize the oil companies to buy department stores and circuses. That subsidy is coming out of the average taxpayer's pocket. That subsidy has to be made up some way, and the way it is being made up is from the pockets of millions of ordinary citizens.

Mr. LONG. Mr. President, those high profits the Senator is talking about are being realized out of oil produced in foreign lands. It is not all that profitable here. In fact, the reason why it was so unprofitable that when the oil was cut off from the Near East, we almost suffered a calamity, was that this country because of its tax policies, was exporting its energy industry. Every year the capacity of the American industry to produce was going down, at what looked like about a 45 degree angle on the chart. When the Arabs put the boycott on and world prices went up, new oil production in the country was permitted to have the same prices the Arabs were getting for the oil that slipped through the blockade. That turned it around, and now we have had a 40 percent increase in drilling. That is not near enough. We need a 100 percent increase in drilling. We increased drilling by one-half just to get back to where we were 15 years ago. We should increase it at the rate of 100 percent, but we have managed only 40 percent. Anyone in the oil business is scared that they will lose the depletion allowance, and that the independents would be driven out of business. They say repeal of the depletion allowance means that half of them will be out of business in the next 5 years. Even the Secretary of the Treasury who put our money into it at one time—and he understands the problems of the oil industry a lot more than the average layman does—tells us that this would hurt the independents here a great deal more than it would hurt the major companies.

But the point is that the big profits are in foreign oil. Up in New York they are charging $10 a barrel, and if they could get it, they would be charging more than $20. We have oil that we sell for $5.25. We are selling gas a lot cheaper than that. The price of gas works out to be about 25 cents per thousand cubic feet, at least down in my State. It should be $1—which then compares with about $6 for oil.

Mr. HANSEN. Mr. President, I believe the distinguished Senator from Massachusetts (Mr. KENNEDY) has raised a valid question and one that deserves answering if I could. I say to my distinguished colleague from Louisiana, let me try to answer it. The Senator from Massachusetts says, let us look at the big picture. That is right. We should look at the big picture.

These are the facts:

When people talk about profits in the oil business, because the newspapers have chosen to ignore some very important elements of the facts, the average person does not know the facts. First of all, what has happened here is that we have had a devaluation of the dollar. That accounts for the significant increase in the profitability of many oil operations—the devaluation of the dollar.

The second fact is that the Arabs put an oil export boycott into effect. At the same time they put that boycott on, we had a rise in prices because they got together as a cartel that controlled two-thirds of the total world oil production and reserves. This had nothing to do with any decision on the part of the oil companies but was a unilateral decision on the part of the oil exporting countries, particularly the Arab oil exporting countires. They said, "We are going to raise the price." Everyone knows that the profits are absolutely out of sight—or they think they are.

Occidental had an increase in profitability compared to the return on investment in 1973 over 1972 of 718 percent.

The distinguished Senator from Washington (Mr. JACKSON) stood on this floor and said that those profits were perfectly obscene. He said they were unconscionable, that they are unconscionable and we should stop them. Of course we should.

What he did not say—what he failed to say—was that in 1971, Occidental did not make any money. It lost money. It went in the hole. I repeat, it went in the hole.

What happened in 1972? Occidental did not decide they were going to pay no dividends, because they wanted to keep selling their stock—just like everyone else does. So, what did they do? They said, "We will pay a rate of return of one and three-tenths percent." They did have a better year in 1973. They decided to pay a better rate of return. They paid about 9 percent. If we divide out the fractions that follow the one and three-tenths percent of the 9 percent, we will find that there was an increase in profits of 718 percent.

But, no one said—I repeat, no one said—that a nine percent return on investment was a very good investment.

What happened? Occidental's stocks along with Exxon, Texaco, Mobil, Gulf, all dropped on the New York Stock Exchange.

So I ask, Mr. President, if this is such a great business, if these profits are so much out of sight, why is it that the discerning American investor did not buy some of these stocks?

He did not buy them because in the Congress of the United States proposals were being made to all kinds of punitive action against the oil companies.

They were going to repeal the oil depletion allowance. They were going to knock out the foreign tax credits. They were going to knock out the intangible drilling cost accounting procedures. They were going to require that one-half of Federal land owned had to be bid for on a royalty basis. They called for horizontal divestiture of all oil companies for anyone in the oil business who was contributing to the coal business, or was doing any research on solar energy. They called for a vertical divestiture so that if they were interested in more than one of the businesses producing transportation by pipeline, refining, or the retailing of oil, they had to get rid of all of it.

They introduced proposals to put the Government into the oil business. The junior Senator from Illinois said that we will put the Federal Government into the business so that we will have a way to measure what is a reasonable return on profits. Then they further proposed to charter all integrated oil companies. Maybe everyone knows what that means and perhaps some do not. I know that the Senators from Louisiana and Massachusetts know what it means. It means that on every one of the integrated oil company operations they would have a representative of the public sitting in on the board of trustees just to see that everyone stayed on, just so the public interest was represented.

Those are the sort of proposals they had in mind.

They did not stop there, though, they had more in mind.

They said, "We will force the oil companies to make public disclosure of all the information they have, although it may have nothing to do with the overall public interest. We will require every oil company to disclose every bit of confidential information it has."

Another proposal would extend FPC price regulation to crude oil as well as intrastate gas in addition to interstate gas which is already regulated.

And, of course, there are still those who want to roll back the price of crude oil and repeal the stripper well exemption for marginal wells and apply a so-called windfall profits tax to the price of crude oil.

So, Mr. President, what my good friend from Massachusetts, my cherished friend, asked is: Why did Gulf and Mobil talk about diversifying their investments?

All I can say is, if I owned a single share of oil stock—which I do not—I would sure want to be getting out of that business, because if only half the bills proposed on the floor of the Senate are enacted, it would turn out to be the poorest investment anyone could make.

Mr. President, and the Occidental obscene profits—as Senator JACKSON characterized them—of 718 percent. Unconscionable? Of course it was—until we start comparing that fact to the amount of the 9 percent return on the investment.

The Washington Post and the New York Times thought that this was clearly not in the best interests of the public. They had great headlines saying, in effect, look at the unconscionable profits—9 percent for Occidental.

However, they did not point out to the American people that the Washington Post that very same year had profits in excess of 14 percent.

The New York Times did not say to the American people, "We have had profits in excess of 14 percent." They never mentioned that. They did not say that.

Mr. President, if we really want to be a wise investor, then get out of the oil business and invest, instead, in CBS because when CBS was blasting the oil companies day after day, morning after morning, and night after night, they did not say that CBS at the same time had had a return of 18.5 percent.

Then, further, if we really want to look—as the Senator from Massachusetts said we should, and I agree with him—at which has been happening in foreign countries, I would say that we are darn lucky, we are very fortunate as Americans that we have American investments abroad.

Because you know what happened, Mr. President? Two things happened: When the Arabs put on the oil boycott, we also had some of the same questions we find current here day after day, we find they were also operating in other parts of the world—in Nigeria, in Venezuela, in Indonesia—and when the Arabs stopped the oil from flowing to America last fall, when they put their boycott on, these American companies, without violating any trust or any of the laws of the lands under which they were operating in the Middle East, were able at the same time to divert oil that would have been going and was going to other sources to the United States, and we got through last winter in pretty good shape.

We got through in pretty good shape because the oil kept flowing, despite the fact that the distinguished Senator from Washington (Mr. JACKSON) said, "We are going to freeze to death, almost." He was saying that last winter. We did not quite freeze to death. Despite the fact that we could not buy any woolen underwear, because the coyotes had eaten most of the sheep in the West, we were still able to get through the winter. He made dire predictions about how we were going to have to ration gasoline or that we could not get through the winter. We did not ration gasoline.

We got through the winter. Most of the people kept their jobs. Most of the factories kept running.

All I can say to my good friend, the Senator from Louisiana, and my cherished friend, the Senator from Massachusetts, is that I am glad American dollars were invested in Saudi Arabia, in Nigeria, in Venezuela, in Canada, in Indonesia, and a lot of other places around the world, including the North Sea. I say to the distinguished chairman of the Finance Committee that that was how we were able to get through the winter in as good shape as we did.

Though I do not have any reason at all to suspect that a word of what the Senator and I may say here now will ever see print in any of the big metropolitan eastern newspapers, it still is a fact that the oil business is not the best business in the world if one wants to make a profit.

It is still a fact that, despite the fact that they have said the profits of the oil industry are unconscionable, these profits do not start to equal the return on investments in the Washington Post and the New York Times.

I thank the Senator.

Mr. LONG. Mr. President, I would like to make another point. The Senator from Wyoming asked about the company buying Montgomery Ward. I believe it will be found that the major companies are anticipating either the repeal or a drastic reduction of the depletion allowance. That being the case, they are looking to where they can put their money and claim tax advantages that they will lose when they lose the depletion allowance.

For one thing, some of us suspect that they are moving to try to acquire as many of their own filling stations as they can, rather than lease them or do business with independent filling station operators, so they can take depreciation on those holdings.

Mr. KENNEDY. Mr. President, will the Senator yield on that point?

Mr. LONG. I yield.

Mr. KENNEDY. In effect, the Senator is saying the majors are going to take over the small independents. That ought to be a real concern to the American people.

Here are the major oil grants, going out, buying up the small independents, driving the small businessmen out of business. Many of these independent firms have been in the same family for two or three generations.

Mr. LONG. Mr. President, I am glad the Senator has some concern about the small independents. I wish he had the same concern about the small independent oil producer.

Mr. KENNEDY. I certainly do.

Mr. LONG. I am concerned about both of them.

Mr. KENNEDY. Mr. President, as a matter of fact, I have enjoyed the warm and good support of the small independents.

Mr. President, will the Senator yield further?

Mr. LONG. I yield.

Mr. KENNEDY. It is interesting to listen to the explanation of how the people in my part of the country are being served by the production of domestic oil in the United States and how the major domestic oil companies are a friend of the New Englanders. It was only a few years ago that the major oil companies had an oil import quota system which kept New Englanders from purchasing cheap foreign oil. We had to buy it in the United States, at a higher price, but the major oil companies insisted that the quota had to be kept on. So we were forced to pay astronomical prices for oil.

The Senator from Wyoming talks about people not losing their jobs. I would like to take him up to Fitchburg and Leominster and other cities in Massachusetts and introduce him to the thousands of people in the plastics industry who lost their jobs because of the oil crisis.

Mr. HANSEN. Mr. President, will the Senator yield on that point?

Mr. LONG. Mr. President, I decline to yield further. I have the floor, and I should like to respond.

The Senator has spoken about the quota system. I was never under the impression that a major company asked for that system. I am one of those who worked for it, and the late John Kennedy helped us to implement the quota system because he thought it was good for the country, as did I.

My thought was this: If we do not have an industry in this country that is able to produce essential requirements for fuel, we are going to regret it. We in Louisiana were not in a position to compete with foreign oil. In Louisiana, where we produce more oil, for a State of its size, than any other State in the Union, we were not able to compete with wells that produced 6,000 barrels a day and up. The best we could find at that time was, perhaps, a well which might produce 400 barrels a day at full capacity.

They have wells there which produce as much as 400,000 barrels a day. If we have one that produces 400 to 500 barrels a day, we think we are doing very well. I understand that one or two wells have been found in the Gulf that might produce as much as 3,000 barrels a day. The average well in this country produces 14 barrels a day, and the average well in the Near East produces approximately 6,000 barrels a day. So, relatively speaking, their average well produces about 500 times as much as the average well in the United States. Their production cost is less than 25 cents. On new oil found in this country, our production cost runs around $5.

So this industry, which produces the essential requirements of energy for the United States, cannot begin to compete on a strictly head-on competitive basis with the wells in the Near East.

We need an energy industry, because we always face the possibility of a recurrence of the situation that occurred when the Arabs tried to shut off supplies during the Suez crisis and when they did during the past winter.

Mr. KENNEDY. Mr. President, will the Senator yield on that point?

Mr. LONG. I will yield in a moment.

In order to have a domestic industry, not only the people of New England but also the people of Louisiana were paying approximately $1.25 a barrel more than they would have paid if we could have persuaded the Arabs to produce it and sell it to us at the level of profit they were making at that time and the level of Government take they had at that time. So all of us in the country are paying more for our energy.

That was done in order to have an industry that could see us through any emergency that might strike us, that could see us through thick and thin—an industry that could keep them honest over there, could make them keep their price at a reasonable level. What happened in this industry was a decline in domestic oil exploration to the point where the industry could not begin to take care of America's needs. The Arabs put an embargo on us when we sided with Israel against them in the Arab-Israeli war. What little oil we could get sold for as much as $20 a barrel. I feel sorry for the people in New England who are paying those prices.

But we did try to help, and we have been selling the oil we produce in our part of the country for $5.25 under a Government control program—for which I voted as a Senator from an oil-producing State—while they were producing it, shipping it here, and charging $20 and more a barrel. Even when one allows a price of $10 for newly discovered oil, the average price we pay for energy, including what we pay for gas, which is being regulated at a low price by the Federal Power Commission, as though gas producers were generating plants rather than oil producers, works out to $4 a barrel—compared to the $20 a barrel we were paying for imported oil.

That is the advantage of having a strong domestic industry. Regardless of what the price may have been, the point is that, when needed it, it was there.

Mr. KENNEDY. Will the Senator yield?

Mr. LONG. Yes.

Mr. KENNEDY. This is an interesting argument. It is exactly the same argument we have heard for years and years. The fact is that Georgia does not need that much home heating oil, nor do they need it in North Carolina or South Carolina, or Louisiana, or many other Southern States. How much home heating oil do they use in Arizona?

The fact is that New England has 6 percent of the population, and we use 25 percent of the home heating oil. So in order that we may have an oil industry in the Nation, the people in New England, the Northeast, and the North Atlantic States have had to pay a special price for it.

We need a national defense. We have aircraft carriers, we have missiles, we have bombers. But we do not have New England paying for a disproportionate share. They pay the same share the people of Louisiana pay.

If it is a national policy to protect a national interest with regard to national security, the burden should be borne even-handedly throughout the Nation. It should not be placed on those who happen to come from a particular area of the country which has extreme cold in the winter. Yet that was what was done with the oil import policy. That is why it was so inequitable.

Mr. LONG. Mr. President, the debates in this body in 1840 were just as heated as they are now, perhaps more so, because some Southern States were raising the devil about the fact that they were producing cotton and farm products, and whatnot, and buying manufactured goods from New England at prices protected by high tariff rates to protect American industry and American manufacturers.

But if we are going to have an industry that can provide our energy requirements—and I am not talking about oil—if we are going to have an industry to keep the American people warm in the wintertime and provide them with gasoline for their automobiles and fuel for their generating plants, for their air-conditioning, and in the other comforts, and, by all means, fuel to see us through a war if we are forced to fight one, and fuel to go to the aid of our allies in the event they find themselves in distress, then it is going to cost us more to produce that energy here than it is going to cost the people in Saudia Arabia, because they produce at 25 cents a barrel.

We can find new oil at about $5 a barrel. It is going to cost us $7 or $8 a barrel to bring in new coal and shale oil; and if we do not bring in new coal and shale oil, we will never be self-sufficient in this country.

If we can make a big breakthrough in atomic power, then we can forget the oil and gas. We will not need it, and we can sell it on the world marketplace.

One more point with regard to the oil industry—all during the time we had those restrictions, there was no restriction on residual fuel oil, which, of course, could be imported without any limitation whatever.

Quite apart from the need to provide the Nation with its energy requirements and to build a nation that is self-sufficient, the Senator further proposes to eliminate the faster depreciation write-offs allowed by ADR on plant and equipment, thereby encouraging investments in automating their plants and equipment.

Mr. President, I am amazed to find that the United States, which I always thought had the most modern plants in the world, is becoming a second-rate power and that it is not as modern as some of the nations with which we are competing, such as West Germany, Japan, and others. We should do whatever is necessary to keep our Nation self-sufficient.

I think John Kennedy was right when he persuaded me to go along with the tremendous new incentive for new plants and equipment—the investment tax credit. It was against my better judgment, but I do not regret it now. One cannot find anything in the tax code that departs from tax equity as much as that did. That is a 7-percent tax credit for an expense that is also deductible. The investor can write off the entire cost of equipment through depreciation—in addition to the 7-percent tax credit. I helped to put that law on the statute books. Looking back upon it, I am glad I did because it stimulated the economy and it helped to keep this country prosperous.

It helped the Senator's late brother, President John Kennedy, and President Lyndon Johnson, over a period of 8 years to maintain better economic conditions than before. It was a fantastic achievement. That provision encouraged our businessmen to modernize our plants and become more productive.

Mr. KENNEDY. There is nothing in the amendment we have submitted that affects the investment tax credit. The only thing it affects in this respect is accelerated depreciation. We draw a distinction, and economists draw a distinction, between the two different programs.

I agree that under President Kennedy, the investment tax credit had an important impact in terms of stimulating the economy. It is a measure I continue to support, although I think its beneficial impact can be sharpened.

I reject the Senator's attempt to lump a loophole like ADR with the investment tax credit. Our amendment affects only ADR. It does not touch the investment credit.

Mr. LONG. But if the Senator is talking about tax equity one can better defend accelerated depreciation than the investment tax credit. But the tax laws we have written do not proceed on that basis. It depends on how one made his money and what he did with it.

Mr. KENNEDY. That is true, and the ordinary taxpayer winds up paying too much, because others pay too little.

Mr. LONG. The Senator might say that, but he does not want to reflect on his brother and my dear friend, President John Kennedy, who helped to make it that way by proposing the investment tax credit. It did help to make this a more prosperous country, as I said before.

We have many provisions in the tax laws that fall into this category. If one gives to a charity, there is a tax deduction; if one puts money into a foundation, the foundation does not pay taxes on the income from that money, within certain limits; if one invests in equipment used in his business, he gets an investment tax credit.

How much tax one is going to pay depends on what one does with his money.

I have heard some people argue that taxes should be based entirely on the Government's need for revenue, and not to achieve any other purpose. The late George Humphrey, the former Secretary of the Treasury, made that argument when he first became Secretary of the Treasury under the late President Eisenhower. They did not stay with that for a year. They found that if the country is going to be prosperous, we must have laws that encourage people to invest their money in ways that put people to work; we must have investment in jobs and equipment in order to keep the country prosperous.

They learned from recession. We had three recessions in that 8-year period. Then, we provided the investment tax incentive, and in the next 8 years while John Kennedy and Lyndon Johnson served as Presidents of the United States, there was not a single recession.

That being the case, I would be one of the first to say that the policies of both President Johnson and President Kennedy were designed to maintain full employment and full prosperity and give every person a chance to work. The Nation being a nation of free enterprise, we should encourage business to expand, to modernize, and to make a profit.

So we have tax laws which do have incentives for people to earn money in ways in which we would like people to earn it, and to spend it in ways we would like them to spend it. I do not think we are ever going to see a President depart from that principle. Even though tax equity, or the principle that people with the same income pay equal taxes, should be pursued, it does not take precedence over the need for the Nation to be prosperous, over the need for the Nation to be strong, and over the need for the Nation to be able to defend itself.

Mr. KENNEDY. Mr. President, will the Senator yield?

Mr. LONG. I yield.

Mr. KENNEDY. With regard to the latter statement, there is very little that I could disagree with, with this exception: Just because we have many legitimate incentives in the tax laws, it does not mean we have to give our blanket acceptance to the entire Internal Revenue Code. There are far too many loopholes that exist within it today. That is what this debate is about.

I think we can achieve the purpose of an expanding economy with full employment, without 402 Americans making over $100,000 but paying not 1 cent in taxes, which was the case in 1972.

I do not think those two objectives are inconsistent. We can close the loopholes, and we can also have an expanding economy and full employment. I do not think those purposes are inconsistent.

All we are trying to do by this amendment is to deal with the four of the most notorious loopholes in the tax laws. The Senator from Louisiana is familiar with the way wealthy taxpayers use these loopholes to avoid their responsibility to their country to pay their taxes.

Mr. LONG. Is the Senator familiar with the testimony in the hearings on the tax proposals that the Senator has before the Senate at this time?

Mr. KENNEDY. Yes. I am also familiar with some of the statements that were made in other hearings. For example, as Prof. Robert Eisner, of Northwestern University, who spent many years studying asset depreciation, told the House Ways and Means Committee earlier this year, with respect to ADR:

> There is little evidence that "liberalization" of depreciation allowances of this type will have much effect on investment.

He went on to note that:

> If the objective were to increase investment spending, economic analysis makes clear that a far more effective device, dollar for dollar of tax loss to the Treasury, would be some form of direct investment subsidy or tax credit.

As the Chairman knows, an investment tax credit to stimulate capital investment was also adopted as part of the Revenue Act of 1971, providing ample tax relief and investment incentives for corporations. There is no need for ADR. It is simply a tax bonus for companies to do what they are already doing.

Mr. LONG. The Senator has not answered my question. The question can be answered with a simple "yes" or "no."

Mr. KENNEDY. The Senator was about to read some parts of his hearings to me; I thought I would read some parts of other hearings to him.

Mr. LONG. Trying to anticipate the amendments he offered here, the Senator was kind enough to provide me with what he thought would be appropriate. He has offered some of them before. So I arranged for some committee hearings, to give people an opportunity to testify, so that we would have some idea about what proposals would be appropriate.

Throughout these hearings we find the statement repeated that the Senator wants to tax some rich person who made a lot of money but paid no taxes. But if that is the Senator's purpose, the amendment he has offered here is not going to do it. For example, if the Senator will look at page 7 of the hearings, there is a table in which the Secretary of the Treasury summarized his suggestions, which include a proposal to determine a minimum taxable income for each taxpayer—which I myself have proposed on occasions—inadequate though it may be.

The Senator will notice that in the table the Secretary states that 69 out of 92 taxpayers making $200,000, would be required to pay a tax under his proposal. And under the Senator's proposal, only 12 of them would pay tax.

In fact, the Secretary said of the Senator's proposal that it would tax a lot of middle-income people who are paying their fair share of taxes already. He also said that the Senator's tax is just an additional tax on many people who are already paying their fair share.

The Senator talks about 400 people. According to his analysis, when they took out 92 of the tax returns of high income persons who paid no tax and analyzed them, the Secretary's proposal would tax 69 of them, while the Senator's proposal would tax only 12. So if the Senator is firing at a target, he is missing the bull's eye by a long way.

Even in the area of minimum income tax, the Senator could come nearer the target.

I think with time and a better study, we could draft a proposal that is better than the proposal of the Secretary of the Treasury. That, however, takes time and work, and the cooperation of staff and those who understand how business works and the intricacies of investment decisions for reducing taxes.

Only 12 of the 92 who made $200,000 and paid no taxes were caught by the Senator's amendment. I would like something better than that. It seems to me that if the Senator is going to miss 80 out of those 92, he is way off the target.

Mr. KENNEDY. Mr. President, I think we ought to have the talks the Senator mentioned available in the RECORD, and I ask unanimous consent that it may be printed in the RECORD. It purports to compare various minimum tax proposals. The last column refers to my proposal to reform the minimum tax. "MTI/LAL" refers to the Treasury's so-called minimum taxable income—limitation on artificial accounting losses proposal.

	Treasury's MTI/LAL	Present minimum tax	Proposed[1] amended minimum tax
Revenue gain from individuals (billions)	$1.15	$0.2	$0.7.
Average tax increase for high income, low tax individuals above $100,000 AGI.	$33,000	$9.400	$11,000.
Effect on 92 taxpayers in 1972 who had AGI of $200,000 or more but paid no tax.	69 out of 92 required to pay tax (average tax of $61,600).	No effect	Only 12 out of 92 required to pay tax (average tax of $9,700).
Effect on "tax shelters" in oil, real estate, etc., which are a major source of the high income, low tax problem.	Eliminates tax shelters	No significant effect	No significant effect.
Rates of tax	Regular graduated rates from 14 to 70 percent.	Flat rate of 10 percent	Flat rate of 10 percent.

[1] Would also raise about $800,000,000 to $900,000,000 from corporations (an additional $300,000,000 to $400,000,000 over present law) if percentage depletion is not repealed but would raise much smaller amounts if percentage depletion is repealed. The Treasury would retain the present minimum tax on corporations.

Mr. KENNEDY. Mr. President, those figures are not reliable. That is a phony and misleading table. The Treasury proposal is not comparable to the other columns. You can compare MTI and the minimum tax, but you cannot compare MTI combined with LAL with the minimum tax. If that is the best the Treasury can do, we ought to pass my minimum tax reform today.

I have got my own proposal for LAL, a much simpler proposal to get at the problem of syndicated tax shelters, which are at the heart of these artificial accounting losses. It would raise about a billion extra dollars, but I do not add that into the minimum tax.

I do not think Congress is ever going to buy MTI or LAL. They are too complex. They do cause a nightmare of accounting and paperwork and excessive bookkeeping. The House tried something like MTI in 1969, but the Senate dropped it quickly in favor of the present minimum tax. That is what I am trying to build on.

Mr. LONG. Furthermore, if the Senator will read——

Mr. KENNEDY. Will the Senator yield?

Mr. LONG. I yield.

Mr. KENNEDY. I would like to see the MTI figures without the LAL figures. I think we would have more comparable figures then. We will have the Treasury Department give them to us for Monday. Then I think we can discuss them.

Mr. LONG. Further, if the Senator will read the testimony of the witnesses for the Independent Petroleum Association of America—I know the Senator has to depart because of a commitment—starting on page 85, he will find that they say that beyond a doubt half of them are going to be put out of business.

Mr. KENNEDY. Is that the oil industry spokesmen defending their loopholes?

Mr. LONG. These are independent producers. Some do not produce more than 20 barrels a day. These are witnesses testifying for themselves. These are independent petroleum producers. They represent 10,000 producers. They were once 20,000, but half of them were put out of business in the last 15 years. I think the Senator wants them to stay in business just as much as I do, because the Nation needs the energy they can produce. I hope the Senator will review that testimony, because I am sure the Senator from Minnesota (Mr. MONDALE), who is a cosponsor of the amendment, was tremendously impressed by their testimony. I do not mean that he is going to vote for their position, but he was impressed when he heard them, because he so told me.

Mr. KENNEDY. I thank the Senator.

Mr. LONG. Mr. President, to conclude, my reaction is that I will not vote for the tax increases proposed in that amendment. I will seek to vote—when I have the opportunity—for the tax cuts. I hope we might even be willing to try to prevail on our friends in the House of Representatives, if we are able to go to conference, even though we may have to vote for a smaller tax cut. But I do not think, Mr. President, that at a time when we are in the doldrums anyway, at a time when the economy needs a shot in the arm, when we ought to give more encouragement for people to spend, we ought to be scaring business by acting as if we are going to tax the eyeballs off them.

That is why, as the Senator from Wyoming (Mr. HANSEN) pointed out, people have gained the impression that, even though the oil industry is making more money than the average for a change, they should put even more money into finding oil because they are in danger of being nationalized or being taxed out of business—in danger of being treated very badly indeed by their Government because some thought their profit was exorbitant.

I agree with the Senator from Wyoming. As he knows, some of the oil people lost money during the year we had in mind. When the Arabs put the boycott on, foreign oil was shut off. The people of this Nation did not have enough energy, and the price of oil went up. I suppose any poor soul who lost money in 1972, and because of the shortages from the Arab boycott made money in 1973, ought to be put under the gun, like my Uncle Dave.

My uncle Dave stayed in the oil business as long as he could. He was one of the 10,000 independents who left the oil business, because he went broke. When the price of oil went up, uncle Dave went out, if he could find an old rig and some secondhand pipe somewhere, to try to find some oil. My uncle Dave might have made a few dollars in 1973 and, according to the theory of the Jackson proposal, by comparing what one made one year with what one made the other year, since he made zero or less than zero in the previous year, one should say uncle Dave is a robber baron because he might have managed to make $5 or $6 thousand in 1973. That is how ridiculous it is to make these comparisons and say that he made too much based on last year's profit. Many of us know that much of that profit was because the companies were on a first-in, first-out inventory basis.

I know that the average person hearing this has no idea what I am talking about. I think if I were talking to the Chamber of Commerce in New Orleans on ladies' night, when the businessmen have their very highly educated, intelligent wives sitting right beside them, none of the men and none of the women would understand.

Determining inventory on a first-in, first-out basis means, in the case of an oil company, that when a barrel of oil is sold, whether at the end of the pipeline, refinery, or filling station, as the case may be, that barrel is taken to be the earliest barrel bought by the seller. So, on a first-in, first-out basis, if the company has oil on hand which it bought at a dollar and sold at $10, it must report a $9 profit even though it costs $10 to replace that barrel.

If the company is doing business on a

last-in, first-out basis, on the other hand, which is permitted under our tax laws—most businesses do keep inventories on a last-in, first-out basis. It could then say that the barrel it sold at the filling station was the same barrel bought from the Arabs yesterday for $10 a barrel, rather than a $1 barrel of oil. So the reported profit would be marginal.

Mr. President, nobody bothers to explain that. I have not read one word of first-in, first-out and last-in, first-out in any newspaper in the country.

Mr. President, when I came to the Senate, I learned it was a good idea to tell the truth around here. We do business with very smart, intelligent people, and if we have a way of going around and telling people things that are not true, after a while they get our number; and when one man gets your number, he has a way of telling his colleagues, "Do not trust that fellow; do not rely upon that man because anything he tells you might be true and then again it might not."

If one has a way of telling people the truth, it tends to work to his advantage because there are smart men up here, and when they know how one does business and know what his traits are, if they find him to be a person who plays squarely with them, they will so report to their colleagues.

I have been in business too long, Mr. President, too long in politics—I was born in politics as a way of life because my father was running for public office the day I was born—to, after 26 years of service in this body, to hope to stay in office or to get ahead by relying upon public misunderstanding of a problem or basing my position upon public ignorance.

I know that most people in this country have the impression that the energy shortage we have experienced is something the oil companies just dreamed up for their own special advantage—to raise the price of oil.

That does not happen to be true. But if the people want to think that, they are going to think that. There is no particular point in arguing very much about it.

I know that my duty toward my constituents and toward those same people is to help make this Nation the master of its own destiny and to help this Nation become self-sufficient in energy and everything else that is essential to national survival. So I am going to do what I think is best for the country even though some of my very best friends and some of my constituents might not understand it.

I think they have the right to expect it of me. If I have a chance to study and know the facts and be here, and hold the hearings and hear the witnesses and get to the bottom of these things, then I ought to vote based on my understanding rather than to vote based on somebody's misunderstanding of the same problem.

Mr. President, I repeat that it is not just a misunderstanding about the oil depletion allowance that is wrong about the amendment. In my judgment, the Senator is badly in error with regard to depreciation. I think that the ADR should not be repealed at this time.

If we had runaway inflation, if we had an overloaded economy, if we had all the people in the Nation employed, and we had such tremendous pressure on our resources that we wanted to cut back on new orders and discourage people from buying new equipment, that would be different. But in the situation we have at this moment, it is all to our advantage to encourage people to put new equipment on order to modernize their plants and to put people to work at good, modern machinery that America needs. For those reasons, it would be bad for the country to repeal the ADR at this time.

I will have more to say later on about the Senator's so-called minimum tax proposal. Basically, what that does is to approach the middle income people who might have a capital gain in their income tax return and treat them as though they were avoiding tax, when they are already paying their share of taxes—by putting an additional tax on them.

The whole theory of the minimum income tax when we voted it in the beginning was that it was to be imposed on people who made a lot of money and yet paid no income tax.

The Senator from Massachusetts wants to disregard the income taxes that the taxpayer has paid, and to levy an additional tax on top of the income taxes already paid. That does not make any sense to me, Mr. President. It never occurred to me that the minimum income tax was to be an additional tax on middle income people in addition to heavy taxes that they may be paying already. I predict if that amendment should become law, the people of the country are not going to thank us at all for levying an additional tax on those among them who are already paying their fair share.

So I do not think that those tax increases should be approved. I am confident that the House will send us its so-called tax reform bill covering some of the same areas. We can improve on it. We always do. If we have a chance to study their work, I am sure we can make a contribution both in the committee and on the floor. Senators can make suggestions that would probably have merit and should be voted to improve our tax structure.

But a tax increase of $6 billion—aimed at business—a great deal of it falling upon energy, just at a time when we are trying to produce more energy, and a great deal of it falling on the manufacturing industry, when we are trying to increase production—can do nothing but set the Nation back, turning the economic dislocations we are suffering from at the moment into a recession or even a depression. That would be very poorly advised.

Furthermore, we have to contend with another factor: There are some people who do not want to load irrelevant amendments on this debt limit bill.

It is essential that the debt limit bill should be passed and signed before the Government is placed in such distress that it cannot pay its legal obligations. It would be a disgrace for this, the richest Nation on Earth, to refuse to pay its debts—to refuse so much as to pay the mail carriers—on the basis of the ridiculous argument that this richest Nation in all the history of mankind, cannot afford to pay its debts. For this country to act like the richest man in town refusing to pay his honest debts to his own people in and around the town, on the theory that Congress passed a law to declare itself bankrupt, is ridiculous

Mr. President, I do not think much of anyone who hires someone to work for him and then refuses to pay the poor soul, or says, "I will pay you if you will settle for less," or of someone who hires a contractor and forces the poor fellow to go to court, pay legal expenses, and settle for less than what was honestly owed him, in order to get his money or a part of it. I think very little of a man who would do business that way. That is not the way for Uncle Sam to do business.

I shudder to think how people around the world would look at Uncle Sam, with a foreign aid program unprecedented in history, troops stationed all around the world, and the highest standard of living in all history, declaring himself bankrupt and unable to pay its debts.

We have on the books an act of Congress stating that we will go no further into debt, even if we have to refuse to pay our own employees. To the fellow carrying the mail and to people around the world, think what a silly, foolhardy thing that would be, and how we would be held up in scorn throughout the entire world. We might get away with it in some foreign lands, because the people do not get a chance to vote on us. But as to those people who would be responsible for this Nation having to refuse to pay its honest debts when they fall due, when it reaches the point that the local Government employees in their hometowns—the post office employees, including those carrying the mail—do not get paid, they are going to find out who is responsible for the situation, and will vote against them at the first opportunity.

But that has nothing to do with trying to force the President to sign something he thinks is bad law. If we are able to amend this bill and send it to the President in time for him to veto the bill, if that be his decision, and send it back and give us a chance to override it, then I would be in favor of voting for tax cuts, if we can limit amendments to tax cuts. But beyond that point, Mr. President, if it reaches the point where a foolhardy result would occur, one which meant that the Nation would refuse to pay its obligations, I do not think a tax cut is worth it. I think we ought to put the tax cut on some other bill, and let that bill take its chances. If the House sees fit to pass it and send it to the President, with no chance of harm to this country occurring whether we do or do not override the veto, well and good. But I do not think the opportunity to pass tax cuts justifies bringing the Nation to a halt, or making the Nation look ridiculous in the eyes of the world.

Mr. NELSON. Mr. President, this week a group of my colleagues and myself will offer a series of amendments to H.R. 14832, the Debt Ceiling Act, attempting to achieve some reform and justice in our tax system. Our tax laws are a public scandal. The Tax Reform Act of 1969 was a hopeful step in achieving reform, but since then Congress has reverted—particularly in the Revenue Act of 1971—to the ancient habit of benefiting through the tax code powerful corporations and wealthy individuals at the expense of the many. It should always be remembered that tax provisions benefiting certain parties automatically increases the tax burden for everyone else. For this reason, tax preferences must be examined closely to determine if they achieve, in a manner justifying their cost, their stated goal.

Too many tax provisions fail to meet this standard, resulting in our tax system being a transfer or reverse wealthful system from those least able to pay to those less in need. This is why, in the words of Prof. Stanley Surrey:

> Tax reform is really a moral issue. It is not just a technical exercise to be engaged in by skilled experts. It is an effort to restore fundamental morality to a tax system by ending both its unfairness and the cynical immoral way the tax game is played today by those with money and knowledgeable advisors.

Congress will not be able to achieve this year the massive and comprehensive revision of our tax laws so clearly necessary. This should, however, not deter Congress from making a downpayment on its obligation to achieve real reform. Given the will, Congress can achieve substantial tax reform this year by enacting, at the very least, the four tax reform measures:

First. Repeal of percentage depletion;

Second. Strengthening the minimum tax;

Third. Repeal of Domestic International Sales Corporation—DISC; and

Fourth. Repeal of Asset Depreciation Range—ADR.

Which will be offered to the Debt Ceiling Act.

Despite the compelling need and justification for tax reform, some argue that not only are these measures unwise, but even to offer them as amendments to the Debt Ceiling Act is improper. Such an argument values procedure over justice and makes procedure an excuse for injustice. During the recently held Senate Finance Committee hearings on these proposals, Secretary of Treasury Simon stressed that changes in the tax code should be achieved only by what might be termed proper legislative process. The Treasury's argument might be more convincing if Treasury had been more consistent. Let us look at past Treasury's concern for proper procedure.

One reform that we will offer is to repeal ADR but ADR was given birth by a Saturday press release from San Clemente. Only the quick, legal actions of a keen-eyed, public-interest lawyer forced the administration to place the proposal in the Federal Register, and to hold public hearings as required by law. These hearings and the revelation that the Treasury's top tax expert had advised the White House that such a major change in the tax law—costing over $40 billion in a decade—could only be achieved by legislation compelling the administration to send their ADR proposal to Congress where it was substantially modified. The Treasury would have us believe that what the administration tried to do by press release, Senators can not undo by amendment on the Senate floor.

Let us not kid ourselves or the public. The issue is not proper procedure, but proper tax policy. Those who stress procedure wish to avoid considering the inequities and injustices in the present law. The amendments to be offered attempt to change unsound tax decisions, which myself and many other Senators have consistently opposed, and which have been subject to extensive congressional testimony and debate. These are old issues and old battles, and I am pleased to once again join the battle for tax reform.

A few months ago there was some discussion of the need to cut taxes by over $6 billion to stimulate a declining economy. This proposal was unsound because the present economic decline is not primarily due to inadequate aggregate demand, but to inadequate supply in certain key parts of the economy and the consequences of rampant inflation. In today's excessive demand, shortage-plagued economy, a tax cut would be a disaster.

This week we are discussing not tax cuts to stimulate the economy, but a reallocation of the tax burdens by combining tax reform with tax reduction. Unfortunately, the proposed relief exceeds the reform by about $2.5 billion. The fact that the proposals are still financially unbalanced concerns me, and if we are successful in achieving the four tax reform proposals, the Senate should adopt other measures either to eliminate additional revenues or to reduce the amount of the tax reduction. If the comprehensive tax package is adopted, I will offer an amendment providing for a permanent change to a $205 tax credit which will save over a billion dollars and another amendment raising more than $500 million, which will end the abuse by the oil companies of the foreign tax credit. These two amendments will result in the tax reform/tax reduction package revenue loss, being virtually zero. These amendments, in combination with the four tax reform measures, will result in a balanced tax reform/tax reduction bill and no loss of Federal revenues.

PERCENTAGE DEPLETION ALLOWANCE

On January 29 of this year, I offered an amendment to recommit the National Energy Emergency Act of 1973 to conference because, in part, it contained an excess profits tax on the oil industry which in fact was not an excess profits tax, but a totally unworkable and unconstitutional procedure guaranteeing the average taxpayer, if he wishes, a long and fruitless lawsuit. At that time, however, I stated my conviction that the high oil prices compel Congress to end some of the existing tax preferences granted the oil industry, and now is the time to end windfall profits of the oil industry. The first step of a more rational tax policy for the oil industry is to repeal the percentage depletion allowance.

This tax preference, costing the American taxpayer over $1.5 billion per year, has failed totally to encourage domestic production, as it was originally intended to do. If it is not eliminated, its cost will skyrocket to $2.2 billion for domestic oil alone, and still not create any increase in production. Numerous economic studies have questioned the effectiveness of the oil depletion allowance. For example, a 1969 Treasury Department study showed that, although $1.4 billion Federal revenues were then being lost, the allowance had little influence on exploration.

There are many reasons why the percentage depletion is not an effective device to encourage exploration. First and foremost, as the percentage depletion is now written, it is an incentive for oil men to pump from existing wells, rather than an incentive to explore for new sources of petroleum. It stimulates overdrilling of existing fields and puts wildcatting and new exploration at an investment disadvantage. Second, land owners with oil royalties receive a percentage depletion even though they do no drilling and take no risks. Third, depletion allowances can be claimed for income for producing wells abroad which do not necessarily insure a source of oil for the United States, secure or otherwise. Fourth, percentage depletion, because of the net income limitation, is of doubtful significance to marginal wells, because it is far more valuable to productive rather than marginal wells. Finally, it discourages capital expenditures on cheapter, more abundant energy sources such as coal liquefaction.

For these reasons, repeal of the percentage depletion allowance is a wise tax and energy policy.

Defenders of percentage depletion should be asked to explain why, since it has existed from 1926 to the present, domestic exploration peaked in 1956 and present domestic supply is inadequate to meet our needs. Also, it would be helpful if they explained how a provision which was necessary when oil was selling for $3.50 or less a barrel is just as necessary when oil is selling for at least $5.25 a barrel and in some cases, around $10.

MINIMUM TAX

Congress in 1969 established a minimum tax providing for a flat 10-percent tax rate on income that had escaped entirely being subject to tax. Congress enacted the minimum tax preference income because, regardless of the individual merit of the provision which established such preferences, it did not want them to be pyramided by wealthy individuals to allow them to escape liability entirely. The minimum tax, however, has not achieved its stated purpose. For example, 402 Americans with 1972 incomes in excess of $100,000 paid no Federal income tax for that year. Of the 402, there were 99 with incomes over $200,000, and 4 with incomes of more than $1 million.

The number of wealthy tax avoiders rose in 1972. The number had been declining in recent years—from 394 with incomes over $100,000 for 1970, to 276 for 1971—but now we are apparently back on the way to grand-scale tax avoidance. The 402 who paid no taxes at all are "only the tip of the iceberg." Thousands of other wealthy Americans end up paying just a few hundred dollars in taxes on their huge incomes.

The amendment which will be offered will lower the present automatic deduction of $30,000 to $10,000 and eliminate the deduction allowed for taxes paid on nonpreference income.

The basic rationale for the minimum tax is that it is needed because certain taxpayers have amassed certain items of income which are not included in their regular tax base. The minimum tax addresses itself not to individuals who have escaped taxes, but to large sources of preference income. These excluded items stand apart from, and in addition to, the items normally taxed. The reason the taxpayer is subjected to the minimum tax is that his effective tax is too low in relation to his real income due to the amount he received from tax preference items. To give him credit for the tax that he pays on his regular income defeats the purpose of the minimum tax. The tax on "regular" income is simply unrelated to the tax on excluded items of tax preference. It is illogical to establish a tax on the preferred income escaping taxation, and then allow a deduction for taxes paid on regular income.

DOMESTIC INTERNATIONAL SALES CORPORATION—DISC

DISC, enacted as part of the Revenue Act of 1971, is just a dismal tax loophole for corporations. It allows them, just by establishing a paper corporation and without increasing their exports, to defer indefinitely one-half of their taxes on those exports. This loophole gets bigger with every passing day. Every time the U.S. Government negotiates a new trade or wheat arrangement with Russia, or our currency is devalued, the value of this loophole for large exporters increases.

As C. Fred Bergsten, senior fellow at the Brookings Institution, recently testified before the Senate Finance Committee:

> The DISC legislation has apparently done little to spur exports and has significantly reduced government revenues. In addition, there is no need for such selective export subsidies in a world of flexible exchange rates. And, even had it worked as planned, it would have no place in the current inflationary environment.

DISC adds to domestic inflation by draining resources away from our economy.

ASSETS DEPRECIATION RANGE

The ADR system permits a corporate taxpayer to depreciate capital assets within a range of up to 20 percent faster than the actual useful lives of these assets as defined by Treasury guidelines on useful lives in 1971.

By adopting ADR as a part of the Revenue Act of 1971, we abandoned a concept which had been an integral part of the tax laws for 40 years; namely, that deductions for depreciation of capital assets must be based on the actual useful life of the asset. Once we depart from this concept and allow tax depreciation to exceed economic depreciation, the owners of property producing taxable income are in effect receiving subsidy payments from the Treasury. There is no mathematical difference between giving an individual or business a direct handout and forgiving him a like amount in taxes due. ADR should be repealed.

During the last Presidential campaign, public concern compelled every major candidate to talk about tax reform. With such public interest, it was generally assumed that the 93d Congress, which began January 3, 1973, would make substantial progress in achieving tax justice. We are now in the second session of this Congress and nothing has been done and the few administrative proposals merely scratch the surface of the problem.

I believe that the present inequitable tax system is one of the forces eating away at the social cohesiveness and basic fabric of our society. Tax reform is as necessary for this country's health and welfare as education and medical legislation. Congressmen and Senators, as the selected guardians of the Nation's welfare, have a moral obligation to reform the tax structure to achieve tax justice.

TAX CUTS AND INFLATION

Mr. PERCY. Mr. President, as I have stated time and again since it was first proposed, I cannot in good conscience support a $6.6 billion tax cut in the face of rampant inflation.

Inflation is the No. 1 enemy that we face at home. It is our No. 1 domestic problem. It is probably the cause for more discontent among middle-income working Americans than anything else. When an enemy of that kind is eating at the very vitals of America, destroying confidence in the dollar, removing incentive, and certainly discouraging the American family that is attempting to live within its means, we in Congress have a responsibility to face up to this problem and not take any action that would exacerbate it.

The Consumer Price Index increased 1.1 percent during May, an annual rate of 13.2 percent. Even more foreboding, the wholesale price index increased by 1.3 percent in May, an annual rate of 15.6 percent.

These staggering increases lead me to believe that the fiscal year 1975 budget may already be too expansive. OMB's revised budget estimates for fiscal year 1975 now project a unified budget deficit of $11.5 billion, up from the $9.3 billion projected in February. Moreover, the new mortgage financing measures announced on May 10 by the administration could boost this deficit up to as much as $14.5 billion. A $6 billion tax cut would represent adding more than $20 billion of Federal debt to an inflationary level already of crisis proportion.

I believe the arguments raised in support of an expansionary tax cut must fall when viewed in the long-term context of the economy.

First, I cannot support the argument that a tax cut is needed to reverse the decline in growth which the Nation experienced during the beginning of this year. That decline was due largely to the energy crunch and the economic indicators project a steady recovery in the months ahead. A tax cut would not take hold until the very time when most economists see an upturn in real growth. Furthermore, as I have just pointed out, we are already operating at a potential fiscal year 1975 deficit of $14.5 billion, an expansionary increase of $11 billion from fiscal year 1974, when we had a deficit of $3.5 billion.

The signs for real economic growth during the rest of this year are good:

The first quarter decline in production was concentrated primarily in the automobile industry and other sectors directly affected by the energy crisis. April and May automobile production indicated a returning to normal levels, spurred in part by the shift in production capacity for smaller cars.

Despite the economic downturn, business fixed investment remained strong and the McGraw-Hill survey published in early May projects a 19.4 percent increase in new plant and equipment investment this year.

Consumer demand, although down in real terms for energy related items, was strong overall. Increased demand at this time would only exacerbate some already tight supply problems, particularly for basic raw materials, and further increase their prices.

Second, those sections of the economy in which there may be a need for economic stimulus will not be helped at all by a tax cut. Vigorous growth in residential construction and automobile sales requires lower interest rates and an easing of credit. The administration has recently taken steps to increase the availability of mortgage credit for middle-income families. However, Arthur Burns and the Federal Reserve have made it abundantly clear that there will be no overall easing of credit until inflation is brought under control.

Although some additional job opportunities would result from a tax cut, I continue to believe that direct relief, such as the additional public employment program spending proposed by the Senator from Massachusetts (Mr. KENNEDY), myself and others earlier this year is best. It is direct, nearly immediate, and provides for a significant return to the Federal Treasury on every dollar spent. Fortunately, unemployment has not taken the jump projected earlier this year. Should it do so, I remain willing to consider additional direct relief.

Third, we should not hold out the hope that reduced taxes will increase individual buying power when such buying power would soon be offset by the inflationary pressures created.

And what of those for whom the proposed tax cuts would provide no benefit? These include:

The unemployed—4.7 million people during this past month.

Those receiving Federal public assistance payments—an estimated 10.9 million this year.

Those living on supplementary security income payments—an estimated 5.4 million this year.

A large percentage of the 20 million living on social security and, in fact, any retiree with a retirement income of under $4,321.

In addition, although the proposal of the Senator from Massachusetts (Mr. KENNEDY) and others would provide some relief for the lowest-income workers through a tax credit for low-income workers with families, only $700 million of the total $6.6 billion tax cut package is allocated to these poorest families. And as is true of the proposed changes in the individual exemption, the more a family earned, the more it would benefit from the credit—$5.9 billion of the revenue loss of this proposal would provide a tax cut that would result in increased income for even those in the very highest tax brackets. It would not benefit the poor, the unemployed, those who are retired.

Fourth, even if stimulative Federal spending were wise at this time, I believe we should give serious consideration to our national priorities, and how much money could best be spent. For example, the entire budget for the National Institutes of Health, which is leading the primary attack against crippling and fatal diseases that affect every American, was only $1.9 billion in fiscal year 1974. The budget for the entire Office of Education was $5.6 billion. Federal spending on the food stamp program was under $3 billion. Before we enact a tax cut which will reduce the taxes of the wealthiest individuals, we should make a judgment as to how this money could be used for the benefit of the greatest number of our citizens.

Finally, I realize that the tax cut proposal now pending before the Senate also provides for approximately $3.6 billion in tax increases. Although this is a step in the right direction in terms of the Federal budget, I have seen no indication that the sponsors of the amendment intend to withdraw their support for the $6.6 billion tax cut if the tax increase sections of their proposal fail to pass. In addition, as I noted earlier, one of the strong signs for real economic growth in the months ahead arises from business investment plans. Several of the tax increases proposed as amendments to this bill, such as repeal of the ADR, could have a significant negative effect on this encouraging sign.

In conclusion, I very much support tax reform. But let us not try to do it on a bill that must be enacted a week from now. And let us have a tax reform bill that maintains a balance in Federal revenues, that provides relief to all those who are in need of relief, and that is fully and carefully studied in terms of its impact on our capacity for real economic growth in the year and years ahead.

The Senate Finance Committee will soon have an opportunity to consider comprehensive tax reform legislation now being drafted by the House Ways and Means Committee. I urge the Finance Committee to act expeditiously on this matter which is rightfully of concern to all Americans. The full Senate will then have the time and the information with which to act on proposed amendments and to adopt a comprehensive bill with the best possible social and economic impact on this Nation as a whole.

Mr. President, I ask unanimous consent that three articles with bearing on this debate be printed in the RECORD at the conclusion of my remarks.

The first is a column by Joseph Alsop, published in the June 16 issue of the Washington Post, on the very present existence and danger of worldwide inflation. The second, an article by Assistant Secretary of the Treasury Edgar Fiedler published in the June 18 Washington Post, gives additional argument to the view that now is not the time to embark on an expensive fiscal policy. And the third is an article from the June 18 Wall Street Journal describing the Treasury Department's current effort to devise a balanced tax reform package of tax relief for low-income individuals, incentives for capacity short industries, and revenue raising measures.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

ECONOMIC COMPLACENCY

(By Joseph Alsop)

Many years ago, when Tokyo was all but totally wiped out by earthquake and fire, it is said that the geisha houses did excellent business until they literally began to fall down. This city is like that today—except that geisha houses are a lot more fun than political fiddle-faddle, which is the Washington substitute.

To begin with, wholesale prices in May rose in a way that could logically produce an American annual inflation rate of above 15 per cent. To go on with, no one seems to have noticed it, but grossly inflationary wage settlements have become the general rule since all price and wage controls went out the window.

To give two examples, the plumbers and pipe fitters in San Francisco have set a pattern for the West Coast building trades by getting a wage increase of no less than 18.5 per cent in a single year. Then the airline pilots' contract with Delta Air Lines set another pattern, with an increase in one year of 17 per cent to 18 per cent which will give a senior Boeing 747 pilot an annual income of above $80,000!

If you go through the recent files of the Cost of Living Council, you can compile a list of comparable and nearly comparable cases as long as your arm. In short, acute wage inflation is now being added to all the other kinds of inflation afflicting the republic.

To be sure, there are some anti-inflationary factors, too. All prices of primary products are tending to decline, led by food prices. The beef producers, by now accustomed to selling steak by the carat instead of the pound, are therefore leading one of the fiercest raids on Congress that has been seen for a long time.

But despite such episodes, the Cost of Living Council counts upon a major drop in primary prices over the next three months, including some decline in the world oil price. All the same, it is wise to cross your fingers when you hear the head of the Cost of Living Council, Dr. John Dunlop, predicting the end of "double digit" American inflation by the end of this year. And even Dr. Dunlop thinks we must expect heavy continuing inflation for some years thereafter, at rates close to 7 per cent per annum.

This is the optimistic current forecast, it must be emphasized. But just consider the impact of the considerable spell of double digit inflation, followed by a really long spell at the rate of 6 to 7 per cent a year, with all its possibilities of further wage-price spiraling. You can see, then, why the able chairman of the Federal Reserve Board, Dr. Arthur Burns, has begun talking about danger "to the system itself."

The danger might be less if it were localized in this country. In fact, however, the United States is rather more fortunate than most of the other big financial-industrial nations in the non-Communist part of the world. With respect to inflation, the United States can even be regarded as very lucky indeed in comparison to Great Britain or France.

So one must begin with the phenomenon of worldwide inflation at shocking rates, which no one seems to know how to manage or to stop. And you must then add the fearful tremors that are now running through the non-Communist part of the world's fundamental financial system.

Here, the first epicenter was Italy. The bankruptcy of Italy, one of the major nations of Western Europe, was literally expected within a matter of weeks until a few days ago. Italy was then pulled back from the brink by a basketfull of half-measures and quarter-measures provided by the recent meeting of the International Monetary Fund.

The optimists now say: "Well, we needn't worry too much about Italy until the end of this year!" Nowadays, in other words, we are complacent about six months' grace for a major part of the world financial system. A few years ago, a comparable situation would have caused hysteria instead of complacency.

Almost the same holds true for Great Britain. On current account, the British trade deficit last month reached such enormous proportions that the Bank of England began talking publicly about a national situation of utmost gravity. Nowdays in Washington, however, the critical British situation is also regarded complacently because capital movements into London have largely covered the trade deficits thus far.

"Thus far, thus far!" These are the words of the moment, while the Watergate obsession causes the political fiddle-faddle to be interminably protracted. Although any fool ought to feel the earthquake tremors, our substitute for geisha houses goes on playing to standing room only.

FIEDLER SAYS ADMINISTRATION SHOULD HOLD LINE ON POLICIES

(By Edgar R. Fiedler)

The central issue of economic policy today is whether taxes should be cut to encourage consumer spending and thereby stimulate the economy. The idea appears to have started with the energy-induced setback in economic activity and rise in unemployment that took place around the turn of the year.

But the key fact about the weakness in the economy is that it has been focused so narrowly. The automobile industry has been affected, as have utilities and tourism and other fuel-related activities. Homebuilding has also been slower and, in response, the President has taken action to provide more funds for the mortgage markets.

Outside of those areas, however, signs of weakness have been scarce. The major problems faced by businessmen these days are not a lack of sales or new orders, but rather materials shortages and delivery delays.

Some proponents of a tax cut have argued that the full-capacity/shortage situation is behind us and that demand is now falling below our capacity to produce. They point to the Federal Reserve Board's index of capacity utilization for production of major materials, which declined by a couple of percentage points from the fourth quarter to the first quarter.

It is important, however, to analyze the composition of that index. Specifically, it includes petroleum refining and raw steel, both of which declined for special reasons. For the other major materials, the indications are that all production facilities continue to operate at virtually full capacity. So the drop in the utilization index cannot be taken as a sign that demand weakness has replaced materials shortages as the basic condition of the economy.

There are several additional pieces of evidence to support this view. One is the unfilled order backlogs of durable goods manufacturers, which continue to rise.

Another piece of evidence is the behavior of industrial purchasing agents, who are still making commitments farther ahead than they have done at any time in the past 20 years.

In this situation, if taxes were cut, the extra spending that would be generated would not do much to boost production and employment. Instead, it would only mean more dollars chasing goods that are already in limited supply—which would simply mean more inflation.

And it is the problem of inflation that poses the other crucial question about the tax-cut proposal. I would argue that we are likely to see some decline in the inflation rate during the course of 1974 with or without a tax cut, as the worst of the food, fuel and decontrol price pressures gets behind us.

But this should not suggest that a reduction in taxes poses no inflationary threat. Even under favorable assumptions, prices are likely to be rising at something like a 6 per cent rate at year-end. That is an unacceptably high rate of inflation and, if taxes are cut now, even that degree of improvement would be seriously jeopardized.

Although unemployment may rise somewhat further in the months immediately ahead—for which the unemployment compensation system should be strengthened as the President has recommended—the economy should resume its normal condition of growth in the second half of the year. Accordingly, the risk of serious and prolonged unemployment is small but the risk of accelerating the underlying rate of inflation is substantial.

It is difficult to argue that in and of itself a cut of $5 billion—in the context of a $350 billion budget and a $1,400 billion economy—would add substantially to inflation.

But the $5 billion should not be viewed in and of itself. It should also be considered in terms of the signals it would give off. If taxes were cut, government departments and Congress would no longer feel as constrained as before to hold expenditures within limits.

Most important, the private sector of the economy, which now generally believes that the $11 billion budget deficit is already too inflationary, would get the clear signal that the federal government is basically unconcerned about prices.

In the past, the government's economic policy decisions in both the legislative and executive branches have almost always added too much budgetary stimulus to the economy, while ignoring the inflationary consequences.

To come down on that side of the equation again, i.e., to cut taxes now, would be a bad mistake.

On Low Income, Spur Business Investing

(By James P. Gannon)

WASHINGTON.—The Treasury is trying to devise "a balanced package" of additional tax-revision proposals designed both to stimulate business investment and provide tax relief to lower-income individuals.

This was disclosed by Treasury Secretary William Simon in an interview, and was the first hint that the Nixon administration might soften its opposition to any personal income-tax cuts if such cuts were combined with tax-incentives for investment and with revenue-raising moves that would offset the effects of tax reductions. It also indicated a willingness on the Treasury chief's part to bargain with Congress to reach a politically palatable compromise encompassing both the personal tax cuts many congressional Democrats want and the investment incentives Mr. Simon favors.

The big stumbling block to any compromise on a "balanced package" such as Mr. Simon mentioned is the problem of finding ways to raise the revenue that would be lost through its combination of business and personal tax cuts. The administration remains opposed to most revenue-raising changes proposed by congressional liberals, and Mr. Simon couldn't say how he would raise added revenue.

The Treasury Secretary discussed the issue of tax-law changes only in general terms and declined to say when specific proposals would be made public. But he indicated that the tax-law changes he would like to see Congress pass are considerably more ambitious than the administration's limited list of revisions outlined last year by Mr. Simon's predecessor, George Shultz. Those proposals, which include various measures to simplify the income-tax system and tighten tax treatment of some classes of income, are "narrower in scope than what I'm talking about," Mr. Simon said.

Mr. Simon stressed his desire to come up with tax proposals to aid capacity-short industries, such as steel and paper makers, to "help them build the capacity that's needed." Past tax policy has "penalized investment" in favor of stimulating consumption, he said, which has contributed to current shortages of industrial materials.

DECLINED TO DISCUSS DETAILS

Mr. Simon declined to discuss possible Treasury investment-incentive tax proposals in detail, saying the department's specialists are still studying the matter. But he earlier indicated that accelerated depreciation—a very fast write-off of investment in new plants and equipment—is one of the ideas under Treasury consideration as a spur to capital spending to relieve shortages.

But the official said he recognized it might be politically impossible to push such industry tax advantages without considering congressional demands for tax cuts for individuals, especially lower-income groups. "If you are going to give incentives to business" to spur investment, he said, "then you obviously have to look at the lower-income side at the same time."

Thus, he said, the Treasury is trying to come up with "a balanced package" that would appeal to liberals pushing an income-tax cut for individuals while providing incentives for business investment. Congress probably would produce its own version of such a "balancing" if the Nixon administration proposed only the business-tax measures, Mr. Simon added.

His attitude on income-tax cuts for at least some individuals thus appeared to be more flexible than that taken by President Nixon and his economic advisers—even including Mr. Simon—in earlier public statements. While the Simon posture hardly indicates the administration is dropping its opposition to a general tax cut on the ground such a move would be inflationary, it indicated there is some room for bargaining with Congress.

MAY BE IN LEGISLATION

The Treasury chief wouldn't say when he would be ready to publicly propose the tax-law changes he has in mind. But he hinted many of them might find their way into the broad tax-revision legislation currently before the House Ways and Means Committee.

"We've got a tax-reform bill going through (Congress) now," he said, "and a lot of the things we're talking about may even be on this bill by the time it passes." He insisted the Treasury study of new proposals wasn't just an academic exercise. "I'm doing this with an eye to making specific recommendations," he said.

Mr. Simon acknowledged that the big problem with a tax package that included both business investment incentives and some type of personal tax relief would be its revenue drain on the Treasury. Any such bill presumably would cost the Treasury billions of dollars a year in lost revenue, which would have to be offset by compensating tax increases in other areas in order to meet the Nixon administration's test of fiscal responsibility.

The official wouldn't specify how he would propose to offset the revenue loss. But he indicated approval of another far-reaching tax change that he said might recapture some additional revenue—revising the tax treatment of capital gains.

TAX ON CAPITAL GAINS

The capital-gains tax, paid on the increase in the value of stocks, real estate or other assets between purchase and sale, currently is half the rate of ordinary income taxes, with a ceiling of 36½% for certain wealthy taxpayers. The capital-gains tax rate supplies to sale of an asset held for at least six months.

Mr. Simon spoke favorably of proposals to put the capital-gains tax on a sliding scale, so that the longer an asset is held, the lower the tax rate. This change, he said, would provide many people with an incentive to sell assets they have held many years. Increased sales of such "locked in" assets would provide added tax revenue, the Treasury official said, though he conceded it is impossible to estimate the amount.

Chairman Wilbur Mills (D., Ark.) of the House Ways and Means Committee has publicly called for overhaul of the capital-gains tax, including a sliding tax scale, in order to "free up" assets whose owners are reluctant to sell due to the potential tax liability.

Actually, it is far from certain that a broad tax bill will emerge from Congress this year. There is considerable doubt the Ways and Means Committee can complete an overall tax-revision bill in time to have it considered before any possible impeachment proceedings on the House floor.

Congressional observers say that if the Nixon administration reaches any accord on tax changes with key Capitol Hill tax legislators, a measure could be passed quickly. But, they add, the big deterrent to any such arrangement is finding ways to raise additional revenue to offset any tax cuts.

In the Senate yesterday, an effort to start considering various tax changes ran into an immediate roadblock that could prove deadly for this legislation. The move by Senate Democratic liberals to push proposed individual tax cuts as well as some tax increases for corporations and richer people apparently faces a filibuster led by Sen. James Allen (D., Ala.) and supported by Sen. Charles Percy (R., Ill.). The liberals are trying to tack these tax amendments onto a bill increasing the federal debt limit $19.3 billion, to $495 billion, through next March 31.

The tax amendments may have to be dropped from the debt bill because it will be difficult for Senate liberals to muster the needed two-thirds vote to break any filibuster. Senate leaders want to pass the debt-ceiling bill before Congress starts a 10-day recess June 28. The Treasury needs the higher debt limit to continue its borrowing operations beyond June 30.

Discussing the current economic situation, Mr. Simon said the nation's economy probably will show practically no growth in the current quarter. The change in the real gross national product, the economy's total output of goods and services adjusted for price increases, "is going to be awfully close" to zero in the current quarter, he added. It is impossible to say whether the change will be a slight rise or a slight decline from the first quarter, he said.

Real GNP dropped at a 6.3% annual rate in the first period, which felt the impact of fuel shortages. Even if real GNP drops a bit again in the current quarter, Mr. Simon said, the slump wouldn't qualify for the label "recession" because its main cause is the energy shortage rather than a general weakness in demand. According to the common definition, a recession is two consecutive quarters of declining real GNP, but the Nixon administration has rejected this definition ever since the President promised there wouldn't be any recession in 1974.

ARMS CONTROL AND DISARMAMENT ACT AMENDMENTS—CONFERENCE REPORT

Mr. ROBERT C. BYRD. Mr. President, in behalf of the Senator from Arkansas (Mr. FULBRIGHT) I submit a report of the committee of conference on H.R. 12799, and ask for its immediate consideration.

The PRESIDING OFFICER (Mr. FANNIN). The report will be stated by title.

The assistant legislative clerk read as follows:

> The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 12799) to amend the Arms Control and Disarmament Act, as amended, in order to extend the authorization for appropriations, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses this report, signed by all the conferees.

The PRESIDING OFFICER. Is there objection to the consideration of the conference report?

There being no objection, the Senate proceeded to consider the report.

(The conference report is printed in the House proceedings of the CONGRESSIONAL RECORD of June 20, 1974, at p. H5331.)

Mr. ROBERT C. BYRD. Mr. President, in behalf of Mr. FULBRIGHT, I read the following statement:

"The major difference between the bills of the Senate and the House was in the time period to be covered by the authorization. The Senate had approved a 2-year authorization for the Arms Control and Disarmament Agency of $10.1 million in the fiscal year 1975 and $10.9 million in the fiscal year 1976. The House of Representatives had approved a single-year authorization for the fiscal year 1975 of the same amount approved by the Senate, $10.1 million. The Senate conferees receded. The amount agreed to was the sum requested by the executive branch for the fiscal year 1975.

In addition, the Senate bill included several minor technical amendments. The House conferees receded on these amendments.

At the same time, the committee of conference affirmed continued interest in strengthening the Agency and its effectiveness.

Mr. President, I move the adoption of the conference report."

The PRESIDING OFFICER. The question is on agreeing to the conference report.

The report was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the conference report not be printed as a Senate report.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, on Monday the Senate will convene at 12 o'clock noon.

After the two leaders or their designees have been recognized under the standing order, the junior Senator from West Virginia (Mr. ROBERT C. BYRD) will be recognized for not to exceed 15 minutes, after which, by unanimous consent, the senior Senator from Texas (Mr. TOWER) will be recognized for not to exceed 15 minutes.

There will then be a period of not to exceed 30 minutes for the transaction of routine morning business, with statements therein limited to 5 minutes each.

At the conclusion of morning business, the Senate will take up the continuing resolution under a time limitation. If any rollcall vote is ordered thereon, such rollcall vote will follow the vote on the Allen amendment, which has already been scheduled for an hour later in the day.

At 3:20 p.m. a rollcall vote is expected to occur on passage of S. 3679, the emergency livestock credit bill.

At 4 o'clock p.m., a rollcall vote will occur on the amendment by Senators KENNEDY, HUMPHREY, and other Senators to the Allen amendment.

Debate for 30 minutes may then occur, after which a rollcall vote will occur on the Allen amendment.

Following the rollcall vote on the Allen amendment, any other rollcall votes that are ordered prior to the hour of 3:20 p.m. on Monday will occur.

Other measures may be called up during the week. I may say that next week is likely to be a busy week, with long daily sessions, and we expect—that being the final week before the Independence Day holiday—that rollcall votes are likely to occur daily, and a Saturday session is possible, keeping in mind that the continuing resolution and the debt limit bill should be passed before the Senate recesses. Should the debt limit bill not be passed by the close of business on Saturday, it would mean that the Senate would be in session on the following Monday.

Other measures which may be called up during the week, but not necessarily in the order shown and not necessarily confined to those which I shall enumerate, are as follows:

H.R. 14833, the Renegotiation Act Extension; S. 424, dealing with natural resource lands; Senate Resolution 67, which is a resolution to promote negotiations for a comprehensive test ban treaty, could be called up from the section of the calendar designated "Subjects on the Table"; S. 355, on drug abuse; S. 1566, providing for the normal flow of ocean commerce; S. 3164, real estate settlement services; S. 3511, dealing with mortgage credits; S. 3500, dealing with amateur athletics; H.R. 8660, to assist Federal employees in meeting tax obligations; H.R. 9281, retirement of law-enforcement personnel; H.R. 11537, conservation and rehabilitation programs; and S. 3096, loans to small business concerns.

Mr. President, let me note that the distinguished Senator from California (Mr. CRANSTON) has asked that that bill (S. 3096) await the arrival of the House bill dealing with the same subject.

Conference reports and calendar measures cleared for action may be called up at any time.

I invite special attention to the conference report dealing with legal services, which may be called up at any time, beginning with Wednesday of next week.

So, Mr. President, that about sums it up. As I say, there will be at least three rollcall votes on Monday, and very likely more.

Mr. LONG. Mr. President, can the Senator please advise me when the first rollcall vote will occur on Monday next?

Mr. ROBERT C. BYRD. The first rollcall vote on Monday will be at 3:20 p.m.

Mr. LONG. I thank the Senator.

Mr. ROBERT C. BYRD. I thank my friend from Louisiana.

Mr. LONG. What will be the pending business when we come in on Monday?

Mr. ROBERT C. BYRD. At the conclusion of routine morning business on Monday, the Senate will take up the continuing resolution.

Mr. LONG. About how long will that take?

Mr. ROBERT C. BYRD. There is a 1-hour limitation on that resolution. I doubt that it will require longer than that. With the Senate convening at noon, I should say we would get onto that resolution certainly by 12:45 p.m. or 1 p.m. If it should go up to 2 o'clock, that will allow somewhat less than an hour and 20 minutes before the first vote will occur—the vote on the emergency livestock bill.

Mr. LONG. I thank the Senator very much.

Mr. ROBERT C. BYRD. It might be, in the opinion of the leadership on Monday, that the leadership would want to call up some other bill which had been cleared for action in order best to utilize the time of the Senate before 3:20 p.m. when the vote on the livestock bill will occur, to be followed immediately by the vote on the Kennedy amendment. Perhaps there will be a little time in between. Then up to a half-hour for debate if necessary; then the vote on the Allen amendment and any other votes stacked up prior to 3:20 p.m. The Senate will then go back to the consideration of the debt limit bill.

ADJOURNMENT

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in adjournment until 12 noon on Monday next.

The motion was agreed to; and, at 4:03 p.m., the Senate adjourned until Monday, June 24, 1974, at 12 noon.

NOMINATIONS

Executive nominations received by the Senate June 21, 1974:

DEPARTMENT OF THE TREASURY

Charles A. Cooper, of Florida, to be an Assistant Secretary of the Treasury, vice John Michael Hennessy, resigned.

U.S. COURT OF MILITARY APPEALS

William H. Erickson, of Colorado, to be a judge of the U.S. Court of Military Appeals for the remainder of the term expiring May 1, 1986, vice Robert M. Duncan.

Federal Home Loan Bank Board

Thomas R. Bomar, of Virginia, to be a member of the Federal Home Loan Bank Board for the term expiring June 30, 1978 (reappointment).

National Oceanic and Atmospheric Administration

Subject to qualifications provided by law, the following for permanent appointment to the grades indicated in the National Oceanic and Atmospheric Administration:

To be lieutenant commanders

Paul M. Duernberger
Carl R. Berman, Jr.

To be lieutenants

Gerald B. Mills
Joseph M. Kunches
Robert E. Karlin
Stephen H. Manzo
Neil P. Gloier
Jon M. Barnhill
Robert J. Schmidl
Brent G. Harris
Michael C. Meyer
Richard D. Black
George W. Jamerson
James D. Servais
Jeffrey P. Calebaugh
Burl L. Wescott
James L. Warner
James H. Hartzell
Michael R. McCaslin
Alan J. Pickrell

To be lieutenants (junior grade)

Gary J. Decker
Harold B. Arnold
Curtis M. Belden
William A. Wert
Timothy A. Kessenich
Richard P. Floyd
Roger G. Hendershot
Willis C. Blasingame
Alan D. Kissam
Thomas E. DeFoor
Bruce M. Douglass
William E. George
H. Bruce Thelen
Ronald C. Pate
Robin D. Wells
Charles L. Rives

To be ensign

David R. McKenzie

In the Air Force

The following officer to be placed on the Retired List in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be general

Gen. Timothy F. O'Keefe, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

The following officer to be placed on the Retired List in the grade indicated under the provisions of section 8962, title 10 of the United States Code:

To be lieutenant general

Lt. Gen. Jay T. Robbins, [redacted]FR (major general, Regular Air Force), U.S. Air Force.

In the Army

The following-named officer for appointment in the Regular Army of the United States to the grade indicated under the provisions of title 10, United States Code, sections 3284 and 3307:

To be major general

Lt. Gen. Fred Kornet, Jr., [redacted], Army of the United States (lieutenant colonel, U.S. Army).

The following-named officer for appointment as Chief, National Guard Bureau, under the provisions of title 10, United States Code, section 3015:

Maj. Gen. LaVern Erick Weber, [redacted], Army of the United States (major general, Army National Guard of the United States).

In the Navy

Vice Adm. Philip A. Beshany, U.S. Navy, for appointment to the grade of vice admiral on the Retired List pursuant to title 10, United States Code, section 5233.

Vice Adm. Malcolm W. Cagle, U.S. Navy, for appointment to the grade of vice admiral on the Retired List pursuant to title 10, United States Code, section 5233.

Rear Adm. Frederick C. Turner, U.S. Navy, having been designated for commands and other duties of great importance and responsibility commensurate with the grade of vice admiral within the contemplation of title 10, United States Code, section 5231, appointment to the grade of vice admiral while so serving.

In the Army

The following-named officers for promotion in the Army of the United States under the provisions of Public Law 12–129:

ARMY PROMOTION LIST

To be colonel

Adams, Paul M. [redacted]

DENTAL CORPS

To be colonel

Buttner, Charles W., [redacted]
Qualman, Harold C., [redacted]

MEDICAL CORPS

To be colonel

Garcia, Luis F., [redacted]
Hall, Anthony P., [redacted]
Ward, George W. [redacted]

ARMY PROMOTION LIST

To be lieutenant colonel

Boroski, Marvin R., [redacted]
Lasseter, Earle F. [redacted]
Millar, Roger M., [redacted]
Wilson, Norman S., [redacted]

MEDICAL CORPS

To be lieutenant colonel

Adams, John T [redacted]
Conaway, Don L., [redacted]
Juan, Antonio J., [redacted]
Neufeld, John A., [redacted]
Vanway, Charles, [redacted]
Youngs, Brian L., [redacted]

MEDICAL SERVICE CORPS

To be lieutenant colonel

Trecartin, Edward G. [redacted]

ARMY MEDICAL SPECIALIST CORPS

To be lieutenant colonel

Sakson, Donald A., [redacted]

The following-named officers for promotion in the Regular Army of the United States under the provisions of title 10, United States Code, sections 3284 and 3305:

ARMY PROMOTION LIST

To be colonel

Luebbert, William F., [redacted]
McCune, John R., [redacted]

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

ARMY PROMOTION LIST

To be lieutenant colonel

Allen, James L., [redacted]
Deitch, Raymond, [redacted]
Elmore, Louis N., Jr., [redacted]
Foley, William R., [redacted]
Harrover, James D., [redacted]
Macklin, Joseph D., [redacted]
Martina, John R., [redacted]
Merrick, Philip B., [redacted]
Moore, Robert O., [redacted]
Shugart, Henry G., [redacted]

MEDICAL CORPS

To be lieutenant colonel

Bartley, Joseph D., [redacted]
Valpey, Jack M., [redacted]

I nominate the following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3299:

ARMY PROMOTION LIST

To be major

Abernethy, Robert J., [redacted]
Abramson, Lawrence, [redacted]
Acinapura, Joseph N., [redacted]
Adams, John R., [redacted]
Adcock, Jerry A., [redacted]
Adderley, David L., [redacted]
Ailles, Craig R. [redacted].
Albertson, Tom L., [redacted]
Aldinger, Robert R., [redacted]
Alexander, Junius R., [redacted]
Alexander, Terry L., [redacted]
Alfredson, George H., [redacted]
Allard, John A., [redacted]
Allen, Alex L., [redacted]
Allen, James H., [redacted]
Allen, Kenneth D., [redacted]
Alley, James H., [redacted]
Allison, William T., [redacted]
Alpern, Stephen I., [redacted]
Alsop, Jackie R., [redacted]
Altorfer, William G., [redacted]
Anchor, Leonard J., [redacted]
Anckaitis, William, [redacted]
Anderson, Charles J., [redacted]
Anderson, David W., [redacted]
Anderson, James Y., [redacted]
Andrew, Edward L., [redacted]
Andrews, Anthony J., [redacted]
Anjier, Louis J., Jr., [redacted]
Anselm, Donald C., [redacted]
Apfel, Paul W., [redacted]
Arbogast, Alfred A., [redacted]
Armstrong, Alan P., [redacted]
Armstrong, Charles, [redacted]
Arnold, Billy R., [redacted]
Arnold, Wallace C., [redacted]
Arthur, James F., [redacted]
Atkins, George C., [redacted]
Atkinson, John H., II, [redacted]
Authier, Edward E., [redacted]
Avery, John, Jr., [redacted]
Babbitt, Leroy A., Jr., [redacted]
Bacon, Carlton E., [redacted]
Badzinski, Richard, [redacted]
Baena, George, [redacted]
Bains, William J., [redacted]
Baird, Norval E., [redacted]
Baird, Thomas H., [redacted]
Baker, Donald D., [redacted]
Baker, James L., [redacted]
Bakkeby, William M., [redacted]
Balda, Jerome F., [redacted]
Baldwin, Byron S., [redacted]
Baldwin, Max R., [redacted]
Balfanz, William F., [redacted]
Bangasser, Frederic, [redacted]
Banks, William J., [redacted]
Bankson, Peter R., [redacted]
Banning, Raymond D., [redacted]
Barbour, Donald A., [redacted]
Barker, Robert L., [redacted]
Barnett, James R., [redacted]
Barney, Daniel G., [redacted]
Barringer, Ronald W., [redacted]
Bartay, Tandy E., [redacted]
Bartels, Steven E., [redacted]
Bartlett, Henry D., [redacted]
Bavis, Robert J., III, [redacted]
Beal, Patrick G., [redacted]
Beal, William R., Jr., [redacted]
Beckett, Ronald L., [redacted]
Becking Ernest A., [redacted]
Bee, Arlen E., [redacted]
Beebe, Merrell S., [redacted]
Behrenhausen, Richard, [redacted]
Beinhacker, Neal D., [redacted]
Bender, Joseph F., [redacted]
Bender, Lynn A., [redacted]
Bennett, Clyde R., Jr., [redacted]
Bennett, James L., [redacted]
Bennis, John M., [redacted]
Benson, Roger R., [redacted]
Bent, Robert E., [redacted]
Benton, Hubert F., [redacted]
Bentz, William A., [redacted]
Benvenuto, James VI, [redacted]
Bergeron, Andrew L., [redacted]
Berinato, John J., [redacted]
Berkley, Clyde J., [redacted]
Berman, Jay M., [redacted]
Bernard, Robert K., [redacted]
Bernardi, Roger L., [redacted]
Bertocci, David I., [redacted]
Besemer, Ellsworth, [redacted]
Bevans, Nathan E., [redacted]
Beyer, Lawrence M., [redacted]
Biegel, Alfred E., [redacted].
Biemeck, John F., IV, [redacted]

Bierbaum, Carl R., [redacted].
Binkewicz, Joseph B., [redacted].
Biondi, Richard M., [redacted].
Bird, William W., [redacted].
Bisantz, Anthony E., [redacted].
Bittrich, Lowell D., [redacted].
Blackburn, John T., [redacted].
Blackwell, Joseph W. [redacted].
Blair, John D., IV, [redacted].
Blake, William B., [redacted].
Blanda, Frank T. [redacted].
Blanion, John R., [redacted].
Blesse, James S., [redacted].
Blount, Howard P., [redacted].
Blue, Charles L., [redacted].
Bock, John E., [redacted].
Bolton, Peter A., [redacted].
Bon, Virgil D., [redacted].
Bonfanti, Anthony J., [redacted].
Bonville, George P., [redacted].
Boone, George F., [redacted].
Bortel, James L., Jr., [redacted].
Bourland, James T., [redacted].
Bowe, Matthew A., Jr., [redacted].
Bowe, Robert M., [redacted].
Bowers, Billy J., [redacted].
Bowles, Norborn S., [redacted].
Box, Joe M., [redacted].
Boyd, Barclay A., [redacted].
Boyd, Quinton P., [redacted].
Boyd, Reese L., [redacted].
Boyd, William L., [redacted].
Boyer, Albert J., [redacted].
Boylan, Peter J., [redacted].
Bradford, William B., [redacted].
Bragg, Stacy C. [redacted].
Brandon, Eddie L., [redacted].
Brannon, John D., [redacted].
Branscome, Dexter A., [redacted].
Braxton, George H., [redacted].
Brayboy, James E., [redacted].
Breland, Marshall W., [redacted].
Brennan, Lawrence, [redacted].
Brennan, Richard P., [redacted].
Brewster, Horace B., [redacted].
Bridgman, Cain A., [redacted].
Briggs, Duncan D., [redacted].
Brinkley, Ulyus O., [redacted].
Britton, Johnnie W., [redacted].
Brooks, Delbert R., [redacted].
Brooks, Ronald E., [redacted].
Brost, Daryl F., [redacted].
Brown, Edward A., III, [redacted].
Brown, James P., [redacted].
Brown, Joseph Jr., [redacted].
Brown, Raymond A., [redacted].
Brown, Robert A., [redacted].
Brown, Roland P., [redacted].
Browning, Clifton J., [redacted].
Browning, Robert W., [redacted].
Broyles, Robert F., [redacted].
Brubach, Charles F., [redacted].
Brumblay, Robert H., [redacted].
Brummett, Henry U., [redacted].
Bruner, Edward F., [redacted].
Bryan, Joe S., [redacted].
Bryang, Wallace A., [redacted].
Buckles, Harvey I., [redacted].
Buckner, Richard A., [redacted].
Budge, Larry D., [redacted].
Buford, William C., [redacted].
Bullock, Robert E., [redacted].
Burch, Charles G., II, [redacted].
Burch, Edgar F., [redacted].
Burden, Ollie D., [redacted].
Burdick, Raymond C., [redacted].
Burgess, Douglas R., [redacted].
Burgess, Peter D., [redacted].
Burke, Paul F., [redacted].
Burkett, Jimmy D., [redacted].
Burlas, Joseph E., [redacted].
Burns, Robert A., [redacted].
Burton, Lance J., [redacted].
Burton, Martin C., [redacted].
Buschke, Thomas H., [redacted].
Busdiecker, Roy F., [redacted].
Butler, David H., [redacted].
Butler, Irvin S., [redacted].
Butterworth, Larry, [redacted].
Butts, Don E., [redacted].
Byrd, Johnnie P., [redacted].
Byrd, Joseph L., [redacted].
Byrne, Alan H., [redacted].
Byrnes, James P., [redacted].
Cabrinha, Joseph W., [redacted].
Cade, Ernest W., [redacted].
Cairns, Robert B., [redacted].
Caldwell, Robert C., [redacted].
Caldwell, Robert W., [redacted].
Calhoun, Richard W., [redacted].
Callahan, Joseph C., [redacted].
Callander, Robert D., [redacted].
Callender, William, [redacted].
Calverase, Francis, [redacted].
Campbell, Dale G., Jr., [redacted].
Campbell, Jerry F., [redacted].
Campbell, John G., [redacted].
Campbell, Verne D., [redacted].
Candler, Harry W., Jr., [redacted].
Cannon, David A., [redacted].
Cansler, Joe C., [redacted].
Carboni, John N., [redacted].
Carey, Carl D., [redacted].
Cargile, James P., [redacted].
Carlson, Gunnar C., [redacted].
Carlton, Terry M., [redacted].
Carney, Richard L., [redacted].
Carney, Roger F., [redacted].
Carr, Edward L., [redacted].
Carr, John M., [redacted].
Carr, Richard M., [redacted].
Carson, Robert A., [redacted].
Carter, Allen J., [redacted].
Carter, Lewis L., [redacted].
Carter, Norman D., [redacted].
Carter, Randall D., [redacted].
Carter, Robert A., [redacted].
Cary, Jack R., [redacted].
Case, James W., [redacted].
Castleman, Robert J., [redacted].
Castro, John P., [redacted].
Cates, William E., [redacted].
Cavezza, Carmen J., [redacted].
Chamberlain, Charles, [redacted].
Champagne, Shelton, [redacted].
Chancey, Jeff E., [redacted].
Chandler, Charles E., [redacted].
Chandler, William E., [redacted].
Chapman, James E., [redacted].
Chapman, Jimmy R., [redacted].
Chelberg, Robert D., [redacted].
Chen, William E., [redacted].
Chester, Michael Q., [redacted].
Child, John, [redacted].
Chism, J. W., [redacted].
Christensen, Don T., [redacted].
Christophersen, Frederick N., [redacted].
Ciccarelli, John E., [redacted].
Cisnerus, Marc A., [redacted].
Claassen, Walter E., [redacted].
Clanzy, Rufus F., [redacted].
Clark, Carl M., [redacted].
Clark, Daniel R., [redacted].
Clark, Herman J., [redacted].
Clarke, Gordon M., [redacted].
Clarke, Richard D., [redacted].
Clawson, Lucien B., [redacted].
Clement, Robert D., [redacted].
Clemons, George D., [redacted].
Clifton, Fred R., [redacted].
Cline, Corwyn M., [redacted].
Clough, Stanley M., [redacted].
Cochran, Alexander, [redacted].
Coby, Michael A., [redacted].
Cohen, Robert E., [redacted].
Cole, Warner B., [redacted].
Coleman, Gerald C., [redacted].
Coleman, James G., [redacted].
Collins, Francis C., [redacted].
Conley, Willard C., [redacted].
Conlin, Thomas J., [redacted].
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Williams, Lenton G., [redacted].
Williams, Lonnie B., [redacted].
Williams, Lyons H., [redacted].
Williams, Paul E., [redacted].
Williams, Robert B., [redacted].
Williams, Timothy P., [redacted].
Williams, Wayne R., [redacted].
Williams, Winifred, [redacted].
Williamson, Donald, [redacted].
Williamson, James R., [redacted].
Williamson, William, [redacted].
Williford, Charles, [redacted].
Willis, Benjamin L., [redacted].
Wilson, David C., [redacted].
Wilson, Donald C. [redacted].
Wilson, Robert B., [redacted].
Winchester, Wayne, [redacted].
Windom, Jackson T., [redacted].
Winslow, Sidney W., [redacted].
Winters, James M., [redacted].
Witherspoon, Eugene, [redacted].
Wolfarth, William M., [redacted].
Wolff, Keith B., [redacted].
Wolff, Robert R., [redacted].
Wolkowich, Walter E., [redacted].
Wolters, Robert A., [redacted].
Wood, Dallas C., [redacted].
Wood, James B. [redacted].
Wood, Merrill F., [redacted].
Woodall, Thomas J., [redacted].
Woods, Andrew D., Jr., [redacted].
Woodson, William B., [redacted].
Woolweaver, Robert, [redacted].
Wooten, R. J. [redacted].
Wooten, Windel E., [redacted].
Worsham, Kenneth P., [redacted].
Wright, Frederick S., [redacted].
Wright, Jackie V., [redacted].
Wright, Jerry T., [redacted].
Wright, Kenneth E., [redacted].
Xenos, Michael J., [redacted].
Yamachika, Roy T., [redacted].
Yarborough, William, [redacted].
Yates, John R., [redacted].
Yaugo, Edward C., [redacted].
Yetman, Robert R. [redacted].
Yost, Richard G., [redacted].
Yrjanson, Robert E., [redacted].
Yule, Richard G., [redacted].
Yurchak, Paul N., [redacted].
Zakas, Louis H., [redacted].
Zimmerman, John B., [redacted].
Zimmers, Joe L., [redacted].
Ziolkowski, Dennis, [redacted].
Zouzalik, Ervan E., [redacted].

CHAPLAIN CORPS

To be major

Bailey, John C., Jr., [redacted].
Erickson, Ralph D., [redacted].
Geary, Wesley V., [redacted].
Graves, Joseph A., [redacted].
Hall, Glenn P., [redacted].
Harano, Roger D. M., [redacted].
Hessian, Patrick J., [redacted].
Howells, Carlton R., [redacted].
Kleinworth, Robert, [redacted].
Lord, Billy R., [redacted].
Mouchette, Edward D., [redacted].
Roat, Stanley G., [redacted].
Scilley, George R., [redacted].
Smith, William T., [redacted].
Stewart, Richard E., [redacted].
Sutherland, Jack E., [redacted].
Woodbery, Jerry M., [redacted].

WOMEN'S ARMY CORPS

To be major

Bradford, Loyce A., [redacted].
Frisk, Helen E., [redacted].
Groome, Sally L., [redacted].
Hill, Mary B., [redacted].
Leibst, Mitzi D., [redacted].
Ramsay, Claudia G., [redacted].

ARMY NURSE CORPS

To be major

Adams, Clara L., [redacted].
Brogan, Mary A., [redacted].
Budack, Marietta E., [redacted].
Butler, Mary C., [redacted].
Clayton, Sanford A., [redacted].
Button, Morris E., [redacted].
Fenlon, Eileen M., [redacted].
Fladeland, Donovan, [redacted].
Foltz, Mary J., [redacted].
Foster, Imogene, [redacted].
Guynn, Horace W., [redacted].
Harder, Mary F., [redacted].
Harvey, John J., Jr., [redacted].
Haupert, Irene T., [redacted].
Hopson, Minnie L., [redacted].
Humphries, Marilyn, [redacted].
Hunn, James M., [redacted].
Irvine, Leona A., [redacted].
Lamontagne, Mary E., [redacted].
Lebel, Rita A. [redacted].
Loehrer, Edward O., [redacted].
Matthiesen, Jerry A., [redacted].
Michel, George H., [redacted].
Miles, Ann L., [redacted].
Piaschi, Peter J., [redacted].
Samuels, Claude C., [redacted].
Sargeant, Francis L., [redacted].
Segler, Esther J., [redacted].
Skonieczny, Thomas, [redacted].
Smalley, Ruth H., [redacted].
Smith, Arthur A., [redacted].
Voegele, Henry D., [redacted].
Voyk, June J., [redacted].
Zitzelberger, John, [redacted].

DENTAL CORPS

To be major

Ailor, John E., Jr., [redacted].
Allison, Raymon E., [redacted].
Arroyo, Francisco, [redacted].
Barrett, Kay C., [redacted].
Brady, Robert E., [redacted].
Broering, Leo F., [redacted].
Bronner, David G., [redacted].
Campbell, Larry D., [redacted].
Dalzell, Daniel P., [redacted].
Duet, William J., [redacted].
Edmister, James R., [redacted].
Edmonds, Peter P., [redacted].
Gott, Frank K., [redacted].
Hahn, Eitel H., [redacted].
Hays, Granvil L., [redacted].
Hicks, John L., [redacted].
Jastrzembski, Steve, [redacted].
Kenigsberg, Herbert, [redacted].
Kotwal, Keki R., [redacted].
Maupin, Clay C. Jr., [redacted].
McCoy, Clark H., [redacted].
Peak, Benson W., [redacted].
Pinson, Robert L., [redacted].
Purst, Edward A., [redacted].
Redmond, Hight S., [redacted].
Santa, Edward A., [redacted].
Shaffer, Edward L., [redacted].
Soehren, Stephen E., [redacted].
Stanton, Gary A., [redacted].
Webster, Robert C., [redacted].
Wilson, Roy L. [redacted].
Zocchi, Mario C. [redacted].
Zurek, Dennis J., [redacted].

MEDICAL CORPS

To be major

Allison, Stanley Y., [redacted].
Anderson, Daniel L., [redacted].
Armitage, David T. [redacted].
Baezamuniz, Carlos, [redacted].
Barcia, Peter J., [redacted].
Barlow, Matthew J., [redacted].
Bowen, Thomas E., [redacted].
Branch, Leslie B., [redacted].
Briggs, William A., [redacted].
Brown, Luther E., [redacted].
Brundage, Bruce P., [redacted].
Burdick, George E., [redacted].
Burton, Francis C., [redacted].
Camp, Richard A., [redacted].
Caporossi, Paul V., [redacted].
Carmichael, Benjamin, [redacted].
Chamberlain, Terry, [redacted].
Chojnacki, Richard, [redacted].
Collin, Daniel B., [redacted].
Corder, Michael P., [redacted].
Coville, Frederick, [redacted].
Cowan, George S., [redacted].
Dibella, Nicholas J., [redacted].
Dresner, Martin L., [redacted].
Eielson, John A., [redacted].
Farnsworth, Lynn S., [redacted].
Fleming, Arthur W., [redacted].
Gardner, Horace B., [redacted].
Giustolist, Vincent, [redacted].
Gunther, John S., [redacted].
Harvey, John E., [redacted].
Haynes, Richard J., [redacted].
Heitzman, Martin, [redacted].
Hentz, Edwin C. [redacted].
Jackson, Stephen M., [redacted].
Johnson, David E., [redacted].

Katz, Norman N., [redacted]
Kelly, Charles S., [redacted]
Kennedy, Charles W., [redacted]
Kichler, Jack, [redacted]
Kimball, Daniel B., [redacted]
Kull, Donald H., [redacted]
Lauring, Lewis M., [redacted]
Lawrence, Larry L., [redacted]
Leslie, James R., [redacted]
Lively, Edmund P., [redacted]
McCracken, Joseph D., [redacted]
McLeod, David G., [redacted]
McMarlin, Stacy L., [redacted]
McMeekin, Robert R., [redacted]
Metz, Leon B., Jr., [redacted]
Morton, Arthur R., Jr., [redacted]
Neal, Cary L., [redacted]
Oloughlin, Edward P., [redacted]
Peck, Charles A., Jr., [redacted]
Phyliky, Robert L., [redacted]
Pierce, H. Irving, [redacted]
Post, Albert A., [redacted]
Protzman, Robert R., [redacted]
Rodman, Orlando G., [redacted]
Rosenberg, Donald M., [redacted]
Sawyer, Robert, [redacted]
Schulz, Charles E., [redacted]
Scotti, Michael J., [redacted]
Servis, Hubert T., [redacted]
Shively, Harold R., [redacted]
Steinberg, Sidney R., [redacted]
Stones, Carl, [redacted]
Susac, John O. [redacted]
Warren, Daniel C., [redacted]
Whitcomb, Michael E., [redacted]
Whitelaw, John M., Jr., [redacted]
Wiles, Peter J., [redacted]
Zumbro, George L., [redacted]

MEDICAL SERVICE CORPS

To be major

Alex, Allen M. [redacted]
Amos, Oscar D., [redacted]
Arkinson, Thomas L., [redacted]
Beckham, Carl N., [redacted]
Benson, Warren D., [redacted]
Berchin, Rchard J., [redacted]
Bishop, Garland G., [redacted]
Blakemore, Vaughan, [redacted]
Bouchelion, Horace, [redacted]
Bowles, Robert L., Jr., [redacted]
Breunle, Phillip C., [redacted]
Brouillette, Robert, [redacted]
Bulger, Carl S., [redacted]
Cantrell, James E., [redacted]
Christianson, Lloyd, [redacted]
Clark, Charles F., [redacted]
Clearwater, Robert, [redacted]
Cloke, Robert R., [redacted]
Conner, Johnny L., [redacted]
Constable, Joseph F., [redacted]
Condiff, David B., [redacted]
Daubel, Karl J., [redacted]
Ditmars, Dennis L., [redacted]
Dolbier, James A., [redacted]
Drill, John C. [redacted]
Dudek, Peter G., [redacted]
Dunlevy, Bernard J., [redacted]
Feuerbacher, Charles, [redacted]
Fishburne, Francis, [redacted]
Fitzgerald, Barry E. [redacted]
Fowler, David L., [redacted]
Fuller, Gary L., [redacted]
Fulton, William R., [redacted]
Garber, David L., [redacted]
Garrett, Richard L., [redacted]
Greenhalgh, Donald, [redacted]
Hall, Joseph A., [redacted]
Hanson, Thomas M., [redacted]
Harman, Richard B., [redacted]
Harris, Jesse J., Jr., [redacted]
Hauer, Richard W., [redacted]
Hausler, George W., [redacted]
Hawkins, Joseph W., [redacted]
Helton, Bobby K., [redacted]
Hennessy, Albert G., [redacted]
Hill, Thomas W., [redacted]
Holland, Leon L., [redacted]
Howell, Lawrence C., [redacted]
Inberg, Darlow L., [redacted]
Irwin, Glen D., [redacted]
Jackson, Johnnie R., [redacted]
Janke, Thomas A., [redacted]
Johnson, Reginald D., [redacted]
Judy, Richard B., [redacted]
Kelley, Hubert A., [redacted]
Kistler, Thomas E., [redacted]
Lamke, Charles L., [redacted]
Leahey, Raymond, [redacted]
Lemmers, Dean P., [redacted]
Lombard, James E., [redacted]
Longley, Karl E., [redacted]
Loucks, James R., [redacted]
Lund, Nelson H., [redacted]
Manaro, Arthur J., [redacted]
Marchetti, Vincent, [redacted]
Martin, Mathis G., [redacted]
McLean, John M., [redacted]
McShane, Franklin J., [redacted]
Merritt, Thomas E., [redacted]
Mills, Wade T., [redacted]
Milne, Richard B., [redacted]
Monk, Merrill E., [redacted]
Murphy, Thomas W., [redacted]
Nelson, Donald C., [redacted]
Newberry, Joseph H., [redacted]
Newman, Ronald G. [redacted]
Nomani, M. Rizman, [redacted]
Oberhofer, Thomas R., [redacted]
Romo, Jacob M., [redacted]
Ruby, Roger R., [redacted]
Ryan, Lawrence J., Jr., [redacted]
Sandifer, Calvin P., [redacted]
Schafer, Thomas E., [redacted]
Schumacher, Leonard, [redacted]
Severson, Joel S., [redacted]
Shambora, Robert A., [redacted]
Shannon, Sam, Jr., [redacted]
Sheek, Alton J., [redacted]
Shelton, Edward J. [redacted]
Smith, James M., [redacted]
Soles, Elmer M., [redacted]
Vance, William M., [redacted]
Walker, James O., Jr., [redacted]
Ward, John R., [redacted]
Waters, George A., [redacted]
Watt, James E., [redacted]
Whitlaw, Joseph T., [redacted]
Yearby, Calvin G., [redacted]

ARMY MEDICAL SPECIALIST CORPS

To be major

Brewer, Jessie S., [redacted]
Buss, Carole J., [redacted]
Eazer, Willard E., [redacted]
Meier, Theoddocia T., [redacted]
Putnam, Joicey M., [redacted]
Sager, Jane F., [redacted]
Shannon, Phillip D., [redacted]

VETERINARY CORPS

To be major

Ackerman, Larry J., [redacted]
Arensman, John B., [redacted]
Armstrong, Tommy S., [redacted]
Botard, Robert W., [redacted]
Byrd, Roscoe W., Jr., [redacted]
Coats, Max E., Jr., [redacted]
Cooper, James C., [redacted]
Garrett, Charles A., [redacted]
Groves, Michael G., [redacted]
Hickman, Robert L., [redacted]
Howarth, Robert A., [redacted]
Peace, Theopolis, [redacted]
Ray Marlan E., [redacted]
Reynolds, Buddy L., [redacted]
Seedle, Clyde D., [redacted]
Shroyer, Emerson L., [redacted]
Strahler, Eugene C., [redacted]

ARMY PROMOTION LIST

To be captain

Abersold, Dale W., [redacted]
Abney, Howard M., Jr., [redacted]
Abrams, John N., [redacted]
Ackerman, Arthur W., [redacted]
Acock, John H., Jr., [redacted]
Adair, Lawrence J., [redacted]
Adamczyk, Richard D., [redacted]
Adams, Daniel E., [redacted]
Adams, James C., II, [redacted]
Adams, Maurice D., [redacted]
Adams, Robert A., [redacted]
Adams, Robert S., [redacted]
Adams, Ronald K., [redacted]
Ader, Steven W., [redacted]
Adkins, Charles F., [redacted]
Aguirre, Gilbert, [redacted]
Ahders, Arnold W., [redacted]
Albertazzi, Robert, [redacted]
Alexander, Charles, [redacted]
Alexander, Daniel E., [redacted]
Alexander, Robert M., [redacted]
Alexander, William, [redacted]
Allanach, William C., [redacted]
Allen, Andrew B., Jr., [redacted]
Allen, Darrel G., [redacted]
Allen, Douglas L., Jr., [redacted]
Allen, Richard G., [redacted]
Alton, Ronnie D., [redacted]
Ammons, James D., [redacted]
Anderson, Charles V., [redacted]
Anderson, Edward M. [redacted]
Anderson, Frederick, [redacted]
Anderson, Glenn B., [redacted]
Anderson, James F., [redacted]
Anderson, John L., [redacted]
Anderson, Larry D., [redacted]
Anderson, Monte R., [redacted]
Anderson, Orin L., [redacted]
Andrews, Douglas G., [redacted]
Andrighetti, John, [redacted]
Antonitis, John E., [redacted]
Argentieri, Joseph, [redacted]
Armstrong, John H., [redacted]
Armstrong, Michael, [redacted]
Arnold, Tony G. [redacted]
Arriza, John G., [redacted]
Artale, Vincent C., [redacted]
Asbury, Glendin O. [redacted]
Askwig, Glenn W., [redacted]
Atkinson, James D., [redacted]
Aubuchon, William F., [redacted]
Audrain, Erin F., Jr., [redacted]
Austin, Gene P., [redacted]
Babitz, Gregory M., [redacted]
Bachman, William A., [redacted]
Baergen, Jacob D., [redacted]
Baerman, Vincent P., [redacted]
Bagby, Buford R., [redacted]
Bailey, Thomas L., [redacted]
Baird, James T., [redacted]
Baker, Howard L., [redacted]
Baker, Larry C., [redacted]
Baker, Robert M., [redacted]
Baker, Sidney F [redacted]
Baker, Stephen M., [redacted]
Baldwin, Alan R., [redacted]
Ball, Larry E., [redacted]
Balliett, Timothy D., [redacted]
Balog, Robert J., [redacted]
Banisch, Werner W., [redacted]
Banks, Floyd T., Jr., [redacted]
Bannon, William H., [redacted]
Banyard, Thomas A., [redacted]
Barbeau, Raymond A., [redacted]
Barber, Preston W., [redacted]
Barnes, Gerald W., [redacted]
Barnes, Sidney L., [redacted]
Barnett, Mark L., [redacted]
Barnhorst, William, [redacted]
Barnum, John M., Jr., [redacted]
Bartnik, Richard J., [redacted]
Baskin, Robert W., Jr., [redacted]
Bassett, Dennis A., [redacted]
Bassett, Richard S., [redacted]
Battaglia, Paul, [redacted]
Bauer, Michael W. [redacted]
Baumer, Richard E., [redacted]
Baxley, Homer W., [redacted]
Baybrook, Thomas G., [redacted]
Beals, Bruce S., [redacted]
Beaman, David E., [redacted]
Beaudette, Edward H., [redacted]
Beck, Raymond C., [redacted]
Beck, Richard C., [redacted]
Becker, Dean B., III, [redacted]
Beckman, Herbert D., [redacted]
Beckwith, Charles E., [redacted]
Beddow, Sidney W., [redacted]
Beer, Jan D., [redacted]
Beierschmitt, Thomas, [redacted]
Bell, Cary L. [redacted]
Bender, Alfred J., II, [redacted]
Benham, Billy, [redacted]

Benson, John O., [redacted]
Bent, Gary D., [redacted]
Berglund, Barry A., [redacted]
Bernard, Bradford J., [redacted]
Bernado, Peter R., [redacted]
Bernat, Valent P., [redacted]
Bernhardt, Paul G., [redacted]
Berry, Jerry L., [redacted]
Bevans, Jim M., III, [redacted]
Bevington, Richard, [redacted]
Bishop, Paul A., [redacted]
Biskey, Alan D., [redacted]
Black, Frederick H., [redacted]
Black, James A., [redacted]
Blackwell, Brendan, [redacted]
Blackwood, William, [redacted]
Blevins, John M., [redacted]
Blue Leon D., [redacted]
Boddie, James W., Jr., [redacted]
Bodenhorm, Philip G., [redacted]
Bonasso, Russell P., [redacted]
Bonifazio, Jack C., [redacted]
Bonvillain, Frank B., [redacted]
Bores, David P., [redacted]
Borland, William E., [redacted]
Borns, Charles J., [redacted]
Bortner, Jerry L., [redacted]
Boswell, Robert E., [redacted]
Botelho, Michael J., [redacted]
Bowland, Warren F., [redacted]
Bowling, Martin L., [redacted]
Bowman, Stephen L., [redacted]
Brace, Robert A., [redacted]
Bradley, Bernard K., [redacted]
Bradley, Grover C., [redacted]
Brady, Raymond M., Jr., [redacted]
Brady, William H., Jr., [redacted]
Brannon, David L., [redacted]
Braun, Gerald J., [redacted]
Braun, John E., Jr., [redacted]
Bray, Kenneth A., [redacted]
Bregard, Richard W., [redacted]
Brennan, Michael J., [redacted]
Bressler, Michael A., [redacted]
Brittigan, Robert L., [redacted]
Brock, Robert W., [redacted]
Brohm, Gerard P., [redacted]
Brooke, Richard A., [redacted]
Brooks, Bruce S., [redacted]
Brooks, Donald P., [redacted]
Brow, John W., [redacted]
Brown, Connie A., [redacted]
Brown, Eric B., [redacted]
Brown, George L., [redacted]
Brown, George P., [redacted]
Brown, James B., [redacted]
Brown, Kenneth L., [redacted]
Brown, Michael S., [redacted]
Brown, Richard K., [redacted]
Brown, Robert A., [redacted]
Brown, Robert F., [redacted]
Brown, Robert W., [redacted]
Brown, Thomas L., [redacted]
Brown, Thomas P., Jr., [redacted]
Brownfield, Albert, [redacted]
Brownfield, John R., [redacted]
Brumfield, James E., [redacted]
Brundage, Lucien A., [redacted]
Brunner, Donald J., [redacted]
Bruno, Robert A., [redacted]
Brusseau, Douglas A., [redacted]
Bryan, Larry E [redacted]
Buch, Stephen H., [redacted]
Buchholz, Douglas D., [redacted]
Buckley, Jerry L., [redacted]
Buckley, John A., III, [redacted]
Bunnell, Danny R., [redacted]
Burcher, David P., [redacted]
Burckhardt, Marland, [redacted]
Burdick, James R., [redacted]
Burdick, William L., [redacted]
Burke, William T., [redacted]
Burnette, Thomas N., [redacted]
Burrell, Dennis M., [redacted]
Burton, James M., [redacted]
Busch, Conrad H., [redacted]
Bush, James D., [redacted]
Bush, James E., [redacted]
Bush, Morgan M., Jr., [redacted]
Bussa, John J., [redacted]
Bustamante, Arturo, [redacted]
Butler, Gary R., [redacted]
Butler, Young F., [redacted]
Byce, Mills M., Jr., [redacted]
Byington, Michael S., [redacted]
Byrnes, Michael T., [redacted]
Cain, Michael E., [redacted]
Cake, Donald R., [redacted]
Calabro, John A., Jr., [redacted]
Caldwell, John E., [redacted]
Caldwell, Steven J., [redacted]
Callaway, Larry W., [redacted]
Calloway, Thomas C., [redacted]
Camden, Joseph C., [redacted]
Cameron, Alexander, [redacted]
Camp, Gregory C., [redacted]
Campbell, John C., [redacted]
Campbell, John M [redacted]
Campiglia, Michael, [redacted]
Canella, Charles J., [redacted]
Cannon, Charles C., [redacted]
Carbone, Joseph D., [redacted]
Carl, David L., [redacted]
Carl, William E., [redacted]
Carleton, Ardenne S., [redacted]
Carlson, John S., Jr., [redacted]
Carlson, Richard G., [redacted]
Carmack, James W., [redacted]
Carman, James W., [redacted]
Carpen, Lindsay E., [redacted]
Carpenter, John D., [redacted]
Carpenter, William, [redacted]
Carrales, Carlos C., [redacted]
Carraway, David W., [redacted]
Carrigan, Horace M., [redacted]
Carroll, Daniel F., [redacted]
Carroll, James P., [redacted]
Carroll, William J., [redacted]
Carter, John L., [redacted]
Carter, Leslie W., [redacted]
Carter, Ronald W., [redacted]
Cartwright, Robert, [redacted]
Casey, James R., II, [redacted]
Cassell, Charles R., [redacted]
Catron, Alan D., [redacted]
Cecil, Thomas W., [redacted]
Cerne, Antone C., [redacted]
Chalmers, Jefferson, [redacted]
Chamberlain, Edward, [redacted]
Chamberlin, Paul F., [redacted]
Chapla, John D., [redacted]
Chapuran, Frank J., [redacted]
Charlton, Donald G., [redacted]
Chase, Charles T., [redacted]
Chiccehitto, Ronald, [redacted]
Chinn, David W., [redacted]
Chisam, Phillip M., [redacted]
Chiverton, Frederick, [redacted]
Choban, Gregory G., [redacted]
Chrietzberg, Walter, [redacted]
Chudomelka, Lambert, [redacted]
Chun, Carl W., [redacted]
Ciarletto, John A., [redacted]
Clark, James F., [redacted]
Cinquino, Joseph M., [redacted]
Clark, Charles G., Jr., [redacted]
Clark, David R., [redacted]
Clark, Elliott J., Jr., [redacted]
Clark, James F., [redacted]
Clark, John J., [redacted]
Clark, Michael D., [redacted]
Clark, Roy L., [redacted]
Clark, Walter D., [redacted]
Clarke, Robert B., [redacted]
Claxton, James D., [redacted]
Clayton, Michael S., [redacted]
Clement, Ronald C., [redacted]
Clemmons, Reginal G., [redacted]
Clifford, Gayne A., [redacted]
Close, Fred L., Jr., [redacted]
Clyde, Harry M., [redacted]
Cobb, Jerald M., [redacted]
Cobey, Elwood A., [redacted]
Coble, Claud H., Jr., [redacted]
Cochran, John H., Jr., [redacted]
Coffman, Dale R., [redacted]
Cohen, Michael A., [redacted]
Colburn, Cordis B., [redacted]
Cole, Stephen J., [redacted]
Coleman, Michael D., [redacted]
Coley, Thomas E., [redacted]
Collings, Laurence, [redacted]
Collins, Charles W., [redacted]
Collins, Willam P., [redacted]
Colonna, Delio G., Jr., [redacted]
Comeau, Ronald J., [redacted]
Conatser, Edwin W., [redacted]
Confer, Kent L., [redacted]
Connell, Douglas A., [redacted]
Conrardy, Peter R., [redacted]
Conroy, Henry S., [redacted]
Constant, Terrence, [redacted]
Constantine, Edward, [redacted]
Conway, Jack D., [redacted]
Cooch, Francis A., IV, [redacted]
Cook, Donald C., Jr., [redacted]
Cook, James T., [redacted]
Cook, Marcus L., [redacted]
Coombe, David A., [redacted]
Cooper, Brian P., [redacted]
Cooper, Claude E., Jr., [redacted]
Cooper, Frederick D., [redacted]
Cooper, Louis, [redacted]
Cooper, Walter R., [redacted]
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Copley, John B. [redacted]
Coppedge, Warren F., [redacted]
Coppit, George L., Jr., [redacted]
Cordes, Arben P., [redacted]
Corey, Jon M., [redacted]
Cortese, Anthony H., [redacted]
Cottrell, Walter T., [redacted]
Coverstone, James M., [redacted]
Covington, Johnnie, [redacted]
Cox, Joseph T., [redacted]
Cox, Raymond F., Jr., [redacted]
Craig, James D. [redacted]
Cramer, William B., [redacted]
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Creeden, Joseph V., [redacted]
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Cronin, Daniel F., [redacted]
Crosby, Lamar C. [redacted]
Crow, Patrick F. [redacted]
Cruden, John C., [redacted]
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Dance, Robert L., [redacted]
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DeLong, Frank W., III, [redacted]
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Rawls, Richard W., [redacted]
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Swanson, Harry K., II, [redacted].
Swedock, Robert D., [redacted].
Sweeney, Robert C., [redacted].
Sweeny, Bruce D., [redacted].
Sweet, Paul W., [redacted].
Swinney, James R., [redacted].
Szigethy, Robert E., [redacted].
Taber, Thomas M., [redacted].
Tabor, Carlton R., [redacted].
Taff, James R., [redacted].
Takano, Bernard K., [redacted].
Tamez, Charlie, Jr., [redacted].
Tangney, William P., [redacted].
Tanksley, Elmer L., [redacted].
Tardy, John C., [redacted].
Tarvin, Lee T., [redacted].
Taylor, David L., [redacted].
Taylor, John M., [redacted].
Taylor, John R., [redacted].
Taylor, Max H., [redacted].
Taylor, Warren B., [redacted].
Teasley, Allan V., [redacted].
Teele, Arthur E., [redacted].
Teixeira, Edward E., [redacted].
Terry, Ronald W., [redacted].
Thal, Edmund A., [redacted].
Tharp, Jerry L., [redacted].
Thiessen, Gerald R., [redacted].
Thomas, Eric E., [redacted].
Thomas, James B., III, [redacted].
Thomas, Michael E., [redacted].
Thomassy, John E., [redacted].
Thome, James J., Sr., [redacted].
Thompson, Earl H., Jr., [redacted].
Thompson, Eugene E., [redacted].
Thompson, Paul M., [redacted].
Thompson, Thomas J., [redacted].
Thomson, Joseph S., [redacted].
Thornton, Charles R., [redacted].
Thornton, Robert E., [redacted].
Throckmorton, John, [redacted].
Thurman, Jerry W., [redacted].
Thuss, Michael F., [redacted].
Tibbit, William T., [redacted].
Tijerina, Gilbert, [redacted].
Tildon, Ralph B., Jr., [redacted].
Tillery, George G., [redacted].
Tilley, Ben R., [redacted].
Tilson, David W., [redacted].
Timboe, Harold L., [redacted].
Timmons, John B., [redacted].
Tirey, James D., [redacted].
Tisdale, Tyron E., Jr., [redacted].
Tobin, John W., [redacted].
Toffler, Patrick A., [redacted].
Toland, Ray B., [redacted].
Toliver, Donald D., [redacted].
Tomlinson, Meredith, [redacted].
Tomlinson, William, [redacted].
Toole, Michael T., [redacted].
Toraason, John D., [redacted].
Torres, Arthur F., [redacted].
Toten, William L., [redacted].
Townsan, Gerald R., [redacted].
Townsend, Steven N., [redacted].
Tracy, Lawrence D., [redacted].
Trahey, John H., [redacted].
Trauner, Theodore J., [redacted].
Traver, Robert L., [redacted].
Treadwell, Bobby D., [redacted].
Treolo, Paul, Jr., [redacted].
Trexler, Herbert J., [redacted].
Tricomi, Frank A., [redacted].
Trinidad, Felix F., [redacted].
Trollinger, Michael, [redacted].
Tschudi, Robert L., [redacted].
Tuccillo, Ralph R., [redacted].
Tucker, Frederic L., [redacted].
Tucker, Gary C., [redacted].
Tucker, Gary L., [redacted].
Tulloch, Walter S., [redacted].
Turgeon, Roy W., Jr., [redacted].
Turmenne, Paul E., [redacted].
Tuton, Beauford W., [redacted].
Tweedt, Carl B., [redacted].
Unangst, Gregory J., [redacted].
Upton, Robert L., [redacted].
Valentine, Frank J., [redacted].
Valersky, John A., [redacted].
Valle, Roberto, Jr., [redacted].
Vallecillo, Carlos, [redacted].
Vann, Robert M., Jr., [redacted].
Varga, Stephen G., [redacted].
Varo, Gregory D., [redacted].
Varosy, Paul S., [redacted].
Vaughn, Jack A., [redacted].
Vehlow, Charles A., [redacted].
Veidt, Robert T., [redacted].
Venator, Rex M., [redacted].
Vennum, Michael D., [redacted].
Viader, Jua, [redacted].
Viale, Charles R., [redacted].
Vickers, Wilford S., [redacted].
Vigent, James G., [redacted].
Vinton, Raymond S., [redacted].
Vitters, Alan G., [redacted].
Vogel, Fred J., [redacted].
Voightritter, Donald, [redacted].
Voightritter, Ronald, [redacted].
Volk, Karl W., III, [redacted].
Vollrath, Thomas L., [redacted].
Vonloewenfeldt, Carl G., [redacted].
Voris, Stephen M., [redacted].
Vranekovic, James D., [redacted].
Wagner, Edward J., [redacted].
Wagner, Harold W., Jr., [redacted].
Wagstaff, Hubert T., [redacted].
Walden, Charles C., [redacted].
Walker, Stanley L., [redacted].
Walko, Dennis P., [redacted].
Wallace, John K., III, [redacted].
Wallace, Peter P., [redacted].
Wallace, Stewart W., [redacted].
Walls, James A., [redacted].
Walsh, Francis R., [redacted].
Walsh, James F., [redacted].
Walsh, John P., [redacted].
Walton, George R., [redacted].
Wantuck, Donald F., [redacted].

Wantuck, Thomas A., [redacted]
Ward, Jerry W., [redacted]
Ward, Mack C., Jr., [redacted]
Ward, Michael C., [redacted]
Wardega, Francis J., [redacted]
Warncke, Ronald M., [redacted]
Warren, Harold M., [redacted]
Warren, Howard L., [redacted]
Watson, Albert J., [redacted]
Weaver, Dwight D., [redacted]
Weaver, Robert V., Jr., [redacted]
Weber, William D., II, [redacted]
Wedding, Benny E., [redacted]
Weimer, Robert M., [redacted]
Welch, James J., [redacted]
Welch, Thomas A., Jr., [redacted]
Weller, Albert J., [redacted]
Wells, David R., Jr., [redacted]
Wells, Michael C., [redacted]
Wertschnig, John J., [redacted]
Wesley, Daryl V., [redacted]
Westerhoff, Jeffrey, [redacted]
Westerlund, John S., [redacted]
Westlake, Leighton, [redacted]
Whalen, William J., [redacted]
Wheley, David A., [redacted]
Wheaton, Roger S., [redacted]
Wheeler, David L., [redacted]
Whidby, Paul M., [redacted]
Whipple, Thomas O., [redacted]
White, David R., [redacted]
White, Dennis M., [redacted]
White, Eugene J., [redacted]
White, Roland J., [redacted]
Whitley, Milton A., [redacted]
Whitman, John W., [redacted]
Whitman, Roy K., [redacted]
Whitmore, Harry L., [redacted]
Whitwill, David K., [redacted]
Wiehe, Edward L., [redacted]
Wier, Larry T., [redacted]
Wignall, Robert A., [redacted]
Wilhite, Harold L., [redacted]
Wilks, Riggs L., Jr., [redacted]
Williams, Charles D., [redacted]
Williams, Charles H., [redacted]
Williams, Gary S., [redacted]
Williams, Gene, [redacted]
Williams, George K., [redacted]
Williams, Harold E., [redacted]
Williams, Harry F., [redacted]
Williams, Robert H., [redacted]
Williams, William E., [redacted]
Williamson, Bobby M., [redacted]
Willis, John T., [redacted]
Wilson, Eugene E., [redacted]
Wilson, Gale D., [redacted]
Wilson, James G., [redacted]
Wilson, James M., [redacted]
Wilson, Stephen E., [redacted]
Wilson, Thomas G., [redacted]
Windham, Daniel O., [redacted]
Windle, Joseph C., [redacted]
Winsor, Stephen A., [redacted]
Winter, Daniel J., [redacted]
Winters, James M., [redacted]
Wintrich, Frederick, [redacted]
Wion, Edward J., [redacted]
Witherspoon, Richard, [redacted]
Witschonke, Carl F., [redacted]
Witwer, Randall K., [redacted]
Wogan, James W., [redacted]
Wohlers, Everett T., [redacted]
Wolfe, John E., [redacted]
Wolfinger, William, [redacted]
Wollenberg, Richard, [redacted]
Wong Terrence K., [redacted]
Wood, Morris W. [redacted]
Woodward, John C., [redacted]
Woody, Carl E., [redacted]
Woolshlager, John, [redacted]
Wooten, Marvin, Jr., [redacted]
Worthen, James K., [redacted]
Wright, Fred J., [redacted]
Wright, Less P., [redacted]
Wright, Michael L., [redacted]
Wright, Richard K., [redacted]
Wright, Sumner C., [redacted]
Wright, Thomas J. [redacted]
Wunderly, Curtis W., [redacted]
Wyman, Samuel D., III, [redacted]
Yager, Klaus D., [redacted]
Yarrison, James L., [redacted]
Yasukawa, Ronald N., [redacted]
Yearwood, John F., [redacted]
Yon, Terry A., [redacted]
Yoshizumi, Gary R. [redacted]
Young, David A., [redacted]
Young, David F., [redacted]
Young, Lewis W., [redacted]
Young, Nathaniel L., [redacted]
Young, Alan H., [redacted]
Youngs, James O., III, [redacted]
Yuguchi, Tadashi G., [redacted]
Zak, Michael I., [redacted]
Zakrzewski, Stephen, [redacted]
Zanni Joseph W., [redacted]
Zapata, Jenaro A., [redacted]
Zdimal, Michael A., [redacted]
Zehrer, David G., [redacted]
Zeier, Timothy M., [redacted]
Zephusen, Leo J., [redacted]
Zielinski, Ronald J., [redacted]
Zimmerman, Loren D., [redacted]
Zinser, Roy F., Jr., [redacted]
Zola Ronald G., [redacted]
Zophy, F, Gordon II, [redacted]
Zucker, David C., [redacted]

WOMEN'S ARMY CORPS

To be captain

Davis, Constance M., [redacted]
Delsesto, Anne M., [redacted]
Kugel, Elizabeth E., [redacted]
Madison, Amy J., [redacted]
Meyer, Elizabeth G., [redacted]
Netherton, Theresa, [redacted]
Riou, Ann M., [redacted]
Russell, Carolyn E., [redacted]
Stubbs, Peggy A., [redacted]
Thompson, Marcia E., [redacted]
Whitt, Sandra S., [redacted]

ARMY NURSE CORPS

To be captain

Adams, Nancy R. [redacted]
Alexander, Gus N. [redacted]
Ankerson, Diane N., [redacted]
Ankrom, Linda E., [redacted]
Bobo, Sandra L., [redacted]
Bradley, John J. [redacted]
Canfield, Lawrence, [redacted]
Cook, Thomas E., [redacted]
Dayton, Lorraine M., [redacted]
Deden, Stanley N., [redacted]
Drain, Cecil B., [redacted]
Duffel, Dale L., [redacted]
Evans, John M., Jr., [redacted]
Farineau, Paul F., [redacted]
Flowers, Vicki L., [redacted]
Fortino, Julie A., [redacted]
Fox, Charlotte A., [redacted]
Golighty, Clarice, [redacted]
Gleeson, Roberta L., [redacted]
Groce, Gary R., [redacted]
Hamer, Lawrence A., [redacted]
Hawkins, Richard D., [redacted]
Keeton, Thomas E., [redacted]
Larkin, Jude O., [redacted]
Marcotte, Jerome J., [redacted]
Martin, Robert J. Jr., [redacted]
McGookin, Deanna, [redacted]
Morrill, Kenneth F., [redacted]
Moss, Larry W. [redacted]
Olson, Mary K. [redacted]
Peche, Marra E., [redacted]
Pescatore, Edward A., [redacted]
Reed, Edwin D., [redacted]
Rees, Marilyn S., [redacted]
Rennie, Donald S., [redacted]
Shaltry, Mary J., [redacted]
Sherner, John H., [redacted]
Sherrod, Susie M., [redacted]
Smith, Alan P., [redacted]
Soltau, John E., [redacted]
Stabingas, Sandra F., [redacted]
Strzelecki, Stanley, [redacted]
Synakowski, Ralph G., [redacted]
Thompson, Janet R., [redacted]
Travis, Jacklyn G., [redacted]
Treybig, Kennard R., [redacted]
Weaver, William R., [redacted]
Webb, Norma J., [redacted]
Wilson, William V., [redacted]
Zadzora, Timothy P., [redacted]

ARMY MEDICAL SPECIALIST CORPS

To be captain

Bouillet, Karen F. [redacted]
Goodwin, William L., [redacted]
Hawkins, Mary F. [redacted]
Humm, Gaylf A., [redacted]
Jones, Thomas D., [redacted]
Laney, Millard G., [redacted]
Morris, Linda L., [redacted]
Pope, Richard L., [redacted]
Reardon, John C. [redacted]
Sinnott, Richard R., [redacted]
Stevens, Douglas L., [redacted]
Yamamoto, Steven K., [redacted]

MEDICAL SERVICE CORPS

To be captain

Ambrose, Anthony, [redacted]
Arellano, Benito M., [redacted]
Armstrong, Joe C., [redacted]
Aron, Bruce L., [redacted]
Austin, Henry M., III, [redacted]
Bachman, William G., [redacted]
Ball, Robert M. [redacted]
Beahm, Michael R., [redacted]
Beatson, Ronald B., [redacted]
Besanceney, Charles, [redacted]
Bland, Edward C. [redacted]
Boyd, Ronald D., [redacted]
Brink, Gary S., [redacted]
Bryan, Roy A., Jr., [redacted]
Busby, Lonnie L., [redacted]
Carpenter, Timothy, [redacted]
Chaney, Bobby F. [redacted]
Cole, Clyde N., [redacted]
Coogler, Arthur C., [redacted]
Cummings, Douglas M., [redacted]
Curl, Walton W., [redacted]
Dale, Glyndon A. [redacted]
Davis, Brian K., [redacted]
Dellinger, William R., Sr., [redacted]
Dorfman, William I., [redacted]
Drake, Robert E., Jr., [redacted]
Duff, William P., [redacted]
Duncan, Chester E., [redacted]
Dyer, Charles E., II, [redacted]
Elmore, James H., [redacted]
Everette, Kirby L., [redacted]
Forshey, David L., [redacted]
Frushour, Stephen J., [redacted]
Garcia, Victor F., [redacted]
George, Gary B. [redacted]
Goding, William R., [redacted]
Gonzalez, John J., [redacted]
Goyne, Richard M., [redacted]
Grabowski, William, [redacted]
Hanohano, William J., [redacted]
Hauck, Kenneth W., [redacted]
Hawkes, Thomas A., Jr., [redacted]
Hawkins, James W., Jr., [redacted]
Hendricks, Larry D., [redacted]
Henry, Joseph R., [redacted]
Hetrick, Andrew J., [redacted]
Hill, Charles R., [redacted]
Hill, Mack C., [redacted]
Hiner, William O., Jr., [redacted]
Hinkel, Robert E., [redacted]
Hohn, Dennis E., [redacted]
Howard, James T., [redacted]
Hyatt, Richard S., [redacted]
Irish, Arthur S., [redacted]
Jackson, Walter F., [redacted]
Jones, Larry L., [redacted]
Kammerer, James W., [redacted]
Killion, Norvel, Jr., [redacted]
King, Alan F., [redacted]
Kremenak, Kenneth J., [redacted]
Kruse, William R., [redacted]
Laswell, George R., [redacted]
Leatherberry, Roy J., [redacted]
Makela, Glenn R., [redacted]
Markham, Selwyn L., [redacted]
Martin, James A., [redacted]
Matheson, William A., [redacted]
McAlear, Hugh M., [redacted]
McIlrath, John C., [redacted]
McKinley, Loran R., [redacted]
McManus, Albert T., [redacted]
McMullen, William H., [redacted]
Mendoza, Edward M., [redacted]
Meyer, Michael P., [redacted]
Miles, Otha G., [redacted]

Miller, Roy D., [redacted].
Miller, Thomas A., [redacted].
Moore, Clayton H., [redacted].
Moro, Kenneth S., [redacted].
Mullaly, Charles F., [redacted].
Murphy, Robert F., [redacted].
Nakayama, Harvey K., [redacted].
Normile, James P., II, [redacted].
Olejnik, Kenneth R., [redacted].
Patterson, James F., [redacted].
Pecoraro, Richard, [redacted].
Perkins, Philip H., [redacted].
Pick, Robert O., [redacted].
Pitts, Larry C., [redacted].
Pope, John, Jr., [redacted].
Popov, Dan, [redacted].
Potter, Michael W., [redacted].
Reamey, Herbert K., [redacted].
Roberts, Donald L., [redacted].
Saugstad, Edward S., [redacted].
Schade, Harold C., II, [redacted].
Short, Thomas E., [redacted].
Simons, John V., [redacted].
Smart, Samuel C., [redacted].
Sodetz, Frank J., Jr., [redacted].
Solook, John T., [redacted].
Sontag, Adolph J., Jr., [redacted].
Stevens, Charles G., [redacted].
Stone, Samuel E., [redacted].
Sweet, Ross B., [redacted].
Tedeschi, Emeric R., [redacted].
Torba, Gerald M., [redacted].
Vybiral, Thomas J., [redacted].
Waller, Charles R., [redacted].
Waters, Keith H., [redacted].
White, Edward D., [redacted].
Wilkinson, Rowland, [redacted].
Williams, Michael D., [redacted].
Williams, William K., [redacted].
Wills, Clarence R., [redacted].
Withrow, Gene, [redacted].
Wright, Cephas C., [redacted].
Young, Hansford L., [redacted].
Zych, Kenneth A., [redacted].

VETERINARY CORPS

To be captain

Caron, Paul Lee, [redacted].
Elmore, James D., [redacted].
Gaub, Steven D., [redacted].
Hardisty, Jerry F., [redacted].
Hofmann, John R., [redacted].
Salamone, Bernard P., [redacted].
Zotler, Jon G., [redacted].

MEDICAL CORPS

To be captain

Albus, Robert A., [redacted].
Baxley, John B., Jr., [redacted].
Deas, Bernard W., Jr., [redacted].
Diamond, Dalton E., [redacted].
Schweitzer, George, [redacted].
Winkel, Craig A., [redacted].

DENTAL CORPS

To be captain

Billingsley, Michael, [redacted].
O'Neal, Robert B., [redacted].

The following-named officers for promotion in the Regular Army of the United States, under the provisions of title 10, United States Code, sections 3284 and 3298:

ARMY PROMOTION LIST

To be first lieutenant

Beyeler, Matthew S., [redacted].
Lasater, Gary M., [redacted].
Pace, William T., [redacted].
Hunt, Kenneth D., [redacted].
Wockenfuss, Clark H., [redacted].

MEDICAL SERVICE CORPS

To be first lieutenant

Dellinger, William R., Sr., [redacted].

IN THE ARMY

The following-named officers for promotion in the Reserve of the Army of the United States, under the provisions of title 10, sections 3370 and 3383:

ARMY PROMOTION LIST

To be colonel

Bruce, Miles E., [redacted].
Lunger, Raymond R., [redacted].

WOMEN'S ARMY CORPS

To be colonel

Swartz, Isabelle J., [redacted].

ARMY PROMOTION LIST

To be lieutenant colonel

Carter, Fred M., [redacted].
Collins, Robert D., [redacted].
Edwards, Robert F., [redacted].
Franklin, Henry G., [redacted].
Gardner, Matthew L., [redacted].
Joye, John M., [redacted].
Landers, Jo., [redacted].
Lawson, Charles J., [redacted].
Lohrmann, Bruno T., [redacted].
Manning, James A., [redacted].
Matsukawa, Joe S., [redacted].
Matthews, Lewis E. J., [redacted].
McCall, Thomas S., [redacted].
McLemore, Bobbie F., [redacted].
Newbold, Kenneth R., [redacted].
Penhart, William J., [redacted].
Quinlan, Daniel, [redacted].
Rubenacker, Clarence, [redacted].
Williams, John P., [redacted].
Williamson, Garrett, [redacted].
Zobrist, Benedict K., [redacted].

WOMEN'S ARMY CORPS

To be lieutenant colonel

Cadwell, Louise M., [redacted].

The following-named officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, sections 591, 593, and 594:

MEDICAL CORPS

To be lieutenant colonel

Bruckman, Joseph A., [redacted].
Shively, Harold H., Jr., [redacted].

The following-named Army National Guard officers for appointment in the Reserve of the Army of the United States, under the provisions of title 10, United States Code, section 3385:

ARMY PROMOTION LIST

To be colonel

Cowan, Thomas L., [redacted].
Demmer, Richard A., [redacted].
Dingler, Walter J., [redacted].
Fanning, James G., [redacted].
Gallagher, Paul J., [redacted].
McGehee, Eugene W., [redacted].
Merritt, Henry C., [redacted].
Reiter, Richard A., [redacted].
Royal, John W., [redacted].
Van Dell, Mose, [redacted].

To be lieutenant colonel

Baugh, Edward L., [redacted].
DeGraw, Thomas J., [redacted].
Doyle, Harold D., [redacted].
Doyle, William J., [redacted].
Fitzgerald, Robert W., [redacted].
Frakes, Paul D., [redacted].
Freitag, Sidney G., [redacted].
Fuqua, Billie E., [redacted].
Fusco, George M., [redacted].
Griffin, Joseph W., [redacted].
Gwint, Ivan W., [redacted].
Hanson, David B., [redacted].
Haransky, Stanley J. Jr., [redacted].
Hartman, John C., [redacted].
Hummel, Don N., [redacted].
Jamieson, William M., Jr., [redacted].
Johnson, Leo P., [redacted].
Jointer, William B., [redacted].
Kemp, David G., [redacted].
Lavimoniere, Donald M., [redacted].
Lyle, Millard D., [redacted].
Mann, George E., [redacted].
Marquardt, Melvin H., Jr., [redacted].
Matthews, Bobby L., [redacted].
Mazzone, Thomas W., [redacted].
McLain, Francis R., [redacted].
Miller, Robert F., [redacted].
Mitchell, Don E., [redacted].
Morrow, David E., [redacted].
Navas-Davila, Luis S., [redacted].
Pointer, Frank M., [redacted].
Roberts, John L., [redacted].
Setzer, Benjamin R., [redacted].
Stallings, Leah W., [redacted].
Strukel, Jack, Jr., [redacted].

CHAPLAIN

To be lieutenant colonel

Turner, Wendell R., Jr., [redacted].

CONFIRMATIONS

Executive nominations confirmed by the Senate June 21, 1974:

THE JUDICIARY

William H. Orrick, Jr., of California, to be U.S. district judge for the northern district of California.

Henry F. Werker, of New York, to be U.S. district judge for the southern district of New York.

HOUSE OF REPRESENTATIVES—*Friday, June 21, 1974*

The House met at 11 o'clock a.m.

The Chaplain, Rev. Edward G. Latch, D.D., offered the following prayer:

With God nothing shall be impossible.—Luke 1:37.

O Thou in whom we live and move and have our being, come anew into our hearts and make us ready for the responsibilities of this day.

Remove from us the barriers of pride and prejudice. Take away the bitterness that blights our being, the resentments which ruin our reasoning, and the discouragements which dispirits our dispositions. In all our trials and troubles grant unto us the wisdom which saves us from false choices and leads us in the ways of truth and honor.

Guide Thou our Nation and the nations of the world into the paths of justice and good will and establish among us the peace which is the fruit of righteousness. In Thy light may we see light and in Thy straight paths we may not stumble.

In the spirit of the Master we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Without objection, the Journal stands approved.

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Arrington, one of its clerks, announced that the Senate had passed without amendment bills of the House of the following titles:

H.R. 1376. An act for the relief of J. B. Riddle; and

H.R. 15124. An act to amend Public Law 93-233 to extend for an additional 12 months (until July 1, 1975) the eligibility of supplemental security income recipients for food stamps.

The message also announced that the Senate had passed with amendments in which the concurrence of the House is requested, bills of the House of the following titles:

H.R. 8977. An act to establish in the State of Florida the Egmont Key National Wildlife Refuge;

H.R. 12628. An act to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowances paid to eligible veterans and other persons; to make improvements in the educational assistance programs; and for other purposes; and

H.R. 14012. An act making appropriations for the legislative branch for the fiscal year ending June 30, 1975, and for other purposes.

The message also announced that the Senate insists upon its amendments to the bill (H.R. 14012) entitled "An act making appropriations for the legislative branch for the fiscal year ending June 30, 1975, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. HOLLINGS, Mr. BAYH, Mr. EAGLETON, Mr. MCCLELLAN, Mr. COTTON, Mr. SCHWEIKER, and Mr. YOUNG to be the conferees on the part of the Senate.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2581. An act to amend the Randolph-Sheppard Act for the blind to provide for a strengthening of the program authorized thereunder, and for other purposes.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A REPORT ON HOUSE JOINT RESOLUTION 1061

Mr. MAHON. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on the joint resolution (H.J. Res. 1061) making further urgent supplemental appropriations for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes.

Mr. TALCOTT reserved all points of order.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

MAKING IN ORDER CONSIDERATION OF HOUSE JOINT RESOLUTION 1061 ON MONDAY OF NEXT WEEK OR ANY DAY THEREAFTER

Mr. MAHON. Mr. Speaker, I ask unanimous consent that it may be in order in the House on Monday next week or any day thereafter to consider the House joint resolution (H.J. Res. 1061) making further urgent supplemental appropriations for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes.

Mr. TALCOTT reserved all points of order.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

Mr. GROSS. Mr. Speaker, reserving the right to object, and I do so in order to ask the gentleman from Texas if he used the correct word. Is it "supplemental," or "deficiency" bill, or both?

Mr. MAHON. It is really a supplemental. The Congress passed more legislation providing additional benefits for veterans. The legislation was signed May 31 and this requires the House to provide the money, so it is really a supplemental.

Mr. GROSS. I am glad the gentleman hesitated in his reply. I will not argue with the question further.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE A REPORT

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a report on a bill making appropriations for the Department of Housing and Urban Development, National Aeronautics and Space Administration, National Science Foundation, Veterans' Administration, and certain other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975.

Mr. TALCOTT reserved all points of order.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

APPROPRIATIONS SCHEDULE FOR THE WEEK OF JUNE 24

(Mr. MAHON asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. MAHON. Mr. Speaker, for the benefit of Members I wish to announce at this time the appropriation schedule in the House next week.

On Monday, we will have the conference report on H.R. 14434, the special energy research and development appropriation bill. Following that we will have a joint resolution (H.J. Res. 1061) making further urgent supplemental appropriations for the Veterans' Administration.

On Tuesday, we will have H.R. 15544, the Treasury, Postal Service, and General Government appropriation bill.

On Wednesday the House will consider the HUD-Space-Science-Veterans appropriation bill which was reported by the committee this morning.

On Thursday, we will have the appropriation bill for the Departments of Labor and Health, Education, and Welfare and related agencies. This measure will be reported by the committee on Monday.

On Friday, we will have the District of Columbia appropriation bill which will also be reported by the committee on Monday.

In addition, we will have a conference report on the continuing resolution sometime during the week.

Mr. Speaker, in summary, the House will have passed by the end of next week 9 of the 13 regular annual appropriations bills, the special energy bill, the second supplemental, two urgent supplementals and the continuing resolution.

Four bills for fiscal year 1975 will remain. We will report the Interior bill in July. There are major authorization problems with the other three: Defense, military construction, and foreign aid. The Appropriations Committee has finished the Defense hearings but a budget amendment is in the offing. We complete the foreign assistance hearings today and military construction hearings will be largely completed by the end of next week. We will bring those bills to the House when the authorizing legislation becomes available.

THE WEEK THAT NEVER SHOULD HAVE BEEN

(Mr. GOODLING asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GOODLING. Mr. Speaker, to paraphrase a radio or TV show that was on the air some years ago, "This was the week that never should have been."

You do recall that we accepted the conference report on the Congressional Budget and Impoundment Control Act.

The ink on that document, which I predict will never be adhered to, was barely dry when the Members of this body proceeded to knock it into a cocked hat.

We had the national school lunch conference report. This bill left the House within budget figures. The conference report called for an additional expenditure of $135 million. Fifteen opposed the measure.

We passed by voice vote, the Domestic Food Assistance Act that practically makes permanent a temporary program that came into being when we had large food surpluses. There is not anything as permanent as a temporary program.

The price tage on this is an unknown quantity but yesterday the Department of Agriculture announced it plans to buy $100 million worth of beef.

Then, too, we subsidized The Wall Street Journal, Reader's Digest, and Time under the guise of helping small publishers. You do recall that not too many months ago first class postage rates were raised from 8 to 10 cents. This is the only class mail paying its way.

We became so engrossed in spending programs that last night we proposed to spend some $13 to $15 billion on housing and urban development. Have we forgotten the boondoggle programs under HUD?

State, Justice, Commerce, and judiciary received a 13-percent windfall, amounting to $534 million over fiscal 1974.

The country would profit if Congress did not meet during an election year.

Remember, the interest on our national debt is now more than $57,000 per minute.

Before this day ends I predict we will be doing more of the same.

We will be considering the Agriculture-Environmental and Consumer Protection appropriation bill for fiscal 1975.

Unfortunately, we have now incorporated countless welfare programs into this bill which rightfully should be financed by the Department of Welfare. Here again the farmers of America become the whipping boys for welfare programs. It must point out that this bill calls for $4 billion for food stamps, an increase of almost $1 billion over last year. Gradually, I fear we are drifting, and not very slowly, toward a welfare state.

THE WALL STREET JOURNAL'S TAXPAYER SUBSIDY

(Mr. GROSS asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. GROSS. Mr. Speaker, in its news story yesterday reporting on the House passage of S. 411, the Wall Street Journal was more than a little exercised about my statement on the House floor that the Journal's taxpayer subsidy would increase from its present $23,300,000 to $38,700,000 under the bill.

Dow-Jones' vice president, John J. McCarthy, accused me of being badly misinformed and said my figures are the product of accounting legerdemain. Mr. McCarthy was then quoted as contending that the Journal pays well over 184 percent of the cost of handling its mail.

Mr. Speaker, I had not intended to pursue this matter much further, but Mr. McCarthy's accusation now affords me the opportunity to present a more detailed record of the large subsidies and most favored treatment enjoyed by this publication.

I will insert in the Extensions of Remarks of the RECORD a table and additional information, and I recommend it to my colleagues for their reading pleasure.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

Mr. O'NEILL. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members failed to respond:

[Roll No. 313]

Abdnor
Abzug
Anderson, Calif.
Arends
Ashbrook
Ashley
Blatnik
Brasco
Broomfield
Brown, Calif.
Brown, Mich.
Burgener
Burke, Calif.
Carey, N.Y.
Chisholm
Clark
Clawson, Del
Collier
Coughlin
Crane
Daniels, Dominick V.
Davis, Ga.
Davis, Wis.
Dellums
Dent
Diggs
Dorn
Edwards, Ala.
Fisher
Flynt
Forsythe
Ginn
Gonzalez
Gray
Green, Oreg.
Griffiths
Gubser
Gunter
Harsha
Hastings
Hawkins
Hays
Hébert
Henderson
Holifield
Howard
Ichord
Jones, Ala.
Karth
Ketchum
Landgrebe
Leggett
McDade
McKinney
McSpadden
Macdonald
Martin, Nebr.
Mathias, Calif.
Matsunaga
Michel
Milford
Minshall, Ohio
Mitchell, Md.
Mitchell, N.Y.
Mollohan
Mosher
Murphy, N.Y.
Nelsen
Nichols
Parris
Pickle
Podell
Powell, Ohio
Quillen
Railsback
Randall
Reid
Rhodes
Riegle
Rogers
Rooney, N.Y.
Rosenthal
Ruppe
Ryan
Sandman
Schroeder
Seiberling
Shuster
Sikes
Staggers
Stephens
Symms
Teague
Thompson, N.J.
Udall
Ullman
Vander Jagt
Wiggins
Williams
Wright
Wyman
Young, Alaska
Young, Ga.

The SPEAKER. On this rollcall, 330 Members have recorded their presence by electronic device, a quorum.

By unanimous consent, further proceedings under the call were dispensed with.

WAIVING POINTS OF ORDER ON H.R. 15544, TREASURY, POSTAL SERVICE, EXECUTIVE OFFICE OF THE PRESIDENT AND CERTAIN INDEPENDENT AGENCIES, APPROPRIATIONS, FISCAL YEAR 1975

Mr. BOLLING, from the Committee on Rules, reported the following resolution (H. Res. 1188, Rept. No. 93–1134) which was referred to the House Calendar and ordered to be printed:

H. RES. 1188

Resolved, That during the consideration of the bill (H.R. 15544) making appropriations for the Treasury Department, the United States Postal Service, the Executive Office of the President, and certain Independent Agencies, for the fiscal year ending June 30, 1975, and for other purposes, all points of order against the provisions under the heading "Special Assistance to the President" beginning on page 10, lines 6 through 15, and under the heading "The White House Office" beginning on page 10, line 17 through page 11, line 3, are hereby waived for failure to comply with the provisions of clause 2, Rule XXI.

PERSONAL EXPLANATION

Mr. DANIELSON. Mr. Speaker, during the week of June 3, 1974, I was absent from the House and missed a number of yea-and-nay and recorded votes. For the record, I now state how I would have voted on each of these measures had I been present.

MONDAY, JUNE 3, 1974

Rollcall No. 261: Adoption of House Concurrent Resolution 271, expressing the sense of Congress with respect to the missing in action in Southeast Asia. I would have voted "yea."

Rollcall No. 262. Motion to suspend the rules and pass H.R. 14833, to extend the Renegotiation Act of 1951 for 18 months. I would have voted "yea."

TUESDAY, JUNE 4, 1974

Rollcall No. 266: Motion to suspend the rules and pass Senate Joint Resolution 40, to authorize and request the President to call a White House Conference on Library and Information Services in 1976. I would have voted "yea."

Rollcall No. 267: Motion to suspend the rules and pass H.R. 13595, to authorize appropriations for the Coast Guard for fiscal year 1975, amended. I would have voted "yea."

Rollcall No. 268: Motion to suspend the rules and pass S. 2844 to provide for collection of special recreation use fee at additional campgrounds, amended. I would have voted "yea."

Rollcall No. 269: Adoption of conference report on H.R. 12565, Department of Defense Supplemental Authorization for fiscal year 1974. I would have voted "yea."

Rollcall No. 270: Adoption of the conference report on H.R. 14013, making supplemental appropriations for fiscal year 1974. I would have voted "yea."

WEDNESDAY, JUNE 5, 1974

Rollcall No. 271: Adoption of House Resolution 1152, the rule providing for the consideration of H.R. 14747, to amend the Sugar Act of 1948. I would have voted "yea."

Rollcall No. 272: An amendment to H.R. 14747, that sought to delete South Africa from the sugar quota by 1976. I would have voted "no."

Rollcall No. 273: An amendment to H.R. 14747 that adds two additional criteria when the Secretary of Agriculture determines the minimum wage rates for sugar workers: first, percentage increase or decrease in productivity during the preceding year, and, second, extra expenses which result from travel and living away from home. I would have voted "aye."

Rollcall No. 274: An amendment to H.R. 14747 that would require growers who employed sugar fieldworkers at piece rates to pay them at least the hourly wage determined by the Secretary. I would have voted "aye."

Rollcall No. 275: Passage of H.R. 14747, to amend the Sugar Act of 1948. I would have voted "aye."

Rollcall No. 276: Motion to instruct the House conferees on H.R. 69 to insist on House provisions relating to busing of students embodied in title II of the House bill. I would have voted "no."

THURSDAY, JUNE 6, 1974

Rollcall No. 278: Amendment to H.R. 15155 which sought to delete $800,000 appropriation for the Dickey-Lincoln School Lakes project. I would have voted "no."

Rollcall No. 279: Passage of H.R. 15155 making appropriations for public works for water and power development, and the Atomic Energy Commission for fiscal year 1975. I would have voted "aye."

Rollcall No. 280: The deepwater ports bill reported by the Committee on Public Works. Amendment offered by Mr. ECKHARDT to the amendment offered by Mrs. SULLIVAN (Merchant Marine and Fisheries Committee bill) in the nature of a substitute to the amendment offered by Mr. Jones (Public Works Committee Amendment) to H.R. 10701, which restored the section on liability funds for damage. I would have voted "aye."

Rollcall No. 281: Amendment offered

by Mrs. SULLIVAN, as amended, as a substitute for the amendment in the nature of a substitute offered by Mr. JONES of Alabama to the bill H.R. 10701. I would have voted "no."

Rollcall No. 282: Passage of H.R. 10701, as amended, to amend the act of October 27, 1965, relating to public works rivers and harbors to provide for construction and operation of certain port facilities. I would have voted "yea."

AGRICULTURE AND ENVIRONMENTAL CONSUMER PROTECTION APPROPRIATION BILL, 1975

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 15472) making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes; and pending that motion, Mr. Speaker, I ask unanimous consent that general debate be limited to not to exceed 3 hours, the time to be equally divided and controlled by the gentleman from North Dakota (Mr. ANDREWS) and myself.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 15472, with Mr. GIBBONS in the chair.

The Clerk read the title of the bill.

By unanimous consent, the first reading of the bill was dispensed with.

The CHAIRMAN. Under the unanimous-consent agreement the gentlemen from Mississippi (Mr. WHITTEN) will be recognized for 1½ hours, and the gentleman from North Dakota (Mr. ANDREWS) will be recognized for 1½ hours.

The Chair recognizes the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, I yield myself such time as I may consume.

This bill contains in its various parts most of the essential activities of Government which have to do with food and fiber.

Whatever we may think, the basic things in life are still food, clothing, and shelter.

Whatever some of us may think, the key to our standard of living still lies with the matters that we handle in this bill.

Despite what many folks seem to think, the overall well-being of our economy is tied to the matters that we deal with in this bill.

First, we work with the Department of Agriculture, which represents those engaged in agriculture; and not only that but a big part, and by far the biggest part, of the funds carried in this bill have to do with the food and nutrition programs.

As I have said many times, if we do believe in the consumer, the first thing we must do is provide him with something to consume.

In the Department of Agriculture section of this bill we have held the Department's expenditures for its regular activities very much in line with what we have provided heretofore. There has been a move by the Secretary of Agriculture to reorganize some of the Department. There was the abolishment of the Office of Inspector General and of the sales manager for the $14 billion Corporation, the Commodity Credit Corporation. The committee has seen fit to restore those two organizations to their former status, under which they performed so effectively.

There also was a proposed consolidation of the county offices of the Agricultural Stabilization and Conservation Service. Also proposed was the consolidation of the conservation programs of the Department which have done such a good job. These programs were consolidated into sort of a joint undertaking, and we, in turn, after days and days of hearings, could never find out the advantages of those changes. So we have reestablished the agencies as they were formerly constituted, since they have carried on their work so well for many years.

Mr. Chairman, this bill provides for the agricultural programs. We provide for "food for peace." We provide for the Soil Conservation Service, where we have made some substantial increases, especially in terms of soil technicians.

The committee recommends to the Members the restoration of the Agricultural Conservation Program, in which well over a million Americans have put in their time and put in their money to help save the land for the present and for the future. With the present need for all-out production, this conservation program has again proved its value by providing a strong base from which to expand.

In connection with the REA, we have gone along with substantial increases in order that the energy needs might be met by this country.

In the food area we have increased the amount of food that is available under the various food programs, both for child nutrition and for food stamps.

In a nutshell I may say that as far as the Department of Agriculture is concerned, we have strengthened and restored the existing programs and we have continued to provide for them as we have through the years—years in which we have done a better job than any other country in the world.

Mr. Chairman, we have in this bill again provided for the Environmental Protection Agency. I am rather proud of our record in the 3 or 4 years this committee has dealt with EPA. During that period, we have worked with the agency to try to protect the environment, and now we expect even better progress, since at the committee's direction they have begun to file environmental impact reports.

Heretofore, they would issue an order and say—"Let's do it and see what happens"—and frequently that is the worst thing that could happen as far as the slowing down of production is concerned, and as far as protection of the environment is concerned.

They have also caused many costly delays of projects, and these delays cost us more money because of the constant rise in inflation—money which could have been used to clean up the environment.

We now have seen that agency reach the point where it is following the suggestions of our committee, which the Congress approved last year, and they have agreed to begin filing environmental impact statements, in which they, themselves, have determined what effect their actions would likely cause on the environment. We must make sure we are not changing one type of pollution for another.

In regard to the Commodity Credit Corporation, we have restored, as I said, the sales manager. Many of you will not remember it, but volume 9 of our hearings last year describes our experience when we had no sales manager. At that time the Commodity Credit Corporation built its stocks up to about $8 billion, on which we were paying storage. At a time when we had authority to sell these commodities in world trade, they simply would not do it and we were holding our commodities off the world markets while our foreign competitors were capitalizing on our mistake.

Then because of the surplus of those commodities they reduced American acreage and according to then Secretary Benson's own account, 53,000 farmers were put on the road and off the farms.

Next we have in this bill the Food and Drug Administration. If you have time to read our report—and I hope you will—you will find determinations have been made by the Food and Drug Administration where you would have to have unbelievably large volumes of a given commodity to do you any injury, and yet that commodity has been outlawed because such unrealistic amounts caused harm in experimental animals.

We point out in our report the various laws which Congress passed and the regulations that followed them in the 1950's. These laws were passed at a time when the measuring devices available were such that you could measure parts per million. In the 1960's we had developed measuring devices which measured parts per billion. But we still had the same law, which required zero tolerances in many cases, even though "zero" had changed.

Then in the 1970's we have measuring devices which can measure parts per trillion, and yet we are still operating under the same 1958 law. Because of these changes we had the FDA conduct a massive study, the largest ever, and I commend it to all Members in part 8 of our hearings which are available to all.

In our committee bill and in the report we call on the Food and Drug Administration and the Environmental Protection Agency, in view of these changes, to review prior decisions to see whether these laws should not be changed in view of the measuring devices which are now available. We also call on FDA to conduct a study on the meaning of these new devices.

Not only that, but we have gone to the Environmental Protection Agency and have gone along with efforts to see that the consumer is protected, but we have asked that the Government go ahead and speed up its decision with regard to the registration of pesticides by adding an additional 20 pesticide reviewers. Under the conditions which we live now, we frequently have some pesticide or herbicide or some other chemical that has been in common use and then its use is prohibited. Where that occurs we need to have ready a substitute which will not be more dangerous than that element which has been prohibited. We have asked them to proceed with that by giving them more reviewers so they can proceed faster.

We have one matter relating to the Federal Trade Commission which much of your correspondence has had to do with. I understand several amendments will be offered in this regard. I shall not go into detail now since it is around the lunch hour with not too many people on the floor, but I shall discuss it more in detail later.

I have here one of our previous reports which shows that the great depression was started because of a decrease in the purchasing power of those who were producing our raw materials. The farm laws which we have passed in order to protect farm income were not relief programs for farmers but were passed in order to restore that purchasing power so that they in turn could buy and so that industry could sell and so that labor could work.

Let me read you an excerpt from this report:

LOW FARM INCOME TRIGGERS FINANCIAL DEPRESSION

> It has been stated that the seeds of the Great Depression were sown in the agricultural depression of the 1920s which followed the First World War. The failure to maintain farm exports or to support farm prices and thus to maintain farmers' purchasing power weakened banking and business. Yet, people refuse to remember the lessons of the terrible financial crises of the 1920s and 1930s. It was graphically illustrated in 1921, in 1929, and again in 1937 that if the farmer's prices and purchasing power collapse, the whole economy suffers.
>
> Let us now briefly review the history of farm prices in the late twenties and the thirties, when a drop in the purchasing power of those engaged in agriculture not only wrecked farming, but dragged down the economy of the whole nation.
>
> After the First World War ended, the government announced that it would no longer support the price of wheat. The wheat which had brought $2.94 a bushel in Minneapolis in July, 1920, brought $1.72 in December, 1930, and 92¢ a year later. Agricultural prices in general collapsed. Cotton fell to a third of its July 1920, price and corn by 62 percent. The *Yearbook of Agriculture* of 1922 shows that the total value of agricultural products dropped from $18,328,000,000 in 1920 to $12,402,000,000 in 1921. As a result of the agricultural crash of 1920–1921, 453,000 farmers lost their farms. Many others remained in serious financial trouble which, in turn, was reflected by failures of local banks.
>
> Average wheat prices for the years 1924–1927 stayed pretty much in a range between $1.19 and $1.44 a bushel as compared to a parity price of approximately $1.40 for that period. Corn prices in these same years varied between 70¢ a bushel to $1.06 a bushel versus a parity price of about $1.00. Cotton prices were 12.5¢ a pound in 1926 but averaged 20.7¢ for the other years, compared to a parity price of 19.1¢. In 1928 these prices were: wheat, $1.00; cotton, 18¢; and corn, 84¢. By 1931 wheat was 38¢; cotton, 5.5¢; and corn, 32¢—roughly one-third of the pre-1928 price levels. Starting in August of 1929, wheat prices for the dominant futures on the Chicago Board of Trade fell from $1.43 average price to 76¢ in November of 1930, a drop of over 50 percent in 15 months. The Dow-Jones Stock Price Averages followed by declining from a high of 381.2 in September to a low of 41.2 * * * exchanges was particularly significant since there were nearly $250 million of open contracts in October, 1929, almost 2½ times the number of contracts in normal years. A great many of these speculators were ruined.
>
> It has been said that there were more suicides during this period among those that didn't know what a farm was as a result of the breakdown in farm or commodity prices (which had led to a fall in prices and values throughout the economy) than in any other period in our history.
>
> It was a sad way to learn it, but people at that time came to realize that real wealth starts with material things—corn, wheat, cotton, food crops of all kinds, and other raw materials—and that the general economy was primed by the sale of raw materials since, in general, the total national wealth averages some seven times the sale value of the farm or raw material production.
>
> We learned several lessons in the twenties and thirties.
>
> First, that when farmers can't get a fair return for their production, the land suffers. Remember, the price of food, clothing and shelter is going to be paid either by those who use them, or by the land from which they come. Congress, reacting to the terrible depletion of our natural resources, passed the Soil Conservation and Domestic Allotment Act of 1936. Yet today these same facts get little recognition.
>
> Secondly, we sometimes seem to forget that some form of effective control over farm production and marketing is necessary. In 1937 heavy crops caused surpluses and low prices for wheat and cotton, and a severe drop in commodity prices corresponded to another decline through the economy.
>
> Our farm programs today seem often to be predicated on the belief that cheap raw materials made this country great. That is undoubtedly true; however, we wasted half our natural resources in the process. The high payments which are the result of these policies have engendered a great animosity, in the minds of some, toward our agricultural producers.
>
> It shall be remembered that the price of food, clothing and shelter is going to be paid either by those who use them, directly or through taxes, or by the land from which they come.
>
> The people of India and China throughout the centuries demanded food and fiber below the cost of production. The cost was paid by the land from which it came. As a result, the land is worn out. Yet we in this country wore out more rich land in a shorter time period than any nation in history, largely because we had land to waste. This is no longer the case.

Under the one-man-one-vote trend where we are getting more and more Members from the city, there seems to be less and less understanding of the situation and of the fact that the few on the farm have substituted for those who left by purchasing expensive machinery and other equipment and material which is produced in the city and that they are the biggest and the best market that the city has ever had.

I understand efforts will be made today, as they have been in the past, to get rid of one or another of those programs which were passed in order to restore the purchasing power of those engaged in agriculture and in an effort to keep folks producing food so that we could do something else.

SOUTHERN PINE BEETLE

The southern pine beetle is presently causing severe damage to pine resources in the South. Infestations occurred in 62 percent of the 85 million acres of susceptible commercial pine forests in 10 Southeastern States in calendar year 1973.

While the Agricultural Research Service and the Animal and Plant Health Inspection Service have extensive responsibility for the control of various insect and disease outbreaks, and they work in close coordination with the U.S. Forest Service in many instances, no additional funds are included in this bill for direct appropriation to the Animal and Plant Health Inspection Service or the Agricultural Research Service for research and control of the southern pine beetle.

The reason for this is that the U.S. Forest Service is the lead agency in this control program. The Forest Service Appropriation is handled by the Interior and Related Agencies Subcommittee. The 1975 budget estimate for the Forest Service includes $2,385,000 for research on the control of southern pine beetle; $820,000 of these funds are for allotment to the Cooperative State Research Service for a combined effort.

In addition, the 1975 budget estimate, if approved in full, plus the $952,000 which was provided in the Second Supplemental Appropriations Act of 1974, will provide $2,452,000 for control work on the southern pine beetle.

Timber damage caused by the southern pine beetle has reached catastrophic levels and immediate action is necessary to curtail the current outbreak. Funds available to the U.S. Forest Service, working with the Agricultural Research Service, the Cooperative State Research Service, and the Animal and Plant Health Inspection Service, hopefully will provide sufficient impetus for an all-out attack on this insect.

The subject that we have heard the "mostest" about—and I think that is a good southern expression—is the Federal Trade Commission. This subcommittee has recommended substantial increases in funds for the Federal Trade Commission since we have had jurisdiction over its operations and appropriations.

The Federal Trade Commission has authority, under section 6(b) of the basic FTC act as the Members will find, to get information from any company that it wants to and for which it has a need. It has had this authority for many, many years. In other words, right now it has a right to go into court and take action against all the companies on which it has a reasonable ground to believe that they may be in violation of the law. This is in the existing law. We do not touch that.

But they have come up now with a new program, which they call the line-of-business program, where they wish to require information, at first from the 2,000 largest corporations—that was the first figure—then they pulled it down to 500. They also commit themselves to keeping this information confidential.

You can imagine what the effect will be on our private enterprise system if the internal factors in any company are made known to their competitors, and vice versa. It could destroy the competitive, free enterprise system we have.

Many wanted us to stop that program.

But your committee has not tried to prevent bringing that new program into being. We have tried to recommend a compromise program.

The Federal Trade Commission is also very anxious to proceed with the pending cases it has against eight of the big oil companies and feels it needs a computer system to do so. Your committee is of the same feeling about the need for the computer indexing system. But we have delayed recommending funds because the Office of Management and Budget has not sent up a budget request for the funds needed. They have not sent us a budget request to match the request that the Federal Trade Commission has made of the committee.

We have waited and hoped that the Congress would not be saddled with raising the budget all this much above the budget in order to meet this need.

I can tell you that I have talked to the Budget Director. He recognizes this need. I asked for this information and I have not heard from the gentleman.

But the committee is prepared to offer an amendment to put this million or so dollars in the bill, even though it means going above the budget, so there can be no question that the committee means that we want the FTC to go ahead with these actions on which they are presently proceeding.

With regard to the other point about the line-of-business information, they want to get over and above, and in addition, to that which they can do under the other sections of the law, to reach out and rake in all types of information. The Commissioner testified it would be treated, all of it, as confidential, and used for statistical purposes only. However, it has been my belief, and it is now confirmed by a study by the Library of Congress, which I will insert later in the RECORD, that a random sampling from the 2,000 biggest companies would give a broader and more accurate basis than if they just took the biggest 500, which the Commission wishes.

So in our report we have said that they should take this information at random, rather than concentrating on bigness per se.

I notice in the separate views in our report concerning line of business, attention is called to the fact that selecting 250 companies at random of 250,000 firms would not provide this type of information. But we very carefully in our report did not try to spell out the numbers. We never mentioned 250,000 firms. We did what we believed to be right, we said they should be selected at random, but we did not specify the universe. It is my belief that the number 250 selected at random should be selected from the 2,000-plus largest corporations on the theory that the small corporation is not likely to have a whole lot of other lines of businesses. So we have established the random sample theory in our report, and we are now trying by legislative history to see that these things are done in line with what we believe the intent of the committee is, that the 250 firms be selected from a reasonable number of firms, such as the 2,000 largest firms.

There are those here who have different views. This is something new, this matter of wholesale requiring of information. Let me say just one thing: we have provided to start this on a reasonable basis.

The Comptroller General has also approved a 1-year trial of this new proposal by the Fderal Trade Commission for many of the same reasons. GAO said in its report it could not think of any better means or any other means to see that the information was treated confidential than to copy the Census Bureau law. We thought we would try out this approach. Especially in view of the answers given by one of the Commissioners who testified in the other body and said that any information FTC got they of course would make that available to the other body.

Our doubts about the ability of the FTC to keep information confidential were further increased by the fact that I wrote the Chairman of the Commission a letter—and there was nothing in this letter I would not just as soon put in the CONGRESSIONAL RECORD—in which I called attention to the fact that the Congress passed a law enabling FTC to ask for this line-of-business data, but that Congress had not passed any law that would provide funds for that data to be collected. That letter was immediately leaked to the newspapers. That just shows that you cannot risk that type of a situation, not, at least, with the Chairman of the Commission.

Not only that, but then we read in the press where one of the Commissioners who had said in hearings before our committee that this information which they told us would be kept absolutely confidential later testified to the other body, "Of couse, anything we learn, you will know." So they said one thing on one side, and another on the other side.

In view of that, we put this confidentiality provision in here which is identical to the confidentiality law on census information and which all of us believe we must have with regard to the line-of-business information. We provide in here that anybody who releases this confidential information shall not be paid, as a further effort on our part to keep it confidential.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

I understand from the gentleman, and I think it is certainly correct, that he borrowed the language from section 9 of the Census Act.

Mr. WHITTEN. That is right.

Mr. ECKHARDT. The second item, as I recall, in that section says that one may not release information from which it may be determined that a particular corporation is involved. That seems to me to work pretty well with the Census Act where we are dealing with literally hundreds of thousands of units, but when we are only making an examination of a limited number of companies with respect to lines of business, it might be very difficult to even give statistics which would not be traceable because of the facts.

For instance, Mobil, I suppose is the only integrated oil company that has purchased a mail-order house. If information appears concerning an oil company's operations in a mail order house, it would be rather easy to infer that Mobil was involved. So I simply question whether or not the simple listing of these provisions from the Census Act are appropriate to be applied to the Federal Trade Commission.

Mr. WHITTEN. I can see the point that my colleague makes.

May I say at this point that I view this a little differently from what some of my colleagues do. I write my own bills. I write my own bills because I know what I have in mind, but I know when I write them and when I introduce them, I am not writing the law. The committee is going to pull them apart, go into them, check and inspect them, look them over, rewrite them, and then they come back. I know that. I write them in everyday language that can be read and understood.

In view of the two instances which I pointed out happened, in my opinion, we were faced with finding out how we could at this stage, come up with something that was reasonably tried and true to recommend to our colleagues in the Government. So I did not know any better way to go than to see how we did it under the law with regard to the census.

This being the law, that is where we have gotten this language. In the line-of-business information, may I say, that the Federal Trade Commission will seek from line-of-business 250 corporations, I have no idea how much detail there will be, how large it will be; but I do think that the point that the gentleman makes is directed to the protection that we write into the law in confidentiality.

We also point out the need for these to be selected at random, because that random is just one further degree of protection, in my opinion.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. ECKHARDT. I thank the gentleman for yielding.

Briefly, again, I think the gentleman is indicating to me that his Subcommittee on Appropriations has made certain deliberate determinations with respect to specific limitations on the method of making the sampling. Also I think the gentleman has indicated to me that although the census limitations on confidentiality may not be the best devisable, that his committee simply took them as a basis for control, recognizing, of course, that it might be altered by amendment or might be altered after study.

But does not the gentleman feel that this is a rather inappropriate thing for the Appropriations Committee to do? Is that not the kind of thing that the legislative committee that has jurisdiction over the Federal Trade Commission should do?

Mr. WHITTEN. No. With time we have an understanding of what I concede to be the obligations of the country.

We forget that Congress first authorizes and then Congress either implements it with an appropriation or it does not. Congress has the right and the obligation and the power to say what it appropriates for and on what terms and what conditions. Many of our friends on other committees seem to forget that is the normal procedure.

So I say any letter I wrote the chairman that was leaked to the newspapers—I called attention to the fact that we have a new law which the Congress has approved, under duress I might say, but I did not stress that, but we have not considered any appropriation to implement it.

I might call to the gentleman's attention that I think now there are $47 billion in unfunded authorizations on the shelf and nobody would claim we are committed to appropriate all of that.

So I say again there are two steps, and I have said it many times over. One of them is to authorize, and on this committee all we can do is recommend to the full committee and the full committee recommends to the Members and then we send it to the Senate, and then the President signs it. So our committee just writes recommendations. But again I think we are performing our function when we read the letters that are written and which recommend to the Congress how much ought to be appropriated for something and under what terms and conditions. That is my concept of the rights and responsibilities of the Appropriations Committees of Congress if carried out as intended. As we say in our report, there has been too much tendency of late to blur this distinction, and to forget that a project cannot proceed until the funds have been appropriated.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield further?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I can understand the gentleman's concern about controlling the amount expended and whether the amount expended has been approved. Of course the Committee on Appropriations may limit that expenditure or wipe it out altogether.

But when the gentleman says it is a condition of expenditure to provide requirements with respect to confidentiality, it seems to me that is somewhat straining the question of frugality and is putting it into an entirely different substantive field.

Mr. WHITTEN. I do not question that it appears that way to the gentleman. We have a Chairman of the Committee of the Whole who is assisted by the Parliamentarian and the House rules. When I was practicing law, if somebody came in and said, "I do not want to file a lawsuit unless I am right," I said, "the court will tell you whether you are right. If it will rule with you, you are right. If it will rule against you, you are wrong."

Luckily we do have somebody to pass on those things here. I have suggested to my clients, "Do not worry about not filing because you think you may be right or wrong. The court will decide that."

But I do think we have an obligation where we have seen two examples of leakage, one by the commission and one by the chairman or the commission, to look into the law and see if there is some way where we can further protect the confidentiality of that for which we are recommending money in the first instance. That is the way I feel and I can see my friend feels differently.

Mr. ECKHARDT. I might say I would hope this body would voluntarily remain within the jurisdictional lines as between committees.

Mr. WHITTEN. We have a presiding officer to see that we do.

Mr. ECKHARDT. That is of course fortunate.

I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, unless there are further questions I do not care to pursue the matter at this time.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from New York.

Mr. ADDABBO. Mr. Chairman, I thank the gentleman for yielding. I ask the gentleman to comment on Public Law 480. From the report on page 36 it would appear we are increasing the appropriation for 1975 by over $200 million. Does this mean more commodities will be put into the Public Law 480 program or is this being increased because the value of the commodities has increased?

Mr. WHITTEN. One of the problems is whether or not we have the commodity. Second, the Public Law 480 program is dependent on working out an agreement between this country and the recipient country. It was recommended by the administration that this amount be provided and the committee concurred with the recommendation.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield further?

Mr. WHITTEN. I yield further.

Mr. ADDABBO. Are there any safeguards that none of the agricultural products that are in short supply in the United States will be placed in that program? It seems last year that such commodities as rice and wheat were in these exports.

Mr. WHITTEN. I am certain there is a provision that requires the Secretary to make such a determination.

Mr. ADDABBO. Will the gentleman yield further?

Mr. WHITTEN. I yield to the gentleman.

Mr. ADDABBO. Also in the hearings, on page 673, part 2, in the questioning between the gentleman in the well and Mr. Hume, it was pointed out that Public Law 480 funds were increased in the fiscal year 1973 from $20 million plus for Cambodia and $143 million plus for Vietnam to over $136 million for Cambodia for the fiscal year 1974 and over $200 million for Veitnam and the moneys could be used for Defense. Is there any protection that this will not be used again?

It would appear that as the House and the Congress cut the military funds for the U.S. participation in the military affairs of Vietnam, they came in by the back door.

Mr. WHITTEN. It is my information that the authority for that has expired and it will not be done again without specific approval by the Congress.

Mr. ROUSH. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Indiana.

Mr. ROUSH. I asked the gentleman to yield for the purpose of making some legislative history. I direct the attention of the gentleman to section 512 of the bill before us today.

If the gentleman will remember, in 1972 the Congress changed by the water pollution control amendments of that year the basic thrust of the waste water treatment facility grants program.

Included were provisions that future construction grants must be made in accordance with regional waste water management plans and also that existing sewer systems would have to be subjected to lengthy infiltration-inflow analysis before expansion grants could be approved.

These new and more stringent requirements caused great problems for many of the States and also for municipalities within the States which were forced to meet stringent new standards that they had not previously contemplated. The problem was compounded by two additional factors. The act itself was not adopted until October 18, 1972. The Environmental Protection Agency did not publish final guidelines on the new grant program until February 11, 1974.

Indiana is one of from 20 to 30 States which will lose some funds under the provisions of the act. The act contemplated that funds would remain available for obligation to specific projects until one year after the close of the fiscal year for which the funds were first appropriated. If a State could not obligate all of its funds in that time period, the remaining funds would revert to a central fund and be redistributed by the EPA Administrator in accordance with a plan and regulations promulgated by him.

Is it the purpose and intent of section 512 to prevent States from having to return funds following the close of the fiscal year on June 30, 1974 previously alloted to them? And would this allow those States which have not been able to allocate all of the funds made available for fiscal 1974 to do so?

Mr. WHITTEN. Mr. Chairman, that is the intent, and my information is that the Environmental Protection Agency rules and regulations came out in February of this year, which is about 7 months after the beginning of fiscal year 1974.

I would be candid with the gentleman in saying that the language pointed out would have the effect of preventing the return of these funds to other States.

It would be my thought this would maintain the status quo.

Mr. ROUSH. My next question, if the gentleman will yield further, this would allow those States that has not been allotted all the funds for the fiscal year to do so?

Mr. WHITTEN. We could only do what we have here.

I think it is within our power, within our rights, and we did it for the purpose the gentleman mentioned.

I did want to say that it may take further action by the proper committee to straighten the matter out, but this tries to preserve the status quo.

Mr. ROUSH. Mr. Chairman, I thank the gentleman.

Mr. WHITTEN. Let me read some pertinent quotes from our report, which will cover in more detail the points I have touched on during the last hour:

That Consumers May Have Food

Comments in the reports on this bill in past years consistently have been directed toward a greater appreciation of the importance of maintaining an adequate food supply and action that must be taken to assure that the five percent of our population who produce the food and fiber crops for the other 95 percent can continue its very important function.

For many years this nation has been blessed with an abundance of food at the lowest prices in the world. During this time our biggest problem had been the disposal of surplus commodities and the maintenance of farm income at a level that enabled the farmer to stay in business.

Recently there has been a dramatic reversal of this situation as a result of several important factors. The question now is not solely whether or not we will produce enough food to help feed the world, but also whether food production will be adequate for the needs of this nation. Farmers, with few exceptions, are no longer being paid to hold acreage from production, but on the contrary are being encouraged to plant from fence post to fence post. Even so, adverse weather conditions the rest of this year could result in a tight supply in view of the fact that carry over inventories of the Commodity Credit Corporation are at the lowest level they have been in many years.

Although current food prices in this nation still represent the best food bargain in the world, the consumer is being made aware of the increases in the cost of food production by the higher prices that now must be paid at the market. Some individuals are concerned to the extent that recommendations are being made for restricting the export of our agricultural commodities.

Those closely associated with agricultural production are aware of the fluctuations of the agricultural economy through the years. We are in the midst of another phase of this cycle which has been made more severe by powerful external influences including the energy crisis, rapid inflation, and more severe food shortages throughout most of the world.

Many short-range solutions are being proposed. For example, price controls were imposed on meat. As a result, we are now experiencing a complete disruption of the meat supply structure. The export of agricultural commodities is absolutely necessary to the soundness of our agricultural economy—on an average we consume about 75 percent of our domestic production. To maintain a strong export market, it is necessary that our foreign customers know they have access to a reliable source of supply. The recent embargo on soybean exports is a dramatic example of how such precipitous action can totally disrupt our trade relations.

Those responsible for our agricultural policies must plan for the long-range good and not be panicked by temporary aberrations. We must keep in mind those tried and true program policies that have made American agriculture the envy of the world and adapt them to changing world conditions with no heavier touch than our ultimate goals require.

Several basic considerations must be kept in mind to enable us to meet the challenge of an adequate food and fiber supply in the future:

"Our irreplaceable land and water resources must be conserved. Tillage of additional acres to increase food production this past year has already given evidence of wind and water erosion.

"Maximum production of food and fiber crops must be continued in order to meet the ever increasing demand.

"Our export markets must be maintained and increased not only to assist in fulfilling the requirement for food in other parts of the world, but also to provide ready markets for production in excess of our needs and thus maintain a viable agricultural economy.

"Full use must be made of the facilities of the Commodity Credit Corporation and Section 32 funds to provide reasonable assurance that producers will receive prices consistent with production costs.

"Productive research must be emphasized not only to reduce the loss of production through plant disease and insects, but also to obtain increased production through the introduction of new strains and improved techniques.

"More concentrated and productive efforts to achieve rural development will not only be helpful in the rejuvenation of rural areas for the general good but will also ameliorate the social problems generated in our urban areas as a result of rural migration to the cities."

These are the factors of prime consideration to the Committee in its review of the 1975 budget estimates and its recommendations for funding in this bill.

Agricultural Conservation Program

In 1936 the Agricultural Conservation Program was initiated in an effort to conserve the land and water resources of the rural areas of this country. What started as a rather limited program has continued to develop through the years. This Committee has had to restore the program 18 times after the various Administrations had proposed its termination. It is now a well-balanced program that has accomplished a world of good under a plan whereby one million individuals have shared the conservation cost. It is not hard to imagine the difficulties we now would be experiencing when farmers are being asked for maximum production if this concerted effort had not continued to husband our irreplaceable land and water resources. The following table reflects some of the accomplishments of this program:

PRACTICE UNIT, AND TOTAL ACCOMPLISHMENTS 1936–72

Water impoundment reservoirs constructed to reduce erosion, distribute grazing, conserve vegetative cover and wildlife, or provide fire protection and other agricultural uses; Structures; 2,249,000.

Terraces constructed to reduce erosion, conserve water, or prevent or abate pollution; Acres; 33,216,000.

Stripcropping systems established to reduce wind or water erosion or to prevent or abate pollution; Acres; 114,229,000.

Competitive shrubs controlled on range or pasture to permit growth of adequate cover for erosion control and to conserve water; Acres; 63,260,000.

Green and shrubs planted for forestry purposes, erosion control, or environmental enhancement; Acres; 5,485,000.

Forest tree stands improved for forestry purposes or environmental enhancement; Acres; 4,564,000.

Wildlife conservation; Acres served; 13,592,000.[1]

Animal waste and soil waste pollution-abatement structures (lagoons, storage, diversion, and other); Number; 10,803,000.[2]

Sediment pollution-abatement structures or runoff control measures; Acres served; 2,961,000.[2]

Other pollution-abatement practices; Acres served; 367,000.[2]

COURT DECISION ON REAP PROGRAM

On September 29, 1972 the Department announced the 1973 REAP program. However, as of December 22, 1972, it terminated the program for 1973, contrary to congressional intent as set forth in various legislation.

A class action suit was filed for reinstatement of the program and on December 28, 1973, the U.S. District Court for the District of Columbia handed down a decision in favor of the plaintiffs.

The plaintiffs motion for summary judgment was granted and the court:

"* * * *Ordered, Adjudged and Declared* that all rules, regulations, guidelines, instructions, and other communications, written or oral, heretofore published, promulgated or otherwise communicated, directing, providing for, or intended to accomplish the termination of funding or functioning, dissolution or abolition of the Rural Environmental Assistance Program, conducted pursuant to sections 7 through 17 of the Soil Conservation and Domestic Allotment Act of 1936, as amended, 16 U.S.C. §§ 590g–590o, 590 p(a), 590q, are unauthorized by law, illegal, in excess of statutory authority, null and void, whether such rules, regulations, guidelines, instructions, or other communications were those of defendants Ash or Butz, or any agent, servant, employee, or other person acting in concert with defendants Ash or Butz, or otherwise employed by or purportedly acting for or on behalf of them or the Office of Management and Budget or the Department of Agriculture; and it is further

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[1] 1962–72, inclusive, with certain data estimated.

[2] 1970, 1971, and 1972 only.

"*Ordered* that defendants Ash and Butz and any agent, servant, employee, or other person acting in concert with defendants Ash and Butz, or otherwise employed by or purportedly acting for or on behalf of them or the Office of Management and Budget or the Department of Agriculture, be, and the same hereby are, enjoined from implementing or enforcing, or both, any such rule, regulation, guideline, instruction, or other communication, written or oral, heretofore published, promulgated, or otherwise communicated; and it is further

"*Ordered* that defendants Ash and Butz and their subordinates be, and the same hereby are, directed to annul and revoke by official act in writing any such rules, regulations, guidelines, instructions, or other communications, written or oral, heretofore published, promulgated or otherwise communicated; and it is further

"*Ordered* that defendant Butz and his subordinates be, and the same hereby are, enjoined from refusing to process, approve, and implement applications for REAP cost-sharing benefits consistent with the requirements of applicable statutes and regulations, and in accordance with the court's opinion of even date herewith; * * * "

The Department did not appeal the decision and in the course of the hearings on the 1975 budget estimate this year, departmental officials assured the Committee that it was their intent to carry out the court's decision without reservation.

The Committee is pleased to have this matter resolved and anticipates the continuation of the program in accordance with congressional intent.

PROGRAM DESIGNATION

During the past few years there has been some confusion with the nomenclature of this program. For many years it was the Agricultural Conservation Program. Then the Department designated it the REAP program. In the Agriculture and Consumer Protection Act of 1973, various conservation measures were authorized under the so-called RECP program. In the budget estimate this year the Department has now proposed a consolidated conservation program which it has designated as the REP program. The Committee sees no reason why the title "Agricultural Conservation Program" should not continue to be used and has so designated the program in all sections of the bill and the report.

DENIAL OF PROPOSED CONSOLIDATION OF PROGRAMS

The Department proposed in the 1975 budget estimate to combine the Great Plains Conservation Program (previously administered by the Soil Conservation Service), the Water Bank Act Program, the Emergency Conservation Program, the Forestry Incentives Program, and the Agricultural Conservation Program into the Rural Environmental Program. The Committee has not approved this proposal. Consolidation of numerous programs or activities makes it considerably more difficult for the Congress to follow the progress of the activities. For this reason the Committee has provided funding for these programs on a separate basis and has provided for the continued administration of the Great Plains Conservation Program by the Soil Conservation Service.

SOIL CONSERVATION SERVICE TECHNICAL ASSISTANCE

The 1975 budget estimate also proposed another change in the provision of funds for soil conservation service technicians to assist in the planning of the various conservation programs. For many years there has been a provision in the law that five percent of the conservation funds would be available to the Soil Conservation Service for technical assistance needed in drawing up the plans if such assistance was requested. This method of funding has worked very well through the years and has been of benefit both to the Soil Conservation Service and to the actual administration of the individual conservation programs.

The budget recommended the provision of $11.2 million as a direct appropriation to the Soil Conservation Service for this technical assistance. The Committee has earmarked the $11.2 million included in the budget estimate for distribution as follows: $7,300,000 for additional Soil Conservation Service technicians for assistance to conservation districts, communities and other cooperators; $1,500,000 for land inventory programs; $400,000 for operation of plant materials centers; and $2,000,000 for additional soil survey work.

APPROVED AGRICULTURAL CONSERVATION PROGRAM PRACTICES

The funds provided under the appropriation account for the Agricultural Conservation Program are available for the practices under the traditional Agricultural Conservation Program as well as the long-term practices authorized in the Agriculture and Consumer Protection Act of 1973.

In the course of the hearings, the Committee was highly critical of departmental officials who proposed to change the tried and true method of selecting practices for the Agricultural Conservation Program. For many years this program has been tailored to fill the various needs of local areas. One section of the country may need nutrients for the soil; another may need ponds to control water erosion; while another area's most important need may be wind erosion control practices. This accommodation was achieved through the Committee system whereby the local practices were recommended at the community and county levels and had survived the test of need by the local farmer's willingness to contribute his share of the cost of the practices.

For the 1975 program the Department has designated 14 practices at the Washington level and has more or less offered these to the local communities with a "take it or leave it" attitude. There is some feeling that this may be a ploy by those not sympathetic to the program as another way to reduce the program's effectiveness.

The Committee expects the Department to reinstate as established practices those conservation practices which were in effect for the 1970 year along with any revised practices that may be appropriate. The Committee is diametrically opposed to the proposed system of selecting the practices at the Washington level. This has been a democratic system that has worked well on a cooperative basis, program achievements have been commendable, and it would be sheer folly to completely reorganize the selection of practices at this time.

Commodity Credit Corporation

The Commodity Credit Corporation is a $14 billion organization governed by a Board of Directors, the membership of which consists wholly of officials of the Department of Agriculture.

Under authorities vested in it by its charter the Corporation has tremendous influence on all aspects of the marketing of our basic agricultural commodities. Until recently it has held huge reserves which, depending on how they were handled, could materially affect commodity prices. The basic concept under which the Corporation was created is good—to stabilize prices and assure an adequate supply of food.

In the opinion of the Committee the membership of the board being restricted to Department of Agriculture officials could result in certain untoward situations when consideration is given to the scope of influence the Corporation has attained during the years. It is the recommendation of the Committee that serious consideration be given to revising the board membership so that one-third of its members will be from the private sector. Not only would this mix provide a more diverse viewpoint on actions to be taken by the Corporation, but it would also provide some insulation against the Corporation's actions being influenced by political pressures regardless of which party might be in power.

Reorganizations in the Department of Agriculture

In recent years, there have been several reorganizations and transfers of functions in the Department of Agriculture. Some of them have been for the better, but the Committee has had reservations on a few such as the reorganization of the Agricultural Research Service which took place in 1972.

The Committee is not adverse to change. In fact, the Committee encourages the Department to continually assess and evaluate changing conditions and to institute modification of the departmental structure to effectively meet the challenges brought about by these changes. However, the Committee is not particularly impressed with change solely for the sake of change.

In the budget estimate presented for fiscal year 1975 several reorganizations and consolidations were proposed which raised some concern with the Committee.

OFFICE OF THE SECRETARY—DEPARTMENTAL ADMINISTRATION

One of the changes proposed involved the consolidation of appropriation accounts for the Office of the Secretary, the Office of the General Counsel, the Office of Management Services, and the Office of Inspector General. Also involved in this proposal was the recommendation that the Office of Management Services be abolished with the duties of that office being transferred to other bureaus.

In addition, the Office of Inspector General has been divided into the Office of Audit and the Office of Investigation, with the Office of Audit reporting directly to the Assistant Secretary for Administration and the Office of Investigation continuing to report directly to the Secretary.

This proposal was discussed at length during the hearings. Many questions of serious import remained with the Committee on the advisability of approving the proposal.

The bill provides separate appropriation accounts for the Office of the Secretary, the Office of Inspector General, and the Office of the General Counsel. It was contended that the combination of these accounts would expedite the accounting and budgeting functions by reducing the number of small accounts to be processed. Of course this rationale could be projected to the extent that there would be only one appropriation account for the whole Department of Agriculture. This would be very expeditious as far as the budget and accounting procedures were concerned, but it would certainly make it much more difficult for the Congress to evaluate program operations for the individual bureaus, especially those in which the Congress is particularly interested.

OFFICE OF INSPECTOR GENERAL

On January 9, 1974 the Secretary restructured the Office of Inspector General. The Office of Inspector General was established in 1962 to fulfill an obvious need in the investigative and audit functions of the Department. Year after year since that time witnesses have appeared before the Committee indicating how much money in operating cost was being saved as a result of the central audits and what a fine job was being done by the investigative staff in disclosing various types of irregularities. Audit and investigative work complement each other in many ways. Irregularities that need to be investigated are discovered through audits. Frequently the investigators need supporting evidence which is obtained by auditors.

Therefore, the Committee has provided funds in this bill for continuance of the Office of Inspector General on the basis which it operated prior to the recent reorganization.

OFFICE OF MANAGEMENT SERVICES

The Committee is in accord with the proposal to abolish the Office of Management Services and has included $3,475,000 in the appropriation account of the Office of the Secretary for allocation at a later date in such sums as may be necessary to the various bureaus who will be absorbing the work previously performed by the Office of Management Services.

CONSOLIDATION OF COUNTY ASCS OFFICES

Another matter to which the Committee devoted considerable time in the course of the hearings was the proposal for consolidation of ASCS County Offices. To a certain extent the Committee has endorsed the longtime practice of bringing together agricultural agencies under the same roof where feasible and would hope this would continue.

However, as the Committee understands the new proposal for consolidation, the effects would be more far reaching with the concept of expeditious administration being given greater consideration than the original purpose for which county offices were established. The Committee will not object to the continued planning of county office consolidation within the county with the understanding that the Committee will be kept fully informed of developments in this connection.

SALES MANAGER—COMMODITY CREDIT CORPORATION

The Committee is firmly convinced that an aggressive effort must be continued to sell our commodities on international markets at world prices. It was for this reason the Committee established the position of Sales Manager in the Commodity Credit Corporation in fiscal year 1956. Prior to that time the Commodity Credit Corporation was holding inventories of about $8 billion in commodities and even though it was authorized to do so by law, refused to dispose of this surplus on the international market. Finally, at the urging of this Committee the commodities were offered and the resultant sales were surprising to those who said it could not or should not be done. Previously, the Department had followed a policy of restricting acreage through the allotment process, thereby driving thousands of small farmers from the farm and at the same time accumulating large surpluses which cost the taxpayers thousands of dollars a day to store.

On February 1, 1974, the Secretary approved a reorganization consolidating the Export Marketing Service with the Foreign Agricultural Service. This reorganization places the Sales Manager under the direct supervision of the Director of the Foreign Agricultural Service. The Committee held extensive discussions on this reorganization during the hearings and is still convinced that the consolidation can have but one effect—to dilute the authorities and responsibilities of the Sales Manager and place his operation under the influence of repressive policy that eventually could bring us again to the intolerable situation which existed prior to 1956 when we failed to offer commodities on the world market at competitive prices.

The Committee has therefore provided that the position of Sales Manager along with whatever immediate staff is required shall be an independent agency and shall report directly to the Secretary or Under Secretary of Agriculture. The Committee directs that the Sales Manager shall submit directly to the Congress quarterly reports of progress on international trade of agricultural commodities.

As mentioned earlier in this report, for the country to have a viable agricultural economy we have to export about 25 percent of our annual production. This is too vital an issue, both to our agricultural economy and to the consumers of this nation, to be downgraded to the third or fourth level of the policymaking process in the Department of Agriculture.

To those who might question the Committee's concern with regard to agricultural exports in view of the commodity inventory situation which currently exists, it should be pointed out that this very well could be a transitory situation. Farmers are being encouraged to plant from fence post to fence post. Barring adverse weather conditions, agricultural production should materially increase notwithstanding various shortages we are currently experiencing in fertilizer, fuel and other supplies directly related to agricultural production. Already there are indications that the export demand may not be as great this year as it was last year. Only time will tell. But in the meantime we must have the machinery in operation to move agricultural production and establish this nation as a reliable source of supply for those countries who must depend on imports of food and fiber crops.

Line-of-Business Report

The Committee has approved the full Federal Trade Commission request to begin collecting line-of-business reports.

In view of the energy crisis with shortages of gas and fuels, and the greatly increased profits by some firms which, on the face, would indicate that they may have taken advantage of these shortages, the Committee recognizes that information on competitive conditions is necessary for the Federal Trade Commission to provide proper regulation. The Committee has approved funds for beginning the line-of-business program on a somewhat modified basis.

On the other hand, the Committee does not believe regulation should be carried to the point of regimentation, which could be equally harmful to the general economy, and the consumer, as well as the business community. Therefore, the Committee has recommended that the initial collection effort be modified to insure that it is objective and that the confidentiality of the data is maintained.

The Committee's actions will assure that this important program can begin, while at the same time protecting against any likely abuses.

Compliance With Deadlines

The Committee has become increasingly concerned with the problem of agencies diverting funds from the purposes for which they were appropriated to other uses in order to comply with new legislation. Rather than diverting funds from existing programs such new legislation should be the basis for submission of a budget request for consideration by the Office of Management and Budget and submission to the Congress for its action.

This problem was recently illustrated by the Federal Trade Commission's diverting over $400,000 to complete a study of the Emergency Petroleum Allocation Act. The study was doubtlessly needed. However, this diversion was made without consideration by the Appropriations Committee, and required the deferral of other projects. The Congress in the Second Supplemental Appropriations Act, denied a request to retroactively approve this diversion of funds, because to have done so would have established a precedent whereby the appropriation process by the Congress would become meaningless.

While the Committee fully recognizes the right of the legislative committees to impose deadlines, such action must await appropriation of funds. To do otherwise, would be to abrogate the separation of the legislative and appropriations functions which has served the nation so well for so many years.

To forestall a continuation of this practice, the Committee has added a new general provision to the bill, section 511, which requires that:

"Except as provided in existing law, funds provided in the Act shall be available only for the purposes for which they are appropriated."

This language is meant to insure that agencies will not divert funds from other projects to meet deadlines and other new requirements without first obtaining the approval of the Appropriations Committee. This change will help restore the traditional and proper balance between the legislative and the appropriations committees.

Reconsideration of Past Decisions

The Committee in the course of its hearings has reviewed many past decisions of the various regulatory agencies under its jurisdiction. Under questioning, it has become apparent that many of these decisions were based upon incomplete, or questionable data. By pointing this out, the Committee does not mean to inpugn the motives of the regulatory agencies. Most of the witnesses before the Committee are obviously trying to run their agencies in an effective manner. However, many of these agencies are involved in highly controversial areas where tremendous pressures can be brought to bear, and the temptation can sometimes be to take the politically safe decision, rather than the scientifically justified decision.

Examples of questionable decisions abound in each of the regulatory agencies covered by this bill. Some of the more prominent examples include:

DDT—The Environmental Protection Agency has granted an exception for the use of DDT against the tussock moth in the Pacific Northwest. In addition, testimony before the Committee confirms that there has been no known harm to man from DDT in the 30 years it has been in use.

DES—The U.S. District Court of Appeals for the District of Columbia overturned the FDA ban on DES (Decisions No. 73-1581 and 73-1589, dated January 24, 1974). The court in its decision used very strong language:

P. 16-17. "Examining the Notice published on June 21, 1972 (banning DES), . . . we find it inadequate as a foundation for summary disposition because it failed to establish a prima facie case for withdrawal without a hearing."

P. 24–25. "The FDA accompanied its revocation with reliance on the Delaney Clause—possibly only a 'scare tactic,' for it abandoned that reliance when called upon to make a considered submission to this court."

P. 36. ". . . the FDA cannot assert, as a matter of paternalistic sagacity, that it can dispose of these matters without opportunity for hearing."

Spray Adhesives—On August 13, 1973 the Consumer Product Safety Commission banned spray adhesives. On March 3, 1974 the ban was lifted upon the unanimous opinion of an ad hoc panel of experts.

While each of these examples has been highlighted because they are of relatively recent origin, many others could be cited. The point of these examples is that in each instance cited the agency made an initial decision, either upon the basis of inadequate data or without appropriate due process, which it later had to reverse.

Because the Committee believes there may be other instances where decisions should be reviewed, it has provided money for the various regulatory agencies to review past decisions on the basis of current scientific knowledge and without the intense pressures which may have prevailed at the time of the initial decision. Where appropriate, technical assistance should be sought from the National Academy of Sciences and other qualified, independent experts.

Review of Environmental Standards

The Environmental Protection Agency considers itself to be primarily an enforcement agency.

As a result of many of the laws passed by the Congress, and in many cases standards and procedures developed by the agency, many of the regulations developed since the formation of the agency have tended to be in the form of a single nationwide standard.

Evidence before the Committee indicates that a single nationwide standard can be unwise from an economic standpoint, and unnecessary from an environmental standpoint.

A case in point are the auto emission standards. There appears to be no valid reason for requirng a person outside a major metropolitan area to spend several hundred dollars for pollution control equipment, with the resultant loss in fuel economy, when the area in which he lives is pollution free.

Standards being set under the Clean Air Act and the Federal Water Pollution Control Act are nationwide standards.

Evidence before the Committee clearly indicates that the inflexibility of nationwide standards can and have played a role in creating energy shortages, inflation and unemployment. Testimony before the Committee indicates standards now being developed have the potential for costing hundreds of thousands of jobs, for significantly increasing prices for the consumer and for placing enormous demands on an already strained supply of investment capital. Common sense demands that all of these laws and regulations be reassessed in light of the precarious condition of our economy.

Therefore, the Committee directs the agency to thoroughly review all existing laws and regulations, as well as those now in the process of being developed. The Committee requires this information so that it can determine whether or not funds should be provided to implement these laws and regulations. Since most of this information is currently available within the agency, and will therefore only have to be brought together in a single report, the Committee will expect the report to be submitted no later than October 1, 1974.

Environment, Energy and the Economy

The country does not now have any method for weighing our environmental policy with other competing national needs that all impact directly on our quality of life. Testimony before the Committee clearly supports the need for such a review mechanism. The absence of such a balancing force results in our environmental actions being taken in a vacuum. Therefore, the Committee strongly recommends that the appropriate legislative committees of the Congress give consideration to authorizing the establishment of an organization that would be capable of assessing proposed environmental protective actions in relation to other competing national needs, such as energy requirements and the economy. Such an organization should be charged with advising Congress and the American people of the various tradeoffs so that we may continue to live and enjoy a high quality of life.

Study of Measuring Devices

At the time the protective provisions of the Food, Drug, and Cosmetic Act were passed in 1958, 50 parts per million was considered to be the "practical equivalent of zero." During this year's hearings, the Food and Drug Administration presented a scientific paper, prepared at the Committee's request, which indicates that in the 1950's scientists could measure in the parts per million, in the 1960's in parts per billion, and in the 1970's in parts per trillion. Stated another way, the "practical equivalent of zero" today is one million times smaller than it was in the 1950's.

There has been no comparable increase in the capabilities of the FDA to measure the practical significance of these minute amounts. In fact, the FDA paper on measuring devices concluded:

"Thus, it is clear that some sort of balance must be sought between the ability to perform more sensitive and finer analyses and the interpretation of the findings which derive from such analyses. This balance hopefully will lead to the best of all situations, namely, adequate supplies of needed foods and drugs which are safe and available to all consumers."

The Committee agrees with these sentiments, and has provided $50,000 for a study of measuring devices and their significance. This study will complement the information developed in the recently completed study.

The need for this study is further indicated by the following data which was submitted to the Committee by the Food and Drug Administration concerning the amount of banned substances which would have to be consumed by humans to equal the amount consumed by animals in testing.

Cyclamate.—A 12 oz. bottle of soft-drink may have contained from ¼ to 1 gram of sodium cyclamate. An adult would have had to drink from 138 to 552 12 oz. bottles of soft-drink a day to get an amount comparable to that causing effects in mice and rats.

Oil of Calamus.—In order to get an amount comparable to that which caused effects in rats, a person would have to drink 250 quarts of vermouth per day.

Safrole.—A person would have to drink 613 bottles of root beer flavored soft-drink or eat 220 pounds of hard candy per day to get an amount comparable to that which caused effects in rats.

1,2-Dihydro-2,2,4-trimetheylquinoline:polymerized.—A plasticizer used in packaging material. If all foods in the diet were to be packaged in this material, a person would have to eat 300,000 times the average daily diet to get an amount comparable to that which caused effects in rats.

4,4'Methylenebis (2-chloroanaline).—A plastic curing agent used in food contact surfaces. If all foods in the diet were exposed to this material, a person would have to eat 100,000 times the average daily diet to get an amount comparable to that which caused effects in rats.

DES.—Based on findings of 5 percent of liver samples containing 2 ppb of DES, and assuming that 2 percent of the average diet is beef liver, a person would have to consume 5 million pounds of liver per year for 50 years to equal the intake from one treatment of day-after oral contraceptives.

Follow-Up to FDA Study

At the request of the Committee in last year's report, the Food and Drug Administration conducted a study of the need to modernize the Delaney Clause and other anti-cancer clauses in the light of supersensitive measuring devices, where parts per trillion are identified rather than parts per million which was the limit in the 1950's. All believe that these provisions have been in the public interest. However, in recent years, more and more questions have arisen as to whether the new measuring devices may be finding small amounts of chemicals which do not have any real significance insofar as human health is concerned.

The Committee in its report last year called upon the Food and Drug Administration to undertake a thorough review of the current scientific opinion concerning the pros and cons of modifying the Delaney Clause and other legislation, or at least a need to use the testing devices in existence at the time of the passage of the Acts instead of those of today which are a million times more sensitive in finding chemical traces. It should also be remembered that these tests are on animals and the dosage used is rather large in relation to the dosage which humans actually receive in normal everyday usage. The study was later expanded to consider as well some of the moral and ethical questions which ultimately underlie this issue.

This report was presented to the Committee at a hearing on May 6, 1974. The complete study, and the hearing, have been reprinted as Part 8 of the Committee's hearings. These documents are available to all interested parties upon request, and the Committee hopes they will have wide distribution throughout the scientific community and with other interested persons.

The main conclusion of the study is that these acts have not to date had any significant impact upon the food supply. In the words of the report:

"There has been no clear consensus that the Delaney Clause has barred public utilization of important food additives which would yield benefits outweighing the associated risks assumed with respect to carcinogenesis."

The summary goes on to warn, however, that:

"In view of increasing demands for expanded food production and limitations in conventional means to achieve this goal, there is little doubt that the total available food supply will become increasingly dependent upon new agricultural and food manufacturing practices, many of which will utilize new chemical entities. That some of these may provide great societal benefit and be concurrently shown to have carcinogenic properties under certain test conditions is clearly possible. The possibility that this situation could develop calls for an examination of criteria for "safety," a better mechanism for evaluating societal benefit, and a review of relevant legal requirements, such as the Delaney Clause."

The Committee shares the concern of the Food and Drug Administration that future conditions may require a modification of existing law or administrative procedures. The FDA study identifies many areas which need further investigation before such a change can be scientifically justified. Therefore, the Committee has included $50,000 for the FDA to use to compile a detailed blueprint of what to do next. In compiling this blueprint, FDA should do everything possible to assure that all interested groups, including consumer groups, are permitted to provide input into the formulation of the plan and to comment on the final plan. Of course, final responsibility for the blueprint will lie with the FDA.

INVESTIGATIVE REPORT

"UTILIZATION OF FEDERAL LABORATORIES"

In April of 1972, the Committee requested the Surveys and Investigations Staff of the House Appropriations Committee to conduct an innvestigation of the utlization of federal laboratories. This request was made because at that time the Food and Drug Administration and the Environmental Protection Agency were requesting over $100 million for new laboratories. The Committee felt that requests of that magnitude should not be approved until it could be determined that no alternative existing laboratory facilities were available. Therefore, the investigative study was commissioned to determine the current status of laboratory facilities throughout the government.

The study has recently been completed and presented to the Committee. It has been reprinted as Part 7 of the 1975 hearings on Agriculture-Environmental and Consumer Protection, and is entitled "Utilization of Federal Laboratories." These hearings are available to all interested parties.

The study consists of two parts. The first part is an analytical section which discusses how the federal government fails to adequately staff or manage its laboratory facilities. This section contains many examples of waste, duplication and overbuilding, in addition to understaffing. It also concludes that there is no central coordination by either the Office of Management and Budget or the General Services Administration. With the possible exception of the Department of Defense, there is a similar lack of coordination even within individual federal agencies.

The second part of the report is a massive descriptive study of all federal laboratories. This study reveals the following information which was supplied in response to a "Technical Facilities Questionnaire":

Figures furnished as of June 30, 1972

Total number of research laboratories	834
Square feet of laboratory space	69, 780, 976
Square feet of administrative space	24, 990, 935
Square feet of space other than laboratory and administrative	78, 873, 451
Square feet of space not occupied	2, 714, 107
Number of professional personnel	94, 860
Number of nonprofessional personnel	164, 923
Annual salaries and benefits	$3, 765, 783, 148
Travel costs	$140, 342, 840
Other costs	$2, 471, 397, 840
Additional research laboratory facilities under construction (58)	$314, 093, 000
Renovation of existing facilities in progress (52)	$177, 973, 692
Additional facilities planned for which planning but not construction funds appropriated (27)	$162, 295, 000

The statistical data furnished in response to the "Technical Facilities Questionnaire" was generally complete with the exception of information concerning initial cost or current value of existing facilities—data was not furnished for the initial cost of 347 and the current value of 415 of the facilities. Even without these figures, the totals are as follows:

Initial cost of existing facilities	$9, 713, 415, 611
Current value of existing facilities	13, 203, 175, 661

The information developed in the "Technical Facilities Questionnaire" is an excellent reference source for anyone interested in federal laboratories. Each federal laboratory is listed separately, both by agency and by State. The staffing, specialized equipment, 1972 operating costs, and percentage distribution of research efforts by scientific category is listed for each of the 834 laboratories. This information shows an amazing diversity of missions and capabilities.

The most disturbing aspect of the investigative report is the apparent lack of coordination of federal laboratories. The Committee believes this situation will continue unless the Executive Branch establishes a systematic method to update the inventory which has been compiled by the Surveys and Investigations Staff. Without a current listing of capabilities, it is difficult to understand how duplication and overbuilding can be detected, or how the OMB can determine on any sound basis the effect of manpower ceilings. Therefore, the Committee suggests that the GSA or the OMB institute regular procedures to maintain a current listing of laboratories, including percentage of utilization. The Committee also recommends that some central review be established for requests for new laboratories. The individual agencies should also establish some central review authority within each agency.

The Committee also believes that vacant laboratory space should be made available to other agencies. To further encourage utilization of vacant laboratory space, the Committee recommends that agencies be required to turn vacant laboratory space back to the GSA, and that their space costs under Public Law 92-313 be reduced accordingly.

The changes recommended, if fully implemented, would significantly change the management of federal laboratories. The Committee believes these changes will be for the better since they will save money by assuring full utilization of existing laboratories and will permit needed scientific facilities to come on line faster since renovations can usually be completed much more quickly than new construction. Finally, this more coordinated review will assure that scarce scientific manpower is not wasted on duplicative research.

Prior to the consideration of next year's appropriations bills, the Committee will expect a report from the General Services Administration, the Office of Management and Budget, and the President's Science Advisor on the steps which they have taken to improve the coordination of federal laboratory requirements.

REDUCTION IN GSA SPACE COSTS

Public Law 92-313 requires that agencies include space costs in their budget estimates. Previously, only the first year costs were funded by the agencies, with subsequent years costs being included in the GEA budget. This change has resulted in large apparent budgetary increases in this year's budget, especially in personnel intensive agencies, without any actual program increase. For example, $36.9 million is included in this bill for space costs of the USDA, exclusive of the U.S. Forest Service, and $14.9 million is included for the FDA, although both agencies have only very minimal program increases.

The new law requires not only that the actual space costs be paid, but that additional charges be levied, similar to depreciation charges, to build up a special fund for construction of future buildings. The result of this policy is to require large space cost payments for existing government buildings. For example, USDA is being billed $10.5 million for the USDA headquarters building in Washington, D.C., which was fully paid for at the time it was completed in 1937.

The new law has other features which will permit GSA to formulate policies which will make the act more workable and just. The law allows for rate differentials depending upon the comparable commercial rates in the surrounding area. The GSA has assured the Committee that such action will be taken. This problem exists particularly in rural areas, where present rates being charged are considerably out of line with comparable private rates. This has had at least two detrimental consequences. First, it has impelled some organizations, such as county offices of the Federal/State Extension Service, to seek new quarters since they can no longer afford the artificially high priced federal quarters. Secondly, it is alleged to have had a potential inflationary effect since many private landlords inspired by the federal example have raised their rents. Where justified, the Committee relies on GSA to keep its commitment to modify its present rates.

The Department of Agriculture is to be commended for the vigorous negotiations it has conducted with GSA through the Office of Management and Budget. As a result of these negotiations, in some cases reasonable compromises were reached concerning rates, especially those in rural areas, which were lowered 11 percent, and these negotiations are continuing. Other agencies, which accepted the rates without question, are encouraged to review the rates, and where appropriate, to petition GSA for adjustments. The Committee expects each agency to give careful attention to its space costs in the coming year, and will closely question each agency again next year as to what it has done to keep space costs to a reasonable minimum.

The Committee was also influenced in its decisions concerning space costs by its investigative report on "Utilization of Federal Laboratories." This study revealed that there is much vacant laboratory space throughout the country. The Committee is of the opinion that agencies should not be charged for vacant space, but should be required to turn it over to GSA for assignment to other agencies. In this way, there would be an incentive not to hold on to vacant space.

In view of the foregoing, the Committee has made an across the board reduction of ten percent in the amount of funds provided for GSA space costs. To assure that funds are not diverted from other sources, the Committee has also included a general provision in the bill limiting these costs to 90 percent of the rates established by GSA.

If the agencies covered by this bill vacate empty space, renegotiate unreasonable rates with GSA, and carefully manage their existing space, this reduction should cause no hardship, and indeed is consistent with the original purpose of the Act, which was to make agencies more conscious of the costs of space, and hence better space managers.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to thank the

distinguished chairman of our Subcommittee on Agriculture, Environmental and Consumer Protection for his definitive and accurate analysis of this important appropriations bill.

The problems in agriculture are not just simply problems for farmers—they are problems that affect everyone in this Nation as we have so dearly learned this past year.

The necessity of maintaining and preserving our land and water resources for the production of food and fiber become more imperative with each passing year as our land space dwindles and the demand for food at home and for other nations sorely tests all resources and technology.

Maintaining the quality of our environment equates directly to the quality of our life now and in the future—and few things are more important than that.

Consumer protection in a mass society such as ours—a society served by a vast complex of industries, suppliers, distributors and retailers—involves a broad spectrum of problems—the guarantee of quality and safety of a great range of products. It involves protection against price gouging and many, many other factors. Mr. Chairman, this is what this appropriations bill is all about.

I personally want to thank our eminent chairman, the gentleman from Mississippi, for his leadership, his patience and his judgment, based on so many years of experience and his vast knowledge for guiding the rest of us through many hours of hearings in order that we could come up with a funding bill that is not only adequate but shows a high degree of fiscal responsibility.

There is a lot of money involved in this bill—as the Members will notice when they read the total on the back page—$13.4 billion. But it is for funding scores of programs benefitting 210 million people and countless other millions who face starvation in other lands and look to us for food.

I think it needs to be emphasized here for the record that this is not the old-fashioned agricultural bill which we used to consider separately. Out of the $13.4 billion in this bill, only $1.4 billion goes to fund the regular current farm programs for fiscal 1975. Actually, it could far better be called the consumer protection appropriations bill of 1975.

It is important that all my colleagues in the House understand this—it is more important that the public understand it also. For far too long, there has been a huge communications gap between farmers and the consumers. For years, the public was led to believe that farmers lived high on the hog at taxpayers' expense. The public was told that farmers were getting rich for being paid to keep land out of production. People protested the high cost of storing surplus farm commodities.

So we changed the farm programs in 1973. Farmers are now—for all practical purposes—operating on the free market. Surpluses are gone. The set-aside payments are gone. Wheat prices have dropped $1.50 a bushel under what it was selling for 6 months ago—but bread prices keep going up and up until now you cannot buy a decent loaf of bread for less than 45 cents. I wonder where the bakers are who flooded the headlines with stories about a $1 loaf of bread when wheat reached $6 a bushel, and have not lowered the price of a loaf by 1 cent since wheat dropped almost one-third.

Livestock producers are losing from $100 to $200 a head—and going bankrupt. Yet beef and pork products at the retail level have dropped less than 5 percent in the past few weeks. My colleague from New York City told me that the price of beef in his hometown has gone up 5 cents a pound at retail, which is totally ridiculous. I would like to get to a deeper analysis of this problem later on in my remarks.

Right now, I would like to review where the rest of this $13.4 billion money bill is going to be spent:

Five billion dollars goes for consumer programs, which includes $4 billion for food stamps, a 15-fold increase in the last 5 years; $199 million for the Food and Drug Administration and $37 million for the Federal Trade Commission.

The committee feels this is totally justified in view of the immediate and urgent demands of starving millions living in the vast famine-belt that stretches all across Asia, Africa, and into South America. Experience has shown, time and again, that food is the most effective and cheapest insurance for peace at our disposal, far better than all the bombs and tanks that have been produced in many of our armament factories.

Mr. Chairman, $815 million goes for rural development. We think this is a minimum amount to carry on the programs to improve the quality of life and environment in rural America, which includes more than 95 percent of the Nation's land area.

The committee feels that rural development is an imperative alternative to the congested, strife-ridden life of our cities. These funds continue programs that provide sewer and water systems and other rural community facilities by loans and grants. It carries on the great REA program and the sorely needed rural housing programs for rural areas.

The sum of $1.2 billion goes for environmental activities, of which $644 million is earmarked for the Environmental Protection Agency's operations; and $360 million goes to the Soil Conservation Service which has the major responsibility for developing and preserving our land and water resources.

With this tremendous, increasing pressure on these resources for food production, plus the diminution of these resources for urban development, highways, airports, and now an accelerated program to use vast areas in the West for strip mining that must be reclaimed for productive use, the committee feels that the additional $151 million we have added to the original budget estimates is the absolute minimum needed to preserve our limited, finite resources of land and water. As Will Rogers once said: "Land is the only thing that we've quit making."

Finally, $4 billion goes to restore the capital impairment of the Commodity Credit Corporation incurred in past years when this Government agency, under the old farm program, had the responsibility of handling and disposing of the heavy surpluses of farm commodities under loan. This item of funding, under the new Farm Act, will no longer be much of a cost factor.

I would like to call attention, Mr. Chairman, to some specific items in this bill that are of vital importance if American agriculture is to meet the production goals imposed upon them by the Nation and the world. Only by meeting these goals can we ever hope to break the food and inflation price spiral.

First, I refer to research. It is true that the United States is blessed with a favorable, variable climate and good land resources for agriculture. But other countries are similarly blessed. The miracle of our food production capacity, as compared to that of other countries, is our continuing research programs that started out more than 100 years ago when the Department of Agriculture was first created.

Research has made it possible to make incredible production advancements in agriculture. It was research that made it possible to triple the yield of corn per acre and double the yield of wheat. It was our research that made it possible for us to become the largest soybean producer in the world. It is research that makes it possible for Americans to enjoy the best and most varied food the year around at the lowest prices in the world. I emphasize this for the consumer.

They buy food in this country of ours at the lowest price any consumer anywhere in this world pays, and they get a much better quality product.

But, the race between food production and demand never ends.

Our research scientists tell us we are in critical need for new genetic varieties of our basic crops—corn, wheat, soybeans, almost everything you name.

If these are not developed soon, we are in danger of having our present varieties subjected to new races of plant diseases and pests. I remind the Members of the corn blight plague 2 years ago that nearly wiped out entire fields over large areas in Illinois and Iowa.

For this reason, the committee has asked for some $30 million more in basic agricultural research funds, much of which will be directed to our land-grant colleges and their experiment stations who have, over the years, done a tremendous job. This seems like a small amount to insure an abundant and reliable production of food.

We have added another $95 million to be used for Animal and Plant Health Inspection Services. These funds will be used to prevent the importation of new and exotic animal and plant diseases from other countries. Quarantine stations where new varieties of livestock from other countries are checked and inspected are of vital importance.

An outbreak of hoof and mouth disease in this country would mean disaster to our livestock industry and a critical blow to our overall food consumption for many years.

In addition, this Animal and Plant Health Inspection Service protects all consumers since it has the sole responsibility of inspection, policing, and grading of all meat and poultry products and plants.

We have provided increased funds for the inspection and grading of imported dairy products. We have done this for two reasons: To protect the American consumer from buying low-grade and unacceptable products at high import prices; and, two, to protect the American farmer and processor who must meet such high standards of quality and sanitation that are not required in other countries.

Finally, Mr. Chairman, I would like to address myself to one final item in this bill that clearly symbolizes the basic intent and purposes of this legislation: Agriculture and Consumer Protection.

I refer specifically to a problem that has been nagging farmers and consumers for nearly a year—and which has been generated into a crisis in recent months. I refer to the price of beef on the farms and the price of meat in the retail stores.

Despite all of the ink that has been printed in the newspapers of this country, they have never come up with any suggestions as to how to solve this problem.

By no stretch of the imagination is there any sense, any logic, or any economic rationale between the price of beef on the hoof in South St. Paul, Sioux City, or Omaha and the price of hamburger or steaks in supermarkets in Washington, New York, or Columbus, Ohio.

Let me just give you a few figures to show what a two-way rip-off farmers and consumers are getting these days.

The season's high of choice beef on the Chicago market was $61.75 per hundredweight, The season's low, on the same grade of beef—but 80 days later was $33.75.

However, the housewife in the Washington area or the New York area did not get any benefit from this. I do not know whether Joe Danzansky wants to pay for his proposed baseball team out of the hide of the consumer or not, but I would think the housewife and the other people who go to the supermarkets of this country are getting darned sick and tired of being forced to pay much more than they ought to pay, since the low price levels received by the farmers are evidently not being passed on to them.

The $33.75 price level the farmers now get for beef is even a little lower than the same grade of beef was selling for in Omaha back in 1952 during the Korean War when we were all under price control and farmers could sell beef at $33.75 per cwt.

Hamburger at that time was selling for 3 pounds for a dollar, and even if most costs had gone up considerably, hamburger should today be selling for two pounds for a dollar, unless somebody in between is profiteering and gouging the customer.

Today hamburger is selling for 89 to 92 cents a pound in the markets in the East. Taking into account increased costs of labor, transportation, and other items—hamburger should be selling for 55 cents a pound with livestock selling for 35 cents at the marketplace.

It is the biggest rip-off in food history.

Livestock farmers are losing $100 to $200 a head and going bankrupt. Consumers are still paying peak-high prices for meat 3 months after the bottom dropped out of the livestock market.

Who is to blame? That is the question.

We on the committee are attempting to find out.

We don't want guesses—vague charges—and mere accusations of blame—we want solid evidence.

Included in this appropriation bill are funds for the Federal Trade Commission to complete an exhaustive investigation. This study will be completed by the end of this year.

I think the mere impact of the findings of this study will go a long way in creating a sensible and reasonable pricing system between farm prices and retail prices. If not, then we have some basis to go from there, if need be.

Mr. Chairman, my colleagues, as the minority member of this subcommittee, I think this is the best and most fiscally responsible appropriations bill I have seen in all my 10 years on this committee. I recommend it for your serious and thoughtful consideration.

Mr. THOMSON of Wisconsin. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Wisconsin.

Mr. THOMSON of Wisconsin. Mr. Chairman, I have asked the gentleman to yield so that we might make some legislative history.

On page 81 of the report there is a section entitled "Import inspections."

Now, the record shows that the Food and Drug Administration inspects only 10 percent of the dairy imports that come into this country.

The record also shows that 12 percent on an average of the dairy imports that they do inspect are found to be contaminated in some form so that they are not fit for human consumption whether because of pesticides, residues, or rodent hair or flies or whatever it is. This report says "from existing funds the Food and Drug Administration should give increased inspection coverage to imports with special attention being given to dairy imports."

I would like to know if the committee's intention was that the Food and Drug Administration inspect all of these imports of dairy products which have been shown by spot checks to need full inspection to protect the American consumer and the American dairy producer against substandard quality products that unfairly compete with the high quality products produced in this country.

Mr. ANDREWS of North Dakota. It is the intention of the subcommittee that the Food and Drug Administration inspect enough so that through the random sampling technique they know that the imports are up to the high standards required of food produced in this country. That does not necessarily mean that they inspect every pound, but it certainly means that they take random samples of every lot that comes into this country.

A year and a half ago the FDA came before our committee and told us about new mobile laboratory vans that they were building to enable them to drive out on the piers. They are doing that now and sampling the food as it comes off the ships.

The language which we put in the report was in response to contacts made by the gentleman from Wisconsin, my good friend, who is asking this question now and who appeared before our subcommittee as representing the largest dairy producing area in the country. He wisely and well pointed out the need for this in order to protect the consumers as well as the farmers of America.

The intention of the committee is spelled out in our report where we go on to say that if additional funds are required for this, the committee should be so informed either in a supplemental budget request or in the regular 1976 budget request. We intend to do everything we can possibly do to protect the purity and sanitary conditions of the food that the American public eats.

Mr. THOMSON of Wisconsin. Will the gentleman yield long enough for me to direct a question to the chairman of the subcommittee, the gentleman from Mississippi (Mr. WHITTEN)?

Mr. ANDREWS of North Dakota. I will be glad to yield to the gentleman.

Mr. THOMSON of Wisconsin. I would like to ask Mr. WHITTEN if it is his intention, or the committee's intention in the language in the report, that the Food and Drug Administration inspect every lot of dairy products imported into this country instead of inspecting only 10 percent of those that come in.

Mr. WHITTEN. If the gentleman will yield, may I say to my colleague that if we were to get 100-percent inspection not only on the items on which he is interested and in which I am interested, too, the cost would be prohibitive. We have called on them to increase and to strengthen the amount of protection and inspection that they give in order to correct the situation. If we had inspections not only in this area but in all areas on an item-by-item basis, I think it would take about half of their budget. So I cannot say that I expect them to go that far. I would expect them, from what we told them to do, to increase the number of inspections to the point that they can correct the problem the gentleman mentions. But that is as far as I think they have the money to go. The FDA does a whole lot of other things as the gentleman knows. In many of these areas of inspections the cost is getting phenomenal. So I do not expect that they have the funds to do what the gentleman would like, that is, 100 percent.

Mr. THOMSON of Wisconsin. Certainly you do not approve of the present method which last year permitted over

8 million pounds of contaminated dairy products to be imported into this country and consumed by the American public under the belief that they were getting a wholesome product such as the domestic product is.

Mr. WHITTEN. I certainly do not, and that is the reason for the language in the bill. That is the reason why we expect them to increase the percentage of inspection so that it will bring about a correction of the problem.

The gentleman asked me if I thought there were funds sufficient to do it on a 100 percent basis. I explained that I do not think there are.

Mr. THOMSON of Wisconsin. But the Committee's report also invited the Food and Drug Administration to come back if they needed more money in order to do an adequate inspection job.

Mr. WHITTEN. That is right, I think that was a fair request. I am sure it will have the attention of this committee, because we agree with the gentleman from Wisconsin that we need to protect the American public within the limits that are possible.

Mr. ANDREWS of North Dakota. Let me point out to the gentleman from Wisconsin that if by the use of such random sampling they find and confiscate a sufficient quantity of products, that this is going to call to their attention, the need for action and will have a significant effect on the quality of their products, so that I think it is extremely important that we do require enough random sampling so that we can assure the consumers of a good quality product.

Mr. VANIK. If the gentleman will yield, Mr. Chairman, I hope the gentleman from Wisconsin (Mr. THOMSON) does not suggest that we should harrass the imported products by inspections that are out of dimension with those conducted on commodities produced in this country. I am sure there are some local and domestic producers who would fail inspection. Is the inspection of imported products any less in degree, or is the method used in such inspections any different than those applied to domestic products?

Mr. ANDREWS of North Dakota. The inspections are much less, particularly in the case of dairy products in foreign countries, as the gentleman from Wisconsin referred to, as well as beef products.

Mr. VANIK. I would suggest that the levels of inspection should be equal. We should try to maintain a high standard for both domestic and imported products to make sure that the American consumer is getting a proper product.

Mr. ANDREWS of North Dakota. That is the intent of the committee.

Mr. THOMSON of Wisconsin. If the gentleman will yield further, Americans consume millions of pounds of substandard products that come into the country because of the low quality control standards in those countries. Their farms and their factories operate in ways that do not meet the standards which American dairymen, for instance, have to meet. The American dairyman is inspected on his farm, in the cheese factories, in the creameries, and all along the line.

All I want to do is prevent unfair competition for the American producers, and also to protect the American consumers against the poor quality imported products.

Mr. VANIK. I would agree that we ought to try to get the same level of inspection and quality controls.

Mr. THOMSON of Wisconsin. If the gentleman will yield further, I might point out that there is a bill pending in the Committee on Agriculture of this House that would send American dairy inspectors to every dairy producer all over the world. The cost of this would be exorbitant. However, the situation is getting so critical that even such a drastic remedy is getting some support in the House. I do not think we need to go that far and do that. I believe we can take care of the problem by bringing these units down to the dockside and inspecting each lot. If we can inspect each lot, we could then assure that we would have a quality imported product, and that it would be a wholesome product.

Mr. VANIK. I might suggest to the gentleman from Wisconsin that with the price situation as it is in this country that I think the dairy industry should endeavor to be redeemed. People will go back to drinking milk if the price starts to get somewhere near what the consumer can pay for it.

I also might say that right now I believe that butter is lower in price than most forms of oleo and butter substitutes. I think more and more people are realizing that the natural food is better than the substitute, and they will probably return butter to their diets.

Mr. ANDREWS of North Dakota. I appreciate the point our colleague, the gentleman from Ohio (Mr. VANIK), has made. It is a very important point, and it is a matter that the consumer should realize but, to go one step further, and not just talk about imported products such as dairy products and beef, but in connection with the production of wheat and the use of herbicides. Wild oats is a weed that seriously affects the spring wheat produced here and abroad. An international chemical company has developed a chemical known as Endovan that effectively controls this weed but our Environmental Protection Agency has not as yet cleared it, because they are not sure what the residue might be that is left in the wheat. But the Canadians can use it, and the Canadian wheat we imported contains this chemical, and thus the American consumers end up eating bread produced from Canadian wheat that has been treated with Endovan. Yet this chemical is not available for the use of American farmers, so we allow wheat to be imported from foreign countries containing this chemical. If it's safe our farmers should be able to use it; if not, imports treated with it should not be allowed.

Mr. VANIK. If the gentleman will yield further. I would point out to the gentleman from North Dakota that the Canadians put a ban on our beef because they do not think it is fit or safe for Canadians. Is that a legitimate policy?

Mr. ANDREWS of North Dakota. I think it is a price protecting deal on the part of the Canadian Government. It was a gimmick that they could seize on. Stilbestrol was being used in Canada. They have used it for a long time. They put import bans on our beef, claiming there might be something wrong because we were using stilbestrol, but its more a price-enhancing deal for their farmers because the price of beef on the hoof in Canada is 7 cents higher than it is here.

Mr. VANIK. Did we ban it ourselves?

Mr. ANDREWS of North Dakota. We banned it for a time, and then we went back to using it, pending a court resolution of the matter. Nobody has been able to prove yet that the residue found in beef tissue is harmful. But that is another long story.

I appreciate this matter being brought up by my good friend, the gentleman from Ohio.

Mr. GOODLING. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Pennsylvania.

Mr. GOODLING. I thank the gentleman for yielding.

As the gentleman has so well pointed out, there are many questionable items in this bill that probably should not be in an agricultural appropriation bill. For the record, I want to read just one sentence from the report.

> The consumer programs also include $4 billion for food stamps, an increase of $990 million over last year.

I recall that just a few years ago this appropriation was well under $100 million. It hardly seems fair that, in a sense, this $4 billion item is charged to the farmers of America. I believe the gentleman will agree that in a sense it is charged to the farmers of America because it is in an agricultural appropriation bill.

Mr. ANDREWS of North Dakota. I appreciate my colleague's bringing that matter up. As I mentioned a moment ago, this could well be known as the consumer appropriation bill of 1975 rather than the agricultural appropriation bill.

Mr. GOODLING. I commend my colleague for bringing this to the attention of the membership of this House.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

Mr. Chairman, I want to commend the gentleman from North Dakota for very lucidly pointing out the brutal treatment that beef and pork producers have taken in the matter of prices in the last several months. Is there anything in this bill that would provide any direct relief other than the increased appropriation for the Federal Trade Commission to go into this matter?

Mr. ANDREWS of North Dakota. The key thing, I think, that will help the situation is the funding of the Federal Trade Commission and the direction that the subcommittee gave them to investigate the gigantic ripoff of the American consumer. If they can bring a case and indict a few people, and maybe, hopefully, put somebody behind bars, it would, I think, straighten out the industry faster than anything else that can be done.

Last week choice dressed beef hanging in the cooler was priced at 57 cents a pound in Chicago so hamburger ought to be costing 55 cents a pound. The housewife ought to be able to go into the supermarket and buy prime ribs for 99 cents; T-bone steak should not cost more than $1.35 a pound. The fact of the matter, of course, is that the consumer knows that is not the case.

The Secretary of Agriculture urges the housewife to go out and buy beef because it is the greatest bargain ever. It is, at the farm price level. It is lower than it was 24 years ago, but not to the housewife. The only way our market system can work is if the low prices at the farm level can pass on to the consumer so that they can take advantage of the nutritious beef at bargain prices and eat our way out of the temporary problem.

The housewife gets it in the neck twice; first, because she is paying too much now; second, as more and more farmers go bankrupt, there is going to be less and less beef and pork and other meat products around so that she will really have to pay a high price in a year or two, if she will be able to find enough beef available.

Mr. GROSS. The gentleman is precisely correct that the differential in price received by farmers as compared with those paid by consumers is not being reflected on the meat counters of this country either for beef or pork.

Mr. ANDREWS of North Dakota. That is right.

Mr. GROSS. But there is nothing in this bill that would directly relieve the situation of the beef and pork producers other than the reference to the Federal Trade Commission?

Mr. ANDREWS of North Dakota. No; unless the Congress passes legislation for emergency loans they are in trouble. I understand that is before a committee and it could be funded out of CCC funds or wherever Congress directed, and those or supplemental appropriation funds would have to be used for this program.

Mr. GROSS. There is nothing in the bill for that?

Mr. ANDREWS of North Dakota. No, because there is no authority, there is nothing in this bill to cover it.

Mr. VANIK. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Ohio.

Mr. VANIK. I seem to remember that Secretary Butz 2 years ago said that beef at $2 a pound would be a great bargain. He wanted a free market. He said we should get the Government out of agriculture. He urged the cattlemen to sell wherever they wanted to in the world notwithstanding shortages and higher prices to the American consumer. American food became cheap because of the devaluation of the dollar, the American producers could not resist the temptation to take the food out of our domestic stock and sell it abroad. But the free market works two ways. Apparently the cattlemen want a no-risk business. They want a free market when prices are high and Federal help when prices fall in anything. I do not know how they can expect to have it both ways.

Mr. ANDREWS of North Dakota. If my colleague will again accept our blessings for having brought up an important point, the Secretary of Agriculture did, in fact, last year tell the consumers of America that beef at $2 a pound was a bargain, and beef at $2 a pound is a bargain compared to the increased prices of automobiles or compared to the cost of color television sets, and all the rest.

The point I am making is that beef today is selling for exactly the same price at the farm level as was determined to be a fair price when President Harry Truman put price ceilings on during the Korean war. At that time an automobile was selling at $1,500, and we pay $4,500 for it now. Beef has not gone up threefold, but television sets and the other things the consumers take for granted have gone up.

My point is we want to make the free market system work, as my colleague, the gentleman from Ohio has pointed out, but unless the producers and the farmers as well as the consumers can benefit, then the system will not work. What we are faced with now, and it is something I hope Congress will consider at another time in another committee, is whether it will be in the consumers' interests and the country's interest to pass emergency loan fund legislation so the farmer-feeders will be rescued from bankruptcy so they will be there a year from now to provide the American consumers with the food they need.

Mr. VANIK. Can we be sure these loan funds will not be used to bail out doctors, bankers, and lawyers who invested in tax shelters?

Mr. ANDREWS of North Dakota. If I have anything to do with it I would follow the reasoning of my friend, the gentleman from Ohio. Again, compared to other costs, beef should be bringing much more than it is at the farm. It is not bringing that at the farm and it ought to be costing less to the consumer, so the consumer could help the farmer and they could work their way out of this problem.

Mr. VANIK. I thank the gentleman.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, as I recall a week or so ago the House failed to pass any extension of the Sugar Act. I note on page 2 of the bill that there is an appropriation for the Sugar Act program. Could the gentleman comment on that for us?

Mr. ANDREWS of North Dakota. What we failed to pass was an extension of the Sugar Act, so it expires at the end of this year. These are funds that take care of the crop now in the ground and which is still covered under that act.

Mr. ROUSSELOT. What about anybody who wants to plant sugar beets in October 1975; is he covered?

Mr. ANDREWS of North Dakota. If the crop is determined to be in the crop year of 1975, it is not covered. If it is determined to be the crop year of 1974 it would be covered.

Mr. ROUSSELOT. That is the question I am asking. How did the members in the committee decide whether this appropriation would cover that or not?

Mr. ANDREWS of North Dakota. This appropriation covers those beets and cane that will be harvested and marketed in calendar year 1974. It is my assumption, that anything harvested after the calendar year 1974 would not be covered by the Sugar Act unless it is extended. It would not get the benefit of these funds.

Mr. ROUSSELOT. The fiscal year ends on June 30, 1974, so does that mean anybody who plants after June 30 is not covered?

Mr. ANDREWS of North Dakota. No; anyone who harvests in the calendar year 1974; the crop years are not fiscal years.

Mr. ROUSSELOT. I understand.

Mr. ANDREWS of North Dakota. Congress turns a lot of things around, but they cannot make things grow a year ahead.

Mr. ROUSSELOT. I fully understand. If somebody plants in October of this year, are they covered under this arrangement?

Mr. ANDREWS of North Dakota. No, because that would be for the harvest year of 1975.

Mr. ROUSSELOT. So only those that plant in the fiscal year 1974 are covered; is that correct?

Mr. ANDREWS of North Dakota. That is correct.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Iowa.

Mr. GROSS. I was interested in the remarks of the gentleman from Ohio (Mr. VANIK), if I may have his attention.

Yes, free trade has been too much of a one-way street, and against the United States. That is, in part, because of the liberal House Committee on Ways and Means which has written and extended the Trade Agreements Act through the years. That committee has practically wiped out all tariffs, so we have no protection, or virtually no protection.

It would be my hope that the Committee on Ways and Means would see the light and understand that its so-called reciprocal trade has operated all too much and all too often on a one-way street for the benefit of our wonderful friends, the foreigners, wherever they may be around the world.

Mr. VANIK. Mr. Chairman, will the gentleman yield further?

Mr. ANDREWS of North Dakota. I yield further to the gentleman.

Mr. VANIK. With respect to the Trade Act we just passed and which is languishing in the other body, this act was designed to stimulate the agricultural exports of this country. The whole thrust of that act was to give the President wide discretion to promote the sale of agricultural products, perhaps at the expense, as my colleague, the gentleman from Massachusetts (Mr. BURKE), would say, at the expense of the industrial producing sectors of this country. It is really an agricultural promotion act.

Mr. GROSS. A large part of our agricultural exports have not been sold. We have given them away under Public Law 480, and as the gentleman knows, for foreign currencies we could not take out of the benefited country. We have not sold much of anything or acquired much of anything, not even appreciation.

It would be nice if we could barter the arms we ship to Brazil and other Latin American countries for their coffee. We ought to be doing some good old-fashioned Yankee trading with these people, but they demand cash for their coffee.

Moreover, the Committee on Ways and Means helped organize the international coffee cartel by pushing the United States into the International Coffee Agreement. So we helped establish a cartel and the price of name-brand coffee has climbed to $1.35 a pound.

Mr. VANIK. Let me say that coffee is $1.37 or $1.39 a pound now because the coffee agreement is not working. It is not operating at all.

Mr. GROSS. The old cartel is still working and the coffee market is as rigged today as it was when the Committee on Ways and Means made this country a party to the coffee agreement. Coffee prices are fixed in London, as the gentleman knows.

Mr. VANIK. I want to tell the gentleman, my vote was cast against the coffee agreement.

Mr. GROSS. I did not single out the gentleman. I referred to the Ways and Means Committee.

Mr. VANIK. I did not support that agreement. The program under Public Law 480 was put through this Congress as farm legislation. The history of this Congress clearly describes and sets the record straight. It was the farm sector of our economy that wanted Public Law 480. That is why the Congress provided it, to give some relief to the farmer because of the surplus accumulation. Public Law 480 was a farm program. At the time of its adoption it was primarily designed to help farmers—the humane considerations were incidental.

Mr. ANDREWS of North Dakota. Well, as the gentleman from Ohio well knows, the rest of our colleagues are beginning to realize how important the food for peace program was. We can win a lot more friends with food than we can with guns and bayonets.

I would suspect, from the progress we have been making in the Middle East in the last few weeks, that it has been because we do have food and other nations do not. I would suspect, from the agreements to get out of Southeast Asia, when Russia opened the door for better consultations, as did China, the reason was because we did have the food and they needed it, so that food can be a powerful weapon for peace.

Mr. VANIK. Mr. Chairman, I agree with the gentleman. I want to say that in my 20 years in the House, I have voted enough for $100 billion in farm supports, and these programs gave us bountiful supplies of food at reasonable prices. Now, we are in a free market situation, and I feel the American consumer has a right to demand that despite whatever it costs to bail out agriculture, he has a right to demand that food will be adequate and remain in adequate supply and available at a decent price, and be of good quality.

That is the goal we should achieve in this farm program, and I hope this legislation is directed toward that goal.

Mr. ANDREWS of North Dakota. The gentleman does realize that if there is not $5 billion in the form of direct farm programs, which are no longer in this bill, the price has to be higher in the marketplace to take care of what used to be coming through in the form of price support. That stands to reason.

Mr. VANIK. I would agree with that.

Ms. ABZUG. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentlewoman from New York.

Ms. ABZUG. Mr. Chairman, I was rather concerned this morning in reading Secretary of Agriculture Butz's remarks. He has proposed that one of the ways we can handle the problem concerning meat is for the purchaser to buy meat and store it, and for the producer to produce less. What does the gentleman think of that as a matter of policy. Is this problem remedied in any way in the bill we are considering today?

Mr. ANDREWS of North Dakota. Mr. Chairman, I think we pointed out earlier that this committee has instructed the Federal Trade Commission to inquire into the cause of the price differential between beef at the farm level and beef for the housewife over the counter in the store. The housewife should be buying hamburger at 55 cents a pound and prime rib at 99 cents a pound. If these low farm prices were passed on, we could work our way out of this.

I think we need to look into more why the housewife and consumer is being ripped off by prices rising while the farmer is going bankrupt, and then both farmers and consumers would benefit. This really needs to be done, and it cannot be done other than under the investigative arm of our Government.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, in connection with the survey by the Federal Trade Commission of the food industry, does the committee direct it be on the basis of random sampling, or will the Federal Trade Commission be able to investigate the largest companies as well?

Mr. ANDREWS of North Dakota. As my colleague knows, the authority of the Federal Trade Commission to investigate specific products remains intact. This is what we intend for them to do, investigate specific firms engaged in the industry.

Mr. YATES. Good. That means they will be able to investigate the largest food companies, if necessary, on other bases than by taking random sampling.

Mr. ANDREWS of North Dakota. I would certainly think so.

Mr. WHITTEN. Mr. Chairman, I yield myself 1 minute to say that we were very fortunate, I think, for the Congress to have the experience of men on the committee in the field of agriculture at the working level on our side, and others who have an agricultural background. I am particularly indebted to two Members on the Republican side, Mr. ANDREWS of North Dakota and Mr. SCHERLE of Iowa, who have been very active in the field of agriculture from the ground level up.

Mr. Chairman, I yield now to one of the more experienced men in the Congress, who has rendered great service in this special work through the years. Due to the rules, we sit a little further apart, but nevertheless we are not separated.

Mr. Chairman, I yield to the gentleman from Kentucky (Mr. NATCHER) such time as he may consume.

Mr. NATCHER. Mr. Chairman, the Subcommittee on Agriculture-Environmental and Consumer Protection Appropriations once again brings to the floor of the House for your approval the annual appropriation bill for fiscal year 1975.

This bill provides the sum of $1.4 billion for the regular activities of the Department of Agriculture, $778 million for the food for peace program and $4.1 billion to restore capital impairment of the Commodity Credit Corporation. In addition, the sum of $815 million is recommended for rural development activities, $1.3 billion is included for environmental activities, with $644 million of this amount recommended for the Environmental Protection Agency and $360 million is for our Soil Conservation Service. This bill carries the sum of $5 billion for consumer programs and included in the $5 billion is $199 million for the Food and Drug Administration, $37 million for the Federal Trade Commission, and $36 million for the Consumer Product Safety Commission. The consumer programs include $3,989,785,000 for food stamps which is an increase of $989,785,000 over last year. The total amount carried in this bill is $13.4 billion which is $35 million below the budget estimates and $2.8 billion above the 1974 appropriation.

Mr. Chairman, the United States of America is rapidly becoming the food basket of the world, and the picture should be bright for the American farmer. During the past several months the price received by the farmer for his products is not adequate, and it is imperative that the people in this country realize and understand fully that the farmer is entitled to a fair share of our national income. Certainly, Mr. Chairman, this is not the time for us to turn our back on agriculture.

The average capital investment in the family farm investment has increased nearly tenfold in the past 34 years from $6,158 to the present sum of $90,000. The average reutrn on farm equities has dropped more than 50 percent in this period. We have fewer and fewer people remaining on our Nation's farms and we all know that 5 percent of our people who reside on the farms are feeding the other 95 percent in addition to themselves.

An average of nearly 800,000 people have left the farm in each of the last 5 years. We are now down to a farm population of about 10 million people as compared to two and a half times that number in 1950. The total land in farms in 1950 was 1.2 billion acres as compared to 1.1 billion acres in 1965. The average size of a farm has increased from 213 acres to about 373 acres during the period 1950–65.

Today a great many of our young people on farms have no chance to get started in agriculture unless they either inherit a farm or succeed in borrowing a large sum of money to invest in land which is adequate for a livelihood.

One way to assist agriculture is to keep our farmland in production. Here is the major reason why our soil conservation program and research programs are so important. Mr. Chairman, the Members of this Congress should keep in mind that agriculture is our largest industry and when agriculture is in trouble our country is in trouble.

The assets invested in agriculture today exceed those of any of the next 10 largest industries. Agriculture employs more workers than any other major industry, and, in fact, employs 23 times the number of people employed in the coal and oil industry and five times more than the number employed in the automobile industry. Agriculture is one of the major markets for the products of labor and industry. It spends more for equipment than any of the other large industries. Agriculture uses more steel in a year than is used for a year's output of passenger cars. It uses more petroleum products than any other industry in this country. It uses more rubber each year than is required to produce tires for 6 million automobiles. Its inventory of machinery and equipment exceeds the assets of the steel industry and is five times that of the automobile industry.

Our farmers assets at this time are approximately $310 billion. In 1950 the farmer's share of the retail food dollar was 47 cents and twenty years later it was 38 cents.

Our American farmer knows how to produce and today our country is the world's largest exporter of food to the other nations of the world.

Three-fourths of our land area is in private ownership and 60 percent is in farms and ranches. 70 percent of our people living in this country reside in cities and they occupy only a small percentage of the land in this country.

If our country is to survive and prosper, we must continue to be interested in and to assist when necessary our custodians of the natural resources in this country. It is imperative that we reforest our lands, protect our watersheds, and conserve our soil and water. We must leave to the future generations a fertile land and a land sufficient to produce food for our people.

Mr. Chairman, when this country was first settled we had 8 billion board feet of fine timber. According to recent figures, we are down to less than 2 billion board feet. Instead of 450 million acres of arable farmlands we are now down to about 150 million acres. Back in the 1930's when we started having serious trouble with the dust storms we suddenly woke up to the fact that we were wearing out the land in certain sections of this country and to correct this situation we set up the Soil Conservation Service. To be quite frank with you, Mr. Chairman, this bill today still does not contain enough money for soil conservation, research, and the programs that protect agriculture. Nearly every year we have to restore funds in the bill for soil conservation and for our many research programs. Reductions have been made from time to time during the past 20 years that our committee simply would not go along with, and we not only restored the amounts but on a great many occasions increased the overall amount above the amount appropriated for the previous year, thereby placing these programs in a position where they could properly function and protect our people.

Mr. Chairman, we know that the demand for food is increasing and that farm exports are at a new high. Exports are now running over $10 billion for each fiscal year and at the same time most family farmers have not been able to obtain incomes comparable to what their labor and investment could earn in other sectors of the economy. This is the reason why we are losing people every year from the family farm. The American farmer naturally expects to receive a higher net farm income at this time but he is confronted with higher taxes and higher farm operating costs.

We say to the Department of Agriculture every year when they appear to justify their budget before our subcommittee that it is the duty of this Department to make every effort possible to see that farm income is increased and that this Department must make every effort to strengthen the family farm so that it can keep its important role as the primary factor in agriculture and in American society. We say to the Department of Agriculture each year that we must make every effort to increase agricultural exports and we should agree that one of the primary missions of the Department of Agriculture is to continue to make every effort to place the American farmer and rancher in a position where he has the opportunity to earn incomes consistent with investment of capital and comparable to returns in other segments of our economy.

Today in our country we have in cultivation some 385 million acres of land. We have some 300 million acres in crops harvested, and some 60 million acres in grasses and legumes.

During the past 3 months we have witnessed a change insofar as meat prices received by the farmer are concerned. This is a serious matter, Mr. Chairman, and on June 13, 1974, I directed the following letter to President Nixon:

> DEAR MR. PRESIDENT: I believe that the time has arrived when we must reimpose the beef import quota as provided by law.
>
> In addition, it seems to me that it would be advisable to enter into negotiations to open the door to beef sales to Canada, Japan and the European Common Market countries. If necessary, the government should buy additional supplies for school lunch, military and needy programs.
>
> I respectfully request that you, at your earliest convenience, proceed to reimpose the beef import quota as provided by law and to take the necessary steps to correct the situation concerning the prices now received by the beef and cattle producers in this country.
>
> With cordial good wishes, I am,
>
> Sincerely yours,
>
> WILLIAM H. NATCHER,
> *Member of Congress.*

Shortly thereafter I received the following answer.

> DEAR MR. NATCHER: This is to acknowledge and thank you for your June 13 letter to the President expressing concern about the problems confronting the cattle industry, and urging that action be taken to alleviate the situation.
>
> As you may know, Kenneth Rush announced Wednesday that, at the direction of the President, he and Secretary of Agriculture Butz have called a high-level meeting at the White House next Monday to discuss the red meat supply and price situation. Representatives of several government agencies, meat packing firms, food chains, farm credit institutions, cattlemen and hog producers have been invited to participate in the meeting.
>
> Secretary Butz will report at the meeting on U.S. discussions with Canada, Japan, and Common Market representatives about restrictions these nations have placed on meat imports.
>
> You may be assured that your views on this subject have been discussed with the President's agricultural and economic advisors, and I will be pleased to see that your letter is called to the President's attention upon his return to Washington.
>
> With kind regards,
>
> Sincerely,
>
> MAX L. FRIEDERSDORF,
> *Deputy Assistant to the President.*

On Monday of this week, meetings were held at the White House and we are now making every effort to see that this problem is solved. Unless it is solved the livestock producers of this country will go bankrupt and then, Mr. Chairman, you will really see a change in the economy of this country.

We all know, Mr. Chairman, that no longer can we live on this Earth and continue polluting the air, water, and the land. Beginning in the year 1965 we started programs which should correct many problems that we have insofar as cleaning up our environment is concerned. As we know, Mr. Chairman, the Environmental Protection Agency is currently charged with the administration of the Clean Air Act, the Federal Water Pollution Control Act, the Solid Waste Disposal Act, the Federal Environmental Pesticide Control Act of 1972, the Noise Control Act of 1972, and the Marine Protection, Research, and Sanctuaries Act of 1972. This is one of the most important agencies in operation in this country today, and certainly it is our duty to see that this agency is properly funded and given every assistance in the administration of the programs under all of the acts that I have just enumerated. This bill carries adequate funds for this agency.

As you know, Mr. Chairman, the Council and Office of Environmental Quality was created by the National Environmental Policy Act of 1969 and the Environmental Quality Improvement Act of 1970 and now operates as a single entity. This council is required to prepare an annual environmental report and is further required to prepare recommendations to the President on national policies for improving environmental quality and to conduct investigations, analyzing conditions, and trends. This bill carries $2,525,000 for the Council and $644,250,000 for the Environmental Protection Agency.

This bill contains $207,789,000 for Agricultural Research Service; $202,789,000 is for research.

The bill also contains recommendations for approval of the sum of $217,097,000 for our Extension Service. This is one of the most important services in the Department, and we are especially blessed in Kentucky with outstanding men and women in our Extension Service. For a period of 10 years now, I have made every effort to see that the salaries for the Extension Service in Kentucky were raised and again this year discussed this matter in detail during the hearings with the Director of the Extension Service as well as the other officials in the Department of Agriculture. Kentucky at one time was next to the bottom as far as salaries are concerned. We are further up the list today but still salaries should be increased.

This bill contains $41,265,000 for Agricultural Marketing Service.

The provisions in the bill provide for $778,473,000 under Public Law 480. We recommend $172,382,000 for Agricultural Stabilization and Conservation Service.

We authorize and recommend $650 million for the rural electrification revolving fund, and $150 million for the telephone revolving fund.

Mr. Chairman, amendments from time to time are offered by Members when this bill is up under general debate on the Floor of the House. Each year, for a number of years now, a number of us have attempted to make every effort to see that this bill was just as fair to one section of our country as to the other sections. When amendments are offered and the sections of the country which are not affected then, they should keep in mind that some commodity that they are very much concerned about might become involved later on. It is right easy for a Member to say that in my congressional district we do not produce a certain commodity and therefore I can vote for an amendment which takes the money out of this bill for assistance with this particular commodity.

Mr. Chairman, for several years now I have tried to show the fallacy of this kind of voting. Figs and nuts are not produced in the Second Congressional District of Kentucky, but when these commodities are in trouble I am concerned about it. Tobacco is produced in my district and I am very much concerned about this commodity. The same applies to many other matters that are called before the House from time to time. Amendments will be offered today which do not directly affect the district that I have the honor to represent, but certainly I do not intend to vote for amendments which hurt other sections of our country and other Members of the Congress just because it might be a good political vote. I do hope that as we proceed with this bill under the 5-minute rule that all of the Members of the House of Representatives, regardless of the section of the country they are from will keep in mind that this bill is a bill that protects the American farmer and our consumer. It is a bill that provides for the people in our 50 States. Under no circumstances should amendments be adopted which destroy programs provided for under this bill which have been successful all down through the years and which have produced benefits for our people.

Mr. Chairman, we recommend this bill to the House of Representatives.

Mr. SKUBITZ. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. I yield to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, I was interested in the gentleman's remarks reflecting his strong support for the soil conservation program.

However, the thing that bothers me is that when I look at the appropriation for the soil conservation program, according to the report on page 71, the Department asked for $192,826,000, the committee recommends $192,116,000, a cut of of $710,000.

Now, really the cut itself does not make up for the increased costs due to inflation. Actually we are not even holding our own.

Mr. NATCHER. Mr. Chairman, let me say to my distinguished friend from Kansas that there is $11 million more in this bill than there was last year for soil conservation.

The difference, as the gentleman points out, is relative to a matter pertaining to the space items.

As far as the increase is concerned, there is $11 million more in the bill than there was last year, that is, more than the budget estimate.

Mr. SKUBITZ. Mr. Chairman, if the gentleman will yield further, the budget estimate is $192,800,000, and the recommendation in this bill is for $192,116,000.

Mr. NATCHER. Let me direct the gentleman's attention to the tables that appears on page 120 of the report. The gentleman is looking only to conservation operations.

Mr. SKUBITZ. That is right.

Mr. NATCHER. Mr. Chairman, under Soil Conservation Service we have a total of $359,641,000, which is an increase, and we have an increase of $19,020,000 over budget estimates.

Mr. SKUBITZ. Mr. Chairman, I am talking about a specific program.

Mr. NATCHER. I understand the gentleman.

Mr. SKUBITZ. Let us go to another program—watershed planning. Just recently I contacted the soil conservation program people and asked about funds for the watershed planning program. I was told that there was not much sense getting into this program unless something is done for the planning service.

Actually, with the programs now on the books in Kansas, it is going to take about 15 years to complete what we already have, and yet we are actually cutting down on planning funds.

Why did the committee reduce funds for planning? There is $10 million. You have allowed $800,000 which will not start to take care of the increased cost. When we get to watershed flood prevention and operation in fiscal 1974, it totaled $157 million. The budget itself cut it to $122.8 million for fiscal 1975 and the committee reduced it to $122.6 million. Will the gentleman from Mississippi or someone explain that to me?

Mr. WHITTEN. Will the gentleman yield?

Mr. NATCHER. I am glad to yield to my chairman.

Mr. WHITTEN. There are several things involved in this. The gentleman knows, we have had a few problems that existed over the past few years, and one of those is a ceiling on personnel. The Soil Conservation Service and many others have had a whole lot more money than they were permitted to use because they could not employ the people. This was because the OMB imposed a ceiling on the number of people they could hire. Therefore this problem is involved.

I think the gentleman has noted in this budget we have put $11 million above the budget request, but in addition to that we have also restored the Agricultural Conservation Program, 5 percent of which can go to the Soil Conservation Program for technical service—that is, hiring people.

Not only that, but in our report we directed attention to this and called on the executive branch, including, the Office of Management and Budget, to give relief on the ceiling on people, because, as you know, the Agricultural Conservation Program is a project program, but the Soil Conservation Service is composed of technicians. All the money in the world will not help you if they will not let you have the technicians.

So, with the limit on the number of people concerned, we believe we have taken care of it.

Mr. SKUBITZ. Does the watershed and flood prevention operations call for more people or for more money to carry on projects already planned?

Mr. WHITTEN. That is people.

Mr. SKUBITZ. And that is the sole reason why we are not carrying on these programs?

Mr. WHITTEN. They are programs carried on, as far as the Soil Conservation Service is concerned, by people. We have programs where the local people can borrow funds from the Farmers Home Administration to pay for some of the costs involved.

Mr. SKUBITZ. I thank the gentleman.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 5 minutes to my colleague the gentleman from Illinois (Mr. FINDLEY).

Mr. FINDLEY. Thank you.

Mr. Chairman, last week this body very wisely enacted a Budget Control Act. One of our Members nevertheless predicted freely that it could not possibly work and that we would each be in our own way parties to its destruction.

The gentleman who heads the Subcommittee on Agriculture of the Committee on Appropriations and who does a very able job there was also the able cochairman of the committee that formulated the Budget Control Act.

I believe it was a great achievement. However, I want to point out one of the problems that probably motivated our friend from Iowa (Mr. GROSS) when he made this dire forecast about the future of the Budget Control Act. I cite the item of food stamps.

On page 94 of the committee report I see language that reads as follows:

> In view of existing legislation which provides for upward adjustments of allowances proportionate to food cost increases in January and July of each year, additional funds will probably be required for this program in fiscal year 1975.

I am sure there is no one in this room who has not listened to the radio ads, while driving to and from the Hill, asking people, "Are you getting all of the food stamps you are entitled to? Go down to the office and make sure you are getting all the money from food stamps you are entitled to."

This promotion obviously is having some effect, because I see in this bill an increase for food stamps of $1 billion over the year before.

Now, if we have open ended authorizations and open ended funding, which seems to be implicit in this, how can the Budget Control Act ever function?

I would like to start out by raising a question or two to whomever would like to respond.

First, how far do you think this food stamp program can go? We have $4 billion and probably more for fiscal 1975. If this formula keeps functioning as it has, and as the food stamps are passed out more liberally and more broadly than they have been, what is the limit to this? Could the gentleman from Mississippi give me any sort of an estimate as to how many dollars might be involved eventually in this program?

Mr. WHITTEN. If the gentleman will yield, I am sure the gentleman knows that you have to try to keep these programs in line, or else you will have people taking wheelbarrows full of food stamps to the stores. The gentleman also knows that the Congress continues to increase, increase, and increase these programs. The gentleman from Illinois also knows that we do not have the votes on the committee to correct this.

I might point out that on page 94 of the report we make this comment:

> The Committee continues to be concerned with the administration of the Food Stamp Program. The divided authority between the Department of Agriculture and the Department of Health, Education, and Welfare contributes to the difficulties in achieving efficient management of this program.

The welfare agencies make the decision as to the eligibility, and then the Congress increases the eligibility by lowering the levels as to the people who are entitled to food stamps. Then the Department of Agriculture is handing them out. The mechanics are almost unworkable. But in the Congress we do not have the votes to hold this program down. The gentleman knows that whatever we put in here, that when it reaches the other side, the gentleman has seen it increase time after time.

It seems to me that the high cost that the families are paying to the grocery stores is because a great part of the food in the grocery stores is coming out the front door with food stamps.

Food stamps are now available to people who were not eligible when the act was first passed. The act originally was just to make up the difference between what they had and what it took to produce a reasonable meal. Now the program has grown all out of proportion. But as I say, I do not know of any way to hold it down, certainly our committee cannot.

Mr. FINDLEY. How does the gentleman from Mississippi feel this will work out under the proposed budget control act with no limitations over programs like this? Will control be any better once we get budget control enacted into law?

Mr. WHITTEN. The gentleman from Illinois knows that I was not on the conference. I congratulate the Members who were on that conference in being able to stick it out, and to work together, and bring out the legislation that they did.

Obviously this is a step in the right direction.

But, in fairness, I have to agree with the gentleman from Iowa and the gentleman from Missouri (Mr. BOLLING) that it depends on whether there is a change in the public attitude, a change in the congressional attitude, and whether we have nerve enough to live within it.

But, when things get bad enough they usually correct themselves, and they are getting awfully bad.

Mr. FINDLEY. It seems to me that we will be forced to establish expenditure ceilings on programs of this sort. I do not mean just on the food stamps, I am also referring to all commodity programs and other programs, I believe that we do have to have an annual limitation of expenditures on these programs.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANDREWS of North Dakota. I yield 2 additional minutes to the gentleman from Illinois.

Mr. FINDLEY. I know that the existing law gives them the authority to pass out the food stamps on an ever-increasing cost basis, but would the gentleman from Mississippi object to an amendment which would put a limit of, say, $3.99 billion as the maximum expenditure that can be incurred in carrying out the food stamp program in fiscal 1975? If the agency were confronted with a limitation like that they would have to live within it or come back for different legislative authority.

Mr. WHITTEN. As the chairman of the subcommittee, having agreed on a bill in which we have held things in line, I feel that we should vote for the bill as it is written. Of course, as an individual, I perhaps might feel as the gentleman from Illinois does. However, realizing the facts of life, and knowing the vote that we get here, and knowing we have got to face the other body, I do not think we would have any chance of having such a thing prevail.

I have come here to defend this bill, and I think that, all things considered, that this is the best we could do.

Mr. FINDLEY. The gentleman agrees, though, that we should seek to establish expenditure limitations for programs.

Mr. WHITTEN. I think we will have to. I think much of the reason behind the high costs that we are faced with today is because a tremendous amount of the food is going out through food stamps. The people who do not get food stamps have to pay higher prices for their food.

Mr. FINDLEY. One more brief question: There is, apparently, a restoration of capital impairment to the Commodity Credit Corporation in the amount of $4.1 billion. Does that fully restore the impairment?

Mr. WHITTEN. No. It is $180 million less than the full restoration.

Mr. FINDLEY. I thank the gentleman very much for his answers.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may require to the gentleman from Michigan (Mr. DINGELL).

Mr. DINGELL. Mr. Chairman, earlier this year Congressman HENRY S. REUSS and I jointly discovered that the administration, in submitting to the Congress its budget proposals for fiscal year 1975, sought to repeal the 11-year-old Reuss amendment for protection of wetlands and to emasculate Water Bank Act programs. In a February 14, 1974, letter to the Director of the Office of Management and Budget, we said:

> We are appalled that the Administration's Budget for Fiscal Year 1975 proposes (a) to repeal the "Reuss Amendment" which has for the past eleven years helped to protect our Nation's wildlife, including migratory birds; (b) to do away with the Water Bank Program which the Congress last year reaffirmed after rejecting the Administration's effort to terminate it; and (c) to transfer $14.7 million of carry-over Water Bank funds to a new Rural Environment Program, with the expressed purpose of giving recreation and wildlife a lower priority basis than at present.
>
> * * * * *
>
> The three Administration actions, coupled with your agency's interminable blocking of the promulgation of the long pending Corps of Engineers wetland protection regulations and the Bureau of Sport Fisheries and Wildlife wetland guidelines, indicate that the Administration is now proceeding on a course of total destruction of our Nation's valuable wetlands. Indeed, even the President's token gesture in his Natural Resources Message to Congress of February 15, 1973, to "use the Federal tax laws to discourage unwise development in wetlands" has received scarcely any further Administration encouragement.
>
> The President's proposals appear to be an all-out attack by development interests to wipe out hard-own legislative efforts to preserve these natural areas. They give the green light to commercial and industrial development on wetlands and their hastened destruction. The wetlands of our Nation deserve a better fate.
>
> Equally disturbing is the fact that the Budget documents and other press statements by Administration spokesman fail to inform the public about these anti-wetland proposals.
>
> Only a few months ago, the Fourth Annual Report of the Council on Environmental Quality (Sept. 1973) described in glowing terms the value of these irreplaceable wetlands. The Council said (p. 311):
>
> "Wetlands are a vital natural resource, characterized by fragile biological and

> ecological regimes. Some serve as important recharge areas for replenishing ground water. Coastal wetlands may provide a natural barrier that prevents subsurface fresh drinking water supplies from mixing with undrinkable ocean waters. In many shore areas, the mud, sand, and vegetation of wetlands create natural buffer zones to dampen the force of storm-driven waves, thus providing a barrier for areas farther inland. Wetlands are also prime habitat and breeding grounds for both aquatic and airborne wildlife; an estimated 60 to 70 percent of fish caught in U.S. coastal waters, either commercially or for sport, would not be there if at one time they had been unable to find shelter, safe spawning, or nutrients in a wetland. Further, coastal wetlands are unique in appearance, contrasting sharply with both developed and other natural areas; they offer a high degree of diversity in the natural landscape."
>
> Obviously, your agency and others in the Administration who prepared the President's budget proposals for F.Y. 1975 paid no attention to the CEQ's comments.
>
> We urge that these industry-oriented proposals be withdrawn, that the Reuss amendment be retained, and that the Water Bank Act program be continued and fully funded in F.Y. 1975.

It is interesting to note that these anticonservation proposals were made without benefit of any input from the Interior Department, as Congressman Reuss noted in his April 23, 1974, comments before the House Subcommittee on Agricultural—Environmental and Consumer Protection—which are printed in the Congressional Record of April 23, 1974, at pages 11523–11524.

I am pleased to report today that the House Committee on Appropriations rejected the administration's proposals. The bill before us today continues the Reuss amendment and provides for full funding of the Water Bank Act program as a separate program.

I commend the committee for this wise and environmentally sound action. I particularly applaud the distinguished and able subcommittee chairman (Mr. Whitten) for recognizing the importance of both of these legislative accomplishments.

I am, however, concerned that the committee's report—House Report 93–1120, page 76—does not take note or object to the continued impoundment of $11 million of Water Bank Act funds. In an April 8, 1974, letter to OMB, Congressman Reuss and I said:

> In your March 27 letter to us, you said that you "share" our views and those of the Council on Environmental Quality "that the wetlands of the nation are a vital natural resource and must be protected, not only by the farmers and landowners of this nation, but also by the action of the Federal government." But your continued impoundment of $11 million for the fiscal year 1973 Water Bank Act program makes these words appear hollow.
>
> As you know, the REAP program was terminated on the same day as the Water Bank Act program. Subsequently, the U.S. District Court for the District of Columbia on December 28, 1973, ruled that the REAP termination was "unauthorized by law." (*Augusto Gaudamuz, et al.* v. *Roy L. Ash, et al.*, Civ. Action No. 155–73.) The court ordered reinstatement of the fiscal year 1973 program. Later, the Administration tried to persuade the court that implementation of the REAP program in FY 1974 would satisfy the court's order. But on February 7, 1974 the court rejected that contention, saying: "Executive illegality and the delay inherent in civil litigation cannot be used to frustrate the will of Congress." On March 12, 1974 the Agriculture Department announced reinstatement of the 1973 REAP program as a result of the court's "decision reversing the termination action."
>
> We think it is unfortunate that the public had to resort to litigation to insure that the "will of Congress" be carried out. But now that the litigation is over and you have agreed to reinstate the 1973 REAP program, we urge that you also reinstate the 1973 Water Bank Act program by releasing the impounded funds.

OMB still has not released those funds.

The committee, in its report last year on the Agriculture Appropriation Act for fiscal year 1974 plainly directed that these unobligated funds "be used to fund this program"—House Report 93–275, page 80, June 12, 1973. I hope this was merely an oversight and that the other body and the House-Senate conferees will insist on the release of these funds.

Mr. Chairman, there are several matters in the committee's report that need clarification in our debate today.

First, the report—House Report 93–1120, supra—on pages 55–56 includes a lengthy discussion of the Environmental Protection Agency's staffing here in Washington and in the regions. It quite properly criticizes EPA's overstaffing and overemphasis on decentralization.

But squeezed into this valid criticism is a statement condemning EPA's efforts to "encourage" States to establish more stringent air and water pollution controls than are required by Federal law. The committee's criticism here is invalid and is beyond the scope of its expertise.

Both the Clean Air Act and the Federal Water Pollution Control Act, which were enacted by the full Congress, contemplate and, indeed, encourage the States to establish more stringent standards, et cetera, than are required by these laws. Both laws specifically preclude from establishing a standard, et cetera, "which is less stringent" than the one established by these laws, but the States are free to establish more stringent requirements as their needs require.

Thus, the committee's comments are not consistent with the law.

Second, the committee's report—page 14—states:

> Evidence before the Committee clearly indicates that the inflexibility of nationwide standards can and have played a role in creating energy shortages, inflation, and unemployment. Testimony before the Committee indicates standards now being developed have the potential for costing hundreds of thousands of jobs, for significantly increasing prices for the consumer and for placing enormous demands on an already strained supply of investment capital. *Common sense demands that all of these laws and regulations be reassessed in light of the precarious condition of our economy.*
>
> Therefore, the Committee directs the agency to thoroughly review all existing laws and regulations, as well as those now in the process of being developed. *The Committee requires this information so that it can determine whether or not funds should be provided to implement these laws and regulations.* Since most of this information is currently available within the agency, and will therefore only have to be brought together in a single report, the Committee will expect the report to be submitted no later than October 1, 1974. (Italic supplied.)

As a member of one legislative committee—the House Committee on Interstate and Foreign Commerce—I am appalled by these Appropriations Committee comments. The committee has, in effect, decided that it—not the Congress or its legislative committees—will "determine" what EPA-administered laws and regulations should be implemented. Under the committee's proposal, it would apparently decide whether or not EPA enforces the Clean Air Act against the utility industry or the paper industry. I find nothing in the Constitution or the House Rules that gives the Appropriations Committee this unfettered power.

If EPA administered laws and regulations need to be "reassessed"—and I do not think there is such a need—then the legislative committees of Congress will do it, not the Appropriations Committee.

I think that the "review" requested by the committee is an unnecessary and unwarranted interference in the prerogatives of the legislative committees of the House and it should not be undertaken by EPA without the concurrence of those committees.

Third, the committee report states—page 58:

> The Committee is also concerned that insufficient attention is being given to the land disposal of wastewater effluent. Treatment of wastewater, in some areas of the country, as opposed to land disposal may be a misuse of a valuable resource in light of the need to increase agricultural production and to conserve energy.

I applaud the committee for these comments. I share their view that EPA has paid insufficient attention to the use of the land disposal of wastes, despite a clear statutory directive to give full consideration to this method of disposal.

At this point I include some pertinent correspondence between the executive branch and Congressman Reuss and myself and a statement entitled: "Importance of Reuss Amendment and Need for Maintaining It":

> Conservation and Natural
> Resources Subcommittee,
> *Washington, D.C., February 14, 1974.*
>
> Mr. Roy L. Ash,
> *Director,*
> *Office of Management and Budget,*
> *Washington, D.C.*
>
> Dear Mr. Ash: We are appalled that the Administration's Budget for Fiscal Year 1975 proposes (a) to repeal the "Reuss Amendment" which has for the past eleven years helped to protect our Nation's wildlife, including migratory birds; (b) to do away with the Water Bank Program which the Congress last year reaffirmed after rejecting the Administration's effort to terminate it; and (c) to transfer $14.7 million of carry-over Water Bank funds to a new Rural Environment Program, with the expressed purpose of giving recreation and wildlife "a lower priority basis than at present."
>
> 1. Since fiscal year 1963, the Annual Department of Agriculture Appropriation Acts have contained a proviso (commonly referred to as the "Reuss Amendment") in the paragraph appropriating funds for the Department's Agricultural Conservation Program. The proviso was first added to the Agriculture Department Appropriation Act of Octo-

ber 24, 1962 (Public Law 87-879) and reads as follows in the Agriculture-Environmental and Consumer Protection Appropriation Act of 1974:

"Provided further, That no portion of the funds for the current year's program may be utilized to provide financial or technical assistance for drainage on wetlands now designated as Wetland Types 3 (III), 4 (IV), and 5 (V) in United States Department of the Interior, Fish and Wildlife Service Circular 39, Wetlands of the United States, 1956."

While this proviso does not specifically apply to the Small Watershed program of the Soil Conservation Service, the SCS, to its great credit, has taken the position that it will not provide funds for drainage of wetlands Types 3, 4, and 5. (SCS Watershed Protection Handbook, section 106.04).

The budget documents for fiscal year 1975 which the President sent to Congress last week show (Appendix, p. 142) that the Administration is recommending deletion of this proviso from the Agriculture Department's Appropriation Act for F.Y. 1975. The documents fail to explain why the Administration seeks to abandon this proviso after more than a decade of valuable protection for our Nation's wildlife.

2. The Budget Appendix also shows (p. 144) that the Administration is again seeking to end the Water Bank program which helps farmers to preserve wetlands. This effort disregards the Congressional action last year which reactivated that program and provided a total of over $21 million after the President terminated it in December 1972. The Administration now proposes no further appropriation for F.Y. 1975.

3. In addition, the Administration seeks to transfer and merge the unobligated funds currently available for the Water Bank program (which total about $14.7 million) into the Agriculture Department's new Rural Environmental Program. The latter program's principal objectives are:

(a) soil and water conservation (undoubtedly including stream channelization, which the House Government Operations Committee's report of Sept. 27, 1973, H. Rept. 93-530, demonstrated has in many cases adversely affected our Nation's streams and wetlands);

(b) timber incentives (to increase timber production); and

(c) recreation and wildlife. As to this item, the Budget Appendix states (p. 144):

"The primary objective of cost-sharing for recreation and wildlife would be for preserving wetlands for increasing migratory and other waterfowl populations. Recreation and wildlife practices would continue to be supported, but on a somewhat lower priority basis than at present. The USDA water bank program would be superseded by the practices under this objective."

In short, Water Bank funds will no longer be available solely for wetland purposes, but will be spread out to serve several purposes—some of which are inimical to wetlands protection and wildlife enhancement.

The three Administration actions, coupled with your agency's interminable blocking of the promulgation of the long pending Corps of Engineers wetland protection regulations and the Bureau of Sport Fisheries and Wildlife wetland guidelines, indicate that the Administration is now proceeding on a course of total destruction of our Nation's valuable wetlands. Indeed, even the President's token gesture in his Natural Resources Message to Congress of February 15, 1973, to "use the Federal tax laws to discourage unwise development in wetlands" has received scarcely any further Administration encouragement.

The President's proposals appear to be an all-out attack by development interests to wipe out hard-won legislative efforts to preserve these natural areas. They give the green light to commercial and industrial development on wetlands and their hastened destruction. The wetlands of our Nation deserve a better fate.

Equally disturbing is the fact that the Budget documents and other press statements by Administration spokesmen fail to inform the public about these anti-wetland proposals.

Only a few months ago, the Fourth Annual Report of the Council on Environmental Quality (Sept. 1973) described in glowing terms the value of these irreplaceable wetlands. The Council said (p. 311):

"Wetlands are a vital natural resource, characterized by fragile biological and ecological regimes. Some serve as important recharge areas for replenishing ground water. Coastal wetlands may provide a natural barrier that prevents subsurface fresh drinking water supplies from mixing with undrinkable ocean waters. In many shore areas, the mud, sand, and vegetation of wetlands create natural buffer zones to dampen the force of storm-driven waves, thus providing a barrier for areas farther inland. Wetlands are also prime habitat and breeding grounds for both aquatic and airborne wildlife; an estimated 60 to 70 percent of fish caught in U.S. coastal waters, either commercially or for sport, would not be there if at one time they had been unable to find shelter, safe spawning, of nutrients in a wetland. Further, coastal wetlands are unique in appearance, contrasting sharply with both developed and other natural areas; they offer a high degree of diversity in the natural landscape.

Obviously, your agency and others in the Administration who prepared the President's budget proposals for F.Y. 1975 paid no attention to the CEQ's comments.

We urge that these industry-oriented proposals be withdrawn, that the Reuss amendment be retained, and that the Water Bank Act program be continued and fully funded in F.Y. 1975.

We also request that you provide to us copies of the draft and final environmental impact statement on each of these major Federal actions.

Sincerely,

JOHN D. DINGELL,
Chairman, Subcommittee on Fisheries and Wildlife Conservation and the Environment.

HENRY S. REUSS,
Chairman, Conservation and Natural Resources Subcommittee.

DEPARTMENT OF AGRICULTURE,
Washington, D.C., March 7, 1974.

Hon. HENRY S. REUSS,
House of Representatives,
Washington, D.C.

DEAR MR. REUSS: Thank you for sending us a copy of your letter to Mr. Ash of February 14, 1974. We have a few comments on the points you raised concerning our proposal for a new Rural Environmental Program.

You are correct in noting that we propose to delete the proviso that prohibits the use of funds appropriated for the Agriculture Conservation Program for draining certain types of wetlands. Our proposal for the new appropriation language for the Rural Environmental Program would discontinue several provisos that in our judgment are no longer needed in the appropriation language. I can assure you however, that our practice of not using ACP funds to drain wetlands will be continued under the new Rural Environmental Program. The Soil Conservation Service will continue its policy of not financing drainage of wetlands Types 3, 4, and 5 as well.

We are proposing to discontinue the Water Bank Act Program as a separate program. However, it will be continued as a phase of the new Rural Environmental Program. The new appropriation language includes a specific reference to the Water Bank Act. Our budget request for long-term recreation and wildlife practices in 1975 is $900,000. We plan to use the funds only for preserving wetlands. The request represents the first year payments only under long-term agreements for preserving wetlands. Payment in future years under these agreements are expected to be $8,100,000. The total 1975 commitment then for preserving wetlands will be $9,000,000. This is the same as the program level for cost-share payments we will carry out in 1974. The 1974 program also includes funds for SCS technical assistance that, in 1975, will be financed with a direct appropriation to SCS.

Our proposal to merge the obligated balances of the Water Bank Act Program into the new account for REP will not affect payments due on contracts entered into in prior years. Payments will be made as they become due from the balances transferred to the new appropriation.

You asked for copies of draft and final environmental impact statements for our new program. An environmental impact statement on our Rural Environmental Conservation Program that we plan to carry out this year was circulated in draft form last January. From the standpoint of the environment our cost-sharing programs for 1974 and 1975 are very similar. An environmental impact statement on the Water Bank Program has also been prepared. Copies of these statements are enclosed.

Sincerely,

J. PHIL CAMPBELL,
Under Secretary.

OFFICE OF MANAGEMENT AND BUDGET,
Washington, D.C., March 27, 1974

Hon. HENRY S. REUSS,
Chairman, Conservation and Natural Resources Subcommittee, House of Representatives, Washington, D.C.

DEAR CONGRESSMAN REUSS: Thank you for your letter of February 14, 1974, concerning the proposed language in the 1975 budget to remove the "Reuss Amendment" which prohibits the use of appropriation funds for the drainage of Types 3, 4, and 5 wetlands.

As you may recall, we discussed this question when I appeared before the Joint Economic Committee on February 18. At that time, you requested that I supply for the record my detailed response. In that response we indicated that although we did request that the language of the "Reuss Amendment" be removed, it was strictly for the purpose of eliminating what we considered to be superfluous language since Rural Environmental Program funds are not permitted to be used for such drainage in the 1975 program.

Also, in the case of the Water Bank Program, it is only being discontinued as a separate program. All of the measures contained in the Water Bank Act, per se, will be available in the Rural Environmental Program as required by Title 10 of the 1973 Farm Bill (P.L. 93-86). Further, I have been informed that the Department of Agriculture in its comments on your letter to me, has furnished you with considerable details concerning the questions you raised, including the Environmental Impact Statement you requested.

It is my thought that the explanation in this letter taken together with the materials which we supplied to the Joint Economic Committee and the USDA letter with attachments will provide you with the necessary assurance that we do not intend to be a party to the destruction of the wetlands of our nation by giving the green light to commercial and industrial development. On the contrary, we share your views and those of the Council on Environmental Quality that the wetlands of the nation are a vital natural resource and must be protected, not only by the farmers and landowners of this nation, but also by the actions of the Federal Government.

It is unfortunate that the language of the 1975 budget gave the impression that careful attention was not being given to these vital areas of concern; but if we have not dealth satisfactorily with the misunderstanding, and you feel that you need a further response, please let me know and I will be glad to furnish such additional information you may require.

Warm personal regards, I am

Sincerely,

Roy L. Ash,
Director.

Conservation and Natural
Resources Subcommittee,
Washington, D.C., April 8, 1974.

Mr. Roy L. Ash,
Director, Office of Management and Budget, Washington, D.C.

Dear Mr. Ash: Thank you for your March 27, 1974 reply to our February 14 letter concerning the Administration's proposals to strike the Reuss Amendment from the Agriculture Department's Appropriation Act for fiscal year 1975 and to revamp the Water Bank Act program in that fiscal year.

I

Your letter, which confirms the Administration's clear intention to strike the Reuss Amendment, stresses that you believe the amendment is "superfluous", because the Agriculture Department will not permit "Rural Environmental Program funds . . . to be used" for drainage of wetlands "in the 1975 program". The Agriculture Department's March 7, 1974 letter to us provides a similar explanation for the recommendation to strike the Reuss Amendment.

We welcome the OMB and Agriculture Department assurances that REAP program funds will not be obligated in fiscal year 1975 for wetlands drainage purposes, but such assurances are not adequate.

First. This appears to be an after-the-fact commitment that has not been made to the public. The Administration's budget documents for fiscal year 1975 fail to include such a commitment. In fact, we reached a different conclusion upon reading them.

Second. But for the Reuss Amendment, the Department's present statutory authority permits it to expend funds for wetlands drainage generally throughout the country. Thus, it is difficult for us to understand how the Amendment could be considered "superfluous" to that law. Moreover, removal of the Amendment could be interpreted as indicating a Congressional intention that funds should be obligated for this purpose. Even legislative history to the contrary might not be sufficient to prevent such an interpretation by the Agriculture Department a few years from now, or by a court in an action challenging the Agriculture Department's authority to withhold funds for this purpose.

Third. The new commitment is an *administrative decision* not to use RECP funds for wetlands drainage in fiscal year 1975. But that decision might change in fiscal year 1976 or thereafter. Indeed, it could even be changed, over our protest, in fiscal year 1975.

We recall that in the fall of 1972 the Agriculture Department administratively decided to fund both REAP and the Water Bank Act programs in fiscal year 1973. But in December 1972 the Department abruptly reversed itself and abandoned the programs.

We therefore request that the Administration reconsider its earlier recommendation to delete the "Reuss Amendment" and provide to us written support for our recommendation that the amendment be continued and, indeed, be expanded to insure that no Agriculture Department grants, contracts, or loans will be used to drain valuable wetlands.

II

In our February 14, 1974 letter to you, we said that, as proposed by the Administration, in fiscal year 1975 "Water Bank funds will no longer be available solely for wetland purposes, but will be spread out to serve several purposes . . ."

Your reply is that the Water Bank program "is only being discontinued as a separate program" and that all of the "measures" contained in the Water Bank Act, "per se, will be available in the Rural Environmental Program". The Agricultural Department made a similar reply. But both replies skirt the issue raised in our letter, namely, that the Administration's merged program contemplates that Water Bank funds may be used for purposes other than wetlands protection.

First. Public Law 93–86 did not contemplate that the Water Bank program should be "discontinued" as a "separate" program. Indeed, it specifically recognized the existence of that Act and did not repeal it. Congress intended that the program continue unscathed within the new RECP program. The Agriculture Department's budgetary proposal is contrary to that congressional intention.

Second. The 1975 Budget Appendix lumps the Water Bank Program into a broad category entitled "Recreation and Wildlife" (formerly known as "Wildlife Conservation Practices"). The Administration has requested an appropriation of $900,000 for this category in fiscal year 1975. Under Secretary of Agriculture, Mr. J. Phil Campbell, advised us on March 7 that his agency plans "to use the funds only for preserving wetlands."

But Mr. Campbell's March 7, 1974 promise contradicts the Administration's statements in the Budget Appendix (p. 144) and other public documents on this matter. The Appendix expressly states that these funds would be used "primarily" for wetlands purposes, and that recreation and other wildlife practices, which in the past have received about $3.6 million annually, "would continue to be supported, but on a somewhat lower priority basis than at present." If Mr. Campbell's March 7 commitment prevails, none of these funds could be available for recreation and other wildlife practices. They would have to be used solely for Water Bank purposes and these other practices would go unfunded in fiscal year 1975.

We want to continue the Water Bank Act program at the full level authorized by Congress under the Water Bank Act. We understand that the $900,000 appropriation in F.Y. 1975 would do just that. But we do not want to achieve this purpose by sacrificing these other "practices," as Mr. Campbell now proposes. Both programs should continue to be funded.

We therefore request a firm written, commitment from both the OMB and the Agriculture Department that (a) the Water Bank Act program will not be discontinued as a "separate" program (b) that all of the $900,000, if appropriated by Congress, will be obligated in fiscal year 1975 solely for Water Bank Act purposes, and (c) that you would support inclusion of a provision in the Appropriation bill for F.Y. 1975 which expressly provides that such funds will not be obligated for any other purpose. We also request that you request adequate funds in F.Y. 1975 for recreation and other wildlife practices.

III

In your March 27 letter to us, you said that you "share" our views and those of the Council on Environmental Quality "that the wetlands of the nation are a vital natural resource and must be protected, not only by the farmers and landowners of this nation, but also by the action of the Federal government." But your continued impoundment of $11 million for the fiscal year 1973 Water Bank Act program makes these words appear hollow.

As you know, the REAP program was terminated on the same day as the Water Bank Act program. Subsequently, the U.S. District Court for the District of Columbia on December 28, 1973, ruled that the REAP termination was "unauthorized by law." (*Augusto Gaudamuz, et al.* v. *Roy L. Ash, et al.*, Civ. Action No. 155–73.) The court ordered reinstatement of the fiscal year 1973 program. Later, the Administration tried to persuade the court that implementation of the REAP program in F.Y. 1974 would satisfy the court's order. But on February 7, 1974, the court rejected that contention, saying: "Executive illegality and the delay inherent in civil litigation cannot be used to frustrate the will of Congress." On March 12, 1974, the Agriculture Department announced reinstatement of the 1973 REAP program as a result of the court's "decision reversing the termination action."

We think it is unfortunate that the public had to resort to litigation to insure that the "will of Congress" be carried out. But now that the litigation is over and you have agreed to reinstate the 1973 REAP program, we urge that you also reinstate the 1973 Water Bank Act program by releasing the impounded funds.

IV

We request your response to each of the above matters by April 17, 1974.

Sincerely,

Henry S. Reuss,
Chairman, Conservation and Natural Resources Subcommittee.
John D. Dingell,
Chairman, Subcommittee on Fisheries and Wildlife Conservation and the Environment.

Office of Management and Budget,
Washington, D.C., May 2, 1974.

Hon. Henry S. Reuss,
Chairman, Conservation and Natural Resources Subcommittee, Washington, D.C.

Dear Mr. Chairman: Your letter of April 8, 1974, indicates that there is still some confusion regarding our intentions in managing the Rural Environmental Program (REP) as proposed in the President's 1975 Budget.

Because of the need to have more managerial flexibility to achieve most efficient use of funds, we proposed consolidation of funding for several agricultural conservation programs and deletion of the detailed and restrictive appropriation language that has accumulated over the past few years in connection with them. Included in the language proposed for deletion was the so-called "Reuss Amendment" which prohibits cost sharing and technical assistance for the drainage of wetlands under the Rural Environmental Assistance Program. However, in recognition of the intent of the Congress, as expressed in the "Reuss Amendment," there was and is no intent to provide assistance for that practice in the REP. You are correct when you say that this is an administrative decision, but on the other hand, this policy was clearly stated in the Department's January 14 announcement of the 1974 Rural Environmental Conservation Program (RECP), and I wish to assure you that it will be so stated in the announcement of the 1975 program. If the Congress believes it desirable again to specifically prohibit such assistance under the REP authorities, we have no objection.

We continue to support the proposed program consolidation. Consequently, even though we assure you that the $900,000 included in the 1975 budget for Water Bank Act purposes will be used for those purposes, we cannot support inclusion of language which would so restrict their use. To do so would negate one of the advantages of a consolidated program, i.e., the flexibility to adjust to changing priorities within a region.

I appreciate your concern about the problems these programs are designed to address.

I assure you that we share these concerns and that our efforts are directed solely toward the most effective operation of these programs.

With warm personal regards, I am

Sincerely,

Roy L. Ash,
Director.

Department of Agriculture,
Washington, D.C., May 3, 1974.
Hon. Henry S. Reuss,
Chairman, Conservation and Natural Resources Subcommittee, Washington, D.C.

Dear Mr. Reuss: This is in response to your letter of April 8 which continues our correspondence on the proposal for a Rural Environmental Program. You asked for our comments on a letter you sent to Mr. Ash on April 8 and for some information on USDA programs that authorize drainage of wetland areas.

In your letter to Mr. Ash you asked that the recommendation to discontinue the "Reuss Amendment" be reconsidered. Our recommendation to discontinue this prohibition on drainage of type 3, 4, and 5 wetlands was based on plans to discontinue all drainage practices under the new program. Nevertheless, since the "Reuss Amendment" would not be in conflict with our policy in this area we would have no objection to its continuation in the 1975 Rural Environmental Program if Congress determined it necessary.

In so far as the other Departmental programs are concerned it has been long standing policy not to provide technical and financial assistance for drainage of wetlands type 3, 4, and 5.

You also raise questions regarding the continuation of the Water Bank Act Program and other wildlife and recreation practices under the new program. The proposed Rural Environmental Program is basically a consolidation of several cost-sharing conservation programs. It was always intended that the basic purposes of each program would be continued. In this regard, the 1975 budget request of $900,000 will be used solely for the Water Bank Act Program and would provide for an authorized program level of $10 million. The other wildlife and recreation practices to which you refer would also be continued as a part of the soil and water conservation practices under the Rural Environmental Program. Current indications are that the demand for these practices will be as great in 1975 as they have been in the past.

You asked for a listing of USDA administered programs where assistance for drainage of wetlands, either type 3, 4, and 5 or any other type, is authorized by law. A listing of the programs, with an estimate of the assistance provided for drainage of wetlands and copies of applicable regulations are attached. It should be noted that the assistance provided in 1972 and 1973 for the drainage of "other wetland types" was primarily classes 1 and 2. These types of wetlands are normally under water only part of the year.

Sincerely,

Clayton Yeutter,
Assistant Secretary.

U.S. DEPARTMENT OF AGRICULTURE, SUMMARY OF LEGISLATION AUTHORIZING ASSISTANCE FOR DRAINAGE OF WETLANDS

[Dollar amounts in thousands]

			Funding for drainage of wetlands			
			Types 3, 4, and 5		Other wetland types	
Agency/program	Legislative authority/citation	Type of assistance	1972	1973	1972	1973
Agricultural Stabilization and Conservation Service:						
Rural environmental assistance program	Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g-590o, 590p(a) and 590q).	Cost-share	0	0	$389	$415
Rural environmental conservation program	Soil Conservation and Domestic Allotment Act (16 U.S.C. 590g-590o, 590p(a), 590(q) and secs. 1001 to 1010 of the Agriculture and Consumer Protection Act of 1973, 87 Stat. 241 to 246).	do	0	0	0	0
Appalachian stabilization and conservation program	Appalachian Regional Development Act of 1965 (40 U.S.C. app. 203h)	do	0	0	4	3
Soil Conservation Service:						
Watershed and flood prevention operations	Public Law 78-534 and Public Law 83-566 (16 U.S.C. 1001-1005, 1007-1008; 33 U.S.C. 701).	Financial	0	0	275	140
Resource conservation and development	Public Law 87-703 (7 U.S.C. 1011)	do	0	0	15	25
Farmers Home Administration:[1]						
Farm ownership loans	7 U.S.C. 1923	Loans	0	0	0	0
Soil and water loans	7 U.S.C. 1924(a)	do	0	0		
Irrigation and drainage loans	7 U.S.C. 1926(a)(1)	do	0	0		

[1] Only a small amount, if any, of the funds available under these programs are used for drainage of other wetland types.

IMPORTANCE OF REUSS AMENDMENT AND NEED FOR MAINTAINING IT

Gives clear commitment to agency personnel and the public for maintaining important wetland areas and their numerous public values.

If the Reuss Amendment is removed, the 5 percent of ASCS dollars made available to SCS for technical assistance may be used for drainage. Up to $4.5 million (of a $90 million program) could be used in this way.

The Reuss Amendment helps maintain control over unwarranted options at the county level. There presently is no guarantee that the N-practice (emergency) and S-practice (special) cannot be used for drainage. Drainage was done under the F2 practice in the past. Also, county committees in the past have interpreted practices in their favor. For example, it is reported that a grassed waterway has been used to drain a Type III wetland.

If, as has been stated by USDA representatives, all drainage practices are out of all ASCS programs and practices for 1974, the Reuss Amendment will provide a safeguard to help insure that no drainage of Type III, IV and V wetlands is included in applications for assistance during the program-transition period.

The Reuss Amendment is badly needed now to make sure important wetland areas are not sacrificed as food and fiber production is accelerated under new philosophies of the U.S. Department of Agriculture. The DEIS (draft environmental impact statement) states that RECP is being implemented in 1974, but not all former practices. However, nothing in Agriculture Secretary Memorandum 1829 and Title X of the 1973 Agriculture Consumer and Protection Act says that drainage will not be included. Hence, there is great need for the Reuss Amendment to maintain important wetland areas, rather than using taxpayers dollars (through technical and financial assistance) to destroy them.

Demands for draining important wetland areas continue at a relatively high rate. For example, from the beginning of the referral law in the early 1960's through calendar year 1970, there were 34,645 requests for assistance to drain wetlands in the pothole portions of North Dakota, South Dakota, and Minnesota. In the 12-county area near Minot, North Dakota, 61 percent of the referrals through 1972 contained wetland types III, IV, and V. These are the types covered by the Reuss Amendment.

Private drainage of important wetlands also is continuing and is being assisted directly and indirectly. Ditches constructed in conjunction with Corps projects, judicial drainage boards, watershed projects, and highway projects serve as outlets to convey waters released from strictly private drainage efforts.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. Conte).

Mr. CONTE. Mr. Chairman, the gentleman in the well made a very fine presentation. I might add he is a very able and conscientious Member of Congress. He spoke about the investigation by the Federal Trade Commission with respect to the price of meat.

I wrote a letter to the Federal Trade Commission, I believe it was 2 months ago—it could have been longer—asking them to have this type of investigation. My colleague and I spoke about it, and he was the one that advised me that this would be the best way to proceed. We have not heard a thing.

I received a letter from the Federal Trade Commission advising us that they are having an investigation of the huge discrepancy between the price of beef on the hoof and when it reaches the consumer. But I sort of feel that the Federal Trade Commission is dragging its feet.

Did the gentleman go into this with them when they came before the committee?

Mr. ANDREWS of North Dakota. We very definitely did. Last year in our report we specifically asked them to investigate the food price spread. We were not satisfied that they had done that when they appeared before our subcommittee in the hearings this spring, so we again told them we wanted this done.

The letter my colleague sent to them I am sure is one more step in urging them to move toward this goal that needs to be accomplished, finding out just exactly what the problems are in the food pricing structure. I am disappointed that they have taken this long, as my colleague is, as I am sure the consumers of America will be when they hear about this footdragging that has been going on down there. Hopefully, we have gotten them moving along the trail, and the results should be forthcoming before the end of this year.

Mr. CONTE. I am pleased to hear that. Of course, when we get into reading the bill, I have an amendment to increase the budget for the Federal Trade Commission. I am very, very hopeful that they will proceed in all fours on this one, because it is imperative.

We have not seen a drop in the price of beef and hamburger and steak in the supermarkets, which should be reflected as a result of this low price of beef on the hoof.

Mr. ANDREWS of North Dakota. We have not seen it, and the consumers and the farmers need it if we are going to make the market system work.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may consume to the distinguished chairman of the Committee on Appropriations, the gentleman from Texas (Mr. MAHON).

Mr. MAHON. Mr. Chairman, I believe that the Committee on Appropriations, and its Subcommittee on Agriculture—Environmental and Consumer Protection—has done the best job possible under the circumstances to bring a bill before the House this afternoon that is reasonably acceptable to a majority of the Members. It is not possible to have a bill that covers such a variety of complex and often controversial matters that is acceptable to everybody, but the committee has certainly undertaken to bring an acceptable bill before us.

The farmers of this country have done a magnificent job, and I think it is good that we are able to give some assistance in the Congress to promoting the economy and strength of the country which agriculture provides.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado (Mr. JOHNSON).

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

Mr. Chairman, I want to talk today for a few minutes about Public Law 480, because it seems to me that there is more empty rhetoric, more claims, and more misunderstanding about this particular program than about anything else in connection with this bill.

We talk about our great Christian obligations and the reason we are doing this is because of our charity. But the bill and Public Law 480 are divided into two parts, part 1 and part 2. Part 2, of course, is a humanitarian program, but part 1 is that portion of the bill which talks about concessional sales to other countries. There is no one in this room who can say what the money under title 1 is going to be used for next year because it is done through an interagency group made up of members from OMB, members from the Department of Defense, the Department of the Treasury, the USDA, I believe the National Security Council. Nobody can tell us what kind of contracts they are going to make next year with Vietnam and with Cambodia. No one can tell us the deals that they are going to make with these countries. We do not even know what they did last year in 1973. We do not know what they are doing this year. We do know that they make contracts with the importing countries in a fashion that they do not have to pay the money back.

They can use it to provide for the common defense, to pay for their soldiers. This is not done under the jurisdiction or guidance of the Congress but hundreds of millions of dollars are turned over every year to this group to make the decisions.

Last year I tried to find out the individuals involved in making the decisions. They would not identify themselves. So I would like to ask the chairman of the committee or the ranking minority member, either one, out of the $425 million involved for title I, can these gentlemen tell us how much is going to be used in Vietnam and what terms of sales will be made and how much will go to Cambodia?

Mr. WHITTEN. If the gentleman will yield, I have just been handed some figures that show it is projected that in 1975 for Cambodia it will be $77 million and for Vietnam it will be $18.5 million.

Mr. JOHNSON of Colorado. There is no limitation on that, is there, Mr. Chairman? They can actually change that and do as they please.

Mr. WHITTEN. There is no control in this committee on that or under the law. They have to work these arrangements out and that is the situation.

Mr. JOHNSON of Colorado. Can the chairman tell us how much money has already been put into these programs, these Public Law 480 programs that will not be paid back because of the agreement that they can use 100 percent or 80 percent of the funds for their common defense?

Mr. WHITTEN. I do not know the total of the amount that will not be paid back. I do understand under the law only 10 percent of the currencies generated are subject to control of the Congress. Then 90 percent of the funds are not within our control. What the total amount is I cannot say.

Mr. JOHNSON of Colorado. I have some figures as of December 31, 1972, which show that Israel owes $210 million, generally on 40-year terms. They get a 10-year grace period and then 31 years of repayment period. It varies somewhat with an average of 34 years for a period of time, and now it is about 31 years after the payments commence, starting at 2 percent and then at 3-percent interest. These figures show that Korea owes $333 million, and Cambodia and Vietnam we do not have any figures for.

Let me ask the chairman this question. Why should not the foreign military aid program come under the jurisdiction of the House Foreign Affairs Committee so that we can actually know what we are giving in the way of foreign military aid to these countries? Why do we give a slush fund of hundreds of millions of dollars to the executive branch every year to use as they please?

Mr. WHITTEN. Let me say to my colleague I cannot answer his question forthrightly. I can only say in my experience we find it under title I one year, and then it will be in another title next year, and it would be easy to believe this was being done because it was easier that way. I cannot tell the gentleman why it is one time in one place and another time it is in another. I have seen the titles changed many times since I have been here. I assure the gentleman by and large I voted against foreign aid. I think foreign aid is 100-percent inflationary.

We provide them large sums of money. We, in turn, sell them our goods and when we get the money back and when the goods are gone, there is more and more money and it adds to inflation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield the gentleman from Colorado (Mr. JOHNSON) an additional 5 minutes.

Mr. JOHNSON of Colorado. Mr. Chairman, I was trying to find out from the gentleman if he agrees with the executive branch giving the interagency committee hundreds of millions of dollars to use as they please in connection with the foreign military program.

Mr. WHITTEN. After the Greek-Turkish loan, which was in 1942 I think, I have voted since then against foreign aid. I think that speaks for itself.

Mr. JOHNSON of Colorado. I wonder if the chairman would accept an amendment that under title I, Public Law 480, anything that is going to be used for the foreign aid program has to be approved by Congress before it is done.

Mr. WHITTEN. I would not be in a position to speak for the subcommittee. I would personally favor such an amendment if it is offered and perhaps it will be; but I am not in a position to speak for the subcommittee as a whole.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Ohio.

Mr. WYLIE. I would like to direct a question to the distinguished gentleman from Mississippi in connection with Public Law 92-544, the foreign aid program that is to be appropriated thereto. There is money appropriated to the FAO, the United Nations food and agricultural aid program. Could the gentleman tell us how much money would be appropriated to that fund?

Mr. WHITTEN. Approximately $70 million, between $70 million and $75 million, I am advised.

Mr. WYLIE. Between $70 million and $75 million?

Mr. WHITTEN. Yes.

Mr. WYLIE. Does the gentleman know how much the other nations of the world have contributed to said fund?

Mr. WHITTEN. My information is that our share is 32 percent, which is in excess of the 25 percent for maintenance of the United Nations.

Mr. WYLIE. The gentleman has anticipated my next question. On October 25, 1972, Congress passed a bill that after December 31, 1973, no appropriation is authorized and no payment shall be made to the United Nations or any affiliated agency in excess of 25 percent of the total annual assessment of such organization.

I wonder if this bill violates that standard.

Mr. WHITTEN. My information, is that the contribution from other individual nations is less than ours to FAO. But this is not directly related to the 25 percent U.N. contribution.

Mr. WYLIE. Will the gentleman yield further?

Mr. JOHNSON of Colorado. I yield to the gentleman.

Mr. WYLIE. If we could find out the amount by which this appropriation is in excess of the 25-percent standard, would the gentleman support an amendment reducing it to a 25-percent amount?

Mr. WHITTEN. I personally would not object; but I cannot speak for the subcommittee.

Mr. WYLIE, I wonder if the gentleman could have a staff member or someone find out how much money in this bill is in excess of that 25-percent amount?

Mr. WHITTEN. I will make the effort; but the gentleman realizes that it is not the easiest job in the world.

Mr. WYLIE. Well, I understand that it is sometimes difficult to get through the bureaucratic maze.

Mr. JOHNSON of Colorado. I think it is clear to everybody here that we have $425 million for the on-going continuing program and nobody knows what it will be used for and nobody is accountable for the way it will be used and we cannot even predict where it will go. That is totally inconsistent with the rhetoric we have been hearing about a responsible Congress caring for its own expenditures.

I hope when we get to the amending process we consider favorably an amendment that will prevent turning over to the Executive process carte blanche authority in this particular area.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. YATES).

Mr. YATES. Mr. Chairman, free competition in the marketplace is the cornerstone of our capitalistic society. There are two principal agencies charged with the responsibility of protecting the American people and the American economy from monopoly, cartels, and devices to throttle competition. One is the Antitrust Division of the Department of Justice. The other is the Federal Trade Commission. The Antitrust Division depends in great measure for its evidence in its cases upon the data that is produced by the Federal Trade Commission.

One would think, therefore, that we would be encouraging and helping the Federal Trade Commission in its job, because as it succeeds in its task, the health of the economy improves. What a shock, therefore, to see the action by the Appropriations Committee—of which I am a member—in placing a halter upon the Federal Trade Commission in this bill, a crippling halter which restricts the Commission's operation. The Commission will be unable to do its work if the limitation is not stricken. I will offer an amendment to strike it at the appropriate time.

There is no greater threat to our economy today than the unbridled movement toward monopoly which is led by the huge conglomerates. Every day brings word of the latest move by one of the big companies to gobble up a small company. A few days ago, we read that Mobil, the third largest corporation in the country, is considering buying Marcor, the fourth largest company in the mercantile field.

What will happen? If that merger is approved, to all intents and purposes, Marcor will have disappeared. Its financial statements will be buried in the financial statements of Mobil, the economy will have lost another company, the competitive vigor of our economy will have been shaken.

The FTC wants to investigate the huge conglomerates in what is known as the line of business investigation. The committee has made funds available in this bill, but it has placed a crippling limitation upon the study. The committee has said, "Wait a minute, you cannot make your study on the basis of bigness because that would be unfair. This country is not against big business as such. You must do your investigation on an at random basis."

So, the Commission will be required to make its investigation of the companies by pulling its selections out of a hat. They will be compelled to pick the companies to be investigated on an at random basis. What does this mean? The investigation will become a lottery. There are 250,000 corporations in the country. The chances for selecting General Motors or Litton or Gulf-Western or any of the other conglomerates will be on the ratio of 1 to 800.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to a gentleman for whom I have great affection, the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, may I say that the gentleman's sentiments are certainly returned, and I thank him for yielding to me.

Mr. Chairman, earlier in my remarks here, the gentleman has informed me, and I have talked to members of the committee, and we do feel that the 250 should be from the 2,000 larger companies, which the Federal Trade Commission first considered dealing with. I just thought I would correct that.

We very carefully, in our report, put this at random so that we would have, as was said earlier, a degree of safety from being able to trace the information to a particular firm which would give unfair advantages to its competitors. We were also told, and I have here the study by the Library of Congress, that a random selection from the 2,000 would be a much better statistical basis for making judgments than if we had information only on the first 500. Not only that, but I would like to call the gentleman's attention to the fact that this is a new program we are dealing with; that under the existing law, the Federal Trade Commission can take action against any company it wishes to investigate, so this is just a new program we are trying to direct in the direction of getting what they claim they want; that is, a chance to show what the situation is.

We are advised by the Library of Congress that our system will be a much sounder system, with a much broader base than the other. But, I would want to call to the gentleman's attention that we will put this report in the RECORD so that everyone can see what will be missed if the committee's approach is not followed. From his argument and from the minority report, I have personally concluded that we would be better to scale it back to at random from 2,000, and I will include the Library of Congress study at this point:

[From the Library of Congress, Congressional Research Service, June 20, 1974]

LIBRARY OF CONGRESS STUDY ON SUPERIORTY OF RANDOM SAMPLING

To the House Appropriations Committee.
From Economics Division.
Subject: Sampling Accuracy.

In analyzing the accuracy of a sample, information regarding types of answers and questions is necessary. Predetermining the exact level of accuracy is, therefore, impossible, although a rough estimate can be made in some instances assuming a normal distribution. Furthermore, the population size is relatively unimportant in determining accuracy, provided the sample is random selected. As a general rule econometricians accept a random sample of 30 or more as being sufficient to allow conclusions to be drawn from the data. For a sample size under 30 adjustments are made to the formula that is used to calculate accuracy (technically referred to as confidence levels).

With respect to the particular FTC study under consideration the major question to be answered is what population is to be studied. If the target group is the top 2000 firms, a sample of 500 of the top 500 would be statistically biased. Inferences drawn from this sample would certainly apply to the top 500, but could not be generalized to the population. A randomly selected sample of 250 of the 2000, however, would be more than sufficient—on statistical grounds—to draw inferences applicable to the entire target group.

For purposes of completeness it should be noted that the number of variables used in analysis also play a part in determining the accuracy. With a sample of 250, however, it is highly unlikely that the number of variables used would have any significant impact on the reliability of the study.

Mr. YATES. Mr. Chairman, I thank the gentleman for his suggestion, but I still disagree with the gentleman on this. What is happening then is that, instead of the chances being 1 in 800, they are now reduced to 1 in 80. The opportunity is still presented, as a result of the use of the at random system, for companies like Mobil, General Motors, Litton, Gulf-Western, the big conglomerates, to escape the investigation. It does not make sense.

Point two is this: Mr. Chairman, you have allocated $305,000 for this study. If the Commission wants to make its investigation, it will not be able to use the $305,000 unless it does so on an at random basis; is that not correct?

Mr. WHITTEN. Mr. Chairman, I yield myself 3 additional minutes.

May I say that that is in the report as the gentleman knows, at the direction of the subcommittee. We put it in the report so that we could modify or make changes as circumstances might require. May I say again that this is a bill; this is a report. I want to point out to the gentleman that he is overlooking the basic authority of the Federal Trade Commission which he will find carried in section 6(b) of the FTC Act, which says that the Commission may obtain information from any company that it desires.

Mr. YATES. Mr. Chairman, why is it necessary to authorize this investigation if it already has the authority?

Mr. WHITTEN. Because it does not care to use that authority for the purpose of determining a trend, so they ask for a new authority so they could make a study of the overall situation. We have tried to set some guidelines for the new activity. They still have the old authority to inspect on a firm-by-firm basis, with all the due process protections available under that method.

Mr. YATES. Mr. Chairman, that cannot be true. The report indicates that this kind of investigation has to be specially funded. There has to be a foundation based on anticompetition for the Commission to engage in a study of this kind. In this instance, all it is seeking to do is to obtain the statistics that may lay the foundation for an anticompetitive investigation or action. There is a distinction.

Mr. WHITTEN. As to that, it happens that they have ample authority in the existing law, which is not touched by this report.

Mr. YATES. If that be true, then there is no need at all for having this kind of separate investigation. I do not understand why the committee would set up separately.

Mr. WHITTEN. I would think that the committee's thinking is sound, and I am sorry to hear my friend say that he does not believe in the new program at all, but we do believe in it. We just give them all they ask for and nothing more than that.

Mr. YATES. The gentleman puts words in my mouth I did not say. I believe very strongly in the new program, and I believe the new program should not be crippled by having to go through an at random kind of investigation such as the committee has recommended. Let the Commission decide which companies should be investigated, no matter what their size, rather than requiring the Commission to pull out the companies from a hat.

Mr. WHITTEN. The Library of Congress study has given us a much broader base. They still have the authority to proceed under the existing law where there is cause to proceed.

Mr. YATES. I will be very glad to read the Library of Congress study, but as the chairman knows, we have not always agreed with the Library of Congress studies, if that is what the study says.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I would like to point out this fact, and I am sure the gentleman from Mississippi and the committee had the very best intentions: What they have accomplished here was to diminish almost to zero the probability that any of the big firms would be audited. In this study, also, they have almost required that it include also small businesses.

Second, they have set it up so that it is impossible to get any certainty that we can get compliance with the existing law with respect to line of business requirements.

Mr. WHITTEN. Mr. Chairman, I yield the gentleman 1 additional minute.

May I say to my colleague, the gentleman from Michigan, that we have just gotten through saying that we, the majority, had concluded that the at random selection should be limited to the 2,000 major companies. It is subject to a change of mind where there are changing situations, and I think it is most sound to include the top 2,000. Therefore, the other argument certainly does not apply to the substance of this.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. YATES. What does the gentleman mean by 2,000 major companies?

Mr. WHITTEN. Well, it is the 500 that the Federal Trade Commission had, the 500 largest corporations. Earlier they said, "two thousand," according to the hearings. That was the first figure they had.

Mr. YATES. Mr. Chairman, if the gentleman will yield, do I understand that the chairman of the committee is permitting the Commission to make its investigation from the 2,000 largest companies, then and not at random.

Mr. WHITTEN. I said I have concluded—and I have told the Members it is by a majority consensus of the subcommittee—and we have concluded that would be better than what they had in the original statement and better than what was construed from the standpoint of the gentleman's view. In other words, we still think a random sample is the best method, and no matter what happens today, if the Commission has the flexibility we hope they will use it. We do agree, however, it would be better to use this flexibility by selecting the 250 at random from among the top 2,000 firms rather than from some large universe, as might have mistakenly been implied by reading the committee report.

Mr. DINGELL. Mr. Chairman, will the gentleman yield for a further question, if he has sufficient time?

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. WHITTEN) has expired.

Mr. WHITTEN. Mr. Chairman, I yield myself 2 additional minutes, and I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, will the gentleman tell me where in the law or where in the bill before us or where in the report there appears the requirement of the figure of 2,000 firms that the gentleman from Mississippi is referring to?

Mr. WHITTEN. I was expressing my opinion and the opinion of the majority of the subcommittee.

Mr. DINGELL. Mr. Chairman, what I am trying to find out is this: What are we debating, the intent of the subcommittee, the language of the report, or the language of the bill?

I hear in all this discussion nothing that tells us where is this figure of 2,000. What are we debating, the bill, the report, or the good intentions of the subcommittee?

Mr. WHITTEN. Mr. Chairman, I did not think it was a matter of debating the good intentions of the committee. The gentleman is entitled to his own opinion. What we are discussing is the committee's feeling that it would be desirable to pick 250 firms at random from the top 2,000 firms.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. WHITTEN) has expired.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from Montana (Mr. MELCHER).

Mr. MELCHER. Mr. Chairman, there has been mention made of Public Law 95-153 in regard to the line of business report, and that is the Alaskan pipeline bill which passed this Congress last year. I refer the Members to the language. It reads as follows:

> While the Comptroller General shall determine the availability from other Federal sources of the information sought and the appropriateness of the forms for the collection of such information, the independent regulatory agency shall make the final determination as to the necessity of the information in carrying out its statutory responsibilities and whether to collect such information. If no advice is received from the Comptroller General within 45 days, the independent regulatory agency may immediately proceed to obtain such information.

Mr. Chairman, that is referring to the line of business reports, and to the FTC as the regulatory agency. In the conference report of the managers on the bill, I refer the Members to these two paragraphs, the concluding paragraphs on page 31, as follows:

> The purpose of Section 409(a) is to preserve the independence of the regulatory agencies to carry out the quasi-judicial functions which have been entrusted to them by the Congress. The intent of this section is not to encourage a proliferation of detailed questionnaires to industry, small business or other persons which could result in unnecessary and unreasonable expense. Any legitimate need for information in carrying out the statutory responsibilities of these agencies would, however, be carried out even though responses may entail some expense and inconvenience.
>
> The purpose of this section is to insure that the existing clearance procedure for questionnaires or requests for data does not become, inadvertently or otherwise, a device for delaying or obstructing the investigations and data collection necessary to carry out the important regulatory functions assigned to the independent agencies by the Congress.

Mr. Chairman, seeking in this particular appropriation act to legislate obstructive methods hindering the FTC in obtaining their line of business reports or in determining how they are going to collect that data or from whom they are going to collect that data would be a mistake. We sought to forbid that in the bill we passed here last year. I hope that the Committee on Appropriations will not insist on carrying in this bill language that would seem to restrict or change the legislation we passed in the Alaska Pipeline bill.

Mr. WHITTEN. Mr. Chairman, I yield 5 minutes to the gentleman from Tennessee (Mr. Evins).

Mr. EVINS of Tennessee. Mr. Chairman, I wish to commend the distinguished chairman of the Committee on Appropriations for Agriculture—Environmental and Consumer Protection—the gentleman from Mississippi (Mr. Whitten)—and I want to commend him for this appropriation bill of 1975. The gentleman is the ranking member of the Committee on Appropriations; he also serves on the committee on which I serve as chairman of the Subcommittee on Public Works—AEC. He knows, I am sure, of my high regard for him

I wish to state that I support this overall bill and commend the committee for bringing it out. However, there is one item in the report on the bill to which I must take exception. I would address myself to this aspect of the report on this appropriation.

I am concerned about language which would restrict and tie the hands of the Federal Trade Commission. I joined with several other members of the full committee in expressing separate views on one item—that concerning collecting information on big business concentration in this country by the Federal Trade Commission.

I may say that it is seldom and certainly a very rare occasion when I join in expressing separate views on a bill coming out of the Committee on Appropriations on which I serve. I do so in this instance because I feel that the Federal Trade Commission should be given a free hand in gathering information and certainly information dealing with the largest business corporations and conglomerates in the country. I do not think we should tie the hands of the FTC as proposed in the accompanying report on this appropriation.

In this connection I point out that in 1970 and 1971 the House Committee on Small Business, which I am privileged to serve as chairman, held extensive hearings concerning the projected energy crisis. That was before the energy crisis was as acute as it is now. This situation was brought about by the acquisition by the big oil companies of substantial energy reserves and resources.

We found that the major oil companies of the country account for 84 percent of the refining capacity and 72 percent of the natural gas production and reserve ownership. The evidence also adduced showed that 30 percent of the domestic coal reserves were owned by the major oil companies as well as large amounts of the uranium reserves.

This report of the committee was filed with the Federal Trade Commission. We asked for a thorough investigation into this energy control and concentration. The commission initiated such an investigation and filed a very voluminous and extensive report on various phases of the study. They agreed substantially with many of the findings of our committee and then proceeded to file a complaint against Exxon and seven of the other major oil companies of this Nation, charging them with monopolistic operation and concentration in alleged violation of the antitrust laws.

The FTC directed those corporations to divest themselves of certain phases of their operations. This is one of the largest and most important cases in the history of the Federal Trade Commission.

It has been called to my attention that this bill and report would appear to defer appropriations in connection with the gathering of information in this case and in their proceeding with this case.

As the gentleman knows, I have spoken to him about this situation and he has indicated that adequate funds will be provided in the bill for the prosecution of this important case.

Mr. WHITTEN. Will the gentleman yield?

Mr. EVINS of Tennessee. I yield to my friend.

Mr. WHITTEN. That is what I wanted to say. The committee in fact tried to get a budget estimate for it so that the committee could match that amount of money. However, we did not get the budget estimate. Therefore we will offer an amendment to provide the funds so that this may be properly prosecuted, which is a matter which has been our intention from the start.

Mr. EVINS of Tennessee. I thank the chairman for this assurance. This is certainly one of the most important cases in the history of the Federal Trade Commission. I do not believe we should tie their hands in prosecuting this energy concentration case in the oil field.

As some of my colleagues already know at one time I worked for the Federal Trade Commission, prior to my coming to the Congress. While I was chairman of the Independent Offices Subcommittee on appropriations I heard the FTC budget requests for a number of years. I believe this Commission is rendering a great service in the public interest. I hope the language in the report will be deleted which appears to tie the hands of the Commission in its study of the 500 largest business corporations in the Nation.

As we have learned from the energy crisis, this concentration and arrogation of power produces higher prices for the consumer. Let us not handcuff and impede the important work of this Commission in the public interest.

I thank my friend for yielding me the time to express my views on this subject.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from Texas (Mr. Eckhardt).

Mr. ECKHARDT. Mr. Chairman, I rise to try to attempt to clarify a matter that was touched on in colloquy between the gentleman from Illinois and the distinguished subcommittee chairman, the gentleman from Mississippi, with respect to what the bill purports to do with respect to the sampling, allegedly a random sampling, of 250 firms out of a total of 2,000, as I understand it.

I note that the bill itself in its section on the Federal Trade Commission on page 47 merely says that the $305,000 is to be expended with respect to this investigation of 250 firms. There does not appear specific language respecting random sampling. But in the report on page 89 there is discussion of the point, as follows:

> Starting out on a random selection basis should be more in keeping with the justifications submitted to the Committee.

Then I also note in the bill in section 511 the following:

> Except as provided in existing law, funds provided in this act shall be available only for the purposes for which they are appropriated.

I am addressing this question to the gentleman from Mississippi (Mr. Whitten). Does the gentleman then read the language on page 47 in conjunction with section 511, and the language in the report to provide in the bill that the $305,000 expenditure shall be limited in accordance with the report, to the examination of 250 firms on a random sampling basis?

Mr. WHITTEN. If the gentleman will yield, I would have to say that the report reflects the feeling of the committee. It does not have the force of law, as if it were written in the bill.

As the gentleman from Texas well can understand, this line-of-business report is stepping into a new area. It is a field in which the House has never been willing to permit the Federal Trade Commission to go before. This provision was tied on in the Senate in amendments that were not germane to the Alaska pipeline bill, but we had to have that bill, and the House was forced to accept this language concerning the Federal Trade Commission without debate on its merits.

This being a new program, and without any guidelines beyond the circumstances of its unusual passage, the committee felt that we should put in this report the feelings and directive of the committee so that the Congress, for the first time, could express itself on this vital issue.

The gentleman from Texas (Mr. Eckhardt) knows full well, good lawyer that the gentleman is, that there is quite a distinction between having it in the act itself, where it could not be changed when circumstances may cause us to wish to change, and having it in the report where it can reflect the attitude of the committee. This money was made available in the bill. Our directive being in the report is at a place where changes, or such other actions as time and circumstances may convince us are needed, could take place.

Mr. ECKHARDT. May I ask our distinguished subcommittee chairman, the gentleman from Mississippi (Mr. Whitten) then, how does section 511 effect this matter? It says except as provided in existing law, funds provided in this act shall be available only for the purposes for which they are appropriated. I would ordinarily think that all funds would be limited to purposes for which they are appropriated. Certainly that would be true in the bill. But does this include in the definition of "purposes for which they are appropriated" those defined in the language in the report?

Mr. WHITTEN. It does not change the basic law, as I understand it now. However, this particular commission, may I say, on at least four or five occasions did spend money which the Congress appropriated for one purpose, for an entirely different purpose. The money was not spent in line with what I understand the facts of the situation to be, and not in line with what was intended. That is the reason for the section. We want the Federal Trade Commission and other agencies covered by the bill to clearly understand that funds cannot be diverted to new programs without the approval of the Appropriations Committee.

Mr. ECKHARDT. Then the gentleman is saying that section 511 does not require that the purposes for which the $305,000 is to be expended exactly conform with the language on page 89 of the report? That language is not statutory language tying the purpose down to the report?

Mr. WHITTEN. The language in the report is not in the bill. I think if we had put such language in the bill that it may have been subject to a point of order, if we had wanted to take the time of the committee to defend it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 2 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I have asked for this time so that I might address a couple more questions to the chairman of the committee, the distinguished gentleman from Mississippi, if I might. I notice that this bill is about $2.8 billion over fiscal year 1974 appropriations. In that connection there are at least 15 places, on a quick count, where it says that money is made available to provide additional employment—on page 3, for example.

It says:

> That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment pursuant to the second sentence of section 706. . . .

Down further it says: money, "including employment."

On page 5 there is another reference:

> To provide for additional labor, subprofessional, and junior scientific help. . . .

Could the gentleman tell me, is there any estimate as to how many new Federal employees may be provided for by this bill?

Mr. WHITTEN. I am afraid I did not understand the gentleman.

Mr. WYLIE. As I say, I was looking through this bill, and I counted at least 15 places in the bill where money is provided for placing additional people on the Federal payroll for some program or another. I mentioned three or four places, and there is another one on page 8, line 6, where it says:

> That this appropriation shall be available for field employment pursuant to the second sentence of section 706. . . .

The language mentions employing additional people to do certain jobs, but it does not say how many. As I said, the first such example occurs on page 3 of line 9 where it says:

> That in the preparation of motion pictures or exhibits by the Department, this appropriation shall be available for employment. . . .

My question is, there are at least 15 references to making money available for additional employees, to carry out the purpose of certain specified programs provided for in the bill. Does the gentleman have any estimate as to how many new employees might be provided for?

Mr. WHITTEN. I do not have at this time. It is next to impossible to have a 40-hour week in connection with certain types of labor. For example, in regard to the Soil Conservation Service, for a part of the year in most areas of the country they can do field work and yet they cannot do it for the full year, so in effect what it amounts to is part-time employment.

Mr. WYLIE. I thank the gentleman.

The CHAIRMAN. The time of the gentleman has expired.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 1 additional minute to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman.

I notice that another place in the bill funds are provided for three new aircraft for the Environmental Protection Agency. What kind of planes are we talking about?

Mr. WHITTEN. It is three helicopters, which will be made available to them by the Department of Defense, and I understand there is no cost involved.

Mr. WYLIE. There is no cost involved?

Mr. WHITTEN. There is no cost involved, as I understand it.

Mr. WYLIE. I thank the gentleman.

Mr. WHITTEN. Mr. Chairman, I yield 1 minute to my colleague, the gentleman from California (Mr. MOSS).

Mr. MOSS. Mr. Chairman, I should like to address a further inquiry on section 511 where the language is:

> Except as provided in existing law, funds provided in this Act shall be available only for the purposes for which they are appropriated.

I have been attempting to determine where those purposes are set forth.

Mr. WHITTEN. The purposes are set forth in the hearings. Under the usual procedure we consider a budget request made to the committee in normal conditions, though sometimes there is an additional request. The justifications are the basis on which the funds are obtained. In this instance this agency on these several occasions has used money appropriated for one purpose for an entirely different purpose without reporting to the Congress at all. It is for that reason it is here where we say, "Except as provided by existing law." With respect to many departments there is a law that provides they may transfer funds from one activity to another not to exceed a certain percentage of the total appropriation. That is provided by law. But in this instance at least this agency spent money that was appropriated for one purpose for another purpose entirely without reporting to the Congress.

Mr. MOSS. The justifications would not be in the formal and informal agreements arrived at in respect of the appropriation?

Mr. WHITTEN. The hearings would be the justification to which the Congress would look as to what the purpose was in making the appropriation.

Mr. MOSS. And it would not be only in the formal submission made to the committee at the time of the initiation of the hearings?

Mr. WHITTEN. I would think the hearings would speak for themselves. I would not think any side or oral discussion would be sufficient to change it.

Mr. MOSS. Any discussion appearing on the hearing record would be the basis for determining the purposes?

Mr. WHITTEN. That is right, insofar as it was then supported by action of the Congress.

Mr. MOSS. I thank the gentleman.

Mr. ANDREWS of North Dakota. Mr. Chairman, I yield 2 minutes to the gentleman from Kansas.

Mr. SKUBITZ. Mr. Chairman, I thank the gentleman for yielding this time. I would like to have the attention of my colleague from Mississippi.

Mr. Chairman, I take this time because I want to call attention again to the funds that have been recommended to the watershed and flood prevention program.

According to the report on page 73, in 1974 $157 million was appropriated. Of this amount $35 million was spent to take care of hurricane damage along the Mississippi River as provided by section 216 of the Flood Control Act. I am told by the Department that really what it had available to it in 1974 for the actual work under the watershed program was $122 million. The other $35 millilon was for emergency work. According to the bill before us, the committee recommends $122 million which is about the amount spent last year for watershed programs. Of the $122 million recommended, $20 million again will be used to take care of the emergency damage under 216 of the Flood Control Act. So, in fact, we have cut the amount of money for the watershed program by $20 millilon below what it was in fiscal year 1974 and we are not allowing anything for the inflation that has taken place.

Mr. WHITTEN. I will say to my colleague, he is familiar with the fact that in recent years we have had money impounded by the Office of Management and Budget. Just checking the figures in 1974, I think we had $17 million frozen which will remain available until expended and which, added to what is in this bill, will give them an increased amount if it is released.

I do not know if the gentleman can get the Office of Management and Budget to release it or not. That has been our biggest problem, getting money released. Then if we do get it released, we find there is a limit on personnel and the people cannot handle it. Under this bill we provide in excess of the money that was permitted to be used last year and we provide for personnel over and above what they were allowed to have last year.

Mr. SKUBITZ. I understand it was $12

million short of what it should have been last year without inflation money.

Mr. WHITTEN. Is the gentleman talking about money that was carried over that was frozen under the bill?

Mr. SKUBITZ. That should have been spent last year.

Mr. WHITTEN. But it was not.

Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. BINGHAM).

Mr. BINGHAM. Mr. Chairman, I would like to address a question to the chairman of the subcommittee. I am somewhat puzzled by language that appears on page 33 of the bill at line 17. It states that the Environmental Protection Agency may transfer so much of the funds appropriated therein as it deems appropriate to other Federal agencies for energy research and development activities.

Now, in view of the fact that it is customary, and provided for in other laws, that an agency may transfer funds to other agencies for work performed, I wonder why this language was considered to be necessary in the appropriation bill?

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman.

Mr. WHITTEN. Well, it is a repetition of existing law. Whether it was required or not is open to question, but had it not been here I suspect we would take an hour to explain why it is not. It is repetitious. It is the existing law.

Mr. BINGHAM. I appreciate that. I understand there is no intention in this language to impose any obligation on EPA to transfer obligations without its concurrence.

Mr. WHITTEN. It says it is authorized; so EPA would have to be the initiator. In many areas they have to let contracts.

As I say, it is just to call attention of the Members that the authority does exist.

Mr. BINGHAM. I thank the gentleman, because the conflict between energy needs and environmental stability has taken an ominous course. One of EPA's most important undertakings is in the area of flue gas desulfurization, sometimes called FGD or stack scrubbing. That agency has conducted extensive R. & D. into FGD technology to date and has established FGD as a feasible alternative to filthy air. EPA views FGD as a pollution control technology, and I concur in that assessment, even though its applicability to expanded energy supplies is apparent, to the extent that high-sulfur coal can be made environmentally safe to burn in large cities and in powerplants located in dense population areas. I am concerned that EPA should continue to have a significant involvement in the future development of FGD. The language in the bill, as explained by the distinguished subcommittee chairman, reinforces my understanding that the EPA cannot be forced to transfer out its FGD research and development program without a specific congressional directive.

Mrs. SCHROEDER. Mr. Chairman, I rise in support of the amendment to set a ceiling, at the levels requested by the administration, on agricultural commodities provided South Vietnam and Cambodia under the Public Law 480 program.

This administration has demonstrated its resourcefulness in end-running congressional intent on aid to Indochina with supplemental requests, inaccurate reporting and accounting procedures, and hidden war reserve materials. The Public Law 480 program, a humanitarian food assistance program, is no exception to administration dissembling in providing funds for a continuing war in Indochina. The Public Law 480 program, established to feed the hungry of the world, has been perverted into a food for war program in Indochina.

This amendment would establish a ceiling on Public Law 480 funds for South Vietnam and Cambodia at exactly the level requested by the administration for fiscal year 1975. Recent history describes the necessity of ceiling controls. Funds for Indochina under the Public Law 480 program have mushroomed seriously over the past year. Originally, Congress was advised that for fiscal year 1974, $206 million of Public Law 480 funds were allocated for Indochina. As of June 19, 1974, however, the actual figure was $450.9 million. At a time of starvation in Central Africa, and worldwide shortages and famine predictions for the future, Vietnam and Cambodia receive about one-half of the total worldwide dollar amounts of Public Law 480 assistance while they represent only 1 percent of world population. This ceiling amendment would give Congress, for the first time, a handle on these important assistance funds, and some direction in their allocation to the world's hungry.

It has been estimated that in 1973, 42 percent of the entire Vietnamese military budget was provided through local currencies generated by sales under the Public Law 480 program and the American commodity import program. In an effort to control this perversion, Congress last year passed an amendment which prohibited the military use of counterpart funds unless approved by Congress. The administration, however, has managed to evade the intent of Congress by delaying deliveries until fiscal year 1975 under agreements made before the amendment takes effect on June 30, 1974. The tragedy is that rather than providing funds from a program intended to relieve human suffering, the administration is perverting congressional intent in order to prolong human suffering by underwriting war. This is not "peace with honor," but rather war by deception with dishonor.

I strongly urge the passage of this amendment. In effect, it would do three things: First, impose further congressional and fiscal controls on aid to Indochina; second, underscore the intent of Congress to allocate scarce food resources where they are most needed; and third, send a message to the administration that end-runs and deceptions in our aid programs will not be tolerated.

Mr. BEARD. Mr. Chairman, because of a commitment I have in my district in Tennessee, I will be unable to vote on the agricultural appropriations amendments bill; however, I cannot leave for the State until I make my position—which adequately represents the majority of my constituents in the rural sixth district—known to the House membership.

Even though there are certain undesirable portions of this bill that directly compete with aspects of the free enterprise system, the key portions of the bill are so essential to a smooth operation of the agricultural sector of our economy, that I feel I must support this bill.

Mr. FRENZEL. Mr. Chairman, the total appropriation in this bill is at an extremely high level and is a source of concern to anyone interested in fiscal responsibility and in balancing our budget. I know that the bill totals $13.4 billion, which is $2.8 billion or about 25 percent more than the 1974 appropriation. Despite the difficulties and special problems, I believe the increase is too high.

The CCC appropriation is up three-quarters of a billion dollars and Public Law 480 is up one-quarter billion dollars. That puts $1 billion extra to work bidding up the prices of scarce food products. It is hard to conceive a more inflationary influence and it is equally hard to see the merit of the extra $1 billion overspending.

Aside from the consideration of total spending, I believe the bill could be improved with the addition of several amendments that have been proposed.

In the FTC appropriation, I believe that the FTC should be given the three-quarters of a million dollars it needs for its Exxon case, and that it should have the $350,000 additional that it needs to complete its energy study. On the other side of the ledger, I do not believe that the FTC needs anything at all for its line of business data collection scheme, and I think an elimination of this project would help to fund the necessary two amendments noted above.

The line of business investigation, which was authorized as a nongermane Senate rider to the Alaska pipeline bill, is, at best, a fishing expedition and, at worst, a wasteful bureaucratic exercise. I think the FTC should be funded, as in the Exxon matter above, whenever it is involved in a case. When it is engaged in an aimless random search for information on which it might base future work, I don't think it should get a red cent. The line of business data collection scheme to me resembles a search and seizure operation by a police department which might stop every car looking for marihuana, or which might search every black person looking for stolen material or firearms.

The FTC ought to be well funded when it has reason to progress a case, or to investigate a merger, but it should not be funded to simply make work for itself in the future.

There are two food stamp amendments which I intend to support. The first by Congressman Dickinson would deny food stamps to strikers, but only if they had not been previously qualified and only if they were members of the union involved in the dispute. This amendment is far more equitable and refined than earlier types and is worthy of support. My district polled 85 percent in favor of this amendment last year.

Another good amendment is the Anderson amendment which attempts to limit food stamps to students whose parents are claiming them as dependents. The dependency claim and the collection of food stamps constitute a double dip into the public resources. If a student needs food stamps, he or she should be able to receive them, but, at the same time the parent or guardian should not be allowed the income tax exemption. The idea of food stamps was to provide low cost nourishment to people who could not provide it themselves. It was not to feed the sons and daughters of relatively well-off citizens.

There are some other amendments, such as the reduction of the peanut subsidy, the elimination of the cotton promotion subsidy, and the elimination of the subsidy for dead bees which I shall support. I hope that other amendments will be offered to reduce the total cost of this bill. I would surely support a reduction of Public Law 480, and at least a limitation on Public Law 480 shipments to Southeast Asia.

It is true that much of the increase in the bill stems from the food and nutrition program. Nevertheless, we cannot be passing a series of appropriation bills as we have done this week, with increases of 13–28 percent over last year. In so doing we are contributing heavily to our raging inflation. I hope the overall cost of this bill is substantially reduced before it is passed.

Mr. BAUMAN. Mr. Chairman, the legislation which we are considering today would provide funds for the operation of a number of Government agencies and programs during fiscal year 1975. Included in this measure is $1.4 billion for the regular activities of the Department of Agriculture, with $217,789,000 of this amount set aside for the activities of the Agricultural Research Service within the Department of Agriculture. The Research Service conducts varied research activities which have been most beneficial to farmers in the United States and abroad. Its basic and applied research programs have led to higher yields per acre on many food grains, especially in the West and Midwestern sections of the United States.

Yet there does not appear to be adequate research toward improved planting, growing and harvesting of vegetable crops which has led to a deterioration of the vegetable processing industry in the Eastern region of the United States. Particularly affected is the Mid-Atlantic region, which includes the First District of Maryland, which I am privileged to represent in the Congress.

This lack of research action may lead to a shortage of processed vegetables in many sections of the country, as farmers who have been hit by increased operating costs, and the rising rate of inflation are not able to obtain the necessary return on their investments, and switch instead to corn and soy beans, more profitable crops. The severity of the the situation was brought to my attention by a number of individuals from my district, who are involved in the farming and food processing industries. Earlier this year it was my privilege to present a representative group from this industry to the Subcommittee on Agriculture-Environmental and Consumer Protection Appropriations, at which time they presented an eloquent statement with regard to the need for increased research to obtain higher yields per acre for a variety of vegetables. At that point, I informed the subcommittee that I fully supported the comments which were made by the representatives of the Mid-Atlantic Food Processors Association, and I use this opportunity to reiterate my support of expanded research by the Department of Agriculture in this vital area.

Just to illustrate the impact that the lack of research in this area has had on the growth of vegetable industry in my State of Maryland, in 1945, 42,000 acres were devoted to sweet corn acreage in the State of Maryland, but by 1972 this acreage has been reduced to 14,500 acres. This trend clearly indicates the drastic decline in the production of sweet corn in the State of Maryland, and it could be indicative of the decline of the vegetable industry in the eastern sector of the United States, which would lead to increasingly higher prices to the consumer for the vegetables that would be available in the marketplace.

In an effort to encourage initiative by the Department of Agriculture in this field during the coming fiscal years, I arranged a meeting late last week with Under Secretary of Agriculture, J. Philip Campbell and representatives of the food processing industry. I am hopeful that the discussions which were initiated last week, will lead to serious consideration within the Department of Agriculture and its research service, as to the important need for the implementation of a vegetable research project within the Department oriented toward the particular needs of the eastern region of the United States.

Mr. REUSS. Mr. Chairman, earlier this year the administration, in its 1975 fiscal year budget, submitted to Congress two proposals which, if adopted, would have disastrous consequences for the Nation's wildlife resources.

The first proposal was to strike from the Agriculture Department's 1975 appropriation act a proviso prohibiting the use of agriculture conservation program funds to drain wetlands designated in the 1939 circular of the U.S. Fish and Wildlife Service as types 3, 4, and 5. These are the inland fresh water marshes so vital to migratory waterfowl nesting and feeding. This provision, commonly known as the Whitten-Reuss amendment, has been part of the Department's annual appropriation acts ever since 1962.

The second administration proposal for fiscal year 1975 was to discontinue the Water Bank Act program as a separate program and to provide that water bank funds will no longer be available solely for wetland purposes, but will be spread out to serve several purposes.

The House Appropriations Committee has wisely rejected both proposals. I applaud the committee, and, in particular, my colleague from Mississippi (Mr. Whitten) for doing so.

Prior to 1962 the agriculture conservation program—which is a valuable tool for genuine soil conservation practices such as strip cropping, terracing, contour plowing, and tree planting—was heavily criticized for subsidizing drainage of wetlands valuable to migratory waterfowl and other wildlife.

During the previous 10 years, Federal funds appropriated for the ACP program were used to drain and destroy almost half of the more than 1.3 million acres of wetlands in the prairie pothole area of Minnesota, North Dakota, and South Dakota.

In 1959 the Whitten subcommittee noted the utter senselessness of the Agriculture Department's policy of paying farmers to drain wetlands valuable for wildlife while at the same time the Interior Department was buying such wetlands to protect wildlife. At this subcommittee's request, the two departments in 1960 agreed that Federal subsidies for drainage of these wetlands should not be approved where Interior recommended against such drainage.

But by 1962, it was evident that the interdepartmental agreement was ineffective. Interior's recommendations were generally being disregarded.

On July 24, 1962, the House adopted the "Whitten-Reuss amendment" to stop the use of Federal ACP funds to drain the types 3, 4, and 5 wetlands, which are the types most valuable to wildlife. As I have previously noted, it has been reenacted in every one of the Agriculture Department's annual appropriation acts since then.

It achieved its purpose well. On April 9, 1974, the Bureau of Sport Fisheries and Wildlife advised us that between October 1962 and December 1972, the Agriculture Department had received 7,449 requests for financial assistance to drain over 85,745 acres of "high value" wetlands—types 1, 3, 4, and 5—in North Dakota alone. The amendment has saved about 57.7 percent—49,475 acres, the types 3, 4, and 5—of these "high value" wetlands from being drained with Federal ACP funds. Thus, if landowners wanted to drain these areas for farming or real estate development, they had to use their own money, not the taxpayers' money.

On February 14, 1974, Congressman John D. Dingell and I asked OMB Director Roy Ash why he had recommended the deletion of this important Whitten-Reuss proviso. In his March 27 reply, Mr. Ash said he did so because, as he put it, the proviso is "superfluous language" since Agriculture conservation program funds "are not permitted to be used for such drainage in the 1975 program."

But Mr. Ash was in error, because without the Whitten-Reuss amendment, these funds could be used for this purpose in fiscal year 1975.

Under Secretary of Agriculture Campbell assured us on March 7 that his Department would not spend these funds for wetland drainage purposes in fiscal year 1975. However, his assurance was a poor substitute for a statutory prohibition against the use of those funds for such purposes, for several reasons:

First, administrative decisions are subject to change. We all remember, I am sure, the Agriculture Department's public announcements in the fall of 1972 that the REAP and Water Bank Act programs were being funded in fiscal year 1973. The Department even listed the States in which water bank funds would be spent. But only a few weeks later, on December 26, 1972, the Agriculture Department abruptly reversed itself and terminated both programs.

Second, removal of the proviso could be interpreted as indicating congressional approval for use of REP funds for wetlands drainage. Even legislative history to the contrary might not be sufficient to prevent such an interpretation by the Agriculture Department a few years from now, or by a court in a suit challenging the Department's authority to withhold funds for this purpose. A recent lawsuit challenging the termination of the REAP program was successful only because Congress had included statutory language which the court said required the Department to continue the program. *Guadamuz* v. *Roy L. Ash* (civil action 155-73, D.Ct.D.C. Dec. 28, 1973).

Third, these assurances were made only after Congressman DINGELL and I protested the administration's decision. Indeed, to our knowledge, these assurances have never been made public. The administration's budget document, which is public, does not include these assurances. In fact, we reached a different conclusion upon reading it.

Mr. Chairman, these administration officials apparently do not object to the concept of prohibiting subsidies for drainage of wetlands. Rather, they object to a congressional prohibition for this purpose. But we believe our Nation's wetlands will be afforded greater protection by congressional enactment of the Whitten-Reuss amendment than by the vagaries of an administrative decision.

I am happy to report that on May 2, 1974, the OMB, and on May 3 the Agriculture Department, wrote to us and said that upon reconsideration they "would have no objection" to the "continuation" of the Whitten-Reuss amendment.

On May 3, 1974, we asked the Interior Department to review the Agriculture Department's expenditures for other types of wetlands to assure that lands valuable for wildlife not be drained with Federal funds. We also asked Interior for its views on whether the Whitten-Reuss proviso should be broadened to prohibit the Federal expenditure of funds to drain other wetlands in addition to types 3, 4, and 5, such as types 1, 2, or 7, which in some parts of the Nation can be very useful to our wildlife resources.

The Appropriations Committee, unlike the administration, fortunately believes that continuation of the Whitten-Reuss amendment and the Water Bank Act program is in the national interest. Many State fish and game agencies, such as the Minnesota Department of Natural Resources, the Maryland Department of Natural Resources, and the Louisiana Wildlife and Fisheries Commission, environmental groups such as the Lafayette Area Sportsmen's Club of Louisiana, and many citizens wrote to us and to many of our colleagues to continue these items. I am certain they will appreciate the committee's dedication to wildlife protection.

Mr. SARASIN. Mr. Chairman, I rise in support of the amendment being offered to H.R. 15472, which will restore the funds to the Federal Trade Commission for their investigation into the possible antitrust activities of the eight largest oil companies.

In my weekly district forums and in my mail, I am asked continually by my constituents if the energy crisis is in fact for real or is it merely a created tool of the oil industry so that they may raise their prices.

The action of the House Appropriations Committee deleting the funds is an absolutely incomprehensible act in view of our Nation's present needs. The amendment today would allow the FTC to continue their study, with the necessary equipment, so that the worries of America's consumers will be alleviated.

With what this country has been through with petroleum prices and practices in the past year, it is nothing short of outrageous to tie the hands of the consumer's advocate in these legal actions. The potential value of this litigation to the consuming public is far greater than the $650,000 requested to pursue the case.

The energy crisis may not be quite as painful right now as it was at the time of the long gas lines and cold houses last winter, but that is no reason to abandon those halting steps we did take toward establishing some sort of meaningful national energy policy. We are still going to be faced with a number of complex questions about energy and we need all the information we can get.

Mr. BROTZMAN. Mr. Chairman, due to official business in my district, I unfortunately will not be present on the floor for the final votes on this important piece of legislation, the Agriculture/Environmental and Consumer Protection appropriations for fiscal year 1975. However, at this time, I would like to voice my support for this bill, and briefly explain why I believe its passage is so important.

In the first section of the bill, which deals with agriculture appropriations, funds are provided for agricultural and economic research, animal and plant inspection, housing for farm families, and agricultural stabilization and conservation services. In addition to simply providing for financial support for these programs, the bill provides incentives for technological advancement in these areas by assisting with the development and construction of agricultural laboratories, and research and development centers at the State and local level.

One of the most important provisions of this section is the continued financial support of the Commodity Credit Corporation. By increasing the funding of this program over what it was in fiscal year 1974, the Commodity Credit Corporation will be enabled to improve its efforts to stabilize farm income and prices, and to maintain an adequate supply and distribution of agricultural products for the American consumer.

The second section of this bill, to which I lend my unqualified support, is the increased level of funding for environmental programs. This section of the bill also allocates funds for energy research and development programs which include environmental control requirements related to energy extraction, conversion and use of energy resources, and development and demonstration of techniques to control associated pollutants. Through this provision, the bill helps to guarantee that this country will be able to extract its vitally needed energy resources without damaging the surrounding environment, which is of the greatest concern to so many of the citizens of Colorado and the Nation.

The third section of this bill deals with programs specifically designed to protect the interests of the American consumer. The Food and Drug Administration, the Consumer Product Safety Commission, and the Federal Trade Commission are a few of the indispensable consumer agencies provided for by this bill.

Mr. Chairman, these agencies provide, for the American consumer, invaluable information about the American marketplace, as well as guidance on how to operate within the marketplace in the most economical manner. They have also been a firsthand source of important information on consumer safety and personal nutrition.

I heartily congratulate the Appropriations Committee for drafting a responsible and worthwhile piece of legislation that meets so many of the needs of the citizens of this country. I am sorry that I cannot be here to cast an affirmative vote for final passage.

Mr. FRASER. Mr. Chairman, I note with interest that the Appropriations Committee has chastised the Federal Trade Commission for tardiness in responding to the information needs of Congress. However the Appropriations Committee is likewise tardy in responding to the information needs of Congress. There are many important issues contained in the agriculture-environmental and consumer protection appropriation bill. I am sorry that the committee's report was not available until so late.

Twelve of our colleagues on the Appropriations Committee have dissented from the bill's report, however. They quite rightly criticize the mutilation of the line of business reporting permission which the FTC received from the Congress in the Alaskan pipeline bill. While funding for the program has been continued, the Appropriations Committee has imposed such stringent limitations on the actual information gathering that the program will be useless.

The original purpose of line-of-business reporting was to enable the FTC to have complete information on the various and diverse products that are produced by conglomerates. It is the 500 largest firms, by asset size, which have the most varied product lines. Therefore it is only logical that the FTC, with its limited resources, examine these companies.

The Appropriations Committee has destroyed any usefulness for this program. They have changed the number of firms reporting on their lines of business of 250. But more amazing, these 250 firms are to be selected at random from the 200,000 to 250,000 companies in the United States. The odds of selecting just one of the top 500 firms is small.

The committee states that getting information on the lines of business of the largest firms is a "fishing expedition." That is ridiculous. The line of business reporting must ascertain what is the degree of concentration of conglomerates in the various product categories.

Currently a conglomerate need report its line of business as just 1 of 31 categories. We can be certain that the R. J. Reynolds Co. does not report in the food categories. Yet it produces Chun King products. Surely food is not the major product of the Reynolds Co., but their concentration in the Chinese food industry in this country must be quite high.

It is a simple fact of American economic life that most of the conglomerates are big companies. No one is saying that their mergers are per se bad. But we need to know how the conglomerates are affecting the degree of competition in various industries.

Another blunder made by the Appropriations Committee is the refusal to give adequate funding to the FTC for its antitrust actions against the energy companies. We have a modern day example of David fighting Goliath whenever the FTC files suit against the giant companies. The committee does not even want us to fund the slingshot.

Mr. Chairman, I hope that the myopic approach of the Appropriations Committee will be corrected by passage of amendments restoring both the funds and the full authority to have an adequate line of business reporting program.

If we are paying more than lipservice to our concern for the consumer and small business, we must have an active FTC. Our best hope in fighting inflation is to restore reasonable competition in our economy.

In conclusion, I will paraphrase the committee report and hope that next year the Appropriations Committee will supply both the bill and report in a timely fashion so that the House can adequately study these important funding decisions.

Mr. PASSMAN. Mr. Chairman, the $3 million for cotton research, provided for in this year's agricultural appropriations bill is essential to the total research effort being conducted by the cotton industry.

Cottongrowers have been putting up $1 per bale for research and promotion. This money combined with federally appropriated funds, for research, has enabled this industry to make significant progress in the development of new techniques that would lower production cost as well as developing new and improved cotton products for American consumers.

The research generated by these funds runs the entire gamut.

In the area of insect control, an economic synthetic sex attractant for male pink bollworms has been developed that promises to be an ecologically sound method for controlling this pest that our Western growers have been fighting for years.

Also, research that will lead to lowered chemical application to cotton with increased ecological protection is now underway.

Integrated seed cotton handling systems that offer significant savings have been successfully developed by Cotton Inc. Harvesting efficiently is increased in the field and handling efficiency at the gin. This system is commercially on stream and something over 500,000 bales were stored utilizing this newly developed system.

Short season cotton is a cultural concept involving many elements. The benefits are cost savings, resulting from fewer herbicide and insecticide applications, reduced irrigation, and once over harvesting.

In the area of product development, through intensive research, cotton fabric can now be made fire retardant. A joint research project with a major textile mill led to the successful commercialization of earlier technology developed by USDA.

Further research has resulted in technology making the process more efficient as well as making the flame retardant finish more durable under repeated washings. Another research project has successfully solved the new fire retardant requirement covering cotton batting in mattresses and furniture.

The research developments I have referred to are only part of the program being conducted today by cotton. Projects offering even greater opportunity lay ahead, but research costs money, and if this industry, that is vital to our Nation, is to continue to move ahead in developing programs that will render benefits not only to the cotton industry, but contribute to a cleaner environment as well as offer consumers better products, they must not be denied the funds appropriated by the bill.

Mr. du PONT. Mr. Chairman, earlier today I spoke on an amendment I introduced to reduce the amount of the agriculture appropriations bill by $700 million.

Due to the limitation of debate, there was no opportunity for detailed discussion of my proposal before it was voted upon. I was sorry to see my proposal lose on voice vote.

Mr. Chairman, I do not believe we can continue to spend and spend without continuing to erode the purchasing power of the consumer's dollar.

Because of this belief, I voted against the entire bill. Obviously I support many of the programs funded in the bill—EPA funds, FHA loan programs, the food stamp program to name a few. But a 27-percent increase is just too much—it is irresponsible and will inevitably lead to even greater inflation in the years ahead.

Mr. ADDABBO. Mr. Chairman, I rise in support of the amendment offered by the gentleman from California (Mr. ROYBAL).

The amendment speaks for itself:

> SEC. 513. None of the funds appropriated or made available pursuant to this Act, and no local currencies generated as a result of assistance furnished under this act, may be used for the support of police, or prison construction and administration within South Vietnam, for training, including computer training, of South Vietnamese with respect to police, criminal, or prison matters, or for computers or computer parts for use for South Vietnam with respect to police, criminal, or prison matters.

The hearings have shown that South Vietnam has attempted through the use of Public Law 480 funds to circumvent the mandate of Congress. This prohibition was written into the Foreign Assistance Act last year and I believe it should again be spelled out to declare the mandate of Congress. Agriculture programs are people and not police states, or activities or use for defense funds.

I urge the adoption of the amendment.

Ms. ABZUG. Mr. Chairman, I rise in support of these amendments. Congress created the Federal Trade Commission as an independent agency designed to serve the interests of consumers. Now, according to the Committee on Appropriations, it seems that the FTC is supposed to serve the interests of big business. As it now stands, H.R. 15472, grants to the Commission its requested $305,000 for the line-of-business study, yet the committee has dictated how and to what extent the Commission should investigate our large corporations. Since when does a committee of Congress change the intent of a bill already passed? I am referring to the Alaska pipeline bill, which mandated the line-of-business study in its original form and scope.

This Congress, so often a friend of big business, may once again forget about the individual consumer. If the FTC cannot obtain a breakdown of corporate profits on a product by product basis, and if it cannot even investigate the 500 major U.S. corporations, how else are we to get to the bottom of the secret deals and combinations which conspire to raise prices to intolerable levels?

No less reassuring is the Appropriations Committee's obliviousness to an even more pressing need—I refer to the FTC's request of $650,000 for a computer based data retrieval system. This computer is desperately needed for the current FTC suit against the eight major oil companies. If the companies are expected to furnish the Commission with about 3 million documents, the Commission must be able to store this information in an efficient and accessible manner. Indeed, I already fear that rising costs may endanger the Commission's ability to maintain the suit. If we do not approve the request for $650,000, we may never begin to know the truth behind our recent energy crisis: why, for example, fuel prices have risen at the expense of the consuming public while the profits reported by the oil industries for 1973 reflect increases from 27.7 to 60 percent over the previous year.

In addition, I am in favor of appropriating the $364,000 needed by the FTC to complete its energy study. In our many discussions this past year on the energy crisis, I think we all agreed that our primary need was complete and reliable information on resources and profits of the coal, gas, and nuclear industries, among others. Without such data, it will be impossible to legislate in the public interest in an informed and intelligent manner.

Mr. Chairman, I support these amendments and urge their passage—the FTC must be free to do its work, and to help us do ours, in behalf of consumers, not conglomerates.

Mr. CHAMBERLAIN. Mr. Chairman, while section 314 of the 1972 Amendments to the Federal Water Pollution Control Act authorized $150 million for fiscal year 1975 to restore the quality of eutrophic lakes, it is noteworthy that that same act had authorized $50 million for 1973 and $100 million for 1974—and during this entire period, the administration chose not to request funding.

Last year, efforts were again made to provide startup funds for the clean lakes program, but EPA felt funding would be premature since EPA was only in the process of developing a program to carry out their restoration.

The conference report on the 1974 appropriations bill urged EPA to get on with their work in this area—and today the EPA indicates it will have a program completed by the end of this calendar year. Again, EPA chose not to request funds for the clean lakes program. The Appropriations Committee, however, is recommending that $75 million be appropriated to provide grants for sewer systems under the authority of section 314 of Public Law 92-500, so that we can at least get something started in the way of cleaning up our lakes—and for this, I would commend the committee for addressing what is a most critical problem.

Communities throughout the country have not known where to turn for assistance to clean up lakes, especially those lakes which serve as a multipurpose recreational facility for thousands upon thousands of people who would not necessarily be able to help pay for costly measures to clean up such lakes.

In Michigan's Sixth Congressional District, Lake Lansing, just a few miles from Michigan's capital city, serves a metropolitan area of more than 250,000. The Lake Lansing Lake Board, together with Michigan State University with its resources of scientific records of the lake, dating back for several decades, has been knocking at EPA's door since August of 1970, trying to work with the Federal Government to develop a program to clean up this lake and to study the effects of the cleanup so that other communities might have the benefit of their experience and data. Our efforts thus far have been to little avail. And I am sure that there are many lakes with like eutrophic conditions, and without such tremendous scientific resource at hand, who would welcome data from such a demonstration program.

It has been reported that EPA intends to request a supplemental $3 million to support a pilot lake restoration program in fiscal year 1975, but, this is too little and too late.

In this appropriations bill, we direct $75 million to lake cleanup, but earmark those funds for sewer systems. There is no question that sewage is a significant nutrient source contributing to lake eutrophication. But what about farm drainage, or pesticides, fertilizers, and and silts flushed into our lakes. What about lakes already choked with weeds and sludge? Why are we earmarking $75 million to a point of origin problem to help stop additional pollutants, and yet we take no action to actually clean up the lakes already polluted?

As I read this bill, we are earmarking the $75 million to the clean lakes program, only for sewer systems. And, I agree that eliminating known point of origin pollutants from human sewage and industrial wastes is, indeed, a positive first step. But it is not enough. Greater emphasis should be given to actually cleaning up our dying lakes—or figuring out how to eliminate the diffuse wastes that are killing them off from any one of a number of sources.

Because I feel strongly that we must get the clean lakes program operating, I would urge my colleagues to support this appropriation, but I would feel much better if the committee hadn't been so restrictive in the purpose for which it feels this $75 million should be expended.

And, I might add, I think everyone concerned about cleaning up our lakes would have been more encouraged if EPA had requested demonstration funds for lake cleanup in their appropriations request—rather than as an afterthought—in a supplemental request that may or may not be forthcoming.

To date, the clean lakes program has existed on paper only. Hopefully, with our action today, we may be getting started to work on the real problem.

Mrs. BURKE of California. Mr. Chairman, I would like to voice my deep concern over recent direction of our Food for Peace program. The intent of this program is clearly humanitarian: it was established as a nonpolitical means to aid the world's starving poor with our surplus agricultural production. Yet today that intent seems to have been ignobly perverted.

In the most recent fiscal year, almost half of the total resources of the Food for Peace program have gone to but two countries with less than 1 percent of the world's population—Cambodia and South Vietnam. Incredibly, figures that have recently come to light indicate that these massive amounts have not been used for the intended purpose of relieving human suffering, but as an underhanded means of financing the respective war efforts of the Thieu and Lon Nol regimes. In 1973, for example, over 40 percent of the entire South Vietnamese military budget was provided through local currencies generated by local commercial sales under the Food for Peace and commodity-import programs.

While Congress has acted to restrict the use of these local currencies to nonmilitary purposes, the tremendous size of the South Vietnamese and Cambodian programs would allow these latter governments to divert needed resources from their own economic and agricultural development programs to the war effort.

At the same time, the resources of the program have not been applied where they are needed most. For more than 5 years drought and famine have taken a hard toll in northern, central, and western Africa. Millions are threatened with total starvation unless this country makes a substantial commitment in terms of direct assistance in the form of both emergency food commodities and funds for economic development.

The situation in the Sahel region of Africa is particularly severe. The six countries of the Sahel—Mali, Chad, Niger, Mauritania, Senegal and Upper Volta—cover an area which is approximately 60 percent of the United States. In these countries the drought not only continues but is worsening. It is estimated that the Sahara Desert is encroaching upon the region at the rate of more than 30 miles per year. The unavailability of grain is so severe that even the livestock, upon which the population must depend for much of their nutrition, are starving to death.

The question arises: Why do we provide subsidized and underpriced wheat to the Soviet Union, but next to nothing to the starving masses in the Sahel? I can only hope that it is not because this country places less value on the lives of black people.

I believe a careful examination of our foreign aid policy suggests that our motivation for giving is more directly tied to political considerations than humantarian ones. The low priority commitment to Sahelian Africa is not paralleled in other regions that contain large reserves of oil, chrome and other needed raw materials.

Regardless of the requirements of our foreign policy, the purpose of the Food for Peace program is to provide basic nourishment for those whose survival is threatened because of the unavailability of food. It is essential that this noble purpose not be further debased by allowing the inequitable distribution of the program's food resources.

The administration's priorities in Indochina has seriously threatened the validity and integrity of this program. Unless we place a ceiling upon the amount of funds going to Indochina the program will become another suspect method of subsidizing military objectives and neocolonialist efforts in Asia. We do not need to cut off essential aid to Indochina, but by placing a ceiling on this aid, it will insure a more equitable distribution of resources to those in genuine need.

At a time of widespread starvation throughout the world, particularly in the drought-stricken area of the Sahel, we cannot afford to engage in the politics of famine.

Mr. KOCH. Mr. Chairman, I rise in opposition to Mr. ANDERSON's proposed amendment, though we are in accord that some college students undoubtedly abuse the food stamp program by subscribing to it illegally. A May 27 story in the Chicago Sun-Times reported that some students are allegedly forging their parents' names on the parental income statement. Other students do not report money received from their parents as income. These actions are now illegal under the Food Stamp Act. Individuals found guilty of such violations should be prosecuted to the full extent of the law. They are doing a great disservice to all those legally participating in the program, as well as to all American taxpayers.

However, the truth is, that we have no idea how widespread this practice is. Just last week, Senator McGovern, for the Senate Select Committee on Nutrition and Human Needs wrote to the Department of Agriculture requesting statistics pertaining to the number of students enrolled in the food stamp program. As I understand it, no such statistics exist, and so we have no idea of the breadth of the cheating amongst college students.

In my opinion, Representative Anderson's amendment is an overreaction to a problem whose dimensions area as yet undefined. Many students are truly dependent on the food stamps they receive, and would suffer hardships if they were discontinued. The Anderson amendment puts a blanket restriction on all students listed as tax exemptions by their parents, regardless of their need for assistance. Were this to be enacted, the people who would suffer would be those who need the help. This restriction would do more harm than good.

I also believe that the proposal invidiously discriminates against college students. It does not cover the millions of 18- to 21-year-olds whose parents list them as tax exemptions, who are not attending college. Most of these young people are wage earners, and would probably be better able to help themselves than college students paying the ever-rising tuition costs.

What should be done, instead of excluding so many needy people from the food stamp program, is to increase administrative allocations for food stamp agencies so that they can devote more time to ascertaining and eliminating the cheats and ineligibles. Administrative funds for the food stamp program are ridiculously low. Last year the Federal Government only contributed 1 percent of the cost of the program for administrative expenses. According to Senator McGovern:

> Such a situation does not give the program a fair chance to work efficiently—to do the outreach required to reach all those needy who are potentially eligible, and to do the investigation required to weed out those ineligible.

The discrimination against college students as proposed in this amendment is unfair, and I believe unconstitutional. Whether a person attends college or not should not determine his or her eligibility for public assistance. I urge my colleagues to oppose this amendment.

Mr. SCHERLE. Mr. Chairman, a great deal of discussion has prevailed concerning the introduction of legislation affecting the position of the FDA. I would submit the attached for general information regarding this subject matter:

Food and Drug Administration,
Rockville, Md., June 18, 1974.

Hon. William J. Scherle,
House of Representatives,
Washington, D.C.

Dear Mr. Scherle: Enclosed as you have requested is a copy of the Secretary's report on H.R. 922 and H.R. 1171, bills "To amend the Federal Food, Drug, and Cosmetic Act to revise certain requirements for approval of new animal drugs."

Sincerely yours,
Alexander M. Schmidt, M.D.,
Commissioner of Food and Drugs.

Department of Health,
Education, and Welfare,
June 18, 1974.

Hon. Harley O. Staggers,
Chairman, Committee on Interstate and Foreign Commerce, House of Representatives, Washington, D.C.

Dear Mr. Chairman: This is in response to your request for reports on H.R. 922 and H.R. 1171, bills "To amend the Federal Food, Drug, and Cosmetic Act to revise certain requirements for approval of new animal drugs."

H.R. 922 and H.R. 1171 would amend the anticancer clause in section 512(d)(1)(H) of the Federal Food, Drug, and Cosmetic Act, which deals with new animal drugs and medicated feeds. Similar clauses exist in the food additives and color additives sections of the law but these would not be amended by either bill. All three clauses prohibit the approval of any food additive which causes cancer in man or other animal, except that, under an amendment to the Act by the Drug Amendments of 1962, an exception is provided in the case of carcinogenic ingredients in animal feeds if the animal is not harmed and if no residues of the drug may be detected by prescribed or approved methods in edible portions of the animals.

Both H.R. 922 and H.R. 1171 would expand this exception by providing additional circumstances under which use of carcinogenic animal drugs in food animals may be allowed. The effect of H.R. 922 is to allow residues of such drugs in food for human consumption if they are not "cancer inducing." Similarly, H.R. 1171 would permit such residues if it has been shown, by scientific tests considered appropriate by the Secretary, that the amount or form of such residues will not induce cancer in humans.

At present, the Department of Health, Education, and Welfare lacks the scientific information necessary to establish no-effect levels for carcinogenic substances in animals in general and in man in particular. In the absence of such information, we do not believe that detectable residues of carcinogenic animal drugs should be allowed in the food supply.

The Department has encouraged qualified scientific agencies and organizations to undertake comprehensive studies and analyses of the several anticancer clauses of the Act. In addition, the Department itself has devoted considerable effort to expand current knowledge in this area. One such effort is our National Center for Toxicological Research (NCTR), which will assist in development of scientific data to support an accurate determination of the degree of risk to an animal population from long-term, low-dosage exposure to various substances, and may eventually enable us with confidence to extrapolate that risk to human experience. The NCTR program is designed to increase our knowledge through the orderly establishment of appropriate experimental designs and toxicological tests, statistical methods for comparison of lower doses to those practical in safety evaluation, and experimentation in comparative pharmacology, metabolism, and pathology which will support the appropriateness of extrapolation. The Department is also the leader in a major national effort to discover the fundamental mechanisms of carcinogenesis.

Through these efforts, it may someday be possible for the Department to establish levels at which residues of carcinogens can safely be tolerated in human food without risk of cancer to humans. Until the necessary scientific cata base exists to establish such levels, however, we oppose enactment of legislation such as H.R. 922 or H.R. 1171 to amend or even repeal one or all of the anticancer clauses of the Act. Enactment of such legislation would have no effect on current Department policies since, under the present state of scientific knowledge, the general safety provisions of the Act would not permit this Department to allow detectable residues of carcinogenic animal drugs in human food.

The Department has supported wide public discussion of the benefit-risk issues involved in the anticancer clauses of the Act so that societal judgments and values can be incorporated into the regulatory mechanism by which it is decided which chemicals will be allowed in food. Difficult decisions are quite likely to confront us in the future since new agricultural and food manufacturing practices, many involving new chemical entities, will increasingly be relied upon to achieve expanded food production. It is conceivable that it may someday be necessary to abandon current policies reflected in the anticancer clauses in favor of an alternative accommodation between benefit and risk. Although we do not believe that the anticancer clauses—or the Department's policy under the general safety provisions of the Act—have had any deleterious effect on the food supply, the day may come when the knowledge base may be available so that the Congress will be in a position to permit exceptions from present law for additives which may be carcinogenic but are found to be of great importance to the food supply.

The Department therefore recommends against enactment of H.R. 922 and H.R. 1171 since enactment of legislation to amend the anticancer clauses is premature considering the present state of scientific knowledge and the lack of public consensus as to the wisdom of changing current policies concerning carcinogens in food.

We are advised by the Office of Management and Budget that there is no objection to the presentation of this report from the standpoint of the Administration's program.

Sincerely,
(S) Caspar W. Weinberger,
Secretary.

Ms. ABZUG. Mr. Chairman, during a strike, worker's expenses stay the same. He cannot make deductions for food and clothing and he certainly cannot get tax relief over a number of years if his losses grow large. Food stamps would help to alleviate this imbalance by subsidizing some of a worker's expenses.

Since food stamp eligibility is quite restrictive, the vast majority of strikers do not receive them anyway. Often only 10 or 20 percent of the workers can qualify. Those who do are those really in need. Simple justice demands that we see to it that a workingman's family does not go hungry.

The strike is recognized as a legitimate right of working men. Prohibiting food stamps is a punitive measure, one that expresses a disapproval of the collective bargaining process. Business and labor should settle their disputes on the merits of the issues and not on whether or not one side must submit in desperation.

The American worker bears a heavy load in taxes and provides a substantial portion of his income to pay for programs like food stamps. We cannot turn our backs on employees in a time when they need this program the most.

Mr. GAYDOS. Mr. Chairman, I rise in opposition to this amendment.

Once again, the Members of this House are asked to make a decision whether or not workers on strike shall be deprived of the benefits of food stamps, even though they demonstrate the need for such assistance which is required of all applicants, including indigents, families of felons, and hippies.

It is not my intention to review prior history, but rather to look into the future and to consider the effect that this amendment might have on the families of workers who go on strike.

It is interesting to note, however, that my friend and colleague from Alabama (Mr. DICKINSON), who last year sponsored this amendment, and pointed out the abuses by strikers in obtaining food stamps, indicated in his recent testimony before the Subcommittee of the Committee on Appropriations that he was pleased that the Agriculture Department is tightening up its regulations so that it will be more difficult for strikers to obtain food stamps. Such action by the Agriculture Department should prevent a repetition of those incidents of abuse which the supporters of this amendment have, on previous occasions, used as justification for this amendment.

On March 20 of this year, this body overwhelmingly, by a vote of 375 to 37, approved amendments to the Fair Labor Standards Act, which among other things, provided for the first time for the inclusion of domestics, perhaps the most exploited group of workers. This bill became law on April 8 of this year.

On May 30 of this year, less than 1 month ago, this body overwhelmingly, by a vote of 240 to 58, passed a bill to include within the jurisdiction of the National Labor Relations Act, the employees of nonprofit hospitals, another group at the lowest income level. This bill is now in conference.

I believe this House can take great pride in its attempts to improve the status of these particular groups of workers.

Yet, the amendment before us is, in essence, a request that this House take a step back and deprive workers who are engaging in the federally protected right to strike from their entitlement to food stamps with which to aid in feeding their families while on strike.

With reference to the employees of nonprofit hospitals, we may well see strike activity in the future as these employees attempt to negotiate collective-bargaining agreements with their employers.

I do not think it is the intent of this body to place restrictions on the rights of these employees when they attempt to raise their living conditions from their current marginal existence.

Additionally, there may be strikes in other sectors of our economy when workers attempt to alleviate some of the substantial loss in purchasing power of their wages which has resulted from the rampant inflation in our economy, inflation that, to date, the Federal Government has been unable to cope with and find a solution for.

It is interesting to note that just a year ago, President Nixon stated in instituting phase IV:

> The reason I decided not to freeze wages is that the wage settlements reached under the rules of Phase III have not been a significant cause of the increase in prices.

This is a clear indication that the American worker has tightened his belt to aid in the Government's attempt to stifle inflation. Despite this, however, inflation has gotten out of hand in the year following the President's remarks.

Now that the controls have been lifted, many workers who are overwhelmed with rampant inflation, despite their splendid sacrifices, will rightfully seek wage increases to compensate for the substantial erosion of the purchasing power of their wages. Are we to say that despite their past and present sacrifices, we will now obstruct their efforts to recoup their losses by denying nutrition to their family in the event they are forced to obtain their just demands through a strike? I think the answer is clearly "No," and that this Congress, consistent with its attempt to improve living conditions for domestic and nonprofit hospitals will not now take a step backward and deny the necessary nutrition to families of those workers who find it necessary to go on strike in order to realize the benefits that this Congress has provided for them.

Mr. ALEXANDER. Mr. Chairman, I rise today in support of this bill to make appropriations for agriculture, environmental, and consumer protection programs. At the same time that I would urge my colleagues to support this proposal, I feel compelled to insert into the legislative record some facts. Some of these are both disappointing and all too familiar to those of us who have worked long and hard to bring into reality the hope of improved housing, education, jobs, health and recreation opportunities sparked by the commitment to rural development the Congress has made repeatedly since 1970 by enacting laws and funding development programs.

And, some of the facts which I will mention may well come as a surprise to many of our colleagues from metropolitan districts.

I would begin by saying that while I support this proposal, I would emphasize here that the funding levels in the rural development programs do not represent the levels which I believe we need for fiscal year 1975. They are certainly not the levels which we must eventually reach if we are to turn the promise of the Rural Development Act of 1972 into something other than the political shell game this administration has made it.

Though I am not well pleased with the funding levels recommended by the committee, I believe that they are within the range of a feasible compromise between the needs for development and for budget control.

Before going on with this story which we have heard far too often in the past, I would like to emphasize as strongly as possible that the agriculture portion of this bill emphatically is not "just for the farmers and country people." Even if not a penny of these funds were spent outside the countryside, the work done with these funds in terms of improved and expanded food production, conservation of natural resources, and fish and wildlife enhancement would be of national benefit.

But, in fact, a great deal of the agriculture budget moneys are spent in metropolitan counties. In continuing my efforts to learn how much of the money we, here in Congress, appropriate goes to the countryside, I studied outlays in fiscal year 1973 for 62 Department of Agriculture programs. Forty-seven of these programs were crop, farm ownership and operating, or conservation of natural resources-related.

Outlays for these funding categories totaled more than $7.7 billion.

Metropolitan counties of the Nation are generally agreed to be the most densely populated in the Nation. While they may be well known for many fine things, agriculture and rural life is rarely if ever one of those things. Nevertheless, as the chart I would make a part of the record at this time shows, they are directly benefiting from Federal agriculture program spending.

Program funds spent in metropolitan counties—Total number considered 41

Number of funding categories:	*Present*
5	60–81
6	40–59.9
12	20–39.9
13	10–19.9
7	0–9.9

The 15 remaining funding categories were for community development and housing funding and grants. The percentage of funding going into the metropolitan counties is shown in the chart. I found it particularly interesting that 63 percent of the loans and 39.7 percent of the grants for farm labor housing went into metropolitan counties.

Program funds spent in metropolitan counties—Total number considered 15

Number of funding categories[1]:	*Percent*
1	60–81
0	40–59.9
8	20–39.9
2	10–19.9
5	0–9.9

[1] Four of the funding categories are salaries and expenses for Agriculture Stabilization Service, Cooperative Extension Service, Farmers Home Administration and Rural Electrification Administration.

Before going into the results which I have been able to develop in further analysis of where the funds for these programs go, I would like to take note of a number of matters which I believe we should consider in making decisions on funding for rural development programs.

Those of us who maintain a continuing interest in the performance of the executive branch, and the Department of Agriculture in particular, in implementing the Rural Development Act of 1972 have experienced nearly 2 long years of disappointment. We are repeatedly told that the responsibility for the low level of commitments in this fiscal year must fall on congressional shoulders because of the lateness of the date that the appropriations bill became law.

That is hardly correct. The bill became law on October 24, 1973, not even 4 months into the fiscal year. The following chart shows in four major community development program areas the numbers and total value of the loan and grant applications that have been received and those that have been approved for the Nation and for Arkansas:

U.S. DEPARTMENT OF AGRICULTURE, FARMERS HOME ADMINISTRATION

APPLICATIONS AND APPROVALS ON HAND, AS OF MAY 31, 1974

[Dollar amounts in thousands]

	Water				Waste				Community facility		Business and industrial			
	Loan		Grant		Loan		Grant		Loan		Loan		Grant	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
National:														
Applications	1,180	$496,738	549	$117,489	833	$416,386	476	$89,296	302	$127,178	1,138	$669,467	146	$30,102
Approvals	1,074	323,593	187	17,539	355	138,345	17	2,116	65	23,784	259	90,454	107	7,096
Arkansas:														
Applications	50	11,000	50	7,550	32	5,000	32	5,000	5	300	53	25,425	1	25ç
Approvals	46	6,396	5	315	15	3,312	5	3,315	0	0	4	2,937	0	0

In addition, the Department of Agriculture, apparently handcuffed by the omnipresent Office of Management and Budget, did not even bother to propose final regulations for the Rural Development Act programs until after that act had been law for a year.

Also, the administration has steadily reduced the number of personnel available to such agencies as Farmers Home Administration, the Soil Conservation Service and the Agricultural Stabilization and Conservation Service despite the responsibilities under the Rural Development Act and other countryside development programs.

These developments seem to be aimed at crippling the programs which the Congress has enacted as a commitment to the revitalization of the countryside. Another seriously detrimental habit indulged in by the OMB is impoundment. I would hope that our efforts to enact budget and impoundment control law will help relieve that situation.

I would make clear here that the criticism which I make here today and which I have made frequently in the past of the executive branch failure to properly implement the rural development programs is not a blanket indictment of all the departmental and agency employees who work with these programs. There are thousands of civil servants, I am sure, who are dedicated and who work many hours at trying to do the job right. That does not lessen the harshness of the criticism which I believe is so heartily and justly deserved by those in the administration who have continually taken an obstructionist's view of rural development programs.

The Congress enacted into law a commitment to a national balanced growth policy more than 3 years ago. Almost 2 years ago the Rural Development Act became law. Its enactment was meant to help implement the national balanced growth policy. We have funded the programs which the Rural Development Act authorized and we move here today to provide new funding.

I have worked long and hard to see these programs implemented. I am deeply disappointed in the failure of the administration to implement the countryside community development programs according to the law and to congressional intent· I am frustrated but I am not ready to throw in the towel. We have enacted good programs. Now we have to see that they are implemented.

The charts which I would insert in the RECORD today are similar to those which I have prepared for earlier appropriations bills. The percentage of funds which might be expected to go to rural areas are based on the supposition that at least as much of the outlays made from the fiscal year 1975 appropriations will go to rural areas as did the outlays in fiscal year 1973. I would point out that no reduction has been made in these figures taking into account what OMB might impound and refuse to allow to be spent. In many or most of the cases the loan funds involved should not be taken as the level of loans which will be made but as the amount of capital appropriated for a loan fund.

Also the spending categories in the chart are not all the programs involved in this bill. They are only the ones for which we have been able to devise a metropolitan-non-metropolitan county breakdown.

[Dollar amounts in millions]

Program	1975 committee recommendation	1975 estimate going to nonmetropolitan counties	1974 appropriation	Fiscal year 1973 percentage going to nonmetropolitan counties
AGRICULTURAL PROGRAMS				
Agriculture Stabilization and Conservation Service:				
Salaries and expenses	$256.2	$138.4	$245.0	54.0
Sugar Act program	88.7	59.1	88.5	66.6
Dairy and beekeeper indemnity programs	1.85	1.1	0.0	59.0
Cropland adjustment	46.8	21.1	50.3	45.0
Federal crop insurance	17.8	13.9	16.6	78.1
Farmers Home Administration—Loans:				
Farm ownership	350.0	320.2	350.0	91.5
Soil and water conservation	4.0	3.7	4.0	92.8
Recreation facilities	2.0	1.2	2.0	62.8
Farm operating	520.0	467.2	525.0	89.0
ENVIRONMENTAL PROGRAMS				
Soil Conservation Service:				
River basin surveys and invsetigations	14.1	6.8	12.3	48.0
Watershed planning	10.7	2.99	10.0	28.0
Watershed and flood prevention operations	122.6	76.5	157.6	62.4
Great Plains conservation program	20.0	18.6	18.1	94.1
Agricultural Stabilization and Conservation Service:				
Agricultural conservation program	225.0	178.9	175.0	79.5
Forestry incentives program	25.0	(1)	25.0	(1)
Water bank program	10.0	8.98	10.0	89.8
Emergency conservation measures	10.0	6.56	10.0	65.6

Program	1975 committee recommendation	1975 estimate going to nonmetropolitan counties	1974 appropriation	Fiscal year 1973 percentage going to nonmetropolitan counties
RURAL DEVELOPMENT PROGRAMS				
Rural Development Grants	$10.0	(1)	$10.0	(1)
Soil Conservation Service:				
Resource conservation and development	19.86	$12.6	17.2	$63.6
Rural Electrification Administration:				
Rural electric loans	650.0	489.4	618.0	75.3
Rural telephone loans	150.0	130.8	140.0	87.2
Rural telephone bank—loans	30.0	21.0	30.0	70.1
Farmers Home Administration:				
(Rural housing insurance fund):			(2,144.0)	
Low-to-moderate income housing loans	2,123.0	1,599.7	------------	75.4
Rural housing loans site development	5.0	4.9	------------	97.6
Rural rental housing loans	179.0	129.7	------------	72.5
Very low-income housing repair loans	20.0	18.3	------------	91.7
Farm labor housing loans	10.0	3.6	------------	37.0
(Rural development insurance fund):				
Water, waste and other community facility loans	670.0	[1]484.4	520.0	[1]72.0
Rural industrialization loans	300.0	(1)	200.0	(1)
Self-help housing land development fund	.9	.9	------------	100.0
Water and waste disposal grants	225.0	189.2	150.0	84.1
Farm labor housing grants	5.0	3.0	7.5	60.3
Mutual self-help housing grants	4.0	2.7	4.0	67.1
Business and industrial grants	10.0	(1)	10.0	(1)

[1] The programs by which this symbol appears either were not in operation in fiscal year 1973 or, in the case of the "water, waste and other community facility loans," program have been altered so that performance records are not available or the assumption is made in "water, waste and other community facility loans" that the performance will be at least as favorable under the new program as it was in fiscal year 1973.

Ms. ABZUG. Mr. Chairman, I rise in support of the amendment offered by Mr. Johnson of Colorado.

It is unfortunate, in my opinion, that we are being forced to deal with this issue in considering the Agriculture Appropriations bill. The question of food for peace and how it should be administered so that it fulfills the promise of its name would be better dealt with in the Foreign Assistance authorization and appropriation process. It does not belong in the Agriculture bill; it does not belong in any of the military billls. I hope that when the Foreign Assistance Authorization bill and its accompany appropriations measure comes before us next month, that we can deal with many of the other substantive issues not covered by this amendment.

But this amendment is valuable and I commend the gentleman for offering it.

While there are reports every day of new and more severe food shortages around the world, it is nothing short of murder to channel 50 percent of our Food for Peace resources to two countries, whose total population is less than 1 percent of world population.

According to the Nixon administration's presentment to Congress, Indochina was to receive, in fiscal year 1974, $206 million dollars. Even this figure, 20 percent of all funds available, is unbelievably large. But the actual figures spent in Indochina have more than doubled within this last year. Ten days before the end of fiscal year 1974, we find that $450.9 million has been spent on these two countries for Food for Peace.

Unfortunately in Indochina we might as well change the name of this program to "Food for War" or "Food for Police Equipment." Because, Mr. Chairman, it is not the U.S. Department of Agriculture which is responsible for setting the levels of Public Law 480 distribution to South Vietnam and Cambodia, it is not even the Agency for International Development, but rather it is the U.S. National Security Council. Mr. Chairman, the U.S. Security Council is doing the setting of priorities not on the basis of the needs of the refugees that the war has created, but based on something called "strategic security." While this may be boilerplate language, its real meaning becomes clear when you realize that under section 104 (c) South Vietnam has accumulated $1.2 billion for use in the "common defense including internal security."

Although there was a congressional attempt to limit the use of local currencies for military purposes, through the adoption of section 40 of the Foreign Assistance Act of 1973, its purpose may, and I feel will be, abrogated by fancy bookkeeping. This will happen because under section 104(c) there is a 10-year grace period before principal must be paid and because the law provides 40 years in which to repay the "loan" at 3 percent interest. Although technically this money may not be used for military purposes, it is clear that it will "free up" other money that can be so used.

With the severe food shortages now facing so many parts of the world, with the use of the Public Law 480 funds for military and police work in Indochina we should no longer tolerate the diversion of 50 percent of Food for Peace funds to two countries.

I urge the adoption of the Johnson amendment.

Mr. MICHEL. Mr. Chairman, first I want to commend and compliment the distinguished chairman of our subcommittee, the gentleman from Mississippi (Mr. Whitten), and the ranking minority member, the gentleman from North Dakota (Mr. Andrews), along with the other members of our subcommittee who have contributed so much to the development of this bill.

And, I want to extend those compliments as well to our Secretary of Agriculture, who has managed to keep a cool head and his good, old-fashioned horse sense during a time when so many other folks have not.

The bill we are bringing to you today is no small one. It is almost $3 billion over last year, for a total of nearly $13.4 billion.

Where are the increases? Nearly $1 billion additional goes to the food stamp program alone. The budget submitted by the Department was premised on complete, nationwide food stamp coverage, and increased participation in the program along with the mandatory semiannual upward adjustment of food stamp allowances to reflect food cost increases, mean a substantial jump in program costs.

The Commodity Credit Corporation and Public Law 480 take almost another $1 billion of the $3 billion increase. The CCC, of course, is the agency that ultimately gets the bills for the farm price-support programs, but there is a 2-year lag before we see those costs reflected in the budget or in our appropriation bill. So, the $4 billion plus that we have in this bill for reimbursement of CCC losses is actually for losses incurred through the farm programs in fiscal 1973. With CCC inventories at the lowest level in years, the next budget should show a substantial reduction in this figure.

But, I would also point out to my colleagues that once again our committee is playing games with the CCC reimbursement figure. You will notice that our bill is about $35 million below the total budget request, but if you will check page 40 of our committee report you will also notice that the figure in our bill for reimbursement of CCC losses is $180 million below the budget request.

If we had granted full reimbursement for CCC, our bill would be $145 million over the President's total budget request for all the programs in our bill, instead of $35 million under. Last year we shorted CCC in this way by about $156 million, and the year before it was $225 million. It makes no difference as far as the operations of CCC are concerned, because the Corporation has several million dollars of statutory borrowing authority to work with, but it does make our bill look better from the standpoint of always being just a little below the President's budget request. It is a phony cut, but despite the objections of some of us, our committee continues to resort to this gimmick on a regular basis.

And, while we are talking about farm price supports, I would like also to make the point that over 90 percent of the budget outlays of the U.S. Department of Agriculture in fiscal year 1975 will go for programs that are of primary benefit to the needy, consumers, businessmen and the general public, as opposed to programs predominantly for the stabilization of farm income, which will receive less than 10 percent of the Department's outlays in fiscal year 1975. This year, fiscal year 1974, the ratio was 90–10. Also, but the year before, fiscal year 1973, it was 66–34, by way of comparison.

Most of the remainder of the $2.8 billion increase is for rural development and environmental programs. Losses associated with the FHA rural housing programs account for $464 million over the fiscal 1974 level, and the Environmental Protection Agency and the agricultural conservation program received increases totaling nearly $160 million over this past year.

As to specific items in the bill, I will not presume to cover ground already so well covered by the chairman and my colleagues on the subcommittee, but I do want to highlight a few of the concerns some of us have over the conditions that exist with respect to the production of food in this country as we consider this bill today.

Agricultural markets have been operating like a see-saw lately, and I am afraid if it keeps bouncing back and forth like this some folks are going to be falling off. The livestock industry is being hit hard by high costs and falling prices, and now we are advised that poultry producers are finding their returns falling below the breakeven line, too.

Inflation and higher production costs are going to eat heavily into net farm income in 1974. Tight fuel and fertilizer supplies have pushed farm production costs toward the sky. Prices paid for farm labor, equipment, supplies, and interest on loans have increased right along with the prices farmers receive for their commodities.

Environmental restraints are forcing many farmers to refigure their production costs, too. The legitimate use of safe insecticides, herbicides, and antibiotics is a concern of everyone, but it may also lead to higher built-in costs of production.

What this all boils down to is that unless farm prices can somehow be stabilized above the farmers' cost of production, we are going to see another round of tight supplies and high prices, because when the farmer cannot make any money he is not going to produce—it is just that simple. Farmers do not want this, consumers do not want this—it is in no one's best interest. So, if we are smart we will all work together to find ways to keep our Nation's farmer in business producing food at prices consumers can afford to pay. It is our hope that the programs and the funds provided in this appropriation bill will in some measure work toward that end.

Mr. VANIK. Mr. Chairman, I would like to take this opportunity to commend the committee for its continued support of efforts to provide special assistance for the clean-up of the Great Lakes. Specifically, I am referring to the language on page 37 of the bill, lines 9 through 12 which provide that $100,000,000 out of $400,000,000 available to the Department of Housing and Urban Development for basic water and sewer facilities "shall be available for transfer to the Environmental Protection Agency to fund storm and combined sewer projects for the Great Lakes area."

As page 69 of the committee's report makes clear, the committee has consistently and persistently sought to require the administration to assist the Great Lakes States in meeting the staggeringly expensive problems of storm and sanitary sewer separation projects. To quote from the committee report:

> For fiscal year 1973, the Committee also directed the Department of Housing and Urban Development to cooperate with the Environmental Protection Agency in establishing procedures to make $100,000,000 of the frozen funds available to fund the Special Great Lakes Program. This program called for the construction of nine or ten sewer projects to study the cost/benefit of various systems to solve the problem of storm and combined sewers. However, these funds were never made available to EPA to fund this important program for cleaning up the Great Lakes.
>
> For fiscal year 1974, the Committee again recommended and the Congress approved, the carrying forward of the $400,000,000 of frozen funds and again directed that $100,000,000 of those funds be used to combat the problem of storm and combined sewers in the Great Lakes area. The committee has been advised that no use will be made of these funds during fiscal year 1974.

Specifically, Public Law 93–135, the Agricultural-Environmental and Consumer Protection Appropriation Act for fiscal year 1974 provided that $100,000,000 of these funds shall be available for transfer to the Environmental Protection Agency to fund storm and combine sewer projects for the Great Lakes area.

Also, as the committee's report for fiscal year 1974 pointed out, "regrettably, the Office of Management and Budget did not see fit to release these—fiscal year 1973—funds for this critically needed program." The committee's report went on to state that language was being provided in the fiscal year 1974 act "in order that this very important demonstration program may be carried out."

Yet in fiscal year 1973 and 1974, the administration ignored the committee's wishes and took no action to implement the $100 million Great Lakes program. Now we are considering the fiscal year 1975 appropriation bill—and once again the committee has requested HUD, EPA, and the Office of Management and Budget to work together to provide $100 million to help solve the problem of storm and combined sewers in the Great Lakes basin.

I note with interest that the committee report accompanying the bill before us today states:

> The Committee has recently been advised that EPA will soon be submitting a proposal to the Office of Management and Budget for a program to utilize the $100,000,000 for the storm and combined sewer problem in the Great Lakes area.

Mr. Chairman, my office has made repeated telephone inquiries to the Environmental Protection Agency throughout the late winter and spring of this year. Over 3 months ago, I was informed that EPA was in the process of writing the Office of Management and Budget to request the transfer of the $100,000,000 from HUD to EPA. We were assured that this transfer request would be made within several weeks. But the weeks went by and nothing was done. I hope that the assurances which the committee has received will be honored. I hope that they are more valid and certain assurances than I have been given.

Yesterday, there was good news concerning the basic water and sewer program. A number of suits had been lodged against the administration for impounding these funds. Our colleague from Pennsylvania (Mr. ROONEY) has been a leader in the effort to uphold congressional prerogatives. In a ruling from the bench yesterday, U.S. district court judge, the Honorable June L. Green, said that the administration's impoundment of the water and sewer funds had been improper. At the present time, an order is being drafted to reinstitute this important program.

In view of this development, I am hopeful that the intentions of the Congress will now be backed by the courts—and the $100 million as well as the rest of the basic water and sewer appropriation will be made available at the earliest possible date.

The Great Lakes need help as soon as possible; they cannot wait; their pollution problems continue nearly unabated and this money is needed immediately.

The special Great Lakes program is of vital importance. I do not have to describe to you the present condition of the Great Lakes, especially the lower lakes, Erie and Ontario. If we ever hope to revitalize these lakes, action must be taken now. According to the latest report of the International Joint Commission's Great Lakes Water Quality Board, pollution due to inadequate sanitary and combined sewer systems is a major problem in the water quality of the lakes. The special Great Lakes program would deal specifically with this important problem.

The Board also reports that no new programs have been implemented in the past year to reduce this pollution source. The Board recommends:

> That the U.S. Government be requested to utilize all reasonable means at its disposal to assure expeditiary completion of the following major municipal projects: Detroit-Metro, Michigan; Cleveland Regional Sewer District, Ohio; Buffalo, New York; Niagara Falls, New York; Duluth, Western Lake Superior Sanitary District, Minnesota.

Mr. Chairman, the enormity of the combined storm and sanitary sewer problem in the Great Lakes States is almost incomprehensible. According to the Environmental Protection Agency "Report to Congress on cost of construction of publicly owned waste water treatment works, 1973 Needs Survey," the cost of providing necessary storm and sanitary sewage separation in the Great Lakes States is absolutely staggering. The following is a statement of the costs of providing storm and sanitary sewage separation in the Great Lakes States:

[In millions]

New York	$2,980
Pennsylvania	1,589
Ohio	191
Illinois	1,375
Indiana	391
Michigan	843
Minnesota	325
Wisconsin	167
Total	7,861

Of course, Mr. Chairman, not all of these sewer projects would fall into the Great Lakes basin area. For example, I would estimate that most of the New York, Pennsylvania, and Indiana projects would serve either the watersheds flowing into the Atlantic or Mississippi. Nevertheless, it appears safe to assume that about $3 billion involve projects in the Great Lakes watershed.

In addition, Mr. Chairman, I seriously question the accuracy of the EPA figures. For example, in June of 1968, Cleveland, Ohio, did an estimate of the cost of constructing a sewer separation project in Cleveland, Newburg Heights, Garfield Heights, Cuyahoga Heights, and East Cleveland. It was estimated that the cost of the project in these communities—which in terms of population constitutes less than half of the population of Cuyahoga County and much less than half the population of the Cleveland standard metropolitan statistical area—was $948 million.

Since mid-1968, construction costs have risen dramatically. In a conversation with officials in Cleveland yesterday, I was informed that the cost of this necessary project would now approximate $1½ billion.

Mr. Chairman, I simply do not know how my own community of Cleveland, Ohio, can afford such an enormous project. I am sure that many other communities along the Great Lakes, especially some of the older industrial towns, simply cannot manage this problem without some financial assistance, some revenue sharing from the Federal Government.

Mr. Chairman, an additional point to consider is that the cleanup of the Great Lakes is a joint effort by the United States and Canada. On April 15, 1972, President Nixon signed an agreement in Ottawa with Prime Minister Trudeau to provide for increased Canadian-American cooperation in improving the quality of the Great Lakes. As of now, Canada is projected to serve 98 percent of its population with adequate water treatment by 1975, while the United States will only be able to serve 58 percent of its population with adequate sewage treatment. It apears that Canada will be very close to achieving the water quality objectives of the 1972 Ottawa agreement set for 1975 by the two nations. Yet the United States will be little more than halfway to the 1975 goal. We must do better to live up to our share of the agreement—as well as to insure the improvement and preservation of the Great Lakes for the millions of Americans who live along its shorelines. Of extreme importance then is to guarantee that the $100 million for the Great Lakes that we appropriate are used and used as intended.

Mr. Chairman, because of the importance of the Ottawa agreement and the obligation of the United States to live up to its international agreements, I would like to comment for a minute or two on the extent of our failure to live up to the 1972 agreement. A large number of my constituents are deeply embarrassed and angered by the failure of the United States to match the Canadian effort on the Great Lakes. Typical of a type of letter which I have received on this issue is one from Mr. Michael Fersky of South Euclid, Ohio, in my congressional district. Mr. Fersky asks a series of questions—very good questions—which deserve good answers:

Dear Congressman: A while ago the United States and Canada agreed to clean up Lake Erie and the other Great Lakes. The Canadian Government has kept its half of the bargain, but the United States has not cleaned up the lakes. Please tell me who was instrumental and responsible for the agreement with Canada, what money was supposed to fund this agreement, the reason for the breach of contract, and what is being done to remedy this situation. Thank you.

Michael Fersky.

South Euclid, Ohio.

There is no doubt that the United States has failed to keep pace with the Canadian effort. I would like to enter into the Congressional Record an article from the Wall Street Journal of January 16, 1974, entitled, "U.S. Falls Behind in Doing Its Share To Carry Out Agreement with Canada to Clean Up Great Lakes." As the article states:

But the U.S., it now appears, is lagging badly. Since the 1973 agreement Canada has provided funds for nearly three-quarters of its $250 million commitment. These funds have put 16 new municipal treatment plants into operation and extended or improved eighteen others. In the United States, on the other hand, while the government has provided $246 million for 115 projects, that's only 21% of the work the U.S. is supposed to do and none of the projects is now operating.

The Wall Street Journal article is also interesting because it provides some facts and figures on the Great Lakes:

Lake Erie, the dirtiest of all, absorbs the wastes of 12 million Americans—the brunt coming from Detroit, Cleveland, Erie and Buffalo.

Experts say Lake Erie is the most vulnerable to the effects of pollution because its waters are the shallowest and slowest moving of the five. In some places public beaches are closed, and the lake is often labeled "dead." Yet it continues to yield the biggest commercial fishing catch of the lakes.

It is obvious, Mr. Chairman, that Lake Erie, more than any of the other lakes, is in need of the type of assistance which the separation of storm and sanitary sewers could provide.

In addition, to the Wall Street Journal article of January, I would like to enter into the Record at this point an article from the April 17, 1974, Christian Science Monitor entitled "U.S. Lags in Great Lakes Cleanup." As this article indicates:

On the U.S. side, meanwhile, the program has been slowed by a wide range of problems, from administrative snafus to red tape to laxness by municipal officials in aggressively going after available federal funds and, according to some Canadian officials, to impoundment by Mr. Nixon of federal water-pollution control funds.

I would also like to enter in the Record an article by George Rasanen of the Cleveland Plain Dealer on April 8 entitled, "U.S. Trails Canada in Cleanup of Great Lakes." In this article, the Honorable Christian Herter, Chairman of the U.S. Commissioners to the International Joint Commission admits that administration impoundments "could slow U.S. efforts to clean up the Great Lakes." Ambassador Herter also admitted that the United States is behind Canada in meeting United States and Canadian commitments to improve the quality of the Great Lakes.

This article is also of interest, because it describes places in which water pollution efforts have improved the quality of Lake Erie. The IJC analysts for example, found improvement in the quality of Lake Erie near Vermilion, Mentor, Painesville, and Toledo where advanced treatment of sewage and other wastes is proving effective. Quoting from the article:

IJC studies did show Lake Erie's pollution has not grown worse since 1970.

That alone, analysts said, may attest to the soundness of remedial programs, despite economic growth on the U.S. and Canadian sides of Lake Erie.

For Cleveland, the IJC could not find significant improvement in the quality of the lake immediately off the city's shoreline.

"Perhaps the Cuyahoga River has been made fireproof, but our information now does not show significant improvement." Herter said.

Finally, Mr. Chairman, I would like to enter into the Record a memo to me from the Library of Congress regarding the United States-Canadian Great Lakes Water Quality Agreement. As this memo indicates:

While Canada has taken great initiative in meeting provisions of the Treaty, there has been some doubt as to whether the United States is fulfilling its responsibilities under the agreement.

Mr. Chairman, the United States has failed in its obligation to Canada. It is failing its own citizens. Action is desperately needed. I hope that this year, the committee and the Congress will insure that the $100 million provided for separation of storm and sanitary sewers is indeed made available to the communities along the Great Lakes.

I include the following:

[From the Wall Street Journal, Jan. 16, 1974]

United States Falls Behind in Doing Its Share To Carry Out Agreement With Canada To Clean Up Great Lakes

(By Leonard Zehr)

Niagara Falls, N.Y.—Every day, 85 million gallons of raw sewage from this city ("screened to remove a few lumps," says a state environmental official) pour out of two huge pipes at the bottom of the famous waterfall and are swept into Lake Ontario, 10 miles downstream.

But across the Niagara River at Niagara Falls, Ontario, all of that Canadian city's sewage—seven million gallons a day of it—is chemically treated, disinfected and then used to help drive hydroelectric generators at the falls before being released to flow harmlessly downstream.

That dramatic contrast, both Canadian and U.S. environmental officials agree, illustrates the different ways in which the United States and Canada have followed through on a joint Great Lakes clean-up agreement signed with much fanfare by President Nixon and Prime Minister Pierre Trudeau in April 1972.

Under the agreement the two countries committed themselves to having municipal sewage treatment plants for all major cities on the five Great Lakes completed or under way by the end of 1975. And they pledged to cut all Great Lakes pollution, whether from municipal, industrial, agricultural or other sources, in half by 1977.

But the U.S., it now appears, is lagging badly. Since the 1972 agreement Canada has provided funds for nearly three-quarters of its $250 million commitment. These funds have put 16 new municipal treatment plants into operation and extended or improved 18 others. In the U.S., on the other hand, while the government has provided $426 million for 115 projects, that's only 21% of the work the U.S. is supposed to do, and none of the projects is yet operating.

What especially irks Canadian officials is that by the end of 1975 they'll have kept their part of the bargain and all of their municipal sewage projects will be in operation, while many U.S. plants will be still under construction. That, one Canadian environmental official says, will be "like mixing a glass of clean water with a glass of dirty water. You end up with dirty water."

A VARIETY OF BOTTLENECKS

The United States, it must be noted, has a far bigger job to do than Canada. In a 1970 study that became the basis for the Nixon-Trudeau pact, the International Joint Commission, which supervises the lake waterways, estimated that upgrading municipal sewage plants along the lakes would cost $2.25 billion, with the U.S. share at $2 billion. That difference in spending, officials point out, is roughly proportional to the difference in the amount of pollutants that Canada and the U.S. dump into the lakes.

Environmental officials on both sides blame the U.S. delays on the Nixon administration's impoundment of water-pollution-control funds appropriated by Congress in recent years and on a variety of legislative and administrative bottlenecks.

The only area where both sides have made good progress in implementing the Nixon-Trudeau agreement is in reducing phosphate discharges—which are attributable mainly to detergents. In the first year of the agreement for instance, phosphate discharges into Lakes Erie and Ontario were to be reduced by 6,200 tons. The actual reduction was more than double that. This success is attributed by officials to crash programs in Ohio, Indiana, New York, Michigan and Ontario that restricted the use of high-phosphate detergents.

However, both sides missed the April 1973 deadline for adopting compatible regulations to control waste discharges from lake vessels, and it still isn't known when those guidelines may be drafted and accepted.

And there have been mixed results so far on curbing industrial pollution. The International Joint Commission's original study of the lakes estimated the cost of upgrading industrial waste treatment facilities might equal the $2.25 billion cost of municipal improvements. Since the agreement, Canadian industry along the lakes has put up about $20 million for some 120 projects.

Comparable figures for the U.S. aren't available, the EPA says. But it's certain the total exceeds that $30 million. And there have been some notable successes. One of the best examples is U.S. Steel Corp.'s South Works, near Chicago, where U.S. Steel will have spent $25 million before 1974 is over to provide treatment or recycling for some 95% of the water the plant uses. (The remaining 5% will go through the municipal system.)

In fiscal 1973 Congress appropriated $5 billion for construction of municipal sewage plants, but the Executive Branch gave the Environmental Protection Agency the green light to spend only $2 billion of those funds. Of that sum, only $300 million was allocated by the EPA for projects in the Great Lakes basin. Much the same thing happened in fiscal 1974. Congress authorized $6 billion for water pollution control expenditures, but the EPA is using only $3 billion. Of this, $450 million was set aside for the lakes, and much of it has yet to work its way down to the hardware level.

EPA plans for the $7 billion appropriation for fiscal 1975 haven't been detailed yet. However, President Nixon last week ordered $3 billion of this amount impounded.

A PAPER EXERCISE

Environmental officials in the eight states that border the lakes—New York, Pennsylvania, Ohio, Michigan, Indiana, Illinois, Wisconsin and Minnesota—aren't too optimistic. They think it will take a drastic increase in spending if the U.S. is to complete a fair share of the lakes project by 1975.

"We want to move at a faster pace than the federal government, but we can't under existing cost-sharing regulations," says John Beckman, a New York state assemblyman who's chairman of an eight-state committee on the lakes. New York, for instance, has approved 156 municipal projects, Mr. Beckman says, but federal funding has been made available for only 29. The federal government provides 75% of the cost of a municipal sewage plant, but the states are prevented from prefinancing the federal share and getting repaid later, Mr. Beckman says.

The state officials also complain of bureaucratic snarls. "It's a supercomplicated paper exercise getting the EPA to approve a grant," complains Eugene Seebald, a New York state pollution control official. Adds Ralph Purdy, executive secretary of the Michigan Water Resources Commission: "The legislation is more complicated than the problem we are trying to solve."

UNITED STATES STEEL CLEANS UP

The EPA, for its part, holds out some hope of being in at least technical compliance with the Nixon-Trudeau pact by 1975. Noting that the pact requires that the sewage treatment plants simply be under way by 1975, Carlysle Pemberton, the EPA's Great Lakes coordinator, says: "The U.S. fully expects to live up to its end of the pact. If a project has been financed but money not necessarily spent, that project can be considered to be under way."

Facts and Figures: Why Erie Is Dirty, Superior Is Clean

NIAGARA FALLS, N.Y.—The Great Lakes constitute the world's largest single reservoir of fresh water and 20% of the world's total fresh-water sppply. They're the hub of a large part of the continent's shipping industry—used for the movement of about $7 billion in cargo annually.

The boundary between Canada and the U.S. runs through the middle of four of the five Great Lakes—Superior, Huron, Erie and Ontario. The fifth, Lake Michigan, is entirely within the U.S. About seven million Canadians, or one in three, live around the lakes, compared to 30 million Americans, or one in seven. Industries around the lakes contribute 50% of Canada's gross National product and 20% of the GNP in the U.S.

The cleanest of the five lakes are Huron and Superior—both of which benefit from relatively thinly populated basins. Lake Michigan is relatively clean in open water, but is heavily polluted along its densely populated and industrialized southern end, near Milwaukee, Chicago and Gary. Lake Erie, the dirtiest of all, absorbs the wastes of 12 million Americans—the brunt coming from Detroit, Cleveland, Erie and Buffalo.

Experts say Lake Erie is most vulnerable to the effects of pollution because its waters are the shallowest and slowest moving of the five. In some places public beaches are closed, and the lake is often labeled "dead." Yet it continues to yield the biggest commercial fishing catch of the lakes. Lake Ontario, easternmost of the five, inherits the cumulative pollution of the system.

[From the Christian Science Monitor, Apr. 17, 1974]

United States Lags in Great Lakes Cleanup

(By Guy Halverson)

WASHINGTON.—The much-touted, 1972 Canadian-United States Great Lakes Treaty—designed as an imaginative dual attack on pollution in the lakes—has become partly waterlogged.

And the reason, grumble critics (especially some Canadian officials), is not difficult to pinpoint: tardiness by the United States.

Now, top planners on both sides are asking how best to step up the program to meet the original treaty deadlines—or at least come as close as possible to the original timetables.

The Great Lakes agreement was signed in April, 1972, by Prime Minister Pierre Elliott Trudeau and President Nixon.

Under terms of the plan, not only was all pollution on the five Great Lakes to be cut in half by 1975, but more importantly, all large cities on the lakes were to have major municipal treatment plants either under construction or finished by that date.

FACILITIES BUILT

Right from the outset the Canadians moved aggressively forward on the project. By early this year, they had built or modified some 34 treatment facilities—including 16 new ones.

All told, it is estimated that roughly 75 percent of all Canadian project funds have been met, in some cases with dramatic results, as treatment plants have eliminated or sharply reduced the flow of pollutants into the lakes.

On the U.S. side, meanwhile, the program has been slowed by a wide range of problems, from administrative snafus to red tape to laxness by municipal officials in aggressively going after available federal funds and, according to some Canadian officials, to impoundment by Mr. Nixon of federal water-pollution-control funds.

IMPOUNDMENT DENIED

U.S. officials, however, insist that impoundment has not been a factor in the slow U.S. program.

The huge Great Lakes system—Lakes Superior, Huron, Erie, and Ontario (all sharing borders with the United States and Canada) and Lake Michigan (entirely within U.S. borders)—has profound economic and environmental importance for both nations. Some 37 million people live around the lakes (30 million Americans, and 7 million Canadians), and the lakes basin accounts for an important chunk of the North American industrial base, particularly for Canada.

The U.S. congressional commitment to cleanse U.S. waters has been substantial. For fiscal years 1973 through 1975 Congress authorized some $18 billion. Mr. Nixon has impounded half that amount, releasing $9 billion.

ONLY A PORTION

Of this $9 billion total, only a portion reaches the Great Lakes basin itself. Carlysle Pemberton, Great Lakes coordinator for Region 5 of the Environmental Protection Agency (EPA) based in Chicago, says that at this point impoundment is not a problem, though it could well be later as available funds are used. For now, however, Region 5 (encompassing Minnesota, Wisconsin, Michigan, Illinois, Indiana, and Ohio) have some $2 billion available for water clean-up projects.

Mr. Pemberton, like other top EPA officials, argues that more than anything else, the U.S. delay can be attributed to administrative problems arising out of 1972 amendments to the Water Pollution Act.

POLLUTION LEVELS VARY

Just to erect a municipal-treatment facility, insist EPA officials, takes the combined expertise of literally scores of project planners, environmentalists, lawyers, government officials, and others—hardly a hasty process by itself.

Earlier this month, the International Joint Commission, the two-nation agency supervising the cleanup, conceded that pollution in the lakes likely will persist at least until 1979. The lakes themselves have different pollution levels: Lake Erie is assumed to be the worst; Lake Superior the cleanest.

Christian A. Herter, Jr., co-chairman of the commission, has said that some $1.1 billion has been spent on treatment facilities in the lakes region since 1971—$1 billion of that from the United States.

Treatment facilities or programs are under way at a number of key U.S. cities along the lakes, including Detroit; Duluth, Minn.; Rochester, N.Y.; Buffalo, N.Y.; Cleveland; and Niagara Falls, N.Y.

How many of these projects will be finished before the end of 1975—or even the late 1970's—now is the main question mark for EPA planners. It is hoped, however, that some facilities—such as the large Duluth, Cleveland, and Detroit projects—can be either finished, or at least well along by 1976.

[From the Plain Dealer, Apr. 8, 1974]

United States Trails Canada in Cleanup of Great Lakes

(By George P. Rasanen)

WASHINGTON.—President Nixon's impoundments of federal water quality aid, including more than $150 million for Ohio, could slow U.S. efforts to clean up the Great Lakes, Christian A Herter, Jr. of the International Joint Commission (IJC) conceded in an interview here.

In a surprising but cautious reaction, Herter admitted the United States was already behind Canada in meeting U.S. and Canadian treaty commitments to improve the quality of the Great Lakes, including Lake Erie.

He said Nixon's withholding federal aid authorized by Congress could further slow water quality projects over the next four to five years, but he insisted no evidence existed to show impoundments have had any immediate adverse effects.

Herter made his remarks in response to Plain Dealer questions following a semi-annual meeting of the IJC held here throughout last week.

The IJC is a U.S. and Canadian agency authorized by a treaty signed in 1909 to try to solve mutual problems between the two countries. Herter is the U.S. chairman of the IJC.

The IJC, following its private meetings here last week, had hoped to report that the quality of the Great Lakes was showing significant signs of improvement.

"Little can be definitely stated about changes in overall water quality because data analysts, interpretation and quality control will continue lagging behind information gathering until governments assign more resources to data analysis," the IJC reported officially.

IJC analysts did, however, find improvement in the quality of water in Lake Erie near Vermilion, Mentor, Painesville and Toledo where advanced treatment of sewage and other wastes is proving effective.

IJC studies did show Lake Erie's pollution has not grown worse since 1970.

That alone, analysts, said, may attest to the soundness of remedial programs, despite economic growth on the U.S. and Canadian sides of Lake Erie.

For Cleveland, the IJC could find no significant improvement in the quality of the lake immediately off the city's shoreline.

"Perhaps the Cuyahoga River has been made fireproof, but our information now does not show significant improvement," Herter said.

Major antipollution projects lagging behind completion schedules included waste water treatment plant improvements now under jurisdiction of the Cleveland Regional Sewer Authority.

Herter said the latest information shows that Cleveland antipollution projects are to be finished in 1978, with other major projects in Detroit and Buffalo to be finished by 1979.

About $7 billion in federal aid has been authorized for use by Great Lakes states for pollution projects. The funds, however, have not been released.

"I've been assured that the money will start moving out (to the states) in about two months," Herter said.

Herter said administrative procedures imposed by Congress have caused a holdup in federal funds being released to the Great Lakes states.

Rep. Charles A. Vanik, D-22, in response to Herter's claims, asked the General Accounting Office to examine and explain the delays in getting the federal aid to the states.

Maxwell Cohen, Canadian chairman of the IJC, said he was not qualified to make a judgment on Nixon's impoundments.

"I think the will is there for the U.S. to keep its commitments," Cohen said.

The 1972 U.S.-Canadian treaty to clean up pollution called for both governments to spend up to $8.8 billion to have antipollution projects under construction or completed by Dec. 31, 1975. Herter said the United States expected to have all projects under construction by the deadline, but the federal government is behind Canada in meeting commitments.

[From the Library of Congress, Congressional Research Service, Washington, D.C., Feb. 5, 1974]

UNITED STATES-CANADIAN GREAT LAKES WATER QUALITY AGREEMENT

To: Honorable CHARLES A. VANIK.

From: S. William Becker, Analyst, Environmental Policy Division.

TERMS OF THE AGREEMENT

On April 15, 1972, the United States and Canada signed an intergovernmental agreement committing themselves to a massive clean-up effort designed to enhance the quality of the Great Lakes. The program calls for the following:

(1) A commitment to construct municipal waste treatment facilities in all of the major cities of the Great Lakes region by December 31, 1975, in order to provide levels of treatment consistent with the achievement of specific water quality objectives.

(2) The establishment of treatment requirements to eliminate mercury and other toxic substances, control thermal discharges, and reduce the emission of radioactive materials from industrial sources of pollution.

(3) The control of eutrophication, the major pollution problem identified by the International Joint Commission (IJC) in a study of the lower lakes (1970). Both the United States and Canada agreed to a 60% reduction of phosphates in Lakes Erie and Ontario by 1976.

(4) Provisions to control pollution from a) agricultural, forestry, and other land use activities, b) shipping activities, c) dredging, d) onshore and offshore facilities, and e) oil and hazardous substances.

The International Joint Commission was assigned the following responsibilities of assisting the U.S. and Canada in implementing the agreement:

(1) Collecting and analyzing data relating to water quality in the Great Lakes.

(2) Monitoring the operation and effectiveness of the programs.

(3) Reporting annually to the participating parties and making appropriate recommendations.

(4) Conducting public hearings when necessary.

(5) Establishing the Research Advisory Board to review Great Lakes research activities at regular intervals.

As a result of the 1970 International Joint Commission study which became the basis for the agreement, the IJC estimated the total costs of upgrading municipal facilities to meet water quality objectives to be $2 billion for the United States and $250 million for Canada. These estimates were primarily determined according to the amounts of pollutants each country discharges into the Great Lakes.

CARRYING OUT THE PROVISIONS OF THE AGREEMENT

While Canada has taken great initiative in meeting provisions of the Treaty, there has been some doubt as to whether the United States is fulfilling its responsibilities under the agreement.

With regards to funding levels for municipal waste treatment projects in the Great Lakes Basin area, the EPA has provided through October 1973, approximately $426 million for 115 projects, roughly 21% of the original estimate. Canada, on the other hand, has allocated almost 75% of its original commitment of $250 million, placing 16 new municipal treatment facilities into operation and making improvements on 18 others.

A second area where the United States may have fallen behind in its responsibility concerns staff authorizations and funding. In its 1972 report on water quality of the Great Lakes, the IJC concluded that the U.S. "has provided insufficient staff authorization and funding for complete and effective Commission and Board activity to date and for fiscal year 1974. These circumstances have caused target dates to be missed on some activities and have seriously impaired the capability of the Commission and its Boards to report progress and make recommendations at this time". While Canada's procedures for hiring have delayed staffing thus far, the county has at least committed staff authorization and funds as recommended by the IJC.

A third area where U.S. efforts have lagged is in the control of wastes from pleasure craft. There are several areas in the Great Lakes region where adequate receiving (pump-out) facilities are lacking. A target date of April 15, 1973 was set for meeting this provision and neither country has fully complied. In its 1972 report, the IJC recommended that the Federal and State Governments of the two countries "formulate programs to ensure the prompt provision of adequate receiving facilities for both pleasure craft and commercial vessels and that agreement by the Governments on compatible regulations based on a no-discharge policy from all vessels be reached by December 31, 1973".

As you are probably aware, Acting Administrator of the Environmental Protection Agency, Robert Fri, issued a policy statement last year to the effect that all waste treatment projects in the Great Lakes area had to be given enough priority (under the priority system for distributing waste treatment construction grants) so that the project would receive 75% grants from the Federal Government. Those states failing to comply with the policy statement would not have their planning processes accepted by their regional administrator. The EPA policy statement met with such controversy among several of the Great Lakes states that bills (S. 2812 and H.R. 11928) were introduced in the House and Senate to remedy the situation. A law was enacted on January 2, 1974, amending Section 511 of the Federal Water Pollution Control Act Amendments of 1972 and providing the following (P.L. 93-243):

"Notwithstanding this Act or any other provision of law, the Administrator (1) shall not require any State to consider in the development of the ranking in order of priority of needs for the construction of treatment works (as defined in title II of this Act), any water pollution control agreement which may have entered into between the United States and any other nation, and (2) shall not consider any such agreement in the approval of any such priority ranking."

The intent of this law was to eliminate the pressure by the Environmental Protection Agency on the states bordering the Great Lakes (and Mexico) "to give precedence in the development of the ranking, in order of priority, of needs within that state for construction of those waste treatment works required to meet international agreements of the United States with other such nations." The amendment now permits a state to determine for itself whether it would be in its best interest to consider international water pollution control agreements.

A Great Lakes border state, wishing to carry out the provisions of the U.S.-Canadian water quality agreement, has at least three options available. First, the State may choose to include the Great Lakes project in a high enough priority so as to obtain 75% construction grants from the Federal Government. In doing so, however, the State risks the possibility of meeting the international obligations at the expense of people who live in areas removed from the drainage basins of the boundary waters, and whose project has received a lower priority. Secondly, as was indicated by Congressman Roberts (*Congressional Record*, December 18, 1973), the Public Works Committee "would certainly give favorable consideration to a proposal for legislation authorizing the construction and providing a source of appropriations for the necessary treatment works "to implement an international agreement.

According to Mr. Roberts, "This is not unlike other international agreements which our country has entered into and where either the President or the State Department has sought and obtained special legislation to carry out the requirements of international agreements." Thirdly, it was pointed out in House discussions on the proposed amendment that the problem of funding international agreements, such as the U.S.-Canadian water quality agreement, would probably never have arisen if the administration had funded the water pollution control program at the levels recommended by the Public Works Committee. Instead, the $9 billion impoundment of water pollution control funds over the past three years has eliminated funding of many "high priority" projects. At the present time, at least nine lawsuits involving fourteen plaintiffs have been filed in district courts against the Administrator of EPA over the failure to allot waste water treatment money to the states.

In summary, the major area where the United States is falling behind in its responsibility of meeting provisions of the water quality agreement with Canada, is that of funding municipal waste treatment facilities throughout the major cities of the Great Lakes states. Mr. ———— of the Environmental Protection Agency, has informed me (reinforcing previous discussions) that the major problem thus far in implementing the provisions of the agreement has been the inadequate funding levels. He emphasized, however, the long lead time in building municipal waste treatment facilities, and the "recent" (October 1972) expanded funding levels under the FWPCA.

Mr. CONTE. Mr. Chairman, I have no further requests for time.

Mr. WHITTEN. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

None of the funds provided by this Act shall be used to pay the salaries of any personnel which carries out the provision of section 610 of the Agricultural Act of 1970, except for research in an amount not to exceed $3,000,000; projects to be approved by the Secretary as provided by law.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: On page 3, line 16, strike the comma and insert in lieu thereof a period; strike lines 17, 18, and 19.

Mr. CONTE. Mr. Chairman, I rise to offer an amendment to strike all public funding for one of the most wasteful subsidies in our agriculture sector—the payment of $3 million to Cotton, Inc.

Cotton, Inc., is the publicity and research arm of the cotton lobby. But though it represents private interests, it has been very busy since special legislation was passed in 1970 "reeling in" tens of millions of dollars in Federal subsidies.

The arguments that justify this cotton boondoggle are threadbare.

This is another case of the Emperor's new suit of clothes. I hope my colleagues can see through the disguise and recognize that the Emperor, in this case "King Cotton," is making a streak for the public subsidy trough.

Last year, on both the agriculture appropriations bill and the extension of the Farm Act, Members of the House voted overwhelmingly to end this boondoggle. I urge my colleagues to repeat their votes of last June and July.

I recognize that in an agriculture bill, you need a little pork for flavoring. But this wallowing on the cotton lobby in the public trough has got to stop.

Mr. Chairman, of the big six commodity crops, cotton is the only one that receives Federal money for promotion and research. Thirteen million dollars of Cotton, Inc.'s budget comes from a $1-a-bale checkoff from cotton producers. But Cotton, Inc., does not spend this money.

Instead, Cotton, Inc., has preferred to spend its Federal subsidy money first, holding the private funds in reserve. At the moment, Cotton, Inc., has a reserve of approximately $10 million.

With this level of private resources, why is a Federal subsidy needed?

And why is a Federal subsidy needed when it is so misused?

Mr. Chairman, nearly 20 percent of Cotton, Inc.'s, budget is for staff and overhead expenses. Over 32 percent of salary expenses are for fringe benefits, none of which is paid by employees.

The top salary at Cotton, Inc., is $100,000 a year. An additional 14 employees earn over $30,000 a year. And I understand that there are discussions currently underway between Cotton, Inc., and the Department of Agriculture about raising these salaries.

Now I have heard the argument that these salaries are merely on par with the textile industry. That may be fine for the textile industry, but I am not going to make the American taxpayer pay for a penny of these exorbitant salaries.

Earlier this year, I supported the move to kill the salary increase for Congressmen. But now I am asked to appropriate funds for an organization where the top salary is more than twice mine. I will wear wool suits all summer in Washington before I vote a penny for Cotton, Inc.

I will not go into detail about Cotton, Inc.'s wasteful spending habits with public funds, because I am sure my colleagues recall the lurid details from last year's debates. Just to summarize, remember that Cotton, Inc., spent over $400,000 of taxpayers' funds for a private elevator, a private telephone system, cabinets, wall coverings, and granite flooring in the reception room for its offices in New York City.

Not only is Cotton, Inc., wasteful, but the cotton market situation rules out the need for public funds. In the past 5 years, despite increasing demands for fiber products, cotton consumption in the United States has decreased from 8 million bales a year to 7.6 million bales a year—a drop of 5 percent. Despite this decrease in domestic consumption, cotton prices are high and all the incentives are there to boost production. The oil shortage has given cotton producers an extra boost, because it has caused a shortage of those synthetic fibers that compete with cotton.

In my congressional district, there are half a dozen paper plants that use cotton fibers to make their fine paper products. But every week I hear from these plants that they cannot find any cotton fibers on the market to buy. So while there is a shortage of cotton available, the taxpayer is being asked to spend funds so the cotton lobby can find more customers and new markets.

Meanwhile, the price of cotton has grown like a weed. The wholesale price of cotton is 10 cents a pound higher than this time last year.

I hope my colleagues have followed the thread of my arguments, about the need to end public funding for Cotton, Inc. It should be ended now, so that Congress does not have to spin this same yarn every year.

I urge my colleagues to pass this amendment so that this cotton lint and waste can be combed out of this bill, and these subsidy-picking cotton hands can be plucked from the taxpayers' pockets.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

We have by law certain advantages declared fair by law, such as bargaining rights of labor unions, minimum wages, the right of industry to mark up its prices, protective tariffs, things of that sort. It has become increasingly necessary to protect the income of the producer of raw materials; otherwise he will be pushed to the point where he cannot stay in business.

As we have learned in the depressions we have had, if we lose purchasing power at the farm level, we certainly are going to feel it all the way through the economy. With respect to Cotton, Inc., as we know, the cotton industry for many, many years was in serious trouble.

Why? Because during World War II and the Korean conflict, the producer was urged to go all out in producing cotton. Then when the war was over, we made $20 billion available to industry to reconvert to peacetime activity, but nothing for the farmer.

If the Members will look at volume IX of last year's hearings, they will see we had over 7 million bales of cotton that the world was crying for, but we had a domestic policy where we would not let it be exported.

If the Members will review the other investigations which I initiated as chairman of this subcommittee, they will find we had 714 experts in foreign lands teaching them how and helping them to produce cotton.

In that period of time we ran into some really major problems with this commodity that is so important to so much of the United States.

As a result of that, we have had a terrific problem of trying to make cotton competitive with the synthetic fibers which were developed at a time when we held cotton off the market. We had a terrific problem in trying to keep cotton competitive with foreign production which American interests were financing.

As a result, the Congress, in its wisdom, provided that up to $10 million could be used for cotton research and development. If we look at the hearings on page 673 we will see that much of the reason today that we do not have cotton in the hands of the Government through the Commodity Credit Corporation is because of the development we have had in research and to some degree because of the work of Cotton, Inc. in the field of making cotton more competitive and adapting it to meet the needs that exist, in a market where we have so many synthetics.

May I say again that your committee, though the law provides $10 million, has cut this back to $3 million. I just say that in looking at the cost factor, this $3 million is a really good investment.

Mr. Chairman, if I might have the attention of my good friend, the gentleman from Massachusetts—and he is my good friend—some years ago I recall that he could not travel abroad with his subcommittee. I asked the Subcommittee on Agriculture, that he be permitted to go along with them. If I had known he was going to become such an agricultural expert, I might have had a little more hesitancy in approving those trips.

Be that as it may, I do not think the trips have anything to do with it. I think he has found it is a good headline issue, maybe, in an area where they do not realize that cotton is important to them too.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Massachusetts.

Mr. CONTE. I want to say to my good

friend, the gentleman from Mississippi—and I mean this sincerely—that I have had the greatest respect for him. He is a great debater and was an excellent district attorney. But let me tell the gentleman one thing: He has been a very good tutor. He taught me where the skeletons are in the bill.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. I appreciate the chairman's emphasizing the fact that the commitee has reduced the $10 million that the law authorizes to the $3 million that is in this bill.

I would like to emphasize another point, one point that was made by my friend, the gentleman from Massachusetts, and that was how the price of cotton is spiraling. It is not true. I would say to my friend, the gentleman from Massachusetts, that in recent months the price of cotton has fallen dramatically, while at the same time the cost of production of cotton has risen just as dramatically, and the cost of fertilizer and chemicals and other of the inputs that are necessary to produce the cotton crop have risen.

Mr. WHITTEN. Mr. Chairman, may I say again—and I hope the Members will listen to me seriously, because I was just as serious before, if we do not keep cotton competitive with these synthetics made by the big corporations, which design new products constantly and which have a tremendous amount of money, we are going to have a real problem with those in this Nation who grow cotton and are involved in its manufactured products.

The CHAIRMAN. The time of the gentleman from Mississippi (Mr. WHITTEN) has expired.

(On request of Mr. BURLISON of Missouri, and by unanimous consent, Mr. WHITTEN was allowed to proceed for 2 additional minutes.)

Mr. WHITTEN. Mr. Chairman, if we do not continue to make progress toward keeping cotton competitive with synthetic fibers, we are going to have economic chaos in a big part of the country, and it might be felt even in Massachusetts.

Mr. MAHON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we often find it necessary in our legislative work to compromise issues when they arise, and no Member is able to get in every case just what he wants in the way of legislation.

There is an authorization in the law for $10 million for this cotton research program. There has been objection to that, and as a result of the attacks that have been made on this provision, the committee has brought in a proposal, as explained by the chairman of the subcommittee, Mr. WHITTEN, for $3 million, which is the figure from last year. This we thought was a reasonably acceptable compromise to all parties concerned.

This does not suit the cotton industry, and it does not suit any who are against any kind of contribution to this research program. However, I think it is the best we can do, and I hope this amendment will be voted down.

As we know, the cotton producer contributes $1 per bale for research and promotion of cotton, including sales, and so forth.

Those funds raised by the farmer are used for those purposes. The $3 million provided by the Federal Government is strictly for research. We have research funds in many areas of Government, covering agriculture and other fields.

It is very important that we have a viable agriculture. We had a great year last year, but we are faced this year with falling prices in many agricultural commodities. It is absolutely essential to this Nation, to the economy of this Nation, that we have a healthy export program. We would have been in a disastrous situation last year, in respect to our balance of payments, if it had not been for agricultural exports. Agricultural exports last year totaled $17.7 billion. Cotton was a significant contributor to this favorable balance.

Mr. Chairman, it was announced, I believe, yesterday, that we are now in a favorable balance-of-trade situation by a relatively small figure. Anything we can do to encourage the producers to make it possible for us to export more and more and bring in more and more dollars is in the public interest. The essential point is not that this is helpful to the farmer. It is helpful to the farmer, but it is absolutely essential to the economy of the country that with relation to cotton and wheat and other commodities which are produced by the farmer, we take proper steps to encourage greater production. The consumer profits from this.

Mr. Chairman, I am hopeful that the Members will do as they finally did last year, and provide the $3 million which is proposed in the pending bill.

Mr. ROSENTHAL. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I wonder if our distinguished colleague from Mississippi can tell us a little bit more about the mechanism and the construction of Cotton, Inc. Is that a private group or corporation of producers, and what is its purpose, or what is its concept and what are their responsibilities?

Mr. WHITTEN. Will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman.

Mr. WHITTEN. My recollection is the gentleman was a member of the Committee on Agriculture at the time this was provided for in the law, so he is probably as familiar with it as I am.

My understanding is that Cotton, Inc., had a different name when the law was first passed by the Committee on Agriculture.

Mr. ROSENTHAL. Council.

Mr. WHITTEN. A cotton council or committee which turned into Cotton, Inc. It does have under its basic law certain authorities and responsibilities.

I may say further to the gentleman that our committee in the first year of Cotton, Inc.'s existence raised the question as to whether Congress had the right under existing law to review its activities each year. We took the view that not only did we have that right but we should supervise it.

Mr. ROSENTHAL. Within the time limitations that I am permitted I would like to understand clearly whether the motivation of those who belong to this private corporation is to sell more cotton overseas. Is that essentially right?

Mr. WHITTEN. Insofar as I am concerned—and, as I say, I am not on the legislative committee and I am speaking from my general understanding—the sale overseas of cotton is not its primary obligation nor its primary purpose but, rather, it is research and development on cotton to make it more competitive in the domestic market and to make it be more in demand by the consuming public and to make it more popular so that it will be competitive along with synthetics.

Mr. ROSENTHAL. I think I understand what the gentleman is saying. Why should the Federal Government contribute to that kind of a function?

Mr. WHITTEN. The only way I could justify any such action would be the history of other actions we have taken.

Mr. ROSENTHAL. Other than history.

Mr. WHITTEN. Wait a minute. We have spent billions of dollars in the past on the development of other commodities in order to make them competitive in world markets. Our hearings disclose that because the cotton grower had been put into a secondary position there were 53,000 farm families that were on the road without employment because of the past history in this field. I feel that if $3 million can be spent to keep that commodity competitive and keep the industry going, our economy in about six or eight States of this Nation is materially assisted. Compared to the tremendous cost to the Federal Treasury years ago because of the unemployment situation brought about by a reduction in this industry, this is a very insignificant amount.

Mr. ROSENTHAL. What disturbs me is why cannot the producers themselves pick up that small tab of $3 million? I ask that because it is in their own interest and they are making a profit out of it.

Mr. WHITTEN. There are a lot of reasons. The cotton industry has a great many problems because of the cost of labor, the cost of chemicals, and other matters.

Mr. ROSENTHAL. Do we do this for any industry other than agriculture? In other words, do we support the sale of their products?

Mr. WHITTEN. I do not know whether we do it exactly in that way. For example, the suit that the gentleman has on. I do not know what material it is made of. I think he can buy that suit for the price he paid as a result of laws which we passed which contributes to the maintenance of the industry which makes the material that goes into that suit. I believe that is a big part of it because the raw materials probably only amount to about 25 percent of the total cost.

Mr. ROSENTHAL. What we are really doing is subsidizing the selling cost of cotton producers. Is that not correct?

Mr. WHITTEN. No. We are trying to look after the national economy by not having the total cotton industry in chaos which we did have at one time. If this happens again, we might have to spend many, many times this amount of money.

Mr. ROSENTHAL. Do you have any projection as to whether this program should continue?

Mr. WHITTEN. Well, I am chairman of the subcommittee and the subcommittee held it back to $3 million on the ground that we could probably get a better use of the money in that way.

Mr. ROSENTHAL. The amount of money involved does not bother me, but what does bother me is the principle as to why we should use Federal funds to support the selling and promotion of a particular product. I have difficulty with that.

Mr. BURLISON of Missouri. Will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman.

Mr. BURLISON of Missouri. I think it would be of interest to my friend from New York to note that the expenditure of this $3 million will have to be on projects and programs that are approved by the Secretary of Agriculture. This is not an appropriation to be used at the pleasure of the cotton industry.

Mr. ROSENTHAL. I appreciate that. Frankly, that does not impress me very much. I did an investigation of this program some 8 or 10 years ago. I was unhappy with it then, and I am amazed that it continues. I do not know of any other industry where we subsidize the sale of and promote its particular product.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. ROSENTHAL. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I thank the gentleman for yielding, and I want to associate myself with the remarks of the gentleman from New York. The gentleman is absolutely right. We are not getting a real clear answer on this. There are six major crops such as soybeans, corn, wheat, and so forth, and this is the only one that gets Federal funds for promotion and research. We do not have such a program for the applegrowers, we do not have it for the orangegrowers, or for any other commodity.

Mr. ROSENTHAL. Why does cotton get this favorable treatment?

Mr. CONTE. Because it has a strong lobby here.

They keep saying that this is a compromise figure. Well, by a vote of 241 to 162 we moved to strike all of these funds last year. It was in the conference that they put this $3 million back in. The House of Representatives has never compromised on this figure. On two rollcalls that I called for they moved to strike all of the funds. Prior to that were they were getting $10 million, and at the same time they were getting billions of dollars not to plant cotton.

Mr. STEIGER of Arizona. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I get the awful feeling that we are in the position of being bogged down in rhetoric and losing sight of the issue at hand.

Recognizing that those of us who represent the powerful, overwhelming majority of this House from the eight cotton producing States, which I think make up some 32 Members at the outside, shows that the concept of sheer muscle power being responsible for the existence of this program is nonsense.

The fact is that the reason there is no research program for apples, or there is no soybean research program that I know of, is for the simple reason that there is no synthetic competitor to apples or soybeans or any of the other crops that have been mentioned. The fact is that this ongoing research money is not designed to either shore up or make it easier to sell cotton. The fact is that the ultimate winner in this one can honestly be said to be the consumer, because whatever is done to make cotton more salable will have to result in its reduced price to the consumer.

Therefore, our Federal obligation is certainly at least as well defended as that Federal obligation which my great and good friend, the gentleman from Massachusetts (Mr. CONTE) and my equally good friend, the gentleman from New York (Mr. ROSENTHAL) the previous speakers here, the same rhetoric and same rationale that they used in supporting the subsidies for newspapers, magazines, et cetera, can be used.

My friend, the gentleman from New York, asked what other industries in this country are subsidized in this way. I will tell my friend it comes to my mind that organized labor is subsidized this way; in fact, not only is organized labor so subsidized, but I am sure that as I suspect the gentleman will not vote to reject a future amendment to reject the concept of subsidizing food stamps to strikers.

I would also tell my friend, the gentleman from New York, I would suspect he will support such a subsidy. I am sorry the gentleman is not here—yes, I see him in the back of the room. Wonderful. I am certainly pleased the gentleman could make it back. I will tell my friend that whatever rationale is used to subsidize feeder airlines and the major airlines in this country might properly be applied here.

Of course, the fact is that if we resisted the billions of dollars we use to subsidize newspapers, magazines, airlines, organized labor, and so forth, we would not make any points in the big urban areas. But if we can shoot at cotton, or, as my learned agricultural expert here from New York is going to shoot at peanuts, I understand—there is a brave soul. He is going to take on the entire peanut lobby, that massive, powerful organization. He may not make any friends in the peanut industry; he does not care if it beats him in New York—he is going to shoot at the peanuts.

I want my colleagues to remember that this is a defense of the budget in the face of the mammoth and powerful cotton industry; I want my friends to remember that when the gentleman from Massachusetts leaps in here to defend silver, that we get a little different thing going there.

My colleagues all understand the exercise that is going on. They understand why I am in the well. It is because I represent the cotton industry and I represent cotton growers. I will tell my friends that I told my cotton growers I thought they ought to pay for this program, but in the absence of their paying for it at this time we are kidding ourselves if we stop the program and wait for them to regroup to pay for it, because we are going to lose the continuity of research that is ongoing, and that just does not make any sense.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I would not yield to the gentleman from Massachusetts for $3 million.

Mr. CONTE. How about $200,000?

Mr. STEIGER of Arizona. I do hope the Members recognize that aside from the political responsibility we have here to ourselves, we do have a responsibility for rational handling of this budget. If we interrupt the research that is ongoing, we really do a great disservice to that money which has been spent. I suggest we spend a lot of valuable time on this matter now. I suggest that all of the political hay has been wrung out, and I hope that my colleagues will defeat the amendment and will recognize it for what it is.

Mr. Chairman, I yield back the balance of my time.

Mr. SISK. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I am sure I would probably be just as well off in these remarks right now to put this material in the RECORD. The problem with my good friend, the gentleman from Massachusetts, is he will not read it. I have been, for several years, inviting him to become a little better informed on what is actually going on in connection with really one of the most valuable commodities to the economic well-being of this Nation that we produce, but my friend, the gentleman from Massachusetts, apparently finds other places to go and other things to visit, because it is evident from the information he has passed out here today that he still has not learned very much about this program or what is going on.

I appreciate the fact that it is a great vehicle to be reelected on, I guess, in Massachusetts.

I am reminded of my good friend, the gentleman from Kentucky, Mr. Siler, who had a little bill—some of us remember; I see my good friend, the gentleman from Kentucky (Mr. NATCHER) nodding his head—in which he was going to repeal liquor or liquor advertising. Finally, after a number of years, the committee reported it out, and it almost scared him to death because it would destroy the issue on which he had been elected for a number of years.

I made a little talk to some farmers out in California earlier this week in which I suggested that we increase the check-off which was authorized—and I hope my good friend, the gentleman from New York (Mr. Rosenthal) is around and available, because I believe he was on the committee when this program was authorized back in 1966—in which the farmer has $1 a bale check-off. His contribution to this program was, I believe, something like $12 to $13 million this last year. The 610 funds which were authorized by an act of this Congress are the funds, of course, that we are talking about here in connection with this appropriation bill.

Under that provision, in order to get this program off the ground to give some assistance to this particular industry and importance to this country, those funds were to be used for research.

I should like to call the attention of some of my colleagues to the fact that there is nothing new here. We have all kinds of research going on in connection with soybeans and oilseeds. It would be interesting if one were to take a look at how much money we are appropriating for research in a whole variety of agricultural commodities. Basically, these funds—and this is where the misinformation, unfortunately, has been peddled by those who apparently have not taken the time to really find out what is going on—here are dealing with research. They are dealing, for example, with byssinosis.

The allocation for this year's research program by Cotton, Inc., for byssinosis is over $1 million. That is only one facet. I do not know how many of the Members, I am sure most of them, and I know I did vote to support all kinds and types of research in black lung and the problems we were having in the coal industry. We have unfortunately what is referred to as "brown lung" in connection with the cotton industry. This is only one area in which research is being done at the present time. I have a long list of projects, pure and simple research projects, which Cotton, Inc., is involved in. These are the purposes for which we use these dollars we are talking about—and there are only $3 million out of the $10 million which actually have been authorized which are hereby appropriated, and I am personally very disappointed with that. We frankly need the entire $10 million.

I have frankly advocated a phaseout as early as possible of this program. I have said so to my farmers I talked to in my area just this week, that we have to increase the checkoff to the extent that the growers pick up 100 percent of the tab both in research and sales promotion. At the present time under the accounting procedure, sales and promotion are handled exclusively from producer checkoff funds.

The CHAIRMAN. The time of the gentleman from California has expired.

(On request of Mr. Burlison of Missouri and by unanimous consent, Mr. Sisk was allowed to proceed for 2 additional minutes.)

Mr. SISK. I thank the gentleman for seeking this additional time for me.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Chairman, I would briefly like to say there have been some vague references here that this program is of some value to the consumer. I think the record ought to be more specific in this respect. I would like to point out to the Members that in the last year our agricultural export program yielded about a $10 billion favorable trade balance while the rest of the economy had a $10 billion trade deficit, while at the same time the imports of oil products cost us about $10 billion. So would the gentleman agree that on this point alone the work we do in the agricultural research to improve our export strength is a tremendous lift to the consumer element of our economy?

Mr. SISK. There is no question. I agree with the gentleman 100 percent.

Cotton has made the largest single contribution over the last 100 years to the favorable trade balances on behalf of the U.S. economy in our trade with foreign countries. It still is a substantial item. Also, I think there are many other areas where it makes a tremendous contribution to the American consumer, because we are all consumers, but particularly I do completely agree with the statement made by the gentleman from Missouri.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to my friend the gentleman from Massachusetts.

Mr. CONTE. I am sorry every year when we get into this debate the gentleman from California gets personal with me.

Mr. SISK. I am sorry we get into it but I thought the gentleman enjoyed it.

Mr. CONTE. Is that a polyester shirt the gentleman is wearing? He is such a cotton expert.

Mr. SISK. It has a little cotton in it.

Mr. CONTE. It is a very little cotton. That is a synthetic.

Mr. SISK. Has the gentleman tried to buy a cotton shirt lately?

Mr. CONTE. The shirt the gentleman has on is as synthetic as this program.

The CHAIRMAN. The time of the gentleman from California has expired.

(By unanimous consent, Mr. Sisk was allowed to proceed for 2 additional minutes.)

Mr. SISK. Mr. Chairman, let me say to my good friend that, if I have hurt his feelings, I deeply apologize. I thought he always enjoyed this exercise because we seem to have gone through it year after year. I well understand his point of view. I still wish though I could get the gentleman up to New York and to some of the other places so he could really find out what is going on. Very frankly, I do not know of any fancy quarters anywhere. Let me say to the gentleman I have spent some time traveling up in New York and I have been down to Raleigh and I have been to the laboratories, I have been to Mississippi, and I have been to Starkville and I have been in Texas recently to the laboratories there.

I frankly made a commitment here last year that we would look into it, and as chairman of the Cotton Subcommittee I have, and try to guarantee that there are no abuses in connection with the use of these particular funds. I frankly stand here today and assure the Members that the Federal funds that are involved are not being used in connection with sales and promotion. These are checkoff funds which the grower is putting up.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. SISK. I yield to the gentleman.

Mr. CONTE. These are not my figures. These were brought about by the Comptroller General, Mr. Staats. Last year I put the whole record in, the whole report.

The gentleman does not dispute that Mr. Wooten, the president, gets $130,000 a year?

Mr. SISK. Well, there are presidents of corporations all over the country who get more than $130,000 a year, some of them $300,000 and $400,000.

Mr. CONTE. But not paid by the taxpayer?

Mr. SISK. This is not being paid by the taxpayers. This is being paid by the $1 a bale checkoff paid by the cotton growers of the country.

At this time I would like to spell out some of the projects in which Cotton, Inc. is involved.

PROGRESS IN AGRICULTURAL RESEARCH

The pink bollworm is under attack. Research led to development of an economical, synthetic sex attractant, which when broadcast over a field, so confuses the male insect that he cannot locate the female and mate. Field trials last year were so successful that in 1974 the entire 5,000 acres of cotton in southern California's Coachella Valley will be treated. Success here will lead to full expansion to all pink bollworm infested areas.

The uniform droplet nozzle, using the principle of sonic pulsations, delivers herbicides and insecticides with significantly greater accuracy, control, and efficiency. "Drift" is reduced, protecting human operators and neighboring crops. Now under actual field testing by the USDA in Mississippi, this invention can lead to lowered chemical application to cotton with increased ecological protection.

The module builder was developed by a Cotton Inc. research project at Texas A. & M. University. It is part of a complete seed cotton handling system bridging the field and the gin. The system embodies a compacting machine which compresses picked cotton into ricks that stand freely on pallets. Later, at the convenience of the farmer, the modules are winched into a transporter and pulled at highway speed to the gin. At the gin the modules can be stored and, when gin schedule permits, be fed into the gin by another Cotton, Inc., invention—the automatic gin feeder.

The automatic gin feeder cuts down on scarce gin labor and creates a smoother flow of cotton, virtually eliminating "choke ups." It also helps blend and fluff the cotton for better ginning. The entire system saves time and money. Harvesting efficiency is increased in the field and handling efficiency at the gin. Ginning schedules are stretched as is capacity with modest investment. This system is commercially on-stream. Over 500,000 bales were stored by a form of this system in 1974.

Short season is a cultural concept involving many elements, such as plant varieties, land preparation, planting configurations, and harvesting practices. The concept leads to a compressed crop that has the same or even higher yield despite a shorter growing season. The benefits are cost savings, resulting from fewer herbicide and insecticide applications, reduce irrigation and once-over harvesting. The fiber quality is also more uniform, thus more desirable.

PROGRESS IN TEXTILE RESEARCH AND DEVELOPMENT

Fire retardance research has been intensive to comply with governmental standards. A joint research project with a major textile mill led to successful commercialization of earlier USDA technology. Called fire stop cotton, fabrics containing at least 70 percent cotton are rendered flame retardant, meeting the Federal children's sleepwear standard. The method is superior because the fabric remains soft and comfortable—important for sleepwear—and maintains strength where others are weakened.

Further research has resulted in second generation technology, rendering the process more efficient as well as making the flame retardant finish more durable under repeated washings.

Research has also led to the successful development of a testing apparatus which simulates in 1 hour the required 50 wash/dry test cycles that normally require a week. This will save costly time for mills and manufacturers who want to use flame retardant cottons.

Another research project has successfully solved the new fire retardant requirements covering cotton batting in mattresses and furniture. This treated batting, called flex-xel cotton, in addition to satisfying the cigarette-resistant standard is also more resilient and comfortable.

Durable press research has resulted in several important breakthroughs. The vapor phase durable press treatment for high cotton blends is in commercial use by several leading uniform rental/commerical laundries.

A newer development, called cotton press 1011, imparts excellent durable press, shrinkage control, and color retention to heavier weight cotton fabrics. Garments are currently being wear-tested to measure all aspects of this superior process before commercialization.

Knitting research has been exceptionally active and productive due in large part to the inhouse knitting laboratory at the research center in Raleigh. For example, the heretofore 100 percent synthetic double knit market is now being penetrated by a Cotton, Inc. development—a double knit fabric of 60-percent cotton 40-percent polyester, which delivers the strength and stretch of polyester plus the added virtues of cotton: Comfort, softness, no snagging or static, and air permeability, which makes apparel cool in summer and warm in winter.

This development originated with yarn research in which a blended cotton-polyester yarn was perfected so that it would run efficiently on knitting equipment designed originally for synthetic filament yarns.

Other knit research has resulted in successes in warp knits, novelty yarns for single knits, and high speed tricot knits.

PROGRESS IN TECHNICAL SERVICES AND EDUCATION

Technical services is a department under the textile research division that offers to mills and manufacturers a speedy problem-solving capability so that mills find it easier and more efficient to run cotton. Technical services experts have solved spinning problems, have laid out more efficient processing lines, and have even shown a clothing manufacturer how to eliminate unwanted wrinkles in men's cotton suits, saving him from needing to "mark down" the garments as "seconds."

Educational activities are varied, but one of the most intensive is working with USDA extension home economists by creating and supplying booklets on what to look for when buying cotton apparel and how to sew at home with cotton fabrics.

Agricultural research implementation takes research discoveries and translates them into on-farm practices that will immediately pay dividends to cotton producers through lower costs and higher yields. Last year 42 field demonstrations were conducted throughout the Cotton Belt as part of this effort, which also included the creation of education "how to" films and pamphlets.

THRESHOLDS FOR POTENTIAL BREAKTHROUGHS

A significant portion of our energies, manpower, and resources are targeted against a group of projects which, if they succeed as we expect, can offer tremendous potential to cotton producers and the entire industry. The leading projects are:

Seed banks is the concept whereby reserves of seeds of various fiber qualities would be held in storage—for example, specialty cotton with more lustrous fiber. As market research predicts textile and fashion direction, seed varieties of the appropriate fiber type would be made available to commercial seed breeders. Within 3 years enough seed could be bred from these starter quantities to supply any amount of fiber required. By employing a national cottonseed bank, cotton would be able to meet any market expectations.

Byssinosis is the problem of cotton "dust" confronting U.S. mills. A major amount of research is devoted to solving this problem for our customers. A three-pronged attack is being carried out, all tied into the model cardroom at North Carolina State University. The model cardroom is a laboratory-controlled area which duplicates the mill conditions where cotton is first opened from the bale and fed into cleaning equipment. All of our research approaches are measured as to their ability to reduce byssinotic reactions by known byssinotic volunteers. Research is aimed at breeding "cleaner," trash-free cotton, producing cleaner cotton through new harvesting and ginning techniques and isolating the causative agents botanically and medically.

In a project for acid delinting of planting seed, is currently in a pilot test in Mississippi. An improved delinting process makes more efficient use of sulfuric acid, thus lowering costs and reducing pollution problems.

Gin waste pyrolysis is a research area in which we are attempting to solve the problem of gin waste disposal in a novel and positive manner. The project calls for the burning of waste in a controlled system to eliminate pollution. At the same time, offgases are being captured and methane removed. This methane gas has commercial value and can be used to generate power or for drying cotton at the gin.

Nonwoven is a method of fabric formation which today accounts for a huge quantity of fiber but very little cotton. This research is aimed at obtaining an important share for cotton in products like disposable diapers, sanitary napkins, and industrial wipes. Cotton Inc. is intensively working at an economical system scouring and bleaching cotton fiber to make it commercially acceptable for nonwoven manufacture.

International marketing is their newest division. It has the objective of enlarging the export market for U.S. cotton. To accomplish this goal, they are building close working relationships with the leading mills in major European markets. The key to raising the quantity of U.S. cotton used by these mills is the marketing support and textile research and development capability they can offer. No other cotton-producing country is currently in a position to compete in this way. For example, a durable press system created by Cotton, Inc. research has particularly good application for European mills because of the wash-boil line drying home laundering technique practiced throughout most of Western Europe. They are currently developing a licensing program of this system for European mills which can lead to greater usage of U.S. grown cotton.

CRITICAL NEEDS

A number of opportunities are currently receiving only a portion of the attention they merit solely because of budget limitations. They are:

Twistless yarns are a new development of yarn formation which can hold enormous potential for cotton. A great deal of research in the area of yarn adhesives and machinery is required. Without sufficient funding, Cotton Inc. is forced to take an interested but secondary position when they should be in the forefront. Without a preemptive position for cotton, there is always the risk that synthetics, with their greater resources, will move into a dominant position on twistless yarns.

Open end spinning is a high-speed

spinning method that is sweeping through the textile industry. Many mills have purchased open end equipment and must reach a decision as to what fibers they will spin. Unless cotton makes information, methods, and test data readily available, mills could gravitate toward synthetics. Cotton Inc., has taken action by purchasing a sample open end frame, which will be used to develop initial capability. Added funds would let them broaden their research in this promising field.

Vapor technology covers an area from which several cotton research successes have come—two in durable press and one in flame retardance. As a result, cotton has exceptional expertise in a field that could ultimately be as broadly employed in textile finishing as water systems are today. The potential advantage with vapor technology is that it utilizes completely closed systems. Chemical costs are generally lower, waste disposal minimal. The pollution problems of water disposal are totally avoided. With additional resources cotton could rapidly acquire a dominate position in what could be the textile technology of the future.

Pollution effluents is a complex problem involving the disposal of dyeing and finshing effluents. Projects are underway, but in view of government deadlines, more intensive work would be desirable, funds permitting, to accelerate results. For example, proposed regulations are extremely disadvantageous to cotton finshing and dyeing because cotton in some instances requires 5 times the water that synthetics do. Regulations of this type can drive mills toward synthetics unless cotton can offer a viable solution. It is a race against the clock, and the rules favor synthetics.

These are some of the projects in which this group is involved. I ask you to reject the amendment of my colleague from Massachusetts.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

The question was taken, and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. CONTE. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 182, noes 189, not voting 62, as follows:

[Roll No. 314]

AYES—182

Abzug
Adams
Anderson, Ill.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
Badillo
Bafalis
Barrett
Bauman
Bell
Biaggi
Biester
Bingham
Blatnik
Brademas
Bray
Brotzman
Brown, Mich.
Broyhill, Va.
Burke, Calif.
Burke, Fla.
Butler
Byron
Carney, Ohio
Chamberlain
Chisholm
Clancy
Clausen, Don H.
Clay
Cleveland
Cohen
Collins, Tex.
Conable
Conte
Conyers
Cotter
Coughlin
Cronin
Culver
Daniel, Robert W., Jr.
Davis, Wis.
Delaney
Dellenback
Dellums
Dennis
Devine
Diggs
Dingell
Donohue
Drinan
Dulski
Duncan
du Pont
Eilberg
Erlenborn
Eshleman
Findley
Fish
Frenzel
Froehlich
Giaimo
Gilman
Goodling
Grasso
Green, Oreg.
Green, Pa.
Gross
Grover
Gude
Hamilton
Hanna
Hanrahan
Harrington
Hastings
Hechler, W. Va.
Heckler, Mass.
Heinz
Hillis
Hinshaw
Holt
Holtzman
Horton
Hosmer
Hudnut
Hutchinson
Johnson, Colo.
Johnson, Pa.
Karth
Kastenmeier
Kemp
King
Koch
Kyros
Lagomarsino
Lent
Long, Md.
Luken
McClory
McCloskey
McDade
McKinney
Madden
Madigan
Mallary
Maraziti
Mayne
Mazzoli
Mezvinsky
Miller
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moorhead, Calif.
Moorhead, Pa.
Nedzi
O'Brien
Owens
Parris
Patten
Peyser
Pike
Powell, Ohio
Railsback
Rangel
Regula
Reuss
Rinaldo
Robison, N.Y.
Rodino
Roe
Rogers
Roncallo, N.Y.
Rosenthal
Rostenkowski
Roush
Rousselot
Roybal
Sarasin
Sarbanes
Schneebeli
Schroeder
Seiberling
Shoup
Shriver
Shuster
Skubitz
Smith, N.Y.
Stanton, J. William
Steele
Steelman
Steiger, Wis.
Stokes
Studds
Sullivan
Tiernan
Towell, Nev.
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waldie
Walsh
Whalen
Whitehurst
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Winn
Wolff
Wydler
Wylie
Yates
Young, Fla.
Young, Ill.
Zion

NOES—189

Abdnor
Addabbo
Alexander
Andrews, N.C.
Andrews, N. Dak.
Arends
Baker
Beard
Bennett
Bergland
Bevill
Blackburn
Boggs
Bolling
Bowen
Breaux
Breckinridge
Brinkley
Brooks
Brown, Ohio
Broyhill, N.C.
Buchanan
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Camp
Carter
Casey, Tex.
Cederberg
Chappell
Clark
Cochran
Collier
Collins, Ill.
Corman
Daniel, Dan
Danielson
Davis, S.C.
de la Garza
Denholm
Derwinski
Dickinson
Downing
Eckhardt
Edwards, Calif.
Esch
Evans, Colo.
Evins, Tenn.
Fascell
Fisher
Flood
Flowers
Flynt
Foley
Ford
Fountain
Fraser
Frey
Fulton
Fuqua
Gaydos
Gettys
Gibbons
Ginn
Goldwater
Gonzalez
Gubser
Guyer
Haley
Hammerschmidt
Hanley
Hansen, Idaho
Hansen, Wash.
Harsha
Hébert
Helstoski
Hicks
Holifield
Huber
Hungate
Hunt
Jarman
Johnson, Calif.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Kazen
Kluczynski
Kuykendall
Landrum
Latta
Lehman
Litton
Long, La.
Lujan
McCollister
McCormack
McEwen
McFall
McKay
Mahon
Mann
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Meeds
Melcher
Metcalfe
Michel
Mills
Mink
Mizell
Montgomery
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers
Natcher
Nix
Obey
O'Hara
O'Neill
Passman
Patman
Pepper
Perkins
Pettis
Pickle
Poage
Preyer
Price, Ill.
Price, Tex.
Quie
Rarick
Rees
Roberts
Robinson, Va.
Roncalio, Wyo.
Rooney, Pa.
Rose
Roy
Runnels
Ruth
St Germain
Satterfield
Scherle
Sebelius
Shipley
Sisk
Slack
Smith, Iowa
Snyder
Spence
Staggers
Stanton, James V.
Stark
Steed
Steiger, Ariz.
Stephens
Stratton
Stubblefield
Stuckey
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Traxler
Treen
Waggonner
Wampler
Ware
White
Whitten
Wilson, Charles, Tex.
Wyatt
Yatron
Young, Ga.
Young, S.C.
Young, Tex.
Zablocki

NOT VOTING—62

Anderson, Calif.
Ashley
Boland
Brasco
Broomfield
Brown, Calif.
Burgener
Carey, N.Y.
Clawson, Del
Conlan
Crane
Daniels, Dominick V.
Davis, Ga.
Dent
Dorn
Edwards, Ala.
Forsythe
Frelinghuysen
Gray
Griffiths
Gunter
Hawkins
Hays
Henderson
Hogan
Howard
Ichord
Ketchum
Landgrebe
Leggett
Lott
McSpadden
Macdonald
Mathias, Calif.
Matsunaga
Milford
Minshall, Ohio
Mollohan
Mosher
Nelsen
Nichols
Podell
Pritchard
Quillen
Randall
Reid
Rhodes
Riegle
Rooney, N.Y.
Ruppe
Ryan
Sandman
Sikes
Symms
Thompson, N.J.
Udall
Ullman
Williams
Wright
Wyman
Young, Alaska
Zwach

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. The clerk will read.

The Clerk read as follows:

AGRICULTURAL RESEARCH SERVICE

For expenses necessary to enable the Agricultural Research Service to perform agricultural research and demonstrations relating to production, utilization, marketing, and distribution (not otherwise provided for), home economics or nutrition and consumer use, and for acquisition of lands by donation, exchange, or purchase at a nominal cost not to exceed $100; $202,789,000, and in addition not to exceed $15,000,000 from funds available under section 32 of the Act of August 24, 1935, pursuant to Public Law 88-250 shall be transferred to and merged with this appropriation: *Provided*, That appropriations hereunder shall be available for field employment pursuant to the second sentence of section 796(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $75,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That appropriations hereunder shall be available for the operation and maintenance of aircraft and the purchase of not to exceed one for replacement only: *Provided further*, That of the appropriations hereunder, not less than $10,526,600 shall be available to conduct marketing research: *Provided further*, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250, for the construction, alteration, and repair of buildings and improvements, but unless otherwise provided, the cost of constructing any one building (except headhouses connecting greenhouses) shall not exceed $50,000, except for six buildings to be constructed or improved at a cost not to exceed $100,000 each, and the cost of altering any one building during the fiscal year shall not exceed $18,000, or 18.6 per centum of the cost of the building, whichever is greater: *Provided further*, That the limitations on alterations contained in this Act shall not apply to a total of $100,000 for facilities at Beltsville, Maryland: *Provided further*, That $6,420,000 of this appropriation shall remain available until expended for plans, construction and improvement of facilities without regard to the foregoing limitations: *Provided further*, That the foregoing limitations shall not apply to replacement of buildings needed to carry out the Act of April 24, 1948 (21 U.S.C. 113a).

Mr. YOUNG of South Carolina. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, relating to agriculture research, many of us have appeared before the Committee on Appropriations on Agriculture, those of us who are concerned about the eradication of the boll weevil.

The boll weevil has been a pest in our area for a good number of years. We feel now that the research which this committee has done has provided us with the ability to eradicate the boll weevil. This can be done by providing male sterile weevils to be flown over the area by the diapose methods, which eradicates the weevil before it goes into the overwintering.

We also feel that we have other methods which may be used. Lures are provided in the fields, and they attract the boll weevil. These methods could eradicate the boll weevil, thus saving the cotton farmers billions of dollars in cotton.

Today we will be putting on our fields cotton poison.

Mr. Chairman, one-third of all the poisons in the United States today are used by the cotton farmers. This has in effect upset some of the environment in our areas. The poison kills the boll weevil, but it also destroys the insects that do a lot of good in our area.

We feel the tool is at hand to accomplish this. We have asked the committee to let us have the money plus the money that will be provided for the farmers to join together to eradicate the boll weevil.

Mr. Chairman, this has been done earlier with the screwworm, which was an insect which came into our cattle years ago and actually ate their flesh. Many of the cattle were destroyed in this manner. Through research the male flies were made sterile, and these sterile screwworm flies were flown over the area and in that way eradicated the screwworm. We feel the same thing can be done in research on the boll weevil.

I feel that the committee considered it and rejected it. It hope it will be done over on the Senate side where we can come back with a conference report which will help us to move in this direction.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

PUBLIC LAW 480

For expenses during the current fiscal year, not otherwise recoverable, and unrecovered prior years' costs, including interest thereon, under the Agricultural Trade Development and Assistance Act of 1954, as amended (7 U.S.C. 1701–1710, 1721–1725, 1731–1736d), to remain available until expended, as follows: (1) sale of agricultural commodities for foreign currencies and for dollars on credit terms pursuant to title I of said Act, $425,175,000; and (2) commodities supplied in connection with dispositions abroad, pursuant to title II of said Act, $353,298,000.

AMENDMENT OFFERED BY MR. JOHNSON OF COLORADO

Mr. JOHNSON of Colorado. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. JOHNSON of Colorado: Page 18, line 24, after "425,175,000", strike out the semicolon, insert a comma and add the following: "*Provided*, That no more than 10% of such amount shall be made available to any one country."

Mr. JOHNSON of Colorado. Mr. Chairman, during the debate I would say to my colleagues that it was established that under this particular title, under Public Law 480, provides for $425 million under title I, and $352 million under title II. I might point out that title II is the so-called humanitarian part of this program which provides for aid in cases of disasters and such things.

Title I is the title on which we make allegedly concessional sales. Nobody knows, and nobody in this body controls what those contract terms will be.

Last year nobody could predict how much money was going to be spent under the terms of these concessional sales with any one particular country, and that is true this year.

These decisions are made downtown by a faceless group, an interagency body, it is called, and it is made up of representatives from OMB, Treasury, AID, National Security, National Defense, and Agriculture.

What it amounts to is a $435 million slush fund. We have no control over that. All of this money can be provided for countries like Cambodia and Vietnam, as a military foreign-aid program, and the Congress has nothing to say about it. If we want to provide foreign aid for those countries, then we ought to provide it under our specific foreign-aid appropriation program. We give hundreds of millions of dollars every year in the form of a slush fund to this faceless body that none of us can identify, and they can do with the money as they please.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I want to commend the gentleman from Colorado on the point the gentleman is making, and to add further that each year we have a great ordeal on the floor of the House in picking apart the foreign aid bill, piece by piece, and yet give almost no attention whatever to this very substantial foreign aid.

Mr. JOHNSON of Colorado. These concessional sales contracts are generally in excess of 30 years, and provide for a grace period and a small rate of interest. But there are no requirements on where this $435 million will go or as to how much shall be provided under its terms to Cambodia, Vietnam, or any other country. It is only this faceless group downtown that decides where it is to go.

In addition to that, there is money under title I, which is approximately $300 million, that has come back to the Government, and is being spent as this group decides, in areas that they please, as the result of repayments of these previous contracts.

Right now we have proposed by the group to the Congress that under the total of title I and title II, Latin America will receive only $78 million, the Middle East will receive under titles I and II only $41 million, Africa will receive only $56 million, but under the present proposal, Cambodia and Vietnam will receive approximately 45 percent of the total of the $435 million.

It would seem to me that under the agricultural conditions as they are around the world, with famine facing everyone in the world, or at least in these underdeveloped countries who want to make progress, that no country should be entitled to receive more than 10 percent of this amount.

This would be aimed principally at Cambodia and Vietnam, they would get $42.5 million for each country as a maximum and the balance would be spread around the other needy nations in the world.

I urge the adoption of the amendment.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as the chairman of the subcommittee, I feel I should oppose this amendment primarily because if we are going to have a food for peace program, and we do have, then it strikes me as we should put the food for peace in the place where it is most greatly needed, either from the standpoint of peace, or because of the conditions of the people.

I do not know offhand what the effects of this amendment will be. I do represent the viewpoint of the committee which brings the bill before the House. I would hope the House will keep the bill intact. Mr. PASSMAN is having hearings on these matters at the present time. As the Members know, I have not voted for the foreign aid bill, although the chairman of that appropriations subcommittee (Mr. PASSMAN) and I are very close friends and have worked together for a long time.

But I do think that in this area, certainly, it would be well to let those who are expert in this area decide these matters as against deciding them off-the-cuff here on the floor. Frankly, I do not know what the effect of the amendment will be. The foreign aid bill is the place to deal with this subject, in my opinion, as against going counter to the composite view that is presented in the bill before us.

I would hope that we would vote the amendment down and deal with the foreign aid program when it comes to us in the proper form and at the proper time.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. I thank the gentleman for yielding.

Mr. Chairman, in the debate we went into this colloquy. I hate to do it again, but it would be for the benefit of Members who were not present at that time.

Is it not true that the $435 million can be spent as this interagency committee determines under the present law?

Mr. WHITTEN. That is my understanding; yes.

Mr. JOHNSON of Colorado. Is it not true that they can decide to give all the money, under whatever terms and conditions, without repayment, if they so decide?

Mr. WHITTEN. I do not think that is probable. The gentleman has expressed himself on foreign aid for a long time. I do think it should be dealt with by those who are not expert in that area. Insofar as dividing it up and limiting its distribution, I do not feel qualified to do that. I do not want to substitute my judgment, because I do not have that kind of specific information, for the judgment of those who deal directly with the subject.

Mr. GROSS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Iowa.

Mr. GROSS. I thank the gentleman for yielding.

Does not the gentleman from Mississippi think we ought to retain some control over the expenditure of a half billion dollars, no matter in what form it may be? Why do we delegate all of this power, as the gentleman from Colorado says, to some faceless bureaucracy downtown?

Mr. WHITTEN. I certainly agree with my colleague from Iowa, but I do not have sufficient information to make these decisions. I am not on the Foreign Affairs Committee, and I feel they are more competent to make policy decisions because this is one of their basic responsibilities. Actually, the Department of Agriculture is mainly responsible for providing the commodities. Policies on international affairs are established elsewhere.

Mr. SYMINGTON. Mr. Chairman, I move to strike out the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Colorado. I think the amendment is clearly warranted by facts and the law and the circumstances surrounding what we like to call the food for peace program.

I have tremendous respect for the committee chairman. In fact, in the days when I served that program as Deputy Director for Food for Peace, we spent a great deal of time taking his counsel and guidance in trying to make the program effective for our country. Those are the days back in the early 1960's when we had surpluses.

We had a desire also to help developing countries pull themselves together and get their economies going. We developed a fair-minded approach to this, using our surpluses to help needy countries and people. Hunger was great in those days, but it is infinitely greater today, and our stocks are low. We really do not have that much now to meet the needs of the hungry world. And peace will very much depend on how the hungry are treated.

There is an old Spanish expression which I will translate into English: "Hunger is a bad adviser."

This kind of advice is being given to people in Pakistan, Indonesia, the Philippines, India, and throughout Africa and Latin America. By the year 2000 there will be 600 milion of our neighbors to the south. They would like to think that our concern for their progress is second to none we demonstrate anywhere else in the world.

What this amendment would achieve is simply this: It would limit any single country's share of title I funds to 10 percent of the total available for fiscal 1975.

And there are some 90 countries that desperately need this kind of help for their economies and the relief of their peoples. Why should 1 percent of the world's population, the peoples of Cambodia and South Vietnam, receive nearly 50 percent of the scarce funds available under title I? It does not seem proper. Yet it happened in fiscal 1974 much to our surprise and dismay. If we examine it, of course, we might be led to the conclusion that it is a convenient device to circumvent what Congress intended when it decided we should limit our military aid to those countries.

Actually, the Indochinese countries are traditionally food surplus areas. Normally they are exporting countries. The fact of the matter is that if they would pull themselves together and get along they would be exporting countries today. Our continued intervention in that part of the world is preventing this kind of arrangement. The fact of the matter is that in rural areas of Vietnam and Cambodia there is plenty to eat. They have a little trouble with distribution and getting it to the cities. What we ought to be helping them with is technical assistance to improve distribution. What they should do which we cannot do for them is establish the political conditions favorable to the full exploitation of their resources.

And if we look at Bangladesh and the cuts made there to make the Indochinese program possible, we would wonder if this is not a very good amendment. Look at the Philippines. Last year we practically eliminated that program for a gallant people whose caloric intake is distinctly less than it is in Cambodia and Vietnam.

Mr. ADDABBO. Mr. Chairman, will the gentleman yield?

Mr. SYMINGTON. I yield to the gentleman from New York.

Mr. ADDABBO. Mr. Chairman, I wish to associate myself with the remarks of the gentleman.

Also I would like to point out that in 1973 Cambodia received under this program $20 million. In 1974 that jumped to $136 million, which was right in line with our cut in military aid, as with Vietnam, it was $149 million in 1973 and that jumped to $227 million in 1974 as Congress reduced our military aid. These funds all were used or could be used under aid for common defense, so as we cut the military aid they came in through the backdoor with Public Law 480 aid and reversed the mandate of Congress.

Mr. SYMINGTON. I think our foreign economic aid program for Vietnam is roughly $750 million. There are many ways in which they can spend such funds if food is a requisite perhaps some of it could go in that direction.

Mr. Chairman, I urge the adoption of the amendment.

Mr. HARRINGTON. Mr. Chairman, I move to strike the requisite number of words and I rise in support of the amendment.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. HARRINGTON. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the gentleman for yielding.

I wonder if the gentleman is as puzzled as I am by the statement of the chairman that his only reason for opposing this aid is that he does not feel qualified to speak on the way in which these funds should be distributed. The fact of the matter is the way the bill is drafted the matter is left entirely to the executive branch to do as it pleases and Congress abdicates any responsibility it has in that regard.

Mr. HARRINGTON. That is substantially correct and in fact in many ways the problem is worse than that. I appreciate the gentleman pointing that out to the House and I wish to address myself also to that point.

If I could, I would address some remarks to the chairman on the question of whether this amendment essentially ties the hands of the administrators of the program. Let me point out that to a degree what the Congressman of Colorado is suggesting be done will not fully control expenditures of the Public Law 480 program. While I fully support this effort, this amendment does not provide controls on Public Law 480 even to the degree we would like as proponents. This amendment does not end the discretion currently given to the executive branch and operators of this program if they choose to use it. The Public Law 480 program will be effectively funded by nonappropriated money, and Congress, even with this amendment, will not be able to fully control expenditures of Public Law 480 funds for South Vietnam and Laos.

Last year we saw an enormous amount of money, approximately $300 million generated in foreign currency that was repaid to the Commodity Credit Corporation from previous Public Law 480 loans. These repayments and other nonappropriated funds generated moneys for Public Law 480 which could be used without there being any effective ability on the part of the Congress to limit it. My point in endorsing this particular amendment to limit to each of these countries not more than 10 percent of the title I program deliveries, even with the omission of controls on nonappropriated funds, is this:

If there is an extraordinary situation in South Vietnam or Cambodia, a genuine emergency where starvation is a real threat, and if there is a reason for the Congress to reevaluate the narrowness of the current limitation proposed by this amendment, there has been precedent established, as recently as last year, to extend surplus funds on an urgent basis. In addition, the funds remain that we cannot get to in the context of this afternoon's debate because of the limitations of amending an appropriations bill. These funds can be used, and used very effectively, to meet the humanitarian needs of extraordinary situations.

I must join with the gentleman from New York (Mr. ADDABBO) to suggest rather cynically, nonetheless, that even the funds allowed by the passage of this amendment will not be used to the intent of Congress, expressed today—to reduce the war effort.

I do not think it appropriate to suggest we, the proponents of this amendment, leave unmet the argument that we are being overly rigid. There is at least $300 million available, to judge by last year's standards, for obligation in the Public Law 480 program. In particular, the returns in foreign currency, and in U.S. currency, in repayments from prior food for peace loans, provide the resources necessary to meet all contingencies.

I think the gentleman from Missouri (Mr. SYMINGTON) is also accurate in making the observation that the countries that had Public Law 480 assistance taken from them last year, to the benefit of South Vietnam and Cambodia, are in general less self-sufficient as far as food programs of their own are concerned, and are really more in need of consideration and assistance than just Cambodia and South Vietnam.

Public Law 480—food for peace—is really an extension of voting for economic and military aid to these countries. It ought to be called as such, and voted on with that consideration in mind.

I hope the gentleman from Colorado is successful in his attempt to narrow this issue, and reinforce congressional control over assistance to Indochina.

Mr. PASSMAN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, as you know, I am chairman of the Appropriations Subcommittee on Foreign Operations and I am very familiar with the situation in Southeast Asia. I can state it is touch and go in Cambodia and South Vietnam now with respect to their food supply in the coming year. If we make a substantial reduction in the food supply, provided by the Public Law 480 program, it is a very real possibility that thousands of people could starve to death. At the present time, there is a shifting population in South Vietnam and Cambodia in the form of refugees. They are unable to plant crops or to farm so production of food commodities is greatly reduced. So unless they receive a substantial food import program, they will be in serious trouble.

Keep in mind these people get far less in quantity of goods now because of the advance of prices, It may be that somewhere along the way some reductions can be made; but unless this formula is worked out scientifically, we may deprive those Southeast Asian people of the very bare amount of food they need for existence.

I would hope this amendment could be voted down. We should give further study to what we are getting for the dollars appropriated, because in some instances food costs are up 180 percent. Rice has gone from 7 cents to 28 cents a pound.

So we have to take into account what the money will buy, on the basis of quantity and not of the basis of money.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield?

Mr. PASSMAN. I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Is it not true that title II of that program provides help for those people? Title I is a different section.

Mr. PASSMAN. Both titles provide food assistance to these countries. It is just a question of the amount of food to make available. They are existing now on a very, very bare minimum. We are actually dealing with food to the people of these countries.

I know the distinguished gentleman from Mississippi does not bring up a bill on the floor unless it is carefully thought out before.

I would hope we would not deprive the people of this food.

Mr. JOHNSON of Colorado. Would the gentleman say the people in Latin America, the people in Africa and other parts of the world are not as hungry as the people in Cambodia and Vietnam?

Mr. PASSMAN. I am just as sympathetic to the people of Latin America and Africa or any other place; but since this amendment would greatly affect the people in Southeast Asia that is why I have directed my remarks to this area. That is what we are talking about is Southeast Asia.

Mr. JOHNSON of Colorado. That is correct and it is an enormous injustice to give 45 percent of these funds to Cambodia and Vietnam.

Mr. PASSMAN. I would also like to point out that any local currencies generated from these commodities provided under the Public Law 480 program can no longer be used for common defense purposes after July 1, 1974, unless specifically authorized by Congress, I would like to quote from the Foreign Assistance Act of 1973:

> Effective July 1, 1974, no amount of any foreign currency—including principal and interest from loan repayments—which accrues in connection with any sale for foreign currency under any provision of law may be used under any agreement entered into after the date of the enactment of this act, or any revision or extension entered into after such date of any prior or subsequent agreement, to provide any assistance to any foreign country to procure equipment, materials, facilities, or services for the common defense, including internal security, unless such agreement is specifically authorized by legislation enacted after such date.

With that, Mr. Chairman, I hope this amendment is voted down.

Mr. ESCH. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, I think we ought to make certain that we understand the amendment offered by the gentleman from Colorado. It does this: It provides that no one country will receive more than 10 percent of the total amount in the program. It is an attempt to suggest that an individual who is hungry, whether it be in the famine belt in Africa, or in the Mideast or in the Far East, should be treated equitably.

The intent of this program is not for foreign policy initiative. It is not through indirect means to support any military effort on the part of this or any other country. The purpose of this program is, to the extent possible, to feed hungry individuals.

Therefore, I would suggest that this amendment has been very carefully drawn. Second, it will not impair the conditions in Southeast Asia immediately, this year, because, as has already been pointed out, there are already $300 million in the pipeline which can be utilized at the discretion to phase out.

Mr. Chairman, I would suggest to the Members that it is a reaffirmation that this program should be utilized to feed the starving people of the world, wherever they may be, and not be subverted for military purposes.

Mr. SYMINGTON. Mr. Chairman, will the gentleman yield?

Mr. ESCH. I am happy to yield to the gentleman from Missouri.

Mr. SYMINGTON. Mr. Chairman, I thank the gentleman for his remarks and for his understanding of the problem. I would simply say to the gentleman and to the Members present that the four countries which suffered the most, because of diversion of food from these title I funds primarily in fiscal year 1974 were the Philippines, Equador, Colombia, and Korea.

They suffered greatly because of the changes that were made in order to make the Vietnamese and Cambodians even more pleased with us.

Mr. ESCH. I think that contribution is a significant one. I think the Members should be well aware that what we are talking about here is to reaffirm the belief of this Congress that individuals should be treated equitably, that the need should be put where needed by the greatest country in the world.

Mr. HARRINGTON. Mr. Chairman, will the gentleman yield?

Mr. ESCH. I yield to the gentleman from Massachusetts.

Mr. HARRINGTON. Mr. Chairman, I would like to point out, in response to what the gentleman is saying in support of the amendment, that this year's foreign aid bill, in contrast to last year's, which contained $634 million in bequests for economic and humanitarian aid, contains $860 million, which is an increase of almost 25 percent of value. If it is a concern that we will not be able to meet that need, I think the one the gentleman has suggested here will be no loss to the countries in Southeast Asia.

Mr. ESCH. Mr. Chairman, I appreciate the gentleman's comment, and it would be to reemphasize the intent of this legislation, which was very carefully drawn by the gentleman from Colorado, is to use the program for which it was originally intended.

There is debate on whether there is support or lack of support for specific countries. This can come later, but let us not continue to subvert this purpose.

Mr. HUNT. Mr. Chairman, will the gentleman yield?

Mr. ESCH. I yield to the gentleman from New Jersey.

Mr. HUNT. Mr. Chairman, will the gentleman in the well tell me what countries are affected primarily by this amendment? I understand there are currently six countries receiving more than 10 percent.

Mr. JOHNSON of Colorado. Mr. Chairman, will the gentleman yield so that I may reply?

Mr. ESCH. Mr. Chairman, I yield to the gentleman from Colorado.

Mr. JOHNSON of Colorado. Mr. Chairman, Vietnam and Cambodia are scheduled to receive approximately 45 percent of the funds of the full $435 million to be spent under the direction of this agency. There is no limitation, however. They can spend it wherever they wish to do so.

Mr. HUNT. Do I understand that if this amendment carries, that the aid to Cambodia and South Vietnam will be cut?

Mr. JOHNSON of Colorado. Under title I, no more than $42.5 million could be spent in this program in any country. The agency still has approximately $300 million in the fund to provide for them from repayment contracts. This comes back in the form of repayment on previous sales.

They have that to use in accordance with their discretion. They still have $350 million under title II, and it is quite true that they can use that to provide aid for those countries that are starving, but with my amendment only 10 percent would be available to be spent for any one country throughout the whole world, Latin America, Africa, the Mideast, and so forth under title I which is the concessional sales program.

Mr. HUNT. How about India?

Mr. JOHNSON of Colorado. India would be limited under title I to 10 percent.

Mr. HUNT. Are they entitled to 10 percent now?

Mr. JOHNSON of Colorado. No, not under title I. The Interagency Committee can spend all the funds wherever they please without limitation under present law.

Mr. ESCH. Mr. Chairman, I would like to emphasize that the comments just made reemphasize that we have flexibility in the programs and in the carryover, but let us make it the policy of the Congress not now to subvert this program first.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Colorado (Mr. JOHNSON).

The question was taken; and on a division (demanded by Mr. WHITTEN) there were—ayes 61, noes 51.

So the amendment was agreed to.

AMENDMENT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WYLIE: On page 19, line 2 after the period insert a new sentence: "No payment under the provision of Public Law 480 shall be made to the United Nations or affiliate thereof in excess of 25 per centum of the total annual amount available to such organization."

Mr. WYLIE. Mr. Chairman, a little earlier in a colloquy with the distinguished chairman of the committee (Mr. WHITTEN) the gentleman from Mississippi, I asked if he could tell me how much money as provided in Public Law 480 would go to the United Nations under the United Nations Food and Agricultural Organization program. If I understood the gentleman correctly he said the funding would be approximately $70 million, but he did not know if this was in excess of 25 percent of the total amount which would be available to this organization for expenditure throughout the world.

I have been unable to find out whether it is in excess of 25 percent of the amount which would be available throughout the world, so I thought I would just pin the amount down by saying that under this public law we will carry out the intent of a section previously added to the Department of State appropriations which states:

> That after the December 31, 1973, no appropriation is authorized and no payment shall be made to the United Nations or any affiliated agency in excess of 25 per centum of the total annual assessment of such organization . . .

I thought that statute would and should apply to this bill before us today. However, I have been informed by counsel that that provision only applies to our assessment to maintain the headquarters at New York and that would not apply to any other contribution we might otherwise wish to make to the United Nations.

It is my opinion that 25 percent is quite adequate, and that if the $70 million which the gentleman from Mississippi suggests will be provided to this organization is in excess of 25 percent of the total amount available to the Food and Agricultural Organization and other voluntary agencies of the U.N., the amount should then be reduced accordingly. I do not think it will be reduced by very much, but, as I say, I just could not put a handle on the actual figure and no one could tell me the amount for sure.

I believe this amendment goes to the core of what I intended to do, and, if I heard the gentleman from Mississippi correctly, I believe he indicated a little earlier in our colloquy that he would support such an amendment.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, I am not in position to do so. Of course, I am in the position in which the chairman of a committee usually finds himself, that of having to defend the position of the bill.

I am afraid I did not follow the gentleman's position as much as I should have, but I have been talking with the members of the staff and have been trying to get as many of the facts as I could.

I am not an expert in this area, but as I understand it, the limitation of 25 percent is the assessed contribution and does not apply to any contribution that is over and above that which is assessed. That being true, I would think, as I said earlier, that the floor is hardly the place to decide these matters, since we do have committees that deal with this subject on foreign affairs and we do have committees which handle the appropriations for foreign organizations of which we are a member.

Mr. Chairman, I will be forced to oppose the gentleman's agreement, and I say frankly that part of my reason for doing so is that this is not the place or occasion to do it. I do understand the gentleman's position, and to the best of my belief, the limitation of 25 percent does apply only to the assessment. I am now told the actual amount is $47 million, as against the figure which I gave earlier.

Mr. WYLIE. Mr. Chairman, I regret that the chairman of the committee feels the necessity of opposing this amendment.

I found out also that there is $38 million more in this bill this year as a contribution to these voluntary organizations than there was in the bill for the fiscal year 1974. I had thought of putting in an amendment which would reduce the $427 million by the amount of $38 million which is in excess of the amount which we appropriated through this Congress last year. However, I thought perhaps that might be a greater cut than we should make at this time, and that the cut would reduce our contribution below the 25-percent figure which is the percentage we have expressed in the law previously.

So I simply used the figures which we have enacted into law and I used the same language which was enacted into law in Public Law 92-544 back in October 25, 1972.

It is my feeling that other nations in the world should contribute to these organizations to a greater extent. I feel they should contribute also to these United Nations organizations, and that they should contribute at least 75 percent of the resources and money available to be dispensed or distributed to the United Nations organizations, and I believe the 25-percent figure, as proposed in my amendment, to be a more than adequate share to be contributed by the United States.

I, therefore, Mr. Chairman, urge support for my amendment.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

I repeat again that I do not feel this is the place to decide this matter. Therefore, I hope that the amendment will be defeated and this matter will be dealt with in another way.

In principle, I certainly can agree with the arguments which have been made by my colleague, but the amendment at this point, since it is admitted that neither of us has the facts or figures before us and since the latest information is to the effect that this is not in violation due to the fact it is not part of the assessment, certainly should not be adopted at this time.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I thank the chairman of the committee for yielding.

Do I understand correctly that the gentleman is saying this does not have to do with an assessment, but, rather, with a voluntary contribution to the agency; is that correct?

Mr. WHITTEN. As I said, that is my understanding. Now, insofar as my knowledge is concerned, I cannot say I am certain I am right. That is one of the reasons why I think we should defeat the amendment at this point, because I have not heard anybody who has professed to know the full facts about it.

Mr. BINGHAM. I certainly join the chairman in that regard and point out that if it is a voluntary contribution, as he has said, then the 25-percent principle does not apply and has not applied in other cases.

Mr. EVANS of Colorado. Will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. EVANS of Colorado. I agree with the chairman. If we adopt this limitation, it would be impossible for this country to come to the assistance of any countries or areas of the world that may have a serious food problem unless other nations came in also, upon a prior agreement with all other assisting nations, which would make our contribution 25 percent of whatever the total may be. For that reason I urge defeat of this amendment.

Mr. COLLIER. Will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman.

Mr. COLLIER. Did I understand the gentleman to say that this was involuntary or that it was not?

Mr. WHITTEN. It is my understanding it is voluntary and it is not a part of the assessment.

Mr. COLLIER. It is certainly not voluntary as far as the taxpayers of this country are concerned, if I read the mood of the people correctly.

Mr. WHITTEN. My colleague and I kind of view the attitude of the people alike, as he well knows, but I think, with as little information as we have at this point, the amendment should be defeated.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentleman from Ohio, because I think it is a reasonable formula.

This country has been doing more than its share in contributions to the United Nations. This amendment merely abides by the basic formula already established for our country as it relates to assessment. It is a ceiling, and I think it is an appropriate one.

If I read the mood of many of the people of this country correctly on the basis of the mail which I have received they feel that time has come to begin to set ceilings with the United Nations. This only applies to title I, as the amendment of the gentleman from Colorado did. I feel the amendment is appropriate and in conformity with other formulas which our country has applied to international agencies.

The gentleman is to be complimented for offering it, because it is offered in consideration of our country which is actually overcontributing in this area.

So I hope that Members will feel persuaded that the gentleman from Ohio has been thoughtful in the way he presented this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. WYLIE).

The question was taken; and on a division (demanded by Mr. WYLIE) there were—ayes 29, noes 56.

So the amendment was rejected.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have had numerous Members ask me what we could do to speed up these proceedings, or reach some agreement on the time so that those who have commitments could get out of town at a reasonable hour.

I wonder if it would be agreeable to the Members to say that all debate on this bill and all amendments thereto end at 5:30?

Mr. Chairman, I ask unanimous consent that all debate on this bill and all amendments thereto close at 5:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. CONTE. I object.

The CHAIRMAN. Objection is heard.

Mr. WHITTEN. Mr. Chairman, I move that all debate on this bill and all amendments thereto close at 5:30.

The CHAIRMAN. The Chair will state that the committee must complete the reading of the bill before such a motion could be entertained.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that further reading of the bill be dispensed with, and that it be printed in the RECORD and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. GROSS. I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk read as follows:

AGRICULTURE STABILIZATION AND CONSERVATION SERVICE

SALARIES AND EXPENSES

For necessary administrative expenses of the Agricultural Stabilization and Conservation Service, including expenses to formulate and carry out programs authorized by title III of the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1301–1393); Sugar Act of 1948, as amended (7 U.S.C. 1101–1161); sections 7 to 15, 16(a), 16(b), 16(d), 16(e), 16(f), 16(i), and 17 of the Soil Conservation and Domestic Allotment Act, as amended and supplemented (16 U.S.C. 590g–590q); the Agriculture and Consumer Protection Act of 1973 (87 Stat. 221 to 246); subtitles B and C of the Soil Bank Act (7 U.S.C. 1831–1837, 1802–1814, and 1816); the Water Bank Act (16 U.S.C. 1301–1311); and laws pertaining to the Commodity Credit Corporation, $172,382,000; *Provided*, That, in addition, not to exceed $83,895,000 may be transferred to and merged with this appropriation from the Commodity Credit Corporation fund (including not to exceed $35,377,000 under the limitation on Commodity Credit Corporation administrative expenses): *Provided further*, That other funds made available to the Agricultural Stabilization and Conservation Service for authorized activities may be advanced to and merged with this appropriation: *Provided further*, That this appropriation shall be available for employment pursuant to the second sentence of section 706(a) of the Organic Act of 1944 (7 U.S.C. 2225), and not to exceed $100,000 shall be available for employment under 5 U.S.C. 3109: *Provided further*, That no part of the funds appropriated or made available under this Act shall be used (1) to influence the vote in any referendum; (2) to influence agricultural legislation, except as permitted in 18 U.S.C. 1913; or (3) for salaries or other expenses of members of county and community committees established pursuant to section 8(b) of the Soil Conservation and Domestic Allotment Act, as amended, for engaging in any activities other than advisory and supervisory duties and delegated program functions prescribed in administrative regulations.

AMENDMENT OFFERED BY MR. PEYSER

Mr. PEYSER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. PEYSER: On page 3, line 19, after the period add the following:

"No part of the funds appropriated or made available by this act shall be used to pay the salaries of the personel who formulate or carry out a price support program for the 1975 crop of peanuts."

Mr. PEYSER. Mr. Chairman, the effect of the amendment that I am offering now is to bring about a change in the peanut support program.

I think it is most important at this time that the House take a good look at what permanent legislation really does.

For those Members who may not be aware of it, the peanut legislation was passed in 1938, and it is what is known as "permanent legislation." The only chance the Congress has to make any changes in this legislation is the device I am using right now.

Let us look briefly at the peanut bill. I have heard several times today the expression that the chairman of the subcommittee and the people speaking support a free market system.

Nothing could be further from the free market system than that which is brought about by this peanut legislation.

I do not know if the Members are aware of this, but I was shocked to find out that if I owned 40 acres of land today, let us say in Georgia, that is good peanut country, and I wanted to grow peanuts, I would be prohibited from selling the peanuts that I grow by law, because if I sold them I would be fined 75 percent of the market price by the Department of Agriculture.

If one independently wanted to grow

peanuts on more than 1 acre of land, one just cannot do it.

In a free economy in America, today, this seems inconceivable to me, but that is the law.

Also a point is going to be raised today on the so-called accuracy of figures. I think many of the Members have received a letter raising this question. What I have in my hand here is a GAO report. This was published in April 1973.

The figures from this GAO report are on this chart so that all the Members, perhaps, can see this. Where it says "losses," this means losses to the taxpayer each year. There are factual figures; these are not made-up figures. These losses in the period of time shown here, which is from 1962 to 1972, represent $513 million.

The GAO in its report in 1968 called on the Department of Agriculture to make a change in this peanut program. In 1973 on the front page of their program they say,

> The need intensifies to amend legislation to reduce Government losses on peanut price support programs.

On the inside it outlines what is anticipated to happen. The interesting thing is that in 1973–1974 for the first time in 20 years the losses to the Government, to the taxpayer, were down to under $4 million. Everybody points to this as though this is a wonderful accomplishment. The projections for this next year, the year following, and the year following that, are that this program will cost is nearly one-half billion dollars.

The question is, Why was the loss so small this last year? We had in the major peanut-growing countries—South Africa and Nigeria—a major drought, and for once the world marketplace came up to this fake price that we force in the United States. Do the Members realize that we make the American consumer pay twice as much for peanuts as the world market—double?

I am delighted to see peanuts being consumed. It does my heart good, because I do not want to hurt anybody. I certainly do not want to hurt the peanut grower.

I heard my friend, the gentleman from Kentucky, before, say, What is good for New York or Kentucky is good for the country, and no section wants to hurt another section of the country. I could not agree more.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. PEYSER was allowed to proceed for 3 additional minutes.)

Mr. PEYSER. What I am asking for is fairness to the taxpayer and to the people of this country, and even to the peanut growers, because if these people need help, I do not think it ought to be disguised in this bill as though we are doing something for the peanut industry and simply paying poor people. If the poor people need help in Georgia, let us give them the help they are entitled to, the way everybody else in the country is entitled to it, but not under a phony system. That is what we are doing here.

I think that we should recognize that most of the small farms in this country, the peanut-growing farms, do not grow their own crops, but they lease the land and they get a subsidy in effect of $100 to $150 an acre. The bigger farmers take over. We have seen this in every one of these subsidy programs. I am just trying to suggest to the Members that the Secretary of Agriculture has repeatedly said he is opposed to subsidy programs.

In the move today the peanut people, the peanut interests, have said, We are ready to come out with a new bill, and we are ready to make some changes. I congratulate them, and I will be willing to support their changes if they are meaningful.

But today let us pass this amendment that in the year 1975, unless there is new legislation, will eliminate this program, and that is what I think we should do.

Mr. MATHIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Georgia.

Mr. MATHIS of Georgia. I thank the gentleman for yielding.

Does the gentleman have any idea as to the proposed legislation when it would go into effect?

Mr. PEYSER. Does the gentleman mean if we have new legislation?

Mr. MATHIS of Georgia. If the new legislation is passed, does the gentleman know when it would become effective?

Mr. PEYSER. If the new legislation that is being proposed and that I have seen on the peanut subsidy program is brought out I think there are still changes to be made to it and I would be willing to support any compromise-type legislation, but I must say if we continue this program, and incidentally if we pass this amendment today we will not be prohibiting the right of the peanut growers to come back to the floor of the House with a decent and fair bill, and I think if we do not pass this amendment we are going to be in a place we have been in for the last nearly 36 years in a program that has cost us billions of dollars, and I just do not think it is fair.

Mr. MATHIS of Georgia. I would like to ask the gentleman for the third time if he has any idea when the legislation will go into effect that has been proposed by the department and the growers and the committee.

Mr. PEYSER. I assume when the Congress has passed it.

Mr. MATHIS of Georgia. For the 1975 crop year, I would say to the gentleman, which is what he is trying to eliminate. He says he will support this legislation?

Mr. PEYSER. In spite of my amendment being passed and if the Congress wishes to change or amend that bill and we go to a 1975 program for peanuts, then they can act for the first time in 36 years, then I will support it. It is not that I am against agriculture of farmers. I am willing to support the cattle growers who desperately need help. I am not trying to pick on any industry, and I hope the Members will support this amendment.

Mr. JONES of North Carolina. Mr. Chairman, I move to strike the requisite number of words and I rise in opposition to the amendment.

Frankly I am quite delighted to have my friend, the gentleman from New York, offer this amendment. It is not often the Agriculture Committee gets an instant expert on agriculture and the gentleman has been with us three months and he is making a great contribution in his own way, but let us put this thing into perspective.

Certainly the present peanut program is indeed antiquated to some degree. Times have changed. But let me assure the Members as chairman of the subcommittee handling the peanut legislation that I have an appointment Tuesday morning with Mr. Kenneth Frick and Mr. Bill Lanir and an Under Secretary to work out the final and complete details on a new peanut bill which will to all practical purposes answer whatever criticism the gentleman from New York has.

After considering the amendment offered by the gentleman, I find he does not go to the heart of the agricultural program at all but merely says that no funds appropriated or made available by this act shall be used to pay the salaries of personnel which formulate or carry on a price support program for the 1975 crop of peanuts. I suppose that is about the only thing he could find in the bill that would be germane to the bill in question and he had to have something and that is it. But at least it brings the matter into focus.

I assure every Member of this House that unless the administration continues its stalling tactics and if they will bring forth a bill which has been promised for Tuesday morning, that the bill will be brought to the House floor, which answers the gentleman's criticism which with great pride the gentleman has put forth.

As far as the open end reduction, if the gentleman does not know what that means, and perhaps he does not know what it means, one plants over and above the legal allotments, so that answers that criticism, I suppose.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I will yield to the gentleman in just a minute.

Mr. Chairman, I think this amendment, whatever it may have or may not have is certainly one of the most ill-timed on the appropriation bill that I know of since I have been here, particularly in view of the solemn promise of the subcommittee chairman that, unless I am outvoted in the committee or subcommittee, the Members will have the right within a few short weeks to pass judgment on new legislation which I am positive would answer whatever criticism, if at all possible, the gentleman from New York (Mr. PEYSER) has.

Mr. PEYSER. On the open-end program the gentleman is speaking of, in the new legislation, does that open-end reduction come under any allocation? In other words, could a new farmer come in and get an equal allocation that the old farmer gets?

Mr. JONES of North Carolina. I am glad the gentleman asked the question, in order that he might be better informed. We have under the present program acreage allotments, historical acreage allotments. At the present time we must abide by the allotments. Under the proposed legislation which is approved, by the way, by the Secretary of Agriculture, Mr. Butz, we will move into the second phase, what is known as an open-end production. The answer is yes, a new open-end program would provide for additional peanut production. Does that answer the question?

Mr. PEYSER. No. I am very familiar with the proposed legislation——

Mr. JONES of North Carolina. I am glad the gentleman is, because I have not seen it.

Mr. PEYSER. I am quite familiar with what has been discussed. My belief is, the farmer that comes in is not eligible under the same allocation schedule or the same parity program as the historical farmer that is being protected under the new legislation.

Mr. JONES of North Carolina. The gentleman is absolutely correct. He would be entitled to only a partial support, based on economic factors, which would be only sensible and feasible under a fair and workable program.

Mr. MATHIS of Georgia. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I yield to the gentleman from Georgia.

Mr. MATHIS of Georgia. I wanted to ask the gentleman from North Carolina, would he tell the Members of the body the position of the Department of Agriculture on the Peyser amendment; is he familiar with the position the Department has taken?

Mr. JONES of North Carolina. I have been authorized by the Administrator, Mr. Frick, to state to this body, speaking for the Secretary of the Department, that they desire a continuation of the peanut program. Let me qualify that by saying, certainly not the present program, but the new program.

As I understand the amendment, that even if we pass a new program this would also eliminate funding in 1975.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. MATHIS of Georgia and by unanimous consent, Mr. JONES of North Carolina was allowed to proceed for an additional 3 minutes.)

Mr. MATHIS of Georgia. If the gentleman will yield for a further question, then as he understands the position of the Department, it would be in opposition to the Peyser amendment; is that a correct assumption on my part?

Mr. JONES of North Carolina. I would assume by implication that if this Peyser amendment prevails, there would be no program in 1974 or 1975, for the simple reason there would be no funds to provide the administrative personnel; so to answer the question, I believe by implication it is the statement of Mr. Frick that he is opposed to the amendment.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I yield to the distinguished Speaker.

Mr. ALBERT. This amendment means no money could be used for the stated purposes, even if a completely new law were enacted before the 1975 crop were put in?

Mr. JONES of North Carolina. I will read it exactly:

> No part of the funds appropriated or made available by the amendment shall be used to pay the salaries of personnel to formulate or carry out a price support program for the 1975 crop of peanuts.

It does not say old or new.

Mr. ALBERT. It says a price. It does not say the present price program.

Mr. JONES of North Carolina. No; it does not.

Mr. ALBERT. This amendment would make absolutely useless any new law, unless we could get back the appropriation also.

Mr. JONES of North Carolina. May I state that in North Carolina we call this the "Catfish amendment." Where the fisherman takes a small fish and promises not to hurt him—then proceeds to cut the insides out of the little fish and that is what this amendment does. It guts the whole program.

I urge the Members to vote down this amendment.

Mr. BURLESON of Texas. Mr. Chairman, will the gentleman yield?

Mr. JONES of North Carolina. I yield to the gentleman from Texas.

Mr. BURLESON of Texas. The gentleman has made an excellent case against this amendment, stating it properly and adequately. The precipitous cutoff of a program of this kind would be irreparably damaging.

Mr. Chairman, the gentleman from North Carolina has ably and adequately argued against this amendment. I support his position. To precipitously eliminate this program would be disastrous to this important segment of agriculture.

Mr. Chairman, since notice was given that the pending amendment would be offered, I have talked to many of you personally about it.

This amendment, according to its sponsors and supporters, is presented as an economy measure. The small sum, compared to the total, and as to that matter to the huge programs recently enacted, is literally and truly a drop in the bucket.

Very frankly, this amendment is offered in prejudice and is obviously one which has an appeal to some who only look at the surface. I am aware, of course, that few of you have peanuts produced in your district but all of you have an interest in this commodity which is tremendously important to some areas of this country.

Although peanuts are actually produced in only a few areas of the Nation, as a food they affect everyone. The end products are a big business in this country and highly important as protein food, and important to the economy.

The peanut program has worked well. There is no other part of the farm program which has had more discipline by those benefiting from it than has the peanut program. All segments of the industry have been concerned with any excessive costs and have consistently exerted efforts to make it the sound operation that it is.

The figures presented by the supporters of the amendment are misleading and tend to prejudice the actual facts all out of proportion. The program for 1973 has cost very little money and has yielded benefits far beyond the cost. To read some of the "Dear Colleague" letters, one would get the impression that this is a costly drain on the taxpayers. It is no such thing and there is no rationale of starting with 1955 and citing costs to the present time. This is like a great many other things. We can go back to the turn of the century and apply the changes which have taken place up to this point and come up with some sensational comparisons. In this instance however, the figures used are not even relevant to the present.

In one of the letters by the promoters and supporters of this amendment they project cost to taxpayers from 1975 to 1979 as being above $1,118,000,000. This is wholly misleading and simply cannot be supported with facts. The peanut program has a very good chance of not costing the taxpayers anything in this period. For instance, this figure is based on a resale price of peanuts by the Commodity Credit Corporation at not less than 115 percent of the loan rate. This is misleading because the Department of Agriculture has long abandoned any idea of the 115-percent resale price. Obviously, the estimate by the USDA, if actually the Department made such an estimate, is net outlays and not losses.

There is legislation dealing with this program pending in the Agriculture Committee of this House of Representatives. Fullest cooperation is being given by the growers association and others in the industry to modify some present provisions for workability and to reduce the cost. This has been a process administratively in cooperation with those so vitally affected by this program over a period of years and those efforts will continue. To completely eliminate the program would be ruinous and I think it safe to predict that we would not have the production and the products of peanuts very long, resulting in loss of a valuable food and much higher prices to the consumer.

Mr. Chairman, I urge the defeat of this amendment.

Mr. JONES of North Carolina. I appreciate the opposition to this amendment.

Mr. STEIGER of Arizona. Mr. Chairman, I rise in hysterical opposition to the amendment.

I know that my colleagues will be delighted to hear that I will not consume the entire 5 minutes, but I would like to point out to them that in addition to obviously doing devastating harm to an industry and an ongoing legislative program, let me give the Members of the Committee a little insight into what even the offering of an amendment such as this does, at least to those of us who live in the country.

Farmers and agribusiness depend on bank credit. Inevitably, the farmer and the subsidy program or whatever Federal program is involved, whether it be soil conservation programs or whatever, his economic life is closely allied to it. What happens today when a person goes into a bank and is involved in a Federal program; goes into a private bank in the country? Inevitably, he will be asked the question, "What is to prevent the program that you have been operating under for 20 or 30 years from being knocked out by some zealous Member of Congress from Long Island or someplace who, in his desperation to get reelected, might accidentally knock out the program?"

Knowing the dedication of the gentleman from New York (Mr. PEYSER) to agriculture in general, I know he would not do any harm deliberately. But, the fact is that it is the precipitous removal, without any planning at all or forethought, any phaseout, any orderly process, which really jeopardizes rural credit everywhere.

That is not just a casual observation; that is a very sincere observation. In the highly unlikely event that this should come to a rollcall vote of any kind, I would hope that it is defeated overwhelmingly so as to demonstrate to those people involved in rural credit the Congress will give great deliberation and thought to the removal of ongoing programs, and whose removal would result in serious economic depredation of the communities involved.

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. Mr. Chairman, I yield to the gentleman from Virginia.

Mr. ROBERT W. DANIEL, JR. Mr. Chairman, I oppose the amendment which would prohibit the use of any funds provided in the Agriculture appropriations to carry out a price-support program for peanuts.

Although I am involved in a farm operation, I have never received a peanut allotment nor am I financially involved in any peanut program.

This amendment is not only ill advised, but the cost figures are sheer fabrication. To say that the program will cost the American taxpayer $1,188,000,000 between 1975 and 1979 shows a complete lack of knowledge of the program as well as a callous juggling of figures.

The peanut industry working in conjunction with the Department of Agriculture has reduced the cost of the program from $55.3 million in 1973 to $3.9 million in 1974. The Department and industry leaders are predicting that there will be no appreciable change in the costs figures over the next few years and the costs to the American taxpayers could conceivably be reduced to zero.

The Agriculture Committee has held numerous hearings on this subject, and any attempt to destroy this program by attaching an amendment on an appropriations bill would seriously damage any ongoing negotiations between the parties involved.

Mr. WAMPLER. Mr. Chairman, will the gentleman yield?

Mr. STEIGER of Arizona. I yield to the gentleman from Virginia.

Mr. WAMPLER. Mr. Chairman, I rise in opposition to the amendment offered by the gentleman from New York to repeal the farm program.

Do not be mistaken about this amendment. It purports to repeal the peanut program, but it is only another thrust aimed at killing the entire agricultural program that has helped bring the American people the world's best and cheapest food supply.

This amendment is based on gross misinformation and inaccuracy and if allowed to prevail, will signal the death knell of all our farm programs.

The present peanut program is by most Federal standards rather modest in cost—less than $4 million per year. Allegations that this is some kind of a billion dollar ripoff are only figments of wild imagination.

Aside from the absence of factual or substantive support for such a proposition its chief mischief lies in the notion that farm programs are responsible for consumer price increases.

In sincerely hope that the membership of this great body—particularly the membership on my side of the aisle—will not be deluded into thinking that this amendment, which today would repeal the peanut program and tomorrow would repeal the tobacco program, the rice program, the cotton program, the feed grain program and the wheat program or any of the other farm programs that are essential to providing farmers and ranchers with the tools of orderly marketing and the basis for sound capital financing, can do anything but harm our Nation.

Will this amendment save any money? Of course not. Will this amendment reduce the price of peanuts? Of course not. All it will do is kill the program and pull the rug out from under thousands of small family-sized peanut growers across the land.

You know, Mr. Chairman, it does not take a great deal of talent or work to burn down a house. It takes quite a bit to build one.

I hope this House does not help burn down the houses of thousands of peanut growers and other farmers because if we do, we will all live to suffer from it.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, may I point out again that the author of the amendment says that he would support a new program. The head of the subcommittee which handles peanuts in the Committee on Agriculture has assured us that there will be a new program. With those two statements having been made, when we read this amendment, it says that whatever law we might adopt, there will be no money available to carry it out.

Mr. Chairman, I think we should defeat the amendment because the amendment says that there will be no money to carry out any new program. The gentleman from North Carolina says that there will be a new program; the author of the amendment says that he would support a new program. I think it would be very unwise for us now to prohibit the carrying out of a new program.

Mr. FINDLEY. Mr. Chairman, I move to strike the last word.

The peanut program is very clearly a remnant of the 1930's which is outdated and needs reform, and needs reform badly. It is not the only one still on the books, but it is one of the few remaining. It embodies high price supports and nonrecourse loans.

I think the gentleman from New York has rendered a service to the House in focusing attention on the need for fundamental reform. I have been impressed with the fact that my good friend from North Carolina (Mr. JONES) says that we are going to have a bill on the floor dealing with this program. We will have a chance to change the peanut program. I think that, in itself, is an advance because presently there is no time limit on the legislation for the peanut program. Therefore, this does open the possibility of some improvement in the bill.

But let us not hold our breath. If we are waiting for a fundamental, progressive change in the peanut program to come forth from the Committee on Agriculture, we are going to be badly disappointed.

What is now proposed is some sort of agreement between the Department of Agriculture and the peanut lobby, if that is the proper term, is a modest change, actually a change that probably will not save 10 cents in appropriated money year in and year out. In fact, in some ways the so-called reform is worse than present law.

The present bill guarantees price support at 75 percent of parity, with the grower standing the cost of any storage. The new scheme will still guarantee price support, but at 70 percent of parity. However, the Government picks up the tab for any storage expense. It looks to me like a tradeoff. In addition to protecting the allotment producers of peanuts at virtually the same price support level they now get, the new proposal will permit others unlimited production at something like 42 percent of parity.

The rumor was around that the agreement would be of a different character and would go to the target price concept that is now established for feed grains, wheat, and cotton. If so, we would have something that would finally get peanut production back on a reasonable economic base with respect to price supports. That is not in prospect. The peanut lobby rejected that type of compromise, and it got the acquiescence of certain leaders in the Department of Agriculture to go along with the same old price support concept.

It may well be that the language offered by Mr. PEYSER is to restrictive. As the Speaker of the House very correctly said, it would prohibit any price supports for peanuts. This goes too far. We are not going to be without a peanut program of some kind next year.

However, I think, Mr. Chairman, that Mr. PEYSER has rendered a great service to us, and I hope the Members will be alert to the opportunity when it does come along late this summer, to effect some fundamental change in the peanut program which will bring it more in line with the existing programs perhaps with the target price concept. In the meantime, let us not hold our breath expecting that the Committee on Agriculture itself to produce that type of agreement.

Mr. SMITH of Iowa. Mr. Chairman, I move to strike the last word.

Mr. Chairman, one of the principal arguments for this amendment seems to be that farmers who have not historically grown peanuts without buying an allotment from someone else, or at least leasing an allotment.

I am not for allotments for any commodity that has not been previously covered by allotments. However, I think the Members ought to know what they are doing when they abolish a program which operates under this concept and has for years.

Let us look at what happened when they put a limitation on cotton payments. What happened was that the big producers quit leasing allotments from the small farmers. The cost of the program went up. Actually, that limitation on payments provision increased the cost of the program by about $8 million.

A lot of the Members do not seem to realize—and it is hard to realize sitting here in Washington—that there are thousands of people in this country who still exist on an income of about $2,000 or less a year. They have a small allotment which they lease to larger farmers. From that lease they may receive $150, $300, or $500. They also may raise a litter of pigs and 3 or 4 acres of corn to feed them. These are poor people. They may be 50, 60, or 70 years old. They are not in a position to move to a city and secure employment. They do not want to go on welfare in some city and are happier where they live. They ought to be able to stay there.

Therefore, let us not think it is so bad when, in order to get a few more acres, a larger farmer has to pay a little fellow to lease his acreage.

Let those who vote for the amendment realize they are hurting the poorest of the working poor and mostly elderly when they vote for this amendment.

AMENDMENT OFFERED BY MR. ANDERSON OF ILLINOIS TO THE AMENDMENT OFFERED BY MR. PEYSER

Mr. ANDERSON of Illinois. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. ANDERSON of Illinois to the amendment offered by Mr. PEYSER: On page 20, line 17, after the period add the following:

"No part of the funds appropriated or made available by this act shall be used to pay the salaries of the personnel who formulate or carry out the existing price support program for the 1975 crop of peanuts."

Mr. ANDERSON of Illinois. Mr. Chairman, I have had an opportunity to listen to most of the debate on the amendment which has been offered by the gentleman from New York (Mr. PEYSER) and it seems to me that there are probably some valid arguments on both sides of the proposition.

On the one hand, as the chart to my left would indicate, this has been a program that has been costly to the taxpayers, to the tune of $513 million since the 1962–63 crop year.

On the other hand, as I read that chart, we have seen a steadily diminishing number of farms involved in the program; the number is down from 105,000 in the 1962–63 crop year to the most recent figure of 82,000.

However, as I listened to the distinguished Speaker of the House and the gentleman from Mississippi (Mr. WHITTEN) and others who spoke, it seemed to me that they did have some merit to their argument It seemed that there is some merit to the argument which they offered concerning the gentleman's amendment as it is now worded, which says, as the Members will recall, that "no part of the funds appropriated or made available in this act shall be used to pay the salaries of personnel to formulate or carry out a price support program for the 1975 crop."

The interpretation of that amendment would inexorably lead to the conclusion that we could not have any kind of program at all. And it may well be, as the gentleman who just left the well, the gentleman from Iowa (Mr. SMITH) said, that there are some small farmers who would, if they could not enjoy the revenue from this crop and make their incomes in that manner, be transferred to the welfare rolls or would become in some manner otherwise a charge upon the taxpayers of this country.

So, very simply, what I have attempted to do in this amendment to the gentleman's amendment is to take out the words, "a price support program," and substitute the words, "the existing price support program," which it seemed to me would give some impetus and some incentive to the Congress to fashion a new program, one that would be workable and less costly, and yet not render it completely impossible for us to have some kind of price support program for the farmers who are engaged in this particular field of agriculture.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I am pleased to yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, I want to voice my support of the amendment to the amendment. I feel that it puts the amendment in good form, and all Members of this body can be assured before January rolls around that we are going to have a supplemental appropriation bill for food stamps, if for nothing else, in which could be accomplished for funding whatever price support program for peanuts does emerge from Congress.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I thank the gentleman for yielding.

I wish to say that I accept the amendment which the gentleman from Illinois has offered. I think it really does clarify the situation. I am grateful to the Speaker for speaking on this point, because it was not my intention to create this type of problem. I think the amendment to my amendment does clarify it.

I think when the new program comes out, the House can then work its will on the matter, and we can have an effective program for peanut help.

Mr. Chairman, I thank the gentleman.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Texas.

Mr. KAZEN. Mr. Chairman, I have listened to the arguments, and I see no need whatsoever for any type of an amendment on this subject, because if we are going to have a different price support bill, they will still have to operate under the provisions of this bill; or if we retain the present price support bill, if we cannot agree on a new bill by the end of the year, we are still going to have a price support program.

So why should we have this type of an amendment at all? Mr. Chairman, I oppose both of these amendments.

Mr. ANDERSON of Illinois. Mr. Chairman, I think, very simply, to answer the gentleman's question, as I said a moment ago, this is designed to offer some incentive to the committee to bring out a new program, one that would answer some of the arguments that have been raised—and I think they are legitimate arguments—against the manner in which the present program is operating and yet not simply cut off completely any possibility for any kind of program administered by the Secretary of Agriculture.

Mr. FINDLEY. Mr. Chairman, will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the gentleman from Illinois.

Mr. FINDLEY. Mr. Chairman, the amendment offered by the gentleman from Illinois to the Peyser amendment simply cuts money from the existing program, not from the employees to formulate and carry out a successor program. The best way we can be sure we are going to get some form of peanut legislation reform is to adopt the gentleman's amendment and then adopt the Peyser amendment.

Mr. ANDERSON of Illinois. I think the gentleman is eminently correct.

Mr. ALBERT. Will the gentleman yield?

Mr. ANDERSON of Illinois. I yield to the distinguished Speaker.

Mr. ALBERT. Of course, the gentleman acknowledged in a sense, indirectly, this is sort of a shotgun amendment. It has forced the House to act. However, does the gentleman believe an appropriation bill, anticipatory completely, is the proper place to inject a program of this kind?

Mr. ANDERSON of Illinois. In response to the distinguished Speaker, I think the argument could have been raised that the original amendment probably suffered from the vice he mentioned in that it was a shotgun approach, but with the amendatory language I propose that makes it possible this year to work out a new program I do not think we have to be afraid to adopt it.

As far as this being an appropriate vehicle, I think it is the only chance we will have to work on this.

Mr. MATHIS of Georgia. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the distinguished Speaker of the House put his finger perfectly on the problem with the Anderson substitute.

First of all, working in the Committee on Agriculture, even if we can get this legislation out—and we do intend to get it out—and this is something I can say for the majority of the members—still we have to bring it to the floor of the House and it has to go to the Senate. We do not know what the outcome will be in the other body. So I think it is the better part of wisdom to reject the Anderson substitute and then in turn reject the Peyser amendment.

Mr. ANDREWS of North Carolina. Will the gentleman yield?

Mr. MATHIS of Georgia. I will be happy to yield to the gentleman from North Carolina.

Mr. ANDREWS of North Carolina. Do I understand this correctly: if the amendment passed there could be no salaries for persons to formulate the program we are talking about? Is that correct?

Mr. MATHIS of Georgia. The gentleman is eminently correct, as I understand the amendment.

Mr. SISK. Will the gentleman yield?

Mr. MATHIS of Georgia. I am happy to yield to the gentleman.

Mr. SISK. I want to join with the gentleman in opposition to this amendment.

I think we have had an expression here by the chairman of the subcommittee in all good faith as to what will happen in connection with resolving this program. It would be most unfortunate if this amendment should happen to be adopted.

So I join my colleague from Georgia both in opposition to the substitute and to the amendment.

Mr. YOUNG of Georgia. Will the gentleman yield?

Mr. MATHIS of Georgia. I am happy to yield to the gentleman from Georgia.

Mr. YOUNG of Georgia. Mr. Chairman, I rise in opposition to the amendment.

Frank McGill, University of Georgia Extension Service specialist for peanuts based in Tifton, estimates that one of every three black families in the 84 peanut producing counties of Georgia derive a major part of their livelihood directly or indirectly from peanuts.

A number of these families are engaged directly in the production of peanuts either as land and peanut allotment owners, renters, share farmers or hired farm workers.

A much larger number of blacks, Mr. McGill states, are employed in agribusiness enterprises that serve peanut producers. These activities include peanut warehousing and shelling facilities, fertilizer and chemical companies, farm equipment service companies, custom services for farmers such as lime spreaders, and many others.

These black families, along with their white neighbors, would suffer disastrously if the peanut price support program were abruptly terminated.

The entire industry would be thrown into utter chaos, because the handling and marketing of the peanut crop is fundamentally built around the price support program that has been in existance for some 30 years. And, of course, the price of peanuts to farmers could fail to ruinous levels with no likely reduction in consumer prices of peanut butter or other peanut products. The value of the peanut crop to farmers in Georgia this year probably will be between $225,000,000 and $250,000,000. This will represent some 20 percent of our State's total farm income from crops. The Georgia Peanut Commission estimates the total impact of peanuts on Georgia's economy at more than $1 billion annually.

Thus the entire State and all its people—black and white—will suffer should the peanut program be destroyed.

Mr. McGill's estimate that one of every three black families derive a major part of their livelihood from peanuts applies to Georgia. But it is fair to assume that the same would be true also for Alabama, Florida, North Carolina, and to a lesser degree, for Virginia and Texas. In the Southwest, especially south Texas, a large number of Spanish-American families are involved in the peanut industry.

Mr. McGill is one of the foremost and most respected authorities in the United States on peanuts.

Therefore I urge the defeat of this amendment.

Mr. WHITTEN. Will the gentleman yield?

Mr. MATHIS of Georgia. I will be happy to yield to the chairman of the subcommittee.

Mr. WHITTEN. Mr. Chairman, this amendment, I hope, will be defeated.

These programs are handled by ASCS employees in the various counties throughout the country. This money goes to the person who might be doing this work, but he might also be doing work in many other programs, in a variety of other things in connection with other crops. If we deny the funds here that the gentleman from Illinois has referred to, we will be affecting many other programs.

I believe it is unwise at a time like this to try to write this type of an amendment into an appropriation bill, when that is not the matter really before us. I hope we will vote this amendment down.

Mr. PEYSER. Will the gentleman yield?

Mr. MATHIS of Georgia. I yield to the gentleman.

Mr. PEYSER. I want to say to my friend from Atlanta that I have been there many times. It is a great city and great State.

Second, I want to say I would like to point out with regard to this amendment that if the amendment to the amendment passes and then the amendment passes, it would in no way preclude new legislation being enacted for an adequate amount of funding to carry out anything that the new legislation would have in it. It would in no way change or affect it. I think we can do it, and I know we will get a new bill.

Mr. MATHIS of Georgia. The gentleman, I think, is wrong. He is simply misinterpreting what his amendment will do.

Mr. FOUNTAIN. Mr. Chairman, I rise in opposition to both the Peyser and the Anderson amendments, both of which in effect, would destroy a vitally important peanut price support program which has meant so much to countless thousands of peanut growers in this country, a program which has provided a good supply of peanuts to the consuming public at very reasonable prices.

The proposed amendments have a bearing on a major issue—the question of whether or not an adequate supply of high quality food at reasonable prices for all the consumers of this Nation will be insured.

Our farm programs as a whole and the peanut program as one of them, have, of course, at times involved the substantial expenditure of tax funds. But, the programs have been a major factor in our being able to build the most efficient, most productive agricultural system in the world. In fact, our system of agriculture is the envy of every other nation on the face of the globe.

With our system, we have the capacity to produce substantially much more food and fiber in any given year than is currently needed. Surely we want to maintain this enviable position just as long as we can in view of the increasingly serious worldwide food shortage. Famine now stalks some areas of the world.

In most years, we've been able to hold a part of our productive capacity in reserve. Expenditures to build and maintain this reserve have been and are a good investment for the American consumer.

Ask yourself where we would be today, where we would have been in the past year, where would we be next year, if we did not have this capacity?

How can we provide continued supplies for our own people and take advantage of the opportunity to trade with the rest of the world if we lack the capacity to produce?

How can we sell agricultural commodities to the rest of the world and thus improve our balance of payments, if we lack the capacity to produce?

As an individual, have you ever thought of what a near-miracle it is that wherever you are in America—in your home, in a restaurant, in a supermarket, or in some big convention hotel in New York—you have a plentiful, even bounteous, supply of fresh, wholesome, delicious food, including peanuts, readily available?

If we take this daily miracle for granted and are not concerned about how it comes about, then we could eliminate the cost of our farm programs. But, by doing so, we would surely substantially reduce the capacity of our agricultural system; and we just might destroy it, in which case millions of us would starve.

The consequences of eliminating vital farm programs at this time would inevitably be extremely high prices for food rather than the still relatively low prices we have come to take for granted. The consequences would be a lack of food and fiber— and thus hunger—such as we have never known in this country.

Mr. Chairman, I have the honor to represent an area which is a major producer of agricultural commodities, including peanuts. In fact, the farmers of the first and second congressional districts of North Carolina represented by my colleague, Congressman Walter Jones and myself respectively, grow practically all, if not all; of the peanuts grown in North Carolina. And in a number of our counties except for home consumption, a peanut farmer relies altogether upon his production of peanuts for his families livelihood. Peanut farmers are hard workers. All of our farmers are hard workers, and also good managers. They have to be because their operating costs are high, but unfortunately their margins of profit and income are not.

As a matter of fact, the average net income from peanuts per operating farm is around $4,000 a year. For all of the families living on and operating these farms, the average net income per family is around $2,500.

Fortunately, many of these farms do grow some other crops, but still the total net income is low on average. And, remember, the net income of a farmer is not only what he and his family have to live on, but what he has to keep his farm—business—going. Salaries are not taken out before hand. In most cases, the outcome of a years operation is so uncertain and dependent on so many factors that they cannot pay themselves a salary. They just hope they will have something left at the end of the year with no debts unpaid.

I regret to say it, but on some of the best farms in my district there are good hard-working farm families with incomes below the poverty line who could apply for food stamps, if they wanted to. Some do, and at times have to, to survive.

In my judgment, the cost of the agricultural programs—and I favor reducing the expenditures of the Federal Government wherever we can safely do so—has been returned to the public many times over in the form of ample supplies of high quality foods at relatively low cost.

This statement is particularly pertinent as it applies to the peanut program. As a matter of fact, the cost of the peanut program as a percentage of the farm value of the crop from 1960 to 1972 compares quite favorably to the cost of other farm programs in those years.

For peanuts, the average cost was only 14 percent of farm value, compared with 56 percent for wheat, 19 percent for feed grains, and 41 percent for cotton.

I might point out that the reserve capacity for wheat, feed grains and cotton in the past was maintained essentially by payment for withholding part of the land from production, when our supplies were undesirably large.

In the case of peanuts, the reserve was maintained by production at a level somewhat above food requirements and by the sale of the excess in the secondary market for crushing and export. The cost of the peanut program has been relatively much less.

In addition, let me add that farm programs, including peanut, tobacco and cotton ones, have returned to the U.S. Treasury in taxes from farm people and others dependent upon farming for a livelihood many more millions of dollars than have ever been expended by their Government on their behalf. Those proposing to destroy our vital peanut program today—by a sort of backdoor approach—have unjustly called our existing peanut price support program a "feudal system." That description seems to be saying that the peanut program has retarded progress and growth.

But, the contrary is true, and abundantly clear. Let us take a look at the record. From 1960 to 1972, production of peanuts increased 91 percent, yield per acre increased 79 percent, domestic food use of peanuts increased 44 percent, exports of peanuts increased 586 percent, and the gross farm value of the crop increased 78 percent.

For wheat, corn and cotton, no measure of growth is as good as that shown for peanuts. Only corn comes close in increased yield per acre.

There also seems to be some kind of idea that the peanut program prevents normal shifts in the ownership, rental and operation of farms. However, the fact is that these shifts occur in the peanut area just as they occur in other areas.

The point has been made that the minimum national allotment of 1,610,000 acres for peanuts results in production beyond the domestic food needs in this country. And that is correct.

The peanuts not needed for food have moved into the secondary market for crushing and for exporting. This has been accomplished only at some cost to the Government in most years. But, I repeat, our farm programs have been of tremendous benefit to the general public, to the consumer.

The statement has been made that "According to the General Accounting Office report, only 1,015,000 acres are needed every year to grow the crop." I can only say that if the acreage were reduced to this level, we would be woefully short of the peanuts needed to supply our own food requirements. Further, the additional costs to the consumer, because of higher prices for peanut products would substantially exceed the cost of the program. In fact, a stable peanut market during the last year, at a time when other commodities such as wheat rose fantastically in price, probably saved American consumers more than the entire cost of the peanut program for the last decade or two.

I am not critical of the GAO report. I have the greatest respect for that Agency. But, the GAO report, in terms of cost estimates, reflected figures prepared by the Department of Agriculture and circumstances have drastically changed since those figures were prepared.

In February of 1973, the Agriculture Department estimated the Commodity Credit Corporation loss on the 1972 peanut crop at $96 million, but the actual cost was below $60 million.

The Agriculture Department estimated the cost on the 1973 crop at $121 million, but the cost turned out to be less than $5 million.

The Agriculture Department has estimated the cost of the 1974 crop at $131 million, but the actual cost will likely be only a minute fraction of that figure—less than 1973. Based upon a profit shown, so far during the first quarter of 1974, there is a good chance of no loss at all in 1974.

The consumption of peanuts for food in the United States over the past year increased around 12 percent. The increase reflects the fact the peanut products are a good food buy. USDA figures show that in January 1974, the cost of 20 grams of protein in peanut butter was only 13 cents. The nearest item cost-wise to peanut butter was dry beans at 14 cents for 20 grams of protein. The cost climbs for a long list of some 34 food items to 73 cents for 20 grams of protein in sliced bacon. Furthermore, the protein in peanuts along with its high energy oil content makes it a highly nutritious food.

And compare the cost of the salted peanut with the cost of other nuts: pecans, cashews, walnuts, almonds.

The public is paying less today for peanuts than it did 20 years ago. The real price for shelled peanuts—that is, the actual market price adjusted for changes in the value of the dollar—declined from 14.92 cents per pound in 1954 to 13.09 cents per pound in 1973. It will decline still further in 1974.

Incidentally, only in the United States and Canada is there extensive use of peanuts as a major food item in the forms in which we use the commodity. Try to buy some peanut butter at a store in England or Germany.

Most of the peanut production outside the United States goes into crushing for oil and meal. As might be expected, the quality of foreign peanuts is way, way below ours.

The maintenance of high quality peanuts as they come from the farm and move through processing and manufacturing channels is a key factor in use of them for food. Recently, an official of the Canadian Food and Drug Directorate commented that Canadian manufacturers have almost completely stopped buying peanuts from anyplace but the United States because they know that they can obtain and rely on the high quality of U.S. peanuts for food use.

Peanut growers and others in the industry, from the sheller handlers in the producing area to the manufacturers throughout the country, are interested in a sound peanut program. They want an adequate stable supply that can be marketed at reasonable prices.

The farmer and other members of the industry are entitled to a fair return when they provide the consumer with high quality products at prices that are fully competitive with other food products.

They can do this only when the capacity to produce is adequate. As the program has operated, this has entailed some cost to the taxpayer. However, peanut growers are just as concerned as others about the cost of the Federal Government and about inflation. And, they are willing to modify the peanut program in ways that will reduce the cost to the Federal Treasury.

Incidentially, many economists have concluded, after analyzing the farm programs, that they really should be called "consumer" programs. This is important to keep in mind.

In any event, the peanut grower is willing to do anything he can to improve his efficiency and to pass on most of the gains to the consumer. He also hopes he can keep a little share for himself.

Peanut growers in working with Department of Agriculture officials over the past year have been striving for constructive modification of the program. There have been hearings before the appropriate subcommittee of the House Agriculture Committee. It is expected that recommendations for legislation will be forthcoming soon.

The growers have clearly expressed their willingness to go along with modifications that will reduce the program's cost to near zero in future years.

Summing up Mr. Speaker, this is an appropriation bill, not a legislative authorization bill. Secretary Butz and his associates have recommended that changes are now under consideration by the Committee on Agriculture, and this is as it should be.

Changes in the peanut program should be made on the basis of recommendations made by the Committee on Agriculture. It would be completely irresponsible to kill the peanut program by eliminating needed appropriations for 1975.

In the light of the current strong demand for protein foods, the costs of operating the current peanut program are negligible. We do not expect the 1974 peanut program to involve Government losses on price support operations. Clearly, there is no urgent financial reason for discontinuing the program at this time.

The Committee on Agriculture has plenty of time to consider changes in the 1975 peanut price support program before another crop is planted next spring. In fact, for months my able colleague, Walter Jones, as chairman of the Oil, Seeds and Peanut Subcommittee, the Agriculture Committee has been in conferences with Department officials and peanut grower leaders, about a more up-to-date peanut program. Out of these deliberations a new program will emerge. It would be impossible if this House were terminating this program by an amendment to the pending Appropriation bill. Let the Agriculture Committee bring a bill to the floor amending the current peanut price support legislation in an orderly way and responsible way.

Until then, let us keep the current program. It is of vital importance in maintaining a stable and expanding peanut industry which contributes well over $500 million to farm gross income in the United States.

I am confident that industry leaders are anxious to expand their production and marketing if it can be done on a profitable basis.

Let us defeat both of the pending amendments overwhelmingly, and pass this appropriation bill today without gutting the peanut program. Then let us ask the Committee on Agriculture to propose amendments to existing legislation, which will improve the peanut price support program before next year's crop is planted.

Mr. BAKER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, last year I introduced legislation to change the peanut program to the target system, which is a part of the Agricultural Act of 1973 applying to cotton, corn, and wheat.

I believe the target system is a good approach. I would probably agree with all of the criticism which has been voiced by the sponsor of this amendment: The acreage allotment system and minimum acreage which can be planted, recognizing that acreage production has doubled over the last 20 years, and we are getting twice as many peanuts off of the same acreage allotment as we had gotten before.

We are not allowing new producers, young people who want to produce peanuts, to get into the program.

I will say that probably if Mr. Frick of the Department of Agriculture answered the question directly he would probably say, "I would just as soon see this amendment adopted to put some pressure on the peanut people to come together and come to some reasonable agreement."

We have the problem of transfers of acreage. We have elderly people, widows, and so forth, who have acreage that is rented out. If the amendment were adopted they would be in dire circumstances.

We have the problem of aflatoxin peanuts, that is, peanuts which have a mold which is considered to produce cancer, and we would have the hazard of washing those peanuts and getting them to market and creating an unhealthy situation.

I would have to agree that the peanut interests are difficult to corral. This is, however, a meat ax approach. I trust we can depend on the good faith representations of the peanut people, as they have stated to our subcommittee chairman, that they will get together. We cannot consider effective legislation, certainly, that would apply to a nicer group.

Mr. DICKINSON. Mr. Chairman, will the gentleman yield?

Mr. BAKER. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Chairman, I rise in opposition to the amendment offered by Congressmen FINDLEY and PEYSER to prohibit the use of any funds in the agriculture appropriations bill for the peanut program.

I commend the gentleman for their enthusiasm. However, I can assure the Members of this body that no one is working harder to iron out the wrinkles in the peanut program than the Department of Agriculture and myself. We recognize that for many years the peanut program has been rather costly. That has changed drastically.

Over the last 2 years the Department of Agriculture, members of the Agriculture Committee, and leaders of the peanut industry have worked diligently to put together a workable, cost-worthy peanut program. Agriculture Department officials and industry leaders have testified numerous times before Congress on this matter. Some drastic changes have been effected in the peanut program. The Department of Agriculture has gotten a handle on the peanut program and does not support the Findley-Peyser amendment.

I really cannot understand where the gentlemen got their figures. If indeed the figure $611,926,000 for 19 years of price support for the program is accurate, then this is an average of only $22.21 per acre, not the $66.91 figure for 1971, a rather unusual year. Incidentally, the cost per acre in 1973 was only $2.60.

The gentlemen quote USDA as saying the peanut program will cost the taxpayers $1,183,000 between 1975 and 1979. I do not know where the gentlemen got this figure either and I do not question their veracity, but I do take strong exception to these figures which, in all likelihood, were prepared by some GAO accountant totally unfamiliar with the peanut program.

The fact is, the Department of Agriculture predicts that the peanut program will cost only $3.9 million this year, and if world demand for peanuts continues to be high, and there is no reason to believe otherwise, the program cost could be minimal. But, even if the program did cost $3.9 million per year, which it probably will not, this would amount to only $15.6 million for 4 years, not over $1 billion as the gentlemen contend.

Let's talk for a minute about the lowly peanut which is so often maligned by many of my colleagues. I would like to submit for the RECORD a USDA study which shows that peanuts, and peanut butter in particular, is the cheapest source of high protein of the leading 34 food items. The only way that the consumer can get this cheap source of high-quality protein is if the consumer is able to purchase peanuts. Would the Congressmen deny this cheap form of protein to their constituents?

If indeed, the peanut program did cost $3.9 million next year, this is essentially an insurance policy to keep thousands of peanut farmers from going bankrupt if the bottom should fall out of the world market, which in all probability will not happen. Yet, this is less than the cost of one F-4 plane—$4.3 million—which we gave to Israel during the recent Yom Kippur war. Most every other commodity has some sort of insurance coverage, why should not peanuts be afforded the same protection.

Basically, this amendment is not needed and is totally uncalled for. If adopted, it would throw a monkey wrench in the USDA's plans for the peanut program and could place an undue burden on the thousands of peanut farmers in America.

I urge my colleagues to reject this absurd peanut amendment and get on with important matters.

The study referred to follows:

COST OF 20 GRAMS OF PROTEIN FROM VARIOUS SOURCES, JANUARY 1974 AND AUGUST 1973

Rating (January 1974) and food[1]	Market unit	Price per market unit (cents) January	Price per market unit (cents) August	Part of market unit to give 20 grams of protein (percent)	Cost of 20 grams of protein (cents) January	Cost of 20 grams of protein (cents) August
1. Peanut butter (2)	12 oz	56	52	23	13	12
2. Dry beans (1)	pound	57	29	24	14	27
3. Bean soup, canned (4)	11.5 oz	20	18	96	19	17
4. Chicken, whole, ready to cook (14).	pound	59	92	37	22	33
5. Milk, whole fluid (5)	Half gal	76	65	29	22	19
6. Eggs, large (10)	Dozen	93	97	25	24	25
7. Tuna, canned (7)	6.5 oz	54	50	44	24	22
8. Sardines, canned (6)	4 oz	26	23	94	24	22
9. Hamburger (11)	pound	102	104	24	25	25
10. Beef liver (9)	do	103	98	24	25	24
11. Chicken breasts (17)	do	101	140	25	26	37
12. American process cheese (8)	8 oz	71	60	38	27	23
13. Pork, picnic (13)	pound	89	92	32	29	33
14. Turkey, ready to cook (12)	do	84	80	35	30	28
15. Ham whole (15)	do	124	122	29	36	35
16. Round beefsteak (19)	do	177	188	22	39	41
17. Ocean perch, fillet, frozen (16)	do	112	101	36	40	37
18. Pork loin roast (26)	do	123	152	33	41	51
19. Rump roast of beef, boned (22)	do	173	182	26	44	47
20. Liverwurst (21)	8 oz	75	73	60	45	43
21. Frankfurters (23)	pound	125	129	36	45	47
22. Ham, canned (20)	do	189	171	24	45	41
23. Salami (24)	8 oz	95	93	50	48	47
24. Sirloin beefsteak (28)	pound	173	187	28	49	53
25. Chuck roast of beef, bone in (18)	do	139	114	35	49	40
26. Rib roast of beef (27)	do	156	160	33	51	53
27. Haddock, fillet, frozen (25)	do	148	136	35	52	48
28. Pork chops, center cut (30)	do	163	196	35	57	68
29. Bologna (29)	8 oz	82	81	73	59	59
30. Pork sausage (32)	pound	127	137	52	66	71
31. Porterhouse beefsteak (33)	do	203	217	34	68	73
32. Veal cutlets (31)	do	330	325	21	71	69
33. Lamb chops, loin (34)	do	232	241	31	71	74
34. Bacon, sliced (35)	do	139	161	52	73	85

[1] Number in parentheses; rating for August 1973.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. ANDERSON) to the amendment offered by the gentleman from New York (Mr. PEYSER).

The question was taken; and on a division (demanded by Mr. PEYSER) there were—ayes 11, noes 101.

So the amendment to the amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York (Mr. PEYSER).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

DAIRY AND BEEKEEPER INDEMNITY PROGRAMS

For necessary expenses involved in making indemnity payments to dairy farmers for milk or cows producing such milk and manufacturers of dairy products who have been directed to remove their milk or milk products from commercial markets because it contained residues of chemicals registered and approved for use by the Federal Government, and to beekeepers who through no fault of their own have suffered losses as a result of the use of economic poisons which had been registered and approved for use by the Federal Government, $1,850,000, to remain available until expended: *Provided*, That none of the funds contained in this Act shall be used to make indemnity payments to any farmer whose milk was removed from commercial markets as a result of his willful failure to follow procedures prescribed by the Federal Government.

AMENDMENT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. CONTE: On page 21, line 11, strike "$1,850,000" and insert in lieu thereof "$350,000"; on line 16, strike the period and insert in lieu thereof *"Provided further*, That none of the funds contained in this Act shall be available for payments to indemnify beekeepers for losses as authorized by the Agriculture Act of 1970 as amended."

Mr. CONTE. Mr. Chairman, to bee, or not to bee, that is the question. I for one am about to break out in hives, suffering from the stings and arrows of outrageous fortunes being made by beekeepers at the expense of the American taxpayers.

Mr. Chairman, I rise to offer an amendment to strike funds for the beekeeper program. I shall keep my remarks short and sweet.

The beekeeper indemnity program was supposed to indemnify beekeepers who "through no fault of their own" suffered losses of honey bees due to spraying of Government-approved pesticides near their lands. In the past few years, $12.6 million has been paid to beekeepers for their dead bees. That kind of money makes this the sweetest Federal subsidy program of all.

The priorities of this program put bees in my bonnet. I know my colleagues will raise a buzz when they see the priorities of this program. Under the guise of protesting bees, which are essential for the pollination of many crops, the beekeeper indemnity actually puts a bounty on their poor, little fuzzy heads. The monetary incentive is to let the tiny creatures die, rather than keep them alive.

Mr. Chairman, honey bees are delicate creatures. According to a beekeeper in Washington State, they will die at the drop of a hat. Or, in this case, at the drop of a Federal subsidy. Bees are, in fact, dying from pesticides. But they are also dying of old age, arthritis, too much high living, bent stingers, and the too-frequent ingestion of the sweet nectar of fermented clover blossoms.

But no matter the cause of death, the taxpayer is getting stung.

When that was announced, it was followed by a chorus of beekeepers who sang:

Honey, honey, honey be my little honey
Be my little hon and I will gather honey
If you'll be my little baby bumble bee
Then I'll save my hon, honey for you
Honey won't you be my little baby bumble
Be my little bee and gee I'll never grumble honey
If you'll be my little baby bumble bee
Then I'll save my hon, honey for you
You clipped my wings when you flew by
You started things honey, honey, honey let me buzz around you honey
And I'll never sting, sting my little honey
Please don't ever fly, fly away my honey, hon
And I'll save my hon, honey for you.

Why should they grumble? They have got their little bees, and they are worth money dead or alive.

Mr. Chairman, as if the history of this program were not enough to set this Chamber off buzzing with waspish dismay, I regret to report that the Department of Agriculture has increased the bounty level this year, from $15 to $22.50 per hive.

It is time to clip the wings of this high-flying scheme. Bees should be kept alive. And the dead bees should be paid for by the people who sprayed them with the pesticides. After a few law suits in this area, I am sure we will see a lot more live bees.

Last year, beekeepers were caught with their hands in the Federal honey jar ladling out $1.1 million. This year, they are hoping to wax the taxpayers for another million and a half dollars. Just like honey from a jar, the flow of beekeeper money does not seem like much, but it is steady and will go on forever.

Now is the time for Congress to chase the beekeepers' sticky paws out of the taxpayers' pockets. I urge my colleagues to support this amendment to end this sweetest subsidy program of them all.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, prior to discussing the amendment, I wonder if we can have some agreement on the time. I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point, and that all discussion on the bill and all amendments thereto end by 5:30.

Mr. ECKHARDT. Mr. Chairman, reserving the right to object, I have a point of parliamentary inquiry of the Chair. If such a motion be made, would it be necessary for any point of order against any part of the bill to be made immediately?

The CHAIRMAN. A point of order to any part of the remainder of the bill would have to be made after the request were agreed to and before amendments were offered.

Mr. ECKHARDT. It would not be precluded?

The CHAIRMAN. It would not be precluded but the gentleman would have to make it immediately after the unanimous-consent request to consider the bill as read.

Mr. ECKHARDT. Mr. Chairman, I withdraw my reservation.

Mr. CONTE. Mr. Chairman, reserving the right to object to the request that discussion end at 5:30, I requested the Chairman if he would set a time limit on each amendment rather than on the entire bill because we have some important amendments, on the Federal Trade Commission for instance, and other matters I would not object. We spent over an hour on the peanut amendment. I think it is terribly unfair to short change any other amendment. I must say this bill is for $13 billion, and we sat in this House in January and February and March and twiddled our fingers and did nothing, and it is really a shame if we cannot stay here and debate this important bill and these important points. I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. DICKINSON. Mr. Chairman, reserving the right to object, I would like to inquire of the Chair, did I understand this would be a limitation on debate also?

The CHAIRMAN. The Chair understood that.

Mr. WHITTEN. The unanimous-consent request did carry that.

Mr. DICKINSON. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. GIAIMO. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. WHITTEN. Mr. Chairman, I had risen in opposition to the amendment.

The CHAIRMAN. Will the gentleman from Mississippi repeat his request?

Mr. WHITTEN. Mr. Chairman, I earlier asked that the bill be considered as read, printed in the RECORD, and open to amendment at any point, and that all debate on the bill and all amendments thereto end at 5:30.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. GIAIMO. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. WHITTEN. Mr. Chairman, I had risen in opposition to the amendment.

The CHAIRMAN. The gentleman from Mississippi is recognized for 5 minutes.

Mr. WHITTEN. Mr. Chairman, with respect to the amendment offered by the gentleman from Massachusetts, he has had a great deal of fun but some of his colleagues would like to get moving on, I am sure. I thought perhaps a copyright would be pending on the speech the gentleman made.

He does recognize, that bees are important for the feeding of the American people.

Mr. Chairman, I am proud of our subcommittee. This program was started some years ago and it was our committee which insisted that we have adequate proof, and that they go through stringent procedures of proving their claim that they sustained such losses, and that the loss was through no fault of theirs, such as negligence or other things. We now have a sound program, I believe. The Department has assured me of this. The program is badly needed. That is recognized by the gentleman. He has had a great deal of fun, but neither did he want to eliminate this program. The law provides for payment, and if we do not have it in this item at this point restitution for losses will undoubtedly be made in some other way.

I hope we vote down the amendment.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, I notice that under the Federal Crop Insurance Corporation we have this language:

> Crop insurance offered to agricultural producers by the Corporation provides protection from losses caused by unavoidable natural hazards, such as insect and wildlife damage, plant diseases, fire drought, flood, wind, and other weather conditions. It does not indemnify producers for losses resulting from negligence or failure to observe good farming practices.

Does not the gentleman believe that a logical amendment to the Federal crop insurance program would provide indemnities of the kind that are provided in this bill for beekeepers and the dairymen? Such an amendment would eliminate subsidies and provide for payment as insurable risks.

Mr. WHITTEN. The gentleman could be correct as far as the gentlemen in the Department of Agriculture recommending legislation; but the crop insurance program as enacted, and it operates under a legislative act, does not cover bee losses.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Massachusetts (Mr. CONTE).

The amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk proceeded to read.

Mr. WHITTEN (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the record, and open to amendment at any point, from this point forward.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. GROSS. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk read as follows:

TITLE III—ENVIRONMENTAL PROGRAMS

INDEPENDENT AGENCIES

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

For expenses necessary for the Council on Environmental Quality and the Office of Environmental Quality, in carrying out their functions under the National Environmental Policy Act of 1969 (Public Law 91–190) and the National Environmental Improvement Act of 1970 (Public Law 91–224), including official reception and representation expenses (not to exceed $1,000), hire of passenger vehicles, and support of the Citizens' Advisory Committee on Environmental Quality, $2,500,000.

Mr. YATES. Mr. Chairman, I move to strike the last word.

Mr. Chairman, once again the committee's frustration with and hostility to the Delaney clause is made ringingly clear in its report, and I feel the committee must be answered. As Members know, the Delaney clause requires that substances which cause cancer in animals be prohibited from us in products consumed by humans.

Last year the committee expressed its—

> Concern that many decisions such as the banning of DDT and DES may have been made without adequate scientific fact.

This year, the committee says that:

> No evidence has appeared that DES in the 20-odd-years it has been used in cattle has caused any adverse effects on man.

Last year the same statement was made respecting DDT.

That may be true, but let us pray the day will not come when it can be shown clearly and specifically that DDT and DES cause cancers in man, in the same way as a causal relationship was shown between cancer of the liver in vinyl chloride workers. It was a rare cancer in that case and the causal relationship was able to be established.

But today the human body is subjected to so many carcinogenic influences that it is difficult to isolate any one of these as the cause of cancer—or whether any combination of them cause cancer. The question is: Do we want to risk it by removing the Delaney clause?

Science has not been able to provide exact answers to the question of whether substances that are carcinogenic in animals will be carcinogenic in man. Nevertheless, science tells us that possibility exists, and there are few scientists, if any, who advocate the elimination of the so-called Delaney clause. If it is not known absolutely that a chemical which produces cancer in mice will produce cancer in humans as well, should that chemical be approved for human consumption? The scientists say no. We say no. If there is any question, surely economic interests should be sacrificed to human interests. I would urge regulatory agencies having responsibility for protecting the American people from dangerous food additives to be very conscious of their trust.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

ENERGY RESEARCH AND DEVELOPMENT

For energy research and development activities, including hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; uniforms, or allowances therefor, as authorized by section 5901–5902, United States Code, title 5; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate of GS–18; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; $103,000,000, to remain available until expended: *Provided*, That the Environmental Protection Agency may transfer so much of the funds appropriated herein as it deems appropriate to other federal agencies for energy research and development activities that they may be in a position to supply, or to render: *Provided further*, That the amount appropriated for "Energy Research and Development" in the Special Energy Research and Development Appropriation Act, 1975, shall be merged, without limitation, with this appropriation: *Provided further*, That none of the funds contained in this Act shall be used to fund the development of automotive power systems: *Provided further*, That this appropriation shall be available only within the limits of amounts authorized by law for fiscal year 1975.

POINT OF ORDER

Mr. DINGELL. Mr. Chairman, I rise to a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. DINGELL. Mr. Chairman, I make a point of order against the language at page 33, commencing with the word "provided" at line 17 down through the end of page 33, line 21.

The point of order, Mr. Chairman, is that the language complained of constitutes legislation in an appropriation bill and is, as such, violative of rule XXI, clause 2.

Mr. Chairman, I am prepared, at the convenience of the Chair, to be heard on this point of order.

The CHAIRMAN. Does the gentleman from Mississippi desire to be heard on the point of order?

Mr. WHITTEN. I do, Mr. Chairman.

Mr. Chairman, the basic authority for interagency agreements is the Economy Act of 1932, which, subject to the limitation noted below, permits the requisitioning of goods and services between Federal agencies. Additionally, there are other statutes applicable to EPA which authorize cooperation and coordination with other Federal agencies, these include section 104(a), (b), (c), (i), (h), (p), and (t) of the Federal Water Pollution Control Act; section 204 of the Solid Waste Disposal Act; section 102(b) and 103 of the Clean Air Act; section 14(1) of the Noise Control Act of 1972; and sections 20(a), 22(b); and 23(b) of the Federal Pesticide Control Act of 1972.

So, the language to which the gentleman objects, while it might be repetitious, is clearly authorized in numerous instances and is not legislation on an appropriation bill, but a repetition of the law as it now exists.

The CHAIRMAN. Does the gentleman from Michigan desire to be heard further on his point of order?

Mr. DINGELL. I do, Mr. Chairman.

Mr. Chairman, the point of order lies, not to the authority to transfer, but the authority of the receiving agency. As the Chair will note, the Environmental Protection Agency may transfer funds as it deems appropriate to other Federal agencies for energy research and development activities.

First of all, I am not aware of EPA having any development responsibilities in any of the statutes cited. Second, I am not aware of any statutory authority for EPA to transfer as it deems appropriate. This constitutes excessive authority far beyond that existing in present law.

In addition to this, the agencies to whom EPA might transfer funds are not identified, and it is not clear who will be the recipient agencies or what energy research and development activities they shall go into. This is far beyond the authorities under existing law, and I believe that the burden under the Rules of the House is upon the proponents of the legislation to establish the authority under which: First, the funds shall be transferred; and second, under which the activities referred to in the session will be carried out.

One of the principal questions around which the point of order revolves, Mr. Chairman, is the question of, First, who shall conduct the activity; second, what shall be the activity conducted; and third, under what authority will the agency's recipient of the funds spent receive the funds and carry out the development and research projects.

I believe there has been no legislation cited by my good friend from Mississippi which would indicate the authority for other agencies to receive the funds or to engage in development and research activities.

The CHAIRMAN (Mr. GIBBONS). The Chair is prepared to rule on the point of order.

The Chair has listened to the arguments of the gentleman from Michigan (Mr. DINGELL) and the gentleman from Mississippi (Mr. WHITTEN), and believes that the arguments are fully covered by Cannon's precedents, House of Representatives, volume 7, page 468, section 1470, which states:

> A proposition to transfer funds from one department of government to another for the purposes authorized by law was held not to involve legislation and to be in order in an appropriation bill.

Such reimbursement authority, where shown to be authorized by law, is therefore in order.

The Chair overrules the point of order.

AMENDMENT OFFERED BY MR. CASEY OF TEXAS

Mr. CASEY of Texas. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. CASEY of Texas: Page 33, line 26, strike out the word "none" and insert "not more than $7,200,000".

Mr. CASEY of Texas. Mr. Chairman, the purpose of this amendment is actually to save time because there are some who object to the prohibition, as now written, on the EPA to engage in the development of automotive power systems. I do not think EPA should be engaged in the development of automotive power systems. I think we have the private sector well engaged in this field.

Prior to this, it was called to my attention that approximately $27 million had been spent by EPA in developing two new automotive power systems. Since the taxpayers have that much investment in two automotive power systems, under three contracts, I think the $7.2 million should apply to their completion. I am told that there will be a report on them within 18 months.

Mr. Chairman, I am content to compromise with those who think that EPA ought to engage in developing power systems and to release the $7.2 million from this restriction so that they can go ahead with the project in which there has already been invested $27 million of our money.

Mr. ROGERS. Mr. Chairman, will the gentleman yield?

Mr. CASEY of Texas. I yield to the gentleman from Florida.

Mr. ROGERS. I commend the gentleman for this because I think it is logical and reasonable, and I think the gentleman has explained it very carefully. I certainly commend the gentleman for it.

Mr. CASEY of Texas. I certainly want it understood that this is in no way, on my part, condonation for going into the automobile motor development business because I do not think that EPA has any business to do that. I think they are supposed to be testing systems to see how they react, not to start from scratch.

Mr. Chairman, my intent in offering this amendment is to suggest a compromise with those who feel differently than I do. However, as I say, it is only to complete something that is ongoing, and I certainly would be quite disturbed, to say the least, if they started to engage in any new endeavors in that respect.

Mr. WHITTEN. Mr. Chairman, I rise in support of the amendment. I am not privileged to accept the amendment, on behalf of the subcommittee, offered by the distinguished member of the subcommittee, the gentleman from Texas (Mr. CASEY), but personally I feel it should be adopted. I hope the committee will support it.

The CHAIRMAN. The question is on the amendmet offered by the gentleman from Texas (Mr. CASEY).

The amendment was agreed to.

Mr. HOLIFIELD. Mr. Chairman, I move to strike the last word.

I especially ask for the attention of the chairman of the subcommittee, Mr. WHITTEN.

I have been studying the whole section here in regard to the Environmental Protection Agency. I notice that there are considerable research and development projects in this section.

The previous point of order, it seemed to me, was justified. However, I would like to bring the attention of the subcommittee chairman and the Members to the fact that this House recently, by a vote of some 3 or 4 to 1, passed the Energy Research and Development Agency bill.

The mission of this Energy Research and Development Agency simply was to use the Government agency which has more facilities, more investment in laboratories, some $9 billion worth, which are either being used in working on account of the Government or are under contract. There are some 24,000 experts in every field and every discipline of science, engineers, physicists, chemists, and any other scientific discipline you can name, now working in the AEC agency.

The mission of this new agency ERDA would constitute a central agency for research and development. It is in the language that set up that agency that this mission was clearly brought out.

There were a number of existing ongoing research and development projects, such as those in Interior, coal research, and others, that were transferred over into this agency.

Now, I am going to ask the gentleman a question, but first I shall state that provided in the language of the Energy Research and Development Agency bill was a provision that they had the right to render service to any agency of Government if they have the facilities and the manpower to do it and if these agencies of Government asked them to do it and used the funds which are in their hands to get them to do it.

They also have the right to contract with outside interests, private enterprise interests, if they do not have the facilities or the manpower to do it.

If we are going to have every agency of Government build a set of laboratories and start competing with one another for scientists and engineers, and so forth, we are not going to have our research and development in the energy field, in a place where it can be supervised by the Congress as to the programs involved. This does not mean some other committee; it means this committee, the one which has jurisdiction over any phase of energy R. & D. We will then at least have it where we can look at it and see where it is and have it where the Committee on Appropriations can look at the overall energy and research programs and compute the amount of money that is involved. We would have some place to concentrate our efforts, as we have been trying to do this year in our centralized energy appropriation bill, which the House has already passed.

Mr. Chairman, the question I wish to ask the gentleman from Mississippi is this:

Is it the general sense of the gentleman's committee that if the Energy Research and Development Administration bill comes out of conference between the House and the Senate in substantially the words that it contains now, as between that committee and this committee of the House, and is it the gentleman's thinking that research and development should, as far as possible, be directed toward this huge agency, the one that has the most facilities and the greatest number of skilled people? Or is it the position of the subcommittee that each one of other Federal agencies, including the Environmental Protection Agency, should develop their own set of laboratories, coming here first for construction money for laboratories, and that we should handle it in piecemeal fashion, as far as research and development is concerned, throughout the whole spectrum?

The CHAIRMAN. The time of the gentleman from California (Mr. HOLIFIELD) has expired.

(By unanimous consent, Mr. HOLIFIELD was allowed to proceed for 3 additional minutes.)

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. HOLIFIELD. I yield to the gentleman from Mississippi.

Mr. WHITTEN. Mr. Chairman, may I say to the gentleman from California that our subcommittee asked about a year ago for a study to be made of all Federal laboratories throughout the United States. Such information did not exist anywhere in the Government.

The gentleman will find the report of our investigative staff on page 17 of the report. The report shows that we have approximately 834 laboratories. Those are primarily research laboratories.

The gentleman will find further in the report that we called on the Environmental Protection Agency not only to give attention to existing facilities throughout the United States, but we called their special attention to the Taft Laboratory in Cincinnati, to the Kerr Laboratory in Ada, Okla., and to the Mississippi test facility which was constructed for this kind of work. That laboratory is located in the lower part of my State, far from my district, may I say.

Not only that, but the language to which the gentleman from Michigan made the point of order which was overruled was put in this bill to point up once again that this is what this committee expects them to do.

There are facilities available, and there are agencies and departments of Government available that can do this work now. If the EPA were to do it, they not only would have to find the personnel and to train the personnel, but they might have to build the facilities. So, as I say, this is a repetition of the existing law. This is the language to which the gentleman from Michigan objected a while ago.

So I think all the way through our hearings and the report on the bill we emphasize what the gentleman from California said. We have not pinpointed the particular facilities he mentioned here as being ahead of any others. However, I would say that I doubt that anywhere in the United States or in the world would you find better facilities or more highly skilled scientists than we have in the agencies that the gentleman mentioned. So we are 100 percent on the side that the gentleman is espousing.

Mr. HOLIFIELD. I thank the gentleman.

The heads of these laboratories at Oak Ridge and Hanford and Iowa and throughout the United States and all of these big laboratories are anxious to get at the business of doing anything that needs to be done in the field of research and development to help solve the energy crisis. I believe that is a correct statement. I believe if they are given the opportunity they will solve the energy problems which are so vital to this Nation.

Mr. GROSS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I should like to ask the gentleman from Mississippi (Mr. WHITTEN) a question or two about the Environmental Protection Agency.

Do I understand that it has grown in 3 years to 9,000 employees?

Mr. WHITTEN. About 8,700 permanent employees at the present time.

Mr. GROSS. And 2,700 of those employees are in Washington, D.C.?

Mr. WHITTEN. That is correct. And as the gentleman can see from the report, we called on them to consolidate their forces here in Washington and to let those 600 temporary employees in Washington go, where they were not needed, and reduce the remainder of the staff. Since the primary work of the agency is done in the 10 regional offices, we feel that many of the people in Washington should be transferred to the regions away from the main headquarters.

May I say that my own information from the hearings is that since this agency is a consolidation of six agencies and departments which were brought together they have quite a surplus of high-level employees. In addition, I have also been told that those who do not subscribe to the general viewpoint frequently do not have much to do.

Mr. GROSS. I appreciate the gentleman's response; however, is there mandatory language in the bill to cut their funds or to compel them to cut down on this army of payrollers?

Mr. WHITTEN. We directed that action be taken, and we plan to have a study made as to whether the number of personnel are in line with what we think they should be. We will follow it up, but at this point we have just taken the action that I mentioned.

Mr. GROSS. I notice you are allowing the EPA $1.3 million for long-distance telephone service. How in the name of all that is holy could it spend $1.3 million in 1 year on long distance telephone calls?

Mr. WHITTEN. I will say from my own experience part of it is trying to explain to people why they have not done something before now.

Mr. GROSS. And they are going to get $140.2 million for research and development as compared with $85.7 million last year. I wonder if we are not turning at least part of the Treasury over to the Environmental Protection Agency.

Mr. WHITTEN. The increase that the gentleman mentioned is in connection with the energy crisis. Every time we have a crisis it seems everybody is getting in on the act. This increase is to enable them to do research in the field of energy and to do something about meeting the energy crisis.

I will say that some of their earlier decisions have delayed the building of powerplants and various other items which have contributed to the energy shortage. However, like we have to do frequently, because they are the cause, we have to turn to them to help solve the situation.

That is the explanation for the increase that the gentleman from Iowa has mentioned.

Mr. GROSS. I do not want to pursue this, and take further time of the House. I will not be around here next year, but I do hope that this committee or some other committee of the House of Representatives, will wield a figurative club over the Environmental Protection Agency because I believe from reading the hearings and the report, that this outfit is getting out of hand.

I thank the gentleman from Mississippi for his responses.

Mr. WHITTEN. Mr. Chairman, may I say that we are going to miss the gentleman from Iowa next year, if we are here ourselves. The gentleman has made a great contribution here.

I feel that since the gentleman has noticed this in our hearings, the gentleman can see we are working toward that end.

Mr. du PONT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am taking this time now for fear that when we get down to the end of the bill there will be a limitation of time, and I will not have the opportunity to explain the amendment that I intend to offer on the last page of the bill.

Mr. Chairman, I intend to offer an amendment to set a maximum limit on the appropriations under this bill to $12.7 billion.

This is just another way of requiring the Committee on Appropriations to cut $700 million, or approximately 5 percent, from the total in the bill.

I am fully aware of the fine work that the Committee on Appropriations has done, and I do not for a moment mean to disparage those efforts, but the fact is that we have a bill here that is an increase of 27 percent from last year. The appropriation is up from $10.6 billion to $13.4 billion.

It seems to me, considering the inflationary problem we have in the economy, that this is very simply too much.

We are all aware that inflation has been running at the rate of in excess of 9 percent. We are also aware that everyone, from Arthur Burns, the Chief of the Federal Reserve, to some 54 Senators, who sent a letter to the President today asking for a balanced budget, to innumerable Members of the Congress who have spoken on this floor, is concerned about the need to control spending.

We are all aware that something is going to have to be done about the budget, or we are not going to get inflation under control. Bringing inflation under control requires a substantial reduction in Federal spending. A reduction in Federal spending in turn means that we cannot add 27 percent to last year's appropriations in any area. Now I do not mean to single out the agriculture bill. There are many good programs in this bill—programs within EPA, within the agriculture section, in the consumer protection section—that I would not want to see eliminated. But almost every program could be reduced somewhat. This is true of every area of Federal concern. As a matter of fact, when the Defense Appropriation bill was before us, I supported amendments totaling $2.3 billion in cuts from that bill. I believe we are going to have to make some cuts in this one.

In this case I will ask only for about a 5-percent cut, or $700 million.

I would point out to my colleagues that if my amendment is successful we will still have an increase of 22 percent in the appropriation in this bill over the similar appropriation last year. That in itself seems to me very large, but I frankly doubt I can persuade my colleagues to reduce the appropriation by much more than $700 million.

I hope to be able to expound on this further when the amendment comes up, but I did want to take this time now, so that I would not be foreclosed.

Mr. HEINZ. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I yield to the gentleman from Pennsylvania.

Mr. HEINZ. Mr. Chairman, I would ask the gentleman from Delaware if the amendment he proposes will not have the effect of reducing funds of the law enforcement activities in this bill?

Mr. du PONT. My amendment does not specify any particular program because, quite candidly, not being a member of the committee, I do not have the expertise to make that kind of a decision. My amendment requires an overall reduction of $700 million.

Mr. HEINZ. Mr. Chairman, I would suggest to the gentleman that he should be cognizant of the effect of his amendment on the law enforcement titles in the appropriations. Your amendment might have the effect of substantially reducing the staff and experts for consumer protection, law enforcement and other vital activities by such agencies as the Federal Trade Commission, the Food and Drug Administration and the Consumer Product Safety Commission.

POINT OF ORDER

Mr. MOSS. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. MOSS. Mr. Chairman, my point of order is that I must insist upon the regular order, and the regular order is not being observed. There has been no unanimous-consent request to proceed out of order, and the House is now proceeding out of order. So I call for the regular order.

The CHAIRMAN (Mr. Gibbons). The gentleman will proceed in the regular order.

Mr. HEINZ. Mr. Chairman, will the gentleman yield?

Mr. du PONT. I will be glad to yield to the gentleman from Pennsylvania.

Mr. HEINZ. I thank the gentleman for yielding.

I am afraid the intent——

Mr. MOSS. Mr. Chairman, I insist on the regular order, and the regular order is the point of the bill where we are now reading. It is not a point to be reached at a later time. I insist upon the regular order.

The CHAIRMAN (Mr. Gibbons). The gentleman is correct. The gentleman in the well received permission to strike out the last word and then proceeded to discuss an amendment to be offered to the last section of the bill. The gentleman from Pennsylvania is not discussing a part of the bill that is pending.

The point of order is sustained.

Mr. du PONT. Mr. Chairman, the discussion was directed at a later point of order to protect my time from a foreclosure of debate.

The CHAIRMAN. The Chair understands what the gentleman is trying to do.

Mr. MOSS. Mr. Chairman, I insist upon the point of order.

The CHAIRMAN (Mr. Gibbons). The point of order is sustained.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. BAUMAN. Mr. Chairman, the gentleman from Delaware's amendment as discussed would cut the funds in the section of the bill that is now pending before the House and all other sections, and that is germane to the discussion and within the regular order. He has a right to discuss the amendment. This is foolishness, making a point of order demanding regular order.

Mr. MOSS. Mr. Chairman, that does not impress me.

Mr. BAUMAN. Mr. Chairman, I object to being interrupted. Do I not have a right to be heard?

Mr. MOSS. Mr. Chairman, regular order is a matter of the highest priority in this House, and I demand regular order.

Mr. BAUMAN. Mr. Chairman, I address my question to the Chair, not the gentleman from California.

Mr. MOSS. The gentleman from Maryland has not addressed a question.

Mr. du PONT. Mr. Chairman, having made my point, I will be glad to yield the balance of my time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

TITLE IV—CONSUMER PROGRAMS

Department of Health, Education, and Welfare

OFFICE OF CONSUMER AFFAIRS

For necessary expenses of the Office of Consumer Affairs, including services authorized by 5 U.S.C. 3109, $1,365,000.

POINT OF ORDER

Mr. BAUMAN. Mr. Chairman, I have a point of order pertaining to title IV on page 45, lines 9 through 14, under the title "Consumer Programs, Department of Health, Education, and Welfare, Office of Consumer Affairs" on the ground that it violates rule XXI, clause 2, in that there is no existing statutory authority for this office, and I cite as authority the fact that last year this same point of order was made and the Chair ruled that there was no existing authority.

The Subcommittee on Agricultural Appropriations raised this question during their hearing, and a memorandum was submitted from the Department of Health, Education, and Welfare which in effect cited several different statutes, none of which pertained to an Office of Consumer Affairs. I, therefore, insist upon this point of order and ask that this language be stricken.

The CHAIRMAN. Does the gentleman from Mississippi wish to be heard?

Mr. WHITTEN. Mr. Chairman, I do wish to be heard. It is pointed out on page 967 of the hearings that we had submitted the report from the Department of HEW, dated March 21, 1974, in which they cite:

> Reorganization Plan No. 1 of 1953 provides in pertinent part: "In the interest of economy and efficiency the Secretary may from

> time to time establish central * * * services and activities common to the several agencies of the Department * * * " [section 7].

Later this report says:

> The Office of Consumer Affairs, they include policy guidance responsibility respecting the relationship of all of the statutes of the Department to the consumer interest.

So this agency is in line with the Reorganization Plan No. 1 of 1953 which was approved and authorized by the Congress, and for that reason it is within the authorization of the law.

The CHAIRMAN. Could the gentleman from Mississippi give us the statutory citation for this office?

Mr. WHITTEN. It is Reorganization Plan No. 1 of 1953.

Mr. DINGELL. Mr. Chairman, may I be heard in connection with the point of order?

The CHAIRMAN. The gentleman will proceed.

Mr. DINGELL. Mr. Chairman, I would point out that the Appropriations Committee only has authority, and I would say my good friend, the gentleman from Mississippi, is one of the most wise and able Members of this body and he is well aware of the fact that the reorganization plans are not statutory in effect and do not confer the authority on the executive branch to procure and expend appropriated funds. They do not constitute an authorization and, therefore, even though there is a reorganization plan in being it does not constitute the basis upon which the committee may predicate appropriations.

The CHAIRMAN. Last year when this same point was raised, the authority that was cited was an Executive order. The Chair will state that a reorganization plan—which was not cited as authority on June 15, 1973—once it has become effective, has the effect of law and of statute and, therefore, the point of order would have to be overruled.

Mr. DINGELL. Mr. Chairman, if the Chair will permit me further, the gentleman does not cite the Reorganization Act. He recites a reorganization plan which is very different from a Reorganization Act.

The CHAIRMAN. The Chair understands that if the reorganization plan has become effective, if it was not rejected by the Congress within the time provided, it has the effect of a statute.

Mr. DINGELL. It does not constitute statutory authority.

The CHAIRMAN. The Chair overrules the point of order. The Chair has examined the law and is citing from title V, United States Code, section 906, which prescribes the procedure by which a reorganization plan does become effective. It is clear to the Chair that Reorganization Plan No. 1 of 1953 has the effect of law, and therefore, the point of order is overruled.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. The legal position of the Office of Consumer Affairs has not been the subject, as I understand it, of any change in status so far as an Executive order issued in the interim since the last ruling of the Chair in June 1973, and no statutory authority has occurred to authorize its existence; so how can this office now be authorized?

The CHAIRMAN. The point is that last year the burden was on the Committee on Appropriations. No statutory provision was cited. This year they have cited authority other than an Executive order.

The Chair has examined the pertinent statutes and the Chair overrules the point of order.

The Chair recognizes the gentleman from California.

Mr. HOLIFIELD. Mr. Chairman, let me say that I handled the Reorganization Act on the floor that puts the different agencies that were related to environmental duties together into the Environmental Protection Agency. We did not change the statutes that created the different programs, nor did we change committee jurisdictions over the different programs. We left them exactly like they were and are and, therefore, the Chair in my opinion has ruled rightly that the statutes that pertain to the different programs from the Government committees, still exist. Therefore, they have the right to continue to authorize those programs and, of course, the Committee on Appropriations can group their work on appropriations in any way they wish, as was proved by their concentration of authorized energy programs into their centralized consideration. So I think the Chair has ruled rightly.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

FEDERAL TRADE COMMISSION

> For necessary expenses of the Federal Trade Commission, other than line-of-business report provided for in the following paragraphs; including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901-5902; services as authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; and not to exceed $1,500 for official reception and representation expenses; $36,729,000.

AMENDMENT OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WHITTEN: On page 47, line 5, strike "$36,729,000" and insert in lieu thereof the following: "$37,743,000, of which $650,000 shall be available for development of a computerized evidentiary indexing and retrieval capability, and $1,364,000 shall be available for the congressionally-mandated study of the energy industry."

PARLIAMENTARY INQUIRY

Mr. ECKHARDT. Mr. Chairman, I reserve a point of order pending my parliamentary inquiry at this time.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. ECKHARDT. My parliamentary inquiry is that the chairman of the committee said that his amendment was at the end of this section.

I assume he means at the end of the paragraph and a point of order to a preceding section will not be made out of order by not making the point of order at this time.

The CHAIRMAN. A point of order to the next paragraph, not yet read by the clerk, will be in order when that paragraph is read.

The gentleman from Mississippi is recognized for 5 minutes.

Mr. WHITTEN. Mr. Chairman, I shall be brief in regard to the Committee amendment and why it is being offered.

As I pointed out in the opening remarks, in our hearings and in our report at the time the committee took action on this bill, we recognized the need for the $650,000 for a computerized legal retrieval system for the Exxon case.

We also recognized the need for additional funds, if necessary, to carry on the Congressionally mandated study on energy industries.

We were told that the Office of Management and Budget would set up a budget recommendation to match the need for these funds, at least for the computer system.

Now, I say that I conferred with the Chairman of the Federal Trade Commission, on two or three occasions asking for a budget request. I also conferred with the Director of the Office of Management and Budget. Both indicated a budget request was being considered.

I thought until noon today that there was a likelihood that at least a part of the amount would be covered in a supplemental budget request.

However, I have not received such a budget request, but I have been assured that there is a need for this work to be done.

The committee, therefore, has authorized me on behalf of the committee to offer this amendment to make certain that the work is carried on through, regardless whether the budget amendment comes up or not. I feel again that the Congress as a joint branch or as an equal branch of Government should have had this supplemental request by the Office of Management of the Budget, and in the future I will expect the Federal Trade Commission to do a better job of getting its budget requests processed in time.

It is fundamentally unfair to blame the Congress for going over the budget by $1 million—as we are being forced to do in this instance—when the executive branch has failed to submit a request in a timely fashion. While the committee has added these funds, it will expect the FTC to take every possible step to assure that a budget estimate is submitted to the Senate, so that when the bill clears conference, it will not be over the budget.

The FTC should also be forewarned that this is an unusual action, and they should not expect to be bailed out in the future if they are again negligent in processing budget requests in a timely fashion.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. Mr. Chairman, I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. Mr. Chairman, the chairman of our subcommittee stated the facts exactly as they are. He has presented these changes to all the members of the subcommittee. All the members are in favor of it, and we urge adoption of this amendment. I also concur with the statement that the FTC must do a more timely job in making its budget requests to the Congress.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from California.

Mr. MOSS. Mr. Chairman, I rise to commend the gentleman for adding $1,014,000 to the appropriation for the Federal Trade Commission. I would like to emphasize the importance of these funds.

This money will be directed to two major programs. The first portion—$650,000—will be in preparing for trial and in the acquisition of a computer based data retrieval system for use in the antimonopoly litigation now pending against the eight major oil companies.

The FTC lawyers handling this litigation estimate that they will receive some 3 million documents or approximately 25 million pages of material. The Commission assures me that if they do not have this system, they will function with a severe and potentially decisive disadvantage.

This request for $650,000 is not one for an experimental system. It has been carefully planned and researched by the FTC for several months. This litigation against Exxon, Texaco, Gulf Standard of Indiana, Standard of California, Mobil, Shell, and Arco will involve millions.

It is probably the most important antitrust litigation since that which broke up the Standard Oil "trust" in 1911—(*U.S.* v. *Standard Oil*, 211 U.S. 1. By comparison, Control Data in its recent case against IBM spent an estimated $15 million on such a system. That litigation did not involve the economic interests which the oil litigation presents.

I am informed that the defendants in this case will have such a system. Not to give the consumer's representative adequate tools to effectively present the Government's case is indefensible.

Further, this failure of the appropriations committee to approve this request affects a particular litigation effort. This is a dangerous precedent. It is policy making of the highest order, a power that is not in the Appropriations Committee.

The second program is the energy study mandated by Congress last year; $364,000 is needed to complete this study. This is a study of the gas, coal, and nuclear energy industries. We are asked daily to enact legislation which would affect these alternatives to oil. To do so without hard data is to my mind irresponsible.

The Congress voted for this program last year—H.R. 8616, Public Law 93-135. It is as important now as it was then.

I urge the Members' support for this amendment.

Mr. GUNTER. Mr. Chairman, I wish to express my strongest possible support for the efforts of my distinguished colleague from California (Mr. Moss) to guarantee that the Federal Trade Commission has the financial and other means necessary to pursue the critical areas of inquiry this series of proposed amendments is designed to enable it to do. Congressman Moss has been a vigilant and effective protector of the interests of American consumers, and I want to commend his early sensitivity to the problem of FTC funding with respect to these areas of inquiry and express my view that he has performed a genuine service in calling the problem to the attention of the House and the country.

When I also became aware of danger to continuation in an effective way of these FTC inquiries because of inadequate funding some weeks ago, I sought to bring the matter before the House Democratic Caucus for discussion. I regret that the chairman of the caucus, exercising his discretion under the rules of the caucus, cancelled the meeting at which I had placed the FTC matter on the agenda. I believe it would have been useful to bring this matter up before it reached the floor. However, the chairman has every right to exercise the discretion he did in this instance, and given a variety of circumstances and time pressures surrounding the current legislative schedule in general, I cannot fault him.

The matter is, nevertheless, now before the House, and it seems to me imperative that we act to provide the Federal Trade Commission with the adequate means to pursue the antitrust action against the eight oil companies, the energy study, and other matters directly affected by the action we take.

The two areas that principally concern me, Mr. Chairman, are areas in which I have had a continuing interest.

One relates to the need for $650,000 to vigorously and effectively pursue the FTC's case in court relating to alleged monopolistic practices by the eight largest oil companies. One of these companies, Exxon, has just recently announced still another price increase of 39 cents a barrel on oil supplied to its customers, including the electric utilities companies in my home State of Florida. One of these utilities, Florida Power Corp., is fighting that increase on the basis that this latest hike bears no relationship to the higher prices charged by the foreign oil producing nations, but results from an exercise of Exxon corporate policy, at a time when that company reports staggering profit increases over last year.

Similarly, the announcement in the last few days by Mobil that it intends to acquire Marcor, rather than put some of Mobil's earnings back into ventures which hopefully might yield an additional energy supply or offer a chance of returning oil prices to a sane and responsible level, make the House's consideration of adequate funding for the various FTC inquiries timely indeed.

In the case of the major antitrust action in which the FTC is already engaged, Mr. Chairman, the simple and only question is whether the U.S. Government in that action shall have at least some modest resources with which to represent consumers against a vast army of lawyers and modernized computer resources and techniques at the command of the major oil conglomerates.

The requested appropriation of $650,000 for this purpose will provide the Government with the basic tools it needs and ought to have, including the kind of information retrieval system similar to that provided the Senate Watergate Committee. As in that case, there are literally thousands, perhaps tens of thousands, of documents and pieces of information which literally require the availability of a sophisticated information retrieval system if they are to be used meaningfully in court in pursuing this antitrust action brought on behalf of American consumers.

But beyond that, I deeply believe the credibility of the House is at issue with the American people who have been so completely victimized by the actions of the major oil companies, including the recent so-called energy crisis. It took the Congress more than half a year to pass an "emergency" energy bill. We have yet to resolve the question of the oil depletion allowance, though the House Democratic caucus spoke clearly and unmistakably on that question some weeks ago. Their message has been ignored. I do not believe the American people are prepared to understand action by the House that would deny the FTC the most basic tools required to vigorously pursue its investigation and antitrust action involving the eight major oil producers.

Mr. Chairman, of no lesser concern are the funds requested by the FTC for continuation effectively of its ongoing energy study with respect to competition in that field. I am told that, without the additional $364,000 requested, there will be insufficient funds to continue the personnel required for vigorous pursuit of that highly relevant and timely inquiry through the second half of the coming fiscal year.

This is a badly needed study, Mr. Chairman, which was commissioned by the Congress itself last year. It includes an area of inquiry of particular interest to me, which is a study of the pattern of interlocking directorships in the energy field which suggest anticompetitive practices of a most insidious kind. Certainly continuation of this study is worthy of the House's continued support.

With respect to the line of business study proposed by the FTC, I can only remark, Mr. Chairman, that the committee bill, as I read and understand it, in effect directs the random harassment of 250 businesses, mostly small, to be chosen at random from around the country, with no purpose either in mind or capable of accomplishment. Surely at a time when businessmen are already subjected to every conceivable kind of bureaucratic form and Federal paperwork imaginable, the committee's action in directing random reporting by what will primarily turn out to be small businesses having nothing to do with the kinds of business activity the FTC proposes to study makes absolutely no sense. This unnecessary and useless provision in the committee bill which directs 250 small businesses should be chosen at random for examination by the FTC ought to be stricken from the bill.

I recognize that it is primarily the Office of Management and Budget which appears to be at fault in failing to observe the normal budgetary process in the case of the request for $650,000 for the needed information retrieval system, and I can appreciate that in the absence of a clear administrative response on the part of the OMB, the committee acted to defer this item.

However, with a full-scale, major antitrust action already in progress, I suggest that this House need not be bound by the failure of the OMB to perform its responsibility in a timely fashion. The interests of the litigation and of American consumers not only permits but requires us, in my view, to make certain the FTC has the minimum tools it needs.

Again, I wish to strongly commend the gentleman from California (Mr. Moss) as well as the other Members who have indicated their deep concern about these matters, for acting to provide those minimum tools, and I join them in urging the House to provide the Federal Trade Commission with the funds necessary to do its job on behalf of American consumers.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, I would like to commend my good friend and colleague from Mississippi for offering this amendment, and I do support it.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I rise to support this amendment to provide an additional $1,014,000 in this bill for the Federal Trade Commission so it can carry on its "energy study" and acquire a computerized data retrieval system to assist its antitrust case against the eight largest oil companies.

This amendment is vital to the maintenance of competition and free enterprise in our energy industry.

This amendment has two parts and I will deal with them separately.

It is absolutely vital that the FTC be provided the funds to allow it to complete its "energy study" this fiscal year. An additional $364,000 must be appropriated for this purpose.

This "energy study," which Congress authorized to begin in January, seeks to investigate our coal, natural gas, and uranium production industries. There is a need for this study. Two years ago, the House Select Committee on Small Business, on which I am the ranking minority member, investigated these industries. We found a very disturbing trend toward concentration of ownership in these industries. Specifically, the committee found that the major oil companies were grabbing controlling interest over the competing forms of energy. Let me quote from the committee report:

> Presently, the major oil companies account for approximately 72 percent of the natural gas production and reserve ownership; 30 percent of the domestic coal reserves and over 20 percent of the domestic coal production capacity; over 50 percent of the uranium reserves and 25 percent of the uranium milling capacity. Further, the major oil companies are acquiring oil shale and tar sands as well as water rights in many areas of the country.

The committee report made this conclusion, and I again quote:

> This trend toward concentration by the oil companies in acquiring competing fuel resources clearly presents a very dangerous monopolistic fuel supply situation.

This committee recommendation by the Small Business Committee demonstrates very clearly the need for this FTC investigation to continue.

This appropriation item would have been included in the committee bill, except for a minor procedural objection. A request for these funds was forwarded to the committee, but it lacked the proper degree of formality and was put aside. Because of the importance of this FTC study, I would ask my colleagues to waive the objection and insert this funding in the bill.

Mr. Chairman, this amendment also includes funds to enable the FTC to acquire a computer-based data retrieval system for use in its antitrust case against the eight largest oil companies. This is the so-called Exxon case, and the documentation expected in the discovery stage of this investigation is expected to exceed anything encountered before in the antitrust field. I have seen one projection of 25 million pages of documentation to be received.

It would not be practical or efficient to try organizing this data without a computer. The cost in manpower and time would be prohibitive, and the investigation would be severely delayed.

The additional appropriation for this item is $650,000.

If the FTC does not develop this system, it will be crippled in its effort to conduct pretrial discovery procedures in the Exxon case at the level of competence required for effective antitrust enforcement. The major oil companies are already developing their own computerized data retrieval system. To be an effective advocate of the public interest, it is essential that the FTC have the same courtroom capabilities as the other side.

Mr. Chairman, I would hate for the FTC to be forced to admit defeat on this important case because it could not get money from Congress. If this amendment is not passed, it will be a signal to the oil barons that the FTC is no threat; that anticompetitive practices will go unchecked, and that the Federal Government must slink home with its tail between its legs, because it lacks the will and strength to do battle with the petroleum giants.

This amendment is more than a simple appropriation line item. It is a signal that the United States is ready to stand up to defend the public interest; that it will not stand by idly while the major oil companies grow bigger and bigger and report excessive profits in a time of national emergency. Let the oil companies be put on notice: The party is over; Congress is putting some teeth into the FTC.

I urge my colleagues to support this amendment.

Mr. HEINZ. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Pennsylvania.

Mr. HEINZ. Mr. Chairman, I would like to commend the distinguished chairman of the subcommittee on his amendment. Mr. Chairman, I thank the distinguished chairman of the committee for yielding. I rise to commend him for offering, on behalf of the committee, an amendment identical to an amendment I was intending to offer. My amendment, like that of the gentleman from Mississippi, is to increase the appropriation of funds to the Federal Trade Commission by the sum of $1,014,000 for two specific purposes: To provide $650,000 for a document storage and retrieval system; and to provide $364,000 for the salaries of the staff of the energy study for a period of 6 months. I would like to point out that if this amendment is adopted the FTC appropriation will still be less than the administration's total budget request for the Commission.

Mr. Chairman, I would like to commend the members of the Committee on Appropriations for the excellent job they have done. They have worked hard and long and made many needed reductions in the budget estimates submitted to them. In this instance, however, circumstances unforeseen by the people who submitted the budget estimate have resulted in a situation which, if not now corrected, will cripple the Federal Trade Commission in the important energy field. The committee had previously suggested that the FTC seek a supplemental appropriation, but that is not the answer. I am extremely pleased that the committee has seen the light at the 11th hour and offered an amendment to insure that the Commission will be able to now consummate its plans during the fiscal year. A supplemental appropriation would mean months of delay and probably the extinction of important programs.

As I said this past Tuesday, during debate on my amendment to increase the budget for the Antitrust Division, my constituents and, I am sure, the constituents of many Members of the House, have been complaining about high prices and the lack of Government action to stem the tide of inflation. I said then—and I say again—vast Government price control mechanisms are not the answer. Government intervention and regulation of industry is not the answer. Government ownership of industry is not the answer. And may I add that—with respect to the oil industry—MOBILization or STANDARDization is not the answer either.

A free, open, and competitive marketplace is a fundamental Republican principle. It is also an American principle. For it is only the free, open, and competitive market which makes it necessary for businessmen to improve their products or lower their prices to succeed. This, along with a fiscally responsible Federal budget, is, I believe, one of the best and most basic answers to inflation. We must not allow either government control of industry, or the control by a few of the industrial and economic might of America.

A first step in this direction was taken Tuesday when the House agreed, by a vote of 216 to 185, to my amendment to increase the staff of the Antitrust Division. I am proud that this amendment was supported by a majority of the Republican Members of the House. And I am proud of the decision by the entire House for another reason. This historic vote marked the first time since 1971 that the Antitrust Division had received additional staff. And it also achieved, for the first time in 24 years, a level of total division manpower superior to that which existed in 1950.

Today, I am confident that the House will not deny the funds needed for the FTC's action against eight major oil companies and its energy study. To deny funds needed by the FTC to continue these actions is to permit a special exemption for the oil industry alone from the Sherman Act: The very law which the Supreme Court has called the Magna Carta of our free enterprise system.

With regular gasoline selling at nearly 60 cents a gallon and oil companies earning hugh profits, it would be totally irresponsible for this body to tie the hands of those charged with enforcing the Sherman Act. The FTC must be allowed to continue its case against the oil companies so that the courts may decide whether or not they violated the law. The FTC must be allowed to complete the energy study so that we will know what, if any, future action must be taken to ensure a competitive, efficient energy industry with ample supplies. We must avoid taking a step backward from the progress made on Tuesday; instead we must proceed forward today to insure a healthy competitive marketplace so that every large and small businessman has an equal opportunity to compete, and to insure that all our laws—including the Sherman Act—apply equally and fairly to all.

I strongly support the amendment and urge its adoption by the House.

Mr. SMITH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. Mr. Chairman, I yield to the gentleman from Iowa, a very outstanding member of the subcommittee.

Mr. SMITH of Iowa. Mr. Chairman, I want to point out first of all that the Exxon case resulted in a request that was made by the subcommittee I am privileged to chair. The FTC made a study, and in response to that study they found a need for the Exxon case.

A lot of misinformation has been put out concerning this particular appropriation. I want to make it clear that when they asked for the $350,000, our chairman of the subcommittee cooperated 100 percent and the subcommittee recommended every dime of it. He has not been uncooperative. He has been in support of it, of giving whatever is needed to the FTC for this bill.

There has been a lot of misinformation circulated, talking about restoring funds. No budget request had been made and the chairman has been cooperative from the beginning on this appropriation. I strongly support the provision of funds for this purpose.

Mr. LUKEN. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. Mr. Chairman, I yield to the gentleman from Ohio.

Mr. LUKEN. Mr. Chairman, I would like to join in the commendation of the gentleman from Mississippi and of the subcommittee in bring this amendment to the floor and endorsing it with its approval of this amendment.

Mr. Chairman, I congratulate the chairman for offering this amendment. I have the same amendment at the desk and I endorse the gentleman's effort.

The special energy appropriations bill of 1974 appropriated funds for an energy industry study to be conducted in fiscal years 1974 and 1975. The fiscal year 1974 funding level provided for personnel to conduct the study during the 6-month period of January through June of 1974. During the Office of Management and Budget's review of the FTC's 1975 budgetary requests for continuation of this study and its conclusion by the end of fiscal year 1975, OMB did not annualize the personnel budget approved in fiscal year 1974.

Thus, the budgetary request forwarded to the Congress from OMB did not provide personnel funding for a full year.

Therefore $363,000 was not appropriated to continue the energy industry study.

I support this amendment, Mr. Chairman, because I firmly believe that $363,600 is a piddling price to pay for a study that will help us comprehend the scope of one of the most crucial issues of our age—how, and how much it is going to cost us to fuel our society.

That this issue is so vital to the well-being of American society as we know it today, has been made dramatically self-evident by the staggering impact of what we call the energy crisis.

Today we are in the middle rounds of a fight with the worst inflation in the past 25 years, as well as a slack in production that threatens to become a recession by anyone's definition. These twin economic ills are the courtesy of the energy crisis.

The action we will have to take should not be judged in the light of whether we will have a few kilowatts less energy in the immediate future, but whether in 5 or 10 years from now our Nation will have the fuel she needs for her factories, for her transportation needs, and for her families.

The energy study, a study mandated by the Congress only last October, will help give us those answers.

It will give us invaluable insight into the whole spectrum of the energy industry before we start attempting to formulate a rational national policy.

In particular, according to the Federal Trade Commission itself:

> The study will focus primarily upon the four basic fuel types; coal, petroleum, nuclear fuel and natural gas. Attention will also be given to the more exotic fuels such as tar sends, oil shale, solar, heat, etc. Essentially, the same process will be followed with respect to each fuel. There will be an introductory section describing each fuel and tracing the history of its use. An effort will be made to trace the relative importance of each fuel over time.
>
> Of particular relevance is the structure and behavior of the industries which exact, process, transport and distribute each of the fuels. Considerable effort will be expended to ascertain what the reserve of each type of fuel is, and the percentage of such reserves owned and controlled by the leading companies. An important part of the analysis will involve the impact of state and federal law and policy upon industry structure and performance at each level of activity for each of the different fuels.

Specifically what this study means to the Congress is that we will have a better idea of just how large our natural gas reserves are before we decide whether or not to deregulate the price at the wellhead. It will tell us the effect interlocking relationships among energy corporations have on the discovery and production of alternate energy sources.

It will help us discover whether leasing our nationally owned natural resources to private corporations yields the best results for the free enterprise system and the American consumer.

It will do all this and much more.

Again, in the words of the Commission itself:

> It is necessary to develop timely and reliable data on the structure, performance and conduct in each sector of the energy industry so that an evaluation of the impact which various government policies may have on such issues can be made.

All this for the price of $364,000. And what happens if we fail to add these funds to this appropriations bill? The Commission has answered this question in a very straightforward way by stating "If the $364,000 is not granted, the energy study mandated by Congress will lapse without completion in midfiscal 1975 because of the inability to pay personal expenses connected with the energy study for all fiscal 1975."

I am sure Congress does not want this to happen. Certainly voices are already being heard throughout the country calling upon the Congress to continue this study. Two days ago I received a letter from the chairman of the Antitrust Committee of the National Association of Attorney's General, Mr. Andrew P. Miller, Attorney General of the Commonwealth of Virginia. His letter said in part:

> I wish to express the association's strong support for certain floor amendments to be introduced on Friday, June 21st, to the FTC portion of the fiscal year 1975 Agriculture, Environmental and Consumer Protection Appropriations Bill. These amendments would add $650,000 to the FTC budget for computer support service in the Exxon case and $364,000 in staff support for the on-going FTC energy study. The FTC merits the full support of the House of Representatives . . . in the energy study.

Today I received a telegram from William J. Brown, the attorney general of my State of Ohio, and author of a report on the FTC action, and the importance to the States of its continued action. The report was adopted by the National Association of Attorney Generals at the same time that 29 States offered their assistance to the FTC. Mr. Brown's telegram to me states in part that:

The action of the House Appropriations Committee on June 18 which cut $650,000 for computer support of the FTC's Exxon case and $364,000 for the FTC energy study gravely jeopardizes a vital national interest.

I have also had communications with the Independent Gasoline Dealers of Cincinnati asking me if the Congress does not believe we need to fully investigate all these areas.

Mr. Chairman, I certainly hope I will be able to answer this question in the affirmative. I cannot believe that Congress will allow $364,000 to stand between itself and the keys to understanding this entire area.

For the well-being of the free enterprise system, for the relief of the American consumer, I urge my fellow Members to grant the FTC the funds it needs to enable us to formulate a national energy policy. It is a small price to pay.

Mr. BINGHAM. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from New York.

Mr. BINGHAM. Mr. Chairman, I also would like to rise in support of the amendment, and commend the gentleman on it.

The additional funds are required for two very important undertakings.

First, it will enable the FTC to complete the study of the country's energy industries as previously directed by the Congress. We have been debating the need for accurate energy data for many months so that we could fashion a responsive energy policy. Is all that to be forgotten? I think not. One of the ways for the Congress to be sufficiently informed to resolve the energy problem is to see to it that this energy study is completed.

The second undertaking which would be preserved, and indeed, enhanced is the FTC's historic antitrust suit against the eight largest oil companies for their anticompetitive pricing and marketing practices, which if not responsible for the energy shortage have certainly contributed to the extraordinary profits the industry is experiencing. I am informed that there will be in excess of 25 million pages involved in this litigation in the discovery stage alone. The FTC has detailed less than two dozen attorneys to prosecute this case, and unless the Congress restores the $650,000 needed to install a computerized data retrieval system to collate all the evidence, these lawyers will have to face the oil industry, represented by more than 140 attorneys, without the necessary tools to properly argue the public's case.

Part of the problem here, as I understand it, stems from the delay in submitting data to the Appropriations Committee. The committee, with some justification, acted in the public interest by cutting moneys for unsubstantiated programs. But the real culprit here is the OMB. The FTC submitted its budget to OMB in early April, so it would be reviewed and forwarded to Congress on schedule. OMB simply refused to favorably recommend the budget to the committee. As so often happens when the bureaucracy fights—the public gets a bloody nose.

I urge my colleagues to support the chairman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi.

The amendment was agreed to.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

$305,000, the amount of the budget request, is hereby appropriated for the purpose of collecting line-of-business data, as approved by General Accounting Office Opinion B-180229, issued May 13, 1974, from not to exceed 250 firms, including data presently made available to the Bureau of the Census, the Securities and Exchange Commission and other government agencies where authorized by law.

POINT OF ORDER

Mr. MELCHER. Mr. Chairman, I make a point of order against this paragraph.

The CHAIRMAN. The gentleman will state his point of order.

Mr. MELCHER. Rule XXI, clause 2, beginning on line 8 after the word "data" and the rest of the lines 9, 10, 11, and 12.

PARLIAMENTARY INQUIRY

Mr. WHITTEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman from Montana has the floor. A point of order against the paragraph takes precedence over amendments to the paragraph.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield to me for a parliamentary inquiry?

Mr. MELCHER. I will yield for a parliamentary inquiry of the chairman but not for the purpose of offering an amendment at this time until we solve the rule.

PARLIAMENTARY INQUIRY

Mr. WHITTEN. Mr. Chairman, a further parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. WHITTEN. The parliamentary inquiry is this: The amendment is one that strikes this section and substitutes another therefor. Under parliamentary procedures, that should take precedence to a point of order, after the paragraph is written, since the amendment will strike the paragraph.

The CHAIRMAN. The Chair rules that points of order concerning the paragraph must be disposed of before any further proceeding can be had, so the Chair will hear the gentleman from Montana.

Mr. WHITTEN. Mr. Chairman, I concede the point of order and offer an amendment.

The CHAIRMAN. The Chair would like to hear the point of order of the gentleman from Montana.

Mr. MELCHER. Mr. Chairman, rule 21, clause 2, clearly provides that no appropriation bill shall contain any provision changing existing law. The language on page 47, beginning at the word "data," on lines 8 through 12, clearly violates this rule in that it significantly alters the effective provisions of section 409(a) of Public Law 93-153—an act dealing with the trans-Alaska oil pipeline.

The purpose of section 409(a) of Public Law 93-153 is to preserve the independence of the regulatory agencies to carry out the quasi-judicial functions which have been entrusted to them by the Congress. We did not intend a broad proliferation of detailed questionnaires to industry and businesses which would result in unnecessary and unreasonable expense, but the provisions of H.R. 15472, which are the subject of my point of order, make substantive changes and place arbitrary limitations on the procedures prescribed by Public Law 93-153.

Mr. Chairman, as you know, in construing the provisions of an appropriation bill, if the intent is to restrict executive discretion to a degree that may be fairly termed a change in policy rather than a matter of administrative detail, then the point of order should be sustained. This provision of H.R. 15472 not only restricts executive discretion by its specific terms, but it has the effect of changing existing law in violation of rule 21, clause 2.

Mr. WHITTEN. Mr. Chairman, may I now concede the point of order and offer my amendment?

The CHAIRMAN. The gentleman concedes the point of order.

The point of order is sustained.

The gentleman may offer his amendment.

PARLIAMENTARY INQUIRY

Mr. HOLIFIELD. A parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. HOLIFIELD. What portion is stricken?

Mr. WHITTEN. The whole paragraph.

Mr. DINGELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DINGELL. As I recall it, the gentleman's point of order did not cover the whole paragraph.

The CHAIRMAN. The gentleman is right. From line 8, after the word "data" through line 12.

Mr. DINGELL. Mr. Chairman, line 8 down to the end of line 12, as I understand it.

The CHAIRMAN. Does the gentleman from Montana state that that is correct?

Mr. MELCHER. That is right.

PARLIAMENTARY INQUIRY

Mr. MELCHER. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. MELCHER. Does this strike the whole paragraph?

The CHAIRMAN. Did the gentleman make the point of order against the whole paragraph?

Mr. MELCHER. No. I made the point of order against the paragraph starting on line 8, after the word "data" and the balance of the paragraph.

The CHAIRMAN. That part is stricken.

Mr. MELCHER. Mr. Chairman, does the remainder stay in?

The CHAIRMAN. The remainder stays in.

The Chair now recognizes the gentleman from Mississippi.

Mr. ECKHARDT. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. May the gentleman's amendment be offered first?

PARLIMENTARY INQUIRY

Mr. DINGELL. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. DINGELL. I rise to make a parliamentary inquiry about the confusion about the language stricken by the point of order.

The CHAIRMAN. The Chair has ruled that the language on page 47 following the word "data," on line 8 through line 12, is stricken.

Mr. DINGELL. Mr. Chairman, a parliamentary inquiry.

Mr. WAGGONNER. Mr. Chairman, regular order. The Chair has recognized the gentleman from Mississippi.

The CHAIRMAN. The Chair did not realize the gentleman from Mississippi was still seeking recognition. The Chair was going to recognize the gentleman from Michigan for a parliamentary inquiry.

Mr. WAGGONNER. Mr. Chairman, regular order. The Chair has recognized the gentleman from Mississippi to offer his amendment. The previous ruling by the Chair follows directly this point of order at this time.

Mr. DINGELL. Mr. Chairman, for the information of my good friend, the gentleman from Louisiana, I made a parliamentary inquiry.

Mr. Chairman, I direct the attention of my good friend, the gentleman from Louisiana, to the fact that I was on my feet in order to make a parliamentary inquiry, a further parliamentary inquiry.

Mr. WAGGONNER. Mr. Chairman, regular order. The only way the gentleman can make a parliamentary inquiry is to get permission from the gentleman from Mississippi (Mr. WHITTEN). He must ask the gentleman from Mississippi to yield for that purpose.

Mr. DINGELL. Mr. Chairman, a further parliamentary inquiry——

Mr. WHITTEN. Mr. Chairman, I have not yielded for any such purpose. I have had enough difficulty getting recognition.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN) to offer his amendment.

Mr. DINGELL. Then, Mr. Chairman, I rise to make a point of order against the language which appears at page 47——

Mr. WHITTEN. Mr. Chairman, I have the floor, and I do not yield to the gentleman for a point of order.

The CHAIRMAN. The Chair will inform the gentleman from Michigan (Mr. DINGELL) that we have not reached that point yet.

When we reach that point, the Chair will be glad to recognize the gentleman from Michigan.

Right now, the Chair recognizes the gentleman from Mississippi (Mr. WHITTEN).

AMENDMENT OFFERED BY MR. WHITTEN

Mr. WHITTEN. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. WHITTEN: Page 47, line 6, after the word "data" add the following: "*Provided*, That none of these funds shall be used for collecting line-of-business data from not more than 250 firms, including data presently made available to the Bureau of the Census, the Securities and Exchange Commission and other government agencies where authorized by law."

POINT OF ORDER

Mr. ECKHARDT. Mr. Chairman, I make a point of order against the amendment.

The CHAIRMAN. The Chair will hear the gentleman from Texas on his point of order against the amendment.

Mr. ECKHARDT. Mr. Chairman, I do not have a copy of the amendment. None has been furnished.

Mr. Chairman, I may say this: that the amendment sounds very much like the original language in the bill, so I rise to make a point of order without having had a chance to see the amendment. However, I would like to see it.

The CHAIRMAN. Does the gentleman from Texas wish to reserve his point of order?

Mr. ECKHARDT. Mr. Chairman, I think I must make one at this time, if I am not mistaken.

Mr. Chairman, am I allowed to reserve my point of order?

The CHAIRMAN. The gentleman from Texas (Mr. ECKHARDT) may reserve his point of order while the gentleman from Mississippi is explaining the amendment.

Does the gentleman from Texas desire to follow that procedure?

Mr. ECKHARDT. Mr. Chairman, I would like to do that, if I do not waive my rights by doing so.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi (Mr. WHITTEN) in support of his amendment.

Mr. WHITTEN. Mr. Chairman, referring to the language which I have offered, I was in error; I thought the point of order which was sustained to a part of the paragraph carried with it the entire paragraph. The Chair ruled on the earlier point of order that the first two lines would be retained.

In view of that, I had not changed the amendment before it went to the desk, and the amendment as it now would read, referring to the part remaining in the bill, reads as follows:

> $305,000, the amount of the budget request, is hereby appropriated for the purpose of collecting line-of-business data.

To which we have added the following:

> for the purpose of collecting line-of-business data, providing that none of these funds shall be used for collecting line-of-business data from not more than 250 firms.

Mr. YATES. Mr. Chairman, will the gentleman yield for a question?

Mr. WHITTEN. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, will the gentleman explain to the Members how this language differs from the preceding language, the language contained in the bill?

Mr. WHITTEN. Mr. Chairman, in the preceding language we have eliminated the statement, "as approved by General Accounting Office Opinion B–180229 issued May 13, 1974."

Mr. YATES. Except for that, the language is the same?

Mr. WHITTEN. The language is the same.

Mr. YATES. Mr. Chairman, I thank the gentleman.

Mr. WHITTEN. In addition, we do say, "Not more than 250 firms, including data presently made available" et cetera.

Mr. GONZALEZ. Mr. Chairman, I wish to press my point of order.

Mr. MELCHER. Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Montana (Mr. MELCHER) reserves a point of order.

The Chair will state that points of order have been reserved against the amendment.

Mr. WHITTEN. Mr. Chairman, may I be heard again in order that we may understand the situation?

The CHAIRMAN. The Chair will hear the gentleman.

Mr. WHITTEN. Mr. Chairman, in view of the ruling made by the Chair, I thought the two lines referred to would remain, even though they did not have a period or an ending and the part of the paragraph being subject to the point of order, that is, the full paragraph, did not go out. That left the words in the bill, as I understand the ruling and as I have stated: "$305,000, the amount of the budget request, is hereby appropriated for the purpose of collecting line-of-business data," to which I add by my amendment the following language:

> Provided that none of these funds shall be used for collecting line of business data from not more than 250 firms, including data presently made available to the Bureau of the Census, the Securities and Exchange Commission, and other Government agencies where authorized by law.

The CHAIRMAN. Does the gentleman from Texas insist on his point of order?

Mr. ECKHARDT. I do insist on my point of order, Mr. Chairman.

The CHAIRMAN. The Chair will hear the gentleman from Texas on his point of order against the amendment offered by the gentleman from Mississippi.

Mr. ECKHARDT. Mr. Chairman, the point of order is under House Rule XXI, Clause 2, second sentence:

> Nor shall any provision in any such bill or amendment thereto changing existing law be in order, except such as being germane to the subject matter of the bill shall retrench expenditures by the reduction of the number and salary of the officers of the United States, by the reduction of the compensation of any person paid out of the Treasury of the United States, or by the reduction of amounts of money covered by the bill:

Now, under existing law and without the limitations reported to be added in this bill the Federal Trade Commission could and had intended—and, of course, what it actually intended is not material here, because the question is what it could have done—it could have used the funds as appropriated here for either 250 firms or 500 firms or any other number of firms. So what is done by this amendment is to restrict the Federal Trade Commission with respect to powers and duties and authorities which it would have but for this limitation.

The authorities on this point appear in volume VII of Cannon's Precedents, section 1675, which reads:

> A proper limitation does not interfere with executive discretion or require affirmative action on the part of the Government officials.

This would, of course, interfere with executive discretion in that it would limit the number of firms of which the examination would be made.

It would also require liaison with the Bureau of Census, the Securities and Exchange Commission, and other Government agencies which are not here designated but which would cover the whole gamut of such agencies.

So it both provides a limitation on executive discretion and affirmative acts on the part of Government officials.

I also cite in this connection, Mr. Chairman, volume VII of Cannon's Precedents, section 1673, providing that a limitation to be in order must be on the appropriation and not an affirmative limitation of official functions.

The following amendment that was offered in that case provided no money should be expended out of the appropriations in this bill for supplies for the Army except under contracts which specified delivery either at the place where supplies are to be used or some convenient point of the land-grant railroad which shipment took place at the option of the contractor.

In that case the point of order was held good even though the amendment was offered in the nature of a limitation.

I cite also volume VII of Cannon's precedents, section 1691, to the effect that the purpose rather than the form of a proposed limitation is the proper criterion by which its admissibility should be judged and, if its purpose appears to be the restriction of Executive discretion to a degree that may be fairly termed a change in policy rather than a matter of administrative detail, it is not in order.

I submit here that the change in policy from permitting the Federal Trade Commission to examine the information with respect to an unlimited number of firms—as I understand it, they desire to examine 500 in the order of size—to a limitation of 250 constitutes a substantive policy change.

I would further submit, Mr. Chairman, that to accentuate the importance of the policy change the gentleman from Mississippi has assured us in colloquy that the language of the report was the real intent of the amendment, and that was to make a spot check of 250 firms instead of an examination of 500 firms in order of their size.

It appears here that clearly the intent of the Committee on Appropriations is to strictly and diametrically alter the present plans in the Federal Trade Commission. Of course, we do not have to look to what those plans are and show they are changed, all we have to point out is that the purport of the language does in fact limit what the Federal Trade Commission could have done otherwise. As has been stated before, heavy duties are imposed on the Federal Trade Commission to cooperate with all other agencies carrying out this function, duties which did not exist before and which embrace even a diligent search of those agencies that might be concerned with the same general subject matter, and with which then they are required, as a specific requirement of this amendment, to coordinate their activities with those agencies.

The CHAIRMAN. Does the gentleman from Mississippi (Mr. WHITTEN) desire to be heard on the point of order?

Mr. WHITTEN. I do, Mr. Chairman.

The policy that the gentleman from Texas refers to does not appear in the law. The policy has been quoted in the press and elsewhere, and it was reported as a part of the testimony of one of the commissioners as to their plans and their desires.

As to the $305,000 which appears here quite patently, as we pointed out, this is the full amount requested by the Office of Management and Budget. The policy which the gentleman referred to was for 500 firms, which, as I say, the gentleman from Texas has referred to. We keep the $305,000 which the Federal Trade Commission estimated to be the cost of a search of 500 firms. By cutting the number back from 500 to 250, but giving them the same amount of money, quite definitely this on its face would have to be a savings of money which is clearly within the rules of the House, and clearly within the power of the Committee on Appropriations.

The CHAIRMAN. Does the gentleman from Montana desire to be heard on the point of order?

Mr. MELCHER. I do, Mr. Chairman.

Public Law 93-153 authorizes line-of-business data to be collected by independent regulatory agencies subject to certain procedures. It did not limit or restrict the collection of this data to any specific number of firms, as the gentleman's amendment would; he would change this policy by arbitrarily limiting the collection of the data specifically to 250 firms.

In addition, Mr. Chairman, Public Law 93-153 does not authorize the collection of line-of-business data from the Bureau of the Census or the Security and Exchange Commission. This authority was placed in an "independent regulatory agency."

I insist on my point of order.

The CHAIRMAN (Mr. GIBBONS). The Chair is ready to rule.

First, let the Chair state that this subject contains a very vexing point, and it is one that has required a lot of attention of the Chair, even prior to the arguments here.

The words in contest on this point of order are the following words added by the amendment:

> . . . provided that none of the funds shall be used for collecting line-of-business data from not more than 200 firms, including data presently made available by the Bureau of the Census, the Securities and Exchange Commission, and other government agencies where authorized by law.

It is clear to the Chair that the words "provided that none of these funds shall be used for collecting line of busines data of not more than 250 firms" may clearly be added as an amendment to a general appropriation bill, and it is in order. The Committee on Appropriations could have refused to bring in any appropriation at all for this agency, and the committee seeks by this amendment to put a limitation upon the use of funds available to the FTC. The limitation is drafted as a restriction on the use of funds, and not as an affirmative restriction on the scope of the FTC investigation, as was the case in the language stricken from the bill on the preceding point of order.

The remainder of the amendment raises some question, but in the opinion of the Chair, these words are clearly limited by "where authorized by law," and do not permit the Census Bureau or the SEC to initiate line of business investigations, so the Chair is going to rule that the amendment is in order and that the points of order are overruled.

Mr. WHITTEN. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

The CHAIRMAN. The gentleman has already had 5 minutes.

Mr. WHITTEN. Mr. Chairman, the gentleman from Mississippi had directed himself to the arguments about whether the amendment was in order.

The CHAIRMAN. The amendment is in order.

Mr. WHITTEN. There has been no debate in favor of the amendment which has just now been held in order.

The CHAIRMAN. Yes. The gentleman had 5 minutes.

Mr. WHITTEN. At that time the pending amendment was not the one that is now held in order.

Mr. DINGELL. Mr. Chairman, reserving the right to object, has the gentleman from Nebraska (Mr. McCOLLISTER) been recognized?

The CHAIRMAN. He has not been recognized yet.

Mr. DINGELL. Then I believe, Mr. Chairman, the regular order would require the gentleman from Nebraska to be recognized.

POINT OF ORDER

Mr. Chairman, I make the point of order that the House is not in order. I demand the regular order. I insist that the gentleman from Nebraska be recognized, according to the Rules.

The CHAIRMAN. The Chair has a request by the gentleman from Mississippi that the gentleman from Mississippi be heard for 5 additional minutes.

Is there objection to the request of the gentleman from Mississippi?

Mr. DINGELL. Mr. Chairman, again reserving the right to object, does this foreclose the gentleman from Nebraska from offering an amendment or me from offering an amendment which I hold in my hand?

The CHAIRMAN. No; it does not foreclose the offering of amendments.

Mr. DINGELL. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. WHITTEN. Mr. Chairman, the amendment speaks for itself. The purpose of all of the effort has been to collect line-of-business data. This section which has been held in order would provide the full dollar amount in the budget and it speaks for itself. I shall not take further time except to hope that the committee will support the amendment which is essential to sensible beginning of the line-of-business program.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I thank the gentleman for yielding.

Is it the presumption of the gentleman that the Federal Trade Commission would be limited in any way in its selection of the 250 business firms which would be examined for line of business data? In other words, are those firms to be selected at random, or are those firms to be the top 250 firms, or is it up to the Federal Trade Commission to make that determination?

Mr. WHITTEN. May I say that the Federal Trade Commission in its testimony before the committee suggested that it be the largest firms. At that time they talked about 500. The bill itself does not describe which firms they shall be. The report, that expresses the views of the subcommittee, suggests they should be selected at random, and has the full force and effect of a report by the committee. It is not in the bill, and it only has such force and effect as the committee report carries with it. It has that, but the bill itself has no reference to how they are selected.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield further?

Mr. WHITTEN. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. I would ask the gentleman, then, if that leaves the Federal Trade Commission with the discretion of whether it follows the advice of the committee or whether the Federal Trade Commission may make its own determination of what the most effective use of this would be?

Mr. WHITTEN. In my experience I have seen many departments do it both ways many times. The law does not require it. The committee opinion contemplates it and I have seen it go by the committee opinion and on other times I have seen them fail to follow the report, but if it were to be absolutely binding it would have to be in the bill. However, the committee continues to place great weight on its reports, and expects them to be followed to the maximum extent possible.

Mr. BROWN of Ohio. Mr. Chairman, I am concerned that the Federal Trade Commission appropriations legislation that we are considering today would seriously undercut the utility of the Commission's line-of-business program and hurt small businesses and the American consumer unless it is amended as proposed by the gentleman from Illinois.

As designed by the FTC, the line-of-business program would collect economic data from the Nation's 500 largest manufacturing firms, which account for approximately 70 percent of our manufacturing assets, by product line. This would reveal for the first time—in the aggregate—such information as profits, sales, production volume, total cost of goods including advertising, and research and development costs by major product line for the largest corporations and help stimulate new competitors in those endeavors which yield the greatest profit.

However, the Appropriations Committee chose to abandon the FTC approach and to design its own line-of-business program, which would require the FTC to give up its targeting on the largest firms and instead collect information from 250 manufacturing firms, chosen at random.

Small businesses are already required to supply the kind of information that the FTC is seeking both for the Commission's quarterly financial reports and the annual reports required by the Securities and Exchange Commission. The appropriations bill we are considering today would not significantly add to the information we already have because it would, in large part, duplicate the present efforts of the FTC and the SEC. And, this actually violates the Federal Reports Act which requires the Comptroller General to "review the collection of information required by independent Federal regulatory agencies . . . to assure that information required by such agencies is obtained with a minimum burden upon business enterprises, especially small business enterprises," and to avoid "unnecessary duplication of efforts in obtaining information already filed with other Federal agencies."

The line-of-business program is not a complex matter. Its need arises because the conglomerate movement has very nearly made inaccessible a great deal of essential data about our economy. When two firms merge, two annual reports are no longer issued, only one is available. And if one firm is an oil company and the other is a coal company, just that much less is known about both industries. In recent years, key pieces of information have disappeared in industry after industry. For example, the largest baking company in this country is now classified as a communications equipment manufacturer.

This affects the reliability of the data on both industries and is detrimental to smaller competitors who are not able to obtain public information on the products handled by the large corporation. For example, General Motors is able to learn or infer much competitively sensitive information about its competitor, Maytag's washing machine business by reviewing Maytag's annual report. On the other hand, Maytag can learn nothing at all about GM's washing machine business by reading GM's annual report because the SEC allows the companies to define line of business themselves and GM does not separately report on its washing machine business. Line-of-business reporting would remedy this simply by requiring firms to disclose to the FTC specific and limited data about their activities in each "line of business." Under the program, the FTC would keep the company data secret and publish only aggregated industry data.

In the past I have been critical of Federal overregulation of our economy. However, I do feel that by allowing the FTC to collect data on our largest corporations, we may be able to avoid what happened in this country last year when virtually no data was available within the Government on which to make crucial decisions relating to the energy problems. The FTC simply did not have data on the energy industries which the Federal Energy Office could use in making its fundamental policy decisions. The Federal Government was not able to respond as quickly as it might—or should have—nor has Congress been able to respond rationally to the energy problems, because necessary data on which to make judgments was not accessible.

Therefore, I urge my colleagues to provide funds for the type of approach which will assure that data will be available to the FTC on our largest corporations.

In answer to your questions to Peter Kinsler of the FTC:

First, why limit the line of business report to manufacturing? More public information is available on manufacturing at this time, so FTC wanted to continue gathering information on this segment of our economy. Also, FTC is aware of "how bad it is not to have line of business reports from this segment of our economy." Also, FTC had to start somewhere and felt manufacturing was best place to start. They hope to expand into other economic segments later.

Second, define manufacturing. Line of business reports will be required from companies who engage in substantial amount of manufacturing activities, based on a dollar figure. For example, with the merger of Montgomery Ward and Container Corp. of America, became Marcor Corp., it is now classified as a retailer; however, Container Corp. is one of the largest manufacturers of cardboard boxes, so Marcor will be sent a line of business report. Marcor would be asked for detailed information on its manufacturing parts and less detailed information on nonmanufacturing parts of company.

Third, what are penalties for noncompliance? Under the Federal Trade Act, for company—$100 for each day of failure to comply. For FTC employee, a criminal penalty for any FTC employee who disclose secret or confidential information, $5,000 and up to 1 year in jail.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield on that same point?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, on the general debate the gentleman and I had some discussion on this suggestion in the report, and as I understand the gentleman's statement it is that if the report language purported to alter the language of the bill itself it would make it subject to a point of order.

Mr. WHITTEN. No, I do not recall it that way. What I think I said was if the report language had been in the bill it is my opinion that then it would have been subject to a point of order.

Mr. ECKHARDT. I think the gentleman has properly characterized his statement and I perhaps strained it, but there is only one way I know that report language can affect the law and that is by interpreting it.

But the gentleman would agree with me I assume that this law could not be interpreted as requiring that the 250 firms be selected at random nor on the other hand as requiring that they be chosen as the 250 largest. This is an open question under the bill as written.

Mr. WHITTEN. It is open insofar as there being any controlling law. May I say the Federal Trade Commission is not bound to continue to feel that it will take the 500 biggest or the 250 biggest. It has the authority to change its mind.

The report of the committee is just what it says it is: It is the report of the committee. And since we wrote the report and one of the reasons for having it in the report is that we have come to the conclusion that in the random selection, if they follow our advice which is rather strong, it would be better to have 250 from the 2,000 than from the limitless number.

So may I say the report is not a law and the law is not a report. The report will be just as strong as the Commission pays attention to it, but the law itself does not require it to. However, as I mentioned earlier, the Committee does pay considerable attention in future years as to how well the Commission heeds its reports.

Mr. ECKHARDT. I thank the gentleman.

Mr. HEINZ. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Pennsylvania.

Mr. HEINZ. Mr. Chairman, I would like to ask the chairman a couple of questions about the amendment.

The CHAIRMAN. The time of the gentleman from Mississippi has expired.

AMENDMENT OFFERED BY MR. M'COLLISTER AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. WHITTEN

Mr. McCOLLISTER. Mr. Chairman, I offer an amendment as a substitute for the amendment offered by the gentleman from Mississippi (Mr. WHITTEN).

The Clerk read as follows:

Amendment offered by Mr. McCOLLISTER as a substitute for the amendment offered by Mr. WHITTEN: Page 47, line 8, after the word "data" add the following: "from not to exceed 500 firms; as determined by the Federal Trade Commission".

The CHAIRMAN. The gentleman from Nebraska is recognized for 5 minutes in support of his amendment.

Mr. ROSENTHAL. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from New York.

Mr. ROSENTHAL. Mr. Chairman, I rise in opposition to the provision in the appropriations bill which would weaken the line of business authority of the FTC. By limiting the number of firms from which financial data could be collected to only 250 and requiring that they be chosen at random, we stifle the very investigatory powers of the Commission which are intended to protect American consumers.

This random selection method would result in the inevitable exclusion of many of the large diversified firms which deserve close FTC scrutiny. I am especially concerned about the effect this provision would have on the FTC's ability to look into anticompetitive and anticonsumer practices of food manufacturers. It is interesting to note that the Members of Congress who represent both urban and agricultural constituencies are deeply concerned about food prices. On the one hand, consumers are paying exorbitant prices for food at the supermarket. On the other hand, many cattlemen and farmers are experiencing difficult times. A substantial part of the problem lies with the failure of large food chains to pass along to consumers food price reductions as they occur at the farm level and with the increasing amount of economic concentration in the food manufacturing industry.

The point is that by weakening the FTC's line of business authority, we are preventing the Commission—the Government's leading consumer protection agency—from getting to the bottom of this economic problem. We recognize that the 50 largest food manufacturers in the United States, which control 60 percent of the market for processed food, are mainly diversified firms. Without the ability to get line of business financial information, the FTC will be stymied in determining whether antitrust consumer laws are being violated. Without FTC investigation, this unjust situation would persist. We must permit the FTC to have access to the information of these firms. A random selection would prohibit the FTC from fulfilling its responsibility to the consumer because most of these firms would be beyond the scope of its powers.

The present state of our economy makes it imperative that we utilize all of our available resources to fight further trends toward rising prices and inflation. The FTC represents one of the most important resources at our command, and we must not weaken its authority. We must not allow the consumer to lose one of his only weapons against the unjust high profits of these diversified food firms. This provision on random selection must be deleted.

Mr. McCOLLISTER. Mr. Chairman, in the colloquy and the debate that has gone on here for the last few minutes, I think we find the reason for my amendment, which is the doubt and concern as to how these 250 firms will be selected.

My amendment says that the Federal Trade Commission will select the firms to be compared in their Line of Business Report rather than random selection of firms to which the report refers on page 89. The Federal Trade Commission has indicated that it will concentrate its attention on those firms where the need is greatest, which is the largest firms. I think it explains very simply what it is I want to do and the purpose of my amendment.

The concern I have is that the random selection will lead to excursions into smaller businesses where I think the intrusion is unwarranted and will confine the information to that from the larger firms.

Mr. BROWN of Ohio. I gather that the issue is drawn between the gentleman in the well, the gentleman from Nebraska, that if we would prefer to have the Federal Trade Commission make its study of the 500 largest firms and make the final selection of the businesses whose data would be studied, that we should support the amendment of the gentleman in the well.

On the other hand, if he prefers to have the business data gathered from 250 firms at random as recommended in the report by the Committee on Appropriations, one should support the language of the gentleman from Mississippi, the chairman of the committee (Mr. WHITTEN) and oppose the amendment of the gentleman in the well.

Mr. McCOLLISTER. The difficulty, of course, is in knowing what the random means. That is the concern that the gentleman from Nebraska has of the amendment of the gentleman from Mississippi.

Mr. BROWN of Ohio. But I renew my inquiry. If we prefer to select from the 500 largest corporations to study, we should support the amendment of the gentleman in the well.

Mr. McCOLLISTER. That is right.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Michigan.

Mr. DINGELL. We ought to see the difference between the two amendments. If we are interested in getting a good return on information, the percentage of production covered is 70 percent using the method of the gentleman from Nebraska.

Under the amendment of the gentleman from Mississippi, it is only 11 percent of the manufacturing assets. If we are interested in the probability of being able to publish any given category information under the laws now constituted, under the amendment offered by the gentleman from Nebraska the probability of being able to publish usable information, not identifying the firms concerned, the probability is 0.99 or out of 0.93; but under the amendment offered by my good friend, the gentleman from Mississippi, its is only 0.69 or 0.49 out of 1 depending which way it is construed.

If we go to randomly selected firms, as the gentleman from Mississippi would have us go and the report would indicate, we only have a chance of receiving and publishing on 0.12 of the firms. We can understand that this is a magnitude of nine times difference in getting usable reportable reliable data to be made public without answering to anybody. That is why the amendment offered by the gentleman from Nebraska is nine times better than that offered by my dear friend, the gentlman from Mississippi.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Mississippi.

Mr. WHITTEN. May I say, I am not an expert in this field of randomly selected information. I do know, however, that in the area where we are trying to find a pattern which prevails, it is done by spot checking. If we check throughout the Government we find that to be true.

In order not to speak as an authority, as did my good friend, the gentleman from Michigan, I used the Library of Congress Congressional Research Service in this situation. I am advised by the Library of Congress:

> With respect to the particular FTC study under consideration the major question to be answered is what population is to be studied. If the target group is the top 2000 firms, a sample of 500 of the top 500 would be statistically biased. Inferences drawn from this sample would certainly apply to the top 500, but could not be generalized to the population. A randomly selected sample of 250 of the 2000, however, would be more than sufficient—on statistical grounds—to draw inferences applicable to the entire target group.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. McCollister and by unanimous consent, Mr. Whitten was allowed to proceed for an additional 5 minutes.)

Mr. WHITTEN. Mr. Chairman, the reference continues as follows:

> For purposes of completeness it should be noted that the number of variables used in the analysis also play a part in determining the accuracy. With a sample of 250, however, it is highly unlikely that the number of variables used would have any significant impact on the reliability of the study.

So if we take the first 500, all we have is the first 500. If we take 250 from the 2,000, we have a valid sample of the 2,000.

I recognize that the gentleman's amendment leaves the determination up to the Federal Trade Commission; but I wanted to point out the basis for the committee taking the view that the random sampling of 250 firms taken from the the 2,000 largest would be the better way.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Massachusetts.

Mr. CONTE. I want to commend the gentleman from Nebraska and strongly support his amendment.

Mr. ANDREWS of North Dakota. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from North Dakota.

Mr. ANDREWS of North Dakota. I think we ought to establish the base line first. The amendment of the gentleman from Nebraska, as I read it, will not be, as my good friend, the gentleman from Michigan, interprets it.

Is it not correct that the gentleman's amendment takes these 250 firms from the top 500 firms in the country?

Mr. McCOLLISTER. It takes 500 firms as determined by the Federal Trade Commission. The Federal Trade Commission will make that determination. I think the amount of money involved will probably limit it to something less than 500 firms.

Mr. ANDREWS of North Dakota. Does the gentleman take 250 firms, as the early part of the amendment says, out of the 500, or is he trying to do 500?

Mr. McCOLLISTER. There is no reference to that 250.

Mr. ANDREWS of North Dakota. If the gentleman is trying to do 500 firms, did he read the committee report where we pointed out that there were not funds enough, nor staff enough in the Federal Trade Commission to do a good job on more than 250 firms?

Mr. McCOLLISTER. I told the gentleman that the Federal Trade Commission, under the provisions of the amendment, limits its investigation to a group of 500 firms. I am informed that this would be from the 500 largest. The amount of money involved, $305,000, will, of course, confine the information to something less than the number of firms.

Mr. ANDREWS of North Dakota. Mr. Chairman, I want to make one other point about the intention of the committee. The committee did not intend to take 250 firms from all of the firms in this country. The committee's intent was to take 250 random samples from the top 2,000 firms, because this, as the chairman pointed out, was the cross section that would give us, according to the Library of Congress study, the most accurate cost figure.

Mr. HEINZ. Mr. Chairman, will the gentleman yield?

Mr. McCOLLISTER. I yield to the gentleman from Pennsylvania.

Mr. HEINZ. Mr. Chairman, I think the colloquy between the gentleman from Nebraska (Mr. McCollister) and the gentleman from North Dakota (Mr. Andrews) established what the gentleman's amendment does. It is still unclear as to what the amendment of the gentleman from Mississippi might do. That ought to be clear also so that we can make an intelligent judgment.

Mr. YATES. Mr. Chairman, I rise in support of the amendment.

Mr. Chairman, if the Members will look at the report, they will find separate views which were filed by 12 members of the Appropriations Committee. We took issue with the majority of the committee on the question of the at-random sampling. We did not take issue with them on the question of 500 firms, but it is my personal opinion that the gentleman is correct in trying to have the study of the 500 firms, because that is what the Federal Trade Commission wanted. An at-random sampling would be absurd.

This amendment will provide the kind of information to the Commission that is necessary for the Commission to have to do its job. Why must the study be crippled even before it is begun? That is what an at-random requirement would do.

This information is necessary. The Commission wanted to study 500 firms. The committee said "No," study only 250 firms. The Commission wanted to study the largest firms in the country. The committee said "No," take only a random sampling of the firms.

Well, what would an at-random sampling do? It would gut the study. If the committee wanted to study the conglomerate such as Litton, for example, that conglomerate would have to be picked out of the hat; on an at-random basis. If the Commission wanted to study General Motors, it would have to be selected on an at-random basis. If it wanted to study General Electric, it would have to be selected on an at-random basis. In effect, this would be a bingo game. If the Commission wanted to study any large corporation, it would have to hit the right number.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Pennsylvania.

Mr. SHUSTER. Mr. Chairman, is it not true that if the gentleman wanted to study competitive firms in an industry, he would need to study several of the companies within a particular industry?

Mr. YATES. The gentleman is exactly correct.

Mr. SHUSTER. If that is true, then it is ridiculous to suggest that we at-random select these companies. We have to select those companies within a particular industry.

Mr. YATES. The gentleman is exactly correct.

Mr. Chairman, if I might turn my attention to what my good friend from Mississippi (Mr. Whitten) says about the study of the Library of Congress; the Library of Congress talked about the random sampling, but the fact remains that the at-random sampling would not cover the bulk of the assets of the corporations in this country.

The Federal Trade Commission data, of which the gentleman has a copy, would show that 250 randomly selected firms from the 2,000 largest manufacturing firms would provide for a study of only 11 percent of the assets of all the firms in the country.

The amendment of the gentleman from Nebraska would provide for a study of 70 percent of the assets of the firms of the country. It would be a comprehensive study. It would be an effective study. It would be the kind of study that the commission needs and wants.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield?

Mr. YATES. I yield to the gentleman from Mississippi.

Mr. WHITTEN. There is a question of how long a time is needed to get the brains together and get the job finished, so I think with the goals that we have, there is a potential problem.

Mr. YATES. May I say to the gentleman that this is what the study contemplated by the gentleman's amendment does. Perhaps the Committee on Appropriations has its own idea as to what should be done rather than to permit the Federal Trade Commision to carry on the study.

Mr. MOSS. Mr. Chairman, I rise in support of the amendment.

I support the amendment offered by the gentleman from Nebraska (Mr. McCollister). I think it makes very good sense to have a sampling plan of a 500-firm size.

I recognize the excellence of the work that the Library of Congress has done recently, but I have not found that the Library of Congress was of equal excellence in the role of acting as a business consultant or adviser.

I have found, however, as the chairman of the subcommittee having legislative jurisdiction over the Federal Trade Commission, that the Federal Trade Commission does a reasonably good job. I believe that the current Chairman of the Commission has done his best to give us a good product.

There are times, as a matter of fact, right at this moment, when we have a need to know the concentration of asset growth in business lines in this country. For instance, one of the largest conglomerates in this Nation engaged in unbelievable diversity of activity is also the Nation's largest baker. I believe it is the largest parking lot operator.

It is not going to cost any more to go to the 500 than it is to the 250. The $305,000 is quite adequate. The main expense is in the development of the format of the forms of inquiry that will be needed.

This is not going to thrust any burden on these 500 largest firms.

I have here Fortune's survey of the 500 largest corporations in the United States. I was interested in noting that No. 500 on that list, the 500th firm, has $204 million in sales each year.

Therefore, I think that the amendment makes good sense. I think it wise to leave it to the judgment of the Federal Trade Commission and I think that the amendment offered by the gentleman from Nebraska is surely deserving of support.

Mr. DINGELL. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from Michigan.

Mr. DINGELL. Mr. Chairman, the question before us is whether we are going to get identifiable, publishable data from these FTC studies. That is the real question.

Now, the reason for that question is—by statute one may not publish data from a study of this sort which involves less than three firms. The probability of getting three firms or more under the amendment offered by the gentleman from Mississippi is measurably smaller. The problem we have is that the gentleman from Mississippi (Mr. WHITTEN) has offered an amendment which limits so drastically the number of firms involved in the study that the probabilities of getting three firms reporting so that the statutes are complied with so that data which can be published under law without identifying firms is vastly smaller. The possibility of getting data which may then be published and which may enter the stream of commerce and which may assist the Congress and assist the Federal Trade Commission and the Department of Justice and the business community is much smaller.

Mr. MOSS. But we do get a better spread of information, and more of it can be published without identifying sources.

Mr. DINGELL. As required by law.

Mr. MOSS. As required by law, that is correct.

Mr. PATTEN. Mr. Chairman, will the gentleman yield?

Mr. MOSS. I yield to the gentleman from New Jersey.

Mr. PATTEN. Mr. Chairman, I wish to raise a vital fact in our consideration.

What about the work that has already been done? Is it not true that they may have done something last week or last month before actually coming to the floor and asking for this?

Mr. MOSS. Mr. Chairman, I believe that they can ask for this money and undertake the study, but I do not believe that they can commence the study prior to receiving the funds.

AMENDMENT OFFERED BY MR. MICHEL TO THE AMENDMENT OFFERED BY MR. M'COLLISTER AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. WHITTEN

Mr. MICHEL. Mr. Chairman, I offer an amendment to the amendment offered by Mr. MCCOLLISTER as a substitute for the amendment offered by Mr. WHITTEN.

The Clerk read as follows:

Amendment offered by Mr. MICHEL to the amendment offered by Mr. MCCOLLISTER as a substitute for the amendment offered by Mr. WHITTEN. Change "500" to "250".

Mr. ARENDS. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. ARENDS. Mr. Chairman, I thank the gentleman for yielding.

I would like to ask the gentleman from Mississippi, the chairman of the committee this: Inasmuch as it is now after 6 o'clock, does the gentleman have any plans for finishing this bill tonight, or what does the gentleman have in mind? This just cannot go on.

Mr. WHITTEN. Mr. Chairman, will the gentleman yield so that I may ask how many amendments are pending at the desk?

Mr. MICHEL. I yield to the gentleman from Mississippi.

The CHAIRMAN. The Chair will inform the gentleman from Mississippi there are seven amendments pending at the desk right now.

Mr. WHITTEN. Mr. Chairman, if the gentleman from Illinois will yield further, I will state that I would like to get through with the bill. I have tried everything from making a motion to jumping up and down.

Mr. Chairman, I ask unanimous consent that all debate on the bill and amendments thereto end at 7 o'clock.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

POINT OF ORDER

Mr. DINGELL. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state his point of order.

Mr. DINGELL. Mr. Chairman, there is an amendment pending. I do not believe we can discuss a limitation of debate except by unanimous consent at this time.

The CHAIRMAN. The Chair will inform the gentleman that the request for limitation of debate was a unanimous-consent request. The request was made, an objection was made, and the objection has been heard.

Mr. DINGELL. Mr. Chairman, I withdraw my point of order and suggest that the gentleman proceed.

The CHAIRMAN. The Chair recognizes the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, perhaps I can help expedite matters here.

It is quite obvious that there is considerable objection to the way the committee has reported this particular item. There would seem to be some support for the McCollister approach, and what I have simply done here is offer an amendment to the McCollister substitute that would narrow the investigations by the Federal Trade Commission from the 500 largest companies, down to the 250 largest. By the Federal Trade Commission's own statistics, this would provide a 60-percent manufacturing asset sample instead of 70 percent. Instead of an average expected reports per industry of 14.6, we would have 8, and I think this is more than an adequate compromise for those who have raised so much objection to the manner in which we have brought this paragraph to you.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, as I understand the gentleman's amendment, it does away with the at-random sampling proposed by the Commission and permits the sampling to be made by the Federal Trade Commission as it wished to do; is that correct?

Mr. MICHEL. The gentleman is correct.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I think the gentleman has offered a good compromise; he has taken the middle-ground approach. I will support the gentleman's amendment.

Mr. McCOLLISTER. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Nebraska.

Mr. McCOLLISTER. Mr. Chairman, I agree that the gentleman's amendment is a good compromise and I would accept the figure of "250."

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I wish to inquire again whether the gentleman's amendment limits it to the top 250 companies only from which the Federal Trade Commission can select, or is it the 250 at random out of the top 500?

Mr. MICHEL. It would be at the discretion of the Federal Trade Commission. It is their baby, and they will do the selecting as they were going to do all along.

Mr. WHITTEN. Will the gentleman yield?

Mr. MICHEL. I am happy to yield to my chairman.

Mr. WHITTEN. May I say to my colleague from Illinois I would be perfectly glad to accept his amendment. By my analysis of the bill, the Federal Trade Commission has the power to determine it, anyway. We gave them the benefit of it by title. If they want to elect the 250 from the top 2,000, they can do so. If they want to select the 250 from some other group they can do that also. Again, in using this discretion, I hope they will at least give the committee's report due consideration.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman.

(Mr. MOORHEAD of Pennsylvania asked and was given permission to revise and extend his remarks.)

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I support the gentleman's amendment. During the last year the American public has suffered considerable economic hardship due to inflation, energy, food, and other pressures. Many Americans have turned to the Congress and the Executive with the hope that some relief from their hardship will be forthcoming. What is most frustrating and disconcerting to these citizens who faithfully turn to the Federal Government is that very often our economic information is insufficient to make a definitive decision. In no case is the need for comprehensive and accurate information more pressing than the need for significant financial data from the large multiproduct manufacturing corporations.

At present, corporate financial data is reported in the FTC's quarterly financial report. However, all the activities of a multi-product corporation are assigned to only one of the 31 industry groupings—whether they belong there or not. Thus, Continental Baking, the largest baking concern in the country, is classified as electrical communications equipment because it is a subsidiary of ITT. A recent FTC study indicated that approximately one-third of the total gross receipts covered by the survey were assigned to the wrong industry grouping. The study also found that in three of the groupings over 60 percent of total sales were misassigned. In seven other groupings, 30–60 percent of the assigned activities did not belong. The line-of-business reporting program would eliminate these problems by requiring conglomerates to report their activities by major product lines.

In addition, the line-of-business program would increase the number, and thus the meaning, of the industry groupings. For instance, the "electrical machinery" grouping which, absurd as it may seem, now includes everything from cigarette lighters to missile systems would be divided into 45 more specific product groupings. Through the implementation of the line-of-business program, it would become possible to distinguish between sales of satellites and sales of electric toothbrushes.

Line-of-business reporting would increase the effectiveness of several economic policy options. First, it has become increasingly clear that classical monetary and fiscal restraint cannot win the battle against inflation alone. Dr. John Dunlop, among others, has testified that it is essential that Government economic policy begin to rely more on specific industry or product-line policies to deal on a microeconomic level with inflationary pressures. Industry by industry anti-inflation policies of this sort cannot be implemented without accurate line-of-business information.

Second, line-of-business information will improve the effectiveness of antitrust actions. The FTC has stated:

> The availability of good market performance data would prevent the commission from making false starts in investigating competitively performing industries. Federal trade commission false starts cause disruption, unfavorable publicity to companies and high legal costs to business.

It is certainly in everyone's interest to prevent these inefficiencies in the future.

Finally, line-of-business reporting would enable the Government to contract more intelligently for Government purchases. Product line information would help the Government and the public decide whether profits from Government purchases are in line with profits from other lines of production.

I think it is important to point out that the issue before the House of Representatives is not whether Congress should enact a line-of-business reporting program, for no one has urged that that the program not be enacted. The SEC, the FTC, and the GAO have all agreed that there is a need for such a system. The Appropriations Committee, in the report that accompanies this billl, has recommended full funding for the line-of-business program. Finally, the Joint Economic Committee, of which I am a member, stated in its 1974 annual report that nothing "is more crucial at the present time than the prompt institution of a program to provide data on sales, costs and profits by major lines of corporate business." Clearly, the question is not should we have a line-of-business reporting program but how can we have an effective line-of-business reporting system?

It is this important goal which causes me to speak out today. The original FTC proposal, approved by the GAO, was to obtain line-of-business information from the 500 largest manufacturing companies in the county. This data alone would have provided accurate information from companies representing 73 percent of the manufacturing assets of this country. The replacement of this comprehensive program with a random sample of 250 companies is an unacceptable deception of the American people. An estimate I have obtained from the FTC indicates that the random sample will yield information from companies representing ⅛ of 1 percent of the total manufacturing assets in the country. In other words, the American public is being asked to pay the same price for 600 times less information. I, for one, cannot ask American taxpayers to contribute their hard-earned dollars to support a program which has been rendered virtually meaningless.

For this reason, I strongly support the amendment which would specify that the 250 firms surveyed by the FTC be the 250 largest firms in the country. This proposal would include 60 percent of total manufacturing assets and would also respond to GAO's suggestion that a smaller survey size would allow greater communication between the FTC and the business community, insuring sufficient and reliable information. Without these assurances, the line-of-business reports would have little value.

Finally, I think it should be pointed out that this program is not the threat to confidentiality that some people might lead the Congress to believe. Single product manufacturers have been disclosing this information for years, allowing the multi-product firms to receive any competitive advantage that does exist. Line-of-business reporting would only return the smaller manufacturer to a position of equity, restoring more effective competition. Few could argue that this would not be in the best interests of the American people.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. MICHEL) to the amendment offered by the gentleman from Nebraska (Mr. McCOLLISTER) as a substitute for the amendment offered by the gentleman from Mississippi (Mr. WHITTEN).

The amendment to the substitute for the amendment was agreed to.

The CHAIRMAN. The question is on the substitute amendment offered by the gentleman from Nebraska (Mr. McCOLLISTER) as amended, for the amendment offered by the gentleman from Mississippi, (Mr. WHITTEN).

The substitute amendment, as amended, to the amendment was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Mississippi (Mr. WHITTEN) as amended.

The amendment as amended was agreed to.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that the bill may be considered as read and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard. The Clerk will read.

The Clerk read as follows:

> No part of these funds may be used to pay the salary of any employee, including Commissioners, of the Federal Trade Commission who—
>
> (1) uses the information provided in the line-of-business program for any purpose other than the statistical purposes for which it is supplied; or
>
> (2) makes any publication whereby the line-of-business data furnished by a particular establishment or individual can be identified; or
>
> (3) permits anyone other than sworn officers and employees of the Federal Trade Commission to examine the line-of-business reports from individual firms.

POINT OF ORDER

Mr. ECKHARDT. Mr. Chairman, I make a point of order.

Mr. DINGELL. Mr. Chairman, I make the same point of order.

The CHAIRMAN. The gentleman from Texas will be heard on his point of order.

Mr. ECKHARDT. Mr. Chairman, my point of order is that this provision violates the provisions of rule XXI, clause 2, second sentence, in that it imposes additional duties upon the Federal Trade Commission and in that it provides specific legislation in an appropriation bill.

In the discussion concerning this particular provision the language of the bill was very well accentuated by the discussion of the distinguished gentleman from Mississippi (Mr. WHITTEN). He said:

> In view of the two instances which I pointed out, it happens in my opinion we are faced with finding out how we could at this stage come up with something that was reasonably tried and true to recommend to our colleagues in the Government, so I did not know any better way to go than to see how we did under the law with regard to the Census.

He stated further:

> We forget the Government first authorizes and then Congress either implements it with an appropriation or does not. Congress has the right and the obligation and the power to say what it appropriates for and on what terms and what conditions.

Now, of course, the Congress has the right to determine what it appropriates for, but not on what terms and what conditions.

But not all of the terms and all of the conditions, particularly when those terms and conditions alter existing law and place heavy duties upon an agency of Government that had not been placed on that agency of Government by existing law or by an action other than the appropriation bill.

I specifically point to volume 7 of Cannon's precedents, page 684, paragraph 1692, where on January 31, 1925, the Independent Office Appropriation bill was before Congress. It contained, or the amendment contained, the following language:

> No part of this appropriation shall be used to pay the salary of any member of the U.S. Tariff Commission who shall hereafter participate in any proceedings under said section 315, 316, 317, and 318 of said act—

Then leaving out a few words:

> Wherein he or any member of his family has any special, direct, and pecuniary interest—

Ruling on that point of order, the Chairman stated:

> It seems to the Chair that instead of being a limitation of the appropriation it in effect limits the participation of a commissioner in the lawful proceedings of the commission, under the penalty of losing his salary.

Mr. Chairman, that is exactly what is intended to be done here. Unless the Federal Trade Commission establishes rather extensive procedures and the persons working for the Federal Trade Commission follow those procedures, those persons, those employees of the Federal Trade Commission, or the Commissioner, would lose their salaries.

I have had occasion to look up what the Census Bureau actually has to do under the particular provisions that the gentleman from Mississippi stated he framed this bill on. Of course those provisions are contained in title XIII, section 9 of the United States Code.

First, the Commission had to establish a special oath, not merely the oath to support the Government, but an oath of nondisclosure which all new employees signed as a Federal standard oath of office.

That would be necessary here because the provisions will require that the persons doing these activities must take an oath. That oath says:

> I will not disclose any information contained in the schedules, lists or statements contained or prepared by the Bureau of the Census.

A similar oath would be involved on the Federal Trade Commission.

Second, I have been told that the Census Bureau must put into effect and extend the program of training and education to preserve confidentiality of information.

Third, the general day-to-day operations of the Census Bureau procedures have been implemented to preserve confidentiality and to protect individual rights. These procedures might involve extensive review of documents. In this case it would be particularly onerous because the second clause of the paragraph that is sought to be stricken not only requires that confidential information not be disclosed with respect to anything but that some device be established whereby the establishment or the individual cannot be identified, and that calls for a review.

Fourth, the Census Bureau also follows specific procedures if a violation of section 9 occurs. It would be necessary to alter the ordinary procedures contained in the Civil Service Act because under that act persons are entitled to a hearing, and a neutral person determines whether the person may be fired. On this occasion veterans and preference are provided in other statutes, but under this provision their salaries would be cut off if a single act occurs, and without exception.

Therefore I urge that this is clearly additional duties and very onerous duties on the Federal Trade Commission.

The CHAIRMAN. Does the gentleman from Mississippi wish to be heard on the point of order?

Mr. WHITTEN. I do, Mr. Chairman.

The gentleman makes two lines of argument. On the one hand he says that this is separate from the requirements under the Bureau of Census. Then he says that whatever Census has to do, the FTC has to do, and there is nothing in this act or in this paragraph that requires that.

I would respectfully say that on the face of this it is directed toward not paying out Federal money. I have lost many an argument here on the floor before the Chair on the basis that anything on the face of it that is directed toward holding back or saving money is in order under the general rules that we follow.

Insofar as all of these other things that the gentleman from Texas says that the Bureau of the Census has done to implement the law or implement its own experiences, insofar as those are concerned, we say nothing about them here. But I do say on the front part that no part of this money shall be paid out, which are the very words that have caused me to lose many an argument before many a chairman.

The CHAIRMAN. Does the gentleman from Michigan (Mr. DINGELL) desire to be heard on the point of order?

Mr. DINGELL. Mr. Chairman, I do. I refer again to section 1692 of volume 7 of Cannon's precedents.

I should like to quote first of all the precedent:

> While the House may by limitation deny an appropriation to recipients lacking certain qualifications, a professed limitation which by interdiction of certain qualifications restricts lawful executive action is not in order.

Mr. WHITTEN. Does the gentleman take the view that these people are authorized to do any of these things that we have prohibited?

Mr. DINGELL. I do not yield to my good friend, the gentleman from Mississippi, at this time for that, but I will be glad to respond to it in just a second.

The point is that the Chair further ruled and said as follows:

> That no part of this appropriation shall be used to pay the salary of any member of the U.S. Tariff Commission who shall hereafter participate in any proceedings under said sections. . . .

Then the Chair said:

> There is this additional point that appeals to the Chair, namely the additional duties that are imposed upon an executive officer, the Comptroller General.

Then the Chair went on and said:

> As was pointed out in the discussion, the Comptroller General, before he can safely pay the salary of any one of these commissioners, must find out and satisfy himself that such member has no interest and that no member of his family has any special, direct, and pecuniary interest in, or that he has acted as attorney or special representative for any of the corporations investigated. The imposition of additional duties upon an executive is in effect legislation.

The Chair went on to say:

> The Chair expresses no opinion as to the legislation itself. The legislative committees of this House are open at all times for the consideration of proper legislation in regard to these matters. It seems to the Chair that it would be a dangerous precedent, and one that would tend to involve us in the mazes of rider legislation on appropriation bills, to admit over a point of order language of this kind on an appropriation bill. Therefore, the Chair sustains the point of order.

The CHAIRMAN (Mr. GIBBONS). The Chair is ready to rule.

The Chair has had the benefit of all of the distinguished arguments from the distinguished gentlemen, and has spent a considerable amount of time studying the questions raised by the point of order.

The gentleman from Texas makes the point of order against the paragraph on page 47, lines 13 through 24, on the ground that those provisions contain legislation on a general appropriation bill in violation of clause 2, rule XXI.

The Chair has examined existing law which authorizes the Federal Trade Commission to conduct investigations within its jurisdiction, the report of the

Committee on Appropriations, and the precedents of the House which limit the payment of funds for salaries and expenses.

On March 2, 1928, Chairman Treadway held in order an amendment to a general appropriation bill which prohibited the use of funds in that bill for payment of salaries of employees of the Department of Agriculture who forecast the price of agricultural products, Cannon's VII, 1663. The Chair has also examined those precedents which stand for the proposition that it is not in order on a general appropriation bill under the guise of limitation to affirmatively interfere with executive discretion. In each of those cases examined by the Chair, the negative restriction placed upon the payment of funds for salaries was coupled with an affirmative direction to the executive official to perform certain duties as a condition for the receipt of payment of such salaries. (See for example Cannon's VII, 1677).

Section 1692 of 7 Hind's Precedents, an earlier precedent, has been cited by the gentleman and it was cited in specific support of this point of order. The Chair held in that instance, on January 31, 1925, that while the House may by limitation deny an appropriation to recipients lacking certain qualifications, a professed limitation which by interdiction of certain qualifications restricts lawful executive action is not in order. At issue was language denying salary to members of the U.S. Tariff Commission who participated in proceedings and investigations required by law, where said members of their families had any interest therein. The Chair ruled that the limitation did not go to qualifications, but limited the participation of a commissioner in the lawful proceedings of the Commission, and the proceedings in issue were investigations and findings which the commissioners had an absolute and specific duty to conduct under an act of September 21, 1922. In the opinion of the Chair, the precedent cited is inapplicable to the present case, since the language ruled out in that instance involved a positive interference with the performance by an executive official of a function required of him by law.

Another case in point is cited at section 1689 of 7 Hinds' Precedents. On January 12, 1923, the Chair held in order an amendment forbidding the use of an appropriation in the preparation or dissemination of propaganda by an executive agency, where the amendment did not affirmatively limit an official function.

In the instant case the Chair feels that the language in the paragraph is merely descriptive of certain activities in the line of employment, not specifically required by law to be undertaken, in which Federal Trade Commission officers and employees may not engage if they are to receive compensation from funds contained in the bill. For this reason, the Chair holds that the paragraph is a proper restriction on the payment of funds in the bill and overrules the point of order.

AMENDMENT OFFERED BY MR. ECKHARDT

Mr. ECKHARDT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ECKHARDT: on page 47 strike line 13 and all that follows through line 24.

POINT OF ORDER

Mr. ANDREWS of North Dakota. Mr. Chairman, I make a point of order against the amendment on the ground that copies have not been delivered to the minority in accordance with clause 5 of rule XXIII.

Mr. ECKHARDT. Mr. Chairman, how many copies does the gentleman want?

Mr. ANDREWS of North Dakota. None.

The CHAIRMAN (Mr. GIBBONS). The rules provide that copies shall be provided the Clerk of the House. The point of order is not in order.

The gentleman from Texas is recognized for 5 minutes in support of his amendment.

Mr. ECKHARDT. Mr. Chairman, this Member will never be so indecorous as to disagree with the Chair, so I desire to make the same point on the basis of sound reason, that this provision should not be enacted here without having been submitted to a committee of major jurisdiction. I am not here merely as a volunteer on the floor without concern for this matter. The gentleman from Nebraska (Mr. MCCOLLISTER), my colleague who offered the last amendment, and I, both serve on the subcommittee that deals with the Federal Trade Commission, and I think all of my colleagues understand that the procedures involving a commission of that nature are very serious concerns. This should not be added by an appropriations bill.

In connection with the debate on this bill, I understood the subcommittee chairman to say quite plainly that the purpose of this provision was to alter an existing situation with respect to confidentiality.

Mr. WHITTEN. Mr. Chairman, may I say to the gentleman that either I did not realize what I said, or else he did not hear what I said.

Mr. ECKHARDT. Either the gentleman in the well is wrong or the gentleman at the microphone is wrong and the RECORD will disclose it.

At any rate, what is attempted to be done is to set up a regulation on confidentiality on the basis of punishment by depriving an employee of his pay. If we do that I defy anybody here to tell me what happens when that employee says, "I did not violate the confidentiality provisions. Somebody might have found out that it was Exxon that was talked about in the report, but they found it out because the figures were so large. I did not intend it." I submit this can be a reasonable mistake. Yet the penalty under the provision provided in the appropriations bill is that the person not receive his salary because he violated a provision in the bill.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. ECKHARDT. I yield to the gentleman from Illinois.

Mr. YATES. Mr. Chairman, does the gentleman construe the language to be that there may be a prohibition against the turning over of this information to the Justice Department in case there may be an antitrust suit?

Mr. ECKHARDT. Of course, of course, it does that. It prevents the turning over of the information to anybody. It may only be used for statistical purposes and for no other and this is enforced by withholding appropriations and pay no matter how innocent or well-motivated the act may be.

For instance, the turning over of information to a chairman of a committee of Congress would be a violation and the person who did so would, thereby, lose his salary.

Now, I do not want to argue this in detail and at length, but only want to say this is a serious matter and it is exactly the kind of matter that the distinguished chairman of the Committee on Agriculture, whom I see in front of me, would resent if a matter of that close concern to his committee were lifted from his committee and taken over by the Committee on Appropriations. I am sure that is true. Every other person here who serves on a committee of major jurisdiction, and that is all of us, should be concerned by this usurpation of authority under the guise of a limitation upon an appropriation.

I want to point out again, as I pointed out in the point of order, that if we were to enact this provision hastily and without providing some procedure by which it may be implemented, it would first negate all those rules, established for the civil service, concerning employees' rights to be heard and to be reinstated if their case was meritorious, assuming their case fell in this narrow bracket. It would require that the Federal Trade Commission establish special procedures with respect to the persons accused of these things. It would require the administration of an additional oath. It would require the most exquisite machinery to provide a means of putting these measures into effect.

Now I know that some Members might say, well, if we do not do this, the Federal Trade Commission will disclose this information improperly. I say that the Federal Trade Commission has not been accused of any wrongdoing in this matter. Its own rules established for this purpose clearly limit the information to only statistical purposes. The information under their own announced restrictions is not even to be turned over to their other arm, the enforcement arm, but is to be kept absolutely confidential.

It is perfectly proper for a committee of primary jurisdiction to come in and place restrictions on the Commission if the Commission has acted wrongly; but that has not occurred here. The Appropriations Committee has prematurely assumed authority in a substantive field by adding the language attacked in the point of order and in this amendment which, I respectfully submit, should be adopted.

Mr. MOSS. Mr. Chairman, I rise in support of the amendment offered by the gentleman.

Mr. Chairman, first, it is inartfully drafted and confusing. For example, it prohibits the use of the information for any purpose "other than the statistical purposes for which it is supplied." This prohibition could mean that the FTC would be precluded from performing special analyses of the data and publishing those analyses even though the published reports themselves did not reveal confidential information. It could prohibit other analyses to be performed internally and confidentially designed to improve the entire program. And, by its terms, it would make the supplier's motives in producing the data controlling over the FTC's purposes in collecting it.

Second, the confidentiality provisions are wholly unnecessary. The Commission itself follows published regulations guarding against the disclosure of individual firm data. The FTC's regulations, most recently published in the Federal Register on July 13, 1973, and September 18, 1973, are detailed, well thought out, carefully drafted, and backed up by criminal penalties. The bill's provisions have none of these advantages. See also 18 U.S.C. 1905.

Third, the bill would prohibit the FTC from sharing the information on a confidential basis with other Government agencies that are also engaged in data collection for statistical programs. This prohibition flies in the face of a longstanding congressional policy to prevent duplication of data-gathering efforts and the burdens on business that result from such duplication. The FTC confidentiality regulations, in contrast, address this problem carefully. They note that:

> The Commission "prepares preliminary estimates and such other tabulations relating to the QFR (and eventually, Line of Business) as requested by the Department of Commerce and the Federal Reserve Board, or as may be directed by the Office of Management and Budget.

The committee's approach directly conflicts with the policies of the Federal Reports Act of 1942. That act authorizes the Office of Management and Budget to require a Federal agency to make available to another Federal agency information obtained from any person. Moreover, both that statute and section 409 of the recently passed Trans-Alaska Pipeline Act contain similar admonitions against duplication of effort in order to minimize reporting burdens on businesses.

For these reasons, the awkward and imprecise confidentiality provisions in the bill should be deleted.

Mr. ANDREWS of North Dakota. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, testimony we had before the committee brought forth the concern in the business community of protecting the confidentiality of any information brought out. I think this concern is well founded. The committee turned to the other agencies that have been engaged in assembling business information such as this, and used as closely as we could the language the Census Bureau operates under.

It is interesting to note on the floor of the House this deep concern about loosening up the rules concerning the turning over material, and how it should be handled, from the very same people who joined with me—and I appreciated that support—in objecting to the IRS turning over information that comes from their files from the agricultural section of our economy because we wanted to preserve the confidentiality of that information.

This committee, in this language, does just exactly that. I rise to protect confidentiality. As far as the Federal Trade Commission is concerned, a newspaper article some time ago, a week or two ago, pointed out that one of the Commissioners in testifying before the other body of this Congress, in assuring one of the Members of the other body, said:

> Senator, if there is any detailed information you want about this, you just let me know.

Mr. Chairman, I am not impugning the motives of any Member of the other body, but I certainly think they have a leaky ship and have a lot of caulking to do on their ship. I do not think we want to expose American business to this type of leaky situation. I think line of business reporting is extremely important. I think it is extremely important that the confidentiality of it be protected.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from California.

Mr. MOSS. Mr. Chairman, I have been chairing the Finance Subcommittee for a number of years. Can the gentleman give me any examples of the abuses of the Federal Trade Commission's authority over information of this kind when they have collected it? Does he know of any instances where it has been leaked by them or by my committee or others using it?

Mr. ANDREWS of North Dakota. Let me tell my colleague from California of an incident that happened while we were considering this bill and marking it up. The chairman of our committee sent a confidential letter to the Commission. The next day, we read it in the newspaper.

Mr. MOSS. Did it come out of the gentleman's committee staff? I have not had that problem with my staff.

Mr. ANDREWS of North Dakota. The point is that while we do not know where the leak occurred, we feel that necessary safeguards should be taken. If it was thought to be necessary in the case of the census information, we felt it could be transposed into this bill.

Mr. YATES. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Illinois.

Mr. YATES. Does the gentleman interpret the language in this section to prohibit turning over of any data collected by the Federal Trade Commission to the Department of Justice?

Mr. ANDREWS of North Dakota. I would imagine that under the proper court orders, this information could be made available.

Mr. YATES. Suppose the Department of Justice was engaged in an investigation of a special antitrust suit and needed information of this kind. Does the gentleman believe that this information would not be subject to being turned over to the Department of Justice?

Mr. ANDREWS of North Dakota. They would have to get it under the normal procedures by which they get it. This really is a random sampling technique. It is not specific to an individual investigation.

Mr. YATES. I thought the House determined that it was not to be a random sampling technique. That was stricken by the action of the House.

Mr. ANDREWS of North Dakota. It simply is a technique to find out what is going on in American business, not within specific companies, and that is all we are looking for, and as to that we would hope to protect confidentiality.

Mr. MICHEL. Mr. Chairman, will the gentleman yield?

Mr. ANDREWS of North Dakota. I yield to the gentleman from Illinois.

Mr. MICHEL. Mr. Chairman, the gentleman from California (Mr. Moss) inquired as to whether there had been any leaks from the FTC which the gentleman could cite.

During the course of our hearings, with Mr. Dixon present, he responded to several of my questions by saying:

> I think the best word is hope. I will say this to you, since 1944 it has not leaked, but I know why. It was not worth a damn.

Meaning the information they received. He goes on:

> Now it is going to be a little bit more reliable. Let us hope that it is going to be more reliable than even I hope for it.

In a prior exchange with Commissioner Thompson we find the following on page 795 of volume 6 of our hearings.

> Mr. THOMPSON. Mr. Michel, I share your fear. I have never seen anything like this town in my life. It is the doggonedest thing I ever saw. You could almost commit an offense against the public decency on the sidewalk and get by with it, and something you do behind closed doors is known to the public almost at the time you do it.
>
> I am not going to get into the underwriting business, not having collected a premium for it. I do not believe that we can say to you, as an absolute fact, that somebody is not going to find this out.
>
> All I can do is join with the chairman and my brethren and say to you that we will guard it as carefully as we can, as trustees and guardians of the information, that is, but gee, it has got an excellent chance of being known, I would think.

This subject of confidentiality is one which I feel very strongly about. We discussed it at length in our hearings. We have to make absolutely sure that the same thing taking place in our own Judiciary Committee and in some of our grand jury proceedings in this town do not take place down at the Federal Trade Commission when they get into this line of business reporting. The Federal Government has no business divulging legitimate competitive advantages of one company over another competing in the same line of business.

Mr. WHITTEN. Mr. Chairman, I rise in opposition to the amendment. Anybody who can read this must realize that the things we say, "Don't do" should not be done.

Now we get down to what we can count on here, and this is not personalities. So far as I know, my relations are excellent with each of the Commissioners. But we have had some bad experiences at the hearings this year, where money had been appropriated by the Congress for one purpose and spent for an entirely different purpose by the Commission.

When this line-of-business matter came in with a whole lot of beating of drums, and after we had our hearings with the Chairman of the Commission, I wrote a letter to the Chairman calling attention to the fact that while we were in the process of passing the legislation, the Commission should not see fit to implement the line-of-business program. I suggested that they wait until Congress had acted to implement the legislation, since changes might be required which would be expensive to make if they proceeded now.

That was a confidential letter from me as chairman of the subcommittee to the Chairman of the Commission. The Chairman then took my letter, a copy of it, and sent it to a Member of the other body. The very next day, the newspapers called it an attempt at blocking this new law. I had no idea of ever blocking it. The fact we included $305,000 in the bill proves my good faith. If anybody called me, I would have told him that I would be a party to implement it. If they called on me further, I would say I was an ex-district attorney, and I always said the Justice Department did not move fast enough and the FTC needed more power. It was this committee that added 130 positions above the budget 2 years ago for the FTC. But they did not ask me. I read my confidential letter in the newspapers, in spite of all I have done to help the FTC.

I am talking about leaks. The Chairman of the Commission apparently sent my letter to the Member of the other body because he was the most outspoken advocate at the time against placing any restrictions on the line-of-business report. That was one example of the inability of the FTC to keep something confidential.

Then I picked up another newspaper and I saw that another Commissioner on the Senate side had testified or told a Senator "Any information we get, you know you will get." So again the FTC, by its own words, seems to be saying it cannot keep information confidential.

I trust my colleagues on this side. I do not know of a better group of men in the world, but if I had a supersecret, I would not tell all the folks around here, and I would not expect them to tell me, because somehow it gets out.

We believe this confidentiality provision should be in the bill because of all these experiences I have cited, and if our colleagues who are advocates of striking this out, were aware of these problems I do not think they would say they should do any of these things either.

I think the gentleman was objecting to his saying they should not do it, and I say that circumstances up to this point certainly show they should and they have, and will probably continue to do so without restrictions of this type.

Everybody in the executive branch, from the President at the White House down, has had some experience with this lack of confidentiality. He has had a good deal of experience in government. He is a lawyer.

But then one reads in the papers about where the Chairman of the FTC went before a consumer group urging them to lobby with Congress in favor of the line-of-business programs. This is a clear violation of the Anti-Lobbying Act.

Certainly, with all these facts, we need to give them a little prohibition, against the disclosure of data. I do not believe anybody wants these leaks, which could ruin the competitive enterprise system, which has made us the best and strongest country in the world.

I do not believe anybody who advocates this amendment will advocate that it does the things they say it will do. I think when they fully analyze it, it only does what is clearly required.

Mr. BURLISON of Missouri. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Missouri.

Mr. BURLISON of Missouri. Mr. Chairman, I thank my friend for yielding.

Mr. Chairman, I want to emphasize the several points the gentlemen from Mississippi made which pretty well describe the feeling of many members of the subcommittee. There have been a number of instances where the Commission failed to use necessary care in carrying out certain of their responsibilities.

First, in addition to those mentioned by the chairman of the subcommittee, I would include failure to respond to the requests of Members of the Congress, and particularly members of this subcommittee. Second, the Commission has neglected to adequately respond to suggestions of this subcommittee on matters coming within our jurisdiction and purview.

Another specific instance that comes to my mind, Mr. Chairman, is the request that has been made of the Commission to make a study of the inordinate slice that the middleman takes from our food distribution program as that food moves from the producer to the consumer.

We were after the Commission for 2 years to get the job done. In short, it is felt the Commission has been careless and neglectful in carrying out certain of its duties. We should insure maximum care of the Commission and its staff in protecting the information it gathers in the "line of business" function.

Mr. WOLFF. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been listening to the debate on the floor. I am just wondering what types of leaks we are trying to stop here.

Is it the ITT leak, is it leaks on the milk deals, or is it on the wheat deals or the oil deals? What are the leaks that we are trying to stop here?

Mr. WHITTEN. Those that might occur.

Mr. WOLFF. In any of those situations?

Mr. WHITTEN. No. If the gentleman will read the language here, it says:

> No part of these funds may be used to pay the salary of any employee, including Commissioners, of the Federal Trade Commission who—
>
> (1) uses the information provided in the line-of-business program for any purpose other than the statistical purposes for which it is supplied; or
>
> (2) makes any publication whereby the line-of-business data furnished by a particular establishment or individual can be identified; or
>
> (3) permits anyone other than sworn officers and employees of the Federal Trade Commission to examine the line-of-business reports from individual firms.

Mr. MOSS. Mr. Chairman, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman from California.

Mr. MOSS. Mr. Chairman, I think that the discussion so far shows quite conclusively that the intent of this limitation, notwithstanding the ruling of the Chair on the advice of the Parliamentarian, is not in any way a limitation on an appropriation, but is in fact a substantial, substantive change in law and should not be coming from the Committee on Appropriations.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. ECKHARDT).

The question was taken, and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. ECKHARDT. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 127, noes 201, not voting 105, as follows:

[Roll No. 315]

AYES—127

Abzug
Adams
Annunzio
Aspin
Badillo
Barrett
Bennett
Biaggi
Bingham
Blatnik
Bolling
Brademas
Breckinridge
Burke, Calif.
Burke, Mass.
Burton
Carney, Ohio
Clark
Clay
Collins, Ill.
Conte
Conyers
Corman
Cronin
Culver
Delaney
Dellums
Denholm
Diggs
Dingell
Drinan
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Evans, Colo.
Evins, Tenn.
Fascell
Flood
Foley
Ford
Fraser
Fulton
Giaimo
Gibbons
Grasso
Haley
Harrington
Hechler, W. Va.
Heckler, Mass.
Helstoski
Hicks
Holifield
Holtzman
Hungate
Johnson, Calif.
Jordan
Karth
Kastenmeier
Kluczynski
Koch
Lehman
Litton
Long, La.
Long, Md.
Luken
Madden
Meeds
Melcher
Metcalfe
Mezvinsky
Minish
Mink
Mitchell, Md.
Moakley
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Nedzi
Nix
Obey
O'Hara
O'Neill
Owens
Patten
Pepper
Perkins
Price, Ill.
Randall
Rangel
Reuss
Riegle
Rodino
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rostenkowski
Roush
Roy
Roybal
Sarbanes
Schroeder
Seiberling
Smith, Iowa
Staggers
Stanton, James V.
Stark
Stokes
Stratton
Studds
Sullivan
Symington
Tiernan
Traxler
Van Deerlin
Vander Veen
Vanik
Vigorito
Waldie
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Yates
Yatron
Zablocki

NOES—201

Abdnor
Addabbo
Alexander
Anderson, Ill.
Andrews, N. Dak.
Archer
Armstrong
Ashbrook
Baker
Bauman
Biester
Blackburn
Bowen
Bray
Breaux
Brinkley
Brooks
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burleson, Tex.
Burlison, Mo.
Butler
Byron
Camp
Carter
Casey, Tex.
Cederberg
Chamberlain
Clancy
Clausen, Don H.
Cleveland
Cohen
Collier
Conlan
Coughlin
Daniel, Dan
Davis, S.C.
Davis, Wis.
de la Garza
Dellenback
Dennis
Devine
Dickinson
Downing
Duncan
du Pont
Erlenborn
Eshleman
Findley
Fish
Fisher
Flowers
Flynt
Fountain
Frey
Gaydos
Gettys
Gilman
Ginn
Goldwater
Goodling
Green, Oreg.
Gross
Grover
Gubser
Gude
Guyer
Hammerschmidt
Hanrahan
Harsha
Hastings
Heinz
Hinshaw
Hogan
Holt
Horton
Hosmer
Huber
Hudnut
Hunt
Hutchinson
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
King
Kuykendall
Lagomarsino
Latta
Lent
Lujan
McClory
McCloskey
McCollister
McDade
McFall
McKinney
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, N.C.
Mathis, Ga.
Mayne
Mazzoli
Michel
Miller
Mills
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Murphy, N.Y.
Murtha
Myers
Natcher
O'Brien
Parris
Passman
Patman
Pettis
Peyser
Pickle
Pike
Poage
Powell, Ohio
Preyer
Pritchard
Railsback
Regula
Roberts
Robinson, Va.
Robison, N.Y.
Rose
Rousselot
Runnels
Ruth
Sandman
Sarasin
Satterfield
Scherle
Schneebeli
Sebelius
Shipley
Shoup
Shriver
Shuster
Sisk
Skubitz
Slack
Smith, N.Y.
Snyder
Spence
Stanton, J. William
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stubblefield
Stuckey
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Treen
Ullman
Vander Jagt
Veysey
Waggonner
Walsh
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Winn
Wyatt
Wydler
Young, Fla.
Young, Ill.
Young, S.C.
Young, Tex.
Zion

NOT VOTING—105

Anderson, Calif.
Andrews, N.C.
Arends
Ashley
Bafalis
Beard
Bell
Bergland
Bevill
Boggs
Boland
Brasco
Broomfield
Brotzman
Brown, Calif.
Burgener
Carey, N.Y.
Chappell
Chisholm
Clawson, Del
Cochran
Collins, Tex.
Conable
Cotter
Crane
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Dent
Derwinski
Donohue
Dorn
Edwards, Ala.
Esch
Forsythe
Frelinghuysen
Frenzel
Froehlich
Fuqua
Gonzalez
Gray
Green, Pa.
Griffiths
Gunter
Hamilton
Hanley
Hanna
Hansen, Idaho
Hansen, Wash.
Hawkins
Hays
Hébert
Henderson
Hillis
Howard
Ichord
Kemp
Ketchum
Kyros
Landgrebe
Landrum
Leggett
Lott
McCormack
McEwen
McKay
McSpadden
Macdonald
Martin, Nebr.
Mathias, Calif.
Matsunaga
Milford
Minshall, Ohio
Mollohan
Mosher
Nelsen
Nichols
Podell
Price, Tex.
Quie
Quillen
Rarick
Rees
Reid
Rhodes
Rinaldo
Roe
Roncallo, N.Y.
Rooney, N.Y.
Rosenthal
Ruppe
Ryan
St Germain
Sikes
Symms
Thompson, N.J.
Towell, Nev.
Udall
Williams
Wylie
Wyman
Young, Alaska
Young, Ga.
Zwach

So the amendment was rejected.

The result of the vote was announced as above recorded.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that the remainder of the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

POINT OF ORDER

Mr. MOSS. Mr. Chairman, I make a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. MOSS. Mr. Chairman, I make a point of order that section 511 of the bill would impose additional duties on every agency subject to the bill and is legislation on an appropriation. The language of the section is as follows:

> Except as provided in existing law, funds provided in this Act shall be available only for the purposes for which they are appropriated.

The section imposes affirmative duty on Federal agencies. It requires them to determine the "purposes" for which sums have been appropriated in this bill. The bill includes no statement of purposes nor does section 511 limit the "purposes" to those which might be specified in the bill.

Therefore, each Federal agency will be forced to examine all communications with the Appropriations Committees and its budget justification submitted to those committees and will be bound to adhere to each specific detailed purpose in those communications and budget submissions at its peril. This is an additional duty not imposed by any existing law.

It is well established that a proposition to establish affirmative directions for an executive officer constitutes legislation and is not in order on an appropriation bill—4 Hinds' 3854.

Thus where an appropriation bill directed the Secretary of the Navy to make an inquiry as to the cost of armor plate and to report to the Congress, a point of order was sustained—4 Hinds' 3856.

Similarly, where an appropriation bill directed the Government Printing Office to follow the rules of orthography established by Webster's or other generally accepted dictionaries, the Chair held "a provision authorizing or directing an officer of the Government to do things involves legislation" and sustained a point of order—4 Hinds' 3854.

Similarly, on April 30, 1974, p. 12419 CONGRESSIONAL RECORD, an amendment was offered to the Atomic Energy Commission appropriation bill that funds appropriated might not be expended for certain purposes until the AEC submitted to the Appropriations Committees a breakdown of costs for such expenditures. The gentleman from Tennessee (Mr. Evins) made a point of order that the amendment imposed additional duties and the Chair held as follows:

> The gentleman from Pennsylvania (Mr. Coughlin) makes the statement against the point of order raised by the gentleman from Tennessee (Mr. Evins) that the committee report requests the Atomic Energy Commission to submit a breakdown of the total planned costs but the Chair is not aware of such a specific requirement under existing law. Under Cannon's Precedents, volume 7, section 1442, a proposition to establish new affirmative directions for an executive officer constitutes legislation, and is not in order on a general appropriation bill.
>
> The amendment offered by the gentleman from Pennsylvania (Mr. Coughlin) does require submission to Congress by the AEC of an entire breakdown of the total planned cost for the liquid metal fast breeder reactor. The amendment is thus in violation of clause 2, rule XXI, and the Chair therefore sustains the point of order.

Additionally, Mr. Chairman, today in a colloquy with Mr. Whitten, the chairman of the committee, I stated that I had been attempting to determine where the purposes mentioned in section 511 were contained.

Mr. Whitten stated:

> The purposes are set forth in the hearings. Under the usual procedure we consider a budget request made to the committee in normal conditions, though sometimes there is an additional request. The justifications are the basis on which the funds are obtained.

I then asked:

> The justifications would not be in the formal and informal agreements arrived at in respect of the appropriation?

Mr. Whitten then stated:

> The hearings would be the justification to which the Congress would look as to what the purpose was in making the appropriation.

I then asked:

> And it would not be only in the formal submission made to the committee at the time of the initiation of the hearings?

Mr. Whitten stated:

> I would think the hearings would speak for themselves. I would not think any side or oral discussion would be sufficient to change it.

I then made this statement:

> Any discussion appearing on the hearing record would be the basis for determining the purposes?

To which Mr. Whitten replied:

> That is right, insofar as it was then supported by action of the Congress.

I submit, Mr. Chairman, it would be necessary for the agencies enumerated in this bill to search out with great diligence the hearings, all the submissions, all of the documentation referred to in the colloquy with Mr. Whitten. It would, indeed, impose additional duties and that this does constitute legislation in an appropriation bill.

The CHAIRMAN. Does the gentleman from Mississippi wish to be heard on the point of order?

Mr. WHITTEN. Yes, Mr. Chairman. I am rather flattered that my friend from California would read what I said as being the last word on such matters.

As a matter of fact, it is my opinion

that this is a restatement of the law as it is. The Committee on Appropriations under its general authority appropriates for specific purposes, for general purposes, for limited purposes, and has from the day that I first came here and did long before I got here; so to say that money shall not be used for the purposes other than for which they are appropriated, except as provided in existing law, is clearly in line with day-to-day practice.

This matter was before us in language that I wrote 2 or 3 years ago in connection with the defense appropriations, section 45:

> No part of the funds in this act shall be available to prepare or present a request to the Committees on Appropriations for the reprograming of funds, unless for higher priority items, based on unforeseen military requirements, than those for which originally appropriated and in no case where the item for which reprograming is requested has been denied by the Congress.

I respectfully submit that all actions of the Congress in appropriating money is appropriated for specific purposes and the purpose for which it is appropriated is the only purpose for which it is available.

It is a comon practice and I had anticipated and had been advised that a motion would be made to strike this provision from the bill. I was prepared to accept it, because I do not think it is even necessary to have it in the bill; but I did want to point out that this agency in several instances has spent money appropriated for one purpose for an entirely different purpose. I do not think they will do it anymore in view of the commitment of the chairman.

Mr. ECKHARDT. Mr. Chairman, may I be heard on the point of order?

The CHAIRMAN. The gentleman is recognized.

Mr. ECKHARDT. I would like to say just briefly to this last response that I hope the Chair will take into account and clarify what is his ruling with respect to the Whitten statement.

As I understood the statement of the gentleman from Mississippi (Mr. WHITTEN), he said that the purpose of this section was to provide that any appropriations in this bill should be available only for the purposes for which they were appropriated as reflected in the whole hearings and justification.

I understand him now to be saying that this language only does what constitutes normal, reasonable, legal construction; that it only means that they are available only for the purposes spelled out in this bill. I am not altogether sure of what his position is now, but it seems to me that if the latter is what the language means, section 511 is absolutely useless and meaningless, and under the ordinary construction of statutory language, a court will determine the language was put in for a purpose.

The very purpose the gentleman from Mississippi said it was put in for was the purpose of limiting the availability of funds, not to the language of the bill, **but to the specific, detailed justifications and contentions in the hearings of his committee. If that is true, of course, that is an enormous addition of substantive limitations on our agencies created by this very short piece of language.**

Mr. WHITTEN. Mr. Chairman, may I repeat, the language speaks for itself. It is very plain and is the basis upon which the Appropriations Committee has acted.

The CHAIRMAN. The Chair is prepared to rule on the point of order.

If the language means what the gentleman from Mississippi now says it does, then the language is a nullity, because it just repeats existing law.

The Chair is of the opinion, though, that there is a possibility as earlier indicated during general debate and as suggested by the gentleman from California, that the amendment imposes an additional burden, and the Chair, therefore, sustains the point of order.

Mr. WHITTEN. Mr. Chairman, I ask unanimous consent that all debate on the bill and all amendments thereto close at 7:45 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

The CHAIRMAN. Members standing at the time the motion was made will be recognized for one-half minute each.

The Chair recognizes the gentleman from Alabama (Mr. DICKINSON).

(By unanimous consent, Messrs. BAUMAN, MONTGOMERY, SCHERLE, and DENNIS yielded their time to Mr. DICKINSON.)

AMENDMENT OFFERED BY MR. DICKINSON

Mr. DICKINSON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. DICKINSON: On page 49, line 14, after the word *"Provided,"* insert the following: "That no part of the funds appropriated by this Act shall be used during the fiscal year ending June 30, 1975 to make food stamps available for the duration of a strike to a household while its principal wage-earner is, on account of a labor dispute to which he is a party or to which a labor organization of which he is a member is a party, on strike: *Provided further,* That such ineligibility shall not apply to any household that was eligible for and participating in the food stamp program immediately prior to the start of such strike, dispute, or other similar action in which any member of such household engages: *Provided further,* That such ineligibility shall not apply to any household if any of its members is subject to an employer's lockout: *Provided further,"*

Mr. DICKINSON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Alabama?

Mr. O'HARA. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. DICKINSON. Mr. Chairman, I appreciate the opportunity to offer an amendment to the fiscal year 1975 Agriculture Appropriations bill to place a moratorium on funds for food stamps for strikers.

As my coilleagues are aware, an ever-increasing portion of our growing budget goes to the food stamp program. According to the Department of Agriculture, 13.5 million persons are now receiving food stamps and as many as 26 million participate some time during the year. A special study conducted this year by Congresswoman MARTHA GRIFFITHS, said that 37 million persons are currently eligible for food stamps and that some time during this year as many as 50 million would be eligible. And, the study contended that as many as 60 million persons might be eligible for food stamps in fiscal year 1977, and if all eligibles received food stamps the program cost could soar to $10 billion a year.

Sixty million persons eligible for food stamps by 1977. Do you realize that is the total combined population of our 117 largest cities and over one-fourth of the total population of the United States? That is, one person in four will be eligible to receive food stamps in the near future.

One year ago when I launched my efforts to have food stamps denied to strikers, the estimated cost of the program was in the neighborhood of $1.7 billion. This cost today is $2.8 billion. Now, we are talking in terms of $3.9 billion under the proposed budget. Certainly, we must recognize that this program, along with so many others in our budget, must be contained, and the place to start is with strikers.

It is impossible to determine exactly how much money will be spent, or has been spent, for food stamps for strikers, since the Agriculture Department does not keep figures according to whether or not a recipient is a striker. However, reliable estimates have reached into the hundreds of millions based on the number and length of strikes and on estimates of how many striking workers got or will get food stamps.

This year will probably be one of the worst years for strikes in decades. It is most evident that the end of wage and price controls has created labor unrest. According to the June 15, 1974 issue of Business Week, there were 480 work stoppages in March of this year, the largest number in any March since 1937. And, there were 24 strikes in the Pittsburgh area alone in the first week in June. The Federal Mediation and Conciliation Service has more labor disputes before it than at any time during the last 15 years. On June 6, the FMCS was trying to resolve 523 strikes involving 308,600 workers.

More than 5 million workers are covered by major collective bargaining agreements expiring or reopening in 1974. If only half of those chose to strike for 30 days, it could cost the taxpayers $375 million in food stamps alone.

It has been said that no matter how many dollars worth of food stamps go to strikers, no food stamps will be denied the truly needy—the unemployed, the unemployable, families on welfare, mothers with dependent children, the aged, the blind, and the disabled—who are in need through no fault of their own. If this is the case, we cannot ignore the fact that the cost of the program is already out of sight, and it must be contained before it gets completely away from us. Denying food stamps to strikers is one way of containing it.

Striking workers are different from those destitute people I have already named for whom the Food Stamp Act of 1964 was enacted. Striking workers are out of work voluntarily—either through their own vote or the vote of their fellow union members—and they have ample warning before a strike to make preparations for their needs during the strike. Even the unions expect their members to take care of themselves during the first week or two of the strike, as evidenced by the fact that unions which do offer strike benefits do not do so the first week or two of the strike. The Federal Government, on the other hand, makes food stamps available to strikers immediately after the strike begins in some cases.

There are people who believe that by providing food stamps to strikers they are helping those innocent victims who have been put out of work because of a strike. These victims could be union workers who were unsympathetic to the strike or nonunion members of the same company or a related industry who were put out of work because of the primary strike.

It is laudable to be concerned about the welfare of those persons whose best interest is not represented by union bossism. But, it is absurd to believe that by relieving the pressure to negotiate that we are helping these people. To the contrary, but for such placatory items as food stamps these people would rise up and demand an open shop or, at the very least, the start of meaningful negotiations.

It has been argued that if we deny food stamps to strikers, their families—including helpless babies—will starve. To the contrary, strikes were occurring long before the food stamp program was ever conceived, and there is no evidence that anyone starved because of them. The unions were responsible for their members during strikes then, and they should be responsible for them now. If we would refuse Government welfare aid to strikers, the union strike funds could be utilized as they were meant to be rather than as political action funds.

I am pleased that the Agriculture Department is tightening up on regulations for the food stamp program, and it will be more difficult for strikers to get food stamps. People will still be eligible for food stamps if their liquid assets do not exceed $1,500. Any property above a home, one car and the household goods and furnishings will be counted in this figure. At least we can be hopeful that there will be no more instances of strikers with two cars, a debt-free $50,000 house and a boat getting food stamps. Of course, the great influx of new applicants during strikes will make it hard for caseworkers in welfare offices to ascertain the true net worth of each applicant, and the additional cost of adding workers to the payroll to process these applicants is a further baleful note.

I also understand that new work requirements are being added to the regulations. A striker will have to register for work and actively try to get a new job. After 30 days—a rather long strike—the striker will have to take any job to remain eligible for food stamps. In a way this is good, but in another way we are putting people who already have jobs, but refuse to work at them, in competition for jobs with those who have been unable to get jobs in the first place. We seem to be doubly punishing those who are truly in need, and we could avoid this by denying food stamps to strikers altogether.

Some would say that I advocate taking benefits away from the families of workers which are freely given to the families of felons. I could agree that the striker's family should be prepared for the strike and, therefore, make appropriate plans to contend with their hardship. The felon's family, on the other hand, is not prepared for the head of their household being taken from them and are not able to prepare for their hardship. I feel these two situations are in no way comparable.

Above and beyond all reasons heretofore mentioned, the most important reason for denying food stamps to strikers is the maintenance of the collective bargaining system. How can there be true collective bargaining if we take the taxpayer's dollar and use it to prefer one side over another—to give one side an advantage over another—in a matter directly affecting the public and consumer? The essence of collective bargaining is to bring labor and management together to negotiate. There is pressure on management because the business is losing profits and going into debt while closed down. There is pressure on labor because the people are not drawing their wages and have to depend on the union to provide for their needs. When government gives strikers food stamps, keeping them from needing to return to work, the balance needed to maintain true collective bargaining is destroyed.

This point was emphasized in a recent Supreme Court ruling on a case brought by Super Tire Engineering Co. against New Jersey officials concerning welfare benefits for strikers. Although the Court did not decide the original issue of the legality of such benefits, it did rule that lower courts have jurisdiction in the case even though the strike in question is over. Justice Blackmun, writing for the 6-to-3 majority, said the lawsuit was still alive since the State law providing welfare benefits to strikers could easily influence contract bargaining and union strength in the future. Certainly, this ruling offers credence to the statement that food stamps for strikers destroys the balance needed for collective bargaining.

While some try to argue that the government is also subsidizing management during strikes by allowing tax deductions for strike losses, I find this a rather bad argument. If we believe in the free enterprise system, we should accept the fact that if we earn money, we are entitled to it, and if we get a deduction, it is not a subsidy from the Federal Government.

The company, in any event, certainly does not begin to recoup its losses through such deductions, and there is great pressure on the company to negotiate in good faith to get back to work. Strikers themselves have been quoted as saying that food stamps from the Government allow them to stay out on strike as long as it takes to get what they want in the way of a contract. In the recent West Virginia coal miners strike, ABC reporter Steven Geer talked to a striking miner, Cledith White, in Madison, W. Va., and Mr. White said in answer to a question about how long the strikers would stay out:

> As long as they put out food stamps and we can get them, we'll stay right out.

Incidentally, United Mine Workers leaders in the official UMW publication have suggested that their 120,000 members in the soft coal pits prepare for a walkout ranging anywhere up to 16 weeks. If such a coal strike occurs, it could cost the taxpayer $72 million in food stamps alone, not to mention a cold and dark winter and decreased industrial production.

It is the responsibility of the unions to care for members and their families who suffer injury through union activities supported by a majority of the bargaining unit. The burden should not be borne by the general public. Union members strike to receive additional benefits which they evidently think are worth the sacrifice they are making. Why should nonstriking taxpayers pay their grocery bill to subsidize a strike which will have no benefit to them? As a matter of fact, the additional benefits the strikers receive will cause prices to go up increasing the already heavy burden on all taxpayers.

Mr. Chairman, I believe that giving food stamps to strikers is fundamentally wrong. The present policy of allowing food stamps to strikers is contrary to good business and common sense and should be abolished. In the interest of good Government, fair play and lower consumer costs, as well as providing food stamps to the truly poor, I strongly urge the Congress to ban the use of funds for food stamps to strikers.

(By unanimous consent, Messrs. DINGELL, VANDER VEEN, and NATCHER yielded their time to Mr. O'HARA).

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. O'HARA).

Mr. O'HARA. Mr. Chairman, the gentleman from Alabama (Mr. DICKINSON) speaks of drawing the line on a program which he says is getting so big that it cannot be sustained. But his amendment only draws the line against one small group of people.

Mr. Chairman, the purpose of the food stamp program is to feed the hungry. Since we have had this program we have never asked a hungry child why he was hungry. It might be because his father has quit his job, but that is all right. It might be because his father has been sentenced to prison, but that is all right. It might be because his father is an alcoholic, but that is all right.

But, under this amendment, if his father exercised his constitutional right to engage in a concerted work stoppage, the family would be denied food stamps.

Mr. ALBERT. Mr. Chairman, will the gentleman yield?

Mr. O'HARA. I yield to the distinguished Speaker.

Mr. ALBERT. Mr. Chairman, the gentleman speaks of a constitutional right, and I might add it is a constitutional right which this House has recognized over and over again. The words the gentleman from Michigan is uttering are profound, and they are right. I compliment him for his statement.

Mr. Chairman, I believe this is the wrong time and the wrong place for the consideration of such an amendment as this.

Mr. O'HARA. Mr. Chairman, I thank the Speaker.

In short, Mr. Chairman, the amendment seeks to discriminate against one small group of people exercising a constitutional right.

I believe we ought to defeat the amendment and sustain the principle that food stamps are to feed the hungry, and if a family meets the very stringent requirements of the program with respect to assets and income, we are not going to ask any questions about why they need help; we are going to see to it that they do not go hungry.

That is a sound policy. It is a policy which has served us well. It is a policy we ought to continue.

AMENDMENT OFFERED BY MR. WHITE TO THE AMENDMENT OFFERED BY MR. DICKINSON

Mr. WHITE. Mr. Chairman, I offer an amendment to the amendment.

The Clerk read as follows:

Amendment offered by Mr. WHITE to the amendment offered by Mr. DICKINSON: In the amendment offered by Mr. DICKINSON addressed to page 49, line 14, change the word, "and" immediately preceding the word "participating", to "or".

Mr. DICKINSON. Mr. Chairman, if the gentleman will yield, I will be glad to accept the gentleman's amendment to my amendment.

Mr. WHITE. Mr. Chairman, I thank the gentleman.

Mr. Chairman, the amendment offered by the gentleman from Alabama (Mr. DICKINSON) says one has to be eligible for and participating in the food stamp program. My amendment merely says, "or participating".

So if my amendment is accepted, if one is eligible but too proud to get food stamps before the strike, and if he gets in a bind after the strike begins, he can receive food stamps.

Mr. Chairman, I urge the adoption of my amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Texas (Mr. WHITE) to the amendment offered by the gentleman from Alabama (Mr. DICKINSON).

The question was taken; and the Chairman being in doubt, the Committee divided, and there were—ayes 62, noes 61.

So the amendment to the amendment was agreed to.

Mr. CONLAN. Mr. Chairman, I rise in support of the amendment offered by the gentleman from Alabama (Mr. DICKINSON).

Mr. Chairman, as we debate the issue of food stamps, particularly food stamps for striking workers and college students, I believe we ought not to ignore the peculiar variations on the food stamp theme being funded by other Federal agencies in addition to the Agriculture Department.

For instance, the General Accounting Office has just verified for me that the Office of Economic Opportunity started a condom stamp program for teenage boys in Philadelphia and Cleveland, giving an initial $47,000 grant to the project.

OEO signed a contract to mail out thousands of coupons worth $1 on the purchase of a dozen condoms at participating drugstores.

Almost 32,000 letters were sent out with the coupon offer, beguiling teenagers with free sex training and counseling on how to select the best contraceptives—at a supposedly reduced cost at their local drugstore or privately through the mail.

I do not know why only 183 young men bothered to reply to this Government-funded entreaty. Perhaps some could not read the letter. Hopefully many believed that teenage premarital sex is not the best way to find true love and happiness.

These 183 teenagers are estimated to have bought 2,640 condoms, which arithmetically comes out to a cost of $17.06 for each condom. This is 136 times more costly than the price through commercial retail outlets. What appalls me, and I hope you, is that our Government agency, OEO, is not only encouraging promiscuity among teenagers, but also does it at an outrageous cost to taxpayers. Is it any wonder that working men and women are fed up with the bureaucracy and its disgusting waste of the decent person's tax dollars through one stamp and coupon program after another?

The CHAIRMAN. The question is on the amendment offered by the gentleman from Alabama (Mr. DICKINSON) as amended.

The question was taken; and the Chairman announced that he was in doubt.

RECORDED VOTE

Mr. DICKINSON. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 147, noes 169, not voting 117, as follows:

[Roll No. 316]

AYES—147

Abdnor
Alexander
Anderson, Ill.
Archer
Armstrong
Ashbrook
Baker
Bauman
Bennett
Blackburn
Bowen
Bray
Breckinridge
Brinkley
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burleson, Tex.
Butler
Byron
Camp
Carter
Cederberg
Chamberlain
Clancy
Clausen, Don H.
Cohen
Collier
Conlan
Conte
Daniel, Dan
Davis, S.C.
Davis, Wis.
de la Garza
Dennis
Devine
Dickinson
Downing
Duncan
du Pont
Erlenborn
Eshleman
Evins, Tenn.
Findley
Fisher
Flynt
Fountain
Frey
Gettys
Gibbons
Ginn
Goldwater
Goodling
Green, Oreg.
Gross
Grover
Gubser
Gude
Guyer
Haley
Hammerschmidt
Hanrahan
Harsha
Hastings
Hinshaw
Hogan
Holt
Huber
Hudnut
Hunt
Hutchinson
Jarman
Johnson, Colo.
Johnson, Pa.
Jones, N.C.
Jones, Tenn.
King
Kuykendall
Lagomarsino
Latta
Lent
Lujan
McClory
McCollister
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mayne
Michel
Miller
Mitchell, N.Y.
Mizell
Montgomery
Moorhead, Calif.
Myers
O'Brien
Parris
Pettis
Pickle
Powell, Ohio
Preyer
Pritchard
Regula
Roberts
Robinson, Va.
Robison, N.Y.
Rogers
Rousselot
Ruth
Sandman
Satterfield
Scherle
Schneebeli
Shriver
Shuster
Skubitz
Snyder
Spence
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stubblefield
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Vander Jagt
Veysey
Waggonner
Wampler
Ware
White
Whitehurst
Widnall
Wiggins
Wilson, Bob
Winn
Wydler
Young, Fla.
Young, Ill.
Young, S.C.

NOES—169

Abzug
Adams
Addabbo
Andrews, N. Dak.
Annunzio
Aspin
Badillo
Barrett
Biaggi
Biester
Bingham
Blatnik
Bolling
Brademas
Breaux
Brown, Mich.
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton
Carney, Ohio
Casey, Tex.
Clark
Clay
Cleveland
Collins, Ill.
Conyers
Corman
Cronin
Culver
Delaney
Dellenback
Dellums
Denholm
Diggs
Dingell
Drinan
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Evans, Colo.
Fascell
Fish
Flood
Flowers
Foley
Ford
Fraser
Gaydos
Giaimo
Gilman
Grasso
Gray
Hansen, Wash.
Harrington
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Holifield
Holtzman
Hungate
Johnson, Calif.
Jones, Ala.
Jones, Okla.
Jordan
Karth
Kastenmeier
Kazen
Kluczynski
Koch
Lehman
Litton
Long, Md.
Luken
McCloskey
McDade
McFall
McKinney
Madden
Madigan
Maraziti
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Mills
Minish
Mink
Mitchell, Md.
Moakley
Moorhead, Pa.
Morgan
Moss
Murphy, Ill.
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nix
Obey
O'Hara
O'Neill
Owens
Passman
Patman
Patten
Pepper
Perkins
Peyser
Pike
Price, Ill.
Railsback
Randall
Rangel
Reuss
Riegle
Rodino
Roncalio, Wyo.
Rooney, Pa.
Rostenkowski
Roush
Roy
Roybal
Runnels
Sarasin
Sarbanes
Schroeder
Seiberling
Shipley
Shoup
Sisk
Slack
Smith, Iowa
Smith, N.Y.
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Stokes
Stratton
Studds
Sullivan
Symington
Thornton
Tiernan
Traxler
Ullman
Van Deerlin
Vander Veen
Vanik
Vigorito
Waldie
Walsh
Whalen
Whitten
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Wolff
Wright
Wyatt
Yates
Yatron
Young, Tex.
Zablocki

NOT VOTING—117

Anderson, Calif.
Andrews, N.C.
Arends
Ashley
Bafalis
Beard
Bell
Bergland
Bevill
Boggs
Boland

Brasco
Brooks
Broomfield
Brotzman
Brown, Calif.
Burgener
Carey, N.Y.
Chappell
Chisholm
Clawson, Del
Cochran
Collins, Tex.
Conable
Cotter
Coughlin
Crane
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Dent
Derwinski
Donohue
Dorn
Edwards, Ala.
Esch
Forsythe
Frelinghuysen
Frenzel
Froehlich
Fulton
Fuqua
Gonzalez
Green, Pa.
Griffiths
Gunter
Hamilton
Hanley
Hanna
Hansen, Idaho
Hawkins
Hays
Hébert
Henderson
Hillis
Horton
Hosmer
Howard
Ichord
Kemp
Ketchum
Kyros
Landgrebe
Landrum
Leggett
Long, La.
Lott
McCormack
McEwen
McKay
McSpadden
Macdonald
Mahon
Mathias, Calif.
Mathis, Ga.
Matsunaga
Milford
Minshall, Ohio
Mollohan
Mosher
Nelsen
Nichols
Poage
Podell
Price, Tex.
Quie
Quillen
Rarick
Rees
Reid
Rhodes
Rinaldo
Roe
Roncallo, N.Y.
Rooney, N.Y.
Rose
Rosenthal
Ruppe
Ryan
St Germain
Sebelius
Sikes
Steele
Stuckey
Symms
Thompson, N.J.
Towell, Nev.
Treen
Udall
Williams
Wylie
Wyman
Young, Alaska
Young, Ga.
Zion
Zwach

So the amendment, as amended, was rejected.

The vote was announced as above recorded.

The CHAIRMAN. The Chair will state the parliamentary situation as it is now. Under a unanimous-consent agreement entered into earlier, all time for debate on amendments and on this bill has expired. The Chair will recognize no one to debate on an amendment or the bill unless that Member has had his amendment published in the RECORD in advance.

Is there anyone who falls into that category?

Mr. VAN DEERLIN. Mr. Chairman, there is at least one Member.

The CHAIRMAN. Does the gentleman seek recognition?

Mr. VAN DEERLIN. Yes, Mr. Chairman.

The CHAIRMAN. And the gentleman's amendment has been printed in the RECORD?

Mr. VAN DEERLIN. Yes, at page 20364.

AMENDMENT OFFERED BY MR. VAN DEERLIN

Mr. VAN DEERLIN. Mr. Chairman, I offer an amendment.

The portion of the bill to which the amendment relates is as follows:

> SEC. 511. Except as provided in existing law, funds provided in this Act shall be available only for the purposes for which they are appropriated.

The Clerk read as follows:

> Amendment offered by Mr. VAN DEERLIN: On page 52, after line 11, insert a new Section 513:
>
> "No funds contained in this appropriation act shall be available for the promotion or advertising of tobacco or any tobacco products in foreign nations."

Mr. VAN DEERLIN. Mr. Chairman, I very much appreciate the indulgence of the House, and inasmuch as the rules provide 5 minutes for and 5 minutes against an amendment offered under these circumstances, I think it would be only fair to ask unanimous consent that all tobacco State Members have the opportunity to extend their remarks in opposition to my amendment.

Mr. Chairman, we have been dealing earlier in the day with some rather substantial sums of money. The gentleman from Massachusetts (Mr. CONTE) was unsuccessful in paring back $3 million for Cotton, Inc., and nearly $2 million for honey bees. The peanut program withstood a multimillion-dollar assault. I am going to give Members a chance to get their hooks into a much lesser sum, something they can eliminate from this bill without rocking the boat too much. I am going to talk about $140,000 only.

Obviously, I do not claim the attention of Members at this hour of the evening to talk about it because of the vast sums of money involved. Rather it is a matter of principle, which I first brought before the Members during debate on this same appropriation bill 1 year ago. On that occasion I discovered that the Chamber was still "Marlboro country" by a margin of about 30 votes on a division.

Although it is spelled out in either the bill or the report, this bill provides $75,000 to be expended in Thailand to help promote the sale of cigarettes made with American tobaccos. These are not the kind of cigarettes that we buy at the counter or at the machines here in the United States. Instead they bear such exotic names as Falling Rain in Thailand.

In Austria, where $55,000 of American taxpayers' money is to be expended for cigarette advertising, the product bears names like Smart.

In addition to the $75,000 to be spent in Thailand and the $55,000 in Austria, there is a $10,000 amount which is for the arrangement of junkets by visiting foreign dignitaries, to survey the American tobacco industry in action.

My amendment does not go to the matter of research money in tobacco, it does not go to the matter of price support. It challenges only the propriety of spending taxpayers' money to promote sales of a strictly commercial product overseas.

I used the words hypocrisy in discussing the subject last year. This aroused some resentment on the part of my colleagues from tobacco States. Obviously, this program was not one of hypocrisy when it began 18 years ago, but in the meantime the Surgeon General of the United States has been validated by Congress in asserting that cigarette smoking is harmful to health.

It seems to me quite improper, at the same time we are spending about $7 million to discourage young Americans from taking up the smoking habit, that we should be spending even $140,000 to play the role of pusher to young Thais and young Austrians.

In place of hypocrisy, let me substitute the word outrageous.

This program formerly was operative in West Germany, in Iceland, and in Japan, as well as Thailand and Austria. It has since been abandoned in those countries. Thailand asked that the program be discontinued. It then was urged to permit it to continue if the money was used for indirect advertising, rather than direct advertising.

Direct or indirect, outrage or mere hypocrisy, let us put a stop to this program tonight.

Mr. NATCHER. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, tobacco is produced in 25 States and has been a major agricultural commodity throughout the years. It is the fifth largest income producing crop to farmers. Tobacco is grown on 420,000 farms. This commodity provides $5,597,396,000 in direct taxes to the Federal, State, and local governments.

Tobacco is a $10 billion industry and there several hundred thousand men and women who have jobs in factories and plants that turn out products manufactured from this commodity.

Only corn, soy beans, wheat and cotton produce more money to those who cultivate these crops than tobacco. The tobacco crop is sold each year by the farmers for nearly $2 billion. Beginning with West Virginia, that produces nearly $3 million worth of tobacco, we go up the list to North Carolina that produces nearly $800 million worth of tobacco. My home State of Kentucky produces tobacco that sells for about $300 million annually. We are the second largest tobacco producing State in the country. North Carolina, Kentucky, Virginia, South Carolina, Tennessee, Georgia, Florida, Connecticut, Maryland, Ohio, Pennsylvania, Wisconsin, Indiana, Massachusetts, Missouri, and West Virginia are the major producing tobacco States in this country.

The tobacco program is administered by the Department of Agriculture. Most tobacco farmers through periodic referendums have continuously favored marketing quotas. Because of production controls, less tobacco is produced at higher prices than would likely be the case without them.

Last year, the total cost of Federal price support and other related programs came to $66 million. This includes a $28 million export payment program which has recently been terminated and certain research expenditures. In comparison, similar programs for corn, soy beans, wheat, and cotton cost more than $4.6 billion.

In this country, we have over 900 warehouses located in the major tobacco producing States. All of these warehouses employ people. In the tobacco factories throughout the country, we have thousands of people employed. There are about 179 tobacco products factories, large and small in 24 States; 66,100 men and women are employed in tobacco manufacturing plants. A recent study shows that tobacco industry sales generate more than 125,000 jobs not including those involved in tobacco retailing and wholesaling.

The United States is the leading tobacco exporter and the third largest tobacco importer. In recent years, about one-third of the U.S. tobacco crop has been exported. In 1973, U.S. exports of leaf tobacco and manufactured products totaled some $970 million. Imports totaled approximately $212 million.

Tobacco has played an important part insofar as our balance-of-payments program is concerned. We all know the important position that Agriculture occupies as far as exports are concerned.

If amendments should be adopted that take the tobacco program completely out from under the Department of Agriculture, then tobacco would continue to be produced throughout the tobacco producing States in unlimited quantities. Thousands upon thousands of acres of tobacco would be produced that now are not permissible under the controlled program that we have in operation.

Mr. Chairman, I appeared before the Tobacco Subcommittee of the House Committee on Agriculture on January 29, 1964, when Dr. Luther E. Terry, Surgeon General of the Public Health Service of the Department of Health, Education, and Welfare stated in part as follows:

> The Third research category is how to make smoking safer. There are a number of approaches which are feasible and definitely need increased support. We need to know how much more about the substance in tobacco smoke which produced the health hazards. Until we know more in this area, we will be handicapped in our efforts to remove the hazard. It is difficult to design a method of removing something if you don't know what it is. For example, you know substances in tobacco smoke can account for only a small portion of its cancer-producing power. We have no real clues as to what it is in tobacco smoke that influences coronary artery disease; if indeed it does. This would seem to be a fertile field for research, such as that proposed in the resolution now before this committee. In this specific context, I am sure the committee will realize that I must speak with some caution and reservations, since I am not an agricultural or horticultural expert. I still feel, nevertheless, that I can wholeheartedly support additional research of the types which the resolution would authorize and direct.

Dr. Terry also stated:

> It is well known that strains of tobacco differ quite widely in various constituents. It is well known the levels of some of these constituents influence the amount of hazard dose or potentiality hazard dose substance in tobacco smoke. I would give a great deal to know whether the types of tobacco used for pipes and cigars have anything to do with the lesser hazards associated with these modes of tobacco use. If tobacco behaves as other vegetables, I am sure that the amount of some of its constituents will vary with the conditions of the culture, soil, climate, fertilizer, and other agricultural practices. This suggests, however, another area of research. Any vegetable material, when burned under the conditions prevailing when tobacco is smoked, will produce hazardous substances. Coal, oil, paper, even spinach, all produce benzopyrene, a potent cancer-producing substance when burned.
>
> The efficiency of the combustion process makes a marked difference in the amount of this chemical in the smoke. As a matter of fact, most of the cancer-producing compounds identified in cigarette smoke are not present in the native tobacco leaf, but are formed during the burning process. These facts suggest that it will not be enough simply to develop better strains of tobacco and better methods of cultivation; we must also develop better methods of preventing the formation of these substances during the burning of tobacco, as well as of removing by filtration or other means the hazard dose substances that are formed. Both of these areas are promising after news for further development and have the potential of making smoking safer. It is quite well known that cigarettes can now be produced which yield quite low amounts of tars and nicotine, either by selection of the types of tobacco, by filters, or other means. It is relatively easy to measure this quantitatively. What isn't so well known or so easy to measure is the biological significance to man of the substances which do come through. Tobacco smoke is an exceedingly complex mixture of many different substances. It is not the amount of tars and nicotine produced that counts, it is the type and amount of hazard dose substances that get into a man that is important.
>
> In summary, gentlemen, the action which I have outlined has the common purpose of avoiding or minimizing the intake of hazard dose substances by the American people. Action on many fronts is urgently needed. The Public Health Service intends to do what it can. This important and complex problem also calls for appropriate action by other Federal agencies, by State and local agencies, by non-governmental organizations, and by the tobacco industry.

Mr. Chairman, shortly after Dr. Terry released his report on smoking and health, I talked to the Governor of Kentucky urging that a building be constructed to be used for tobacco research. Kentucky had a $4.5 million building constructed and this building, along with other facilities, is now in use for tobacco research. In addition, Kentucky is appropriating from tax money nearly $3 million a year to be used for tobacco research at this facility. If tobacco is harmful to the health of our people, my people in Kentucky want to do something about it and they have clearly demonstrated the fact that they intend to do something about it. At my request the research facility was set up and the research funds placed in our appropriation bill.

Mr. Chairman, I know that tobacco is not produced in California. On our subcommittee we make every effort to see that all 50 States are protected.

Mr. Chairman, the tobacco program is a successful program and must be properly funded. In addition, research must continue as provided for under this bill.

Mr. Chairman, the amendment offered by the gentleman from California should be defeated.

Mr. HALEY. Mr. Chairman, will the gentleman yield?

Mr. NATCHER. Mr. Chairman, I yield to the gentleman from Florida.

Mr. HALEY. Mr. Chairman, would this amendment restrict my use of cigars?

Mr. NATCHER. It will not restrict the gentleman's use of cigars.

Mr. TAYLOR of North Carolina. Mr. Chairman, will be the gentleman yield?

Mr. NATCHER. Mr. Chairman, I yield to the gentleman from North Carolina.

Mr. TAYLOR of North Carolina. Mr. Chairman, I think that it should be pointed out during this debate that the tobacco program more than pays its own way.

Although tobacco uses only .3 percent of the Nation's cropland it is usually the fourth or fifth most valuable crop and accounts for about 6 percent of cash receipts from all U.S. crops. U.S. farmers receive annually about $1.4 billion from tobacco sales. On many farms more than one family depends on the income from the tobacco sales. So about 600,000 farm families share in the proceeds from the sale of tobacco. Tobacco is one of the few crops that can still utilize family labor and provide a reasonable income on a small farm.

During the 1973 fiscal year U.S. consumers spent about $13.8 billion on tobacco products of which about $5.4 billion were received by Federal, State and local governments as tax revenue. Thus, taxes represent about 40 percent of consumer expenditures for tobacco and are about four times the amount of money received by the farmers for their sales.

The tobacco control program including the export program has been one of the least expensive. The cost of this program from 1933 to date has been only about .14 percent of the cost of all farm commodity price support operations.

The United States leads the world in tobacco production and exports. During the 1973 fiscal year U.S. exports of unmanufactured tobacco were valued at $614 million. In addition, exports of manufactured tobacco products were valued at $258 million. Our tobacco exports in this fiscal year totaled $872 million and made a sizable contribution to our balance-of-payments program.

Promoting overseas sales of tobacco is in the national interest. Commerce Secretary Luther Hodges said that he would sell the Communists for cash anything they can eat, drink, or smoke.

I say again the present tobacco program, including the small export subsidy, more than pays its own way and I hope that this amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. VAN DEERLIN).

The amendment was rejected.

AMENDMENT OFFERED BY MR. ROYBAL

Mr. ROYBAL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

> Amendment offered by Mr. ROYBAL: Page 52, immediately after line 11, insert the following new section:
>
> SEC. 513. None of the funds appropriated or made available pursuant to this Act, and no local currencies generated as a result of assistance furnished under this act, may be used for the support of police, or prison construction and administration within South Vietnam, for training, including computer training, of South Vietnamese with respect to police, criminal, or prison matters, or for computers or computer parts for use for South Vietnam with respect to police, criminal, or prison matters.

The CHAIRMAN. All time has expired for debate.

The question is on the amendment offered by the gentleman from California (Mr. ROYBAL).

The amendment was rejected.

AMENDMENT OFFERED BY MR. ANDERSON OF ILLINOIS

Mr. ANDERSON of Illinois. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Anderson of Illinois: Page 49, line 21, strike the period and add the following: "*Provided further*, That no part of the funds appropriated by this Act shall be used during the fiscal year ending June 30, 1975 to make food stamps available to any household, to the extent that the entitlement otherwise available to such household is attributable to an individual who: (i) has reached his eighteenth birthday; (ii) is enrolled in an institution of higher education; and (iii) is properly claimed as a dependent child for Federal income tax purposes by a tax payer who is not a member of an eligible household."

Mr. ANDERSON of Illinois. Mr. Chairman, the amendment I am offering is intended to curb what I believe to be a serious abuse of the food stamp program: Participation by literally thousands of students on campuses all across the Nation—many of whom are from middle- and upper-middle-class families and could readily obtain alternative means of support from their parents.

The food stamp program has been the single most successful Federal effort to meet the needs of America's 25 million impoverished citizens. Since 1969 participation has increased more than fourfold and annual expenditures have risen from $250 million to an estimated $4 billion. According to the report submitted to the Senate Nutrition Committee this week, however, even more remains to be done and even greater levels of participation and expenditure will be required in the years ahead.

Mr. Chairman, I would not oppose for a moment the expenditure of $6, $8 or even $10 billion annually for this program—if such sums are necessary to insure that no American citizen goes without adequate food and nutrition. But let me caution that unless the abuses of the program—such as the one that my amendment is addressed to—are curbed and hopefully eliminated, the American taxpayer is not going to tolerate a continuation, much less an increase, in current expenditure levels.

Some of you may have seen the major story carried by the Chicago Sun Times on May 27 which showed that nearly 2,000 students at the University of Illinois—some 70 percent of total recipients in Champion County—are enrolled in the food stamp program. Since that story was sufficient to provoke even the Nation's most well known champion of the Federal food and nurition programs—Senator McGovern—to call for a USDA investigation of possible abuses, you can just imagine what impact it had on the average citizen.

If the growing use of the program by students continues—and there is no reason to believe that it will not—and this practice results in even more of the kind of adverse publicity contained in the Sun Times story, the program is going to be seriously jeopardized. So let us today show just a modicum of commonsense and foresight and put an end to this misuse of the program so that the legitimate needs of millions of truly impoverished Americans can continue to be met in the future.

Mr. Chairman, if any of my colleagues doubt that student use of food stamps is a major problem, I will present some statistics—based on a survey of welfare offices in more than three dozen counties containing major universities—that are both startling and a conclusive indication that we are not merely swatting at gnats. Before I do that, however, I want to say a few words about the Supreme Court decision of June 1973 that has led many of you to fear that an amendment such as the one I am offering would be again nullified by the courts.

As many of my colleagues will recall, the 1970 Food Stamp Act amendments contained a clause denying eligibility to households in which there resided a person claimed as a tax dependent by his parents. In Murray against USDA, the Supreme Court ruled in a 5 to 4 decision that the 1970 amendment constituted a denial of due process and equal protection of the laws, and was therefore unconstitutional.

The majority opinion, written by Mr. Justice Douglas, turned on basically two considerations. First, the language of the 1970 provision was held to be overly broad and discriminatory because it barred a whole household of otherwise eligible persons from the program, merely because a single member was claimed as a tax dependent by his parents. Indeed, the five plaintiffs in the case were all truly poverty stricken households, but the presence of just one tax dependent made every member of these households ineligible. In a sense, many innocent individuals would have been penalized by the 1970 language merely because the household was "contaminated" by the presence of a tax dependent.

Second, the Court argued that there was no necessary connection between a mere claim of tax dependence and the actual income situation and needs of the individual involved. Since tax dependency was made a prima facie test of eligibility, affected individuals had no opportunity to contest a denial of eligibility or show that despite the claimed tax dependency, they still met the income qualification tests of the program.

Mr. Chairman, I believe that my amendment has been very carefully drafted to avoid these objections. First, and most importantly, it does not disqualify the entire household involved, just the individual who is claimed as a tax dependent. In actual practice, this would involve the simple matter of merely excluding the income and resources of a tax dependent when making an eligibility determination for a household that otherwise appeared to qualify for the program.

Second, my amendment uses the term "properly claimed" tax dependency. According to paragraph 151 of chapter 5 of the Internal Revenue Code, a child cannot be properly claimed as a tax dependent unless the parent provides more than half of his support. In practice, this would allow any truly impoverished student who is denied eligibility under the amendment an opportunity to show that he was not properly claimed as a tax dependent and is therefore eligible for participation. In short, the intent of this amendment—to exclude nonneedy middle and upper middle-class students—will be fulfilled by the tax dependency test without creating the irrebuttable presumption that the student is not impoverished to which the Court objected. I might mention that in his dissenting opinion, Mr. Justice Blackmun urged just such a statutory construction.

Finally, the amendment is limited to tax dependents enrolled in institutions of higher education—the obvious intent of the 1970 language. By including such an explicit limitation those unique situations in some poverty households where two or three generations reside together and where the 1970 language might have worked a considerable hardship will not be affected. Indeed, had this kind of language been used in the 1970 amendment, the Murray case never would have even been considered by the courts, because none of the households involved contained students.

Mr. Chairman, let me now turn to the results of a telephone survey conducted by my staff that I mentioned a moment ago. Officials of Santa Clara County, Calif., which includes Stanford and numerous other colleges, estimate that 21 percent of their 71,000 food stamp recipients are students. In round numbers that is 15,000 students.

Similarly, officials of Alemeda County, which contains the University of California at Berkeley and a number of other schools reported that nearly 11,000 students were receiving food stamps during the past school year. The Lane County, Oreg., office estimates that 6,100 students at the University of Oregon and other institutions in the area are participating in the food stamp program.

The Hennepin County office indicated that 4,700 students from the University of Minnesota and other institutions in the Minneapolis/St. Paul area are receiving food stamps. In the case of the University of Texas, Travis County officials estimated the number of participating students to be between 3,800 and 4,700. For the University of Florida at Gainsville, the estimate was 2,500 to 3,000; in the case of the University of Michigan, Washtenaw County officials indicated that the number of enrolled students was nearly 2,100; and the Benton County, Oreg., office placed the number of Oregon State student participants at between 1,900 and 2,000.

Without innundating you with too many statistics let me just briefly capout the result of this survey. Officials in counties containing the following universities estimated student food stamp participation to be 1,000 or more: the University of Arkansas, the University of Iowa, Michigan State University, the University of Miami, Southern Illinois University, and Oregon State.

In addition, county officials indicated that there were between 400 and 1,000 student food stamp participants at the following schools: University of Colorado, Cornell, Rutgers, University of Indiana, Kansas University, University of Miami, New York University at Albany, Northern Illinois, Ohio State, Penn State, Western Michigan University, Iowa State, and the University of Oklahoma.

In short, Mr. Chairman, we found that

among the three dozen major university counties surveyed that an average of more than 1,000 students were enrolled in the food stamp program in each area. In more than one-half of the counties 20 percent or more of the total number of food stamp participants were believed to be students.

In my view, that is pretty conclusive evidence that there is a serious problem, and one that must be curbed before the taxpayers of this Nation revolt against what is a truly inequitable and unjustifiable abuse of the program. I believe that the careful wording of the amendment I have drafted will serve to accomplish this objective in a constitutional manner and urge that my colleagues strongly support it when it comes to a vote.

NUMBER OF STUDENT FOOD STAMP PARTICIPANTS IN COUNTIES CONTAINING MAJOR UNIVERSITIES

University,[1] County and State, Number of Students Receiving Food Stamps[2]

Standford U., Santa Clara, California, 15,000.
U. California, Berkeley, Alameda, California, 10,875.
U. of Oregon, Lane, Oregon, 6,150.
U. of Texas, Travis, Texas, 4,775.
U. of Minn., Hennepin, Minn., 4,700.
U. of Florida, Alachua, Florida, 2,970.
U. of Michigan, Washtenaw, Michigan, 2,060.
Oregon State U., Benton, Oregon, 2,030.
U. of Arkansas, Washington, Arkansas, 1,440.
Michigan State U., Ingham, Michigan, 1,310.
Iowa U., Johnson, Iowa, 1,200.
Southern Illinois U., Jackson, Illinois, 1,100.
Penn State, Centre, Pennsylvania, 900.
NYU-Albany, Albany, New York, 550.
U. of Oklahoma, Cleveland, Oklahoma, 540.
Northern Illinois U., DeKalb, Illinois, 500.
Rutgers U., Middlesex, New Jersey, 500.
Iowa State, Story, Iowa, 500.
Cornell U., Tompkins, New York, 459.
Indiana U., Monroe, Indiana, 440.
U. of Wisc., Madison, Wisconsin, 425.
Ohio State, Franklin, Ohio, 400.
Kansas U., Douglas, Kansas, 400.
U. of Colorado, Boulder, Colo., 400.
U. of Miami, Dade, Florida, 400.

[From the Chicago Sun-Times, May 27, 1974]

WELL-OFF STUDENTS GO FOR U.S. FOOD STAMPS

(By Michael Rosenbaum)

URBANA.—Food stamps intended to aid the poor are helping feed many sons and daughters of well-heeled parents at the University of Illinois.

Anyone earning less than $183 a month is eligible to receive federal food stamps, worth an average of $320 over the last school year to a group of students interviewed.

The test of eligibility is the student's income, not his parents'. Some students fill out the required parental income statement and have friends forge a parental name on the form. It does not require notarization.

Craig and Richard (not their real names) are roommates in an off-campus apartment. When they applied for food stamps—which they both admitted to a reporter they did not need—they used each other as references.

Another student—call him Steve—successfully applied for food stamps, even though he told a reported that his father earns $30,000 a year back home in the Chicago suburbs.

Steve said his parents were upset when they found out, but they quietly acquiesced.

"Now, they think it's a neat idea," Steve declared. "They figure that with everything going on in government these days, it (food stamps) is something the government owes us."

Of 15 students interviewed, 11 admitted they had abused the food stamp program. They told of many other students they knew who had done the same. The spreading practice is shown in figures supplied by the Champaign County office of the state Department of Public Aid, which administers the program locally.

Four years ago, the office was handling about 350 recipients of free food stamps. The number grew to nearly 2,000 during the last school year, about 70 per cent of whom were university students, according to an estimate by a caseworker.

"I think just about anybody can walk in there and get food stamps," said Cheryl, another student. "And I figure if they (the government) have the money and everybody is getting food stamps, why shouldn't I?"

Cheryl said she applied for the stamps last November when her parents complained that she was spending too much money. She said she had to lie on the application by failing to report the savings account she shared with her father.

Some students sought to justify their claims to this unintended form of government aid by saying that their middle-income parents were too rich to qualify for scholarships to the needy and too poor to meet mounting college costs.

Jorie's parents own a home in Niles and a condominium in Florida. She admitted that her father, now retired, could afford to pay her food expenses. But she said it would be unfair not to try to take some of the expense off his shoulders by applying for food stamps.

The monthly ration of $42 worth of stamps is not totally free to all those with incomes under $183. Only those with incomes under $20 pay nothing. Required partial payments for the stamps range from $1 if a person earns less than $30 a month to $32 for those just below the $183 income cut-off.

Mark's parents pay his rent, tuition and buy gasoline for his 1972 Pontiac LeMans. They also send him $40 a month to spend as he wishes. But Mark told a public aid interviewer that he paid his own tuition and his parents paid only his rent. He never mentioned his monthly allowance.

Mark could legally receive food stamps, technically, but he should pay $27 a month for them. Instead, he pays nothing.

This reporter, a U. of I. student until graduating this month, applied for food stamps as a test and obtained them without difficulty. The stamps were not used, however.

Margaret Elder, one of eight food stamp caseworkers in the Champaign County office, said most students who received the stamps had paid between $18 and $24 for them.

But she said few verification checks were made on students. Public aid interviewers usually accept on faith alone that the applicant's statements are true, she said.

Stephanie Releford, acting director of the food stamp program in the Springfield headquarters of the Public Aid Department, said no law prevented students with well-fixed parents from receiving the stamps.

Asked about the possibility that students who were taking advantage of superficial verification procedures by omitting information and lying on their applications, Ms. Releford conceded that was possible.

She mentioned no planned corrective steps, even though statistics indicate that U. of I. students have swelled the food stamp rolls in Champaign County out of proportion.

For instance, Rock Island County with no large university has a comparable population—about 160,000. And, like Champaign County, it has approximately 50 persons per 1,000 receiving some kind of public aid. But the number of food stamp recipients in Champaign County is nearly three times the number in Rock Island County—3,364 to 1,240.

"There's no requirement of which I am aware that says an applicant must take advantage of the available resources, which is the parents as far as the students are concerned," Ms. Releford said.

"This is a moral question and concerns each individual student, not me," said the acting food stamp director.

[From the Chicago Sun-Times, June 3, 1974]

DIALOG: FOOD STAMP CHEATERS

A recent story in The Sun-Times pointed out that food stamps intended to aid the poor are helping feed many sons and daughters of well-fixed parents at the University of Illinois. The story also reported that some students admitted they did not need the stamps and that they forged their parents' signatures on some forms. These abuses, which are not new, are highly offensive and must be corrected by the federal and state governments.

The food stamp program was set up by the federal government as a means to enable low-income households to buy more food with less money and thus adequately feed their families. The U.S. Department of Agriculture sets up the regulations and provides the money for the food stamps, and the program is locally administered by the Illinois Department of Public Aid. While we realize USDA regulations say it is legal for students on limited budgets to receive food stamps, we believe more stringent procedures must be established.

As pointed out in the adjoining letters column today, the financial situation of welfare recipients and applicants is carefully monitored before and while they are receiving food stamps. Welfare recipients who give incorrect financial information or fail to file required forms are quickly suspended from the rolls, even if only temporarily. A test of a student's eligibility is the student's income, not his parents', but the state must be equally strict in verifying whether a student is omitting information or providing false information on his application. Better procedures must be worked out to check a student's assets.

As in the accompanying letter, we take issue with the statement of Stephanie Releford, acting state food stamp director, that the problem does not concern her. She is a state employe, and one of her responsibilities is to make sure the program is not abused. We believe she is not doing her job if she is not concerned that students with family resources are permitted to fatten their budgets with taxpayers' money.

Mr. CHAMBERLAIN. Mr. Chairman, I commend the gentleman for offering his amendment. We have a similar problem in the district I am privileged to represent, at Michigan State University. There, too, there has been an increase in the volume of applications for food stamps from students. It certainly was not the intention of the Congress at the time this program was enacted that it be used as an aid to education program or to assist those who have elected to go to school rather than work.

I have made numerous inquiries as to how the abuse of the program could be corrected and have been told at every point that it is not possible without jeopardizing the eligibility of people truly in need. I do not know whether the gentleman's suggestion will be adequate to take care of this problem or not, but I am certainly going to support his effort, for I feel we in the Congress who brought the program into being should not be impotent in making remedial changes that are needed.

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[1] May also include students enrolled at other colleges and universities within the county.

[2] Estimated participation during the school year.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Illinois (Mr. ANDERSON).

The question was taken; and on a division (demanded by Mr. ANDERSON of Illinois) there were—ayes 111; noes 87.

RECORDED VOTE

Mr. JAMES V. STANTON. Mr. Chairman, on that I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 195, noes 123, answered "present" 1, not voting 114, as follows:

[Roll No. 317]

AYES—195

Abdnor
Alexander
Anderson, Ill.
Annunzio
Archer
Armstrong
Ashbrook
Aspin
Baker
Bauman
Bennett
Biaggi
Biester
Blackburn
Bowen
Bray
Breaux
Breckinridge
Brinkley
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Fla.
Burleson, Tex.
Butler
Byron
Camp
Casey, Tex.
Cederberg
Chamberlain
Clausen,
  Don H.
Cleveland
Cohen
Collier
Conlan
Coughlin
Daniel, Dan
Davis, S.C.
Davis, Wis.
de la Garza
Delaney
Dellenback
Dennis
Devine
Dickinson
Downing
Dulski
Duncan
du Pont
Erlenborn
Eshleman
Evans, Colo.
Findley
Fish
Fisher
Flowers
Flynt
Fountain
Frey
Gettys
Gilman
Ginn
Goldwater
Goodling
Green, Oreg.
Gross
Grover
Gubser
Gude
Guyer
Haley
Hammer-
  schmidt
Hanrahan
Harsha
Hastings
Hechler, W. Va.
Heinz
Hicks
Hinshaw
Hogan
Holt
Huber
Hudnut
Hunt
Hutchinson
Jarman
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
King
Kluczynski
Kuykendall
Lagomarsino
Latta
Lent
Litton
Long, Md.
Lujan
McClory
McCloskey
McCollister
McDade
McKinney
Madigan
Mallary
Mann
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Mayne
Mazzoli
Michel
Miller
Mitchell, N.Y.
Mizell
Montgomery
Moorhead,
  Calif.
Murphy, Ill.
Myers
O'Brien
Parris
Pettis
Peyser
Pike
Powell, Ohio
Preyer
Pritchard
Railsback
Regula
Riegle
Robinson, Va.
Robison, N.Y.
Rogers
Rose
Rostenkowski
Roush
Rousselot
Roy
Runnels
Ruth
Sandman
Sarasin
Satterfield
Scherle
Schneebeli
Shipley
Shoup
Shriver
Shuster
Skubitz
Smith, N.Y.
Snyder
Spence
Stanton,
  J. William
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stubblefield
Stuckey
Sullivan
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Traxler
Ullman
Vander Jagt
Vander Veen
Veysey
Waggonner
Wampler
Ware
Whalen
White
Whitehurst
Widnall
Wiggins
Wilson,
  Charles, Tex.
Winn
Wyatt
Wydler
Young, Fla.
Young, Ill.
Young, S.C.
Zablocki

NOES—123

Abzug
Adams
Addabbo
Andrews,
  N. Dak.
Badillo
Barrett
Bingham
Blatnik
Bolling
Brademas
Burke, Calif.
Burke, Mass.
Burlison, Mo.
Burton
Carney, Ohio
Carter
Clark
Clay
Collins, Ill.
Conte
Conyers
Corman
Cronin
Culver
Dellums
Denholm
Diggs
Dingell
Drinan
Eckhardt
Edwards, Calif.
Eilberg
Evins, Tenn.
Fascell
Flood
Foley
Ford
Fraser
Gaydos
Giaimo
Gibbons
Grasso
Gray
Hansen, Wash.
Harrington
Heckler, Mass.
Helstoski
Holifield
Holtzman
Hungate
Johnson, Calif.
Johnson, Pa.
Jones, Ala.
Jordan
Karth
Kastenmeier
Kazen
Koch
Lehman
Luken
McFall
Madden
Maraziti
Meeds
Melcher
Metcalfe
Mezvinsky
Mills
Minish
Mink
Mitchell, Md.
Moakley
Moorhead, Pa.
Morgan
Moss
Murphy, N.Y.
Murtha
Natcher
Nedzi
Nix
Obey
O'Hara
O'Neill
Owens
Passman
Patman
Patten
Pepper
Perkins
Pickle
Price, Ill.
Randall
Rangel
Reuss
Roberts
Rodino
Roncalio, Wyo.
Rooney, Pa.
Roybal
Sarbanes
Schroeder
Seiberling
Sisk
Slack
Smith, Iowa
Staggers
Stanton,
  James V.
Stark
Stokes
Studds
Symington
Tiernan
Van Deerlin
Vanik
Vigorito
Whitten
Wilson, Bob
Wilson,
  Charles H.,
  Calif.
Wolff
Wright
Yates
Yatron
Young, Tex.

ANSWERED "PRESENT"—1

Mahon

NOT VOTING—114

Anderson,
  Calif.
Andrews, N.C.
Arends
Ashley
Bafalis
Beard
Bell
Bergland
Bevill
Boggs
Boland
Brasco
Brooks
Broomfield
Brotzman
Brown, Calif.
Burgener
Carey, N.Y.
Chappell
Chisholm
Clancy
Clawson, Del
Cochran
Collins, Tex.
Conable
Cotter
Crane
Daniel, Robert
  W., Jr.
Daniels,
  Dominick V.
Danielson
Davis, Ga.
Dent
Derwinski
Donohue
Dorn
Edwards, Ala.
Esch
Forsythe
Frelinghuysen
Frenzel
Froehlich
Fulton
Fuqua
Gonzalez
Green, Pa.
Griffiths
Gunter
Hamilton
Hanley
Hanna
Hansen, Idaho
Hawkins
Hays
Hébert
Henderson
Hillis
Horton
Hosmer
Howard
Ichord
Kemp
Ketchum
Kyros
Landgrebe
Landrum
Leggett
Long, La.
Lott
McCormack
McEwen
McKay
McSpadden
Macdonald
Mathias, Calif.
Matsunaga
Milford
Minshall, Ohio
Mollohan
Mosher
Nelsen
Nichols
Poage
Podell
Price, Tex.
Quie
Quillen
Rarick
Rees
Reid
Rhodes
Rinaldo
Roe
Roncallo, N.Y.
Rooney, N.Y.
Rosenthal
Ruppe
Ryan
St Germain
Sebelius
Sikes
Symms
Thompson, N.J.
Towell, Nev.
Treen
Udall
Waldie
Walsh
Williams
Wylie
Wyman
Young, Alaska
Young, Ga.
Zion
Zwach

So the amendment was agreed to.

The result of the vote was announced as above recorded.

AMENDMENT OFFERED BY MR. DENHOLM

Mr. DENHOLM. Mr. Chairman, I offer an amendment.

PARLIAMENTARY INQUIRY

Mr. WHITTEN. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state his parliamentary inquiry.

Mr. WHITTEN. Mr. Chairman, I would like to address a point of order against the amendment as the amendment has been presented to me.

Is it permissible that I may reserve that point of order until the Clerk has read the amendment?

The CHAIRMAN (Mr. GIBBONS). The Chair will state that the gentleman from Mississippi (Mr. WHITTEN) may reserve his point of order against the amendment.

The Clerk read as follows:

Amendment offered by Mr. DENHOLM: Page 49, line 5, after the period add the following: "*Provided further*, That in addition there is hereby appropriated the sum of $500 million for the immediate acquisition of domestic produced red meats and poultry for human consumption to be distributed consistent with the intent and for the same purposes provided in the Child Nutrition Act of 1966, as amended, the National School Lunch Act (42 U.S.C. 1751–1761) and the provisions of the Commodity Distribution Programs for the essential distribution of food consistent with established criteria of eligibility pursuant to existing public law."

The CHAIRMAN. Does the gentleman from Mississippi wish to be heard on the point of order?

Mr. WHITTEN. I do, Mr. Chairman.

Mr. Chairman, I make the point of order that this amendment is to the section on Food and Nutrition Service; that that service has no authority to purchase these meats; that that authority does exist under section 32 and is an entirely different section of the Department; but that authority for such a budget authorizing appropriation money through an agency for that particular service for that purpose is not in order, but is legislation on an appropriation bill.

The CHAIRMAN. Does the gentleman from South Dakota desire to be heard on the point of order?

Mr. DENHOLM. I think it is consistent, Mr. Chairman, with the other provisions of this part of the bill, and consistent with the other things we have done today, as far as legislation on appropriation is concerned.

The CHAIRMAN. Can the gentleman from South Dakota cite any authority for this appropriation?

Mr. DENHOLM. Mr. Chairman, I have a lot of advice here because we want to bring the consumer price of beef down.

The CHAIRMAN (Mr. GIBBONS). The Chair is ready to rule on the point of order.

A point of order has been raised against this amendment on the ground that there is no legislative authority for the appropriation. No authorization for the appropriation having been cited, the Chair sustains the point of order.

AMENDMENT OFFERED BY MR. DU PONT

Mr. du PONT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. DU PONT:

On page 52, after line 11, insert the following: "Section 513. The total appropriation provided for in this act shall not exceed $12,700,000,000."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Delaware (Mr. DU PONT).

The amendment was rejected.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. MIZELL

Mr. MIZELL. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MIZELL: Page 52, after line 11 add a new provision as follows:

SEC. 512. Rural community fire protection grants for grants pursuant to section 404 of the Consolidated Farm and Rural Development Act, as amended (7 U.S.C. 2654), $7,000,000, to fund 50 per centum of the cost of equipment for rural volunteer fire departments.

Mr. MIZELL. Mr. Chairman, when the Congress was considering the Rural Development Act of 1972 an important grant program was authorized for rural fire departments in an effort to help small communities obtain badly needed equipment, facilities, and training for their local volunteer fire departments.

In most cases these communities have insufficient fire protection which in turn brings about high insurance rates which more often than not makes it economically unfeasible for industrial firms to locate in rural areas which so desperately need industry and jobs.

Further, we find that the lack of adequate fire protection causes a high loss of property and even life in our rural areas that are not properly equipped when disaster strikes.

Mr. Chairman, I think I should point out that under the program we adopted in 1972 the rural fire departments must be without resources with which to purchase the equipment they need. Therefore, only the most deserving will be aided.

I will not take additional time today to address the many important reasons on why we should provide grant funds for this program which has been in existence since August 30, 1972 for our rural fire departments.

However, I am hopeful we will adopt this amendment to the bill before us so that we can begin to provide funds to eligible voluntary fire departments which qualify for this program.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina (Mr. MIZELL).

The question was taken; and on a division (demanded by Mr. MIZELL) there were—ayes 85, noes 99.

RECORDED VOTE

Mr. MIZELL. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 213, noes 103, not voting 117, as follows:

[Roll No. 318]

AYES—213

Abdnor
Alexander
Anderson, Ill.
Andrews, N. Dak.
Ashbrook
Aspin
Bauman
Bennett
Biester
Blackburn
Blatnik
Bowen
Bray
Breaux
Breckinridge
Brinkley
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Burke, Fla.
Burke, Mass.
Burleson, Tex.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Chamberlain
Clark
Clausen, Don H.
Cohen
Conlan
Conte
Coughlin
Cronin
Culver
Daniel, Dan
Davis, S.C.
de la Garza
Dellenback
Denholm
Dickinson
Downing
Duncan
du Pont
Eshleman
Evans, Colo.
Evins, Tenn.
Findley
Fish
Fisher
Flood
Flowers
Flynt
Foley
Fountain
Frey
Gaydos
Gettys
Gilman
Ginn
Goldwater
Goodling
Grasso
Gray
Green, Oreg.
Grover
Gubser
Gude
Guyer
Haley
Hammerschmidt
Hansen, Wash.
Harsha
Hastings
Hechler, W. Va.
Heinz
Hinshaw
Hogan
Holt
Huber
Hudnut
Hungate
Hunt
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Karth
Kazen
King
Kuykendall
Lagomarsino
Latta
Lent
Litton
Long, Md.
Lujan
Luken
McCloskey
McCollister
McDade
Madigan
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Mayne
Mazzoli
Melcher
Mezvinsky
Miller
Mink
Mitchell, N.Y.
Mizell
Moakley
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Murtha
Myers
Natcher
Obey
O'Brien
Owens
Parris
Passman
Patten
Perkins
Pettis
Peyser
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Pritchard
Railsback
Randall
Regula
Roberts
Robinson, Va.
Rogers
Roncalio, Wyo.
Rooney, Pa.
Rose
Roush
Rousselot
Roy
Runnels
Ruth
Sandman
Satterfield
Scherle
Schneebeli
Shipley
Shoup
Shriver
Shuster
Sisk
Skubitz
Slack
Smith, Iowa
Spence
Staggers
Stanton, J. William
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stratton
Stubblefield
Stuckey
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Ullman
Vander Jagt
Vander Veen
Veysey
Vigorito
Waggonner
Wampler
Ware
White
Whitehurst
Whitten
Widnall
Wilson, Bob
Wilson, Charles, Tex.
Winn
Wright
Yatron
Young, Fla.
Young, S.C.
Young, Tex.

NOES—103

Abzug
Adams
Addabbo
Annunzio
Archer
Armstrong
Badillo
Barrett
Biaggi
Bingham
Bolling
Brademas
Brown, Mich.
Buchanan
Burke, Calif.
Burlison, Mo.
Cederberg
Clay
Collier
Collins, Ill.
Conyers
Corman
Davis, Wis.
Delaney
Dellums
Dennis
Devine
Diggs
Dingell
Drinan
Dulski
Eckhardt
Edwards, Calif.
Eilberg
Erlenborn
Fascell
Ford
Fraser
Giaimo
Gibbons
Gross
Hanrahan
Harrington
Heckler, Mass.
Helstoski
Hicks
Holifield
Holtzman
Hutchinson
Jarman
Jordan
Kastenmeier
Kluczynski
Koch
Lehman
McClory
McFall
McKinney
Madden
Mahon
Meeds
Metcalfe
Michel
Mills
Minish
Mitchell, Md.
Moss
Murphy, Ill.
Murphy, N.Y.
Nedzi
Nix
O'Hara
O'Neill
Patman
Pepper
Rangel
Reuss
Riegle
Robison, N.Y.
Rostenkowski
Roybal
Sarasin
Sarbanes
Schroeder
Seiberling
Smith, N.Y.
Stanton, James V.
Stark
Steed
Stokes
Studds
Sullivan
Van Deerlin
Vanik
Whalen
Wiggins
Wilson, Charles H., Calif.
Wolff
Wyatt
Wydler
Yates
Young, Ill.
Zablocki

NOT VOTING—117

Anderson, Calif.
Andrews, N.C.
Arends
Ashley
Bafalis
Baker
Beard
Bell
Bergland
Bevill
Boggs
Boland
Brasco
Brooks
Broomfield
Brotzman
Brown, Calif.
Burgener
Carey, N.Y.
Chappell
Chisholm
Clancy
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Cotter
Crane
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Dent
Derwinski
Donohue
Dorn
Edwards, Ala.
Esch
Forsythe
Frelinghuysen
Frenzel
Froehlich
Fulton
Fuqua
Gonzalez
Green, Pa.
Griffiths
Gunter
Hamilton
Hanley
Hanna
Hansen, Idaho
Hawkins
Hays
Hébert
Henderson
Hillis
Horton
Hosmer
Howard
Ichord
Kemp
Ketchum
Kyros
Landgrebe
Landrum
Leggett
Long, La.
Lott
McCormack
McEwen
McKay
McSpadden
Macdonald
Mathias, Calif.
Matsunaga
Milford
Minshall, Ohio
Mollohan
Mosher
Nelsen
Nichols
Podell
Price, Tex.
Quie
Quillen
Rarick
Rees
Reid
Rhodes
Rinaldo
Rodino
Roe
Roncallo, N.Y.
Rooney, N.Y.
Rosenthal
Ruppe
Ryan
St Germain
Sebelius
Sikes
Snyder
Symms
Thompson, N.J.
Towell, Nev.
Treen
Udall
Waldie
Walsh
Williams
Wylie
Wyman
Young, Alaska
Young, Ga.
Zion
Zwach

So the amendment was agreed to.

The result of the vote was announced as above recorded.

Mr. WHITTEN. Mr. Chairman, I move that the Committee do now rise and report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the Chair, Mr. GIBBONS, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 15472), making appropriations for agriculture-environmental and consumer protection programs for the fiscal year ending June 30, 1975, and for other purposes, had directed him to report the bill back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The SPEAKER. Without objection, the previous question is ordered.

There was no objection.

The SPEAKER. Is a separate vote demanded on any amendment? If not the Chair will put them en gros.

The amendments were agreed to.

MOTION TO RECOMMIT OFFERED BY MR. CONTE

Mr. CONTE. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. CONTE. I am, Mr. Speaker, in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. CONTE moves to recommit the bill H.R. 15472 to the Committee on Appropriations, with instructions to report the bill back forthwith with the following amendments: On page 3, line 16, strike the comma and insert in lieu thereof a period; strike lines 17, 18, and 19.

The SPEAKER. Does the gentleman desire to be heard on his motion to recommit?

Mr. CONTE. Yes, Mr. Speaker.

Mr. Speaker, I have 5 minutes, but I will take only 30 seconds. I recognize that the hour is late.

This is the amendment that we voted on and which lost by seven votes. I was told by many in the House that they were not quite aware of what the amendment was. It removes $3 million for Cotton, Inc., which is strictly a boondoggle. I hope the motion to recommit prevails.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The question was taken; and the Speaker announced that the noes appeared to have it.

Mr. CONTE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were refused.

So the motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

Mr. SCHERLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 278, nays 16, not voting 139, as follows:

[Roll No. 319]

YEAS—278

Abdnor
Abzug
Alexander
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Armstrong
Aspin
Badillo
Barrett
Bauman
Bennett
Biester
Bingham
Blackburn
Blatnik
Bolling
Bowen
Brademas
Bray
Breaux
Breckinridge
Brinkley
Brown, Mich.
Brown, Ohio
Broyhill, N.C.
Broyhill, Va.
Buchanan
Burke, Calif.
Burke, Mass.
Burleson, Tex.
Burlison, Mo.
Burton
Butler
Byron
Camp
Carney, Ohio
Carter
Casey, Tex.
Cederberg
Chamberlain
Clark
Clausen, Don H.
Clay
Cohen
Collier
Collins, Ill.
Conyers
Corman
Coughlin
Cronin
Culver
Daniel, Dan
Davis, S.C.
de la Garza
Delaney
Dellums
Denholm
Dennis
Diggs
Dingell
Downing
Drinan
Dulski
Duncan
Eckhardt
Eilberg
Erlenborn
Eshleman
Evans, Colo.
Evins, Tenn.
Fascell
Findley
Fisher
Flood
Flowers
Flynt
Foley
Fountain
Fraser
Frey
Gaydos
Gettys
Giaimo
Gibbons
Ginn
Goldwater
Grasso
Gray
Green, Oreg.
Gubser
Gude
Guyer
Haley
Hammerschmidt
Hanrahan
Hansen, Wash.
Harrington
Harsha
Hastings
Hechler, W. Va.
Heckler, Mass.
Heinz
Helstoski
Hicks
Hinshaw
Hogan
Holifield
Holt
Holtzman
Hungate
Hunt
Hutchinson
Jarman
Johnson, Calif.
Johnson, Colo.
Johnson, Pa.
Jones, Ala.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Jordan
Karth
Kastenmeier
Kazen
King
Kuykendall
Lagomarsino
Latta
Lehman
Litton
Long, Md.
Lujan
Luken
McClory
McCloskey
McCollister
McDade
McFall
McKinney
Madden
Madigan
Mahon
Mallary
Mann
Maraziti
Martin, Nebr.
Martin, N.C.
Mathis, Ga.
Mayne
Mazzoli
Meeds
Melcher
Metcalfe
Mezvinsky
Michel
Miller
Mills
Minish
Mink
Mitchell, Md.
Mitchell, N.Y.
Mizell
Moakley
Montgomery
Moorhead, Calif.
Moorhead, Pa.
Morgan
Moss
Murphy, N.Y.
Murtha
Myers
Natcher
Nedzi
Nix
Obey
O'Brien
O'Hara
O'Neill
Parris
Passman
Patman
Patten
Pepper
Perkins
Pettis
Pickle
Pike
Poage
Powell, Ohio
Preyer
Price, Ill.
Railsback
Randall
Rangel
Regula
Reuss
Riegle
Roberts
Robinson, Va.
Robison, N.Y.
Roncalio, Wyo.
Rooney, Pa.
Rose
Roybal
Runnels
Ruth
Sandman
Sarasin
Sarbanes
Satterfield
Scherle
Schroeder
Seiberling
Shipley
Shoup
Shriver
Sisk
Skubitz
Slack
Smith, Iowa
Smith, N.Y.
Snyder
Spence
Staggers
Stanton, J. William
Stanton, James V.
Stark
Steed
Steele
Steelman
Steiger, Ariz.
Steiger, Wis.
Stephens
Stokes
Stratton
Stubblefield
Stuckey
Studds
Sullivan
Symington
Talcott
Taylor, Mo.
Taylor, N.C.
Teague
Thomson, Wis.
Thone
Thornton
Tiernan
Traxler
Ullman
Van Deerlin
Vander Jagt
Vander Veen
Vanik
Veysey
Vigorito
Waggonner
Wampler
Ware
Whalen
White
Whitehurst
Whitten
Widnall
Wiggins
Wilson, Bob
Wilson, Charles H., Calif.
Wilson, Charles, Tex.
Winn
Wright
Wyatt
Yates
Yatron
Young, Ill.
Young, S.C.
Young, Tex.
Zablocki

NAYS—16

Adams
Archer
Burke, Fla.
Conlan
Conte
Davis, Wis.
Dellenback
du Pont
Goodling
Gross
Huber
Pritchard
Rousselot
Schneebeli
Shuster
Young, Fla.

NOT VOTING—139

Addabbo
Anderson, Calif.
Andrews, N.C.
Arends
Ashbrook
Ashley
Bafalis
Baker
Beard
Bell
Bergland
Bevill
Biaggi
Boggs
Boland
Brasco
Brooks
Broomfield
Brotzman
Brown, Calif.
Burgener
Carey, N.Y.
Chappell
Chisholm
Clancy
Clawson, Del
Cleveland
Cochran
Collins, Tex.
Conable
Cotter
Crane
Daniel, Robert W., Jr.
Daniels, Dominick V.
Danielson
Davis, Ga.
Dent
Derwinski
Devine
Dickinson
Donohue
Dorn
Edwards, Ala.
Edwards, Calif.
Esch
Fish
Ford
Forsythe
Frelinghuysen
Frenzel
Froehlich
Fulton
Fuqua
Gilman
Gonzalez
Green, Pa.
Griffiths
Grover
Gunter
Hamilton
Hanley
Hanna
Hansen, Idaho
Hawkins
Hays
Hébert
Henderson
Hillis
Horton
Hosmer
Howard
Hudnut
Ichord
Kemp
Ketchum
Kluczynski
Koch
Kyros
Landgrebe
Landrum
Leggett
Lent
Long, La.
Lott
McCormack
McEwen
McKay
McSpadden
Macdonald
Mathias, Calif.
Matsunaga
Milford
Minshall, Ohio
Mollohan
Mosher
Murphy, Ill.
Nelsen
Nichols
Owens
Peyser
Podell
Price, Tex.
Quie
Quillen
Rarick
Rees
Reid
Rhodes
Rinaldo
Rodino
Roe
Rogers
Roncallo, N.Y.
Rooney, N.Y.
Rosenthal
Rostenkowski
Roush
Roy
Ruppe
Ryan
St Germain
Sebelius
Sikes
Symms
Thompson, N.J.
Towell, Nev.
Treen
Udall
Waldie
Walsh
Williams
Wolff
Wydler
Wylie
Wyman
Young, Alaska
Young, Ga.
Zion
Zwach

So the bill was passed.

The Clerk announced the following pairs:

Mr. Thompson of New Jersey with Mr. Wolff.

Mr. Hébert with Mr. Anderson of California.

Mr. Hays with Mr. Dorn.

Mr. Dominick V. Daniels with Mr. Edwards of California.

Mr. Rooney of New York with Mrs. Griffiths.

Mr. Boland with Mr. Hamilton.

Mr. Addabbo with Mr. Hanna.

Mr. Matsunaga with Mr. Hansen of Idaho.

Mr. Sikes with Mr. Grover.

Mr. Howard with Mr. Gilman.

Mr. Bevill with Mr. Froehlich.

Mr. Chappell with Mr. Edwards of Alabama.

Mr. McCormack with Mr. Baker.

Mr. Rarick with Mr. Dickinson.

Mr. Ryan with Mr. Fish.

Mr. Bergland with Mr. Beard.

Mr. McKay with Mr. Devine.

Mr. Nichols with Mr. Forsythe.

Mr. Mollohan with Mr. Ashbrook.

Mr. Henderson with Mr. Clancy.

Mr. Podell with Mr. Derwinski.

Mr. Carey of New York with Mr. Arends.

Mr. Koch with Mr. Frelinghuysen.

Mr. Kyros with Mr. Del Clawson.

Mr. Davis of Georgia with Mr. Bafalis.

Mr. Rodino with Mr. Cleveland.

Mr. Hawkins with Mr. Landrum.

Mr. Gunter with Mr. Cochran.

Mr. Fuqua with Mr. Bell.

Mr. Reid with Mr. Collins of Texas.

Mr. St Germain with Mr. Broomfield.

Mr. Dent with Mr. Conable.

Mrs. Chisholm with Mr. Andrews of North Carolina.

Mr. Brooks with Mr. Brotzman.

Mr. Brasco with Mr. Crane.

Mrs. Boggs with Mr. Robert W. Daniel, Jr.

Mr. Ashley with Mr. Hillis.

Mr. Brown of California with Mr. Horton.

Mr. Cotter with Mr. Milford.

Mr. Donohue with Mr. Landgrebe.

Mr. Fulton with Mr. McEwen.

Mr. Hanley with Mr. Hosmer.

Mr. Leggett with Mr. Minshall of Ohio.

Mr. Biaggi with Mr. Mathias of California.

Mr. Danielson with Mr. Kemp.

Mr. Ford with Mr. Mosher.

Mr. Gonzalez with Mr. Hudnut.

Mr. Green of Pennsylvania with Mr. Nelsen.

Mr. Ichord with Mr. Owens.

Mr. Kluczynski with Mr. Lent.

Mr. Long of Louisiana with Mr. Price of Texas.

Mr. Macdonald with Mr. Peyser.

Mr. Young of Georgia with Mr. McSpadden.

Mr. Rostenkowski with Mr. Lott.

Mr. Rosenthal with Mr. Quie.

Mr. Esch with Mr. Frenzel.

Mr. Murphy of Illinois with Mr. Ruppe.

Mr. Rees with Mr. Quillen.

Mr. Rinaldo with Mr. Sebelius.

Mr. Rogers with Mr. Symms.

Mr. Roe with Mr. Towell of Nevada.

Mr. Roush with Mr. Treen.

Mr. Roy with Mr. Walsh.

Mr. Udall with Mr. Wydler.

Mr. Waldie with Mr. Wylie.

Mr. Wyman with Mr. Zwach.

Mr. Young of Alaska with Mr. Zion.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

AUTHORIZING CLERK TO CORRECT SECTION NUMBERS AND PUNCTUATION IN ENGROSSMENT OF H.R. 15472; AND GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Clerk be authorized to correct section numbers and punctuation in the engrossment of H.R. 15472, and further that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the bill H.R. 15472, just passed.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

LEGISLATIVE PROGRAM FOR THE WEEK OF JUNE 24, 1974

(Mr. ANDERSON of Illinois asked and was given permission to address the House for 1 minute, to revise and extend his remarks, and to include extraneous matter.)

Mr. ANDERSON of Illinois. Mr. Speaker, I would inquire of the distinguished majority whip, the gentleman from California, if he could inform us as to the program for the coming week.

Mr. McFALL. Mr. Speaker, will the gentleman yield?

Mr. ANDERSON of Illinois. I am pleased to yield to the gentleman from California.

Mr. McFALL. There is no further legislative business for today. Upon the announcement of the program for next week, I will ask unanimous consent to go over until Monday.

The program for the House of Representatives for the week of June 24, 1974, is as follows: I should say parenthetically that I am glad to read from a copy which says: "Tentative 5," which now becomes final.

Monday is District day, with no bills.

We will consider the following legislation:

H.R. 14434, energy research and development appropriations, fiscal year 1975, conference report;

H.J. Res. 1061, urgent supplemental appropriations for Veterans' Administration;

H.J. Res. 1056, Defense Production Act 30-day extension, by unanimous consent;

H.J. Res. 1057, Export Administration Act 30-day extension, by unanimous consent;

H.J. Res. 1058, Export-Import Bank Act 30-day extension, by unanimous consent; and

H.R. 15223, Federal Railroad Safety Act authorization, under an open rule, with 1 hour of debate.

On Tuesday there will be:

H.R. 14715, White House Office authorization, under an open rule, with 1 hour of debate;

H.R. 15544, Treasury-Postal Service-General Government appropriations, fiscal year 1975.

On Wednesday there will be a bill, unnumbered, but containing the words HUD-Space Science-Veterans' appropriations, fiscal year 1975;

H.R. 14883, Public Works and Economic Development Act, subject to a rule being granted;

H.R. 15276, Juvenile Delinquency Prevention Act, subject to a rule being granted.

On Thursday there will be H.R., unnumbered as yet, containing the Labor-HEW appropriations for fiscal year 1975.

On Friday there will be also an unnumbered House bill containing the District of Columbia appropriations for fiscal year 1975.

Conference reports may be brought up at any time.

Any further program may be announced later.

ADJOURNMENT TO MONDAY, JUNE 24, 1974

Mr. O'NEILL. Mr. Speaker, I ask unanimous consent that when the House adjourns today it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. GROSS. Mr. Speaker, reserving the right to object, I wonder if the distinguished acting majority leader could give us any information as to what is planned for July 1, 2, and 3?

Mr. McFALL. Mr. Speaker, if the gentleman will yield, for Monday, Tuesday, and Wednesday of that week it is contemplated the House would be in session, as the gentleman knows. We would adjourn on Wednesday night. I am informed that there is no set calendar. Monday will be suspension day. Tuesday is suspension day also. The schedule is very tentative. It is possible that on Tuesday we may take up IDA, but as of this point there is no firm information concerning the program for Monday and Tuesday and Wednesday. I would expect that the Wednesday program would be light.

Mr. GROSS. Mr. Speaker, I thank the gentleman from California.

I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. McFALL. Mr. Speaker, I ask ask unanimous consent that the business in order under the Calendar Wednesday rule be dispended with on Wednesday of next week.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PORTRAIT OF CHET HOLIFIELD ACCEPTED BY GOVERNMENT OPERATIONS COMMITTEE

(Mr. BROOKS asked and was given permission to address the House for 1 minute.)

Mr. BROOKS. Mr. Speaker, on May 2, 1974, in a ceremony in the Government Operations Committee room, an exquisite portrait of the distinguished chairman of that committee was unveiled.

It was the desire of the donors of that portrait that it be presented as a gift to the U.S. Government for display in the Government Operations Committee meeting room. In accordance with the procedures of the House, the Government Operations Committee today adopted the following resolution:

Whereas the Honorable Chet Holifield of California, Chairman of the Committee on Government Operations, U.S. House of Representatives, has elected to retire from the House of Representatives at the end of the 93rd Congress after 32 years of continuous service;

Whereas he then will have completed 28 years of distinguished service on the committee, of which 24 were served as a subcommittee chairman;

Whereas for more than four years he will have served as Chairman of the full committee on Government Operations, presiding and administering with intelligence, skill, and bipartisan fairness;

Whereas his greatness combined many things:

A man of high purpose, integrity, and unstinting devotion to duty,

A gentleman of dignity, courtesy, and candor,

A pioneer with the vision to see great governmental goals and the knowledge and resolve to attain them,

A courageous fighter for his party and his principles,

An exemplar of legislative achievement through leadership and accommodation,

A statesman who understands the uses and limitations of politics and power, and

A man who loves his country and its people;

Whereas his service has inspired in all members of the Committee and its staff the highest respect and esteem;

Whereas they have chosen to evidence their regard by an original portrait painting of him to be dedicated to the House of Representatives for permanent public display;

Whereas on May 2, 1974, at a ceremony in the Main Hearing Room of the Committee, the Honorable Jack Brooks presided over the presentation of an outstanding portrait of Chet Holifield, painted by Mr. Lloyd Embry of Washington, D.C.: Now, therefore, be it

Resolved by the Committee on Government Operations of the United States House of Representatives,

1. That the Committee, on behalf of the House of Representatives, do now accept with appreciation the aforesaid portrait and direct that it be hung on the wall of the main hearing room of the committee, both as a tribute to and a reminder of Chet Holifield's lifetime of dedicated services to his committee, his Congress, and his country, and

2. That a copy of this resolution be transmitted to the Speaker of the House of Representatives.

CONGRESSMAN JARMAN'S 1974 QUESTIONNAIRE RESULTS

(Mr. JARMAN asked and was given permission to address the House for 1 minute, to revise and extend his remarks and include extraneous matter.)

Mr. JARMAN. Mr. Speaker, I would like to bring to the attention of my colleagues the results of my recent questionnaire survey to my constituents in the Fifth District of Oklahoma. These questionnaires went to 200,000 homes and produced 24,000 responses, which indicates great concern about some of the controversial issues facing our Nation. I believe the results will be of interest to the Members of the House of Representatives and to the public.

I believe it is an important part of the job of a Congressman today to communicate with his constituents—and to insure that this communication is a two-way street. An alert, informed constituency which informs their Congressman of their opinions greatly increases the effectiveness of their representation—and lest we forget, our title is U.S. Representative.

In view of this, I was pleased by the number of constituents who took the time to return my questionnaire and also by the number of added comments and opinions beyond the limited scope allowed on the questionnaire card.

Mr. Speaker, my questionnaire was mailed in May 1974, and the question-by-question results of the survey follow:

[In percent]

	Yes	No	Undecided
Do you favor:			
1. President Nixon remaining in office?	74.75	22.18	3.07
2. Tax dollars being used to finance all Federal election campaigns?	21.81	73.25	4.94
3. A tax-financed program of national health insurance?	34.31	56.43	9.26
4. Retention of daylight saving time on a year-round basis?	38.75	55.25	6
5. Congress adopting an annual spending ceiling which could not be exceeded by appropriations?	78.37	12.12	9.51
6. Relaxing the environmental requirements and standards temporarily as one means of solving the energy problem?	66.56	25.93	7.51
7. A tax cut at this time?	37.68	52.93	9.39
8. Wage and price controls?	33.68	57.51	8.81

Mr. Speaker, this year's poll did not raise the issue, yet many of my constituents volunteered their views on forced busing of students for racial balance. They were 100 percent against.

I have voted against forced busing every time the issue has come before the House of Representatives. I authored antibusing bills in 1969 and 1970. In 1971 I signed a discharge petition to try and get a constitutional amendment resolution to the floor of the House. In 1973, I coauthored a resolution to try and preserve the neighborhood school concept.

Mr. Speaker, the Congress has failed to produce any effective remedial legislation, and it is obvious that we cannot count on the Supreme Court for a solution to this problem. It is imperative that we take decisive, clear-cut action and a constitutional amendment would be the most definitive action possible. Today I am again introducing a constitutional amendment, the pertinent part of which reads as follows:

Resolved by the Senate and House of Representatives of the United Sates of America in Congress assembled (two-thirds of each House concurring therein), That the following article is proposed as an amendment to the Constitution of the United States, to be valid only if ratified by the legislatures of three-fourths of the several States within seven years after the date of final passage of this joint resolution:

SECTION 1. No public school student shall because of his race, creed, or color, be assigned to or required to attend a particular school.

THE JUDICIARY COMMITTEE AND HOUSE RULES

The **SPEAKER** pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Illinois (Mr. ERLENBORN) is recognized for 30 minutes.

(Mr. **ERLENBORN** asked and was given permission to revise and extend his remarks and include extraneous matter.)

Mr. **ERLENBORN**. Mr. Speaker, I have taken this time to report to my colleagues and to the American people that the House Committee on the Judiciary is openly flaunting the rules of the House of Representatives.

Members of the House are being denied their rightful access to impeachment information in the control of the Judiciary Committee. At the same time, however, information is being selectively leaked to the news media for public consumption in an attempt to damage the President, the Secretary of State and others.

The result, of course, is that the people and, most importantly, the Members of this House who soon must pass judgment are being given a distorted picture.

Mr. Speaker, clause 27(c), rule XI, of the Rules of the House of Representatives states quite clearly as follows:

> All committee hearings, records, data, charts, and files shall be kept separate and distinct from the congressional office records of the Member serving as chairman of the committee; and such records shall be the property of the House and all Members of the House shall have access to such records.

In a letter dated April 3, 1974, I cited this rule to the chairman of the Judiciary Committee. I asked for access to impeachment evidence, which is the right of every Member.

In a letter dated April 10, Chairman RODINO denied me this access, citing the rules of the Committee on the Judiciary as his authority. In a subsequent letter, dated May 2, I reminded Chairman RODINO that the rules of the House take precedence over the rules of a committee.

In later correspondence, I requested access to certain material which had been the subject of leaks to the news media. It was my desire to learn the context in which these excerpts appear, so as to gage for myself whether the interpretations implicit in the leaked material are meant to serve the truth or the prejudices of the person initiating the leak.

This requested access also was denied.

Mr. Speaker, not only is rule XI clear beyond any chance for misinterpretation, but recent precedents support the rights of Members of this body. The so-called Pentagon Papers were classified documents which were illegally leaked to the press. When obtained by the House Armed Services Committee, they were made available to all Members of the House, in keeping with rule XI.

It is my judgment that Chairman RODINO is acting as he believes best. As long as the rules of the House are being flagrantly ignored and violated, however, and as long as anti-Nixon members of the Judiciary Committee are permitted to release bits and pieces of information to the press and the public, the result is a management of the facts and the evidence—and of the news—to the detriment of the people's right to the whole truth.

Mr. Speaker, I have notified Chairman RODINO of my intention to speak about this matter today. I have furnished him with a copy of my remarks in order that he may be prepared, if he sees fit, to correct any misstatement of fact or interpretation in my remarks, or to comment otherwise upon them.

THE REGIONAL RAIL REORGANIZATION ACT

The **SPEAKER** pro tempore (Mr. McFALL). Under a previous order of the House, the gentleman from Montana (Mr. SHOUP) is recognized for 5 minutes.

Mr. **SHOUP**. Mr. Speaker, recent court proceedings have raised the question of the intent of Congress when it adopted H.R. 9142, the Regional Rail Reorganization Act. As one of the authors of this bill, I would offer the following statement as my interest and personably that of those who voted in favor of the bill.

The Regional Rail Reorganization Act was a product of many months of hard work and extensive deliberations. This subcommittee, the full committee, the Senate, and the House-Senate conference worked very hard to formulate an act that would be most responsive to the economic disorder that was threatened by the railroad distress in the northeast region of the United States. I believe that all of us on the subcommittee were especially gratified at the very strong vote of approval given the bill by the House.

Throughout the course of its development this legislation, and those commenting on it, persistently presented the problem of compensation for the bankrupt estates against which the creditors were pressing their claims. Here at the outset of my remarks I would like to say that much of the pressure and much of the commentary to which we were subjected was, and quite understandably, creditor inspired. It was frequently my feeling that because the Government was acquiring nothing and was only using its regulatory power to enforce a reorganization of bankrupt railroads in response to the demands of public need that the creditor compensation arguments a disproportionate amount of our time and effort.

That there would be lawsuits testing the constitutionality of the act was at all times an accepted prospect. Therefore, the filing of actions by the creditor interests was in no way unexpected by those who had worked on the bill. The attack, as expected, was well presented and quite properly, very vigorous. In response, the Government's brief and argument in defense of the act on nearly all points is to be commended.

There is, however, a point in that brief which I feel represents an unfortunate misapprehension about the intent of Congress, and I feel that the record must be perfected on this score. I do not in any way intend to second-guess the attorneys for the Government, and certainly I would not presume to gratuitously offer directions on how they should or should not proceed. My sole purpose here is to explain my understanding of the intent of the Congress on this single point.

Basically, the congressional perception of the act was that rail property was to be transferred from the bankrupts to a private, for-profit corporation. Consideration for the transferred property was total ownership of the new corporation by the creditors who would acquire their ownership interests by way of an adjudication of their claims against the bankrupt estates. As this pattern evolved, Congress did not perceive that it was doing anything more than effecting a reorganization. Time and time again the point was made that the Government was not acquiring anything, but that because of the fact that there was a strong public interest involved and because the health, and welfare of millions of people was threatened, it was necessary to exercise its power of regulating and its plenary bankruptcy power to restructure these carriers.

Congress was certainly not unmindful that a remote possibility existed that this exercise of its commerce and bankruptcy powers could be judicially characterized as a taking. In the course of the litigation that has been developing over the past weeks, the trustees for the Penn Central have advanced the argument that the act is constitutional but that it does effect a taking and that if the consideration is not adequate, the creditors have a claim against the Federal Government based upon the Tucker Act. Given the hypothesis that the courts do declare that the act is a taking, the Government then concedes that there is a Tucker Act claim.

This is the point at which there has been an apparent misunderstanding of the intent of Congress. First, Congress always intended that the compensation be adequate to satisfy the requirements of the Constitution. Second, any and all compensation was to be paid, not by the Government, but by the entity which acquired the property and that entity would be liable for the taking. There never was at any time under any hypothesis or under any circumstance an intent that the liability should be directed at the Federal Government.

Absent the act, there would be liquidation or a continuation and possible workout under reorganization, or perhaps some form of further government emergency aid, but certainly no exposure to a multi-billion dollar liability. To concede that because of the regulation of the act a claim could be perfected against the Federal Government is to concede something that no member ever intended. This attempted deflection of liability from the corporation to the Federal Government is understandable on the part of the creditors, but my understanding of the adversary system tells me that the Government should resist it.

Should the courts declare that Congress either cannot direct a reorganization of these bankrupt railroads without effecting a taking or at least that in this case it has failed to do so would be a declaration that the commerce power and the bankruptcy power are not applicable or have been misapplied. In either eventuality the congressional intent would undoubtedly be to either redraft the legislation or simply let the established section 77 procedures take their course.

As I have said, it is not my purpose to second guess the tactics of the Government attorneys, but I can and I must state emphatically that at no time did I or any of the Members with whom I discussed the act intend that there should be any type of claim against the Government under any hypothetical or contingent situation. In whatever legal positions are defined, it would seem that fidelity to the intent to regulate should be vigorously preserved. Concessions to the contrary are in my opinion distortions of the intent of Congress.

THE PRIVACY CONGRESS

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from California (Mr. GOLDWATER) is recognized for 5 minutes.

Mr. GOLDWATER. Mr. Speaker, I am pleased that 92 Members of the House have agreed to cosponsor a comprehensive new privacy bill with myself and my colleague from New York (Mr. KOCH).

This is a great milestone in our efforts to secure passage of legislation to guarantee right to privacy for all Americans. I firmly believe that the 93d Congress should go down in history as the "privacy Congress." More and more Members of Congress are taking an active role to achieve this noble goal, and I am heartened by this positive response.

Earlier this week I testified in behalf of privacy legislation before a joint meeting of the Senate Government Operations Committee and the Senate Judiciary Committee. I would like to include this testimony as a part of my remarks as follows:

TESTIMONY OF CONGRESSMAN BARRY M. GOLDWATER, JR.

Mr. Chairman and Members of the Committees on Government Operations and Judiciary, I am deeply honored and grateful for the opportunity to testify here today. These two committees have accepted a great challenge. You have agreed to undertake to make the 93rd Congress the Privacy Congress.

Certainly you have made great efforts in the past. There is no doubt that Chairman Ervin has fought long and hard in behalf of the personal privacy of Americans. The Senate can be proud of its record in the areas of fair credit reporting, freedom of information, and the protection of the rights of federal employees.

I am pleased that legislation before this committee is Senate Bill 3418. By advocating that legislation we are accepting a most difficult challenge to develop an intelligent, responsible marrying of a restoration of personal privacy with information practices that are beneficial to both the individual and the society. S. 3418 is an excellent vehicle for the accomplishment of that task.

The current condition of the right of personal privacy is a confused and beleaguered one. The founding fathers to my knowledge never used the term privacy. And yet, privacy is an essential and basic element of freedom and liberty. The common law addresses it in a very limited sense. And, with the exception of the Bill of Rights, there has been little specific Congressional action directed at securing that right. But, until the last twenty years there was not the pressing urgency that exists now for such action.

It has only been with the advent of the computer and modern, electronic communications systems that serious problems with personal information arose. Before that time, personal information was difficult to record in any detail and it was even more difficult to pass around. It rarely left the physical vicinity of the person it concerned. There is no need to tell you what the situation is like today.

But, there are several aspects of the current problem that disturb me greatly. First, President Roosevelt's Executive Order #9397, which authorized the use of the Social Security Number for identification and records filing, has never been rescinded or modified. It has encouraged the development of a numeric identifier—similar to the type of identifier that enabled the Nazi's to hunt down Dutch Jews in World War II.

Second, the individual about whom personal information is collected has no legal means to protect himself from the accidental or deliberate misuse of that information. He does not know some information systems exist. He cannot amend the contents. And, he has little legal remedy if damage occurs. It is common governmental and private practice to assume that once the individual gives over the information he severs any and all future control over it—even if its use destroys him or his reputation.

Third, the Federal Government shows little sign of waking up to the fact that its uses and misuses of personal information must cease. In the face of the President's State of the Union Message on privacy and the creation of the Vice President's Commission on Privacy, the Government Accounting Office, in the name of efficiency and utility proposed "FED-NET". It amounted to a national data bank, for the proposal sought the ability to enter and query all federal information systems. It took an incredible amount of Congressional and Executive opposition to get the request for proposal withdrawn. And, I am sad to report, the concept still lingers on.

Certainly, firm Executive action would be greatly helpful. But, it is only Congress that can definitely remedy the situation. Congress has the responsibility to augment by legislation the spirit of the Constitution.

Fourth, the courts do not have a firm statutory peg on which to hang a decision that reinforces the notion that along with the utilitarian and the pragmatic considerations there should be an equal amount of attention paid to the protection of personal privacy. The courts need help and the Congress is in a position to help them.

Gentlemen, I feel a great sense of urgency about this matter. Today, there are more than 150,000 computers in operation in the United States, and there are over 350,000 remote terminals in active use. By 1984 there will be twice the computers and seven times the terminals. We are legislating on what will be 50% of the industry that will exist in just ten years. The longer we delay acting the more difficult it will be to act.

Mr. Chairman, I believe in the rightness of each and every one of the proposals contained in this bill. I do recognize that each one of you may well have troubles with some of them. Some of my colleagues in the House are having the same difficulty. I want to assure you that I am not wedded to any one provision. Rather, I am dedicated to the principles contained in the bill. It is my sincere belief that any legislation attempting to deal with the problem of personal privacy and personal information must contain the following principles and policies:

1. There should be no personal information system or part thereof that contains personal information whose existence is secret.

2. Information should be collected only where clearly established need has been demonstrated, and it should be appropriate and relevant to the purpose for which it is collected.

3. There should be a prescribed procedure

for an individual to be notified that personal information is stored about him, the purpose for which it has been recorded, and the particulars about its use and dissemination.

4. There should be a clearly prescribed procedure for an individual to challenge information as to its timeliness, pertinence, accuracy, currency, and to be able to correct, amend or purge.

5. There should be a clearly prescribed procedure for an individual to prevent personal information legitimately collected for one purpose from being used for another purpose without his consent or in the case of the government specific statutory authority for the new use.

I might add that I also place great importance on the idea that the original responsibility and legal jurisdiction for protection should lie with the individual and not some government agency empowered to act in his behalf.

Finally, Mr. Chairman, I wish to address three specific provisions of the bill. First, the provision prohibiting the indiscriminate use of the Social Security number. Federal action has encouraged its abusive use. Today, it is used as identification and for indexing and filing. Its uses often bear no reasonable relation to the Social Security function the number was created to fill. Its use is so pervasive that many citizens can actually be traced from the cradle to the grave just by using that number. Earlier, I made reference to the disastrous situations that the use of this number can encourage. The technical state of the computer art cannot fully prohibit its misuse. Thus, I believe the use of the number must be severely limited. And, if ever technology makes a universal identifier less dehumanizing and more secure, then only should Congress authorize its development and implementation.

Another area of information abuse is the distribution of census information by Zip Code. This practice looks harmless. But, by combining the information with a phone book and by separating the information according to non-financial characteristics, individuals can be identified. The government is collecting this information on the basis of the statutory law. The citizen is required to give it. Because of that circumstance I do not believe it is just for the government to either sell such "statistical" information or to give it way. It defeats the very privacy that many have sought not to violate.

My third concern is mailing lists. It is my belief that bulk mail has served and will continue to serve many useful purposes for the citizens. And yet, I recognize that many Americans are angry at their inability to get their names removed from such lists. I therefore believe that a provision in the bill that specifically exempts a maintainer of a mailing list who complies with the written request of an individual to have his name, address or other identifying particular removed from a list from compliance with the Act is beneficial to all concerned. Such a provision would permit the others to protect their privacy as they see fit. Such a provision is in the present bill but I believe its language is a bit vague. I recommend that it be clarified during mark-up.

These are what I believe to be the essential elements of any legislation of personal privacy as it related to the collection, maintenance, use and dissemination of personal information. I believe these committees will not let the people down. The House of Representatives has major privacy legislation already in mark-up session. There is a broad coalition of support in the House that makes the chances for passage look extremely good. I look forward to similar action in the Senate. I would like nothing better than to be able to call this Congress the "Privacy Congress".

FEDERAL AID RAILROAD ACT OF 1974

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. ASPIN) is recognized for 10 minutes.

Mr. ASPIN. Mr. Speaker, yesterday I introduced the Federal Aid Railroad Act of 1974, which is designed to solve what I believe is the primary cause of the decline of our Nation's railroads—deterioration and decay of track and roadbed.

The international energy crisis has driven home the fact that modern rail service for both freight and passenger service is an essential element of a balanced transportation system. For freight, trains are far more energy-efficient than trucks or airplanes. For passengers, trains are clearly ahead of airplanes and automobiles. Yet the potential of railroads is not being fully exploited—largely on account of poorly maintained track and roadbed. Train speeds have been sharply reduced in many parts of the country, not just in the bankrupt northeast. Train derailments on account of defects in and improper maintenance of track and roadbed are rising at an alarming rate.

In a considerable effort to deal with these problems, Senators WEICKER, HATHAWAY, HARTKE, and RIBICOFF introduced S. 3343, the Interstate Railroad Act of 1974, last April 10. This legislation calls for designation of an interstate Railroad System of high density main lines which would be maintained to standards sufficient for 80-mile-per-hour passenger service and 60-mile-per-hour freight service. Other lines would have to be maintained at standards sufficient for dependable service at speeds operated prior to the track deterioration of recent years.

The bill provides for Federal financial assistance in the form of both grants and loan guarantees to carry out the required rehabilitation work. The bill would encourage rationalization of railroad plant by allowing railroads to apply to the Interstate Commerce Commission for authority to operate over tracks of other railroad companies, when such operation would save money and allow improved service.

The Senators who sponsored S. 3343 provided in their introductory statements a wealth of background information on the underlying causes of the track and roadbed problem and on the need and justification for this type of legislation. I heartily commend this material to the attention of my colleagues.

I believe that the fundamental facets of S. 3343—mandatory high standards of track maintenance, Federal aid to rehabilitate tracks to those standards, and freer access by railroads to rail lines of others—are sound principles on which to construct a solution. However, I have serious reservations about extending substantial financial assistance directly to the private railroad companies.

Furthermore, in view of the many other valid claims on general revenue funds, I believe it would be desirable to establish a separate funding mechanism to finance the required rehabilitation work.

The bill I introduced—the Federal Aid Railroad Act of 1974—provides first for designation of an interstate railroad system. For planning purposes, the initial system would consist of all rail lines which are subject to traffic usage of at least 10 million gross ton-miles per year per mile of rail line. I am told that this guideline would embrace about half of the approximately 200,000 route miles of railroad in the country. The final system, to be designated by the Secretary of Transportation after public hearings and review by Congress, would include such additions and deletions from the initial system as are warranted by the public testimony.

Rail lines included in the system would have to be maintained at standards sufficient for smooth and dependable operation of freight trains at speeds up to 60 miles an hour. Passenger trains could go up to 80 miles an hour on the same tracks.

Most, if not all, the interstate railroad system would become the responsibility of the Interstate Railroad Corporation, a new nonprofit corporation created by this bill. The board of the Corporation would be bipartisan, half the directors being appointed by the President and the rest appointed by the congressional leadership of the party opposite the President.

All railroad companies, including the new Consolidated Rail Corporation, could at their option convey their tracks to the IRR Corporation in return for being relieved of responsibility for track maintenance and property taxes.

Rail lines conveyed to the Corporation and not included in the interstate railroad system would be turned over by the Corporation to the States in which such lines are located. Responsibility for maintenance of these lines would henceforth be with the States.

Knowledgeable railroad sources estimate that upon conveyance of rail lines, a railroad would save about 85 percent of total maintenance of way and structures expense; 15 percent total payroll taxes; and about 60 percent of total State and local property taxes.

Freight and passenger rail carriers could operate over rail lines of the corporation and of the States upon payment of a user charge of $1 per 1,000 gross ton miles. At that level, it is obvious that most railroads would have an incentive to convey their rail lines. The only roads that would consider staying out would be those which are currently paying a dollar or less for the items they would be relieved of and which have little or no deferred maintenance to be made up. Norfolk & Western, Santa Fe, Rio Grande, Southern Pacific, Union Pacific, Western Pacific, Missouri Pacific, and Frisco appear to be the only lines that would have a genuine option.

The bill includes a direct appropriation for payment to State and local governments of property taxes of which railroads would be relieved by conveying rail lines. Highway, air, and water carriers operating over publicly owned facilities pay no tax to State and local governments equivalent to the assessed valuation of the highways, airports, and waterways.

Hence it is fair that upon conveyance of their rail lines, the railroads not be required to pay the equivalent of such taxes as a part of their user charges. At the same time, however, taxes on railroad property are a vital source of revenue to many local governments.

Therefore it seems imperative that the Federal Government step in and replace this revenue. The net effect is analogous to revenue sharing. The Federal payment would be around $250 million per year were all railroads to convey their rail lines and thus obtain relief from property tax liability; around $150 million per year if the eight railroads I previously named would decide to retain their own rail lines.

In 1973, the class I railroads, Amtrak, and Auto-Train ran about 2.1 trillion gross ton miles of line haul locomotive and train operation. Hence 1973 operations at a dollar per thousand gross ton miles would have yielded $2.1 billion to the Corporation and States for track maintenance. As I have already pointed out, about 85 percent of total maintenance of way and structures expense and 15 percent of total payroll taxes would be taken over by the Corporation and States upon conveyance of rail lines. For 1973, the total of these items for all railroads was $1.86 billion. So a dollar per 1,000 GTM user charge would more than cover maintenance expenses, and leave over $200 million per year for rehabilitation and modernization.

Indications are that the cost of rehabilitation of our rail lines to the standards required by this bill will range between $2 and $3 billion. While the user charges provided for in the bill should cover the cost of ongoing maintenance, some outside financial assistance must be provided for rehabilitation.

Accordingly, I am introducing as a seperate companion bill, the Railroad Revenue Act of 1974, which would impose a 1-percent tax on the cost of transportation of all domestic freight shipments by surface freight carriers—rail, track, barge, and pipeline.

The tax would apply to shipments by private carriage as well as by public carriers. The Interstate Commerce Commission estimates that revenue, from this tax from public carrier shipments alone would be around $500 million per year. Applying the tax to private carriage would bring in at least another $100 million. The tax would end after 6 years.

This type of tax was first proposed by the Interstate Commerce Commission in early 1973. In justification, the Commission stated:

> We believe that (the) tax should apply to for-hire transportation generally, regardless of mode. This may at first sight appear to be an unfair imposition on the railroads' competitors. However, we think that further analysis will demonstrate that this is not the case. The tax which we propose would be levied, after all, on the user of transportation services, not on the carrier. Every user, we are convinced, will benefit from the improvement of rail service. Even if he does not use the railroads himself, better rail transportation will mean heightened competition, and the result should be higher quality service, at competitive rates, for all modes. As a practical matter, too, the imposition upon the railroads alone of a tax burden sufficient to fund the level of railroad aid that is needed could do no more than add to their present problems. Such a tax would have to be a rate of three or four percent on railroad billing, and the result could only be diversion of badly needed traffic to other modes.

I concur with the ICC's reasoning. Every shipper of freight, regardless of what mode he uses, is ultimately dependent upon the efficiency of the entire chain of distribution—from raw material to finished products—of which his shipment is a part.

Rail transportation is an essential element, to a greater or lesser extent, in virtually every chain of distribution. The quality of rail transportation in many parts of the country is steadily deteriorating; a major cause of such deterioration is deferred maintenance of track and roadbed. Hence, it does not seem unfair to ask shippers by all modes to make a very modest contribution toward rehabilitation of the railroads. Expiration of the tax after 6 years assures that it would not become a permanent subsidy.

The bill contains several provisions designed to promote rationalization of rail operations by encouraging rail carriers to operate over Corporation rail lines other than those they previously owned.

Railroads that retained their own lines would have to maintain their tracks to the required standards entirely from their own resources, and would have to allow others to use their tracks upon payment of just compensation fixed by the Interstate Commerce Commission.

The bill contains provisions for the protection of railroad employees who otherwise might be adversely affected by the various transactions the bill calls for.

I believe that the concept of public acquisition and maintenance of railroad tracks and roadbeds, which is embodied in this legislation, has significant advantages over the approach taken by S. 3343 of providing substantial financial assistance directly to the railroad companies:

First. A publicly owned and maintained rail network should enable us to have the best of both possible worlds—elimination of dupliacte and wasteful tracks and facilities inherent in the present ownership by numerous private companies, and at the same time, continuation and improvement of a competitive, privately financed and operated rail freight system.

Indeed, it seems quite possible that we could end up with more competition between rail freight carriers than we have today.

While S. 3343 provides for joint use, past experience with existing trackage rights arrangements indicates that the owner and dominant user of a given rail line is often contentious and uncooperative toward the carrier holding trackage rights.

Second. Neutral public control of rail lines would eliminate any possibility of sacrificing maintenance in favor of dividends and/or nontransportation investments. While deferred maintenance would be prohibited under S. 3343, the Secretary of Transportation would have to maintain constant vigilance in order to assure compliance.

Third. The uniform user charge prescribed by this bill will convert the economics of rural rail carrier operations to the same basis as rural trucking operations.

User charges paid by a trucker are exactly the same per mile of operation regardless of whether the truck is running on a rural highway or a high density urban expressway.

The heavy traffic in high density areas is in effect subsidizing the cost of construction and maintenance of roads in rural areas. Many rural roads would never have been built were it not for this cross-subsidy concept, for the traffic on them could not generate sufficient funds in user charges to pay for them.

Yet it is imperative that we do as much as is feasible to enable rural areas to compete economically on equal terms with urban areas.

Our highway financing policies serve that vital objective. It is time to apply the same principle to rail transportation.

Fourth. The public funding provided by this bill would flow exclusively to the nonprofit Federal corporation and to the States. No money would go to the private railroad companies.

This is rather complex legislation, and I welcome suggestions and comments from my colleagues. I am convinced that this bill provides the most effective method yet devised of providing our country with the modern, dynamic rail system that is so badly needed.

RIGHT TO PRIVACY ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. DRINAN) is recognized for 10 minutes.

Mr. DRINAN. Mr. Speaker, I join wholeheartedly as a sponsor of the "Comprehensive Right to Privacy Act" introduced by my distinguished colleagues from New York and California. It contains a number of improvements over its predecessors, which I also supported. Allow me to add a few words to what has already been said about the measure.

On February 6 of this year, I addressed the House on the subject of citizen solitude. Referring to the number of bills which were then pending, I noted that "none deals comprehensively with the problem of privacy." This bill seeks to remedy that deficiency by meeting head-on the intrusions into our private lives which result from the collection, storage, and dissemination of personal information.

This proposal, if enacted into law, would cover all data gathering systems: whether maintained by Federal, State, or local governmental agencies, or by private, commercial organizations. It would prohibit these institutions from keeping secret files on individuals. It has a very limited exception for news reporting, national defense, and law enforcement files.

One of the principal features of the

bill is that it controls data collection. Where past proposals have sought only to regulate storage and dissemination of information, this measure begins with the proposition that data not collected cannot be subject to abuse. The bill imposes a strict standard on all covered organizations respecting the kinds of personal information they may keep on individuals. This provision should put a stop to the indiscriminate and unnecessary acquisition of information unrelated to the purposes of the agency desiring it. No longer will these institutions be permitted to accumulate data of the nice-to-know but not essential variety.

Closely related to this restriction is the requirement of the bill that necessary information be acquired primarily from the individual who is the subject of the file. While not absolutely prohibiting it, the measure would greatly curtail fact-gathering from third party, anonymous sources. And when an individual is legitimately asked to furnish personal information, the proposal would direct the fact-gatherer to inform the subject whether the data must be given and what consequences may flow from a failure to do so.

Further the measure has provisions requiring notification to the individual that a file is kept, and allowing that person access to it for inspection, correction, or revision of the information contained in it. It restricts dissemination of such data and imposes civil and criminal penalties for those who violate its proscriptions.

Finally I should observe that the bill would establish a Federal Privacy Board to oversee compliance with the Act. One of its most important functions is to collect and publish annually a Data Base Directory of the United States which would list the "name and characteristics of each personal information system." This requirement would go a long way to monitor creation and operation of data banks. Senator ERVIN's Subcommittee on Constitutional Rights recently released its study showing that, in the Federal Government alone, 54 agencies reported that they kept 848 data banks containing over 1 billion records.

There are, to be sure, other important provisions in this comprehensive bill. One, for example, would forbid requiring the disclosure or furnishing of a person's social security number, an item of information which is fast becoming the universal identifier. The important point, though, is that this measure, if passed, would take us a giant step forward in protecting the right of privacy.

The proposal is being referred to the Judiciary Committee of which I am a member. I pledge to do everything in my power to see that this bill is considered with dispatch. I shall also seek to strengthen it wherever possible. I ask my colleagues in the House and on Judiciary to join me in this effort.

THE HIGHEST IDEAL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ROSTENKOWSKI) is recognized for 5 minutes.

Mr. ROSTENKOWSKI. Mr. Speaker, it is not often that I take the floor to address this House on matters unrelated to the legislative issues of the day. But today I would like to inform my colleagues of an incident that, though tragic in its final outcome, is a fitting example of the inner strength of our country and its people.

The American National Red Cross has recently brought to my attention a noteworthy act of mercy undertaken by one of my constituents, Joseph L. Calomino, a corporal in the Illinois State Police.

On February 18, 1974 Corporal Calomino, trained in Red Cross first aid, left his police patrol car to investigate an automobile accident. He found the doors of one of the automobiles were locked from the inside, and the driver was slumped in the seat. Corporal Calomino removed a window with a metal bar and extricated the apparently lifeless victim. He then began immediately to administer mouth-to-mouth resuscitation and continued until the woman resumed breathing. She was taken by ambulance to a hospital. Although the victim succumbed 6 days later, without doubt Corporal Calomino's use of his skills and knowledge sustained her life until medical help could be reached.

For this valiant effort, Corporal Calomino received the Red Cross Certificate of Merit, the highest award given by the Red Cross to a person who saves or sustains a life with the use of his Red Cross skills. I heartily agree with the President of The American National Red Cross, George M. Elsey when he states that this action exemplifies the highest ideal of the concern of one human being for another who is in distress.

CONFLICT OF INTEREST AT FEO

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 30 minutes.

Mr. VANIK. Mr. Speaker, yesterday in the RECORD, page H5490, I outlined the poor performance of the top officials at the Federal Energy Office in resolving an apparent case of conflict of interest within their agency. With the able assistance of the General Accounting Office, I have investigated in detail the case of Mr. Robert C. Bowen, an employee of the Phillips Petroleum Co. From June 1973 to May 1974, Mr. Bowen was employed as a petroleum engineer, first with the Office of the Energy Adviser in the Department of Treasury and then within the Federal Energy Office.

The specific allegation concerning Mr. Bowen involved his role in drafting propane gas regulations at the FEO. Phillips is one of the largest domestic producers of propane. One official at FEO, Mr. David Oliver, has indicated that Mr. Bowen worked long and hard with him in developing propane regulations.

The General Counsel of the FEO, Mr. William N. Walker, in a memorandum dated April 8, 1974, brought the potential for conflict in Mr. Bowen's case directly to the attention of William Simon, then Administrator of the FEO. Mr. Walker's memo stated in part:

> 18 USC 208 declares it to be a crime (not a civil offense) for an officer or an employee of the Executive Branch to "participate personally and substantially as a Government officer or employee through decision, approval, disapproval, *recommendation, the rendering of advice, investigation or otherwise,* in a judicial or other proceeding * * * or other particular matter in which, to his knowledge, he * * * has a financial interest." The fact that Mr. Bowen might only make recommendations, render advice, or make investigations at the direction of Mr. Johnson would not place him outside the reach of the statute. Quite the contrary, it would place him squarely within the language of the statute * * *.
>
> If, indeed, the nature of Mr. Bowen's duties has changed so that he participates in decisions or renders advice on matters which have a direct impact upon Phillips Petroleum, then Mr. Bowen's activities would be outside the guidelines established by Mr. Johnson in June and would violate 18 USC 208. Mr. Johnson, however, as Mr. Bowen's immediate superior, is in the best position to assess the degree to which Mr. Bowen's duties have been altered by virtue of the creation of FEO and the regulatory missions assigned it.

On April 24, 1974, Mr. Walker sent another memorandum to Dr. John Sawhill, concerning the Bowen case. In that memorandum, Mr. Walker stated:

> From the materials developed to date, I do not believe that the potential conflict problem has been resolved in this case. I therefore recommend that immediate consideration be given to such further action as may be necessary to resolve the matter.

Despite this additional warning it does not appear that Dr. Sawhill pursued the recommendations of his General Counsel. What is more disturbing is that there is little indication that Dr. Sawhill even acknowledged the potential for conflict in Mr. Bowen's employment.

The GAO report, which I have submitted to the RECORD, outlines the utterly unsatisfactory way in which the FEO handled the Bowen case. But now even this weak-kneed explanation by FEO of Mr. Bowen's activities must be called into question.

It has come to my attention that Mr. Bowen, while employed at the Office of the Energy Adviser in the Department of the Treasury, was the author of a nontechnical, policy-oriented memorandum entitled, "Distillate: Problems and Solutions." The clear intent of the memorandum, which was written by Mr. Bowen for William Simon—then chairman of the Oil Policy Committee, the predecessor of FEO—recommends policy direction in dealing with the shortage of distillate oil during the winter of 1973–74. Specifically, Mr. Bowen's memo focuses on the relaxation of air pollution sulfur standards and the allowance by the Cost of Living Council of passthrough on all imported distillate oil. Quoting from page 4 of this extraordinary document, Mr. Bowen recommends to Mr. Simon:

> Therefore, as a first action, we should recommend that the EPA relax distillate and residual sulfur standards this winter.
>
> Distillate from foreign sources costs more

than domestic distillate. Therefore, if foreign distillate is to be imported it is imperative than an economic climate be created such that oil companies who import distillate are able to do so without incurring a financial loss. Present COLC regulations purport to do this. However, they are very complex and whether they do this in fact remains to be seen.

Therefore, as a second action, we should recommend that the COLC revise its regulations when and if necessary in the future to permit full recovery of additional costs by importers of petroleum products.

There are two disturbing facts about this memo. First, it is quite evident that Mr. Bowen's activity in the Treasury—and persumably at FEO—was definitely not limited to giving purely technical advice, as we have been repeatedly assured by Dr. Sawhill. Second—and this is the most alarming matter—apparently a wide range of officials at FEO were aware of Mr. Bowen's activity, yet failed to pursue the conflict question.

Mr. Bowen's memo was routed to Mr. Simon through his supervisor, Mr. William Johnson. The FEO, in defense against the allegations of conflict in the Bowen case, has repeatedly referred to the determination of Mr. Johnson as proof that the conflict question was handled adequately. It was Mr. Johnson who wrote Mr. Bowen's original job description and who was supposedly in charge to assure that no conflicts with Mr. Bowen arose. Now we see from this September 1973 memo that Mr. Johnson apparently was not a very active watchdog.

What is perhaps more surprising is the extraordinary circulation the Bowen memo received. No less than 19 top energy policymakers, aside from Mr. Simon and Mr. Johnson, received copies of the Bowen memorandum. Included in this list is Dr. Sawhill. Receipt of the Bowen memo by Dr. Sawhill calls into serious question just exactly what Dr. Sawhill meant when he told Senator ABOUREZK during the confirmation hearings:

> I am not familiar with Mr. Bowen's technical advice because he never directly provided me technical advice. He provided it to people who were working for me, and they assured me he was not providing technical advice that would have been of particular benefit to his company and he disqualified himself.

At best, this is evidence of a lack of diligence on the part of the administrators of FEA in dealing with conflict questions. At worst, it is an indication of deliberate deception.

This exhaustive inquiry into the Bowen matter underlines the vital necessity of undertaking continuous, ongoing oversight of our energy policymaking to insure that this policy is not subverted to the narrow interests of the energy industry. Pious, self-serving rhetoric by executive officers is no substitute for congressional diligence. I am outraged by this memo. It appears to indicate that our Federal energy officials have been extremely negligent in resolving this grave matter. Ultimately, it is the faith of the American people which has been damaged. It is the integrity of a Federal agency that has been called into question.

Mr. Speaker, I wish to insert into the RECORD at this point the full text of Mr. Bowen's September 28, 1973 memorandum:

MEMORANDUM

To William E. Simon.
Thru William A. Johnson.
From Robert C. Bowen.
Subject. Distillate: Problems and Solutions.

Distillate imports must range between 650,000–1,000,000 barrels per day during the 4th Quarter of 1973 and the 1st Quarter of 1974 in order to avoid shortages of this product. Actions necessary to encourage this level of imports include the following:

1. Relax distillate and residual fuel sulfur standards this winter.
2. Insure that the Cost of Living Council allows full cost pass-through on all imported distillate.
3. Implement a strong advertising program to encourage distillate conservation.

Several studies have been done which form the background for this paper. These studies were Treasury's input to the Interior Department's distillate study. This backup data are available to interested persons. A more complete discussion of the study follows.

The United States is faced with a potential distillate shortage this winter. Demands for distilate have been accelerating due to (1) environmental emission standards forcing a shift from coal to residual fuel oil to distillate fuel oil, (2) shortages of natural gas forcing curtailments a portion of which must be replaced with distillate fuel oil, and (3) normal growth in demand for traditional distillate customers. Domestic disillate supply has not kept pace with demand. The supply is limited by refining capacity and until additional refinery capacity is constructed, the shortfall between domestic supply and demand will continue.

Forecasting is an imprecise art (or science ?). Several key factors which must be considered when preparing a supply/demand forecast for petroleum products are outside the control of the oil industry or the Federal Government.

Any single point forecast has the inherent risk of providing a false degree of security since the forecast is dependent upon assumptions about these uncontrolled variables. A more reasonable approach might be to estimate a reasonable upper and lower bound on these uncontrolled variables with the result that the forecast is expressed as a range instead of a single point estimate. The range approach has been used in preparation of these forecasts.

Optimistic and pessimistic forecasts have been prepared for District I–IV and District V to bracket the volume of imports needed to balance demand. The level of imports was calculated to be that quantity of imports required to insure that stocks do not fall below minimum levels.

The results of the forecasts are summarized below:

DISTILLATE IMPORTS

District I–IV

[*In thousands of barrels per day* (*optimistic-pessimistic*)]

Maximum distillate production in winter:	
4th quarter 1973 to 1st quarter 1974	670–783
4th quarter 1974 to 1st quarter 1975	898–1,042
Maximum gasoline production all year:	
4th quarter 1973 to 1st quarter 1974	968–1,135
4th quarter 1974 to 1st quarter 1975	1,194–1,407

Several key variables have a significant effect on these forecasts. The assumptions made for these variables are discussed below:

CRUDE RUNS

Crude runs were assumed to vary between 89 and 91% of capacity. During the early part of the year, crude runs have been considerably in excess of this level. However, mechanical equipment in refineries has been pushed to meet these higher levels and maintenance of the equipment has been postponed. This postponement of maintenance and pushing of equipment will result in excessive downtime during the next six months as equipment failures occur and maintenance operations can no longer be delayed. In addition the very tight supply of crude oil worldwide will result in lost crude runs due to crude unavailability.

DISTILLATE DEMANDS

Distillate demands will be strongly affected by the volume of gas curtailment and requirements to meet lower emission standards. Distillate demands this winter are forecast to increase over last winter by 6.8—11.6%. Given a fairly low growth in demand during the first half of 1973, the 6.8% growth rate appears more likely.

WEATHER

A 30 year normal weather has been assumed. Direct distillate demands are very sensitive to weather. For example, an independent research organization has estimated that a one degree day change from normal in District I is equivalent to 70,000 barrels of distillate and in District II 25,000 barrels of distillate. In addition, natural gas curtailment estimates are also based on a normal winter. Therefore if the winter is colder than normal, two factors will contribute to an increase in distillate demand: the need to supply direct customers and to replace additional curtailments of natural gas.

REFINERY YIELDS

Normally domestic refiners operate to yield maximum gasoline during the 2nd and 3rd quarters and maximum distillate during the 1st and 4th quarters of the year.

Two sets of forecasts have been prepared. One set assumes domestic refineries operating in the manner described above. The other set assumes domestic refineries operating to yield maximum gasoline year around. Under our current situation, there will be a domestic shortage of both gasoline and distillate, and it will be necessary to import both in order to balance demand. However, there are only limited quantities of U.S. quality gasoline available from European and Caribbean refineries. This is due to the fact that down stream process units which are necessary to manufacture U.S. specification gasoline are not normally constructed as part of these refineries. Distillate, on the other hand, is produced in almost all foreign refineries.

One possible solution, then, to meet both gasoline and distillate demands would be to maximize gasoline production all year and import greater quantities of distillate. The difference in U.S. refinery operations between max gasoline all year and max distillate during the winter is about 230,000 barrels per day on an annual basis.

Whether or not U.S. refineries operate on max gasoline or max distillate it will be necessary for the U.S. oil industry to import large volumes of gasoline and distillate to meet domestic demands in the short term. The Federal Government does not have control over all factors affecting imports of products, but certain actions by the Federal Government are necessary to encourage imports.

Most imported product must come from the Caribbean or Europe since these are the areas in proximity to the U.S. with significant amounts of refining capacity. Caribbean refineries are for the most part operating near capacity while Europe does have some surplus refining capacity.

Distillate produced in Europe generally contains more sulfur than allowed for U.S. consumption. Therefore in order to be able to purchase large volumes of European distillate it will be necessary to relax distillate sulfur standards to the level of the distillate pool in Europe. A separate study has been completed which estimates the distillate pool sulfur level in Europe. This study indicates that the pool sulfur level is about .6% sulfur compared with U.S. standards ranging from .2% to .5% sulfur depending on location. If the sulfur standard in the U.S. is not relaxed, only very limited quantities of distillate will be available for purchase; certainly not sufficient to meet our import needs.

Low sulfur content levels required for residual fuel oil result in much distillate being blended into residual fuel oil to produce a material which meets sulfur standards. Relaxing sulfur standards on residual fuel oil would increase its availability and at the same time reduce the amount of distillate required for blending, thereby increasing distillate supplies.

Therefore, as a first action, we should recommend that the EPA relax distillate and residual sulfur standards this winter.

Distillate from foreign sources costs more than domestic distillate. Therefore, if foreign distillate is to be imported it is imperative that an economic climate be created such that oil companies who import distillate are able to do so without incurring a financial loss. Present COLC regulations purport to do this. However, they are very complex and whether they do this in fact remains to be seen.

Therefore, as a second action, we should recommend that the COLC revise its regulations when and if necessary in the future to permit full recovery of additional costs by importers of petroleum products.

The quickest way to make additional distillate available is to use less. A very strong conservation program is needed immediately. Unfortunately, conservation of energy requires changes in life styles and habits. A strong motivation is necessary to cause these habits to change. In the short term, perhaps anxiety is the most useful and effective motivation. A strong advertising campaign by prominent Government officials, perhaps in concert with the oil industry, is the most effective means of getting this message to the public.

Therefore, as a third action, we should recommend the immediate creation of a strong effective advertising campaign to promote energy conservation.

Long term actions to solve product shortages have already been started. These actions include finding additional domestic reserves of oil and gas and construction of additional domestic refinery capacity. We should insure that adequate incentives are established to encourage these actions and that any remaining disincentives are removed.

Even if all the above short term actions were taken, there is no assurance that adequate distillate supplies are available in Europe for importation this winter. A curtailment of international crude oil production would seriously reduce available European product supplies. European countries may restrict exports of products either because of a fear of product shortages in Europe or in retaliation for the U.S. restricting exports of certain agricultural commodities or fuel oil itself. In fact some European countries are already restricting exports.

A very brief study has been done which indicates that European distillate supplies are tight. This suggests we may have difficulty obtaining necessary imports from Europe.

The possibility of maintaining maximum gasoline production in U.S. refineries has already been discussed. If refiners did maintain maximum gasoline runs and if the additional quantities of distillate were available for import, the result would be only limited supply problems for distillate this winter and gasoline next summer. The risk, however, is that if domestic refiners continue maximum gasoline production this winter and if distillate imports are not available then the distillate situation this winter will worsen.

Because it seems more important for people to be warm than mobile, I do not recommend that refiners stay on maximum gasoline production this winter.

VICTORY FOR TENANTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KOCH) is recognized for 5 minutes.

Mr. KOCH. Mr. Speaker, yesterday, on behalf of several colleagues of the Banking and Currency Committee, Messrs. FAUNTROY, HANLEY, MCKINNEY, PARREN MITCHELL, MOAKLEY, REES, STARK, and ANDREW YOUNG, I offered an amendment to the Housing and Urban Development Act to make the new Federal housing programs more equitable for moderate- and low-income families. I am delighted that the members of the Housing Subcommittee accepted our contention that the rents proposed in the bill were too high for those who can least afford them. I am pleased that my good friend and distinguished colleague from Ohio (Mr. ASHLEY) and I were able to develop a substitute amendment which allows lower and moderate income families to pay less rent.

The adoption of my amendment is a major victory for tenants.

The amendment will make the new section 23 leased housing program more consistent with existing public housing regulations by requiring that a family pay 15 to 25 percent of its gross income for rent, rather than the 20 to 25 originally in the bill. I first proposed making the range 15 to 20 percent. I accepted Mr. ASHLEY's substitute figures of 15 to 25 percent in the interest of compromise and insuring the amendment's acceptance.

I found the substitute acceptable because, in some cases, the 25 percent upper limit may be needed to prevent evictions where operating costs and fair market rents rise but subsidy funds are not immediately available. As the sponsor of the amendment, I want the legislative history to clearly state that the upper limit will only be used in extreme circumstances.

Under the traditional but phased out public housing programs, the bill allows a minimum rent of 10 percent of gross income and a maximum rent of 25 percent of adjusted income, allowing for deductions including medical expenses, children, and the like. Not only does the bill replace traditional public housing, as well as current income adjustments, but at the same time it unconscionably requires lower income families who will rely on the new section 23 program to pay disproportionately higher rents than they would under traditional public housing.

A family with four children, $50 in medical expenses, and an income of $3,000 now pays a maximum rent of $400 a year, or $33.33 a month, or 13 percent of their gross income in rent.

Under the bill as formerly written, this family will pay between $200 and $350 more rent a year, and between $17 and $27 more each month. Under my amendment, this family will pay between $4 and $27 more per month, not as low as public housing but at least closer.

Mr. Speaker, there are 231,000 persons in the Boston metropolitan area who live in substandard housing who need new section 23 assisted housing. In Los Angeles, there are 597,000; in Milwaukee, 98,000; in Des Moines, 17,000; in Atlanta, 91,000; and in the New York metropolitan area, over 1 million.

In fact, across the country, according to a recent joint M.I.T.-Harvard study, in urban and rural areas alike there are 13 million families who need subsidized housing.

Sad to note, the Banking and Currency Committee's report on this legislation says that the highest proportional rent will be paid by the elderly. This is hardly fair.

Lower income families obviously cannot afford the higher rents. If we had passed our only housing bill without this amendment, we would have placed unbearable burdens for living in federally assisted housing on those who can afford them least.

One member of the Banking and Currency Committee pointed out that his total yearly housing maintenance cost for his Washington home of $4,500—comparable to rent—amounted to 10 percent of his gross annual income. Twenty-five percent would have been over $11,000, and the Congressman emphasized he could not afford this. Yet this is the percentage of income we are asking the poor to pay.

I urged support of this amendment, on the grounds that it would have been grossly unfair to discriminate so decidedly against those in section 23 leased apartments as opposed to those fortunate enough to be accommodated in public housing, since the people involved in both are of the same economic class.

I want to acknowledge the assistance of the following people and organizations in the preparation of the amendment and the necessary background materials: Carol Bernstein, Clara Fox, and Nancy LeBlanc, New York Coalition to Save Housing; Mary Nenno and Tom Duval, National Association of Housing and Redevelopment Officials; Bessie Economou, National Housing Conference; Rev. Robert Johnson, Interreligious Housing Coalition; Rev. Joseph Merchant, United Church of Christ; Cushing Dolbeare, Ad Hoc Low Cost Housing Coalition and Americans for Democratic Action; and Dennis O'Toole, National Association of Home Builders.

In addition, for their fair, objective, and thorough preparation of language and other information, I want to thank three highly competent congressional staff members: George Gross, staff director of the Housing Subcommittee of the House Banking and Currency Committee; Larry Filson, legislative counsel; and Henry Schechter, senior specialist in housing for the Library of Congress.

I am enclosing for the RECORD an important background paper on Households Living in Deprivation, prepared by the Library of Congress, which clearly demonstrates the need across the country for low-cost housing.

HOUSEHOLDS LIVING IN DEPRIVATION

(By Henry B. Schechter)

In its recently published study of "America's Housing Needs: 1970 to 1980,"[1] the Harvard-MIT Joint Center for Urban Studies compiled data on the number of households living under conditions of housing deprivation. Housing deprivation was defined to include one or more of the following three conditions:

(1) *occupancy of a physically inadequate unit* that lacks complete indoor plumbing facilities, or that has all plumbing, but the heating is inadequate for the local climate, or that has all plumbing and adequate heating but is in a dilapidated condition;

(2) *"overcrowded"*—a household consisting of at least 3 persons and having 1.5 persons per room;

(3) *"high rent burden"*—a household with an income of under $10,000 consisting of:

(i) a two-or-more-person household with head less than age 65, paying more than 25 percent of income for rent;

(ii) a single-person household paying more than 35 percent of income for rent;

(iii) a two-or-more-person household paying more than 35 percent of income for rent.

Based on the foregoing definitions and data from the 1970 Census of Housing, the following numbers of households living under conditions of housing deprivation, relative to the total number of households, were found, for the United States and for metropolitan areas:

United States or metropolitan area	Total number of households	Living in housing deprivation	
		Percent	Number[2]
United States	63,400,000	[1] 20.6	13,100,000
Selected areas:			
Akron, Ohio	206,344	18.9	38,999
Atlanta, Ga	429,369	21.2	91,026
Baltimore, Md	623,523	19.4	120,963
Boston, Mass	859,736	26.9	231,269
Buffalo, N.Y	418,255	26.6	111,256
Chicago, Ill	2,182,394	29.4	641,624
Cleveland, Ohio	650,138	20.6	133,928
Denver, Colo	392,101	23.8	93,320
Detroit, Mich	1,266,585	19.7	249,517
Fort Worth, Tex	240,730	17.1	41,165
Hartford, Conn	206,815	23.2	47,981
Los Angeles, Calif	2,430,822	24.6	597,982
Miami, Fla	428,026	33.9	145,101
Milwaukee, Wis	432,678	22.7	98,218
New Orleans, La	314,418	29.9	94,011
New York, N.Y	3,876,503	28.0	1,085,421
Philadelphia, Pa	1,480,191	20.0	296,038
Pittsburgh, Pa	759,174	21.4	162,463
San Francisco–Oakland, Calif	1,085,512	24.6	267,036
Washington, D.C	898,496	21.2	190,481
Des Moines, Iowa	93,415	18.7	17,469

[1] Derived from other data shown.

[2] All except for United States, derived from other data shown.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. BROTZMAN (at the request of Mr. ARENDS), after 3:30 p.m., today, on account of official business.

Mr. KETCHUM (at the request of Mr. JOHNSON of Colorado), for today, on account of official business.

Mr. KYROS (at the request of Mr. O'NEILL), after 5 p.m., today, on account of official business.

Mr. BAFALIS (at the request of Mr. ARENDS), from 6 p.m., on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. JOHNSON of Colorado) to revise and extend their remarks and include extraneous matter:)

Mr. TALCOTT, for 20 minutes, on Monday, June 24, 1974.

Mr. SHOUP, for 5 minutes, today.

Mr. GOLDWATER, for 5 minutes, today.

(The following Members (at the request of Mr. JONES of Oklahoma) to revise and extend their remarks and include extraneous matter:)

Mr. GONZALEZ, for 5 minutes, today.

Mr. ASPIN, for 10 minutes, today.

Mr. DRINAN, for 10 minutes, today.

Mr. ROSTENKOWSKI, for 5 minutes, today.

Mr. VANIK, for 30 minutes, today.

Mr. BIAGGI, for 10 minutes, today.

Mr. MINISH, for 20 minutes, today.

Mr. KOCH, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. GROSS in one instance, and to include extraneous matter.

Mr. ANDERSON of Illinois, to revise and extend his remarks and to include extraneous matter immediately following his amendment to H.R. 15472 on page 49 following the period on line 21.

Mr. CHAMBERLAIN to revise and extend his remarks at the conclusion of remarks of Mr. ANDERSON of Illinois on the Food Stamp amendment.

(The following Members (at the request of Mr. JOHNSON of Colorado) and to include extraneous material:)

Mr. ARCHER.

Mr. ZWACH in two instances.

Mr. VANDER JAGT.

Mr. HEINZ.

Mr. SHRIVER in two instances.

Mr. CRANE in five instances.

Mr. BELL.

Mr. MIZELL in five instances.

Mr. MCKINNEY.

Mr. MARTIN of Nebraska in two instances.

Mr. KEMP in six instances.

Mr. BROTZMAN.

Mr. ASHBROOK in three instances.

Mr. HANRAHAN in two instances.

Mr. ABDNOR in two instances.

Mr. PETTIS in four instances.

Mr. SARASIN in two instances.

Mr. GILMAN.

Mr. DU PONT.

(The following Members (at the request of Mr. JONES of Oklahoma) and to include extraneous material:)

Mr. GONZALEZ in three instances.

Mr. RARICK in three instances.

Mr. WON PAT.

Mr. PREYER.

Mr. YOUNG of Georgia.

Mr. DINGELL.

Mr. RODINO.

Mr. BEVILL.

Mr. ROY.

Mr. STUDDS in three instances.

Mr. TIERNAN.

Mr. ADAMS.

Mr. WHITE.

Mr. OWENS in five instances.

Mr. ROE in two instances.

Mrs. BURKE of California.

Mr. BURKE of Massachusetts.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 2581. An act to amend the Randolph-Sheppard Act for the blind to provide for a strenthening of the program authorized thereunder, and for other purposes; to the Committee on Education and Labor.

ENROLLED BILLS SIGNED

Mr. HAYS, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 1376. An act for the relief of J. B Riddle; and

H.R. 15124. An act to amend Public Law 93–233 to extend for an additional twelve months (until July 1, 1975) the eligibility of supplemental security income recipients for stamps.

ADJOURNMENT

Mr. JONES of Oklahoma. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 9 o'clock and 18 minutes p.m.), under its previous order, the House adjourned until Monday, June 24, 1974, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

2477. A letter from the Secretary of the Treasury, transmitting a statement in support of the bill (H.R. 15231) to provide for increased participation by the United States in the International Development Association; to the Committee on Banking and Currency.

2478. A letter from the Secretary of the Air Force, transmitting notice of the transfer of funds between subdivisions of the appropriation for fiscal year 1974 for "Operation and maintenance, Air Force," pursuant to title III of Public Law 93–238; to the Committee on Appropriations.

2479. A letter from the President of the United States, transmitting notice of his intention to exercise his authority under section 614(a) of the Foreign Assistance Act of 1961, as amended, (1) to obligate International Narcotics Control Funds without regard to the provisions of section 102 of the Foreign Assistance and Related Programs Appropriation Act, 1974; and (2) to transfer a portion of the unobligated balance of funds available in fiscal year 1974 for security supporting assistance to Egypt for minesweeping and ordnance disposal in the Suez Canal to ship clearance activities in the canal, pursuant to section 652 of the Foreign Assistance Act of 1961, as amended [22 U.S.C. 2411]; to the Committee on Foreign Affairs.

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[1] Joint Center for Urban Studies of the Massachusetts Institute of Technology and Harvard University, "America's Housing Needs: 1970 to 1980." Cambridge, Massachusetts. December, 1973. Chapter 4.

RECEIVED FROM THE COMPTROLLER GENERAL

2480. A letter from the Comptroller General of the United States, transmitting a report on the Department of Defense's Project Reflex; to the Committee on Government Operations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 or rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. BOLLING: Committee on Rules. House Resolution 1188. Resolution waiving certain points of order against H.R. 15544. A bill making appropriations for the Treasury Department, the U.S. Postal Service, the Executive Office of the President, and certain independent agencies, for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93–1134). Referred to the House Calendar.

Mr. HAWKINS: Committee on Education and Labor. H.R. 15276. A bill to provide a comprehensive, coordinated approach to the problems of juvenile delinquency, and for other purposes; with amendment (Rept. No. 93–1135). Referred to the Committee of the Whole House on the State of the Union.

Mr. MAHON: Committee on Appropriations. House Joint Resolution 1061. Joint resolution making further urgent supplemental appropriations for the fiscal year ending June 30, 1974, for the Veterans' Administration, and for other purposes; with amendment (Rept. No. 93–1136). Referred to the Committee of the Whole House on the State of the Union.

Mr. FISHER: Committee on Armed Services. H.R. 11144. A bill to amend title 10, United States Code, to enable the Naval Sea Cadet Corps to obtain, to the same extent as the Boy Scouts of America, obsolete and surplus naval material; with amendment (Rept. No. 93–1137). Referred to the Committee of the Whole House on the State of the Union.

Mr. FISHER: Committee on Armed Services. H.R. 8591. A bill to authorize the President to appoint to the active list of the Navy and Marine Corps of certain Reserves and temporary officers; with amendment (Rept. No. 93–1138). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLAND: Committee on Appropriations. H.R. 15572. A bill making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and certain other independent executive agencies, board, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes (Rept. No. 93–1139). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ANNUNZIO (for himself and Mr. Bingham):

H.R. 15545. A bill to amend title 38, United States Code, to provide hospital and medical care to certain members of the armed forces of nations allied or associated with the United States in World War I or World War II; to the Committee on Veterans' Affairs.

By Mr. ARCHER (for himself, Mr. Bauman, Mr. Broyhill of North Carolina, Mr. Dan Daniel, Mr. Davis of South Carolina, Mr. Fisher, Mr. Gray, Mr. Helstoski, Mr. Murtha, Mr. Riegle, Mr. Robinson of Virginia, Mr. Rooney of Pennsylvania, and Mr. Stuckey):

H.R. 15546. A bill to amend the Internal Revenue Code of 1954 to provide a limited exclusion of capital gains realized by taxpayers other than corporations on securities; to the Committee on Ways and Means.

By Mr. BIESTER:

H.R. 15547. A bill to prohibit the military departments from using dogs in connection with any research or other activities relating to biological or chemical warfare agents; to the Committee on Armed Services.

By Mr. ESCH:

H.R. 15548. A bill to discourage the use of painful devices in the trapping of animals and birds; to the Committee on Merchant Marine and Fisheries.

By Mr. FASCELL:

H.R. 15549. A bill to amend the Marine Mammal Protection Act of 1972 in order to prohibit the issuance of general permits thereunder which authorize the taking of marine mammals in connection with commercial fishing operations, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Mr. FRENZEL:

H.R. 15550. A bill to amend part B of title XI of the Social Security Act to provide a more effective administration of professional standards review of health care services, to expand the Professional Standards Review Organization activity to include review of services performed by or in federally operated health care institutions, and to protect the confidentiality of medical records; to the Committee on Ways and Means.

By Mr. HOSMER (for himself and Mr. Mollohan):

H.R. 15551. A bill to provide for the regulation of surface coal mining operations, to authorize the Secretary of the Interior to make grants to States to encourage the State regulation of surface coal mining, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. LATTA:

H.R. 15552. A bill to amend the Consolidated Farm and Rural Development Act to establish a loan insurance program for cattle, hog, and poultry producers and feeders; to the Committee on Agriculture.

H.R. 15553. A bill to amend title XVI of the Social Security Act to provide that inmates of county homes and similar institutions for the elderly who are contributing to their own support and maintenance may qualify for supplemental security income benefits; to the Committee on Ways and Means.

By Mr. PRICE of Texas:

H.R. 15554. A bill to enable cattle producers to establish, finance, and carry out a coordinated program of research, producer and consumer education, and promotion to improve, maintain, and develop markets for cattle, beef, and beef products; to the Committee on Agriculture.

By Mr. SATTERFIELD:

H.R. 15555. A bill to amend title XI of the Social Security Act to repeal the provision for the establishment of Professional Standards Review Organizations to review services covered under the medicare and medicaid programs; to the Committee on Ways and Means.

By Mr. SHOUP:

H.R. 15556. A bill to amend title XVI of the Social Security Act to provide that the 1974 increases in social security benefits shall be disregarded in determining an individual's eligibility for supplemental security income benefits, and to provide that support and maintenance furnished a mentally retarded individual living in another person's household shall not constitute income to him for supplemental security income benefit purposes; to the Committee on Ways and Means.

H.R. 15557. A bill to amend title II of the Social Security Act to increase to $4,800 the amount of outside earnings which (subject to further increases under the automatic adjustment provisions) is permitted each year without any deductions from benefits thereunder; to the Committee on Ways and Means.

By Mr. CHARLES H. WILSON of California (for himself and Mrs. Schroeder):

H.R. 15558. A bill to amend title 10 of the United States Code in order to prohibit the exclusion, solely on the basis of sex of women members of the Armed Forces from duty involving combat; to the Committee on Armed Services.

By Mr. ZWACH:

H.R. 15559. A bill to amend section 5051 of the Internal Revenue Code of 1954 (relating to the Federal excise tax on beer); to the Committee on Ways and Means.

By Mr. POAGE (for himself, Mr. Alexander, Mr. Baker, Mr. Bergland, Mr. Bowen, Mr. de la Garza, Mr. Denholm, Mr. Findley, Mr. Foley, Mr. Johnson of Colorado, Mr. Jones of Tennessee, Mr. Madigan, Mr. Mathis of Georgia, Mr. Mayne, Mr. Melcher, Mr. Rarick, Mr. Rose, Mr. Sisk, Mr. Stubblefield, Mr. Thone, Mr. Vigorito, and Mr. Wampler):

H.R. 15560. A bill to provide temporary emergency financing through the establishment of a guaranteed loan program for livestock producers; to the Committee on Agriculture.

By Mr. ERLENBORN:

H.R. 15561. A bill to incorporate the U.S. submarine veterans of World War II; to the Committee on the Judiciary.

By Mr. FLYNT:

H.R. 15562. A bill to provide greater security for the U.S. passport; to the Committee on the Judiciary.

By Mr. GILMAN:

H.R. 15563. A bill to provide for a program of assisting State governments in reforming their real property tax laws to provide relief from real property taxes for individuals who have attained the age of 62; to the Committee on Ways and Means.

By Mr. JOHNSON of Pennsylvania:

H.R. 15564. A bill to establish a National Commission on Supplies and Shortages; to the Committee on Banking and Currency.

H.R. 15565. A bill to provide that Federal expenditures shall not exceed Federal revenues, except in time of war or grave national emergency declared by the Congress, and to provide for systematic reduction of the public debt; to the Committee on Ways and Means.

H.R. 15566. A bill to amend the Internal Revenue Code of 1954 to provide income tax relief for small businesses; to the Committee on Ways and Means.

By Mr. LONG of Maryland:

H.R. 15567. A bill to prohibit the transfer of atomic technology to foreign powers without the express approval of the Congress; to the Committee on Joint Committee on Atomic Energy.

By Mr. MARAZITI:

H.R. 15568. A bill to amend the Federal Reserve Act, the Federal Deposit Insurance Act, and the Federal Home Loan Bank Act, to require depository institutions to notify owners of time certificates of deposit which are automatically renewable of that fact, and for other purposes; to the Committee on Banking and Currency

By Mr. MOORHEAD of Pennsylvania:

H.R. 15569. A bill to establish a National Commission on Supplies and Shortages; to the Committee on Banking and Currency.

By Mr. STEIGER of Wisconsin:

H.R. 15570. A bill to grant a Federal charter to the American Political Items Collectors, Inc.; to the Committee on the Judiciary.

By Mr. BOLAND:

H.R. 15572. A bill making appropriations for the Department of Housing and Urban Development; for space, science, veterans, and other independent executive agencies, boards, commissions, corporations, and offices for the fiscal year ending June 30, 1975, and for other purposes.

By Mr. JARMAN:

H.J. Res. 1076. Joint resolution proposing an amendment to the Constitution of the United States relative to neighborhood schools; to the Committee on the Judiciary.

By Mr. JOHNSON of Pennsylvania:

H.J. Res. 1077. Joint resolution proposing an amendment to the Constitution of the United States to provide that appropriations made by the United States shall not exceed its revenues, except in time of war or national emergency; and to provide for the systematic paying back of the national debt; to the Committee on the Judiciary.

By Mr. VIGORITO:

H.J. Res. 1078. Joint resolution granting the consent of Congress to an amendment to the compact between the State of Ohio and the Commonwealth of Pennsylvania relating to Pymatuning Lake; to the Committee on the Judiciary.

By Mr. HUBER (for himself and Mr. DERWINSKI):

H. Con. Res. 550. Concurrent resolution expressing the sense of the Congress with respect to a proposed request by the President of the United States that the Soviet Government release two imprisoned Ukrainian intellectuals; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII,

502. The SPEAKER presented a memorial of the Senate of the Commonwealth of Massachusetts, relative to the "Sail on Washington" of fishermen of the Atlantic Coast; to the Committee on Merchant Marine and Fisheries.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. GOLDWATER introduced a bill (H.R. 15571) for the relief of Mrs. Veronica Ojeda de Calvo, which was referred to the Committee on the Judiciary.

EXTENSIONS OF REMARKS

INDEPENDENCE CELEBRATION

HON. HUGH L. CAREY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. CAREY of New York. Mr. Speaker, recently Dr. Kevin Cahill, an observant and compassionate physician, paid a visit to the small, and I fear somewhat neglected island nation of Mauritius in the Indian Ocean, an area of growing strategic concern to the United States.

It is the intention of the Defense Department to establish a naval base in the Indian Ocean, a plan objected to by some nations in the region including Mauritius.

Since this nation's independence in 1958, U.S. aid to Mauritius has totaled $9.7 million through the last fiscal year. Only $35,000 is earmarked for Mauritius in the current fiscal year, exclusive of food assistance.

Because Mauritius has been without the presence of an American ambassador for nearly a year, I wish to share with my colleagues the observations of Dr. Cahill on the occasion of that nation's independence celebration. Here is the letter I received from the doctor:

DEAR CONGRESSMAN CAREY: Mauritius lies in the Indian Ocean, some 1200 miles off the east coast of Africa and, of significance today, just north of Diego Garcia, a small island where a major naval base is currently under construction by the United States.

It is somewhat unusual for a private citizen to be invited as a Guest of Honor at the National Independence Day of a nation, but the newly independent lands of Africa are not bound by the protocol of older governments. I have had the pleasure of knowing the Prime Minister of Mauritius, Sir Seewosagar Ramgoolam, for a number of years. This remarkable man, a physician who directed the Mauritian Independence Movement in London in the 1940s and returned to lead his country to freedom in 1968, directs the nation's activities from a colorful tropical city, Port Louis.

President Nyere of Tanzania attended the National Independence Day ceremonies. England was represented by Baroness Jennie Lee, the widow of Aneurin Bevan, the Common Market by their Chief of Cabinet, and Russia by a large delegation including an admiral, a general, and there were two Russian naval vessels in the harbor. Regrettably—it seems to me—the United States' presence at the ceremony was so inconspicuous as to be barely noticeable.

The last United States Ambassador to Mauritius departed in June 1973, and a replacement was not made until March 19th of this year, and is not expected to arrive until June—a leadership absence of one year. It seems an unfortunate hiatus, particularly at this time, since there is currently great interest and obvious concern among the nations of the Indian Ocean regarding America's decision to build a large naval base in the area. There have been vociferous objections by India, from a number of the African nations bordering the Indian Ocean, and from Mauritius. As a physician it may not be my role—nor do I have the necessary "knowledge" now—to comment adequately on the wisdom of this decision. Certainly, however, it would have seemed judicious for the United States to at least have maintained a presence in the area. One lesson of Mr. Kissinger must surely be that nothing is gained by closing doors, and that all sides stand to profit from continuous exchange of ideas and information. Our absence from the Mauritian scene today should be corrected, and the reasons for this defect of almost a year should be investigated and remedied so that such a performance does not occur again.

In several lengthy conversations with the Prime Minister, and with various Ministers of his Government, the following major problems were noted over and over again:

(A) The necessity to diversify the economy from a single crop (sugar), and assistance to accomplish this is eagerly sought. For example, the Prime Minister specifically requested the possible expansion of "food for work" programs to assist in the establishment of small industries and buildings. The total population of Mauritius is about 800,000 and the island covers only some 750 square miles. The largest city, the Capital, has 130,000 population, and the major industry of Mauritius is sugar, accounting for at least 80 percent of foreign investment. Smaller industries include tea planting, light manufacturing plants.

(B) The inability of the present economic structure to provide employment of young intellectuals.

(C) There has been no medical research done in Mauritius in recent years. A Commonwealth Medical Conference in 1971 reviewed some of the basic health needs of Mauritius, but these conclusions were based on no solid data. There have been no health surveys. The major disease problems—as viewed by the local physicians—are parasitic anemia and malnutrition, but diabetes and asthma are also significant causes of death and disability. The need for a population control program was noted on a number of occasions by the Prime Minister. There are virtually no library facilities for the medical profession.

There are some 290 doctors in Mauritius of whom 90 have been trained in Ireland; the next largest number received their education in Russia, and others come from various Commonwealth countries, particularly India. The "brain drain" is a major problem at the professional level and there is hesitancy regarding encouragement of advanced training in nations such as the United States or England for, these students too frequently do not return home.

The Prime Minister also specifically asked for help in developing the local university. Specifically he noted the need for expansion of the agricultural and engineering faculties.

Even, to a new arrival, it is clear that the whole health care delivery scheme must eventually be re-structured, and the basis for this will have to be the determination of problems, the definition of available resources and the establishment of priorities. For example, there is a magnificant new national hospital, but dispensary care in the rural areas seems strikingly lacking. Prenatal and antenatal care is not a strong point. Adequate diagnostic and laboratory facilities, including radiology, are lacking.

The problem of malnutrition is very impressive in an island surrounded by some of the most fish-laden waters imaginable. Retraining of dietary habits rather than importation of high protein foods may be necessary. Even much of the available food, however, in the island appears destined only for the booming tourist facilities rather than to the open market. There seems to be general and wide-spread complaints regarding artificially high prices of fish and other staple, indigenous products. There might be a fruitful effort on the part of an Advisory Board to help the nation alter their crop cycle and thereby improve the nutritional status of the population.

In addition, I would suggest as feasible, initial steps towards assisting Mauritius develop a health program the authorization for the Tropical Medicine Section of the U. S. Public Health Service's Center for Disease Control, under Dr. Irving Kagan, to cooperate in a broad, but rapid, survey of the infectious diseases in Mauritius with a particular emphasis upon parasitic illnesses of man and animals. Such a program could be combined with a nutritional survey. That this might well provide a method for a better utilization of our American Embassy resources is suggested. Any moves, obviously, are predicated on the understanding that the very first thing is to have an Ambassador on the scene, and to make our great nation's presence at least known.

American charitable foundations with an interest in the developing world might well assist the budding university, particularly in the fields of medicine, agriculture, and engineering. Such help is required and requested. Finally, supporting the economic development and growth of Mauritius, particularly in light manufacturing and with fisheries, might be encouraged through the vehicle of the Agency for International Development programs.

Sincerely,

KEVIN M. CAHILL, M.D.

EMERGENCY AID TO LIVESTOCK PRODUCERS AND FEEDERS

HON. WILEY MAYNE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. MAYNE. Mr. Speaker, on May 30, 1974, I introduced H.R. 15137, a bill to provide emergency credit to hard-pressed family livestock producers and feeders caught in the present livestock price collapse. I am reintroducing this legislation again today with 24 of my colleagues joining as cosponsors. Hearings have been scheduled on this legislation by the Subcommittee on Livestock and Grains for June 25 and 26. I hope the House Agriculture Committee and the full House will act swiftly and responsibly to approve this urgently needed emergency loan legislation. Without it, I am convinced that many of our established farmer-feeders will be unable to obtain the credit necessary to continue their livestock operations and in some instances will be forced out of any type of agricultural activity whatsoever. Many family size producers have seen equity that has taken a lifetime to build up wiped out in recent months. Their local credit sources are no longer able to provide these livestock feeders with loans, as they too have reached the limit. Unless additional financing becomes available within the next 30 days, thousands of family feeders will be forced into liquidation. My bill authorizes operating loans for family feeders at 5½ percent to a maximum of $250,000. It guarantees bank loans when available and also provides for insured loans from the Farmers Home Administration at a $250,000 maximum. This emergency loan authority would run for 1 year with loan recipients having up to 5 years to repay their loans. I urge all Members to support either this bill or any other bill which will meet the desperate need for emergency credit which confronts family cattle feeders and pork producers today. I ask unanimous consent that a copy of H.R. 15137 be set forth at this point in today's RECORD.

H.R. 15137 follows:

H.R. 15137

A bill to amend the Consolidated Farm and Rural Development Act to establish a loan insurance program for livestock producers and feeders

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by striking out "Subtitle D" in the center heading immediately preceding section 331 and inserting in lieu thereof "Subtitle E", and by inserting immediately after subtitle C the following new subtitle:

"Substitute D—Loan Insurance for Livestock Producers and Feeders

"SEC. 331. (a) For a period of one year from the date of the enactment of the Livestock Producers and Feeders Act of 1974, the Secretary shall insure loans made by a lender other than the United States, or made by the Secretary and sold to such lender, to a borrower in the United States who—

"(1) is a citizen of the United States;

"(2) is or has been engaged in livestock producing and feeding operations to an extent and in a manner determined by the Secretary as necessary to assure reasonable prospects of success in livestock producing endeavors financed by loans insured under this subtitle;

"(3) is unable to obtain sufficient credit to finance his actual needs in the livestock producing business at reasonable rates and terms, as determined by the Secretary after considering prevailing private and cooperative rates and terms in the community in or near which the applicant resides for loans for similar purposes and periods of time;

"(4) has, if he has received previously a loan insured under this subtitle, performed successfully the terms of such loan; and

"(5) is not an operator of a commercial feedlot.

"(b) Loans insured under this subtitle must be expended for the purpose of financing the normal operations of producing and feeding livestock by the borrower whose loan is being insured.

"SEC. 332. (a) Subject to the approval of the county committee, appointed under section 352, the amount of any loan insured under this subtitle shall be determined by the lender but in no case shall such amount exceed $250,000.

"(b) The period of repayment of any loan insured under this subtitle shall not exceed five years.

"SEC. 333. (a) The Secretary shall from time to time establish the interest rate which may be paid by borrowers on loans insured under this subtitle, but such rate shall not exceed 5.5 per centum per annum.

"(b) Whenever the Secretary determines it necessary that a lender be paid a higher interest rate on a loan than is to be paid by the borrower on such loan in order for the Secretary to be able to enter into a contract of insurance with a lender with respect to such loan, the Secretary may contract to pay the difference between the interest rate to be paid by the borrower and the interest rate to which the lender is to be entitled under such contract.

"SEC. 334. (a) The Secretary shall determine whatever security he deems necessary for the obligations entered into by him in connection with loans insured under this subtitle.

"(b) The Secretary may enter into any security instrument in connection with loans insured under this subtitle; whenever practicable he shall provide that such instrument constitutes a lien running to the United States even though the notes are held by lenders other than the United States.

"SEC. 335. In any case in which the borrower receives the loan insured under this subtitle in installment payments, the Secretary shall specify in any contract made in connection with such loan that such borrower shall receive no such payments after failure by the borrower to perform successfully the terms of such loan.

"SEC. 336. The Secretary is authorized—

"(1) to make agreements with respect to the servicing of loans insured under this subtitle and to purchase any such loan on conditions and terms as he may prescribe; and

"(2) to retain out of payments by the borrower a charge at a rate specified in the insurance agreement applicable to the loan.

"SEC. 337. Any contract of insurance executed by the Secretary under this subtitle shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder has actual knowledge.

"SEC. 338. (a) The borrower of any loan insured under this subtitle shall pay such fees and other charges as the Secretary may require.

"(b) Such borrower shall prepay to the Secretary as escrow agent such taxes and insurance as the Secretary may require and on such terms and conditions as he may prescribe.

"SEC. 339. (a) There is hereby created the Livestock Feeders Insurance Fund (hereinafter in this subtitle referred to as the 'fund') which shall be used by the Secretary as a revolving fund for the discharge of obligations of the Secretary under this subtitle.

"(b) The Secretary is authorized to transfer assets from the Agricultural Credit Insurance Fund, described in section 309, to the fund if he determines that such transfer is necessary to establish the insurance program created by this subtitle.

"(c) Moneys in the fund not needed for current operations shall be deposited in the Treasury of the United States to the credit of the fund or invested in direct obligations of the United States or obligations guaranteed by the United States. The Secretary may purchase with money in the fund any notes issued by the Secretary, for the purpose of obtaining money for the fund, to the Secretary of the Treasury.

"(d) The Secretary shall make and issue notes to the Secretary of the Treasury for the purpose of obtaining funds necessary for discharging obligations under this subtitle, and he may make and issue such notes for the purpose of establishing the insurance program created by this subtitle. Such notes shall be in such form and denominations and have such maturities and be subject to such terms and conditions as may be prescribed by the Secretary with the approval of the Secretary of the Treasury. Such notes shall bear interest at a rate fixed by the Secretary of the Treasury, taking into consideration the current average market yield of outstanding marketable obligations of the United States having maturities comparable to the average maturities of loans insured under this subtitle. The Secretary of the Treasury shall purchase any notes of the Secretary issued hereunder, and, for that purpose, the Secretary of the Treasury is authorized to use as a public debt transaction the proceeds from the sale of any securities issued under the Second Liberty Bond Act and the purposes for which such securities may be issued under such Act are extended to include the purchase of notes issued by the Secretary hereunder. All redemptions, purchases, and sales by the Secretary of the Treasury of such notes shall be treated as public debt transactions of the United States.

"(e) Notes and security acquired by the Secretary in connection with loans insured under this subtitle shall become a part of the fund. Notes may be held in the fund and collected in accordance with their terms or may be sold by the Secretary with or without agreements for insurance thereof at the balance due thereon, or on such other basis as the Secretary may determine from time to time. All net proceeds from such collections, including sales of notes or property, shall be deposited in and become a part of the fund.

"(f) The Secretary shall deposit in the fund any charges collected for loan insurance services provided by the Secretary under this subtitle as well as charges assessed for losses and costs of administration in connection with insuring loans under this subtitle.

"(g) The Secretary shall utilize the fund—

"(1) to make loans which can be insured

under this subtitle whenever he has reasonable assurance that they can be sold without undue delay, and he may sell and insure such loans;

"(2) to pay amounts to which the holder of insured notes is entitled on loans insured accruing between the date of any payments by the borrower and the date of transmittal of any such payments to the holder; in the discretion of the Secretary, payments other than final payments need not be remitted to the holder until due or until the next agreed remittance date;

"(3) to pay to the holder of insured notes any defaulted installment, or upon assignment of the note to the Secretary at the Secretary's request, the entire balance due on the loan;

"(4) to purchase notes in accordance with contracts of insurance entered into by the Secretary;

"(5) to make payments in compliance with the Secretary's obligations under contracts of insurance entered into by him;

"(6) to pay taxes, insurance, prior liens, and expenses necessary to make fiscal adjustments in connection with the application and transmittal of collections or necessary to obtain credit reports on applicants or borrowers, plus expenses for necessary services, including commercial appraisals and loan servicing and consulting fees and other expenses and advances authorized in section 355(a) of this Act in connection with loans insured under this subtitle; such items may be paid in connection with guaranteed loans after or in connection with acquisition by the Secretary of such loans, or of the security of such loans after default, to an extent determined by the Secretary to be necessary to protect the interest of the United States;

"(7) to pay the difference between interest payments by borrowers and interest to which insured lenders are entitled under contracts of insurance entered into by the Secretary under section 333(b);

"(8) to pay the Secretary's costs of administration of the program authorized under this subtitle, including costs of the Secretary incidental to insuring loans under this subtitle; and

"(9) to perform any other act authorized by this subtitle.".

(b) Sections 331 through 344 of the Consolidated Farm and Rural Development Act, and all references thereto, are redesignated as sections 351 through 364, respectively.

SEC. 2. This Act may be cited as the "Livestock Producers and Feeders Act of 1974".

LEWIS FLYERS WIN NATIONAL BASEBALL CHAMPIONSHIP

HON. GEORGE M. O'BRIEN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. O'BRIEN. Mr. Speaker, I am taking this opportunity to offer my congratulations to the Lewis University Flyers, a baseball team from my home district in Illinois, for winning the National Association of Intercollegiate Athletics 1974 championship.

The Flyers won the title last Friday by beating Sam Houston State in the final game of the 18th annual NAIA World Series in St. Joseph, Mo. Special congratulations are due to Coach Gordie Gillespie, a three-time NAIA Coach of the Year, who has led the Flyers to hundreds of wins.

Victory is especially sweet since the team narrowly missed the title in 1966.

I am sure that everyone familiar with the Flyers is as proud as I am of their winning performance and I wish the team many more championship seasons.

The following is an account of the title game that was published in the Joliet Herald-News:

LEWIS NATION'S BEST

(By Dave Parker)

ST. JOSEPH, MO.—Lewis University is the 1974 NAIA baseball champion.

The title came Friday evening at Phil Welch Stadium as the Flyers scored a run in the bottom of the ninth inning for a 3–2 come-from-behind win over Sam Houston State in the final game of the 18th Annual NAIA World Series.

Lewis ended the season 45–14 and was 4–1 in the double-elimination World Series.

The victory was sweet revenge for Coach Gordie Gillespie's Flyers since Sam Houston knocked off Lewis 6–1 earlier this week.

Walt Onysio started the winning rally when he reached base on an error. Onysio went to third when Steve Verban hit a double to center field.

Then winning pitcher Tom Brennan (12–1), who won three of Lewis' four games and was voted the tournament's most valuable player, hit a sacrifice fly to right field which drove home the winning run.

It was a big victory for Gillespie, who was recently inducted into the NAIA Hall of Fame. Lewis has won more than 500 games under the supervision of Gillespie, three-time NAIA Coach of the Year. Lewis finished second in the tournament in 1966.

"No question about it, this is my most satisfying win," said Gillespie. "We had to battle all the way, were up to the task and were ready.

"I thought Butch Markelz, who started for us tonight, turned in a fantastic performance. He was wild in the first inning, but he really got tough in the later innings. What can you say about Brennan? He has to be one of the best pitchers in America today."

Markelz, who walked three batters and allowed two hits in Sam Houston's two-run first inning, was almost unhittable the rest of the way.

Markelz was relieved by Brennan who struck out the first batter he faced, then intentionally walked a batter before forcing Steve Maas to ground into a force play to end the inning.

"My arm was not sore at all," said Markelz after the game. "I threw a couple of good pitches in the first inning, but the ump called them balls. I thought I threw a pretty good game and when I needed the strikeouts I got them.

"Our catchers, Rich Baranak and Mike Del Gallo, called a fine game. It's nice to have a guy in the bullpen like Tom (Brennan)."

Brennan, who opened Lewis' tournament with a 4–1 win over High Point of North Caroline, was the Flyers' winning pitcher in their 6–3 semi-final win over Point Park of Pittsburgh.

"What can you say about Brennan?" said Lewis' Assistant Coach Tony Delgado. "Not many people know this, but Tom is a fine-hitting pitcher. He produced the sacrifice fly for us right when we needed it.

"Markelz hurled a great game. It was for all the marbles and Markelz, like the rest of the team, was up to the task. It's Lewis' first national championship in anything and it feels great. This is my third time here and we took all the marbles."

Onysio got Lewis' first hit with one out in the fourth inning, a double. He scored in Steve Verban's single.

The Flyers' tied the game in the sixth and All-America first-baseman Ray Crowley slammed a 415-foot triple to center field and came home in Onysio's sacrifice fly to right.

Lewis won the championship under adversity as regular shortstop Jim Alessio missed the World Series due to a hand injury sustained on a fishing trip.

Making the all-tournament team along with Brennan were Crowley and Baranak.

Lewis' title was believed to be one of the only national team crowns ever won by a Joliet-area representative.

BULGING CHEESE STOCKS

HON. WILLIAM A. STEIGER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. STEIGER of Wisconsin. Mr. Speaker, America's dairymen are right now in the middle of a perilous period. They are facing rapidly increasing feed and production costs, lower prices for their products, and a lack of sympathy from consumers who pay retail prices not reflective of the lower amount paid the farmer at the beginning of the chain.

Perhaps the most severe crisis for dairy farmers has been the cheese situation. Sadly, they have been victimized in large part by administration policies. The Government, instead of increasing cheese imports last summer when the cheese industry recommended it, did not get around to acting on the recommendation until U.S. cheese production was at its seasonal peak. These imports, which I have consistently opposed, have not driven retail cheese prices down as the administration has predicted. Rather, they have succeeded only in creating an incredibly large cheese surplus—one so great that some processors are being forced out of business and others are telling farmers they will not accept their milk.

An editorial in the June 13, 1974, Sheboygan, Wis., Press provided an excellent analysis of the reasons for the cheese crisis. As it pointed out, "everything went wrong at once." The editorial, which follows, detailed the factors involved, as well as a recent step by the Agriculture Department to reduce the glut of cheese we have today:

BULGING CHEESE STOCKS

In an effort to explain the recent 20 per cent drop in wholesale cheese prices from the recent peak to below the support level, a cheese industry official has said that everything went wrong at once.

That is why cheese stocks on May 1, the latest date for which figures are available, totaled 401 million pounds, an increase of 62 per cent from stocks at the same time last year. This amount of cheese was almost a fourth of last year's total U.S. cheese production of 1.67 billion pounds.

No wonder the cheese warehouses have been bulging.

Norman Fischer, a staff reporter for the Wall Street Journal, has given as good an explanation of the situation as we have seen anywhere. He writes that more and more dairymen channeled their milk into cheese production last year under the lure of unusually high prices for manufacturing milk which followed less consumer resistance to cheese prices than to bottled milk prices. Cheese used more than 20 per cent of the total milk supply in 1973, passing for the first time butter's share of the supply, now

17 per cent. In the 1960s, just 12 per cent of the milk supply went into cheese.

Fischer explains that the momentum generated in 1973 carried over into this year. For example, American cheese production totalled 665 million pounds through April, an increase of 24 per cent from the like period in 1973. April production of 178 million pounds was a record for that month and up 17 per cent from last year.

Furthermore, in response to an increase in import quotas ordered by President Nixon, nearly 100 million pounds of cheddar cheese were coming into this country during the first quarter of the year. Mr. Fischer reports that the cheese industry recommended the increase in imports last summer. But the government's action was too late, with the result that imports began arriving just about the time U.S. cheese production was in a seasonal peak.

There was another factor. Consumer demand for cheese declined as meat prices became lower. There was less use of cheese as a meat substitute. However, some industry officials believe consumer demand will perk up when lower retail prices of cheese become widespread.

The per capita consumption of cheese last year was a record high—13.5 pounds. There have been predictions that per capita consumption will reach 15 pounds in 1975.

Some help in reducing the glut of cheese has been assured by Secretary Earl Butz of the Department of Agriculture. The department will buy processed cheese under the dairy price support program. As much processed cheese as possible will be purchased and used for the school lunch program. The decision is welcomed, because much of the oversupply of cheese—an estimated 500 million pounds in Wisconsin—is in barrels, and it is from these stocks that processed cheese is made.

PEOPLE ARE GETTING THE MESSAGE "DEMOCRATS OPPOSE REFORM"

HON. DAVE MARTIN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. MARTIN of Nebraska. Mr. Speaker, some of those who are so confidently hoping to capitalize on the Watergate affair this fall should first of all put their own house in order.

The House of Representatives badly needs reorganization, especially in the outdated jurisdictional divisions among its committees. The bipartisan Bolling-Martin Committee, after studying the question for 14 months, came out with a comprehensive and carefully framed plan (H. Res. 988) for achieving the needed modernization.

As we all know by now, by some complicated legerdemain, that report is now being worked over behind closed doors by a Democratic Caucus subcommittee—presumably to make sure that, if reorganization occurs at all, it will not change the House in the least little way.

Mr. Speaker, the American people, with their usual good sense, tend to evaluate the stewardship of their elected officials without regard to what party they represent. They expect the House to work more effectively than it has in the past, and they will know who to hold responsible if we do not bring the Bolling-Martin plan to the floor and act upon it.

In a recent commentary, the Des Moines, Iowa, Register put the issue with admirable candor:

If the Democrats hope to show the public something better than secret government by pressure groups, they had better revive the Bolling plan and push it. The voters are not going to turn automatically to Democrats just because of the Watergate corruption.

They want something better, not just the same old stuff under another party name.

The complete editorial, "Democrats Oppose Reform," follows:

DEMOCRATS OPPOSE REFORM

President Nixon's release of a partial transcript of the White House tape recordings on Watergate so dominated the news last week that little attention was paid to a vote by Democrats in the U.S. House against reform of that body.

The Democrats are hoping to capitalize on Watergate in a big way in the elections this year and in 1976. They are out making speeches about open government, clean government and making Congress effective as a brake on excessive executive power.

How disillusioning it is, therefore, to see the Democratic Caucus of the House voting 111 to 95 against a proposal to shake up the moss-bound committee structure.

Last Thursday the House Democrats met to consider the report of the Select Committee on Committees, headed by Representative Richard Bolling (Dem., Mo.). Iowa Representative John Culver (Dem.) is a member of the Bolling committee, whose bipartisan membership unanimously backed its reorganization plan.

But the moss-backs who want to keep their present committee chairmanships and their reins of power defeated the reformers. House Speaker Carl Albert supports the Bolling plan and spoke in favor of it in the caucus. Majority Leader Thomas P. O'Neill of Massachusetts also spoke for the reforms. But the party of liberalism and reform rejected their advice.

It wasn't a conservative-liberal split. It was a clear case of those who have the power (and the lobbyists who work with them) wanting to keep it. For example, the noted liberal Representative Leonor Sullivan from Bolling's home state opposes the committee shakeup. Why? Because she is chairman of the Committee on Merchant Marine and Fisheries, which would lose power under the revision plan.

Much of her political support comes from labor unions, and the powerful marine unions are opposed to the Bolling plan for "their" committee. Originally, the plan was to scrap this committee, and in the present proposal, its jurisdiction would be cut in half.

Opposition by the AFL–CIO was the main reason for the failure of the Bolling plan in the caucus. Business lobbies in general did not fight it as labor did. Even some "public interest" lobbies which felt they had established themselves with certain committees also opposed reform.

In the reform plan, many standing committees would be altered to conform to modern legislative issues and a more logical breakdown. A new committee on energy and the environment would have control of nuclear power and the Navy's petroleum reserves. The Joint Committee on Atomic Energy and the Armed Services Committee do not view these proposed changes kindly.

In addition to breaking up old power alliances, the committee plan would limit each member to one major committee, such as Agriculture and Forestry or Appropriations. A member might also serve on a lesser committee.

The Bolling committee also made recommendations for strengthening the oversight functions of the House. Congressman Culver was especially influential in this matter. He argued that Congress needs to evaluate the laws it passes and get rid of ineffective or obsolescent ones.

In the caucus last Thursday, the Bolling committee and the House leadership were the victims of a power play. Supporters of the reform were cut short on speaking time. They were denied a record vote, and the vote against the reform was in secret.

Bolling believes the opponents of the reform will lose in the end, because of the hypocritical and undemocratic methods they used. The plan was turned over to a special committee (loaded with opponents of reform) which is to report back to the caucus by July.

If the Democrats hope to show the public something better than secret government by pressure groups, they had better revive the Bolling plan and push it. The voters are not going to turn automatically to Democrats just because of the Watergate corruption.

They want something better, not just the same old stuff under another party name.

THE PRICE OF OIL AND GAS

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. ARCHER. Mr. Speaker, the price of crude oil and natural gas has received much attention in our press and in the Congress. Advocates of "price rollbacks" have been vocal in promoting their views. This entire issue of cost needs examination. An article in the Midland Reporter-Telegram of Midland, Tex., provided some very pertinent information regarding the price of crude oil and natural gas when compared with other commodities. I enter this article in the CONGRESSIONAL RECORD.

The article follows:

CRUDE BARGAIN COMPARED TO TOMATO JUICE

Frank Ittner, long-time Midland geologist and oil operator, in pointing out that there has been a great deal of interest lately in the price of crude oil and natural gas, says "the consensus of the reports aired by the media has tended to show that the prices are exorbitant and should be rolled back."

"It is interesting to compare the price of crude oil and gasoline," he said, "to the price of other liquid commodities" (on a gallon basis).

He submitted a compilation of supermarket prices, as of last Tuesday, as follows:

Commodity	*Price/ gallon*
Old Confidence (100 proof)	$30.00
Honey	11.00
Baby magic lotion	7.92
Linseed oil	6.00
Mazola corn oil	5.80
Beer	2.50
Turpentine	2.99
Apple juice	2.10
Orange juice	1.85
Ice cream	1.80
Milk	1.65
Coca Cola	1.46
Vinegar	1.43
Tomato juice	1.28
Clorox	.58
Distilled water	.39
Bottled drinking water	.38

Compared with:

Crude Oil (at $5.25/barrel)	0.12½
Natural gas at 19 cents per mcf (recent FPC ceiling on inter-state gas) reduced to a gallon equivalent by comparing its heating value to a gallon of crude oil (approximate)	0.03

"Should tomato juice be worth 10 times a gallon of crude oil?" Ittner asked. "Should distilled water be worth three times as much?

"Probably not. In fact a good case could be made for the possibility that crude oil has been a great bargain since the East Texas oil field was brought in, and at current prices, still is."

HONORARY DEGREE CITATION

HON. PAUL N. McCLOSKEY, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. McCLOSKEY. Mr. Speaker, a few days ago our colleague from Massachusetts, SILVIO CONTE, received an honorary doctor of laws degree from Amherst College. Mr. CONTE's prowess as an athlete, his courage, and his vigor and wit in advocacy have long been well known to those of us privileged to serve with him.

As fellow legislators, however, we are not always quick to perceive when one of our colleagues has provided faith and inspiration to a skeptical constituency. It is a rare occasion, indeed, when a distinguished private institution such as Amherst ascribes these particular virtues to a Member of Congress.

I, therefore, place SIL CONTE's citation in the RECORD at this point as a permanent tribute to a great and good colleague, an American who has given much of himself in service to this House and to the Nation:

TEXT OF HONORARY DEGREE CITATION: SILVIO O. CONTE

Silvio O. Conte, native of Pittsfield, Massachusetts, you received your LL.B. from Boston College and were admitted to the Bar in 1949. Since then, you have practised law and served the citizens of Massachusetts and now the Nation in many ways. A member of the Senate in the Commonwealth of Massachusetts from 1950 to 1958, you have represented the First Congressional District of Massachusetts in the House of Representatives since 1958. A Republican, perhaps the best measure of the esteem in which your fellow citizens hold you is that you have been either unopposed or nominated also by the Democratic party. At a moment when conflicting theories of representation are deeply implicated in the resolution of momentous issues before the House, your constituents are fortunate, indeed, secure in the knowledge they have in Congress a man who will, with honor and intelligence, accept the responsibility which your office finally demands. At a moment, too, when events encourage cynicism or despair, you make it possible for us to continue to believe there still are decent men to do the work of the Republic. You have often been helpful to Amherst College. For that we thank you. But we honor you for more. We honor you for your dedication to the Constitution which created the Congress of these United States and to the principle of responsibility which is the ultimate sanction of the power delegated to any elected official by the citizens of a free society. For that dedication, we both thank you and honor you.

By virtue of the authority vested in me by the Board of Trustees of Amherst College, I confer upon you the Degree of Doctor of Laws, with all the rights and responsibilities pertaining thereto.

A CURE FOR THE POSTAL PROBLEM

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. HANRAHAN. Mr. Speaker, the rates to mail letters and packages has become exorbitant. I have received many letters concerning this issue. For the benefit of my colleagues, I wish to insert this article pertaining to the elimination of the Private Express Statutes:

A CURE FOR THE POSTAL PROBLEM

From John Haldi, "Postal Monopoly, an Assessment of the Private Express Statutes," published by the American Enterprise Institute: "The Post Office has behaved like any profit-maximizing monopolist. So as to maximize the amount of mail subject to the postal monopoly and thus to protect Post Office revenues, it has construed "letter" to be as all-inclusive as possible. Apparently other public policy considerations—service, convenience, speed of delivery, needs of business and commerce—have been heavily discounted by the Post Office in interpreting and enforcing its monopoly.

"At least since the 1600s the basic scenario of postal competition has been the same. First the government's mail service is deficient. Then an enterprising individual decides that he can make a profit by offering faster or cheaper mail service than that provided by the government. Letter writers start using the private service. The government Post Office senses an impending loss of revenue and may even feel chagrin at being shown to be second-best in service or efficiency. Government then takes action to force the private challengers out of existence."

True to the pattern, the Post Office earlier this year asserted the right to outlaw the newspaper carrier boy, by broadening its official definition of a "letter"' to include newspapers and periodicals. Since this is a complete change from historical interpretation of the law, the appropriate congressional committees thought they ought to have something to say about it, and apparently the Post Office has at least temporarily backed off. But while Congress deals with the matter of definitions, it might take a good broad look at the Private Express Statutes themselves.

The statutes prohibit anyone except the Post Office from carrying a "letter" for a fee over "postal routes." Over the years Post Office interpretations have repeatedly broadened the definition of the key words. Its new regulations, still officially pending, would include newspapers and periodicals as letters, though "suspending" the statutes with respect to them. The officials disavow any intention of ever revoking the suspension and actually applying the statutes against newsboys, but the history recounted by Mr. Haldi is cool comfort on this score.

We are of course particularly interested in this issue because of the sharp increases in the cost of mailing this newspaper. One of the effects of creating the public corporation to put the Post Office on a "businesslike" basis is that second-class postal rates will increase something like 270% over a five-year period. The Post Office says the previous lower rates were a subsidy, yet it wants to outlaw private competition at the new higher rates. Since competition could arise only if the new rates are higher than true costs, this does not exactly reflect total confidence in the subsidy arguments the Post Office has so loudly asserted.

Second-class mailers are scarcely alone, though, in suffering higher prices and deteriorating service. First-class mail service is now the worst in memory, despite the new 10-cent rate. Charges and classes of mail remain an irrational jumble, with supposedly priority air mail often getting inferior service. Meanwhile, despite its crying need for automation, the service has signed "no-layoff" contracts with its unions, and the percentage of its costs going to labor has actually increased. The key problem is the efficiency of the Postal Service, which actually seems to have deteriorated under the new semi-independent agency.

Which is scarcely surprising, if you stop to think about it, for the reform was based on massive illusions. The first was that a government bureaucracy can be turned into something else by changing its name. The second and even more staggering is that even if all politics were eliminated a monopoly can achieve the efficiencies of a business. This efficiency stems not from superior brainpower but from the lash of competition. What the new Postal Service has given us is free enterprise with respect to prices and socialism with respect to costs.

If Congress is willing to give up such illusions, the way to cure the postal problem is no secret: Entirely repeal the private express statutes and let nature take its course.

TRIBUTE TO MR. HY SEIGEL

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 19, 1974

Mr. WOLFF. Mr. Speaker, I would like to bring to the attention of my colleagues the fine progress made by the Flushing Boys Club. Years of effort have finally resulted in the opening of a new clubhouse for the boys of Flushing.

The club has a dramatic history of growth. Started in 1957 as a one-day-a-week venture operating in the Veterans of Foreign Wars building, the club expanded to new quarters at St. Michael's Church where the club was in session three afternoons every week. The number of boys using the club increased, and the club headquarters has been moved many times to accommodate the rapid growth. The last facility the club used was at the American Red Cross where 400 boys played, studied, and found friends to talk to in only three small rooms and an office.

The progress of the boys club up to this point was largely due to the continued interest and leadership of Mr. Hy Seigel. Mr. Seigel spent long hours working both with the boys and for the continued expansion of the club's facilities. He realized that the worth of the club to the boys of Flushing merited bigger and better quarters so that more boys could benefit.

Last April, the Flushing Boys Club moved into a beautiful new clubhouse named after Mr. Seigel, the man responsible for its realization. This "home away from home" for the boys of Flushing now can open its doors to every individual who wants to join. There was a real need for this new, modern facility, and it stands as a tribute to Mr. Seigel's ideals and to all the friends of the boys club. The new building can accommodate 800 to 1,000 boys, but the increase in juvenile delinquency and the closing of many after school facilities shows the need for a large facility. In the words of Franklin F. Regan, Jr., president of the Flushing Chamber of Commerce—

> Without water, plants would die. Without motivation and guidance our minds would die. The Flushing Boys Club is an elixir of nourishment for our youth.

TRIBUTE TO DAN MUNDY

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. ANDERSON of California. Mr. Speaker, on July 1, the people of Los Angeles will honor Dan Mundy, a distinguished leader of the labor movement, who has earned a reputation for his outstanding record of accomplishments in both the State of California and the Nation.

For the past 3 years, Mr. Mundy has been the director of the Los Angeles County Federation of Labor's Committee on Political Education. But earlier this year, Dan Mundy's talents and abilities led to his appointment as legislative director of the Building and Construction Trades Department, AFL-CIO, in Washington, D.C.

A native of Los Angeles, Dan followed in his father's footsteps and was initiated into the United Association of Plumbers and Steamfitters' Local Union No. 230 as a steamfitter's helper in 1941.

Then, after service in World War II, he returned to be trained as a plumber apprentice and became a journeyman in 1947.

Due to his interest and leadership in the union activities, he was, successively, recording secretary, business representative, assistant business manager, and from 1968 to the present, president of United Association Local No. 78.

Mr. Mundy's legislative work in California began in 1965 with the Los Angeles Building and Construction Trades Council. In 1970, he assumed his duties as COPE director of the Los Angeles County Federation of Labor.

Of course, without the understanding and support of his charming wife, Marie Jackson Mundy, Dan's service on behalf of his fellow man could not have succeeded to the extent it has. Through her help and that of their two children, a son, Pat, and a daughter, Teresa, Mr. Mundy has become a great labor leader, an outstanding member of the community, and a faithful humanitarian who has dedicated his life to elimination of the problems and injustices which plague mankind.

It gives me great pleasure to join with Dan's many friends in paying tribute to this outstanding gentleman who has unselfishly, consistently, and compassionately worked on behalf of mankind through the labor movement.

GOING METRIC

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. VAN DEERLIN. Mr. Speaker, recent inaction by the House in failing to put the United States in step with the rest of the world—on the metric system—has earned us contempt in scientific circles and scant applause from the public at large.

The Chula Vista Star-News on June 13 carried a roundup on the long quest for uniform world measuring standards, giving special attention to the foot-dragging in Congress.

I submit the newspaper's full article:

Going Metric

(By Joseph John Trento and Jane Weisman Stein)

People today are speaking up and demanding clean government, campaign reforms and even the adoption of the metric system without waiting for Congress to act.

Last month the House of Representatives defeated a bill that was to launch the United States on a voluntary plan of conversion to the metric system over a 10-year period. Strong labor lobbying and conservative representatives defeated the bill (H.R. 11035), but despite the defeat, the country is slowly inching or centimetering its way towards the metric system of measurement, without most people realizing it.

Ninety-five percent of the countries in the world use the metric system. Only the United States and the nations of Tobago, Southern Yemen, Liberia and a few others, clung fast to the English or customary system.

IT IS INEVITABLE

Various groups opposing the change to metrics in this country call it everything from unnecessary to un-American. The metric advocates claim it makes sense, is easy to work with and the change is inevitable despite Congressional foot-dragging. They reassure us that the change to the metric system would not come overnight, and the system itself has been proven useful for almost two centuries.

French revolutionaries created the metric system in the 1790s when they were tired of confusing measurement systems that not only varied from country to country, but from village to village.

Three barley kernels set end to end equalled an inch. A mile was measured by 2,000 paces. But no three kernels were ever identical, and no two men paced out the same length mile. The men at the Paris Academy of Sciences came up with a system based on the universal constant that is one ten-millionth of the distance from the North Pole to the equator. This standard unit is the meter, which is approximately 39 inches long.

LIKE DECIMAL SYSTEM

The metric system is similar to the decimal system that we already use for our money. By dividing the meter into tenths we get decimeters, into hundredths, we have centimeters, and into thousandths, millimeters. (An inch is about 2.54 centimeters.) A thousand meters equals a kilometer, which is the standard measurement for distance. There are no fractions, and moving a decimal point shifts from one unit to another easily.

For measuring volume, the liter, equal to about 1.1 quarts, is used, and for mass, the metric system has the kilogram which equals about 2.2 pounds.

If the United States goes metric, the Celsius scale of temperature measurement will also be adopted. This system is also very logical. Water freezes at 0 degrees and boils at 100 degrees. A healthy person's temperature will be 36.8 degrees and a pleasant summer day will be 30 degrees (86 degrees Fahrenheit.)

NO CAUSE FOR FEAR

But there is no reason to fear these changes. We are already using many metric measurements in our daily lives. People smoke 100 millimeter (mm) cigarettes, buy 35 mm film and order liters of wine at fine restaurants.

Many canned foods are now labelled with both metric and customary weights, and clothing patterns have been printed with metric measurements for many years. When marijuana is confiscated it is reported in kilos, and when a doctor prepares an injection, the medication is measured in cubic centimeters or cc's.

The pure sciences have traditionally used the metric system. NASA adopted metrics in 1970, and IBM and North American Rockwell are only two of the many corporations switching over to the metric system. Recently the U.S. liquor industry decided to go metric to ease their international importing and exporting hassles.

In California, the state Board of Education decided all new and revised textbooks should accommodate the metric system and by 1976 metrics will be taught as the primary measurement system.

Even the Ford Motor Co. designed its new Mustang II engine to metric specifications and the Pinto engine is metric and manufactured in England.

ALREADY IN USE

Scientists, pharmacists, and doctors have been working with both systems for years. U.S. industry is realizing that to compete equally in the international market it must produce goods that can be used universally.

The United States legalized the metric system in 1866 and since then over 50 metrication proposals have been brought before Congress. In 1968, the National Bureau of Standards was asked to conduct surveys and make recommendations for an official position on the system.

Three years and $1.3 million later, in July, 1971, a report, creatively titled "A Metric America—A Decision Whose Time Has Come," was released. The report found 58 percent of the Americans surveyed had never heard of a meter.

But, nonetheless, it proposed three main points: Within a 10-year period the nation should gradually adopt the metric system; a national metric system; a national board should be created to oversee the changes; and metrication should begin with education and the adoption of international engineering standards.

President Nixon urged passage of an administration-backed bill making the metric system "the predominant, although not exclusive," measurement system in the country.

FOUNDERED IN RULES

But, even with the support of the President, scientists, educators and major industrial leaders, when House Resolution 11035 came up for a vote last May 7, it was defeated 153 to 240, a whopping 109 votes short of the necessary two-thirds majority.

Rep. Olin E. Teague (D-Texas) is chairman of the House Science and Astronautics Committee which presented the bill. While the bill was held up in the House Rules Committee, the opposition was mounting. Labor groups and small businessmen objected because the bill made no provision for federal funds to help people with the expense of conversion. Powerful AFL–CIO lobbyists representing the International Brotherhood of Electrical Workers, the United Brotherhood of Carpenters and Joiners of America, and the International Assn. of Machinists and Aerospace Workers descended on the Representatives.

The Carpenters Union claimed it would need $5,000 for each of its members to provide new tools and training. They said the government would have to put up $363,993,500 to convert the nation's carpenters to the metric system.

These protests were added to by small businessmen who felt that when the U.S. went metric, foreign-made tools and goods would flood the market.

A SPUR TO TRADE

Supporters of metric conversion insist that metrication would not only standardize and simplify measurement in this country, but bring in a $1–2 billion a year increase in foreign trade.

Whether Rep. Teague was tired of waiting for the bill to leave the Rules Committee or was just anxious to get a vote from the floor is not known for sure. But on May 7 he brought the bill out from the deadlocked committee under what is called a "suspension procedure". This meant the bill had to be voted on without any amendments, and it required a two-thirds majority to pass. The bill was put up for a vote without the amendment proposed by Rep. Spark Matsunaga (D-Hawaii), which would have provided funds for "metric conversion loans" and extended the conversion deadline to 1989.

When the bill was defeated, any chance for enactment in the 93rd Congress died. The Senate has passed a similar metric bill, but there is no indication the House will try again in the near future.

"The bill is dead," said Rep. Teague after the vote, "unless it comes over from the Senate."

ACTION IN SAN DIEGO

Ignoring the Congressional defeat and Teague's gloomy remarks, metric advocates continue their strong, subtle push towards metrication. The American National Metric Council and the American National Standards Institute are two of the strongest national groups supporting conversion.

On the state and local level, advisory groups are working to inform the public and exert pressure to bring metrics out from the laboratory, pharmacy and camera shop and into homes, businesses and schools.

Locally the San Diego Metric Advisory Council was formed last summer to promote community awareness about metric conversion, to act as a liaison between local, state and national organizations and to provide speakers, slide shows and materials to anyone interested in metrication.

The committee members are teachers, engineers at Rohr, Teledyne-Ryan, and Corvair, as well as many others actively promoting metrics. The committee meets monthly and is open to anyone who wants to become actively involved.

SIMPLICITY ITSELF

"The most important advantage of the metric system is that it is very, very easy to use," said Dwight Coblentz, Committee chairman. As curriculum coordinator for mathematics in the San Diego County schools. Coblentz has been advocating the metric system for years.

"I carry around a 30 centimeter ruler, which is close to 12 inches, and I practice measuring things."

Another metric supporter and Metric Advisory commitee member is Richard Linder, a math professor at Southwestern College.

"The same groups that attacked water fluoridation, new math and the PTA as communist plots are against metrication," he said. "These people have a head-in-the-sand attitude and are just resistant to any changes."

Linder stresses the metric system in the classes he teaches and has proposed a nine-week course in metrics to be open to anyone in the community. He hopes to teach the first metric mini-course next spring. "I have the impression that metrication is coming regardless of the government, and Congress will ultimately realize that they can't stop it."

A STRONG SUPPORTER

Janet Abbott, general supervisor of the Chula Vista Elementary School District and a committee member also has an abundance of information and materials on metrication to offer local citizens.

"I have provided most of the local PTAs with a slide show and a script to help parents learn about the metric system along with their children," she explained.

Mrs. Abbott is preparing an application to the county Department of Education for funds to create a pilot program on metrics for parents, teachers and children at Hilltop Elementary School.

Local industry is also becoming increasingly aware of the need for metrication. "We had to recently propose that we could build and assemble the French Turbotrain to metric specifications," said G. Art Brummett, chief of business management for Rohr Industries. "NASA also requires metric specifications for all the work we do for them," Brummett continued. "We have to have the ability to quote proposals and build products using the metric system."

A limited sampling of opinion among Chula Vista merchants showed many of them to be on the side of the anti-metric group.

"We're stocking metric rulers for people who come from Mexico, but as far as I know, I haven't sold any to a native Chula Vistan," said Bill Sullivan, manager of San Diego Glass and Paint's Chula Vista store.

"I'd say 90 percent of the people in this country are hoping it won't happen, but we'll get it whether or not we want it, if the politicians want it." For the past 45 years Sullivan has been measuring shower doors in feet and paint in quarts, and he said he hopes the metric system will at least wait until he retires.

Ray Prell, director of consumer marketing for Westy's Lumber, says he's waiting for some action industry-wide before taking any steps towards metrication.

"Some measuring tools are coming in both centimeters and inches, but there's been no big demand for them." Prell said for a long time this country will use both systems. "We'll be doing an awful lot of conversion, as most retail people will be." For now, Prell views the metric system as a "shadowy thing that may create a horrendous expense."

THE DRIVE GOES ON

The opposition to the United States adopting the metric system was victorious on the floor of Congress, but metric advocates across the country are ignoring the lack of government support and continuing their drive for metrication.

With more major industries converting every day, and school children preparing to learn their centimeters and liters instead of inches and quarts, the adoption of the metric system in the near future seems inevitable. There is at least one Chula Vista merchant who is anxiously awaiting conversion to the metric system.

"I have books of recipes in the metric system that I'm waiting to use," said Al Houtkamp, owner of Harvey's Bakery. Houtkamp, a native of Holland, misses the metric system and would be ready to change over any day. "I know it's easier to divide things up in the metric system, and once people get the idea, I think it would be very easy to teach them how to use it."

But, until metrication comes officially to Chula Vista, Houtkamp will still sell you a pound of cookies, even if in the back of his mind he's hoping you'll order a kilo.

AMTRAK DOES NOT TRY AS HARD

HON. E. G. SHUSTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. SHUSTER. Mr. Speaker, the Lewistown Sentinel newspaper which is located in my congressional district in Pennsylvania carried a very perceptive article concerning Amtrak on June 17. I commend it to all my colleagues who are concerned about both the future of America's railroads and the enormous tax burden shouldered by our citizens:

AMTRAK DOESN'T TRY AS HARD

Why don't people ride the trains?

Why don't you arm wrestle a bear.

Both are sports for the masochist. Riding the train today takes a perverse streak of self-hate, for it is its own punishment.

Saturday, for example, the one train a day which Lewistown area residents can take to New York and points east was due here at about 11:30 a.m. It arrived after 3 p.m.

This is not the fault of the local station agents, who know of the constant tardiness and warn passengers of it. It is the fault of Amtrak's policy. The train never arrives at the appointed time, so why is it not scheduled for later?

Because the company does not want to have a realistic schedule and adhere to it. The company does not, in fact, want to make money carrying passengers. It does all in its power to discourage passengers.

And it is doing the job well.

Employes of Amtrak, the federally-subsidized national passenger railroad system, spent more than $600,000 on airplane tickets last year despite the fact that they could have traveled free on Amtrak trains.

According to an Amtrak spokesman, it is company policy that employes are to take trains on business trips, but sometimes other modes are preferable. For instance, it makes little sense for an Amtrak executive to spend three nights and two days taking a train to the West Coast for a one-day meeting, although this has been done.

Also, during the summer and holiday seasons Amtrak trains are full and employes must seek other types of transportation.

Anthony Haswell, chairman of the National Association of Railroad Passengers, agrees that due to time constraints and the sketchy nature of service on many of Amtrak's routes there will have to be some flying by Amtrak employes.

"But my general observation," he says, "is that if responsible Amtrak management officials rode the trains more often, the public would soon get better service. Amtrak's upper management is really very unaware of the situation on the trains they are responsible for running."

Amtrak had 5,384 employes on Dec. 31 and operates an average of 225 passenger trains daily, serving every major city in the United States except Cleveland, Toledo and Des Moines, either directly or through connections with the few remaining non-Amtrak railroads. It is expected to receive a federal subsidy of $155 million in the coming fiscal year.

And that, friends, makes it our business, yours and mine.

RUSSIA HAS WINDFALL PROFIT ON INCREASED OIL PRICES

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. HUBER. Mr. Speaker, during the energy crisis there was a great deal of talk about the oil company profits, the money the Arab States were raking in, and other related matters. The Soviet Union, as usual, had it both ways. It vigorously supported the Arab oil embargo, since it was directed against the capitalist states, and at the same time made a great deal of money by raising the price on the oil it sold to the West. Therefore, I commend the article that follows from the Washington Star-News of June 5, 1974, to the attention of any colleagues. More wheat deals with Russia, anyone?

The article follows:

RUSSIA HAS WINDFALL PROFIT ON INCREASED OIL PRICES

(By Christopher S. Wren)

Moscow.—The jump in world oil prices enabled the Soviet Union last year to reap nearly a billion dollars more in oil revenue with only a modest increase in exports.

Windfall profits were taken at the expense of a number of countries in the west hit hard by the Arab oil boycott, according to newly released Soviet foreign trade statistics.

By contrast, the Communist countries were generally confronted with a negligible rise in Soviet oil prices.

The figures in the 1973 Soviet foreign trade handbook indicated that the Soviet Union has prospered from the higher world market prices spurred by the Arab oil embargo which Moscow consistently supported.

Last year, the Soviet Union increased its exports of oil and oil products slightly more than 10 percent but boosted their over-all earnings more than 44 percent.

The export revenue rose from nearly 1.7 billion rubles in 1972 to just over 2.4 billion rubles last year. This is a dollar increase of more than $990 million, based upon the prevailing 1973 exchange rate of $1.34 to the ruble.

In the same period, oil exports went from 107 million metric tons to 118.3 million metric tons. The majority of the increase went to the socialist countries at well below the spiraling market price, meaning that the profits came entirely from non-Communist customers. A metric ton is roughly equivalent to seven barrels.

While the Soviet trade statistics spanned all of 1973 without further breakdown, they clearly reflected the price rises that accompanied the Arab oil embargo.

Soviet oil prices were not increased for the Communist countries because the five-year plans allow for only minor fluctuation in the current contracts.

The Soviet Union has been encouraging its allies to look elsewhere to meet their growing oil needs, and it is believed likely that Soviet oil prices for the socialist bloc will be adjusted upwards when the new five-year plans for 1976–1980 are negotiated.

The Soviet Union was not hesitant to peg its Western orders to the new market prices. Last year for example, while Denmark bought 41 million fewer tons of Soviet oil, it paid out two and a half times what it had in 1972. West Germany and Belgium were confronted with increases approximately as steep. Austria, Britain, Sweden and Italy paid slightly lesser increases for Soviet oil.

Last fall, the Soviet press denounced as a "canard" Swedish radio reports that Soviet tankers were carrying oil to the Netherlands during the oil embargo. The Soviet press agency, Tass, alleged that the reports were launched to "poison the atmosphere of trust" between Moscow and the Arab countries that had made the Netherlands a specific target of the embargo.

But the current figures show that the Soviet Union last year boosted oil exports to the Dutch by a third, to over 3.2 million tons, and charged them nearly three and a half times what they had paid in 1972.

Western economic observers here point out that Moscow was honoring export commitments made with the West before the embargo, but they do not dispute that the Soviets moved swiftly to take advantage of the prime oil prices.

TAX JUSTICE

HON. RAY J. MADDEN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. MADDEN. Mr. Speaker, during my visit to Indiana this weekend I found that the Hoosier taxpayers are weekly becoming more bitter at congressional lack of action on legislative tax reform.

I submit an editorial from a prominent Indiana newspaper on tax justice for the RECORD, as follows:

TAX JUSTICE

Congress must immediately develop and enact a thorough-going program of tax justice which fully addresses:

The need to halt the huge and rapidly growing imbalances and inequities resulting from shocking increases in corporate profits and incomes while workers and consumers are suffering hardship, inconvenience and falling living standards.

The need to raise revenues sufficient to finance essential public investments in areas such as health, housing, mass transit, resource conservation and development, education and jobs.

The need to insure that the burden falls equitably on all Americans and that low- and middle-income families no longer have to shoulder an unfair share of the tax burden.

Because of the critical nature of the nation's present situation, we urge the Congress to give first priority to the immediate enactment of tax measures necessary to put an end to tax abuses that provide lavish benefits to the wealthy, big business in general and the giant oil companies in particular.

We call for:

1. Immediate enactment of an excess profits tax to curb the profiteering of the multinational oil companies and other big business corporations that are accumulating huge returns from price hikes which are, in turn, eroding the purchasing power of workers and other consumers.

2. Immediate elimination of percentage depletion allowances and "intangible" drilling cost write-offs for foreign produced oil, and the speedy phase-out of such write-offs as they apply to domestic operations.

3. An end to the foreign tax credit provision. Foreign income tax payments by U.S. corporations should be treated as deductible costs of doing business and the present practice of crediting them dollar-for-dollar against the company's U.S. income tax liability must be ended.

Failure by the Congress to curb such profiteering and tax abuses, at the expense of the vast majority of Americans, could completely shatter what little is left of public confidence in government.

As much as $30 billion of additional federal revenue could be raised by closing the major loopholes in the tax structure and enacting an excess profits tax.

The average American taxpayer knows he is paying more than his fair share of taxes.

The American taxpayer wants tax justice. The average taxpayer will be able to get a genuine tax break, rather than an illusory benefit, only when everyone is paying his fair share—be he President, worker, corporate executive or heir to a fortune.

COL. LEON E. WASHINGTON, JR.

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. HAWKINS. Mr. Speaker, Col. Leon E. Washington, owner and publisher of the Los Angeles Sentinel for 41 years, passed away on Monday evening at 7 p.m. in St. Luke's Hospital in Pasadena, Calif.

Mr. Washington was born in Kansas City, Kans., on April 15, 1907. He attended the public schools in Kansas City, graduated from Summer High School there, and attended Washburn College in Topeka, Kans.

Colonel Washington's commitment through the years has been to the betterment and advancement not only of oppressed people of his own race, but also to the welfare of his entire city, State, and Nation. He dedicated his personal energy and the prestige and power of the Los Angeles Sentinel to an infinite number of worthy humanitarian causes, civic and philanthrophic projects.

Colonel Washington came to Los Angeles in 1930 and gained his first journalistic experience with the California News and the California Eagle.

Determined to publish his own newspaper, "Wash" as he was fondly called, started a throw-away weekly called the Shoppers News and later started the Los Angeles Sentinel in 1934. The Sentinel thrived and became known as the "voice" of black people west of the Rockies. For the past 41 years the Los Angeles Sentinel has constantly and consistently articulated the needs, hopes, and aspirations of the Los Angeles Negro community—beginning in 1934 with the movement launched by Colonel Washington with the slogan "Don't Spend Your Money Where You Can't Work." That campaign, along with many similiar activities, put Colonel Washington and his paper in the forefront of the civil rights movement for equality and employment, education, housing, and every phase of American life.

The Los Angeles Sentinel under the ownership and editorship of Colonel Washington has grown into one of the Nation's largest Negro weekly newspapers in the Nation and received widespread recognition for its comprehensive coverage of local, State, and national news of concern to the black community.

It has for many years received the highest award from the California Publisher's Association. Government officials have frequently called upon Colonel Washington to serve in important capacities, including his appointment by Gov. Culbert Olson in 1940, to the California State Immigration and Housing Commission, his appointment by President John F. Kennedy, in 1963 to the Commission on Registration and Voting Participation, and reappointment to this major national Commission by President Lyndon B. Johnson.

In 1963 Gov. Bert Combs of Kentucky, commissoned Leon H. Washington, Jr., as an official Kentucky Colonel, an honor bestowed only upon individuals who have made achievements of national significance.

ARKANSAS WELCOMES MARYLAND'S DR. CHARLES EDWIN BISHOP AS PRESIDENT OF THE UNIVERSITY OF ARKANSAS

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. ALEXANDER. Mr. Speaker, I am speaking on behalf of the people of Arkansas and the members of the Arkansas congressional delegation when I extend congratulations and a cordial welcome to Dr. Charles Edwin Bishop who will soon become the 15th president in the 103-year history of the University of Arkansas.

Dr. Bishop, who currently is chancellor of the College Park Campus of the University of Maryland, will assume the responsibility in Arkansas of directing the programs and activities of the university's multicampus system. It is, in Dr. Bishop's own words, a "young and vigorous system" with a future in keeping with the promise of the State's proud reputation as "the land of opportunity."

Chancellor Bishop comes to the Arkansas presidency with impressive credentials. Prior to becoming the chief executive of the Maryland campus, the 10th largest in the Nation, he served as vice president of the University of North Carolina, and in several important capacities at North Carolina State University.

The National Government and the State administrations in Maryland and North Carolina have utilized his superior abilities in a number of leadership positions. Three presidents have called upon him to render significant services to his country. He was a member of the task force on vocational education under the late President John F. Kennedy. He served as executive director of the President's National Advisory Commission on Rural Poverty under the late Lyndon B. Johnson. Currently, Dr. Bishop serves as a member of President Nixon's Food Advisory Council.

While Dr. Bishop is recognized as one of the country's leading education authorities in agricultural economics, he is fairly committed to the comprehensive development of higher education in all areas, including the liberal arts curricula as well as the scientific, technological and professional disciplines.

He is a native of Campobello, S.C., and received his undergraduate degrees at three institutions, Berea College in Kentucky, the University of Kentucky, and the University of Chicago.

Dr. Bishop is a most worthy successor to Dr. David W. Mullins who retired as president of the University of Arkansas March 1 after a distinguished tenure in the position.

HONOR AMERICA PROGRAM

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. MURTHA. Mr. Speaker, the more we experience and attempt to understand the United States in the decade of the 1970's, the more it seems to me we should reflect on the American community and the American outlook that existed nearly 200 years ago when this Nation was formed. This thought comes to mind as we are in the midst of the honor America program.

This program lasts from Flag Day to Independence Day and I believe it should be a time of reeducation for all Americans as they seek to relearn the principles and concepts fought for by our Founding Fathers. Because it is those very principles that form the basis of the American governmental philosophy—and they are the foundation just as much today as they were 200 years ago.

Whatever problems we have in the Nation today are, at least in part, the result of some purely American characteristics such as our desire to meet problems head on, our resourcefulness in finding democratic solutions, our national pride, our openness, and a host of other national characteristics. But most important is the fact that our solutions to problems continue to rest on the very same principles first set forth by our Founding Fathers. These principles include such things as equality under the law, freedom of the press, insurance of basic civil rights, individual freedom, the guarantee of individual privacy, and those other concepts which have always guided our Nation.

And if you look closely at American history, it involves a process of maturing, defining, and reemphasizing these ideals in light of continuing developments. The key is that the principles remain the same; and that the cornerstones of this great people remain firmly fixed on that same set of principles.

So it is my hope that during this time of national reflection capped by our July 4th celebrations, that we reflect on this long and glorious history of our Nation, and that we recall those principles and those concepts first enunciated by such brilliant men as Thomas Jefferson, George Washington, James Madison, and others.

I believe every community should seek to develop its own special way of remembering and restating the goals and concepts of these men. Hopefully each community will find a way to bring together all the elements of that community into one celebration.

NATIONAL CEMETERY SYSTEM

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. TIERNAN. Mr. Speaker, the establishment of the National Cemetery System by Congress last year was hailed by many, including myself, as a significant step toward improving the quality of services to veterans and their families. By concentrating the administration of federally operated veteran cemeteries into one agency the Congress intended to bring the appearance and the operation of these cemeteries up to the level of honor and respect entitled and accorded America's veterans.

That, indeed, is a noble undertaking. And although much has been done in the past year to achieve that goal, the privilege and honor of being interned in a national veteran cemetery cannot help but remain an empty one for most of our veterans because of the physical restraints of the National Cemetery System. All veterans are eligible for that honor, yet few can accept it simply because of the practical restrictions imposed upon them by the location and limited space of these cemeteries.

The best and possibly the only way to eliminate these restrictions is to provide financial assistance to the States for the establishment of State Veteran Cemeteries.

The necessity for establishing such a program of financial assistance becomes immediately evident upon an examination of the present system. Public Law 93–43 provided for the creation of the National Cemetery System to administer all national cemeteries transferred to the Veterans' Administration by the National Cemeteries Act of 1973 and all cemeteries under VA jurisdiction at the time of passage. Under the new authority of this law, the Administrator of the VA prescribed new and uniform standards for the administration of these cemeteries, covering such aspects as regulation for internment, maintenance of memorials and records, construction of facilities, et cetera. Even though these new standards have improved the quality of the cemeteries, in and of themselves they cannot make the system responsive to the needs of all Americans. We still have a geographically disproportioned network of national veteran cemeteries which do not adequately serve American veterans, their families, relatives, or friends.

An examination of the geographic distribution of our national veteran cemeteries reveals a disproportionate concentration of these facilities in 4 of the

10 regions of the National Cemetery System. Of the 55 cemeteries which will be operating during our Bicentennial year, 45 will be located within 4 regions composed of 23 Southern and Midwestern States. Nearly half of those cemeteries, or approximately 40 percent of the total number of operating National Veteran Cemeteries, will be concentrated in region IV, the Southeastern portion of the United States.

The remaining 6 regions, encompassing the rest of the United States, will be served by 11 National Veteran Cemeteries. Region I, the 6 New England States, does not now have, nor will it have an operating cemetery within the National Cemetery System in 1976. The closest National Veteran Cemetery is in New York State, well over 200 miles from many points in New England. Similarly, region IX, composed of California, Nevada, and Arizona, will be served by only one national veteran cemetery in 1976. That cemetery is located in Los Angeles, 400 miles from Phoenix, Ariz., and over 500 miles from some cities and towns of northern California.

State governments have not moved to fill these gaps. Presently there are only two States operating veteran cemeteries, Maine and Rhode Island. Aside from these two States, it is understandable why many veterans who otherwise would have desired to be interred in the National Cemetery System have turned away from this privilege.

According to the National Cemeteries System study submitted to Congress by the Veterans' Administration on January 21, 1974, the three "most important factors" in the cemetery usage rate are: first supply of graves, second, willingness to travel, and third, distance of cemeteries to residence. The most significant of the individual variables measured could not be identified because of the high intercorrelation among them. The combination of these factors accounts for a major portion of the disparity between eligibility and usage—thousands of veterans are at least theoretically eligible to request interment in the National Cemetery System, but only a small percentage are actually in a position to act upon that eligibility. Eligibility is meaningless unless it is coupled with the possibility that that eligibility wll be acted upon.

The study indicates that in 1965, of the known ground burials of veterans in the contiguous United States in approximately 97 percent of the 221,638 veteran deaths, the disposition is known—47 percent occurred within 50 miles of a Federal cemetery, 23 percent occurred within 100 miles, but more than 50 miles of a Federal cemetery, and 30 percent occurred more than 100 miles from any Federal cemetery.

When we examine the burial rate in Federal cemeteries we see that 28 percent of those living within 50 miles of the Federal cemetery were Federal burials, 6 percent of those living between 50 to 100 miles of a Federal cemetery were Federal burials, and only 4 percent of those living more than 100 miles from a Federal cemetery were Federal burials. Almost three times as many veterans living within 50 miles of Federal cemeteries chose to be buried in these cemeteries as compared to those veterans living more than 50 miles from Federal cemeteries.

Moreover, the percentage of veterans seeking interment is expected to decrease because of a reduction in available space in the National Cemetery System. Since 1965 the percentage of all U.S. ground burials occurring in U.S. Federal cemeteries has declined steadily. From 1965 to 1970 it decreased from 16 percent to 9.1 percent. In 1974, under the new Cemetery System, it is expected to decrease to 7 percent. The likelihood that more of these decreases will occur in areas distant from the national cemeteries is great, since distance adversely affects plans and hopes for many veterans to be buried in the National Cemetery System.

We must not allow the number of veterans who can and are served by the system to dwindle even further. The concentration of national veteran cemeteries in a small number of areas has made the system unresponsive to an American veteran. We can correct this by granting financial assistance to the States who wish to create State veteran cemeteries.

FEDERAL CONTROL OVER MEDICAL PROFESSION

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. ARCHER. Mr. Speaker, our overall experience with programs of Federal aid brings us to one main conclusion: Federal aid brings Federal controls. Although these controls may be justified as congressional checks on public money, these restrictions bring the Federal Government into a decisive role setting regulations and standards for any program receiving Federal aid. This has happened with Federal aid to agriculture and Federal aid to education. These controls have become evident in the medical profession through the Professional Standards Review Organizations established under the medicare and medicaid programs. While promoted as cost control and quality control for the beneficiaries, these regulations have become an opening wedge for the Federal Government to intervene in the private practice of medicine. An excellent column on this relationship between Federal aid and Federal control appeared recently in the June 7, 1974, issue of the Anaheim Bulletin. The columnist, Mr. Allan C. Brownfeld, reveals how this PSRO concept could be extended to the entire field of medicine. I commend this article to my colleagues.

The article follows:

MEDICAL CARE WITHOUT CONTROL?

WASHINGTON.—Proponents of the nationalization of medicine tell us that under their plans the private practice of medicine would be continued virtually unchanged. The administration argues that its proposal for national health insurance would, in fact, prevent the "socialization" of American medicine.

The fact is, quite to the contrary, that government is already telling doctors how to practice medicine, making them and their patients little more than government administrators and bureaucrats.

Government control always follows government financial aid. There is legal precedent to the effect that this is indeed how our system works.

In 1942, in Wickard v. Filburn (317 US 111) the U.S. Supreme Court reversed itself and upheld the agriculture price support law which (among other matters) limited the amount of wheat which a farmer could produce. Filburn, an Ohio farmer, raised wheat for his own domestic and farming uses only. Nevertheless, the Court said he must bow to the agricultural restriction law—cutting down his wheat production! In deciding the case, the Court made this statement: "It is hardly lack of due process for the government to regulate that which it subsidizes."

Government control always follows government financial aid. In the medical field this was clearly seen in December, 1973, when Secretary of Health, Education and Welfare Caspar Weinberger announced that the government will no longer cover the cost of trade name prescription drugs under Medicare and Medicaid if lower priced generic medicines are available.

The new HEW policy is based upon the assumption that generic drugs are, in fact, the equivalent in every respect of prescription drugs. There is no real evidence to confirm this assumption—and a great deal of evidence which refutes it.

SECOND CLASS

The new policy requires Medicare and Medicaid beneficiaries either to accept products that are likely to be inferior or to pay, out of their own pockets, the difference in price between the cheapest drugs available and more expensive counterparts prescribed by their doctors. This policy institutes a program of first and second class medicine. Those patients who are not receiving government assistance will be able to purchase the drugs which their doctors believe to be the best available. Those who are receiving government aid will receive such aid only for the cheapest available drug. The government is, in effect, telling doctors how they may practice medicine with those receiving federal aid.

Now, with a variety of national health insurance bills before the Congress, the day when all Americans will be subjected to the second class medicine now reserved for the elderly and the poor is rapidly approaching.

Just as the new drug policy has been instituted in the name of "economy," so the Professional Standards Review Organizations (PSRO) program came about in precisely the same manner—in the name of economy.

Beginning in January, 1974, a new federal bureaucracy came into being, with its goal the direct control of medical care to all who receive federal funds.

While doctors have traditionally considered it their professional responsibility to prescribe the necessary care for their patients, to determine whether a patient does or does not need to be hospitalized, and to decide what manner of medication would prove most effective, the new PSRO program takes much of the decision-making out of their hands.

DOCTOR BUREAUCRAT

Local PSROs will have the responsibility of seeing that doctors practice according to norms that will be subjected to the approval of a national council, which will include representaitves of consumer groups and other non-physicians. A USRO examiner, who may not be a medical doctor, will be able to challenge a doctor's professional judgment. The doctor may be penalized for making what the examiner considers to be an unnecessary treatment by denying payment for the services rendered. PSRO administrators will have the power to order him not to perform an operation he feels to be necessary, to change medicines he has prescribed, or to hospitalize or not hospitalize a patient, and, if he fails to comply, withhold compensation. Government bureaucrats—non-doctors—have, in effect, been given the power to practice medicine.

Under the PSRO program, the principle of confidentiality of the doctor-patient relationship will be seriously challenged. The doctor will be forced to reveal his records to PSRO inspectors and if he is to be paid for the services he renders, he will have to abide by HEW guidelines. The doctor will, in effect, be little more than a government bureaucrat.

The PSRO regulations not only destroy the ability of the doctor to practice medicine in a professional manner but also do significant harm to the patent who is ostensibly meant to benefit from the program. Patients who fall under this program will be denied the best possible medical care and will have in its place, the best judgment not of the individual medical practitioner but the statistical "norms" determined by government bureaucrats.

Under the various national health insurance bills now under consideration, all Americans would receive some form of government medical assistance. Thus, all would be subjected to government controls.

It is clearly imposible for government to finance medical care without taking over total control of the practice of medicine. Those who support such a plan should—at least—do so with their eyes open.

REV. JAMES W. KANE NAMED "MAN OF THE YEAR"

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. MURTHA. Mr. Speaker, the true strength of America lies in its local communities, and especially in the hearts of local citizens who care enough to give their time and service to the people of the community.

And that kind of individual is the Reverend James W. Kane of Sykesville. I was pleased to note recently that Reverend Kane had been named "Man of the Year" by the Sykesville Lions Club, because his record shows it is an honor he fully deserves.

Reverend Kane has been pastor of the Grace Church for the past 7 years. He is a family man, and he and his wife Carolyn have three children.

Reverend Kane is extremely active in community affairs. He is President of the Sykesville Ambulance Service. He is President of the Sykesville Lions Club. He is a director of the local Easter Seal Society. Reverend Kane is on the board of directors of the child welfare board. He is also a director of the Sykesville town and county fair.

Through his professional and community efforts, I am sure Reverend Kane has touched nearly every element of the community, and friends tell me the individuals within the community have greatly benefited because of his continuing contribution.

Reverend Kane is a native of the Brookville area and graduated in English from Clarion State College. He has his master of divinity degree from Methodist Theological Seminary in Delaware, Ohio.

His family and friends are justifiably proud of the record of public service of Reverend Kane, and it is only fitting that the community he has served has recognized his contribution by naming him "Man of the Year."

I would certainly like to add my congratulations to Reverend Kane, and I am proud to submit these remarks to the record to illustrate again how the strength of America lies with dedicated individuals like Reverend Kane.

THE TRUE IMPORT OF THE KISSINGER CASE

HON. JOHN J. RHODES

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. RHODES. Mr. Speaker, the New York Times of June 16 carried a thoughtful commentary by C. L. Sulzberger, a distinguished reporter of foreign affairs, on the current Kissinger controversy. Mr. Sulzberger points out that the Secretary of State had a duty and responsibility to guard the security of the United States at the time of his actions, which have drawn critical political fire.

He realistically notes that surveillance is a fact of contemporary life; and that diplomacy now is necessarily conducted in secrecy. I believe this is an excellent column, an accurate appraisal of the true import of the Kissinger incident. I recommend it to my colleagues for their perusal. Text of the column is as follows:

LEAST SAID SOONEST MENDED

(By C. L. Sulzberger)

The real issue raised by Secretary Kissinger's threat to resign was that of U.S. national security. What means, it is inferentially asked, can justifiably be used to insure that state secrets are not leaked at the expense of the nation's safety or at the risk of embarrassing relations with allies or negotiations with foreign governments?

This is not the best of all worlds and considerably less pleasant and more dangerous than some fifty years ago. It is stuffed with dangerous devices that can burn up the planet's surface or probe the innermost thoughts of its inhabitants. But there is no way of returning to the agreeable horse-and-buggy era.

Therefore, it is naive to criticize Mr. Kissinger for associating himself with moves to check security leaks by electronic bugging and claim a predecessor like Charles Evans Hughes would never have dreamed of doing so. Apart from the fact that wiretapping was still in its fetal stage when Hughes was Secretary (1921–25), this kind of supposition is about as helpful as speculating on how Robert E. Lee might have deployed tactical nuclear weapons.

Wiretapping is an unpleasant facet of contemporary life and far less prevalent in democratic countries than under dictatorships. But it can be an effective way of safeguarding security. And although we don't like to tak about it, it has for decades been the custom in the United States, Britain, France and other open societies.

Some years ago, at a Paris dinner party, the head of French security told me with an amused look that all my telephones were bugged, both home and office. I wasn't angry but sympathized with the staff forced to listen regularly to my wife's trilingual conversations in a musical mixture of English, French and Greek.

Certain hotel suites in Washington, London and Paris are generally assumed to be tapped because they are so often assigned to important foreign visitors. Of course, in capitals like Moscow or Warsaw, even the most innocent traveler expects this. Embassies are often under electronic surveillance. Ambassador Henry Cabot Lodge once waved a well-bugged American seal from our Moscow embassy before the U.N. Assembly.

There is moralistic revulsion against these practices. Americans are familiar with the objections that cropped up here as a fallout of the Watergate affair. In France, also, there is an effort to get away from bugging. On May 29 President Valéry Giscard d'Estaing announced he would do away with wiretapping and destroy accumulated tapes.

A system of listening-in, called *les tables d'écoute,* had long been installed in Paris, based in that grand old building of Louis XIV, the Invalides. Theoretically no one could be tapped without specific authority from the premier; in fact the program was operated pretty well on its own by an interdepartmental group including police, military, espionage and security services.

I personally think it highly improbable that President Giscard will be able to eliminate the system although perhaps he can restrict its employment. That, one may hope, will also be one consequence in the United States of the present bugging furor.

But that Mr. Kissinger and other officials of the executive branch, especially those concerned with foreign and defense policies, should have been disturbed by leaks of secret information that could jeopardize our relations abroad is neither startling nor ignoble.

The pleasant Wilsonian assumption that open covenants should be openly arrived at, is plain day-dreaming. The United States seeks open covenants secretly arrived at and I think this is an effective method of negotiating. The other fellow wouldn't negotiate if all his moves were publicized as they occurred. Not all nations dream our moralistic dreams.

Mr. Kissinger, I believe, was mistaken to react so heatedly and quickly to sour press questioning after his astonishing truce-making between Syria and Israel. Moreover, he was mistaken to react in Salzburg. It is sound practice for American officials to limit their comments on current U.S. affairs when they are out of the country. The Secretary was obviously fatigued by his endeavors for peace, and fatigue is not always a sage counselor.

Yet the essential question raised is not something out of a primitive morality play. Mr. Kissinger would be remiss in his duties if he did not attempt to clamp down on leaks endangering the United States or its search for international détente—through the SALT talks with Russia, in the instance of the leaks and buggings now being questioned.

One can only thank the country's lucky star that sufficient Senators of open mind and good judgment, wise enough to acknowledge the Secretary's remarkable talent, have already rallied to grant him their confidence. Now, the less the incident is batted about, except in the due and proper course of legislative investigation requested by Mr. Kissinger, the better. Least said soonest mended.

U.S. MONEY USED TO SPREAD TERRORISM IN LATIN AMERICA

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. ASHBROOK. Mr. Speaker, I have previously addressed this body concerning the counterpoductive policy of paying large ransoms or bribes to Communist terrorists. The latest proof of the error of this policy came out of Argentina last week. As I have stated in the past, large amounts of money placed in the hands of the terrorists is used to increase terrorist activity. The ERP, the Trotskyite-Communist terrorist group in Argentina, has announced that it has shared $5 million with three other Latin American terrorist organizations. The money had been paid to the ERP by the Exxon Corp. to secure the release of Victor Samuelson, the Exxon operations manager in Argentina. The groups receiving the money are the ELN—National Liberation Army—of Bolivia, the Tupamaros of Uruguay and the MIR of Chile. The last group, the Movement of the Revolutionary Left, served as Allende's storm troopers during his regime and is now operating as an underground terrorist organization.

The chickens have come home to roost. American money extorted by terrorism is now being used to finance new acts of violence in three additional Latin American countries.

NEW SEAT BELT MAY HAVE HURT 1974 CAR SALES

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. HUBER. Mr. Speaker, none of the persons reporting on the seat belt interlock system this year has asserted that it has helped sales of new cars, but on the other hand no one is prepared to say how much it has hurt sales. What is unquestioned, however, is that all new so-called safety features have increased the price of new automobiles. The equipment added to our cars by means of Federal mandate have come at a dizzying pace. A column that appeared in the Detroit News of June 10, 1974, suggests a moratorium on adding such equipment might now be in order so that these things can be properly evaluated to see if all this additional equipment is really helping anyone. I agree with this view and commend this article to the attention of my colleagues.

The article follows:

NEW SEAT BELT MAY HAVE HURT 1974 CAR SALES

(By Robert W. Irvin)

Have the controversial ignition interlock seat belt systems required on 1974 cars by the government hurt the sales of the new models?

There is no clear-cut answer because the current year is such a sales disaster. Many reasons—such as the general state of the economy and the energy crisis—have been cited for the decline.

However, the belts undoubtedly haven't helped '74 sales and this is another reason why auto makers are showing some concern about how the public is going to receive another government-inspired feature on 1975 models: the mufflerlike catalytic converter for pollution control.

Asked if the interlock—which forces people to buckle the lap-shoulder belt before they can start their car—had hurt sales, a General Motors Corp. executive vice-president, Richard L. Terrell, commented, "I don't have any survey facts but I personally am convinced the interlock has had some impact. But to what degree I have no way of knowing."

Another GM executive vice-president, E. M. "Pete" Estes, said of the interlock, "I don't think it has helped us any but I don't know what impact it has had."

On the other hand, Estes thinks the converters won't hurt sales. "No," he said. "They will help sales, offset somewhat by the price increase, although that will not be 100 percent due to the catalytic converters."

Terrell said the converters "are certain to cause some conversation and we're never happy about that. But it's our job to get out there and communicate to the public and tell the story that the unleaded gas and the converters are going to benefit our customers."

He mentioned longer life for some car parts as a result of the unleaded fuel and Estes talked about the durability of the converters. While some prototypes last year made the floor of the car hot, Estes said that won't be a problem because of heat shields which will be installed.

"We have run some 30 million miles of testing, with some vehicles as high as 70,000 miles," he said. Despite the hundreds of vehicles used in testing, there were only two catalytic-converter failures, one because leaded fuel was used continuously and the other for a minimal reason, he said.

Some studies have been made questioning the benefits of some of the government-mandated equipment. For example, studies by Ford Motor Co. and GM have concluded that the five-mile-an-hour damage-resistant bumpers cost more money than they will save in accident-repair costs.

Terrell mentioned another study by the University of Southern California Medical School which "questioned seriously the benefit of putting head rests on cars. We ought to be able to take things off the car if they are not doing anything for the customer. If they are good, we should leave them on."

Terrell also said, "I support vigorously the recommendations of executives in the industry and outside who believe it would be in the best interest of the country and the industry and the consumer if we had a moratorium on some of this mandated equipment going on cars and trucks."

He said a moratorium would allow the manufacturers to "do some cost-benefit studies to see what is really benefiting people." He said the trouble to date has been "that we have had to hang onto items and if we could have the opportunity to consolidate—to really redesign some of these models so we could integrate the features—we would improve the efficiency of cars."

That is the goal now, to improve the efficiency of vehicles, especially the full size ones.

"This is one thing a moratorium on government requirements would help us do," he said.

RURAL HALL, N.C.

HON. WILMER MIZELL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. MIZELL. Mr. Speaker, the Fifth Congressional District of North Carolina, which it is my honor to represent, has recently been blessed with a new town. By a vote of its citizens, Rural Hall was officially born as an incorporated town on June 1, 1974.

With its 2,500 citizens, Rural Hall is the third municipality in Forsyth, joining the fine communities of Winston-Salem and Kernersville.

In his inaugural address to the town, Mayor Harry L. Carithers said he wants to "keep Rural Hall the garden spot of the world." That is a laudable ambition, and Mayor Carithers will be assisted in his efforts by an able town council consisting of Dewey V. Harris, Wesley L. Hunsucker, Charles G. Shelton, and Burke E. Wilson, Jr.

I am sure I speak for all the citizens of the Fifth Congressional District in welcoming the new town of Rural Hall. And I am sure that all my colleagues in the House join me today in wishing Mayor Carithers, the town council, and all the folks in Rural Hall the best of luck in their attempt to establish and maintain a responsible, good town government.

HOUSE REFORMS SCUTTLED

HON. DAVE MARTIN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. MARTIN of Nebraska. Mr. Speaker, our failure to give speedy consideration to proposed reforms of House operations is causing an unmistakable outcry throughout this country.

The last major reorganization of Congress took place almost three decades ago, in 1946. In the meantime, jurisdictional lines have become tangled, workloads of committees have become imbalanced, and the over-all efficiency of this body has been placed in jeopardy.

The Committee Reform Amendments of 1974 (H. Res. 988), the product of some 14 months of deliberations by the Select Committee on Committees, seeks to remedy this situation and put the House back on the right track. They should be debated by the House at the earliest possible date. The people we represent deserve no less.

A perceptive editorial on this subject, "House Reforms Scuttled," appeared recently in the St. Paul, Minn., Pioneer Press. The editorial follows:

HOUSE REFORMS SCUTTLED

Bipartisan efforts to modernize and streamline the unwieldy committee structure of the House of Representatives were slapped down this past week by a secret vote of the House Democratic Caucus.

The Bolling reorganization plan, which had the backing of liberals in both parties and had been put together during 18 months of effort, was temporarily scuttled and perhaps permanently killed by the action of the Democratic meeting. Voting behind closed doors, the party caucus sent the plan to a "graveyard" review committee instead of letting it come before the House next week, where it was given a good chance of passing.

Republicans immediately attacked the rejection as proof that the Democratic leadership and powerful Democratic committee chairmen are selfishly opposed to needed congressional reform.

"The burial of this bill, which one hopes is temporary, is simply another act of weak House leadership which has justly earned for the Congress its low public confidence rating," commented Rep. Bill Frenzel, R-Minn.

Rep. John Anderson of Illinois, one of the House Republican leaders, said: "The Democrats have shown they are not the reform party. A great majority of Republicans would have voted for the Bolling plan if the Democrats had permitted it to come to the floor of the House for action."

The manner in which the Democratic caucus was conducted was disappointing. Extreme rules of secrecy were imposed. It was announced that the vote in favor of referral to another study committee was 111 to 95, but the rollcall was not recorded. The review committee is stacked with opponents of the Bolling bill. In addition, the caucus voted to forbid Democratic members of the House Rules Committee from permitting the bill to come to the House floor until the party caucus has acted on whatever recommendations, if any, may come out of the review committee. It is supposed to make a report in July, when the House is likely to be deeply involved in presidential impeachment proceedings.

The House committee structure has not been reorganized for nearly 30 years. The Bolling plan calls for major shifts in committee jurisdiction for greater efficiency and accountability. Most House members would be limited to membership on a single major committee. Proxy voting would be banned, forcing personal attendance at committee sessions. Some committee chairmen would be reduced in power.

It is disappointing that the reorganization program has foundered, at least for the present. It should be revived later in the session if possible. Meanwhile, the Democratic party must shoulder the blame for sidetracking greatly needed reforms.

SEND THE BIBLE TO SCHOOL

HON. JOHN E. HUNT

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. HUNT. Mr. Speaker, my very dear, close friend, Harry D. Mackey, author, "The Gallant Men of the Delaware River Forts—1777," and journalist, has just recently sent to my attention a very thoughtful and meaningful poem which he composed expressing the blessings derived from having the Bible returned to our classrooms.

Knowing that his thoughts come straight from the heart I wanted to share them with my colleagues:

Place the Bible Back in Schools

(By Harry D. Mackey)

I'd like to see the Bible placed
Where the Bible use to be,
Upon the top of the teacher's desk
For every child to see;
I'd like to hear the teacher say,
As my teacher used to do;
"Before we work or play, dear ones,
I want to read to you."

I'd like to see the teacher stand
Before the class again
And lift with reverent care the Book
That makes God's purpose plain,
And ere the youngsters went to work
I'd like to hear her voice
Repeat those words of truth and faith
That make one's soul rejoice.
I'd like to see her face light up
At each resplendent word
And watch the children's souls shine out
At the message they had heard;
And know the joy had come to each
When the teacher read the Book

Yes, I'd like to see the Bible placed
Where the Bible used to be;
I'd like to see it read aloud in the schoolroom
of the free
I want my children taught to know
God's matchless gift of love.
The Book of books is wisdom's gate
To that bright schoolhouse above.

Never mind children, you may never hear the Bible read in school, but when you get to jail there will be one in every cell.

PUBLIC FUNDING IS NOT POLITICAL REFORM

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. FRENZEL. Mr. Speaker, in the continuing debate on public financing of elections, the Christian Science Monitor has made a valuable contribution by publishing a statement by Prof. Allan E. Goodman, chairman of the Department of Government and International Relations at Clark University, Worcester, Mass., in its June 19 edition.

Professor Goodman correctly and emphatically points out that public financing "does not necessarily reform either the electoral process or the parties that organize it." He dramatizes this statement by noting that at least 13 parliamentary democracies whose recent troubles are well known, have some form of public financing. In every case these governments have been burdened with unstable coalitions during times of inflation or dominated by rigid centrist parties during booms and recessions.

I strongly agree with Professor Goodman that advocates of public financing overlook the experience elsewhere.

The Christian Science Monitor article follows:

Public Funding Isn't Political Reform

(By Allan E. Goodman)

The problem with public campaign financing is that it does not necessarily reform either the electoral process or the parties that organize it. Of the 13 parliamentary democracies whose troubles were recently discussed in this newspaper, France, Britain, Denmark, Sweden, Australia, and Israel have some form of public financing. So do about 20 other nations. In every case, unless public-financing legislation accompanies party reform or runoff elections, governments have been burdened with unstable coalitions during times of inflation or dominated by rigid centrist parties during booms and recessions. Advocates of public financing in the United States—first proposed by Theodore Roosevelt in 1907 and again in 1949 by Henry Cabot Lodge—overlook the experience elsewhere.

The major argument in favor of public financing is, as Senator Kennedy recently put it, the "guarantee that the political influence of any citizen is measured only by his voice and vote, not by the thickness of his pocketbook." Where it has been adopted, however, public financing has tended to substitute oligarchy for plutocracy.

The special-interest groups represented by money are replaced with those based on occupational, regional, or religious exclusiveness. Rural parliamentary districts usually come to be dominated by regional or religious interests while urban constituencies tend to be dominated by the long-term residents, usually creating an occupational bias. This is true for most of Europe, South Vietnam, India, and Japan.

Public financing has also resulted in a proliferation of candidates. More candidates mean that fewer votes are required to win, and this encourages consolidation—rather than expansion—of the bases of political organizations, as has happened in most of Europe, Turkey, India, and Vietnam. The net effect has been to deny electors an effective choice. As a British colleague of mine observed: "My MP [Member of Parliament] is a union man and he is always opposed by several candidates. He keeps to his cronies because he always has enough votes to win. The only way I could have a choice is to vote with my feet and move to another district."

Except where there are comprehensive political party laws, as in Finland and South Vietnam, public financing has also led to the proliferation of splinter and temporary parties. The problem is acute in France where, as a saying goes, two Frenchmen are a political party; three, a constitutional crisis. De Gaulle often complained: "How can you govern a country that has 247 kinds of cheese?" The current French answer is a run-off system. Where there is no such provision the proliferation of parties means that national elections are won by coalitions that prove difficult to sustain as governments—as is proving true now for Israel and Britain.

Proponents of public financing argue that, as the president of the Center for Public Financing of Elections put it, the present system "stifles the emergence of new faces and new leaders." But, in the European and Asian countries where public financing exists, candidates still tend to come up through the ranks of established parties, and, except in West Germany, their social backgrounds have changed little.

Public financing's most direct consequence has been to make campaigning less lavish, though, as is the case in France, no less professionally run than in the U.S. now. The receptions and the tons of frivolous literature tend to disappear and candidates do tend to speak more often to the issues. But in Europe and Asia, public-opinion surveys find that 70–90 percent of the voters tend to have their minds made up before the campaign begins. For the 1960, 1964, and 1968 U.S. presidential elections, on the other hand, estimates are that 36 percent, 33 percent, and 38 percent of the voters, respectively, decided during the campaigns. So, even where public financing's potential impact seems greatest, it may be significant to only a third of the electorate.

All of the current U.S. proposals—the Senate Rules Committee bill, the Anderson-Udall bill, the House Administration Committee bill, and President Nixon's proposal—overlook such aspects of experience elsewhere. The current bills concentrate on candidate spending rather than party or election reform. Without the latter, public financing may do little to change the status quo.

CONGRESSIONAL ADVISORY LEGISLATIVE LINE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. MURTHA. Mr. Speaker, I would very briefly like to endorse a concept now being considered by the Congress to establish a congressional advisory legislative line—CALL.

My distinguished colleague, Congressman Gus Yatron, is the prime supporter of this concept in the House and he is to be congratulated for initiating the effort.

There is no doubt that a continuing goal of the Congress should be to provide as much information to the public as quickly as possible, and this concept of toll-free access to the status of legislation before the Congress is an outstanding step in that direction.

In fact, I hope that the committees of the House and Senate give quick consideration to this idea and that we will continue to look for as many ways to provide necessary information to the public as quickly and efficiently as possible.

I hope this concept quickly becomes reality, and I am hopeful it will be but the first of many steps taken in the next few years to increase public access to information about the Congress.

SUPPORT FOR FTC ANTITRUST SUIT AGAINST OIL CORPORATIONS

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. LUKEN. Mr. Speaker, recent changes in the programs and budget of the FTC made by the Appropriations Committee raise the gravest problems to memory. The fight against inflation will be severely set back if the FTC effort to break up the "big eight" oil companies is aborted by these cuts.

The attempt by the FTC to break up the oil companies, started in a suit filed in July of 1973, will be thwarted if this Congress fails to provide the resources to the FTC to carry on the fight for the consumer.

If these funds are not restored, the biggest antitrust suit in history will be brought to a halt, and, predictably, the big oil companies will waltz off with a victory, virtually without opposition.

This all important suit has as its objective the elimination of price fixing and the divestiture of 40 to 60 percent of the refineries and all pipelines in order to bring down prices, which the FTC says are higher due to the existence of the monopolies.

Without such restraint the control of the oil companies over our economy will become even more widespread, as witness the prospective purchase of Marcor Corp.—Montgomery Ward—by Mobil, utilizing the embarrassingly high profits realized by their monopolistic practices.

I agree with the FTC that presently the consumer pays twice, because of the companies' unbridled market power, first through higher prices and second through artificially created energy shortages.

Congress must carry on this fight with FTC, over the objections of the administration, which has attempted to shoot down FTC's efforts at every turn. We have witnessed the attempts by Under Secretary Simon to undercut the suit and stop it in September 1973, and have witnessed recently action of the Office of Management and Budget passing the buck to Congress to fund the continued investigation.

The present action of the Appropriation Committee, inspired by administration's recommendations, is to cripple the FTC current investigation by taking away the funds to support it. This means taking away the means of combating big companies by depriving FTC of the necessary technology and professional personnel to successfully prosecute the case.

Unfortunately, the administration has not supported the case from the beginning. In 1969, the Los Angeles staff of the Justice Department recommended this antitrust action and for 3 years this recommendation lay unacted upon. When the FTC stepped into the breech and took action in 1973, it fell into disfavor with the administration resulting in the critical letter from Mr. Simon and swapping of angry charges between the agency and the administration over Simon's role in attempting to stop progress of the case.

This posture of the administration parallels the posture taken in the famous ITT case in recent and unbeloved memory.

Unless these funds are restored, FTC will not have a computer to process the 25 million pages of documents which will probably be involved in an evidentiary way in the case. Further, we have it on no less authority than the State Attorneys General, that the companies have at least 144 lawyers to fight the case at the same time the FTC has only 18 lawyers ready for battle. The State attorneys general have volunteered lawyer assistance in this suit because of the disparity of resources. The States are showing concern over the welfare of their citizens.

Those who support the free enterprise system should support this move to bring down prices by restoring competition to the marketplace.

Mr. Speaker, I have received a letter from Attorney General Andrew P. Miller of Virginia, chairman of the Antitrust Committee of the National Association of Attorneys General. General Miller calls the *Exxon et al.* case one of "the most important antitrust suits ever commenced," and expresses the association's strong support for the amendments which will be offered on these matters.

I include the letter, urging the House to adopt the amendments, at this point in the Record:

Office of the Attorney General,
Richmond, Va., June 19, 1974.

Hon. Thomas A. Luken,
House of Representatives, Longworth House Office Building, Washington, D.C.

Dear Congressman Luken: I am the Chairman of the Antitrust Committee of the National Association of Attorneys General. On March 11, 1974, the National Association's Executive Committee adopted the enclosed report of the Antitrust Committee's Federal Trade Commission liaison subcommittee—chaired, incidentally, by Assistant Attorney General Ray Marvin, Chief of the Antitrust Section of the Ohio Attorney General's Office. Accordingly, the views expressed herein are those of the entire Association.

I wish to express the Association's strong support for certain floor amendments to be introduced on Friday, June 21st, to the FTC portion of the fiscal year 1975 Agriculture, Environmental and Consumer Protection Appropriations Bill. These amendments would add $650,000 to the FTC budget for computer support services in the Exxon cases and $364,000 in staff support for the on-going TC energy study.

Every member of the Congress is acutely aware of the public's priority concern with the energy crisis. As Attorney General with responsibility for antitrust litigation on behalf of the citizens of the Commonwealth of Virginia, I deem the Exxon case to be among the most important antitrust suits ever commenced. The oil industry is similarly persuaded as evidenced by the massive resources the defendants are pouring into preparation of their defenses. The FTC merits the full support of the House of Representatives in this proceeding as well as in the energy study.

The National Association of Attorneys General, therefore, respectfully urges the House to adopt these two vital amendments.

Sincerely yours,

Andrew P. Miller,
Attorney General.

FREDERICK H. SONTAG ON PARTIES

HON. BILL GUNTER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. GUNTER. Mr. Speaker, I would like to share the following article on the need for political parties with my colleagues. Frederick H. Sontag, the author of the book, "Parties," has made a very strong case for improving political parties to strengthen representative government.

It has been my privilege to work with Fred over the past year and one-half on many legislative projects. He is creative and truly knowledgeable and his advice is priceless. His excellent study of the political-party structure in America is most worthwhile reading and I commend it to my colleagues.

The article that follows offers keen insight into this man and his work:

[From the South Orange-Maplewood (N.J.) News-Record, Apr. 25, 1974]

Making Politics Effective for You, the Citizen

(By Gail Brown)

Been reading about the June 4 primary election and feeling fed up about "politics as usual?" Has news of Watergate given you tired blood and recent shattering news out of New Jersey's glass government given you the woe-begones?

Heads up! There just might be good news in a kind of political "Whole Earth Catalog," that you've missed.

John S. Saloma, 3rd, a professor of political science at the University of Massachusetts, and Frederick H. Sontag, public affairs, research and public relations consultant, have authored a primer on political parties for the concerned citizen that might convince the unconcerned they ought to be involved.

With the sponsorship of the Twentieth Century Fund, "Parties: the real opportunity for effective citizen politics" was first published by Alfred A. Knopf in a hardcover edition in 1972, months after the Democratic and Republican national party conventions pitted George McGovern against Richard M. Nixon. Sontag and Saloma observed those conventions—as they observed efforts at political party reform, the national party committees, the Congressional political parties, the state political parties, the new motivations for politics, public interest groups like "Nader's Raiders," citizens and politics, the use of professional political consultants and the media. Not only did they observe and report but with each of the above studies (the titles of the chapters in "Parties") they included specific recommendations on what can be done to improve political parties in the United States—and thereby improve representative government.

EVIDENCE OF CITIZEN PARTIES

Everyone who walked in a peace march, worked to elect George Wallace or to move his American Independent Party ahead, tried to "draft Goldwater," or sought to get Eugene McCarthy, Bobby Kennedy, or Ted Kennedy elected or demonstrates for women's liberation or for civil rights is a part of the evidence that more and more citizens from diverse walks of life are becoming involved in politics, according to the authors.

WHILE THE PARTIES HAVE BEEN DERELICT

They believe "that American political parties, whatever their current limitations, offer the best potential means of achieving broad citizen participation in politics and continuing citizen influence in the direction of government. While the parties have been derelict in their failure to develop their resources for government and to encourage extensive citizen involvement in politics, they occupy too strategic a position in American politics to be bypassed or ignored." Therein lies the basis for their contention that our political parties are in need of modernization.

In an interview in his Montrose Gardens apartment (although the address is South Orange, the apartments are physically in Orange), Sontag elaborated on his views on how the average citizen can get involved—and his views of the current state of New Jersey government.

OLD TO NEW

"A fundamental change is going on now," says Sontag, who believes that recent reform movements in the Essex County Republican party and in the Democratic party are not dead.

The old-style politics, says the legislative consultant to Senator James H. Wallwork, (R., Essex, Passaic, Morris, district 25) entailed "private negotiations, some quiet give-and-take. "Some thought this was bad," Sontag says, but the parties took a look at how "we can win and govern well"—and represent all of New Jersey's diverse populace. The new style politics entails candor as well as governing well.

Now people are polarized, labelled reformers, or "modernization people," says Sontag. "Some regular party people are still somewhat defensive. Some are tuned in to the fact that it's a new century.

"It's nearly time," he predicts, "people will start asking the right questions soon."

Friends ask him why he spends three-quarters of an hour on the telephone answering questions from 16-year-olds. The busy author, who is also currently an analyst-commentator for Maine Public Broadcasting Network along with holding numerous advisory positions and authoring another book, points out that the 16-year-olds in two years will be 18—and voting.

These are the people he wrote the book for—the young—the college age, and groups such as the Women's Political Caucus who are striving to reform the present systems surrounding political parties.

In New Jersey, "Good Democrats are wondering day after day about the people they elected," says Sontag, referring to the Democratic victory here this past November. He points to the recent call of Secretary of State Crabiel to testify before a grand jury. He compares a recent Maine Public Utilities appointment by the governor of that state with recent appointments here. Maine looked for a man for the 1980's, Sontag says, and found one of the "new style," yet acceptable, in Peter Bradford. Byrne didn't even interview a PUC candidate suggested to him by Wallwork—a candidate whose lifelong hobby and civic interest has been making the consumer-management relationship constructive.

ONE TERM AFTER 6 MONTHS

People knew within six months of former Governor William T. Cahill's election by a large majority that his would be a one-term governorship, says Sontag. The signposts included: a prominent Essex County woman turned away from the governor's office because he had "no time to talk to dames about social issues," (the words of an aide); a New Jersey college president who wanted to talk with the governor about the changing nature of higher education in the state—turned away; a senator from Essex County who wanted to talk about reports he was hearing about a Cahill Cabinet member—also turned away.

These people, says Sontag, "are part of the 'think structure' of New Jersey, not the 'power structure'." But their opinions—formed early in the administration of an elected official—count.

Sontag sees similar signs that the Byrne governorship will be for one term only. Democrats are saying that the governor's staff is "obviously inexperienced; many are from out of state and don't know New Jersey," says Sontag. They're also wondering, he says.

MAKING PARTIES SHINE

Talk about Byrne for President shortly after the governor was inaugurated hurt the Byrne administration, says Sontag. A clear statement that "there is plenty to do in New Jersey" would have disspelled that talk and helped the new Democratic regime.

With Democrats fearful that Byrne's administration will only be one term, Sontag says, candidates with a positive approach will be looked for in 1977. He suspects that Wallwork, the legislator he advises, will be the next governor.

The shift toward new-style politics is evidenced in Maine and other states, he says, where "Parties are looking for people who will make them shine." The parties' major hope is for "gutsy, young experienced leaders who can really inspire people." The revolution in the political parties in the 1970's that Saloma and Sontag provide the "how-to" for in "Parties" can happen here, the author says.

Some of the "how-to" advice they offer includes the politicos picking up some pointers from public interest groups like Ralph Nader's Center for the Study of Responsive Law; the Center for Analysis of Public Issues in Princeton; and Common Cause.

The problem-solving roles have been picked up by these groups because the parties have not taken on that role. The thought provokes a pause. Why shouldn't Republicans or Democrats be as concerned about setting standards for the percentage of fat in "ground beef" compared with the amount of fat in "ground round" as, say Nader's college campus non-partisan Public Interest Research Group (PIRG), are?

Some groups billed as "non-partisan" such as the League of Women Voters and Common Cause, have in Sontag's view, however, taken on a "holier than thou" complex.

"They're deciding what's good for America and what's bad for America," says Sontag. Separating reality from ideality is something these groups lose the touch for.

"Most people pay about as much attention to the League and to Common Cause as you and I pay to what shoes we're going to wear next month," Sontag finds.

At a recent meeting on "Money and Politics", some 200 Common Cause and League representatives "were so abrasive they turned an audience in favor of public financing (of elections) around," he recalls.

The League and Common Cause have mounted a "conspiracy as bad as Watergate" with regard to campaign financing, says Sontag. "They want to make money sound bad, to shorten the campaigns. A short election campaign will save money, they say. Less money will also limit workers for candidates."

The author finds experience is causing him to rethink campaign financing disclosure. On a recent (and initial) trip to the Trenton office of the New Jersey Election Law Enforcement Commission, he balked at being required to list his name, address, the organization he represented and what files he sought. Such requests are "a form of intimidation," he says.

NEW BLACKBALL SYSTEM

"I'm learning. I thought the knowledge of who gave would only be used for good purposes," he says. At some very quiet meetings recently, he's been disturbed over a new blackball system that's evolving. Persons being considered for appointments by party people are being rejected because, although they worked for Republicans during the last campaign, they gave to Byrne; or they are Democrats who donated to Charles Sandman's campaign for the governorship.

To him, a list of givers is an honor roll. Now, he finds, to be on the campaign finance list is a sin, is making people objects of suspicion and impugning some of them falsely over "peanut" money.

Who's to do the reforming—those already in the political parties or those outside? How will the reform come about? The book, "Parties", offers numerous recommendations about "how" and "who."

PARTICIPATE

However, Sontag offers some specific advice for you and me—here and now. "If you want to be an activist, make constructive suggestions," says Sontag. Above all, "stay on things we can do something about." Under the "Sontag participation plan," you aren't going to run down to Washington to save or to impeach Nixon. Instead, after watching and reading about who legislative representatives and party representatives are, Sontag says, contact them. They all have jobs volunteers can do.

Call your legislator—or one whose efforts interest you—and follow up the phone call with a face-to-face visit where you can get a list of five or 10 projects the legislator needs help with.

Republicans (or Democrats who like to help an underdog) could call on Gerard Del-Tufo—the sole Republican on the Essex County Freeholder Board and offer to help him prepare for his presentations, or the Freeholder meetings.

Sontag recalled a recent hearing he attended where the temperature in the room was 95 degrees (when the state was supposed to be conserving fuel). The presiding hearing officer had no nameplate identifying him and when he introduced himself no one heard his name. So, says, Sontag, throughout the hearing, everyone addressed the fellow as "Mr. Hearing Officer."

"If only some of these citizen-activist types would write up a dispassionate account of what they see," he says.

In the local city or town parties, the circle of influence around each district leader elected in the June primary is important, he points out. What the people around them think and how they think, will affect the opinions given to the party leaders at the county and state levels.

Work with the party at headquarters, he suggests, echoing "recommendation 1" in a chapter in "Parties" entitled "The untapped potential of state parties."

"Whether the local party is good, bad or substantive will be revealed" after working at headquarters, says Sontag. How many people say "one vote doesn't count"? he asks, recalling Assemblyman Thomas Kean's slight margin in Maplewood in November of only 80 votes; and Wallwork's winning margin in Maplewood of only six votes. In those cases, it becomes clear that every vote counts.

The final personal recommendation he makes unabashedly: Read "Parties: the real opportunity for effective citizen policies."

AIRLINES WITH DEATH IN THE CARGO

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. HANRAHAN. Mr. Speaker, cargo on airlines is not as restricted as it should be. I have expressed the need for additional hearings to Chairman Jack Brooks of the Government Activities Subcommittee on this urgent matter. There have already been too many accidents because of unrestricted cargo; this must not continue. I insert the following article for the benefit of my colleagues:

[From the Chicago Tribune, June 17, 1974]

AIRLINERS WITH DEATH IN THE CARGO

(By Bill Anderson)

Washington.—Capt. Jim Echols munched on the large celery stalk that came with his Bloody Mary and then proceeded to open his "Pandora's box."

The box Echols was talking about contains things like hydroflouric acid, nitric acid, sulphuric acid, alcohol, hydrogen peroxide, many other noxious and caustic substances, and finally, the "devil material," plutonium.

For more than three years Echols, a pilot for Ozark Airlines has spent much of his free time lurking around airports, watching the hazardous substances mentioned above being loaded into the holds of both passenger and cargo-only plane flights. All that was before Pan American cargo flight 160 plunged into Boston Bay last November.

Now Echols and a few other angered pilots are spending their free time buttonholing congressmen, trying to force sweeping changes in law to get these hazardous items eliminated from passenger aircraft and severely restricted on cargo flights. Several disturbing current events are making Echols' push somewhat easier.

First there is the tragedy aboard cargo Flight 160. The story began in Prestwick, Scotland, where an electronics firm was in critically short supply of chemicals used to manufacture its goods. Massive purchases were made thruout the United States and routed to Kennedy International Airport in New York. Flight 160 took off Nov. 3 with 16,000 pounds of corrosive, inflammable, and poisonous acids aboard.

Over the Atlantic a fire started somewhere aboard the plane. The crew radioed that it was turning back and informed ground controllers a short time later that crew members were forced to don oxygen masks to breathe. Conditions aboard the aircraft deteriorated until all radio gear was knocked out and the controls were affected. Just a few feet away from the safety of a runway at Logan International Airport, the pilot lost all control of the airplane. Three crewmen died and the 16,000-pound cargo poured into Boston Harbor.

The National Transportation Safety Board is still studying the causes of the crash, and spokesmen for that agency told us they have yet to determine why the fire started. The aircraft in question had a history of fires in its electrical system, and there is a possibility that the fire had nothing to do with the cargo. NTSB officials also said "we may never know" what caused the fire.

Pilots, thru the Air Line Pilots Association, however, are taking a hard line regarding the crash. ALPA President J. J. O'Donnell has warned Federal Aviation Administrator Alexander P. Butterfield that, if Butterfield doesn't act to meet pilots' complaints, "I see as the only alternative, a flat refusal by the pilots to operate aircraft with such cargo aboard."

As to the timing of such an embargo, W. L. Bachelor, a Pan Am pilot active in ALPA, urged in an internal memo that, "should these chemicals finally be convicted as the source of the fire," the embargo would begin. Thus, any pilots' revolt would await a final determination by NTSB, a decision not expected for several weeks.

Spokesmen for the airline companies through the Airline Industrial Relations Conference emphasize the undeniable safety record of air travel, both by cargo flights and passengers. They point out that FAA inspectors are on hand at major airports to assure proper cargo handling. The cargo end of air carriers in the United States did $1 billion worth of business last year, and an embargo against the many government-designated "restricted" cargoes would be damaging.

The second event which ALPA pilots like Echols are using in their public relations push for reforms is an incident in early April when passengers in two flights from Washington were exposed to radiation from improperly packed hospital radioactive medicine shipments. The Atomic Energy Commission told us that the dose was high enough to cause concern. If any of the passengers were pregnant. AEC scientists also estimated that nearly one million shipments of radioactive material are made by air each year.

While the pilots debate with the government and the industry, numbers of fliers, like Seaboard pilot Paul Jordan, have begun taking matters into their own hands. Jordan told us that of the 10 flights recently assigned to him he has refused to fly four times until loads he considered potentially hazardous were removed from his plane. "The last thing I turned down was a load of 30,000 pounds of butane lighters," Jordan said. "Can you imagine riding with that over the Atlantic?"

FIGHT AGAINST DRUG ABUSE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. EDWARDS of California. Mr. Speaker, Sunday, June 23, will mark the opening of the new detoxification and therapeutic community facility of Carnales Unidos Reformando Adictos at Camp Parks, Calif. The opening of this new facility is of the utmost importance in the fight against drug abuse in my congressional district, and specifically in terms of providing appropriate treatment for the Chicano population.

The success of CURA to date is primarily the result of the energy, insight, and determination of its executive director, Henry Collins, who helped establish the program in December 1971. Together with a fine and dedicated staff, Mr. Collins has fought many battles to provide treatment and rehabilitation for a largely low-income and disadvantaged Chicano clientele.

The opening of this new facility signifies the end of CURA's long search to find a satisfactory detoxification facility and also marks the beginning of what I hope will be the country's best possible treatment and rehabilitation program for Chicano addicts.

I want to offer Mr. Collins and his dedicated staff my congratulations on their efforts so far and my heartfelt hopes and encouragement as they launch into this new important phase of their fight against the personal, social, and economic ravages of drug abuse in the Chicano community of southern Alameda County.

GENTLE PERSUASION

HON. RONALD A. SARASIN

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. SARASIN. Mr. Speaker, I believe most of us were shocked and distressed by the recent news that India had exploded a nuclear device, adding yet another source of atomic disaster and mocking our present efforts to reduce this type of threat to the world's future. The impact of this information was increased by the fact that it came only slightly before disclosure of plans to provide U.S. nuclear power technology to at least two more nations.

A very sensible and proper response to this Indian misadventure has been suggested in the form of legislation introduced by our esteemed colleague, Representative Stanford E. Parris, in the House, and by Senator Marlow Cook of Kentucky, in the other Chamber. This proposal to curtail our foreign aid to India if that nation chooses to pursue this nuclear folly would be appropriate not only in this case, but as an additional safeguard, in the form of a warning, to any other nation which might think of misusing nuclear material or information provided for peaceful purposes.

I would like to offer for inclusion in the Record an editorial from the Journal Messenger of Manassas, Va., which sums up very well the case for this sensible legislation, which I am personally planning to cosponsor and support. I believe all the Members will find this article of interest:

GENTLE PERSUASION

For many years foreign aid has played an important role in the diplomatic policies of the United States. It had been a useful tool in advancing our interests in many parts of the world and as such has gained a large measure of acceptance among the American people and their representatives in Congress.

In recent years, however, the matter of foreign aid has been getting much more careful scrutiny from the Congress. The amount and conditions of the grants have undergone considerable changes since the days of almost unlimited largess dispensed to a variety of foreign countries. The effects of this generosity were not always favorable to the United States in a changing world which did not grow to love us any more because of these handouts.

In some quarters the attaching of conditions to foreign aid was looked on as self-defeating in spite of the fact that many of the beneficiaries of this aid adopted policies inimicable to our best interests. Instead of gratitude, Americans received treatment ranging from hostility to outright hatred on many occasions. Our motives were viewed with suspicion by citizens and officials alike in many foreign nations.

Nevertheless, the United States has continued to provide this aid, particularly in cases in which such aid was needed to avert starvation and to aid in reconstruction in the wake of natural disasters. The compassionate nature of the American people has always come to the fore in aiding less fortunate peoples in coping with catastrophic situations.

In many instances, compassion has outweighed good judgment in the distribution of aid with no strings attached. That is why the companion bills introduced in the House and Senate by Virginia's Eighth District Congressman Stanford Parris and Kentucky's Senator Marlow Cook to put a brake on our aid to India are like a breath of fresh air. The condition is a most reasonable one in view of the constant threat to world peace engendered by the unchecked proliferation of nuclear weapons.

The bills are designed to provide the gentle persuasion necessary to induce India to sign the treaty on nonproliferation of nuclear weapons. While the aid provided to India is designed to assist that nation in feeding its undernourished population, its government's intransigence with regard to the nuclear treaty puts a different light on the whole matter. Persuasion of this nature is needed to improve the climate for world peace.

Parris summed up the problem succinctly when he said, "If they want to starve their people while they become a nuclear power, that is their business. But I certainly do not believe they should expect the American taxpayer to subsidize that kind of foolishness." We need more of this kind of approach to the problem of foreign aid to countries which are glad to accept our substance at the same time that they spit in our collective face.

The Congress of the United States would do well to scrutinize all foreign aid in the way that the sponsors of this legislation have. By passing this legislation, the House and Senate will be striking a blow for peace and putting the world on notice that recipients of these handouts must be worthy of them.

The granting of blank checks in foreign aid must be made a thing of the past. The Parris-Cook bills will do just that in the case of India. We strongly support their passage.

STATEMENT IN THE KNESSET BY DEFENSE MINISTER SHIMON PERES, JUNE 12, 1974 ON THE TREATMENT OF ISRAELI PRISONERS OF WAR IN SYRIA

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. DRINAN. Mr. Speaker, last March 7 I submitted testimony to the Subcommittee on International Organizations and Movements of the House of Representatives Committee on Foreign Affairs on the subject of Israeli prisoners of war in Syria. At that time I indicated my concern over the treatment of the Israeli prisoners in Syria. I noted that:

> The Syrians have proven themselves impervious to humanitarian considerations and deaf to the appeals advanced by a procession of international representatives.

The Syrian record of the past 25 years stands as a sorry reminder of their disregard of the Geneva Conventions of 1949.

Many of our worst fears were realized on the bittersweet occasion of the return of Israeli POW's 2 weeks ago. I commend to my colleagues the report on these prisoners made to the Israeli Knesset by Defense Minister Shimon Peres on June 12, 1974. This statement follows:

STATEMENT IN THE KNESSET BY DEFENSE MINISTER SHIMON PERES, JUNE 12, 1974, CONCERNING TREATMENT OF ISRAELI PRISONERS OF WAR IN SYRIA

The Geneva Convention—to which the Syrian government is a signatory—defines in paragraphs 12, 13, 17 and 109 the treatment to be accorded to prisoners of war and the philosophy behind this treatment.

DETAINING POWER RESPONSIBLE

Para 12 of the Geneva Convention stipulates:

"Prisoners of war are in the hands of the enemy power but not of the individuals or military units who have captured them. Irrespective of individual responsibilities that may exist, the detaining power is responsible for the treatment given them."

HUMANE TREATMENT

Para 13 states:

"Prisoners of war must at all times be humanely treated. Any unlawful act or omission by the detaining power causing death or seriously endangering the health of a prisoner of war in its custody is prohibited and will be regarded as a serious breach of the present Convention."

NO COERCION

Para 17 states:

"No physical or mental torture nor any other form of coercion may be inflicted on prisoners of war to secure from them information of any kind whatever."

RETURN OF WOUNDED

Para 109 states:

"Parties to the conflict are bound to send back to their own country, regardless of number or rank, seriously sick prisoners of war, after having cared for them until they are fit to travel."

SUBHUMAN SYRIAN BEHAVIOR

Syria has not only grossly violated the stipulations of this Convention—she has acted in a way that is beneath any human standards in peace of war.

In a number of cases, Syrian soldiers fired at point blank range at our pilots while they were bailing out and at unarmed soldiers who had stopped fighting.

For over four months, the Syrian authorities refused to name the prisoners or even state their number. Only on 27 February 1974 did the Syrian government hand over the list to the U.S. Secretary of State, Dr. Henry Kissinger, and on 1 March Red Cross representatives were permitted for the first time to visit the prisoners. Prisoners' letters reached their families only at the end of March, and their families' letters were handed over only at the beginning of May 1974.

CROWDED CONDITIONS

According to objective testimony received by us, the prisoners were held in prison under severely overcrowded conditions: Thirty were held in one small, narrow cell with only 21 mattresses on the floor. They were kept without adequate ventilation, and without the provision of minimal sanitary facilities. The food they received was poor, which applies even to some of the wounded prisoners, who were held together with their healthy comrades. Medical treatment was bad and irregular. They were given no reading matter or religious texts.

TORTURE

An especially grave matter is the interrogation of prisoners. The Syrians did not scruple to use every kind of pressure: Electric shocks applied also to sensitive regions of the body, extraction of nails (in one case they drilled a hole in a nail, which was then extracted with an iron hook), blows on various parts of the body, beating and whipping, torture by blows on open wounds. At this stage we already know of at least five soldiers who were maimed as a result of these excesses following their capture. Two prisoners apparently died after torture.

The Chief media officer of the IDF has transmitted to us his preliminary report (in order not to burden the prisoners more than necessary, their examination is being carried out in phases), which states:

"The overall picture obtained is that the vast majority of prisoners were exposed during their imprisonment to severe physical and mental torture. The usual methods of torture were beatings aimed at various parts of the body, electric shocks, wounds deliberately inflicted on the ears, burns on the legs, suspension in painful positions, and other methods."

As a result of these tortures, a number of the returning soldiers suffer from injuries in various parts of their bodies, including marks of beatings on the soles, the teeth, the head and the ears.

POOR MEDICAL TREATMENT

The Chief medical officer notes that "treatment at Syrian hospitals was minimal, and only a few of the prisoners requiring hospital treatment received it. Those who were fortunate enough to be hospitalized were discharged after the briefest period before having recovered—despite the fact that by all medical standards they should have been kept in hospitals to receive the treatment required. The premature discharge of the wounded from hospital and their incarceration in jails lacking suitable facilities, where they were left without any medical treatment, has undoubtedly aggravated their condition."

SYRIAN BEHAVIOR NOT NEW

It must be noted, therefore, that this cruelty was inflicted by all ranks—from soldiers and jailers who fired at unarmed prisoners, through the ranks responsible for the terrible tortures, up to the leaders of the regime, who refused to accede to the accepted requirements of the provision of details to the families. All of them, together, have violated the law by the most inhuman behavior.

These acts were perpetrated by the Syrians—there is no proof that representatives of any foreign power took any active part in such interrogations—and they are not without precedent. In the past too, our POWs suffered a similar fate. At the end of 1973, the Government of Israel drew the attention of the International Red Cross organization to grave violations of the Third Convention by the Government of Syria, and informed the organization of the fact that after IDF Forces had entered the area of the Golan Heights previously held by the Syrians, cases were discovered of atrocious murders of our men who were captured, incuding prisoners taken in Nafah and in the Hermon outpost.

CIVILIZED WORLD MUST TAKE NOTE

These four crimes of Damascus cannot be overlooked by the civilized world, or indeed by anyone imbued with the spirit of humanity. Those responsible must be brought to trial. Such cases must not be allowed to recur. The Red Cross must be enabled to carry out its duties in accordance with the international Convention. The Government of Israel, which has always taken, and will continue to take, the greatest care to treat POWs in accordance with the Geneva Convention and the obvious requirements of the humanitarian approach, will complete the full investigation of these acts of cruelty and the maltreatment of our prisoners, and will publish its findings fully and faithfully.

The attempts of the Syrian authorities to trump up entirely unfounded charges concerning the treatment of the Syrian POWs in Israel will not weaken by an iota the power of the truth or mitigate the appalling cruelty of the Syrian authorities.

OUR SONS RETURN, THEIR SPIRITS UNBROKEN

Sixty-eight Israeli citizens, our sons—officers and soldiers, men of the air and land forces—who set out to defend their country after the surprise attack by the Syrian army on Yom Kippur, have returned home, to their families, to their country. Despite all they have suffered, their spirit has not been broken. On the contrary, when we listened to their stories or saw them on television, we suddenly discovered new depths to the human spirit, a capacity to endure, a descriptive power, a touching candour, shown by men who knew how to fight and knew how to withstand loneliness, torture and sickness.

We saw them on their return, and found them richer in feeling, knowledge and understanding, and when we discovered their wealth, we, too, were enriched. For their fathers and mothers, it is as if their sons had been reborn. For the wives, a new light of family life has been restored. For the children, father has come home, and for the people, our sons have returned after fighting twice—once in the field of battle, with weapons, and once, in the dark prisons, armed only with the power of the spirit.

Their capture, their imprisonment and their return have renewed our feelings of being a united people, a people which can unite in times of hardship and anxiety.

Some of the former prisoners are here now in the Knesset building, which contains the organized expression of a free people. Upon their release the whole house, I am confident, extends to them a sincere and heartfelt welcome home.

We greet the men who, even in the hour of stress, displayed such courage, endurance and faith.

CONGRESSMAN WALDIE INTRODUCES COPYRIGHT REVISION BILL

HON. JEROME R. WALDIE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. WALDIE. Mr. Speaker, today I am introducing legislation providing for a general revision of the copyright law, title 17 of the United States Code.

This bill is basically similar to that introduced earlier in both the House of Representatives and the Senate.

The lone difference in the bill, Mr. Speaker, is that my legislation does not include a section pertaining to the rebroadcast of professional sporting events.

Under previously introduced bills, there would be an effective blackout of such sports events imposed on cable television outlets.

I believe this blackout would be an unfair restraint on the cable television industry and a disservice to cable television subscribers.

Mr. Speaker, the general copyright revision is badly needed and I am most hopeful the Congress can consider this legislation in the very near future.

Especially acute is the need to revise the copyright provisions relating to the recording industry. I have already introduced legislation (H.R. 13681) directly aimed at the need to stop the piracy of recordings.

This revision is needed immediately to stem the multimillion dollar recording piracy industry. Hearings have been held and I am confident that this legislation will be signed into law this year.

PEYSER SAYS "NUTS" TO PEANUTS

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. PEYSER. Mr. Speaker, I submit the following for the information of my colleagues:

TIME TO STOP SHELLING OUT

CONGRESS OF THE UNITED STATES,
Washington, D.C., June 19, 1974.

DEAR COLLEAGUE: On Friday of this week the House is scheduled to consider the Agriculture Environmental and Consumer Protection Appropriations Bill. I intend to offer an amendment to this bill prohibiting the use of any funds provided therein for the purpose of formulating or carrying out a price-support program for peanuts.

The price-support program for peanuts has cost the taxpayer $611,926,000 in the years between 1955–1973. In 1971 the program cost the taxpayer $66.91 an acre for each of the 1,454,000 acres planted for a total cost of $97,287,000. The situation results from 1938 legislation which requires the Secretary of Agriculture to support the price of peanuts at 75% of parity. If the market price is below this amount, the Federal Government buys the peanuts from the growers and sells them, at a loss, often up to 50%.

Additionally, the peanut program maintains a feudal system in this democracy of ours. Only those farmers lucky enough to hold peanut allotments may market this commodity. These farmers can lease the alloted land to others for substantial amounts of money. Thus, the value of the land increases dramatically. The Federal Government is therefore subsidizing the peanut grower and the allotment holder—often one in the same person.

According to USDA figures, the peanut program will cost the taxpayers $1,188,000,000 between 1975 and 1979. The General Accounting Office (GAO) in 1968 and again in 1973 recommended the enactment of new legislation. The peanut program however, is permanent legislation and will not terminate of its own accord. I therefore urge you to support my amendment and to finally terminate these outrageous payments.

Sincerely,

PAUL FINDLEY,
PETER A. PEYSER,
GLENN ANDERSON,
Members of Congress.

NATIONAL CONSUMERS CONGRESS,
June 20, 1974.

Congressman PETER A. PEYSER,
Committee on Agriculture,
Washington, D.C.

DEAR CONGRESSMAN PEYSER: The National Consumers Congress would like to commend you for your proposed amendment to end the highly inflationary subsidy payments currently being made to the peanut industry.

For far too long the subsidy support program under the Agriculture Appropriations Act of 1938 has been an outdated burden forced upon the American consumer. It has provided us with little more than a protectionist policy geared to insulate the peanut industry from price competition in an open market.

In a recent study done by the Government Accounting Office, it was estimated that if this program is allowed to continue for the four year span from 1973 to 1977, it would cost consumers in excess of one half billion dollars. When we examine the price situation, we find that the United States supported price is $3.28 per ton which is almost double the world price.

The time is long overdue for the government to begin developing economic policies which benefit both the consumer and the farmer rather than agricultural policies which protect the farmer at the expense of the consumer.

Again, we thank you for your efforts on behalf of the consumer.

Sincerely,

AILEEN GORMAN,
Executive Director.

CONSUMERS LEAGUE,
Washington, D.C., June 18, 1974.

DEAR CONGRESSMAN: The National Consumers League, the nation's oldest consumer organization, urges you to eliminate the present structure and subsidy of our country's peanut production.

Peanut production has been locked into a rigid system which allocates a certain minimum number of acres for growing peanuts, despite consumer demand or growing conditions or technological changes. Then, when the acreage produced more peanuts than consumers wanted to buy, the government, in the form of the Commodity Credit Corporation (CCC), had to step in, to buy up the surplus. According to a GAO report, the CCC sold those surpluses time and again at a loss, totaling $279 million for the years 1967 through 1971.

If the same acreage-allotment-with-subsidy arrangement continues, the cost to the CCC, and thus to the taxpayer, will come to $537 million for the period 1973 to 1977.

Yet these are changing times for agriculture. First of all, technology has permitted peanut production per acre to jump. About 70 more pounds of peanuts per acre can now be grown than in 1955. Second, other rigid systems of alloted acreage have been eliminated. It is time to eliminiate the peanut system.

The consumer's interest lies in a free, competitive marketplace. We urge that the government end its involvement in peanut production, and allow farmers to plant exactly that quantity of peanuts which will respond to consumer demand. Thus both consumer and farmer will prosper, and the U.S. Treasury will no longer be supporting an outdated, expensive mechanism.

We appreciate your support on this issue.

Sincerely,

ALICE SHABECOFF,
Executive Director.

PUBLIC INTEREST ECONOMICS CENTER
Washington, D.C., June 20, 1974.

The peanut price support program cost taxpayers $273 million in the years 1967 to 1971. The GAO predicts that for the years 1973 to 1977, losses will average more than $100 million annually and one-half billion for the entire four years.

The program forces up the price of peanuts and peanut products to consumers and taxes consumers in order to do so. USDA figures show that even if the price of peanuts were reduced by a third, peanut growers would still be making a profit.

Consequently, these economists urge that the Amendment to the Agriculture Appropriations Bill be supported.

Dr. James Barth, Department of Economics, George Washington University;

Dr. Allen R. Ferguson, President, Public Interest Economics Center;

Ms. Sarah Ginzburg, retired, Washington, D.C.;

Dr. Robert Goldfarb, Department of Economics, George Washington University;

Dr. Talbot Page, Resources for the Future;

Dr. Ransford Palmer, Chairman, Department of Economics, Howard University;

Ms. Louise Sissman, economic consultant, Washington, D.C.; and

Dr. Anthony Yezer, Department of Economics, George Washington University.

NOTE.—Affiliations are shown for identification purposes only.

DRIFTING BACK INTO WAR IN VIETNAM

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. FORD. Mr. Speaker, a few days ago, Linda Hunt, a recent graduate from Garden City High School in the 15th Congressional District of Michigan, which I have the honor to represent, has sent me her senior research project on our continuing involvement in Vietnam.

I feel this issue is of great importance because our current involvement clearly points out the potential for drifting back into war in Vietnam.

A year-and-a-half has passed since the signing of the Paris Peace Agreement to end the fighting in Vietnam. All American troops withdrew from Vietnam as a result of this agreement, but there remains a continuing American military presence in Indochina.

In South Vietnam alone there are 1,200 defense attachés, some 400 CIA operatives, about 800 AID and Embassy employees and 3500 employees of defense contractors. Despite the specific wording in articles 4 and 5 of the cease-fire agreement, the United States continues to maintain a high level of substantial support, dispatching huge quantities of weapons and ammunition, as well as the personnel mentioned above who have become integral parts of the South Vietnamese supply, transport and intelligence systems.

Mr. Speaker, at this time I would like to insert in the RECORD a copy of Linda Hunt's research paper and share with you and the other Members of Congress her views on our involvement in Vietnam.

WHITE PAPER

INTRODUCTION

As we all know the soldiers are home from Vietnam and we no longer are involved. But is that really the story? In my opinion, it's not.

The citizens of the United States are led to believe that we no longer have investments in Vietnam. I took a survey of ten people and asked them if they thought we were still involved in Vietnam. Six of the ten people didn't think we were involved at all. The other four thought we were involved a little bit.

I would like to inform those six people that we do have investments and that we are still involved.

The United States is not out of Vietnam. We are still spending money and manpower which should be spent on our own domestic problems. We've done them more harm than good interfering in their civil war.

"There has been no peace and there has been no honor. The war still goes on and our government is still backing one side in it," says the *Boston Globe*. The fact is that there is neither peace for the Vietnamese nor honor for the United States.

The war is at this moment intensifying. In the course of the twelve months after the signing of the Paris Accords in January 1973, the number of casualties, dead and wounded, continued at about the same figure as during the previous year of fighting.

Kissinger accepted the Nobel Prize as recognition to "a lasting peace." Chief North Vietnamese diplomat Le Duc Tho displayed considerable realism in rejecting the award on the grounds that "peace has not been really restored" in Vietnam. Bolstered by extravagant amounts of U.S. weaponry, South Vietnamese President Nguyen Van Thieu has stubbornly resisted a settlement of the kind envisaged in the Paris agreement and the Communists their hopes of making gains by political means frustrated, have gradually resumed military action. As a consequence, the conflict that was never ended by the cease-fire accord signed last January now appears to be spreading.

Vietnam has economic problems which we are aiding.

As of late April, when we left Vietnam, an active effort was underway in Washington to find new ways to put more dollars into the Vietnamese economy.

It would appear that if the Vietnamese economy is to be supported at its present level and if politically unpopular internal economic measures are to be avoided, gross U.S. economic assistance to Vietnam in fiscal year 1974 will have to be increased substantially beyond the fiscal year 1973 level of $649.3 million—probably to around $800 million. We are spending too much money in Vietnam. It should be spent on our economy.

It is our taxes which continue to maintain this military state whose interest in ending the war and binding up the wounds is not apparent. The Vietnamese have said again and again that we are responsible for maintaining in power the oppressive military dictatorship of the Thieu regime and providing the military hardware which enables the war to continue.

One of Thieu's main objectives in delaying the cease-fire draft agreement in October 1972 was to gain the time in which to acquire weapons & the United States obliged him with a crash program of supplies valued at nearly a billion dollars.

In October 1973 President Nixon was seeking $200 million dollars in aid for Cambodia in addition to more than a billion dollars to keep the Saigon government army operative.

A steady flow of arms & ammunition, gasoline & other military supplies continues to arrive in Vietnam. Under terms of the cease-fire, the United States is permitted to replace weapons & ammunition used up in fighting. And there has been plenty of show that the United States has supplied South Vietnam with $284.7 million dollars worth of weapons & ammunition since the cease-fire. About three-fourths the amount supplied during 1972, a year of extremely heavy fighting.

Despite efforts by Congressmen & journalists to determine what other equipment is being sent to Vietnam, neither the Defense nor State Departments has been forthcoming, though such information is supposed to be public. Along with this secrecy there are hints of obuses. South Vietnam troops reportedly sell their weapons to the Cambodian army & put in claims for new ones, & an official U.S. audit last spring discovered that Saigon had trumped up a request for nine tanks.

As early as the fall of 1972, when Henry Kissinger visited him in Saigon, Thieu turned down a cease-fire. He was brought around only by the delivery of massive quantities of U.S. equipment, including tanks & aircraft.

Explaining why it is necesasry to have Special Assistant to the Ambassador for Field Operations (SAAFO), the officials concerned say that it is important for psychological reasons to maintain a U.S. presence in the field because of the shock that would result, now that military personnel have withdrawn, if all civilians were also to leave.

A subcommittee on U.S. Security Agreements & Commitments Abroad of the Committee on Foreign Relations United States Senate was briefed by the Defense Attaché Office in Saigon. They were told that contractor personnel then on duty numbered 4,917 (and thus were not "about 4,000" as anticipated), & they were shown a slide which indicated that the numbers expected to be in Vietnam after January 1, 1974 was 2,136 (rather than "less than 2,000," as indicated in the March 20 paper) & that the number remaining after July 1, 1974 would be 1,099 (while the March 20 paper had said that it would have dropped to "approximately 500" very soon after January 1, 1974. They were also told in another briefing on April 13, 1973 that the number of Air Force contractors would be 2,644 after July 1, 1973 and 1,703 after January 1, 1974.

Three days later they were informed that these figures had been revised upward as follows: 2,800 remaining after July 1, 1973 and 1,926 after January 1974. The explanation given for the adjustment in the withdrawal schedule was that fighting had continued at a higher than anticipated level, thus necessitating a higher level of support activity, and that, in the case of Air Force contractors, Vietnamese Air Force personnel "have been diverted because of operating requirements."

As long as the United States continues large-scale military aid to Saigon, needing the war is not a Vietnamese decision. At least eight thousand U.S. advisors accompany Saigon troops and, according to Viet Cong charges, direct them in combat. Our planes fly reconnaissance missions over the North—tempting targets for Viet Cong fire. We give Thieu over one billion dollars a year in military aid, with an additional $600 million dollars marked for next year.

CONCLUSION

What you have just read told you that we are still involved in Vietnam money wise and manpower wise.

Peace has been achieved to some degree but there is plenty more to be done.

Vietnam does have economic problems which we are aiding, but we also have problems that should be taken care of first.

The United States is spending too much money and it should be cut down considerably

The men still remaining should also be cut down. We won't be uninvolved until everyone is back and we aren't sending any money over there.

We didn't have anyone fighting in our civil war why are we involved in theirs.

"It is now time for all American people to accept the guilt for our destruction of Vietnam and make amends for the tragedy we have wrought, by seeing that our government withdraws from this foolish and impossible effort to wring out of the tragedy some self-satisfaction." That was quoted from George W. Webber. I feel that it has a lot to say.

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CHILEAN MARXISM TRANSPOSED

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. ASHBROOK. Mr. Speaker, Judith Hydes, a serious student of Chilean affairs, has written to inform me concerning a very disturbing situation developing in this country. She writes that Marxist professors from Chile are teaching their ideology to American students at our universities, and that influential Americans are assisting these Chileans by urging the U.S. Government to provide asylum for these so-called "political refugees" who are equated with genuine escapes from Hungary and Cuba.[1]

Somehow I had been under the impression that the Statue of Liberty and American tradition was a beacon of welcome and freedom for the oppressed—not the oppressor.

Mrs. Hydes' letter follows:

ALEXANDRIA, VA.,
April 5, 1974.

Hon. JOHN M. ASHBROOK,
House of Representatives,
Washington, D.C.

DEAR MR. ASHBROOK: It is with great concern that I write to you regarding the pursuit of some members of the House and Senate bent on passing legislation which would permit thousands of Chilean Marxist refugees to enter the United States. Already we find Marxist/Communist professors from Chile being given asylum and positions in American colleges to teach so-called "Latin American Affairs" to our young and impressionable students. To date, more than a dozen such professors are indoctrinating our students with their ideology and now, some congressmen are urging that many hundreds of students with the same Marxist ideology be admitted.

As Chairman of the Subcommittee to Investigate Problems Connected with Refugees and Escapees, Friday, September 28, 1973, Senator Edward Kennedy in his "Recommendations for Action", No. 3, in his opening address before the Hearing on Refugees and Humanitarian Problems in Chile stated: "As we do for refugees from other areas, our government should be prepared to provide asylum and resettlement opportunities to a reasonable number of political refugees from Chile, under parole provisions of the Immigration and Nationality Act. We have done this time and again. I think we did it admirably with the Hungarian refugees when Eisenhower was President. We have done this with some of the Cuban refugees and there is no reason why we can not do it at the present time in regard to the political refugees from Chile."

I take strong exception to the fact that the Marxists fleeing from Chile should be equated with those Hungarian and Cuban refugees who fled from the communists in their countries. The question arises: "From whom were these desperate people fleeing?" We all know the true answer. Admittedly, a military government is now leading Chile back to normalcy, but having suffered from communist infiltration, could the badly fractured political parties have done a better job? The answer is no. Chile is now working toward reconstruction and liberty for her citizens in a democratically motivated nation and there is no room for communists, thus, they are fleeing the country.

Therefore, the question must be asked: "On what guidelines do we base our open door to refugees?" On NBC's MEET THE PRESS on Sunday, October 31, 1971 the late President Salvalor Allende of Chile, in answering a question given by Mr. Peter Lisagor of the Chicago Daily News, stated: ". . . when you say this government is Marxist, I do not deny it, sir. I am a Marxist . . ." Is the United States then to become a haven for pro-Allende Marxist revolutionaries because some politicians are unable to differentiate between political ideologies or has this particular Subcommittee been misinformed of the truth about Chile? These Marxist refugees from Chile have nothing whatever to do with the Hungarian, Czechoslovakian, Rumanian, Latvian, Estonian, Lithuanian, Polish, Cuban, Chinese and other South East Asian political refugees now enjoying freedom in the United States.

In this inaccurate equation a great insult has been done to all refugees having fled the communist dominated countries known now as the "Captive Nations". An even greater injustice is being done to Chile while endeavoring to regain her freedom and equilibrium after an attempted communist takeover. The greatest injustice of all is being done to the United States in encouraging the importation of Marxist revolutionaries from Chile, who are then placed in positions of influencing our students. Unless the Congress has the courage to recognize the differences in the analogy made, we are destined to have even more subversion in our nation bent on fragmentizing the Constitution and the Bill of Rights to the point of jeopardizing our security. The question could be fairly asked: "If Fidel Castro were overthrown, would YOU vote in favor of giving him and his comrades refuge in the United States?"

Maybe more than some, the naturalized Americans who have experienced the terrors of living with communism and are ever aware of their new found freedom will say to you, thank you, for any support you can give in making the truth of this situation abundantly clear to both your colleagues and the public.

Most sincerely,

JUDITH M. HYDES,
A naturalized American.

According to testimony given on November 15, 1973 by Mr. Rafael Otero, a former member of the Chamber of Deputies of Chile, to the House Internal Security Committee, the Communist Party of Chile had heavily infiltrated Chilean universities which thereby became "communist bastions" because of the activities of certain pro-Allende professors who were surreptitiously aided by support from the Communist Party.

Allende of course was merely following in the footsteps of his mentor, Fidel Castro whose sister, Juanita Castro had testified on June 11, 1965 before the House Internal Security Committee's predecessor, the Committee on Un-American Activities, on the Communist takeover of the Cuban educational system.

In pre-Castro Cuba, many schools had been conducted by religious denominations, both Catholic and Protestant. All were taken over by the Communists. In the Communist indoctrination of Cuban youth, new textbooks were substituted for the older ones beginning immediately after Castro's rise to power.

"Every single word in their textbooks was purely Marxism-Leninism," Miss Castro related, and the one thing which the student "could not do was to believe in God."

As a Marxist, could Allende do differently? He was hide-bound to follow his precepts as are the Chilean professors who now teach or seek haven here in their search for young, impressionable, idealistic American minds to confuse and finally corrupt.

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[1] Hearing, Subcommittee to Investigate Problems Connected With Refugees and Escapees, Committee on the Judiciary, U.S. Senate, Sept. 28, 1973, p. 2.

ONE BILLION DOLLARS FOR SECOND-RATE PARCEL POST

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. WRIGHT. Mr. Speaker, under leave to extend my remarks, I include at this point the fourth in a series of investigative articles which began June 9 in the Washington Post. The report deals with exorbitant spending by the Postal Service on a parcel sorting system that is proving to be inefficient.

While the U.S. Postal Service promises that a new $1 billion parcel sorting system will vastly improve service, latest findings indicate that the so-called improvements will lead only to the perpetuation of second-rate service.

Presently the new Postal Service is delivering parcels at Pony Express speed. The current damage rate for fragile packages borders on 50 percent. Contrary to the promises made by former Postmaster General, Winton Blount, the General Accounting Office finds that the new $1 billion network is leading to slower service than the Agency's major competitor. In some cases the new system will be moving mail at a lower rate of speed than does the present system.

These facts underline the inadequacies of the U.S. Postal Service and again bring to our attention the need to abolish the present agency and return it to the status of a fully public Department of Government.

The article follows:

ONE BILLION DOLLARS FOR SECOND-RATE PARCEL POST

(By Ronald Kessler)

The new U.S. Postal Service is spending $1 billion to build parcel sorting facilities that promise slower and more damage-prone service than the agency's parcel post competitor, United Parcel Service.

The network of new facilities, called the bulk mail system, are under construction and are expected to be finished in 1975. One of the buildings is now in operation in Jersey City, N.J., and the parcel sorting center for the Washington area is expected to be completed in Largo, Md., in September.

The Postal Service has promised that the new facilities will give the public "vastly improved service" by reducing parcel damage and speeding deliveries.

Presently, although the Postal Service does not disclose the fact to persons mailing packages, the average parcel mailed from Washington to Los Angeles takes more than eight days to be delivered, according to internal reports for the latest fiscal quarter for which figures are available. This is longer than the Pony Express trip from Missouri to California in 1861.

The Postal Service also does not tell the public that the chances of a package arriving at its destination unscathed are less than reassuring. Internal reports show that, in a Postal Service test, about half the fragile items mailed by parcel post arrived broken.

The reason for the breakages is not hard to find. Although the new Postal Service told the press in 1972 it is "no longer throwing packages," visits to post offices from Boston to Cincinnati and from Miami to Los Angeles reveal it is rare when a package is not thrown.

Since sorting bins are placed 5 to 25 feet from clerks who sort the parcels, the alternative to throwing a package is a long walk to sort each one.

In the Chicago post office, clerks throw packages under a sign warning, "The parcel you toss may be your last." Clerks in the New York general post office are told, "Parcels must not be thrown more than five feet."

Although another sign warns that packages marked "fragile" are not to be thrown, these parcels were observed to be treated like any other.

"A private company that did that wouldn't last in business or would be investigated for consumer fraud," said John D. Swygert, executive assistant to the deputy postmaster general until 1969 and a consultant to large mailers.

If the shortcomings of the Postal Service's parcel post are obvious, so are the advantages of the private United Parcel Service (UPS).

Although the Postal Service publicly denies it, the government agency's internal reports show that one important reason for building the $1 billion bulk mail system was to attempt to stop an accelerating loss of business to UPS.

UPS, a private company started in 1907 as a messenger firm and owned largely by its managers, now handles about twice as many parcels as the public Postal Service. Seven years ago, the situation was reversed.

Internal Postal Service studies list the reasons for this success. UPS service is faster and more reliable than parcel post; its rates are generally cheaper; and its damage rate is one-fifth that of the Postal Service.

In addition, the studies say, UPS offers services the Postal Service does not: it gives free insurance on every parcel up to $100, it keeps a record on each parcel, and it picks up from homes and offices for an extra $2 fee.

While the Postal Service makes one attempt to deliver, the reports say, UPS makes three.

The Postal Service at times has publicly attributed UPS' success to what it calls "cream skimming" of the most profitable business. Unlike UPS, the public agency said, it must deliver every package of crumbling cookies and fruit cakes to every point in the nation, no matter how out-of-the-way.

There is some truth to this. The less profitable parcel business generated by households accounts for one-quarter of the Postal Service's volume, compared with less than 5 per cent of UPS'.

On the other hand, the majority of both entities' business comes from large, commercial mailers, and the Postal Service has never presented evidence to contradict UPS' claim that it picks up and delivers anywhere in the 43 states it is authorized by the Interstate Commerce Commission to serve.

"For the many reasons, disclosed on this record," John B. Drury, ICC administrative law judge, ruled last year on a UPS application to expand its jurisdiction, "it is abundantly clear that UPS is providing the American people with a broad service, designed to meet the public need, that is far superior to that of the (Postal Service's) parcel post or of any other carrier herein of record at a comparable, and oftentimes lower, cost."

Despite UPS' lower rates, it made an after-tax profit in 1972 of $77 million, or about 7 per cent of its $1 billion revenue. In about the same year, the Postal Service, which does not pay taxes, had a loss on its fourth class, largely parcel post, business of nearly $300 million, as calculated by the U.S. Postal Rate Commission's staff assigned to represent the public.

The Postal Service proposed in 1969 to change all this. To carry out the mechanization recommendations of the Kappel Commission, Winton M. Blount, President Nixon's appointee as postmaster general, said the Postal Service would build separate, modern systems for handling letter and bulk mail.

Processing both types of mail under the same roof, he said, was like "trying to manufacture tractors and sports cars on the same assembly line."

Blount said the bulk mail network would handle second-class newspapers and magazines that do not require speedy delivery, third-class mail, and fourth-class parcel post.

They would use modern sorting machinery designed to keep damage to a minimum. They would be located outside congested areas and near major transportation lines. To reduce handling and speed the mail, they would consolidate sorting now done in more than 500 post offices into 33 centers, including 12 auxiliary stations.

Five years later, the bulk mail system is being built under the direction of Blount's successor, Elmer T. Klassen. Despite Blount's original claims, the GAO has found the $1 billion network promises to give slower service than UPS and, in some instance, than the existing parcel post system.

While the Postal Service has claimed the new system would save money when compared with the existing system, the GAO has found the agency has no evidence to support its contention.

While UPS has designed its facilities to keep damage to a minimum by eliminating any free-fall drops of parcels, the Postal Service has designed its new buildings with drops of at least a foot.

When they designed the new bulk mail system, postal officials had before them the successful UPS facilities as models, but there is little resemblance between the two systems.

While the new bulk mail system will handle a large portion of parcels in canvas sacks, UPS uses no sacks.

"One of the problems with a canvas sack," said a UPS spokesman, "is that corrugated boxes are designed to withstand pressure if they're on their bases; in a sack, packages may or may not be sitting on their bases."

To empty parcels from the sacks, the bulk mail system uses a machine that tips them upside down and allows parcels to fall on a flat conveyor with impact-absorbing cones. Parcels near the lip of the sacks drop a foot. Those near the tops of the sacks drop as much as four feet.

A Postal Service analyst who helped design the system said, "There are an awful lot of ways to handle parcels besides dropping them from sacks. It's madness."

Employees in the Jersey City facility, which sorts parcels for the New York metropolitan area, said some parcels get caught in the folds of the sacks and later drop seven feet to the floor. They say other parcels are crushed in the sorting machinery or burst open when bounced against other parcels by high-speed sorting equipment.

"Parcels are breaking open like crazy," said an operator of one of the machines. Others say glassware, clothing, and books often spew on the floor, and extra workers have been assigned to rewrap damaged packages.

Repeat requests to tour the $130 mililon Jersey City facility were turned down by the Postal Service on the grounds the employees were too busy to give tours and the plant is not fully operational.

George R. Cavell, manager of the facility, did not return a reporter's telephone calls. Cavell selected the company that made the sorting equipment after he had been paid as a consultant to the company. He also determined that no other companies should be allowed to bid on the $8.4 million contract.

Cavell's secretary refererd calls to Julie B. McCarthy, a headquarters employee, who said that although she had not seen the equipment sort parcels, the damage rate in the plant "has not been a problem which has occurred in any general sense."

She said parcels that drop four feet from sack-shaker machines are cushioned because they slide out on top of other packages. She said the other machines are still being tested and improved.

In an interview, E. S. Brower, assistant postmaster general for bulk mail, acknowledged he did not know what the maximum drop in a UPS facility is.

When told it was zero, Brower, who claimed in 1972 that the Postal Service no longer throws packages, said he did not think the one-foot, designed-in drop in the new bulk mail facilities is unreasonable.

Brower said many parcels that do not arrive in sacks will drop only nine inches. He said tests have shown the equipment does not significantly damage parcels. He would not make available copies of the study, however.

Brower said the new system will offer service "as good or better than UPS." However, the GAO has found the new system promises slower service than UPS.

For example, UPS promises to deliver packages locally in one day, compared with two days promised by the bulk mail system. (The Postal Service recently amended its standard to call for one-day delivery of 76 per cent of local parcels.)

From Washington to New York, UPS promises two-day delivery, while the bulk mail network promises to make the trip in three days.

The Postal Service found in a 1971 test that UPS does not always adhere to its standards. Parcels that were supposed to be delivered to one area in three days took an average of 3.3 days, the test determined.

The bulk standard for the same distance is four days.

Much of the slower service of the new bulk mail system will be caused by its consolidation of more than 500 sorting centers into 33, the GAO has reported.

To Americans brought up on the proposition that bigness means efficiency, the consolidation makes sense. But in service industries like the Postal Service, bigness often means delays and higher costs. The largest post offices in the country, for example, have productivity rates as much as 50 per cent lower than smaller post offices.

In the bulk mail system, packages will often be slowed because they will travel longer distances before being sorted at the consolidated centers, GAO says. A parcel mailed the 103 miles from Pensacola to Panama City, Fla., will travel 1,536 miles through New Orleans, Memphis, and Jacksonville, GAO has reported.

Brower called GAO's conclusion that the new system will in some instances offer slower delivery than the present system "not true." He said the degree of consolidation of the new sorting facilities is "really not different from UPS."

However, Charles W. L. Forman, executive vice president of UPS, said that UPS has three times more sorting centers to serve 43 states than the Postal Service will have for 48 states. In the New York metropolitan area, he said, UPS has five centers, compared with the Postal Service's one in Jersey City.

Large centers, Foreman said, have been found by UPS to reduce productivity and increase service time.

Although the Postal Service has told Congress the new bulk mail centers would use modern sorting equipment, Brower acknowledged the machines work on the same principle as those used in post offices in 1968. They route parcels to appropriate bins based on address information punched into keyboards by clerks who read labels on packages.

Brower said the new equipment would cut costs because they sort to more bins than the old machines, reducing the number of addition sortings needed.

The Postal Service did not attempt to develop new sorting devices because "we wanted to make sure it would work," Brower said. He indicated new machines might not work because they would be untried.

The GAO has found that much of the sorting equipment installed in Jersey City still does not work.

An internal agency memorandum by Robert E. Ruckman, a research analyst, says the equipment was designed on a rush basis. The official in charge of the project, Harold F. Faught, formerly a senior assistant postmaster general, was committed to starting construction of the system "too soon—before he could locate or design them (the buildings) with valid systems data," the memo says.

The number and location of sorting centers was determined by a computer based on "obsolescent" information, the memo said. Because of the "strange locations" chosen by the computer, the 12 auxiliary stations had to be added to fill in blank spaces on the map, the memo added.

Cavell, who was then in charge of the national bulk mail system, wanted the network designed in three months, ". . . other things, such as how the system would work, being add-on details later," the memo said.

Cavell, the memo said, decided to use "current processing hardware—no new development of machinery . . ." The memo quoted Cavell as suggesting the new buildings could be used for five to seven years, then "write it off and ask for new facilities . . ."

The system was designed, the memo said, by "the blind leading the blind."

Asked why a mailer would want to switch his business from UPS to the Postal Service after the facilities are built, Brower said, "The main advantage over UPS is that they (persons mailing packages) can mail (parcels) with their other mailings."

Like other postal officials, Brower disclaimed any intention of building the facilities to compete with UPS. In part, postal sources said, this position is a reaction to congressional criticism of the unseemingly appearance of spending $1 billion in public funds to compete with a private business that is, by all accounts, doing a good job.

"Is there any reason," postal officials were asked in 1972 hearings by Rep. Robert N. C. Nix (D-Pa.), "for the public to be concerned about the fact that a private company has taken parcel business from the Postal Service? Is there any reason to spend $1 billion on such an enterprise?"

Despite the claim that this was not its purpose, the Postal Service's internal reports devoted considerable space to charts depicting how the new system will stop the loss of business to UPS. Postal officials said that if the system does not do so, it will have no parcels to sort.

The system's capacity of 1.2 billion parcels is the combined volume of the Postal Service and UPS in 1971. Postal Service volume has since slid to 475 million parcels, or less than half the capacity of the bulk mail network.

Brower said the new system will save money when compared with the present network even if parcel volume dropped further to 230 million packages. He declined to make available a copy of the study predicting the savings.

Brewer said it had been reviewed by GAO, which "agreed" with it. However, GAO, it was learned, had told Brower that the study represented "speculation." Brower did not return subsequent telephone calls from a reporter.

A number of postal officials said the agency knew almost from the start that the new system might not justify its $1 billion cost. The said Blount, and later Klassen, were intent on showing visible improvement in the form of bricks and mortar.

"It was a shell game," said Dr. James C. Armstrong, a former postal official who is director of corporate planning for American Telephone & Telegraph Co. "No one knew when it was going to blow up."

James E. Josendale, who was deputy assistant postmaster general for operations from 1969 to 1971 and is now chairman of Wire Rope Corp. of America, said, "If I did that in my company and didn't show where I'm going to receive the money (to justify the investment), they'd throw me out."

THE CONGRESSIONAL BUDGET REVIEW ACT

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. BAFALIS. Mr. Speaker, since coming to the Congress I have been most distressed over the virtual lack of controls this body has over the appropriations of the taxpayers' dollars. This lack of control—whether willing or unwilling—has added daily to the increasing inflationary spiral now plaguing our economy. If this spiral is ever to be turned around, the action is going to have to take place here—in the Congress of the United States. Only when the Members of Congress are fully willing to assume the heavy responsibility of monitoring our Nation's budget will this situation ever get any better.

From the beginning, I had great hope for the Congressional Budget Control Act, H.R. 7130. As passed by the House last December, it contained strong provisions binding the Congress to an overall spending ceiling each year and requiring that all authorization legislation be passed before taking up appropriations. H.R. 7130 was a good, solid bill which had my full support.

Like other bills that mandate great changes here in the Congress, H.R. 7130 hit some rough spots. After being sent to conference in March it stayed idle without any action at all well into May. In order to express my strong desire to have immediate action taken on this vital measure, I sponsored a special order on budget reform and also introduced a resolution sponsored by 50 of our colleagues urging expeditious action on this vital legislation. Needless to say, I am gratified by the quick action of the conference committee.

Unfortunately, however, H.R. 7130 as reported from conference, is not without its faults. Some of the House's strong language was dropped—particularly that which established safeguards to insure the Congress worked within the overall budget limitations set early in the year. With the language in the conference report, the effectiveness of this bill will depend a great deal on the desire of each Member of Congress to work within this new program. This is going to take a great deal of discipline but, unfortunately, it is now or never.

I have consistently supported legislation which will establish a basic framework to allow Congress to grasp control of the budgetary process and H.R. 7130 is a step in this direction and one which must be taken.

It provides us with the first opportunity in many years to operate under a total budget picture rather than the piecemeal approach that has been taken in years past—an approach that has led to nothing but increasing deficits in our budget and increasing interest on our national debt. With the mechanisms set up in H.R. 7130 coupled with the determination of the Members of Congress to work within them, we have the opportunity to turn this bleak picture around. Inflation is having a drastic effect on each and every family in America. Our constituents are distressed and angry and are now demanding action. In my mind, this type of action is long overdue and is vital to reestablish the responsiveness of the Congress to the needs of the people of this Nation.

THE POLITICS OF DIVERSION

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. RANGEL. Mr. Speaker, during the Watergate coverup the transcripts released by the White House to the Judiciary Committee and the public revealed that there was an effort which was sustained at the highest echelons at the White House for a long period of time to hide the truth concerning the Watergate break-in and related matters from the American public.

We have seen in recent weeks a parallel effort being made by the White House to divert the attention of the American public away from the real issues involved in the committee's work to determine whether the President is guilty of impeachable offenses. We have seen a massive effort by the White House to discredit the committee through a distortion of facts to try to sell the American public on the notion that the committee which is trying to carry out its constitutional responsibilities in a deliberate measured nonpartisan way is attempting to exact partisan political retribution upon the President. That the lawfully issued subpenas calling for evidence needed for the impeachment inquiry are excessive and a fishing expedition, and the statements made by committee members in accordance with their constitutional responsibility should disable them from sitting in judgment of the President's conduct. Now that it has been revealed that the Watergate grand jury has named the President as an unindicted coconspirator, the attacks have turned toward the grand jury.

A recent example of this type of attack appeared in the New York Times. Patrick Buchanan, a Nixon speechwriter and leading apologist for the President, set forth the notion that the Watergate grand jury had not considered the evidence presented by the Special Prosecutor but had instead acted out of a hatred for Nixon arising out of the fact that most of the grand jurors live in the District of Columbia and are black. This is such utter nonsense that it tempts one not to even dignify it with a response.

However, the Washington Post this past Sunday published an editorial in response to Mr. Buchanan's article which clearly points to the fact that although it is nonsense, Mr. Buchanan's argument is dangerous nonsense that should be discouraged.

I place the Washington Post editorial on the Buchanan article in the Record for the information of my colleagues:

[From the Washington Post, June 16, 1974]

Mr. Buchanan and the Watergate Grand Jury

Only a single member of that 23-member [Watergate] grand jury was a Republican. Seventeen of the 23 were black—members of a racial minority that voted, nationally, upwards of 10 to 1 against the President, a minority whose political leaders have repeatedly characterized Richard Nixon and his Administration as bigoted and racist.—From an article by White House Consultant Patrick J. Buchanan in The New York Times.

Well, so much for the Watergate grand jury. The resourceful Mr. Buchanan has now explained to those who care to listen how that particular group of men and women happened, toward the end of their second year of deliberations, to name Mr. Nixon as an unindicted co-conspirator in the Watergate cover-up. They were unrepresentative, you see, both by virtue of their being black and of their not being Republicans. If Mr. Nixon is ever impeached, we have not the smallest doubt that Mr. Buchanan will offer up the explanation that the House of Representatives is not representative—they are, after all, *mostly not Republicans* and some of them are even, well, *black*, and never mind that somebody or other out there among the electorate voted to send them to Congress.

True, no one voted to send the Watergate grand jurors to the grand jury. That long-suffering and much put-upon group of citizens trying to do their duty was summoned to serve in the first instance—courtesy of a computer—by the U.S. District Court and then assigned its tasks by an official of the U.S. Justice Department. The Justice Department, you will remember, was then under the guidance of a white Republican who has since become the first Attorney General in our history to be convicted of a criminal charge. (It should be noted, nonetheless, that statistically both he and his predecessor, another white Republican currently awaiting trial on criminal charges himself, would have much more nearly approximated Mr. Buchanan's apparent criteria for fair service on the Watergate grand jury.) The reason the grand jurors to whom Mr. Buchanan objects have been in business so long is that the subject before them was reopened when it was discovered that they had, the first time around, been systematically lied to under oath by the President's associates and otherwise been made the object of deceit in a conspiracy emanating from the White House. It is not recorded that when, having fallen for the lies, they originally indicted only a handful of lower-down aides in the fall of 1972, Mr. Buchanan saw fit to introduce questions about their color and their politics.

Mr. Buchanan, of course, is a white Republican. So is John Dean. So is Judge Sirica. So is H. R. Haldeman. And so is Lowell Weicker. The point is so elementary that one is astounded to have to make it: people are more than the sum of their statistics; they are individual and willful and different; and they tend to be motivated by a desire to act responsibly and to do right. As anyone who has contemplated the White House transcripts will know, it is this last little wrinkle that Mr. Nixon and some of his closest aides seems to have had the most trouble understanding. Those transcribed conversations show that they were at once baffled by and contemptuous of those of their associates and employees who decided to play straight with the investigators. Were they closet Democrats? Were they going for some hero's role? What could be motivating such people who were, after all, white Republicans?

The same thing, we would say in response, that is motivating the black grand jurors: a desire to fulfill their public responsibilities as honestly and as decently as they can.

A LETTER TO COLLEAGUES

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. DINGELL. Mr. Speaker, pursuant to permission granted, I insert in the appendix of the Record the following letter. This letter has been signed by 14 Members and expresses our concern regarding the serious deficiencies in the agriculture-environmental and consumer protection appropriations bill. The letter also explains the action we propose to take to rectify these problem areas and solicits the support of our colleagues.

House of Representatives,
Washington, D.C., June 20, 1974.

Dear Colleague: As indicated in our previous letter of this date, on Friday, June 21, 1974, the House will take up the Agriculture-Environmental and Consumer Protection Appropriations Bill. The purpose of this letter is to emphasize three of the serious deficiencies in this bill as it relates to the activities of the Federal Trade Commission, and to provide a more detailed explanation of the reasons for our proposed action.

Specifically, as indicated in our previous letter, we oppose: (1) deferral of action on the FTC's request for $650,000 to fund a computerized data retrieval system for use in the Exxon antitrust case; (2) deferral of action on the FTC's request of $364,000 for annualization of the personnel funding of the Energy Industry Study targeted for completion during fiscal year 1975; and (3) unwarranted substantive restrictions placed on the FTC's Line of Business Reports Program.

DATA RETRIEVAL SYSTEM

The FTC antitrust complaint versus eight major oil companies represents one of the largest civil antitrust litigations in history. The Bureau of Competition estimates that discovery in this case will produce 25 million document pages. A computerized data retrieval system is essential to organization and use of this staggering volume of documents. The defendants in this case will have access to such a system, and without this essential support the FTC staff will be placed at a significant and potentially insurmountable disadvantage.

No appropriation is contained in the Committee bill for this data retrieval system. The report of the Appropriations Subcommittee indicates that no action was taken on this matter due to the absence of a specific request for the funds in question. While it is true that no specific budgetary request was forwarded through OMB, the FTC did make a specific letter request for the funds subsequent to forwarding its formal budgetary proposals to OMB and the Congress. The letter request was necessitated by the fact that a consultant's report which recommended establishment of such a retrieval system, proposed a specific system and estimated the cost of the proposed system, had not been received by the FTC until after the formal budgetary request had been prepared.

The "technical" absence of a formal request for these funds should not be allowed to cripple the FTC's vigorous enforcement of the antitrust laws, especially when the request is meritorious and the variance from strict procedures is justified. An additional $650,000 must be appropriated for this purpose.

ENERGY STUDY

The Special Energy Appropriations Bill of 1974 appropriated funds for an Energy Industry Study to be conducted in FY 1974–75. The FY 1974 funding level provided for personnel to conduct the study during the six month period January–June 1974. During OMB review of the FTC's 1975 budgetary requests for continuation of this study and its conclusion by the end of FY 1975, OMB did not annualize the personnel budget approved in FY 1974. Thus, the budgetary request forwarded to the Congress from OMB does not provide personnel funding for a full year. OMB advised the FTC to take up the need for annualization of the personnel funding with the Subcommittee at the time of the Subcommittee's hearings on this matter. Regrettably, the Subcommittee refused to act on the FTC's direct request when it was presented in the manner suggested by OMB because the Subcommittee viewed this as a departure from normal budgetary procedures and not an official request from OMB.

The personnel funding of the Energy Industry Study must be annualized to permit completion of this study during FY 1975. An additional $364,000 must be appropriated for this purpose.

LINE OF BUSINESS REPORTS

The Line of Business Reports Program was proposed by the FTC Bureau of Economics in order to obtain more useful data on concentration and profitability of 219 distinct lines of business. The program would afford significant improvements over existing date. While adequate appropriations have been provided for this program, crippling limitations have been placed on the Program which must be eliminated.

By requiring random sampling as the basis for selection of the firms to be questioned under the program, the Appropriations Subcommittee has virtually guaranteed that the information gathered will be totally useless.

The FTC program as proposed would have gathered information from those companies representing over 70% of the Nation's manufacturing assets. In addition, the FTC system would have obtained publishable information on 219 lines of business. Random sampling reduces the percent of any industry's sales covered by the questionnaires and, more importantly, reduces the likelihood of obtaining publishable data in any line of business due to the Commission's requirement that data from three or more firms be aggregated in order to protect the confidentiality of the information obtained.

The Appropriations Committee's action evidences a basic misapprehension of the purpose of the FTC's proposed program and the effect of the Committee's restrictions Rather than rendering the system more manageable, the reduction in surveyed firms from 500 to 250 merely reduces the degree of confidence which may be placed in the information obtained. Moreover, while the Appropriations Committee sought to impose random selection in an effort to avoid the "pre-judgment that bigness is suspect per se," the Committee did not recognize that the purpose of the FTC survey was not aimed at assessing the impact of "bigness" but rather "concentration." By effectively eliminating surveying of the largest firms, the Committee has rendered unobtainable the objective of gathering information on concentration. What kind of usable data can be assembled on the auto industry unless all three major auto manufacturers are surveyed? A survey of every firm in the auto industry except the big three would provide little usable information regarding concentration in this industry.

As indicated in our previous letter, we propose to take the following action when this bill is brought before the full House: (1) add an appropriation of $650,000 to fund a data retrieval system for use in the Exxon antitrust case; (2) add an appropriation of $364,000 to annualize the personnel funding for the Energy Industry Study; (3) remove the burdensome restrictions imposed by the Appropriations Committee on collecting Line of Business information; (4) remove the unnecessary restrictions placed on the use of the economic data obtained; and (5) eliminate section 511.

We solicit your support on these actions.

John D. Dingell, M.C., Bob Eckhardt, M.C., John Melcher, M.C., Edward Mezvinsky, M.C., James C. Corman, M.C., Benjamin S. Rosenthal, M.C., Charles A. Vanik, M.C., John E. Moss, M.C., Harley O. Staggers, M.C., Silvio O. Conte, M.C., Joseph E. Karth, M.C., Thomas A. Luken, M.C., Brock Adams, M.C., Edwin B. Forsythe, M.C.

PROFIT CLAIMED FOR THIRD-CLASS MAIL

HON. JIM WRIGHT

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. WRIGHT. Mr. Speaker, under leave to extend my remarks, I include at this point the third in a series of investigative articles which began June 9 in the Washington Post. This article deals with the new cost system of the Postal Service.

The Postal Corporation has cited this new accounting system to justify the recent 2-cent increase on first-class mail. However, the Postal Rate Commission chief administrative law judge and the General Accounting Office have rejected the system as "failing to show true costs." The question then is raised as to whether or not the increase was indeed justified.

The Postal Corporation is claiming that third-class mail is bringing in a tidy profit and first-class customers are not being overcharged. However, six postal cost studies, including two by the agency itself, show the contrary. These studies find that first-class customers are paying extra to cover the costs of all other classes. First-class customer, John Doe, is being overcharged to cover the losses of other mail classes which are generally used by special commercial interests.

One of the objectives of the Congress in approving the new Postal Service in 1970 was that all classes pay their own way. According to these findings, this objective has not been followed.

The article follows:

[From the Washington Post, June 11, 1974]

PROFIT CLAIMED FOR THIRD-CLASS MAIL

(By Ronald Kessler)

At first glance, it appeared to be a miracle. Third class, so-called junk mail, which had been causing a loss to the Postal Service of $152 million a year, was suddenly bringing in a tidy profit of $407 million a year.

Even more startling was that the actual revenues and costs of third class mail had not changed.

Indeed, the conflicting versions of whether third class mail made money or not applied to the same year—fiscal 1970. What had changed was the Postal Service's method of showing those costs.

On the basis of the new method, the Postal Service claims that third class mail paid for itself and that first class mail—the class used by most Americans—is not overcharged to subsidize it.

The agency has cited the new cost system to justify recent increases in the price of a first class stamp from 8 cents to 10 cents.

But the agency's claims are contradicted by six other postal cost studies, including two by the Postal Service itself. They showed first class mail was overcharged and subsidizes all, or nearly all, of the other classes, which are generally used by special commercial interests.

One of these studies, by the U.S. Postal Rate Commission staff assigned to represent the public in rate questions, showed an overcharge to first class mail in fiscal 1972 of about $1 billion, after the overall postal deficit, for which no class of mail pays, is eliminated.

This means first class mail users are paying an extra 2 cents a letter to subsidize others.

The Postal Service denied it overcharges any mail class, and it said its official cost study is the correct one. But one postal rate expert who has publicly defended the new system said it was designed to hide costs. "The purpose of the system," the expert said, "was to cover up losses on second, third, and fourth class mail for political and economic reasons."

Second class is used by newspapers and magazines, third class by so-called junk mailers, and fourth class by parcel post mailers, who include the general public and large mail order houses. First class is used by individuals and by business.

The expert added, "First class was just Joe Doaks. They weren't worried about first class."

Postmaster General Elmer T. Klassen said in a Wall Street Journal interview that when postage rates are raised, first class mail would bear the brunt. "To the housewife mailing six or eight letters and bills a month, that's insignificant," Klassen said, referring to a possible first class increase from 8 cents to 10 cents.

"I'm more concerned about the big mail user . . . Big mail users are much more vocal" than consumers in fighting rate rises, Klassen said.

Klassen recently discounted the interview as "misrepresenting" his views. He said he could not recall what he had said.

The question of overcharges and undercharges has long been a point of contention. Through the years, third class mailers had been accused of not paying their way, but they argued they saved the post office money because they presorted their mail. One industry consultant figured third class mail requires 30 fewer handlings than does first class.

To those not familiar with the Postal Service's old method of determining its costs, the argument made sense. Third class mail is presorted, and does save costs.

But as Congress was told by the General Accounting Office, its audit branch, the old method took presorting into account.

The cost figures were based on observations of time spent by clerks handling the various mail classes. If clerks spent less time on third class mail, it showed up in the cost figures, GAO said.

The figures still showed third class was losing money, and the issue became of more than academic interest when Congress, in creating the new Postal Service in 1970, said all classes must pay their full costs.

This meant third-class rates would have to be substantially raised. But during the debate on the postal reform bill, the cost system was changed.

Where third class had been losing money, it was now making money. Indeed, Winton M. Blount, President Nixon's appointee as postmaster general, called third class mail the agency's "most profitable class of business."

Was a deal made to change the cost system for third class mailers if they would support the Nixon administration's bill?

Robert M. Huse, executive director of the Mail Advertising Services Association, a third class industry group, said, "I think the promise to change the cost system made reform a little more palatable. The new cost system showed that third class mail was not only paying its way but making a profit."

What the new system did, in effect, was to change the rules defining costs.

The old system—known as a fully allocated system—charged all the costs of running the Postal Service to the various classes of mail.

Time spent by clerks sorting third class mail was charged, based on salaries, to third class mail. The costs of maintaining sections of buildings used for sorting parcels was allocated to fourth class parcel post. A postmaster's time tending to first class mail was assigned to first class.

The new Postal Service system—called short-run incremental costs—allocated to the various classes of mail only about half the expenses of running the agency. The remaining costs are charged to the mail classes largely according to the Postal Service's judgment of how much they can be charged without driving customers away.

Since first class mail customers have nowhere else to go because the Postal Service has a legal monopoly on the delivery of letters, the Postal Service has allocated the highest proportion of these extra costs to first class mail.

Economists and accountants interviewed for this series said most companies, federal regulatory agencies, and government agencies use the Postal Service's old cost system—fully allocated costs—for determining their expenses. They said some companies use another cost method, called long-range incremental costs.

But they said the Postal Service's new system—using short-run incremental costs—is rarely used. When it is, they say, it is only for special, limited purposes.

For example, a manufacturer may have extra plant space available for a year. He might use a short-run system to figure his extra cost for making a new product line in the extra space while it is free. For this purpose, he would estimate the extra costs of salaries and equipment, but would exclude the cost of building and maintaining the plant, since this cost would continue regardless.

Obviously, if the manufacturer decides to continue making the new product line, he would have to take a long-range approach and figure in his plant costs. If he did not, he might think he is making money when he is losing it.

The new Postal Service method does not include the cost of buildings. It includes only costs that the Postal Service believes would increase or decrease within a period of a year if mail volume increased or decreased in the same period.

Since an increase in mail volume would not produce a new building within a year, buildings are not considered costs caused by any particular mail class, said Nathan W. Schachter, the Postal Service accountant who developed the new cost system. Schachter recently retired from the agency but continues as a consultant on rate matters.

For similar reasons, Schachter said, the new system does not charge to individual mail classes the costs of supplies, building maintenance, stamps, or most salaries of letter carriers, postmasters, and clerks who sell stamps.

A $1 billion expenditure on new buildings for sorting second, third, and fourth class bulk mail will be charged to first class mail users as well, said Arthur Eden, the agency's director of rates and classification.

If a home owner planned to charge rent for his home only on the basis of annual maintenance costs, without including the cost of a paint job every five years, would he lose money?

Yes, Eden said.

Will the Postal Service lose money if it does not charge bulk mail users with the cost of painting buildings that sort bulk mail?

No, Eden said. Using an analogy, he said that if an apartment owner had difficulty renting his apartments, he would forget about the cost of constructing them and charge rents low enough to attract tenants.

Does this mean the new bulk mail facilities will lose money? No, Eden, said, they will save money.

Seymour Wenner, chief administrative law judge of the U.S. Postal Rate Commission, found much of the Postal Service's reasoning to be anomalous. He ruled the agency's cost system does not show "the real costs of the various classes imposed on the system's capacity."

Wenner said the agency must change its cost system, but to date it has not done so. While six cost studies show first class mail is overcharged, the Postal Service has continued to base its rates on its new cost study, which shows first class is not overcharged.

In addition to Wenner's ruling, the new study has been found lacking by the GAO, which is expected to report this year that it fails to show the true costs of the mail classes.

Asked to cite any experts who agree with the Postal Service cost system for rate-setting Eden of the Postal Service named two economists.

One, Dr. William S. Vickry, a Columbia University economics professor, said he generally agrees with the Postal Service method, but acknowledged that all of the federal rate setting agencies that have heard his views—including the Federal Communications Commission and Interstate Commerce Commission—have rejected them.

"I'm a voice crying in the wilderness," said Dr. Vickry, who is a paid Postal Service consultant.

The second expert, Dr. Alfred E. Kahn, a Cornell University economics professor, said he did not agree with the Postal Service method. To use short-run costs for setting rates, Dr. Kahn said, "would mean that you could be losing money when you think you are making it."

He added, "To fail to put the bulk mail costs on the bulk mail users is to subsidize bulk mail at the expense of first class mail users."

SPECIAL PAY LEGISLATION

HON. DONALD J. MITCHELL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. MITCHELL of New York. Mr. Speaker, I am introducing today legislation which would address the growing problems which our Armed Forces have in retaining qualified health care personnel. These problems are still with us and the situation can only deteriorate until we devise a method to encourage these health professionals to remain in the service once their initial obligation has expired. My legislation will affect dentists, optometrists, veterinarians, and podiatrists by increasing the amount of special pay which these professionals would receive. It also allows the Secretary of Defense to pay those personnel in a critical shortage specialty a reenlistment bonus of up to $13,500 per year.

Each of these health specialties performs some of the work carried out by physicians. If each of these professions is fully complemented, the M.D. shortage, which is the most critical of all, becomes less severe.

Mr. Speaker, this problem was explored in great detail in April during the extensive floor debate on S. 2770. As the Members may recall, at that time the House-passed measure granted incentives very similar to the ones in my new bill to physicians, dentists, optometrists, and veterinarians. The Senate objected however, and all except physicians were eliminated from the bill. By reintroducing this legislation the House can serve notice on the other body that we intend to responsibly see this problem through to a satisfactory solution.

Let me briefly enumerate, Mr. Speaker, why this legislation is vital if we are to avoid reinstating the doctor's draft. Department of Defense projections indicate that within 3 years the demand for veterinarians may exceed supply by as much as 20 percent. Similarly, the number of optometrists in the service is estimated to be 18 percent less than the number needed in the same 3-year period. The shortage of dentists is 15 percent, again within a 3-year time span. Retention rates paint an equally bleak picture. According to investigations I have made, the general retention rate for dentists, optometrists, and veterinarians throughout all branches of the military averages roughly 15 percent. Translated, this means that 85 percent of those health professionals inducted into the service do not reenlist once their obligated service has been completed. To keep the volunteer service concept viable we must maintain a better record than this.

It is also extremely costly to the taxpayer to have to subsize the expensive education of health practitioners year after year to secure a sufficient number of graduates to serve our Armed Forces. A strong case can be made that a modest increase in incentive pay might well serve to retain a sizable number of the 85 percent who leave after their brief, obligated service has been completed, thus resulting in a savings to our overburdened taxpayers.

There are at present only about 65 podiatrists in the armed services, but this growing health profession has just seen the addition of 50 new commissioned officer billets in the three branches of the armed services. In order to attract and retain well qualified personnel in these new billets, the extension of the incentives in this legislation to podiatrists is essential.

I am confident, based upon the debate of S. 2770 in April, that hearings will be held on this legislation, that the Department of Defense will make its views known on the subject in an unambiguous manner and that Congress will act responsibly to correct a most serious flaw in our present all-volunteer service.

REV. WILLIAM MOSES DOWNS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. STOKES. Mr. Speaker, tonight will mark the 35th anniversary of the pastorate of the Reverend William Moses Downs of the East Mt. Zion Baptist Church of Cleveland. An anniversary banquet to be held at the Park Plaza Hotel this evening will acknowledge his accomplishments and his contributions to our community.

There are several events that have occurred in my own life that have made me feel especially close to Reverend Downs, and I treasure my long relationship with him. He officiated the marriage of my wife Jeanette and me, and I often take delight in teasing him about the girl I "stole" from his church. He is also one of the many black ministers in Cleveland whose commitment and outstanding leadership was instrumental in helping my brother Carl become the first black mayor of a large American city. He gave me this same unswerving dedication during my first campaign for election to the U.S. House of Representatives, and I will always be appreciative of his unselfish efforts.

Mrs. Stokes joins me in acknowledging what Reverend Downs has meant to our family and to all Cleveland. He is among the men for whom I hold great respect and admiration, and I submit for the consideration of my colleagues a brief biography of his most commendable service as a theologian and civic leader:

BIOGRAPHICAL SKETCH

The Rev. William M. Downs entered the pastorate of the Mt. Zion Baptist Church of Cleveland on June 25, 1939.

A graduate of Benedict College in Columbia, South Carolina, and the Union Theology Seminary in New York City, Rev. Downs began his service as a minister in January, 1931. He has received the doctor of divinity degree from Morris and Benedict Colleges, and on June 24, 1961, was awarded the doctor of humanities degree from Monrovia College in Liberia, West Africa.

Rev. Downs served as assistant pastor of the Zion Baptist Church in Columbia, and was minister of the First Nazareth Baptist Church in that City for five years. He was also chaplain of the South Carolina State Penitentiary for several years, and conducted religious broadcasts on radio station WLS in Columbia for more than two years.

An active, enthusiastic participant in community and church affairs, Rev. Downs has served as secretary of the Finance Committee of the South Carolina Baptist Convention, and is on the board of directors of the Evangelical Board of the National Baptist Convention of America.

A member of the executive boards of the Northern Ohio District Association and the National Baptist Convention of America, Rev. Downs also serves on the board of trustees of the Woodruff Memorial and is state president for the National Baptist Convention.

In December, 1959, the members of the congregation of East Mt. Zion honored Rev. Downs by awarding him a lifetime pastorate at East Mt. Zion. His parishioners have said, "We are thankful to God for sending us such a leader who, with his messages of inspiration and spiritual guidance, has strengthened our religious foundation. Through his ministry he has added to our rolls 1,226 marriages; 6,182 reunited; 2,428 baptized; 1,016 eulogized, and 316 babies blessed."

Rev. Downs is married to the former Ruth Cummings, and is the son of William D. and Rachael Downs. He was born in Greer, South Carolina, on August 21, 1908.

JET FUEL SHORTAGE

HON. DAN KUYKENDALL

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. KUYKENDALL. Mr. Speaker, I noted with interest the article in the Wall Street Journal, which alleges a shortage of jet fuel of serious proportion. Consequently, I asked the Air Transport Association to furnish me with a copy of Paul R. Ignatius's letter to Administrator Sawhill which details the complaint.

If the airlines' contention is correct, this is a matter of serious concern because it would affect not only the price of air transportation but also the actual availability of fuel to meet the Nation's air transportation needs. The integrity of the entire FEO enforcement program is at stake.

So that all Members may be informed of the issue, I place in the Record the full text of the airline letter:

Air Transport Association
of America,
Washington, D.C., June 19, 1974.

Hon. John C. Sawhill
Administrator, Federal Energy Office,
Washington, D.C.

Dear Mr. Sawhill: As a result of a failure by FEO to implement its announced policies, the members of the Air Transport Association are extremely concerned by the apparent breakdown in the integrity of FEO's mandatory Refinery Yield Control Program for jet fuel. This breakdown is reflected in the published production figures for May.

ATA equally is distressed by the seemingly cavalier response to these production shortfalls which have effectively emasculated this vital FEO program and by FEO's negative attitude toward ATA's continuing efforts to help monitor and assist in its enforcement.

I feel obliged to bring this matter to your personal attention in the hope that you will be able to apply urgent corrective measures to assure fulfillment of the objectives of the Refinery Yield Control Program and to advise your staff of its priority importance.

As you will recall, FEO's initial proposal of March 4 to provide relief to international air carriers by ending the distinction between bonded and domestic supplies threatened substantial adverse supply and price consequences for domestic carriers. In opposing that March 4 proposal, ATA alternatively recommended meeting the bonded fuel problem by adjusting the refinery yield order to insure adequate supplies for both domestic and international carriers and by granting special product treatment and price stabilization to aviation fuel. Joined by four airline presidents, I met on March 21 with then Administrator Simon to discuss the bonded fuel problem. At that time, Mr. Simon indicated that he was unable to grant price relief, but would consider favorably utilizing the refinery yield program to insure adequate supplies for both domestic and international carriers.

Four days later, on March 25, FEO changed its original proposal and published a revised approach to the bonded fuel problem which combined relief to international carriers unable to obtain bonded fuel at reasonable prices with an extension of the then applicable mandatory refinery yield order. 39 Fed. Reg. 11205 (March 26, 1974). Certain airline comments on this proposal continued to reflect concern with future domestic supply levels and the price consequences of possible large-scale importations of foreign origin aviation fuel to meet domestic shortfalls. At meetings between our respective staffs, it was agreed that domestic production of 750,000 to 800,000 barrels per day of kerosene base jet fuel would be required to insure against adverse consequences and that some modification of the then existing yield order would be required to accomplish this goal. When you and I discussed this matter on April 4, you also agreed that production of 750,000 to 800,000 barrels per day would make supply adequate to stabilize domestic prices.

It is noteworthy that FEO's official announcement of the new bonded fuel regulation on April 9 called specific attention to the fears of certain air carriers that providing relief to international carriers from domestic resources "could adversely affect supplies to domestic air carriers and could result in higher fuel costs to such carriers." In that context, FEO announced what it described as a "major change" in the refinery yield program. The FEO announcement specified that "the total yield of kerosens base jet fuel will be increased to approximately six percent of crude runs" and that, as a result, FEO anticipated "supply levels in the range of 750,000 to 800,000 barrels per day." 39 Fed. Reg. 12995 (April 10, 1974).

After release of the revised bonded regulation on April 9, I wrote to Mr. Simon that "the decision of the Federal Energy Office to combine relief for international carriers with affirmative action to increase jet fuel output and insure adequate supplies to both domestic and international carriers, is consistent with the position of the airline industry." I also noted that: "Vigorous enforcement of FEO orders and reporting requirements relating to maintaining availability of kerosene base jet fuel is, of course, critically important to the airline industry. We are confident that FEO staff will give priority attention to monitoring the supply situation, and we intend to work closely with them to assist in detecting and resolving any problems which might arise."

ATA's General Counsel, James E. Landry, moved to implement this offer of assistance on April 23 by writing to Mr. John Weber, FEO Assistant Administrator for Operations and Compliance, with specific reporting and enforcement recommendations. ATA also made a simultaneous request, under FEO's public disclosure regulations, for certain data which would permit ATA members to place their acknowledged experience and expertise in the jet fuel area at the service of FEO's enforcement effort.

On May 10, Mr. Landry reported our concern to Mr. Weber that certain refiners were attempting to retaliate against airline support of the bonded fuel regulation by raising domestic prices although no increased costs had been generated by the regulation. Mr. Landry requested "immediate action . . . to have this unlawful retaliation terminated."

Despite FEO's April 9 order, and ATA's efforts to encourage effective enforcement, jet fuel output figures for the month of May and consequent refiner actions threaten the objective underlying the bonded fuel regulation.

According to the figures contained in the American Petroleum Institute Weekly Statistical Bulletin, kerosene base jet fuel yields were approximately 5.21% of crude runs for the month of May and production of kerosene base jet fuel averaged 632,000 barrels per day. This represents a shortfall in jet fuel yield of approximately 12.4% and an average shortfall of 118,000 to 168,000 barrels per day from the agreed target of 750,000 to 800,000 barrels per day. Indeed, had jet fuel yields been maintained at the level ordered by FEO for the month of May (106% of the second quarter 1972 kerosene base jet fuel yield), actual jet fuel output would have averaged 722,000 barrels per day and the total May output would have increased approximately 2,782,000 barrels over the actual production levels.

There can be, in our view, no explanation for these shortfalls apart from blatant defiance of the FEO order. API figures demonstrate that 6% jet fuel yields are readily achievable. In fact, jet fuel yields for the months of January, February, March and April 1974 were higher than those in May. Moreover, actual weekly jet fuel outputs in May have been exceeded in the months of January, February, March and April 1974, even at lower levels of refinery operations.[1]

There is no public record of any refiner having been excused from compliance with the yield program and ATA has not been informed of any such exemption.

With the FEO Refinery Yield Control Program thus rendered essentially meaningless in the supply situation, refiners are continuing to threaten substantial increases in jet fuel prices as an alleged response to the new bonded fuel regulation. While, as spelled out in Mr. Landry's letter of May 10, we continue to believe these increases are unjustified and unrelated to any costs arising from the bonded fuel regulation, the sole response to Mr. Landry's letter has been a form notification, which I attach, indicating that the matter is being investigated. I would appreciate being informed as to when you expect this investigation to be completed and want to assure you of our continued readiness to be of assistance.

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[1] The following week-by-week comparison is illustrative:

Week ending May 3*; API output 685.

Week ending May 10; API output 616; exceeded in week ending January 25, February 1, March 1, March 8, March 29, and April 12.

Week ending May 17; API output, 641; exceeded in week ending January 11, January 25, February 1, March 29, April 12, and April 19.

Week ending May 24; API output, 630; exceeded in week ending January 4, January 11, January 25, February 1, March 8, March 29, April 12, and April 19.

Week ending May 31; API output, 618; exceeded in week ending January 4, January 11, January 25, February 1, March 8, March 29, April 12, and April 19.

*Includes 4 days of April production under previous yield order. This yield was surpassed during the weeks ended February 1 and March 8 at lower levels of refinery operations. In addition, the actual output of 685,000 barrels per day was exceeded in 16 of the first 22 weeks of 1973.

Moreover, since hand delivery of his letter of April 23, Mr. Landry has been seeking an appointment to discuss the full array of enforcement matters with Mr. Weber. Despite repeated requests, Mr. Weber has not made himself available. Mr. Weber did not respond to Mr. Landry's urgent letter of April 23 until June 3 at which time he forwarded an essay on the general principles of FEO/industry coordination with no specific response to the operative points of the April 23 letter. For your information, I also attach copies of this correspondence.

The FEO response to ATA's request under FEO's public disclosure regulations has been equally difficult to understand. Because the FEO staff claimed practical difficulties in assembling the requested material, ATA representatives participated in extensive meetings aimed at facilitating the transfer of information. Despite this flexibility, and ATA's incontestable right to the information sought, no significant information has been delivered. The relevant correspondence in this matter is also attached.

I am certain that you will agree with me that an atmosphere of open communication and good faith dealing is essential between the FEO and the airline industry. In all candor, I must tell you that the history of the implementation and enforcement of the present jet fuel refinery yield order has shaken our faith in FEO's willingness or ability to move beyond promises to effective action in maintaining adequate supplies of jet fuel at reasonable prices. I trust that you will take a personal interest in putting this matter to right and restoring the atmosphere of mutual confidence.

Sincerely yours,

PAUL R. IGNATIUS,
President and Chief Executive Officer.

A BILL AUTHORIZING THE SECRETARY OF THE TREASURY TO REIMBURSE STATE AND LOCAL LAW ENFORCEMENT AGENCIES FOR ASSISTANCE

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. BELL. Mr. Speaker, today I am introducing a bill that would require the Federal Government to reimburse State and local law enforcement agencies for costs incurred to meet Secret Service requests to provide security for major political candidates and foreign dignitaries.

The Federal Government has acknowledged that the responsibility for protection of Presidential candidates and foreign officials is at the Federal level. However, the Secret Service is not large enough to carry out this responsibility by itself and therefore must seek assistance from local law enforcement agencies. There is presently no fund available to reimburse these local agencies for the services they perform. Thus the burden falls upon these agencies to pay expenses from their own budgets.

In Los Angeles alone, requests from the Secet Service for supplementary security personnel more than tripled with the passage of Public Law 90-331—security for major Presidential and Vice-Presidential candidates—and Public Law 91-651—security for dignitaries. During an 11-month period in 1972, the Los Angeles Police Department incurred direct expenses of $168,959 in responding to 44 requests of the Secret Service.

The increased burden on local communities was not foreseen when Congress enacted legislation to expand Secret Service protection. It is time that this inequity be corrected and that the Federal Government assume responsibility for paying Secret Service costs. My bill would accomplish this by authorizing the Secretary of the Treasury to reimburse State and local governments for expenditures made at the request of the Secret Service.

A complete text of my bill follows:

H.R. —

A bill to authorize the Secretary of the Treasury to reimburse State and local law enforcement agencies for assistance provided at the request of the United States Secret Service

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That any State or local government which makes any expenditure at the request of the United States Secret Service for the protection of any person whom the Secret Service is authorized by law to protect, may submit to the Secretary of the Treasury (hereafter in this Act referred to as the "Secretary") an application for reimbursement with respect to such expenditure.

SEC. 2. The Secretary, upon receiving any application under the first section of this Act, shall verify that such expenditure was necessary to provide the assistance requested by the Secret Service.

SEC. 3. The Secretary shall reimburse a State or local government in an amount equal to the expenditures verified under section 2.

SEC. 4. The Secretary shall prescribe such rules and regulations as he considers necessary to carry out this Act.

SEC. 5. For the purposes of this Act—

(1) the term "State" means any of the several States, the District of Columbia, the Virgin Islands, Puerto Rico, or any other territory or possession of the United States; and

(2) the term "local government" means any political subdivision of a State.

CONCENTRATION CAMP SURVIVORS MARK GOLDEN WEDDING ANNIVERSARY

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. WYDLER. Mr. Speaker, I have the pleasure of congratulating two of my constituents, Henry and Auguste Leider, on the occasion of their golden wedding anniversary which they will happily celebrate on Saturday, June 22, 1974.

The joyful event will be more than an anniversary, however. In a way, it was a tribute not only to the Leiders but also to America. The couple had the courage to start a new life here after surviving the horrors of a concentration camp, and America, the country, offered them the opportunities to carry out their dream.

As Mr. Leider noted, in our concern with today's problems, we tend to overlook the Nation's great underlying strengths and virtues—and the miracles that grow from them, such as the Leiders second career. Where else could this happen?

People like the Leiders believe in America. But then, they had the opportunity to contrast life elsewhere with life here—dispossession, persecution, and torture versus respect for property, individual rights and personal beliefs. They do not have to search for an alternate life style to find what they want; they have already found it.

Congratulations, Mr. and Mrs. Leider.

CONSTITUTIONAL QUESTION

HON. BOB WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. BOB WILSON. Mr. Speaker, perhaps the most crucial constitutional question which our Nation has had to face is the relative power of the three branches of Government within our checks-and-balances system. A constituent recently sent me an item from a 19th century textbook, which is significant from a contemporary, as well as a historical, point of view. It has particular importance at a time when the principle of executive independence from the legislature is being questioned. I include as a portion of my remarks a brief excerpt from "The Columbian Class Book," consisting of geographical, historical, and biographical extracts, compiled from authentic sources, and arranged on a plan different from anything before offered the public, by A. T. Lowe, M.D., published by Dorr and Howland, 1825:

Another act, in which he proved himself to be less regardful of the public partialities and prejudices, than of what he conceived to be the public good, was the ratification of the British Treaty. The English government had neglected to surrender the western posts, and by commercial restrictions had evinced a hostile spirit toward this country. To avert the calamity of another war, Mr. Jay was nominated as envoy extraordinary, in April 1794.

In June, 1795, the treaty, which Mr. Jay had made was submitted to the Senate, and was ratified by that body, on the condition that one article should be altered. While the president was deliberating upon it, an incorrect copy of the instrument was made public, by a senator, and the whole country was thrown into a state of extreme irritation. At this period, he conditionally ratified it, and in February, 1796, when it was returned from his Britannic majesty with the proposed alteration, he declared it to be the law of the land.

After this transaction, the House of Representatives requested him to lay before them the papers relating to the treaty, but he with great independence, refused to comply with their request, as they could have no claim to an inspection of them, except upon a vote of impeachment, and as a compliance would establish a dangerous precedent.

As the period for a new election of a President of the United States approached and after plain indications that the public voice would be in his favor, and when he would probably be chosen for the third time unanimously, he determined irrevocably to withdraw to the shades of private life. He published in September, 1796, his farewell address to the people of the United States, which ought to be engraved upon the hearts of his countrymen.

In the most earnest and affectionate manner, he called upon them to cherish an immoveable attachment to the national union, to watch for its preservation with jealous anxiety, to discountenance even the suggestion that it could in any event be abandoned, and indignantly to frown upon the first dawning of every attempt to alienate any portion of our country from the rest. Overgrown military establishments he represented as particularly hostile to republican liberty.

While he recommended the most implicit obedience to the acts of the established government, and reprobated all obstructions to the execution of the laws, all combinations and associations, under whatever plausible character, with the real design to direct, control, counteract, or awe the regular deliberation and action of the constituted authorities; he wished also to guard against the spirit of innovation upon the principles of the constitution.

Aware that the energy of the system might be enfeebled by alterations, he thought that no change should be made without an evident necessity; and that, in so extensive a country as much vigor as is consistent with liberty, is indispensable. On the other hand, he pointed out the danger of a real despotism by breaking down the partitions between the several departments of government, by destroying the reciprocal checks, and consolidating the different powers.

THE CONSUMERS HAVE A BEEF

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. VANIK. Mr. Speaker, this morning, there are reports that a congressional committee has approved a $3 billion government guaranteed loan bill "to ward off bankruptcies among the Nation's money-losing livestock feeders." There are also moves underfoot to limit imports, either by reimposing the anti-consumer Meat Import Quota Act or by actually imposing an embargo against all imports for 180 days!

Only a short time ago—in a period of beef shortages caused by devaluation, the cattlemen of America enjoyed fat windfall profits in a free market of scarcity. Consumer prices skyrocketed and most Americans revised their diets by reducing beef consumption. Agriculture Secretary Butz stated jubilantly that the American people would simply have to pay more for food. The 40-year partnership between the urban communities and the farmers was washed out—perhaps permanently by the agricultural decisions for a totally free farm economy. This means fat windfall profits in some years and lean, tough going in others.

The cattlemen can not have it both ways—a free farm economy means no public bailout in years of adversity. This is a year in which the cattlemen may lose but they chose the system and now they must live by it. How can the cattlemen expect the American consumer to provide a $3 billion bailout to an industry which only last year demanded that Washington stay out of its affairs. If the taxpayer is to become a guarantor of the profitability of beef income—he should get something in return to insure fair prices and adequate supplies in the marketplace.

What will the $3 billion loan program do? First, it will provide further growth of the already overexpanded feedlot industry. Second, it will provide funds for the cattlemen and feedlot operators to survive while they "boycott" the marketplace to further drive up prices—just like the wheat growers are now doing. Third, a large percentage of the loans will probably go to the syndicate, tax loss farming operations which have been set up to provide tax dodges for wealthy doctors and lawyers. Really, Mr. Speaker, before we start providing guaranteed loans, we should determine how many "tax dodgers" will be aided. We should insure that an amendment is added to the bill to prohibit any loans to tax shelter farms and ranches.

The problem with the beef market is that there is not enough demand for beef at current prices. Lower prices would stimulate consumption and restore beef to its former role in the American diet. The producers' losses would be temporary and the domestic demand would be stimulated.

It would be more expedient to order an immediate antitrust and FTC investigation of the beef and grocery store industries. It might be more expedient to determine why the Iowa Beef Processors Co. had a 66 percent profit increase last year or why the American Beef Packers Co. had a 288 percent profit increase, before we extend public loan guarantees to the beef industry.

The beef industry wants to limit imports which provide the American people with low-grade red meat when prices are sky high. This permits some beef in the diet of the poor and the near poor. Imported beef sustained millions when the free market in beef drove the commodity from their diets. However, import quotas cannot be turned off and on again to suit the cattlemen. Foreign producers cannot be expected to provide these types of beef only in periods of shortage. If we are to rely on these foreign sources of lower grade beef—the producers must be assured of a constant level of sales.

Now the industry is seeking an embargo and quotas. Yet the latest estimates available indicate that total imports to the United States in 1974 will be 100,000,000 pounds less than in 1973. In addition, foreign meat is largely low grade meat, the type used in luncheon meats, sausages, hot dogs, and the cheaper grades of hamburger. If we limit foreign imports, this type of meat, the only type that low-income individuals and those with large families can afford, will escalate in price. If we embargo foreign meat or limit its entry, I predict that the price of hamburger will indeed rise to $1 a pound. The poor and the near-poor will pay the price for the bailout of the cattlemen.

Mr. Speaker, the consumers of America have a legitimate "beef" about meat prices. Once again they are being asked to bear the cost of the industry's mistakes. They are being asked to pay for the costs created by the tax dodges of others. They are being asked to pay for the monopolistic growth of the food processing industry. The consumers and the taxpayers of America should not be compelled to "bail out" the cattlemen whose greed of last year brought them to the problems of today.

OIL POLITICS AND THE ENERGY TAX BILL

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. PETTIS. Mr. Speaker, earlier this month, the new Administrator of the Federal Energy Office spoke to a group of independent oil producers and royalty owners in Texas.

Mr. Sawhill's remarks provide an excellent assessment of this Nation's current energy situation and the problems that lie in the path of achieving energy self-sufficiency through Project Independence. He also assesses—and I think correctly—just why we are having such a hard time in bringing the oil and gas energy tax bill to the floor despite the fact that our Committee on Ways and Means overwhelmingly reported it out for House action.

I urge each of my colleagues to read Mr. Sawhill's statement and to consider realistically the dangers inherent in playing "oil politics" in face of our national economic and energy problems.

The article follows:

REMARKS OF THE HONORABLE JOHN C. SAWHILL

I especially value the opportunity to join you here at TIPRO's annual convention.

My assistant, Duke Ligon, is intimately acquainted with the structure and problems facing the independents everywhere—especially here in Texas. Duke, needless to say, insisted that I join him at the TIPRO convention, adding that it would at the least give me a chance to verify the maxim that "the good deals never leave Texas." Aside from that I wanted to meet you face to face, to give you an insight into what FEO is doing, and especially to outline our policies that are indispensable to the success of Project Independence.

However, our meeting is equally important for another reason. The decisions we make, and the programs we implement in Washington, affect you in a very immediate and profound way. Because of this, and because of the vital role independents have in achieving our national energy goals, your input is essential.

Let me begin by saying that I have an intense concern for the vitality of the independent sector of the oil industry. In FEO's capacity as the lead energy policy agency in government, we have a responsibility to insure that the role of the independents—and especially your vital leadership in exploration and development—is preserved. Today, I want to reaffirm our commitment to you.

In formulating energy policy in the pursuit of self-sufficiency, we at the Federal Energy Office are continually faced with the need to balance a number of competing interests . . . economic . . . political . . . environmental . . . and even cultural interests.

The consumer is interested in the availability of energy at a reasonable price, while the producer is justifiably interested in a fair return on his investment.

Even the structure of the oil and gas industry itself adds a complex dimension to our formulation of policy. The needs of the marketer are often at odds with those of the producers. Government can and must, look beyond the narrow dimensions of every problem, choosing instead to opt for the decision which will match the public interest.

The government then—your government—is charged with striking a balance, and with trying to weave all these strands into an energy network that will serve the consuming public and provide incentives which preserve the vitality of a free and equitable market place.

FEO's policy has been to sort out competing interests and weigh them carefully before making a decision. This attitude led us to reject gasoline rationing, and this attitude will continue to guide our decisions in the future—a future in which your voice will be heard and where we will act—when necessary—to safeguard the industry's independent sector.

As you know the drive to roll back crude oil prices continues unabated. There is no question about it; while a price roll-back may result in cutting prices temporarily—it will end up cutting supplies in the long-run. Because of this, and because of the high risk capital required for exploration activity, I worked within the administration to urge the President to veto any legislation calling for a price roll-back on oil. And let me add, that at my confirmation hearings before the Senate Interior Committee last Friday, I made it clear I am unequivocally opposed to a roll-back.

We hope the Congress will exercise the political will and judgment in energy matters exemplified by the Chairman of the Senate Finance Committee, whose spirited leadership will prevent the next 20 years of exploration activity from being like the last.

Each and every decision, in whole or in part, may not always be to your liking, but I can promise you a full, fair, honest and open hearing. For example, the crude oil allocation program still ties the independent producer to his customers as of December 1, 1973. However, we did try to mitigate this by insuring that you would receive the highest price allowable for your crude. And, as a result of your comments, the new regulations also provide an incentive for new refinery capacity.

In some quarters of the nation's capital, there is an unfortunate atmosphere of recrimination. Some members of the Congress, for example, are focusing all too readily on the recent dramatic increase in oil prices while ignoring the slow and unimpeded deterioration of the domestic oil industry over the last two decades, when the real price of oil and natural gas actually declined by 31 percent in terms of 1973 dollars.

As you are aware—very painfully aware—that decline combined with rapidly accelerating costs forced you—the independent producers—to curtail your expenditures for exploration and development by one half. Some independents were forced to limit their activity in varying degrees while other simply sold out and quit altogether.

The history of the last 20 years proves conclusively to me that there is a clear and inescapable relationship between the price of oil and gas, and the rate of expenditure for exploration and development. The two are inextricably bound together.

That lesson is being confirmed even today. The average price of domestic oil crude now controlled by the Federal Energy Office today stands at $5.25, while the uncontrolled price for new crude is holding around $10. As a direct result, the number of active rotary rigs as of last December was up over 13 percent from the same period in the preceding year and for the first quarter of this year, drilling activity is up 40% over last year. There are countless reports from around the country of former independent producers—men who had left the business during the industry's own private recession—returning to active exploration.

Your increased activity, and willingness to take the fiscal and, at times, physical risks of exploring and developing our domestic oil and gas resources is one of the most encouraging signs I have seen for the future success of Project Independence.

But despite your eagerness to expand exploration and development, we all know that the industry is experiencing manpower and material shortages. For example, oil country tubular products have been in short supply, while the limited number of available drilling rigs continues to restrain your productivity.

However, these problems can and are being dealt with. We met, for example, with leaders in the steel industry and received commitments from them for increased tubular steel production so as to insure equity for independent producers in this country. Because of this, the major producers of tubular goods are reserving some production for the independents.

All indications are that we will be near equilibrium between the supply and demand for oil country tubular products this year.

Unfortunately, the distribution of tubular goods and the inordinate stockpiling levels in some segments of the industry have resulted in some dislocations. In my view, we cannot afford to allow a shortage of tubular goods to reduce the scale of domestic drilling.

Of course, tubular steel for exploration and development is not helpful without rigs, and we have some good news in this regard. Most of the major rig producers have indicated that, by December 1975, they will have stepped up the capacity for the production of drilling rigs by 25 to 50 percent.

Aside from the piping and rig limitations, capital requirements not only to finance new drilling rigs, but to operate them as well, continue to present a major challenge to the entire industry—especially to the independents.

I am especially aware of these problems and frankly, I have made every effort not only to resolve them—but to speak out clearly and unequivocally on the need to insure that the oil industry—and especially the independents—have the necessary tax incentives to accelerate domestic drilling activities.

In this respect, it seems to me that legislative efforts to eliminate the depletion allowance completely and immediately represent oil politics at its worst. It is a calculated effort on the part of some to produce headlines at home. In the long term, it won't produce one drop of oil or a foot of gas at the wellhead. Aside from that, what the advocates of ending the depletion allowance have failed to point out, is that it is the consumer rather than the major oil companies who will ultimately bear the burden of increased costs.

Industry experts have estimated that costs would increase by as much as $1.35 per barrel if the depletion allowance were eliminated. These higher costs must either come out of profits—in which case we reduce the incentive to expand drilling—or they must be passed along to the consumer in the form of higher prices.

If the consumer pays the price, we could expect to see increases of as much as 2 to 3 cents per gallon for gasoline and the possibility that the Federal Power Commission would have to increase gas prices.

I have no quarrel with those who wish to reorganize industry's tax structure. In fact, the Administration has proposed a windfall profits tax with the traditional plow back provision designed to encourage more exploration.

But, drastic revisions should not be undertaken in such intensely political circumstances, nor in an atmosphere of recrimination, and certainly not *now,* when the domestic oil and gas industry is just beginning to emerge from almost two decades of decline.

Increased oil and gas production is essential to achieving the goals of Project Independence. But Project Independence means more than oil and natural gas. When the Blueprint for energy self-sufficiency is submitted to President Nixon this November, it will reflect the two critical dimensions of energy policy: increasing supply and sustaining and accelerating our energy conservation efforts.

If we are to be successful, we must develop a conscientious and voluntary program of conservation that will allow us to reduce the growth of energy demand by as much as one-half—without forcing us to take a cut in economic growth.

Conservation is in everyone's interest. The fact remains that conservation is our only realistic near-term option to balance our energy accounts; and most important, conservation will buy us precious time until we bring new supplies on-line.

While restraining demand we will be trying to match our fuel mix with our patterns of consumption. Needless to say, this means expanding coal's role.

The U.S. has massive coal reserves equivalent to about 50 percent of the free world's known resources. In spite of that, however, coal accounts for only about 17 percent of our energy economy.

Through Project Independence we hope to increase the production of coal by 10 percent a year. We will seek to stimulate the use of coal, to develop cleaner burning techniques and better mining methods. I'm not suggesting that you producers get into the coal business—although I understand Texas has some rather promising lignite deposits. But it is obvious that increasing coal's role will take a lot of the pressure off oil.

Nuclear power is another crucial element in our Project Independence planning. We have known about nuclear technology for thirty years, yet today it provides only 1 percent of our nation's energy.

As in other areas, nuclear power presents an array of significant challenges. New construction methods must be found, tested, and put into operation. We have already proposed a number of legislative measures to expedite site review and approval, and encourage the standardization of plant design. And, as in every instance, we face the competition for resources the quest for more capital . . . manpower . . . and raw and finished construction materials.

We are seeking a combination of fuels for energy self-sufficiency. But until we can make the transition to exotic fuels, such as hydrogen or solar energy which have promise far in the future, we will need to increase the production of oil and natural gas.

I would like to close on what I feel is a very significant point about the Federal Government's role in energy development.

It has been said around FEO that the only fuel the Government can produce in any quantity is paper—and at an extremely high cost per BTU.

I feel that Government can and should do only so much.

Its role should be supportive of private enterprise. Government should not make all the big decisions, but it should create the kind of climate where local, state and Federal authority, and in particular, the clearly stated interest of private enterprise can be harmonized effectively for the best service to the community.

Progress is not produced by government. It is the product of conditions—and I mean a free and unencumbered marketplace—a free market that has in the past, and will in the future, evoke the predictable and traditional response of the greatest industrialized nation the world has ever known.

Thank you.

FTC IS ABOUT TO OVERHAUL TV ADS

HON. GENE TAYLOR

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. TAYLOR of Missouri. Mr. Speaker, the Federal Government is forever issuing regulation upon regulation aimed at protecting the American consumer which further limits the power of the individual to make his own decisions. While sometimes these actions are legitimate, all too often the Federal agencies come up with ideas that seem far-fetched. One such instance has come to my attention from a radio editorial that was aired in my district on June 7 of this year.

The editorial has to do with the recent proposal by the Federal Trade Commission to ban cereal ads that might tend to mislead our children as to what brand to purchase. This editorial was delivered by Mr. Don C. Bailey, vice president of KGBX Radio in Springfield, Mo., and I feel it is very relevant and warrants the consideration of my colleagues.

The editorial follows:

"BIG BROTHER" ENGMAN

Tuesday morning the Associated Press carried a story from Washington reporting that Lewis A. Engman, Chairman of the Federal Trade Commission, is about to overhaul television advertising for children, beginning with a ban on advertising premium offers. If we know anything about the television and radio industry, everyone will shake and shiver, a few will scream bloody murder, but most will simply accede to whatever the Government demands. Mr. Engman told a convention of the American Advertising Federation that the television industry had not moved firmly enough in response to his demand 10 months ago for TV ad safeguards . . . to "protect" our children from ads on kiddie shows. He says he wouldn't ban cereal manufacturers from hiding prizes in wheat flakes or making box top offers. But he would ban advertising them on television. Mr. Engman then gives us one of those pearls of wisdom that could only come out of Washington. He says selection of a breakfast cereal, "involves weighing price, nutritional value, taste, convenience and other factors! "The injection of a premium offer cannot help but multiply the difficulties of choice." Following that line of reasoning, why give people any choice at all. . . . Why not just make everybody eat Mr. Engman's favorite cereal, whatever it might be? Remember he's talking about banning ads on children's TV programming because the difficulties of choice are so tough for children!

It's this type of "big brother" Government thinking that is helping mess up our whole economic system today. In the name of "protecting the public" there's a new half baked consumerism scheme coming out of the Washington fog practically every week. Mr. Engman also says if the TV people don't get their ads for children molded into the form he wants them, he'll go further. He'll demand that the use of "hero figures" such as an athlete and cartoon characters in ads be stopped. Why? Because they "may divert the attention of the child from the merits of the product." Again, implying that your child must make the decision of what to buy in the grocery store! We don't know very many families in the ozarks who can afford to turn over that chore to the kids.

Why are we in radio so concerned about TV? Well, if this keeps up, the Government might demand that General Mills recall all those secret de-coding rings that Jack Armstrong sent out for box tops through radio advertising 35 years ago. They might even force us to admit we're still hooked on wheaties after all those years!

Seriously, where does the public come into all of this in the demand for imposing standards on commercials and programming on the air waves? Well . . . if the public continues to let it happen, direct public influence would be replaced by the judgment of the Government as to what our children should see and hear. Such Government judgments would inevitably reflect the tastes, preferences and general philosophy of those sitting on the FTV, as well as the political party then in power. This is the very reason the framers of the Communications Act sought to preclude censorship of broadcast programming. The real question is: who will most accurately reflect the desires of the American people? . . . The broadcaster whose goal is to seek out the desires and needs of the public and serve them well . . . or a government body under heavy pressure to "use" our broadcasting system to "protect the people" . . . "to educate the people" . . . "to improve their tastes," etc.

No one denies that allowing the broadcaster control of programming and commercials results in some abuses . . . but on balance, the possibility of occasional instances of abuse are small drawbacks compared to the threat of Government control and dictation of programming.

DON C. DAILEY,
Vice President KGBX.

STATE OF OUR PUBLIC RESOURCE LANDS

HON. SAM STEIGER

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. STEIGER of Arizona. Mr. Speaker, the Bureau of Land Management's Director, Curt Berklund, summed the state of our public resource lands in a most cogent speech to the National Advisory Board Council on May 18 of this year. These remarks are well worth the Members' time and attention:

STATE OF OUR PUBLIC RESOURCE LANDS

(By Curt Berklund)

Ladies and Gentlemen of the National Advisory Board Council and members of the public.

I have, I believe, just uttered an historic first. For the first time in history, an address to this important body has opened with a reference to the ladies. To the ladies—let me welcome you as new members of this Board. We look forward to working with you, and are confident that we will benefit from your counsel.

It is my responsibility to deliver here what might be described as a "State of the National Resource Lands" report. I propose to summarize key actions of the past year which have significantly affected our National Resource Lands and our Bureau programs for the management of those lands and their resources.

As early as 1971, this council was advised of a BLM Organic Act then pending in Congress. Time moves on. We now call it the National Resource Lands Management Act, and it is still pending.

The need for an Organic Act is still clear. Despite our overwhelming desire for sound management decisions and actions, BLM is hamstrung by an assortment of 3,000 different public land laws. You can understand why, over the years, it has been alleged that BLM is an ill-assorted collection of poorly matching parts forming a distressing whole.

You know I can't totally subscribe to that, but this Act is most vital to the future management of National Resource Lands, since it would provide BLM with a mission, management authority, and guidelines.

It would be the first time in our Nation's history that Congress has, in other than an interim or temporary basis, clearly spoken its will concerning public lands and public land management.

On a note of optimism, our legislative staff feels that the Act has a good chance of becoming law before the end of this year.

The administration has also proposed legislation that would repeal the General Mining Law of 1872 and the Mineral Leasing Act of 1920. This new Mineral Leasing Act will bring the Bureau's mineral leasing program into line with the demands of our times. It would give the Secretary of the Interior the authority to manage mineral leasing on public lands according to the total public interest. It would also contain more effective environmental safeguards. The Subcommittee on Minerals Materials and Fuels of the Senate Interior and Insular Affairs Committee held two days of hearings on this bill in March 1974.

Last June 29, the President proposed to Congress the etablishment of a Department of Energy and Natural Resources. This Department would take over most of the functions of the present Department of the Interior, as well as specific functions of certain other agencies. It would bring together, under a single Secretary, all Federal programs pertaining to Energy and Natural Resources.

The committee on Government Operations in the House held hearings on this bill (HR 9090) in July and August 1973, and the Subcommittee on Reorganization of the Senate Committee on Government Operations held its hearings in the summer of 1973 and in February and March of 1974.

We believe that each of the bills I have mentioned would enhance the program for National Resource Lands and the effectiveness of the Bureau.

Anyone who waited in a gas station line this past winter knows that the United States has an energy crisis. The crisis, and the measures necessary to alleviate it, have caused us to shift our priorities drastically in the Bureau of Land Management.

By way of illustration, our involvement on the O.C.S. dates back to 1953, when Congress passed the Outer Continental Shelf Act which gave the Bureau of Land Management the responsibility for mineral leasing on the nation's Outer Continental Shelf. In the first 20 years of the Act, the Bureau leased just over 10 million acres of the Outer Continental Shelf for oil and gas development.

On January 23, 1974, President Nixon reported to Congress that he had directed the Secretary of the Interior to increase offshore leasing to 10 million acres in calendar year 1975. This 10-fold increase in our leasing program poses a great challenge to the Bureau, but I am certain that it is a challenge that we will meet.

In addition to meeting the goal of accelerated leasing, the President has charged us to do the job with the least harmful impact on the environment. In response to this, the Bureau has established three new Outer Continental Shelf Offices in addition to the long established OCS office in New Orleans, Louisiana. The new offices are located in New York City, in Anchorage, Alaska, and here in Los Angeles. Each of these offices have been staffed with an interdisciplinary team of specialists. It will be their responsibility to see that the necessary environmental safeguards are built into each offshore sale.

Because we must be prepared to build environmental safeguards into our leasing program, as we expand offshore leasing into new areas of the OCS, the Bureau is gathering knowledge needed to make proper decisions pertaining to OCS leasing. Studies will concentrate on 5 geographic areas. These are: the North Atlantic, from the Bay of Fundy to Sandy Hook, New Jersey; the Mid-Atlantic, from Sandy Hook to Cape Hatteras; the Gulf of Mexico; the Gulf of Alaska and adjoining OCS areas of the Pacific Ocean from Cook Inlet to Unimak Island; and the Coast of Southern California.

During fiscal year 1974, approximately $2.3 million is being spent to gather environmental data. This will be increased to $14 million in fiscal year 1975.

Let me quickly note that the impact of the energy crisis is not confined solely to our offshore leasing program. There has been a corresponding interest in onshore energy sources. A good example of this has been the interest the industry has shown in the development of our oil shale resources.

In 1970, Secretary Morton appointed a task force to study the problems associated with the leasing of oil shale on lands administered by BLM. This Task Force prepared an environmental statement in support of a prototype leasing program. Under the prototype program which Secretary Morton announced on November 28, 1973, the Bureau proposed to offer 6 tracts, 2 located in Colorado, 2 in Utah, and 2 in Wyoming for leasing. On May 14, we offered the fifth of these leases, the sixth will be offered in June. While no bids were received for the fifth lease, the Department has accepted high bids totaling more than $448 million for the first 4 tracts that have been sold. We believe that the amount of these bids are clear indications of the interest which the oil and gas industry has in the development of oil shale resources.

I would like to point out that the prototype program is only experimental at this stage. It was designed to give the industry the resources it needed to work with in order to find the best way that oil shale can provide oil for the domestic market in a manner that is environmentally acceptable. If the results of the prototype program show promise, then we will get on with the business of leasing on a large scale.

Another area that has attracted interest has been the Department's program for development of geothermal steam. Admittedly, steam can provide only a fraction of the Nation's energy needs, but a total of $6.3 million in high bonus bids have been received for the 3 Known Geothermal Resource Areas that have been offered for lease to date. This again is an indication of the interest industry has shown in developing new energy resources.

A more conventional source of future energy will come from the coal that can be found on public lands. It is estimated that 40 percent of all known coal reserves in the United States are on BLM lands. In this month, the Department issued a draft environmental impact statement that addresses itself to the development of these reserves. A proposed coal leasing program known as EMARS (Energy Minerals Allocation Recommendation System) is being developed by Interior to get the best coal at the least expense to the environment.

Properly harnessed, coal may become the giant of the energy world. If this happens, our public lands will be a major supplier of the nation's needs.

I sometimes feel that the energy crisis could be resolved if somebody could find a way to harness the public reaction generated by the wild horses and burros using National Resource Lands. It has been estimated that there are approximately 43,000 horses and 14,000 burros grazing on the public range. Out of this number, 17,000 horses and 123 burros have been claimed by private owners. The rest are presumed wild and fall under the protection of the Wild and Free-Roaming Horses and Burros Act.

As you may know, this Act places all wild horses and burros under the protection of the Secretaries of Agriculture and Interior. On August 15, 1973, the Department of the Interior published its regulations implementing the Act as it applies to lands administered by the Bureau of Land Management. Our first priority is the protection of wild horses and burros. At the same time, the Bureau is obligated to process the claims for horses and burros which private individuals contend they own, as provided in the Act. We are now processing these claims and expect it will take several years before all private claims can be satisfied.

Almost anything concerning wild horses seems to be highly controversial. A lawsuit filed by the American Horse Protection Association and the Humane Society of the United States against the Departments of the Interior and Agriculture is still pending. The suit charges both Departments with negligence in enforcing the Act by allowing a roundup of horses from public lands in Idaho.

On the other side of the coin, we have a suit filed by the State of New Mexico challenging the constitutionality of the Wild Horse and Burros Act. New Mexico takes the position that unclaimed horses and burros belong to the State. The case is still pending.

While on controversial subjects, we should mention another issue, the fencing of National Resource Lands. On one hand, some wildlife groups have opposed fencing of public range on the grounds that fences interfere with the natural movements of antelope, and that this in turn leads to high winter kills. On the other hand, fencing is recognized as a tool in livestock grazing management.

In March the Bureau took the initiative in trying to resolve this controversy when it held hearings in Cheyenne, Wyoming. Input from the public and from concerned agencies will help us formulate a firm fencing policy for the National Resource Lands that will be responsive to the needs of range management and also to wildlife.

Public lands in the United States provide grazing for 3.5 million head of cattle and 5.6 million sheep, for a total of 13 million animals unit months of grazing use. Livestock grazing on public lands is a traditional use of public range that dates back to the first settlers.

On October 30, 1973, the Natural Resource Defense Council filed a civil complaint in the United States District Court in the District of Columbia against the Department and BLM for failure to comply with the National Environmental Policy Act. The Council wants the court to enjoin BLM against the issuance of grazing leases until the Bureau has prepared and circulated an environmental impact statement for each planning unit or grazing district.

We believe that a more practical approach is through the issuance of what has been called a "Programmatic Environmental Statement." The programmatic statement seeks to look at the environmental impact of a program rather than dealing with the narrow environmental issues associated with a single action that might be taken under a given program.

In April, we sent such a programmatic statement to the Council on Environmental Quality. This statement analyses the impact of BLM's livestock grazing management program on National Resource Lands and discusses both the present program as well as a number of alternatives to it.

There's a relatively new use of these lands which we have to consider. The increasing recreational use in the past quarter of a century has been phenomenal. In addition to the traditional forms of recreation, such as hunting, fishing, picnicking, and hiking, have come new and innovative forms of recreation. No form of recreational use has increased more rapidly than in the use of off-road vehicles.

The popularity of off-road driving can perhaps best be seen in the fact that the automobile industry has catered to the demand by building a wide variety of motorized vehicles from snowmobiles to dune buggies. The Bureau has looked upon the off-road driver as a legitimate recreation user of public land.

We have also been aware of the problems that this use has caused. Much of the public land lies either in desert or semi-desert regions. The ecology is fragile, and the time required for nature to repair man-made surface damage is incredibly long. In addition to this, many people find the presence of off-road vehicles in isolated areas offensive to their aesthetic sensibilities.

In 1972 President Nixon issued an Executive Order requiring all Federal land agencies to regulate off-road vehicle use on public land. The Department published its final regulations in response to this order on April 15, 1974. They became effective on the 15th of this month.

Under the regulations, areas and trails will be designated as open, closed, or restricted. The regulations provide procedures to control and manage off-road vehicles on public land. They are designed to protect public land resources, promote safety, and coordinate use.

On November 1, 1973, and prior to the publication of off-road vehicle regulations, the Bureau realized that it was facing a particularly acute problem in the California Desert. Because of the proximity of major population centers like Los Angeles, the 12 million acres of National Resource Lands were particularly susceptible to damage. In view of the critical nature of this area, we felt that it was necessary to initiate an interim program for off-road management as a stop-gap measure pending completion of the Bureau's planning system procedures. Although only a small percent is either entirely closed, or open with few restrictions, this measure has protected fragile ecology and lands valued for historical and archaeological reasons.

In August 1973, the Secretary of the Interior designated a 40 thousand acre area between Gunnison and Lake City, Colorado, as the Powderhorn Primitive Area. This was the seventh primitive area to be designated on the National Resource Lands. The Bureau now administers a total of 164,625 acres of Primitive area. Like Wilderness Areas, Primitive areas are set aside to protect their primitive values. Unlike Wilderness Areas, we can protect the primitive values of an area through administrative withdrawal. This enables us to provide preservation in a much shorter time frame than is possible when dealing with Congressionally designated Wildernesses.

The National Resource Lands produced approximately 1.3 billion board feet of timber during the past fiscal year. Most of this production came from the highly productive and intensely managed O&C forest lands of western Oregon. We will increase the annual cut from BLM lands other than the O&S lands by approximately 100 million board feet in the next fiscal year. Most of the increase will come from National Resource Lands in California, Colorado, eastern Oregon, and Idaho.

The past fiscal year set a new record for the value of BLM timber sales at $131 million. Forecasts for the coming fiscal year indicate the last year's record will be short-lived. We expect to beat it by almost 40 percent. Income from timber sales is expected to reach $176 million.

The Bureau of Land Management has cooperated with the U.S. Forest Service in preparation of the environmental impact statement for control of the Tussock Moth. This pest has caused considerable damage to public forest lands managed both by the

Bureau and by the Forest Service. Because of the serious nature of the damage, the Forest Service has been granted contingency use of DDT. If conditions warrant and the project moves on schedule, about 2,500 acres of BLM land will be treated this year.

At the beginning of this fiscal year, we anticipated processing just under 11 thousand realty actions affecting the National Resource Lands. Over the past few years, there had been a downward trend in new filing, but this past year the trend has been reversed. By the end of March, we had received 16,629 filings which represented a 60 percent increase over the work load we had anticipated.

The increase was caused by the energy crisis and the rising value of agricultural land. The latter was brought about by the high demand and price for agricultural products. The increasing prices for farm products has made agricultural lands more attractive to investors. From July 1, 1973, to March 1, 1974, a total of 236 new Desert Land applications were filed in Idaho. During the same period we closed 197 cases.

Increased applications for pipeline and a direct reflection of the demand for new sources of energy that has mushroomed during the past year. Complex proposals involving coal development for power generation or for coal gasification will have an impact on the number of realty transactions the Bureau wil be required to process. A good example is provided by the coal-related activity in the Power River Basin of Wyoming. This project will require a comprehensive environmental statement and about 180 separate realty actions for rights-of-way, reservoirs, material sites, waste disposal sites, and other uses.

In a related matter, we are trying to determine if there is a need to establish a national system of utility and transportation corridors.

The Bureau has been given the lead in preparing an environmental impact statement for an Alaska pipeline corridor that would start on the North Slope of Alaska and cross Canada to branch out to the east and west coasts of the United States.

The Bureau is deeply involved in the Alaska Native Claims Settlement Act, and with the settlement of state claims for land allowed under Alaska's Statehood Act. We are also processing some 8,000 native allotment applications that were filed prior to the passage of the Alaska Native Claims Settlement Act.

The impact of wildlife on the orderly management of the National Resource Lands continues to be a major concern. Fires on the BLM-administered lands last year burned approximately 630,000 acres of national resource lands and destroyed property and resources worth more than $12.6 million. The fire season, which was most severe in the Northwest, had 2,600 fires start. These fires cost approximately $23 million to suppress.

On the national level, agencies involved in firefighting are banding together to improve the coordination and efficiency of Federal fire management programs.

During the past year interagency cooperation has been further advanced by an excellent working relationship between Interior, Agriculture, and the Weather Service at the Boise Interagency Fire Center in Idaho, and on a local pilot project between BLM's Susanville District and the Lassen National Forest in California. These two projects have provided that coordinated mobilization of all firefighting resources provides more efficiency in protecting natural resources for the tax dollar spent than we were able to achieve through the old system. Each agency formerly provided independent protection for the lands under its jurisdiction. We are also working toward new and innovative firefighting equipment, as well as a planning system based on computerized data from satellites.

To insure balanced consideration of all resource values in a given area of National Resource Lands, we have adopted a program of land use planning. We call it "Management Framework Plan" or MFP. The planning process considers all factors. It makes use of economic, resource, environmental, social, cultural and institutional data, along with policy and legal requirements.

We expect to have 68 percent of these first generation MFP's compiled by the end of FY 1975. We know our plans will be subject to change. New programs and new emphasis are already causing us to update some of our early MFP's.

I know that many of you have been involved on some of our planning sessions. We are aware that we are custodians of your land and that the local people in any given area are the people who are going to have to live with whatever program we develop for public lands in that area. We feel that they ought to be involved in helping determine the kind of program that we provide. We have, therefore, encouraged people to get involved in the planning process. The response has been good and we have profited from the contributions made thus far.

Without your help, both as active users of the land and as concerned citizens, our planning would soon lose touch with the people the plan is meant to serve.

As I have discussed the various program areas, you have heard me mention environmental impact statements. You may know that we now prepare environmental statements on all major actions having a significant effect on the environment as required by the National Environmental Policy Act of 1969. Because of the magnitude of the workload this imposes on Bureau personnel, I feel that I should make special mention of this aspect of the Bureau's work.

We are currently preparing environmental statements in three categories: for legislative proposals such as the Organic Act; for program-wide areas such as coal leasing on public lands, and for such individual actions as timber sales. At this moment, we have 40 environmental statements in some stage of preparation.

In terms of manpower, time and effort each of these statements may be considered as a major project.

In addition to the statements, the Bureau must prepare an environmental analysis record for almost all proposed actions. This is done to determine if the proposal would have sufficient impact on the environment to make it necessary to prepare an impact statement. In fiscal year 1974 the Bureau prepared 8,872 of these environmental analysis records.

Bureau personnel are also asked to review environmental statements prepared by other agencies if the proposed action is in an area where the Bureau has expertise. During 1972 and 1973 we reviewed 863 such statements. This year we have reviewed 426 statements for other agencies.

In conclusion, it must be obvious to you that there are many disciplines involved in the management of public lands and public land resources, and that there are many uses made of these lands. Sometimes one use conflicts with another. When this happens, the Bureau becomes the arbitrator between user groups. In such situations we try to consider the best interest of the greatest number of people, both now and for the future. However, it is seldom that we are able to please everyone. We are certainly aware that we have no monopoly on wisdom or foresight. It is for this reason that this National Advisory Board Council was formed so that we could get opinions and viewpoints from knowledgeable and concerned people to help us with our decision making process. We are looking forward to the coming deliberations and to working with you now and in the years ahead.

GENERAL ACCOUNTING OFFICE INTERIM REPORT ON THE USE OF PRESIDENTIAL EXECUTIVE INTERCHANGE PERSONNEL WITH OIL INDUSTRY BACKGROUNDS BY THE FEDERAL ENERGY OFFICE

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 20, 1974

Mr. VANIK. Mr. Speaker, on April 4, 1974, I asked the GAO to examine the background and circumstance of employment of certain Presidential Executive Interchange Program personnel working at the FEO. On May 3, I received the first of what will be a series of reports on the interchange program and activities at FEO.

Because of the continuing interest in this issue, I would like to enter into the RECORD at this point the GAO letter of May 3. For purposes of conserving space, I am omitting the appendixes. Copies of the appendix items may be obtained from my office. The report follows:

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C.

HON. CHARLES A. VANIK,
House of Representatives.

DEAR MR. VANIK: In your letter of April 4, 1974, and in subsequent discussions with your office, you asked that we examine the background and circumstances of employment of certain Presidential Executive Interchange Program personnel working at the Federal Energy Office (FEO) and give consideration to any potential conflict of interest problems. This interim response to your request contains information on one of the interchange personnel—Mr. Robert C. Bowen.

In developing this response we interviewed Mr. Bowen, his supervisor, and various officials of FEO and the Department of Treasury; reviewed Mr. Bowen's official personnel folder, his correspondence and work related files; and contacted an official of the Presidential Executive Interchange Program.

The President's Executive Interchange Program provides for the interchange of managerial skills between the Federal Government and the private sector. Executives in the private sector are selected for year-long assignments in the Government; similarly, Government executives are selected for year-long assignments in the private sector.

The President's Commission on Personnel Interchange selects candidates meeting program requirements and refers them to the most appropriate host organization for additional interviews. Under the interchange program, private sector employees who are assigned to the Government are subject to the same conflict of interest laws and regulations that are applicable to Federal employees.

Mr. Bowen is on a year's leave of absence from the Phillips Petroleum Corporation and is working as a petroleum engineer (petroleum specialist) in FEO's Office of Policy Analysis. Mr. Bowen initially joined Government service on June 18, 1973, as a petroleum engineer (petroleum specialist) with the Office of the Energy Advisor, Office of the Deputy Secretary, Office of the Secretary, Department of the Treasury. On September 2, 1973, Mr. Bowen was transferred from the Office of Energy Advisor to the Office of Analysis and Special Studies of Natural Resources and Energy, Department of the Treasury. Mr. BOWEN has been working for FEO since his office's functions were transferred on December 4, 1973. Mr. Bowen is still considered a Treasury Department employee, and the Department still maintains his official personnel folder.

In your request, you asked eight questions regarding the interchange employees. Your questions and our responses as they regard Mr. Bowen are set forth below.

What is the actual job description for which the individual has been hired?

Before Mr. Bowen's employment with the Treasury Department, Mr. William A. Johnson, Special Assistant to the Deputy Secretary, wrote a memorandum to Mr. William E. Simon, Deputy Secretary of the Treasury, which outlined the duties Mr. Bowen would perform during his year of service with the the Government under the interchange program. In the memorandum, Mr. Johnson said that Mr. Bowen would primarily collect and analyze factual data and provide technical calculations and studies in which subjective judgment and advice were not required. Mr. Johnson also set forth typical studies which Mr. Bowen would work on including (1) developing data on foreign oil operations, (2) assisting in preparing an analytical base for providing surveillance of the Government's oil import control program, (3) making cost studies of petroleum storage, refining, and pipelines, and (4) preparing background papers on the U.S. petroleum industry for briefing other staff members. The memorandum also set forth actions that would be taken to insure that Mr. Bowen would not get involved in a conflict of interest situation. A copy of the memorandum is included as Appendix I.

The official position description for Mr. Bowen, dated August 31, 1973, shows Mr. Bowen as a petroleum engineer (petroleum specialist) in the Office of Analysis and Special Studies of Natural Resources and Energy, Office of the Deputy Secretary, Office of the Secretary, Department of the Treasury. Mr. Bowen's position description includes a functional statement of the Office of Analysis and Special Studies of Natural Resources and Energy which states that the Office advises the Deputy Secretary on the international economic and financial impact of domestic and international policies on resources and energy. It states that:

"* * * the office will also advise the Deputy Secretary on related tax policies including depletion allowance, accelerated amortization, investment credits, and production incentives, as well as * * * financial and investment policies, * * * price controls, loans and guarantees, * * * as they affect U.S. natural resource and energy needs.

Mr. Bowen's specific duties and responsibilities as outlined in the job description generally parallel those set forth in Mr. Johnson's memorandum referred to earlier. A copy of Mr. Bowen's position description is included as Appendix II.

FEO has not developed a position description of Mr. Bowen's duties and responsibilities at FEO because he is still considered an employee of the Treasury Department.

What are and have been the nature of the employee's actual activities during his term of employment in his FEO position?

Mr. William A. Johnson has been Mr. Bowen's immediate supervisor since Mr. Bowen joined the Government. Mr. Johnson was the Energy Adviser to the Deputy Secretary of the Treasury, was detailed to FEO at the time of its creation, and was made Assistant Administrator for Policy Analysis, reporting to the Administrator and Deputy Administrator. According to the functional statement of the Office of Policy Analysis, Mr. Johnson is responsible for reviewing program operations and carrying out a broad program and policy evaluation leading to the development and adoption of FEO policy and programs. He is also responsible for reviewing proposed policies developed within FEO and for reviewing and making recommendations on regulations and legislation in the energy field. According to the functional statement, he participates in economic planning, analyzes and reviews FEO programs and policies which deal with economic and financial issues concerning all forms of energy. He also works with Treasury Department tax personnel to develop plans for taxes and other regulations which have an impact on energy matters, including the pricing of energy and rate regulations. A copy of the functional statement for FEO's Office of Policy Analysis is included as Appendix III.

In regard to Mr. Bowen's actual activities, during the week of April 15, 1974, Mr. Bowen was asked to provide the Office of Policy Analysis with a list of duties he had been performing at FEO. In a memorandum to the FEO Administrator dated April 17, 1974, Mr. Johnson outlined the duties Mr. Bowen had performed since his assignment to FEO as follows:

"1. Has prepared background studies on crude oil, propane, natural gas, and various refined products.

"2. Has evaluated and projected the effects of existing and proposed regulations on various sectors of the oil and gas industry.

"3. Has made a study of the capital investment patterns of the oil industry and various individual companies.

"4. Has prepared estimates of imports and exports of crude oil and refined products.

"5. Has held informal seminars for staff members on technical aspects of the oil industry.

"6. Is involved in a major study of European refinery capability and sulphur levels of distillate and residual fuel oils.

"7. Has analyzed foreign financial, physical, and manpower capabilities that may limit or impede foreign oil producing countries from reaching probable or announced goals.

"8. Is working on a history of price controls.

"9. Provides general technical advice about marketing of petroleum products."

Messrs. Johnson and Bowen informed us that Mr. Bowen had been involved in a variety of duties at FEO, such as those outlined in the April 17, 1974, memorandum to Mr. Simon. According to Mr. Johnson, Mr. Bowen's area of expertise is marketing and refining operations, and he has provided particular knowledge of how things are done in the oil industry. Mr. Johnson said that Mr. Bowen's knowledge of industry operations had enabled him to make an invaluable input into comments made by the Office of Policy Analysis on the impact of proposed rule changes on the industry.

From the foregoing, Mr. Bowen's duties at FEO appear changed in several significant respects from those outlined in his original position description as carefully defined with the assistance of the Treasury Department's General Counsel. The most important change is that he has been called upon to evaluate and project the effects of existing and proposed regulations on various sectors of the oil and gas industry.

Did the employee produce any material relative to his original job description and what is the nature of these papers?

Mr. Bowen said he did not participate in producing his original job description. Our review of Mr. Bowen's personnel file at the Department of Treasury showed no indication that Mr. Bowen had participated in any way in drafting his job description or produced any material relative to it.

How has the original job description designed, and was it with the aid of Legal Counsel's Office; and if so, why was that necessary?

According to Mr. Johnson—and supported by our review of Mr. Bowen's personnel file—the original job description was prepared by Mr. Johnson with the advice and participation of Treasury's General Counsel. Documents in Mr. Bowen's personnel file indicate that Treasury personnel and legal officials were sensitive to a potential conflict of interest involving Mr. Bowen before his employment. A memorandum dated May 18, 1973, to the Assistant Secretary for Administration from the Acting Director of Personnel indicated that reasonable caution should be exercised in assigning Mr. Bowen duties and noted that the potential conflict of interest should be reviewed in detail.

A statement dated May 18, 1973, signed by Mr. Johnson, noted that Mr. Bowen's expertise would aid the Government in developing approaches to the energy problem. The statement pointed out that Mr. Bowen would be on leave of absence from his company, would retain stock interest in his company, and poses a potential conflict of interest problem. The statement indicated that, to the extent possible, Mr. Bowen woud be used in studies where such conflicts would not develop. The memorandum noted that Treasury employees with no industry affiliation would have final responsibility for decisions and that Mr. Bowen would work as a professional rather than a policymaker.

A memorandum dated June 13, 1973, from Treasury's General Counsel to Deputy Secretary of the Treasury William Simon discussed conflict of interest considerations in the employment of Mr. Bowen. The memorandum noted that Mr. Bowen had a financial interest in Philips by virtue of his participation in the Company's thrift and retirement plans and more importantly, by virtue of his continuing and prospective employment with the Company. The memorandum also notes it is necessary to recognize that Phillips has a financial interest in the activities of the Office of the Energy Adviser. The memorandum was accompanied by the previously mentioned memorandum from Mr. Johnson to Mr. Simon concerning Mr. Bowen's duties. In evaluating the accompanying document, General Counsel said the memorandum indicated that Mr. Bowen would work only on technical studies relating to the oil industry in general, not on those relating to individual companies, and that Mr. Bowen would be excluded from considering policy and developing programs which would specifically affect Phillips' financial interests or those of other companies in competition with Phillips.

The memorandum also pointed out that the Energy Adviser intended to insulate Mr. Bowen's services in the course of the year from any official actions affecting his company's financial interests and that, in view of this insulation:

"I believe that you and Mr. Bowen can be assured that he is not participating personally and substantially in the Government consideration of a matter in which he and his company have a financial interest. This conclusion retains its validity for as long as Mr. Bowen's work is confined as outlined by the Energy Advisor."

The memorandum stated that, in view of this conclusion, it was not necessary for Mr. Simon to consider making the determination provided for in 18 U.S.C. 208(b) that Mr. Bowen's and Phillips' financial interests were not so substantial as to be deemed likely to affect the integrity of his services.

The memorandum also indicated that Mr. Bowen had been specifically advised of those provisions of the Department's minimum standards of conduct of which he should be particularly aware, including provisions concerning outside financial interests and the disclosure of confidential information. A copy of the memorandum from General Counsel is included as Appendix IV.

Is the employee a member of the "Kitchen Cabinet" and what is the definition of the "Kitchen Cabinet", does it meet regularly, who are its members, and what is its actual intent, and what is the employee's role in this activity?

According to Mr. Bowen and other FEO officials, Mr. Bowen was not regarded as part of the "kitchen cabinet." According to Mr. Johnson, "kitchen cabinet" was a term used by Mr. Simon to describe meetings of the Administrator, Deputy Administrator, and assistant administrators of FEO which were held to discuss problems affecting FEO. According to Mr. Johnson, this group originally met at 6 o'clock each week night but eventually the FEO officials lost interest in such meetings. In January the meetings were replaced with "issues meetings" which were held sometime in the afternoon every Tuesday and Friday. According to Mr. Johnson, the meetings were intended to focus on basic problems and were chaired by the FEO Administrator's Executive Assistant. He said the meetings were attended by assistant administrators, deputy assistant administrators, and other members of the FEO staff which had technical expertise on the particular problem being discussed. Mr. Johnson told us that decisions were not reached at the "kitchen cabinet" or "issues meetings"; rather, the meetings provided a forum for debate. Mr. Johnson said that Mr. Bowen attended several "kitchen cabinet" or "issues meetings" at which the issue being discussed was particularly relevant to Mr. Bowen's area of expertise.

Mr. Bowen could recall attending only one such meeting at which he gave a technical presentation on the transportation of residual fuel oil and the possibilities of coal switching. He said he was there for only part of the meeting and that his presentation took about 4 to 5 minutes. Mr. Bowen stated that he had no documentation for his presentation and that he left the meeting after presenting his views.

Has the employee in fact written legislative proposals and/or regulations on energy matters for the Administrator or the FEO and has he participated or written regulations and/or legislative proposals relating to or affecting the propane industry and/or the allocation of propane?

According to Mr. Johnson and Mr. Bowen, Mr. Bowen did not draft any material relating to regulations or legislation. Mr. Bowen on several occasions was asked to comment on such material. According to Mr. Johnson, the Deputy Assistant Administrator for Policy Analysis was responsible for reviewing all comments submitted by Mr. Bowen. Mr. Bowen said that he had not been involved in drafting propane pricing regulations but had seen such regulations after they had been drafted. He said he had seen the draft of the propane allocation regulations and had commented on them. Mr. Johnson said that Mr. Bowen was one of a number of the Office of Policy Analysis staff who provided advice to Mr. Johnson. Mr. Johnson said the Office of Policy Analysis merely comments on proposed policies and regulations or changes thereto. He said that, aside from the Administrator and Deputy Administrator of FEO, the General Counsel, for all practical purposes, has the final authority for determining FEO's final position on proposed regulations or revisions to such regulations. According to Mr. Johnson, the comments of the Office of Policy Analysis had been given little weight in the adoption of FEO's final decisions.

Is there any indication within the file of official correspondence of continuing relationships with former employers and/or any other pattern within official correspondence which would be in conflict with the employee's duties as a public servant?

Only one document in the file of Mr. Bowen indicated correspondence with Phillips. The document was a copy of a letter dated April 5, 1974, from a Washington, D.C., representative of Phillips to Mr. Johnson concerning FEO's proposed propane pricing regulations. Mr. Bowen's personnel files substantiated much of what he had told us. His files contain numerous drafts of regulations and/or position statements and evidenced his handwritten notations on the margins of such papers. Mr. Bowen said that he made most of his recommendations to Mr. Johnson verbally and that his handwritten notations reflected his comments.

Mr. Bowen's files also contained working paper schedules and summary data. Mr. Bowen told us that he often contacted oil industry personnel by telephone for technical information. He said he was acutely aware of potential conflict of interest problems in his calling Phillips and that he did contact Phillips personnel for strictly technical information on two or three occasions. Mr. Bowen told us that he had talked to Phillips personnel employees on several occasions regarding his thrift plan and positions he might assume when he returns to Phillips in June. He has continued his monthly contributions to the Phillips thrift plan.

Mr. Bowen said that, since coming to FEO, he had been advised of his responsibility to avoid potential conflict of interest situations involving Phillips. Mr. Johnson said that on several occasions Mr. Bowen had refused to perform certain assignments that Mr. Johnson had requested because of Phillips' involvement in the subject area. Mr. Johnson indicated that his reminders to Mr. Bowen about potential conflict of interest situations had been minimal because of Mr. Bowen's awareness of potential conflict of interest situations.

What measures have been or are being taken to assure that the employee or any other is in complete compliance with conflict of interest statutes as regards their work with the Federal Government and the employer from whom they are on leave and/or industry which is affected by their work?

Measures taken by Treasury's Office of General Counsel before Mr. Bowen's original employment have already been described. In addition, in a memorandum dated October 4, 1973, Treasury's General Counsel informed Mr. Johnson that Mr. Bowen's job description had been reviewed and that the description itself created no conflict of interest problems. The memorandum noted that, as long as Mr. Bowen's activities were limited to those set forth in the accompaniment to Treasury's General Counsel's June 13, 1973, memorandum to Mr. Simon, he would not be violating the conflict of interest statutes. Subsequently, on December 4, 1973, Mr. Bowen was detailed to FEO.

According to officials of FEO and Treasury, the employee and his immediate supervisor have primary responsibility for insuring that an employee is not faced with a conflict of interest situation. Treasury's General Counsel stated that Mr. Bowen was advised of his duties and his responsibility to avoid conflict of interest situations at the time of his employment.

According to FEO's General Counsel, FEO implemented its conflict of interest monitoring program in Febraury 1974. On February 6, 1974, FEO employed a career lawyer to implement FEO's conflict of interest program. On February 11, 1974, the FEO Administrator issued a memorandum to all FEO personnel concerning conflict of interest. The memorandum stated that all employees should be aware of and observe the "Standards of Conduct for the Executive Office of the President." In the memorandum, the Administrator designated FEO's General Counsel as the FEO Standards of Conduct Counselor and directed each senior staff member to take certain actions with respect to all employees and applicants within their jurisdictions, including reminding all present employees in grades GS-13 and above to submit Confidential Statements of Employment and Financial Interests through their supervisors. (A copy of the memorandum is included as Appendix V).

According to FEO General Counsel officials, each supervisor was required to review the financial disclosure statements to determine whether the employees' assigned duties presented a conflict of interest situation. In those cases where the employees' supervisor determined that there was a potential conflict of interest situation or where the General Counsel felt there might be a conflict, despite a supervisor's statement to the contrary, follow-up interviews were held with the individual employees or the supervisors.

According to FEO General Council officials, Mr. Bowen was identified as a potential conflict of interest problem some time ago. On April 8 1974, FEO's General Counsel submitted a memorandum to the Administrator concerning Mr. Bowen's potential conflict of interest situation. The General Counsel's memorandum noted that Mr. Bowen had a financial interest in Phillips by virtue of his participation in the thrift and retirement plans of the company and more importantly because of his continuing and prospective employment with the company. The memorandum noted the previous review of Mr. Bowen's employment by the Treasury's General Counsel but pointed out that the duties of Mr. Bowen's organization had changed materially since FEO was created and that Phillips' interests were now more directly affected by FEO's decisions and actions than they were when Mr. Bowen was at Treasury.

The General Counsel's memorandum contained the following statement with respect to Federal statutes involving conflicts of interest and Mr. Bowen's duties:

"18 USC 208 declares it to be a crime (not a civil offense) for an officer or an employee of the Executive Branch to 'participate personally and substantially as a Government officer or employee through decision, approval, disapproval, recommendation, the rendering of advice, investigation or otherwise, in a judicial or other proceeding * * * or other particular matter in which, to his knowledge, he * * * has a financial interest.' The fact that Mr. Bowen might only make recommendations, render advice, or make investigations at the direction of Mr. Johnson would not place him outside the reach of the statute. Quite the contrary, it would place him squarely within the language of the statute * * *.

"If, indeed, the nature of Mr. Bowen's duties has changed so that he participates in decisions or renders advice on matters which have a direct impact upon Phillips Petroleum, then Mr. Bowen's activities would be outside the guidelines established by Mr. Johnson in June and would violate 18 USC 208. Mr. Johnson, however, as Mr. Bowen's immediate superior, is in the best position to assess the degree to which Mr. Bowen's duties have been altered by virtue of the creation of FEO and the regulatory missions assigned it."

The memorandum pointed out that, if Mr. Bowen's current duties may be determined to involve a conflict under the statute and if nevertheless it was considered in the public interest that he be retained in such duties, the Administrator, FEO, may determine in writing that the financial interest "is not so substantial as to be deemed likely to affect the integrity of the services which the government may expect from such officer or employee." The memorandum recommended certain procedures which should be followed if such a determination were made.

Regarding previous considerations of Mr. Bowen's position, the memorandum contains the following paragraph:

"It is my understanding from several conversations with you, Mr. Johnson and Mr. Parsky dating from early January that you have considered Mr. Bowen's situation and that it was concluded that any conflict was insubstantial. Nonetheless, a written determination would be necessary to formalize such a decision."

Mr. Parsky is an Executive Assistant to the Administrator. According to FEO's General Counsel, Mr. Simon made no such written determination. A copy of the April 8, 1974, memorandum is included as Appendix VI.

On April 24, 1974, FEO's General Counsel sent a memorandum to the FEO Administrator, John C. Sawhill, concerning Mr. Bowen's potential conflict of interest. The memorandum outlined previous steps that the Treasury and FEO's General Counsel had taken with respect to Mr. Bowen and contained, as an attachment, Mr. Johnson's previously described April 17, 1974, memorandum to Mr. Simon concerning Mr. Bowen's duties at FEO. The FEO General Counsel's memorandum concluded that Mr. Johnson's memorandum:

"* * * clearly suggests that Mr. Bowen deals with technical matters to the exclusion of policy consideration; however, this response seems deficient in two respects from the conflict standpoint. First, and perhaps most important, it lacks the positive assurances that Mr. Bowen is fully insulated from the policy-making process which were contained in the materials prepared for his work in the Treasury Department. Second, item number two could be construed to relate to policy making in the context of our regulatory program.

"From the materials developed to date, I do not believe that the potential conflict problem has been resolved in this case. I therefore recommend that immediate consideration be given to such further action as may be necessary to resolve the matter."

A copy of the memorandum to Mr. Sawhill is included as Appendix VII.

Since the passage of the Petroleum Allocation Act of 1973 and the creation of FEO, the duties of Mr. Bowen and the Office to which he is assigned have changed. FEO's General Counsel has recently expressed particular interest in Mr. Bowen's situation because of his potential impact on FEO regulations relating to petroleum products and has recommended that the FEO Administrator consider appropriate action to resolve the potential conflict of interest problem.

Mr. Bowen's duties and responsibilities in FEO's Office of Policy Analysis, including his involvement in commenting on FEO's policies and regulations as they relate to the oil industry, may possibly be in violation of 18 U.S.C. 208. Since 18 U.S.C. 208 is a criminal statute the determination whether it has been violated in a particular case is not within our jurisdiction, but rather is a matter for consideration by the Department of Justice and the courts. Accordingly, we are forwarding a copy of this report to the Justice Department for such investigation and action as that Department deems warranted.

As agreed, we did not obtain the formal comments of FEO or the Treasury Department on this report, but are advising appropriate officials of both agencies of our actions and furnishing them copies of the report.

We plan to report to you further concerning other FEO employees engaged in the interchange program. We do not plan to distribute this report further unless you agree or publicly disclose its contents.

Sincerely yours,

PHILLIP S. HUGHES,
Assistant Comptroller General.

REPRESENTATIVE JACK KEMP TESTIFIES IN SUPPORT OF PROPOSED FLOOD CONTROL AND ENVIRONMENTAL PROTECTION FOR RESIDENTS OF WESTERN NEW YORK

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. KEMP. Mr. Speaker, constructing badly needed works of improvement to control the persistent problem of flooding along the populous areas adjoining Cazenovia Creek, in Erie County, N.Y., is of vital importance to the general welfare of western New York.

In 1971, and again in 1972, substantial flooding along the creek's banks resulted in severe losses of property—jeopardizing lives, health, and the area's economy.

I have worked hard since I came to Congress to move this important project forward to the stage of actual construction. We are almost at that point.

This date, the Buffalo district office of the Corps of Engineers is holding its "late stage" public hearings on the phase II report on the project.

If all goes well, we will soon be moving toward the construction of the important works proposed in the phase II report. It is for this reason that I am testifying personally at the hearings to support the project—to make sure that the past 4 years of uninterrupted progress toward construction does not go awry.

This testimony will require me to miss part of today's session, but I consider its importance to the people of western New York to be crucial.

The testimony I will give this date follows:

STATEMENT OF REPRESENTATIVE JACK KEMP

I am indeed pleased to be here this evening to voice my strongest support for moving ahead toward the actual construction of flood control and related improvements now being considered for Cazenovia Creek.

We are—as evidenced by this "late stage" public meeting—nearing the end of the laborious planning process which necessarily precedes actual construction.

There are, I am aware, disagreements among our people on which plan is preferable—Alternative 1 or Alternative 2. That is an issue to be addressed by participants in this evening's meeting. We must not lose sight, however, no matter what our position might be, that we are, at last, nearing the end of the planning process.

The recurrent problems of flooding along the Creek have been the subject of Congressional attention since 1956—nearly 20 years.

As your representative, I have been very personally and continuously involved in seeking congressional assistance to help end—once and for all—Cazenovia Creek flooding since taking my seat in Congress in 1971.

With the help of Supervisor Jim Roof and other West Seneca Town officials, Corps of Engineers' Colonels Bob Moore and Bernie Hughes, appropriate members of Congress and their staffs, and many concerned citizens, I have repeatedly testified before the Public Works Committee and the Appropriations Subcommittee for funding authorizations and appropriations to advance the Corps of Engineers' studies and plans toward design and actual construction of Cazenovia Creek flood protection.

The process of planning is crucially important, for spending the taxpayers dollars in the most effective ways is essential. But, during this 20 year period, the Creek has continued to be subject to frequent flooding, with major floods in January of 1959 and March of 1972. That last one is a vivid memory to all of us. It is, therefore, encouraging to know that we are almost at the finish line for planning and at the beginning line for construction.

It is my strongest desire that we do, in fact, move to actual construction at the earliest possible date. I think it would be a most unfortunate situation, if—at this eleventh hour—some *new* considerations were thrown into our equation for progress. The people who live and work in the Cazenovia Creek flood plain would be the potential victims of any additional delay in construction.

In late February, 1971, I saw, first-hand, flooding in West Seneca. While it left an indelible impression in my mind, it was but a precursor of the more devastating disaster of March 2, 1972, when Cazenovia Creek crested and overflowed twice within two hours, afflicting misery and damage which made all of us more determined to work harder to prevent such community-wide tragedies in the future.

Back in 1971, I pledged the people of this community that I would do everything within my legislative and other authority to expedite construction of flood preventing projects to halt these reoccurring ravages of Cazenovia Creek flooding.

A short time later, in 1971, at about the time it was announced that the Corps would spend $65,000 of already appropriated money to clear channel obstructions to prevent annual ice jams, I had the opportunity to testify before the House Appropriations Subcommittee on Public Works in behalf of additional funds for a more comprehensive study of critically-needed flood control improvements on Cazenovia.

My regret was approved by the full Appropriations Committee in July 1971, by Congress in September that year.

After considerable local-federal cooperative effort, we were able in the Spring of 1972 to secure the Housing and Urban Development Department's approval of a federally-subsidized flood insurance program for West Seneca residents, businesses and institutions.

You will recall that in order to secure protection against flood losses, West Seneca first had to adopt a land use program. While such measures are necessary, they are not addressed to solving this community's overriding problem, that of preventing floods.

In May of 1972, I was back before the Appropriations Subcommittee testifying for more funds for Cazenovia Creek, to further accelerate Corps efforts. In addition, I appeared and submitted testimony to Public Works and Appropriations Committees last year for money to investigate flood control and waste water management throughout the entire, 450-square-mile Buffalo River Basin which includes the Cazenovia Creek watershed and other flood prone areas.

On June 7, just two weeks ago, the House passed a fiscal 1975 Public Works Appropriations bill which earmarks $275,000 for this Buffalo Metropolitan Area investigation.

What I am reporting is that, with the fullest possible cooperation of your local government leaders and the Corps, I am working to keep the pledge I made shortly after my election in 1971 to exert my fullest, possible energy and resources to help accelerate flood control protection on Cazenovia Creek.

Congress has been responsive to our requests, even though the legislative machinery for authorizations and appropriations, in my view, grinds at an agonizingly slow pace.

Tonight, I am here to reiterate my pledge to the residents along Cazenovia Creek and to all in this community. I promise my full resources in obtaining final approval and authority for actual construction of whatever final plans are agreed upon and are supported by the residents of the area affected. I will do all within my power to insure that construction funds are provided at the earliest possible date.

This is an important—a crucially important—project for this area and for the whole of the Buffalo River Basin.

The principal focus of the plans now pending before us is flood control—as it should be. The tangible and intangible costs of flooding are known to all of us. Homes are jeopardized, damaged or destroyed—homes into which families have put the bulk of their savings into equity and furnishings. Commercial, business, and industrial facilities are threatened or inundated—and that too often means the loss of jobs and take-home pay. Public service facilities and structures are damaged or destroyed—such as roads, storm and sanitary sewers, and utilities. Important recreational and park areas must be restored at costs to the local taxpayer. Pollution occasioned by silt is worsened. And, because of inadequate Federal assistance and disaster relief coverage in many circumstances—a problem I am also striving to have the Congress overcome—local government is called upon to bear costs far exceeding its normal taxing capacities. And, of course, no price tag can ever be put on the human misery and suffering occasioned by severe floods. When one considers that flood control improvements can stop or greatly reduce these losses, one can understand their importance.

The plan now before us, thankfully, goes beyond providing just flood control relief. It is addressed to the additional problems of providing adequate water supply, maintaining adequate water quality, providing water and land-based recreation, and enhancing fish and wildlife conservation. These too are important considerations, and only through comprehensive planning can they be adequately considered. I think they have been here.

In every flood control and protection project in an area like ours here, a careful balance must be maintained—a balance which protects adequately existing structures and facilities, while also allowing for reasonable growth to be similarly protected. Works must be built and improvements must—and should—be made, but at the same time the environment must be protected, recreational and park areas maintained for our present and future enjoyment. I think the report now before us has maintained these balances.

I am not—and do not hold myself out to be—an "expert" in flood control and related engineering, but during my service in the Congress I have had an opportunity to examine some good planning—and some which was not so good. I think the planning which has gone into the report now before us—embodying such nonstructural measures as floodproofing and flood plain management and such structural measures as a levee system with flood retaining walls, necessary interior drainage facilities, and channel relocation—ranks among the best I have seen. It stands as a tribute to the successes which can be obtained by an effective program of Federal and local mutual cooperation and planning. We would not be on track today, if this cooperative spirit had not pervaded this undertaking.

Again, I am ready, willing, and able to do all which I can—all which we can together—do to see this project brought to the construction stage.

SEX DISCRIMINATION GUIDELINES

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. HANRAHAN. Mr. Speaker, there has always been sex discrimination involved in athletics. The Department of Health, Education, and Welfare has published guidelines which provide equal opportunites for men and women in the field of athletics. I believe this Wall Street Journal article will be of interest to my colleagues:

SEX DISCRIMINATION GUIDELINES

Guidelines published the other day by the Department of Health, Education and Welfare, aimed at ending sex discrimination in the nation's schools and universities, turned out to be much more conciliatory than many people had expected. Preliminary drafts circulated among interested parties had contained explicit requirements that women's and men's athletic teams be given equal facilities, coaching and travel expenses, and some HEW officials were even hinting about requiring matching dollar expenditures.

None of these earlier requirements appeared in the final version. Instead, the emphasis is on "equal opportunity." But while neither an equal aggregate expenditure nor teams of mixed sexes is required, HEW Secretary Caspar Weinberger explained that a male tennis team can't be flown first class by the institution while a women's team is required to raise its own money in a bake sale.

That seems reasonable enough, given the fact that women have been shortchanged all along the line in athletics. Furthermore, allowing mixed teams in such activities as golf and archery, for example, but not requiring them in football or basketball, strikes us as an acceptable middle-road position.

But somehow we do question whether there's a crying need to substitute the judgment of Washington for the judgment of local school districts on the question of whether boys and girls should be separated during physical education classes. It is now illegal for the school board to decide they should be. On an even more serious level, there are philosophical questions about the application of most of the HEW regulations even to private institutions.

Although even HEW officials were unsure about it, the new law apparently will allow sex education classes to be segregated. Moreover, Girl Scouts and Boy Scouts will be allowed to meet on school premises. But the regulations will bar such apparently sexist practices as allowing only boys to be school crossing guards and to operate movie projection equipment. These rulings may be eminently defensible, perhaps even desirable, but they show the sort of minutiae involved whenever the majesty of government is invoked to cope with social problems.

What much legislation like this comes down to is an admission that individuals haven't the common sense or good will to solve such problems, therefore they have to be led down the path of enlightenment by a federal bureaucracy. It's always possible that official Washington is more sensitive and tolerant than the general public, but personally we wouldn't care to press that proposition too far. The HEW regulations are nowhere near as bad as they could have been, and no doubt will correct some longstanding inequities. But at the expense of further often arbitrary and occasionally ludicrous bureaucratic intrusions into peoples' lives.

KANSAS-BASED FOOD MARKETS SET GOOD EXAMPLE IN GIVING CONSUMER A BREAK ON BEEF

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. SHRIVER. Mr. Speaker, on June 12, 1974, I brought to the attention of the House the growing concern of the livestock industry of Kansas over falling cattle prices and the serious economic consequences which confront this important segment of our economy.

At that time I advised my colleagues of a letter which I wrote to Clarence G. Adamy, president of the National Association of Food Chains, urging that all possible action be taken by the association to encourage its members to promote beef sales, and to pass on promptly wholesale price decreases.

As a result of my action last week I was pleased to learn that in my own State of Kansas and in my congressional district, the Dillon Stores have been out front in a concerted effort to promote the sale of beef and to give the consumer a break on beef prices.

The Dillon Stores operate 59 supermarkets in Kansas, Oklahoma, and Arkansas, with headquarters in Hutchinson, Kans. Information furnished me by Mr. Everett Snowbarger, president, indicates that Dillon started a beef discount program as early as April 1972.

The Dillon supermarkets have lowered prices on numerous occasions when wholesale costs have gone down. Its average cost on beef is down 7.04 percent from a year ago, its average retail selling price is down 10.72 percent, and its gross profit on beef was 11.92 percent last year, and is now down to 8.30 percent. These figures are based on a comparison of a 10-week period ended June 10, 1973, and June 9, 1974, during which Dillon sold 6,787 sides of beef a year ago and 7,428 sides of beef this year.

I have had an opportunity to examine a series of Dillon advertisements in which lower beef prices are featured—and it is obvious that Kansas consumers are getting a better break on beef than those in other other parts of the country including the Washington, D.C. area.

I would hope that other food chains would follow the example set by Dillon, and we would soon note increased beef consumption by the American consumer as well as improved economic conditions in the livestock industry.

JASPER SES OFFICE WINS HONORS

HON. TOM BEVILL

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. BEVILL. Mr. Speaker, the State employment service office in my hometown, Jasper, Ala., has won the first place award as the outstanding office in the Nation in services to veterans.

The Jasper office was selected from some 2,500 local State employment service offices across the Nation.

We are proud of this recognition and the outstanding job the Jasper office is doing for our veterans.

Mr. Speaker, I am placing in the CONGRESSIONAL RECORD a copy of a recent newspaper article describing the fine effort by the Jasper office.

JASPER SES OFFICE WINS TOP VFW SERVICE HONOR

JASPER.—The "outstanding work efforts, ingenuity and motivation" of the Jasper office of the State Employment Service have won for that office the first place award as the outstanding office in the nation in services to veterans.

Commander-in-Chief Ray R. Soden of the Veterans of Foreign Wars commended office manager Paul J. Brignet as "a superior administrator" and congratulated all those who "assisted in attaining a remarkable record in providing services for veterans during the past year."

The Jasper office was selected as the number one office in the state in veterans' affairs earlier this year.

The office found satisfactory jobs for 52.8 per cent of more than 400 veterans interviewed.

Veterans employment representative T. Wayne Bright credited the office's success to "our fine manager, Mr. Brignet, and the good cooperation of our office staff."

"It's a team effort," Brignet said.

Bright was chosen for special recognition at the state VFW convention in Phenix City May 9–10.

The Jasper office was selected from some 2,500 local State Employment Service offices across the nation.

The office also has an excellent record in the placement of handicapped veterans. Jobs were found for 40 per cent of all available handicapped veterans.

The office manager and the veterans employment representative in Jasper are both active in the American Legion and the Veterans of Foreign Wars. The office has been active in the VFW's Handicapped Poster program for several years and each year a letter is sent out to veterans asking whether the office can be of service to them.

CHAMBER, CATTLEMEN JOIN FORCES

HON. DAVE MARTIN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. MARTIN of Nebraska. Mr. Speaker, the Hastings, Nebr., Chamber of Commerce, in cooperation with local cattlemen, is taking positive action to promote beef by giving it away. Local cattlemen have donated 25 head of choice cattle and local businesses in Hastings have thus far raised over $13,000 to be used in this promotion. The promotion will begin July 1 and will run through July 13.

The basic problem which has caused the present disastrous situation for our cattlemen is that we have too much supply and not enough demand. In 1973, total production of beef in the United States declined approximately 1.2 billion pounds from the previous year. Beef purchases per capita declined from 116 pounds in 1972 to 109.8 in 1973. This was due to three factors: shortages, high prices, and meat boycotts. This year our supplies have increased, but the demand has remained at a low ebb. To correct this situation, we need beef promotional activity by the chain stores and independent grocers, and projects such as Hastings, Nebr., is beginning on July 1.

I compliment Hastings and its leaders on their initiative in taking this positive action in an attempt to correct the disastrous situation which today exists in the beef industry.

I am inserting below a recent article from the Hastings Daily Tribune on this subject:

BEEF PROMOTION TO BEGIN JULY 1: CHAMBER, CATTLEMEN JOIN FORCES

(By Charles Johnson)

Jolted by the recent unsteadiness in the cattle industry, the Hastings Chamber of Commerce and local cattlemen have joined in an effort to promote beef by giving it away.

Al Myers, chairman of the Downtown Promotion Council, made the announcement at the annual membership meeting of the Hastings Area Chamber of Commerce Tuesday night in the Hastings Public Library Auditorium. "We have to get out and promote industry in this area," he said.

CREDITS ASPEN

He credited the idea to Pete Aspen and said it became a reality through the work of Aspen, Robert Seigel, executive vice-president of the Chamber of Commerce, and the Hastings Sirloin Club.

The action is designed to help the housewife be more aware of beef and its uses, and to help stimulate the cattle business at the same time.

Instead of holding fat cattle from the market, local cattlemen have donated 25 head of choice cattle to be given away. Local businesses are donating cash to pay for promotional advertising.

Officials said $13,000 had been donated by Tuesday noon and that more money was expected.

The promotion will begin July 1 and will run through July 13. During the two week span, a quarter of beef will be given away each day, said Myers, plus numerous cash and beef prizes. The other beef will be butchered and packaged. There will be no hamburger, because "everybody buys hamburger," one retailer said. All of the meat will be cut into roasts, steaks and chops.

Winners will be determined by a registration and drawing through participating Hastings merchants, according to Myers.

NATIONAL RECOGNITION

He said the promotion has received or will receive network television coverage by the three major networks. "We feel we have a chance to recognize Hastings on a national level with a local industry that is vital to us," he said.

He cited the total city-wide and county-wide efforts of the agricultural oriented businesses, retail merchants and cattlemen as being essential to the promotion. Local slaughtering houses and all involved are donating their services to the project.

Extensive advertising is planned for the project. "We're working through all the local media because this is a local project," Myers said.

A PRAYER FOR OUR TIMES

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. PETTIS. Mr. Speaker, during a recent trip home, I was asked to speak at a "60-minute forum" luncheon program sponsored by the Redlands, Calif., Chamber of Commerce.

At the meeting, Mr. Carl Doss, a Redlands resident and member of the chamber, delivered an invocation from which I personally gained great inspiration. I feel the words of this prayer address so well the needs we, here in Congress, especially share at this time and I would like to pass this prayer along to you today in the hope that it will be as meaningful for you as it is for me.

Invocation offered by Mr. Carl M. Doss, June 14, 1974, Redlands, Calif.

Almighty God, our heavenly Father, in whose hands are the issues of men and of nations, we bow in humble reverence before you, and with grateful hearts acknowledge your many blessings to us as a people. Through all the changed and changing circumstances of life, you have made and preserved us as a nation. Where we have been obedient to your will, you have favored us. Where we have pursued our selfish aims you have justly punished us. With chastened humility we confess our vaunted pride, our boasted security and our avowed self dependence. In our conceit we have trusted in our own strength and forgotten that you alone are the source of all peace and abiding happiness.

In time of distress we cry to you, "God be merciful to us, sinners." Give us courage, new hope, a clear vision of our duty to you and our fellow men. Restore to us as a people honorable industry, sound learning and pure manners. Save us from violence and lawlessness, discord and confusion. Provide with the spirit of wisdom, those to whom in your name we entrust the authority of government, that there may be justice and peace at home, and that, through obedience to your law, we may show forth your praise among the nations of the earth. In time of prosperity, fill our hearts with thankfulness and in the day of trouble do not allow our trust in you to fail. Amen.

CONGRESSIONAL ACTION JEOPARDIZES THE PUBLIC HEALTH

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. BROWN of California. Mr. Speaker, the recent actions by the Congress in amending the Clean Air Act Amendments of 1970 and the inactions by the Congress on other important legislation have guaranteed that the people who live in southern California and other oxidant-plagued areas will suffer and perhaps die during the time extensions that this body gave to the automobile industry in cleaning up their machines. The automobile, which is supposed to be regulated by this body, is the primary cause of the terrible air pollution that afflicts the motorized areas of this country.

Just last week the South Coast Air Basin went through its seventh straight day of harmful levels of air pollution. In a letter from one of the prominent local physicians in my district, Robert M. Zweig, M.D., I received the following description:

> This situation is intolerable. Air quality in various locations in the South Coast Air Basin is deteriorating to the point where it is a real health hazard to your constituents and our patients.

The newspapers in the area described the situation rather thoroughly. I insert the articles from the Riverside Press-Enterprise for June 15 and 16 for the RECORD.

The articles follow:

WARM, STAGNANT AIR MASS KEEPS AREA SMOG LEVEL HIGH

(By Mark Gladstone)

Stagnant air conditions and warmer than normal temperatures Friday combined to again cause first-stage smog episodes in Riverside County and second-stage episodes in San Bernardino County.

A first-stage episode lasted in the Riverside area for eight hours between 1 and 9 p.m. with the highest hourly average of .34 of a part of oxidant per million parts of air (ppm) between 4 and 5 p.m. The instantaneous peak for the day was .36 ppm at 4:15 p.m.

Friday was the sixth consecutive day when a first-stage episode was called.

In San Bernardino County, a second-stage episode was called for the second day in a row. The high hourly average in the Fontana area between 4 and 5 p.m. was .55 ppm. The instantaneous peak was .58 at 4:45 p.m. in Fontana.

The San Bernardino County episode also led to the first meeting of a 12-member citizen's emergency action committee. After the second-stage was reached at .40 ppm, the committee requested that:

Driving be reduced.

Businesses and government curtail all but emergency vehicle traffic.

Persons stay indoors.

Motorists from Los Angeles not drive into San Bernardino County because of the heavy concentrations of smog. This request was made by Nancy Smith, chairman of the San Bernardino County Board of Supervisors. Kenneth Hahn, chairman of the Los Angeles Board, made that appeal to Los Angeles County residents.

Zeldin said the stagnant air conditions have occurred on five work days when the heaviest vehicle traffic occurs. He said oxidant levels have accumulated each day.

The National Weather Service also said temperatures have been between four and eight degrees above normal for this time of year.

For today and Sunday, the Riverside County APCD expects oxidant levels to be between .19 ppm and .29 ppm in the Riverside area and the Corona Norco area. All other parts of the county will have oxidant levels below the first-stage level of .20 ppm.

First-stage episodes are called when the hourly average is more than .20 ppm.

A first-stage episode was called in the Corona-Norco area Friday afternoon when a high hourly average for oxidants was .23 ppm between 2 and 3 p.m. The state Air Resources Board in Riverside had a high hourly average of .29 Friday afternoon.

The APCD called a first-stage episode for Banning at 10 p.m. when the previous hour's average was .25 ppm.

First-stage episodes were also called in Orange and Los Angeles Counties. For Orange County, a high hourly average of .29 was recorded in La Habra between noon and 1 p.m. First-stage episodes were also called in the East San Gabriel and Pomona-Walnut valleys of Los Angeles County.

Western County Has Seventh Straight Smog Episode Day

(By Darrell Santschi)

The hot, smog-filled air mass that has hung over much of Riverside County the past week was responsible for the western county's seventh straight day of smog episodes. It was the second straight day that Rubidoux's episode lasted eight hours.

First-stage episodes were also called in Corona and Banning. Palm Springs was near an episode Saturday evening.

The Rubidoux episode was called for the Riverside area at 10 a.m., when the average hourly concentration of oxidant at the Air Pollution Control District monitoring station there reached a .20 of a part per million parts of air. Its peak, .35 ppm, was at 2:30 p.m. and the high hourly average there was .32 from 2 to 3 p.m. The episode ended at 6 p.m.

The eight-hour durations of the Rubidoux episodes of Friday and Saturday make them the longest episodes called under the system adopted by the APCD beginning this year.

In previous years, a first-stage alert was called when oxidant reached an instanteous level of .27 ppm. The longest alert ever called in Riverside County was for the Riverside area on June 29, 1972. It lasted nine hours, 25 minutes and its peak reading was .48 ppm. The alert surpassed a previous record of just under nine hours, set on Sept. 11, 1970.

The longest string of consecutive smog alerts for the Riverside area was 11 days under the old system, in July, 1972.

The length of Saturday's episode was attributed to the absence of wind through most of the day and the high temperature in the Riverside area, 101.

The smog level dropped quickly below episode proportions at 6 p.m., the APCD spokesman said, when a gusty breeze swept through the city. The spokesman said he had expected the episode to last until about 10 p.m., at which time episodes had ended in Rubidoux earlier in the week.

The Corona episode began at noon and ended at 3 p.m. The peak hourly average, .22 ppm, was recorded between 2 and 3 p.m.

In Banning, an episode was declared at 5 p.m. and ended two hours later. It peak hourly average, .25 ppm, was between 5 and 6 p.m.

When hourly oxidant figures were last available for Palm Springs, at 7 p.m. Saturday, the average as .19 ppm and the APCD was expecting an episode to be cleared for the Coachella Valley.

Parts of San Bernardino County were even smoggier than western Riverside County Saturday, as first-stage episode was declared for the entire densely-populated southwest portion at 11 a.m. The episode ended at 8 p.m. Fontana had a second-stage episode from 3 to 5 p.m.

The peak hourly average in San Bernardino was .25 ppm, but the peak hourly average in Fontana was .46 ppm between 3 and 5 p.m. At one point, oxidant measuring devices there recorded a peak of .51 ppm.

A second-stage episode is declared in both San Bernardino and Riverside Counties when oxidant reaches .40 ppm.

During a first-stage episode, persons with respiratory problems are advised to curtail activity and motorists are requested to make no unnecessary trips.

During a second-stage episode the same requests are made and businesses and government agencies are asked to curtail all but emergency vehicle traffic. Residents are asked to stay indoors.

Also, during second-stage episodes, San Bernardino County APCD officials ask that motorists enroute from Los Angeles not enter that county.

Smog is considered inimical to animal and plant life beginning at the .10 ppm level.

If the APCD's forecasts for today are even close, western Riverside County will experience its eighth consecutive episode-level smog day. The Rubidoux station is expected to record a peak hourly average of .34 ppm.

Corona and Perris could have hourly peaks of .29 ppm and Hemet .14 ppm.

Today marks the second anniversary of the first recorded smog alert in the Coachella Valley. That first recorded alert lasted two hours, 15 minutes and featured a peak reading of .33 ppm. The peak oxidant hourly average forecast there today is .19 ppm.

PROJECT FRIEND

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. STUDDS. Mr. Speaker, last April, the Board of Selectmen of Marshfield, Mass., unanimously declared June as "Project Friend Month." As a member of the Board of Advisors of Project Friend, Inc., and as a citizen concerned with the quality of community life in America, I take pleasure in saluting the admirable goals and activities of this ambitious project.

A nonprofit, community service group, Project Friend, Inc., aims at developing a greater awareness and understanding among all the people of Marshfield by fostering a spirit of community volunteer involvement. Several programs now operating in Marshfield reflect a commitment to these goals. A 24-hour "hotline" provides an information and referral service to those in need of help. Young people can go to an Employment Incentives and Placement Center, run by the Project Friend group, for job and career guidance. A foster family program has been developed as an alternative "family" environment for adolescents with psychosocial development problems. These are but a few of the many community-oriented services offered to Marshfield citizens by Project Friend, Inc.

At a time when all Americans are justifiably concerned with the preservation of a true community spirit, it is refreshing to find the citizens of Marshfield taking positive action through the programs of Project Friend.

FUEL PRICES ARE HIGH DUE TO MONOPOLIES

HON. ROBERT O. TIERNAN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. TIERNAN. Mr. Speaker, the following article appeared in the "Bulletin of Atomic Scientists" in October, 1971. Written by Dr. Bruce C. Netschert, a well known energy economist and vice president of National Economic Research Associates, Inc. of Washington, D.C., it accurately presages events which have since transpired in the energy industry. Dr. Netschert documents how competition in the energy markets has been threatened by the emergence of the "energy company." Acquisition by the oil companies across the energy market spectrum, that is, coal, geothermal, uranium, is viewed as "classic, horizontal integration on a scale comparable to the formulation of the 19th century trusts." The result is according to Netschert that:

> The energy company has no incentive to reduce any of the fuel prices it is selling.

In these days of spiralling fuel prices and corporation profits, an investigation of possible monopolistic trends in the energy markets, is certainly not an unwarranted measure. Rather, it is based on all too well founded suspicions and of everyone from Dr. Netschert to the average overburdened consumer who pays an increasing share of his income to the energy giants.

The Energy Company: A Monopoly Trend In The Energy Markets

(By Bruce C. Netschert)

(Note.—Intensification of competition in the energy markets has been threatened by the emergence in the last few years of the energy company. Acquisitions by the oil companies across the energy market spectrum ". . . may be viewed as classic, horizontal integration on a scale comparable to the formation of the trusts . . . of the nineteenth century." Dr Netschert, a well-known energy economist, is vice-president of National Economic Research Associates, Inc, consulting economists of Washington, D.C. This article was adapted by the author from a statement he and his associates, A. Gerber and I. M Stelzer, gave to the Subcommittee on Antitrust and Monopoly of the U.S. Senate Committee on the Judiciary in May 1970.)

The history of the fuel markets in the United States is one of active and at times severe competition. Coal's dominance of the fuel scene, established in the latter decades of the nineteenth century, was supplanted by the dominance of the petroleum hydrocarbons in the period following World War I. First, the petroleum products invaded coal's heating boiler fuel and railroad markets; then natural gas, with the introduction of the long distance, high-pressure pipeline, invaded the markets of both coal and petroleum products. In more recent years uranium has entered as a competitor in the electric utility fuel market. This is not to say that the competitive situation has been the same throughout the country. In the gas producing states of the Gulf Coast region, gas has had such a competitive edge that it has had the fuel markets to itself; and in the coal states distant from the oil and gas fields, coal has enjoyed a marked advantage over the competing fuels. Nevertheless, in most areas of the country there has been vigorous competition among the fuels.

In addition, there has been competition between the fuels and electricity. Some of the major household appliances, such as water heaters and clothes dryers, can be operated on either gas or electricity, and both energy commodities have been competing for heating and air conditioning in the household and commercial markets.

In the future there is the possibility of the fuel cell, currently the subject of a research effort by a group of gas companies. If perfected, it could wholly supplant the electric utility in the residential market. Also on the horizon is the commercial development of oil shale for the production of synthetic gaseous and liquid fuels and the conversion of coal into similar synthetic fuels.

The effect of the recent changes in competitive circumstances, such as the introduction of electric heating, and those that are possible during the coming decade is to create a degree of substitutability among the various energy sources that has never existed heretofore. Electricity is fully substitutable for any of the fuels for most purposes and potentially substitutable in transportation. Gas and oil (in on-site generation or in the fuel cell) are complete substitutes for marketed electricity. Oil shale and coal can yield a refinery feedstock that supplies the full range of major refinery products now obtained from crude oil and a synthetic gas that is identical with natural gas, and uranium and the fossil fuels are all complete substitutes for each other as fuel for power generation. Looked at in this way, it would appear that the energy markets are becoming ever more competitive.

Intensive interfuel competition, at various levels and in evolving forms, can be expected to continue to produce the benefits of competition for the economy and for the American consumer. Aggressive competition has already yielded technological gains, and the broadened confrontation is likely to produce even more significant innovations. Product and service improvements and lower prices are the obvious direct consumer gains potentially resulting from aggressive interfuel competition.

ANTITRUST FALTERS

It is the task of antitrust policy to preserve and enhance competition so that these significant benefits may not be lost or lessened. That task is both more difficult and more important where interfuel competition is involved. It is difficult because the complexity of the energy and fuel interrelationships and the new competitive circumstances require a keen appreciation of their implications in the formulation and enforcement of antitrust policy. But the difficulty of the task does not excuse failure to undertake it, simply because no more sensitive and crucial arena of competition exists in the American economy than that in the energy markets.

For this reason it must be alarming when antitrust policy falters or wavers in the preservation of this vital competition. Such a situation—the absence of antitrust enforcement in the face of the expansionist movements of some oil companies into all of the energy sources—now exists. The encouraging intensification of competition in the energy market is seriously threatened by the emergence in the past few years of the self-styled "energy company." Since 1965 a growing number of oil companies have taken positions of one sort or another in the other fuels. In 1970, as shown in Table 1, of the 25 largest oil companies, 18 had positions in oil shale, 11 had positions in coal, 18 were in uranium, and 7 in tar sands. The latter resource, which is capable of yielding synthetic crude oil, is of minor potential in this country but of enormous potential in Canada. (Table 1 is based on a survey of the literature and is probably not complete. All of the companies listed are, of course, in natural gas.) These positions have been taken in several forms: the acquisition of existing companies in the other fuels industries; the acquisition of reserves holdings; the establishment of new ventures, either alone or jointly with other companies within or outside the petroleum industry; and participation in research and development ventures, either alone or jointly with other companies.

TABLE 1.—DIVERSIFICATION IN THE 25 LARGEST PETROLEUM COMPANIES, BY ENERGY INDUSTRY, RANKED BY ASSETS, AS OF EARLY 1970

Petroleum company	1969 assets [1] (thousands)	Rank in assets	Energy industry: Gas	Oil shale	Coal	Uranium	Tar sands
Standard Oil (New Jersey)	$17,537,951	1	×	×	×	×	×
Texaco	9,281,573	2	×	×	×	×	
Gulf	8,104,824	3	×	×	×	×	×
Mobil	7,162,994	4	×	×		×	
Standard Oil of California	6,145,875	5	×	×			
Standard Oil (Indiana)	5,150,677	6	×	×		×	×
Shell	4,356,222	7	×	×	×	×	×
Atlantic Richfield	4,235,425	8	×	×	×	×	×
Phillips Petroleum	3,102,280	9	×	×		×	
Continental Oil	2,896,616	10	×	×	×	×	
Sun Oil	2,528,211	11	×	×	×	×	×
Union Oil of California	2,476,414	12	×	×		×	
Occidental [2]	2,213,506	13	×		×		
Cities Service	$2,065,600	14	×	×		×	×
Getty [3]	1,859,024	15	×	×		×	
Standard Oil (Ohio) [4]	1,553,591	16	×	×	×	×	
Pennzoil United, Inc	1,356,832	17	×			×	
Signal	[5] 1,258,611	18	×				
Marathon	[6] 1,221,288	19	×	×			
Amerada-Hess	982,157	20	×			×	
Ashland	846,412	21	×	×	×	×	
Kerr-McGee	667,940	22	×		×	×	
Superior Oil	494,025	23	×	×			
Coastal States Gas Producing	490,190	24	×				
Murphy Oil	343,914	25	×				

[1] Source: Moody's Industrial Manual, June 1969 and 1969 annual reports.
[2] Includes Hooker Chemical Co.,
[3] Includes Skelly and Tidewater.
[4] Includes reported British Petroleum assets.
[5] As of June 30, 1969.
[6] As of Sept. 30, 1969.

Since oil shale is still not commercial and the tar sands industry exists as only a single pioneer enterprise, the largest effects to date have been in the coal and uranium industries. In the coal industry, four of the largest 15 companies are now oil company subsidiaries, and oil company coal production now accounts for 20 per cent of total coal output. In addition, two oil companies, Humble and Kerr McGee Corporation are going into business via the route of reserve acquisition. Humble bought up a substantial portion of the total remaining reserves in the State of Illinois and its coal holdings reportedly make it one of the two largest owners of coal reserves in the nation. It has used some of these reserves to establish a mining venture to supply coal to the Chicago utility market. Kerr-McGee has begun production of metallurgical coal from a mine in Oklahoma.

Focusing on diversification of the largest petroleum companies in the energy industry, however, tells only part of the story. The results of a survey of 42 oil companies (N=26), undertaken by Continental Oil Company in early 1969 are presented in Table 2.

TABLE 20.—ACTIVE OR PLANNED PRODUCTION OF LARGEST PETROLEUM COMPANIES BY ENERGY SOURCE

Energy source	Number of companies with active or planned production	Companies with positions	Total
Oil shale	3	14	17
Tar sands	3	13	16
Coal	7	9	16
Uranium	6	18	24

Source: L. C. Rogers, Oil-finding Talent Pours into Broad Minerals Drive, "Oil & Gas Journal," Feb. 24, 1969, p. 37.

OIL AND URANIUM

In uranium, the oil companies already bulk large in the mining and milling stages and are or will be dominant in other stages of the fuel cycle. Keer-McGee is the single largest uranium producer, accounting for 22 per cent of total domestic uranium milling capacity directly and half ownership in another 5 per cent. In addition, it is involved with Japanese interests in the development of uranium resources in Canada. Humble is constructing a mill equivalent to 6 per cent of national capacity for operation in 1972, having found uranium deposits as the result of an exploration program begun in 1966. Continental Oil, in a joint venture with Pioneer Natural Gas, will open a mill accounting for another 5 per cent of U.S. capacity in 1972. Oil companies will thus account for some two-fifths of total domestic uranium milling capacity.

An indication of the extent to which the oil industry is entering the nuclear fuel business and integrating throughout the various stages of the fuel cycle is given in Table 3. The table lists the companies shown in Table 1 which, according to the Atomic Energy Commission or press accounts, are either presently in stages other than exploration or reserves holdings or are planning to enter those stages. The table understates the full extent of oil company activity in the nuclear industry in that it does not show the additional capabilities and plans of some of the companies for the production and processing of other nuclear materials such as thorium and plutonium.

TABLE 3.—INDICATED PRESENT OR FUTURE CAPABILITY OF OIL COMPANIES, EITHER DIRECTLY OR THROUGH SUBSIDIARIES IN THE NUCLEAR INDUSTRY

Company	Exploration or reserve holdings	Uranium mining and milling	UF conversion	Fuel preparation or fabrication	Fuel reprocessing	Reactors
Standard Oil (New Jersey)	×	×		×	×	
Gulf	×	×		×	×	×
Atlantic Richfield	×		×	×	×	
Continental	×	×				
Getty	×	×		×	×	
Standard Oil (Ohio)	×	×				
Kerr-McGee	×	×	×	×	×	
Sun	×	×				

Still further indication of the present and potential concentration of the position of the oil industry in the nuclear industry is given by the following. Kerr-McGee is one of two companies in the business of converting concentrates into uranium hexafluoride (UF_6) and will have roughly one-half of the total national capacity now planned. Atlantic Richfield and Gulf (the latter in partnership with Allied Chemical) will be two of three companies with capacity to convert slightly enriched (less than 5 percent U-235) recovered uranium to UF_6, and Atlantic Richfield has the only present capacity for converting highly enriched (greater than 5 percent U-235) recovered uranium to UF_6. Five of the 13 plants processing uranium fuel materials and six of the 17 plants fabricating fuel elements are owned by oil companies or their subsidiaries. Three of the four fuel reprocessing plants in operation or planned are oil companies' ventures and their combined capacity is 93 percent of the total capacity.

It has been proposed that the three Atomic Energy Commission enrichment plants at Oak Ridge, Tenn., Paducah, Ky., and Portsmouth, Ohio, be sold to private industry, ending the governmental monopoly of this stage of the fuel cycle. One study of the proposal concluded that utility consortia would be the most likely buyers. Given the vigorous entry of the oil companies into the nuclear industry, the evident intention of some of them to integrate into most if not all stages of the fuel cycle, their financial resources and their cash flow, it would appear at least equally likely that the buyers would be oil companies.

Now it is only natural for the oil companies to diversify into certain areas. Their move into oil shale and tar sands is a logical hedge against the time when the increasing shortfall of domestic crude oil production relative to demand and the improvements in synthetic fuels production will make the latter a new source of supply for their refineries. Similarly, it is natural for them to regard coal as a future supplemental source for synthetic fuels.

It is also logical for the oil industry to be interested in uranium, since the search for it is in many ways similar to the search for oil and gas, being founded on geology and geophysics, in which the industry already has high technical capability. On the other hand, the move by an oil company into coal production and marketing for all of coal's conventional uses, whether by the acquisition of an existing company or by the acquisition of reserves and formation of a new coal company, bears no such logical relation to oil company activities. Similarly, the move into the subsequent stages of uranium production and marketing, from milling through fuel fabrication or fuel reprocessing, takes the oil company into activities even more remote from oil technology and know-how.

Given the increasingly direct competition between fuels and electricity described above, the acquisitions by the oil companies across the energy market spectrum take on special significance. They may be viewed as classic horizontal integration on a scale comparable to the formation of the trusts in the latter decades of the nineteenth century. In short, the oil companies, themselves portraying their activities as efforts at diversification, are in fact systematically acquiring their competition. In the face of clear judicial condemnation of horizontal acquisitions, the apparent policy of neglect toward the acquisitions that have already occurred is surprising.

One further point is relevant. The oil companies that have made these acquisitions are mostly the major and large independent firms. They tend to be dominant in their own submarkets and to bring substantial market power to each of the new fuel submarkets they are entering. The result is a tendency toward concentration and entrenched dominance.

This is not to suggest that the entry of large firms into new industries is itself a matter which antitrust policy should disapprove. It is quite possible that such entry could, in certain circumstances, actually benefit competition through the injection of new management vitality by noncompetitors into a tradition-bound industry. Such circumstances do not obtain here, however.

The application of antitrust policy, therefore, raises serious questions about these moves. How can the public be sure, for example, that the emergence of the synthetic fuels industries will occur at the pace which the economic circumstances would, under free market forces, dictate? It could well be that the self-interest of certain companies with dominant positions, if not of the industry as a whole, would call for delaying the inauguration of a synthetic fuels industry in order to protect existing investments in crude oil and natural gas. Of even greater concern is the fact that the energy company (and it should be borne in mind that there are already at least five major oil companies with across-the-board positions in all of the domestic fuel resources—oil, gas, coal, oil shale and uranium) straddles a situation which until now has been one of intense interfuel competition. On the face of it, therefore, the entry of an oil company into the marketing of the other fuels constitutes a lessening of interfuel competition.

But this is not all. For one reason or another (including the imposition of stringent limitations on the sulfur content of fuels in most of the metropolitan districts of the country), there is strong upward price pressure in all of the fuels markets. Normally, interfuel competition would be a countervailing force, but the energy company has no incentive to reduce the price of any of the fuels it is selling. On the contrary, a price rise in any one of the fuels is to its advantage in marketing all of its fuel products.

One of the consequences of these circumstances can be an unnecessary and unjustified increase in the cost of electricity. It is all too possible that an electric utility may some day find itself facing the situation of being able to obtain each of its fuels, including uranium, from suppliers selling all of them. Already we have the ominous statement by the chairman of the board of directors of the Tennessee Valley Authority that one oil company with coal holdings told him they had no intention of opening a new mine to supply TVA unless that agency would pay a price that would yield the company the same return on coal it is accustomed to receiving on oil (Hearings of Senate Subcommittee on Flood Control-Rivers and Harbors of the Committee on Public Works, August 14, 1970). The oil industry has always claimed that it is entitled to a higher return than other industries because of the discovery risks it faces; yet there is no such risk in the coal business. As an example of sheer economic rapacity this attitude is difficult to match.

The energy companies have in any event two significant advantages over the electric utilities with which they deal. They are, in the first place, unregulated, except for the regulation by the Federal Power Commission of the price of natural gas sold in interstate commerce for resale. (But with the Commission desperately eager to stimulate the search for new gas reserves, even this regulation is in a parlous state.) In competing with electricity in the end-use markets they thus have greater flexibility in setting prices, in determining where to take profits within their integrated structure and in engaging in competitive practices such as promotional allowances (for example, the participation by refiners in financing heating oil promotion by oil distributors). Second, as suppliers of all the fuels used for electric power generation, the energy companies can significantly influence the cost of fuel to their major competitor.

The development of the energy company thus presages fuel markets dominated at both the supply and the consumer levels by firms of immense size and monopoly power. Historically, the issues this raises have been the preserve of antitrust policy, with a record of stern enforcement against monopoly power deliberately being created. Yet far from being confronted by the limitations on market power—indeed, even dissolution and divestiture—that a sound competition preserving antitrust policy might be expected to decree, the energy companies have been able to grow apace, free of the regulation that governs their utility competitors and unimpeded by the strictures of antitrust policy to which many of their less powerful competitors have frequently been subjected. The Justice Department has, to be sure, stated that it will scrutinize carefully any future moves by a major oil company into the other fuels, and this may account in part for the absence of any such moves by the majors during the past year. (Interestingly, moves by small independent oil companies into the other fuels have continued, although not in any great number.)

There is much talk these days about the establishment of a "National Energy Policy," presumably in the hope that this will help resolve the many problems now facing us in the field of energy. One of the problems that clearly needs to be dealt with is the energy company. It would be ironic if a National Energy Policy were formulated, only to be confronted with a national energy industry.

XEROX ACCEPTS FOR "MISS JANE"

HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. McKINNEY. Mr. Speaker, television programing in the United States was once characterized as a "vast wasteland" and perhaps, in part, that is still so. However, from time to time, a few hours are presented which are nothing less than a moving experience. The recent CBS presentation of "The Autobiography of Miss Jane Pitman" was undoubtedly one of those instances, for as we watched Miss Cicely Tyson bring us through the life of "Miss Jane," we, in fact, were watching the development and growth of our country.

Recently, the Ohio State House of Representatives commended the Xerox Corp. for its sponsorship of this award-winning program. In my view, this commendation was wisely motivated and well deserved

As you know, Mr. Speaker, the Xerox corporate headquarters is located in Connecticut's Fourth Congressional District which I represent and accepting the award in Ohio was one of my constituents, Xerox President Archie B. McCardell. I believe Mr. McCardell's remarks to be a fitting postscript to a truly remarkable presentation and that they be included in the RECORD at this point so that I may share them with my colleagues:

XEROX ACCEPTS FOR "MISS JANE"

Mr. Speaker, Members of the House, ladies and gentlemen: As president of Xerox Corporation, I accept your commendation with pride and with great pleasure.

All such honors, when examined closely, prove to have in reality many givers and many recipients. So with today's, which derives not alone from this distinguished legislative body.

I choose to believe that it comes, as well, from the memory of U.S. Representative Joshua Giddings of Ohio, who, 130 years ago, publicly declared his support of the right of slaves to escape to freedom. For this, he was censured by his fellow Congressmen.

He resigned and returned home, but his Ohio constituents immediately re-elected him and returned him to Washington for another term.

This commendation also comes from Jane Lewis of New Lebanon, a black worker on the underground railroad, who night after night rowed fugitives across the Ohio River to freedom.

Also, I like to think this honor comes from Corporal Brown of the Ohio Guard—the trooper, you will recall from the program, who gave a 10-year-old Jane Pittman her name—as well as a vision and a purpose.

Young Jane was never able to walk to Corporal Brown's Ohio, but her attempt to do so was the first in her lifetime of heroic journeys—ending in that unforgettable work for the dignity of a simple drink of water.

If your commendation has many givers, it also has many recipients. Obviously, there are the creative artists, especially Ernest J. Gaines, the author of "The Autobiography of Miss Jane Pittman," and that great actress, Cicely Tyson. There are all those who won the Emmy Awards, and those who didn't.

But there is another, larger group you honor today. And that group is American business. Over the last decade, business has come under increasing attack as cold, heartless and irresponsible. Nothing could be further from the truth. Xerox is only one of the thousands of American companies that is determined to put something back into the society that has given them so much. This determination takes many forms.

One form—the sponsorship of mind-stretching television—has always been very important to us at Xerox. We feel it helps to reflect our own tradition of worldwide civic and social responsibility. As you know, television has enormous impact and we have been blessed with great visibility through our association with it. But this is only the tip of the iceberg. Quietly and without fanfare American companies have initiated hundreds of programs that attest to their deep sense of responsibility: programs such as community involvement, job training, social service leaves, aid to education, environmental protection—programs of the kind to be found more frequently every day throughout American business.

The realization is growing everywhere, I believe, that long-term profits and responsible citizenship are inextricably linked together.

So let us say, then, that in a larger sense, this commendation comes from an Ohio with a long and honorable tradition of human freedom. And that it goes, as well, to a business community whose vision extends to the human community.

HUD ACT OF 1974

HON. ANDREW YOUNG

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. YOUNG of Georgia. Mr. Speaker, now that the House has acted on the Housing and Urban Development Act of 1974, we can expect a difficult and protracted House-Senate conference. The differences between the House and Senate housing bills are legion, reflecting fundamental differences in a Federal approach to meeting our responsibilities in providing all Americans with decent and sanitary housing. Both bills have valuable features, so the task which now faces the conferees is one wrought with great opportunity—the opportunity to incorporate the best of each approach into a truly comprehensive and effective Federal commitment to our people.

It is this hope that led me to support passage of H.R. 15361, despite some very serious reservations about its provisions. Indeed, looking at the House bill, one must stop and ponder just what direction we are taking in this country with regard to where and how our citizens are going to live. Unfortunately, we legislated yesterday not to the needs of this country and its citizens, but to the whims and threats of the executive branch.

Title I of this bill, which consolidates a number of categorical programs into a single block grant program similar to revenue sharing, will effectively cripple many model cities programs. Next summer, Atlanta will lose almost one-third of the Federal funds it now receives to carry out the many vital functions of this valuable program. That can only be characterized as punitive, and Atlanta is being punished for having shown the initiative and energy to undertake important community development efforts several years ago. The model cities programs were never intended to operate for 5 years and then abruptly terminate, but were seen as a means to generate permanent community development programs and secure permanent funding sources for the valuable efforts begun with model cities funds. Instead, most model cities programs have been short-funded these past 2 years, and now this measure seeks to penalize the communities which have made great progress. The Senate bill, S. 3066, does not contain this punitive and exclusionary provision, and I urge my colleagues on the conference committee to incorporate the Senate "hold harmless" provisions on model cities programs.

Title II of the House bill, while consolidating all existing housing subsidy programs into a single program, virtually eliminates the section 235 and 236 programs which have been so successful over the years. The new housing assistance provisions in this bill fall far short of meeting the needs of poor people who have been priced out of the private housing market. What is this Congress telling the 12.2 million families in this country who are eligible for subsidized housing, whose annual incomes are less than $4,000 but for whom no subsidized housing is available?

Moreover, if we are going to move to this administration's "new federalism" approach in meeting our housing responsibilities, we must provide for more construction and greater operating subsidies than this House-passed bill envisages. While some inequities and omissions were corrected by amendment, and while there is promise of reviving a Federal housing commitment which had been virtually ruined by this administration's moratorium for 18 months, H.R. 15361 will not meaningfully affect the increasing numbers of unhoused urban poor in this country.

I can only hope that the conferees will seize the opportunity to work out a much better measure and return to this Chamber with a Federal housing program which is decent and meaningful.

PERSONAL EXPLANATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. LEHMAN. Mr. Speaker, on June 6, I was necessarily absent for the votes on the deepwater ports legislation, as I had a previous commitment to be in Miami for a meeting to help arrange for the bringing of some exhibits from the New York Metropolitan Museum to Miami.

Had I been present, I would have voted for the Eckhardt amendment to include provisions for no-fault liability for oil spills in favor of the Sullivan substitute bill, and for final passage of the legislation.

EL SOL SHINES IN TEXAS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. COLLINS of Texas. Mr. Speaker, one of the great success stories in Texas has been the growth and development of El Sol newspaper. It reflects the drive and determination of J. C. and Sara Gutierrez, who publish it.

This Spanish weekly has grown in 8 years to a circulation of 100,000. It has been a great progressive influence for all of our neighbors of Mexican-American heritage.

El Sol is dynamic and speaks with the enthusiasm of Gutierrez, who works 20 hours a day. Hard work, sincerity and strong news stories have built a solid following. Texas salutes El Sol and the Gutierrez', who brought the message to Texas.

In the June 16th Dallas Morning News there was an excellent article by Doug Domeier on El Sol. Will you join in sharing my pride in this great and successful newspaper as you read some of the news comments:

When Jesus Gutierrez and his wife Sara arrived in Dallas in 1966, they knew almost nothing about the city but soon learned there was no Spanish-language newspaper here.

Quitting jobs in a Mexican restaurant, they went to work in an office with one desk and three chairs.

With energy and approximately $3,000 in savings, they produced 2,000 8-page copies of the first edition of the weekly El Sol de Texas (The Texas Sun), all in Spanish.

But Spanish-speaking people failed to buy the paper in large numbers and Gutierrez was out of money.

Braced for chilly November weather, and accompanied by his chief writer and city editor, G. L. Duarte, Gutierrez and his wife stood with newspapers outside three large Catholic churches.

As Spanish-speaking people entered and left for Mass, "We sold hundreds," Gutierrez recalled in an interview. Money went to buy food "because everything had gone to the paper."

Gutierrez is no longer confined to one room.

On a short, quiet street in Oak Cliff, just below the Trinity River levee, El Sol de Texas recently moved into a roomy 1-story plant (under a $450,000 expansion program).

Because "it was too small, nobody wanted to print it," Gutierrez said of the paper in its earlier years. He also claimed: "I never borrowed money from anybody" and never failed to meet a deadline.

His wife, who formerly was a reporter in Buenos Aires, works on layout and Duarte covers large Dallas stories.

But they no longer have to "do everything." Sixteen employees publish El Sol (at 1802 Spann), and there are correspondents in Houston, San Antonio and Waco.

Sold at a quarter a copy, the state weekly has just jumped from a circulation of 42,000 to 100,000, thanks to new offset presses capable of turning out 20,000 papers an hour. The paper reportedly sells best in Houston and San Antonio.

Now 46 years old and a native of Mexico, Gutierrez obviously finds it easy to smile these days.

El Sol follows an overall policy of general news in Spanish, with generous use of pictures and occasional Page 1 crusades on social issues.

News briefs are from such cities as Saigon and Los Angeles, as well as Tijuana, and there are separate features for bulletins from Mexico and Latin America. Pictures in the May 31, 1974, issue came from such points as Belfast, Damascus, the Golan Heights, Hong Kong, New York and London (Gutierrez uses Spanish-language United Press International wire and UPI telephotos).

Formerly breaking even, El Sol started earning profits three years ago, Guiterrez reported. Thirty-five per cent of a list of 10,000 subscribers have English last names.

Duarte noted that people sometimes write letters looking for bilingual secretaries or other help, thinking the letters will be run free. "Where they get the idea we don't need money to exist, I don't know," he said.

The tone of El Sol stories is sometimes emotional on events which have had tremendous impact on the Spanish-speaking community.

"How much is a Mexican-American's life worth in Dallas?" began the July 27, 1973, lead story after the Santos Rodriguez shooting.

But Rene Martinez, a Mexican-American community relations worker, noted that non-Latin people do not understand the emotional quality of Latin papers. "Our community is emotional," he said.

Asked to appraise El Sol Martinez said the paper is diversified, has expanded "with sophistication" and makes the community aware of key issues. "The man has done a tremendous job," he said of Gutierrez.

ERVIN, RODINO ET AL.: HOW ABOUT IT?

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. ZWACH. Mr. Speaker. I noticed in a recent issue of Christian Science Monitor an editorial comment by Roscoe Drummond on Secretary of State Kissinger's Salzburg press conference on security wiretap leaks and innuendos.

I share the concern expressed by both Mr. Kissinger and Mr. Drummond. If we are to expose and punish those responsible for the crimes of Watergate, we must first put a stop to all these illegal leaks and faceless rumors. Evidence is what counts in a court of law, not rumors. All men are innocent until proven guilty through proof, and that includes the President and the Secretary of State.

Mr. Speaker, I would like to include into the Record a copy of Mr. Drummond's "Point of View." It follows:

[From the Christian Science Monitor]

Point of View—Ervin, Rodino Et Al.: How About It?

(By Roscoe Drummond)

Washington.—There is a far more important issue in the Henry Kissinger affair than whether he understated his role in the security wiretaps.

The crucial issue is the faceless, improper, unethical, unfair, and sometimes illegal tactic of accusing the Secretary of State by leak and innuendo.

Former Watergate prosecutor Archibald Cox brands this as the same tactic used by Sen. Joseph McCarthy in the '50's and asks with quiet but devastating logic:

"Should not the same objections be raised when the staff or possibly some member of the Ervin committee leaks the result of incomplete investigation, gives out accusatory interferences it draws from secret testimony, and even releases proposed findings of guilt . . .?"

The answer is yes, but they are being purposefully and piously overlooked by most. And worse, nothing is being done to stop it.

House Judiciary Committee chairman Peter Rodino Jr. "deplores" the leaks and says that the committee will lose "public confidence in its work" unless it protects the "confidentiality of sensitive materials."

But at this writing the committee has not and is not protecting against such purposeful leaks. And worse, shows no sign of doing anything about them.

Sen. Barry Goldwater condemns what is happening as "acts of treason," but he does no more than hope somebody else will do something about them.

Nothing yet is being done to stop them.

No wonder Secretary Kissinger is speaking out. I reject the theory that if he weren't so tired and distraught he would not have said what he did in his Salzburg press conference.

He knew what he was saying and he knew that the same FBI documents on the wiretaps, summaries of which the Senate Foreign Relations Committee had examined and discussed with him before voting overwhelmingly for his confirmation, had been put into the hands of the House Judiciary Committee, whereupon there was a rush to leak the accusatory parts.

Dr. Kissinger knew what he was doing and it was about time for somebody with prestige and authority who was a target of the tactic of leak and innuendo openly to confront his accusers and their accusations.

"Simple fairness," he said (and if he was indignant there is power in righteous indignation), "requires that either there be an exoneration or there be a public accounting of those who engage in this defamation of character. . . . Those who leak documents should step forward and explain what they are doing and why they are doing it."

There is no reason to expect that they will. Needed exposure is not getting support in the media which, though many spoke out bravely against McCarthyism, are today mostly silent about its repetition under another guise.

If chairman Ervin expects to restore confidence in the Watergate investigation, if chairman Rodino expects to retain confidence in his operation, if Congress expects to command confidence in its impeachment proceedings, then these gentlemen and the whole Congress must do something more than deplore resort to the tactic of leak and innuendo by their own members and their staffs.

A full-scale congressional investigation, fairly and competently manned, is the first step. It ought to be forthcoming without delay.

There is plenty to investigate.

The Senate Watergate committee has permitted the accusatory results of incomplete investigations to be made public—and nothing was done about it.

The House Judiciary Committee has done the same thing, the latest in a long series being the attacks on Dr. Kissinger. And nothing was done about it but deplore it.

Justice Department prosecutors leaked partial evidence against Vice-President Agnew before he had been accused—and nothing was done about it.

The secret proceedings of the Watergate grand jury were illegally leaked and illegally published—and nothing was done about it.

The crimes of Watergate have polluted our political system and they must be exposed and punished. That is now taking place. But something else is taking place at the same time. Offenses are being committed in the name of exposing the offenses of Watergate.

They, too, must be exposed and punished and this is why Secretary Kissinger has done the right thing at the right time to alert the nation to this new-style McCarthyism.

Which members of Congress will be first to call for the crucially needed congressional investigation? Senator Ervin? Representative Rodino? How about it?

DISSENTING VIEWS OF COMMISSIONER O'NEAL IN EX PARTE 305—NATIONWIDE INCREASE OF 10 PERCENT IN FREIGHT RATES

HON. BROCK ADAMS

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. ADAMS. Mr. Speaker, I would like to place in the RECORD for the information of my colleagues the dissenting views of Commissioner A. Daniel O'Neal opposing the nationwide 10 percent rate increase granted to the railroads. The Commission voted 8–2 to permit the rate increase, but to require that the railroads improve service by spending the increased revenues on capital improvements, deferred maintenance and for increased costs of fuel and supplies. Due to some quirk of ICC procedure, the majority of the Commission was able to state its reasons for granting the increase in the body of the order, but the dissenting views of Commissioner O'Neal were not published. It is ironic that a regulatory system which is based on a system of published rates and tariffs somehow does not permit the publication of the comments of a dissenting member of the rate-making agency. While I do not agree with all that Commissioner O'Neal has to say, he raises some cogent questions about the majority decision, and I think his views should be widely available.

The Commission is right to place emphasis on the need for railroads to invest in their fixed plant to cure deferred maintenance, but I share Commissioner O'Neal's views as to whether the reporting requirements of the Commission order will be effective in accomplishing this end.

I continue to be concerned about the tendency toward flat across-the-board percentage freight rate increases for railroads. Flat percentage increases tend to reduce competition between the modes and these nationwide percentage increases have a much greater dollar cost for the shipper on the long hauls from the Pacific Northwest and tend to distort existing port relationships even further. They overlook the fact that while some railroads and some areas of the country may need sharp rate increases, others may not. I am hopeful that we will be able to change the regulatory system so that railroads will return to setting rates on individual commodities rather than using across-the-board percentage increases.

The present regulatory structure may prevent railroads from fine tuning their price structure or it may be reluctance by railroad management to do what they are already allowed to do. I am hopeful that in acting on the Surface Transportation Act (H.R. 5385) now pending before the Transportation Subcommittee in the Committee on Interstate and Foreign Commerce, we will be able to establish a regulatory system which will permit needed price flexibility while preventing predatory or anti-competitive actions.

I am attaching a copy of Commissioner O'Neal's dissenting views.

VIEWS OF COMMISSIONER O'NEAL ON EX PARTE NO. 305—NATIONWIDE INCREASE OF 10 PERCENT IN FREIGHT RATES AND CHARGES, 1974

The June 3 order in effect allows the railroads to take the full ten percent surcharge which they seek, despite the fact that our own staff analysis indicates that no more than three percent is justified on the basis of increases in costs since the Commission authorized the latest general rate increase of four percent on an interim basis.

By August 19 we are requiring the railroads to provide an "estimate" of the cost of deferred plant and equipment maintenance. This data requirement is quite loose. Only an estimate is required, and what constitutes "deferred" maintenance is neither clearly defined nor subject to exact measurement. Most railroads have an optimum goal of a high level of maintenance of their facilities, although in fact they may be able to operate efficiently at a level of maintenance far short of that. The gap between present maintenance performance and whatever level of maintenance the carrier wishes to posit can be used to define the area of "deferred" maintenance, and this area may be arbitrarily expanded or contracted depending on the level of maintenance the carrier assigns itself as a goal. Thus the "cost" attributed to deferred maintenance can be varied almost at will.

No evidence is required by the Commission as to the second major non-cost related justification behind the ten percent increase, the need to attract capital.

The Commission's economists are of the view that there are several railroads financially able to make capital expenditures and capable of raising funds in the private capital market. The problem is accentuated because of the financial plight of certain marginal and bankrupt roads. Yet the financial data which they believe should be produced regarding the need and ability of the various railroads to attract capital is not required by the June 3 order.

With reference to this increase the Commission's own staff experts believe the Commission should require each railroad to provide a detailed explanation of revenue need and a plan for applying revenues derived from rate increases based on that need *before* authorizing additional increases.

The June 3 order puts the cart before the horse. It authorizes the increases and requires evidence later. The level of data required is not as detailed or extensive as it should be. The railroads should be required to justify increases before they get them, not afterward. Vague, general allegations as to need for additional revenue do not constitute adequate justification.

The June 3 order does provide a sanction for carriers who take the increase and do not apply it for the purpose for which it was granted. Such increases may be canceled and refunds may be ordered. However, given the interrelated nature of an ex parte general rate increase, it will be extremely difficult to cancel part of the increase once granted. Therefore the sanction appears to be unwieldy and potentially unworkable. The result is that what teeth appear to exist in the order may prove to be false.

The order provides a compliance monitoring device by providing that the revenues generated by the increases should be expended for deferred capital improvements and maintenance of plant and equipment, and requires that records be kept. However, no provision is made to assure that other revenues now being expended or projected for maintenance and capital improvements will not be diverted to other spending. If a net increase in expenditures for the designated purpose does not result, all the reporting and compliance machinery are a waste of everyone's time and energy.

In addition, the railroads did not comply with a number of the requirements laid down in prior general increase proceedings. They did not show how much of prior authorized increases they have actually taken, as required by the Commission in Ex Parte No. 295. They only partially complied with the interim guidelines set forth in Ex Parte No. 281, for the submission of cost and revenue data. And they did not provide detailed background material and work papers in this proceeding.

I would have approved a 2 percent interim increase and would have required the railroads to submit detailed plans as a condition precedent to receiving any increases above 2 percent. We would thereby have taken advantage of this opportunity to foster giant strides toward improved rail service. The order I would have approved would hopefully be self-executing in nature, and assigned to make achievement of the goal of improved service more certain.

Since 1967 the Commission has allowed rail across-the-board increases totalling more than 60 percent (excluding such special increases as those for mechanical protection service and the 10% grain increase authorized this year). In each of those cases the Commission has admonished the carriers to improve service. However, the carrier's service reports to the Commission have been practically useless and, not surprisingly, rail service has gone steadily downhill. The time to begin changing the picture is now. We cannot expect carrier compliance with any of our admonitions without developing the necessary incentives or fashioning effective sanctions.

THE 34TH ANNIVERSARY OF FORCIBLE INCORPORATION OF BALTIC STATES INTO THE SOVIET UNION

HON. ROBERT J. HUBER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. HUBER. Mr. Speaker, it is indeed appropriate to note that on the 15th of this month, there occurred the 34th anniversary of the forcible incorporation of the Baltic States into the Soviet Union.

What is even more important to note today, with President Nixon preparing to depart for Moscow, is that the United States and other nations, such as Canada, Great Britain, France, Italy, and the Vatican, do not recognize this forcible incorporation of the Baltic nations into the Soviet Union. This should continue to be the policy of the United States. In support of this policy Assistant Secretary of State for European Affairs, Walter J. Stoessel, in a letter dated May 18, 1973, to the leaders of a Latvian organization, wrote:

Although the Conference (in Helsinki) may reaffirm the generally accepted principle that frontiers should not be changed by force, we do not foresee any agreement which would alter our policy of not recognizing the annexation of the Baltic States by the USSR.

We should, in my view reaffirm that position with the U.S.S.R. In fact, they should not be allowed to forget it at any time.

The history of this aggression should not be lost or obscured. The U.S. Congress Select Committee to Investigate Communist Aggression and the forcible incorporation of the Baltic States into the U.S.S.R. put the matter as follows:

I. The evidence is overwhelming and conclusive that Estonia, Latvia and Lithuania were forcibly occupied and illegally annexed by the USSR. Any claims by the USSR that resolutions adopted by the parliaments petitioning for recognition as a Soviet Republic were legal, are false and without foundation in fact.

CAPITAL GAINS TAX REFORM

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. ARCHER. Mr. Speaker, there has been much discussion in this Congress on the need for tax reform. One of the major areas in which we need reform is a liberalization of the tax laws on long-term capital gains in order to encourage investment in the stock market. If our economy is going to grow and prosper, we need to raise the necessary capital for investment and expansion.

I have introduced H.R. 14467 and H.R. 15016—with cosponsors—to provide that investors could exclude the first $1,000 of their income each year from the sale of securities. This measure is designed to encourage small investors to enter or reenter the stock market to provide the necessary equity capital for our industries. This Small Investors Act would be an important step in that direction.

The essential need for new capital for our industries was very effectively made in an editorial which appeared in the Chicago Tribune on June 3, 1974. I commend it to the attention of my colleagues:

Capital Gains Tax Reform

American industry will need about $1.4 trillion in new capital by 1980 and $4 trillion by 1985 to finance industrial expansion, create new jobs, and meet future energy needs from new sources.

Unless the U. S. tax laws—particularly the tax on long term capital gains—are liberalized to encourage investments, the nation could fall short of its capital requirements. The penalty for this failure would be a lower standard of living for all Americans.

Capital gains taxes are paid on the increase in the value of an asset, such as stock or real estate, between the time it is purchased and when it is sold. At the present time, short term capital gains—on investments held for six months or less—are taxed at the same rate as ordinary income. Long term gains, those held more than six months, are taxed at half the ordinary rate up to a maximum of 35 per cent.

Investment capital traditionally has come from the savings that individuals invest in American business by buying securities. Because of low stock prices, unstable economic conditions, government crises, and high yields on savings and other fixed-income investments, investors—large or small—are staying out of the stock market, and corporations are finding it difficult to raise the money they need.

The Securities Industry Association, made up of investment bankers and stock brokers, cites what it terms a "capital drought." The number of new stock issues has dropped from 1,460 in 1972 to 440 last year. The number of new bond issues slipped from 470 to 248 in the same period.

Moreover, hundreds of billions of dollars in capital are "locked in" because stock holders are reluctant to sell them and thus become liable for the capital gains tax. The Treasury Department believes that between $233 and $558 billion in long term investments are thus immobilized. This, in turn, reduces federal revenue because investors would rather hold onto their securities than face a tax that could amount to more than one-third of their profit.

There have been a number of suggestions for liberalizing the capital gains tax. One has caught the attention of some members of Congress and is being pushed by Chairman Wilbur Mills of the House Ways and Means Committee. It calls for a sliding scale: The longer an investment was held, the lower the tax rate would be.

Mr. Mills has offered no specific figures. The Securities Industry Association, however, has suggested a scale ranging from 100 per cent when assets had been held for three months to 10 per cent for assets held 20 years or more.

S.I.A. estimates that for every billion dollars in securities unlocked by the sliding scale, the treasury would realize $200 million in additional tax revenues. More important, however, the lower tax rates would encourage investors to shift their assets, thus making money available to new industries.

Inflation has made the present capital gains tax confiscatory. It devoured 27 per cent of any profit acquired over a period of 10 years and nearly 50 per cent of the profit earned on an investment held for 25 years. Add the tax and there is very little left. Many family businesses have to be sold when the owner dies merely to pay the capital gains tax.

Some self-styled reformers would do away with the capital gains tax entirely, and tax investment profits at the higher rate applied to ordinary income. This, they contend, would enable government to redistribute the nation's wealth from the haves to the have-nots.

This is the sort of nonsense that appeals to economic illiterates. Such a tax would destroy any incentive to invest risk capital. It would invite industrial stagnation, jeopardize our standard of living, and inevitably lead toward socialism.

The sliding-scale proposal for capital gains is the most promising we've seen. We also like a proposal by Mr. Mills to exempt from taxation the first $10,000 in capital gains earned over a taxpayer's lifetime. This, we believe, would encourage lower income groups such as wage earners to participate in the free enterprise system and help provide the capital that will be needed in the years ahead.

PEACE IN THE MIDDLE EAST?

HON. JOHN M. ZWACH

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. ZWACH. Mr. Speaker, the motors of President Nixon's Air Force One had not yet cooled, by the time Israel had resumed its warplane raids on guerrilla hideouts in Lebanon.

If we are to ever have a viable, working peace in the Middle East we must have the cooperation of all parties involved. Great strides have been made by Dr. Kissinger and President Nixon in laying groundwork for a lasting peaceful settlement. The Mideast trip by the President was unprecedented and solidified the desire of this country for peace.

However, we do not appear to be getting through to the Israelis. After top level talks with the President and the Secretary of State, the Israelis resumed the bombing, using American made supplies. It appears that the only way to stop the bombing is to stop the bombs.

Peace in the Middle East is possible, in fact it is near, but the Israeli must also be willing to live in peace with its neighbors. Continued bombing is not the answer.

DEDICATION OF VETERANS' ADMINISTRATION OUTPATIENT CLINIC IN EL PASO, TEX.

HON. RICHARD C. WHITE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. WHITE. Mr. Speaker, a project my office has worked on diligently for the past several years became a reality on June 14 as a Veterans' Administration outpatient clinic was dedicated in El Paso to serve the medical needs of some 80,000 veterans resident in far west Texas, southern New Mexico, and northern Mexico. We are proud of this new facility to serve the veterans of our area, and we are thankful to the Veterans' Administration for recognizing our needs and providing us with the clinic. It is my pleasure to submit for the Record the remarks made at the dedication ceremony by Mr. Richard L. Roudebush, Deputy Administrator of Veterans' Affairs for the Veterans' Administration:

Speech of Richard L. Roudebush, Deputy Administrator of Veterans Affairs

It is always a pleasant and significant occasion when the Veterans Administration opens a new facility . . . and I am honored to be a participant in this dedication.

In activating this clinic we affirm the devotion the American people feel for those who stood in their nation's defense.

We reassert the desire of the American people to provide as needed for these past defenders.

And we reemphasize the determination of the people's government to carry out this desire to the fullest measure possible.

Today we take steps toward providing better and more convenient medical care in the El Paso area, an area that has a population of some 80,000 veterans.

These are men and women who live in two states and two nations, who are residents of fourteen counties in Texas and New Mexico and of Juarez and your neighboring areas to the south.

They are men and women to whom the right to care has long been compromised because of their place of residence and a lack of facilities.

In recent years the Veterans Administration has made great progress in improving the ways it delivers health care. We have developed medical regions that associate our hospitals in such a way as to give all regions access to the best and most sophisticated treatment.

We have expanded our working arrangements with medical schools so that we benefit from their expertise and their excellent personnel.

And we have increased, improved and upgraded the importance of outpatient treatment so that veterans are not inconvenienced by hospitalization when it can be avoided.

The opening of a clinic in this most important population center is a natural development of these and other improvements and is consistent with the VA desire for not only good treatment and to provide it in the proper places and with the least difficulty or disruption to those receiving it.

We are glad to be in El Paso. We are grateful for the use of this location while we plan for a permanent site. We are proud of our affiliation with the great Texas Tech University Medical School . . . and gratified at the cooperation being developed with other medical and health institutions and personnel throughout the clinic's area of service.

This will be a clinic of considerable size and capability . . . a facility that will serve a great many patients in a great many ways.

It is predicted that by next fiscal year there will be 68 full-time people on the clinic staff . . . although the number will not be that large in the immediate future.

It is also predicted that there will be more than 14,000 medical visits to the clinic during Fiscal Year 1975 . . . and that another 2,500 visits to private doctors will be administered by the clinic.

These will rise to 24,000 clinic visits and 8,400 visits to private physicians during the 1976 Fiscal Year . . . by which time there will be some 80 persons on the staff.

Also in 1976, there will be some 3,600 dental examinations, 400 dental treatment visits and 1,000 visits to private dentists.

Next year's expenditures will be some $1.2 million. This will grow to more than $1.8 million in 1976.

All these figures are just estimates, of course. VA is ready to spend . . . to hire . . . and to treat . . . in whatever amounts are necessary to provide the attention and care needed.

One service that will be greatly facilitated by this clinic is the providing of prescription drugs for veterans in the area. Many prescriptions now filled at Lubbock will be filled here . . . and long mail delays will be avoided.

We are proud of the fact that this will be a training as well as a treating clinic . . . and, as I said earlier, proud of the medical school affiliation under which this training will be administered and conducted.

VA provides training for a large percentage of the nation's health and medical personnel . . . and training and teaching possibilities and opportunities are always stressed in planning new facilities.

We are thus able to serve needs of the general public indirectly while giving direct service to veterans.

Of equal or greater importance, the treatment is better when training is included because VA staffing must be stronger . . . and because we get the benefit of staffing from some of the country's leading medical schools.

I am confident that this will be the case here. The activities of a dean's committee and supervisory functions provided by Texas Tech will give this clinic an uncommon potential for skilled service.

VA now has 212 outpatient clinics open or planned. Next year we expect some 15 million visits to these clinics, an increase of eight million in just six years.

Emphasis on outpatient treatment has complemented the growth of VA facilities for inpatient treatment . . . a situation that provides a balanced care program unequalled in VA history and unapproached by any other health care system in the nation.

I think it is appropriate that our veterans have the best system . . . although all Americans deserve the best medical care possible.

The obligation we have to those who were in uniform is unique and overriding. It is an obligation that has been recognized by the American people and those who represent them in the government. And it is an obligation that will be with us for a long time to come.

The number of Vietnam Era veterans has just passed the 7 million mark. It might be noted that this is some two and a half million more veterans than served in World War I . . . the Great War, as it was called.

The vast majority of these young men and women ask nothing from their government except some readjustment help and the opportunity to make a living and lead their own lives.

But their service entitles them to help here and at other VA medical facilities. So does the service of their comrades of four other wars.

Thus . . . we illustrate the magnitude of the VA medical mission . . . a mission that has as potential patients nearly 30 million veterans.

The size . . . and the recent growth . . . of this mission is nothing new to most of you. Many of you have been leaders in helping VA grow to meet its obligations . . . and to change and improve when change and improvement are called for.

I salute you for this whether you were acting within government as representatives of the people . . . as members of veterans groups . . . or in some other capacity.

I think it is appropriate that I . . . as an official of VA . . . state to you that we will always do our best to live up to our obligations to veterans which you recognize and work to help us meet.

To all who have had a special role in the development of the El Paso Clinic, I offer my hearty congratulations on what you have accomplished. We hope you will continue to be interested and that you will help us do the job that is here to be done.

To Mr. Orr and members of the clinic staff, I offer the best wishes of your colleagues in VA Central Office. We will help you. We will support you . . . and we know you will do well.

To the veterans for whom this clinic is put into operation, I bid you welcome to it . . . and I wish you comfort and improved health.

To all of you here . . . I thank you for your interest and for your hospitality.

OUTLOOK 76—NEW HORIZONS FOR MARION

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. BROWN of Ohio. Mr. Speaker, while many communities, individuals, and institutions of America are pretending that the problems of the present will vanish only if ignored and that the future is to be feared, the community of Marion, Ohio, a city which I am proud to represent, will soon inaugurate a bicentennial project which recognizes the nobility of Marion's and our Nation's heritage, ceases the challenges of the present and shouts a resounding yes to our Nation's future.

Only July 4, 1974, the mayor of Marion will officially proclaim the beautification and redevelopment of downtown Marion as that city's project in honor of our Nation's Bicentennial. The mayor's proclamation is an outgrowth of months of dedicated efforts on the part of Marion citizens in industry, business, communications, civic organizations and government. The name and theme for the project which is expected to run even beyond 1976, is called Outlook 76—New Horizons For Marion.

Our Nation was made great by men and women who dared to dream of better communities and a better America. The people of Marion can be proud that they continue these dreams and are taking positive steps to turn their dreams into realities for future generations.

REVENUE SHARING

HON. RICHARDSON PREYER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. PREYER. Mr. Speaker, in view of some of the criticism about the manner in which cities have used revenue sharing, I think my colleagues would be interested in the report on how one city of over 150,000 people has handled very effectively the revenue sharing funds. This city is Greensboro, N.C., which is my hometown and the affairs of the city have been ably handled by Mayor James E. Melvin.

Before becoming mayor of Greensboro in May of 1971, Jim Melvin served as mayor pro tempore for a period of 2 years and he also has the distinction of serving as president of the Greensboro Jaycees at a time when it was selected twice in a row as the world's best Jaycee club.

Jim has done an outstanding job for the city of Greensboro in his several capacities and I believe his report conveys the value of revenue sharing and is excellent support for the continuation of this program. Mayor Melvin's report follows:

GREENSBORO, N.C.,
June 10, 1974.

Hon. RICHARDSON PREYER,
U.S. Congressman,
Federal Building, Greensboro, N.C.

DEAR RICH: It has been brought to my attention that there is concern among several Congressional members about the effectiveness and success of the General Revenue Sharing Program. It may be that misinformation has led to unwarranted criticism of the program. Therefore, I would like to present to you the facts concerning Greensboro's approach to General Revenue Sharing.

Citizen participation in decisions for the budgeting of these funds has been at a very high level in Greensboro. Approximately 200 individuals appeared at our first public hearing before the Planning Board in early 1973 to consider and discuss the expenditure of revenue sharing funds. Subsequent to the Board meeting, the City Council also held one public hearing and two other regular Council meetings at which the budgeting of these funds was discussed. General Revenue Sharing funds have been folded into our regular Capital Improvements Program and Annual Budget process. At least two public hearings are held on each of these budgets by the Planning Board and/or City Council.

Greensboro has made General Revenue Sharing Funds a part of its regular budgeting process. This is for the express purpose of budgeting such funds in line with the City's regularly planned program for community development and related activities. These funds have not been expended on frivolous or unnecessary activities but have been utilized to accelerate needed projects in our regular ten year Capital Improvements Program and to support various complimentary activities, as necessary, through the Annual Budget. The attachment presents a summary of expenditures for the first four entitlements. As you can see, the City has been fairly successful at equitably distributing these funds among the areas for which it can legally expend such funds.

General Revenue Sharing funds have served all segments of Greensboro's population and many expenditures have been for innovative programs. For example, the Warnersville and Peeler swimming pools and Yanceyville Recreation Center serve areas of low income and racial minorities concentration. Several of the parkland acquisitions and renovations are in areas with similar characteristics. In a very positive way, these funds have helped to upgrade the quality of life for many of Greensboro's disadvantaged. A list of innovative programs would include the new police district concept which has improved efficiency of operation and response time, a roving recreation leader who can assist citizens in successful recreation and leisure time pursuits, a community relations training program and Crime and Loss Division within the Police Department, continuation of the branch library system through opening of two new branches, a bicycle and walking trail, and improvements at the Coliseum to accommodate the special needs of handicapped individuals.

As you will note, the most money (about 25%) has been expended for parks. This has involved the acquisition of substantial acreage of land which will add to the open space already owned by the City and means that open space that might otherwise be developed before the City could afford to acquire it, will be permanently preserved.

These are just examples of the ways in which the City of Greensboro has, through the use of General Revenue Sharing funds, developed innovative programs and accelerated previously planned programs to serve all socio-economic segments of its population. Our proposed FY 1975 Budget, in addition to continuing funding for some of the above programs, includes expenditures in support of the local Youth Services Bureau, a housing rehabilitation program, and a multipurpose band shell at a City park to accommodate a full range of cultural and recreational activities. Again, these represent the City's concern in all areas of community life and illustrate that we are not holding to the "status quo" but rather are utilizing such funds for the purpose of stimulating innovation and change in local government's approach to meeting the needs of its citizens.

Any influx of new revenue sources will have an impact on the property tax rate in a community. Because of several local factors, Greensboro experienced a slight reduction in its tax rate during the first year that General Revenue Sharing was included in the City Budget. The proposed FY 1975 Budget calls for a stabilized effective tax rate. Any reduction in, or loss of, General Revenue Sharing funds would certainly affect our present stable situation. Its withdrawal would seriously affect our program of needed community services and cause, at least temporarily, an unstable property tax rate picture in Greensboro.

Although there has been a normal amount of bureaucratic red tape associated with this program, it has not, in our opinion, been excessive nor more than is needed effectively to evaluate the program. It is our hope that the level of reporting and accounting for expenditures of these funds will remain the same throughout the duration of the program.

I have tried very briefly to convey to you the importance of the General Revenue Sharing Program to the City of Greensboro. I have also given you some factual information concerning the way in which the program has been applied to innovative efforts and in a conscious program to meet the needs of *all* Greensboro citizens. The Planning Board and City Council, through increased citizen involvement, desire to expand this effort each succeeding year. We request your continued support of the General Revenue Sharing Program and encourage you to carry this position into the 1974 Congressional campaign.

Sincerely,

JIM MELVIN,
Mayor.

MANAGING THE BUDGET ON CAPITOL HILL

HON. ROBERT P. HANRAHAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. HANRAHAN. Mr. Speaker, I have always felt government spending should be held to a minimum. Budget reform has been urgently needed for quite some time. The editorial from the Washington Post gives a favorable view of the congressional budget control legislation. I think this will be of interest to my colleagues.

The article follows:

MANAGING THE BUDGET ON CAPITOL HILL

The congressional budget control legislation now on the verge of enactment is a remarkable accomplishment. The aim—recapturing effective legislative power over the federal purse—is easy to state and endorse. But working out the mechanisms and accommodating all of the congressional committees, interests and personalities involved is something else. So there is reason for the self-congratulations now being heard on Capitol Hill. President Nixon also deserves substantial credit, though of a backhanded sort, for without his vetoes of appropriations bills and his imperious impoundment policies, the Congress might never have been spurred to make such vast and systematic changes in the way its fiscal work is done.

Under this ambitious reform, new House and Senate budget committees will be created to review each year's budget proposals as a whole and to recommend overall levels of spending, revenues and public debt, and the amount of budgetary surplus or deficit which seems appropriate. Congress would be required to adopt these tentative targets by May 15, before taking up any individual appropriations bills. In September, after all money bills had been passed, Congress would review its budgetary goals, make adjustments reflecting economic changes since the spring, and bring outlays into accord, if necesasry, through a final reconciliation bill before the start of each new fiscal year Oct. 1.

This system demands a great deal of congressional self-discipline. The timetables are tight. Appropriations panels will be subject to some new constraints. Authorizing committees, too, will be called on to work more expeditiously and to propose their spending programs farther in advance. Nor will the legislative panels keep their current option of avoiding appropriations fights by resorting to backdoor spending, such as contract authority, or by providing automatic entitlements for benefits. All such devices are to undergo appropriations review. Finally, dallying will be discouraged. If the reforms really take hold, there should be no more of those tedious Christmas Eve snarls over foreign aid or education assistance for the fiscal year already under way.

The new system should bring substantial changes in legislative-executive relationships. For one thing, the reform act would deny Presidents the broad impoundment power which President Nixon has claimed. Under the act, the Congress would have final say on whether appropriated funds could be withheld. Either house of Congress could override an executive decision to defer spending for a particular program, while programs could be terminated or overall spending levels reduced only with the consent of both the House and the Senate. Thus the chief executive would have far less leeway to ignore the legislative will—but he should also have less reason or excuse for doing so, as Congress becomes more capable of making tough budget choices itself.

In economic terms, the impact of budget reform should not be overstated. The new procedures could produce either expansionary or restrictive congressional policies—and Congress could carry out all of the prescribed studies and reviews, on time, and come up with a carefully crafted budget which turned out to be very wrong. The new act won't prevent mistakes. But it ought to reduce the likelihood of inflation by inattention, and should curb the confusion and delays which have been so damaging to the economy, to the image of Congress, and to the agencies and individuals dependent on the timely, orderly flow of federal funds.

BUDGET REFORM IS THE KEY TO CONTROLLING GOVERNMENT SPENDING

HON. H. JOHN HEINZ III

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. HEINZ. Mr. Speaker, as most of us are painfully aware, inflation is one of the major problems now facing this country. Since 1968, this Nation's cost of living has increased by 25 percent, an alarming inflationary rate caused chiefly by excessive and reckless Government spending. Over the past 40 years, the Federal budget has grown from less than $5 billion to more than $268 billion—a growing burden which American taxpayers find increasingly difficult to bear. And those of us in Congress have found that our power over the pursestrings has been steadily eroding, and that we have become over-dependent upon the budget recommendations of the executive branch. If an individual, family, or businessman permitted this kind of disorder in his or her financial affairs, they would go bankrupt very quickly. When a Nation permits this kind of disorder, it has rampant inflation.

For this reason, both Houses of Congress are considering major budget reform legislation to establish a new procedure for handling the overblown Federal budget. This legislation, recently reported out by a House-Senate conference committee and approved overwhelmingly by the House membership, would reassert congressional power of the purse, and will hopefully prevent irresponsible and unnecessary Government spending.

Fiscal responsibility of this type is overdue and absolutely necessary. To permit the current inflationary spiral to continue will give us the economy of a Banana Republic.

Because so many constituents have expressed concern on these matters, I am today inserting in the Record part 1 of an excellent and timely review from the National Journal analyzing this badly needed legislation. Part 1 of this article follows:

CONGRESS REPORT/BUDGET REFORM LEGISLATION CALLS FOR MAJOR PROCEDURAL CHANGE

(By Joel Havemann)

After 200 years of spending taxpayers' money by bits and pieces. Congress is about to approve new procedures that just might turn its annual wrestling match with the budget into a logical, coherent process.

By overwhelming majorities, the House and the Senate have passed bills to reform the congressional budget making role. A conference committee of House and Senate Members soon will resolve the differences between the two bills.

The budget reform legislation, according to Sen. Charles H. Percy, R-Ill., one of its chief sponsors, "represents one of these historic turning points in the evolution of our institution, a reversal of the accelerating erosion of the congressional power of the purse, a reassertion of our correct role in the American plan of government."

But the legislation alone, with its elaborate budget making procedures, will not revolutionize Congress. The 535 Members of the legislative branch are going to have to apply the hard work and discipline that will be necessary to make the new procedures work.

MAKING THE BUDGET

The budget reform legislation is the product of 18 months of work by one joint committee, one House committee, two Senate Committees and one Senate subcommittee. Despite the legislation's tortuous route through Congress, the Senate and House passed remarkably similar bills (S 1541 and HR 7130).

New procedures

No matter how the conference committee resolves the remaining differences between the two bills, a number of things are sure to happen:

Budget committees will be established in the House and Senate, with responsibility for coordinating congressional spending and revenue policy.

A new congressional staff organization of as many as 100 persons will provide Congress with something of the budgetary expertise that the Office of Management and Budget (OMB) provides to the executive branch.

The 1976 fiscal year will be 15 months long, and fiscal 1977 will begin on Oct. 1, 1976.

Beginning in 1976, Congress in the spring will set spending targets for all broad areas of federal activity for the coming fiscal year. It also will estimate revenue and choose an appropriate surplus or deficit.

In the fall, if individual spending bills exceed their targets, Congress will cut back on spending plans, raise taxes or increase the budget deficit.

Backdoor spending will be curtailed and the Appropriations Committees will have broader jurisdiction.

The President's freedom to impound funds appropriated by Congress will be limited.

Coherence

The new procedures—if the Members make them work—will enable Congress for the first time to take coherent action on the federal budget.

"The fact of the matter is that there is no congressional budget process, only an agglomeration of separate actions and decisions for the House Rules Committee in reporting its budget reform bill.

Every year Congress passes at least 13 appropriations bills. It passes a number of "backdoor" spending bills which mandate spending without any action in appropriations bills. It passes a number of revenue measures. And pays little attention to the relationships among all these actions.

"Congress never decides how much total expenditures should be, nor does it go on record as to whether the budget should have a surplus or deficit," said Sen. Sam J. Ervin Jr., D.-N.C. "The total seems to just happen, without anyone being responsible for it, or knowing with much confidence what it will be."

Percy said Congress, lacking procedures of its own, has become too dependent on the annual budget message of the President, which he said "hits Congress each year like a tidal wave."

"Congress has seen its conrol over the federal purse strings ebb away over the past 50 years because of its inability to get a grip on the overall budget, while the Office of Management and Budget in the executive branch has increased its power and influence," said Sen. Edmund S. Muskie, D-Maine.

Spending controls

At the beginning of its 18-month evolution, the budget reform bill would have placed tight clamps on federal spending.

The Joint Study Committee on Budget Control, established in October 1972, drafted the first budget reform bill. It would have required new budget committees to set rigid spending ceilings four or five months before the beginning of each fiscal year. The budget committees would have been dominated by current members of appropriations and taxing committees, who tend to favor tight federal spending.

Congressional advocates of federal spending programs—especially the chairmen of the legislative committees—rallied against the restrictions proposed by the joint study committee. In both chambers they succeeded in modifying the bill so that Congress may continue to expand its spending plans up to and beyond the beginning of each fiscal year. Congress still begins planning the budget months in advance, but instead of ceilings it sets spending targets that it may decide later to breach.

Muskie said in an interview that social programs will not suffer under the new procedures—so long as their sponsors understand how the new procedures work. "All of us are going to have to be piped in to this process," he said.

Despite the dilution of the joint study committee's recommendations, proponents of tight spending hope the new procedures will make it more difficult for Members of Congress to let spending run away from them.

Rep. James L. Whitten, D-Miss., a co-chairman of the joint study committee, said Congress will look foolish in the fall if it exceeds by great sums the spending targets it set for itself in the spring. "If we're irresponsible," he said, "everybody's going to know it."

Others worry that Members will be afraid to vote in the fall to cut programs already approved by Congress. Sen. William V. Roth, Jr., R-Del., said Members will worry about making enemies of the beneficiaries of the programs they are asked to cut. Roth told the Senate that the spring vote on spending targets will "only be a token gesture for economy."

Sen. Harry F. Byrd, Jr., Ind.-Va., proposed two amendments on the Senate floor to require a balanced budget. His effort to require Congress to raise enough revenue to cover all spending failed 35–52, and his amendment requiring the President to submit a balanced budget to Congress was defeated 29–57.

Broad support

The budget reform bill is remarkable for the broad support it has gained within Congress. Few Members have been willing to go on record against the principle of responsible budget making.

The 32-member joint study committee was unanimous in its recommendations to Congress. After four more unanimous votes in congressional committees, budget reform was approved in the House by 386–23, and in the Senate by 80–0.

Most of the slight opposition in the House came from Democrats. Rep. Robert F. Drinan, D-Mass., said the bill will place too many spending programs under the control of the Appropriations Committee. "I am opposed to the Appropriations Committee's having the ultimate say as to how the House will spend the money which it authorizes," Drinan said.

Rep. Michael J. Harrington, D-Mass., said the procedures laid out in the budget reform bill are too complicated to work. "We cannot hope to impose an arbitrary formula upon a very complex system and expect it to work, for it will not," Harrington said.

The unanimous vote in the Senate was largely the work of Sen. Robert C. Byrd, D-W. Va., who undertook to rewrite the bill in the Rules and Administration Committee after the Government Operations Committee reported a bill with a tight over-all spending ceiling. Byrd, chairman of the Subcommittee on the Standing Rules of the Senate, assigned the job of drafting a consensus bill to a group of 45 Senate Staff aides representing all interested Senators and committees.

Everyone participated fully except the staff of Sen. John L. McClellan, D-Ark., chairman of the Senate Appropriations Committee. Gary B. Sellers, a committee staff member, attended most meetings, but he primarily answered questions and made few suggestions about what should go into the bill.

On the Senate floor, only McClellan expressed reservations about the new budget making procedures in the final bill. He said he was voting for the bill reluctantly because he felt the procedures were too cumbersome and confusing.

"I am convinced that this bill in its present form will fall far short of the goals it professes to achieve," he said. "Possibly the greatest virtue of this particular legislation is that it may serve as a vehicle for trial and error."

A year earlier, McClellan had been a member of the joint study committee that unanimously recommended much more complicated budget making procedures. Despite the great changes that Congress made in those recommendations, the committee's co-chairmen, Whitten and Rep. Al Ullman, D-Ore., support budget reform legislation in its current form.

"I think we have a tough bill. I think we have a good bill," Ullman said in an interview. "We still have procedures to face up to annual budgeting. Before the beginning of the fiscal year we still lock in on spending levels."

Conference committee

Among the key Senators on the conference committee for the budget reform bill are Ervin, Byrd, Muskie and Percy. The key House Members are Rep. Richard Bolling of Missouri, the third-ranking Democrat on the House Rules Committee, and Rep. Dave Martin, R-Neb., the committee's ranking Republican.

The committee has met only once, on April 9. A subsequent meeting was postponed because Bolling was preoccupied with his effort to reform House committee structure.

(The House Democratic Caucus delayed Bolling's committee reform plan on May 9 by referring it to one of its own subcommittees.)

Meanwhile, Senate and House staff members have been trying to resolve all but the most controversial issues before the conferees. They hope to have a nearly complete bill to submit for the conference committee's consideration the next time the conferees meet.

The key Senate aides are Alvin From, staff director of the Government Operations Subcommittee on Intergovernmental Relations, representing Muskie; William P. Goodwin, staff member of the Government Operations Committee, representing Ervin; Herbert N. Jasper, research director of the Labor and Public Welfare Committee; and J. Robert Vastine Jr., minority counsel to the Government Operations Committee, representing Percy.

From the House side are Milton B. Meredith, staff member of the Appropriations Committee; Eugene B. Wilhelm, former staff director of the joint study committee; and John E. Barriere, executive director of the House Democratic Steering and Policy Committee.

Allen Schick, senior specialist with the Congressional Research Service, also has been very active.

LOBBYING

The budget reform bill is an effort at internal reform, and it has attracted little interest from lobby groups outside Congress.

"The bill affects us all, but it's awfully complicated, and it's not the sexiest issue that's come along," said Richard D. Warden, assistant legislative director of the United Auto Workers (UAW) and perhaps their most active lobbyist on the bill.

The UAW, along with other groups, such as the Americans for Democratic Action and the Coalition on Human Needs and Budget Priorities, was concerned about the tight budget ceiling of the early drafts of the bill.

"We felt the imposition of any kind of early ceilings on the appropriation subcommittees would not be in the interests of funding social programs," Warden said.

President Nixon has expressed his support for the principle of congressional budget reform, but the White House has not lobbied for the bill.

BUDGET COMMITTEES

The establishment of budget committees in the House and Senate, with responsibility for overseeing the budget making process, has been central to plans for congressional budget reform from the beginning.

The joint budget committee recommended a 21-member House committee and a 15-member Senate committee, with one-third of the members of each committee drawn from each chamber's Appropriations Committee, one-third from the House Ways and Means Committee or the Senate Finance Committee, and one-third from the legislative committees.

That recommendation ran into immediate trouble from the legislative committees, and the bills approved by the House and Senate changed it considerably.

THE WALL STREET JOURNAL'S TAXPAYER SUBSIDY

HON. H. R. GROSS

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. GROSS. Mr. Speaker, in its news story yesterday reporting on House passage of S. 411, the Wall Street Journal was more than a little exercised about my statement on the House floor that the Journal's taxpayer subsidy would increase from its present $23.3 million to $38.7 under the bill.

Dow Jones' Vice President John J. McCarthy accused me of being "badly misinformed" and said my figures "are the product of accounting legerdemain." Mr. McCarthy was then quoted as contending that the Journal "pays well over 184 percent of the cost of handling its mail."

I had not intended to pursue this matter much further, but Mr. McCarthy's accusations now afford me the opportunity to present a more detailed record of the large subsidies and most favored treatment enjoyed by this publication.

I include at this point in the RECORD a table showing the specific taxpayer subsidies, for each appropriate fiscal year, now enjoyed by the Wall Street Journal and the additional yearly subsidies it will receive under S. 411. The table shows amounts under the current permanent rates which are pending before the Rate Commission and which are in effect on a temporary basis.

The table was prepared from data that was submitted by Dow Jones Co., Inc., to the Postal Rate Commission in PRC Docket R 74-1.

Now, I would emphasize that these amounts of subsidy represent postage that the Wall Street Journal should be paying but which the taxpayers are instead paying because the Wall Street Journal has been given 5 years under existing law, and 8 years under S. 411, to start paying the postage rates that have been set for this class of mail:

WALL STREET JOURNAL

ESTIMATED APPROPRIATIONS—CURRENT AND PROPOSED (S. 411) PHASED RATES[1]

[In thousands of dollars]

Fiscal year	Phasing year	Current authorization (Public Law 91–375)			Additional appropriations (S 411)[2]			Total proposed appropriations		
		Current rates[3]	Proposed rates[4]	Total	Current rates[3]	Proposed rates[4]	Total	Current rates[3]	Proposed rates[4]	Total
1973	1	6,612		6,612				6,612		6,612
1974	2	5,033	1,299	6,332				5,033	1,299	6,332
1975	3	3,203	3,524	6,727	890	859	1,749	4,093	4,383	8,476
1976	4	1,623	2,079	3,702	1,791	1,446	3,237	3,414	3,525	6,939
1977	5				2,475	2,614	5,089	2,475	2,614	5,089
1978	6				1,606	1,814	3,420	1,606	1,814	3,420
1979	7				940	904	1,844	940	904	1,844
Total	16,741	6,902	23,373	7,702	7,637	15,339	24,173	14,539	14,539	38,712

[1] Estimates based on calendar year 1973 data supplied by Dow Jones & Co., Inc. in PRC docket R74-1. Does not include any estimates of volume changes.

[2] Assumes 8-year phasing in lieu of 5-year phasing of rate increases.

[3] Current rates column indicates amounts attributable to current permanent rates. Fiscal year 1972 amounts (temporary rates) are not included.

[4] Proposed rates column indicates amounts associated with USPS rate proposals in PRC docket R74-1.

As to Mr. McCarthy's contention that the Journal pays over 184 percent of its postal costs, the facts simply do not support him. First of all, he enjoys relatively low postage rates to begin with. This is because second class has always enjoyed relatively low postage rates. The Postal Rate Commission in its last rate decision actually reduced the rate request submitted by the Postal Service. It pointed out that:

> The recommended rates preserved the favored status that second-class mail has historically enjoyed . . . and the rates recommended for second-class mail are on the lower side of the range of reasonableness . . . and will not impose undue hardship on second-class mailers.

Also, as Mr. McCarthy must know, these rates are also kept low in recognition of the fact that the mailer does perform certain postal functions, such as presorting, that are not legally required of first-class mailers, even though most of the large mailers do so voluntarily.

It should also be pointed out that under the present permanent postal rate structure, second-class mail does not even pay the costs that are directly attributable to that class of mail. It currently only pays 93 percent of its direct costs and obviously makes no contribution at all to overhead or institutional costs. In contrast, first class not only pays all of its direct costs but makes more than a 100-percent contribution to overhead costs. Paying a second-class postage rate simply does not produce, under any accounting system, a 184-percent cost coverage.

The Wall Street Journal, like most news-value publications, receives so-called red-tag treatment from the postal services which generally assures overnight delivery. In essence, it gets first class—or better—treatment at second-class subsidized rates. Under rates now in effect, the Wall Street Journal pays slightly over 3½ cents to send an 8-ounce copy containing 50-percent advertising from New York and Washington. If first-class postage were paid, it would cost the Journal 80 cents. And when you compare the 3½ cents paid by the Journal to the 12-cents-per-minute cost of the worktime of a letter carrier, it becomes even more difficult to follow Mr. McCarthy's reasoning that the Journal pays 184 percent of its postal costs.

Mr. Speaker, I did not mean to belabor this point, but I do feel the record should be made abundantly clear. The big beneficiaries of S. 411 are the big, profitable publishers, and the taxpayers are, as usual, left holding the bag.

FED FOLLIES

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. RARICK. Mr. Speaker, the average American who is aware that something is wrong with our fiscal responsibilities may find some answers to the misuse of his Nation's credit in the morning paper. We learn that the Federal Reserve Bank has now bailed out the Franklin National Bank of New York City to the tune of $1 billion and the financial establishment of Italy to the tune of $3 billion.

The New York City bailout is said to be necessary because of embezzlement and loss in foreign exchange trade, while the Italian shoring up is to help subsidize the Socialist power structure in that country.

The time is coming when the people of America are going to require a code of ethics for bankers as well as a public disclosure of their outside investments and activities. The time has passed when the Fed can rationalize these bailouts in order to save the investors from the political and criminal acts of irresponsible members of the banking community. In fact, it would seem that the banking community itself would start demanding some restraints on the Fed in order to protect their responsibility to their customers.

I ask that related newsclippings follow:

[From the Washington Post, June 21, 1974]

FRANKLIN BANK LISTS HUGE LOSSES

(By Jack Egan)

NEW YORK, June 20.— Franklin National Bank, the nation's 20th largest, revealed today it lost more than $60 million in the first five months of the year, primarily due to unauthorized foreign exchange trading. Its chairman resigned as a result.

The losses were the largest since the bank failures of the 1930s, but Franklin reiterated statements by the comptroller of the currency that it remains solvent.

Franklin's chairman and chief executive officer, Harold V. Gleason, resigned after release of the new statement of the bank's financial condition. Although most of the losses took place without his knowledge, Gleason said, "The buck stops at the top."

Gleason will be replaced by Joseph W. Barr, who was head of American Security & Trust Co., Washington's second largest bank, until he was recently forced out in a power struggle. Gleason will remain as a vice chairman and director of Franklin.

In another development, a former Franklin employee and a stockbroker pleaded guilty Wednesday in New York to embezzling nearly $1 million from the bank from July, 1973, to February 1974.

According to the indictment, which was filed in March, the two illegally invested more than $2 million in bank funds in the stock market but ended up losing $983,000. A bank spokesman said the embezzlement would be covered in large part by Franklin's blanket fraud insurance.

A series of both unauthorized and authorized speculations involving funds of Franklin have come to light in recent weeks.

Resulting losses, especially in foreign exchange, jeopardized the bank, and only a timely injection of an estimated $1 billion from the Federal Reserve Board has allowed Franklin to continue to meet its obligations.

According to today's lengthy financial restatement, Franklin lost $40.4 million in the first quarter of 1974, or $8.75 per share of common stock. Of this, $26.7 million was attributed to the unauthorized trading in the bank's foreign exchange department.

The bank originally had reported earnings of $526,000 before preferred dividends during this period and $79,000 after dividends.

Since March 31, the bank says it has suffered an additional $19.1 million loss in foreign exchange—though this might be eased if currency markets change before some contracts are liquidated. There were an additional $4.1 million in losses from other operations in April and May.

Franklin said some transactions were falsified. One foreign exchange trader, Donald Emrich, has been fired and is under investigation by the FBI, comptroller of the currency and the Securities and Exchange Commission to see whether deliberate fraud was involved. The head foreign exchange trader and the executive vice chairman for this area of Franklin's operations have resigned.

Foreign exchange transactions are basically speculations on whether a currency will decline or appreciate in value. Hundreds of millions of dollars can be placed on a currency in hopes that a move of as little as a fraction of a cent will yield substantial profits.

In 1973 Franklin earned $7.75 million in the foreign exchange area, or about 60 per cent of the bank's total profits for the year. This was up from $348,000 earned in the previous year.

Franklin had been relatively inactive in foreign exchange until the advent of Michele Sindona, the mysterious Italian financier who purchased about 21 per cent of Franklin's stock in 1972 through his personal holding company, Fasco International, and proceeded to build up both Franklin's foreign business and its foreign exchange operations.

Sindona placed on the board of Franklin New York Corp. holding company for the bank, a man named Carlo Bordoni, who is an internationally known foreign exchange trader.

There has been widespread conjecture that heavy emphasis was placed on foreign exchange this year to compensate for problems the bank was having with its loan portfolio and government securities investments.

"The foreign exchange area was carrying the bank on its shoulders," according to one source.

It was learned earlier this week that one mayor New York City bank threatened to discontinue doing business with Franklin unless it moderated its foreign exchange activities.

Franklin in its statement noted that it has insurance coverage of $14.9 million per fraudulent event and that the insurance companies might consider that more than one single incident was involved.

"However since the ultimate outcome cannot be predicted, we have taken the most conservative position and are reporting all of these losses now in their totality without regard to any amounts we may later recover from our insurers," Gleason said in the statement.

Franklin had originally projected its foreign exchange losses would come to $39 million at the outside. The actual $45.8 million total was due to "additional unrecorded contracts" as well as normal foreign exchange operations after the May 12 announcement that unauthorized trading had taken place.

Part of the first-quarter loss reflects a $5.6 million restatement of the value of Franklin holdings in U.S. Treasury and other government securities. Accounting devices allow banks to freeze the value of securities at their value when placed in a portfolio, even though they may subsequently decline in price.

Franklin is known to have purchased about $200 million in these government securities during the first part of the year in anticipation that interest rates would turn down and they would appreciate in value. When interest rates turned up instead, these securities were presumably switched into the long-term investment portfolio to hide the decline in price of the securities.

Today's restatement seems to indicate that Franklin played loosely with the accounting rule during the first quarter to prevent its income statement from sinking into the red. This is presently under investigation by the comptroller and the SEC.

Affecting Franklin's earnings in a positive way is the still undisclosed amount of money the Fed—with collateral—has lent to Franklin to counteract deposit outflows. Franklin reported that because of the lower cost of money borrowed from the Fed, compared with what it would normally borrow in the money markets, it benefited by $1.7 million in May, basically a taxpayer subsidy to the bank.

Franklin for the first time revealed that it has suffered a deposit outflow of $806 million, as of June 12, since news of its financial woes were first revealed in May, when the bank said it would pay no dividend for the first quarter.

Besides the Fed loans, the statement explains an arrangement with large New York City banks to provide up to $200 million in overnight loans to help Franklin meet its immediate cash needs, with the possibility of another $50 million coming from other banks.

"The effect of this arrangement would be to substitute borrowing from the participating banks for a portion of the present borrowings by Franklin from the Federal Reserve Bank of New York," Gleason said. The money would be more expensive to borrow at present rates than what is available from the Fed.

While Franklin, as a bank, may be out of the trouble because of the Federal Reserve Board umbrella, the parent holding company could potentially default on $65 million in debts it has outstanding because it is no longer receiving any dividends from its Franklin Bank stock, virtually the only income it has. This would put the holding company, but not the bank, in bankruptcy.

However, sources indicated it was likely that Manufacturers Hanover and Trust, with a $30 million note outstanding, and another creditor with $35 million due in 1979 would attempt to foreclose and thus compound Franklin's troubles.

The holding company has taken preliminary action to raise $50 million through two stock offerings in the next 15 months to ease its liquidity position. Sindona, already the major shareholder, has agreed to buy all shares that are not bought by the public.

The revised financial statement is being distributed to all shareholders, and the SEC, which supervised its drafting to insure maximum disclosure of Franklin's current financial situation, once again extended a ban on trading of the bank's stock for another 10 days until July 3 to allow the report to be digested.

[From the Washington Post, June 21, 1974]

ITALY TO SEEK $3 BILLION IN LOANS

(By Bernard D. Nossiter)

ROME, June 20.—Armed with plans for tough new taxes, Italy's crisis-ridden government will now seek $3 billion in foreign loans to help erase the red ink in its balance of payments, Budget Minister Antonio Giolitti said today.

Giolitti said in an interivew that he is counting on the United States for the lion's share of the new credits with the rest coming from Italy's Common Market partners.

The $3 billion figure, Giolitti said, is "an achievable objective." Preliminary talks to obtain the credits have already begun.

Under an agreement reached in Washington earlier this month, Italy is now free to back its debts with the full market value of its gold reserves. This gives Rome collateral worth $12 billion compared to the $2.8 billion at which Italy's gold is worth at the official price.

Giolitti said that Italy is looking to Washington for the bulk of its aid in the belief that the largest share of the huge earnings of oil-exporting nations is flowing to banks in New York. Thus, the United States should be in the best position to recycle the funds spent by Italy and other oil-importing nations.

Among their Common Market partners, the Italians expect West Germany to pick up the largest portion of the remaining emergency help.

The government here hopes that its new agreement on domestic taxes will impress lenders that Rome is tackling its grave economic problems in a forceful and purposeful fashion. Ten days ago, Prime Minister Mariano Rumor handed in his resignation because the coalition partners in his center-left government could not agree on how to deal with the crisis.

But Rumor and his Christian Democrats were persuaded to go back to the drawing board and make another try with their Socialist and Social Democratic partners in the government.

Last night, they succeeded in reaching an accord. On paper at least, it imposes a wide array of stiff tax increases that will hit every Italian consumer.

According to Giolitti, the new levies will soak up about $4.5 billion. This is the equivalent of a $45 billion tax increase in the United States.

The new Italian tax burden falls on nearly every family. One-third of the total will be raised through higher electricity rates and another one-quarter from the value added tax, a sales tax on consumer goods.

While this program cannot be described as progressive, Giolitti said the coalition's main goal was to design a package that would depress demand swiftly and effectively.

A big question mark is whether the coalition can get its package through Parliament without confronting union demands for offsetting relief through inflationary welfare measures.

The severity of the program reflects the gravity of the Italian economic situation. The $3 billion in new loans will cover little more than half the deficit that Italy expects in its foreign accounts this year. A wild domestic inflation, the quadrupled price of imported oil and sharp increases in the prices of the other raw materials that Italy buys had threatened to saddle the country with an $8.5 billion deficit in foreign payments this year.

Italy can now draw on $1.2 billion from the International Monetary Fund, a $3 billion currency swap arrangement with the U.S. Federal Reserve system and $750 million from other banks. If Rome succeeds in gaining the $3 billion in fresh loans, the total would cover the expected deficit.

Some Italian authorities outside the government are hoping that Washington and Bonn will not provide the emergency help until the government here translates its plans into action. Huge deficits have been piled up in the budgets of government agencies, and consumer prices are increasing at more than 20 per cent a year. The government argues that its tax proposals are evidence of a new discipline that entitles Italy to assistance.

CONGRESSMAN GARNER SHRIVER ANNOUNCES FINAL TABULATIONS IN 1974 KANSAS FOURTH DISTRICT OPINION POLL

HON. GARNER E. SHRIVER

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. SHRIVER. Mr. Speaker, final tabulations now have been completed in my annual Kansas 4th District opinion poll. I wish to share the thinking of my Kansas constituents with my colleagues in the House on some of the important foreign and domestic issues confronting our Nation today.

In April of this year, approximately 90,000 questionnaires were mailed to households in the Kansas 4th District with the help of many volunteers who took the time to address envelopes from telephone directories. It has been encouraging to me to note the heavy response and sincere interest on the part of my constituents.

Tabulations have been made on 19,800 ballots—a return of 22 percent which is a record response for this yearly poll. The tabulations were made by my staff in my congressional office in Washington and in my district congressional offices in Hutchinson and Wichita.

Mr. Speaker, I know that many Members of the House on both sides of the aisle send a questionnaire into their congressional districts. It is very helpful to me in determining the views of a broad cross section of citizens on the issues. As in previous years, this year's questionnaire provided an opportunity for more than one constituent to participate, and at least two-thirds of the ballots contained two votes each.

Many people wrote additional comments to further outline their thinking, as well as to discuss their opinions on issues not included on the questionnaire.

I want to include with this report a sampling of some of the interesting comments taken from the questionnaires. However, in reading the views of my constituents as well as studying the results of the questionnaire certain observations can be made. For example, inflation, high prices, and shortages appear to be of greater concern than the Watergate affair. Many people question whether or not last winter's energy crunch was real or the creation of the big oil companies. The 55-mile-per-hour speed limit and year-round daylight saving time are not popular with some of my Kansas constituents. While a bare majority expressed dissatisfaction with the performance of the President, a greater majority does not want to see the President impeached. Many, on both sides, want to see the matter resolved as soon as possible.

Following is a selection of comments which generally reflect some of the views of my constituents:

SELECTION OF COMMENTS

BIG GOVERNMENT

Reduce government interference with our lives. We don't want you to protect us, feed us, or worry about our welfare. Minimum government is best.

I would like to see federal government leave business and private citizens alone to run their own business. Too much big brother!

TAXES

Stop tax loop holes. The tax structure is an extreme burden on the middle class people . . . The middle class will not put up with tax structure much longer . . .

Please see that the House bill disallowing church contributions as a deduction on income tax does not pass.

ECONOMY

Inflation is my biggest concern. It has to be stopped! Government is the place to start—with less foreign aid and welfare type programs.

Inflation is rampant without wage/price controls. It seems like every time I buy something it has gone up 5–10% . . .

THE PRESIDENCY

If you don't get President Nixon impeached and the loop holes closed for the rich, you are not going to get my vote.

Yes, I thank God every morning that a man like Richard Nixon is the President of the United States. He is a good man and a good President.

Our concern is that you and each of your peers in the House make your individual assessment of the facts as you have them and proceed as the Constitution provides. Please give the President the opportunity for a proper trial. Do not let the political implications of Watergate keep you from doing your job.

GENERAL

Thank you for at least asking for my opinion, even tho I sometimes disagree with the way you vote at least you ask. . . .

I urge you to oppose anti-gun legislation and support legislation to impose harsh penalties for criminal use of firearms instead.

You will note with interest the vote of my 7th, 8th, and 9th grade kids. They disagreed with me somewhat on issues of the President they believe we should pray and support him as long as he is President. . . .

How about finally getting the GI bill increases tied up in legislation out to the veterans?

FINAL TABULATIONS—1974 KANSAS FOURTH DISTRICT OPINION POLL

[Figures in percent]

THE ENERGY CRISIS

1. If gasoline becomes shorter in supply, would you favor legislation that mandates rationing?

Yes	48.1
No	47.7
Abstain	4.2

2. Should anti-pollution restrictions (such as auto emission controls) be eased temporarily to help solve our energy problems?

Yes	63.4
No	32.2
Abstain	4.4

3. Would you favor a system of federal chartering of major oil companies?

Yes	41.7
No	42.3
Abstain	16.0

4. Do you favor year-round daylight saving time as an energy-saving measure?

Yes	32.9
No	64.7
Abstain	2.4

THE ECONOMY

5. Have wage-price controls helped your family budget during the past 12 months?

Yes	20.3
No	73.5
Abstain	6.2

6. Do you believe that wage and price control authority should be allowed to expire?

Yes	57.1
No	34.4
Abstain	8.5

7. Do you support the President's right to withhold (impound) funds appropriated by Congress?

Yes	30.6
No	62.0
Abstain	7.4

GENERAL GOVERNMENT

8. Do you favor enacting a Constitutional amendment outlawing abortion except in cases of possible harm to the mother, either mental or physical?

Yes	38.3
No	57.3
Abstain	4.4

9. Should the United States adopt a policy of granting conditional amnesty to deserters and draft dodgers of the Vietnam War?

Yes	36.5
No	59.7
Abstain	3.8

10. Should Congress restore the death penalty for the most severe crimes?

Yes	77.5
No	18.7
Abstain	3.8

11. Do you favor a national health insurance program?

Yes	51.8
No	40.5
Abstain	7.7

THE PRESIDENCY

12. In your opinion is President Nixon presently performing his duties to your satisfaction?

Yes	45.8
No	50.7
Abstain	3.5

13. Based on facts now available to you, do you believe the President should be impeached?

Yes	37.7
No	58.5
Abstain	3.8

ELECTION REFORM

14. Would you favor a constitutional amendment to limit the Presidency to a single 6-year term?

Yes	39.6
No	56.5
Abstain	3.9

15. Should members of the U.S. House of Representatives be elected to 4-year terms, rather than the current 2-year term?

Yes	59.2
No	37.0
Abstain	3.8

16. Would you favor a system of matching public and private financing of campaigns for Federal offices including the Presidency, the Senate and House of Representatives?

Yes	32.3
No	54.7
Abstain	13.0

FOREIGN POLICY

17. Do you favor increased trade with the Soviet Union and China?

Yes	57.5
No	35.7
Abstain	7.1

18. Do you believe the U.S. should continue to provide economic and military aid to support South Vietnam?

Yes	24.5
No	67.1
Abstain	8.4

Total of 19,800 questionnaires returned.

TRIBUTE TO ALVIN L. AUBINOE, WASHINGTON ARCHITECT

HON. LAWRENCE J. HOGAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. HOGAN. Mr. Speaker, I know that many of my colleagues in the Congress, and thousands more in the Washington metropolitan area, join me in mourning the passing of Alvin L. Aubinoe on Thursday.

As my colleagues know, Alvin Aubinoe was one of the Washington area's most prominent and successful builders and architects, and many beautiful buildings stand today as lasting testaments to his talent and his industry.

Those of us fortunate enough to know him in a more personal way know that his legacy will far surpass the architectural triumphs for which he was noted. His devotion to his fine family and his work in religious, civic, and political activities all demonstrate the fact that Alvin Aubinoe was a man of commitment and a symbol of success in all the varied aspects of his rich, full life.

To his wife Dorothy and their children, we offer the condolences and the sympathy of this body, and I acknowledge my own personal sense of loss and of sorrow at the death of a good friend and a good man, Alvin Aubinoe.

An article outlining Mr. Aubinoe's many achievements appears in today's Washington Post, and I insert the text of that article in the RECORD at this time:

[From the Washington Post, June 21, 1974]

ALVIN L. AUBINOE, BUILDER, ARCHITECT, DIES AT 71

Alvin L. Aubinoe, 71, a prominent builder and architect in the Washington area, died yesterday of cancer at Suburban Hospital in Bethesda.

During his long career he had built such structures as the Washington and Lee Apartments in Arlington, 4801 Connecticut Ave. NW, the Congressional Hotel, the Commonwealth Office Building, the National Radio Institute, the Majestic Apartments and Carillon House.

He also was the builder of Otis and Ogden Garden Homes, 1725 Massachusetts Ave. NW, 1600 16th Street NW, the Parkside Apartments, the Wildwood Manor subdivision, the Wildwood Medical Center and the Wildwood Manor Shopping Center in Bethesda.

Mr. Aubinoe had received architectural awards for the building of the Dupont Plaza Hotel, the Wire Office Building and the Abingdon Apartments in Alexandria.

He had designed and built The Banyan House in Delray Beach, Fla., and an apartment hotel in the Belgian Congo for which he received an award from the Belgian government.

At the time of his death, he owned the Washington and Lee Apartments, 4801 Connecticut Ave. NW, the Wildwood Medical Center and Parkside Apartments.

Born in Washington, Mr. Aubinoe attended the University of Maryland and later served as a member of its board of regents.

He entered the field of engineering, building and architecture in 1923, when he joined the Rust Engineering Co. While with them, he was an engineer of the Dam, Filtration and Water Works of Patton, Pa., and designed their Pittsburgh office.

He then worked for the Washington Railway and Electric Co., was an engineer with the Cafritz Construction Co., and in the early 1930s went into business for himself.

Mr. Aubinoe returned to Cafritz in 1932 as manager of construction and architect before establishing his own business in 1938.

Over the years, he served in many building industry and with civic organizations.

He was a past president and director of the Home Builders Association of Metropolitan Washington, past director of the National Association of Home Builders and past director of the National Metropolitan Bank of Washington.

Mr. Aubinoe also had been a member of the American Institute of Architects, the Washington Building Congress and the Washington Board of Realtors.

He had served as a director of the Washington Real Estate Board and as chairman of its appraisal and zoning committees.

His other affiliations included the Building Owners and Managers Association of Metropolitan Washington, the Washington Chapter of the Producers Council, the Construction Contractors Council, the Associated Builders and Contractors of Maryland and the Suburban Maryland Home Builders Association.

Mr. Aubinoe had been a member of the D.C. Building Code Advisory Committee, the Commissioners Zoning Advisory Committee, the Washington Urban Redevelopment Corporation and head of a group of builders who submitted proposals for the Southwest Redevelopment Land Agency.

He was a former trustee of Suburban Hospital, past director of the Federal City Council and of the Washington Board of Trade and a director of the American Security and Trust Co.

He had been active for many years in the Republican Party of Montgomery County.

Mr. Aubinoe also was a former trustee of United Community Services of Washington and past president of the board of deacons of Bethesda Presbyterian Church.

He is survived by his wife, Dorothy, of the home, 8000 Overhill Rd., Greenwich Forest; a son, Alvin L. Jr., of Bethesda; a daughter, Dorothy Griffith, of Greenwich Forest, and eight grandchildren.

FEDERALIZATION OF WORKMEN'S COMPENSATION

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. ABDNOR. Mr. Speaker, a great deal of discussion has been given to federalizing the workmen's compensation laws by the 93d Congress. The main objectives appear to be that of providing adequate compensation where there is need, and uniformity among States. As far as objectives are concerned, almost all Federal programs seek adequacy and uniformity so there is little difference here than in most Federal programs; however, need is lacking in this instance.

Earlier this month the Greater South Dakota Association, representing the business community in South Dakota presented testimony in regard to S. 2008 at a field hearing in Minneapolis. I would like to share this pertinent discussion of workmen's compensation with my colleagues. The State of South Dakota has broken many frontiers in this area and truly exemplifies the fact that Federal standards in this area should be avoided. The statement is as follows:

GREATER SOUTH DAKOTA ASSOCIATION'S STATEMENT ON WORKMEN'S COMPENSATION

We, the Greater South Dakota Association, South Dakota's State Chamber of Commerce, are submitting this written testimony speaking for the South Dakota business community.

In South Dakota we are opposed to the Williams-Javits Bill, Senate Bill 2008, a bill that will federalize state workmen's compensation programs. We do not wish to become repetitious of other testimony you have heard here and throughout the country, but at the same time, we do feel that there are some important points where we would hope you might consider our viewpoint.

We in South Dakota, the past three legislative sessions, have made tremendous strides in improving our state workmen's compensation programs. This was done to further insure the care of those workers injured on the job, either temporarily or permanently. Simultaneously, we also were aware of the fact that if states did not show some sizable increases in their programs, there was a chance that the program could be federalized. Significant strides have been made in South Dakota, but now after actively supporting ample increases in the area of workmen's compensation, we are still threatened with federalization of the program.

We think workmen's compensation is a very human program, dealing closely with the lives and the livelihood of workers and their families in those times of crisis and need. It represents a close relationship between employer and employee. We believe it is a coordinated delivery of the multitude of post injury benefits and services to speed recovery and obtain the quickest return to work with the least possible residual disability. As such, it cannot be remote; it cannot be impersonal; and it cannot be effectively run from Washington, D.C.

We of the Greater South Dakota Association believe that workmen's compensation programs must have local control and local flexibility. It is our belief that our legislative officials have shown great strides in this area over the years. It is frustrating that despite these accomplishments, once again Congress is threatening us with federalization of the program.

We think South Dakota is one of those states on the move. We also believe that South Dakota, along with many other states, will have met enough of the major recommendations of the National Commission's recommendations by 1975 to dispel the need for such drastic action on a federal level. Perhaps the members of this committee will agree that if the federal government ever gets involved in the states' workmen's compensation programs, it will never get out. Rather, it will steadily get further involved, leading ultimately to total absorption of state systems.

It is difficult for us in South Dakota, being one of the smaller populated states in this great country, to understand how people in Washington, D.C. can administer such programs as this that need a very personal employer-employee relationship, such as one finds in most businesses in South Dakota.

We wish to relate a few pieces of legislation enacted in the past four years in South Dakota. For instance, in 1971 our state legislators raised the maximum allowable hospital expense for an injured employee from $75,000 to $175,000. They increased the burial expenses from $750 to $1000 maximum. They upped the workmen's comp weekly benefits from 55 percent to 66⅔ percent of the employee's earnings. They drastically revised the occupational disease statutes. They increased the workmen's compensation death benefits to dependents from a maximum of $5000 to $10,000 and maximum of $15,000 to $25,000. The total compensation payable for death benefits and child dependents was increased from $20,000 to $50,000.

In 1972, the legislature provided that the seven day waiting period in workmen's compensation cases be identified as calendar days instead of working days. In 1973, we are proud to report that the South Dakota legislature made great steps forward in the workmen's compensation benefits for the South Dakota working men and women. During that year South Dakota changed the computation formula for figuring workmen's compensation from a straight dollar figure to a percentage of the state average weekly wage. Another piece of legislation repealed the $175,000 limit for medical expenses to an unlimited payment for medical services for the injured employee. Another bill deleted the 30 year limitation on payments for a completely disabled employee.

Finally, in 1974, legislation passed in the area of workmen's compensation called for the defining of and putting into the law "domestic servants." Also, another bill would allow workmen's compensation benefits for incapacitating injury to be computed from the date of injury instead of seven calendar days later, with benefits retroactive to date of injury.

There are numerous other pieces of legislation that the business community of South Dakota has seen fit to support. The business community has done its part in supporting sizeable increases in the area of workmen's compensation in the state of South Dakota. We do not and can not believe that any good will come of federalization of our workmen's compensation program.

We respectfully request that Senate Bill 2008 be defeated, as it should be. We believe that if all states are as conscientious as South Dakota, they too will upgrade their programs.

For all of these reasons, the Greater South Dakota Association will vigorously oppose federal standards and will continue to work for improvements in workmen's compensation laws at the state level. We believe that states can and will make the necessary improvements, using the recommendations of the National Commission on State Workmen's Compensation Laws as a blueprint for action.

FLUE GAS DESULFURIZATION IS NECESSARY TO PREVENT THE EMISSION OF TOXIC SULFUR OXIDES

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. BINGHAM. Mr. Speaker, the so-called energy crisis has inspired an unfortunate mood in the Nation and the Congress. Environmental quality is in danger of becoming expendable in the panic over energy supplies. This climate is dangerous if it causes the relaxation of air quality standards needed to protect public health.

The toxic effects of powerplant emissions, particularly sulfur oxides, is one of the most critical environmental concerns. As low-sulfur coal reserves decline, the use of high-sulfur coal must increase. Without desulfurization, sulfur oxide emissions resulting from combustion of high-sulfur coal will lead to increased disease and death in our cities and towns.

The health effects of these emissions have been documented. For example, the American Public Health Association has warned in a recent report that powerplant conversions to coal would result in widespread harm from additional SO_2 emissions without adequate pollution controls. A general review of scientific findings in this area appeared in the winter, 1974, issue of California Air Environment.

There is now only one technically feasible, commercially available process for the removal of sulfur oxides from high-sulfur coal. This is flue gas desulfurization, or "stack-gas scrubbing." This process offers the only acceptable solution to the health threat of sulfur oxide emissions.

I include herewith the article from California Air Environment and a description of the APHA report which appeared in the June 15 issue of Conservation News:

[From California Air Environment, Winter 1974]

FOSSIL FUEL POLLUTANTS: CURRENT THINKING AND FUTURE NEEDS

(By Bertram W. Carnow, M.D.[*])

It is no longer necessary to raise the question of whether sulfur dioxide (SO_2) and particulates affect human health. Animal experiments, human physiological and epidemiological data summarized at the National Academy of Sciences' Conference on "Health Effects of Air Pollutants" (held in October 1973, at the request of the United States Senate), and an in-depth report carried out by the National Institute of Environmental Health Sciences for the Office of Management and Budget have emphasized this. Recent epidemiological studies carried out by the Environmental Protection Agency (CHESS Program), as well as multiple studies carried out by the Chicago Air Pollution Study Group, attest to the serious health impact of high SO_2 and particulate levels. Some of the findings from studies we conducted on the health effects of SO_2 and particulate levels, during an air pollution episode, are reviewed here.

A study, carried out on a registry of 561 bronchitics (reported in 1969), found a progressive increase in episodes of acute illness with increases in air pollution in males 55 years of age and over who had advanced bronchitis. There was a greater amount of illness found in patients who were examined 24 hours after exposure to air pollution. During periods with a level of 0.3 ppm of SO_2 (24-hour average), there was a doubling in the percent of person-days of illness, as compared with periods when SO_2 levels were 0.04 ppm.

Multiple regression analyses were carried out to examine the relationship between emergency room physician visits (dependent variable) and SO_2, particulate, temperature, humidity, precipitation, and snow and sleet. During the spring, rainfall was the most significant variable. Rain correlated *negatively* with visits, suggesting that patients preferred to stay away from the emergency room or physicians' offices when it rained, or that the rain washed out the polluants (probably the latter). Humidity was significant in the spring, but not as strongly correlated. During the summer season, humidity and particulate appeared to be the culprits, and, in the winter months, SO_2 emerged as the major contributing variable (positive correlation), with particulate and humidity adding to a lesser degree. While ambient air temperature has been found to be significantly correlated with illness in many studies, in no season did we find it significantly related to increased illness rates. In addition to primary or long-term effects of SO_2 and particulates, it would appear that when these pollutants interact with others to form acid sulfates or sulfuric acid (i.e., SO_2 particulate, and humidity) the risk and the size of the susceptible population appear to be enhanced.

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[*] Bertram W. Carnow, M.D., is Professor and Director, Occupational and Environmental Medicine, University of Illinois School of Public Health; and Professor of Preventive Medicine and Community Health, University of Illinois Lincoln School of Medicine, Chicago.

Mortality studies were carried out, and respiratory and cardiac effects were noted in the same group—that is, males 55 years and older. Respiratory deaths from all causes were doubled, and deaths from cardiovascular disease, particularly coronary disease, increased significantly. There appeared to be an average increase of eight deaths per day from this disease (Figure 1) during the 10 days of high SO_2, as compared to 10 days of low or middle levels of SO_2, suggesting that in the city during the month under study, some 80 excess cardiac deaths occurred which were significantly related to changes in pollution levels, as indexed by sulfur dioxide. The SO_2 averages shown in Figure 1 are derived from the 24-hour SO_2 readings (ppm), as monitored by the city.

From November 4, through November 12, 1969, Chicago suffered an air inversion, with accompanying low winds and a buildup of SO_2 and particulate. The levels, though high, never reached the "alert" stage. Deaths from all causes which occurred during these nine days throughout specific areas of the city were compared with deaths that occurred in the same areas during the nine days prior to, nine days following, and nine days representative of a three-month average of what might be expected in that season of the year. While levels were generally high—higher than normal—they varied widely in different parts of the city so that areas of high, medium, and low pollution were defined and considered separately as to death rates before and after the episode. The following results were recorded.

1. *Respiratory disease.*—In the high SO_2 areas, the number of deaths from influenza, bronchitis, and pneumonia increased markedly in the white male population, *by almost 100%* during the episode. There also was a minimal increase in mortality for white females, but not for other population groups. Additional weight was given to this finding, because examination of mortality from this cause in the moderate and low pollution areas *did not* reveal an increase.

2. *Cardiac disease.*—Mortality was significantly elevated for males. There were 97 deaths during the episode, 83 deaths in the nine-day period preceding the episode, and 77 in the period following it, as compared with 88 expected deaths during this season. The greatest increase in mortality was observed in hypertensive and rheumatic heart disease patients. Since the specific nature of the cardiovascular disease frequently is in doubt, and many patients die from ischemic heart disease or hypertension, classification of cardiovascular disease into separate categories may not be meaningful. Again, significantly, the increase in cardiac deaths for males during the inversion period was not observed in the moderate and low pollution areas.

Some surprising findings included a marked increase in deaths from ischemic heart disease in nonwhite females, aged 46 to 60 years—ten during the episode compared with three before the episode, and one after. Five deaths would normally have been expected in this group in a nine-day period at that time of the year. A striking finding was the sharp drop in accidental deaths—from 64 before, and 62 after, to only 42 during the episode, approximating a 30% decrease in this category. This appeared to relate to an increased use of public transportation, in response to a public appeal that automobile driving be minimized.

3. *Morbidity.*—Observation of the registry group, which had been followed over a long period of time, found two admitted to the hospital before the episode (during the two highest days of pollution of that period), none following the episode (even though there were some days of high pollution), while six were admitted during the episode. Of the group hospitalized, most were admitted on the two peak days of pollution.

The significant increases in cardiac and respiratory disease and the absence of any increase in other disease categories further support the validity of these studies, since those suffering from cardiac and respiratory difficulties would be expected to be the most affected during high air pollution episodes.

These studies of mortality, hospital admissions, and emergency room visits—which are more objective disease end-points, when compared to patient-reporting of illness—lend strength to the conclusion that SO_2 and particulate pollutants are serious health problems.

The results of these and other studies lead to a number of conclusions.

1. Sulfur dioxide and particulate and, even more, their products—sulfuric acid and acid sulfates—are toxic and may seriously affect the health of significant numbers of humans, even at the levels currently considered to be safe.

2. The major target organs are the heart and lungs; therefore, large numbers of individuals in the population are in a high risk category.

3. These pollutants may act over long periods of time to produce respiratory tract changes in normal individuals.

4. Their major acute, or short-term action appears to be as disease and death accelerators, significantly shortening the lives of those who have poor adaptive capacities.

5. A highly variable dose-response relationship exists between SO_2 and particulate levels and health impact on different populations. In summary, there is no threshold for health effects. The outcome health or disease, living or dying depends upon the number of environmental stressors and the intensity of each, matched against the resistance of the host and the host's adaptive ability.

6. The effects of other pollutants, particularly cigarette smoking and heavy occupational exposure to irritant gases, act synergistically with SO_2 and particulates. The very large population already at risk because of such other factors increases the need for controlled levels of SO_2 and particulate necessary to protect the health of these people.

7. The levels of SO_2, and perhaps other pollutants which are present in large urban areas, appear to expose significant numbers of people to health risk during conditions of air inversion and air stagnation.

Finally, while energy needs have increased and clean sources of energy are limited, any reduction in standards for SO_2 and particulates that permits increased community emissions and concentrations will certainly result in a significant increase in the numbers of people who become ill and die. Since certain energy needs—such as heating, lighting, and the production of essential commodities—are vital to humans, one important approach to the problem is to reduce the energy used for nonessentials, if it produces pollution which acts synergistically and impacts on identical target organs.

[From Conservation News, June 15, 1974]

Description of the APHA Report

While conservationists generally recognize that increased use of coal presents environmental problems, it is argued that it is not necessary to weaken the Clean Air Act to permit a shift to coal under the present standards.

Through the use of scrubber systems, flue gas given off by burning coal can be cleaned to the moderate levels required under the Clean Air Act.

The Environmental Protection Agency has found that efficient scrubbing systems for controlling sulfur-dioxide emissions are now ready for widespread use despite the reluctance of large utilities to research and develop this technology. EPA recently reported that privately owned utilities spent only 0.4 percent of total revenues from 1969 to 1972 on all research and development, with only a small fraction of that being for scrubber technology. It also reported that only 22 of 300 electric utilities operating some 970 fossil-fuel power plants in the U.S. have installed or plan to install scrubber systems on 44 plants.

Another blow against the relaxation of the present clean air standards is landed in a new $60,000 Ford Foundation-sponsored study released by the American Public Health Association (APHA). According to the APHA study, conversion of 60 percent of gas-and-oil-fired power plants to coal without adding pollution controls would annually cause "91,000 additional attacks of chronic respiratory disease and approximately 3,800 excess deaths; deaths and disease that could be prevented."

The study assumes that 60 percent of the Nation's power plants would be forced to convert to coal to save fuel under the Federal Government's plan. Also factored into the calculation is the premise that the plants are utilizing the most advanced 1973 anti-pollution technology.

Among the study's other findings:

An "at risk" segment of the nation's population is estimated at 21 million. Within this category, approximately 5,000 die of cardiovascular ailments and 50,000 suffer from respiratory disease each year. The APHA scientific panel estimates that these annual statistics will jump between 20% and 40% if coal conversion occurs on the assumed scale. "At risk" individuals are defined as those who live in communities of 10,000 or more, are exposed to high sulfur dioxide ambient levels (above 100 micrograms per cubic meter of air) and have genetic defects, physical conditions, personal habits or residential surroundings which make them especially vulnerable to air contamination. Included in this category would be the elderly, smokers, pregnant women and victims of chronic bronchitis and emphysema.

For each quadrillion British thermal units (BTU) of electricity consumed in Chicago, an estimated 175,000 attacks of asthma occur.

When concentrations of sulfur dioxide rise from 200 to 300 micrograms per cubic meter of air, the death rate doubles in men and women over 40.

A link has been established between the incidence of lung cancer and the amount of benzo pyrene (a product of fossil fuel combustion) in the air. From this relationship, scientists have projected that a 60 percent decrease in urban air pollution would result in a 20 percent drop in lung cancer deaths.

Reduction of automobile use is vital to

the protection of health from adverse air pollution effects.

This study concludes that there is no pollution threshold which safeguards all segments of the population. Indeed, most clean air standards are set on the basis of what a robust, healthy person could withstand.

METRIC SYSTEM GIVEN SETBACK BY ENGLAND

HON. DAVE MARTIN

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. MARTIN of Nebraska. Mr. Speaker, recently the House refused to take action in regard to eventual conversion to the metric system in the United States. I am listing below a recent newspaper article from the Grand Island, Nebr., Daily Independent in regard to the difficulties currently being encountered in England by their conversion to the metric system.

The article follows:

METRIC SYSTEM GIVEN SETBACK BY ENGLAND

LONDON.—British housewives don't like their meat and vegetables being weighed out in those foreign kilograms instead of good old pounds and ounces.

Therefore, British butchers and grocers are refusing to go over to the metric system. And this, says the government's Metrication Board in its annual report, is one reason why Britain's changeover to the metric system is running two years behind schedule.

PRESSURE

The board suggests that the government should name a date when all shoppers will be made to go metric. The target date had been the end of next year, but it would not be achieved until early in 1978, the Board said.

Stores, such as the butchers' and grocers', which weigh out foods in front of the customer, are unlikely to start using metric measures until they are legally required to do so.

The government must remove the remaining legislative obstacles to metric change, the Board says. In particular, it should be made legal to sell in prescribed metric quantities all those goods, like sugar, which at present can only be sold in packages relating to imperial quantities—that's pounds and ounces.

INDUSTRY

On the broader front of industry, commerce and education as a whole, the board says there is a good chance that the change to metrication should be "substantially completed" by 1975—the target date set in 1965.

The momentum in the change to metric measures, which was lost in 1971, has not been regained, the board warns. It says 1973 was a year of "steady but slow progress."

Delay in carrying through the change from pints, yards, and pounds to liters, meters and kilograms will have damaging economic and social consequences, the report emphasizes. Delay weakens Britain's competitive position in international trade and increases cost to industry by requiring dual production and dual inventories.

PROGRESS

The board stresses, however that much progress has already been made toward metrication.

All goods in druggists' stores are now metric, while most new building is metric. In the engineering industry almost all new design work is in metric measurements, and the major freight operators use metric tariffs.

On the consumer front, the board says that changes in textiles and clothing are starting and more and more consumer goods are being retailed with metric markings.

THE NEED FOR A NATIONAL VETERANS CEMETERY IN SOUTH FLORIDA

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. LEHMAN. Mr. Speaker, this Nation's veterans have long been guaranteed the right to a dignified final resting place provided by our country. As Abraham Lincoln said more than 100 years ago, it is the country's responsibility—

> To care for him who shall have borne the battle and for his widow and his orphan.

But while southern Florida has one of the largest concentrations of veterans of any area in the country it is without a nearby national cemetery to meet their needs. There are 302,900 veterans in Dade and Broward Counties alone, and the senior citizen population of southern Florida continues to grow rapidly. Yet the nearest national cemetery is over 500 miles away in Pensacola.

The 1974 Veterans' Administration study entitled "A Study of the National Cemetery System" shows that veterans whose place of death is far away from a national cemetery seldom have the benefit of being buried amongst their comrades in arms. The report concludes:

> The so-called "National Cemetery" has become that in name only. Its utilization is more consistent with that of a local cemetery. The 1961—Department of the Army—study disclosed that 83 percent of those interred in national cemeteries had lived within 50 miles of the cemeteries in which they were buried. Furthermore, 83 percent of all burials in national cemeteries occurred in eleven cemeteries near large cities. These factors demonstrate the dramatic change in the complexion of the National Cemetery System since its inception.

The relatives and survivors of deceased veterans understandably do not want to bear the costs of burying and visiting their loved ones interred in faraway places.

It is therefore the responsibility of the Veterans' Administration—which assumed jurisdiction over national cemeteries from the Department of the Army under the National Cemeteries Act of 1973—to establish cemeteries in close proximity to those areas with large numbers of veterans and which lack such facilities. Only a national cemetery policy which takes into account such major demographic changes as the rapid growth of southern Florida will be truly responsive to the needs of our Nation's veterans.

To meet our country's debt to the veterans of southern Florida I have introduced H.R. 15513, a bill authorizing and directing the Veterans' Administration to establish a national cemetery in the area of Dade County or Broward County, Fla.

The bill follows:

H.R. 15513

A bill to provide for a national cemetery in the area of Broward County or Dade County, Florida

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Administrator of the Veterans' Administration is authorized and directed (1) to establish a national cemetery at a location selected by him in Broward County or Dade County in the State of Florida, and (2) to acquire land, by donation, purchase, condemnation, or otherwise, such land as may be required for the establishment of such a cemetery.

SEC. 2. When requested to do so by the Administrator of the Veterans' Administration, the Administrator of the General Services Administration is authorized and directed to transfer to the Veterans' Administration without reimbursement or transfer of funds any Government-owned land in Broward County or Dade County in the State of Florida, which the Administrator of the Veterans' Administration has determined to be suitable for purposes of this statute and which is otherwise surplus to Government needs. In addition, the Administrator of the Veterans' Administration is authorized to utilize when practicable, for the establishment thereon of a national cemetery, such Government-owned lands under the jurisdiction of the Veterans' Administration which are located within the area of Broward County or Dade County in the State of Florida.

SEC. 3. Upon selection by the Administrator of the Veterans' Administration of such land, as provided in section 1 and 2 thereof, he is authorized to establish such a national cemetery and to provide for the care and maintenance thereof.

SEC. 4. The Administrator of the Veterans' Administration is authorized to prescribe such regulations as he may deem necessary for the administration of this Act.

SEC. 5. There are hereby authorized to be appropriated out of money in the Treasury not otherwise appropriated, such sums as may be necessary to carry into effect the purposes of this Act.

RAPE

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. STUDDS. Mr. Speaker, the Federal Bureau of Investigation tells us that crimes of violence are on the rise in our country. Pacing this increase is forcible rape. According to the FBI, the incidence of rape has increased 70 percent over the past 5 years. This becomes more appalling when criminologists estimate that only 1 out of 10 rapes is reported.

Without prompt action on this crisis, hundreds of people will be assaulted while the assaulters continue to go virtually free from any threat of conviction. Congress and State legislatures must do their part to control rape this year by setting legal reform regarding sexual assaults as one of their high priorities. Americans must do their part by recognizing the magnitude of the rape crisis.

It is with these goals in mind—and as a cosponsor of legislation to create a National Center for the Prevention and Control of Rape—that I bring to the attention of my colleagues a recent editorial from station WEEI in Boston:

May 31, 1974.

Another Case of Rape—Part III

For the past two days WEEI has been talking about rape in hopes of stimulating further public reaction to this barbaric crime.

Yesterday we urged passage of Massachusetts House Bill 5802 which would replace the Commonwealth's archaic rape statute and offer prison sentences up to life for offenders.

Today WEEI will discuss the National Center for the Prevention and Control of Rape proposed by Kansas Congressman Larry Wynn, Jr., and 66 other House members.

The bill, House Rule 11520 will establish an organization with facilities for studying the effectiveness of existing Federal and local laws dealing with rape as well as the treatment rape victims receive.

After studying the incidence of sexual assault and the effectiveness of programs designed to prevent its occurrence, the National Center would make grants to community mental health agencies, private non-profit organizations and public projects to research rape prevention. The Center would also provide funding to establish programs for counseling rape victims.

The measure is currently being heard before the House Interstate and Foreign Commerce Committee. We urge favorable consideration of House Rule 11520.

BLACK MERCHANTS LISTED IN IMPACT DIRECTORY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. RANGEL. Mr. Speaker, an Impact directory was recently published by a young black businessman in the District of Columbia. For the first time the locations and specialties of many of the black-owned businesses in the Washington, D.C. area are available in one compact publication.

The directory comes at a time when some large corporations are leaving Washington due to the business climate. By illustrating the wide range of services offered by black businessmen the directory may be seen as a highly commendable move toward improving that climate.

The following is an article written by Phillip M. Kadis, a Star-News staff writer, which further discusses the contents and significance of the directory, I commend this article to my colleagues for their further information:

Black Merchants Listed: "Impact Directory"

(By Phillip M. Kadis)

"Impact Directory," the first yellow pages of the black business community in Metropolitan Washington, is off the presses despite some heavy skepticism on the part of black merchants.

The 90-page directory, a small-scale version of C&P's classified telephone directory, is an effort to mobilize an estimated $2 billion in black purchasing power in the Washington area on behalf of black business and economic development.

It's designed as a convenient guide to goods and services offered by 385 black entrepreneurs from accountants to wig merchants with separate lists of doctors and dentists.

The timeliness of the privately produced directory was asserted by Robert W. Ewell, president of the D.C. Federation of Civic Associations, Inc., at a news conference yesterday when the publication was unveiled.

"I'm sure you are aware that very large business corporations are leaving Washington, D.C. because of the business climate," said Ewell.

"Giant Foods, Safeway and others have left, and many small businesses are taking over," he said. "Because of this, we have to make the District economically feasible to everybody and the directory is a step toward doing this."

James S. Featherstone Jr., deputy director of the District's Office of Youth Opportunity, said the directory "allows this community to look collectively at some of the black talent available to it and makes youth cognizant of the areas they might pursue as a career."

Felix Lloyd Jr., originator and publisher of the directory, said that some of the funds needed to promote the venture were supplied through contacts in the Catholic Archdiocese supplied by Rev. Carl Fisher, associate pastor of the Church of the Incarnation.

"We all know that how a man is viewed is ultimately how he is treated," said Fisher. "For a long time, blacks have been viewed in negative terms and have been treated negatively. Impact tries to change that image, to show the diversity of interests and services offered by blacks.

"The directory sends the message that black business is here and can compete. It's now up to us to support these businesses."

Lloyd, who began to work on the directory last July, said it still represents only a portion of the black business community because of skepticism among blacks that it would ever be published.

"Now that it's out and we begin to demonstrate how useful it is, I'm confident that the ads will start pouring in," he said. "We already have requests for new entries in the second edition."

Lloyd said Impact would appear twice a year to provide the most recent listings for black business.

A total of 20,000 copies have been printed and an additional 20,000 are scheduled to be printed each succeeding month for a total of 100,000.

FIGHTING INFLATION

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. LEHMAN. Mr. Speaker, based on numerous meetings and conversations with residents of the 13th Congressional District, it is apparent that inflation is of far greater concern than Watergate or impeachment.

In recent weeks, I have been asked again and again by the people in North Dade and South Broward Counties, What can Congress do to control the rapid rate of price increases?

Inflation, which is worldwide, will be difficult to combat, but there are two ways by which our Government and this Congress can do something that will level off or greatly slow the country's inflationary price spiral without causing either recession or unemployment.

The first step is to stop the administration from relying on unprecedentedly high interest rates as its chief weapon against inflation. High interest is a pass-through business expense that adds to consumer costs and does not quench, but rather fuels the fires of inflation.

Exorbitant interest rates are a principal factor, not only in the fantastic increases in housing costs, but also in the slowdown in home construction. The falloff in housing starts will affect the quality of life in this country for many years to come.

I suggest that we systematically roll back interest rates at one-half of one percent per month until the prime rate again settles at 6 percent.

The second way we can gain some control in inflation is to curtail the most inflationary of all Federal programs, military procurement, which creates both debt and rubber dollars.

Military procurement spending is rubber dollar spending because although it creates wages and profits for American labor and industry, not much is made that we can wear, eat, drink, drive, or enjoy. Military production mostly goes obsolete or goes boom.

The wages and profits of the military-industrial complex step up consumer demand but do not increase the goods that consumers want. Such an excess of demand over supply is the classic and prime cause of inflation.

Although any Government spending is inflationary, military spending is a special and a double-edged weapon against price stability.

Some of the billions we saved on military procurement could be turned toward urban renewal, environmental protection, and the provision of alternate sources of energy. Development of housing and energy and environmental programs can compensate for any reduction in employment caused by a slowdown in military hardware production.

The prime essential in military and diplomatic security is a strong home base. Inflation and urban decay undermine our strength at home.

HOUSING AND URBAN DEVELOPMENT ACT OF 1974

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. CLAY. Mr. Speaker, for the past 4 years the Congress has been endeavoring to pass much needed legislation in the field of housing and community development. The housing situation within our Nation is in a crisis because the rampant inflation of the last couple of years coupled with high mortgage interest rates effectively prevent the average American family the opportunity of purchasing a new home. The cost of the average new home is in excess of $33,000, which is way beyond the means of many of the hard-working families of my district. What is even more tragic is that due to the Department of Housing and Urban Development's precipitous suspension of the federally assisted housing programs on January 8, 1973, the low- and moderate-income families of my district, and throughout all of America, have been denied access to decent homes and suitable living environments as guaranteed by the Housing Act of 1949 and a goal which was reaffirmed by the Housing and Urban Development Act of 1968.

I find it disconcerting that the goal Congress set in 1968 for the construction or rehabilitation by 1978 of 26 million units, 6 million for low and moderate income has been allowed to slip from national attention as a foremost priority. It is important that we reaffirm our national commitment to the job of providing decent housing to the Nation's low- and moderate-income families. A recent study completed by the Joint Center for Urban Studies at Harvard-MIT suggests that the 1968 goals may be too conservative and that as many as 13.1 million low- and moderate-income American families are living in households that are physically unsound, overcrowded, or too expensive.

On Monday of this week, the Department of Commerce announced that the seasonally adjusted annual housing starts rate for May of this year was 1.450 million units. Based on this figure, it is estimated that housing starts this year will be less than 1.5 million units, substantially below the level of 2.057 million units in 1970 and almost 2.4 million units in 1973. This level of production threatens our national economy by jeopardizing the jobs of thousands of skilled craftsmen and workers employed in the building trades and is woefully inadequate if we are to meet our national housing commitment to the goal of a decent home and suitable living for America's families.

H.R. 15061 provides the hope for remedying some of the Nation's housing ills. For moderate-income families, the bill would increase FHA maximum mortgage amounts from $33,000 to $45,000 for the regular single family home programs with comparable increases for FHA multifamily programs. Quite significantly, the loan-to-value ratios on FHA insured loans are changed which permits the consumer lower downpayments. Thus, on a $35,000 home, a new purchaser would be required a downpayment of 5 percent. Additionally, the bill increases GNMA's mortgage purchase limit which should result in more families qualifying for financial assistance under GNMA's special assistance program.

The effect of this bill on meeting the housing needs of low- and moderate-income families is not as apparent. For rural families, the authority of the Farmer's Home Administration is broadened and this should result in a substantial net increase in housing starts in rural America, which for decades has been the stepchild of our national housing and community developments. While I applaud the efforts in this area, my own district does not qualify for such assistance because of its urban nature.

For the low-income families of the First District, I feel that H.R. 15361 does not provide the kind of broad based subsidy programs that are necessary to adequately house the people of my district.

The major deficiency of H.R. 15361, in my opinion, is its exclusive reliance on a revised section 23 leased housing program to meet the housing needs of low-income families. While section 23 does provide a deep subsidy permitting it to reach the needs of the lowest-income families, there are serious questions in my mind about the attractiveness of this program to private builders and investors who must play a crucial role in the development of these projects.

The housing crisis within my district stems from two basic factors. In the suburban-developing areas, there is scarcity of housing due to high construction costs resulting from inflation and the lack of mortgage financing at reasonable rates. In the central city, this situation is exacerbated by the fact that private investors will not provide financing at any cost because of the prejudice and mistrust which the financial community has historically maintained toward minorities.

Given this condition, I have serious reservations about how financing will come for the section 23 projects. Conventional public housing and the turnkey method of construction which have established track records for the production of housing units for low-income families are apparently being abandoned in H.R. 15361 under coercion from the administration and the Secretary of Housing and Urban Development who have an unabashed bias against the public housing programs. In accepting H.R. 15361, we are also being asked to turn our backs on the section 235 and section 236 subsidized housing programs which, in their brief operation, resulted in the production of more units of low-cost housing than in the prior 30 years of Federal involvement in housing.

In meeting the desperate housing needs of my district, we need all the Federal assistance that can be mustered and for that reason I support H.R. 15361. However, reality also compels me to the view that the ultimate solution of America's housing needs depends on an arsenal of housing techniques such as public housing, section 235, section 236 and section 23. S. 3066, which has already passed the Senate, recognizes this approach. It is my hope that my distinguished colleagues of the Committee on Banking and Currency will take this into consideration in their conference meeting with the Senate's Committee on Banking, Housing and Urban Affairs. What is urgent is that as America moves into the celebration of its bicentennial anniversary that we renew our commitment to the goal of a decent home for all and that we get back to action on working toward fulfillment of the goal.

THE DANGER OF SUBSIDIZING SOVIET INDUSTRY

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. CRANE. Mr. Speaker, while the West speaks of "détente," there is little evidence that Soviet goals and purposes in the world have, in any significant sense, been altered.

Only recently, for example, a series of articles appeared in the Austrian magazine Profil which caused a considerable sensation both in Austria and Yugoslavia, but have largely been ignored here. They reveal details of the Warsaw Pact strategists' plan for the invasion of Yugoslavia and Austria.

The revelations were made by Maj. Gen. Jan Sejna of the Czechoslovak Army who defected to the United States in 1968. Sejna was hailed at the time by the Western press as "far and away the most important military defector from the Communist bloc."

It has been emphasized by Profil and in comments made in the Austrian media that Sejna's revelations were purely paper plans devoid of political content. Yet, the devastating precision with which the takeover of neutral Austria was laid down, such as the lists of individuals in public life including journalists scheduled for arrest, has nothing in common with traditional army maneuvers. There are even details of how Austrian radio and television stations would be suppressed and temporary transmitters set up.

Thus, while the Soviet Union pursues its traditional policies, we pursue a policy of "détente" which assists the Soviet leadership to strengthen its own hand.

Discussing this point, Anthony Harrigan, executive vice president of the U.S. Industrial Council, notes that,

> The rewards of détente are very real for the Soviet Union. They are getting American capital and technology in order to bail out their wretched economic system and to strengthen their overall political order. One of the rewards provided by the U.S. government is a $180 million loan to help finance a gigantic Soviet natural gas and fertilizer complex.

The recent Export-Import loan to the Soviet Union, Mr. Harrigan points out,

> Is one of the largest in the 40 year history of the U.S. Export-Import Bank. The Soviets will pay interest at only 6 per cent, barely more than half the prevailing prime or minimum borrowing rate for major borrowers in the United States . . . the U.S. government is offering the Soviets another bargain. The Soviets won't begin to repay the loans until 1979.

Mr. Harrigan concludes that,

> The situation is intolerable. Congress should act to curb the Export-Import Bank.

I agree with this assessment and wish to share with my colleagues the column of Anthony Harrigan entitled "Subsidizing Soviet Industry," which was released for publication June 6, 1974, and insert it into the RECORD at this time.

SUBSIDIZING SOVIET INDUSTRY

(By Anthony Harrigan)

The rewards of détente are very real for the Soviet Union. They are getting American capital and technology in order to bail out their wretched economic system and to strengthen their overall political order. One of the rewards provided by the U.S. government is a $180 million loan to help finance a gigantic Soviet natural gas and fertilizer complex.

The Soviet leadership must be congratulating itself on its cleverness. On May 29, 1972, the USSR signed the Declaration of Basic Principles to Govern the Relations of the United States and the Soviet Union—the chief legal instrument of détente. Since then, the Soviets have continued to proceed with their drive to gain military superiority over the United States. They have tightened their rule at home, cracking down on democratic dissidents and expelling the symbol of resistance to totalitarianism—Alexander Solzhenitsyn.

Despite these moves contrary to the spirit of détente, the U.S. government continues to offer bountiful rewards to the Soviet regime. Many Americans are both amazed and shocked that their government lavishes favors on a regime that is committed to the extinguishing of freedom.

After the $180 million loan was announced, I received a letter from an irate taxpayer in Michigan who had written his senator to protest the loan to the Soviet Union. This is what he wrote:

"I was just dozing off last evening when Walter Cronkite was giving the news. When I awakened, I simply thought it was a bad dream that the Export-Import bank was loaning Russia $180 million at 6% (!) to build fertilizer factories and a pipeline. Also, that U.S. banks were participating.

"Today's newspaper has a brief item that this is true.

"Could you please let me know:

"(1) Where these funds come from:

"(2) Which banks are participating, and are these loans guaranteed by some institution?

"(3) Why an interest rate of only 6%? Is this what the banks charge too?

"(4) What is your opinion on the above, and how do you vote on Export-Import appropriations?

"I might add that the interest rate on my bank note was recently raised to 13%. I don't mind paying the market rate, but I am less than enthused about loaning what I assume are tax dollars at less than half this rate.

"Finally, if someone or some institution will loan me funds at 6% on the same terms given to Russia, I'll be glad to build a fertilizer plant in Michigan, make a profit, and help the unemployment rate."

This Michigan citizen has a right to be outraged. The loan to the Soviet Union is one of the largest in the 40-year history of the U.S. Export-Import Bank. The Soviets will pay interest at only 6 per cent, barely more than half the prevailing prime or minimum borrowing rate for major borrowers in the United States. In other words, the U.S. government is offering the Soviets another bargain. The Soviets won't begin to repay the loans until 1979.

It is interesting to note that the Export-Import Bank recently made a loan to Brazil, a country friendly to the United States. Brazil, however, was charged a higher rate of interest.

Earlier this spring, U.S. Rep. John B. Conlan (R-Ariz.) sought to focus public attention on the operations of the Export-Import Bank, charging that it is "being used by the Nixon administration and the Soviet Union to thwart the will of Congress which has not granted most-favored nation trading status to Russia."

Congressman Conlan pointed out that the bank "has allowed the Soviets to obtain products of American labor, including the world's finest machine tools and computer technology, under U.S. taxpayer-financed credit terms unavailable to most Americans. . . . The bank's capital stock and transaction authority are completely financed by American taxpayers."

It is too bad that the public didn't heed Rep. Conlan in late April when he was citing the hurtful character of the Export-Import Bank aid to the Soviet Union. The fact is the Soviets want America to pay for a new surge in their industrial development. American taxpayers are being compelled to subsidize companies interested in business deals with the USSR.

The situation is intolerable. Congress should act to curb the Export-Import Bank. As Congressman Conlan has said, Americans should not be forced to benefit the Soviet Union "with American equipment and technology through the Export-Import Bank."

MRS. DOROTHY GLISSON IS NAMED FLORIDA SECRETARY OF STATE

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. FUQUA. Mr. Speaker, Mrs. Dorothy Glisson has been appointed by our great Governor to serve as Florida's Secretary of State. She will succeed Dick Stone for the remainder of this term.

I can think of no appointment which has gained such universal approval on the part of the people of the State of Florida. It is interesting to note that Mrs. Glisson has worked with three Florida Secretaries of State in an outstanding career spanning 30 years, and her appointment is a well-deserved tribute for a tremendous record of service.

All of us who have sought public office in Florida have come to know and respect this good lady for her fairness and efficiency. Mrs. Glisson has never been too busy to take the time to give advice and counsel and to be as helpful as she possibly could.

In the time since I first met her, my regard for her ability and integrity has continued to grow.

I know that I speak for all the people of my congressional district when I extend warmest congratulations and best wishes to a truly remarkable lady and public servant.

As an additional measure of congratulations, I would like to have reprinted here an excellent editorial from the June 19th issue of the Florida Times-Union.

The editorial is as follows:

CONGRATULATIONS, DOT GLISSON!

When Mrs. Dorothy Glisson begins service July 9 as Florida Secretary of State it will be a fitting capstone to an outstanding career in public service. Her appointment was most appropriate.

Our congratulations go to Mrs. Glisson upon this recognition of her ability as an executive in the administration of a difficult and complex and often highly controversial part of the state laws, i.e., the election code.

Mrs. Glisson has served the state with competence and dedication for 30 years in the Office of Secretary of State, her principal contribution being that of long-time director of the Division of Elections.

Her even-handed administration of the election laws has won her the respect of legislative committees, before which she has frequently appeared, to assist them in their deliberations concerning proposals dealing with the election code.

She has won the admiration and gratitude of the press for her ever cooperative attitude and her knowledge of the laws, which she shared generously with those who sought to understand them. She has deserved and won the respect of those seeking office—winners and losers alike—for both her assistance and fairness.

Albeit that Mrs. Glisson will serve only as interim Secretary until the time a Secretary of State is elected in November and installed in office, she will bring to this vital state office and to the Cabinet on which she will serve a high degree of intelligence, ability and integrity.

WHO IS IN CHARGE OF SOLVING THE ENERGY PROBLEM?

HON. JOHN R. RARICK

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. RARICK. Mr. Speaker, a national effort to make the United States self-sufficient in energy in the 1980's is certainly a desired goal.

However, the composition of the 24-member committee appointed to help draft Project Independence should raise grave questions as to its effectiveness. The members range from businessmen to college professors, to envrionmentalists, to State and local government officials. But, of the 24, only 3 or 4 could be categorized as having an energy-related background or any expertise insofar as increasing production and knowing how to accomplish the stated goals of the super committee.

If FEO Chief Sawhill and his boys sincerely want to bring about Project Independence it would seem that the committee would have included representation from the sectors of our economy which seek out, find, and produce energy or energy-related products.

I insert a related newsclipping:

[From the Washington Star-News, June 20, 1974]

SAWHILL NAMES 24 TO PANEL

(By Roberta Hornig)

Federal Energy chief John Sawhill today appointed a blue-ribbon, 24-member committee to help draft "Project Independence"—the national goal of making the United States self-sufficient in energy supplies in the 1980s.

The members range from businessmen to academicians to environmentalists to state and local government officials.

Their task, Sawhill said, will be to give advice and expertise on the project blueprint which is to be submitted to President Nixon next November.

The committee will hold its first meeting at Federal Energy Administration offices here July 10. Its members include: Carl Bagge, president, National Coal Association; Bill Baker, president, Bell Telephone Laboratories; Jules Bergman, ABC News; Thornton Bradshaw, president, Atlantic Richfield Oil Co.; Gordon Cory, vice chairman, Commonwealth Edison and John LeDoren, formerly with the National Alliance of Businessmen.

Also, Gov. Daniel Evans of Washington; Alan Greenspan, president, Townsend-Greenspan & Co.; Mayor Maynard Jackson of Atlanta; Reginald Jones, chairman, General Electric; Stuart Lee, Department of Economics and Business Administration at Dartmouth. Also from Dartmouth, Dr. Gordon MacDonald, chairman of environmental studies and formerly a member of the President's council of Environmental Quality.

Others are former Secretary of Defense Robert McNamara, now president of the World Bank; John O'Donnell, president, Airline Pilots Association; William Rosenberg, chairman, Michigan Public Service Commission; Chauncey Starr, president, Electric Power Research Institute, and Richard Sullivan, formerly chief of New Jersey environmental protection and now a professor at Princeton University.

Finally, Paul Tierney, president, Transportation Association of America; Walter Wriston, chairman, First National City Bank; John O'Connell, president, Bechtel Corp.; James Hayes, county executive of Los Angeles; and Leonard Woodcock, president, United Auto Workers.

"FEO is fortunate to have such distinguished citizens to serve on this committee," Sawhill said. "We are looking forward to their involvement in one of the nation's most ambitious efforts aimed at fulfilling the pledge made by the President to establish national energy independence."

The committee's "expertise and opinion will play a critical role" in developing the Project Independence blueprint, Sawhill said.

The committee, whose members represent widely divergent viewpoints, will be dealing with some sticky issues, as, for example, how many environmental gains are to be traded off to provide more energy.

VILLAGE CREEK STATE PARK: A TRIBUTE TO CITIZEN DETERMINATION AND GOVERNMENT COOPERATION

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. ALEXANDER. Mr. Speaker, we Arkansawyers are indeed fortunate to have chosen as our home an area abounding in recreational facilities and opportunities. Village Creek State Park in the First Congressional District is one such recreational bonanza for residents and visitors to the eastern part of our State.

Village Creek Park is a product of local determination and cooperation between local citizens and their representatives combined with the efforts of State and Federal officials since the early sixties. Eastern Arkansawyers have waited a long time for a facility such as this one.

This sprawling park will not only provide recreational opportunities, but will also promote the conservation of Crowley's Ridge, which threads its way from the Missouri-Arkansas line south, half the length of the State.

From the time that I first publicly endorsed the Village Creek project in the summer of 1968, I have worked to provide the Federal share of funds for the project. In requests to the House Appropriations Committee, I have been successful in persuading the committee to allocate moneys which have resulted thus far in a Federal share in excess of $2 million for Village Creek.

I shall continue my efforts to secure ongoing Federal support for speedy completion of Village Creek State Park. I pledge my full cooperation with other Federal, State, and local officials to accelerate progress on this project, one which I believe to be of great value to the people of Arkansas, as well as those who seek out our State for its vast recreational opportunities.

The following is a summary of the funding status of the park. I think the statistics clearly illustrate the importance of a partnership among the various levels of government in furtherance of this project:

Total estimated project cost	$17,146,211
Source of funds:	
Federal sources:	
Bureau of Outdoor Recreation	1,771,373
Federal grant (game and fish)	450,000
Total Federal funds provided	2,221,373
State sources:	
State general revenues	3,497,583
Current special session request	126,696
	3,624,229
Total funds provided	5,845,652
Balance to be funded	11,300,559

TRIBUTE TO DAN MUNDY

HON. ALPHONZO BELL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. BELL. Mr. Speaker, my friend Dan Mundy was recently promoted from his position as associate director of the Los Angeles County Committee on Political Education (COPE)—to the post of legislative director of the Building and Trades Department of the AFL-CIO in Washington, D.C.

On Monday, July 1, 1974, at the Hyatt Regency in Los Angeles, Dan's many associates and admirers are sponsoring a dinner, "Salute to Dan," to wish him well on his new assignment.

The event will be sponsored by the Los Angeles Building and Construction Trades Council and the Los Angeles County Federation of Labor. Cochairmen of the testimonial committee are Sigmund Arywitz, John A. Cinquemani, Pete Kurbatoff, William Piercy, Jr., and Ralph "Jerry" Whipple.

A graduate of Mark Keppel High School in Alhambra, Dan Mundy participated in the labor studies program at UCLA. In 1941, he joined Local 230, Plumbers and Pipefitters, San Diego as an apprentice.

In 1945, returning from World War II services in the Navy in the South Pacific he joined Local 289 in Pasadena and turned out as a journeyman plumber. Two years later he joined Local 78 in Los Angeles.

In 1955, Dan Mundy became recording secretary of Local 78 and business agent the following year. In 1964, he became assistant business manager of the same union and in 1965, became business representative with the Building Trades Council.

Dan served as associate director of COPE from 1969 to 1974. He was a vice president of the Los Angeles County Federation of Labor for 8 years and served also as president of the Board of Publishers of the Los Angeles Citizen.

Dan Mundy is nationally known and respected in the field of labor and enjoys a gallery of friends in all walks of life who will be joining together on the evening of July 1 in Los Angeles to show him something of our profound admiration, gratitude, and respect.

SAHEL FAMINE

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. STUDDS. Mr. Speaker, over a year ago, six nations in the Sahel region of Africa were struck by the worst drought in 60 years, bringing with it famine, profound social dislocations and serious environmental ramifications.

Due to the unusually light rainfall in the past 5 years, crops have failed, leaving no reserves of grain. Rivers and lakes have dried up or are at very low levels, leaving many communities with dry wells and no access to water.

Vast numbers of people are moving south to escape the deserts, swelling the towns and cities to three times their normal size. Refugee camps are being swamped, and the administrative and other services are being stretched beyond their capacity.

In the last 50 years alone, 250,000 miles of productive land have been lost to the Sahara alone. At the time of widespread concern about world food supplies, with reserves almost entirely depleted, this accelerating process of drying and deforestation in Africa and Asia has alarming implications for the peace and prosperity of the whole world.

America and the rest of the world have a clear obligation to help the people of the Sahel region during their plight.

I should like to share with my colleagues an editorial from WEEI radio in Boston, which calls upon Congress to act on this crisis:

(WEEI Newsrad editorial broadcast, June 11, 1974, 9:24 a.m., 12:24, 3:24, and 8:24 p.m.)

WORLD UNITY TO END SUFFERING

Twenty-five million people are facing death in the Sahel region of Africa. This suffering, not the result of war or of corruption in government, is caused by a devastating famine, following seven years of drought in their land.

The torrential rains that normally fall from May to September have been nearly non-existent during those seven years and the two main food sources of Sahel, livestock and grain, have all but vanished.

Already one million people have perished from starvation and illness; the future of those remaining looks bleak.

The United Nations Food and Agriculture Organization and the United States Aid to International Development, together with the French Government have attempted to aid the famine ridden area, but their help is not enough.

Congressman Thomas Morgan of Pennsylvania has proposed legislation to appropriate $50 million for the area. The Senate voted in May to amend the Morgan bill to $85 million, but the House has refused. The bill will now be sent for negotiation to a joint Senate-House conference.

WEEI supports the Senate Amendment and

though $85 million is not nearly enough to feed Sahel, it is a beginning.

Secretary of State Henry Kissinger has helped to negotiate several hundred million dollars to aid in the rebuilding and the rearmament of the Middle East. It would seem that the spending of a few peaceful dollars to feed the starving could go a long way to ending suffering and to establishing world unity.

"MR. DEMOCRAT"

HON. HENRY HELSTOSKI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. HELSTOSKI. Mr. Speaker, with a great deal of sadness I recently learned of the death of one of New Jersey's leading citizens, William E. Dermody, Sr., of Carlstadt. Mr. Dermody died June 10 at the age of 78. Both professionally and politically, Bill Dermody's life was characterized by uncompromising integrity and perseverance.

Known in the South Bergen area as "Mr. Democrat," he was past president of the Democratic Club, vice chairman of the Bergen County Democratic Committee and municipal chairman of the Democratic Committee.

A life-long resident of Bergen County, Mr. Dermody was born in Rutherford and lived in Carlstadt for 58 years. He was with the First National City Bank for 44 years and retired in 1961.

Mr. Speaker, I would like to extend my deepest sympathy to his wife Alice and to the other members of his family. The people of Bergen County have lost a good friend. I would also like to take this opportunity to share an article with my colleagues that appeared in the Bergen Record June 11, and which highlights the many contributions Mr. Dermody made to the people of Bergen County. The article follows:

William E. Dermody, Called Mr. Democrat

Carlstadt.—William E. Dermody, Sr., a former officer of the First National City Bank of New York and borough tax assessor for 20 years, died yesterday in Passaic General Hospital. He was 78.

Mr. Dermody, who was known in the South Bergen area as Mr. Democrat, was past president of the Democratic Club, municipal chairman of the Democratic Committee, and vice chairman of the Bergen County Democratic Committee.

Mr. Dermody was born in Rutherford, and lived in Carlstadt for 58 years.

He retired in 1961 after 44 years with the First National City Bank.

He was former secretary of the Board of Health, and registrar of vital statistics for 23 years. He was a founder of the Free Public Library and served several terms as president.

Mr. Dermody was an organizer and charter member of the Carlstadt Board of Trade, a charter member of the Carlyle Dramatic Club, and a member of the Festivity Club.

Mr. Dermody was a parishioner of St. Joseph's R. C. Church in East Rutherford, and a member of its Holy Name Society. He was a life member of St. Francis of Assisi Council Knights of Columbus.

Surviving are his wife, the former Alice M. Linden; two sons, William Jr., who is mayor of Sparta, and James of Ho-Ho-Kus; a daughter, Alice D. Savage of Carlstadt, seven grandchildren, and four greatgrandchildren.

Mass will be Thursday at 10:30 a.m. in St. Joseph's Church, East Rutherford, with burial in Maryrest Cemetery, Mahwah.

Friends may call tonight from 7 to 9 p.m. and tomorrow from 2 to 4 and 7 to 9 p.m. at Diffily Funeral Home, 41 Ames Ave. Rutherford.

Donations to the memorial fund of the Carlstadt Free Public Library would be appreciated by the family.

GI EDUCATION BILL FOR VIETNAM ERA VETERANS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. WOLFF. Mr. Speaker, this week the Senate passed S. 2784, which provides meaningful improvements in the GI education bill for Vietnam era veterans.

One of the provisions contained in S. 2784 would allow direct tuition payments to veterans. As my colleagues know, the House-passed bill amending the GI program did not contain a similar provision to allow tuition payments; however, I sincerely believe that the majority of the House would stand behind tuition payments to help today's vet afford educational opportunities.

Indeed, over 70 Members of the House cosponsored my bill to provide direct tuition payments, and the House Veterans' Affairs Subcommittee on Education and Training has held comprehensive hearings on this needed improvement. I would hope that all of my colleagues who are concerned over the future of the Vietnam veteran would convey to the House conferees appointed on the education bill their support for the tuition supplement concept.

At this point in the Record, Mr. Speaker, I would like to include an article that appeared in the New York Daily News and an editorial aired over WMCA in New York with regard to the need for a direct tuition payment for Vietnam veterans. Along with the Daily News and WMCA, I urge Congress not to shortchange today's young veteran but to give him the assistance and recognition he deserves.

The article follows:

[From the New York Daily News]

Shortchange Viet Vets?

By a 91–0 vote, the Senate on Wednesday OKd a GI bill to provide college tuition payments for veterans of the Vietnam war. The measure faces strong opposition in the House—opposition that we hope will swiftly evaporate.

This bill may have bugs which should be eliminated before final enactment. But in general, we think it would be a crime to short-change Viet war veterans just because the Viet thing was not the most popular war the United States ever fought.

These men were not to blame for that unpopularity. They did their duty—bravely in most cases. Hence, they deserve every bit as generous treatment as did the veterans of all our other wars, from the Revolution on down the 198 years of our independence.

Tuition Supplements for Vietnam Vets—WMCA Editorial

No matter how you felt about the Vietnam war, you have to be outraged at the way this country's been short-changing its Vietnam veterans—especially when it comes to educational benefits under the Vietnam veterans G.I. bill.

For unlike the benefits given to veterans of prior wars, the men and women who served in southeast Asia do not receive tuition grants—nor do they receive money for their other educational expenses. As a result, in states like New York, where even in a public university tuition can run as high as nine hundred dollars a year, a lot of Vietnam veterans have an impossible time going to school and eating at the same time.

Well, thanks to legislators like Congressman Lester Wolff of Nassau, during the next two weeks on Capitol Hill they'll be studying a bill that would provide for "tuition supplements" to give Vietnam veterans extra money specifically for their tuition needs.

WMCA heartily endorses "tuition supplements," and during the next two weeks we hope that people in the tri-state area will express their support of "tuition supplements" for Vietnam veterans, by writing to: The House Veterans' Affairs Committee, Washington, D.C. 20215.

GILMAN PROPOSES PROPERTY TAX RELIEF FOR SENIOR CITIZENS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. GILMAN. Mr. Speaker, today I am introducing the Senior Citizens Property Tax Relief Act of 1974, legislation seeking to ease the excessive burden that rapidly rising real property taxes have placed on our older Americans.

Over 70 percent of our Nation's citizens over the age of 62 own their own homes. Many of the millions of these citizens live on fixed incomes which cannot keep pace with the spiraling cost of living, providing little more than subsistence. Those with static incomes, caught up in the inflationary spiral, are becoming increasingly unable to bear the added burden of climbing property taxes.

In 1970, the Advisory Commission on Intergovernmental Relations estimated that the average homeowner in the United States used approximately 3.4 percent of his household income for property taxes. Senior citizen homeowners, on the other hand, paid an average of 8.1 percent of their annual income for property taxes. Since 1969, property taxes have risen by well over 35 percent.

As a result, many of our older Americans are being forced to sell their homes—to relinquish their homestead in their golden years at a time when the comfort and security of familiar surroundings are so important.

In preparation of this legislation, a sufficient degree of flexibility is offered to the States in determining which approach to take in providing property tax relief.

This proposal does mandate specific provisions for a circuit breaker scale, if that plan is opted for by any State. Under the circuit breaker, an automatic limit on real property tax becomes effective when the property tax exceeds a fixed percentage of the homeowner's or renter's income. For example, if the yearly income of a senior citizen were $44,000, under this bill he would be entitled to relief for any property taxes in excess of 4 percent of his income; that is, any taxes in excess of $160.

The specific manner in which this relief would be provided is left to the discretion of the States—by way of a tax credit, tax refund, cash payments, or other reimbursement.

Mr. Speaker, I offer this legislation not as the definitive solution to the problems of relieving the tax burdens of the elderly, but as an option which might be considered as a viable plan. There is a growing recognition of the necessity to provide relief from the regressive property tax, but recognition alone is not enough when the homes of our elderly are being swept from under them. Accordingly, I urge my colleagues to join with me in working assiduously for the adoption of a property tax plan which will provide needed relief to our senior citizens who are desperately trying to make ends meet in our increasingly expensive society.

The bill I am introducing today is designed to encourage the States to provide substantial relief from property taxes to those homeowners and renters who are over the age of 62. While some States have already taken some initiative in this area, it is generally agreed that the States' responses to the needs of the senior citizens have not sufficed. Accordingly, my bill provides a necessary incentive to the States by offering one-half Federal funding for any State adopting a senior citizen property tax relief measure corresponding to guidelines of this bill.

MILTON TEACHER REWARDED AGAIN

HON. JAMES A. BURKE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. BURKE of Massachusetts. Mr. Speaker, it is indeed a pleasure for me to call to the attention of my colleagues the notable accomplishment of a truly dedicated teacher, Miss Helen M. Cummings, of Milton, Mass. Once again this year, one of her pupils, Ms. Doris Yee, at the Girls Latin School in Boston, has been awarded a month of study in France for accomplishment in the French language. Miss Cummings has tutored other winners in this difficult competition sponsored by the American Association of Teachers of French and the French Government. This year over 38,000 entrants competed, and for teacher and student this international award is a great honor that richly deserves our hearty congratulations. The following brief description summarizes this outstanding achievement:

Boston Girl of Chinese Parentage Wins the National Contest for Students of French

While the Concorde hits the headlines with its supersonic speed of three hours from Boston to Paris, France itself knows that the best communication between peoples is the down-to-earth knowledge of the language—the facility of Americans with the French tongue perfected in a mastery of the grammar, the culture and history of France and an awareness of current events in this dramatic point of time.

The French government recognizes this with a super-award in an annual contest sponsored by the American Association of Teachers of French.

This year's competition included students from the United States, Canada and five other countries—lands whose students have had four years of French study.

38,000 students competed this year—and the winner?

The winner is a senior at the Girls Latin School in Boston—a girl whose parents, now resident in Boston, are natives of China.

She is Miss Doris Yee of 21 A Village Court in the City of Boston.

My extra interest in this international affair is that Miss Yee's French teacher is a constituent of mine—Miss Helen M. Cummings of 17 Byrne Road in my home town of Milton. Miss Cummings is the head of the Modern Foreign Languages Department of Girls Latin School.

Neither Miss Yee nor Miss Cummings are newcomers to the winner's circle in this French competition. In 1972, pupil and teacher placed first in the national contest for pupils with two years of French preparation. Miss Yee was thus the first Boston pupil ever to attain this honor.

To all the prizes, books and certificates that go to the 1974 winer is the announcement from the French Embassy in New York of the award to Miss Yee of a study trip to France for the month of July.

Jean-Pierre Guerin, the Cultural Attache of the Embassy has alerted Air France and the French officials involved to ensure a most enjoyable month of July for Miss Yee.

Doris will fly to Paris on July 1st—entrain to the City of Tours where she will be resident with a French family, sharing their cuisine and their companionship—and will attend the "Institut de Touraine" until her return on July 30.

In the fall, Doris will enter Radcliffe.

In all this good news there is a measure of congratulation due the parents, Mr. and Mrs. Sheong Yee. They have been the inspiration for their youngest daughter—an outstanding student in all her studies, achieving the honor of graduating first in her class in Girls Latin as well as first in this international competition in French.

GILMAN QUESTIONS NUCLEAR ASSISTANCE FOR THE MIDDLE EAST

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. GILMAN. Mr. Speaker, the President's recent proposed nuclear assistance in the Middle East raises a number of critical questions which should be fully resolved prior to any final commitment by our Nation.

Most assuredly, we should provide technological assistance to both Israel and Egypt in helping them to meet their growing energy demands, but the delicate relationships in that part of the world, combined with the danger of the development of nuclear power for military purposes, poses a serious threat not only to the tenuous peace in the Middle East but also to the rest of the world.

India's recent test of a nuclear device underscores the necessity to more closely examine the questions of "peaceful" nuclear development. Assisting in the proliferation of nuclear power throughout the world, without any assurances of adequate safeguards is not the wisest course for any nation to follow.

Before giving a "carte blanche" approval for nuclear reactors for the Middle East, let us first be assured that reasonable, essential safeguards will be met—including onsite inspections.

In order to fully resolve some of the questions concerning the type and size of the reactors, the terms of funding and the safeguards, these proposals should come before the Congress for consideration and approval.

The Congress is an appropriate forum for airing and resolving these unanswered questions before rendering final approval of any pledge of nuclear assistance to that part of the world. If, indeed, congressional approval is not presently mandated by law, it is incumbent upon the Joint Committee on Atomic Energy to come forward with legislation to provide for congressional oversight.

Accordingly, I urge my colleagues to join in assuring that the approval for nuclear assistance to foreign nations is adequately considered by the most appropriate forum for such debate, the Congress of the United States.

THE FALSE GOD OF GROWTH

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. BROWN of California. Mr. Speaker, frequent reference is made by the leaders of industry and Government to the demands of growth. The assumption behind the majority of those references is that growth in quantity; of population, of consumption, of waste, and so forth, is natural, inevitable, and good. Occassionally the speakers make a distant reference to limits for certain kinds of growth, but seldom do the speakers indicate that policies must be changed now to avoid reaching those limits.

The problems of growth are not entirely ignored, and there is a growing sense of awareness that the exponential growth curves of materials, energy and population must be drastically altered soon. The focus on population growth in the last several years has resulted in a distinct reduction in population increases in the United States. The reduced population growth will indirectly reduce other projected growths, and presumably prove the projections of future trends inaccurate. Progress can be obtained in reducing other growth curves, such as those of energy usage, if serious efforts are made to accomplish this.

The experiences of southern California since World War II have demonstrated the best and the worst effects of growth. The people have decided, through their various actions, both personal and political, that it is time to pause and adjust to a slower, steadier kind of growth.

An editorial from the San Bernardino Sun-Telegram describes this situation quite succinctly. I do not think the experiences of southern California are unique to that part of the country, and I recommend this editorial to my colleagues. The editorial follows:

FALSE GOD OF GROWTH

For a quarter of a century after World War II California, and Southern California in particular, worshiped the false god of growth.

All growth was good. More population. More cars. More highways. More industries. Bigger cities. Broader suburbs. More houses. More shopping centers. More of everything.

The rest of the country obliged. Thousands after thousands immigrated to California. So there were more people and more of the rest the god of growth bestowed.

It was welcomed. It brought prosperity and the promise of the good life for all California and Californians. That growth could slow was inconceivable.

In 1947 the Stanford Research Institute, for example, forecast population growth in the 1970s would be at a faster rate than in the 1960s.

An annual addition of 570,000 persons to the population was predicted, an annual percentage rate rise of 2.7, and a state population of 24.7 million by 1980.

The fallacy in reasoning that growth for growth's sake is inherently good has been starkly revealed in what California's growth has brought with it.

It has brought poisoned, polluted air; poverty pockets and ghettos in cities; clogged highways and freeways; polluted rivers and streams and coastline; uncontrolled urban sprawl; mountains of litter; a bruised environment; overused recreational areas; economic strains and displacements; threat of power shortage.

One has only to go up and down the state to become aware of what unrestrained and unplanned growth has done to the land once called golden.

But a change for the better is taking place. Population growth has slowed. The forecasts of 1947 are not proving accurate.

Last year population grew by 1.2 per cent, not 2.7. There were 211,000 new Californians, not 570,000.

San Bernardino County gained only 5,600 people, 694,100 to 699,700, a growth of 0.8 per cent. Some of its cities grew in population by percentages above the overall county and state rates; some lost population.

There are healthy implications in the slowing down of growth.

For along with it, California, San Bernardino County and other counties, and the state's cities have set for themselves fresh objectives to repair the damage brought by unprecedented growth.

The coastline is being protected. Attention is being concentrated on the proper use of precious land and the preservation of green and open areas. The impact of any sort of development upon the environment is being made a consideration before development can proceed.

Recreational areas and parks are being improved and new ones created as fast as land and money is available.

The problem of pollution of air and streams and underground water sources is being attacked. Unhappily, immediate results are not apparent, but over the long run the problem will be solved. It will be solved for the simple reason that it must.

All of these far-reaching efforts are at last being pursued with vigor in the wisdom and conviction that, despite the fact that they should have started as state growth started to swell, it is better late than never.

The social consciousness of California and its people has been aroused to its responsibility to this generation and those to follow.

This is why the pause in growth is so necessary. It brings to governments at all levels relief to some degree from the ever rising costs of providing services for sharply rising numbers of people.

So, while population growth slows, it provides invaluable time to plan the destiny of the people of the state, from the quality of their lives to the economy which will support them to the environment surrounding them.

LOMA LINDA, CALIF., VA HOSPITAL GROUNDBREAKING CEREMONIES

HON. JERRY L. PETTIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. PETTIS. Mr. Speaker, last Sunday, June 16, I had the honor to participate in the official groundbreaking ceremonies for the new Veterans' Administration hospital that will be built in Loma Linda, Calif., in my congressional district.

This new 500-bed facility, scheduled for completion in early 1977, will be one of the finest hospitals in the Nation. Construction of the Loma Linda Hospital culminates almost 50 years of effort to have such a facility located in the inland portion of southern California where hundreds of thousands of veterans make their homes.

My good friend and our former colleague, Deputy VA Administrator Richard L. Roudebush was the keynote speaker at the groundbreaking and I would like to call to your attention his excellent remarks on that occasion.

REMARKS OF RICHARD L. ROUDEBUSH, DEPUTY ADMINISTRATOR OF VETERANS' AFFAIRS, AT THE LOMA LINDA VA HOSPITAL GROUNDBREAKING, JUNE 16, 1974

Just two days ago it was my privilege to participate in the opening of a new outpatient clinic in El Paso, a Veterans Administration facility that will serve veterans living in a large area of Texas, New Mexico and northern Mexico.

I said then that, in opening the clinic, we reaffirmed the devotion the American people feel for those who stood in their nation's defense . . . that we reasserted the desire of the American people to provide as needed for these past defenders . . . and that we reemphasized the determination of the people's government to implement this desire to the fullest extent possible.

Certainly we do these same things today.

I am honored to be with you as we take an important step toward providing better health care for a large region of California where a great number of veterans reside.

The Loma Linda VA Hospital will be among the finest hospitals not only in the VA system . . . but among all hospitals in the United States. I am sure that we will all look back on this day as one of significance. I am sure that our part in this procedure will be cause for personal pride.

The number of veterans with service during the Vietnam Era now exceeds seven million . . . and more are still returning to civilian life. The great majority of these young men and women need nothing from their government other than some readjustment help . . . and a chance to make a living and to lead their own lives.

But they are entitled to health care if it is required. So are the rest of America's 29 million veterans, valiant citizens who served in other conflicts over the last three-quarters of a century.

This hospital . . . located in a thriving and growing area . . . will be an important resource in our providing that care.

We know it will be a busy place. We know it will be a facility that VA will be proud of. We know that it will be embraced and supported by the entire community and this fine university.

Because of the growth in the veteran population . . . and because of the national commitment to medical care for veterans . . . there has been an upsurge in VA hospital construction . . . and, of course, there is major evidence of this not too far from here in southern California.

In the last four and one-half years nine new or replacement hospitals have been added to the VA system and more are under construction or planned. Construction expenditures for Fiscal Year 1975 will be $276 million, the highest in VA history.

The budget for all VA medical care activities for Fiscal Year 1975 . . . starting just two weeks from now . . . is $3.2 billion.

This is a great deal of money . . . astronomical, really. It is too much for the average person to fully comprehend, even though reports of high government expenditures are commonplace.

There must be ample justification for expenditures such as this . . . hard-earned money from American taxpayers.

The justification for medical expenses for veterans, is of course, the fact that they have served their nation well and that the nation has a debt for them that can never be fully repaid.

This is justification enough, I think . . . and I am sure that most Americans will agree that there can be no argument with money spent to care for sick or wounded veterans.

Fortunately, the American people get extra dividends for the money they spend on VA medical programs.

Some of the most important medical research being conducted today takes place within VA hospitals.

VA trains a large percentage of those persons who work in health professions . . . with more than half of all American doctors receiving some or all of their clinical training from VA.

VA is constantly working on new ways to deliver health care and medical services. Hospitals have been organized into regions so that facilities and personnel may benefit the greatest number of patients. Outpatient care has been expanded. Nursing home and domiciliary care have been expanded.

All of these things have impact far beyond our main mission of caring for veterans. They have meaning for all persons and institutions involved in medical care . . . meaning for all Americans.

I am sure that VA service to the nation as a whole, as well to veterans, will be expanded significantly because of the Loma Linda VA hospital.

This is especially true because the hospital will be affiliated with such a remarkable institution of teaching and healing.

You are proud of the Loma Linda University Medical School. We are proud to be its future neighbors and associates. We know that this affiliation will be one of the most beneficial in the entire VA system . . . and VA has long affiliated with top medical schools.

This affiliation will do more than give VA national impact. The overseas medical activities of Loma Linda University and its graduates . . . activities that save lives and reduce suffering in many parts of the world . . . will enhance the importance of VA medicine internationally.

I am sure that the community and the Veterans Administration will both be proud of the appearance of this hospital and of the atmosphere it creates.

Certainly it will be a far departure from the bleak and foreboding structures that were at one time standard for government institutions.

The setting . . . parklike and pleasant . . . and the building will blend in an inviting way. The design of the building will not just make it harmonize with the environment, however. It will also be the best and most modern from a utilitarian standpoint.

Medicine and architecture have combined with other sciences and disciplines to produce a hospital that will be attractive, practical, safe and serviceable . . . a place where the best work may be done and where the best results may be obtained . . . a place that will be comfortable and convenient for those who must use its services.

Further, this will be a hospital that can change as the demands of treatment change. It is a hospital that is architecturally capable of conforming when new specialities and modes of dealing with injury and disease come into being.

I think the thought and care that have gone into its planning and development are evidence that government has the heart and will to produce something out of the ordinary . . . for I am convinced that is what this hospital will be . . . something to bring a feeling of pride and worth to its citizens.

I think the structure we break ground for today will also be a tribute to organizations of government working together . . . for VA has had the help of other agencies at the federal, state, and local levels . . . and of government working with organizations and individuals outside of government.

These observations have limited significance however. The main thing is that this hospital has started on its way to reality and that today we act to give formal recognition to this fact.

It will be an institution dedicated to healing and to the relief of suffering . . . and it will be among the best.

To all who have had a part in bringing this project to its present stage, I convey our congratulations.

To all who will play a future part, we express our best wishes for your success.

To all who have joined in this observance today, we thank you for your interest in the hospital, for your attendance and for your kind attention.

THIRTY YEARS AFTER D-DAY

HON. GOODLOE E. BYRON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. BYRON. Mr. Speaker, 30 years ago, this month, 250,000 soldiers landed on a 40-mile stretch of French coastline known as Normandy. It was D-Day and that day will never be forgotten, especially by those who were part of it. Ray Spurrier of Frederick, Md., was a participant in that invasion and recently returned to Normandy Beach to see what the area was like—in peacetime, 30 years later. A Frederick Post newspaper account of this fascinating return follows:

Thirty Years After D-Day—Ray Spurrier Returns to Normandy Beach

(By Neil Sandler)

By the time Ray Spurrier's landing craft hit Normandy Beach on D-Day, 30 years ago, the mutilated bodies of American soldiers were strewn across the sands as far as his eyes could see.

One "God forsaken gun" was still spewing red-hot flames from inside the belly of a moss-covered concrete pillbox, from which the Germans dominated that stretch of Omaha Beach.

Ever since that D-Day invasion, Ray Spurrier has wanted to return to France to see those grounds during peacetime.

When he finally did return two weeks ago, Spurrier was shocked to find that on the very same beach, where sunbathers now romp, the cement fortress still stands with its gun pointing down to the waterfront.

"It was kind of amazing to think it was still there," Spurrier says, "but we did silence it in our fight for peace . . . and that's what counts."

Spurrier was one of several Fredericktonians who returned to France for the thirtieth anniversary reunion of the men who participated in the greatest land-and-sea invasion in history.

Several thousand of the 250,000 soldiers who landed on the 40 mile stretch of French coastline on June 6, 1944, returned to the place where American and Allied forces first began to tear at the Nazi war machine.

For two weeks, Spurrier toured the war route he trudged over thirty years earlier.

"Most of it hasn't changed a bit. I'd say every town we visited had buildings or homes that were still in rubbles from the invasion. Whole sections of London were still damaged from the bombs.

"On the French coast, homes are built in the mine areas and some of the old pillboxes are being used as homes. It makes you realize that you don't know what war is unless you've been through the destruction or at least seen the damage."

Spurrier delights in talking about the reception the French people gave the returning American and British soldiers. "They smiled and waved to us. They'd stand around our bus waving the V for victory . . . as pleased as they were years ago.

"But the most emotional part of the whole trip was visiting the cemeteries," Spurrier says. "You can look down rows and rows of crosses, which stretch as far as you can see. They're kept in beautiful shape but it's not a happy place."

The Normandy Cemetery (also known as the Saint Laurent Cemetery) holds the bodies of 9,386 soldiers who were killed on Normandy Beach.

Choking as he went on, Spurrier says he saw the graves of some Frederick soldiers, who died at his side. "It's right depressing but I know there's no way I could ever forget the way it happened."

He recalls the way it was:

"I believe it was the second of June when we were loaded on the boats . . . like canned sardines." Spurrier was one of nearly 250 soldiers crammed onto a Landing Craft Infantry barge (LCI).

"The invasion was supposed to take place on the fourth (of June) but bad weather set in. We ended up sitting out the heavy rains and rough seas in Southampton Harbor."

"On the evening of the fifth we were told that we'd be getting our last meal at 2400 hours (midnight)." Then the 4,000 boats in the invasion began moving silently across the channel.

"At 8 a.m. on D Day (June 6) our captain asked for volunteers to unlash the rest of our rations from the floor of the LCI. This was to lighten the ship so we wouldn't get stuck on a sandbar . . . I volunteered.

"As we were throwing the rations overboard I could see the beach being shelled. There were planes and ships everywhere." Spurrier recalls seeing a huge amphibious vehicle slide off one barge and into the ocean.

As his LCI neared the shore, Spurrier saw soldiers in the first beach wave scrambling from the heavy gunfire. "They were dropping over everywhere," he recalls.

At 9 p.m. Spurrier's craft hit the beach. "The bullets hitting the side of our boat sounded like the keys of a typewriter. I was too scared to even try to see where they were coming from."

Sprinting and crawling through the wet sand, sliding on his belly at times, Spurrier recalls moving up the beach to within a hundred yards of the German pillbox. "We could see flashes of fire from it and gunfire was hitting everywhere."

But Spurrier was one of the lucky ones. He made it up the beach, through the barbed wire coils, through the mine fields and onward to take their objective of Saint Lo, 25 miles away.

When Spurrier's division arrived at Saint Lo, 46 days later, he was one of 46 soldiers alive of the original 196.

He was later wounded as his group marched toward Holland behind the forces of General George Patton. Spurrier was evacuated by sea and eventually returned to the United States in March, 1945.

Spurrier met and married the former Francis S. Smith, who was a surgical technician with the Woman's Army at Valley Forge General Hospital in Pennsylvania.

The couple now live on the 400 block of Delaware Road and Spurrier is in his 28th year as an employe at Renn Pontiac.

FISHERIES AND WILDLIFE CONSERVATION AND THE ENVIRONMENT SUBCOMMITTEE HEARINGS SCHEDULED ON GAO INVESTIGATION OF FEDERAL COMPLIANCE WITH FISH AND WILDLIFE COORDINATION ACT

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. DINGELL. Mr. Speaker, I wish to announce that hearings have been scheduled for June 26 and 27 before my Subcommittee on Fisheries and Wildlife Conservation and the Environment of the House Committee on Merchant Marine and Fisheries. My subcommittee will consider the results of a General Accounting Office investigation into Federal agency compliance with the Fish and Wildlife Coordination Act requirements that wildlife conservation receive equal consideration and be coordinated with other features of federally funded or licensed water resource developments.

The GAO report—B-118370—entitled "Improved Federal Efforts Needed to Equally Consider Wildlife Conservation with other Features of Water Resource

Developments," was delivered to my subcommittee on March 8, 1974. The GAO review covered the Corps of Engineers—civil functions—the Bureau of Reclamation, the Bureau of Sport Fisheries and Wildlife, the Federal Power Commission, the Soil Conservation Service, and the National Marine Fisheries Service. The report concludes that generally "wildlife conservation had not been considered equally with other features of the 28 water resource developments—which GAO reviewed—and the need for equal consideration was demonstrated in each of the river basins coverd by GAO's review," and that "water resource development and wildlife agencies need to improve their efforts to equally consider wildlife conservation with other features of water resource developments."

The report also notes that:

> Adequate implementation of the coordination process requires close working relationships not only between wildlife and development agencies but also among wildlife agencies themselves.

While the Fish and Wildlife Coordination Act recognized this, functions of the Fish and Wildlife Service were split in 1970 into two agencies now located in two separate departments. GAO has found that these agencies' roles have not been clearly defined and that agreement on their coordination roles and responsibilities is still needed.

Another finding of the report is that:

> Wildlife officials frequently cited inadequate funding and staffing as reasons for breakdowns in the coordination process. Funding and staffing, therefore, are matters which the Secretaries of Commerce and the Interior should consider for improving implementation of the act.

These hearings will also consider a number of bills now pending before my subcommittee. The bills are H.R. 10651, by Mr. REUSS and Mr. VANDER JAGT; H.R. 14527, by Mr. BLATNIK; H.R. 42, by Mr. BLACKBURN; and H.R. 2285, H.R. 2288, H.R. 2291, and H.R. 2292, all of which were introduced by a number of my colleagues and myself. These bills would amend the Fish and Wildlife Coordination Act to further strengthen its requirements for fact-finding and coordination in support of full and equal consideration of wildlife conservation interests in water development projects. These bills also address the need for and means of actually doing something about mitigating damage to, and enhancing the welfare of, wildlife impacted by water resource developments.

High-level representatives of the Departments of Commerce, Justice, and the Interior and of the Atomic Energy Commission, the Soil Conservation Service, the Tennessee Valley Authority, the Corps of Engineers, the Environmental Protection Agency, the Council on Environmental Quality, and the Office of Management and Budget have been invited to testify on the findings and recommendations of the GAO report and the bills.

I invite any of my colleagues in the House who wish to attend, to testify, or to submit statements for these hearings to do so. We want to hear from all quarters including private individuals and organizations, and I invite anyone wishing to testify to contact subcommittee counsel indicating the nature of his desired participation. I anticipate continuing these hearings after the Independence Day holidays and everyone will have an opportunity to be heard.

I have had a long and continuing interest in the welfare of our wildlife and fisheries resources, as my colleagues are well aware. I have been increasingly concerned that even after 16 years, the Fish and Wildlife Coordination Act was not being followed adequately and that is why I ordered the General Accounting Office review. I am pleased that these hearings will permit a fresh assessment of the situation and an examination of possible legislative and executive remedial action. I am sensitive to the workload yet facing the Congress this year and to the desire of Members to complete its work and to spend more time in their districts. I will do all I can to insure that these hearings move as expeditiously as possible.

A TRIBUTE TO THE REVEREND ANTHONY A. PUCCI—ON HIS SILVER ANNIVERSARY AS A PRIEST

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. BIAGGI. Mr. Speaker, I would like to take this opportunity to pay a special tribute to the Reverend Anthony A. Pucci of Our Lady of Mt. Carmel Church in the Bronx, who recently celebrated his silver anniversary in service to our Lord as a priest. It was a privilege to join with Father Pucci's many friends and parishioners in taking part in the festivities surrounding this important event in his life.

Father Anthonly A. Pucci was born in Nutley, N.J., on June 11, 1922, but has spent most of his life as a resident of Yonkers, New York. He received his education in Yonkers, and began his study for the priesthood in 1937 at Cathedral College, where he graduated in 1943. From there, he matriculated further in his studies at the prestigious St. Joseph's Seminary. The culmination of his studies occurred with his ordination to the priesthood on June 4, 1949, by the late Francis Cardinal Spellman. Father Pucci celebrated his first solemn mass the following day at Our Lady of Mt. Carmel Church in Yonkers.

His first assigment was at St. Roch's Church in Staten Island, which was followed by assignments at the Santa Maria Church in the Bronx, St. Mary's Church in Yonkers, and St. Dominic's Church in the Bronx. It was during these early years, that Father Pucci gained the maturity and wisdom which were to aid him in his succeeding years. At each parish where he served, he gained the lasting respect and acclaim of his parishioners for his tireless and dedicated service on their behalf.

Father Pucci has served with equal distinction at his present location, Our Lady of Mount Carmel Church in the Bronx. On the occasion of his silver anniversary mass a great outpouring of affection and respect was afforded to Father Pucci by the hundreds of parishioners and friends who have known and worked with him through the years.

In addition to his time-consuming duties at Mount Carmel, Father Pucci has found time to donate his time and services to numerous civic organizations. He serves on the Yonkers Chapter Cancer Committee, he is chaplain of the Amvets of New York State, as well as for the Frank A. Rea Post, and is a lifetime member of the Yonkers Rotary Club.

Throughout the years, Father Pucci has maintained a warm and compassionate personality. He is a man who I am honored to call a friend. He is equally well liked by the young and old members of his parish, for he has been able to blend a sense of tradition with a realization of what the world is today, and the challenges it poses.

Twenty-five years in any profession represents a real achievement, yet for a priest, it can be even more significant, because it is a vocation which has the added asset of being a constantly rewarding and meaningful life.

Mr. Speaker, on an occasion such as this, it is only fitting that we his friends, and parishioners take time to reflect on the many accomplishments of Father Pucci in his quarter century of service as a priest. I offer him my sincerest and warmest congratulations on reaching this apex in his life, and I wish him at least an additional 25 years of good health and happiness.

On this occasion many tributes and praises were offered to Father Pucci, and I would like to insert one of them which was given by the archbishop of New York, Terrance Cardinal Cooke.

> May it be for you a day of priestly renewal and of happy memories, as you recall the many blessings which have filled these twenty-five years since your ordination. My prayer is that God may continue to bless you abundantly for many years in His service.

WON PAT SALUTES HONOR AMERICA CELEBRATION

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. WON PAT. Mr. Speaker, on June 13, 1974, the House unanimously voted to support House Concurrent Resolution 537, which declares the period from June 14, 1974, to July 4, 1974, as a period to honor our great country.

On behalf of the American citizens of Guam, I am proud to add my support to the "Honor America" plan and urge all of my fellow countrymen to use this period of time to reflect on what our Nation means to us and where we are heading.

In recent months, there have been numerous occasions to warrant serious doubt as to whether our system of government could survive the almost daily attacks on our sensibilities. From across our land, voices of doom arose to predict the end of our way of life.

I, for one, doubt that these prophesies will ever come true. Despite the many problems we have in this country, problems that are by no means minor ones, the foundation upon which our Government rests is strong enough to withstand the shock of wrongdoings of a few in high places.

Furthermore, I believe that most Americans want to pursue the great goals of liberty and equality which our Founding Fathers set down in their great wisdom almost 200 years ago.

During this period designated, I urge my fellow Americans to take stock of the ills of our society and to examine their most inner feelings about our country. If we are to survive our problems, then we must unite in a sound effort to rid ourselves of the evils of our society, while at the same time do our utmost to protect the overwhelming number of good things that make America one of the greatest and most admired countries in the world.

As the congressional delegate from the most distant territory of our Nation, I speak from first-hand knowledge about the success of our democratic system. By taking full advantage of the opportunities built into our system of government, the people of Guam have risen from an undefined political status with this country to now playing an important role in our Nation's affairs. While it is true that much remains to be done to improve Guam's status within the Federal Government, nevertheless, when one realizes that a short 25 years ago Guamanians lacked almost any rights, citizenship, representation in Congress, and a host of other privileges and protections shared by other Americans, the Guam of 1974 can only be viewed with wonder.

Today, the residents of this far-flung territory are proud Americans who enoy a vastly improved status within the Federal Government, and are looking forward to making even more and better changes in our island's relations with Washington—changes which could never have come about except for the strength of our democratic system of government which offers every citizen the right of appeal from unjust laws.

And so it goes for other Americans who have sought a greater and more just share of participation in their country's affairs. No matter where one looks, much has been done in recent years to improve the way of life for the millions of members of so-called minority ethnic groups in the United States. Mexican-Americans are actively improving their lot, and the success of the drive by America's blacks to achieve economic and political strength has certainly proven effective.

If the ability of the poor, the underprivileged, the downtrodden to use the system to improve their way of life is any indication of a viable form of government, then it can truly be said that America is living up to her promise.

I am, therefore, proud and honored to join with my fellow Americans in observing this period as "Honor America Days."

THE ALTERNATIVE: A MAGAZINE AND VOICE FOR THE FUTURE

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. KEMP. Mr. Speaker, we have become accustomed over the past years to intermittent eulogizing upon the deaths of prestigious journals. Life, Look, and a myriad more have succumbed, we are told, to rising production and postal costs.

I think—in the main—that decreasing demand has had more to do with those demises than rising costs, for the free market system of supply and demand will keep alive—at virtually any cost—that which is adequately demanded by the purchasing public.

Amidst all this, there has come to the fore of the American literary and intellectual communities—they are not always synonymous—a new journal of advocacy, the Alternative. And, its circulation continues to spiral—upward.

Why? Because—I believe—it has a message for which people yearn. For while those other pubs which banter about amongst themselves the mediocrity of an age too often characterized by intellectual irrelevancy—not adequately perceiving in their editorial offices that they have contributed mightily to that which they decry—the Alternative carries a message tapped by the beat of a different drummer.

The Alternative's contributing authors, editors, and staff—and readers—listen not to the stale voices of despair, not the public and printed acts of contrition which abound in those other, sinking pubs. Rather, they seek a rebirth of a golden age of political and economic freedom and attendant moral ascendancy which can come only—I repeat, only—through a reassertion of the primacy of individual worth and dignity. To this end, the Alternative is dedicated. That should be praised. And, I so do.

So, too, has William Rusher, counsellor of laws, publisher of National Review, and a voice of guiding conscience to those conservatives and libertarians to which the restoration of a renewed age of enlightenment in America—characterized by a rebirth of the Spirit of '76—is an end worthy of achievement and is their goal.

Here are his words on this magnificent journal, the Alternative:

VOICE FROM THE FUTURE

(By William A. Rusher)

Easily the oldest rhetorical device in the bag that every writer totes around is that of commenting upon one's topic (whether it be a concept, a trend, an activity, or a fellow human being) from implicitly higher moral or intellectual ground. The essence of the technique is to suggest, by appropriate historical allusions, humorous asides or other appropriate put-downs, that the writer has a keener appreciation of the relevant realities than whatever institution or individual he is discussing, and quite likely keener than the reader's as well.

There is nothing in the least improper about this, and the rewards of doing it convincingly can be great indeed. Mencken and Nathan, for example, achieved an immense reputation for themselves and their "American Mercury" in the 1920's by poking irrestible fun at politicians of almost every imaginable hue, as well as temperance leaders, fundamentalist religion, jingoism and similar targets. During the 1930's Henry Luce became the ranking master of this particular black art, and incidentally one of the world's most powerful men, by persuading many millions of people to accept his pithy know-it-all assessments of public figures and public events as irrefutable. The "New Yorker", and more recently the "New York Review of Books", have played an almost equally influential role, especially in shaping intellectual trends, by means of essentially the same technique. It follows that spotting such arbiters of taste on their way up, so to speak, is one of the sports of kings; for we may thereby perceive our future in the making.

With that rather lengthy prologue, permit me to introduce "The Alternative", a 24-to-36-page butcher-paper journal published monthly from October to June by a brilliant, madcap bunch of ex-grad students and other types from the University of Indiana, still clustered in and around Bloomington. Nowhere in America today is our reigning liberal establishment being subjected to a more merciless, hilarious—or potentially fatal—spoofing. The consequences are not yet calculable, but they may be enormous. I, for one, devoutly hope so.

"The Alternative's" editor and chief energumen is a wiry, tousled young man in his late twenties named R. Emmett Tyrrell, Jr. When I visited him and his merry crew in Bloomington some years ago, they were jointly occupying an elderly manse on the edge of town. Each room boasted a plaque over the lintel, naming it after some famous American. The handsome dining-room, as I recall, was "The General Douglas MacArthur Room".

Any given issue of "The Alternative" possesses more goodies than I can possibly describe, let alone excerpt. As one might expect—for Tyrrell, eschewing such sobersided models as Luce, has plainly patterned his style on Mencken—humor is everywhere. Sometimes it is quite apolitical, chuckling noisily at the human condition, as in this evocation of spring from the June issue:

"Spring! and overwhelming love was in the air. Mr. Zadok Nager took for better or worse the hand of Miss France Peretz, in whom he had once planted thirteen machine gun bullets during a lovers' row."

Sometimes it is wickedly political, as in this item from the regular column "Current Wisdom", devoted to leftist inanities:

"Focus on Faith. The simple faith of Mary McCarthy, intellectual: 'It is hard for me to believe that the North Vietnamese leaders (those I have seen anyway) would not find the abuse and degradation of captive men morally repugnant.'—New York Review of Books, March 7, 1974."

But there is also plenty of red meat: In the June issue alone there are thoughtful articles by Irving Kristol on "Utopianism, Ancient and Modern", by Arnold Beichman on "Parties in the Age of Watergate", and by Ben Wattenberg ("A Liberal Looks at Theodore H. White"), as well as trenchant book and film reviews and regular columns.

Long may it publish.

THE HOUNDING OF HENRY KISSINGER

HON. TIM LEE CARTER

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. CARTER. Mr. Speaker, I include for the RECORD an editorial by one of the foremost writers in our country. In utmost candor, I must agree with Mr. Alsop that if the hounding of Dr. Henry Kissinger continues our country may suffer the loss of its most outstanding statesman.

The editorial follows:

[From the Washington Post, June 21, 1974]

The Hounding of Henry Kissinger

(By Joseph Alsop)

"Do we really want the responsibility of hounding from office the most admired public servant in the United States?" This is now a serious question, which a good many politicians, thinkers and, above all, key persons in the media ought to begin asking themselves.

It is a serious question, in turn, simply because the eventual resignation of Secretary of State Henry A. Kissinger is a far stronger possibility than anyone seems to imagine. His threat to resign has been called "petulant." He has been accused of being unable to "take it." There has been a lot more nonsense of the same sort.

But it is neither petulant nor oversensitive (although it may be a bit old fashioned) to insist you must resign unless your name is promptly cleared when you have been publicly accused to "dissembling" and even "perjury." These were the accusations levelled at Dr. Kissinger by certain elements in your friendly media—who will have the major responsibility if the United States eventually needs a new Secretary of State.

Also, none of the factors in Dr. Kissinger's personal situation appear to be dimly understood in this sewage-sump of a city. First of all, he is not where he is today from love of power or from desire to make a great name or from other similar motives. If simple ambition had been Dr. Kissinger's guiding star, he would have quit long ago, when the quitting was good.

One of the two men he consulted on the problem in 1973 was David K. E. Bruce, now the leader of our liaison mission in Peking. Ambassador Bruce very strongly urged Dr. Kissinger to leave in the general glow of universal adulation that would then have surrounded him. He was intensely tempted to take this advice, and he came very near to doing so.

The other close friend he consulted gave greater weight to the simple fact—which is still a fact—that the present U.S. government without Dr. Kissinger did not bear thinking about. On this ground, Dr. Kissinger was told it was his plain duty to stay. He has the strong, gratitude-based patriotism that one often finds in refugee-Americans. He stayed, from duty and against his better judgment.

In the present circumstances, Dr. Kissinger cannot expect to depart from Washington in the same glow of general adulation. The hounds are already baying on his traces. But he would be ludicrously modest, if he did not foresee that his departure would be regarded as a major catastrophe by everyone for whom he has the faintest respect. In short, the temptation to quit is still extremely strong.

To these basics, some further factors also need to be added. His beautiful wife, Nancy, much prefers cities that are not sewage sumps; and as her hospitalizations indicates, life in the dregs is not good for her health. Furthermore, only iron will and an iron constitution have thus far saved the Secretary of State himself.

He has a hernia of the diaphragm, which can be exceptionally painful to those who are over-tired and over-weight. He is one of the unlucky million who respond to extreme exhaustion by over-eating; and he has been both over-tired and over-weight for many months on end. Under the circumstances, one has to admire the extreme stoicism that went into Dr. Kissinger's memorable feat of diplomacy in the Mideast.

Besides all this, finally, one must consider one last unknown factor of really decisive significance. As Dr. Kissinger has said, quite frankly, he long ago resolved to resign his office if he found himself beginning to be dragged into the Watergate quagmire.

The Secretary of State did not take this resolution from vanity, or from apprehensiveness. He took this resolution solely—and quite rightly—because he concluded that he could not continue to do his job at the State Department with the hounds on his traces, and all serious dialogue drowned by the hounds' loud baying.

That is precisely what began to happen at the savage and disgusting homecoming press conference, which was about all the thanks Dr. Kissinger got locally for his great feat in the Mideast. Thus this matter of the Secretary of State's resignation may not end with the review of all the facts by the Foreign Relations Committee.

Above all, there is the role of your friendly media. In the media, the level and character of the public dialogue is determined for good or ill. And that is why the country will mainly have the press to thank if the hounding goes on until Dr. Kissinger leaves office.

THE NEED FOR QUALITY PUBLIC EDUCATION

HON. WAYNE OWENS

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. OWENS. Mr. Speaker, the single most important factor working for reduced social inequality and increased technical progress in this country has been the principle of a free public education. The need for Federal aid to education is real, well-documented, and critical in the overall picture of education in the United States. Assistance to the Nation's schools is an area of first priority for Federal leadership.

Our success in solving many of our current social problems will be determined by the quality of education available today. Even in a cold economic sense, the record indicates that investing in people by providing more in the way of education can significantly enhance their economic productivity. The implication is that society should spend more for education to promote growth and to solve social problems.

Education today is a large and costly enterprise. It is extremely important that the financing of education not only be adequate but also secure because the leadtime involved in educating a child from the age of 5 or 6 to 17 means that large sums needed for education must be forthcoming regularly and permanently.

My State of Utah places great emphasis on public education. In 1971 Utah ranked No. 1 in public school enrollment as a percentage of total school enrollment. Utah also ranks among the top five States in State and local government expenditures per capita for education. This priority on education has produced good results. Utah has more high school graduates per capita than any other State and ranks No. 1 in the median school years completed by persons 25 years of age or older.

Nevertheless, Utah's school systems are not without their problems. For example, in 1970 Utah had more pupils per classroom teacher in public elementary and secondary education schools than any other State. My State also shares the Nationwide problem of developing an effective school financing program.

The States have unfortunately received little encouragement from the present administration. For the last several years, the administration has recommended that no funds be appropriated for the purchase of instructional equipment and materials. States have had to sue for funds appropriated by the Congress and unlawfully impounded by the President. I am pleased that the courts have upheld congressional intent and have released much-needed funds to State and local educational agencies.

Total expenditures for education reached $81 billion in fiscal year 1973, with the Federal share being well over $13 billion. It is imperative that the Congress develop sound, meaningful education legislation to assure that future funds are available as needed, and that they are put to best use.

The Elementary and Secondary Education Act of 1965 is the Federal Government's principal instrument for provision of financial assistance to elementary and secondary schools. Since its enactment in 1965, great strides have been made toward the goal of designing and implementing educational programs and projects to meet specific needs of local school systems, particularly assistance of educationally disadvantaged children.

Under ESEA, more than $1.5 billion is made available annually to school districts enrolling children from low-income families to support compensatory education programs designed to meet the special educational needs of educationally deprived children. Under title II, school libraries in almost every school in the country have been upgraded with the help of $90 million a year in Federal funds. New libraries have been established in schools which, prior to Federal aid, had not been able to afford to set aside even a corner of a classroom for library purposes.

Title III has provided seed money of $150 million a year allowing school districts to test innovative solutions for their own educational problems and to disseminate the results of their successes to districts facing similar educational dilemmas.

Under the stimulus of $35 million last year under title VII, bilingual education programs have sprung up in communities whose students in the past faced staggering difficulties in obtaining an education in a language with which they had little or no familiarity. ESEA also addresses other fundamental needs of education requiring Federal assistance.

On March 27 I was pleased to join with 380 of my colleagues in voting to extend and amend ESEA. In the future ESEA should provide a program of general aid to elementary and secondary education designed to provide assistance which equalizes and improves educational opportunities for all children throughout the country.

Major provisions in the House-passed version include:

Extension of Title I for three years.

Revision of Title I formula to distribute Federal funds for compensatory education through the states to school districts by counting all children from families below the poverty level as defined by the Orshansky index, two-thirds of the children from families receiving AFDC payments, and children not counted under the above who lived in institutions for delinquent or neglected children.

Extension of impact aid for three years.

Establishment of a new matching grant program to assist communities in establishing and expanding community education programs.

Extension of bilingual education program through FY 1977.

Banned bussing for desegregation purposes to any but the school next closest to the student's home.

Authorized nearly $21 billion through fiscal year 1977 for the education programs contained in the bill.

During consideration of the bill, the House rejected two amendments that would have prevented teachers from striking and that would cut off federal funds to schools which required their employees to belong to a union or a professional organization.

In addition, HR 69 called for studies on the effectiveness of Title I programs, late funding, athletic injuries, crime, and violence in schools. It also authorized a White House Conference on Education in 1975.

The following lists some of the major education votes of the 93d Congress, including votes on ESEA (H.R. 69). I also include my personal vote on each rollcall:

Rollcall Measure, Question, Result, and Owens Vote

No. 32,[1] HR 4278. A bill to amend the National School Lunch Act to assure that Fed. financial assistance to the child nutrition programs is maintained at the budget level for FY ending June 30, 1973, as amended. On motion to suspend rules and pass. 3–5–73. (2/3 required) 352–7. Yes.

No. 139,[1] HR 7447. A bill making supplemental appropriations for FY ending June 30, 1973. On amendment to increase funding of category B impacted aid school assistance from 54% to 68%. 11–178. Yes.

No. 292,[1] HR 8877. Labor-HEW Fiscal Year 1974 Appropriations Bill. On amendment to increase funds for bilingual education programs. Failed, 161–244. Yes.

No. 293,[1] HR 8877. On amendment to reduce by 10% the funds for educationally deprived children. Failed, 190–218. No.

No. 463,[1] H. Res. 420. A resolution to establish as part of the congressional internship program, an internship program for secondary school teachers of government or social studies in honor of President Lyndon Baines Johnson. On passage to suspend the rules and pass. (2/3 required) 345–64. Yes.

No. 549,[1] HR 3927. A bill to extend the Environmental Education Act for 3 years. On amendment to reduce period from 3 to 1 year. Failed, 14–252. No.

No. 622,[1] HR 8877. Labor-HEW Fiscal Year 1974 Appropriations. On agreeing to conference report. 371–33. Yes.

No. 115,[2] HR 69. Elementary and Secondary Education Act Amendments. On amendment to prohibit bussing to achieve desegregation to any but the school closest or next closest to a child's home. 293–117. No.

No. 121,[2] HR 69. On passage. 328–26. Yes.

To complete the record, I also insert for the Record some of the major education legislation I have cosponsored during the 93d Congress:

Legislation Sponsored or Cosponsored

IMPROVE EDUCATION

Cosponsor, H.R. 6557, to improve education by increasing the freedom of the nation's teachers to change employment across state lines without substantial loss of retirement benefits through establishment of a federal-state program.

EQUAL QUALITY EDUCATION

Cosponsor, H.R. 7237, to assist the states in providing the opportunity for an elementary and secondary education of equal quality to all students throughout each state and in providing for greater equity in the distribution of the burden of school finance.

ADULT EDUCATION

Cosponsor, H.R. 7818, to improve Adult Education Act.

POST SECONDARY EDUCATION

Cosponsor, H.R. 7427, to extend beyond age 22 the period during which an individual may be entitled to child's insurance benefits on the basis of full-time student status where such individual was prevented by reason of health, religious service, or service in the Armed Forces (after attaining age 18) from attending school during one or more months prior to attaining age 22.

EDUCATION OF EXCEPTIONAL CHILDREN

Cosponsor, H.R. 12169, to provide financial assistance to the states for improved educational services for exceptional children and to establish a National Clearing house on exceptional children.

NATIONAL EDUCATION POLICY

Cosponsor, H.J. Res. 662, to establish a National Education Policy.

Despite significant congressional interest in education issues, we still have a long way to go in achieving the goal of high quality public education for every American. And the problem is not limited to elementary and second education. Vocational education, higher education, and continuing education for older Americans are all significant components in national education policy. In addition, serious problems still persist in a wide variety of forms.

For example, there are about 5 million youngsters in schools across the Nation who need bilingual education help and are not getting it. The nightmare of educational neglect that has so long plagued Spanish speaking and other bilingual children in America requires immediate attention.

This problem is only part of the basic fact that equality in educational opportunity is still an elusive goal in this country. One of the great problems facing education throughout America is the unequal system of taxation and funding of schooling. Our tradition of local control over our schools has served well except that it has placed the main burden of finance on small local districts. Quality of education within respective districts depends on the tax wealth of each district. We have rich suburban districts bordering poor urban districts throughout the country. The result is unequal education in a country whose technology and economy require high quality and equal education among all of its citizens.

Because of this inequality some State legislatures have recently addressed themselves to correcting the situation through work on equalization legislation. Two years ago, the Utah State legislature passed one of the most progressive equalization laws in the country.

It is time the Federal Government respond in the same fashion.

Several months ago, therefore, I joined in sponsoring legislation, H.R. 7327. The School Tax Equalization Act, to provide for better equalization of education. This bill would increase the amount of Federal moneys available to local districts, to be distributed according to an incentive program based upon the individual State's per capita financial commitment to education, and the effectiveness of the State's equalization law.

Utah's provisions for education funding already meet the requirements of this legislation. As such, Utah would receive a relatively large portion of the Federal education funds provided for in this measure. Most importantly, the bill would not in any way restrict or define how local districts would spend funds available, and local control of schools would remain.

The controversy surrounding public school financing is far from being resolved. Public schools derive more than half their income from local sources, another 40 percent from the State, and the remainder from the Federal Government. Since the heaviest burden falls on local government and since that burden is financed principally by property taxes that have not generated new funds as fast as the costs of education have risen, the "fiscal squeeze" at the local level has been severe in recent years and is getting worse.

Property taxes are often too poorly administered, too unresponsive to economic growth, and too burdensome on families of modest means to support so important a public service as education. I support this recommendation of the National Education Association and the Utah Education Association to achieve one-third Federal funding for education. The Federal income tax is generally recognized as the fairest and most progressive tax available in the United States, as well as the most elastic.

State taxes, primarily the sales tax, are less productive and less equitable. while the local property tax is the least productive over time, the most regressive, and by far the most disliked. Federal funding of the public schools would assume that the schools are based on a fair tax.

Congress is becoming increasingly involved in the on-going debate of educational accountability. There are those who would hold teachers directly accountable for specific performance criteria before allowing Federal moneys to be spent on education. Research has shown that precise measurement of teaching effectiveness is virtually impossible.

However, strict accountability might force teaching into becoming an overregulated endeavor. This trend could possibly even lead to accountability being placed on administrators, school boards, or other segments of the community which have an influence on student performance. Although this concept is attractive on the surface, Congress should be very skeptical of adopting any accountability plan unless it is clearly demonstrated to be effective in improving education.

In my discussions with teachers in my district, they point out several problems which are especially important to them. They urge that Congress be more sensitive to the problem of reducing classroom size to improve teaching effectiveness. They stress that teachers are grossly underpaid, and I strongly agree. Teachers also report that they are burdened with too many administrative tasks that reduce their teaching effectiveness. Funds should be provided to hire aides to handle classroom clerical chores and free teachers to do their job—educating.

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[1] 93rd Congress, First Session.

[2] 93rd Congress, Second Session.

I have only touched briefly on some of the critical problems Congress must focus on to be successful in education policymaking. The challenge is clear to us all. I am sure all of my colleagues appreciate the basic importance of education in our society. And I am convinced that quality education for the disadvantaged is the key to the solution of many other social problems.

I will continue to fight for adequate funding for vital education programs because this Nation's priority is the same as that which Benjamin Disraeli advocated for Great Britain in 1874 when he said to the House of Commons:

> Upon the education of the people of this country the fate of this country depends.

PERSONAL FINANCIAL DISCLOSURE

HON. WILLIAM R. ROY

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. ROY. Mr. Speaker, today I submit for the RECORD and to the public my complete personal financial disclosure for the years I have served as a Member of Congress:

WILLIAM R. ROY—SUMMARY OF TAX INFORMATION

1971

(Married taxpayer with six dependent children).

Adjusted gross income, $69,755.

Congressional salary, $38,722; settlement of equity from prior medical practice* $19,000; dividends, $48; interest on debentures, $1,200; capital gains (old medical practice) $9,567; loss on partnership ventures ($282); State of Kansas tax refund, $1,583; honoraria ** $1,970; less moving expenses. ($2,053).

Total itemized deductions, $13,036.

Taxes (real estate, local) $5,324; charitable contributions, $818; interest expenses, $1,235; business expenses, $5,659 (expenses of $14,370 minus reimbursements of $8,732).

Total taxes paid, $24,883.

Federal income taxes paid, $17,720.

Kansas income taxes paid, $1,796.

Kansas intangibles tax, $43.

Real estate and local taxes, $5,324.

1972

(Married taxpayer with 6 dependent children).

Adjusted gross income, $64,590.

Congressional Salary, $42,500; Settlement of equity from prior medical practice * $12,000; dividends, $79; interest on debentures and savings, $1,210; capital gains, $26; Honoraria, $8,775.**

Total itemized deductions, $19,909.

Taxes (real estate, local) $3,240; charitable contributions, $981; interest expenses, $822; business expenses, $14,716 (expenses of $21,273 minus reimbursements of $6,557); medical expenses, $150.

Total taxes paid, $16,208.

Federal income tax paid, $11,546.

Kansas income tax paid, $1,377.

Kansas intangible tax, $45.

Real estate and local taxes, $3,240.

1973

(Married taxpayer with four dependent children).

Adjusted gross income, $74,256.

Congressional Salary, $42,500; Settlement of equity from prior medical practice,* $12,000; dividends, $77; interest on debentures and savings, $1,805; capital gains, $24; Honoraria, $17,850.**

Total itemized deductions, $22,617.

Taxes (real estate and local), $6,037; charitable contributions, $1,031; interest expenses, $4,461; business expenses, $10,938 (expenses of $27,053 minus reimbursements of $16,115); medical expenses, $150.

Total taxes paid, $23,499.

Federal income tax paid, $15,595.

Kansas income tax paid, $1,805.

Kansas intangible tax, $62.

Real estate and local taxes, $6,037.

ASSETS

Home, Topeka, Kansas	$60,000
Home, Washington, D.C	60,000
Lot, Shawnee County, Kansas	6,000
Cash value, life insurance	35,000
Contributions to Civil Service Retirement Fund	11,000
Equity, Keogh Retirement Fund	7,500
Equity, Retirement Fund (Drs. Tappen, Gleason & Ransdell)	24,000
Medical Plaza Bldg. debentures	31,000
Corpus, William R. Roy Trust	25,000
Investors Diversified Equity Fund	13,000
Affiliated Fund	1,500
Municipal Bonds (Overland Park and Wichita)	10,000
Equity, prior medical practice	4,000
Cash and personal property	21,000
Total assets	309,000

LIABILITIES

Mortgage, Home, Topeka	12,000
Mortgage, Home, Washington, D.C	36,000
Loan, Equitable Life Insurance Co	13,000
Total liabilities	61,000
Net worth	248,000

SUMMARY

Total taxes paid, 1971–73	64,590
Federal income taxes	44,861
Kansas income taxes	4,978
Kansas intangible tax	150
Real estate and local taxes	14,601

The above report includes a statement of my present net worth and statements of income, deductible expenditures, and taxes paid during my years of service in the United States House of Representatives.

My net worth has diminished from $306,000 in June of 1970, when I announced for Congress, to the present amount of $248,000. One of the reasons for this is that Jane and I have had the privilege of paying for 12 years of higher education for five of our children who have completed or entered college during that time.

WILLIAM R. ROY,
Member of Congress.

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*Congressman Roy has not practiced medicine since entering Congress in January of 1971, nor has he derived any income for services rendered while a Member of Congress.

**Itemized accounting of all honoraria have been filed with the Committee on Standards of Official Conduct, House of Representatives, Washington, D.C., and are public documents.

THE STRANGE CASE OF HAVIV SCHIEBER

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. ASHBROOK. Mr. Speaker, on several occasions I have drawn attention to the case of Haviv Schieber, a 63-year-old resident of the United States for the last 15 years, who the Immigration Service has been trying to deport to Israel for overstaying his visitor's visa in 1959. While in the United States Mr. Schieber has led a constructive, exemplary life. employing members of minority groups in his housing rehabilitation business in New York City. As I have pointed out in the CONGRESSIONAL RECORD, several U.S. Senators, businessmen in New York City, and several organizations have gone on record as recommending permanent status for Mr. Schieber as a desirable resident of the United States. An excerpt from one commendatory letter regarding Mr. Schieber bears repeating:

> Haviv Schieber has also exhibited fantastic results in working with minority labor through his ingenious program of forming workers in small collectives, who then take jobs on a contract base. Result, the individual who has always worked on an hourly scale, a little more than if he were on welfare, is now in business for himself, has pride and monetary reasons for self-assertion, works faster, learns quicker, and earns a hell-of-a-lot- more. And the beautiful part of this is that the contractor needs 70% less supervision, and the job is completed on an average of 62% of the time.

The Anaheim Bulletin of June 11, 1974, carried an excellent rundown of the case by Allan Brownfeld, who has for a number of years, as a lawyer, writer and lecturer, covered a wide range of issues here in Washington. In addition, on June 15, the Conservative Party of New York State passed a resolution at its convention supporting Haviv Schieber in his fight to live the rest of his life in the country he has served so well in the last 15 years.

There follows at this point the Brownfeld article and the text of the abovementioned resolution:

STRANGE CASE OF HAVIV SCHIEBER

WASHINGTON.—Haviv Schieber is a 63-year-old Israeli citizen and a resident of the United States for fifteen years. Last month, he attempted suicide rather than be deported to Israel where he charges he will be subjected to torture and humiliation due to his political beliefs and activities. Schieber is a utopian, believing in what he calls a "Holy Land State" in Palestine, in which Jews, Christians and Moslems will have equal rights.

Appearing on his behalf before the House were Senators James Buckley, R-New York, and Jesse Helms, R-North Carolina, and Rep. John Ashbrook, R-Ohio. Yet, despite the fact that Communists and criminals are rarely forced to leave the country, Haviv now faces forcible removal.

The U.S. Immigration Department has apparently treated Schieber in a high-handed manner, attempting to place him on an airplane to Israel without even permitting him to obtain an electric razor and suit from his apartment before leaving for the airport. He was refused permission to call his lawyer and his lawyer was not notified of his imminent deportation. According to Schieber, when he asked to have his personal effects from his apartment he was refused. Instead, Immigration officials forced on him two luggage bags containing writings and tapes authored by him and whose subject matter was both anti-Communist and anti-Zionist. He protested that his material, upon inspection in Israel, could well inflame passions against him. When he asked that the material be left behind, he charges that Immigration officials placed tags on the luggage bearing his name and readied them for delivery to the plane.

Rep. Ashbrook stated, "If the allegations raised against Immigration people in the deportation attempts are true, and if they are representative of deportation cases, they do raise serious issues of due process and violation of basic human rights."

Haviv Schieber was born in Poland and risked his life helping Polish Jews escape from Nazism to Palestine in the late 1930s. He spent several years in Israel after World War II, serving in the Israeli army and then rehabilitating housing, at no profit to himself, for Jewish refugees.

Schieber is an outspoken supporter of democracy and of free enterprise. He has appeared on many platforms speaking in opposition to Communism, he has donated blood for Vietnam servicemen and has founded a successful construction firm in New York, specializing in rehabilitating low-income housing for which work he has received many letters of commendation, including one from an agency of the New York City government. In his firm, Schieber has made special effort to employ minority groups and returning Vietnam veterans. The Bronx chapter of the National Congress of Puerto Rican Veterans has praised Schieber and actively opposes his deportation.

Who seeks his deportation? This is not clear. Schieber himself places some of the blame upon men in the New York State Immigration Office with "extreme pro-Israel feelings," including the District Director, Sol Marks, who has himself been a guest of the Israeli Government traveling to Israel at the expense of that government. The New York Post has reported that an Israeli official described Schieber as a "troublemaker," and Schieber believes that the deportation effort is primarily aimed at silencing him and his unorthodox political and religious views.

Schieber, a soft-spoken, intense man, has never had a criminal record in either Poland or the United States. He does claim to having been arrested in Israel 18 times for his political activism in which he declined to work within the existing major political parties, which he views as socialistic and Marxist. He also has expressed opposition to what he believes are the exclusivist policies of Israel, which hold that Jews everywhere in the world have more rights in that state than do Palestinians who were born there. Haviv Schieber may have unpopular opinions, but in a society such as ours freedom of speech protects him in their expression.

The Immigration Department charges that Schieber was guilty in Israel, of a crime of "moral turpitude," a basis for deportation. What was that crime? Mr. Schieber, when he was mayor of a small Israeli town, was charged with the theft of two street tiles to construct a symbolic post office when his town, Beer Sheba, had been denied a post-office. This certainly appears an unusual basis for deportation.

Despite the fact that Shieber seems clearly to be under attack because of his views, the House Immigration subcommittee refused to consider his case, which was originally tabled in 1969 by Judiciary Committee chairman Emanuel Celler. Consider some of the legislators who voted against Schieber—Joshua Eilberg of Pennsylvania, Elizabeth Holtzman of New York and Jerome Waldie of California—all liberal Democrats, all expressing great concern for the right of Soviet Jews to emigrate to Israel but showing no concern about the right of one Jew—Haviv Schieber—to remain in America.

Reviewing the facts, Rep. Ashbrook expresses the view that Haviv Schieber should be permitted to remain. He states that, "Mr. Schieber's views are his own. My concern for his future is on a humanitarian basis, the nature of the Imigration case against him and on the equities involved in the case."

The Immigration Subcommittee would not even hear the case. If this is a case of American justice, Haviv Schieber must be wondering what the world has come to. He had more faith in America than that.

RESOLUTION PASSED BY THE STATE COMMITTEE OF THE NEW YORK STATE CONSERVATIVE PARTY

Whereas, Haviv Schieber has lived and worked in the United States for 15 years as a successful building contractor, paying taxes and giving employment to literally hundreds of Americans, including members of minority groups seriously disadvantaged in the building trades; and

Whereas, Haviv Schieber, self-exiled from Israel due to harassment because of his anti-Communist and anti-Zionist activism, has repeatedly sought political asylum in our country; and

Whereas, despite the support of many prominent Americans, including highly respected members of Congress, residency in America has been denied to Haviv Schieber; and

Whereas, in the latest attempt to deport him, Haviv Schieber was imprisoned in maximum security detention facilities for *four months* without being charged with any crime and denied bail; and

Whereas, after a suicide attempt, the New York Immigration authorities tried to deport Haviv Schieber with 20 stitches in his left arm, heavily sedated, and bound in a strait jacket; now therefore, be it firmly

Resolved that the State Committee of the New York Conservative Party, meeting this fifteenth day of June, 1974, do hereby

(1) Protest to all the governmental authorities involved that the recent treatment of Haviv Schieber constitutes cruel and unusual punishment;

(2) Join with Rep. John M. Ashbrook of Ohio in requesting Rep. Peter Rodino, Chairman of the House Judiciary Committee, and General Chapman, head of the Immigration Service, to order a full investigation of the affair; and

(3) Urge the members of the House Subcommittee on Immigration to reconsider its (procedural) vote on the Haviv Schieber Bill and allow Senator Buckley's bill for Mr. Schieber to be placed before Congress.

CRUDE OIL

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. BROWN of Ohio. Mr. Speaker, I would like to share with my distinguished colleagues the following excerpts from a presentation, which recently came to my attention, by Mr. C. E. Spahr, chairman of the board of the Standard Oil Co. of Ohio.

The fact that Sohio believes there is going to be a surplus of crude oil on the west coast and that the surplus can be transported to energy-deficient areas of the country is an encouraging sign that we will be able to achieve energy self-sufficiency. I commend the reading of this speech to my colleagues:

EXCERPTS FROM A PRESENTATION BY MR. C. E. SPAHR

I expect that most of you gentlemen are aware that, in spite of the many frustrations that we and our associates in Alaska experienced before finally obtaining a Federal right-of-way permit for the trans-Alaskan pipeline early this year, we have been going forward with the necessary development work in that part of the Prudhoe Bay field for which we are responsible as operator, through our agent, BP-Alaska. To date we have drilled 60 wells; installed two of the three gathering centers that have been delivered; and erected a prefabricated base camp and operations center, which was moved up by barge from Seattle. By continuing our one rig drilling program we expect to complete the development of the field by the time the pipeline is ready. It is likely that a second rig will be moved in just prior to start-up of production to complete wells and do whatever remedial work is called for on the earlier drilling. We continue to feel that a total of 72 wells will be sufficient for the west half of the field, which we will operate.

Through 1973 we had invested about $250 million in the production facilities, and we estimate that our total cost will be at least $600 million including our share of required gas reinjection facilities. Unlike the pipeline, all interest costs resulting from this phase of North Slope activity have been and will continue to be expensed as they are incurred. Our capital expenditures for North Slope production activities should amount to more than $100 million this year.

On January 23 of this year the long sought and hard fought right-of-way permit for the trans-Alaskan pipeline was issued by Secretary Morton, some five years after it was first requested. This is a critical permit, but only the first of a substantial number of permits that will ultimately be required. We obtained the state right-of-way permit in April 1974 and we are hopeful that there will be no undue delays in obtaining other necessary permits. Construction of the service road north of the Yukon River is under way, as is site preparation for the pumping stations and the Valdez terminal. The construction schedule contemplates completion and start-up by mid-1977. We do not foresee any reasonable prospect that this timetable can be accelerated.

The line is designed to have an ultimate throughput capacity of 2 million barrels per day. Plans call for increasing throughput in stages, with initial throughput of 600,000 barrels per day. Stage two requires the construction of additional pumping stations and storage to reach a throughput of 1.2 million barrels per day. The long delay in getting started while work continued on the production facilities now dictates that the second stage be initiated promptly in order to maximize the possibility of achieving a 1.2 million barrels per day rate by the time the pipeline is completed and tested. We feel that the main Prudhoe field will have an MER of about 1.5 million barrels per day. Additional oil must be discovered in order that the ultimate 2.0 million barrels per day capacity of the pipeline may be utilized.

The line is estimated to cost about $4.0 to $4.5 billion at the 1.2 million barrels per day capacity. Sohio's share is currently about 28%. However, our leases cover better than

50% of the reserves assigned to the Prudhoe field. Therefore, our interest in the line will increase. Present indications are that Sohio and British Petroleum Company, combined, will be required to take approximately 50% of the line. It is expected that Sohio's portion will be about 34%.

A critical determinent of the ultimate expansion of TAPS to 2.0 million barrels per day throughout capability will be the success of exploration efforts in northern Alaska outside Prudhoe Bay. Very little exploratory drilling was done on the North Slope or elsewhere in inland Alaska while the fate of the transportation system was in such doubt. However, as construction of TAPS progresses, I believe that the pace of exploration will increase. It seems reasonable to me to assume that other oil fields will be discovered either on shore or off shore the North Slope of Alaska. I mentioned in my opening remarks that Sohio has a working interest in about 59,000 net acres in Alaska apart from Prudhoe Bay. It is more important to note that we have *some* interest in roughly 450,000 gross acres and that we expect to participate in future exploration in these areas at some later date.

One of the after effects of the oil embargo has been a reassessment of the chances of a crude oil surplus developing on the West Coast when North Slope oil comes to market. When we consider the effects of higher product prices and conservation efforts, we conclude that the growth rate in West Coast demand will be reduced from the previous 6–7% annual rates. Greater efforts to increase production brought about by Project Independence plus higher crude oil prices, provided they are not blunted by adverse tax legislation, are now expected to result in crude availability in excess of that previously projected. As a result of a reduced demand growth and increased supply, the probability of a surplus developing on the West Coast is high enough that it must be considered in our planning efforts. Judgments have been expressed that oil reserves on the North Slope of Alaska outside of the proven Prudhoe Bay area may be sufficient to bring total TAPS throughput up to 2.0 million barrels per day. Other areas offshore in southern Alaska and California are also believed to have potential for substantial new crude reserves.

Because of the increased probability of a surplus developing, we are actively looking at alternate means of moving crude oil from the West Coast to the interior of the United States. Williams Brothers is currently doing a feasibility study to help us identify the best potential port and pipeline route consistent with economic and environmental considerations for moving up to one million barrels per day of crude oil from the U.S. West Coast to points of connection with existing pipeline systems east of the Rocky Mountains. Completion of such a project would be scheduled for shortly after start-up of the trans-Alaskan pipeline. We anticipate that should a commitment be made to build a pipeline to a point east of the Rocky Mountains, ownership would be shared with other crude oil users.

THE MONTH OF JUNE PROCLAIMED AS COMBAT HUNTINGTON'S DISEASE MONTH

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. ROE. Mr. Speaker, this year in many areas of our Nation the month of June is formally being observed as Combat Huntington's Disease Month and I know you and our colleagues here in the Congress will want to join with me in national recognition of this first nationwide proclamation of the people to bring public awareness to the desperate need for a national commitment to harness our vast advances in science and technology to unlock the mystery of this dread disease that insidiously gnaws at the hereditary genes of our populace spreading its tragic consequences from one generation to another.

Every year, thousands of families are faced with the tragedy of the disease known as Huntington's Chorea. This dominant genetic hereditary disorder produces progressive deterioration of the brain until death, and only manifests itself when the victim is in the prime of life. Since the symptoms of Huntington's disease appear when the victims are past childbearing age, the debilitating gene may have already passed to their offspring. The slow progression of the disease often means spending 10 to 15 years in an institution, which, in turn, decimates family resources, while the offspring of the victim, unsure of their own fate, must save considerable sums of money to avoid a similar fate, to say nothing of the emotional chaos that they must endure.

Since introducing legislation in the House on January 22, 1974—my bill H.R. 12215, known as the National Huntington's Disease Control Act—to establish a special comprehensive program to combat Huntington's Disease by providing Federal assistance for the diagnosis, prevention, and treatment of, and research in this tragic disease, 27 of our colleagues have joined with me in the sponsorship of this legislation, as follows:

The Honorable:
Bella S. Abzug (N.Y.)
Les Aspin (Wis.)
Bob Bergland (Minn.)
Jack Brinkley (Ga.)
George E. Brown, Jr. (Calif.)
James A. Burke (Mass.)
Yvonne Brathwaite Burke (Calif.)
Silvio O. Conte (N.Y.)
John Conyers, Jr. (Mich.)
Dominick V. Daniels (N.J.)
Joshua Eilberg (Penn.)
Richard T. Hanna (Calif.)
Augustus F. Hawkins (Calif.)
Henry Helstoski (N.J.)
Elizabeth Holtzman (N.Y.)
James J. Howard (N.J.)
John E. Hunt (N.J.)
John M. Murphy (N.Y.)
Donald W. Riegle, Jr. (Mich.)
Matthew J. Rinaldo (N.J.)
Peter W. Rodino, Jr. (N.J.)
Edward R. Roybal (Calif.)
Fortney H. Stark (Calif.)
Gerry E. Studds (Mass.)
Frank Thompson, Jr. (N.J.)
Morris K. Udall (Ariz.)
Antonio B. Won Pat (Guam)

Senators Clark (Iowa) and Bayh (Ind.) introduced similar legislation in the Senate.

Mr. Speaker, during these past few months I have also had the privilege of receiving the overwhelming, heart-stirring and awe-inspiring pleas of families throughout America who are faced with the tragedy of the disease known as Huntington's Chorea. They are truly soldiers of our communities and one of the greatest honors is the fact that I have personally had the opportunity to meet and discuss with the outstanding champion of their cause and founder-organizer of our country's national organization, the Committee to Combat Huntington's Disease, Inc., Mrs. Marjorie Guthrie, widow of Woody Guthrie, the internationally renowned folk singer prominently known for the ballad, "This Land Is Your Land," who died of Huntington's Disease in 1967.

In tribute to the quality of Mrs. Guthrie's courage and leadership and her untiring, unselfish dedication to help control and prevent the genetic neurological disorders of our people, I would like to call to your attention the following news article written by the Oakland Tribune staff correspondents, Marina Gottschalk, which appeared in the May 16, 1974, issue of the Tribune:

[From the Oakland Tribune, May 16, 1974]

ONE WOMAN'S FIGHT AGAINST DISEASE

(By Marina Gottschalk)

For 15 years Marjorie Guthrie saw her husband slowly dying of Huntington's Disease. She stood helpless as he suffered from uncontrolled jerks and spasms, garbled speech, continuous physical deterioration.

She was told nothing could be done. She says she is ashamed because she believed what she was told. "I wanted to be a dancer. I worked hard and long to become a dancer. With that determination, how could I not do anything, believe that nothing could be done?"

Mrs. Guthrie was in San Francisco recently for the 28th annual meeting of the American Academy of Neurology. We visited with her just before her return to New York.

"I started coming to these meetings four years ago," she said. "I knew that everyone with the disease, or their family, would eventually go to a neurologist. So I wanted to meet these people, to talk with them."

Woody Guthrie, the legendary folk singer, died in 1967. Since then, his widow has been involved in a tireless campaign to educate the public, organize families with HD histories and establish an HD research center.

"In the beginning, I only wanted to talk about HD. That's no longer the case," said Mrs. Guthrie. "I don't want an HD research center anymore. I've learned and I'm talking about much more."

She has what she calls an "umbrella approach. I want basic research, not targeted research. I am talking about all the genetic components, all the neurological disorders, and even about the aging process because that's deterioration just as HD is deterioration.

"Anything that can tell us about the basic chemistry of genes and chromosomes might help us in any or all of these diseases."

Mrs. Guthrie is determined that public attention will focus on genetic and neurological diseases as it has on heart and cancer research.

She quotes Dr. Victor McKusick, dean of the medical school at Johns Hopkins University, who says there are already more than 2,000 known genetic disorders and estimates that 25 per cent of the patients in the country's hospitals are there because of genetically based diseases. Another estimated 20 per cent are in hospitals for neurological disorders.

Seven years ago, when Marjorie Guthrie decided to do something about Huntington's Disease, she was alone. The Committee to Combat Huntington's Disease consisted of one person. But she was determined, and when necessary, pushy.

When Marjorie found out that a reporter

was interested in doing a story on her son, Arlo Guthrie, she convinced the reporter a story should be done about her work. As a result, Marjorie met six people who were interested in working with her. The more she campaigned, the more people she found who wanted to work with her.

Once you've met Marjorie Guthrie, that is not at all difficult to understand. A warm, sincere, genuine woman, who possesses an energy and vibrancy many would envy, it is difficult not to become involved. As a result, there are now 50 chapters throughout the country, composed of thousands of volunteers. Some just care. Some have the disease or have family with the disease. And there are doctors who have found they can learn as well from Marjorie's work.

No cure for HD is known at present, although there are medicines available to lessen some of the symptoms. Offspring of HD sufferers have a 50-50 chance of getting the disease. If they don't get it, their children will not. If the trait stops in one generation, future generations don't have it.

Physical therapy, a good diet are two things recommended for those with HD.

Research is, of course, the basic step in finding out more about HD and finding a cure for it. "I want an in depth research study." Mrs. Guthrie said, "to find out where we are going, what we're doing with genetics. And, of course, for this funds are needed."

Mrs. Guthrie suggested that if anyone is interested in getting information about HD, or wants to help in the work the committee is doing, they should write to her at the Committee to Combat Huntington's Disease, 250 West 57th Street, New York, N.Y. 10019.

"You know, if I die tomorrow, I know this problem will be solved," said Marjorie Guthrie. "But if I live, I know it will happen sooner."

The national headquarters of the Committee to Combat Huntington's Disease, Inc., which now has 50 chapters throughout our Nation, is located at 250 West 57th Street, New York, N.Y., 10019 and I wish to commend to you the following officers and trustees of this committee, as follows:

OFFICERS

The Honorable:

Theodore Bikel, National Honorary Chairman.

Marjorie Guthrie, President.

Richard L. Branaghan, Executive Director.

Stanley Fahn, M.D., National Science Council Chairman.

John R. Whittier, M.D., Immediate Past Chairman.

Simon Horenstein, M.D., Secretary.

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H. Richard Tyler, M.D.

Mr. Speaker, as we join with these dedicated and purposeful leaders of our communities and citizens throughout our Nation in observing the month of June as Combat Huntington's Disease Month, I appreciate the opportunity to seek this congressional recognition of these brave and courageous people. If we are to commit ourselves to the fundamental health of our Nation, we cannot ignore the cries of the over 100,000 victims of this debilitating genetic disease and must place the discovery of the cause of, and cures and treatments for, this dread disease in the highest national priority. I trust that many more of our colleagues will join with me in sponsoring the Huntington's Disease Control Act in our quest for priority consideration of this most important legislative proposal in order to expedite its presentation for the vote of approval by the Members of Congress.

ANALYZE BEEF PRODUCTION COSTS

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. ADBNOR. Mr. Speaker, recently much attention has been directed toward the plight of the Nation's meat industry and difficult situation created among farmers and ranchers because of the depressed prices for livestock.

To help my colleagues better understand what this situation actually means to individual operators out in rural America, I would like to share some information which has been brought to my attention. The following information is based on typical ranching conditions in Meade County, S. Dak. As these figures are examined, I ask that the reader bear in mind that the return on a calf sold at the present time is substantially less than it was in 1973, while nearly all other costs are up sharply.

The analysis of production costs in a ranching operation follows:

ANALYZE BEEF PRODUCTION COSTS

Two Meade County ranchers have tried to make an honest attempt to find out calf costs by using the Guidebook For Planning a Farm or Ranch Business, known as Extension Service, S.D. State University.

The two ranchers are George Levin, Hereford, chairman of the board of the Independent Stockgrowers of America (S.D. Branch) and George Wunig, Hereford, a member of the state board.

The Guidebook said: "A financially successful farm business pays for: "1. All cash operating expenses 2. Depreciation 3. Interest on investment 4. Operator and family labor (going wage rates) 5. Management. The two ranchers submit their figures for a 100 cow ranch on the basis of land and equipment costs at the beginning of 1974. They ask other ranchers to use their own figures for a 100 cow ranch, or for any other number of cows, to see what they come up with.

The study assumes the following:
Feeder calf to be sold in October;
Replacement first calf as 2-year-olds;
90 percent calf crop;
16 percent replacement ratio;
1 bull for 25 cows; and
6 years average productive life of cow.

Capital investment per cow:	
Land—30 acres at $60 per acre	$1,800
Price of cow	400
Equipment	149
Bulls	48
Replacement heifers	56
Hay and grain	$68
Saddle horses	8
Total	2,529
Direct cost of producing a calf	242
Return on capital investment	194
Management salaries to reflect 90 percent calf crop	84
Total	520
Average price of calves (1973)	233

Amount rancher was short on selling price for 1973, $287.

Direct Cost:	
Equipment depreciation	15.00
Transportation and market	7.50
Taxes and insurance	20.00
Building repairs	6.00
Veterinary and drugs	4.50
Equipment and fence repair	20.00
Breeding fees	12.50
Mineral, salt	2.00
Supplement	11.00
Grain	10.00
Death loss, 10 percent	16.00
Cow depreciation, 7 percent	28.00
Gas, oil, fuel	12.00
Labor (16 hours at $3)	48.00
Utility costs	1.50
Miscellaneous	4.00
Total	218.00

Equipment inventory (Meade County):	
1 Saddle	200
Small tools	1,000
Car, ½ value	3,000
1 Pickup	6,000
Tractor and farmhand	12,000
Tractor, mower, and rake	6,000
Miscellaneous	2,000
Total	29,800

Capital investment:	
3,000 acres at $60 per acre	180,000
100 cows at $400 per cow	40,000
4 bulls at $1,200 each	4,800
16 replacement heifers at $350	5,600
100 tons of hay at $30	3,000
½ Equipment inventory	14,900
2 Horses	800
Grain	1,200
Total	250,300

Interest .07 $17,521 or $175 per cow unit.

Direct costs: $218 plus interest ($175) plus management and salaries ($75) makes $468 per cow. Adjusted to 90 percent calf crop is $520 per cow for all operational costs.

PUBLIC HOUSING FOR THE ELDERLY

HON. EDWARD I. KOCH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. KOCH. Mr. Speaker, the House has adopted a revised version of the section 202 direct loan program for elderly housing which will provide for participation by nonprofit housing groups in housing development. This is an important addition to the resources which can be used to assist elderly Americans who badly need housing assistance.

Beyond the section 202 program, however, I hope that the final bill when it comes back from the conference with the Senate bill also includes an extension of funding for new housing for the elderly to be undertaken under the traditional public housing program.

At the present time, over 430,000 elderly households live in elderly public housing—over three-fourths of all the elderly housing assisted by the Federal Government. This elderly housing is located in all 50 States.

The record also shows that at the time of the moratorium on new housing activity imposed by the administration in January, 1973, that there were over 200,000 applications for public housing which were pending, and are now in limbo. Based on the proportion of applications for elderly in recent public housing experience, I would estimate that at least 40 percent of these unfilled applications—about 80,000 units are for elderly persons. Again, they represent all 50 States.

To my knowledge, the public housing program for the elderly has been one of the most popular housing programs we have ever had. Even the administration has acknowledged its value. It is time that we got it moving again, and I hope that the final conference bill will include it.

A tabulation of this public housing activity by State is included for the RECORD:

PUBLICLY FINANCED LOW-RENT HOUSING

[Total program: Number of units projects and LHA's by activity status and State, as of June 30, 1973]

State	Total program		Number of active housing units, applications received
	Number	Elderly	
Alabama	54,091	7,313	9,324
Alaska	4,203	464	1,592
Arizona	11,784	1,856	1,181
Arkansas	18,813	7,259	4,293
California	86,942	17,097	8,960
Colorado	10,710	3,322	2,900
Connecticut	22,321	8,350	1,335
Delaware	3,889	986	250
District of Columbia	14,225	2,917	
Florida	52,385	13,958	7,236
Georgia	61,224	9,800	7,235
Guam	350		
Hawaii	6,088	2,120	470
Idaho	2,021	822	965
Illinois	85,328	27,914	3,399
Indiana	22,358	9,144	2,075
Iowa	6,130	4,193	1,065
Kansas	12,755	6,989	3,765
Kentucky	26,924	7,777	3,595
Louisiana	42,086	6,656	5,535
Maine	5,315	2,398	955
Maryland	27,733	6,715	1,190
Massachusetts	55,878	17,814	7,285
Michigan	38,528	17,411	8,667
Minnesota	34,000	23,649	9,377
Mississippi	20,016	3,002	5,603
Missouri	29,543	9,775	2,273
Montana	3,387	486	440
Nebraska	10,416	5,656	250
Nevada	5,358	1,599	1,379
New Hampshire	5,502	3,127	608
New Jersey	58,252	20,608	4,499
New Mexico	12,003	1,781	2,131
New York	141,800	32,879	1,778
North Carolina	62,328	11,999	21,453
North Dakota	6,697	4,375	2,934
Ohio	59,561	21,168	1,330
Oklahoma	32,058	6,765	9,002
Oregon	10,351	3,565	485
Pennsylvania	91,107	27,375	6,795
Rhode Island	13,080	6,737	1,880
South Carolina	28,247	5,301	13,623
South Dakota	5,508	2,002	831
Tennessee	43,887	9,115	2,603
Texas	73,374	17,331	10,139
Utah	1,567	587	350
Vermont	2,912	1,095	285
Virginia	29,911	3,118	9,273
Washington	21,879	8,423	3,200
West Virginia	7,717	3,388	760
Wisconsin	20,513	12,537	6,221
Wyoming	813	308	
Puerto Rico	57,136	930	1,060
Virgin Islands	5,021	259	
U.S. total	1,656,115	432,209	[1] 402,834

[1] Most of the applications received were not removed from file per executive order freezing low-rent housing activity February 1973.

Source: Department of Housing and Urban Development, Housing Production and Mortgage Credit—FHA Division of Research and Statistics, Statistical Operations Branch, Jan. 22, 1974

Mr. Speaker, I have included these remarks as allowed under the motion by the gentleman from Texas (Mr. PATMAN) providing 5 days to revise and extend remarks concerning H.R. 15361.

SOVIET'S SUPPORT FOR INTERNATIONAL TERRORISM

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Friday, June 21, 1974

Mr. ASHBROOK. Mr. Speaker, the London Sunday Times for June 16, 1974, has provided us with the latest evidence of Soviet duplicity. The newspaper reveals that Soviet KGB officers are assigned to the Palestinian terrorist organizations to supply them with equipment and training. One Soviet supported group, the Popular Front for the Liberation of Palestine, has attempted to disrupt the American program for a peaceful solution to the Middle East problem. This organization was responsible for the recent terrorist attack on an Israeli kibbutz which resulted in deaths of three women. While the Soviet Union mouths platitudes about peaceful solutions, their terrorist clients carry out murderous acts. The article from the London Times follows:

ARABS' TERROR SQUAD TRAINED BY RUSSIANS

(By Antony Terry, Berlin)

Western intelligence services confirmed last week that Russian secret service officers of the KGB and its army counterpart, the GRU, have trained, equipped and financed an Arab terrorist organisation, the Popular Front for the Liberation of Palestine (General Command), which has claimed responsibility for last Thursday's raid on Israel's Shamir kibbutz in which three women died, including a 22-year-old New Zealand girl.

Object of the raid, according to the Palestinians, was to take hostages and free more than 100 terrorists held in Israeli prisons.

The four Arab terrorists killed in the gunbattle at Shamir carried a bazooka, grenade-launchers and Soviet-made submachine-guns and explosives. Arms and equipment of this kind, including sophisticated electronic rangefinders, telescopes and field glasses, have been arriving in the Middle East for some time along a Russian-sponsored arms "pipeline" which goes via Polish ports to the Syrian harbour at Latakia.

The man behind the PFLP(GC) is Ahmed Jibril, a former Syrian army demolition officer who has been to Russia several times for training.

Soviet support for him dates back five years and he now has a base in Moscow as well as supply and communications centres in several East European capitals, including Sofia and East Berlin.

Many of his Palestinian recruits have also gone through Soviet sabotage and subversion courses run by KGB and GRU officers.

The Jibril guerrillas were led to step up their activities by President Nixon's visit to the Middle East. They admitted last week that the Shamir raid was timed to coincide with his visit and that the organization had carried out the raid as a "protest against a trend among Arab states toward a negotiated Middle East settlement."

Soviet involvement with the PFLP(GC) is kept at a highly secret level by the KGB so as not to conflict with official Russian policy of collaboration in the Middle East. The aim of the operation is to neutralize what the Russians call "rightist elements" among the Palestine Liberation movement who, they consider, are going too far and too fast in making their peace with the Americans.

One important reason why they decided to support Jibril rather than another Palestine guerrilla leader is that his group is not associated with Marxist-Leninist or pro-Communist ideology and is therefore regarded as a more acceptable "neutral" element by the Palestinians as a whole.

The master-minding of Jibril's organisation is effected directly by Soviet diplomats stationed in the Middle East who are also KGB officers. One of these is Yuri Ivanovich Starchinov, a 35-year-old officer who joined the Soviet embassy in the Lebanon as deputy military attache three years ago.

Starchinov was formerly a member of the "action group" of military and guerrilla experts maintaining contact with the Arab terrorists, which was set up by another Soviet diplomat who has since returned to Moscow. He is Alexander Victorovich Morozov, who established close relations with various Palestine guerrilla groups as soon as he was appointed to the Soviet Embassy in Jordan in 1968.

The guerrilla warfare and sabotage training of the Jibril terrorists by the Russians is said in Western circles to be both thorough and effective. The chain of command from Moscow goes through the Soviet Ambassador in Beirut, Sarvar, Azimov, who is described as the "soul and animator" of the Moscow-Palestine guerrilla link-up designed to undercut newly restored US influence in the Arab world.

Jibril's group has become more active in recent months, as several of his best recruits returned from training in Russia. Their exploits included the massacre at Kiryat Shmona, which was carried out by the group's Soviet-trained camp commander, in Syria. Abu Bakr.

In its less spectacular days, the Jibril group concentrated on making letter-bombs and booby-trapped parcels. One of these exploded in a Swiss aircraft in flight and all the occupants died. Another went off in an El Al plane after it took off from Rome airport in August, 1972.

The PFLP (GC) was formed as a separate organisation after Jibril refused to obey the 1970 agreement signed with the Lebanese Government by the Palestine Liberation leader, Mr. Yassir Arafat, not to use Lebanese territory as a base or "corridor" for Palestinian operations into Israel.

For some reason, the Russians have always preferred to ship their arms supplies to Jibril's guerrillas through Polish ports rather than direct from Bulgaria, where the organisation has its main headquarters in Eastern Europe.

Jibril has been receiving Soviet consignments of arms and equipment for the last four years. He has a "logistics and liaison officer," Abu Umar, who, like Jibril himself, is a former Syrian army officer. Umar seldom visits Western Europe but is said to spend a good deal of time in East Germany, which is an important communications link in the Arab terrorist network.